

# THE WALL STREET JOURNAL.

DOW JONES | News Corp

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WEDNESDAY, DECEMBER 31, 2025 ~ VOL. CCLXXXVI NO. 154

WSJ.com

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DJIA 48367.06 ▼ 94.87 0.20% NASDAQ 23419.08 ▼ 0.2% STOXX 600 592.78 ▲ 0.60% 10-YR. TREAS. ▼ 3/32, yield 4.128% OIL \$57.95 ▼ \$0.13 GOLD \$4,370.10 ▲ \$43.10 EURO \$1.1749 YEN 156.42

## What's News

### Business & Finance

- ◆ **The U.S. stock market** is closing out 2025 near an all-time high, with the S&P 500's 17% gain vaulting the index toward its seventh-best three-year run on record. **A1**
- ◆ **After a year of** blistering growth, artificial intelligence chip makers are preparing for a bigger 2026, but that very success has created a host of challenges for the AI ecosystem as a whole. **A1**
- ◆ **When the Fed met** to cut interest rates this month, some officials said they were reluctant to support more easing in the near future, minutes show. **A2**
- ◆ **Government moves** to ease rules around bank deals and capital requirements are emboldening activist investors to take aim at lenders they consider ripe for change. **B1**
- ◆ **British renewable-energy** startup Octopus will spin off utility-management platform Kraken Technologies at a valuation of \$8.65 billion. **B3**
- ◆ **Walmart experienced** an outage, leaving thousands of customers unable to access its mobile app and website before service was restored. **B3**
- ◆ **Tesla deliveries** in the fourth quarter are expected to drop 15% from a year earlier, according to a compilation of estimates published by the automaker. **B3**
- ◆ **Walt Disney settled** claims over its data-collection practices with children, in a deal where it was ordered to pay \$10 million. **B3**

### World-Wide

- ◆ **A CIA attack** against a dock in Venezuela earlier this month was the first known operation inside the country since Trump authorized the agency to operate clandestinely against its drug traffickers and government. **A8**
- ◆ **The oil tanker** the Coast Guard has been pursuing for nearly two weeks has had a Russian flag sloppily painted on its hull in an apparent attempt to claim protection from Moscow, U.S. officials said. **A9**
- ◆ **Tensions between** Saudi Arabia and the U.A.E. flared in an escalating dispute spurred by fighting in Yemen. **A7**
- ◆ **Russia said** Ukrainian drones targeted one of Putin's official residences and is using its claim, denied by Ukraine, to justify a hardening of its stance in peace negotiations with Kyiv. **A7**
- ◆ **The Trump administration** said it is freezing federal child-care funding to Minnesota following allegations of fraud schemes involving the state's social-services system. **A3**
- ◆ **Iranians protested** for a third day in frustration at a spiraling economic crisis. **A7**
- ◆ **Israel said it suspended** more than two dozen humanitarian organizations from operating in Gaza for not complying with registration rules. **A8**
- ◆ **Died: Tatiana Schlossberg**, 35, journalist and granddaughter of John F. Kennedy. **A4** ...
- ◆ **Ben Nighthorse Campbell**, 92, former senator and Native American advocate. **A4**

### NOTICE TO READERS

WSJ.com and WSJ mobile apps will publish on New Year's Day. The Wall Street Journal print edition won't be published on Thursday.

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## Stocks Defy Tariff Jitters in '25

Trump's policies didn't raise prices as much as feared, with AI powering growth

By DAVID UBERTI

The U.S. stock market is closing out 2025 near an all-time high, with the S&P 500's 17% gain vaulting the index toward its seventh-best three-year run on record.

The yearslong rally appeared to end abruptly in the spring with the rollout of President Trump's "Liberation Day"

tariffs and the emergence of "Sell America" trades that bet on the U.S.'s retreat from the world stage, only to roar back to life within weeks.

The slowdown foreseen by many on Wall Street never materialized in full. Tariff exemptions and a slew of trade deals limited the inflationary effects of the highest import taxes in decades. And an artificial-intelligence arms race triggered a capital-spending boom of epic proportions, propelling growth, minting millionaires—and leaving the U.S. stock market even more top-heavy than before. Nvidia's 40% climb this year

lags behind Broadcom's 51% advance and farther still from Alphabet's 66% rally. But those gains look pedestrian next to Advanced Micro Devices' 78% run-up. Palantir skyrocketed 139%. Micron Technology posted a 248% increase.

The Dow Jones Industrial Average is up 14% this year, while the Nasdaq composite gained 21%. On Tuesday, the S&P 500 inched 0.1% lower and the Nasdaq ticked down 0.2%. The Dow fell 0.2%, or 95 points.

Even as China's export machine grew in the face of Trump's trade policies, pressuring economies around the

world, much of Wall Street still views U.S. tech companies as pre-eminent. Broadcom plus the Magnificent Seven, which includes Amazon, Meta, Tesla, Apple and Microsoft, account for 40% of the S&P 500's market cap, according to Dow Jones Market Data. That is more than double the 15% commanded by the index's eight biggest names a decade ago.

"Betting against them is a dangerous game," said Thorne Perkin, president of Papamarkou Wellner Perkin.

That concentration at times brought more turbulence to the

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## AI Chip Makers Ready for Big Gains Next Year

Nvidia leads pack but faces increasing competition, supply-chain challenges

By ROBBIE WHELAN AND SEBASTIAN HERRERA

Driven by the explosive growth of artificial intelligence, the largest semiconductor companies in the world recorded more than \$400 billion in combined sales in 2025, by far the biggest year for chips on record. Next year promises to be even bigger.

Yet the blistering pace of growth, fed by what CEOs and analysts describe as "insatiable demand" for computing power, has created a host of challenges, from shortages of vital components to questions about how and when AI companies will be able to generate reliable enough profits to keep buying chips.

Hardware designers such as Nvidia, which more than doubled its revenue year-over-year, are the main suppliers of the picks and shovels behind this new digital gold rush. But Nvidia faces growing competition from the likes of Alphabet's Google and Amazon.com, while the battleground shifts under its feet.

Last week, Nvidia signed a \$20 billion licensing deal with the chip startup Groq, which designs chips and software that help accelerate AI inference, the

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- ◆ **What companies are really doing with AI**..... B1
- ◆ **OpenAI's pay tops that of any recent tech startup**... B1

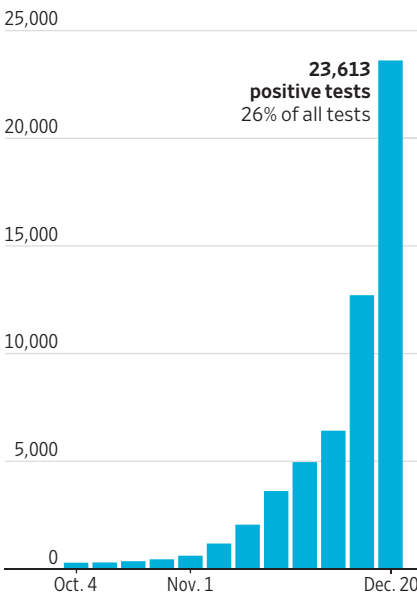
## Times Square Set to Have a Ball on New Year's Eve



IN WITH THE NEW: The Constellation Ball, the ninth sphere in the history of the iconic New Year's Eve ball drop in New York City, measures 12.5 feet in diameter and weighs 12,350 pounds, with 5,280 Waterford Crystals in circular shapes and LED light pucks.

## Flu Cases Jump Sharply

Number of positive flu tests reported to the CDC, weekly



The flu has sickened an estimated 7.5 million people so far this season, outpacing last year's spread of the disease. The sharp rise in cases has heightened fears of a new strain. About 81,000 people have been hospitalized and 3,100 have died so far this flu season, the Centers for Disease Control and Prevention estimated, including eight children. **A3**

Notes: As reported by clinical laboratories; for week ended on the date shown  
Source: Centers for Disease Control and Prevention

## The Wildest Ride at Epcot: Keeping Day Drinkers Upright

A popular drinking challenge shows how quickly things can go from magical to messy

By CONNOR HART

Rusty Featherstone and Willy Donnellon began their most recent trip to Epcot with palomas in Mexico. They chased the cocktails with two Norwegian beers, then moved on to China for some hard hibiscus iced teas.

At that point, the duo was still in the early innings of the "Drinking Around the World" challenge—a worrisome fact for a theme park built around families and fairy tales.

More than eight drinks later, with the challenge complete, both Featherstone and Donnellon were hammered: "I could walk out of there on my own two feet, but I was like, 'I need to go lay down,'" Donnellon, a 25-year-old content cre-

ator, said.

Drinking Around the World, a fan-made challenge that entails ordering a drink from each of the 11 countries in Epcot's World Showcase, has existed for decades. But a recent surge of social-media attention has pushed the tradition into the spotlight. It has also highlighted the thin line between magical and messy at the Disney park.

Proponents say the challenge is an enriching experience, allowing parkgoers to sample global cultures and flavors. There are myriad ways to complete the challenge without getting trashed, especially since there's no rulebook stipulating all 11 drinks contain alcohol and be con-

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## The Incident That Prompted Trump to Ban Epstein From Mar-a-Lago's Spa

An 18-year-old worker told bosses she was pressured for sex

Jeffrey Epstein wasn't just a frequent visitor to Donald Trump's Mar-a-Lago club in the late 1990s and early 2000s. The club was also sending spa employees—usually young

By Joe Palazzolo, Rebecca Ballhaus and Khadeeja Safdar

women—to Epstein's nearby mansion for massages, manicures and other spa services, according to former Mar-a-Lago and Epstein employees.

The house calls went on for years, even as spa employees warned each other about Epstein, who was known among staff for being

sexually suggestive and exposing himself during the appointments, according to the former Mar-a-Lago employees.

The spa occasionally provided house calls for members. Epstein wasn't a dues-paying member of the club, but Trump told staff to treat him like one, the employees said. Epstein had an account at the spa where his companion, Ghislaine Maxwell, booked appointments on his behalf.

They came to a halt in 2003, after an 18-year-old beautician returned to the club from a house call to Epstein and reported to managers that he had pressured her for sex,

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## INSIDE



### PERSONAL JOURNAL

Some schools see higher test scores, better behavior after banning cellphones. **A10**



### SPORTS

Nick Saban has been retired for two years—but his fingerprints are all over the playoff. **A16**

## Maduro Under Pressure: 'Don't Worry, Be Happy'

By KEJAL VYAS

President Trump says Nicolás Maduro is running out of time. But as U.S. warships amass off Venezuela's coast and Washington escalates a partial oil blockade, the embattled strongman is signaling something very different: That he expects to outlast U.S. pressure.

In recent weeks, the 63-year-old leftist has been dancing on stage at rallies, strolling trade expos and attending Christmas tree lightings hand-in-hand with his wife. He has serenaded supporters with dance remixes and offered up his own rendition of John Lennon's "Imagine"—all as Trump administration officials call for him to exit into exile or suffer the consequences.

"Don't worry, be happy," Maduro said at an event in the capital of Caracas, wearing a

sombrero and flashing a peace sign as he sang along to the Bobby McFerrin classic.

The choreographed appearances are Maduro's way of projecting confidence and showing he has little intention of backing down amid the most sustained challenge to his leadership more than 13 years in power.

The U.S. has used a massive military buildup in the Caribbean to carry out deadly strikes on alleged drug-running boats and launch a partial blockade on Venezuela's oil exports—a source of revenue Maduro uses to keep his regime together. On Monday, Trump said the U.S. attacked a dock where drugs were

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- ◆ **Trump reveals secret Venezuela strike**..... A8
- ◆ **Russian flag tangles U.S. pursuit of tanker**..... A9