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THE WALL STREET JOURNAL.

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WSJ.com

Last week: DJIA 27665.64 ▼ 467.67 1.7%

NASDAQ 10853.55 **▼** 4.1%

10-YR. TREASURY ▲ 16/32, yield 0.668%

STOXX 600 367.96 ▲ 1.7%

OIL \$37.33 **▼** \$2.44

YEN 106.16

What's

Business & Finance

Oracle won the bidding for the U.S. operations of video-sharing app TikTok, beating out Microsoft in a deal caught in the middle of a geopolitical standoff. A1

- ◆ Gilead will pay \$21 billion to buy Immunomedics and its prized breast-cancer drug. Trodelvy, a sign of the value of the cancer-drugs business. A1
- ♦ SoftBank's sale of Arm to Nvidia for \$40 billion would have wide-ranging implications for the global semiconductor industry. A1
- ◆ **Investors are** trading stock options and chasing fast-rising shares at record rates, activity expected to jolt markets through the election. B1
- **◆ Two Boeing** executives who oversaw its development of the 737 MAX told House investigators the design process wasn't flawed, a contrast to other leaders' concessions of past engineering errors. B1
- ♦ China's central bank released rules that will subject fintech giant Ant and other conglomerates to new financial regulations. **B1**
- ◆ ViacomCBS is close to selling CNET to Red Ventures as it off-loads parts of its business to focus on video streaming. B1

World-Wide

- ◆ Israel will begin a second nationwide lockdown Friday as it struggles to contain a fresh coronavirus outbreak that has hammered the economy and divided the nation. A1
- ◆ Trump signed an order to cut the cost of prescription drugs for U.S. seniors by more closely aligning prices with those charged elsewhere. A4
- ◆ Colorado won a temporary restraining order blocking the Postal Service from sending households a postcard about voting by mail, after its secretary of state said it was misleading. A4
- ◆ The Los Angeles County Sheriff's Department said the county board authorized a reward leading to the arrest and conviction of a gunman who shot two deputies. A3
- **♦ Tropical Storm Sally** was bearing down on the Gulf Coast of Louisiana and was expected to make landfall late Monday or early Tuesday. A2
- ◆ China's arrest of 12 Hong Kong pro-democracy activists at sea last month is fueling a new war of words between Washington and Beijing. A8
- ◆ The Belarusian capital was the scene of one of the largest demonstrations yet to pressure the country's leader. A8

JOURNAL REPORT

Wealth Management: Traps to avoid in a recession. R1-12

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Oracle Wins Bid for TikTok in U.S.

Chinese-owned app picks company over Microsoft; deal faces White House review

By Georgia Wells AND AARON TILLEY

Oracle Corp. won the bidding for the U.S. operations of the video-sharing app TikTok, a person familiar with the matter said, beating out Microsoft

Corp. in a deal to salvage a social-media sensation that has been caught in the middle of a geopolitical standoff.

Software maker Oracle is set to be announced as TikTok's "trusted tech partner" in the U.S., and the deal is likely not to be structured as an outright sale, the person said.

The next step is for the White House and the Committee on Foreign Investment in the U.S. to approve the deal, the person said, adding that the participants believe it satisfies the concerns around data security that have been previously raised by the U.S. government.

The move by Beijing-based ByteDance comes days after the Chinese government threw negotiations into doubt when it issued new export restrictions late last month on the kind of artificial intelligence technology TikTok uses. The algorithms, which determine the videos served to users and are seen as TikTok's secret sauce, were considered part of the deal negotiations up until the Chinese policy change raised questions among the parties involved in negotiations over how to value the social-media business

Two people familiar with the Oracle deal said it was more appropriate to call it a partnership, rather than an acquisition, suggesting that there was not an exchange of significant assets. At least some of Byte-Dance's existing investors, including U.S. investment firms

Sequoia Capital and General Atlantic, will get stakes in the venture as part of the deal, said people familiar with the matter.

The possibility that a deal might not involve an outright sale was previously reported by The Wall Street Journal.

President Trump has said repeatedly that he would shut down TikTok in the U.S. if it isn't sold to a U.S. company by Sept. 15. In an Aug. 6 executive order, the White House gave

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Evacuations Grow as the West's Deadly Wildfires Rage On



HAVEN: Shayanne Summers left her home near Molalla, Ore., several days ago to take refuge at an evacuation center in Oak Grove. Gusty winds contributed to extreme fire conditions Sunday in parts of northern California and Oregon. A3

Gilead Acquires Cancer-Drug Maker

By Cara Lombardo AND JONATHAN D. ROCKOFF

Gilead Sciences Inc. has agreed to pay \$21 billion to buy biotech Immunomedics Inc. and its prized breast-cancer drug, the company said Sunday, a

sign of the value of the cancerdrugs business. Immunomedics has a market value of about \$10 billion fol-

lowing a recent surge in its stock, meaning that Gilead is paying up to secure ownership of the company.

Gilead agreed to pay \$88 a share in cash for Immunomedics, whose shares closed at \$42.25 Friday. That represents a 108% premium.

The Wall Street Journal reported Saturday that Gilead and Immunomedics were nearing a more than \$20 billion deal.

The deal will help Gilead accelerate its efforts to diversify into cancer, Chief Executive Daniel O'Day said.

"It's allowing us to fast forward the work we've done over the past several years in developing a true franchise and portfolio in cancer, and it's really not complete until you have a marketed product," he

said in an interview.

Immunomedics, based in Morris Plains, N.J., sells breastcancer drug Trodelvy, which would be attractive to several large drugmakers, many of which have set their sights on adding more fast-growing oncol-

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♦ Heard on the Street: Gilead's gamble for shareholders... B10

Nvidia To Buy SoftBank Chip Unit

The sale of Arm Holdings to Nvidia Corp. for \$40 billion would have wide-ranging implications for the global semiconductor industry, further elevating one of its highest fliers and unwinding another big bet by SoftBank Group Corp.
The Japanese technology

By Cara Lombardo, Maureen Farrell and Asa Fitch

conglomerate said Sunday that it has reached a deal to sell Arm to Nvidia for a mix of cash and stock, confirming a report Saturday by The Wall Street Journal. Nvidia will pay \$21.5 billion in stock and \$12 billion in cash. SoftBank may also receive as much as \$5 billion in cash or stock subject to Arm hitting financial-perfor-

mance targets. Nvidia will also issue \$1.5 billion in stock to Arm employ

Nvidia, which makes graphics processors, and Arm, which designs microprocessors that power most of the world's smartphones, may not be household names, but they are some of the biggest players in the chip industry.

A union would instantly lift Nvidia, whose stock has been one of the market's best per-

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Israel to Reimpose Covid-19 **Shutdown**

By Felicia Schwartz AND DOV LIEBER

TEL AVIV-Israel is to become the first developed country on Friday to impose a second nationwide lockdown as its government struggles to contain a fresh coronavirus outbreak that has hammered the economy and divided the nation.

The lockdown, which will last at least through early October, aims to prevent mass gatherings during the Jewish holidays that begin at sundown Friday. It will extend through Rosh Hashana, Yom Kippur and Sukkot-holidays that typically involve millions of Jewish worshipers atsynagogues gathering for prayer services. If deemed effective, Israel will later move to localized lockdowns of coronavirus hot spots.

Israel has one of the worst rates of daily coronavirus infections per capita in the world, Please turn to page A6

- ◆ AstraZeneca resumes U.K. vaccine trials...
- ◆ Alaska charts own path to

Austrian Captures U.S. Open



Dominic Thiem rallied from two sets behind to defeat Alexander Zverev of Germany in five sets in Sunday's tennis match. A14

Runny Nose? Sneezing? Yes, Your Dog Can Be Allergic to Your Cat

Pets are irritated by grass, dust, each other; feline and dander shots

By Hilary Potkewitz

Sitting in the veterinarian's office last summer with her dog Baloo, Beth Kingston braced for bad news. Just four years old, her Great Dane-black Labrador mix had been acting lethargic, with a runny nose

and flaking skin. Worried it might be a deadly heart condition common to Great Danes, the vet ran a series of blood Baloo's heart was fine,

"Thank God," Ms. Kingston But the lab results-Please turn to page A10

Exxon's Bet on Oil, Gas Drags Down U.S. Titan

Investors flee, some workers grumble about direction of company

By Christopher M. Matthews

It has been a stunning fall from grace for Exxon Mobil

Just seven years ago, Exxon was the biggest U.S. company by market capitalization. It has since lost roughly 60% of its value, with its market cap now at around \$160 billion, after the pandemic crushed demand for fossil fuels.

Analysts estimate Exxon will lose more than \$1 billion this year, compared with profits of \$46 billion in 2008, then a record by an American corporation. The company's removal from the Dow Jones Industrial Average in late August, after nearly a century on the index, marked a mile-

stone in its decline. At the heart of the problem: Exxon doubled down on oil and gas at what now looks to be the worst possible time. While rivals have begun to pivot to renewable energy, it is standing pat. Investors are fleeing and workers are grumbling about the direction of a company some see as out of touch and stubborn.

Two years ago, Chief Executive Darren Woods unveiled an ambitious plan to spend \$230 billion to pump an additional one million barrels of oil and gas a day by 2025. So far, production is up slightly since 2018, but the added spending has weighed down the company, which recently posted two consecutive quarterly losses for the first time in more than 20 years.

Exxon believes the world's growing population will need Please turn to page A10

Brazil Leader's Popularity Rises as Cases Surge

By VINOD SREEHARSHA

RIO DE JANEIRO—Covid-19 has killed more than 130,000 in Brazil, second only to the U.S., and hammered the economy.

Still, the administration of President Jair Bolsonaro, who has lashed out at governors who ordered businesses to close and clashed with health experts over social-distancing measures, is more popular than ever.

With millions of Brazilians unable to work, Mr. Bolsonaro has since March vowed to keep Latin America's largest economy alive. Breaking with earlier promises to tightly control spending, his government in April began funneling generous cash payments to millions of poor to help them ride out the economic storm.

Six months after the pandemic began to batter this country, the president's approach of playing down the disease while raising public spending appears to be paying off, even in regions where support for his leftist rivals has been historically rock solid. The shift could augur well for Mr. Bolsonaro and his allies ahead of November municipal elections and the presidential vote in 2022.

In a recent Datafolha poll, 37% percent of respondents approved of the Bolsonaro administration, the best numbers



President Jair Bolsonaro has funneled cash to Brazil's poor to help them ride out an economic storm.

the president has logged in his 20 months in office. That is up from 32% in June, when more than 1,200 people were dying of Covid-19 daily versus about 700 per day in the past week. Yet majority approval eludes him, with many Brazilians still skeptical of a man long seen as a demagogue and rabble rouser with little interest in the working poor. Still, the Datafolha poll shows that 47% don't blame him for the fast-rising toll, even though

Mr. Bolsonaro compared the disease to "a little flu" and forced out two health ministers as the disease spread fast.

Mr. Bolsonaro has calculated that, with the economy sinking, voters would remember that he had fought to keep people working, thus softening the political cost, some analysts said. While the president has minimized the perils of the pandemic—even in July when he said he, too, had tested positive—he has notably muted his public belligerence,

giving fewer combative interviews and curtailing his public criticism of the supreme court and other institutions.

popularity "Bolsonaro's grew for two reasons: one was the emergency cash and the other is that he kept his mouth shut," said Renato Meirelles, president of Locomotiva, a research firm focused on the country's working classes. "In very skillful and shrewd manner, Bolsonaro found a way to avoid taking any responsi-

bility and incurring a political cost for the economic crisis caused by the pandemic."

More than 67 million people, 32% of the population, have received monthly checks providing between \$113 to \$226, a program that has cost \$38 billion through August. The aid, part of the biggest financial pandemic-crisis package in Latin America, has helped poverty fall by 21%-or 13.1 million people—this year, ନ୍ନ said <mark>Marcelo Neri</mark>, an economist and poverty expert at the Getulio Vargas Foundation, a research institution in Rio.

In one of Rio's biggest slums, Complexo do Alemão, Elaine Cirino, a 35-year-old who for years has toiled in the informal economy, said the aid is helping her and her four children survive at a time when there is no work.

"If he continues this, he has my vote," she said. "People on my street like him a lot."

Luis Jose, 50, who also lives in Complexo and works at a recreation center, said he didn't fault the president for Covid-19's hit to Brazil. "If anyone is to blame, it's us," he said, referring to people who didn't avoid crowds.

Mr. Jose instead might support Mr. Bolsonaro if he starts addressing social problems in the community. "I didn't vote

for him [in the past election] but I believe in him," he said.

Another Complexo resident, Catia Maria Pontes Ferreira, 50, said she doesn't trust the government and thinks Mr. Bolsonaro is only providing aid to get votes. "This government worries me a lot because our lives are in their hands," she said. "He's not doing anything for any of us for free."

The federal program has helped the administration particularly in the northeast, a poor region that strongly supports the leftist Workers' Party, which won elections with the help of a generous cash-handout program called Bolsa Familia. Now, Mr. Bolsonaro's emergency handouts show that those rejecting his presidency have fallen from 52% to 35% in the northeast, and even more so among the lowest socioeconomic group, Datafolha says.

Despite criticism of the costs, many social-policy experts in Brazil said the assistance was needed after tens of millions of informal workers lost their work as businesses shut to meet local social-isolation requirements. A poll in late August by Locomotiva, the research firm focused on the working classes, found that 92% of respondents used the cash to buy basic food staples and groceries.

Afghan Officials, Taliban Are Far Apart as Peace Talks Start

Representatives of the Afghan government and the Taliban sat down to kick off a historic round of direct talks this

> By Sune Engel Rasmussen in London and Ehsanullah Amiri in Kabul

week aimed at ending the twodecades-long conflict, a day after delegations met for the

first time in a hotel in Qatar. The meetings over the weekend, brokered by the Trump administration as part of efforts to withdraw troops

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from America's longest war, marked a diplomatic breakthrough. Yet the talks have also exposed wide gaps between the warring sides on key issues, which will likely take months, if not more, to bridge.

"It is important that both sides continue the negotiations patiently until a peaceful solution is found," Abdullah Abdullah, the head of the government delegation said at a press conference in the Qatari capital, Doha, on Sunday. "The continuation of violence and increase in casualties will have a negative impact on peace talks."

While the Afghan government insists on an early ceasefire and protection of the constitution and human rights, the Taliban have said only that they seek to establish an Islamic system in Afghanistan.

The talks launched amid a U.S. troop withdrawal, a recent spate of violent attacks on Afghan officials, including a female member of the peace delegation, and continuous bloodshed across the country. Last week alone, the Taliban carried out 368 attacks that killed 49 civilians, according to the Afghan ministry of interior.

A

Against that backdrop, the Afghan government is pushing for an immediate humanitarian cease-fire. In his opening remarks on Saturday, Mr. Abdullah also stressed that it was crucial to protect the rights of the entire Afghan population, including women and minorities-who were oppressed and sometimes persecuted during Taliban rule before the war.

The Taliban have only said they want an Islamic theocracy in Afghanistan. The group is expected to also push for greater political influence in a power-sharing arrangement.



Qatar's Emir Sheikh Tamim bin Hamad al-Thani, right, met with Taliban cofounder Mullah Abdul Ghani Baradar, center, in Doha on Sunday.

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