

THE WALL STREET JOURNAL WEEKEND

SATURDAY/SUNDAY, OCTOBER 15 - 16, 2022 ~ VOL. CCLXXX NO. 90



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What's News

World-Wide

.K. leader Truss fired Treasury chief Kwarteng and reversed crucial parts of her government's tax cuts, after her plans to jolt the economy into growth unraveled amid a backlash from financial markets and her party. A1

♦ Federal investigators contacted at least two aides to Trump months before the FBI searched his Mar-a-Lago resort and have sought to talk to them again in recent weeks, people familiar with the matter said. A4

♦ Russian-installed officials in occupied areas of Ukraine amplified calls for residents to leave the south as Kyiv's forces step up their campaign to retake the region, and Russia builds fortifications to thwart their advance. A6

♦ Democratic Sen. Warnock and Republican challenger Walker clashed over abortion, inflation and healthcare at their only debate in Georgia's Senate contest. A4

♦ New offshoots of the Omicron Covid-19 variant that virus experts say appear to spread easily are on the rise in the U.S., the latest federal data show. A3

♦ IMF officials said governments of poorer countries need better ways to restructure their debt loads totaling billions of dollars in order to survive upheavals. A9

Business ぢ Finance

◆ Three of the nation's largest banks-JPMorgan, Citigroup and Wells Fargo-reported double-digit profit drops, as they socked away hundreds of millions of dollars apiece to cover potential loan defaults amid uncertainty over a potential recession. A1

◆ A deal-making drought dinged Morgan Stanley's third-quarter results, sending profit down 29%. B13

◆ U.S. retail spending stalled in September as the nation's shoppers grappled with high inflation and rising interest rates. A1

♦ Nikola founder Milton was convicted of securities fraud for what prosecutors said were repeated lies about the development of Nikola's trucks and technology. A1

♦ Rupert Murdoch has proposed a recombination of Fox Corp. and News Corp nearly a decade after they split, according to people familiar with the situation. B1

♦ U.S. stocks fell, the latest U-turn for markets in a volatile week. The S&P 500, Nasdaq and Dow lost 2.4%, 3.1% and 1.3%, respectively. **B13**

◆ Apple retail workers in Oklahoma City voted to unionize, becoming the second group of employees at one of the company's U.S. stores to organize officially. **B12**

NOONAN

Will Putin Fall Like Khrushchev And Gorbachev? A15

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U.K. Prime Minister Liz Truss, holding a news conference on Friday, has seen a rapid collapse of her political authority. Ms. Truss's policy shift might not be enough to calm financial markets or stop a growing rebellion within her own party.

Truss Fires U.K. Treasury Chief, **Backtracks on Tax-Cut Program**

By Max Colchester

LONDON-U.K. Prime Minister Liz Truss fired Treasury chief Kwasi Kwarteng and reversed crucial parts of her government's tax cuts, after her plans to jolt the economy into growth unraveled following a backlash from financial markets and her party.

Mr. Kwarteng, who three weeks ago presented the U.K.'s largest tax cuts since the 1970s, was asked to quit by Ms. Truss as markets balked at the scale

fund the package and her Conservative Party lawmakers protested potentially deep publicspending cuts. Mr. Kwarteng was succeeded as chancellor of the exchequer by Jeremy Hunt, a party centrist and former foreign secretary.

In a scramble to shore up support within her party, Ms. Truss also ditched her plan to prevent a planned rise in the rate of corporate income tax next April to 25% from 19%-a move taken by predecessor Bo-

of the borrowing required to ris Johnson's government to calm financial markets or stop help shore up finances. The Uturn was the second major part of her tax-cutting package to be abandoned recently.

"It is clear parts of our minibudget went further and faster than markets were expecting," she said in a nationally televised address. "We have to deliver the mission in a different way."

The speed of the collapse of Ms. Truss's political authority is unprecedented in modern British politics, and her policy shift might not be enough to

a growing rebellion within her own party. Several Conservative lawmakers have accused their colleagues of plotting to have the prime minister removed from office, but it remains unclear who would succeed her or how she would be removed given she only became prime minister last month.

Tax cuts and deregulation Please turn to page A8

◆ U.K. markets are wary of BOE's safety net.....

Banking Giants Report Lower **Profits**

JPMorgan, Citigroup, Wells Fargo boost loan-loss provisions amid recession fears

Three of the nation's largest banks reported double-digit profit drops on Friday-including a 25% decline at Citigroup Inc.—as they socked away hun-

> By David Benoit, Ben Eisen and Matt Grossman

dreds of millions of dollars apiece to cover potential loan defaults amid uncertainty over a potential recession.

Profit fell 17% at JPMorgan Chase & Co., but both JPMorgan and Citigroup topped analysts' expectations. Wells Fargo & Co. reported a 31% drop in earnings, missing expectations, though it said a \$2 billion charge for legal and regulatory issues hurt what was otherwise a solid quarter.

Revenue rose at all three banks and beat analyst forecasts.

The banks sit smack in the middle of an uncertain economy. Inflation is near its highest level in decades and the Federal Reserve is trying to curb it by rapidly lifting rates. That is making loans more ex-Please turn to page A10

◆ Morgan Stanley's profit slides

Nikola Founder Milton Is Convicted of Fraud

The Strange Guest

Budget Hotels Are Buzzing About

Artist checks in and secretly tries

to gussy up pictures; a UFO lifting a cow

Adding character

who has owned the motel for date of the work.

BY CORINNE RAMEY AND BEN FOLDY

A federal jury in New York convicted Nikola Corp. founder Trevor Milton of securities fraud for what prosecutors said were his repeated lies about the development of the company's zeroemissions trucks and technology.

Friday's guilty verdict caps the downfall of Mr. Milton, who founded Nikola in his basement in 2015 and took it public in 2020 at a valuation of \$3.3 billion, when the company hadn't sold a single truck. The company's market valuation briefly exceeded that of industry giants such as Ford Motor Co.

By Elizabeth Findell

The owner of the America's

Best Value Inn in Butte, Mon-

tana, got a peculiar call from

an employee one summer

day a few years ago. In

Room 206, a mundane

piece of hotel art, a pink

print of a rose from the

mid-1990s, had been

painted over with a

wide-eyed cartoon bea-

keeper at the time

said 'There's been

calls Andy Burton,

Intrigued,

vandalism,' "

head house-

re-

Mr.

33 years. "I said 'Well...it is

but it isn't. It's quirky.""

After about five hours of deliberations, jurors convicted Mr. Milton of one count of securities fraud and two counts of wire fraud. They acquitted him of a second securities-fraud count. After the verdict was read, Mr. Milton shook his head repeatedly and then turned to look at his family. He is scheduled to be sentenced on Jan. 27.

Each count carries a maximum penalty of 20 years in prison, though under federal sentencing guidelines, Mr. Milton would likely face a much shorter prison term.

"Trevor Milton lied to Nikola's investors—over and over and Please turn to page A10

googled the name scrawled on

the back of the picture, and by

lunchtime had figured out

what happened. Far from be-

ing angry, he was delighted.

He had been hit by an

artist known as T Bang,

who has a signature ca-

per: Painting over stodgy

hotel room artwork with

his own whimsical work.

\$600 to have the doc-

tored painting reframed

with professional art

It now hangs in the hallway

of the America's Best Value

glass and added a

plaque with the

artist's name, room

number and the

Please turn to page A12

Mr. Burton paid some

EXCHANGE



MOVING UP If you want to

get ahead at work, it helps to pick the right company. B1

Retail Sales Flatten Amid High Inflation, Rising Interest Rates

By Austen Hufford

U.S. retail spending stalled in September as shoppers faced high inflation and rising interest rates.

Retail sales-which comprise consumer spending mostly on goods like furniture. vehicles and groceries but also at restaurants-were unchanged last month from August, down from a revised 0.4% increase in August from July, the Commerce Department said Friday.

Excluding gasoline and au-

tos, retail sales grew by 0.3% in September from the prior

Sales at gasoline stations, a proxy for spending by car owners, declined 1.4% last month from August but remained 21% higher than a year Gasoline before. prices dropped in September for the third month in a row, falling 4.9% from August. Still, they were up more than 18% from the same month a year ago. The average cost of a gallon of regular unleaded gasoline was Please turn to page A2

Xi Prepares China For a Showdown

Campaigns aim to help ensure nation could withstand potential conflict with the U.S.

By Jonathan Cheng

Since rising to power a decade ago, Xi Jinping has unleashed an array of campaigns to help ensure that tion with the West. He has bolstered China's military, reorganized the economy more ideologically committed Communist Party.

Mr. Xi has made clear that his overarching goal is to restore China to what he believes is its rightful place as a global player and a peer of the U.S. As a consequence,

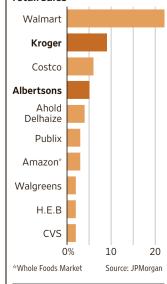
he has come to see the possibility of a showdown with the West as increasingly likely, according to people familiar with his thinking. Now he stands on the edge of a third five-year term in power at a Communist Party conclave starting Sunday, in a break with a recent precedent of stepping aside after two terms. That will likely ensure that his vision, which is simultaneously assertive and defensive, will guide China for years to come.

Kroger to Buy Albertsons

The deal, valued at \$24.6

billion, would create a new power among U.S. supermarket operators. B1

Estimated share of U.S. food retail sales



China would prevail in, or at least withstand, a confrontaand remade society around a

Please turn to page A11

◆ Chinese internet users lose access to WeChat...

Social Security

Based on CPI-E

2000

based on relatively small

outlets and items tracked

samples of people, and the

tive of where those 62 and

properly track wide-

spread senior discounts.

aren't necessarily representa-

older shop. The index doesn't

evertheless, because

more quickly than

other prices for most of the past 40 years, CPI-E typically

tain policy wonks often pro-

rectly raising benefits was a

political nonstarter for many

about Social Security's long-

run solvency; raising the ben-

years because of concerns

pose tying Social Security

benefits to CPI-E. Just di-

reported higher inflation. Cer-

medical-care costs rose

U.S. NEWS

THE NUMBERS | By Josh Zumbrun

Retiree Spending Patterns Add Fizz to COLA



standing complaint about the Social Security COLA is that it doesn't

reflect the true costs facing retirees and should instead be based off an estimate of beneficiaries' expenses. Be careful what you wish for.

On Thursday, the Social Security Administration said recipients will get an 8.7% increase in their payments next year and, for the second year in a row, that actually exceeds estimates of how much their costs increased.

That is according to a 35year-old initiative to measure the true rate of inflation facing those over 62, via an experimental consumer-price index produced by the Labor Department's Bureau of Labor Statistics, known as the CPI-E; the E stands for "elderly." For most of its history, this index has shown that costs facing Social Security recipients have been rising faster than the program's cost of living adjustment, or COLA, which uses a different index, known as the CPI-W.

The relationship has recently inverted. This year, the COLA was 8.7%, more than the 8% rise in the CPI-E. Last year the COLA was 5.9% ahead of the 4.8% rise in the

"Had you switched to the CPI-E a couple of years ago, retirees would be slightly worse off today," said Andrew Biggs, a former official at the Social Security Administra-

The indexes are different because people 62 and older don't spend the same way as others: They devote more to medical care and housing and less to transportation.

s medical costs soared for most of the past 35 years, the COLA didn't keep up because the CPI-W had relatively little weight for medical care. But for the past two years, transportation costs-largely gasoline-have contributed disproportionately to inflation, and medical care less so.

So why isn't Social Security adjusted using the actual expenses faced by its recipients? The answer is in the history of the number.

Until the 1970s, Congress needed legislation to raise Social Security benefits. Beginning in 1975, Congress set benefits to automatically adjust for inflation. At the time, the common inflation gauge tracked all urban wage earners and clerical workers.

It was never really the

right index for the job. The BLS proposed using a single index for all urban consumers (this is the most widely followed index today, known as CPI-U), but this provoked a fierce backlash from laborunion leaders and members of Congress who said it wouldn't be "firmly grounded in the experience of low- and

The Inflation Gap

middle-income workers," ac-

cording to a BLS account, so

the older index remained in

In 1986, the COLA came

prices fell 23%-to 86 cents a

gallon. It sparked outrage be-

jumped 8% that year. Retirees

out to a paltry 1.3% as gas

cause medical costs had

bombarded Congress. "We

have a strong feeling that

something has gone com-

pletely haywire," Montana

A congressional hearing re-

galed lawmakers with testi-

mony like that of a 71-year-

along with her husband, re-

Social Security, had mostly

ceived \$709.10 a month from

old Michigan retiree who,

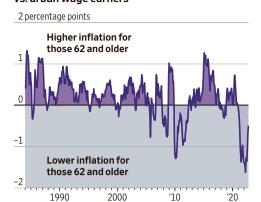
Democratic Sen. John

Melcher said

use for COLA.

For most of the past 40 years, people 62 and older experienced faster annual inflation than the

Gap between inflation for those 62 and older vs. urban wage earners



Sources: Boston College Center for Retirement Research and Bureau of Labor Statistics

unavoidable bills and medical costs of \$500 a month, and only \$424.81 in savings.

1990

'So, tell me what you do for food?" a senator asked her in the hearing. "Well, we eat a lot of corn flakes," she responded. The Senate voted 95-0 for Mr. Melcher's proposal to require the BLS to estimate costs typical for Americans 62 and older.

The BLS had reservations. Even the name CPI-E is a problem: Many Americans over 62 bristle at being called "elderly." Many don't yet collect Social Security, so CPI-E reflects the spending of many nonretired people.

The BLS continues to produce the index but warns about its limitations: It is

Social Security cost-of-living increases vs. what the increase would be if based on CPI-E

efits via a "technical fix" was an easier sell, said Mr. Biggs, now a senior fellow at the American Enterprise Institute, a conservative think tank. Congress never required its use, because of BLS warnings, disagreement about whether

the fix was warranted or just a backdoor way to boost benefits, and concern about Social Security's finances. A 2003 New York Fed study said switching to the CPI-E would bankrupt the Social Security trust fund five years earlier.

The Biden campaign also proposed Social Security's annual adjustment should be based on CPI-E, though the idea never became a prominent campaign talking point.

But as this year demonstrates, such an adjustment may not help retirees. There's no guarantee medical costs will continue to outstrip other inflation. Meanwhile, those younger than 62 spend a growing share of their income on healthcare.

A study last year from Alicia Munnell and Patrick Hubbard at the Center for Retirement Research at Boston College noted that in 2007, those 62 and over spent 108% more than wage earners on medical care. By 2021, they spent only 61% more.

Maybe seniors got a lucky break this year. Or perhaps as the spending patterns of the elderly and others converge, the CPI-E simply has outlived its original purpose.

U.S. WATCH

WASHINGTON, D.C.

Judge Rules DACA Policy Can Continue

A federal judge ruled Friday that the current version of a federal policy that prevents the deportation of hundreds of thousands of immigrants brought to the U.S. as children can continue, at least temporarily.

U.S. District Judge Andrew Hanen—who last year declared the Deferred Action for Childhood Arrivals program illegal said that the policy, which is set to proceed under new regulations at the end of the month, can continue with limitations that he previously set. Those limitations say there can be no new applicants for DACA and that those who are already in the program can continue to be in it and renew their application.

Judge Hanen ordered attorneys in the case to provide more information and said he expected additional legal arguments related to the new rule, but there was no timetable set for future hearings. It is also unclear when Judge Hanen will give his final decision on the case, which is expected to end up at the U.S. Supreme Court.

The current version of DACA is set to take effect Oct. 31.

-Associated Press



Museum in Washington, D.C., reopened on Friday after renovations.

WASHINGTON, D.C.

FDA Says Adderall Is in Short Supply

The Food and Drug Administration confirmed a shortage of Adderall and generic versions of the drug, saying patients could use alternative treatments until supply issues are resolved.

The FDA this week said what patients, manufacturers and retailers have been signaling for months: that patients with attention-deficit hyperactivity disorder are having trouble obtaining the medications that can help them focus.

The agency said it was working with U.S. manufacturers of the drugs and offering assistance as

needed to resolve the shortage. The FDA specifically cited **Teva** Pharmaceutical Industries Ltd.. saying the largest supplier of Adderall in the U.S. was dealing with ongoing manufacturing delays.

Teva said last month that a labor shortage on its packaging line earlier this year disrupted production. The company said Friday that growing Adderall defrom the U.S. Drug Enforcement Administration had also slowed

mand and manufacturing quotas

"We are fully committed to uninterrupted supply and continuing to manufacture and distribute as much product as possible each day," said Kelley Dougherty, a Teva spokeswoman. She added that the company expected to recover its inventory of branded and generic versions in the coming months but there could be backorders in the meantime.

Demand for the medication has risen during the coronavirus pandemic since it became easier to obtain prescriptions for Adderall and other so-called schedule 2 controlled substances. The federal government loosened rules in 2020 so people could be prescribed the substances at a telehealth appointment instead of at an in-person visit.

Nearly two-thirds of community pharmacies reported they had trouble getting Adderall during a survey in July and August, according to the National Community Pharmacists Association.

Adderall is made of mixed amphetamine salts that help patients control ADHD symptoms such as difficulty focusing or remaining still, according to the National Institutes of Health.

–Alyssa Lukpat

Workers Start to Load Fuel at Nuclear Plant

Workers have begun loading radioactive fuel into a new nuclear reactor in Georgia, utilities said Friday, putting the first new American nuclear reactor built in decades on a path to begin generating electricity in coming

Georgia Power says workers will transfer 157 fuel assemblies into the reactor core at Plant Vogtle, southeast of Augusta, in the next few days. There are already two reactors operating at the plant, with fuel being loaded into a third unit and a fourth unit still under construction.

After the 90 tons of uranium oxide is loaded by a crane into the reactor, operating company Southern Nuclear will test whether the plant's cooling and steam supply system work while fuel is inside the reactor at the superhigh temperatures and pressures created by splitting at-

Operators will then start generating electricity and link the plant to the transmission grid, with the reactor planned to reach commercial operation by the end of March.

-Associated Press

September U.S. Retail Sales Stall

Continued from Page One \$3.90 on Friday, according AAA/OPIS. That is down from a June peak of just more than \$5 a gallon. Spending declined in cate-

gories linked to big purchases like cars, televisions, beds and golf clubs. Purchases at electronics and appliance stores dropped 0.8% in September while spending at furniture stores fell 0.7%.

At the start of the pandemic, consumers bought new dishwashers and backyard furniture as they shifted spending into products and away from vacations. That trend has started to somewhat reverse in recent months.

Sales have fluctuated but generally risen in recent months amid higher prices and rising interest rates that can make big purchases more expensive. High inflation means consumers are getting less for their spending. Consumer prices grew 0.4% in September from August while retail spending was flat.

"Retail sales are strong be-

prices are rising quickly," said Chris Varvares, the co-head of U.S. economics at S&P Global Market Intelli-Overall consumer prices

climbed 8.2% in September from the same month a year ago, tempered by a decline in gasoline prices that was partially offset by higher food costs, the Labor Department said Thursday in a separate report.

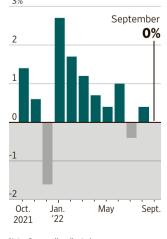
Unlike many government reports, retail sales aren't adjusted for inflation, so some swings reflect price changes rather than shifts in the amounts purchased. Higher interest rates also make purchases bought on credit more expensive.

Shoppers spent more in stores selling must-haves like ingredients for dinner and shampoo. They also boosted online purchases.

Spending at restaurants and bars grew 0.5% in September from the prior month. But prices at restaurants grew 0.9% in the same month, according to a separate Labor Department report released Thursday, meaning that consumers are getting less for their spending.

Scott Brave, the head of economic analytics for Morning Consult, said consumers have started to pull back on optional purchases while still

U.S. retail sales, change from previous month



Note: Seasonally adjusted ource: Commerce Department

spending on the essentials. "They are having to make tough decisions," he said.

A challenging housing market has weighed on homebuilding this year. The number of housing units starting to be built has declined in recent months from springtime highs. Spending at stores selling lumber and plumbing fixtures by both professionals and consumers declined 0.4% in Sep-

Spending on a year-overvear basis essentially met the vear-over-year inflation rate. Total retail sales grew 8.2% in September from a year ago.

Retailers have been implementing holiday sales earlier this year as they try to get rid of excess inventory. Amazon.com Inc., Target Corp. and Walmart Inc. have rolled out sales recently. These events aren't reflected in Friday's report, which covers transactions in September.

Richard Moody, chief economist at bank Regions Financial Corp., said September's sales figures are unlikely to affect Federal Reserve interestrate decisions. In the coming months, discounting by retailers could start showing up in inflation and sales data, he said, especially in the run up to the holiday season.

"You are past the big backto-school spending period," he said. "Holiday shopping really ramps up later in the year."

Consumers continue to have a gloomy attitude about the economy, with many blaming inflation for worsening their financial situations, according to surveys by the University of Michigan. While consumer sentiment has improved in recent months it remains low, due in part to inflation worries.

The preliminary estimate of the consumer sentiment index published Friday by the University of Michigan stood at 59.8 in October, up from 58.6 September, the highest reading since April. Sentiment is now 9.8 points above the all-time low reached in June.

Amilcar Caputo, who works at a food manufacturer in Minnesota, said he recently has started buying skirt steaks in-

stead of rib-eye cuts after prices rose.

"I'm Brazilian. I love to barbecue. Meat is a big thing," he said. "I had to look for other options."

CORRECTIONS & AMPLIFICATIONS

The number of mainland Chinese universities in the top 100 of this year's Times Higher Education World University Rankings increased to seven from two in 2018. A

U.S. News article Wednesday about the rankings failed to differentiate between universities in mainland China and those in Hong Kong.

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Mississippi's Water Level Snarls a Key Artery

By Cameron McWhirter

VICKSBURG, Miss.-Sections of the Mississippi River are approaching low water levels not seen in more than three decades, disrupting a vital supply lane for agriculture, oil and building materials and threatening businesses including barge and towboat operators, farmers and factories.

The low water, caused by a lack of rain in the Ohio River Valley and the Upper Mississippi, has halted commercial traffic and river boat cruises at numerous spots below Illinois. Prices to ship goods have more than doubled in a matter of weeks. Barges are grounding on sandbars in unprecedented numbers and # many ports and docks no longer have water deep enough for commercial boats to safely reach them.

"America is going to shut down if we shut down," said Mike Ellis, chief executive of Indiana-based American Commercial Barge Line LLC. He said the Mississippi River watershed has recently been hit at least two to three times daily by breakups in which a tow hits a sandbar with such force that it disconnects from

Barges and a Mississippi River cruise boat remain docked in Vicksburg, Miss.

the barges it is transporting. The U.S. Army Corps of Engineers has begun emergency dredging at various spots on the river to deepen it enough for commercial traffic, said Lisa Parker, spokeswoman for its Mississippi Valley Division.

that is the bottom line," she said. "The rivers are just bottoming out."

October is traditionally a month of low water levels on the Mississippi, which has flooded and shrunk over the patterns and the conditions of its tributaries. But this year's levels are approaching the historic low set in 1988, according to barge operators.

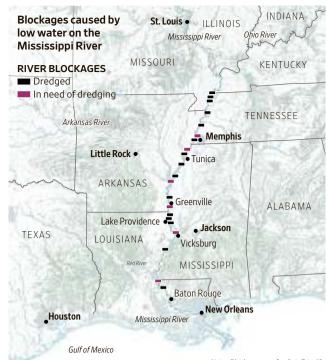
No major storms during hurricane season have swept

"There is no rain in sight, years depending on weather into the Mississippi Valley or rain hard," said Bertram into the Ohio River Valley this summer and fall. Rain storms in the Midwest haven't provided enough water to fill

> "Everything north of us needs rain, and it needs to

streams, creeks and rivers.

Hayes-Davis, who operates a tour company in Vicksburg. Mr. Hayes-Davis and his wife had 28 tours planned for November, but he worries that as many as half will be canceled, he said.



Note: Blockages are for Oct. 7 to 13. Sources: Waterways Council; American Commercial Barge Line Carl Churchill/THE WALL STREET JOURNAL

New Omicron Subvariants Gaining Ground, CDC Says

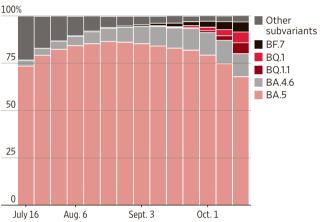
By Jon Kamp AND BRIANNA ABBOTT

New offshoots of the Omicron Covid-19 variant that virus experts say appear to spread easily are on the rise in the U.S., the latest federal data show, underscoring how the virus is mutating and presenting new risks as it proliferates.

Two of the Omicron subvariants, both related to the BA.5 version that drove the most recent U.S. surge, are called BQ.1 and BQ.1.1. They were estimated to represent a combined 11.4% Covid-19 cases by mid-October, according to estimates the Centers for Disease Control and Prevention released Friday.

BA.5 remains the dominant version of the virus circulating in the U.S. at about 68% of recent cases, according to CDC estimates. But the subvariant landscape has become busier as the virus that causes Covid-19 continues to mutate. Another version virus experts are watching because of its potential to spread easily, called BA.2.72.2, represented an estimated 1.4% of cases in the latest CDC report.

'There's just a swarm of them," said Marc Johnson, a professor of molecular microbiology and immunology at Estimates of U.S. Covid-19 variant proportions



Note: For weeks ending the date shown

Source: Centers for Disease Control and Prevention

want to be the next big thing." Recent changes in the mix of variants in the U.S. don't appear to have significantly affected the pandemic's trajectory in the U.S. It can take time before a subvariant is prominent enough to have such an impact.

the University of Missouri

School of Medicine. "They all

The BQ subvariants' quick rise "suggests that they either have increased transmissibility or increased immune escape compared with BA.5.," said Dan Barouch, who directs the Center for Virology and Vaccine Research at Boston's Beth Is-

rael Deaconess Medical Center. Nationally, key metrics such

hospitalizations largely been on a downward trajectory since late July, following a BA.5-fueled summertime surge, but with some recent signs of wavering

Virus experts said that, because the newer subvariants remain in the Omicron family, undated Covid-19 vaccines in the U.S. should be an important shield against severe illness and death, though data is limited. The bivalent shots were designed to fight the original virus strain as well as the BA.4 and BA.5 Omicron subvariants.

Five Victims Identified In Raleigh Shooting

By SCOTT CALVERT

The 15-year-old male suspected of carrying out Thursday's mass shooting in Raleigh, N.C., took the life of his 16-yearold brother along with four other people, according to people familiar with the matter.

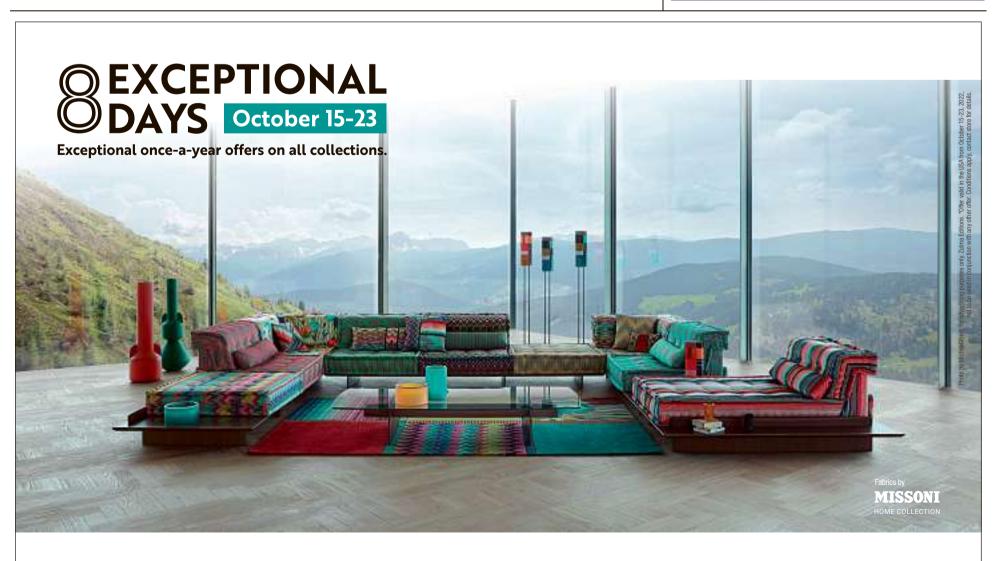
The suspect, identified by people familiar with the matter as Austin Thompson, was hospitalized in critical condition, police said Friday. They identified the 16-year-old vic-

tim as James Roger Thompson. The incident began in the Hedingham neighborhood in the northeast section of the city after 5 p.m. and ended when police took the suspect into custody at 9:37 p.m., police said. Several witnesses told local station WRAL they had seen a young male dressed in camouflage and holding a long gun as he walked

through the neighborhood. In addition to James Thompson, officials identified the deceased as Officer Gabriel Torres, 29; Mary Marshall, 34; Susan Karnatz, 49; and Nicole Conners, 52.

"This is an extremely, extremely painful event for our officers, for me, for this entire community," Raleigh Police Chief Estella Patterson said.

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Investigators contacted at least two aides to former President Donald Trump months before the FBI searched his Mar-a-Lago resort.

Aides Queried Over Mar-a-Lago

By Sadie Gurman AND ALEX LEARY

WASHINGTON-Federal investigators contacted at least two aides to former President Donald Trump months before the FBI searched his Mar-a-Lago resort and have sought to talk to them again in recent weeks, people familiar with the matter said, as the Justice Department examines possible obstruction of its efforts to retrieve hundreds of government and classified documents.

The aides, Walt Nauta and Will Russell, are witnesses in the Justice Department's investigation into the handling of presidential and classified records taken from the White House but aren't formally cooperating with the probe, the people said. Mr. Russell hasn't personally spoken to investigators, who are communicating directly with his counsel.

Mr. Nauta, a former military valet who went to work at Mara-Lago after Mr. Trump left the White House, was seen on surveillance footage moving boxes from a storage room before and after investigators issued a subpoena in May seeking the documents' return, the people said. Mr. Nauta told investigators that he did so at Mr. Trump's request, one of the people said.

The federal interest in Mr. Russell hasn't been previously reported. He served in the Trump White House, including as a coordinator of presidential travel, and went on to work for the former president in Florida after he left office. Mr. Russell had previously been subpoenaed in connection with the Justice Department's investigation of the Jan. 6, 2021, riot at the U.S. Capitol. The FBI's questioning of Mr. Nauta was earlier reported by the New York Times.

A spokesman for Mr. Trump declined to comment on the interest in Messrs. Nauta and Russell while calling the Mar-a-Lago search unwarranted. A Justice Department spokesman declined to comment.

The Wall Street Journal previously reported that the Aug. 8 search came after at least one person familiar with the stored papers told investigators there were more sensitive documents at Mar-a-Lago beyond what they had received in June through a grand jury subpoena.

That subpoena was issued in May and sought all classified documents at Mar-a-Lago. Some records were turned over on June 3, but investigators believed more could be on the property. On June 8, Mr. Trump's lawyers were told to better secure a storage area, which they did. On June 22, another subpoena was issued for footage from security cameras at Mar-a-Lago.

Agents in August seized more than 11,000 documents in a search authorized by a federal magistrate in Florida, including roughly 100 marked as classi-

Prosecutors have said that they have evidence of possible obstruction of their investigation and that potential crimes they are reviewing include violations of the Espionage Act, which governs national-defense information, and the Presidential Records Act, the post-Watergate measure setting stan-

The Trump aides are witnesses in a U.S. probe into the handling of records.

dards for preservation of White House materials.

Prosecutors have also sought to end an independent review of the seized materials that a federal judge in Florida ordered last month, and on Friday, the Justice Department filed a detailed brief with the U.S. Court of Appeals for the 11th Circuit explaining why it thinks the appeals court should overturn in full a lower court order that had appointed the special master.

A senior Justice Department official also told Mr. Trump's lawyers in recent weeks that law-enforcement officials don't believe the former president has returned all the documents he took with him.

The outreach by Jay Bratt, chief of the Justice Department's counterintelligence and export-control section, was prompted by concerns about dozens of folders, including more than 40 marked classified or bearing classified banners, that were empty when the FBI seized them in August, the Journal reported this week.

Federal officials also have expressed concern about whether Mr. Trump took documents on flights as he traveled from Mar-a-Lago to his other properties in New York and New Jersey, according to a person familiar with the matter. Mr. Trump declined to comment on the matter.

Last week, one of Mr. Trump's lawyers, Christina Bobb, told federal investigators that a fellow attorney, Evan Corcoran, assured her that he had conducted a thorough search of the former president's Mar-a-Lago estate before asking her to certify in June that all government records requested in a subpoena had been returned, a person familiar with

Facing a Subpoena, Trump Assails Panel

By Natalie Andrews

WASHINGTON-Former President Donald Trump remained defiant about his actions related to the Jan. 6, 2021, Capitol riot, a day after the committee investigating the attack issued a subpoena compelling him to testify.

The House select committee voted Thursday to issue a subpoena to Mr. Trump for testimony and documents, marking a significant escalation of the panel's probe, even as legal experts said it was unlikely that Mr. Trump would agree to cooperate and the former president gave no indication that he would.

The panel argued that Mr. Trump's actions resulted in the riot, with lawmakers now saying they needed to hear from him directly. In response, Mr. Trump wrote a letter to committee Chairman Bennie Thompson (D., Miss.) calling the committee organized by House Speaker Nancy Pelosi (D., Calif.) a scam and repeating his false claims that the election was stolen.

"You have not gone after the people that created the Fraud, but rather great American Patriots who questioned it, as is their Constitutional right," Mr. Trump wrote in a 14-page memo, which he said was being written to lodge "our anger, disappointment and complaint."

The letter didn't address the subpoena, nor mention any of the evidence or testimony presented by the committee.

Mr. Trump has several possible responses. He could comply with the subpoena and testify, or he could appear before the committee and assert his Fifth Amendment right against self-incrimination. Mr. Trump could go to court to contest the legitimacy of the subpoena, or he could refuse to testify, potentially setting up a legal standoff.

If the GOP wins control of

the House in the midterms, party leaders have said they would end the Jan. 6 committee and legal observers say they would likely cancel the subpoena.

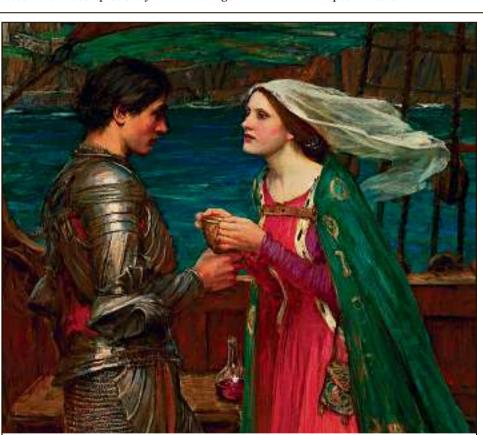
Mr. Trump has said he did nothing wrong related to the riot. He was impeached by the House in early 2021 on a charge of inciting an insurrection and acquitted in the Sen-

On Thursday, the Jan. 6 panel, with some new video and documents, provided a review of findings from its investigation. Lawmakers said the evidence showed that Mr. Trump was well aware that Joe Biden had beaten him, and yet continued to maintain publicly that the vote was stolen, sparking the violence on Jan. 6 and then doing nothing to stop it.

Republican members of Congress who have been subpoenaed by the panel, including House Minority Leader Kevin McCarthy (R., Calif.), haven't responded to committee subpoenas seeking information about what they knew about the attack.

Newly released footage from the attack showed congressional leaders and former Vice President Mike Pence determined to get back to the process of certifying the election as soon as possible. Mr. Trump has criticized Mr. Pence for not stopping the count as he demanded.

The video released Thursday showed Mrs. Pelosi and congressional leaders working directly with Mr. Pence over the phone to finish certifying the election that day, at one point considering doing it offsite if the Capitol remained off limits. Mr. Pence staved in his position at a loading dock at the Capitol, ready to restart the proceedings once the Capitol was safe to re-enter. Ultimately, Congress reconvened at the Capitol and Mr. Biden was declared the winner early in the morning of Jan. 7.



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John William Waterhouse captures a moment of sensuous anticipation in this Pre-Raphaelite oil on canvas. Recounting the beloved Celtic myth Tristram and Isolde, Waterhouse chose to capture the moment the pair of forbidden lovers drink the love potion that will seal their fate. Tristram and Isolde remains one of Waterhouse's crowning achievements in painting. The beloved artist held this painting in high regard, choosing it for exhibition at the Royal Academy. Signed and dated "J.W. Waterhouse/1916" (lower left). Canvas:

42" h x 31" w. Frame: 55" h x 43¹/₂" w. #31-5713



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Walker, Warnock Spar Over Abortion, Inflation in Debate

By Lindsay Wise AND JOSHUA JAMERSON

Democratic Sen. Raphael Warnock and Republican challenger Herschel Walker clashed over abortion, inflation and healthcare in their only debate Friday night, a hotly anticipated event thanks to Mr. Walker's controversial campaign and Georgia's emergence as a perennial battleground

"This race ain't about me. It's about what Raphael Warnock and Joe Biden have done to you and your family," Mr. Walker said in his opening remarks. He went on to try repeatedly to link the incumbent senator to the president.

Mr. Warnock pointed out that he had grown up in housing projects about a mile from where the debate was taking place in Savannah. "When I think about the arc of my life, the short distance and the long distance from there to here, I know that only in America is my story possible," he said. "At the end of the day. This race is about who's ready to represent Georgia in the U.S. Senate. I think that choice is clear."

The Senate is split 50-50 between the parties, with Vice President Kamala Harris casting tiebreaking votes. Democratic officials in Washington have said their easiest path to keeping the Senate majority is protecting four vulnerable incumbents, including Mr. Warnock.

Mr. Warnock has a fundraising advantage and holds an edge in most polling. He leads Mr. Walker by roughly 4 percentage points in FiveThirty-Eight's average of public sur-

If no candidate gets more than 50% of the vote on Election Day, the winner will be determined in a runoff Dec. 6.

Endorsed by former President Donald Trump, Mr. Walker has faced scrutiny of his record as a businessman and questions about his family life, including allegations that he threatened to kill his ex-wife. The former football star has said he can't remember his actions at that time, when he said he was



Republican Herschel Walker, could determine control of the Senate.

The race between Democratic Sen. Raphael Warnock, left, and

struggling with his mental health, and that he since has sought forgiveness. Mr. Walker also in recent

weeks faced allegations of violence and hypocrisy leveled by his adult son on social media. You're not a 'family man' when you left us to bang a bunch of women, threatened to kill us, and had us move over 6 times in 6 months running from your violence." Christian Walker said on Twitter.

The younger Mr. Walker, a conservative social-media influencer, also said in a video that his father shouldn't present

Warnock holds an edge in fundraising and most polling in the Georgia contest.

himself as a moral family man: "He has four kids, four different women, wasn't in the house raising one of them.'

Christian Walker's social-media remarks came after the Daily Beast reported that his father—who has said during his campaign that he opposes abortion, even in cases of rape, incest or danger to a mother's life—reimbursed a woman for an abortion he urged her to get when they were dating in 2009. The Wall Street Journal hasn't verified the reporting by the Daily Beast.

Mr. Walker denied the allegation again when asked by the moderators Friday.

Throughout the debate, Mr. Walker repeatedly hit Mr. Warnock for voting too much with Mr. Biden. Mr. Warnock said it is clear that Mr. Walker would rather be running against Mr. Biden.

Asked whether Mr. Biden had won the 2020 election, Mr. Walker said he had. The Republican avoided answering similar questions at times earlier in his campaign and falsely said there was widespread fraud in the election.

The men also argued about abortion, with Mr. Warnock saying the government should stay out of women's private medical decisions, and Mr. Walker saying he supports Georgia's current law banning abortion once a heartbeat is detected, typically at about six weeks.

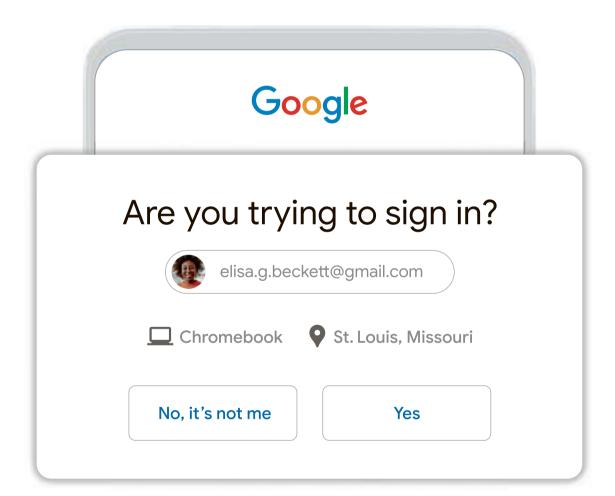
In another exchange, Mr. Warnock noted that Mr. Walker has said he would vote against the Inflation Reduction Act, which included provisions championed by Mr. Warnock that will cap the out-of-pocket cost of insulin next year at \$35 a month for Medicare Part D beneficiaries.

Mr. Warnock, the pastor of Rev. Martin Luther King Jr.'s former church in Atlanta, defeated GOP businesswoman Kelly Loeffler two years ago in a special election to fill the remainder of the late GOP Sen. Johnny Isakson's term.



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WORLD NEWS

Russia Urges Civilians to Leave Kherson

Moscow presses evacuation in south as Ukrainian forces bear down on occupied area

By Matthew Luxmoore AND GEORGI KANTCHEV

KYIV, Ukraine-Russian-installed officials in occupied areas of Ukraine amplified calls for residents to leave the south as Kyiv's forces step up their campaign to retake the region, and Russia builds fortifications to thwart their advance

Ukraine has recaptured vast swaths of land in southern Kherson as its forces push toward the regional capital, having severed key Russian supply lines with attacks on infrastructure Moscow has used to keep its troops equipped and reinforced.

"It's no secret that shelling of Kherson region is dangerous first and foremost for civilians," Kirill Stremousov, the Russianappointed deputy head of Kherson, said Friday, adding that attacks on a dam across the Dnipro River could cause floods.

He reiterated calls from Russian officials for Kherson residents to leave for Russian cities "to avoid casualties among the civilian population" as Moscow works to push Ukrainian forces back. He described the evacuations as Kremlin public figures have Putin said Friday that the mo-



A Ukrainian soldier checks the trenches dug by Russian soldiers in an area that has been retaken in the southern Kherson region.

"rest and recreation" trips. Some 350 people want to leave Kherson, said Volodymyr Saldo, the region's Russian-appointed leader, cited by Russian state news agency TASS.

He said the recommendation to leave is voluntary. Russian pundits and pro-

aired growing concerns that Moscow's lines of defense risk collapsing, despite a military mobilization of tens of thousands of Russian men who were meant to stabilize Russia's position and shore up its control over occupied areas.

Russian President Vladimir

bilization effort he launched last month would be completed in two weeks. He said about 222,000 out of a planned 300,000 people have been mobilized, with 16,000 performing combat missions.

Mr. Putin said Russia is open to negotiations with Ukraine, and blamed Kyiv for among the newly mobilized

ending a previous round of talks. He said he sees no need to speak with President Biden.

Russian military bloggers supportive of the invasion of Ukraine have lambasted the country's military leadership after reports of numerous front-line deaths this week

men. Many new recruits are arriving in Ukraine with minimal training, and often outdated equipment, say analysts and Ukrainian officials.

Videos posted to social media show some Russian prisoners of war identifying themselves as mobilized soldiers, recounting their journeys to the front line. Russian military bloggers, who aren't subject to the censorship imposed at state media outlets that whitewash Russia's campaign, have dismissed official figures that play down the country's losses.

Kremlin spokesman Dmitry Peskov has acknowledged that mistakes were made during the mobilization, and said measures are being taken to fix them.

The Kremlin has been under pressure to escalate in Ukraine as Kviv's forces bear down on Russian troops defending occupied territory, seeking to recapture as much land as possible before the onset of winter and the logistical challenges it brings. Western and Ukrainian officials say Russia's stock of advanced weaponry is being depleted after months of combat.

"Russian rockets are still capable of driving Ukraine into bomb shelters," Ukrainian President Volodymyr Zelensky said in a video address posted Friday. "But none of our people are shaking there. Ukrainians sing in the shelters."

Musk Says He Can't Fund Ukraine Service Indefinitely

By MATTHEW LUXMOORE

KYIV, Ukraine—Elon Musk said the cost of maintaining Starlink terminals in Ukraine is approaching \$20 million a month and SpaceX can't fund the internet service on its own.

The Pentagon said Friday that it received a letter from Mr. Musk's Space Exploration Technologies Corp., or SpaceX, "about the funding of Starlink," but declined to provide further details. CNN first reported that SpaceX sent a letter to the Pentagon.

The Starlink terminals have played a crucial role in maintaining Ukraine's communications during the war with Rus-The terminals are deployed on hundreds of Ukrainian military outposts around the front lines, allowing commanders to call in artillery strikes and to coordinate operations in areas where mobile-phone services are disabled or jammed by Russia.

Mr. Musk has said the operation in Ukraine has cost

SpaceX \$80 million and will exceed \$100 million by the end of the year. In a series of tweets Friday, he said SpaceX couldn't keep funding the program's running costs on its own. SpaceX didn't respond to a request for comment.

"SpaceX is not asking to recoup past expenses, but also cannot fund the existing system indefinitely *and* send several thousand more terminals that have data usage up to 100X greater than typical households. This is unreasonable,"

said Mr. Musk, who is also chief executive of Tesla Inc.

In addition to the cost of terminals, he said SpaceX has had to create, launch, maintain and replenish satellites, ground stations and pay telecommunications companies for certain internet access.

"We've also had to defend against cyberattacks & jamming, which are getting harder. Burn is approaching \$20M/month," he tweeted.

The issue of Starlink's costs comes after a public spat be-

officials concerning a different matter. Last week, Mr. Musk suggested on Twitter that Ukraine give up swaths of its territory in concession to Russia's invasion, provoking an uproar among Ukrainians who said it parroted the **Kremlin**.

Mr. Musk said the Crimean Peninsula annexed by Moscow in 2014 is part of Russia, and proposed a referendum in occupied parts of Ukraine on which country they should belong to.

The tweets were praised in

tween Mr. Musk and Ukrainian Moscow, while Ukrainian President Volodymyr Zelensky took to Twitter to question Mr. Musk's allegiances.

Mykhailo Podolyak, an adviser to Mr. Zelensky, said Friday that Kyiv would find a solution to keep Starlink working in Ukraine, and expects SpaceX to maintain service in the interim. "Like it or not, [Mr. Musk] helped us survive the most critical moments of war," Mr. Podolyak wrote on Twitter. "Business has the right to its own strategies."





A8 | Saturday/Sunday, October 15 - 16, 2022

Le Pen Seeks Middle Path Between U.S. and Russia

By Noemie Bisserbe AND STACY MEICHTRY

PARIS-After securing her party's biggest gains in elections to France's National Assembly, Marine Le Pen is now reflecting on whether she can steer the country toward what she calls a strategic midpoint between the U.S., Russia and China.

Her hard-right National Rally party is the single largest opposition party after securing 89 seats in June's election, helping to deprive President Emmanuel Macron's Renaissance party of a majority. That makes her one of the more prominent voices in Western Europe to question the way the region's security arrangements work.

Specifically, Ms. Le Pen said in an interview she wants France to adopt a policy of "equidistance" between the U.S., Russia and China that allows France to maneuver independently on the world stage. She has called for France to withdraw from the unified command of the North Atlantic Treaty Organization.

In doing so, she echoes right-wing leaders to the east, such as Hungarian Prime Minister Viktor Orban, in questioning whether Western military support for Ukraine risks drawing the West into a direct confrontation with Russia over a war that she says Kyiv has no chance of winning on its own. Ms. Le Pen said France and other Western powers should instead push for peace talks between Russia and Ukraine.

"Few people actually believe that a military victory is possible against Russia," she said.

There is little short-term prospect of France changing direction. While Mr. Macron warned that NATO was undergoing "brain death" in 2019, the alliance has strengthened recently, particularly since Russia's invasion of Ukraine. In the past week, the French president has announced fresh funding for Ukraine's war ef-



Marine Le Pen lost her presidential bid but remains a political force.

new air-defense systems.

Ms. Le Pen, however, is hopeful of building on her party's political gains this year. National Rally, she said, can use the additional funding to pay off a Russian loan that has haunted Ms. Le Pen in election after election. The party also can now afford to recruit hundreds of new staff members after qualifying for about 10 million euros, or \$9.8 million, in state funding on the back of June's election performance. Just having more legislators visible will help push its agenda, which also includes limiting immigration, she says.

People "can watch them every day on TV, defending our ideas," said Ms. Le Pen. "Maybe it wasn't the case before, and that's what we lacked in the presidential elections," she added, referring to her loss to Mr. Macron in April's vote.

Ms. Le Pen now aims to cast off the party's reputation for rabble-rousing, exhorting her new lawmakers to avoid controversy. For years, she has tried to play down the legacy of her father, firebrand Jean-Marie Le Pen, who once described Nazi gas chambers as a "detail of history." She recently marked the 50th anniversary of National Rally with an understated gathering in the basement of the National Assembly. fort and pledged to deliver Her father didn't attend.

One question looming over the party is whether Ms. Le Pen intends to follow through on comments she made before the presidential election, saying she wouldn't run again if she lost. Mr. Macron won by a 17-point margin. Whether she runs in 2027, she said, depends on whether there are "exceptional circumstances that would mean I am the only one who can possibly win."

During the election, Mr. Macron painted her as a puppet of Russian President Vladimir Putin. Mr. Macron hammered Ms. Le Pen over a €9 million loan the party contracted with the Moscowbased First Czech-Russian Bank in 2014, saying the debt made her beholden to Moscow.

Ms. Le Pen says the loan hasn't influenced her stance on Russia or its invasion of Ukraine, which she condemns.

Moving on from her father's legacy is perhaps the toughest challenge facing Ms. Le Pen, analysts say. National Rally's old guard holds sway over the party, while many of its new lawmakers have little political experience. The group includes a housekeeper, a retired grocer and a delivery driver.

"They have to make these people act as a cohesive group, and that will be very difficult," said Jean-Yves Camus, a political scientist.

Treasury Chief Fired In the U.K.

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Continued from Page One were central to Ms. Truss's campaign to take over as U.K. prime minister this summer. After she was selected for the top job in September by Conservative members, she appointed Mr. Kwarteng, her long-time political ally, to administer the policies on her government's behalf. He now takes the fall as she tries to hang onto power.

Several of her party's lawmakers expressed disappointment after her short news conference, in which she looked downcast and took few questions. Christopher Chope, a Conservative lawmaker and supporter of Ms. Truss's, said the whole episode made the Tories look like "a laughing stock."

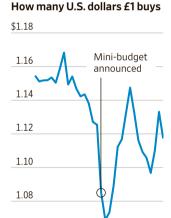
While investors largely welcomed the decision to fire Mr. Kwarteng and roll back about half of her tax-cut plans, there was uncertainty over how the remaining half of the proposed cuts would be funded.

"It's a step in the right direction in terms of fewer tax cuts, but it's still not fully credible," said Trevor Greetham, head of multi-asset investing at Royal London, a financial-services firm.

Having rallied earlier in the day on reports of the imminent change to policy, U.K. government bonds reversed their gains after Ms. Truss spoke. The yield on the benchmark 10year gilt rose 0.197 point to 4.388% by late Friday. Despite the rise, it was still well below an intraday high of 4.634% Wednesday, when reports first surfaced that the government would modify its plan. Sterling traded 1.4% lower at \$1.117.

Focus now turns to whether Ms. Truss, who won a Conservative Party leadership contest to succeed Mr. Johnson in early September by modeling herself as a libertarian reformer, will herself survive without her longtime political ally, Mr. Kwarteng, and with her project to revitalize the British economy in tatters.

The turmoil in the U.K. is a



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Source: Tullett Prebon sharp reminder of the political and economic challenges facing leaders across the West as they grapple with fast-rising inflation and weak growth. Price in-

Oct.

1.06

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creases are forcing central banks to quickly raise interest rates, denting economic growth and making financial markets far more sensitive to deficits "A more general restoration

of confidence in the U.K. requires investors to regain confidence in the government, not something that is likely to be established overnight, or even over a series of nights," said James Richard Sproule, U.K. chief economist at Swedenbased bank Handelsbanken.

Mr. Sproule, however, welcomed the appointment of Mr. Hunt, who he said would bring "a sense of competence and a

calm delivery." Ms. Truss has the lowest level of satisfaction with the public ever recorded for a U.K. prime minister, according to polling firm Ipsos, with just 16% of people saying they were satisfied. When King Charles III met with Ms. Truss on Wednesday, he started the meeting with the words, "Dear, oh dear."

"We've never seen a prime minister that has been this unpopular this quickly," said Matthew Goodwin, a politics professor at the University of Kent. "It's when, not if, she gets pushed out." "I have never seen anything like this in my life-

Since the plan to cut taxes to bolster economic growth was announced three weeks ago—alongside major new subsidies to cap prices of energythe pound has sagged to a re-

cord low against the dollar, the Bank of England has had to launch an emergency program to buy government bonds and the Conservative Party has tanked to record lows in opinion polls. The plan earned a rare rebuke from the International Monetary Fund and ratings firms such as Moody's.

Despite the U-turn on the tax plans, Britons still face a difficult winter, with strikes, rising inflation, more interestrate increases and a recession in the cards.

Ms. Truss had been trying to tough it out. This week she repeatedly told lawmakers both publicly and privately that she was going to see the plan through, according to officials. But by Thursday, government officials were drawing up alternatives, they said.

In recent days, Mr. Kwarteng tried to calm the storm. On Monday, the chancellor brought forward by several weeks the date of his plan to balance the government's finances to Oct. 31 and appointed an experienced civil servant to beef up the Treasury's team.

To appease rebel lawmakers. Mr. Kwarteng announced earlier this month the shelving of a plan to cut the top 45% rate of tax, a move that is estimated to save the government £2 billion a year, the equivalent of about \$2.27 billion. Some £60 billion in government cuts were needed to fund the package, according to the Institute for Fiscal Studies, a think tank. The corporate-tax increase, worth some £18.8 billion a year to the exchequer, goes some way to plugging that hole.

Even as Mr. Kwarteng attended a IMF meeting of finance ministers in Washington on Thursday, the head of the fund urged the U.K. government to reverse its tax plans and work alongside the central bank to control inflation.

Mr. Kwarteng said 'wasn't going anywhere." But late Thursday, he boarded the last flight to London, departing the conference early. He was fired from his job shortly after his arrival in London.

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WORLD NEWS



Main opposition legislator Burak Erbay smashes a cellphone with a hammer while addressing Turkey's parliament, saying the social-media clampdown would make the phones obsolete.

Free-Speech Advocates Slam Turkey's Media Law

By Jared Malsin

ISTANBUL—Turkey's parliament passed a law criminalizing the spread of alleged disinformation and forcing social-media platforms such as WhatsApp to hand over users' personal information, raising alarm among free-speech advocates.

Turkish journalists and media watchdogs say the legislation, passed Thursday, will have a chilling effect on speech in the run up to Turkey's national election scheduled for next year. President Recep Tayyip Erdogan is at risk of defeat partly because

of the struggling economy. Backers of the new law, including Mr. Erdogan's Justice and Development Party, say the measure is needed to clamp down on what they call online misinformation.

The law would hand jail sentences of one to three years for those convicted of spreading false information "in a manner that is liable to disturb public peace." If a person conceals their identity while spreading misinformation, those sentences can be increased by half, the law says. The law doesn't specifically define false information.

Journalists associations and rights groups say this provision would make it easier for Turkish authorities to jail journalists and members of the public for speech critical of the government.

It follows years in which Mr. Erdogan and his supporters have remade the Turkish system of government and extended their control over media institutions within the country. Turkey adopted a new constitution through a referendum in 2017 that transformed the government to one controlled by a powerful presidency.

Pro-government business people have taken control of an expanding swath of media, and authorities have jailed a journalists on terrorism charges.

"This has been the final stop in a long process, in Erdogan's effort to control public speech," said Emre Kizilkaya, vice chair of the International Press Institute, a media freedom group based in Vienna.

The far-reaching law includes changes to Turkey's penal code and its telecommunications laws, and moves to bring online media under greater government regulations. One provision of the bill would require messaging apps to hand over user information if requested by Turkev's Information and Communication Technologies Authority. This aspect of the new has raised privacy concerns and could pose a quandary for major tech companies such as Facebook parent Meta Platforms Inc., which owns WhatsApp.

Mr. Erdogan's administration has clashed with tech giants in the past, including in 2020 when the government adopted a law requiring social-media companies to station a representative in Turkey to handle requests to block and take down specific content. Facebook complied.

Mr. Erdogan, who has ruled Turkey for nearly two decades as both prime minister and president, is facing a difficult reelection battle next year due in part to the economy, which suffers from one of the world's highest rates of inflation. Turkey's currency has lost more than half its value since last year as a result of interest-rate cuts demanded by the president.

Journalists' associations and press-freedom advocates argue that the new law is an attempt to constrain criticism of the government at a time of rising public discontent.

IMF Urges Faster Debt Relief

By Alexander Saeedy

Officials from the International Monetary Fund said the governments of poorer countries need better ways to restructure their debt loads totaling billions of dollars to survive a cost-of-living and hunger crisis that is quickly taking root around the world.

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The world has seen extraordinary upheaval," Kristalina Georgieva, the IMF's managing director, said Friday, speaking at the closing session of the international financial institution's annual meetings in Washington.

With government finances battered by the extraordinary impact of the Covid-19 pandemic and high global inflation, "more than 60% of low-income countries are in debt distress or near it. An effective debt-resolution mechanism is desperately needed." Ms. Georgieva said.

Her call to action comes as governments worldwide are

seen in nearly 20 years, a burden that is draining resources when they are needed most.

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To help support governments, the IMF has launched a one-year program to extend credit to countries struggling to afford high food and energy costs. Fund officials and global policy makers also have suggested that richer countries could reallocate billions of dollars in emergency reserves they received from the IMF during the Covid-19 pandemic to countries facing a budget crunch.

However, the IMF urged creditors to do more to help overindebted countries avoid choosing between paying their debts and paying for food.

"Financing resources are scarce, but it is in the nature of trade-offs that policy makers face that food security and nutrition have to be given priority," said Vitor Gaspar, director of the IMF's fiscal-affairs depart-

reckoning with debt loads not ment, adding that struggling countries "need to have an orderly debt-restructuring mechanism and forms of debt relief to help put their public finances on a more sustainable path."

One such mechanism for sovereign debt relief, the G-20 Common Framework, has faced criticism for its shortfalls since launching in 2020. The framework was designed as a onesize-fits-all approach for poorer countries to receive debt relief, and it was meant to improve cooperation among large creditors, including China, which has become the largest lender to the develop-

ing world over the past decade. But the framework has produced mixed results for countries that have applied to their creditors for debt relief. Delays by the creditors to reach deals have held up bailout funds and so far, no country has completed a debt restructuring under the framework.

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WORLD WATCH

UNITED KINGDOM

Soup Is Thrown at Van Gogh Painting

Police arrested two climate protesters who threw tomato soup on a famous Vincent Van Gogh painting at London's National Gallery Friday.

The incident didn't harm the painting, which was protected by a layer of glass glazing, but did cause minor damage to its frame, the museum said. "Sunflowers" was back on display by Friday afternoon, according to the museum.

The protest was organized by the group Just Stop Oil, which aims to stop the U.K. government from engaging in new oil and gas licenses and projects. Metropolitan Police in London said the two protesters were arrested for criminal damage and aggravated trespass.

Made in 1888, the "Sunflowers" painting at the National Gallery is one of five versions of the famous piece displayed around the world, according to the museum. The National Gallery said the sunflower paintings are among Van Gogh's best-loved works.

–Jennifer Calfas

CANADA

Labor Market Needs To Cool, Official Says

Canada's labor market needs to weaken to help cap domestic inflationary pressure and bring the consumer-price index back down from elevated territory, the country's top central banker said Friday.

Bank of Canada Gov. Tiff Macklem reiterated that interest rates will need to move higher to tame annual inflation, which is running at 7%, or well above the central bank's target of 2%. Underlying inflation, which strips out volatile-priced items such as food and fuel, shows no sign of dissipating, he added.

The central bank, which has raised its main interest rate by 3 percentage points so far this year, is set to issue its latest rate-policy decision on Oct. 26.

'The labor market is overheated. Businesses can't find enough workers. Vacancies are high," said Mr. Macklem.

Data last week indicated the unemployment rate in Canada dropped in September from 5.4% to 5.2%, or 4.1% when using U.S. Labor Department methodology. –Paul Vieira **MALTA**

Two Plead Guilty to **Murder of Reporter**

A judge in Malta sentenced two brothers to 40 years in prison each after they abruptly reversed course and pleaded guilty Friday to the car-bomb murder of an anticorruption journalist, which shocked Europe and triggered angry protests in Malta.

Hours earlier, at the start of the trial in a Valletta courthouse, George Degiorgio, 59 years old, and Alfred Degiorgio, 57, had entered not-quilty pleas in connection with the death of Daphne Caruana Galizia in the explosion as she drove near her home on Oct. 16, 2017.

Ms. Galizia investigated suspected corruption among political and business circles in the European Union's tiny nation, which is a financial haven.

"This is an important step forward, to deliver justice in a case that represents a dark chapter in Malta's history," read a statement from the office of Prime Minister Robert Abela's government shortly following the sentencing.

-Associated Press



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WORLD NEWS

Tensions Rise On the Korean Peninsula

A10 | Saturday/Sunday, October 15 - 16, 2022

Pyongyang's weapons launches, retaliatory military drills further strain relationship

By Dasl Yoon AND TIMOTHY W. MARTIN

SEOUL-Tensions on the Korean Peninsula have escalated to their highest level in years, with the two countries engaging in tit-for-tat military exercises, trading barbs and hardening a diplomatic stalemate.

Since conservative South Korean President Yoon Sukveol took office in May, North Korea's weapons launches have been met with an equal show of force, including missile drills and jet fighters. The two Koreas have blamed each other for worsening ties. Both sides are threatening to beef up their military powers.

"North Korea uses damaged ties with South Korea to justify weapons development, to then win greater concessions in future negotiations with the U.S." said Kim Yong-hyun, a North Korean studies professor at Dongguk University in Seoul. "It's an old playbook."

North Korea flew jets near inter-Korean border Thursday evening and fired artillery shots and a ballistic missile early Friday. South Korea, in turn, mobilized its jet fighters and imposed unilateral sanctions for the first time since December 2017.

On Friday evening, North Korea fired about 80 artillery shots off its east coast into the sea and around 200 gunfire shots were heard, Seoul's military said.

Last week, South Korea and the U.S. carried out missile drills in response to North Korea's launch over Japan. Under the Yoon administration, South Korea has expanded joint military drills with the U.S. and Japan, and hastened plans to set up the "Kill Chain" system designed to launch pre-emptive strikes against the North.

In July. North Korean leader Kim Jong Un threatened to annihilate South Korea's military. This week, Pyongyang's state media reported that Mr. Kim oversaw recent military drills that simulated tactical nuclear strikes against the U.S. and South Korea.

The Kim regime has blamed Washington and Seoul for hostile policies, including the joint military drills. The conservative South Korean administration's emphasis on a strengthened deterrence posture gives North Korea more excuses to conduct provocations, Pyongyang watchers.

North Korea's testing spree and preparations for a potential seventh nuclear test are reminiscent of its 2017 weapons provocations. Soon after then-South Korean President



North Korean leader Kim Jong Un attended a military training exercise at an undisclosed location earlier this month.

Moon Jae-in took office, North Korea conducted an intercontinental ballistic missile launch and a hydrogen bomb test.

After receiving threats of "total destruction" and "fire and fury" from then-President Donald Trump, Mr. Kim abruptly entered diplomatic talks with the U.S. and South Korea.

By January 2018, Mr. Kim declared his nuclear arsenal complete and turned to dialogue with Seoul and Washington. "For North Korea advancing their weapons program is essential to have some leverage in talks that eventually follow provocations," said Cheon Seong-whun, a former South Korean National Security Council official.

The five inter-Korean sum-

mits to date-including three between Messrs. Moon and Kim-have occurred under proengagement South Korean presidencies. Many of the most violent clashes between the two countries in recent decades have unfolded while conservative South Korean leaders, who back a harder line toward Pyongyang, were in charge.

In recent days, South Korean officials have warned of a likelihood that North Korea could spring a surprise, localized attack. They have referenced attacks like the one on a border island in 2010 and said they are making preparations to respond.

North Korea typically has decided for itself on the pace of weapons testing or openness to talks. But Pyongyang often has sought to scapegoat conservative Seoul administrations as instigators who can be blamed for Kim regime provocations—even when the bad behavior would have occurred anyway, said Gordon Flake, a Korea specialist at the Perth USAsia Centre, a foreign-policy think tank based at the University of Western Australia.

"It's not like a different South Korean approach led to a different pace of North Korean tests," Mr. Flake said. "Despite being extremely solicitous of North Korea, the Moon administration got nothing but disdain and disrespect."

The Kim regime has reiterated it has no intention of returning to talks with Seoul and Washington. It has conducted more than 24 missile tests in 2022, a record for a single year.

Ruling party lawmakers in Seoul have called on the Yoon administration to terminate an inter-Korean military agreement if North Korea conducts another nuclear test. Under the September 2018 accord. the two Koreas agreed to cease hostile activities against each other, such as military drills near the border.

But North Korea's artillery shots that began Thursday night violated the agreement, said South Korean officials, including Mr. Yoon. South Korea sent a notice to the North through a military hotline urging Pyongyang to abide by the accord, according to Seoul's Defense Ministry.

FROM PAGE ONE

Nikola Founder Is Convicted

Continued from Page One over again," said Damian Williams, the U.S. attorney for the Southern District of New York. "That's fraud, plain and simple, and this office has no patience

Speaking outside the courtroom, Mr. Milton's lawyer Marc Mukasey said, "We are going to keep fighting.

Mr. Milton's core vision for Nikola was based around a future of hydrogen-powered heavy trucks that would be leased to companies seeking to reduce the emissions of their transportation fleets. Under its business plan, Nikola would also make its own hydrogen fuel and build a network of fueling stations.

This business model enticed big-name companies like Robert Bosch GmbH and CNH Industrial NV to invest in Nikola, as well as activist investor Jeff Ubben.

Mr. Milton, 40 years old, resigned from Nikola in September 2020 after a short-seller report alleged he made a litany of misrepresentations about the company's progress in creating functional vehicles and producing the hydrogen fuel needed to run them.

A spokeswoman for Nikola said the company was pleased to close this chapter and focus on its business strategy. The company has said it cooperated with government investigations and settled a Securities and Ex-\$125 million.

During Mr. Milton's trial in Manhattan, prosecutors told the jury that Mr. Milton was a con man who duped ordinary investors into buying Nikola stock, making himself a billionaire in the process. They said he fueled the company's rise on a campaign of lies on social media. podcasts and in television interviews, falsely claiming an inoperable prototype was fully func-



change Commission probe for Trevor Milton arriving at court in New York last month.

tioning and that Nikola had a long roster of truck orders when in reality most potential customers had registered only nonbinding expressions of interest.

Prosecution witnesses included investors and current and former Nikola employees. Company executives testified that they had concerns about Mr. Milton's public statements and interviews. Nikola Chief Ex-

ecutive Mark Russell testified that executives staged an intervention and changed corporate social-media account passwords in an attempt to deny Mr. Milton use of them.

Jurors saw Mr. Milton's tweets and heard clips from his podcast appearances. They watched a commercial in which a Nikola semi-truck called the Nikola One appeared to drive

matic music playing in the background. In reality, said prosecutors, the truck, with its door taped shut and batteries removed, was towed to the top of a hill and rolled down it. Mr. Milton directed that the video be posted to Nikola's Twitter account, prosecutors said.

along a desert road, with dra-

One of his biggest distortions is making this truck look like it actually worked when it didn't," Assistant U.S. Attorney Jordan Estes said in court.

Among the misrepresentations cited by prosecutors were Mr. Milton describing an undrivable prototype to a crowd as "fully-functioning" and saying that Nikola was producing hydrogen fuel at a cost of \$4 per kilogram when it cost other companies much more. In fact, Nikola wasn't producing any hydrogen fuel at all, prosecutors said.

Mr. Milton's lawyers said the Nikola founder acted in good faith and argued that the government had cherry-picked portions of his public statements. They called just one witness, a Harthat the Nikola founder's tweets and podcast appearances didn't impact the company's stock price. Mr. Milton didn't take the stand. "It is a distortion to say that

vard law professor who testified

Trevor Milton intended to commit fraud," Mr. Mukasey said during his closing argument. Mr. Mukasey said that Mr. Milton's statements were supported by those around him and cheered on by his leadership team, adding that important facts about Nikola's business were fully disclosed to investors.

After the accusations against Mr. Milton, Nikola's business stumbled as potential partners pulled back. General Motors Co. backed away from a deal to manufacture a pickup truck that Mr. Milton had heralded. The company has refocused

on its heavy trucking business. and began delivering its first battery-powered semi trucks earlier this year. Its shares closed Friday at \$3.06, down from \$42.37 when the short seller's allegations against Mr. Milton were first made public.

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Provisions Ding Profit At Banks

Continued from Page One pensive, putting pressure on Americans on multiple fronts. Investors worry that the higher interest rates will eventually tip the U.S. into recession.

While the overall stock market turned down on Friday, the bank shares rose. JP-Morgan shares gained 1.66% while Citigroup edged up 0.65% and Wells Fargo finished the day 1.9% higher.

Bank executives said Friday that central banks' efforts to tighten credit conditions leave the economy's path forward uncertain. But today, businesses and households still look like they are in good shape, and consumers still appear to be spending and borrowing at a healthy clip.

Jamie Dimon, chief executive of JPMorgan, has been predicting a recession, or what he calls an economic "hurricane," for months. It still hasn't shown up in his bank's numbers, but he said Friday he isn't changing his view.

"We're just getting closer to what you and I might consider bad events and my hurricane," he said in a call with analysts. At the start of the pan-

demic, lenders set aside billions of dollars to cover loan losses. But the economy held

up better than expected, in JPMorgan Chase's net profit part because of massive government stimulus. Last year, the banks were releasing some of that money, supercharging their earnings.

Now economic uncertainty is increasing again. On Friday, the three banks set aside a combined \$1.56 billion for potential had loans

For now, higher interest rates are helping the banks in some ways, allowing them to charge more on loans to businesses and consumers, JPMorgan, Wells Fargo and Citigroup each reported double-digit growth in interest income.

Total loans rose at both JP-Morgan and Wells Fargo. Smaller banks U.S. Bancorp and PNC Financial Services Group Inc. also sported broad-based loan growth in the quarter.

Customers also spent more money on their credit cards, the banks said. That spending is partly the result of high

The three banks set aside a combined \$1.56 billion for potential bad loans.

consumer prices. People are paying more for groceries, rent, child care and other expenses, and government data this past week showed that inflation remains strong despite the Fed's aggressive rate in-

That, in turn, has started to

\$14 billion \$9.7 billion 12

Source: the company

2020

erode the strong savings that households built up during the pandemic, although the banks' credit losses still remain historically low.

'While credit quality remains strong, we're actively monitoring inflation-sensitive industries," Wells Fargo CEO Charlie Scharf said on a call with analysts. "We do expect to see increases in delinquencies and ultimately credit losses but the timing remains unclear."

JPMorgan Chief Financial Officer Jeremy Barnum said that while consumer deposits remain strong, inflation is starting to bite.

'That extra money they have in their checking accounts will deplete probably by sometime midvear next year," he told analysts.

Citigroup's baseline economic forecast calls for unemployment to rise to about 4% over the next eight quarters, CFO Mark Mason said. While that is adding some concern about future loan performance, 4% is still historically low. "I don't think there is a financial crisis coming," Mr. Mason said.

The U.S. unemployment rate is currently 3.5%.

Another change from last year: The Fed's higher rates are pushing markets into disarray. That has put a chill on deal making, which powered bank earnings through the pandemic. Investment-banking revenue fell 47% at JPMorgan and 64% at Citigroup. It fell 55% at Morgan Stanley, which also reported a double-digit profit drop on Friday.

The higher rates also have held people back from bigticket purchases such as homes and cars, which they had splurged on during the pandemic. And mortgage rates recently hit their highest level in 20 years, adding pressure to an already-slowing housing market.

Wells Fargo, which until recently was the largest U.S. mortgage lender, said home lending revenue dropped by more than half, driving an overall decline in noninterest income. Executives said mortgage banking revenue might decline more in the last three months of the year. Mortgage originations dropped 71% at JPMorgan.

Auto-loan originations also fell sharply at Wells Fargo and JPMorgan.

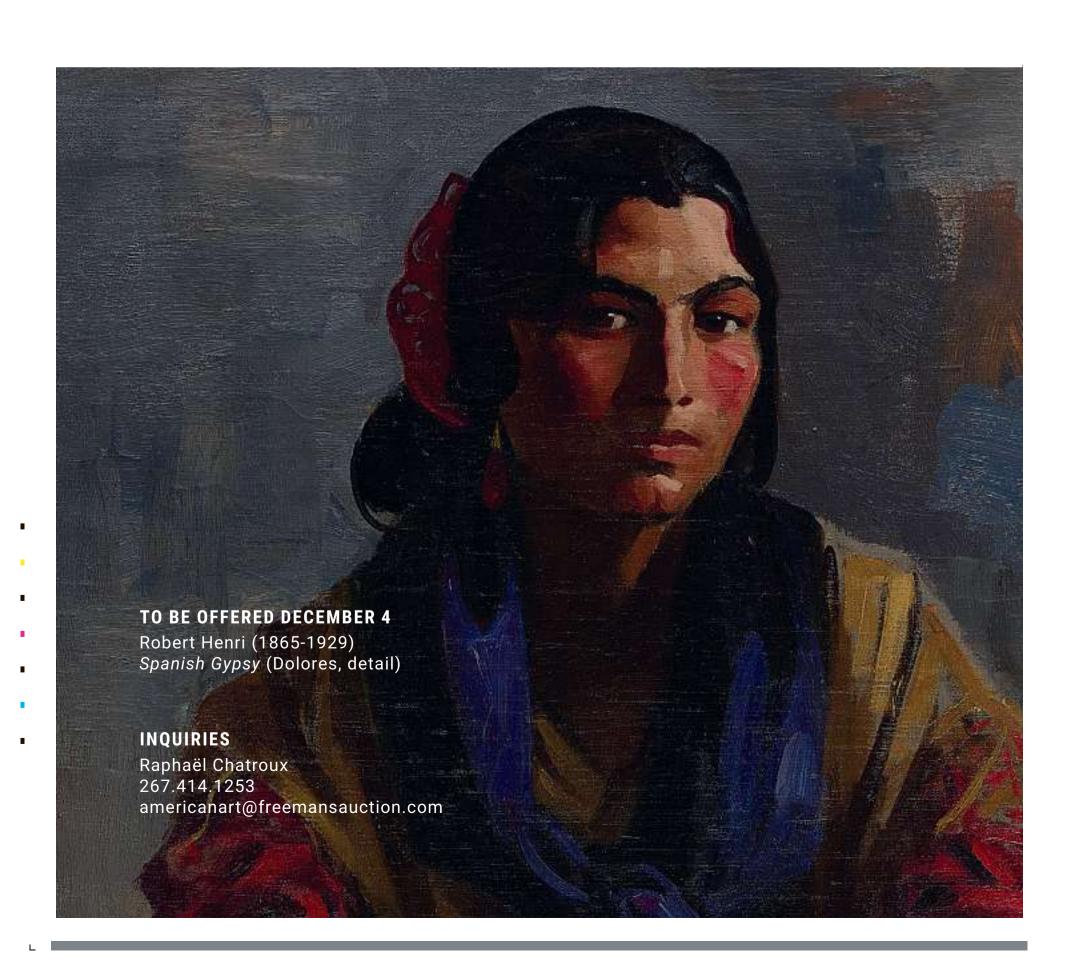
-Charley Grant contributed to this article.



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China's Inflation Rises on Food Prices Chinese

By Jason Douglas

SINGAPORE—Consumer prices in China rose in September at their fastest annual pace in more than two years, though inflation in the world's secondlargest economy remains mild compared with rates seen in Europe and the U.S.

Annual inflation hit 2.8% in September, China's National Bureau of Statistics said Friday, driven by a sharp rise in prices of food, especially pork. That compared with a 2.5% annual rise in consumer prices in August, and marked the fastest rate of inflation since April 2020.

Still, economists say inflation in China is likely to ease in the coming months, largely as a result of feeble economic growth.

Data due Friday were expected to have shown that China's export growth slowed again in September, as rocketing inflation and rising interest rates ate into consumer

spending overseas. But as of late Friday evening in China, the figures hadn't been released. China's General Administration of Customs offered no explanation and didn't answer calls seeking comment.

China is due to release gross domestic product figures for the third quarter on Tuesday. The country in the second quarter registered its weakest growth since the onset of the pandemic, as efforts to contain outbreaks of Covid-19 hit activity in major cities.

Business surveys and data for July and August suggest the recovery since has been lackluster, with the economy under pressure from a severe real-estate downturn, a summer drought and a collapse in consumer confidence. The global economy is losing steam as the U.S. Federal Reserve and other central banks ratchet up borrowing costs to tame inflation.

The economic headwinds

come as the ruling Chinese Communist Party gathers in Beijing for a congress at which leader Xi Jinping is expected to break with recent precedent and secure a third term in power. Chinese leaders are facing the daunting challenge of fostering a durable revival in China's economy while solving deeper problems, including big debts, worsening relations with the U.S., and what many economists say is an overreliance on exports and investment to power growth.

The International Monetary Fund this month cut its forecast for growth in China this year and next, citing a darkening backdrop for exports and a worsening real-estate slump.

If growth matches its 2022 forecast of 3.2%, compared with a forecast of 3.3% in July, that would represent the worst year for growth in China in four decades, the fund said, excluding 2020 when the efChina's consumer-price index, change from a year earlier



Source: China's National Bureau of Statistics

fects of the Covid-19 pandemic first struck.

Friday's data showed inflation in China accelerated on the back of sharply higher pork prices and a pickup in prices for vegetables. Pork prices have been propelled by

shortages, and the government has signaled it will release more meat into the market from a state reserve to tame further rises.

Economists polled by The Wall Street Journal expected annual inflation to accelerate to 2.9% in September, ahead of the 2.8% reading published Friday. Despite the gain, inflation in China remains within the authorities' goal of keeping consumer-price inflation below 3%, and is well short of the 8.2% annual rate of inflation the U.S. reported for September.

Other data reinforced the picture of subdued inflationary pressure in China. Annual producer-price inflation, a measure of the prices charged by companies at the factory gate, slowed for the 12th straight month to just 0.9% in September, statistics bureau figures showed.

—Grace Zhu in Beijing contributed to this article.

Internet **Users** Lose Access to WeChat

By Liza Lin

Chinese censors are crippling access to the country's do-everything app for some users as part of a campaign to quell discussion of a rare protest in Beijing, an escalation in the Communist Party's drive to cleanse the country's internet of even the whiff of dissent.

The crackdown came after two banners condemning Chinese leader Xi Jinping were hung from a busy highway bridge in the Chinese capital Thursday-a rare act of defiance in the seat of Communist Party power that captivated the country's social-media users.

Hours after images of the banners began to circulate online, many users reported losing access to WeChat, a super app that has become virtually indispensable for daily life in China.

Hundreds of complaints posted in a customer-service forum run by WeChat's owner, Tencent Holdings Ltd., indicated the suspensions were imposed after users posted or reposted images of the protest. Some users offered desperate, if somewhat circumspect, apologies. One user referred to "an incident this afternoon," and apologized for engaging in damaging behavior. "Please, I have been using this account for 10 years, with many messages and pictures—very precious to me," the user wrote.

Some curious internet users asked to see the images many were alluding to, "You'd be better off knowing nothing about them," one user responded.

By Friday evening, Tencent's customer-services forum on Weibo, a Twitter-like socialmedia platform, was no longer accessible. Many users turned to a general forum run by Tencent to continue their petitions.

Neither Tencent nor Beiiing's Public Security bureau responded to requests for comment.

Thursday's protest, which depicted Mr. Xi as a "traitorous dictator," was small but still shocking in a country where the space for dissent has shrunk almost to zero in recent years. The act of defiance was especially noteworthy for occurring in Beijing, the country's most tightly managed city, just days before a pivotal Communist Party gathering where Mr. Xi is all but certain to claim a normbreaking third term as leader.

Even before Thursday's incident. Chinese authorities tightened their grip around online discourse to an unusual degree. An examination by The Wall Street Journal found the country's most popular social-media platforms had been scrubbed of independent or negative content concerning Mr. Xi and many of the country's other top officials, making it essentially impossible to gauge public opinion of the party's leadership.

Authorities' response to the protest online was swift and broad. Eric Liu. a former social-media censor in China who now works as an analyst with the censorship-focused website China Digital Times, said he wasn't aware of such a large-scale locking of WeChat accounts in recent years.

For a WeChat user, the effect of losing access to the app can be significant. Hundreds of millions of Chinese use the app not just to keep in touch with family and friends but to hail taxis, buy train tickets, pay for groceries and manage their investments.

One Beijing-based user said he had shared a photo of the banners hanging off Beijing's Sitong Bridge beneath a column of black smoke in a WeChat group of about 70 people just after 1 p.m. He offered no comment, he said, and neither did other users, though some responded with emoiis.

Around 5 p.m., the user said, he received a notice from WeChat saying that his account had been restricted because he violated Chinese law and that the restriction wouldn't be lifted. He said he was able to access the app's digital-payments feature, but was cut off from all of its social functions.

"I was shocked when they told me my account was permanently suspended," he said.

responding to U.S. provocations, and that China's rise is peaceful. Spokespeople for the information office of China's cabinet, the State Council, as well as its Foreign Ministry, didn't respond to requests for comment.

Mr. Xi has made no secret of his plans to make China one of the world's superpowers.

After taking office in 2012, he began laying out an expansive vision, labeled the China Dream, which called for ambitious steps to strengthen the country's military and economy. It built on a long-held desire to address grievances China has harbored since the collapse of the Qing dynasty, and the parceling out of Chinese territory to Western powers in the 19th and early 20th centuries. Mr. Xi called it the "great rejuvenation of the Chinese nation."

Initially, he had sought more accommodation with the U.S. that would clear the way for China's continued rise. During a February 2012 trip to the U.S., just before he secured his position at the top of the Communist Party, Mr. Xi met with Henry Kissinger and other U.S. political luminaries and sought advice on building closer ties, a person with knowledge of the meeting said. They told him to increase communication with Washington, with more calls and visits than his predecessors.

Once he was in office, Mr. Xi felt the Obama administration wasn't treating Beijing as an equal, people familiar with the matter said. Mr. Xi frequently spoke of forging a "new type of great power relations" with the U.S., but Washington resisted the formulation, seeing it as an attempt to get the U.S. to recognize China as a peer and fearing that would send the wrong signal to American allies, the people said.

Mr. Xi forged ahead with his grand plans back home.

Gaining power

He needed to ensure he firmly controlled the Communist Party, which had been riven by elite infighting, graft and factionalism during his predecessor's tenure. He developed a reputation early on as a leader willing to take on widespread corruption and took down rivals in high-profile investigations, replacing them with loval cadres. Mr. Xi now controls levers of

power across the country, having appointed all but seven of the 281 members of the Communist Party's provincial-level Standing Committees as of June, according to Wu Guoguang, a senior research scholar at Stanford University.

Mr. Xi took steps to secure the country's periphery, insulating the mainland to a greater degree against external pressures, often in ways that directly challenged Western values. He oversaw a rollout of cutting-edge surveillance systems that blanketed the country in face-scanning cameras and collected vast troves of behavioral data.

He defied warnings from Washington to militarize disputed islands in the South China Sea, and drew further ire

'Don't fight unsure wars, and don't fight unprepared battles.

for a mass internment campaign that imprisoned ethnic minority Uyghurs in the restive northwest region of Xinjiang, U.S. and United Nations officials say.

He then ordered a crackdown on Hong Kong—the most visible bridge between China and the Western world-that snuffed out antigovernment protests and, along with tough Covid controls, sent many in the city's financial sector fleeing. He sharpened his rhetoric on Taiwan, suggesting that he wanted to expedite efforts to take control of the island, by force if necessary.

He expanded combat drills and increased military spending to \$200 billion last year, more than double the amount China spent a decade earlier. Much of China's efforts have gone to tools like hypersonic missiles, nuclear weapons and aircraft carriers that enhance China's capabilities in a potential conflict with powers like the U.S., rather than smaller neighbors.

To encourage martial spirit, Mr. Xi launched a wide-ranging effort to rally nationalistic fervor. Teenage idols, once praised

for their dewy-eyed features, are being cast as young revolutionary soldiers in military movies. On China's popular short-video apps, before-andafter clips touted by the military show once-scrawny young Chinese men doing push-ups, their biceps bulging.

To achieve China's rejuvenation, "we must demonstrate stronger vigilance and always be prepared for potential danger, even in times of calm," Mr. Xi said in a speech last year.

Chinese citizens are now regularly warned about spies and told not to be guilty of "America worship" or "kneeling before America." Such calls have expanded in recent months to target those adopting an English first name and questioning Russia's invasion of Ukraine.

In his economic remodeling efforts, Mr. Xi has directed Chinese companies to invest more heavily in strategic industries. He cracked down on private technology companies focused on educational tutoring, social media and other consumer services for failing to adequately serve state interests or sufficiently ringfence sensitive user data that Beijing fears could be shared with U.S. regulators.

China is trying to develop its own payments network and has rolled out a government-backed digital currency—tools that could ultimately help Beijing avoid using the U.S. dollar and circumvent the U.S.-led global financial system.

Beijing officials say they have no other choice but to pursue more self-sufficiency and involve the state more in the economy after the Trumpera tariffs and U.S. government's assault on networkingmaker Huawei gear Technologies Ltd., both of which signaled rising U.S. suspicion toward China.

Inside the country, Mr. Xi's efforts to tighten political control have deepened anxiety among lower-level cadres, many of whom now spend large portions of their time trying to prove their loyalty—a concern Mr. Xi has called out repeatedly.

The U.N.'s human-rights agency said China's government may have committed crimes against humanity in Xinjiang in an August report, charges that China denies.

The U.S. has organized an

informal alliance with China's U.K. and Australia known as prompted denunciations from Beijing.

known informally as China 17+1 with Central and Eastern European nations, started by China around the beginning of Mr. Xi's tenure, has shrunk to 14+1 in the past year as the region grows warier of Chinese asser-

Self-sufficiency

Mr. Xi's strict policy to contain Covid, with lockdowns imposed when even a handful of cases are found, is itself a reflection of his obsession with U.S.-China competition. He has consistently framed China's zero-tolerance approach, which has led to far fewer deaths than in the Western world but also hurt its economy, as evidence of the superiority of Commu-

of Mr. Xi's moves to achieve greater self-sufficiency, including in semiconductors, have sputtered. Mr. Xi's heavyhanded approach toward managing the economy, including crackdowns on companies like internet giant Alibaba Group Holding Ltd., has given Beijing greater control over the economy and won some plaudits from people who feared they had grown too powerful-but also snuffed out much of the entrepreneurial spirit that drove China's growth and shut off a source of jobs. Urban youth unemployment is near its all-time high, with nearly one in five people between the ages of 16 and 24 out of work. While experts had long pro-

slow as it matured, Mr. Xi's unwillingness to bend this year has expedited that shift in ways that many economists believe could leave permanent scars.

China's economy could be even more dire, with China's population projected by many demographers to shrink this year for the first time in generations.

The World Bank forecasts this year's growth to reach just 2.8%, and 4.5% in 2023. The government's official target for this year is 5.5%.

NG HAN GUAN/ASSOCIATED PRESS

neighbors India, Australia and Japan, known as the Quad, and a military agreement with the Aukus, both of which have

A Beijing-led grouping tiveness.

nist Party governance. On the economic front, many

jected China's economy would The longer-term outlook for

OBITUARIES

PATRICIA M. CLOHERTY 1942 - 2022

Venture Capital Star Started From Scratch

By James R. Hagerty

hen Patricia M. Cloherty was offered a job at a venture-capital firm in 1969, she had to ask friends what that business, little known at the time, was all about. She concluded it was a David vs. Goliath affair, using small amounts of capital to fund startups that could take on corporate behe-

As a former Peace Corps volunteer, she had aspired to work for an international development agency but concluded that those institutions were unlikely to send a woman overseas. So she decided to accept the offer of a research job at a venture-capital firm headed by Alan Patricof.

Though she lacked financial expertise, Mr. Patricof said, "being smart was a pretty good credential."

Within a few years, she was a partner of Mr. Patricof's firm, later known as Apax Partners. She served as president of the firm in the 1990s. Her career also included federal government appointments from Presidents Jimmy Carter, George H.W. Bush and Bill Clinton. She finished her career managing a fund investing in Russian companies.

As a venture capitalist, she delved into businesses as diverse as lead smelting and distribution of bull semen. In the 1970s, she headed Childcraft Education Corp., a marketer of educational toys. She also invested in pharmaceutical and electronics companies.

Venture capital allowed her to travel the world and call most of her own shots. "I didn't think about it ever as working for someone," she said in a 2011 oral history recorded for the National Venture Capital Association. "I thought about it as painting with my own paint."

She was more interested in emerging companies than privateequity investments in established firms, which she described as



"buying potato chip factories with

Ms. Cloherty, whose hobbies included visiting casinos and climbing mountains, died Sept. 23 at her home in Miami. She was 80 and had been under treatment for respiratory problems.

atricia Mary Cloherty, the second of four children, was born July 2, 1942, and grew up mainly in Pollock Pines, Calif., in the Sierra Nevada mountains. Her father, an immigrant from Ireland, worked in construction and as a logger. Her mother, born in Canada, was a real-estate agent and librarian.

Patricia Cloherty recalled as a small child being taken to horseracing tracks by one of her grandmothers. "That's my upbringing," she said in the oral history. She earned money picking pears and cooking for loggers.

At San Francisco College for Women in the early 1960s, she studied Spanish literature and earned a bachelor's degree. She then served in the Peace Corps in Brazil, where she recalled that her duties included helping farmers castrate pigs.

She later earned masters degrees in philosophy and Latin

American studies at Columbia University. During those studies, she lived at International House among scholars from around the world. That helped her build a global network of friends, handy when she was roving the world in search of entrepreneurs to finance.

President Carter lured her away from venture capital temporarily by appointing her deputy administrator of the Small Business Administration. After leaving Washington, she set up an investment company with her husband, Daniel Tessler. That marriage ended in divorce. She returned to work for Mr. Patricof.

Under President George H.W. Bush, she served on an advisory council on small business matters. In 1995, the Clinton administration named her as a director of the U.S. Russia Investment Fund, a program designed to spur private enterprise in Russia. Ms. Cloherty later was chairman of that fund and chief executive of its management company. She kept an apartment in Moscow for years.

As an investor in Russian businesses, her strategy was to shun the oil industry, agriculture and anything deemed strategic to the government. Among other things, she invested in consumer products and financial services, including mortgages and credit cards.

Ms. Cloherty is survived by a brother and a sister. Before moving to Miami in 2018, she had a country house for decades in Garrison, N.Y.

She was a former president of the National Venture Capital Association and served on scores of boards. "Zip" may have been her favorite verb. She was always announcing plans to zip somewhere, whether the destination was across town or on the other side of the world. "I've always been kind of a busy beaver," she said.

◆ Read in-depth profiles at WSJ.com/news/types/obituaries JOHN ROWE 1945 - 2022

Utility CEO Found Lessons in History

By James R. Hagerty

s a student at a one-room country school in southwestern Wisconsin in the 1950s, John Rowe nourished a love of history.

Escaping life on the family farm, he took that interest with him to the University of Wisconsin-Madison, where he was a Goldwater Republican who could happily mingle with radicals on marches for civil rights. He majored in history and stayed on for a law degree.

As a lawyer, he helped salvage troubled companies, which caught the eye of people needing executives for healthier ones. That led to a career running electric utilities and culminating with the top job at Exelon Corp., which owns Chicagobased Commonwealth Edison and other power providers.

Success in business allowed Mr. Rowe to endow history professorships at his alma mater and the University of Chicago. He cofounded schools for children from low-income families in Chicago. He also volunteered to teach history courses at those schools. At one of them, he told a pupil that he had been a nerd at her age. "Mr. Rowe," she assured him, "you're still a nerd."

Mr. Rowe, who died Sept. 24 at the age of 77, acknowledged that history was of little use in getting a first job outside of academia. For bosses, though, historical knowledge was an advantage, he said. "The Byzantines used to say that you used the Kipchaks to offset the Bulgars," he said in an oral history. "Well, that's part of running a utility. You've got to figure out who you're going to get for an ally to offset the people who are inherently against you."

History also got him into hot water. At Exelon's headquarters in Chicago, he displayed an ancient Egyptian sarcophagus. When an official of Egypt's Supreme Council of Antiquities learned about that artifact in 2006, he threatened to

banish Exelon from the list of sponsors for a highly popular exhibition of objects related to King Tutankhamen. Mr. Rowe resolved the controversy by offering to lend the sarcophagus to Chicago's Field Museum.

John William Rowe was born May 18, 1945, and grew up on a farm near Dodgeville, Wis. In the oral history recorded at the University of Wisconsin, he recalled: "Where I grew up in Dodgeville at the time, there were three kinds of people: Irish Catholic, Welsh and Cornish Methodists, and Norwegian Lutherans.... There was no color to discriminate about. So we discriminated about religion with great glee."

After law school, he joined the Chicago law firm of Isham, Lincoln & Beale, which still owned chairs

Mr. Rowe said the Byzantines taught him 'to figure out who you're going to get for an ally.

that once belonged to one of its founders, Robert Todd Lincoln, son of Abraham Lincoln. Mr. Rowe became a partner and did work for utilities and railroads. In the late 1970s, he advised the bankruptcy trustee for Chicago, Milwaukee, St. Paul & Pacific Railroad Co., known as the Milwaukee Road. That work was "a great boost to my career," he told the Chicago Tribune later.

Mr. Rowe is survived by his wife, Jeanne Rowe, a son and two

He collected Greek and Roman coins and never tired of history. After a visit to Pompeii, he asked his wife, "Isn't this an amazing ruin?" Her response, as he recalled it: "Yes. But since I married vou, I've seen so many ruins that my capability for amazement isn't what it used to be."

FROM PAGE ONE

ArtistAdds**Touches**

Continued from Page One Inn and the two men talk every year on its anniversary. As for decorating room 206, "I had another rose from 1995, so it wasn't a problem," Mr. Bur-

T Bang is actually Terrell Powell, whose more respectable mixed-media work sells for up to \$25,000 at art galleries in Santa Fe. He makes colorful paintings and sculptures that he describes as naive with a folk-art bent.

Now, he is on a quest to hit hotels in every U.S. state under his alter-ego. He has revised works in half the country so far, he says, plus a cruise ship in international waters, and hopes to publish a book of his hotel art when finished. Online observers cheer him on, while some hotel workers look the other way.

Mr. Powell, 62, moved with his wife from Texas to Santa Fe four years ago. He stumbled into his strange hobby while on the road for art shows about a decade ago. As he worked on one of his own pieces at a now-closed motel in Texas, his eyes kept drifting

to the Western-themed blackvelvet art hanging above the

"It was these cheap paintings they probably got at a garage sale," he says. "I was like 'What kind of artist am I if I don't doctor those up?""

He took his own paint to the work, including adding a sea serpent to the lake, and a passion was born.

At first, Mr. Powell says, the artistic mischief was a joke, a test of whether anyone

For more information:

wsi.com/inmemoriam

hectic) several years at ML, Steve changed careers again and joined Occidental Petro-

leum. In the 20+ years he was there, he

advanced to become CEO in 2011. In 2015

he retired from Oxy but was still involved with other corporate and non-profit

boards. During this time, he coauthored a book about the early postal history of

Tibet - he was an avid stamp collector and collected stamps from all over the world.

Then in 2016, he raised \$650 million in

would notice and a strike against the ubiquitous prints he saw at hotel chains. Now, it is part of his brand and his business

He travels with painting supplies, as well as tools to remove hotel paintings, which are affixed to the wall with hardware. While a few hotel managers have started to recognize his name, Mr. Powell rarely gets caught on the spot. It can take months for hotels to notice changed artwork, since housekeepers are more concerned that valuables such as the TV are intact. He sometimes buys his altered pieces and has sold

them for up to \$3,000. Some travelers are oddly fascinated by hotel décor. There are vocal fans of an old Marriott carpet pattern. Others have sought to leave secret marks. Videos document "wall tattoos" drawn by some guests, and hidden behind hotel room pictures.

"I would never in a million vears go to the Four Seasons and T Bang a Warhol or Picasso or something," Mr. Powell says. "But if it is a cheap print...they're going to get it."

He added a tornado and flying house to a landscape in Kansas, covered a ship's wheel with Abe Lincoln silhouettes in Illinois, and put cheeky pantsdown gnomes on a pair of prints at a Holiday Inn in Missouri. The Missouri stunt didn't go well. Mr. Powell says a former manager refused to let him buy the paintings, tacked a \$500 fine on his bill and banned him. Representatives of IHG, parent company of Holiday Inn, declined to comment.

Some hotel owners believe Mr. Powell's paintings add value. One in Louisiana offered him a free room to repaint artwork. Others turn the joke on

In a Midland, Texas, DoubleTree last year, Mr. Powell thought his gig was up. Four times in five years he had visited the hotel and painted over the boring art.

He festooned a print of overlapping circles into bird faces, with orange and yellow beaks. Over a landscape with indistinct ombre tones, he added a UFO lifting a cow. To a hallway picture of the Texas flatlands, he added a red horse with neon polka-dots.

Liz Winn, general manager of the Midland DoubleTree, had come to see it as an intriguing mystery. The hotel staff began hanging the doctored paintings in their offices. Ms. Winn's fiancé, an art lover, inspired her to appreciate the pieces' uniqueness.

In September 2021, Ms. Winn was eating lunch with her fiancé when she got a call from an employee telling her the mysterious painter was at the hotel asking if he could get the pieces. Eager to meet him, she rushed back. Her fiancé, Steve Ford, a Midland County investigator, went along.

Mr. Powell's mischief deserved a little scare, they decided. "I announced who I was and that I was here to talk about the vandalism and the look on his face was shock." says Mr. Ford, who wears a gun and badge. "But I couldn't keep a straight face, so it went downhill pretty fast."

Mr. Powell froze. "I was wondering if I should lawyer up," he recalls. "I said 'Oh, s—.'

Ultimately, the pair shook the artist's hand and allowed him to take the paintings free. Though replacing artwork is a pain, Ms. Winn say she could never bring herself to be angry with T Bang. "Honestly, I always laughed," she says.

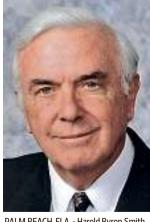




Terrell Powell revises hotel room artwork across the U.S.

In Memoriam

Harold Byron Smith, Jr.



PALM BEACH, FLA. - Harold Byron Smith, Jr., 89, of Palm Beach, Florida, passed away peacefully at his home in Lake Geneva Wisconsin on October 1, 2022. Harold was born in Chicago, the eldest son of Harold Byron Smith and Pauline Belle Hart. He grew up in Barrington, Illinois and attended The Choate School in Wallingford, Connecticut. He graduated from Princeton University in 1955 and went on to earn an MBA from Northwestern University

Harold devoted his business career to working at Illinois Tool Works Inc. (ITW), a company founded by his great grandfather, Byron L. Smith. Over a span of nearly 70 years, he held operational, managerial and executive roles, including becoming President, Chief Operating Officer and Vice Chairman. As a long-time Board Member. his stewardship saw ITW grow from a family-run business to a Fortune 500

company.

Harold was a Director of The Northern Trust Company for 36 years, another company founded by Byron L. Smith. In addition, he served for many years as a Board Member of W.W. Grainger, Inc. and Northwestern Mutual Life Insurance

Harold had an active and impactful philanthropic life, helping to guide many organizations. For over 50 years, he served on the Board of Rush University Medical Center where he was instrumental in directing their growth and mission. He also served on the Boards of The Newberry Library, Northwestern University,

Adler Planetarium and Boys & Girls Clubs

Harold was active in politics. He was a member of the Republican National Committee for two decades and served as the Chairman of the Illinois Republican Committee. He was a six-time Delegate to the Republican National Convention.

Following his retirement from work in the public sector in 2010, Harold focused on unity and stewardship for his extended family. He was instrumental in creating a new family enterprise to provide continuity and connection for future generations.

His personal interests included golf. sailing and fly fishing at his beloved Coleman Lake Club. He was a life-long fan of the Chicago Cubs and was delighted with the 2016 World Series win. Harold was patriotic and passionate about American history and was a supporter of Mount

Of all his numerous pursuits, Harold was most committed to his family. His favorite moments involved bringing his family together. He loved watching the 4th of July fireworks with his daughters, grandchildren and yellow lab Sealy on the front porch of his Lake Geneva home. He also loved hosting legendary Thanksgiving dinners in Palm Beach with his family.

Harold will be missed by his daughters, Stephanie (Peter) Choo, Carrie (Laurence) Grant, Polly (Bruce) Douglass and Emily (Bill) Reedy; grandchildren, Phillip (Chloe) Grant, Anne Grant, Christopher (Kayla Tsongas) Douglass, Kendall (Chris) Fuller, Carrie Douglass, Will Reedy, Caroline (Nick) Gertonson, Brian Reedy, Julia Reedy and Stephanie Reedy; great-grandchild, George Grant; brothers, David (Vicky) Smith, Stephen (Mary) Smith, Christopher (Jeannie) Smith and numerous extended family members. He was preceded in death by his late wife, Denise Grace Smith, and the mother of his daughters, Frederica Smith Pederson

A service to honor the life of Harold Byron Smith, Jr. will be held at St. Michael's Episcopal Church, 647 Dundee Avenue, Barrington, Illinois on Friday, November 11, 2022, at 11:00 a.m.

In lieu of flowers, the family asks that contributions be made in Harold's memory to the following organizations Rush University Medical Center, 1201 West Harrison Street, Suite 300, Chicago, Illinois 60607; The Newberry Library, 60 West Walton, Chicago, Illinois 60610; and Mount Vernon Ladies' Association, Development Department, P.O. Box 110, Mount Vernon,

Steve Chazen



HOUSTON, TEXAS - Stephen Chazen passed peacefully to be with his Lord on September 22, 2022, after a hard-fought battle with cancer. His wife, Pat, and family were with him.

Steve was born and raised in Buffalo New York by his loving parents Marcia and Mike Chazen. He attended Rutgers University and received a degree in geology in 1968, and then that fall began graduate school at Michigan State University in the geology department. In 1969, Steve was drafted out of graduate school by the U.S. Army. While in boot camp he volunteered for the canine corps, and after graduation was subsequently shipped out to Vietnam, where he and his faithful dog led out in front of the troops to find and disable land mines so the troops could safely pass. After his return (fortunately in one piece) he continued his education (and his friendship with Pat) and in December they were married. He finished his PhD at MSU in 1973, and his first job was at NASA/JSC working with the lunar samples. During his stay at NASA, he also enrolled at UH/ CLC and earned a degree in finance. He worked in the oil industry for a time, and then joined the M&A energy sector of Merrill Lynch. After a successful (and

an initial public offering to start a small oil company, now known as Magnolia Oil and Gas. He rejoined Oxy in 2020 as the Chairman of the Board, to help advise and guide the company to new growth. Steve's endeavors were not only in industry, but he was involved in philanthropic work as well. He was appointed to the University of Houston System Board of Regents by Governor Greg Abbott, served as a director on the Houston Methodist Institute for Academic Medicine, was on

the U.S. National Park Foundation. Also, he was a proud member of the All-American Wildcatters, and the Board Chair of the Catalina Island Conservancy from 2015 - 2017. In all his endeavors, Steve was a respected leader. He led with a guiet confidence and was a mentor and friend

the advisory board at Rice University's Baker Institute and was on the board of

He is survived by his sister Carole Sue Chazen and husband Robert Billingslea, sister Claire Levy and husband Jerry, brother-in-law Robert Orr, nephews Michael Levy and wife Darcy, Jeffery Kirschner and wife Devora, nieces Rochelle Jonson and husband Paul, Kristy Elliott and partner Ben Hockenull, Kati Elliott and fiancée Bill Macke. Jenna Cecchini and husband Tony, and grand-nieces Ava Cecchini and Elizabeth Jonson, grand-nephews Jacob Kirschner and Matthew Jonson.

The family requests that donations in Steve's honor be made to one of his favorite charities, including Samaritans Purse International Disaster Relief, National Park Foundation, International Myeloma Foundation, and West University Baptist Church.

THE WALL STREET JOURNAL.

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Abortion vs. Crime in a Pennsylvania Nail-Biter

By Mene Ukueberuwa

Bristol, Pa. hat's a little thing like a stroke when the abortion rights of millions are on the

That's the argument Pennsylvania Democrats are making with four weeks to Election Day and an ailing candidate losing ground in the polls. It's not a bad line given the circumstances. Abortion and crime have risen to the top of many voters' minds. The partisan gap is wide enough on these issues that voters look past their candidates' personal shortcomings.

John Fetterman took three months off campaigning after his stroke in May, but he's labored to make up for lost time with frequent rallies drawing respectable crowds. At a sunny outdoor event in this Philadelphia suburb Sunday, he wasn't shy about his illness. He brought it up so often that the crowd's attitude shifted from earnest goodwill to mild discomfort. His 1,200 supporters laughed feebly when he joked that he'd "never

John Fetterman and Mehmet Oz emphasize wedge issues. Meanwhile, a moderate Democrat is the heavy favorite in the governor's race.

heard of crudités" and said when he first heard the word—which his opponent, Mehmet Oz, had used during a supermarket visit—"I thought it was a hallucination because of the stroke."

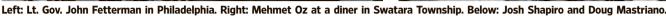
The depth of his illness was displayed widely Tuesday in his first televised interview since the stroke, with NBC. At home in Braddock, he relied on a monitor and transcription software to understand the questions. Notably, a lot of his answers were the same prepared lines he gave at the Bristol rally. "By January, I'm going to be, you know, much better. And Dr. Oz is still going to be a fraud," he said on both occasions. All politicians reuse lines, but Mr. Fetterman's script seems shorter than most.

At the rally, the candidate's struggles faded from focus only when he emphasized the all-ornothing stakes of his race. "Send me to D.C. to be that 51st vote!" he said, drawing the loudest applause of the day. "Send me there to eliminate the filibuster!" He rattled off a list of Democratic priorities, from abortion to the minimum wage and union protections. He wanted voters to know his brain is clear enough to know "vea" from "nav."

'Fetterman is authentic. Oz is inauthentic," said Jill Zipin, contrasting the hoodie-wearing former small-town mayor with his polished opponent, a retired surgeon and TV host, "Pennsylvania is a place where being authentic is really valued. If you come from Pittsburgh, you might go away, but you go back to Pittsburgh. If you're from Philly, you go back to Philly. You know the difference between Wawa and Sheetz.'

But like much of this crowd in Bristol, her enthusiasm has more to do with the overturning of *Roe* v. Wade than with the candidate. Ms. Zipin, 58, is a founder of





Democratic Jewish Outreach PA. "We believe choice is a religiousfreedom issue," she says. "In Judaism we don't believe that life begins until the first breath. So the Christian view of abortion takes away my religious freedom."

As for Mr. Oz, Ms. Zipin echoes the Fetterman campaign's frequent doubts about whether he really lives in Pennsylvania, and she adds her own doubts about his dual citizenship. "Is he going to vote in New Jersey?" she says, referring to Mr. Oz's home in that state. "Is he going to vote in Turkey? We don't

These two issues—the GOP's preference for abortion restrictions and questions about Mr. Oz's fitness for the Senate-are probably the biggest reasons the Republican trailed for months in the polls. The end of Roe v. Wade in June boosted Democrats in blue and purple states, and 20% of Pennsylvanians told a recent Muhlenberg poll that abortion is their top priority. By mid-August Mr. Fetterman led by almost 9 points in the RealClearPolitics polling average.



But Mr. Oz has closed the gap from that point. As of Friday he had come within 4 in the Real-ClearPolitics average, with some polls showing a gap as small as 2.

One key to his comeback has been sidestepping the issues Mr. Fetterman is hammering him on. Naturally he brushes off questions about his residence and citizenship—he's a constitutionally qualified candidate, and voters will make up their minds about the rest. (He has said he will renounce his Turkish citizenship if elected.)

But Mr. Oz is also vague on abortion. He's declined to say clearly whether he supports a 15week ban in Pennsylvania or at the federal level. Asked for a statement on his views, his campaign says he's pro-life with exceptions for rape, incest and the life of the mother. He says he wants to "make sure that the federal government is not involved in interfering with the state's decisions." It's as much of a dodge as he can make without turning off the pro-life voters he'll need to turn out in November.

The other key to Mr. Oz's turnaround is his emphasis on crime. Last year Mr. Fetterman endorsed a state study that recommended allowing merit-based clemency for 1,200 inmates, including seconddegree murder convicts. Before the campaign he said repeatedly that Pennsylvania could "reduce our prison population by a third and not make anyone less safe." Mr. Oz has advertised his opponent's positions in TV spots with names like "Releasing Felons," "Releasing Murderers" and "Hurting Our Communities.'

He also emphasized crime more than any other issue when we spoke on Wednesday at Lyndon Diner in Lancaster. Last year, he said, Mr. Fetterman "was asked what's the one thing he'd fix if he had a magic wand. He said he'd get rid of life in prison without the possibility of parole. Think about that-of all the issues we could address, and that's the one. It shows how his focus is always on the perpetrators of crime. But what about the victims, and their families?"

He returned to the issue when asked what he'd learned on the campaign trail. "In law enforcement, I've heard from a lot of people that they feel disrespected. They say they often get blamed when things go wrong. And because of that, they can't recruit." He says he'd vote to increase federal funds for police departments, and last month Pennsylvania's Fraternal Order of Police endorsed

Some patrons at the diner appreciated the support. "I told him I'm a retired police officer," said Mark Peifer, 73, who hadn't known Mr. Oz would be visiting. During breakfast afterward with his wife, Jean, the Lancaster resident criticized Mr. Fetterman's record as mayor of Braddock from 2006-19. "I know a lot of police officers from that area who say he didn't really do much or support them at all. He just liked to show up and take credit."

Mr. Fetterman has addressed attacks by pointing out that the dangerous town had a five-year streak without a murder on his watch. But others in Braddock share the doubts of Mr. Peifer's police friends. "It seems like he's very

good at creating an image. And that's what he did." Chardaé Jones. his successor as mayor, told the Harrisburg Patriot-News earlier this month.

Retiring Sen. Pat Toomey, a Republican, endorses the strategy of his potential successor. "He's doing a lot of things that I did," he says of Mr. Oz. "Security is obviously a big focus for voters, and he's hammering that issue. Fetterman is literally on camera saying his goal is to let as many people out of prison as possible. So now Oz has forced him to put out ads trying to shift and explain his position.

Mr. Toomey muses on Pennsylvania's other big race, for the governorship. That campaign pits Democratic Attorney General Josh Shapiro against Republican state Sen. Doug Mastriano. Like Mr. Oz, Mr. Mastriano won his nomination thanks to the endorsement of Donald Trump. Unlike Mr. Oz, Mr. Mastriano has made Mr. Trump a focus of his campaign and has affirmed his claims of election fraud in

Mr. Shapiro, for his part, is considerably more moderate than



Mr. Fetterman. He favors more money for police, lower corporate taxes and a private-school choice program that passed the Republican-controlled state House with only one Democrat in support. When Mr. Mastriano criticized him for defending Gov. Tom Wolf's Covid restrictions in court, Mr. Shapiro responded by disavowing the policies.

Mr. Mastriano trails by more than 11 points in the RealClearPolitics polling average, yet Mr. Toomey thinks he'll do little harm to Mr. Oz and may even help: "I think Mastriano is very well defined, and very distinct from Oz in voters' minds." If Mr. Mastriano helps energize voters in the state's conservative southern and western regions, "many of them will vote

A wild card in the Senate race will be Mr. Fetterman's appeal among working-class whites. Like Mr. Fetterman's mayoral successor, Mr. Toomey thinks the candidate's everyman image is a cynical artifice. "Most Pennsylvanians probably think it's OK if their U.S. senator wears a suit—at least some of the time," he says. "He probably thinks he can appeal to these antiestablishment, blue-collar guys. But most of those guys have been trending Republican for years." They're "conservative in their cultural values," whereas Mr. Fetterman is "pretty much in lockstep with the AOC wing of the party,' Mr. Toomey says.

Back in Bucks County, where wealthy enclaves border blue-collar towns, an exchange between two men tested Mr. Toomey's prediction. Waiting for a train after attending the Fetterman rally in Bristol, one man said he thinks the Democrat will reanimate a local base of support. "I was born and raised in Bristol," said John Brennan, 66. "It used to be strictly Democrat, but now it swings back and forth." Mr. Brennan, who wore a gray beard, blank green sweatshirt and Philadelphia Eagles cap, worked at the local U.S. Steel plant before it closed in 2020.

He applauded Mr. Fetterman's support for "a woman's right to choose" and said the candidate's approach to crime could appeal to voters in places where criminal records are common. "They try to say he's letting people out of prison. No he's not. He wants to release people with drug charges, nonviolent things.'

At this point, another man walked over to interject. "That's exactly what they're doing in Chicago too," said Wally Riehl, 50. "They're letting felons out, and that's what's bringing crime in." Mr. Riehl, who wore a camouflage jacket and a shirt from his church. was in Bristol to watch his son practice football. He said he'd been to prison himself, and "it's up to adults to set the example." He doesn't plan to vote in November. but he denounced Mr. Fetterman: "What Democrats don't understand is that life's not fair."

Both men are suburbanites, though neither fits the stereotype that word brings to mind. Conversations like theirs in counties like Bucks are shaping the outcome of a razor-thin race.

Mr. Ukueberuwa is a member of the Journal's editorial board.

Leaked Audio Exposes the Racial Underbelly of L.A. Politics



By Will

Swaim

COUNTRY

Los Angeles The ground shakes periodically Southern California, but Los Angeles has rarely experienced a political earthquake as sudden and severe as the one that rocked City Hall this week. The release of a secret recording of

top Latino officials making racially disparaging remarks has claimed the careers of at least two of the city's most powerful public figures and turned a spotlight on the surprisingly tribal nature of political power in the Democrat-dominated City of

The leaked October 2021 recording, published first on Reddit and then by the Los Angeles Times, captures a shockingly candid conversation among City Council President Nury Martinez and Councilmen Gil Cedillo and Kevin de León. Ron Herrera, Los Angeles County's top union leader, was also present. The four met to discuss how they might carve up the city's voting districts to maintain Latino political power. Few of the hyperdiverse city's racial and ethnic groups went uninsulted.

In Spanish, Ms. Martinez called the adopted black child of white Councilman Mike Bonin a changuito, or little monkey. She called Mr. Bonin himself "a little bitch." and accused him of adopting his son for use as a political prop. "It's the white members on this Council that will m—f— you in a heartbeat," she said. Even woke District Attorney George Gascón got sideswiped. "Fthat guy," she said. "He's with the

The backlash was immediate and intense. Ms. Martinez resigned her role as council president but not, initially, her seat. Mr. Herrera resigned as president of the 800,000member Los Angeles County Federation of Labor. Mr. Cedillo protested that he "did not engage in the conversation in question" although he was "present at times." Mr. De León played the same tune: "I regret appearing to condone and even contribute to certain insensitive comments made about a colleague and his family in private." In the future, he promised, "I will hold myself to a higher standard."

When the 15-member council attempted to meet Wednesday morn-African-American activists swarmed the chambers and demanded that the three council members resign immediately. When that didn't happen, the activists shut down the meeting in the presence of city police dressed for a riot. One protester was arrested. By the end of the day, Ms. Martinez acknowledged reality and resigned her coun-

By then, the story had gone national. "The president is glad to see that one of the participants in that conversation has resigned, but they all should," said Karine Jean-Pierre, the White House press secretary. She called the discussion "unacceptable" and "appalling."

The public is shocked to hear the ugly truth about how power operates in a one-party town.

It is those things, but it's also ironic. The Democrats who rule Los Angeles fly the woke flag of social justice proudly. Yet here they were, behind closed doors, speaking like Jim Crow racists.

Los Angeles is a one-party city in a one-party state. Its politics lack real philosophical rigor, so political competitions routinely devolve into narrow personal attacks and the division of spoils-like redistricting maps. The old cliché is still true:

The brilliant sunshine and Hollywood glamour mask darker realities. The city is financially hollowed out and faces "recessionary economic conditions and inflationary pressure on labor, capital, and energy costs," according to Mark Moses, a former city finance director. "You can be assured that little productive fiscal work can be done in such an environment."

You can also be assured that while the politicians call each other names in private, the city will continue to spiral downward. Homeless camps and open-air drug markets will continue to metastasize. Construction of new housing will remain effectively prohibited, save for those who are magnificently wealthy, politically connected or both. And the public education system will continue to be run by a teachers union more interested in transgenderism, Donald Trump and the Israel-Palestine conflict than in teaching students to read and

In all likelihood, Ms. Martinez's political career-distinguished by allegiance to the woke issues of the day-is over. After the 2020 murder of George Floyd, she pledged to cut funding for the Los Angeles Police Department. She called on her colleagues "to finally end the sin of

racism and all of its illogical, dehumanizing and sometimes deadly consequences. . . . Ultimately, we cannot talk about change, we have to be about change."

An overlooked irony of this week's drama was the timing of the recording's release, on the eve of Indigenous Peoples Day. "I see a lot of little, short dark people," said Ms. Martinez, apparently referring to immigrants from Oaxaca, Mexico, who have concentrated in Los Angeles's Koreatown neighborhood. "I was like, 'I don't know where these people are from, I don't know what village they came [from], how they got here.' " Ms. Martinez was among those on the City Council in 2017 who voted to rename the holiday formerly known as Columbus Day in honor of indigenous communities.

Even in her resignation letter Ms. Martinez was still using the incantatory language of race and gender. "To all little Latina girls across this city," she wrote, "I hope I've inspired you to dream beyond that which you can see." Unfortunately, there are some things little girls can't unseeor unhear.

Mr. Swaim is president of the California Policy Center and cohost of National Review's Radio Free California podcast.

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REVIEW & OUTLOOK

The Pentagon's Recruiting Woes

want or are able to

serve, a big problem

for U.S. security.

he U.S. Army recently told the press that it missed its fiscal year recruiting goal by 25%, coming up short nearly 20,000 soldiers. For 50 years America Fewer young people

has relied on volunteers to defend the country, but that system is a luxury maintained at a cost, and its struggles deserve attention.

The Army's troubles are acute but not unique. The Air Force barely hit its numbers

for 2022. The Navy met its targets for enlisted sailors but came up short about 200 officers. Both the Navy and Air Force had to dip into "delayed entry" pools of recruits usually kept in a holding pattern for later, which means the services will start a new recruiting year in an even tougher position. The numbers are worse in the reserves.

Several factors are contributing to the shortfall. Fewer than one-quarter of Americans ages 17 to 24 are eligible to serve, and the reasons for disqualification include obesity, addiction and criminal history. The decision to close high schools during the pandemic kept recruiters at bay and left many teens mentally unwell, another disqualification.

Record job openings and Covid transfer payments hurt enlistment, but the problems run deeper. Fewer than one in 10 youth are inclined to serve, according to survey data. Dismal civic education hasn't helped; teenagers taught to think America is a racist or imperialist country won't wear the uniform.

The left portrays the military as a retrograde institution where sexual assault and extremism are rampant, which is not borne out by evidence. The right's affinity for military service is also in free fall.

Only 53% of Republicans had "a great deal of confidence" in the military in a 2021 Reagan Foundation survey, a 17-point drop in less than a year. Flag officers have too often associated themselves with vogue political causes, promoting books on "anti-racism," for example, as the Navy's top officer did last year. The services may need to relax the Covid-19 vaccine mandate as a concession to reality; thousands of National Guard members have refused it.

The recruiting crisis is an opportunity for Congress to drive a tank over anachronistic practices. That Congress recently saw fit to pass a cash supplement for some service members called a "basic needs allowance" suggests the military's pay scales aren't competitive with the private economy, especially for lowerranking enlistees. The 4.6% raise slated for next year doesn't match inflation.

The Army toyed with waiving high-school degree requirements and has thrown around signing bonuses of up to \$50,000. But Congress

could require the services to experiment with, say, short service contracts or a different benefit mix that might let a service member spend an entire commitment at one home base in between overseas deployments.

OPINION

The services also rely too heavily on an antiquated "up or out" model that leaves human potential on the table. The Marines deserve credit for realizing, in an initiative called Talent Management 2030, that discharging 75% of its first-term Marines every year and recruiting 36,000 replacements isn't efficient or sustainable.

Congress has offered more flexibility to let those with experience in cyber or other essential fields enter the service at a higher rank. But these are still exceptions. Especially crazy is pushing service members into taxpayer-funded retirement after 20 years of service, when most have productive years left.

A deeper undercurrent is that young people with other prospects won't join a military that looks more hollow all the time. After a decade of mostly diminished budgets, the services have developed a culture of doing more with less, adding stress on equipment and personnel.

Fighter pilots fly fewer than 1.5 sorties a week, according to an estimate from last year, too low to be proficient. The backlog on submarine work means Navy sailors can spend entire tours stuck in the maintenance yards instead of at sea. Ships, aircraft squadrons and Army air defense units are being run ragged by longer or more frequent deployments.

This may explain why fewer veterans are recommending military service. Only 62% of those polled in a 2021 Military Family Advisory Network survey said they'd encourage someone to sign up, down from 74.5% in 2019. This is an ominous trend given the importance of family military legacies.

The recruiting problems are hitting even as the Navy and Air Force need to expand to meet proliferating threats from Iran to China. Tanks and planes aren't worth buying if there's no human capital to man them. Some might be tempted to treat this year's recruiting failures as an anomaly, but it could be an emerging threat to national security. The American experiment can only last as long as citizens are willing to defend it.

Biden's Choose-Your-Own-Pandemic Policy

s the Covid-19 pandemic over? President Biden's answer is yes no yes no. The latest example of politically convenient pan-Department of Health and Human Services again extended the official public-health emergency, this time through January.

"The pandemic is over," Mr. Biden told CBS's "60 Minutes" only three weeks ago. "We still have a problem with Covid. We're still doing a lot of work on it. But the pandemic is over." Not to get all philosophical, but how can something be an emergency if it has already ended? The HHS statement this week says "a public health emergency exists and has existed since January 27, 2020, nationwide."

This isn't the only example of Mr. Biden talking from both sides of his N95 mask. When he decided to forgive student loans of up to \$20,000 per person, the White House said this would "address the financial harms of the pandemic." But the government had halted student loan payments since 2020, holding borrowers harmless. A month before he declared the pandemic "over," Mr. Biden extended that student loan pause through Dec. 31.

On the southern border, the pandemic apparently ended in April, when the Centers for demic schizophrenia came Thursday when the Disease Control and Prevention terminated President Trump's policy of expelling migrants using Title 42 2 health powers. The CDC said this is "no longer necessary." The agency cited "the development and widespread deployment of COVID-19 tests, vaccines, and therapeutics."

> A judge held that the Biden Administration couldn't stop Title 42 enforcement, at least for now. But it's another example of Mr. Biden's choose-your-own-pandemic policy. Whether the crisis is over varies by agency and depends on what the White House is trying to accomplish. The HHS extension this week will freeze state Medicaid rolls and prevent ineligible recipients from being removed.

> Certain work requirements for food stamps are also on hold. Yet businesses need help. Unemployment is 1.9% in Minnesota, 2% in New Hampshire, and 2.5% in Missouri. Maybe Mr. Biden hopes to keep the emergency going until the end of the next recession.

A Journal Contributor Suffers in Iran

The regime 'intends to

kill' Hossein Ronaghi,

says his brother.

ranians "love life. We love living, and we don't want to die," Hossein Ronaghi told

and that may be the cost that one has to pay for freedom." Mr. Ronaghi, 37, is now unreachable in Iran's notorious Evin Prison, and the news isn't good.

Mr. Ronaghi is an Iranian blogger and free-speech activist, and in a brave op-ed for these pages a year ago he described Iran as "a country of repression, censorship and violence."

The Iranian government subsequently accused Mr. Ronaghi of acting against national security, propagating against the Islamic Republic, and possession of alcohol. He freely admits the last charge. Under these charges he faces some five years in prison and a brutal public lashing. Authorities released Mr. Ronaghi on bail in March after we and other publications wrote about his ordeal.

Last month protests erupted in Iran after Mahsa Amini, 22, died while under arrest for allegedly violating Iran's Islamic dress code. The protests have since spread, and the regime's violent crackdown has intensified. The regime threatened Mr. Ronaghi to stay silent, but "he did the opposite" and spoke out online and in interviews, his longtime friend Laleh Roudi tells us.

Mr. Ronaghi narrowly escaped violent arrest on Sept. 22 but turned himself in two days later.

"He refuses to run away from the country and doesn't want to jeopardize friends or family by us in April. "But we've chosen freedom, having to hide him," Ms. Roudi says. The re-

ports of what happened next are all too common in the Islamic Republic.

From prison Mr. Ronaghi called his mother and said, "I can't talk now: thev've broken my legs' and then the connection was cut," his friend Masoud Kazemi told

the Washington Post. Other reports about Mr. Ronaghi's condition come from those imprisoned with him. Ms. Roudi says one person described him "being dragged to the infirmary with a visibly broken leg," while another saw him vomiting blood. He

has been deprived of legal counsel since Sept.

24. "The Islamic Republic intends to kill my

brother Hossein," the blogger's brother Hassan tweeted Friday. Mr. Ronaghi had already endured some six years in Iranian jails, and prior torture left him with serious health problems. Ms. Roudi said he has now embarked on a hunger strike in prison. Mr. Ronaghi described to us this spring how a prior hunger strike exacerbated his ailments—but it was "one of the few ways" a pris-

oner could "show this resistance." Reuters reported Wednesday that at least 201 civilians have been killed since the protests began, citing numbers from the nonprofit Iran Human Rights. Mr. Ronaghi's life is among those that hang in the balance.

LETTERS TO THE EDITOR

What Should Republicans Do About Walker?

Regarding Peggy Noonan's column "Why Herschel Walker Shouldn't Have Run" (Declarations, Oct. 8): "Compared to what?" is often the key question. Georgians have a choice between two men, one a conservative and one on the left. Both have personal issues in their lives regarding their marriages and children. The question before the voters is: Are you happy with the direction the country is taking? And beyond that, is keeping control of the Senate in the Democrats' hands what you want? Do you like the big-government policies of President Biden, which are supported by Sen. Raphael Warnock?

M.G. DEL ROSSI Blue Bell, Pa.

When I saw the headline on Mr. Walker, the hair on the back of my neck went up instantly-another article by a New Yorker bashing a Southern political candidate. Once I read the column, however, my thoughts changed: Why are Republicans doing this to this man? Sometimes, we should all listen a little more.

AL FOSTER The Villages, Fla.

Ms. Noonan is on target. If Mr. Walker had fathered children by four different women and been accused of not supporting them, it would have

been enough. If he had been accused of holding a gun to his wife's head, it would have been enough. If he had been accused of paying for a partner's abortion and then lying about it, it would have been enough.

In normal times, any one of these would have disqualified Mr. Walker as a candidate, but these aren't normal times. Because of the endorsement by former President Donald Trump and his willing sycophants, the Republican Party is in danger of losing a winnable Senate seat.

BERYL ROSENSTEIN Pikesville, Md.

Ms. Noonan's column saddens me. I don't condone Mr. Walker's history, but I believe he has been working hard to change his life, to believe in God, to hold reverence for our country and all that it stands for. He has the guts to run for office and put himself before what I call "a pack of wolves," those who attack him and everything in his past. He has dared to make himself vulnerable to the nasty world of U.S. politics.

Perhaps Ms. Noonan isn't forgiving of Mr. Walker because she isn't forgiving of Mr. Trump, who openly endorsed Mr. Walker. Forgiveness is the best tool for healing our country.

SANDRA GRIFFIN Florence, S.C.

California, Pigs and the Merely Pig-Headed

California's Proposition 12 prohibits the practice of confining mother pigs in spaces so small that they spend their entire lives unable to walk, turn around or stretch their legs. This is about requiring a small measure of compassion for animals, not the work of "busybody Hollywood vegans," as Robert Alt suggests in "Ohio Pig Farmers Didn't Get a Vote on California's Proposition 12" (Cross Country, Oct. 8).

Proposition 12 mirrors laws or regulations in 13 other states—including the author's home state. It's time for multinational agribusinesses to turn away from the cruel systems they created and support farmers in transitioning to higher-welfare practices. Whether they live in Ohio or California, Americans have no appetite for animal suffering. MATT BERSHADKER

CEO, American Society for the Prevention of Cruelty to Animals New York

After almost 80 years of operating a commercial swine facility in California, my family gave up this year because of this law and other related ones that put extreme restrictions on water use and feed production, and add to spiraling input costs. These laws and regulations made running the family farm untenable.

The bitter irony is my grandfather, William Silveira, was a pioneer in ensuring herd welfare by air-conditioning his sow barns and providing automatic waste removal and cleaning for all sow stalls. His operation, at its peak, won national and international recognition. That is now just a legacy.

Sow-farrowing crates and other safety constraints are part of good animal safety and husbandry. Anyone who has taken care of a sow and her litter knows that an 800-pound Duroc sow could unintentionally crush a piglet of her litter. But none of that matters to California lawmakers, bureaucrats and animal-rights lobbyists who pass these nuisance laws that reduce Americans' choices and drive up the average household's expenses.

MATT SILVEIRA Placerville, Calif.

Open Up the Primaries and Let Americans Vote

In "Alaska's Senate Nail-Biter" (Potomac Watch, Oct. 7), Kimberley Strassel states, "There's no question the new system has benefited [Sen. Lisa Murkowski]. She would have lost a Republican primary to [Kelly] Tshibaka." Ms. Strassel is right. More important, however, the new system also benefits the voters.

A Reason for All Americans To Be Grateful for Maryland

Besides portraits by van Dyck, there is another reason for Americans to be aware of Queen Henrietta Maria. ("A Queen Who Kept Her Head" by Catherine Ostler, Books, Oct. 8.) Her husband, Charles I, decided to reward his courtier George Calvert, First Lord Baltimore, with a grant of seven million acres carved out of the colony of Virginia. History records that "the King said, 'Let us name it after the Queen. What think you of Mariana?' Baltimore objected because this was the name of a Spanish historian who taught the will of the people was above the will of tyrants. Whereupon Charles said, 'Let it be Terra Mariae."

The king, besides maintaining his credentials as an autocrat, made an elegant choice. "Terra Mariae," in the 1632 Latin charter to Calvert's son, translates as Marvland—which surely trips more gracefully off our tongues than Henriettaland. JOHN G. KESTER

Alexandria, Va.

Biden Iran Policy Costs U.S.

Why doesn't the Biden administration see that its Iran policy is the reason the Saudis are uncooperative? ("The Saudis Snub Biden Again," Review & Outlook, Oct. 6). Giving billions of dollars to Iran is a significant threat to the region. Should the U.S. walk away from negotiations and take a strong stance against the Iranian regime, we would likely have no better friend than the Saudis.

> BOB CARROLL Los Angeles

Letters intended for publication should be emailed to wsj.ltrs@wsj.com. Please include your city, state and telephone number. All letters are subject to editing, and unpublished letters cannot be acknowledged.

An open, nonpartisan primary benefits Ms. Murkowski because in closed, partisan primaries, moderate candidates on the right and left are susceptible to being primaried by more extreme candidates. In elections in which less than 5% of registered voters turn out, a small number of highly motivated partisan voters can change the outcome.

In an open, nonpartisan primary, all voters can participate. In Alaska, only the 26% of voters who are registered Republicans could participate in the Republican primary, where the winner was highly likely to win the general election. In the old system, 74% of voters were effectively disenfranchised. STEVEN KANTOR

New York

Some Gig Work for Congress I'm not convinced that contractors

should be reclassified as employees ("Biden Goes After Gig Workers," Review & Outlook, Oct. 12), but perhaps the modern economy is changing so much and so fast that we should have a national debate over such rules and regulations. The proper forum for this debate, however, is the U.S. Congress, not executive-branch bureaucracies. Between student loans, Dreamers, carbon emissions, border-wall funding, Title IX and tariffs, I'm beginning to wonder why we even have a Congress. But I suppose pulling a paycheck and appearing on talk shows is easier than running a constitutional republic.

MICHAEL A. WOOD Fort Worth, Texas

Pepper ... **And Salt**

THE WALL STREET JOURNAL



"You knew I was a Lovebird when you met me."

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OPINION

Will Putin Fall Like Khrushchev and Gorbachev?



DECLARATIONS By Peggy Noonan

pronouncements aren't commensurate with the gravity of the Ukraine situation. They've gotten too informal, off-the-cuff and shallow.

Russia continues its missile barrage against Ukrainian cities. The Crimean bridge was daringly taken out, delivering Vladimir Putin a real blow, and within hours Ukraine was tauntingly unveiling a postage stamp depicting the ruined span. The Nord Stream pipeline has been sabotaged. Each side blames the other, but either way Europe is braced for a long dark winter. And both sides are either threatening or speculating aloud about the use of nuclear weapons.

Russia's strongman has become a weak man. That proved a perilous position for his predecessors.

This war isn't progressing, I think, it's hurtling.

President Biden has taken to publicly comparing the current moment to the Cuban Missile Crisis. From reported remarks at a New York City Democratic fundraiser: "We have a direct threat of the use of the nuclear weapon if in fact things continue down the path they are going. . . . We have not faced the prospect of Armageddon since Kennedy." Vladimir Putin is "not joking.

If we're facing Armageddon, that should be taking up all the president's time. When JFK spoke it was in a studied, careful way, and to the entire nation.

Since the tanks first moved in February, one of this column's

preoccupations has been the tone, volume and swiftness of the declarations, tweets, one-liners and ad libs that followed. Ukrainian President Volodymyr Zelensky, at the beginning, had to establish that he and his country would fight: "I need ammunition, not a ride." The West in turn had to make clear it would resist this brute violation of international law, the violent invasion of a sovereign nation. If it didn't, it would be accepting the idea that the law counts for nothing; the world is a jungle where the feral have the upper hand.

Since then, and as the stakes got higher, leaders have become all too casual—unserious and sloppy. Part of it is social media, on which the whole world is hooked. Ambassadors launch taunting tweets like rockets and get high-fives instead of irradiated craters. I can't get the phrases "possible nuclear war" and "let's do snark" to go together in my head. Many others can.

What's needed is a serious, weighty, textured document that reflects the gravity of the moment we're in, a full Oval Office address that doesn't emote but speaks rationally to a nation of thoughtful people. A big definitional statement. Where are we? Are we communicating with the Kremlin? How should the American people be thinking about all this?

There are times in life and diplomacy when silence must be maintained as circumstances evolve and new options emerge. But we're not maintaining silence. As for the efficacy of thoughtfulness, sometimes it can cool things down or slow them down. If we're traveling toward Armageddon the slow route is

Here I jump to Mr. Putin himself. It's hard to imagine a peaceful resolution while he retains power. It is possible conversations have begun among members of the institutions that might most effectively move against him—the state intelligence apparatus, the military, even the cabinet. If they are talking, it would be going like this: Mr. Putin



Soviet leaders Nikita Khrushchev and Mikhail Gorbachev.

himself drove the war, which was a bad idea badly executed; it likely can't be won by conventional means; the use of nuclear or chemical weapons would create a physical danger to, and reputational disaster for, Russia; the Ukraine adventure has stressed the Russian economy and strained its political stability; the people don't want itnot the elites seeing their worlds constrict, the middle seeing their aspirations disrupted, the hinterland folks whose sons are being sacrificed.

A veteran observer this week said Mr. Putin is a strongman who is now a weak man. That sort, he implied, can't continue.

When Nikita Khrushchev was deposed in October 1964, his adult son, Sergei, was keeping a diary. Twenty-four years later, when the diaries were published, Sergei spoke to Felicity Barringer of the New York Times.

Khrushchev, who was 70 in 1964, had embarrassed the Kremlin in the Cuban Missile Crisis, when his aggression and bluster were followed by retreat. He first caught wind of a plot when a bodyguard for a former Politburo member phoned and warned Sergei that the bodyguard's boss, the head of the KGB, the communist party secretary and two current

Politburo members were planning a coup. Nikita Khrushchev didn't believe it but asked that his friend President Anastas Mikoyan be told. Later, at his dacha on the Black Sea, he received a call: There would be an emergency meeting in Moscow, his presence was necessary. Khrushchev suddenly realized he'd been seeing odd things—a ship hovering near his beach, bodyguards outside his usual detail.

At the Politburo meeting the coup leaders accused him of mismanagement, nepotism and tactlessness. He admitted he was rude but disputed the other points. At a second meeting he accepted his fate. The official news agency Tass reported he was retiring due to poor health and advanced age. He lived out his life gardening, airbrushed from historical photos, and died in 1971. In time, almost perversely, he told Mikovan what happened was proof of the progress he'd instituted. Would anyone have dared tell Stalin to resign? "There wouldn't be anything left of us.

More recently, in August 1991, was the coup attempt against Mikhail Gorbachev. He was at his Black Sea house when his communications were cut off and he was placed under arrest. The Warsaw

Pact countries were starting to break free. The KGB and the military didn't like Gorbachev's approach and said they feared the Soviet Union was next. They rolled tanks into Moscow, seized state television and announced Gorbachev was leaving for health reasons. Massive crowds gathered in the streets opposing the coup, and the pro-democracy figure Boris Yeltsin took to the top of a tank to urge resistance. The army broke, the KGB backed down, and Gorbachev returned to Moscow. But Moscow was Yeltsin's now. A few months later, on Christmas Day, Gorbachev stepped down. Yeltsin declared the Soviet Union over. It would be Russia now, Russia

In his farewell speech Gorbachev said he opposed the "dismembering" of what had been the previous Soviet state, and warned of danger ahead for the countries carved away. Six years later Yeltsin appointed a new head of the domestic arm of the intelligence service, a young man named Vladimir Putin.

Mr. Putin has dismantled or defanged some of the institutions that might go up against him. He likely has things pretty tightly wired. Unlike the KGB when it faced the protests of the Gorbachev coup, he wouldn't likely shrink from bloodshed. Khrushchev was a fully rational actor, as was Gorbachev, as apparently were those who opposed them. We cannot be certain Mr. Putin is.

And Mr. Putin has the benefit of knowing how the two previous coup attempts ended. He's probably made a deep study of both. And of course he lived through Gorbachev in 1991, as a KGB officer, though later he insisted he resigned when it began.

We'll be helping dissidents only if we show now seriousness and sobriety and gravity, and repeat again the old Cold War distinction: We are against the Russian government's actions but feel only respect and regard for the people of Russia, with whom we only want peace.

A More Diverse America Turns Against Racial Preferences

By John Ellis

he Supreme Court will soon hear arguments about the use of racial preferences in college admissions. On this score, a curious divergence in opinion has arisen in recent years. While the public has moved sharply in one direction, academia has raced in the exact opposite.

Take California. In 1996 Californians voted by a 9-point margin to approve Proposition 209, a constitutional amendment to ban the use of racial preferences in public employment and college admissions. As the state's electorate moved to the left in the subsequent years, it was widely assumed that support for the ban had evaporated. The University of California evidently felt bound by the letter but not the spirit of the law, as the system reduced its reliance on objective test scores so that it could use "holistic" judgments, effectively making it easier to hide its use of racial preferences.

Yet in 2020 the assumption was tested. When Proposition 16 was put on the ballot—a provision to repeal the state's prohibition of racial preferences—Californians voted it down by a 14-point margin. Even a state that voted nearly 2 to 1 for Joe Biden affirmed its opposition to racial preferences. What explained the split?

What nobody realized was that the entire country had become increasingly hostile to the use of race in such decisions. A 2022 Pew Research Center poll found that 74% of Americans oppose the use of race in college admissions. Even more surprising, 68% of Hispanics, 63% of Asians and 59% of blacks also opposed it. The same applied to both political parties, with 87% of Republicans and 62% of Democrats objecting.

But as the public attempted to slam the door shut on racial preferences, the universities were busy

trying to open it wide. The stealthy end-runs around the law gave way to support for "equity": the desire for racial proportionality in all things—never mind that the Supreme Court has held that quotas in college admissions are unlawful. Accordingly, many colleges have begun to abandon the use of test scores in applications.

In line with this hardening of campus attitudes, increasingly powerful diversity, equity and inclusion bureaucracies arose to achieve these aims. Consider The University of California, Berkeley, which now has a Division of Equity and Inclusion, a title that gives it a standing on campus equivalent to its Division of Mathematical and Physical Sciences. The university's division has an array of highly paid managers. Eight have the title "director," one of which is for "diversity, equity, inclusion and belonging," there are several assistant vice chancellors. Similar offices abound on campuses across the country, where they are major actors in promoting all manner of progressive causes, from social justice to critical race theory and anticapi-

California voters backed the 1996 ban by a 9-point margin. By 2020 the gap had widened to 14 points

The most visible sign of DEI's clout is its gradually seizing control of faculty appointments. At the University of California, Santa Cruz, DEI personnel prescreen applicants for all faculty positions and can throw out applications whose mandatory statements of commitment to diversity they don't like. At Berkeley about 75% of applicants

for a teaching position in life sciences were rejected in this stage during the 2018-19 academic year. The prescreening resulted in Hispanics representing 59% of the finalists, despite comprising only 14% of applicants. White applicants made up 14% of the final pool, down from their original 54%.

Not only is this practice an illegal political test for faculty employment, it's also a stunning reversal of the policy that once made our universities great. For decades, the hiring of faculty was driven by the judgment of competent professionals, not by ideological administrators. Who knows how many potential Nobel laureates might be lost to the campuses because DEI zealots don't like their politics.

These administrative divisions don't merely act as gate keepers; they also affect speech and conduct inside the gates. DEI divisions are the driving force of cancel culture on campus, which limits the free inquiry that is essential to a university's mission. While campus radicals long ago achieved this stranglehold on the humanities and social sciences, STEM fields were more resistant. The rise of DEI is how they are being brought under political control. The public must decide whether

this travesty is still worth its tax dollars and tuition payments. Meantime, state legislatures could bar the use of state funds for the support of DEI bureaucracies and all their works. This might not change the character of the radicalized faculty, but it would at least take an important weapon out of their hands.

Mr. Ellis is a professor emeritus of German literature at the University of California, Santa Cruz, and author of "The Breakdown of Higher Education: How It Happened, the Damage It Does, and What Can Be Done."

John Durham and the Press's Battle With Truth



WORLD By Holman W. Jenkins, Jr.

Members of the press are rooting for the failure of the latest John Durham prosecution, because they think it absolves them of their roles in the collusion hoax. Nor are the feel-

of

special

Durham counsel hard to guess. They are likely identical to those of a previous exposer of FBI misfeasance, Justice Department Inspector General Michael Horowitz, who could not have failed to be surprised and a little appalled at the media's indifference to the truths he and his team labored to reveal at taxpayer expense.

ings

It was Mr. Durham himself, in his initial and expansive indictment of Democratic lawyer Michael Sussmann, who dwelled and dwelled on every reason for believing the FBI had not been fooled by the lie Mr. Durham charged the lawyer with telling in the collusion hoax.

The message is even clearer in this week's prosecution of Steele dossier principal "researcher" Igor Danchenko, who has also pleaded not guilty to lying to the FBI. The world now knows, thanks to Mr. Durham, that the FBI put Mr. Danchenko on its payroll for $3\frac{1}{2}$ years and kept him there as late as October 2020, long after it knew the dossier was a package of lies. One effect of this arrangement was to discourage the analyst-about-town Mr. Danchenko from telling the press or other investigators the truth about the dossier's fraudulence while the FBI was still suggesting to the public and courts it was "credible."

As a news story, alas, all this runs into the blinkeredness, not to mention giant helpings of personal cowardice, of many reporters covering it.

Telling is a Washington Post scene-setter on the Danchenko trial that began by misrepresenting the three-vear-old words of the Justice Department's Mr. Horowitz, who said he found no "documentary or testimonial evidence" of improper motivation in the Clinton email and Trump collusion investigations.

If a reporter thinks Mr. Horowitz here is saying he got to the bottom of matters and, yep, the agency is clean as a hound's tooth, Washington Post owner Jeff Bezos needs to investigate what's happening inside his newspaper. The inspector general plainly states that, in the absence of an unlikely memo or testimony

blurting out an admission of wrongdoing, he was required to accept the good faith of FBI actions for which no "satisfactory explanations" were offered.

These include FBI actions in the Hillary Clinton case, which almost all agree were improper and probably cost Mrs. Clinton the election. These include actions in the Trump case

To the media, ignorance is bliss when it comes to the true 2016 election story.

that involved unambiguous malfeasance, such as doctoring evidence for a surveillance court and presenting evidence the FBI knew had been discredited.

Mr. Horowitz thereupon went straight to Congress to urge declassification of his complete findings so the public could know the full truth about the FBI's 2016 actions. Not only did his words go almost universally unreported in the press, most outlets still haven't told their readers that a so-called classified appendix even exists.

This is the same press that turns away from clear evidence that former top CIA officials spread an obvious lie about the Hunter Biden laptop to

The big problem here is the story

investigation. Only after Election Day, though, did this investigation start spawning illegal, apparently politically motivated leaks and become the vehicle for pushing the Steele dossier into public view.

Why? It's humanly impossible that the motives and feelings that engulfed the FBI's top coterie at this time were not dominated by the realization they had likely put Mr. Trump in the Oval Office as the result of actions set in motion by what they knew to be fake Russian "intelligence" (the burden of that secret inspector general's report).

In fact, the contemporaneous texts of FBI counterintelligence deputy Peter Strzok as well as Kevin Clinesmith, the FBI lawyer who pleaded guilty to falsifying collusion evidence, plainly blame their agency for electing Mr. Trump.

It can scarcely be exaggerated how mortifying and damaging it would be to the intelligence community if the truth were widely known by the American people. The Russia hoax saved the day by changing the subject, just as the Hunter Biden hoax may well have accounted for Joe Biden's victory—a thing that even people who welcome Mr. Biden's victory ought to be able to be honest about.

But there's a reason almost every good book about journalism by a journalist, from Evelyn Waugh's "Scoop" to Christopher Koch's "The Year of Living Dangerously," is unflattering about some of the people our profession attracts. My appeal to Mr. Bezos particularly would be: The Washington Post has become a significantly stupider newspaper on your watch. Do something about it.

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protect Joe Biden in the 2020 race.

you're not being told because it would expose the press's own gullibility and worse in the collusion farrago. In 2016, the FBI no sooner disposed of the Clinton investigation than it launched the Trump collusion s the third Saturday in

SPORTS

By Laine Higgins

October draws near, there's an unfamiliar feeling brewing in Knoxville, Tenn.: hope. For the uninitiated, Tennessee's rivalry game against Alabama-known as "The Third Saturday in October"—has taken place on or around that weekend for decades. Losers weep; victors smoke cigars. Alabama held a 43-38 lead in the series when it hired Miami Dolphins coach Nick Saban in 2007and the Crimson Tide haven't lost to Tennessee since.

It's part of more than a decade of disappointing hires, scandals and self-inflicted bloopers that knocked the Volunteers out of college football's upper ranks. But that is changing this year. Tennessee has a 5-0 record, a No. 6 ranking and a real shot at an upset when it hosts Alabama at Neyland Stadium on Saturday—particularly if the Crimson Tide's injured star quarterback Bryce Young is not ready to return to action.

"The general feeling is one of un-bounded enthusiasm," said former Tennessee Gov. Bill Haslam, whose 91-year-old father was an offensive tackle for the Volunteers teams that claimed a national title in 1951. "The whole fan base is either going to need mass counseling or is going to be in the biggest celebration you've ever seen Saturday night."

Second-year coach Josh Heupel has put together a highflying offense that leads Division I with 547.8 yards per game.

The key piece is quarterback Hendon Hooker, who transferred from Virginia Tech in 2021 and has become the Volunteers' first legitimate Heisman Trophy contender under center since a guy named Peyton Manning.

"For the first time since I was in college, I feel like we have a legitimate opportunity to go win the football game," said former Tennessee quarterback Erik Ainge, whose 2006 Vols were the last team to take down Alabama. "When you watch our team play, we are really good at football. It's not fake news.'

It has forced Tennessee fans to reacquaint themselves with positive thinking. After beating Florida 38-33 at home last month, the crowd was so elated that thousands stayed in their seats and sang "Rocky Top" for 30 minutes after the game ended, said athletic director Danny White. It led to the biggest surprise of his 22month tenure: "Facing almost no game day traffic getting home."

Alabama and Tennessee have been heading in different directions for years. While the Crimson Tide grew into the behemoth of the Southeastern Conference's West division, with six national championships under Saban, Tennessee languished in the league's East division. Since firing coach Phillip Fulmer in 2008 after a 5-7 season, the Volunteers have cvcled through five head coaches, two interim coaches and seven losing

It's not just that the coaches

The Vols Have a Glimmer of Hope Against Nick Saban's Alabama

After a decade of disappointing hires, scandals and self-inflicted bloopers, No. 6 Tennessee is 5-0



Tennessee players celebrated after a win against Florida on Sept. 24. The No. 6-ranked Volunteers host the No. 3-ranked Alabama Crimson Tide on Saturday.

didn't pan out; they flamed out in epic fashion.

First came a 34-year-old Lane Kiffiin, who jilted the Vols to take the top job at USC after just one 7-6

In 2010 he was replaced by Derek Dooley, who was fired after winning just five SEC games in three seasons. Dooley will be at Neyland Stadium on Saturday—as an analyst for Alabama.

Then Butch Jones arrived to a mess in 2013. As the roster teetered on the edge of violating the NCAA's academic eligibility standards, Jones

Tennessee

quarterback

Hendon Hooker

asked fans to stomach losing in the short term to allow for a program overhaul.

By 2016, it looked like it might be working. Tennessee beat Florida for the first time in 12 years and knocked off Georgia. But Jones would be shown the door the next November after a 4-6 stretch that ended with a 50-17 loss to lowly Missouri.

What came next was typical Tennessee: After word leaked that athletic director John Currie was hiring then-Ohio State defensive coordinator Greg Schiano, fans staged a revolt because of allegations that while an assistant at Penn State, the coach was aware of criminal misbehavior by Jerry Sandusky, a convicted child sex of-

"It's both a blessing and curse having a passionate fan base," Haslam said. "When things don't go well, the frustration tends to pour out in a very loud,

animated way.

Tennessee backed away from Schiano. who has denied the allegations, and ousted Currie in December 2017 for mangling the coaching search. Fulmer, the former coach, became athletic director and hired Alabama defensive coordinator Jeremy Pruitt instead.

The Vols thought they were getting a Saban pro-

tégé; Instead they got a coach who flouted NCAA rules and had a memorably strange way of wearing a checkered orange and white neck gaiter to satisfy the SEC's mask mandate during the 2020 pandemic season. At the end of that year, Tennessee learned of potential rules violations, including giving players thousands of dollars in

Tennessee may be going up against one of the most beatable Alabama squads in years.

Pruitt was fired in January 2021 after an internal investigation. Fulmer also voluntarily retired, a move the university said was unrelated. Pruitt hasn't denied that violations occurred, but pushed back against his culpability. In July he said, "I'm looking forward to telling my side of the story somewhere down the road.'

"It's really hard to win in major college football if you don't have really good coaching," Ainge said. It was against this backdrop that

White became athletic director. His first hire was Heupel. It was the second time he had run this

play: As Central Florida athletic director in 2018. White lured the

coach to Orlando.

White knew he was getting the man who had twice orchestrated the No. 2 offense in the country at UCF. He found it entertaining when frustrated Tennessee fans were blown away by the Volunteers' scoring production in Heupel's first

"For those of us who came here from UCF, we're all kind of walking around the hallways in our program here like, 'What did you expect would happen? Were you not paying attention?" White said.

The 2022 Volunteers aren't without flaws—their passing defense ranks 128th out of 131 teams. But they may be going up against one of the most beatable Saban-led Alabama squads in years.

The Crimson Tide have played sloppy. They have racked up 8.2 penalties per game—the highest rate during Saban's tenure in Tuscaloosa-and have nearly been vanquished by costly turnovers. Young is nursing a shoulder injury and may not play Saturday. His backup, redshirt freshman Jalen Milroe, fumbled twice, threw a pick and passed for just 111 yards last week against a shaky Texas A&M team.

It all comes together to give Heupel a rare opportunity to send Neyland Stadium into fits once

"We don't have to do anything extraordinary," Heupel said. "We just have to do the ordinary at a really high level."

Weather AccuWeather | Visit AccuWeather.com eather systems and precipitation. Temperature bands are highs for the day 40s 50s 0s Calgary 10s 20s 30s 60s 40s 50s 60s 50s 70s 80s San Francisco 🕕 90s 70s Rain Warm 90s T-storms 80s Flurries 11111

	1	Today	/	To	morr	ow
City	Hi	Lo	W	Hi	Lo	W
Anchorage	37	34	sn	44	37	sh
Atlanta	81	57	S	83	61	рс
Austin	91	67	S	88	66	t
Baltimore	74	50	S	69	55	рс
Boise	77	45	S	76	46	S
Boston	69	52	S	68		рс
Burlington	65	44	рс	59	42	pc
Charlotte	80	54	S	83	58	рс
Chicago	53	41	рс	54	32	pc
Cleveland	57	40	C	63	41	S
Dallas	93	66	pc	73	59	t
Denver	67	39	pc	60	39	pc
Detroit	56	40	pc	61	39	pc
Honolulu	86	71	S	86	72	S
Houston	91	69	pc	88	68	t
Indianapolis	60	41	C	65	36	S
Kansas City	71	46	pc	67	35	S
Las Vegas	86	65	S	81	63	S
Little Rock	90	62	t	72	53	r
Los Angeles	71	62	t	73	60	pc
Miami	86	76	t	86	75	pc
Milwaukee	53	39	pc	52	33	pc
Minneapolis	54	37	C	45	26	рс
Nashville	81	56	pc	70	47	sh
New Orleans	87	67	S	85	68	pc

New York City

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		Today			morr				Toda	y		morr	ow
City	Hi	Lo	W	Hi	Lo	W	City	Hi	Lo	W	Hi	Lo	W
Omaha	69	44	рс	59	31	S	Frankfurt	64	54	sh	64	52	C
Orlando	88	67	t	87	68	S	Geneva	69	51	C	72	50	р
Philadelphia	74	53	S	68	55	рс	Havana	87	71	t	87	70	t
Phoenix	86	67	t	79	65	c	Hong Kong	89	76	рс	89	77	р
Pittsburgh	66	38	рс	62	43	S	Istanbul	65	60	r	65	59	po
Portland, Maine	68	46	рс	64	42	pc	Jakarta	90	78	C	90	78	t
Portland, Ore.	83	57	s	79	49	S	Jerusalem	75	59	рс	80	60	S
Sacramento	82	53	S	79	51	рс	Johannesburg	86	55	S	81	55	C
St. Louis	68	48	рс	70	40	S	London	63	48	r	63	57	C
Salt Lake City	74	48	s	74	48	S	Madrid	80	53	S	79	57	р
San Francisco	65	55	рс	67	55	C	Manila	89	79	t	89	78	po
Santa Fe	74	43	S	53	38	C	Melbourne	65	50	рс	64	44	po
Seattle	78	55	S	79	51	S	Mexico City	78	53	рс	79	55	po
Sioux Falls	64	35	рс	52	26	рс	Milan	72	57	рс	71	55	po
Wash., D.C.	76	56	S	72	56	pc	Moscow	47	37	c	48	36	po
							Mumbai	93	77	рс	93	78	р
Internat	ion	al					Paris	67	56	c	65	60	sh
IIICI IIU				_			Rio de Janeiro	79	69	S	82	72	р
		Today			morr		Riyadh	93	67	S	94	67	S
City	Hi	Lo	W	Hi	Lo	W	Rome	74	55	S	75	59	р
Amsterdam	63	53	C	62	54	C	San Juan	87	76	pc	87	75	po
Athens	69	61	sh	73	57	S	Seoul	77	56	pc	72	49	C
Baghdad	103	73	pc	104	71	C	Shanghai	74	62	pc	74	61	po
Bangkok	85	71	C	82	74	C	Singapore	86	78	C	85	78	sŀ
Beijing	76	52	pc	66	37	pc	Sydney	72	58	S	71	59	р
Berlin	64	54	pc	65	53	C	Taipei City	80	76	t	82	75	r
Brussels	66	51	C	63	56	C	Tokyo	73	67	pc	73	68	r
Buenos Aires	63	57	C	64	59	S	Toronto	54	39	C	59	40	C
Dubai	96	79	S	95	80	S	Vancouver	67	49	S	66	50	S
Dublin	56	42	sh	55	46	r	Warsaw	62	52	sh	66	52	C
Edinburgh	54	44	sh	55	45	pc	Zurich	66	50	sh	70	48	pc

Mahomes Is the Wizard of Comebacks

By Andrew Beaton

IN THE DIVISION ROUND of last year's playoffs, quarterback Josh Allen had just engineered an exhilarating touchdown drive to put the Buffalo Bills up by three with just 13 seconds to go when he learned one of the most painfully common lessons in football these days: There is no amount of time

too short, no distance too far. nor any lead too big for Patrick Mahomes to lead a Kansas City Chiefs comeback. With two passes, Mahomes

moved the ball 44 yards down field. The Chiefs hit the field goal as time expired. Then they won in overtime. It was so improbable that even some Chiefs die-hards left the stadium and turned off their televisions.

The Bills will get another crack at the Chiefs on Sunday when two of the best teams in the league square off in one of the marquee matchups of this NFL season. The showdown features the league's two highest-scoring offenses and arguably the game's two best quarterbacks in Allen and Mahomes. Absolutely nobody will be surprised if they meet again in January with a spot in the Super Bowl on the

But there's bad news for Allen and the Bills. Patrick Mahomes hasn't stopped coming back.

other instance of how Ma-

This past week was yet an-

Patrick Mahomes is unlike any other in football at erasing deficits.

homes could decide to spend much of a game doing crossword puzzles in the locker room and still manage to leave opponents utterly demoralized by the end of the fourth quarter. Kansas City trailed 17-0 to the Las Vegas Raiders on Monday night. The Chiefs won

What's staggering about these types of performances for the Chiefs is that they're not outliers. The abnormal thing is that they're quite normal.

Since Mahomes entered the league, he has trailed by at least seven points in 36 games, including the playoffs. He has gone on to win 24 of them, according to Stats LLC. That means he still wins 67% of the time the Chiefs spot their opponents a touchdown. No other active quarterback with at least 10 such games

has even won half of them. When the Chiefs won the Super Bowl after the 2019 season, they stormed back from big deficits in every single postseason game and won each of them handily.

But if there's any quarterback who can rival that type of quick-strike firepower these days, it might just be the one across the field from Mahomes on Sunday.

Before Mahomes's last-second magic in last year's playoff game, Allen threw two touchdown passes in the final two minutes. He threw two touchdowns for over 60 yards apiece last week alone. He also leads the NFL this year in passing yards from completions at least 15 vards long.

The one thing Mahomes and Allen both want is making sure the other doesn't get the ball last.



On the Case Even more ways to reap tax breaks from your HSA **B6**

The Enforcer The Delaware judge keeping the Twitter lawsuit on track B6



DJIA 29634.83 ▼ 403.89 1.3%

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THE WALL STREET JOURNAL. **STOXX 600** 391.31 ▲ 0.6%

10-YR. TREAS. ▼ 13/32, yield 4.005%

OIL \$85.61 **▼** \$3.50

Saturday/Sunday, October 15 - 16, 2022 **EURO** \$0.9722 **GOLD** \$1,641.70 ▼ \$28.30

YEN 148.75

Want to Get Ahead?

Pick the Right Company

By Lauren Weber and Theo Francis

The 50 best places to climb the career ladder, get prepped for opportunities elsewhere or find job stability. College degrees not necessarily required.

etail workers at Gap Inc. are significantly more likely to become managers than at other companies in their industry. Apple Inc. is among the best places to work if you want to land a bigger job elsewhere. For employees seeking security, few companies offer better job stability than Exxon Mobil Corp.

These are among the findings of a new five-year analysis of career mobility for millions of U.S. workers led by Philadelphia think tank Burning Glass Institute, focusing on jobs that don't necessarily require a college degree. Certain companies, it turns out, excel at helping workers in these jobs move up the career and pay ladder. At other firms careers can stagnate, even within the same industry. New skills at those firms don't always translate into promotions, higher wages or more opportunities to advance.

Getting ahead, the study concludes, is largely a matter of picking the right company. Tracking which companies provide more mobility could be critical for workers as the labor market loosens, companies slow hiring and the future of the U.S. economy becomes more uncertain. A weaker labor market means fewer options for workers, making initial career choices that much more important. Employers could develop a hiring advantage if they can demonstrate the ability to identify and advance new recruits, especially Americans without college degrees who have the skills for higher-wage work.

The release of these findings follows an examination of workers at Please turn to page B4

Murdoch's News Corp, Fox Weigh Reuniting

Rupert Murdoch has proposed a recombination of Fox Corp. and News Corp, the two wings of his media empire, nearly a decade after they split, according to people familiar with the situation.

> By Cara Lombardo, Dana Cimilluca and Jeffrey A. Trachtenberg

Special board committees have recently been established by both companies to study a possible deal and evaluate potential financial terms, the people said. The discussions are at an early stage, they added.

Reuniting the companies would bring Mr. Murdoch's highest-profile properties back under one roof. Fox Corp. owns Fox News and the Fox broadcast network, along with local TV stations and the Tubi streaming service. News Corp is the parent company of Dow Jones, publisher of The Wall Street Journal, as well as other assets including HarperCollins Publishers and news organizations in the U.K. and Australia.

Mr. Murdoch is executive chairman of News Corp and chairman of Fox Corp. His son Lachlan Murdoch is co-chairman of News Corp and executive chair and chief executive of

The Murdoch family trust has a roughly 39% voting stake in News Corp and about a 42% voting stake in Fox Corp., according to securities filings from the companies. The trust's ownership of the combined company would be expected to stay roughly around those levels.

A merger of the two companies would likely be structured as a stock deal, some of the people familiar with the situation said. The exchange ratio—reflecting the relative value of each company-would be negotiated by the board committees

Please turn to page B2

Kroger Sets \$24.6 Billion Pact to Buy Albertsons

By JAEWON KANG

Kroger Co. said it is buying rival Albertsons Cos Inc. in a transaction that values the company at \$24.6 billion, one of the biggest deals in the history of the grocery industry

By combining, the companies would gain greater scale and leverage to negotiate with vendors. The deal would also bolster the grocers' market share and technology to compete better with Walmart Inc. and Amazon.com Inc.

The companies said that Kroger would acquire Albertsons for \$34.10 a share, and that the deal assigns

The proposed deal could face a long road ahead in efforts to win regulatory approval.

Albertsons roughly \$20 billion in equity value. They said the enterprise value of \$24.6 billion includes the assumption of about \$4.7 billion of Albertsons' net debt. As part of the transaction, Albertsons would pay a special cash dividend of up to \$4 billion to its shareholders.

The deal would create a new power among U.S. supermarket operators that generate around \$812 billion in combined annual revenue, according to an estimate by market research firm IBISWorld. Analysts said it could face a rigorous regulatory review, with federal antitrust enforcers having challenged some mergers under the Biden administration. Kroger and Albertsons, which both operate stores in places including Southern California, Washington, Texas and Washington, D.C., said they expect to sell overlapping stores as part of the deal to help win regulatory approval.

"It allows us to do things we are doing in an accelerated way," said Kroger Chief Executive Rodney Mc-Mullen, who will serve as CEO and Please turn to page B12

Google Turns to a Diplomat and Deal Maker

By MILES KRUPPA

Philipp Schindler, Google's top sales executive, has his cellphone ringtone set to the "Star Wars" theme music. His office décor includes a collection of toy lightsabers, and he infuses presentations with references to the space epic.

The props are fitting for a man tasked with convincing business partners and regulators that his employer's huge influence over the digital economy is more a force for good than evil.

As chief business officer, Mr. Schindler, 51 years old, leads sales for Google's online advertising products and most of the company's other services, a \$230-billion-a-year portfolio that makes up more than 90% of parent company Alphabet Inc.'s revenues. He has devised new ways to package the company's businesses together, working with customers on an expanding list of complex partnerships.

That also puts the 6-foot-5-inch German on the front lines of Google's biggest battles, facing off against those who believe the company abuses its market position. The Justice Department is expected in coming weeks to file its second antitrust lawsuit against Google in three years, this time taking aim at its business brokering online advertising. The first antitrust lawsuit, over the company's dominance in search, is headed to trial next year.

Google has said it doesn't abuse its market position, and Mr. Schindler often has stressed to business partners and regulators that the company makes money only when its customers succeed, according to executives who have worked alongside him as well as negotiated against him.

Some people who have sat across from Mr. Schindler in negotiations said he employed a conciliatory approach while offering few tangible Please turn to page B2



The business portfolio of Google sales chief Philipp Schindler generates the vast majority of parent company Alphabet's revenues.

THE SCORE

THE BUSINESS WEEK IN 7 STOCKS

TARGET CORP.

TGT

Black Friday is starting well before Black Friday. Retail giants Target and Walmart Inc. are kicking off their Black Friday sales this month in a bid to draw customers and com-

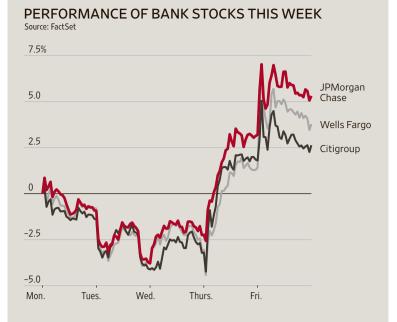
pete with Amazon.com Inc., as they did in 2021. Unlike last year, retailers are overwhelmed with excess inventory as shoppers' spending habits shift. Target in June said with consumer spending slowing, it would need to offer discounts to get rid of unwanted goods. The moves come as Amazon offered another Prime Day-like event on Oct. 11 and 12. Target shares **increased 0.5%** Monday.

WALT DISNEY CO.

DIS

Skipping the lines at Disney just got more expensive. The entertainment giant raised the pricing for its Genie+ service, which allows visitors to Disney World and Disneyland to bypass popular rides' lengthy standby

waits. Now, the service's cost will vary day to day, based on how crowded the parks are. At Walt Disney World, Genie+ will cost between \$15 and \$22, depending on the popularity of a given day, during the month of October. That pricing is subject to change beyond this month and could be higher at peak times like winter holidays. Disney shares lost 2.2% Tuesday.



JPMORGAN CHASE & CO.

JPM

Wall Street is building up defenses for a potential recession. JPMorgan Chase's third-quarter earnings dropped 17% as it set aside an additional \$808 million for potential loan losses. The results follow Chief Executive Jamie Dimon's warning Monday that a U.S.

recession is likely in the next six to nine months. Wells Fargo & Co. added \$385 million to reserves, and Citigroup Inc. set aside \$370 million. JPMorgan shares climbed 1.7% Friday.

META PLATFORMS INC.



Meta, the parent of Facebook, is taking aim at the PC business. The company stated its ambition to go after the professional computing market

on Tuesday with the announcement of its Quest Pro advanced virtual reality headset. CEO Mark Zuckerberg said the new device, which costs around \$1,500, could be a way for workers to supplement or replace their use of PCs. Meta also announced partnerships with Microsoft Corp. and Zoom Video Communications Inc. that are expected to make the VR headsets more useful in hybrid-work scenarios. Meta shares fell 3.9% Tuesday.

DOMINO'S PIZZA INC.



A stronger dollar and staff shortages haven't knocked down Domino's. The pizza chain reported higher income as U.S. sales were boosted by price increases, offsetting a

decline from international outlets due to weakening foreign currencies against the dollar. Domino's has changed its longtime promotion that offered two value items for \$5.99 to now include an extra dollar per item if the order is delivered rather than picked up at stores. The company struggled with staffing shortages this year—particularly among delivery drivers. Domino's shares gained 10% Thursday.

WALGREENS BOOTS ALLIANCE

INC.

WBA 5.4%

Walgreens' pharmacy business is under the weather. The nation's second-biggest drugstore chain posted a drop in quarterly revenue as it filled

fewer prescriptions and gave fewer Covid shots. Sales were hampered by a shortage of pharmacists and pharmacy technicians, as hundreds of stores operate with reduced hours because they lack enough workers. Walgreens said it's counting on its healthcare business to fuel growth; its new healthcare unit includes the primary-care provider VillageMD and homehealth benefits manager CareCentrix. Walgreens shares rose 5.4% Thursday.

ALBERTSONS COS.



Kroger Co. is ready at the checkout line with a new purchase: Albertsons. The two supermarket chains said Friday that Kroger will acquire its smaller rival in a \$24.6

billion deal—one of the biggest in the history of the U.S. grocery industry. The tie-up would create a new supermarket powerhouse with thousands of stores and give the companies greater scale to compete against Walmart Inc. and other big retailers. The deal is likely to face regulatory scrutiny at a time when food prices for shoppers have soared. Albertsons shares declined 8.3% Friday.

—Francesca Fontana

Google's Artful Chief Diplomat

Continued from page B1 concessions, leaving business partners frustrated.

"He's got one of the toughest and biggest jobs in corporate America," said Joey Levin, chief executive of the internet conglomerate IAC Inc., which earns hundreds of millions of dollars a year through an agreement with Google. Mr. Levin said he sometimes disagreed with the search giant's competitive tactics but finds Mr. Schindler to be an honest broker who will listen to customer complaints.

Mr. Schindler, a married father of three, maintains an unusually low profile for a tech executive of his stature. Friends said he is an avid outdoorsman who enjoys skiing. Airstream camping trips and hydrofoiling, a watersport similar to surfing that allows the participant to glide one foot above the ocean surface.

He is also known to punctuate business meetings with disarming bursts of humor. At a gathering in 2017 meant to ease tensions with news publishers, he adapted a phrase from "Star Trek": "Live long and prosper, we come in peace."

Spotify Technology SA has helped lead a group of companies criticizing the fees Apple Inc. and Google collect from purchases made within apps downloaded from their mobile stores. In March, Mr. Schindler helped broker a novel agreement that allowed the streaming service to offer alternative ways of paying for Spotify that avoid the standard 30% fee, part of a program Google is extending to other developers.

In an emailed statement, Spotify CEO Daniel Ek said Mr. Schindler "believes in constructing bridges and not building walls."

A graduate of the European Business School in Germany, Mr. Schindler began his career in a talent-development program at the German conglomerate Bertelsmann SE during the mid 1990s, focusing on newmedia services at the dawn of the consumer internet.

Shortly after Google's 2004 initial public offering, the company hired Mr. Schindler to oversee its business in Germany, Switzerland, Austria and Scandinavia.

One of his first big challenges involved the introduction of Street View, an ambitious effort to feed panoramic photographs into Google's maps product. European politicians and commentators attacked Street View before its launch in 2010, branding the service a violation of privacy because it would disseminate photos of homes and vehicles without their owners' con-

As the debates raged, Mr. Schindler traveled to Google's headquarters in Mountain View, Calif., to work with engineers on potential ≲solutions, such as distorting faces ⊌and license plates. In Germany. Shome to some of the loudest opposition, Mr. Schindler helped negoti-≦ate an arrangement that allowed ≒residents to ask for images of their [≅]houses to be blurred, while also de-§fending the service in public.

"We respect people's privacy very much," Mr. Schindler said in ≦an interview with the German



Mr. Schindler has received stock grants worth \$93.5 million in the past three years, more than any executive other than Chief Executive Sundar Pichai.

newspaper Bild at the time. "However, there is nothing more public than house facades.'

In 2012, Google promoted Mr. Schindler to a U.S.-based role overseeing global sales and operations. Three years later, he won the title of chief business officer, following Sundar Pichai's appointment as Google CEO.

"Philipp is one of the few Germans who really made it in Silicon Valley," said Mathias Döpfner, CEO of the German publisher Axel Springer, a longtime critic of Google's practices. "He deserves it because he is smart and in a very diplomatic way a tough negotiator."

Alphabet's board has rewarded Mr. Schindler with stock grants worth \$93.5 million in the past three years, more than any executive other than Mr. Pichai.

'We were very separate, and now we're much more coordinated,' says Google's Don Harrison.

Current and former Google executives said Messrs. Pichai and Schindler have worked together to more closely integrate Google's wide-ranging product areas into one cohesive vision.

Over time, the men moved all of Google's business-development and partnership teams under Mr. Schindler's oversight. More than 29.000 employees work under Mr. Schindler, the second-most of any business line other than cloud comput-

The result is that almost all big business decisions on services that affect customers and others outside Google run through Mr. Schindler's team, in addition to the company's product executives. Under Mr. Schindler, Google also created a list of "priority partners" such as Verizon Communications Inc. that interact with the company across multiple product areas and require extra attention, said people familiar with the changes.

"We were very separate, and now we're much more coordinated," said Don Harrison, Google's president of global partnerships and corporate development, who reports to Mr. Schindler.

The moves also mean Mr. Schindler is often the first call for frustrated business partners.

In 2017, Google dispatched Mr. Schindler to defuse a deepening crisis after ads from major brands appeared next to videos on its You-Tube division containing racist and anti-Semitic content. Mr. Schindler lent his name to a Google statement saying company executives "deeply apologize" to advertisers and began a listening campaign.

Procter & Gamble Co., the world's largest advertiser and a frequent critic of Google's influence in online markets, appeared unconvinced at first, leading a broader boycott of the YouTube platform.

During one two-hour meeting with P&G Chief Brand Officer Marc Pritchard, Mr. Schindler went into "excruciating detail" about You-Tube's plans to fix the crisis, said Kirk Perry, a former Google advertising executive.

The two companies left with an agreement for P&G to resume advertising if YouTube made improvements to its review system. In March 2018, P&G said it would restart advertising on YouTube. P&G declined to comment.

Recently, Mr. Schindler's attention has shifted toward a range of hot-button issues, including the phaseout of bits of web-tracking software known as cookies in Google's Chrome browser. Few are more pressing than the growing list of lawsuits targeting Google's core

To fend off the forthcoming antitrust case, the company offered to split off parts of its ad-tech business into a separate company under the Alphabet umbrella. The Justice Department is likely to reject the proposal and go ahead with a lawsuit in the coming weeks, hoping to force major structural changes to the business, said people familiar with the case. The Justice Department declined to com-

Any divestments would frustrate efforts by Mr. Schindler to sell big brands on automated systems that

direct advertisements to a mix of Google's own properties and other online publishers. Google has consistently said it has no plans to divest its ad-tech business.

Some of Mr. Schindler's business dealings have proved controversial and drawn the scrutiny of antitrust authorities seeking to rein in Google's power.

One deal Mr. Schindler signed with Meta Platforms Inc.'s Facebook, an agreement known as Jedi Blue, formed a key element in a state attorneys general antitrust lawsuit seeking the breakup of Google's ad-tech business.

As part of the deal, more than a dozen states alleged, Google gave Facebook "information, speed and other advantages" in auctions Google runs for publishers' mobileadvertising slots. Antitrust authorities in the European Union and U.K. began their own investigations into the deal after it became public through the complaint. Google and Facebook disputed the claims, saying the attorneys general had misrepresented the agreement.

Last month, a federal judge in New York dismissed the states' claims related to Jedi Blue, while allowing most of the suit's other arguments to proceed.

Instead of viewing the deal as a potential antitrust violation, Judge Kevin Castel of U.S. District Court for New York's Southern District said Google's actions were "consistent with a firm seeking to secure the business of a very large potential customer by offering it favorable terms."

Earlier in March, Mr. Schindler drew the ire of the Justice Department for repeatedly claiming attornev-client privilege in emails discussing business matters. The DOJ filed a motion seeking to force Google to turn over more emails; the federal judge overseeing the case declined the government's request.

One missive from Mr. Schindler, surfaced by the Justice Department, asked for a "privileged separate email" to discuss the "last known status" of a business partner's unhappiness with Google.

-Keach Hagey and Sam Schechner contributed to this article.

News Corp, Fox Weigh Reuniting

Continued from page B1 of independent directors, they

said. Fox Corp. had a market value of about \$17 billion as of the close of trading Friday, while News Corp's was about \$9 billion. In a memo to staff, News Corp

Chief Executive Robert Thomson confirmed the company has formed a special committee to consider the idea of reuniting with Fox Corp. "At News Corp, we are constantly pursuing ways to enhance our performance and expand our businesses, and the upheaval in media presents both challenges and opportunities," he wrote. "However, I would like to stress that the Special Committee has not made any determination at this time, and there can be no certainty that any transaction will result from its evaluation."

Mr. Murdoch, 91 years old, built an empire over several decades, turning an Australian newspaper company into a global business spanning publishing, entertainment and TV news.

In 2013, Mr. Murdoch split up his holdings. The publishing assets went into a new publicly traded company, which took on the company's legacy name, News Corp. The other business, including TV and film assets, was named 21st Century Fox and eventually became Fox Corp.

The logic of the split was that print publishing assets were thought to be a drag on the growing entertainment businesses. Some investors had long pushed for the move. News Corp was sorting out legal issues, and had taken hundreds of millions of dollars in charges related to investigations into phone hacking at its U.K. newspaper division.

Six years after the split, Mr. Murdoch took stock of his holdings again, concluding that Fox wasn't well positioned to compete with entertainment giants such as Netflix Inc. as the industry was shifting aggressively into streaming video.

He agreed to sell the majority of Fox's entertainment holdings, which then also included the Twentieth Century Fox film studio and Star India business, to Walt Disney Co. in a deal valued at \$71.3 billion. The remaining assets that didn't go to Disney became the core of the new Fox

The engine of Fox Corp. is Fox News, which contributed a significant portion of the almost \$14 billion in revenue the company posted for the fiscal year ended June. Fox News and Fox Corp. are facing defamation lawsuits by voting-machine firms stemming from remarks Fox News anchors and guests made alleging widespread election fraud in the 2020 presidential election. Fox has denied wrongdoing, defending itself on First Amendment grounds and saying it was covering newswor-

thy matters. News Corp posted revenue of \$10.4 billion in the fiscal year ended June 30, up 11% from the previous year, powered primarily by growth in the real estate and Dow Jones units.

BUSINESS NEWS

Beyond Meat Cuts Jobs; COO Out

The plant-based meat maker is reducing its workforce by nearly 20% as it trims costs

By Sabela Ojea

Beyond Meat Inc. parted ways with its operating chief, who had been suspended after being arrested for allegedly biting a man's nose threatening to kill him.

The plant-based meat company said Friday in a securities filing that Chief Operating Officer Doug Ramsey was no longer with the company. the executive last month after his arrest following what authorities said was a fight in an Arkansas parking garage.

Mr. Ramsey didn't respond to requests for comment.

Mr. Ramsey's departure comes as the plant-based meat company cut its fullyear revenue outlook further and said it was reducing its global workforce by nearly 20% as it focuses on lowering expenses amid high levels of inflation.

Beyond Meat also said Friday it made other changes to its executive ranks, including naming Lubi Kutua, vice pres-

Beyond Meat suspended ident of financial planning and analysis and investor relations, as its new chief financial officer, effective Oct. 13. Mr. Kutua succeeds Philip Hardin, who had held the role since July 2021.

The company said that, as part of the layoffs, Deanna Jurgens, global chief growth officer and president of North America, is leaving the company and that her position has been eliminated.

Beyond Meat cited lower demand for its products and the effects of competition on its sales for the lowered outlook and broader layoffs.

The company, which had

1,108 full-time employees and 311 full-time contract workers as of last December, said two months ago that it expected to lay off about 4% of its emplovees.

It said it now expects to see full-year revenue decline about 9% to 14% to between \$400 million and \$425 million. Revenue for its third quarter is also set to fall, by 23% to \$82 million.

Early in August, Beyond Meat said it expected revenue to grow by up to 12% to between \$470 million and \$520 million for the year, down from a prior forecast of achieving revenue growth of up to \$620 million.

"Additionally, the company believes it was negatively impacted by decisions made by distributors and customers, such as changes in inventory levels and postponed or canceled promotions," the company said Friday.

The cost-cutting plan is expected to enable Beyond Meat to save about \$39 million in operating expenses over the year after booking cash charges of \$4 million on workforce cuts, the company

Beyond Meat's shares were down 6% in early-afternoon

Bulk PC Purchases Slip After Pandemic Splurge

By Sarah E. Needleman

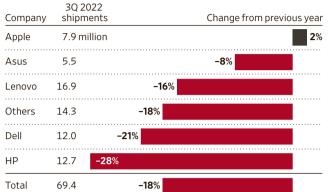
Superintendent Frank Scarafile, who runs the Little Ferry, N.J., school district, has some bad news for PC and chip makers: He is slashing spending for new devices

After purchasing hundreds of new Chromebooks for students during the first two years of the pandemic so kindergartners to teens could participate in remote learning, he said the district is well-stocked.

"We're where we need to be," Mr. Scarafile said. "This year and next year there will

Across the U.S. and beyond, companies, governments and households that bulked up on computers during the pandemic are drastically scaling back. That trend has driven a worldwide slump in demand for PCs and the chips that power them. The lull in purchasing has worsened throughout the year amid high inflation, rising labor costs and recession fears.

In the latest quarter, "what we saw was companies putting a pause on spending, and consumers doing the same thing," Sam Burd, president of Dell Technologies Inc.'s client solutions group, said in an interGlobal desktop and laptop shipments in the third-quarter



PC and chip makers have said the market slump hit their results, often harder than expected. **HP** Inc. reported that its sales declined last quarter shortly after Dell Technologies posted lower profit and weaker-than-expected revenue growth. Intel Corp. and Advanced Micro Devices Inc. have posted gloomy results or issued profit warnings as a re-

Corporate PC buyers remained a bright spot early this vear as they tried to facilitate hybrid work, even after many households pared back spending. But in recent months such buyers have also scaled back.

Marilyn Wilson Lund, founding partner of real-estate consulting firm WAV Group Inc., said she doesn't plan on getting new computers soon for her small team in San Luis Obispo, Calif. In the past, she would buy about eight to 10 new devices every year. "Unless it's dropped on the ground and it's cracked, I'm not doing it," she said.

Increased labor costs, taxes and travel expenses have made Ms. Wilson Lund leery about spending on hardware upgrades. "You're trying to do more with less," she said, adding that many of her brokerage

same sentiment. "People are just not knowing what's coming around the corner."

Gartner Inc. says the recent downturn in PC shipments is the worst in more than two decades, and International Data Corp. also shows a steep drop in numbers.

Global shipments of desktop and laptop computers fell in the third quarter by a record 18% from a year earlier to 69.4 million units, according to a report released this past week by market-research Canalys.com Inc. Notebook shipments were particularly hard hit, the technology-analysis firm said.

The various data providers use slightly different methodologies to determine device ship-

It isn't just PC buying that has slumped. Videogaming enjoyed supercharged growth when pandemic lockdowns hit, but the appetite for gaming computer cards and consoles has lessened. Nvidia Corp., which sells graphics cards often used in high-end gaming laptops, in late August posted lackluster results amid a 33% drop in gaming revenue.

Overall U.S. consumer spending across videogame

clients have expressed the hardware, content and accessories fell 13% in the second quarter to \$12.35 billion from a year earlier, according to NPD Group Inc. and Sensor Tower Inc. For all of 2022, the market-research firms expect sales to decline 8.7% to \$55.5 billion, which would mark the first annual decline since 2016.

Dean Machikas, a 34-yearold delivery driver and avid PC gamer in Lancaster, Pa., wants a new, \$1,600 graphics card to upgrade his PC, but said he discussed the matter with his partner and they agreed that investing in home repairs is more important. "We're probably going to have to put a new roof on the house next year. and spending money on a new graphics card is probably not a good idea," he said.

Even with the sharp downturn, companies are betting on a rebound. Yusuf Mehdi, corporate vice president for devices at Microsoft Corp., said the pandemic reinforced the importance of the PC. This past week, the software giant updated its line of Surface devices with new versions of its Surface Pro tablet and Surface Laptop, in addition to unveiling a new version of the company's all-in-one Studio PC with a \$4,500 starting price.

THE WALL STREET JOURNAL.

Takeover Interest

By Dana Cimilluca And Cara Lombardo

Cloud-computing company Nutanix Inc. is exploring a sale after receiving takeover interest, according to people familiar with the matter.

The company is expected to target private-equity and industry players, the people

It is far from certain there will be a deal. A buyer would likely have to pay a significant premium to Nutanix's market value of nearly \$5 billion at a time when volatile markets and an uncertain economy have sapped companies' appetite for M&A and buyout firms' ability to finance deals.

Based in San Jose, Calif., Nutanix specializes in cloud services for businesses, a once-hot area that investors have soured on as pandemicera demand fades and technology stocks bear the brunt of this year's market selloff.

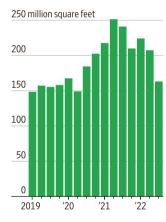
Nutanix sported a market value of more than \$9 billion in September 2021, but its shares have fallen by more than a third this year through Thursday. They have regained some lost ground lately, soaring after the company reported better-than-expected results and forecasts in late August. They were up more than 19% in early trading Friday following The Wall Street Journal's report.

In 2020, Bain Capital invested \$750 million in Nutanix via convertible senior notes. Two managing directors of the private-equity firm joined the company's board.

In September, Nutanix announced corporate-governance changes and said it would seek approval for a move to permit shareholders to vote annually for all board directors.

> -Laura Cooper contributed to this article.

New leasing activity for U.S. industrial real estate, quarterly





Developers are taking a careful approach toward new projects.

Red-Hot Warehouse Market **Shows Indications of Cooling**

By Liz Young

A pandemic-driven boom in warehousing demand is showing signs of slowing, as companies grow more cautious about leasing in an uncertain economy and look to pare back the big inventory stockpiles that have swamped storage space this year.

Razor-thin vacancy rates have started to tick upward and one measure of leasing activity in the U.S. fell back in the third quarter to the lowest level since the start of the pandemic. Warehouse space remains tight, with some companies still storing goods on trailers outside distribution centers, but the broader figures suggest the pressure on one supply chain choke point is easing.

Industrial real-estate developers and researchers caution that demand remains strong compared with before the pandemic but that developers are taking a more careful approach toward new projects as borrowing costs rise and freight shipping volumes pull

"There have been fewer deals transacting," said Andrew Mele, managing director of the Northeast region office for **Trammell Crow** Co., a Dallas-based development subsidiary of real-estate services firm CBRE Group Inc. "People are sitting around like I've slowing down a little bit," said been doing the last two hours, debating whether you should break ground on something next year."

The average warehouse vacancy rate across the U.S. inched up to 3.2% in the third quarter from 3% in the previous quarter, according to commercial real-estate services firm Cushman & Wakefield. It was the first increase in two years and is still far below the 5% average national vacancy rate during 2020.

The firm said companies across the sector signed new leases for 163.1 million square feet of warehouse space in the third quarter compared with 207.4 million square feet the quarter before. The third-quarter figure still was more than the square footage leased during any quarter in 2019.

"Maybe the froth comes off the top, but you still have a very stable and strong leasing market for industrial. It goes from great to good," Mr. Mele

Real-estate experts say part of the decline could be because companies aren't finding enough empty warehouse space after nearly two years of frenetic construction and leasing. "We're not seeing an avalanche of space coming on the market or anything like that, but we are starting to see some signs that things are

Mark Russo, senior director and head of industrial research at real-estate service provider Savills Inc. Demand for storage space

skyrocketed in 2020 as households locked down during the pandemic launched a wave of online shopping and retailers sought to get more goods positioned for rapid delivery to homes. Amazon.com Inc. said it doubled the size of its fulfillment network in 24 months as its business surged.

Now, Amazon is halting growth in its warehousing operations and even subleasing some of its space as e-commerce demand falls back.

Retailers including Target Corp., Walmart Inc. and Nike Inc. are coping with excess inventories after a shift in consumer spending habits left them with too much stock of items such as casual clothes and home goods. The brands have canceled and pulled back on orders and are working to sell the extra goods before the holidays.

Companies are also more cautious about signing leases as they look to restrain high supply-chain costs and grow more wary of big investments in a wavering economy, said Derek Fish, vice president of U.S. acquisitions for Annapolis, Md.-based real-estate firm Realterm Transportation LLC.

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B4 | Saturday/Sunday, October 15 - 16, 2022

EXCHANGE

Best Places to Get Ahead in Your Career

Continued from page B1 more than 200 of the biggest U.S. companies conducted by Burning Glass Institute, a nonprofit launched earlier this year to research employment trends, along with the Harvard Project on Managing the Future of Work and the Schultz Family Foundation, the philanthropy started by longtime Starbucks Corp. leader Howard Schultz. It was their first attempt at such a study, using data from the Labor Department and self-reported data available from LinkedIn, Glassdoor and other online sources during the period from 2017 to 2021.

Burning Glass and its partners assigned scores to nine categories, such as how many promotions employees received and the average time it took to move up one job level. The goal was to identify which employers were best at helping their workers advance professionally and economically, particularly those who may not have a college degree. The authors said the study has limits because LinkedIn and other data sources don't capture every employee, but they said those limitations don't benefit certain companies over

'Where you work turns out to be one of those decisions that really has big consequences, but the problem is that workers don't have the visibility to make an informed choice," said Burning Glass Institute President Matt Sigelman, who founded the employment research organization after years of running a labor-market analytics firm now called Lightcast, which primarily

'Where you work turns out to be one of those decisions that really has big consequences?

sells data to employers, government agencies and universities. "Whether you wind up at a company that's an escalator for mobility or a treadmill," he added, "for a lot of workers it's a crapshoot."

The companies that provided the most mobility, according to the study, were among the most familiar names in corporate America. Telecommunications giant AT&T Inc., credit-card networker American Express Co. and networkequipment maker Cisco Systems Inc. had the three highest composite scores in what Burning Glass calls the American Opportunity Index, with utility PG&E Corp. and Microsoft Corp. rounding out the top five. All, even the top performers, showed areas where they could improve.

At AT&T, there are tens of thousands of installers, retail-store clerks and other front-line workers among its more than 172,000 employees, said Angela Santone, AT&T's senior executive vice president for human resources, and fewer than 5% of job openings require college degrees. The company trains new hires in many roles, and top managers often are recruited from company ranks. That includes Chief Executive John Stankey, who does have a college degree and started at the company more than three decades ago taking customer requests for phone service.

"You can come in and become a tech on the front line, you can work in a retail store, and you can work in a call center," Ms. Santone said. "We're very much about bringing individuals in and then training them."

The companies that did well in Burning Glass's analysis typically generated opportunities for workers in certain ways. Three common corporate profiles as defined by Burning Glass were companies that provided employees with the ability to ascend within their ranks; companies that served as a launchpad to outside opportunities; or companies that provided job sta-



Here is a closer look at some firms that fit those descriptions, as ranked by Burning Glass.

Companies that grow from

Measuring mobility is important because companies tend to focus more on filling immediate needs than identifying people with the skills to move beyond that initial job, according to Burning Glass.

When people from four-year universities are hired into entrylevel sales, technical or management jobs "you'll be trained for advancement," said Byron Auguste, chief executive and co-founder of Opportunity@Work, a nonprofit organization that focuses on increasing economic mobility for people without college degrees. But for people emerging from high school, community college programs or other forms of training, "you most likely will be in an entry-level retail, warehouse, or factory floor job, and you're trained for safety, compliance and efficiency, and not for advancement."

But some companies studied by

Communications Inc. and AT&T, both telecommunications firms with large retail operations, also did well.

Two direct retail competitors discount chains Dollar General Corp. and Dollar Tree Inc.—fared differently. Dollar General, a company with more than 18,000 stores in the U.S., did better in a measure of how many promotions a typical employee received in the five-year period of the analysis, making it one of the top companies providing opportunities for workers to

Dollar Tree didn't make that list. but it made another: which companies offered the most opportunity to people without college degrees.

Dollar Tree spokesman Randy Guiler said the company provides financial support for education, including tuition discounts and reimbursement allowances for full-time associates, along with a range of development opportunities. He said the executive team, which has new leaders in place across many functions, is focused on changing the company's culture and better

lar General's store managers were internal promotions or lateral moves, she said. Chief Operating Officer Jeff Owen, who will take over the chief executive role on Nov. 1, started at the company in 1992 as a store manager trainee.

On average, a part-time sales associate can be promoted to lead associate within six months, then to assistant manager within one year and to store manager within three years. Dollar General also provides training for every upward

Donna Hernandez was a 19year-old waitress with a high school diploma when she was offered a job as a part-time associate at a Dollar General in Bridgeport, Tex., in 1998. Within a year, she was managing the store. Today she is a divisional vice president of store operations, overseeing around 2,400 locations in Tennessee, Kentucky and neighboring

"I'm living proof you can start at sales associate and go down the path you want to," said Ms. Hernandez, now 43. "All the resources are right here, the training and development, the mentorship."

Not all of Dollar General's rankings were high. Like most retailers in the Fortune 250, Dollar General was in the lowest quintile for retention. Ms. Reardon declined to share the turnover rate for store jobs, but said it is improving.

Companies that offer workers a 'launchpad'

Some companies were springboards to better jobs elsewhere. These "launchpad" companies, as Burning Glass defines them, tended to hire more entry-level employees and see departing employees land jobs in better-paying occupations at other companies, Burning Glass found.

At AT&T, which ranked among the top 50 launchpad companies, entry-level workers often gain skills they can take to other telecommunications, cable, retail or customer-service companies, said Ms. Santone, the human-resources executive.

"I personally think that's a compliment to this company," she added. "At the end of the day, I want them here, but I don't look at

all turnover as bad." Other top-50 launchpad companies included insurers, steel producers, electronics wholesalers, auto-parts sellers and a half-dozen tech giants. Apple and Cisco scored relatively low when it came to hiring entry-level workers, but were better at sending employees on to bigger jobs elsewhere.

An Apple spokesman questioned whether online data would accurately represent career changes of Apple's employees but declined to comment on the study's conclusions. A Cisco spokeswoman said

Donna Hernandez, left, was a 19-year-old waitress with a highschool diploma when she was offered a job at a Dollar General. Within a year, she was managing the store. Now she is a divisional vice president of store operations.

the company sponsors a branded networking-technology training program, aimed at underserved communities, that has enrolled 17.5 million students globally. "By focusing on skills, not just degrees, we hope to broaden economic opportunity and upward mobility,' she said.

Drugstore chains ranked high in large part because of the sheer volume of entry-level workers they tend to hire. CVS Health Corp. also stood out for its record of sending those workers on to better jobs elsewhere.

Some current and former CVS employees say the data aligns with their experience. Reliable retail workers can be catapulted into roles with bigger responsibilities, becoming assistant managers or managers, relatively quickly, they say. Often, they can do the same by jumping to another company, since the skills tend to be readily transferable.

Behind the pharmacy counter. something similar plays out with pharmacy technicians, who assist the pharmacist by counting pills, working the register, answering the phone, entering account details and more.

Many states impose few job requirements on new pharmacy techs. On their feet all day, they field customers who may be ill or unhappy, and in some states they administer vaccines. They often

'I'm living proof you can start at sales associate and go down the path vou want to?

are trained on the job—when there is time, said Amanda Schiefelbein, a pharmacy technician at a CVS outside Madison, Wis.

"A lot of pharmacies are so short-staffed, many people are working 40-plus hours a week," said Ms. Schiefelbein, who has been a pharmacy tech for five years, including in supermarket pharmacies

Demand for techs is high, and so is turnover. A competing drugstore chain might pay a little more. Jobs with similar titles at a hospital or oncology-clinic pharmacy might look lateral on paper, but offer a more appealing quality of life, Ms. Shiefelbein said.

She said she has seen some co-Please turn to the next page



Dollar Tree, a discount retail chain, was among the companies that offered the most opportunities to people without college degrees.

Burning Glass provided a path forward. To gauge which large companies offered the most opportunity for advancement to new or inexperienced hires, Burning Glass looked at several factors. It examined the share of hires over time that arrive with little to no work experience, the number of promotions to better-paying jobs that workers experienced over the course of the study, and how quickly a worker at the company rose one level.

One industry that did well in this specific assessment of "best workplaces to advance within" was retail, which absorbs millions of inexperienced and new workers with entry-level associate and cashier jobs. Gap, Nordstrom Inc. and Macy's Inc. are among the retailers that scored highly. Verizon

supporting its workers.

One former worker, Ashley O'Neal, said she was never encouraged to apply for openings. She was a store manager at a Dollar Tree in Virginia until leaving in 2018. During her employment, she said, she didn't receive training on how to improve her management skills or run the store more effectively. Mr. Guiler declined to comment on Ms. O'Neal's experience.

At Dollar General, employees move up frequently and quickly in part due to the pace of store openings, said Kathy Reardon, the retailer's chief people officer. The company has in recent years filled more than 2,000 new manager and assistant manager positions annu-

It mostly plucks from its existing workforce. Around 75% of Dol-

Among the Best **Companies to Grow** Within

Places where workers ascend within the ranks

- Automatic Data Processing
- AutoZone ■ Dollar General
- Gap Lowe's Macy's
- Nordstrom
- Sherwin-Williams Verizon

Launchpads

Springboards to better jobs elsewhere

- CVS Health Expeditors
- International Fannie Mae ■ Liberty Mutual
- Insurance ■ Marsh & McLennan
- Murphy USA ■ Nucor
- State Farm Insurance ■ United States Steel
- Verizon

Where to Advance

Without a Degree College education is not

- necessarily required
- Albertsons
- Arrow Electronics
- Applied Materials
- CDW ■ Dollar Tree
- Estée Lauder
- Mastercard Synchrony U.S. Bancorp

Job Stability Ranked highly for

retaining workers and paying them well

- Adobe
- Alphabet
- Boeing
- Eli Lilly Exxon Mobil Freddie Mac
- L3Harris Lumen
- Nvidia Raytheon
- Source: Burning Glass



An AT&T store, above. The firm was among the best to 'grow within.'

A new study ranked more than 200 of the largest U.S. companies by economic and job opportunity, using a range of criteria. Here are the 50 top performers overall, with their quintile scores in each of nine subcategories. Five is the top quintile score, one is the lowest.

Top 10 companies for economic and job opportunity



SUBCATEGORIES Retention: retains workers

inexperienced workers Level change: promotes workers

Entry level: hires

Top-down: fills top jobs from within Velocity: time it takes

> one level within company Barriers: hires workers without bachelor's degree

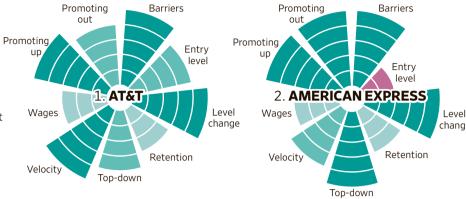
for workers to advance

Wages: competitive wages within each occupation

Promoting up: fills openings through internal promotions

Promoting out: workers promoted upon leaving company

AT&T and American **Express** scored the highest in the overall rankings. Both were in the top quintile in 'barriers,' indicating they were more likely to hire workers without a bachelor's degree.

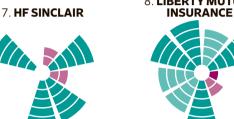
















The rest of the top 50 firms

RANK	e rest of the top 50 firm EMPLOYER (INDUSTRY)	BARRIERS	ENTRY LEVEL	LEVEL CHANGE	RETENTIO	TOP- N DOWN	VELOCITY	WAGES	— PROM UP	OTING — OUT
11	Kinder Morgan (Oil, gas and mining)	5	4	1	3	5	5	5	2	4
12	Wesco International (Wholesale and distribution)	5	5	3	3	4	5	2	4	4
13	Fannie Mae (Banks and lenders)	4	4	2	4	5	2	4	4	5
14	Hartford Financial (Insurance carriers and related)	4	4	5	4	5	1	4	2	5
15	Cigna (Health insurance)	4	3	5	5	4	3	3	4	3
16	TD Synnex (Wholesale and distribution)	5	3	4	3	4	Noc	lata	2	5
17	Wells Fargo (Banks and lenders)	4	3	4	3	4	5	4	4	2
18	Mastercard (Payments)	3	2	5	5	2	1	5	5	4
19	Capital One (Banks and lenders)	4	2	4	3	4	3	4	5	3
20	Intel (Technology manufacturing)	2	1	4	5	5	2	5	4	4
21	Nucor (Materials, chemicals manufacturing)	2	4	1	4	5	5	4	3	5
22	Salesforce (Technology)	1	3	5	4	3	3	5	3	5
23	Costco Wholesale (Retail)	4	3	3	4	4	5	2	4	4
24	Estée Lauder (Consumer goods)	5	5	4	1	3	4		5	1
25	Paccar (Motor vehicles)	1	3	5	4	4	4	4	5	2
26	Adobe (Technology)	1	3	5	5	4	1	5	3	5
27	Hewlett Packard Enterprise (Technology)	4		4	1	1	3	5	5	4
28	Oracle (Technology)	1	3	5	1	3	3	5	5	5
29	Kimberly-Clark (Consumer goods)	1	2	3	4	5	4	4	5	4
30	Expeditors International (Transportation)	2	4	4	4	5	2	2	5	5
31	TIAA (Investments)	3	2	3	5	2	2	5	5	4
32	US Foods (Wholesale and distribution)	5	4	3	3	5	2	3	3	4
33	CDW (Wholesale and distribution)	3	3	5	4	3	3	2	5	4
34	Sherwin-Williams (Materials, chemicals manufacturing)	1	4	5	4	4	5	1	4	5
35	Applied Materials (Technology manufacturing)	4	2	2	5	5	2	4	5	2
36	IBM (Technology)	4	2	4	2	2	3	5	3	5
37	Stryker (Technology manufacturing)	1	3	4	5	5	1	3	5	5
38	Visa	3	1	5	3	3	1	5	4	5
39	(Payments) AutoZone (Matanuchiala parts)	5	5	5	1	5	5	1	3	2
40	(Motor vehicle parts) Cognizant Technology	5	2	4	5	3	1	3	4	4
41	(Technology) Qualcomm (Tachardamy and a statistical)	2	1	5	3	5	2	5	4	3
42	(Technology manufacturing) PPG Industries (Materials, chemicals manufacturing)	4	3	5	2	2	4	2	4	5
43	Prudential Financial	3	1	5	4	3	2		5	4
44	(Insurance carriers and related) Travelers	3	1	3	5	4	1	5	5	3
45	(Insurance carriers and related) Occidental Petroleum (Oil page and priving)	3	4	1	4	5	4	5	1	4
46	(Oil, gas and mining) Honeywell	1	1	4	2	4	3	4	3	5
47	(Machinery, equipment manufacturing) U.S. Bancorp	5	2	5	3	1	3	3	5	3
48	(Banks and lenders) Verizon	5	5	5	1	1	5	2	2	5
49	(Telecommunications) Arrow Electronics	4	3	3	1	1	5	3	5	5
50	(Wholesale and distribution)	4			_					

Note: Based on a five-year analysis of online profiles and other data sources for workers at more than 200 of the largest U.S. companies. Data not available for cells without a quintile score. Source: Burning Glass Institute with the Harvard Project on Managing the Future of Work Erik Brynildsen, Angela Calderon and Peter Santilli/THE WALL STREET JOUNRAL

50

Goldman Sachs

(Banks and lenders)



Amanda Schiefelbein, who works for CVS, said she has seen co-workers go on to become nurses or take other healthcare jobs. 'I think it's a good place for anyone going into the medical field.'

Continued from page B4 workers go on to become nurses or take other healthcare jobs. "I think it's a good place for anyone going into the medical field," she said.

T.J. Crawford, a CVS spokesman, said the chain has added new growth opportunities for pharmacy techs, including an apprenticeship program for careers in retail pharmacy and management. He said CVS is also updating its training programs, staffing models, and pharmacy technology.

Companies that provide stability

There are other companies that stand out for job stability, a combination of retention and wages. That trait could look more desirable for workers if the U.S. enters a recession and hiring slows.

Several industries have many companies that fit this profile as defined by Burning Glass, including oil, gas and mining, technology, technology manufacturing, and aerospace and defense. Outside of those sectors, a few standouts were telecom Lumen Technologies Inc., pharmaceutical giant Eli Lilly & Co. and lender Freddie Mac.

Despite the boom-and-bust nature of the oil-and-gas industry, eight companies in the Fortune 250 show up in the top quintile for job stability—particularly those that operate refineries or pipelines or pump natural gas.

The industry is known for paying well, said Amanda Rico, a Houston-based career consultant who works exclusively with people from the sector. That is one reason why industries outside of oil and

gas tend to not like hiring oil and gas professionals, Ms. Rico said. "Because they know they'll go running back to oil and gas when the business comes back," she said.

Among the leading companies in the job-stability index is Exxon Mobil Corp. A likely reason for its strong showing in retention is that until 2020, the company had never announced a large-scale layoff. In October that year, Exxon said it would cut 15% of its global workforce, including about 1,900 jobs in the U.S., amid a pandemic-driven downturn in demand for oil and

Generally, Exxon has preferred to retain people, especially its high performers, through high salaries

'We're very much about bringing individuals in and then training them," said an AT&T executive.

that Ms. Rico described as "golden handcuffs." The company said it culls its workforce through an annual performance review and forced ranking process, in which low performers are put on improvement plans and terminated if they don't meet predetermined goals.

Average tenure for Exxon employees is more than 30 years, according to company spokesman Casey Norton, who added that even within a high-paying industry, the company's compensation package "is at the high end for many of our employees when we compare to our peers."



Gap and several other retailers ranked highly as workplaces offering the most opportunity for advancement to new or inexperienced hires.

METHODOLOGY

Burning Glass Institute and the Harvard Project on Managing the Future of Work used millions of online profiles and other data sources to analyze how workers at companies in the Fortune 250 fared from 2017 to 2021.

It assigned scores to nine measures—such as how many promotions employees received and the average time it took to move up one job level-to arrive at an overall score. It also grouped the companies into a series of archetypes using certain combinations of the nine measures. Eight companies were left off the final ranking because sufficient data wasn't available to evaluate them.

Researchers used Labor Department data to consider only occupations in which at least 30% of workers nationally lack a college degree to better identify companies that help the employees who need it most. So they

examined the career trajectories of, for example, retail store managers, customer service representatives and web developers, but not lawyers or software engineers. They compared people across companies who are in the same occupations; administrative assistants at Microsoft were compared to administrative assistants at Southwest Airlines and Walmart, for example.

It is the group's first attempt at such a study and it had some limits, according to its authors. Online data doesn't capture every employee, and likely skews more toward some jobs than others. College-educated workers are more likely to maintain online profiles than those with a high school education or less. So the authors created thresholds in determining which companies and occupations to include, and said the limitations applied more or less equally across the Fortune 250.

FOR

EXCHANGE



Days before the wildest business saga of the year would begin, a Delaware judge explained to a room full of lawyers how she viewed her job.

B6 | Saturday/Sunday, October 15 - 16, 2022

Kathaleen McCormick, the chancellor of the state's Court of Chancery, said that her goal was to be a "gracious judge" who listened to complex arguments and offered constructive feedback when these corporate litigators brought the country's biggest deals to her courtroom.

Her judicial philosophy was about to be tested: A few weeks later, she met Elon Musk.

Chancellor McCormick is now presiding over the lawsuit that will determine whether Mr. Musk will proceed with his deal to buy Twitter. It's a corporate drama pitting a company that inflames emotions against a titan who delights in mayhem, but she has guided the problem to a potential solution with a firm hand while keeping the courtroom remarkably free of chaos. The

We lionize people who break the rules. We barely recognize people when they enforce them.

world's richest person appears to be on his way to paying \$44 billion for something he apparently doesn't want because he collided with a reality that he couldn't bend to his

Mr. Musk has long behaved as if the rules don't apply to him. In his line of work, that audacity is required, and it helped this iconoclast build cars and companies that others dismissed as impossible. He also flouts authority, treats regulatory fines like speeding tickets, fails to deliver on promises and generally acts as if he can afford to get away with anything—which he often does.

This time might be different. You don't plan to colonize Mars by respecting the laws of gravity. But on planet Earth, or at least in Delaware, the laws of business are still being upheld.

There has been so much noise surrounding Mr. Musk's tumultuous pursuit of Twitter that Chancellor McCormick's muted role managing the case has been drowned out. In her line of work, that means she succeeded.

We lionize people who break the rules. We barely recognize people when they enforce them.

Chancellor McCormick, a 43-yearold native of Delaware who goes by Katie and was given the middle name St. Jude for the patron saint of hope, made several key moves to prevent her courtroom from becoming a circus when Mr. Musk's case of **SCIENCE OF SUCCESS | BEN COHEN**

One Place Where the Rules **Actually Apply to Elon Musk**



The Delaware Court of Chancery is no place for theatrics, and the judge presiding over the Tesla executive's fight with Twitter has kept things on track

buyer's remorse came to Delaware. Before his Twitter bid, he waived his diligence. She didn't.

First the court's top judge assigned herself the lawsuit and spared colleagues the burden of a heavy workload under intense pressure. Then she expedited a scheduled trial because "the longer the merger transaction remains in limbo, the larger the cloud of uncertainty cast over the company," she wrote. This may have seemed like an obvious decision, but legal analysts say it was bold and demanding.

'Saying in July that we're going to have a trial in October is like saying we're going to have a presidential election on Saturday," said Minor Myers, a University of Connecticut law professor.

Those early actions set the tone for months of prompt rulings on difficult calls that moved the case

"It told both parties this is going to be an orderly process, you're going to be held to account and there's not going to be any nonsense," said Andre Bouchard, who preceded Chancellor McCormick atop the

Most analysts say Mr. Musk had the much weaker case, but Chancellor McCormick never did. She refused many of his requests for data and documents that could have devolved into a wild-goose chase. She also surprised observers by granting his motion to postpone the corporate trial of the century after Mr. Musk pledged to buy Twitter for

\$54.20 a share and honor the agreement that he had already signed. His lawyers said the deal would close around Oct. 28, so she's letting them make it happen—or else make plans for a November court date.

Nobody knows what might happen next. This is Elon Musk! He could hop a rocket tomorrow and tweet a poll asking if contracts apply in outer space. But You don't need a law degree to interpret Chancellor McCormick's judicial ultimatum as a warning against shenanigans. "Woe unto Elon Musk if this is some kind of feint," said Mr. Myers.

The judge and representatives for Twitter and Mr. Musk declined to comment.

If they do avert the spectacle of a trial and Mr. Musk soon owns Twitter in addition to running Tesla and SpaceX, the big winner from a battle with many losers would be the Court of Chancery.

This court is the site where many of the country's nastiest corporate brawls get settled. Most public companies are based in Delaware for the guarantee of a smart judge with good instincts and relevant expertise who will work around the clock to referee their legal fights. They mitigate the risks of a jury trial by trusting one of seven highly qualified specialist judges to handle their disputes with sophistication and ur-

It isn't a place for poop emojis. It's a venue for civil discourse and respectful arguments where norms matter and nothing is prized more than predictability.

The Court of Chancery, in other words, is the opposite of Twitter.

This idea that judges can be a stabilizing force in business is a duty Chancellor McCormick takes seri-

People who know Chancellor Mc-Cormick portray a tough but unassuming judge who is allergic to drama and goes about her business without fuss. Her profession rewards competence, not overconfidence, and that demeanor helped keep a case involving Twitter and Mr. Musk under control.

"Anybody who underestimates her would be making a mistake," said Mr. Bouchard.

She does flash some personality. but only when it's fitting. In one case involving a cannabis company, for example, she opened her ruling by quoting the Grateful Dead. (The lyric was from "Keep Your Day Job" and the footnotes cite songwriters "R. Hunter" and "J. Garcia.") When she ordered Mr. Musk to produce information about the people he'd discussed the deal with, Chancellor Mc-Cormick chided his lawyers for their "suboptimal" response by referencing the "you had one job" meme. I suspect even Mr. Musk was impressed.

But she used colorful rhetoric so infrequently that it had the intended effect when she did. She called Mr. Musk's petition for a mountain of Twitter records "absurdly broad," suggesting it would require the company "to produce trillions upon trillions of data points" and concluding "no one in their right mind has ever tried to undertake such an effort." It was polite, but to the point.

She wasn't just doing her job. She was living up to her goal.

And there happens to be one person who should appreciate this place where judges still play by the rules.

"That will help future Elon Musk," said Columbia Law School professor Eric Talley. "Ten years down the road, when he's in a contract, what does his promise mean? If his case is heard in Delaware, his promise means a lot.'





Health-savings accounts offer remarkable benefits. But the nuts and bolts of using them are often confusing.

So it's no surprise that the last Tax Report, which explored unusual features of HSAs, prompted a flood of reader questions. With open-enrollment for healthcare plans coming soon, many of these questions are worth further attention.

First, some basics: HSAs are taxfree funds paired with qualified high-deductible, health-insurance plans. Many employers offer such coverage, sometimes with subsidies, and individuals can purchase it as well.

The funds in HSAs can either be withdrawn to cover unreimbursed medical expenses or left in the account and invested for tax-free growth. For 2023, the maximum HSA contribution is \$7,750 for family coverage and \$3,850 for an individual, plus an additional \$1,000 for HSA owners age 55 and older.

For many people, the two best HSA benefits are the tax savings and the flexibility. Handled correctly, HSA funds are triple taxfree: no tax going in, tax-free growth, and tax-free withdrawal, which is better than traditional or Roth IRAs.

The tax-free withdrawals kick in so long as the account owner saves receipts proving eligible health-related expenses. Reimbursements can even be claimed years later, when the owner needs ready tax-

Another surprising HSA feature is the savings head-start they can provide to young adult children (under age 26) still covered by their parents' high-deductible plans. If the parents don't claim these children as dependents on their tax returns, the child can contribute up to \$7,750 in 2023 to his or her own HSA.

For more on HSA basics, see the

prior Tax Report. Here are answers to readers' questions. ■ Who is eligible to make contributions to an HSA?

The main requirements are that someone must be covered by an HSA-qualified, high-deductible health plan; not be enrolled in Medicare; not receive other disqualifying coverage, such as through a spouse's non-HSA plan or Flexible Spending Account; and not be claimed as a dependent on someone else's tax return. For more, see IRS Publication 969.

■ Can I contribute both to an HSA and a Flexible Spending account in the same year?

In general, no. Exceptions apply for limited-purpose FSAs for dental or vision care.

■ How do I claim reimbursements for expenses from an HSA?

Unlike with payouts from Flexible Spending Accounts, an HSA owner doesn't have to submit receipts but must be able to produce them if asked. The financial institution holding the HSA sends an IRS Form 1099-SA showing total HSA withdrawals for the year, and the HSA owner reports them to the IRS on IRS Form 8889 of the tax re

I'm enrolled in Medicare but my spouse isn't. Can she contribute to an HSA?

Yes. If she meets the eligibility requirements described above, then she could contribute to an HSA. If one spouse has an HSA, can its funds be used to reimburse the

other's health expenses? Yes—even if the other spouse has his or her own HSA. An HSA owner can also receive payouts for expenses for someone claimed as a

dependent on his or her tax return. ■ I own a business reported on Schedule C. Can I contribute to an

Yes, if you meet the eligibility requirements described above. ■ If I get reimbursements for health expenses from an HSA, can I also take a medical-expenses deduction for those costs on Schedule A or get reimbursed for them

from a Flexible Spending Account? No! Each benefit is only for unreimbursed expenses, with no dou-

ble or triple dipping allowed. Can HSA funds be used for Medicare or Cobra premiums?

HSA reimbursements can be claimed for Medicare Part B and Part D premiums, and also for Medicare Advantage premiums. They cannot be claimed for Medigap supplemental coverage. (As noted above, people enrolled in Medicare can't contribute to an HSA, but they can take payouts from an existing one.)

HSA payouts can also be claimed for Cobra premiums, which are amounts paid for health coverage through a prior employer.

■ My 23-year-old daughter is no longer my tax dependent but she's still covered by my high-deductible health plan, and I contribute to my own HSA. Your earlier story said she can have her own HSA and contribute up to \$7,750 for 2023. But my HSA provider said this is incorrect. Who's right?

HSA specialist Roy Ramthun says the criteria enabling your

daughter's HSA contribution at a family level of \$7,750 for 2023 are listed in Sections 223(b) and 223(c) of the Internal Revenue Code. While this benefit may be a drafting glitch that Congress could lower, it has been in the law since

Spokespeople for Fidelity Investments, HealthEquity and Lively say they provide HSAs to qualified persons such as your daughter, even if the parents' HSA has a different sponsor. To find other providers. check HSASearch.com.

■ If someone (such as a 20-something) is given money to fund an HSA, does the young person get an income-tax deduction for the contribution?

Handled correctly, HSA funds are triple tax-free. That's better than traditional or Roth IRAs.

Yes, the account owner gets the deduction. So a parent could make a nontaxable gift to a child, who then uses that money to fund an HSA and reap a deduction.

■ My employer's HSA provider has high fees and limited investment choices. Do I have options?

Yes. Mr. Ramthun advises not to close the account with your employer. Rather, consider opening an account with another HSA provider and moving assets from the current

HSA into it. This is allowed by law. ■ Do HSA contributions qualify for state income-tax deductions?

In general, yes—except in California and New Jersey, which don't give a deduction for the contribution. If the employer picks up part of the HSA contribution, that's added back to state taxable income

Dividends, interest and capital gains earned inside the HSA are also taxable in California and New Jersey—at least in theory.

"I doubt if even 5% of tax preparers get this right," says Kenneth $\stackrel{\sim}{\equiv}$ Bagner, a CPA and tax chair at Sobel & Co. a New Jersey-based firm.

EXCHANGE

How Nike Let a Soccer Great Get Away

By Joshua Robinson and Jonathan Clegg

When the World Cup kicks off next month, the two biggest stars in Qatar will be Cristiano Ronaldo and Lionel Messi, the players who have defined the modern era of the world's most popular sport and together achieved a level of fame normally reserved for popes and U.S. presidents.

The rivalry between a diminutive genius from Argentina and a preening superhero from Portugal has played out over the last 15 years as a tale of opposites, right down to the most important tools of their trade: their cleats. With billions of dollars at stake, Mr. Messi wore Adidas, while Mr. Ronaldo was Nike.

But before they were on both sides of soccer's answer to Pepsi vs. Coke, Mr. Messi and Mr. Ronaldo once played for the same team. For one brief spell before the 2006 World Cup, Nike had both of them.

Through shrewd judgment, canny timing, and a bit of dumb luck, the company had spotted the two players at the dawn of their careers and tied them both to the Swoosh. The same way Nike would later endorse Roger Federer and Rafael Nadal in tennis, or LeBron James and Kevin Durant in the NBA, it had managed to secure a pair of teenage talents who could soon call themselves the greatest players of their generation—only this time it was happening in the world's biggest sport.

Then Nike lost one. There are competing versions of just what triggered Mr. Messi's switch to Adidas. In the end it was a combination of factors, all linked by the single thread of a father deciding that Nike wasn't treating his son properly. Nike didn't respond to a request for comment, nor did the Messi family.

The account of how that happened is based on dozens of interviews with former executives at both Nike and Adidas, as well as teammates of Mr. Messi and Mr. Ronaldo, coaches, and entourages-many of whom spoke on condition of anonymity since their relationships, and occasionally their livelihoods, hinged on discre-

Good vs. evil

The craziest part of this story was that Nike ever had either one of Mr. Messi or Mr. Ronaldo.

Until the 1990s, like most Americans, the company's executives in Beaverton, Ore. viewed soccer as an esoteric pursuit. Then, in 1994, soccer came looking for America. The World Cup landed on U.S. shores for the first time, smashing

> One Nike ad ended with a shaggy-haired teen staring into the lens. 'Recuerda mi nombre,' he said. Remember my name. 'Leo Messi.'

records for attendance and ticket revenue. Two centuries after the laws of the game were first written down in a London pub, it looked as though soccer was finally establishing a foothold across the Atlantic. Nike, ranked No. 7 by sales in the world's No. 1 sport, realized it could no longer afford to sit on the sidelines. One former Nike executive said that people at the time didn't take the company seriously as a soccer brand.

Changing that perception was the remit of a young ad man named Jelly Helm and a few coworkers as they huddled in an office block in Oregon late in 1995.



The American shoe giant signed Cristiano Ronaldo and Lionel Messi to sponsorships before they became global superstars. Then it lost one.

True, they knew next to nothing about soccer. But they knew a lot about selling shoes. And so they resolved to crack the soccer market by turning to the one group of pitchmen who had sold more shoes over the years than anyone else: all-star teams. "We knew if we could assemble a team of all-star footballers," Mr. Helm said, "European kids would f-ing freak out."

European soccer doesn't actually have all-star teams, but it would take more than that to stop Nike.

To make its vision of a soccer all-star team a reality, the company agreed to bankroll the most expensive commercial in its history. Soon, some of the biggest names in world soccer were jumping on chartered jets and pulling on Nike cleats. In the absence of an opposing team of all-stars to play against, Nike hired the special-effects crew from Apollo 13 to create an army of undead soccer demons, with Satan as their player-manager. The ad would be called "Good vs. Evil."

The reaction to Nike's blockbuster ad bordered on hysterical. The spot was denounced by FIFA. banned from movie theaters in Denmark, and later honored at the Cannes Film Festival. Within six months of the ad's debut, Nike had inked a deal to become the official sponsor of the Brazil national team, thanks to a 10-year, \$400 million contract. It was the soccer industry's disrupter before anyone knew what "disrupter" meant.

By the early 2000s, it was safe to say that Nike's late entry into the game had been a success. Manchester United, Brazil, FC Barcelona, and a clutch of the world's best players were all wearing the Swoosh. Crucially, Nike also had a longstanding relationship with Portugal's national team, which is how it became aware of a kid born on the Portuguese island of Madeira in the middle of the Atlantic.

As half of Europe vied for Mr. Ronaldo's attention, he soon joined the one team he would stay with longer than any club. After a brief flirtation and a few dozen pairs of boots, Mr. Ronaldo partnered with Nike in 2003. By then, Mr. Messi

was on board too, after moving from Rosario, Argentina to Barcelona while he was still in middle school.

Mr. Ronaldo's relationship with Nike proved so fruitful that in 2016 he became one of just three athletes to receive a lifetime deal following Michael Jordan and LeBron James. Mr. Messi's association with Nike-like Mr. Messi himself—was a little shorter. He was gone in three years.

The golden boy

There never was an official answer inside Nike's Beaverton headquarters as to how Mr. Messi slipped through the net. But internally, they had a saving, one former executive remembers—a slightly cruder version of, "success has many fathers, but failure is an orphan," this former executive

In this case, the problem was one father in particular. For the first couple of years, Mr. Messi's father Jorge, a former factory worker who doubled as his son's agent. had been perfectly content to let his boy trot around in the same Nike gear that Barcelona had always supplied. Nike was more than content: the company felt it had a star in the making.

In 2005, it produced an ad cutting together footage of kids doing tricks on the streets of Barcelona. Right at the end of the 60-second spot, a shaggy-haired teen on a dark practice field sweeps a free kick over some dummies and into the net from 25 yards. He stares straight down the lens and puts the soccer world on notice.

"Recuerda mi nombre," he said. Remember my name. "Leo Messi." He's wearing Nike from head to

That was the year Mr. Messi turned 18. It was also the year that anyone who was anyone in soccer learned that he could no longer be ignored as he led Argentina to the 2005 FIFA World Youth Championship, a World Cup for under-20s.

"Lionel Messi will be my successor." proclaimed the late Argentine legend Diego Maradona, considered one of the greatest-ever soccer players. "He will be the new golden boy."

Everyone from Barcelona to Beaverton knew that Mr. Messi's next stage needed to be the 2006 World Cup in Germany. Nike began getting its stars in order more than a year ahead of time. It arranged a photo shoot with Mr. Messi in Barcelona and had him perform all the tricks in his reper-



Lionel Messi, right, with the ball at his feet at a 2006 Copa del Rey match where he wore a pair of Adidas cleats.

toire, over and over, from every angle. But early the following year, Nike received a call telling them to scrap all of it.

Mr. Messi was an Adidas player

Nike executives couldn't believe what they were hearing. The company had been shipping boots to him since he was 14 years old, and it sponsored the only pro club he had ever played for. If ever there was a natural candidate for a lifelong bond with the Swoosh, Mr. Messi was it. This flew in the face of decades

of soccer dominance by Adidas.

The company founded by two brothers in Bavaria had ruled the sport ever since inventing the first modern soccer boot in the 1950s. It later cemented that spot by sponsoring elite clubs, top players, and the World Cup for which it has manufactured every tournament ball since 1970.

But even with all that heritage, it was never obvious that Adidas would be able to pry Mr. Messi away from such a powerful com-

Nike wasn't going down without a fight. It had 'a binding agreement with Lionel Messi,' a company spokesman told reporters at the time.

petitor. How it happened came down to a combination of factors, all linked by the single thread of Jorge Messi deciding that Nike wasn't treating his son properly. In one telling, Adidas had stepped up its game with ever-increasing offers to the Messi camp, reaching \$1 million a year, while former Nike executives remember the money men in Oregon declining to go to war over a teenager.

Another person familiar with how Nike lost Mr. Messi remembers it coming down to something a little more trivial. Lionel's father had made a seemingly innocuous request for more athletic gear, only to find that neither Nike Iberia nor Nike South America was getting back to him. That was enough to sour the relationship. Nike, this person said, let Mr. Messi get away for a few hundred bucks worth of tracksuits

In public, the company wasn't going down without a fight. As far as Nike was concerned, there was a deal in place for many more vears to come. "Nike has got a binding agreement with Lionel Messi," a company spokesman told reporters at the time. It was prepared to take "whatever measures necessary" to enforce it.

Jorge Messi's reply was that the dispute would be settled "wherever it has to be settled," he said, meaning the Spanish courts.

The only problem for Nike was that there was no contract. A legally binding agreement had never (or no longer) existed. What the company had in place with the Messi camp was more of a commitment letter, which Spanish judges ruled over the course of several months wasn't worth the fax paper it was printed on.

On Feb. 1, 2006, Mr. Messi trotted onto the Barcelona pitch for a Copa del Rey match in a pair of Adidas

Nike consoled itself with a single detail about the one that got away: compared with Mr. Ronaldo, one former executive remembers colleagues saying internally, Mr. Messi had next to no public person-

A handful of executives in-

side Adidas headquarters in

Germany privately worried about the same thing. While they had acquired the rights to one of the most talented soccer players in the world, they fretted that their new pitchman might have all the charisma of a silent film star. The shy kid who had bawled for the entire flight from Argentina to Spain charisma of a silent film star. The at age 12 was now a shy 18-yearold who barely looked like an athlete. Left to his own devices, he fed himself with pizza and Coca-Cola. His jersey billowed around him like he had borrowed it. Mr. Messi

Adidas Chief Executive Herbert Hainer didn't seem worried about it. Poaching Mr. Messi from Nike was a coup so momentous that he highlighted it in the middle of the company's earnings call that May. Top of the company's list of recent achievements, he said—ahead of selling 15 million soccer balls and 750,000 pairs of boots—was "the signing of the world's top-ranked footballer under 21 from Argentina...who many claim has the potential to be the next Maradona."

hardly knew where the Barcelona

weight room was.

This article is adapted from the book "Messi vs. Ronaldo: One Rivalry, Two GOATs, and the Era That Remade the World's Game," by The Wall Street Journal's Joshua Robinson and Jonathan Clegg, to be published on Nov. 1 by Mariner Books, an imprint of HarperCollins (which, like the Journal, is owned by News Corp).





Cristiano Ronaldo, left, holds a Nike cleat during a 2010 Nike press conference held in London. Lionel Messi, right, appears at an Adidas store in Barcelona during 2015. For one brief spell before the 2006 World Cup, Nike had both of them. They will play at next month's World Cup in Qatar.

EXCHANGE



KEYWORDS | CHRISTOPHER MIMS

The 'Roboconomy' Is (Finally) Coming

The labor shortage is speeding the arrival of a new robot army that's wildly more capable than before



A new wave of robots is arriving—and, in a world short of workers, business leaders are more eager to welcome them than ever.

A combination of hard-pressed employers, technological leaps and improved cost effectiveness has fueled a rapid expansion of the world's robot army. A half-million industrial robots were installed globally last year, according to data released Thursday by the trade group International Federation of Robotics—an all-time high exceeding the previous record, set in 2018,

The total population of industrial robots in the world has now also reached an all-time high, 3.5 million, which exceeds the population of every U.S. city save New York and Los Angeles, according to the federation.

This all amounts to a potentially titanic shift in the way things are made, transported and even consumed, ushering in what some who study the phenomenon call a "roboconomy." Even more than we do now, in the future we will depend on robots to grow our food, make our goods, care for our elderly and continue to grow the global economy, predict researchers, economists, engineers and business lead-

Even one-time skeptics have come around. Elon Musk in 2018 tweeted that "humans are underrated" and that excessive automation at Tesla was a mistake. Now that he is running a much bigger company at a time of labor shortfalls, he has jumped on the autonomously driven bandwagon with

Late last month, the billionaire unveiled an early prototype of a humanoid robot called Optimus that Tesla plans to eventually sell for less than \$20,000 and that the company plans to use in car production. "It will, I think, turn the whole notion of what's an economy on its head, at the point at which you have no shortage of labor," he said.

There's every reason to believe the accelerated embrace of robots will continue, given the aging workforces and other demographic shifts that are driving long-term worker shortages all over the world.

China, which established itself as the world's factory floor on the backs of the world's biggest human

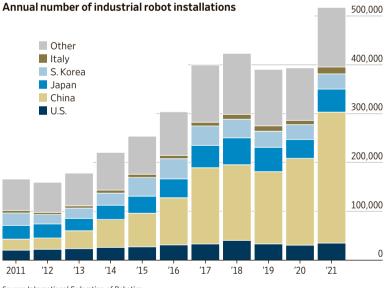
workforce, has been by far the largest adopter of robots in recent years, and was responsible for half of all industrial-robot installations in 2021. There were 62,000 robots installed in its automotive industry last year, double the number of the year prior.

In Japan, one of the world's most advanced economies, the ratio of robots used in manufacturing to the number of humans in that industry—a measure called "robot density"—grew almost 30% between 2017 and 2020, after being nearly flat for more than a decade, according to data from the International Federation of Robotics and an analysis by the equity research firm

robots in rate of growth as well as annual sales.

These service robots include everything from autonomous cleaning robots scouring the floors of your local grocery store—nearly every Sam's Club and Walmart in America already has one "on staff"—to delivery robots and mobile robots taking over jobs like unloading trucks.

While no one keeps a comprehensive global census of service robots, there are more than 1,000 companies worldwide manufacturing them, 10 times the number making industrial robots. At least 121,000 service robots were installed in 2021, though that is surely an underestimate, says Susanne Bieller, general secretary of



Source: International Federation of Robotics

Jay Huang, an analyst at Bernstein, says the past four years are just the beginning of a "Robot Renaissance," and that this trend of broader and faster adoption of robots will continue. Driving that adoption is the spread of robots from longtime uses like welding in automobile manufacturing into more challenging tasks. These include picking parts and operating other machines, tasks that require more dexterity, flexibility, and a dollop of artificial intelligence and machine vision.

The "service" robot industry, which basically encompasses every kind of robot that isn't bolted to the floor, is also growing at a rapid pace, and shows signs that it could soon eclipse traditional industrial

the robotics federation. Between 2020 and 2021, the number of service robots installed annually worldwide increased 37%, exceeding the 31% growth in the annual number of industrial robots installed in the same period

Robots don't call in sick

Starting in 2018, many workers could no longer be counted on to show up for their after-hours cleaning shifts, and even when they did, they often weren't doing a very good job, says Dave Steck, vice president of IT infrastructure and application development at Schnuck Markets, which operates 112 supermarkets in the U.S. Labor shortages only worsened during the pandemic, leading his team to test a handful of autonomous floor-scrubbing robots, before settling on one from Tennant Co. using onboard software made by San Diego-based Brain Corp.

"We used a shine meter to see how much shine we got on the floor, and it was beating the quality from human-driven scrubbers," says Mr. Steck. The robots also save his company money, compared with what it was paying previously to cleaning companies.

Worldwide, there are more than 20,000 autonomous cleaning robots running Brain Corp.'s software, twice the number in January 2020, says Michel Spruijt, the company's chief revenue officer.

The convergence of three forces is driving the robot renaissance. The first is that demographic trends in rich countries mean there simply aren't enough workers, says Craig

on the topic. His work is backed up by a comprehensive analysis published last June by economists at the Massachusetts Institute of Technology and Boston University, which found that across countries, an aging workforce drives adoption of robotics—and the faster that

Webster, a political scientist and as-

sociate professor at Ball State Uni-

versity who recently wrote a paper

The second factor is that robots have become more capable, more quickly, than at any other point since their earliest adoption by the automotive industry in the middle of the 20th century.

workforce ages, the faster robots

are adopted.

"These new robots are just fundamentally different," says Robert Playter, chief executive of Boston Dynamics, which was acquired last vear by Hyundai Motor Group. His company has become famous for its viral videos of its four legged Spot robot roaming the woods, inspecting buildings and dancing to hit

This new generation of robots have mobility and vision, and are capable of flexibility in their behavior that simply hasn't been possible with the kinds of industrial robots that have been in use in manufacturing since the 1960s.

The third factor is the sum of the prior two: surging human labor costs and more-capable robots mean the amount of time it takes a new robot to pay for itself is shrinking, according to research by Dr. Huang of Bernstein. In China, for example, a robot that can operate a machine tool in a factory can do the work of two or even three humans, and can pay for itself in less than two years.

Another example of robots coming to the rescue of employers in competitive labor markets is the rollout of Boston Dynamics' Stretch robot. Stretch is a large, fourwheeled robot sporting a crane-like arm with a vacuum-powered gripper at the end, capable of unloading boxes from shipping containers or trucks. In a typical, human-staffed

Boston Dynamics' fourwheeled Stretch robot can unload boxes from shipping containers or trucks.

loading dock, this is difficult, injury-prone work. Logistics is an industry where pandemic-fueled growth, rapidly appreciating wages and high turnover have forced employers to battle one another for workers willing and able to do these jobs.

DHL Supply Chain, a contract-logistics company that is part of DHL, has been testing Stretch for 18 months in a warehouse in Memphis, Tenn., says Sally Miller, the company's chief information officer. The company plans to roll out 20 to 30 of them in the first six months of 2023, all for unloading boxes from trucks. The difficulty of hiring workers in her industry is one reason she's enthusiastic about the robot, she adds.

In many industries, workers aren't nearly as sanguine as their bosses about the introduction of more automation.

One unresolved issue in negotiations between terminal operators and the trade unions representing longshore workers on the West Coast is which terminals will be automated, and what will happen to the truck drivers and other port workers who will lose their current jobs as a result.

Similarly, labor shortages and management's response to them in America's railroad industry were at the heart of recent negotiations between unions and employers. Rail companies have proposed eliminating train conductors entirely, and fully automating their trains.

History shows that, while auto-

A record half-million industrial robots were installed globally last year, exceeding the previous record by 22%.

mation typically takes over some of the tasks performed by humans, over time companies shift workers into different types of jobs, especially in tight labor markets. But, as was the case with the 19th century weavers known as Luddites, more automation can lead to smaller workforces in the short term, as well as worse conditions for work-

Remaking the world

One of the most significant barriers to adoption of robots of every kind is that, however much they've improved in the past few years, they remain clumsy and inflexible compared with humans.

At Schnucks, only about half the chain's stores use cleaning robots, because they are incompatible with older-style floors. As stores are updated to polished concrete ones, more robots will be rolled out, says Mr. Steck. Another problem is that autonomous cleaning robots require wide, clear aisles. This means stores can't set out the kind of manufacturer-produced displays—called shippers—that typically stand in aisles and entice shoppers to make more impulse purchases, he adds.

Similarly, the Stretch robot is for now limited to unloading trucks and shipping containers loaded in a particular way—ones where all the boxes are of relatively uniform size, weigh less than 50 pounds, and are stacked directly on the floor, says Ms. Miller.

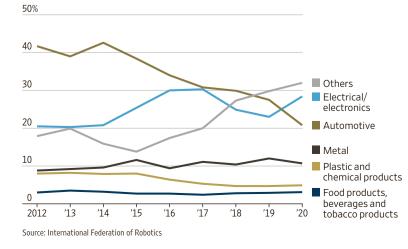
Roboticists say realizing a roboconomy will require meeting the robots in the middle: Robot makers will continue to improve their products' ability, while we also remake our world in ways that accommodate these robots.

"We have really built a world meant for humans to navigate, not for robots to," says Dr. Webster of Ball State University. "In the future, we will have to make a world that is attuned to the needs of the robot."



A floor scrubber modified to operate autonomously via Brain Corp. software.

Global industrial robot shipments by industry



29634.83

Aug.

THE WALL STREET JOURNAL.

Dow Jones Industrial Average

MARKETS DIGEST

10321.39

Last Year ago

17.85 30.49

21.87

3400

16.37

1.80





Trailing P/E ratio *

P/F estimate *

Dividend yield *

* * * *

S&P 500 Index

3583.07

▼ 86.84

or 2.37%

All-time high

Aug.

▼ 327.76 P/E estimate *† 20.34 28.25 or 3.08% Dividend yield *† 1.00 0.69 All-time high: 16057.44, 11/19/21 12700 65-day moving average 12250 11800

Nasdaq Composite Index

Trailing P/E ratio *† 23.02

Year ago

35.41



Weekly P/E data based on as-reported earnings from Birinyi Associates Inc. † Based on Nasdaq-100 Index

27800

Last Year ago

Trailing P/E ratio 17.46 23.79

Major U.S. Stock-Market Indexes

International Stock Indexes

MSCI ACWI

MSCI World

MSCI ACWI ex-USA

MSCI Emerging Markets

MSCI EM Latin America 2121.95

OMX Copenhagen 20 1591.96

MSCI AC Americas

S&P/TSX Comp

BOVESPA

S&P IPSA

S&P/BMV IPC

Euro STOXX

Bel-20

DAX

Tel Aviv

FTSE MIB

RTS Index

South Africa FTSE/JSE All-Share

IBEX 35

BIST 100

FTSE 100

FTSE 250

Asia-Pacific MSCI AC Asia Pacific

S&P/ASX 200

Shanghai Composite

S&P BSE Sensex

NIKKEI 225

Switzerland Swiss Market

Hong Kong Hang Seng

Singapore Straits Times

TAIEX

Sources: FactSet; Dow Jones Market Data

SET

South Korea KOSPI

OMX Stockholm

STOXX Europe 600

Region/Country Index

World

Americas

Latin Amer.

Canada

Chile

Mexico

EMEA

Eurozone

Belgium

Denmark

Germany

Netherlands **AEX**

France

Israel

Italy

Russia

Spain

Turkey

Australia

India

Taiwan

Thailand

2021 2022

U.K.

U.K.

Oct.

Sept.

			Latest				52-Week —		%	chg —
	High	Low	Close	Net chg	% chg	High	Low	% chg		3-yr. ann
Dow Jones										
Industrial Average	30428.82	29614.30	29634.83	-403.89	-1.34	36799.65	28725.51	-16.0	-18.4	3.4
Transportation Avg	12898.55	12491.11	12503.38	-241.01	-1.89	17039.38	11999.40	-17.7	-24.1	6.8
Utility Average	875.36	844.04	847.11	-13.50	-1.57	1071.75	838.99	-5.7	-13.6	-0.5
Total Stock Market	37391.57	36025.05	36056.21	-897.33	-2.43	48929.18	36056.21	-22.3	-25.9	6.0
Barron's 400	896.17	861.38	862.18	-25.77	-2.90	1127.20	825.73	-17.2	-22.1	8.6
Nasdaq Stock Marke	et									
Nasdaq Composite	10766.69	10308.81	10321.39	-327.76	-3.08	16057.44	10321.39	-30.7	-34.0	8.6
Nasdaq-100	11152.89	10677.48	10692.06	-341.52	-3.10	16573.34	10692.06	-29.4	-34.5	10.9
S&P										
500 Index	3712.00	3579.68	3583.07	-86.84	-2.37	4796.56	3577.03	-19.9	-24.8	6.5
MidCap 400	2327.86	2243.21	2245.21	-56.63	-2.46	2910.70	2200.75	-18.3	-21.0	5.6
SmallCap 600	1129.13	1090.37	1091.05	-25.75	-2.31	1466.02	1064.45	-20.0	-22.2	5.4
Other Indexes										
Russell 2000	1747.84	1681.50	1682.40	-46.01	-2.66	2442.74	1649.84	-25.7	-25.1	3.8
NYSE Composite	14041.94	13599.43	13607.31	-281.66	-2.03	17353.76	13472.18	-19.3	-20.7	1.8
Value Line	513.87	495.60	495.91	-12.42	-2.44	696.40	491.56	-25.8	-26.2	-1.0
NYSE Arca Biotech	4745.51	4610.89	4615.01	-52.03	-1.11	5815.27	4208.43	-18.1	-16.4	3.0
NYSE Arca Pharma	768.09	755.79	757.21	-4.23	-0.56	887.27	737.50	1.9	-8.5	9.1
KBW Bank	102.30	98.07	98.19	-1.38	-1.39	147.56	94.66	-28.3	-25.7	-0.2
PHLX [§] Gold/Silver	100.41	96.13	96.42	-4.54	-4.50	167.76	91.40	-27.0	-27.2	2.6
PHLX [§] Oil Service	69.55	66.63	66.72	-2.89	-4.15	88.37	49.14	2.9	26.6	0.9
PHLX [§] Semiconductor	2286.95	2158.80	2162.32	-100.92	-4.46	4039.51	2162.32	-34.8	-45.2	10.8
Cboe Volatility	32.98	31.14	32.02	0.08	0.25	36.45	15.01	96.4	85.9	30.0
§Nasdaq PHLX							Sources: Fact:	Set; Dow J	Jones Ma	rket Data

Trading Diary

volume, Ad	•	
	NYSE	NYSE Amer.
Total volume*	949,159,726	9,038,028
Adv. volume*	116,218,458	1,219,643
Decl. volume*	828,635,381	7,789,737
Issues traded	3,318	298
Advances	605	78
Declines	2,597	205
Unchanged	116	15
New highs	29	0
New lows	218	32
Closing Arms [†]	1.50	2.62
Block trades*	5,142	102
	Nasdaq	NYSE Arca
Total volume*4	1,393,006,780	374,581,413
Adv. volume*	753,239,039	57,846,063
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Unchanged	277	12
New highs	60	7
New lows	332	117
Closing Arms [†]	1.68	0.54
Block trades [®]	21,968	1,507
* Primary market NY	SE, NYSE Americar	n NYSE Arca only.
(TRIN) A comparison	of the number of adva	incing and declining

r crecinage damers											
Company	Symbol	— La Close	itest Sess Net chg	ion — % chg	 High	52-Wee	k ——— % chg				
lmara	IMRA	3.79	1.21	46.90	4.36	0.97	3.6				
Avenue Therapeutics	ATXI	3.33	0.90	37.04	27.75	2.29	-82.5				
MicroCloud Hologram	HOLO	2.58	0.56	27.72	35.00	1.57	-74.0				
Gravitas Education ADR	GEHI	19.06	4.06	27.07	62.60	10.30	-68.0				
Nutanix CI A	NTNX	26.35	5.20	24.59	37.16	13.44	-24.8				
Intelligent Living	ILAG	6.51	1.25	23.76	26.40	1.49					
Reata Pharmaceuticals A	RETA	30.21	5.16	20.60	114.80	18.47	-69.3				
Laser Photonics	LASE	4.91	0.78	18.89	5.50	1.82					
Yield10 Bioscience	YTEN	3.36	0.50	17. 48	8.76	1.91	-40.6				
Brilliant Earth Cl A	BRLT	6.72	0.91	15.66	20.39	3.60	-51.1				
ShiftPixy	PIXY	12.65	1.65	15.00	203.00	10.65	-88.2				
Oil-Dri of America	ODC	26.23	3.36	14.69	37.20	22.14	-25.6				
WAVE Life Sciences	WVE	5.20	0.63	13.79	5.28	1.16	1.0				
Direxion Dly Semi 3 Bear	SOXS	80.05	9.42	13.34	89.59	31.20	21.3				
MicroSectors Gold 3X Inv	GDXD	24.33	2.86	13.32	31.40	6.63	25.1				

Percentage Losers

		— Lā	atest Sess	ion —		- 52-Wee	ek ——
Company	Symbo	Close	Net chg	% chg	High	Low	% chg
TOP Financial Group	TOP	5.49	-15.20	-73.47	50.97	5.35	
FingerMotion	FNGR	6.63	-1.97	-22.91	9.80	0.62	6.1
SHF Holdings	SHFS	4.23	-0.96	-18.50	30.47	4.12	-57.7
Rani Therapeutics	RANI	7.08	-1.57	-18.15	36.27	6.73	-64.1
Hempacco	HPCO	2.78	-0.60	-17.75	41.80	2.07	
Abeona Therapeutics	ABEO	4.30	-0.90	-17.31	26.50	2.70	-81.1
Peloton Interactive	PTON	7.24	-1.47	-16.88	99.36	6.66	-91.5
First Republic Bank	FRC	112.59	-22.14	-16.43	222.86	110.79	-46.5
ACM Research CI A	ACMR	7.98	-1.50	-15.82	37.70	7.56	-77.3
Applied DNA Sciences	APDN	2.38	-0.44	-15.60	7.35	0.62	-58.2
Duolingo	DUOL	78.31	-13.86	-15.04	191.82	60.50	-50.0
Porch Group	PRCH	1.83	-0.31	-14.49	27.50	1.80	-89.4
Revlon CI A	REV	4.12	-0.69	-14.35	17.65	1.08	-61.5
POET Technologies	POET	2.41	-0.39	-13.99	11.00	2.34	-70.6
Dragonfly Energy	DFLI	7.50	-1.19	-13.69	27.95	7.25	-24.5
Mast Astive Cto	-1						

Most Active Stocks

Company	Symbol	Volume (000)	%chg from - 65-day avg	Latest S Close	ession % chg	52-W High	eek
ProShares UltraPro QQQ	TQQQ	333,263	88.8	17.57	-9.01	91.68	16.32
Direxion Dly SCOND 3 BL	SOXL	175,202	102.5	6.93	-13.38	74.21	6.21
ProSh UltraPro Shrt QQQ	SQQQ	169,096	28.1	64.38	8.92	69.55	28.15
SPDR S&P 500	SPY	121,633	52.7	357.63	-2.28	479.98	348.11
Advanced Micro Devices	AMD	96,329	16.0	55.94	-5.09	164.46	54.57
* Common stocks priced at \$2 a	share or r	nore with a	n average v	olume ove	er 65 trad	ing days of	at least

Forex Race

Sept.

	High	Low	Close	Net chg	% chg	High	Low	% chg	YTD	3-yr. ann.
Dow Jones										
Industrial Average	30428.82	29614.30	29634.83	-403.89	-1.34	36799.65	28725.51	-16.0	-18.4	3.4
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§ _{Nasdaq} PHLX						-	Sources: Facts	Set; Dow J	ones Ma	rket Data

Net chg

-6.63

2.21

-35.05

8.80

-287.28

-31.12

4.77

2.16

2.44

40.30

34.30

52.73

82.23

144.99

-2.43

22.32

33.70

6.71

101.44

73.53

8.52

2.07

116.19

55.63

198.58

684.64

853.34

-0.84

49.68

317.39

103.56

-121.07

-2227.75

-323.59

-33.03 **-2.37**

-1.19

-1.45

-1.54

-1.45

-0.71

0.91

1.03

0.16

0.56

0.66

1.20

0.90

0.67

0.70

0.46

0.95

0.99

2.07

0.12

0.61

1.52

1.75

1.84

1.21

1.20

-0.03

3.25

2.30 –25.7

2.48 -27.9

2,30

Closed

-0.38

-0.19

2.20

552.08

246.56

2376.64

863.33

1363.36

18326.35

112072.34

3041.31

45443.35

391.31

369.75

3387.10

5931.92

12437.81

1872.68

20930.81

630.58

990.66

64271.36

7382.50

712.85

10329.34

3626.96

6858.79

17032.82

137.85

6758.80

3071.99

16587.69

57919.97

27090.76

3039.61

2212.55

13128.12

1560.78

	NISE	NT SE AITIEL.
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Volume Advancers Decliner

Total volume* 949,159,726 9,038,028 Adv. volume* 116,218,458 1,219,643 Decl. volume* 828,635,381 7,789,737 Issues traded 3,318 298 Advances 605 78 Declines 2,597 205 Unchanged 116 15 New highs 29 0 New lows 218 32	3 7 3 5
Decl. volume* 828,635,381 7,789,737 Issues traded 3,318 298 Advances 605 78 Declines 2,597 205 Unchanged 116 15 New highs 29 6	7 3 5
Issues traded 3,318 298 Advances 605 78 Declines 2,597 205 Unchanged 116 15 New highs 29 0	3
Advances 605 78 Declines 2,597 205 Unchanged 116 15 New highs 29 0	5
Declines 2,597 205 Unchanged 116 15 New highs 29 0	5
Unchanged 116 15 New highs 29 0	5
New highs 29	
-)
New lows 218 32	
	2
Closing Arms [†] 1.50 2.62	2
Block trades * 5,142 102	2
Nasdaq NYSE Arca	3
Total volume *4,393,006,780 374,581,413	3
Adv. volume * 753,239,039 57,846,063	3
Decl. volume *3,603,871,295 316,220,562	2
Issues traded 4,794 1,754	ļ
Advances 1,173 188	3
Declines 3,344 1,554	ļ
<i>2,511</i> 1,55	
Unchanged 277 12	2
Unchanged 277 12	7
Unchanged 277 12 New highs 60 7	7

issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

Percentage Gainers...

YTD

% chg

-26.9

-28.4

-26.5

-29.9

-25.4

-13.6

-0.4

6.9

8.4

-14.7

-19.8

-22.8

-21.4

-14.6

-17.1

-21.7

-5.3

-23.5

-21.0

-37.9

-12.8

-15.3

-31.3

-19.8

95.2

-7.1

-27.5

-28.6

-9.2

-15.6

-29.1

-0.6

-5.9

-2.7

-5.8

		<u>—</u> Lа	itest Sess	sion —		- 52-Wee	ek ——
Company	Symbol	Close	Net chg	% chg	High	Low	% chg
TOP Financial Group	TOP	5.49	-15.20	-73.47	50.97	5.35	
FingerMotion	FNGR	6.63	-1.97	-22.91	9.80	0.62	6.1
SHF Holdings	SHFS	4.23	-0.96	-18.50	30.47	4.12	-57.7
Rani Therapeutics	RANI	7.08	-1.57	-18.15	36.27	6.73	-64.1
Hempacco	HPCO	2.78	-0.60	-17.75	41.80	2.07	
Abeona Therapeutics	ABEO	4.30	-0.90	-17.31	26.50	2.70	-81.1
Peloton Interactive	PTON	7.24	-1.47	-16.88	99.36	6.66	-91.5
First Republic Bank	FRC	112.59	-22.14	-16.43	222.86	110.79	-46.5
ACM Research CI A	ACMR	7.98	-1.50	-15.82	37.70	7.56	-77.3
Applied DNA Sciences	APDN	2.38	-0.44	-15.60	7.35	0.62	-58.2
Duolingo	DUOL	78.31	-13.86	-15.04	191.82	60.50	-50.0
Porch Group	PRCH	1.83	-0.31	-14.49	27.50	1.80	-89.4
Revion CI A	REV	4.12	-0.69	-14.35	17.65	1.08	-61.5
POET Technologies	POET	2.41	-0.39	-13.99	11.00	2.34	-70.6
Dragonfly Energy	DFLI	7.50	-1.19	-13.69	27.95	7.25	-24.5

5,000 shares †Has traded fewer than 65 days

Treasury yield curve

maturity

Consumer Rates and Returns to Investor

U.S. consumer rates A consumer rate against its

benchmark over the past year 30-year fixed-rate 6.00% 4.50 3.00 10-year Treasury 1.50 note vield

NDJFMAMJJASO

Selected rates

30-year mortgage, Rate 7.21% Bankrate.com avg†:

United Teletech Financial	3./5%
Tinton Falls, NJ	732-530-8100
Farmers State Bank	4.25%
Marion, IA	319-390-2534
Raymond James Bank, NA	4.50%
St. Petersburg, FL	800-718-2265
TrustTexas Bank, S.S.B.	4.75%
Victoria, TX	361-575-0584
County Bank	5.00%
Rehoboth Beach, DE	302-226-9800

notes and bonds	major U.S. trading partners
Tradeweb ICE 5.00% Friday Close ▼	28%
4.00	WSJ Dollar Inde
3.00	14
2.00	0 Euro
One year ago 1.00	-14
0.00	-28 Yen
1 3 6 1 2 3 5 7 10 20 30 month(s) years	2021 2022

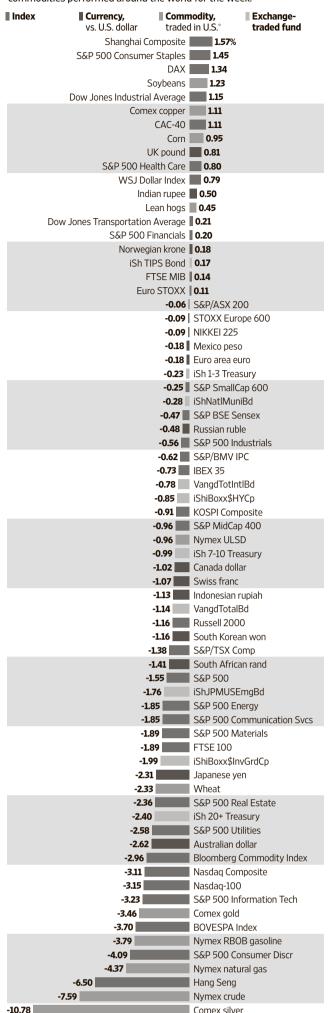
Interestrate		late (%) -) Week ago		Veek Range (2 4 6		3-yr chg (pct pts)			
Federal-funds rate target	3.00-3.25	3.00-3.25	0.00	•	3.25	1.25			
Prime rate*	6.25	6.25	3.25	•	6.25	1.25			
Libor, 3-month	4.19	3.91	0.12	•	4.19	2.19			
Money market, annual yield	0.24	0.22	0.07		0.24	-0.48			
Five-year CD, annual yield	2.14	2.08	0.41	•	2.14	0.62			
30-year mortgage, fixed [†]	7.21	6.98	3.09		7.21	3.27			
15-year mortgage, fixed [†]	6.42	6.14	2.42	•	6.42	3.07			
Jumbo mortgages, \$647,200-plus	7.25	7.01	3.09		7.25	2.85			
Five-year adj mortgage (ARM)†	5.38	5.35	2.82		5.38	0.85			
New-car loan, 48-month	5.99	5.77	3.41	•	5.99	1.34			
Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks.† Excludes closing costs. Sources: FactSet; Dow Jones Market Data; Bankrate.com									

Sources: Tradeweb ICE U.S. Treasury Close; Tullett Prebon; Dow Jones Market Data **Corporate Borrowing Rates and Yields**

٠	•		_						
	Bond total return index	Close		l (%) — Week ago	— 52-W High	/eek — Low	Total Re 52-wk	eturn (%) 3-yr	
	U.S. Treasury, Bloomberg	2046.570	4.370	4.220	4.370	1.060	-14.055	-3.386	
	U.S. Treasury Long, Bloomber	g 3066.030	4.210	4.070	4.210	1.720	-29.809	-9.046	
	Aggregate , Bloomberg	1882.120	5.000	4.820	5.000	1.580	-15.895	-3.636	
	Fixed-Rate MBS, Bloomber	g 1854.910	5.060	4.890	5.060	1.810	-15.585	-4.279	
	High Yield 100, ICE BofA	2999.086	8.662	8.406	8.753	3.669	-12.968	-1.125	
	Muni Master, ICE BofA	540.997	3.647	3.659	3.787	0.895	-9.527	-1.371	
	EMBI Global, J.P. Morgan	704.916	8.926	8.608	8.926	4.744	-23.213	-6.577	
		ources: J.P. N	/lorgan: B	I loombera F	ixed Inco	me Indice	es: ICE Dat	a Services	

Track the Markets: Winners and Losers

A look at how selected global stock indexes, bond ETFs, currencies and commodities performed around the world for the week



*Continuous front-month contracts

Sources: FactSet (indexes, bond ETFs, commodities), Tullett Prebon (currencies).

THE WALL STREET JOURNAL

Comex silver

Methodology

Performance reflects price change (except DAX, Bovespa, and Tel Aviv 35, which reflect total returns). Commodities are represented by the continuous front-month futures contract. Bond exchange-traded fund performance may diverge from that of their underlying index. Bond categories are represented by the following ETFs: U.S Bonds Total Market: Vanguard Total Bond Market; 1-3 Yr U.S. Treasurys: IShares 1-3 Year Treasury; U.S. 7-10 Yr Treasurys: iShares 7-10 Year Treasury; 20+ Yr U.S. Treasurys: iShares 20+ Year Treasury; Treasury Inflation-Protected Securities (TIPS): iShares TIPS; Investment Grade Corporate Bonds: iShares iBoxx \$ Investment Grade Corporate; High Yield Corporate Bonds: IShares iBoxx \$ High Yield Corporate; Municipal Bonds: iShares National Muni; International Bonds: Vanguard Total International; Emerging Market Bonds: iShares J.P. Morgan USD Emerging Markets.



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Currencies

U.S.-dollar foreign-exchange rates in late New York trading

0.5dollar foreign-exchange rates in late New York trading								
			US\$ vs,				US\$ vs,	
C		Fri —	YTD chg	Country		Fri	YTD chg	
Country/currency	in US\$	per US\$	(%)	Country/currency	in US\$	per US\$		
Americas				Vietnam dong	.00004143	24135	5.6	
Argentina peso	.00661	L51.6711	47.7	Europe				
Brazil real	.1878	5.3256	-4.4	Czech Rep. koruna	.03952	25.304	15.7	
Canada dollar	.7205	1.3880	9.8	Denmark krone	.1307	7.6502	17.0	
Chile peso	.001039	962.01	12.9	Euro area euro	0.9722	1.0286	17.0	
Colombiapeso	.000213	4698.01	15.6	Hungary forint	.002329	429.45	32.3	
Ecuador US dollar	1	1	unch	Iceland krona	.006919	144.54	11.4	
Mexico peso	.0498	20.0769	-2.1	Norway krone	.0935	10.6966	21.5	
Uruguay peso	.02423	41.2650	-7.7	Poland zloty	.2024	4.9401	22.6	
Asia-Pacific				Russia ruble	.01596	62.650	-16.2	
Australian dollar	.6202	1.6124	17 1	Sweden krona	.0886	11.2915	24.7	
China yuan	.1391	7.1910		Switzerland franc	.9946	1.0054	10.2	
Hong Kong dollar	.1274	7.8501	0.7	Turkey lira	.0538	18.5816	39.5	
India rupee	.01213	82.418	10.6	Ukraine hryvnia	.0271	36.9500		
Indonesia rupiah	.0000648	15427	8.2	UK pound	1.1183	.8942	21.0	
Japan yen	.006723	148.75		Middle East/Afri	ca			
Kazakhstan tenge	.002101	476.01	9.4	Bahrain dinar	2.6518	.3771	0.04	
Macau pataca	.1236	8.0889	0.7	Egypt pound	.0509	19.6627	25.2	
Malaysia ringgit	.2127	4.7020	12.9	Israel shekel	.2817	3.5499	14.2	
New Zealand dollar	.5562	1.7979	23.0	Kuwait dinar	3.2190	.3107	2.7	
Pakistan rupee	.00457	218.875	24.2	Oman sul rial	2.5975	.3850	-0.01	
Philippines peso	.0169	59.024	15.7	Qatar rial	.2746	3.641	-0.03	
Singapore dollar	.7011	1.4264	5.8	Saudi Arabia riyal	.2661	3.7575	0.1	
South Korea won	.0006936	1441.67	21.3	South Africa rand	.0545	18.3606	15.2	
Sri Lanka rupee	.0027397	365.00	79.9					
Taiwan dollar	.03127	31.975	15.4		Close Net C			
Thailand baht	.02610	38.310	15.3	WSJ Dollar Index 1	.05.09 0.84	440.809	17.35	

Sources: Tullett Prebon, Dow Jones Market Data

Commodities

Commodities	— Frid	lav ——	52-Week			YTD	
	Close	Net chg	% Chg	High	Low	% Chg	% chg
DJ Commodity	1026.26	-19.98	-1.91	1264.48	893.10	6.32	8.46
Refinitiv/CC CRB Index	276.69	-5.79	-2.05	329.59	218.39	15.64	19.07
Crude oil, \$ per barrel	85.61	-3.50	-3.93	123.70	65.57	4.05	13.83
Natural gas, \$/MMBtu	6.453	-0.288	-4.27	9.680	3.561	19.28	73.00
Gold, \$ per troy oz.	1641.70	-28.30	-1.69	2040.10	1623.30	-7.10	-10.17

B10 | Saturday/Sunday, October 15 - 16, 2022

MARKET DATA

	Me	tal & P	etroleum	Futur	'es	
			ntract			Ope
	Open		hi lo Low	Settle	Chg	interes
Coppe	r-High (C	MX) -25,00	00 lbs.; \$ per lb.			
Oct	3.4675	3.4675	3.4485	3.4505	-0.0170	1,40
Dec	3.4635	3.5010	3.4005	3.4235	-0.0170	103,44
Gold (c	MX) -100 to	roy oz.;\$ pe	er troy oz.			
Oct	1665.30		1640.00	1641.70		1,07
Nov	1665.60	1672.10	1640.80	1643.70		3,14
Dec	1672.80	1677.80	1645.60	1648.90		361,14
Feb'23	1686.10		1659.90	1662.80		45,76
April	1702.80		1675.60	1677.40		14,61
June	1714.50		1690.10	1692.00	-27.90	6,47
	um (NYM) - 50 troy	oz.; \$ per troy o			
Oct					-119.90	
Dec	2114.00	2139.50	1989.00	1997.30	-119.90	6,26
			;;\$ per troy oz.			
Oct	916.80	916.80	915.10	905.30	-1.50	27
Jan'23	900.00	912.40	891.10	894.90	-1.50	49,84
			\$ per troy oz.			
Oct	18.930	18.930	18.070	18.015		10
Dec	18.865	19.055	18.010	18.071		106,34
			NYM) -1,000 b			
Nov	89.27	89.73	85.20	85.61	-3.50	98,02
Dec	88.15	88.52	84.22	84.65		272,19
Jan'23	86.71	87.18	83.13	83.55		125,5
March	83.86	84.36	80.73	81.08		90,50
June	80.60	81.03	77.84	78.19		120,83
Dec	76.17	76.66	74.00	74.31	-2.02	159,2
			42,000 gal.; \$ p		4444	E4.41
Nov	4.0840	4.1042	3.9126	3.9802		51,13
Dec Casalii	3.6854	3.7119	3.5735	3.6026	1050	55,5
Gaso ili Nov	2.6994	2.7005	1) -42,000 gal.; 2.5935	\$ per gai. 2.6309	0725	(0.0
Nov Dec	2.5235	2.7005	2.5935	2.6509		69,04 73,0!
			2.4300 MMBtu.;\$pe		0761	/3,0:
Nov	6.684	6.742	линивси., э реі 6.409	6.453	288	90,59
Dec	6.989	7.051	6.772	6.827	226	80,4
Jan'23	7.200	7.031	6.973	7.043	199	120,70
March	6.354	6.354	6.126	6.144		88,1
April	5.155	5.199	5.085	5.088		77,49
Aprii May	5.048	5.085	4.992	4.999	073	83,51
ividy	5.048	2.065	4.792	4.799	073	02,5.
		Agric	ulture Fu	tures		
	:BT) -5,000					
Dec	697.00	699.50	688.50	689.75		650,73
March'23	704.00	706.50	695.50	696.25	-8.75	319,15

706.50 Oats (CBT)-5,000 bu.; cents per bu. 408.75

Soybeans (CBT)-5,000 bu; cents per bu. 1394.00 1410.00 1403.75 1419.75

Sovbean Meal (CBT)-100 tons; \$ per ton.

Soybean Oil (CBT)-60,000 lbs.; cents per lb.

Rough Rice (CBT)-2,000 cwt.; \$ per cwt.

16.76 16.81 17.10 17.15

Jan'23 17.10 17.15 1
Wheat (CBT)-5,000 bu; cents per bu.

392.00

1382.75

1391.75

16.72

17.07

857.25

		Con	tract			Open
	0pen	High hild	Low	Settle	Chg	interest
March'23	909.25	915.00	875.00	877.00	-31.50	72,062
Wheat o	(KC)-5,00	0 bu.; cents p	er bu.			
Dec	982.00	989.50	950.75	952.25	-30.00	74,194
March'23	980.00	987.25	949.75	950.75	-29.25	41,531
Cattle-F	eeder (CME) -50,00	0 lbs.; cents p	er lb.		
Oct	175.000	175.150	173.125	173.800	950	2,775
Jan'23	176.750	176.800	174.700	175.100	-1.200	21,381
Cattle-L	_ive (cm	E)-40,000 lb	s.; cents per l	b.		
Oct	146.800	147.175	145.950	146.950	.500	8,604
Dec	148.400	148.400	146.900	147.775	150	112,745
Hogs-Le	ean (CMI	- 40,000 lb	s.; cents per lb).		
Oct	93.475	93.600	93.325	93.375	050	8,702
Dec	80.775	82.600	80.275	82.250	1.650	85,129
Lumber	(CME)-11	.0,000 bd. ft.	, \$ per 1,000 l	od.ft.		
Nov	497.80	503.40	487.10	494.00	-4.30	1,838
Jan'23	489.50	495.00	478.00	479.70	-7.60	793
Milk (CN	1E) -200,0	00 lbs., cents	s per lb.			
Oct	21.82	21.85	21.75	21.77	12	4,729
Nov	21.16	21.22	20.41	20.41	75	5,748
Cocoa (I	CE-US)-1	O metric tons	s;\$ per ton.			
Dec	2,388	2,407	2,371	2,377	-8	118,213
March'23	2,368	2,389	2,362	2,367	-3	80,372
Coffee (ICE-US)-	37,500 lbs.; c	ents per lb.			
Dec	203.00	204.60	195.65	196.70	-5.45	75,998
March'23	196.95	198.10	192.00	193.00	-3.05	63,722
			000 lbs.; cents			
March	18.83	18.90	18.75	18.84	.03	328,479
May	17.88	17.92	17.81	17.87	.02	137,655
	omesti	C (ICE-US)-	112,000 lbs.; o).	
Jan				34.76		2,145
March				34.76		2,755
		50,000 lbs.; a				
Dec	84.79	85.86	83.00	83.15	-1.64	105,511
March'23	82.81	84.38	81.80	81.99	-1.50	62,935
			00 lbs.; cents			
Nov	193.25	196.80	193.10	195.70	1.85	5,757
Jan'23	187.00	190.70	187.00	189.40	2.00	4,250
		Interest	: Rate Fı	itures		
Hitra Tr			T) - \$100,00		s of 1009	/
Dec	133-080	134-240	131-150	0, pts 32110 132-020		° 1,433,982
			0,000; pts 32			1,400,702
Dec	124-240	125-310	0,000; pts 32 123-140			1 217 //10
March'23						1,217,419
		125-260	123-140	123-210	-27.0	302
			0,000; pts 32			2 000 052
Dec	111-015	111-230	110-140	110-190		3,889,052
March'23		112-010	110-285	111-005	-10.0	851
o Yr. i re	easury F	votes (CBT) -\$100,000;	pts 32nds (ot 100%	

106-100 **106-130**

106-177 **106-200**

102-041 **102-048**

102-092 **102-095**

96.9175 **96.9175** 96.1850 **96.1950**

95.8100 95.8250 ▼ 95.7600 **95.7650** -.0275 137,844

▼ 96.5025 **96.5075** .0025 628,080 ▼ 95.0600 **95.0700** -.0850 1,140,978

62.09 96.57

197.21

| 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100

-2.62 -25.2 -2.46 -21.1 -2.29 -25.4 -2.93 -32.2

-1.69 -16.4

-0.5 -0.5 -0.5 -0.56 -18.0 -0.83 -33.5 -0.29 -15.9 -13.9 -19.1

-0.04 -0.8

-2.28 -24.7 **-2.94** -32.2

-2.35 -25.7 -1.72 -15.9 -2.36 -25.7 -2.83 -33.4 -2.60 -25.3 0.04 -17.4 -1.24 -18.3 -2.45 -20.9 -2.28 -24.7

-1.72 -12.1 **-2.81** -32.8

-2.81 -32.8 -1.44 -13.2 -2.85 -34.3 -2.11 -17.4 -2.77 -30.7 -1.74 -20.7

-1.74 -20.7 -1.71 -28.9 -1.46 -27.9 -1.49 -32.0 -1.59 -28.1 -3.06 -35.0

-1.59 -13.1 **-0.65** -17.4

-0.87 -19.9

-16.6

-24.7 -8.1 -9.4 -7.6 -5.4 -23.5

-2.34 -2.81 -2.27 -0.70 -18.3

36.31 35.66 46.39 44.03 208.50

97.45 72.35

328.65

BIV 72.35 VCIT 74.33 VV 163.27 VO 186.57 VOE 122.88 VMBS 44.07

VNQ VOO 76.14 -2.48 -2.25 -34.4

-2.7 2,061,393

.0100 393,387

106-227 107-037

102-066 102-116

96.9175 96.9200 96.1900 96.2000

Eurodollar (CME)-\$1,000,000; pts of 100%

2 Yr. Treasury Notes (CBT)-\$200,000; pts 32nds of 100%

30 Day Federal Funds (CBT)-\$5,000,000;100 - daily avg.

10 Yr. Del. Int. Rate Swaps (CBT)-\$100,000; pts 32nds of 100% **Dec** 89-185 90-300 89-175 **89-215** -12.0 15,815 Dec 89-185 90-300 89-1/2 07-247

Three-Month SOFR (cME)-\$1,000,000;100 - daily avg.

▼ 96.5025 96.5075 .0025 628,080

iShRussellMid-Cap iShRussellMCValue iShRussell1000

iShS&P500Growth iShS&P500Value

iShShortTreaBd iShTIPSBondETF iSh1-3YTreasuryBd iSh7-10YTreaBd

iSh20+YTreaBd iShUSTreasuryBd JPMEquityPrem

JPM UltShincm SPDRBIm1-3MTB SPDR Gold SPDRPtfS&P500 SPDRS&P500Grow

SchwabIntEquity SchwabUS BrdMkt

SchwabUS DIV SchwabUS LC SchwabUS LC Grw SchwabUS SC Schwab US TIPs SPDR DJIA TOTA SPDR S&PMdCpTr

SPDR S&P 500 SPDR S&P Div

TechSelectSector
UtilitiesSelSector
VangdInfoTech

VangdFTSEDevMk VangdFTSEEM VangdFTSEEurope VangdFTSEEWXUS

VangdSC Val

VanadExtMkt VangdDivApp

VangdGrowth VangdHlthCr

VangdIntermBd VangdIntrCorpBd VangdLC VangdMC VangdMC Val

VangdHiDiv

VangdMBS

Sym Hi/Lo Chg

ARIZW 0.01 1.7 CommVehicle comScore

20.47 ... (
2.68 -9.4 (
14.03 -3.4 (
19.49 -2.2 (
24.47 -1.1 (
0.19 -3.6 (
2.52 -5.2 (
17.94 -2.1 (
1.10 ... (
5 0.03 -18.9 (
1.16 -2.4 (
1.11 -2.7 (
1.93 -1.1 (
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1.94 -2.1 (
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0.17 -12.0 0.82 -7.2 0.81 -4.7 0.59 -2.0 5.85 -6.4 0.16 -7.8 0.53 -14.9 3.46 -2.3 1.93 -9.3 51.45 -8.4 1.25 -11.3 14.10 -0.7 0.00 ... 23.03 -1.9 0.03 -3.2

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EdibleGardenWt EUBLW EHTH ElysGameTech ELYS EnphysAcqnWt ENTX EnteraBio ENTX EnteragyTX PfdA ETIp EnthusiastGaming EGLX EucratesBioWt EVER

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EverQuote EVER
EvolveTransit SNMP
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March'23 107-095 107-105

March'23 102-147 102-166

Sept 96.5050 96.5125 **March'23** 95.1050 95.1800

693

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2,435

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-.03

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Open
March'23 94.8200 95.2100 94.8900 95.2550 ▼ 94.7500 95.1300 94.7600 95.1400 -1.100 96.8440850 95.66840850 95.1300 95.1450 -95.1505 95.1505
Dec 95.2100 95.2950 ▼ 95.1300 95.1450 -0.850 951,505
Currency Futures
Japanese Ven (CME)-¥12,500,000; \$ per 10∪¥ Oct .6793 .6799 ▼ .6719 .6726 0071 527 Dec .6842 .6847 ▼ .6765 .6773 .0072 252,983 Canadian Dollar (CME)-CAD100,000; \$ per CDC 0.0087 .7199 0087 158 Dec .7238 .7297 .7196 .7199 0087 139,514 British Pound (CME)-E62,500; \$ per E Oct 1.1328 1.1365 1.1154 1.1174 0147 .546 Dec 1.0346 1.381 1.1166 1.187 0147 .59,216 Swiss Franc (CME)-CHF 125,000; \$ per CME) Dec 1.0055 1.0102 1.0000 1.0010 0072 44,210 March'23 1.0140 1.0206 1.0110 1.0117 0072 367 Australian Dollar (CME)-CME)-AUD (100,000; \$ per AUD) 6202 0104 253 Dec 6.307 6.358
Oct 6.793 6.799 ▼ 1.6719 6.726 -0.071 5.27 Dec 6.842 6.847 ▼ 1.6765 6.773 -0.072 252,983 Canadian Dollar (CME)-CAD 100,000; \$perCMD Oct .7288 .7297 .7196 .7199 -0.087 138,14 British Pound (CME)-£62,500; \$per £ Oct 1.1328 1.1365 1.1154 1.1174 -0.147 546 Dec 1.1346 1.1365 1.1164 1.1187 -0.0147 250,216 Swiss Franc (CME)-CHF 125,000; \$per CME) Dec 1.0055 1.0102 1.0000 1.0010 -0.007 44,210 March'23 1.0140 1.0206 1.0110 1.0117 -0.072 367 Australian Dollar (CME)-AUSTROLO (0.000) \$per CME) CME) 6205 6213 -0.014 253 Dec 6.307 6.347 6.195 6.205 6.213 -0.010 10.010 10.010 10.010 2.01
Dec .6842 .6847 ▼ .6765 .6733 0072 252,983 Canadian Dollar (CME)-CAD100,000; \$per CAD Doc .7297 .7196 .7199 -0.087 158 Dec .7273 .7299 .7196 .7200 -0.087 139,514 British Pound (CME)-£62,500, \$per £ Oct 1.1328 1.1365 1.1154 1.1174 -0.147 546 Dec 1.1348 1.1381 1.1166 1.1187 -0.017 250,216 Swiss Franc (CME)-CHF 125,000; \$per CHF Dec 1.0045 1.0102 1.0000 1.0010 -0.0072 44,210 March 23 in 1.0140 1.026 1.0110 1.0117 -0.072 44,210 Australian Dollar (CME)-AUD 100,000; \$per AUD Oct 6.295 6.347 6.195 6202 -0.014 253 Dec 6.307 6.358 6.205 6.213 -0.104 253 Mexican Peso (CME)-MXN 500,000; \$per MXN
Canadiar Dollar (CME) - CAD 1-0,000; \$ p=CAD Oct .7288 .7297 .7196 .7190 -0.008 138,514 British Pound (CME) - £62,500; \$ p=r £ .710,6 .710,7 .720,7 .736 .7
Oct Dec .7288 .7297 .7196 .7199 .7290
Dec .7273 .7299 .7196 .7200 .0087 139,514 British Pound (CWE)-£62,500; \$per £ Oct 1.1328 1.1365 1.1154 1.1174 -0.147 546 Dec 1.1346 1.1381 1.1166 1.1187 -0.047 250,216 Swiss Franc (CME)-CHF 125,000; \$per CHF Dec 1.0140 1.0020 1.0010 1.0010 0072 44,210 March 23 1.0140 1.0206 1.0110 1.0117 0072 367 Australian Dollar (CME)-AUD 100,000; \$per AUD Dec 6.307 6.347 6.195 6.202 0104 253 Dec 6.307 6.358 6.205 6.213 0104 140,503 Mexican Peso (CME)-MXN 500,000; \$per MXN
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Swiss Franc (cMe)-CHF 125,000; \$per CHF Dec 1.0055 1.0102 1.0000 1.0110 -0.072 44,210 March 23 1.0140 1.026 1.0110 1.0117 -0.072 367 Australian Dollar (CME)-AUD 100,000; \$per AUD CME)- 6347 6.195 6.202 -0.104 253 Dec 6.307 6.358 6.205 6.213 -0.104 140,503 Mexican Peso (cME)-MXN 500,000; \$per MXN
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Mexican Peso (CME)-MXN 500,000; \$ per MXN
Oct .04976 .04976 .0497600027 14
Dec .04949 .04953 .04916 .04921 00026 219,314
Euro (CME) -€125,000; \$ per €
Oct .9773 .9809 .9710 .9725 0063 3,074

Contract

* * * *

	Open	-	ontract ilo Low	Settle	Chg	Open interest
Dec	.9826	.9856	.9754	.9770	0064	618,171
		Inc	dex Futur	es		
Mini D.	J Industi	rial Aver	age (CBT)-\$5	xindex		
Dec		30480		29708	-383	69,160
March'23	30288	30661	29868	29911	-398	639
Mini S&	kP 500 (CME) -\$50	x index			
Dec	3680.25	3733.75	3591.25	3597.50	-84.25	2,260,754
			3621.00		-85.25	41,828
			CME) -\$100 x ir			
Dec		2344.60	2248.90		-57.10	55,707
March'23				2252.10	-57.50	1
			\$20 x index			
Dec			10726.75			
			10839.50	10855.00	-341.50	4,039
) -\$50 x index			
Dec			1686.90			,
	1760.80		1702.00	1702.70	-46.90	165
) -\$50 x index			
Dec		2047.60	1974.00		-48.30	9,217
			3)-\$1,000 x inde			
Dec	112.48					
March'23	112.09	112.84	111.76	112.79	.91	754
					Source	ce: FactSet

Bonds | wsj.com/market-data/bonds/benchmarks

Global Government Bonds: Mapping Yields

 $Yields \, and \, spreads \, over \, or \, under \, U.S. \, Treasurys \, on \, benchmark \, two-year \, and \, 10-year \, government \, bonds \, in \, 10-year \, government \, 10-y$ selected other countries; arrows indicate whether the yield rose(▲) or fell (▼) in the latest session

	Country/						Yield	(%)			Spread Under/Over U.S. Tr	easurys, in basis	points
Coupon (%)	Maturity, in years	s Latest(●)-	-1 0	1	2	3	4	5 Previous	Month ago	Year ago	Latest	Prev	Year ago
4.250	U.S. 2	4.507 ▲					•	4.449	3.782	0.352			
2.750	10	4.005 🔺					•	3.952	3.411	1.519			
0.250	Australia 2	3.396 ▲				•		3.105	2.931	0.051	-110.7	-136.7	-31.2
1.750	10	4.017					•	4.011	3.644	1.640	■ 0.6	6.7	12.4
0.000	France 2	2.002 🛦			•			1.951	1.323	-0.678	-250.0	-252.1	-104.0
2.000	10	2.955 🛦				•		2.902	2.257	0.151	-105.6	-104.3	-136.5
0.400	Germany 2	1.950 ▲			•			1.930	1.414	-0.694	-255.2	-254.2	-105.6
1.700	10	2.353 🛦			•			2.283	1.716	-0.188	-165	-166.2	-170.4
0.000	Italy 2	2.980 🛦				•		2.956	2.479	-0.484	-152.3	-151.6	-84.6
2.500	10	4.798 🛦					•	4.714	3.971	0.837	78.7	77.0	-67.9
0.005	Japan 2	-0.044 🛦	•	,				-0.050	-0.072	-0.116	-454.6	-452.2	-47.9
0.200	10	0.254 ▲	(•				0.251	0.258	0.085	-375.7	-369.4	-143.1
0.000	Spain 2	2.213 🛦			•			2.168	1.643	-0.584	-228.9	-230.4	-94.7
2.550	10	3.471 ▼				•		3.489	2.843	0.435	-54.0	-45.5	-108.1
0.125	U.K. 2	3.946 ▲				-	•	3.751	3.073	0.514	-55.6	-72.1	15.1
4.250	10	4.389 🛦					•	4.192	3.137	1.044	37.7	24.7	-47.2

Source: Tullett Prebon, Tradeweb ICE U.S. Treasury Close

Current One-day change Last week

Corporate Debt

Prices of firms' bonds reflect factors including investors' economic, sectoral and company-specific

Coupon (%) Yield (%)

Maturity

Investment-grade spreads that tightened the most...

Symbol

Athene Global Funding	ATH	1.716	5.72	Jan. 7, '25	119	-43	137
Morgan Stanley	MS	3.700	5.16	Oct. 23, '24	66	-21	68
Citigroup	c	4.125	6.33	July 25, '28	204	-18	195
General Electric	GE	6.750	5.71	March 15, '32	169	-11	155
PNC Bank NA	PNC	4.050	5.78	July 26, '28	164	-10	153
Siemens Financieringsmaatschappij NV	*	2.350	5.27	Oct. 15, '26	102	-10	109
Coca-Cola	ко	2.250	4.96	Jan. 5, '32	95	-9	85
Verizon Communications	VZ	4.272	6.07	Jan. 15, '36	205	-9	188
And spreads that widen	ed the r	nost					
Duke Energy Florida Project Finance		2.538	6.19	Sept. 1, '29	192	26	n.a.
Northwestern Mutual Global Funding*		4.350	5.43	Sept. 15, '27	115	18	103
Citigroup	c	3.400	5.82	May 1, '26	155	11	135
Credit Suisse	CS	7.125	7.41	July 15, '32	351	11	385
Philip Morris International	PM	6.375	7.21	May 16, '38	293	11	n.a.
Wells Fargo	WFC	5.375	6.85	Nov. 2, '43	259	10	n.a.
Bank of Montreal	вмо	1.500	5.47	Jan. 10, '25	96	9	89
Walt Disney	DIS	2.650	5.43	Jan. 13, '31	141	9	132
High-yield issues with the	bigges	t price inc	creases	5			
Issuer	Symbol	Coupon (%)	Yield (%)	Maturity		e as % of face v One-day change	/alue Last week
OneMain Finance		7.125	10.04	March 15, '26	91.750	0.97	92.369
American Airlines	AAL	11.750	8.96	July 15, '25	106.632	0.91	107.750
Bombardier		7.450	8.44	May 1, '34	92.761	0.76	93.875
Ford Motor Credit		3.096	5.76	May 4, '23	98.593	0.62	n.a.
Dish DBS	DISH	7.750	15.81	July 1, '26	78.000	0.50	77.652

Offervialiffiliance		1.127	10.04	Marchitz, 20	71.770	0.77	72.307		
American Airlines	AAL	11.750	8.96	July 15, '25	106.632	0.91	107.750		
Bombardier		7.450	8.44	May 1, '34	92.761	0.76	93.875		
Ford Motor Credit		3.096	5.76	May 4, '23	98.593	0.62	n.a.		
Dish DBS	DISH	7.750	15.81	July 1, '26	78.000	0.50	77.652		
Howmet Aerospace	HWM	5.900	6.73	Feb. 1, '27	96.927	0.43	98.375		
Transocean	RIG	6.800	13.62	March 15, '38	56.500	0.25	52.500		
And with the biggest price decreases									
Ford Motor Credit		3.664	7.49	Sept. 8, '24	93.375	-1.65	94.500		
Occidental Petroleum	OXY	6.450	6.76	Sept. 15, '36	97.255	-1.43	101.480		
Lumen Technologies	LUMN	7.600	12.92	Sept. 15, '39	63.750	-0.56	67.565		
Telecom Italia SpA	TITIM	5.303	9.40	May 30, '24	93.980	-0.22	94.938		
OneMain Finance		6.875	9.75	March 15, '25	93.940	-0.15	95.375		
Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year hot-run Treasury; 100 basis points=one percentage pt; change in spread shown is for Z-spread. Note: Data are for the most active issue of bonds with maturities of two years or more									
							MarketAvece		

Source: MarketAxess

52-Wk % Sym Hi/Lo Chg Stock

Sym Hi/Lo Chg Stock

17.53 -0.7 4.12 -18.5

1.19 19.25 18.72

TayshaGene TeladocHealth TenaxTherap TenayaTherap

SCEPL SHFS SPI SCCE SCCF SCCG SCCC

SCE VI Pfd L

Sym Hi/Lo Chg

52-Wk % Sym Hi/Lo Chg Stock

PagayaTech PardesBioso

PassageBio PaysafeWt

Exchange-Traded Portfolios | wsJ.com/ETFresearch

16.74

17.08

Friday,	October 1				ETF	Symbol	Closing Price	(%)
ETF	Symbo	Closing Price	(%)		iShCoreUSAggBd	AGG	94.66	-0.55
					iShSelectDividend	DVY	109.06	-1.54
CnsmrDiscSelSector	XLY	135.27		-33.8	iShESGAwareUSA	ESGU	79.35	-2.31
CnsStapleSelSector	XLP	67.53		-12.4	iShEdgeMSCIMinUSA		65.93	-1.80
DimenUSCoreEq2	DFAC	22.57		-22.1	iShEdgeMSCIUSAQua		103.82	-2.51
EnSelSectorSPDR	XLE	80.28 31.01	-3.73	44.6 -20.6	iShGoldTr	IAU	31.17	-1.27
FinSelSectorSPDR	XLV	123.90		-12.1	iShiBoxx\$HYCpBd	HYG	71.51	-0.32
HealthCareSelSect		260.74		-12.1 -34.5	iShiBoxx\$InvGrCpBd	LQD	100.38	-0.96
InvscQQQI InvscS&P500EW	QQQ RSP	128.20		-34.5	iShJPMUSDEmgBd	EMB	77.80	-0.74
iSh3-7YTreaBd	IEI	113.10		-12.1	iShMBSETF	MBB	89.88	-0.53
iSh0-5YTIPSBd	STIP	96.82		-8.6	iShMSCIACWI	ACWI	77.59	-2.12
iShCoreDivGrowth	DGRO	45.03		-19.0	iShMSCIEAFE	EFA	56.01	-1.49
iShCoreMSCIEAFE	IEFA	52.64		-29.5	iSh MSCI EM	EEM	34.21	-1.50
iShCoreMSCIEM	IEFA	42.21		-29.5 -29.5	iShMSCIEAFEValue	EFV	38.94	-1.54
iShCoreMSCITotInt	IXUS	50.59		-29.5	iShNatlMuniBd	MUB	103.22	0.02
iShCoreS&P500	IVV	359.09		-24.7	iSh1-5YIGCorpBd	IGSB	48.82	-0.31
iShCoreS&PMC	IJH	223.72		-24.7	iShPfd&Incm	PFF	30.60	-0.33
iShCoreS&P SC	IJR	89.27		-21.0	iShRussell1000Gwth	IWF	207.03	-2.77
iShCoreS&PTotUS	ITOT	79.46		-22.0 -25.7	iShRussell1000Gwtii	IWD	137.99	-1.84
iShCoreTotalUSDBd	IUSB	43.72		-17.4	iShRussell2000	IWM	166.81	-2.68

Borrowing Benchmarks | wsJ.com/bonds

Money Rates

October 14, 2022

-52-WEEK-

High Low

0.00

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Switzerland

All items Core	296.8 298.4		0.22 0.43	8.2 6.6
Int	ternatio	nal ra	ites	
	Latest	Week ago	– 52-\ High	Week – Low
Prime rate	es			
U.S.	6.25	6.25	6.25	3.25
Canada	5.45	5.45	5.45	2.45
	4 435	1 475	1.475	1 475

New Highs and Lows

Euro zone

Inflation

level Aug.'22 Sept.'21

1.25 1.25 1.25 0.00

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. **% CHG**-Daily percentage change from the previous trading session.

Britain	2.25	2.25	2.25	0.10
Australia	2.60	2.60	2.60	0.10
Se	condary	/ mar	ket	
Fannie Ma	e			
30-year mort	gage yields			
30 days	6.410	6.337	6.485	2.452
60 days	6.539	6 446	6 625	2 477

Latest ago

1.00 1.00 1.00

U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective September 22, 2022. Other prime rates aren't directly comparable; lending practices vary widely by location. Complete Money Rates table appears Monday through Friday. Sources: Bureau of Labor Statistics; FactSet

	VangdST Bond	BSV	74.32	-0.16 -8.1
,	VangdSTCpBd	VCSH	73.61	-0.37 -9.4
	VangdShtTmInfltn	VTIP	47.50	-0.06 -7.6
	VangdShortTrea	VGSH	57.53	-0.05 -5.4
	VangdSC	VB	172.82	-2.53 -23.5
	VangdTaxExemptBd	VTEB	48.46	0.10 -11.7
	VangdTotalBd	BND	70.12	-0.48 -17.3
	VangdTotIntlBd	BNDX	47.10	-0.32 -14.6
	VangdTotIntlStk	VXUS	45.45	-1.58 -28.5
	VangdTotalStk	VTI	179.42	-2.36 -25.7
	VangdTotWrldStk	VT	78.68	-2.09 -26.8
	VangdValue	VTV	126.31	-1.54 -14.1
	-			

ı			52-Wk	%			52-Wk	%		
	Stock	Sym	Hi/Lo	Chg	Stock	Sym	Hi/Lo	Chg	Stock	Sym
1	Cimpress	CMPR	21.24	-9.6	Gelesis	GLS	0.90	-5.8	LakeShoreBancorp	LSBK
	Cinemark	CNK	9.36	-5.7	Generac	GNRC	136.85	-6.5	LandcadialV Wt	LCAHV
Ш	CipherMiningWt	CIFRW	0.11	-0.1	GenerationIncm	GIPR	4.95	-1.8	LandseaHomes	LSEA
Ш	CleverLeaves	CLVR	0.41	-14.6	GeospaceTech	GEOS	4.07	-3.0	Lantronix	LTRX
J	ClimateReal II W	t CLIM.W	IS 0.05	-33.2	Gettylmages	GETY	5.39	-9.7	LegalZoom	LZ
	Codexis	CDXS	4.94			GOOD			LightpathTech	LPTH
	CognyteSoftware	CGNT	2.67	-9.1	Glatfelter	GLT	2.08	-5.0	LincolnEduc	LINC
	Cohbar	CWBR			GlenfarneMergerW			-70.1	LindbladExped	LIND
ı	Coherent	COHR	30.69			GB.WS		-10.5	LineageCell	LCTX
4	Coherent6%Pfd	IIVIP	146.54						LionheartIII Wt	LIONV
7	CommVehicle	CVGI	4.03			GNLpA			LisataTherap	LSTA
	comScore	SCOR	1.14			GLPpB			LivePerson	LPSN
ļ	ComSovereign	COMS		-15.0				-21.6	Lizhi	LIZI
ļ	Conformis	CFMS				GGR	2.96		Lucid	LCID
2	ConsumerPtfo	CPSS	4.70			GROY.W			Lumentum	LITE
L	ConsumersEnerP					GSHD	29.23		LumiraDxWt	LMDXV
5	ContextLogic	WISH	0.68			GRRR	10.85		MarinSoftware	MRIN
2	CoreScientific	CORZ		-10.5		GRFX	1.23		MatchGroup	MTCH
L	CreativeMedTech		0.39			GREE		-10.7	MauiLand	MLP
	Cuentas	CUEN	0.41			GTEC	2.05			MLAB
,	CustomersBncpNt34		19.59				1.98		MesabiTrust	MSB
ļ	DTE EnergyDeb7		21.26			GNACV		-63.0	MetalSkyStarWt	MSSAV
7	DTE Energy	DTP	47.05			AVAL	2.30		MetalsAcqnWt	MTAL.W
L	DTE EnergyDeb80		16.93			TV	5.06		Microvast	MVST
L	DataIO	DAIO	2.65			HUYA	1.98		MindMed	MNM
5	DataStorage	DTST	1.91			HALL	0.96		MinervaSurgical	UTRS
5	Datadog	DDOG						-10.2	MistrasGroup	MG
1	Deluxe	DLX	15.71			HBIO	2.15		ModivPfdA	MDVp
3	DillardsCapPfd	DDT	25.40				19.39		Mondee	MOND
•	DixieGroup	DXYN	0.93					-60.0	MontereyCapWt	MCAC
L	DolphinEnt	DLPN	2.34				21.60		MorganStanleyPfdF	
L	DomaWt	N.AMOD		-21.1			18.31		MorganStanleyPfd:	
3	Doximity	DOCS	24.15			HSKA	67.94		MorganStanleyPfdC	
)	DukeEnergyPfdA					HILS	0.61		NatrlOrderAcqnWt	
2	E-HomeHousehold		1.40			HST0	1.21		Neogen	NEOG
5	EQONEX	EQOS		-10.3			17.80		Netcapital	NCPL
,	E2open	ETWO							NeuBaseTherap	NBSE
	EzgoTech	EZG0	0.38							
	EaglePointPfdC	ECCC	19.79			HTAQ.W		-90.7	NewcourtAcqnWt	
)	EaglePointPfdD	ECCpD				IIIIW		-12.0	NextCure NextEraEnDebN	NXTC
+	EbangIntl	EBON	0.34 N 0.07			IXAQV IZEA		-25.0	NextEraEnDebN NiuTech	NEEpN NIU
3	EdibleGardenWt	EDRIN	N 0.07		IZEA	IZEA	0.66	-0.6	NiuTecn	NIU

<u> </u>	Cng	Stock	Sym	HI/LO	Cng	Stock	Sym	HI/LO (
24	-9.6	Gelesis	GLS	0.90	-5.8	LakeShoreBancorp	LSBK	12.97
36	-5.7	Generac	GNRC	136.85	-6.5	LandcadiaIV Wt	LCAHW	
11	-0.1	GenerationIncm	GIPR	4.95	-1.8	LandseaHomes	LSEA	4.48
	-14.6	GeospaceTech	GEOS	4.07	-3.0	Lantronix	LTRX	4.33
05 94	-33.2 -1.0	Gettylmages GladstonePfdG	GETY GOOD	5.39 18.76	-9.7 -0.9	LegalZoom LightpathTech	LZ LPTH	7.64 1.02
67	-9.1	Glatfelter	GLT	2.08		LincolnEduc	LINC	4.59
26	-5.4	GlenfarneMergerWt			-70.1	LindbladExped	LIND	5.91
69	-6.1	GlobalBlueWt	GB.WS		-10.5	LineageCell	LCTX	1.02
54	-5.0	GIMedREIT PfdA			-4.1	LionheartIII Wt	LIONW	
03	-1.2	GlbNetLeasePfdA			-4.4	LisataTherap	LSTA	4.01
14	-8.1	GlobalPtrsPfdB	GLPpB	24.00	-0.2	LivePerson	LPSN	7.96
04 14	-15.0 -2.0	GlblTechAcqnIWt	GTACW	2.96	-21.6 -6.2	Lizhi Lucid	LIZI LCID	0.43 11.87
70	-6.3	Gogoro GoldRoyaltyWt	GROY.WS		-1.4	Lumentum	LITE	65.66
01	-2.4	GooseheadIns	GSHD	29.23	-6.8	LumiraDxWt	LMDXW	
68	-5.0	GorillaTech	GRRR	10.85	-2.8	MarinSoftware	MRIN	1.10
	-10.5	Graphex	GRFX	1.23	-4.7	MatchGroup	MTCH	41.38
39	-3.4	GreenidgeGen	GREE		-10.7	MauiLand	MLP	8.34
41	3.6	GreenlandTech	GTEC	2.05	-0.5	MesaLab	MLAB	125.51
59 26	-1.2 -0.5	GreenPowerMotor	GP GNACW	1.98	-2.0 -63.0	MesabiTrust	MSB	19.36 0.04
20 05	-1.4	GroupNineWt GpoAvalAcc	AVAL	2.30	-05.0	MetalSkyStarWt MetalsAcqnWt	MTALWS	0.04
93	0.8	GrupoTelevisa	TV	5.06	-5.4	Microvast	MVST	1.56
65	-3.6	HUYA	HUYA	1.98	-6.6	MindMed	MNMD	
91	0.5	HallmarkFin	HALL	0.96	-4.4	MinervaSurgical	UTRS	0.39
54	-6.4	HannonArmstrong			-10.2	MistrasGroup	MG	4.36
71	-4.1	HarvardBioSci	HBIO	2.15	-3.4	ModivPfdA	MDVp/	
40 93	0.9	HlthcrTrAmerPfdA		19.39	-1.2	Mondee	MOND	6.74
93 34	-7.9 -6.9	HennessyCapIV Wt HerculesCapNts33		21.60	-60.0 -2.6	MontereyCapWt MorganStanleyPfdP	MCACW	0.03 · 24.68
	-21.1	HershaHospPfdE		18.31	-0.1	MorganStanlevPfd1	MSpl	24.00
15	-5.5	Heska	HSKA	67.94	-2.9	MorganStanleyPfdO		17.03
03	-1.4	HillstreamBio	HILS	0.61	1.8	NatrlOrderAcqnWt		
40	-9.4	Histogen	HSTO	1.21	-4.7	Neogen	NEOG	11.30
25	-10.3	HomeFedBncpLA	HFBL	17.80	1.3	Netcapital	NCPL	1.62
16 38	-7.3	HudsonPacificPfdC	. HPPpC	14.17 I 0.01	-0.6	NeuBaseTherap	NBSE	0.27 0.03
58 79	-2.1 -1.9	HumanCoAcqnWt HuntCosl Wt	HTAQ.WS	0.01	79.3 -90.7	NewProvidencell Wt NewcourtAcqnWt		
01	-2.7	InsuAcqnIII Wt	IIIIW		-12.0	NextCure	NXTC	2.60
34	-8.2	IXAcqnWt	IXAQW	0.03	-25.0	NextEraEnDebN	NEEDN	
07	-7.2	IZEA	IZEA	0.66	-0.6	NiuTech	NIU .	3.15
04	-5.3	IberePharmWt	IBER.WS		-34.1	NobleRockWt	NRACW	
35	-3.8	iBio	IBIO	2.14	-6.4	Nocera	NCRA	1.33
84	-70.0 -3.5	IgnyteAcqnWt ImmixBiopharma	IGNYW	1.11	-47.2 8.0	NoginWt NorthernStrIII Wt	NOGNW	
80	-1.5	ImpelPharm	IMPL	4.13	-8.9	NorthViewWt	NVACW	
67	-8.9	IndepRealty	IRT	15.04	-4.6	NovoIntSci	NVOS	0.28
	-19.7	Inpixon	INPX	4.17	9.9	NuvveHoldingWt		
	-10.1	Inseego	INSG	1.68		Nuwellis	NUWE	0.22
27	-2.8	InspiratoWt	ISPOW		-5.0	OFSCreditPfdE	OCCIN	20.39
36	-7.6 -46.7	InspireMD	NSPR	1.12 2.80	-1.7	Oatly	OTLY	2.25 I 0.02 ·
06	-46.7	InVivoTherap ItiquiraAcqnWt	NVIV ITQRW		-9.3 -87.5	OceanTechl Wt Ocugen	OTECW OCGN	1.54
	-12.3	JELD-WEN	JELD	8.39	-2.1	OmegaFlex	OFLX	88.38
50	-4.2	Joann	JOAN	4.45	-8.6	OneStopSystems		3.05
82	-5.2	JoffFintechWt	JOFFW			OneConnectFin	OCFT	0.66
48	-3.3	JX Luxventure	JXJT	0.70	-3.6	OpendoorTech	OPEN	2.44
94	-0.4	JaguarHealth	JAGX	0.14	-3.8	OpGen	OPGN	0.19
03 60	11.5 -0.5	JamfHolding	JAMF JSPR	19.20 0.71	-4.5	OppFiWt	OPFI.WS	0.09 · 4.55
6U 95	0.3	JasperTherap JawsHurricaneWt			-3.3 -5.4	Opthea Oragenics	OPT OGEN	0.22
85	-0.2	JuniperII Wt	JUN.WS		-11.8	OrbitalInfr	OIG	0.22
38	-0.2	KulrTech	KULR	1.03	-2.7	Organon	OGN	22.88
05	-0.9	Kalera	KAL	0.70	-19.0	Organovo	ONVO	1.63
	-16.4	KaleyraWt	KLR.WS		1.5	Orgenesis	ORGS	1.27
	-20.6	Kaleyra	KLR	0.72	3.6	OscarHealth	OSCR	3.51
41	-6.4	KelsoTechs	KIQ	0.25	-4.4	OusterWt	OUST.WS	
24 57	-3.8 -2.1	KemperDeb2062 KensingtonV Wt	KMPB KCGI.WS	18.79 0.11	-2.2 7.2	Owlet OwletWt	OWLT.WS	0.92
	-29.1	KeyCorpPfdH	KEYDL	24.01	1.2	OxfordLanePfd2024		
95	-7.3	KeyCorpPfdG	KEYpK	21.51	-0.1	OxfordLanePfd2027		22.06
01	-6.3	Kingstone	KINS	2.50	0.8	OxfordLaneNts2031	OXLCL	22.50
03	-7.0	KoreaElcPwr	KEP	5.87	-3.1	OxfordLanePfd2029		21.11
04		LGL Wt	LGL.WS		5.0	PLBY Group	PLBY	3.53
32		LMFAcqnOpps	LMAOL	9.10	-7.7	PoetTech	POET	2.34 -

	LJLA	4.40	7.2	i ussugebio	1 1130	1.10	2.2	3PI CHEIGY	JP1	1.17	-2.4	renaxinerap	LLIVA	0.14 -10.0	
	LTRX	4.33	-3.7	PaysafeWt	PSFE.WS	0.09	11.6	SachemNts2027	SCCE	19.25	-2.8	TenayaTherap	TNYA	2.43 -4.3	
	LZ	7.64	-6.6	PebblebrookPfdG	PEBpG	17.71	2.0	SachemNts2027	SCCF	18.72	0.6	TVA Bds D	TVC	20.50 -1.4	
	LPTH	1.02	-1.9	PegasusDigWt	PGSS.WS	0.10	-9.1			22.21	-2.0	Tesla	TSLA	204.16 -7.5	
	LINC	4.59	-4.3	PepperLimeWt	PEPLW		-25.0			22.02	-1.3	TexasCapBcshsPfdB		19.45 -0.4	
	LIND	5.91		PerpetuaRscs	PPTA	1.75	-5.4				-4.9	ThredUp	TDUP	1.34 -5.5	
	LCTX	1.02	0.9	Personalis	PSNL	2.40	-5.8			18.22		ThunderBridgelllWt		0.01 -49.9	
								SalariusPharm	SLRX		-13.8	TravereTherap	TVTX	20.50 -10.8	
	LIONW		-52.2	Playtika	PLTK	9.08	-3.1	SangomaTechs	SANG	4.64					
	LSTA	4.01	-5.2	PolestarAutoWt	PSNYW			SaulCentersPfdD		20.62	-2.2	TritonIntlPfdC	TRTNpC	22.27 -2.0	
	LPSN	7.96	-8.6	PolestarAuto	PSNY	4.78	-5.7	SchmittIndustries	SMIT	1.45	-18.6		TRTNpE	18.71 -1.9	
	LIZI	0.43		Polished.com	POL	0.48		Science37	SNCE	1.07	-5.2	TriumphBncpPfdC		23.00 -3.6	
	LCID	11.87	-8.6	PonoCapTwoWt	PTWOW	0.05	-2.0	Sea	SE	50.79	-6.2	TRXADEHEALTH		0.90 -14.4	
	LITE	65.66	-5.0	PowerREIT	PW	9.82	-7.1	Seagate		49.62	-2.7	UiPath	PATH	11.10 -5.4	
	LMDXW	0.04	-38.9	PowerbridgeTech	PRTS	0.18	-3.0			16.75	-0.2	UnitedInsurance	UIHC	0.49 -5.1	
	MRIN	1.10	-6.7	PresidioProperty		1.10	-5.9	SemperParatusWt		0.03	0.2	UplandSoftware	UPLD	6.89 -4.8	
	MTCH	41.38	-6.7	PrimaveraCapWt				SenesTech	SNES	0.05	1.8	Vapotherm	VAPO	1.22 -9.4	
	MLP	8.34		PriorityIncmPfdI		22.00			SBET	0.25	-4.0	VeevaSystems	VEEV	151.02 -3.1	
	MLAB	125.51						SharpLink					VNTR	0.70 -3.0	
						21.51		ShiftTech	SFT	0.51	0.5	VenusConcept	VERO	0.27 -7.1	
	MSB	19.36	-3.3	PublicStoragePfF		21.00		ShiftPixy		10.65		Verastem	VSTM	0.36 -7.8	
/t	MSSAW		-29.9	PyrogenesisCda	PYR		-10.2	SigmaAdditive	SASI	0.71	-4.1	VeryGoodFood	VGFC	0.10 -7.9	
	MTAL.WS	0.29	-3.2	Q2Holdings	QTWO	27.94	-7.6	SiNtxTech	SINT	0.14	-7.5		VIA	5.41 -7.5	
	MVST	1.56	-6.5	QuanergySystems	QNGY	1.75	-2.7	SiTime	SITM	73.10	-8.2				
	MNMD	2.75	2.1	Quantum-SiWt	QSIAW	0.43	-6.9	Skillsoft	SKIL	1.46	-8.1	ViraxBiolabs	VRAX	1.62 -7.4	
	UTRS	0.39	-29.4	Quhuo	QH	1.31	-1.5	SkvHarbourWt	SKYH.WS	0.26	-9.3		VTGN	0.11 -11.1	
	MG	4.36	-6.2	QuiptHomeMed	QIPT	3.89		SoYoungIntl	SY	0.58	-6.6	VivaniMedical	VANI	1.92 -3.0	
	MDVpA	21.21	-2.0	QuoinPharm	QNRX	1.65		SolenoTherap	SLNO	1.31	-1.5	VivoPowerIntl	VVPR	0.62 7.6	
	MOND	6.74	5.1	QwestNts2056	СТВВ	17.30		SolidPowerWt	SLDPW	0.75	-9.4	Volta	VLTA	0.98 -3.3	
/t	MCACW		-14.3	OwestNts2057	CTDD	18.28	-5.1	SomaLogicWt	SLGCW	0.75	9.7	Vroom	VRM	1.01 -8.9	
	MSpP	24.68	-0.3	RMGAcqnIIIWt	RMGCW				SOFO	0.20	-3.7	VyantBio	VYNT	0.48 -1.8	
	MSpl	24.09	0.1		PACK	2.90		SonicFoundry		0.95		BerkleyDeb60	WRBpG	16.35	
	MSpO	17.03	-0.6	Ranpak				SonimTech	SONM		-9.7	Wayfair	W	28.11 -8.1	
	NOACW	0.00		ReadyCapPfdC	RCpC	18.03		Sono	SEV	1.71	-5.5	WellsFargoPfdAY	WFCpY	21.72 -0.3	
٧L			-3.0	RealtyIncome	0	55.50	-3.5	SonomaPharm	SNOA	1.86	-2.0	WescoPfdA	WCCpA	26.48	
	NEOG	11.30		Recruiter.com	RCRT	0.72	-7.7	SouthernNts20		19.28	0.1	WheelsUpWt	UP.WS	0.08 -6.1	
	NCPL		-7.0	Redfin	RDFN	4.06	-7.0	SpruceBio	SPRB	1.13	-6.6		WLDN	10.98 -0.3	
	NBSE	0.27		RedwireWt	RDW.WS	0.23	-8.0	StandardLithium	SLI	3.53	-5.1		WIMI	1.12 -8.2	
	NPABW		-64.5	RelianceGlobalWt	RELIW	0.15	0.2	SteakholderFds	STKH	1.60	-6.0		WTFCM	23.26 -3.5	
۷t	NCACW	0.01	-1.0	RelmadaTherap	RLMD	5.93	-4.2	Stereotaxis	STXS	1.62	-5.1		WKEY	1.18 -15.5	
	NXTC	2.60	-4.6	Renalytix	RNLX	1.05	4.2	StifelFinNts47	SFB	20.08	-1.2		XYF	1.72 -4.1	
٧	NEEpN	23.52	-0.2	RenttheRunway	RENT	1.75		StitchFix	SFIX		-10.3		XOMAP	22.51 -2.1	
	NIU	3.15	-3.6	Repay	RPAY	6.13			GJH	8.24			XRTX	0.81 -9.3	
	NRACW	0.05	-9.8	Revolve	RVLV	20.72		SunstoneHotelPfdI		17.89			XERS	1.20 -5.4	
	NCRA	1.33	-4.1	RigettiComp	RGTI	1.60		SuperLeagueGam		0.52	-8.1		XOSWW	0.09 -10.6	
	NOGNW		-55.2	RiteAid	RAD	3.84		SuRoCapNts2026		22.43					
۸/t	NSTC.WS		-50.6		RITMDA	18.45		Swyl			12.0		XPEV	8.15 -8.2	
V.C	NVACW		-43.2	RithmCapPfdA					SWVL		-13.8		XPER	12.45 -4.7	
	NVOS		-61.9	RiverNorthPfdA	OPPpA	17.95		TFF Pharm	TFFP	3.02		Zedge	ZDGE	2.17 -4.4	
12				RockyBrands	RCKY	19.00		TopFinancial	TOP				ZEPP	1.20 -4.7	
٧L	NVVEW		-13.6	SCE IV Pfd	SCEpJ	18.02	-0.7	T Stamp	IDAI	0.80	-6.2	ZimVie	ZIMV	7.16 -5.9	
	NUWE		-21.5												
	OCCIN	20.39													
	OTLY	2.25	-6.3												
	OTECW		-47.4	D											
	OCGN	1.54	-8.8	Divide	nd	Lh:	and	aes							
	OFLX	88.38	-2.9	ac			~ 1								
ns	OSS	3.05		l											
	OCFT	0.66	-1.9	l							Amo	unt		Payable/	
	OPEN	2.44	-9.8	Company				Symbol	VId %		Vew/			Record	

			Amount		Payable /
Company	Symbol	Yld %	New/Old	Frq	Record
Increased					
AO Smith	AOS	2.4	.30/.28	Q	Nov15/Oct3
Avient	AVNT	3.0	.2475 /.2375	Q	Jan06/Dec16
Service Properties Trust	SVC	10.9	.20 /.01	Q	Nov17/Oct24
Stocks					
Copart	CPRT		2:1		/Nov0
Special					
Gladstone Investment	GAIN	7.8	.12		Dec15 /Dec06

Friday, October 14, 2022 Stock Sym Hi/Lo Chg Stock Highs DoweredBrands&
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UnitedHealth Boosts Earnings Forecast

By Anna Wilde Mathews AND DEAN SEAL

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UnitedHealth Group Inc. again raised its profit outlook for the year after posting a 12% increase in third-quarter revenue, and the company offered an early preview of its expected continued earnings growth next

The healthcare and insurance giant on Friday gave some early hints about its 2023 financial guidance, comments that are typically closely parsed by investors seeking to understand both the company's trajectory and broader healthcare

UnitedHealth Chief Executive Andrew Witty suggested that financial analysts' current projections for 2023 were

roughly in line with the comthe current consensus at the top of our likely initial earnings outlook range." The company continues to aim for its longterm goal of 13% to 16% annual earnings growth, he said, and it expects strong expansion of its Medicare business.

But the CEO and other UnitedHealth executives warned that they expect medical costs will likely increase faster than the historic rate next year, pushed up by inflationary pressures including rising costs of living, capacity constraints and labor market tightness. The company said it was planning and pricing for the increase, which would come even as the impact of Covid-19 has been re-

Mr. Witty said UnitedHealth pany's planned guidance, "with is working to limit cost increases and is having an impact, but "there are some unavoidable pressures in the macro environment.'

The company's signal of ris-

ing healthcare costs—and likely

Third-quarter revenue posted

by UnitedHealth

increases in premiums for employers-is the latest sign of how rising labor costs and other expenses are starting to ripple through the healthcare economy. Premiums for many consumers buying health plans on the Affordable Care Act exchanges are expected to rise significantly in 2023.

UnitedHealth also said it hasn't vet seen evidence of recessionary trends in the economy, and it saw clients adding to their head counts in the third quarter. Still, the company said it is watching for any signs of a possible economic downturn.

For the third quarter, UnitedHealth said quarterly revenue came in at \$80.9 billion, with growth of 11% from its UnitedHealthcare business, which served an additional 850,000 people in the third quarter compared with last year, and 17% at Optum Health, its health-service arm.

Earnings swelled to \$5.26 billion, or \$5.55 a share, from \$4.09 billion, or \$4.28 a share, in the same quarter a year ago. Stripping out one-time items, the company said earnings were \$5.79, topping analyst estimates of \$5.43, according to FactSet.

UnitedHealth raised its adjusted earnings guidance for the year to a range of \$21.85 to \$22.05 a share, a 30 cent jump from the midpoint of its previous guidance. The company has raised its earnings outlook in each of the last three quarters.

Shares rose nearly 1% to \$513.13 in Friday.

UnitedHealth is the first healthcare heavyweight to report its earnings this season. with Elevance Health Inc. set to report next week and others

following in late October and early November.

The report comes less than a month after UnitedHealth prevailed against the Justice Department in an antitrust challenge to its \$13 billion acquisition of health-technology firm Change Healthcare. A federal judge rejected the federal government's assertion that the deal would suppress competition in the health-insurance market.

The judge ordered United-Health, which owns the largest U.S. health insurer and healthcare operation, to divest business assets related to claimsprocessing, but otherwise denied the government's bid to block the transaction. United-Health closed its acquisition of Change in early October.

Kroger Sets Deal to Buy Albertsons

Continued from page B1 chairman of the combined company, in an interview.

Kroger and Albertsons began engaging in serious deal talks about two months ago. Mr. McMullen said, though he and Albertsons CEO Vivek Sankaran have known each other since Mr. Sankaran's previous role at PepsiCo Inc. as the head of Frito Lay's North America business. Mr. McMullen also worked with former Albertsons CEO Bob Miller when Mr. Miller led Fred Meyer stores, which Kroger acquired in 1998.

Both companies have been working with attorneys on potential divestitures that they anticipate will be required to secure regulatory approval, Mr. McMullen said. The companies expect that process to take up to two years, he added, with the deal expected to close in early 2024.

"We would hope and expect that the [Federal Trade Commission] would understand this supports union jobs," Mr. McMullen said. The deal also would allow the companies to compete better with bigger food sellers by investing in keeping prices low, technology and other operations, he said. They have done work on potential buyers they plan to engage with, he said.

The companies expect the integration to take about four years, he said. The combined entity will have a new name, with the companies' current store names staying the same and Kroger becoming the main

Together, Kroger and Albertsons could command about 13% of the food-retail sales in the U.S. following divestitures for regulatory approval, according to J.P. Morgan analysts, smaller than Walmart's 22%

The companies said Kroger plans to invest in lowering

about \$500 million in anticipated cost savings to reduce prices for customers. About \$1.3 billion will be invested into Albertsons stores.

Combined, the companies said they would have a bigger network of stores, distributors and suppliers, in addition to a national reach and greater manufacturing footprint. The companies said they would also be able to deliver fresh products from fields to homes by combining their supply chains, and they would offer about 34,000 private-label products.

Kroger, based in Cincinnati, operates more than 2,700 grocery stores, including its namesake locations as well as regional chains such as Fred Meyer and Ralph's, and it generated \$137.9 billion in sales in its 2021 fiscal year. Albertsons runs nearly 2,300 supermarkets across the U.S., including the Safeway and Vons chains, and reported \$71.9 billion in sales for fiscal 2021.

Albertsons' shares fell 8.5% on Friday, after jumping 11.5% on Thursday on reports of the prices and expects to direct merger talks. Kroger shares



Together, Kroger and Albertsons could command about 13% of the food retail sales in the U.S.

fell 7.3% on Friday.

J.P. Morgan analysts estimated Thursday that the two companies might have to divest themselves of roughly 350 to 450 stores, or 7% to 10% of their footprint, to appeal to regulators. Creating a strong No. 2 behind Walmart could give the combined entity more leverage in negotiations with

vendors and help it push back on price increases, they wrote, though they expect regulators to focus more on the enlarged company's regional influence, versus its national share.

Boise, Idaho-based Albertsons said in February that it was reviewing strategic options, including potential transactions, to boost value

pand its business, less than two years after the company went public. Albertsons has worked to improve its operations and has benefited from increased at-home food consumption during the pandemic, but its shares have largely stayed flat over the past year.

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Apple Store Votes to Unionize

By AARON TILLEY

Apple Inc. retail workers in Oklahoma City voted to unionize, becoming the second group of employees at one of the iPhone maker's U.S. stores to organize officially.

plans to join the Communications Workers of America. The Apple store located at Oklahoma City's Penn Square Mall has a total of about 100 employees eligible for union membership.

"Now that we've won the election, it is our hope that management will come to the table so that we may collectively work towards building a company that prioritizes workers over profit and encourages employees to thrive," said Charity Lassiter, an employee at the Oklahoma City

store and a member of the organizing committee. Employees voted 56 to 32 in

favor of joining a union, according to a ballot count Friday evening released by the National Labor Relations Board. An Apple spokesman said:

The group, which calls itself "We believe the open, direct the Penn Square Labor Alliance, and collaborative relationship we have with our valued team members is the best way to provide an excellent experience for our customers, and for our teams. We're proud to provide our team members with strong compensation and exceptional benefits."

The vote follows a successful unionization push in June at an Apple Store in Towson, Md., a suburb of Baltimore. Those employees joined the International Association of Machinists and Aerospace.

Apple retail workers at other

stores have tried to unionize. including locations in New York City and Atlanta. While the Atlanta workers in May withdrew a petition to vote on unionization, organizers have said they might seek to hold a vote at a later time. In New York, the federal labor agency recently issued a complaint against Apple that it had allegedly prohibited the placement of pro-union fliers in the employee break room and interrogated workers about their support of a union.

Unions are pushing to grow as companies struggle with labor shortages and workers demand more from their employ-Private-sector union membership has been facing a long-term decline. A record low of 6.1% of workers were members of a union in the private sector in 2021, according to the Labor Department.

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Stocks Drop After Short-Lived Surge

AND AKANE OTANI

U.S. stocks fell Friday, the latest U-turn for markets after a volatile week marked by big swings in both directions.

Stocks fell to start the week, then tumbled again early Thursday after data showed inflation rose more than expected in Septem-

major

FRIDAY'S ber—a **MARKETS** setback for inves-

tors who had hoped for a report that might give the Federal Reserve space to slow down its rapid pace of interest-rate increases.

Then something unexpected happened. Stocks surged to finish the day higher. Thursday marked the first time the Dow

industrials both fell at least 500 points and rose at least 800 points in a single trading day, according to Dow Jones Market Data.

Outsize moves both to the upside and downside show just how jittery investors have gotten this year. Inflation has remained uncomfortably high, despite the Fed raising rates at the fastest pace since the early 1980s. Economic growth is also slowing. That has made many investors build up bets against the market—which they have then sometimes, as in Thurs-

day's case, abruptly unwound. The conditions were ripe for a counterintuitive move, since we often see something like this when positioning is one-sided," Jason Goepfert, president of Sundial Capital Research, said.

The S&P 500 shed 86.84 points, or 2.4%, to 3583.07 and finished the week with a 1.6% loss. The Dow Jones Industrial Average slipped 403.89 points, or 1.3%, to 29634.83 and rose 1.2% for the week. The Nasdaq Composite declined 327.76 points, or 3.1%, to 10321.39 and slipped 3.1% for the week.

Stocks fell broadly Friday, with all 11 sectors of the S&P 500 posting losses. The materials and consumer-discretionary groups were among the biggest decliners.

Bank stocks were mixed after large lenders reported profits dropping in the third quarter. The KBW Nasdaq Bank Index fell 1.4%.

In the bond market Friday, Index performance this past week the yield on the 10-year U.S. Treasury note rose to 4.005%, from 3.952% Thursday. Yields rise as bond prices fall.

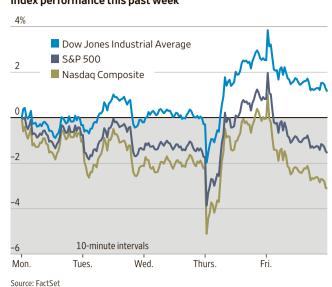
Elsewhere, U.K. stocks and government bonds, or gilts, rose after Prime Minister Liz Truss fired Treasury chief Kwasi Kwarteng, just weeks after he presented the largest tax cuts in a generation.

In Asia, China's Shanghai Composite climbed 1.8% while Japan's Nikkei 225 added 3.3%.

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Morgan Stanley's Profit Slides 29%

By Charley Grant

A deal-making drought dinged Morgan Stanley's third-quarter results, sending profit down 29%.

The bank said Friday it posted a profit of \$2.63 billion, or \$1.47 a share. Analysts had expected \$1.52 a share, according to estimates compiled by FactSet. Revenue compiled by FactSet. Revenue fell 12% to about \$13 billion in the quarter, which also missed expectations of \$13.3 billion.

It was Morgan Stanley's third consecutive year-overyear profit decline.

Investment-banking revenue, including fees from mergers and acquisitions, declined 55%. Rising interest rates and a weak stock market have led corporate executives to hold off on plans to make

the boom that characterized cial Officer Sharon Yeshaya much of the past two years. Companies emerged from the depths of the pandemic in good financial shape and eager to address business vulnerabilities that the crisis revealed. That unleashed a wave of deal making. Strong stock markets encouraged private companies to go public. Investment banking revenues broke records.

Morgan Stanley's banking peers weren't spared. Investment-banking revenue fell 47% at JPMorgan Chase & Co. and 64% at Citigroup Inc. in the third quarter.

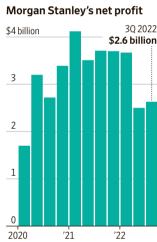
Despite the uncertain economic environment, "companies are ready and willing to Source: the company



The bank's revenue fell 12% to about \$13 billion in the quarter, missing expectations of \$13.3 billion.

deals or take their companies act as they have opportunistic windows in the marketplace.' It is a stark reversal from Morgan Stanley Chief Finan-

Morgan Stanley's net profit



said in an interview.

Wild market swings gave Wall Street stock and bond traders a small boost. Trading revenue rose 3% at Morgan Stanley and 8% at JPMorgan. Banks that connect buyers and sellers benefit from frenzied trading activity.

Morgan Stanley's return on tangible equity, a measure of how efficiently it uses shareholder money, weighed in at 14.6%, down from 19.6% a year

The bank is a big player in the Wall Street businesses of trading and deal making, but it is usually protected in volatile spells by its business managing money for wealthy clients. Wealth management

counted for 47% of total company revenue.

A bear market in stocks has slowed Morgan Stanley's retail-trading business. Those clients numbered 7.8 million at the end of September, essentially unchanged from the second quarter. But the average daily number of retail trades the company handled was about 805,000, down 9% from the second quarter.

Investment-management revenue fell 20%.

Morgan Stanley repurchased \$2.6 billion of stock in the third quarter. The bank said in June it plans a \$20 billion stock buyback with no set expiration date.

Morgan Stanley's shares revenue was \$6.1 billion in fell 5.1% in Friday trading. the quarter, up 3% from a The stock is down 23% year to

U.K. Markets Wary Of BOE's Safety Net

The Bank of England is hoping a safety net in the form of short-term cash infusions will stabilize markets after it wound down its emergency bond-buying program on Friday. Bankers and investors are skeptical it

> By Chelsey Dulaney, Anna Hirtenstein and Josh Mitchell

The Bank of England launched what it called a temporary repo facility on Monday when volatility rocked the U.K.'s government debt markets. Investors worry about a so-called cliff edge for government bonds after the BOE stopped buying them on Friday, ending a program it introduced in late September after a whirlwind selloff that threatened the U.K.'s financial stability. The repo facility is scheduled to run until Nov. 10, helping to cushion the transi-

U.K. government borrowing costs whipsawed Friday as U.K. Prime Minister Liz Truss fired Treasury chief Kwasi Kwarteng and reversed crucial parts of her government's tax plan that had spooked markets. The yield on a 30-year U.K. government bond, or gilt, swung by 0.66 percentage-point in Friday's trading session, ending the day sharply higher at 4.852% according to Tullett Prebon data. Yields rise as prices fall.

The dramatic moves were a reminder of the volatility still in store for U.K. markets as the Truss administration further refines its spending plans and the central bank steps away from direct intervention in the market.

The repo, or repurchase, market is a vital source of liquidity for global markets, allowing investors and companies around the world to borrow cash quickly using securities they own as collateral—usually government bonds. The Bank of England's new facility expands the assets that banks can use as collateral for the loans, including corporate bonds.

The BOE is hoping that easing collateral rules for banks will make it easier to provide support to the country's pension funds, which have been racing to raise cash to meet margin calls.

Pensions are at the center of the U.K. bond-market turmoil because of their use of liabilitydriven investments, or LDIs. LDIs use derivative contracts linked to government bonds to insulate pensions from interestrate changes. But as bonds sold off, the value of those derivapensions were hit by demands for more cash to shore up their positions. Bankers and investors say

tive trades fell sharply too, and

interest in the repo facility could be limited. That is because it requires banks to act as intermediaries, which some may be unwilling to do, bankers

The facility requires lenders to use their own capital to access the facility on behalf of pensions and the asset managers who handle their LDI investments, ultimately costing them profits as they can't deploy that capital on higher-returning business elsewhere, according to senior officials at international banks. One official said those concerns have been directly communicated to the Bank of England.

"The banks are supposed to sit between the BOE and pensions and LDIs. However the issue is that we're nowhere near the levels of stress that would entice banks to be willing to sit between LDI funds and the BOE," said Ravin Seeneevassen, a senior portfolio manager at Allianz Global Investors, "While they're sitting between the two, the bank would be taking on the credit risk of the LDI fund."

Mr. Seeneevassen said allowing pensions and LDIs to directly use the repo facility would be more effective.

But securing direct access to the BOE's repo program would require pensions or LDI fund managers to apply to be an official counterparty, a time-consuming process that could hinder the program's ultimate goal: getting them access to cash, quickly.

U.K. bank Barclays PLC said this past week that it would use the repo facility to help LDI funds access liquidity. It doesn't expect doing so will have a material impact on its capital ra-

To access the repo facility, banks pay a fee of 0.15 percentage point above the BOE's policy rate, currently set at 2.25%. As well, the central bank imposes haircuts, or discounts, on the value of assets posted as collateral that can reach up to 42% for riskier corporate bonds. Some worry the size of the haircuts make the facility unappetizing to use, even by pension and LDI funds under

"The impact of the repo facility is a marginal positive. Is it a replacement for the current gilt purchases? No," said Sanjay Raja, chief U.K. economist at Deutsche Bank. "It's certainly not the same scale and pace."

U.S. Bancorp Deal for MUFG Cleared

By Andrew Ackerman

WASHINGTON—The Federal Reserve on Friday approved **U.S. Bancorp**'s acquisition of MUFG Union Bank's core retail-banking business, one of a series of large regional bank mergers pending before federal regulators. In conjunction with the ap-

proval, regulators said they would launch a related rulemaking process to enhance regulators' ability to winddown large regional banks in an orderly way should they The approval of U.S. Ban-

corp's deal gives the firm just under \$700 billion in assets and solidifies its status as the fifth-largest retail bank in the country. When the deal was announced last year, the Minneapolis-based bank said the acquisition would give it the scale to compete with the largest consumer banks in California, including in the lucrative markets of Los Angeles, San Diego and the San Francisco Bay Area, where MUFG Union Bank has branches.

Relatedly, top banking regulators are seeking to address concerns that the steady growth of the nation's largest regional banks has introduced new risks to the financial system. In addition to the U.S. Bancorp deal, Bank of Mon**treal** struck a deal to buy BNP Paribas SA's Bank of the West and **Toronto-Dominion Bank** has a deal to buy Tennessee-based First Horizon Corp. All three require federal approval.

While these firms may lack the vast trading floors and international operations megabanks like JPMorgan Chase & Co. and Bank of America Corp., the biggest regionals' balance sheets are now approaching the size of some of so-called systemically important banks.

The approval of regional bank mergers had slowed while regulators considered whether to impose heightened requirements on the firms through new rules. The Wall Street Journal earlier reported.

"As the banking system changes, policymakers must continuously evaluate whether resolution-related standards and prudential standards for large banks keep pace," Michael Barr, the Fed's vice chairman for banking supervision, said Friday.

Friday's measure seeks public comment on several potential new requirements and resources that could be used for orderly resolution—or steps to ensure they could fail without disrupting the economy or requiring a taxpayer bailout-of these large banking organizations, including a long-term debt requirement that currently only applies to the biggest global banks, the Fed said.

The long-term debt would serve as an added layer of protection. If a large regional bank got in trouble, the debt would be converted into equity that would recapitalize the bank—a "bail in" that puts losses on the investors as opposed to a "bailout" by taxpayers.

Veteran Investor Raises Fund to Target Arizona Startups

By MARC VARTABEDIAN

Jack Selby, a veteran venture capitalist and former entrepreneur who played an early role in building PayPal Holdings Inc. into an online payments giant, has launched his own venture fund to target startups based in Arizona.

The \$110 million investment vehicle will aim to capitalize on the state's budding entrepreneurial ecosystem, Mr. Selby said. Arizona is fertile ground for startups, Mr. Selby said, because of its business-friendly government and the fact that it sits outside of the traditional coastal tech bubbles, which gives it the potential to birth technology that is more in touch with everyday people.

Mr. Selby will retain his rocket company Space Explocurrent position as managing director of Thiel Capital, a West Hollywood-based venture firm founded by tech mogul Peter Thiel.

The creation of Mr. Selby's fund, named AZ-VC, comes as the pandemic has helped spread venture capital beyond a handful of regions. Some investors have left Silicon Valley to set up shop in burgeoning tech hubs including Miami; Austin, Texas: and Denver, Entrepreneurs have said that remote deal making has allowed them to start companies from anywhere in the country more

Mr. Selby has made personal investments into companies including Elon Musk's

ration Technologies Corp. and financial technology company Affirm Holdings Inc.

The size of Mr. Selby's fund. while small in the startup investing world, is a significant haul for Arizona's venture market. Venture firms in the state cumulatively raised just \$178 million during all of last year and in prior years rarely raised above \$100 million, according to analytics firm PitchBook Data Inc.

Mr. Selby said he had to navigate a challenging fundraising environment to raise the fund. Macroeconomic headwinds have cooled the venture market this year and initial public offerings and mergers and acquisitions, the

primary ways that venture in- utility is a subsidiary of Pinnavestors cash out their investments, are harder to come by. A significant chunk of the

fund's investors are in Arizona's real-estate industry, and he tapped investors from

Jack Selby says the state has become fertile ground for entrepreneurs.

across the state. Mr. Selby said. Utility company Arizona Public Service invested \$25 million, the largest check in the fund, Mr. Selby said. The cle West Capital Corp.

Most of the investors weren't used to venture investing, and it was challenging to get them to invest in his fund, Mr. Selby said.

"They really have a fixedincome mentality," Mr. Selby said. "What I do as an earlystage venture-capital investor is effectively sticking straws in the ground and trying to find oil. Those two worlds don't overlap very much, if at all, and so trying to breach that gap was a real challenge."

Mr. Thiel isn't invested in the fund, Mr. Selby said. He said that he would aim to leverage his connections to top venture firms, including Mr. Thiel's Founders Fund, to find

investors in later rounds for top performers from his fund.

"A lot of our companies have historically just died on the vine and not been able to raise money," Mr. Selby said about Arizona startups' lack of access to early-stage funding. "They're not staying in Arizona because they're trying to get their companies funded."

Mr. Selby said he thinks Arizona startups could excel in developing construction-related technology and tech that the masses can use, citing Arizonabased used car online marketplace Carvana Co. as an example. The fund would aim to make 20 investments into Arizona-based companies across a variety of industries, writing checks of up to \$5 million.