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THURSDAY, NOVEMBER 10, 2022 ~ VOL. CCLXXX NO. 112

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NASDAQ 10353.17 ▼ 2.5%

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Business & Finance

Trypto exchange Binance reversed course on a rescue offer for FTX, leaving the digital firm with an uncertain future as it faces a shortfall of up to \$8 billion, according to people familiar with the matter. A1

- ◆ Meta said it would cut more than 11,000 workers, or 13% of staff, embarking on the company's first broad restructuring and adding to a wave of tech layoffs. B1
- ◆ U.S. stocks sold off, snapping a three-day winning streak, with the S&P 500, Nasdaq and Dow losing 2.1%, 2.5% and 2%, respectively. B1
- ◆ **Investors are** bracing for the possibility that a second year of stubborn inflation could force the Fed to lift interest rates above levels not seen in more than 20 years. **B1**
- **♦ Musk dumped Twitter's** "official" label verifying the authenticity of a user's account, just hours after the designation was launched. B3
- ◆ Goldman promoted 80 bankers into its partnership, the biggest class since CEO Solomon took over at the company in 2018. B10
- ◆ Adidas said it would start selling shoes based on Yeezy designs in a bid to rebound after scrapping its partnership with Kanye West. B1
- ♦ Rivian posted a \$1.74 billion third-quarter loss as it continued to struggle with higher materials costs and underused assembly lines. B6
- **♦** A group of artworks from Microsoft co-founder Paul Allen's estate sold at auction at Christie's for a record-smashing \$1.5 billion. A2

World-Wide

- ◆ Republicans were picking up seats on the way to an expected House majority, while the Senate remained a tossup, amid signs the GOP gains were narrow and that Democrats had fended off a midterm "red wave" that many had anticipated. A1, A4, A6-8
- **♦** High-profile candidates endorsed by Trump struggled and his GOP rivals in Florida and Georgia had smashing victories, presenting a formidable challenge to the former president's assertion of dominance in the party. **A1**
- ◆ Russia said it was withdrawing its troops from the southern Ukrainian city of Kherson and surrounding areas, the only regional capital Moscow had seized since its invasion in February. A1
- ◆ The U.S. outlined a new carbon-credit plan that aims to pump billions of dollars into developing countries' energy transition, while some businesses expressed caution over investing in the program. A11
- ◆ Biden said he plans to discuss how the U.S. and China can avoid conflict when he meets with Xi during an Asia trip, but won't make concessions on critical issues. A20
- ◆ A rough transcript of a 2004 interview George W. Bush and Dick Cheney gave to a government commission investigating the 9/11 terrorist attacks provides a glimpse of their views of the event. A3
- ♦ Nicole strengthened to a hurricane Wednesday evening while making landfall on Grand Bahama Island in the Bahamas, and was forecast to hit Florida overnight. A3

CONTENTSArts in Review. A14-15 Opinion.. Personal Journal A12-13 Business News..... B3 Technology...... B4-5 U.S. News Heard on Street. B12





What's GOP Nears Slim House Win



Democrats fend off a 'red wave' as Senate margin remains tight; Georgia goes to runoff

By Andrew Restuccia AND KEN THOMAS

Republicans were picking up seats on the way to an expected House majority on Wednesday, while the Senate remained a tossup, amid signs that the GOP gains were narrow and that Democrats had fended off a midterm "red wave" that many had anticipated.

Final results continued to be reported a day after Election Day as states counted mail-in ballots and tallied results for close races. Republicans, who needed a net of just five House seats to regain the majority, had already won a

Wednesday they flipped an Iowa Democrat-held district. Sen. Ron Johnson of Wisconsin, a Republican, secured a third term by winning a closely contested race. But as the counting contin-

number of seats, and on

ued, it was clear President Biden's Democratic Party was likely to avoid the type of steep losses that bedeviled many of his predecessors in their first midterm elections. Democrats avoided the worst because their voters came to the polls with unusual enthusiasm, according to voter surveys, while swing voters often broke in their favor.

pundits were predicting a giant red wave, it didn't happen," Mr. Biden said at the Please turn to page A4

"While the press and the

◆ More election news coverage on pages A4, A6-8

Trump's Dominance In Party Takes a Hit

By Alex Leary

PALM BEACH, Fla.—Highprofile candidates endorsed by Donald Trump struggled and his GOP rivals in Florida and Georgia had smashing victories in Tuesday's election, presenting a formidable challenge to the former president's assertion of dominance in the party and his bid to clear the field in the race for the 2024 Republican presidential nomination.

Mr. Trump, like many Republicans, expected a "red wave" to carry the party to complete control of Congress. What came instead was far more measured. The GOP is fa-

vored to take the House, though with a smaller-thananticipated margin. The Senate, where Mr. Trump staked much of his political capital, might stay in Democratic hands-with losses by Trumpbacked candidates possibly making the difference.

That is likely to prompt questions about Mr. Trump's brand ahead of an expected Tuesday announcement of another presidential run. The weaker-than-expected GOP results also set off a wave of second-guessing of the party's approach in the campaign.

"As it turns out, candidates Please turn to page A7

INSIDE



INVENTING NEW WAYS TO GET THERE R1-6

Who Wants To Live With Nuns? Co-Eds

> In Pennsylvania, college students share a convent

By Melissa Korn

ASTON, Pa.-A group of students at Neumann University here spent an evening last month painting pumpkins, making s'mores and dancing to a DJ's playlist. Their neighbors-a bunch of sisters, and not the sorority kind-joined in the fun.

Call it a match made in heaven: Neumann wanted to increase campus housing for students. The Catholic Sisters of St. Francis of Philadelphia had extra space in their con-

In August, 40 undergraduate men and women moved into the Our Lady of Angels Motherhouse Convent, at the edge of this small campus just Please turn to page A11



BUSINESS & FINANCE

Meta to cut 11,000 workers as growth projections prove wrong. **B1**

SPORTS

Geno Smith, the NFL's late-blooming quarterback, is having a turn. A16

Binance Abandons Deal To Save Crypto Firm FTX

Crypto exchange Binance reversed course on a rescue offer for FTX, leaving the digital firm with an uncertain future as it faces a shortfall of up to \$8 billion, according to people familiar with the matter.

> By Patricia Kowsmann. Caitlin Ostroff and Berber Jin

Binance chose not to go ahead with the nonbinding offer following a review of the company's finances, the exchange said Wednesday. "In the beginning, our hope was to be able to support FTX's customers to provide liquidity, but the issues are beyond our control or ability to

help," Binance said. In a call Wednesday with in-

vestors in FTX, founder and Chief Executive Sam Bankman-Fried said he needs emergency funding due to customer withdrawal requests received in recent days, the people familiar with the matter said. Those requests sparked a debilitating liquidity squeeze. FTX told investors it was hoping to raise up to \$4 billion in equity to fill the shortfall, people familiar said.

The implosion of the rescue deal weighed on financial markets already rattled by uncertainty around the U.S. midterm elections. The Nasdaq Composite fell 2.5% while the Dow Jones Industrial Average and S&P 500 both fell around 2%.

Bitcoin fell around 16% bringing its value below \$16,000 for the first time since November 2020. It is down around 75% from an all-time high reached in November 2021.

Also on Wednesday, Securities and Exchange Commission Chairman Gary Gensler issued a stern warning to crypto platforms, after more than a year of encouraging them publicly to register with his agency. He likened the crypto market to a stack of Jenga blocks that gets weaker with each failure.

SEC enforcement staff, who have been investigating FTX for Please turn to page A11

◆ James Mackintosh: Crypto has a backing problem..

Russia Says It Is Leaving Key Ukraine City

By IAN LOVETT AND JAMES MARSON

Russia said it was withdrawing its troops from the southern city of Kherson and surrounding areas, the only regional capital Moscow had seized since its invasion in February.

Defense Minister Sergei Shoigu of Russia ordered Russian forces to withdraw to the eastern bank of the Dnipro River at a meeting with the top Russian commander in Ukraine, Gen. Sergei Surovikin. Gen. Surovikin said the troops would leave in the coming days and take up positions on a new defensive line that had been prepared along the eastern bank of the river.

Ukrainian officials expressed caution over the statements, saying Russia could be bluffing and that significant Russian forces remained in Kherson.

"The enemy doesn't give us gifts," President Volodymyr Zelensky of Ukraine said in his nightly address. "We are moving very carefully, without emotion, without unnecessary risks."

Still, Kherson residents said in interviews that Russia's mil-



A Ukrainian soldier on Wednesday fired at a position along the front lines in the Kherson region.

itary had disappeared from the city in recent days.

Ukrainian forces have advanced on Kherson in recent weeks, using long-range artillery to strike bridges across the Dnipro and largely cut off thousands of Russian troops in and around the city.

The apparent Ukrainian

success in Kherson is the latest in a series of reversals for Russia. Ukraine repelled Russian forces from Kyiv in March, halted Russian advances in the east in the summer then took back swaths of the northeast in a lightning offensive in September.

A victory would boost

Ukraine and its Western backers ahead of winter, when the intensity of combat is expected to fall. Russia has targeted Ukrainian civilian infrastructure in recent weeks, causing Please turn to page A9

Moscow and Tehran vow stronger ties.....

U.S. NEWS

CAPITAL ACCOUNT | By Greg Ip

A2 | Thursday, November 10, 2022

Inflation a Headache for Leaders Everywhere



may be local, but this year political leaders around the world are be-

ing cashiered by a global problem: inflation.

In polls leading up to Tuesday's midterm election, voters regularly cited inflation as their top concern, and Republicans flooded the airwaves tying it to President Biden's policies. Republicans were favored to take control of the House of Representatives, although results were still unclear Wednesday.

Mr. Biden wasn't on the ballot in Australia in May, but the cost of living was as voters tossed out the ruling center-right government. Inflation and energy costs were also at work when French President Emmanuel Macron lost his parliamentary majority in June, Italy's technocratic government collapsed in July and Sweden's left-of-center governing coalition lost to a right-wing coalition in September.

This should come as little surprise; throughout history inflation has been socially corrosive and politically destabilizing.

Americans naturally look to American explanations for inflation. Republicans and some economists blame President Biden's \$1.9 trillion stimulus in early 2021 for

overheating the economy. Historically, though, inflation trends have been synchronized across the Western world: it rose sharply in the

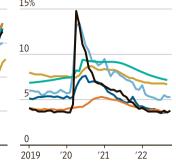
Even excluding energy, inflation is high globally. With unemployment low worldwide, labor shortages are pervasive.

Unemployment rate

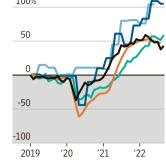
■ Australia ■ Canada ■ Eurozone ■ Sweden ■ U.K. ■ U.S.

12-month change 15%

Core consumer prices,



Change in job vacancies since January 2019 100%



*Excludes volatile items such as food and energy. Sources: CEIC Data (consumer prices, unemployment rate); OECD (job vacancies for Australia, Sweden, U.K., U.S.); Statistics Canada (job vacancies

1970s in the wake of several commodity price shocks, fell in the early 1980s, and was quiescent to the point of be-

ing worrisomely low in the

decade before the pandemic.

he latest cycle has been no different. The U.S. saw inflation come back earlier and faster as economies reopened, but is no longer an outlier. Russia's invasion of Ukraine has raised energy costs globally, especially in the eurozone. But even excluding volatile categories such as energy and food, "core" inflation has climbed to the 6% to 7% range in Sweden, the U.K., Canada and Australia, comparable to the U.S. rate, according to CEIC Data, an economic data provider. In

Germany and France, it's

about 3 percentage points higher than before the pan-

The U.S. did export some of its inflation; stimulus signed into law by both President Donald Trump and Mr. Biden fueled so much demand for internationally traded goods that the resulting supply shortages drove up prices in other countries. A recent Federal Reserve staff study estimates U.S. stimulus contributed 2.3 percentage points to Canada's inflation and 0.3 point to Britain's. As the Fed has raised interest rates this year, the dollar has climbed sharply, raising import costs for emerging markets in particular.

That still leaves plenty of inflation with no American connection. In numerous countries, the cost of shelter,

which is almost entirely domestically driven, is rising rapidly. Most telling, labor markets, which are largely insulated from international developments, are universally tight. Unemployment is as low or lower in most Western economies as on the eve of the pandemic, while unfilled job vacancies are higher. This has recently begun to find its way into wages. In Canada, where unemployment is hovering near a four-decade low and vacancies have doubled since 2019, annual pay growth accelerated to 5.6% in October-faster than in the U.S.

Inflation rose worldwide in part because policy makers in so many countries followed the same playbook: locking down their economies early in the pandemic, which distorted spending

U.S. WATCH

and work patterns. Elected leaders and central bankers from different countries also absorb the same intellectual currents. It is why inflation rose and fell at the same time in the 1970s and 1980s. Because the global financial crisis led to a decade of weak growth and too-low inflation, they saw little risk from implementing generous fiscal relief, slashing interest rates and buying bonds.

Today, even their postmortems sound similar. "It is understandable that some people are questioning whether or not too much support was provided," Reserve Bank of Australia Gov. Philip Lowe said in September. "In those dark days of the pandemic, the [bank] judged that the bigger policy mistake would have been to do too little, rather than too much." Treasury Secretary Janet Yellen made much the same case for stimulus in early 2021.

Inflation also reflects common shocks to economies' productive capacity having little to do with fiscal or monetary policy. Underinvestment in both fossil fuels and renewable energy infrastructure exposed everyone to crippling supply interruptions. Covid-19 scrambled work and commuting patterns and continues to leave millions too sick to work. Britain's labor force is smaller now than in 2019, leading Bank of England Gov. Andrew Bailey to wonder in a July speech, "Have more people retired than was expected, has long-term illness

risen permanently, and how many people may return to the labor force and over what time?'

he confluence of factors forcing inflation up around the world pose a challenge to any country trying to solve it. Central banks around the world are raising interest rates but can do little about energy markets, demographics or fiscal policies pushing in the other direction.

If Republicans take control of Congress, they may push President Biden to cut spending. Yet to reduce the inflation rate just 1 percentage point next year via spending cuts alone would require slashing annual discretionary outlays by nearly half, or \$750 billion a year, the Penn Wharton Budget Model, a nonpartisan think tank, estimates. That's roughly equal to the entire defense budget.

Spending cuts on such a scale would be so politically unpopular as to be almost unfeasible. Nondiscretionary spending, such as on Social Security and Medicare, isn't subject to annual appropriations legislation and is thus even harder to cut-and, despite Republican talk of changes, even more politically sacrosanct. Those political leaders who have reaped the electoral rewards of high inflation may find it no easier to solve than the people they replaced.

◆ Wall Street's game plan if rates reach 20-year high.... B1

Court Hears Challenge To 1978 Adoption Law

By Jess Bravin

WASHINGTON-The constitutional status of American Indians came before the Supreme Court on Wednesday, as the justices heard lawsuits challenging federal law that promotes the adoption of American Indian children by Native American families.

A 1978 statute, the Indian Child Welfare Act, directs familv courts overseeing adoptions of Native American children to give preference to members of the child's tribe or other Native American families if members of their own families aren't available. A white foster couple seeking to adopt an American Indian child, backed by the state of Texas, challenged the law as violating equal protection and other constitutional principles. The 1978 law reflected a

tion campaigns to preservation of Native American culture and limited self-government for tribal members. Justice Brett Kavanaugh

change in federal policies toward the tribes, from assimila-

summarized the conflict the case presented between a history of discrimination and oppression of the tribes on one hand and the ideal of treating people equally on the other. The court, he said, would never permit Congress to give white parents a preference for adoption of white children or Latino families a preference for Latino children.

Deputy Solicitor General Edwin Kneedler, defending the law, said it wasn't based on racial classifications but rather a political distinction recognized by the Constitution and myriad treaties the U.S. made with Native American tribes.

NEW YORK

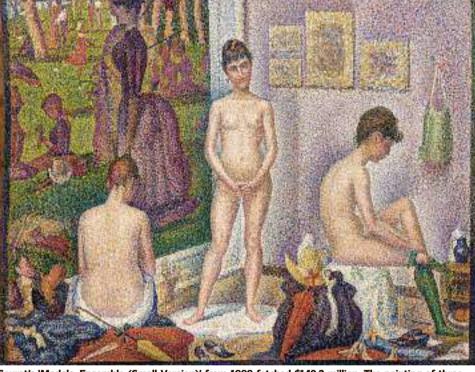
Paul Allen Collection Sets Auction Record

Microsoft Corp. co-founder Paul Allen's estate made auction history on Wednesday when a group of artworks from his estate sold for \$1.5 billion, smashing the record for priciest collection ever sold at auction.

Lush landscapes and rare examples by artists like Paul Cézanne, Georges Seurat, Sandro Botticelli and Jasper Johns anchored a sale at Christie's in New York that reaffirmed the depth of the trophy-hunting art market at a time of broader economic uncertainty.

Mr. Allen's trove surpassed the previous, \$922 million record set in May by New York real-estate developer Harry Macklowe and his ex-wife, Linda Macklowe.

Seurat's \$149.2 million "Models. Ensemble (Small Version)." proved to be the night's star. The placemat-size painting of three women from 1888 hints at his larger, earlier scene of the same trio that belongs to Philadelphia's Barnes Foundation. It was only estimated to sell for \$100 million, but four bidders pushed it higher. The winning telephone bid was fielded by Christie's specialist Xin Li-Cohen, who often represents bidders from mainland China and the U.S. The Seurat was one of five works that topped \$100 million. These included a \$137.8 million mountain-top vista by Cézanne, "La Montagne Sainte-Victoire." -Kelly Crow



Seurat's 'Models, Ensemble (Small Version)' from 1888 fetched \$149.2 million. The painting of three women was only estimated to sell for \$100 million, but four bidders pushed the price higher.

GEORGIA

Gingrich Must Testify In Probe, Judge Says

Former House Speaker Newt Gingrich must comply with a subpoena seeking his testimony in front of a special grand jury in Georgia investigating whether then-President Donald Trump and others illegally tried to influence that state's 2020 election results, a Virginia judge ruled

Wednesday. Mr. Gingrich, who lives in

northern Virginia, had argued that the federal law that normally reguires states to honor out-ofstate grand jury summonses shouldn't apply in this case because the special grand jury lacks the power to indict. He also argued that the subpoena would be unnecessarily duplicative and burdensome because he has already agreed to testify in front of a congressional select committee investigating the Jan. 6, 2021, attack on the U.S. Capitol.

Fairfax County Circuit Court Judge Robert Smith said the subpoena should be enforced. The judge said the law doesn't parse out a difference between regular grand juries and special grand ju-

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BOSTON

Coach Is Sentenced in Admissions Case

Former Yale University soccer coach Rudolph Meredith was sentenced in a Boston federal court to five months in prison for his involvement in the sprawling college-admissions cheating scandal that also ensnared executives and Hollywood stars, a harsher sentence than even the prosecutors had recommended.

Mr. Meredith took \$860,000 in bribes from corrupt college counselor William "Rick" Singer and agreed to a \$450,000 payment directly from at least one parent. Mr. Meredith's attorneys couldn't be reached for comment.

–Melissa Korn

CORRECTIONS & AMPLIFICATIONS

Page One article about Chinese stocks showed the Nasdaq Golden Dragon China Index in points. The chart was labeled incorrectly with a dollar sign.

A bipartisan infrastructure law is separate from a bipartisan law aimed at boosting U.S. semiconductor manufacturing. In some editions Monday, a Page One article about campaigning ahead of Election Day incorrectly conflated the two laws.

Daylight-saving ended on Sunday. A U.S. News article on Wednesday about mismatches between a person's circadian clock and social clock incorrectly said that daylight-saving time started.

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

A chart with an Oct. 25 Preferred Part D drug plan would cost \$3,003 for the full year 2023, or 68% more than the cheapest competing plan's cost of \$1,791, for a Manhattan patient buying six commonly prescribed drugs via mail order, according to Medicare.gov. Cost examples in a Journal Report article on Monday about Medicare drug coverage, using 2022 figures, understated the difference because they reflected only five months of costs instead of 12 months.

> A bond investor who keeps an individual bond to maturity could get back all of the initial outlay as well as interest unless the bond was purchased at a premium. A Journal Report article on Monday about bond income didn't include

The AARP MedicareRx the caveat about a premium.

Letters to the Editor: Fax: 212-416-2891; email: wsi.ltrs@wsi.com

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U.S. NEWS

Nicole Strengthens Into Hurricane as It Aims for Florida's East Coast

Nicole strengthened to a hurricane Wednesday evening while making landfall on Grand Bahama Island in the Bahamas, before taking aim at the eastern coast of Florida later in the night, according to the National Hurricane Center.

Nicole, which was a tropical storm as it approached the Bahamas, became a Category 1 hurricane, with winds of 75 miles an hour, the hurricane cen ter said. A hurricane warning was in effect for parts of the northwestern Bahamas and a roughly 225-mile stretch of Flor ida's coast from Boca Raton to the border of Volusia and Flagler counties. In Hollywood Beach, right, storm-whipped waves washed onto Surf Road. —Arian Campo-Flores



Bush 9/11 Interview Gives New Details on That Day

By Dustin Volz AND WARREN P. STROBEL

A rough transcript of a 2004 interview George W. Bush and Dick Cheney gave to a government commission investigating the Sept. 11, 2001, terrorist attacks provides a glimpse of the former president's and vice president's views of the seminal event that defined their eight years in the White House.

The April 2004 interview with the bipartisan 9/11 commission, which took place in the Oval Office, included discussion of intelligence warnings before the attacks and the events that unfolded on the day of Sept. 11, according to the copy of the 31-page document. It also describes Mr. Bush acknowledging that Air Force One had poor communications while he was on the plane shortly after the attacks began—and Mr. Bush's assertion that he gave Mr. Cheney the authority to shoot down commercial airliners that were unresponsive.

The newly declassified document was released to the public Wednesday.

"'Yes, engage the enemy,'" Mr. Bush is described as saying he had told Mr. Cheney. " 'You have the authority to shoot down an airplane." In other instances, the document recounts Mr. Cheney repeatedly telling Mr. Bush, who was at a school in Florida when the attacks began, not to return to Washing-

"The president agreed, reluctantly," the document says. "The president asked the vice president to take necessary steps and stay in close touch."

The interview wasn't recorded, but a note taker was present. The document was authorized for public release by fication Appeals Panel, a body of representatives from various federal departments. It contains few redactions and includes Mr. Bush's reflections on threat reports he received in the spring and summer of 2001. It isn't a verbatim transcript, but a "memorandum for the record" taken during the meeting.

The attacks, just eight months into Mr. Bush's presidency, killed nearly 3,000 people in New York, the Pentagon and Shanksville, Pa., and prompted the Bush administration to launch wars in Afghanistan and Iraq that would last much of the next two decades. The government's failure to foresee and prevent them led to the massive expansion of the U.S. security and intelligence apparatus, including the Department of Homeland Security, the Transportation Security Administration and the Office of the Director of National Intelligence.

In the interview, Mr. Bush repeatedly pushed back against suggestions from some of the 9/11 commissioners and others that he and his top advisers could have been more proactive against the terrorist group al Qaeda, which had already attacked two U.S. embassies in East Africa and the Navy destroyer USS Cole, before Sept. 11, 2001.

The president told the commission that an item in his Aug. 6, 2001, Presidential Daily Brief entitled "Bin Ladin determined to Strike in U.S.," about the al Qaeda leader, contained no information about al Qaeda cells inside the U.S. "There was no actionable intelligence on such a threat—not one," the transcript quotes him as saying.

That intelligence report, declassified in 2004, said the FBI

had information on "patterns of suspicious activity in this country consistent with preparations for hijacking or other types of suspicious attacks," but provided no details.

Nor was there appetite for putting U.S. military forces inside Afghanistan, where al Qaeda was based, before the attacks, Mr. Bush said. He quoted British Prime Minister Tony Blair as telling him, had Mr. Bush suggested it, "I would have looked at you like a nut."

Messrs. Bush and Cheney weren't under oath, after the White House argued that would set a concerning precedent for

"Yes, engage the enemy," 'Mr. Bush is described as saying he told Mr. Cheney.

future presidents. Afterward, Mr. Bush described the meeting as cordial, telling reporters he had answered every question.

A spokesman for Mr. Bush said the spokesman was unaware the release of the interview was forthcoming and declined to comment further. A spokesman for Mr. Cheney couldn't be reached.

Philip Zelikow, executive director of the 9/11 Commission, said that while much of the material from the interview was cited in the commission's 2004 report, the memorandum gives the public a look at Mr. Bush's discussion of the event that shaped his presidency, and at his relationship with Mr. Cheney.

"For a lot of people, it will be the first time they can really hear George Bush talking

about the issue in a direct way under prolonged examination," said Mr. Zelikow, who was present at the interview and drafted the memorandum. "It's more the private Bush, not the public Bush."

The interview, he said, undercuts a stereotype that Mr. Bush was deferential to, or even manipulated by, his vice president. Mr. Bush "took command from the start" in the session, he said.

The 9/11 Commission issued its final report in July 2004, concluding the U.S. government was ill-prepared to detect signs that al Qaeda was planning the attacks. The report was seen as a landmark document upon its release and became a bestseller-an unusual feat for a government document.

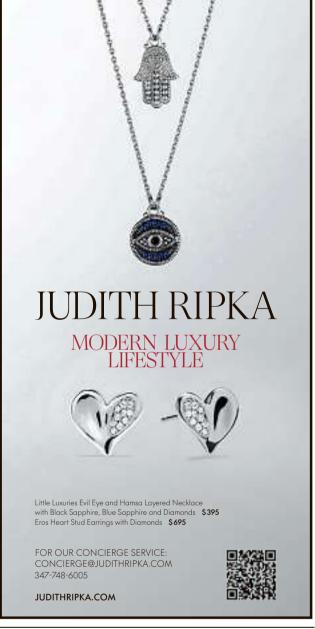
The 9/11 Commission document contains new insights into confusion at the highest levels of the U.S. government in the hours after the attacks. Mr. Cheney thought the plane that crashed near Shanksville, United Airlines Flight 93, had been shot down by U.S. military aircraft. Mr. Bush was asked for authority to shoot down an airliner coming from Madrid, Spain, only to be told minutes later that the plane had actually landed in Madrid.

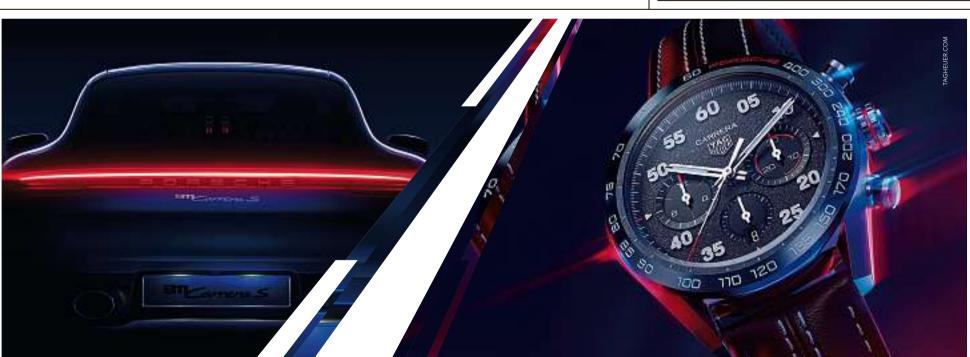
In another revelation, the chairman of the commission, former New Jersev Gov. Thomas Kean, asked Messrs. Bush and Chenev if they were aware that the Secret Service had scrambled jets from Andrews Air Force Base outside of the military chain of command after the attacks. "The president, surprised, asked the chairman to repeat 'ordered by the Secret Service?" the document states, "The chairman affirmed that. The president said he did not know about that."



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TAG HEUER CARRERA

Porsche Chronograph





A4 | Thursday, November 10, 2022

Georgia Senate Race Heads for a Runoff

Democratic incumbent Warnock will face GOP challenger Walker in early December vote

By Cameron McWhirter AND JOSHUA JAMERSON

ATLANTA-Democratic Sen. Raphael Warnock and his Republican challenger, Herschel Walker, are headed to a runoff election in December, sending Georgia voters back to the polls in a high-stakes Senate showdown for the second time in two years.

Georgia Secretary of State Brad Raffensperger on Wednesday said neither candidate will notch the required 50% support under state law, largely because of the presence of Chase Oliver, a Libertarian Party candidate, on the ballot. Mr. Oliver received enough votes to prevent one of the major-party candidates from winning outright.

Georgia election officials said counties are making preparations for a Dec. 6 runoff. Mr. Raffensperger asked voters to come out "one last time." Not long after his remarks, the Associated Press projected a runoff in the race.

Late Tuesday night, Mr. Walker, who was endorsed by President Donald



Georgia Secretary of State Brad Raffensperger said neither candidate will get the required 50%.

Trump, told cheering supporters at a hotel in suburban Atlanta, "I didn't come here to

Talking to reporters on Election Day, Mr. Warnock said a runoff would mean "we'll soldier on for a few more weeks. After all, I've been at this for a while." He added later: "The differences between me and my opponent are too wide for us to rest on Election Day. I'm telling everybody that I know: let's get this done."

For months, polls showed the race close between Mr. Warnock, a 53-year-old Atlanta pastor, and Mr. Walker, a 60vear-old former football player for the University of Georgia and the National Football League.

The Georgia Senate race already is one of the most expensive of all time, with about \$250 million spent on political ads by both parties. Now this race is going to get even more expensive, with nonpartisan analysts saying it could become the most expensive congressional race in history.

Georgia's roughly 11 million residents will be subjected to another month of political ads. fliers in their mailboxes and volunteers knocking on their doors. Ads for the race took a sharply negative tone in recent weeks, with the campaigns and groups supporting them blasting the candidates over allegations of mistreating women.

In the past several months,

Mr. Walker has been dogged by allegations of domestic abuse, including that he threatened to kill his ex-wife, and allegations by two women that he paid for abortions despite campaigning as opposing abortion rights. Mr. Walker has said he opposes abortion without exceptions, even in cases of rape, incest or danger to a mother's life. On the claims by his ex-wife, Mr. Walker has said he was suffering from mental illness at the time and had no memory of the events described by her. He has said the abortion accusations are lies.

Pro-Walker ads have criticized Mr. Warnock over his exwife's charges that he attacked her, which Mr. Warnock denies.

The mudslinging will have little impact on voters, who are sick of the ads and tuning them out, said Rusty Paul, former chairman of the Georgia Republican Party.

"The TV ads have lost their effectiveness," he said. "They're just going to turn the candidates even further into a bloody pulp. The voters have already decided who they're voting for or have decided a pox on both your houses."

Runoffs aren't uncommon in Georgia elections. That is how Mr. Warnock got his current job. In November 2020, sitting Republican Sen. Kelly Loeffler

came in second to Mr. Warnock, but neither candidate came close to 50% of the vote. Another GOP candidate, Doug Collins, came in a strong third in a crowded field.

At the same time, Republican Sen. David Perdue narrowly won the November contest against Democrat Jon Ossoff, but was just shy of 50% of the vote. Both races went to a Jan. 5, 2021, runoff and both of the Democrats prevailed. The Democratic wins gave the party narrow control of the U.S. Senate.

Republicans, who had dominated Georgia state politics for years, used to hold an edge in runoffs, because their voters more consistently came out in special elections, Mr. Paul said. The 2021 Senate runoffs showed Democratic voting strength was growing and that the party could bring out voters, he said.

Senate terms are six years, but Mr. Warnock was elected to complete only two years of an existing term. The senator he unseated, Ms. Loeffler, had been appointed to fill out a term vacated by longtime Republican Sen. Johnny Isakson, who resigned for health reasons in 2019. Mr. Isakson died in 2021. The winner of this fall's race will sit for a full sixyear term.

GOP Nears Slim Win In House

Continued from Page One White House on Wednesday afternoon. After campaigning around the country for midterm candidates, the president framed the wins as evidence that his agenda has been pop-"We're just getting

started," he said. Republicans headed into Tuesday night hoping to pick up more than 20 House seats, aided by Mr. Biden's low approval ratings and voters' anxiety about high inflation and other issues. And while their gains appeared slimmer, they remained on track to retake the House as tallies trickled in from key races in Nevada, California and Arizona.

Divided government would pose significant challenges to Mr. Biden for the second half of his term. Legislating would be difficult, and Republicans would try to establish a competing agenda on the way to challenging Democrats in the 2024 presidential campaign.

"Even if Republicans ultimately prevail, the strong Democratic performance in the face of President Biden's poor job approval rating is remarkable," said Nathan Gonzales,

publisher of Inside Elections, which provides nonpartisan analysis of campaigns.

Republican lawmakers frustrated by the lackluster showing began finger pointing almost immediately, targeting leadership.

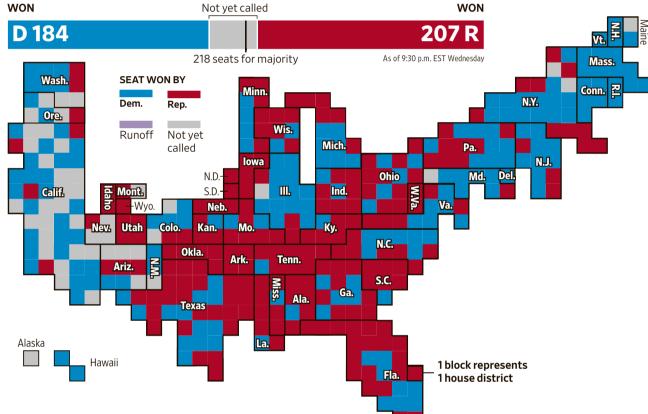
Rep. Kevin McCarthy of California, the House GOP leader, told supporters early Wednesday morning, "When you wake up, we will be in the majority and Nancy Pelosi will be in the minority," though by Wednesday the House wasn't called for Republicans.

"It is clear that House Democratic members and candidates are strongly outperforming expectations across the country," House Speaker Nancy Pelosi (D., Calif.) said.

The Senate remained undecided. Democrats flipped a key seat in Pennsylvania late Tuesday, with Lt. Gov. John Fetterman beating celebrity surgeon Mehmet Oz, while Republicans held on to Ohio, Florida and Wisconsin. But three remaining Senate races remained too close to call. Poll workers continued to count in Arizona and Nevada, while the Georgia secretary of state said that neither Democratic Sen. Raphael Warnock nor Republican Herschel Walker passed the reguired 50% threshold for victory, sending the contest to a runoff election on Dec. 6.

In Senate results announced on Tuesday, Republican J.D. Vance in Ohio fended off Democratic Rep. Tim Ryan, while

U.S. House of Representatives



Source: Associated Press

Republican Rep. Ted Budd in North Carolina defeated Democrat Cheri Beasley. Both were open seats.

Meanwhile, Democratic Sens. Maggie Hassan in New Hampshire and Michael Bennet in Colorado defeated Republican challengers.

The GOP gained a number of House seats in Tuesday's election, including wins in Florida, Virginia and New Jersey. New York Rep. Sean Patrick Maloney, head of the Democratic Congressional Campaign Committee, conceded defeat to a Republican challenger.

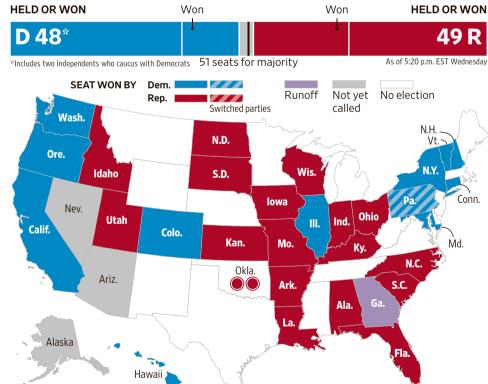
Republicans picked up seats in Florida, aided by population growth and redrawn election maps that were more favorable to the party. And Republican Jen Kiggans defeated twoterm Rep. Elaine Luria in Virginia, a noteworthy win in the GOP's quest to take control of the House.

But Virginia also showed Democrats' resiliency, with Rep. Abigail Spanberger defeating Republican Yesli Vega in a race considered by both parties to be a national bellwether. Two-term Rep. Jennifer Wexton (D., Va.) held off GOP challenger Hung Cao in the Washington, D.C., suburbs.

Democrats won several Republican-held House seats, according to the Associated Press. Wiley Nickel won an open seat in North Carolina, Hillary Scholten won in Michigan and Greg Landsman in Ohio defeated longtime GOP Rep. Steve Chabot.

Maxwell Frost, a 25-year-old Democrat, won an open Florida seat and will be the youngest member of the House.

Democrats flipped two governors' seats. Maura Healey won the Massachusetts race and will become the state's first woman governor, as well as the first openly gay candidate elected to the post. Wes Moore won in Maryland and **U.S. Senate**



Note: Alaska has not been called, but both leading candidates are Republicans

Source: Associated Press

will be the state's first Black and Republican-leaning Kengovernor. In Kansas, Democrat Laura Kelly was re-elected as governor in a state won by President Donald Trump, a Republican, by 15 points in 2020.

In Florida, Republican Ron DeSantis easily won re-election as governor, and in Arkansas, Republican Sarah Huckabee Sanders, former White House press secretary for Mr. Trump, was elected governor, the first woman to win in that state.

The elections also provided the first national temperaturetaking on voter attitudes toward abortion since the Supreme Court overturned Roe v. Wade in late June. On Tuesday, voters delivered victories to reproductive-rights advocates on ballot measures in Michigan, California, Vermont tucky.

The 2024 campaign will likely begin soon. Some highprofile candidates endorsed by Mr. Trump struggled on Election Day, presenting a formidable challenge to the former president's assertion of dominance in the party and his bid to clear the field in the race for the next Republican presidential nomination.

Mr. DeSantis is viewed by Republicans as a serious contender for the nomination, and some Republicans said his strong showing in the state could boost his chances.

Two people familiar with Mr. Trump's thinking said he is so far sticking with his plan to announce a run for president next Tuesday. On Wednesday, the former president was fundraising off what he has promised would be a "very big announcement." Some of Mr. Trump's asso-

ciates have urged him to delay until after the Dec. 6 runoff in Georgia, where a contingent of Republicans worry about the former president being in the headlines.

"If I were betting, I bet we'd go ahead Tuesday," an aide said. "I think he's gonna get blamed either way. So why not do it on your time frame?"

—Catherine Lucey contributed to this article.

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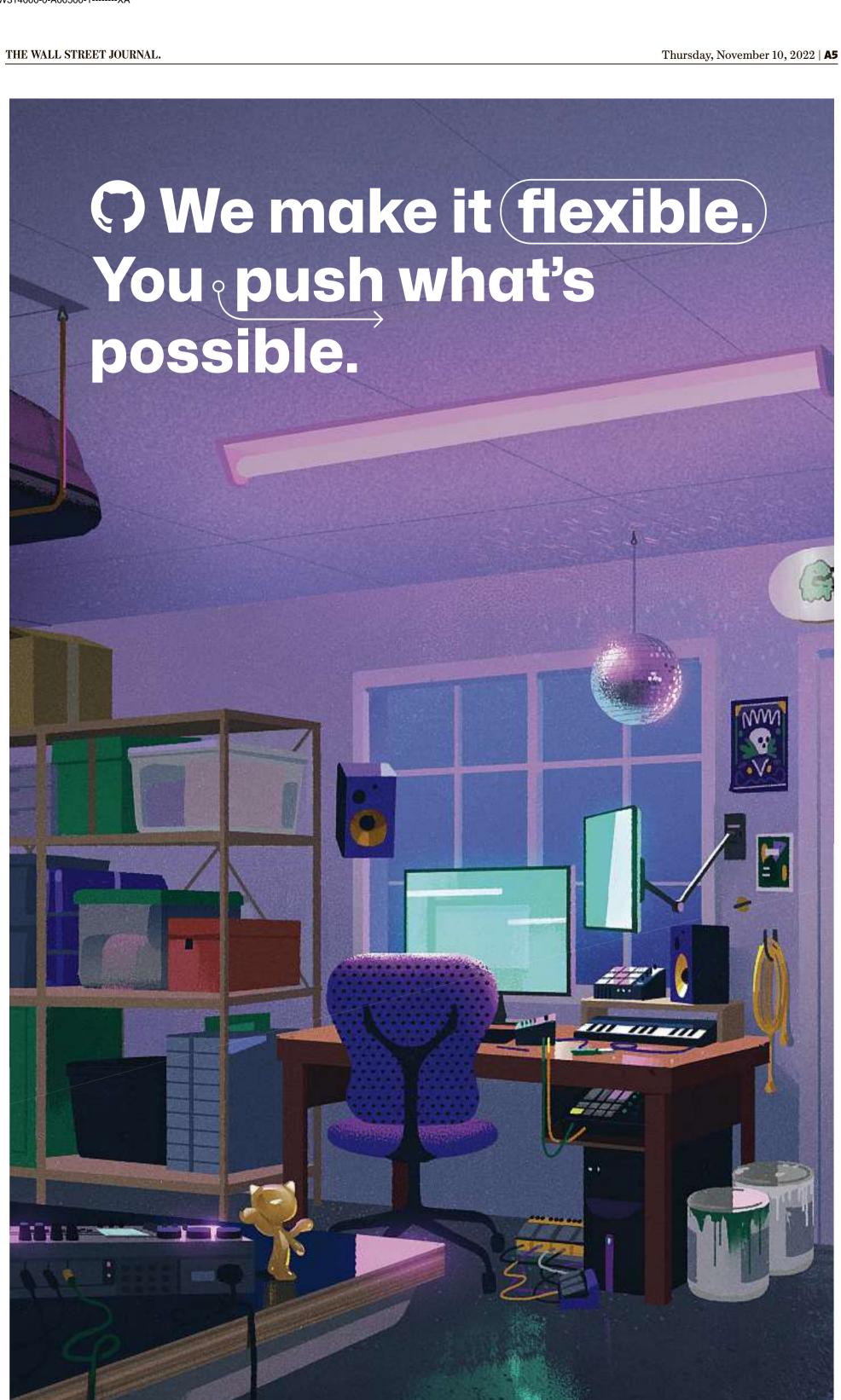
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Turnout, Swing Voters Aided Democrats

Independents leaned away from GOP candidates, especially in key states

By Aaron Zitner AND JOHN McCORMICK

Voters this fall were in the kind of sour mood that usually signals they are ready for change in Washington and state capitals. But in many cases, they were not looking for the change that Republican candidates were offering.

Control of the Senate reundecided Wednesday afternoon, and Republicans were on track, in preliminary results, to take control of the House of Representatives by a smaller margin than many party leaders and nonpartisan analysts expected.

Democrats appeared to hold off the steep losses in Congress-if preliminary results hold up-that are traditional for the president's party in midterm years. They did so in large part because their own voters came to the polls with unusual enthusiasm and swing voters broke in their direction.

In many states that were decided by the narrowest margins in 2020, Democrats came closer to matching their presidential-year vote totals than did their GOP opponents.

In Pennsylvania's race for an open Senate seat, the winner, Democrat John Fetterman, drew about 76% of President Biden's 2020 vote total, while Republican Mehmet Oz drew 73% of the vote that went to President Donald former Trump. Democrats also ran closer to their presidentialyear benchmarks than did GOP candidates in Arizona and Georgia, where Democratic incumbents are leading in incomplete results, keeping the party's hopes alive that it can retain control of the Senate.

There were bright spots for the GOP in states such as Florida, where Gov. Ron DeSantis and Sen. Marco Rubio both won easy victories. Republican Sen. Ron Johnson won re-election in Wisconsin, and a Republican candidate was leading in a yet-uncalled Senate

unusual achievement: With voters anxious about high inflation and unhappy with President Biden's leadership-normally a toxic circumstance for the party that controls the levers of power in Washington they brought their own supporters to the polls in large numbers while persuading independent voters that Republican candidates were an unacceptable alternative.

Independent voters, who had been expected to break for the GOP due to economic anxiety. instead backed Democratic candidates by 3 percentage points nationally, according to a large survey of the 2022 electorate called AP VoteCast. Independents broke for Democrats by far bigger margins in many states with competitive Senate races-by 19 points in Pennsylvania, 28 points in Georgia and more than 30 points in Arizona.

Democrats also benefited from greater commitment to their candidates, AP VoteCast found, with voters who said they backed their chosen candidate enthusiastically skewing Democratic while those who backed their candidate with reservations skewed Republican.

In Georgia, where the survey asked about the personal qualities of Senate candidates, 56% of voters told VoteCast that they believed Democratic Sen. Raphael Warnock had the right experience for the job, while 40% said that former football star Herschel Walker, whose campaign was dogged by personal controversies, had the right experience.

Some Republicans said those reservations were tied to opposition to Mr. Trump. who had endorsed many of the party's Senate and House nominees and helped them win primaries.

"The Republicans had everything going for them," said Scott Reed, a Republican and former chief political strategist for the U.S. Chamber of Commerce. "Trump turned out to be the deciding factor, picking a lot of second-rate candidates, and in the final three weeks, he made the election about him.

Mr. Reed said his party nominated some candidates voters perceived as being closely

But Democrats notched an aligned with Mr. Trump who were destined to struggle in winning over the sort of independent voters who often determine close elections.

AP VoteCast, which surveyed more than 94,000 election participants, found resistance to Mr. Trump among many of them. Some 23% said that their vote was intended as a signal of support for the former president, while 35% said it was intended to express opposition.

J.B. Poersch, who leads the Senate Majority PAC, which supports Democratic candidates, said, "Republicans were challenged this cycle because their candidates tended to be too far to the right: they struggled with recruitment and this wasn't, probably, in a change election, necessarily candidate base they the wanted."

Michael Stewart, 54, an independent voter and Army veteran who lives in Stafford,

A motivated bloc of younger voters helped Democrats in some states.

Va., said he was compelled to vote for the Democrat in his House district, Rep. Abigail Spanberger, because he felt as though her GOP opponent, Yesli Vega, was too extreme. Ms. Spanberger had been considered vulnerable in her bid to return to the House, but she won her race by about 4 percentage points.

Mr. Stewart said the rise of Mr. Trump's brand of politics made him concerned about the health of democracy. "I defended this country, and I'm concerned that those things that I fought for and that our forefathers before fought for, they're all at stake right now,' said Mr. Stewart, who has backed Democrats for president in the last two elections but initially supported Mr. Rubio in 2016.

Mr. Trump, who was impeached twice as president but not convicted, has remained a

spiracies, which have prompted a number of GOP candidates and supporters to falsely claim he won the 2020 election. There was no fraud in that election widespread enough to change the result, federal officials have said, and dozens of lawsuits filed by Mr. Trump's supporters challenging the results failed.

Mr. Trump helped alter the traditional dynamic of a midterm by changing it from a referendum on the sitting president into a choice between Mr. Biden's party and Mr. Trump's brand of politics and selection of candidates, analysts said.

The president inserted himself into the election environment with endorsements and a series of rallies in swing states. He was also a dominant presence in the news due to the FBI search of his Florida home as part of a Justice Department investigation into potential violations of laws concerning the retention of presidential records and the handling of classified information, as well as revelations about his role in the Jan. 6, 2021, riot at the U.S. Capitol from a congressional committee investigating the event.

Mr. Biden's low approval ratings—which have hovered between 40% and 45% much of this year—didn't weigh as heavily on his party's candidates as would traditionally have been the case. In midterm elections dating to 1962, presidents with approval ratings under 50% have lost an average of 39 House seats, Republican pollster Bill McInturff has found, substantially more than Mr. Biden's party is on track to lose this year.

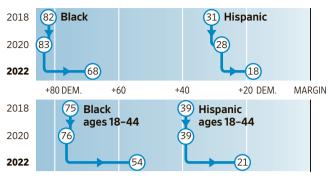
The AP VoteCast poll was conducted by NORC at the University of Chicago for The Wall Street Journal, the Associated Press and Fox News.

In some states, Democrats benefited from a motivated bloc of younger voters, many of whom normally skip midterms. In Pennsylvania, the number of votes for Senate in Centre County, the home of Penn State, was 79% of its 2020 vote total, compared with a statewide figure of 75%.

itics, in large part due to his unfounded election-fraud con-

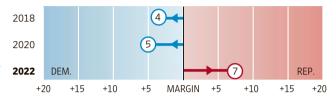
While Hispanic and Black voters continue to vote solidly for Democrats, more have shifted toward Republicans since 2018. Younger Black voters moved a substantial 22 percentage points toward Republicans in 2022.

Percentage-point difference in vote among Black and Hispanics



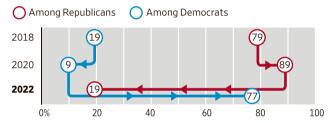
White women in the suburbs flipped to the Republicans after favoring Democrats in the past two elections

Percentage-point difference among suburban white women



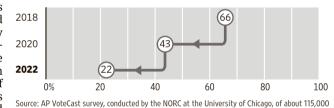
The legality of abortion wasn't on many Americans' minds heading into the 2018 and 2020 elections. Only 2% and 3%, respectively, said it was their top issue. However, following the June Supreme Court ruling in Dobbs vs. Jackson that the Constitution doesn't confer a right to an abortion, 10% called it the most important.

Percentage of respondents who said abortion played a role in how they voted



Views of the U.S. economy have worsened since 2018 because of the pandemic and inflation worries

Percentage of those who view the economy as excellent or good



registered voters between Oct. 31 and Election Day on Nov. 8, concluding as polls closed; marg of error +/- 0.5 percentage point.

Outcomes of Crucial Arizona Contests in Flux L.A. Race

By Eliza Collins

PHOENIX-The results of statewide races in Arizona remained in flux Wednesday with hundreds of thousands of votes not yet tabulated in one of the country's closest electoral battlegrounds.

All four Republican candidates for statewide office ran campaigns closely aligned with former President Donald Trump and his false claims that voting fraud had skewed the outcome of the 2020 presidential election. Such positioning yielded more losses than wins nationwide Tuesday for Republican candidates, and Arizona's GOP candidates for governor, U.S. Senate, attorney general and secretary of state were still waiting on Wednesday to see how well it had served them.

"I think the election results are going to be a mixed bag," said Kirk Adams, chief of staff to Republican Gov. Doug Ducey and a former GOP speaker of the state House. Mr. Adams said voters in the longtime Republican bastion appeared to have split tickets. "You can no longer bank on the fact that you have an 'R' next to your name, particularly if you're running statewide," he said.

Separately, several competitive House races in Arizona remained uncalled Wednesday. Republicans are ahead in two seats held by Democrats, and a Democrat leads in the race for a seat that has been held by a GOP representative.

The secretary of state's office Wednesday said more than 1.9 million ballots had been tabulated, so far. Officials in Maricopa County, which contains Phoenix and is the state's most populous county, said Wednesday night there were roughly 400,000 ballots left to count there. Those include some mail-in ballots dropped off on Election Day and a small number of ballots that voting machines didn't accept Tuesday due to malfunctioning tabulators. Republican candidates in Arizona Tabulated ballots at the Maricopa County Recorder's Office Wednesday. More than 1.9 million ballots had been tabulated in Arizona. had urged their supporters to recorder, had a nearly 90,000drop mail-in ballots off or vote

in person on Election Day.

Republican candidates had

the edge on votes cast on

Election Day, while Democrats

led in mail-in votes that already have been counted. Secretary of State Katie Hobbs, the Democratic candidate for governor, was leading her Republican opponent Kari Lake, a former TV anchor, by about 13,000 votes as of Wednesday evening. Democratic Sen. Mark Kelly was outperforming Republican candidate Blake Masters, a venture capitalist, by more

than 95,000 votes. Democrat Kris Mayes, a forcorporation commissioner, was leading Republican Abraham Hamadeh, an intelligence officer in the U.S. Army Reserve, in the race for attorney general by roughly 4,000 votes. Democrat Adrian Fontes, a former Maricopa County

vote lead on his opponent for secretary of state, GOP state Rep. Mark Finchem.

While Ms. Lake has said she would continue some of the economic policies of Mr. Ducey-who is subjected to term limits after two termsshe has criticized him for certifying President Biden's 2020 Arizona victory and for his responses to illegal immigration and the coronavirus pandemic.

Ms. Lake has said her first priorities as governor would be to declare an invasion on the southern border and to work with the legislature to bolster election security. There was no fraud in the 2020 election widespread enough to change the result, according to federal officials.

For her part, Ms. Hobbs has said she would focus on tackling inflation and the state's growing water shortage, as well as improving educational achievement. She has also said she would attempt to repeal a law banning nearly all abortions. The law, in place since Arizona was a territory, has been a subject of litigation since the Supreme Court eliminated the constitutional right to an abortion in June.

"Katie had the advantage of name ID, but Kari Lake being on TV for more than 20 years here, that was going to be very hard to defeat," said Rep. Ruben Gallego, a Democrat, who won his re-election to Congress on Tuesday.

Mr. Kelly, one of the state's two Democratic senators, is a former astronaut and Navy pilot. He ran a re-election campaign focused on his work across the aisle, including on an infrastructure package.

His opponent, Mr. Masters, like Ms. Lake, sought to appeal to the Republican base. "I would never call myself a moderate, proud to be conservative," he said this week. Mr. Masters, who focused his campaign on inflation, bor-

der security and crime, de-

clined to commit to voting for Senate Minority Leader Mitch McConnell if he wins the seat. The race between Messrs. Kelly and Masters was seen as

one of half-dozen races that will decide control of the U.S. Senate. The chamber is split 50-50, but Democrats effectively control it because Vice President Kamala Harris can break ties. Democrats flipped a seat in Pennsylvania. A Democratic-held Senate

seat for Georgia will be decided by runoff next month, and another in Nevada was too close to call on Wednesday. If Democrats retain their Senate seat in Arizona, Republicans would need to take both Georgia and Nevada to win the majority.

-Chad Day contributed to this article.

Too Close

By Christine Mai-Duc

Congresswoman Karen Bass and developer Rick Caruso remained locked in a tight race for mayor of Los Angeles, as political strategists said it could take more than a week for the final result to become clear.

As of Wednesday night, Mr. Caruso was leading Ms. Bass by just more than 12,000 votes, 51% to 49%, with about 43% of the expected ballots counted, according to the Associated Press. Election administrators said they would release the next batch of results Friday in America's second-most populous city.

Mr. Caruso, a former Republican and independent who registered as a Democrat in January, sought to tap into voter concerns about street homelessness and rising crime. A newcomer to electoral politics, he pitched himself as an experienced executive ready to change the status quo in a city whose leadership has been beset by scandals.

He focused his efforts on a ground operation and ads aimed in large part at Latinos.

Mr. Caruso's message was backed by a record \$100 million in spending, most of it self-funded. Ms. Bass spent \$9 million, though she had more support from outside groups.

A six-term Democratic congresswoman and former state legislator, Ms. Bass anchored her campaign around her experience as a politician and community organizer. She argued she could effectively unite the city and leverage multiple levels of government to tackle problems including homelessness. As early vote counts

showed the two candidates running closely, both said they expected to prevail.

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Biden Hails Democrats' Midterm Election Showing

Better-than-expected results, he says, show his agenda has been popular with voters

WASHINGTON-President Biden on Wednesday highlighted Democrats' better-thanexpected showing in the midterm elections, as he was

> By Ken Thomas, Catherine Lucey and Tarini Parti

deciding whether to seek a second term despite mixed feelings among some voters about his performance in office.

While we don't know all the results yet—at least I don't know

them all

here's what we do know: While the press and the pun-

dits were predicting a giant red wave, it didn't happen," Mr. Biden said at a White House news conference.

Democrats seem to have avoided the steep losses retheir first midterms in office. Republicans appeared headed for a narrow House takeover, with the Senate still a tossup. Democrats scored a key Senate pickup in Pennsylvania and held governor's offices in battleground states including Michigan and Wisconsin, as well as Pennsylvania.

Mr. Biden, who campaigned around the country for midterm candidates, framed the wins as evidence that his agenda has been popular, saying voters would be even more supportive in the coming months when they start feeling the effects of legislation his administration helped pass. "We're just getting started," he said.

Asked about voters who say the country is heading in the wrong direction, he said, "I'm not going to change anything in any fundamental way."

The president, who turns 80 this month, has said he intends to run for another term but can't make a formal decision without setting off legal requirements under federal election law. He has suggested that another campaign by former President Donald Trump would provide him with a

second term. Mr. Biden sees himself as the best candidate to take on Mr. Trump because he beat him in 2020.

Mr. Trump has hinted at a "big announcement" on Tuesday. In a recent Wall Street Journal poll, Mr. Biden and Mr. Trump were tied with 46% of support in a hypothetical matchup.

Some Democrats have been vocal about the need for new leadership at the top of the party. Midterm voters expressed reservations about Mr. Biden, with more than half of the electorate saying he lacks "the mental capacity to effectively serve as president," according to VoteCast, a poll of more than 94,000 voters. The poll was conducted by NORC at the University of Chicago for The Wall Street Journal, the Associated Press and Fox News.

In some key states, Democratic candidates outperformed Mr. Biden's approval ratings. In Arizona, Sen. Mark Kelly had just over 50% of the vote in his re-election race with ballots still being counted Wednesday, even as the Vote-Cast survey showed Mr. Biden's job approval rating in the

cent presidents have seen in strong rationale to run for a state at 38%. In Pennsylvania's Senate race, the victorious Democrat, John Fetterman, ran ahead of the president's approval by a similar margin, according to VoteCast.

> Greg Perry, chairman of the Charleston County Democratic Party in South Carolina, said if Mr. Biden announced a re-election bid in the coming months. he would wait to see if other Democratic candidates challenged the president before giving Mr. Biden his backing. "He has done a great job as president, but I think that we can definitely consider other options with other individuals who may be highly qualified," he said.

> Mr. Biden's allies have dismissed questions about his age and pointed to accomplishments such as the 2021 bipartisan infrastructure law, a new climate and healthcare law and his work to maintain an alliance of nations in support of Ukraine after Russia's invasion. "As the president says, watch him," spokesman Andrew Bates said.

Faiz Shakir, who served as campaign manager for Sen. Bernie Sanders's 2020 presidential campaign, said voters in many places Tuesday



President Biden has said he intends to run for another term.

showed that they backed Mr. Biden's economic agenda, even if they had some concerns about his age. "Should he decide he wants to do it, I think the party is going to get behind him," Mr. Shakir said of Mr. Biden's possible bid for reelection. "That's certainly one clear verdict from last night. He's got the coalition that he came to town with, and they're still with him."

Mr. Biden made a few stumbles as he campaigned for the midterms, leading to criticism from Republicans about his abilities. He incorrectly said in an October appearance with NowThis News that he got his student-debt proposal signed into law, when he had approved the loan- forgiveness program by executive order. The White House said he was referring to

the Inflation Reduction Act, which they said created room for other priorities by reducing the federal deficit.

The president will face political challenges if Republicans win the House, giving them the power to stymie his agenda in Congress and conduct investigations into his administration's handling of the pandemic, the withdrawal of U.S. troops from Afghanistan and Mr. Biden's family members.

Senior Democrats noted that after Bill Clinton and Barack Obama suffered losses in the House in their first midterms, they effectively used Republicans in Congress as foils in their re-election campaigns, painting them as out of step with the nation's

Abortion-Rights Measures Prevail, Indicating a Post-Roe Backlash

By Laura Kusisto

AND JENNIFER CALFAS

Voters supported abortion access in a politically diverse mix of states, delivering victories to reproductive-rights advocates on ballot measures in Michigan, California, Vermont and Republican-leaning

The midterm elections provided the first national temperature-taking on voter attitudes toward abortion since the Supreme Court overturned Roe v. Wade in late June, ending federal constitutional protections for the procedure. The decision returned abortion policy to the states, creating a host of new battlegrounds.

Voters in five states considered ballot measures on abortion Tuesday. Democrats also made abortion central to their campaigns in an array of races and notched victories in a number of them, including contests for governor in Michigan and Pennsylvania.

Michigan voters passed a ballot measure to enshrine reproductive rights in the state constitution and re-elected Democratic Gov. Gretchen Whitmer. Ms. Whitmer's Republican opponent. Tudor Dixon, had called the abortion ballot measure a radical proposal.

Michigan's referendum proposed to amend the state's constitution to specify that "every individual has a fundamental right to reproductive freedom." The measure nullifies a 1931 state abortion ban that was largely dormant for the past 50 years. Since the Supreme Court overturned Roe, state courts have been considering whether the Michigan law could be reinstated.

Michigan was a major focus for abortion-rights supporters because it is poised to serve as a destination for patients from nearby states, including Ohio, Indiana and Missouri, where lawmakers are seeking to ban the procedure.

Voters in California and Vermont overwhelmingly passed similar amendments to their state constitutions to include reproductive rights. Vermont's initiative passed with 77% of the vote with nearly all votes counted, according to the AP. With 42% of California's votes counted as of Wednesday morning, 65% were in support.

In Kentucky, with 91% of votes counted, 52% of voters rejected a ballot measure that sought to amend the state constitution to explicitly say that it doesn't contain a right to abortion. The proposal failed even as Republicans won most congressional races in the state.

The measure's failure won't have an immediate practical effect, but its rejection leaves



At a Protect Kentucky Access election-watch party in Louisville, attendees cheered the result.

open the door for the state's cantly outspent by abortion- the largest potential markets Supreme Court to decide that its constitution includes a right to abortion. The court is expected to hear arguments this month in a case challenging the state's abortion ban. Kentucky voters also declined to elect a vocal Republican abortion opponent who was running for the state Supreme

The defeat of the ballot measure in Kentucky is likely boost abortion-rights groups that hope direct appeals to voters can help them win Roe-like protections in at least some states where Republican supporters outnumber Democrats.

The results tell a similar story to what happened in Kansas in August, where voters in the conservative-leaning state soundly rejected a proposed state constitutional amendment that would have ended protections for abortion.

Abortion-rights groups said they are discussing options for ballot initiatives in other states in the coming years.

"When we can take this issue out of the hands of politicians and let the people decide directly, we can get some really exciting results," said Rachel Sweet, the campaign manager for Protect Kentucky Access, who worked to defeat the Kentucky proposal.

According to an AP Vote-Cast survey of more than 90,000 voters, roughly seven in 10 said abortion was an important factor they considered, while one-quarter said the issue was the single most important factor in their vote.

Abortion opponents cautioned against reading too much into the referendum results, saying they were signifirights groups on the ballot questions.

"The political element of the pro-life movement has to step up and that is true in every area," said Frank Cannon, a political strategist for Susan B. Anthony Pro-Life America. "Without that, we're going to be in trouble."

Campaigning on abortion rights didn't help some Democrats, including Georgia gubernatorial candidate Stacey Abrams, who lost her challenge to Republican incumbent Gov. Brian Kemp.

In Ohio, Republicans swept three races for the state's Supreme Court. The GOP candidates had taken the position that life begins at fertilization, in response to a questionnaire from a group that opposes abortion.

Other referendums

Maryland and Missouri voters approved recreational marijuana use for those 21 and older while Arkansas, South Dakota and North Dakota rejected similar proposals, according to the Associated Press. A Colorado measure seeking to legalize some plant-based hallucinogens was still too close to call early Wednesday.

Voters in four states-Alabama, Tennessee, Oregon and Vermont—opted to remove language in their state constitutions that allows slavery as a form of criminal punishment (a loophole used to justify unpaid or underpaid prison labor). In Louisiana, voters rejected a similar proposal.

The most expensive of the ballot measures—a California initiative that would legalize online sports betting in one of

in the country—was rejected by more than 80% of voters.

Gambling companies including DraftKings Inc. and Fan-**Duel Group** poured nearly \$160 million into the measure. known as Proposition 27, but faced vigorous opposition from California's gaming tribes, which spent \$220 milfrom lion opposing it. Some of those tribes put forth their own proposal, known as Proposition 26, which would legalize sports wagers but only for in-person bets made at tribal casinos. That measure was also defeated.

Total spending on both sides of Proposition 27 had exceeded \$375 million as of Oct. 22, according to California campaign-finance records.

Voters also rejected California's Proposition 30, which would have increased taxes on personal incomes of \$2 million or more to fund programs to speed the state's electric-vehicle transition and help fight wildfires.

Lyft Inc. was the biggest financier of Proposition 30, contributing more than 97% of the roughly \$50 million raised to promote it. Opponents argued the proposition would benefit a select number of large corporations as they transition to electric vehicles. California requires that 90% of ride-share miles be on zero-emission vehicles by 2030.

In Massachusetts, voters decided to add a 4% tax on personal incomes of \$1 million or more, bringing the total rate for that bracket to 9%, with funds going toward education and transportation.

> –Chad Day and Christine Mai-Duc contributed to this article.

Trump's **Dominance** Takes a Hit

Continued from Page One and campaigns matter," said Kevin McLaughlin, an ally of Sen. Mitch McConnell of Kentucky and a former executive director of the National Republican Senatorial Committee.

Mr. McConnell, the Senate's GOP leader, had aired concerns over some candidates earlier in the cycle, taking public a fight with Mr. Trump and Sen. Rick Scott of Florida, the head of the Republicans' Senate campaign arm. He felt their actions to shape the field were advancing Republican candidates who were too extreme or unappealing to win in a general election, potentially costing the party winnable Senate seats.

Mr. Scott rejected Mr. McConnell's comments, and Mr. Trump has called to replace him as party leader.

In a social-media message Wednesday, Mr. Trump called the results "A GREAT EVE-NING" and said Democrats and media outlets were "doing everything possible to play it down.

Some Republicans said Mr. Trump had undercut the GOP's chances.

Sen. Pat Toomey (R., Pa.), who is retiring after this term, pointed to the poor showing by Trump-endorsed GOP candidate Doug Mastriano in the Pennsylvania governor race, which he said dragged down the state's other Republicans, including losing Senate candidate Mehmet Oz. "All across the country we see that the hardcore MAGA candidates dramatically underperformed more conventional Republicans, so that's a big reality that we have to recognize," he said.

The biggest winner of the night among prominent Republicans was a potential opponent to Mr. Trump, Florida Gov. Ron DeSantis, who won a second four-year term by 19 percentage points and delivered a victory speech that underscored his political ambition isn't limited to Tallahassee. "Two more years, two more years," his supporters chanted in Tampa.

Mr. Trump made a number of controversial endorsements in Senate races and saw some pay off, such as in Ohio, where J.D. Vance won in a seat held by a retiring Republican, and North Carolina, where Trumpbacked Republican Ted Budd prevailed. But his pick in Pennsylvania, Mr. Oz, lost and Blake Masters trailed in Arizona. In Georgia, Herschel Walker was headed for a December runoff in the state that could once again determine control of the chamber as it did in the 2020 election.

The other Senate race that hangs in the balance is Nevada, where Republicans and polls had suggested a GOP pickup; that result might not be known for days. Trump spokesman Taylor

Budowich blamed Mr. McConnell, accusing him of abandoning "winnable races."

Representatives for Mr. McConnell didn't respond to requests to comment.

On his TruthSocial platform, Mr. Trump sought to shift blame to Republican candidates who didn't sufficiently embrace his unfounded claims of fraud in the 2020 election. Mr. Trump also exulted in the loss of Colorado Republican Senate candidate Joe O'Dea, who rejected the fraud claims.

Some other prominent candidates who did embrace such election fraud claims struggled on Tuesday, including Wisconsin GOP gubernatorial candidate Tim Michels, who lost his bid, and Arizona Republican governor hopeful Kari Lake. who was locked in a tight race after being favored to win by some analysts. Rep. Lee Zeldin, who voted against certifying President Biden's 2020 victory, lost in the New York governor's race.

On the flip side was the reelection victory of Georgia Gov. Brian Kemp. Mr. Trump long assailed the Republican over his refusal to challenge the 2020 results in Georgia.

"Republicans are waking up

'The party needs to make some decisions on Trump, said one official.

to the fact that he is a net negative for their fortunes." Republican strategist Liam Donovan said of Mr. Trump. "I don't think this affects his thinking. He is immovable in that sense. The choice for Republicans is, are we really going to go down this road again?"

Mr. DeSantis was already seen as a 2024 contender. A Florida exit poll conducted for CNN and other networks asked Florida voters whether they want Mr. Trump or Mr. DeSantis to run for president. While 33% picked the former president, 45% named the governor.

"Trump's allies losing is a setback, but his real problem is DeSantis' huge win," Republican consultant Alex Conant said. "Trump has a formidable rival inside the GOP for the first time."

Mr. Trump told The Wall Street Journal and other reporters traveling on his plane to Florida from Ohio on Monday that it would be a mistake for Mr. DeSantis, 44 years old, to challenge him.

"I think the base would not like it," Mr. Trump said. "I don't think I'd have any trouble defeating him....If he did run, I will tell you things about him that won't be very flattering."

Mr. DeSantis hasn't commented on those remarks.

> —Siobhan Hughes and Natalie Andrews contributed to this article.

A8 | Thursday, November 10, 2022

Sitting Governors Defeat Challengers

Elections bring little change in control after polls showed several contests were tight

By Elizabeth Findell AND JIMMY VIELKIND

Gubernatorial elections resulted in few changes of control on Election Day, as Democrats held off challengers in several races that polls showed could be close, including Wisconsin, New York, Kansas and Michigan, while Republican incumbents won decisively in Florida and Texas, according to the Associated Press.

Democrats also prevailed in the only two states to flip, Maryland and Massachusetts.

One of the most hotly contested races in the nation was in Wisconsin, where incumbent Democrat Tony Evers fended off Republican businessman Tim Michels, the AP projected. Mr. Evers ran on a platform of investing in education and infrastructure, opposing gerrymandering and supporting abortion access, while Mr. Michels said he would do more to fight crime and touted his support from former President Donald Trump.

In New York, incumbent Democratic Gov. Kathy Hochul defeated Republican U.S. Rep. Lee Zeldin, according to the AP. Mr. Zeldin gained on her in recent polls, which gave Republicans hope he could become the first candidate from their party to win statewide office in two decades as he focused on voter concern about rising crime. Ms. Hochul campaigned on her record from her year in office, including new gun-control laws, Covid-19

pandemic management and rebate checks for taxpayers.

Robust victories for Florida's Ron DeSantis and Texas' Greg Abbott put the two men in strong positions as they prepare for possible presidential runs in 2024, according to political analysts. Both have focused on issues that appealed to their party's base.

Mr. Abbott, who defeated former U.S. Rep. Beto O'Rourke, a Democrat, devoted much of his second term to immigration and border security. Mr. DeSantis, who won over Democrat Charlie Crist, a former governor and U.S. representative, emphasized his stances on culture issues and his decision to reopen businesses in his state early in the pandemic.

In Kansas, Democratic Gov. Laura Kelly won a narrow victory in a state where Mr. Trump won 56% to 42% in 2020, according to the Associated Press. Ms. Kelly touted her record in office, including working with the Republicancontrolled legislature.

Derek challenger Schmidt, the Republican attorney general, sought to tie his opponent to President Biden. He also sought to tap into voter dissatisfaction with inflation and the Covid-19 restrictions of 2020.

Michigan Democratic Gov. Gretchen Whitmer defeated conservative political commentator Tudor Dixon, who criticized the incumbent for the length of Covid-19 shutdowns and pledged to expand the state's economy and stop what she described as the teaching of critical race theory in schools. Ms. Whitmer focused on her record repairing roads and increasing education spending.

New Mexico Democratic Gov. Michelle Lujan Grisham won against former television meteorologist Mark Ronchetti, a Republican, according to the AP, in a race focused on issues such as crime and abortion access.

In Maine, Democratic Gov. Janet Mills won re-election over former Republican Gov. Paul Le-Page, the AP said, Mr. LePage hammered the incumbent over energy costs, while Ms. Mills touted her efforts to diversify the state's energy sources.

Pennsylvania Democratic Attorney General Josh Shapiro beat Republican State Sen. Doug Mastriano, according to the AP. After focusing his campaign on law-and-order issues and protecting abortion access, Mr. Shapiro will succeed departing Democratic Gov. Tom Wolf.

Georgia Republican Gov. Brian Kemp defeated former State House Minority Leader Stacey Abrams, a Democrat, the AP projected. Mr. Kemp largely ignored attacks from Mr. Trump over Mr. Biden's win in the state in 2020 and focused on his efforts to promote business development, loosen gun laws and open the state quickly following Covid-19 lockdowns.

California Democratic Gov. Gavin Newsom easily won reelection in the nation's most populous state, according to the AP, after a campaign in which he spent much of his time feuding with Republicans including Messrs. Abbott and DeSantis and promoting liberal positions on issues such as climate change and abortion access.

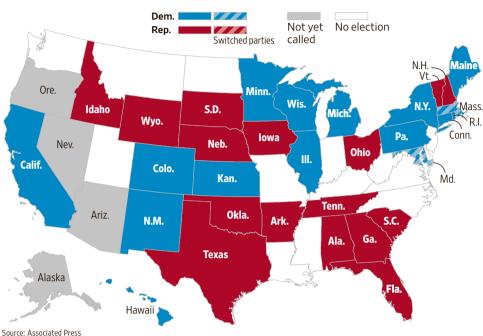
Races that were too close to call on Wednesday included Nevada, where a Democratic incumbent sought to keep his seat, and Alaska, where a Republican governor is campaign-



Wisconsin Democrat Tony Evers, center, fended off Republican Tim Michels, the AP projected.

Governor Races

As of 5:20 p.m. EST Wednesday



ing for re-election. The AP also didn't declare winners in the campaigns to succeed GOP Gov. Doug Ducey in Arizona and Democratic Gov. Kate Brown in Oregon, both of whom are leaving office because of term limits.

There are currently 28 states with Republican governors and 22 with Democratic governors. Twenty of the states that held elections Tuesday have GOP governors and 16 are led by Democrats.

Results from the AP showed Republicans holding on to the governorships in 16 states but not flipping any, while Democrats held on to 13 in addition to

Democrats Make Gains in Control of Statehouses

Democrats gained ground in state legislatures in the Great Lakes region while also adding to their ranks of states in which they maintain control over all branches of government, though Republicans maintained their overall statehouse advantage, early election results show.

> By Jimmy Vielkind. Jon Kamp and Elizabeth Findell

Key flips for Democrats included both legislative chambers in Michigan, the Pennsylvania House and the Senate in Minnesota, according to the nonpartisan National Conference of State Legislatures, Incumbent wins by Democratic governors plus pickups in the Massachusetts and Maryland governors' races mean Democrats have so far added to their tally of states in which they control all three branches of government.

Republicans came into the election with strong advantages in statehouses, with control of both chambers in 30 states compared with 17 states in Democrats' control, NCSL said.

Control of statehouses is important as both parties push for changes to election-administration laws and the U.S. Supreme Court has handed legislatures the power to make policy on issues such as abortion, said Chris Mooney, professor of political science at University of Illinois Chicago

"The Democrats did a lot better than they should have done, given the situation," he said, pointing to an uncertain economy and a history of the president's party losing seats in midterm elections.

Heading into Tuesday, there

Key legislative flips came in Michigan, Minnesota and Pennsylvania.

were a dozen states in which the governor and at least one legislative chamber were controlled by different parties. Only Minnesota and Virginiathe latter state didn't hold elections Tuesday—had divided control between their legislative chambers. Minnesota has shifted to Democratic control, because that party already controlled the state's House chamber. Pennsylvania, in turn, has become a divided state.

Democrats have struggled to recover ground lost a dozen years ago, in 2010, when Republicans won more than 725 state legislative seats and ended with control of 59 chambers.

The GOP came into Tuesday's election with a 23-to-14 advantage in trifectas, or control of both chambers and the governor's office. Other states had governors and at least one legislative chamber from opposing parties. The four new Democratic trifectas came in states that previously had divided governments.

The results so far continued a trend toward single-party rule that began a decade ago, said David Adkins, chief executive of the nonpartisan Council of State Governments. We saw the massive shift

toward unified government," he said. Driving the trend, said Mr. Adkins, is a "tendency to nationalize all issues and the increasing influx of cash into state legislative races by national interests."

NCSL doesn't assign a party to one state-Nebraska-because the unique unicameral legislature there is officially nonpartisan, although the majority of members are Republicans. There has been a powersharing agreement in Alaska's House, though Republicans there outnumber Democrats

and NCSL has counted Alaska as a GOP-controlled state.

There are results still to come, with more than a dozen of the 88 legislative chambers holding elections not yet called by NCSL as of Wednesday. They include Arizona, Nevada, New Hampshire, Oregon and Pennsylvania.

GOP strategists said they saw an opportunity to extend their statehouse gains this year because of President Biden's unpopularity and voter concerns about crime and inflation.

Democrats said they were focused on defending their majorities in several states, but a super PAC committed to spend \$60 million trying to flip seats to Democratic in swing states important in presidential elections.

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Hochul Survives GOP Surge in New York

By JIMMY VIELKIND

New York Gov. Kathy Hochul became the first woman elected to lead the Empire State after she defeated Republican U.S. Rep. Lee Zeldin, according to the Associated Press, in a closer-than-expected race that caught the attention of national Democrats.

While there are twice as many enrolled Democrats in the state as Republicans, polls showed the race tightening in October and Ms. Hochul's margin of victory was around 5 percentage points, according to the state Board of Elections. That marks the best showing by a GOP gubernatorial candidate since George Pataki secured the last Republican statewide win in 2002.

Mr. Zeldin won a majority of the vote on Long Island, where Republicans were also poised to gain seats in the state Senate and U.S. House, according to state and local election boards.

Ms. Hochul, 64 years old, became the state's first female governor last year after the resignation of Gov. Andrew Cuomo; she was his lieutenant governor. She mentioned the historic nature of her candidacy in a victory speech.

"I felt the weight on my shoulders to make sure every little girl and every woman who has banged up against ceilings all her life would know that a woman can be elected in



Kathy Hochul is the first woman elected governor of New York.

her own right and successfully govern a state as rough and tumble as New York," she said. Mr. Zeldin conceded the

race on Wednesday afternoon. In a statement, he said the election was a "once in a generation campaign, with a very close margin in the bluest of blue states.

Mr. Zeldin, who represents parts of Long Island in the U.S. House, focused on rising crime in New York City and its suburbs. He promised to roll back a 2019 law that eliminated cash bail for most misdemeanor and nonviolent felony offenses, which some law-enforcement officials say has

contributed to a rise in crime. Ms. Hochul campaigned on her record from her year in office, including new gun-control laws, Covid-19 pandemic management and rebate checks for taxpayers. She also touted her support for abortion rights and attacked Mr. Zeldin for his ties to former President Donald Trump. Mr. Zeldin voted against certifying President Biden's victory in the 2020 presidential election.

Mr. Zeldin said he opposes abortion but wouldn't try to undo state protections.

"Zeldin, like a lot of Republicans, got the messaging right for the current climate," said Lawrence Levy, executive dean of the National Center for Suburban Studies at Hofstra University on Long Island. "Coming within a few points of Hochul has done a tremendous

favor for his party with the damage it caused down-ballot."

Three Democratic state senators on Long Island lost their races, according to the local boards of elections. And Republican candidates won two U.S. House seats held by retiring Democrats Tom Suozzi and Kathleen Rice, according to the Associated Press.

In the last days of the campaign, Mr. Zeldin held rallies with Florida Gov. Ron DeSantis and Virginia Gov. Glenn Youngkin-two rising stars within the Republican Party. The Republican Governors Association featured Mr. Zeldin in a donor call and spent more than \$2 million to bolster his campaign.

Ms. Hochul, a native of upstate Buffalo, spent the week before polls closed mostly campaigning in New York City. She held rallies with Mr. Biden, Vice President Kamala Harris, Bill and Hillary Clinton and Mayor Eric Adams.

David Wilson, a 69-year-old retired teacher, attended a rally with the governor and mayor in Queens. He said there was no way he would vote for a Republican after the Trump presidency and said he thought Mr. Zeldin's position on gun control was wrong. He specifically faulted the candidate's opposition to a new state law that prohibited firearms in a series of sensitive places, including the subway system. "Open carry in New York? This man is out of his mind," Mr. Wilson said.

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WORLD NEWS

Moscow, Iran Vow Stronger Ties

The relationship is evolving toward an ideologically rooted anti-Western alliance

By Sune Engel Rasmussen

Russia and Iran's security chiefs pledged Wednesday to deepen the military cooperation between the two countries, further cementing ties that have seen Tehran supply drones to bolster Moscow's war effort in Ukraine.

During a meeting in Tehran, Russian security council secretary Nikolai Patrushev and his Iranian counterpart Ali Shamkhani said they would jointly fight what they called Western interference in their countries, and expand economic ties in an effort to evade sanctions.

Mr. Shamkhani and Mr. Patrushev, who also met Iranian President Ebrahim Raisi, discussed "ways to combat attempts by Western intelligence agencies to interfere in the domestic affairs of the two countries," said a statement in the Russian state news agency TASS.

Iran has accused Western countries, particularly the U.S., of orchestrating a protest movement that for weeks has called for the ouster of the Islamic Republic. The White House in October said Moscow may be advising Tehran on how to suppress the protests, "drawing on Russia's extensive experience in suppressing open demonstrations."

The relationship between Iran and Russia is evolving from a mostly transactional, military partnership to a more ideologically rooted anti-Western alliance, a development experts say is driven by Moscow's international isolation following its invasion of Ukraine and the diplomatic breakdown between Uran and the West as talks to Iran and the West as talks to revive the 2015 nuclear deal have stalled.

"Iran has grown in stature in the eyes of Russians," said Nicole Grajewski, a postdoctoral fellow with expertise in Russian-Iranian relations at the Harvard Kennedy School's Belfer Center. "Russia and Iran have similar aspirational world views. They want a transition of power away from the West." In Tehran, Mr. Patrushev re-

peated a common refrain from Moscow that the days of U.S. dominance are drawing to a close. "The world is going through a turning point," he said, according to Russian state daily Rossiyskaya Gazeta. "Russia and Iran today are at the forefront of the struggle for the establishment of a multipolar



Russian official Nikolai Patrushev, left, and Iran President Ebrahim Raisi meet in Tehran Wednesday,.

world order."

Mr. Patrushev's comments echoed long-held views by Iranian Supreme Leader Ali Khamenei, who last week said the world is entering a new order, in which Asia would rise and the U.S. would decline under domestic problems and failure in foreign wars.

Iran and Syria forged a military cooperation in Syria where Tehran supported President Bashar al-Assad from the early days of the war. Moscow joined

the fray in 2015 and helped turn Iranian-made drones. the war in Mr. Assad's favor.

As it did in the Middle East to support allies, Iran is deploying home-grown weapons and several Revolutionary Guard advisers to aid Russia in Ukraine.

In recent weeks, Russia has launched more than 300 Iranian drones targeting military units, power plants and civilian buildings in Kyiv, Ukrainian officials say. The U.S. says Tehran has deployed personnel to Crimea to train Russian pilots to use

Iran acknowledged publicly Saturday for the first time that it has supplied drones to Russia, but said the transfer took place before Moscow invaded Ukraine. U.S. officials dispute the claim. Kremlin spokesman Dmitry Peskov has said the army used only domestically produced equipment. The European Union last month agreed to impose sanctions on three top Iranian military officials and an Iranian drone maker.

U.S. Won't Give Kyiv Advanced **Drones**

By Gordon Lubold AND NANCY A. YOUSSEF

WASHINGTON-The Biden administration won't give Ukraine advanced drones despite pleas from Kyiv and a bipartisan group of members of Congress, a reflection of the limit of the kinds of weaponry Washington is willing to provide for Ukraine's defense.

The decision deprives Ukraine of the kind of advanced weaponry Kyiv has been requesting for months. The Pentagon declined the request based on concerns that providing the Gray Eagle MQ-1C drones could escalate the conflict and signal to Moscow that the U.S. was providing weapons that could target positions inside Russia, U.S. officials and other people familiar with the decision said.

U.S. officials also have worried that the technology aboard the drone could be stolen on the battlefield. But those concerns, that the cameras on board the platform could be stolen if the aircraft were to be shot down, weren't a central aspect of the decision, officials said.

A spokesman for General Atomics, which makes the Gray Eagle, confirmed that the company had been made aware of a decision, but declined to comment on the details. Pentagon officials had no immediate comment. The White House didn't respond to a request for comment.

Members of Congress from both parties have pushed the administration to give Ukraine the medium-altitude, armed drones, which can fly for more than 24 hours.

Declining to give Ukraine armed drones makes it harder for its soldiers to defend civilian populations and infrastructure, advocates said.

WNBA Star Is Moved to Russian Penal Colony

By Ann M. Simmons

MOSCOW-Brittney Griner was transferred to a penal colony in Russia to serve the remainder of a nine-year drug conviction, dashing supporters' hopes that the U.S. basketball player might be freed in a prisoner swap before having to do hard time.

Ms. Griner's legal team said Wednesday that she was moved Friday from a detention center outside the Russian capital where she was held since her February arrest.

News of the transfer came translated into English, and earlier than her legal team anticipated. It follows reports that Russian authorities have so far declined to act on what the Biden administration has described as a "significant offer" to secure the WNBA star's release. The White House also has said it is exploring new options, but hasn't elaborated.

Last month, Ms. Griner's lawyers said that it could be several months before she was moved from the detention center to the penal colony, in part because her case file had to be

Russians withdraw from Kherson region

that would add more time to the transfer process. White House press secre-

tary Karine Jean-Pierre said Wednesday that "every minute that Brittney Griner must endure wrongful detention in Russia is a minute too long.' She said the administration is working to secure Ms. Griner's release, and President Biden directed U.S. officials "to prevail on her Russian captors to improve her treatment and the conditions she may be forced to endure in a penal colony."

The White House spokeswoman reiterated that the administration made a significant offer to the Russians to resolve what it describes as "the current unacceptable and wrongful detentions of American citizens." And "despite a lack of good faith negotiation by the Russians, the U.S. Government has continued to follow up on that offer and propose alternative potential ways forward with the Russians through all available channels."

Secretary of State Antony Blinken said Ms. Griner's ony was "another injustice layered on her ongoing unjust and wrongful detention." He said that as the U.S.

transfer to a remote penal col-

works to secure her release it expects Russian authorities to provide U.S. Embassy officials with regular access to all U.S. citizens detained in Russia, including Brittney, as is their obligation," he said.

Ms. Griner's agent, Lindsay Colas, called on the public to support Ms. Griner by "continuing to write letters and express their love and care for her."

Troops to Pull Out Of Key City

Continued from Page One blackouts in cities across the country and raising concerns of a cold, harsh winter.

The planned withdrawal is a blow for President Vladimir Putin of Russia, who declared in September that Kherson and three other regions part of Russia. He announced a partial mobilization in September and threw tens of thousands of troops straight into combat in order to shore up Russia's faltering defensive lines.

Gen. Surovikin told Mr. Shoigu that the new personnel had increased the strength of Russia's forces and stabilized their position.

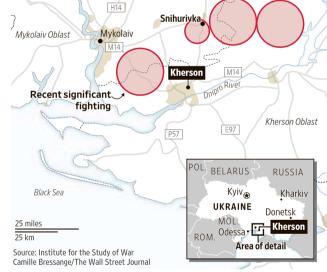
In an apparent response to online criticism of the rapid transfer of poorly equipped men to the front. Mr. Shoigu said they should be stationed in the rear before being sent into combat under the command of skilled officers.

Russian paramilitary leaders who criticized the army for earlier retreats praised the Russian top brass's decision. Ramzan Kadyrov, president of Chechnya, and Yevgeny Prigozhin, owner of the paramilitary group Wagner, said the withdrawal was justified as it saved lives and preserved the army's fighting strength. Some Russian military bloggers, however, were critical, saying it demonstrated Russia's military weakness.

In recent days, civilians have been free to roam abandoned administrative buildings, tear down Russian propaganda posters and paint Ukrainian flags on buildings, residents said.

Ukraine seized Snihurivka, a town north of the city, on Wednesday. Russian forces blew up bridges across several tributaries of the Dnipro in an apparent attempt to slow Ukrainian advances as they prepared to evacuate troops from the eastern bank, according to a Kherson city councilor and Russian military bloggers.

Ukraine is unlikely to seek to pursue the Russians across the Dnipro, military analysts



said. One soldier who had been fighting there said his unit was back at base and preparing to head east.

Ukraine has said it wants to expel Russian forces from all of its territory, but the fight is likely to get tougher. Kyiv's advances in the northeast have slowed in recent weeks against stronger Russian defensive lines bolstered by fresh manpower. Russia is deploying forces against the city of Bakhmut in an attempt to advance there.

The planned departure is a blow for Russian President Vladimir Putin.

Russian defenses in the east, which it has occupied for eight years, are stronger and easier to supply from neighboring Russian territory. The proximity of large cities in the industrial Donbas region will test Ukraine's preferred strategy of surrounding population centers, cutting off the Russian troops there and forcing them to flee, thereby avoiding costly and destructive urban combat.

Ukrainian forces launched an offensive in the south at the end of August aiming to press Russian forces up against the Dnipro as long-range artillery provided by the U.S. hammered supply lines across the river as well as ammunition and fuel

depots and command posts. The advance has been slow and costly against elite troops that were well dug in. But in October, Gen. Surovikin acknowledged the success of that strategy, saying difficult decisions would have to be made.

Mr. Shoigu, the Russian defense minister, said the decision to withdraw was taken with the health and lives of Russian military personnel in mind. He ordered Gen. Surovikin to ensure the safe transfer of personnel, weapons and equipment across the Dnipro.

Western officials said Russia has been preparing to retreat from Kherson to avoid the chaos of its retreat from the northeast in September.

The Russian administration has moved tens of thousands of civilians out of the area in recent weeks, ferrying them east across the river to territory Moscow more firmly controls.

The Russian military gradually abandoned Kherson, starting with commanders and administrators, Western and Ukrainian officials said. One resident said Russians

have been bringing wounded to a hospital in the city in recent days. Many were dead when they arrived, and doctors were shocked at the condition of the bodies. In recent weeks, people in

the city said, Russian troops looted everything they couldcars from parking lots, office equipment, boats. "It was such chaos last week," the resident said. "They took away everything."

-Ann M. Simmons and Nikita Nikolaienko contributed to this article.



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P2JW314000-0-A01000-1-----XA

WORLD NEWS

Europe Expands Big Government

FRANKFURT-Europe's answer to its latest economic crisis: even bigger government.

Faced with soaring inflation and an energy crisis caused by Russia's attack on Ukraine. European politicians are adding hundreds of thousands of public-sector jobs, guaranteeing business loans, subsidizing energy bills and splurging on infrastructure, defense and key industries.

Spending by eurozone governments is expected to reach 51% of the region's economic output this year, about 4 percentage points higher than in 2019, the International Monetary Fund said. In Germany, France and Italy, government spending as a share of economic output is the highest in decades, excluding the pandemic years of 2020 and 2021.

In the U.S., state spending surged to 45% of gross domestic product in 2020, at the height of the pandemic, but has since declined to 37% of GDP, close to its precrisis level.

State intervention is one reason Europe's economy has held up relatively well this year. The eurozone economy grew at an annualized rate of 0.7% in the three months through September, showing resilience to the historic shocks rocking its energy markets. Even Germany, whose energy-hungry industrial businesses are particularly vulnerable to the recent surge in gas prices, recorded modest growth. While government spending dragged down growth this year in the U.S., it supported growth in the eurozone, data from JPMorgan show.

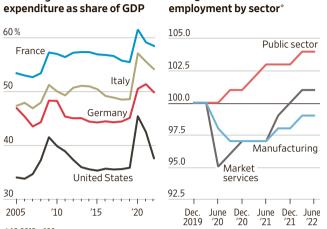
One area where government spending has been felt most directly is the labor market. Public-sector employment across the eurozone has risen 4% since 2019, compared with a 1% increase in market-services jobs and a 1% decline in manufacturing jobs, according to European Central Bank data. One in four eurozone workers was employed by the state last year.

In Spain, the public sector added about 52,000 jobs in the three months through Septem-



Public-sector employment across the eurozone has risen 4% since 2019. The metro operated by the Paris transport network RATP.

Change in eurozone



*4Q 2019 = 100 Sources: International Monetary Fund (government expenditure); European Central Bank (eurozone

ber, more than double the number of new private-sector hires in that period, the national statistics agency said.

General government

In the U.S., the number of government jobs has dropped more than 2% since early 2020, while private-sector jobs have grown 1%, data from the Bureau of Labor Statistics show.

In the U.S., "there is a countering logic [that the government] spent so much money during the pandemic that now we need to save," said Jacob Funk Kirkegaard, senior fellow at the Peterson Institute for International Economics, a Washington think tank.

After the financial crisis of the late 2000s and the ensuing eurozone debt crisis, Europe also tightened its belt, he said, but not this time around, even though rising interest rates and market turmoil are making it harder for governments to deepen public debt.

For now, Europe's statedriven splurge is helping to delay and alleviate the economic downturn and might even help control inflation in the short term. But economists worry that this approach carries risks.

Unlike during the financial crisis, the eurozone crisis and the pandemic, free-spending governments are on a collision course with the ECB, which has raised interest rates at its fastest-ever pace to cool inflation. The eurozone's inflation rate rose to 10.7% in October, a fresh high, while price growth in the U.S. slowed to 8.2% in

The IMF last month urged Europe to cut state spending to support central banks in the fight against inflation and to reempty treasuries. 'Clearly, there is room to provide support for vulnerable people at lower cost," Alfred Kammer, director of the IMF's European department, told a news conference in Washington.

Across Europe, governments have revived large-scale loan-guarantee programs to support companies hurt by the fallout of Russia's war, show data from Bruegel, a Brusselsbased think tank. In Italy, onethird of all outstanding business loans by value are backed by the government, according to an August IMF report.

While such sweeping support for business made sense during the pandemic, the case is less clear now because changes to energy supplies are here to stay, said Nicolas Veron, a senior fellow at Bruegel and at the Peterson Institute.

Europe's recovery has been slower than that of the U.S. with weaker investment. The eurozone economy likely is about 4% bigger this year than it was in 2019, when measured in dollars, while the U.S. economy is about 17% bigger, according to IMF data. Capital investment in the eurozone increased about 4% last year and 3% this year, while in the U.S. equipment investment surged 10% last year and 5% this year, according to JPMorgan.

Still, government intervention is proving popular in Europe. From Berlin to Paris to Rome, voters recently have elected governments that promised more support. During his re-election campaign, French President Emmanuel Macron pledged to build 100% French supply chains in the next five years for electric cars, offshore wind farms and solar panels.

The European Union normally requires governments to keep the deficit below 3% of GDP. But it has suspended those rules for four years in a row through at least the end of next year to allow governments to spend more freely.

Bangladesh, IMF Reach Agreement on \$4.5 Billion Aid Deal

By PHILIP WEN

Bangladesh reached a preliminary agreement for a \$4.5 billion assistance package with the International Monetary Fund as it seeks to cushion its economy from the impact of the war in Ukraine and risks posed by climate change. The emergence of Bangla-

desh's export-oriented garment-manufacturing industry helped turbocharge economic growth and propel average incomes—and several indicators of human well-being—above those of South Asian neighbors India and Pakistan. But high inflation, a plunging local currency and recession concerns in the U.S. and Europeits main export markets—have placed one of the world's fastest-growing economies of the past decade under mounting

Bangladesh foreign reserves, down from \$45.5 billion last year

financial pressure.

"Bangladesh's robust economic recovery from the pandemic has been interrupted by Russia's war in Ukraine, leading to a sharp widening of the current-account deficit, rapid decline of foreign-exchange reserves, rising inflation and slowing growth," said the IMF's mission chief to Bangladesh, Rahul Anand, at the conclusion of a two-week visit to the country on Wednesday.

Since July, Bangladesh authorities have rationed electricity amid a heat wave and natural-gas shortage after shutting all 10 of its diesel power plants as Russia's invasion of Ukraine drove up the cost of imported fuel.

Rising fuel prices and soar-

ing living costs have sparked sporadic protests, ahead of general elections to be held by the end of next year, and affected the all-important apparel industry.

The government also shortened office and school hours to conserve energy and ordered reduced use of air conditioners in mosques across the Muslim-majority country. Prime Minister Sheikh Hasina on Tuesday repeated calls for citizens to be frugal with power use and to cut back on luxury spending, state media reported.

A low-lying riverine country of some 165 million people prone to extreme weather events and flooding, Bangladesh is routinely listed among the top countries most vulnerable to climate-change risks. The \$4.5 billion package, to be disbursed over the next three-anda-half years, includes a \$1.3 billion loan under the IMF's new climate-focused Resilience and Sustainability Fund.

The staff-level agreement is subject to IMF executive-board approval, which the fund said is expected in the coming

Bangladesh is the third South Asian country, after Sri Lanka and Pakistan, to turn to the IMF for assistance this year. Unlike Sri Lanka, which delayed its approach to the global lender until it had all but entirely drained its foreign reserves—leaving it unable to afford essential imports of fuel and medicines—Bangladesh has moved pre-emptively to shore up its financial position, and external debt levels remain healthy, economists and the IMF sav.

Yet while Bangladesh's foreign reserves are still sufficient to provide ample import cover of about four months, they have fallen to below \$35 billion from \$45.5 billion last year, according to official fig-

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OVERVIEW

The Wall Street Journal CEO Council will convene in Washington, D.C. on the evening of December 5 and the full day of December 6, a month after the midterm elections and almost a year since Russia upended global geopolitics with its invasion of Ukraine. We will explore how the balance of power has shifted in Washington, and how that will impact business, the economy and society. We will delve into the outlook for inflation and markets, how the pandemic has reshaped the way people work and how trade and geopolitical relationships are evolving in a more complex and fractious world. The Summit will also take stock of how leadership has morphed, as CEOs face new calls to take stances on social and political issues. How are CEOs preparing? Join us.

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WORLD NEWS

Carbon-Credit **Proposal Is** Facing Hurdles

bon-credit plan that aims to pump billions of dollars into developing countries' energy transition, while some businesses expressed caution about investing in the program.

> By Matthew Dalton, Chao Deng and Eric Niiler

On Wednesday, U.S. climate envoy John Kerry presented the program, called the Energy Transition Accelerator, at United Nations climate talks in Egypt. The program, he said, aims to enlist investors in efforts to reduce emissions across entire regions or countries by paying developing nations to shut down fossil-fuel energy sources and accelerate the construction of renewable energy.

The current \$2 billion carbon-credit market is unregulated, leading to what critics consider low-quality projects that don't vield durable emissions reductions. Some firms have pledged not to rely on carbon offsets, saying the credits shouldn't substitute for more direct action to wean their operations off fossil fuels. U.S. officials aim to raise tens of billions of dollars in new funding through ETA.

Carbon credits are typically issued by projects that preserve forests, which absorb greenhouse gases, or by renewable-energy projects that replace fossil fuels, with each credit representing the reduction or removal of one ton of carbon dioxide from the atmosphere. Polluters subtract their carbon-credit purchases from their annual carbon footprints to claim carbon-neutral opera-

The U.S. outlined a new car-on-credit plan that aims to current system is that it grants credits for building individual renewable-energy projects, but doesn't ensure that there are net emissions reductions across a broader area.

> "Unfortunately, some past abuses have in many minds discredited the use of a carbon credit," Mr. Kerry said. "But we also know that with the right safeguards, with the right transparency, with the right accountability for the right crediting, this can be done well."

> In pushing national and regional governments to oversee the issuance of credits, the U.S. program aims to ensure that any reduction in emissions from one project isn't undermined by the creation of new fossil-fuel projects elsewhere in the area. That would give investors confidence to increase the flow of money to emissions-reduction efforts, Mr. Kerry said.

> The program will include restrictions on how companies can use the credits they purchase, he said. Fossil-fuel producers wouldn't be allowed to buy them, Mr. Kerry said, and other restrictions would stop companies from buying them to avoid reducing their own emissions.

> "They must use these credits to supplement, not substitute for deep reductions of their own emissions," he said. "If you apply it in a way that isn't double counting, that's not greenwashing."

> Zaheer Fakir, South Africa's lead climate negotiator, said the carbon-credit plan is no substitute for money the U.S. is supposed to be providing under U.N. climate treaties. The U.S. said at last year's U.N. confer-



At the COP27 summit, U.S. climate envoy John Kerry said: 'With the right accountability for the right crediting, this can be done well.'

ence in Scotland that it would give \$50 million to the U.N. Adaptation Fund, but the money hasn't arrived. U.S. officials say they are working to get it approved by Congress. The U.S. also still has \$2 billion in arrears to the U.N. Green Climate Fund, which provides climate fi-

Those encouraged to invest want clarity before pumping in billions of dollars.

nance to the developing world. "Anything to deflect from their failures to be a responsible multilateral party," he said.

The U.S. said the credits issued under the program couldn't be used to comply with legal limits on carbon-dioxide emissions, such as those in California or the European Union.

The Paris accord of 2015 calls for global emissions in the second half of the century to reach net zero, meaning man-made greenhouse-gas emissions are so low they can be completely offset by forests and other natural means of absorbing them from the atmosphere. Scientists say achieving net-zero emissions is crucial for hitting the Paris accord's climate targets: Limiting global warming to well under 2 degrees Celsius and preferably to 1.5 degrees.

Under one U.S. proposal, companies would have to commit to achieving net-zero emissions greenhouse-gas across their operations by 2050 to qualify for the program.

The U.S. also proposed allowing companies to use the credits to offset a portion of a company's so-called scope 3 emissions under the Science Based Targets initiative, a collaboration between the U.N., companies and environmental groups to cut corporate emissions in line with the Paris accord. Those are the emissions not produced directly by a company's facilities or the

electricity they consume but 2040, H&M executives said. by its suppliers or during the use of its products.

Jim Andrew, chief sustainability officer of PepsiCo Inc., said he was looking to understand how long the carbon credits would last and whether they can be counted toward reducing the company's scope 3 emissions before committing any funds. "These are the details still to be worked out," he said from the sidelines of the climate talks.

Fast-fashion giant H&M is wary of using credits to offset its scope 3 emissions. The company is focused on cutting its total emissions, most of which are produced by its fabric suppliers in developing countries that rely heavily on coal.

"Within our own emissions and our value chain, carbon credits are not really something that the science says we should have," said Henrik Sundberg, who leads H&M's climate division. The company might consider using credits to offset residual emissions to reach its goal of net-zero by

Mr. Kerry said he has garnered support from several countries for his plan. He said he expects an interim framework to be working by the 2023 climate summit in the United Arab Emirates, and financing to start in 2024.

Olanrewaju Shasore, senior assistant to Nigeria's vice president on policy planning, said she hopes the U.S. plan would attract private investors to the country's efforts to reach netzero emissions by 2060. "Unfortunately, access to private capital hasn't been accessible to us for too long," she said. Mahmoud Mohieldin, a U.N.

official working with businesses to implement the Paris agreement, and former Egyptian investment minister, was cautious about the U.S. plan. Egypt is lining up wind and solar power to replace fossil fuel, projects that he said are ready to soak up funding from the U.S. program.

"We need to see the money," he said.

FROM PAGE ONE

Binance Abandons $FTX\ Deal$

Continued from Page One months, were in close contact with the Justice Department on Wednesday as federal probes into the crypto platform expanded, a person familiar with the matter said. The SEC's investigation is focused on FTX's including subsidiary, whether it violated federal investor-protection laws and its relationships with Mr. Bankman-Fried's crypto-trading firm Alameda Research. The Justice Department handles criminal cases, such as fraud.

Once seen as a shining survivor in a struggling industry, FTX's fall sent shock waves through the crypto sector. Just months ago, Mr. Bankman-Fried committed nearly a billion dollars to bail out crypto lenders and was an active lobbyist in Washington. Binance's retreat leaves FTX's fate unclear; the cause and full extent of FTX's financial problems are unknown. FTX declined to comment.

In an internal FTX Slack channel, Mr. Bankman-Fried on Wednesday wrote, "We obviously just saw Binance's statement; they relayed that to the media first, not to us, and had not previously informed us or expressed those reservations," according to a copy of the message reviewed by The Wall Street Journal.

He wrote he was working on

next steps and doing what he can to protect customers, employees and investors. "I'm deeply sorry that we got into this place, and for my role in it. That's on me, and me alone, and it sucks, and I'm sorry, not that that makes it any better."

Well-known institutions that invested in the exchange are on the hook for potentially big losses. Among investors in a \$900 million fundraising last vear were SoftBank Group Corp., Sequoia Capital, hedge fund Third Point and privateequity firm Thoma Bravo.

In a letter to its investors late Wednesday, Sequoia said it is writing off the \$150 million that one of its funds invested in FTX because of "solvency risk" for the crypto company. "The full nature and extent of this risk is not known at this time," the letter said. "Based on our current understanding, we are marking our investment down

Individual traders could lose funds. FTX halted withdrawals of crypto and fiat currencies from the exchange, according to a pinned post in its

official Telegram channel. Michael Turský, a European crypto trader, said he hasn't been able to withdraw his nearly \$11,000 from FTX since midday Wednesday. He said he tried to withdraw his cash several times, to no avail. "Konwing FTX's brand and name. I would have never thought it would go under in a few days," he said.

Stock investors dumped shares of publicly traded companies tied to crypto, with holdings of them or that derive fees from trading them. Shares in Coinbase Global Inc. fell almost 10% despite assurances from its CEO on Twitter that the company has sufficient assets for customer withdrawals and doesn't have any material exposure to FTX. Coinbase closed at its lowest level since going public last year when it fetched an \$85 billion valuation. Its market value Wednesday was around \$10 billion.

Shares of Silvergate Capital Corp., the closest U.S. bank to the crypto world, dropped 12% and shed some 75% of their value this year. Shares of MicroStrategy Inc., which pivoted from business software into a buy-and-hold vehicle for bitcoin, fell nearly 20%.

Brokerage app Robinhood Markets Inc. was burned by fears that one of its biggest shareholders, Mr. Bankman-Fried, would have to dump his shares. Robinhood shares dropped nearly 14% on Wednesday, bringing losses for the week to more than 30%.

Some investors and crypto holders are asking if links between FTX and Alameda Research could have contributed to the crisis. Alameda is majority-owned by Mr. Bankman-Fried, and he founded both.

Ouestions about the extent of FTX and Alameda's relationship grew last week after CoinDesk published a report that indicated much of Alameda's balance sheet was made up of FTT, a cryptocurrency created by FTX.

Like their counterparts in traditional finance, crypto exchanges rely on a mix of partners to provide digital assets for trading. So-called market makers help traders buy and sell. They get paid by collecting a small difference between the bid and offer price. Having ties between an exchange and market maker raise governance issues and the potential for conflicts of interest. In theory, such ties could allow a market maker to potentially trade on privileged information or use the exchange to inflate or deflate prices of a given security.

Alameda also used FTX's FTT tokens as collateral for loans it took out from other crypto lenders, according to people familiar with the matter

FTT went into free fall in the days after the CoinDesk report and lost about 90% of its value.

–Juliet Chung, Alexander Osipovich, Eric Wallerstein, Paul Kiernan, Eliot Brown and Gunjan Banerji contributed to this article.

Students Move Into Convent

Continued from Page One outside the city. Forty sisters also reside in the building.

"Young blood, it's wonderful!" Sister Bernadette Brazil gushed recently when asked how she felt about the newcomers.

Campuses around the country have struggled to find enough, and affordable, housing for students. At Neumann, the two groups use different entrances to get to their quarters, so the sisters aren't in danger of stumbling upon a voung man in a towel outside the shower. They don't share a dining hall for everyday meals, either. But sisters and students are now getting in the habit of meeting up for nature walks, trading travel tips, planning knitting lessons, extending occasional dinner invitations and marveling at the

lives one another leads. Early in the semester a car drove up to the building well after midnight, dropping off a food delivery for a student. A sister who noticed the headlights didn't know what Uber Eats was, let alone that any place could deliver at that hour. "Who's getting food at 3 a.m.?" a sister asked incredulously, according to Alexandria Thomas, Neumann's director of housing and residence life. "It must have been the talk of the town.'

Francis in October, the sisters baked and gave to students almond cookies, a nod to the saint's deathbed snack.

The residence hall staff responded sweetly, securing Dairy Queen Dilly Bars and delivering them to the sisters. (That reflected an old summer tradition, when a senior sister would treat others to the ice cream bars.) The exchange led to an impromptu tutorial on Philadelphia slang.

Zayyan Snell, a graduate assistant and hall director, recalls thanking a sister by telling her, "Those jawns were amazing," and her face showing bewilderment.

"Those what?" she asked. "The jawns. The cookies," replied Mr. Snell, who gradu-



Sister Bernadette Brazil in a convent elevator with students.

ated from Neumann in 2022 and is pursuing a master's degree there.

"Jawn is a noun. It's a person, place or thing. You're a jawn, I'm a jawn, they're jawns," Mr. Snell said. "She was like, 'Oh, I love that jawn' about the word jawn. That's the best thing that's ever happened."

Students also provide tech support, for instance jumping in to help a sister silence her phone during a conversation with a reporter.

The sisters' prim appearance—gold crosses laid atop turtleneck sweater sets; neat, short gray hair—belie their prankster personalities and wry humor.

Over a lunch of sandwiches

'I had a misconception of how nuns and sisters were.

To celebrate the Feast of St. and soft pretzels, Sister Pat Smith spoke of a road trip to Ohio, then looked at the others and admitted she failed her driving test twice, before finally passing.

"I failed my first time, too. It happens," sophomore Kayla Patino reassured her.

Then came Sister Smith's confession that she had talked her way out of numerous speeding tickets, which left students alternately slackiawed and giggling.

"I had a misconception of how nuns and sisters were," Ms. Patino said later. "I always thought they were strict and a little mean.'

The unorthodox housing arrangement provides an opportunity for valuable intergenerational exchange, say sisters and university administrators. But it's also poignant—the sisters founded Neumann as Our Lady of Angels College in 1965—and serves a practical purpose. "We do not need that building going forward," said Sister Kathy Dougherty, vice president for mission and ministry at Neumann. In the 1970s, there were about 1,600 sisters in the Order of St. Francis of Philadelphia. Now, there are about 350, with a median age of 82.

More than 700 of Neumann's 2,200 students live on campus. The school aims to increase that in a few years, in part by taking more space in the convent. For now, residents experi-

ence a tame version of "Rear Window," with rooms facing off across the courtvard.

When Sister Brazil gets up at night, she sometimes peeks over to see if students are still up. "I expected a lot more noise," she said. "That's one reason I look out at night—are they really there?"

Standing in a student kitchen, Ms. Patino said she particularly liked the window across the way adorned with delicate lace curtains.

It was Sister Brazil's room. She showed a few students the unit, a suite with six bedrooms and a common area with recliners and TV dinner trays facing a flat-screen television. Her bottle of hot sauce sat on a side table. ("I'm Irish, but I love any kind of hot food," she said.) They visited the convent library, where books on theology and philosophy sat alongside novels and a near-complete jigsaw puzzle.

On the near-term calendar, a sister act (sans Whoopi Goldberg). Ms. Patino is recruiting a small crew of convent residents, both sisters and students, to record a Tik-Tok dance this fall.



Sam Bankman-Fried, founder and chief executive of FTX.

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Work From Anywhere! (Well, Not Really)

Tax snafus, legal headaches and killjoy bosses are complicating the digital-nomad lifestyle



CLOCK CALLUM BORCHERS

IT'S A PROFESSIONAL fantasy turned reality for some: Escape the office and travel the country, even the world, working remotely in rented beach houses and ski lodges or, on a leaner budget, a home on wheels while living the #vanlife.

Digital nomads, as these wanderers call themselves, say their adventures can be thrilling. They also describe an unsexy side of maintaining a career on the go. Complicated taxes, breakdowns on remote highways and pangs of loneliness can weigh down free spirits.

"Sixty percent of the time it's fun," says Jack Ryan, a software sales manager. "The other 40, it's like, 'I do not want to do this right now.'"

Mr. Ryan, 27, frequently lives out of his Toyota Sienna with allterrain tires. The minivan replaced the Mercedes-Benz Sprinter that failed him in the Santa Ynez

Mountains this year.

As if bummers like that weren't enough, killjoy bosses and their

friends in HR are setting new boundaries for payroll reasons.

Many managers took a lax approach to remote work at first, and workers took advantage. The ranks of self-described American digital nomads swelled 49% in 2020 from the year before, reaching 10.9 million, and have since climbed to an estimated 16.9 million people, according to MBO Partners, a business-management software company.

If employees scattered to states or foreign countries where a business wasn't registered or insured, well, that didn't seem like a big deal amid a pandemic.

That carefree attitude has waned as executives wake up to potential legal and cybersecurity liabilities, and impose restrictions on where their remote employees can be

Ali Pruitt was recently surprised to learn that a position for which she was interviewing—title: head of remote—wouldn't be so remote. She figured she was a prime candidate, having worked while traveling New Zealand, Fiji, Bali and other destinations in recent years. She planned to do the job while living primarily in Mexico.

Sorry, came the response. She says the U.S. company told her that she could spend no more than

90 days a year outside the country.
"I was like, 'Wait, what?' " she

Ms. Pruitt, 41, opted for independent consulting instead and says she has secured a visa that allows her to live in Mexico for several years.

Dozens of countries introduced nomad visas to attract mobile professionals. Domestically, plenty of companies employ remote workers in states where they didn't do business a few years ago.

The attitude toward remote work shifts as potential legal and cybersecurity risks rise.

Airbnb, which has as much skin in the free-range game as anyone, touts employees' license to "live and work anywhere." In practice, company policies keep roughly two dozen countries off limits. Stays in foreign countries can last no more than three months, and employees still need permanent addresses. So, not *anywhere*.

Labor lawyers, accountants and human-resource specialists

(who can actually be quite fun) warn that working while roaming isn't simple. It requires as much planning and paperwork as it does whimsy and wanderlust. Even then, there's a measure of risk that some employers won't tolerate.

Say your company is sued over a data breach and has to reconstruct where, when and which sensitive information could have been compromised. The task might be harder if employees are hopping from place to place, says attorney Angela Kovach, senior director of public-sector solutions and operations at Everlaw, which makes software for lawyers.

"When you have problems trying to figure out where data lives, you could be held in contempt of court because you're not able to comply with a discovery request," she says.

Things can get messy when people aren't forthcoming. Several digital nomads told me they've seen others attempt to conceal their travels from employers by blurring their Zoom backgrounds or donning sweaters when they're signing onto video calls from warm locations during winter months. Sorting out employees' moves after the fact is harder than dealing with them up front, says Jim Bartolomea, global head of

people at app maker ClickUp.

The rules for business registra

The rules for business registrations, payroll and income taxes, and workers' comp insurance vary from state to state. In general, an employer and employee should check their obligations if the worker spends a month or more in a different state, says Brad Gastineau, a tax partner at the San Diego accounting firm Gatto, Pope & Walwick.

He adds that revenue departments in certain states that are popular remote-work destinations, such as California and Montana, are getting aggressive in enforcement. Efforts include sending questionnaires to companies with sizable remote teams, asking where employees have been working. A worker's personal income taxes also can alert a state that a business has a presence there.

Alex Atwood, chief executive of the gig-economy marketplace GravyWork, says he was blindsided late last year when notices arrived from government agencies in California and Texas, saying the company had failed to register as a business and owed money. Unbeknown to him, a former software engineer on his full-time staff had worked remotely for extended periods in those states, where Virginia-based GravyWork hadn't set up shop.

Mr. Atwood says his company owed between \$20,000 and \$30,000 in taxes, registration fees and penalties. He estimates the total cost was closer to \$500,000, factoring in the time he spent in meetings about the surprise bills and the hours it took for his accounting and HR departments to resolve the problem.

He adds that several other employees on a roughly 60-person team have been open about working while traveling—some internationally, which raised cybersecurity concerns.

"We'd never even thought about these things," he says.

Unwilling to deal with the headaches of nomadic employees, GravyWork converted some to independent-contractor status with the help of a professional employer organization, a type of business that specializes in managing mobile workers.

Going independent can open more location options for workers, but it also can mean taking on more bookkeeping responsibilities, says Kristin Vierra, 34, who is traveling throughout South America while performing contract work in recruiting and career development for a different company and her own business.

Her thousands of followers on social media see beautiful photos and read thoughtful reflections on her experiences in other cultures. They may not realize that Ms. Vierra carefully tracks her time in each place and budgets about \$500 a year for a professional accountant to prepare her taxes. "I look at this lifestyle as such a privilege, and it takes self-accountability, hyper-awareness and extra work," she says.

Millennials Change The Sales Game

By Lindsay Ellis

prop the hard sell. Try texting prospective buyers. And know that it might take dozens of meetings to close a deal.

Such were some of the lessons shared at the Women in Sales Summit in Napa, Calif., this fall, where about 250 saleswomen networked, traded tactics and considered one of the biggest questions consuming the sales profession: how to sell to millennial buyers.

The cohort born between 1981

and 1996 is the biggest in the U.S. workforce, and now holds the largest number of decision-making roles in corporate buying, according to Forrester Research. A decade ago, workers in this age range flooded into workplaces and agitated bosses with their demands for more feedback and a sense of higher purpose in their work. As consumers, they transformed retail sales by buying even big-ticket items such as furniture online, relying on the internet to research and review purchases.

Now that millennials control the purse strings at many businesses, sales professionals are carving out new ways of closing deals on everything from business software to chemicals and office equipment.

Those tactics, some say, involve fewer trips to the golf course and more time corralling large buying teams that include senior managers, finance officials and end users at target companies. Cold calls are ceding

Presenters and attendees at a recent Women in Sales Summit discussed how to sell to millennial buyers..



ground to millennials' preference to communicate via text or direct message. And just as they do as consumers, many millennial corporate buyers like to research business products online and on their own before ever talking to a salesperson.

For veteran sales leaders such as Dale Taormino, the generational shift means much less time working the phones and wooing a few executives at a prospective company. Instead, she operates like "more of a quarterback," she says, coordinating large teams of players on both the seller's and buyer's sides.

"There used to be a perception that sales is not that hard of a job you just have to have a great personality and be good at building relationships," says Ms. Taormino, who as vice president of sales at Chicago-based Vistex Inc. leads the revenue-management company's enterprise sales for North America. "The profile of who's going to be successful in sales and what kind of skill set or acumen they have has definitely changed."

In her first job out of college a couple of decades ago, as a temporary worker helping sell subscriptions to industry research, Ms. Taormino says she was tasked with finding titles of people at target companies to cold call with product information and fax brochures.

Now the process of building a funnel of prospective clients has flipped, she says. Marketing and sales at many companies are working more in tandem than they used to. Many prospects find Vistex and its software products through online searches and software review sites like TrustRadius. They then contact Vistex on their own. If the

company's sales staff contacts buyers first, Vistex has already gleaned a lot about what they are seeking, based on visits to the website.

Deals take longer and involve more people, says Mary Shea, who leads sales-technology research at sales-software company Outreach.io.

In a recent Forrester survey of more than 200 business-to-business directors with purchasing power—49% of whom were millennials—at least half said they typically researched the supplier's business and client reviews before ever accepting a meeting with them.

Most also said they expect to meet, in person or virtually, with a supplier's senior leaders and existing customers before signing the dotted line. In turn, 75% said the cycle for buying decisions had gotten longer over the past 24 months. Some sellers say that is partly due to pandemic-related disruptions.

Sales professionals say the more complex, protracted process of closing a sale has made the job

tougher. Among 900 sales professionals surveyed by market-research firm Gartner last winter, nearly 90% said they had work-related burnout. One of the top reasons they cited was having to seek

multiple approvals for deals.

Jessica DeMay, 35, sells software, but her "solutions consultant" title reflects the shift in the job. Buyers in her age range typically arrive at their first meeting armed with detailed research about her products and those from her competitors. They often want to see a product demonstration before talking at length to her or her team, which means there is little or no chance to customize the demo to their specifications.

The sales profession is grappling with other challenges, too. Big layoffs decimated the field early in the pandemic as companies slashed sales budgets. Since then, many businesses have struggled to fill open sales positions. Recruiters say many younger workers assume sales work means glad-handing and persuading customers with high-pressure tactics rather than the product-consulting role it has evolved into in recent years.

Stephen Pacinelli, chief marketing officer at video-messaging service BombBomb, started selling software in 2000. The 45-year-old would often travel unannounced to the offices of real-estate brokers and agents to try to snag an appointment or to woo them with snacks.

Today, that would be just as bad as sending an unprompted LinkedIn message with zero personalization, he says. Instead, he says, customers want to learn from peers at other companies.

"That openness is more unique to millennials," he says. "You have to be the antithesis of a webinar."

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PERSONAL JOURNAL.



JOANNA STERN

Twitter Substitute Works, **But Has Woolly Parts** y posts have been popping this week. So many likes and replies—es-

pecially the one about dogs vs. cats. (Dogs, duh.) Yet all the while, I kept thinking about the one man who controls my fate on this social network. Ruud Schilders.

Wait, you ask, not Elon Musk?

Nope. Mr. Schilders runs a small network I joined that's part of Mastodon, a short-messaging platform that's picked up more than 640,000 users since Mr. Musk took over Twitter last month.

My Mastodon profile and posts? They live on Mr. Schilders's server, based in a data center in

It's the decentralized (aka "federated") approach to social media. Instead of a tech giant controlling the network—deciding

how our data is used and our feeds are displayed—thousands of smaller networks, or "servers," take on the task of onboarding users, setting the rules and making sure things run properly.

Each server is itself a community, but it's also part of the larger Mastodon platform, which now has almost 1.2 million active users total, and no ads.

Like Twitter, you can see posts from all over, but unlike Twitter, individual servers can keep to themselves—or get blocked by others. And if you don't like the house rules or technical performance of 置 your server, you can up and leave it for another whenever you want, and still keep your followers.

So, pack the minivan and head to social-media utopia!? Well...maybe if Mastodon weren't harder to explain than the Targaryen family tree-and the service and app weren't so rudimentary. But it's worth understanding how it works, and how these communitybased approaches are challenging



the social-media status quo. If you're willing to give it a try, here's my best attempt to make

Step 1: Make an account It helps to think of Mastodon's structure like email.

you a Mastodon Master.

You select a server, then a username, which together form your address. Mine is @joannastern@mastodon.world. Like email, there are others who have the @mastodon.world suffix, but because there are thousands of different servers, there are thousands of different suffixes. Some popular ones: mastodon.social, mstdn.social, mastodon.online.

You can follow and message anyone, regardless of what address they have. And when you post, anyone across all of the Mastodon servers can see it.

When you go to the server selection page, you'll see there are ones built around artists, musicians, journalists and more. There are more generalized ones, too, like

mine. Each server has a feed of posts from everyone in its community. Each server polices itself, the idea being that local enforcement can be quicker than a centralized governing body patrolling Twitter or other massive platforms.

Mastodon founder Eugen Rochko told me he expects more institutions to create their own servers, including universities, companies, etc. Again, email!

I signed up for mastodon.world because it sounded like "Jurassic World" but with woolly mammoths instead of dinosaurs. But now that I understand more about how the whole system works, I realize server selection comes down to trust.

For instance, if Mr. Schilders decides to shut down mastodon.world tomorrow, I wouldn't be able to access anything. (He says he won't.) If his equipment breaks, I could lose access. (He says he has a good provider and a backup system.) All server owners who want to be listed on the main server directory must agree to

Mastodon's covenant, which requires them to warn users if they plan to shut down the server, offer emergency backup and more.

Step 2: Follow others, post vourself

Once you get past all that, Mastodon really is a lot like Twitter.

When you follow other users, their posts appear in your Home feed, regardless of their home server. The feed is ordered chronologically. No algorithm guesses what you'll want to see. Your notifications will show others who have mentioned and followed you. The Explore tab highlights content from across all of Mastodon that's popular within your server.

Posting is simple. Type some words into the compose box, upload a photo or short video if you'd like, and hit the publish—or "toot"-button. Yes, toot, like what happens when you eat the magical fruit. Mr. Rochko said he's moved away from using this term going forward.

Your post goes live instantly, but server administrators, generally volunteers, keep an eye on their domains and flag content that may break their content guidelines. You can also report and block users. Before you enter most servers, you have to agree to some

> ground rules, including no racism, terrorism or other illegal activity.

If you remember one main thing about using Mastodon, let it be this: Don't use the direct-message feature. The messages aren't end-to-end encrypted, which means they could be read by anyone who runs (or hacks into) the servers. (Twitter's DMs aren't end-toend encrypted either, though Mr. Musk has said he's in favor of making them more secure.)

Step 3: Get a mobile app

I found signing up for my account via the website easier than the Mastodon app. Mastodon is an open platform, so other developers make compatible apps-some even simpler to use and more feature rich. I liked Metatext for iOS

the best. It makes it easier to toggle between your feeds and places direct messages in their own tab.

When a photo doesn't load or a reaction doesn't appear, Mastodon users get to play a fun guessing game: slow server or buggy app?

"We were just not ready for the kind of attention that Mastodon is receiving," said Mr. Rochko, who launched the service in 2016. "Twitter started with a 'fail whale' as well."

This may be what many Twitter users are seeking. No, not a return to bugs and outages, but instead the early-day vibes of social media, when it was fun to discover new people and consult the crowd for information.

This week, I've felt less like a user of a mega-mogul's social-media metropolis, with everybody arguing over blue check marks and the principles of free speech, and more a member of a community. Now. Mastodon just needs to find a way to attract people who don't want to be system admins.

Inflation Takes Toll on Divorce

Assets shrink as alimony and legal bills rise, lawyers say

By Veronica Dagher

ew life events are more emotionally and financially taxing than di vorce. Inflation is making it even worse.

Increases in alimony and child-support payments tend to be tied to the consumerprice index, a measure of what consumers pay for goods and services that has grown at the fastest rate in four decades.

Disputes over who gets to keep the house became more contentious when mortgage rates doubled this vear, divorce lawyers said. And the market downturn left already stressed couples fighting over shrinking investments. "People are

angry at the economy and angry at their spouses, and they're acting out," said Stacy

Phillips, a divorce lawyer in Los Angeles.

Divorces that previously would settle after one or two mediation sessions now often require six sessions to resolve, she said.

The price of legal services rose 7.4% in September from a year earlier, according to the Labor Department. On average, divorcing spouses in the U.S. each pay \$11,300 in attorneys' fees, according to a 2019 survey by Nolo, a legal-information publisher.

Many divorce cases that were put on hold during the pandemic are now proceed-里ing and are even more heated because of increased financial stress, said Jacque-kan lawyer in Carle Place, N.Y.

Fights over the house Deciding who keeps the house has always been a big

point of contention in di-

폰 vorces. Higher mortgage

rates change the way people think about their present and future homes, said Heidi Tallentire, a divorce lawyer who practices in New York and Connecticut.

If one spouse wants to buy out the other's share in a home, that spouse often needs to refinance the mortgage, she said. Refinancing is much costlier than it was a year ago, with mortgage rates now hovering around 7%.



Legal services price jump in

September from year earlier

Ms. Tallentire has been involved in several situations where one spouse is slowing down the divorce process in the hopes that mortgage rates will come back down.

The alternative is to sell the home, but with price growth slowing, some are reluctant to sell if they can't get the price their neighbor scored earlier, she said.

Valuing assets gets more complicated

Rising interest rates have contributed to market volatility, making it harder than ever to equitably divide investment accounts, said

Steph Wagner, national director of women and wealth at Northern Trust Wealth Management. Divorcing spouses might lose out if they elect to take one account over another without fully understanding the holdings, including how much they may owe in taxes, she said.

COLAs bust budgets

Child and spousal support orders can be subject to a cost

of living adjustment, which is tied to the consumer-price index. said Christian Pickney, a divorce lawyer in Garden City, N.Y. With inflation running at a four-decade high, these COLA adjustments have stretched some family budgets, he said.

Divorced together

Staying married is usually better for your finances (though not always your mental and emotional health), lawyers and finan-

cial planners say. Many couples can't afford to live apart right away, said Ms. Harounian. Recently, she is seeing more couples agree to live

together post-divorce than she did prepandemic. She frequently recommends that couples sign a postnuptial agreement or legal separation agreement instead of divorcing, which can enable them to stay on a family health-insurance plan

and file a joint tax return.

Nesting, in which the divorcing parents rotate in and out of the family home to care for the children who reside there continuously, has become more popular, said Lisa Zeiderman, a divorce lawyer in New York. When a parent is "off duty" that person stays in an apartment nearby that they also share.



A14 | Thursday, November 10, 2022

TELEVISION REVIEW | JOHN ANDERSON

A Mystery Show With Jewish Mysticism

A Peacock crime series features a detective whose Jewish faith and spirituality sharpen his sleuthing ability

he best fictional detectives have their signature eccentricities. Sherlock Holmes had unimpeachable inductive reasoning and a cocaine habit. Columbo had faux-naivete and a trench coat. Hercule Poirot had "enormous moustaches." Avraham Avraham? His hook-nay, his superpower—is his Jewishness.

The creation of Israeli crime novelist Dror Mishani, Avraham (Jeff Wilbusch) begins his days in a shawl and tefillin praying on his roof near Brooklyn's Williamsburg Bridge; when he says he grew up in Crown Heights, he means Orthodox Crown Heights. When he encounters a dead body on the street, as he does at the outset of episode 1 of "The Calling," he murmurs holy words of Hebrew over the body. And when a teenager goes mysteriously missing, he sits on the boy's bed, to better sense his subject's whereabouts and, possibly, the unsettled spiritual-emotional atmosphere that may have inspired the disappearance.

This may be the best of times or worst of times for a series about an Orthodox investigator who employs Kabbalistic mysticism to solve crimes, but Avraham Avraham ("My parents liked the name") doesn't want to talk about it. Everyone else does: One of the funnier aspects of an otherwise serious eightpart dramatic series—and one that makes full use of a terrific supporting cast—is when his fellow cops stand behind the one-way mirror and watch him interrogate a suspect. "No one does passive-aggressive like Avi," says his admiring colleague Earl Malzone (Michael Mosley) as Avraham interrogates a man in a hot dog suit arrested in a fatal street fight. "Keeping him in the costume," marvels their superior, Captain Kathleen Davies (the quietly hilarious Karen Robinson). "It's almost not fair."

Kathleen is a little wary of her \(\mathbb{\text{\text{\text{\text{subordinate's unorthodox Ortho}}} \)





is newbie detective Janine Harris (an effervescent Juliana Canfield), who wants to make Avraham her NYPD mentor—which he resists, until she turns rabbinical law against him: "The Talmud says it's forbidden for a teacher to reject his student," she says. "If I ask you, you kinda have to teach me." He



squirms; Earl laughs. But it's a handy device, especially for us viewers: In her apprenticeship, Janine becomes our conduit into Avi's M.O. There are also sparks dancing between the two of them, but that's to be expected.

What's not? Much, including storylines that seem to be going

somewhere predictable but zig and zag at the last moment into unfamiliar terrain. That the first episode of "The Calling" is directed by Barry Levinson ("Rain Man,"

"Bugsy," "Wag the Dog") ensures that we're introduced with narrative clarity and structural integrity to Avraham and his cohort, as well

Clockwise from top: Jeff Wilbusch; Karen Robinson; and Juliana Canfield in 'The Calling'

as to the rambling cast of characters who move in and out of the initial mystery. (There are two separate cases recounted over the course of the season.) A teenager named Vincent Conte has disappeared. Caught up in the search for the missing kid—or victim—are his parents, Nora and Leonard (Stephanie Szostak and Steven Pasquale, both first rate); and their neighbors, Vincent's former tutor, Zack Miller, and Zack's wife, Dania (Noel Fisher and Annabelle Dexter-Jones, who make no sense as a couple). John Wentworth (Tony Curran), a homeless ex-teacher living on the street nearby—who has the air of a defrocked priest and was given the boot for teaching Heidegger seems to observe everything, but is also slightly mad.

Post-Levinson, the show doesn't maintain quite the edge it had at the outset, nor does it fully maintain the Avi perspective, which is unfortunate. You hope to see more of Wentworth though, likewise Rabbi Cermak, played by a very welcome Ben Shenkman and the one character who seems to have the moral authority to put Avraham in his place—or, at least, make him reflect on something more than the moment, which in "The Calling" is often criminally and spiritually fraught. The premise of "The Calling" is a bit fraught itself, making Judaism a device, like Father Brown's Catholicism or Nick Charles's alcoholism: We're not always sure how Avraham's devotion and his methods of detection are coming together; his talents seem more savantish than religious. But for all the questions he might provoke, he may also inspire an observant following.

The Calling

Peacock

Mr. Anderson is the Journal's TV



ARTS IN REVIEW

EXHIBITION REVIEW

A View Through the Wire

A show tells the story of World War I's millions of POWs



By Mark Yost

Kansas City, Mo. sk most Americans about World War I and they'll repeat some version of the widely held view currently being reinforced by the Netflix adaptation of Erich Maria Remarque's novel "All Quiet on the Western Front." Namely, that much of the conflict played out in the trench warfare of France and Belgium, where millions of men were killed in unspeakable ways by new weapons made possible by the Industrial Revolution. "Captured," a new exhibit at the National World War I Museum and Memorial. does much to dispel that view, and does it well.

The exhibit begins with the astonishing fact that there were some nine million World War I POWs, almost the number of soldiers who were killed in combat. And a map with red dots marking the POW camps reminds visitors that the war, which raged from 1914 to 1918, was indeed a worldwide conflagration. While the majority of the dots are spread across Europe and Russia, there were POW camps on every inhabited continent.

In six galleries covering 4,000 square feet of display space, and curated by World War I historian

Heather Jones, "Captured" tells the story of POWs from across the conflict—where they went, how they spent their time in both work and play, the medical care they received, and ultimately how many made it home. Sprinkled throughout are photographs, maps, diaries, helmets, uniforms, rifles, care packages, musical instruments and some impressive artwork.

The exhibit makes clear that a POW's survival largely depended on which side he was on and where he was captured. For instance, one informative panel explains that if you were imprisoned in Britain or France, "food supplies were sustained throughout the war" and rations

were "adequate." Prisoners working on farms also ate well. In Germany and Austria-Hungary, subject to Allied blockade, not so much. "Meat largely disappeared from the ration and prisoners . . . were fed meager soups and small amounts of bread."

These differences resulted in widely varying death rates. For instance, only about 3% of Germans captured by the British died in captivity, while some 20% of British and German soldiers and 29% of Romanians who were captured by the

How they spent their time, how they were treated and how many made it home.

Russians never returned home. Japan was the "model captor state in World War I," the museum says, something that may shock visitors more familiar with Japan's treatment of POWs during World War II.

The high death rate for POWs held by the Russians was partly because soldiers captured on the Eastern

Violin made by August Christian Voigt as a prisoner



Front, which stretched from the Baltic to Black seas, "often spent days, even weeks, on trains in subzero temperatures" on their way to "one of the major Russian prisoner-of-war-camps in Siberia."

Once in a camp, prisoners received reasonable medical care, often from captured doctors and nurses. But, again, sometimes geography determined your fate. "Virtually all German prisoners sent by the French to North Africa in the first two years of the war caught malaria," the museum savs.

The 1918 Great Influenza Pandemic knew no bounds. In Bramley in the U.K., onethird of German POWs were hospitalized.

Regardless of where they ended up, prisoners made the best of it. One gallery has photos of plays and musical performances, as well as one of the exhibit's most visually impressive artifacts, a violin handcrafted by German soldier August Christian Voigt while interned at Saint-Loup-sur-Semouse in France. Also here is a carved wooden cross created by an Austrian POW while he was held in Italy, and two handmade dioramas in walnut shells made in a German POW camp by British soldier Sidney Christopher Hugh Milgate. Another work of art created in captivity is an oil

portrait of American First Lt. Louis M. Edens, in full dress uniform, done by an unknown Russian POW; both were serving time in a German camp. There are also seven impressive watercolor cartoons of prisoners at the Philippopolis camp in Plovdiv, Bulgaria, part of the scrapbook of Count Alexandre Orlowski, a Polish-American aristocrat serving with the French Army who was captured near Salonika in November 1916.

Other war-related artwork includes two charcoal-and-pencil drawings of POWs by French artists; one, by turn-of-the-century Art Nouveau painter and printmaker Théophile Steinlen, shows three POWs milling about a prison yard. The other



Watercolors of prisoners at the Philippopolis camp, above; 'Captured but Not Conquered,' left

is "Kamrad," a March 1915 drawing of a German soldier surrendering, part of the "War Sketches" series by Charles Huard.

But the premier artwork here is "Captured but Not Conquered," a bronze sculpture of U.S. Sgt. Edgar Halyburton, an American taken prisoner near Nancy, France, on Nov. 2, 1917. A photograph of a defiant Halyburton and his comrades, displayed nearby, was originally used as German propaganda to illustrate how they'd vanguished the newly arrived Americans. It backfired and Sgt. Halyburton's photo became a symbol of American resilience and the inspiration for sculptor Cyrus Dallin. Designed to deter prisoners inclined to escape—and there were many attempts—are the bulky wooden clogs, on display here, that the prisoners were given to replace their combat boots.

Just one telling artifact in this well-curated and informative exhibit that will change your view on the first war to end all wars.

Captured

The National World War I Museum and Memorial, through April 30, 2023

Mr. Yost writes about military history for the Journal.





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SPORTS

Injuries Jeopardize Cup Hopes

By Joshua Robinson

AS BAYERN MUNICH STRIKER

Sadio Mané hobbled off the field in Munich on Tuesday night, there shouldn't have been much cause for immediate concern. He wasn't in any obvious distress and he was walking under his own power. In any normal season, the effects of a November knock in a 6-1 rout of Werder Bremen wouldn't ripple further than a few weeks.

But this isn't a normal season. This is the one and only year in soccer history with a World Cup smack in the middle of the fall. And as Mané knows too well, kickoff with the Senegalese national team in Qatar is only 12 days away.

By Wednesday morning, the shin injury threatened to rule him out of Qatar, potentially making Mané the latest casualty of 2022's relentless soccer schedule and the tightest turnaround in World Cup history.

"He'll have to have an X-ray to see what's happened," Bayern Munich manager Julian Nagelsmann said. "It's a painful spot."

In any other year, the start of the World Cup in June would be at least three weeks removed from the end of the European soccer season in May, with only a few exceptions for the teams who might reach the Champions League final.

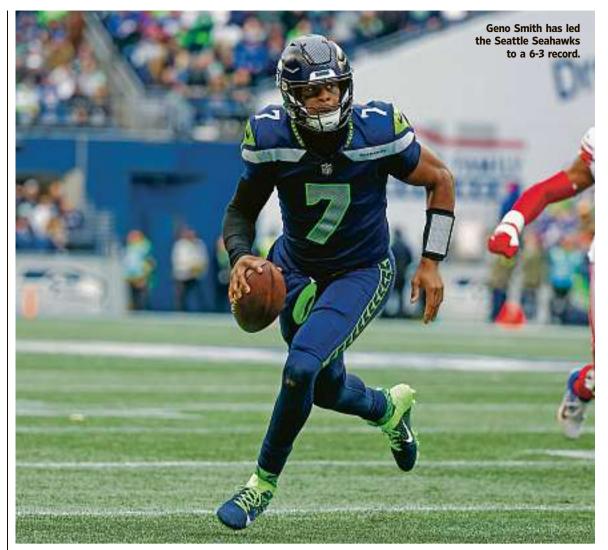
Accommodating the tournament in November, however, required shaving off any spare day. That means that the top European leagues will play through this weekend and release players just seven days before the opening game in

The list of October and November scratches alone includes players such as Liverpool and Portugal forward Diogo Jota, RB Leipzig and Germany striker Timo Werner, and Chelsea and France midfielder N'golo Kanté.

England fullback Reece James, who picked up a knee injury while playing for Chelsea in the Champions League last month, joined the roster of absentees on Wednesday. "The minute I injured my knee, I knew the turnaround to make the World Cup would be tight," he wrote on social media



Sadio Mané has a shin injury.



The NFL's Late-Blooming Quarterback

After spending nearly a decade as a backup, Geno Smith is having a turn

By Andrew Beaton

y every shred of conventional thinking, Geno Smith historically hasn't been a very good NFL quarterback, and he has been stratospheres away from being considered an elite one.

In a sport obsessed with identifying and acquiring top-shelf passers, football decision makers repeatedly concluded that Smith wasn't one. Any team could have signed him for relative pennies one of the half dozen times he became a free

But what has unfolded this season in Seattle is nothing short of unprecedented. When the Seahawks tapped him as their replacement for Russell Wilson, it had been eight years since Smith had been a starter to begin the season—the longest gap in modern NFL history. What's even less probable than his breakout this season is that he even got a chance.

The Seahawks, with a 6-3 record, are one of the biggest surprises of this season, and Smith is the driving force behind that. A 32-year-old quarterback who looked every bit like a career backup—because that's what he was for most of the last decade—is having one of the most unexpected star turns in recent memory.

"He's the real deal," coach Pete Carroll said earlier this year. "He just hung in there so tough and out-

Smith has been one of the most efficient passers by nearly every metric this year, which is stunning given the path that led him to this point. After fizzling out with the New York Jets after literally getting punched in the face by his own teammate, he bounced around the league as a benchwarmer. One coach got fired after having the gumption to start him. Even the Seahawks didn't seem especially confident in him, not naming him the starter until a couple of weeks

before this season began. There are a few potential explanations for why Smith is playing so well. He has two top-notch receivers. Seattle's offensive line, an enormous problem for years, is no longer a sieve. But the most compelling reason is also the simplest: opportunity.

In the NFL, recent success stories have fostered an increasing expectation that quarterbacks should be-

come world beaters almost immediately. Patrick Mahomes and Lamar Jackson became MVPs in their first full-season as starters. That made Josh Allen seem practically geriatric when he figured it out in his third.

Geno Smith lost his job before year three even started.

Most quarterbacks who look like busts over long periods tend to turn into bona fide busts. But if there were ever a quarterback who should have been afforded the crazy notion of patience, Smith might have been it. He became a college sensation with an electric senior year at West Virginia, where he played in an "Air Raid" offense long before those schemes proliferated in the NFL. The college and pro games looked like entirely different sports back then, and an unusually steep learning curve would have only been natural.

"A lot of people in football want immediate results, but he's the guy that has chipped away," says Jake Spavital, the Texas State coach who was his offensive coordinator at West Virginia. Smith was then taken in the sec-

ond round of the 2013 draft by the Jets, and he was the starter by game one. It didn't go so well.

While the team went 8-8, he threw nearly twice as many interceptions as touchdowns. Smith improved slightly the next year, but the team regressed, and there were rocky moments. He once missed a team meeting during a West Coast trip over time-zone confusion.

Smith's best chance to thrive was in 2015 when the Jets had brought in star receiver Brandon Marshall, but he didn't start a single game for them that year. That's because a teammate clocked him in the face, reportedly due to an unpaid \$600 debt, changing the shape of both his facial bones and his career. Smith suffered a broken jaw, and another journeyman stole his job while he was out. Ryan Fitzpatrick finished 2015 setting the Jets single-season record for touchdown passes while Marshall had a mon-

By 2017, Smith was playing for the Giants, and his next break turned out to be an incident that some New Yorkers consider more painful than a sock to the jaw. The coaching staff picked him to step in for franchise icon Eli Manning, who had a streak of 210 consecutive starts, and fans weren't exactly pleased by that. There was so much outrage that head coach Ben McAdoo and general manager Jerry Reese were fired a day after Smith started, while Manning reclaimed his job.

To me this game was for Ben McAdoo and Jerry Reese," Smith said after the Seahawks beat the Giants this season. "They believed in

Smith has been a free agent every offseason ever since his time in New York. He spent a year with the Chargers. Then he went to the Seahawks, who signed him, released him and re-signed him before he ever played a game for them. From 2018 to 2020, a quarterback who had been a part of polarizing controversies had turned into an afterthought. He threw a total of nine passes over those three seasons.

Last year, he finally got a string of starts when Wilson got hurt and there were already clues he was far better than the 24-year-old who struggled his way through his sophomore season with the Jets. In those three games, he threw for five touchdowns with one interception.

By the time Seattle traded Wilson to the Denver Broncos, Smith had been out of a starting job for so long that he returned to an NFL that looked completely different—in his favor. Air Raid principles went from fringe to mainstream.

"It used to be the knock that he's an Air Raid [quarterback]," Spavital says. "I just think it's offense now."

The results this season so far have been nothing short of spectacular. Smith is completing a leagueleading 73.1% of his passes and ranks in the top-10 with 7.8 yards per attempt. It's picturesque effi-

Smith is doing all of this on a contract that pays him just \$3.5 million, which is less than one-tenth of what top quarterbacks make these days. It's even less than what plenty of kickers make.

That will change dramatically this offseason. That's because Smith ≥ is set to become a free agent again.

Weather

AccuWeather | Go to AccuWeather.com Shown are today's noon positions of weather systems and precipitation. Temperature bands are highs for the day 0s 10s H 20s 10s 30s 40s Boston 50s Hartford 60s New York Chicago 70s 30s 80s Washington D.C. 90s 100+ 60s • Raleigh 70s San Diego • 60s 50s Warm Rain Ft. Worth Cold T-storms NICOKE 6 80s 80s Flurries Showers Forecasts and graphics provided by **AccuWeather**, Today

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Austin	82	62	sh	66	43	r
Baltimore	68	57	S	69	60	r
Boise	33	14	S	36	20	S
Boston	65	54	S	67	62	r
Burlington	61	48	pc	64	59	r
Charlotte	66	62	r	74	55	t
Chicago	74	40	pc	46	28	C
Cleveland	69	54	рс	61	40	r
Dallas	78	51	рс	56	36	pc
Denver	47	17	sn	39	19	pc
Detroit	68	52	pc	62	36	C
Honolulu	85	70	рс	85	73	pc
Houston	82	62	S	79	51	r
Indianapolis	72	49	S	56	28	pc
Kansas City	68	25	t	38	19	S
Las Vegas	61	41	S	59	40	S
Little Rock	75	51	S	60	35	pc
Los Angeles	67	49	S	69	47	рс
Miami	82	73	t	84	71	S
Milwaukee	70	37	pc	42	30	C
Minneapolis	61	24	r	33	21	sf
Nashville	75	58	S	65	37	r
New Orleans	75	61	S	78	59	S
New York City	65	56	S	68	62	r
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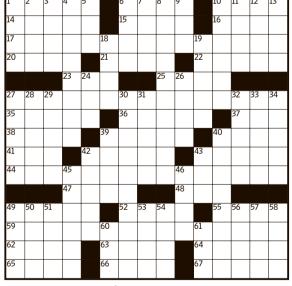
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Sacramento	58	37	S	57	40	р
St. Louis	78	41	S	48	27	S
Salt Lake City	40	22	sf	36	22	р
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	Hong Kong	80	73	S	80	73	S		
	Istanbul	63	51	S	62	55	C		
	Jakarta	89	78	t	91	78	t		
	Jerusalem	65	49	рс	69	51	S		
C	Johannesburg	78	56	t	72	57	t		
	London	60	52	рс	62	46	рс		
C	Madrid	65	42	рс	62	47	рс		
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	Melbourne	79	64	sh	70	55	C		
	Mexico City	77	48	S	80	49	S		
	Milan	63	48	pc	64	46	рс		
	Moscow	47	43	C	48	43	r		
	Mumbai	94	74	рс	94	74	рс		
	Paris	58	42	рс	61	46	рс		
	Rio de Janeiro	80	72	t	81	73	t		
	Riyadh	91	65	S	89	64	S		
<u>V_</u>	Rome	69	54	pc	70	53	рс		
C	San Juan	87	76	pc	86	76	рс		
C	Seoul	64	45	pc	70	52	рс		
	Shanghai	77	63	C	77	65	рс		
	Singapore	82	76	t	83	76	sh		
	Sydney	73	58	pc	75	64	sh		
C	Taipei City	85	73	r	86	73	рс		
C	Tokyo	70	56	C	68	57	S		
C	Toronto	62	50	S	59	42	r		
	Vancouver	43	35	S	47	35	C		
h	Warsaw	52	39	r	52	41	рс		
	Zurich	56	38	pc	54	38	рс		

The WSJ Daily Crossword | Edited by Mike Shenk



STATED WORDS | By Tom Pepper

Acr	oss
1	Stockpile
6	Provide for free
10	One who's righto remain siler
14	Pats on the

- back, maybe 15 981-mile-long river 16 Big picture specialist
- 17 Fourth in the Chicago Cubs batting order? 20 Poetry contest 21 Slayton of 1975's Apollo-Sovuz mission
- 22 Order with scroll-shaped volutes 23 Bother
- 27 Yearning for

- ► Solve this puzzle online and discuss it at WSJ.com/Puzzles.
- 25 Popular toffee
- Bia Sky Country? 35 Designate for

a particular

- 36 Amusina escapades 37 King James, for 11 seasons
- 38 Assemble 39 "Ditto" 40 Soft-furred monkey
- 41 H.S. course 42 Sandwich with ham, pork, cheese and pickles
- Death. The Stars." author 43 Staggering from a blow 65 Party hat shape

- to "Yo!" 67 Harmony Down 1 Basics
- 2 Think about deeply
- 3 Square figure 4 Tony-winning musical that includes the song "He Is Not
- Dead Yet' 5 W-2 ID 6 Bear up
- 7 "Ah, gotcha" 8 Thick vegetable
- soup 9 Polynesian puree 10 Baseball's Single-A, Double-A and
- Triple-A 11 "Sign me up!" 12 Spa service,
- briefly
- 13 Suit 18 Thick noodle 19 Columbia

44 Prizes won by

in the U.S.?

47 Scientific sch.

48 They're found in

ballot boxes

55 Murderous alter

ego of fiction

for butchering

Omaha steaks?

59 Proper method

62 Like racehorses

64 "Night. Sleep.

girl

63 Lead-in to boy or

49 Guitar lesson

topic

52 Function

Acadia National

Park for the first

sight of sunrise

- athletes 24 Dah's counterpart
- 26 Singer Dee 27 Prominent 28 Barack's second
- SCOTUS appointee



29 Mournful work 30 Travels the world 31 Respectful 32 Less welcoming 33 No longer 34 Pandora released 42 John McCain's

them 39 Simple arithmetic 40 Oscar lives in one

address

widow 43 Leave speechless 45 Angry oration

46 Spinning leap 49 "Closing Bell" channel

50 Ill-fated priestess of myth 51 Wilson of "Midnight in Paris'

53 Inning sextet 54 Aspiring atty.'s

exam

56 Creature in "Abominable"

57 Middle management plan? 58 "Keep Commerce

Human" site 60 Canine complaint 61 Short note from a short person

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OPINION

The Trump Liability



WONDER LAND By Daniel Henninger

tion Day, former President Donald Trump said, "Not to detract from tomorrow's important, even critical, election," and then

hours of Elec-

added: "I'm going to be making a very big announcement on Tuesday, Nov. 15 at Mar-a-Lago in Palm Beach, Florida." Well, it looks like something did detract from the election.

Let's cut to the chase: If Mr. Trump announces next week that he's running again, the 2024 presidential election ends that day. It guarantees a wipeout for Republicans.

Mr. Trump could defeat Joe Biden, but Mr. Biden won't be the Democratic nominee. If Mr. Trump runs and the Democrats nominate a competent moderate, such as West Virginia Sen. Joe Manchin, independents and suburbanites will vote overwhelmingly—again—for Mr. Trump's opponent.

Connect Tuesday's dots. Amid all the issues in this midterm election—inflation, abortion, crime, the pandemic, schools, climate—Mr. Trump made getting his endorsement in the GOP primaries contingent on one thing: agreeing with him that the 2020 presidential election was stolen.

The Republican Senate candidates who played Mr. Trump's rigged-election card to win their primaries included Don Bolduc in New Hampshire, Blake Masters in Arizona and Mehmet Oz in Pennsylvania.

Republican gubernatorial

cluded Pennsylvania's Doug Mastriano, Michigan's Tudor Dixon, Maryland's Dan Cox, Wisconsin's Tim Michels, Arizona's Kari Lake and New York's Lee Zeldin.

There's little doubt that embracing Mr. Trump's election view secured the nomination in those states. But in virtually every instance, these candidates then de-emphasized both the 2020 election and Mr. Trump and ran more traditional, issues-based campaigns. Why? Because in a general election, a Trump-baseonly campaign can't win.

This column and others wrote repeatedly during Mr. Trump's term that he had to expand his base beyond the narrow 2016 win. He never did. That made 2020 against Joe Biden, of all people, a close contest. Many of the Republican candidates who just ran on the Trump model either lost or are in whisker-thin undecided

South Carolina Democrat Rep. Jim Clyburn secured the 2020 nomination for Mr. Biden when it was clear the party would lose if it chose progressive Bernie Sanders. just as now the Republicans will lose if they nominate Mr.

Mr. Clyburn has already cut to the chase, telling CBS Tuesday evening, "We have to plan for 2024 differently than what took place in 2022." He said, "Now does that mean bringing in new people? Does that mean ought to just be honest with their assessments."

That said, compare the Re-

24 Trump's version of 2020 in- Mr. Trump steps aside with the Democrats' bench.

> Some of Tuesday's biggest victory margins were produced by GOP governors—Florida's Ron DeSantis, Georgia's Brian Kemp, Texas' Greg Abbott, Ohio's Mike DeWine, New Hampshire's Chris Sununu and let us not forget Iowa's Kim Reynolds, an impressive firstterm governor.

Each of these Republican governors ran on policy successes that elevated their state's economies, schools and indeed personal freedom. House results show that regis-Abortion didn't defeat them.

If the ex-president announces he's running again, the 2024 election is over.

Also on the Republican presidential bench with solid wins Tuesday were Sens. Tim Scott of South Carolina and list goes on: Nikki Haley, Mike Pompeo, Mike Pence, Glenn Youngkin, Doug Ducey. All would be strong candidates.

The Democratic bench, meanwhile, is thin to empty. Vice President Kamala Harris won't get the nomination. None of the 2020 contenders look like a winner. If I'm reading the Clyburn oracle correctly, their 2024 nominee, in addition to Mr. Manchin, will look more credibly centrist. ginia, Arizona's Kyrsten Sinema or Commerce Secretary Gina Raimondo. Each

Eliminate the then octo- or septuagenarian Messrs. Biden and Trump from 2024, and the next-generation names listed here would give the divided and disgruntled American electorate the issues-based presidential campaign they

From this perspective, America's voters just did the Republicans a favor by producing a red ripple. (I said I'd eat crow if there was no red wave. The bird is basting.)

All those close Senate and tered Republican and Democratic voters remain locked in. No one proved that more than John Fetterman in Pennsylvania. There will be no margin for error in 2024. If we have learned anything about recent U.S. politics, it is that if Mr. Trump is on the ballot, Democratic turnout will skyrocket. The coalition behind the Trump 2016 surge—from solid center to far right-has dissipated.

As to the Trump base itself, Marco Rubio of Florida. The any of the substantial economic or cultural concerns that affect them, rather than Mr. Trump alone, will animate the 2024 campaign. They have to decide whether this is about them or him.

For those who prefer utterly antiseptic political analysis, Tuesday produced something for you, too. One betting site, ElectionBettingOdds.com, on Wednesday afternoon had Ron DeSantis's odds of securing the 2024 nomination rising by 13 points to 37.9% and Mr. Trump's falling 19 points to

Tuesday was a reality check, for anyone willing to see it.

Write henninger@wsj.com.

reassigning roles? I don't such as Sens. Chris Coons of know. I just think that people Delaware, Mark Warner of Vir-

candidates who supported Mr. publican presidential bench if would defeat Mr. Trump.

With No Red Wave, Trump Is Out at Sea

By Karl Rove

he red wave never came. What happened in Tuesday's midterms was closer to a trickle.

As of this writing, we still don't know definitively which party controls the House. It's likely to be the Republicans but not by much. Before Tuesday, the House had 222 Democrats (that includes two vacant Democratic seats) and 213 Republicans (including one vacant Republican seat).

Wednesday, the Associated Press had called 206 seats for the GOP and Republicans were poised to win 18 other contests. That would leave the GOP with 224 seats to the Democrats' 211. It will take days—maybe a week—to finalize the results as mail-in ballots postmarked by Election Day come in.

In the Senate, if Adam Laxalt hangs on in Nevada and Blake Masters fails to stage a dramatic comeback in Arizona, the GOP will be at 50 seats. Control of the Senate will then again come down to a Dec. 6 runoff in Georgia.

Then there are governorships. Before Tuesday, there were 28 Republican and 22 Democratic governors. The Republican in Arizona appears on the verge of taking the lead. If she does and the GOP stavs ahead in Nevada but doesn't close a narrow gap in also

cumbents' departures in Maryland and Massachusetts.

How did we end up here? President Biden's approval rating is in the low 40s, almost 70% of Americans feel the country is going the wrong direction, and the election was fought over issues that favored the GOP. One example: The Nov. 2 Washington Post/ABC News poll found that voters thought Republicans were better than Democrats on the economy by 14 points, infla-As of 4 p.m. Eastern Time tion by 12 and crime by 20.

Republicans had a simple problem: Too many nominees were nuts or knuckleheads.

Democrats were thought better on abortion by 13 points and climate change by 19, but voters believed those issues were less important than the economy and inflation. Moreover, Democrats were considered better at handling threats to democracy by only 4 points. Why wasn't the outcome better?

The answer is candidate quality. The GOP fielded too many novices who struggled with crafting a message, raising funds and waging effective campaigns. Some were knuckleheads with

publicans failed to offset in- remarkably weak candidates into a Republican bastion. came courtesy of Donald Trump, who didn't vet his endorsements. Even fairly good candidates spent too much time describing problems they wanted to tackle and not enough time on what they proposed to do about them.

> This left too many candidates with little to commend them except loyalty to Mr. Trump, which few voters cared about. The losers Tuesday were often the candidates who closely followed the former president's rallyspeech scripts—campaigning pointment for Republicans. on the lie that the 2020 elec-Trump by fraud on a massive statewide office, and reject scale. Of the Republican can- nuts. It must be at least as didates for secretary of state or attorney general who based their campaign on this falsehood, only one has pulled through, and he was in deep red territory.

Tuesday did provide some good news for the GOP. If the party flips the House, no matter how narrowly, it will end Mr. Biden's legislative attempts to transform America. He'll be forced to rein in his leftist impulses and try being what he promised during his campaign: a normal Democrat who works across party lines.

There were important GOP wins Tuesday too. Florida Gov. Ron DeSantis's nearly 20-point re-election—and Sen. Marco Rubio breezing to a third term by about 17 points—showed Ohio Gov. Mike DeWine's 26point margin moved his state from swing status to a GOP fortress. Gov. Greg Abbott's 11point victory over media darling Robert Francis O'Rourke reaffirmed that Texas remains deep red. And Georgia Gov. Brian Kemp's strong showing in overcoming opposition from both Stacey Abrams and Mr. Trump established his reputation as one of America's most deft political figures.

However, there's no getting around the enormous disap-The party must nominate bettion was stolen from Mr. ter candidates, particularly for concerned with providing answers to the nation's problems as with describing those challenges. And its standard bearers must focus on improving the lives of ordinary Americans, rather than remaining mired in one man's

If any of this was up for debate before Tuesday, it's undeniable now. Mr. Trump turned what should have been a referendum on Mr. Biden's terrible record into a choice between himself and the current president. As in 2020, lots of voters chose Mr. Biden.

Mr. Rove helped organize the political-action committee American Crossroads and is author of "The Triumph of William McKinley" (Simon &

Oregon, the split will remain strange beliefs and closets full how leadership and compe-28-22 given other losses. Re- of problems. Many of these tence can turn a swing state Schuster, 2015).

Another Nail in the Crypto Coffin



INSIDE VIEW By Andy Kessler

crypto change FTXrun by wunderkind Sam Bankman-Fried, who once boasted that he could spend \$1 billion on the

2024 elections—was inevitable. My beef with the crypto market has always been that it is backed by nothing but air. At any moment, that support could disappear. For FTX it just did. FTX sister company, Alameda, had been making loans against billions in an FTX token known as FTT, which traded last fall near \$80 with a value of over \$9.5 billion. On Monday it was \$22 amid concerns that a leaked balance sheet showed excess leverage. Now it's hov-

Tuesday's The fall happens fast. FTX agreed to be acquired by rival exchange Binance, the world's largest, though Binance indicated Wednesday the deal was off.

> Bankman-Fried said that the worst of the crypto crisis was over and that FTX had a few billion dollars to bail out failed crypto companies. I guess not. Binance could afford to buy FTX because Binance is backed by its own token, BNB, which was worth \$106.5 billion last fall, though now is worth only \$45 billion. Is that crypto's last \$45 billion for bailouts? Bubbles collapse when no one else buys in. Coinbase, whose stock is down almost 90% from its initial public offering, and other exchanges may not have the heft to bail out too

So what backs BNB? I'm ering around \$3. No wonder not privy to Binance's bal-FTX has liquidity problems. ance sheet or income state-

many failed crypto ventures.

ment—one of the reasons tosecurities, so investors can know what they are holding—but my guess is that the Binance token is held up by Only four months ago, Mr. the same magical forces as FTT, nothing.

> FTX's failed sale might signal the end of investment in these hot-air assets.

It has been only six months since the "algorithmic stablecoin protocol" Terra, tied to the Luna coin, blew up. They were held up only by hype. Then one day the bellows stopped pumping. This wiped out \$80 billion in value, whacking some hedge funds and lots of individuals, neither savvy enough to see the bubble.

The dollar and Treasurys kens should be classified as are backed by the good faith of the U.S. government via its income-tax-generating ability. When stocks sell off, they eventually find a bottom so long as they are viable enterprises that can eventually money. Real-estate loans are backed by the value of a home or building, but crypto has no backing.

> And the heat is on. The Securities and Exchange Commission recently won a suit against startup LBRY for selling its LBC token without registering it as a security. The SEC also has an ongoing suit against Ripple over the same issue with the XRP token. Is BNB a security? By the way, the founder of LBRY, Jeremy Kauffman, told Coin-Desk that "the future of cryptocurrency in the US now rests in with [sic] an organization even worse than the SEC: the United States Congress." He has a point.

BOOKSHELF | By Meghan Cox Gurdon

A Music Man And His Method

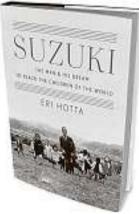
Suzuki

By Eri Hotta

(Belknap/Harvard, 263 pages, \$29.95)

hen you hear the phrase "Suzuki method," what pops into your mind? If it's a tiger mother standing over a small child who's sawing away miserably on a tiny violin, you're among the many who have absorbedan unfair impression of the system devised by the educator and idealist Shinichi Suzuki.

It's true that the Suzuki method enlists parents as collaborators in the musical training of their young children. It's also true that Suzuki tots practice on adorably small instruments. But the misery—that's where many of us have it wrong. In "Suzuki: The Man & His Dream to Teach the Children of the World," Tokyo-born historian Eri Hotta explains that Suzuki (1898-1998) thought that all children have tremendous potential and will learn if they're having fun. He designed his teaching method to be enjoyable, with playful drills and an appealing repertoire of catchy melodies.



Suzuki's approach, we learn, emerged from his epiphany that toddlers could learn music the same way they learn language: first by listening, then by emulating. "Children mimic the speech they hear around them until they get it right," Ms. Hotta writes, summarizing Suzuki's core insight. Stumbles and mistakes are part of the learning process: "The trick was to ensure that music was part of the child's everyday environment."

Suzuki rejected the idea that

children need innate talent to achieve. For him, the violin was less important as an instrument to be mastered than as a tool to be used to promote good character and human flourishing. "This method is not education of the violin," he once told a reporter. "It is education by the violin."

Ms. Hotta begins "Suzuki" midway through her subject's life, revisiting the day he caught the world's attention. It was March 27, 1955, when he conducted 1,200 performers between the ages of 3 and 15 inside a cavernous, clayfloored Tokyo gymnasium that was still under construction. Onlookers were stunned by the tone and fluency—and extreme youth—of the musicians, who moved easily between pieces by Bach, Vivaldi and Handel. Suzuki was 56 at the time, past the then-typical retirement age in Japan. "Here was an old man, at least in official terms," Ms. Hotta writes, "seemingly as lithe and animated as his young charges.'

Suzuki was born into a clan of entrepreneurs in the port city of Nagoya. His grandfather had got into the business of manufacturing shamisen, the three-stringed instruments used in traditional Japanese music. His father diverted the firm's energies into making violins. Shinichi grew up next door to the family workshop in a lively household filled with siblings and half-siblings.

As an adolescent, Shinichi was a conscientious earlyriser possessed of what Ms. Hotta calls a "keen sense of moral responsibility." He devoured Tolstoy and committed himself to a regimen of self-improvement. When he was 17, his family acquired a phonograph. Suzuki put on a 1913 recording of Mischa Elman playing Schubert's "Ave Maria" and was overcome by emotion. "That a violin could sound so beautiful was an especially shocking, and embarrassing discovery for Suzuki," Ms. Hotta explains. "He had grown up surrounded by violins without ever appreciating what they were capable of."

The instrument's "soul-shaking sweetness" galvanized the teenager, who took up the violin. In a foreshadowing of the approach he later refined, Suzuki attempted to imitate the music he was hearing without recourse to a written score.

Children, he believed, could learn music the way they learned language: by listening, then emulating. Innate talent was not required.

In his 20s, Suzuki went abroad. Funded by his father, he was able to pursue his studies and attend any concert he liked. (In economically stricken interwar Germany, he picked up a valuable Guarnerius violin for, shall we say, a song; it was a transaction that would haunt his conscience.) While living overseas, he met and married his German-born wife, Waltraud, and got to know Albert Einstein, whose humanism impressed him deeply.

By the 1930s, Suzuki was back in Japan, where he formed a string quartet with his brothers and taught violin. It was at this point that he had his eureka moment. It was also a time of rising militarism and what Ms. Hotta calls "steroidal national self-regard" as Japan marched toward total war. Suzuki was appalled, we read, for he "shared Einstein's conviction that all people are the same, that no one is superior or inferior. That perspective undergirded his educational mission and his views concerning human development, and it was absolutely incompatible with the new official line."

In the bombed-out aftermath of World War II, Suzuki recommitted himself to developing and spreading his educational philosophy. By late 1949, some 1,500 young children in Japan were studying the Suzuki way. Today the number worldwide is about 400,000, but, as Ms. Hotta notes with a touch of regret, the dreamy expansiveness of Suzuki's vision has largely dissipated. In his later years, he vainly besought Japanese policymakers to incorporate his ideas into national education policy. "There was a template to the responses," we read. "That's a fine idea. Yes, yes, very good. Good-bye."

Ms. Hotta is an unobtrusive narrator whose personal anecdotes are like grace notes on the larger score of Suzuki's life. Having endured piano lessons in girlhood, she wanted to give her own daughter a joyous Suzuki experience. After four years, she came away chastened. "I was," she confesses, "perhaps too naive in accepting Suzuki's vision of love guiding us through practical challenges." In Ms. Hotta's experience we can descry the origins of the fearsome stereotype. Suzuki might have been able to inspire his pupils with his gentle, joyful ways; he never had children of his own. If he had, perhaps even he would have been tempted to bare his teeth, tigerishly, when it was time to practice.

Mrs. Gurdon, a Journal contributor, is the author of "The Enchanted Hour: The Miraculous Power of Reading Aloud in the Age of Distraction."

A18 | Thursday, November 10, 2022

The GOP's Midterm Failure

The party wasted an

opportunity, but at least

we may get gridlock.

Is your opinion of the Democratic Party:

Is your opinion of the Republican Party:

Favorable 44%

Favorable: 44%

Unfavorable 52%

Unfavorable 53%

polarized but closely divided America elected a closely divided Congress on . Tuesday. The voters seem to have put in New Hampshire all won easily.

a check on progressive Democrats by handing Republicans the House, albeit narrowly, but control of the Senate hangs on races still to be counted.

Though the results are split, Republicans are dismayed, and

they should be—at themselves. Some 70% of voters Tuesday said they're unhappy with the state of the nation. With an unpopular President, 8% inflation, falling real incomes, rising crime, and chaos at the border, the GOP should have coasted at least to a normal midterm victory.

Instead they failed to win most of the toss-up House races, especially in the many suburban seats they lost in 2018. Their majority, if they get it, will be so narrow that Democrats could easily take it back in 2024. They lost winnable races for Governor across the Upper Midwest against weak incumbents.

The GOP's failure owes in part to the deep partisanship that makes large swings more difficult. But it also owes to the party's mistakes. Republicans only broke even among independents, according to the exit poll, which means millions of these voters found GOP candidates too extreme. Americans are unhappy with Democratic

governance, but they aren't sold on the GOP as an alternative.

Abortion hurt the GOP in some states, notably Michigan where the Legislature failed to modify a 1931 law. anti-abortion candidates won, but Republicans need to explain to voters what Source: Media exit poll, Nov. 8, 2022 they believe and why.

In most states they will also need to back away from a total ban in favor of restrictions favored by most voters.

The larger failure was that the GOP nominated too many lousy candidates who courted Donald Trump more than they did voters. They fed his ego about the "stolen" 2020 election but then were vulnerable to Democratic attacks (however exaggerated) that Republicans threatened democracy. The Democratic strategy of spending money to help MAGA candidates win primaries was cynical, but it worked. Every one of those candidates lost.

Doug Mastriano was a catastrophe in Pennsylvania and hurt GOP candidates up and down the ballot. Lauren Boebert, the Colorado MAGA star in a GOP-leaning district, may lose. We offer more examples nearby. The pre-election triumphalism of the MAGA media would seem to call for some rethinking, not that anyone should expect it. There's money to be made, if not political success, in niche tribalism.

The GOP exceptions Tuesday were Republican Governors running for re-election with a record of competent conservatism. Brian Kemp in

Georgia, Kim Reynolds in Iowa, Greg Abbott in Texas, Mike DeWine in Ohio, and Chris Sununu

> Gov. Ron DeSantis's 20point re-election victory in Florida makes him the night's biggest winner. His combination of a conservative reform populism with managerial competence offers a model of

how to build a majority party in a once-swing

The risk for Democrats, as they celebrate, is that they'll ignore voter unhappiness with their policies. Inflation helped Republicans, as did crime and a concern about progressive excess. In the exit poll, voters had similarly unfavorable views of both parties.

But progressives will argue that the election results aren't a broad repudiation of their policies. They will continue to press Mr. Biden to skew to the left, as he has for two years, if he wants their support to run for re-election with the party behind him. Two-thirds of voters in exit polls said he shouldn't run for President again, including many Democrats. That still leaves him in a perilous position.

If Republicans do take the House in the end, Mr. Biden will have to deal with the reality that the progressive agenda is dead for at least two years. Doubly so if Mitch McConnell becomes Senate Majority Leader.

There may be compromises available with Republicans on defense spending, funding for Ukraine, energy production, taxes, immigration and more. Mr. Biden will want to avoid a recession in 2023, and he can help mitigate the damage from rising interest rates by extending the

expiring tax provisions of the 2017 tax reform. He can also reduce business uncertainty by restraining his regulators.

But this would require Mr. Biden to stand up to his party's left, and it is hard to see him doing so. Mr. Biden has always followed more than led his party. He also knows Mr. Trump is even more unpopular than he is, according to the exit poll, and he rightly believes he can beat him again with a united party motivated to deny a second Trump term.

All of this is a recipe for two years of gridlock in Washington, which certainly beats the progressive binge since January 2021. The country faces enormous challenges in slowing growth, political polarization, and foreign powers on the march.

A government that showed it can address those challenges would be welcome. Instead we have a government that defines success as passing out money for green subsidies and welfare entitlements. As gridlock sets in, the voters will be looking to see if new leaders can offer them

Trump Is the GOP's Biggest Loser

He has now flopped

in 2018, 2020,

2021 and 2022.

hat will Democrats do when Donald Trump isn't around to lose elections? We have to wonder because on Tues-

day Democrats succeeded again in making the former President a central campaign issue, and Mr. Trump helped them do it.

Trumpy Republican candidates failed at the ballot box in

states that were clearly winnable. This can't be what Mr. Trump was envisioning ahead of his "very big announcement" next week. Yet maybe the defeats are what the party needs to hear before 2024.

Looking at the Senate map, the message could not be clearer. In New Hampshire, the Trump-endorsed Republican Don Bolduc lost to Sen. Maggie Hassan, 53% to 45%, as of the latest data. At the same time voters re-elected Republican Gov. Chris Sununu by 16 points.

"Don Bolduc was a very nice guy, but he lost tonight when he disavowed, after his big primary win, his longstanding stance on Election Fraud," Mr. Trump said. "Had he stayed strong and true, he would have won, easily." We doubt New Hampshire voters simply wanted Mr. Bolduc to stay kooky.

In Arizona the Trump-endorsed Republican Blake Masters trails Sen. Mark Kelly, 51% to 47%. This is a state successful Gov. Doug Ducey won by 14 points in 2018. Mr. Ducey could have won the Senate seat, but Mr. Trump pledged to go to war with him because Mr. Ducey refused to entertain 2020 fraud theories.

In Pennsylvania, the Trump-endorsed Republican Mehmet Oz lost to John Fetterman, 51% to 47%. This is a tough state for the GOP. But Mr. Fetterman was a weak candidate: He's a lefty with a record of wanting Medicare for All and a ban on fracking, and he's recovering from a stroke. David McCormick would have been a better Republican nominee, but he wouldn't say the 2020 election was stolen, so Mr. Trump endorsed Mr. Oz.

In Georgia, the Trump-endorsed Republican Herschel Walker trails Sen. Raphael Warnock, 49.4% to 48.5%. This is going to a December runoff, which Mr. Walker could win. But Gov. Brian Kemp won re-election by eight points. Mr. Walker's flaws as a candidate were obvious, but Mr. Trump helped clear the primary field and other candidates opted out.

In Ohio the Trump-endorsed Republican J.D. Vance won a solid victory over Rep. Tim Ryan, 53% to 47%, while Republican Gov. Mike DeWine

won by 26 points. Mr. Vance was a poor fundraiser. As of Oct. 19 he'd pulled in \$12 million to Mr. Ryan's \$47 million. What saved him was \$32 million from the Senate Leadership Fund (SLF), a Super Pac

aligned with Mitch McConnell. Mr. Vance trailed in the polls until mid-October.

Doug Mastriano, Pennsylvania's Trump-endorsed gubernatorial choice, lost by 14 points. Tim Michels in Wisconsin and Tudor Dixon in Michigan fumbled winnable gubernatorial races. Also in Michigan, Mr. Trump helped John Gibbs beat GOP Rep. Peter Meijer in the primary in the Grand Rapids seat because Mr. Meijer voted to impeach him. Mr. Gibbs lost by 13 points. Rep. Jaime Herrera Beutler also voted to impeach Mr. Trump, who helped Joe Kent beat her in a primary. Mr. Kent is trailing in that Washington state district.

Mr. Trump could have stayed quiet in the final weeks of the campaign except to spend money to help his candidates. But he did little of the latter and instead staged rallies that played into Democratic hands. His rally in Latrobe last week might have hurt Mr. Oz with suburban voters who cost Mr. Trump the state in 2020.

Since his unlikely victory in 2016 against the widely disliked Hillary Clinton, Mr. Trump has a perfect record of electoral defeat. The GOP was pounded in the 2018 midterms owing to his low approval rating. Mr. Trump himself lost in 2020. He then sabotaged Georgia's 2021 runoffs by blaming party leaders for not somehow overturning his defeat. That gave Democrats control of the Senate, letting President Biden pump up inflation with a \$1.9 trillion Covid bill, appoint a liberal Supreme Court Justice, and pass a \$700 billion climate spending hash.

Now Mr. Trump has botched the 2022 elections, and it could hand Democrats the Senate for two more years. Mr. Trump had policy successes as President, including tax cuts and deregulation, but he has led Republicans into one political fiasco after another.

"We're going to win so much," Mr. Trump once said, "that you're going to get sick and tired of winning." Maybe by now Republicans are sick and tired of losing.

LETTERS TO THE EDITOR

What to Say About the Threat to Democracy

You make some excellent suggestions for President Biden's next speech about the threat to democracy ("Biden's Missing Democracy Pages," Review & Outlook, Nov. 4). But you left out two:

"A Democratic Party that spends millions supporting MAGA candidates, in the belief that they will all be the easiest to defeat in the general election, will never be taken seriously when it claims that those same candidates represent an existential threat to democracy.

"If we truly believe that democracy is at stake in an election, then how can we insist on maximalist positions on a whole series of economic and social issues, making no concessions to entice nonprogressive voters? Allowing the Keystone pipeline seems a small price to pay for saving democracy, and it is probably good energy policy to boot.

Somehow I doubt our suggestions will be accepted.

ROGER BARRIS Rancho Mirage, Calif.

Your editorial rightly suggests additional content for Mr. Biden's stateof-the-republic speech. Yet the issue remains: an election cycle in which far too many Republican officials and candidates have chosen power over principle. They raise their children to live honestly but refuse to puncture "the Big Lie" that former President

Donald Trump invented to obscure his 2020 loss. They believe in the rule of law but support a man who directed a mob to halt the peaceful transfer of power that anchors democracy. The party that spent decades proclaiming that character matters now lives by a different mantra: Gaining and maintaining power trumps all.

MARYELLEN DONNELLAN Falls Church, Va.

Before anyone expects Mr. Biden to salute Mike Pence for his "heroic role in refusing as Vice President to stop the Electoral College count," members of Mr. Pence's own party should first recognize who played Mr. Pence's villain and hold him accountable.

CHRISTOPHER HUSS Lafayette, Colo.

In June 2020, Democratic officials abandoned the heart of Seattle to the rule of hooligans, under whose authority businesses failed, civil liberties were trampled and two teenagers were shot to death. For 24 days, the power of duly-elected officials and the rule of law was waived, while Mayor Jenny Durkan laughed off the "block-party atmosphere" of the Capitol Hill Autonomous Zone. The page apologizing for that particular threat to democracy evidently also slipped from Mr. Biden's briefcase.

RAVI MOONKA Mercer Island, Wash.

Public Safety Is the Best Subsidy for Business

Regarding your editorial "Crime Doesn't Pay for Democrats" (Nov. 5): Gov. Kathy Hochul made her success with job creation in upstate New York a key pillar of her campaign for reelection. One example she touts is the Micron plant outside of Syracuse. which will produce 9,000 jobs at a cost of up to \$5.5 billion in New York tax subsidies, not to mention billions more in federal assistance.

I was in Albany, N.Y., recently for a conference. While in an Uber from the conference to my hotel, I asked my driver if he could recommend any local restaurants to which I could walk. He thought for a moment, and as he pulled up to my hotel, gestured to the street and pointed to the right. "Down there, there are several great

restaurants: a brewery, ramen bar, steakhouse-really, whatever you want." He then gestured to the left: "Don't go down that way though. You'd probably get shot."

Putting aside the hyperbole, this is a telling moment. If you were an executive visiting a new city, would you really consider an investment in a community where if you mistakenly take a left instead of a right on your way to dinner, you may risk your life?

Imagine how much safer our cities would be if the \$5.5 billion was spent on reducing crime and poverty. Imagine how many more jobs we could create if business leaders felt safe when they visit our cities?

AARON D. SAWCHUK

Halt Mexico's Trade War Before It Is Too Late

In "Mexico Threatens a Trade War" (Americas, Nov. 7), Mary Anastasia O'Grady does an excellent job outlining what will ensue should President Andrés Manuel López Obrador move forward with his promise to implement a decree that would ban biotech corn in early 2024.

The U.S. is a leading corn supplier for Mexico, and 90% of corn grown in this country is biotech, which empowers farmers to conserve the soil and reduce insecticide use. Given these facts, it goes without saying that Mr. López Obrador's decree would be devastating for the Mexican

For a Smooth Election, Run It the Old-Fashioned Way

Regarding your editorial "Trump Misses the Pa. Voting Problem" (Nov. 5): Have you ever seen such a mess. where even the state's Supreme Court can't agree on the wording of state election laws? Its provisions are so complex and convoluted that they invite delay and dispute.

Compare them with French election law. France's chief electoral officer was interviewed recently on television. When asked if there were ever problems with fraud or contested vote counts, he answered "no." He explained that everyone requiring an absentee ballot must send a written request and then return the ballot within two weeks of Election Day. Everyone else votes in person, showing a national identity card. There is no such nonsense as "same-day registration," massive mail-in balloting or late counting.

By midnight of Election Day, all results are finalized and certified-the way it used to be here.

GARY R. LAYTON Interlaken, N.J.

More Than a 'Cultural' Issue

Allysia Finley's "A Red Wave Could Reach Southern California" (Cross Country, Nov. 5) leaves me puzzled. I had always assumed that concerns about climate and abortion weren't to be dismissed as "cultural obsessions." Rather, they affect every human being, not to mention future generations. Where has my thinking gone wrong?

STUART M. KAPLAN San Francisco

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

people and U.S. farmers. Thousands of growers are busy right now booking seed for spring 2023 planting, meaning that what is purchased this fall will be in grain channels as late as 2025. Much of that seed corn is and will continue to be biotech corn. Biotech corn isn't the only crop

targeted by Mexican officials. Biotech soybeans, cotton and canola import approvals have also been rejected by Mexico's regulatory agency over the past year. There is a way to resolve this situation before it is too late. The U.S. Trade Representative must intervene and file a dispute with Mexico under the U.S.-Mexico-Canada Agreement. Given all that is at stake, we would encourage USTR to act sooner rather than later.

CEO, National Corn Growers Association Washington

Botticelli's Divine Drawings Max Norman laments that Joseph

Luzzi's new book "Botticelli's Secret" focuses on the history of Botticelli's long-forgotten illustrations of "The Divine Comedy," not on the illustrations themselves (Books, Nov. 5). As a consequence, he concludes, "Botticelli's secret remains just that." Mr. Norman might have noted that all the extant illustrations were reprinted, with commentary, in "The Drawings for Dante's Divine Comedy," the catalog to what Mr. Norman calls a "landmark" 2000 exhibition, where the illustrations were reunited for the first time in centuries.

EUGENE SCALIA McLean. Va.

Mr. Scalia was U.S. Secretary of Labor, 2019-21.

Pepper ... And Salt

THE WALL STREET JOURNAL



"This is the only way Safety would approve the new swivel office chairs." P2JW314000-0-A01900-1----XA

DeSantis's Victory Chant: 'Two More Years!'

By Dave Seminara

St. Petersburg, Fla. he media have vilified both Donald Trump and Ron De-Santis to a degree that makes the treatment of Mitt Romney and George W. Bush look kind in comparison. Mr. Trump defied the odds and won in 2016, then lost in 2020 as voters tired of him.

In his 2018 run for governor, Mr. DeSantis beat Andrew Gillum by less than half a percentage point. The media in Florida tarred and feathered him, but the national media barely knew who he was. Florida was a

Re-elected in a landslide, the Florida governor looks like something Trump no longer is—a winner.

swing state where Democrats held a narrow registration edge. Then came Covid. Mr. DeSantis bucked the national panic and reopened the state quickly, inspiring legions of likeminded people to flock to the free state of Florida. Republicans on the voter rolls now outnumber Democrats by nearly 300,000.

After Mr. Trump lost, the media cast Mr. DeSantis—some called him "DeathSantis"—as the new lead villain, calling him a threat to democracy, a monster who wanted to kill grandma. a bogeyman who wanted to ban books and push gays back into the closet.

If Floridians had taken their cue from the media, he would have lost in a landslide. Instead, he scored what he called "a win for the ages," beating Congressman Charlie Crist by nearly 20 points. He had long been favored, but as recently as September, his margin in polls was 3 to 8 points. The size of his victory isn't a footnote. It contains a message to GOP leaders, who never liked Mr. Trump anyway, and to Republican voters who've been telling pollsters they want to renominate the former president in 2024.

No Florida newspaper with a significant readership endorsed Mr. De-Santis. They echoed the national media in excoriating him. The Miami Herald opined that "Gov. Ron DeSantis' Florida is a place of meanness. It's a place where dissent is muzzled, where personal rights triumph over the greater good, where winning is more important than unity-especially if that victory moves him closer to a White House run." The Tampa Bay Times called him a bully who "divides to conquer." The Palm Beach Post wrote that he "relies on hubris and manufactured culture war drama to govern." Fort Lauderdale's South Florida Sun Sentinel asserted that "DeSantis rules Florida with an iron hand. He dictates what teachers teach, creates barriers to voting, uses raw power to punish critics and marginalizes women,

Blacks and LGBTQ people." California Gov. Gavin Newsom (who is running ahead by a slightly narrower margin in an overwhelmingly Democratic state) ludicrously encouraged us to move to California,



President Trump and Gov. Ron DeSantis in October 2020.

"where we still believe in freedom." Few voters took him up on it, but many of us heard the insults from out-of-state reporters and celebrities that felt like digs on us as much as they were critiques of our governor. Mr. DeSantis's "Keep Florida Free" platform resonated, and his record of competent governance and effective hurricane relief produced a landslide that was one of the few pleasant election-night surprises anywhere in the country for Republicans.

In 2018 Mr. DeSantis got 39% of the vote in Miami-Dade County, which is 70% Latino. In 2022 he earned 55%. In Palm Beach County, he won 51% of the vote this year, compared with 41% in 2018. In Hillsborough County (Tampa), he went from 45% in 2018 to 54% in 2022. He improved his margins in counties in

southwest Florida that were hard hit by Hurricane Ian, winning Charlotte, Lee and Collier counties with around 70% of the vote. In Osceola County, near Orlando, where Mr. Trump lost by 14 points, Mr. DeSantis won by 7.

When was the last time a Republican governor in Florida won in a bigger landslide than Mr. DeSantis? You have to go all the way back to 1868, when Harrison Reed captured 59% of votes to 32% for his Democratic challenger during Reconstruction, when fewer than 20,000 Floridians voted. The Sunshine State will now have no Democrats in statewide office for the first time since Reconstruction.

In a victory speech in Tampa, Mr. DeSantis proclaimed that his state is where "woke goes to die," adding that "Florida was a refuge of sanity when the world went mad. We stood

as a citadel of freedom for people from across the country and across the world."

In what must have been a first on CNN, a panel of seven commentators had nothing but positive things to say about Mr. DeSantis. All agreed that Republican leaders would urge him to run for president in 2024. His supporters in Tampa had the same idea. During his victory speech, they chanted "Two more years."

Mr. Trump appears to understand the threat Mr. DeSantis poses. Last week at a rally he gave the governor one of his nicknames, albeit a flat one: "Ron DeSanctimonious." On Election Day, he told reporters he had voted for the governor, but then said of 2024: "If he runs, he runs. If he did run, I will tell you things about him that won't be very flattering. I know more about him than anybody other than perhaps his wife, who is really running his campaign."

Mr. DeSantis didn't ask for Mr. Trump's endorsement, and candidates who won primaries after receiving it—Mehmet Oz, Doug Mastriano, Tudor Dixon, Herschel Walker, Blake Masters—lost or are trailing as this is written. That's a key reason why many Republicans may now line up behind Mr. DeSantis as the new face of the party. Florida's maligned and ridiculed voters might have wounded Mr. Trump in a way the media never managed to do, opening the door for a new era for the GOP.

Mr. Seminara is a former diplomat and author of "Footsteps of Federer: A Fan's Pilgrimage Across 7 Swiss Cantons in 10 Acts.

A Governing Agenda for Senate Republicans

By Ron Johnson

was first elected to the U.S. Senate in 2010, and have now been elected for a third term. The dysfunction I witnessed over the past 12 years made me reluctant to run again. But I pledged to myself that should I win re-election, I would do everything I could to return function and fiscal sanity to Washington.

Unfortunately, the red wave Republicans hoped for didn't materialize. It makes you wonder how bad things have to get before voters reject the Democratic policies responsible for so much destruction. Massive, out-of-control deficit spending sparked 40-year-high inflation. The war on fossil fuels has produced record prices, which also contributed to inflation. Radical progressive policies have caused crime to skyrocket, and President Biden's open border has resulted in a flood of illegal immigrants and deadly drugs.

Republicans campaigned against these failed policies and vowed to reverse them. With Mr. Biden still in

the White House and Senate control still in doubt, accomplishing that will be difficult. But the American people expect results. If Republicans gain the Senate majority, allowing the current dysfunction to continue won't be an option.

If we gain majorities in both chambers, at a minimum we can bring greater function and regular order back to Congress. Rank-andfile members should vote only for leaders who commit to passing a budget that drives a fiscally conservative appropriation process. Ideally, we can find sufficient budget cuts and rescissions from the Democrats' massive spending bills to produce a balanced budget. If not, the debt ceiling will have to be increased, but only with other legislation attached that will minimize the need for future increases.

I have four bills in mind: the Prevent Government Shutdown Act, the Full Faith and Credit Act, the Reins Act (an acronym for Regulations from the Executive in Need of Scrutiny) and the Reducing the Size of the Federal Government Through Attrition tionary side of the budget, other

Act. Collectively, these bills would help control the size, scope and cost of the federal government.

Senate Republican Conference rules require us to adopt an official legislative agenda. In my 12 years in the Senate, this has never occurred.

If the GOP gains the majority, the American people won't settle for business as usual.

Again, members should vote only for leaders who commit to both adopting the required agenda and fully involving the conference in its development. I suggest two agendas, one for the next two years under a Democratic president, and a four-year agenda that can be adopted by Republican presidential and congressional candidates running in 2024.

A few basic principles should apply to both agendas. On the discrethan national defense, don't consider any bill that would increase the size, scope or cost of the federal government. Instead, focus congressional attention on oversight of existing programs to determine which should be reformed, reduced or eliminated. Concentrate on areas of the budget that have the greatest negative effect on freedom, our economy and people's lives.

The four-year agenda would assume Republican control of both chambers of Congress and the White House. It would prioritize reversing the damage done during the Biden administration and re-establishing constitutional balance. Unlike 2017, Republicans must be fully prepared should voters give us the opportunity to govern.

The agenda items should be obvious: secure the border, regain energy independence, restore fiscal sanity, ease the regulatory burden, and ensure a competitive tax environment.

Having an open and transparent process for development of the agenda will be crucial to gaining the conference's support. The devil will

be in the details, and we must have the substantive policy proposals supporting each agenda item. Empty political rhetoric won't be acceptable. Once the agenda is completed, explaining and selling our policy proposals to the public is essential. Expectations will probably exceed what is possible with a Democratic administration in power, so underpromising and overdelivering is the prudent approach.

My sense is that Republicans will be on a short leash with the general public—and this definitely includes our supporters. We should fully expect to be held accountable in 2024 if we don't deliver on our promises.

Conservatives understand the peril the country is in. They know how difficult it will be for Republicans to work with the socialist ideologues who set the Democratic Party's agenda. But that sympathy will have its limits, particularly if Republicans return to business as usual. We simply can't let that happen.

Mr. Johnson, a Republican, is a

Iran's Ballistic Missiles and the Folly of Appeasement

By Michael Doran And Can Kasapoğlu

he news that Iran's contribution to Russia's war effort in Ukraine will soon include ballistic missiles as well as kamikaze drones has alerted the world to the surprising advances the Islamic Republic has made in disruptive weapons technologies. To the Islamic Revolutionary Guard Corps, these technologies are as important as its nuclear-weapons program.

One man who understands this better than most is Gen. Kenneth F. McKenzie, who retired in April as commander of U.S. Central Command, the military command responsible for the Middle East. Gen. McKenzie recently warned about the impact of Iran's advances in ballistic missiles, cruise missiles and drones. "Over the past five to seven years, Iranian capabilities . . . have risen to such a degree that now they possess what I would call effective 'overmatch' against their neighbors," he said on Oct. 6 at Policy Exchange, a London think tank. "Overmatch," he continued, "is a military term that means you have the ability to attack, and the defender won't be able to mount a successful defense."

The Iranians essentially have established a balance of power that favors offensive action by Iran, Lopsided defense economics partially explain this: America and its allies spend more money-tens or hundreds of times more—to intercept Iranian missiles and drones than it costs Iran to build and launch those

When regime-backed Houthi rebels fired on a base housing U.S. soldiers, Team Biden deflected.

More important, when combined in a large strike package, some of Iran's missiles and drones will inevitably break through America's defensive shield guarding its allies and military bases in the Middle East. The IRGC combines ballistic missiles, cruise missiles and drones in strike packages. Each of these systems have different flight characteristics, radar signatures and homing angles. When launched simultaneously they tax the sensors of missile-defense systems. Even the most sophisticated systems

operating at peak performance can't prevent at least some of Iran's weapons, when launched in significant quantities, from hitting their targets.

Consider the attacks that Iran's Houthi proxy conducted against the United Arab Emirates in January. The Emirati defenses, based on state-ofthe-art American technology, performed successfully, but three people died. In missile defense, a 90% interception rate is a feat of technical wizardry. Yet if a few missiles break through, "success" starts exacting a higher cost than America's allies can pay. If one of Iran's missiles were to slip through the defensive net and strike Buri Khalifa, the tallest building in the world, a successful defense would look like a catastrophic failure.

If there is an ironclad rule in military science, it is this: Solely defensive weapons can't reverse an offense-dominant regime. A shield alone can't fend off a powerful sword. A shield is most effective when wielded together with a sword. The logic of classical deterrence suggests that America's allies should conduct offensive countermeasures against Iran. Supreme Leader Ali Khamenei must be persuaded that his acts of aggression will be met with punishment that is severe, swift and certain.

America's Gulf allies can't take offensive countermeasures against Iran on their own. Those countries are too small and vulnerable to match the IRGC should it decide to escalate. Iran now has one of the largest and most diverse missile arsenals in the world, with enough raw firepower to pound the major cities of Saudi Arabia and the U.A.E. to rubble.

Only the U.S. has the power to persuade Mr. Khamenei that his aggressions will result in unbearable pain for him. But the Biden administration has systematically taught him the opposite, that it much prefers to cover up acts of Iranian aggression rather than to punish them.

The strike package that the Houthis launched at the U.A.E. included ballistic missiles that targeted Al Dhafra Air Base, which houses the 380th Air Expeditionary Wing of the U.S. Air Force. Few people are even aware that Iran, through its proxy, launched a ballistic-missile attack on some 2,000 Americans this

As expected, the Biden administration didn't respond to these attacks. Intent on returning to the Iran nuclear deal, the administration deflected attention from the provocation. National security adviser Jake Sullivan released a statement that defined the raid as a Houthi terrorist attack on civilians, erasing Iran's role and the American target. President Biden's restraint has

taught Mr. Khamenei that he possesses "overmatch" not only against America's allies but against America itself. If the Americans won't even defend themselves from Iranian attacks, is it any wonder that their allies are hedging toward China and Russia? The protests on the streets of Iran

demonstrate the weakness and vulnerability of the regime, yet it continues to run circles around the U.S. Washington has forgotten the most elementary lessons of classic deterrence.

Mr. Doran is director of the Hudson Institute's Center for Peace and Security in the Middle East. Mr. Kasapoğlu is a nonresident senior fellow at Hudson.

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Notable & Quotable: A 'Normie' Wave Fred Bauer writing for City Jour-

nal, Nov. 9:

If this was a wave election, it might be considered a "normie" wave election. After a pandemic, widespread economic disruption, and years of hyper-polarized conflict in D.C., voters often rewarded candidates with political experience and a record of governing. Joe Biden in part won the White House by promising a return to "normalcy," and if "normalcy" didn't quite arrive by 2022, signs suggest that voters are still looking for it. Many Republican candidates were far from optimal from that perspective. In a number of GOP primaries, Donald Trump intervened to back candidates with whom

he had a close personal relationship or who were willing to join in his campaign to delegitimize the 2020 election. Many of these candidates from Mehmet Oz in Pennsylvania to Tudor Dixon in Michigan—ended up washing out.

Gubernatorial races often exerted a significant gravitational force on other elections. Having held almost the entirety of Ohio's political offices, Governor Mike DeWine embodies the "normie" Republican, and he won a smashing reelection victory—which probably helped boost political newcomer J. D. Vance in the Senate race. Georgia governor Brian Kemp defied Trump's effort to overturn the 2020 election in the Peach State and crushed a Trump-backed primary

challenge. With a record of governing and opposing election nullification, Kemp beat Democratic Party favorite Stacey Abrams by eight points—significantly outperforming Senate nominee (and political newcomer) Herschel Walker. . .

Tuesday's results show how many voters are turned off by candidates who try to delegitimize past elections. For years, Stacey Abrams discounted the legitimacy of the 2018 election she lost by a razor-thin margin-and Brian Kemp won his rematch against her handily. Kemp and Georgia secretary of state Brad Raffensperger burnished their images as responsible holders of power by defending the results of the 2020 election.

WORLD NEWS

Guangzhou Extends Lockdowns

China's manufacturing hub keeps people home amid worst Covid outbreak in six months

By Brian Spegele

BEIJING-China's manufacturing hub of Guangzhou locked down more of the city as the country struggles to contain the worst coronavirus outbreak in more than six months, underscoring the challenge to leader Xi Jinping's zero-Covid policy from new, more transmissible variants.

About four million residents of the city's Liwan and Panyu districts were told to stay home Wednesday, allowed out only for essential journeys. Supermarkets were restricted to making deliveries.

Many schools were moving classes online, and university students were barred from entering or leaving campus.

Authorities in Guangzhou, capital of the export powerhouse of Guangdong province, said the restrictions would remain in place through the weekend in what they have described as the worst outbreak since the pandemic be-

Other areas of the city, including Baiyun, a logistics hub that is home to the international airport and a major FedEx Express base, have faced less-severe restrictions, while some workers have been confined to their factories and dormitories.

The city accounted for almost all of the almost 3,000 new locally transmitted Covid cases recorded in Guangdong on Tuesday.

In all, China reported more than 7,700 new infections on Tuesday, the highest tally since late April. While low by



A resident passes items across a barrier sealing off a residential area that has high Covid-19 infection risk in Guangzhou in southern China.

international standards, especially given China's 1.4 billion people, the scale of the outbreak is worrying for a government that has placed so much emphasis on denying the virus any foothold in the country.

The fact that China's elderly are less widely vaccinated than the population at large is especially concerning for Chinese officials.

Unlike the outbreak that led to the monthslong lockdown of Shanghai this year, cases have spread more widely-all of China's 31 provincial-level regions reported new locally transmitted infections for Tuesday. In addition to Guangdong in the south, central Henan province and the northern autonomous region of Inner Mongolia also reported more than 1.000 cases Tuesday. Some other areas reported several hundred new cases each.

The latest lockdowns in Guangzhou show how Chinese officials are still willing to use heavy-handed restrictions on people's movements to try to prevent the virus from spreading, even though they may exact a heavy economic toll.

Apple Inc. on Sunday warned that shipments of its high-end iPhone models would be lower than expected because of Covidrelated disruptions to a plant in Henan. Foxconn Technology Group had been trying to contain an outbreak at its Zhengzhou plant using a closed-loop system that effectively cut off

large numbers of workers from the outside world. After thousands of workers fled the factory to escape the virus, the government locked down the surrounding area.

To minimize damage to the economy, local officials in some regions have been working to make lockdowns more precise by targeting specific clusters through contract tracing.

In the capital Beijing, cases hit their highest since May. At that time, restaurants were closed for dining in, office buildings sat empty and many residents feared a citywide order to stay at home.

By contrast, Beijing today is operating largely normally, aside from schools in at least one district moving to online

learning this week. Many people walk around outside unmasked, although masks are strictly enforced indoors.

Authorities in Guangzhou said they are working hard to minimize the disruption to the lives of the city's more-than-18million residents. Still, many Chinese have grown weary of the restrictions on their movements. Almost every day on social media, written complaints are posted and videos emerge showing residents venting their anger at local officials.

"New cases are just new cases. Hurry up and give us our freedom back," wrote one person in Guangdong on Douyin, the Chinese version of TikTok.

—Qianwei Zhang contributed to this article.

Biden to Tell Xi of 'Red Lines' At Meeting

By Andrew Restuccia And Charles Hutzler

President Biden said he plans to discuss how the U.S. and China can avoid conflict when he meets with Chinese leader Xi Jinping during his coming Asia trip, but won't make concessions on critical issues.

"What I want to do with him when we talk is lay out what each of our red lines are, understand what he believes to be in the critical national interests of China, what I know to be the critical interests of the United States, and to determine whether or not they conflict with one another," Mr. Biden said Wednesday in Washington. "And if they do, how to resolve it and how to work it out."

He added, "I'm not willing to make any fundamental concessions.'

The meeting, expected to take place on the sidelines of next week's Group of 20 summit of major economies in Bali, Indonesia, would be the first between the two leaders inperson since Mr. Biden came into office. It comes when communications between the two governments are at a low ebb. Already-tense relations have been further strained over U.S. curbs on technology exports and a recent trip to Taiwan by House Speaker Nancy Pelosi.

Asked if he planned to tell Mr. Xi that he is committed to defending Taiwan from Chinese aggression, the U.S. president said, "I'm going to have that conversation with him."

Neither the Biden administration nor Beijing has confirmed a meeting between the two leaders. People familiar with the matter said U.S. and Chinese officials are planning for such a meeting, which could be formally announced in the coming days. A spokeswoman for the White House National Security Council declined to comment.

The meeting would take place weeks after the Chinese leader broke with recent precedent and claimed a third term in power.

Mr. Biden leaves Washington on Thursday for Egypt, where he will deliver remarks at a global climate summit. Following that brief appearance, he will continue on to Phnom Penh, Cambodia, for a summit of South Asian leaders before traveling to Bali for the G-20.

Ex-Pilots Aiding Beijing Concerns U.S. Allies

By MIKE CHERNEY

SYDNEY—Australia will review its rules aimed at deterring former military personnel from aiding foreign adversaries, as U.S. allies grow concerned that China has recruited Western pilots and benefited from their technical expertise.

Australian Defense Minister Richard Marles said an investigation into whether former Australian personnel had provided training to China had raised concerns that justified a deeper examination of existing regulations. He declined to say

whether any individual Aus- U.K. Defense Ministry in Octotralians had helped China, but said some cases remained under investigation.

"It's really important that we have the most robust framework possible that is in place to protect Australia's information and protect our secrets," Mr.

Marles said Wednesday. Key U.S. allies have expressed worries in recent weeks that China, which the Biden administration views as the greatest threat to American security, was trying to lure as an agent of the Chinese former pilots and erode the government and accepting

ber said it would take steps, including through legislation, to deter and penalize former military pilots who helped train the Chinese military.

The U.S. is also seeking to prosecute former pilots who may have helped China. This week, the Justice Department said Shapour Moinian, a former U.S. Army helicopter pilot who then worked for defense contractors, was sentenced to 20 months in prison for acting West's military advantage. The money from its representa-

tives in exchange for aviationrelated information.

In a faxed reply to questions on Wednesday, China's Foreign Ministry said it wasn't familiar with the situation.

The Biden administration recently released a new defense strategy that called for a concerted effort to deter Beijing in the coming decades. That prompted a response from Chinese Foreign Ministry spokesman Zhao Lijian who said the paper was "driven ostensibly by a Cold War zero-China's development strengthened world peace. The U.S. and its allies rely in

part on air power to deter China from taking more aggressive moves in the Indo-Pacific, and air maneuvers would likely be a key feature of any Chinese effort to invade Taiwan, which Beijing claims as its own.

By working with former Western military pilots, even through civilian training schools, foreign adversaries such as China could glean information regarding standard operating procedures and docsum mentality" and that trines about how Western air forces are run.

WORLD WATCH

OBITUARY

Official Who Became Xi Critic Dies at 90

Bao Tong, a senior Communist Party official who became one of China's most outspoken dissidents after his purge during the 1989 Tiananmen Square protests and later emerged as a vocal critic of Chinese leader Xi Jinping's autocratic rule, died Wednesday. He was 90.

A top aide to reformist leaders in the 1980s, Mr. Bao helped chart China's efforts to dismantle its command economy and liberalize its political system in the immediate post-Mao Zedong years, spearheading paramount leader Deng Xiaoping's efforts to reorient the party from revolution to moderniza-

Mr. Bao was a protégé and political secretary of Zhao Ziyang, the former general secretary who was purged in 1989 for his sympathies with the Tiananmen Square demonstra-

Both men became known for steering political overhauls that were meant to rebuild and professionalize the government bureaucracy that was devastated during Mao's 1966-1976 Cultural Revolution.

Mr. Bao remained a prominent figure within liberal party circles in the decades since his political fall from grace.

Despite state surveillance and restrictions on his movements, he and other purged officials became vocal advocates for political overhauls that would loosen some of China's authoritarian structures and tolerate more-diverse voices in policy

-Chun Han Wong



and the queen consort, Camilla, in York, England. The royal couple apparently weren't struck.

Israel Hits Convoy Said to Carry Arms

Israel carried out airstrikes in eastern Syria targeting a convoy of vehicles suspected of smuggling Iranian weapons after it crossed the border from Iraq, people familiar with the attack said Wednesday.

The attack late Tuesday near Abu Kamal—a border town often used as a transshipment point by militant groups with ties to Iran's Islamic Revolutionary Guard Corps—destroyed multiple vehicles and killed at least 10 people, including an unknown number of Iranians, according to the people and Iraqi militia members.

Iragi officials said the tanker convoy was carrying a legal shipment of fuel that Iran had sent to Lebanon. But at least some of the vehicles were believed to be transporting munitions and missiles in addition to oil, the people familiar with the attack said.

A spokesperson for the Israeli military declined to comment on the strike.

Israel has waged a long-running campaign of aerial bombardment against what its military calls Iranian targets in Syria, conducting hundreds of airstrikes aimed at interrupting Tehran's smuggling of weapons to the Lebanese militant and political group Hezbollah and diminishing Iran's military forces and proxies in Svria.

Iranian state television reported Wednesday that two fuel tankers had been destroyed after crossing into Syria, blaming the attack on a U.S. drone strike.

A spokesman for the U.S. military said its forces weren't involved. Israel secretly coordinates with the U.S. on many of the airstrikes it carries out in Syria. —David S. Cloud

NORTH KOREA

Short-Range Missile Fired in Latest Test

North Korea continued its torrid pace of weapons testing on Wednesday, launching a shortrange ballistic missile off the country's east coast after vowing to take overwhelming measures in response to recent U.S.-South Korea military exercises.

The Kim Jong Un regime has embarked on a spree of missile tests in 2022, outnumbering the launches from any prior year by a wide margin.

In recent weeks, North Korea has launched an intercontinental ballistic missile, triggered emergency alerts in Japan and South

Korea and conducted tests in the middle of the night.

The Wednesday test featured a short-range missile fired around 3:30 p.m. local time from the Sukchon area of the North's South Pyongan province, Seoul's military said. The missile hit an altitude of around 30 miles and traveled about 150 miles, before splashing into the waters between Japan and the Korean Peninsula, Japanese Defense Minister Yasukazu Hamada said.

The Kim regime has conducted more than 30 missile tests this year.

-Timothy W. Martin

GERMANY

Government Blocks Sale of Chip Factory

The government blocked the sale of a chip factory to a Swedish subsidiary of a Chinese company, a decision that comes as Berlin grapples with its approach to Beijing.

The move follows a recent compromise over a Chinese shipping firm's investment in a German container terminal and a visit to Beijing last week by Chancellor Olaf Scholz.

The government's red light was anticipated after German company Elmos Semiconductor SE said this week that it had been informed the €85 million (\$85 million) sale of its chip factory in Dortmund to Silex Microsystems AB of Sweden would likely be prohibited. Silex is owned by Sai MicroElectronics Inc. of China, German media re-

Economy Minister Robert Habeck said the government also blocked a second planned investment by an investor from outside the European Union.

-Associated Press

Producer **Prices** Decline In China

By Jason Douglas

Prices charged by Chinese companies at the factory gate recorded their first annual fall in almost two years, another downbeat signal for the global economy as bulging inventories and cautious consumers in the West hit overseas demand for Chinese-made goods.

Chinese producer prices fell 1.3% in October compared with a year earlier, the National Bureau of Statistics said Wednesday, the country's first yearover-year decline in producerprice inflation since December 2020. The decline reflects weaker prices for the producers of raw materials following a recent pullback in commodity prices, as well as a high base for comparison because of rapid price rises a year earlier.

The data come on the heels of ugly export figures released Monday that showed a surprise drop in Chinese exports to the rest of the world in October.

Taken together, the weakness in the world's secondlargest economy points to a global economy that is losing steam as central banks led by the Federal Reserve in the U.S. ratchet up interest rates to contain rocketing inflation.

The drop in producer-price inflation in China comes alongside a monthslong slide in shipping rates, which together should offer a degree of relief on goods-price inflation for consumers in the U.S. and Europe.

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THE WALL STREET JOURNAL.

Thursday, November 10, 2022 | **B1**

S&P 3748.57 ▼ 2.08% **S&P FIN** ▼ 1.70% **S&P IT** ▼ 2.65%

DJTRANS ▼ 2.47% **WSJ\$IDX** ▲ 0.66%

2-YR. TREAS. yield 4.628% NIKKEI (Midday) 27391.00 ▼ 1.17% See more at WSJ.com/Markets

Meta to Cut 13% of Its Workforce

Lavoffs are first broad head-count reduction to occur in the

By Sam Schechner

Meta Platforms Inc. said it would cut more than 11,000 workers, or 13% of staff, embarking on the company's first broad restructuring as it copes with a slumping digital-ad market and plunging stock

job cuts that are roiling Silicon Valley, where tech giants that added employees by the tens of thousands through the pandemic are retrenching.

In a message to staff on Wednesday, Chief Executive Mark Zuckerberg said the company, the parent of Facebook and Instagram, would cut staff across all of its businesses, with its recruiting and business teams disproportionately affected. The company is also reducing its office space, moving to desk sharing for some workers and extending a

quarter of 2023.

"This is a sad moment, and there's no way around that," Mr. Zuckerberg wrote, adding that he had been wrong in assuming that an increase in online activity during the pandemic would continue. "I got this wrong and I take responsibility for that."

In a call Tuesday with hundreds of top managers, Mr. Zuckerberg said he had been overoptimistic about growth and was accountable for the company's missteps, The Wall Street Journal has reported.

Interest-rate scenarios

broad head-count reductions to occur in the company's 18year history and a signal of the increasing competitive and regulatory challenges facing Meta. The tech industry more broadly is grappling with rising inflation and sluggish demand from advertisers.

Meta's stock has fallen more than 70% this year. The company has pointed to worsening macroeconomic trends, but investors have also been alarmed by its spending, particularly Mr. Zuckerberg's multibillion-dollar bet on the

frontier.

In his message, Mr. Zuckerberg expressed confidence in the company's strategic direction. "I believe we are deeply underestimated as a company today," he said. "Our core business is among the most profitable ever built with huge potential ahead. And we're leading in developing the technology to define the future of social connection and the next

◆ Heard on the Street: CEO keeps eye on virtual..

One-year CPI swaps

3.0

2.5

2.0

July 2022

Jan. 2022

Wednesday 3.2%

CPI, change from a year earlier

Sept. 8.2%

AND HANNAH MIAO Please turn to page B2

Stocks sold off sharply Wednesday, snapping a threeday winning streak, as investors wrestled with uncertainty around midterm election results and turmoil in cryptocurrency markets.

By Caitlin McCabe

Election,

Tumult on

The S&P 500 shed 79.54 points, or 2.1%, to 3748.57. The Dow Jones Industrial Average dropped 646.89 points, or nearly 2%, to 32513.94. The technology-focused Nasdaq Composite Index dropped 263.02 points, or 2.5%, to 10353.17.

Investors remain eager to see if the elections result in a divided U.S. government, an outcome that would suggest few major policy changes in the next two years. That is typically seen as a boon for the stock market.

Although investors' expectations of a gridlocked government appear intact, results thus far suggest Republicans may not have gained as much ground as anticipated. That pressured likelv markets Wednesday, traders said.

"Markets don't enjoy surprises, preferring predictability," said Aoifinn Devitt, chief investment officer at investment adviser Moneta.

Several key races are undecided. Republicans remain favored to take the House majority, but the makeup of the Senate remains a tossup. Some races will take days or weeks to be decided.

While the major stock indexes were under pressure all day, the selloff accelerated into the closing bell as a shake-up in Please turn to page B11

The layoffs are the first metaverse as the next digital The layoffs add to a wave of hiring freeze through the first

company's history

AND NEWLEY PURNELL

STREETWISE By James Mackintosh

Crypto Has a Backing Problem



compressed most of the mistakes made by finance over

the centuries into just over a decade, cryptocurrency speculators may finally be discovering the fundamental flaw of trying to build an alternative to governmentbacked finance: no government backing.

This week, the founder of the largest crypto exchange, Binance, provisionally agreed to rescue top-five rival FTX after it was abandoned by clients in the equivalent of a bank run. On Wednesday, Changpeng Zhao walked away, saving the problems were too big. FTX's future now looks grim, with likely knock-on effects across

Even if the deal had gone through, it would have left an obvious danger: There's no one big enough to rescue Binance.

Without the deal, a potentially systemic crisis in crypto will be left to play out by itself.

Many, including my colleague Justin Baer, initially compared the deal to the 2008 rescue of Bear Stearns by JPMorgan. But even America's biggest bank had to rely on help from the Federal Reserve, something impossible in the freewheeling government-free world of crypto. Without Fed support, JPMorgan, like Binance. would have walked away.

A better comparison may be the 1907 Wall Street panic, when John Pierpont Please turn to page B2

Wall Street Makes a Game Plan If Rates Reach Two-Decade High By Matt Grossman Expectations that persistently high inflation could continue have investors debating whether the fed-funds rate could hit 6%, but some think that rising real yields will slow the economy sooner.

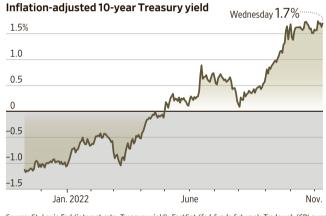
Investors are bracing for the possibility that a second year of stubborn inflation could force the Federal Reserve to bring interest rates higher than they have been in more than 20 years.

Wall Street pros spent much of this year betting that the Fed's already aggressive rate moves would quickly cool the economy and stem rising prices. But last week's jobs report was a sign of economic strength that caught investors off guard.

Now, more are seriously considering whether the central bank's target rate will rise as high as 6% before Fed officials take their foot off the brake—a level not reached since just before the dot-com bust in 2000 and one that could spell far more pain for stocks and bonds.

"It's really hard to see any progress on inflation in the next four or five months. Not enough to satisfy the Fed." said Jim Vogel, manager of interestrate strategies at FHN Finan-

■ Actual fed-funds rate FHN Financial scenario ■ Market-based fed-funds forecast **Future** ′21



Please turn to page B10 Source: St. Louis Fed (interest rate, Treasury yield); FactSet (fed-funds futures); Tradeweb (CPI swaps); Labor Department (CPI)

More Companies Pay Down Costlier Debt

By Kristin Broughton

Executives are aggressively paving down debt as higher interest rates increase the cost associated with having debt and businesses face the prospect of a recession.

Finance chiefs across industries are feeling the pinch of higher borrowing costs as the Federal Reserve continues to increase rates to combat persistently high inflation. The

U.S. central bank last week increased its benchmark federalfunds rate by 0.75 percentage point for the fourth time this vear, bringing it to a range of between 3.75% and 4%.

The three-month London interbank offered rate, a reference rate used in commercial loans, stood at 4.56% as of Tuesday, up from just under 0.15% a year earlier, according to data provider FactSet. The costs for shorter-tenured, one-

three-month secured overnight financing rate—the Libor replacement preferred by U.S. regulators-traded at 4.22% as of Tuesday, up from 0.04% a year earlier.

Against that backdrop, companies across industries and credit ratings are accelerating their preparations for a potential economic downturn, analyzing how a revenue shortfall could affect their fi-

month Libor also went up. The nances. As a result, some are taking steps to rein in expenses and cut interest costs, while others are looking to put cash reserves to work as their bank deposits continue to generate minimal yields.

Cosmetics company e.l.f. **Beauty** Inc. plans to pay down about 25% of its outstanding term loan during the quarter. The Oakland, Calif., company had \$88.3 million in long-term debt on its balance sheet as of

Sept. 30, made entirely up of a floating-rate term loan.

Chemicals company **DuPont** de Nemours Inc. on Tuesday said it plans to retire \$2.5 billion of senior notes due in 2023, which will result in annualized pretax savings of \$100 million. Additionally, the company plans to pay off its outstanding commercial paper balance of \$1.3 billion during the fourth quarter. "The pre-

Please turn to page B6

Adidas to Use Designs From Kanye West Line

AND JOSHUA KIRBY

Adidas AG said it would start selling shoes based on Yeezy designs in a bid to rebound after scrapping the lucrative partnership with musician and designer Kanye West that had spawned one of the company's most successful product lines.

Finance chief Harm Ohlmeyer said the sportinggoods giant was the sole owner of all rights to existing products, except from the Yeezy name, and that the company intended to make use of those rights as early as the end of next year.

"We own all the IP, we own all the designs, we own all the versions and new colorways, so it's our IP, it's our product," Mr. Ohlmeyer said. "We believe there are interesting things coming to fruition in '23, that's what we're working through," he added.

He said the company was reviewing whether to sell existing Yeezy inventory, with the exact plans still being worked out.

Adidas ended the Yeezy venture with Mr. West follow-

ing a string of controversies including a recent anti-Semitic outburst by the artist, who goes by Ye.

On Wednesday, the sportswear company again cut its earnings and revenue guidance for the year to account for the end of the partnership. The move will result in a sales hit of 500 million euros, equivalent to \$500 million, while net income could drop by as much as €250 million in the fourth quarter, the company said. Sales of the Yeezy brand are disproportionately weighted toward the fourth quarter.

"There is some inventory that will help us compensate in '23," Mr. Ohlmeyer said. "We need to take our time to review what are the best options. and there are several options that we're working through."

The German company Tuesday tapped Bjørn Gulden, the departing head of rival **Puma** SE, to take over as chief executive. Mr. Gulden will have to address an array of problems plaguing Adidas around the world, including falling market share in the Chinese market, suspended operations in Russia

Please turn to page B2

Q Palantir

No. 5

The industry leader in artificial intelligence software.

COMPANY 2021 AI REVENUE <u>RANK</u> \$1,392M No. 1 Palantir \$1,252M Microsoft No. 2 \$776M No. 3 **IBM** No. 4 AWS \$688M

Source: IDC, Worldwide Artificial Intelligence Platforms Software Market Shares 2021: Al Is Being Used In More Unique Ways Than Ever (2022)

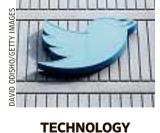
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The information presented in the table above has been compiled and analyzed by IDC using their methodology described in the Worldwide Artificial Intelligence Platforms Software Market Shares, 2021: AI Is Being Used in More Unique Ways Than Ever (2022) report contained on IDC's website (www.idc.com). We have not independently verified, and make no representations as to, the accuracy or completeness of the data contained in this report

\$536M





Elon Musk flip-flops on

Twitter's 'official' label hours after the launch. B3



BANKING

Goldman Sachs

promotes 80 into its largest partner class since before 2018. B10

BUSINESS & FINANCE

Me¹

B2 | Thursday, November 10, 2022

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ļ	Zuckerberg, Mark B1	,B12

Meta Cuts 13% of Workforce

Continued from page B1 computing platform."

Some investors have recently called for Meta to trim staff to cut costs. Meta's share price climbed 5.2% on Wednesday after the layoffs were announced.

Meta's broader cost cutting will "add up to a meaningful cultural shift in how we operate," Mr. Zuckerberg said in his memo. He said he would monitor business performance and other factors before deciding how quickly to resume hiring. He said the company's spending on infrastructure related to artificial intelligence, which can require heaving computer-processing loads, could become more efficient.

Meta also faces threats to its core social-media business from other apps such as Byte-Dance Ltd.'s TikTok.

On Wednesday, Mr. Zuckerberg referenced stiff competition, as well as Apple Inc.'s requirement that users opt in to tracking of their devices, which has hurt Meta's ability

Mr. Zuckerberg has been signaling for months that

Meta faces threats to its core social-media business from other apps such as TikTok.

more fiscal discipline is coming and at times has adopted a tough tone, saving at a June company town hall that "there are probably a bunch of people at the company who shouldn't be here. On Wednesday, he took a

softer approach, saying repeatedly in the blog post that he takes personal responsibility for the company's missteps and expressing gratitude for the contributions of the departing employees. Mr. Zuckerberg reiterated those points in two live streams on Wednesday, one for laid-off

to target ads.

employees and another for current staffers, according to people who attended the streams.

Mr. Zuckerberg gave only limited insight in his message on Wednesday into which areas of the company would be reduced, apart from citing recruiting and business teams. People familiar with the matter said the cuts would in part affect staff with overlapping job responsibilities.

U.S. staffers who are losing their jobs will receive 16 weeks of severance plus an additional two weeks for each year of employment at the company, and their stock options set to vest in mid-November will still vest. Meta will cover healthcare costs for those affected and their families for six months, he said.

1 Hacker Way

Meta reported more than 87,000 employees at the end of September. Company officials already told employees to cancel nonessential travel beginning this week, the Journal previously reported.

—Salvador Rodriguez contributed to this article.

Listen to a Podcast



for a podcast on the metaverse's glitches and declining users.

Adidas to Use Yeezy **Designs**

Continued from page B1 and supply-chain problems.

One immediate challenge will be to contain the fallout from Adidas's split with Mr. West. The items that the rapper designed in collaboration with the company made their debut in 2015 and the parties entered a long-term partnership the following year. The sportswear giant underwrote the artist's collections, which quickly became seen as can'tmiss fashion-week events with stars such as Beyoncé and



The company ended the Yeezy venture with Kanye West following a string of controversies.

Rihanna in attendance.

The Yeezy partnership eventually grew to represent around 8% of the group's revenue, or more than €1.7 billion in sales

last year, analysts say. UBS analvsts estimate that without the Yeezy collection the company's sales have grown 1% a year on average since 2017.

On Oct. 6, Adidas put its partnership with Mr. West under review, saying its decision came after repeated attempts to privately resolve disputes

with him. It ended the collaboration three weeks later.

Some analysts have questioned whether continuing to sell Yeezy designs was the right decision, saying that reputational risks associated with Yeezy line-even rebranded-remained high.

"The Yeezy line might forever remain associated with a controversial and provocative artist and Adidas should instead focus on newness in our view," analysts at Citi said.

At group level, Adidas now expects an operating margin of 2.5% for the year, down from previous guidance of 4%, it said Wednesday. Net profit from continuing operations meanwhile should come in at around €250 million, half what it previously expected. Revenue for the year is expected to increase by a low-single-digit percentage at constant currency, from previous guidance in the mid single digits.

The updated guidance represents the fourth time this year that Adidas has lowered its outlook for 2022. Earlier in October, the company cut its profit guidance for the year, pointing to one-off costs from an exit from Russia, and said revenue and margins would be squeezed by consumer pressures in Western markets and soaring inventory levels.

Earlier in the year, Adidas warned of lower top-line growth and profitability as it struggled to recover in the pandemic-hit China market.

Adidas confirmed third-quarter sales rose 4% organically to €6.41 billion amid slowing demand in Western markets, as set out in preliminary figures it released last month.

$Crypto\ Has$ A Backing Problem

Continued from page B1 Morgan, JPMorgan founder, corralled New York's bankers to provide enough money to restore confidence and end bank runs.

Back then there was no Fed, and there was no one big enough to rescue JPMorgan had it run into trouble. Luckily it didn't, partly because Mr. Morgan loomed larger than life over American finance.

ut there's an obvious danger of relying on a single person, even Mr. Zhao, known as CZ. After all, until this week it was Sam Bankman-Fried, FTX founder, who was lauded as a modern-day J.P. Morgan for his rescues of smaller crypto crashes.

Back in 1907 the need to rely on Mr. Morgan and his colleagues in what was labeled a "money trust" was the catalyst needed to start the process of setting up a central bank. The Fed was created by law six years later with a mandate to supervise banks and lend against good assets, among other things.

It's impossible to create a central bank of cryptoland, because the whole point of cryptocurrencies is that they are independent of the government. "If you go there, you're on your own," Stefan Ingves, governor of Sweden's Riksbank, the world's oldest central bank, told me on Wednesday, before Binance walked away.

This leaves crypto with no backstop against banklike runs if there's a loss of confidence in its exchanges, which are really a combination of banks and brokerages, many with little or no regulation. The exchanges themselves often make things worse by being secretive about the risks they are taking, while reusing customer assets to boost prof-

CZ told employees on Wednesday that the confidence of crypto users was "severely shaken," and Binance "must significantly increase our transparency, proof of reserve, insurance funds, etc."

But even if crypto exchanges were perfectly transparent, they would still be susceptible to runs as long as they don't have the ready cash to repay in full customers who lose faith and pull their assets.

The problem here isn't crypto in itself. If everyone hewed to the suggestion

made by the pseudonymous Satoshi Nakamoto in crypto's 2008 founding document, all would be fine.

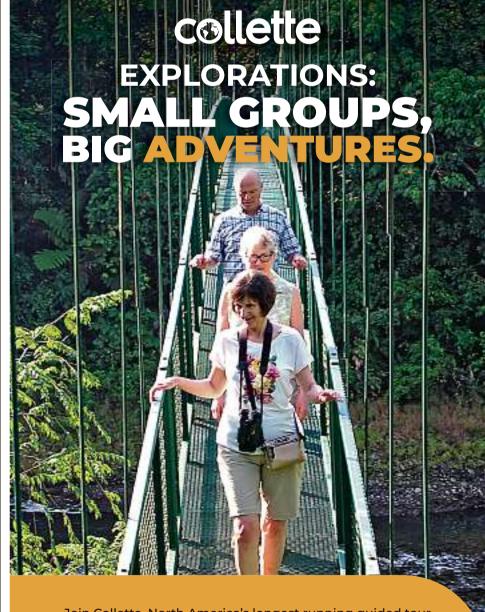
Nakamoto set out the case for a decentralized, trustless blockchain where everyone holds their own accounts and transactions are verified by anyone who wants to take part. The trouble with the bitcoin Nakamoto created is that transactions are slow, expensive and hard to scale

Instead the crypto boom has largely led to customers trading and holding crypto on exchanges, avoiding the need to interact directly with the blockchains.

he reliance on trust that Nakamoto was trying to avoid has been reintroduced—and one of the biggest lessons of financial history is that where there's a need for trust, there are also dire consequences when trust breaks down. Mr. Bankman-Fried experienced that first hand this week as his attempts to reassure clients were ignored.

The fundamental flaw of centralized finance is that it needs central banks to end chaotic bank runs, and crypto has reinvented centralized finance.

As a result, FTX and the broader crypto ecosystem now face serious uncertainty, and maybe disaster.



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The future of Sam Bankman-Fried's FTX looks grim, with likely knock-on effects across crypto.

P2JW314000-2-B00300-16DDF61078D

By Joseph De Avila AND ALEXA CORSE

Elon Musk has already dumped the gray "official" check mark.

Hours after Twitter Inc. started rolling out the label verifying the authenticity of a user's account, Mr. Musk, Twitter's new owner, said he was getting rid of it.

"I just killed it," Mr. Musk said in a tweet in response to Marques Brownlee, a tech influencer, who posted that his official label was gone.

Instead, Mr. Musk pointed to Twitter Blue, the company's revamped subscription service that charges people \$7.99 to obtain blue check marks and other benefits.

"Blue check will be the great

'I just killed it,' Mr. Musk said in a tweet in response to a tech influencer.

leveler," Mr. Musk said.

The rollback of the new verification system comes after two tumultuous weeks at Twitter since Mr. Musk took over the platform.

"Please note that Twitter will do lots of dumb things in coming months," Mr. Musk said Wednesday. "We will keep what works & change what doesn't."

Mr. Musk later on Wednesday said in an online Q&A using Twitter Spaces that he didn't intend to do dumb things. But "if we don't try bold moves, how will we make great improvements?" Mr. Musk said.

During the Q&A, David Cohen, the chief executive of the Interactive Advertising Bureau, a trade organization, asked how Mr. Musk thought Twitter

was doing regarding several criteria important to advertisers, including scale, relevance, brand safety, impact on advertisers' bottom line, and creativ-

Mr. Musk replied that Twitter probably wasn't doing great on any of those for now. He added that improving the relevance of advertisements shown to users is a major priority for Twitter in the coming months.

Mr. Musk also expanded on his rationale for scrapping the official label, calling it an "aesthetic nightmare." He said it was "simply another way of creating a two-class system."

Twitter officials said late Tuesday that the company was introducing an official label to distinguish between accounts that have subscribed to Twitter Blue and paid for blue check marks and those that have been authenticated by the company.

Accounts that were eligible to receive an official label included those of governments, companies, major media outlets, publishers and some public figures, said Esther Crawford, director of product management at Twitter, according to her LinkedIn profile.

For a few hours on Wednesday, Twitter designated the accounts of media outlets including The Wall Street Journal and celebrities such as Taylor Swift as official. The labels were removed before noon Eastern time. Adding to the confusion Wednesday, Ms. Crawford said the official label will be a part of the Twitter Blue launch in a scaled back fashion.

"The official label is still going out as part of the @TwitterBlue launch," Ms. Crawford said in a tweet Wednesday after Mr. Musk said he was getting rid of the official label.

"We are just focusing on government and commercial entities to begin with." she

Disney Shares Take Steep Fall As Streaming Loss Accelerates

By WILL FEUER

Shares of Walt Disney Co. fell 13% after quarterly losses at the company's streaming business more than doubled from a year earlier and executives vowed to pare back spending in the division.

The entertainment conglomerate on Tuesday also reported a drop in its fiscal fourth-quarter revenue at its traditional media business, partially offsetting 36% revenue growth in the theme-parks division.

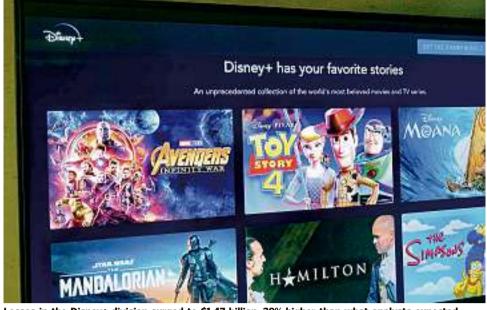
By the Wednesday market close, Disney's stock dropped just over 13% to \$86.75, its largest one-day percentage slide since September 2001. The most recent decline trimmed more than \$20 billion off Disney's market value and represented the company's lowest close since March 2020.

The stock was the biggest loser on the Dow Jones Industrial Average, erasing about 87 points from the index.

The company's flagship streaming service, Disney+, added 12.1 million net new accounts, beating analysts' predictions and bringing its global total to 164.2 million subscribers. But losses in the division surged to \$1.47 billion, 38% wider than what Wall Street expected.

Chief Executive Bob Chapek said Tuesday that the streaming business had reached peak losses in the quarter, and that the business is still on track to reach profitability in fiscal 2024, "assuming we do not see a meaningful shift in the economic climate."

Mr. Chapek said price increases to some Disney+ packages and a new ad-supported subscription tier for Disney+ that are both set to take effect Dec. 8 will help stem losses in the business. However, some on Wall Street aren't as optimistic about the impending



Losses in the Disney+ division surged to \$1.47 billion, 38% higher than what analysts expected. Walt Disney's share price

moves

Analysts at Barclays said the higher price tag on Disney+ and the rollout of an adsupported tier at the same price as the current ad-free option will likely push some subscribers to drop the service. The analysts said Disney's goal of achieving streaming profitability in 2024 may be at odds with its stated target of reaching 215 million to 245 million streaming subscribers by the end of the same fiscal year.

"We believe Disney may face a choice between its subscriber growth guidance and its streaming break-even guidance as we believe it may be tough to meet both," the analysts wrote.

The Barclays analysts added that Disney's linear television business is likely to weaken amid a worsening advertising market and accelerating subscriber losses. Barton Crockett, senior internet media analyst at Rosenblatt Securities. said Disney's linear business is facing the same headwinds as

175 150

2020 Source: FactSet

125

100

75

peers and will likely see greater pressures in the year ahead.

MoffettNathanson analysts zeroed in on Disney Chief Financial Officer Christine McCarthy's guidance that the company expects fiscal 2023 segment operating-income growth of a high single-digit percentage. The analysts had expected to see 34% growth. 'Rarely have we ever been so incorrect in our forecasting of Disney profits," they said, adding that rapid deteriora-

tion in the linear TV business

appears to be closer than pre-

viously thought. The collision of macroeconomic uncertainty with a broad shift within the streaming sector toward giving priority to profitability is testing investors' patience, analysts at Credit Suisse said. They added that proving the pricing power

of Disney+ will be crucial to

remaining on the company's

current growth trajectory. The parks division, a critical source of strength for the quarter, also has its challenges, analysts said. JPMorgan analysts said higher costs and soft demand in Asia weighed on operating income for the segment.

"Clearly the revenue post-Covid came back before costs," the analysts said, adding that their expectations for the segment's profit margins were too high for the year ahead.

Carvana's Bonds Crater After Results Disappoint Investors

By Alexander Gladstone AND ALEXANDER SAEEDY

Carvana Co.'s bonds are touching all-time lows, spotlighting investors' concerns about the used-car seller's long-term trajectory as it burns cash and faces rising borrowing costs.

Carvana's long-term bonds have declined to distressed levels, with some now trading as low as 33 cents on the dollar on Wednesday, a sign that investors don't believe they will be paid back in full. The yield on their 10.25% notes was over 30% as of Tuesday, according to MarketAxess, a sign that Carvana would struggle to borrow from bond markets presently.

used-car business thrived when people opted to drive to avoid mass transportation during the pandemic. But car prices have dropped as interest rates went up and concerns over a recession grew, denting the company's growth prospects. The company, which promised to reinvent the business of selling used cars, has never turned a profit and has borrowed money to cover its

The bonds had already dropped this year as the Federal Reserve started to raise interest rates in March. But they slid around 25% after Carvana's latest earnings report on Friday, indicating that investors

about the company's fundamentals, rather than following broader market moves. Carvana's stock is down al-

most 50% since the company announced its quarterly results last week, which disappointed investors after the company said it incurred a net loss of \$508 million over the three months ended Sept. 30 amid declining revenue and rising costs. It also announced that its cash balance dropped by \$731 million over the last quarter, ending at \$316 million as of Sept. 30.

However, Carvana also reported around \$4.4 billion in available liquidity, including the \$316 million of cash on hand, \$2 bil-

lion through

have become more pessimistic a revolving line of credit and \$2 billion available through financing arrangements tied to real estate it owns. That compared with about \$4.75 billion of total liquidity as of June 30, as the decline in cash was partially offset by an increase in

revolver availability.

A Carvana spokesperson said Wednesday that its cash balance at the end of the quarter was in line with its historical levels of an average of \$350 million at year-end for the past two years.

The cash position "reflects our consistent practice of paying down revolving liabilities with excess cash," the spokesperson said.

But the \$731 million drop in its available cash in the third quarter has led bankers, investors and analysts to focus on how Car-

vana can generate liquidity from its real-estate assets to fund operating losses. Seth Basham, an analyst at

Wedbush Securities, said that Carvana could likely generate \$500 million to \$1 billion in cash over the next six months through monetizing its real es-

Some of Carvana's long-term bonds are trading as low as 33 cents on the dollar.

tate by obtaining mortgages or conducting sale leasebacks, or

Mr. Basham said that his biggest concern about Carvana is whether the company will be able to cut costs and stabilize revenues to satisfy its continuing interest burden.

vana may be able to ride out a recession with its liquidity resources, analysts from JPMorgan Chase & Co. wrote in a report published Tuesday. But they said the direction of the business fundamentals drove the analysts to cut their estimates for earnings and free cash flow.

"We believe Carvana is far from out of the woods," the JP-Morgan analysts wrote, "Even when the industry bottoms out, we don't see a V-shaped recovery.' Equity investors pushed

Carvana stock as high as \$360 last year. Last week, Morgan Stanley analyst Adam Jonas changed his rating on Carvana, setting a new price target of \$1. —Soma Biswas

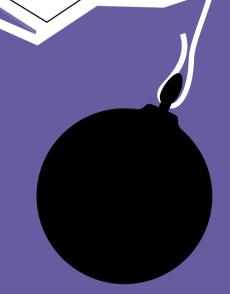
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Chip Firm Mired in Sino-U.S. Tiff Elizabeth Holmes

U.S. citizen moved back to China to build etching equipment as a global enterprise

By Peter Landers

Semiconductor whiz Gerald Yin left the U.S. and spent 18 years in China building what he said would be a worldwide powerhouse in chip-making equipment. Now the American citizen's lifework has been thrown into uncertainty as U.S. restrictions undermine the global industry integration he celebrated.

Mr. Yin's company, Ad-Micro-Fabrication vanced Equipment Inc., or AMEC, had been making big strides and was gunning for industry leaders based in the U.S. and Japan when Washington stepped in. Decades younger than its rivals, the Chinese maker of etching equipment and other tools for the semiconductor industry has said it picked up customers including Robert Bosch GmbH and U.S. chip maker GlobalFoundries Inc. Its equipment is used on dozens of production lines in Europe and Asia.

Then, the U.S. imposed export restrictions in October, the country's biggest salvo against China's tech industry so far. The new rules blocked China's advanced-chip-development industry from access to U.S. technology as well as the services of American talent.

The Biden administration said the rules were aimed at keeping American chips from advancing China's military. Their wide sweep may further bifurcate global supply chains and stymie China's broader chip industry, setting it back years in efforts to catch up with more advanced U.S. and Asian rivals.

The new rules threaten AMEC in several ways. Of roughly 20 top managers and engineers at the Shanghaibased company, Mr. Yin and six others are U.S. citizens, according to the company's lat-



Gerald Yin's Chinese company, AMEC, makes chip-making equipment used around the world.

est annual report.

AMEC's production could also be hampered by lack of access to U.S. or other countries' parts and materials. And non-Chinese customers may shy away from equipment made by a company held up as a flag-bearer of Beijing's chip ambitions.

Mr. Yin said in a recent earnings call that about 60% of the components and materials AMEC uses in its major products are made in China, suggesting that it relies on imports for nearly 40%. AMEC said in its 2021 annual report that it procured some materials from the U.S. but described that as a low percentage of the total.

The company's signature products are etching tools, which help carve out circuit patterns onto a semiconductor wafer, a key step in the manufacturing process

AMEC and Mr. Yin didn't respond to questions. The company said on Chinese social media on Oct. 25 that it was operating normally so far and that its development was

"stable, healthy and safe." It said it abided by laws and regulations wherever it operates.

tem market in 2021, according

to consulting firm Gartner Inc.

years old and thinking of re-

tirement when a middle-

school classmate who was a

government official in China

invited him to come home, ac-

cording to a 2019 report by

the state-owned Xinmin Eve-

contribution to the mother-

land and its people," the pa-

per quoted Mr. Yin as saying.

The report said he took a

group of 15 experts with him

cluded Qualcomm Inc., U.S.-

based venture-capital fund

Walden International and an

arm of South Korea's Samsung

Group. The company's biggest

shareholder is an investment

arm of the Shanghai govern-

ment, and the No. 2 share-

holder is an entity controlled

by a national semiconductor-

investment fund, according to

Chinese corporate-registry da-

tabases. It also receives gov-

ernment research subsidies.

Early investors in AMEC in-

"It was time to make a

ning News.

to Shanghai.

In 2004, Mr. Yin was 60

On AMEC's social-media account on Oct. 28, Mr. Yin said the company aimed to develop into an international leader.

Born in China, Mr. Yin attended prestigious schools in the country and earned a doc-

AMEC has been held up as a flagbearer of Beijing's chip ambitions.

torate from the University of California, Los Angeles, before embarking on a U.S. semiconductor career.

Two U.S. companies—Applied Materials Inc. and Lam Research Corp.—are leaders in etching, and Mr. Yin, AMEC's founder, worked at both. Those two, plus Tokyo Electron Ltd., accounted for 91% of the worldwide dry-etch-sys-

Domestically, social-media commentators called the company a potential national champion that would help China's chip industry achieve self-sufficiency.

Within three years of returning to China, Mr. Yin and

his team developed their first

etching machine. This was the

first time that China was able

to make such high-end competitive semiconductor equip-

ment, according to state media

By 2015, AMEC had gotten far enough that the Commerce Department ended export controls of certain American etching machines to China because it said machines of comparable quality were already available from a Chinese source. Mr. Yin said at a technology forum in Shanghai in 2018 that the department was talking about his company's products.

The success didn't come without controversy. There was a 2007 lawsuit in a California federal court by Applied Materials alleging AMEC misappropriated trade secrets. Mr. Yin, who was named as a defendant, told Chinese media he didn't do anything wrong. The companies settled their litigation in 2010.

Another lawsuit alleging patent infringement—this one filed in Taiwan by Lam Research against AMEC—was dismissed in 2009 by Taiwan's Intellectual Property Court.

As the company and U.S.-China tensions grew, Chinese social media's depiction of Mr. Yin as a hometown champion striking fear into the West prompted the company to respond. In a 2020 statement. AMEC said the stories about Mr. Yin were exaggerated.

In August, Mr. Yin said AMEC was based on the idea of China and everyone else being part of the same global in-

"We would only be able to cover 15% of the global market at most if we only focus on the domestic market, so we have to carry forward a strategy to develop globally," he said.

Is Denied New Trial

By Heather Somerville

A federal judge denied Elizabeth Holmes's bid for a new trial, the latest setback for the Theranos Inc. founder who was convicted of fraud in January.

U.S. District Judge Edward Davila, who oversaw Ms. Holmes's trial that began last year, said in a ruling late Monday that the arguments in her three motions for a new trial didn't introduce material new evidence or establish government misconduct, adding a new trial was unlikely to result in an acquittal.

Ms. Holmes is scheduled for sentencing on Nov. 18.

The judge previously denied her request for an acquittal. He denied requests for an acquittal and new trial from Ramesh "Sunny" Balwani, Ms. Holmes's former boyfriend and deputy at Theranos, who was found guilty on 12 counts of fraud and conspiracy in a separate trial that concluded in

Ms. Holmes was convicted in January on four counts of criminal fraud for deceiving investors while running a yearslong scheme at Theranos, a blood-testing startup, where she was chief executive. She faces up to 20 years in prison, plus fines, for each guilty count. Ms. Holmes, who is visibly pregnant, has remained out of jail after posting bail.

Attorneys for Ms. Holmes didn't respond to a request for comment.

Judge Davila also agreed on Monday to delay Mr. Balwani's sentencing, originally scheduled for next week, to Dec. 7. In his request for a later sentencing date, Mr. Balwani cited the limited availability of his family to attend and one of his lawvers filed a statement from Mr. Balwani's doctor. The personal medical details were re-



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IBM Unveils New Chip In Quantum Effort

By Isabelle Bousquette

Business International Machines Corp. announced Wednesday that it has created a more powerful quantum computing chip, the next step in its yearslong effort to build quantum machines capable of delivering business value to companies.

The 433-qubit Osprey chip, unveiled at IBM's annual Quantum Summit in New York, has more than three times as many gubits as the 127-gubit Eagle chip it introduced last year.

But IBM is aiming to steadily build that computing power in the years ahead. The company said it plans to introduce a more than 4,000-qubit system in 2025, which would be able to solve some problems faster or more accurately than classical computers, as well as provide exact solutions to problems the best of today's computers can only estimate, achieving a milestone known as "quantum advantage."

Dario Gil, senior vice president at IBM and director of IBM Research, said the company would continue scaling up from there, and ultimately quantum systems will contain millions of qubits.

"We're getting closer and closer," said Dr. Gil. "This is another step. Maybe there's a couple more steps, but it's getting closer." Today's computers use binary digits, or bits,

which can either be zeros or ones. Quantum computers use quantum bits, or qubits, which represent and store information in a quantum state that is a complex mix of zero and one. Machines capable of supporting this quantum state have the potential to sort through vast numbers of possibilities in nearly real time.

The types of problems quantum computers could one day tackle include simulating the behavior of natural materials in chemistry, and even breaking the public-key cryptography used to secure the internet, said Dr. Gil.

On Wednesday, IBM also announced a partnership with Vodafone Group PLC to investigate ways of using classical computing to defend against future quantum-enabled threats to encryption, and unveiled new software to help mitigate errors in quantum systems.

Microsoft Corp., Alphabet Inc.'s Google, D-Wave Systems Inc. and a generation of startups are also pushing forward in the quantum area.

Since 2016, IBM has been putting client companies' quantum computers on the cloud to enable companies, universities and individuals to experiment with the tech. Jerry Chow, IBM fellow and director of infrastructure for IBM Quantum, said the companies would be able to start using the Osprey chip next year.



Jerry Chow heads infrastructure for the company's quantum unit. I chants using its tools the op-



Amazon.com in 2019 gave Prime members the option of choosing a specific delivery date, and competitors are following suit.

Cost-Wary Retailers Ease Up On Race for Speedy Delivery

By Liz Young

Retailers this holiday season are focusing on delivering packages to customers on specific dates, rather than competing on speed of delivery.

The shift marks an easing in a race for delivery speed in ecommerce in recent years that has pushed goods to shoppers' homes at an ever-faster pace while narrowing retailers' profit margins on sales.

With inflation-conscious consumers now dialing back their online shopping, many retailers are focused on restraining the high costs of fulfillment and last-mile delivery.

Amazon.com Inc. set the pace for competition on speed with its investment in nextday and same-day delivery. In 2019, the e-commerce giant also gave its Prime members the option to pick a specific delivery date. Other retailers and logistics operators are now following suit.

Shopify Inc., which provides e-commerce services to retailers, in May gave mer-

their websites and social-media channels next to products that can be delivered in five days or fewer.

The idea is to offer "an anticipated delivery time...whether that is two days or that is three days," Harley Finkelstein, president of Shopify, said on the company's Oct. 27 earnings conference call.

Saks Off Fifth, the discount sister of luxury merchant Saks Fifth Avenue, on Wednesday said it would start showing shoppers what day they can expect any given item to arrive based on factors such as their ZIP Code. The feature refines the retailer's previous three- to five-day shipping window, said Shivi Shankaran, the company's chief operating officer.

"To be able to provide them a very clear date when their package is going to get delivered is very valuable to customers," Mr. Shankaran said.

Jason Murray, co-founder and chief executive of e-commerce fulfillment service provider Shipium Corp., which is working with Saks Off Fifth on

tion to display a badge on its new delivery-date feature, said the choice makes clear to consumers that faster delivery carries a higher cost.

"You need to have a way to express that calculus to people, that trade-off," Mr. Murray said.

Chinese online apparel retailer Shein, known for its low-price and trendy clothing and accessories, suggests that rapid sales growth and superfast delivery don't have to go hand-in-hand, even in fast fashion.

The company expects to reach \$24 billion in sales this year, putting it within reach of the sector's biggest competitors only a decade after it launched, by focusing on the front end of its supply chain, which includes manufacturing and shipping out of Guangzhou, China. Shein has significant business in the U.S. even though its website says it takes 10 to 15 days for American customers to get orders. The company has said its standard shipping time for U.S. customers is seven to eight days on average.

Shein plans to expand its North American business by opening three distribution centers in the U.S., but even those will only speed up delivery by three or four days.

Online shoppers are now more willing to wait for certain deliveries, having gotten used to supply-chain disruptions at the height of the Covid-19 pandemic, said Terry Esper, associate professor of logistics at the Ohio State University's Fisher College of Business.

The most important factor for consumers has become "the visibility of it all and being able to know when to expect a delivery, as opposed to the assurance that it'll be a superfast delivery," Dr. Esper said.

Marc Gorlin, founder and chief executive of delivery platform Roadie Inc., a homedelivery subsidiary of United Parcel Service Inc., said shoppers' circumstances are now dictating delivery times.

"Sometimes they want it really, really fast, or they want it really, really scheduled," Mr. Gorlin said.

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Rivian Posts \$1.74 Billion Loss for Quarter

Electric truck and SUV startup confronts higher costs as well as assembly-line issues

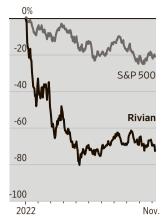
By SEAN McLAIN

LOS ANGELES-Electric-vehicle startup Rivian Automotive Inc. said Wednesday it lost \$1.74 billion in the third quarter-about the same as it did for the April-to-June period—as it continued to struggle with higher materials costs and underused assembly lines.

The Irvine, Calif. based company said it was pushing back the launch of a more affordable model, dubbed the R2, by a year to 2026. Rivian Chief Executive RJ Scaringe said the date change was to ensure there was sufficient time to prepare for production in the new plant.

Rivian's third-quarter revenue was about \$536 million, reflecting a continued ramp up of production at its factory in Normal, Ill. and higher deliveries to customers. The company's adjusted net loss per share of \$1.57 was better than analysts' expectations of a \$1.79 pershare loss, according to Factset. Rivian shares were up around 7% in aftermarket trading.

The battery-powered truck and sport-utility vehicle maker previously said it produced Performance, year to date



7,363 vehicles during the quarter and delivered 6,584 vehicles to customers. That means Rivian must produce a little over 10,000 vehicles to hit its 25,000 production target for the full vear. Rivian reiterated that it was on track to hit that target, a reduced figure it set after running into production issues at its factory.

Still, the company continues to burn through cash as it spends heavily to expand operations and gets hit by inflationary pressures that are pushing up materials and parts expenses. At the end of September, it had \$13.8 billion in cash and cash equivalents, compared

The assembly line at startup Rivian Automotive's electric vehicle factory in Normal, Ill.

with \$15.46 billion at the end of June. Mr. Scaringe said he believed the company was in a strong financial position and had enough cash to run its business through 2025, excluding any spending on a planned joint venture with Mercedes-Benz Group AG.

"We have a strong balance sheet with \$14 billion in cash that offers us the flexibility to

navigate these uncertain economic times and look for capital efficient methods to drive growth," Mr. Scaringe said.

Rivian is the most prominent of a handful of EV startups to go public in recent years with lofty valuations and ambitions to shake up the automotive pecking order. Since then, market sentiment toward these upstarts has cooled. Rivian shares

are down nearly 73% for the vear, and the company recently laid off 6% of its workforce and curtailed spending to conserve cash. The manufacturer attributed its quarterly loss in part to building a low volume of vehicles on assembly lines that were designed for much higher output. It also booked higher

operating expenses. The company recently added

a second, evening shift of workers to its factory, which will aid it in hitting its year-end target, Mr. Scaringe said.

Rivian's chief financial officer, Claire McDonough, said the company had seen the amount of money it lost on each vehicle decrease markedly in the third quarter compared to prior quarters.

Other EV startups also have faced production problems, leading them to raise additional capital to keep operations going. Lucid Group Inc. said Tuesday it planned to generate up to \$1.5 billion through a pair of share sales. The maker of luxury electric vehicles slashed its manufacturing targets twice this year after encountering issues at its factory in Arizona.

Earlier this year, Rivian recalled nearly all the vehicles it had built, after discovering improperly installed fasteners on some of its trucks and SUVs. In extreme cases, the loose fasteners could cause a wheel to separate from the vehicle, the company said. The maker of the R1T pickup truck and R1S SUV has also raised the prices of its cheapest vehicles by several thousand dollars in the face of rising raw-material costs. Other car makers have made similar price increases, citing higher costs on commodity parts and inputs for batteries.

Beyond Meat Loss Widens As Revenue Declines 23%

By Jesse Newman

Beyond Meat Inc. reported tumbling sales and growing losses in its most recent quarter as inflation added to challenges facing the plant-based food company.

The California-based company reported a \$102 million net loss for the three months ended Oct. 1, while revenue fell 23% year over year to \$83 million.

The revenue drop comes as the company has cut prices to boost sales during a period of steep food-price inflation, and amid what Beyond Meat said was weaker than expected demand.

"The current economic climate has not been kind to plant-based meat," Chief Executive Ethan Brown said.

Beyond Meat said its U.S. grocery sales declined 12% while sales to restaurants and other institutions increased 6% versus the year-ago period. It said its sales at international retailers fell 52%

In October, Beyond Meat cut its full-year revenue outlook and said it would reduce its global workforce by about 200 employees, or nearly 20%, as it focuses on lowering expenses.

Beyond Meat said it planned to pursue "a more sustainable growth model," citing increased competition the broader plant-based meat category—especially refrigerated products—as factors hampering its business. The company said it is targeting "cash flow positive operations" in the second half of

Wednesday, Beyond Meat continued to project that its full-year revenue will decline by about 9% to 14% to

The company said it plans to pursue a 'more sustainable growth model.

between \$400 million and \$425 million.

Beyond Meat has been grappling with declining sales and steepening losses. The company's stock is down about 88% over the past 12 months. In recent years, the Covid-19 pandemic hurt restaurant traffic, prompting the company to scale up its supermarket presence. Beyond Meat launched a jerky product with **PepsiCo** Inc. in March and last month introduced a slicedsteak product in stores.

After several years of rapid growth, however, U.S. grocery sales of fresh alternative-meat

and continuing weakness in products have fallen off. In February, Beyond Meat said its U.S. supermarket sales had dropped due to weaker demand, increased discounts and lost market share.

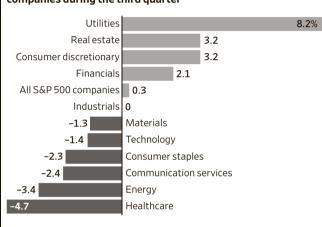
In May, the company said cost-intensive measures tied to product launches pressured its bottom line. In August, Bevond Meat said it would cut 4% of its global workforce and trimmed its full-year sales

Other food companies are ratcheting back investments in meat substitutes. Brazilian meatpacking giant **JBS** SA is closing Planterra Foods, the plant-based protein startup it launched three years ago, according to a notice from the company in Septem-

Maple Leaf Foods Inc., a Canadian meat company that in 2017 acquired plant-based food maker Lightlife Foods, has cut the size of its plant protein business by 25%, the company said in August.

Demand challenges have come alongside a shakeup in Beyond Meat's executive ranks. The company parted ways in October with its chief operating officer, Doug Ramsey, who had been suspended after being arrested for allegedly biting a man's nose and threatening to kill him. Mr. Ramsey didn't respond to previous requests for comment.

Median change from a year earlier in total debt at S&P 500 companies during the third quarter



Sources: S&P Global Market Intelligence (median total debt); FactSet (LIBOR)

Companies Pay Down Their Debt

Continued from page B1

payment reduces refinancing risk in a rising rate environment," Edward Breen, chief executive at the Wilmington, Del.-based company, said during an earnings call.

Before the Fed's latest rate increase, e.l.f. Beauty paid an annual interest rate of 4.9% on the loan, according to Mandy Fields, the company's chief financial officer. That rate. which adjusts quarterly, is set to increase to nearly 6% during the current quarter, she said. "It felt like a good time to step back and say, 'We built this great cash balance. How can we put it to use in a better way?"" Ms. Fields said.

E.l.f. Beauty's had \$85.3 million in cash and equivalents on its balance sheet as of Sept. 30, more than double compared with a year earlier. The company's sales have been strong despite fears of a downturn as the company, whose mass-market products include a \$3 lipstick, benefited from strong demand.

Noninvestment grade companies, and particularly those with floating-rate debt, are more urgently looking for ways to trim interest costs than higher-rated companies, which have ample cash and access to the capital markets, said David White, a senior managing director who advises CFOs at FTI Consulting Inc.

"If I have closer to a junk rating, that's a game changer. It's all about the here and now," Mr. White said, describing the sense of urgency among such companies.

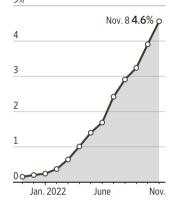
Total debt at companies in the S&P 500 that reported third-quarter earnings through Nov. 4 remained about flat during the quarter from a year earlier, increasing by 0.3% at the median to just over \$9.3 trillion, according to S&P Global Market Intelligence. Sectors including healthcare, consumer staples and information technology have cut their total debt by median values of 5%, 2% and 1%, respectively. Others, including consumer discretionary and real estate, have increased their debt loads, S&P said.

KAR Auction Services Inc.. which operates a digital marketplace for second hand cars, used the \$1.7 billion after-tax net proceeds that it generated from the May sale of its AD-ESA U.S. wholesale auction business to pay down debt ahead of schedule.

KAR, which has a junk rating, is looking to trim its expenses as it plans for a macroeconomic slowdown and aims to operate as a leaner, digital business, said Eric Loughmiller, the company's finance chief. "I would much rather, if I had my choice, reduce my interest burden and keep my technology team at full capacitv." he said.

During the third quarter, KAR completed a tender offer, buying \$600 million of its \$950 million in outstanding bonds. The debt carried a 5.125% coupon and was due in 2025. Additionally, KAR three months earlier repaid an approximately \$900 million term loan. About two-thirds of the loan carried a 5% interest rate that was fixed through a swap, which was set to expire in 2025. The rate was set to ininterbank offered rate

Three-month London



crease to at least 7%, according to Mr. Loughmiller.

The two transactions reduced KAR's annual interest costs by \$70 million, to an estimated \$15 million a year, Mr. Loughmiller said.

Smaller companies are making similar calculations. Toy and costume company JAKKS Pacific Inc. during the third quarter made an advance payment of \$17.5 million on its floating-rate term loan, Chief Financial Officer John Kimble said. The interest rate on the loan was about 7.5% as of June 2021, when the company refinanced, and during the current quarter increased to 10.2%, Mr. Kimble said.

Sales at the Santa Monica, Calif.-based company increased 36% during the quarter ended Sept. 30 compared with a year earlier to \$323 million, due in part to retailers buying inventory early, as well as the popularity of toys tied to films including Disney's Encanto. Profit slipped 16%, to \$30.3 million. Using cash to pay down

debt made sense because the company wasn't earning interest on its bank deposits. It was also worth it to incur a \$525.000 paydown fee because the company freed up additional savings that could be spent elsewhere internally, Mr. Kimble said. JAKKS three years ago was

recapitalized after it struggled following the bankruptcy of Toys "R" Us, one of its largest vendors at the time. As JAKKS boosts sales and gets its business on solid footing, it aims to improve the quality of its balance sheet, Mr. Kimble said. "We're kind of like a consumer household that has too much credit card debt," he said. -Nina Trentmann

contributed to this article.

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UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF NEW YORK SUMMARY NOTICE OF PENDENCY OF CLASS ACTION, PROPOSED SETTLEMENT, AND MOTION FOR ATTORNEYS' FEES AND EXPENSES

SUMMARY NOTICE OF PENDENCY OF CLASS ACTION, PROPOSED SETILEMENT, AND MOTION FOR ATTORNEYS' FEES AND EXPENSES

To: all persons and entities who or which purchased or otherwise acquired Peabody Energy Corp. publicly traded common stock during the period from April 3, 2017 through October 28, 2019, inclusive (the "Settlement Class Period"), and were damaged thereby (the "Settlement Class") order of the United States District Court for the Southern District of New York, that Lead Plaintiff Oregon Public Employees Retirement Fund ("Lead Plaintiff"), on behalf of itself and all members of the Settlement Class, and Peabody Energy Corporation ("Peabody" or the "Company"), Glenn L. Kellow, and Amy B. Schwetz (collectively, "Defendants," and, together with Lead Plaintiff, the "Parties"), have reached a proposed settlement of the claims in the above-captioned class action (the "Action") and related claims in the amount of \$4,625,000 (the "Settlement").

A hearing will be held before the Honorable P. Kevin Castel on February 7, 2023, at 2:30 p.m. in Courtroom 11D of the United States District Court for the Southern District of New York, Daniel Patrick Moynihan U.S. Courthouse, 500 Pearl Street, New York, NY 10007 (the "Settlement Hearing") to determine whether the Court should: (i) approve the proposed Settlement as fair, reasonable, and adequate; (ii) dismiss the Action with prejudice as provided in the Stipulation and Agreement of Settlement, dated October 7, 2022; (iii) approve the proposed Plan of Allocation for distribution of the proceeds of the Settlement (the "Net Settlement Fund") to Settlement Class Members; and (iv) approve Lead Counsel's Fee and Expense Application. The Court may change the date of the Settlement Hearing without providing another notice. You do NOT need to attend the Settlement Hearing without providing another notice. You do NOT need to attend the Settlement Hearing without providing another notice. You do NOT need to attend the Settlement Hearing to receive a distribution from the Net Settlem

www.strategicclaims.net/Peabody/ (866) 274-4004

Inquiries, other than requests for information about the status of a claim, may also be made to LABATON SUCHAROW LLP

LBATON SUCHAROW LLP
Christine M. Fox, Esq.
140 Broadway, New York, NY 10005
settlementquestions@labaton.com
(888) 219-6877

If you are a Settlement Class Member, to be eligible to share in the distribution of the Net
Settlement Fund, you must submit a Claim Form postmarked or submitted online to the Claims
Administrator no later than February 2, 2023. If you are a Settlement Class Member and do
not timely submit a valid Claim Form, you will not be eligible to share in the distribution of the Net
Settlement Fund, but you will nevertheless be bound by all judgments or orders entered by the Court,
whether favorable or unfavorable.

Settlement Fund, but you will nevertheless be bound by all judgments or orders entered by the Settlement Fund, but you will nevertheless be bound by all judgments or orders entered by the Settlement Class. Member and wish to exclude yourself from the Settlement Class, you must submit a written request for exclusion in accordance with the instructions set forth in the Notice so that it is received no later than January 17, 2023. If you properly exclude yourself from the Settlement Class, you will not be bound by any judgments or orders entered by the Court, whether favorable or unfavorable, and you will not be eligible to share in the distribution of the Net Settlement Fund.

Any objections to the proposed Settlement, Lead Counsel's Fee and Expense Application, and/ or the proposed Plan of Allocation must be filed with the Court, either by mail or in person, and be mailed to counsel for the Parties in accordance with the instructions in the Notice, such that they are received no later than January 17, 2023.

PLEASE DO NOT CONTACT THE COURT, DEFENDANTS, OR DEFENDANTS OR DEFENDANT

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MARKETS DIGEST

EQUITIES

Trailing P/E ratio *

P/E estimate

Dividend vield *

18.37

16.92

1.75

All-time high 4796.56, 01/03/22

29.05

22.45

1.27

S&P 500 Index

3748.57 ▼79.54, or 2.08%

High, low, open and close for each

trading day of the past three months.

Dow Jones Industrial Average

32513.94 ▼646.89, or 1.95% High, low, open and close for each trading day of the past three months.

Current divisor 0.15172752595384

Session high DOWN

Session low

Session open ▶

Close

UP

Bars measure the point change from session's open

THE WALL STREET JOURNAL.

Trailing P/E ratio 20.08 P/E estimate * 17.92 Dividend vield 2.08

22.50 18.89 1.88 All-time high 36799.65, 01/04/22

33000

32000

29000

28000

Aug.



Sept.

Nasdaq Composite Index

10353.17 ▼ 263.02, or 2.48% High, low, open and close for each trading day of the past three months.

Trailing P/E ratio *† 23.01 35.93 P/E estimate *† 20.87 30.37 Dividend yield *† 1.02 0.64 All-time high: 16057.44, 11/19/21



Major U.S. Stock-Market Indexes

Sept.

*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc; †Based on Nasdaq-100 Index

Oct.

Nov.

65-day moving average

_			Latest					52-Week —		0/	chg —
	High	Low	Close	Net chg	% chg]	High	Low	% chg		3-yr. ann.
Dow Jones											
Industrial Average	33065.11	32478.87	32513.94	-646.89	-1.95		36799.65	28725.51	-9.9	-10.5	5.5
Transportation Avg	13858.81	13481.82	13502.72	-341.90	-2.47		16874.53	11999.40	-18.6	-18.1	6.9
Utility Average	904.86	893.63	895.05	-8.25	-0.91		1071.75	838.99	-2.4	-8.7	2.3
Total Stock Market	38379.48	37621.93	37669.21	-838.78	-2.18		48929.18	36056.21	-21.8	-22.5	6.0
Barron's 400	938.21	909.91	911.61	-26.59	-2.83		1127.20	825.73	-17.6	-17.6	9.0
Nasdaq Stock Marke	et										
Nasdaq Composite	10564.97	10344.01	10353.17	-263.02	-2.48		16057.44	10321.39	-33.7	-33.8	6.9
Nasdaq-100	11012.66	10790.35	10797.55	-261.95	-2.37		16573.34	10690.60	-32.5	-33.8	9.4
S&P											
500 Index	3818.20	3744.22	3748.57	-79.54	-2.08		4796.56	3577.03	-19.3	-21.4	6.6
MidCap 400	2425.67	2375.65	2379.96	-51.20	-2.11		2910.70	2200.75	-17.3	-16.3	6.0
SmallCap 600	1179.55	1154.51	1157.13	-27.13	-2.29		1459.63	1064.45	-20.1	-17.4	5.4
Other Indexes											
Russell 2000	1796.85	1757.45	1760.40	-48.53	-2.68		2411.78	1649.84	-26.3	-21.6	3.3
NYSE Composite	14889.30	14568.99	14587.76	-301.53	-2.03		17353.76	13472.18	-15.1	-15.0	2.9
Value Line	535.98	522.75	523.47	-12.51	-2.33		694.90	491.56	-24.0	-22.1	-0.8
NYSE Arca Biotech	5066.78	4982.79	5002.66	-12.89	-0.26		5649.54	4208.43	-8.3	-9.3	3.0
NYSE Arca Pharma	820.75	808.90	809.65	-4.32	-0.53		887.27	737.84	2.3	-2.1	10.0
KBW Bank	104.43	102.76	102.92	-2.31	-2.20		147.56	94.66	-26.2	-22.2	-2.1
PHLX [§] Gold/Silver	112.66	108.48	108.96	-3.18	-2.84		167.76	91.40	-21.3	-17.7	5.9
PHLX [§] Oil Service	85.81	82.32	82.52	-4.93	-5.64		88.37	49.14	38.4	56.5	5.5
PHLX [§] Semiconductor	2472.61	2423.96	2424.82	-78.57	-3.14		4039.51	2162.32	-34.3	-38.6	11.8
Cboe Volatility	26.35	25.02	26.09	0.55		2.15	36.45	16.29	39.3	51.5	29.3
§ _{Nasdaq} PHLX							:	Sources: Fact:	Set; Dow J	lones Ma	rket Data

Late Trading

 $Most-active \ and \ biggest \ movers \ among \ NYSE, NYSE \ Arca, NYSE \ Amer.$ and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

3400

Most-active issues in late trading

Nov.

C	Compleal	Volume	Look	Not also	After Hour	S	Laur	
Company	Symbol	(000)	Last	Net chg	% chg	High	Low	
Vanguard Total Stock Mk	t VTI	10,275.2	187.84	0.31	0.17	189.27	183.54	
Ford Motor	F	8,533.4	13.23	-0.08	-0.60	13.34	13.22	
SPDR S&P 500	SPY	7,300.2	374.14	0.01	0.003	374.56	373.95	
Edwards Lifesciences	EW	5,810.6	72.00	2.01	2.87	72.00	69.80	
GI X U.S. Preferred	PFFD	5,717.5	19.50	0.15	0.78	19.50	19.37	
iShares Core S&P 500 ET	FIVV	5,549.1	375.67	-0.11	-0.03	377.76	364.68	
Unity Software	U	4,988.2	20.06	-1.44	-6.70	22.82	18.29	
iSh Fallen Angels USD B	d FALN	3,873.5	23.91	0.14	0.59	23.91	23.89	
Percentage gainers								
Magnite	MGNI	241.4	6.90	1.12	19.38	7.55	5.78	
CarParts.com	PRTS	652.9	4.68	0.65	16.13	4.79	4.03	
Purple Innovation	PRPL	85.5	3.93	0.52	15.25	4.10	3.41	
RingCentral CI A	RNG	119.1	32.64	4.28	15.09	34.00	26.43	
ZimVie	ZIMV	1,000.0	8.05	0.71	9.67	8.05	7.34	
And losers								
Cano Health	CANO	1,724.3	2.49	-0.85	-25.45	3.38	2.44	
Vacasa	VCSA	316.8	2.95	-0.63	-17.60	3.60	2.72	
Mondee Holdings	MOND	223.7	8.50	-1.51	-15.08	11.00	8.50	
Bumble CI A	BMBL	877.0	17.80	-3.13	-14.95	20.94	16.68	
B&G Foods	BGS	74.7	13.12	-1.54	-10. 48	14.96	12.90	

Trading Diary

Volume, Advancers, Decliners NYSE NYSE Amer.

Total volume*	938,333,535	11,911,102
Adv. volume*	81,447,340	419,208
Decl. volume*	850,103,135	11,462,224
Issues traded	3,297	292
Advances	615	59
Declines	2,563	222
Unchanged	119	11
New highs	37	0
New lows	167	24
Closing Arms†	2.42	6.83
Block trades*	5,112	122
	Nasdaq	NYSE Arca
Total volume*/	1,977,465,033	318,629,284
Adv. volume*	848,680,725	54,331,623
Decl. volume*4	,090,137,503	263,925,578
Issues traded	4,888	1,733
Advances	1,098	276
Declines	3,523	1,447
Unchanged	267	10
New highs	85	4
New lows	511	55
Closing Arms†	1.50	0.69
Block trades*	26,488	1,190

* Primary market NYSE, NYSE American NYSE Arca only. $^{\scriptscriptstyle \dag}$ (TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1indicates selling pressure.

International Stock Indexes

Region/Country	y Index	Close	Net chg	— Latest ———— % chg	YTD % chg
World	MSCI ACWI	582.21	-9.30	-1.57	-22.9
	MSCI ACWI ex-USA	264.08	-1.71	-0.64 ■	-23.3
	MSCI World	2509.77	-45.10	-1.77	-22.3
	MSCI Emerging Markets	900.32	0.30	0.03	-26.9
Americas	MSCI AC Americas	1427.04	-31.26	-2.14	-21.9
Canada	S&P/TSX Comp	19344.25	-316.06	-1.61	-8.9
Latin Amer.	MSCI EM Latin America	2269.31	-51.58	-2.22	6.5
Brazil	BOVESPA	113580.09	-2580.26	-2.22	8.4
Chile	S&P IPSA	3268.11	-34.07	-1.03 ■	16.5
Mexico	S&P/BMV IPC	50545.76	-342.71	-0.67 ▮	-5.1
EMEA	STOXX Europe 600	420.34	-1.27	-0.30	-13.8
Eurozone	Euro STOXX	404.25	-0.67	-0.17	-15.6
Belgium	Bel-20	3607.11	-23.61	-0.65	-16.3
Denmark	OMX Copenhagen 20	1719.04	-7.38	-0.43	-7.8
France	CAC 40	6430.57	-10.93	-0.17	-10.1
Germany	DAX	13666.32	-22.43	-0.16	-14.0
Israel	Tel Aviv	1929.20	14.02	0.73	-2.5
Italy	FTSE MIB	23780.07	85.90	0.36	-13.0
Netherlands	AEX	677.26	-6.70	-0.98	-15.1
Russia	RTS Index	1113.93	-29.12	-2.55	-30.2
South Africa	FTSE/JSE All-Share	69640.23	628.78	0.91	-5.5
Spain	IBEX 35	8040.40	41.52	0.52	-7.7
Sweden	OMX Stockholm	776.55	-1.86	-0.24	-25.1
Switzerland	Swiss Market	10904.33	77.29	0.71	-15.3
Turkey	BIST 100	4360.96	0.68	0.02	134.8
U.K.	FTSE 100	7296.25	-9.89	-0.14	-1.2
U.K.	FTSE 250	18649.00	-48.89	-0.26	-20.6
Asia-Pacific	MSCI AC Asia Pacific	143.48	-0.45	-0.31	-25.7
Australia	S&P/ASX 200	6999.30	40.43	0.5 8	-6.0
China	Shanghai Composite	3048.17	-16.33	-0.53	-16.3
Hong Kong	Hang Seng	16358.52	-198.79	-1.20	-30.1
India	S&P BSE Sensex	61033.55	-151.60	-0.25	4.8
Japan	NIKKEI 225	27716.43	-155.68	-0.56 ▮	-3.7
Singapore	Straits Times	3165.50	19.68	0.63	1.3
South Korea	KOSPI	2424.41	25.37	1.06	-18.6
Taiwan	TAIEX	13638.81	291.05	2.18	-25.1
Thailand	SET	1622.45	-10.16	-0.62	-2.1
Sources: FactSe	t; Dow Jones Market Data				

Percentage Gainers...

		— Lä	itest Sess	ion —		• 52-VVee	2K ——
Company	Symbol	Close	Net chg	% chg	High	Low	% chg
Merrimack Pharm	MACK	12.51	8.51	212.75	13.66	3.00	187.6
Outset Medical	OM	14.90	3.43	29.90	55.41	11.41	-71.5
Riskified	RSKD	5.11	1.02	24.94	19.94	3.43	-72.5
Health Catalyst	HCAT	7.98	1.51	23.34	51.20	6.40	-83.6
Quotient Technology	QUOT	3.23	0.60	22.81	7.92	1.68	-55.8
Kala Pharmaceuticals	KALA	6.41	1.19	22.80	114.00	4.92	-93.8
OptimizeRx	OPRX	17.77	3.25	22.38	89.96	13.33	-79.3
Vivint Smart Home Cl A	VVNT	8.44	1.44	20.57	13.29	3.26	-10.5
Berkeley Lights	BLI	3.09	0.52	20.23	26.75	1.83	-87.7
LiveRamp Holdings	RAMP	18.29	2.67	17.09	56.32	15.37	-65.6
MicroOil Gas -3x Inv	OILD	2.58	0.37	16.74	33.42	2.19	-90.5
MicSec US Big Oil 3X Inv	NRGD	32.03	4.24	15.26	477.00	26.60	-91.4
Citizens Cl A	CIA	2.57	0.34	15.25	6.64	1.93	-61.0
Axon Enterprise	AXON	171.84	21.84	14.56	209.00	82.49	0.9
GrowGeneration	GRWG	5.12	0.65	14.54	25.44	2.92	-78.1

Most Active Stocks

Company	Symbol	Volume (000)	%chg from - 65-day avg	Latest S Close	ession % chg	52-W High	eek
Mullen Automotive	MULN	238,091	75.2	0.27	-4.88	15.90	0.21
ProShares UltraPro QQQ	TQQQ	213,394	1.4	17.60	-6.9 8	91.68	16.32
Tesla	TSLA	125,581	75.3	177.59	-7.17	402.67	177.12
ProSh UltraPro Shrt QQQ	SQQQ	122,095	-12.6	60.37	7.04	69.55	28.15
Meta Platforms	META	107,403	173.0	101.47	5.18	353.83	88.09
Direxion Dly SCOND 3 BL	SOXL	106,348	-1.5	9.24	-9.14	74.21	6.21
Amazon.com	AMZN	90,114	40.2	86.14	-4.27	188.11	85.87
NIO ADR	NIO	80,651	53.6	9.25	-12.41	43.55	8.38
SPDR S&P 500	SPY	78,191	-10.3	374.13	-2.06	479.98	348.11
Apple	AAPL	74,576	-14.5	134.87	-3.32	182.94	129.04
* Volumes of 100,000 shares or n	nore are ro	unded to t	he nearest t	housand			

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Forex Race

Yen, euro vs. dollar; dollar vs.

major U.S. trading partners

Percentage Losers

		<u>—</u> Lа	itest Sess	ion —		- 52-Wee	ek
Company	Symbol	Close	Net chg	% chg	High	Low	% chg
Telos	TLS	3.44	-7.60	-68.84	25.55	3.35	-86.0
Golden Sun Education	GSUN	5.97	-6.36	-51.58	95.00	5.65	
Timber Pharmaceuticals	TMBR	1.53	-1.43	-48.22	31.00	1.50	-94.1
Amyris	AMRS	1.52	-1.08	-41.51	8.16	1.44	-79.8
Chart Industries	GTLS	154.31	-85.16	-35.56	242.59	108.29	-19.7
Velo3D	VLD	2.19	-1.19	-35.21	12.95	1.28	-81.1
Emergent Biosoltns	EBS	12.85	-6.88	-34.87	52.28	12.00	-63.4
Wolverine World Wide	WWW	11.87	-6.18	-34.24	36.18	11.50	-64.5
RumbleON CI B	RMBL	10.36	-5.32	-33.93	48.45	10.26	-76.5
Huadi International	HUDI	8.65	-4.32	-33.31	192.88	7.57	-69.1
Centrus Energy	LEU	30.91	-14.16	-31.42	88.88	17.36	-55.6
Peak Bio	PKBO	4.11	-1.87	-31.27	15.00	3.80	-58.2
Arlo Technologies	ARLO	3.28	-1.40	-29.91	11.79	2.93	-57.6
Code Chain New Continent	CCNC	2.55	-1.04	-28.99	53.10	2.55	-94.6
LifeStance Health Group	LFST	5.09	-2.07	-28.91	11.30	4.77	-52.7

Volume Movers Ranked by change from 65-day average*

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest S Close	Session % chg	52-We	eek
Kala Pharmaceuticals	KALA	7,852	25376	6.41	22.80	114.00	4.92
Alpha Star Acquisition	ALSA	1,224	9099	10.16	0.20	10.17	9.77
Power Digital II CI A	XPDB	2,820	5450	9.94	0.20	10.47	9.70
Concord Acqn II CI A	CNDA	647	4161	9.83	0.15	10.23	9.60
Blue World Acqn Cl A	BWAQ	414	3726	10.12	-0.10	10.38	9.84
InterPrivate III FinI A	IPVF	1,075	3164	9.89	0.10	9.97	9.75
Flame Acquisition CI A	FLME	4,018	2677	10.01	0.40	10.05	9.65
Athlon Acquisition CI A	SWET	1,995	2534	10.02	0.60	10.03	9.71
Partners Bancorp	PTRS	606	2505	8.15	-12.27	10.62	8.00
Western Asset Mtg Cap	WMC	520	2287	7.24	-22.54	24.60	7.00
* Common stocks priced at \$2 a 5.000 shares #Has traded fewer			average vo	olume ove	er 65 tradi	ng days of a	it least

CURRENCIES & COMMODITIES

Currencies

te New York trading

J.Sdollar forei	ign-exch	iange ra	ates ir	n late New York t
			US\$vs,	
		Ved —	YTD chg	
Country/currency	in US\$	per US\$	(%)	Country/currency
Americas				Vietnam dong
Argentina peso	.0062	160.0237	55.8	Europe
Brazil real	.1928	5.1869	-6.9	Czech Rep. koruna
Canada dollar	.7393	1.3526	7.0	Denmark krone
hile peso	.001103	907.00	6.5	Euro area euro
Colombiapeso	.000204	4896.56	20.4	Hungary forint
cuador US dollar	1	1	unch	Iceland krona
Vlexico peso	.0511	19.5776	-4.5	Norway krone
Jruguay peso	.02498	40.0300	-10.5	Poland zloty
Asia-Pacific				Russia ruble
Australian dollar	.6432	1.5547	13.0	Sweden krona
hina yuan	.1381		13.9	Switzerland franc
long Kong dollar	.1274		0.7	Turkey lira
ndia rupee	.01229		9.2	Ukraine hryvnia
ndonesia rupiah	.0000639		9.9	UK pound
lapan yen	.006830	146.41	27.2	Middle East/Afri
Cazakhstan tenge	.002143	466.58	7.2	Bahrain dinar
Vlacau pataca	.1236	8.0910	0.7	Egypt pound
Malaysia ringgit	.2131	4.6920	12.6	Israel shekel
New Zealand dollar	.5883	1.6998	16.3	Kuwait dinar
Pakistan rupee	.00451	221.500	25.7	Oman sul rial
Philippines peso	.0172	58.015	13.8	Qatar rial
Singapore dollar	.7129	1.4027	4.0	Saudi Arabia riyal
South Korea won	.0007292		15.3	South Africa rand
Sri Lanka rupee	.0027211	367.50	81.1	
	00404	04 007	150	

	— v	Ved —	YIDchg
Country/currency	in US\$	per US\$	(%)
Vietnam dong	.00004021	24867	8.8
Europe			
Czech Rep. koruna	.04118	24.287	11.0
Denmark krone	.1346	7.4282	13.6
Euro area euro	1.0014	.9987	13.6
Hungary forint	.002489	401.77	23.7
Iceland krona	.006815	146.73	13.1
Norway krone	.0964	10.3773	17. 8
Poland zloty	.2124		16.9
Russia ruble	.01639	61.000	
Sweden krona	.0918	10.8880	20.3
Switzerland franc	1.0161	.9842	7.9
Turkey lira		18.5917	39.6
Ukraine hryvnia	.0271	36.9500	35.1
UK pound	1.1357	.8805	19.1
Middle East/Afric	ca		
Bahrain dinar	2.6532	.3769	-0.01
Egypt pound	.0410	24.3974	55.3
Israel shekel	.2817	3.5504	14.2
Kuwait dinar	3.2322	.3094	2.3
Oman sul rial	2.5974	.3850	unch
Qatar rial	.2747	3.641	-0.03
Saudi Arabia riyal	.2659	3.7607	0.2

WSJ Dollar Index 102.72 0.67 0.66 **14.71**

.0562 17.7861 11.6

YTD % chg

10.62

20.40

14.12

57.24

-6.42

Close Net Chg % Chg YTD%Chg

% Chg

10.04

19.23

5.52

20.18

.02710 36.900 11.0 Thailand baht Sources: Tullett Prebon, Dow Jones Market Data

.03131 31.937 **15.2**

Sri Lanka rupee

Sources: Tradeweb ICE U.S. Treasury Close; Tullett Prebon; Dow Jones Market Data

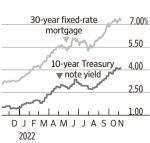
Corporate Bor	rowin	g Ra	ates a	and `	Yield	ls	
Bond total return index	Close		(%) — Week ago	— 52-V High	Veek — Low	Total Re 52-wk	eturn (%) 3-yr
U.S. Treasury, Bloomberg	2037.280	4.440	4.430	4.560	1.120	-15.009	-3.203
U.S. Treasury Long, Bloombe	rg 2960.430	4.440	4.340	4.570	1.720	-34.175	-8.980
Aggregate, Bloomberg	1883.790	5.050	5.040	5.210	1.680	-16.354	-3.461
Fixed-Rate MBS, Bloomber	g 1864.520	5.140	5.080	5.380	1.920	-15.285	-4.148
High Yield 100, ICE BofA	3031.212	8.611	8.214	8.753	3.669	-12.412	-1.031
Muni Master, ICE BofA	536.424	3.837	3.852	3.936	0.895	-10.658	-1.429
EMBI Global, J.P. Morgan	723.941	8.575	8.668	9.159	4.795	-21.795	-5.660
	Sources: J.P. N	lorgan; B	loomberg F	ixed Inco	me Indice	es; ICE Dat	a Services

CREDIT MARKETS

7.28% 4.25%

Consumer Rates and Returns to Investor Selected rates U.S. consumer rates

A consumer rate against its benchmark over the past year



Bankrate.com avg':	7.28%
Farmers State Bank	4.25%
Marion, IA	319-390-2534
Raymond James Bank, NA	4.50%
St. Petersburg, FL	800-718-2265
County Bank	5.00%
Rehoboth Beach, DE	302-226-9800
Savings Bank of Danbury	5.50%
Danbury, CT	844-723-2265
United Community Bank	5.63%
Murphy, NC	800-822-2651

30-year mortgage, Rate

D J F M A M J J A S O 2022	N 1.00		ed Comm hy, NC	unity Bank	800-8	5.63 % 322-2651
Interestrate		late (%) -) Week ago	52- Low 0	Week Range (% 2 4 6 8		3-yr chg (pct pts)
Federal-funds rate target	3.75-4.00	3.00-3.25	0.00	•	4.00	2.25
Prime rate*	7.00	6.25	3.25	•	7.00	2.25
Libor, 3-month	4.63	4.51	0.15	•	4.63	2.73
Money market, annual yield	0.25	0.25	0.07		0.25	-0.33
Five-year CD, annual yield	2.40	2.33	0.41	•	2.40	0.97
30-year mortgage, fixed [†]	7.28	7.25	3.09	•	7.41	3.30
15-year mortgage, fixed [†]	6.47	6.48	2.42		6.53	3.06
Jumbo mortgages, \$647,200-plus	7.26	7.27	3.09	•	7.44	2.87
Five-year adj mortgage (ARM)†	5.58	5.52	2.82		5.58	1.06
New-car loan, 48-month	6.14	6.11	3.41		6.14	1.63
Bankrate.com rates based on survey of ov banks.† Excludes closing costs.	er 4,800 on			osted by 70% of t v Jones Market D		-

4.00 Tradeweb ICE

and ETFs.

5.00% 3.00 Wednesday Close 2.00

Treasury yield curve

Yield to maturity of current bills,

notes and bonds

One year ago 1.00 1 , 0.00 3 6 1 2 3 5 7 10 20 30 month(s) years maturity

WSJ Dollar Index -28 _ _ _ _ _ _ 2021 2022

Commodities

Wednesday — et chg % Chg Close Net chg High Low DJ Commodity 1046.72 -13.81 **-1.30** 1264.48 893.10 Refinitiv/CC CRB Index 279.78 329.59 218.39 -4.27 -1.50 Crude oil, \$ per barrel 85,83 -3.08 -3,46 123.70 65.57 Natural gas, \$/MMBtu 5.865 -0.273 -4.45 9.680 3.561 1710.10 -2.00 **-0.12** 2040.10 1623.30 **-7.44** Gold, \$ per troy oz.

B8 | Thursday, November 10, 2022

Low

COMMODITIES

wsj.com/market-data/commodities

Settle

94.9300 **94.9800** .0100 1,126,230

interest

ΗU	itures	s Co	ntra	CTS
		Meta	al & Pe	trole

		JOHL	u				
	M	etal & l	Peti	roleum	Future	s	
		Co	ntrac	t			Open
	Open	High	hi lo	Low	Settle	Chg	interest
Copper	r-High (C	MX) -25,00	oo lbs	s.; \$ per lb.			
Nov	3.6765	3.7190		3.6765	3.7415	0.0360	1,457
Dec	3.6615	3.7480		3.6270	3.7000	0.0175	78,902
Gold (C	MX) -100 to	oy oz.;\$p	er tro	y oz.			
Nov	1707.40	1720.20		1706.00	1710.10	-2.00	1,644
Dec	1715.20	1725.80		1705.10	1713.70	-2.30	308,189
Jan'23	1719.00	1728.90	\blacktriangle	1713.00	1721.00	-2.10	183
Feb	1729.40	1739.90		1719.40	1727.80	-2.20	137,826
April	1743.80	1754.70		1735.20	1742.80	-2.10	21,339
June	1759.10	1769.20		1749.30	1757.80	-2.20	11,090
Palladi	um (NYM) - 50 troy	oz.;\$	per troy or	Z.		
Nov					1856.60	-73.40	
Dec	1914.00	1947.00		1830.00	1859.20	-73.40	5,754
Platinu	IM (NYM)	-50 troy o	z.; \$ p	er troy oz.			
Nov	920.00	920.00		920.00	1006.60	-17.20	1
Jan'23	1011.50	1024.70		990.80	997.30	-17.20	55,332
Silver (CMX)-5,00	00 troy oz.	\$ per	troy oz.			
Nov	21.590	21.590		21.065	21.298	-0.179	233
Dec	21.425	21.695		21.055	21.327	-0.175	90,635
Crude (Oil, Light	Sweet	(NYN	1)-1,000 bl	bls.;\$perb	bl.	
Dec	88.57	89.24		85.50	85.83	-3.08	235,956
Jan'23	87.73	88.29		84.69	85.00	-3.00	188,487
Feb	86.50	87.21		83.71	84.00	-2.95	83,071
March	85.51	86.12		82.69	83.02	-2.89	95,040
June	82.82	83.31		80.20	80.44	-2.69	123,096
Dec	78.74	79.15		76.43	76.69	-2.25	170,418
NY Har	bor ULS		42,00	00 gal.; \$ p	er gal.		
Dec	3.7797	3.7886		3.6371	3.6563	1144	59,212
Jan'23	3.6070	3.6098		3.4698	3.4913	1027	51,026
Gasoliı	ne-NY RE	BOB (NY	M) -42	2,000 gal.;	\$ per gal.		
Dec	2.6250	2.6421		2.5402	2.5446	0921	73,411
Jan'23	2.5600	2.5705		2.4727	2.4765	0880	74,161

		Contr	act			Open
	Open	High hilo	Low	Settle	Chg	interest
Natural	Gas (NV	M) -10,000 M	MRtu · \$ no	· MMRtu		
Dec	6.190	6.350	5.715	5.865	273	76,254
Jan'23	6.596	6.745	6.131	6.225	299	147,078
Feb	6.342	6.468	5.884	5.969	297	61,968
March	5.572	5.661	5.216	5.311	195	98,908
April	4.834	4.860	4.541	4.682	091	82,208
Mav	4.797	4.797	4.499	4.654	076	89,182
ividy	4./9/	4./9/	4.499	4.054	076	09,102
		Agricul	ture Fut	ures		
Corn (C	RT) -5,000	bu.; cents per	hu			
Dec	667.00	671.75	658.00	664.50	-3.00	505,175
March'23	673.75	677.25	664.00	670.50	-3.25	425,190
		bu.; cents per		0,0,0	,,,,	127/170
Dec	388.00	388.00	376.25	380.50	25	2,496
March'23	388.25	388.25	377.75	381.75	50	1,806
Sovbea	ns (CBT)	-5,000 bu.; cer	nts per bu.			-,
Nov	1444.50		1435.50	1459.75	15.75	992
Jan'23	1445.00	1457.75	1433.50	1452.00	5.50	258,187
Soybea	n Meal (CBT) -100 ton	s; \$ per ton.			
Dec	419.30	422.50	415.10	417.60	-1.70	121,168
Jan'23	413.70	416.60	409.30	412.30	-1.40	104,672
Soybea	n Oil (CB	T)-60,000 lbs	; cents per l	b.		
Dec	75.05	76.09	74.36	75.54	.51	101,063
Jan'23	72.68	73.70	72.00	73.18	.50	97,582
Rough	Rice (CB1	7)-2,000 cwt.;	\$ per cwt.			
Nov				17.65	.07	291
Jan'23	17.91	18.00	17.86	17.99	.06	6,051
Wheat		00 bu.; cents p				
Dec	829.25	834.00	805.25	806.50	-21.25	121,241
March'23	849.00	853.75	826.75	827.75	-19.75	103,445
Wheat		0 bu.; cents pe				
Dec	947.00	951.25	928.75	930.00	-15.75	54,560
March'23		947.00	925.25	926.75	-15.00	51,068
		CME) -50,000				
Nov	178.125	178.250	177.450	177.725	550	2,973
Jan'23	179.725	180.550	179.125	179.650	250	25,628

Cash Prices | wsj.com/market-data/commodities

Wednesday, November 09, 2022

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace separate from the futures price on an exchange, which reflects what the commodity might be worth in future

	Wednesday
Energy	
Coal,C.Aplc.,12500Btu,1.2SO2-r,w Coal,PwdrRvrBsn,8800Btu,0.8SO2-r,w	182.100 v 17.150
Metals	
Gold, per troy oz Engelhard industrial Handy & Harman base Handy & Harman fabricated LBMA Gold Price AM LBMA Gold Price PM Krugerrand, wholesale-e Maple Leaf-e American Eagle-e Mexican peso-e Austria crown-e	1714.00 1715.25 1903.93 *1670.80 *1678.65 1788.10 1830.88 1830.88 2207.49 1680.22
Austria phil-e Silver, troy oz. Engelhard industrial Handy & Harman base Handy & Harman fabricated LBMA spot price (U.S.\$ equivalent) Coins,wholesale \$1,000 face-a	1796.66 21.4500 21.3150 26.6440 *£18.0900 *20.7500 21875
Other metals LBMA Platinum Price PM Platinum,Engelhard industrial Palladium,Engelhard industrial Aluminum,LME, \$ per metric ton Copper,Comex spot	*980.0 1005.0 1915.0 *2327.0 3.7415

	veunesua
Iron Ore, 62% Fe CFR China-s Shredded Scrap, US Midwest-s,m Steel, HRC USA, FOB Midwest Mill-s Battery/EV metals BMI Lithium Hydroxide, EXW China, =99.2%-v,w BMI Lithium Hydroxide, EXW China, =56.5%-v,w BMI Cobalt sulphate, EXW China, >20.5%-v,m BMI Nickel Sulphate, EXW China, >22%-v,m BMI Flake Graphite, FOB China, 100 Mesh, 94.95%-v,m	89.6 n.a. 655 77900 77275 8494 5480 765
Fibers and Textiles	
Burlap,10-oz,40-inch NY yd-n,w Cotton,11/16 std lw-mdMphs-u Cotlook 'A' Index-t Hides,hvy native steers piece fob-u Wool,64s,staple,Terr del-u,w	0.7400 0.8775 *104.50 n.a. n.a.
Grains and Feeds	
Barley,top-quality Mnpls-u Bran,wheat middlings, KC-u,w Corn, No. 2 yellow, Cent IL-bp,u Corn gluten feed, Midwest-u,w Corn gluten meal, Midwest-u,w Cottonseed meal-u,w Hominy feed, Cent IL-u,w Hominy feed, Cent IL-u,w Oats,No.2 milling, Mnpls-u Rice, Long Grain Milled, No. 2 AR-u,w Sorghum, (Milo) No.2 Gulf-u SoybeanMeal, Cent IL-rail, ton48%-u,w SoybeanMeal, Cent IL-rail, ton48%-u,w SoybeanMeal, Cent IL-rail, ton48%-u,w	n.a. 225 6.4000 200.4 653.8 420 210 368 4.2050 36.13 n.a. 445.40 14.3000

Wheat,Spring14%-pro Mnpls-u Wheat,No.2 soft red,St.Louis-u Wheat - Hard - KC (USDA) \$ per bu-u Wheat,No.1soft white,Portld,OR-u	11.8825 7.1900 9.9500 9.0500
Food	
Beef,carcass equiv. index choice 1-3,600-900 lbsu select 1-3,600-900 lbsu Broilers, National comp wtd. avgu,w Butter,AA Chicago-d Cheddar cheese,bbl,Chicago-d Milk,Nonfat dry,Chicago lbd Coffee,Brazilian,Comp-y Coffee,Colombian, NY-y Eggs,large white,Chicago-u Flour,hard winter KC-p Hams,17-20 lbs,Mid-US fob-u Hogs,lowa-So, Minnesota-u	238.68 209.43 1.2355 2.9025 201.00 206.50 138.50 1.6375 2.2160 3.4850 24.80 1.05 87.86
Pork bellies,12-14 lb MidUS-u	n.a.

eers, FexOkla. Choice-u	n.a.
eers, feeder, Okla. City-u, w	184.50
Fats and Oils	
gummed corn oil, crude wtd. avgu,w	69.5000
ease,choice white,Chicago-h	0.7250
rd,Chicago-u	n.a.
ybean oil,crude;Centl IL-u,w	0.8092
llow,bleach;Chicago-h	0.7400
llow,edible,Chicago-u	0.8500

Pork loins,13-19 lb MidUS-u

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; D=CME; E=Manfra,Tordella & Brookes; H=American Commodities Brokerage Co; K=bi-weekly; M=monthly; N=nominal; n.a.=not quoted or not available; P=Sosland Publishing; R=SNL Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. *Data as of 11/8

Source: Dow Jones Market Data

1.1849

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

Money Rates

November 9, 2022

ago high

Other short-term rates

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Latest

U.S. government rates

	Infl	ation		
		Sept.index level		m (%) Sept. '21
U.S. consu	mer pri	ce ind	ex	
All items Core		.808 3.442	0.22 0.43	8.2 6.6
In	ternati	onal	rates	
	Latest	Weel ago	c [—] 52 High	2-Week – Low
Prime rate	s			
U.S. Canada Japan	7.00 5.95 1.475	6.25 5.45 1.475	5.95	2.45
Policy Rat	es			
Euro zone Switzerland Britain Australia	2.00 1.00 3.00 2.85	2.00 1.00 2.25 2.85	1.00	0.00
Overnight	repurch	nase		
U.S.	3.78	3.81	3.81	0.01

Discount					
	4.00	3.25	4.00	0.25	
Federal fu	nds				Call mone
Effective rate	3.8400	3.0900	3.8400	0.0800	
High	4.0500	3.4000	4.1000	0.0900	Commerc
Low	3.8000	3.0600	3.8200	0.0300	90 days
Bid	3.8300	3.0700	3.8300	0.0600	
Offer	3.8500	3.0900	3.8700	0.0800	
Treasury b			n 3 630	0.020	One month Three month Six month
13 weeks			0 2.000	0.000	One year
26 weeks					Secured 0
Se	Call modes We rate 3.8400 3.0900 3.8400 0.0800 4.0500 3.4000 4.1000 0.0900 3.8000 3.0600 3.8200 0.0300 3.8500 3.0700 3.8300 0.0600 3.8500 3.0900 3.8700 0.0800 Surry bill auction KS 3.620 3.600 3.620 0.020 Eks 4.120 4.070 4.120 0.045 Secure Secondary market Secondary market Secure DTCC 0.0800				
Fannie Ma	e				
30-year mort	tgage yie	elds			DTCC GCI
,			2 / 012	2 4/1	T

Federal fu	nds		Guii III Gii		5.00	5.75	2.00
Effective rate	3.8400 3.0900	3.8400 0.0800		5.75	5.00	5./5	2.00
High	4.0500 3.4000	4.1000 0.0900	Commer	rcial paper (AA fin	ancial)
Low	3.8000 3.0600	3.8200 0.0300	90 days	4.59	n.a.	4.59	0.12
Bid Offer	3.8300 3.0700 3.8500 3.0900		Libor				
			One month	3.87857	3.83571	3.87857	0.08875
Treasury b	ill auction		Three month	4.63000	4.50843	4.63000	0.15438
4 weeks	3 620 3 60	0 3.620 0.020	Six month	5.15629	4.97071	5.15629	0.21950
13 weeks			()ne vear	5.63286	5.53600	5.66643	0.35375
26 weeks	4.120 4.07 4.490 4.44			Overnight	Financ	ing Ra	ite
Se	econdary ma	rket		3.78	3.05 Value		0.04 Veek –
Fannie Ma	e			Latest	Traded	High	Low
30-year mort	gage yields		DTCC GC	F Repo Ind	ex		
30 days 60 days		3 6.812 2.461 2 6.988 2.483	,		31.040 25.720	3.800 3.862	0.023 0.032

-52-WEEK-

High

Sources: Federal Reserve; Bureau of Labor Statistics; DTCC; FactSet; Tullett Prebon Information, Ltd.

Macro & Market Economics

Notes on data:

Watching the Gauges: U.S. Supply and Demand

Inventories, imports and demand for the week ended November 4. Current figures are in thousands of barrels or thousands of gallons per day, except natural-gas figures, which are in billions of cubic feet. Natural-gas import and demand data are available monthly only.

U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective November 3, 2022. Other prime rates aren't directly comparable; lending practices vary widely by location; Discount rate is effective November 3, 2022. Secured Overnight Financing Rate is as of November 8, 2022. DTCC GCF Repo Index is Depository Trust & Glearing Corp's weighted average for overnight trades in applicable CUSIPs. Value traded is in billions of U.S. dollars. Federal-funds rates are Tullett Prebon rates as of 5:30 p.m. ET.

Inventories, 000s barrels							Imports, 000s barrels per day					
	Current	Expected change	Previous week	Year ago	4-week avg	5-year avg	Current	Expected change	Previous week	Year ago	4-week avg	5-year avg
Crude oil and							:					
petroleum prod	1,223,286		1,224	1,233	1,225	1,270	8,587		8,088	7,966	8,208	8,597
Crude oil												
excluding SPR	440,755	-200	437	435	439	455	6,454		6,205	6,108	6,187	6,569
Gasoline	205,733		207	213	207	219	489		286	587	476	526
Finished gasoline	14,426	-1,100	15	17	15	23	147		118	95	102	51
Reformulated	23		0	0	0	0	0		0	0	0	0
Conventional	14,403		15	17	15	23	147		118	95	102	51
Blend. components	191,307		191	195	192	197	342		168	491	374	475
Natural gas (bcf)	3,501		3	4	3	4						
Kerosene-type												
jet fuel	36,975		36	38	36	39	116		74	125	156	126
Distillates	106,263	-900	107	125	106	126	328		121	278	175	227
Heating oil	7,821		8	9	8	10	0		0	0	0	2
Diesel	98,442		99	116	98	58	328		121	278	175	224
Residual fuel oil	30,308		30	29	30	30	221		245	87	214	212
Other oils	293,319		297	298	297	297	882		1,034	656	894	805
Net crude, petroleum						,	:					
products, incl. SPR	1,619,505		1,624	1,842	1,625	1,910	-1,105		-1,374	-1,283	-1,804	761

p	2/02/	,,,,	/	001 2/012	1,017	2//20	
Week	dy De	mand,	000s b	Natural gas storage			
	Current	Expected change	Previous week	Year ago	4-week avg	5-year avg	Billions of cubic feet; weekly totals
Total petroleum product	21,267		20,481	19,290	20,774	20,592	4250
Finished motor gasoline	9,011		8,660	9,259	8,820	9,094	Five-year average 3250 for each week 2250
Kerosene-type jet fuel	1,547		1,308	1,591	1,487	1,477	Natural gas, 1250
Distillates Residual fuel oil	4,161 342		4,257 272	4,280 300	4,092 289	4,245 336	lower 48 states
Propane/propylene	1,205		1,034	1,149	1,111		N D J F M A M J J A S O
Other oils	5,000		4,951	2,710	4,976		2022
Nata Conseted shows a		ا بينما اسما				to Dunida	re and arrayan increases, data are in williams

Note: Expected changes are provided by Dow Jones Newswires' survey of analysts. Previous and average inventory data are in millions Sources: FactSet; Dow Jones Market Data; U.S. Energy Information Administration; Dow Jones Newswires

		Cont				Open
	Open .	High hilo	Low	Settle	Chg	interest
'attle-l	ive (CM	E) -40,000 lb:	c : contc por	h		
ec	152 750	152.900	151.525		-1.475	99,166
eb′23		154.725	154.100	154.150	625	81,563
		E)-40,000 lbs			.027	01,707
ec	85.050		84.575	85.275	300	63,754
eb′23	88.125		87.900		.650	54,479
		10,000 bd. ft.,			.020	21,177
lov	458.00		451.90		8.90	98
an'23	429.00		▼ 412.80		-18.50	1.810
		00 lbs., cents		.200	_5,,,0	_,010
lov	20.85		20.85	21.00	.12	4,522
ec	20.93		20.89	21.58	.61	5,142
		0 metric tons				- /
ec	2,506		2,506	2,532	-5	47,248
March'23	2,507	2,539	2,500	2,530	6	117,645
offee	(ICE-US)-	37,500 lbs.; ce	ents per lb.			
ec			▼ 163.65	165.15	-1.30	49,766
March'23	163.60	166.10	▼ 161.15	162.35	-1.80	98,953
Sugar-\	Norld (10	CE-US)-112,0	00 lbs.; cent	s per lb.		
/larch	18.95	19.43	18.85	19.38	.38	342,115
∕lay	18.02		17.91	18.40	.34	166,379
iugar-I		ic (ICE-US)-1		cents per lb		
an	34.90	35.75	34.90	35.75	1.00	1,990
/larch	35.45	35.45	35.25	36.10	1.05	3,218
		50,000 lbs.; c				
ec ec	87.68	88.75	84.19	86.50	-1.18	66,668
larch'23	85.48	86.53	82.57	84.73	-1.01	89,780
	Juice (10	CE-US) -15,00	0 lbs.; cents			
lov				228.85	3.05	139
an'23	211.20	214.90	210.30	214.25	3.05	9,798
		Interest	: Rate Fu	itures		
lltra Tı	Pasurv	Bonds (CB	T) - \$100.00	∩ nts 32nd	ls of 1009	V.
ec		127-060	125-090			1,464,316
		127-000		126-060		1.084

Ultra Tr	easury l	Bonds (CBT)	-\$100,000	; pts 32nd	s of 100	%
Dec	126-060	127-060	125-090	125-230	-26.0	1,464,316
March'23	126-090	127-210	125-250	126-060	-26.0	1,084
Treasur	y Bonds	(CBT)-\$100,0	00; pts 32r	ds of 100	%	
Dec	119-290	120-240	119-050	119-210	-9.0	1,202,219
March'23		120-150	118-310	119-130		5,686
Treasur	y Notes	(CBT)-\$100,0	00; pts 32n	ds of 1009	6	
Dec	110-095	110-245	110-000	110-105	1.5	3,978,350
March'23	110-175	111-010	110-085	110-190	1.5	52,394
5 Yr. Tre	easury N	lotes (CBT)-\$	100,000; p	ts 32nds o	f100%	
Dec	106-102	106-210	106-045	106-135	4.7	4,255,732
March'23	106-177	106-290	106-125	106-212	4.2	25,588
2 Yr. Tre	easury N	lotes (CBT)-\$	200,000; p	ts 32nds	of 100%	
Dec	101-276	102-003	101-255	101-295	2.6	2,177,711
March'23	102-011	102-070	101-313	102-037	3.1	27,862
30 Day l		Funds (CBT)				
Nov	96.2150	96.2175	96.2150	96.2150	0025	403,987
Jan'23	95.5900	95.5950	95.5800	95.5850	0050	311,216
10 Yr. D	el. Int. R	ate Swaps (CBT) -\$100),000; pts	32nds o	f100%
Dec	88-145	89-070		88-170	-1.5	15,113
Three-N	Month S	OFR (CME)-\$	1,000,000;	100 - daily	avg.	
Sept	96.5250	96.5250	96.5225	96.5250		628,752

Eurogo	liar (CME	:)- \$1,000,00	U; pts of 100%)		
Nov	95.3200	95.3275	95.3125	95.3250	.0025	142,569
Dec	94.8900	94.9200	94.8750	94.9000	.0150	1,552,703
March'23	94.6550	94.7000	94.6100	94.6600	.0100	902,017
Dec	95.0050	95.1100	94.9700	95.0600	.0700	925,122
		Curre	ncy Futu	res		
Japane			0,000; \$ per			
Nov	.6876	.6890	.6815	.6820	0055	680
Dec		.6918			0055	246,776
Canadia	an Dolla	r (CME)-CA[0 100,000; \$ p	oer CAD		
Nov	.7443	.7456	.7386	.7389	0051	318
Dec	.7449	.7458	.7387	.7390	0051	142,009
British	Pound (CME)-£62,50	0; \$ per £			
Nov	1.1557	1.1566	1.1336	1.1345	0193	611
Dec		1.1578			0194	232,375
Swiss F	ranc (CN	1E)-CHF 125 ,	000; \$ per CH	łF		
Dec	1.0191	1.0244	1.0169	1.0185	0004	49,250
March'23	1.0330	1.0358	1.0289	1.0299	0003	388
Austral	ian Doll	ar (CME)-Al	JD 100,000; \$	per AUD		
Nov	.6517	.6522	.6416	.6424	0076	215
Dec	.6513	.6530	.6422	.6431	0076	161,770
Mexica	n Peso (CME)-MXN	500,000; \$ pe	r MXN		
Nov				.05097	00015	6
Dec	.05085	.05092	.05060	.05068	00013	299,944
Furo (CI	4F) -€125	000 \$ ner €				

High hilo

March'23 94.9750 95.0250

Euro (C	INIE)-£175	,uuu; ֆ per	E			
Nov	1.0058	1.0089	.9995	1.0003	0075	5,367
Dec	1.0103	1.0116	1.0020	1.0029	0075	642,847
						- 12,5 11
		In	dex Future	es		
Mini D.	J Industi	rial Aver	age (CBT) -\$5	x index		
			32487		-648	76,269
		33463		32777		
Mini S&	RP 500 (CME) -\$50	x index			
		3848.75		3755.50	-79.75	2,251,137
March'23	3868.75	3880.00	3781.00	3786.00	-81.00	62,154
Mini S&	&P Midc	ap 400 (CME)-\$100 x ir	ıdex		
Dec	2436.70	2442.70	2378.20	2382.90	-52.40	47,458
March'23				2386.80	-50.50	1
Mini Na	asdaq 10)O (CME)	\$20 x index			
Dec	11089.25	11164.25	10822.25	10830.75	-263.50	267,856
			10932.75	10939.50	-266.00	4,590
Mini Rı	ussell 20)00 (CME) -\$50 x index			
Dec			1759.00	1763.40	-49.80	493,575
		1832.30		1777.90	-50.00	1,058
) -\$50 x index			
		2104.20		2061.80	-43.80	10,762
			5) -\$1,000 x inde			
Dec		110.55			.92	
March'23	109.30	110.11	108.95	110.04	.91	1,148
					Sourc	e: FactSet

Bonds | wsj.com/market-data/bonds/benchmarks

Tracking Bond Benchmarks

Return on investment and spreads over Treasurys and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Total return	YTD total		— Yield (Total return	YTDto				rield (%	
close	return (%)	Index	Latest Lov	v High	close	return	(%)	Index	Lates	t Low	High
Broad N	Narket Bloomb	erg Fixed Income Indice	es		Mortga	ge-Back	ed Bloor	nberg Fixed Income In	dices		
1883.79	-15.8	U.S. Aggregate	5.050 1.680	5.210	1864.52	-14.9		Mortgage-Backed	5.140	1.920	5.380
U.S. Cor	porate Indexe	s Bloomberg Fixed Inco	me Indices		1840.96	-13.6		Ginnie Mae (GNMA)	5.170	1.970	5.370
2736.87	-19.5	U.S. Corporate	5.920 2.240	6.130	1094.66	-15.0		Fannie mae (FNMA)	5.140	1.910	5.390
2702.43	-11.9	Intermediate	5.810 1.710	6.050	1677.51	-15.5		Freddie Mac (FHLMC)	5.130	1.910	5.370
3499.52	-31.2	Long term	6.160 2.980	6.370	536.42	-10.9		Muni Master	3.837	0.895	3.936
524.39	-21.1	Double-A-rated	5.190 1.950	5.320	382.65	-10.0		7-12 year	3.665	0.918	3.794
719.65	-19.7	Triple-B-rated	6.230 2.450	6.440	422.88	-14.0		12-22 year	4.334	1.180	4.428
High Yie	eld Bonds ICE B	SofA			387.90	-20.1		22-plus year	5.016	1.673	5.131
451.70	-13.4	High Yield Constraine	d 9.410 4.198	9.623	Global C	Governm	ent J.P.	Morgan [†]			
412.13	-18.2	Triple-C-rated	16.916 7.415	16.916	520.45	-13.2		Global Government	3.100	0.840	3.250
3031.21	-12.7	High Yield 100	8.611 3.669	8.753	753.63	-10.2		Canada	3.550	1.430	3.780
391.28	-15.0	Global High Yield Constraine	ed 9.599 4.601	9.945	340.88	-16.0		EMU§	2.914	0.271	3.215
302.40	-13.4	Europe High Yield Constraine	ed 7.809 2.739	8.508	635.96	-16.3		France	2.710	0.150	2.980
U.S Age	ncy Bloomberg	Fixed Income Indices			454.15	-15.4		Germany	2.150	-0.370	2.400
1661.40	-9.3	U.S Agency	4.800 1.030	4.910	281.85	-4.3		Japan	0.820	0.310	0.910
1474.05	-7.8	10-20 years	4.770 0.930	4.890	492.77	-17.3		Netherlands	2.400	-0.200	2.720
3031.39	-27.4	20-plus years	5.170 2.010	5.240	802.19	-22.7		U.K.	3.500	0.720	4.690
2435.42	-15.4	Yankee	5.690 1.900	5.840	723.94	-21.3		Emerging Markets **	8.575	4.795	9.159
*Constrair	ned indexes limit i	ndividual issuer concentrat	tions to 2%; th	ie High Yi	eld 100 are th	ne 100 larg	gest bonds	† In local curren	cy § Eı	uro-zor	ne bono
** ENADLO	lobal Indov				Cour	eselCE De	sta Comile	ss: Plaambara Fixed Incom	a a Indi	soci ID	Maras

EMBI Global Index Sources: ICE Data Services; Bloomberg Fixed Income Indices; J.P.Morgan

Global Government Bonds: Mapping Yields

 $Yields \, and \, spreads \, over \, or \, under \, U.S. \, Treasurys \, on \, benchmark \, two-year \, and \, 10-year \, government \, bonds \, in \, decomposition \, decomp$ selected other countries; arrows indicate whether the yield rose (\blacktriangle) or fell (\blacktriangledown) in the latest session

	Country/					_	Yield				Spread Under/Over U.S.	Treasurys, in basis	
Coupon (%)	Maturity, in years		1 0	1	2	3	4	5 Previous	Month ago	Year ago	Latest	Prev	Year ago
4.375	U.S. 2	4.628 ▼					•	4.672	4.306	0.409			
2.750	10	4.149 🔺					•	4.125	3.883	1.431			
0.250	Australia 2	3.316 ▼				•		3.418	3.287	0.396	-132.3	-124.1	-3.5
1.750	10	3.878 ▼				(4.049	3.859	1.796	-27.6 ▮	-8.4	35.5
0.000	France 2	2.224 ▼			•			2.309	1.839	-0.754	-241.4	-235.0	-118.5
2.000	10	2.696 ▼			•)		2.790	2.800	0.050	-145.7	-134.3	-139.1
0.400	Germany 2	2.123 ▼			•			2.190	1.872	-0.744	-251.5	-246.9	-117.5
1.700	10	2.172 ▼			•			2.283	2.199	-0.296	-19 8.	-185.0	-173.7
0.000	Italy 2	2.805 ▼			•			2.867	3.076	-0.325	-183	-179.2	-75.6
2.500	10	4.281 ▼					•	4.384	4.696	0.846	12.8	25.1	-59.5
0.005	Japan 2	-0.044 🛦	•					-0.045	-0.063	-0.115	-468.2	-470.4	-54.5
0.200	10	0.259 🛦	•)				0.252	0.254	0.066	-389.5	-388.1	-137.5
0.000	Spain 2	2.344 ▼			•			2.413	2.173	-0.661	-229.4	-224.7	-109.2
2.550	10	3.228 ▼				•		3.304	3.414	0.393	-92.5	-82.9	-104.8
0.125	U.K. 2	3.202 ▼				•		3.221	4.120	0.450	-143.6	-143.8	2.0
4.250	10	3.455 ▼				•		3.550	4.235	0.826	-69.8	-58.3	-61.5

Source: Tullett Prebon, Tradeweb ICE U.S. Treasury Close

Corporate Debt

Prices of firms' bonds reflect factors including investors' economic, sectoral and company-specific

Investment-grade spreads that tightened the most...

investment grade spreads that agriculta the most													
Innues	Complete	C(0/)	VI-14 (0/)	Markovelle .	Sprea	ad*, in basis poi	nts —						
Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Current	One-day change	Last week						
Lloyds Banking	LLOYDS	4.375	6.53	March 22, '28	230	-15	261						
Credit Suisse	CS	2.950	7.94	April 9, '25	345	-14	346						
F&G Global Funding		2.000	6.15	Sept. 20, '28	183	-13	n.a.						
Banco Santander	SANTAN	2.749	7.82	Dec. 3, '30	365	-12	393						
Caterpillar Financial Services		3.250	4.89	Dec. 1, '24	25	-10	36						
CSX	CSX	6.800	5.84	Dec. 1, '28	155	-10	n.a.						
Walt Disney	DIS	3.150	5.01	Sept. 17, '25	46	-10	58						
President & Fellows of Harvard College	HARVRD	3.529	5.00	Oct. 1, '31	85	-9	n.a.						
And spreads that widene	ed the m	nost											
Met Tower Global Funding		3.700	5.65	June 13, '25	110	20	n.a.						
Delta Air Lines	DAL	7.000	6.61	May 1, '25	214	18	189						
HSBC Holdings	HSBC	4.300	6.38	March 8, '26	208	11	n.a.						
JPMorgan Chase	JPM	4.250	5.57	Oct. 1, '27	127	11	134						
Procter & Gamble	PG	1.200	4.89	Oct. 29, '30	74	11	75						
Prudential	PRUFIN	3.125	6.15	April 14, '30	203	10	210						
Citigroup	C	3.300	5.47	April 27, '25	93	8	109						
Deutsche Bank	DB	1.686	6.21	March 19, '26	195	8	201						

High-yield issues with the biggest price increases...

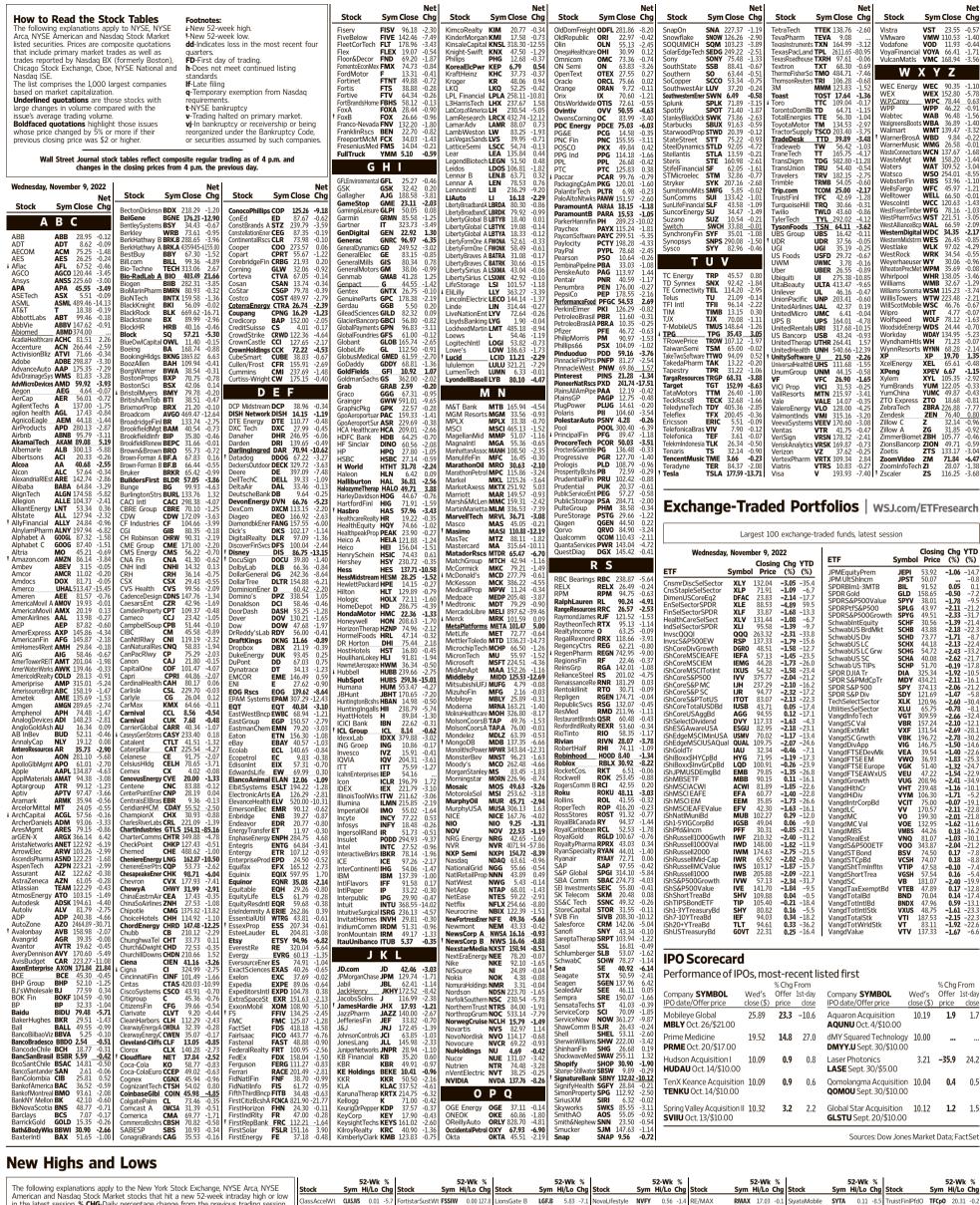
riigii yicia issacs witi	i tile biggest	bure ure	ii cascs	•••			
Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Bond Pric	te as % of face v One-day change	alue —— Last week
WeWork	WEWORK	7.875	36.39	May 1, '25	56.000	0.50	54.250
Ford Motor Credit		4.134	7.24	Aug. 4, '25	92.450	0.45	93.000
Dish DBS		7.750	15.52	July 1, '26	79.000	0.25	82.300
Intesa Sanpaolo	ISPIM	5.017	8.61	June 26, '24	94.671	0.14	94.719
Crown Cork & Seal		7.375	7.16	Dec. 15, '26	100.750	0.13	102.030
And with the bigges	t price decrea	ases					
Dish DBS		5.125	14.20	June 1, '29	62.125	-1.91	66.375
Navient	NAVI	5.625	10.87	Aug. 1, '33	67.261	-1.36	70.750
Sprint Capital		8.750	6.51	March 15, '32	115.470	-1.28	117.810
Intelsat Jackson Holdings	INTEL	6.500	8.34	March 15, '30	90.020	-0.98	91.500
OneMain Finance	OMF	7.125	9.47	March 15, '26	93.400	-0.94	96.000
ZF North America Capital	ZFFNGR	4.750	7.82	April 29, '25	93.250	-0.82	94.046
Ball	BALL	5.250	6.19	July 1, '25	97.750	-0.75	98.785

*Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year hot-run Treasury; 100 basis points=one percentage pt.; change in spread shown is for Z-spread.

Source: MarketAxess

Oct. 1, '26 **83.625**

BIGGEST 1,000 STOCKS



The following explanations apply				52-Wk % Sym Hi/Lo Chg	Stock Sy	52-Wk % ym Hi/Lo Chg		52-Wk % Hi/Lo Chg	Stock	52-Wk % Sym Hi/Lo Ch	g Stock	52-Wk Sym Hi/Lo (52-WI Sym Hi/Lo		52-Wk % Sym Hi/Lo Chg
American and Nasdaq Stock Mari in the latest session. % CHG -Daily	rket stocks that hit a ne ly percentage change fro	ew 52-week intraday high om the previous trading se	ession.	CLAS.WS 0.01 -5.7	FortistarSustWt FS FoxB F0	SIW 0.00 127.8 X 26.35 -3.5	LionsGate B LGF.B LionsGate A LGF.A	5.83 -7.1 6.34 -6.3	L NovaLifestyle NovaBayPharm	NVFY 0.56 -1. NBY 0.08 -9.	4 RE/MAX 5 R1 RCM	RMAX 17.03 RCM 6.71	-0.1 SiyataMobile -6.9 SmileDirectClu	SYTA 0.13 SDC 0.59	1 -8.5 TruistFinIP 9 -7.5 TruistFinIP	dR TFCpR 18.02 0.1
Wed	dnesday, November 9, 20	022	ClearSignTech ClipperRealty	CLIR 0.56 -8.7 CLPR 6.37 -0.9	FrazierLifeA FL		Lipocine LPCN LisataTherap LSTA	0.36 -6.0 3.50 -6.0) Nuvasive	NVOS 0.23 -8. NUVA 37.45 -4.	4 RadNet	RMED 2.80 RDNT 12.03 -		SCKT 1.75 SLNO 0.90) -4.2 TuSimple	ALTH MEDS 0.76 -2.0 TSP 2.22 -6.6
52-Wk % Stock Sym Hi/Lo Chg Stoc	52-Wk ock Sym Hi/Lo (P-Wk % Cloudflare CloverHealth ClovisOncolog	NET 37.37 -6.2 CLOV 1.22 -4.3 BY CLVS 0.23 -71.6	FreightTech FR FusionAcqnIIWt FSN FusionFuelGreen HT	IB.WS 0.01 -10.9	LiveWire LVWR Lucid LCID LuciraHealth LHDX	6.26 -8.7 10.89 -17.0 0.70 -5.1	7 NuvationBio Nuwellis L ONE GroupHosp	NUVB 1.90 -4. NUWE 0.19 -8. STKS 4.91 -2.	5 RapidMicro 4 RealReal 7 RebornCoffee	RPID 2.40 REAL 1.15 REBN 0.92	-2.0 Soluna -4.5 Sono -5.9 SonomaPharm	SEV 1.03		UDR 37.18 -0.1 USM 21.41 -0.6 2069 UZD 18.14 -0.8
Ram	mbus RMBS 37.39	-0.6 AscentIndustries ACNT	10.00 -28.9 CodeChainNe		IGAN GA	AN 1.47 -5.8 NVD 0.12 -6.3	LumentFinance LFT Lumentum LITE	2.02 -5.6 55.18 -6.4	ON24	ONTF 6.95 -4. OPK 1.53 -16.	1 Redfin	RDFN 3.08 -			9 -7.1 USCellular5.5 8 -2.1 US Xpress	SrNt UZE 15.85 -2.1 USX 1.89 -4.5
Revo	genPharm REGN 769.63 volutionHlthcr REVHU 10.04 secliffAcanIA RCLF 9.99	-1.2 AssemblyBiosci ASMB 0.1 AteaPharm AVIR 0.4 Athersys ATHX	1.20 -4.4 CoffeeHolding 4.73 -10.4 Cohbar	CWBR 1.92 -10.0	Galapagos GL	IVDW 0.00 -63.0 .PG 40.02 -2.5	LuokungTech LKCO Lvft LYFT	0.14 -4.5 10.60 -2.4	1 Ocugen	OTLY 1.86 -6. OCGN 1.48 -9.	9 Remark 8 RenttheRunway	MARK 0.25 RENT 1.37 -		CXM 7.7	3 -2.7 UnitedInsu	
Aflac AFL 68.90 -0.7 Shua AGBAAcquisition AGBA 11.81 1.9 ST E	uaaPtrsI A SHUA 10.19 Ener I A STET 10.09	0.1 AthlonAcqnWt SWETW 0.1 AtlisMotor AMV	0.00 -95.6 8.25 -18.2 Collplant ColorStarTech	CLGN 5.12 -4.4 ADD 0.95 -10.2 COMP 1.84 -9.3	GalectinTherap GA Games&EsportsWt GE GauchoGroup VII		LytusTech LYT MEI Pharma MEIP MKS Instrum MKSI	0.81 -10.3 0.28 1.4	OcularTherapeutix Omnicell OmniLitAcgnWt	OMCL 46.19 -4.	7 Repay 4 RepublicFirstBncp 0 ReShapeLife	RPAY 4.37 - FRBK 2.53 RSLS 0.20 -	-4.8 StateraBio	STAB 0.10 STER 12.22	-19.5 UnitySoftw	th UBX 2.10 -14.0 are U 21.22 -9.5 UPH 0.41 -8.4
AloNetworks ATEN 19.14 -1.9 Sand AceGlblBus ACBA 10.53 0.1 Sann	ndbridgeX2 A SBII 10.06 nmina SANM 67.46	0.1 Atreca BCEL -1.5 aTyrPharma LIFE	2.22 -4.6 Constock	LODE 0.36 -8.0	GelesisWt GLS	S.WS 0.01 15.3 ENC 8.38 -1.0	MVB Financial MVBF MSG Entertainment MSGE	23.80 0.1	L Oncocyte	OCX 0.55 -5. TOI 2.91 -4.	0 RevelationBio 3 Revolve	REVB 0.20 RVLV 20.17	-6.3 StrongholdDig -3.5 SuperCom	SDIG 0.61 SPCB 0.2	8 -15 4 UpHealthV	t UPH.WS 0.03 -12.4 ware UPLD 6.43 -7.8
	onTechl A SCOA 10.05 hiorConnectl A SNRH 10.04 C A VII 10.02	-0.1 Auroralnnov AUR AutoscopeTech AATC Avalonbay AVB 1:	1.57 -5.6 4.11 -3.3 Conformis ConnexaSpor	CFMS 0.07 -24.2 ts CNXA 0.18 -12.0	GeniusGroup GN GeoVaxLabsWt GO	VXW 0.14 -0.4	MagicEmpire MEGL Magnachip MX	2.20 -12.3 8.90 -1.9	Oncorus	ONCR 0.50 -3. ONCS 4.60 -22.	2 RigettiCompWt 7 RigettiComp		29.0 Supernova III W	t STRE.WS 0.03	3 -38.2 Upstart Upwork	UPST 14.02 -10.4 UPWK 11.39 -6.0
AimfinityInvtl AIMAU 10.09 0.1 Simo Akouos AKUS 13.51 1.5 Strat	nonPropA SPGS 10.02 ategicEd STRA 79.49	0.6 AveannaHealth AVAH -0.4 AvenueTherap ATXI	58.35 -1.3 1.05 -5.4 1.42 13.3 ContainerStor ContextLogic ContraFect	re TCS 4.24 -5.9 WISH 0.63 -7.9 CFRX 0.13 -3.0	Gevo GE GladstoneNts2028 GA GlobalBlue GB		MaravaiLifeSci MRVI			ONDS 3.11 -6. ATNFW 0.04 -11.	5 RingCentral8 RockleyPhotonics				3 -15.2 Valhi	VHI 20.83 -7.4 VAPO 0.58 -11.9
Albanyinti AIN 100.83 -1.3 TPG AlphaHlthiii A ALPA 9.84 0.2 Tailw	G TPG 35.54 IwindIntIA TWNI 10.02	9.4 AxcellaHealth AXLA AyalaPharm AYLA	0.83 -3.0 CoreScientific	CORZ 0.12 -10.4	GlobusMaritime GL GoldenSunEduc GS	.BS 1.17 -4.9	Masimo MASI Materialise MTLS Mattel MAT	108.89 -9.9 9.25 -4.9 16.51 -2.1	9 180LifeSci 9 OnionGlobal 1 OppFi	ATNF 0.35 -5. OG 0.22 -0. OPFI 1.87 -9.	6 Rogers 4 RothCHAcqnIVWt 8 RubiconTechWt	ROCGW 0.01 -		SYBX 0.63 SYRS 3.53 SST 3.49	2 -8.3 VascularBiog	enics VBLT 0.11 -5.9 VXRT 1.26 -9.4
	getGlbl I TGAAU 10.15 stemakerA TMKR 10.08 skay TK 4.57	0.1 BIMI Intl BIMI 0.1 Bio-key BKYI -4.8 BitMining BTCM	0.20 -7.7 CreativeMedia 1.36 -7.2 CrownElectrol	kin CRKN 0.18 -11.8		ORX 3.82 -22.5	Matterport MTTR McLarenTechWt MLAIV	2.62 -10.7 0.02 -7.4	Oragenics OrbitalInfr	OGEN 0.19 -0. OIG 0.24 -3.	4 RubiusTherap 9 RumbleON	RUBY 0.22 RMBL 10.26 -	1.5 System1Wt 33.9 TCBioPharm	SST.WS 0.64 TCBP 0.14	4 -5.6 VenatorMat	erials VNTR 0.60 -5.4
AthlonAcqnA SWET 10.03 0.6 Thunk	nderBridgelll A TBCP 9.96 nberlandBncp TSBK 34.26	0.1 BTCS BTCS 0.7 ByndCannasoft BCAN	1.12 -8.6 Cryptyde	CYRX 15.79 -9.5 TYDE 0.37 -12.3 CVAC 6.90 -4.3	Goodyear GT GrafAcqnIVWt GF0 GreatLakesDredge GL	DR.WS 0.07 -30.1	MedAvail MDVL Mediaco MDIA	1.27 -16.4	4 OrientalCulture	ONVO 1.50 -5. OCG 0.50 -10.	5 SG Blocks 4 SHF	SGBX 1.31 - SHFS 1.89 -	10.1 TCR2 Therap 17.7 TelusIntl	TCRR 1.27 TIXT 18.80	5 -7.1 VerbTech	VERB 0.16 -6.7
BarrettBus BBSI 96.38 0.1 Tishr BelFuse A BELFA 35.74 0.2 Toot	nmanSpeyll À TSIB 10.03 otsieRoll TR 41.63	0.1 Babcock&Wilcox BW 0.2 BabcockWilcoxPfdA BWpA	3.89 4.2 CustomersBncpN 15.90 -2.6 Cvanotech		GreenBrickPfdA GRI GreenidgeGen GR	BKpA 20.27 -0.1	MedicennaTherap MDNA Medtronic MDT MercatoPtrsWt MPRAV	79.19 -1.1	Otonomy	OSCR 2.34 -23. OTIC 0.08 -4. OXBR 1.85 -1.	8 SI-BONE	SHFSW 0.06 - SIBN 11.22 - SLGpI 18.67		TFFP 1.39 THCHW 0.13 TMC 0.73	1 -4.2 Vericel Veritone	VCEL 17.30 -23.4 VERI 4.63 -9.9
BelongAcqnA BLNG 10.01 0.2 Torm BlackSpadeA BSAQ 9.94 0.1 Toro BristolMyers BMY 81.17 -0.3 Trist	o TTC 110.99	-5.5 Bakkt BKKT -0.2 BakktWt BKKT.WS 0.1 BancoBradescoPf BBD	1.70 -8.9 Cyngn 0.18 -23.6 CytomXThera	CYN 0.83 -10.0 p CTMX 1.17 0.8	GreenidgeGenNt GR GreenproCap GR	REEL 3.65 -15.6 RNQ 1.04 -8.8	MetenHolding METX MidSouthBncp MSVE	0.22 -8.9	PLBY Group	PLBY 3.10 -3. PX 9.66 -1.	7 SVB Fin 6 Sabre	SIVB 204.37 SABR 4.46	-4.6 TTEC -5.8 Taboola	TTEC 39.50	0 -0.8 VersusSyst	is VFF 1.75 -1.6
BroadscaleAcqnA SCLE 10.02 0.1 Tuan	starAcqnI TRIS 10.03 anChe TC 9.15 ocityAcqnA VELO 9.97		2.91 -18.6 CyxteraTech 16.05 -2.5 DSS 0.03 -2.3 D-WaveQuantum	CYXT 2.08 -8.3 DSS 0.21 -4.4 Wt OBTS.WS 0.18 -13.3	GromSocialWt GRO GuardforceAl GF Hanesbrands HB	OMW 0.02 233.0 (AI 0.17 -12.8	MilestoneSci MLSS MindMed MNMI	0.57 -12.4 2.35 -6.6		PD 19.51 -4. PALI 0.07 -14.	0 Sabre6.5%Pfd 1 SachemNts2027	SABRP 64.61 SCCG 19.03	-2.8 TailwindIntIWt-0.4 TalisBiomed	TWNI.WS 0.03 TLIS 0.59	5 -2.0 VintageWineE	
CarneyTechII A CTAQ 10.03 Willia CaseysGenStores CASY 234.72 0.1 Winv		0.2 Baozun BZUN 0.6 BatteryFutureWt BFACWS	3.41 -16.5 Datadog 0.04 DatChat	DDOG 66.45 -4.0 DATS 0.47 -12.3	HarborCustomPfdA HC HarpoonTherap HA		Missfresh MF MistrasGroup MG MMTec MTC	1.26 -10.0 3.38 -7.2 1.04 -10.9	PanbelaTherap	PAAS 13.40 -10. PBLA 0.11 -9. PAR 20.37 -11.	3 SachemCapPfdA 8 SalariusPharm 6 Samsara		0.8 Tantech -6.3 TechTarget -6.7 Telephone&Dat	TANH 1.83 TTGT 50.39 a TDS 10.83	VistaOutdo VitaCoco	or VSTO 23.55 -4.2 COCO 7.39 -9.9
Cigna CI 331.05 -0.8 ClassAccelA CLAS 10.00 0.1	Lows	BaudaxBio BXRX Beachbody BODY	0.13 -22.7 DaVita 0.85 -6.1 DefinitiveHlth	DVA 65.28 -3.0 cr DH 9.53 -0.9	HarvardBioSci HB Hasbro HA	SIO 2.10 -9.5 AS 57.58 -5.6	MobileGlbEsports MGAN Mogo MOGO	0.75 -8.2	ParTechnology PartnersBancorp PartvCity		3 SarcosTech&Robotic 8 SaulCentersPfdD	STRC 1.58	-9.1 Tele&DataPfdU -2.6 Telos		0 -1.6 VivoPower	ntl VVPR 0.35 -12.5
Coca-Cola Femsa KOF 66.17 -0.6 EdifyAcqnA EAC 10.00 0.2 ADC EpiphanyTechA EPHY 10.01 0.1 AMC	C Therap ADCT 3.72 IC Ent Pfd A APE 1.25		8.27 -21.1 DieboldNixdor 3.52 -11.5 DigitalBrands 0.02 11.4 DigitalTurbing	DBGI 3.37 6.8		TI 0.18 -9.4	MolecularTemp MTEN monday.com MND\	0.54 -5.5 73.58 -4.5	PassageBio PaxMedica	PASG 1.11 1. PXMD 1.36 4.	7 SchmittIndustries6 Schrodinger	SMIT 0.93 - SDGR 19.90	10.6 TempestThera -3.1 TenaxTherap	TPST 1.45 TENX 0.00	5 -9.4 VoltaWt 3 -9.2 WM Toch	VLTA 0.64 -23.9 VLTA.WS 0.17 -28.8 MAPS 1.11 -13.6
EquityBcshs EQBK 36.57 0.2 AMC EthanAllen ETD 29.09 -1.4 AMC	IC Ent AMC 5.05 IC Networks AMCX 17.45	-7.7 BerkshireGrey BGRY	1.01 -8.8 DillardsCapPfd	d DDT 25.05 -0.9		.BZ 0.17 -12.3 BZW 0.03 -18.0 SN.WS 0.13 -33.0	MongoDB MDB MotusGI MOTS		Paymentus Paysafe	PAY 8.83 -9. PSFE 1.16 -7.	4 ScrippsEW 1 Sea	SSP 9.90 - SE 40.67 -	13.0 TeraWulf		3 4.9 0 -19.8 Walker&Du	
EverestConsolA MNTN 10.15 0.2 A2Z	ZSmartTech AZ 0.98	-1.0 BeyondSpring BYSI -0.5 BigBear.ai BBAI	0.60 -8.1 Disney 1.01 -6.5 Docebo	DIS 86.28 -13.2 DCBO 23.40 -7.0	Heliogen HL	.GN 0.98 -25.4 PCO 1.39 -9.4	MultiPlan MPLN MultiPlanWt MPLNW MustangBio MBIO	S 0.02 -4.0		PHVS 3.29 -8. PIRS 0.95 -7. PLTK 8.39 -0.	SeaportGlbAcqnllWt SeaStarMedical SecureWorks		16.0 TextainerPfdA	TSLA 177.13 TGHpA 22.03 NCTY 0.69	2 -1.6 Wallbox	WKME 6.87 -3.1 WBX 5.01 -12.5
		-7.6 BigCommerce BIGC -2.6 Biofrontera BFRI -9.6 Biolase BIOL	8.00 1.8 DocuSign 0.82 -8.2 Dogness 1.40 -4.1 Domo	DOCU 39.57 -3.4 DOGZ 0.80 -4.9	HillstreamBio HII		NGL EnergyPfdC NGLpt NanoLabs NA	10.88 -8.1 0.98 -12.5	PolyPid PorchGroup	PYPD 0.65 -9. PRCH 0.94 -34.	6 SentinelOne 3 SeqLL	S 15.43 SQL 0.42	-9.0 Theratechnologie -6.1 TherivaBio	s THTX 1.74 TOVX 0.64	4 -2.6 WarnerBro	WBX.WS 0.73 -22.8 SA WBD 9.52 -2.2 WEJO 0.78 -9.7
GlblConsumerA GACQ 11.30 5.3 Achie	nieveLifeSci ACHV 2.00 nillesTherap ACHL 1.58 -	-1.0 BioraTherap BIOR	0.24 -10.4 DouglasEllima 0.25 7.5 DouglasEmme	DOMO 12.97 -4.9 an DOUG 3.50 -4.8 att DEI 15.96 -3.9	HiveBlockchain HI HolleyWt HL Holley HL	LY.WS 0.38 -25.6	NanoVibronix NAOV NauticusRobotWt KITTV			PW 8.10 0. PBTS 0.12 -12.	1 Shapeways 0 ShattuckLabs	SHPW 0.54 STTK 2.05	-6.8 Thoughtworks -5.9 ThredUp	TDUP 0.85	9 -4.1 WerewolfTl 5 -19.1 WstAstMt	erap HOWL 2.16 -7.7 Cap WMC 7.00 -22.5
GroupNineA GNAC 9.99 0.3 Acuit HamiltonLanel HLAHU 10.09 -0.1 Adde	uityAds ATY 1.38 dentax ATXG 1.60	2.1 Bioventus BVS -7.8 Bitfarms BITF	2.25 -14.0 DunxinFinl 0.69 -12.0 F-HomeHouseh	DXF 0.21 -13.	HomeFedBncpLA HF HorizonGlobal HZ	BL 16.49 1.2 N 0.48 -25.8	Nautilus NLS nCino NCNO NeptuneWellness NEPT	1.35 -8.7 22.97 -5.8 0.90 -13.8	7 Precipio B Premier B ProtaraTherap	PRPO 0.75 -6. PINC 30.82 -0. TARA 2.38 -6.		SFT 0.33 - PIXY 8.69 SHPH 1.69	23.8 ThunderBridgellIW -7.1 TianRuixiang -8.0 TigaAcqnUn		9.1 WilliamPenr	elSys WPRT 0.76 -3.4 Bncp WMPN 11.20 -0.8 ram WIMI 0.71 -17.2
HavnesIntl HAYN 53.64 -0.3 Adits	txt ADTX 1.57 -	-8.3 BitNile NILE 12.2 BlinkCharging BLNK -6.8 BlueApron APRN	0.12 -10.3 EQ Health W 11.70 -3.7 Eargo 1.45 -11.6 EastsideDistilli	EAR 0.50 -7.3	HowmetAeroPfd HV		Netcapital NCPL NeuBaseTherap NBSE	1.38 -6.5 0.19 -25.0	ProtoLabs	PRLB 22.04 -6. PVBC 11.86 -0.	9 SifyTech	SIFY 1.51 SASI 0.57	-3.2 TigaAcqnA -5.0 TimberPharm	TINV 9.2	5 -8.1 Winc 0 -48.2 WiSA Tech	WBEV 0.40 -17.8 WISA 0.30 -13.6
HennessyCapV A HCIC 9.99 0.1 AEte		-6.3 BlueHatInt BHAT -8.3 BlueWaterVac BWV	1.45 -11.6 EastsideDistilli 0.58 -4.5 EdibleGarden 0.91 -13.2 EdtechX II W	EDBL 0.40 -15.9		JDI 7.57 -33.3 SEN 0.13 -8.4 /PR 0.74 -6.9	NeuroPace NPCE Newegg NEGG	2.10 -17.0 1.49 -6.9	PyxisOncology	PUBM 13.75 -14. PYXS 1.42 -0.	7 SiloPharma	SBNY 129.96 SILO 3.16	-7.1 TonixPharm -1.0 TransCodeThera		5-14.2 XortxThera	wide WWW 11.50 -34.2 p XRTX 0.66 -4.9
Hubbell HUBB 245.26 -1.1 Aeva	vaTech AEVA 1.56 - vaTechWt AEVA.WS 0.17 -	21.9 BlueprintMed BPMC	0.72 -8.0 8iAcqn2 40.78 -4.0 8iAcqn2	LAX 6.19 2.3 LAXXU 9.15 -1.8	IAC IAC	C 43.80 -2.1 L 8.05 -7.1	NewsCorp B NWS Nextdoor KIND NiaMoPwr pfB NMKD	15.15 -5.1 2.04 -11.2 68.55 2.8	QualigenTherap QuantumScape QuinceTherap	QLGN 0.19 -2. QS 6.73 -15. QNCX 0.72 -9.	6 SilverSpikell Wt0 SilvergateCapital0 SilvergatePfdA	SI 33.75 -		TRVN 0.13	3 -0.4 XWELL 2-30.7 Xperi 3-14.2 Youdao	XWEL 0.57 -5.2 XPER 10.33 -5.8 DAO 3.03 -8.5
	irmHldgs AFRM 11.94 -		1.25 -0.8 ElectraBatteryN 0.30 -9.9 electroCore 0.48 -16.0 ElevateCredit	ECOR 0.20 2.2	IMV IM iBio IBI	0.29 -17.0 10 1.46 -3.9	Nikola NKLA 9MetersBiopharma NMTF	2.52 -9.2	QuoinPharm	QNRX 1.57 -1. QTNT 1.57 -8.	2 Similarweb	SMWB 4.75 SPGS.WS 0.00 -	-3.3 TrinityCapital	TRIN 10.43		ZH 0.89 -5.9 ZVO 0.08 -22.7
	riforce AGRI 1.10	-0.9 BraemarHtls BHR	0.48 -16.0 ElevateCredit 3.56 -2.4 ElevationOnc 5.17 -1.7 EloxxPharm	ELVT 0.90 -4.0 ELEV 0.90 -4.1 ELOX 0.11 -10.3	icad ICA Icosavax ICN IkenaOncology IKI	VX 2.49 -12.2	908Devices MASS Nogin NOGN		Qutoutiao REE Automotive	QTT 0.30 -5. REE 0.47 -7.	6 SingularGenomics 4 SiNtxTech		-7.1 TroikaMedia -3.0 TruistFinPfdI	TRKA 0.22 TFCpl 17.55	2 -6.5 Zscaler	ZS 114.21 -3.1 arma ZYNE 0.62 -8.1
IntlSeaways INSW 48.12 1.0 Ahre InterPrivatell A IPVA 9.95 0.1 Akili	renAcqnWt AHRNW 0.09 - li AKLI 1.68	15.0 BruushOralCare BRSH -8.4 BruushOralCareWt BRSHW	0.73 -12.1 EmbarkTech 0.06 -17.1 EmergentBios	EMBK 4.15 -16.5	ImmixBiopharma IM IndLogistics ILF	IMX 0.70 -4.1 PT 3.88 -3.9										
KL Acqn A KLAQ 10.00 0.2 Alect			1.66 -7.1 EnergyFocus 1.81 -4.6 EnsysceBio 0.83 -3.9 EntergyBds66	EFOI 0.34 -4.0 ENSC 2.00 -5.3 5 ENO 21.56 -0.9	InMedPharm INI InnovativeEyewr LU	ICY 1.22 -3.4	Dividen	d Cha	ınges			Compan	У	Symbol Y	Amount ld % New/Old	Payable/ Frq Record
	osTherap ALGS 0.86	-5.2 CFSB Bancorp CFSB 1.2 CLPS CLPS	8.58 -2.6 EnthusiastGam 1.12 -5.0 EnvericBiosci	ina EGLX 0.54 -7.3	InstilBio TII	L 2.28 -5.3	KEY: A: annual; N	1: monthly;	; Q: quarterly; r	: revised; SA: se	emiannual;	Versus :	Systems	VS	1:15	/Nov09
EliLilly LLY 369.80 -0.9 Allar LiveOakMobilityA LOKM 9.96 0.2 Allbii	arityTherap ALLR 0.44 birds BIRD 2.50 -		7.90 -9.0 EnvirotechVel 3.01 -5.8 EsportsEnt	h EVTV 2.80 -12.4 GMBL 0.09 -21.3	Invacare IV InVivoTherap NV	C 0.48 -9.3 /IV 2.04 -5.6	S2:1: stock split a	ınd ratio; S	O: spin-off.			Foreig	n			
McDonald's MCD 280.25 -0.2 Alleg			20.57 -4.7 EssexProp 6.92 -18.4 EternaTherapeut 2.96 -6.1 EvolveTransit	ESS 205.83 -0.3 ics ERNA 2.74 -10.3 SNMP 0.19 -9.3	Iridex IRI IrisEnergy IRI IterumTheran ITI	EN 2.11 -13.3	Commonia	C		Amount	Payable/	Algoma Autoliv	Steel Group	ASTL 3		 Q Dec30 /Nov30 Q Dec09 /Nov22
	haTauMed DRTS 3.90	-5.7 CamberEnergy CEI -7.6 CandelTherap CADL	2.96 -6.1 EvolveTransit 0.12 -12.8 Exicure 1.47 -4.5 Expion360	XCUR 1.14 -7.2 XPON 1.35 -14.0	JE Cleantech JC		Company	Syl	mbol Yld% N	iew/Old Frq	Record	Coca-Co	ola Europacific	CCEP 3	.5 1.11 S	A Dec07/Nov18
MoringaAcqnA MACA 10.01 0.1 Altitu MusicAcqnA TMAC 10.05 Ama	itudeAcqnWt ALTUW 0.02	-4.0 Canoo GOEV -4.3 CardioDiag CDIO	1.16 -10.3 EyePointPhar 1.72 -5.2 F5	m EYPT 4.87 -7.4 FFIV 133.68 -1.8	JaguarHealth JA JamesHardie JH	GX 0.12 -5.0 IX 17.86 -6.3	Increased ARKO		ARKO 1.3 .	03/.02 Q	Dec06/Nov22	Danaos Eneti		DAC 5 NETI 0		Q Nov30/Nov18Q Nov30/Nov21
NewVistaAcqnA NVSA 9.99 Ame NineEnergy NINE 8.35 -3.8 AmV	nerEqInvPfdA AELpA 19.89 oVirtualCloud AVCT 0.78 -		0.48 -10.1 Figs 3.50 -10.3 FOXOTechnolog 14.69 -9.6 FTC Solar			XN 0.20 -10.2	Reduced				,		oportuario ADR	PAC 4	.1 3.31208 s	A Nov28/Nov17
NorthAtlAcqnA NAAC 10.03 Ange	gelOakMtg AOMR 8.01 gionBiomed ANGN 0.78	41.5 CareDx	14.69 -9.6 FTC Solar 9.14 -7.9 Farmmi 0.01 -31.2 FastRadiusW	FTCI 1.78 13.0 FAMI 0.50 -7.4 F FSRDW 0.01 -33.3	JumiaTech JM KKRRealEstFinPfdA KR KaixinAuto KX	EFpA 17.17 -1.3	Angel Oak Morto	gage /	AOMR 15.7 .	32/.45 Q 1	Nov30/Nov22	SSR Mir Taiwan S	ning emiconductor ADR			Q Dec19/Nov18 M Apr13/Mar17
NorthernStrIII A NSTC 9.96 Anyw NorthrimBanCorp NRIM 51.94 0.9 Apex	whereRealEst HOUS 6.38 exigen APGN 2.10	-3.4 CarParts.com PRTS -2.7 Castellum CTM	3.92 -2.9 FastRadius 0.72 -2.5 FifthThirdPfd	FSRD 0.09 -40.5		MN 19.31 -5.5	Initial				_	Transalt	ta Corp	TAC 1	.6 .0408	Q Jan01/Dec01
OCA Acqn A OCAX 10.19 0.3 Appl OmegaAlpha OMEG 10.02 0.1 Apre	plovin APP 13.20 reaTherap APRE 0.54	-9.5 Cellectis CLLS -3.4 CelyadOncology CYAD	2.00 -9.6 FinchTherap 0.97 -3.0 FirstCitizensPf	FNCH 1.02 -5.1 dA FCNCP 19.40 -0.8	Kidpik PII Kopin KO	0.79 -7.0 OPN 0.96 -2.4	Permian Resoure Veritiv		PR 2.0 VRTV 2.1		Nov29/Nov21 Dec19/Nov18		ag Prec Metals	TFPM 1	.8 .05	Q Dec15/Nov30
OysterEntsA OSTR 9.99 0.2 Arch	adiaBiosci RKDA 0.30 herAviation ACHR 2.47 imoto FUV 0.50 -		0.77 -17.0 FirstFoundati 60.52 -0.1 FirstInternetNt 6.35 -2.0 FirstRepBank	29 INBKZ 22.99 -1.8	Lensar LN	RON 2.29 -9.4 ISR 3.80 -11.6 RX 3.79 -6.8	Stocks		2.1		2007/110010	Specia Diamon	I dback Energy	FANG 4	.7 1.51	Nov25/Nov17
PerdoceoEduc PRDO 14.12 3.1 Argo	oBlockchain ARBK 0.79 -		1.56 -6.0 FirstRepBank 0.23 -16.6 FirstWaveBio	dK FRCpK 15.24 0.4 FWBI 0.85 -6.4	LeapTherap LP LexinFintech LX	TX 0.55 -6.3 1.26 -3.7	Code Chain New C		CCNC	1:30	/Nov09	Internat	ional Seaways	INSW]	.1 1.00	Dec22/Dec08
	oTech ARLO 2.93 -		0.44 -1.6 FirsthandTech	/al SVVC 1.16 -7.9	LightJumpWt LJA	AQW 0.03 -20.6	OncoSec Medica	ıl	ONCS	1:22	/Nov09	Investo		ITIC 1	.2 3.00	Dec15/Dec01
Plexus	eloBiosci ARTL 2.59	-7.7 ChinaPharma CPHI	0.11 -7.6 FivePoint 0.75 -11.6 ForesightAuto	FPH 2.04 -7.3 FRSX 0.48 -3.8	Lightng eMotors ZE Lightspeed LS	PD 13.93 -6.4 MW 0.15 -5.8	Tantech Holding		TANH	1:24	/Nov09	Viper En	ergy Partners Un	VNOM 6	.1 .24	Nov25/Nov17

9MetersBiopharma NMTR 1.88 908Devices MASS 11.88	-9.2 Quoii -11.2 Quot -9.4 Quto -10.4 REE	ient utiao	QTNT QTT	1.57 · 0.30 ·		IWB 4.75 -3.3 TrinityCapital S.WS 0.00 -64.5 TritiumDCFC IIC 1.93 -7.1 TroikaMedia	TRIN DCFC TRKA TFCpl	0.22 -6	Zhihu Zhihu Zovio Zscaler ZynerbaF	harma	ZH 0.89 -5.9 ZVO 0.08 -22.7 ZS 114.21 -3.1 ZYNE 0.62 -8.1
Dividend Cl	hang	es				Company	Symbol	Yld %	Amount New/Old		Payable / Record
KEY: A: annual; M: mont	thly; Q: qu	arterly	; r: revised	;SA:	semiannual;	Versus Systems	VS		1:15		/Nov09
S2:1: stock split and rati	io; SO: spi	n-off.				Foreign					
Company	Symbol	Yld %	Amount New/Old	Frq	Payable / Record	Algoma Steel Group Autoliv	ASTL	3.2	.05 .66	Q Q	Dec30 /Nov30 Dec09 /Nov22
Increased ARKO	ARKO	1.3	.03/.02	Q	Dec06/Nov22	Coca-Cola Europacific Danaos Eneti	DAC NETI	3.5 5.3 0.4	1.11 .75 .01	SA Q Q	Dec07/Nov18 Nov30/Nov18 Nov30/Nov21
Reduced Angel Oak Mortgage	AOMR	15.7	.32/.45	Q	Nov30/Nov22	Gpo Aeroportuario ADR SSR Mining Taiwan Semiconductor ADR	SSRM	1.9	3.31208 .0519 .3392	SA Q M	Nov28/Nov17 Dec19/Nov18 Apr13/Mar17
Initial Permian Resources	PR	2.0	.05		Nov29/Nov21	Transalta Corp Triple Flag Prec Metals	TAC	1.6	.0408	Q Q	Jan01/Dec01 Dec15/Nov30
Veritiv Stocks	VRTV	2.1	.63		Dec19/Nov18	Special Diamondback Energy	FANG		1.51		Nov25/Nov17
Code Chain New Continen OncoSec Medical	t CCNC ONCS TANH		1:30 1:22 1:24		/Nov09 /Nov09 /Nov09	International Seaways Investors Title Viper Energy Partners Ur	INSW ITIC VNOM	1.2	1.00 3.00 .24		Dec22/Dec08 Dec15/Dec01 Nov25/Nov17
Tantech Holdings Timber Pharmaceutical			1:50		/Nov09	viper Energy Furthers of				ow Jo	nes Market Data

B10 | Thursday, November 10, 2022



The bank's New York headquarters. Goldman Sachs stock has held up relatively well this year.

Goldman Names **New Partner Class**

Bank promotes 80 to exclusive club, its largest since before '18, as revamp continues

By AnnaMaria Andriotis

Goldman Sachs Group Inc. promoted 80 bankers into its partnership on Wednesday, the biggest class since Chief **Executive David Solomon took** over in 2018.

Top brass in recent years had come to view the partnership as less prestigious than it once was, and Mr. Solomon has been trying to restore its allure, in part by elevating fewer people. Goldman promoted 60 new partners in 2020 and 69 in 2018. Both times, it marked the smallest class in two decades.

Last year, though, Goldman named its largest-ever class of managing directors, the final role before a coveted partnership. The bank said at the time that the bigger 2021 class reflected, in part, its investments in its asset-management and consumer arms.

two years, making the 2022 class the third under Mr. Solo-

The Wall Street giant is undertaking a restructuring, part of a yearslong effort to bulk up businesses such as wealth and asset management that can generate steady fees regardless of market conditions. That will help the bank rely less on the high-risk, high-reward Wall Street businesses that have long been its powerhouse, such as investment banking and trading.

The Goldman partnership is among the most exclusive clubs on Wall Street. Partners can get salaries of about \$1 million with the potential for far more in bonuses and other compensation, much of it in Goldman shares.

About two years ago, the bank began offering its partners new access to profits from the firm's private investment funds.

Goldman went public in 1999, and the partnership has been more symbolic since then. Still, the partnership is a powerful way to motivate em-

Partners are selected every ployees and signal the firm's priorities.

> The bank said the 2022 class represented its most diverse partner class in its history, with more women and more Black employees than

> Women comprised 29% of the newly minted partners, up from 27% the last time around. Asian employees represented 24%, up from 17% in 2020. Black employees accounted for 9% of the new partner class, up from 7%. Hispanic and Latino employees made up 3% of the new class, down from 5%.

Nearly one-third of the new partners interned at Goldman.

Forty-eight of the 80 new partners are traders or investment bankers. Six work in consumer and wealth management and three are in engineering.

The bank's stock performance this year has been relatively good compared with steep declines across the broader market. Shares are down just 5% this year, better than the 21% drop in the S&P 500. Rival Morgan Stanley is down 15% this year.

Credit Suisse Is Pressed Over Untaxed Americans

By Margot Patrick AND ARUNA VISWANATHA

Credit Suisse Group AG pleaded guilty in 2014 to conspiring to help thousands of Americans cheat on their taxes. Eight years later, a set of problematic customer accounts still haunts the bank.

U.S. Justice Department officials have found deficiencies in the bank's handling of its 2014 plea agreement, according to people familiar with the case. In a sign of the seriousness the bank places on the tax case, new general counsel Markus Diethelm attended recent meetings with the DOJ to give personal pledges toward reaching a resolution.

The re-emergence of the taxcheating case is the latest challenge for the Swiss lender's new management team, which is working on an overhaul and recapitalization. Financial losses, scandals and lawsuits battered Credit Suisse over the past two years.

Credit Suisse's lawyers have told the Justice Department that they want to turn a corner and to demonstrate the bank's compliance, according to the people familiar with the case.

In addition to the DOJ case, the Senate Finance Committee started a probe last year and is expected to release a report in the coming weeks highlighting tax-related problems that continued at Credit Suisse after

"Credit Suisse is in regular contact with the DOJ to report on the post-plea account remediation work undertaken pursuant to the bank's 2014 plea," a bank spokeswoman said. "The bank has devoted substantial resources to these efforts and is committed to a continuous improvement culture regarding compliance." A Justice Department spokeswoman declined to comment.

Credit Suisse is at a delicate moment. Later this month, shareholders are expected to approve a \$4 billion capital call from investors. The bank said it would cut 9,000 jobs, spin off its investment bank and sell whole business lines. Shares of the bank remain depressed and its executives' nerves are raw after an internet frenzy in September questioned Credit Suisse's health.

The restructuring is meant to heal wounds, especially the \$5 billion loss from the collapse of Archegos Capital Management in spring of 2021. The bank's new general counsel, Mr. Diethelm is seeking to clear the bank's substantial legal trou-

The tax case was mostly resolved years ago. Credit Suisse agreed in 2014 to root out and

DOJ officials found deficiencies in the bank's handling of its 2014 plea deal.

shut any remaining undeclared accounts, following a purge. It paid \$2.6 billion to settle the matter with the Justice Department and other authorities, and for years had a monitor on-site acting for New York's Department of Financial Services. It promised to provide the DOJ with information on the accounts it shut and where the money went next. Failing to do so left it open to further punishment.

Unlike some other agreements made between prosecutors and companies, that promise, a kind of corporate probation, doesn't have an end date. Bank executives hope the current talks could lead to the probation ending. Credit Suisse and the Justice Department haven't discussed further monetary penalties, the people familiar with the case said.

Justice Department officials have questioned the bank about hundreds of millions of dollars in accounts belonging to U.S.

citizens that the bank closed soon after its guilty plea, but didn't immediately report, according to the people familiar with the case. That gave some taxpayers scope to move their accounts elsewhere undetected. The department is also concerned Credit Suisse didn't implement uniform policies globally to make sure bank employees handled such accounts appropriately, according to the people.

Bloomberg News previously reported details of the Justice Department's investigation.

The Justice Department under the Biden administration has cast a sharper eye on allegations of misconduct at companies after they admit to crimes.

Shortly after Credit Suisse agreed to the 2014 settlement, a former employee alleged to the Justice Department that Credit Suisse was still concealing accounts. In 2016, a University of Rochester professor pleaded guilty to amassing \$200 million that wasn't declared to the IRS.

In a lawsuit last year filed in federal court in Virginia, the former Credit Suisse employee claimed the bank continued to conceal some Americans' assets after the plea agreement, which the employee said defrauded the U.S. government. The exemployee, a former banker on Credit Suisse's Israel desk in Zurich, was unnamed in the

The DOJ asked for the lawsuit to be dismissed, saying it could interfere with continuing discussions with Credit Suisse about remaining Swiss accounts held by U.S. citizens. The bank didn't respond to the lawsuit before a judge dismissed the case. A lawyer for the former em-

ployee, Jeffrey Neiman, said his client is hopeful that the Justice Department holds Credit Suisse to account over the matter. The bank declined to comment on the ex-employee's allegations.

Wall Street Eyes 6% Fed Funds

Continued from page B1

Mr. Vogel said he believes rates will get to 6% before the Fed is convinced that inflation has been tamed.

For now, most traders disagree. The Fed has already raised interest rates to up to 4% this year from zero in January. Traders are betting the most likely outcome is that only a few more increases—to about 5% or 5.25%—will be enough to corral inflation.

But the prospect that inflation could linger is weighing even on more optimistic inves-

Jay Hatfield, chief executive of Infrastructure Capital Advisors, said he thinks inflation will slow markedly in the first quarter of 2023. Even so, his hedge fund has limited the scale of its bets that stocks will rise, fearing that persistent inflation could prompt more Fed action.

"You don't want to get too bulled up right now, because at any moment in time, some Fed speaker can go out there and spout their bear case," he said.

Thursday's release of October inflation data will help

22.75 -0.25-10.1

54.31 -1.24-32.1

shape investors' views of how aggressively the Fed will act at coming meetings.

Economists surveyed by The Wall Street Journal expect a 7.9% annual inflation rate and a 0.5% month-over-month rise excluding food and energy

If the actual figures are higher, it will likely fuel greater concerns that 6% rates are on the wav.

That scenario could bring more suffering to a range of investments, from long-term government bonds to harddriving technology stocks, because high interest rates crush investors' willingness to wait for payoffs they expect in the

A long string of further rate increases could extend the market's 2022 woes, including this year's 21% decline in the S&P 500 and a downturn in the bond market.

Investors also worry that 6% rates could send the economy into a deep and lasting recession, with rising unemployment and a long road to recov-

"It would get pretty ugly," said Morten Olsen, a portfolio manager at Northern Trust. He and his team think the odds are roughly 1 in 5 that the Fed will need to raise rates to 6.5% or more before inflation falls to levels central bankers can stomach.

If that happens, economic output could shrink every

Data provided by LIPPER

quarter for a year and a half, Mr. Olsen projected.

Month after month this year, inflation and employment figures have shown an economy that refuses to cool off as fast as the Fed would like. In the past few weeks, more traders have been taking seriously the prospect that sustained above-target inflation will stick

Bets in derivatives markets show that traders believe the consumer-price index will rise by about 3.2% over the next 12 months. At the end of September, expectations were for 2.3% inflation going forward, close to the Fed's target. Through September, the actual annual inflation rate stood at 8.2%.

Meanwhile, the Fed itself has quickly raised its own projections for how high rates will go. In June, most Fed officials projected rates would end 2023 below 4%. By September, most were forecasting the endof-2023 fed-funds rate would top 4.5%. Last week, Fed Chairman Jerome Powell told reporters that rates would probably wind up even higher than

recent projections. That drumbeat makes a 6% fed-funds rate feel more plausible, said Brett Wander, chief investment officer for fixed income at Schwab Asset Management.

"Five percent has become the new 4%, and that could mean that 6% becomes the new 5%," he said.

Net YTD NAV Chg %Ret

ldx2030lnsPre 16.51 -0.18-20.0 **Fidelity Invest**Balanc 22.44 -0.31-20.3

Rising rates have rippled through markets this year, driving a rout in bonds that has sent the 10-year Treasury yield to 4.149% at Wednesday's close, up from 1.496% at the end of 2021. Yields rise when bond prices fall. That climb has undercut stocks, especially highflying technology shares because rising yields on ultrasafe government debt offer investors an appealing alternative to riskier stock bets that might pay off far into the future. The tech-focused Nasdaq Composite has lost 34% this vear.

Tighter financial conditions have also chilled capital markets, drastically slowing corporate fundraising via sales of new stocks and bonds.

A 6% interest-rate target from the Fed could pull the 10year Treasury yield higher still, up to 4.6%, said Thanos Bardas, global co-head of investmentgrade fixed income at Neuberger Berman. It is a scenario his team has thought through but considers unlikely, because they believe inflation will fall significantly before rates get that high, Mr. Bardas said.

Other investors also doubt that the fed-funds rate will hit 6%. If inflation remains stubborn, the Fed is more likely to respond by bringing rates somewhere above 5% and holding them there, said Matt Toms, global chief investment officer at Voya Investment Management

Net YTD NAV Chg %Ret Fund

TPG Profit Sinks but **Investment Value Rises**

TPG Inc. reported a lower quarterly profit but collected more in investment management fees and saw the value of investments rise 2% in the September quarter. The third quarter has proven

a punishing one for publicly traded private-fund managers as many were forced to write down the value of their holdings, hit hard by the market slump. The S&P 500 index declined by about 5% during the quarter.

TPG posted a profit of \$37.4 million, down from \$58.2 million for the year-earlier period. After-tax distributable earnings, or money that could be returned to shareholders, fell to \$113 million from \$283 million.

TPG logged a roughly 23% increase in management fees, though fee-related earnings declined from a year earlier as the firm incurred higher operating costs as a public company as well as higher expenses related to the return to office. The value of the firm's investments rose by 2.4%.

TPG went public in January, so the year-earlier results are given on a pro forma basis. The firm said it raised some

\$8.2 billion in the quarter. It

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TPG's management fees rose.

ended the period with a record \$46.4 billion in money available to be invested. Investments that TPG an-

nounced during the third quarter include music-data company Musixmatch SpA and India's largest consumer lending app, EarlySalary, now called Fibe.

The firm said it sees significant opportunities to deploy additional money from a technology-focused fund that provides capital to privately held technology companies that want to remain private longer.

Assets under management rose by 24% compared with a year earlier to \$135 billion.

Mutual Funds

Top 250 mutual-funds listings for Nasdag-published share classes by net assets. e-Ex-distribution. f-Previous day's quotation. g-Footnotes x and s apply. j-Footnotes e and s apply. **k**-Recalculated by Lipper, using updated data. **p**-Distribution costs apply 12b-1. F-Redemption charge may apply. s-Stock split or dividend. t-Footnotes p and r apply. v-Footnotes x and e apply. x-Ex-dividend. z-Footnote x, e and s apply. NA-Not available due to incomplete price, performance or cost data. NE-Not released by Lipper data under review. NN-Fund not tracked. NS-Fund didn't exist at start of period.

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Net YTD NAV Chg %Ret

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NwWrldA

Market operator has underperformed city's benchmark index and global peers this year

By Dave Sebastian

Hong Kong's stock market has performed badly this year but its stock-exchange operator has done even worse.

The shares of Hong Kong Exchanges & Clearing Ltd. are down 43% since the start of the year, even after a rally so far in November. That is a bigger drop than that of Hong Kong's benchmark Hang Seng Index, which has fallen 30% in the year to date. It also compares poorly with its global peers—no major exchange operator has lost more value this year.

The exchange operator, known as **HKEX**, has fallen victim to a slump in trading activity and a sharp slowdown in new listings this year. It generated 18% less revenue and other income, equivalent to \$1.69 bil-

lion, in the first nine months of the year. By Wednesday, primary and secondary listings in Hong Kong had raised \$11.05 billion this year, down 71% from the a year earlier, according to Dealogic.

HKEX's headline average daily turnover—a measure of trading volume—fell 31% for the first nine months of the year to the equivalent of \$15.81 billion. That resulted in lower trading and clearing fees for the company, while operating expenses for the period rose 13% because of higher staff costs and professional fees. Trading fees are a key source of its revenue, dwarfing contributions from listing fees.

"HKEX has demonstrated strong resiliency in recent months, despite a challenging macro backdrop characterized by global economic fragility," a company spokesman said. "Hong Kong has not been immune to the weak global market sentiment."

HKEX has plans that could increase trading activity on its

exchange, but some analysts warn that those efforts could take time to substantially boost its share price.

The exchange has proposed a rule change that would allow more early-stage companies to list. The new rule, known as Chapter 18C, would allow companies in five categories—whose sectors include artificial intelligence, semiconductors and new green technology—that have yet to generate revenue to apply for IPOs.

The loosening of listing requirements for pre-revenue companies would help Hong Kong better compete with Shanghai's STAR Market, which launched in 2019 as a fundraising base for the country's homegrown technology champions, and promised a faster, more market-based IPO regime than China's other listing venues.

If the proposal becomes a rule in its current form, such listings would likely comprise less than 5% of the total market capitalization of stocks on the exchange for the next few years, according to an estimate by Michael Zeng, an analyst covering the stock exchange at Daiwa Capital Markets. As of the end of October, shares of securities listed on the exchange were valued at HK\$26.39 trillion—equivalent to \$3.362 trillion—compared with HK\$42.13 trillion at

43%

Decline in share price of the exchange operator this year

the end of January, according to the exchange. "The 18C will be necessary for the long-term, although the revenue impact should be very small in the next few years," he said.

The loosening of revenue requirements also comes with what some say is a tall order on market capitalization, including a \$1.91 billion market-

capitalization requirement for companies with less than \$31.8 million in annual revenue. Some market participants say that is too high. The rule would mean a limited pool of pre-revenue companies eligible to list, they say.

"Even though we have this new chapter, that doesn't necessarily mean we'll have a lot of companies fitting into that kind of category," said Howie Farn, a partner in the global transactions group of law firm Freshfields Bruckhaus Deringer LLP. "As the HKEX targets high-quality applicants, I don't think that's a large pool."

The exchange operator has a number of other ideas, including expanding the number of Hong Kong stocks that can be traded on the Stock Connect program with mainland China, increasing the number of trading days on the stock link and opening overseas offices.

HKEX is also benefiting from more trading links with China. In July, securities regulators in Hong Kong and mainland China approved the inclusion of dozens of exchange-traded funds in the Stock Connect, providing another way for international investors to bet on China's stock market. There is also a proposal to include foreign companies listed in Hong Kong in the Stock Connect.

But a major factor will be the performance of the shares listed on the exchange. The price movement of those shares correlates with HKEX's own stock performance, Mr. Zeng said. When Hong Kong-listed stocks perform well, trading volume on the exchange usually increases. Investors then expect HKEX's revenue to benefit, sending its shares higher, he said.

"The Hong Kong exchange is viewed as a proxy of the Hong Kong equity markets," he said.

There are signs the market is starting to turn. So far this month, Hong Kong's benchmark Hang Seng Index has jumped around 11%. Hong Kong Exchanges & Clearing has risen 24% over the same period.

Indexes Move Lower

Continued from page B1 the crypto world weighed on investor sentiment broadly.

A deal by crypto exchange Binance to save rival FTX crumbled in the final hour of the session, sending shock waves across more growth-oriented areas of the market. Just a day earlier, FTX succumbed to a sudden liquidity crunch and agreed to be taken over Binance. But by Wednesday afternoon, Binance said it would walk away from the deal because FTX's "issues are beyond our control or ability to help."

The FTX news "could certainly be impacting risk appetite" among investors, said Ross Mayfield, investment

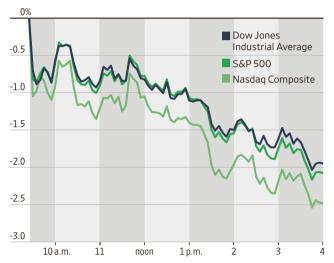
strategy analyst at Baird. "It keeps investors on edge of what else could be lurking out there" as the Federal Reserve's monetary tightening tests liquidity across markets.

Bitcoin fell to its lowest level since November 2020, dropping to \$15,787.53 by 5 p.m. in New York, roughly 16% lower than 24 hours prior. Ethereum sank 17%. Meanwhile, FTX's FTT token continued to tumble, losing 58% in the past 24 hours, Coin-Desk data show.

Stocks tend to advance after midterm elections. The S&P 500 has risen in the trading session following Election Day roughly three-quarters of the time since 1930, with an average gain of 0.4%, according to Dow Jones Market Data. The broad benchmark has moved higher in the one-year period following every midterm election since 1942.

Even so, many still say their focus is largely elsewhere this year as the Fed raises interest rates aggressively to tamp

Index performance on Wednesday



Source: FactSet

down persistent inflation.

"At the end of the day, it's still all about the Fed," said Leslie Thompson, chief investment officer at Spectrum Wealth Management. Ms. Thompson said her firm is po-

sitioned defensively and holding more cash than usual while it monitors the Fed's monetarypolicy trajectory.

Thursday will bring new inflation data from October, which is expected to factor

heavily into the Fed's next interest-rate decision. Economists expect that consumer prices rose 7.9% annually, down from 8.2% the previous month. Federal-funds futures showed a 57% chance the Fed will raise rates by 0.5 percentage point, versus a 43% chance that it will lift rates by 0.75 percentage point

In bond markets, the yield on the benchmark 10-year Treasury note edged slightly higher to 4.149% from 4.125% Tuesday. Meanwhile, another closely watched recession indicator, the yield curve between three-month Treasury bills and the 10-year note, remained inverted. Fed researchers have said this metric has the best record of front-running an economic downturn.

In energy markets, Brent crude, the international benchmark for oil prices, slid 2.8% to \$92.65 a barrel, extending its losses into a third day. Energy stocks were the worst-performing sector of the S&P 500,

down 4.9%.

The Stoxx Europe 600 fell 0.3%. Early Thursday, Japan's Nikkei 225 was down 1.2%, Hong Kong's Hang Seng Index was down 2.1% and South Korea's Kospi was down 0.6%. S&P 500 futures rose 0.1%.

AUCTION RESULTS

Here are the results of Wednesday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

The bills, dated Nov. 15, 2022, mature on March 14, 2023.

Accepted bids \$47,273,701,400
"noncompetitively \$120,900,800
"foreign noncompetitively \$0
Auction price (rate) 99.878189
(4.140%)
Interest rate 4.125%
Bids at clearing yield accepted 32.29%
Cusjn umber 91.282CFV8
The notes, dated Nov.15, 2022, mature on Nov.15, 2032.

TUNE INTO FUTBOL



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