

THE WALL STREET JOURNAL.

What's News

Business & Finance

- ◆ **Goldman Sachs reported** a 45% increase in its third-quarter profit, a sign that lower interest rates, a stable economy and the bank's work refocusing on Wall Street are paying off. **A1**
- ◆ **Burning through cash**, Boeing secured a new credit line and moved to raise at least \$10 billion by selling new shares, in hopes of demonstrating that it can weather its current crisis. **A1**
- ◆ **Stellantis is expanding** its factory complex in northern Mexico to build Ram 1500 pickup trucks, a move that threatens to inflame its union relationship. **B1**
- ◆ **A selloff in chip stocks** weighed on major U.S. indexes, with the S&P 500 and Dow both retreating 0.8% and the Nasdaq sliding 1%. **B11**
- ◆ **The New York Times** sent generative-AI startup Perplexity a cease-and-desist notice demanding that the firm stop accessing and using its content. **B1**
- ◆ **Amazon.com and startup Databricks** struck a five-year deal that could cut costs for businesses seeking to build their own AI capabilities. **B3**
- ◆ **LVMH reported** third-quarter revenue below market estimates amid a global slowdown in demand for luxury goods. **B3**
- ◆ **Regulators fined Lufthansa** \$4 million, accusing the airline of discriminating against 128 Jewish passengers by stopping them from making a connecting flight. **B3**
- ◆ **Ericsson said its networks unit** recorded an 80% surge in North America sales in the third quarter boosted by contracts and customer investments. **B4**

World-Wide

- ◆ **The Biden administration** urged Israel to improve the humanitarian situation in Gaza or risk a cut to arms sales, the starkest threat by Washington since the war in the enclave began last year. **A6**
- ◆ **Many civilians in northern Gaza**, exhausted by repeated evacuations or fearful for their safety elsewhere, are staying put despite Israeli orders to leave as the military conducts its offensive against Hamas. **A6**
- ◆ **A judge blocked** a new Georgia election rule that would have required poll workers to hand-count ballots, handing a setback to allies of former President Trump. **A4**
- ◆ **Elon Musk poured** \$75 million into his pro-Trump super PAC in the three months through September, according to federal filings. **A3**
- ◆ **The Biden administration** has held talks with three firms about buying one of the largest non-Chinese cobalt producers, as the U.S. attempts to loosen Beijing's grip on the green-energy revolution. **A3**
- ◆ **North Carolina Lt. Gov. Robinson** sued CNN for defamation after the network reported he allegedly made antigay and racist comments on a porn site more than a decade ago. **A3**
- ◆ **Government debts are** projected to match the annual output of the global economy by the end of this decade, and could cross that threshold much sooner, the IMF said. **A7**
- ◆ **The National Zoo** welcomed two giant pandas, Bao Li and Qing Bao, flown to Washington, D.C., from China under a new 10-year agreement with Beijing. **A2**

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A \$1 Billion Museum Opens in Pyramids' Shadow



KING-SIZE: A statue of King Ramses II is displayed at the Grand Egyptian Museum, which houses more than 100,000 artifacts near Giza's famed pyramids. A trial run is scheduled for Wednesday after more than a decade of construction. **A7**

Goldman's Profit Surges 45% As Wall Street Activity Picks Up

By ANNAMARIA ANDRIOTIS

Goldman Sachs reported a 45% increase in its third-quarter profit, a sign that lower interest rates, a stable economy and the bank's work refocusing on Wall Street are paying off.

Across the big investment banks, results were better than expected Tuesday as executives said activity is picking up with clients eager to strike deals and trade. They said hopes are building that the economy has made it to a

soft landing, which could create even better conditions in the coming months.

Goldman's profit rose to \$2.99 billion and revenue rose 7% to \$12.7 billion.

Bank of America and Citigroup also posted strong results from the Wall Street operations on Tuesday.

"We see significant pent-up demand from our clients," said Goldman Chief Executive David Solomon on a conference call. "The beginning of the rate cut cycle has renewed

optimism for a soft landing, which should spur increased economic activity."

There is more room for growth, Solomon signaled, pointing out that volumes for mergers remain below 10-year averages.

Goldman has been undergoing a strategy shift, exiting consumer-lending after incurring billions of dollars in losses. The bank is instead refocusing on its core businesses of dealmaking and trading while growing its asset and

wealth-management division.

The Federal Reserve's recent interest-rate cut is seen as a positive for dealmaking, helping awaken Wall Street from a long malaise caused by high interest rates. But total volumes aren't at levels seen in 2021, when easy monetary policy led to a bumper year of mergers and capital markets activity.

The dynamics started to turn in banks' favor earlier this year, and most analysts now expect that investment banks' Please turn to page A2

Xi Pivots on Economy, Scoffs at Full U-Turn

By LINGLING WEI

With China's economy sinking deeper into a funk in late September, Xi Jinping finally decided something had to be done.

After resisting calls to take forceful steps to prop up the economy for two years, Xi relented and ordered a barrage of interest-rate cuts and other measures to put a floor under growth.

But Xi didn't give his economic mandarins a blank check. Officials and government advisers close to decision-making said he wanted to bail out indebted Chinese municipalities on the brink of collapse and revive the stock market without veering too

far from his focus on letting the state drive China's transformation into an industrial and technological powerhouse.

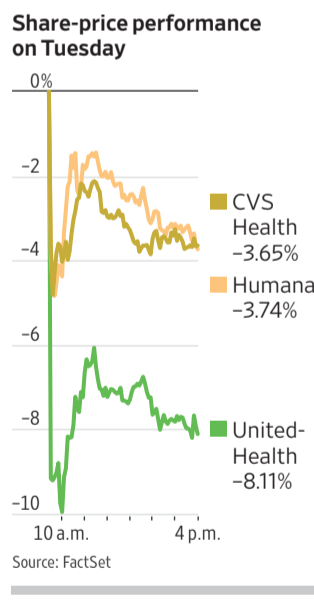
For Xi, the officials and advisers said, the near-term goal isn't to massively stimulate demand but to fend off a brewing financial crisis—or "derisking," in official lingo—thereby helping to stabilize the overall economy and achieve the 5%-or-so growth target for this year.

The resulting mixed message on what exact stimulus was coming has sent investors on a roller-coaster ride. Markets were initially energized by Please turn to page A8

◆ **Heard on the Street: Don't chase China's rally.....** B12

Insurer Warns On Earnings

UnitedHealth said its profit would fall short, triggering a drop in insurers' stocks. **B1**



Oval Office Hopefuls: You Get a Tax Break! You Get a Tax Break!

By RICHARD RUBIN AND XAVIER MARTINEZ

Supposedly, there's no such thing as a free lunch. But there might soon be tax-free overtime pay, tax-free Social Security benefits, free home health-care or free assistance with newborn expenses.

This presidential campaign is bringing a whole new meaning to free-market economics. Republican nominee Donald Trump, in particular, layers tax giveaway on top of tax giveaway, promising voters everything but the kitchen sink. (So far, there's no deduction for kitchen sinks, but the cam-

aign isn't over yet.)

Many of the ideas are more slogans than proposals—concepts of a plan, to borrow a Trump phrase. They are accompanied by no details, fact sheets, white papers or experts. Still, if Republicans sweep November's election, some of them might be law in six months. Some might be forgotten except by beleaguered policy analysts who have spent the campaign season trying to figure out, again and again, what Trump is accomplishing. Please turn to page A4

◆ **Gender gap defines Trump-Harris race.....** A4

*Should You Be Nice To Your Bot? *ChatGPT users face an awkward ethical dilemma*

By PREETIKA RANA

California couple Vikas Choudhary and Ridhi Sahni can't agree on one thing: How polite must one be with ChatGPT?

Choudhary, the founder of an artificial intelligence startup based in Palo Alto, has fawned over the chatbot from OpenAI ever since it helped him squash a massive bug in his code.

"You're a rock star," he once told the AI chatbot.

"I'm super thankful for it, and I thank it quite a bit actually—especially if I think I was rude to it earlier," said Choudhary.

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A Monkish Billionaire Draws IRS Heat

Inventor of 5-Hour Energy says he wants to give his fortune to the poor

By MARGOT PATRICK

Manoj Bhargava dropped out of Princeton University in the 1970s to find enlightenment in India. He lived as a monk and grew close to the family of a prominent guru.

When Bhargava later struck it rich selling 5-Hour Energy caffeine shots, he decided to help India's needy. He gave away hundreds of millions of dollars for the guru's family members to disburse to charity and started a lab near his home outside Detroit for do-good inventions such as a stationary bike producing electricity.

Bhargava has said he follows a "zero-profit" business model of making money from the rich to give to the

poor. He branched out into medical devices, a "super water" and a media empire that briefly made him the publisher of Sports Illustrated.

Not so fast, say U.S. tax authorities. They have another take on Bhargava's Robin Hood moves: tax abuse.

Bhargava improperly lowered his tax bill by gifting a \$624 million stake in his 5-Hour Energy partnership to charity, then buying it back with an IOU without ever giving up control of the company and its drink formula, the Internal Revenue Service alleged in civil tax court. It separately launched a criminal probe with the Justice Department into Please turn to page A9

Salesforce.

#1 CRM.

Ranked #1 for CRM Applications based on IDC 2023 Revenue Market Share Worldwide.

Source: IDC, Worldwide Semiannual Software Tracker, April 2024.

salesforce.com/number1CRM

CRM market includes the following IDC-defined functional markets: Sales Force Productivity and Management, Marketing Campaign Management, Customer Service, Contact Center, Advertising, and Digital Commerce Applications. © 2024 Salesforce, Inc. All rights reserved. Various trademarks held by their respective owners.