

THE WALL STREET JOURNAL.

What's News

Business & Finance

- ◆ **Employers are holding on** to workers but hiring has slowed, creating a fragile U.S. labor market that the Fed is taking seriously. **A1**
- ◆ **Central banks'** institutional survival this year became a pervasive undercurrent at what is normally a staid policy forum in Jackson Hole, Wyo. **A2**
- ◆ **Powell's cautious signal** at the symposium about a possible rate cut by the Federal Reserve appears to be an attempt to shape a consensus among colleagues who differ on what to do. **A2**
- ◆ **The tech sector** faces a key test this week when advanced-chip maker Nvidia reports earnings, and one that could provide a clue to the sector's direction. **A1**
- ◆ **Nvidia halted production** of an artificial-intelligence chip it developed for China after the government in Beijing told companies not to buy it. **B1**
- ◆ **Keurig Dr Pepper** is close to a roughly \$18 billion deal for European coffee company JDE Peet's with plans for a combined company to separate its beverage and coffee units. **B1**
- ◆ **SpaceX stood down** on attempting the next test flight of its Starship, rocket saying it had run into a ground-system problem. **A6**
- ◆ **Spirit Airlines** is exploring strategic alternatives after its recent financial restructuring failed to put the budget carrier on a sustainable path, bringing in an adviser as it navigates a cash crunch. **B3**
- ◆ **FanDuel** is collaborating with exchange company CME to offer event-based contracts that would let FanDuel users place "yes" or "no" bets on financial events and benchmarks. **B3**

World-Wide

- ◆ **The Trump administration** is brewing its next fight with universities over whether schools are using proxies for race in admissions to diversify student bodies. **A1**
- ◆ **The Pentagon** has for months been blocking Ukraine's use of long-range missiles to strike inside Russia, limiting Kyiv's employment of a powerful weapon in its fight with Moscow. **A1**
- ◆ **The Texas Senate** approved a redistricting plan at Trump's behest, one that Republicans hope will expand the party's narrow majority in the U.S. House. **A3**
- ◆ **California parole boards** denied parole to Erik and Lyle Menendez in the 1989 killings of their parents, José and Kitty Menendez. **A3**
- ◆ **Trump escalated a feud** with Democratic Maryland Gov. Wes Moore, as the two traded barbs over law enforcement in Baltimore and the president's Vietnam War-era draft deferment. **A3**
- ◆ **Wildfires in California** wine country and central Oregon prompted hundreds of evacuations as firefighters worked to try to contain the blazes amid dry, hot weather. **A6**
- ◆ **North Korean leader** Kim Jong Un supervised the test-firing of two types of new anti-air missiles, state media said, displaying his expanding military capabilities. **A18**
- ◆ **Scientists are removing** words like "diverse" and "disparities" from hundreds of federal grant renewals to avoid getting flagged in the Trump administration's focus on eliminating DEI programs. **A4**

CONTENTS	Opinion.....	A15-17
Arts in Review.....	A13	Personal Journal A11-
Business & Finance B1-B8	12	
Corporate News.....	B3	Sports.....
Crossword.....	A14	Technology.....
Heard on Street.....	B8	U.S. News.....
Market Digest.....	B6	World News.....



Ukrainians Honor Nation, Missing Soldiers



SHOW OF CONCERN: Families of missing Ukrainian servicemen held flags and signs while attending a rally in the capital Kyiv on Sunday during the country's Independence Day celebrations, which occurred amid escalating Russian attacks. **A8**

Pentagon Has Quietly Blocked Kyiv's Missile Strikes on Russia

WASHINGTON—The Pentagon has for months been blocking Ukraine's use of long-range missiles to strike inside Russia, U.S. officials said, limiting Kyiv's employment of a powerful weapon in its fight against Moscow's invasion.

By Alexander Ward, Michael R. Gordon and Lara Seligman

A high-level Defense Department approval procedure, which hasn't been announced, has prevented Ukraine from firing any U.S.-made long-range Army Tactical Missile Systems, or Atacms, against targets in Russia since late spring, the officials said.

On at least one occasion, Ukraine sought to use Atacms against a target on Russian territory but was rejected, two officials said. The U.S. veto of long-range strikes has restricted Ukraine's military operations as the White House has sought to woo the Kremlin into beginning peace talks.

Elbridge Colby, the Pentagon's undersecretary for policy, developed the "review mechanism" to decide on Kyiv's requests to fire long-range U.S.-made weapons as well as those provided to Ukraine by European allies that rely on American intelligence and components. The review gives Defense Secretary Pete Hegseth final say over whether Ukraine can employ the Atacms, which have a range of nearly 190 miles, to strike Russia.

"President Trump has been very clear that the war in Ukraine needs to end. There has been no change in military posture in Russia-Ukraine at Please turn to page A8

- ◆ **Drone hunters employ a low-tech approach.....** A8
- ◆ **Russia views Donetsk as key to its war success...** A8

New Front In College Admissions Conflict

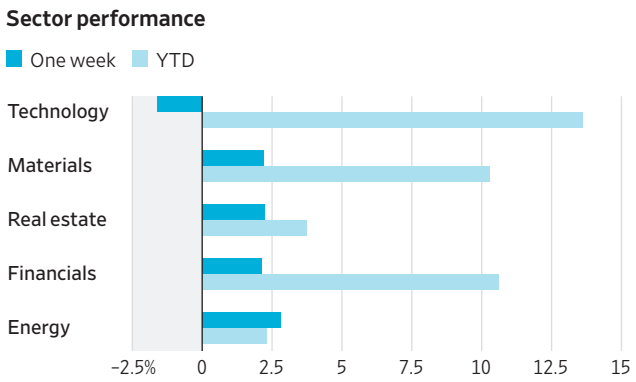
By Matt Barnum

After months of targeting universities over antisemitism allegations, the Trump administration is turning to a new focus: whether schools are using proxies for race in admissions to diversify student bodies. This emphasis is emerging in edicts from federal agencies and in White House scrutiny of specific universities. In late July, Attorney General Pam Bondi warned in a memo against using "unlawful proxies" for race—such as geography or applicant essays on overcoming hardships—in admissions. Soon after, the U.S. Education Department said it would require universities to report new data on applicants, broken down by race, to "ensure race-based preferences are not used." Universities have been prohibited from using racial preferences in admissions since the Supreme Court struck down affirmative action in 2023. The Trump administration suggests schools may be flouting the ban, though universities say they comply. For conservatives and the administration, the current push represents a common-sense strategy to enforce and extend the Supreme Court's ruling. Others say it distorts the ruling and could depress Black enrollment, already down at some top colleges. "There's an effort to say that the law is something that it's not. There's an effort to say that it's illegal to seek to have a diverse student body," said Peter McDonough, general counsel for the American Council on Education, a university lobbying group. In the Supreme Court ruling, Please turn to page A4

Tech Shares Face a Murky Outlook

By Hannah Erin Lang and Bradley Olson

The prospect of lower interest rates is boosting many parts of the market: real-estate firms, banks, manufacturers. The outlook for Wall Street's most popular stocks—the Magnificent Seven tech giants that have led major indexes to records—is much less clear. Those market leaders—Amazon.com, Alphabet, Apple, Meta Platforms, Microsoft, Nvidia and Tesla—have been buffeted recently by questions about the potential for artificial intelligence, concerns about their increasingly stretched valuations and competition from hitherto unloved parts of the market. This week, the tech sector will face a key test when Nvidia, the world's most-valuable listed company, reports earnings. What investors learn there could be key to further gains. Joshua Boyer, 43, said he has trimmed his exposure to megacap tech stocks like Nvidia, Microsoft and Meta by about 25% in recent days. The Phoenix resident said shares



have grown expensive relative to the companies' earnings and said he is satisfied with the outside returns over the past several months. "Anytime I see them getting top-heavy, I'm totally fine taking some money off the table," he said.

Stagnant Hiring Is Rising Economic Hazard

Even as employers keep workers, fragile job market is front and center for Fed

By Justin Lahart

The labor market has moved front and center for the Federal Reserve, highlighting its fragility and risk to the economy. The good news is that unemployment remains low, and employers haven't been all that interested in laying people off. The bad news is that companies haven't been all that interested in hiring, either. This precarious situation means even a relatively small increase in layoffs could lead the economy to start shedding jobs—a process that can be difficult to reverse once it starts. Worries about this possibility have come to the fore at the Fed, especially after revisions included in the July employment report showed much weaker job growth in recent months than previously thought. This is why, while inflation is above the Fed's 2% target, Fed Chair Jerome Powell on Friday signaled the central bank's policymakers could cut rates when they meet in September. Powell characterized the labor market environment as "curious," with the shrunken Please turn to page A2

- ◆ **Trump casts a shadow over Fed gathering.....** A2
- ◆ **Powell's rate signal reflects economic risks..** A2

It's the Summer of DIY Projects

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America's least-handy homeowners pick up power tools

By Owen Tucker-Smith

Mira Kepler didn't want to pay a contractor \$10,000 to turn the smelly, mice-ridden chicken coop in her backyard into an office for her husband. So she checked out an electrical wiring manual from the library and got to work. The abandoned coop had plenty of old hay and mice nests, but it lacked insulation and windows. Kepler was soon cutting holes and installing light fixtures. In Kepler's rural corner of Oregon and across the country, hiring a contractor is getting Please turn to page A9

INSIDE

PERSONAL TECHNOLOGY

Google's Pixel 10 routs iPhone in artificial intelligence. **A11**

BUSINESS NEWS

Musk, Zuckerberg praise a \$3,000 mattress cover. What about regular folks? **B3**

Rwanda Emerges As a Feared Power

Nation has evolved from object of sympathy into aggressive powerhouse

By Michael M. Phillips

GOMA, Democratic Republic of Congo—The evidence of Rwanda's clandestine war was scattered all over the ruins of Goma International Airport. Outside one hangar were piles of Congolese military helmets, jetsam of an army that lost its nerve and tried to slip away when Rwanda-backed M23 rebels attacked the airfield in January. Along the runway sat burned-out military trucks and crippled armored vehicles. At first they appeared to be debris from the battle that left rebels controlling the

largest city in eastern Congo. Looking closer, however, a pattern emerged. The insurgents staggered the metal carcasses on the airstrip to make it suicidal for the vanquished Congolese military to try to land planeloads of troops and retake Goma. Off to one side were the ruins of the operations center once manned by blue-helmeted United Nations troops, whose mission here was to support the government and protect civilians. Hopelessly out-of-date U.N. battle maps littered the floor. The peacekeepers, unable to keep the peace, remained barricaded Please turn to page A9