

What's News

Business & Finance

Analysts have been cutting their estimates for third-quarter earnings growth, signaling another possible test for the resilience of the stock market. **A1**

- ◆ **U.S. stocks rose** ahead of the Tuesday release of consumer-price data for August, with the S&P 500, Nasdaq and Dow gaining 1.1%, 1.3% and 0.7%, respectively. **B1**
- ◆ **Peloton Interactive** said co-founder John Foley and other senior leaders are leaving the company in a management shake-up. **A1**
- ◆ **Freight railroads** said they plan to halt the transport of hazardous materials and sensitive cargoes as they continue negotiations with two labor unions. **B1**
- ◆ **Twitter's shareholders** are poised to approve the \$44 billion takeover that Musk is now trying to exit, according to people familiar with the matter. **B3**
- ◆ **Goldman** is preparing to lay off hundreds of staffers as soon as next week, cuts that follow the reinstatement of annual performance reviews. **B1**
- ◆ **A rocket** operated by Blue Origin failed during a planned uncrewed space flight, ending the mission prematurely, the Bezos-backed company said. **B3**
- ◆ **General Electric's** Culp said the company's breakup plans are on track but that it continues to battle supply-chain pressures. **B3**
- ◆ **Oracle's sales** topped expectations in the latest quarter, as its cloud businesses and the integration of Cerner lifted results. **B4**

World-Wide

- ◆ **Russia withdrew** more forces from the Kharkiv region, retreating from a swath of northeastern Ukraine as Kyiv's forces continued their push into Russian-occupied territory and the government vowed that all areas seized by Moscow would be retaken. **A1**
- ◆ **Ukraine signaled** it will make major new requests for weapons from the U.S. and its allies, including a long-range missile system Washington has declined to provide. **A6**
- ◆ **The Justice Department** said it would accept one of the Trump team's proposed candidates to serve as a third-party arbiter to review documents seized from the former president's Mar-a-Lago home last month. **A4**
- ◆ **The Biden administration** said it would revise safety requirements for offshore oil and gas producers, reversing some of Trump's moves to pare back regulations. **A3**
- ◆ **Queen Elizabeth II's** coffin was borne by procession along the streets of Edinburgh, as tens of thousands crowded the heart of the Scottish capital to bid farewell to Britain's late monarch. **A16**
- ◆ **U.S. officials** wound up a day of high-level meetings with their Mexican counterparts optimistic that they can bring Mexico on board with plans to boost regional production of semiconductors and renewable energy. **A2**
- ◆ **Roughly 15,000** Minnesota nurses went on strike in protest of stalled contract negotiations and concerns over staffing and retention, wages and patient care. **A3**

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Ukrainian soldiers in the Kharkiv region on Monday as troops retook a wide swath of territory from Russia.

Russia Pulls Out More Forces As Ukraine Presses Offensive

By MATTHEW LUXMOORE

Russia withdrew more forces from the Kharkiv region, retreating from a swath of northeastern Ukraine as Kyiv's forces continued their push into Russian-occupied territory and the government pledged that all areas seized by Moscow would be retaken. "The Russian occupiers are running so fast under pressure from Ukrainian soldiers that they're leaving whole ammunition arsenals behind," Ukraine's SBU intelligence service said on Monday. "We know what to

do with them and will be sure to use them according to purpose—against the enemy." Since the start of its offensive this month, Ukraine has said it has retaken about 9,000 square kilometers, or about 3,500 square miles, of territory from Moscow's forces in the region of Kharkiv, handing Russia its biggest setback since it invaded in February. That is more than one-tenth of all areas Russia gained and kept since the invasion. The rapid gains have caught Moscow off guard, prompting criticism among supporters of

the Kremlin about the way the military campaign is being handled. Ukraine published photos on Monday of troops inspecting a warehouse filled with Russian arms and ammunition in Izium, a city in southeastern Kharkiv that had for months served as a garrison for Russian forces. In a report published early Monday, Ukraine said its armed forces had retaken 30 Russian-occupied settlements on Sunday alone, capitalizing on panic among Russian forces who have reportedly been

fleeing the Kharkiv region and leaving equipment behind. Sgt. Artur Shevtsov of the Dnipro-1 battalion, based near Slovyansk in eastern Ukraine, said the battalion's sixth and seventh units had taken part in the battles for Izium and Balakliya. Sgt. Shevtsov said soldiers

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- ◆ **Kyiv to ask for more weapons from West**... A6
- ◆ **Ukrainians roll back changes in liberated region**... A6
- ◆ **War casualties rise as Kremlin stops counting**... A7

Peloton Chairman Resigns In Latest Shake-Up

By SHARON TEBBLE

Peloton Interactive Inc. said co-founder John Foley and other senior leaders are leaving the company in a management shake-up as the maker of connected exercise equipment races to turn itself around. Peloton has struggled with deepening losses this year after a pandemic-fueled spike in demand for its at-home workouts left the company with a glut of unsold bicycles when consumers returned to gyms and outdoor activities. The company's shares have plunged more than 90% over the past year. Mr. Foley, who led the company for most of its 10-year existence, stepped down as CEO in February but remained executive chairman of the board. He resigned on Monday, the company said, and will be succeeded as board chair by Karen Boone, a former executive at Restoration Hardware and a Peloton board member since 2019. The shake-up, announced by Chief Executive Barry McCarthy, comes weeks after Peloton reported a \$1.2 billion quarterly loss and a nearly 30% drop in revenue. Mr. McCarthy warned investors in August that the business would likely spend more cash than it brings in for several more months. With fewer people buying new Peloton machines, the new CEO has experimented with lowered prices and bike rentals as well as trying to get people who don't have Peloton bikes or treadmills to pay a monthly subscription for the company's online fitness classes. "We slashed pricing in order

INSIDE



PERSONAL JOURNAL 'Succession' takes best drama, 'White Lotus' racks up wins at Emmy Awards. **A9**

JOANNA STERN Apple's latest software update has a makeover for the iPhone. **A10**

Who'll Take the House Plants? A Puzzle for People Moving Abroad

Shipping is hopelessly complicated, so owners search for someone to adopt

By MICHELLE CHAN

Frustrated by the cost of living in New York City, Etel Edshteyn, a dog-behavior consultant who works remotely, looked into moving to Puerto Rico or Central America. The deal breaker was the hundreds of plants she keeps in her apartment in Queens. Restrictions on moving many plant species across international borders, along with prohibitive shipping costs, led Ms. Edshteyn to narrow her relocation options to New Jersey and Virginia, within driving distance. "It would be really heartbreaking to pay a monthly subscription for the company's online fitness classes. "We slashed pricing in order

fills three indoor greenhouses. They include exotic species from Ecuador and her favorite Queen Anthurium, a climbing plant with six-inch leaves that she grew from a sapling. Ms. Edshteyn plans to transport whatever can fit in her car to her new residence. For the rest, she has spent several weeks screening people who want to buy or adopt her plants, to make sure they are properly taken care of. No matter how hard people try to pack their entire lives into suitcases when moving abroad, they often must leave one thing behind—beloved house plants. Among the rules that make taking them along impractical are requirements in many countries

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Weaker Earnings Forecasts Test Rise In Stocks

Analysts cut estimates by their most since 2020 as companies sound more downbeat

By AKANE OTANI

Stocks are riding a tentative recovery, with the S&P 500 up 1.1% on Monday, but whether they can keep their momentum hinges in part on how earnings season plays out next month. Analysts have cut their estimates for third-quarter earnings growth by 5.5 percentage points since June 30, according to John Butters, senior earnings analyst at FactSet. That is more than usual and marks the biggest cut since the second quarter of 2020, when the Covid-19 pandemic and ensuing lockdowns brought economic activity to a standstill. Companies also have been looking increasingly pessimistic lately. A total of 240 companies in the S&P 500 mentioned recession on their postearnings conference calls for the latest quarter, the most ever in FactSet's data going back to 2010. Even with the outlook for the coming earnings season darkening, markets have been resilient. The S&P 500 rose 43.05 points to 4110.41 on Monday, while the Dow Jones Industrial Average climbed 229.63 points, or 0.7%, to 32381.34.

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- ◆ **Finance chiefs struggle to pinpoint forecasts**... B4

Instagram Stumbles In Push to Mimic TikTok

Internal documents show how it lags behind on short-form video

Meta Platforms Inc. Chief Executive Mark Zuckerberg is betting the social-media giant's near-term future on Instagram Reels, the short-video feature he is touting as the company's answer to TikTok.

By Salvador Rodriguez, Meghan Bobrowsky and Jeff Horwitz

The company's internal research shows that Meta has a lot of catching up to do. Instagram users cumulatively are spending 17.6 million hours a day watching Reels, less than one-tenth of the 197.8 million hours TikTok users spend each day on that platform, according to a document reviewed by The Wall Street Journal that summarizes in-

ternal Meta research. The document, titled "Creators x Reels State of the Union 2022," was published internally in August. It said that Reels engagement had been falling—down 13.6% over the previous four weeks—and that "most Reels users have no engagement whatsoever." One reason is that Instagram has struggled to recruit people to make content. Roughly 11 million creators are on the platform in the U.S., but only about 2.5 million of them, or 20.7%, post on that platform each month, the document said. Meta spokeswoman Devi Narasimhan characterized the data on viewing hours as outdated and not global in scope, but declined to disclose other numbers. She said

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