

THE WALL STREET JOURNAL

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What's News

Business & Finance

Netflix snapped back to subscriber growth in the third quarter, giving the streaming giant a jolt as it works to execute two major strategic shifts aimed at bolstering its revenue and subscriber base. **A1**

◆ **Goldman's quarterly profit** fell 43% as executives outlined a shake-up of the bank's businesses designed to position the firm to generate steady fees no matter the economic environment. **A1**

◆ **The Biden administration** plans to sell more oil from the strategic reserves and is considering authorizing new sales this winter as it tries to head off the potential for more market shocks and high prices. **A2**

◆ **The IRS adjusted** key tax code parameters for 2023 to reflect higher inflation, raising the standard deduction and the income thresholds where tax rates take effect. **A2**

◆ **Major U.S. stock indexes** rallied for a second day as investor confidence rose, with the S&P 500 and Dow both advancing 1.1% and the Nasdaq gaining 0.9%. **B1**

◆ **U.K. regulators said** Facebook owner Meta must sell animated-images company Giphy, affirming an earlier ruling that the 2020 acquisition could limit competition. **B1**

◆ **Amazon workers** in upstate New York voted against unionizing, a setback for activists pushing unionization at the company. **B1**

◆ **GE is looking** to sell its Crotonville training academy in Ossining, N.Y., and said it would shrink its Boston headquarters. **B1**

World-Wide

◆ **Russia's top military commander** in Ukraine signaled that its hold on the southern city of Kherson was weakening, as Ukraine said Russian strikes had knocked out some 30% of the country's power-plant infrastructure since last week, raising concerns of nationwide blackouts. **A1**

◆ **The Biden administration** stopped paying to mail out free Covid-19 tests and expects to end free vaccines for Americans after Congress dropped billions of dollars for such efforts from a government funding bill last month. **A4**

◆ **Suicides in prisons** and jails across the U.S. have risen sharply over the past two years, data collected by The Wall Street Journal show. **A3**

◆ **Black, Hispanic and American Indian** adults in the U.S. are hospitalized for influenza at higher rates and tend to have lower flu vaccine uptake, federal data showed. **A3**

◆ **Iranian authorities** are using plainclothes security officers, digital surveillance and drones to target the demonstrations that now characterize the protest movement that is sweeping the country. **A8**

◆ **EU officials** are seeking the power to impose an emergency cap on the price of natural gas on the bloc's main trading exchange. **A6**

◆ **Died: Benjamin Civiletti**, 87, attorney general who codified DOJ overhauls stemming from Nixon's abuses of power. **A5**

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Protests, Strikes Spread Over Inflation Concerns in France



TENSIONS: Protesters march during a demonstration in Paris on Tuesday as more than 100,000 people took to the streets across the country to demand higher wages to cope with rising energy bills and broader inflation. **A6**

Goldman Profit Slides 43% As Bank Details Big Shake-Up

By CHARLEY GRANT AND JUSTIN BAER

Goldman Sachs Group's third-quarter profit fell 43% as executives outlined a sweeping shake-up of the bank's businesses designed to position the firm to generate steady fees no matter the economic environment.

Goldman suffered by far the steepest profit slide among its big-bank peers in the quarter because of a slump in deal making.

As part of the restructuring, Goldman plans to fold in-

vestment banking and trading into one unit and merge asset and wealth management into another—giving it a higher profile at the same time.

For years, Goldman has wrestled with what it should be and how it should buffer itself against the sort of volatility that cropped up in the third quarter, keeping deal makers on the sidelines and drying up the market for initial public offerings.

The restructuring, reported late Sunday by The Wall Street Journal, reflects Chief Executive David Solomon's

broader effort to shift Goldman's focus away from the high-risk, high-reward Wall Street units that have long defined it and toward businesses that generate consistent fees.

Mr. Solomon said that the new structure would strengthen the bank's core businesses, diversify its products and services and allow it to "operate more efficiently as we drive higher, more durable returns."

Investment banking and trading have long been Goldman's power centers, and those units generate huge prof-

its in times when markets reward risk-taking. But the businesses are prone to big swings in choppy markets. Goldman's investment-banking revenue fell 57% in the third quarter; trading revenue rose 11%.

Building out the firm's wealth- and asset-management offerings is key to Mr. Solomon's strategy to smooth out the bumps. Managing wealthy people's money and overseeing funds for pensions

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◆ **Heard on the Street:** Consumer outreach, Goldman's way... B14

Netflix Reverses Customer Losses

Streamer's quarterly gain beats forecasts ahead of planned shift to ad-supported tier

By SARAH KROUSE

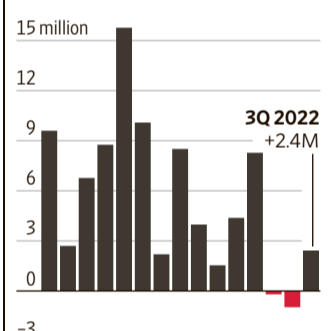
Netflix Inc. snapped back to subscriber growth in the third quarter, giving the streaming giant a jolt as it works to execute two major strategic shifts aimed at bolstering its revenue and subscriber base.

The company added 2.4 million new subscribers in the September quarter, after having forecast a net gain of 1 million customers. The subscriber growth followed back-to-back quarters of customer defections that raised questions about Netflix's ability to grow its user base amid increased competition.

"Thank God we're done with shrinking quarters," co-Chief Executive Reed Hastings said on an earnings call Tuesday. Executives said Netflix had good momentum, but had to continue to work to spur greater revenue growth.

The company's shares rose 14% in after-hours trading following the results. As of Tuesday, Netflix's stock was down
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Net new Netflix subscribers, quarterly



Source: the company

INSIDE



U.S. NEWS

Source for 'Steele dossier' is acquitted on charges of lying to the FBI. **A5**



JASON GAY

Warriors aim to repeat as NBA champions, as other teams fight for the No. 1 draft pick. **A14**

Russian Grip on South Eases, But Attacks Slam Power Grid

By THOMAS GROVE AND YULIYA CHERNOVA

Russia's top military commander in Ukraine signaled its hold on the southern city of Kherson was weakening, as Ukraine said Russian strikes had knocked out some 30% of the country's power-plant infrastructure since last week, raising concerns of nationwide blackouts.

Gen. Sergei Surovikin, the recently appointed commander of Russian armed forces in Ukraine, gave a rare pessimistic take of his invading forces' po-

sition, telling state television Tuesday that the situation in Kherson "is not at all easy right now" and that the priority in the south was preserving civilians and military personnel.

"Difficult decisions cannot be ruled out," he said, without elaborating, in his first significant public comments since taking over the role.

Gen. Surovikin's comments came as Russia launched a fresh volley of missiles at Ukraine's critical infrastructure, the latest in a number of attacks that Kyiv said has damaged nearly a third of the coun-

try's power plants.

"Ukraine is under fire by the occupiers. They continue to do what they do best—terrorize and kill civilians," President Volodymyr Zelensky of Ukraine said in a statement.

Developments in recent days underscore the two sides' competing offensives in the war, with Russia hammering civilian targets as Ukraine advances on

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◆ **Politics splits two Ukrainian brothers** in war... A7
◆ **Tehran's alliance with Russia** raises Iran's profile... A8

Fans Snag Celebrity Usernames

Connection might spur complaint—or dinner invite

By MADDIE ELLIS

In 2018, then middle-schooler Adrianna Wagner became smitten with professional baseball player Christian Yelich, after the Miami Marlins traded the left-fielder to her home team, the Milwaukee Brewers.

The teen, who lives in Alma Center, Wis., started a TikTok account to post fan videos, using Mr. Yelich's name as a handle. She figured people searching his name on the app might come across her account and follow it.

For four years, she operated what she calls a "cute little fan account." @christianyelich, and drew about 400 followers. But
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Energy Bills Tear At Fashion Industry

Surge in European prices imperils textile makers; 'a monster that's devouring us'

By STACY MEICHTRY AND JENNY STRASBURG

The energy crisis that has closed steel mills and aluminum smelters across Europe is now spreading to the continent's fashion industry.

Thousands of small factories and workshops that supply brands such as Gucci and H&M have watched their business models unravel amid the surge in natural-gas and electricity prices following Russia's invasion of Ukraine and its decision to reduce the flow of gas to the continent. Energy costs for many textile makers have risen from about 5% of production costs to around 25%, slashing their profit margins, according to data from Euro-

pean textiles and apparel trade group Euratex.

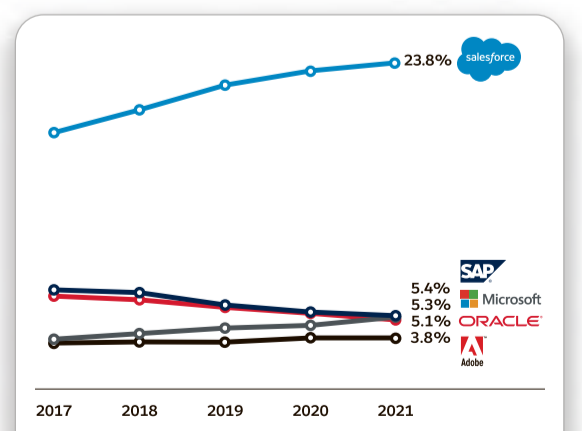
Energy prices have risen so high, textile makers said, that utilities and other energy vendors, concerned about not getting paid, are demanding that the textile companies secure bank guarantees or come up with cash advances to cover months of expected energy bills. In Italy, Europe's biggest textile producer, many manufacturers said they can no longer line up energy-purchasing agreements that previously insulated them from short-term price fluctuations.

Italy and some other
Please turn to page A10

◆ **EU seeks power to set cap on natural-gas price**... A6

Salesforce. #1 CRM.

Ranked #1 for CRM Applications based on IDC 2021 Revenue Market Share Worldwide.



Source: IDC, Worldwide Semiannual Software Tracker, April 2022.



salesforce.com/number1CRM

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U.S. NEWS



The Bryan Mound Strategic Petroleum Reserve, an oil-storage facility, in Freeport, Texas.

Biden to Sell More Reserve Oil To Keep Gas Prices in Check

By TIMOTHY PUKO

WASHINGTON—The Biden administration is planning to sell more oil from the country's strategic reserves—and is considering authorizing new sales this winter—as it tries to head off the potential for more market shocks and high prices, according to senior administration officials.

President Biden plans to address the nation on gasoline prices Wednesday as midterm elections near and the clock runs down on releases of government reserves that have helped temper prices at the pump.

Central to his address will be a decision for the Energy Department to go ahead and sell the last roughly 15 million of 180 million barrels from the U.S. Strategic Petroleum Reserve he had authorized for sale back in March, the officials said.

The move comes just days after the Organization of the Petroleum Exporting Countries and its Russia-led allies agreed to output cuts and after Russian officials began threatening further supply cuts to strike back at Western sanctions. U.S. officials say the administration needs to extend the timeline of

its oil sales—originally to be completed in October—to counter those potential cuts and ensure prices keep falling from the historic highs of earlier this year.

Mr. Biden also plans to call on the Energy Department to be prepared for more sales from what is left of about 400 million barrels in the reserve if Russia or others disrupt world markets, according to the White House.

Average U.S. gasoline prices dipped by more than 7 cents a gallon over the past week, but are still up by more than 17 cents from a month ago, according to OPIIS, an energy-data and analytics provider that is part of Dow Jones & Co., publisher of The Wall Street Journal.

The administration also plans to complete a new plan for buying more crude to refill the reserve, although officials expect they won't make such purchases for months. The plan would buy crude when prices are at or below about \$67-\$72 per barrel, an approach that would "protect taxpayers and help create certainty around future demand for crude oil," the White House said in a fact sheet.

The president also plans to call on oil companies to lower their costs to consumers. Oil companies say prices are driven by market factors.

The White House has effectively used the reserve, also known as the SPR, to calm markets and ease an energy crisis that could have been much worse since Russia invaded Ukraine, analysts said. But now it faces potentially an even greater challenge as war in Europe drags on and several geopolitical conflicts come to a head—now with the SPR drained by more than 40% from its total capacity.

"The SPR was built for crisis—we're in a crisis, and it's not getting any easier," said Daniel Yergin, the vice chairman of S&P Global and a noted oil-industry historian.

Mr. Biden came into office touting an agenda to address the pandemic, social issues and climate change. But after years of low energy prices, a rebounding economy and then Russia's invasion of Ukraine sent them soaring, making inflation a key political issue that now threatens to push Mr. Biden's party out of power in Congress after midterm elections next month.

Mr. Biden tried to address that and blunt Russia's power as an oil and gas exporter with his decision in March, which approved as much as 1 million barrels a day in sales for six months starting in May. It was the biggest-ever drawdown from the country's stockpile at a time when past Republican-led Congresses had already approved drawing on the reserve to raise money for tax cuts and other spending.

Analysts say tapping the reserves was largely successful at tamping down prices. U.S. crude futures have fallen more than 20% since Mr. Biden's announcement, and retail gasoline prices that hit records in May then followed, falling sharply and almost uninterrupted in the months since.

The administration planned the move to buy time for production from the private sector and other countries to rise. Instead, production in the U.S. is starting to fall at a time when government forecasters back in March said it would take off, and those forecasters have downgraded their expectations for both U.S. and total world production in 2023, according to figures from the U.S. Energy Information Administration.

IRS to Raise Tax Brackets, Standard Deduction by 7%

By RICHARD RUBIN

WASHINGTON—The Internal Revenue Service adjusted key tax code parameters for 2023 to reflect higher inflation, raising the standard deduction and the income thresholds where tax rates take effect.

The 37% top marginal tax rate will apply to individual income above \$578,125 and married couples' income above \$693,750 next year, as those thresholds go up 7% from 2022 under inflation adjustments announced by the agency on Tuesday.

The standard deduction will climb to \$27,700 for married couples and \$13,850 for individuals, both also up about 7% from this year, letting taxpayers shield more of their earnings from income taxes. The maximum contribution to a healthcare flexible spending account will climb to \$3,050 from \$2,850.

Because inflation is higher than at any time in the past four decades, tax code adjustments are unusually high as well. They occur annually under formulas set by Congress and largely match analysts' projections.

The standard deduction will be \$27,700 for married couples next year.

This is the largest automatic adjustment to the standard deduction since core features of the tax system were first indexed to inflation in 1985. Congress has significantly expanded the deduction beyond those automatic changes, most recently in the 2017 tax law, when it was nearly doubled.

The changes will take effect for tax year 2023 and are generally designed to prevent inflation from causing tax increases. They will show up as lower tax

withholding from paychecks as soon as January and thus create larger take-home pay early next year, all else equal. Taxpayers will use the larger brackets and standard deduction to file returns in early 2024.

The adjustments announced Tuesday include the income tax brackets and dozens of other parameters. The estate and lifetime gift tax exclusion will rise to \$12.92 million from \$12.06 million per person. The annual gift tax exclusion—the amount any person can give to any other without affecting lifetime limits—will climb to \$17,000 from \$16,000.

There are six tax brackets below the top 37% bracket, with thresholds for married couples that are all double what the individual taxpayer thresholds are. The rates apply to taxable income—which is income after deductions. For individuals in 2023, the 10% bracket goes up to \$11,000, the 12% bracket goes up to \$44,725, the 22% bracket goes up to \$95,375, the 24% bracket goes up to \$182,100, the 32% bracket goes up to \$231,250, and the 35% bracket goes up to the top-bracket threshold.

The IRS hasn't released some annual adjustments yet for 2023, including income thresholds for retirement accounts and the maximum amount of allowable pretax contributions to 401(k) plans.

Last week, the Social Security Administration released the 2023 inflation adjustment for the Social Security payroll tax, which will apply to earnings up to \$160,200 instead of \$147,000 this year.

Many, but not all, dollar figures in the tax code are adjusted annually for inflation. When inflation is high, tax deductions and credits that don't change automatically lose their value more quickly.

For example, the maximum child tax credit remains at \$2,000 and begins phasing out when income reaches \$200,000 for individuals and \$400,000 for married couples.

Goldman Profit Slides

Continued from Page One and other deep-pocketed institutions is more profitable than other financial services, and it usually doesn't put the firm's balance sheet at risk.

Asset-management revenue fell 20% to \$1.82 billion in the third quarter. Wealth-management revenue was flat at \$1.63 billion.

The bank tapped Marc Nachmann, the firm's co-head of trading, to run the combined business.

Mr. Nachmann joined Goldman's investment-banking division in 1994. He later served as co-head of the financing group and then co-head of the whole division—the two posts Mr. Solomon held before his ascent to president. Mr. Solomon appointed Mr. Nachmann to help run the bank's trading business in 2019.

Viewed internally as one of the firm's most-skilled operating executives and a favorite of Mr. Solomon's, Mr. Nachmann will now bring his talents to a third major business. His new role will pose different challenges than his last two.

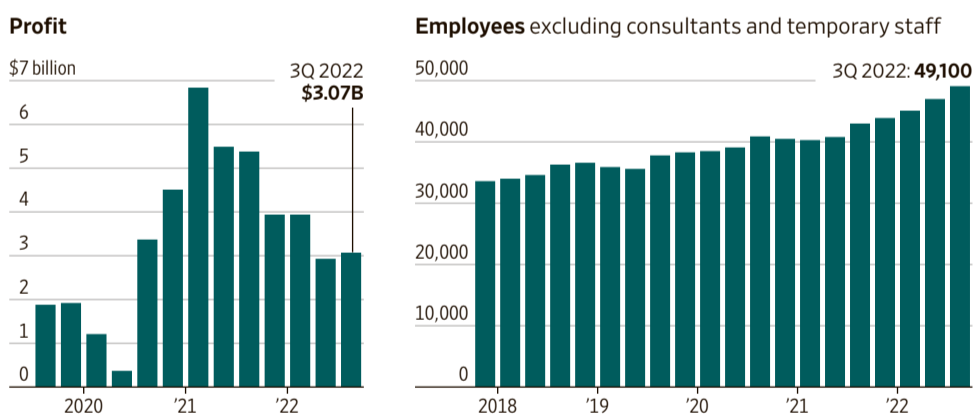
Goldman's asset- and wealth-management businesses haven't been viewed as the firm's core strengths and have grown in recent years in part through a string of acquisitions. The firm's senior executives have signaled they are open to more deals, bringing an element of complexity and operational risk.

At the same time, the firm is still working to translate its successes in investing its own balance sheet in private markets to investment funds that appeal to pensions and other outside clients.

Earlier this year, Goldman said it aimed to bring in more than \$10 billion in management fees by 2024, with at least \$2 billion coming from

Along with its third-quarter earnings, Goldman Sachs confirmed a broad shuffling in how it is organized.

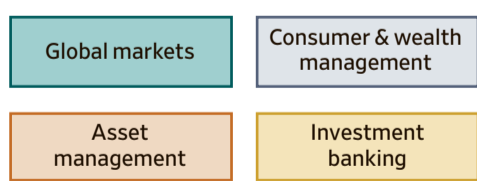
Quarterly financial results and headcount



Third-quarter investment banking revenue, percentage change from a year ago



Current segment structure



Third-quarter 2022 revenue, by segment



New structure



Source: the companies

so-called alternative investments such as private equity and credit.

The shuffling marks a major shift for Marcus, Goldman's consumer business. Goldman created Marcus several years ago, offering savings accounts and loans to the masses. Uptake has been slow: The unit's revenue rose 95% in the third quarter to \$744 million, but it accounted for just 6% of the bank's total revenue and has yet to turn a profit.

The consumer business will

Goldman suffered by far the steepest profit slide among its big-bank peers.

be parceled out, with much of it folded into the new asset- and wealth-management unit. Under Mr. Nachmann's direction, Goldman is planning to find new ways to deliver bank-

ing services to individuals through the firm's wealth advisers and its workplace platform, which manages corporate employees' investing and stock-planning services.

Some pieces of Marcus, such as its card partnerships with Apple Inc. and General Motors Co., will go into a third new unit called Platform Solutions. That unit will also house Goldman's financial-technology platforms and specialty lender GreenSky. Stephanie Cohen, who is the current

co-head of consumer and wealth management, will run the business.

Dan Dees and Jim Esposito, the current co-heads of investment banking, will run the new banking and trading operation alongside Ashok Varadhan, who currently is co-head of the trading business. Julian Salisbury, the co-head of asset management, will serve as the unit's chief investment officer. Rich Friedman will continue to be the asset-management division's chairman.

They will all report to Goldman President John Waldron. Goldman's new structure will more closely resemble that of big-bank peers like JPMorgan Chase & Co. and Morgan Stanley, which have combined trading and investment-banking businesses.

Profit fell at all of the big U.S. banks in the third quarter. While revenue declined at both Goldman and Morgan Stanley, it rose at JPMorgan, Citigroup, Bank of America and Wells Fargo & Co., all of which have closer ties to Main Street.

The majority of the banks—including Goldman—topped analysts' expectations for both earnings and revenue. And while executives sounded a warning about where the economy could be headed, their results confirmed that for now, individuals and businesses are still borrowing at a healthy rate.

Consumers increased their spending on credit cards in the third quarter, including on more discretionary items such as travel and leisure, though big-ticket loans such as mortgages and auto loans fell off a cliff.

Like everyone, the bank CEOs are parsing competing data about where the economy is headed next.

Mr. Solomon told analysts that the firm's client companies would like to see more economic certainty before committing to longer-term plans.

"The world is fragile at the moment," he said, citing high inflation and energy-price shocks. "It's uncertain, and we're operating through that lens."

CORRECTIONS & AMPLIFICATIONS

The U.S. Food and Drug Administration in December 2020 issued the first emergency-use authorization for a Covid-19 vaccine. A U.S. News article on Tuesday about Omicron-targeting boosters incorrectly said 2021.

A photo with an Oct. 13 Page One article about Ukrainian war strategy showed soldiers on an infantry fighting vehicle. The caption incorrectly described it as a tank.

Through Sept. 26, the S&P 500 index was down 23% year to date, and the Nasdaq Composite Index was down 31%. A Sept. 27 Business & Finance article about the initial-public-offering market incorrectly gave the losses as 24% and 32%, respectively.

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U.S. NEWS

Prisons, Jails See a Sharp Rise in Suicides

Pandemic isolation, staff shortages among reasons given as more inmates kill themselves

By KRIS MAHER AND DAN FROSCHE

Suicides in prisons and jails across the U.S. have risen sharply over the past two years, data collected by The Wall Street Journal show, a trend that officials and inmate advocates say is driven in part by the increased isolation of inmates during the pandemic, more abuse of drugs including fentanyl and staff shortages.

In the Texas prison system last year, 61 inmates took their own lives, the most in two decades. In Louisiana, 13 state prison inmates died by suicide from January 2021 through the beginning of October, more than triple the number during the prior three years combined. Kentucky prisons have seen six suicides so far in 2022, compared with one last year.

Local jails have seen a similar rise. At the Louisville, Ky., jail, five inmates killed themselves over the past 11 months, compared with none in 2018, 2019 and 2020. In New York

City correctional facilities, which include Rikers Island, one of the nation's largest detention centers, there were four suicides in 2021 compared with one the prior two years.

Prison and jail officials in several states said that they are making extensive efforts to assist offenders with mental health and self-harm issues and that rising suicides coincided with the onset of the pandemic.

In addition to being confined to their cells for extended time during Covid-19 outbreaks, inmates often weren't able to meet with family members as visits were curtailed during the pandemic.

"The amount of isolation that people are experiencing is greater than before," said Susan Pollitt, supervising attorney with Disability Rights North Carolina, an advocacy group focused on discrimination, abuse and other rights violations, including in prisons.

Recent data from some prison and jail systems has shown suicide deaths increasing this year even as the pandemic has waned and many facilities restored visitation.

Deaths by suicide are up in the general population as well. The suicide rate in the U.S.



The Louisville, Ky., corrections department said it has made cells more suicide-resistant.

Greg Fischer appointed a new head of the city's corrections department. Earlier this year, the mayor also hired a jail-safety consultant to review the system. The consultant found that cells were poorly lighted and not suicide-resistant and that the department wasn't tracking suicide deaths or attempts. He said the department should reduce its use of isolation cells.

Maj. Darrell Goodlett, a spokesman for the city corrections department, said it can't comment on recent specific suicides. Maj. Goodlett said the new director has made changes including renovating cells to make them more suicide-resistant.

rose 4% in 2021, after two years of decline, according to the Centers for Disease Control and Prevention.

Dave Kratz, director of the Bucks County Department of Corrections in Pennsylvania, where three inmates died by suicide this year compared with one last year, said there are fewer corrections officers to deal with inmates addicted to powerful fentanyl-laced drugs that have become more common in recent years.

Out of every 400 new in-

mates, 250 to 280 require detox protocols that take about nine days, Mr. Kratz said, compared with two or three days in years past. At the same time, he has 70 vacancies for corrections officers, compared with 20 to 30 before the pandemic, resulting in more mandatory overtime.

In December, Stephanie Dunbar, a Louisville jail inmate in detox, killed herself after being locked in a small holding room for 18 hours because there were no single cells

available, according to the report of a city investigator and an attorney for Ms. Dunbar's family.

The city investigator found that jail officers forged reports saying they checked on Ms. Dunbar as required when they hadn't, and that she was never allowed to use a toilet or sink, among other failings. The investigator called the events surrounding Ms. Dunbar's isolation a complete breakdown of the system.

In March, Louisville Mayor

The surge in inmate suicides follows a steady rise for nearly two decades before the pandemic. According to a report released last year by the Justice Department's Bureau of Justice Statistics, the number of suicides increased 85% in state prisons, 61% in federal prisons, and 13% in local jails from 2001 to 2019.

At the same time, federal prisons saw a decline in suicides this past fiscal year, which ended on Sept. 30, dropping to 18 from 33 in fiscal 2021.

Flu Much Riskier for Nonwhite Groups

By BRIANNA ABBOTT

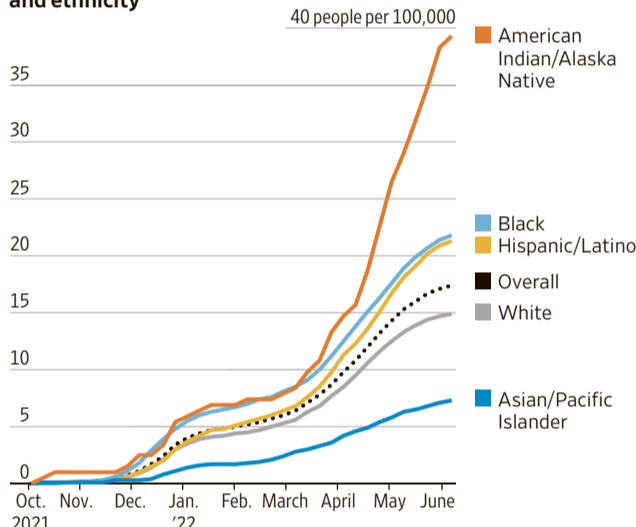
Black, Hispanic and American Indian adults in the U.S. are hospitalized for influenza at higher rates and tend to have lower flu vaccine uptake, federal data showed, as health officials urge people to get their flu shot.

From 2009 to 2022, flu hospitalization rates were some 80% higher among Black adults, 30% higher among American Indian adults and 20% higher among Hispanic adults, compared with white adults, according to a report published by the Centers for Disease Control and Prevention on Tuesday.

During the 2021-22 flu season, vaccination coverage was some 54% among white and Asian adults in the U.S., compared with 42% among Black adults, 38% among Hispanic adults and 41% among American Indian adults. Lower vaccine uptake isn't the only factor for the disparities in hospitalizations, CDC officials said, but targeted outreach and increasing flu vaccination could help lower the differences in severe outcomes.

"We've been focused on Covid for almost three years now, but flu is still out there," said Carla Black, an epidemiologist at the CDC and lead author on the report. "Even after the Covid pandemic, we're still seeing similar disparities for flu vaccination coverage and

Cumulative rates of influenza hospitalization for the 2021-22 flu season, by race and ethnicity



Source: Influenza Hospitalization Surveillance Network, Centers for Disease Control and Prevention

severe outcomes."

An early uptick in flu activity has been reported in some parts of the U.S., particularly in the southeast and south-central states such as Texas and Georgia, according to the CDC's flu report released Friday, the first for this season.

About 3.3% of samples tested for flu came back positive in the first week of October, the agency said, most of which were a strain of influenza A called H3N2. In the southeast, the positivity rate was about 10%, the CDC said. Nationally, some 1,300 patients were admitted to hospi-

tals with influenza.

"We have more positive tests for flu than for Covid in our area," said Michael Chang, a pediatric infectious disease doctor at Memorial Hermann Health System in Texas. "It seems like flu season already started."

The flu season tends to start in the fall and run through the spring, peaking between December and February. The virus has kept a low profile in the past two seasons, despite concerns about influenza adding to the strain hospitals faced from the Covid-19 pandemic.

The CDC estimated that

there were some 8 million to 13 million cases and 5,000 to 14,000 deaths overall in the 2021-22 influenza season, with mild waves in the winter and again in the spring.

In the new report, federal researchers looked at flu hospitalization rates from two separate data sources, the Influenza-Associated Hospitalization Network and the Behavioral Risk Factor Surveillance System. The researchers omitted data from 2020-21 because there was so little flu activity.

Lower vaccination rates do contribute to the more severe outcomes among Black, Hispanic and American Indian people, the CDC said. Lack of access to healthcare and insurance likely also contribute, the agency said, and people from certain racial and ethnic groups tend to have higher rates of asthma, diabetes, obesity and other conditions that worsen flu outcomes.

Racism and prejudice worsen the inequities, the CDC said, and lead to distrust of the medical system.

People who had health insurance, a primary care provider or a medical checkup within the past year were more likely to be vaccinated against the flu, as well as those who were over 65, the report found. But even among those who had a checkup within the past year, there was still higher vaccine coverage among white adults.

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U.S. NEWS

Abortion Blurs Political Allegiances

By JULIE BYKOWICZ

ADA, Mich.—Erin Berkeley Weber served on the student council with Gretchen Whitmer when they attended high school in this Grand Rapids suburb. A Republican who favors low taxes and school choice, Ms. Weber voted for her former classmate's GOP opponent in the governor's race four years ago.

But Ms. Weber, 51 years old, has known since the Supreme Court overturned Roe v. Wade that she will vote to re-elect the Democratic governor this fall. She said she likes how Ms. Whitmer has fought to preserve access to abortion, including by waging court battles and backing a ballot initiative to codify in state law a woman's right to end her pregnancy.

"This is the one thing that gets me," said Ms. Weber, a two-time Donald Trump voter who has raised two sons in the nearby suburb of Rockford. "It breaks my heart that we've jumped back in time as a country."

This year's elections mark a test of abortion as an electoral issue now that voters have new motivations. The Dobbs v. Jackson Women's Health Organization decision in June ended the constitutional right to abortion, handing the issue to voters who will decide on the governors, state lawmakers and ballot initiatives that shape the legality and availability of the procedure.

In the final stretch of mid-term campaigning, abortion is at the center of competing pushes by the two major parties. Democrats are centering their advertising on abortion because polls show they have an advantage with voters on the issue. That has prompted some Republicans in recent weeks to play down and in some cases backpedal on their support for abortion restrictions in an effort to minimize the issue in the run-up to Election Day.

Republicans are instead focusing on the economy, which polling shows is a bigger concern for voters. They say rising prices and President Biden's low approval rating will continue to supersede abortion and drive voters to their side.

Since the Dobbs decision, Democrats running for Congress or governor have run more ads that are focused on or mention abortion than on any other topic, according to an analysis by The Wall Street Journal of data from the ad-tracking firm AdImpact. During that period, the top issues in Republican ads have been taxes, inflation and Mr. Biden, respectively, the analysis shows.

Republicans in areas such as the western part of Michigan, where it was once seen as acceptable or advantageous to oppose abortion in all circumstances, have changed how they talk about the issue because voters know that, without Roe, those stances have a stronger shot at becoming policy.

Tudor Dixon, Ms. Whitmer's GOP opponent, said in a debate this month that while she opposes abortion, except in cases



In Ada, Mich., friends Michelle Mischley, above, and Debbie Lown, below, discussed their divergent opinions on abortion on one of their weekly walks. Ms. Mischley sees abortion as a human-rights issue for unborn children. Ms. Lown views abortion as a women's health issue.

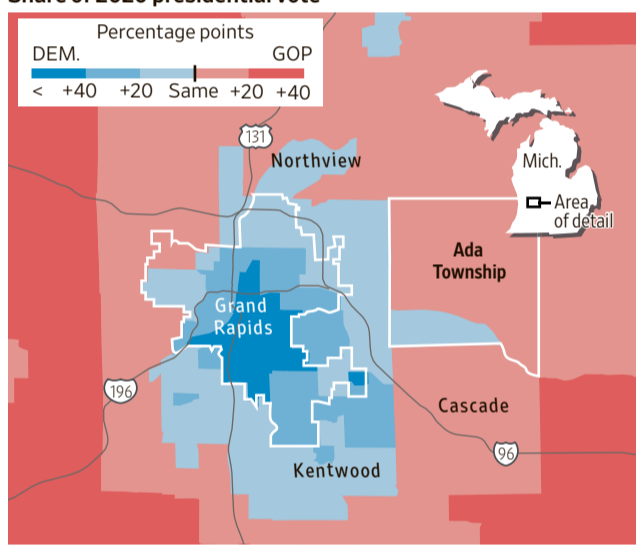


where the mother's health is at risk, she will respect what the state's voters decide on the issue. Just a few months ago, Ms. Dixon said in an interview with a local television station, "A life is a life for me, that's how it is," and that even in a theoretical case where a 14-year-old is raped by a family member, she should not seek an abortion.

Polls have shown Ms. Whitmer is leading Ms. Dixon in the final stretch of the campaign. A CBS News/YouGov survey taken in early October showed the economy and inflation are the top issues for Michigan voters, and abortion came in third, with 83% of respondents calling it very or somewhat important.

Beyond Michigan's governor race, Hillary Scholten is viewed as one of the Democrats' best hopes for flipping a congressional seat after Republican Rep. Peter Meijer lost his primary to John Gibbs, who was endorsed by former President Donald Trump. Democrats have a

Share of 2020 presidential vote



Source: Michigan Secretary of State

chance to lead at least one chamber of the state legislature that Republicans have controlled for 12 years.

Michigan political strategists see west Michigan, as it is often

referred to, as critical in November. In the past four presidential elections, voters here in Kent County alternated between the Democratic and Republican candidates, choosing

Biden Aims to Codify Right to Abortion

President Biden said he would fast-track a bill to codify abortion rights into law if Democrats maintain control of the House and the Senate, with the

goal of signing the bill around the 50th anniversary of the 1973 Roe v. Wade ruling.

Mr. Biden focused on abortion rights at a Democratic National Committee event on Tuesday. He said if Democrats retain control, the first bill he will push in the next Congress would codify into law a woman's

right to an abortion, which was overturned by the Supreme Court this year. The court's decision left the question of abortion's legality to the states.

Democrats tried and failed to pass an abortion bill earlier this year, falling well short of the 60 votes needed in the Senate to overcome a filibuster.

Mr. Biden in 2020.

In recent years, urban amenities have attracted more college graduates and Democratic voters to the Grand Rapids suburbs. Gerald R. Ford Republicans that aligned with the nation's 38th president, who was raised in Grand Rapids, have faded in influence as more Trump-style Republican candidates have emerged.

Ms. Whitmer barely mentioned abortion in her 2018 campaign. In an interview, she pointed to the September 2020 death of liberal Supreme Court Justice Ruth Bader Ginsburg as the moment that showed Americans who support the constitutional right to an abortion that they might lose it. "The Dobbs decision was so jarring and so scary that we're seeing a lot more conversation and energy around this issue going into this election," Ms. Whitmer said.

Ms. Dixon, a 45-year-old conservative commentator new to politics, said in a statement that Michigan voters tell her they care far less about abortion than they do about the increase in violent crime, their children's learning loss during the pandemic and what they see as overregulation that is driving away businesses. She declined an interview request.

Soon after the Dobbs decision, friends Debbie Lown and Michelle Mischley spent one of their weekly walks in Ada talking about their divergent views on abortion. Divisions over the issue had already imploded their book club. Ms. Lown, 61, believes it is a women's health issue that shouldn't be restricted by politicians. Ms. Mischley, 53, wants the procedure outlawed except in situations where the mother's life is at risk. She sees it as a human-rights issue for unborn children.

Ms. Lown, a mother of two adult children and a retired public-health professor, has been knocking on doors to help pass the ballot initiative and re-elect Ms. Whitmer, and is getting involved in down-ballot races for the first time.

Ms. Mischley voted for Mr. Trump in 2016, Mr. Biden in 2020 and for Ms. Whitmer four years ago. "As long as Democrats don't make abortion their main thing, I am comfortable voting for them," said Ms. Mischley, whose three adult children include an adopted son, one reason she said she so strongly opposes abortion. She said she won't vote to re-elect Ms. Whitmer because the incumbent has made the abortion debate so central to her campaign.

—Chad Day contributed to this article.

Republicans have largely sought to focus the attention of the midterm elections on inflation, the economy and crime, but Democrats have pointed to a bill proposed by Sen. Lindsey Graham (R, S.C.) that would ban most abortions nationwide after 15 weeks of pregnancy.

—Ken Thomas

Netflix Gains Customers

Continued from Page One

about 60% so far this year. The size of Netflix's quarterly subscriber additions remained small by historical standards. Netflix had attracted 4.4 million new customers in the third quarter of last year, and the 8.3 million it added in the fourth quarter of 2021 is nearly twice as big as the 4.5 million the company expects to gain in the final period of 2022. Netflix had 223 million subscribers at the end of September.

All companies in the streaming business are facing profound competition and struggling to add subscribers, which makes it more important to ensure that they are generating as much revenue as possible from their viewers.

In its letter to investors, Netflix said it was starting to see some of its competitors raise prices and others rein in content spending. "While it's early days, we're starting to see this increased profit focus" across the industry, Net-

flix said in its letter.

"Our best estimate is that all of these competitors are losing money on streaming," said Netflix, which is profitable. The company said it had a competitive advantage over rivals because it solely focuses on streaming.

Netflix is in the process of executing two strategic shifts that it hopes will bolster its revenue and subscriber base. The first is rolling out a tier of ad-supported content, which will help increase the average revenue per subscriber Netflix brings in. Last week, Netflix said it planned to begin launching the tier next month, and that it will charge \$6.99 a month for it. Netflix said it expects the ad tier to provide significant revenue and profit, and noted it had received strong interest from advertisers so far.

The second change is cracking down on password sharing and getting viewers who are sharing accounts to pay to do so. The company has tested different approaches to getting households to pay more to share and said it plans to roll out a sharing policy in 2023.

Netflix said Tuesday it would make it easier for people who share Netflix accounts to create "sub-accounts" or "extra members" if they wish to pay for family or friends on their

accounts. It said it plans to roll that feature out in early 2023. Earlier this week, the company said customers globally can now export their viewing profiles to new accounts, which can make the decision for account sharers to get their own account easier.

Netflix added members in each region in which it reports results during the quarter, including 104,000 new customers in the U.S. and Canada, with its strongest growth again coming from Asia, where it added 1.43 million new subscribers during

Netflix is making shifts that it hopes will bolster revenue and subscribers.

the quarter. Its customer base in Europe, the Middle East and Africa grew to become larger than the U.S. and Canada for the first time, although North America remains its biggest market by revenue.

Netflix revenue grew 5.9% to \$7.93 billion, while net profit fell 3.5% to \$1.4 billion.

The company's operating margin fell to 19.3% from 23.5% a year earlier, a change Netflix attributed almost en-

tirely to the U.S. dollar's appreciation relative to other currencies. The foreign-exchange impact is expected to weigh further on the company's operating margin in the fourth quarter: Netflix expects it to be 4.2%, compared with 8.2% a year earlier. That final quarter is one in which Netflix traditionally spends more on content and marketing.

While Netflix for a year enjoyed being one of a few streaming services, it is now one of about a dozen mainstream offerings, and there are many more niche services that are also vying for viewing time. It also contends with platforms like Google-owned YouTube and TikTok for viewers' time.

The flexibility that streaming services have long offered consumers—allowing them to pay monthly and turn off services as they please—differentiated them from cable's long-term, inflexible contracts. But they also made it easier for customers to turn services on and off when they are done watching a specific hit show or movie.

The rate of customer defections across premium streaming services rose to 5.7% in August, according to subscription research firm Antenna, up from 4.9% a year earlier. Some 20% of subscribers to premium services—a group that

includes Netflix, Walt Disney Co.'s Disney+, Disney-controlled Hulu, Apple Inc.'s AppleTV+ and Warner Bros. Discovery Inc.'s HBO Max, among others—canceled three or more subscriptions in the two years up to August, Antenna data show.

Between July and September, Netflix released a number of popular shows, including the second set of "Stranger Things: Season 4" episodes, "Dahmer—Monster: The Jeffrey Dahmer Story," the fourth season of "Virgin River" and the fifth season of "Cobra Kai," as well as films including the "The Gray Man," "The Sea Beast" and "Purple Hearts."

Non-English-language programming that drew large audiences during the quarter included South Korean series "Extraordinary Attorney Woo" and thriller "Loving Adults" from Denmark.

Netflix plans to release the fifth season of hit TV show "The Crown" in the final quarter of the year, as well as films like the whodunit "Glass Onion: A Knives Out Mystery,"

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Scan this code to hear about how streaming is becoming more like cable.

Covid-19 Fight Is Curbed as Funding Declines

By STEPHANIE ARMOUR

The Biden administration has stopped paying to mail out free Covid-19 tests and expects to end free vaccines for Americans after Congress dropped billions of dollars for such efforts from a government funding bill last month.

People familiar with the matter said the administration's Covid-19 task force will remain in place ahead of an expected uptick in cases in the coming winter months. But the team will shift focus from emergency response to longer-term issues, such as boosting domestic manufacturing of personal protective equipment, researching long Covid and supporting genomic sequencing to identify variants, the people said.

The shift means that health insurers and employers will likely pay for Covid-19 vaccines, drugs and tests, as they do for most medical products

Health insurers and employers will likely pay for vaccines, drugs and tests.

and services.

The administration on Tuesday released updates to the national biodefense strategy that it said would strengthen surveillance for risky pathogens and preparedness for future outbreaks or biowarfare attacks. Some of the planning is under way, officials said, and other aspects are dependent on \$88 billion in funding for pandemic preparedness and biodefense the administration has requested from Congress.

Changes in the administration's pandemic strategy come as Covid-19 cases are climbing in Europe, which is often a precursor to rising case numbers in the U.S. And the arsenal of available treatments for people infected with Covid-19 has dipped as mutations allow variants to evade them.

"Just because we've ended the emergency phase of the pandemic doesn't mean Covid is over," said Eric Topol, executive vice president of Scripps Research, a medical-research facility.

After the coronavirus hit, the federal government funded development of some Covid-19 vaccines and took control of the purchase and distribution of the shots, tests and other products to guarantee sufficient supplies and make sure they went where needed.

Federal officials planned to relinquish their control to the private sector after the emergency subsided.

The federal government has also wound down its program of providing free Covid-19 tests to people who ordered them online, though it is still distributing free tests in other locations.

The administration had sought \$22.4 billion for the Covid-19 response from Congress, and it recently extended the pandemic's status as a public-health emergency. The White House said the money was needed to pay for more tests, vaccines—including development of new, next-generation vaccines—and treatments.

The money wasn't included in a must-pass government-funding bill last month. Republicans, who opposed including the Covid funds in the spending bill, said there had not been a thorough accounting of how pandemic-relief funds had been spent. Congress had allocated about \$4.6 trillion as of August, according to USASpending.gov, which tracks federal-spending information.

Without a new appropriation, funds for the federal government to buy and supply Covid vaccines are expected to run out by early next year. The administration is looking into ways to guarantee that about 30 million uninsured people can access future boosters, treatments and vaccines.

U.S. NEWS

Russia Dossier Source Cleared Of Lying to FBI

By ARUNA VISWANATHA

ALEXANDRIA, Va.—Igor Danchenko, a consultant whose information comprised the bulk of the 2016 “Steele dossier,” was acquitted Tuesday of lying to the FBI, leaving special counsel John Durham with losses in both cases he took to trial as his yearslong inquiry into the FBI investigation into Russian interference in the 2016 election winds down.

Over four days in federal court outside Washington, D.C., Mr. Durham sought to portray Mr. Danchenko as fabricating one of his own sources and concealing another one when the Federal Bureau of Investigation questioned him in 2017 about where he obtained the allegations he provided to ex-British spy Christopher Steele, who was paid by Democratic operatives to collect opposition research on then-presidential candidate Donald Trump and alleged ties to the Kremlin.

But several of Mr. Durham’s own FBI witnesses appeared to undercut his allegations and said they believed Mr. Danchenko had been truthful.

Mr. Steele gave the dossier to the FBI, whose efforts to verify what was in the memos

We’re happy now that the American public knows that as well,” Mr. Sears told reporters outside the courthouse.

Mr. Durham said in a statement: “While we are disappointed in the outcome, we respect the jury’s decision and thank them for their service.”

Mr. Durham’s inquiry has cost more than \$4 million since October 2020, when Mr. Barr converted his appointment into a special counsel to ensure it would continue through the Biden administration. He is expected to issue a report of his findings in the coming months, wrapping up a saga that began in the spring of 2016 and has rippled across Washington ever since.

The FBI first started investigating the Trump campaign in July 2016 after an Australian diplomat relayed that the Trump team had been offered help from Russia. It later received the dossier and used some of its material in an application to surveil a Trump campaign foreign-policy adviser.

The trial at times delved into the minutiae of the FBI’s inquiry, ground that had previously been trod in a lengthy inspector general’s report in 2019 that found major errors in how the FBI obtained the surveillance of the former adviser, Carter Page. But it also shed some new light on how some of the allegations of connections between Mr. Trump and Russia emerged, providing a window into both the scramble at the FBI to determine the validity of the allegations, and into how, even years later, basic facts remain in dispute.

An FBI analyst described how agents pressed both Messrs. Danchenko and Steele for evidence to corroborate the allegations in the dossier—at one point even offering Mr. Steele up to \$1 million for such evidence—but received nothing in response.

The four counts of which Mr. Danchenko was acquitted accused him of making up an anonymous phone call in which he allegedly received some of the most serious allegations—that there was a continuing exchange of information and “a well-developed conspiracy” between the Russian government and Mr. Trump.

“If he was going to lie, why would he tell this lie?” Mr. Sears asked jurors on Monday. Mr. Danchenko’s description of the call “makes no sense unless it’s true,” he said.

A veteran counterintelligence agent who dealt with Mr. Danchenko, Kevin Helson, testified that he believed Mr. Danchenko was being honest.

“Despite all the times he was asked about the random phone call, he never wavered?” Mr. Sears asked, to which Mr. Helson said: “No.”

Mr. Helson also described how the FBI had come to rely on Mr. Danchenko as a paid informant for three years on Russian influence operations in the U.S.

Georgia’s Early Voting Signals Strong Interest

By CAMERON McWHIRTER

ATLANTA—More than 130,000 Georgia residents cast ballots on the first day of early voting in the state Monday, a sign of strong voter interest in hotly contested races for governor and the U.S. Senate.

The state’s previous record for the first day of early voting in a midterm election was set in 2018, when about 71,000 ballots were cast, said Gabriel Sterling, chief operating officer for the Georgia secretary of state’s office, which oversees elections.

Many of Georgia’s elections in recent years have been tight, with Republicans, who hold most statewide offices and control the legislature, battling Democrats, who have grown support from the metro Atlanta area.

In 2018, Republican Brian Kemp won the race for governor, defeating Democrat Stacey Abrams by about 55,000

votes out of 3.9 million cast. It was the state’s closest governor’s race in decades. In 2020, Joe Biden won the state—the first time a Democratic presidential candidate had done so since 1992—by about 12,000 votes out of five million cast.

The November 2020 election also led to runoffs for both Senate seats. In January 2021, Republican incumbents David Perdue and Kelly Loeffler lost to Democrats Jon Ossoff and Raphael Warnock. With those wins, Democrats narrowly took control of the U.S. Senate.

This year, Mr. Kemp faces Ms. Abrams again. Mr. Warnock, who won a special election in 2020, is now seeking a six-year term. He is running against Republican Herschel Walker, a former NFL player.

Most of the early votes cast Monday came from populous counties in metro Atlanta, considered Democratic strongholds.

U.S. WATCH

OBITUARY

Civiletti, Influential Attorney General, 87

Benjamin Civiletti, the last attorney general in the Carter administration who capped a series of internal Justice Department reforms that aimed to address Watergate-era presidential abuses of power, died Sunday of Parkinson’s at his home in Lutherville, Md. He was 87.

A trial lawyer and former federal prosecutor in Baltimore, Mr. Civiletti joined the Justice Department in 1977 as head of its criminal division. He was named deputy attorney general the following year, and President Jimmy Carter chose him to succeed Attorney General Griffin Bell in July 1979.

Mr. Civiletti repositioned federal law enforcement to better fight white-collar crime and stepped up enforcement of anti-trust and civil-rights law. He also oversaw politically sensitive investigations into Mr. Carter’s friend and budget director, Bert Lance; his chief of staff, Hamilton Jordan; and his brother, Billy Carter.

Mr. Civiletti’s most lasting contribution to the Justice Department was likely a series of guidelines he issued that codified overhauls stemming from President Richard Nixon’s abuses of power during the Watergate scandal. Among other issues, the rules sought to limit contacts between the White House and the Justice Department about its investigations and insulate the agency from partisan influence.

—Sadie Gurman

NEW YORK

Cement Firm Pleads Guilty to Paying ISIS

French cement firm Lafarge SA pleaded guilty Tuesday in a New York federal court to paying Islamic State and an al Qaeda affiliate to protect its Syrian cement plant, marking what the Justice Department said was the first time it has charged a company with supporting terrorist organizations.

Lafarge agreed to pay about \$778 million in financial penalties and serve a term of three years probation. The company



FATAL CRASH: One person died when a small plane went down Tuesday in Brentwood, Tenn.

BRENTWOOD POLICE DEPARTMENT/ASSOCIATED PRESS

and its defunct subsidiary, Lafarge Cement Syria, pleaded guilty to conspiracy to provide material support to foreign terrorist organizations.

Lafarge admitted that from August 2013 through October 2014 it made payments to terrorist organizations that were intended to protect a cement facility in northern Syria that was completed in 2010 at a cost of \$680 million.

Lafarge was acquired by Swiss construction-material giant Holcim Ltd. in 2015. Holcim said none of the conduct in-

volved Holcim or any Lafarge operations in the U.S.

“Today’s guilty pleas to terrorism charges by multinational construction conglomerate Lafarge SA and its Syrian subsidiary reflect corporate crime that reached a new low and a very dark place,” Deputy Attorney General Lisa Monaco said.

“Lafarge SA and LCS have accepted responsibility for the actions of the individual executives involved, whose behavior was in flagrant violation of Lafarge’s code of conduct,” the company said.

—James Fanelli

PHILANTHROPY

Scott Gives Millions To the Girl Scouts

MacKenzie Scott, one of the richest people in the world, is giving nearly \$85 million to the Girl Scouts of the USA.

The donation goes to the organization and 29 local councils selected by Ms. Scott, the Girl Scouts said on Tuesday.

The donation is the largest from a single individual in the organization’s history, it said.

—Tatal Ansari

THE LUXE COLLECTION



NAADAM

WORLD NEWS

France Rocked by Protests Over Inflation

Thousands walk out over rising energy bills, which strain support for Ukraine in the war

PARIS—More than 100,000 people took to the streets across France on Tuesday to demand higher wages to cope with rising energy bills and

By Noemie Bisserbe, Matthew Dalton and Bojan Pancevski

broader inflation, a sign of the political turmoil facing President Emmanuel Macron and other European leaders as the war in Ukraine rages with no end in sight.

Striking teachers, railway and health workers staged marches in dozens of cities across the country, joining protests led by refinery workers who have been on strike for several weeks, choking fuel supplies nationwide. Around 28% of the nation's gas stations have run out of either gasoline or diesel. Long lines have formed at stations that have supplies, and prices have risen sharply. Marches were mainly peaceful but some protesters in Paris smashed store windows and clashed with police.

The unrest is a test of Europe's support of Ukraine in

its fight against Russia. Europeans were already reeling from inflation fueled by supply-chain woes and other factors when Russia's invasion of Ukraine compounded the pain.

Moscow's decision to cut natural-gas supplies to Europe—a move that Western officials say is aimed at punishing the continent for backing Ukraine—has sent electricity and gas prices soaring, sparking demands from workers for pay increases to cushion the blow. Geopolitical tensions between the West and Russia have also bolstered oil prices, hitting drivers at the pump.

Eight months into the conflict, most people in Europe still support the West's sanctions against Russia and weapons deliveries for Ukraine. But the continent's leaders fear the economic stress could undermine public support for these policies or the governments that back them, particularly as winter sets in and demand for gas rises.

Polls show that public backing has slipped since the start of the war. A poll of France and Germany released by Ifop this month found that 67% of the French supported sanctions against Russia, down from 72% in March; German support fell to 66% from 80%.

In threatening Europe's energy supply, Russian President



Protesters in Paris lit red flares Tuesday during a nationwide day of strikes called by French unions.

Vladimir Putin has targeted a vulnerability that cuts to the core of the continent's economic and political stability. The sudden lack of low-cost gas is clobbering industries that relied on Russian supplies for decades, leading to price increases and the shutdown of aluminum smelters, steel mills and other energy-hungry factories across the continent.

Higher prices also punish

working- and middle-class households that have grown frustrated with the continent's political establishment in recent years.

In Germany, thousands of people have held protests in recent weeks, demanding caps on energy bills, greater financial support for vulnerable families, as well as the end of sanctions against Russia.

In France, Mr. Macron said

on Monday the government was doing the maximum to end the fuel shortage as quickly as possible.

"I stand by all of our compatriots, who are struggling and are fed up with this situation," Mr. Macron said.

The government has ordered some workers at fuel depots owned by Esso-SAF ES, a subsidiary of Exxon Mobil Corp., and TotalEnergies SE,

to return to work, invoking rarely used legal powers to secure fuel supplies.

Two of France's largest unions, CFDT and CFE-CGC, have reached deals with Esso and TotalEnergies. Total has agreed to a 7% pay raise and a bonus of 3,000 euros, equivalent to \$2,950, to €6,000. Esso said it would raise salaries this year by 6.5% and give a bonus of €3,000.

But the leftist CGT union slammed the door to talks, and called for workers to continue the strike. The CGT and another leftist union, Force Ouvrière, are demanding a 10% increase in salaries to compensate workers for surging inflation. The workers are also asking for a bigger cut of the large profits earned by TotalEnergies and Exxon Mobil because of surging energy prices.

The strike has spilled over other parts of the energy sector. At nuclear giant EDF SA, strikes have delayed repairs to the country's fleet of nuclear reactors, more than half of which are offline because of corrosion discovered on their cooling systems and maintenance. EDF in recent days has pushed back the restart dates for some of these reactors by up to a month, fanning fears that France could face electricity shortages as temperatures drop.

EU Seeks Power to Set Emergency Cap on Natural-Gas Price

By Kim Mackrael and Joe Wallace

BRUSSELS—European Union officials are seeking the power to impose an emergency cap on the price of natural gas on the bloc's main trading exchange, part of a package of proposals to cushion consumers from high prices and fill storage tanks next year ahead of winter.

The European Commission, the EU's executive arm, on Tuesday published proposals

that include steps to encourage companies to pool their demand and buy gas together and rules for how gas could be shared across borders if some countries run short. Other measures seek to limit volatility on energy markets and boost the financial support that can flow to struggling consumers.

"Today's package helps to keep European families warm and industry going," EU Executive Vice President Frans Timmermans said.

The proposals mark the EU's latest response to Russia's invasion of Ukraine and its decision to squeeze the supply of gas to the continent. Moscow cut the flow of gas through the Nord Stream pipeline entirely in late summer, contributing to a sharp increase in European gas prices. Last month, the pipeline was severely damaged in an explosion that Western officials have attributed to sabotage.

The commission separately put forward a recommenda-

tion on Tuesday calling on member countries to run stress tests and identify vulnerabilities related to pipelines, underwater cables and other critical infrastructure amid rising concerns about the possibility of future attacks. It also said it would work to improve coordination between countries and with the North Atlantic Treaty Organization.

Natural-gas prices in Europe slid in recent days to their lowest level since late

June, as forecasts for mild fall weather curbed the outlook for demand and storage sites filled close to capacity.

The proposal for a possible cap would apply to the continent's benchmark gas contract, called the Dutch Title Transfer Facility, or TTF, and would be a temporary measure while officials work to set up a permanent benchmark for liquefied natural-gas prices. The cap is meant as a last-resort and could also be extended to set a trading range for other

hubs in Europe, officials said.

Several conditions would need to be met for the price cap to be imposed, the commission said, including assurance that flows of gas among EU countries isn't interrupted, that gas consumption doesn't rise in response to the cap, and that derivative markets continue to work effectively.

The plans will be discussed by leaders at a summit in Brussels on Thursday and at a meeting of EU energy ministers next week.

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WORLD NEWS

Politics Splits Two Ukrainian Brothers in War

BY MATTHEW LUXMOORE

KHARKIV, Ukraine—The missile shattered the stained glass windows of Father Vasyl Ivanchuk's church in early March, peppering the walls with shrapnel and smashing golden candelabra.

Father Vasyl sent photos of the damage to his brother Iosif, a priest at a parish near Moscow, denouncing the latest Russian strike.

Father Iosif called and asked how he knew it was the Russians, not the Ukrainians, who were responsible. "This is just what war is like," he said.

Vasyl hung up and began crying. He didn't speak with his brother for two months.

The friction between the brothers—who were born in western Ukraine and grew up speaking Ukrainian—is a microcosm of rifts affecting

the powerful Orthodox Church has convinced many that the invasion is a mission to prise Ukraine from the West's grasp and liberate its Russian-speaking population.

The two parallel realities have helped create a gulf between siblings, between parents and children, and between husbands and wives.

The Ivanchuk brothers both served in the Soviet army in the waning years of the Soviet Union, both lived in Kharkiv in northeast Ukraine as students, and both became priests at a time of spiritual revival as the atheist communist empire crumbled.

But while Vasyl came away from military service believing that dysfunction in Moscow's army reflected a society coming apart at the seams, Iosif recalls a Russian-speaking camaraderie later shattered by the Soviet collapse that tore Ukraine from Russia and allowed the West to take advantage. He calls himself Russian and praises the new churches built under President Vladimir Putin's rule as evidence that Russia holds the moral high ground.

"The chaos that is happening in Ukraine is God's retribution," he says. "They are trying to purge part of their population, and constantly place our country in the crosshairs." He says deaths of Ukrainian civilians are a regrettable side effect of Russian attacks on military objects, and believes Vasyl isn't getting the full picture.

Many of his own views—about a fascist government in Kyiv waging "genocide" against inhabitants of eastern Ukraine—reflect the narrative promoted on Russian state TV, which he consumes alongside Ukrainian news sources.

Vasyl says he finds it hard to understand why Iosif denies



Father Iosif lives in Russia and sides with Moscow. Below, his brother, Father Vasyl, a priest in Kharkiv, has witnessed the war's death and destruction.

A barbaric crime or a just war? Many families can't bridge their deep divisions.

many Ukrainian and Russian families. For 59-year-old Iosif, who moved to Russia in 1989, the conflict is a just war to take back historically Russian lands. For the younger Vasyl, who stayed in Ukraine, it is a barbaric crime propped up by the Kremlin's lies.

Russia and Ukraine have historical and cultural ties stretching back centuries, and some 20 million Ukrainians have relatives in Russia. Many of those Ukrainians live in cities that have been targeted by Russian missiles and are the scene of atrocities by Russian soldiers.

But in Russia, TV propaganda backed by officials and

Russian aggression when he has seen the footage of Kharkiv's destruction that Vasyl sends him over WhatsApp. Moreover, two of Iosif's sons lost jobs as managers at McDonald's after the chain withdrew from Russia, though they were later reinstated when it reopened under

a different name.

"I tell him: You have a smartphone, you have Telegram, you have alternative sources of information," Vasyl said. He and his siblings describe Iosif as a kind father and community member, who has welcomed refugees from eastern Ukraine into his church.

On May 29, Vasyl's birthday, Iosif called for the first time since the attack on Vasyl's church. He listened silently for around 20 minutes, and when Vasyl asked about his children, Iosif sighed and said they were out of work. "After three months of war he began to understand just a lit-

tle about what is really happening," Vasyl said.

Later, when Russia conducted sham referendums in occupied parts of Ukraine last month and declared almost unanimous support there for annexation by Russia, Iosif said Russia had to respect the wishes of local residents.

Iosif said that if he could, he would go to see his brother in Kharkiv, where his beloved Orthodox saints are buried. But he wishes he could return to the Ukraine he lived in during Soviet times.

"I understand my brother, and I hope I have his understanding," he said. "I just want our relations to remain as they once were."

Vasyl said he would struggle to forgive Russians for the pain they have caused. "It's my duty to forgive, as a priest and a Christian. But I don't know," he said. "I can't force my heart to do it. There's such a wound here, such enormous pain."

Russia Says Its Hold Is Weakening

Continued from Page One

the battlefield. For weeks, Ukraine has sought to choke off thousands of Russian troops trapped on the western bank of the Dnipro River in and around Kherson, the capital of a region that Russia declared last month was part of its territory. Russia seized the city in the early days of its invasion, the only regional capital to fall.

Gen. Surovkin's comments late Tuesday, delivered in his characteristic deep monotone, suggested that strategy by Kyiv was succeeding. The city was suffering from shortages of food, water and electricity, he said, as Ukraine had damaged the main bridge used to supply Russian forces in Kherson and a crossing over a dam to the northeast.

Western military analysts have long said that Russian forces would be advised to leave Kherson to avoid a rout. But President Vladimir Putin feted the city as new Russian territory in a ceremony in Moscow less than a month ago.

The top Russia-appointed representative in the region, Vladimir Saldo, also gave a somber take on events Tuesday, saying Russia was transferring civilians to the eastern bank of the Dnipro from districts north of Kherson, where Ukrainian forces have advanced in recent weeks, in order not to impede Russian forces.

Ukraine has used precise, long-range rockets provided by the U.S. to hammer bridges across the Dnipro, as well as command posts and ammunition and fuel depots. Ukrainian troops have advanced toward Kherson from the north in fits and spurts since launching an offensive in late August.

The advance of Kyiv's forces in the south followed a lightning offensive in the northeast, where they seized swaths of territory last month.

As Russia's position on the battlefield has worsened, it has increasingly targeted Ukrainian infrastructure in an apparent



Firefighters worked to put out a fire in a thermal power plant that was damaged by a Russian missile strike in Kyiv Tuesday.

attempt to crush the will of the civilian population.

On Tuesday, it hit cities across Ukraine with drone and missile strikes.

Russia's strikes have caused rolling blackouts since Oct. 10, when Russia first responded to Ukraine's battlefield victories with barrages against critical infrastructure. The Kremlin's strategy of targeting critical infrastructure is intended to sow panic in the population while diminishing the country's resolve and ability to fight.

Tuesday's strikes hit targets in Zhytomyr, Kharkiv and Dnipro, cutting the supply of elec-

Kyiv's advances in the south followed a lightning offensive in the northeast.

tricity and water. Other Russian strikes in the southern region of Mykolaiv used modified S-300 surface-to-air missiles to hit residential houses, killing at least one person and leveling parts of the city's flower market.

Kyiv Mayor Vitali Klitschko said three workers in the city's critical infrastructure were killed as a result of the strikes. The deputy head of Mr. Zelensky's administration, Kyrylo Tymoshenko, told Ukrainians to prepare for blackouts across the country after days of Russian strikes.

"The situation is critical," he said in a TV interview.

Russian air attacks in recent weeks have underscored Ukrainian officials' calls for more air-defense capabilities from

the West. On Monday, a swarm of Iranian-produced drones struck central Kyiv, hitting energy infrastructure and at least one residential block.

Foreign Minister Dmytro Kuleba of Ukraine said he had asked Mr. Zelensky to cut off ties with Tehran as a result of Iran's military assistance to Russia, Ukrainian media reported. He also said Ukraine would officially request air-defense systems protect against Iranian Shahed drones.

On Tuesday, a U.S. senior military official said the Biden administration was working to get the first deliveries of the National Advanced Surface-to-Air Missile System, a short and medium-distance system, to Ukraine in the coming weeks. European countries are also contributing various air-defense systems.

"From a U.S. standpoint, we're going to continue to stand by the Ukrainians and provide them with the support that they need, as they try to push these Russian forces back," the official said.

Washington's assistance has spurred Russian officials to warn that their real enemy isn't Ukraine but the U.S. It has also prompted the U.S. to modify optics around military exercises. A wargame planned to exercise the North Atlantic Treaty Organization nuclear deterrence capabilities started early this week in Belgium, involving fourth- and fifth-generation jet fighters and B-52 long-range bombers. A NATO statement said the exercises had been long planned and weren't linked to any current events.

—Matthew Luxmoore and Drew Hinshaw contributed to this article.

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WORLD NEWS

Tehran Wiields Influence Via Drone

Military alliance with Russia raises Iran's profile, complicates Kyiv's defense efforts

BY DION NISSENBAUM
AND STEPHEN KALIN

Iran's deepening military support for Russia is creating a new challenge for Ukraine and its Western backers as they try to prevent its drones from giving Moscow an edge. It is also putting pressure on Tehran's rivals in the Middle East to share what they have learned to defend against drone attacks, and provide more decisive support to Ukraine, analysts say.

Russia used dozens of Iranian-made drones to target the Ukrainian capital, Kyiv, on Monday as it pivots away from recent losses on the battlefield to hit civilian homes and infrastructure, including power plants ahead of winter. Iran has also dispatched military advisers to help the Russians more effectively use what are known as suicide drones, according to current and former U.S. officials.

Two weeks ago, the Ukrai-

nian military said it had brought down a larger Iranian drone, known as a Mohajer-6, that can carry up to four bombs. Now, Ukraine is bracing for Iran to start supplying Russia with both cruise and ballistic missiles that could give Moscow accurate and far-reaching new firepower, according to Defense Minister Olexii Reznikov.

"We must have instruments to neutralize the missile threats of the Russian-Iranian military alliance," Mr. Reznikov said, who called for more sanctions against Tehran.

He said the Iranian weapons should end any hesitation about providing Ukraine with Patriot missile-defense systems and more powerful long-range Atacms missiles for the high-precision Himars systems Washington has already supplied.

The emergence of Iranian drones as a central weapon in Russia's arsenal against Ukraine may be just the beginning of an expanding military role as Tehran's leaders look to exert greater power and influence outside the Middle East, analysts say, especially if there is an opportunity to antagonize the U.S. and its allies. Though Iran has historically

viewed Russia with geopolitical suspicion, ties between the countries have developed over the past decade. Tehran's dominant security and intelligence apparatus now sees Moscow as a trustworthy regional actor, said Sanam Vakil, deputy head of the Middle East program at Chatham House, an international-affairs think tank in London.

"They share a worldview

Ukraine seeks help from Israel, others on how to combat Iranian drones.

that's predicated on suspicion of the West and particularly the U.S. The war is nothing short of an opportunity for stronger ties," she said. Iran's leaders, she said, "see, perhaps, a weakened Russia as good for Iran in that they can extract things. They are the junior partner but they're not as weak as they were before."

Iranian leaders say they have a burgeoning military alliance with Russia but deny

providing Moscow with any weapons for use in Ukraine.

Ukrainian leaders are increasingly asking countries with experience combating Iranian drones for help, such as Israel.

"We need this experience and we need this help, and we need it as soon as possible, because we are under attack right now," said Yegor Dubynski, Ukraine's deputy minister of digital transformation, who is involved in the country's drone and counterdrone programs.

Mr. Reznikov said Ukraine is optimistic about obtaining Israeli support in countering threats from the air as well as cyberspace. "We are in constant contact with the political leadership of Israel and respect their position regarding the ongoing war," he said.

Israel is providing Ukraine with military intelligence and analysis to help counter Iranian drones, according to people briefed on the effort.

Iran's Middle East rivals—Israel, Saudi Arabia and the United Arab Emirates, among others—have long experience battling drones from Iranian proxies such as the Houthis in Yemen or Iran itself. All three countries have condemned

Russia's invasion of Ukraine but stopped short of joining Western sanctions against Moscow or sending Ukraine weaponry, for varying reasons.

That calculation isn't likely to change soon, analysts said.

Israel relies on Russian acquiescence to carry out strikes on Iranian targets in Syria, where Tehran helped President Bashar al-Assad repel U.S.-led efforts to topple the Syrian leader. Saudi Arabia's interests are intertwined with Russia on oil, and Riyadh's recent move to cut production fueled accusations that it was siding with Moscow—allegations the Saudis deny.

Steven Cook, a Middle East expert at the Council on Foreign Relations, said Iran's regional foes were aggravated by the North Atlantic Treaty Organization's announcement last week that it would send jamming devices to help Ukraine counter drone attacks because the U.S. was slow to help the U.A.E. and Saudi Arabia combat drone and missile strikes by Iran and the Iran-aligned Houthi rebels in Yemen.

"The Saudis and the Emiratis are like, 'Where are our jammers?'" he said. "They do think there's a double standard."

Iran Tries Stealth Tactics to Quell Unrest

BY BENOIT FAUCON

As protests in Iran enter a second month, authorities are using plainclothes security officers, digital surveillance and drones to target the demonstrations that are now characterizing the movement, marking a new phase in the harsh government response.

The techniques are a response to protesters' adaptations in an uprising that began after 22-year-old Mahsa Amini's Sept. 16 death in police custody over alleged violations of the country's dress code. Security forces have used live ammunition and tear gas to disperse large crowds, leaving hundreds dead and injured. In response, protesters have moved away from big gatherings in favor of pop-up demonstrations and other displays of resistance, such as women removing their headscarves, in a shift that has given the movement staying power.

In recent weeks, plainclothes security officers have quietly mingled among the crowds in areas where protests are taking place and physically attacked or threatened those they suspect of backing the antigovernment movement.

Plainclothes officers have also used smartphones to take photos and record videos of demonstrators, said protesters, witnesses and human-rights groups. Security forces said they have used this footage to identify and track some of these protesters and later arrest them.

Mahshid, a 28-year-old student who joined the protests in the southern city of Shiraz, said that on Saturday, a civilian car drove in front of her and a friend, blocking their path, after she took pictures of an unmarked police vehicle. The Wall Street Journal agreed to use only her first name.

Mahshid said the plainclothes officers tried to arrest the women. "The man shot at our car with a handgun five times," leaving a deep hole in the vehicle, according to Mahshid and images of the vehicle reviewed by the Journal. The two women managed to escape, but Mahshid said she has given up protests for now.

From Tehran to the far eastern province of Sistan-Balochistan, Iranian authorities have also begun using drones to surveil the protests, according to demonstrators and po-



Iran's unrest began last month following the death of 22-year-old Mahsa Amini's in police custody. A Sept. 20 protest in Tehran.

lice forces. The government also has relied on CCTV footage and food-delivery services that track locations and other apps to locate activists, according to Iranian experts and officials.

On Saturday, eight people died when a fire ignited at a huge prison in Tehran that holds political prisoners, and clashes between inmates and prison guards broke out. Demonstrations have continued throughout Iran, including in the northern town of Ardabil where a schoolgirl allegedly died during police beatings. The government says she died of a heart condition.

Saeid Golkar, an authority on Iran's security services who teaches at the University of Tennessee, at Chattanooga, said using tracking apps and other forms of technological surveillance allows authorities to identify the most active protesters. By sending in plainclothes officers they can deny any responsibility for beating or shooting at protesters, videos of which have circulated on social media.

Prior protests, such as those in 2009 over disputed elections and in 2019 over rising commodity prices, relied more on uniformed officers, such as riot police in black gear, Basij paramilitary in dark green caps and police in light green shirts. The use of technologies was also much less extensive.

"They have learned a lot" compared with previous waves of protests, Mr. Golkar said. "They are getting more advanced technologies of surveillance."

One protester in Tehran said he has witnessed the change from sending in uniformed officers to plainclothes officers. "On the first day of the clashes, a significant number of uniformed men, a regular force with a visible hierarchy, were active in arrests and

Hijab-Less Athlete Climbs, Apologizes

A female Iranian rock climber competed without a headscarf in an international competition in South Korea, thrusting her into the spotlight amid women's rights protests in Iran.

Footage emerged on Monday of Elnaz Rekabi, who has won multiple medals in international rock climbing championships, scaling a wall without a headscarf, or hijab, at a competition in Seoul. She was praised by supporters of the protest movement for being shown with her hair uncovered in public, an act illegal under Iranian law.

London's BBC Farsi-speaking news service and other Iran-focused news outlets later reported that Ms. Rekabi's passport and mobile phone had

been confiscated and that she had been forced to return to Tehran prematurely.

The Iranian Embassy in Seoul said it "strongly denies all the fake, false news and disinformation" about the news reports.

A post published on Ms. Rekabi's Instagram account apologized for the "created concerns" and said "due to time mismanagement and unexpected call for my participation for climbing the wall, my covering had unintentional problems." She said she was returning to Iran with her team. No one responded to a request to comment sent to the account, which showed it wasn't active.

—Benoit Faucon

Iranian climber Elnaz Rekabi competing Sunday in Seoul.



Iranian climber Elnaz Rekabi competing Sunday in Seoul.

university, said he saw men wearing T-shirts and bluejeans ask protesters for their cell-phones to check footage. "They looked like any student," he said.

On Oct. 8, a video posted to social media and verified by Storyful, which is owned by News Corp, the parent company of the Journal, showed a crowd of protesters in a north-east Tehran neighborhood running and screaming as a man in a blue shirt brandished a gun.

In Zahedan, the capital of Sistan-Balochistan, which is home to Iran's Baloch minority, snipers dressed in local dress—a long shirt over loose trousers—suddenly appeared on rooftops overlooking an open-air prayer area, according to two residents. They initially filmed the crowds then shot at worshippers, the residents said. "I myself noticed some snipers who were shooting from the rooftops" for an

hour-and-a-half, said one resident. They "were disguised in Baloch clothing."

Footage obtained by Iranian Baloch human-rights group HAAL Vash and Amnesty International confirms the men's account.

Men in Baloch dress also fired from a nearby police station. In total, 96 people died in the protests in Zahedan that day, according to HAAL Vash. Amnesty International said 66 people died.

In some instances, the use of plainclothes officers has backfired. Two undercover officers appear to have been killed by friendly fire after blending into crowds of protesters on Sept. 21, according to Amnesty International.

To monitor demonstrations at a distance, Iran has also started using its thriving drones industry against its own population, according to state media, Zahedan residents and HAAL Vash.

WORLD WATCH

EAST TIMOR

Australia Seeks Fix To Gas-Deal Impasse

Australia appointed a special envoy for a stalled natural-gas project near East Timor, as the U.S. ally seeks to break a stalemate and head off any efforts by the tiny nation to seek Chinese investment for the fields.

On Tuesday, Australia named a former premier of Victoria state, Steve Bracks, as a special representative to the Greater Sunrise project that lies between the two countries, in an effort to smooth talks between East Timor officials and partners in the joint venture, including operator **Woodside Energy Group** Ltd.

The project has been delayed by a number of disputes, including over where the natural gas will be processed. East Timor has said doing it in the small country, the eastern half of an island about 1,300 miles east of Jakarta, would help create jobs and support industrial development. Woodside has previously said that processing the gas in the Australian city of Darwin is the most economically viable option.

In August, East Timor's President José Ramos-Horta said the nation might consider seeking Chinese investors if a deal couldn't be struck with existing development partners to bring the gas to East Timor via pipeline.

—Rhiannon Hoyle

AFGHANISTAN

Taliban Killed 27 Captives, Group Says

The Taliban captured, bound and shot to death 27 men in Afghanistan's Panjshir Valley last month during an offensive against resistance fighters in the area, according to a report published Tuesday, rebutting the group's earlier claims that the men were killed in battle.

One video of the killings verified by the report shows five men, blindfolded with their hands tied behind their backs. Then, Taliban fighters spray them with gunfire for 20 seconds and cry out in celebration.

The investigation by Afghan Witness, an open-source project run by the U.K.-based nonprofit Center for Information Resilience, is a rare verification of allegations that the Taliban have used brutal methods against opposition forces and their supporters, its researchers said.

Enayatullah Khawarazmi, the Taliban-appointed spokesman for the defense minister, said a delegation is investigating the videos released on social media.

—Associated Press

UNITED KINGDOM

Assault at Chinese Consulate Alleged

China's Foreign Ministry said Tuesday that its diplomatic missions abroad have the right to "take necessary measures" to maintain security after British police opened an investigation into the assault of a Hong Kong protester who alleged he was dragged into the Chinese Consulate in Manchester and beaten up during a demonstration.

Britain's foreign secretary summoned China's second-most senior diplomat in the U.K. on Tuesday to express the U.K.'s "deep concern" about the assault allegations and to demand an explanation for the actions of the Chinese Consulate staff.

Police in Manchester said a peaceful protest outside the consulate on Sunday turned into a "hostile" situation when men came out of the building, dragged one protester into the consulate grounds and assaulted him. Police said officers had to intervene and remove the man. Chinese Foreign Ministry spokesman Wang Wenbin said the protester had "illegally entered" the consulate.

—Associated Press

ARGENTINA

Country Frees Crew Of Detained Jet

Argentina released five Iranian and Venezuelan crew members of a cargo jet that was grounded for an investigation into possible terrorism ties, after a judge ruled that there wasn't enough evidence to charge them.

Among those freed was a pilot who U.S. and Latin American law-enforcement officials have said is a high-ranking member of Iran's Islamic Revolutionary Guard Corps.

The three Iranian and two Venezuelan men left Argentina on Tuesday, according to a spokesman for Argentina's immigration office and a representative for the Iranian crew members. Iran's Embassy in Argentina didn't respond to a request for comment.

—Ryan Dube

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WORLD NEWS

Chinese Data On Economy Gets Scarce

By Stella Yifan Xie

HONG KONG—The world is eager for clues about the health of China's economy as the country endures its worst prolonged slowdown in years. But getting a clear picture has only grown more difficult, as data becomes harder to obtain and unflattering analysis vanishes.

On Monday, China's National Bureau of Statistics abruptly canceled the release of quarterly gross domestic product data hours before it was set to be published, without providing a reason or setting a new date. Days earlier, the customs agency simply didn't release monthly official trade data, offering no explanation.

The moves, which economists said had no obvious precedent in China, came as China holds a Communist Party congress where leader Xi Jinping is expected to secure a third term. They were only the most glaring examples of what many investors and scholars say reflects increasing sensitivities around economic data and commentary that have made analysis of the world's second-largest economy more difficult.

In the past year, China's official statistics bureau and private research firms have retracted or removed more data from public access, while reports by economists and market analysts—particularly those with a more bearish outlook—have been retracted or expunged. Some analysts who have questioned economic policy have had their social-media accounts suspended.

And in recent weeks, China's securities regulator has urged brokerage firms, including the domestic Chinese businesses of JPMorgan Chase & Co. and Goldman Sachs Group Inc., to refrain from commenting ahead of the Communist Party conclave on politically sensitive topics, which could include a range of subjects, including many aspects of the economy.

"For investors, there is a lot of guesswork involved now," says Hao Hong, a prominent Hong Kong-based market strategist who left Chinese state-owned Bocom International Holdings Co. and had his Chinese social-media accounts suspended in May after he offered a bearish take on China's economy and stock-market outlook. The bank said at the time that he left for personal reasons.

Mr. Hong declined to comment on his departure. The integrity of economic data in China has long been a question mark for investors and economists. Official figures offer limited transparency into the labor market and the amount of local governments' off-balance-sheet debt, for example. China's data-security law adopted last year has made it harder for foreign companies and investors to get information about Chinese-based firms. Hedge funds and other investors have turned to private data suppliers, satellite imagery and other increasingly obscure al-



Chinese economic data that had been scheduled for release Tuesday—but postponed—was expected to show that GDP growth slowed.

ternative data sources in hopes of getting a better grasp of the economic situation.

Concerns about access to accurate economic indicators and independent analysis have only grown as the slowdown has deepened in the run-up to this week's Communist Party congress. Much of the data highlights weaknesses in the Chinese economy, which has suffered from a slump in the property sector and Covid-19 policies that have stifled consumer spending and investment.

The Chinese monthly export data that had been slated for release last week was expected to have shown export growth

slowing to its lowest rate in five months, according to The Wall Street Journal's poll of economists.

Similarly, data scheduled for Tuesday was expected to show that GDP growth slowed. Economists polled by the Journal estimate it grew 3.5% in the third quarter, making hitting the official growth target of around 5.5% for the year even less likely.

One area of focus for economists and investors is China's housing sector, which has come under intense strain since Beijing began enforcing strict limits on property developer debt. In August, Beijing-based Beike

Research Institute, which regularly publishes reports on China's real-estate market, pegged the average residential vacancy rate in 28 Chinese cities at 12.1%. Though the level was far lower than in earlier scholarly estimates, Beike described the vacancy rate as being "relatively high," exceeding that of the U.S. and U.K.

Within days, Beike retracted the report and apologized for what it called an "incomprehensive" survey that had employed "nonstandardized" sampling methods. A representative of Beike, a subsidiary of New York-listed KE Holdings Inc., declined to comment.

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Kim Looks to Nation's Food Struggles

By Dasl Yoon

SEOUL—To the outside world, North Korea's recent missile activity is familiar: a flight over Japan, claims of weapons advances and threats to rivals in Washington, Seoul and Tokyo.

But inside the rogue nation, news of many recent tests has been published on the inside pages of the state-run newspaper, not the front.

North Korean leader Kim Jong Un and the country's media have put more focus on farming, as a national food shortage worsens due to Covid-19 border lockdowns, as well as bad weather and supply-chain problems.

The shift was apparent this month, as North Korea celebrated the founding anniversary of its ruling Workers' Party. Mr. Kim, breaking with convention, didn't organize a military parade or oversee mass celebrations in Pyongyang. Instead, he inspected a new farm built on grounds that used to be a military airfield and missile-launch site. Given the country's current



Kim Jong Un marked a Workers' Party anniversary at a farm opening, in a photo released Oct. 11.

struggles, regime leaders would risk diminishing trust with citizens by overemphasizing weapons advances, said Seo Jae-pyong, a North Korean defector and leader of a Seoul-based activist group. "Kim knows that the North

Korean people don't want to constantly hear about the missile launches when they are facing real difficulties like starvation," Mr. Seo said.

Nearly 70% of North Korea's people will face food shortages this year, according to esti-

mates released by the U.S. Department of Agriculture in September. North Korea will experience a shortage of 1.2 million tons of food, an increase of 170,000 tons compared with last year, according to the estimate.

North Korea Fires Shells Toward Sea

By Dasl Yoon

SEOUL—North Korea fired hundreds of artillery shells late Tuesday, as South Korea kicked off military drills to counter North Korean provocations.

North Korea fired about 100 shells into the sea off its west coast around 10 p.m. local time and 150 shells off its east coast about an hour later, Seoul's military said Wednesday.

South Korean troops began annual military drills on Monday, aimed at responding to North Korea's nuclear and missile threats. Following North Korea's latest provocation, South Korea's military sent messages warning North Korea to stop firing in violation of a 2018 inter-Korean military agreement.

On Sept. 19, 2018, the two Koreas agreed to suspend hostile acts near the border area to prevent military clashes. The shells fired on Tuesday didn't land in South

Korean waters, Seoul's military said.

North Korea had fired shells near the inter-Korean maritime border on Friday, after conducting more than two dozen missile tests in 2022, a record number for a single year. North Korea said its firing of artillery shells was a response to dozens of shells fired by South Korea during its military drills on Tuesday, according to a North Korean state media report.

North Korea has characterized its recent weapons tests as responses to joint military drills by Washington, Tokyo and Seoul. Earlier this month, Pyongyang's state media reported that North Korean leader Kim Jong Un oversaw two weeks of military drills that simulated tactical nuclear strikes against the U.S. and South Korea.

On Friday, South Korea issued its first unilateral sanctions against Pyongyang in nearly five years.

Australia Reverses on Israel's Capital

Australia dropped its recognition of West Jerusalem as Israel's capital, sparking a diplomatic spat between the two U.S. allies over the longstanding Israeli-Palestinian conflict.

By Mike Cherney in Sydney and Aaron Boxerman in Jerusalem

The decision by Australia's center-left government, which came to power after an election in May, reverses a 2018 move by the previous center-right government to recognize West Jerusalem as Israel's capital. Australia's Embassy is still in Tel Aviv.

"The 2018 decision put Australia out of step with the majority of the international community," Australian Foreign Minister Penny Wong said Tuesday.

The Israeli Foreign Ministry said Australia had been motivated by "shortsighted political considerations" and that Australia's ambassador to Israel would be summoned over the decision. Israeli Prime Minister Yair Lapid also criticized the move, saying Jerusalem is the eternal and united capital of Israel and nothing would change that.

"We can only hope that the Australian government manages other matters more seriously and professionally," Mr. Lapid said in a statement.

The status of Jerusalem has been a complicating factor for



Australian Foreign Minister Penny Wong announced the decision.

the U.S. and other nations that have sought to broker peace between Israel and the Palestinians. Both Israelis and Palestinians claim Jerusalem as their capital. The Palestinian Authority, the Palestinians' internationally recognized representative, has said it would accept a Palestinian state with its capital in East Jerusalem. Israel captured East Jerusalem from Jordan in the 1967 Arab-Israeli war and annexed the area soon after.

In late 2017, President Donald Trump departed from decades of U.S. policy and granted recognition to Jerusalem as Israel's capital, and eventually moved the U.S. Embassy there. Mr. Trump also closed the separate U.S. consulate in Jerusalem, which served as a mission to the Palestinians.

The Biden administration has said it wants to reopen the Jerusalem consulate to strengthen ties with the Palestinians, though no new diplomatic post has opened so far. Palestinian leaders have argued that President Biden's failure to reverse Trump-era policies makes the prospect of a political settlement with Israel more remote.

Ms. Wong said the final status of Jerusalem should be decided between Israel and the Palestinians through talks. She said Australia remains committed to the two-state solution and suggested that Australia's recognition of West Jerusalem as Israel's capital undermined that prospect.

"Australia will always be a steadfast friend of Israel," she said, noting that Australia was one of the first countries to

recognize Israel. "We are equally unwavering in our support of the Palestinian people including in the provision of humanitarian support."


Ms. Wong said former Prime Minister Scott Morrison's decision to recognize West Jerusalem as Israel's capital was a political ploy. Mr. Morrison signaled he was looking into Jerusalem's status shortly before a special parliamentary election in a district with a relatively high percentage of Jewish voters.

When he announced the policy change, Mr. Morrison said West Jerusalem is the seat of Israel's parliament, that many government institutions are located there and that the city deserved better than the current stalemate. But he also acknowledged Palestinian aspirations for East Jerusalem to be their future capital.

Israel and Australia have expanded cooperation on defense in recent years and the economic relationship has also grown, with much investment focused on the innovation and tech sector.

Israeli officials said the matter was unlikely to torpedo ties between the two countries.

"Australia is still our friend. One doesn't ruin relations over such an announcement or a decision, but it certainly disappoints us," Nachman Shai, a minister in the outgoing Israeli government, told Israel's public broadcaster.



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FROM PAGE ONE



Tintoria Martelli, right, a fabric-dyeing factory in Vaiano, Italy, has been slammed by increases in the cost of natural gas. Machines in the factory, above, filled with wool fabric.

Energy Costs Hit Fashion

Continued from Page One

Southern European nations have asked the European Union to adopt a cap on wholesale gas prices across all member countries, a measure Germany and the Netherlands oppose. The European Commission, the EU's executive arm, on Tuesday published proposals seeking the power to impose an emergency cap on the price of natural gas on the bloc's main trading exchange.

At present, the pain is striking up and down the supply chain, from spinners and weavers who consume lots of electricity to transform bales of wool into yarn to fabric dyers who use gas-powered water tanks and industrial-size dryers.

Jobs threat

It is difficult for fabric makers to simply pass on those higher costs to buyers. Many are obligated to deliver goods at prices agreed upon months earlier. And higher prices would likely prompt many fashion companies and retailers to shift their business to outside of Europe, where energy prices can be lower. Hanging in the balance are the textile-manufacturing industry's 1.3 million jobs across the EU.

Alberto Paccanelli, who runs a textile maker in Northern Italy, was stunned when his July gas bill jumped to 660,000 euros, the equivalent of about \$650,000, from €90,000 a year earlier.

"What's happening now is this whole European industry risks going out of business," said Mr. Paccanelli.

Some brands already are moving production to other countries including Turkey, where production costs are lower, rather than absorbing the extra cost in countries like Italy, according to suppliers. Russia has continued to supply gas and oil to Turkey. Enrico Gatti, a wool maker who supplies Zara, H&M and other brands, said orders have dropped by 50% this year for him and other textile makers around the Tuscan town of Prato, a major textile hub.

A spokeswoman for H&M Hennes & Mauritz AB said the company is "continuously developing our sourcing to mitigate increased energy, raw material and freight costs as well as currency."

Inditex SA, owner of Zara, says its flexible manufacturing relationships allow it to shift

production as needed.

The industry's problems are laying bare an emerging divide between European countries moving to insulate national industries from surging gas prices and those countries that cannot afford to. Germany announced energy relief measures valued at nearly €300 billion, including price limits on electricity and gas. France plans to spend €100 billion on its own crisis-fighting measures.

Italy doesn't have the financial firepower for similar measures. The country is saddled with a national debt equivalent to 150% of its gross domestic output, and Giorgia Meloni, the country's incoming prime minister, has vowed to keep a lid on public spending.

As of late September, Italy had allocated €59 billion, or 3.3% of its GDP, to measures aimed at shielding businesses and households from the energy crisis, according to the Brussels-based Bruegel think tank. Germany had allocated €100 billion, or 2.8% of its GDP, while France had directed €72 billion, or 2.9% of GDP, at the problem.

The divergence is undermining the EU's single market for goods, said Jean-François Pierre Gribomont, chairman of textiles company Utextel NV. His weaving operation in Belgium pays €193 per megawatt-hour in that country, double what he paid a year ago. In France, which has directed subsidies at the problem, he pays €123 a megawatt-hour, an annual increase of about 50%, he said. "Why should we have a Europe if every country can do what it wants," he said.

Michael Engelhardt, head of energy policy for Berlin-based trade association Textil+Mode, said German textile and fashion companies could be poised to benefit from state aid more



FRANCESCO LASTRUCCI FOR THE WALL STREET JOURNAL (3)

than peers in some other European countries, but that the firms still have to jockey for public funds with other domestic industries.

Fabric makers worry they will end up near the back of the line if European capitals are forced to ration gas this winter, because their wares are deemed less essential than other energy-intensive industries such as glass and metals.

"You could argue, 'Look, if you're short of fresh new shirts, it's not the end of the world, you see?'" said Dirk Vantghem, director general of trade group Euratex. But he and other textile-industry representatives and producers said the fashion industry is closely intertwined with broader production of technical and medical textiles that go into such things as air filters, wind turbine blades, artificial human joints and automobile tires.

The steady supply of inexpensive Russian gas allowed manufacturers across Europe to thrive for decades, even while overseas competition increased. Europe's share of global textile exports has declined over the past 20 years, while China's has quadrupled to more than 40% as of 2020, more than double the EU's 2020 share, according to the most recent World Trade Organization data.

Small and medium-size firms have dominated the industry in Europe by forging close, collaborative ties with

design houses, and deepening their specialization over generations.

Their spinning and weaving techniques consumed large amounts of electricity, transforming raw fibers imported from New Zealand and Australia into fine thread and fabric. The material is dyed in giant tanks powered by natural gas. Niche companies developed high-quality finishes that require a skilled workforce and command larger profit margins.

Firms clustered in hubs such as Italy's Lake Como silk district and the Tuscan town of Prato for wool makers. The cooperation gave smaller firms the scale to punch above their weight, competing on price and quality with China and Turkey.

'You set a price, and then the cost of gas doubles,' said one wool maker.

When energy prices began to surge a year ago, many small firms found it hard to absorb the extra costs. Natural-gas prices across Europe rose nearly 10-fold over a year, peaking in late August, as producers worked to turn around collections that had been priced much earlier in the year.

Maurizio Sarti, a luxury wool maker in Tuscany, said he raced to fill orders in two months' time but couldn't keep up with the rising gas prices. "You set a price, and then the cost of gas doubles," he said. "I can't pass the increase on to my client."

Gas bills

Vincenzo Cangioli, another high-end wool maker from Prato, discovered he could no longer renew his long-term gas purchasing agreement, at any price. That forced him to start buying gas on a month-to-month basis. His bill for the month of July was €340,000, compared with €450,000 for all of 2021.

"If I look at our profile in February and the July profile, what I have is two completely different businesses, which is very scary," he said.

Guido Nesti, who owns a dyeing operation in Prato with 30 employees, spoke to his gas vendor in September hoping to renew a purchasing agreement that typically lasts a year or more. Like many business owners across Italy, Mr. Nesti was accustomed to negotiating in the summer when demand for the fuel is low and storage facilities across the continent are filling up.

This time, Mr. Nesti said, the vendor asked him for a cash advance equivalent to at least two months of gas bills. The 65-year-old was incredulous. Gas prices were 10 times

the level of a year ago, making two months of payment an unprecedented sum, he said.

Mr. Nesti spread word to another dyer in the area, Fabio Reali, whose own purchasing agreement was due to expire in December. Mr. Reali calculated, based on his bills in July and August, that he would have to come up with about one million euros to cover two months of gas bills if his vendor made a similar demand. To make it through the year, he would have to burn more than half of his €10 million in annual revenue on energy bills, compared with the 10% he used to spend.

The cost of gas, he said, had gone from being "one of the thousand business costs" that he rarely thought about to "a monster that's devouring us."

Heating large water tanks to dye fabrics had become so expensive that the firm could afford only two to three more months of losses before shutting its doors.

Mr. Reali had been gradually raising his prices since Russia invaded Ukraine. When Moscow decided this summer to first restrict, then close, the Nord Stream pipeline, a vital artery for Europe's gas supply, gas prices rose to more than 10 times what Mr. Reali had paid a year earlier.

That made Mr. Reali's energy costs too high to pass down the supply chain. The usual buyer of his dyed fabric, the wool maker Mr. Gatti, had years of experience negotiating with major brands, navigating the pandemic and other crises.

Mr. Gatti said he recently sent Zara fabric to produce prototypes of a coat and other garments, lining his firm up to produce around 200,000 yards of fabric for the brand. When he pressed Zara to absorb the extra energy costs he and Mr. Reali were incurring, however, Zara backed out, he said.

Mr. Gatti saved some money by running his mechanical looms during the evening when the price of electricity was lower. But Mr. Reali's operations didn't have the same flexibility. Powering down and heating up giant dyeing tanks consumes large amounts of gas. Running them for only three-day stretches, Mr. Gatti said, would delay delivery and trigger penalties from Zara.

"The important brands don't want to hear about it," he said. "They want to maintain their margins."

The Tuscan town of Prato is a major textile hub.



Fans Snag Celebrity Usernames

Continued from Page One

then, in January, Mr. Yelich himself made his debut on TikTok under the username @christian.yelich. He shared a meme from the comedy film "Step Brothers" and namechecked Ms. Wagner's account with the caption: "When tiktok won't give you your username that a fan created already."

It was for Ms. Wagner, now 17, a close encounter of the celebrity kind. Years ago, fans waited in autograph lines for a brush with fame. Now, some are getting one by squatting on celebrity names for a TikTok or Instagram account. One Instagram user wound up having dinner with actor Chloë Sevigny after snagging her name.

"Dad, Dad, Dad! Christian knows I exist!" Ms. Wagner screamed as she barreled downstairs at home.

In the age of social-media influence, a username is a status symbol, the Gen Z equivalent of a vanity license plate. Ordinary users put great effort into picking the right one. And sometimes, they borrow famous people's names.

Ms. Wagner said she shed tears of joy before collecting herself enough to playfully ask Mr. Yelich, "What's your offer?" Their online "tiff" escalated, and Ms. Wagner's account soared above 4,000 followers.

"I think it's too late now, you are Christian Yelich," he responded. "Look maybe, we split home and away or something." Their banter drew more than 2.5 million views.

Mr. Yelich declined to comment, though Ms. Wagner is now something of a VIP. When she attended a Brewers game in June, team mascot Bernie Brewer visited her in the stands and handed her a bat

signed by Mr. Yelich.

Not all such situations go so well. Joseph Portillo, a 17-year-old Miami resident, became an avid fan of singer Ariana Grande a few years ago and wanted a TikTok account to post Ariana videos. Finding various permutations of @arianagrande taken, he tried @frankiejgrande. Frankie Grande is a dancer, performer and two-time contestant on "Celebrity Big Brother"—and Ms. Grande's half brother.

It worked, and Mr. Portillo began posting under the handle, which felt special. "It's just something that not everyone has," he said.

In mid-2020, he logged in to find his username unavailable. Who now had it? Mr. Grande himself.

Digital media strategist Greg Baroth, who works with popular YouTubers, said Mr. Portillo's experience is the norm.

Typically, a celebrity's representative will contact a social-media platform and request verification and a certain username, Mr. Baroth said. If it is already

claimed, the platform can take back the handle, logging the user out or prompting them to change the username.

He said platforms tend to check the status of the original user: Is the person a fan or impersonator? Is the account active or inactive? The requester's level of fame can factor in.

Will Smith, a San Francisco podcast host, joined Twitter and Instagram under @willsmith—after all, it's his own name.

In 2016, he said he received an email from "Will Smith's people," as in the actor Will Smith. Their request: his nine-character Instagram username.

Mr. Smith, the podcast host, used Instagram infrequently and felt sure the platform would give the username to the actor. He relinquished it.

The podcast host did get to keep his Will Smith Twitter account, which became less fun after the actor slapped Chris Rock at the Oscars. The non-famous Mr. Smith said he was inundated with angry messages from people confus-

ing him with the movie star.

"Saturday Night Live" cast member Bowen Yang's Instagram handle is @fayedunaway, after the Oscar-winning actor. "All I want is for you to reach out to me," Mr. Yang said in regards to Ms. Dunaway on "The Tonight Show" in 2021. Ms. Dunaway didn't respond to requests for comment.

Hannah Turner, who is 22 and lives in Vancouver, British Columbia, downloaded Instagram at age 14. She idolized edgy New York fashion luminaries such as Chloë Sevigny. "I remember just typing in 'chloesevigny' and it was available," she said. "So I just took it."

Then she bumped into the real one. In an interview, Ms. Sevigny said that in the process of releasing a book, the publishing house told her there were several "fake Chloës" out there and she needed to reclaim her name in order to promote it.

"I went to find my name, and I realized there was this little teen girl already using my name," Ms. Sevigny said. "And I

automatically was very smitten with her."

Rather than snatch her own name back, Ms. Sevigny joined the platform under the variant @chloesevigny, adding her middle initial. She soon got a welcome direct message from Ms. Turner: "i am sorry my username is your name I feel bad for this everyday but I hope you are alright with it."

Ms. Sevigny's response: "#re-alecognizere I love Hannah, my kind of girl."

Ms. Turner is often tagged in posts about the actress—even getting the occasional fashion show invite. Ms. Sevigny said she enjoyed Ms. Turner's posts about being a girl skateboarder and said she sent Ms. Turner some hand-me-down clothes.

When she visited New York City, Ms. Sevigny invited her to dinner. Ms. Sevigny recalls thinking: "This girl Hannah is like, cooler than I could ever be."

Ms. Turner, of course, got a photo with the star and posted it to Instagram. It was Chloë Sevigny with @chloesevigny.



BONDS
ELIZABETH
BERNSTEIN

Carla Madrigal says she disliked her co-worker Ben from the minute she met him—bristling at his “close-minded” views and habit of swiping her newspaper. For months, they bickered. Ms. Madrigal would take walks outside the office just to calm down.

Then one day, Ben asked her about a favorite book she kept on her desk. Ms. Madrigal lent it to him, and when he returned it he told her he’d loved it.

“Oh my gosh, I can’t believe we have something in common,” Ms. Madrigal, who lives in Seattle, re-

Look for one thing you like about a person and focus on that, one psychologist suggests.

members thinking at the time.

You can learn to like someone you loathe. Really.

Many of us are bumping up against people we don’t like as we spend more time in offices and gathering with family and friends.

Yet even super-annoying people usually have redeeming qualities. You just have to work to uncover them.

And at a time when it can feel that polarization is rampant, it’s important to try.

“The world needs us to get along,” says Elizabeth Pinel, a professor in the psychological-science department at the University of Vermont who studies isolation and connection.

We often think shared similarities bond us—matched hobbies or interests, living in the same neighborhood, or having children the same age.

But we can have lots in common and still dislike someone.

Research shows that what really makes us like a person, and helps us bond, is sharing an experience and feeling we’re having the same response to it.

Psychologists call this I-sharing. (“I” as in “I get you.”)

Think of cheering on your favorite team with co-workers, singing along to a favorite song with your sister in the car, and laughing (or cringing) at the same jokes with friends at a comedy show.

The experience of relating in the moment is powerful, Dr. Pinel says. “You feel like you’re in sync or on the same wavelength,” she says.

Research by Dr. Pinel and others—conducted with people who differ from each other politically and socially—has found that I-sharing helps people like each other more.



Carla Madrigal and Ben LeFebvre bickered for months after first meeting at work.

It also makes us more likely to help each other out, to compromise and to be more generous.

One study, published in March, showed that having such experiences where we feel we have a shared response made Biden and Trump supporters like each other more.

You don’t need to like everyone. Some people are best avoided, especially if they make you feel unsafe emotionally or physically.

mist Sheharyar Bokhari said.

Jennifer Harris and her husband, Rob Harris, had hoped to buy a home in South Carolina in August. The couple, now renting in McLean, Va., decided to delay their purchase until late next year or 2024, however, because of high prices and mortgage rates. “It’s all holding us back,” Ms. Harris said.

Meanwhile, the couple is adding to their \$60,000 down-payment fund. They are keeping the money in a high-yield savings account with a roughly 2% interest

rate for now, but are considering moving it to a six- or 12-month certificate of deposit to try to get a higher return.

Seasoned buyers say they are struggling to get a decent return on their down-payment

money. Keeping the down payment in cash may be preferable to a volatile stock market, if the money is going to be used in the short term, but there may be better options than a standard savings account, financial advisers say.

Dan Driscoll and his wife, Jenny Driscoll, feel they sold their Montgomery, Ohio, four-bedroom home

in the spring at the top of the market for about \$535,000. The couple then rented the first apartment they could find in the area. They would like to buy a home near Cincinnati in the next six to nine months but are waiting for housing prices to cool. Mr. Driscoll doesn’t like that he is sitting on cash, but he isn’t quite sure how to deploy it.

The stock market seems too volatile for the proceeds from his prior sale, which he has marked for his down payment. He has opted to keep the roughly \$250,000 in a bank savings account that pays about 0.03%. “Inflation isn’t in my favor,” he said.

If you have a pile of cash and you want a home, waiting is one strategy. Continued rate increases

Don’t gossip—that enforces the negative. If you find something to sincerely compliment, do so.

“Treating people with dignity is likely to elicit a positive response in return,” Dr. Fehr says. And that should also help you warm up.

Spend real time together

Occasional small talk won’t cut it, psychologists say. You need to spend enough time together to get to know the person.

Move beyond the forced time together, say at work, and invite the person to hang out. People love an invite because it makes them feel appreciated, Dr. Rabenstein says. This makes them like the person who did the inviting more. (The psychological term is “reciprocal liking.”) And if they like you more, you might reciprocate.

Choose bonding activities

Start with an activity you both enjoy. Attend a concert or game, or share a pizza.

To get to an I-sharing moment, pick something that makes you work for a common goal. Play on the same team at trivia night. Or plan a volunteer activity together.

Awe-provoking activities—a nature hike or attending the symphony—are great. It’s hard not to bond if you’re both feeling your heart expand.

And if all else fails, try some-

thing that makes you both laugh. Who doesn’t like someone with whom they’ve shared a good laugh? And laughter produces oxytocin, a feel-good hormone.

After Ms. Madrigal’s colleague returned her book, the two began talking more—about favorite authors, their mutual love of cats, and their gripes about the engineering firm where they worked. (All bonding topics!)

They also spent time together outside work. Ms. Madrigal invited Ben LeFebvre to a book reading. They took picnics to the Presidio, near their office in San Francisco. Ms. Madrigal got up her nerve and showed Mr. LeFebvre some writing she was doing. He shared with her some personal problems he was having.

Mr. LeFebvre, a 75-year-old geologist, says he always liked Ms. Madrigal—“she was so cute!”—and that he remembers asking permission to take her newspaper. He also says that getting to know her helped broaden his world. “I had lost a sense of myself for a few years, and she reminded me who I really am.”

And Ms. Madrigal, a 78-year-old artist, says she came around to Mr. LeFebvre when she got to know and understand him better.

Now, the two have been married 28 years.

“I’m glad we discovered our common ground,” she says.

Prospective Buyers Put Down Payments on Ice

By VERONICA DAGHER

Many Americans who spent years socking away enough money for a down payment to buy a house are now waiting on the sidelines until mortgage rates or home prices drop.

Fannie Mae forecasts that mortgage lenders will complete 49% fewer single-family-home loans in 2022 than 2021. With mortgage rates pushing 7% and home prices still high, buyers often park their down-payment money in low-yield accounts, financial advisers say. While relatively safe, the funds often collect more dust than interest.

The typical home buyer who took out a mortgage in July made a \$62,500 down payment, up 13.6% from a year

earlier, and almost twice the median \$32,917 down payment in July 2019, according to Redfin.

A bright spot for buyers today: Down payments have fallen slightly in recent months, as higher mortgage rates have cooled the competition for homes and buyers don’t have to put as much down to help win the bid, Redfin senior econo-

\$62.5

Average down payment in July, in thousands



The Driscolls, left, want to buy a home, while the Harris are weighing options for their down-payment funds.

where safe and easily accessible, financial advisers say. Buyers can align their investment period with their home-buying timeline, said Noah Damsky, a financial planner in Los Angeles. If you think you might buy by the end of 2023, then consider six- to 12-month Treasury bills, which yield about

4%, he said. A money-market fund such as the Vanguard Cash Reserves Federal Money Market Fund (VM-RXX), which yields about 2.8%, is an option that doesn’t require as much attention for those who don’t want to worry about rolling Treasury bill purchases, Mr. Damsky said.

Richard Cooke, a financial planner in Fishers, Ind., likes I-bonds for buyers who plan to wait more than a year to buy a home, citing their 9.62% rate and safety. You can cash out the U.S. government-backed I Bonds after 12 months, but there will be a penalty equal to three months of interest if you cash out in the first five years. There is a \$10,000 annual limit per person, though there are certain strategies to exceed that ceiling.

John Boyd, a financial planner in Scottsdale, Ariz., tells clients not to wait if they can still save, pay their bills and plan on staying in the home for at least five years. “You can’t time the housing market any better than you can time the stock market.”

PERSONAL JOURNAL.

BY ELLEN GAMERMAN
AND ASHLEY WONG

Bestselling Author Boosts Readership in Novel Ways

Hoover follows fans' lead to craft page-turning—and steamy—pot boilers

IN BOOK CLUBS AND on social media, at libraries fielding hold requests and through the ranks of publishing houses marveling at her 20 million copies sold worldwide, people want to know: How does Colleen Hoover do it?

Ms. Hoover, 42, stands at the helm of a massive book-publishing empire that spans thrillers, coming-of-age stories and romance.

With the help of fans who call themselves CoHorts, her books—initially self-published and now released by the Simon & Schuster imprint Atria and other publishers—dominate the New York Times paperback bestseller list, currently occupying eight of the top 15 spots.

On social media, readers often show off heavily annotated copies while swooning over their “book boyfriends” from her stories and sharing emotional time-lapses of themselves reading her novels.

Her latest book, “It Starts With Us,” the sequel to her 2016 novel “It Ends With Us,” came out on Tuesday. It was already leading Amazon’s bestseller list.

The story was a direct result of her fans on TikTok, who clamored for a happy follow-up for the main characters, Lily Bloom and Atlas Corrigan.

“It might not always be a happy ever after *forever*, but there’s resolution that feels right,” Ms. Hoover said in an email on Monday. “I try my best to avoid ending books in a way that will leave the reader feeling unsatisfied and empty. I write as an escape, and I enjoy it. I want the readers to get the same feeling from reading that I do while writing.”

Here, through a close reading of 12 Colleen Hoover novels, we attempt to decode what keeps her fans coming back for more.

Some Colleen Hoover book spoilers appear below.

• Past scars

The emotional baggage definitely can’t fit in the overhead compartment, with lovers in these books haunted by cruel and abusive parents, deaths, illness, accidents and infidelity.



Colleen Hoover's books—staples of bestseller lists—are packed with trauma and romance.



stant tragedies that befall them.

• Troubled romances

Love never seems to come easy in Ms. Hoover's literary world. Instead, it's often a reward for overcoming trials in life, or a prize for which to fight. Take “Confess,” in which Auburn and Owen fall in love at first sight, then have their happy ending continually sabotaged by Auburn's dead teenage boyfriend's family. Eventually, Auburn and Owen win out, but not without many chapters of tears and anger.

It's also sometimes doomed to fail, such as the romance between Ryle and Lily in “It Ends With Us.” Though Ryle and Lily fall in love, get married and have a daughter,

Ryle turns out to be physically and emotionally abusive. Even after Lily divorces him at the end of the book, his jealous presence still poses problems for her budding relationship with Atlas in the sequel.

It's this “hurts-so-good” angst that induces the raw emotion some fans said is exactly what's kept them hooked.

“If you read any of her books, you will cry and maybe scream and probably want to throw the book, and there's just going to be this little ache in your heart for a little while,” said Lia Smith, 21.

• Lots of sex

Steamy scenes pervade Ms. Hoover's books.

There's love and hate, staring and biting, electricity and head-to-toe lust. “...I feel his touch surge through me like a current,” Ms. Hoover writes in “Reminders of Him.” From “It Ends With Us”: “His voice is decadent. Smooth. It travels straight to my toes.”

Still, intimacy issues abound. In “Ugly Love,” taciturn airplane pilot Miles pointedly avoids eye contact during passionate booty calls to the obliging nurse Tate. In “Maybe Not,” Warren has sex with his roommate Bridgette 30 times in three weeks, but she refuses to interact with him during the day. “What did I say about being clingy,” she tells him after one of their liaisons.

Then again, there's intimacy galore in “Hopeless,” where heroine Sky says her love interest “never

once breaks my stare” in a bedroom scene.

In “Verity,” up-and-coming fiction writer Lowen is offered an opportunity to ghostwrite for hit author Verity Crawford. In an unpublished memoir that Lowen reads as research, Verity writes in detail about the great sex she has with her husband, Jeremy. At one point, Lowen can't shake an image from Verity's manuscript of below-the-belt action at a Steak 'n Shake. Verity describes biting down on a headboard to stifle her screams

‘Hurts-so-good’ angst induces the raw emotion some fans said is exactly what's kept them hooked.

during encounters with Jeremy. Later, Lowen bites the same tooth marks on the same headboard with the same man.

• Plot twists

Ms. Hoover is known for flipping the script in her books, sometimes in the final few pages (as anyone who has read “Verity” knows).

Marlyse Black, whose book blog gave Ms. Hoover's first novel “Slammed” pivotal exposure, mentioned the surprises in the debut. “I'm so into this,” Ms. Black wrote. “I swear, I gasped, and then immediately hooted with joy at what I realized I was in for...”

Allison Smith, an avid fan from Louisiana, said her favorite plot twist was from “Regretting You”—though the revelations in a complicated tale of first love, death and infidelity left her particularly fearful and angry for the characters.

Deciphering the clues on book covers is another sport for Ms. Hoover's avid readers. Why is there water on the front of “Ugly Love,” a book about pilots?

Fans petitioned for a sequel to “It Ends With Us” after that book's final twist, and Ms. Hoover obliged them with “It Starts With Us.” The novelist understands that certain plot turns would make her audience revolt. One fan begged her not to kill the love affair between Atlas and Lily in the sequel. Writing on TikTok, Ms. Hoover promised her reader: “I would neverrrrrr.”

CLOCKWISE FROM LEFT: F. MARTIN RAMBIN FOR WSJ. MAGAZINE; ATRIA BOOKS; CHAD GRIFFITHS


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How a Strong Dollar Affects Europe Travel

BY ALLISON POHLE

U.S. TRAVELERS who have recently visited Europe, the U.K., Japan and elsewhere have taken advantage of the strong dollar when paying for food, activities and luxury items. Some people planning international vacations for next summer can also save if they lock in rates now by prepaying for major costs such as hotel rooms. But doing so requires some finesse.

The bottom line

The strong dollar is especially favorable to U.S. travelers visiting many international destinations now, compared with those who traveled six months ago.

For those yet to travel, it's best to proceed with caution. You could benefit from friendly rates now if you can prepay for hotels or tours in the local currency, but there are risks related to cancellation policies for prepaid reservations. Prices are also subject to demand, so travelers who have flexibility on dates should shop around.

Just because you see a price listed in euros doesn't mean it's a deal. Prices have generally gone up because of inflation, so you should convert the cost of a hotel room to dollars and see if it's within your budget. It can help you decide whether you want to use the conversion rate to spend less money overall or stay at a nicer place for less than it might typically cost.

The details

It can make sense to charge all or part of your international trip now, so long as it is priced in a foreign currency, says Damian McCabe, chief executive of McCabe World Travel in McLean, Va. This is especially advantageous with the euro, which recently fell to a 20-year

low against the dollar. As of Monday, one euro was worth about 98 cents.

To take advantage of the strong dollar, find a way to book hotels in euros by working with travel advisers who work with local hotel companies and tour groups, Ms. McCabe says. They can help you lock in rates in foreign currencies. You can also contact hotels and tour operators directly.

Trying to predict the future exchange rate is a gamble. By prepaying for travel now because of the strong dollar, travelers are betting the exchange rate will return to less favorable levels in the next several months,

refundable. That means no exceptions, travel advisers say. Because of the Covid-19 pandemic and economic uncertainty, plans can easily change. As a result, many advisers recommend against booking nonrefundable rates. If you do, they advise purchasing travel insurance, which can eat into the savings created by prepaying.

If you do prepay for a tour or hotel room and use a company that charges in the foreign currency, be sure to pay with a credit card that doesn't charge foreign transaction fees, says Margi Arnold, owner of Creative Travel Adventures in Denver. The fees are typically around 3% of the purchase price. If you aren't sure whether your card has a conversion fee, contact your credit-card company.

You can't save on the exchange rate on international



U.S. travelers could benefit from friendly rates, but there are risks.

says Steven Carvell, a professor of finance at Cornell University's S.C. Johnson College of Business.

He expects the dollar to at least maintain its strong position in the near future given the inflation pressures, food and energy crises Europe is navigating, among other factors.

“They're likely headed for more difficult financial times over there, which would indicate the likelihood is that the euro is not going to rebound in the next six months,” he says. “In fact, it might actually continue to go down against the dollar.”

Often, the cheapest rates, which require you to prepay in full immediately, are non-

flights originating from the U.S. because they will be priced in U.S. dollars, travel advisers say. International airfares have climbed compared with before the pandemic.

Despite concerns over a recession, travel companies say they anticipate another year of high demand for trans-Atlantic travel. United's trans-Atlantic schedule will likely be about 10% larger next summer compared with the summer of 2022, and 30% larger than the summer of 2019.

A lower euro will likely also cause increased demand, Dr. Carvell says.

“People have been denied, and so now they're ready to go,” Ms. McCabe says.

LUOVIC MARIN/AGENCE FRANCE-PRESSE/GETTY IMAGES

ARTS IN REVIEW



HBO MAX (2)

IF YOU ARE GOING TO MAKE a biographical documentary, it's certainly no disadvantage to have a subject who is telegenic, charismatic and camera-ready. If you are going to watch a biographical documentary, it's not necessarily a disadvantage to go in knowing nothing at all about the story. And if you *are* up to speed on "The Fastest Woman on Earth," it's still an engaging, moving and even shocking documentary.

Jessi Combs, the focus of directors Graham Suorsa and Christopher Otwell, is not only a sports legend—she holds the land-speed record for women (nearly 523 mph), accomplished on Oregon's Alvord Desert flats in 2019. At various times, she was the host, co-host or guest star on a number of television programs, including "Xtreme 4X4," "MythBusters," "The List: 1,001 Car Things to Do Before You Die" and "All Girls Garage." She was so comfortable on camera, and so popular on social media, that the filmmakers have a veritable trunkload of postings and pictures to intercut among the direct interviews, the driver-directed car-cam recordings and outtakes from the various shows. It's a credit to the filmmakers that this viewer began thinking about "Senna," Asif Kapadia's nonfiction film about the Brazilian Formula 1 driver Ayrton Senna, which plays like a dramatic feature and is another documentary with a seemingly inexhaustible amount of mixed-media material from which to construct a portrait.

Like that 2010 film, "The Fastest Woman on Earth" is a mix of triumph and tragedy, with no small amount of foreshadowing. Nina Darrington, mother of Combs, worries constantly about her daughter, whose fearlessness was something she was apparently born to. So was a desire to flee her

TELEVISION REVIEW | JOHN ANDERSON

Jessi Combs Had Wings at the Wheel

native South Dakota as soon as she could, by car, truck, motorcycle or the modified F-104 fighter jet—the North American Eagle—that she used to race across the Alvord.

"I don't know how to be something I'm not," Combs tells the camera—and much of what she tells it has the glossy finish of someone who's been on TV for 15 years. "Fastest Woman" is intimate without being particularly candid; Combs tells what she wants people to know, her family and friends fill

in some of the blanks. Among the better sources are Ed Shadle, the principal owner of the Eagle and the project's originator, and Keith Zanghi, a principal investor, who recalls the team's search for a junked F-104 that they could recondition. The one they eventually found had, under its surface grime, the signature "EG-763"—763 mph being the world land-speed record held by the British-designed supersonic ThrustSSC since 1997, and the ultimate goal of the North

American Eagle Project.

If there is an argument to be made with "The Fastest Woman on Earth," it's the lack of clarity about records. During one sequence, Combs seeks out the reclusive Kitty O'Neil, whose record she is trying to beat—O'Neil, a prominent Hollywood stuntwoman in her time who was also deaf, set the "absolute land-speed record for women" in 1976 by driving the three-wheeled, jet-powered SMI Motivator over the Alvord at 512

mph. What gets a little confusing is whether three-wheeled, jet-powered craft—such as the Spirit of America-Sonic 1, in which Lee Breedlove set the earlier women's record in 1965—are classified the same way as a four-wheeled vehicle like the North American Eagle. The movie answers this, one supposes, by paying little attention to it. But during one record-setting run (or rather two, since the official speed is always the average of a back and forth on a course, to account for wind) Combs hits 440 mph, and celebrates wildly. It's not entirely clear why, but it seems to be about the four-wheel distinction.

The story begins in 2013 with the first effort by Combs to set a record and then follows through to her last, in 2019, which ended in her death. The directors have constructed the film in a way that proceeds as if she'd lived, chronicling developments and setbacks and telling a tale of obsession, not just of the driver but her collaborators. As one of the NAE team says, "We work on the car 50 weeks of the year and then test it for two"—and if something goes wrong, it's a long time between pit stops. But the match is good for everyone. "We were looking for a female driver," says Les Holm, the NAE crew chief. "No doubt about it. We were looking for someone to help us." The persistently upbeat Combs was just the face to put on the project and behind the wheel. "The cards that have been dealt to me are pretty freakin' awesome," she says at one point, and if you mistakenly think you heard "cars," well, she meant that, too.

The Fastest Woman on Earth
Thursday, HBO Max.

Mr. Anderson is the Journal's TV critic.



Top and above: Jessi Combs, a sports legend and women's land-speed record holder

CULTURAL COMMENTARY

Putin Closes In on Kyiv's Cultural Heritage

By KOSTYA AKINSHA

VLADIMIR PUTIN'S WAR against Ukraine's museums and architectural monuments continues. On Oct. 17, Unesco's tally of verified cultural sites damaged or destroyed since the beginning of the Russian invasion on Feb. 24—updated weekly—stood at 204: 87 religious sites, 13 museums, 38 historic buildings, 38 buildings dedicated to cultural activities, 18 monuments, 10 libraries. One week earlier, Putin had ordered a massive missile attack on Ukrainian cities.

Despite claiming that the "strike with high-precision, long-range weapons" was aimed only at "energy, military command and communications facilities in Ukraine," one of the "facilities" heavily damaged in the attack was a playground in Taras Shevchenko Park in Kyiv, named after Ukraine's greatest poet and located in the heart of the 19th-century part of the city where I spent many happy hours as a child in the mid-1960s. Back then, it looked different. At its center stood a wooden rocket with a slide attached—an emblem of Soviet pride in its space program.

Overlooking the park on the west side is the so-called Red Building that is the oldest part of Taras Shevchenko National University. A mammoth neoclassical building, it is astonishing for its bright red color, hardly typical of neoclassical structures of the period. Kyivites like to say that it came about because Czar Nicholas I was so annoyed by the revolu-

tionary spirit of the Kyiv students that he ordered the building painted red so it would blush forever over the misdeeds of the unruly youth.

According to Volodymyr Bugrov, rector of the university, part of the second floor of the Red Building was damaged during the attack, and windows on the central façade were destroyed. In addition, the department of chemistry, located in the courtyard of the Red Building, and the neighboring Maksymovich Scientific Library were also damaged—with, in the latter case, windows and doors being destroyed and some of the stucco ceilings collapsing.

On the opposite side of the park is Tereshchenko Street, one of the poshest in the neighborhood, and the location of two major museums, the Khanenko Museum and the Kyiv Picture Gallery. The Khanenko's collection consists of Asian art and works by such European old masters as Gentile Bellini, Francisco de Zurbarán, Jacques-Louis David and François Boucher. The other focuses on Russian art from the Middle Ages to the Soviet period and includes masterpieces by Ilya Repin, one of the greatest Russian artists of the 19th century, and Mikhail Vrubel, a pioneering Russian modernist.

The same Russian missile that took out my childhood playground exploded only steps from the Khanenko, the shock of the blast obliterating most of its windows. By a miracle, curators were not wounded by flying splinters of glass and the collection had been



The Red Building of Taras Shevchenko National University in Kyiv, 2016

moved to storage. Equally miraculously, the Kyiv Picture Gallery was unharmed.

Just north of the park, the Pedagogical Museum, known as the Teacher's House, was also damaged. In 1918, during the battle with the Bolsheviks, the building's glass dome was damaged by bullets. It was destroyed again during the Russian missile attack, the metal framework remaining but all the glass blown out, as were the windows of the nearby museum dedicated to Taras Shevchenko.

However, the attack was not without its comical side. The Kyiv Post reported two days later that

"Ironically. . . the worst damage was caused to the Russian Philology department of the Institute of Philology at Shevchenko University." It was completely destroyed.

In an Oct. 11 address to a meeting of Unesco's executive board, President Volodymyr Zelensky reported that the day before one of the Russian missiles had exploded 700 meters from the bell tower of the St. Sophia cathedral, a structure on the Unesco World Heritage list.

Putin's constant threats to bombard the government quarter of Kyiv have prompted fears about the fate of the National Art Museum of Ukraine. It and other museums and

architectural monuments neighbor the building of the Cabinet of Ministers and the Mariynskyi Palace, the Ukrainian Parliament building, and the headquarters of the presidential administration.

There is no end to Russian bombardments. The question is whether the missile strike on Kyiv is an isolated incident or the beginning of methodical destruction of the city. Urbicide became the Russian tactic of choice during the Chechen War of 1999-2000, when the city of Grozny was practically erased. Then it was repeated in Aleppo in 2016. Since February, the city of Mariupol has been turned into smoldering ruins, and Kharkiv is facing gradual destruction too.

Unesco is right to be tracking Russian assaults on Ukrainian cultural heritage, but—and this despite the protests of Ukraine and numerous Western countries—its World Heritage Committee is still chaired by a representative of the Russian Federation, Alexander Kuznetsov.

"A terrorist state definitely has no right to chair one of the key bodies for the protection of cultural and natural heritage—the Unesco World Heritage Committee," said President Zelensky in the same Oct. 11 address. "Such a Russian presidency devalues the institution itself—its significance, its reputation."

How many more architectural monuments and museums must Russian forces destroy before Unesco changes its approach?

Mr. Akinsha is an art historian and expert on art expropriated during World War II. Among his books is "Beautiful Loot: The Soviet Plunder of Europe's Art Treasure" (1995), with Grigori Kozlov and Sylvia Hochfield.

GLEB GARANICH/ZUMA PRESS

SPORTS

JASON GAY

The NBA's Big Winner May Be a Big Loser

Steph Curry's Warriors aim to repeat as NBA champions as league doormats battle for a shot at Victor Wembanyama

The 2022-23 NBA season is here, and you haven't even figured out if your favorite NFL team is a disaster or not!

Is this finally the year for the Minnesota Timberwolves?

ugh. This comes from my Wolves-suffering editor, who is prone to excitedly waving his arms and walking up to strangers to ask the same question.

What does the headline mean by a "winner may be a loser"?

It means: Victor! A handful of teams begin the season with legit-to-questionable title hopes: defending champs Golden State, Boston, Philadelphia, Milwaukee, Dallas, Memphis, Phoenix, Miami, Denver, the Clippers, the mildly delusional Lakers, and maaaaaybe Bizarro World Brooklyn.

Wembanyama appears to be what he's hyped to be: a 7-foot-3—or is he 7-foot-4?—franchise-altering terminator who plays like a combination of Magic and Kareem, if Magic and Kareem could shoot corner 3s.

This means the NBA's race for the bottom may be as compelling as the title chase, with teams trying to be awful without being obvious and tacky about it.



Steph Curry, above, and the Golden State Warriors are the defending NBA champions. Left, Victor Wembanyama is the projected No. 1 pick in next year's NBA draft.



What's up with the donnybrook at Warriors practice?

The Bay dynasty styles itself as a meta, modern, Silicon Valley-style workplace, but it got old-fashioned ugly at practice a couple of weeks ago, when the veteran enforcer

Draymond Green took a swing at teammate Jordan Poole. Green was fined and apologized, but in the wake of the incident, the Warriors signed Poole and colleague Andrew Wiggins to substantial long-term contracts, leaving Green's future with the team...murky at best.

removal of the head coach and general manager (he received none of the above). The other reason to fear the Sixers is that the Eagles are 6-0 and atop the NFL, the third-place Phillies are on the doorstep of the World Series, and it's possible we're amid a growing Philadelphiaization of American sports.

Why should I be happy about the NBA's change to the "take foul"?

Because "take fouls"—the practice of fouling an opposing player in transition in order to stop a breakaway—are a highlight-depriving NBA scourge. The NBA has raised the penalty on take fouls: It used to be just a side-out possession for the opponent, but now, with the exception of the game's final two minutes, it's a one-shot foul, plus the opponent keeps possession.

I don't really like basketball. Talk me out of it.

You've made it this far and you're not an NBA fan? Hmm. As always, I direct the skeptics to Curry, the revolutionary distance shooter who makes the game feel joyful in a way not experienced since Jordan.



tion for next season) make it through the season without more trouble, or do the Warriors start turning on each other? Or is that question a false binary that hacky columnists put in NBA season preview articles—and the Warriors stay awesome because they have Steph Curry and an avalanche of young talent (Poole, Moses Moody, James Wiseman, Jonathan Kuminga)? Yeah: probably the latter.

The Sixers are a hot pick to win the East. Why?

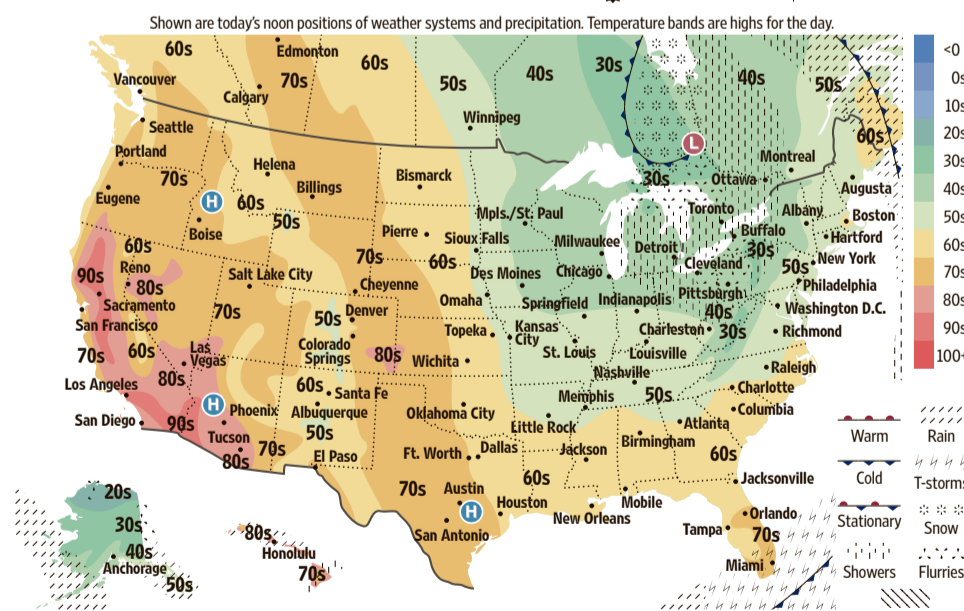
Because Joel Embiid is playing at an MVP level, James Harden says he's fit and motivated (and we're choosing to believe him this time), the Celtics are breaking in a new head coach, and who knows what unfolds in Brooklyn after an offseason in which star Kevin Durant reportedly asked for a trade and the

he's visiting from outer space. Ditto Zion Williamson in New Orleans, if he's truly recovered from his busted right foot. Still, if I could watch only one player, it would be Milwaukee's Giannis Antetokounmpo, the humble wrecking ball who guided the Bucks to a title in 2021 and probably could have gotten them there in 2022 if not for a late injury to teammate Khris Middleton.

Also: Go to YouTube and watch some Victor Wembanyama highlights! He really is all that. I'm considering tanking the season myself.

Weather

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U.S. Forecasts

s.: sunny; p.c.: partly cloudy; c.: cloudy; sh.: showers; t.: storms; r.: rain; sf.: snow flurries; sn.: snow; l.c.: light clouds

Table with 2 columns: City, Today (Hi, Lo, W), Tomorrow (Hi, Lo, W). Lists major US cities and their weather forecasts.

International

Today (Hi, Lo, W), Tomorrow (Hi, Lo, W)

Table with 2 columns: City, Today (Hi, Lo, W), Tomorrow (Hi, Lo, W). Lists international cities and their weather forecasts.

Today (Hi, Lo, W), Tomorrow (Hi, Lo, W)

Table with 2 columns: City, Today (Hi, Lo, W), Tomorrow (Hi, Lo, W). Lists international cities and their weather forecasts.

The WSJ Daily Crossword | Edited by Mike Shenk

Crossword puzzle grid with numbers 1-71.

- 69 Where soldiers are social
27 Verses, quaintly
29 Info in pilots' broadcasts, often
70 Have a hunch
30 Board game akin to go
71 It follows uno and dos
32 ___Caps (chocolate candy)
2 Dance flourish
33 It's better when corroborated
3 Marisa of "Spider-Man: No Way Home"
34 Prepared to play
35 Sofa neighbors
37 Freight shipping choice
5 Knotty
39 "Skedaddle!"
6 Jai ___
43 Pita sandwich
7 "___ just me?"
44 Motorcade leaders
8 Kidney-based
45 Supervise
9 Like Hoover and Carter's presidencies
46 Dweeb
10 In addition
50 Like some letters and partners
11 Nickname of Richard I
53 Love to pieces
12 Spot for iniquity
55 Autumnal quaff
13 They don't appear in Wikipedia
56 Japanese genre
21 Key
58 Camera essential
22 Roman numeral usually found only on a clock
59 Mint product
26 Web-footed mammal
60 Some work at home
61 Classic Pontiacs
62 Cash provider
63 Busy buzzer

INSIDE INFORMATION | By Jill Singer

- Across
1 Important part of an address that can be left out
23 "The Sound of Music" role
5 Site of the thousand-year-old Al-Azhar University
24 Luau souvenir
25 Quick flight
28 Retirement plan?
31 Meet adequately, as a challenge
33 Finished off
36 Get rid of a ooo, say
15 "WandaVision" star Elizabeth
38 Air bag?
16 Was inventive, perhaps
40 "Knives Out" star de Armas
17 Terza ___ (verse form)
41 Targets for refining
18 Mount Katahdin setting
19 Roughly half of all deliveries
47 Take a shot
48 Ford and Friedan
20 It might be oooo
49 Pole staff
51 Hollywood's Lupino
24 Luau souvenir
52 1986 GE purchase
25 Quick flight
54 Gimpel of "God Frieded Me"
31 Meet adequately, as a challenge
57 Like a oooo scream
33 Finished off
36 Get rid of a ooo, say
62 Skilled
64 Clue board features
38 Air bag?
40 "Knives Out" star de Armas
41 Targets for refining
42 Result of a bad oooo
65 Tighten up, say
66 Driver's ed student, usually
67 Poppycock
68 Lost fish

Previous Puzzle's Solution

Grid showing the solution to the previous crossword puzzle.

Solve this puzzle online and discuss it at WSJ.com/Puzzles.

FROM TOP: GOODFREDDO A. V-SQUEEZ/ASSOCIATED PRESS; JOHN LOCHER/ASSOCIATED PRESS

OPINION

L.A.'s Scandal of the Ascendant



BUSINESS WORLD
By William W. Jenkins Jr.

The first thing to say about the Los Angeles City Council scandal is that the secretly recorded conversation sounds like something from the HBO political satire “Veep,” beloved for its tasteless, crude and joyfully insensitive behind-the-scenes political badinage. The Los Angeles Times describes the mysteriously recorded conversation aptly: “Rollicking, profane and offensive. Few ethnic groups or important political figures were spared.”

Mostly heard is the voice of one of the city’s most powerful officials, Council President Nury Martinez, whose act might as well have been pulled from that of “Veep” lead Julia Louis-Dreyfus.

The second thing to notice is that, for once, a “racist” scandal isn’t a hoax and doesn’t feature a cartoonish white malefactor exhibiting attitudes and language from the 1940s.

The third thing to point out is the obvious question: What do you expect in a ruthlessly competitive business like politics in a Democratic Party that increasingly defines the basic unit of competition to be racial and other identity groups in a zero-sum spoils contest?

The 80-minute conversation, which reportedly took place almost exactly a year

ago, ranges widely but consists of griping about the decisions of the city’s 21-member redistricting commission. The dramatis personae include Ms. Martinez, the star of the show, two other Latino council members and Ron Herrera, powerful head of Los Angeles County Federation of Labor.

Choice moments of gratuitous offense include referring to a white city councilman’s adopted black son as “an accessory” that he disingenuously refers to city residents of Oaxacan ancestry as “a lot of little short dark people.” She describes an Armenian political consultant as the “guy with one eyebrow.”

The final member of the dramatis personae is the media chorus deploring the slurs on display. A National Public Radio host said Latino bigotry is a subject that doesn’t come up often enough—as if subjects are responsible for raising themselves on the radio.

Like the HBO show or an average Tuesday in the life of Donald Trump, really on display is the cynicism of politics shorn of its ritualized hypocrisy. The genius of the HBO show was to communicate a sense in which the outrageous, comically brutal off-the-record banter of its characters was the antidote to the unctuous sensitivity they were obliged to practice before the public.

Their extreme tasteless-

ness in private was offered by the show’s writers almost as a reaction to the exhausting compulsions of today’s political correctness and identity politics. Whether the same extenuation should be granted Ms. Martinez and colleagues is beyond my expertise. The real-life episode, though, features one dynamic missing from the show, and that’s the growing Latino ascendancy in L.A.

The boisterous slurs of secretly recorded City Council members tell you who’s on top now.

Half the Los Angeles County population now identifies as Hispanic or Latino. Between the 1990 and 2020 censuses, the number who described themselves as African-American but not Hispanic dropped in absolute terms, losing 175,000 people, falling from 10.5% to 7.6%.

Today’s scandal is being rightly typecast by the media as symbolic of the decline in cross-ethnic coalition building that once ruled Los Angeles. There’s a good reason for that—the emergence of a genuine ethnic majority bidding for all the levers in America’s second-largest city. The labor leader Mr. Herrera is heard describing his fellow kibitzers as “a little Latino caucus” and says: “I’m here to get you three elected.”

At the same time, such a

large and diverse bloc will breed its own internal divisions, one reason Republicans nationally are upbeat about the Hispanic vote. Take the least-heard participant in the recorded conversation. This was 68-year-old council member Gil Cedillo, a long-time state legislator whose career was upended by term limits, author of a landmark driver’s license bill for illegal immigrants, pro-development, pro-business. In a June primary, he effectively lost his City Council seat in an upset win by a young activist in the AOC mold, anti-gentrification, anticorporate, in favor of abolishing police and prisons, touting her card-carrying membership in the Democratic Socialists of America.

To bring up a final point, norms don’t fall because one person (Mr. Trump) violates them. They fall when institutions lose their credibility to enforce compliance. A problem of late has been a national media that, in key instances, has preferred to protect the lies and sins of its favorites while exaggerating and even inventing those of politicians it opposes. But there is no longer a GOP member on the L.A. City Council, the last one having reregistered as “unaffiliated” two years ago. Whether the scandal would be getting the same unstinting national coverage if the beneficiaries were likely to be Republicans instead of other, more “progressive” Democrats is a question we might wonder about.

BOOKSHELF | By Moira Hodgson

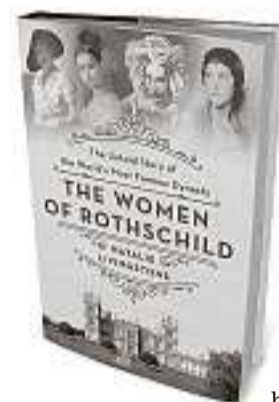
Daughters Of the Dynasty

The Women of Rothschild

By Natalie Livingstone
(St. Martin’s, 461 pages, \$39.99)

The Rothschilds are one of the richest and most powerful families in the world. The stories of their far-flung interests from banking to philanthropy and wine are well known. In this engaging family biography, Natalie Livingstone (“The Mistresses of Cliveden,” 2015) reveals that the women of the family were as accomplished as the men (despite the remark of a Rothschild who once described his wife as “an essential piece of furniture”).

“The Women of Rothschild” covers eight generations, from the middle of the 18th century to the 21st. It reads like an epic novel, complete with a seven-page family tree. The story begins with the matriarch of the clan, Guttle Schnapper (1753-1849), who grew up in a cramped, dark house in the Frankfurt ghetto. At 17 she married a coin dealer, Mayer Amschel Rothschild, with whom she was to have five boys and five girls.



Guttle’s dowry provided capital for her husband’s business as he diversified into banking, and her commercial acumen proved crucial to its success. But when Mayer died in 1812, his will followed contemporary practice, entrusting the bank exclusively to his sons. His wife, daughters, sons-in-law and their heirs had been written out of its future.

The money that Mayer left Guttle was to be managed by his sons. They would maintain an “unbreakable unity” as they established banks in London, Naples, Frankfurt,

Paris and Vienna. Marriage outside the family was frowned upon. Until the late 19th century, Rothschild marriages were arranged like those of royalty and often took place between cousins. And like royals, the women were subject to enormous scrutiny and expected to tread with care.

Ms. Livingstone focuses on the English branch of the Rothschilds. Thanks to their fortunes, the women became sought-after hostesses central to London society and played important roles in politics, social reform and the arts. Distinguished guests crowded into their salons: Chopin, Rossini, Tennyson, Henry James, Matthew Arnold, Disraeli, Gladstone, and, of course, the Prince of Wales, the future Edward VII, who was always up for a good party. The invitations of Charlotte Rothschild (1819-1884), who was married to her cousin Lionel, were more coveted than Queen Victoria’s.

Interesting lesser known members of the family are introduced, such as Louisa (1821-1910), who with her sister Charlotte founded the Cheap Jewish Library. Louisa struck up an unlikely friendship with Thackeray on a Rhine steamer where, as she wrote artlessly, they talked of “literature, drawings, Jews, of whom he has a bad opinion, politics, etc.”

During the 19th century the women began to defy the wishes of the patriarchy and marry “out.” Charlotte’s cousin Hannah (1815-1864) renounced her religion and married the “dashing” member of parliament Henry FitzRoy in 1839. It was seen as a grave betrayal; never mind that he was a descendant of Charles II. Then Lord Rosebery, who had famously announced three ambitions in life—to marry an heiress, win the Epsom Derby and become prime minister—achieved all three in marrying another Hannah (1851-1890), the richest woman in England, in 1878. The Rothschild men refused to attend the wedding even though Prime Minister Benjamin Disraeli gave her away and the Prince of Wales was a guest.

Hannah FitzRoy’s daughter, Blanche (1844-1912), and Blanche’s husband, Coultts Lindsay, were patrons of the emerging art scene and in 1877 opened the Grosvenor Gallery as an alternative to the stuffy, old-fashioned Royal Academy. They showed such unacceptably “modern” artists as James McNeill Whistler, the Pre-Raphaelites John Everett Millais and Holman Hunt, and French symbolist Gustave Moreau as well as work by Lindsay and Blanche herself. The critic John Ruskin accused Whistler, a prize exhibitor, of “flinging a pot of paint in the public’s face,” resulting in a contentious libel suit.

Some Rothschild women were political power brokers and spearheads of social reform. Others studied insects and subsidized jazz musicians.

The Rothschild family had generally been opposed to all forms of Zionism, encouraging the anglicization of immigrant Jews and their integration into civic and cultural life. In the early 20th century, however, two women played a pivotal role in the establishment of Israel. Róziska Rothschild (1870-1940) was a Hungarian intellectual with a passion for Proust who displayed “a reckless *joie de vivre*” in sports, “vaulting over barrels on ice rinks” and sending shockwaves through society when she introduced the overhead shoe to the game of tennis. She also critically negotiated the bank’s generous loans to Hungary. When her friend Dolly Rothschild (1895-1988) was approached by Chaim Weizmann, Israel’s future first president, about establishing a Jewish homeland in Palestine, Róziska joined her in persuading British politicians to support the idea, resulting in the Balfour Declaration of 1917.

Róziska’s daughter Miriam (1908-2005) was a particular kind of British eccentric. Known as “The Queen of Fleas” for her work on the insects, she was a brilliant zoologist, pioneering environmentalist, advocate of animal rights, and, among other pursuits, had worked as a code breaker at Bletchley Park. Looking at fleas under a microscope, she said, was even more enjoyable than smoking marijuana. One interviewer wrote of her: “Imagine Beatrix Potter on amphetamines and you come close.” I had dinner with her once at Ashton Wold, her country estate in Northamptonshire. She was a riveting conversationalist and since she didn’t eat meat or wear leather, she took her place at the head of the table wearing rubber boots.

Nica (1913-1988), Miriam’s feisty younger sister, wore furs and drove a silver Rolls-Royce. She fought with the Free French in Africa during World War II, piloted airplanes, and drove ambulances in Italy. In the early 1950s she went to New York to “get in on the jazz scene.” Hers was not exactly the dutiful, industrious life the Rothschild patriarchs had anticipated for their women. She drag-raced Miles Davis across Manhattan, Charlie Parker died in her suite at the Stanhope Hotel, and she took up with the pianist Thelonious Monk, “the most beautiful man I [had] ever seen.” Monk lived with her for several years in a modernist mansion in Weehawken, N.J., alongside a Steinway grand and more than a hundred cats.

In this impressively researched and beautifully written book, Ms. Livingstone has done a remarkable job of illuminating the women behind the Rothschild name. They were anything but “pieces of furniture.”

Ms. Hodgson is the author of “It Seemed Like a Good Idea at the Time: My Adventures in Life and Food.”

Democrats Are in Trouble With Hispanics



POLITICS & IDEAS
By William A. Galston

Republican gains among Hispanic voters have generated a wave of concern among Democratic strategists. In 2020, Donald Trump received 38% of the Hispanic vote nationally, compared with 28% in 2016, according to a state-of-the-art Pew study that verified individual votes and is considered more reliable than exit polls. In Florida, Mr. Trump’s share rose to 46% from 35%, and in Texas to 41% from 31%. He made large gains in other states as well. If these gains are sustained in the midterm elections, Democrats will be forced to concede that a group they long regarded as a cornerstone of a new Democratic majority has instead become a swing group for whose allegiance they must fight.

If they’re serious about winning—and governing—Democrats must move Hispanics to the top tier of their electoral priorities. Here’s why.

A half-century ago, Hispanics in the U.S. numbered 9.6 million, less than 5% of the total population. Today, they number more than 62 million, about 19%. This rapid increase has had important consequences for the electorate. Although a higher-than-average share of Hispanics are too young to vote, their share of eligible adults has nearly doubled, to 14.3% from 7.4% since

2000. Since the 2018 midterms, that number has climbed to 34.6 million from 29.9 million, or 16%. Hispanic eligible voters outnumber African-American ones.

Hispanics are clustered in a handful of states. Some, such as California, New York and New Mexico, are deep blue. But others, such as Florida, Texas, Arizona and Nevada, are competitive. Hispanics make up 32% of the eligible votes in Texas, 25% in Arizona and 21% in Florida and Nevada. Declining support for Democrats in these states could put Florida and Texas permanently out of reach and shift Arizona and Nevada, which Democrats narrowly won two years ago, into the Republican column.

In the closing weeks of the 2022 midterm cycle, survey research suggests the trends of recent years are likely to continue. In 2018, Republicans won only 25% of the Hispanic vote. This year, the four most recent national surveys of likely voters place the Republican share of Hispanic voters between 34% and 38%. In Florida, where Republican Ron DeSantis leads Democrat Charlie Crist by 8 points in the race for governor, he leads by 16 among Hispanics. In Texas, where Democrat Beto O’Rourke trails Gov. Greg Abbott by 7 points overall, he is managing no better than a statistical tie among Hispanics.

Unless Democrats can increase their appeal among Hispanic voters in these states, it’s difficult to see how

they’ll be able to win statewide elections ever again. This means setting aside longstanding myths and focusing honestly on what really moves this part of the electorate.

Take immigration. Although Democrats believe that Republicans’ stance on immigration—especially at the southern border—should reduce their appeal among Hispanics, polls suggest otherwise. A recent survey of Texas

Trump did better in 2020 than 2016, and polls suggest that trend will continue.

voters found that 53% of Hispanics thought Gov. Abbott would do a better job handling the situation at the border, compared with 44% for Mr. O’Rourke. Forty-eight percent of Hispanics supported shipping migrants who cross the border illegally to Democrat-dominated states and cities, one of Mr. Abbott’s signature programs.

An Oct. 14 Washington Post/Ipsos survey shows that only 5% of Hispanics consider immigration the most important issue in their vote for Congress this year. By contrast, 31% named inflation as their top issue, followed by abortion (20%) and gun violence (10%).

Yet this isn’t unalloyed good news for Republicans, because most Hispanics aren’t social conservatives

Less ‘Joe,’ More ‘Mr. President’

By Fay Vincent

There he was, on the hurricane-ravaged streets of Fort Myers Beach, Fla., the president of the United States, saying: *No one effs with a Biden*. I don’t use quotation marks because he used an unprintable word my mother taught me is “vulgar.”

In ancient Rome, where formal Latin was spoken only by the educated class and written by the likes of Cicero, the street language was called the “vulgate” because it was the common tongue. By the fourth century, there was even a Bible translation in the vulgate.

Many of us use Mr. Biden’s word. Such use is not new. Think of the Cole Porter 1934 song, “Anything Goes”: “Good authors too, who once knew better words / Now only use four-letter words / Writing prose / Anything goes.”

Vulgarity seems to be a partner with anger, stress or alcohol. Language can be location-debased, so locker rooms and athletic fields, where defeat lurks, are sites for the vulgar outburst that signals frustration and bitterness. Winners can afford to be generous in tone and careful in speech. Losers swear as the cameras look away.

Because of his office, he has a duty to rise above vulgarity.

House Speaker Nancy Pelosi, the highest-ranking woman in our government, has shown impatience, albeit in a mild form, but she has firm control on her use of the vulgar in public. Vice President Kamala Harris has thus far avoided public use of vulgarities. Is it possible women who

have become successful in the knife-edged political world don’t need to use bad words to reinforce their power? They don’t pretend to be something they’re not, they don’t put on macho airs.

It was “Joe” Biden and not President Biden who used the vulgar word, and he knew what he was doing. He was sending the “tough Joe” message, underscoring his roots as a kid from Scranton, Pa., who scaled the Mount Everest of the political world. He may be tired of not being respected for his achievement.

There is, however, a cost to using such vulgarity, which is becoming more widely tolerated in today’s society. The vulgar suggests the common, the vulgate. Common isn’t what presidents should want to be.

Presidents of the United States are exceptional in achievement; there have been only 45 of them. They have

power and authority, and their office warrants respect even from those who disagree with them on policy, as I do quite often. The president is the head of state as well as government. He has reached the uncommon apogee of the political world, and is, and should be, different. Not every president, especially lately, understands the importance of being uncommon.

Queen Elizabeth II demonstrated how to be uncommonly beloved. She was head of state and lived up to that position every minute.

Vulgarity is common-speak. Joe from Scranton has become President Biden. We need and expect him to continue to remind us by both deed and word that he is the president. Elections have consequences, and so do words.

Mr. Vincent was commissioner of Major League Baseball, 1989-92.

OPINION

REVIEW & OUTLOOK

Biden's Antitrust Batters Strike Out

Hard to believe, but the Biden antitrust squad is having a worse season than the Washington Nationals did. The Justice Department recently lost its third merger case in a month. This is what happens when the government swings for the fences and brings lawsuits that lack merit.

The government traditionally hasn't gone to court to challenge mergers unless it's reasonably confident it can win. Justice also usually tries to address competition concerns with conditions on mergers such as asset divestitures. But the Biden Justice Department is choosing litigation first at the risk of striking out, and is it ever.

A federal judge last week declined to block Booz Allen Hamilton's acquisition of the cybersecurity and intelligence firm EverWatch. Justice argued that the two companies were competitors for a National Security Agency five-year contract before Booz Allen proposed a \$440 million "merger-to-monopoly" that would guarantee it won the procurement order. What monopoly?

Unlike weapons contracts in which competition is concentrated, hundreds of companies compete for government technology contracts. Booz Allen made a compelling case that the acquisition would accelerate its delivery of classified software to the government.

The contract also would yield a mere \$17 million in profit, which is small compared to the size of the deal and other government contracts. Booz Allen said the tie-up would make it a stronger competitor for large NSA contracts against the likes of Lockheed Martin, Raytheon, Peraton and General Dynamics.

Underlying the Justice lawsuit is the modern progressive belief that companies should never be allowed to buy potential rivals even if the mergers increase competition and benefit consumers. This flies in the face of the longstanding "rule of reason" standard that judges use to analyze whether business combinations or agreements violate antitrust laws.

The barrage of Justice lawsuits defies reason and modern antitrust law that emphasizes consumer welfare. Thus a federal judge last month rejected a Justice bid to enjoin UnitedHealth Group's \$13 billion acquisition of Change Healthcare, a technology startup that providers

and pharmacies use to manage insurance claims for reimbursement.

Justice argued that the acquisition would give UnitedHealth access to rival insurers' information for a competitive advantage. But UnitedHealth agreed to establish internal firewalls to prevent it from accessing rivals' information, and Justice couldn't demonstrate that the deal would harm other insurers or their customers.

One lesson from the Trump Justice Department's failure to block AT&T's acquisition of TimeWarner is that facts matter, especially in merger reviews involving companies that don't compete head-to-head. The evidence required to block so-called horizontal mergers between companies that compete directly is more lenient. Yet Justice still failed to persuade a judge last month to block a tie-up between U.S. Sugar Corp. and Imperial Sugar, two of the largest U.S. sugar producers.

Justice said the merger would result in two companies controlling 75% of refined sugar sales in the southeastern U.S., which would let them increase prices. But its gerrymandered market analysis ignored that sugar is bought and sold across geographic regions. The Department of Agriculture also regulates sugar prices.

Antitrust lawyers are scratching their heads at why Justice is bringing such conspicuously weak cases. It's embarrassing for the government to lose like this. But Justice appears unabashed and undeterred. After its UnitedHealth loss, a DOJ spokesperson said: "Not doing anything is not an option." Actually it is, when you don't have a case.

The Administration seems to be firing at any merger that moves to create enough regulatory uncertainty to discourage businesses from combining. Businesses may decide it's not worth the expense and time, which has a monetary value, to defend against even meritless government lawsuits. Several companies have called off mergers after antitrust regulators sued.

Progressives last week demanded that the Biden Administration stop Kroger's announced merger with Albertsons, which would help the unionized supermarket chains compete with Walmart, Amazon and lower-cost grocers. If only antitrust law had a three-strike rule.

Biden's Top 2023 Priority: Abortion

Democrats are worried that voters are moving toward Republicans as the midterm elections near, and President Biden on Tuesday came out with his counteroffer: A national law that would allow abortion up to the last day of pregnancy in all 50 states.

With three weeks before Election Day, Mr. Biden told the Democratic National Committee that if Democrats keep control of Congress, "the first bill that I will send to the Congress" will codify a nationwide right to abortion.

Not lowering the price of gas or home heating (see nearby), not rebuilding U.S. defenses, and not easing his regulatory onslaught amid what economists now say is a likely recession in 2023. No, job one in year three of the Biden Presidency will be imposing the abortion values of New York and California on Louisiana and Pennsylvania.

Mr. Biden didn't stipulate what the law he'd support would look like, but it's a fair surmise that it would be close to what House Democrats passed, and Senate Democrats tried to pass, this year. That bill is more permissive than the *Roe v. Wade* regime the Supreme Court struck down in late June.

Get Ready for the Big Chill

Winter is coming, and Americans may get a cold shock when they get their heating bills, according to a report released last week by the U.S. Energy Information Administration (EIA) that deserves more attention. Bundle up and set your thermostat at 68 degrees, or prepare to pay a bundle.

Average U.S. household spending will increase for all heating fuels this winter (October through March), including natural gas (28%), heating oil (27%), electricity (10%) and propane (5%), the EIA forecasts. Blame higher oil and natural gas prices from demand outstripping supply. Coal plant shutdowns in particular have increased demand for natural gas to generate power.

Households with gas-powered furnaces will still spend about 31% less than those with electric furnaces or heat pumps. Democrats want all Americans to switch to heat pumps, but heating with electricity costs more than gas. Heat pumps are also less efficient in colder climates. That's one reason four million households in the Northeast still rely on oil to heat their homes.

Another problem is New York's blockade on pipelines transporting natural gas from Appalachia. Northeasterners who use oil for heating will spend on average \$2,354 this winter, up from \$1,212 two years ago. Folks with gas furnaces will spend only about \$1,094. Democrats in Albany who are blocking the gas pipelines aren't content with raising energy costs in

Justice keeps losing in court as it brings meritless lawsuits.

The President tells voters what he wants to do first next year.

The price of heating fuel is soaring, thanks to climate policies.

The Democratic bill allows abortion on demand through what it calls "fetal viability," or about 23 weeks. After that an abortion would still be legal if there is a risk to the mother's "health," which isn't defined. In practice this would be interpreted to include mental-health or emotional issues and would contradict state laws that define it as physical health. The Senate version was too much even for pro-choice Republicans Susan Collins and Lisa Murkowski, who opposed it.

Mr. Biden's speech is a political bet that stressing abortion will drive more suburban women to the polls and save imperiled Democrats. But polls show that, while a majority of Americans want abortion to be legal early in pregnancy, they also want more restrictions than the Democratic bill allows.

Every poll also shows that abortion is well down the list of voter priorities—after the economy and inflation. In this week's Siena/New York Times poll, abortion ranks fourth at 5%, tied with immigration, as the most important voter concern. At least Mr. Biden is telling voters what his party's priority is, and it isn't easing the price of gasoline or groceries.

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their own state. They want people in neighboring states to shiver too.

New York's pipeline obstruction is forcing New England to import more liquefied natural gas (LNG) from overseas, which costs multiples more than domestic gas. The Jones Act, which says that only American-built, -flagged and -crewed ships

can transport cargo between U.S. ports, limits LNG from the U.S. Gulf Coast. Six Governors of New England states in July asked Energy Secretary Jennifer Granholm to consider suspending the Jones Act to alleviate their energy costs this winter. But that would offend the AFL-CIO.

Instead, the Administration is threatening to restrict U.S. refined fuel exports. This would increase global fuel prices and result in higher heating costs in New England, which relies on oil imports. One bad protectionist policy may thus produce another. All of which means that Americans will pay again for the Democratic Party's war on fossil fuels. U.S. gasoline prices have been rising again after OPEC's production cuts, and swelling heating bills will compound the pain.

Could this affect the elections? The New York race for Governor is getting tighter. And a recent poll shows that even the races for the Senate and statehouse in Connecticut have tightened. Perhaps the cost of Democratic energy and climate policies, among other failures, are finally hitting home even in the progressive heartland.

LETTERS TO THE EDITOR

The Meaning of the Military Recruiting Crisis

As we see fewer and fewer young people willing to sign up for military service ("The Pentagon's Recruiting Woes," Review & Outlook, Oct. 15), the country faces a worrisome threat to national security and is losing a vital part of the fabric that holds us together. Wearing the uniform in defense of one's fellow citizens is an experience that enhances the service member's character and can help him or her take pride in being an American. President John F. Kennedy's ringing admonition, "Ask not what your country can do for you—ask what you can do for your country," has been turned on its head. The percentage of Americans who are veterans or current service members has been dwindling for years, and I believe it is part of the reason we are so divided.

When I served in the early 1970s, my attitude was colored by my misgivings about the Vietnam War. But as I matured, my years in the U.S. Army have become a source of pride. Although I merely sat behind a desk for four years, I am honored to have had the opportunity to serve my country.

CAPT. STEVEN KROHN, USA (RET.)
Evansville, Ind.

I have learned that many of our young people think that military service, or community service of any kind, is beneath them. My base's recruiters have also informed me that fully a third of the willing applicants to our armed forces are too fat to meet initial criteria. (In December 1941, a third were too skinny.) Another

third of the applicants, once they are informed that in one month's time they will undergo a urine drug screening for marijuana, are unable to abstain for the one short week necessary to clear marijuana from their systems. Maybe I'm not sure I want them protecting me anyway.

But even after 22 years of military service, with multiple deployments, and at age 70, despite my Stage 4 cancer, I'd re-enlist in a New York minute, if only to do honor to those who stood with me. Thank you, my fellow citizens, for the privilege of service, and for the G.I. Bill, which paid for my education.

COL. THOMAS W. GROSS, USAF (RET.)
Portsmouth, N.H.

It's the economy, stupid; 2023 or 2024 will be bounty years for military recruiting if this follows the pattern of the years following 2000 and 2006. Both years were bad years for recruiting. It was economically better to remain a civilian than join the military in 2006. Yet recruiting rebounded over the next two years during the Great Recession. The military does good in bad economic years. We will likely return to the mean next year or in 2024 for recruitment.

LT. JAMES L. WARFIELD, USA (RET.)
Castle Rock, Colo.

Instead of forgiving all student debt, why not offer debt forgiveness in exchange for military service?

RAY DIMUZIO SR.
Scottsdale, Ariz.

Gig Workers Have Needed Greater Protection

Regarding your editorial "Biden Goes After Gig Workers" (Oct. 12): President Biden may finally have done something right. So-called independent contractors often don't have control over their own time. The hiring party may tell a contractor that he is independent but nevertheless expects his full attention from 9 a.m. to 5 p.m. for the length of the project—often requiring on-site work, which should legally make you an employee.

In my years as a freelance editor, I worked several gigs for a small editorial-development house. It was an editorial sweatshop. The owner would tell me she wanted to pay on a project basis, a frequent tactic for dunning independent contractors, especially in publishing. You can't invoice until your work is accepted as complete, which means that the developer can get away with giving you only vague guidelines for the work.

They subsequently reject your first draft and only then give you the details of what they want. When I said that I needed hourly pay and a more frequent pay schedule, the owner said in that case she wanted me working on site, but was still going to pay me 1099, not W-2 wages.

The reality is that small businesses will do anything to save money. When I was in college, I worked summers as a delivery driver. The owner told me flat out when I was hired that it was 10 hours a day, five days a week at minimum wage, with no overtime. What was I going to do? I was a college kid who needed a job.

My point: A great many gig workers don't have the flexibility enjoyed by drivers for Uber and Lyft. Small businesses will exploit "independent" contractors as far as they possibly can.

DAVID RIGBY
Acton, Mass.

What Are Tech's Unintended Consequences?

After reading Andy Kessler's column, "Blame Lockdowns on Silicon Valley" ("Inside View," Oct. 10), I'm surprised that no one has founded a new Luddite party, which I'd even join. He writes that "laptops, Zoom, Amazon deliveries, cloud computing, Slack, QR codes [and] Netflix," all helped enable and prolong our Covid lockdown. Without all that, we'd have been forced to somehow muddle through Covid without severe

social distancing mandates. The result would've likely been far less collateral damage to the economy, school kids and just about everyone else.

As a new Luddite I don't advocate guerrilla attacks on server farms, but rather recommend deep, sober reflection on potential unintended consequences before bringing any new technology to market. Just because you can exploit technology to do something doesn't mean it deserves to be done.

Exhibit A: The electric motorcycles, bikes and scooters that New York pedestrians have to dodge on the sidewalk daily. Like Netflix and the rest, that evil genie, I'm afraid, is already out of its bottle.

BILL APPLE
New York

Was FBI Fooled or Biased?

In "How the FBI Lets Its Informants Mislead It" (Oct. 13), Thomas Baker claims that the system—the "re-engineering" of human sources—was the reason the Federal Bureau of Investigation mistakenly pursued nonexistent evidence to prove that former President Donald Trump colluded with the Russians. Perhaps. But can it be any clearer that FBI leadership was politically motivated? Their willingness to be "misled by informants" says it all.

PETER A. CERRA SR.
Wilmington, N.C.

The Hall of Fame Is for True Greats—Maris Wasn't One

Regarding Bob Greene's op-ed "Cheer on Judge but Don't Forget Maris" (Oct. 7), Roger Maris had one miraculous season in 1961, breaking the Babe's single season home run record of 60 homers. Although that was a tremendous feat, unbroken in the American League for 61 years, the rest of his career was merely average, unworthy of consideration for the Hall of Fame. In every other season Maris played, he never hit even 40 homers.

Baseball is crammed with hundreds of players who shone brightly for short bursts of time, but the Hall is reserved for the truly greats of the game. Maris's one consolation is that he surpassed Ruth in his most important category. That will keep his name alive in the history of baseball, Hall of Fame or not.

WILLIAM DAVID STONE
Beverly Hills, Calif.

Biden: Crack Oil Negotiator

Regarding your editorial "How Not to Punish the Saudis" (Oct. 13): Which is more condescending toward Saudi Arabia: Asking it to drill more oil when we in America are unwilling to drill for reasons that, if valid, also apply to the Saudis? Or trying to give Iran billions of dollars to spend on terror while asking Saudi Arabia for favors?

STAN LONG
Eugene, Ore.

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Pepper ... And Salt

THE WALL STREET JOURNAL



"A bunch of us are forming a 'What are we going to do now?' committee. Care to join?"

OPINION

Israel's 'Iron Triangle of Peace'

By Benjamin Netanyahu

The world is in crisis. The war in Ukraine could swirl out of control with ominous global consequences. In Iran, the ayatollahs are rushing to build a nuclear arsenal while suppressing domestic dissent over the regime's brutality. Terrorism and wanton violence abound from Pakistan and Afghanistan to Yemen and Syria. The arc of history may bend toward peace and justice, but it can easily go off in dangerous directions.

Soft power is effectual only when you can back it up with military and economic strength.

Some policy makers contend that the way to keep it on course is through soft power. The superiority of democratic values and culture, they contend, will overcome the forces of violence and aggression. But such thinking doesn't withstand historical scrutiny. If evil forces have overwhelming military and economic might, they can and will defeat our best intentions. Even Abraham Lincoln needed a decisive victory in America's bloodiest war before the better angels of human nature could prevail.

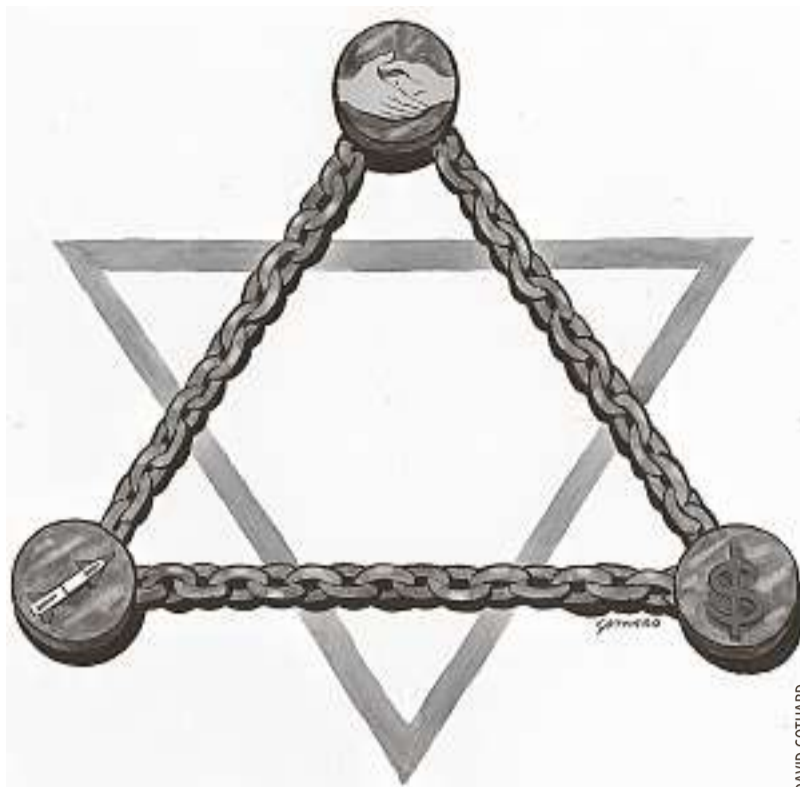
The key to peace and human progress is the combination of soft and hard power. I have devoted most of my life to ensuring that my country, the Jewish state of Israel, has enough power to defend itself, protect its values and secure its future. For this purpose I advanced

the concept known as the "Iron Triangle of Peace," which set out to maximize Israel's prosperity through a combination of economic, military and diplomatic power.

This necessitated a transformation of Israel's semi-socialist economy into a free-market one. As finance minister (2003-05) and prime minister (1996-99 and 2009-21), I led a free-market revolution, which unshackled Israel's economy and turned it into a global powerhouse of innovation and enterprise. Over the past two decades, our nation's companies made technological advances in such areas as medicine, agriculture and water. Israel's gross domestic output per capita, which long trailed those of Western democracies, now exceeds that of Britain, France, Japan and Germany.

As Israel's economic and technological power have developed, so too have its military capabilities. The Israeli military today is equipped not only with fighter jets, tanks, submarines and drones, but also with superb intelligence and cyber capabilities, which have saved the lives of countless Israeli citizens and visitors. The combination has resulted in greater diplomatic strength, as more countries have sought to benefit from our success.

Far from being a pariah state, Israel now has robust diplomatic relations with more than 160 countries. I helped bring about these diplomatic fruits and was the first Israeli prime minister to visit countries such as Argentina, Brazil, Mexico and Colombia, as well as Australia, Azerbaijan, Kazakhstan and many African nations. During my tenure, we forged ties with the Baltic states and the Visegrad coun-



DAVID GOTHARD

tries of Eastern Europe—in addition to developing a pact with Greece and Cyprus to extract gas from our seabed, which we've begun to use to supply Europe.

But the Iron Triangle of Peace produced its most dramatic breakthrough in our own neighborhood: the Middle East. For 25 years we were told that peace with Arab nations would come only if we first resolved our conflict with the Palestinians. To many Israelis, that presented an insurmountable obstacle, given that the Palestinians have long demonstrated they want a state instead of—not next to—Is-

rael. There had to be another way. The path to peace, in my estimation, wouldn't go through the Palestinians but around them. And that is exactly what has happened.

My government's approach has been made possible by a profound change in thinking among many Arab leaders, who now view Israel not as an enemy but as an indispensable ally against a belligerent Tehran. Many of these leaders took note of my opposition to the 2015 Iran nuclear deal, which showered the Iranian regime with international approval and billions of dollars to fund its aggression and terror.

Shortly after I addressed a joint session of Congress on this topic in March 2015, several Arab leaders secretly requested to meet with me. These meetings ultimately foreshadowed the Abraham Accords, the September 2020 agreement orchestrated by the Trump administration that normalized Israel's relations with the United Arab Emirates, Bahrain, Morocco and Sudan.

The results have been remarkable. Hundreds of thousands of Israelis now regularly fly over the skies of Saudi Arabia to the U.A.E. and Bahrain. Sudan is no longer a way station for Iranian arms transported through the Nile Valley. Israeli and Gulf entrepreneurs are busy forming joint ventures with multimillion-dollar investments. A joint railway project among Israel, the U.A.E. and Saudi Arabia will connect the region once the kingdom joins the accords, which I believe will happen within a few years. If the policies of peace through strength persist, we may soon be able to envision an end to the broader Arab-Israeli conflict.

I have been privileged to live a life of purpose, one in which I've helped bring my vision of peace through strength for Israel into being. For three millennia, the Jewish people have never given up on our dream to live freely and prosperously in our ancient homeland, the land of Zion. Having restored our independence, we won't let anyone bring an end to this miracle.

Mr. Netanyahu served as Israel's prime minister, 1996-99 and 2009-21. He is leader of the opposition Likud Party and author of "Bibi: My Story."

Brian Kemp Shows Republicans How to Shake Off Donald Trump



UPWARD MOBILITY
By Jason L. Riley

Democrats know how to beat Donald Trump, which is why they privately hope he never exits the political stage.

It's Republicans who can't figure out how to deal with the former president. Fortunately for the GOP, Georgia might offer some clues.

No one will be surprised if control of the U.S. Senate is determined by the race between incumbent Democrat Raphael Warnock, who won the seat in a 2021 special-election runoff, and his Republican challenger, Herschel Walker, the former University of Georgia football star. That's one reason the contest has received outside coverage in the media.

But Republicans should also pay close attention to the governor's race between Republican incumbent Brian Kemp and Stacey Abrams, the voting-rights activist and progressive darling. Mr. Kemp's lead has been significant and steady, and if he prevails on Election Day his campaign could serve as a road map for

other Republicans hoping to escape Mr. Trump's shadow without turning off Trump supporters.

In the Senate race, Mr. Walker's inexperience, personal foibles and questionable fitness for office have dominated press coverage. Many Republican officials in the state anticipated as much, which is why Mr. Walker wasn't their first choice. He was Mr. Trump's choice, and Mr. Trump got his way. Absent Mr. Trump's urging, Mr. Walker, who has known Mr. Trump since the 1980s, almost certainly wouldn't have sought the nomination.

What's received less attention is that Mr. Warnock has run a smart campaign aimed at swing voters. He's done that partly by running away from a voting record that shows near-lockstep support for President Biden, who is deeply unpopular in the state. The senator has also jettisoned much of the progressive playbook being used by many fellow Democrats running for office this year.

"Across the country, most Democratic candidates have hung their electoral fortunes on the threat to abortion rights," McClatchy columnist David Catanese wrote last

week. A notable exception is Mr. Warnock. "In more than a dozen TV ads the first-term Democratic senator has run over the past year, none has mentioned reproductive rights. His campaign doesn't harp on the right to choose in its press releases or relentlessly highlight the impact of the Dobbs Supreme Court decision," he added. It's "an intentional

The Georgia governor has a wide lead in the polls despite having infuriated the former president.

strategic omission" designed to avoid alienating the black churchgoers who are "an integral piece of Warnock's fragile coalition that hold complex and evolving views on whether and when it's morally acceptable to end a pregnancy."

Mr. Warnock's wisest move might be that he hasn't spent much time campaigning with Ms. Abrams, whose race against Mr. Kemp is a rematch of the 2018 gubernatorial contest. Ms. Abrams has elevated

issues such as abortion, gun control and supposed threats to black voting rights. She has supported defunding the police and regularly draws attention to her race and sex, as she did in her televised debate on Tuesday with Mr. Kemp. Still, she's expected to lose again, by more than she did last time, and her support among blacks has declined from four years ago. Meanwhile, Mr. Kemp's share of the black vote is expected to increase and could exceed what Mr. Walker receives in his Senate race.

Mr. Kemp's focus on economic growth and his efforts to reopen the state in the early days of the pandemic seems to be resonating. The governor has never trailed in the race and currently holds a 5-point lead, based on the RealClearPolitics polling average. Mr. Kemp's campaign performance thus far is even more impressive because he faced such strong Trump headwinds. In 2020 Mr. Kemp resisted pressure from Mr. Trump to overturn the Georgia election results after Mr. Biden narrowly won the state. In response, Mr. Trump tried to end Mr. Kemp's political career.

Mr. Trump recruited former Sen. David Perdue to challenge Mr. Kemp in a primary earlier this year. The former president then campaigned for Mr. Perdue and used his political organizations to fund television ads attacking Mr. Kemp. Nevertheless, the governor won the primary with 74% of the vote, exposing the limits of Mr. Trump's grievance politics and his hold on the party's base. Mr. Trump has made a spectacle of his disagreements with Mr. Kemp—going so far as to say he wants Ms. Abrams to win—but the governor hasn't responded in kind. Instead, Mr. Kemp has avoided publicly criticizing the former president and largely ignored him. The upshot is that Mr. Kemp enjoys the support of some 95% of Republicans in the state. Other Republican politicians might take note.

What works in Georgia won't work everywhere, but some variation of Mr. Kemp's strategy is worth pursuing if Republicans hope to reach a post-Trump era anytime soon. Exercising more self-control than Mr. Trump can go a long way toward marginalizing him without alienating his supporters.

Lanhee Chen May Invigorate the 'Slightly Alive' California GOP

By Allysia Finley

Orange, Calif.

The state of the California Republican Party brings to mind a scene in "The Princess Bride," where Miracle Max (Billy Crystal), examines the limp body of Westley (Cary Elwes) for signs of life and declares that he "is only mostly dead. There's a big difference between mostly dead and all dead. Mostly dead is slightly alive."

California's GOP looks moribund. Republicans haven't won a statewide office since 2006, when Gov. Arnold Schwarzenegger was re-elected. Democrats hold supermajorities in the state Legislature and 42 of 53 U.S. House seats. After beating back a recall challenge last fall, Gov. Gavin Newsom is cruising to re-election.

Yet Republicans are showing signs of revival, with four Democratic House seats unexpectedly

competitive. The state controller's race will test whether a GOP candidate with a compelling message and background can win statewide.

Lanhee Chen is making his first bid for elected office, but he's not new to politics. The 44-year-old was chief policy adviser to Mitt Romney's presidential campaign in 2012 and a health policy adviser to the 2004 George W. Bush re-election campaign. He is on leave from the Hoover Institution and Stanford University to run for controller.

State controller may seem an odd choice for a campaign debut, but it's the only statewide office that doesn't have an incumbent running. The job also carries considerable clout. The controller can audit government agencies and sits on some 70 state boards or commissions, including the state pension funds, Franchise Tax Board, Coastal Commission and Lands Commission. The final two regulate

energy development in the state.

The son of Taiwanese immigrants, Mr. Chen grew up in Rowland Heights, an unincorporated area east of Los Angeles that is 65% Asian. He has lived the California dream of many Asian immigrants. After graduating from a public high school, Mr. Chen earned a bachelor's degree, law degree and doctorate from Harvard. He now holds two appointments at Stanford.

One of his campaign themes is that the California that allowed him to succeed is vanishing. Public schools and the quality of life have deteriorated as the cost of living soars. Two years ago, Democrats including his opponent, Malia Cohen, championed a referendum to foreclose higher-education opportunities for Asians by repealing the state's ban on affirmative action. After that failed, they successfully lobbied the University of California to exclude SAT and ACT scores from its admissions criteria.

Since launching his campaign in July 2021, Mr. Chen has met with local chambers of commerce and community groups across the state. On a recent afternoon, he dropped by a get-out-the-vote event at a campaign office of Rep. Young Kim, a Korean immigrant who faces a competitive re-election in a newly redrawn district that spans Orange County's wealthy and working-class enclaves.

Most of the Republican campaign volunteers are Hispanic or Asian, including a phalanx of high-school students. Maybe the state's changing demographics don't doom Republicans to obsolescence. A Hispanic woman says she grew excited about Mr. Chen's campaign after

her 17-year-old son took her to one of his events. One reason may be that Mr. Chen doesn't sound like a typical conservative in California who bemoans the state's high taxes and paternalistic government. Instead he assails Democrats' wasteful spending and mismanagement, a line of attack more likely to resonate with independent voters.

He seeks to become state controller—and the first Republican elected statewide since 2006.

"Twenty billion dollars is the amount the state has spent on homelessness over the last three years, and the problem has gotten worse," he says. "It's unbelievable how much waste we're seeing in the state, and the state controller is the person who can give us accountability for where all that money is going. It's a job that requires someone who is independent."

"We need more balance in the state," Mr. Chen says. Even the liberal editorial boards of the Los Angeles Times and San Jose's Mercury News seem to agree and endorsed him. It helps that he isn't a conservative culture warrior. Although Mr. Chen supports abortion rights, Ms. Cohen is attacking him for "supporting national Republicans' anti-choice agenda." That's a sign she doesn't have much ammunition.

A former president of the San Francisco Board of Supervisors, Ms. Cohen, 44, has styled herself after Kamala Harris, who rose amid the

Bay Area city's progressive machine politics. Scuttlebutt in political circles holds that Ms. Cohen hopes to use the controller's position as a launch pad to run for governor or Senate.

"My campaign is about bringing equity and parity to the decision-making process," Ms. Cohen, who is African-American, says in a campaign video, adding that it is important to have a woman of color from a working-class background who has experienced financial hardship in the controller's job. Rather than simply parroting woke ideology, she is trying to convert the political liabilities that Mr. Chen has cited in attack ads into assets.

In those TV ads, Mr. Chen points out that a small business Ms. Cohen ran had its license revoked because it didn't pay taxes, and her home was foreclosed on more than a decade ago. "Cohen can't handle her own finances," the spot warns. "We can't trust her with ours."

Ms. Cohen's personal baggage makes her vulnerable, but she has one huge advantage: California has twice as many registered Democrats as Republicans. Minorities, who often register as independents, tend to vote Democratic because Republicans project a message that doesn't resonate with them.

But Mr. Chen, along with Ms. Kim and other Republicans running in House swing districts, could recast the GOP as the party in California that represents the interests of the middle class and immigrants. A Chen victory in November would show the party is at least "slightly alive."

Ms. Finley is a Journal columnist and editorial board member.

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BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

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Stocks Jump on Strong Earnings

S&P 500 rises almost 4% in past two trading days; Goldman, Lockheed are winners

By WILL HORNER AND CORRIE DRIEBUSCH

Stock indexes rallied for a second day as a combination of better-than-expected earnings and an easing of turmoil in U.K. markets lifted investors' confidence.

The S&P 500 climbed 42.03 points, or 1.1%, to 3719.98 and is up 3.8% over the last two trading days. The Dow Jones

Industrial Average rose 337.98 points, or 1.1%, to 30523.80 and is up 3% over the last two trading days. The technology-heavy Nasdaq Composite moved ahead 96.60 points, or 0.9%, to 10772.40 and is up 4.4% over the past two trading days.

Big swings have become common for U.S. stocks, with the S&P 500 closing up or down at least 2% in the three prior trading sessions. Even with some runs higher, all three indexes remain in a bear market, entered into after a drop of 20% or more from a recent high.

"When you're in the throes of a bear market, to see mean-

ingful moves higher for stocks, you need to also see a big move in the bond markets. You need yields to meaningfully fall," said Michael Antonelli, managing director and market strategist at Baird.

That hasn't happened. Instead, the yields on U.S. government bonds have been climbing, with the yield on the 10-year Treasury note settling above 4% for the first time since 2008 on Friday.

On Tuesday, the yield on the 10-year Treasury note edged lower to 3.996% from 4.012%. Bond yields and prices move in opposite directions.

Investors had been bracing

for a difficult earnings season, with the threats of soaring inflation, rising interest rates and flagging growth weighing on consumer spending and corporate profits. But results thus far have proved better than expected, prompting a rally for U.S. stock markets after months of declines.

"Earnings are yet to crack. Consumers seem surprisingly resilient and it feels like companies are kind of keeping their heads above water," said Altaf Kassam, head of investment strategy for Europe, the Middle East and Africa at State Street Global Advisors. "Earnings season hasn't been the

collapse that people have been worried about."

On Tuesday, Goldman Sachs rose \$7.14, or 2.3%, to \$313.85 after it said profit fell in the recent quarter but remained above targets. Lockheed Martin's shares rose \$34.53, or 8.7%, to \$431.84 after the defense company said its profit rose and maintained its full-year guidance. Shares of Salesforce rose \$6.35, or 4.3%, to \$153.53 and Splunk gained \$2.11, or 2.8%, to \$76.15 after activist hedge fund Starboard Value LP discussed the firm's stakes in them at a conference.

After the market closed, Please turn to page B13

Meta Ordered To Sell GIF Unit By U.K.

By IAN WALKER AND SAM SCHECHNER

Facebook owner Meta Platforms Inc. said it would sell its social-media animated-images company Giphy after the U.K.'s top competition authority affirmed an earlier order to undo the 2020 acquisition.

Facebook's announcement all but ends a yearslong saga in which a foreign regulator made a rare intervention in an already-consummated deal between two American companies. British regulators had ordered Meta to operate Giphy separately while the deal was under review.

Meta, then known as Facebook, bought Giphy in May 2020 for \$315 million. The company, with offices in New York and Los Angeles, allows users to search for, create and share short animated videos, or GIFs, which have become popular in social-media posts, texts and other communications.

Please turn to page B4

Utility Shares Provide No Investor Haven

By HANNAH MIAO

One of Wall Street's go-to safety plays isn't shielding investors from market turmoil anymore.

Earlier this year, utility stocks were among the best-performing segments of the market as investors turned to defensive sectors to weather the financial storm. Utility stocks are typically thought of as more stable than overall equity markets as providers collect steady checks from customers even when the economy slows. At its 2022 high in mid-September, the S&P 500 utilities sector was up more than 8% year to date.

That trade has unraveled. Over the past month, utility stocks have been the worst-performing sector of the S&P 500, down 13% versus the broad benchmark's 4% decline. All but two of the 28 stocks in the group have pulled back, including Consolidated Edison Inc., Duke Energy Corp. and Dominion Energy Inc. Last week, the utilities sector dropped to its lowest level of the year.

A draw of utility stocks has become less attractive as interest rates have climbed. Utility stocks are known for their sizable dividends, offering investors a regular income stream. Companies in the S&P 500 utilities sector offer a dividend yield of 3.2%, among the highest payout percentages in the index, according to FactSet.

But the outsize dividends of utility stocks are no match for climbing bond yields. The yield on the benchmark 10-year Treasury note finished at 3.996% on Tuesday. Friday marked the 10-year yield's first close above the 4% level since 2008 and 11 straight weeks of gains. Treasuries are viewed as essentially risk-free



The outsize dividends of utility stocks are no match for climbing bond yields. A Con Edison worker in Brooklyn, N.Y.

if held to maturity.

"The 10-year is repricing everything. I've got something that's even safer and yields even more," said Kevin Barry, chief investment officer at Summit Financial, comparing Treasuries and utility stocks.

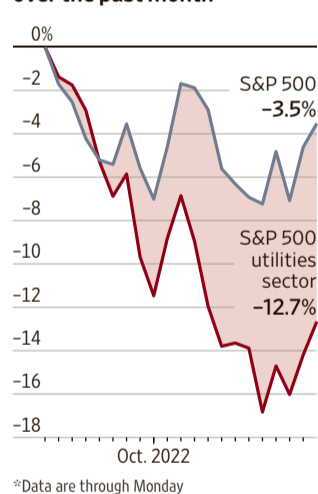
The rout in utility stocks underscores the difficulty of finding havens amid this year's bruising market conditions. With inflation still hot, the Federal Reserve is on track to keep raising interest rates at an aggressive pace, even as investors worry the economy could fall into a recession.

Despite the recent pullback, utility stocks look expensive to investors compared with the broader market.

Wall Street often uses the Please turn to page B13

Utilities stocks were among the best-performing segments of the market earlier this year, but have struggled in the past month as Treasury yields rise.

Index and sector performance over the past month



*Data are through Monday

U.S. 10-year Treasury yield



Sources: FactSet (performance, P/E ratio); Tradeweb ICE closes (Treasury yield)

Price/earnings ratio, next 12-months*



Sources: FactSet (performance, P/E ratio); Tradeweb ICE closes (Treasury yield)

Amazon Workers Reject Union

By SEBASTIAN HERRERA

Amazon.com Inc. workers in upstate New York voted against unionizing, a setback for labor activists trying to expand their unionization push at the tech company.

The National Labor Relations Board said about 66% of employees who cast valid ballots at a company facility near Albany rejected the Amazon Labor Union, which earlier this year won a landmark union vote at an Amazon warehouse in Staten Island, N.Y.

An Amazon spokeswoman said the company is glad that workers chose to keep a "direct relationship with Amazon," which the company sees as best for employees and customers.

"We will continue to work di- Please turn to page B2

GE to Put Its Famed Academy Up for Sale, Shrink Headquarters

By THOMAS GRUYA

General Electric Co. is looking to sell its sprawling training academy on the Hudson River, cutting ties with a site that once embodied the company's managerial prowess before its business and reputation deteriorated.

The industrial conglomerate told workers Tuesday it will pursue the sale of Crotonville, its training campus in Ossining, N.Y. The company also

said it would shrink its headquarters, which moved to Boston in 2016, and is looking for a smaller space in the city.

The moves come as GE is splitting itself into three separate public companies by early 2024 following years of restructuring under Chief Executive Officer Larry Culp, the first outsider to run the company. In the process, GE has overhauled manufacturing practices, sold off divisions, paid down debt and made di-

visions responsible for covering their own costs. Last November, Mr. Culp announced that GE would break up.

GE said there would be no layoffs related to the announcements. The company has about 3,000 workers in Massachusetts. GE's moves were reported earlier by the Boston Globe.

Opened in 1956, Crotonville is a 60-acre property that is half conference center, half re- Please turn to page B2

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RANK	COMPANY	2021 AI REVENUE
No. 1	Palantir	\$1,392M
No. 2	Microsoft	\$1,252M
No. 3	IBM	\$776M
No. 4	AWS	\$688M
No. 5	Google	\$536M

Source: IDC, Worldwide Artificial Intelligence Platforms Software Market Shares, 2021: AI Is Being Used In More Unique Ways Than Ever (2022)

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The information presented in the table above has been compiled and analyzed by IDC using their methodology described in the Worldwide Artificial Intelligence Platforms Software Market Shares, 2021: AI Is Being Used In More Unique Ways Than Ever (2022) report contained on IDC's website (www.idc.com). We have not independently verified, and make no representations as to, the accuracy or completeness of the data contained in this report.

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Amazon to Air NFL Black Friday Game

By JOE FLINT

NFL football is coming to Black Friday.

The National Football League has struck a deal with Amazon.com Inc. to stream a game on the Friday after Thanksgiving in 2023, which is known as the official kickoff of the Christmas shopping season.

The NFL and Amazon indicated the plan is for the game to become a permanent fixture.

The game will be a "key new pillar" for the league, NFL Media Chief Operating Officer Hans Schroeder said on a conference call to discuss the new game. Marie Donoghue, Amazon's vice president of global sports video, said: "We see this as starting a new holiday tradition."

For Amazon, having an NFL game on its streaming platform on what is known as the biggest shopping day of the year would give it a large promotional platform for its own retail efforts.

The deal deepens the partnership between the NFL and

Amazon, which this season started streaming the league's "Thursday Night Football" franchise. Amazon has an 11-year deal for "Thursday Night Football" at a price tag of \$1.2 billion annually, The Wall Street Journal previously reported.

Neither the league or Amazon would comment on the terms of adding a new game to Amazon's current package.

The new game also gets Amazon in on Thanksgiving weekend. While Amazon has "Thursday Night Football," its package doesn't include a Thanksgiving game. The NFL's Thanksgiving games are on CBS, NBC and Fox.

Amazon is also among the potential suitors for NFL's Sunday Ticket package, which will be available after this season. Sunday Ticket is a direct-to-consumer offering currently available on satellite broadcaster DirecTV that allows subscribers access to all out-of-market games. Apple Inc. and Google's YouTube also are circling the property, the Journal has reported.

GE to Sell Famed Academy

Continued from page B1
treat with residence halls, classroom buildings and restaurants, along with hiking trails and a helipad.

For decades, the site was famed for culling and cultivating leaders the company saw as its most valuable product. Jack Welch, GE's former CEO who died in 2020, held his lecture sessions in "The Pit," a large sunken auditorium where he coached the future CEOs of companies such as Boeing Co. and Home Depot Inc. Mr. Welch remade and expanded the campus during his two decades running GE.

In Crotonville's heyday, Mr. Welch and other GE bosses would visit nearly every month to lead programs for middle managers, customers and executives from other companies who wanted to learn the GE leadership style. Mr. Culp has taught at Crotonville, but GE's slow transformation into a much smaller company had raised questions among investors and employees about Crotonville's future.

Under Mr. Culp, GE has adopted lean manufacturing practices, a management philosophy that seeks to cut waste and create a culture of continuous improvement. One



GE CEO Larry Culp

aspect of the system is learning where the work actually happens, such as a factory floor, rather than a classroom that is separate from the company's operations.

"When you're in a factory, when you're in a business and you're able to drive that type of improvement in that short a period of time," Mr. Culp said in an interview in early 2020, "it is flat out addictive."

The downsizing of the Boston headquarters is the latest step away from the city that once wooed GE away from Connecticut with \$145 million in financial incentives in exchange for bringing 800 jobs. GE scaled back plans for a shiny glass headquarters in 2019, selling the original property and returning the incentives it had received to house a staff of about 250.

The current headquarters is about 100,000 square feet, GE said.

Union Bid Rejected In Vote

Continued from page B1
rectly with our teammates in Albany, as we do everywhere," the spokeswoman said.

"We are filled with resolve to continue and expand our campaign for fair treatment for all Amazon workers," Chris Smalls, president of the Amazon Labor Union, said Tuesday. "It isn't a loss; it's an ongoing battle," he said.

Amazon shares rose 2.3% Tuesday.

The election at the facility, named ALB1 and located at Castleton-on-Hudson, N.Y., was the fourth this year at an Amazon warehouse. The ALB1 center is much smaller than the facility that unionized in Staten Island, named JFK8. About 950 people were eligible to vote at ALB1, compared with the roughly 8,300 eligible voters at the time of the JFK8 election in April. More than 600 workers cast ballots in the ALB1 election.

Workers at ALB1 make a base pay of around \$17 an hour after a recent wage increase, according to the company. Amazon recently raised starting wages for front-line employees by \$1 to an average of \$19 an hour across the country. Amazon has emphasized its pay and health benefits relative to other similar jobs as it has faced unionization attempts, and company leaders have said they see unions as a potential impediment to flexibility.

Union organizers have sought to negotiate with Amazon over pay and working conditions, including safety measures and job security. Federal labor data have shown Amazon warehouses having more injuries than the national average. The company has tried to address injuries through education courses and other tactics and said it reports injuries better than rival companies. Amazon warehouses have long had high turnover due to a variety of factors, including burnout and Amazon's up-and-down staffing needs at facilities, according to workers.

The union in May lost a second election at a smaller company facility in Staten Island and has been at odds with Amazon over its victory at JFK8 after the company contested the results of that vote. A federal labor official recently recommended that the vote be upheld, but the results haven't yet been certified.

Heather Goodall, an employee and organizer at the ALB1 facility near Albany, said Amazon suggested to workers that their pay and benefits could suffer if the union represents them. Amazon said the company holds meetings to help staff "understand the

BUSINESS & FINANCE

Pernod Ricard to Buy Tequila Brand Backed by George Strait

By JOSHUA KIRBY

Pernod Ricard SA has agreed to buy a majority stake in Código 1530 Tequila, a premium spirits brand backed by country-music star George Strait, in the distiller's latest move to boost its exposure to high-end booze in the U.S.

The French company said late Monday it would pay an undisclosed sum to acquire a majority stake in Código, which produces a range of ultrapremium and prestige tequilas.

Companies across the alcohol industry have sought to boost their exposure to higher-end products in recent years as drinkers show an increasing willingness to pay up for pricier booze—a trend that accelerated during the pandemic and has boosted sales of Scotch, bourbon and tequila.

Pernod said Código would complement its broad portfolio of products, which already include Absolut vodka and Jameson whiskey, and that its experience in the distribution of premium brands would help the tequila maker reach new drinkers.

Código is already available within 50 states across the U.S. and is at the early stage of its international development with a presence in over 30 markets, the company said.



Código sold about 35,000 cases in 2021 with a retail sales value of \$29 million, according to IWSR.

Código was founded in 2016 by Ron Snyder, Federico Vaughan and Mr. Strait—who has sold millions of records—and produces its drinks in the Mexican state of Jalisco.

Analysts at Jefferies said the deal for Código was a good strategic fit with Pernod's existing agave-spirits portfolio. While this category makes up only a small percentage of Pernod's sales, tequila is a major driver of

growth in the important premium segment, the analysts said.

Jefferies, citing data from industry tracker IWSR, said Código's average price point is \$812 a case or \$68 a bottle. It also said, per IWSR data, that Código sold about 35,900 cases in 2021, with a retail-sales value of \$29 million, leading it to estimate supplier sales of around \$15 million.

News of the Código deal comes on the heels of two similar moves by Pernod last week. The company said it would take a minority stake in sotol brand Nocheluna, which is set to be launched across the U.S. in the coming months and is backed by rock musician Lenny Kravitz. Pernod also said it would raise its stake in U.S. group Sovereign Brands, which owns a portfolio of superpremium wine and spirits brands.

facts" about joining a union and the election process itself. Amazon in recent months has also fired some union organizers. The company has said that employees were let go after violating internal policies.

Those who voted against unionizing said they prefer to maintain the status quo. Yari Reyes, who has worked at ALB1 for about two years, said she wasn't convinced the union could deliver better pay and benefits.

"Having a union come in and disturb the communication we have with leadership, why have that?" she said. "Bringing a union in would have just divided us more."

Amazon and many of its workers remain at odds. Groups of workers at multiple facilities said they went on strike last week, including at a company air hub in Southern California, to protest pay and other issues.

The company earlier this month suspended more than

two dozen workers at the JFK8 facility in Staten Island after night-shift employees refused to work after a cardboard compactor at the center caught fire earlier in the day.

Staff members said they raised concerns about working despite the fire, but that managers insisted they would have to work. Amazon said the New York City Fire Department certified the building safe before they asked night-shift workers to complete their shift.

FREE INSIDE THE **NEW YORK POST**

alexa

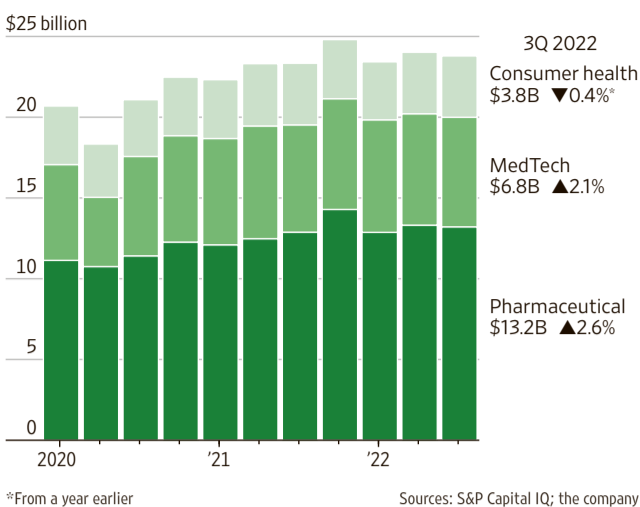
OUT TODAY

THE HOME ISSUE

Cozy up with 'Black Adam' star Sarah Shahi

BUSINESS NEWS

Johnson & Johnson's quarterly segment revenue



J&J Results Rise With Dollar, Costs

By PETER LOFTUS AND WILL FEUER

Johnson & Johnson posted higher sales and earnings for the recently ended quarter even as the stronger U.S. dollar and rising labor costs dented results.

The New Brunswick, N.J., healthcare-products company, whose financial results are considered a bellwether for many health sectors, on Tuesday lowered its full-year sales guidance on the continuing impact of the run-up in the dollar relative to other currencies around the world.

J&J is likely to make modest cuts to its workforce both as a result of economic pressures and in connection with the planned separation of its consumer-health business next year, Chief Financial Officer Joseph Wolk said in an interview.

The consumer business, which sells Tylenol and Band-Aids, will be called Kenvue.

\$489M

Global sales of the company's Covid-19 vaccine

"We're not immune to some of the economic pressures that are out there just like many companies are facing in many industries," Mr. Wolk said. "So we're taking this opportunity to really look at the resources, how we deploy them."

Mr. Wolk said various job functions would be affected, though he didn't provide a number and said it wouldn't be a major restructuring. The company will continue to invest in research and development and hire new scientists, he said.

He said the company has an obligation to look at whether it can achieve cost savings as it shrinks to two segments—pharmaceuticals and medical devices—from three via the consumer-health separation.

For the third quarter, J&J posted a quarterly profit of \$4.46 billion, or \$1.68 a share, up from \$3.67 billion, or \$1.37 a share, a year earlier.

Adjusted for one-time costs, the company's per-share profit was \$2.55. Wall Street analysts had forecast an adjusted profit of \$2.48, according to FactSet.

Overall sales rose a little less than 2% to \$23.79 billion. The company estimates that currency adjustments lowered worldwide sales growth by 6.2%.

Analysts surveyed by FactSet were expecting quarterly sales of \$23.36 billion.

J&J's biggest unit, pharmaceuticals, posted sales of \$13.2 billion, up 2.6% from a year earlier, helped by strong growth in sales of cancer drugs.

The company's Covid-19 vaccine generated global sales of \$489 million, down 2.7% but higher than what some analysts expected.

Earlier this year, the company backed off its full-year forecast of Covid-19 vaccine sales, citing a global surplus of doses and uncertainty over how the course of the pandemic would affect demand. J&J's vaccine has been used less than Covid-19 vaccines from Moderna Inc. and Pfizer Inc. with its partner BioNTech SE.

The company's MedTech unit, which includes heart devices and knee replacement parts, had sales of \$6.78 billion, up 2.1%.

Mr. Wolk said hospital-procedure volumes are returning to normal after being disrupted by the Covid-19 pandemic.

J&J's consumer-health sales declined slightly to \$3.8 billion, as currency effects offset underlying growth in over-the-counter medicines and skin-care products.

Mr. Wolk said the company increased some consumer-product prices in the second quarter, which helped third-quarter sales.

"All three segments actually accelerated growth from where they were in the second quarter," Mr. Wolk said.

The company's cost of products sold, which includes labor, rose by 7.7% from a year earlier.

The company cut its full-year sales guidance to a range of \$93 billion to \$93.5 billion, excluding sales from the company's Covid-19 vaccine. In July, J&J guided for full-year sales of \$93.3 billion to \$94.3 billion.

J&J narrowed its guidance for full-year operational sales, which also excludes the impact of currency-fluctuations, to a range of \$97.5 billion to \$98 billion.

Shares of J&J fell 0.4% to \$166.01 on Tuesday.

So far this year, the company's stock was down almost 3%.

Hasbro's Sales Decline 15% As High Prices Jolt Consumers

By SABELA OJEA

Hasbro Inc. posted a 15% drop in third-quarter sales as it warned of heightened price resistance for consumers ahead of the holiday season.

The entertainment and toy company on Tuesday said it had to increase promotional activity in the latest quarter amid a buildup in inventory this year, which caused a decrease in profit.

"We've also seen the average consumer become increasingly price-sensitive as the year has progressed," Chief Executive Chris Cocks said during an earnings call on Tuesday.

The comments come as Hasbro and other toy companies enter the thick of the holiday shopping season, a critical stretch for an industry that logs more than half of its sales for the year in the weeks leading up to Christmas, according to analysts.

Other industries—including electronics, apparel and sporting goods—that count on holiday sales are contending with a glut of inventory because of rapidly changing consumer habits and high inflation that is denting discretionary budgets.

Hasbro, Mattel Inc. and other toy companies have boosted their inventory levels

this year, hoping to ensure that they have enough product stored close to retailers after last year's supply-chain snarls left some stores short of product.

Hasbro executives said that the company has a high percentage of promotional and advertising spending focused in the current quarter. So far this year, they are seeing better results in markets where they have started promotions earlier.

Overall for the period, Hasbro reported net income of \$129.2 million, or 93 cents a share, contrasted with \$253.2 million, or \$1.83, a year earlier. With one-off items

stripped out, adjusted earnings came in at \$1.42 per share. Analysts surveyed by FactSet had forecast earnings of \$1.52 a share.

Revenue came in at \$1.68 billion, mainly because of a 14% decline in North American sales, which fell to \$693.3 million. The drop was also owing to retailers that buy Hasbro's merchandise earlier in the year, which shifted revenue to the second quarter.

Sales in Europe declined 11%, while they rose 10% and 15%, respectively, in Asia-Pacific and Latin-American regions.

Shares of Hasbro fell 2.9% to \$65.76.

United Pins Hopes on Leisure Travel

By ALISON SIDER

United Airlines Holdings Inc. said resilient demand for air travel will help drive profits through the end of the year, offsetting concern about a broader economic slowdown.

The carrier said Tuesday it expects its operating-profit margin to surpass pre-pandemic levels in the final quarter of the year, citing such factors as hybrid work, which gave customers flexibility to travel for leisure more often.

"Despite growing concerns about an economic slowdown, the ongoing Covid recovery trends at United continue to prevail," United Chief Executive Scott Kirby said.

Airline executives said in recent weeks that concern about the economy doesn't seem to have dampened appetite for travel and that a run-up in ticket prices hasn't deterred bookings.

Travel demand has held up into the fall, and corporate travel is starting to rebound, airline executives have said. At the same time, delayed plane deliveries and backlogs that have emerged in hiring and



United cited factors such as hybrid work that let customers flexibility to travel for leisure more.

training new workers have curbed airlines' growth, limiting the supply of seats. United said Tuesday it believes constraints on the industry's growth could last for years, and that post-Covid recovery and flexible work arrangements that allow more travel are durable trends.

United said it earned a profit of \$942 million during the third quarter, nearly double what it brought in a year earlier and down about 8% from the 2019 period. Operating revenue rose 13.2% from the 2019 period, to \$12.9 billion. On an adjusted basis, United's \$2.81 a share profit

surpassed the \$2.28 a share that Wall Street analysts were expecting, according to FactSet. United said it expects profit of \$2 to \$2.25 a share in the final quarter of the year, well ahead of the 98 cents per share analysts anticipated. United shares rose about 7% in after-hours trading Tuesday.

Lockheed Martin Charts Sales Rebound

By DOUG CAMERON

Lockheed Martin Corp. said it would return to sales growth in 2024 after ironing out supply-chain challenges and turning rising demand for its military equipment into orders.

The world's largest defense company by revenue said it expects sales to remain flat next year compared with 2022 as it awaits more deals driven by Russia's invasion of Ukraine and China's military expansion. Demand for Lockheed's Himars and Javelin missile systems and F-35 combat jets increased in the wake of Ukraine tensions. Executives at defense companies have said it could take years for the interest to turn much of this into orders.

The company added another \$5 billion to its backlog of orders during the September quarter, raising the total to \$140 billion. The company said a fraction of this relates to Ukraine.

Chief Executive Jim Taiclet said Lockheed was investing its own funds to potentially boost Javelin and Himars production and submitted the plans to the Pentagon, though higher output would take several years to complete.

Lockheed Martin shares rose 8.7% to \$431.84 on the prospect of higher sales of F-35 spare

parts, Pac-3 missile defense systems and abating supply-chain challenges. The company also said it plans to double its share-buyback program for 2022 and repurchase \$14 billion of its stock over the next three years.

The Pentagon has announced more than \$17 billion in military assistance to Ukraine. About \$3 billion is under contract with defense companies such as Lockheed, the department said.

Jay Malave, Lockheed's chief financial officer, said it would be 2024 before elevated international demand shows up as higher sales. He forecast a low-single-digit rise in sales in 2024, with around \$10 billion in potential upside over the next several years from new international deals. The company previously expected sales to rise around 2% in 2023, he said, and supply-chain problems will hit profit margins. Lockheed left its 2022 guidance unchanged.

Production of the company's F-35 and F-16 jets and some missile systems has been hit by a combination of parts and labor shortages. "We saw no meaningful improvements in the third quarter," said Mr. Malave, citing metrics such as on-time delivery.

Mr. Taiclet said supply-chain challenges are among the reasons Lockheed would now drop

its traditional fall guidance and instead provide formal annual outlooks from January 2024 onward. The company's guidance has long been used as an industrywide barometer for growth. Rivals including Raytheon Technologies Corp. and Northrop Grumman Corp. report earnings next week.

Mr. Taiclet said the current timing precludes Lockheed from including the formal Pentagon budget rollout in its guidance, which programs are included and the company's

ability to deliver. Lockheed Martin maintained its targets for sales of \$65.25 billion for 2022 and per-share earnings of \$21.55, with the outlook for cash flow and operating profit also unchanged.

Profit rose to \$1.78 billion in the quarter to Sept. 25 from \$614 million a year earlier following a pension charge, with sales up 3% at \$16.6 billion. Per-share earnings increased to \$6.71 from \$2.21, above the \$6.57 consensus among analysts polled by FactSet.

Albertsons Revenue Climbs as Prices Jump

By DEAN SEAL

Albertsons Cos. posted an 8.5% rise in revenue in its recently completed quarter as higher prices boosted its same-store sales.

The results come just days after competitor Kroger Co. said it planned to acquire Albertsons in a transaction valuing the Boise, Idaho-based supermarket chain at \$24.6 billion.

Albertsons, which operates supermarket banners such as Safeway, Shaw's and Acme, said on Tuesday that its quarterly sales came in at \$17.9 billion, up from \$16.5 billion in the same period a year ear-

lier. Same-store sales rose 7.4% largely because of price increases.

Wall Street analysts had been expecting \$17.7 billion, in sales, according to FactSet.

Grocery prices in the U.S. are up broadly, rising 13% in September, according to the latest data from the U.S. Labor Department.

The company posted a profit of \$343 million, or 59 cents a share, compared with \$295.2 million, or 52 cents a share, in the same quarter last year.

Stripping out one-time items, the company's adjusted earnings were 72 cents a share, topping Wall Street

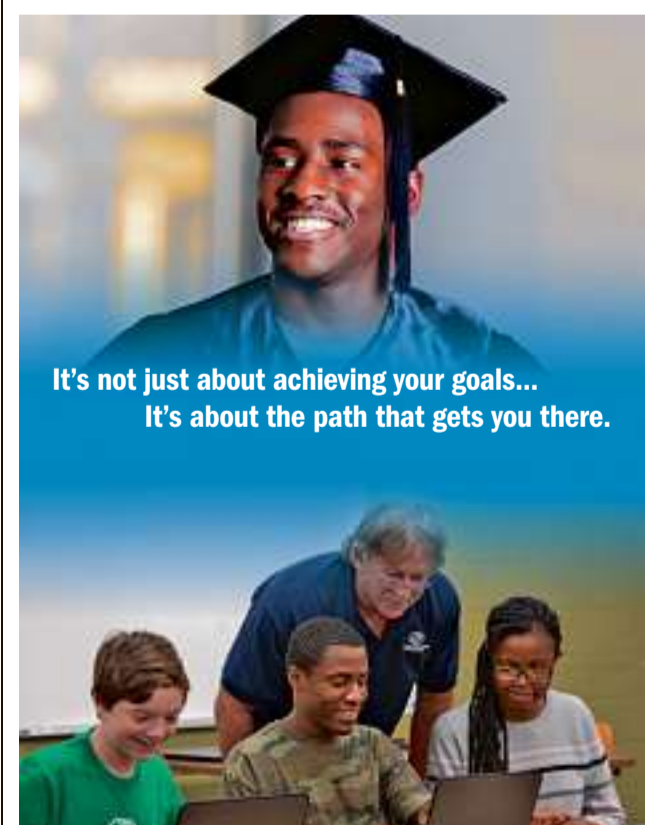
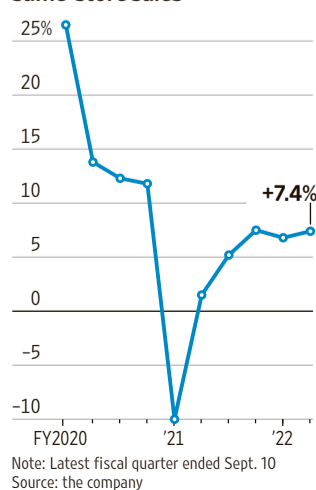
projections of 65 cents a share.

The proposed merger between Kroger and Albertsons would tie up the two largest supermarket operators in the country and is expected to face significant scrutiny from federal antitrust enforcers, which have already challenged some mergers under the Biden administration.

The Wall Street Journal reported last week that the companies are expected to sell overlapping stores as part of their bid to win regulatory approval.

Albertsons shares finished Tuesday's trading up 1.2% at \$26.74.

Albertsons quarterly same-store sales



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TECHNOLOGY

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Microsoft Cuts Jobs as Growth Slows

By Aaron Tilley

Microsoft Corp. laid off more employees this week, becoming the latest tech company to show signs of concern about future demand.

In July the software maker said it had plans to cut a number of positions, affecting less than 1% of its total workforce. At the time, Microsoft, which employs more than 200,000 people, said it was making the cuts as a part of a regular adjustment at the start of its fiscal year.

On Monday, the company didn't give a figure for the number of layoffs that have started this week and didn't confirm whether they were part of the earlier announced plans. Axios and Insider earlier reported the latest cuts.

"Like all companies, we evaluate our business priorities on a regular basis, and make structural adjustments accordingly. We will continue to invest in our business and hire in key growth areas in the year ahead," a Microsoft spokeswoman said.



The software maker led by CEO Satya Nadella had said in July it planned to make layoffs.

Several tech companies, including Twitter Inc., Netflix Inc. and Uber Technologies Inc., have been adjusting their hiring plans to deal with slowing growth and fallout from other macroeconomic factors. The companies have been cutting back on staff, reducing

the size of some teams and freezing hiring.

The tech industry has been hiring rapidly for years, but the easy money that fueled years of spending is drying up. The reversal of some pandemic trends, combined with inflation and growing concern that the global

economy could be headed toward a recession, have cooled parts of the once-hot sector.

The Wall Street Journal reported that Meta Platforms Inc. is planning to cut expenses by at least 10% in the coming months, in part through staff reductions, as

the social-media giant confronts stalling growth and increased competition, according to people familiar with the company's plans.

The Menlo Park, Calif., company has begun nudging out staffers by reorganizing departments and giving affected employees a limited window to apply for other roles within the company, according to current and former managers familiar with the matter.

Microsoft's latest move follows some challenges for the company. It suffered its slowest earnings growth in two years in the three months through June, hurt by a sharp slowdown in its cloud business, declining videogame sales and the effects of a strong dollar.

After earnings were unveiled in July, Microsoft Chief Financial Officer Amy Hood said the company would "slow the rate of hiring to focus on key growth areas."

Microsoft shares have fallen around 30% so far this year, in line with the tech-heavy Nasdaq Composite Index.

Meta Ordered To Sell Unit

Continued from page B1

The U.K.'s Competition and Markets Authority initially ordered Meta to sell Giphy last year. Meta appealed the decision. In July, the Competition Appeal Tribunal backed the CMA in five out of six challenges to the CMA ruling. On Tuesday, after taking that ruling into consideration, the CMA issued a revised decision that again ordered Meta to sell Giphy.

Meta said it is disappointed by the order but won't appeal the decision further. The company said it would work with the CMA to sell Giphy and is awaiting more details in the coming weeks from the regulator about how it should do so.

The decision comes as the CMA is asserting itself on the global stage as a technology regulator—opening antitrust cases against tech companies alongside others stemming from the U.S. and European Union.

The CMA has open cases looking at issues including how Alphabet Inc.'s Google brokers ads on third-party websites, and the control that the regulator says Apple Inc. and Google exercise over mobile-phone software. The companies say they comply with competition rules and are working with the regulator.

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First-Edition iPhone Is Auctioned for \$39,000

By Alyssa Lukpat

For the price of dozens of brand new iPhones, a buyer purchased a first edition of Apple Inc.'s game-changing device for more than \$39,000.

LCG Auctions sold an unopened 2007 iPhone on Sunday, according to the Louisiana-based auction house. LCG didn't name the buyer, but said he lived in Australia.

The nearly half-inch-thick iPhone, which was still in the

original factory-sealed box, was virtually flawless, according to the auction house.

"Collectors and investors would be hard pressed to find a superior example," LCG said.

Mark Montero, the founder of LCG Auctions, said Tuesday that he believed \$39,339.60 was a record price for a first-edition iPhone. He said the seller, an American man, decided to put the iPhone on the market after seeing that another first-edition iPhone sold for \$35,000 at

an auction in August.

"An item like this is something everyone can relate to," Mr. Montero said, adding, "It has a lot going for it as a collectible investment."

The original iPhone was sold in a black box with a picture of the phone on the front. Early iPhone adopters would recognize the old app widgets, including an iPod app and an SMS text button.

Apple's first iPhone was a brick by today's standards but

a revolution in the aughts. The phone came tricked out with a 3.5-inch display, a sleek interface and as much as 16 gigabytes of storage. It changed the cellphone game at a time when many devices still flipped open.

When Apple released the first iPhone in 2007, the company described it in part as a widescreen iPod with touch controls. The company sold its one millionth iPhone in 74 days.

Potential buyers bid 28

times online for the iPhone sold on Sunday, according to LCG. The starting price was \$2,500.

The market for vintage memorabilia has surged during the pandemic. Investors have purchased these items at record prices in recent years as a way to diversify their financial holdings or to own something that can withstand inflation. Other investors bought the items because they had more time to spend by an auction block.

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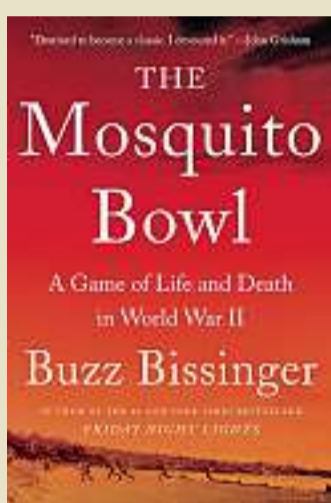
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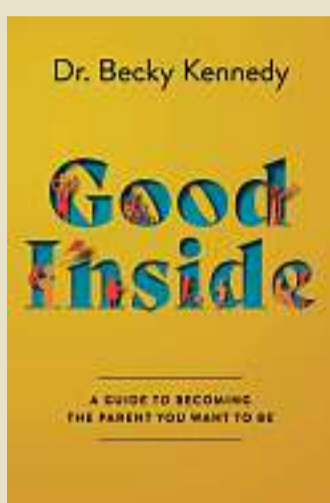
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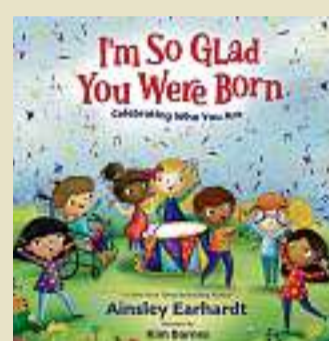
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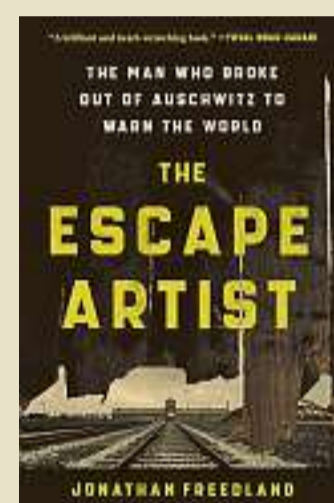
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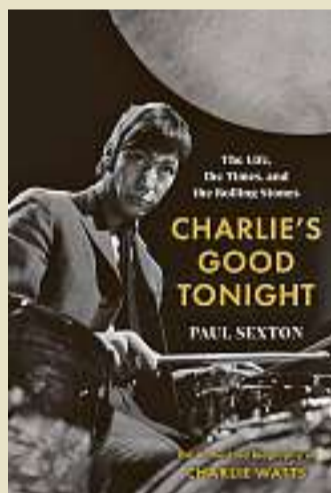
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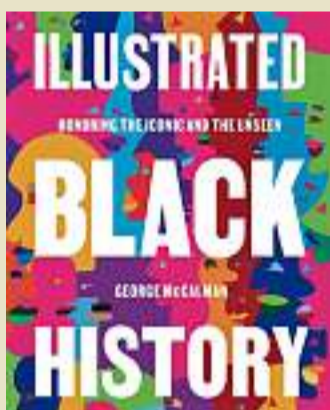
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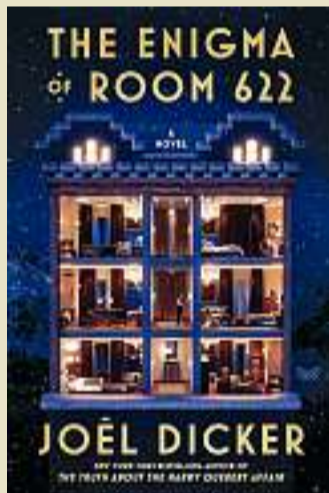
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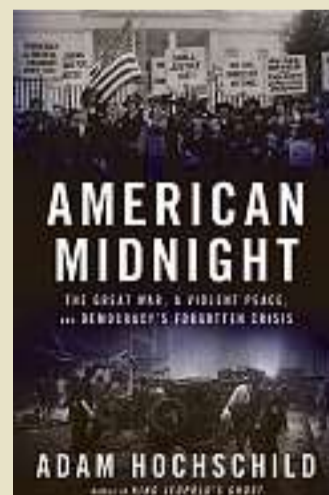
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THE PROPERTY REPORT

Commercial Hot Spots Start to Cool

By PETER GRANT

E-commerce distribution centers and other warehouses are facing a squeeze from a surge in construction and softening demand, a new concern for a sector that was the darling of commercial real-estate owners for years.

The industrial real-estate business was riding high from the growth of online shopping during the Covid-19 pandemic. That triggered a logistics building boom to meet the needs of retailers abruptly facing supply-chain bottlenecks and a rise in e-commerce activity after many bricks-and-mortar stores temporarily closed.

Logistics developers completed and opened a record 148.2 million square feet of space in the third quarter, according to commercial real-estate services company Cush-

man & Wakefield. That was about 72% more than the quarterly average over the past five years, the company said.

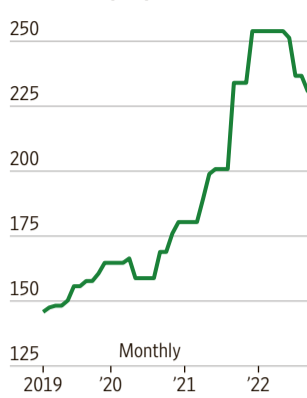
Now, this record amount of new warehouse supply is hitting the market just as recession fears are slowing demand.

In an early sign that industrial property faced a possible supply glut, Amazon.com Inc. said in the spring that it was throttling back on its e-commerce operations.

Since then, Amazon has closed, delayed openings of and canceled plans for about 80 buildings in the U.S., according to MWPVL International Inc., a Canadian supply-chain consultant that tracks Amazon demand.

Other figures show the growth in demand for warehouse space is slowing across the board. Warehouse tenants

Green Street U.S. Commercial Property Price Index for industrial properties



Source: Green Street

occupied about 108 million square feet more industrial space at the end of the third quarter than at its beginning, but that is down from previous quarters. They occupied 132 million square feet more

of new space in the second quarter, and 159 million square feet more in the third quarter of 2021, Cushman & Wakefield said.

"You're going to see a world where new supply starts exceeding incremental demand," said Vince Tibone, a senior analyst at real estate analytics firm Green Street. "You'll see vacancy rates ticking higher in the coming quarters."

Analysts and investors will be watching closely on Wednesday when Prologis Inc., one of the world's largest industrial space companies, reports its third-quarter earnings.

"I'm very interested in whether they're taking a different approach to development," said Mr. Tibone. "Are they going to start new projects in the fourth quarter or are they going to be more con-

servative given macro concerns?"

The shift to remote work has been weighing on office values, while the reduction in business travel since the outbreak of Covid-19 has punished urban hotel owners. But until recently, industrial properties have mostly gained strength during the pandemic.

Warehouse demand is ebbing now partly because, with the prospect of a recession looming, retailers, e-commerce firms and other tenants are rethinking expansion plans.

During a recession "there's less money in the market and less spending," said Carolyn Salzer, Cushman's head of Americas industrial research. "People feel they don't need to fill the warehouse as much."

Some analysts say the need for new warehouses and rents will remain at a robust level next year, even if there is a re-

cession. Many tenants are continuing to add logistics space to develop new supply chains and expand their e-commerce businesses, which, as a rule, require three times more industrial space than bricks-and-mortar stores.

Yet as with most types of commercial real estate, industrial property values have been hard hit by higher interest rates.

While they are up 30% since the beginning of the pandemic, they have fallen 19% since they reached their peak in the first quarter of this year, according to Green Street.

Shares of industrial real-estate investment trusts, meanwhile, are up 67% since the pandemic hit, but down 27% since this past spring when Amazon reported that it was reducing its rate of expansion, Green Street said.

Florida Cities Hit by Ian Draw Buyers, Investors

By ROBYN A. FRIEDMAN

Less than a month after Hurricane Ian caused widespread devastation to southwestern Florida, investors and other buyers are scouring for housing deals in a region where home prices soared in recent years.

Demand remains strong from locals and out-of-staters, according to residential real-estate agents in Naples, Fla., and other areas near the path of the Category 4 storm. They say they received numerous inquiries from people interested in relocating to the Sunshine State or hoping to pick up distressed properties.

"It's pretty much business as usual," said Kelly Baldwin, an agent for Coldwell Banker in Longboat Key, Fla. "I haven't had anyone reach out who wants to stop their home search."

The costs associated with

fortifying a home against wind and flooding, along with rising premiums for homeowner and flood insurance, are enough to cause some longtime Florida residents to leave.

But some investors with plenty of cash are expressing interest. Friley Saucier, a global real-estate adviser at Premier Sotheby's International Realty in Naples, is working with a wealthy individual planning to spend as much as \$50 million on real estate in areas that suffered damage from Ian. "He called me after the storm," she said. "I've spent a week calling agents and others trying to find properties that are off-market because these homes are still being dried out and remediated, so they're not yet listed."

Some buyers are thinking twice after the damage by the storm, which is expected to be between \$40 billion and \$64 billion for flood and wind losses to Florida residential and com-



Hurricane Ian's path of destruction in Florida lured investors looking for deals in damaged areas. Fort Myers Beach after the storm.

mercial properties, according to an estimate by CoreLogic. Of U.S. residents who plan to buy or sell a home in the next year, 62% are hesitant to move to an area with climate risk, according to a recent Redfin report.

Yet many others are undeterred. Connie Langenbahn, 62, and her husband, Gregg Langenbahn, 61, are leaving their home in Cincinnati in Novem-

ber to become residents of southwest Florida. "I'm hoping that prices don't go up higher now because people need homes," she said.

Some housing analysts think they will, at least for the short term. "We most likely will see an increase in prices almost immediately, driven mostly by continued strong demand and a storm-induced inventory short-

age," said Ken H. Johnson, a housing economist at Florida Atlantic University's College of Business.

According to the Naples Area Board of Realtors, the median sales price for a single-family home rose 24.9% between August 2021 and August 2022, the latest month for which statistics are available, to \$725,000. Condomin-

um prices climbed 34% during the same period.

"Due to the devastation, there won't be a lot of homes to sell for a while," said Kristen Conti, broker-owner of Peacock Premier Properties in Englewood, Fla. Lack of supply, combined with the demand for homes, will cause home prices to increase for 12 to 18 months, she said.

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Demand for Prefab Apartments Rises as Building Costs Soar

By REBECCA PICCIOTTO

Construction of prefabricated homes is increasing and providing an alternative to traditional multifamily developments, where the construction process has slowed because of rising costs and supply-chain delays.

Prefabricated construction, which includes modular, manufactured and mobile homes, has for years been used in lower-budget housing development. But with rising interest rates and higher prices for materials such as lumber, the process is starting to get more of a toehold in the apartment market.

While industrialized construction accounts for only a fraction of overall housing, the market is logging steady growth. More than 50,000 manufactured homes, which are built off-site, were shipped in 2022 as of May. That is a 31% increase from the same period in 2020, according to the U.S. Census Bureau.

As demand climbs, manufactured housing has become more expensive. Census data reported that the average sales price of a manufactured home in the U.S. in May 2022 was \$124,900, up from \$85,900 in May 2020.

Modular housing, a type of prefab, might be likened to life-size Lego building, said Andrew Staniforth, chief executive officer of the modular construction startup **Assembly OSM**.

Rather than the construction of a home completely on site, modular projects are built in parts in off-site factories and are later pieced together, allowing a home or apartment building to go up on site in a matter of weeks or months rather than the typical yearlong timeline.

"When you're comparing to a conventional delivery, we're much faster and therefore much cheaper," said Mr. Staniforth.

Now, city officials are looking at more of these projects as a

way to mitigate the U.S.'s housing shortage as financing traditional housing development has become increasingly difficult.

Vessel Technologies Inc., a prefab-housing startup that launched its beta site in July in Trenton, N.J., is working on its next build in New London, Conn.

The Trenton prototype includes six two-bedroom units of 750 square feet with monthly rents of \$1,350 on average. Future Vessel buildings will have between 30 to 80 units that are between 550 and 1,000 square feet with a maximum of five stories, according to founder and CEO Neil Rubler.

The New London site is expected to go up in the spring, and Mr. Rubler estimates the construction will take eight months, compared with the two years that might be required for a conventional building strategy. The units are estimated to go for \$1,600 a month.

Vessel's launch in Trenton responded to the community's housing shortage, according to Trenton Mayor Reed Gusciora. The city has small vacant lots scattered throughout. Those

often fail to appeal to large-scale conventional developers, which need larger plots of land.

"Vessel doesn't need that for their modular units, which are still comfortable and impressive" said Mr. Gusciora.

Off-site housing construction has its share of challenges. Building sites have varying conditions, including in their geometry and zoning regulations, making it difficult to standardize an off-site factory-based construction approach. Fully converting to prefabricated building partially depends on a shift in the way real-estate development gets done, especially to align historically unpredictable construction schedules with always-on-time factory production.

"Essentially, we're still in the learning curve, and the housing or built environment industry is perhaps one of the least innovation-amenable industries that exists," said Tyler Pullen, a researcher at the Turner Center for Housing Innovation. "It may also be the most friendly to—and desperate for—off-site approaches."



A rendering of a Vessel Technologies prefab apartment building.

BUSINESS NEWS

Cargo Carriers Face Slump in Peak Season

Excess stocks spur stores to cancel orders, reversing a boom in the freight market

BY PAUL BERGER
AND PAUL PAGE

The peak shipping season is fizzling as overstocked retailers cancel overseas orders and freight companies scale back expectations for heavy freight volumes heading into the holidays.

Typically in the last quarter of the year, cargo carriers from container lines to parcel operators bulk up their profits on strong demand. But a range of measures of shipping demand across the U.S. are sliding, freight rates are falling as a result, leading carriers to pull back capacity amid concerns a deeper downturn is coming.

The rapid reversal in a freight market that was booming earlier in the year, when tight capacity and rising shipping prices brought big profits to the transport and logistics

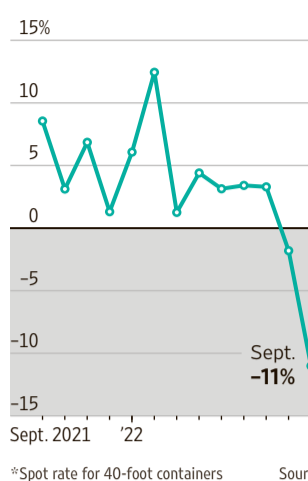
sector, will loom over earnings starting this week. Operators are set to begin reporting results based on growth that is already showing signs of hitting the brakes.

Trucking bellwether **J.B. Hunt Transport Services Inc.** on Tuesday evening reported that revenue remained flat in the third quarter compared with the prior quarter at \$3.84 billion and that the company anticipates a weakened peak season. Warehousing giant **Prologis Inc.** is expected to report earnings on Wednesday.

"The growth in U.S. import volume has run out of steam, especially for cargo from Asia," said Ben Hackett, founder of Hackett Associates and the author of the Global Port Tracker report issued by the National Retail Federation. "Recent cuts in carrier shipping capacity reflect falling demand for merchandise from well-stocked retailers, even as consumers continue to spend."

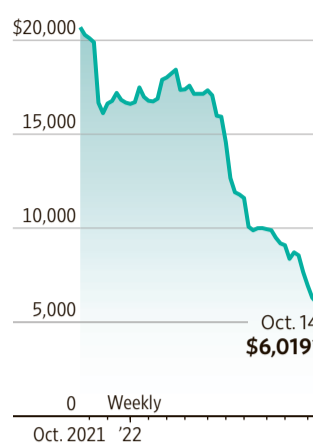
The NRF report is one of several measures showing shipping volumes slowing sharply

U.S. container import volume, change from previous year



*Spot rate for 40-foot containers

Average shipping rates from Asia to the U.S. West Coast



Sources: Descartes Datamyne (volume); Freightos (rates)

from August to September, signaling waning demand rippling through supply chains even as retailers are lining up goods for the traditional sales season.

The Global Port Tracker report projects that imports into major U.S. seaports will be down 4% in the second half of the year after expanding 5.5% year-over-year in the first six

months of 2022.

Descartes Datamyne, a data analysis group owned by supply-chain software company Descartes Systems Group Inc., suggests an even steeper decline based on its tracking of inbound trade volumes.

Their report earlier this month said September container imports, measured in 20-

foot-equivalent units, were down 11% year-over-year and were off 12.4% from August, an unusually sharp falloff in the months considered the height of the peak shipping season. Container imports from China, where manufacturers of goods including furniture, toys and electronics stuff boxes bound for U.S. retailers, tumbled 18.3% from August to September.

Many retailers pulled peak season orders in early this year to avoid a repeat of 2021 when supply-chain congestion caused delays and product shortages during the holidays. Many merchants now are coping with overstuffed warehouses after consumers shifted their spending this summer and fall from household goods, electronics and furniture to travel and dining out.

The slowdown in imports is already hitting rail volumes. Average weekly loads carried in intermodal operations, a combined truck-rail service favored by retailers, fell 4.8% year-over-year in September, according to the Association of American

Railroads. The volume was also 5.4% below August levels.

Trucking business, too, shows signs of moderating.

FTR Transportation Intelligence said in a report Monday issued through Truckstop.com, a load board matching truckers and available loads, that spot-market business on the West Coast recently fell to its lowest level since May 2020 and that demand in the Southeast "fell sharply after recent strength."

The falling demand is sending freight rates into an unseasonable decline. DAT Solutions LLC, another load board matching truckers and loads, said the average spot rate for truckload vans fell from August to September for the first time since 2015.

Container shipping rates that hit record highs last year have also pulled back sharply, although they still remain above 2019 levels. That is providing relief to shippers after skyrocketing prices over the past year strained logistics budgets.

—*Esther Fung and Liz Young contributed to this article.*

Pentagon Veteran Joins Venture Firm Shield Capital

BY HEATHER SOMERVILLE

Michael Brown, who led the Silicon Valley outpost of the Pentagon, left the Defense Department to join early-stage venture firm Shield Capital as it seeks to back new defense technologies amid rising global tensions.

Mr. Brown has joined a group of military veterans turned venture capitalists, the San Francisco firm said Tuesday, where he will invest in startups building technology for the future of warfare and geopolitical conflict.

He was director of the Defense Innovation Unit, a branch of the Pentagon that aims to identify and accelerate the adoption of technologies



Michael Brown

built in Silicon Valley that would enhance the military's capabilities. During his four years leading the DIU, Mr. Brown said he worked to ease

the historically cumbersome process startups faced in getting a contract to sell to the military. The Defense Department struck deals to adopt 50 new technology capabilities during his time there, he said.

"We need the tech being developed by the commercial world," said Mr. Brown.

National-security officials say the conflict in Ukraine and competition with China have highlighted the need for more sophisticated drones, satellites and advanced chips—technology largely built in Silicon Valley. This has broadened the opportunities for startups to sell their technology outside of the commercial sector, pushed the Pentagon to be a more accommodating cus-

tom and drawn greater interest from venture capitalists in a sector they haven't traditionally embraced as enthusiastically as business software or consumer apps.

Secretary of State Antony Blinken is in Silicon Valley this week as part of an outreach effort to get technology firms more involved in some of the world's top national-security challenges and drum up more tech-industry support for State Department cybersecurity initiatives, The Wall Street Journal reported.

Last week, the Biden administration released its national-security strategy, a blueprint that largely codified the approach of investing more in U.S. technological competitive-

ness to constrain China.

Mr. Brown, who was chief executive of cybersecurity company Symantec Corp. before joining the government, helped bring attention to the national-security implications of China's tech transfer, including through the funding of U.S. tech startups. In 2017, he co-wrote a Pentagon paper that cautioned Chinese investors had access to the "crown jewels" of the U.S. and opportunities to steal that technology through their venture-capital investments.

The war in Ukraine brought into public view the importance of commercial technology in modern battle, and the role Silicon Valley companies can play, said Mr. Brown.

Large U.S. tech firms such as Microsoft Corp. and Alphabet Inc.'s Google unit have been sharing cyber insights with Kyiv and the public about suspected Russian hackers. Elon Musk's SpaceX has been providing satellite internet access.

Shield Capital is a Silicon Valley newcomer that got its start last year with a \$140 million fund for early-stage startups building artificial-intelligence, space-exploration, autonomous-driving and cybersecurity technology. The firm also said on Tuesday that, alongside Mr. Brown, it has added John Jack, an industry executive who ran software companies, as a new venture partner.

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Tracking Bond Benchmarks

Return on investment and spreads over Treasuries and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Bond benchmark table with columns for Total return, YTD total return, Index, and Yield.

Global Government Bonds: Mapping Yields table showing yields for various countries.

Yields and spreads over or under U.S. Treasuries on benchmark two-year and 10-year government bonds in selected other countries; arrows indicate whether the yield rose (▲) or fell (▼) in the latest session

Global Government Bonds: Mapping Yields table with detailed yield and spread data.

Corporate Debt

Prices of firms' bonds reflect factors including investors' economic, sectoral and company-specific expectations

Investment-grade spreads that tightened the most...

Table showing investment-grade spreads for various issuers like American Airlines and Credit Suisse.

...And spreads that widened the most

Table showing investment-grade spreads that widened for issuers like Banco Santander and Bank of America.

High-yield issues with the biggest price increases...

Table showing high-yield issues with the biggest price increases for issuers like Occidental Petroleum and Dish DBS.

...And with the biggest price decreases

Table showing high-yield issues with the biggest price decreases for issuers like WeWork and Embarq.

*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 2-spread. Note: Data are for the most active issue of bonds with maturities of two years or more

Dividend Changes

Table showing dividend changes for various companies like Hingham Institution Savs and Aon.

KEY: A: annual; M: monthly; Q: quarterly; r: revised; SA: semiannual; S2: stock split and ratio; SO: spin-off.

Currency Futures

Currency futures table including Japanese Yen, Canadian Dollar, and others.

Index Futures

Index futures table including Mini DJ Industrial Average, S&P 500, and others.

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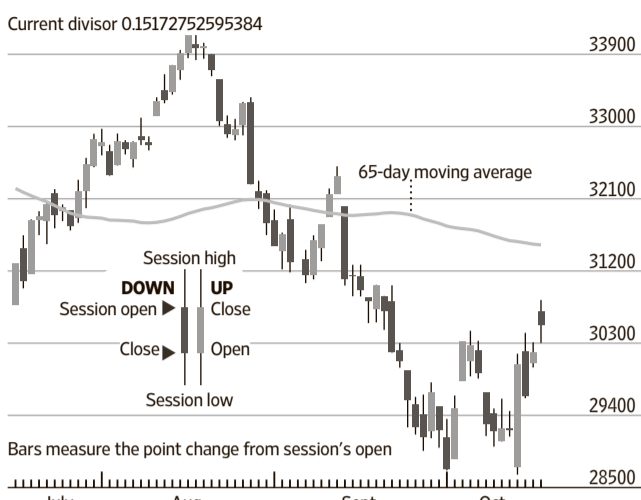
MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

30523.80 ▲ 337.98, or 1.12%
 High, low, open and close for each trading day of the past three months.

Trailing P/E ratio 18.48 23.27
 P/E estimate * 16.19 19.07
 Dividend yield 2.33 1.80
 All-time high 36799.65, 01/04/22

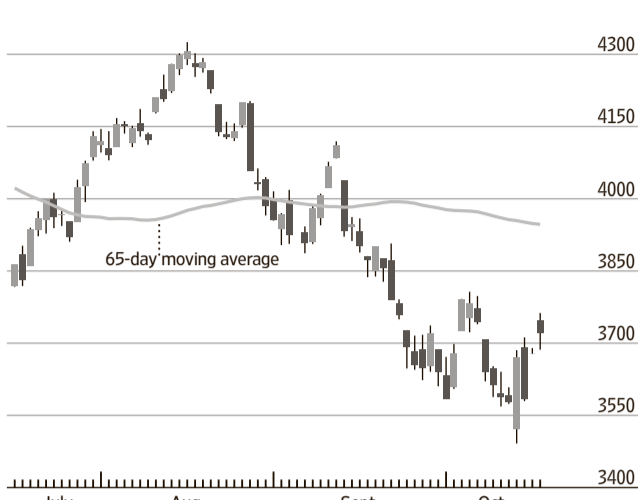


*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc. †Based on Nasdaq-100 Index

S&P 500 Index

3719.98 ▲ 42.03, or 1.14%
 High, low, open and close for each trading day of the past three months.

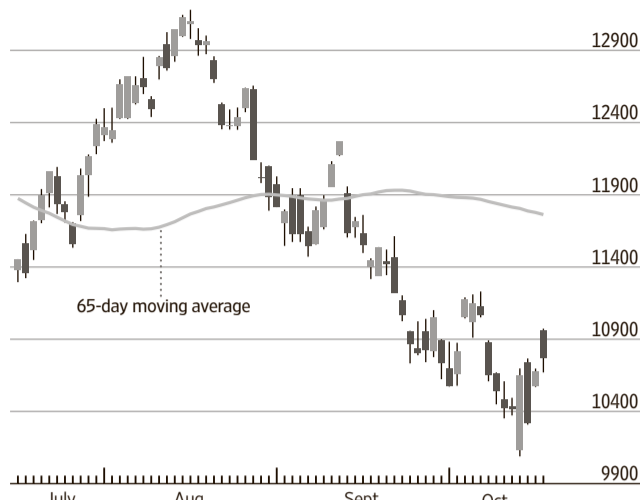
Trailing P/E ratio * 17.85 30.49
 P/E estimate * 16.37 21.87
 Dividend yield * 1.80 1.32
 All-time high 4796.56, 01/03/22



Nasdaq Composite Index

10772.40 ▲ 96.60, or 0.90%
 High, low, open and close for each trading day of the past three months.

Trailing P/E ratio * 23.02 35.41
 P/E estimate * 20.34 28.25
 Dividend yield * 1.00 0.69
 All-time high: 16057.44, 11/19/21



Major U.S. Stock-Market Indexes

	High	Low	Close	Net chg	% chg	High	Low	% chg	YTD	% chg	3-yr. ann.
Dow Jones											
Industrial Average	30837.90	30301.83	30523.80	337.98	1.12	36799.65	28725.51	-13.9	-16.0	4.5	
Transportation Avg	13145.83	12838.44	12974.81	173.27	1.35	17039.38	11999.40	-15.2	-21.3	7.3	
Utility Average	885.10	871.94	879.66	14.16	1.64	1071.75	838.99	-2.5	-10.3	0.5	
Total Stock Market	37924.37	37153.89	37487.75	440.14	1.19	48929.18	36056.21	-20.1	-22.9	7.1	
Barron's 400	905.15	883.65	893.06	9.37	1.06	1127.20	825.73	-15.0	-19.3	9.4	

	High	Low	Close	Net chg	% chg	High	Low	% chg	YTD	% chg	3-yr. ann.
Nasdaq Stock Market											
Nasdaq Composite	10972.97	10670.12	10772.40	96.60	0.90	16057.44	10321.39	-28.8	-31.1	10.0	
Nasdaq-100	11374.38	11035.80	11147.74	85.21	0.77	16573.34	10692.06	-27.7	-31.7	12.3	

	High	Low	Close	Net chg	% chg	High	Low	% chg	YTD	% chg	3-yr. ann.
S&P											
500 Index	3762.79	3686.53	3719.98	42.03	1.14	4796.56	3577.03	-17.7	-22.0	7.6	
MidCap 400	2369.51	2323.42	2341.07	33.56	1.45	2910.70	2200.75	-15.3	-17.6	6.5	
SmallCap 600	1150.35	1126.13	1134.17	13.04	1.16	1466.02	1064.45	-17.1	-19.1	6.1	

	High	Low	Close	Net chg	% chg	High	Low	% chg	YTD	% chg	3-yr. ann.
Other Indexes											
Russell 2000	1782.07	1744.00	1755.96	20.20	1.16	2442.74	1649.84	-22.8	-21.8	4.6	
NYSE Composite	14207.84	13923.21	14089.20	165.99	1.19	17353.76	13472.18	-17.1	-17.9	2.7	
Value Line	523.11	509.72	517.14	7.42	1.46	696.40	491.56	-23.0	-23.0	-0.0	
NYSE Arca Biotech	4845.60	4740.55	4766.53	16.40	0.35	5815.27	4208.43	-14.7	-13.6	3.7	
NYSE Arca Pharma	775.02	769.22	771.85	2.37	0.31	887.27	737.84	3.1	-6.7	9.5	
KBW Bank	103.90	100.81	102.16	1.05	1.03	147.56	94.66	-26.4	-22.7	0.4	
PHLX ^S Gold/Silver	100.75	98.67	99.98	0.90	0.91	167.76	91.40	-24.4	-24.5	3.4	
PHLX ^S Oil Service	70.32	68.05	69.43	0.96	1.40	88.37	49.14	5.6	31.7	3.4	
PHLX ^S Semiconductor	2296.47	2183.17	2220.96	9.30	0.42	4039.51	2162.32	-34.3	-43.7	11.8	
Cboe Volatility	31.93	30.42	30.50	-0.87	2.77	36.45	15.01	94.3	77.1	28.9	

^SNasdaq PHLX

Sources: FactSet; Dow Jones Market Data

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
iSh 1-5 Year IG Corp Bd	IGSB	11,988.9	48.93	-0.05	-0.10	48.98	48.93
ProShares UltraPro QQQ	TQQQ	9,749.3	20.62	0.84	4.25	20.66	19.57
Vertiv Holdings	VRT	9,553.9	11.39	-0.09	-0.78	12.00	11.39
Rentokil Initial ADR	RTO	7,877.5	29.26	0.27	0.93	29.26	28.99
Netflix	NFLX	6,160.5	274.80	33.94	14.09	278.99	226.81
SPDR S&P 500	SPY	5,991.4	373.95	2.82	0.76	374.00	350.08
iShares Russell 2000 ETF	IWM	5,803.4	175.20	1.03	0.59	175.30	172.10
Invesco QQQ Trust I	QQQ	4,527.1	275.35	3.87	1.43	277.71	270.00

Percentage gainers...

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
Netflix	NFLX	6,160.5	274.80	33.94	14.09	278.99	226.81
Intuitive Surgical	ISRG	266.3	216.30	22.57	11.65	217.00	193.62
MicroSectors FANG+ 3X	FNGU	1,426.6	5.80	0.43	8.01	5.81	5.31
United Airlines	UAL	2,156.5	39.90	2.65	7.11	40.85	37.10
MicroSectors FANG 3x Lvg	BULZ	808.4	2.71	0.16	6.27	2.72	2.53

...And losers

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
Olaplex	OLPX	2,381.5	5.95	-3.84	-39.22	9.79	5.79
PTC Therapeutics	PTCT	204.7	41.90	-6.88	-14.10	48.78	39.16
Biohaven	BHVN	102.7	9.60	-0.88	-8.40	10.54	8.91
Semtech	SMTC	132.7	25.00	-1.29	-4.91	26.35	25.00
Evergy	EVERG	60.9	56.12	-2.73	-4.64	58.85	56.12

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	1,006,580,746	9,560,907
Adv. volume*	810,758,359	5,713,494
Decl. volume*	175,637,055	3,335,054
Issues traded	3,363	299
Advances	2,299	170
Declines	912	117
Unchanged	152	12
New highs	40	0
New lows	115	11
Closing Arms*	0.51	1.13
Block trades*	5,133	102

	Nasdaq	NYSE Arca
Total volume*	5,047,368,637	338,784,830
Adv. volume*	3,656,059,879	268,525,913
Decl. volume*	1,341,075,163	69,189,195
Issues traded	4,929	1,754
Advances	2,999	1,391
Declines	1,600	346
Unchanged	330	17
New highs	76	10
New lows	157	30
Closing Arms*	0.69	1.00
Block trades*	36,218	1,766

*Primary market NYSE/NYSE Arca only. (TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
World	MSCI ACWI	569.98	6.32	1.12	-24.5
	MSCI ACWI ex-USA	251.79	2.61	1.05	-26.9
	MSCI World	2457.86	26.02	1.07	-23.9
	MSCI Emerging Markets	879.07	13.30	1.54	-28.6
Americas	MSCI AC Americas	1416.49	16.15	1.15	-22.5
Canada	S&P/TSX Comp	18798.18	177.16	0.95	-11.4
Latin Amer.	MSCI EM Latin America	2189.20	30.16	1.40	2.8
Brazil	BOVESPA	115743.07	2119.09	1.87	10.4
Chile	S&P IPSA	3133.34	12.11	0.39	11.7
Mexico	S&P/BMV IPC	46309.23	88.51	0.19	-13.1
EMEA	STOXX Europe 600	399.84	1.36	0.34	-18.0
Eurozone	Euro STOXX	379.38	2.71	0.72	-20.8
Belgium	Bel-20	3484.01	29.91	0.87	-19.2
Denmark	OMX Copenhagen 20	1626.35	24.67	1.54	-12.7
France	CAC 40	6067.00	26.34	0.44	-15.2
Germany	DAX	12765.61	116.58	0.92	-19.6
Israel	Tel Aviv	1890.32	17.64	0.94	-4.4
Italy	FTSE MIB	21518.78	199.05	0.93	-21.3
Netherlands	AEX	642.48	1.53	0.24	-19.5
Russia	RTS Index	1039.76	11.93	1.16	-34.8
South Africa	FTSE/JSE All-Share	66350.98	160.23	0.24	-10.0
Spain	IBEX 35	7611.30	54.30	0.72	-12.7
Sweden	OMX Stockholm	739.89	11.41	1.57	-28.7
Switzerland	Swiss Market	10578.76	80.05	0.76	-17.8
Turkey	BIST 100	3841.56	-6.06	-0.16	106.8
U.K.	FTSE 100	6936.74	16.50	0.24	-6.1
U.K.	FTSE 250	17529.31	26.47	0.15	-25.3
Asia-Pacific	MSCI AC Asia Pacific	138.90	1.86	1.36	-28.1
Australia	S&P/ASX 200	6779.20	114.76	1.72	-8.9
China	Shanghai Composite	3080.96	-3.98	-0.13	-15.4
Hong Kong	Hang Seng	16914.58	301.68	1.82	-27.7
India	S&P BSE Sensex	58960.60	549.62	0.94	1.2
Japan	NIKKEI 225	27156.14	380.35	1.42	-5.7
Singapore	Straits Times	3025.88	10.13	0.34	-3.1
South Korea	KOSPI	2249.95	30.24	1.36	-24.4
Taiwan	TAIEX	13124.68	158.63	1.22	-28.0
Thailand	SET	1590.36	18.96	1.21	-4.1

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	52-Week Low	% chg
Akouos	AKUS	13.19	6.18	88.16	13.35	2.32	34.6
AVEO Pharmaceuticals	AVEO	14.92	4.44	42.37	14.95	3.06	129.2
Kiora Pharmaceuticals	KPRX	8.16	2.00	32.47	87.60	4.86	-90.0
Beyond Air	XAIR	7.83	1.80	29.85	16.41	4.79	-19.4
Decibel Therapeutics	DBTX	3.70	0.75	25.42	8.66	1.83	-49.1
Mynaric ADR	MYNA	7.00	1.40	25.00	22.00	3.80	...
Imara	IMRA	4.23	0.75	21.55	4.36	0.97	13.7
Novonix ADR	NVX	5.61	0.95	20.39	24.00	4.40	...
SELLAS Life Sciences	SLS	2.40	0.40	20.00	9.78	1.77	-73.3
Dolphin Entertainment	DLPN	2.90	0.48	19.83	13.21	2.34	-77.0
Glafilter	GLT	2.84	0.46	19.33	18.74	2.08	-81.9
Surrozen	SRZN	2.75	0.44	19.05	10.35	1.92	-54.2
Reviva Pharma	RVPH						

BIGGEST 1,000 STOCKS

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are composite quotations that include primary market trades as well as trades reported by Nasdaq BX (formerly Boston), Chicago Stock Exchange, Cboe, NYSE National and Nasdaq ISE.

Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume. Boldface quotations highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher.

Footnotes:
+New 52-week high.
-New 52-week low.
dd-Indicates loss in the most recent four quarters.
FD-First day of trading.
H-Does not meet continued listing standards.
IF-Late filing.
Q-Temporary exemption from Nasdaq requirements.
T-NYSE bankruptcy.
U-Trading halted on primary market.
V-In bankruptcy or receivership or being reorganized under the Bankruptcy Code, or securities assumed by such companies.

Wall Street Journal stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices on 4 p.m. the previous day.

Table with columns: Stock, Sym, Close, Chg, Net. Includes sub-tables for Tuesday, October 18, 2022, and various stock categories like ABB, ADT, AECOM, AES, AFI, etc.

Table with columns: Stock, Sym, Close, Chg, Net. Includes sub-tables for Tuesday, October 18, 2022, and various stock categories like DTE Energy, DXC Tech, Danaher, Darden, etc.

Table with columns: Stock, Sym, Close, Chg, Net. Includes sub-tables for Tuesday, October 18, 2022, and various stock categories like JamesHardie, MetLife, MettlerToledo, etc.

Table with columns: Stock, Sym, Close, Chg, Net. Includes sub-tables for Tuesday, October 18, 2022, and various stock categories like Paylocity, PayPal, Pearson, etc.

Table with columns: Stock, Sym, Close, Chg, Net. Includes sub-tables for Tuesday, October 18, 2022, and various stock categories like Sempra, SensataTechs, etc.

Cash Prices | wsj.com/market-data/commodities

Table with columns: Commodity, Price, Change. Includes Energy (Coal, Crude Oil), Metals (Gold, Silver), and Other Metals (Lithium, Platinum).

Grains and Feeds

Table with columns: Commodity, Price, Change. Includes Wheat, Corn, Soybean, and other agricultural products.

Fats and Oils

Table with columns: Commodity, Price, Change. Includes Beef, Pork, Lard, and other animal products.

Exchange-Traded Portfolios

Table with columns: Fund Name, Price, Change, YTD. Lists various exchange-traded funds like CmsrDiscSelSector, CnsStapleSelSector, etc.

BANKRATE.COM MMA, Savings and CDs

Table showing Average Yields of Major Banks for National average, Weekly change, and various savings products like Money market and savings account, UFB Direct, etc.

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

Table with columns: Instrument, Rate, Change. Includes Money Rates (Prime rates, Policy Rates, Overnight repurchase) and Inflation (Sept. index, U.S. consumer price index).

DTCC GCF Repo Index

Table with columns: Term, Rate, Change. Shows DTCC GCF Repo Index for various terms like One month, Three month, etc.

Secured Overnight Financing Rate

Table with columns: Term, Rate, Change. Shows Secured Overnight Financing Rate for various terms like 3.05, 3.05, 3.05, etc.

Notes on data

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 are not directly comparable; lending practices vary widely by location. Discount rate is effective September 22, 2022. Secured Overnight Financing Rate is as of October 17, 2022. DTCC GCF Repo Index is a Depository Trust & Clearing Corp.'s weighted average for overnight trades in applicable CUSIPs. Value traded is in billions of U.S. dollars. Federal funds rates are Tullett Prebon rates as of 5:30 p.m. ET. Sources: Federal Reserve; Bureau of Labor Statistics; DTCC; FactSet; Tullett Prebon Information, Ltd.

Notes: Accounts are federally insured up to \$250,000 per person. Yields are based on method of compounding and rate stated for the lowest required opening deposit to earn interest. CD figures are for fixed rates only. MMA: Allows six (6) third-party transfers per month, three (3) of which may be checks. Rates are subject to change.

Source: Bankrate.com, a publication of Bankrate, Inc., Palm Beach Gardens, FL 33410. Internet: www.bankrate.com

BANKING & FINANCE

U.K. Corporate Bonds Take Brunt of Global Debt Selloff

By CHELSEY DULANEY

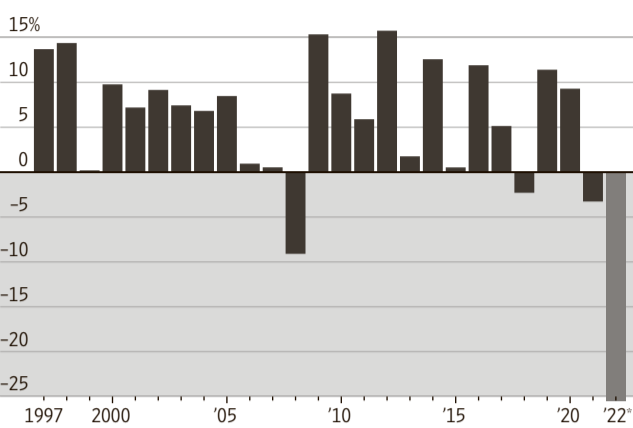
It has been a bad year for global bonds. But U.K. corporate bonds are being hit particularly hard by a mix of political turmoil, high inflation and soaring interest rates.

Highly rated corporate bonds issued in the British pound posted a negative total return of around 25% this year as measured by the ICE BofA Sterling Corporate Index, by far the largest loss in the index's almost 26-year history. A similar index tracking U.S. dollar bonds is down 19% while one for euro-denominated bonds lost 16% on a total-return basis, which includes price changes and interest payments.

U.K. corporate bonds have been battered by the same factors weighing on all debt investments: Central banks are lifting rates at the fastest pace in more than four decades to combat high inflation. Rising consumer prices and higher central-bank policy rates are typically negative for bonds because it makes the value of their fixed payments less appealing to investors.

But U.K. investors have to contend with the added headwind of extreme political and financial-market volatility. Prime Minister Liz Truss sparked an unprecedented selloff in government bonds in September by

Total return on U.K. investment-grade corporate bonds



*Through Oct. 14 Source: ICE Data Services Note: As measured by ICE BofA Sterling Corporate Index

announcing plans for debt-funded tax cuts. In recent days, Ms. Truss attempted to stabilize markets by reversing most of those plans and replacing her treasury chief.

The yield on the U.K. 10-year government bond fell as low as 3.9% Tuesday from levels above 4.5% in just the past week. Yields fall as prices rise. Still, investors remain skittish as Ms. Truss's ability to hold on to her job as prime minister remains unclear and the U.K. economy faces an energy crisis and probable recession.

Corporate bonds, which are seen as riskier than government debt because companies are more likely to miss debt pay-

ments, have been caught in the crossfire.

"You've not seen anything like it in the history of the market," said Barnaby Martin, a credit strategist at Bank of America in London. "It's all been about a rate shock in the U.K., which has driven these unprecedented returns."

The average yield on investment-grade debt issued in sterling has risen to 6.5% from 2.1% at the end of last year, according to data from index provider ICE. The yield on its index of lower-rated U.K. corporate debt rose to 12% from 5% at the end of 2021. Yields rise as prices fall.

Among the companies facing sharply higher borrowing costs:

Rolls-Royce Holdings PLC, whose bond maturing in 2027 has a yield of 10%, more than doubling from 3.6% at the end of last year. The yield on a high-rated bond from Shell PLC maturing in 2052 jumped to 5.7% from 2.4% at the end of last year, according to ICE.

The selloff has been exacerbated by an unexpected crisis that hit U.K. pensions. Schemes dumped assets including corporate bonds in recent weeks to meet margin calls related to a hedging strategy known as liability-driven investment, or LDI.

"To make margin calls, they're selling what they can and some of that is investment-grade corporate debt," said Andreas Michalitsianos, a portfolio manager at J.P. Morgan Asset Management. Efforts by the Bank of England to sell down its holdings of corporate and government bonds could further strain U.K. debt markets, he added.

The central bank has said it will restart selling corporate bonds next week, and is due to start selling down its government-bond holdings on Nov. 1.

Companies have held off on issuing new debt this year. Investment-grade corporate bond issuance in the U.K. currency is down 43% from 2021's level, while high-yield issuance is down 65%, according to Dealogic, a data provider.

Bank of England Advances Plan to Start Selling Gilts

By PAUL HANNON AND ANNA HIRTENSTEIN

The Bank of England is preparing to pivot rapidly from buyer to seller of U.K. government bonds, in a bet that recent market turmoil sparked by the government's fiscal plans has waned sufficiently for the central bank to start unwinding some of the extraordinary support it provided at the height of the pandemic.

Central-bank bond sales are known as quantitative tightening, or QT. They aim to reverse some of the stimulus provided by quantitative easing, or bond buying, seen in the years since the global financial crisis and after the onset of the pandemic, partly by raising borrowing costs. By selling government bonds, the bank would be soaking up liquidity from the market, rather than vice versa.

Like the Federal Reserve, the BOE started to cut its stock of bonds through what is known as passive QT, by which it doesn't replace maturing bonds. The planned sales would make it the first major central bank to pursue active QT.

The BOE on Tuesday moved the start of its sales by a day, to Nov. 1 from Oct. 31, to avoid a clash with the government's planned announcement of new tax increases and spending cuts,

alongside forecasts for borrowing over coming years from the independent budget watchdog.

The BOE said it would change the planned sales in what remains of this year to only sell bonds with maturities of up to 20 years. Before the market turmoil ignited by the tax-cut announcement, the BOE planned to sell bonds with a maturity of more than 20 years.

Those longer-dated gilts became the focus of BOE worries about what it termed a "fire sale" by pension funds seeking to cover margin calls in the wake of the sharp falls in bond prices. The BOE said it would reconsider sales of longer-dated gilts as it makes plans for next year.

BOE policy makers decided at their September meeting to reduce the stock of bonds by £80 billion, equivalent to around \$90.9 billion, of U.K. government bonds over the coming 12 months, with roughly half coming through sales. The sales were set to start on Oct. 3.

But gilt prices tumbled after Prime Minister Liz Truss's government unveiled a package of tax cuts on Sept. 23. The BOE launched a new program of bond purchases five days later and delayed the planned start of active QT. Ms. Truss has backtracked on most of the planned tax cuts and replaced her treasury chief.

U.S. Pensions Rush to Assess Portfolio Derivatives Risk

By HEATHER GILLERS

David Eisenberg got a call this month from a finance official at a U.S.-based multinational company. The executive wanted to know if the firm had derivatives in its retirement portfolio.

"We explained that they don't," said Mr. Eisenberg, an investment adviser with Buck, a New York-based pension actuary and human resources consulting firm. "They were worried that if they were using derivatives they were exposed to risk."

The U.K. pension blowup has left many U.S. firms scrambling to assess whether the sharp 2022 rise in global interest rates could expose losses tied to the use of derivatives, contracts whose value is derived from the price of some other financial asset or indicator, in defined-benefit pension plans.

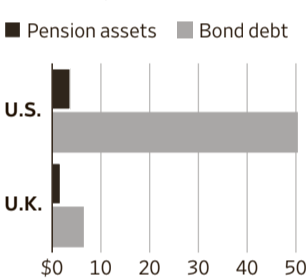
The question hangs over private pension plans that together control \$3.7 trillion in retirement savings in the U.S.,

according to Federal Reserve data. Among firms using a version of liability-driven investing, the strategy that triggered massive cash calls for U.K. pensions and fueled market upheaval and central-bank intervention: General Motors Co., Eli Lilly & Co., General Electric Co. and many others.

So far, people who work in the U.S. corporate pension industry say there appears to be little cause for alarm. While firms here sometimes use derivatives to improve returns, common practice domestically favors the use of less leverage, or borrowed money—the culprit in the U.K. blowup. The relative scale of corporate defined-benefit liability is also far less in the U.S., where companies have offered mainly 401(k)-style plans since at least the early 2000's.

"The likelihood of an event like what happened in the U.K. is so small in the U.S.," said Michael Clark, a managing director on the derivatives team at Boston-based Agilis, a pension actuary and investment

Private pension assets relative to all outstanding bond debt, in trillions



Sources: Federal Reserve (bond debt, U.S. pension assets); U.K. Pension Protection Fund (U.K. pension assets)

consultant. "The way that liability-driven investment structures are implemented, they are just fundamentally different from in the U.K."

Liability-driven investing refers to a practice adopted by corporate pension managers in response to mandates to use long-term bond rates to calculate the pension liabilities they disclose. In a bid to manage the risk that interest-rate declines would leave pensions underfunded by increasing the



General Electric is among companies using the strategy. A GE plant.

relative value of their liabilities, the plans began trying to craft portfolios whose assets and liabilities would move in tandem with bond rates.

One way to do that is to simply buy bonds outright. Another way is to use derivative contracts that require less money upfront and enable the fund manager to invest the balance in stocks and other higher-yielding securities in a bid to boost returns.

Rising yields across the

world have meant losses for all types of fixed income investments this year, even U.S. Treasuries. Leverage amplifies those gains and losses. As pension funds in the U.K. rushed this fall to replenish collateral, they unloaded bonds, stocks, credit and real-estate fund investments and prices plummeted. The ripple effects could be felt even in the U.S.

British pensions allow as much as seven times leverage, according to a 2019 survey by

U.K. regulators of pension funds with assets totaling about \$790 billion, about half of the country's total pension assets. That means managers are permitted, for example, to buy exposure to fixed-income assets equal to as much as seven times the amount in their fixed income portfolio.

The U.K. survey data also showed that derivatives and other instruments used for leverage as part of a liability-driven strategy had a combined notional amount of about \$410 billion, according to an analysis by Ashwin Gopwani, a managing director at Wellesley, Mass.-based asset manager SLC Management. That is equal to about 50% of the total assets of the funds surveyed.

In contrast, in the U.S. "we might see a number closer to 15% using rough market data and rules of thumb," Mr. Gopwani said, adding that he arrived at that figure by adjusting for U.K. plans' higher level of interest rate sensitivity, which adds risk.

New Highs and Lows

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.

Table with columns for Stock, 52-Wk % High/Low, and 52-Wk % Change. Lists various stocks like AVEO, ACBA, DILA, etc.

Table with columns for Stock, 52-Wk % High/Low, and 52-Wk % Change. Lists various stocks like PropTech, RGA, Renew, etc.

Table with columns for Stock, 52-Wk % High/Low, and 52-Wk % Change. Lists various stocks like Caspio, Collect, Centres, etc.

Table with columns for Stock, 52-Wk % High/Low, and 52-Wk % Change. Lists various stocks like LytusTech, Melkiszczak, Priority, etc.

Table with columns for Stock, 52-Wk % High/Low, and 52-Wk % Change. Lists various stocks like PrimeNumber, SimonProp, Sonder, etc.

Mutual Funds by LIPPER

Top 250 mutual-funds listings for Nasdaq-published share classes by net assets. e-Ex-dividend. f-Previous day's quotation. g-Footnotes x and s apply. j-Footnotes k and s apply. k-Recalculated by Lipper, using updated data. p-Distribution checks apply. l-20-1-R Redemption charge may apply. s-Stock split or dividend. *Footnotes p and r apply. v-Footnotes x and e apply. x-Ex-dividend. z-Footnote x, e and s apply. NA-Not available due to incomplete price, performance or cost data. NE-Not released by Lipper; data under review. NN-Fund not tracked. NS-Fund didn't exist at start of period.

Table with columns for Fund, Net YTD NAV, YTD %Chg, and YTD %Ret. Lists various mutual funds like American Century, Artisan Funds, Calamos Funds, etc.

Table with columns for Fund, Net YTD NAV, YTD %Chg, and YTD %Ret. Lists various mutual funds like Fidelity, Fidelity Freedom, Fidelity Divd, etc.

Table with columns for Fund, Net YTD NAV, YTD %Chg, and YTD %Ret. Lists various mutual funds like Vanguard Admiral, Vanguard Divd, Vanguard Fds, etc.

Table with columns for Fund, Net YTD NAV, YTD %Chg, and YTD %Ret. Lists various mutual funds like Vanguard Admiral, Vanguard Divd, Vanguard Fds, etc.

Table with columns for Fund, Net YTD NAV, YTD %Chg, and YTD %Ret. Lists various mutual funds like Vanguard Admiral, Vanguard Divd, Vanguard Fds, etc.

MARKETS

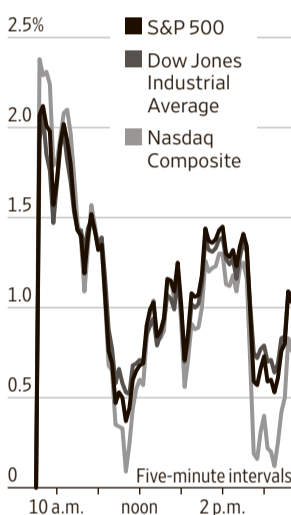
Stocks Extend Gains

Continued from page B1
Netflix said it added more than twice as many new subscribers as expected in the last quarter. Shares of the streaming giant rose 14% in after-hours trading. **United Airlines** rose 7% in after-hours trading after solid results.

TUESDAY'S MARKETS
 Global markets also got a boost after the U.K. government walked back an unpopular package of tax cuts and government borrowing that had raised concerns about the U.K.'s debt burden and prompted the Bank of England to intervene to stabilize bond markets.

The Stoxx Europe 600 rose 0.3%. Still, the BOE said it intends to begin selling some of its holdings of government bonds at the end of the month as planned following reports to the contrary. Early Wednesday, Japan's Nikkei 225 was up 0.7%, Hong Kong's Hang Seng Index was down 0.8%, the Shanghai Composite was down 0.3% and South Korea's Kospi was up 0.4%. S&P 500 futures rose 0.8%.

Index performance Tuesday



Source: FactSet

U.K. Regulator's Enforcement Chief to Exit

By MENGQI SUN

The executive director of enforcement and market oversight at the U.K.'s Financial Conduct Authority, which also supervises compliance by U.K. cryptocurrency firms with anti-money-laundering laws, said he would step down next spring, the agency said Tuesday.

Mark Steward was appointed to his role at the finance regulator seven years

ago. He was known for leading some of the FCA's most complex and high-profile enforcement actions, including ones against major global banks and individuals, the agency said.

Mr. Steward also led the FCA's oversight of publicly traded markets in the U.K. and the agency's anti-scam marketing campaign. The FCA said it would start a global search for Mr. Steward's successor shortly. Before joining the FCA in

2015, Mr. Steward served as executive director of enforcement at the Securities & Futures Commission of Hong Kong. He previously served as deputy executive director of enforcement for the Australian Securities and Investments Commission.

Since January 2021, the FCA has served as the anti-money-laundering, or AML, compliance supervisor for cryptocurrency firms in the U.K. The agency has developed a "unregistered

cryptocurrency businesses list" that aims to help consumers and authorized firms identify firms that conduct crypto business but aren't registered with the FCA for anti-money-laundering purposes. As of Tuesday, the list had 245 entries.

Mr. Steward said in a speech in March 2021 that the list aims to ensure that any transactions of funds within listed firms are properly scrutinized for money-laundering risk.

"We know much of the industry is devoted to strong systems and controls in relation to AML," he said. "Indeed, the aim of AML regulation is not to catch anyone out but to set high standards of probity and scrutiny to inhibit illicit money flows in the financial system and to encourage participants in the system to behave as custodians and guardians of the public interest in preventing money laundering."

Utilities Provide No Haven

Continued from page B1
 ratio of a company's share price to its earnings as a gauge for whether a stock appears cheap or overpriced.

After the run-up in utility stocks earlier this year, the S&P 500 utilities sector is trading at 17 times projected earnings over the next 12 months, according to FactSet as of Monday. That compares with the S&P 500's multiple of 15.7.

Analysts estimate utility companies' profit dropped 5.9% in the third quarter, compared with S&P 500 companies' roughly 1% projected earnings growth.

"There was a big piling in there, and valuations have gotten too stretched," said Stephanie Lang, chief investment officer at wealth management firm Homrich Berg.

Rising energy prices are unlikely to boost utility stocks, because changes in commodities prices are typically passed through to customers, analysts and investors said. Brent crude has retreated from its highs of the year but is up 2% in October.

Plus, the high dividend yield and projected earnings growth of oil-and-gas companies also make those shares



Workers install utilities at the site of a home being built in New Mexico. Utility stocks are known for their sizable dividends.

ADOLPHE PIERRE-LOUIS/ALBUQUERQUE JOURNAL/ZUMA PRESS

more appealing, Ms. Lang said.

Energy companies in the S&P 500 are expected to report that their profits more than doubled in the third quarter, according to FactSet. The energy sector has a dividend yield of 3.5%.

Some investors say they are continuing to maintain a defensive posture in their portfolios but looking to other safety sectors like healthcare

and consumer-staples stocks. Victoria Fernandez, chief market strategist and portfolio manager at Crossmark Global Investments, said her firm is slowly adding to its holdings in those sectors.

"We know there's going to be more volatility," said Ms. Fernandez.

Utilities are still outperforming the market this year. The sector is down 9.8% in 2022, compared with the S&P

500's 22% pullback.

For investors with a longer time horizon, the transition to clean energy could be a boon to utility stocks for years to come, said Jay Rhame, chief executive and portfolio manager at Reaves Asset Management, which invests in utility and infrastructure companies.

Mr. Rhame said his firm is positioning portfolios toward companies it thinks will be long-term winners from the

Inflation Reduction Act, which provides subsidies for renewable energy projects.

The biggest holding in the **Virtus Reaves Utilities ETF** is **NextEra Energy Inc.**, one of the world's biggest renewable-energy developers.

"With the upside of the IRA and the regular stability of utility earnings, we think they will come back to being defensive," Mr. Rhame said about utility stocks.

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Member Voices | Four of our members respond to the below question:

What are you doing to create a digital-first mindset within your company?



Penelope Prett
 Chief Information, Data & Analytics Officer, Accenture

"Digital-first means people first. Ultimately it's people and their experiences—not algorithms or technologies deployed—that are the reason companies will succeed in a digital landscape. It's about direct communication with digital-first users to uncover their North Star and then curating modern, digital touchpoints. At Accenture, we've prioritized digital technologies and access to data to enable our people to seamlessly and securely connect, collaborate and innovate with team members and clients. What really matters is a frictionless work experience, tailored to people's needs at a specific moment in time."



Feroz Merchhiya
 Chief Information Officer, City of Glendale, Ariz.

"How we live and work today is influenced by innovation and technology. Glendale has embraced a digital-first mindset to serve our citizens better anytime, anywhere. However, we recognize that the success of our digital-first strategy depends on bridging the digital divide. Glendale has begun several initiatives towards this goal through an active partnership with all stakeholders. Data democratization with a modern data platform, intelligent transportation systems, public safety systems, advanced metering infrastructure, citywide broadband, and private 5G LTE networks are examples of our digital-first strategy in action."



John Arsneault
 Chief Information Officer, Goulston & Storrs

"We have implemented a technology steering committee comprised of firm partners and business operations leaders. We collectively choose the initiatives the firm invests in based on a balanced approach to moving forward the practice areas, operations departments and required infrastructure. This approach has not only helped with setting priorities aligned with firm goals but has fostered discussions about the challenges of making progress with technology. The biggest barrier is always people's time to invest in said disruption and the cross functional team can assess ways forward for the firm."



Wendy M. Pfeiffer
 Chief Information Officer, Nutanix

"At Nutanix, we believe that hybrid IT operations, composed of both machine-delivered and human-delivered services, are a competitive differentiator. By building our business capabilities on this digitally-enabled foundation, we can monitor results and flexibly adjust operations quickly. We consume the most cost-effective digital infrastructure, with a software-enabled ability to adapt as prices and availability change. And we actively use digital technologies to improve employee productivity and our customer experiences. The resulting clear, measured business benefits, including lower operating costs and industry-leading NPS, continue to reinforce our digital-first mindset."

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