

## U.S. NEWS

THE OUTLOOK | By Tom Fairless

## Rate-Effect Lag Adds to Fed Puzzle



The world's central banks face a nail-biting wait.

They have raised interest rates this year at the fastest pace in decades. But those hikes work with what economists call "long and variable" lags so central banks might not know for years if they have tightened too much, or not enough.

Why the lag? Interest-rate changes filter through to inflation in a series of steps. The short-term lending rates controlled by central banks steer other borrowing costs in the economy, including deposit and lending rates for households and businesses, with a delay because loan contracts take time to change.

Higher borrowing costs and lower asset prices deter households and businesses from borrowing and investing, which weakens sales and the ability of companies to raise prices and workers to win raises. But it takes time to cancel projects or shed workers. Some consumers will follow through with long-planned purchases, such as a new car or kitchen. Businesses might not reduce their workforce until they feel sure that the outlook has changed.

The International Monetary Fund said this month that interest-rate changes have their peak effect on growth in about one year and on inflation in three to four

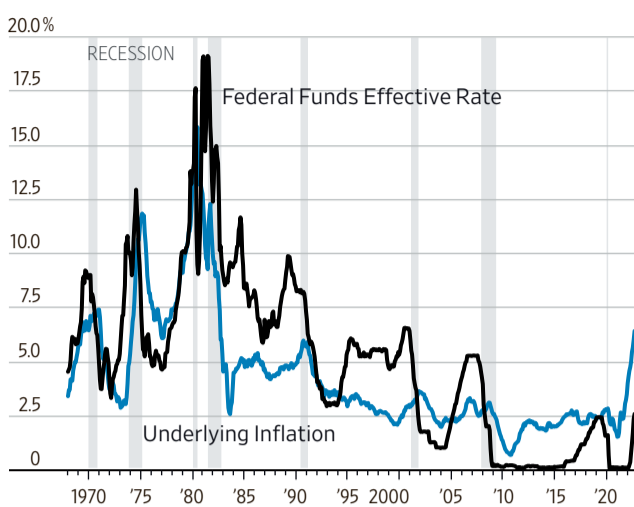
years. When former Federal Reserve Chair Paul Volcker took office in the summer of 1979 and quickly pushed interest rates to about 20%, it brought an almost immediate recession, but inflation took about three years to fall to manageable levels, the IMF wrote this month in its World Economic Outlook.

A 2013 review by Tomas Havranek and Marek Rusnak of the Czech central bank of dozens of earlier papers concluded the maximum impact on inflation takes two to four years in advanced economies. In the U.K., a 1 percentage-point increase in the policy rate reduces output by 0.6% and inflation by up to 1 percentage point after two to three years, according to a 2016 paper by James Cloyne, then of the Bank of England, and Patrick Hürtgen of Germany's Bundesbank.

This all suggests the easy money rolled out at the start of the Covid-19 pandemic is still being felt, while rate increases to date have barely cooled either inflation or growth.

The U.S. economy, after shrinking slightly in the first half of the year, likely grew at an annual rate of about 3% in the three months through September, according to the Federal Reserve Bank of Atlanta's forecasting model. The eurozone economy likely grew as well despite surging European energy costs, according to JPMorgan Chase.

## The Fed's response to inflation



Note: Inflation = sticky price CPI less food & energy, change from year ago, seasonally adjusted. Source: Federal Reserve Board; Federal Reserve Bank of Atlanta

Unemployment on both sides of the Atlantic is at multidecade lows. Underlying inflation is currently running at around 6% in the U.S. and globally, JPMorgan said. Most participants at the Fed's September policy meeting remarked that a sizable portion of economic activity had yet to display much response to higher interest rates, according to the minutes.

Lags create the risk that central banks might ease off the monetary brake too soon. That is because people start losing their jobs months or years before inflation returns to target, and policy makers tend to come under pressure to cut interest rates early.

While no advanced economy central bank is cutting

rates, some have pivoted to smaller rate increases; Australia's tightened by a smaller-than-expected 0.25 percentage point this month, following four consecutive 0.5 percentage-point hikes. The smaller increase "was warranted given that the cash rate had been increased substantially in a short period of time and the full effect of that increase lay ahead," according to the minutes of the bank's Oct. 4 meeting.

Even Mr. Volcker, who eventually quashed the high inflation rates of the 1970s, sharply reduced interest rates during recessions, including by more than 10 percentage points in 1980, notes Alan Reynolds of the Cato Institute.

"The biggest risk right now is that central banks may not be able to hold their resolve...with the economy going into recession," said Stephen Cecchetti, a former Fed official who is now a finance professor at the Brandeis International Business School.

By prematurely reversing course, central banks will deliver only the pain of higher rates, with none of the benefits of low inflation, the IMF warned this month.

But lags carry the opposite risk, too: Central banks might hold interest rates too high for too long, past the point when economic output has already weakened enough and the hoped-for decline in inflation is already in the pipeline.

Indeed, the lags create a conundrum for central banks, notes Olivier Blanchard, a former IMF chief economist: Policy makers need to stop increasing rates while underlying and wage inflation are still rising. But that could threaten their credibility if people conclude they aren't committed to fighting inflation—especially when they were slow to start raising rates in the first place, Mr. Blanchard wrote on Twitter on Oct. 21.

If central banks instead keep increasing rates to preserve their credibility, that risks a deeper recession than is necessary. "This is a conundrum facing the Fed today," he said.

## ECONOMIC CALENDAR

**Monday:** S&P Global releases October **business-activity surveys** from around the world.

**Tuesday:** S&P Global releases its S&P CoreLogic Case-Shiller **National Home Price Index** for August.

**Wednesday:** The Conference Board releases its October **consumer-confidence index**.

**Thursday:** The Commerce Department releases September **sales of new homes**. The **Bank of Canada, European Central Bank** and **Bank of Japan** announce their latest monetary-policy decisions. Meanwhile, the Commerce Department releases third-quarter **U.S. gross domestic product**. GDP contracted in the first half of the year after strong 2021 growth.

Commerce also releases September figures on **orders of long-lasting goods**, and the Labor Department reports the number of worker filings for **unemployment benefits** in the week ended Oct. 22.

**Friday:** The Labor Department releases its **employment-cost index** for the third quarter, which captures employers' labor costs by measuring wages and benefits paid to workers.

The Commerce Department releases figures on **U.S. household spending and income** in September. The department also releases its **personal-consumption expenditures price index**, a gauge of inflation closely watched by the Fed.

The **University of Michigan**, meanwhile, publishes its final reading of consumer sentiment for October.

And the National Association of Realtors reports **pending sales of U.S. homes** based on contract signings.

## U.S. WATCH



**BAGGAGE CHECK:** Visitors look at one of the exhibits at Louis Vuitton's '200 Trunks, 200 Visionaries' in New York City. The project invited artists and other luminaries to personalize a metaphorical blank canvas measuring the dimensions as the original LV trunk from the 1850s. The piece above was created by dipping balloons in epoxy 14 times, then polishing and shaping them like a trunk.

## CALIFORNIA

## Sex-Assault Trial to Start for Weinstein

Five years after allegations of sexual assault derailed his career and more than two years after being convicted of sex crimes in New York, Harvey Weinstein is facing a new set of accusations in a Los Angeles criminal court. Beginning Monday, jurors—nine men, three women—will hear the case against Mr. Weinstein that includes 11 counts of sexual assault. Five women are accusing the disgraced producer of assaults they say occurred between 2004 and 2013.

Mr. Weinstein, 70 years old, has pleaded not guilty. He faces a life sentence if convicted.

The trial has high stakes for Mr. Weinstein. In August, New York's Court of Appeals agreed to hear Mr. Weinstein's appeal to reverse his New York conviction of first-degree criminal sexual act and third-degree rape for which he is serving a 23-year sentence. If he successfully appeals the New York charge and his prison sentence is undone, the Los Angeles trial will take on more significance.

—Erich Schwartzel

## TEXAS

## Trooper at Uvalde Shooting Is Fired

A Texas state trooper who was among the responding officers to the elementary-school mass shooting in Uvalde was fired Friday, the Texas Department of Public Safety said.

Sgt. Juan Maldonado was served with termination papers, a spokesperson for the agency said.

Sgt. Maldonado didn't respond to a message seeking comment. The department didn't give a reason for his dismissal.

The firing is the first action made public by the department against one of its officers involved in the shooting response. Former school police Chief Pete Arredondo, who was the commander at the scene, was fired by the school district in August.

The Uvalde school police force, which numbered five at the time of the shooting, has been widely criticized for its role leading the response to the shooting at Robb Elementary School.

On May 24, Salvador Ramos, 18 years old, killed 19 fourth-graders and two teachers.

—Elizabeth Findell

## CORRECTIONS &amp; AMPLIFICATIONS

Readers can alert The Wall Street Journal to any errors in news articles by emailing [wsjcontact@wsj.com](mailto:wsjcontact@wsj.com) or by calling 888-410-2667.

## THE WALL STREET JOURNAL

(USPS 664-880) (Eastern Edition ISSN 0099-9660) (Central Edition ISSN 1092-0935) (Western Edition ISSN 0193-2241)

**Editorial and publication headquarters:** 1211 Avenue of the Americas, New York, N.Y. 10036

Published daily except Sundays and general legal holidays. Periodicals postage paid at New York, N.Y., and other mailing offices.

**Postmaster:** Send address changes to The Wall Street Journal, 200 Burnett Rd., Chicopee, MA 01020.

All advertising published in The Wall Street Journal is subject to the applicable rate card, copies of which are available from the Advertising Services Department, Dow Jones & Co. Inc., 1211 Avenue of the Americas, New York, N.Y. 10036. The Journal reserves the right not to accept an advertiser's order. Only publication of an advertisement shall constitute final acceptance of the advertiser's order.

**Letters to the Editor:** Fax: 212-416-2891; email: [wsj.letters@wsj.com](mailto:wsj.letters@wsj.com)

**Need assistance with your subscription?** By web: [customercenter@wsj.com](mailto:customercenter@wsj.com); By email: [wsjsupport@wsj.com](mailto:wsjsupport@wsj.com); By phone: 1-800-JOURNAL (1-800-568-7625)

**Reprints & licensing:** By email: [customreprints@dowjones.com](mailto:customreprints@dowjones.com); By phone: 1-800-843-0008

**WSJ back issues and framed pages:** [wsjshop.com](http://wsjshop.com)

**Our newspapers are 100% sourced from sustainably certified mills.**

**GOT A TIP FOR US? SUBMIT IT AT [WSJ.COM/TIPS](http://WSJ.COM/TIPS)**

## Earnings Spark Worry

Continued from Page One

nancial crisis. The stakes get higher in the week ahead as investors enter one of the busiest periods of the earnings season. Megacap technology companies that dominate U.S. stock markets are set to deliver results, including Google parent Alphabet Inc., Microsoft Corp., Facebook parent Meta Platforms Inc. and Amazon.com Inc.

Investors also are awaiting the latest readings on inflation and the economy for signs the Federal Reserve could be ready to slow the pace of its monetary tightening soon. The central bank's preferred inflation gauge is slated for release next week, as are preliminary figures for third-quarter gross domestic product.

The Fed is set to raise interest rates by another 0.75 percentage point at its next meeting in November, but policy makers are considering a smaller half-point increment in December, The Wall Street Journal reported Friday. That helped boost stocks—the S&P 500 jumped 2.4% Friday, notching a weekly gain of 4.7%.

The attention on the Fed during the continuing third-quarter earnings season reports the second-quarter reporting period a few months back. Stocks staged a 17% rebound this summer due in part to investors' belief that inflation had peaked and that the Fed would soon pivot from raising rates to lowering them—a rally that fizzled after a reset in Fed policy forecasts.

"Going into this earnings season, it's all about the macro," said Larry Adam, chief investment officer of Raymond James.

Some corporate executives have offered hopeful outlooks on the economy. Bank of America Corp. Chief Executive Brian Moynihan said consumers are withstanding inflation and higher rates and still spending on discretionary purchases like travel and entertainment. Air travel remains particularly strong, with Delta Air Lines Inc. CEO Ed Bastian saying he expects high demand into the new year.

Others—in key sectors such as shipping—highlighted the difficult business environment.

"Looking forward, there is obvious macroeconomic uncertainty as the Fed remains committed to raising rates and addressing high inflation," Kevin Boone, executive vice president of sales and marketing at CSX Corp., said on the rail company's conference call Thursday. Many companies so far

have been able to pass on higher costs to consumers, but some investors wonder how long corporations can continue to lift prices. Procter & Gamble Co., for example, beat Wall Street expectations in its latest report as price increases offset declining volumes. However, the maker of Tide detergent and Crest toothpaste forecasts a slowdown in organic sales growth for the rest of the fiscal year as consumers' willingness to pay more for products gets tested.

"At some point, pricing power goes away," said Nancy Tengler, CEO and chief investment officer at Laffer Tengler Investments.

Increasingly, multinational companies are warning of a blow from currency markets. A

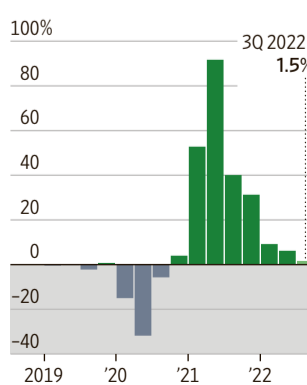
strong dollar can hurt U.S. companies that sell goods abroad by making their products less affordable to overseas buyers. The WSJ Dollar Index, which measures the dollar against a basket of 16 currencies, has surged 16% this year.

International Business Machines Corp. noted dollar-related headwinds shaved off nearly \$1.1 billion in revenue in its third quarter. Still, the company's results topped consensus earnings and sales expectations.

"The big wildcard...is what's going to happen to the U.S. dollar," said IBM Chief Financial Officer James Kavanaugh during the company's conference call Wednesday.

Analysts cut their expectations for third-quarter earnings by the biggest margin since the

## S&amp;P 500 quarterly earnings, change from a year earlier



\*Based on blended figures combining actual results for companies that have reported and estimated results for companies that have yet to report. As of Oct. 21. Source: FactSet

## S&amp;P 500 this year



early throes of the Covid-19 pandemic, according to FactSet. At the end of March, analysts expected S&P 500 companies' profits to grow 9.5% in the third quarter from the year before. Now they see 1.5% quarterly earnings growth.

But many market watchers said the challenges suggest earnings estimates could come down even more, particularly for next year. Analysts see S&P 500 profits growing roughly 7% year over year in 2023.

"Analysts might be too optimistic," said Ken Leon, director of equity research at CFRA. "They're going to have to take an honest look at their projections for 2023."

Falling profits would threaten a recent decline in stock prices relative to companies' earnings, a ratio Wall Street uses to gauge if shares are cheap or expensive. Companies in the S&P 500 are trading at around 15.6 times their projected earnings over the next 12 months, according to FactSet. That is down from more than 21 times at the end of last year and below the 10-year average of about 17, a decline that had mitigated some of the most-acute worries about stretched valuations.

"If the earnings come down, then it's harder to make the statement that the market is reasonably valued," said Leo Grohowski, chief investment officer at BNY Mellon Wealth Management.

U.S. NEWS

# Math, Reading Scores Show a Big Drop

By BEN CHAPMAN

The nation's schools this year recorded the largest-yet drop in math scores, with fourth- and eighth-grade students in nearly every state showing significant declines, according to Education Department data released Monday.

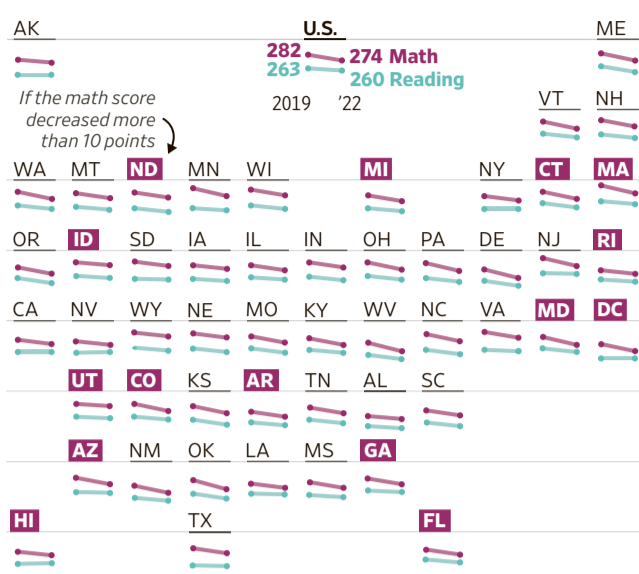
In the most sweeping analysis of test scores since the start of the pandemic, the 2022 National Assessment of Educational Progress, also known as the Nation's Report Card, also revealed a nationwide plunge in reading that wiped out three decades of gains.

Prepandemic declines in academic achievement intensified nationwide, and many longstanding gaps in student achievement grew.

Low-performing fourth-grade students saw larger declines in both math and reading scores compared with high-performing ones. Black and Hispanic students in fourth grade saw larger score drops in math than white students.

The data come after federal

Change in eighth-grade reading and math scores, 2019 to 2022



Note: Composite scores are for all schools, individual state charts are for just public schools. Source: National Center for Education Statistics. Rosie Ettenheim/The Wall Street Journal

test results released in September revealed the largest drop in fourth-grade reading scores since 1990 and the first-ever decline in math.

Fordham Institute President Michael Petrilli said the results should serve as a wake-up call for policy makers and

school-district officials around the country. "It's a huge deal," he said. "We have lost a huge amount of the progress that we have been making over the course of decades, and it's going to take years to catch up."

Overall, scores in math and reading for both fourth- and

eighth-grade students have fallen sharply since 2019, the last time the assessments were given, according to the collection of results from 50 states, the District of Columbia and U.S. Department of Defense Education Activity schools. A separate analysis of 26 large-city school districts also showed declines.

Average math scores for eighth-graders in 2022 dropped to 274 out of a possible 500, falling eight points from 2019. Reading scores declined 3 points, to 260.

No state or jurisdiction posted gains in math in either grade, nor did any of the 26 large districts included in the analysis. Utah was the only state where the drop in the eighth-grade math score wasn't statistically significant. Nationwide, 38% of eighth-graders tested below basic achievement levels in math. The basic level denotes partial mastery.

Fourth-grade reading had the lowest average score. Overall, percentages scoring below the basic level rose, in both reading and math.

The tests, administered to

U.S. students ages 9 and 13, are regarded as key indicators for student achievement and future trajectory. Achieving reading proficiency by fourth grade is critical because students at that point must use reading to learn other subjects. Math proficiency in eighth grade is one of the most significant predictors of success in high school, educators said.

The test results follow a period in which school districts wrestled with how quickly to resume in-person instruction during the Covid-19 pandemic. Scores fell across jurisdictions with differing policies for schooling in the pandemic.

States that returned to in-person learning relatively quickly, such as Arizona, saw declines along with those that stayed remote longer, such as California. Experts are divided on the degree to which policies such as remote learning affected student achievement. "It's extremely complex," said National Center for Education Statistics Commissioner Peggy Carr. "We have massive, comprehensive declines everywhere."

Dr. Carr acknowledged difficulties in teaching and learning caused by school closures and remote learning but said the causes of learning loss might also include mental-health challenges faced by students and behavioral problems at schools.

Drops in math exceeded those in reading because students tend to also learn reading outside of school, while mathematics learning depends more on classroom instruction, Dr. Carr said.

Education Secretary Miguel Cardona said the scores were "a reminder of the impact this pandemic had on our learners" and urged districts to intensify recovery efforts such as tutoring.

Nationwide achievement gaps between student subgroups mostly grew during the pandemic, although scores mostly fell across the board. White students were the only racial group with declines at eighth-grade reading. Gaps in math widened between fourth-grade students who are eligible for free and reduced-price lunches and those who are not.

## Trump Company Fraud Trial Set to Start

By CORINNE RAMEY

The criminal tax-fraud trial of the Trump Organization is set to begin with jury selection Monday, offering a rare look into an opaque company that prosecutors say illegally paid some executives in cars, apartments and cash.

The Manhattan district attorney's office alleges former President Donald Trump's family business effectively kept two sets of books. In internal records, the company recorded perks—including Mercedes-Benz cars for Chief Financial Officer Allen Weisselberg and his wife and private-school tuition for his grandchildren—as employee compensation. Mr. Weisselberg and the company didn't report the benefits to tax authorities, prosecutors said.

Mr. Trump and his relatives weren't charged, though the indictment alleges that the former president signed some checks for private-school tuition. Mr. Trump isn't expected to testify in the case.

While the former president's family business has been the subject of legal scrutiny, this is the first time the company has faced a criminal trial.

The company faces nine criminal counts including conspiracy, criminal tax fraud and falsifying business records. Under state law, the company faces a maximum of about \$1.6 million in fines if convicted on all charges.

The Trump Organization's lawyers have said prosecutors brought the case because of the Trump name. "Compensation cases are resolved by civil tax authorities, not criminal charges," the lawyers said when charges were announced.

The trial follows a multiyear investigation by the Manhattan district attorney's office into Mr. Trump and his company. That investigation initially examined hush-money payments to adult-film actress Stormy Daniels, then shifted to an examination of whether the Trumps misrepresented the value of their assets to lenders, insurers and tax authorities. The district attorney's office, then led by Cyrus Vance Jr., obtained Mr. Trump's tax returns after a legal battle that went to the Supreme Court.

The tax-fraud indictment was an offshoot of that probe. Mr. Weisselberg pleaded guilty in August, agreeing to testify truthfully against the Trump Organization at trial. Nicholas Gravante Jr., a partner at Cadwalader, Wickersham & Taft LLP who represents Mr. Weisselberg, said that under the promised sentence, Mr. Weisselberg would serve a maximum of 100 days in jail.

The Trump Organization is expected to argue that the tax-fraud scheme Mr. Weisselberg admitted to was an isolated practice and didn't extend to the company itself.

## Housing Market Suits Some Buyers Just Fine

By BEN EISEN

Home prices have jumped, mortgage rates are rising fast and the economy might be heading into a recession. So Eric Lanser and Allison Manfreda decided to go house shopping.

The potent mix of challenges facing buyers has slowed the housing market, but millions of homes are still changing hands this year. Some buyers are finding that they would prefer to hunt now than deal with the bidding wars and sight-unseen purchases that defined last year's frenzied market.

It took just a few weeks in September for Mr. Lanser and Ms. Manfreda to find the home they wanted in the Boston suburb of Waltham. The newly built property had been on the market for months, and the seller had cut the price a few times. The couple offered the latest asking price, and it was quickly accepted.

"The positive of bringing the price down was more important to us than the higher interest rate," said Mr. Lanser.

The 30-year fixed mortgage they negotiated had a 4.5% rate, higher than they would have paid a year ago. But that wasn't enough to derail the purchase and keep them renting in Boston, where they expected their landlord to boost rent for the second time in as many years.

The market is slowing across basically every region and home type, and economists expect that to continue. Sales of previously owned homes dropped almost 24% in September from a year earlier to a seasonally adjusted annual rate of 4.71 million, the



Eric Lanser and Allison Manfreda, unfazed by higher mortgage rates, bought a home after the price was cut a few times in Waltham, Mass.

weakest level since the height of the pandemic.

Higher interest rates have pushed many buyers out of the market. The average rate on a 30-year fixed mortgage has doubled this year to almost 7%, including a rise of almost 2 percentage points over the past couple months.

Those who can absorb the higher mortgage costs are finding a calmer market. Last year, many buyers were paying far over asking prices and waiving common safeguards such as the option to get out of the deal if something goes wrong during the inspection or with the mortgage approval. Now they can take their time, land on a reasonable price and keep all the

protections in place, real-estate agents say.

Americans socked away savings during the pandemic, and bank executives say U.S. consumers are financially healthy in aggregate, despite the highest rate of inflation in decades. Still, it takes a certain type of buyer to be able to afford a home in 2022.

Middle-of-the-road folks appear to be most ready to buy in the current market, according to Mike Fratantoni, the chief economist at the Mortgage Bankers Association, a trade group. They are less affected by inflation than the lowest-end buyers—and also less affected by falling stock and bond prices than the highest-end buyers.

Applications for purchase mortgages with balances of \$300,000 to \$510,000 dropped less in September from a year earlier than applications for mortgages that are both bigger and smaller, according to MBA data. (Someone who puts 20% down on a median-priced home would have a roughly \$308,000 mortgage.)

One relative bright spot in the market is people moving from expensive areas and buying in cheaper ones, according to Sam Khater, chief economist for Freddie Mac. "The run-up in rates hurts, but the market you're moving to is still a lot more affordable," he said.

Purchases among people moving from one metro area to another have dropped half

as much as purchases among those moving locally, Mr. Khater's analysis found.

Buyers who use low down-payment loans, like the ones offered by the Department of Veterans Affairs and the Federal Housing Administration, are also better able to compete against other buyers this year. Some 27% of mortgage-rate locks in September came from the FHA or VA loan programs, up from 19% in January, according to Black Knight Inc., a mortgage technology and data provider.

These buyers were pushed to the sidelines last year because sellers preferred to accept offers from the loads of people paying cash or making big down payments.

## Migration Wave Fuels Record Arrests at the Border

By ALICIA A. CALDWELL

Venezuelans, Cubans and Nicaraguans drove a wave of migration over the last year, as total annual arrests at the southwestern U.S. border reached an all-time high.

There were a record 2.2 million arrests in the past year by the U.S. Border Patrol of people caught crossing the southern border illegally, according to new data released by U.S. Customs and Border Protection. Separately, 172,508 people were processed at U.S. ports of entry along the Mexican border.

The Border Patrol turned back 1,054,084 people—or about 48%—arrested after crossing the border last year under Title 42, a 1940s public-health law first used by President Donald Trump to turn back migrants at the beginning of the pandemic in March 2020. The remaining migrants have generally been allowed to wait in the U.S. while they pursue asylum or other claims in federal immigration court, a process that can take years to complete amid a backlog of roughly 1.9 million pending cases.

It was the second straight



A group of migrants who entered the U.S. illegally were transported this month from Calexico, Calif.

year of record arrests along the southern border. Arrests had plummeted in the early months of the Covid-19 pandemic, as the Trump administration ordered a near-total closure of the border and quickly expelled most migrants caught crossing illegally.

Illegal border crossings started to rise again during the late spring and summer of 2020, President Trump's last year in office, and then surged after President Biden took of-

fice in 2021.

Venezuelans, Cubans and Nicaraguans combined for a total of 571,159 arrests during the fiscal year that ended Sept. 30, more than four times as high as the preceding year.

All three countries were hit hard economically during the pandemic and have seen harsh political crackdowns by authoritarian regimes. The U.S. has been unable to deport those migrants because of a lack of good diplomatic relationships with those govern-

ments, adding to the draw of coming to the U.S. Most of those migrants were released into the U.S., or briefly detained, while they pursued asylum or other claims.

The government said 187,286 Venezuelans were caught crossing the border illegally during the last fiscal year, including 33,749 people in September.

Earlier this month, the administration said border agents would start returning Venezuelans caught at the

southern border to Mexico as part of the Title 42 policy. Previously, Mexico wouldn't allow Venezuelans and most other migrants to be sent back to its territory, but changed positions after negotiations with the U.S.

The new policy appears to have dissuaded Venezuelans from crossing the border illegally, because they can no longer remain in the U.S. and pursue asylum claims. The Department of Homeland Security said last week that since the start of the new approach, border-crossing arrests of Venezuelans dropped more than 80%.

During previous border surges under Presidents Trump and Obama, families and immigrant children traveling alone were among the largest populations of those detained.

During the past year, more than 70% of arrests were of single adults, many of whom were repeat offenders.

In September, agents reported a recidivism rate of about 19%. From 2014 to 2019, agents reported an average recidivism rate of about 14%, according to Customs and Border Protection statistics.

U.S. NEWS

# In Blue States, GOP Brings Moderate Message

By NATALIE ANDREWS

CRANSTON, R.I.—Republicans' efforts to expand their House map and win over voters in unfriendly Democratic territory hinge on candidates such as Allan Fung, who casts himself as a moderate in a Trump-dominated party.

Mr. Fung, the former mayor of Cranston, south of Providence, criticizes President Biden and Democrats for their spending programs, saying they have fueled inflation, while accusing the party of not doing enough to fight rising costs. But unlike many Republicans, he opposes federal abortion restrictions and has shunned former President Donald Trump's "America First" brand of conservatism, speaking instead of finding bipartisan solutions to voters' problems.

"I'm proud to be that moderate and wear that label of who I am as a person," said Mr. Fung, 52 years old, as he sipped a pumpkin cold-brew coffee in the Garden City Center shopping mall, which he helped redevelop during his 12 years as mayor.

In Providence on Thursday night, opponent Seth Magaziner, 39, the state general treasurer who casts himself as a Democrat for working people, told supporters that Mr. Fung's moderate claims were a show. He highlighted that Mr. Fung had opposed raising Rhode Island's minimum wage and a statewide bill protecting access to abortion.

"The shoe doesn't fit on the claim of being a moderate," Mr. Magaziner said. "It doesn't match his actual position and lines from the past 20 years."



Republican Allan Fung, who is running for a House seat in Rhode Island, says he is a proud moderate.



Lori Chavez-DeRemer, a House GOP candidate in Oregon, cites her eye toward bipartisanship.

The Fung campaign has raised Republican hopes of re-

claiming some congressional seats in New England, a region where the party is shut out of several states but is aiming for

pickups in Connecticut and Maine. Victories in deep blue areas could help firm up the party's hopes of winning back

the House, alongside victories in more traditionally competitive districts.

Mr. Biden won Rhode Island's Second Congressional District by nearly 14 points in 2020, and the Cranston area hasn't been represented by a Republican in the House since 1991. But Mr. Fung has a good shot. A Suffolk University poll released last week showed he was up eight points over Mr. Magaziner, the son of Democratic healthcare policy adviser Ira Magaziner.

Nonpartisan election analysts rate the race as competitive, noting Mr. Fung's popularity in polls but also the district's strong Democratic lean. On Friday, Inside Elections shifted its stance on the race to "tilt Democratic" from "lean Democratic."

Democrats now have a 220-212 House majority. But Republicans are favored by analysts to win control of the chamber in the midterms, in part because of concerns about the economy and crime, issues where Mr. Biden gets low marks from voters. Historically, the party that controls the White House has nearly always lost seats in the midterms.

Other Republican candidates in the Northeast are also running strong races in traditionally Democratic districts, including George Logan in Connecticut and Bruce Poliquin, who is trying to reclaim a Maine seat he lost in 2018.

In Oregon, House Republican candidate Lori Chavez-DeRemer cites her work as mayor of Happy Valley in a state led by Democrats as giving her an eye toward bipartisanship. Ms. Chavez-DeRemer, who opposes abortions after the first trimester but doesn't

back a federal ban, said the top issues for voters in her district near Portland are rising costs and crime.

Mr. Fung is counting on his record as mayor and name recognition from two failed gubernatorial attempts to win over some voters who sometimes shun Republicans. He also says he would have voted for the bipartisan infrastructure and semiconductor bills.

House Minority Leader Kevin McCarthy (R., Calif.) has campaigned and fundraised for Mr. Fung. The Congressional Leadership Fund, the super PAC aligned with House Republicans, has spent more than \$1 million in the race, with plans to spend \$1 million more before Election Day. Mr. Fung has said he would support Mr. McCarthy for the speakership in a GOP-controlled House.

The ties to Mr. McCarthy are a double-edged sword. Mr. McCarthy is an ally of Mr. Trump and voted against certifying the 2020 presidential election after the Jan. 6, 2021, riot by Trump supporters at the Capitol. Mr. Fung attended Mr. Trump's 2017 inauguration in a Trump-branded beanie, but when asked if he wanted Mr. Trump to run again, he said: "I'm looking for a fresh face."

Democrats say that GOP candidates such as Mr. Fung only appear moderate when compared with some of their fiery party colleagues who now dominate the GOP image.

"Someone can still be extremely conservative, but by comparison might have a few slightly more reasonable positions than the insurrectionists and election deniers," said Meredith Kelly, who advises on Democratic campaigns.

## Republican Nominees Press to Change Election Rules

By CATHERINE LUCEY AND KEN THOMAS

Republican candidates for governor and secretary of state who have echoed former President Donald Trump's false claims that the 2020 election was rife with fraud have proposed changes in voting access and election certification that could have ramifications in key states in the next presidential election.

Seven Republicans running for those offices in Pennsylvania, Wisconsin, Arizona, Michigan and Nevada—all presidential battlegrounds—haven't all detailed how they would oversee the 2024 election but have publicly touted measures they say would ensure election integrity, as they question the outcome of the 2020 race. Federal authorities have said there was no widespread fraud that would have changed the result, and several court chal-

lenges by the Trump campaign failed. All states certified President Biden's victory.

Some of the changes the candidates support, such as tightening voter-identification rules or limiting absentee voting, align with measures Republicans have already passed or have been seeking to pass in other states. Other ideas they have floated go further.

Republican Kari Lake, who is in a race viewed as a tossup for governor in Arizona, has called for decertifying the results of the 2020 election in some close-run states including Arizona, which Mr. Biden won by just over 10,000 votes. The state's Republican candidate for secretary of state, Mark Finchem, co-sponsored a bill that calls for state lawmakers to review the ballot tabulating process and accept or reject election results. It also would require election workers to count ballots by



Republicans Kari Lake in Arizona and Doug Mastriano in Pennsylvania.

hand rather than relying on vote-counting machines. He is running against Democrat Adrian Fontes.

In Pennsylvania, Republican gubernatorial candidate Doug Mastriano has said he could require everyone to re-register to vote if he wins. He currently trails Democrat Josh Shapiro substantially in most



polls. Such a move would violate federal law, said David Becker, executive director of the nonpartisan Center for Election Innovation and Research. Mr. Mastriano didn't respond to a request for comment.

In Wisconsin, Republican Tim Michels, who is in a tight race with Democratic Gov.

Tony Evers, has called for replacing the Wisconsin Elections Commission, repealing all of its previous election guidance, and purging the voting rolls of dead and inactive voters twice a year.

State law in Wisconsin requires the commission to conduct voter-list maintenance every two years after the fall elections by contacting people who haven't voted in the past four years and deactivating them if they don't respond or don't wish to remain registered.

The powers of governors and secretaries of state vary by state, but they generally have influence in overseeing elections and certifying results, as well as the process for awarding electoral votes in presidential elections. Some changes would require action from state legislatures, which governors could support or veto. Any new measures could

also be challenged in court.

Since Mr. Biden's victory, Democratic officials in states including Michigan, Pennsylvania and Wisconsin blocked efforts by some Republicans to overturn the 2020 election results. Some Republican officials in Georgia and Arizona withstood pressure from within their party to not certify the result of the vote.

Congressional Democrats introduced legislation to govern elections nationwide, but the move lacked sufficient Senate support to move forward.

Several Republican-led states, meanwhile, introduced new voting laws. In Georgia, Gov. Brian Kemp has signed legislation that altered how people vote absentee and where people can drop off their ballots. Mr. Kemp is running for re-election against his 2018 opponent, Democrat Stacey Abrams.

### Better than working for a bank!

SI Capital has opportunities for you to join us, or become a partner in a newly formed independent firm. You provide the talent or talented team, ambition, and niche opportunities in financial services (investments, trading, raising capital, etc). We provide capital, regulatory (FINOPS, etc), class A office space (Grand Central Station area), IT, legal and more.

SI Capital is an investment/trading firm with 5+ billion dollars AUM owned by the founder of 5-hour ENERGY. **We don't make decisions by committee. We don't participate in ESG or other irrational fashions.** We don't "adjust" compensation plans on the fly. And we move fast.

If you're really good at what you do, and really enjoy the work (but not necessarily the... "overhead") this may be a good fit. If you like working for a bank... this may not fit.

If you're interested contact:

Chris Fowler  
C: 248-826-4306  
cfowler@SICapitalGroup.com



### Biden's Oil Plan Raises Skepticism

Continued from Page One will further draw from the reserves after that if needed, Mr. Biden said.

Mr. Biden's oil releases, roughly equivalent to Libya's daily oil production, have brought the inventories to a 38-year low. The Strategic Petroleum Reserve can hold about 714 million barrels of oil and was down to about 405 million barrels as of Oct. 14. Mr. Biden, a Democrat, said the releases are meant to lower consumers' energy bills and stabilize markets following Russia's invasion of Ukraine.

So far, the massive drawdowns have been matched by a timid increase in domestic production. Even with the benchmark for U.S. crude oil reaching \$120 a barrel earlier this year, producers have kept a low profile, churning out about 12 million barrels a day, a 6% increase from January production, according to federal data for the week ended Oct. 14.

One reason for the restraint is pressure from investors, who have been stung by years of the industry's free spending and are demanding that oil companies keep production largely flat while increasing buybacks and dividends. That capital discipline has also al-



Biden hopes to increase oil production to bring down gas prices.

lowed producers to clean up their balance sheets and put them on solid footing to weather market volatility, analysts said.

Mr. Biden said Wednesday that oil companies shouldn't be using their profits for investor payouts during the war in Ukraine and urged them to increase production.

Administration officials said their plan to refill the Strategic Petroleum Reserve gives producers assurance of future demand, allowing them to increase drilling now.

Oil-industry groups have said Mr. Biden's releases have been responsible for tepid production growth in recent months because drawing down reserves artificially lowers prices in the short term, disuading investment in new oil production.

Linhua Guan, chief executive

of driller Surge Energy Inc., said that Mr. Biden's offer could see some takers but that his administration's other policies pertaining to the oil-and-gas industry made new investments unattractive. A Wall Street Journal review of federal data found that new oil leases on federal lands have slowed greatly under Mr. Biden, a point of contention for the industry.

"The longer these bad policies last, probably the production increase will be much smaller," Mr. Guan said.

Mr. Biden pledged to stop drilling on federal lands as a candidate, saying the nation needs to transition to clean energy.

Marshall Adkins, a managing director at investment bank Raymond James Financial Inc., said a view among producers that crude prices will

remain elevated for the foreseeable future makes them less likely to presell oil. Shale companies have been letting their hedges—contracts to sell future production at a fixed price—roll off to maximize exposure to high commodity prices, he said.

Mr. Adkins said production cuts from the Organization of the Petroleum Exporting Countries, combined with sanctions targeting Russia and potentially rebounding demand from China, could lead to a supply gap that would push crude prices back to \$120 and even higher. "[If] I think oil is going to be a lot higher a year from now, I'm not going to hedge at \$70," he said.

The possibility that the cost of materials, equipment and labor could keep rising also makes locking in prices unappealing to producers, said Robert McNally, president of consulting firm Rapidan Energy Group who served as an energy adviser to then-President George W. Bush. "The shale oil companies don't know what their costs are going to be in a year or two," he said.

Shifting from releasing the reserves to refilling them could remove large amounts of oil from the global market, further tightening supplies and contributing to inflation, some analysts said.

"The time to replenish is during times of economic slack, when there's surplus oil to buy," said Kevin Book, managing director at consulting firm ClearView Energy Partners LLC.

## U.S. NEWS

# Pollsters Strive to Avoid Flubs of 2020, 2016

By AARON ZITNER

Pollsters this year are taking a range of steps to try to improve the accuracy of their surveys, after significantly understating support for Donald Trump and other GOP candidates in the past two presidential elections. Strategists and pollsters in both parties are worried about whether the steps will work.

When Tom Bonier sees polls showing the Senate race tied in Ohio, his first reaction is skepticism. After all, President Biden's 8-point loss in Ohio two years ago was far bigger than polls had suggested. Mr. Bonier, a longtime Democratic

strategist and data expert, assumes that pollsters are overstating Democratic support once again.

Mr. Bonier also has a second reaction: Maybe this time the polls have corrected for past mistakes and are detecting a true surge in support for his party. "I think everyone feels somewhat burned and gun-shy because of the polling misses of 2016 and 2020," Mr. Bonier said.

One problem for pollsters as they try to improve their accuracy is that they haven't settled on the root cause of the errors that left many Americans surprised by Mr. Trump's victory in 2016 and his closer-

than-expected finish in 2020, which the professional association of public opinion researchers determined was the biggest polling miss in 40 years.

Many pollsters and researchers say that a certain type of Republican is declining to take their surveys—the voters most committed to backing Mr. Trump and his style of politics. Others say that these voters are, in fact, answering surveys and are present in the pollsters' data, but that outdated assumptions about the composition of the nation's electorate means that they are underrepresented in the results.

Pollsters are experimenting

with ways to address both problems.

To try to find hard-to-reach voters, the Marist Poll, among others, is using text messages to invite voters to take its surveys online, said Lee Miringoff, director of the Marist College Institute for Public Opinion. The text messages are intended to expand the randomly selected respondents that the poll reaches through other means, such as using live interviewers to call voters on cellphones or landline phones. The Wall Street Journal poll includes respondents reached by text message as well as those interviewed by phone.

Some pollsters say that

even if they have the right share of voters from a given group—suburban voters, for example, or Democrats—they might be talking only to those most eager to participate in polls and who don't represent the full range of views of the group. For example, some believe the problems in 2020 resulted from including too many highly engaged Democrats in surveys.

To correct this concern, said Republican pollster Christine Matthews, some in the field are checking the voting history of their poll respondents, which is a public record, to see whether the person consistently participates in pri-

mary elections. A poll with too many Democratic primary voters could overstate Democratic enthusiasm and undercount "soft Democrats," who could be more tepidly committed to the party's candidates.

Similarly, Bill McInturff, a Republican pollster, said he is trying to make sure he gets the right mix of views within each geographic group—urban areas, rural areas and suburbs.

In the polls he conducts with Democrat Jeff Horwitt for NBC News, Mr. McInturff keeps an eye on whether the share of, for example, urban Democratic voters or rural Republican voters is in line with how those groups voted in 2020.

## IRS Chief Set to Exit; Successor Not Picked

By RICHARD RUBIN

WASHINGTON—With less than three weeks left in Charles Rettig's term as Internal Revenue Service commissioner, President Biden hasn't picked anyone to succeed him, leaving the tax agency without a leader to spearhead the \$80 billion agency expansion that Democrats just pushed through Congress.

The delay in choosing and confirming Mr. Rettig's replacement nearly certainly means an interim IRS commissioner after Nov. 12. That acting commissioner might be reluctant to make binding decisions that affect the agency's long-term future. Any vacancy lasting until January would let Republicans influence or reject a Biden nominee should they win a Senate majority in November's election.

The Biden administration didn't place enough priority on finding an IRS commissioner over the past two years, and the decision is now likely to fall to the next Congress, said Ben Koltun, director of research at Beacon Policy Advisors LLC in Washington.

Administration officials have been talking to potential candidates for the five-year term as they near a decision, said a person familiar with the search. If Democrats hurry and dedicate Senate floor time to the position, there might be time during the postelection congressional session to confirm a nominee.

Finding an IRS chief is no easy task, even in more normal times. The tax agency can be unwieldy, with a long list of mandates, archaic computer systems, layers of bureaucracy and about 80,000 workers across the country.

Candidates undergo particularly intense vetting, including reviews of multiple years of tax filings. And they must be prepared for high-stakes tax politics, navigating between lawmakers eager for aggressive enforcement and others warning that more funding will result in intrusive enforcement.

The \$80 billion, approved by Congress in the climate and healthcare law known as the Inflation Reduction Act, makes the job more attractive but attracts more scrutiny. That funding, unusual for an agency that had years of hiring freezes and flat budgets, offers a leader some new challenges in hiring and implementation, along with the resources to make a long-lasting difference.

"It can be a highly controversial role, and it's high visibility and I think some people are reluctant to be in a role like that," said David Kautter, who was interim IRS commissioner and a senior Treasury official in the Trump administration.

Mr. Rettig, picked by former President Donald Trump, is a tax lawyer, but tax skills aren't a prerequisite for the job. The administration is seeking someone with management experience who can bring private-sector skills and is familiar with the constraints of public-sector work, the person familiar with the search said.

White House press secretary Karine Jean-Pierre said Oct. 17 that the lack of a nominee wouldn't slow down the IRS overhaul. Treasury and IRS officials are working on an implementation plan for the \$80 billion.

## FILL BELLIES, NOT LANDFILLS



CHRISTOPHER CLARK

Pratt Industries Executive Chairman Anthony Pratt and Feeding America® CEO Claire Babineaux-Fontenot following the recent gift announcement.

The Pratt Foundation is proud to support Feeding America® by helping to provide **10 million meals\*** for hunger relief in the U.S. as well as reduce food waste — a major contributor to landfills and methane gas emissions



To learn more, including how you can help, visit [feedingamerica.org](https://feedingamerica.org) or scan the code



TOGETHER WE'RE



Pratt Industries is one of the largest corrugated box manufacturers in the United States. Our 100% recycled boxes save money and save the environment.

[www.prattindustries.com](https://www.prattindustries.com)

\*\$1 helps provide at least 10 meals secured by Feeding America on behalf of local member food banks.

# WORLD NEWS

## Ukrainian Forces Close In on Kherson

Kyiv seeks to force Russian retreat from southern city and avoid urban fighting

By IAN LOVETT

MYKOLAIV, Ukraine—As Ukraine has recaptured more than 3,000 square miles of territory this fall, its forces have followed a blueprint that plays to their strengths: using strong intelligence and precision weaponry to hit Russians’ supply lines and command posts and weaken their ability to fight.

Advancing Ukrainian troops can then overwhelm an enemy that has been hollowed out from behind. That approach has limited Ukrainian casualties, military and civilian, and helped spare some of the country’s cities from the major destruction that would result from more traditional siege tactics.

Now, Kyiv’s playbook is facing a definitive test, as Ukrainian forces close in on the southern regional capital of Kherson.

For months, Ukrainian forces have sought to cut off Russian troops in Kherson on the west bank of the Dnipro River. Using U.S.-supplied long-range rocket systems, they have hit bridges, ammunition dumps and fuel



Ukrainian troops checked trenches abandoned by Russian soldiers in the Kherson region this month.

supplies. The aim: force Russia to retreat east of the river without grinding urban combat.

Moscow is moving civilians out of Kherson. But it is unclear whether Russian troops will fight to hold on to the city. If they do, Kyiv will be faced with a decision: push to take Kherson before winter, potentially fighting street by street and house by house, or keep trying to starve the Russians out.

Once winter sets in, any offensive push will be far more

challenging, said Phillips O’Brien, professor of strategic studies at the University of St. Andrews in Scotland. “If the Russians want to fight for Kherson, and they’re willing to sacrifice units, they can make it very difficult,” he said.

Moscow has been willing to flatten cities—including Mariupol and Severodonetsk—in its efforts to capture them. Ukraine instead has taken pains to avoid urban fighting, which in addition to destroying infrastruc-

ture is costly in both lives and weaponry.

In the Ukrainian offensive in the northeastern Kharkiv region last month, troops seized villages around the cities of Balakliya and Shevchenkove, surrounding the Russians in small pockets and forcing them to withdraw. In Izyum, the largest city in the area, the Russians retreated as Ukraine threatened to cut off the last road out.

But in Kupyansk, an important transportation hub, which

### Officials Work to Restore Electricity

Ukraine was working to restore electricity across the country on Sunday following a Russian attack on critical infrastructure.

Almost 1.5 million Ukrainians were left without power after Russia unleashed a volley of cruise missiles on Saturday—the latest salvo in a campaign to deprive the country of heat and light as winter sets in.

The recent attacks, which have damaged nearly a third of the country’s energy infrastructure, seek to undermine Ukrainians’ will to fight and provoke a humanitarian crisis,

according to officials in Kyiv.

Russian Defense Minister Sergei Shoigu, meanwhile, spoke by phone to his U.S., French, Turkish and U.K. counterparts. He warned about Ukraine’s possible use of a dirty bomb, which combines conventional explosives with radioactive materials, the Russian Defense Ministry said. Ukraine’s foreign minister, Dmytro Kuleba, dismissed the allegation as dangerous and absurd.

Late Sunday, the U.S., U.K. and France released a joint statement calling the dirty bomb allegation “transparently false” and warning about “any attempt to use this allegation as a pretext for escalation.”

—Isabel Coles

Moscow had made its regional capital, the Russians tried to make a stand. Like Kherson, the city is located alongside a river, and Ukrainian troops weren’t able to surround it as they had the others. Though they retook the city, it was severely damaged during the battle.

“Kupyansk was a pretty important place—the Russians were more willing to fight for it,” said Mick Ryan, a military strategist and retired major general in the Australian army.

Kherson, Gen. Ryan said, isn’t of the same strategic importance as Kupyansk, but has huge political value, which could make Moscow more willing to dig in and fight. It is the only regional capital Russia has captured since launching its full-scale invasion in February.

Though Russian officials have conceded that the conditions are difficult west of the Dnipro, they have said they have no plans to surrender the city.

## Putin Plays for Time, Hoping to Regroup in Winter

By ALAN CULLISON

Russia’s Vladimir Putin is aggressively trying to prevent further losses in Ukraine by bombarding critical infrastructure and to avert disquiet at home by tightening social controls. The goal: hold on until the winter can give him enough pause to reboot his bogged-down invasion.

Mr. Putin’s war effort has generated pressures that present the biggest threat to his 23-year rule in Russia. They include the bite of Western

sanctions, shrinking government revenue, an exhausted military and a public irked by a widening conflict in Ukraine in which few wanted to fight.

Barring a collapse of Russian forces in Ukraine that military experts call unlikely, Mr. Putin for now appears secure in power. Nevertheless, he needs to keep the military campaign from backsliding so he can avoid the kind of major defeat that could cause his Kremlin elite to lose confidence in his rule and ignite power struggles.

Winter could slow Kyiv’s of-

fensive in southern Ukraine, which now threatens to deal Moscow a new major defeat as it closes in on the Russian-occupied regional capital of Kherson. Moscow hopes winter will also bring new strains to the North Atlantic Treaty Organization, as the cutoff of Russian gas earlier this year drives up energy prices and threatens to chill homes in Europe.

“In time, they are hoping these pressures might lead the Europeans to crack and start pushing Ukraine to make some kind of deal” with Russia, said

Thomas Graham, a distinguished fellow at the Council on Foreign Relations.

Russian military planners have for centuries looked upon winter as an ally that helped vanquish invaders from Napoleon to the Nazis. Whether this winter could provide a respite for Mr. Putin is an open question, according to military experts. In Europe, energy suppliers appear to have patched together networks and amassed enough gas to make up for the shortfalls caused by Russia’s cutoff.

The Kremlin is hoping that its own defenses in Ukraine will strengthen in the coming weeks with the influx of 300,000 reservists, whose mobilization Mr. Putin ordered last month. And, egged on by Kremlin-controlled television that says Mr. Putin has pursued the war too gently, he has stepped up missile and drone attacks on Ukraine’s civilian infrastructure, hoping it will disrupt Ukraine’s offensive.

“The idea is to stabilize things as quickly as possible so they can get to winter, and

maybe in the spring things will look differently,” said Mr. Graham.

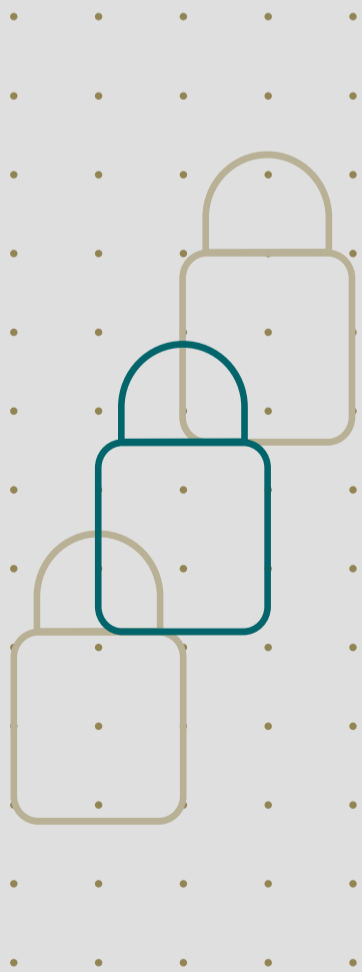
Military experts said they believe the Kremlin is playing a longer game. Moscow is likely using its mobilization to protract the war beyond next year, hoping the West will tire of Russia’s campaign of economic war, destabilization and escalation threats in Ukraine, and force Kyiv to negotiate with Moscow, the Royal United Services Institute for Defence and Security Studies in London said in a recent report.

### WSJ PRO Cybersecurity FORUM

NOVEMBER 30 | ONLINE  
11:00 a.m. - 3:45 p.m. EST

The WSJ Pro Cybersecurity Forum provides a business perspective on cyber risks, with practical information that executives can use in their organizations. Together with peers, you’ll be part of candid conversations that will help you plan for the inevitable, guard against the unpredictable and build towards resilience. Join us this fall and learn valuable lessons from our experienced speakers.

REGISTER TODAY  
WSJ.com/cyber22



Speakers Include:

**Avi Gesser**  
Co-Chairman, Data Strategy and Security Group  
Debevoise & Plimpton

**Gurdeep Kaur**  
Chief Information Security Officer  
PSEG

**Dmitry Smilyanets**  
Principal Product Manager, Identity Intelligence  
Recorded Future

**Wendi Whitmore**  
Senior Vice President, Unit42  
Palo Alto Networks

FOUNDING SPONSOR  
**NETSCOUT**

PRESENTING SPONSOR  
**chrome**

**THE WALL STREET JOURNAL.**  
TRUST YOUR DECISIONS

Special Advertising Feature

# VISION FOR A SUSTAINABLE WORLD

## NTT is Building a Better Future for Business and Society

**As the world adapts to the impacts of climate change, what does it mean to be a sustainable organization today, and why is it crucial for tomorrow?**

Global technology and business solutions firm NTT has not shied away from asking—and answering—these challenging existential questions. More than that, it has embraced a business model that positions people and the planet alongside profit.

NTT's approach is founded upon accelerating technological innovation by collaborating with experts globally. "Our goal is to be a company that helps solve social issues through our business operations," says Akira Shimada, NTT's President and CEO, outlining the vision of—and its tangible work toward—a more sustainable future for business and society.

The company's Global Sustainability Charter, published at the end of 2021, articulates a long-term commitment to promoting sustainable initiatives that achieve growth while simultaneously benefitting everyone.

Its vision of a sustainable society means:

- Ensuring the coexistence of nature and humanity
- Improving prosperity for all people and cultures
- Maximizing well-being for all

By 2030, NTT, which operates in more than 80 countries, intends to reduce greenhouse gas emissions 80% from 2013 levels. And it is on track to achieve carbon neutrality by 2040, thanks to reducing the environmental impact of its business activities and creating breakthrough innovations—including IOWN\* technologies. It stands as an exemplar of a sustainable organization.

For more information on NTT, visit [www.global.ntt](http://www.global.ntt)

\*Innovative Optical and Wireless Network



WSJ CUSTOM CONTENT



Scan here to find out more

The Wall Street Journal news organization was not involved in the creation of this content.  
WSJ Custom Studios and WSJ Intelligence are units of The Wall Street Journal Advertising Department.

## FROM PAGE ONE

## Three Lives Lost to Fentanyl

Continued from Page One  
her master's degree at New York University.

The three high-achieving New Yorkers had texted the DoorDash-style cocaine delivery service on a late winter Wednesday. They all died from the illicit fentanyl that had been mixed into it.

Fentanyl is a powerful legal opioid, prescribed for cancer patients and others with severe pain. Traffickers have found it is easy and inexpensive to make. The illicit form has spread throughout the illegal drug market, turning up in heroin as well as pills stamped out to look like oxycodone or Adderall and other drugs.

Dealers also cut it into cocaine, a stimulant, to be more potent and addictive, introducing the drug to unsuspecting buyers. A tiny amount of fentanyl can kill unseasoned users.

"Hey try not to do too much because it's really strong," read a text sent to Ms. Scher later that night from the delivery number. Ms. Ghahramani missed seven calls from the number.

Sassan Ghahramani, Ms. Ghahramani's father, said the fentanyl in his daughter's cocaine was like having cyanide appear in an alcoholic drink during Prohibition.

"Julia was a driven professional with everything to live for. Never in a billion years would she have touched anything with fentanyl," he said. "This is like putting bullets in people's brains."

### 'Can u come thru?'

March 17 in New York City is usually festive for St. Patrick's Day. In 2021, the parade was canceled for a second year and most big company offices were shut. Only around 30% of adults in the city had received at least a first dose of a Covid-19 vaccine.

In the East Village, Ms. Ghahramani, the litigation associate, was one of millions of young Americans starting their career outside of a workplace. She had graduated virtually from Columbia Law School in May 2020 while her parents snapped photos of her and the screen in their Greenwich, Conn., living room.

The daughter of Iranian-born Mr. Ghahramani, an investment research firm founder, and Lily Ann Marden, a real estate finance executive, Ms. Ghahramani made a vow in high school to somehow change the world. She helped give pro bono legal advice to immigrants and advocated for gun control. She spoke on the steps of City Hall as a main organizer of a "March for Our Lives" attended by 150,000 following the Marjory Stoneman Douglas school shooting in February 2018.

For much of the pandemic, Ms. Ghahramani retreated to her family's home to work remotely and spend time with her parents and younger twin siblings.

Her final week, Ms. Ghahramani headed back to her Avenue B apartment, saying she had work to do before a family trip the next weekend to celebrate the Persian new year. Ms. Ghahramani told friends and family the workload was intense but that she was loving her first job.

On Wednesday, Ms. Ghahramani sent a text to a phone that prosecutors said belonged to the alleged dispatcher for



Julia Ghahramani had just started her legal career at Akin Gump Strauss Hauer & Feld.



Social worker Amanda Scher worked with cancer patients.

the drug delivery service, Billy Ortega.

According to his lawyer, Mr. Ortega was a stay-at-home dad in a house in rural New Jersey. According to prosecutors, Mr. Ortega arranged drug deals from the house. He pleaded not guilty to causing the three deaths and distributing drugs and is awaiting trial.

"Can u come thru?," Ms. Ghahramani wrote.

"I'll send them right now if you want."

"That would be great thank you really appreciate it."

"No worries we family."

After getting the text, prosecutors said, Mr. Ortega asked a courier, Kaylen Rainey, to handle the day's deliveries. Mr. Ortega sent him Ms. Ghahramani's address and instructions to collect \$200, prosecutors said, citing texts on their phones.

Prosecutors said Mr. Rainey lived in an apartment registered to Mr. Ortega's family in public housing in Manhattan's Chelsea neighborhood.

He and another courier rented Zipcars to deliver drugs to neighborhoods across Manhattan, prosecutors alleged, collecting up to thousands of dollars a stop. Mr. Rainey pleaded not guilty to causing the deaths and distributing drugs and is awaiting trial.

Nine minutes after the texts, according to police and surveillance footage, Mr. Rainey buzzed Ms. Ghahramani's apartment bell. Around six hours after the delivery, her phone pinged.

"Hey"

"Hey you there"

Seven calls came in that night and the next morning from the delivery-service number.

Ms. Marden woke that morning in Connecticut knowing something was wrong because she hadn't heard from her daughter. A friend of Ms. Ghahramani went to the apartment and found her dead, holding her phone. Persian pastries she had ordered for the weekend were in the refrigerator.

"She made a mistake," Mr. Ghahramani said. "She had a hit of coke and unbeknownst to her it was loaded with fentanyl and it killed her."

### Derailed lives

Cocaine has long had allure in New York City, where in the 1980s it became associated with jet setting clubbers and elite professionals. Usage estimates in the city remain higher than the roughly 2% national rate of Americans taking the drug annually for



Ross Mtangi, shown with his partner, worked at Credit Suisse Group.

CLOCKWISE FROM TOP LEFT: NATALIE KEYSAR FOR THE WALL STREET JOURNAL (2); MTANGI FAMILY

the past two decades.

The addition of fentanyl into supplies in the past decade has tripled the yearly number of New Yorkers dying. Of 980 cocaine deaths in 2020, 81% involved fentanyl, according to the most recent New York City health department data. The number of people dying from cocaine alone has held steady in the low hundreds.

Drug use overall rose during the pandemic, which derailed work routines and social lives. Fentanyl helped drive total drug fatalities higher. Deaths hit an annual high of 107,521 people in 2021, according to the U.S. Centers for Disease Control and Prevention, up 51% since 2019. Three-quarters of the 2021 deaths involved fentanyl, the CDC said.

New York City authorities have been warning of the risks

of unknowingly taking fentanyl in cocaine and of its increased presence in cocaine seized by police. Health officials put up posters and sent drink coasters to clubs warning cocaine users to start with a small dose and to have naloxone, an opioid reversal drug, on hand to counter an overdose. They are handing out fentanyl testing strips that can be used to test cocaine and other drugs for fentanyl's presence.

Multiple people died within hours from tainted cocaine in Long Island, N.Y., and in Newport Beach, Calif., last year. Nine were killed in Washington, D.C., in January. Law-enforcement officials said dealers often use coffee grinders or other basic equipment to cut drugs and prepare them for sale, which can result in deadly batches



The alleged drug courier Kaylen Rainey.

Three New Yorkers ordered cocaine from a delivery service on the same day; all died.



Sources: Victims' families, public records, prosecutors' filings  
Camille Bressange/The Wall Street Journal

### New batch

Amanda Scher texted her order just before 5 p.m. that Wednesday. Through the pandemic, she commuted by subway to work with cancer patients at a Bronx hospital network, Montefiore Health System. Early on, she sent a photo to her parents of refrigerated trucks storing Covid victims.

"She didn't complain about it. That's what commitment to her profession required," said her father, Bruce Scher, who with his wife, Fran, raised Ms. Scher and a younger brother on Long Island. Ms. Scher made easy connections and doted on her elderly rescue dog, Ziva, her parents said. One of her friends later said that when Ms. Scher was out walking Ziva, six people would stop to say hello.

Greenwich Village's streets emptied in the pandemic. Ms. Scher's roommate left the city. To fight isolation, Ms. Scher started counseling private patients online in the evenings. "Being home alone, I think that got to her," her father said.

On that March day, Ms. Scher texted a number stored in her phone as "Jason Melissa." Prosecutors said Mr. Ortega sometimes used the name Jason.

"Question first," Ms. Scher wrote.

"Is it the same as it was Sunday? Because that was not good lol, had to get rid of it."

"No new...Batch," came the reply.

Mr. Rainey appeared on a video camera near her apartment.

"Def better," Ms. Scher texted about two hours after the delivery.

She counseled a patient online from 8 p.m. to around 9 p.m. that night, according to a calendar on her desk. She sat down on the sofa and turned on the television.

Texts came in from the delivery-service number:

"Hey try not to do too much

because it's really strong"

"Hey boss lady you heard" "Lol"

Three FaceTime audio calls to her phone went unanswered. A text the next morning:

"Hey can you give me a call back I need to ask you something real fast"

Ms. Scher's dog walker found her dead on the sofa that day.

Prosecutors said the texts and calls to Ms. Ghahramani and Ms. Scher after the deliveries showed a consciousness of guilt that something was wrong with the drugs.

The day after the deliveries, Mr. Rainey sent Mr. Ortega screenshots of home drug testing kits, and Mr. Ortega switched to a different phone to take drug orders, prosecutors alleged. They said the men continued selling drugs until their arrests.

A lawyer for Mr. Rainey declined to comment; one for Mr. Ortega didn't respond to requests for comment.

### Wall Street success

At his 29th floor penthouse in the East 30s with views across Manhattan, Mr. Mtangi was stressed about work. He had been cooped up at home instead of on the trading floor for most of the pandemic.

Mr. Mtangi's Irish-Italian American mother, Lauren Lackey, raised him and a younger sister in subsidized housing in East Providence, R.I. His mother had met his father, Stanlake Mtangi, a chemist who was born in Zimbabwe, at a Newport disco in the late 1970s, and Mr. Mtangi became closer to him as an adult.

Mr. Mtangi went to Harvard University and was drawn to the high stakes of Wall Street. He traded derivatives for JP Morgan Chase & Co. and Bank of America, and at Credit Suisse ran a group handling complex trades in company stocks and share indexes.

He was athletic, running 5 miles through Manhattan or biking to visit his sister in Brooklyn. Humor and a cool demeanor powered Mr. Mtangi over social and racial divides, people close to him said. He played pickup basketball on city courts and was nodded in by doormen at exclusive clubs in the Meatpacking District.

The trader's prowess showed in a roughly \$100 million gain Mr. Mtangi and his team made for Bank of America from a brief volatility spike shortly before he left for Credit Suisse, according to former colleagues and a media report at the time.

Impending fatherhood presented a new path. On his 40th birthday, his partner took a photo of him holding a cake, shirtless and tattooed, a view of Manhattan behind him.

On his final week, Mr. Mtangi stuffed his computer in a bag at his apartment and told his partner he was going to the office.

It was Tuesday, and he checked into a hotel down the street and stayed there overnight, texting his partner and other family the next morning to say that he was OK but needed some time alone.

On Wednesday, Mr. Rainey, the alleged drug courier, appeared on hotel surveillance, stopping to check his phone.

Mr. Mtangi was on a call that evening with his boss, Michael Ebert. He didn't make a follow-up call later that night.

Mr. Mtangi's partner called his family the next morning, and separately, Mr. Ebert got in touch with his sister to say he was trying to reach him. The credit card charge at the hotel eventually tracked him down.

Mr. Mtangi's sister and her partner rushed to the hotel, where he was dead. His son was born three weeks later.

## Feral Dogs Test New Owners

Continued from Page One  
chummy with shelter, affection and steady chow.

The rescue effort is playing out in Tel Aviv, considered one of world's most dog-loving cities and home to dog-friendly parks and beaches. Man's best friends are welcome to loll at cafes and many workplaces. Unruly feral canines are testing the city's pro-pooch policies and the patience of new owners.

Mr. Linzen picked Olly in

2019 from a pack brought for adoption to his hometown of Kfar Saba, 18 miles from Tel Aviv. He had heard rescue dogs were hard to handle. One dog trainer said he needed to assert his dominance.

"Of course it didn't work at all," Mr. Linzen said. Olly still bares his fangs and growls around the house. Outside, though, Olly mixes well with other dogs and some people.

"It's a bit like having a cat," Mr. Linzen said. "His behavior is unpredictable."

Israeli animal-rights group Let Animals Live said the stray-dog population has grown in recent years.

Many of the strays find their way to dog shelters that work with animal-welfare groups to find people brave enough to own one. Feral dogs are fearful

of strangers, highly territorial and have survival habits that are tough to break.

Owners complain that even after months of training—and often several trainers—their pets are still skittish Scooby Doos. The canines can be taught to sit, fetch and other doggy tricks, but they require constant supervision.

"Miley is a very very VEEERRY difficult dog," one owner posted on a popular Facebook group filled with similarly desperate missives. Some report miraculous transformations through the dogged efforts of owners and trainers.

Hagar Rubin, an animal-behavioral expert and dog trainer, said she tries to manage client expectations. First of all, these dogs are different. "Some are easygoing. Some are harder,"

she said she tells them. "It's not going to be the Labrador you've always dreamed of."

Maya Roshu, a 25-year-old law student in northern Israel, had neither the time nor money for a pet. Then a friend, a dog trainer, left her with a 66-pound rescue animal named Tishbi. The friend claimed the pointy-eared mutt with big sweet eyes wouldn't be a problem.

Ms. Roshu soon realized that wasn't true. The dog came with a cage, and the trainer suggested she use it until Tishbi got acclimated. Soon after he arrived, she said, "he barked like crazy and was slamming the cage until he broke out."

After a year of training, they formed a strong bond. Tishbi likes to be petted by Ms. Roshu, who holds the alpha spot in

their two-member pack. Tishbi, loyal to a fault, distrusts strangers.

"He's afraid of new people and worried about me," said Ms. Roshu, who warns visitors, "Don't make eye-contact."

Israelis often call their feral dogs Cnaani, a name used for the region's native breed, because many strays resemble them.

Myrna Shibboleth, an expert on Cnaanis who helped prevent their extinction, said she doesn't think most of the country's feral dogs are even part Cnaani, whose survival instincts are mythic.

"You can take a dog to a cliff and say jump, he will jump. If you take a Cnaani to a cliff and say jump, he will say, 'You first,'" Ms. Shibboleth said.

Daphna Levy, a jazz singer,

adopted two feral dogs, Chuka and Dingo, with her husband. Dingo once knocked her to the ground while they were playing, and she ended up in physical therapy.

Chuka took six months to be house-trained but has since become a homebody and takes naps next to Ms. Levy.

The couple keep close to home because it is a struggle to find anyone capable of caring for their dogs. It is not as big a sacrifice as it sounds.

"These are my fur babies," Ms. Levy said.

To be fair, she also said, "It took two meshuggeneh dog lovers to put up with everything these two have put us through."

—Aaron Boxerman in Jerusalem contributed to this article.



**Our new dishwashers perform flawlessly using 50% less water and 25% less energy than U.S. standards for dishwashers, saving money and the planet too.**

**Did we just sell you a new dishwasher with a single sentence?**



**Up to \$200 rebate\***

Our new dishwashers are in stock now and available at these fine independent retailers.



Scan the code or go to [beko.com/us-en/new-dishwashers](https://beko.com/us-en/new-dishwashers) to discover even more reasons why Beko is the right dishwasher for you.

Len Harris, Inc.  
7730 164th St  
Flushing, NY  
718-591-6557

Malkin Appliance  
705 Stewart Ave  
Garden City, NY  
516-222-9100

Michaels  
Appliance Center  
585 E Main St  
Middletown, NY  
845-342-0369

MS Electronics  
& Appliances Inc.  
132 3rd Ave  
Paterson, NJ  
973-778-6722

Overstock Appliances  
703 NJ-17  
Paramus, NJ  
201-347-3905

Park Ave  
50 Park Ave S  
Lakewood, NJ  
732-367-3677

Paul's Appliance  
and Electronics, Inc.  
121 New York Ave  
Newark, NJ  
973-344-3227

PC Richard & Son  
61 locations serving NY  
[www.pcrichard.com](http://www.pcrichard.com)  
877-727-1909

Royal Green  
Appliance  
228 E Post Rd  
White Plains, NY  
888-534-4572

S&W Appliances  
162 Wallabout St  
Brooklyn, NY  
718-387-8660

See More  
Appliance Center  
551 Middlesex Ave  
Metuchen, NJ  
732-548-9191

Town Appliance  
10 Clifton Ave S  
Lakewood, NJ  
866-724-0865

\* Buy a new 39, 38, or 36 series dishwasher from a Beko authorized dealer between 5/23/22 - 12/31/22 and receive up to \$200 rebate, via a prepaid gift card. Rebate amount varies; \$100 on 36 and 38 series and \$200 on 39 series. Must be redeemed online or by mail and postmarked no later than 1/31/23. Limit one rebate per household. For full details and conditions, visit [beko.com/us-en.com](https://beko.com/us-en.com). ©2022 Beko U.S., Inc.



# NEW YORK CITY JEWELRY & WATCH SHOW

## OCTOBER 27–30, 2022

### METROPOLITAN PAVILION

125 WEST 18TH STREET • NEW YORK, NY 10011

#### GENERAL SHOW HOURS

|          |            |                  |
|----------|------------|------------------|
| THURSDAY | OCTOBER 27 | 11:00AM – 6:00PM |
| FRIDAY   | OCTOBER 28 | 11:00AM – 6:00PM |
| SATURDAY | OCTOBER 29 | 11:00AM – 6:00PM |
| SUNDAY   | OCTOBER 30 | 11:00AM – 4:00PM |




---

SCAN THE QR CODE  
WITH YOUR PHONE TO  
RECEIVE \$10.00 OFF THE  
PURCHASE OF GENERAL  
ADMISSION TICKETS.

---

## NYCJAWS.com



# WANT POWER?

## Stop Saying Sorry So Much



KELSEY MCCLELLAN FOR THE WALL STREET JOURNAL (2)



**WORK & LIFE**  
**RACHEL FEINTZEIG**

**S**orry, I'm just now seeing your email! (You sent it 15 minutes ago.)

Sorry that you completely misinterpreted that thing I said. Sorry you just rammed into me with your grocery-store cart.

The apology is running amok in conversations and communications. We drop it indiscriminately, crying mea culpa for all manner of things we really shouldn't be sorry for—and diluting the apologies that truly matter. Is it time to stop? Could we even cut back if we wanted to?

"I wasn't really that sorry," admits Louise Julig, a freelance writer in Encinitas, Calif., who found she was constantly apologizing for the "delay" when replying to notes, even when there wasn't much of a delay at all. "Why am I saying this thing? I don't know."

"Sorry" has lost its meaning, she realized, no longer a heartfelt declaration of remorse but a knee-jerk response. Now, faced with the blinking cursor of a blank email, Ms. Julig asks herself, did I legitimately miss something, or mess someone else up? If the answer is no, she's not sorry.

"Don't give away your power," counsels Jeffrey Pfeffer, a professor of organizational behavior at Stanford Graduate School of Business and author of a book about commanding authority at work. Apologizing in business, especially when you've actually done something wrong, is just asking for trouble, he says.

People are never satisfied with an apology, he adds. Groveling and exhibiting vulnerability only makes you look weak and sinks team morale.

Standing your ground comes with risks, he allows. You'll piss some people off. You might not be

liked. He thinks it's worth it.

"You can either conform to what people want you to be, or you can decide that you are going to risk offending people," he says. "Life is about trade-offs."

When I searched my sent emails for the phrase, "Sorry for the delay," the result was too many hits for Gmail to give me an exact count.

flashed back to a clip of Taylor Swift, in which she apologizes for "getting on her soapbox" about misogyny, then quickly catches herself.

"We're, like, 'Sorry, was I loud?'" the pop star says in "Miss Americana," the Netflix documentary. "In my own house that I bought. With the songs that I wrote. About my own life."

Words have consequences.

"Always feeling like you need to say 'sorry' makes you kind of feel like crap," says Jen Fisher, the chief well-being officer for Deloitte. Last year, she logged her own apologies, flagging the ones that felt unnecessary and replacing them with expressions of gratitude.

Have to move a meeting? Try, "I appreciate your flexibility," or "I'm grateful for your understanding," she says. Remember that it's not your responsibility to apologize for things out of your control, such as the weather, or a client

**Remember that it's not your responsibility to apologize for things out of your control.**

I tried, in the course of reporting this column, to cut back on my apologies. Mostly I failed, catching myself exclaiming *sorry!* when dialing in three minutes late for a call.

A person I contacted for this piece apologized for only being available one of the days I suggested we chat, not the other. I

## Taylor Swift Album Puts Tour to Test

By NEIL SHAH

**M**ost music stars have one new album out when they embark on a tour. Then there's Taylor Swift.

Ms. Swift's latest work, "Midnights," a synth-driven pop album which was released on Friday, brings the singer-songwriter to four entire records she has never performed on tour.

"Midnights" arrives roughly two years after her intimate quarantine albums "Folklore" and "Evermore." Those albums came not long after the wide-ranging "Lover," which was supposed to have a mini-tour that was canceled because of the pandemic. Ms. Swift also recently released "Fearless (Taylor's Version)" and "Red (Taylor's Version)," rerecorded versions of two older albums, which each include a dizzying number of bonus tracks that originate from earlier eras.

Writing a set list for a live tour is always an art: Music stars want to sound invigorated and fresh, but also comprehensive, embracing both long-time fans and newer ones. But the pileup of unperformed music has Ms. Swift's fans wondering whether her show should be longer, or structured differently than the typical tour.

"Logistically, what do you do?" asked Matthew Perpetua, founder of Fluxblog, an independent music website. "She's in a complete logistical nightmare, that's brought on by the most positive things—people liking

her records so much, and being prolific, and all of her records being hits."

Unlike most stars, Ms. Swift doesn't play just a few tracks from her latest album on tour. She's known for playing nearly all of her new album.

Ms. Swift has yet to officially announce a tour. But when she does, she's likely to encounter an unsettled concert business: Music's biggest artists are selling out shows, yet smaller ones are increasingly canceling events because of a glut of concerts, higher touring costs, equipment shortages, lower ticket sales and currency fluctuations. Covid infections continue to derail tours. Fears of a recession could crimp ticket and concession sales, and there's growing consternation about concert-ticket prices.

Ms. Swift is unlikely to be affected by such trends, since she's the rare pop musician who lacks much direct competition. But concerns about a crowded 2023 calendar and weaker spending could prompt her to put her tickets on sale sooner.

What makes planning the next tour especially tricky is that Ms. Swift's "Folklore" was considered a career milestone. Its hushed, indie-folk-flavored sound was a musical departure that won Ms. Swift new fans, critics' respect and a Grammy award for album of the year. Many fans are eager to hear it and its sister album "Evermore" live.

"This is so unique," said Lacey Davner, a 34-year-old fan from Florida. "It would be weird, especially for



The pop superstar, who last toured in 2018, released 'Midnights' on Friday.

her, to not have the three [other albums] incorporated somehow in this tour. I mean, 'Folklore' and 'Evermore' brought a lot of people either to her, or back to her music."

"The most fascinating question—in some ways, more than what 'Midnights' is going to sound like—is just how does she figure out how to pull all of this stuff together," said Nora Princiotti, co-host of The Ringer's "Every Single Album: Taylor Swift" on a recent podcast.

Some of Ms. Swift's followers have posted humorous pictures of long lists of song titles online. Willow Raven, 33, once sang in a Taylor Swift cover band—so you'd think she'd be able to write a set list for the next tour. This



time, even she is stumped. "There are so many possibilities," Ms. Raven said. "I just can't wrap my head around it."

The last time Ms. Swift toured, for 2017's "Reputation," she played nearly the entirety of the album, along with other songs. A typical Taylor Swift concert might include roughly 20 songs, some of them medleys. But Mr. Perpetua speculated that Ms. Swift might this time focus mostly on her recent four albums and play down her early career material.

"Lover," from 2019, is another album to consider; it includes fan favorites such as "Cruel Summer." "I would die if I never heard that song

moving a deadline. Putting "sorry" on loop waters down the moments when you really do need to show remorse, she adds.

And of course, people often wield "sorry" to mean exactly the opposite, more a passive-aggressive insult than real contrition.

Shedding "sorry" can be empowering. Hannah Szabo grew up in Wisconsin, where—as in much of the Midwest, Canada and other regions—"sorry" serves as a conversation starter. She'd drop one in during a pause in conversation, or when she felt uncomfortable.

Then she moved to Brazil. She was shocked to find that the students she was teaching barely apologized. At first, she was offended. Now, she basks in a culture without reflexive apologies.

Back in the Midwest on a recent trip, she almost grew angry when her mother apologized for accidentally sticking her seat belt in the wrong buckle.

"That does not qualify for a sorry, Mom," she told her. "Take that back."

Women apologize more than men, but a female co-worker's apology doesn't necessarily mean she's claiming blame, says Deborah Tannen, a linguistics professor at Georgetown University. She might just be trying to get her work done with a dose of graciousness, for example smoothing over a misunderstanding with, "Sorry, what I meant was..."

"Everything we're doing is on some level trying to show we're a good person at the same time that we're trying to accomplish something," Dr. Tannen says.

When I message "So sorry to bug you..." to my boss before asking a question that's a necessary part of both our jobs, I'm showing respect for power differentials at the office, she notes.

Still, some misinterpret women's apologies as incompetence. When British leader Liz Truss last week apologized "for the mistakes" in pushing a risky tax plan, it was met with calls to resign. A few days later, she did.

Be aware of how others respond when you use words of contrition, Dr. Tannen cautions.

If colleagues call out your apologizing, you might explain that you were just saying you were sorry a thing happened, and not *sorry* sorry. If you hear that feedback often, consider an audit like Ms. Fisher's.

Kingston Vickers tried. After moving to Texas years ago, the native Canadian resolved to remove the "ehs" and "sorrlys" from his vocabulary. Doing so consumed so much mental effort that he grew flustered when talking and wasn't as effective at his sales job.

Now he embraces his proclivity for apologies, and says his work has benefited. Apologizing for his clients' struggles, or when he's about to make an ask of them, builds trust, he says. It's a way of showing empathy.

"People underestimate the power of a kind word nowadays," he adds.

live," Ms. Raven said. Similarly, the 10-minute version of "All Too Well," released as part of the rerecording of "Red," has become one of Ms. Swift's signature songs. "People would, like, riot if she didn't do that," Mr. Perpetua said.

Then there's the issue of the structure of the tour. The most likely scenario is that Ms. Swift sticks with the traditional stadium format. But could she do a combination of stadium shows and some smaller, more intimate gigs befitting the "Folklore" material?

For "Lover," Ms. Swift had planned a handful of "Lover Fest" shows in the U.S. The unexpected move, which never came to fruition, signaled a desire, at least at the time, for less touring than her past extended globe-trotting runs.

In theory, Ms. Swift could pursue a somewhat similar plan for "Midnights" by launching a traveling residency or even her own festival, music fans and analysts said.

Another possibility: Ms. Swift's shows could become more free-wheeling and less choreographed.

On Friday, Ms. Swift's fans eagerly listened to "Midnights," which features production by Jack Antonoff, a guest appearance by Lana Del Rey and the lead single "Anti-Hero," which Ms. Swift has called "one of my favorite songs I've ever written."

The 13-track album has a nocturnal feel, with insistent, pulsating beats and self-interrogating lyrics. At 3 a.m. on Friday, Ms. Swift surprised fans by releasing seven bonus "3am tracks," as she called them.

For now, though, her fans remain in the dark about what her tour will look like. "That seems to be the consensus amongst all of us," Ms. Davner said. "What's she going to do—how is she gonna do this?"

## PERSONAL JOURNAL.



**FAMILY  
& TECH  
JULIE  
JARGON**

# How to Make a Good Call On Your Child's First Phone

**G**iving your child a phone for the first time is a decision not to be rushed. The timing matters, and so does the type of device. Do you dust off your old iPhone or Samsung, or do you buy one of the new kid-centric phones with built-in monitoring?

I'll walk you through everything you need to consider, as well as the features of the various options.

**Determine your kid's readiness.** There's no magic age when a child is ready for a phone. Often, the decision is practical: When children enter middle school, for instance, they aren't necessarily supervised as closely as they were in elementary school. You might want to keep your own tabs on them—and give them an easy way to reach you. By age 11, 53% of kids have their own smartphone, according to the non-profit Common Sense Media.

Parents considering this modern-day rite of passage have to balance a range of factors, from their kid's maturity level and desire for independence to fears of cyber bullying and too much screen time.

There are signs children might be ready. If they demonstrate responsibility, they might be able to handle a phone.

► **Define the purpose.** Before deciding what kind of phone to get, discuss with your child the reasons for having one. "What do you need and want your child to be able to do with a phone?" says Jacqueline Nesi, a Brown University assistant professor of psychiatry who studies kids' tech use. "What does your child need and want to do with a phone?"

If the primary purpose is to let your child know you're running late to school pickup, your child might not need a smartphone's functionality. But if your child needs a phone to submit schoolwork or to communicate with school groups and sports teams through apps, the smartphone is the better bet.

► **Decide on parental controls.** The level of restrictions you want to place on your child's access to the internet, social media and contacts



might dictate your choice. iPhones and Android devices have parental controls built into the settings. Parents who use Apple Family Sharing or Google Family Link can also limit screen time and place restrictions on app use from their own phones, though the tools require some initial setup.

Phones designed for kids come with deeper controls and more monitoring. Developers of these phones say kids can't bypass the restrictions.

### Hand-me-down phones

The biggest reasons to hand down a phone are that you're already familiar with it and your family members likely have similar devices, so you can share apps and content.

The flip side is that these are typically full-featured devices, so you need to set limits. (If you're not paying attention, your kids can

exploit your mistakes to get around parental controls.) Also, it's important to make sure any phone you give your child runs the most recent operating system.

**iPhone:** With the iOS 16 update, Apple Family Sharing now contains suggestions for age-appropriate content restrictions, as well as a family checklist with tips on how to update settings as kids get older. Quick Start lets you set up a new iPhone with parental controls already in place. Models dating back to the iPhone 8 can run iOS 16. When giving an old iPhone to your child, remove your personal information first.

**Android:** This month, Google updated Family Link so it's easier to manage devices such as Samsung Galaxy phones and its own Pixel phones. A new location tab shows all your kids on one map, and if a phone gets lost, you can

activate its ringer. Parents can turn on notifications to be alerted when their child arrives at or leaves a location. Parents can also set "today only" screen-time limits when their child needs an exception.

### Kid phones

These look like any other sleek Android smartphone. As kids get older, you can lift some restrictions and, in some cases, upgrade to a more full-featured version.

The biggest downside in an Apple-heavy social scene is that these phones display the "green bubble" texts dreaded by teens. Also, if your kid already uses an iPad, it might be annoying to make the switch.

**Bark Phone (Service and hardware lease starting at \$49 a month):** The developer of a popular child-monitoring app has integrated the app's features into a new phone being released in mid-November.

In addition to having Bark's content analysis and parental controls preinstalled—and not removable—this Samsung A13 phone is further customized with additional features, such as location tracking, call blocking and the ability to manage contacts. Parents who lease one Bark phone can install the Bark Premium app on any of their kids' other devices at no extra charge.

**Gabb Wireless (Phones starting at \$150; plans from \$18 a month):** This four-year-old company developed smartwatches for young children, plus two smartphones: The original Gabb Phone is for kids ages 9 and up, while a higher-end Gabb Phone Plus is for kids 13 and older.

Gabb phones have no app store or internet browser. If language in text messages between unknown contacts contain inappropriate content, they won't be delivered, and photos from unknown contacts are blocked. Texts can't be deleted. Parents can track their kids' location and set up "safe zones" such as school grounds or friends' houses; they'll receive notifications if their kids' phones leave those areas. Gabb also has a music service featuring top hits without explicit lyrics. The Gabb Phone Plus will soon offer recommended third-party apps.

**Troomi Wireless (Phone starting at \$180; plans from \$20 a month):** The company, launched last year by a Gabb co-founder, sells Samsung phones running a custom operating system. Parents can add features as their kids get older.

Parents can remotely view their kids' texts and monitor the phone's location through a web portal. Parents can choose to let their kids send and receive photos in the messaging app. The phone contains a content-filtering browser and allows parents to add kid-safe apps.

**Pinwheel (Phone starting at \$200; \$15-a-month service fee on top of wireless plan):** This kid-phone option is aimed at middle-schoolers but is designed to grow with the child, potentially through high school.

Parents can monitor their kids' phone activity—even deleted texts—through a web-based portal. Parents can create daily routines for their kids to follow and permit certain apps or contacts during specific times. The phones can contain finance apps and curated educational and music apps. There is no web browser and the phone is compatible with Bark's monitoring software.

ILLUSTRATION BY DAN PAGE

**ROLEX**

OYSTER PERPETUAL SEA-DWELLER

WATCHES OF SWITZERLAND

60 GREENE STREET  
HUDSON YARDS  
WATCHESOFSWITZERLAND.COM

ROLEX • OYSTER PERPETUAL AND SEA-DWELLER ARE © TRADEMARKS.

MY RIDE | A.J. BAIME

## Rare Find Needs Permit to Drive

Gil Dezer's 2020 McLaren Speedtail is one of just 106 made

*Gil Dezer, 47, a real-estate developer living in Miami, on his 2020 McLaren Speedtail, as told to A.J. Baime.*

**B**ack in the early 1990s, McLaren put out a car called the F1. It was the coolest car ever. At that time, McLaren built only race cars, and this was the company's first real production road car. The F1 had three seats, one in the front, in the middle, and two in the back. McLaren only made 106 of these cars. I had a poster of it on my wall, and I dreamed that someday I could own one.

My father has always been a car collector. He created a collection of over 1,800 cars, motorcycles, Vespas and movie cars, and I caught the bug early on from him. But I am not so much into collecting. I buy only cars that I drive, and I currently have 32 of them—almost all of them some shade of silver or gray.

I always wanted to get a McLaren F1. But so few were made, rarely are they sold, and when they are, they might go for something like \$20 million. But, in 2018, McLaren revealed something called the Speedtail, a kind of throwback to the F1. Like the F1, this car has three seats—one up front and two in back. Like the F1, only 106 were made. I tried to buy one, but could not. All 106 were already purchased. Still, a used Speedtail was going to be considerably more attainable than an F1.

About a year ago, I started to hunt around. I found a Speedtail for sale in Japan, but quickly realized how difficult it was going to be to get it into the country. McLaren did not crash-test enough cars to meet all the U.S. regulations, so you need a special "Show and Display" permit to import the car and to drive it. I kept looking.

I found one in California that was silver with an orange interior, which I love. My boat is silver with an orange

interior, and some of my cars are silver with an orange interior. So, this had to be the one. After a bit of negotiation, I closed the deal. The car only had about 700 miles on it.

I took possession of the Speedtail this month, got my "Show and Display" permit, and I have been driving

I am a big guy, so a lot of supercars are not comfortable for me. But this car has just one seat up front so it's very comfortable, and easy to get in and out. Most of my other cars are two-seaters. This one has three seats, so I can fit both of my kids in it. That was a major



Gil Dezer needed a special 'Show and Display' permit to drive his Speedtail, which can reach a speed of 250 mph.



it ever since. Miami has great roads and highways. The McLaren's hybrid engine system delivers such smooth and instant acceleration, it's bananas.

The car is electronically limited to 250 mph, but I have heard that it would go faster if it was not limited. [According to McLaren, the Speedtail is the fastest customer car the company has built.]

motivator to buy the car in the first place.

The Speedtail is the closest I could come to having the car of my dreams from when I was a kid. Since it arrived, I cannot stop looking at it. The only downside? When I am out on the road, people are constantly surrounding the car and taking pictures. I am just happy to have it and to share it with the world.

MELODY TIMOTHÉE FOR THE WALL STREET JOURNAL (3)

## ARTS IN REVIEW



Interior view of Wu Tsai Theater and David Geffen Hall at Lincoln Center

By MICHAEL J. LEWIS

## ARCHITECTURE REVIEW

## A Renovation That Hits All the Right Notes

**W**hen Max Abramovitz revealed his plans for Lincoln Center's Philharmonic Hall in 1959, the public was told that "the matter of acoustics has been given preference to every other consideration." If only this had been true. He designed the building to seat 2,400, far more than he thought ideal, but even that number fell short of Carnegie Hall, the orchestra's previous home. He was pushed to enlarge the auditorium past the breaking point, accommodating 2,646 seats. So much for acoustics being the primary consideration.

Predictably, what had been projected to be "the finest musical instrument in America" turned out to be an aural shipwreck. There immediately began the first of a long series of attempts to fix the space's sound quality, to all of which it has proved stubbornly impervious. On Oct. 8, the hall—now David Geffen Hall, and which had been known from 1973 to 2015 as Avery Fisher Hall—reopened after a \$550 million renovation that tries once again to set things right.

If multiple considerations were in play, including the desire to make the building more welcoming and accessible, acoustics definitively took precedence this time. Diamond Schmitt Architects and their collaborators, Tod Williams Billie Tsien Architects, happily deferred to their acoustician, Paul Scarbrough. The number of seats has been reduced to a manageable 2,200 while the proscenium has been eliminated, letting the stage be brought forward and backed by a rear parterre. All this gives a palpable sense of intimacy.

The acoustic challenge is al-



ways to reflect sound while avoiding harsh echoes, and the great concert halls of the 19th century did this by means of their richly textured architecture, their columns, cornices and ornamental panels that serve to break up the sound. The architects of Geffen Hall achieve this by abstract means, balancing expanses of plain wood wall with passages that are

gathered together in a linenfold pattern, like pleated drapes. The result is a warm enclosure of melow beechwood that glows like a chalice of honey.

Diamond Schmitt made the initial master plan while the detailing of the interior spaces was assigned to Williams/Tsien. They faced an unusual challenge. They were not to touch Abramovitz's original facade,

while the form of the auditorium within was dictated by acoustic considerations, leaving them only the intermediate spaces to shape. These spaces had to be attractive in their own right but also lead seamlessly from the facade of 1962 to the auditorium of 2022. Especially critical was the lower level, a businesslike lobby, rimmed by ticket windows and escalators, that one moved

through as quickly as possible.

Williams/Tsien swept this all away, pushing the ticket office into a corner and opening up the space to make it the natural extension of the plaza outside. In effect, it is now a community living room, furnished with movable chairs and sofas—upholstered in cheerfully loud, bright stripes—and a patterned blue carpet. The insistence on accessibility is not the customary fraud. At the back of the space is a 52-by-8-foot, 42-million-pixel digital screen where the performance above can be viewed by those who cannot afford a ticket. (And what a nifty way to introduce someone to the world of serious concert performance.) Mr. Williams, who told me he is not a fan of digital displays as an architectural element, had the inspired idea of treating it as a kind of movie screen, framed by abstract gold curtains and gathered under a shallow dome that gives what would otherwise be nothing but a very widescreen television the dignity of cinema.

Upstairs, on the main level, the vista is dazzling, a clear sweep across the front of the building, forming a spacious lobby that pours outside onto the broad loggia. Here is Williams/Tsien's characteristic sensitivity to color and surface texture, the palette of deep blue and gold reprising that of the original building. Large orange flower petals decorate the wall leading to the auditorium, continuing inside on the fabric of the seats. It is a felicitous metaphor for music, rose petals falling gently from above, and is derived from the Roman custom of dropping rose petals into the oculus of the Pantheon on Pentecost Sunday. The motif continues on the seats—and, from front to back, the blue of the fabric is increasingly given over to the orange petals, as if they were being blown outward by the gentle force of music.

During their tour, the architects spoke of their wish to create a new kind of glamour. And so they have, with a Midcentury Modern revival that pays tribute to the original building even while suggesting relief that it is no longer 1962. Williams/Tsien have done all that they were asked to do, and with winning charm and sparkle. But might they have been asked to do more? To hear music in public is to be part of public life, and architecture gives depth and resonance to that life. This is that quality that was quaintly called decorum, the notion that a building might suggest to us how we should dress and how we should behave. The auditorium of Geffen Hall certainly aspires to decorum while the community living room below seems content to offer decoration, which is not the same thing.

*Mr. Lewis teaches architectural history at Williams and reviews architecture for the Journal.*

## MUSIC REVIEW

## An Auditorium's Sound in Concert at Lincoln Center

Much improved acoustics at the NY Phil's home

By BARBARA JEPSON

**M**y biggest concern, as the re-opening of David Geffen Hall at Lincoln Center approached, was that its much-touted, \$550 million reconfiguration would be mainly cosmetic. After all, the acoustical problems plaguing its auditorium—home to the New York Philharmonic and other Lincoln Center events—had proved particularly recalcitrant, largely foiling seven "expert" attempts at improvement over six decades.

While this handsome new performing space, recently named Wu Tsai Theater, is not all I hoped for, it's better than what I've experienced in my five previous decades of concert-going there. The stridency is gone, unless the composer or conductor calls for it. The orchestra's brass section sounds more mellow, at least as heard from five different seating locations at three concerts. During the "Allegro: Juba" movement of Florence Price's ingratiating Symphony No. 4 in D Minor on Oct. 20, even the quietest playing by principal oboe Liang Wang projected well to the back of the first tier. (Galas and free events between Oct. 26 and Oct. 30 conclude Geffen's official celebration.)

Best of all, several orchestra members have publicly stated they now hear themselves and each

other better onstage—an important objective of the project. Previously, the stage's tapered ceiling delivered too much distracting sound back to the players. Acoustician Paul Scarbrough of Akustiks raised the ceiling beneath the new, adjustable acoustical canopies by four to 14 feet. Whether or not this contributed to the Philharmonic's heightened cohesiveness, dazzling coloristic effects and increased ability to sustain whisper-soft pianissimos in "My Father Knew Charles Ives" by John Adams on the Oct. 12 program, it bodes well for the future. Both the orchestra and its music director, Jaap van Zweden, will continue to evolve as they adapt to their changed environment, and the acoustical settings of Wu Tsai Theater will be tweaked to find ideal standard settings for unamplified and amplified performances.

The biggest disappointment is that the sound in this modified shoebox theater still decays quickly, with little reverberation, or bloom, although the instruments on the highest onstage riser have proved an occasional exception. By contrast, such great 19th-century halls as the Musikverein in Vienna, Symphony Hall in Boston and Carnegie Hall in New York bathe the music in a warm afterglow. Raising the ceiling of the Geffen Hall exterior might have helped; reverberation is primarily achieved by providing sufficient

auditorium, designed by Diamond Schmitt Architects, a "vineyard," or surround hall. The stage was brought forward by 25 feet, reducing the number of seats to about 2,200 from roughly 2,700, with seating for chorus or audiences behind the stage. This fosters greater intimacy between listeners and performers. The less formal layout suits our times, and the clear, less reverberant atmosphere may be more compatible with the diverse programming being presented at Geffen Hall today.

Geffen Hall also has a new concert venue, Sidewalk Studio, for "NY Phil @ Noon" and other events. Glass walled on two sides, it seeks to lure new listeners. The first event, on Oct. 13, featured seven orchestra members and guest pianist Helen Huang in chamber music by Mozart and Schubert. The sound was clear and never overpowered the long, claustrophobically narrow room, which seats up to 175 individuals.

New in-house theatrical and amplification equipment will enhance the presentation of multimedia works, such as the Lincoln Center-commissioned "San Juan Hill: A New York Story," which had its premiere on Oct. 8. This riveting 75-minute piece by jazz trumpeter/composer Etienne Charles was

written for his top-notch combo, Creole Soul, the Philharmonic and guest artists. It commemorates the vibrant musical heritage of the Afro-Caribbean neighborhood bulldozed to build Lincoln Center. Against a projected backdrop of archival images, filmed reminiscences and colored patterns, Mr. Charles brewed a heady mix of jazz, swing, blues, Caribbean music and turntablist scratches, delivered with virtuosic intensity by all.

The U.S. premiere of Pulitzer Prize-winner Caroline Shaw's "Microfictions, Vol. 3" on Oct. 20 was written for the Philharmonic and the superb vocal ensemble Roomful of Teeth, to which she belongs. The piece juxtaposes Ms. Shaw's characteristic vocabulary of humming, sighing, wordless singing, contrapuntal speaking and other techniques against a mostly lively orchestral accompaniment. But while the fourth and fifth sections were engaging, the level of overall invention did not sustain the work's 30-minute length.

What lingers in memory were the most musically insightful performances. Topping the list was "My Father Knew Charles Ives," an ingeniously orchestrated, nostalgic work by Mr. Adams ranging from quietly reflective to raucous. Mr. Van Zweden communicated the air of mystery in the atmospheric second movement and elicited a rush of feeling from the strings near the final section's end. Principal trumpet Christopher Martin played his questing solos with liquid tone and poignancy. Here, hall and musicians complemented each other in new-found harmony.

*Ms. Jepson, who is retiring as a music reviewer, has written about classical concerts, recordings and musicians for the Journal since 1983.*



Jaap van Zweden conducts the New York Philharmonic Oct. 20

air volume per concertgoer. But according to Mr. Scarbrough, that would have meant a longer, costlier construction process, so he added volume by widening the third-tier sidewalls.

Another crucial decision was to make Wu Tsai's blond beechwood

# SPORTS

## World Series Is Set: Phillies vs. Astros

Philadelphia won the National League pennant in part by improving its defense

By TIM BROWN

### Philadelphia

The long shot Philadelphia Phillies are headed to the World Series for the first time in 13 years. They covered the last bit of ground Sunday afternoon, on Bryce Harper's two-run home run in the eighth inning of a rain-soaked Game 5 of the National League Championship Series at Citizens Bank Park.

In a best-of-seven series that pitted two wild-card teams, the Phillies won three in a row at home, the last by 4-3 against the San Diego Padres.

Last to qualify for the 12-team postseason in an 87-win regular season that seemed intent on identifying the team's flaws, the Phillies nevertheless discovered their better game as summer turned to fall. In no area did they come further than they did defensively, which allowed their pitching and offense—Harper batted .400 in the NLCS, including his opposite-field home run through the raindrops on Sunday against Padres reliever Robert Suarez, and Rhys Hoskins hit four home runs, for two—to shine.

The offense could carry the Phillies because of the work the team had put into shorting up its woeful defense. Late Friday night, when the Phillies had done all they could to lose and then win Game 3 of the NLCS, coach Bobby Dickerson eased through their clubhouse, stopping at a locker, running a hand over a shoulder, rekindling a process that doesn't really ever rest.

Dickerson is in charge of the Phillies' infield defense, which had just had itself another one of those days—some good, some not, and in the end everybody left breathless but still standing.

They tell themselves they can be proficient at the catching and throwing of baseballs, and sometimes they are. They also tell themselves to move on from the mistakes, which, for better or worse, can be a running conversation.

As Dickerson is fond of saying, "You don't have to wait until tomorrow to have a good day."

That philosophy, along with a lot of mid-afternoon drills and the sort of buoyancy found in Walmart greeters and Peloton trainers, has the Phillies making their first World Series appearance since 2009.

By advanced defensive metrics, which are inexact, they are by far the worst defensive team remaining. By the more simplistic traditional statistics, however, that being fielding percentage, they are actually quite competent.

Generally, the Phillies catch the



The Philadelphia Phillies, above, celebrate after winning the National League Championship Series over the San Diego Padres in five games. It will be the Phillies' first World Series appearance since 2009. Left, third baseman Alex Bregman of the Houston Astros knocks in the go-ahead run in the seventh inning of Game 4 of the American League Championship Series on Sunday. The Astros begin play at home in Minute Maid Park against the Phillies in Game 1 of the World Series on Friday night.

balls that are hit right at them, though there are problem areas at the outfield and infield corners, and even that bare minimum wasn't met Friday night. They also have trouble with the difficult plays, according to the more complex analytical models, mostly because they don't get to balls other defensive players get to, and outs are lost in that foggy area of not-an-error-but-probably-should-have-been-made.

And then, just to keep the conversation lively and the baseball world guessing, the guy who saved Game 3 with his glove was Phillies second baseman Jean Segura, who a few innings earlier flat dropped a short flip from his shortstop.

In their first 10 postseason games the Phillies committed five errors, two by third baseman Alec Bohm, two by Hoskins and the one by Segura, and yet here they are, pitching around and rallying back from the gaffes that would sink most seasons.

Segura also had Game 3's critical hit—a two-run single that closely followed his inability to catch a lobbed toss, capturing the Phillies' tendency to injure themselves and then heal up before the groans are fully expressed.

"This game is about the mental part," Segura said late Friday night. "At the end of the day, we're going to make a mistake. That's the play that I probably made 3,000 times in my life, but for some reason I missed it...When you make a mistake, just keep going forward."

The Phillies have improved. Their inability to defend consis-

### They tell themselves they can be proficient at the catching and throwing of baseballs.

tently was a factor in ousting manager Joe Girardi in early June, and it was speculated—and perhaps exaggerated—that Girardi's taut demeanor had exacerbated an already vulnerable aspect of their game.

Rob Thomson stepped in, everybody took a breath, Bohm in particular seemed to benefit, and when it became clear their season teetered on their ability to catch the ball, Phillies players devoted a

little more time to that.

On Saturday afternoon, hours before Game 4, the Phillies held infield practice, the kind you would see before any high school game, a choreographed dance of two fungo hitters and two balls in play and seven infielders watching the ball all the way into their mitts.

Bohm, the 26-year-old former first-rounder with a soft voice and a big future at the plate, carries the flag for much of what the Phillies are trying to forget and accomplish.

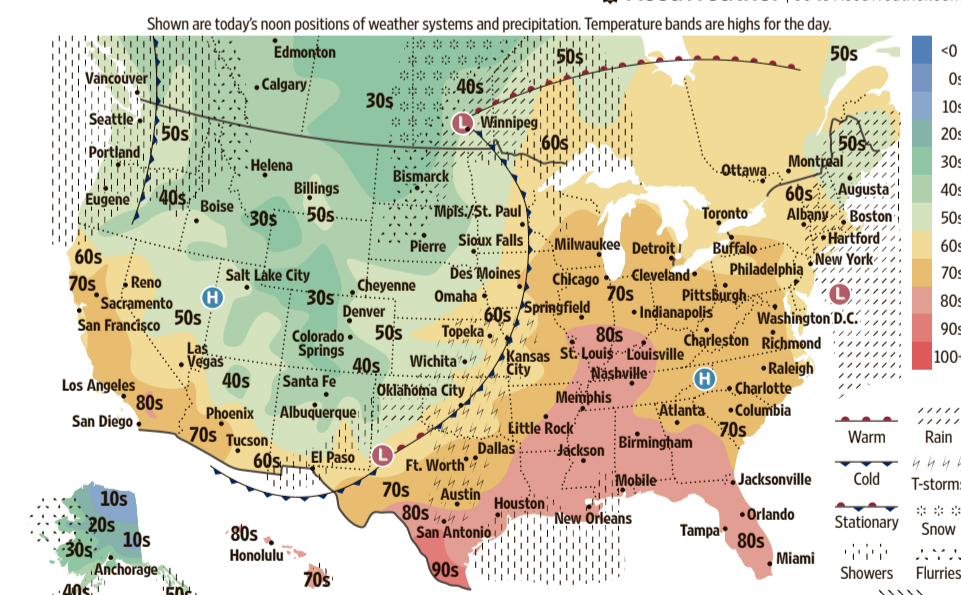
A difficult start to Bohm's season on the defensive side summoned boos at Citizens Bank Park. He was caught on video telling a teammate, "I [f—ing] hate this place," meaning his home ballpark and the people who populate it, a low point that also marked the beginning of a new effort to pull his pants up.

There has been progress. The errors haven't buried him. He batted .300 in the first three games of the NLCS. And when the doubts come, Bobby Dickerson isn't far behind them.

"You just gotta go through it," Bohm said. "Obviously with the start we had we've been through a few things."

### Weather

AccuWeather | Go to AccuWeather.com



### U.S. Forecasts

s...sunny; pc...partly cloudy; c...cloudy; sh...showers; t...tstorms; r...rain; sf...snow flurries; sn...snow; l...ice

Table with 3 columns: City, Today, Tomorrow. Lists major US cities and their weather forecasts.

Table with 3 columns: City, Today, Tomorrow. Lists major US cities and their weather forecasts.

Table with 3 columns: City, Today, Tomorrow. Lists major US cities and their weather forecasts.

Table with 3 columns: City, Today, Tomorrow. Lists major US cities and their weather forecasts.

### The WSJ Daily Crossword | Edited by Mike Shenk

Crossword puzzle grid with clues and answers.

### BACK TO THE OFFICE | By Lynn Lempel

- Across: 1 Front page material, 5 Shiny trim on a car, 11 Shop You Drop, 14 Beloved celeb, 15 Prince's counterpart in a Twain novel, 16 Lunch hour, for some, 17 Verbal abuse of a sort, 19 Overt intimacy, briefly, 20 Resin used in jewelry, 21 Long-standing quarrel, 22 Sacred bird of ancient Egypt, 23 Diplomacy, 25 Handel work, 27 Help in making the cut, 31 Calm interlude, 32 Mean mongrel, 33 Tomato and split pea, for two, 35 Some fountain shakes, 38 Elemental particle, 40 Walk with pride, 42 Artist with a museum in Barcelona, 43 Nation west of Nigeria, 45 Added to the staff, 47 Nonexistent, 48 Custardy dessert, 50 Ares or Apollo, 52 Pride symbol, 55 Falco of "The Sopranos", 56 Not working, 57 Brought into the world, 59 Arsonist or mugger, e.g., 63 Mashed taro dish, 64 Precursor to a transfusion, 66 Large coffee server, 67 It's between Africa and Arabia, 68 Norway's most populous city, 69 Cribbage marker

Houston sweeps New York Yankees and remains unbeaten in seven postseason games

By TIM BROWN

The end for the New York Yankees came on a long and often quiet Sunday night in the Bronx, a late and rare lead come and gone, their season with it.

They were swept from the best-of-seven American League Championship Series by the Houston Astros, who are unbeaten across seven postseason games and open the World Series on Friday night in Houston against the Philadelphia Phillies.

The World Series appearance will be the fourth in six seasons for the Astros, who overcame an illegal sign-stealing scandal and resumed their American League dominance.

The Yankees might have thought it was their turn once, but that was before the uneven second half of the regular season, before Aaron Judge and much of the rest of the offense cooled, and before the Astros arrived to show them what a complete team looked like. The Astros are the fifth team to open a postseason with at least seven consecutive wins. The record is eight, by the 2014 Kansas City Royals.

After batting .182 against the Cleveland Indians in a five-game division series, the Yankees batted .128 in the first three games of the ALCS. They scored three early runs against Astros starter Lance McCullers Jr. only to have their starter, All-Star Nestor Cortes, give up the lead and then leave in the third inning with a groin injury. Aided by an error at second base by Gleyber Torres, the Astros scored twice in the seventh inning for the 6-5 win.

They don't easily forgive these kinds of outcomes in the Bronx, and certainly not a protracted string of them. Winners of 99 games in the regular season, the Yankees had spent several months being compared to the greatest teams in their history. And now they have played 13 seasons without a World Series appearance.

Since 2010, the year after their last World Series title, the Yankees have reached the ALCS five times and lost all five of them, a first for any franchise. The four-game sweep was only the fourth suffered by the Yankees in their history. An organization that counts World Series titles and little else, the Yankees will be stuck on 27 championships for at least another year.

Judge, the Yankees' towering slugger, spent the season chasing legends Babe Ruth and Roger Maris for the team and American League home-run records. In the season's final days, Judge eclipsed them both, with 62 home runs, but for a team that had long before lost its first-half momentum. Judge can be a free agent when the season is over.

### Previous Puzzle's Solution

Grid for the previous puzzle's solution with words filled in.

The contest answer is the BALTIMORE ORIOLES. As suggested by the central hint FOUR OUT / OF SEVEN, taking the fourth letters of the seven-letter answers in the grid spells the contest answer.

## OPINION

## Make the Metaverse a Sandbox



**INSIDE VIEW**  
By Andy Kessler

Apple CEO Tim Cook was asked recently about the dreaded green bubble—the one that appears when you send a message to someone without, gasp, an iPhone running the proprietary iMessage app. But it's worse than that. His questioner added, "I can't send my mom certain videos and she can't send me certain videos and so . . ." Mr. Cook interrupted with a chuckle and said, "Buy your mom an iPhone." Corporate hubris usually precedes a downfall.

Interoperability can make or break technology, and much is still broken. Many Google apps don't work well on an iPhone. Why? Apple wants you to use its apps, interoperability be damned. The iPad only recently added support for a mouse, but it's not good enough for iPads to replace Mac computers and laptops. Why? To protect Apple's \$35 billion Mac business. Users suffer. Technology has a long history of ignoring interoperability. America Online ran its business like a walled garden. More hubris that didn't end well. It even had two messaging services, AOL Instant Messenger and ICQ (I seek you), that couldn't send messages to each other until 2003.

In 1990 a judge ruled that competitors infringed Lotus Development's copyright on its

1-2-3 spreadsheet's command structure and keystrokes. But it turns out that file formats can't be copyrighted or patented, allowing Microsoft Excel to read and write Lotus 1-2-3 spreadsheets. This interoperability was a boon to users, though in the end not so good for Lotus, as the company didn't innovate enough beyond spreadsheets. To protect its Windows operating system, Microsoft was slow to embrace internet protocols like TCP/IP and mobile standards such as Bluetooth and lost its edge in both.

Standards matter. Think of road widths, gasoline mixtures and lights that don't blind opposing drivers. The 120/220 volt electricity divide was fixed via sensors that allow travelers to use their computer and phone chargers universally, although with different plugs. AA batteries were introduced in 1907, standardized in 1947, AAA in 1911 and 1969. Cellphone standards were another benefit to users and keep evolving—6G isn't coming until 2030 or so.

Which brings me to the Metaverse, an awful moniker for the nascent three-dimensional online world where we will eventually work, learn and play. I'd prefer names like the Hive or the Vortex (franchising opportunities available). Whatever we call it, there are no real standards for avatars, clothing, motion, weapons, speech or architecture.

To figure this out, Facebook aka Meta announced the purchase of Within, maker of vir-

tual-reality fitness app Supernatural. Almost immediately, the Federal Trade Commission fought the purchase. Yes, there should be some caution about one company monopolizing the Metaverse the way Apple monopolizes the iPhone ecosystem and discriminates within iMessage. But the market is still tiny. The Journal reports Meta's Horizon Worlds has a meager 200,000 monthly active users so far.

### Let tech firms acquire all they want, but on the condition of open platform standards.

Some form of the Metaverse will happen, but we're still in the Palm Pilot stage of development—clunky, expensive equipment and low-resolution offerings that don't do much. That will change. Reinventing education alone will make it worth it. Who cares if Meta buys a fitness app? In Silicon Valley, many companies are bought not for their products but for their people. This is known as acquisition hiring, or "acquihires." Heck, some venture capitalists build companies just to be bought.

My free-market instincts make me allergic to government intervention. Instead, as in financial markets, government's role is to set up rules for the sandbox and then let everyone play in it. Let the best sand castle win. Make

sure everyone can get in and out of the sandbox on equal terms. We almost have to let Meta or anyone buy companies early in the development of the Metaverse to tinker with applications and business models and prove to others what works, enticing them to join in.

If I were the FTC, I'd let Meta, Microsoft or Google make as many acquisitions as they want for the next decade, but only in exchange for open standards and interfaces so that competing firms can build their own version of this space to connect and be interoperable with what already exists. Governments are involved with standards—the National Institute of Standards and Technology is part of the U.S. Commerce Department. But instead of defining details of these new worlds, the focus should be on sensible interfaces and application programming interfaces so everyone can access the sandbox.

When there are standards for basic technology formats and protocols, battles move higher up the value chain, to more important things, such as delivering real productive services rather than worrying if things made by Google will work with things made by Meta. This would benefit us all rather than letting Tim Cook protect long-in-the-tooth products such as the iPhone. Standardizing the past is what will force innovators to buzz the Hive or swirl the Vortex and invent the future.

Write to [kessler@wsj.com](mailto:kessler@wsj.com).

**BOOKSHELF** | By Martha Bayles

## Listen and You Shall Hear

### Cold War Radio

By Mark G. Pomar  
(Potomac, 307 pages, \$34.95)

Mention the Voice of America or Radio Free Europe/Radio Liberty to most Americans, and they will give you a blank look. Or they'll say, "Hmmm, wasn't that a Cold War thing?" It was indeed a Cold War thing but much more. Today these two services have grown to five, collectively referred to as the U.S. Agency for Global Media, which use every existing platform—including radio where needed—to connect with a global audience of nearly half a billion people.

Unlike the BBC World Service, these services were not built on a pre-existing domestic one, so their names have never been household words. This low profile, so painfully different from that of the BBC, can be frustrating for the Americans who staff the agency. But it amuses Mark Pomar, an American scholar of Russia who between 1982 and 1986 was assistant director of Radio Liberty (the Russian service of RFE/RL) and director of VOA's U.S.S.R. division.

In the preface to "Cold War Radio," his insightful, absorbing account of the remarkable work of these services, Mr. Pomar recalls an incident from 1984, when he traveled to Cavendish, Vt., to interview the exiled author Aleksandr Solzhenitsyn. Checking into his hotel, Mr. Pomar announced that he was from Voice of America, and the clerk asked if that was "a national singing group."

Today it seems obvious that VOA would interview Solzhenitsyn. Yet in 1984 VOA was still keeping its distance from the famous dissident, because it was (and is) a federal agency answerable to the State Department. And many at State were still committed to détente, the policy that regarded open criticism of the Soviet leadership as a barrier to nuclear-arms control.

To President Ronald Reagan, détente was "a one-way street that the Soviet Union has used to achieve its own aims." So in that spirit, Mr. Pomar spent three days recording 20 hours of Solzhenitsyn reading from "August 1914," the first in a cycle of novels about the travails of modern Russia. Despite being nine parts polemic to one part literature, the edited on-air reading was a success, and Solzhenitsyn joined the list of distinguished émigrés whose bonds with Russia, ruptured by repression, were partially mended by America's "Cold War radios."

These Cold War services, including the Eastern European divisions of VOA and Radio Free Europe, were staffed primarily by émigrés who spoke the language of their homelands and understood their history, culture and politics. Today's Agency for Global Media, working in a drastically different environment, still relies on émigrés to push back against a global tide of disinformation and propaganda lavishly funded by state and non-state actors hostile to democratic ideals. And it does so in 62 languages, on a budget that peaked this year at a modest \$840 million.

Mr. Pomar's book does not address the transformations of the past 30 years, but his thoughts on the subject would be valuable, because some things never change. "The most precious gifts we could give our listeners," he writes of his Cold War tenure, was "the sound of vivid, highly individual broadcasters who not only spoke of freedom but also lived that freedom in their voices." No book can capture sound, but his does the next best thing: It describes the actual programming.

### The norms of Western discourse—lest we forget—were a key part of the message being broadcast into Eastern Europe and the Soviet Union.

A fluent Russian speaker, Mr. Pomar has spent hundreds of hours listening to recordings of programs aired from the 1970s to the 1990s. Many were devoted to culture: dramatic readings of samizdat works by writers such as Alexander Ginzburg and Vladimir Bukovsky; interviews with artists such as the opera star Galina Visnevskaya and her husband, the cellist and conductor Mstislav Rostropovich; mini-concerts by folksinger-bards such as Bulat Okudzhava and Vladimir Vysotsky.

These people had all been erased (we would say "canceled") by the regime, so their commentary was implicitly political. But the radios also held explicitly political debates on extremely divisive topics. And no matter how heated these exchanges, the hosts insisted on maintaining "the norms and practices of Western discourse." Mr. Pomar reminds us (lest we forget) that these norms and practices, so crucial to democracy, were an essential part of the message.

But here we enter deep waters. Of all the topics addressed by the radios, the most divisive was Russia's post-Soviet future. In 1982, when Mr. Pomar began working at Radio Liberty, it was widely if tacitly assumed that Russia would soon cast off the shackles of the moribund Soviet regime. But what then? Many émigrés envisioned a future of free markets, civil society and liberal democracy. But others hoped for a new and more powerful Russia, ruled by a strong virtuous leader, in which Slavic culture and Orthodox Christianity would be fused.

Before Mr. Pomar's arrival, a key Radio Liberty program, "Russia: Yesterday, Today, and Tomorrow," had been sharply criticized for explicating this nationalist vision. To the more liberal-minded émigré community, Radio Liberty was wrong to give a platform to "age-old Russian xenophobia" and "the darker impulses of authoritarian rule." They had a point. Yet instead of banning the topic, Mr. Pomar found a new host: Gleb Rahr, a devout Orthodox Christian who had survived imprisonment in five Nazi concentration camps.

Rahr had been working at Radio Liberty since 1974, while also supporting the cause of freeing Orthodoxy from the Soviet grip. Mr. Pomar's detailed account of Rahr's tenure as host of this and other programs debating the place of religion and nationalism in post-Soviet Russia make for fascinating reading. Especially at the present moment, when the false piety and godless wreckage of Putinism threatens to consume much of the world.

Ms. Bayles is a fellow at the Institute for Advanced Studies in Culture at the University of Virginia and the film and TV critic for the *Claremont Review of Books*.



## Brazil's Left Tries to Gag Political Speech



**AMERICAS**  
By Mary Anastasia O'Grady

looks close.

How close is reflected in recent moves by Brazil's seven-member electoral tribunal, or TSE. Led by a notoriously anti-Bolsonaro judge, Alexandre de Moraes, the TSE has grabbed extraordinary powers and is using them to gag Lula critics.

Brazil's Constitution forbids censorship, and the court's brazen crackdown on free speech has alarmed the nation. But Judge de Moraes, who is also president of the Supreme Court, shows no sign of backing down. If Brazil's democracy is at risk, it's not, as the chattering classes allege, because of Mr. Bolsonaro.

The president finished second in the Oct. 2 first round, with 43.2% of the vote. Lula received 48.4%, about 6.2 million more votes than Mr. Bolsonaro. Another 8.5 million votes went to Simone Tebet, who finished third, and Ciro Gomes, who finished fourth. Their parties have endorsed Lula but the rank-and-file may not go along.

Ms. Tebet is from the state of Mato Grosso do Sul, which Mr. Bolsonaro easily won in the first round. Mr. Gomes

and his party have a long-standing grudge against Lula. Roughly 34 million voters who didn't cast a ballot in the first round could turn out Sunday.

Lula and the Workers Party hawk socialism as a cure for economic misery. His core constituencies are the very poor, the elite, the greens and the woke. Moderate social democrats have long dreaded Lula, but they're rallying around him because they loathe Mr. Bolsonaro.

The president's support comes from the working and middle classes, budding entrepreneurs who operate in the real economy, social conservatives, land owners and the agricultural industry. Popular center-right politicians like Romeu Zema, Novo Party governor of the state of Minas Gerais, and Tarcísio de Freitas, Republican Party candidate in the runoff for the governorship of São Paulo, are campaigning for him.

For-profit news and opinion channels that deliver content not offered by left-leaning media are also playing a role. The business has boomed and Lula doesn't like it.

The former president is particularly sensitive about his corruption conviction in 2017. It was overturned on a technicality in 2021 and he was released. But when Brazilians are reminded of what sent him to prison, they are apt to recall the enormous bribery and graft scandals that emerged during the 14 years—2003-16—when his Workers' Party held

the presidency. Lula has turned to Judge de Moraes for help.

By law the tribunal is supposed to judge "facts known to be untrue" during the campaign and has censored offenders. For example, it has legally censored the Lula campaign for its claims that Mr. Bolsonaro practices cannibalism.

### The Lula campaign moves to shut down public discussion of his conviction.

It doesn't, however, have the authority to approve or disapprove of public opinion. Nevertheless, on Oct. 13, responding to a complaint by the Lula camp, the court ruled that the media company Brasil Paralelo had to remove content that discussed his conviction because it contained "disinformation, altering the reality of events related to corruption, affecting Lula's honor and image."

The TSE magistrate assigned to report on court proceedings—along with two other magistrates—dissented. He pointed out that the material in question was "based on journalistic articles with facts declared during the period in which Lula was at the head of the Federal Executive Branch, 'so there is no plausible justification for its withdrawal,'" according to the TSE website.

On Oct. 18 the court went

further, instructing YouTube to demonetize four Brazilian channels, including Brasil Paralelo, on grounds that they carry fake news. On Thursday came the TSE resolution. As Brazilian journalist Diego Escosteguy explained on the news website O Bastidor last week, the TSE granted itself the power "to arbitrate what is true or false in the political debate" and to "suspend accounts, profiles and channels" and ban Brazilians from "entire platforms."

Last week the court censored former Supreme Court President Marco Aurelio Mello because he dared to say that Lula was never acquitted. The statement is true even if it makes Lula bristle.

To demonstrate how far from Brazil's free-speech norms the TSE behavior falls, Mr. Escosteguy quoted Judge de Moraes, writing from the Supreme Court bench in 2018: "The fundamental right to freedom of expression is not only aimed at protecting opinions that are supposedly true, admirable or conventional, but also those that are dubious, exaggerated, reprehensible, satirical, humorous, as well as those not shared by the majorities. It should be noted that even erroneous statements are under the protection of this constitutional guarantee."

Now the electoral tribunal wants to dispense with these civil liberties. It makes one wonder what Brazil will look like if Lula wins.

Write to [OGrady@wsj.com](mailto:OGrady@wsj.com).

## U.S. Gets a Head While U.K. Has a Ball

By Richard Minter

The Daily Star, a British tabloid, wondered what would win first, Prime Minister Liz Truss or a "ball of lettuce." It wasn't the first time that Americans were flummoxed by British idioms.

Americans would say "head of lettuce," and that's how most U.S. publications described the vegetable in the Star's cheeky gag. The New York Times had an internal debate and ended up using both "head" and "ball."

The controversy over Ms. Truss's proposed supply-side tax cuts, abrupt retreat and rapid resignation featured a lot of classic Britishisms that left Americans wondering. Some words were intelligible but unfamiliar. When Charles Walker, a Conservative member of Parliament, was asked by the BBC about Ms. Truss's future, his remarks were retweeted widely: "This whole affair is inexcusable; it is a pitiful reflection on the

Conservative Party at every level. I have had enough of talentless people putting their tick in the right box, not because it's in the national interest but because it's in their own personal interest to achieve ministerial position." An American would "check" the box, not put a "tick" in it.

### American and British English grew apart but may be starting to converge again.

Or consider this tweet from another Conservative member of Parliament, Nadine Dorries, referring to Ms. Truss's predecessor, Boris Johnson: "Conservative MPs removed the PM people wanted and voted for with a stonking big majority less than three years ago." Stonking means great or overwhelming, like an artillery barrage.

As Americans increasingly read British papers online, they are bumping into puzzling Britishisms and even adopting some. The Telegraph noted in 2018 that Americans had picked up "dodgy," "bespoke" and "twee." These days younger Americans may say that an outfit is "smart," meaning attractive, or a person "clever," meaning simply intelligent as opposed to the American sense of ingenious.

It may feel like cultural ventriloquism to traditionalists, but that's how languages evolve. When the English colonized America in the 1600s, they brought many regional words with them. New England was largely colonized by people from East Anglia, Virginia and Maryland by those from Britain's Southwest.

Regional words like "frying pan" in Massachusetts and "skillet" in colonial Virginia were preserved and became distinguishing features of the Yankee and Southern

dialects. Other words took on different meanings: "Holler" refers to shouting in the Northeast and a valley between two mountains in the South. Some words, like "got-ten," died out in the land of their birth. Englishmen today use "got" as the past participle of "get."

New technology also led the English and the Americans to invent different words for the same thing; what amateur linguists refer to as the "windscreen vs. windshield" problem. But after centuries of the English language growing apart, the internet and streaming shows such as "Ted Lasso" may be knitting it back together again.

The title character of that Apple TV comedy-drama is an American football coach who goes to work for a British "football" team. Some differences may prove impossible to bridge.

Mr. Minter is CEO of Zenger.news.

## OPINION

## REVIEW &amp; OUTLOOK

## The Legal Fight Over Student Loans

It ain't over 'til it's over, and that's true in court as well as sports. The Biden Administration was set to begin forgiving student loans as soon as this weekend after a federal judge on Thursday dismissed a legal challenge by several states. But the Eighth Circuit Court of Appeals late Friday issued a stay while it considers the states' appeal.

The half-a-trillion dollar question before the Eighth Circuit is whether the states have demonstrated a concrete and particular injury that gives them standing to sue. Federal judge Henry Edward Autrey, a George W. Bush appointee, ruled they did not, but the states' arguments deserve more consideration than his 19-page opinion provides.

Missouri argues that the loan forgiveness will lose revenue for its student-loan servicer, Higher Education Loan Authority of the State of Missouri (Mohela). State lawmakers established Mohela in 1981 to provide financial aid to Missouri students. State law deems Mohela "a public instrumentality" that performs "an essential public function."

But Judge Autrey held that Missouri lacks standing since "the legislature intended to create a self-sustaining and financially independent agency." If the Biden loan write-off costs Mohela, the judge wrote, the state of Missouri wouldn't be harmed.

That's debatable. Lawmakers often establish public agencies that are nominally independent but exercise sovereign government power and enjoy implicit taxpayer backing. Public pension funds and the U.S. Postal Service are examples.

Federal courts also sometimes grant states legal standing to vindicate their sovereign interests. See the state challenge to the Trump rescission of the Deferred Action for Childhood Arrivals program. Missouri plausibly argues that if Mohela loses revenue, its students will get less financial aid. The judge brushed aside this sovereign interest.

Nebraska and Arkansas separately argued that they would be injured because their state agencies are invested in privately originated Federal Family Education Loans (FFEL). The Administration made only Direct Loans eligible for forgiveness. The states say this has encouraged FFEL borrowers to consolidate into Direct Loans and cost the state agencies income.

But on Sept. 29, the same day the GOP states sued, the Administration brazenly tried to moot

the case by excluding future consolidated FFEL loans from cancellation. Judge Autrey indulged the Administration's gamesmanship. "The lack of the ongoing incentive to consolidate defeats the claims of Arkansas and Nebraska," he opined.

Not so fast. The Supreme Court has frowned on government defendants that cynically try to moot cases. That's what the Biden Administration tried in *West Virginia v. EPA* when it claimed to be revising the Obama Clean Power Plan. Ergo, it argued, West Virginia and other plaintiffs lacked standing.

The High Court rolled its eyes. "Voluntary cessation does not moot a case" unless it is "absolutely clear that the allegedly wrongful behavior could not reasonably be expected to recur," the Court wrote, citing a precedent, adding that the Biden Administration "nowhere suggests that if this litigation is resolved in its favor it will not" reimpose similar regulation.

The same goes for President Biden's loan forgiveness. The Education Department's Sept. 29 announcement even stressed that it "is assessing whether there are alternative pathways to provide relief" to borrowers with FFEL loans. If the state lawsuit is tossed, Mr. Biden might later discharge consolidated FFEL loans again.

The standard for injunctive relief requires plaintiffs to show they are likely to suffer irreparable harm and succeed on the merits. Judge Autrey didn't address either, but the GOP states make a strong case for both. It's irrefutable that Congress didn't give the President authority to discharge hundreds of billions of dollars in student debt.

\* \* \*

Mr. Biden on Friday took a victory lap, claiming falsely that Judge Autrey and the Supreme Court said "we're on Biden's side." He was alluding to Justice Amy Coney Barrett's rejection on Thursday of an emergency request for injunctive relief by Wisconsin's Brown County Taxpayers Association.

Justice Barrett didn't explain her reasoning, but general burdens on taxpayers aren't considered to be a particular or concrete injury. It's ironic, to say the least, that Mr. Biden is claiming that Republican-appointed judges are on his side. Days earlier he denounced the High Court as a conservative "advocacy group." But he shouldn't claim victory too soon because the Eighth Circuit will still get a say.

## Of Catholics and Communists

Even as Xi Jinping was being crowned as China's unchallenged dictator, the Vatican said Saturday it has renewed its agreement with the Chinese Communist Party. This is the second renewal since the deal was brokered in 2018, though there's little progress on religious freedom to show for it. Its main contribution has been to mute Vatican criticism of human-rights abuses, from the genocide of the Muslim Uyghurs to the political prosecution of Cardinal Joseph Zen in Hong Kong.

The deal gives Beijing a say in the appointment of Catholic bishops, but it's telling that its terms are secret. A handful of mostly pro-Beijing bishops have been appointed. But the National Catholic Register reports that 36 of China's 98 dioceses lack a bishop.

All this comes as China insists that priests and bishops serve the interests of the ruling and atheistic Communist Party. Yet Pope Francis, who is so critical of the U.S. and capitalism, is silent on China. This is a return to the Vatican's failed Ostpolitik of the 1960s and 1970s, when Rome muted criticism of the Soviet

Union and its East European satellites.

Cardinal Pietro Parolin, who as secretary of state is the most powerful man in the Vatican after Pope Francis, has acknowledged limited progress from the deal but last month on Italian TV said it is imperative to assume Beijing's "good faith." The use of "faith" in that sentence is appalling since China's Communists repudiate all religious faith. China has also done nothing to merit this presumption.

In the history of the papacy, perhaps nothing was as thrilling—even for non-Catholics—as the election in 1978 of a Polish pope from behind the Iron Curtain. "Be not afraid," Pope John Paul II would tell believers, and he set the example by morally challenging regimes such as the Soviet Union and using his papacy to bring the plight of the forgotten and persecuted to the world's attention.

The current Vatican's motto is: be afraid. Pope Francis has given the Chinese Communist Party a free pass on its inhumane behavior, and in so doing he has compromised the moral authority of the Catholic church.

## The Vatican renews its bad deal with Beijing that ignores abuses.

## The soaring illegal crossings are hurting the immigration cause.

## Biden's New Border Record

President Biden didn't mention this at his media event on Friday, but his Administration can take credit for a new record: More than 2.7 million enforcement actions against illegal crossers at the U.S.-Mexico border in fiscal 2022, which ended Sept. 30.

Customs and Border Protection released the news Friday without fanfare, and no wonder. The agency tallied 227,547 encounters along the border in September, up 12% from August and 18.5% from a year earlier.

The September surge pushed enforcement actions for all of fiscal 2022 to 2.77 million, more than a million more than the 1.72 million in fiscal 2021, which was the previous annual record. The border state mayors and Governors aren't making it up when they say they are overwhelmed by the illegal crossers.

There wasn't much media coverage of this milestone on the weekend, but some of the details are illuminating about the monumental failure of U.S. immigration policy. About 19% of migrants apprehended in September were repeat offenders, meaning they had been encountered at least once in the previous 12 months. This reflects that the border is so porous that migrants will keep coming even if they are arrested once or more. They know they'll get through sooner or later.

A second theme is the rise of migrants from the tyrannies in Cuba, Venezuela and Nicaragua. In September, 77,302 individual migrants encountered were from the three socialist failures

compared with 58,068 from Mexico and northern Central America.

This reflects the incentives sent by U.S. asylum policy, which allows even economic migrants claiming asylum to remain in the U.S. until their claims are heard by immigration judges. That can take months or years. The message is that migrants from these countries have a decent chance of making it into the U.S., and staying when they do.

The U.S. needs to tighten its rules on asylum to send the message that not everyone in the Western hemisphere can come to the U.S., but the Biden Administration and Democratic leaders in Congress won't act.

By the way, these are the migrants you read about who are bused or flown from the border to cities across the country. Most of those flights and buses aren't sent by GOP Governors. They're sent by the Biden Administration, which wants to ease the pressure on border regions. But that's why mayors such as Eric Adams in New York are declaring emergencies as they cope with the new arrivals.

All of this represents an American political failure, of which there are many these days. It is also doing great harm to the cause of legal immigration. The perception of an essentially open border is building a political backlash in favor of more restrictionist immigration policies. The bitter truth, which the left won't admit, is that Mr. Biden's border failure has done more damage to the immigration cause than Donald Trump's policies ever did.

## LETTERS TO THE EDITOR

## Germany Leaves Its Natural Gas in the Ground

Regarding Walter Russell Mead's "Germans See Affluence Ahead" (Global View, Oct. 18) and Joseph Sternberg's "Germany Finally Says the F-Word: 'Fracking'" (Political Economics, Oct. 7): My firm's geologists had researched European shale resources. We estimated that, with fracking, Europe had about 700 trillion cubic feet of recoverable natural gas, enough to power the continent for 50 years. I was asked to present this information to the energy-security-policy leadership (*Energie Sicherheitsführung*) of the German parliament in April 2006.

At the time Germany was already planning to expand its gas pipelines to Russia. That natural gas cost around \$17 per million British ther-

mal units, compared with a cost of \$3 at home. I asked the leaders to imagine the positive effects of being able to power their economy from local resources and in that price range. Their faces showed stunned disbelief. As one of their Ph.D.s explained in German: "A Halliburton truck fracking on a German hill? Never, never!"

Following the meeting, they budgeted the princely sum of 300,000 euros to study what I had presented, but they decided to stick with the pipelines. The Germans can't say they weren't warned.

MARK AMMERMAN  
Houston

Mr. Ammerman was global head of energy at Scotiabank.

## The Supreme Court Is Right to Stick to Law

Walter Smith, who has argued several cases before the Supreme Court, writes, "The court's majority has made clear that it doesn't care about public opinion or many of the harmful consequences of its decisions" (Letters, Oct. 21). But that isn't the court's job.

The Supreme Court is charged with upholding the current laws of the United States. If those laws and their consequences are unsavory to the American people, then they should elect representatives to pass new laws. But if mommy won't give you what you want, you don't get to run to daddy.

KEITH PALMER  
Schodack, N.Y.

Mr. Smith quotes Abraham Lincoln, who once said, "Public sentiment is everything. With public sentiment,

nothing can fail. Without it, nothing can succeed."

Public sentiment may be everything—but that is in politics, not in interpreting the law. Courts must follow the law as written. If they don't, and if instead they base their decisions on public opinion, then there is no rule of law. There would be only the ever-changing winds of partisan politics and opinions—and not necessarily majority opinion either, but an elite minority's.

MARK GODBURN  
Norfolk, Conn.

The Supreme Court looks to the Constitution as the basis for its decisions. Mr. Smith is thinking of "the court of public opinion," something else entirely.

HEIDI CURRIER  
Wildwood, Mo.

## Joseph Warren Was a Patriot to Remember

Mark Spencer's review of Stacy Schiff's "The Revolutionary: Samuel Adams" (Fall Books, Oct. 8) provides an insightful look at a historical character about whom, as Mr. Spencer puts it, history has forgotten more than it has remembered. While Samuel Adams is remembered as the father of the American Revolution and lives on in the eponymous beer, I'd like to bring attention to his contemporary and even more forgotten com-patriot, Joseph Warren.

Warren was involved in nearly every major insurrectionary New England event in the decade leading to independence. He delivered two fiery Boston Massacre orations and was instrumental in planning the Boston Tea Party. After Parliament shut the

## Profanity Is a Young Man's Game—at Least It Should Be

Regarding Fay Vincent's op-ed "Less 'Joe,' More 'Mr. President'" (Oct. 19): Profanity fascinates us when we are kids but becomes burdensome as adults.

In the beginning, profanity is raw, toxic, slick and pungent, not to mention a bit infectious. No one takes the words as literature. It is all about the anger and frustration. As it ages, however, it dries out, becomes ubiquitous and loses potency, leaving us with an irritating nuisance to get rid of. Regardless of what the pundits say, we all know that in the end it is simply the quick and easy way for the overstressed mind to express extremes. We abandon all attempts to carefully translate feelings into articulate and comprehensible sentences, although it does provide a certain oral syntactic punch and the comfort of linguistic rhythm when regular.

CHRISTOPHER DENTON  
Elmira, N.Y.

It's quite rich for Mr. Vincent to accuse President Biden of vulgarity unbecoming of his position, after what we have experienced for the past six years with the vulgarian in chief. Just saying.

MELISSA MILLS  
Lincoln, Mass.

## Another Opportunistic New 'Convert' to School Choice

Does Corey DeAngelis truly believe Illinois Gov. J.B. Pritzker's last-minute, vote-seeking, soon-to-be-forgotten reversal of his long-held, teachers union-appealing, anti-school-choice position? ("Another Democrat Flips on School Choice," op-ed, Oct. 20) Mr. Pritzker's bait-and-switch is so blatant that it is impossible to take seriously. Kudos, however, for placing this op-ed below two articles that note how Democrats are now trying to get voters to forget their positions on a variety of subjects.

MARK D. FICHEL  
Greenwich, Conn.

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

port of Boston, Warren drafted the Suffolk Resolves, a declaration of rights and grievances unanimously adopted at the first Continental Congress and a precursor to the Declaration of Independence.

Warren, who had also established an intricate spy network, sent Paul Revere and William Dawes on their epic midnight rides, setting off the "shot heard around the world" in April 1775. Warren rode into battle and was almost killed that day when a British musket ball grazed his head. Warren later implored Congress to form a national army and appoint a "generalissimo," which led to George Washington's nomination as commander in chief of the new Continental Army.

On June 17, 1775, at age 34, Warren was killed in action at the battle of Bunker Hill. His death sent shock waves throughout the patriot ranks. The men we now consider the founders lamented his premature death, and the nation still owes him an enormous debt of gratitude. Without his efforts, there may have been no American Revolution or Declaration of Independence, and maybe no United States of America.

CHRISTIAN DI SPIGNA  
Dr. Joseph Warren Foundation  
Williamsburg, Va.

## Political Correctness Hurts Recruitment and Retention

For many years, we wholeheartedly encouraged young people to join the military. No longer. Your editorial "The Pentagon's Recruiting Woes" (Review & Outlook, Oct. 15) mentions several cogent reasons for a lack of recruitment, but we'd emphasize one in particular. The actions and words of the chairman of the Joint Chiefs of Staff, down to unit-level propaganda, have turned the military into a social-justice experiment.

In conversations with several Marines, their disgust with the leftward political tilt was evident, contributing to their low opinions of unit cohesiveness and combat readiness, as well as their desire to exit the military as soon as their commitments terminate. Our military is drowning in political correctness.

COL. LINDA SIEGEL, USAF (RET.)  
MAJ. JOE SIEGEL, USAF (RET.)  
Fox Island, Wash.

## Pepper ... And Salt

THE WALL STREET JOURNAL



"The banana bread tastes funny because it's leftover meatloaf."

## OPINION

## Biden's Strategy Is Undone by Fantasy

By Nadia Schadlow

The Biden administration's National Security Strategy, released last week, deserves credit for correctly identifying China as the U.S.'s most "consequential geopolitical challenge." But by calling climate the "existential" threat to the U.S. and encouraging cooperation with Beijing on the issue, the strategy document creates a dangerous contradiction. The focus on climate will make it harder to meet the threat from China and diminish the chances that the U.S. will succeed in sustainably reducing carbon emissions.

**It acknowledges the threat from China, then makes wholly unrealistic pledges of cooperation.**

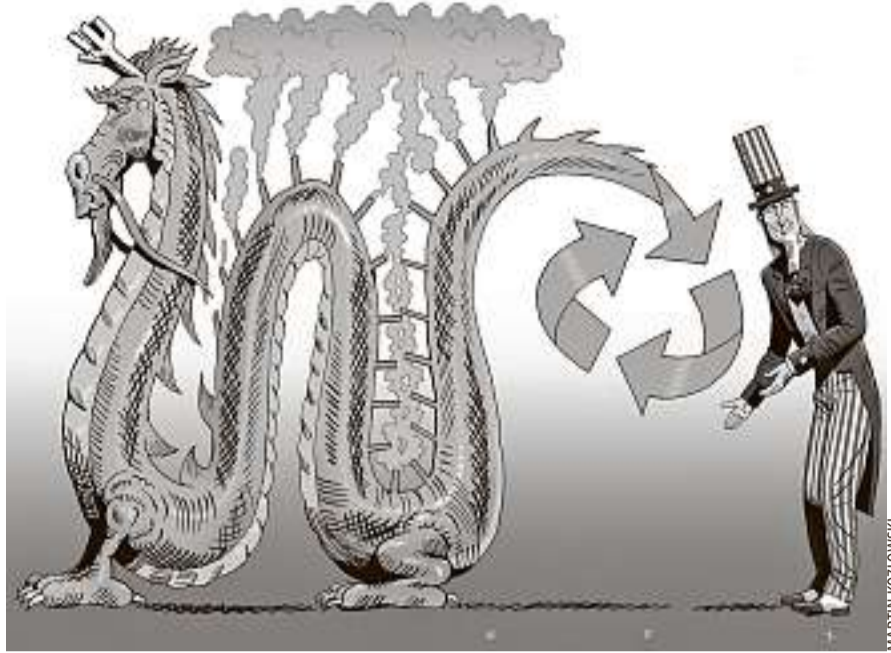
China has benefited from the openness of the international economy even as Beijing "frequently uses its economic power to coerce countries" while limiting access to its own markets, the strategy points out. The document reaffirms the link between economic strength and national security, recognizing that the U.S. needs to produce goods, tie trade policies to the well-being of the American people, and retain its competitive edge across key technologies. It also affirms that a successful U.S. approach to China will require the help

of allies and partners, since the U.S. and its allies make up about 65% of global gross domestic product.

But the document also offers aspirational language about how the U.S. and China must "coexist peacefully and share in and contribute to human progress together." The problem is, the two countries view human progress and the political and economic underpinnings of that progress differently.

For the U.S., progress is rooted in individual liberty, democratic governance and the rule of law. It is hard to reconcile how this squares with China's intent, which even the Biden document describes as a desire to "reshape the international order" to advance its authoritarian objectives.

The document wants to portray the U.S. as reasonable but in the process it fails to describe the world as it is. A rosy perspective is baked into the language, along with hopes that the U.S. can work with China on nearly everything: "climate, pandemic threats, nonproliferation, countering illicit and illegal narcotics, the global food crisis, and macroeconomic issues." Contrast these lofty ambitions with China's construction of coal plants, refusal to allow investigations into the origin of Covid, aiding and abetting of North Korea's nuclear program, and inaction on transnational criminal organizations that traffic fentanyl into the U.S. Through major energy purchases



China continues to support Russia's war in Ukraine, which is leading to a global food crisis.

Despite these realities, the document pleads that no country "should withhold progress on existential transnational issues like the climate crisis because of bilateral differences." American interests thus get reduced to tactical inconveniences.

Competition with China over technology appears in the Biden document only as an afterthought. The strategy fails to call for selective disentanglement or decoupling from China, even as it alludes to China's

determination to separate key parts of its economy from ours while fostering dependencies that give Beijing coercive power. Unless these imperatives are called out directly, it will be hard—if not impossible—to build the domestic political coalitions to take tough decisions.

The strategy is right that the next 10 years will be decisive, noting that we are at an "inflection point" when the choices made will set America on a course that "determines our competitive position long into the future." Precisely because "our window of opportunity may be closing," we

need to be more realistic.

Even as the Ukraine crisis has demonstrated the devastating consequences of phasing out natural gas, oil and nuclear power when wind and solar can't replace them, the strategy seems blind to reality. It insists on a "transition away from fossil fuels," not acknowledging that natural gas itself is a transition fuel and that the U.S. has the capability to produce and export more of it.

The Biden strategy will create dependencies on China analogous to the coercive power that Russia recently held over Germany's energy supply. And this applies to global development too, since it stresses zero-carbon climate policies that harm poor countries. As Senegal's energy minister remarked last year, imposing restrictions on lending for oil and gas development is like "removing the ladder and asking us to jump or fly."

At the just-concluded Chinese Communist Party Congress, Xi Jinping has shown determination to drive what he sees as an "irreversible historical process" in which China becomes the "new choice" for humanity. Now isn't the time to be ambivalent in that competition.

*Ms. Schadlow is a fellow at the Hudson Institute and Hoover Institution. She served as deputy national security adviser for strategy, 2017-18.*

## The CDC Pushes to Vaccinate Toddlers, Again



**LIFE SCIENCE**  
By Allysia Finley

Is the Centers for Disease Control and Prevention trying to give vaccine skeptics a shot in the arm? That's the message its Advisory Committee on Immunization Practices sent last week with its vote to add Covid-19 vaccines to childhood vaccination schedules.

Food and Drug Administration Commissioner Robert Califf stressed that the CDC isn't mandating vaccines for kids. "Mandates are not the remit of either CDC or FDA," he tweeted on Oct. 19. Didn't the CDC argue the opposite in court when defending its mask requirement for public transportation?

It's true that states and localities don't have to follow the CDC's recommendations when deciding which shots kids must receive to attend daycare and school, but they usually do. One CDC panelist said the vote was merely symbolic. But symbolism matters.

Why else did face masks become so controversial? Given the scant evidence supporting widespread use of nonmedical-grade masks, many conservatives perceived masking as another instance of liberals imposing

scientifically baseless rituals on non-adherent Americans. The same is now true with vaccinating children.

Most conservatives don't oppose vaccines per se. But never before has the CDC recommended, or the FDA authorized, a vaccine for children based on such thin evidence of benefits and lack of clarity on potential risks.

It's generally accepted that kids are at much lower risk for severe Covid than adults. One study, released earlier this month, estimated that only 3 of every million kids who have been infected with Covid have died from it. Children also are much less likely to get severely sick with Covid than with some other bugs.

In Moderna's toddler trial, no child in either the placebo or vaccine group was hospitalized with Covid, but at least 15 were for other infections including RSV, adenovirus, rhinovirus, metapneumovirus and Epstein-Barr. The two toddlers in Pfizer's trial who were most severely ill with Covid also tested positive for other viruses, which probably exacerbated their infections.

The FDA authorized the vaccines for children primarily based on an "immunogenicity" analysis comparing their antibody levels with those of adults who received the shots. But antibodies are only one component

of immunity, and the immune systems of children and adults differ in important ways. Children have stronger "innate" immune responses, which essentially carpet-bomb germs. On the other hand, children's adaptive immunity, which operates more like tactical-weapon systems, is less developed. Children may not require the same level of antibodies to achieve the same protection as adults.

**Its decision to include Covid-19 shots in children's schedules is based on far-too-flimsy evidence.**

Normally, the FDA requires vaccines to be tested in randomized controlled trials with tens of thousands of people before approval, as it did with the original Covid vaccines for adults. Large-scale trials can help public-health authorities determine whether the benefits of vaccines outweigh the risks. But the trials on children were too small to draw conclusions.

It's true that most kids who received vaccines in the trials didn't experience much worse than a swollen

arm, fatigue, headache or low-grade fever. On the other hand, most kids who catch Covid don't either.

Yet some children who were vaccinated in the trials did suffer worse symptoms. About 0.8% of adolescents who received the Pfizer vaccines developed swollen lymph nodes—four times the rate in the placebo group. Then there's the case of 12-year-old Maddie de Garay, whose second dose immediately preceded a cascade of ailments that has left her wheelchair-bound.

Twelve hours after her second dose, Maddie began to develop severe stomach pain, sensations of electric shocks down her spine, and chest pain, her mother Stephanie reported to the FDA. Maddie later developed mysterious rashes, blood in her urine, dizziness, convulsions, tinnitus, memory loss, extreme fatigue and eventually the loss of feeling from her waist down, among other debilitating conditions that hospitalized her for 64 days.

A New England Journal of Medicine write-up on the Pfizer trial, however, reported "there were no vaccine-related serious adverse events and few overall severe adverse events." The FDA emergency-use authorization for Pfizer's vaccines for adolescents pithily noted that one trial participant reported

"generalized neuralgia" and was diagnosed with "functional abdominal pain." That's all?

Pfizer says it and the vaccine clinical-trial investigator "each independently evaluated this case and concluded that it isn't related to the Pfizer-BioNTech COVID-19 vaccine. The information about the case was shared with health authorities." The FDA didn't respond to request for comment.

It's impossible to conclude with any certainty whether the vaccine caused Maddie's maladies. But it doesn't help the credibility of public-health authorities to whitewash her case.

One reason many conservatives don't trust Covid-19 vaccines is because they don't trust public-health authorities. And for good reason. Since the beginning of the pandemic, these experts and officials have repeatedly shown a lack of candor and respect for the intelligence of ordinary Americans. They don't trust Americans, and the feeling is mutual.

Adding the Covid-19 shot to the children's vaccine schedule based on flimsy evidence risks inciting a backlash against vaccines in general. Haven't the government scientists learned that every political action has an equal and opposite reaction?

## How to End the Epidemic of Failure in America's Schools

By Jeb Bush

While much of the U.S. has returned to normal after the pandemic, the long-term academic harm to students endures.

This school year is the first time many public-school students returned to in-person learning without mask requirements or learning disruptions. That's nearly 2½ years since the beginning of the pandemic. For younger children, that's 25% or more of their lives so far.

Since March 2020 we've seen the largest learning loss in modern history. This catastrophe wasn't inevitable. But what began as school closings in response to Covid morphed into an intentional effort by teachers unions to block the schoolhouse door. On Monday the 2022 National Assessment of Educational Progress scores will be released, and they are likely to be appalling.

This congressionally authorized 50-state analysis, officially styled the Nation's Report Card, will show exactly how much U.S. students

have fallen behind. Last month the NAEP long-term trend assessment was released. That report found that between 2020 and 2022 average reading scores for 9-year-olds declined 5 points, nearly half a grade level, and math scores dropped 7 points, more than half a grade level. This is the greatest average score decline in reading since 1990, and the first ever score decline in mathematics.

The U.S. has a choice: Give up on a generation or confront this challenge head-on. Some adults find it easier to give up. They won't say it out loud; they'll simply lower expectations. Or they'll explain away the drop in scores, blaming the pandemic when scores had already begun to decline before Covid hit. Rather than raise the bar, they'll dodge accountability, allowing today's low math and reading scores to become tomorrow's ceiling. That is unacceptable.

We can move forward rather than back. Doing so is a priority if the U.S. is to be a competitive nation in

a competitive world. It also is a human necessity, as every student has God-given potential and deserves a great education.

The solutions are simple. There are math and reading policies every state should immediately enact and there are ways parents can contribute. Start with a call to all parents, guardians and families—those who know their children best. You were called on to step up when Covid kept kids at home. Now you are needed again to help close those learning gaps. Any trusted adult in a child's life—parent, grandparent, uncle, aunt, whoever—should lean into this moment. Help students recover lost learning by reading for 20 minutes a day. That can be a parent reading to a child, a child reading to a parent or children reading to themselves. In addition, research has found that 30 minutes a week of extra math work can help students who are struggling or behind. If you aren't up to writing math equations for your kids, seek out free, high-quality online math tools.

Lawmakers must step up, too. One way to help parents is eliminating the barriers students face in accessing a better education. This year, Arizona became a national model by creating a universal education savings account program

**Lockdowns exacerbated the problem and shouldn't become an excuse for refusing to address it.**

with flexible, portable and customizable funding. That kind of legislation is transformative for student learning.

Early literacy is the foundation for long-term reading success. To ensure every child can read by the third grade and be ready to succeed in life, policy makers must ensure that all educators are trained in phonics and the science of reading—an evidence-based approach to teach

the understanding of sounds, decoding, fluency, vocabulary and comprehension. This may require changing teacher-prep programs in colleges of education as well as installing literacy coaches in every elementary and middle school.

Literacy practices and curricula that fail to teach students how to decode words should be banned. Teaching models that include the "3-cueing" approach, which asks students to look at pictures and guess instead of sounding out words, should be scrapped. It's a failed approach. Every state should require that students be screened in reading three times a year in grades K-3 and offer assistance to those struggling to learn to read. These critical years are too often ignored until it's too late to catch up.

The same is true for math instruction. States should ensure that students have access to trained, effective math teachers. That may mean not all elementary teachers should teach math, only those who specialize in it. Students graduating from high school should have mastered at least Algebra I. Curriculum should have high-quality content focused on procedural and conceptual problem-solving skills and knowledge of whole numbers, fractions and geometry. Students who are behind need personalized math support, including tutoring two to three times a week.

Overcoming the pandemic-related education crisis is possible. For the next generation, we must abandon failed practices, rally around education excellence, and commit to helping children reach their full potential.

*Mr. Bush served as governor of Florida, 1999-2007. He is founder and chairman of ExcelinEd and ExcelinEd in Action.*

## THE WALL STREET JOURNAL.

PUBLISHED SINCE 1889 BY DOW JONES &amp; COMPANY

**Rupert Murdoch**  
Executive Chairman, News Corp

**Matt Murray**  
Editor in Chief

**Karen Miller Pensiero**, Managing Editor  
**Jason Anders**, Deputy Editor in Chief  
**Neal Lipschutz**, Deputy Editor in Chief  
**Thorold Barker**, Europe; **Elena Cherney**, Coverage; **Andrew Dowell**, Asia; **Brent Jones**, Culture, Training & Outreach; **Alex Martin**, Print & Writing; **Michael W. Miller**, Features & Weekend; **Emma Moody**, Standards; **Shazna Nessa**, Visuals; **Matthew Rose**, Enterprise; **Michael Siconolfi**, Investigations

**Paul A. Gigot**  
Editor of the Editorial Page

**Gerard Baker**, Editor at Large

**Robert Thomson**  
Chief Executive Officer, News Corp

**Almar Latour**  
Chief Executive Officer and Publisher

DOW JONES MANAGEMENT:

**Daniel Bernard**, Chief Experience Officer;  
**Mae M. Cheng**, SVP, Barron's Group; **David Cho**, Barron's Editor in Chief; **Jason P. Conti**, General Counsel, Chief Compliance Officer; **Dianne DeSevo**, Chief People Officer; **Frank Filippo**, EVP, Business Information & Services, Operations; **Robert Hayes**, Chief Business Officer, New Ventures;  
**Elizabeth O'Melia**, Chief Financial Officer;  
**Josh Stinchcomb**, EVP & Chief Revenue Officer, WSJ/Barron's Group; **Jennifer Thurman**, Chief Communications Officer; **Sherry Weiss**, Chief Marketing Officer

EDITORIAL AND CORPORATE HEADQUARTERS:  
1211 Avenue of the Americas, New York, N.Y., 10036  
Telephone 1-800-DOWJONES

## Notable &amp; Quotable: Race

From "America's problem is White people keep backing the Republican Party," a column by the Washington Post's Perry Bacon, Oct. 13:

Perhaps the best way to understand American politics is an overwhelmingly White coalition facing one that is majority-White but includes a lot of people of color. . . .

And because White people are likely to be the majority of voters for at least two more decades, America is in trouble. Across the country, GOP officials are banning books from public libraries, making it harder for non-Republicans to vote, stripping

away Black political power, aggressively gerrymandering, censoring teachers and professors and, most important, denying the results of legitimate elections. The majority of America's White voters are enabling and encouraging the GOP's radical, antidemocratic turn by continuing to back the party in elections.

It's not, as much of our political discourse implies, that the Democrats have a working-class or Middle America or non-college-voter problem. The more important story is that America has a White voter problem. And there is no sign it's going away anytime soon.



## WORLD NEWS

## Freed Executive Describes Prison Ordeal

Held for 5 years in Venezuela, he lost 100 pounds, survived Covid and a heart attack

BY RYAN DUBE  
AND KEJAL VYAS

For nearly five years, Houston oil executive Jose Pereira was jailed in Venezuela, spending long stretches in isolation in an underground cell, deprived of medication and surviving on chicken scraps and rice.

In an interview, Mr. Pereira said he had lost 100 pounds and survived two bouts of Covid-19 and a heart attack by the time he was freed earlier this month, after high-level talks between the Biden administration and Venezuelan President Nicolás Maduro's authoritarian regime.

Mr. Pereira's experience provided a rare window into the treatment of foreign prisoners accused of white-collar or political crimes in Venezuela, who the U.S. has said are tried in kangaroo courts and used as bargaining chips in negotiations with Washington.

Mr. Pereira, a U.S. permanent resident, was freed along with six U.S. citizens in a prisoner swap as part of talks that could lead to the easing of U.S. sanctions to permit Chevron Corp. to restart pumping oil in Venezuela, if Mr. Maduro agrees to negotiate with the political opposition. In exchange for the detained Americans, the U.S. returned two nephews of Mr. Maduro's wife who were convicted in the U.S. of drug trafficking.

"I don't know how I'm alive," Mr. Pereira, 60 years old, said from his home in Houston, where he was reunited with his wife and children. "I never thought it could happen to me. It was like living in your own movie."

U.S. officials said several other Americans remain detained in Venezuela, including two former Green Berets accused of participating in a raid to topple the Maduro regime



'I don't know how I'm alive,' says Jose Pereira. Mr. Pereira, wearing a mask, is shown in 2020 with five other oil executives during their detention in Venezuela. Below, Mr. Pereira and his wife, Mervis, celebrated at a Hard Rock Cafe after his return to Texas.

in 2020. Foro Penal, a nonprofit group that represents people jailed in Venezuela, says there are 240 political prisoners in the country, many of them Venezuelan political figures and former military officers accused of conspiring against the government.

A United Nations committee last month said in a report that it found ample evidence that the Venezuelan government committed grave crimes against humanity to crush political dissent, detailing how, the U.N. panel said, Mr. Maduro and his top aides have been personally involved in ordering the arrests and torture of their adversaries.

Mr. Pereira said he wasn't beaten. But he said he did face psychological hardship, including having the lights of his cell kept on 24 hours a day. At the beginning of his detention, he recalled being allowed to go outside only once every three months.

Venezuela's government didn't respond to requests to comment.



The release of the Americans has stoked debate among U.S. officials and lawmakers over how the country should engage with countries arbitrarily holding U.S. citizens. Among the most prominent Americans held in foreign detention is women's basketball star Brittney Griner, who has been jailed in Russia since just before its invasion of Ukraine.

Mr. Pereira said his jailing was so hard on his family that

he thought it would be a quick, routine business trip when he and five fellow executives from Houston-based oil refiner Citgo Petroleum Corp., a subsidiary of Venezuela's state-run oil company, Petróleos de Venezuela SA, traveled to Venezuela for a budget meeting.

But soon after, military intelligence officers arrested the group and sent them to jail on corruption charges. President Maduro on state television called the men "thieving traitors."

The men were convicted by a Venezuelan judge in 2021 of embezzlement and money laundering tied to a proposed \$4 billion financing deal that was never executed. Mr. Pereira, who was the president of Citgo, was sentenced to more than 13 years in prison. He lost his job during the ordeal.

They were detained before the U.S. imposed widespread sanctions on Venezuela. After the sanctions, the U.S. transferred the management of Citgo, which refines oil for domestic use in the U.S., to Ven-

ezuelan opposition figures. Mr. Pereira, and the U.S., said the charges were a sham. He also said it quickly became clear that Venezuela's government planned to use the jailed men as bargaining chips with Washington.

ezuelan opposition figures.

Mr. Pereira, and the U.S., said the charges were a sham. He also said it quickly became clear that Venezuela's government planned to use the jailed men as bargaining chips with Washington.

"We were not political, we were in the wrong place at the wrong time," he said.

During the first 10 months, Mr. Pereira slept on the floor in an underground cell that prisoners called the "submarine," because it had no windows or fresh air. The Citgo executives had virtually no communication with their families or a lawyer, he said. When there was food, guards often gave them a chicken neck or canned ham.

"We were in the darkest moment. We didn't know what time it was. It could be day or night," he said.

Mr. Pereira found relief in a small, pocket-size Bible that a fellow inmate had smuggled in. One day, Mr. Pereira said, a guard saw them reading the Bible. The guard brought them a normal-size Bible and asked them to pray for him, Mr. Pereira said.

"It was kind of magical," Mr. Pereira said. "I was not a very Catholic guy, but now I am. You learn that God is there, it gives you a lot of hope."

In late 2019, the Citgo employees were granted house arrest in Caracas. But two months later, they were returned to prison. Later, the employees were transferred to the Helicoide, a 1950s-era Caracas shopping mall now used as a detention center.

After returning home to Texas, Mr. Pereira said, he attended church with his wife. He devoured a big burger and a heap of onion rings at the Hard Rock Cafe.

Now, he is getting to know his 3-year-old grandson. He is also looking to organize a vacation that he and his wife had hoped to take for his 60th birthday, which was in August when he was jailed.

"Now I'm trying to recover the time lost," Mr. Pereira said.

## Strikes Help Fuel Iran Unrest

BY BENOIT FAUCON

Iran's labor unions are helping antigovernment protests maintain momentum by calling for strikes at oil facilities, schools and factories, opening another front in the upheaval inside the country.

Authorities in Tehran have responded by monitoring and arresting some workers who go on strike and show up at demonstrations. Organized labor played a key role by paralyzing the economy in the 1979 Islamic Revolution that forced the Shah to abdicate.

Protests sparked by the death of Mahsa Amini, who was detained for allegedly violating the country's strict dress code for women, are now entering a second month. Protests have spread to universities, among ethnic minorities along the country's borders with Iraq and Pakistan and last week to Tehran's biggest prison complex.

The Iranian government hasn't commented specifically on the strikes but said the unrest is waning and driven by foreign influence. Iran's deputy interior minister, Majid Mirahmadi, told state media Saturday the protests were in their "final days."

In recent days, the protests

reignited unrest among workers who have been asking for better pay conditions. Unionized teachers, oil workers and bus drivers have been occasionally striking in recent years as living standards have deteriorated due to economic sanctions placed on Iran and general mismanagement of the country.

**Demonstrations by labor unions open another front in the nation's upheaval.**

Labor groups "have an organization that is one of the more cohesive" in Iranian society, said Sanam Vakil, deputy director of the Middle East-North Africa program at Britain's Royal Institute of International Affairs, or Chatham House.

On Sunday, teachers started a two-day strike, staging sit-ins at schools to protest the large number of deaths and imprisonment of pupils, many of them during the demonstrations. Earlier this year, teachers were seeking pay raises, but their demands are now be-

coming more political.

"A teacher and a student's place isn't in the prison," said placards brandished by teachers in a school in Saqqez, the town where Ms. Amini was from. On its Telegram channel, the teachers union, which launched the strikes, published pictures of dozens of teachers carrying such signs in empty classrooms throughout Iran.

At least 23 children have died from police violence during the current unrest, according to Amnesty International.

On Saturday, crowds of workers gathered at the Aydin chocolate factory in Tabriz, western Iran, and chanted antigovernment slogans, according to footage posted on social media.

Strikes have also taken place at a sugar cane plant near the Iraqi border and at one of the country's largest steel complexes in the south, according to the Free Union of Iranian Workers. Last week, tanker trucks at Abadan said they were also joining a burgeoning movement at the facility, according to the Free Union, which represents the main independent trade unions in the country. An oil manager said the unrest at the facility had reduced supplies of asphalt and fuel oil.

## WORLD WATCH

ITALY

**Meloni Is Sworn In As Prime Minister**

Giorgia Meloni was sworn in as Italy's prime minister on Saturday, assuming power at the helm of a right-wing coalition beset by internal squabbles over Rome's position toward Moscow.

Ms. Meloni has said her government would be steadfast in its support for Ukraine and in its opposition to Russia's war on the country.

But cracks in her right-wing alliance began to appear even before her government was sworn in, when former Premier Silvio Berlusconi, a junior coalition member, was recorded defending Russian President Vladimir Putin's invasion of Ukraine.

In response, Ms. Meloni said adherence to a pro-Western foreign policy was a requirement for belonging to her government.

Ms. Meloni, whose party won the biggest share of the vote in last month's parliamentary elections, succeeds Mario Draghi as Italy's head of government and becomes the country's first female prime minister.

—Margherita Stancati

THE KOREAS

**Warning Shots Fired In Sea Border Dispute**

North and South Korea fired warning shots in waters off their west coast early Monday, blaming each other for breaching their de facto maritime border as confrontations between the countries

rise in frequency.

A North Korean merchant vessel crossed the Northern Limit Line, the disputed western sea border, at around 3:42 a.m. local time, Seoul's military said. In response, South Korean officials said its military broadcast warnings and fired warning shots in the Yellow Sea, as part of "normal procedures."

Then around 5:14 a.m., North Korea said its military fired 10 artillery shells after a South Korean naval ship violated the maritime border and fired warning shots to track down an "unidentified ship," according to a Monday state-media report. That is an apparent reference to the merchant vessel.

The two Koreas accused each other of creating hostility near the maritime border.

—Dasl Yoon

Google Career Certificates

# Meet AnnaMaria,

NPO Outreach Lead at Career Circle.  
One of over 70,000 Google Career Certificate graduates.



Google Career Certificates help people like AnnaMaria upskill their careers in fast-growing fields like project management, UX design, and more. 75% of graduates report an improvement in their career within six months of certificate completion.

Learn more at [grow.google/certificates](https://grow.google/certificates)

**I finally feel unstuck. The Google Career Certificate was the answer I've been looking for these last three years.**

—AnnaMaria Sebastino  
Florence, South Carolina

# BUSINESS & FINANCE

© 2022 Dow Jones &amp; Company. All Rights Reserved.

THE WALL STREET JOURNAL.

Monday, October 24, 2022 | B1

Last Week: S&amp;P 3752.75 ▲ 4.74% S&amp;P FIN ▲ 3.93% S&amp;P IT ▲ 6.49% DJ TRANS ▲ 1.51% WSJ IDX ▼ 1.17% 2-YR. TREAS. yield 4.489% NIKKEI 26890.58 ▼ 0.74% See more at WSJ.com/Markets

## Companies' Inflation Strategies Diverge

P&G steps up advertising, Verizon raises prices for wireless services

By THOMAS GRUYA  
AND DREW FITZGERALD

Procter & Gamble Co. is ramping up advertising on premium brands. Verizon Communications Inc. is raising prices on wireless plans, while Whirlpool Corp. has slashed appliance production.

High levels of inflation in the U.S. and shifts in underly-

ing demand are putting the spotlight on strategies executives are taking to navigate an economy where costs are rising and consumer appetite for some products has waned.

The first batch of earnings reports from companies for the September quarter show that corporate profit margins are feeling the squeeze of the macroeconomic trends. With a fifth of the S&P 500 index already reporting, data-provider Refinitiv projects quarterly earnings will decline 3.5% from a year ago, excluding the energy sector. Companies are taking different tacks to manage the

pressures on their businesses.

"The average consumer [has] become increasingly price-sensitive as the year has progressed," Hasbro Inc. Chief Executive Chris Cocks said during an earnings call Tuesday. The maker of Nerf and other toys reported third-quarter sales fell 15% because of the timing of product releases and that profit was pinched because it had to increase promotional activity amid a buildup in inventory before the holidays.

P&G, which sells household staples such as Pampers and Tide, is spending on high-profile advertising campaigns and

new product features to keep cash-crunched consumers from switching to cheaper brands. In its most recent quarter, higher commodity, materials and freight costs reduced its gross profit margin by 5.5 percentage points, which was fully offset by cost cuts and price increases.

Chief Financial Officer Andre Schulten said the company has enough brands and price levels to give consumers options within its own portfolio. There was growth in midtier brands during the quarter but also customers spending more on large-size packages to lower

the per-use price.

"The strategy to provide pack sizes that stretch from below \$10 for some channels and consumers to above \$30 or \$40 for others seems to be meeting consumers' needs," Mr. Schulten said.

Verizon and AT&T Inc. both raised prices on some of their cellphone plans over the summer, a strategy that yielded widely different outcomes. AT&T reported a third-quarter net gain of 708,000 postpaid phone connections—its most valuable customer category—a sign that few of the subscribers affected balked at higher

monthly bills.

Verizon's more widespread rate and fee increases drove down the same types of phone connections in its consumer segment. New business lines barely offset that decline, and the telecom company ended the September quarter with a relatively weak 8,000-phone gain.

Executives at both companies said the higher rates helped boost profits. Matt Ellis, chief financial officer at Verizon, said overall wireless-service revenue grew despite the customer defections, partly because many of its remaining

Please turn to page B2

## U.S. Clout Slows China's Chip Progress

By KAREN HAO  
AND JEMAL R. BRINSON

The new U.S. restrictions on exports of chips and related items to China are aimed at using America's strength in critical areas of the semiconductor supply chain to weaken China's advanced-chip development.

The semiconductor industry has long been an example of a highly integrated global supply chain. Over the years, the industry's steep research and development costs and intensive capital expenditures have driven different countries to specialize in different steps of the chip-making process.

Today, no one country tends to do it all. "Everyone is very interdependent on each other," said Anne Hoecker, a partner in the semiconductor group at management consulting firm Bain & Co.

Still, the U.S. reigns in some of the most critical—and earliest—parts of the chain, especially those that require intense research and development. The U.S. is home to many of the leading

companies that design the most sophisticated semiconductors as well as those that make the software and equipment to create the chips.

This month the Commerce Department announced new export restrictions on advanced semiconductors and chip-manufacturing equipment, aimed at preventing American technology from advancing China's military power.

The rules require a license for U.S. companies to export advanced chips and chip-making equipment key to China's technological goals, vastly expanding on existing rules restricting the export of advanced technologies to China. The rules will also allow the U.S. to block foreign-made chips that are manufactured with U.S. technology, a strategy previously used by the Trump administration to cripple the Chinese telecom company Huawei Technologies Co.

Advanced chip makers in China are additionally restricted from buying manufacturing equipment or spare parts from U.S. makers like

Please turn to page B4

U.S. firms lead in producing the most advanced chip designs and chip-making tools.

■ U.S. ■ China ■ Rest of world

### STEP 1: CHIP DESIGN

Chips are designed using software that packs circuits into a tiny space.

Chip design software makers, global market share



U.S. leaders: Cadence Design Systems, Synopsys

China leader: No clear standout

Logic chip designers, global market share



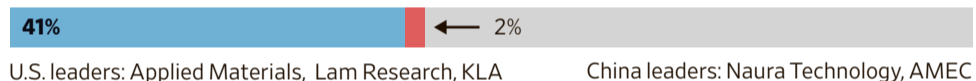
U.S. leaders: Nvidia, AMD, Intel, Qualcomm

China leaders: HiSilicon, Will Semiconductor

### STEP 2: WAFER FABRICATION

Silicon wafers are prepared and etched with circuit patterns in a complex process.

Equipment makers, global market share



U.S. leaders: Applied Materials, Lam Research, KLA

China leaders: Naura Technology, AMEC

Logic chip fabrication plant locations, global capacity share



U.S. leaders: Intel, GlobalFoundries

China leader: SMIC

Memory chip fabrication plant locations, global capacity share



U.S. leader: Micron Technology

China leaders: YMTC, ChangXin Memory Technologies

### STEP 3: ASSEMBLY, PACKAGING, TESTING

Wafers are cut and encased in their final form, and tested to ensure they work.

Factory locations, global capacity share



U.S. leader: Amkor Technology

China leaders: JCET, TongFu Microelectronics, Tianshui Huatian Technology

Sources: Boston Consulting Group, Semiconductor Industry Association  
Jemal R. Brinson; Karen Hao / THE WALL STREET JOURNAL

## Upstart Challenges Retailing Giants in India

By NEWLEY PURNELL

An upstart e-commerce service is winning more new shoppers in India than Amazon.com Inc. and Walmart Inc.'s Flipkart, posing a challenge to the U.S. retailing titans, which have plowed billions of dollars into the world's biggest untapped digital market.

Bengaluru-based Meesho is

leading the burgeoning social-commerce sector, allowing users to sell items by sharing product listings with friends via Meta Platforms Inc.'s popular WhatsApp messaging service, along with Facebook and Instagram. Meta is also an investor in Meesho, with an undisclosed stake.

Meesho was the world's most-downloaded shopping app during the first half

this year, according to app analytics firm Apptopia, with shoppers pointing to its ease of use, wide selection of products and low prices. Some 127 million people downloaded the app, which is available only in India, compared with 81 million downloads for Amazon and 50 million for Flipkart during the period.

Amazon and Flipkart are "more for the top 1%-5% of the

population" in terms of income, specializing in more expensive goods such as smartphones and televisions, said Meesho Chief Financial Officer Dhresh Bansal.

Meesho's goal is to be the online leader in the simpler goods, such as clothing and household items, often sold in unorganized retail, which accounts for as much as 85% of India's shopping sector, Mr.

Bansal said. The startup caters to the legions of consumers who are used to shopping in corner stores and are now turning to the internet, he added.

Meesho was founded in 2015 and has raised \$1.1 billion from investors including Meta, SoftBank Group Corp.'s Vision Fund, Sequoia Capital India and Facebook co-founder Ed-

Please turn to page B4

Although companies across the board faced this increased scrutiny, the exchange has been paying particular attention to companies from China and the rest of Asia, said Douglas S. Ellenoff, a partner in the law firm Ellenoff Grossman & Schole. He said this was because the IPO price swings in recent months involved companies from Asia.

The clampdown adds more bad news for Chinese companies still hoping to raise money and go public in the U.S. The Nasdaq Golden Dragon China Index, which captures Chinese

Please turn to page B2

### INSIDE



#### BOX OFFICE

'Black Adam' led North America to its first over-\$100 million weekend since July. B2



#### EARNINGS

Apple, Meta and McDonald's are among the corporate giants reporting this week. B3

## Asia's Junk-Bond Issuers Back Away From Surging Dollar

By MATTHEW THOMAS

Rising U.S. interest rates and the surging dollar are creating problems for riskier companies in Asia that had flocked to the U.S. dollar-denominated bond market when yields were much lower.

Junk-bond yields in Asia have soared this year following a sharp increase in U.S. Treasury yields, large capital outflows from regional bond funds and higher risk aversion among investors.

The average yield on an ICE BofA index of Asian high-yield dollar bonds is around 19.8%, near its highest in more than a decade. Even excluding bonds of real-estate developers from China, which are mostly distressed, the average junk-bond yield in Asia was around 12% in

the middle of October, up from 5.5% at the end of 2021.

Excluding Chinese property firms, Asian bonds rated single-B were yielding around 16.7%, levels that make it hard—if not impossible—for many companies to issue new dollar debt.

That is forcing them to look for other sources of funding. Companies that generate revenues in local currencies also have an uphill battle. The large depreciations in their currencies against the greenback mean they have to come up with more cash than they anticipated to meet coming dollar debt maturities.

Junk-rated Asian companies have \$60 billion of dollar bonds to pay back next year, and another \$56 billion falling due in 2024, according to Dealogic data. Across Asia excluding



Indian natural-resources company Vedanta Ltd. raised \$972 million from a rupee-denominated loan.

Japan, companies without investment-grade ratings sold just \$8.2 billion of dollar bonds in the year through Oct. 21, Dealogic data showed. They sold \$55.4 billion of bonds throughout 2021.

Most of the fall in volumes was because of a collapse in issuance from Chinese real-estate

developers following a series of offshore bond defaults. But companies in other countries also have been forced to shelve plans for dollar bond sales this year.

Funds that invest in Asian corporate bonds have experienced significant outflows in 2022. Around \$3 billion had

been pulled from Asian high-yield bond funds by the end of August, while funds that invest in a mix of investment-grade and high-yield debt suffered \$4.7 billion in withdrawals, according to Morningstar.

"The market has really ground down to a halt," said

Please turn to page B2

## INDEX TO BUSINESSES

These indexes cite notable references to most parent companies and businesspeople in today's edition. Articles on regional page inserts aren't cited in these indexes.

|   |                          |                           |
|---|--------------------------|---------------------------|
| <b>A</b>                                | Fastenal.....B2          | Microsoft.....B3          |
| Adani Group.....B2                      | Ford Motor.....B3        | <b>N</b>                  |
| Addentax Group.....B1                   | Formula One.....B4       | Nasdaq.....B1             |
| Alibaba Group.....A8                    | <b>G</b>                 | Newmont.....B9            |
| Ally Financial.....B9                   | General Motors.....B3    | Nordstrom.....B9          |
| Alphabet.....A2,B3                      | <b>H</b>                 | <b>P-W</b>                |
| Amazon.com.....B1,B3                    | Hertz Global Holdings B3 | Procter & Gamble.....B1   |
| AMTD Digital.....B1                     | Hilton Worldwide.....B3  | <b>R</b>                  |
| Apollo Global.....B2                    | <b>J</b>                 | Red Bull.....B3           |
| Apple.....B3                            | JetBlue Airways.....B3   | <b>S</b>                  |
| Applied Materials.....B4                | <b>K</b>                 | SoftBank Group.....B1     |
| ASML.....B4                             | Kimberly-Clark.....B3    | Southwest Airlines.....B3 |
| AT&T.....B1                             | Kraft Heinz.....B3       | <b>T-W</b>                |
| <b>B</b>                                | <b>L</b>                 | T.C. Pharmaceuticals..B3  |
| Baker Hughes.....B9                     | Lam Research.....B4      | Tesla.....A1,A8           |
| Boeing.....B3                           | Lead Real Estate.....B2  | Tiga Acquisition.....B10  |
| Bumble.....B10                          | LG Energy Solution..B10  | T-Mobile US.....B3        |
| <b>C</b>                                | Lichen China.....B2      | UPS.....B3                |
| Chevron.....B3                          | <b>M</b>                 | Vedanta Resources.....B2  |
| China Molybdenum...B10                  | Mastercard.....B3        | Verizon.....B1            |
| Coca-Cola.....B3                        | Match Group.....B10      | Visa.....B3               |
| Contemporary Amperex Technology.....B10 | Mattel.....B3            | Walmart.....B1            |
| Continuum Green Energy.....B2           | McDonald's.....B3        | Walt Disney.....B4        |
| <b>E</b>                                | Meesho.....B1            | Warner Bros. Discovery B2 |
| Exxon Mobil.....B3                      | Mercedes-Benz.....B10    | Whirlpool.....B1          |
| <b>F</b>                                | Meta.....A18,B1,B3       | Wyndham Hotels.....B3     |

## INDEX TO PEOPLE

|                          |                           |                           |
|--------------------------|---------------------------|---------------------------|
| <b>B</b>                 | <b>E</b>                  | <b>M</b>                  |
| Bansal, Dhresh.....B1    | Ellis, Matt.....B1        | Mateschitz, Dietrich...B3 |
| Bitzer, Marc.....B2      | <b>G</b>                  | <b>R</b>                  |
| <b>C</b>                 | Goldstein, Jeffrey.....B2 | Reynolds, Alan.....A2     |
| Cecchetti, Stephen....A2 | <b>H</b>                  | <b>S</b>                  |
| Cloyne, James.....A2     | Hoecker, Anne.....B1      | Schulten, Andre.....B1    |
| Cocks, Chris.....B1      |                           |                           |

## Inflation Strategies Differ

Continued from page B1  
customers chose to upgrade their wireless plans to more expensive packages with perks such as Disney+.

Telecom companies have also said that they benefit from providing an essential service to customers who are mostly able to keep paying, despite signs of trouble in the broader economy. Mr. Ellis said the company "won't be shy" about raising prices for certain services if it makes sense over the coming months.

"I look at my payment data, and the payment patterns are better than they were pre-Covid," Mr. Ellis said. "Our base has never looked as strong from a credit standpoint."  
The top U.S. cellphone carriers have avoided raising the price of their most expensive plans, which can cost as much as \$90 a line, choosing to target older plans. And many consumers agree to enroll in premium monthly plans in exchange for valuable discounts on new smartphones.

AT&T has sought to regain market share over the past two years by giving new and existing customers deep equipment discounts contingent on customers sticking with the service for two or three years. The company has said its strategy is

working but is still less extreme than some of its rivals' current offers.

Others, such as Whirlpool, are feeling whiplash from a sudden drop in demand for their products at the same time they are confronting high costs for materials, energy and other expenses.

"Demand is down, and cost is up," Whirlpool CEO Marc Bitzer said during a conference call. "You would expect costs to come down in a recessionary environment. We're operating in unprecedented times."

Whirlpool isn't turning to discounting to move unsold fridges and dishwashers. Instead, it slashed production by 35% to shrink inventories. The company cut its profit forecast for 2022 by about half, warning that high costs were likely to persist into next year as appliance demand remains muted.

**Fastenal Co.**, a distributor of industrial supplies such as nuts and bolts, has been raising prices to offset rapidly rising costs, but the recent quarter showed signs of stability in costs along with some resistance from customers. "At this stage of the cycle, the marketplace is less receptive to further price increases," said Fastenal finance chief Holden Lewis on an Oct. 13 call.

—Bob Tita contributed to this article.

### Watch a Video



Scan this code for a video on why supply and demand aren't balancing out.

# Warner Bros. Film 'Black Adam' Revives the Weekend Box Office

By ROBBIE WHELAN

"Black Adam," the latest superhero movie from Warner Bros. Discovery Inc.'s DC Films studio, opened up to \$67 million in domestic ticket sales, the studio said, leading the North American total box office take to its first over-\$100 million weekend since July.

The movie also represents the best opening weekend gross ever for a movie with Dwayne "The Rock" Johnson in a solo leading role, Warner Bros. said, surpassing past performances in the "Jumanji" films and "San Andreas."

The performance of "Black Adam" is good news for theater chains and studios. The summer movie season fizzled in August for lack of titles, the result of production delays caused by the coronavirus pandemic. The film features Mr. Johnson in the role of a lesser-known lead character than the better-known heroes of the DC Comics universe, like Superman, Batman, Wonder Woman and Flash.

Warner Bros. Pictures spent about \$200 million to make the movie, and expected it to gross \$60 million domestically, said Jeffrey Goldstein, head of domestic distribution for Warner Bros. As the weekend progressed, superhero fans as well as families came in larger groups to see the movie, said Mr. Goldstein. The film generated \$73 million in international ticket sales in its open-



The movie is the best opening weekend gross ever for a movie led by Dwayne 'The Rock' Johnson.

### Estimated Box-Office Figures, Through Sunday

| Film                            | Distributor  | Sales, in Millions |            |          |
|---------------------------------|--------------|--------------------|------------|----------|
|                                 |              | Weekend*           | Cumulative | % Change |
| 1. <b>Black Adam</b>            | Warner Bros. | \$67.0             | \$67.0     | N/A      |
| 2. <b>Ticket to Paradise</b>    | Universal    | \$16.3             | \$16.3     | N/A      |
| 3. <b>Smile</b>                 | Paramount    | \$8.4              | \$84.3     | -34%     |
| 4. <b>Halloween Ends</b>        | Universal    | \$8.0              | \$54.2     | -80%     |
| 5. <b>Lyle, Lyle, Crocodile</b> | Sony         | \$4.2              | \$28.7     | -43%     |

\*Friday, Saturday and Sunday in North American theaters

Source: Comscore

ing weekend, Warner Bros. said.

"This is a smaller character of DC," Mr. Goldstein said. You're introducing a character now, and the hope is we get to

make a sequel down the road, and the character will be more well known."

The fact that Mr. Johnson was playing an antihero character that wasn't very well

## Chinese IPOs Frozen

Continued from page B1  
companies listed in the U.S., has fallen 42% this year. Tensions between China and the U.S. over the past few years have also made things increasingly tougher for IPO hopefuls.

The Securities and Exchange Commission turned bearish on variable interest entities last year, a method Chinese companies have used to sell shares on U.S. exchanges. The two countries have also been in a long-running dispute about audits. Although they recently moved closer to a resolution on audit rules, five state-owned companies have already decided to delist from U.S. exchanges.

Nasdaq hasn't announced any official changes to its listing rules. But more than a dozen small-cap IPO applications—including those of finance and tax adviser **Lichen China Ltd.** and Japanese prop-

erty developer **Lead Real Estate Co.**—have been stalled for weeks, because the exchange hasn't issued approval letters, according to people familiar with the matter. These letters are a prerequisite before companies can launch their IPOs.

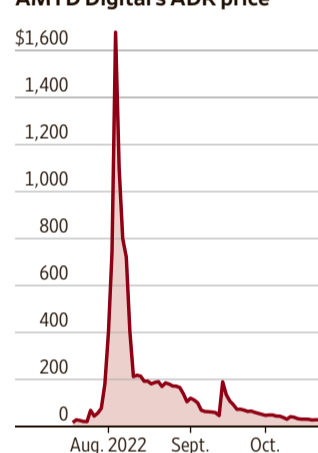
Since Nasdaq heightened its scrutiny on small-cap IPOs in late September, only a handful of such deals—all from U.S. companies—have launched on the exchange. The exchange's rulebook stipulates that it has broad discretionary authority over Nasdaq-listed securities to maintain confidence in its market, prevent fraudulent acts and protect investors' interests.

Lichen China and Lead Real Estate didn't respond to requests for comment.

Mitchell Nussbaum, vice chairman of Loeb & Loeb LLP, said his clients have been frustrated by the lack of progress on their IPOs in recent weeks, and some have pulled out of deals because of the uncertainty over when they would get approved.

The bourse is also asking underwriters to reveal the names and account details of the end investors in listings. Small-cap IPOs often get heavy

### AMTD Digital's ADR price



Source: FactSet

demand from individual investors.

There are two main phases to the information disclosure. After a deal is priced, but before it starts trading, investment banks must provide a full list of syndicate firms being allocated shares during the IPO. But once the deal starts trading, Nasdaq also wants the list of investors that received shares directly from both lead underwriters and syndicate firms, although it will accept that information after the shares start trading.

known may have limited the film's box-office potential, compared with other superhero movies, Mr. Goldstein said.

Overall, theaters sold \$114.6 million in movie tickets this weekend, according to box-office tracker Comscore. It marks the best weekend haul since mid-July, when the film "Nope" came out and led the domestic box office to a \$127.4 million haul.

"This is a different type of superhero film coming from DC Comics and featuring a character that hasn't had the kind of exposure and brand recognition that other characters have enjoyed," said Paul Dergarabedian, senior media analyst for Comscore.

"We are not sure if this is a temporary measure or is it here to stay," said Daniel McClory, head of China at Boustead Securities, an investment bank. "But it's the kind of information that we don't have before trading."

More than 30 companies from Asia—most of which are from China—have filed for U.S. IPOs that would raise less than \$40 million each, accounting for more than half of the small-cap companies in the pipeline, according to data compiled by Renaissance Capital, a provider of pre-IPO research.

Matthew Kennedy, senior strategist at Renaissance Capital, said he noticed in recent IPO filings that a prospective Chinese issuer was being reviewed for a second time by the Nasdaq. "We have not seen that before," he said.

Andrew Tucker, a partner at Nelson Mullins Riley & Scarborough LLP, said Nasdaq has asked a variety of questions regarding share allocations and lockup agreements in recent weeks. The aim is to ensure the public float isn't controlled by a handful of related parties and prevent potential price manipulation, he said.

## Junk-Bond Issuers Back Off

Continued from page B1  
Sheldon Chan, a portfolio manager at T. Rowe Price who leads the firm's Asia credit bond strategy.

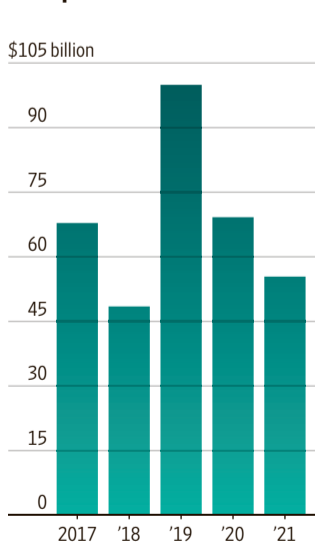
Despite the depreciation of Asian currencies this year, the best option for many borrowers could be selling debt in their domestic markets, said Shaw Yann Ho, head of J.P. Morgan Asset Management's Asian fixed-income team. She said companies also are considering bank loans and private credit deals as another avenue for dollar funding.

Local-currency corporate bond volumes are rising in most countries in Asia, according to data from the Asian Development Bank. The total volume of outstanding domestic bonds in China was 13% higher in the second quarter than it was a year ago, while the local bond market grew 8% in Singapore, 9.5% in Thailand and 4% in Indonesia.

Most central banks in the region have increased interest rates this year but at a slower pace than the Federal Reserve. "The price advantage of the U.S. dollar market has faded," said Shu Tian, a senior ADB economist.

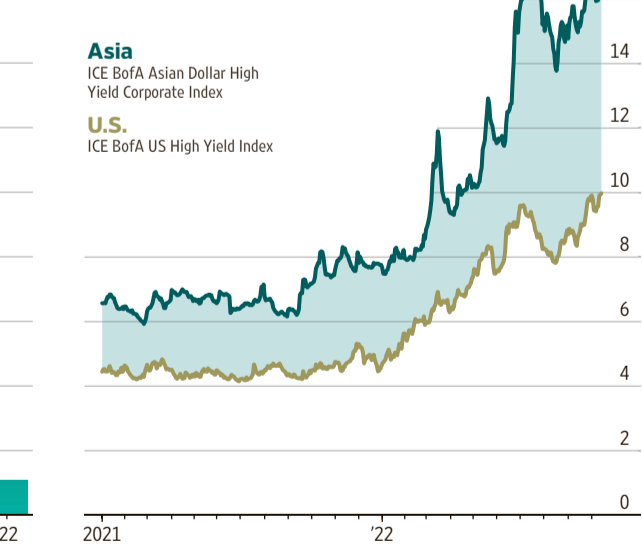
Companies also are turning to local banks for funding. In-

### U.S. dollar bond issuance by noninvestment-grade companies in Asia\*



\*Excluding Japan; 2022 data is through Oct. 21. Sources: Dealogic (issuance); ICE Data Services (yield)

### Average yield of single-B-rated corporate dollar bonds†



†Asia: ICE BofA Asian Dollar High Yield Corporate Index; U.S.: ICE BofA US High Yield Index

dia's **Vedanta Ltd.**, a natural-resources company that has previously sold high-yield bonds, raised around \$972 million from a rupee-denominated loan earlier this year and struck a deal with a government-run insurer for the equivalent of \$500 million. **Vedanta Resources Ltd.**, its parent company, has tapped Indian public-sector banks for financing.

Other companies are raising money directly from nonbank investment firms. **Continuum Green Energy Ltd.**, an Indian wind- and solar-power generator, raised \$350 million from a placement to two large institutional investors in July, before adding a further \$50 million

the following month. Such private deals often require companies to post collateral that can secure the debt.

India's **Adani Group**, which took over the Mumbai airport in 2021, needed to raise money this year to pay off a bridge loan from banks that originally helped to fund the deal. The airport operator scrapped a planned sale of public high-yield bonds and ended up selling \$750 million in secured notes that pay 6.6% annually to funds managed by **Apollo Global Management Inc.**

"Many funds are looking for private credit deals right now," said Matt Michelini, an Apollo partner and head of its Asia-Pa-

cific business.

There are still glimmers of hope that Asia's high-yield dollar bond market could absorb more sales. Bankers are still working to bring sub-investment-grade companies to the market, and some investors say they are willing to invest in the right deal—as long as they get rewarded.

"I wouldn't say it's full risk-off mode," said Andy Suen, head of Asia ex-Japan credit research at PineBridge Investments. "We do find some high-quality high-yield companies in certain sectors. It's a question of pricing."

—Serena Ng contributed to this article.

## Monitor the Market

Build a custom watchlist to track companies and indexes you care about.

**EXPLORE**  
WSJ.com/buildwatchlist

**THE WALL STREET JOURNAL.**  
TRUST YOUR DECISIONS

© 2022 Dow Jones & Company, Inc. All rights reserved. 30J8654

## BUSINESS NEWS



The fast-food chain is among 12 bellwethers of the Dow Jones Industrials set to report their results, along with nearly a third of the S&P.

# Apple, Meta, McDonald's Headline Earnings Week

By DENNY JACOB

**Amazon.com** Inc., **Apple** Inc. and **Meta Platforms** Inc. are among the tech heavyweights featured in a packed week of earnings that investors will probe for indicators about the broader economy.

Other tech companies scheduled to report their latest quarterly reports include Google parent company **Alphabet** Inc. and **Microsoft** Corp. Investors also will hear from airlines such as **Southwest Airlines** Co. and **JetBlue Airways** Corp., automotive companies **General Motors** Co. and **Ford Motor** Co., and energy giants **Chevron** Corp. and **Exxon Mobil** Corp.

Nearly a third of the S&P 500, or 161 companies, are slated to report earnings in the coming week, according to FactSet. Twelve bellwethers from the Dow Jones Industrial Average, including **Boeing** Co. and **McDonald's** Corp., are expected to report as well.

The flurry of results from a broad set of companies will give a sense of how businesses are faring as they deal with inflation denting consumer spending, ongoing supply-chain challenges and a stronger dollar. One area holding up to the challenges has been travel.

Several airline companies have reported that consumers still have an appetite to spend on trips and vacations. On Friday, **American Express** Co. raised its outlook for the year in part because of a surge in travel spending. "We expected the recovery in travel spending to be a tailwind for us, but the strength of the rebound has exceeded our expectations throughout the year," American Express Chief Executive Stephen Squeri said.

In addition to airlines reporting, companies such as car-rental company **Hertz Global Holdings** Inc. and lodging companies **Hilton Worldwide Holdings** Inc. and **Wynd-**

**ham Hotels & Resorts** Inc. will offer reads into leisure spending.

Overall, earnings for the S&P 500 companies are on track to rise 1.5% this period compared with a year ago, while revenue is projected to grow 8.5%, FactSet said.

Other companies will serve as a gauge for how consumers have responded to higher prices and whether they have altered their spending as a result.

**Coca-Cola** Co. and **Kimberly-Clark** Corp. on Tuesday and **Kraft Heinz** Co. on Wednesday will show how consumers are digesting higher prices. **Mattel** Inc., set to report on Tuesday, will highlight whether demand for toys remains resilient. Rival **Hasbro** Inc. issued a warning ahead of the holiday season.

**United Parcel Service** Inc. will release its results on Tuesday and provide an opportunity to show how it is faring ahead of the busy ship-

ping season. The Atlanta-based carrier's earnings come weeks after rival **FedEx** Corp. warned of a looming global recession and outlined plans to raise shipping rates across most of its services in January to contend with a global slowdown in business.

Results from credit-card companies **Visa** Inc. and **Mastercard** Inc. will offer insights into whether inflation has finally put a dent in consumer spending after both companies reported resilient numbers last quarter.

Wireless carrier **T-Mobile US** Inc.'s numbers on Thursday will give more context to mixed results from competitors **Verizon Communications** Inc. and **AT&T** Inc. AT&T issued an upbeat outlook on Thursday after its core wireless business exceeded the company's expectations, whereas Verizon on Friday said earnings dropped as retail customers balked at recent price increases.

## Entrepreneur Who Made Red Bull A Hit Dies at 78

By JAMES R. HAGERTY  
AND JOSHUA ROBINSON

Dietrich Mateschitz, a former toothpaste salesman whose relentless marketing of energy drink Red Bull kept long-distance drivers and disco dancers

**OBITUARY** awake and  
**DIETRICH** made the  
**MATESCHITZ** world a bit  
**1944-2022** more jittery,

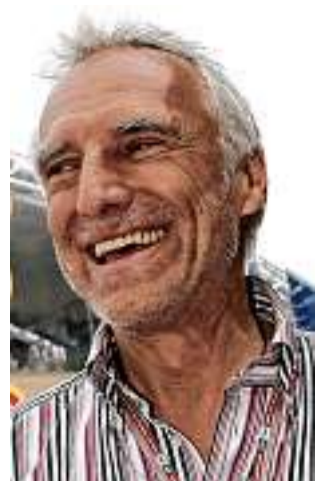
— has died at the age of 78, representatives of his company said Saturday.

The Austrian entrepreneur modified a Thai energy tonic in the 1980s and made it a global brand by sponsoring sports, including professional soccer, Formula 1 auto racing, snowboarding and dirt biking. Forbes estimated his net worth at \$20 billion.

As a marketer of toothpaste and other toiletries, he visited Thailand and found a cure for jet lag in a local drink called Krathing Daeng, meaning "red bull" in Thai. Mr. Mateschitz teamed up with the Thai inventor of that potion, Chaleo Yoovidhya, to market the drink globally through a jointly owned company, **Red Bull** GmbH.

Mr. Mateschitz carbonated the drink and tweaked the recipe slightly to appeal to a Western market. Realizing that few Westerners were likely to give up their morning coffee, he positioned Red Bull as a hip fuel for people pushing the boundaries of energy. Unable to afford conventional advertising in the early days, he hired students to drive Mini and Beetle cars surmounted with huge blue-and-silver Red Bull cans.

He sponsored offbeat sports, including motocross and snowboarding, and staged a contest for people who wanted to build their own flying machines and then attempt to launch them down a ramp and out over a lake.



Dietrich Mateschitz in 2005

He later entered Formula 1 racing and created a revolution in the sport by sponsoring two teams without any of the heritage of the traditional car manufacturers. Competing against the likes of Ferrari, McLaren, and Mercedes, Mr. Mateschitz had one outfit focused on developing young drivers and the other on winning world championships. In less than two decades of existence, Red Bull drivers have racked up six titles, including the past two.

Mr. Mateschitz also developed a radical new approach in soccer by building a network of Red Bull-affiliated clubs stretching from Austria to Germany to New York to Brazil.

"As soon as we decide to take part in a sport, we either do it properly or we don't do it at all," he told The Wall Street Journal in 2010.

While many people chugged Red Bull from the can, others mixed it with vodka, tequila or other spirits.

Mr. Chaleo, who avoided publicity and died in 2012, set up a small company, **T.C. Pharmaceuticals**, in the 1960s. He created a drink with caffeine, vitamins, sucrose and other energy-boosting ingredients.

## GET YOUR SHARE OF THE INVESTMENTS YOU WANT.

You may know us for blue-chip stock funds, but iShares ETFs can give you access to fixed income, international and sustainable investments too.

Get your share of progress.

**iShares**  
by BlackRock



Visit [www.iShares.com](http://www.iShares.com) to view a prospectus, which includes investment objectives, risks, fees, expenses and other information that you should read and consider carefully before investing. Investing involves risk, including possible loss of principal. This

information should not be relied upon as research, investment advice, or a recommendation regarding any products, strategies, or any security in particular. This material is strictly for illustrative, educational, or informational purposes and is subject to change. Prepared by BlackRock Investments, LLC, member FINRA.

©2022 BlackRock, Inc. All rights reserved. **iSHARES** and **BLACKROCK** are trademarks of BlackRock, Inc., or its subsidiaries in the United States and elsewhere. All other marks are the property of their respective owners. iCRMH0822U/S-2381226

TECHNOLOGY

WSJ.com/Tech

# Upstart Leads In India

Continued from page B1  
uardo Saverin's venture-capital fund B Capital Group. Meesho isn't profitable, but Mr. Bansal said it would be at some point and will aim to list publicly. It is valued at about \$5 billion.

Meesho has a way to go to catch Amazon and Walmart, which have together pumped more than \$22 billion into India since 2014. Each commands around \$20 billion of online sales in India annually, combining for about 60% of India's total, according to a report from U.S. investment firm AllianceBernstein. Meesho is responsible for about \$5 billion, or 7% of India's total sales.

The American firms entered India eager to capitalize on the hundreds of millions of consumers getting online for the first time in the South Asian country, although the growth of online shopping as a proportion of total retail has been slower than in other big markets. E-commerce still accounts for just 5% of retail sales, well below the 14% global average, according to AllianceBernstein.

India's e-commerce market is forecast to nearly double to



Meesho aims to be online leader in simpler goods. Founders Vidit Aatrey, left, and Sanjeev Barnwal.

\$133 billion in 2025 from \$72 billion this year, propelled by consumers in smaller towns and villages, according to AllianceBernstein.

Eighteen-year-old college student Mansi Khajuria lives in a village of several thousand people called Barooki, in India's northern state of Uttar Pradesh. She has shopped a few times on Amazon but has never tried Flipkart.

She prefers Meesho's wider selection of goods, frequently buying items such as tops for as little as 99 rupees, or \$1.20, and shoes for \$1.46.

"Meesho is my Zara," Ms. Khajuria said, referring to the

fashion retailer owned by Spain's Inditex that she has heard about but can't afford.

Customers open Meesho—its name is a combination of the Hindi word for "my" and the English word "shop"—and browse a TikTok-like feed. It shows mostly unbranded items such as saris, sunglasses and shampoo, many costing less than on Amazon or Flipkart.

Users can order products and pay for them with cash when they arrive at their doorsteps. Shipping is free, and there is no minimum order size. Sellers set their own profit margins. Ms. Khajuria, for example, often sells items

to friends via WhatsApp and Facebook, making between 61 cents and \$1.22 per transaction.

Meesho generates revenue largely through advertising, with sellers paying to display their items more prominently in the app, similar to one of the ways China's Alibaba Group Holding Ltd. makes money from its popular Taobao shopping service.

Last month, Meesho's app was opened more than 1.4 billion times by its users in India, compared with about 875 million for Flipkart's app and 570 million for Amazon's, according to Apptopia.

Amazon, which has invested \$6.5 billion in its India operations since launching in the country in 2013, in April entered the social-commerce market itself, acquiring a startup called GlowRoad for an undisclosed sum. An Amazon spokeswoman didn't respond to a request for comment on Meesho.

Flipkart, which began operating in 2007, last year launched a social-commerce platform called Shopsy. A Flipkart spokeswoman said Shopsy is growing rapidly but declined to comment on Meesho. Walmart in 2018 acquired Flipkart for \$16 billion and two years later led a \$1.2 billion round of investment in the company.

Other companies also are emerging in India's developing e-commerce sector. They include ultrafast delivery startups, such as Dunzo and Zepto; local giants Reliance Industries and Tata Group, both of which are moving into e-commerce and the Indian government, which last month began a limited launch of its own e-commerce aggregator.

The aggregator, which incorporates listings from Amazon, Meesho and others, allows consumers to search across platforms, compare prices and make purchases. The government says it is designed to democratize online shopping and empower smaller players.

—Vibhuti Agarwal contributed to this article.

# U.S. Slows Chinese On Chips

Continued from page B1  
Applied Materials Inc., Lam Research Corp., and KLA Corp. They neither can buy extreme ultraviolet lithography machines, key to achieving the most advanced chips, made exclusively by Dutch maker ASML Holding NV. ASML hasn't shipped the machines to China in the face of U.S. pressure.

The Commerce Department further barred "U.S. persons"—U.S. citizens, permanent residents, people who live in the U.S., and American companies—from supporting China's advanced chip development or production without a license.

With American talent scattered across the supply chain, this gives the U.S. government further leverage to close off other remaining avenues for China to obtain chip-making resources.

A Wall Street Journal review of 16 Chinese chip companies' filings found that nearly four dozen of their senior executives are American citizens who now may be forced to give up their citizenship or exit their companies.

# ESPN Reaches a New Broadcast Deal With Formula One

By GINGER ADAMS OTIS

ESPN and Formula One announced a new broadcast deal Saturday that will keep the global motor-sports series on the network through 2025.

The agreement will keep the current commercial-free format for live races on ESPN, ESPN2 and ABC, which are all owned by Walt Disney Co. ESPN has broadcast F1 in the U.S. since 2018.

At least 16 races will air on ABC and ESPN each season, ESPN said in announcing the

renewal.

ESPN Deportes will continue as the Spanish-language home of F1 in the U.S.

Race weekends will continue to include live telecasts of practice sessions and qualifying, as well as prerace and postrace coverage. The new agreement includes an increased focus on qualifying, with more sessions airing on ESPN or ESPN2.

ESPN said its F1 2021 season set a record for the most-viewed yet on U.S. television, with an average of 949,000 viewers per race. Live F1 tele-

casts have averaged 1.2 million viewers in 2022, the network said.

F1 has exploded in popularity in the U.S. since the 2019 Netflix documentary series, "Drive to Survive," first aired.

Terms of the new deal, announced ahead of Sunday's U.S. Grand Prix in Austin, Texas, weren't disclosed.

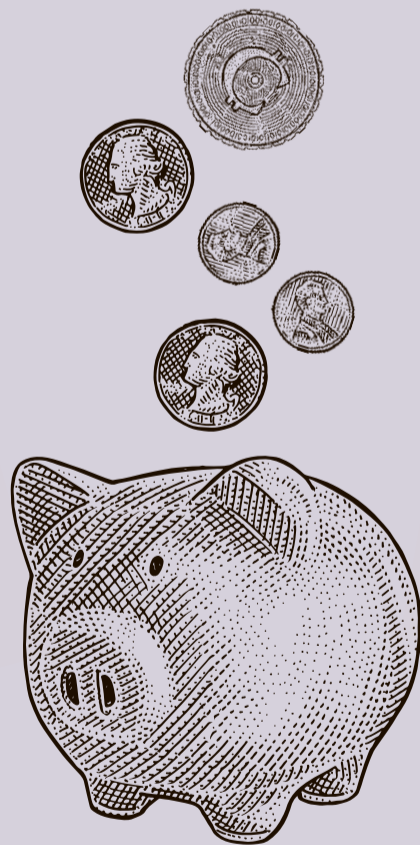
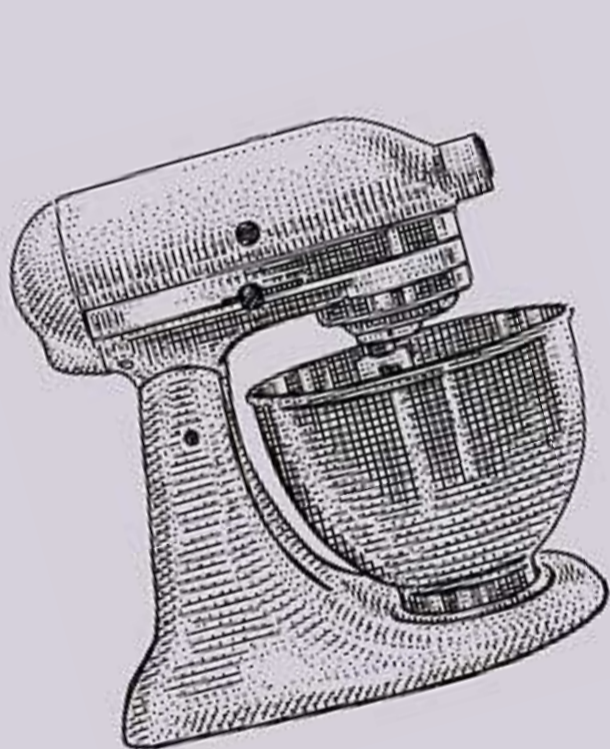
The May telecast of the inaugural Miami Grand Prix had an average viewership of 2.6 million, the largest U.S. audience on record for a live F1 race, ESPN said.



The pact will keep the current commercial-free format for live races on ESPN, ESPN2 and ABC.

JASON POHUSKI/BNR/ZUMA PRESS

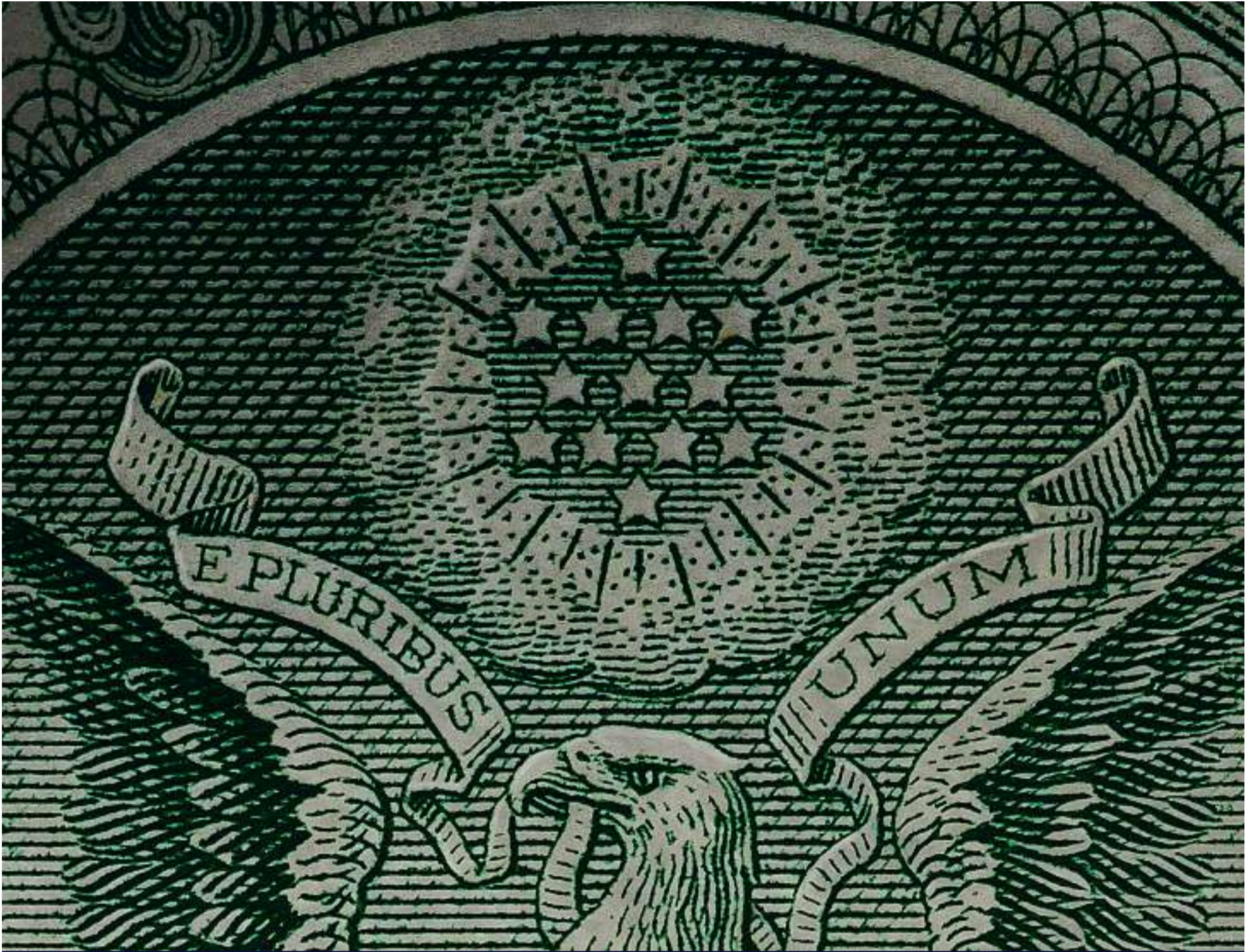
# Urges & Acquisitions.



REVIEWED. RATED.  
READY TO CLICK.

# Buy Side FROM WSJ

THE BOLD NEW SHOPPING SITE FROM THE WALL STREET JOURNAL.



# Money meet Speed

Meet Circle—the place where money meets the internet, crypto meets compliance, and local businesses meet global customers.



[circle.com](https://circle.com)



# CLOSED-END FUNDS

Listed are the 300 largest closed-end funds as measured by assets. Closed-end funds sell a limited number of shares and invest the proceeds in securities. Unlike open-end funds, closed-ends generally do not buy their shares back from investors who wish to cash in their holdings. Instead, fund shares trade on a stock exchange. NA signifies that the information is not available or not applicable. NS signifies funds not in existence for the entire period. 12 month yield is computed by dividing income dividends paid (during the previous 12 months for periods ending at month-end or during the previous 52 weeks for periods ending at any time other than month-end) by the latest month-end market price adjusted for capital gains distributions. Depending on the fund category, either 12-month yield or total return is listed.

Source: Lipper

Friday, October 21, 2022

| Fund (SYM)                  | NAV | Close | /Disc | Ret   |
|-----------------------------|-----|-------|-------|-------|
| <b>General Equity Funds</b> |     |       |       |       |
| Adams Diversified Eq Inc    | ADX | 17.94 | 15.18 | -15.4 |
| Central Secs                | CET | 41.87 | 35.27 | -15.8 |
| CohenStsCEOppFnd            | FOF | 10.27 | 10.08 | -1.9  |
| EVTVxAdvDivInc              | EVT | 22.52 | 22.32 | -1.2  |
| GabelliDivdInc              | GDV | 22.62 | 19.43 | -14.1 |
| Gabelli Equity Tr           | GAB | 4.77  | 5.11  | +7.1  |
| General Amer                | GAM | 42.44 | 35.41 | -16.6 |
| JHancockTaxAdvDiv           | HTD | 21.47 | 20.74 | -3.4  |
| Liberty All-Star Equity     | USA | 5.77  | 5.82  | +0.9  |
| Liberty All-Star Growth     | ASG | 5.14  | 5.01  | -2.5  |

| Fund (SYM)                      | NAV  | Close | /Disc | Ret   |
|---------------------------------|------|-------|-------|-------|
| Royce Micro-Cap Tr              | RMT  | 9.35  | 8.40  | -10.2 |
| Royce Value Trust               | RVT  | 14.14 | 13.29 | -6.0  |
| Source Capital                  | SOR  | 38.69 | 35.67 | -7.8  |
| Spott Focus Trust               | STF  | 7.97  | 7.44  | -6.7  |
| SRH Total Return                | STEW | 14.09 | 11.60 | -17.7 |
| Tricontinental                  | TY   | 29.29 | 26.35 | -10.0 |
| <b>Specialized Equity Funds</b> |      |       |       |       |
| abrdn Gbl Prem Prop             | AWP  | 4.01  | 3.65  | -9.0  |
| Adams Natural Resources         | PEO  | 26.75 | 22.67 | -15.3 |
| ASA Gold & Prec Met Ltd         | ASA  | 14.80 | 12.79 | -13.6 |
| BR Enh C&I                      | CI   | 17.72 | 17.04 | -3.8  |
| BlackRock Energy & Res          | BGR  | 13.55 | 12.49 | -7.8  |
| BlackRock Enh Div               | BDJ  | 8.65  | 8.51  | -1.6  |
| BlackRock Enh Gbl Div           | BOE  | 10.09 | 9.00  | -10.8 |
| BlackRock Enh Intl Div          | BGV  | 5.10  | 4.50  | -11.8 |
| BlackRock ESG Cap Alloc         | ECAT | 15.94 | 13.38 | -16.1 |
| BlackRock Hlth Sci Tr           | BMEZ | 17.60 | 14.80 | -15.9 |
| BlackRock Hlth Sciences         | BME  | 40.17 | 39.68 | -1.2  |
| BlackRock Innov and Grow        | BIGZ | 8.62  | 7.00  | -18.8 |
| BlackRock Res & Comm            | BCX  | 10.25 | 9.09  | -11.1 |
| BlackRock Sol&Tech T II         | BSTZ | 20.44 | 17.01 | -16.8 |
| BlackRock Sol&Tech              | BST  | 30.43 | 29.65 | -2.6  |
| BlackRock Util Int & Pwr        | BUI  | 19.89 | 19.24 | -3.3  |
| CLEARBRIDGE ENGY MDS            | OPW  | NA    | 28.30 | NA    |
| CLEARBRIDGE MIDSTMT             | CTR  | NA    | 29.36 | NA    |
| CLEARBRIDGE MLP & Midst         | CEM  | NA    | 33.46 | NA    |

| Fund (SYM)              | NAV  | Close | /Disc | Ret   |
|-------------------------|------|-------|-------|-------|
| ChnStrInfr              | UTF  | 21.89 | 21.68 | -1.0  |
| CohenStsQualinc         | ROI  | 11.69 | 11.13 | -4.8  |
| CohenStsRealEst andl    | RLTY | 14.52 | 12.58 | -13.4 |
| CohenStsRealEst andl    | NS   |       |       |       |
| CohenStsRealEst andl    | RFI  | 11.30 | 11.77 | +4.2  |
| CohenStsRealEst andl    | RNP  | 20.03 | 19.95 | -0.4  |
| Columbia Sel Pm Tech Gr | STK  | 23.39 | 24.76 | +5.9  |
| DNP Select Income       | DNP  | 8.23  | 10.47 | +27.3 |
| Duff&PhuInfrIncFnd      | DPG  | 11.39 | 12.70 | +11.5 |
| EtnVncEqtyInc           | EOI  | 15.02 | 15.71 | +4.6  |
| EtnVncEqtyInc           | EOS  | 16.04 | 16.42 | +2.4  |
| EVRskMnDvsEqInc         | ETJ  | 8.05  | 8.21  | +2.0  |
| EtnVncTxMgdByWrtnc      | ETB  | 12.92 | 14.16 | +9.6  |
| EtnVncTxMgdByWrtnc      | ETW  | 11.16 | 11.49 | +3.0  |
| EvTxMnDvsEqInc          | ETY  | 11.16 | 11.49 | +3.0  |
| EtnVncTxMgdGblB         | ETW  | 8.11  | 8.53  | +5.2  |
| EVTVxMnGblDvEqInc       | EXG  | 7.64  | 7.47  | -2.2  |
| Ecofin S&S Impact Term  | TEAF | NA    | 12.68 | NA    |
| First Tr Energy Inc G   | FEN  | 14.64 | 14.64 | 0.0   |
| First Tr Energy Inc G   | TEAF | NA    | 12.68 | NA    |
| First Tr Enhanced Eq    | FFA  | 16.20 | 15.11 | -6.7  |
| First Tr Energy Infra   | FEI  | 16.15 | 13.87 | -14.1 |
| First Tr MLP Energy     | FEI  | 8.73  | 7.57  | -13.3 |
| Gabelli Healthcare      | GRX  | 11.20 | 9.71  | -13.3 |
| Gab Utility             | GUT  | 3.36  | 6.77  | 101.5 |
| GAMCO Gold & NatRes     | GGN  | 3.48  | 3.39  | -2.6  |
| J Han Fin Oppty         | BTO  | NA    | 31.81 | NA    |
| Neuberger Binn MLP & E  | NML  | 8.12  | 6.63  | -18.3 |

| Fund (SYM)               | NAV  | Close | /Disc | Ret   |
|--------------------------|------|-------|-------|-------|
| Neuberger Ntl Gen Com    | NBXG | 11.42 | 9.13  | -20.1 |
| NubgrRIESTSec            | NRO  | 3.22  | 3.18  | -1.2  |
| Nu Dow 30Dm Overwite     | DIA  | 15.48 | 14.38 | -7.1  |
| NuVnCorEqAlpha           | JCE  | 12.12 | 12.44 | +2.6  |
| NuVnCoreOppty            | EAD  | 6.91  | 6.14  | -11.1 |
| Allspring Income Oppty   | EAD  | 6.91  | 6.14  | -11.1 |
| Barings Gbl SD Hy Bd     | BGH  | 14.01 | 12.27 | -12.4 |
| BR Corporate Hyt         | HYT  | 9.08  | 8.36  | -7.9  |
| BlackRock Ld Dur Inc     | BLW  | 13.17 | 12.28 | -6.8  |
| Brookfield Real Asst Inc | RA   | 15.37 | 17.25 | +12.2 |
| CRuSustHighYld           | DHY  | 1.96  | 1.72  | -12.2 |
| DELAWARE IV HIGH INC     | WH   | 11.30 | 10.12 | -10.4 |
| DoubleLine Inc Sol       | DSL  | 11.57 | 10.70 | -7.5  |
| DoubleLine Yld Opps      | DLY  | 14.82 | 13.01 | -12.2 |
| First Tr Hlnc Lng/Shrt   | FSD  | 12.32 | 10.76 | -12.7 |
| First Tr Hlnc Oppty      | FTH  | 15.57 | 13.57 | -12.8 |
| Franklin Univ            | FT   | 7.24  | 6.25  | -13.7 |
| KKR Income Opportunities | KIO  | NA    | 10.84 | NA    |
| Neuven Global High Inc   | JGH  | 12.09 | 11.06 | -8.5  |
| PGIM Global High Yld     | GHY  | 11.91 | 10.22 | -14.2 |
| PGIM High Yld Bond       | ISO  | 13.26 | 11.63 | -12.3 |
| PGIM Sh Dur Hl Yld Opp   | SDHY | 16.54 | 14.34 | -13.3 |
| PioneerHlncM             | PHT  | 7.31  | 6.32  | -13.5 |
| WstAstHIF II             | HIX  | NA    | 4.39  | NA    |
| Western Asset Hl Inc Op  | HIO  | NA    | 3.66  | NA    |
| Western Asset Hl Yld O   | HYO  | NA    | 11.50 | NA    |

| Fund (SYM)                   | NAV  | Close | /Disc | Ret   |
|------------------------------|------|-------|-------|-------|
| <b>High Yield Bond Funds</b> |      |       |       |       |
| Neuven Multi-Sector          | ERC  | 9.30  | 8.53  | -8.3  |
| Apollo Tactical Income       | AIF  | NA    | 11.94 | NA    |
| Ares Dynamic Crd Alloc       | ARDC | NA    | 11.50 | NA    |
| BlackRock Mlt-Sctr Inc       | BFT  | 14.52 | 14.18 | -2.3  |
| BlackRock Tax Muni Bd        | BBN  | 16.47 | 16.27 | -1.2  |
| BlackRock Tax Muni Bd        | BBN  | 16.47 | 16.27 | -1.2  |
| DoubleLine Oppr Crd Fd       | DBL  | 14.30 | 14.62 | +2.2  |
| EV Lmt DurIncM               | EVV  | 10.13 | 9.16  | -9.6  |
| Franklin Ltd Dur Income      | FTF  | 6.97  | 6.01  | -13.8 |
| J Han Investors              | JHI  | 13.02 | 11.99 | -7.9  |
| MFS Charter                  | MCR  | 6.45  | 6.02  | -6.7  |
| NuVnCorePlusImpact           | NPCT | 11.37 | 9.85  | -13.4 |
| Neuven Taxable Muni Inc      | NBB  | 15.35 | 14.94 | -2.7  |
| PGIM Corp & Inc Oppty        | PTY  | 10.74 | 11.75 | +9.4  |
| PGIM Corp & Inc Strat        | PCN  | 11.16 | 11.98 | +7.3  |
| PGIMCO Hlnc                  | PHK  | 4.55  | 4.78  | +5.1  |
| PGIMCO HlncStrFdl            | PFL  | 7.92  | 7.95  | +0.4  |
| PGIMCO HlncStrFdl II         | PFN  | 6.97  | 6.88  | -1.3  |
| Putnam Prem Inc              | PPT  | 3.88  | 3.53  | -9.0  |
| Western Asset Dvsf Inc       | WDI  | NA    | 12.33 | NA    |

| Fund (SYM)                               | NAV  | Close | /Disc | Ret   |
|--|------|-------|-------|-------|
| <b>Other Domestic Taxable Bond Funds</b> |      |       |       |       |
| Neuven Multi-Sector                      | ERC  | 9.30  | 8.53  | -8.3  |
| Apollo Tactical Income                   | AIF  | NA    | 11.94 | NA    |
| Ares Dynamic Crd Alloc                   | ARDC | NA    | 11.50 | NA    |
| BlackRock Mlt-Sctr Inc                   | BFT  | 14.52 | 14.18 | -2.3  |
| BlackRock Tax Muni Bd                    | BBN  | 16.47 | 16.27 | -1.2  |
| BlackRock Tax Muni Bd                    | BBN  | 16.47 | 16.27 | -1.2  |
| DoubleLine Oppr Crd Fd                   | DBL  | 14.30 | 14.62 | +2.2  |
| EV Lmt DurIncM                           | EVV  | 10.13 | 9.16  | -9.6  |
| Franklin Ltd Dur Income                  | FTF  | 6.97  | 6.01  | -13.8 |
| J Han Investors                          | JHI  | 13.02 | 11.99 | -7.9  |
| MFS Charter                              | MCR  | 6.45  | 6.02  | -6.7  |
| NuVnCorePlusImpact                       | NPCT | 11.37 | 9.85  | -13.4 |
| Neuven Taxable Muni Inc                  | NBB  | 15.35 | 14.94 | -2.7  |
| PGIM Corp & Inc Oppty                    | PTY  | 10.74 | 11.75 | +9.4  |
| PGIM Corp & Inc Strat                    | PCN  | 11.16 | 11.98 | +7.3  |
| PGIMCO Hlnc                              | PHK  | 4.55  | 4.78  | +5.1  |
| PGIMCO HlncStrFdl                        | PFL  | 7.92  | 7.95  | +0.4  |
| PGIMCO HlncStrFdl II                     | PFN  | 6.97  | 6.88  | -1.3  |
| Putnam Prem Inc                          | PPT  | 3.88  | 3.53  | -9.0  |
| Western Asset Dvsf Inc                   | WDI  | NA    | 12.33 | NA    |

## Insider-Trading Spotlight

Trading by 'insiders' of a corporation, such as a company's CEO, vice president or director, potentially conveys new information about the prospects of a company. Insiders are required to report large trades to the SEC within two business days. Here's a look at the biggest individual trades by insiders, based on data received by Refinitiv on October 21, and year-to-date stock performance of the company.

**KEY:** B: beneficial owner of more than 10% of a security class. CB: chairman. CEO: chief executive officer. CFO: chief financial officer. CO: chief operating officer. D: director. DO: director and beneficial owner. GC: general counsel. H: officer, director and beneficial owner. I: indirect transaction filed through a trust, insider spouse, minor child or other. O: officer. OD: officer and director. P: president. UT: unknown. VP: vice president. Excludes pure options transactions.

## Biggest weekly individual trades

Based on reports filed with regulators this past week

| Date(s)    | Company                       | Symbol | Insider      | Title | No. of shrs in trans (000s) | Price range (\$) | \$ Value (000s) | Close (\$) | Ytd (%) |
|------------|-------------------------------|--------|--------------|-------|-----------------------------|------------------|-----------------|------------|---------|
| Oct. 12-14 | Veris Residential             | VRE    | A. Katz      | DI    | 376                         | 11.01-12.12      | 4,367           | 15.31      | -16.7   |
| Oct. 13-14 | Enviva                        | EVA    | J. Ubben     | DI    | 76                          | 48.51-51.50      | 3,871           | 54.16      | -23.1   |
| Oct. 12    |                               |        | S. Bumgarner | D     | 15                          | 51.34            | 770             |            |         |
| Oct. 13    |                               |        | E. Ewen      | CFO   | 5                           | 51.53            | 252             |            |         |
| Oct. 13    |                               |        | R. Alexander | DI    | 4                           | 51.68            | 199             |            |         |
| Oct. 13    |                               |        | J. Bumgarner | D     | 3                           | 49.50            | 163             |            |         |
| Oct. 13    |                               |        | E. Smith     | O     | 3                           | 51.92            | 156             |            |         |
| Oct. 17-19 | Rocket Companies              | RKT    | J. Farmer    | CEO   | 87                          | 6.71-7.01        | 599             | 6.32       | -54.9   |
| Oct. 13-14 |                               |        | J. Farmer    | CEO   | 59                          | 6.67-6.77        | 399             |            |         |
| Oct. 14    | Dave & Buster's Entertainment | PLAY   | T. Wehner    | CO    | 15                          | 33.86            | 502             | 36.53      | -4.9    |
| Oct. 13-14 | CalAmp                        | CAMP   | W. Cummins   | DI    | 150                         | 3.25-3.26        | 488             | 3.47       | -50.8   |
| Oct. 11-12 |                               |        | W. Cummins   | DI    | 110                         | 3.38-3.56        | 381             |            |         |
| Oct. 17-18 | NGM Biopharmaceuticals        | NGM    | D. Goeddel   | DO    | 130*                        | 3.18-3.79        | 462             | 4.58       | -74.1   |
| Oct. 17    | Traeger                       | COOK   | J. Andrus    | CEO   | 149                         | 2.90             | 431             | 3.53       | -71.0   |
| Oct. 18    | Coinbase Global               | COIN   | T. Lutke     | DI    | 5                           | 72.90            | 390             | 66.38      | -73.7   |
| Oct. 5     | Farmer Bros.                  | FARM   | B. Radoff    | BI    | 50                          | 5.05             | 252             | 4.97       | -33.3   |
| Oct. 14-17 | Riley Exploration Permian     | REPX   | A. Lbin      | BI    | 8                           | 23.08-23.60      | 188             | 26.80      | 38.7    |
| Oct. 18    | VOXX International            | VOXX   | B. Kahil     | DO    | 25                          | 7.24             | 181             | 8.13       | -20.1   |

## Sellers

| Date       | Company                | Symbol | Insider     | Title | No. of shrs in trans (000s) | Price range (\$) | \$ Value (000s) | Close (\$) | Ytd (%) |
|------------|------------------------|--------|-------------|-------|-----------------------------|------------------|-----------------|------------|---------|
| Oct. 6-11  | AutoNation             | AN     | E. Lampert  | B     | 573                         | 100.39-104.58    | 58,148          | 96.90      | -17.1   |
| Oct. 12    |                        |        | E. Lampert  | B     | 32                          | 105.28-106.11    | 3,361           |            |         |
| Oct. 13    | Airbnb                 | ABNB   | J. Gebbia   | DOI   | 250                         | 105.77-113.05    | 27,532          | 119.95     | -28.0   |
| Oct. 12-13 | Moderna                | MRNA   | S. Bancel   | CEO   | 90*                         | 126.51-135.43    | 11,886          | 128.32     | -49.5   |
| Oct. 13    | NVIDIA                 | NVDA   | M. Stevens  | DI    | 88                          | 119.65           | 10,469          | 124.66     | -57.6   |
| Oct. 17    | Cadence Design Systems | CDNS   | L. Tan      | D     | 50                          | 154.66           | 7,733           | 158.34     | -15.0   |
| Oct. 17    | TransDigm Group        | TDGM   | W. Howley   | DI    | 12                          | 524.66-532.70    | 6,073           | 537.88     | -15.5   |
| Oct. 13    | RPM International      | RPM    | F. Sullivan | CEO   | 65                          | 92.60            | 6,019           | 88.73      | -12.1   |
| Oct. 17    | Progressive            | PGR    | S. Griffith | CEO   | 50                          | 116.85           | 5,843           | 122.45     | 19.3    |
| Oct. 13    | AutoZone               | AZO    | K. Wright   | GC    | 2                           | 2278.00          | 4,727           | 2301.03    | 9.8     |
| Oct. 13-14 | Privia Health Group    | PRVA   | J. Butler   | D     | 122                         | 33.45-35.23      | 4,232           | 32.09      | 24.0    |
| Oct. 17    | Inari Medical          | NARI   | W. Hoffman  | CEO   | 55                          | 72.71-77.08      | 4,183           | 73.02      | -20.0   |
| Oct. 17    | JPMorgan Chase         | JPM    | M. Erdoes   | O     | 34                          | 115.77           | 3,880           | 122.23     | -22.8   |
| Oct. 14    | Hershey                | HSY    | M. Buck     | CEO   | 14                          | 222.42-227.84    | 3,193           |            |         |

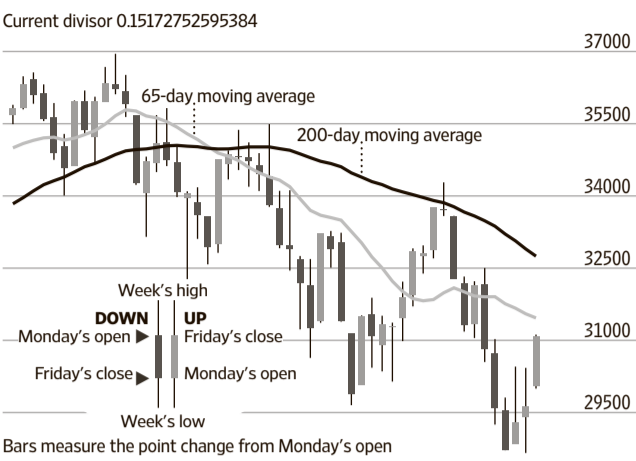




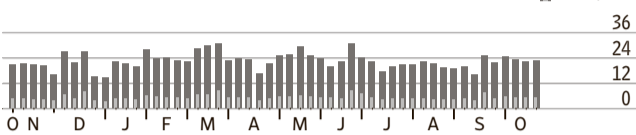
# MARKETS DIGEST

## Dow Jones Industrial Average

**31082.56** ▲1447.73, or 4.89% last week  
 Last Trailing P/E ratio 19.32 23.49  
 P/E estimate \* 16.77 18.93  
 High, low, open and close for each of the past 52 weeks  
 Dividend yield 2.31 1.81  
 All-time high 36799.65, 01/04/22



## NYSE weekly volume, in billions of shares



\*Weekly P/E data based on as-reported earnings from Biriini Associates Inc. †Based on Nasdaq-100 Index

## Major U.S. Stock-Market Indexes

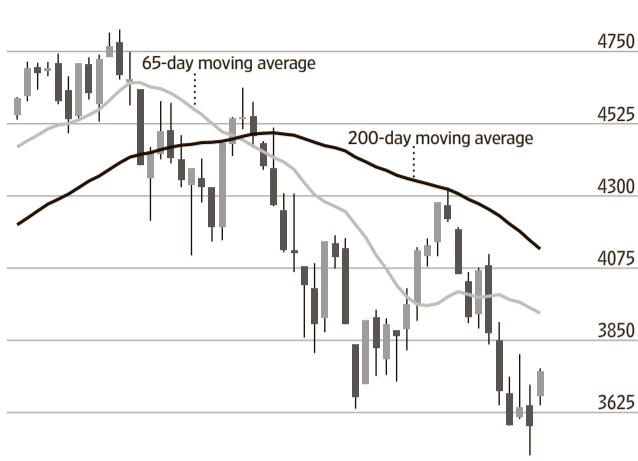
| Index                      | High     | Low      | Latest Week Close | Net chg | % chg | Low      | 52-Week Close (●) | High     | % chg | YTD   | 3-yr. ann. |
|----------------------------|----------|----------|-------------------|---------|-------|----------|-------------------|----------|-------|-------|------------|
| <b>Dow Jones</b>           |          |          |                   |         |       |          |                   |          |       |       |            |
| Industrial Average         | 31119.27 | 29997.62 | <b>31082.56</b>   | 1447.73 | 4.89  | 28725.51 | ●                 | 36799.65 | -12.9 | -14.5 | 5.0        |
| Transportation Avg         | 13145.83 | 12393.89 | <b>12692.75</b>   | 189.37  | 1.51  | 11999.40 | ●                 | 17039.38 | -19.5 | -23.0 | 6.0        |
| Utility Average            | 885.10   | 845.52   | <b>864.47</b>     | 17.36   | 2.05  | 838.99   | ●                 | 1071.75  | -6.2  | -11.9 | -0.1       |
| Total Stock Market         | 37924.37 | 36628.52 | <b>37707.45</b>   | 1651.24 | 4.58  | 36056.21 | ●                 | 48929.18 | -20.0 | -22.5 | 7.0        |
| Barron's 400               | 893.06   | 867.71   | <b>890.93</b>     | 28.74   | 3.33  | 825.73   | ●                 | 1127.2   | -16.5 | -19.5 | 9.1        |
| <b>Nasdaq Stock Market</b> |          |          |                   |         |       |          |                   |          |       |       |            |
| Nasdaq Composite           | 10972.97 | 10542.43 | <b>10859.72</b>   | 538.33  | 5.22  | 10321.39 | ●                 | 16057.44 | -28.0 | -30.6 | 10.0       |
| Nasdaq-100                 | 11374.38 | 10959.75 | <b>11310.33</b>   | 618.27  | 5.78  | 10692.06 | ●                 | 16573.34 | -26.3 | -30.7 | 12.5       |
| <b>S&amp;P</b>             |          |          |                   |         |       |          |                   |          |       |       |            |
| 500 Index                  | 3762.79  | 3647.42  | <b>3752.75</b>    | 169.68  | 4.74  | 3577.03  | ●                 | 4796.56  | -17.4 | -21.3 | 7.7        |
| MidCap 400                 | 2369.51  | 2245.21  | <b>2312.21</b>    | 67.00   | 2.98  | 2200.75  | ●                 | 2910.7   | -17.3 | -18.6 | 5.9        |
| SmallCap 600               | 1150.35  | 1097.53  | <b>1127.54</b>    | 36.49   | 3.34  | 1064.45  | ●                 | 1466.02  | -18.4 | -19.6 | 5.6        |
| <b>Other Indexes</b>       |          |          |                   |         |       |          |                   |          |       |       |            |
| Russell 2000               | 1782.07  | 1699.98  | <b>1742.24</b>    | 59.84   | 3.56  | 1649.84  | ●                 | 2442.74  | -24.0 | -22.4 | 4.0        |
| NYSE Composite             | 14207.84 | 13607.31 | <b>14144.05</b>   | 536.74  | 3.94  | 13472.18 | ●                 | 17353.76 | -17.4 | -17.6 | 2.6        |
| Value Line                 | 523.11   | 495.91   | <b>514.90</b>     | 18.99   | 3.83  | 491.56   | ●                 | 696.4    | -23.9 | -23.4 | -0.4       |
| NYSE Arca Biotech          | 4845.60  | 4556.18  | <b>4682.02</b>    | 67.01   | 1.45  | 4208.43  | ●                 | 5815.27  | -16.6 | -15.2 | 2.5        |
| NYSE Arca Pharma           | 775.02   | 750.37   | <b>771.49</b>     | 14.28   | 1.89  | 737.84   | ●                 | 887.27   | 1.2   | -6.7  | 9.5        |
| KBW Bank                   | 103.90   | 95.35    | <b>98.84</b>      | 0.65    | 0.66  | 94.66    | ●                 | 147.56   | -30.7 | -25.2 | -1.3       |
| PHLX S Gold/Silver         | 103.90   | 96.67    | <b>103.69</b>     | 7.27    | 7.54  | 91.40    | ●                 | 167.76   | -22.8 | -21.7 | 5.3        |
| PHLX S Oil Service         | 76.63    | 67.90    | <b>76.28</b>      | 9.562   | 14.33 | 49.14    | ●                 | 88.37    | 18.4  | 44.7  | 5.5        |
| PHLX S Semiconductor       | 2339.90  | 2183.17  | <b>2336.69</b>    | 174.37  | 8.06  | 2162.32  | ●                 | 4039.51  | -30.7 | -40.8 | 13.0       |
| Cboe Volatility            | 32.59    | 29.24    | <b>29.69</b>      | -2.33   | -7.28 | 15.10    | ●                 | 36.45    | 92.4  | 72.4  | 28.5       |

§ Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

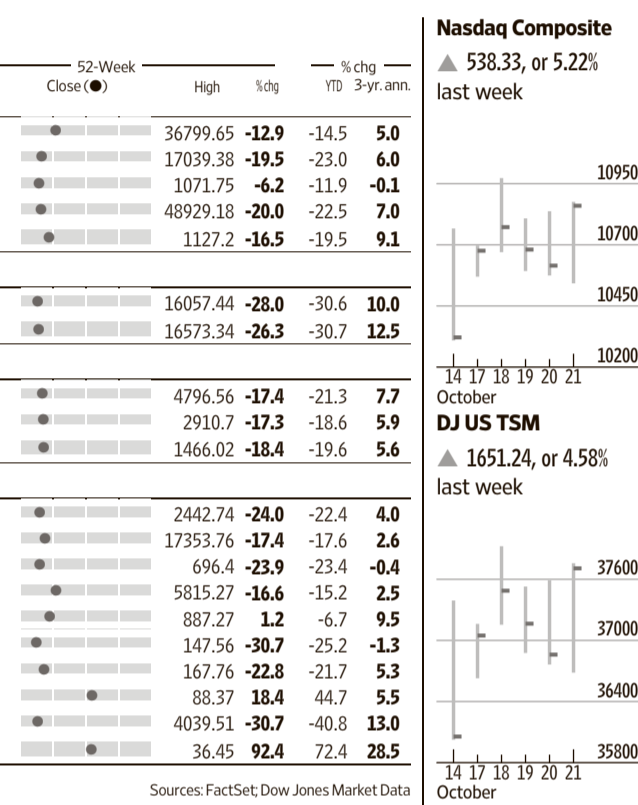
## S&P 500 Index

**3752.75** ▲169.68, or 4.74% last week  
 Last Trailing P/E ratio 18.27 30.45  
 P/E estimate \* 16.57 22.17  
 High, low, open and close for each of the past 52 weeks  
 Dividend yield \* 1.79 1.32  
 All-time high 4796.56, 01/03/22



## Nasdaq Composite

**10859.72** ▲538.33, or 5.22% last week



§ Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

## New to the Market

### Public Offerings of Stock

### IPOs in the U.S. Market

Initial public offerings of stock expected this week; might include some offerings, U.S. and foreign, open to institutional investors only via the Rule 144a market; deal amounts are for the U.S. market only

| Expected pricing date | Filed | Issuer/business  | Symbol/primary exchange | Shares (mil.) | Pricing Range(\$) | Low/High | Bookrunner(s)   |
|-----------------------|-------|--|-------------------------|---------------|-------------------|----------|---|
| 10/25                 | 9/30  | Mobilye Global Inc<br>Autonomous driving software and hardware solutions provider. | <b>MBLY</b><br>Nq       | <b>41.0</b>   | 18.00/20.00       | 13.5     | GS, MS, Evercore Inc, Barclays, Citigroup, RBC Capital Markets, Mizuho, WR Sec, Nomura, BNP Paribas |

### Lockup Expirations

Below, companies whose officers and other insiders will become eligible to sell shares in their newly public companies for the first time. Such sales can move the stock's price.

| Lockup expiration | Issue date    | Issuer                        | Symbol      | Offer price(\$) | Offer amt (\$ mil.) | Through Friday | Lockup provision |
|-------------------|---------------|-------------------------------|-------------|-----------------|---------------------|----------------|------------------|
| Oct. 23           | April 26, '22 | Ostin Technology Group Co Ltd | <b>OST</b>  | 4.00            | 13.5                | -76.0          | 180 days         |
|                   | April 26, '22 | Tenon Medical Inc             | <b>TNON</b> | 5.00            | 20.0                | -66.4          | 180 days         |
| Oct. 25           | April 28, '22 | Belite Bio Inc                | <b>BLTE</b> | 6.00            | 36.0                | 407.8          | 180 days         |
|                   | April 28, '22 | Hillevax Inc                  | <b>HLVX</b> | 17.00           | 175.0               | -0.2           | 180 days         |

Sources: Dealogic; Dow Jones Market Data

### IPO Scorecard

Performance of IPOs, most-recent listed first

| Company                      | SYMBOL       | IPO date/price   | Friday's close(\$) | Offer price | % Chg From Friday's close | Company                       | SYMBOL      | IPO date/price   | Friday's close(\$) | Offer price | % Chg From Friday's close |
|------------------------------|--------------|------------------|--------------------|-------------|---------------------------|-------------------------------|-------------|------------------|--------------------|-------------|---------------------------|
| Prime Medicine               | <b>PRME</b>  | Oct. 20/\$17.00  | 15.76              | -7.3        | 2.5                       | Corebridge Financial          | <b>CRBG</b> | Sept. 15/\$21.00 | 21.64              | 3.0         | 4.4                       |
| Hudson Acquisition I         | <b>HUDAU</b> | Oct. 14/\$10.00  | 10.07              | 0.7         | 0.6                       | Third Harmonic Bio            | <b>THRD</b> | Sept. 15/\$17.00 | 17.31              | 1.8         | -12.0                     |
| TenX Keance Acquisition      | <b>TENKU</b> | Oct. 14/\$10.00  | 10.12              | 1.2         | 0.9                       | Wearable Devices              | <b>WLDS</b> | Sept. 13/\$4.25  | 0.89               | -79.1       | -68.8                     |
| Spring Valley Acquisition II | <b>SVIU</b>  | Oct. 13/\$10.00  | 10.14              | 1.4         | 0.4                       | EF Hutton Acquisition I       | <b>EFHT</b> | Sept. 9/\$10.00  | 10.06              | 0.6         | 1.1                       |
| Aquanor Acquisition          | <b>AQUNU</b> | Oct. 4/\$10.00   | 10.13              | 1.3         | 1.1                       | Yoshiharu Global              | <b>YOSH</b> | Sept. 9/\$4.00   | 1.12               | -72.0       | -73.1                     |
| dMY Squared Technology       | <b>DMYU</b>  | Sept. 30/\$10.00 | 10.08              | 0.7         | 0.7                       | bioAffinity Tech              | <b>BIAF</b> | Sept. 1/\$6.13   | 2.61               | -57.4       | -68.6                     |
| Laser Photonics              | <b>LASE</b>  | Sept. 30/\$5.00  | 3.44               | -31.2       | 33.3                      | Shuttle Pharmaceuticals Hldgs | <b>SHPP</b> | Aug. 31/\$8.13   | 2.64               | -67.5       | -93.1                     |
| Qomolangma Acquisition       | <b>QOMOU</b> | Sept. 30/\$10.00 | 10.01              | 0.1         | 0.2                       | Hempacco                      | <b>HPCO</b> | Aug. 29/\$6.00   | 2.06               | -65.7       | -73.5                     |
| Global Star Acquisition      | <b>GLSTU</b> | Sept. 20/\$10.00 | 10.05              | 0.5         | 0.8                       | Jeffs' Brands                 | <b>JFBR</b> | Aug. 26/\$4.16   | 1.20               | -71.2       | -55.2                     |
| Nexalin Technology           | <b>NXL</b>   | Sept. 16/\$4.15  | 1.35               | -67.5       | -40.0                     | Onfolo Hldgs                  | <b>ONFO</b> | Aug. 26/\$5.00   | 1.24               | -75.2       | -48.3                     |

Sources: Dow Jones Market Data; FactSet

## Public and Private Borrowing

### Treasuries

| Monday, October 24  | Tuesday, October 25  |
|---|--|
| Auction of 13 and 26 week bills; announced on October 20; settles on October 27 | Auction of 2 year note; announced on October 20; settles on October 31 |
| Wednesday, October 26 <td>Thursday, October 27</td>                             | Thursday, October 27   |
| Auction of 17 week bill; announced on October 25; settles on November 1         | Auction of 4 week bill; announced on October 25; settles on November 1 |
| Auction of 2 year FRN;  | Auction of 8 week bill; announced on October 20; settles on October 31 |
| Auction of 5 year note;   | Auction of 7 year note; announced on October 20; settles on October 31 |

## International Stock Indexes

| Region/Country      | Index                           | Close     | Latest Week % chg | Low      | 52-Week Range | High      | YTD % chg |
|---------------------|---------------------------------|-----------|-------------------|----------|---------------|-----------|-----------|
| <b>World</b>        | <b>MSCI ACWI</b>                | 569.93    | 3.23              | 550.37   | ●             | 758.86    | -24.5     |
|                     | MSCI ACWI ex-USA                | 248.34    | 0.72              | 244.35   | ●             | 352.75    | -27.9     |
|                     | MSCI World                      | 2462.42   | 3.61              | 2367.69  | ●             | 3248.12   | -23.8     |
|                     | MSCI Emerging Markets           | 865.04    | 0.20              | 854.53   | ●             | 1297.26   | -29.8     |
| <b>Americas</b>     | <b>MSCI AC Americas</b>         | 1428.59   | 4.78              | 1363.36  | ●             | 1836.68   | -21.8     |
| Canada              | <b>S&amp;P/TSX Comp</b>         | 18860.95  | 2.92              | 18206.28 | ●             | 22087.22  | -11.1     |
| Latin Amer.         | <b>MSCI EM Latin America</b>    | 2284.11   | 7.64              | 1912.59  | ●             | 2761.97   | 7.2       |
| Brazil              | <b>BOVESPA</b>                  | 119928.79 | 7.01              | 96120.85 | ●             | 121570.15 | 14.4      |
| Chile               | <b>S&amp;P IPSA</b>             | 3148.33   | 3.52              | 2667.44  | ●             | 3546.47   | 12.2      |
| Mexico              | <b>S&amp;P/BMV IPC</b>          | 47120.08  | 3.69              | 44626.80 | ●             | 56609.54  | -11.5     |
| <b>EMEA</b>         | <b>STOXX Europe 600</b>         | 396.29    | 1.27              | 382.89   | ●             | 494.35    | -18.8     |
|                     | STOXX Europe 50                 | 3414.27   | 1.40              | 3310.09  | ●             | 3866.60   | -10.6     |
| Eurozone            | <b>Euro STOXX</b>               | 378.77    | 2.44              | 359.45   | ●             | 487.72    | -20.9     |
|                     | Euro STOXX 50                   | 3476.63   | 2.81              | 3279.04  | ●             | 4401.49   | -19.1     |
| Austria             | <b>ATX</b>                      | 2775.09   | 0.92              | 2647.43  | ●             | 4057.59   | -28.1     |
| Belgium             | <b>Bel-20</b>                   | 3448.63   | 1.82              | 3313.82  | ●             | 4402.32   | -20.0     |
| France              | <b>CAC 40</b>                   | 6035.39   | 1.74              | 5676.87  | ●             | 7376.37   | -15.6     |
| Germany             | <b>DAX</b>                      | 12730.90  | 2.36              | 11975.55 | ●             | 16271.75  | -19.9     |
| Greece              | <b>Athex Composite</b>          | 854.99    | 2.72              | 779.20   | ●             | 971.09    | -4.3      |
| Israel              | <b>Tel Aviv</b>                 | 1887.95   | 0.82              | 1775.89  | ●             | 2071.10   | -4.6      |
| Italy               | <b>FTSE MIB</b>                 | 21567.55  | 3.04              | 20353    | ●             | 28163     | -21.1     |
| Netherlands         | <b>AEX</b>                      | 652.46    | 3.47              | 630.58   | ●             | 827.57    | -18.2     |
| Portugal            | <b>PSI 20</b>                   | 5491.94   | 2.85              | 5190.28  | ●             | 6349.21   | -1.4      |
| Russia              | <b>RTS Index</b>                | 1050.57   | 6.05              | 742.91   | ●             | 1919.58   | -34.2     |
| South Africa        | <b>FTSE/JSE All-Share</b>       | 65539.24  | 1.97              | 63263.94 | ●             | 77536.12  | -11.1     |
| Spain               | <b>IBEX 35</b>                  | 7545.60   | 2.21              | 7261.1   | ●             | 9182.6    | -13.4     |
| Sweden              | <b>OMX Stockholm</b>            | 719.06    | 0.87              | 690.07   | ●             | 1045.27   | -30.7     |
| Switzerland         | <b>Swiss Market</b>             | 10418.60  | 0.86              | 10072.62 | ●             | 12970.53  | -19.1     |
| U.K.                | <b>FTSE 100</b>                 | 6969.73   | 1.62              | 6826.15  | ●             | 7672.40   | -5.6      |
| <b>Asia-Pacific</b> | <b>MSCI AC Asia Pacific</b>     | 135.81    | -1.48             | 135.8    | ●             | 201.1     | -29.7     |
| Australia           | <b>S&amp;P/ASX 200</b>          | 6676.80   | -1.21             | 6433.4   | ●             | 7592.8    | -10.3     |
| China               | <b>Shanghai Composite</b>       | 3038.93   | -1.08             | 2886.43  | ●             | 3681.08   | -16.5     |
| Hong Kong           | <b>Hang Seng</b>                | 16211.12  | -2.27             | 16211.12 | ●             | 26132.03  | -30.7     |
| India               | <b>S&amp;P BSE Sensex</b>       | 59307.15  | 2.39              | 51360.42 | ●             | 61350.26  | 1.8       |
| Japan               | <b>NIKKEI 225</b>               | 26890.58  | -0.74             | 24717.53 | ●             | 29808.12  | -6.6      |
| Malaysia            | <b>FTSE Bursa Malaysia KLCI</b> | 1446.42   | 4.63              | 1373.36  | ●             | 1618.54   | -7.7      |
| Singapore           | <b>Straits Times</b>            | 2969.95   | -2.29             | 2969.95  | ●             | 3445.01   | -4.9      |
| South Korea         | <b>KOSPI</b>                    | 2213.12   | 0.03              | 2155.49  | ●             | 3049.08   | -25.7     |
| Taiwan              | <b>TAIEX</b>                    | 12819.20  | -2.35             | 12810.73 | ●             | 18526.35  | -29.6     |

Source: FactSet; Dow Jones Market Data

## Commodities and Currencies

|                          | Last Week Close | Net chg | % Chg  | YTD % chg |
|--------------------------|-----------------|---------|--------|-----------|
| DJ Commodity             | 1020.33         | -5.93   | -0.58  | 7.83      |
| Refinitiv/CC CRB Index   | 272.36          | -4.33   | -1.57  | 17.21     |
| Crude oil, \$ per barrel | 85.05           | 0.40    | 0.47   | 13.08     |
| Natural gas, \$/MMBtu    | 4.959           | -1.494  | -23.15 | 32.95     |
| Gold, \$ per troy oz.    | 1651.00         | 9.30    | 0.57   | -9.66     |
| U.S. Dollar Index        | 111.89          | -1.42   | -1.26  | 16.59     |
| WSJ Dollar Index         | 103.86          | -1.23   | -1.17  | 15.98     |
| Euro, per dollar         | 1.0138          | -0.015  | -1.44  | 15.30     |

MARKETS

CFOs Exit as Firms Face Uncertainties

The exodus comes as high inflation and pandemic fallout weigh on corporate outlooks

By JENNIFER WILLIAMS-ALVAREZ

A number of finance chiefs at some of the country's biggest companies have left their jobs in recent weeks, an exodus that comes amid the pressures that high inflation and the Covid-19 pandemic have had on corporate balance sheets and the economic outlook.

Fall is often a period of heightened CFO turnover, because this is when companies tend to launch searches to bring in new finance executives for the early part of the next year, recruiters said. This time around, however, recruiters are seeing more churn than usual among finance executives, which they expect to continue throughout the end of the year.

September, for instance, logged the highest number of monthly departures at companies in the S&P 500 since the beginning of the year, accounting for roughly 20% of the 71 CFO exits through the third quarter, according to Russell Reynolds Associates, an executive search firm. This compares with 8% in September 2021 and 11% in the same month in 2020, Russell Reynolds said.

As the third-quarter earnings season ramps up, economists and executives see a high probability of recession in the coming months. That is pushing some executives to make a move now before the labor market changes, recruiters said. It also is leading some companies to prepare for a potential downturn by looking for CFOs with experience in cutting costs or restructuring operations, they added.

Joel von Ranson, who leads the global functional practices at recruitment firm Spencer Stuart, which includes the financial officers group, said companies are increasingly searching for CFOs with experience in cost management and balance-sheet refinancing as they struggle for visibility on the direction of the economy. He expects these skills, which took on greater importance in the third quarter, to remain priorities for businesses as they hire new finance leaders.

Retailer Nordstrom Inc., oil-field-services company Baker Hughes Co. and digital financial-services company Ally Financial Inc. were among the companies that in the span of a week recently said their CFOs would depart.

Detroit-based Ally Financial last Tuesday said CFO Jennifer LaClair was leaving immediately, just a day before it posted its third straight quarter of declining profits with results that missed analysts' estimates for adjusted earnings per share and revenue.

Ms. LaClair and the com-

pany agreed to terminate her employment after nearly five years in the role, according to a filing with regulators. Terminating an executive allows companies to pay the person a severance package, unlike when an executive resigns or is fired for cause, said Steve Flores, a partner at law firm Winston & Strawn LLP.

Ms. LaClair will remain as a senior operating adviser with the company until early March and continue to receive her \$750,000 base salary until then. She remains eligible for her 2022 discretionary cash and equity-based incentive-compensation awards. Chief Executive Jeffrey Brown said on a recent call with analysts that Ms. LaClair was looking forward to pursuing her next chapter.

Ally Financial declined to comment on what her plans are. Ms. LaClair didn't immediately respond to a request for comment.

"We've seen where there's been pressure to perform," said Alyse Bodine, a partner at recruiting firm Heidrick & Struggles International Inc. "And if the right leadership team is not in place to guide the company, then certainly we're seeing a turnover in key leadership roles and new leadership coming in to guide the company."

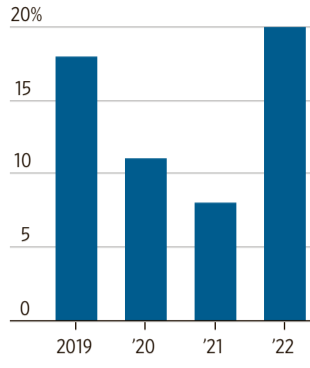
Nordstrom, meanwhile, last Monday said finance chief Anne Bramman will leave in December after more than five years in the role. The Seattle-based retailer in recent quarters has been battling pressures such as weakening consumer spending among shoppers at its Nordstrom Rack discount chain and high inventory levels. In August, Nordstrom lowered its annual outlook, saying it expected adjusted earnings per share of between \$2.30 to \$2.60 for the year, down from a range of \$3.20 to \$3.50.

Ms. Bramman decided to leave to pursue the next phase of her career, Nordstrom said. The company, which has yet to report third-quarter results, reaffirmed its financial outlook with the CFO change announcement. Ms. Bramman declined to comment.

Last Wednesday, Baker Hughes said CFO Brian Worrell is set to step down as the Houston-based company looks to cut \$150 million in costs and raise profits through a reorganization announced last month. Mr. Worrell will move into a strategic advisory role on Nov. 2 and leave Baker Hughes in the second quarter of next year. Nancy Buese, the CFO of gold producer Newmont Corp., is set to succeed him next month.

The transition wasn't a reflection of the company's finances or earnings performance, a company spokesman said, but was instead driven by the CFO succession process and the need for the right fi-

September's percentage of CFO turnover through the first three quarters



Note: Data is for S&P 500 companies. Source: Russell Reynolds Associates



Nordstrom's Anne Bramman.

nance leader for the company's transformation. Mr. Worrell didn't immediately respond to a request for comment.

Overall, CFO turnover in the first three quarters of the year stands at 14%, compared with

16% during the same period in 2021 and 12% in 2020, according to Russell Reynolds. The slight downturn comes after a recruitment boom last year that followed the early days of the pandemic during which

companies asked their CFOs to stay on and help manage the impact of the health crisis, recruiters said.

Meanwhile, CFOs in the early part of the year were more cautious about change because of the uncertainties, said Spencer Stuart's Mr. von Ranson. "That created some pent-up demand for change that we're seeing flow through," he said.

Aside from departing for another role, CFOs are increasingly retiring. This year through the third quarter, retirements—meaning executives either leaving the workforce altogether or moving exclusively to board roles—accounted for 52% of CFO departures at companies in the S&P 500, according to Russell Reynolds. This compares with 45% during the same period last year and 47% in 2020 and is the highest retirement rate during the same

three-quarter period in the previous three years, the executive search firm said.

Some CFOs came out of the pandemic looking for their next act, whether that is to join a board, become a chief executive officer, work as a private-equity operating partner or become an angel investor, said Jenna Fisher, co-head of Russell Reynolds's global financial officers practice.

That trend is continuing, with the slowing economy forcing finance chiefs into thinking about their next steps, she said.

"Once CFOs had gotten through the first significant tranche of the pandemic, there were a lot of people who just said, 'You know what, I've hit my number, this job isn't fun anymore,'" Ms. Fisher said. "And that has continued."

—Kristin Broughton contributed to this article.

WHERE RISK MEETS OPPORTUNITY

Whatever the conditions, CME Group provides the tools that global market participants need to manage risk and capture opportunities. With 24-hour access to trading in futures, options, cash and OTC across all major asset classes, you can determine your best position and take action at just the right moment.

VISIT CMEGROUP.COM/OPPORTUNITY



Laird Hamilton World-Class Big Wave Surfer



Derivatives are not suitable for all investors and involve the risk of losing more than the amount originally deposited and profit you might have made. This communication is not a recommendation or offer to buy, sell or retain any specific investment or service. Copyright ©2021 CME Group Inc. All rights reserved.

THE TICKER |

MARKET EVENTS COMING THIS WEEK

Table with market events for Monday, Tuesday, Wednesday, Thursday, and Friday, including earnings expected, short-selling reports, and other financial metrics.

\* FactSet Estimates earnings-per-share estimates don't include extraordinary items (Losses in parentheses) ♦ Adjusted for stock split Note: Forecasts are from Dow Jones weekly survey of economists