

# THE WALL STREET JOURNAL.

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DJIA 42792.07 ▲ 137.33 0.32% NASDAQ 19215.46 ▲ 0.02% STOXX 600 549.98 ▲ 0.1% 10-YR. TREAS. ▼ 9/32, yield 4.473% OIL \$62.69 ▲ \$0.20 GOLD \$3,228.90 ▲ \$46.90 EURO \$1.1244 YEN 144.86

## What's News

### Business & Finance

◆ **Investors sold U.S.** government bonds and the dollar after Moody's late last week stripped the U.S. of its last triple-A credit rating, citing large budget deficits and rising interest costs. Stocks were mostly higher, with the S&P 500 and Dow gaining 0.1% and 0.3%, respectively, while the Nasdaq ended flat. **A1**

◆ **Commerce Secretary** Howard Lutnick handed ownership of Cantor Fitzgerald to his children and sold his stakes in other assets for more than \$360 million. **B1**

◆ **CBS News Chief** Executive Wendy McMahon left the company, the latest high-ranking departure from a network embroiled in a lawsuit with Trump over the editing of an interview with Kamala Harris. **B1**

◆ **Diageo expects a \$150 million** hit to its annual profit from U.S. tariffs as trade-war effects complicate the company's efforts to improve performance. **B3**

◆ **Nvidia unveiled a service** to widen access to its artificial-intelligence chips beyond that enjoyed by the major cloud providers. **B4**

◆ **The semiconductor maker** plans to build Taiwan's first AI supercomputer while deepening partnerships with Foxconn and TSMC. **B4**

◆ **23andMe agreed to be** bought out of bankruptcy for \$256 million by Regeneron, which said it would ensure compliance with the DNA-testing company's privacy policy. **B1**

◆ **Blackstone is expanding** its infrastructure business with a deal to buy energy holding company TXNM for nearly \$5.7 billion in cash. **B3**

### World-Wide

◆ **Russian President** Vladimir Putin refused to agree to an immediate cease-fire with Ukraine in a two-hour call with Trump, who said afterward that Moscow and Kyiv would resume direct talks on an agreement to halt the fighting. **A1**

◆ **Britain and the EU** signed a deal to ease trade and bolster security cooperation, taking the biggest step toward improving their relations since the U.K. quit the bloc five years ago. **A1**

◆ **The Supreme Court** allowed the Trump administration to strip temporary legal protections from thousands of Venezuelans living in the U.S. for now, in a victory for its mass-deportation efforts. **A3**

◆ **House Republicans** set course for a midweek vote on Trump's agenda of tax cuts and spending restrictions, giving them just days to work out deep disagreements among members of their fractious conference. **A2**

◆ **The Justice Department** is charging Democratic Rep. LaMonica McIver with assault after a confrontation with federal law-enforcement officials outside an immigration detention center in New Jersey. **A2**

◆ **China's economy** showed signs of slowing in April as trade tensions with the U.S. soared, underlining the risks high tariffs posed before they were scaled back. **A7**

◆ **Construction on the** massive Empire Wind energy project off the coast of New York is set to resume after an about-face by the Trump administration. **A3**

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## Food Trickles Into Gaza as Israel Ends Blockade



AHMAD SALEM/LOOMBERG NEWS

**HUNGER:** Palestinians wait for food in the northern Gaza Strip. Israel ended a blockade Monday, allowing five trucks of aid into the enclave. Israeli Prime Minister Benjamin Netanyahu said his military would assert control over the entire strip. **A6**

## Fiscal Concerns Put Pressure On Dollar and Bond Market

Yields on long-term Treasurys rise further after nation loses AAA rating

By SAM GOLDFARB  
AND HANNAH ERIN LANG

The U.S.'s deteriorating fiscal situation is threatening to spoil Wall Street's good mood.

Investors sold U.S. government bonds and the dollar on Monday, after Moody's Ratings stripped the U.S. of its last triple-A credit rating late last week, citing large budget defi-

cits and rising interest costs. Adding to the nervousness about the U.S.'s debt trajectory, the House Budget Committee advanced a tax-and-spending bill Sunday that is projected to add trillions of dollars to those deficits.

Though stocks ended the session higher, selling pushed up yields on longer-term Treasurys, which rise when bond prices fall. The yield on the 30-year bond briefly topped 5% before settling just below that threshold, still near its highest level of the year.

The yield gains extended a weekslong climb, fueled by a

mix of receding recession fears, persistent worries about inflation and growing concerns that wider deficits will necessitate ever-larger bond auctions. A bigger supply of Treasurys can outstrip demand, forcing the government to pay higher interest rates to attract investors.

The size of recent budget deficits have been particularly alarming for investors. That is because they have come while the economy is strong, rather than in a recession, when tax revenue typically plunges and the government ramps up spending to revive growth and

help the unemployed.

"If we're putting up deficits of this type now, what might it be like when the economy does run into any form of trouble?" said Christopher Sullivan, chief investment officer for the United Nations Federal Credit Union.

The yield on the 30-year Treasury bond settled at 4.937%, according to Tradeweb. That was up from 4.786% at

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◆ **GOP speeds schedule for spending vote**..... **A2**  
◆ **Heard on the Street: Credit ratings of rich nations** ... **B11**

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AL BELO/GETTY IMAGES

### JASON GAY

The craziest revival in sports? Jalen Brunson and the New York Knicks. **A12**



VICTORIA WILLIAP

### BUSINESS & FINANCE

'N' is for Netflix—as 'Sesame Street' makes a big move for its 56th season. **B1**

## America's College Towns Go From Boom to Bust

Many state universities are losing more students every year, failing the local economies they once fostered

MACOMB, Ill.—At Western Illinois University, an empty dorm that once held 800 students is now a police training ground, where active-shooter drills have left behind overturned furniture, rubber-tipped bullets and paintball casings.

By Konrad Putzier, Douglas Belkin  
and Anthony DeBarros

Nearby dorms have been razed to weedy fields. Two more dorms are set to close this summer. Frat houses and homes once filled with student renters are empty lots. City

streets used to be so crowded during the semester that cars moved at a crawl. No more.

"It's almost like you're watching the town die," said Kalib McGruder, who was born in Macomb and worked 28 years for the Western Illinois campus police department.

Macomb is at the heart of a new Rust Belt: Across the U.S., colleges are faltering and so are the once booming towns around them. Enrollment is down at many of the nation's public colleges and universities, widening the gap between high-profile cam-

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## When DEI's In Your Name, It's a Drag

\* \* \*

Firms become unwitting players in culture wars

By KRISTAL HUR

Every time he hears about a U.S. company distancing itself from DEI, David Markley winces.

Markley runs a car-parts manufacturing firm in Ohio named Design Engineering Inc. Yes, he sighs, that's D-E-I. "You're reading these headlines: 'DEI is wrong,' 'Terrified of the aftermath of DEI,'" said Markley. "It's disheartening when somebody's, like, bashing your baby."

History and pop culture are riddled with examples of the misfortune of sharing a name with a political or societal

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## U.K., EU Strike Accord On Security, Trade Ties

By LAURENCE NORMAN  
AND MAX COLCHESTER

LONDON—Britain and the European Union signed a deal to ease trade and bolster security cooperation, taking the biggest step to improve their relationship since the U.K. quit the bloc five years ago.

EU leaders gathered in London alongside U.K. Prime Minister Keir Starmer on Monday to unveil the deal, which has taken on greater urgency as European allies look to bind themselves more tightly together following Russia's invasion of Ukraine and President Trump's return to the White House.

Starmer said it was time "to move on from the stale old debates and political fights to find common sense, practical solutions which get the best for the British people." He was joined in London by Ursula von der Leyen, the president

of the European Commission. "We in Europe stick together," she said.

The deal includes a new security pact that will give U.K. defense firms access to a 150-billion-euro EU defense fund, equivalent to \$167 billion, pending a final procurement agreement including a U.K. financial contribution. There was also an agreement to harmonize food regulations and slash border checks on food exports heading from the U.K. to the EU. Officials said that there are still details to be worked out.

The U.K. will also allow access to its fishing waters for an additional 12 years, and both sides will launch talks that will make it easier for young people to move and work freely between the U.K. and its EU neighbors for limited periods.

While the British and EU

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