

# THE WALL STREET JOURNAL.

DOW JONES News Corp \*\*\*\*\*

MONDAY, JULY 11, 2022 - VOL. CCLXXX NO. 8

WSJ.com

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Last week: DJIA 31338.15 ▲ 240.89 0.8% NASDAQ 11635.31 ▲ 4.6% STOXX 600 417.12 ▲ 2.5% 10-YR. TREASURY ▼ 1 21/32, yield 3.098% OIL \$104.79 ▼ \$3.64 EURO \$1.0188 YEN 136.10

## What's News

### Business & Finance

**I**nvestors expect concerns about hot inflation and strapped consumers to dominate the corporate-earnings season that kicks off this week, creating winners and losers in the battered stock market. **A1**

◆ **Elon Musk's** showdown with Twitter has set the stage for what could become one of the most unusual courtroom battles in corporate-takeover history. **A1**

◆ **Abbott** reopened its biggest factory after a shutdown last month that dealt another blow to efforts to replenish the short supply of baby formula in the U.S. **A3**

◆ **Business insurance** price rises in the U.S. are slowing after average year-over-year increases peaked in mid-2020 at nearly 18%. **B1**

◆ **"Thor: Love and Thunder"** grossed \$143 million in North America and \$159 million internationally on the film's opening weekend. **B2**

◆ **Celsius** hired new lawyers for restructuring advice as it navigates the financial fallout from recent turmoil in crypto markets, according to people familiar with the matter. **B6**

◆ **Starbucks** stopped selling a new breakfast chicken sandwich over quality concerns roughly a week after the item made its national debut. **B3**

### World-Wide

◆ **Biden's Middle East** trip this week marks a move toward a more traditional American foreign policy with Saudi Arabia, as the realities of oil diplomacy and geopolitics lead him to compromise on campaign promises to isolate the kingdom over human-rights violations. **A1**

◆ **A longtime goal** of Japan's slain former leader, Shinzo Abe, moved closer to realization as the country's prime minister, fresh from an election victory, said he would push to revise the constitution to cement the military's role. **A1**

◆ **Steve Bannon**, a former Trump adviser, told the Jan. 6 committee that he is willing to testify, reversing course as he faced trial for contempt of Congress over his refusal to cooperate with the panel. **A5**

◆ **Ukraine's defense** minister called for U.S. supplies in addition to recently delivered long-range artillery systems, stressing the high attrition rate along the front in its war with Russia. **A6**

◆ **Doctors and hospitals** are rushing to reconcile laws in their states barring abortion with a federal law that may require the procedure as part of emergency treatment. **A3**

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## Sri Lanka Serves as Warning to Other Debt-Laden Nations



**IN CRISIS:** Protesters occupied the president's residence Sunday in Colombo, Sri Lanka's capital, a day after storming it. The president's whereabouts were unknown. Other cash-strapped countries are vulnerable to shortages, inflation and rising U.S. rates. **A7**

## Elon Musk's Twitter Flip-Flop Cues Up Strange Legal Fight

BY CARA LOMBARDO AND ROBERT WALL

Elon Musk's showdown with Twitter Inc. has set the stage for what could become one of the most unusual courtroom battles in corporate-takeover history—a spurned acquisition target that never sought to be bought potentially trying to force the buyer

who soured on the deal to see it through.

In just over three months, Mr. Musk aggressively pursued a takeover that Twitter first resisted, then he prevailed and reneged—all the while using the very platform to ridicule Twitter and its leaders and drop hints about his shifting intentions.

With Mr. Musk's attempt to

terminate his \$44 billion takeover, Twitter says it plans legal action. In a statement Friday, it indicated it will file a lawsuit in the Delaware Court of Chancery arguing Mr. Musk must close the agreed-upon deal.

Friday evening, he filed papers saying he wanted out, taking aim at Twitter on several fronts and saying the

company violated the merger agreement. He accused Twitter of withholding data from him to verify facts about the business and that its statements on the amount of spam on the platform represent material misstatements to regulators.

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◆ **Heard on the Street:** Musk is Twitter's adverse effect... **B10**

## Inflation Looms Over Earnings Season

JPMorgan, Pepsi, Delta to report results this week; some investors fear forecasts too rosy

BY HANNAH MILIO

Investors expect concerns about hot inflation and strapped consumers to dominate the corporate-earnings season that kicks off this week, creating winners and losers in the battered stock market.

Stocks have come under pressure this year with inflation hovering at a four-decade high and the Federal Reserve in the midst of a campaign to raise interest rates to rein it in. The S&P 500 has fallen 18% in 2022, even after rallying 3% to start July.

Tightening monetary policy has slashed the rich valuations that stocks carried at the start of the year, leaving earnings growth as a key pillar of support. The reporting season for the second quarter will mark the latest test for the market as investors assess how profits have held up—and how companies are navigating the second half of the year.

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◆ **James Mackintosh:** A strong dollar wins inflation battle... **B9**

## Biden Eyes Resetting U.S.-Saudi Relations

President Biden's Middle East trip this week marks a move toward a more traditional U.S. foreign policy with Saudi Arabia, as the realities of oil diplomacy and geopolitics lead him to compromise on campaign promises to isolate the kingdom over human-rights violations.

By Stephen Kalin in Riyadh, Saudi Arabia, and Andrew Restuccia in Washington

ties lead him to compromise on campaign promises to isolate the kingdom over human-rights violations.

The shift in U.S. priorities has led to starkly divergent views being put forth by U.S. and Saudi officials over how the visit will unfold.

Mr. Biden and his senior aides said they are focused on a summit of Arab nations where the president will mingle with multiple heads of state and not on a highly anticipated face-to-face meeting with Saudi Crown Prince Mohammed bin Salman, who remains toxic in much of Washington, especially among Democratic leaders. U.S. officials said the president will meet with the 86-year-old King Salman and his leadership team, which includes Prince Mohammed.

Saudi officials, though, said there will be substantial exchanges between Prince Mohammed and the president on a range of topics and have described the summit as peripheral.

Riyadh has signaled it wants acknowledgment of Prince Mohammed's social and economic

## Djokovic Captures Wimbledon



**Novak Djokovic** defeated Australia's Nick Kyrgios in four sets to win his seventh Wimbledon and 21st major trophy. **A14**

## Ex-Leader's Party in Japan Triumphs After His Killing

BY PETER LANDERS

**TOKYO**—A longtime goal of Japan's slain former leader, Shinzo Abe, moved closer to realization as Prime Minister Fumio Kishida, fresh from an election victory, said he would push to revise the constitution to cement the military's role.

The ruling coalition led by

Mr. Kishida won a clear majority of parliamentary seats at stake in Sunday's election and might have enough votes in Parliament to move ahead with constitutional changes.

Politicians on both sides of the issue said the election demonstrated the nation's commitment to democracy after

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## U.K. Weighs Saying Cheerio To Metric System

Freed of EU edict, government formally studies embracing old measurements

BY SAABIRA CHAUDHURI

The U.K. is in a leadership crisis, but as politicians argue over who is to be prime minister, ordinary Britons face an issue more pertinent to everyday life: Should they weigh them-

selves in kilograms or in stone?

Leaving the European Union freed Britain to do its own trade deals and control its immigration. The government recently spied another area for taking control—how things are

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## Crypto Firms Seek Deals Amid Blowout

BY PAUL VIGNA

In the rubble-strewn land of virtual currencies, cash is king. A blowout in the cryptocurrency market sparked a wave of layoffs, punished valuations and drove some companies to bankruptcy. Now firms that still have capital are gearing up for a shopping spree.

"This is a very ripe scenario for some M&A," said Jalak Jobanputra, the founder and managing partner of crypto-

focused venture-capital fund Future Perfect Ventures.

Last week, crypto-lender Nexo agreed to acquire a Singapore-based peer called Vauld. While terms of the deal weren't disclosed—Vauld had raised \$27 million since its founding in 2018, according to research firm PitchBook—Nexo framed the deal as one in

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◆ **Crypto lender Celsius** hires new lawyers for revamp... **B6**

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