

THE WALL STREET JOURNAL.

DOW JONES News Corp *****

FRIDAY, MAY 15, 2026 - VOL. CCLXXXVII NO. 113

WSJ.com

★★★★ \$5.00

DJIA 50063.46 ▲ 370.26 0.75% NASDAQ 26635.22 ▲ 0.9% STOXX 600 616.05 ▲ 0.8% 10-YR. TREAS. ▲ 5/32, yield 4.459% OIL \$101.17 ▲ \$0.15 GOLD \$4,678.10 ▼ \$19.60 EURO \$1.1717 YEN 157.86

What's News

Business & Finance

- ◆ **Shares of Cerebras** soared 68% in their stock-market debut, heralding what is expected to be a stellar year for artificial-intelligence IPOs. **A1**
- ◆ **Investors' hunger for tech issues** fueled the S&P 500's 0.8% climb to its first close above 7500 in a session that saw the Nasdaq and Dow rise 0.9% and 0.7%, respectively. **B1**
- ◆ **U.S. jobless claims** rose last week but remained relatively low, signaling that employers held back from widespread layoffs. **A2**
- ◆ **Researchers said they found a new way of circumventing Apple's security technology** using techniques learned while testing an early version of Anthropic's Mythos AI software. **B1**
- ◆ **Honda reported its first annual loss** as a listed company, equivalent to \$2.7 billion, after giving up on its main electric-vehicle plans in the U.S. **B1**
- ◆ **Burberry said sales** rose in the last three months of fiscal 2026 as it works through a turnaround plan. **B3**
- ◆ **Chevron agreed to sell** several Asia-Pacific refining and retail assets to Japan's Eneos for \$2.17 billion. **B3**
- ◆ **Versant reported lower revenue and profit** for its first quarter in its second earnings report since being spun off from Comcast in January. **B3**
- ◆ **Foxconn reported robust first-quarter revenue and profit** as it increased production of server racks and other gear for the AI build-out. **B4**
- ◆ **AT&T, T-Mobile US and Verizon** teamed up to boost coverage and connectivity in remote regions across the country. **B5**

Xi Gives Trump Warning on Taiwan



President Trump and Chinese leader Xi Jinping shake hands on Thursday at the Temple of Heaven in Beijing. At right, members of the U.S. delegation, which included administration officials Stephen Miller, Jamieson Greer, Pete Hegseth, Scott Bessent, Marco Rubio and Monica Crowley, and tech executives Tim Cook, Elon Musk and Jensen Huang, stand for 'The Star-Spangled Banner.'

Remark about peril of a 'clash' highlights tensions despite leaders' cordial talks

BEIJING—Chinese leader Xi Jinping warned President Trump that any mishandling of Taiwan could lead to “an extremely dangerous situation,” directly raising a point of tension that has loomed over what the U.S. president said at the start could be “the best summit ever.”

By Alexander Ward, Annie Linskey and Brian Spegele

Xi's remarks, while in line with China's longstanding position, threatened to dim the mood of a visit both countries hoped would stabilize ties. The meetings that began Thursday morning at the Great Hall of the People in Beijing were billed as a gathering of superpowers to quell economic and trade disputes.

Those topics were indeed raised, including discussions of trade ties, U.S. access to the Chinese market, Beijing's investment in U.S. industries and its purchases of U.S. agricultural products.

Xi, however, aims to weaken the U.S. commitment to Taiwan, a self-governing democracy that Beijing seeks to bring under its control.

“Handled well, relations between the two countries can maintain overall stability,” the Chinese leader said, according to the Foreign Ministry. “If handled poorly, the two countries will collide or even clash, putting the entire U.S.-China

Please turn to page A8



Lawyers For Altman, Musk Spar As OpenAI Trial Closes

By Georgia Wells

OAKLAND, Calif.—Attorneys for Elon Musk and OpenAI's Sam Altman took turns painting the other's client as untrustworthy Thursday, wrapping a blockbuster trial with closing arguments that pegged the case's outcome to the credibility of the world's richest man and the leader of its most popular AI lab.

The statements closed out the third week of the case, which is litigating the past—and potentially the future—of the AI revolution and has featured some of Silicon Valley's most prominent voices.

“Five witnesses in this trial called him a liar under oath,” Musk's lawyer, Steven Molo, said of OpenAI's Altman. The comment was part of a lengthy effort to impugn his credibility and leadership of the startup, as well as highlight Musk's allegation that OpenAI acted deceptively when it converted from a nonprofit entity into a for-profit business.

Please turn to page A5

Cerebras Jump-Starts AI IPO Fervor

By Corrie Driebusch and Robbie Whelan

Shares of Cerebras soared in their stock-market debut, setting the stage for what is expected to be a blockbuster year for artificial-intelligence IPOs.

The chip company's stock ended the day at \$311.07, up 68% from its IPO price and with a market value over \$66 billion.

It had opened trading on the Nasdaq stock exchange under

the ticker CBRS at \$350 earlier in the day and quickly rose above \$385, forcing the stock to briefly pause trading.

Cerebras had priced its initial public offering at \$185 late Wednesday—far above expectations—catapulting it to raise around \$5.6 billion in the biggest IPO of the year so far.

The excitement for Cerebras shares speaks to the investor fervor over AI, with chip stocks rallying in recent weeks to pro-

pel major U.S. stock indexes to records.

OpenAI and Anthropic—two of the biggest players in the industry—are looking at IPOs in the second half of this year. Elon Musk's SpaceX recently acquired xAI, maker of the Grok chatbot, and is aiming to go public in June. All three are expected to raise more money than Cerebras in their IPOs.

Strong demand from investors earlier this week led Cere-

bras to push its price range to between \$150 and \$160 a share from the previous \$115 to \$125. The company, which focuses exclusively on powering AI models, boosted the number of shares in the offering to 30 million from 28 million.

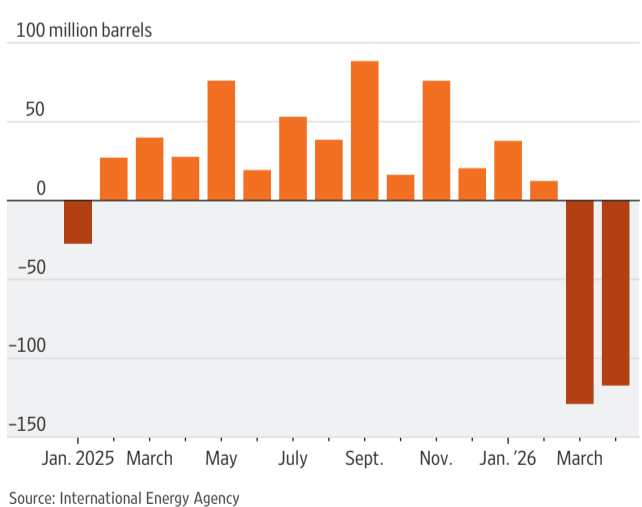
Many investors who wanted shares of Cerebras in the IPO received nothing, forcing them to buy the stock in the public market, according to people familiar with the deal.

Please turn to page A4

Oil Supply Safety Net Shrinks

Global oil inventories, which include onshore tanks and oil on tankers at sea, have fallen at a record pace during the Iran war, plunging 250 million barrels over March and April. **A7**

Monthly change in global observed oil inventories



Powell Era Wraps Up After 8 Bumpy Years

By Nick Timiraos

For the last few years, Jerome Powell would walk past a portrait of Arthur Burns on his way to his office, addressing him silently.

“I'm not going to be you. Burns, the Fed chair under Richard Nixon, embodied two failures: He allowed inflation to get out of control, and he yielded to a president who wanted lower interest rates.”

Powell faced both hazards—inflation and presidential pressure—and more during his eight years as chair. The Fed won broad credit for its novel pandemic response, took a

share of the blame for the high prices that followed and confounded predictions by bringing inflation down without a recession. Powell then weathered the most sustained political assault on the central bank in its modern history.

“It's probably the most difficult time to be a central banker since the Fed was created,” said Daleep Singh, who ran the New York Fed's markets desk in 2020.

Powell leaves with the political verdict still being fought and the economic one still being argued. Inflation, even before the Iran war, was

Please turn to page A2

A 32-Mile Walk Around Manhattan? Sign Me Up.

The annual Great Saunter has blown up, creating new obstacles for walkers

By Annabelle Williams

One island. 32 miles. 3,500 masochists.

The first Saturday in May is a cherished tradition for die-hard walkers, who gather to circumnavigate Manhattan in one very long day. But lately the event has been almost unrecognizable to veterans of the 40-year-old stroll.

A surge of interest from young people has made just gaining entry a chore. As recently as 2013, fewer than 1,000 people registered for the event. Organizers capped this year's Saunter at 3,500, and another 3,000 landed on the wait list.

The start was moved from a tavern to a pavilion. Some walkers carried jingling shells to mark



Walk on

Please turn to page A10

The Reign of 'El Chapo' Is Over, But the Bodies Keep Piling Up

As U.S. targets corrupt Mexican officials, the imprisoned drug lord's sons appear to be losing control of the Sinaloa cartel

By José de Córdoba and Santiago Pérez

CULIACÁN, Mexico—A man's body, hands bound and covered by a blue tarp, lies by the side of the road where it had been dumped minutes earlier. A blood-soaked sign says he was a “Chapito,” a member of one of two criminal factions fighting for control of this city, the cradle of Mexico's transnational narcotics industry.

Such macabre finds are common in Culiacán—a city of luxury car dealerships, fancy

malls, and makeshift fentanyl labs—marking the shifting lines of nearly two years of relentless civil war between the two main clans of the pioneering Sinaloa cartel.

It's a war that the Chapitos, the heirs of Mexican drug boss Joaquín “El Chapo” Guzmán, appear to be losing, casting doubt on the future of a dynasty that once ruled vast swaths of the criminal underworld on its way to becoming the world's top producer and smuggler of fentanyl.

Please turn to page A10

CONTENTS Mansion..... M1-12 Arts in Review A11-12 Markets..... B9 Business & Finance B2-5 Opinion..... A13-15 Business News..... B3 Sports..... A16 Crossword..... A12 Technology..... B4 From Page One..... A10 U.S. News..... A2-5 Heard on Street..... B10 World News..... A6-8

