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What's News

Business & Finance

- ◆ **The Federal Reserve** approved a quarter-point interest rate cut, the first in nine months, with officials judging that recent labor-market softness outweighed setbacks on inflation. **A1**
- ◆ **Investors shrugged** as the Fed delivered the expected rate cut. The Dow gained 0.6% while the S&P 500 and Nasdaq lost 0.1% and 0.3%, respectively. **B11**
- ◆ **Disney is pulling** ABC late-night host Jimmy Kimmel's show after remarks he made about the response of Trump and some conservatives to the killing of Charlie Kirk. **B1**
- ◆ **Ben & Jerry's co-founder** Jerry Greenfield said he was quitting the brand, accusing parent company Unilever of undermining the ice-cream brand's ability to stand behind social issues. **B1**
- ◆ **Nvidia was dragged** further into the U.S.-China trade war after Beijing's top cybersecurity regulator urged big tech companies not to buy one of its newest chips. **B1**
- ◆ **Chinese automakers** have been able to increase their share of global sales, now accounting for more than half of the EVs sold in the world. **B1**
- ◆ **A cyberattack** discovered late last month has prompted Jaguar Land Rover to power down its operations. **B1**
- ◆ **Kering appointed** Francesca Bellettini as Gucci's latest CEO, reshuffling its leadership for the second time in less than a year. **B2**
- ◆ **General Mills' sales** in the recent quarter fell nearly 7% from last year, but the company said its turnaround is starting to bear fruit. **B3**

World-Wide

- ◆ **The former director** of the CDC said she was fired after refusing to compromise her scientific integrity, testifying that Robert F. Kennedy Jr. told her to "be on board" with any changes to vaccine recommendations and to remove career scientists. **A1**
- ◆ **Some military lawyers** and other Defense Department officials are raising concerns about the legal implications of Trump's military campaign against Latin American-based drug cartels, according to people with knowledge of the discussions. **A10**
- ◆ **Heightened fears** of politically motivated attacks have prompted Republican leaders to throw their support behind \$30 million in new spending for lawmaker security. **A4**
- ◆ **Democrats defeated** a Republican effort to censure Rep. Ilhan Omar (D, Minn.) for reposting another user's social-media video that disparaged Charlie Kirk. **A4**
- ◆ **The Republican election** official who drew Trump's ire for refusing to overturn Georgia's 2020 election results is running for governor. **A3**
- ◆ **Three police officers** were killed and two were injured in a shooting in the southern part of Pennsylvania. **A2**
- ◆ **The widow** of Russian opposition leader Alexei Navalny says she has fresh evidence he was killed in prison. **A9**
- ◆ **Israeli troops** pushed deeper into Gaza City as more people fled the devastated area. The Palestinian death toll in the war surpassed 65,000, local health officials said. **A18**

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Fed Lowers Rates by a Quarter Point

At least two more cuts are penciled in as concerns shift to cracks in job market

By NICK TIMIRAOS

WASHINGTON—The Federal Reserve approved a quarter-point interest rate cut Wednesday, the first in nine months, with officials judging that recent labor-market softness outweighed setbacks on inflation.

A narrow majority of officials penciled in at least two additional cuts this year, implying consecutive moves at the

Fed's two remaining meetings in October and December. The projections hint at a broader shift toward concern about cracks forming in the job market in an environment complicated by major policy shifts that have made the economy harder to read.

Eleven of 12 Fed voters backed the quarter-point cut. Fed governor Stephen Miran, who served as a senior White House adviser until his confirmation to the central bank board this week, was the lone dissenter. He favored a larger half-point cut.

Recent declines in the growth rate for both the num-

ber of people looking for jobs and those gaining employment have "certainly gotten everyone's attention," Fed Chair Jerome Powell said at a news conference.

Powell, who referred to "downside risk" six times at a news conference in July, said on Wednesday, "That downside risk is now a reality."

The Fed's carefully drafted postmeeting statement pointed to those concerns when it said the rate cut was justified "in light of the shift in the balance of risks." The statement no longer described the labor market as "solid."

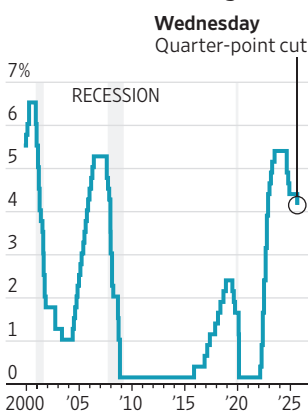
The projections underscore

how coming decisions could be more contentious: Seven of 19 meeting participants penciled in no further rate reductions this year, and two more penciled in only one more cut. And they show that most officials don't expect to make many more reductions next year under their current outlook for solid—if somewhat slower—economic activity.

Officials had been reluctant to lower rates until now because the labor market had looked firmer and inflation has been stubborn, moving sideways or rising this year. "There's no risk-free path,"

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Federal-funds rate target



Note: Chart shows midpoint of target range since 2008. Source: Federal Reserve

British Royals Pull Out the Pageantry for Trump



ALL THAT GLITTERS: President Trump, standing between King Charles III and Catherine, the Princess of Wales, spoke Wednesday at a banquet at Windsor Castle as the U.K. put on a lavish show for his state visit. For video, scan the code with the article on A8.

Divergent American Economy Gets More Divided

By JEANNE WHALEN

There are two economies in the U.S. right now, and they are moving in different directions.

For high earners and many older people in the U.S., the economy looks robust. They are still spending like gangbusters, and their 401(k) accounts and homes have soared in value. They nabbed 3% mortgages when rates were low. Some might worry about AI eventually coming for their jobs, but for now, their positions look relatively secure.

For many others, momentum has stalled or reversed. The big wage growth experienced by low-income workers during the pandemic has petered out.

Those workers are curbing their spending and in some cases are struggling to find jobs. Unemployment for Black Americans and many young people has jumped. Home prices and rents have risen sharply, making housing increasingly unaffordable.

The divided fortunes of rich and poor in the U.S. might sound like an old story. Yet in recent years, workers on the low end of the spectrum began modestly narrowing the gap, as acute labor shortages enabled them to switch jobs and bargain hard for better wages.

Now the gulf is widening again. For much of the past few years, wages for the bottom third of U.S. earners grew at a faster rate than for the top third, Bank of America data show. But since the start

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America Loves Cocaine Again—Mexico's New Drug Boss Cashes In

The Trump administration's war on fentanyl lifted the fortunes of 'El Señor Mencho'

From a heavily guarded mountain hideout in the heart of the Sierra Madre, 59-year-old Nemesio "Mencho" Oseguera reigns as the new drug king of

By Steve Fisher, José de Córdoba and Santiago Pérez

Mexico, aided in his ascendance by America's resurging love of cocaine and the Trump administration's escalating war on fentanyl.

Oseguera spent decades building his

Jalisco New Generation Cartel into a global criminal organization fierce enough to forge a new underworld order in Mexico, displacing the Sinaloa cartel, torn by warring factions, as the world's biggest drug pusher.

The Sinaloans, Mexico's top fentanyl traffickers, got caught in the crosshairs of the Trump administration, which promised to eradicate the synthetic opioid. The crackdown left an opening for Jalisco and its lucrative cocaine trade, elevating Oseguera to No. 1.

"'Mencho' is the most powerful drug trafficker operating in the world," said Derek Maltz, who served this year as interim chief of the Drug Enforcement Administration. "What is happening now is a pivot to much more cocaine distribution in America."

Cocaine sold in the U.S. is cheaper and as pure as ever for retail buyers. Consumption in the western U.S. has increased 154% since 2019 and is up 19% during the same period in the east.

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Disney Pulls Kimmel After Kirk Remarks

By JOE FLINT

Disney said it is pulling Jimmy Kimmel's show off ABC in the wake of remarks the late-night host made about the response of President Trump and some conservatives to the killing of activist Charlie Kirk.

"Jimmy Kimmel Live!" will be pre-empted indefinitely," an ABC spokeswoman said Wednesday. The suspension began with Wednesday night's broadcast.

While no return date has been set, Disney is monitoring the situation and sees a path to the show potentially returning in the next several days, according to a person familiar with the situation.

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- ◆ **Lawmakers seek more protection**..... **A4**
- ◆ **GOP move to censure Omar fails**..... **A4**

INSIDE



PERSONAL JOURNAL
The tiny French airline that lets travelers fly business class without the high price. **A11**



BUSINESS & FINANCE
StubHub stock falls in volatile debut despite strong environment for IPOs. **B1**

The Debate Roiling Marathoners: Does Running Downhill Count?

Tempers are flaring over mountain races that help people qualify for the majors

By SHARON TERLEP

Jared Chrysostom considers himself a levelheaded guy. A civil engineer, he approaches life with an analytical eye and rarely gets worked up.

That poise disappears when

he starts talking about a popular hack in the world of amateur marathoning.

"Using downhill races to qualify for Boston?" he said. "Those people should burst into flames."

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Ousted CDC Head Says RFK Jr. Asked Her to Ignore Science

The former director of the federal Centers for Disease Control and Prevention said she was fired after refusing to compromise her scientific integrity, testifying that Robert F. Kennedy Jr. told her to "be on board" with any changes to vaccine recommendations and to remove career scientists.

By Sabrina Siddiqui, Jennifer Calfas and Liz Essley Whyte

In a hearing Wednesday before the Senate health committee, former CDC director Susan Monarez and Dr. Debra Houry, the agency's chief medical officer who recently resigned, told senators they worried about the consequences for the nation's public health, including vaccine policy. Kennedy, secretary of the Department of Health and Human Services, is a longtime critic of vaccines and has previously pushed discredited theories linking vaccines to autism.

Monarez, a longtime gov-

ernment scientist, described the demands from Kennedy that she said led to her firing in August, less than a month after being sworn in. President Trump nominated Monarez after withdrawing his first pick for the post, facing a lack of support in the Senate.

Monarez said Kennedy told her the childhood vaccine schedule would change starting in September, that he had discussed the change with Trump and that "I needed to be on board with it." The childhood vaccine schedule is a set of recommendations from the CDC about which vaccines children should receive and when.

Monarez said that Kennedy had instructed her to agree to approve all future recommendations from a vaccine advisory panel filled with his appointees, and to fire CDC vaccine policy officials. Monarez said Kennedy told her to resign if she wasn't willing to do so. She said she told Kennedy that she couldn't agree to

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