

# THE WALL STREET JOURNAL.

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## What's News

### Business & Finance

- ◆ **The Senate confirmed** Kevin Warsh as the Fed's 17th chair in a largely party-line vote that reflected how tensions with the White House have pulled the central bank deeper into the political fray. **A1**
- ◆ **Wholesale inflation** rose to its highest reading in several years in April, showing how the Iran conflict is raising prices across the supply chain. **A2**
- ◆ **Global oil supplies** could be constrained for months even after shipping through the Strait of Hormuz resumes, the IEA said. **A7**
- ◆ **A rally in Nvidia shares** helped lift the S&P 500 and Nasdaq by 0.6% and 1.2%, respectively, to records, while the Dow fell 0.1%. **B10**
- ◆ **McDonald's renewed** its vows with Chicago, striking a deal to put its name on a new professional soccer stadium in its hometown. **B1**
- ◆ **Cisco Systems** is cutting thousands of jobs to make room for more AI in its business, with plans to eliminate about 5% of its workforce. **B4**
- ◆ **U.K. chip startup Fractile** said it completed a \$220 million Series B funding round led by Factorial Funds, Accel and Peter Thiel's Founders Fund. **B4**
- ◆ **SoftBank recorded** a gain of \$25 billion on its stake in OpenAI in the first three months of the year, more than offsetting losses elsewhere in its portfolio. **B3**
- ◆ **ABN Amro shares** rose 8.75% in Europe, recovering from losses earlier in the year, after the bank reported earnings. **B3**

### Worldwide

- ◆ **The Department of Homeland Security's** inspector general launched a probe into the \$38 billion warehouse-to-detention-center program championed by former Secretary Kristi Noem. **A6**
- ◆ **The Pentagon abruptly** canceled the deployment of an armored brigade to Poland, a major step toward shrinking the U.S. military posture in Europe that caught some military officials by surprise. **A8**
- ◆ **The number of people** who died from drug overdoses fell again in 2025, to levels closer to those recorded before the Covid-19 pandemic. **A3**
- ◆ **Vice president JD Vance** plans to tell all 50 states to fully comply with antifraud statutes or run the risk of losing federal Medicaid funding. **A3**
- ◆ **A federal jury convicted** a U.S. citizen of acting as an unregistered foreign agent for his part in establishing a police station in New York on behalf of Chinese authorities. **A6**
- ◆ **Faculty at Princeton** University voted to require proctoring in all in-person exams, abandoning the sufficiency of the student honor code adopted in 1893. **A3**
- ◆ **White House officials** are weighing a plan for Trump to issue 250 pardons as a way to mark the celebration of the nation's 250th birthday this summer. **A4**
- ◆ **Venezuela said** it would begin restructuring its towering government debt, seeking to regain access to international financial markets. **A9**

### JOURNAL REPORT

Small Business: A family firm that's older than the U.S. **R1-6**

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## High-Stakes U.S.-China Summit Kicks Off



**RED CARPET:** President Trump was welcomed by Chinese leader Xi Jinping on Thursday in Beijing before they were to take on issues, including the Iran war and trade. **A8.** Scan code for the latest summit news at [WSJ.com](https://www.wsj.com).



## Senate Confirms Warsh As Next Fed Chair

Only one Democrat casts vote in favor, in departure from previous nominees

By Matt Grossman

WASHINGTON—The Senate confirmed Kevin Warsh as the Federal Reserve's 17th chair Wednesday in a largely party-line vote that reflected how tensions with the White House have dragged the Fed deeper into the political fray.

Warsh, who was nominated for the post by President Trump in January, won confirmation 54—45, earning support from all Senate Republicans but just one Democrat, John Fetterman of Pennsylvania. Sen. Kirsten Gillibrand (D, N.Y.) didn't vote. No Fed chair has been confirmed by such a narrow margin since Senate approval became a requirement for the job in 1977.

Chair Jerome Powell, whose leadership tenure ends Friday, captured at least 80 votes in Senate confirmations for each of his two terms atop the Fed. The previous chair, Janet Yellen, was confirmed 56—26 in 2014, with many senators absent because of bad weather.

A difficult economic backdrop and Trump's broadsides against the Fed's independence have set up the central bank for a thorny leadership transition.

At a Senate committee confirmation hearing last month, Warsh faced intense questioning from Democrats over how he would maintain the Fed's independence from a president who places priority on personal loyalty. Warsh said

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## Late-Night Truth Social Bursts Offer a Peek Into Trump's Mind

WSJ analysis shows president using the platform to spread conspiracies, attacks

By Anthony DeBarros and Annie Linskey

WASHINGTON—Monday was a typical day for President Trump. He took questions in the Oval Office. He met with members of Indiana

University's championship football team. And he had dinner with law-enforcement officers in the White House Rose Garden.

After the sun went down, another familiar ritual began: late-night social-media posting. The president's Truth Social account posted 55 messages between 10:14 p.m. and 1:12 a.m.

The messages, mostly reposts from other accounts, falsely claimed that the 2020

election was stolen, aired frustrations from anonymous social-media users that Democrats hadn't been indicted by the Justice Department and called for the arrest of Barack Obama for, among other things, a claim that the former president "fabricated" the U.S. finding that Russia interfered in the 2016 election to help Trump win the White House.

The activity is emblematic of Trump's account, which op-

erates as a nearly round-the-clock, high-volume amplification system that blends his own voice with a network of partisan and fringe content. Since the start of his second term, Trump's Truth Social account has ballooned to 12.6 million followers, up from about 8.6 million. The president himself—with the help of staffers—has posted at least 8,800 times, according to a Wall Street Journal analysis.

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## Underdog Anthropic Sprints Ahead In AI Race

By Kate Clark

Anthropic is emerging as the presumptive front-runner in the race for artificial-intelligence supremacy, with faster growth and fundraising that could soon yield a higher valuation than rival OpenAI.

Once a scrappy underdog in a race that OpenAI appeared to have already won, the gap between the two companies has narrowed significantly this year, with new data suggesting Anthropic's growth continues to accelerate rapidly. OpenAI's, by some indications, has begun to plateau.

Anthropic has received investment offers in recent months valuing it at more than \$900 billion, according to people familiar with the matter. That would more than double the company's current valuation and surpass OpenAI's for the first time. Earlier this year, OpenAI raised \$122 billion at an \$852 billion valuation.

Anthropic's revenue run-rate, a figure commonly used by startups that forecasts annual revenue based on short-term sales, is on track to reach \$50 billion by the end of next month, according to figures shared with investors. Their run-rate topped \$30 billion in April, up from \$9 billion at the end of 2025. The company had planned for growth to increase 10-fold this year, but it saw 80-fold growth in annualized revenue and usage in the first quarter.

OpenAI said in late March that its revenue had reached

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### INSIDE



**U.S. NEWS**  
Court grants Alex Murdaugh new trial in the murder of his wife and son. **A3**

**BUSINESS & FINANCE**  
Teenagers gave America's malls a boost—now they're getting the boot. **B1**

## China's 'Two Billion Feet' Are Running From Nike

Domestic athletic brands now match U.S. quality and cachet in the hypercompetitive and increasingly nationalistic market

By Jon Emont and Inti Pacheco

Nearly a half-century ago, Nike co-founder Phil Knight traveled through China on a slow train, with passengers stripped to their underwear in the summer heat, and dreamed of selling sneakers.

He laid out an ambitious vision—"One billion people, two billion feet"—that called for an aggressive push into the country. By 2010, China was among Nike's most lucrative markets, offering a blueprint for U.S. companies seeking to cash in on China's rise.

Today, Nike's China business is flailing—a cautionary tale of an American giant caught

in the tar pit of China's hypercompetitive and increasingly nationalistic consumer market.

Nike's China revenue over the past three quarters was 28% lower than in the same period five years ago, even as the country's sportswear market boomed. Nike has dumped its longtime China leadership, jettisoned other top employees and acknowledged "structural" challenges in the country, which is now the worst-performing part of its global operations.

Executives recently told investors that revenue in China and Taiwan could fall by about 20% year-over-year in the quarter ending May

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### He's a VC Partner by Day, Crypto Fighting Champ by Night

Live trading competitions are booming.

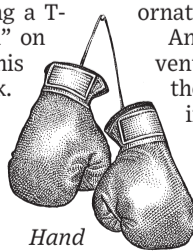
James Parillo is dominating.

By Vicky Ge Huang

James Parillo steps into the ring, completely focused on the prize.

"I'm going to win this," Parillo says to himself. The message is more a reminder than a pep talk.

Parillo is wearing a T-shirt with "Legend" on the front and his name on the back. Soon enough, he's winning. His seven competitors know this, too. A South Korean combatant known only as Jaddoodoo pounds the table in frustration. Parillo can't hear them. His headphones are blasting Phish's "Tweezer Reprise." *Won't you step into the freezer?* Welcome to lower Manhat-



Hand over fists

tan's Church Street Boxing Gym, where steel usually sharpens steel. But on this Thursday night, the ring is occupied by traders buying and selling cryptocurrencies—Bitcoin, ether, even Pengu, a penguin-themed memecoin. The prize: \$10,000 in cash and an ornate Japanese katana.

And Parillo, a partner at a venture-capital firm, is methodically, brutally, pounding his rivals into submission.

This is the frontier of esports-style live trading competitions, a high-octane subculture that feels like an underground rave. Here, trading is reimagined as a sport, complete with play-by-play commentators dissecting every tick of the digital-assets market.

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