

THE WALL STREET JOURNAL.

DOW JONES News Corp

THURSDAY, JUNE 25, 2026 ~ VOL. CCLXXXVII NO. 146

WSJ.com

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What's News

Business & Finance

- ◆ **The artificial-intelligence** build-out is beginning to push up the prices of goods and services, leading to speculation about how long they might remain elevated. **A1**
- ◆ **A jump in Micron** shares in after-hours trading propelled a rally in Nasdaq futures following a 0.4% slip in the index at the close. The S&P 500 shed 0.1% and the Dow rose 0.35%. **B1**
- ◆ **JPMorgan Chase**, Bank of America and their peers passed the annual stress tests administered by the Fed, which said big banks were equipped to weather severe economic headwinds. **B1**
- ◆ **SK Hynix plans** to raise more than \$29 billion through a U.S. listing, seeking to tap foreign investors to fund its expansion plans. **B1**
- ◆ **Prologis**, the world's largest owner of industrial real estate, said it offered the equivalent of \$16.63 billion to take over Segro and was rebuffed. **B3**
- ◆ **OpenAI and Broadcom** collaborated to develop a chip specifically for large language model inference with the goal of improving efficiency and lowering costs. **B4**
- ◆ **Qualcomm agreed** to acquire AI software company Modular for about \$3.9 billion in a bid to make artificial intelligence faster and cheaper for its customers. **B3**
- ◆ **Geopolitical uncertainty** is now the top risk facing the shipping industry, Allianz Commercial said, citing the value of vessels and cargo stuck in the Persian Gulf. **B2**
- ◆ **Chemours agreed** to pay \$450 million to settle allegations it used "forever chemicals" in its products. **B3**

Worldwide

- ◆ **Trump abruptly canceled** plans to sign bipartisan housing legislation while again pushing a bill that would impose strict new voter-eligibility rules, and hours later clashed with one of his top Republican critics over the Iran war. **A1**
- ◆ **The CDC formally** ended its hantavirus response, nearly two months after an outbreak aboard a cruise ship triggered an international effort to contain it. **A3**
- ◆ **Defense Secretary Pete** Hegseth cut short the career of the Army's top commander in Europe, whose retirement the Pentagon presented as part of a broader winnowing of senior military leadership. **A3**
- ◆ **Massachusetts' Supreme** Judicial Court struck down a ballot measure that would have let voters choose statewide rent control in November. **A4**
- ◆ **The Trump administration** is expected to override a decision by a Democratic lawmaker who is blocking a proposed \$750 million sale of jet engines to Turkey over concerns about the country's ties to Russia. **A3**
- ◆ **Camp Mystic**, an all-girls camp in Texas Hill Country, filed for chapter 11 bankruptcy protection nearly a year after 28 people died there in a catastrophic flash flooding. **A3**
- ◆ **A onetime chief** of staff to former New York City Mayor Eric Adams was indicted on bribery charges for what prosecutors said was a scheme to exploit the city's migrant crisis for profit. **A6**
- ◆ **Two powerful earthquakes** hit Venezuela, causing buildings to collapse in Caracas and rattling other cities. **A8**

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President Trump, with Senate Majority Leader John Thune on Wednesday, surprised fellow Republicans by scrapping plans to sign a housing bill that he previously championed.

Trump Derails Housing Bill, Fueling Strains

GOP meeting turns fiery over Iran war as president again presses voting bill

WASHINGTON—President Trump abruptly canceled plans to sign bipartisan housing legislation while again pushing a bill that would im-

By Lindsay Wise, Siobhan Hughes and Marianne LeVine

pose strict new voter-eligibility rules, and hours later engaged in a fiery clash with one of his top Republican critics over the Iran war.

Trump's blindsiding of lawmakers and his contentious lunch meeting with GOP senators on Wednesday heightened tensions within the Republican Party as November elections edge closer. Frustrations have been mounting for months

while the White House ignored Congress on the Iran war and Trump targeted some longtime lawmakers for defeat over what he deemed insufficient loyalty. More recently, Trump derailed plans to extend a key surveillance power and install a new intelligence chief.

The lunch meeting with GOP senators was called to focus on the SAVE America Act, which Trump sees as critical to helping Republicans win in midterm elections. But the bill is opposed by some Republicans and all Democrats and doesn't have enough support to pass. Inside the room, Trump quickly turned the conversation to Iran. The president and Sen. Bill Cassidy (R., La.) shouted at each other about the war and the senator's recent vote to rein in the president's war powers.

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◆ **Massachusetts landlords** win rent-control fight.... **A4**

AI Boom Sparks New Wave of Inflation

By JUSTIN LAHART

President Trump's trade wars have waned. The price of gas is finally falling. But inflation has a new catalyst: The U.S.'s artificial-intelligence build-out is beginning to push up prices on everything from smartphones to electricity.

The question now is how widely that build-out might ripple through the economy, and how long it could keep inflation elevated. The answers will have big consequences for the economy.

The money pouring into the

AI arms race is unprecedented. Analysts peg capital spending at five of the so-called hyperscalers—Alphabet, Amazon, Meta Platforms, Microsoft and Oracle—at \$741 billion this year, according to FactSet, up nearly 75% from last year.

Where is all that money going? While much of the conversation is focused on what AI can do, the build-out itself is strikingly physical, said Columbia University economist Stijn Van Nieuwerburgh.

The data centers used for AI require sophisticated computing equipment, cooling

systems to keep that equipment from overheating, electric and fiber-optic cables and backup generators to prevent power disruptions.

Based on announced and planned developments, Van Nieuwerburgh estimated that spending on the AI build-out through 2032 could come to about \$8 trillion—nearly five times the market value of the entire New York City property market.

With so much demand, prices are rising for many of the things that go into the AI build-out. And because those

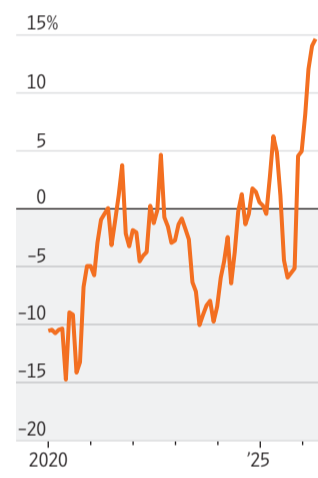
things are used for more than just AI, those price increases are spilling over into the broader economy.

Memory and storage chips, for example, are used in an array of consumer-electronics products that includes everything from videogame consoles to cars. Nintendo, Microsoft and Sony have all raised prices on devices. Higher price tags

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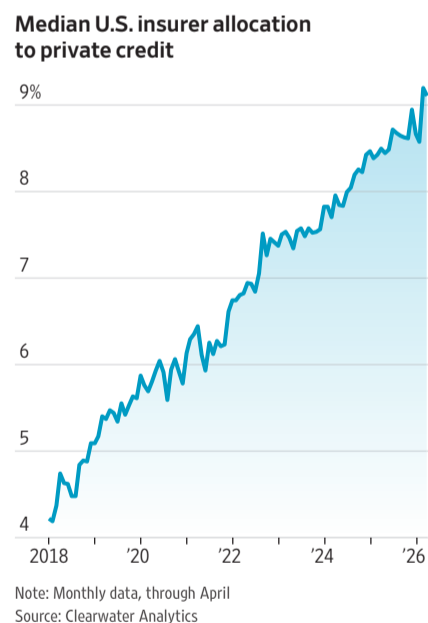
◆ **Micron earnings give** Nasdaq futures a lift..... **B1**
 ◆ **Heard on the Street: Two** giants lead AI power..... **B11**

Change in consumer prices for computer software and accessories from a year earlier



Insurers Double Down on Private Credit

About a fourth of life insurers that hold stakes in private-credit funds also lend money to them—typically lending \$2 for each dollar of shares owned—amplifying potential returns but also increasing risks. **B1**



China Is Building Up the Yuan, Hobbling Western Sanctions

Iran and Russia have used the currency to carry out oil sales and other trade, evading controls on dollar transactions

The White House has entered talks with Iran over a new nuclear deal, relying on a traditional strength: the promise of sanctions relief

By Rory Jones, Austin Ramzy and Costas Paris

and access to some of roughly \$100 billion in frozen assets.

Yet, that leverage is waning. Tehran has blunted the U.S. sanctions campaign in recent years by successfully using China's financial ar-

chitecture—built on the yuan—that operates beyond Washington's reach.

The shift was evident in late April when the U.S. escalated its "Economic Fury" campaign against Iran, sanctioning a major Chinese refinery it said bought billions of dollars' worth of Iranian oil. The refinery, Hengli Petrochemical, said its supplier had guaranteed the oil wasn't Iranian.

But it also put the U.S. on notice. Future oil purchases, Hengli said, would be settled in

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World Cup's Hydration Breaks Kick Off High-Speed Beer Runs

The controversial pauses might have turned this into the booziest tournament in history

At a World Cup loaded with tension and geopolitical intrigue, nothing has been more polarizing than the disruptions known as "hydration breaks." These three-minute

By Andrew Beaton in Seattle and Joshua Robinson in Arlington, Texas

pauses, which occur midway through each half, have been derided around the globe as commercial land grabs that cater to sponsors, break up momentum, and violate the spirit of soccer.

There is, however, one thirsty group that can't get enough of them—and it isn't the guys running around in the heat for 90 minutes.

At stadiums all over the country, the

World Cup's hydration breaks have turned into high-speed beer runs.

"That's exactly what I looked at it as," U.S. supporter Daniel Bonner said during the team's match against Australia in Seattle. But, he added, as a soccer fan, "I hate them."

FIFA, soccer's world governing body, insists the hydration breaks are a necessary measure for player safety in the heat of the North American summer—never mind that five of the 16 fields at this tournament are covered or entirely indoors.

What these respites have actually done is help turn this into what might just be the booziest World Cup in history.

Four years after Qatar unceremoniously ripped beer out of stadiums on the eve of the tour-



Knockout round

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INSIDE



U.S. NEWS

Mamdani deepens his clout in Democratic Party by backing three primary winners. **A6**



PERSONAL JOURNAL

Remote TSA screening cuts down on airport hassles but eats up travelers' time. **A10**

Resilient Troops Give Ukraine Its Best Shot At Holding Off Russia

By ALISTAIR MACDONALD AND NIKITA NIKOLAENKO

LOZOVA, Ukraine—The toll of war is visible on Jr. Lt. Ihor Vizirenko. He has a facial tic he blames on his concussions and a limp stemming from back problems.

Then, there are the invisible scars. Ten dead friends. A daughter, born after the invasion, whom he has barely seen.

Vizirenko, who joined Ukraine's army in the weeks after the Russian invasion, and many in his unit have now been fighting for more than four years. The physical and psychological impact has grown as the war has dragged on—now lasting longer than World War I.

But Ukrainian troops have proven resilient—and that is starting to pay off amid some early signs that the tide of the war is beginning to turn

against Moscow.

In recent months, Russia's territorial gains have vanished and its casualties have mounted. Ukraine is increasingly responding to Moscow's aerial barrages with strikes deep inside Russia.

The shift in the conflict hasn't gone unnoticed on the front line.

"We feel the difference," Vizirenko said.

They were buoyed recently by news that Ukraine had crippled the Moscow region's biggest oil refinery in a massive aerial strike. On Vizirenko's own slice of the front line, they are using higher numbers of drones, to deadly effect on Russian soldiers.

"I believe this is only the beginning of a hellish summer for the Russians—one they'll remember," he said.

Vizirenko's unit from

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