P2JW310000-5-A00100-16DDF61078D

THE WALL STREET JOURNAL.

DOW JONES | News Corp ★★★★★ FRIDAY, NOVEMBER 6, 2026 ~ VOL. CCLXXXVIII NO. 109 WSJ.com ★★★★ $5.00

DJIA 51523.06 ▼ 1833.06 3.44% NASDAQ 24315.00 ▼ 5.5% STOXX 600 654.87 ▼ 0.4% 10-YR. TREAS. ▲ 14/32, yield 4.836% OIL $90.52 ▲ $2.40 GOLD $4,102.50 ▲ $41.40 EURO $1.1221 YEN 157.68

What's News

Business & Finance

◆ **The new reality of** AI skeptics coming to power in Washington slammed U.S. stocks, erasing an estimated $2.5 trillion from the Nasdaq in the worst one-day value destruction in its history. The S&P 500 and Dow fell 4.4% and 3.4%, respectively. **A1**

◆ **Wall Street nemesis** Sen. Elizabeth Warren is set to lead the powerful Senate Banking Committee, giving her expansive authority over the financial industry. **A1**

◆ **The Bank of England** raised its key interest rate and signaled that it is unlikely to move as aggressively to tackle accelerating inflation as many investors had expected. **A6**

◆ **Goldman Sachs named** its largest class of new partners since 2010, with bankers in its asset and wealth-management division among the best represented. **B1**

◆ **China blocked SoftBank's** $5.4 billion acquisition of ABB's robotics unit, highlighting Beijing's determination to keep its edge in physical artificial intelligence. **B1**

◆ **Elevance Health sued** autism-therapy provider the Perfect Child, alleging that it paid the company $160 million due to misleading claims over the past five years. **B2**

◆ **Wendy's rejected** an unsolicited $1.4 billion bid led by Trian to buy the burger chain and adopted policies to protect itself from further hostile takeover attempts. **B1**

◆ **Six Flags' third-quarter** loss narrowed but the company warned that the recent fatal accident on a Georgia thrill ride would weigh on fourth-quarter growth. **B3**

Worldwide

◆ **The White House** delivered a warning to conservative groups on Thursday, saying it was monitoring their statements in an effort to hold together a coalition that was beginning to splinter. **A4**

◆ **Los Angeles voters** elected Democratic Socialist Nithya Raman as mayor, choosing a leftist to guide the second-largest U.S. city after Zohran Mamdani was installed to run New York City, the country's biggest. **A3**

◆ **Democrats are weighing** Trump's trade war with Canada as the first target in a campaign to roll back his administration's tariff agenda. **A5**

◆ **Democrats' midterm** success in securing a Senate majority with a several-seat cushion will make it easy to block Trump judicial nominees, especially for any Supreme Court vacancies that might arise in 2027 or 2028. **A5**

◆ **The income brackets** that determine how much Americans pay in taxes each year will adjust higher by about 3.2% for tax year 2027, the IRS said. **A2**

◆ **British actor and** comedian Russell Brand was found guilty of rape and sexual assault following a four-week trial in London's Southwark Crown Court. **A6**

◆ **Paraguayan President** Santiago Peña offered to resign as he faced congressional impeachment after a bank he was closely connected with collapsed. **A7**

◆ **Imprisoned Hong Kong** activist Joshua Wong, once a face of the city's pro-democracy movement, was sentenced to a new, 10-year prison term on security charges. **A8**

CONTENTS

Arts Review..... A11-12
Biggest Stocks..... B6
Business & Finance B2-3,5
Crossword..... A12
From Page One.. A10
Heard on Street.... B9
Mansion..... M1-14
Markets Digest.... B6
Opinion..... A13-15
Sports..... A16
Technology..... B4
U.S. News..... A2-5
World News..... A6-8

© 2026 Dow Jones & Company, Inc. All Rights Reserved

Nasdaq Loses $2.5 Trillion in Tech Rout

Index closes in correction territory after its worst-ever one-day value drop

The new reality of artificial-intelligence skeptics rising into power after the midterms slammed into Wall Street on Thursday, wiping out an estimated $2.5 trillion from the Nasdaq, the worst one-day value destruction in its history.

*By **David Uberti**, **Jack Pitcher** and **Hannah Erin Lang***

By Thursday afternoon, some $1 trillion of the Magnificent Seven group of tech giants' collective market value vanished. The PHLX Semiconductor index posted its worst day since the depths of the pandemic. The Nasdaq composite stumbled into correction territory after a decline of 5.5%. The Dow Jones Industrial Average fell 3.4% after a rise of nearly that much on Wednesday. The S&P 500 dropped 4.4%.

And the poster child of the AI boom, Nvidia, closed the session in the red—for 2026.

The selloff left few corners of the technology sector unscathed. Asian chip makers, Texas power producers, New Jersey compute providers, Silicon Valley software makers, contractors and data-center developers all tumbled.

Traders making highly leveraged bets got crushed, but so did those who doubted a pullback in AI stocks would get worse. It did, from the opening bell.

"It seems like the rug is getting pulled out from under it," said Jonathan Corpina, senior managing partner at Meridian Equity Partners. "The market continues to be extremely fragile with all this uncertainty in front of us."

It was only a few weeks ago when AI stocks were propelling the markets to record highs, with investors looking expectantly toward the planned initial public offerings of Anthropic and OpenAI.

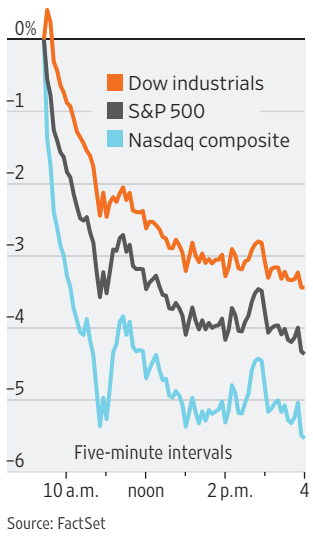
Then, the pressure started to build. First, cracks began to show in risky corners of the AI trade where companies amassed piles of debt to grow. Underwhelming earnings by Amazon and Alphabet sent tremors across trading desks.

Now, the power shift in Washington, as well as the election of several governors who promised data-center restrictions, exposed the stock market's fragility. The years-long bull market left the U.S.

Please turn to page A2

◆ **Funds dump positions, cut staff..... B1**
◆ **Anthropic valuation draws doubts..... B1**
◆ **Heard on the Street: AI risks for retirement savings..... B9**

Index performance, Thursday



Source: FactSet

Bomb Threats Disrupt Air Travel Across Europe



GUILLAUME SALIGOT/AFP/GETTY IMAGES

GROUNDED: More than a dozen flights were diverted or otherwise affected by bomb threats Thursday in the latest wave of apparent hoaxes this week. Above, an Aer Lingus flight from Dublin to Rome that was forced to land in northern France. A6

After Two Years of Unchecked Power, Trump Faces a Tough New Reality

President will confront limits to his leverage in a changed political landscape

WASHINGTON—Even before it was clear just how brutal the election results would be, the recriminations rolled across the nation's capital—starting at the White House.

*By **Annie Linskey**, **Josh Dawsey**, **Meridith McGraw** and **Eliza Collins***

Frustration rose from those gathered in the East Room with President Trump on Tuesday night as they watched his coalition collapsing and Democrats making sweeping gains in deep-red states. The first target of their ire: the drawn-out war in Iran, which drove up fuel prices and shattered Trump's approval rating.

Several White House officials and Republican lawmakers placed the blame on Defense Secretary Pete Hegseth, who advocated for the war and assured the president it could be wrapped up quickly, according to people familiar with the matter.

Trump and some of his top aides had already been expressing doubts about the defense chief, some of the people said. After the scale of the midterm defeat became clear, angry GOP lawmakers began discussing a new proposal, the people said: Get rid of Hegseth if you want anything to get done in the coming lame-duck session.

The idea that Congress would demand anything from Trump—let alone the job of the country's top military official as the U.S. is fighting a war in the Middle East—had been inconceivable since Trump returned to the White House in 2025.

Please turn to page A10

◆ **Democrats target Canada tariffs..... A5**

Wall Street Dreads Warren's New Clout In Senate

By Corrie Driebusch And Dylan Tokar

For nearly two decades, Sen. Elizabeth Warren has needled and probed Wall Street at every turn.

She has called the private-equity industry legal "looting" and written a bill that could make it easier to jail executives. She has called for criminal probes into banking executives for failing to catch blowups. She has sought to delay the biggest IPO of all time, SpaceX, and raised questions about Anthropic's existential risks to humanity. She has pledged to look into bankers' ties to Jeffrey Epstein and dealings with the Trump administration.

Now, the Massachusetts Democrat is about to take the controls of the powerful Senate Banking Committee, giving her the kind of expansive authority over the financial industry she has long sought, and Wall Street has feared.

With her characteristic gusto and new subpoena powers, Warren is expected to

Please turn to page A5

INSIDE



JACKSON TAMMARIELLO/ZUMA PRESS

U.S. NEWS
Gov. Newsom to commute death sentences for 548 inmates. **A3**

American Tourists in Vietnam Get Hustled—for English Lessons

* * *

Children patrol a Hanoi lake for foreigners to be their living, breathing Duolingo app

By Stu Woo

HANOI—Like many American tourists in Asia, Kendall Stempel and Chloe Starr were on high alert for a hustle.

So when a gaptoothed, 6-year-old boy named Hieu approached them, they braced for the pitch. But he didn't want their money. He was after their vocabulary.

The women had just become the latest targets of san tay: the increasingly popular Vietnamese pastime of hunting foreigners for English practice. At Hanoi's Hoan Kiem Lake, tourists of a certain complexion are coveted as living, breathing Duolingo lessons.

"We try to look for people who have blond hair, who look a bit Western," said Hieu's mom, Hoang Ngoc Anh. "White people."

It's a formula that made Hieu, who says you can call him "Theo," near fluent in just a few months—and a social-media star. His mom posts videos of his conversations online, where commenters gush about his proficiency.

She has to take their word for it. Her own English is much more limited. "I don't really know how good he is," she said.

Stempel and Starr, friends from their days at Wake Forest University, tried to compli-

Please turn to page A10

TOMORROW



WSJ. MAGAZINE

THE INNOVATORS ISSUE

South's Red Wall Falls, Upending Political Map

By Cameron McWhirter And Paul Overberg

ATLANTA—The U.S. has a new political reality: Republicans' generations-long grip on Southern politics has been torn apart.

Sweeping through the states of the old Confederacy, Democrats dismantled decades of GOP dominance in one night. They won Senate seats in North Carolina, South Carolina and Virginia while capturing both the Senate races and governor's mansions in Georgia and Texas. Throughout the region, down-ballot state offices and legislatures long held by Republicans flipped blue.

Even Mississippi, which last elected a Democratic senator in 1982, remains in play. Democrat Scott Colom is locked in a tight race with Republican incumbent Cindy Hyde-Smith that few saw coming. President Trump, a Republican who carried the state by more than 20 points two years ago, returned there last month to shore up support.

"You shocked the world," Sen. Raphael Warnock (D., Ga.) told a cheering election-night crowd in a downtown Atlanta hotel ballroom. "It's no exaggeration to say you are making history tonight."

The sweep was so extensive in the Peach State that Democrats also won the races for lieutenant governor, attorney general and secretary of state, as well as lower posts from agricultural commissioner to

Please turn to page A4

◆ **Trump seeks to keep coalition united..... A4**
◆ **Democrats who led businesses notch wins... A4**