

## What's News

### Business & Finance

China's major economic pillars wobbled in July, with weakness in manufacturing and the all-important property sector showing the pressure on a country that remains a drag on the struggling global economy. **A1, A9**

◆ Spirit Airlines for months fended off JetBlue's takeover advances in an attempt to preserve its deal with Frontier before its defenses began to crack in late June. **A1**

◆ Edgewell issued a voluntary recall of one of its Banana Boat sunscreen-spray products after an internal review found trace levels of the carcinogen benzene in some samples. **B2**

◆ U.S. defense companies are experiencing staffing shortages when the war in Ukraine and tensions over Taiwan are expected to stoke demand for military hardware. **B3**

◆ Workers at three Boeing defense manufacturing plants will vote Wednesday on a modified labor-contract proposal, temporarily avoiding a strike that was slated to start as soon as Monday. **B3**

◆ CVS, Starbucks and Uber are among the companies headlining a busy earnings week, as investors look for signs of a recession after a second quarter of contraction in the U.S. economy. **B6**

◆ A proposed Senate spending package would boost clean-tech companies and could make nascent technologies, like green hydrogen and carbon capture, viable. **B4**

### World-Wide

◆ After months of Russian forces making painfully slow gains in Ukraine's east, the focus of the war is moving to the south, where a potentially decisive phase of the conflict will play out. **A1, A7**

◆ The U.S. is considering sanctions that would target a U.A.E.-based businessman and a network of companies suspected of helping export Iran's oil, part of a broader effort to escalate diplomatic pressure on Tehran as U.S. officials push to reach a deal on Iran's nuclear program. **A1**

◆ House Speaker Pelosi led a delegation of Democratic lawmakers to Asia in the face of stern warnings from Beijing that the group should avoid a stop in Taiwan. **A9**

◆ Biden again tested positive for Covid-19 in what his physician called a rebound case. **A3**

◆ Under Senate Democrats' fiscal legislation companies making capital investments could pay the bulk of the new corporate minimum tax, an analysis of the plan found. **A4**

◆ The McKinney Fire in Northern California had scorched over 50,000 acres as of Sunday, officials said. **A3**

◆ Rescue workers continued to fan out across eastern Kentucky as the death count from floods in the region rose to 28, officials said. **A3**

◆ Died: Bill Russell, 88, basketball legend and civil-rights pioneer who won 11 NBA championships... Nichelle Nichols, 89, who played Uhura on "Star Trek" **A3**

### JOURNAL REPORT

C-SUITE STRATEGIES: Diversity efforts. **R1-B**

CONTENTS  
Outlook..... A2  
Arts in Review..... A13  
Business News..... B3-B  
Crossword..... A14  
Crisis..... A14  
Economy..... A2-B  
Health & Science..... B5  
Herald on Street..... B9  
Markets..... B9  
Opinion..... A15-17  
Weather..... A14  
World News..... A7-9



## Bill Russell, NBA Legend Who Won 11 Rings, Dies at 88



CENTERPIECE: Bill Russell, shown at right in a 1962 NBA playoff game, played his entire career with the Boston Celtics and was the league's first Black coach. His advocacy for civil rights helped earn him the Presidential Medal of Freedom in 2011. **A3**

## Consumers' Uneven Spending Fuels Caution Among Retailers

By ANNE GASPARRO AND THEO FRANCIS

The consumers who fueled the U.S. economy through the pandemic are starting to crack. Data last week revealed new evidence from companies and the government that household spending is growing more strained. Families are paring back purchases of items such as electronics and furniture as prices for essentials like food and gasoline have become more expensive. Inflation drove consumer spending in June to a four-decade high while personal income fell when adjusting for inflation and taxes.

Two of the country's biggest retailers, Walmart Inc. and Best Buy Co., warned last week that a steeper-than-expected pullback in shoppers' spending would crimp their profits. The latest financial re-

sults also show that many big companies' profits have held up this year by passing along to consumers higher labor and fuel costs. Changes in spending habits, so far, have been uneven, companies and economists say. Many people are dining out and traveling more after missing chances to do it earlier in the pandemic. Pent-up demand is also fueling sales for automobiles. And some people—

especially higher-income households—are continuing to shell out for desired items regardless of elevated prices. Consumer confidence, however, has softened. After raising interest rates for the fourth time this year to battle inflation, Fed officials are now looking at the economy.... **B6**

◆ Outlook: Finding a jobs rate that tames inflation.... **A2**  
◆ Earnings this week offer a look at the economy.... **B6**

## Chinese Economy Is Facing Uncertain Recovery

Weakness in property, manufacturing sectors reflects pressure that echoes around globe

By CAO LI

China's major economic pillars wobbled in July with weakness in manufacturing and the all-important property sector, showing the pressure on a country that remains a drag on the struggling global economy. Chinese manufacturing activity unexpectedly contracted in July, as Beijing's stringent Covid-19 restrictions and weak demand undercut hopes for a more robust economic revival. The official manufacturing purchasing managers index pulled back to 49.0 in July from 50.2 in June, China's National Bureau of Statistics said Sunday. The result left the index below the 50 level that separates expansion from contraction and short of the median forecast of 50.3 among economists polled by The Wall Street Journal.

Meanwhile, a nascent two-month recovery in China's home sales ended in July as a widespread mortgage revolt over concerns that ailing property developers wouldn't be able to deliver still-unfinished apartments weighed on demand. Sales at the country's top 100 property developers fell 39.7% in July from the same period last year to the equivalent of \$77.6 billion, or 523.14 billion yuan, according to data released on Sunday by China Real Estate Information Corp., a Shanghai-based real-estate data provider.

◆ Strained city finances are a drag on China's growth.... **A9**

## War With Russia Pivots as Ukraine Turns Focus South

A Ukrainian offensive to reclaim a key port city could signal a shift in the conflict

By STEPHEN FIDLER AND DANIEL MICHAELS

After months of Russian forces making painfully slow gains in Ukraine's east, the focus of the war is moving to the south, where a potentially decisive phase of the conflict will play out. Ukraine has used long-range artillery and rocket systems, including the Amer-

ican M142 Himars, to halt Russia's grinding advances in the east, destroying ammunition dumps, command-and-control centers and air-defense systems that appear to have limited Moscow's ability to sustain its offensive.... **A10**

◆ Russia pounds Ukrainian port city of Mykolaiv..... **A7**  
◆ Invasion widens rifts among Christian groups..... **A7**

## Key Lime Pie Fans Whipped Up Over Dessert Snub

Florida gives strawberry shortcake official status; 'a travesty'

By JOHN CLARKE

Earlier this year in Plant City, Fla., at a press conference, Gov. Ron DeSantis tried a spoonful of strawberry shortcake, gave a thumbs-up, and signed a new law making it the state's official dessert.

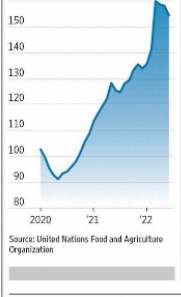
culinary industry, locals and visitors, immediately let it be known. "I don't know how this happened—I think it's a travesty," said Mike Martin of Mike's Pies in Tampa.

"We thought it was a joke," said Paul Menta, a Key West chef and rum maker. "Then shock set in. And finally denial. Locals were upset, but visitors were outraged—it was almost personal for them." Even Florida's Lt. Gov. Jeanette Nunez had warned Sen. Danny Burgess, one of the bill's sponsors, to be careful.... **A10**



## Break Is Seen For Food Prices

Falling costs for commodities may ease food price rises. **A2**



## JetBlue, Spirit Set Deal Face to Face

By ALISON SIDER

For months, Spirit Airlines Inc. fended off JetBlue Airways Corp.'s advances in an attempt to preserve its deal with Frontier Group Holdings Inc.

In late June, its defenses started to crack. Ted Christie, Spirit's chief executive, and Mac Gardner, its chairman, flew to New York the first week of July to meet their counterparts at JetBlue in a hotel near John F. Kennedy International Airport.

They met face to face with JetBlue Chief Executive Robin Hayes and Chairman Peter Boneparth for the first time since JetBlue swooped in with a higher offer for Spirit, peo-

ple familiar with the matter said. The goal was to reset the tone in a negotiation that had been publicly acrimonious. Three weeks later, the companies made the announcement that JetBlue would buy Spirit in a \$3.8 billion deal that would create the fifth-largest U.S. airline. Airline executives who have spent nearly four months as staunch adversaries are joining to persuade U.S. antitrust regulators that they should be allowed to merge.

"Many things were said, but business is business," Mr. Christie said in an interview after the new deal was made public. The deal—years in the making—Please turn to page A6

## U.S. Investigates Iran Oil Exports

By IAN TALLEY

WASHINGTON—The U.S. is considering sanctions that would target a United Arab Emirates-based businessman and a network of companies suspected of helping export Iran's oil, part of a broader effort to escalate diplomatic

pressure on Tehran as U.S. officials push to reach a deal on Iran's nuclear program. The firms and individuals under scrutiny have been using ship-to-ship transfers of oil in waters between Iraq and Iran and then forging documents to hide the origin of the cargo, according to corporate

documents reviewed by The Wall Street Journal, shipping data and people familiar with the matter. By passing off the blended oil as Iraqi, those involved can avoid Western sanctions targeting Iranian oil. Yet within the administration, there isn't consensus on Please turn to page A8

### INSIDE



**PERSONAL JOURNAL**  
Bad news strengthened bonds of a group of longtime college friends. **A12**



**SPORTS**  
England's women's soccer squad wins the European championship. **A14**



**U.S. NEWS**  
The death toll rose to 28 in flooding in Kentucky as rescue searches continued. **A3**