

# THE WALL STREET JOURNAL.

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DJIA 49760.56 ▲ 56.09 0.11% NASDAQ 26088.20 ▼ 0.7% STOXX 600 606.63 ▼ 1.0% 10-YR. TREAS. ▼ 13/32, yield 4.462% OIL \$102.18 ▲ \$4.11 GOLD \$4,677.60 ▼ \$41.10 EURO \$1.1742 YEN 157.61

## What's News

### Business & Finance

- ◆ **Consumer prices rose 3.8% in April from a year earlier**, fueled by higher gasoline prices since the start of the war with Iran. **A1, A2**
- ◆ **Major U.S. stock indexes extended mixed after the release of the inflation data**, with the S&P 500 and Nasdaq shedding 0.2% and 0.7%, respectively, and the Dow rising 0.1%. **B12**
- ◆ **EBay's board rejected GameStop's unsolicited \$56 billion takeover proposal**, saying the offer was neither credible nor attractive. **B1**
- ◆ **Google is in talks with SpaceX for a rocket-launch deal** as the search giant expands its own efforts to put data centers in space. **B1**
- ◆ **Sam Altman defended his leadership of OpenAI** in the third week of a trial that could shape the future of artificial intelligence. **B1, B7**
- ◆ **Walmart said it would cut or relocate about 1,000 corporate workers** as it looks to combine more of its global-technology and product teams. **B3**
- ◆ **Jack Daniel's maker Brown-Forman rejected a roughly \$15 billion takeover offer** from rival spirits maker Sazerac. **B3**
- ◆ **Under Armour reported lower fiscal fourth-quarter revenue** and said it expected cost pressures and marketing investments to weigh on profit for fiscal 2027. **B3**
- ◆ **SAP said it was rolling out a software suite** to bring its data, cloud, artificial-intelligence and automation features under one roof. **B7**
- ◆ **New venture firm Duration is looking to raise about \$375 million for its first fund** to invest in early-stage startups in enterprise AI. **B2**

### Worldwide

- ◆ **Fugitive Malaysian financier Jho Low, the alleged mastermind of one of the greatest financial frauds in history**, sought a pardon from Trump. **A1**
- ◆ **Tehran expanded its definition of the Strait of Hormuz**, signaling an intention to tighten its control of the strategic waterway. **A9**
- ◆ **FDA Commissioner Marty Makary resigned** after months of policy fights with top officials in the Health and Human Services Department and the White House. **A3**
- ◆ **The Justice Department filed criminal charges against the operator of the ship that crashed into the Francis Scott Key Bridge in Baltimore in 2024.** **A3**
- ◆ **Mayor Zohran Mamdani abandoned his proposal to increase taxes on all New York City property owners** after the initiative was widely criticized. **A3**
- ◆ **The Trump administration will name David Venturella, a former private prison company executive**, as the next acting director of ICE. **A6**
- ◆ **PayPal agreed to forgo about \$30 million in transaction fees** to end a Justice Department probe into allegations that it adopted unlawful preferences for minority-owned businesses. **A6**
- ◆ **British Prime Minister Keir Starmer is fighting for his job** after more than 80 of his party's lawmakers publicly urged him to set a timetable for his departure. **A9**
- ◆ **Died: Rex Reed, 87, celebrated film critic.** **A2** ... **Jason Collins, 47, the NBA's first openly gay player.** **A2**

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# Inflation Accelerated to 3.8% in April

Prices took biggest jump in three years, with gasoline, coffee particular pain points

By CHAO DENG

Consumer prices rose 3.8% in April from a year earlier, a clear impact of higher gasoline prices since the war with Iran started and the latest sign that Federal Reserve rate cuts are unlikely this year.

The figures, reported Tuesday by the Labor Department, surpassed the previous month's reported increase of 3.3%. Economists polled by The Wall Street Journal had

expected inflation of 3.7%. The April increase was the highest in three years.

Prices excluding food and energy categories—the so-called core measure economists watch in an effort to better capture inflation's underlying trend—rose 2.8%. That compared with forecasts for a 2.7% increase, and was a pickup from 2.6% the previous month.

High and rising prices have become a flashpoint for U.S. consumers, who had expected the steep inflation that hit the country right after the pandemic to be off their plates by now. Price increases have been especially sharp for some items that people buy all the time, like coffee and gas.

Some economists said the tariffs that President Trump announced a year ago are still slowly filtering through to some goods—but the Iran war, layered on top of that, has presented a much quicker and more obvious shock that could be hard to reverse.

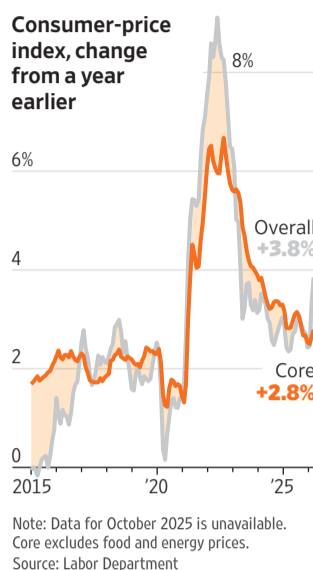
"The American economy has entered a new chapter where inflation appears to have stepped up," said Joseph Brusuelas, chief economist at RSM. He predicted the headline rate moving to 4% later this year. "Median American families are going to find it very challenging to adjust going into the second half of the year."

White House spokesman Kush Desai said that price dis-

ruptions from the Iran war are temporary. "The Trump administration remains laser-focused on delivering growth and affordability on the home front while working to eliminate the Iranian nuclear threat," Desai said.

Prices rose 0.6% in April from the previous month, in line with economists' forecasts and slowing from 0.9% in March. Energy prices accounted for more than 40% of the month-to-month increase.

Energy prices were up 18%. Please turn to page A2



- ◆ **Prices at the pump wipe out wage gains**..... **A2**
- ◆ **Wall Street grows anxious about inflation**..... **B12**

# Trump, Xi Vie for Wins at Summit



An honor guard in Beijing on Tuesday. China has become more emboldened than when President Trump last visited in 2017. **A8**

BEIJING—When President Trump touches down here on Wednesday for a two-day summit with Xi Jinping, he will be face-to-face with the Chinese leader for the seventh time, reuniting with a man who has become a pen pal of sorts.

By Lingling Wei, Annie Linskey and Alexander Ward

The leaders of the world's two most powerful nations have corresponded through letters, according to people familiar with the practice, one of many ways that they have

sought to build a personal rapport despite longstanding tensions between Washington and Beijing and their positions overseeing vastly different political systems.

That dynamic will be put to the test during this week's summit, where the two leaders are expected to discuss thorny issues such as trade, Iran and Taiwan. Publicly, Xi and Trump will seek to paper over their differences. Xi will fete Trump in grand style, giving him a tour of the Temple of Heaven, holding talks in the Great Hall of the People, hosting a state dinner for the U.S.

delegation of CEOs and cabinet members, and sitting with Trump for a tea ceremony.

The summit will be the first presidential visit to China since Trump traveled there nearly nine years ago. The meeting of superpowers comes while the Iran war looms over both countries, as Trump is targeting Beijing's partners in Venezuela and Cuba and as the U.S.-China relationship aims to recover from tit-for-tat economic brinkmanship last year. That it is even taking place as the U.S. blockades Iranian shipments of oil bound for China is extraordinary, accord-

ing to analysts.

Both leaders seek tangible wins. Trump, who is traveling with a delegation including Elon Musk and Nvidia's Jensen Huang, wants China to help end the Iran war and make big purchases of U.S. products, including soybeans and Boeing aircraft. Xi, faced with a deepening economic slump at home, wants a more predictable relationship with Washington, as he works to erode U.S. commitments to Taiwan.

"Both Trump and Xi are aligned around the desirability of stabilizing the relationship Please turn to page A8

# IMDB Fugitive Seeks President's Pardon

By ANNA MARIA ANDRIOTIS AND C. RYAN BARBER

Jho Low, the alleged mastermind of one of the greatest financial frauds in history, is asking President Trump for a pardon.

The request was filed in recent weeks, according to people familiar with the matter, and if granted would remove U.S. criminal charges against the fugitive Malaysian financier. A Justice Department website lists a pending request for a "Pardon after Completion of Sentence" under Taek Jho Low that was filed this year.

Like all requests, Low's chances of a pardon will ultimately rest with Trump and a team of legal advisers. A White House official said Low's request isn't currently on the White House's radar.

Low has also been in talks with U.S. and Malaysian authorities about returning hundreds of millions of dollars tied to the IMDB fraud, the people said.

The move represents the latest gambit in the extraordinary saga of Low, a once little-known businessman who, prosecutors said, used subterfuge, fake documents and payoffs to engineer the heist of billions of dollars from IMDB, a Malaysian government-owned investment vehicle set up to promote economic growth.

Low's lavish lifestyle—par Please turn to page A9

# Schools Are Offering A Fire Sale On M.B.A.s

By RAY A. SMITH

One of the U.S.'s most expensive graduate degrees is going on sale.

Business schools at Purdue University, Johns Hopkins University and the University of California, Irvine, among others, are giving steep discounts on tuition that can save students tens of thousands of dollars.

For professionals who are considering whether to go back to school, it can offer a pathway to get a degree while staying debt free. But for the schools, many of which have struggled to attract applications, these discounts might not be sustainable as a business model.

The price breaks tend to be for shorter, more specialized business degrees aimed at workers struggling to gain traction in a tough hiring market. Younger professionals in particular might be Please turn to page A4

## INSIDE



### SPORTS

He's one of baseball's top sluggers. Why can't he hit a single home run? **A20**



### BUSINESS & FINANCE

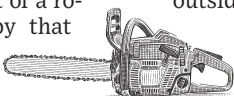
OpenAI CEO Sam Altman defends his leadership, personal investing at trial. **B1**

## Ann Arbor Would Like to Report A 'Massacre' of Its Trees

Residents say the trimmers hired to protect power lines are making a mess of Tree Town

By RYAN FELTON

ANN ARBOR, Mich.—Anita and Ron Delph were looking out their window recently at the familiar sight of a robust tree canopy that lines just about every street in this picturesque college town.



Revved up

Then came the chainsaws. The couple watched as a contractor for the local utility company methodically lopped off big sections of the beech outside their home.

By the time they were done, the timber that remained looked distinctively shrublike. Please turn to page A14

# How Sweden Learned to Love Capitalism

A shake-up of cradle-to-grave care is cutting spending and spurring innovation

By TOM FAIRLESS

STOCKHOLM—This paragon of collectivism is pivoting toward rugged individualism.

For decades, Sweden was shorthand for the brand of high-tax, high-spend government that managed people's lives from cradle to grave through state-run hospitals, schools and care homes.

No longer. With little fanfare, this Nordic country of 11 million has embraced capitalism.

Today, nearly half of primary healthcare clinics are privately owned, many by private-equity firms. One in three public high schools is privately run, up from 20% in 2011. School operators are listed on the stock exchange.

Sweden's experience has lessons—good and bad—for

other rich countries, including the U.S., where New York City Mayor Zohran Mamdani is looking to emulate parts of the state-centric model such as universal child care and city-run stores.

The capitalist makeover has allowed Sweden to do what few industrialized countries have managed in recent years: shrink the size of the state. That has enabled the government to sharply lower taxes and, economists say, sparked a surge in entrepreneurship and economic growth.

Its total public social spending bill—which includes healthcare, education and all welfare payments—has fallen to 24% of gross domestic product, similar to the U.S. and well below the over 30% for nations like Please turn to page A12

