

THE WALL STREET JOURNAL.

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A judge blocked Penguin Random House from acquiring rival book publisher Simon & Schuster, agreeing with the Justice Department that a merger would unlawfully lessen competition. A1

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The Dow rose 14% in October, its best month since 1976, while the S&P 500 and Nasdaq both notched single-digit monthly gains. B1

Elon Musk is quickly setting to work a group of advisers, investors and employees from elsewhere in his business empire to help him reimagine Twitter. B1

Ford is altering its approach to addressing white-collar-employee underperformance, offering some workers the choice between severance or a performance-enhancement program. B1

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Amid Mourning, Police in Seoul Probe Cause of Stampede



SOMBER VISIT: South Korean President Yoon Suk-yeol and his wife, Kim Keon-hee, visit a memorial Monday for the more than 150 victims killed Saturday night in the crush of crowds celebrating Halloween in the city's club district. A16

Eurozone Inflation Tops 10% To Reach Record

Price increases surpass U.S. pace, testing ECB plan to slow rate rises and stoking labor strife

By PAUL HANNON

The annual rate of consumer-price inflation in the eurozone increased to double digits in October, reaching a record and highlighting the challenges facing the European Central Bank after it signaled a coming slowdown in the pace of its rate increases.

The broad measure of consumer prices has risen sharply since Russia's invasion of Ukraine and Moscow's decision to throttle natural-gas supplies to Europe to undermine Western support for Kyiv.

By mid-September, Russia had cut its supplies by 80% of their year-earlier total.

Europe has had to look elsewhere for gas supplies and paid much higher prices. While storage levels are now high, and gas prices on world markets have fallen from their peaks, household energy bills lag behind those moves and are much higher than a year earlier, as are food prices.

As a result of these pressures, inflation in the region has overtaken the level in the U.S. Now it is fueling demand for higher pay in the most-affected countries, which could, in turn, feed into further price increases.

The European Union's statistics agency said on Monday

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High Court Hears Arguments On Race, College Admissions

By JESS BRAVIN AND MELISSA KORN

WASHINGTON—The Supreme Court heard nearly five hours of arguments Monday over whether colleges can consider race in admissions, a practice it approved in 1978 and has since reaffirmed but one that today's more conservative majority is ready to reconsider.

The affirmative-action suits are among the most significant the court will hear this term, highlighting the role of race in American society and raising

questions about what criteria are fair for choosing students for prestigious and highly competitive universities.

The two cases involve the University of North Carolina, a state flagship, and a private Ivy League institution, Harvard College, but the practices at issue prevail at most of the nation's selective colleges and universities. The court's decision, expected before July, could force an overhaul of admissions criteria that have favored Black and Hispanic applicants as well as athletes and children of alumni, donors

and employees.

Both suits were filed by Students for Fair Admissions, a group founded by conservative activist Edward Blum, who has brought several cases to the Supreme Court seeking to end practices that take race into account, which the group says is discriminatory.

Liberal justices stressed the significance of diversity throughout society while conservatives argued against classifying individuals by race. Every member of the court attended a selective college—and nearly all of their alma

ters have filed briefs urging that current admissions practices be retained.

The justices focused early Monday on what attributes of applicants schools could consider if the challengers prevailed, given that race plays a role in the cited identity and experiences of many students.

"If you don't include that, then what do you include on the application?" Justice Clarence Thomas asked of Patrick Strawbridge, a lawyer representing SFFA.

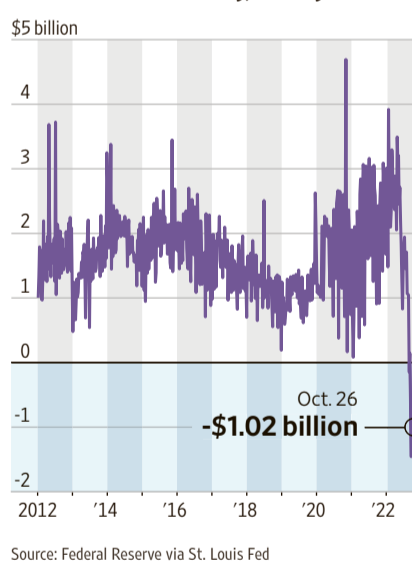
Under questions from Justice

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Fed Pays Out More Than It Takes In

The Federal Reserve's operating losses have increased because the interest it pays banks and money-market funds to keep money at the central bank now exceeds the income it earns from some \$8.3 trillion in Treasury and mortgage-backed securities. A2

Federal Reserve earnings remittances due to the U.S. Treasury, weekly



Source: Federal Reserve via St. Louis Fed

Penguin Random House's Deal For Simon & Schuster Blocked

By JEFFREY A. TRACHTENBERG AND JAN WOLFE

A federal judge on Monday blocked Penguin Random House from acquiring rival book publisher Simon & Schuster for about \$2.18 billion, agreeing with the Justice Department that the planned merger would unlawfully lessen competition.

U.S. District Judge Florence Pan accepted the Justice Department's arguments that some writers would likely be harmed if Penguin Random House, the world's largest consumer-book publisher, were allowed to acquire another of the five largest book publishers in the U.S.

The ruling, which follows an August trial in Washington, D.C., provided a long-awaited court victory for Biden-era antitrust enforcers who had lost a series of recent cases after pledging to take a more aggressive approach on corporate dealmaking, especially in industries that have become more consolidated.

The losses, including in the healthcare and agriculture industries, had served as a reminder that much of the administration's antitrust agenda

is dependent on persuading the federal judiciary. Justice Department officials were looking to the publishing case as a chance to build fresh, favorable court precedent.

The judge, an appointee of President Biden, didn't make her full ruling immediately available for public view because she said it contained confidential business information. A redacted public version of the decision is expected in the coming days.

Assistant Attorney General Jonathan Kanter, the Justice Department's top antitrust

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University Endowments See Losses

By JULIET CHUNG AND MELISSA KORN

Investment returns for university endowments have fallen sharply after scoring their biggest gains in a generation the year before, reflecting a dramatically changed investment environment in which

stocks, bonds and other assets have sold off sharply.

The endowment of Washington University in St. Louis lost 10.6% in the fiscal year ended June 30 after notching a 65% gain the prior year, the school told The Wall Street Journal, shrinking to \$13.3 billion. Other schools that have reported big swings in their

multibillion-dollar endowments include Stanford University, which lost 4.2% after gaining 40.1% previously; Brown University, down 4.6% after posting a 51.5% increase and the Massachusetts Institute of Technology, down 5.3%

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Rocket Mortgage Falls Back to Earth

Rising rates halt refinance boom, hitting America's largest home lender

By BEN EISEN

The mortgage industry turned from feast to famine faster than America's largest home lender anticipated.

Rocket Mortgage harnessed a generation of low rates to refinance millions of homeowners. Last year, it racked up more than double the refi volume of any other lender, accounting for more than \$1 of every \$10 lent out during a boom for the mortgage industry.

Now the Federal Reserve's efforts to fight inflation have sent mortgage rates soaring. And refinancing, the driver of Rocket's business, no longer makes sense for many homeowners.

With mortgage rates now

above 7%, just 133,000 U.S. homeowners can save money by refinancing at today's rates, down from a peak of over 19 million in late 2020, according to Black Knight Inc., a mortgage technology and data provider. Refinancing accounted for some 82% of the total dollar volume of Rocket's loans last year, according to Inside Mortgage Finance, an industry research firm.

Rocket has switched its focus, selling mortgages on new purchases and pitching customers on refinancing packages that allow them to pull cash out of their homes. It is also trying to get smaller—shrinking its ranks through a mix of buyouts

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'Where's the Rest of Your Pants?' Designers Tout Sheer Bottoms

Transparent outfits cause confusion about how to wear new trend

By RORY SATRAN

Remember slips? Your mother or grandmother likely wore those fusty, lace-trimmed polyester or silk skirts and dresses underneath their clothing, so that no trace of the human body could be detected. These days, slips are more likely to be worn as

cheeky clothing on their own, and lingerie pieces designed to be worn out, such as bra tops, are widespread.

But until now, pants or skirts with some level of coverage have remained de rigueur for a stroll around town or a trip to the market.

Not anymore. Designers, *Please turn to page A10*

INSIDE



TAMPA BAY TIMES/JONIA PREE

SPORTS

Brady and Rodgers highlight the NFL's scoring decline this season. A12

U.S. NEWS

U.S. Will Speed Debt Relief for Defrauded Students

By GABRIEL T. RUBIN

The Biden administration will make it easier for students defrauded by for-profit schools to get federal student loan forgiveness under new rules set to go into effect on July 1, setting up a speedier path for debt relief for potentially hundreds of thousands of borrowers.

Students who have been misled by schools about job prospects or are victims of other types of fraudulent behavior and aggressive recruiting will be able to have their federal debt discharged in full by the Education Department. The new regulations, known as Borrower Defense to Repayment, complete a reversal of a Trump administration rule that slowed discharges and provided partial relief to borrowers whose claims were approved.

The new rules would make it easier for borrowers to file claims for relief as groups, a change that advocates expect will boost the number of recipients of debt forgiveness without burdening them with a lengthy application.

The program “will end the bureaucratic nightmares of the past,” said Education Secretary Miguel Cardona.

The move to bolster protections for defrauded borrowers comes during an uncertain period for President Biden’s effort to revamp the federal student-loan system. His plan to cancel up to \$20,000 in debt for most student-loan holders is paused in a federal appellate court, and the Education Department is simultaneously attempting to overhaul income-based repayment plans for low-income borrowers and borrowers who work in public-service professions.

The president’s student-debt efforts have divided voters broadly along political

The new rules affect potentially hundreds of thousands of borrowers.

lines ahead of next week’s midterm elections, with a majority of Democratic voters supporting the administration’s plans and a majority of Republican voters opposing the plans, polls have shown.

The administration also released final regulatory language that would prevent unpaid interest on federal student loans from being added to a borrower’s principal balance where not required by law, a move that could prevent some borrowers’ loan balances from spiraling out of control. Borrowers who attend schools that close while they are enrolled and disabled borrowers would also get streamlined relief under rules released Monday, ahead of a Nov. 1 regulatory deadline.

As with the mass debt cancellation plan, the Biden administration’s frequent use of Borrower Defense to cancel billions in debt has drawn opposition. Earlier this year, House Republicans led by North Carolina Rep. Virginia Foxx, the top GOP member on the House Education and Labor Committee, criticized the proposed borrower defense rules as being “inconsistent with the norms of due process,” in a letter to the Justice Department. The rule would prevent schools from requiring students to go through an arbitration process or sign away their rights to join class-action suits.

For-profit schools have also been critical of the administration’s approach, voicing concerns that it could make it too easy to apply for and obtain loan forgiveness, potentially damaging the schools’ reputations and forcing some schools to close. The program can apply to both for-profit and nonprofit schools, but in practice has only affected for-profit schools.

Attacker Wanted Speaker as Hostage

By SADIE GURMAN

The man accused of attacking House Speaker Nancy Pelosi’s husband told police he went to their San Francisco mansion to take the House speaker hostage and “break her knee caps,” the Justice Department said in court papers charging him with federal crimes stemming from the attack that stirred fears of politically motivated violence ahead of the midterm elections.

Federal prosecutors charged David DePape, 42 years old, with assault and attempted kidnapping in connection with the break-in, writing in court documents that the attacker brought with him a roll of tape, white rope, zip ties, two hammers and a journal.

There was no security present at the Pelosi home and he was able to break the window

of a glass door to gain entry, San Francisco District Attorney Brooke Jenkins said Monday.

Ms. Jenkins said her office was charging Mr. DePape with state crimes including attempted murder, assault with a deadly weapon, elder abuse, residential burglary, false imprisonment and threatening a public official or their family. He faces 13 years to life imprisonment on the state charges alone.

Mr. DePape is scheduled to be arraigned on the state charges in San Francisco Superior Court on Tuesday. Ms. Jenkins said she would file a motion to detain him without bail. The San Francisco Public Defender’s Office said it expects to represent him.

Mr. DePape told police that “he viewed Nancy as ‘the leader of the pack’ of lies told by the Democratic Party,” an

FBI agent wrote in court documents. By “breaking Nancy’s kneecaps, she would then have to be wheeled into Congress, which would show other Members of Congress there were consequences to actions.”

The assault left Paul Pelosi, 82, with skull fractures and other serious injuries and heightened worries among members of Congress. Federal authorities, meanwhile, have warned of the possibility of more extremist violence directed at not just politicians but election workers, judges and voters around the elections.

“Paul is making steady progress on what will be a long recovery process,” Mrs. Pelosi said Monday in a statement. “Our family thanks everyone for their kindness.”

Ms. Jenkins said Mr. DePape broke into the Pelosi home and made his way up-

stairs, where Mr. Pelosi was sleeping. Mr. DePape then shouted, “Where is Nancy?” and demanded to see the speaker, according to officials.

Ms. Jenkins said Mr. Pelosi tried to go into an elevator to call 911 from a telephone but was blocked by Mr. DePape. Mr. Pelosi then called 911 from a bathroom, where he told a dispatcher there was a man in his home he didn’t know “and that the male is going to wait for Pelosi’s wife.”

Two police officers arrived at the front door two minutes later, according to Ms. Jenkins. They found the attacker and Mr. Pelosi struggling for control of a hammer, and the attacker pulled the hammer away and swung it, striking Mr. Pelosi in the head, according to the FBI agent who wrote in federal court documents.

Officers tackled Mr. DePape,

took the hammer and arrested him, the agent wrote. Mr. Pelosi appeared to be unconscious.

Mr. Pelosi told police that he was asleep when Mr. DePape entered the bedroom and said he “wanted to talk to Nancy,” the court papers said. When Mr. Pelosi said his wife wasn’t home and wouldn’t be for several days, Mr. DePape said he would sit and wait for her.

He said he wanted to tie up Mr. Pelosi so he could go to sleep. He then started taking out twist-ties, the court documents said. Mr. Pelosi moved toward another part of the house, but Mr. DePape stopped him and they went back to the bedroom. Mr. Pelosi then said he needed to use the bathroom, where he called 911.

—*Jim Carlton, Zusha Elinson and Natalie Andrews contributed to this article.*



BRIAN L. FRANK FOR THE WALL STREET JOURNAL (3)

Clockwise from top left: Cloverdale, Calif., Mayor Todd Lands, who himself drives a Chevy pickup, said his constituents can't afford Teslas. Santa Rosa, Calif., Mayor Chris Rogers says there are plenty of gas stations. Electric cars plug in for a charge at a shopping-mall parking lot in Santa Rosa.

Some Wine-Country Towns Limit Gas Stations

By ZUSHA ELINSON

More communities in California wine country are telling gasoline stations to set up shop somewhere else.

Eight cities and towns in Napa and Sonoma counties have banned the construction of new gas stations. The city council in Novato, Calif., located in Marin County, passed a ban in an initial vote last week and is expected to give it final approval in November.

Local leaders say the laws are part of an effort to fight climate change in a region that has been devastated by wildfires and drought.

They also say there is increasingly less need for gas stations in the area, as state data show electric vehicles are more common in Marin, Napa and Sonoma than the nation at large.

Opponents say the bans will raise prices and force residents to drive farther for gas, and that new stations could also charge electric vehicles.

Fueled in part by state regulations that require an end to the sale of gasoline-powered cars in California in 2035, anti-gas-station activists are fighting for more prohibitions on new construction in the state, including in Los Angeles.

The prohibitions have so far faced little political opposition in small municipalities or large ones such as Santa Rosa, a city of 177,000 an hour north of San Francisco that lost 3,000 homes in a 2017 wildfire.

Santa Rosa passed the legislation in August with a unanimous vote by the city council, which included five Democrats and two former Republicans who no longer affiliate with either party.

“We are a community that has felt the sting of climate change,” said Chris Rogers, the city’s mayor. “We don’t want to use our land, which is very valuable, and our staff time, which is also very valuable, on the infrastructure of the past.”

Mr. Rogers, a Democrat who shares an electric Mini Cooper

with his wife, said 41 gas stations are sufficient for his 42-square-mile city.

But some wine-country residents say they fear that limiting new gas stations would cause prices to rise. The average price for a gallon of gas in Sonoma County was \$5.73 as of Oct. 28, almost \$2 higher than the national average, according to AAA.

“They’ll ban this...and then they’ll be [upset] that it goes up to \$12 a gallon,” said Donn Dabney, owner of Left Coast Classics, a classic-car dealership in Sonoma, Calif.

Mr. Dabney said that because of his line of work, he owns nine gasoline-powered cars, including a 1972 Cadillac Coupe DeVille and a 1993 Alfa Romeo Spider Veloce.

As the push for such bans has expanded to less-affluent communities such as Cloverdale, a city of 9,000 at the northern edge of Sonoma County, some local leaders are trying to stop them. Mayor Todd Lands, a Republican, said

his constituents can’t afford Teslas.

“I’m the mayor of our city, I run our city and I can’t afford an electric vehicle,” said Mr. Lands, who owns a construction company and drives a Chevy pickup truck.

Even so, Mr. Lands said he expects the ban to pass in Cloverdale, which currently has six gas stations.

The California Fuels and Convenience Alliance, an association representing gas-station owners, is fighting the proposals. It has argued that gas stations can install and subsidize electric-vehicle chargers. The association also said bans would force people to drive farther to get gasoline, leading to more pollution.

Advocates of the bans say electric-vehicle charging is best done at home, work or while shopping.

The push began after a group of environmentalists came together in 2019 to block a new gas station in Sonoma County and discovered that

plans were under way for more to open in the area.

“We were surprised that anyone was still building them,” said Woody Hastings, co-coordinator of the Coalition Opposing New Gas Stations.

Mr. Hastings, energy program manager at the Climate Center, a nonprofit that works to reduce pollution that worsens climate change, said he drives a 2013 electric Chevrolet Volt.

“A lot of people say, ‘What are you doing? We can’t afford a Tesla,’” said Mr. Hastings. “I can’t afford a Tesla either.”

The movement likely faces a tougher fight in Los Angeles, a city of some four million people where 93% of households have a motor vehicle, according to the U.S. Census. A bill asking the city attorney to draft an ordinance banning new gas stations is making its way through committee hearings. Its author, Democrat Paul Koretz, said he plans to put the bill up for a full city-council vote.



Transplanted Pig Heart Indicated a Slower Circuitry

By AMY DOCKSER MARCUS

A genetically modified pig heart transplanted into a severely ill person took longer to generate a heartbeat than those of typical pig or human hearts, research showed, another potential challenge for doctors aiming to conduct clinical trials of pig-organ transplants.

Doctors took daily electrocardiograms of David Bennett, a 57-year-old handyman and father of two who received a gene-edited pig heart in an experimental surgery at the University of Maryland Medical

Center in Baltimore in January. Mr. Bennett died in March from heart failure, but doctors still aren’t sure why the pig heart thickened and lost its pumping ability.

Doctors involved in the groundbreaking surgery have been studying data from Mr. Bennett’s case, which is being closely watched in the wider transplant community. Researchers reported in May that a common pig virus was detected in the pig heart transplanted into Mr. Bennett. They said there is no evidence the virus infected Mr. Bennett, but its presence in the pig heart

could have caused inflammation that contributed to the cascade of events that led to his death from heart failure.

Researchers analyzed Mr. Bennett’s EKG data as part of efforts to understand his decline after the transplant, direct future research and determine a possible path toward opening clinical trials. Widely used tests that measure electrical signals that cause the heart to beat, EKGs can help diagnose heart attacks, irregular heart rhythms and other possible abnormalities.

Researchers reported unexpected findings in two aspects

of Mr. Bennett’s EKG data: the time it takes electricity to travel from the top to the bottom chamber of the heart and across the bottom chambers, which pumps blood through the heart, and the time it takes the lower chambers of the heart to go through a full electrical cycle, which is associated with a heartbeat.

The time intervals are typically shorter in pig hearts than are in pigs. But they took longer in the gene-modified pig heart inside a human. The time for the electricity to travel through the heart’s electrical system and generate a heart-

beat also took longer than what is typical for human hearts, said Timm Dickfeld, a professor of medicine and director of electrophysiology research at the University of Maryland Medical Center, who was the leader of the EKG study.

What that might mean in the future for doctors caring for patients with gene-modified pig heart transplants is uncertain, said Paul Wang, director of the Stanford Cardiac Arrhythmia Service and a professor of medicine and bioengineering at Stanford University, who examined the data but wasn’t involved in the study.

U.S. NEWS

Biden Avoids Some Battleground States

President considers if visits will help or hurt amid voter frustration and low approval rating

By Ken Thomas and Catherine Lucey

WASHINGTON—President Biden is steering clear of some presidential battleground states with pivotal Senate and gubernatorial races, as his low approval ratings and voter frustration over the economy weigh on his party ahead of the November midterm elections.

Of the 14 states with some of the most competitive Senate and governor races, based on ratings from the Cook Political Report, Mr. Biden has visited six since Sept. 1. He hasn't been to Arizona, Nevada or Georgia, three states with high-profile midterm races that also helped put him in the White House.

Mr. Biden has made three trips to New York and two to Maryland—solidly Democratic states with some competitive races in November—but has visited Michigan and Wisconsin only once each. The only top presidential battleground he has visited repeatedly is Pennsylvania, his birthplace.

With more than half of Americans disapproving of Mr. Biden's job performance, according to a recent Wall Street Journal poll, his campaign strategy reflects the challenge facing an unpopular president in a midterm cycle, Democrats said. As some Democratic candidates keep their distance, he is focusing on official events to promote his agenda, policy speeches at the White House



President Biden with Gov. Kathy Hochul of New York—which isn't considered a swing state—at a community college in Syracuse last week.

Rep. Val Demings and gubernatorial candidate Charlie Crist, who trail Sen. Marco Rubio and Gov. Ron DeSantis, respectively, in the GOP-leaning state. On Thursday, he will head to New Mexico to help Democratic Gov. Michelle Lujan Grisham, who faces Republican Mark Ronchetti in her re-election bid.

The president also is expected to return to Pennsylvania on Nov. 5 with Mr. Obama on behalf of Democratic Senate candidate John Fetterman, who is running against Republican Mehmet Oz in a tossup race. Mr. Biden will attend a rally the night before the election in Maryland.

Mr. Biden isn't expected to visit Arizona, Nevada or Georgia or make additional trips to Wisconsin or Michigan, people familiar with the plans said. Democrats close to the White House noted that he has been in Oregon and New York, where Democrats are in competitive governor's races, and pointed to his fundraising efforts.

"He's on the road and he's raising a boatload of money for Democratic candidates," said Cedric Richmond, a senior adviser to the DNC.

Since Sept. 1, Mr. Biden has visited 14 states. He has held 17 fundraisers and has also given speeches from the White House or Washington, D.C., area to highlight issues of importance to Democrats, such as abortion and student debt.

During the same period in 2010, Mr. Obama visited 20 states and held 28 fundraisers. In 2018, Mr. Trump visited 25 states and held 18 fundraisers, according to data provided by former CBS News White House correspondent Mark Knoller, who tracks presidential data, and by Brendan Doherty, a professor of political science at the U.S. Naval Academy.

and fundraisers. The approach differs from that of former Presidents Donald Trump and Barack Obama, who both campaigned more during the first midterm election after they took the White House, but their parties still faced heavy losses.

"The problem this cycle, in terms of where we are today and where we are headed, is that it's not clear what is safe anymore," said Democratic strategist Chris Kofinis. "I'm not surprised he's not going to Arizona or Nevada. The question is—is he helping or hurting in Pennsylvania or New York? That part is not clear. I don't see many candidates

clamoring for him to come." Rep. Tim Ryan (D., Ohio), who is running for Senate, recently told CBS News he wouldn't ask the president to campaign with him. "I want to be the main face, the main messenger," he said.

Wisconsin Lt. Gov. Mandela Barnes, the Democratic candidate for Senate, skipped a Labor Day event with Mr. Biden in Milwaukee. Mr. Barnes didn't respond to a request to comment. He told local media at the time that his schedule was full.

Republicans said Mr. Biden's policies are a drag on his party. "Biden can't step foot in a swing district without remind-

ing voters of Democrat-caused inflation, surging crime and high gas prices," said Nathan Brand, a spokesman for the Republican National Committee. Democrats have argued that their legislative efforts, including the recent healthcare, climate and tax law, are popular.

Analysts from both parties say Republicans are likely to gain more than the net five seats needed to take the majority in the House, while control of the 50-50 Senate could fall to either party.

Mr. Biden said Saturday that he would be on the trail "making the case that this is not a referendum, it's a choice,

a fundamental choice, a choice between two very different visions for the country."

Allies noted that Mr. Biden has been clear that he will respect candidates' wishes when it comes to where he campaigns in person. In choosing where to dispatch Mr. Biden, the White House is balancing a variety of factors, such as where he can help Democratic candidates, whether an appearance in a state would help the entire ticket and how he might elevate a particular issue.

Mr. Biden will visit Florida on Tuesday for a Democratic National Committee rally in support of Senate nominee

President Warns on Energy Profits

By Andrew Restuccia and Collin Eaton

WASHINGTON—President Biden called on Congress to penalize oil-and-gas companies if they don't use their profits to help lower energy costs for consumers, ratcheting up his criticism of the fossil-fuel industry ahead of next week's midterm elections.

"Their profits are a windfall of war," Mr. Biden said Monday at the White House. "At a time of war, any company receiving historic windfall profits like this has a responsibility to act beyond the narrow self-interest of its executives and shareholders." World energy prices have risen in the aftermath of Russia's invasion of Ukraine.

The president said his advisers would work with Congress to pass legislation to ensure oil companies "pay a higher tax on their excess profits and face other restrictions" if the companies didn't take action to help consumers.

The proposal will face hurdles in Congress, especially if Republicans win majorities in one or both chambers in the midterms. Polls indicate Republicans are favored to take the House, but control of the

Senate remains up for grabs. Mr. Biden's approval ratings have been hampered by high prices for energy, among other things, ahead of the midterms.

The White House has for months been weighing endorsing a proposal to tax what the president and his advisers call the windfall profits of oil-and-gas companies, according to administration officials.

A group of progressive Democrats introduced legislation earlier this year that would impose a per-barrel tax equivalent to 50% of the difference between the current price of crude oil and the average price between 2015 and 2019, the lawmakers said in a statement summarizing the bill.

The American Petroleum Institute, an oil and natural-gas industry trade group, criticized the president's remarks. "Oil companies do not set prices—global commodities markets do. Increasing taxes on American energy discourages investment in new production, which is the exact opposite of what is needed," said Mike Sommers, the group's president.

Mr. Biden's comments Monday marked his latest rhetorical attack on the oil-and-gas industry. In response to high

energy prices, Mr. Biden has released tens of millions of barrels of oil from the Strategic Petroleum Reserve, and he has called on the Federal Trade Commission to investigate whether oil-and-gas companies are participating in illegal conduct aimed at keeping gasoline prices high.

Oil industry officials have called the president's request for an FTC investigation an unwarranted distraction.

He said firms should face penalties if they don't use profits to lower consumer costs.

Exxon Mobil Corp., the largest U.S. oil company, reported Friday a profit of nearly \$20 billion for the third quarter, its most lucrative period ever and nearly matching that of tech giant Apple Inc. Meanwhile, its closest rival, Chevron Corp., posted its second-largest quarterly profit ever, of \$11.2 billion. Both companies benefited from sustained high commodity prices.

The companies didn't telegraph any plans to increase spending on oil or fuel production beyond the plans they had previously laid out.

Exxon Chief Executive Darren Woods last week said policies floated by the Biden administration, including a windfall-profit tax and restrictions on fuel exports, would have "significant long-term negative consequences."

In a conference call with analysts Friday, Mr. Woods said such policies would hamper the oil industry, but Exxon would retain its competitive edge because of its diversified business and large footprint.

"We recognize the pain that high prices cause," Mr. Woods said. "Unfortunately, the market that we're in today is a function of many of the policies and some of the narrative that's floated around in the past."

In a television interview last week, Chevron CEO Mike Wirth called a potential windfall profit tax shortsighted and said it would send a negative signal to American frackers. "Typically, if you want less of something, you tax it," Mr. Wirth said. "If you want more of something, you tend not to tax it."

Treasury Clarifies Russian Oil Caps

By Andrew Duehren

WASHINGTON—The Treasury Department said ships loaded with Russian oil before Dec. 5 won't be subjected to U.S.-led price cap, as Washington attempts to reassure anxious oil markets about its plan for new sanctions.

Beginning on Dec. 5, the U.S. and its allies will ban companies in their countries from providing maritime services to shipments of Russian oil unless the oil is sold below a set price.

But the rollout of the plan has faced delays, creating uncertainty in oil markets. Traders, insurers, banks and shippers are already handling Russian oil set for delivery in December as shipments from Russia's ports on the Baltic Sea can take 45 to 60 days to reach buyers in Asia.

To try to address concerns from oil-market participants about the plan's timeline, the Treasury Department's new guidance states that shipments of Russian oil that are loaded before Dec. 5 and unloaded at

their destinations by Jan. 19, 2023, will be exempt from the cap. Shipments of Russian oil loaded on or after Dec. 5 will still need to be sold under the price cap in order to have access to Western insurance, financing and shipping services.

U.S. officials conceived of the price cap as a way to try to keep Russian oil available on global markets and avoid a contraction in supply—while still reducing Russia's revenue from its oil sales. They have pushed it as a way to scale back the European Union's sanctions banning the insurance and financing of Russian oil outright, a step U.S. officials fear could drive up global oil prices.

Finding a balance between building a sanctions mechanism that is flexible enough to entice companies to participate in it but still strict enough to cut into Russia's profit has proved a challenge for the U.S. and its allies, particularly as they deliberate over the price for the cap. U.S. officials have said they are considering a range of factors as they study where to set the price.

Arguments Heard on Admissions

Continued from Page One
Amy Coney Barrett, Mr. Strawbridge said that while race couldn't be considered in a "box-checking way," students could in application essays describe their own experiences overcoming obstacles such as racial prejudice.

"These are the pipelines to leadership in our society," Justice Elena Kagan said of universities.

sities. "And if universities aren't racially diverse, then all of those institutions are not going to be racially diverse either." Briefs filed by dozens of U.S. companies made a similar argument in supporting current affirmative-action programs.

One critical issue in both cases is whether the schools seriously considered race-neutral alternatives to enrolling a diverse student population, for instance by considering applicants' socioeconomic status or whether their parents attended college, or by increasing financial aid.

Harvard lawyer Seth Waxman, a solicitor general in the Clinton administration, told the court the college had tested various race-neutral means of raising minority enrollment, such as boosting financial aid and, for a period, eliminating the early admission program. None, Mr. Waxman said, could produce the diversity that consideration of race allowed.

Justice Brett Kavanaugh, who as a federal judge has taken special steps to recruit Black law students for clerkships in federal courts, said if the challengers prevail, universities would face questions



People received tickets to attend oral arguments on Monday.

about whether race-neutral alternatives being used as a proxy for race would still pass muster.

In the arguments during the Harvard case on Monday afternoon, Justice Kagan asked the lawyer for SFFA, "When race-neutral means can't get you there, don't get you there, you've tried and tried and they still won't get you there, can you go race-conscious?"

"I don't think so," responded the lawyer, Cameron Norris, saying racial diversity alone isn't a compelling interest.

In the course of the day's questioning, justices asked

whether schools could award preferences for descendants of slaves or for the children of immigrants. They questioned whether applicants should be able to submit essays in which they expressed pride in their heritage, suggesting it was difficult to discern exactly what would be acceptable if Mr. Blum's group prevailed.

Justice Ketanji Brown Jackson questioned why a Black student couldn't gain an admissions advantage with UNC for an essay noting that her ancestors were barred from attending the state university,

while one who referred to generations of affiliation to the school could get a bump for that. That, she suggested, could pose an equal-protection problem of its own.

Ryan Park, the North Carolina solicitor general representing the state university, faced vigorous questioning from conservatives on the bench.

"I've heard the word diversity multiple times and I don't have a clue what it means," said Justice Thomas, asking Mr. Park to detail the educational benefits of racial diversity at UNC specifically. When Mr. Park said it fostered a richer learning environment and reduced bias, Justice Thomas interrupted. "You still haven't given me the educational benefits," he said.

Mr. Waxman said for highly qualified candidates on the cusp of admission, "being African-American or being Hispanic or in some instances being Asian American can provide one of many, many tips."

"You have to concede that it provides one of many, then in some cases it will be determinative," Chief Justice John Roberts said.

"I do, I do concede that,"

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U.S. NEWS

U.S. to Send B-52 Bombers To Australia

By MIKE CHERNEY

SYDNEY—The U.S. is laying the groundwork for further deployment of long-range B-52 bombers in strategic northern Australia, drawing criticism from China, which warns the move could spark an arms race in the region.

A new, U.S.-funded aircraft-parking apron at an Australian air force base near the town of Katherine will be able to accommodate as many as six B-52 aircraft, a spokesperson for Australia's Defense Department said. The upgrade could also be used by other aircraft and will enhance Australia's capacity to train with other allies, the spokesperson said.

Basing the long-range bombers in northern Australia would allow the U.S. to project more power over the disputed South China Sea and deter Chinese activities there, some military experts said. Northern Australia already hosts U.S. Marines for part of the year and has become a training ground for U.S. and allied

forces, including aircraft.

"The U.S.-Australia alliance is a cornerstone of U.S. foreign and security policy," U.S. Defense Department spokesman Lt. Col. Martin Meiners said. Both nations are "committed to evolving the alliance to effectively respond to the strategic environment."

Last week, the Biden administration cast China as the greatest danger to American security in a new defense strategy and called for renewed efforts to build the military capabilities needed to deter Beijing. The U.S. has also been seeking to shore up its network of alliances in the Pacific, a strategically important region with key shipping lanes and military bases, to serve as a counterweight to increased Chinese activity.

U.S. officials view the B-52, which has flown for decades and can carry more weapons than any other Air Force jet, as crucial to providing an effective deterrent against adversaries such as China and Russia, The Wall Street Jour-



STATE SGT. COLLETTE BROOKS/US AIR FORCE/ASSOCIATED PRESS

Officials view the B-52 aircraft as crucial to deterring adversaries such as China.

nal has previously reported. The U.S. is seeking to upgrade the fleet, which can fly long-range missions from bases in the Pacific such as Guam, but the planes need new engines and other retrofits to extend their performance and range.

When asked about the possible deployment of B-52s in northern Australia at a press briefing on Monday, Chinese Foreign Ministry spokesman Zhao Lijian warned that it would escalate regional tensions, undermine peace and could trigger an arms race. He said cooperation between nearby countries shouldn't target any third party.

"China urges parties con-

cerned to abandon the outdated Cold War zero-sum mentality and narrow geopolitical mind-set, and do more things that are good for regional peace and stability," he said.

The upgrades at the Tindal air base, about 200 miles southeast of Darwin, are consistent with previously announced plans to deepen military cooperation between Australia and the U.S., officials from both countries said.

After top-level bilateral meetings last year, Australia and the U.S. committed to enhanced air cooperation through the rotational deployment of all types of U.S. aircraft to Australia for training

and exercises. The two countries also joined with the U.K. to create a security partnership called Aukus, which will help Australia to develop nuclear-powered submarines.

Officials didn't say when the B-52s might arrive but indicated they could rotate through the region like U.S. Marines, which deploy to northern Australia during the region's dry season. U.S. and Australian officials said that B-52s have participated in joint exercises in Australia in the past.

Plans to accommodate B-52s in northern Australia were reported earlier by the Australian Broadcasting Corp.

Meadows Loses Bid To Avoid Testifying

By JAN WOLFE

WASHINGTON—A judge has denied a bid by Mark Meadows, former President Donald Trump's final White House chief of staff, to avoid testifying before the House select committee investigating the Jan. 6, 2021, Capitol riot.

In a written decision on Monday, U.S. District Judge Carl Nichols dismissed a lawsuit Mr. Meadows filed last year to block enforcement of two subpoenas from the committee: one issued to Mr. Meadows for documents and testimony and another issued to Verizon Communications Inc. for his phone data.

Judge Nichols ruled that Mr. Meadows's lawsuit is barred by the Constitution's Speech or Debate Clause, which protects members of Congress from civil lawsuits in some contexts.

Judge Nichols, a Trump appointee, said the subpoenas were the sort of "legislative acts" shielded by the Speech or Debate Clause.

"We will review the decision and decide on any further steps," said George Terwilliger, a lawyer for Mr. Meadows.

Mr. Meadows initially cooperated with the select committee, providing it communications and documents he determined weren't protected by executive privilege, including over 2,300 text messages from his personal devices.

Lawmakers previously disclosed some text messages between Mr. Meadows and some allies during the Capitol attack, in which they had implored Mr. Meadows to press Mr. Trump to intervene to stop the rioters.

In an August court filing, Mr. Meadows criticized the Select Committee for publicly disclosing the text messages he had voluntarily produced.

—Sadie Gurman contributed to this article.

Trump Asks Supreme Court to Shield Tax Returns

By JAN WOLFE AND RICHARD RUBIN

WASHINGTON—Former President Donald Trump asked the Supreme Court to block a House committee from obtaining his past tax returns from the Internal Revenue Service before a Thursday deadline for the material to be turned over.

Mr. Trump's request on Monday marks what is likely to be the final phase of more than three years of legal wrangling over the tax returns.

In an emergency applica-

tion filed to Chief Justice John Roberts, who is responsible for such requests for the D.C. Circuit, Mr. Trump's lawyers asked the court to issue an interim order known as a stay by Wednesday. Such an order would block the Democratic-controlled House Ways and Means Committee from accessing the tax documents until further legal briefs are filed before the justices.

Mr. Trump, represented by lawyers at Consvooy McCarthy, said he would be "irreparably harmed" if a stay isn't

issued because once the tax information is turned over to Congress there is no way to undo disclosure of information that is normally private. They also contend that there is no urgent need for the committee to get the documents.

A stay would also ensure that the court can consider the "unprecedented separation-of-powers issues" raised by the case, Mr. Trump's lawyers said in their emergency application. They argue that lower courts didn't look deeply enough into whether the committee's ac-

tual request matched its stated purposes and into statements made by lawmakers about their motives.

If the Supreme Court decides to hear the case, it could send the outcome into deep uncertainty. Democrats may lose control of the Ways and Means and Senate Finance committees in next week's midterm elections. The new Congress will start in January, after which it is possible that the lawmakers with authority to request Mr. Trump's tax returns will be his fellow Repub-

licans, who have repeatedly opposed those requests.

So depending how long the case continues, even a Supreme Court decision in favor of congressional power to obtain the documents could come too late for Democrats.

The tax records are set to be turned over to the Ways and Means Committee this week if the court doesn't act. It would take additional action by the committee to publicly release any of the documents or information from them.

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WORLD NEWS

Brazil's New Leader Faces Economic Perils

GDP is expected to grow less than 1% as trading ebbs amid global slowdowns

By SAMANTHA PEARSON
AND LUCIANA MAGALHAES

SÃO PAULO—Luiz Inácio Lula da Silva evoked memories of his heady two terms in office in the 2000s when commodity prices were soaring, poverty was plunging and Brazil was seen as a country of the future.

"The people will eat steak and drink beer again...they will be happy again," Mr. da Silva told supporters in the campaign that ended with Sunday's victory over President Jair Bolsonaro. But Brazil's president-elect will struggle to deliver on those promises in the current economic climate when he takes office Jan. 1, economists said.

Mr. da Silva is now 77 and faces a different world. China, the biggest buyer of its exports, expects its worst slowdown in years, the U.S. is forecast to enter recession in the next 12 months, and countries worldwide, among them Brazil, are struggling to reduce poverty and jump-start moribund economies as they emerge from the Covid-19 pandemic.

When Mr. da Silva first took office in 2003, Brazil's economy was revving up as a rapidly growing and voracious China consumed everything from Brazilian iron ore to beef, sugar to soybeans. By 2010, Brazil was growing at 7.5%, its fastest rate in a quarter of a century, and Mr. da Silva finished his two terms with an approval rating of more than 80%. With state coffers filling up, Brazil paid off its International Monetary Fund debt early and poured money into social-welfare spending and infrastructure projects to boost oil production and bring industrial jobs to forlorn corners of the nation. More than 25 million people were lifted from poverty, the Getulio Vargas Foundation said.

"They were really exceptional circumstances...a one-off boom," said William Jackson, chief emerging-markets economist at London-based research firm Capital Economics. "It's going to be a very challenging environment over the course of this presidential term."

Economists expect Brazil's economy to grow just 0.6% next year following 2.8% growth this year, a Central Bank survey showed Monday.

Mr. Jackson said Mr. da Silva could follow the path of Chilean President Gabriel Bo-



Supporters in São Paulo celebrated Luiz Inácio Lula da Silva's victory on Sunday, with 50.9% of the vote.

ric, whose approval ratings sunk after he took office in March as the reality of the tough global economic context set in. The risk, said Mr. Jackson, is that Mr. da Silva insists on heavy spending even during an economic downturn to support the poor and prop up approval ratings at the expense of the country's fiscal health.

That was Mr. Bolsonaro's strategy during the worst of

the pandemic, when the economic blow forced him to forgo market reforms championed by Economy Minister Paulo Guedes. After Mr. Bolsonaro spent as much as \$10 billion a month on payouts during the pandemic in 2020, Brazil's government debt reached nearly 90% of gross domestic product that year and is hovering about 80%.

Mr. da Silva won 60.3 mil-

lion ballots in this country of 215 million on Sunday, 50.9% of the vote, in what was the closest presidential race in history. Mr. Bolsonaro got 58.2 million votes, or 49.1%.

Many analysts said Monday that they remain optimistic Mr. da Silva would soon name a market-friendly finance minister after surrounding himself with respected economists during the campaign, includ-

ing former Central Bank President Henrique Meirelles.

"The odds are he will govern toward the center and markets will applaud that," said James Gulbrandsen, chief investment officer of Latin America for NCH Capital, an American investment firm.

After early declines, Brazilian stocks closed up 1.3% in São Paulo, while the country's currency, the real, strengthened more than 2% against the dollar.

Heavy losses for state-controlled companies such as oil company Petrobras were offset by higher share prices for sectors that investors believe will benefit from Mr. da Silva's policies to reduce social inequality, such as education, housing and construction.

"Reactions to the election will be sector-specific: Agribusiness was mostly backing Bolsonaro, as were timber and mining, which will face increased scrutiny under a Lula administration," said Jay Truesdale, chief executive of Veracity Worldwide, a New York-based risk advisory firm. Greater clarity over Mr. da Silva's economic policy could help allay some fears among investors.

◆ Heard on the Street: Boom years tough to revive..... B11

Bolsonaro Remains Silent a Day After Losing Election

By JUAN FORERO
AND LUCIANA MAGALHAES

SÃO PAULO—A day after Luiz Inácio Lula da Silva was declared the winner of Sunday's election in Brazil, global leaders have congratulated the president-elect on his victory—from the U.S. and India to Russia and China. One was still missing: Brazilian President Jair Bolsonaro.

The 67-year-old former army captain, who last year said that the only outcome from this year's presidential race would be his re-election, arrest or

death, has made no public statement since results were announced. That has raised questions among both supporters and critics about how he would respond to the outcome of a ballot that he has spent much of the past few months asserting would be rigged. His aides didn't return calls seeking comment.

His eldest son, Flávio Bolsonaro, released a statement Monday thanking the family's supporters, pointing out his father got more votes on Sunday than in the 2018 elections that put him in the presidency. "Let's raise up our heads and

not give up on Brazil. God's in command!" he said.

The president's closest allies, from former ministers in his government to prominent politicians, including Arthur Lira, who presides over the lower house of Brazil's Congress, quickly recognized the result of Sunday's final runoff vote: Mr. da Silva won 50.9% of the vote, 2.1 million more votes than Mr. Bolsonaro, who got 49.1%.

They have called for calm and recognized that Mr. da Silva, a former trade-union leader who served two terms as president ending in 2010,

would once again govern this country of 215 million.

"It's time for us to calm our spirits and extend a hand to our adversaries...to pacify our country," said Mr. Lira in a speech minutes after Brazil's electoral court called the result—a statement that analysts said made it hard for Mr. Bolsonaro to adopt a contrary position. "The will of the people...should never be contested."

Another lawmaker who supported Mr. Bolsonaro's measures, Senate President Rodrigo Pacheco, had warm words for Mr. da Silva, who is

universally known as Lula.

"A little while ago, I called President Lula, elected this Sunday," he told his followers on Twitter on Monday. "I congratulated him on his victory and also said that he will find in the Senate all the collaboration, with due democratic dialogue, to solve the real and urgent problems faced by Brazilians."

On Sunday, Mr. Bolsonaro went to bed some two hours after officials called the election in Mr. da Silva's favor, Globo TV reported. A photo taken Monday morning of Mr. Bolsonaro at the presidential palace with Walter

Braga Netto, a former defense minister who was his running mate, appeared in online editions of Brazilian newspapers.

Among those who believe Mr. Bolsonaro won't dispute the results was Alexandre de Moraes, head of the electoral court. He said he talked to both candidates Sunday night.

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WORLD NEWS

Missile Attacks Hamper Supplies Of Power, Water

KYIV, Ukraine—Russian forces launched a wave of missile strikes across Ukraine on Monday that knocked out electricity and water supplies in Kyiv and other cities, just as the country was recovering from the damage inflicted in the Kremlin's recent attacks on civilian infrastructure.

By **Jared Malsin, Joe Parkinson and Bojan Pancevski**

Several loud explosions were heard in Kyiv shortly after 8 a.m. on Monday, forcing civilians to take shelter in metro stations, homes, hotels and public buildings across the capital. More than 50 missiles were fired by Russian forces, although most were intercepted by air defenses, Ukrainian officials said.

The strikes disrupted water supplies to some 80% of households in Kyiv, the city's mayor said. Ukrainian officials said Russian missiles also disabled electricity grids in Kyiv, Zaporizhzhia in southeastern Ukraine, Kharkiv in the north, and central and western parts of the country.

Kyiv says the targeting of critical infrastructure deep inside Ukraine, in areas far from the front lines, is part of the Kremlin's strategy to demoralize the Ukrainian population as winter approaches. Ukrainian forces in recent months have reclaimed swaths of territory Russia had captured, but their advances might be slowed by the onset of colder conditions, some analysts say.

"The goal of Russians is to create a humanitarian disaster and try to freeze our people," Ukrainian Energy Minister Herman Halushchenko said in an interview in which he reiterated calls for more Western aid to bolster air defenses. "They failed to win on the battlefield—that's why they want to do this."

Monday's attack echoed a similar barrage that Russia unleashed on Ukraine on Oct.

10, in which Russian missiles and drones swarmed the country, striking in the center of Kyiv and knocking out power to large parts of the country. Since then, Kyiv says strikes on Ukraine's infrastructure have damaged around a third of the system's overall power-generation capacity.

The latest assault came as Ukraine was beginning to get back on the grid. Just hours before Monday's barrage, Ukrainian President Volodymyr Zelensky said officials had managed to restore the technical aspects of the country's energy supply and that there hadn't been any emergency-power outages on Sunday.

Ukraine's air force said it shot down 44 out of a total of 50 cruise missiles fired by Russia on Monday. In addition to cruise missiles, the attack included artillery and S-300 missiles, which are normally used in air defenses, Ukraine's air-defense spokesman said.

A spokesman for the Russian Defense Ministry on Monday said the country's armed forces had attacked Ukraine's military command and energy infrastructure with long-range missiles launched from the air and the sea. All targets had been hit, the spokesman said.

A 31-year-old woman was killed in the Dnipropetrovsk region in southeastern Ukraine, where Russian forces fired 40 rockets, the region's military administration said.

Oleksiy Kuleba, the governor of the Kyiv region, said there was one victim. At least 13 people were injured in the strikes throughout the country, the head of Ukraine's national police said on local television.

The attacks were among the broadest in a series of barrages in recent months that have disrupted a period of relative calm that prevailed over central and western Ukraine for months after Russian forces abandoned their assault on the capital in April.



Commercial vessels, including ships that are part of a Black Sea grain deal, wait to pass the Bosphorus Strait off Istanbul on Monday.

Russia Threatens Grain Ships

By **JARED MALSIN AND ALISTAIR MACDONALD**

ISTANBUL—Russia threatened to stop vessels carrying grain from Ukraine, two days after Moscow said it would abandon an agreement that guaranteed the safety of those exports and as ships continued to make the voyages on Monday.

Russia's ambassador to the United Nations, Vasily Nebenzya, said Russia's navy would, if necessary, conduct inspections of ships that did get its permission to depart Ukraine. The Russian ministry of defense said any movement of ships along a previously designated grain corridor was unacceptable, citing security concerns.

The threat came as merchant ships continued to pull in and out of Ukraine's grain-exporting ports along the Black Sea. The traffic came despite Russia suspending over the weekend its participation in a U.N.-brokered deal to allow Ukrainian grain exports. Twelve ships carrying grain departed from Ukrainian

ports on Monday, the country's infrastructure minister said. Four ships were set to transit toward Ukraine to collect grain.

The Russian threat injects new uncertainty—including the possibility of direct military intervention—in what had until recently become a relatively smooth operation that had helped Ukraine restore grain exports to near prewar levels. Shipments stopped in the weeks immediately after Russia's February invasion of Ukraine. Grain prices soared on the prospect of shipments being stuck in Ukraine, one of the world's biggest grain exporters.

Turkey, working with the U.N., brokered a deal in which Russia and Ukraine agreed to allow shipments from three Ukraine Black Sea ports. The deal helped stabilize global wheat and corn prices at a time when rising food costs have pushed tens of millions of people toward famine, the U.N. said.

Russia over the weekend suspended its participation in the deal, saying the move was in re-

sponse to a Ukrainian attack on Russian naval forces in occupied Crimea. Grain markets rose on Monday, but Turkish, Ukrainian, and U.N. officials vowed to keep the ships moving.

Maritime-law experts said any attempt by Russia to stop ships in international waters would violate international law that guarantees freedom

Merchant ships continued to pull in and out of grain-exporting ports.

of navigation. Russian efforts to intercept civilian ships would also violate the Montreux Convention, a 1936 treaty that governs access to the Black Sea, analysts said.

"It is totally illegal," said Yoruk Isik, the head of Bosphorus Observer, a consultancy monitoring activity in

the Turkish straits and Black Sea. "Freedom of navigation is the main pillar of the law of the seas around the world."

Russia still has considerable naval assets in the region despite months of Ukrainian drone and missile attacks. One such aerial attack sank the flagship of the Kremlin's Black Sea fleet.

Russia has at least four diesel-powered submarines, two frigates armed with rockets, torpedoes and cruise missiles, 10 large amphibious ships, as well as smaller patrol ships belonging to both the Russian navy and coast guard.

Ismeni Palla, a spokesperson for the U.N. at the Joint Coordination Center in Istanbul, which monitors the deal, said ships began moving into the corridor on Monday morning. Ship-tracking data showed ships moving along the designated sea lane.

Turkish President Recep Tayyip Erdogan, who helped broker the agreement, said Monday that Turkey would "resolutely continue our efforts" to sustain the deal.

Forecasters See Cold Winter in Europe

By **YUSUF KHAN**

LONDON—One of the first closely watched seasonal outlooks for what the European winter holds sees colder and drier weather than usual across the U.K. and Northern Europe, conditions that could add pressure on governments and companies managing the continent's supply of natural gas.

The U.K. Meteorological Office on Monday said there was an increased likelihood of the next three months being colder than normal with average temperatures likely to sit between 4 and just-below 6 degrees Celsius, equivalent to between 39.2 and 42.8 degrees Fahrenheit, in the U.K., which is slightly below the average seen over the last five years. The forecasting agency said it also is likely to be

drier than normal, with lower chances of heavy rainfall between November and January.

No single forecast is definitive and so-called seasonal outlooks come with caveats. They aren't as precise as the one- to five-day forecasts that weather services can make with relative accuracy.

Still, as an early look, "this all suggests that heating-related gas demand will be up this winter," said Caroline Bain, chief commodities economist at Capital Economics.

The Met Office's forecast is specific to the U.K., but the 168-year-old agency's predictions have implications for the continent as a whole, in part owing to its expertise in modeling the North Atlantic Oscillation, an important factor for predicting weather across Europe.

The update issued Monday also comes at a time of year when some of the weather trends that can make a difference in the severity of the winter start to settle down. That can make it easier to predict longer-term scenarios for the entire season.

Gas prices extended recent declines on Monday, driven lower by the large supplies of fuel that Europe has accumulated throughout the year. Benchmark wholesale prices for gas in the Netherlands fell 9% to about 127 euros, or \$126, a megawatt-hour. U.K. prices fell 7% to 3.14 pounds, or \$3.62, per therm.

Futures contracts suggest gas will become more expensive when temperatures fall, but that prices won't regain the highs recorded in August. One reason is

that recent warm weather has delayed the date at which Europe dips into its storage, so there will be more gas to heat homes if a late cold snap strikes.

The Met Office's outlook, along with a handful of others expected soon, are being more closely followed than usual this year. In the wake of Russia's invasion of Ukraine, Europe has tried to pivot away from its reliance on Russian gas. Moscow, meanwhile, has largely turned off the tap, in retaliation for Western sanctions.

That has set off a scramble by governments and utilities to get gas from other sources, and encourage residents and businesses to conserve. European countries have rushed to buy shipped gas, called liquefied natural gas, from places such as the U.S. and Qatar.



Smoke rises over Kyiv's outskirts during a Russian missile attack.

FROM PAGE ONE

Merger of Publishers Is Blocked

Continued from Page One

official, said the publishing merger would have decreased author compensation and "diminished the breadth, depth and diversity of our stories and ideas."

Mr. Kanter added: "The decision is also a victory for workers more broadly. It reaffirms that the antitrust laws protect competition for the acquisition of goods and services from workers."

German media company Bertelsmann SE, whose holdings include Penguin Random House, agreed to the Simon & Schuster acquisition in November 2020.

Bertelsmann stated in its 2021 annual report that if the deal failed to go through, or if the agreement's termination date was reached, Penguin Random House would pay a fee of \$200 million to Paramount Global, which owns Simon & Schuster.

Judge Pan wrote in a two-page order: "The Court finds that the United States has shown that the effect of the proposed merger may be substantially to lessen competi-

tion in the market for the U.S. publishing rights to anticipated top-selling books."

A spokeswoman for Penguin Random House said the decision "is an unfortunate setback for readers and authors, and we will immediately request an expedited appeal." The spokeswoman said Penguin Random House views the deal as "pro-competitive, and we will continue to work closely with Paramount and Simon & Schuster on next steps."

The Justice Department, which sued to challenge the merger a year ago, focused its case not on book prices, but on author wages, saying writers of anticipated bestsellers—which the government defined as books acquired for advances of at least \$250,000—

would likely receive smaller upfront payments, or advances, if the deal were completed.

"This is a straightforward case: the merger would eliminate the significant head-to-head competition between the two companies that benefits authors today," the department wrote in a court filing.

The Justice Department warned that the combined company would control about 49% of the market for anticipated top-selling books.

Penguin Random House and Simon & Schuster estimated the size of that market at about 1,200 books annually, or 2% of all books published by commercial publishers.

Penguin Random House argued that owning Simon & Schuster would enable it to

better serve authors and consumers.

On a sales basis, a combination of Penguin Random House and Simon & Schuster would have accounted for nearly 30% of all consumer book sales in the U.S., according to book tracker NPD BookScan.

If the deal had gone through, the combined companies would have boasted some of the country's most popular authors, including John Grisham, Stephen King, Margaret Atwood and Jason Reynolds, at a time when bestsellers have never been more important to overall publishing success.

Mr. King testified against the merger during the trial on behalf of the government. "Consolidation is bad for competition," Mr. King said. "That's my understanding of the book business. And I have been around it for 50 years."

Other witnesses at the trial included Brian Murray, chief executive of HarperCollins Publishers. Mr. Murray, who voiced opposition to the acquisition, said HarperCollins would be interested in buying Simon & Schuster if Penguin Random House's purchase was blocked. Mr. Murray declined to comment Monday.

HarperCollins bid unsuccessfully for Simon & Schuster after it was put up for sale in March 2020. HarperCollins, like The Wall Street Journal, is owned by News Corp.



The Penguin Random House booth at a book fair in 2021.

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FROM PAGE ONE

Eurozone Inflation Tops 10%

Continued from Page One that consumer prices were 10.7% higher in October than a year earlier, the fastest rate of increase since records began in 1997, two years before the euro was launched. However, national records go back further, and Germany's measure of inflation was the highest since December 1951.

Economists had expected to see a pickup in inflation during October, but not one that was as large as Eurostat reported. Economists surveyed last week by The Wall Street Journal saw a rise to 10% from 9.9% in September.

As measured by the Euro-

stat method, Italy's annual rate of inflation jumped to 12.8% in October from 9.4% in September, while Germany's rose to 11.6% from 10.9%. By contrast, Spain's inflation rate fell to 7.3% from 9%.

The surprise jump in inflation underlines the challenges facing ECB policy makers as they confront a likely recession in the eurozone. The central bank raised its key interest rate to 1.5% from 0.75% on Thursday, but signaled mounting concerns about economic growth.

Investors, watching closely for signs that central banks such as the Federal Reserve will pivot away from large interest-rate increases, took those comments to mean the ECB could soon ease back on rate rises. The surge in inflation raises doubts about that expectation.

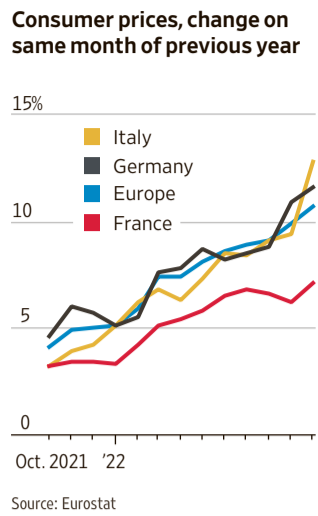
"This raises the question of whether the talk of an ECB 'pivot' that followed Thursday's meeting is premature," said Paul Hollingsworth, an econo-

mist at BNP Paribas.

Yields on eurozone government bonds rose on Monday, as investors expected that the ECB would have to raise interest rates further to tame inflation. The yield on the benchmark German 10-year bund rose to 2.149% from 2.077% Friday. The yield on Italy's benchmark 10-year bond rose to 4.253%, from 4.141% Friday.

Eurostat said energy prices were 41.9% higher in October than a year earlier, while food prices were up 13.1%. But the core rate of inflation, which excludes those volatile items, also picked up to 5% from 4.8% in September.

The outlook for inflation depends on the availability of gas supplies through the winter months, and average temperatures, as well as government measures to protect households from hardship. Many eurozone governments have introduced price caps that directly limit inflation.



The rise in living costs has triggered a wave of protests across Europe, testing the resolve of governments that have so far maintained unity in their costly economic war with Russia.

In Germany, record inflation has caused tension between

German employers and trade unions, who have traditionally cooperated relatively smoothly, particularly during crises.

The influential IG Metall union, which represents some 2.2 million industrial workers, has demanded an 8% pay increase over 12 months to compensate for surging consumer prices. Its members started warning strikes over the weekend after failing to reach an agreement with employers.

"Growth can only be distributed if it exists," said Stefan Wolf, president of the Employers' Confederation in the Metal and Electrical Industry.

High energy prices have been a headwind for the eurozone economy this year because they leave households with less to spend on goods and services that are produced inside the currency area, while raising costs for businesses, and particularly energy-intensive factories.

However, separate figures

released by Eurostat on Monday showed the eurozone economy continued to grow in the three months through September, albeit at a slower pace than in the previous quarter. The statistics agency said the combined gross domestic product of the 19 countries that use the euro was 0.7% higher than in the three months through June when annualized, a slowdown from the 3.3% growth recorded in the second quarter.

With energy use set to rise as cold weather spreads across the currency area, most economists expect its economy to contract in the final three months of the year, and in the early months of next year. The ECB will update its own forecasts in December, when policy makers will have to decide whether to push ahead with another big rate raise, or moderate the pace of tightening.

—Tom Fairless and Caitlin Ostroff contributed to this article.

Mortgage Giant Falls To Earth

Continued from Page One and attrition, rather than the layoffs that have become commonplace at its competitors.

The effort is challenging. Rocket's loan volume is on pace to decline by more than half this year. Earnings at Rocket's parent company, Rocket Cos., were down by more than two-thirds in the first six months of 2022. Analysts expect it to post its first loss as a publicly traded company when it reports third-quarter results on Thursday, according to FactSet. The share price closed Monday at \$6.90, down 51% this year, which is almost three times the S&P 500's decline. Its market value is around \$13.6 billion.

For many mortgage bankers, the backbone of Rocket's workforce, a taxing job has turned into an intolerable one, according to interviews with dozens of current and former employees.



performers will get the hint and leave.

"You're really finding out who are the most skilled folks right now," said Mr. Walters, the CEO.

Commission checks that ballooned during the pandemic have deflated this year, bankers said. A Rocket spokesman said average total compensation for bankers who had been at the company at least a year was almost \$200,000 in the 12 months through September 2021. It fell to \$157,000 in the 12 months that followed.

In March, one executive emailed a note of encouragement to bankers, along with an image of one refinance banker's recent paycheck. The banker had made over \$50,000 in February from 44 loans. "You are surrounded by success," the memo said. "FIRE UP and GRAB IT!"

This spring, the company asked many bankers to add a weekend day to each work-week in which they weren't on pace to meet at least 70% of their goal.

Getting potential customers to trade a 3% mortgage for a 6% one is like "pushing rocks up hills," said Colin Wyzgoski, who quit a job as a banker in August after taking time off because of work stress.

The employee complaints have spilled over to TikTok and Reddit, which has thousands of messages on the topic. Rocket executives said the complaints are coming from a few vocal bankers, particularly those struggling in an era of higher rates when companies are competing for more limited business.

"When the fish are jumping in the boat, the job is one thing," Rocket Mortgage Chief Executive Bob Walters said. "When you're competing with a lot of other people, it's a different thing."

How the company and its peers adjust to this new reality will be an early test of corporate America's ability to withstand the Fed-induced economic slowdown. Mortgage companies that built businesses around low rates are among the first to get hit.

will be shocked when you see how much that you can save," one of the ads said.

The company gave employees a call script for leads from the ads. "We have Government and Non-Government programs we will look at today for you, I can definitely help you with all of that," it reads.

The government never directed stimulus payments to homeowners. Some of the ads were taken down for violating Facebook's policies on misinformation, according to Meta.

A Rocket spokesman said, "LowerMyBills ran ads on Facebook that referred to the fact that during the period of 2020-2021, the Federal Reserve was pumping significant liquidity into the mortgage market, which drastically reduced mortgage rates, benefiting millions of Americans."

After rising interest rates made straightforward refis unappealing, Rocket encouraged customers to pull cash out of their homes. The pandemic housing boom had driven up home values, giving owners more equity.

Some borrowers use the money to pay off debt that carries a higher interest rate than a mortgage. Refinancing can lower the monthly payment, but it can mean giving up a low rate and extending the loan term, potentially increasing the total interest cost. It is also backed by the house, and homeowners who miss payments risk losing their properties.

In August, 96% of the shrinking pool of refis were used to pull cash out, compared with 54% a year earlier, according to Black Knight.

On a Thursday in September, Leena Boji, a veteran banker at the company, worked the phones at the Detroit headquarters. She spoke with one potential client about a cash-out refi.

She toggled between application questions and mortgage-pricing tools as she collected information about the borrower. "If a loan doesn't make financial sense, I will be the first to tell you," she said into her headset. This homeowner would be giving up a rate below 4% for one just above 5%, but would pull out some cash to use for a rainy-day fund and to pay off debt with double-digit interest rates.

The monthly mortgage payment would still go down by more than \$100 a month because the homeowner was extending the term of the loan by almost 10 years. "Let's put you



An ad for Rocket Mortgage in Detroit, above. Former Rocket banker Colin Wyzgoski, left, said that getting potential customers to trade a 3% mortgage for a 6% one is like 'pushing rocks up hills.'

because they could refinance again when rates fall.

"It's a common ARP," he said, referring to a sales tactic known internally as "acknowledge, respond, pivot."

State and federal regulations require homeowners to benefit from refinancing, but they provide flexibility in determining what is beneficial. Bankers said Rocket's internal loan software would flag any loans that don't comply.

Rocket's average cash-out customer receives \$45,000 and cuts their monthly payment by over \$100, a spokesman said.

Mr. Walters, Rocket's CEO, said it is up to the customers to decide what is right for their own finances.

"If you came along and said, 'I need \$15,000 and I'm going to incur \$3,000 in fees to get that,' is that a good loan or a bad loan? Somebody on a spreadsheet might say that doesn't make any sense," he said. "But what does that \$15,000 of liquidity mean for that person?"

Rocket has tried to muscle into the market for mortgages used to purchase a home, which have held up better than refis. The company signed a partnership in August to offer loans to

customers of Santander Bank. In September it rolled out a new "inflation buster" loan with a lower rate for the first year.

Rocket has fallen in the middle of the top 10 rankings for such mortgages the past few years, according to Inside Mortgage Finance. One big stumbling block: Its bankers lack relationships with the real estate agents who drive much of the business to lenders.

Katie Glover, a former Rocket banker, spent a few months last year writing mortgages on a team meant to cultivate relationships with real estate agents. She said many preferred to work with local lenders they knew, and tended to only send clients to Rocket who couldn't qualify elsewhere. Her team was disbanded, she said.

D'Ann Melnick, a real-estate agent in the Washington, D.C., area, said she steers her clients away from Rocket because they often end up lost in the company's system without a single point of contact.

"They don't have a relationship with their clients. They don't have a relationship" with real-estate agents, she said.

A Rocket spokesman said that the company continues to build relationships with real-estate professionals, and that more than 100,000 agents are using its two-year-old service that allows them to check on the status of clients' loans and get contact information for team members.

Boom times

Unlike traditional banks, mortgage companies like Rocket, founded in 1985, are lean operations that rely on issuing loans and quickly turning them into bonds to sell to investors. When the financial crisis of 2008 led to sweeping regulations on banks, mortgage companies moved in to grab market share.

The pandemic ushered in record low rates, and mortgage lenders staffed up to meet the moment. Nonbanks made more than two-thirds of the \$8.5 trillion in mortgages issued in 2020 and 2021, the highest share in records going back to 2005, according to Inside Mortgage Finance.

A handful of companies sold their stock in initial public offerings. Rocket, which went public in 2020, closed \$351 billion in mortgages last year, up from \$12 billion in 2008.

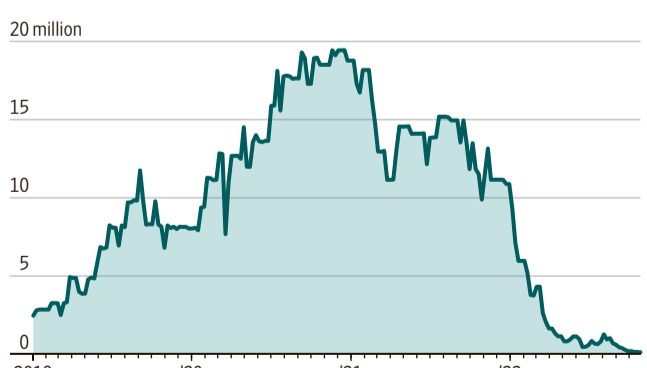
Rocket scoured every corner of the internet to dig up sales leads. A website called LowerMyBills, which Rocket bought in 2017, posted hundreds of Facebook ads referencing what it called a mortgage stimulus program, mostly between April and August 2021, data from Meta Platforms Inc., Facebook's parent company, show. "You

in a place where you're comfortable each month," Ms. Boji said.

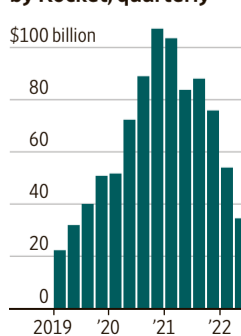
Low rates made these loans a no-brainer for cash-strapped homeowners, but the calculation is more complicated now. Customers might save only a few dollars a month in exchange for a much higher rate, current and former bankers said. Others might get only a small amount of cash that barely exceeds closing costs.

Mr. Wyzgoski, the former banker, said he was instructed to look through potential clients' financial records and find student loans or medical bills that he could push them to consolidate into their mortgage through a cash-out refi. He said he was told to tell clients that a higher interest rate was fine

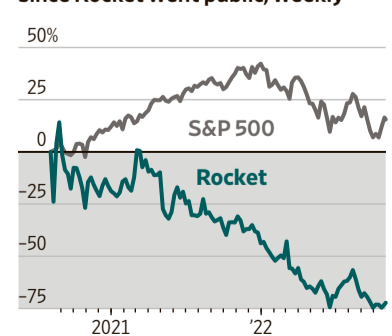
Number of homeowners who could save money by refinancing at current rates, weekly



Volume of loans issued by Rocket, quarterly



Share-price and index performance since Rocket went public, weekly



*Counts only homeowners with at least 20% equity and 720 credit score, who are current on payments and could cut 0.75% off current rate. Sources: Black Knight (homeowners); Inside Mortgage Finance (volume); FactSet (performance)

Refinancing no longer makes sense for many homeowners.

The average banker works five to seven hours less a week this year than last year, through a combination of scheduling changes and bankers deciding to work less overtime, said Mr. Malloy, whose title is chief amazement officer.

The company lifted hourly pay for new bankers and per-loan commissions for seasoned bankers. Sales goals have been lowered, in many cases multiple times.

Many bankers still aren't meeting the lower sales goals, according to current and former bankers. Rankings for one group showed that just over a fifth of bankers hit their goals in August, and roughly a third did in September.

When Amanda Womack started at Rocket in early 2021, she got dozens of leads a day. When rates went up, they dwindled to a handful.

Many of those were dead ends. Some of the people she called didn't even own homes. They frequently cursed or threatened her.

She began working six days a week to try to keep up with her goals.

"When it's good, they encourage you to come in to make even more sales," she said of working at Rocket. "When it's bad, they encourage you to come in because you're not making money for the company."

She quit Rocket in July, determined to leave before the deteriorating market forced her out. She took a salaried job in wine-and-spirits sales.



FROM TOP: PHOTO ILLUSTRATION BY ELENA SCOTTI/THE WALL STREET JOURNAL; SHUTTERSTOCK; SLACK; DALVIN BROWN

PERSONAL TECHNOLOGY

Managing Slack Notifications

Messages can be easy to miss or overwhelming, unless you make changes in your settings

By DALVIN BROWN

IF YOU'RE AN OFFICE worker, you're probably no stranger to the following Slack message: "Sorry, I didn't see this until now."

The group-chat app owned by Salesforce Inc. has become vital for many during the hybrid-work era, allowing teams to stay connected whether they're working from home, commuting or logging on from the office.

Slack lets users initiate and reply to private chats with colleagues and groups within seconds. The communication hub organizes conversations that might otherwise be dispersed across in-person meetings, emails and text messages.

Unlike typical messaging apps—which notify users of each incoming missive on their phones and computers—Slack depends on a web of settings and rules to determine when and where you should see a notification. It's designed to guess when you're at your desk and when you're up and about, and cut down on potentially needless or redundant alerts.

But Slack's built-in smarts can also cause frustrations, and allow you to miss things that matter. The system might not notify you of an incoming message that it considers less urgent. Sometimes, you don't get an alert on a message because Slack thinks you already saw it.

"It is not perfect. We have bugs," Johnny Rodgers, a principal engineer at Slack, said on Twitter earlier in October. He worked on Slack's notification decision tree, a complicated workflow diagram that shows what types of messages qualify for notifications. "We could improve how these settings interact, and how those interactions are conveyed to the user," he tweeted.

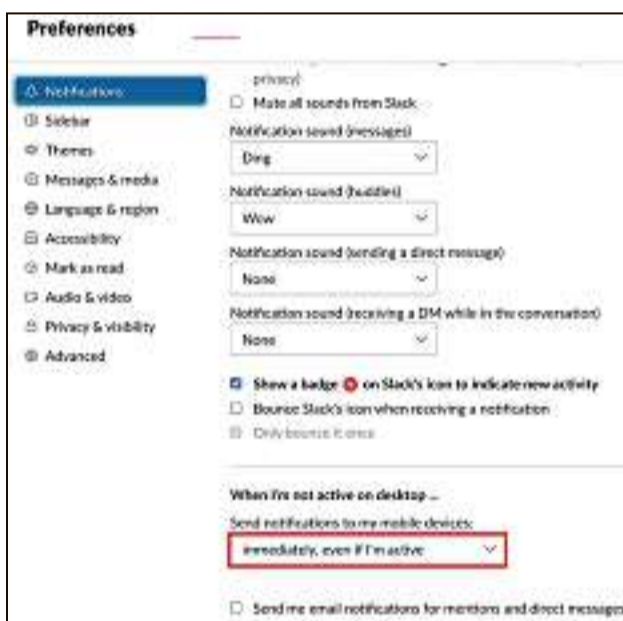
You can improve the situation by entering Slack's labyrinth of notification settings.

"Defaults are set up to be as good as we can make them," said Olivia Grace, Slack's senior director of product management. "But they're not for everyone."

Here's what drives Slack alerts, and which settings to change so you don't miss a message.

When you step away from your computer...

When accessing Slack on a computer, your conversations—direct messages and group chats—appear stacked on the left sidebar. When someone mentions you or messages you directly, the conversa-



◀ **If you use Slack on your desktop and smartphone, you can configure the computer app to send notifications to your phone.**

when you got up.

You can avoid overlooking messages by adjusting settings so you're notified on your mobile device as a fall-back. To turn this on, open Slack's desktop app, click your profile photo in the upper-right corner, click Preferences > Notifications then scroll down and look for "When I'm not active on desktop..." in bold. Make sure you select "immediately, even if I'm active." You can check a

box beneath this setting to have certain notifications sent to you via email as well.

Setting your status as "away" also triggers phone notifications.

When your device settings block notifications...

Once you tailor notifications on one device, you'll need to check your others. Settings don't always transfer over. For starters, make sure pop-up notifications are en-

MY RIDE | A.J. BAIME

Teen Racer Blazes A Trail in Her Chevy

Danika Fickler, 18, a freshman at Colorado State University, on her 1986 Chevrolet S-10 Blazer drag racer, as told to A.J. Baime.

Danika Fickler, 18, with her 1986 Chevrolet S-10 Blazer, which has an aftermarket gauge panel.



I DID A LOT OF growing up at Heartland Motorsports Park in Topeka, Kan. My parents honeymooned at this racetrack when they married in 1993. Both of them have been drag racing since before I was born. My mom was a class winner at Heartland in 2005, 2006 and 2007, and my dad won a National Hot Rod Association [NHRA] national event there in 2019. When I go to Heartland now, people come up to me all the time to tell me that they knew me when I was a baby.

I started racing quarter-midgets [a type of junior race car] when I was 8 or 9. Then, junior dragsters at age 12. People mistakenly think I was named after the famous racing driver Danica Patrick. I wasn't. But my middle name is Carrera; the word literally means a "race" in Spanish.

In 2021, Heartland launched a High School Points class for drag

racing. Other tracks around the country had a High School class, but this was the first at Heartland. My godmother, Beth Hyatt, who used to babysit me at Heartland when my parents would be racing years ago, had a 1986 Chevy S-10 Blazer that her husband, Tim, built out. It was a streetcar that got raced around the country, and they called it their "hotel car," meaning they would also use it to get from



the hotel to the racetrack and back. Tim Hyatt had passed away, and the Blazer was sitting in storage. So, my family bought it for me to compete two weeks before the first High School-class event. I won the first two events with the Blazer, and that is how the season began. Almost everything on the Blazer is aftermarket, except the body, brakes and fuel tank. It has a 355-cubic-inch Nickens Brothers Chevy V-8 racing engine.

In the High School class, you can build out the car how you want, but there are rules. You line up in the staging area, and whoever is in the lane next to you, that is who you are

racing. There are yellow lights that flash on, and when the third light comes on, you go, because in the time it takes you to react to that third yellow light, the green light will flash on. Then you're throttling. When you get to the finish line, if you see a green light in your lane flash on, that means you won.

The way the rules work, you have to "dial" in your car, meaning you have a time that you predict you are going to run the quarter mile. The person you are competing against also dials a time. So you do not both start at the same time. If I am dialed 13.0 seconds, and the car in the lane next to me is dialed 15.0 seconds, I

abled at the system level.

On a Mac, go to System Settings (known as System Preferences on MacOS Monterey and earlier versions) then click Notifications. Find Slack then turn on Allow Notifications. Also, keep your MacOS Do Not Disturb setting off, or add Slack as an allowed app in your Focus settings.

For Windows 11, go to Settings > System > Notifications. (In prior Windows versions, the setting was

The system is designed to guess when you're at your desk and when you're up and about.

Notifications and Actions.) Look for "Get notifications from apps and other senders," then find Slack.

If you've tried everything and are still having Slack-notification issues on a computer, you can also try different versions of the app. Slack says its direct-download version for Macs is different from the one in the App Store.

When you get too many notifications...

The longer you use Slack, the more channels you might join. You likely don't need to respond to all of them urgently—if at all—and don't want to be bombarded with unnecessary notifications. Look for the "Mute channel" option, which prevents activity in it from triggering notifications, by right-clicking the channel name.

If, on the other hand, there's a channel you want to prioritize, right-click its name or scroll to the bottom of the Notifications preferences to select and customize each channel. You can use this to set a different notification priority for your mobile devices. You can get all messages in a channel by checking the box "Get notified about all replies and show them in your Threads view." (If a channel has been bugging you, make sure that's not checked.)

You can set up chats so you receive a notification when a specific word is used—your name or project, for instance. Go to Preferences > Notifications > My keywords.

When you rely on Slack sound alerts...

Slack's now-famous "Knock Brush" sound notification is a surefire way to get your attention, but it can be misleading. By default, the app will play the noise only for incoming direct messages, mentions and keywords. If multiple notifications hit at the same time, it could sound like one alert. Slack's notification settings let you pair specific sounds to different types of notifications. For sound preferences, scroll down to Sound & appearance. Then, use the drop-down menus to choose sound pairings for each notification type.

Now that many people are back in an office, you may have your computer volume turned down or off. You hear the alerts only when your device isn't muted—unless your deskmates are also busy messaging away. Then you might end up with a symphony of Slack.

will start two seconds after him. This is a way of leveling the playing field between two cars of different speeds. You're either chasing or being chased. If you go quicker than your dialed time, you are disqualified. [If both cars run quicker than their dial in, the one that is closer to it is the winner.] So you want to beat the other person by the smallest margin possible. In order to do that, you are working both the gas and the brakes. The number of rounds in which you

race depends on the number of competitors at the event in your class.

Since I started college this fall, I have been back to Heartland to race three times. In September, I won an NHRA championship event in the Blazer. In the High School class at Heartland, locally, in 2022, it was me and three other guys, two from Kansas and one from Nebraska. We had our last race [in October]—my last in the High School class—and for the season, I finished second in points.

What is next? I will keep racing at Heartland. There is so much family history there. It's a place where I feel at home.

PERSONAL JOURNAL.

By ANNE TERGESEN

The math on when and how to retire is shifting for millions of workers with pension plans. Blame the steep rise in interest rates.

When workers retire with a pension, many are given a choice between receiving a monthly income for life or taking a lump-sum payment. Many pick the lump sum, and those payout amounts have generally increased in recent years. But now, as interest rates rise, lump-sum payouts are dropping by as much as 30%, financial advisers say, sparking a wave of early retirements.

Rising interest rates can be a boon for pension plans, since their bonds can earn more interest, making it less expensive to fund future benefits. Unfortunately for those nearing retirement, lump-sum payouts fall, because they are calculated based on what future benefits cost today. Monthly pension checks don't change with interest rates.

The situation has created a dilemma for employees: retire soon to lock in a lump sum, or remain on the job and risk reduced payouts if interest rates continue to rise.

"For a lot of people, it's one of the biggest financial decisions they will make, since usually the pension represents a good chunk of their money," said Larry Pershing, a financial adviser in Chicago.

According to a 2022 survey by the U.S. Bureau of Labor Statistics, 15% of private-sector workers have access to a pension plan. U.S. Census Bureau data shows that 16% of Americans age 65 and older receive income from a private-sector pension plan.

Workers in pension plans that update their lump sums annually may still be able to get 2021's higher lump sums, but only if they retire soon.

Ford Motor Co. recently told potential retirees they have until the end of November to notify the company if they want to retire by Dec. 1, the deadline to cash out pensions before higher interest rates reduce the plan's payouts.

At KFC, three top executives, including the U.S. chief operating officer, recently told parent company Yum Brands Inc. that they will leave at the end of November due to rising interest rates' impact on the pension plan.

Advisers say clients at a wide range of companies have grappled with this decision.

Retiring early to grab a higher lump sum may make sense for people who had planned to leave their jobs soon and are financially and emotionally prepared, advisers say.

But others may be better off remaining on the payroll to bolster

Should I take the lump sum or stick with pension payments?

The first step is to find out how much you'd receive with each option.

Most pension plans offer online calculators that provide data. Ask your plan's administrator or human resources department when your pension plan updates the interest

Then consider whether you'd be better off with the pension, which provides a retiree a monthly payment until death that's typically based on factors including tenure and salary. Retirees can elect to continue their pension over a spouse's lifetime too, a benefit that typically reduces the amount of the monthly income.

Which pays more over your lifetime?

Brian Tegtmeier, an adviser in Columbus, Ohio, recently performed an analysis for a 58-year-old client with the option to take a \$540,000 lump sum or a pension that pays \$2,150 a month.

Assuming the client or his spouse live to age 85, they'd need to earn an average of 2.4% a year on the lump sum to equal the cumulative income they'd receive from the pension, Mr. Tegtmeier said. If either lives to 95, the lump sum would have to earn closer to 4% a year to keep up with the pension, he said.

If the couple were to invest the money in an even split of stocks and bonds, Mr. Tegtmeier said they'd likely earn more than an average of 2.4% a year over time. "And if he's willing to take a little more risk by putting more in stocks, he might be able to grow the lump sum to exceed the pension by a significant amount," said Mr. Tegtmeier.

He said his clients may instead use some or all of their lump sum to purchase an annuity. At current interest rates, an immediate annuity would pay the couple about \$2,600 a month, versus \$2,150 for the pension. The gap between the annuity and monthly pension payment is likely to narrow once the client's pension plan updates the lump sums, and payouts decline.

Should I retire early to get a higher lump sum?

To get the \$540,000 lump sum before the payout falls, Mr. Tegtmeier's client would have to retire in the next few months, about a year sooner than he had planned.

If he were to work another year, he'd earn his \$70,000 salary. But his lump sum is likely to fall by as much as 20%, or \$108,000, and he would also see some of a \$30,000 early retirement incentive reduced based on the new interest rates.

"In his case, working another year financially doesn't make sense," said Mr. Tegtmeier, who said his client is in good financial shape to retire.

For others, the calculation is less clear-cut, depending on the impact on expenses and income. Retiring earlier may mean higher health-insurance premiums, or it could mean skipping out on coming bonus payments and 401(k) contributions.



The Math Is Changing On Pension Lump Sums

their finances, including 401(k) accounts that have lost ground this year.

Because the decision to retire requires financial planning and an analysis of priorities, "I wouldn't accelerate my retirement just for this situation," said Steve Vernon, a former pension actuary and president of Rest-of-Life Communications, which provides webinars and workshops on retirement planning.

"A lot of people see their lump sum and think, 'Wow, I'm rich,' but that's the extent of their thinking," said Mr. Vernon.

Here are some key questions to consider.

15%

Of private-sector workers have access to a pension plan

rates it uses to calculate lump sums and how the change will affect your projected payout. Also ask when you'd need to notify the company if you want to retire to secure a higher lump sum, said Lou Mazawey, a Washington-based principal at Groom Law Group, who advises companies on benefits.

Many retirees feel more secure having an income that doesn't fluctuate with the markets. Because pensions protect retirees from running out of money, they can make sense for those who expect to live long lives.

About 50% to 80% of workers choose the lump sum, depending on factors including the company and industry, according to consulting firm Willis Towers Watson. For some, the attraction is that it provides flexibility with a pot of money to leave to heirs or draw on in emergencies. Many retirees feel they are likely to earn a higher return by investing a lump sum than they'd get with a monthly income.

Designers Tout Sheer Bottoms

Continued from Page One from the avant-garde brands Maryam Nassir Zadeh and Eckhaus Latta, to more established houses including Chanel and Valentino, are suddenly churning out fully sheer pants and skirts. Crafted in lace and tulle, we're talking about completely transparent pieces that leave absolutely nothing to the imagination. Some more daring Hollywood celebrities

and sartorially impatient trendsetters have already started playing peekaboo with their bottoms. Selecting skivvies is newly critical.

"Everyone knows what butts look like, it's fine," said Sarah Hoover, 36, a New York writer who recently wore a pair of black lace Saint Laurent pants to an art opening...with a thong. "I wasn't going to meet the queen." (If she were, alternative bottoms might be advisable: Judging from

a recent windy photograph, the 75-year-old queen consort Camilla is one of the last women standing to still sport a slip.) Those same lace Saint Laurent trousers—which retail for \$2,390—are currently on sale at dozens of blue-chip department stores and e-commerce sites including Bergdorf Goodman, Saks Fifth Avenue, MatchesFashion and Neiman Marcus. The range of undergarments shown with the pants on their websites points to our collective confusion about how to wear the new trend. Some retailers pair it with full-coverage briefs; others with thongs, others with a mystifying, blurred no-underwear look.

Assuming one secures the

right undergarments (and possesses admirable self-confidence), the look can be beguiling. "Just because something is transparent or sheer doesn't mean that it has to be slutty or trashy," said New York designer LaQuan Smith, who included billowing, sheer royal-blue trousers in his spring collection that were partly inspired by the caftans he saw on a recent trip to Morocco. Mr. Smith, whose sheer catsuits, such as a \$695 leopard-printed one worn by Rihanna in 2019, are bestsellers for his eponymous brand, has seen the tides turn transparency-wise since he started his line in 2010. "I remember when I would have meetings with editors and buyers and

post to her 8.4 million followers, "It isn't the first time and certainly won't be the last time a woman will hear what's wrong with her body by a crowd of strangers, what's worrying is just how vulgar some of you men can be." Ms. Pugh has since doubled down on the sheer look, crossing the lower frontier with the sheer-bottomed black Rodarte gown she wore to an Academy of Motion Picture Arts and Sciences reception in October.

Ms. Pugh didn't respond to requests for comment.

When communications consultant Lara Carter, 32, decided to wear her tulle Simone Rocha dress without its coordinating slip for the first time, to a London Fashion Week



Fashion houses have shown transparent skirts and pants on runways.

everyone was just so disturbed at how provocative my clothing was, saying how I needed to add linings and length," he said.

As the sheer look becomes more widespread, it may start to lose its shock value. It has already started to trickle down to fast-fashion purveyors, with several sheer pants for sale on Fashion Nova and Zara, and a pair of translucent blue pants for \$11.50 on e-commerce site Shein.

When Florence Pugh, the star of this fall's publicity-magnet blockbuster "Don't Worry Darling," wore a pink Valentino gown with a sheer top to the brand's couture show in July, she clapped back to online trolls who criticized her. She wrote in an Instagram

show in September, she paired it with a bra and what she called granny panties. But even so, it was a remarkable enough look to draw compliments and paparazzi shots, such as one taken by street-style photographer Tommy Ton of Ms. Carter with her toddler. She found wearing the look "empowering."

Both Ms. Carter and Ms. Hoover had to deflect naysayers in their sheer outfits. While Ms. Hoover felt "completely comfortable" and received compliments from other women, she reported that, "Every single man loved to make a joke out of it, as they do....Middle-aged white dudes loved to be like, 'Where's the rest of your pants?'"

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ARTS IN REVIEW

MUSIC REVIEW | MARK RICHARDSON

Pop Melodies at the Musée

Recorded in the Louvre, the French indie band Phoenix's catchy, energetic new album is its best effort in over a decade

French indie-pop band Phoenix is a case study in consistency. The group formed in Versailles in 1997 and by the time of its 2000 debut album, "United," Phoenix's defining formula was already in place, as the band skillfully mixed the hooks of power pop, the romanticism of new wave, and the smooth exteriors of soft rock. Singer Thomas Mars had a sweet voice and an ear for how to phrase a melody, bassist Deck d'Arcy knew how to craft memorable lines that served the rhythm and lodged in your brain, and guitar-playing brothers Christian Mazalai and Laurent Brancowitz were models of taste and restraint.

In the early part of the 2000s, Phoenix was often mentioned alongside the garage-rock revival that was all the rage in indie rock—think the Strokes and the Hives. While that made a certain amount of sense in terms of musical structure, Phoenix at its heart has always been a pop project

The band likes to toy with concepts that highlight the members' European identity.

first. Rather than capturing the grungy sound of urban dive bars, it called back to the gleaming machine-like perfectionism of groups like the Cars that blurred lines between pop and rock. Each successive record was a little better than the last one, and with 2009's "Wolfgang Amadeus Phoenix," the French quartet had a bona fide classic on its hands. Two records in the 2010s were less notable but still strong, and the band returns this week with its seventh album, "Alpha Zulu" (Loyauté/Glassnote), out Friday, its best full-length offering since "Wolfgang."

Here we have to mention consistency again—while "Alpha Zulu" is definitely better than 2013's "Bankrupt!" and 2017's "Ti Amo," the difference in quality and style is still subtle. Occasionally, the two most recent records could get a little sleepy, as Phoenix leaned into the atmospheric balladry that also comes easily to the group. Here, from the start, there is a bit more pep and energy. Mr. D'Arcy comes up with the first of many mesmerizing bass parts on the record on the opening title track, and Mr. Mars plays around with vocal processing and phrasing, punctuating the song with a surprising "Who, ha!" as he moves into a massive chorus. The catchiness quotient is even higher on the following number, "Tonight," a duet with Ezra Koenig of kindred spirits Vampire



'Alpha Zulu,' the new record from Phoenix, sees the group, which was founded in Versailles in 1997, continuing its proven sonic formula.

Weekend. Its gliding structure, with glimmering keyboards and another elastic bassline, is breezy and supremely confident, and serves as a reminder of just how long Phoenix has been making effortlessly indelible pop songs.

Phoenix likes to toy with concepts that highlight the members' European identity—one of the big hits from "Wolfgang" was "Lisztomania," a reference to a Ken Russell biopic about the Hungarian composer, while "Ti Amo" was built around a loose theme about Italy. "Alpha Zulu" was recorded in a wing of the Louvre, and here and there Phoenix sprinkles in tidbits about artistic representation and creative expression. On the new album's percolating

and danceable "Season 2," Mr. Mars frames new love in terms of binge-watching—"I'll be the number you adore, sure / But hold the thought before you ask what's new in Season 2." And on the chiming electro-

pop number that follows, "Artefact," he takes in images of beauty around him and ponders what's real inside of him—"I'm looking for an artefact / A piece of me that's still intact, yeah."

While there are quite a few memorable lines and fragments, Phoenix's music is about the tunes more than the lyric sheet, and it's often hard to extract much meaning from the words alone—"Your feet are hurting less with moccasins" from "Tonight" is a typically intriguing but cryptic aside. The lovely "Winter Solstice" is a slow and dreamy song that brings to mind the pure atmosphere of Air, another band from Versailles that Phoenix befriended early in its career. "After Midnight" is a nervy new wave cut with a perfectly placed synthesizer on the chorus that gives it a grin-inducing emotional boost. And late in the record "My Elixir" is a charming organ-led

shuffle with an appealingly dinky drumbeat that finds Mr. Mars singing with an extra twist of yearning.

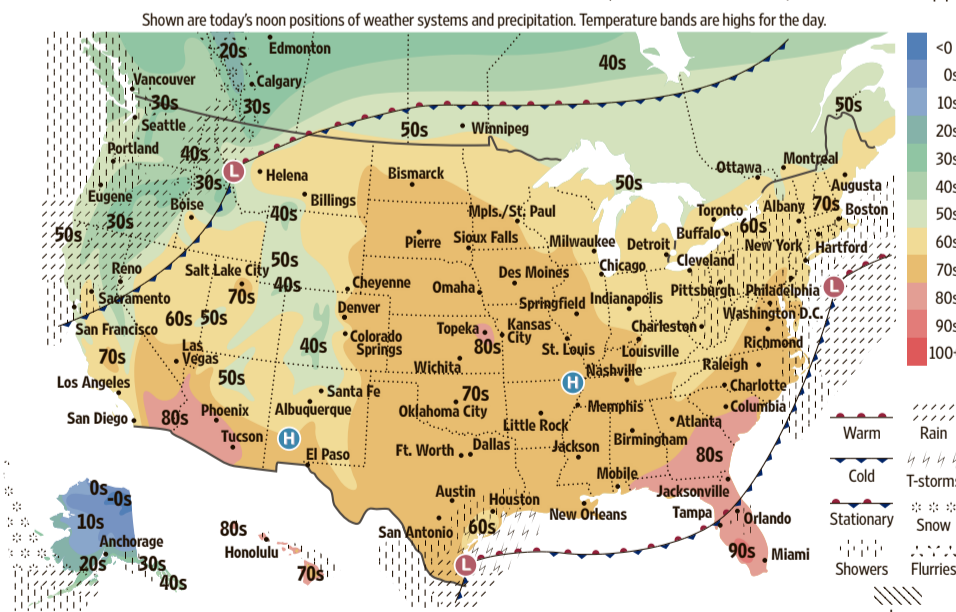
By the time of the closing "Identical"—the record's most dynamic track, with a gradual build that goes from hushed tension to glorious release—Phoenix has made a convincing case for sticking with what it does best. It's reasonable to wonder if the French quartet will ever experiment with its core sound and try something new—one time peers the Strokes, for example, eventually branched out into dark electronica and rumbling funk. But the latter outfit has also made several bad records. With a lengthy run of strong LPs that now includes "Alpha Zulu," the steady and surefooted Phoenix continues to soar.

Mr. Richardson is the Journal's rock and pop music critic. Follow him on Twitter @MarkRichardson.



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s_sunny; pc...partly cloudy; c_cloudy; sh_showers; t_tstorms; r_rain; sf_snow flurries; sn_snow; l_lce

Table with 3 columns: City, Today (Hi, Lo, W), Tomorrow (Hi, Lo, W). Lists major cities and their weather forecasts.

International

Table with 3 columns: City, Today (Hi, Lo, W), Tomorrow (Hi, Lo, W). Lists international cities and their weather forecasts.

Table with 3 columns: City, Today (Hi, Lo, W), Tomorrow (Hi, Lo, W). Lists international cities and their weather forecasts.

The WSJ Daily Crossword | Edited by Mike Shenk

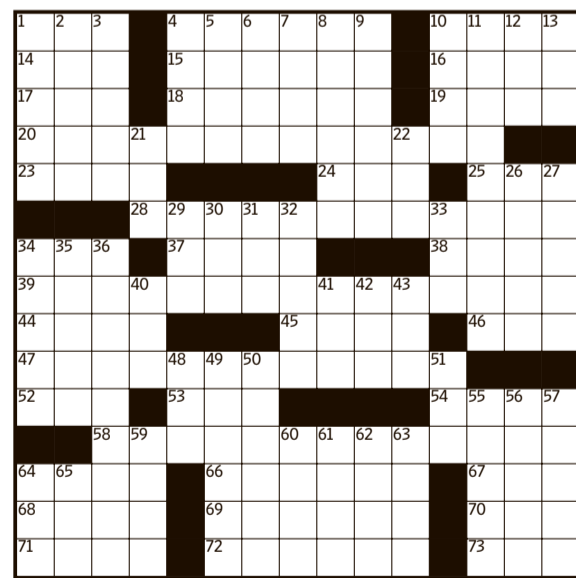
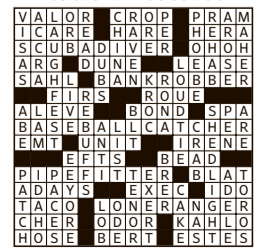


CHART A COURSE | By Gary Cee

- Across: 1 Little rascal, 4 Coordinated, as a Zoom meeting, 10 Approve, 14 ___ number on, 15 Total, 16 Remove the rind from, 17 French friend, 18 Continue to the next chapter, say, 19 Relief for the needy, 20 Kentucky Colonel, e.g., 23 Part of an initiation, perhaps, 24 Lyricist Gershwin, 25 Place for a mud facial, 28 Sense of right and wrong, 34 Org. that accepts returns, 37 Bananas, 38 "Sorry to say...", 39 Room temperature is about 70° on it, 44 Reed in a symphony orchestra, 45 PBS flagship with studios in Manhattan, 46 Private Twitter exchanges, briefly, 47 Big name in one's own time, 52 JFK's predecessor, 53 Phone bill add-on, 54 Side dish sometimes served candied, 58 Wildly diverse, and where you'll find the ends of 20-, 28-, 39- and 47-Across, 64 Fuzzy fruit, 66 Hit the sack, 67 Compadre, 68 Dutch town known for its cheese, 69 Cheddar shredder, 70 Miss the mark, 71 "Rock the baby" toy.

- 72 Writing assignments, 73 Sour ingredient, perhaps, Down: 1 State with a panhandle, 2 Jason who plays Aquaman, 3 Colorful coat, 4 München Mister, 5 Top draft status, 6 Arcturus, Altair or Antares, 7 Clean and orderly, 8 Spicy, 9 Actor in many Scorsese films, 10 Iridescent birthstone, 11 Iron-rich side, 12 Corporate subdivision, 13 Thumbs-up response, 21 Unit denoted by an omega, 22 Scot's bonnet, 26 Sacred song, 27 Biblical beasts, 29 Bullring "Bravo!", 30 Friend of Harry and Hermione, 31 German exclamation, 32 "Camelot" composer Frederick, 33 MoveOn, e.g., 34 "Too rich for me", 35 Fanatical, 36 Push to the side, 40 Camping gear chain, 41 Gerund finish, 42 Peg for a round, 43 B&O stop, 48 Org. with Eagles and Falcons, 49 Friend of Jerry and Elaine, 50 Bottle openers, essentially, 51 Colorist's color like H's, 55 Fall foliage shade, 56 Say 65-Down, 57 Future fern or fungus, 59 Ride to a gala, 60 Letters that look like H's, 61 Singer Ora, 62 Deuce beater, 63 Embroidered pronoun on some towels, 64 Exceptionally important, 65 See 56-Down.

Previous Puzzle's Solution



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

SPORTS

JASON GAY

Philadelphia Is Now a Sports Paradise

An undefeated Eagles team, the Phillies and the MLS Union—the City of Brotherly Love is chasing a haul of hardware



All right I'm not embarrassed to admit it: I did not expect the Philadelphia Eagles to be 7-0 right now. Did you?

I did not expect the Philadelphia Phillies to be in the World Series, either. In fairness: I don't think the Phillies expected to be in the World Series, either. At least not in early June.

But I do know that Philadelphia feels like the place to be in sports at the moment. It's certainly not those deadbeats in New York, or Boston, or Los Angeles. Not even Tuscaloosa can make a claim.

I haven't even gotten to the fact that the Philadelphia Flyers are 5-2-1, tied for a respectable second in the NHL's Metropolitan Division. Or the fact that the Philadelphia Union are headed to the Major League Soccer Cup final for the first time after Sunday's thumping of New York City FC. They'll face LAFC Nov. 5.

(If you're asking me if, for the sake of this column, I'm airbrushing over the wobbly 3-4 start (heading into Monday's play) of Doc Rivers and the championship-dreamy NBA Sixers—yes, *whoosh whoosh*, that's me blasting the airbrush.)

I have all the evidence I need. You know how journalists are—we just need three flimsy examples to prove our thesis. If I see a trio of people walk onto an airplane in Spider-Man pajamas, then it's official: *Everyone's wearing Spider-Man pajamas onto airplanes.*

Likewise, Philadelphia's the sports capital of the universe. I printed it, so it must be true. It's time for doozy columnists to start spelling everything with PH's for F's—*phantastic, phun, phabulous, phaitthful.*

The Eagles are rolling. They're rolling so much that the NFL cognoscenti have accepted their rollingness and pushed onto other stories—Geno Smith and the reborn Seattle Seahawks; Christian McCaffrey's craftiness with the San Francisco 49ers; Tom Brady's dour body language on the Tampa Bay sideline. Philly's curt 35-13 dismissal of Pittsburgh Sunday barely made a ripple.

It isn't a shocker the Eagles are good. After an upbeat finish to last year's regular season, there was plenty of optimism about the bird-based football concern, but I was snobby about it. Second-year coach, second-round quarterback, a 2021 wild-card round wipeout to the Buccaneers....I had my hesita-



Clockwise from top: the Eagles' A.J. Brown and Jalen Hurts; the Union advanced to the MLS Cup final; the Phillies in the World Series.

Goosing this confidence are those Phillies, who have sprinkled magic dust on their city and the baseball playoffs. Despite a hearty payroll, Philadelphia stumbled out of the gate, and by June they replaced manager Joe Girardi with decaffeinated interim Rob Thomson. They wiggled into the playoffs as the third team from the NL East behind the Braves and the Mets, and in October, they've been more or less invin-

cible—bouncing the favored Cardinals and Braves before sinking the Padres in the NLCS to bring on a fall classic with the powerhouse Houston Astros.

The Phillies stole Game 1 with a furious—I mean *phurious*—comeback in Houston that underlined the Team of Destiny vibes. Entering a three-game run in the Phillies' home park, the series is tied 1-1 heading into Monday's play, and the outcome is anyone's guess. Houston has all the tools necessary to prevail, but do you really want to bet against Philadelphia right now? I don't.

And I'm not even wearing Spider-Man pajamas.

tions. Plus the Eagles play in the NFC East, until very recently, the discount salvage supply store of professional football.

Wow, was I wrong. The Iggles have surpassed even the most hopeful early predictions. Philadelphia possesses one of the league's sturdiest defenses—and head coach Nick Sirianni has built an offense that plays to the multiple strengths of quarterback Jalen Hurts. Hurts (the former Alabama QB who transferred to Oklahoma) has done what he's so often done as a quarterback: ignored doubts of idiots like me, and kept on lead-

ing, and winning. And not, you know, losing, at all.

I'm not saying the 1972 Dolphins should put away their champagne flutes!—but these unblemished Eagles are very much for real. Oddly their greatest competition might come from their suddenly ascendant division, where the Cowboys and Giants are both 6-2 and even Dan Snyder's Washington Sadness Machine is hanging around at 4-4.

NFC Least?

Not anymore. I'm a little sad about it, to be honest. That division was reliable comedy.

As for the Super Bowl—we're not even halfway through the 17-game NFL season, let's not book our laps on Scottsdale golf courses just yet. But if the threat doesn't come from the Cowboys or Giants, who's beating the Eagles in the NFC? Do you feel confident in the Minnesota Vikings? Still-.500 San Francisco? *Brady?*

The script has been flipped. Philadelphia's not the underdog town, parrying their own low expectations and tired cheap shots about Santa Claus and snowballs. It's very possible the road to the Lombardi will have to go through the Eagles' noisy nest. In January. You want a piece of that crowd?

Brady, Rodgers Highlight NFL's Scoring Decline

By ANDREW BEATON

WHEN NFL OWNERS and executives huddled last month, one of the items on the agenda was exploring the roots of a potentially troubling trend. Scoring this season is down, and they couldn't come up with a sound reason for why that is.

"Every statistical look that we've made, I'm not sure that we've found a good answer," said Atlanta Falcons president Rich McKay, who chairs the league's competition committee.

But there's one potential explanation that doesn't have to do with rule changes, officiating or X's and O's. The scoring decline happens to neatly align with down years from two all-time great quarterbacks, Tom Brady and Aaron Rodgers.

The struggles of Brady in Tampa Bay and Rodgers in Green Bay have been defining themes of this season.

The Buccaneers fell to 3-5 with a loss to the Baltimore Ravens on Thursday night. The Packers are also now 3-5 after their 27-17 defeat on Sunday night to the Buffalo Bills. It's entirely possible that both teams, which entered the year as Super Bowl favorites, miss the playoffs entirely.

Their downturns also happen to account for the bulk of the NFL's

scoring dip.

NFL teams in 2022 are averaging 21.9 points per game entering Monday—down from 23 a year ago. But if the Packers and Bucs were putting up points at the same rate they were last year? Then the average would be 22.6. In other words, the slides of Brady, Rodgers and their respective teams account for most of the league's scoring decline.

When scoring reached historic levels in recent years—2020 was the all-time high—it wasn't a coincidence. Several factors, such as the way rules favor offenses more than ever, coalesced to create a new paradigm. One of those was the absurd wealth of talent at the position that dictates scoring more than any other: quarterback.

While a new generation of superstar quarterbacks like the Kansas City Chiefs' Patrick Mahomes and the Bills' Josh Allen arrived, the older ones hung on and played better than anyone could have imagined.

Brady, now 45 years old, became the oldest quarterback to win a Super Bowl two years ago and last season led the league in passing. The 38-year-old Rodgers is coming off back-to-back MVP awards. Together, by thriving at points in their careers when most players are scouting retirement homes, they vaporized traditional



Tom Brady and the Buccaneers are on a three-game losing streak.

notions of aging curves in professional football.

Now, 2022 has turned a new page and offered a different story. Dragged down by weaker supporting casts, Brady and Rodgers have fallen short of the lofty standards they set for so long. And in turn, they're dragging down the league-wide scoring average.

The Buccaneers' Brady-led offense is now averaging 18.3 points per game, which ranks 25th in the league. That's a jarring drop from a year ago, when Tampa Bay was second in the NFL with 30.1 points a game. Between the two seasons, it's a difference of nearly two touchdowns a game.

"We've got to get better," coach

Todd Bowles said. "We're still in a dark place right now. We can only grind and get better at it."

The Packers' decline has also been sizable, if not as dramatic. They're down from 26.5 points per game to 18.1, 26th in the league. Green Bay, on Sunday night against Buffalo, had opportunities to capitalize after Bills turnovers but ultimately finished with their fourth consecutive defeat.

To be sure, other teams have gone up and down. Blaming two of the biggest decliners for a league-wide trend isn't exactly the type of statistical rigor that finds its way into academic journals. But it also demonstrates a broader point about the state of the league: scor-

ing trends will reflect the quality of the quarterbacks, and as Brady and Rodgers seem to enter the sunsets of their careers, the NFL starts losing two of the best quarterbacks ever.

It also doesn't help that another potential Hall of Famer, Russell Wilson, has struggled in his first season with the Denver Broncos, who have one of the NFL's worst offenses.

The other side of the spectrum is that the last couple drafts haven't yet produced the caliber of superstar quarterbacks to replace their waning production. From 2017 to 2020, teams found a number of passers—such as Mahomes, Allen, the Baltimore Ravens' Lamar Jackson and Cincinnati Bengals' Joe Burrow—who light up scoreboards. The last two drafts, though, haven't yielded those types of hits.

Trevor Lawrence, the No. 1 pick a year ago, was hyped as a generational prospect but he hasn't yet made good on that potential for the Jacksonville Jaguars. Zach Wilson, who the New York Jets selected a pick later, still has big question marks around him—just like the other quarterbacks taken in the first round that year. Then in this year's draft, a quarterback didn't go off the board until pick No. 20, when the Pittsburgh Steelers took Kenny Pickett. He has more interceptions than touchdowns so far this season.

As for Brady and Rodgers, they still have more than half the season to turn their respective seasons around. If they do, scoring around the league might just start to feel normal again.

OPINION

REVIEW & OUTLOOK

Racial Discrimination Forever?

The Supreme Court Justices exhibited supreme patience Monday in hearing nearly four hours of argument in a pair of major cases involving race and college admissions. But the argument was worth the time, because it exposed some unhappy truths about those who believe in the necessity of discriminating by race.

Harvard's lawyer can't say when racial bias in admissions will end.

The Justices are considering challenges to the admission practices of Harvard and the University of North Carolina, in particular that they discriminate illegally against Asian-Americans in favor of other races. (*Students for Fair Admissions v. Harvard*, and *SFFA v. UNC*.)

This means revisiting *Grutter v. Bollinger* (2003), which said schools could use race as one factor in admissions in the name of achieving diversity. Justice Sandra Day O'Connor also famously wrote in *Grutter* that the use of race to achieve diversity probably wouldn't be needed in 25 years.

That was 19 years ago, and on Monday several Justices pressed the question about when racial preferences would end. Seth Waxman, Harvard's advocate, admitted that the school is trying hard to get to a race-neutral future but sees no end in sight for preferences.

Elizabeth Prelogar, the U.S. Solicitor General and an impressive advocate, said explicitly that "I just don't think it's tenable to read" *Grutter* to say the Court had suggested a timetable. She said using race the way the schools do could continue as long as their interest in diversity is "compelling."

The clear implication is that the schools can discriminate by race for years to come. And anyone who knows anything about the men and women who run today's universities, and how they believe racism is "systemic" in American life, knows that the schools will never stop using preferences.

If you believe America is fundamentally racist, then you believe that discriminating by race will be justified forever. Justice Sonia Sotomayor came close to saying this explicitly because she said "de jure segregation" continues in the U.S. Her evidence is that segregation con-

tinues in neighborhoods and schools. By her logic, discrimination will be justified as long as any segregation exists, no matter the cause.

Mr. Waxman tried to justify Harvard's use of race by saying it is merely one of many "tips" that the school uses in making judgments about whom to admit—like whether a student is the child of an alumnus, or an athlete.

Doesn't that mean race will be determinative in some cases, Chief Justice Roberts asked. "I do concede that," Mr. Waxman said. The Chief replied, "so we're talking about race as a determining factor in admission to Harvard." Mr. Waxman said yes "just as being, you know, an oboe player in a year" when the school orchestra needs an oboe player "will be the tip."

The Chief then uttered lines likely to be remembered: "We did not fight a Civil War about oboe players. We did fight a Civil War to eliminate racial discrimination."

It also became clear during the four hours that "diversity" is an all purpose word intended to skirt the "strict scrutiny" that courts must use when assessing racial preferences. Diversity seems to be whatever the schools say it is for their purposes, and in many cases it is a subterfuge for race. If the diversity standard is allowed to continue to justify discrimination, as a practical matter the lower courts will be obliged to defer to colleges nearly all the time. This will essentially put schools beyond the reach of judicial review on race in admissions.

Oral arguments aren't perfect clues to how the Court will decide cases, but the skepticism toward racial preferences by a majority of the Justices was clear. Their doubts are well placed. Discrimination by race is uniquely pernicious, as American history shows.

The Supreme Court was wrong in *Grutter* in 2003 and *Bakke* in 1978 to tolerate discrimination by race, but at least it suggested some time limit. Harvard and UNC would like a blank check to discriminate by race as long as they want. The Court would do a service to the country, and America's principle of equality under the law, by telling them their time is up.

Climate Doomsday Is Nigh—Again

Human beings, the wretches, continue to disappoint the savants at the United Nations, and never more than on climate change. The global body announced last week that despite all of the world's climate sacrifices and trillions of dollars in renewable spending, we're all still doomed unless mankind makes radical changes in lifestyles and standards of living.

The 2015 Paris climate agreement required countries to commit to reducing their emissions to keep the world from warming more than 1.5 degrees Celsius above pre-industrial levels. It's already warmed about 1.1 degrees. Not that the alms offered up by President Biden and European leaders will do much good.

According to the U.N. report, all climate policies currently in place will result in warming of 2.8 degrees. Most countries haven't implemented policies to meet their emissions targets. But even if they did, temperatures would still rise by 2.6 degrees. And if Western countries meet their "net-zero" goals? The world would warm 1.8 degrees.

Ponder that. Even if Europe and the U.S. banish fossil fuels from the electric grid, ban gas-powered vehicles, and find a way to capture CO₂ from factories, the world still wouldn't avoid the U.N.'s climate doomsday. One reason is that China, which emits two-thirds more CO₂ than Europe and the U.S. combined, has only committed to peaking its emissions by 2030.

Thus, the U.N. report says drastic changes in human behavior are needed. To take one example, about a third of emissions come from

the global food system. According to the report, about seven gigatons in CO₂ reductions—roughly equal to those from today's global natural gas production—by 2050 will need to come from people eating less meat.

The U.N. report suggests taxing foods based on their carbon emissions so that meat becomes so expensive people have no choice but to go vegan. Don't discount the possibility that the U.S. and European climate left will eventually embrace this idea. Prime Minister Jacinda Ardern recently announced that New Zealand farmers will soon pay a tax on their methane-emitting sheep and cow burps.

But even government-compelled diets won't make a difference if China keeps building coal plants. This is one reason the \$3.8 trillion of renewable investment over the last decade has resulted in fossil fuels declining only to 81% from 82% in energy consumption. The U.N. now says more than \$4 trillion must be spent annually to meet the Paris climate goals. Nice of them to be so free with other people's money.

The climate lobby has spent more than 30 years preaching apocalypse to goad countries to purge fossil fuels. Most Western elites have joined the lobby. But publics around the world simply aren't willing to make the sacrifices in standards of living that extreme climate advocates insist on.

Our sincere advice would be to drop the doomsday act, which people don't believe, and focus instead on policies to adapt to a warmer planet and mitigate any damage if the worst happens. It beats standing in the public square with a sign saying "the end is near."

Targeting Campaign Donors in Arizona

Democrats have failed to pass restrictions on political speech in Congress, so they're taking the fight to state ballots. The latest salvo is a little-noticed measure in Arizona that would require disclosure of the "original source of monies used for campaign media spending."

The Voters' Right to Know Act, or Proposition 211, would require organizations that address political issues during an election season to disclose the identity of all donors who give more than \$5,000, "regardless of whether the monies passed through one or more intermediaries." The ballot language avers that the people of Arizona "affirm their desire" to stop "dark money."

Most Arizona voters have heard little about the measure, since local opponents haven't put up much of a fight. Ballot measures about transparency in elections tend to do well with voters who haven't focused on the issue before they get to the voting booth.

Transparency and sunshine are happy words, but in reality disclosure laws have become a weapon used by the left to intimidate conservatives from engaging in politics. Groups trawl records for names and then organize social-media campaigns to harass and discourage donors. Americans looking to participate in campaigns can, and often do, see their names dragged through the mud. Many donors decline to engage, and political speech is chilled before it even happens.

Proposition 211 says donors to any group that "promotes, supports, attacks or opposes" a candidate within six months or an election or any public communication that refers to a candidate within 90 days of a primary would have their identities publicly disclosed. That would easily include any grassroots groups that advocate on single issues if they so much as mention the name of a candidate up for election.

The measure would also cover money spent on "research, design, production, polling, data analytics, mailing or social media list acquisition or any other activity conducted in preparation for or in conjunction with [other political communications]." That's our emphasis, and wow. "Any other activity" could mean, well, anything. "People who give \$5,000 can take care of themselves," former Arizona Attorney General Terry Goddard told Tucson.com. "I'm sorry, that's just the way it is."

We haven't found the part of the First Amendment that says it doesn't apply to people with more than \$5,000 to spend on politics. If the measure passes, it will run into a thicket of lawsuits challenging its constitutionality as well as how it conflicts with Arizona's state constitution. Arizona's federal lawsuits go up to the liberal Ninth Circuit Court of Appeals, but the Supreme Court ruled last year in *AFP v. Bonta* that "the deterrent effect" of disclosure rules is "real and pervasive."

It sure is. Arizona voters can do a public service by nixing this at the ballot box.

LETTERS TO THE EDITOR

'Believe in Our Capacity for Self-Government'

As someone who served President Ronald Reagan as White House chief of staff and Treasury secretary, and who led five campaigns for three Republican presidents, I can say unequivocally that Rep. Dan Crenshaw is spot-on about the future of the Republican Party and our nation ("A Time for Choosing for Republicans," op-ed, Oct. 28).

Astutely echoing Reagan's famous speech at the 1964 GOP convention, Mr. Crenshaw wrote with clarity that the choice this Election Day is a simple one: "Will we sell our votes to politicians promising us prosperity if only we give them more of our money? Will we choose to be free—acknowledging the risks and challenges that inevitably accompany freedom—or will we choose to be dependent? Will we, as Reagan said, 'believe in our capacity for self-government, or abandon the American Revolution and confess that a little intellectual elite in a far-distant capital can plan our lives for us better than we can plan them ourselves?'"

For conservative Republicans like me, answering that question properly will determine whether we continue

to build that shining city on the hill of Reagan's dreams. The Gipper gave Americans a vision that touched our hearts and minds, and he avoided the bellicosity that too often passes as political rhetoric today. The secret to his success was that he was inspirational, not angry.

As Election Day approaches, Republicans should listen to the wise words that helped Reagan win two terms in the White House and nurture a generation of conservatives. We should ignore the incessant bitterness that comes from what Mr. Crenshaw refers to as "opportunists . . . quick to label anyone and everyone a 'RINO' or 'establishment sell-out.'" And above all, we should fall in line with Reagan's 11th commandment: "Thou shalt not speak ill of any fellow Republican."

Mr. Crenshaw understands, as Reagan did, that America was born from the majestic vision of individual freedom and self-reliance. We risk losing both of those high values if Republicans cannot remain united in defense of them.

JAMES A. BAKER III
Houston

Who Will Answer the Call of Duty Tomorrow?

In their pitch to prospective service members ("Uncle Sam Wants You for a Military Job That Matters," op-ed, Oct. 25), Christine Wormuth, Frank Kendall and Carlos Del Toro, secretaries of the Army, Air Force and Navy, overlook a critical cause of the recruiting crisis. The applicant pool is a generation that has been raised to, at best, question America's worth, and at worst, deplore its existence. It isn't surprising that these young Americans are increasingly uninterested in wearing the uniform. No number of diversity, equity and inclusion trainings will restore this missing national pride.

Fortunately, America still produces men and women willing and able to serve. This was evident last year in Kabul, where young Marines stared down evil and death, offering hope and life. And it was true 10 years ago in Kandahar of the soldiers who saved my life after an IED blast took my legs. But if American society and culture continues to teach our sons and daughters that this country isn't worth defending, then I fear the next generation of capable Americans may not care to answer the call of duty.

CAPT. JASON CHURCH, USA (RET.)
Chairman, Veterans On Duty
Milwaukee

The civilian secretaries' plea for recruitment reminded me of a line from the film "Broadcast News" (1987): "Wouldn't this be a great world if insecurity and desperation made us more attractive?"

KRISTIN MOOREFIELD SIMPERS
Alexandria, Va.

A countrywide process of recruitment to reach talented individuals is needed at the high-school level, led by those who have already served. I was one of those students, and after aimlessly flunking out of junior college, I wandered into the local recruiter's office to ask, "Would it be possible to fly jets in the Navy?" I was informed that no jet pilots were currently needed, but "we can turn you into a nuclear star." Following three years of training, I ran the nuclear reactor in a successful espionage submarine in the Pacific. After leaving the Navy, my grade-point average rocketed up and took me to the UCLA School of Medicine.

Service in the military can be transformational to so many young minds. Military leaders need to bring this message to the languishing bright students across the country.

ROGER C. DUNHAM, M.D.
Santa Barbara, Calif.

Human Imperfection Is No Strike Against God

Reviewing Telmo Pievani's book "Imperfection" (Oct. 26), David Barash agrees that human beings are "marvels of unintelligent design," adding that we are "shot through with deficiencies that wouldn't earn even a passing grade for a novice bio-

engineer, never mind an omniscient, omnipotent deity." Of course, intelligent-design theory doesn't need to claim perfection in nature or in man to find evidence of a creator who comprises all perfections, and whose perfections we see only dimly reflected in his creation.

On the contrary, as novelist Robert Penn Warren put it beautifully, "it would have been a thing of trifling and contemptible ease for Perfection to create mere perfection. To do so would, to speak truth, be not creation but extension." In creating the world, God extended the astounding gift of existence to something other than himself, which, necessarily, means to something less than perfect.

TUCKER LANDY
Frankfort, Ky.

Should a 'Green Card' Be Enough to Vote in America?

In "Citizenship Is Essential to Voting" (op-ed, Oct. 27), Prof. Bradley Smith doesn't address the compelling reason noncitizens should vote: government accountability. Virtually all noncitizens are permanent residents (holders of "green cards") and pay U.S. taxes on their worldwide income like the rest of us. Recall that a central, founding principle of this nation was "no taxation without representation." Allowing all taxpayers to vote would advance principles of democracy and government accountability.

MICHAEL C. ALCAMO
New York

Americans welcome immigrants and hope they will choose to become citizens. But to let them vote before that is a slap in the face to me and others who passed the test and did all the right things to earn the privileges of citizenship.

IRENE HOLLAND
Mount Pleasant, S.C.

Politics of Loan Forgiveness

Reading your editorial "The Legal Fight Over Student Loans" (Oct. 24), one has to ask whether President Biden even cares whether he wins in court. He has already gotten out of it a political bump in advance of the midterms. There is little or nothing further to gain at this point. A smart strategist might even ask whether it is better to leave student loans as a campaign issue for 2024 and not risk a broader court ruling that could limit executive-branch overreach.

HENRY BARRON
Denver, N.C.

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Pepper ... And Salt

THE WALL STREET JOURNAL



"I understand not being able to find a matching sock but where's my other pant leg?"

WORLD NEWS

China's Factory Output Fell in October

Contraction illustrates the impact of Beijing's strict Covid-19 policies, weaker global demand

By Stella Yifan Xie

HONG KONG—China's factory activity contracted in October after a short-lived improvement, a fresh sign of the toll from the country's stringent Covid policies and of fading global demand for Chinese-made goods.

The official purchasing managers index for manufacturing fell to 49.2 from 50.1 in September, the National Bureau of Statistics said Monday. The result fell short of the 49.7 median forecast of economists polled by The Wall Street Journal, underscoring the vulnerability of China's economy to its pandemic-control policies. A reading below 50 indicates contraction in activities.

The official nonmanufacturing PMI, which includes ser-

vices and construction, also slipped into contraction, falling to 48.7 from 50.6 in September. The October gauge for services alone fell to 47 from 48.9. That was its lowest level since April, when a monthslong lockdown hit China's commercial capital and manufacturing hub of Shanghai.

After exiting the lockdown in June, the city and all 30 of the other provincial-level regions have had sporadic, low-level outbreaks. The repeated recurrence of the virus has done little to undermine Chinese leader Xi Jinping's determination to stick with the zero-Covid strategy, which involves mass testing, quarantines and sweeping lockdowns to crush outbreaks as soon as they happen.

On Monday, Shanghai Disney Resort, including the theme park and shopping areas, were closed again under the city's Covid restrictions, the company said. Shanghai Disneyland was shut for months under the earlier blanket lockdown of the city. Uni-

versal Beijing Resort closed for deep cleaning last week after at least one positive case was traced to the theme park.

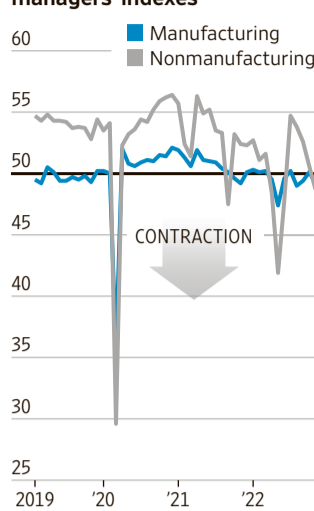
The PMI readings damp hopes for a sustained recovery following stronger-than-expected 3.9% gross-domestic-product growth in the third quarter. They also raise the question of what will drive the world's second-largest economy, especially as the looming risk of recessions in the U.S. and other major trading partners is expected to sap demand for Chinese exports.

China's growth slowed sharply over the past year, dragged down by a deepening real-estate slump and sluggish consumer spending.

Sales of new homes at China's 100 largest property developers fell 28% in October from a year earlier, the 16th consecutive month of declines, according to China Real Estate Information Corp.

Government-led investment in infrastructure and other projects have propped up the

China's official purchasing managers' indexes



Source: National Bureau of Statistics

economy in the short term, but are seen by many economists as wasteful and an unsustainable source of growth.

"The foundation for our country's economic recovery needs to be further stabilized," Zhao Qinghe, a senior statisti-

cian at the National Bureau of Statistics, said Monday.

Investor concerns over China's economic outlook have deepened since Mr. Xi tightened his grip on power at October's Communist Party Congress, leading to broad selloffs of Chinese stocks and other assets. Mr. Xi was appointed China's leader for a third term at the twice-a-decade party meeting, stacking the ruling Politburo with loyalists. He gave no indication that China's strict pandemic controls would ease in the near future.

Monday's data point to the rising risk of disruption to factories and supply chains, as new cases of the virus emerge in key manufacturing and logistics hubs. An outbreak in the Henan provincial capital of Zhengzhou has hit production at the world's biggest assembly centers for Apple Inc.'s iPhones. Foxconn Technology Group—Apple's biggest supplier—shipped about \$32 billion of products overseas from Zhengzhou in 2019, making its

branch in the city the country's largest exporter, according to a government-backed think tank.

Many of the hundreds of thousands of workers at the Foxconn site have been placed in isolation in a bid to stop the virus from spreading. Many others told the Journal that they were too frightened to continue working there, and that many of their colleagues are trying to return home.

China reported more than 2,600 new locally transmitted cases of Covid for Sunday, more than double the daily number from a week earlier, according to official data. Daily new infections recorded Sunday in Guangdong province, one of China's biggest manufacturing and export centers, rose sevenfold from a week earlier, the data show.

As of Oct. 28, cities accounting for 47% of China's gross domestic product were under some form of mobility restrictions, according to estimates by economists from Goldman Sachs.

Israel's Netanyahu Aims for a Comeback

JERUSALEM—As Israel heads to its fifth election in four years, Benjamin Netanyahu has been relentlessly campaigning across the country from the back of a delivery

By Dov Lieber,
Aaron Boxerman
and Shayndi Raice

truck outfitted as a mobile campaign stage, imploring voters to come out on election day. Some call it the Bibi-bus, using Mr. Netanyahu's nickname.

Mr. Netanyahu, 73 years old, is trying to stage a political comeback that would provide a capstone to more than 30 years in public life. Polls show he is within striking distance of becoming Israel's prime minister for a sixth time in Tuesday's election, adding to his record 15 years as premier and further cementing his legacy as a political powerhouse.

While Mr. Netanyahu is known by many abroad as a skillful diplomat and orator, in Israel, it is his shrewd political skills that have kept him atop his country's leadership longer than anyone before him.

Still, Mr. Netanyahu is facing several challenges. The Israeli electorate remains divided over whether he should stay in public office, as he faces a continuing corruption trial. Voters are exhausted by yet another election that is expected to produce the same outcome. The race is tight, with polls showing no party will win an outright majority.

"For his supporters, Netanyahu is something between a savior touched by God and a persecuted saint," said Ben Caspit, who has written two biographies on Mr. Netanyahu. "He has political skills like no one else."

Each side will struggle to cobble together a government

with the slimmest of parliamentary majorities, polls show. Some of the most recent polls showed Mr. Netanyahu's right-wing coalition with a slight edge of 61 out of 120 seats needed for a majority in the 120-seat parliament, or Knesset. Other polls showed a 60-60 tie. His main opponent, Prime Minister Yair Lapid—leader of the centrist Yesh Atid party—is polling at about 27 seats. Pollsters give his largely center-left coalition around 56 seats.

An alliance of Arab-led parties that opposes Mr. Netanyahu could help Mr. Lapid reach at least 60 seats. The Arab parties have said they won't be part of the governing coalition but could support it by voting for its establishment and other specific legislation.

Even if Mr. Netanyahu can secure 61 seats, his government will be fragile and unstable. Every lawmaker in his coalition would have strong leverage to make demands because they could each threaten to strip away his narrow majority. The previous coalition collapsed after less than a year because of its slim 61-seat majority.

Israel is headed to the polls at a time of rising inflation, deepening conflict with Palestinians in the West Bank and a fracturing in Israel's relationship with Russia over the Ukraine war. But politicians have focused more on increasing voting turnout than on debates over kitchen-table issues or security.

Israel's electorate has shifted to the right in recent decades amid sustained conflict with the Palestinians, helping Mr. Netanyahu maintain power. But he has burned bridges with right-wing and centrist party leaders, making it harder for him to form coalitions.



A man in Seoul bows at the scene of a stampede in the Itaewon district that left more than 150 people dead on Saturday night.

Probe of Seoul Stampede Widens

SEOUL—South Korean police are investigating the circumstances that led to a stampede in Seoul on Saturday

By Timothy W. Martin,
Jiyoung Sohn
and Dasl Yoon

night, including the possibility that some individuals intentionally pushed the crowd forward, as the public seeks answers in the wake of a tragedy that left more than 150 dead.

Some 44 witnesses and injured survivors are being questioned about the accident in the Itaewon district, an official for South Korea's National Police Agency said Monday. Police are also combing through footage from dozens of security cameras and on social media to help determine

how the incident may have occurred, the official said.

South Korea remains in mourning over the deaths of at least 154 people who went to the city's club district for a night of Halloween celebration—the first year since the pandemic to be largely free of Covid-19 restrictions. Hundreds of revelers found themselves trapped on a narrow, sloping alleyway with no way to escape, as some were crushed under the weight of the crowd.

Police are investigating claims made by some witnesses that individuals had intentionally pushed the crowd forward, causing people in front to lose balance, the official said. As of now, the police said they haven't found behavior that could constitute a criminal offense.

Witnesses and crowd-con-

trol experts have said a lack of police presence and other measures to ensure the safety of such a large number of people likely contributed to the tragedy. The number of visitors to Itaewon was expected to hit around 100,000 on Saturday—a figure comparable with prepandemic years.

About 130,000 people had traveled to the district on Saturday night, according to Seoul Metro, which oversees the city's subway system. The total doesn't include those who arrived by bus, car or on foot.

It would be unusual for police to explore potential charges against people who urged others to push or pull in a crowd crush like the one in Itaewon, said Ise Murphy, a crowd-safety consultant for major sporting events in the U.K. In many

cases, the people shouting orders are trying to help others and alleviate the pressure.

"I'm very concerned to think the police would want to interrogate individuals and try to blame this on them," said Ms. Murphy, who has reviewed footage from the Itaewon accident. Law-enforcement personnel haven't said how the crowd collapsed on itself, creating pileups that suffocated those below.

South Korean officials said police staffing on Saturday had been taxed due to large protests held elsewhere in Seoul. On Monday, a law-enforcement official said 137 police officers had been dispatched to Itaewon, a significant increase from prepandemic years but lower than the 200 officers that police last week said they would deploy.

WORLD WATCH

IRAN

Protesters Defy Call To Remain at Home

Iranian student protesters defied a call to halt demonstrations from one of the country's top military commanders, facing down security forces at universities and on the streets in several cities Monday.

Maj. Gen. Hossein Salami, the commander of Iran's Islamic Revolutionary Guard Corps, directed his warning to protesters Saturday, saying they were fooled by Iran's foreign adversaries and risking their future. "Today is the end of the riots. Do not go to the streets anymore," he said at the funeral of those killed in an attack on a shrine in the city of Shiraz.

Authorities have struggled to quell the unrest that has occurred almost daily since the death Sept. 16 in police custody of a woman for allegedly violating Iran's strict rules on how women dress in public. More than 200 have been killed and over 1,000 arrested in response to demonstrations that began as a defiant call for women's rights and have transformed into a movement demanding the downfall of the Islamic Republic.
—David S. Cloud

INDIA

Nine Arrested After Fatal Bridge Collapse

Police in western India arrested nine people Monday as they investigated the collapse of a newly repaired 143-year-old suspension bridge in one of the country's worst accidents in years, officials said. The collapse Sunday in Gujarat State plunged hundreds of people into a river, killing at least 134.

As families mourned the dead, attention turned to why the pedestrian bridge collapsed, and who might be responsible. The bridge had reopened four days earlier.

Inspector-General Ashok Yadav said those arrested include managers of the bridge's operator, Ovea Group, and its staff. Gujarat authorities opened a case against Ovea for suspected culpable homicide, attempted culpable homicide and other violations. Authorities said the structure collapsed under the weight of hundreds of people. A security video of the disaster showed it shaking violently and people trying to hold on to its cables and metal fencing before the aluminum walkway crashed into the river. Ovea officials couldn't be reached for comment.
—Associated Press



DEVOTION: Hindu worshipers performed rituals in a pond Monday as they honored the sun god while celebrating the Chhath Puja festival in Bhaktapur, Nepal.

THE PHILIPPINES

More Than 100 Dead In Storms, Mudslides

More than 100 people have died in one of the most destructive storms to lash the Philippines this year with dozens more feared missing after villagers fled in the wrong direction and got buried in a boulder-

laden mudslide. Nearly two million others were swamped by floods in several provinces, officials said Monday.

At least 53 of 105 people who died—mostly in flash floods and landslides—were from Maguindanao province in a Muslim autonomous region, which was swamped by unusually heavy rains set off by Tropical Storm Nalgae. The storm blew out into

the South China Sea on Sunday, leaving a trail of destruction in a large swath of the archipelago.

About 1.9 million people were lashed by the storm, including more than 975,000 villagers who fled to evacuation centers or homes of relatives. At least 4,100 houses and 40,180 acres of rice and other crops were damaged by floodwaters.
—Associated Press

GERMANY

Transport-Emissions Decision Is Delayed

Germany is postponing politically sensitive decisions on reducing greenhouse-gas emissions in the transport sector until 2023 amid strong opposition from one governing party to the idea of a universal speed limit, officials said Monday.

The libertarian Free Democratic Party, which controls the Transport Ministry, has long blocked the introduction mandatory speed limits seen in most of Germany's neighbors.

Experts say that limiting speeds on highways to 74.5 miles per hour would save 2.6 million metric tons of carbon dioxide a year. A limit of 62 mph would more than double the savings, according to Germany's Environment Agency. Those annual savings would make a significant contribution to closing the remaining emissions gap in Germany's transport sector of 118-175 million tons by 2030.

Proposals released Monday by the Economy Ministry would close the emissions gap in all other sectors for the country to meet its climate goals.
—Associated Press

BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

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S&P 3871.98 ▼ 0.75% S&P FIN ▼ 0.73% S&P IT ▼ 1.34% DJ TRANS ▲ 0.06% WSJ \$IDX ▲ 0.68% 2-YR. TREAS. yield 4.499% NIKKEI (Midday) 27646.34 ▲ 0.21% See more at WSJ.com/Markets

New-Car Prices Start to Cool Off

Inventory on dealer lots ticks up again as supply snarls ease and consumers pull back

By RYAN FELTON

After a multiyear surge in new-car prices, buyers are starting to see some relief on dealership lots.

Inventory levels are gradually coming back, giving shoppers more options when browsing showrooms, and some discounting has crept back into the market, albeit in a limited fashion.

The average price paid for a new vehicle hit a record of \$46,173 in July and has been trending downward in recent months, according to data from research firm J.D. Power. In October, consumers paid an average of about \$45,600 for a new car or truck, several hundred dollars off the summer peak but still 33% higher than before the pandemic, the firm's data show.

"You will see a continued, slight mitigation on new-vehicle prices," said Mike Manley, chief executive of AutoNation, Inc., a publicly traded dealership group. "But I don't think you're going to see, anytime soon, a return to what we saw pre-pandemic."

"They will not drop as fast as they shot up," he added.

The extent to which car companies can keep buyers paying top dollar for vehicles—a core driver of profitability within the industry



Prices have eased since a July high but are unlikely to drop to prepandemic levels soon, automobile executives and dealers say.

throughout the pandemic—was a focus of recent earnings calls. Analysts questioned how higher interest rates and recessionary concerns might dent the recent pricing momentum, which has lifted earnings across the sector in recent quarters.

Auto executives remain optimistic that a backlog of pent-up demand will continue to keep car prices elevated in the coming months, and production challenges continue to linger, making it difficult to fully replenish stock.

The shifts in the U.S. car market reflect a broader choppiness in the economy, where the pricing power that companies have enjoyed in recent years is starting to wobble

as consumers and businesses pull back on spending. Even as supply-chain constraints continue to keep prices aloft, some shoppers are feeling too stretched and are delaying or skipping purchases.

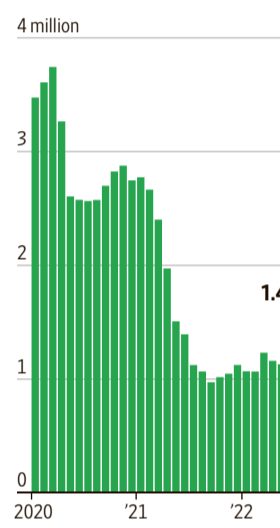
New- and used-car prices had been climbing throughout much of the pandemic, pushed up by supply-chain snarls and near-empty dealership lots as car companies struggled to get their factories fully back online. More than half of vehicles sold in October sold for higher than their listed sticker price, according to J.D. Power.

This year, however, marked a turning point with inflation

Average transaction price



U.S. light vehicle inventory



Sources: J.D. Power (average price); Wards Intelligence (inventory)

Musk Forms Circle of Advisers

By ALEXA CORSE AND SARAH E. NEEDLEMAN

Elon Musk is quickly setting to work a group of advisers, investors and employees from elsewhere in his business empire to help him reimagine Twitter Inc. in his first days as its new owner.

The group is working on a range of initiatives to try to bolster the platform's user experience and revenue, according to people involved in the effort, while Mr. Musk continued to publicly float potential changes in a series of tweets.

Mr. Musk's team outlined three pillars of its plan for the

Ford Alters Staff-Performance Policy

By NORA ECKERT

Ford Motor Co. is altering its approach to addressing white-collar employees deemed underperformers, telling managers that some of those workers must choose between severance or a performance enhancement program.

The changes in its talent-management policy mostly focus on employees who have eight or more years of service and whom the company has identified as demonstrating a pattern of declining performance, according to an internal email reviewed by The Wall Street Journal and confirmed by a company spokeswoman.

These employees now have the option of taking the severance, rather than enroll in the enhancement plan, which can take four to six weeks, the email and spokeswoman said.



CEO Jim Farley has moved to streamline the white-collar workforce.

Those who instead choose the enhancement plan but fail to improve won't be eligible for any severance, according to the Oct. 4 email, which

went to all U.S. managers. The changes are intended to simplify how managers confront poor performance and provide an alternative to the

improvement plan, which can be an intense period of work for employees, the Ford spokeswoman said.

The amended policies, which apply to all U.S. salaried workers, went into effect Oct. 1, according to the email.

As part of the updated policy, managers who have low-performing employees with less than eight years can skip the performance-enhancement plan and move to an involuntary separation with severance, the Ford spokeswoman said.

These employees can also receive some benefits, such as job-placement assistance, if they are let go, she said.

Ford has about 30,000 salaried employees in the U.S.

The U.S. auto maker made moves to streamline its white-collar workforce in recent months as part of a broader effort to slash costs by about

Blue Chips Rose 14% In Month, Top Gain Since 1976

By MATT GROSSMAN AND CAITLIN OSTROFF

The Dow Jones Industrial Average rose 14% in October, its best month since 1976, while the S&P 500 and tech-focused Nasdaq Composite both notched single-digit monthly gains.

The Fed's rapid interest-rate increases have battered markets for much of the year, leaving some investors searching for signs it is time to put their money to work again.

In October, traders were encouraged when some Fed officials said they are considering whether to slow the pace of monetary tightening as they balance controlling inflation and avoiding a sharp economic contraction. The European Central Bank also cited concerns that additional rate increases could hurt the outlook for growth.

October's stock rally came despite falling government-bond prices and rising yields, which for much of the year had slammed stocks. Monday's gain sealed the 10-year Treasury yield's climb to 4.074% from 3.802% at the end of September. Yields and bond prices move inversely.

That pattern suggests some investors were thinking wishfully when bidding up stock prices in October, said Chris Senyek, chief investment strategist at Wolfe Research. "I think it was largely a hope trade," he said. "I don't think it was built upon fundamentals."

This week, traders are shuffling their holdings ahead of Wednesday, when Fed officials are almost certain to raise interest rates by another 0.75 percentage point. On Monday, the S&P declined 29.08 points, or 0.7%, to 3871.98 and the tech-focused Nasdaq Composite shed 114.31, or 1%, to 10988.15. The Dow dropped 128.85, or 0.4%, to 32732.95.

The focus will be on Fed Chairman Jerome Powell's press conference, which could bring clues about whether the Fed may reduce the size of future rate increases or continue strong efforts to tame rising prices.

Specifically, investors want to know if December will mean another 0.75-percentage-point rate increase or whether the Fed will downshift to a half-percentage-point move. Bets in

Private Real-Estate Funds Rise Even as Listed Rivals Tumble

By GREGORY ZUCKERMAN AND PETER GRANT

It has been a terrible year for many publicly traded real-estate investments as rising interest rates and falling property prices hit the market. The MSCI US REIT Index, which tracks publicly traded REITs, is down about 26% this year.

But it has been a strong year for a type of investment

especially popular with individuals: nontraded real-estate investment trusts. Some of these funds have returned about 10%. The difference worries some investors—and it could cause losses for those who buy these now thinking that nontraded REITs are immune to the market selloff.

"With nontraded REITs increasing their valuations while markets are punishing public

REITs, I'd run for the hills," said Allan Roth, founder of Wealth Logic LLC, a financial planning firm based in Colorado Springs, Colo.

Nontraded REITs are like public REITs in that they buy commercial property such as warehouses, apartments and office buildings. The difference is that public REITs raise money by selling shares on the

INSIDE



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The industry leader in artificial intelligence software.

RANK	COMPANY	2021 AI REVENUE
No. 1	Palantir	\$1,392M
No. 2	Microsoft	\$1,252M
No. 3	IBM	\$776M
No. 4	AWS	\$688M
No. 5	Google	\$536M

Source: IDC, Worldwide Artificial Intelligence Platforms Software Market Shares, 2021: AI Is Being Used In More Unique Ways Than Ever (2022)

PALANTIR TECHNOLOGIES INC — PALANTIR.COM

The information presented in the table above has been compiled and analyzed by IDC using their methodology described in the Worldwide Artificial Intelligence Platforms Software Market Shares, 2021: AI Is Being Used In More Unique Ways Than Ever (2022) report contained on IDC's website (www.idc.com). We have not independently verified, and make no representations as to, the accuracy or completeness of the data contained in this report.

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The auto makers are also negotiating voting rights in the alliance. A worker at Renault's largest production site in France.

New-Car Prices Start To Cool

Continued from page B1

and worries about an economic downturn starting to weigh on buyers' willingness to splurge. The average interest rate on a new-car loan was 5.7% in the third quarter, up from 4.3% in the prior-year period, according to car-shopping firm Edmunds.

Used-car prices started to level off this spring and have continued to cool in recent months with transaction values down for many models that are five years or older, industry data show. This means buyers trading in their used vehicles don't have as much money to offset the price of a new car.

The softening has also begun to affect dealer profitability with some publicly traded car retailers reporting a decline in used-car gross margins in the third quarter.

Meanwhile, dealership stock levels are improving, having ticked higher through the summer.

The number of new cars and trucks available on lots or en route to stores at the end of September was about 1.4 million, up 46.9% from the same month a year ago, according to Wards Intelligence, a firm that tracks auto-industry data.

On earnings calls last week, executives said they were seeing some easing of the supply-chain problems that have dogged the industry over the past couple of years, including on semiconductors.

"Overall, I would say chips are getting better than certainly where they were a year ago," General Motors Co. Chief Financial Officer Paul

Jacobson said Tuesday. "The fact that we were able to produce while clearing out some of those vehicles speaks to some of that improvement."

With more availability, some sales promotions have returned, such as the low-interest rate financing deals that were prevalent before the health crisis.

For instance, brands like Buick and GMC have been offering 0% financing deals on loan terms as short as 36 months, said Ivan Drury, director of Insights at Edmunds. "You save a lot of money in interest—a good \$7,000 to \$10,000 in interest. But you have to pay off the car in half the time," he said.

Some sales promotions such as 0% financing deals have returned.

Still, the level of discounting remains at historic lows, and while prices appear to be moderating, it is likely to be a long time before they revert to levels seen at the end of the last decade, analysts, executives and dealers say.

Auto makers, having seen the benefits of keeping supplies scarce, aren't eager to return to the days when lots were flooded with excess inventory.

The availability of new cars and trucks is improving, but many manufacturers are still struggling to fully restock, given how low inventories have fallen this year, said Geoffrey Pohanka, chairman of Pohanka Automotive Group, which has dealerships in Maryland, Virginia and Texas.

"There are a lot of empty buckets out there," Mr. Pohanka said. "It'll take time to fill those buckets."

Ford Alters Policy on Performance

Continued from page B1

\$3 billion annually by 2026. The belt-tightening aims to free up more money to fund a costly long-term transition to electric vehicles, a market that is now dominated by rival Tesla Inc.

In August, the Dearborn, Mich., auto maker said it was laying off about 3,000 salaried

Employees have until late November to decide if they want to retire by Dec. 1.

and contract workers in the U.S., Canada and India, a move that followed months of company executives signaling to Wall Street that it needed to reduce staffing levels.

Ford Chief Executive Jim Farley has said the shift to electric vehicles is prompting a reassessment of the company's resources, including its staffing levels in some areas.

"We absolutely have too many people in certain places, no doubt about it. And we have skills that don't work anymore and we have jobs that need to change," Mr. Farley said on a July earnings call.

Earlier this year, Ford reorganized its internal operations to create different divisions, including one that focuses exclusively on electric vehicles.

Ford, like other companies, could also face some attrition in the near term because of rising interest rates and the impact that is expected to have on pension payouts for those looking to retire.

Ford, in a separate email sent in September to employees, said that because of rising interest rates, the rate applied to the lump-sum pay for U.S. salaried workers who elect to retire is going to change as of Dec. 1. After that date, interest rates could reduce the overall lump-sum cash-outs by about 20% to 25%, the email said.

A Ford spokeswoman said potential retirees have until the end of November to decide if they want to retire by Dec. 1 and cash out their pensions before Internal Revenue Service segment rate increases affect their retirement calculations.

Across the auto industry, executives are preparing for a potential downturn in business, taking steps either to reduce staff or freeze hiring.

Stellantis NV, the global parent of Jeep, Chrysler and other auto brands, said Friday it is offering voluntary buyouts to U.S. salaried employees as part of a restructuring to sharpen focus on new technologies and low-emissions vehicles.

The buyouts, initiated in October, target certain white-collar employees with benefit packages that wouldn't otherwise be available to them, the company said.

BUSINESS & FINANCE

Renault-Nissan Talks Delayed Over Battery Patents for EVs

Renault SA and Nissan Motor Co. are struggling to nail down a deal that would reshape their alliance, with intellectual property among the sticking points, according to people with knowledge of the talks.

By River Davis, Nick Kostov and Sean McLain

Discussions so far between Renault and Nissan have outlined a plan under which the French auto maker would reduce its current 43% stake in its Japanese partner to 15%, people at the companies said. The shares to be disposed of would be put into an independent financial trust and then sold at a later date at a predetermined price, the people said.

In exchange, Nissan would invest in Renault's new electric-vehicle business, which the French auto maker aims to take public next year, the people said.

Renault and Nissan had been hopeful that they could strike a preliminary nonbinding agreement to reshape their more than two-decade-old alli-

ance as soon as late October, people at the companies said. But several sticking points have delayed such a deal from being concluded, people familiar with the discussions said.

A major one involves jointly developed intellectual property and how it would be transferred to Renault's new EV business, people familiar with the talks said.

Nissan also doesn't want technology that it developed with Renault to be shared with Chinese automotive giant Zhejiang Geely Holding Group Co., which is planning to take a stake in Renault's gasoline-car business, the people said.

Patents and other intellectual property involving batteries—in particular solid-state battery technology—have become a major point of contention, they said. Nissan has been developing the next-generation batteries in-house and plans to start a pilot production line in the year beginning April 2024.

The companies and the French state are also negotiating over what kind of voting rights Nissan would have in Renault after a deal is concluded, an issue that some

people familiar with the talks described as unresolved.

Under French law, a shareholder that holds its shares for two years or more generally gets double voting rights. Nissan, a longstanding 15% shareholder in Renault, hasn't been able to vote its shares because Renault holds a greater than 40% stake in Nissan. Once Renault's stake fell below the 40% threshold, Nissan would normally be entitled to vote its shares with double rights.

However, Renault and the French government want to cap Nissan's voting rights at 15%, people familiar with the matter said. The French side believes this would put the two car makers on an equal footing with each holding 15% voting rights in the other, they said.

The companies have been planning to review and vote on the agreement in mid-November when directors from both car makers will meet in Japan, people at Renault and Nissan said. The plan had been to reveal the deal publicly shortly thereafter.

While people at the companies say they still expect to reach a deal and Renault and

Nissan management are still aiming to hold an announcement in November, they say the companies are likely to fall behind their original timeline because of the snags in the negotiations.

Nissan executives have long been frustrated by what they believe is a lopsided power structure in the alliance. Renault owns 43% of Nissan, a stake that exceeds the 15% Nissan holds in its smaller French partner and has given Renault outside influence in the partnership.

The deal is aimed at easing tensions by equalizing the stakes while assuring Renault of its partner's backing as the two companies move into the EV age. Renault has said it is creating the new EV business, known internally by the code name Ampère, to help ensure it can fund the costly transition away from the combustion engine by raising capital from outside investors.

Ampère would develop the software, parts and technology that are needed for battery-powered models but would remain majority-owned by Renault, people with knowledge of the plans said.

Jeep Maker in China to Go Bankrupt

By Selina Cheng and P.R. Venkat

HONG KONG—Stellantis NV said its unprofitable joint venture that made and distributed the Jeep brand in China will file for bankruptcy, a move that follows the European auto giant's failure to reverse its dwindling sales in the country.

Stellantis said it would continue to provide services to existing and future Jeep brand customers in China. It had impaired the value of its investment in the joint venture and other related assets in its first-half financial results, the company said.

Shareholders of Stellantis, which is also the parent for Chrysler, have authorized the bankruptcy filing with its Chinese counterpart, Guangzhou Automobile Group Co., and their joint venture, GAC Fiat Chrysler Automobiles Co., Stellantis said Monday.

The filing marks the latest bump in the road for Stellantis, which also makes Ram pickups and the Peugeot brand, in its troubled foray into China. The Jeep maker had once said it wanted to raise its stake to become a majority shareholder of the joint venture. By July, it re-

versed course and said it would instead end the venture, blaming a lack of progress in its discussions with GAC to increase the shareholding.

Stellantis said at the time it had booked a noncash impairment charge of equivalent to almost \$300 million in its first-half results as a result of ending the venture. It would instead focus on selling imported electric Jeep vehicles in China, the company said.

Foreign car makers have increasingly struggled to grow sales in their joint ventures with Chinese car manufacturers as more homegrown brands find favor among local consumers and gobble up market share. More car buyers are converting to electric or plug-in hybrid cars as China offers subsidies and incentives for these new-energy vehicles, with domestic auto makers leaving some foreign rivals flat-footed in the transition away from traditional gasoline-powered cars.

In response to Stellantis's decision in July, GAC said the joint venture booked losses for several years and had been unable to resume normal production since February, according to a statement at the time.

The joint venture produced tens of thousands of vehicles in earlier years, but by February its plant only manufactured 35 vehicles and sold 134 that month. Production and sales both dropped to almost

zero in subsequent months, according to GAC's data.

The venture was formed in 2010 in a 50-50 split between GAC and Fiat SpA. Fiat became part of Stellantis after a merger with the French PSA Group.

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The Stellantis joint venture's market share has plummeted.

BUSINESS NEWS

Clawback Efforts Increased During Past Year

BY THEO FRANCIS
AND JEAN EAGLESHAM

Before the Securities and Exchange Commission adopted a new rule last week on clawing back executive pay, the agency and federal prosecutors had begun ramping up efforts to recoup compensation from top executives whose companies run afoul of accounting rules or the law.

The new SEC rule will require companies to try to recover incentive pay from executives after significant financial-statement errors, even where no misconduct occurred. But the agency already has been more aggressive about using existing powers to pursue such clawbacks where accounting violations are alleged to stem from misconduct, including from executives who weren't directly involved.

In the past year, the SEC has sued or settled with 11 executives to recover past pay under provisions of a 2002 law, including nine executives in the past four months, said Andrew Boutros, chair of law firm Dechert LLP's U.S. white-collar practice for Chicago and Washington, D.C. The provisions had been used infrequently before that, said Mr. Boutros, who with his colleagues recently briefed clients about the increased enforcement.

The dialing-up of enforcement is intended to press corporate leaders to better police conduct at all levels of their companies, according to legal, compensation and governance professionals. Pay packages are unlikely to change much, the professionals say. But companies are more likely to sue current or former executives to recover past pay.

Alongside the SEC's moves, Justice Department officials have warned that prosecutors weighing charges or settlement terms will consider whether companies have adopted clawback policies—and whether they have actually sought to recover past pay.

"Compensation clawback policies matter, and those policies should be deployed regularly," Marshall Miller, principal associate deputy attorney general, said at a September conference in New York. "A paper policy not acted upon will not move the needle."

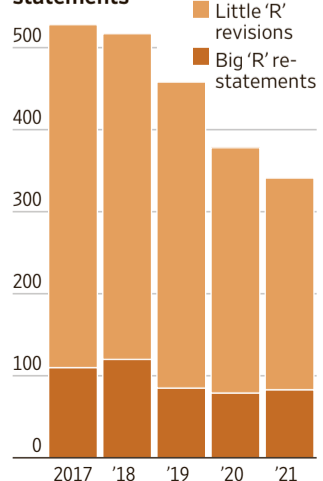
The SEC declined to comment. A Justice Department memo in mid-September asked staff to explore other ways to reward companies that pursue clawbacks, a spokeswoman said, including how to shift the burden of financial penalties from shareholders to people more directly responsible.

Clawback provisions, either in pay contracts or separate corporate policies, typically let companies demand that current and former executives return compensation they received in the wake of a financial restatement, individual misconduct or damage to the company's reputation.

Most large public companies have such policies; just 21 in the S&P 500 don't, while more than 90% allow recouping both cash and stock-based pay, according to ISS Corporate Solutions.

Among those reporting no clawback policy: Alphabet Inc., Berkshire Hathaway Inc. and Wynn Resorts Ltd. Alphabet and Wynn Resorts declined to comment. Berkshire didn't respond to a request for comment.

Number of companies disclosing changes to financial statements



Harley's Electric Effort Hits Bump

LiveWire subsidiary's stock falls 12% since SPAC deal as quieter model fails to win fans

By BOB TITA

Harley-Davidson Inc.'s LiveWire subsidiary is off to a rough start as a public company, as its electric motorcycles struggle to attract riders and investors.

Shares of **LiveWire Group Inc.** have fallen about 12% since the merger in late September with a special-purpose acquisition company, or SPAC. The deal yielded about half the cash proceeds Harley anticipated, with most of the SPAC investors withdrawing their money rather than holding LiveWire shares after the deal went through, according to a regulatory filing.

Investors' tepid response to LiveWire has led Milwaukee-based Harley to put up more cash to fund the company, analysts said. Higher interest rates and a slowing U.S. economy, they said, are likely to undermine Harley's forecast last spring for LiveWire's sales to expand from less than 1,000 motorcycles this year to nearly 101,000 bikes and \$1.7 billion in revenue in 2026.

"While the market environment has changed since last December when we decided to list the company, we make decisions for the long term," a Harley spokeswoman said. "LiveWire has the ability to op-

erate with the flexibility of a startup to accelerate growth."

Harley's share price has fared better than other U.S. stocks, rising 16% since the start of the year, compared with a 17% drop in the S&P 500.

Harley last week reported a 21% rise in quarterly revenue and 60% increase in net profit over the same period last year, as the company increased shipments of gas-powered motorcycles to make up for a production outage earlier this year.

SPAC mergers have had a tough time winning over shareholders. Shares of several high-profile SPAC deals have collapsed, including electric-truck maker Nikola Corp., sports-betting company DraftKings Inc., and space-tourism company Virgin Galactic Holdings Inc. Companies that merged with SPACs since the start of 2020 are trading at an average of about \$4 a share, according to data provider SPAC Research.

Harley has struggled to find a winning strategy for its electric motorcycles, according to analysts. The first LiveWire model reached the market in 2019 after almost a decade of development. Harley executives wanted to tap into the growing popularity of electric automobiles with a high-performance, zero-emissions motorcycle.

For most regular Harley riders attracted to the distinctive throaty rumble of Harley's gasoline engines, the quiet whirl of LiveWire's electric motor was considered a non-starter, dealers said. The first



A LiveWire motorcycle at the New York Stock Exchange for the company's Sept. 27 stock debut.

bikes were priced at nearly \$30,000—as much as some of Harley's popular models with gas engines—and too expensive for most riders interested in taking a flier on something new, dealers said.

Harley Chief Executive Jochen Zeitz spared the LiveWire model when he axed other slow-selling models and smaller bikes in favor of Harley's big, expensive motorcycles. Mr. Zeitz repositioned LiveWire for younger, price-conscious riders, with an eye toward overseas markets. The motorcycles recharge their batteries from the energy created by braking, giving the bikes longer ranges in stop-and-go traffic than in highway driving.

"It's a perfect bike for urban travel," said Ryan Morrissey, president of LiveWire Group. "It's a fun way to get around a city or a suburb."

About 60 of Harley's 550 dealers in the U.S. carry LiveWire motorcycles. Dealers said Harley has been careful to avoid flooding the market with LiveWires by doling out just a few bikes at a time to dealers. The limited range of electric motorcycles' batteries and a shortage of public charging stations have held down demand, dealers said.

LiveWire this year lowered the price of its flagship One model to about \$22,000. The company plans to roll out a lighter-weight model next year

called the S2 Del Mar that will cost about \$16,000, and eventually an S3 model that will be priced below the S2.

Bubba Boswell, owner of a Harley dealership in Nashville, Tenn., said the lower prices for LiveWire models are critical for attracting customers.

"If you're new to motorcycling, they're much easier to ride," he said.

—Amrith Ramkumar
contributed to this article.

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Covid Spurs Foxconn Output Shift

By YANG JIE

TOKYO—Foxconn Technology Group is planning to shift some production from its Covid-struck iPhone factory in central China to other sites in the country, people familiar with the matter said, as many workers frightened by the outbreak have left the factory.

Foxconn has been struggling to contain a Covid-19 outbreak in its Zhengzhou facility, the world's biggest assembly site for **Apple Inc.** smartphones. There, hundreds of thousands of workers have been largely shut off from the outside world for more than two weeks after the company announced the introduction of closed-loop operations, which means that workers are allowed to move only between their dorms or homes and the production lines.

Some workers have refused to go back to work for the fear of catching Covid, while others have left the site, The Wall Street Journal has reported. In recent days, videos geotagged near the Foxconn site went viral on China's social-media platforms, recording groups of people walking on highways or through farm fields carrying their luggage.

Still, Apple and Foxconn executives expect that impact from the disruption at Zhengzhou on overall iPhone shipments would be limited in the short term, partly because Foxconn's sites in the southern Chinese city of Shenzhen are already equipped to produce some of the latest iPhone models, the people familiar with the matter said. Foxconn



Some production by Apple's biggest supplier will be moved within China to a plant in Shenzhen.

will shift some of its Zhengzhou iPhone production capacity to Shenzhen, they said.

About 10% of the global iPhone production capacity is likely to be affected with the disruption, according to analysts, including Ming-Chi Kuo, who follows Apple's supply chain at TF International Securities. Last week, Apple's chief financial officer said that supply is constrained for the new iPhone 14 Pro models amid strong demand.

A Foxconn spokesman referred to a statement issued Sunday, in which it said the company is providing transportation services for workers who want to leave. Apple didn't reply to a request for comment.

The disruption at Foxconn is among the latest examples of the economic and societal toll from China's rigid pandemic

control policies—which include swift and sweeping lockdowns, mass testing, compulsory quarantines and, in certain cases, business closures.

On Monday, Shanghai Disney Resort, including the theme park and shopping areas, were closed again under city Covid restrictions, the resort said. Earlier this year, Shanghai Disneyland, which is part of the resort, was shut for months under the earlier blanket lockdown of the city. Universal Beijing Resort closed for cleaning last week after at least one positive case was traced to the park.

Foxconn's situation also highlights the potential risks of Apple's heavy dependence on China for manufacturing. Apple told some of its contract manufacturers earlier this year that it wants to boost production outside China fol-

lowing a two-month lockdown in Shanghai that disrupted Apple's supply chain.

In recent days, Apple has told its suppliers to more actively plan on increasing production outside China, the people said.

Apple's supply chain plays a major role in China's manufacturing industry, providing millions of jobs directly and indirectly. Foxconn—Apple's biggest supplier—shipped about \$32 billion of products overseas from Zhengzhou in 2019, making its branch in the city the country's largest exporter, according to the Statistics Association for Foreign Economic Relations and Trade of China, a government-backed think tank. Altogether, the Foxconn group accounted for 3.9% of China's exports in 2021, the company has said.

Musk Sets Circle of Advisers

Continued from page B1

platform before the deal's completion, said Ross Gerber, chief executive of **Gerber Kawasaki Wealth & Investment Management**, a Santa Monica, Calif., investment firm that put up under \$1 million as an outside investor in Mr. Musk's \$44 billion takeover.

The plan includes changing the platform by expanding user verification and improving the subscription offerings to become less reliant on advertisers, he said. It would also add ways for content creators to make money on the platform, so that they could earn a living on it like many creators do on TikTok and YouTube, he said.

Mr. Musk has moved quickly to put his imprint on the company as a nonconformist, surrounding himself with a group of trusted advisers and technical talent.

Among them is Jason Calacanis, a longtime tech entrepreneur and investor who encouraged Mr. Musk's initial bid to buy Twitter in April. Mr. Calacanis took to Twitter in recent days to solicit and share ideas.

On Sunday night, he asked users in a Twitter poll how much they would pay to be verified by Twitter and have the blue check on their account that goes along with that. Options in his poll ranged from wouldn't pay to \$15 a month.

Some engineers from **Tesla Inc.**, where Mr. Musk is chief executive, met with Twitter staff after the takeover to review the platform, two people said.

Less than a week after taking the reins at Twitter, Mr. Musk has fired several top executives, including the CEO, and posted tweets about potential changes, including revamping the verification process, allowing longer posts and giving users more options to choose what kind of content they see on the platform. On Sunday, Mr. Musk also posted a poll, asking whether he should bring back Vine, the short-video app it bought and then quickly shut down in 2016.

When one person responded asking about competition with TikTok, which has soared to popularity since Vine's demise with its own short-video format, Mr. Musk asked: "What could we do to make it better than TikTok?"

Mr. Musk also disbanded Twitter's board and made himself sole director, according to a regulatory filing Monday, as outlined in the merger agreement. He said in a tweet Monday afternoon that the move was temporary.

Mr. Musk has tapped allies to assist in the early days of the transition. They include attorney Alex Spiro, who has represented Mr. Musk for years, including in his legal fight over his efforts to abandon his agreement to buy Twitter. Some of the people Mr. Musk is bringing in aren't new to Twitter. Sriram Krishnan, an investor and former Twitter product leader, tweeted Sunday that he was helping Mr. Musk with Twitter "temporarily with some other great people." Mr. Krishnan tweeted that he was "still very much in my day job" as a general partner at Andreessen Horowitz.

Fertitta Holds 6% Stake in Wynn Resorts

By WILL FEUER

Casino-and-hospitality mogul Tilman Fertitta disclosed a 6% stake in **Wynn Resorts Ltd.**, making him the second-largest individual shareholder in the Las Vegas-based casino operator as the gambling industry continues to recover from the pandemic.

The position, disclosed Monday in a filing with the Securities and Exchange Commission, adds to the billionaire's myriad holdings across entertainment and leisure. He also owns the National Basketball Association's Houston Rockets, Golden Nugget Hotel & Casinos and restaurant chains such as Del Frisco's and Bubba Gump Shrimp Co.

Mr. Fertitta's roughly 6.9 million shares of Wynn Resorts give him a \$403.3 million position in the company, based on Friday's market close of \$58.30 a share. That would make Mr. Fertitta the second-largest individual shareholder of Wynn Resorts, according to FactSet, behind only Elaine Wynn, who co-founded the company with her former husband, Steve Wynn.

Representatives for Wynn Resorts didn't return a request for comment. Representatives of Mr. Fertitta's Fertitta Entertainment Inc. also didn't return a request for comment.

Shares of Wynn, down more than 27% so far this year, closed up 9.6% in Monday trading to \$63.90. Including Monday's stock move values Mr. Fertitta's stake at about \$442 million.

The disclosure comes as investors await the latest round of quarterly earnings reports from casino operators, which have so far said that demand remains strong despite surging inflation. Over the summer, executives said, the recovery of international travel and pent-up demand for in-person entertainment continued to lift results for Las Vegas casinos. MGM Resorts International and Caesars Entertainment Inc. are slated to provide their latest quarterly updates this week.

Wynn Resorts, which relies more on its operations in the gambling enclave of Macau, has suffered this year from the Chinese government's strict Covid-containment policies.

UAW Seeks an Election to Unionize Battery Plant Partly Owned by GM

By MIKE COLIAS

The United Auto Workers is seeking federal permission to hold an election at a new battery plant in Ohio co-owned by **General Motors Co.**, claiming the factory's owner has resisted workers' efforts to unionize.

The UAW said Monday that a majority of the facility's 900 workers have signed cards requesting that the union represent them at the factory, which is owned by Ultium Cells LLC, a 50-50 joint venture between GM and South Korean battery supplier **LG Energy Solution**. The northeast Ohio facility opened in late August.

The union says the company has been unwilling to recognize the so-called card-check process, a tactic used by organizers that is typically faster than holding a formal election. The UAW said it has filed a petition with the National Labor Relations Board on behalf of workers to hold an election at the Ohio plant.

Ultium Cells in a statement said it respects workers' freedom to choose union representation and the UAW's efforts to organize the plant: "Ultium Cells will comply with the National Labor Relations Act, which protects our employees' right to freely decide unionization through a voluntary election."

The Ohio factory is the first

in an expected influx of U.S. battery plants planned by GM, Ford Motor Co., Jeep maker Stellantis NV and other auto makers as the industry races to develop electric cars.

UAW officials have emphasized the importance of organizing the new factories as they come online over the next few years. Union officials view it as a chance to expand membership and to help protect against job losses in the longer-term transition to EVs. Electric cars require fewer parts and less labor to assemble, and the industry's move to produce more EVs is likely to lead to the loss of factory jobs, analysts and studies have said.

Historically, a new factory opened by one of the traditional three Detroit auto makers has had UAW representation from the start, because of collective bargaining agreements that cover hourly workers in their U.S. manufacturing operations. Because the Ohio plant is a joint venture with LG Energy and a separate legal entity, it is up to the workers there to decide if they want to be in a union, the companies have said.

Auto makers have outlined plans for more than a dozen battery-cell factories in North America, mostly joint ventures with battery suppliers, such as LG Energy and Panasonic Holdings Corp. Car companies traditionally outsourced their

battery supplies, but are taking more control of their supply chains to stay ahead of a potential battery shortage and to refine the technology.

The battery-cell factories could help offset potential job losses at traditional car factories as the transition to EVs unfolds. Still, the jobs generally are lower paying than those offered by the Detroit auto makers.

The average wages at Ultium's Ohio plant are in the \$15-

\$3.5B
Annual company profit wiped out by 2019 strike

to \$22-an-hour range, the company spokeswoman said. UAW-represented workers at GM, Ford and Stellantis factories can make around \$30 per hour.

In a statement, UAW President Ray Curry said Ultium Cells earlier had expressed a willingness to recognize a card-check process for the formation of a union, and accused the company of delaying workers' organizing efforts.

"Whether it is by card check or union election, these workers will be members of the UAW," he said.

GM has about 45,000 UAW-

TuSimple Fires CEO Amid Board, Federal Probes

By HEATHER SOMERVILLE AND KATE O'KEEFE

TuSimple Holdings Inc., a self-driving trucking company, said Monday it had fired its chief executive and co-founder, Xiaodi Hou.

The San Diego-based company said in a news release and securities filing that its board of directors on Sunday had ousted Mr. Hou, who was also the board chairman and chief technology officer.

Mr. Hou was fired in connection with a continuing investigation by members of the board, the release said.

"Fundamentally, we lost trust and confidence in Dr. Hou's judgment, decision-making, and ability to lead the company as CEO," TuSimple's independent board of directors said in a statement.

The securities filing said that the board's investigation found that TuSimple this year

shared confidential information with Hydron Inc., a trucking startup with operations mostly in China and funded by Chinese investors. The filing also said that TuSimple's decision to share the confidential information with Hydron hadn't been disclosed to the board before TuSimple entered into a business deal with Hydron.

TuSimple said it didn't know whether Hydron shared or publicly disclosed the confidential information.

In a statement posted on LinkedIn, Mr. Hou asserted his innocence and said his firing was "without cause."

"Unfortunately, the Board's processes and conclusions have been questionable at best," Mr. Hou wrote. "As the facts come to light, I am confident that my decisions as CEO and Chairman, and our vision for TuSimple, will be vindicated."

Mr. Hou's termination was



Xiaodi Hou speaks at an event in San Francisco in October.

announced the day after The Wall Street Journal reported that TuSimple and its leadership, principally Mr. Hou, faced investigations by the Federal Bureau of Investigation, Securities and Exchange Commission and Committee on Foreign

Investment in the U.S., known as Cfius, into whether the company improperly financed and transferred technology to Hydron, according to people with knowledge of the matter.

TuSimple's stock plunged more than 45% in Monday trading. Shares in the company are down more than 90% for the year.

Investigators at the FBI and SEC are looking at whether Mr. Hou breached fiduciary duties and securities laws by failing to properly disclose TuSimple's relationship with Hydron, the China-backed startup founded in 2021 by TuSimple co-founder Mo Chen that says it is developing autonomous hydrogen-powered trucks, the Journal reported. Federal investigators are also probing whether TuSimple shared with Hydron intellectual property developed in the U.S. and whether that action defrauded TuSimple investors by sending valuable

technology to an overseas adversary.

Mr. Chen didn't respond to a request for comment.

The Journal also has reported that the board in July began investigating similar issues, including whether TuSimple incubated Hydron in China without informing regulators, the TuSimple board or its shareholders. A June business presentation from Hydron viewed by the Journal named TuSimple as Hydron's first customer, and said TuSimple would purchase from Hydron several hundred hydrogen-powered trucks equipped with self-driving technology. A TuSimple spokesman said the company has considered an agreement to buy freight trucks from Hydron but isn't a Hydron customer.

Mr. Hou said in his statement that he fully cooperated with the board and that "I have nothing to hide."

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NEW HIGHS AND LOWS

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The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. % CHG-Daily percentage change from the previous trading session.

Table with columns for Stock, 52-Wk % High/Low, and % Change. Includes sections for 'Highs' and 'Lows' with various stock tickers and their performance metrics.

Biggest 1,000 Stocks | WSJ.com/stocks

Table listing the top 1,000 stocks by market cap, with columns for Stock, Sym, Close, Net Chg, and % Chg. Includes sub-sections for letters M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

This is world-class LTL.

It starts with our people, our capacity, and our technology. But what really sets us apart is our mindset. Even as one of North America's largest LTL networks, we're driven to continue growing to meet our customers' demand. That's why we're adding 900 net new doors to our docks by the end of 2023 and manufacturing 4,700 new trailers for our fleet this year. Because delivering world-class LTL means doing everything it takes to deliver from coast to coast—on time and charge-free.



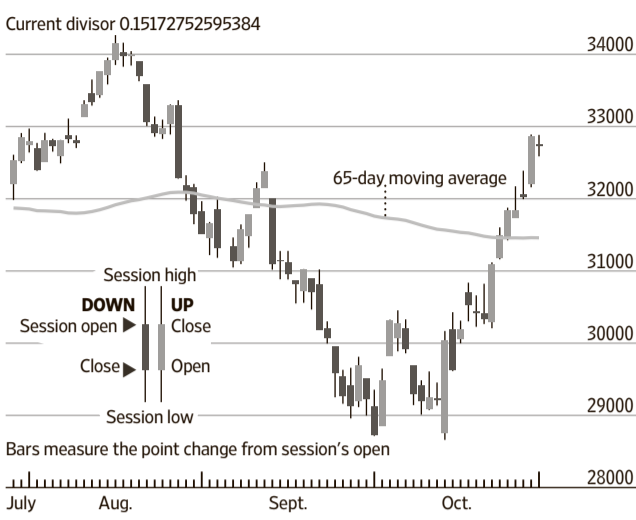
Your freight first

MARKETS DIGEST

EQUITIES

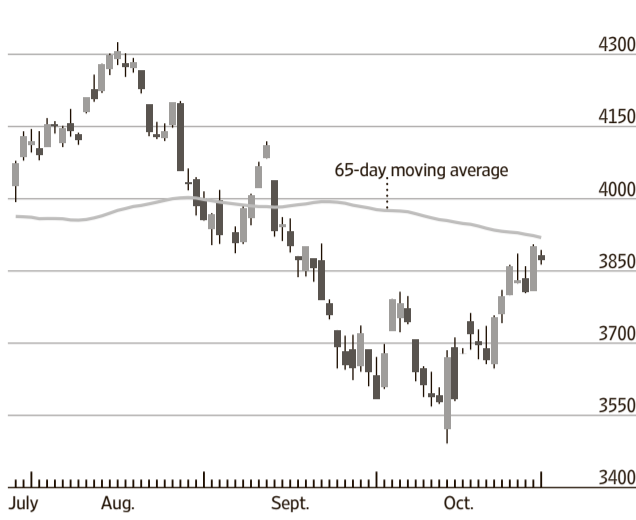
Dow Jones Industrial Average

32732.95 ▼128.85, or 0.39%
Last Year ago 20.27 22.40
Trailing P/E ratio 17.47 18.80
P/E estimate * 2.18 1.78
Dividend yield 36799.65, 01/04/22



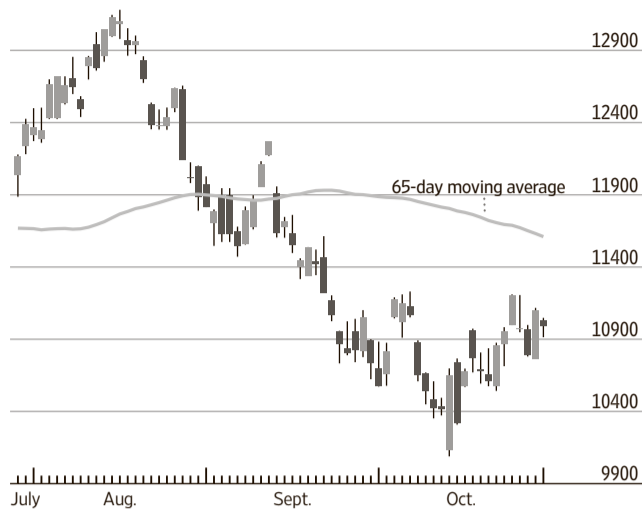
S&P 500 Index

3871.98 ▼29.08, or 0.75%
Last Year ago 18.68 29.27
Trailing P/E ratio * 17.03 22.37
P/E estimate * 1.75 1.31
Dividend yield 4796.56, 01/03/22



Nasdaq Composite Index

10988.15 ▼114.31, or 1.03%
Last Year ago 23.35 34.75
Trailing P/E ratio * 21.14 29.41
P/E estimate * 0.99 0.65
Dividend yield 16057.44, 11/19/21



Major U.S. Stock-Market Indexes

Table with columns: Index Name, High, Low, Close, Net chg, % chg, 52-Week High, Low, % chg, YTD % chg, 3-yr. ann. Includes Dow Jones, Nasdaq Stock Market, S&P, and Other Indexes.

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.

Most-active issues in late trading

Table listing companies like Arch Capital Group, SPDR S&P 500, and Apple with their trading details in the late trading session.

Percentage gainers...

Table listing percentage gainers such as Hologic, Lattice Semiconductor, and MannKind.

...And losers

Table listing percentage losers such as Varonis Systems, Goodyear Tire, and Harmonic.

Trading Diary

Volume, Advancers, Decliners

Table showing market statistics: Total volume, Advancers, Decliners, Issues traded, Advances, Declines, Unchanged, New highs, New lows, Closing Arms, Block trades.

International Stock Indexes

Table of international stock indexes by region/country, including MSCI ACWI, Euro STOXX, Nikkei 225, etc.

Percentage Gainers...

Table of percentage gainers in international markets, such as Actinium Pharmaceuticals and Getty Images.

Most Active Stocks

Table of most active stocks by volume, including ProShares UltraPro QQQ and Mullen Automotive.

Percentage Losers

Table of percentage losers in international markets, such as Quanergy Systems and Y-mAbs Therapeutics.

Volume Movers

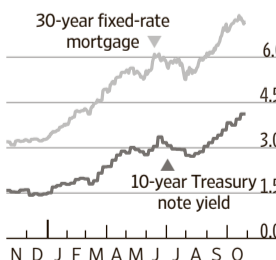
Table of volume movers, including Hoth Therapeutics and JPM BetaBld US SC Equity.

CREDIT MARKETS

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year

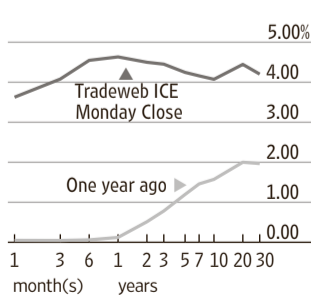


Selected rates

Table of selected consumer rates: 30-year mortgage, Bankrate.com avg, Florence Savings Bank, etc.

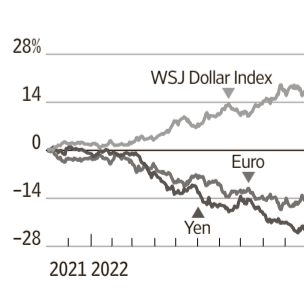
Treasury yield curve

Yield to maturity of current bills, notes and bonds



Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Corporate Borrowing Rates and Yields

Table of corporate borrowing rates and yields for U.S. Treasury, Aggregate, and various company bonds.

CURRENCIES & COMMODITIES

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Table of U.S.-dollar foreign-exchange rates for various countries and currencies.

Commodities

Table of commodity prices for DJ Commodity, Crude oil, Natural gas, and Gold.

Bankrate.com rates based on survey of over 4,800 online banks... Sources: FactSet; Dow Jones Market Data; Bankrate.com

Sources: J.P. Morgan; Bloomberg Fixed Income Indices; ICE Data Services

MARKETS & FINANCE

Japan Supported Currency With \$42.8 Billion in Funds

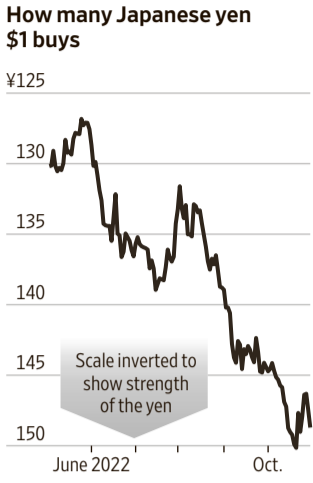
By MEGUMI FUJIKAWA

TOKYO—Japan spent \$42.8 billion in October to prop up the yen, an effort that has had some success but remains hampered by Washington's lack of interest in stemming the dollar's rise.

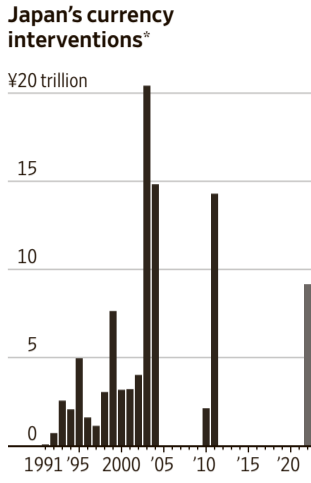
The Ministry of Finance said the government spent ¥6.35 trillion in October on intervention, equivalent to \$42.8 billion. The figure came on top of the ¥2.8 trillion it spent in September.

Japanese Finance Minister Shunichi Suzuki said on Sept. 22 that the government was buying yen to keep the currency from falling, the first such action in 24 years.

Since then, the government has declined to confirm individual actions, but Mr. Suzuki has repeatedly implied that intervention was continuing by saying he wouldn't



*Includes dollar, euro and yen-buying intervention. 2022 is year to date. ¥10 trillion=¥67.8 billion. Sources: Tullett Prebon (Forex); Japan Ministry of Finance (currency interventions)



Japan's intervention is part of broader global concern about the strength of the dollar this year, driven by the Federal Reserve's push to raise interest rates rapidly,

which makes dollar-denominated assets look more attractive to investors.

The yen has been particularly hard hit because the Bank of Japan is keeping interest rates near zero. The Japanese currency hit a 32-year intraday low of 151.93 yen to the dollar on Oct. 21, according to data provider Quick.

Analysts say Tokyo's intervention, including two instances that likely followed the Oct. 21 fall, has been successful in putting a floor on the yen. Late Monday in New York, a dollar bought ¥148.74 and the dollar has remained below 150 during the past week.

However, analysts say a significant reversal of the yen's weakness this year is unlikely because the interest-rate gap between the U.S. and Japan is still widening.

Hong Kong Considers Crypto Retail Trading

By ELAINE YU

Hong Kong is considering lifting a ban on the retail trading of cryptocurrencies, part of an effort to become a hub for digital assets.

That would reverse a years-long policy that has officially restricted crypto trading on licensed exchanges to professional investors in the city, although retail, or nonprofessional, investors can still trade over-the-counter or use overseas exchanges. The government announced the idea on Monday, the opening day of the Hong Kong FinTech Week conference.

Opening a path to retail investment in crypto will be a "huge plus," said Gary Liu, chief executive of Artifact Labs, a company focused on nonfungible tokens. The announcement was included in a wider policy statement on Hong Kong's plans to develop the digital-asset industry, which had a clear intent to attract investors and companies to the city, including those that previously left, he said.

The Hong Kong government's move to liberalize its rules around cryptocurrencies is in contrast to markets elsewhere in Asia. Chinese regulators banned all crypto-related transactions last September. Singapore recently tightened its stance after a number of crypto firms with links to the city collapsed.

Hong Kong's Securities and Futures Commission will start a public consultation on how retail investors "may be given a suitable degree of access" to digital assets, according to the government's statement. The SFC also published a circular on Monday covering the rules that could govern crypto exchange-traded funds being hosted on Hong Kong exchanges.

The SFC has specific guidelines for what it describes as complex products, which the regulator defines as those that aren't reasonably likely to be understood by a retail investor. These products are subject to stricter regulations.

The SFC and Hong Kong Monetary Authority, the special administrative region's de facto central bank, said in January that crypto-related assets were "very likely" to be considered complex products—but Julia Leung, deputy chief executive officer of the SFC, said in a Monday speech that may not be the case.

"It does not seem appropriate to classify them as 'complex products' merely because they are issued or traded on a blockchain," she said. Ms. Leung said the regulator needed

a consultation given the mixed views among lawmakers and others about crypto, including how relaxing the professional investor-only rule would "legitimize" crypto assets.

Jonathan Crompton, a partner of law firm RPC and founding member of the Crypto Fraud and Asset Recovery network's Hong Kong chapter, said that it made sense to regulate retail trading of cryptocurrencies. Otherwise, retail customers will just find a way to invest elsewhere, he said.

The SFC released a voluntary licensing regime for crypto exchanges in 2019, which limited trading to professional investors—individuals that have at least about \$1 million in liquid assets, or companies with either a portfolio of that size or with total assets of at least about \$5 million. Since January, exchanges have been allowed to sell a limited set of crypto-related products to retail investors in Hong Kong, including exchange-traded derivative funds. The government has also introduced a bill creating a fuller mandatory licensing regime for exchanges, which will come into effect next March.

Leonhard Weese, co-founder of the Bitcoin Association of Hong Kong, said the city's licensing process is already very strict. Only two companies have been approved by the regulator under the existing regime—OSL Digital

The plan reverses a policy that limited crypto trading to professionals.

Securities Ltd., which was licensed in 2020, and HashKey Group, which received an in-principle approval for a license in April.

The possibility of legalizing crypto trading for retail investors provides a carrot for companies that might now stay in the city for some more time to evaluate whether they could expand their market in Hong Kong, said Mr. Weese.

The move comes as regulators around the world—including Singapore—are increasingly grappling with how to protect consumers in the wake of this year's crypto crash, which has seen roughly \$2 trillion wiped from the market since its record in November, multiple companies filing for bankruptcy and many investors sitting on huge losses.

Blue Chips Rose 14% In October

Continued from page B1 futures markets show that traders see roughly even odds of either outcome, according to CME Group.

"I'm anticipating hearing Powell walking a fine line, trying to point out some of the positive data without the market taking it as a full-blown pivot," Luke Tilley, chief economist at Wilmington Trust, said.

Tech stocks helped drag down stock indexes. Meta Platforms, lost \$6.04, or 6.1%, to \$93.16, continuing last week's slide that followed a disappointing earnings report. Apple fell \$2.40, or 1.5%, to \$153.34 as Foxconn, an important contributor to Apple's iPhone production, struggled with a Covid-19 outbreak at a factory in China.

Whatever the size of December's move, economists caution that high inflation—

tolerate speculative moves in the yen.

The release of the October report on Monday confirmed that intervention took place during the month.



Apple shares fell 1.5% as an important supplier struggles with a Covid-19 outbreak at a factory.

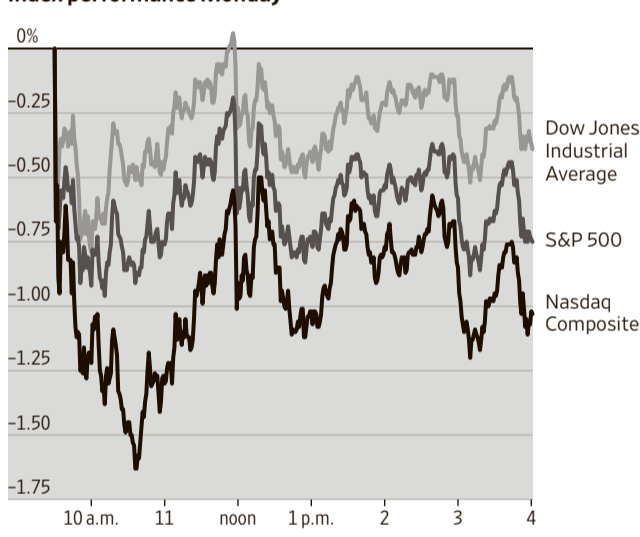
still at an 8.2% annual rate in September—will keep the Fed on track to bring rates up well into next year. Over the week-end, economists at Goldman Sachs raised their estimate of how high the Fed's target interest rate will eventually climb. The bank now expects the Fed's target to reach 4.75% to 5% next year, up from the Fed's current range of 3% to 3.25%.

Chicago wheat futures rose 6.4% to \$8.82 a bushel after Russia said it would suspend participation in the export of agricultural products from Ukrainian ports.

In energy markets, Brent crude, the international benchmark, fell 94 cents, or 1%, to \$94.83 a barrel.

Overseas, the pan-continental Stoxx Europe 600 rose 0.3%, contributing to a 6.3% rise in October.

Index performance Monday



Chinese markets rallied early Tuesday, with Hong Kong's Hang Seng Index up almost 4% and the Shanghai Composite up 1.6%. S&P 500 futures rose 0.4%.

AUCTION RESULTS

Here are the results of Monday'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.

Table with columns for 13-Week and 26-Week Treasury auctions, including applications, accepted bids, noncomp, foreign noncomp, auction price, and bids at clearing yield.

Both issues are dated Nov. 3, 2022. The 13-week bills mature on Feb. 2, 2023; the 26-week bills mature on May 4, 2023.

REIT Returns Diverge

Continued from page B1 stock market, while nontraded REITs raise money directly, mostly from individuals through financial advisers. These individual investors can cash out only periodically through the funds' sponsors.

The valuations differ because public REITs are valued at what their shares are trading for

on the stock market. Nontraded REITs are valued monthly by their sponsors working with independent appraisers analyzing how much the commercial property they own is worth.

Nontraded REITs are part of a booming market for private investments that attracted individuals and institutions eager for higher yields, hot start-ups and funds that appeared to be less volatile than public markets. Nontraded REITs have raised more than \$92 billion over the past five years, said Robert A. Stanger & Co., an investment-banking firm that tracks the market.

These funds have been huge moneymakers for firms such

as Blackstone Inc., Starwood Capital Group and others. The Blackstone Real Estate Income Trust, known as BREIT, has raised more than \$62 billion, while the Starwood Real Estate Income Trust, or SREIT, has raised about \$12.7 billion, according to Stanger.

Both funds are up about 10% this year including the rise in share price and dividends. The 26% decline in the MSCI REIT index also includes dividends. Investors in these funds are concerned about declining property values, recent weakness in rents and rising interest rates, which make the income generated by REITs less attractive and increase

borrowing costs for the funds.

Some investors are asking why the value of nontraded REITs continues to rise. For one thing, values of apartment buildings have declined 14% in the past 12 months according to real-estate analytics firm Green Street, while industrial-property values are down 9%. Even e-commerce-related distribution centers are seeing softening demand. Investors are worried that prices for office buildings could decline as people continue to work from home.

Meanwhile, institutional investors have been selling interests in private real-estate funds, according to specialists who focus on secondary-market trad-

ing of these investments, and they have been willing to accept prices that sometimes are as much as 10% below net asset values from the third quarter, the most recent valuations.

"The selling is in anticipation of potential future drops in value," said Phil Barker of ACRE Solutions LLC, which helps big investors buy and sell interests in private real-estate funds in the secondary market, though he doesn't deal with nontraded REITs. "Interest rates and inflation are up, public real-estate prices are lower and private real-estate values will eventually rise."

Sponsors of nontraded REITs argue that their net asset val-

ues continue to rise because they are still seeing strong cash flows. Some have taken steps to protect against a rise in interest rates. Blackstone said its rate hedges have added \$4.4 billion this year to the value of its nontraded REIT. The Blackstone and Starwood funds focus on some of the strongest sectors such as apartments, where the housing market is strong, and industrial properties that profit from e-commerce growth.

For its part, Starwood noted that the asset value of its nontraded REIT has increased only 0.64% in the past three months and that was "driven principally by the values of non-real-estate assets."

Mutual Funds

Data provided by LIPPER

Top 250 mutual-funds listings for Nasdaq-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-Redeemed by Lipper, using updated data. p-Distribution costs apply. 1,2b-1-R-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.

Table of mutual fund performance for Monday, October 31, 2022, including American Century, American Funds, Calamos, Columbia, Dimensional, Fidelity, and others.

Table of mutual fund performance for Monday, October 31, 2022, including Dodge & Cox, Fidelity, Invesco, JPMorgan, and others.

Table of mutual fund performance for Monday, October 31, 2022, including Vanguard, Parnassus, PGIM, and others.