

WSJ Print Edition



WATER BREAK: Visitors cool off in the fountains at the World War II Memorial in Washington.
SHAWN THEW/ EPA/ SHUTTERSTOCK

U.S. WATCH

ECONOMY

New-Home Sales Fell 13.7% in May

Sales of new homes sank in May amid continued concerns over high mortgage costs. Sales of new single-family homes fell 13.7% to 623,000 from a downwardly revised 722,000 in April, according to a Commerce Department report released Wednesday. Sales had been expected to come in at 695,000, according to economists polled by The Wall Street Journal.

Monthly data on sales are volatile and tend to be revised.

Compared with May 2024, sales declined 6.3%, the Commerce Department said.

The estimate for new houses for sale was 507,000, 1.4% above the April estimate and representing supply for 9.8 months at current sales rates.

The new-homes data comes after existing-home sales rose unexpectedly for the first time in three months in May, though held near historically low levels, according to the National Association of Realtors on Monday.

—Ed Frankl

WASHINGTON, D.C.

Powell Says Tariffs Make Fed Cautious

Federal Reserve Chair Jerome Powell said the central bank is taking a more cautious approach to the effects of President Trump's tariff increases than it did in 2019 because recent increases in tariff rates are much larger and because the economy is coming off a period of much higher inflation.

The Fed cut rates three times in 2019 to cushion the economy against the risks of a sharper slowdown as a trade war with China hurt business sentiment. Inflation was running below the Fed's 2% target at that time.

"This is different," Powell told the Senate Banking Committee on Wednesday. Recent tariff hikes are larger, with many more countries facing tariff increases and fewer product exemptions.

While it's possible that tariff increases will result in a one-time increase in prices akin to an oil price shock that interest-rate policy should look through or ignore, the Fed is moving cautiously to arrive at that judgment, Powell said.

—*Nick Timiraos*

SOUTH CAROLINA

Lightning Strike Sends 12 to Hospital

A dozen people were taken to hospitals Tuesday after a lightning strike at a South Carolina lake, officials said.

Emergency crews responded to Dominion Beach Park near the Lake Murray Dam and assessed 20 patients, including 12 children, Lexington County officials said. They treated 18 people on the scene and 12 of them went to hospitals, according to county spokesperson Vanessa Diaz.

Their injuries weren't considered life-threatening, and all of the patients were expected to recover, officials said.

The weather was sunny with some clouds nearby, but not overhead when the strike happened, the Irmo Fire District said. Lightning hit the water as several people were holding on to or swimming near a metal cable and buoys that surround the swimming area, the agency said.

"Everybody got quite a jolt," the fire agency said. "We're so fortunate that injuries were not worse than they were."

—*Associated Press*

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