BUSINESS

DOW 52,231.89 -157.86 -0.30%	**NASDAQ** 25,065.87 -187.27 -0.74%	**S&P 500** 7,520.93 -29.01 -0.38%	**EURO** 1.1164 0.0000 0.00%	**CRUDE OIL** 86.85 -3.98 -4.38%	**GOLD** 4,020.70 -84.30 -2.05%	**6-MO T-BILLS** 4.41 0.11 2.56%	**30-YR T-BONDS** 5.35 0.08 1.54%

BRIEFS

FROM WIRE REPORTS

DOJ sues Lyft, alleging rider discrimination

The Justice Department has filed a lawsuit against Lyft, accusing the company of discriminating against passengers with disabilities who seek rides on its platform.

The federal lawsuit, filed Monday, says Lyft "is aware of, but fails to prevent and remedy" several discriminatory practices against riders who need accommodations under the Americans with Disabilities Act.

That includes denying rides to people who have service animals or use stowable wheelchairs and refusing to let passengers with mobility issues sit in the front seat, the suit alleges.

"Individuals with disabilities should be able to rely on rideshare services free of discrimination," said Jesus A. Osete, acting assistant attorney general, in a statement. "We intend to uphold the ADA's promise that people with disabilities are entitled to equal access in every part of public life, including essential transportation services."

Lyft firmly rejected the accusations in a statement.

The lawsuit is the latest from the federal government that targets ride-hailing companies for treatment of would-be riders with disabilities.

China's trade surplus surpasses $1 trillion

HONG KONG — China's trade surplus exceeded $1 trillion for a second straight year, according to official data released Tuesday, as pressure mounts for greater balance in trade with Beijing.

Exports in October surged 35.2% from a year earlier, the customs agency said. Exports have grown rapidly this year, supported by high-tech goods like semiconductors and autos.

Imports rose 41.6% year-on-year.

Between January and October, China logged a $1.04 trillion trade surplus, even as the trade surplus narrowed last month to $105.3 billion from $133.5 billion in September as imports picked up pace.

That puts China on track for surpassing last year's record $1.2 trillion trade surplus in 2026.

"We expect Chinese exports to stay strong for the rest of this year, led by electronics and autos," said Dave Chia, an economist at Moody's Analytics.

China's imports soared in October partly because of a recovery in shipments of crude oil from the Persian Gulf.

Australia to launch AI safety regulator

MELBOURNE, Australia — Australia plans to create an artificial intelligence safety regulator in response to a breach of an Australian health department website by a rogue OpenAI agent in June, Prime Minister Anthony Albanese said Tuesday.

The regulator would enforce world-leading legislated AI standards that would apply to all frontier AI companies that want to operate in Australia, Albanese said. Financial penalties would apply, although the government has yet to detail those penalties.

"When it comes to the generational opportunity that artificial intelligence offers Australia, I've been very clear: our task is to make sure we shape AI rather than AI shape us," Albanese told reporters. "Australia is the first mover in this space and we want to make sure that we continue to work so that we can reap the potential benefits from AI."

The standards would include companies maintaining security controls across all stages of models' development and deployment, as well as identifying and managing serious risks. The standards also would mandate rapid notification to the government of incidents such as "misaligned behavior" conflicting with developers' intentions.



ASSOCIATED PRESS FILE PHOTO BY ELLEN SCHMIDT

A customer browses the shoe section at a Goodwill store in Roseville, Minn.

Inflation numbers higher than expected

Higher prices extend beyond the gas station

BY CHRISTOPHER RUGABER
AP economics writer

WASHINGTON — U.S. inflation was higher than expected last month as the rising prices that powered sweeping Democratic victories in last week's midterm elections appear likely to pose ongoing challenges for the White House and the Federal Reserve.

The consumer price index rose 0.4% from September to October, the Labor Department said Tuesday, down from 0.6% the previous month. The government did not report a yearly inflation rate because last year's government shutdown meant no data was released for October 2025.

But excluding the volatile food and energy categories, core prices rose 0.3%, the same as the preceding month. Both figures were a tenth of a point higher than forecast, and at an annual rate would be well above the Fed's 2% target.

The new inflation data heightened concerns that strong consumer and business spending, combined with higher gas prices and supply disruptions stemming from tariffs and global turmoil, are creating increasingly stubborn inflation that could extend beyond temporary spikes in prices at the gas pump. The economy expanded at a 3.4% annual rate in the July-September quarter, mostly driven by consumer spending.

"It's worrisome. There is a sense that inflation is broad, persistent, a little bit everywhere," said Riccardo Trezzi, founder of Underlying Inflation, a consulting firm, and a former Fed economist. "The Fed should be very worried."

Using rough estimates for last October's data, Trezzi calculates that consumer prices rose 4% in October from a year ago, up from 3.7% in September. Core prices rose 2.8%, he estimates, up from 2.6%.

Americans' struggles with high prices were evident as they ousted Republican majorities from the House and Senate last week. With historic gains in both chambers, Democrats in Congress will soon face the same challenges. President Donald Trump has acknowledged voter anger over the Iran war and gas prices but has shown no sign yet of changing course.

The AP Voter Poll, a survey of 100,000 voters, found about two-thirds blamed Trump's policies for higher costs. About 9 in 10 said the cost of living was a "crucial" or "major" factor in their vote.

The persistence of elevated inflation makes it highly likely that the Fed will raise its key interest rate at its next meeting in December. It kept rates unchanged late last month, after raising them in September. The Fed increases borrowing costs in an effort to cool spending and bring down inflation.

Yet there are signs higher energy prices are spreading into other parts of the economy, with airfares, public transportation, and delivery services all jumping in price. Electricity prices rose 0.9% from September to October, the most since April, and grocery prices jumped 0.4%, a painful rise after years of increases.

Beef prices rose 0.9% last month, after jumping nearly 14% in the first half of this year. Restaurant prices rose 0.5% from September to October, the most since January 2024. Rising shipping prices, driven up by more expensive gas, have lifted costs for restaurants and grocery stores, which may be passing them on to consumers.

Inflation has also been worsened by the massive investments flowing into artificial intelligence, which has contributed to higher prices for computer chips, electricity and consumer electronics.

Voters swept dozens of candidates into office who had pledged to slow data center construction.

U.S. stocks take dip following update on inflation

BY STAN CHOE
AP business writer

NEW YORK — The U.S. stock market dipped Tuesday after a report showed inflation was worse across the country last month than economists expected.

The S&P 500 slipped 0.4% and gave back some of its big rally from the day before. The Dow Jones Industrial Average dropped 157 points, or 0.3%, and the Nasdaq composite sank 0.7%.

Pressure from the bond market undercut stocks following the discouraging report on inflation. People had to pay prices for groceries, electricity and other costs of living that were higher last month than economists expected. That could push the Federal Reserve to hike its main interest rate at its next meeting in December and beyond.

Higher interest rates can help rein in inflation, but they do so by making it more expensive for everyone to borrow money and by slowing the overall economy. Higher rates also make investors less willing to pay high prices for stocks and other investments.

One Fed official hinted the central bank may increase the federal funds rate by double the typical amount next month because of how high inflation has remained for years.

Speaking in London before the inflation report was released, Fed Gov. Christopher Waller said "a stronger policy move may be needed" if the report showed an important underlying measure of inflation rose by 0.3% from September.

In that case, he said the Fed should consider hiking the federal funds rate by half a percentage point rather than the typical quarter point. Moving by only the usual amount could "put our credibility at risk, a risk I am not eager to take."

Shortly afterward, Tuesday's inflation report showed the underlying measure of inflation Waller was worried about was exactly 0.3%, the threshold he had set. It's the Fed's job to keep inflation under control, along with keeping the job market strong.

That sent yields jumping in the bond market as traders upped their forecasts for coming hikes to rates by the Fed.

The yield on the 10-year Treasury leaped to 4.99% from 4.88% late Monday. It's a notable move for the bond market, and the yield helps set where rates are for mortgages and other loans going to U.S. households and businesses.

The 10-year Treasury yield had been dropping since early October, when it topped 5.30% as worries spiked about high inflation, higher interest rates, the U.S. government's big debt and other concerns.

Tuesday's jump in yields came even though oil prices fell again. The price for a barrel of Brent crude oil fell 1.2% to $91.49. President Donald Trump said late Monday that the war in Iran, which sent oil prices much higher, "militarily is effectively over."

Anthropic seeks valuation of about $1.3 trillion

BY MICHELLE CHAPMAN
AP business writer

Artificial intelligence giant Anthropic is looking for an approximately $1.3 trillion valuation when it goes public despite new concerns about the massive amounts debt and money flowing into the sector.

The company behind the Claude chatbot said in a regulatory filing on Tuesday that it will sell 825 million shares priced between $70 and $78 a share. That would give Anthropic the ability to raise more than $61 billion, if the IPO is priced at the midpoint.

The initial pricing of a company's shares is a complex process. If they are priced too high, it can send shares skidding on the first day. If shares are seen as cheap, the company and the banks running the IPO can leave money on the table.

The San Francisco company is expected to make its Wall Street debut this month.

Anthropic could be among the biggest initial public offerings of stock ever, but now seems like it will fall short of eclipsing the record $86 billion raised by SpaceX in its IPO in June. An Anthropic IPO would also put the company ahead of OpenAI in going public, setting the stage for a pair of blockbuster stock debuts by rival AI developers.

"For tech and AI, this is the first time a U.S. frontier lab carries a standalone public market price, uncluttered by an ad business or a rocket business," Dan Ives, partner and senior managing director at Yorkville Ives & Co., wrote.

The IPO could give Anthropic enormous resources to accelerate its expansion and potentially add billions of dollars to the fortunes of CEO Dario Amodei and his sister and co-founder, Daniela Amodei.

A regulatory filing last month showed that Anthropic's revenue is growing rapidly, reaching more than $16 billion in the first half of the year — 14 times its revenue from the same period last year. But like many other tech companies going public, the company has yet to turn a profit.

Formed in 2021 by former OpenAI leaders, Anthropic is locked in a fight for dominance with that company. But both companies have plenty of other competitors, including Google, newer startups in the U.S. and China and SpaceX, which has an AI business. Anthropic, OpenAI and SpaceX's AI division have all lost more money than they've made because of the huge costs of resources in building AI. That has fueled growing concerns that a bubble has formed in the AI sector.

There was a brutal sell-off on Wall Street last week led by stocks in companies tied to the buildout of AI data centers. Yet shares of AI-related companies have swung wildly for month, particularly after the U.S. Federal Reserve, which has been attempting to cool inflation, hiked interest rates in September for the first time in three years.