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Last Week: S&P 7711.76 ▲0.49% S&P FIN ▲1.06% S&P IT ▲1.80% DJ TRANS ▼0.89% WSJ $ IDX ▲0.60% 2-YR. TREAS. yield 4.348% NIKKEI 66405.56 ▲0.59% See more at WSJ.com/Markets

What's News

Business & Finance

◆ **An agreement that** would give the U.S. an ownership stake in Venezuelan oil came after months of secretive talks and frequent trips to Caracas by U.S. officials and negotiators. **A1**

◆ **Comments by Fed** Chairman Kevin Warsh at the Jackson Hole policy meeting pointed toward the central bank's raising interest rates next month, which investors now think is more likely than not. **A2**

◆ **KKR is close to** selling insurance brokerage and consulting firm USI to Aon for roughly $17 billion, including debt, divesting itself of an asset that it acquired alongside CDPQ in 2017. **B1**

◆ **Profits are booming** at the biggest U.S. companies, boosted among other things by tariff refunds, federal spending and red-hot AI investment—and corporate leaders say the bonanza is unlikely to slacken soon. **A1**

◆ **The company that** developed a drug to treat pancreatic cancer by targeting a common genetic mutation opted to remain independent rather than solicit a takeover and is intriguing Wall Street analysts as it pursues its own path. **B1**

◆ **Since 2025, Indianapolis**-based burger chain Steak 'n Shake has embraced MAGA endorsed products and techniques such as soda flavored with cane sugar and fries cooked in beef tallow rather than vegetable oil. **B3**

◆ **Canadian small** businesses are expected to bear the brunt of new U.S. tariffs, with one Alberta-based honey producer calling the worst-case scenario "very ugly." **A8**

Worldwide

◆ **U.S. forces attacked** two Iranian rocket launchers in the Strait of Hormuz, U.S. Central Command said, marking the first American strike in weeks in the conflict with Tehran. **A9**

◆ **Russian President** Vladimir Putin and Chinese leader Xi Jinping were set to meet Monday in Kyrgyzstan on the sidelines of a summit of a 10-nation security-focused group that includes Iran. **A9**

◆ **NASA launched** a new flagship telescope, a powerful instrument that will study dark matter and search for other planets. **A3**

◆ **A Russian drone attack** on an ammunition depot in the Kyiv region caused an explosion that killed at least 38 people and injured dozens more, Ukrainian officials said. **A9**

◆ **Russia has turned up** the heat on Kyiv's allies in Europe with a string of so-called gray-zone activities aimed at sowing fear as it struggles to advance militarily on the ground in Ukraine. **A9**

◆ **New York City** Mayor Zohran Mamdani and the United Federation of Teachers split on the issue of one-time bonuses for school aides, payments the union endorses. **A3**

◆ **At least seven people** died after a ferry carrying nearly 270 passengers and crew capsized off the coast of northern Cyprus, Turkish media reported. **A7**

◆ **Icelanders voted** against restarting negotiations on joining the EU in a nationwide referendum despite Trump's threats against the sovereignty or integrity of other nations and territories. **A7**

CONTENTS

Nepal Clings to Hope for the Many Missing in Flood

MANAN VATSYAYANA/AFP/GETTY IMAGES

SWEPT AWAY: The names and faces of some of the 2,500 people missing in the floods that struck Nepal and Tibet last week fill a wall in Kathmandu on Sunday. The death toll in the disaster, likely caused by a glacier collapse, stood at 770. **A7**

Deal for Venezuela's Oil Rights Followed Months of Secret Talks

By Vera Bergengruen, Drew FitzGerald, Collin Eaton and Juan Forero

President Trump spent months declaring his ouster of Venezuela's leader had secured the country's oil for the U.S. When U.S. energy companies resisted investing at the speed and scale he wanted, his administration devised an extraordinary solution.

The agreement announced Friday evening would transform the U.S. government from a broker of U.S. oil investments in Venezuela to an investor itself.

It would give Washington a direct financial stake in a private company that would be granted centurylong rights to some of the world's largest proven oil reserves—and tie the U.S. more closely to an unelected government.

The private company, led by controversial Venezuelan businessman Alejandro Betancourt, would have the opportunity to develop 17 oil fields said to contain 65 billion barrels of oil, or one-fifth of the country's reserves.

The Pentagon, in a striking expansion of its remit, would help finance the oil venture and reap the rewards of its future output.

"If this deal can survive subsequent Venezuelan governments, then Trump will have secured strategic oil reserves for the U.S. that go beyond the shale revolution," said Schreiner Parker, a partner at consulting firm Rystad Energy. "Now, there's a lot of uncertainty as to how these barrels go from reserves to actual production, and who's going to invest the time, effort

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Booming Corporate Earnings Fuel Lofty Outlooks

AI investment, tariff refunds drive gains as many shoppers continue to spend

By Sarah Nassauer And Theo Francis

Profits are booming at America's biggest companies—and their leaders say that likely won't change soon.

From Target and J.M. Smucker to farm-equipment maker Deere, companies spanning the breadth of the U.S. economy are ringing up heftier sales and earnings. In recent days, many have raised financial outlooks for the year, citing robust sales as just one of the reasons.

Chalk the good times up to a confluence of fortunate events: red-hot artificial-intelligence spending, federal spending and the windfall companies are getting in the form of refunds of some of their tariff payments. Plus, a booming stock market and high home values are helping many shoppers keep spending, even as many others struggle to absorb rising prices.

At Abercrombie & Fitch, consumers kept buying even after the fashion retailer pared back discounts in the most recent quarter, executives told investors on a conference call last week. That, plus around $120 million in expected tariff refunds, led the retailer to raise its full-year financial estimates.

"The underlying business

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Employers AI-Proof Their Job Interviews

By Katherine Bindley

There's a new frontier in job interviews and it goes something like this: Remove your Zoom background and pan your camera around the room. Now, could you please wave your hand in front of your face?

The ubiquity of AI-assisted answering—not to mention the risk of hiring candidates who might be lying about where they live, or even working for North Korea—has companies upping their screening tactics.

They want to ensure the people they're hiring really know what they're talking about and are who they say they are.

Heather Wilcox, who has worked as a quality engineer, is actively job hunting now. She says she has been subject to interviews conducted by AI in which software monitors where her eyes are looking to ensure she's not glancing at an AI-generated script.

She also has been told by interviewers that virtual video-call backgrounds are a no-no. But as a former hiring manager herself, she gets it.

"There is a lot of person-swapping and cheating that goes on," she says. "AI has made hiring super difficult because everybody's résumé is super perfect. Everybody has the right answer."

While many companies want to see how adept job seekers are at using artificial intelligence and might encourage its use, there are certain questions they still want candidates to answer without help: how they think through a particular problem, specifics of their prior work experience or how they got through a

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INSIDE

U.S. NEWS

Young New Yorkers who nabbed rent-stabilized apartments live the dream. **A3**

CALEB BOWLIN/GETTY IMAGES

SPORTS

Filipino tennis prodigy is drawing fan interest in Manila—and at the U.S. Open. **A14**

College Enrollment Crisis Hits Brand-Name Schools

Syracuse illustrates spreading problem of falling enrollment

By Douglas Belkin and Roshan Fernandez

When he was the director of international student services at Syracuse University, Juan Tavares received a regular Saturday email from the dean of admissions reporting the tally of student applications, acceptances and enrollment deposits.

During the pandemic the numbers began to slide, so Tavares offered the admissions team seven suggestions to improve recruiting, he said. The recommendations centered on the idea that Syracuse was failing to recruit aggressively enough.

"The problem with Syracuse is that the school thinks of itself as like an Ivy, but it's not," Tavares said.

Tavares, who no longer works at the school, said his recommendations went nowhere.

In 2025, the weaknesses he had pointed out collided with President Trump's high profile crackdown on student visas. Syracuse's international enrollment numbers declined by half for undergraduate and graduate students.

Syracuse also failed to draw enough students overall—prompting it to offer emergency financial-aid packages to lure freshmen.

This school year, which began Aug. 24, enrollment fell short, sending the school into a 1.5% budget shortfall.

Syracuse also added nearly half a billion in debt to build desperately needed new dorms, which brought on a bond market reprimand. And it recently cut programs it said weren't popular.

A national brand-name institution with a $2.5 billion endowment and a storied 150-year tradition is suddenly beginning to flail.

The problems that have long buffeted the nation's smaller schools are now spreading to the nation's bigger, richer universities—with midsize private schools such as Syra-

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One of Asia's Most Liveable Cities Tackles a New Threat: Cicadas

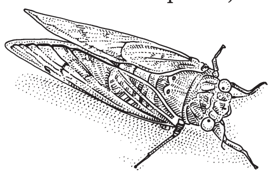
Singapore, not known for half-measures, has gone all out to control what's bugging it

By Mike Cherney

SINGAPORE—As the equivalent of a deputy minister for defense, Desmond Choo helps oversee this city-state's military in a tough geopolitical neighborhood. This year he's taken on another fight: Defending constituents against swarms of cicadas never before seen here.

"When the cicada surges escalate to a point where it starts to significantly disrupt home life across a neighborhood, we had to act decisively," said Choo, who represents the hardest-hit area in Singapore's parliament.

Built on a jungle island roughly 85 miles north of the equator, Singapore is no stranger to cicadas. Until recently, there were 10 known species there. But residents were perplexed when tens of thousands appeared, annoying locals with their loud songs and haphazard flying.



Unwelcome visitor

Scientists determined they were orange-winged cicadas

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Short-Term Loans Put Walter in a Tight Spot

By Margot Patrick And Joe Wallace

Dodgers owner Mark Walter's insurance empire made investments in an unusual way compared with peers: It invested a lot in the short term.

Around $20 billion in insurance investments at Walter's companies are under scrutiny in a federal investigation. That probe is studying how Walter-controlled insurers helped fund his other businesses, including affiliated lending, and whether there was fraud.

The federal probe prompted Walter's insurers to conduct a review and reclassify more than a third of their assets as connected to their owner, the insurers said.

The highest concentration of affiliated lending was in short-term investments, a little-used category at most insurers. Almost all of the $5.2 billion of short-term loans Walter's insurers made last year turn out to have gone to affiliates. Walter's TWG Global conglomerate and its insurance arm have said they plan to cut most affiliated investments by the end of 2026.

Most of those billions in loans were due to mature by the end of this month, which is Monday. That could ratchet a funding squeeze on Walter and TWG, which recently sold a controlling stake in the Los Angeles Lakers a year after buying it.

"It's very unusual," said Alton Cogert of Strategic Asset Alliance in Washington state, who advises insurers on their investment mix.

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