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THURSDAY, NOVEMBER 3, 2022 ~ VOL. CCLXXX NO. 106

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Business ヴ Finance

The Fed lifted interest lacksquare rates by another 0.75 percentage point to combat inflation and signaled plans to keep raising them, possibly in smaller increments but to higher levels than previously anticipated. A1 ◆ U.S. stocks ended sharply lower in the wake of the central bank's meeting, with the S&P 500, Nasdaq and Dow losing 2.5%, 3.4% and 1.5%, respectively. B1

- **♦ CVS and Walgreens** agreed to pay over \$10 billion in a settlement to resolve opioid-crisis lawsuits brought by states, cities and other governments. A1
- ◆ Musk said Twitter won't let anyone who was removed from the service for violating its rules back on the platform until the company has a clear process in place. B1
- ◆ The SEC said it obtained record monetary sanctions in the latest fiscal year, and the agency advanced two more regulatory initiatives. A5
- ♦ Boeing executives laid out plans to restore the plane maker's financial strength over the next three years, following a string of losses. B1
- **♦ Penguin Random House** wants to appeal a decision blocking its acquisition of Simon & Schuster, but the first step is to ensure its would-be partner stays in the fight. B1
- ◆ Dan Snyder, the embattled owner of the Washington Commanders, hired bankers to explore "potential transactions," the NFL team said. **B1**

World-Wide

- ◆ Netanyahu was poised for another comeback that could usher in one of Israel's most conservative and religious governments ever, after voters delivered him and his political allies a clear edge in this week's election. A1
- Russian officials in occupied Kherson said they would begin mandatory transfers of tens of thousands of residents from parts of the region, as Ukraine continues its offensive to recapture the south. A6
- ◆ Russia said it would rejoin a deal allowing for the safe passage of Ukrainian grain, ending days of uncertainty over future shipments. A6
- ♦ White suburban women have significantly shifted their support from Democrats to Republicans in the closing days of midterm campaigning, according to a Wall Street Journal poll. A4
- ◆ Trump associate Kash Patel is set to soon testify before a grand jury probing the handling of classified documents at Mar-a-Lago after receiving immunity. A5
- ♦ U.S. Capitol Police said they weren't actively monitoring cameras at Pelosi's San Francisco home when her husband was assaulted. A5
- ◆ The gunman who killed 17 people in the 2018 Parkland, Fla., high school massacre was sentenced to life in prison without parole. A3
- **♦** Ethiopia's government and Tigrayan rebels agreed to a cessation of hostilities, following two years of war. A16

JOURNAL REPORT

ESG: What investors need to know about varying ratings. R1-10

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Fed Lifts Rates, Signals 'Ways to Go'

Stocks fall as Powell says tightening will continue after latest 0.75-point increase

By NICK TIMIRAOS

WASHINGTON—The Federal Reserve lifted interest rates by another 0.75 percentage point to combat inflation and signaled plans to keep raising them, possibly in smaller increments but to higher levels than previously anticipated.

The increase approved Wednesday, the Fed's fourth

consecutive 0.75-point rate rise, lifts the central bank's benchmark federal-funds to a range between 3.75% and 4%. After the decision, Chairman Jerome Powell said officials would contemplate a smaller hike at their next meeting in December. But he cautioned that they might raise borrowing costs next year more than they have projected.

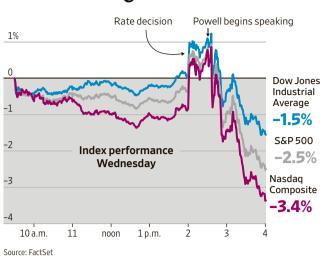
"The question of when to moderate the pace of increases is now much less important than the question of how high to raise rates and how long to keep monetary policy restrictive," he said at a news conference.

Mr. Powell also warned that reducing the size of rate increases didn't mean the Fed thought it was close to pivoting away from raising rates.

"It is very premature to be thinking about pausing," Mr. Powell said. "We think we have a ways to go."
Stocks fell, with the S&P

500 down 2.5%. The Dow Jones Please turn to page A2

- ◆ Greg Ip: Revisiting the link between deficits, inflation.... A2
- ♦ Blue-chip stocks lose over 500 points....
- Heard on the Street: The Fed
- draws blood...





SEALED: Polish soldiers Wednesday install razor wire along Poland's border with the Russian exclave of Kaliningrad, in what it says is a bid to deter Moscow from encouraging illegal crossings by asylum seekers into the European Union. A6

\$10 Billion Deal Over **Opioids**

By Sharon Terlep

CVS Health Corp. and Walgreens Boots Alliance Inc. agreed to pay more than \$10 billion in a landmark settlement to resolve opioid-crisis lawsuits brought by states, cities and other governments.

The two largest U.S. drugstore chains said they reached a framework to settle the collection of lawsuits brought by governments and Native American tribes blaming pharmacies for helping fuel the nation's opioid epidemic.

Each state, local government and tribe still must decide whether to participate in the settlement. In a statement, the plaintiffs' attorneys appointed to lead the negotiations said they encouraged governments and tribes to join the settlement, which they said holds the pharmacies accountable.

Under the proposed deal, Please turn to page A4

China's New No. 2 Mixes Business With Party Loyalty

Li Qiang could serve as a moderating influence in Beijing

By Keith Zhai and Chun Han Wong

Xi Jinping's new right-hand man, Li Qiang, has shown two sides to his personality over his career.

Mr. Li, whom Mr. Xi appointed last month as China's new No. 2, is known inside the country as a pro-business pragmatist unafraid to push the boundaries of Communist Party rule. Party insiders say he's also a loyalist who will implement Beijing's policies effectively and aggressively when needed.

The question as Mr. Li steps into his new role is, which side will predominate?

Mr. Li previously served as a close aide to Mr. Xi, who begins his third term as party

chief after a push to suppress any potential

opposition and consolidate his power. Some Chinese entrepreneurs, investors and scholars say Mr. Li's record suggests he could serve as a moderating influence on Mr. Xi, nudging the Chinese leader to ease hardline policies like his zero-tolerance approach to Covid-19 and his tech-company crackdown that have pushed China toward more state

In Shanghai, where he was the city's top leader, Mr. Li maintained close relations with technology tycoons including Alibaba Group Please turn to page A8

◆ Germany's chancellor is heading to Beijing.... A16

Israeli Voters Put Netanyahu on Brink Of a Big Comeback

Minister Benjamin Netanyahu of Israel was poised for another comeback that could usher in one of the country's

> By Shayndi Raice, Dov Lieber and Aaron Boxerman

most conservative and religious governments ever, after Israelis delivered him and his political allies a clear edge in this week's election.

With 86% of the votes

TEL AVIV—Former Prime counted on Wednesday, Mr. inister Benjamin Netanyahu Netanyahu and his political allies were on course to secure a small majority in Israel's parliament, the Knesset, returning to power a familiar international figure whose political future has been written off many times over the course of more than 30 years in public life.

The projected victory would burnish his reputation as "the magician," as Mr. Netanyahu is known in Israel, for his ability to stage repeated comebacks.

Please turn to page A7

Candidates Choke on Food Issues

Beer with ice, crudités draw voter backlash

By Kristina Peterson

For decades, Joe O'Dea poured his beer over ice in peace. Then he ran for the U.S.

Controversy bubbled over when word spread that the Colorado Republican sipped Michelob Ultra in a glass of ice during an interview. The partisan outrage spilled in a state awash in craft breweries, 428 at last count.

Sen. John Hickenlooper (D., Colo.), who founded a well-Denver brewpub, tweeted about the beer-drinking apostasy. Within hours, the campaign of Mr. O'Dea's Please turn to page A8 | classes.

Prestigious M.B.A. Programs Go Online

By Lindsay Ellis

Executive M.B.A. students at the Wharton School of the University of Pennsylvania will be able to earn the \$223,500 degree from their living rooms starting next year.

After years of resistance, some of the country's top business schools are starting virtual M.B.A. programs that require only a few days of inperson instruction. Wharton and Georgetown University's McDonough School of Business said they would include options for executive and parttime M.B.A. students to take most coursework online in

This fall, part-time M.B.A. students at New York University's Stern School of Business and the Haas School of Business at the University of California, Berkeley were given an online option for most of their

All of the programs will charge online students the same tuition as those who attend in person, and those online students will get the same degree and credential as oncampus counterparts.

The move to give students flexible location options comes as demand for two-year, fulltime traditional M.B.A. programs has been dropping amid a competitive job market and growing concern about the cost of college.

"The pandemic definitely accelerated this in every industry," said Brian Bushee, who leads teaching and learning at Wharton and also teaches accounting. "I would be surprised in 10 or 20 years if there were schools that only did in-person and did nothing online.'

Between 2009 and 2020. the number of online M.B.A.s at accredited business schools Please turn to page A9

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

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The information presented in the table above has been compiled and analyzed by IDC using their methodology described in the Worldwide Artificial Intelligence Platforms Software Market Shares, 2021: All Is Being Used in More Unique Usays 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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U.S. NEWS

CAPITAL ACCOUNT | By Greg Ip

A2 | Thursday, November 3, 2022

Revisiting the Link Between Deficits, Inflation



U.S. inflation and budget deficits are both uncomfortably high. These

are usually seen as separate problems. Federal Reserve Chairman Jerome Powell says he will get inflation back to 2% regardless of what Congress and the president do with fiscal policy.

But fiscal and monetary policy aren't so easily separated. After all, fiscal stimulus had some role in pushing inflation up, and as the Fed raises interest rates to combat that inflation, it will worsen deficits. Britain had to abandon deficit-financed tax cuts over fears they would drive inflation and interest rates higher. French Finance Minister Bruno Le Maire recently warned: "Central banks' restrictive policies are ineffective if public finances continue to expand."

If Republicans win control of the House of Representatives and possibly the Senate in midterm elections next week, as polls suggest, expect to hear more about such linkages as they push for spending cuts.

And as it happens, there's an economic theory standing by to help them make the case. The fiscal theory of the price level (FTPL), as it's known, argues that monetary and fiscal policy don't just in-

teract; they are, ultimately, inextricable. If fiscal policy is irresponsible, even a responsible central bank can't control inflation.

rthodox economics has long held that inflation is, ultimately, under the central bank's control. "Inflation is always and everywhere a monetary phenomenon," Milton Friedman said in 1963. Today, Keynesian-influenced economists assign less significance to the money supply, but still believe the central bank. through its control of shortterm interest rates, can influence inflation by keeping demand in line with supply.

In a 1981 paper, though, Thomas Sargent (like Mr. Friedman a future winner of the Nobel Prize in economics) and Neil Wallace challenged this orthodoxy: A government that runs unsustainable deficits will, one day, fail to sell enough bonds, at which point the central bank will have to finance the shortfall by printing money. The central bank may initially try to control inflation by raising interest rates sharply. But this will widen deficits further and ultimately make inflation even harder to control.

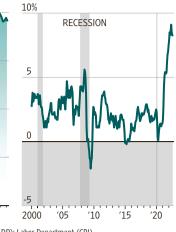
"Persistent high inflation is always and everywhere a fiscal phenomenon, in which the central bank is a monetary accomplice," wrote Mr.

Debt has risen steadily since 2000, while inflation recently shot up.

Publicly held federal debt as share of GDP



Consumer price index, 12-month change



Sources: Federal Reserve Bank of St. Louis (GDP); Labor Department (CPI)

Sargent, currently a professor at New York University and a senior fellow at Hoover Institution, in 2013.

The public will anticipate this eventuality long before it happens and act in ways that drive inflation up now, not in the future, argues Hoover Institution economist John Cochrane, author of "The Fiscal Theory of the Price Level," a 558-page examination of the theory to be published next year. (It's heavy on math and Greek letters; his website offers more accessible articles.) Thus it's not the money supply but the government debt, and whether the public expects it to be repaid, that de-

termines inflation, he said. Indeed, the distinction between money issued by the central bank and bonds issued by the Treasury becomes irrelevant.

If that sounds familiar, it's because Modern Monetary Theory, or MMT, a heterodox school of thought popular on the left, also obliterates the divide between fiscal and monetary policy. MMT is less a theory than a collection of truisms, such as that governments that borrow in a currency they also print can always repay their debt, deployed to justify unlimited deficit spending unless inflation goes up. FTPL, by contrast, predicts that unlimited deficit spending inevitably leads to inflation. Not surprisingly, it appeals more to conservatives

The surge in inflation that followed Covid-19 and the trillions of dollars of deficitfinanced cash transfers and aid has diminished the appeal of MMT, but invigorated proponents of FTPL. A lot of that increase in inflation is because of "the worrying combination of the large public debt and the weakening credibility of the fiscal framework," according to a paper co-authored by Francesco Bianchi of Johns Hopkins University that he presented at the Fed's conference in Jackson Hole in August.

ut FTPL is frustratingly difficult to apply to real life. Debt soared after the 2008 financial crisis yet inflation fell, instead of rising as FTPL might imply. Responding to Mr. Bianchi, Ethan Ilzetzki of the London School of Economics noted that Japan has by far the highest debt among major advanced economies, but the lowest inflation. FTPL, he said, is "a ticking time bomb that (so far) refuses to detonate."

Mr. Cochrane said FTPL can explain these results: Japanese savers are willing to lend to their own government at rock bottom interest rates,

which makes future debt service and deficits less burdensome. Rising debt after 2008 did put upward pressure on inflation but that usefully offset the threat of deflation from soaring unemployment, he said: the balance of these opposing forces yielded a low, positive inflation rate. Mr. Cochrane acknowledges FTPL doesn't provide a clear-cut debt level at which inflation takes off: "You get more inflation when you get more government debt than people think the government can or will repay.

A theory that doesn't predict inflation but explains it only after the fact by invoking hard-to-measure attitudes isn't that satisfying, and certainly no better than mainstream macroeconomic

It's also worth remembering Messrs. Sargent and Wallace wrote back in 1981 that fiscal policy doesn't always dominate monetary policy; sometimes the opposite happens. The British government arguably dropped its inflationary budget plans because the Bank of England stood firm. In the U.S., FTPL's greatest value may be as a reminder to Congress and the Fed to pay attention to each other. Said Mr. Cochrane: "The bottom-line message is ... that fiscal and monetary policies always have to work together.'

Fed's Powell to Markets: Final Rate Is What Matters

By GREG IP

Federal Reserve Chairman Jerome Powell had one overriding message for markets Wednesday: Stop obsessing over how fast rates are rising, and start focusing **ANALYSIS** on how high they

get.

This was a necessary message, but a discouraging one. That is because Mr. Powell also said that the final resting place for the Fed's interest-rate target—dubbed "the terminal rate"—is going up. It was also an incomplete message because Mr. Powell didn't explain what will determine the terminal rate, leaving open the risk that the Fed will overdo it.

Going into this week's meeting, markets were hoping for a sign that the Fed, after a fourth straight 0.75-percentage-point rate increase, might soon pivot to a slower tightening pace, and perhaps an outright pause. The Fed statement released at 2 p.m. ET Wednesday suggested it would: "In determining the pace of future increases...the [Fed] will take into account the cumulative tightening of monetary policy [and] the lags with which monetary policy affects economic activity and inflation.

The resulting jump in stock prices and the fall in bond yields was short-lived. Soon after Mr. Powell started his press conference at 2:30 p.m.,

he explained that even if rate increases slow. "we may ultimately move to higher levels than we thought at the September meeting."

This makes tactical sense. Central banks adhere to the Brainard principle, named for the economist William Brainard, which says that if you're unsure how changes in the short-term interest rate affect the economy, go slowly. Tightening in three-quarter percentage-point increments made sense when rates were plainly far too low—like taking big strides on familiar terrain. But the higher rates get, the less certain the impact becomes. Downshifting to quar-

ter- or half-point increments

gives the Fed more time to assess that impact.

This also makes strategic sense because the ultimate impact of monetary policy on growth and inflation depends on the terminal rate, not the path to that rate. The evidence in the past few months suggests the terminal rate needs to be higher than the 4.6% Fed officials wrote down in September. Inflation as measured by the consumer-price index is still running above 8% annually.

On Wednesday, Mr. Powell acknowledged nominal rates need to go above inflation. But that means the terminal rate depends on the inflation rate, which is a surprisingly difficult to pin down: It depends

on whether you use the past or future data, which price index and which items, if any, are excluded. Mr. Powell declined to say, except that it wasn't necessarily 5%, the 12month change in the price index of personal consumption excluding food and energy. It also depends on other financial conditions, such as the added interest-rate spread businesses and households pay compared with the Fed's target rate.

Mr. Powell emphasized, as the Fed has signaled since June, that he will err on the side of raising rates too much rather than too little, judging the latter to be the tougher error to repair. "Until we get in-

flation down, you'll be hearing that from me," he said.

Yet if the Fed really does wait for inflation to come down before pivoting, it is at great risk of raising rates too much. Monetary policy works with lags because it takes some time for higher rates to slow economic activity and even more time for that slower activity to bring down inflation.

Some Fed officials have lately hinted that those lags loom larger in their thinking; so have some foreign central banks who raised rates less than expected. Mr. Powell gave little sign Wednesday he agrees-and thus the end of the Fed's tightening cycle is still up in the air.

Fed Again Lifts Rates 0.75 Point

Continued from Page One Industrial Average fell 1.5%, or 505 points. Bond yields were little changed, with yields on the benchmark 10-year Treasury note rising to 4.059% from 4.052% on Tuesday.

The bond market was on the same page here," said Michael de Pass, global head of linear rates trading at Citadel Securities. "The hope for a policy pivot at this meeting seemed quite misplaced and obviously proved to be so, but the bond market was not looking for any sort of pivot."

At their September policy meeting, most Fed officials projected that they would need to raise the benchmark rate to around 4.6% early next year. Officials didn't release new rate projections Wednesday. Mr. Powell said that if they had, they would have been higher given recent strength in the labor market and high inflation readings. A higher path for interest rates suggests a greater risk of a recession, he said.

"The inflation picture has become more and more challenging over the course of this year, without question," he said. "To the extent rates have to go higher and stay higher for longer, it becomes harder to see the path" that avoids a recession.

Investors in interest-rate futures markets expect the Fed to raise the fed-funds rate slightly above 5% by the spring, and Powell's comments Wednesday suggested he likely agreed with that outlook, said Michael Gapen, chief U.S. economist at Bank of America.

While Mr. Powell said he



Fed Chairman Jerome Powell said the 'inflation picture has become more and more challenging.'

didn't think the Fed had raised interest rates too much, he repeated his view that it would be appropriate for the central bank to err on the side of overdoing it because he saw a bigger cost for the economy in allowing inflation to become entrenched.

The latest rate increase will bring the fed-funds rate to a level last seen in the first three weeks of 2008, as the economy was sliding into a deep recession and before the Fed accelerated rate cuts as a global fi-

The increase will bring the fed-funds rate to a level last seen in early 2008.

nancial crisis was unfolding. The Fed combats inflation

by slowing the economy through tighter financial conditions-such as higher borrowing costs, lower stock prices and a stronger dollarthat curb demand. The fedfunds rate influences other borrowing costs, including rates on credit cards, mortgages and car loans. Changes to the anticipated trajectory of rates, and not just what the Fed does at any meeting, can influence broader financial conditions.

Fed rate increases this year have hit asset prices and are causing a significant slowdown in rate-sensitive sectors of the economy such as housing.

The run-up in yields on the 10-year Treasury—it stood at just 1.6% in January—has pulled down the benchmark Bloomberg U.S. Aggregate bond index by more than 15% on the year. The 10-year yield is up over 1.4 percentage points since August, its largest three-month gain since 1984. The average 30-year fixed mortgage rate in October rose above 7% for the first time in 20 years.

Before this week's meeting, some officials had begun signaling their desire both to slow the pace of increases soon and to potentially stop raising rates early next year-to see how their moves this year slow the economy.

The Fed's policy statement released Wednesday pointed to how rate rises slow economic activity and inflation with a lag. The danger of continuing to raise rates by 0.75 point, or 75 basis points, is that "by the time those lags reveal themselves, if you keep going up by 75, you've done a heck of a lot more than you really wanted," Mr. Gapen said.

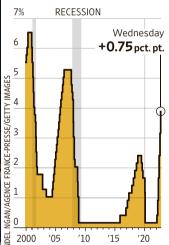
While the central bank will need to see evidence that inflation is coming down decisively, Mr. Powell said he had never thought that several months of slower inflation data was "the

CORRECTIONS ど AMPLIFICATIONS

A June flood caused the Gardner River to overflow and destroy sections of Yellowstone National Park's main highway entrance from the north. A U.S. News article on Wednesday about communities near the park incorrectly said the road was washed out by flooding on the Yellowstone

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

Federal-funds rate target



Note: Chart shows midpoint of range since 2008. Source: Federal Reserve

appropriate test for slowing the pace of increases."

His comments opened the door to slowing rate rises as soon as December, though he said no decisions had been reached. He also said the Fed wasn't close to stopping rate rises and holding rates steady for a while.

"We think there is some ground to cover before we meet that test," Mr. Powell said.

Some analysts said it has been clear for some time the Fed would prefer to slow its rate increases to avoid tightening policy too much.

Other economists think hotter readings on inflation or signs of stronger hiring and wage pressures could still prevent the Fed from dialing back its rate increases in December.

Inflation pressures have broadened despite some signs of potential relief. Commodity prices have fallen. Easing supply-chain bottlenecks could lead to slower increases or outright declines in the prices of goods. Home prices are falling, and rent growth has slowed.

But the strong job market, a generous savings cushion boosted by pandemic relief, and heady gains in asset prices over the past few years could keep consumer spending robust, giving businesses more power to keep raising prices.

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U.S. NEWS

Parkland High School Gunman Is Sentenced to Life in Prison

By Arian Campo-Flores

Nikolas Cruz was sentenced to life in prison without parole Wednesday for the murders of 17 people at a Parkland, Fla., high school in 2018, concluding a case that was emotionally grueling for victims' families and whose outcome left them fuming.

A jury in October spared him the death penalty and instead recommended that he spend the rest of his life in prison. At the request of prosecutors, Broward County Circuit Judge Elizabeth Scherer scheduled a two-day hearing that began Tuesday to allow victims' family members to express themselves before the court and the defendant.

When they concluded, Judge Scherer imposed life sentences for each of 34 counts—17 involving people Cruz murdered and 17 involving those he attempted to murder but who survived—as some family members wept. She ordered that Cruz serve the sentences consecutively and granted a motion by prosecutors to prevent him from benefiting from any proceeds deriving from literary or cinematic accounts of his crimes.

Judge Scherer also addressed victims' family members, praising their strength, grace and restraint throughout the proceedings. "I want to thank the family members for the privilege of learning about each and every one of your



Meghan Petty, whose sister Alaina Petty was killed, gave a statement during the two-day hearing.

loved ones," she said. "I can tell you that they will not be forgotten."

During the two-day hearing, family members came forward one by one to deliver remarks, with the defendant seated before them. Some assailed what they considered a miscarriage of justice in the decision not to impose the death penalty, while others spoke of the searing pain they continue to grapple with.

Max Schachter, whose son Alex Schachter was killed in the shooting, criticized assertions made by Cruz's lawyer during the death-penalty phase

that Cruz's mental-health needs had gone unaddressed, detailing a lengthy list of therapy and other services he had received over the years. Mr. Schachter also challenged the contention that Cruz suffered brain damage as a child, saying the defendant carefully planned the massacre.

"Society tried for almost two decades to try to rehabilitate him," Mr. Schachter said. "He is a sociopath that does not deserve to live amongst us."

Meghan Petty, whose sister Alaina Petty was killed in the shooting, said she felt betrayed by the justice system. She called Cruz a "remorseless monster" who escaped the punishment he deserved. And she recounted that the last time she saw her sister was when she lay "lifeless and cold" in a coffin.

Cruz, 24 years old, pleaded guilty last year to the murders of 17 people and the attempted murders of 17 others at Marjory Stoneman Douglas High School. The three-month penalty trial focused solely on whether Cruz should be put to death or imprisoned for the rest of his life.

School Lunch Prices Rise With Costs

By Ben Chapman

Families across the country are facing higher costs and fewer options for school meals as districts contend with rising food and labor prices and the loss of universal free pandemic meals, according to food-service managers.

Many districts across the country have raised prices for school food by as much as 50 cents a meal this year as they face ingredient prices that have risen by 50% or more.

Some have reduced the number of choices for meals available to students in a cost-cutting measure as they also grapple with the expiration in June of a federal relief program that provided funding for free lunches for all students amid the pandemic.

School-food-service managers in Kansas, Virginia and Missouri, among other states,

said they have had no choice but to cut back on menu items such as fresh oranges and red meat while passing rising costs on to families.

fourth and seventh grades last month, a figure that was higher than her utility bills, she said. Her household's annual income is about \$55,000,

Sarah Kemmerling, a daycare provider in Lafayette,

Some have cut back on menu items such as fresh oranges and red meat.

Colo., and mother of two, said the end of free school meals this year and a price increase of 50 cents, to \$4 a lunch, put additional pressure on her household finances, which

were already tight.

Ms. Kemmerling's family paid about \$140 for school meals for her two children in

month, a figure that was higher than her utility bills, she said. Her household's annual income is about \$55,000, she said, including wages earned by her husband, a mechanic. "We were right on the cusp" of qualifying for free lunches, she said.

The impact of the end of universal free lunch and rising consumer prices was reflected in a Labor Department report last month that showed the consumer-price index, which measures what consumers pay for goods and services, rose by 8.2% in September from a year earlier, in unadjusted terms.

California and Maine passed laws to continue free school meals after the federal universal program ended over the summer. Other states, including Colorado, are considering similar legislation. Big districts with high poverty rates, such as New York City, continue to receive federal funding for universal free lunches under a special program.

Mary Rochelle, who is program, grants and communications lead for the Boulder Valley School District where Ms. Kemmerling's children attend school, said the district was hesitant to increase prices for meals this year, for the first time since 2016, because of financial hardships faced by families in the pandemic. But, she said, rising food and labor costs compelled the district to do so.

To lessen the blow of higher prices for ingredients and the loss of universal free school lunch funding in June, the federal government in July increased reimbursement by up to 68 cents per free/reduced-price lunch and 32 cents per free/reduced price breakfast.

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\$10 gold coin, 1907-1916, featuring Lady Liberty

in a feathered Native American headdress

Crows Can Learn Complex Skill, Study Says

By Dominique Mosbergen

A facet of complex thought long believed to be unique to humans may be for the birds, too.

Crows can learn a skill previously believed to distinguish the minds and communication of humans from other animals, according to a study published Wednesday in the journal Science Advances. The research could help bolster evidence that recursion, defined in the study as the cognitive ability to embed a structure within similar structures, is a skill that some animals, like some monkeys and birds, can learn.

Two crows appeared to grasp the cognitive concept at a toddler's skill level, the study said. The crows required just a few days of training before they learned the skill.

"Crows are really smart," said Diana Liao, a study co-author and postdoctoral researcher at Germany's University of Tübingen. "But the speed they were able to do this was surprising to us."

Linguists including Noam Chomsky hypothesized in the early 2000s that recursion is a unique cornerstone of language that makes it distinct from animal communication. Dr. Chomsky, professor emeritus at the Massachusetts Institute of Technology, said recursion could explain humans' capacity for complex thought.

In human language, as linguists have demonstrated, phrases can be embedded into other phrases like infinite Russian nesting dolls. The phrase,



Crows appeared to grasp a cognitive concept at a toddler's skill level.

"the humans feared" can be embedded within another, "the crows cawed," to form the statement, "the crows the humans feared cawed."

Some other species may be capable of creating similarly embedded structures, research has shown. A 2020 study in Science Advances tested humans and rhesus macaque monkeys on their ability to arrange colored brackets into specific nested sequences.

Three- to five-year-old children and people from other groups were able to create such sequences with little training, the study showed. The monkeys required more training but demonstrated they could grasp the concept

as well as the children, the study said.

"People thought that the ability to represent these sequences was uniquely human, and thought that this ability was related to the amazing things humans could do," said cognitive scientist Stephen Ferrigno, an assistant professor at the University of Wisconsin-Madison who co-wrote the 2020 paper. "Our research suggests that recursion isn't the sole difference between human

and animal cognitive ability."
In the new study, two crows were trained to create embedded sequences by pecking at brackets of colors and shapes on a screen. When the crows pecked a correct sequence, a

chime sounded and the birds were rewarded with birdseed pellets or mealworms. If they pecked an incorrect sequence, a buzzer blared and the screen went dark for two seconds before the training resumed.

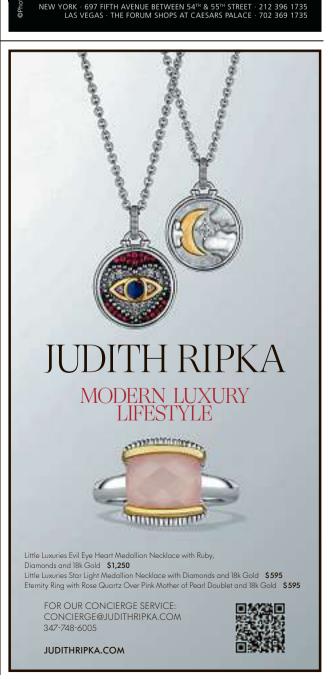
After a few days, the crows learned to peck correct sequences using bracket combinations they hadn't encountered before at rates significantly higher than chance, Dr. Liao said. They pecked correct patterns at around the same rate as U.S. children and outperformed monkeys from the 2020 study, she said.

Dr. Chomsky said he wasn't convinced the crow study or earlier work including Dr. Ferrigno's monkey study demonstrated recursion. He said he believes the ability is innate, not learned.

Rules people use to understand grammar and math go far beyond a crow's recall of a few sequential patterns, Dr. Chomsky said. "It's easy to show that humans have the rule in their heads," he said. "There's no evidence that corvids have the rule."

Crows belong to the corvid family, a group that includes jays and ravens.

Some cognitive scientists have said the methods used to test the crows might not demonstrate real recursive thinking as brackets are arbitrary symbols unlike phrases in language that can be meaningfully related to each other. Dr. Liao said the method is useful for testing animals that don't use language.



A4 | Thursday, November 3, 2022

U.S. NEWS

House Seats Are in Play In Virginia

Republicans look to unseat a handful of Democrats by making a case on school policy

By Natalie Andrews

WOODBRIDGE, Va.-In the final days of the midterm campaign with a trio of Democratic House seats in play, Vir-Republicans embracing an approach that helped Glenn Youngkin capture the governor's mansion: making the case that they listen to parents.

In a recent television ad, Republican Yesli Vega stands before a classroom and says she will "never co-parent with the federal government." She references Mr. Youngkin's upset victory last year, in which the Republican won over independents and some Democrats in a blue-leaning state that backed President Biden by 10 percentage points in the 2020 election.

Ms. Vega, a Prince William County deputy sheriff, is challenging two-term Democratic Rep. Abigail Spanberger in the exurbs and rural areas between Washington, D.C., and Richmond. In the two other competitive races, Republican state Sen. Jen Kiggans is challenging Democratic Elaine Luria in the Virginia Beach area, and Democratic Rep. Jennifer Wexton is defending her suburban Northern Virginia district against Republican Navy veteran Hung Cao. Of the three, Ms. Wexton's district is seen as the most likely to stay in Democratic hands, while the other two are true tossups.

How the state's races play out will form one piece of a broader puzzle of dozens of competitive House contests nationwide, as voters weigh issues such as inflation, abortion access and crime. Nonpartisan election analysts favor Republicans to win the House, where they need to pick up a net of five seats to take con-

In his 2021 run, Mr. Youngkin argued that parents had been shut out of decisions about race in the curriculum, Covid-19 precautions and academic standards. He has cast it as a guide that could help Republicans win in competitive races in 2022—even as voters' focus has shifted to other issues—and Ms. Vega has followed that lead.

"You all know the fight that we started here in this state last year, it was a movement where we said that parents absolutely mattered, and we



Democratic Rep. Abigail Spanberger, left, is trying to fend off a challenge from Republican Yesli Vega.

haven't forgotten about that," Ms. Vega said last week at a rally with the governor.

Democrats say that they approved hundreds of billions of dollars in aid to reopen schools and distribute funding to communities and households during the pandemic. They also say that Republicans are politicizing decisions about classroom content best made by teachers and administrators. Democrats more broadly cite efforts to tame inflation by lowering prescription-drug costs and seeking to boost gasoline supplies, and they tout their support of broad access to abortion, which many Republicans oppose.

House Republicans, when introducing their "Commitment to America" policy plan in September, said they would pass a Parents Bill of Rights that gives parents the "right to know what is being taught in schools and to see reading material." They also plan to push back on transgender girls being allowed to participate in school sports.

Christine Matthews, a Republican pollster, said increased concern over abortion access may temper GOP candidates' ability to win over Democratic votes in Virginia.

"You're not going to get a Democratic woman to vote for a Republican who is not going gun safety, and abortion.

to support their right to choose," she said.

Abortion is legal in Virginia up until 26 weeks and six days of pregnancy. Republican Virginia state Sen. Amanda Chase said Sunday that she would introduce a bill that bans all abortion.

Nationally, nonpartisan Public Religion Research Institute polling published last week showed that voters ranked increasing costs and the health of democracy as the two top issues driving their vote. Education ranked sixth on the list with 41% of voters saying it was a key issue, behind crime, access to guns and

The Spanberger-Vega race is one of the most closely watched in the country. Ms. Spanberger, who worked undercover as a Central Intelligence Agency case officer, flipped a red seat in 2018 then narrowly won re-election in 2020. She has said that Ms. Vega is too extreme for the district, highlighting a clip in an ad where Ms. Vega doubted that a woman can get pregnant from rape and expressed support for a national abortion ban.

Ms. Vega says she is "proudly pro-life," and during the primary said she would support a law banning abortion from conception.

GOP Gains in Poll Among White Suburban Women

By Catherine Lucey

White suburban women, a key group of midterm voters, have significantly shifted their support from Democrats to Republicans in the closing days of midterm campaigning due to rising concerns over the economy and inflation, according to the latest Wall Street Journal poll.

The survey, which included 297 white women living in suburbs, found that they favor Republicans in congressional races by 15 percentage points. That represented a substantial shift in recent weeks among a group that makes up 20% of the electorate. In the Journal's August poll, white suburban women favored Democrats by 12 points.

The new poll showed that concerns about inflation and the direction of the economy are weighing heavily on white suburban women, overshadowing the focus on abortion rights that had generated energy for Democratic candidecision to overturn Roe v. Wade in June.

"We're talking about a collapse if you will in that group on the perceptions of the economy," said Republican pollster Tony Fabrizio, who conducted the poll with Democrat John Anzalone. The poll, which has a overall margin of error of plus or minus 5.7 percentage points, showed that 54% of white suburban women think the U.S. is already in a recession and 66% are feeling financial strains from inflation.

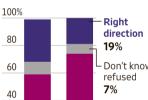
Views of the economy among the group were substantially more negative than in the Journal's most recent prior survey. In August, 43% thought the economy had entered a recession, and 59% said the economy was headed in the wrong direction.

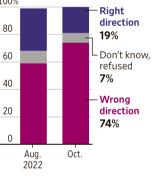
The movement comes as several voter groups are giving Republicans a boost in the final stretch before Election Day. White suburban women were a powerful force in the

dates after the Supreme Court Would you say that the economy is going in the right direction or the wrong direction?

Share of suburban

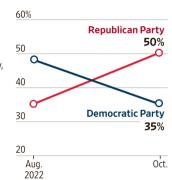
white women³





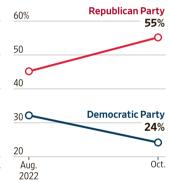
Which party has a better economic plan to make life easier for people like you?

Share of suburban white women



Which party has a better plan to get inflation under control?

Share of suburban white women



*Most recent WSJ poll of 150 voters reached by phone and text from Oct. 22-26, 2022; margin of error +/- 8 pct. pts. †Most recent WSJ poll of 147 voters reached by phone and text from Oct. 22-26, 2022; margin of error +/- 8.1 pct. pts. Source: Wall Street Journal polls

in House races in 2018, when the party gained more than 40 seats, many of them in suburban districts, and retook control of the House. Democrats had been optimistic over the summer that abortion would

turn out and back their candidates in November.

According to the survey, rising prices were the top issue motivating these voters, with 34% putting that as their No. 1 priority, followed by 28% cit-

Democrats' sweeping victories help motivate this group to ing threats to democracy and 16% choosing the Supreme Court overturning Roe. White suburban women trusted Republicans over Democrats to handle the economy and inflation. They also expressed more negative views toward the

dent Biden's leadership compared with a previous survey in August. Asked who has a better eco-

state of the country and Presi-

nomic plan, 50% of this cohort said Republicans in Congress and 35% said Democrats. On inflation, 55% said Republicans would get it under control and 24% said Democrats. In August, Democrats easily beat Republicans on the economic plans, though Republicans were ahead on the inflation question by a smaller margin.

Overall consumer prices rose 6.2% in September from a vear earlier, according to the Federal Reserve's preferred inflation measure. Households continue to benefit from a strong labor market, and gasoline prices are also down from a mid-June peak.

Abortion could play a bigger role in some states such as in Michigan, where the November ballot includes a question for voters about whether to provide a state constitutional right to abortion.

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Walgreens, CVS Reach Opioid Deal

Continued from Page One CVS would pay \$4.9 billion to states and municipalities and \$130 million to tribes over the next 10 years starting in 2023. The company said the agreement isn't an admission of guilt and that it would continue to defend against any litigation that the settlement doesn't resolve.

Walgreens said it has offered to pay up to \$4.79 billion to states over 15 years and about \$155 million to tribes. It also expects to pay up to \$753.5 million in attorneys' fees over six years. The company said the settlement wasn't an admission of wrongdoing.

Walgreens said it is committed to being part of the solution to opioid addiction. "This settlement framework will allow us to keep our focus on the health and well-being of our customers and patients, while making positive contributions to address the opioid crisis," it said in a statement.

Cities and counties have said they would use the money to bolster social services focused on the harms of opioid addiction as well as for funds for first responders. There wouldn't be direct payments to families or individuals. Unlike states' landmark settlement with tobacco companies, the money couldn't be redirected into general funds.

"The pharmacists were dispensing drugs that were written prescriptions," CVS CEO Karen Lynch said in an interview. "And given the magnitude of the crisis, there are people looking across industries and how to help combat this and how to help states fight the battle."

Ms. Lynch said she was optimistic that states would join the deal since attorneys general were part of the negotiations.

The drugstore chain has been in a separate legal battle with its insurers over whether they should cover some of the liability the company faces for the opioid lawsuits.

Widespread opioid abuse has claimed more than half a million lives since 1999 and triggered more than 3,000 lawsuits by governments, hospitals and others against players in the pharmaceutical industry, including manufacturers, distributors and drugstores.

Many of the lawsuits allege that pharmacies didn't do enough to stem the flow of pills. The drugstores have argued that they had tried to stop pills from being illegally diverted and followed procedures required by regulators.

In August, a federal judge in Ohio ordered CVS, Walgreens and Walmart Inc. to pay \$650 million over 15 years to two Ohio counties after a jury found the companies liable for contributing to the opioid epidemic.

That case, closely watched

by attorneys elsewhere, was the first decision reached among opioid lawsuits targeting the pharmacy chains. The judge's order came following a six-week trial; the companies said at the time that they planned to appeal the deci-

In March, CVS agreed to pay \$484 million to settle opioid-related claims by the state of Florida, without admitting wrongdoing. Walgreens later agreed to pay \$683 million to

The money is meant to bolster local social services dealing with addiction.

settle the Florida lawsuit without admitting wrongdoing. CVS, Walgreens and Rite Aid Corp. also settled with two New York counties in 2021 for a combined \$26 million.

Walmart declined to comment. Rite Aid didn't respond to requests to comment.

In 2021, a group of states reached a roughly \$25 billion settlement with Johnson & Johnson and drug distributors including McKesson Corp., AmerisourceBergen Corp. and Cardinal Health Inc. The deal was completed this summer.

J&J said its \$5 billion payment wasn't an admission of liability. The drug distributors, which are paying about \$20 billion over 18 years, said they disputed the allegations against them.

Members of the Sackler who own Purdue family Pharma LP and grew wealthy from sales of OxyContin agreed this year to pay up to \$6 billion to settle lawsuits accusing them of helping fuel the opioid-addiction epidemic. The settlement came after an earlier \$4.5 billion settlement was overturned by a federal judge.

The family didn't admit liability but will cede control of Purdue, which filed for bankruptcy in 2019 and pleaded guilty in 2020 to three federal felonies related to the marketing and sale of OxyContin.

CVS said spreading out the settlement payments would allow it to continue to invest in its business. The company for years has worked to transform itself from a pharmacy chain to an integrated provider of medical services, with the biggest step being its 2018 acquisition of insurer Aetna. In September, CVS agreed to buy home-care provider Signify Health Inc. in an all-cash \$8 billion deal.

On Wednesday, CVS reported results for the quarter ended Sept. 30 that included a 10% jump in revenue and a \$3.42 billion net loss, weighed down by charges for the opioid litigation and other items.

Stripping out one-time items, adjusted earnings came to \$2.09 a share. Analysts surveyed by FactSet were expecting adjusted earnings of \$2 a share.

CVS sales improved across segments to \$81.16 billion, including a 9.9% increase in the insurance business and a 6.9% gain in pharmacies.

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By PAUL KIERNAN AND DAVE MICHAELS

WASHINGTON-The Securities and Exchange Commission obtained record monetary sanctions in the latest fiscal year and advanced two more regulatory initiatives Wednesday as part of Chairman Gary Gensler's campaign to overhaul the rules of Wall Street.

Mr. Gensler said the SEC took in \$6.4 billion for the 12 months ended Sept. 30, his first complete fiscal year on the job. That beat the previous record, set in fiscal 2020, by nearly 40%, underscoring Mr. Gensler's enforcement focus on high-profile cases and steep penalties for miscon-

Separately at a meeting Wednesday, the commissioners finished a proposal requiring money managers to disclose more information about how they use their voting power in public companies, including on executive compensation. It also proposed a rule aimed at making mutual funds more resilient to market stress.

Mr. Gensler is moving forward with an agenda that he says will hold companies more accountable to their shareholders, save investors money by wringing excess profits from intermediaries and shore up financial stability. Mr. Gensler, a Democrat nominated by President Biden, has said he also wants to deter Wall Street firms from viewing regulatory settlements as a cost of doing business.

While the number of enforcement actions filed by the SEC remained steady around 700 in fiscal 2022, the agency obtained orders for some of its highest fines ever and claimed a record \$4 billion in civil penalties.

The Wall Street Journal reported last week that the SEC had levied fines of \$2.2 billion against exchange-listed companies during the latest fiscal

"Hopefully, market participants take notice of these high-impact cases and change behavior," Mr. Gensler said during a speech Wednesday before the Practising Law Institute.

Some industry groups have said Mr. Gensler's plans are overly aggressive and could lead to unforeseen costs.

"The commission must realize that rushing ahead with consequential proposals, fundamentally altering the shareholder experience, is a hallmark of the 'regulation-byhypothesis' approach that the agency's leadership is now known for," said Eric Pan, president of the Investment Company Institute.

Police Didn't Actively Monitor Cameras at Speaker's Home

By Natalie Andrews

WASHINGTON-U.S. Capitol Police said they weren't actively monitoring cameras installed at House Speaker Nancy Pelosi's San Francisco home at the time her husband was assaulted and that the agency had begun an internal security review into the matter.

The police department tasked with guarding the speaker and other members of Congress said it had access to 1,800 cameras, including some at the Pelosi residence in San Francisco, but the cameras at the Pelosi home weren't monitored at the time a man broke in last Friday and attacked her husband, Paul Pelosi, because Mrs. Pelosi was in Washington.

When Capitol Police officers noticed police activity after the break-in, they then used their feeds to monitor the response and assist in the investigation, the agency said Wednesday. The Washington Post first reported that Capitol Police had observed police activity from cameras in Washington.

The attack has raised questions as to how the nation's top lawmakers, as well as their families, are defended, especially as threats to members of Congress have increased in recent years. Mrs. Pelosi is second in line to the presidency and a regular target of threats.

Mrs. Pelosi travels with a se-



An officer was posted outside the San Francisco residence of Speaker Nancy Pelosi and her husband, Paul Pelosi, on Friday after the attack.

curity detail, but when she isn't Washington, D.C., while also home, her house is unguarded by law enforcement. A San Francisco Police Department vehicle used to be regularly stationed at the home, but stopped staying at the house sometime last year, according to two people familiar with the arrangement, who didn't know why the vehicle was no longer a mainstay at the residence.

U.S. Capitol Police Chief Tom Manger said the department has been conducting a review of security operations since Friday. In a statement Wednesday, the department said it would "fasttrack the work we have already been doing to enhance the protection of Members outside of providing new protective options that will address concerns following Friday's targeted at-

The alleged assailant, David DePape, pleaded not guilty to charges including attempted murder, assault with a deadly weapon and elder abuse in San Francisco Superior Court on Tuesday afternoon. He was ordered held without bail pending another court date Friday to schedule his preliminary hearing. The charges carry a penalty of 13 years to life imprisonment.

In addition to the state charges to which he pleaded not guilty, Mr. DePape faces federal charges in connection with the

break-in. Authorities said he brought a roll of tape, white rope, zip ties, two hammers and a journal.

After Mr. DePape broke into the home and roused Mr. Pelosi from his sleep around 2 a.m., asking, "Where's Nancy?" Mr. Pelosi asked why he wanted to talk with her, according to the motion to detain Mr. DePape filed Tuesday by the San Francisco District Attorney's office.

"Well, she's No. 2 in line for the presidency, right?" Mr. De-Pape allegedly said, according to the court motion, adding, "We've got to take them all

Mr. Pelosi called 911 from the bathroom, and two San Francisco police officers arrived. Officers saw the attacker holding the bottom handle of a hammer with one hand, while Mr. Pelosi's hand was on the top, the court motion said.

One officer ordered Mr. De-Pape to drop the hammer, and he refused and then struck Mr. Pelosi in the head, knocking him unconscious, the motion said.

The officers rushed into the house, tackled the attacker, and disarmed him, according to the motion. Mr. Pelosi remained unresponsive for several minutes.

The attack left Mr. Pelosi with skull fractures and other serious injuries. Mrs. Pelosi said Monday that her husband was looking at a long recovery pro-

Trump Aide to Testify Under Immunity on Mar-a-Lago Files

By SADIE GURMAN AND ALEX LEARY

WASHINGTON—Kash Patel, a close associate of former President Donald Trump, is set to soon testify before a federal grand jury probing the handling of classified documents at Mar-a-Lago after receiving

immunity for his information,

people familiar with the mat-

A federal judge recently decided the Justice Department couldn't force Mr. Patel to testify without such protection against his statements being used against him in some future prosecution. That ruling, the people said, opens the door for Mr. Patel, who says Mr. Trump broadly declassified White House documents while still president, to answer questions.

Mr. Patel appeared before the grand jury last month and refused to provide information by repeatedly invoking his Fifth Amendment right against self-incrimination, The Wall Street Journal reported.

In response, the Justice De-

partment asked a federal judge to compel him to testify. Prosecutors argued Mr. Patel had no reasonable expectation that he would be prosecuted based on the kinds of questions they were asking, one of the people said, an argument the judge

The immunity grant leaves the government only able to

didn't accept.

charge Mr. Patel, if at all, using information obtained independently of his immunized testimony.

Mr. Patel didn't respond to a request for comment and a lawyer for Mr. Patel declined to comment. A Justice Department spokesman declined to comment.

FBI agents in August re-

ments, including roughly 100 marked as classified, from the Florida resort and home of Mr. Trump. The Justice Department's investigation into potential mishandling of classified information touched off a number of legal disputes, including about who should answer investigators' questions.

moved more than 11,000 docu-

U.S. WATCH

NEW YORK

Trial of Trump Ally Barrack Goes to Jury

A Brooklyn federal jury the trial of Thomas Barrack, a Donald Trump associate who is charged with working illegally on behalf of the United Arab Emirates to influence the former president and his inner circle.

Mr. Barrack, the former chairman of investment firm Colony Capital Inc., is accused of pushing policies favored by the U.A.E. on Mr. Trump's presidential campaign and administration without registering with the Justice Department as a foreign agent. He is also charged with obstruction of justice and making false statements during a 2019 interview with federal investigators.

The 75-year-old defendant served as an informal adviser to Mr. Trump and led his inaugural committee. Mr. Barrack's former assistant Matthew Grimes is a co-defendant, facing charges that he acted as an unregistered agent of the U.A.E.

Lawyers for Mr. Barrack argued that his job, like that of any other globe-trotting executive, involved meeting with world leaders. Mr. Barrack didn't conceal his meetings and relationships with foreign officials, the lawyers said.

-James Fanelli

NEW YORK

NBA's Irving Disavows Suspect in Shooting Film's Anti-Semitism

Kyrie Irving, the Brooklyn Nets Wednesday began deliberating in and the Anti-Defamation League said on Wednesday that the team and its star would contribute \$500,000 each toward "causes and organizations that work to eradicate hate and intolerance," amid a controversy that has consumed the NBA after Irving tweeted a link to a movie with anti-Semitic themes and appeared to endorse its contents.

> The latest Irving drama began last week, when he shared a link to the Amazon Prime video page of the 2018 movie, "Hebrews to Negroes: Wake Up Black America." After the movie's themes came to light, Nets owner Joe Tsai criticized Mr. Irving and condemned the film. Mr. Irving denied being anti-Semitic and protested that he had done nothing wrong before deleting the tweet.

Mr. Irving said in the joint statement with the Nets and the ADL that he disavowed parts of the documentary and took responsibility for "the negative impact of my post towards the Jewish community." He did not apologize.

The statement came one day after the Nets fired coach Steve Nash after a rocky start to the season.

> -Louise Radnofsky and Ben Cohen

NEW JERSEY

Of 2 Officers Detained

A man accused of shooting two Newark police officers was taken into custody Wednesday, after hiding out overnight in the apartment building he fled to a dav earlier.

Police arrested Kendall Howard shortly after 11 a.m. Wednesday. He was charged with two counts of attempted murder and weapons offenses.

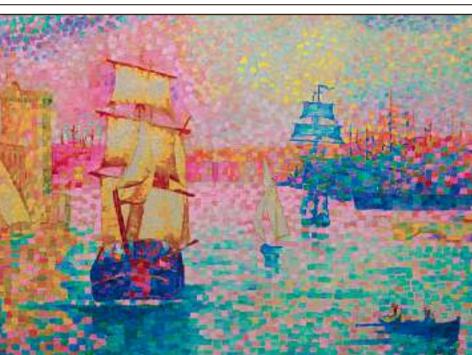
Police had arrived at the apartment building early Tuesday afternoon after someone called and said he recognized a man shown on a flier who had been involved in an Oct. 28 shooting, Newark Mayor Ras Baraka said Tuesday.

When the officers arrived, they encountered the 30-yearold Mr. Howard in the parking lot as they were exiting the building, police said.

After an altercation, Mr. Howard allegedly pulled out a gun and fired at both officers. injuring one in the leg and the other in the shoulder.

Both officers are expected to make full recoveries, Essex County Prosecutor Theodore Stephens II said at a news conference on Wednesday. Both have been on the job for 18 months.

-Associated Press



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Undoubtedly one of his most beautiful paintings, Henri-Edmond Cross's Port de Marseille depicts the artist's favorite scene on an impressive scale. Featuring large rectangles of thick impasto, the sublime color palette is perfectly suited for its subject: the sunset. Cross's meticulous and time-consuming Divisionist technique resulted in a far

less prolific output than his contemporaries - making large paintings such as this all the rarer in his oeuvre. Painted 1899. Signed (lower left). Canvas: 25³/₄" h x 36³/₈" w. Frame: 36³/₄" h x 47¹/₄" w. #31-5902



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Thomas Barrack outside court Wednesday. He is charged with working illegally on behalf of the U.A.E.

A6 | Thursday, November 3, 2022

Poland

Builds

Border

By Karolina Jeznach

WARSAW-Polish army en-

gineers began building a ra-

zor-wire fence across the

country's 130-mile border with

Russia, the latest country in

Europe's east to construct

such a barrier, in what Po-

land's government described

as a bid to prevent Moscow

from encouraging asylum

seekers to cross overland into

the European Union.

AND DREW HINSHAW

WORLD NEWS

Russia to Move 70,000 From Region

Kyiv accuses Moscow of using civilians as human shields as forces flee Ukrainian troops

By MATTHEW LUXMOORE

ODESSA, Ukraine-Russian officials in occupied Kherson said they would begin mandatory transfers of tens of thousands of residents from parts of the region, as Ukraine continues its offensive to recapture the south.

The officials said that starting Sunday they would begin relocating residents from the Kakhovsky district on the east bank of the Dnipro River because of what they claim is the possibility of a Ukrainian attack on a strategic dam nearby.

The Russian-appointed governor of the Kherson region. Volodymyr Saldo, said Wednesday that up to 70,000 people would be moved to southern parts of the region and Russia. A decree published a day earlier said the residents would be transferred "in a compulsory manner."

An evacuation effort from Kherson has been under way for weeks, with Russia withdrawing some troops and collaborationist officials from the regional capital as Kyiv seeks to accelerate its offensive to retake the area before winter.



Civilians evacuated from the Russian-controlled Kherson region of Ukraine arrive at a local train station.

Analysts say there could be several motives behind the campaign, from minimizing the risk of espionage among locals to clearing cities before fierce fighting ensues.

Some Ukrainian officials have accused Russia of using the local population as a human shield as it moves troops and equipment out of Kherson across the Dnipro to positions farther from saying that military vehicles are mixing in with civilian convoys.

"Surrounded by civilians they understand that they have a degree of safety," said a spokeswoman for the southern command of Ukraine's military.

But the new announcement of what amounts to a forcible transfer of residents is an escalation that comes amid signs that a Russian withdrawal

Ukraine has denied the allegation voiced by Mr. Saldo and Russian officials that it plans to blow up the Kakhovka dam. Ukrainian officials have said that the accusations are part of an operation in which Moscow would sabotage the dam to make the territory impassable for Ukrainian troops but

blame it on Ukraine. The General Staff of the headquarters of Russia's occupation authorities in the Kherson region has moved to Skadovsk, a city 40 miles south of the regional capital on the Black Sea coast that could be less affected by flooding if the dam were destroyed. Russia didn't comment on the claim.

Meanwhile, the Biden administration said Wednesday that North Korea is covertly supplying Russia with a significant number of artillery shells through indirect routes that include shipments through third countries in the Middle East and North Africa

The alleged deliveries aren't expected to change the course of Ukraine's effort to defend its territory, said White House National Security Council spokesman John Kirby. "It's a significant number of artillery shells," he said.

The White House's allegations are the latest in its effort to expose how rogue nations continue to support Russia's military. Mr. Kirby said that while the administration suspects where in the Middle East and North Africa the North Korea shipments were being sent, he declined to offer specifics.

The intelligence finding was earlier reported by the New York Times.

–Vivian Salama

The fence will span the entire length of Poland's border with the Russian exclave of Kaliningrad, Defense Minister Mariusz Blaszczak told reporters Wednesday. The construc-

tion began, he said, in response to concerns that Moscow would seek to encourage asylum seekers to fly into the exclave and enter the EU via the Polish border. The exclave's international regular commercial flights from

airport will soon be accepting the Middle East, Mr. Blaszczak said. In October, the chief executive of the exclave's Khrabrovo Airport, Alexander Korytnyi, told Russia's Interfax news agency that it aims to negotiate direct flights to the United Arab Emirates and Qatar.

Kremlin spokesman Dmitry Peskov declined to comment on Poland's decision to erect the barrier and its warnings that Moscow plans to facilitate illegal border crossings at the Kaliningrad border.

"This is the Poles' business. You need to ask the Poles to comment," Mr. Peskov said.

Russia's European borders are increasingly closed and fenced off, with governments like Finland, Estonia, Latvia and Lithuania worried that Russian operatives could enter the EU overland and carry out attacks on the continent's energy and defense infrastructure.

Ukraine's Armed Forces said advancing Ukrainian troops, from the city might come soon. contributed to this article.

By Jared Malsin

AND ANN M. SIMMONS

Russia said it would rejoin a deal allowing for the safe passage of Ukrainian grain, ending days of uncertainty over future shipments and feeding some criticism at home that Moscow capitulated in the standoff.

Over the weekend, Russia suspended its involvement in an agreement with the United Nations and Turkey that was struck in July and allowed for the safe passage of grain exports from Ukrainian ports through the Black Sea to world markets. The the right to pull out of the deal, Kremlin said a maritime corridor used to facilitate the shipments was used in an attack on Russiaoccupied Crimea. Moscow threatened to board ships that left without its permission, but its navy didn't stop any vessels.

Russia's Defense Ministry said Wednesday it received written guarantees from Kyiv that Ukraine wouldn't use the corridor to attack Russian forces, and that those were sufficient to rejoin the deal. President Vladimir Putin later Wednesday said Russia reserved but that it wouldn't interfere in future grain shipments from Ukraine directly to Turkey.

Moscow Says It Will Rejoin Grain-Export Accord

The justification provided by the Defense Ministry triggered derision in Moscow, where commentators have openly criticized Russia's execution of the war in Ukraine. Senior military officials have at times drawn fire from pro-Kremlin military bloggers for losing ground to Ukraine's army, and for other moves these critics have called tactical or strategic mistakes. Rus-

defend themselves against criticism they have bungled a recent mobilization of reinforcements across the country.

"We trust Kyiv that the grain deal will not be used for military purposes. Brilliant," wrote political commentator Pavel Danilin, director of the Center for Political Analysis, a pro-Kremlin Moscow-based think tank, questioning the logic of trusting Ukraine.

After Russia said it was suspending its participation in the deal, ships continued to pull in and out of Ukraine, navigating

sian officials also have had to through a maritime corridor established to safeguard the trade. The relatively smooth operation, despite Russia's suspension, was taken by some critics as a sign Moscow is powerless to upset the trade.

Among shipping and insurance executives, though, Russia's suspension was threatening to dry up underwriting for voyages. Insurers were pulling policies and refusing to write new ones without Russia's participation in the deal.

-Costas Paris contributed to this article.

THE WALL STREET JOURNAL.

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WORLD NEWS

After Brazil Vote, **Protests Are** Winding Down

By Luciana Magalhaes AND VINOD SREEHARSHA

SÃO PAULO-Truckers who were protesting Sunday's election loss of Brazilian President Jair Bolsonaro slowly disbanded Wednesday, a day after the conservative leader's government said the transition toward a new administration was set to begin.

As of Wednesday morning, there were 156 road blockades installed nationwide by the truckers, with hundreds more cleared since Sunday's election, said federal police. A day before, authorities reported 267 blockades, but truckers dismantled dozens more by Wednesday after it became clear a new government led by former President Luiz Inácio Lula da Silva

would take office on Jan. 1.

The blockades spread fast after Mr. da Silva defeated Mr. Bolsonaro in the election, the closest in the country's history, taking 50.9% of the vote to 49.1% for the president. For months, Mr. Bolsonaro had attacked the voting system, saying the election could be stolen from him, without providing evidence.

With the president opting not to concede, trucker blockades were set up in at least 20 of 26 states, as well as the capital of Brasília, with many of Mr. Bolsonaro's supporters believing social-media posts that the election wasn't fair, said political analyst Thiago de Aragão. In the last three days, with no proof of fraud presented and



Supporters of outgoing President Jair Bolsonaro protest against the election results outside the Eastern Military Command in Rio de Janeiro.

authorities leveling 2,000 fines against those setting up blockades, the demonstrations began to fade, he said.

"For now this movement will tend to die, but they will be

a constant ghost in Lula's government," he said, explaining that Mr. Bolsonaro's die-hard supporters could challenge the incoming government.

Tuesday afternoon, Mr. Bol-

to say he would respect the constitution, without acknowledging the election outcome. He called on those protesting in his favor not to adopt what

sonaro addressed the nation he said were the tactics of the left, such as "the restriction on the right to come and go," in what appeared to be a reference to the blockades without mentioning the truckers.

Netanyahu Nears Comeback

Continued from Page One

Late Wednesday, about 14% of the vote remained uncounted, with two left-wing parties hovering just under the electoral threshold. If both those parties pass the milestone, the political map could change, threatening Mr. Netanyahu's majority.

Mr. Netanyahu, 73 years old, rallied his right-wing voter base to victory over a coalition dependent on Arab-led parties, a little more than a year after he was ousted by a coalition that was Israel's first to include an independent Arab party, as well as a diverse group of leftwing, centrist and conservative parties united largely in their opposition to Mr. Netanyahu. The longtime leader teamed up with a surging far-right alliance that, if put into power in a new government, could complicate relations with Israel's top ally, the U.S., and its burgeoning ties in the Arab world.

A new government led by Mr. Netanyahu would face several challenges. The West Bank has seen a rise of Palestinian militancy, bringing a new bloody period to the conflict. Israeli society is divided by the rise of the far right. Meanwhile, many Israelis remain deeply concerned about bread-and-butter issues like the cost of living.

Early Wednesday, Mr. Netanyahu took the stage in front of a crowd of cheering supporters in Jerusalem to tell them they were "on the cusp of a very great victory."

"I will establish a national government that will take care of all the citizens of Israel," he said, pledging to "calm the of Israel's increasingly volatile political discourse.

Tuesday's election was the fifth time Israelis have gone to the polls since 2019. Mr. Netanyahu's Likud party is projected to win 32 seats, Israeli public broadcaster Kan reported, while Prime Minister Yair Lapid's centrist Yesh Atid party is projected to win 24 seats. A government led by Mr. Netanyahu is projected to win between 62 and 65 seats in the 120-seat Knesset, according to calculations by Kan.

The majority of ballots that

A far-right alliance could complicate relations with the U.S., Israel's top ally.

remain to be counted are votes cast outside regular polling booths, such as soldiers on military bases. These votes in recent elections have gone disproportionally to right-wing parties, according to an analysis by the Jerusalem-based think tank the Israel Democracy Institute.

Mr. Netanyahu's success was propelled by a sharp surge in popularity for the ultranationalist religious lawmaker Itamar Ben-Gvir, who ran on a law-and-order campaign promising to impose tough measures to quell Palestinian unrest in the West Bank. Mr. Ben-Gvir's national religious alliance was set to win 14 seats, making it the third-largest party in the Knesset, Kan reported.

The rise of Mr. Ben-Gvir, who was convicted in 2007 of incitement to racism and supporting a terrorist group, underscores how Israelis have continued to shift toward more-right-wing candidates in recent years.

But Mr. Ben-Gvir's presence in a governing coalition could raise tensions with the U.S. and other allies, especially Arab countries like the United Arab Emirates that have only recently normalized relations with Israel.

U.S. Ambassador to Israel Thomas Nides said it was too early to speculate on the makeup of Israel's next coalition, but added he was "looking forward to continuing to work with the Israeli government on shared values and interests."

In a sign of the stakes involved, all sides urged their support bases to come out and vote in large numbers. About 71.3% of eligible voters headed to the ballot box, the highest tally since 2015, according to Israel's Central Elections Committee.

Mr. Netanyahu was able to unite a group of fractious right-wing parties that allowed them to consolidate their votes, said Asher Cohen, a professor of political science at Bar-Ilan University in central Israel. Mr. Lapid, in contrast, wasn't able to unite a group of left-wing parties, leading several to fall below the electoral threshold needed to enter parliament. "[Netanyahu] proved his political skill is truly great," Mr. Cohen said.

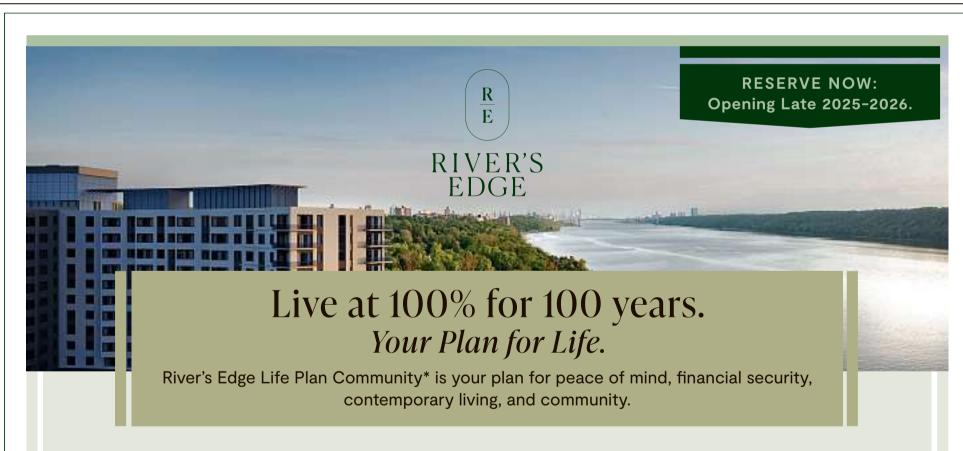
He is beloved by a large number of Israelis. But his many years in public life have also earned him enemies on both the right and left of the political spectrum.

Mr. Netanyahu's rivals won 49.25% of the popular vote, according to the current breakdown of votes by Israel's Election Committee, underscoring how sharply divided the country remains over his leadership.

His projected victory comes as he faces trial on corruption charges. His coalition allies said they would pass legislation that will make him immune from prosecution. Mr. Netanyahu insists that any changes to the law wouldn't be retroactively applied to his trial. Even if convicted, Mr. Netanyahu could remain as prime minister until the appeals process is finished. Legal analysts said that could take three to five years.

The Palestinian Authority expressed dismay over Mr. Netanyahu's possible return to power and the rise of the religious nationalist alliance, which opposes a Palestinian state in the West Bank.

"These election results show how Israeli society is sliding toward a new kind of religious extremism and fascism, which will not produce a partner for peace with the Palestinians," said Ahmad Majdalani, a senior Palestinian Authority official.



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THE WALL STREET JOURNAL.

Thursday, November 3, 2022 | A9





PHOTO ILLUSTRATION BY BIANCA DUNN FOR THE WALL STREET JOURNAL, GETTY(4), ISTOCK

CLOCK CALLUM BORCHERS

lmost every day, someone who is quietly hunting for a key hire calls Diane Hessan to ask the same question: Whom do you recommend? Ms. Hessan, a former consult-

Ms. Hessan, a former consulting group CEO who sits on the boards of Panera Bread, Eastern Bank and Tufts University, is one of the best-connected business figures in Boston—and something like a password keeper at a speakeasy for six-figure job seekers.

All cities have such people, and being on their radars can open hidden doors.

"There's a whole back channel of conversations going on about jobs that are available," says Ms. Hessan, adding that many of the calls she fields come from private-equity firms seeking leaders for portfolio companies.

Far from the public job boards of Indeed, LinkedIn and Monster lies another set of career opportunities—often lucrative ones—that are never posted. The volume of such openings is hard to measure; those who hire and who've been hired out of sight say the quality of the positions is more notable than the quantity.

Some are management roles that are currently occupied by people whom senior leaders want to push out, but not before discreetly finding replacements.

Other unlisted positions may be at venture-backed startups or relate to new corporate initiatives that, for competitive reasons, companies don't want to advertise in view of rivals.

Executives have long relied on their professional networks and headhunters to fill these stealth roles, though the hiring game is trending toward openness. New York City this week began requiring employers to include salary ranges in job postings, and some states are poised to do the same

or already have done so. Yet businesses that don't want to tip their hands (or show employees what's offered to newcomers) can simply do more recruiting in private channels.

'There's a whole back channel of conversations going on about jobs that are available.'

A common loophole in paytransparency laws is that companies don't have to post every job and don't have to reveal the projected compensation for those unposted positions, says Stephanie Merabet, a labor attorney at Holland & Knight.

It is too early to know how many businesses will skirt disclosure by keeping more openings off job boards, but some likely will, says Tae-Youn Park, who researches pay transparency as an associate professor of human resource studies at Cornell University.

That means you might not learn of an exciting role until someone else gets it, unless you're the one who comes to mind when a company wants to hire on the sly.

"You want to be on the call list of somebody who's working to fill a job that would fit you," says Matt Massucci, chief executive of the recruiting firm Hirewell. "The only way you do that is to stay top of mind."

Mr. Massucci suggests devoting at least 30 minutes a week to networking, and advises a targeted approach. Make a point to introduce yourself to people who work at companies that interest you. Connect with recruiters in your field, even when you're not actively looking for a new job. Go to conferences. Speak on panels (yes, the ones that feel like unpaid, extra work). Freshen up that

Be visible to get a job that is not.

Brian Pestana, a food industry executive, says he wasn't interested at first when a Seattle-based recruiter asked to connect on LinkedIn this fall. He lives in Miami and wouldn't consider relocating, so he didn't think that networking with someone on the other side of the country would be worthwhile. But you never know, he figured.

He chatted and hit things off with the recruiter, who introduced him to Maria Elena Ibañez, chief executive of El Latino Foods in Doral, Fla., about a 15-mile drive from Miami.

Mr. Pestana joined El Latino in October as vice president of business development, a position that was never listed on any job board.

"Don't dismiss a small opportunity because the one that seems far-fetched might be the one that works out," he says. Mark Goldberger started this

Mark Goldberger started this week as head of enterprise sales at Ramp, a financial software startup in New York, after he and a recruiter initially discussed a different position with another company. He says the headhunter quickly identified him as a fit for the Ramp job, based on their previous conversations, which put him on the fast track for the job that was never posted.

His early tasks include hiring more sales representatives for his team. One position has been posted publicly, an enterprise account executive with an estimated salary of \$221,000 to \$260,000, but Mr. Goldberger says it's possible that he'll hire multiple people from a single candidate pool, and he isn't waiting for applications to roll in.

"I'm reaching out within my network—the people that I know would be great because I've seen them do something similar—and I'm also going to be scouring LinkedIn," he says.

Mr. Goldberger and other hiring managers and recruiters note that companies sometimes list positions as open when their minds are already made up, often to comply with internal policies or collective bargaining agreements that require public postings. The real hiring action, they say, often happens away from the job

Shawn Cole, president of executive search firm Cowen Partners, says all of the roles his company fills are unlisted. His clients like to appear to have talent pipelines, and posting an open call for executive applicants can make a business look desperate or disorganized, he says.

Mr. Cole says that to get in the running, it helps to build a rapport with a headhunter like him. Be direct—no vague requests to "pick your brain," please—and don't bother with an invitation to coffee or lunch

"Send an updated résumé and say what you're interested in," he says. "Talk about compensation, location and specific career goals. Lunch and things like that? Sad to say, but no one has time for that stuff."

More M.B.A.s Can Be Had Virtually

Continued from Page One in the U.S. more than doubled, and

schools added more fully online M.B.A. degrees over the past two years during the pandemic, the Association to Advance Collegiate Schools of Business said.

Recent announcements by Whar-

ton and others mark a turning point for adoption of the degrees even at highly ranked campuses, school leaders said.

For decades, part of the M.B.A.'s allure has been face-to-face networking.

But over the past two years, fully online M.B.A. programs in the U.S. enrolled more students than fully inperson programs, according to the association's survey of more than 150 business schools.

A McDonough official said parttime M.B.A. students tend to be less interested in the networking as-

pect of school.

Wharton's online program requires students to log in to live classes every other weekend during the 22-month program, which will include about six weeks of in-person classes.

Wharton plans to enroll between 50 and 70 students in its first year, and might expand the class to as many as 96 students in future years.

F "To protect the value of the brand, we did not want to have a discount version of the Wharton

M.B.A.," Prof. Bushee said.

When asked, some traditional M.B.A. students at Georgetown's Mc-Donough and Berkeley's Haas schools said they were against offering new online options, school officials said, because they feared that virtual versions would devalue their M.B.A.s.

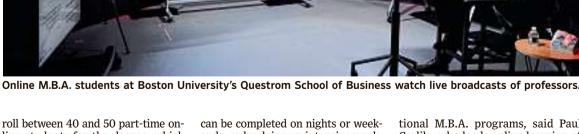
But prospective online students have said they want a Georgetown M.B.A. but can't uproot their lives for in-person classes, said Prashant



Malaviya, McDonough's senior associate dean of M.B.A. programs.

"They were against it—they are still against it," he said. "They have very little interest. To me, that's actually terrific news. I am looking to grow the program by attracting those people who are unable to go to Georgetown."

eorgetown." Next year, McDonough aims to en-



line students for the degree, which should take about three years to complete.

Students will come to the school's

weeks and study abroad for one week, but other classes will be virtual. About half of the lectures are streamed live, and the rest can be completed at any time, Prof. Mala-

Washington, D.C., campus for two

Haas's online program has 69 part-time students this year. The program also mixes prerecorded and live content, said Jamie Breen, assistant dean of M.B.A. programs. Core courses are online, and students can choose whether to take their electives online or in person.

At Stern, even the students who choose online courses are required to take nine in-person credits, which

can be completed on nights or weekends, or by doing an intensive weeklong session.

Boston University's Questrom School of Business, which announced its online M.B.A. in 2019, graduated its first online M.B.A. students in August.

The degree, which costs \$24,000, follows a completely separate curriculum and costs far less than the traditional M.B.A. program.
Online M.B.A students watch live

broadcasts of professors and talk in small groups or on a virtual online forum.

A 2021 survey of students found

A 2021 survey of students found that 35% received a promotion since enrolling.

Many schools are still reluctant to offer a reduced-price online degree because they fear such a product might eat up demand for their traditional M.B.A. programs, said Paul Carlile, who leads online learning at Questrom.

Halley Kamerkar, 36 years old, finished her online Questrom coursework in August and said hearing from fellow M.B.A. candidates in South Africa, Ireland and Miami was valuable.

Ms. Kamerkar, of Salem, Mass., said she thought about graduate school for a long time, but a study guide she bought for the Graduate Management Admission Test gathered dust until she learned about Questrom's program with its \$24,000 price tag. Ms. Kamerkar works in the nonprofit sector and only recently paid back her undergraduate loans.

"I did not want to give up my fulltime career to take a step back and pursue education," she said.



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A10 | Thursday, November 3, 2022

PERSONAL JOURNAL.

Hotels Pitch Peloton Bikes, Private Gyms



CARRY ON DAWN GILBERTSON

Scottsdale, Ariz. our next hotel workout might remind you of those at-home gyms we all hastily set up during Covid lockdowns-minus the cramped quarters, mismatched weight sets and kids clamoring for attention.

With business and vacation travel bouncing back, Hyatt Hotels Corp., Hilton Worldwide Holdings Inc. and other chains are betting that travelers want hotels that help them take their pandemic-inspired fitness routines on the road. More hotels are bragging about their Peloton bikes and private exercise suites to lure travelers with the hope that they might actually work out on their next trip.

Consider Room 3317 at the luxe Hyatt Regency Scottsdale Resort & Spa at Gainey Ranch. It looks like a regular guest room from the carpeted hallway. Inside, trendy gym equipment takes the space where a bed would normally be. There's a Peloton bike, Precor treadmill, weight bench, kettlebells, medicine balls, resistance bands and foam rollers. Lemon Lysol wipes sit on the entry table.

Hyatt has been testing these bookable personal gyms, which it calls StayFit Private Fitness studios, at five U.S. hotels since spring. There is one at each property available by the hour, most of them in a converted guest room. They are separate from the hotels' StavFit fitness centers.

I paid \$25 to work out in the new private studio in Scottsdale on Saturday morning and wasn't even a guest of the hotel, where rates topped \$600 a night. (The resort fitness center, which also has a Peloton and has no entrance fee, was empty.)

A Hyatt spokeswoman says these suites are popular with business travelers and that there has been a "significant increase" in demand the past few weeks as conventions and business meetings have picked up. Hyatt says most of the hotels in the test allow only registered guests to book a spot, but I reserved a hypothetical private fitness spot for next week at the Hyatt Grand Central in New York without booking a room.

Hilton Hotels & Resorts has offered workout equipment in some guest rooms since 2017. In October

the chain announced plans to add one Peloton bike to the fitness centers in each of its 5,400 hotels. from Waldorf Astorias to Hampton Inns, by year's end. (Some locations already have Peloton bikes purchased by their owners.)

In an internal company survey this summer, 98%

of Hilton guests cited wellness, a broad category that includes mental health, healthful eating and physical fitness, as a top priority when traveling, says Matt Schuyler, Hilton's chief brand officer. That is up sharply from prepandemic times, he says.

"If you want to bring your [wellness] routines with you, chances are you're going to want to bring your Peloton routine with you," Mr. Schuyler says.

There's even a hotel built around fitness. The Equinox Hotel, from the upscale gym chain that owns Peloton competitor SoulCycle, opened in New York's Hudson Yards in 2019.

The TWA Hotel at John F. Kennedy International Airport in New York has a roomful of Pelo



A personal gym at Hyatt Regency Scottsdale Resort & Spa at Gainey Ranch in Arizona. Below left, a guest works out at the fitness center at the TWA Hotel at John F. Kennedy International Airport in New York.



ton bikes at its 10,000-square-foot gym. Peloton has a hotel finder on its website. Another site, PeloBuddy, even includes vacation rentals with Peloton equipment. The goal is to attract the company's thousands of die-hards, even if some consumers have shown signs of Peloton fatigue.

"People love it because it's plug and play," says Tyler Morse, chief executive of MCR Hotels, which owns the TWA Hotel and 150 others, nearly half of them Hiltons.

A Peloton spokeswoman says 1.6 million Peloton rides have been logged at hotels in the past year.

Mr. Morse says fitness facilities are a key attribute travelers consider when selecting a hotel. They may rank behind location and price but are up there with the

Of hotel guests in a survey said they expected to work out. Only 22% did.

quality of the room, he says. "This could sway the purchase decision," Mr. Morse says.

Casey Seideman, 39 years old, works out nearly every day and bought a Peloton bike in February 2020. When the Portland, Ore., resident travels to medical conferences, she researches hotel fitness facilities when deciding where to stay. The pediatric urologist says the gym ranks second only to hotel location.

"There's really nothing worse than showing up to a hotel and the gym is not as nice as you thought it would be," Dr. Seideman says.

She booked the Westin Charlotte in North Carolina last week and hit the fitness center a few hours after her red-eye flight landed. She ran on the treadmill and did some yoga. The next morning, she hopped on a Peloton bike for a 30-minute class and did a 30minute glutes and leg workout.

This week, Dr. Seideman is in

Kauai, Hawaii, for a conference and has already used the Peloton in the Hyatt fitness center. It all helps offset the toll of conference wining and dining.

Not all travelers are as committed to fitness even if they consider a good hotel gym a must-have. Who among us hasn't packed running shoes and workout clothes that never made it out of the suitcase?

Mr. Morse of MCR says there is a divergence between interest in the hotel gym and usage.

About 46% of hotel guests said they expected to work out in the fitness center during a stay, according to a study published by Cornell University's Center for Hospitality Research in 2017. Only 22% actually did. The study was based on data from 33 upscale and luxury hotels under one unnamed chain.

Nicole Gonzalez, 38, a personal trainer in Westchester, N.Y., created a popular calendar of daily Peloton workouts in 2018. It blew up during the pandemic, growing to 174,000 followers on Instagram and nearly 400,000 members in a private Facebook group.

On a family trip to Walt Disney World in July, Mrs. Gonzalez didn't even think about visiting the hotel gym.

"We're walking 20,000 steps a day. We're good," she says.

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How Fed Rate Rises Affect You

By Julia Carpenter

s the Federal Reserve keeps raising rates, many Americans are razing their financial plans.

The dream of owning a home was pushed further out of reach when mortgage rates doubled this year. Carrying a credit-card balance or borrowing money for a car are significantly more expensive. Returns on saving accounts, on the other hand, are slowly improving.

On Wednesday, the Federal Reserve increased the benchmark federal-funds rate by 0.75 percentage point. As a result, financial advisers say some money decisions, like paying off credit cards, should be treated with greater urgency. Others, such as buying a home, might be better to put off, they say.

"It's time to make a new strategy, because the old strategies are out the window," said Jaime Peters, assistant dean and assistant professor of finance at Maryville University.

Here are three strategies financial advisers suggest.

First, pay down high-interest debt.

Americans are taking on more credit-card debt just as the cost of carrying a balance reaches three-decade highs.

"Treat that as an emergency," said Blair duQuesnay, lead adviser at Ritholtz Wealth Management. "The fire needs to be put out because it's hard to get out from under high-interest consumer debt."

Higher interest rates are driving higher annual percentage rates, or APRs, making it even more costly to carry debt. As of September, total card balances in the U.S. hit \$916 billion, according to Equifax, the credit-reporting company. That means balances are closer to their December 2019, prepandemic numbers.

The average APR on credit cards reached 18.73% in October, up from 17.35% at the start of 2020, according to Bankrate. The av-

erage credit-card balance is \$5,221, according to Experian. At the current rate, someone making the minimum monthly payments on the average credit balance would need an additional three months to pay off that debt, Bankrate said.

Then, rethink your house hunt.

When interest rates rise, the increase ripples through the economy, leading to changes in mortgage rates that ultimately affect homeowners' monthly payments.

nearly \$750 more than if they had locked in a 3.14% rate at this same time last year.

Delaying the homeownership process for now may hurt at first, but taking the time to save for a bigger down payment could ultimately be advantageous, said Jason Noble, financial adviser with Prime Capital Investment Advisors in Charleston, S.C.

"That is an important conversation to have, because if you are putting down 5%, you could get underwater on your home



In October, mortgage rates topped 7%.

Higher mortgage rates add hundreds of dollars to monthly payments, making homeownership unaffordable to many buyers and prompting some to put off their search for now. It doesn't help that starter homes are harder to find across the country.

In October, mortgage rates topped 7% for the first time in two decades. That is more than double the 3% rate Americans could get on a 30-year fixed rate mortgage a year ago, according to Freddie Mac.

The median home sold for \$384,800 in September, according to the National Association of Realtors. A buyer who puts 20% down-minus property tax, homeowners association fees and insurance-would have a \$2,065 monthly mortgage payment,

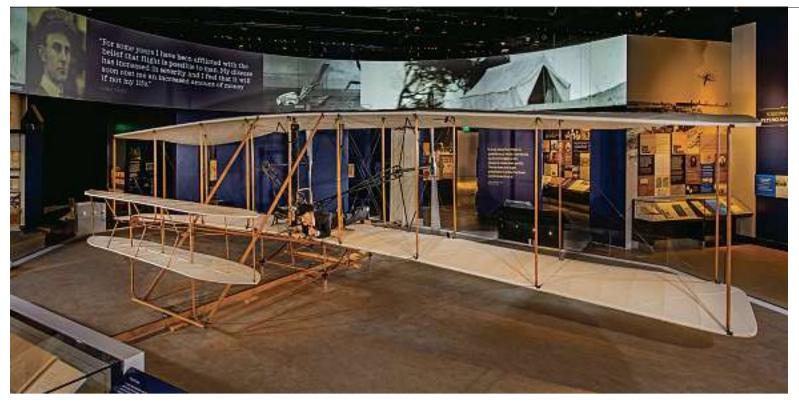
rather quickly, and we saw that in 2008," he said. "You want to get as close to 20% or over as possible."

And save more money. Rising rates do have one sil-

ver lining: Better returns on your savings. Fed rate increases should lead to higher returns on savings, though banks have been slow to raise rates on standard savings accounts as they aren't competing for deposits, advisers say. There are highvield options available, for those willing to shop around.

"I think it's important for everyone to go check the rate you're earning on your savings accounts, because some banks are slower than others," Ms. duQuesnay said. "Make sure you're not letting your cash sit idle."

ARTS IN REVIEW



EXHIBITION REVIEW

Refueled, the National Air And Space Museum Takes Off

The Smithsonian museum's newly renovated west wing features eight exhibition spaces

By Edward Rothstein

Washington he Smithsonian National Air and Space Museumone of the most popular museums in the nationreopened its west wing last month, four years ∯into a seven-year renovation that is costing roughly \$1 billion. Just ਲ਼ੋeight of the 23 exhibition spaces are complete; the rest will be unveiled a few years hence. But even this portion requires a day to carefully absorb and offers more than ≝ most museums could hope for. ₫Here is the 1903 Wright Brothers Flyer that lifted off at Kitty Hawk,

N.C., mounted at eye level so you can see just how daring the pilot had to be, lying between wooden-framed strips of cloth. Here, too, is the Columbia, the command module of Apollo 11, mounted in a ëvitrine you can walk around to get a sense of the astronauts' confine-

ment. There are 50 interactive exhibits (with 50 more to come) that let you piece together various flying cars on a [₹]touchscreen or sample early popular songs inspired by the "aeroplane." The exhibitions combine a hobbyist's passion with a professional's acumen, providing enough of an aerial tour so we can glimpse ₹the scale of the skyscape and space-scape the museum is offering up for the next generation.

The museum stripped its building down to the steel girders and reconstructed it with new ventilation, heating systems and lighting. A cafeteria has been added. And there will be a new learning center for schools. But the museum also makes clear that its mission is fundamentally unchanged: Two immense murals commissioned for its opening in 1976 are remounted in the entrance hall. One offers a vista of cumulonimbus clouds billowing into the sky in the aftermath of a storm in the American Southwest—Eric Sloane's "Earth Flight Environment." The other, "The Space Mural: A Cosmic





View" by Robert T. McCall, centers the history of the cosmos on an astronaut planting the Ameri-

can flag on the moon. At the museum's founding, the murals declared a confident belief in an America at home in air and space.

We are living in very different times now. Actually, we were living in very different times even then, since the museum's debut was one of the bright spots in a desultory era just before the bicentennial. But the moon landings were still in recent memory, and the museum fulfilled the murals' promise. It clocked some 350 million visits before the renovations began. The same inspirational appeal is aimed for in the new

The museum also makes it clear that this is an American story. What is different now are efforts to explore more diverse as-

A stirring, diverse American story of ingenuity and the enduring thrill of flight.

pects of the history. Mounted as if flying out of the "Environment" mural, for example, is a homemade airplane, the Loving WR-3 (1968), built by Neal V. Loving, a black aviation pioneer who was kept out of segregated civil air patrols during World War II and started his own patrol, training black pilots. In 1944, he lost his

The 1903 Wright Flyer, left; Robert T. McCall's 'The Space Mural: A Cosmic View,' below center; the Apollo 11 Command Module, bottom; all on view at the revamped museum

legs in a glider crash but continued to fly, designing a plane with folding wings so it could be towed by car to the airport.

A similar approach to inclusion is taken throughout, accompanied by a strong populist thread that runs through the history of flight. In the gallery "Thomas W. Haas We All Fly," we not only see flying boats and delivery drones, but a lawn chair that lifted Larry Walters 16,000 feet into Los Angeles International Airport's controlled airspace in 1982 with the aid of 42 helium balloons; he shot them out with a BB gun to control his descent. The intention is to celebrate a universal human impulse, which is why so many sci-fi artifacts are also shown here, including an 11-foot-long studio model of the original USS Enterprise from "Star Trek," given pride of place in the entrance hall. Such imagined craft give way in one gallery to machines that don't fly at all but go very fast: the "Nation of Speed" gallery, which showcases Mario Andretti's Brawner-Ford "Hawk" racing car, Evel Knievel's Harley-Davidson XR-750 and a clever Evel Knievel pinball challenge to get the ball to leap from one ramp to another.

> There is some pandering in this, but it is amusing. The "One World Connected" gallery, which combines the effects of worldwide communications with global ecological issues, seems least coherent.

But such valleys are more than compensated for by the peaks attained, particularly in the central historical explora-

tions of American flight. The venture to the moon is given context and elaboration in "Destination Moon." And one of the most compelling galleries remains the one devoted to the Wright Brothers. There were no great technological achievements involved or advanced materials developed. No great fortune or elaborate experimental apparatus was required. Using the simplest of materials, the two bicycle makers, whose lives are described, set up a windtunnel for tests and created features we are led to understand: the ability to twist the box shaped by the wings, the addition of a kite-sized frame to control pitch, and a movable rudder. And after many failures and alterations, it worked.

This museum is a more complicated contraption, but it works too.

Mr. Rothstein is the Journal's Critic at Large.

MUSIC REVIEW

Where Jazz **And Metal Meet**

By Martin Johnson

azz and heavy metal may seem unlikely partners, but there is a growing fusion of the two styles by musicians and a substantial history of mutual interest and influence among performers in each category.

One of the leaders in this blend is

bassist Trevor Dunn, who has played in both jazz and metal bands, and he has a new recording, "Séances" (Pyrolcastic), with an expanded version of his longstanding group Trio-Convulsant, which adds elements of chamber music to his original recipe. He was a member of the experimental rock band Mr. Bungle, the heavy-metal supergroup Fantômas and has recorded with the Melvins and Tomahawk. His jazz credits include extensive work with cellist Erik Friedlander, saxophonist John Zorn and guitarist Nels Cline. He also plays in Starebaby, a heavymetal jazz band led by drummer Dan Weiss, which has released two superb recordings in the past four years. Trio-Convulsant recorded two excellent albums, "Debutantes and Centipedes" (Buzz, 1998) and "Sister Phantom Owl Fish" (Ipecac, 2004). The latter featured new bandmates-guitarist Mary Halvorson and drummer Ches Smith-and each has created admirable music involving both rock and jazz. In 2011, Mr. Dunn told Hank Shteamer on the

podcast Heavy Metal Bebop that his

inspiration came from "listening to

jazz and being frustrated that it wasn't heavy, or abrasive enough, and then listening to rock music and being dissatisfied it wasn't harmonically adventurous enough."

In the press materials for "Séances," Mr. Dunn, who is 54 years old, says he had been writing new music for Trio-Convulsant plus a string quartet, a reflection of his growing interest in chamber music, but he was dissatisfied with the results. Then he composed music that involved two string instruments and two woodwinds, which he liked. The new recording features violinist and violist Carla Kihlstedt, bass clarinetist Oscar Noriega, cellist Mariel Roberts and flutist Anna Webber—and they provide effective counterpoint to the often harsh, menacing tone of

Mr. Dunn makes effective use of his broader sonic palette on "Séances," especially on the first track, "Secours Muertriers." It begins with the woodwinds creating delicate figures; then power chords and furious drumming enter, and Ms. Webber and Mr. Noriega up their intensity and the strings join for a delightful smorgasbord of sound. This is highlighted by Mr. Smith's relentless percussion and by intertwining strings before giving way to a solo by Mr. Dunn toward the end of the piece.

The leader's big, elastic sound on double bass provides an effective intro for "Restore All Things," which features a dense and fluid solo by



Trevor Dunn, bassist and leader of Trio-Convulsant

Ms. Halvorson and a puckish one from Ms. Webber. Mr. Dunn's sprawling writing is well showcased on "1733," which begins cantankerously, led by Mr. Smith, but settles into a smoother middle featuring the new members of the band before Ms. Halvorson takes the group back to a more forceful sound. "The Asylum's Guilt" features exceptional interplay between Messrs. Noriega and Smith, who are both members of Tim Berne's remarkable band Snakeoil.

Mr. Dunn cites two contrasting inspirations for the music on "Séances." He was affected by "Desmond Blue" (RCA Victor), a 1962

recording by the great saxophonist Paul Desmond, which featured guitarist Jim Hall and a string orchestra, and by the Convulsionnaires of Saint-Médard, an 18th-century French Christian sect whose fevered worship took the form of ecstatic convulsions.

In many ways, the music of Trio-Convulsant in particular and heavymetal jazz in general reflects the increasingly diverse tastes of musicians in all genres, and while it's easy to point at the internet and the panoply of music at everyone's fingertips, this combination's origins go back much further. Many of the jazz

artists who pioneered jazz-rock and jazz-funk fusions in the late '60s and early '70s were inspired by the heft in Jimi Hendrix's music, and Mr. Shteamer cites Bill Ward, the drummer and co-founder of cornerstone metal band Black Sabbath, who says his work on their early albums was deeply influenced by swing drumming great Gene Krupa. The search for greater weight and sonic intensity continued in the '80s, and Mr. Zorn's groups Spy vs. Spy— which performed Ornette Coleman's repertoire in a thrash-metal manner—and Naked City were crucial influences

on Mr. Dunn. Mr. Shteamer, who has written about both jazz and heavy metal for years, says that Trio-Convulsant's 2004 recording was a pivotal moment in the development of heavymetal jazz, noting in a recent email that many musicians in both styles are partisans of essential bands in the other. "Twenty years ago, you'd often hear leading jazz musicians shouting out Björk, Radiohead or Elliott Smith," he said. "These days, you're almost more likely to hear them repping for Meshuggah, Gorguts or Defeated Sanity, and by the same token, it's not unusual at all to hear metal musicians proclaiming their love for, say, Sun Ra or John Coltrane's 'Interstellar Space."

Trio-Convulsant is in many ways emblematic of music today. Many if not most musicians have a varied range of interests. Mr. Smith, for instance, has a band rooted Haitian Vodou music. Ms. Webber uses the music of 20th-century composers as the basis for her unique compositions. In this context Mr. Dunn's band seems less like an outlier than the shape of jazz to come.

Mr. Johnson writes about jazz for the Journal.

SPORTS



U.S. Women Win Gymnastics Title, Defying Ideas of Fading Dominance

The American gymnastics powerhouse is rebuilding after high-profile losses and the collapse of its entire organizational infrastructure after an abuse scandal

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By Louise Radnofsky

Liverpool, England he U.S. women's gymnastics team found itself in the novel role of underdog at the world gymnastics championships here Tuesday, coming off a down year in which it won silver instead of gold at the Tokyo Olympics in 2021, among other disappointments.

But against expectations that its dominance was fading, the U.S. won a sixth consecutive world team title. Olympic veterans Jade Carey and Jordan Chiles and Olympic alternate Leanne Wong propelled the team, along with Shilese Jones and Skye Blakely, ahead of surging home favorites Great Britain and a reinvigorated Canada.

It was a resounding win reminiscent of past American victories, but for one thing: it had been far from guaranteed. "This is just the beginning of everyone's comeback,' promised Jones, a 20-vear-old who had been overlooked in previous years before finishing all-around second in U.S. championships this summer and winning the U.S. world selection event.

In its last major competitive outing, the once dominant U.S. women's gymnastics team had lost

Weather

the Olympic title to Russians in Tokyo. At the time, the shock paled in comparison to the drama of the mid-event withdrawal of the American star Simone Biles, who shattered yet another competitive barrier when she declared that she was not in the right frame of mind to perform safely or effectively.

But even with Biles, the U.S. had struggled in qualifications ahead of the final, finishing behind the Russian Olympic Committee. Then this summer at the Pan American Championships, the U.S. was defeated again. It was by Brazil this time, but clearly no fluke either, coming in both the qualifying round and the final. It was starting to look normal.

If that had been hard to imagine, it was also not exactly incredible that the U.S. slide from global gymnastics supremacy came as the entire organizational infrastructure around the powerhouse program collapsed. The process had laid bare the price of the old success. The big question now is whether the U.S. can rebuild in the aftermath and prove it can win with a different approach.

In the six years since the Rio Olympics, when the U.S. women took nine out of 11 possible medals open to them, USA Gymnastics has had four chief executives, four iterations of leadership for the women's

team and shuttered its national training center, instead holding team training at temporary locations around the country.

The revelations about team physician Larry Nassar that started to emerge within a month of the 2016 Games culminated in at least six investigations of USA Gymnastics and a \$380 million settlement with a group of victims that included many of the sport's biggest names, Biles's among them.

During that time, American gymnastics has seen a litany of allegations of abuse against some of its most celebrated coaches as well, including criminal charges against 2012 Olympic head coach John Geddert swiftly followed by his death by suicide, that have driven an attempt to execute a culture shift in the way athletes are trained.

At one point, there was seemingly no single candidate who was simultaneously qualified, unimpeachable, and willing to take on the job of finding a way for the U.S women to win again. USA Gymnastics hired three people instead.

That tactic appears to be working now. The new technical lead for the team, 2005 world champion Chellsie Memmel, says she has looked to specific opportunities in the latest iteration of the gymnastics scoring system to boost U.S. scores, including improvements on artistry in beam and floor to cushion against some errors, so "you could maybe take a little fudge on a landing here and there.'

New strategic lead Alicia Sacramone Quinn, a 2008 Olympic silvermedalist alongside Memmel, has also signaled a desire to support athletes' development for their own sake. with a national interest in mind.

Quinn set a goal of finding competitive opportunities for every national team member, giving her a chance to see newer faces under bright lights—such as the 17-yearold Blakely.

Just as important, though, the U.S. got a major boost from NCAA rule changes that have allowed gymnasts, for the first time, to reap the rewards of competing for the national team without forgoing their college eligibility.

It meant the U.S. team hasn't had to start from scratch in the post-Olympic year. Instead, it can draw on the Olympic floor exercise champion Carey, Chiles's experience on the Olympic silver-medal winning team, and Wong, a 2021 world individual all-around silver medalist who contributed on uneven bars in Liverpool.

Astros No-Hit **Phillies**

By Tim Brown

Philadelphia

Right-hander Cristian Javier and three Houston Astros relievers on Wednesday night combined to throw the second no-hitter in World Series history, 66 years after Don Larsen's perfect game for the New York Yankees.

In Game 4 against the Philadelphia Phillies at Citizens Bank Park, Javier, a 25-year-old native of the Dominican Republic making his first World Series start, allowed two baserunners across six innings, both on walks. At 97 pitches and with still three innings to navigate, Javier gave way to the Astros' bullpen, a decision made by Astros manager Dusty Baker.

In his perfect game against the Brooklyn Dodgers, Larsen also threw 97 pitches—in nine innings.

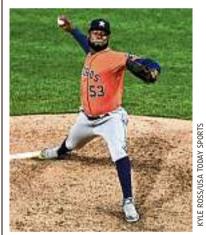
Bryan Abreu, Rafael Montero and Ryan Pressly followed Javier, and one night after they hit five home runs in a 7-0 rout of the Astros, the Phillies mustered almost no offense at all. The Astros beat the Phillies, 5-0, and the series is tied at two games apiece.

The combined no-hitter was the first in postseason history. Along with Larsen's perfect game, the only other no-hitter in postseason history was by Phillies righthander Roy Halladay in Game 1 of the 2010 NLDS against the Cincinnati Reds.

Riding a mid-90s fastball he moved around the zone with authority, Javier had nine strikeouts. He walked Bryce Harper to lead off the second inning and Brandon Marsh in the third.

Pressly, the Astros' closer, walked Kyle Schwarber with one out in the ninth inning. J.T. Realmuto grounded to third base for the game's final out.

The Astros had not scored a run in the Series since the fifth inning of Game 2, when, 18 innings later, they scored five runs in the fifth inning of Game 4 to give Javier and the Astros' bullpen breathing room.



Javier tossed six no-hit innings.

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City

Frankfurt

Geneva

Havana

Istanbul

Jakarta

Jerusalen

Shown are today's noon positions of weather systems and precipitation. Temperature bands are highs for the day

Forecasts and graphics provided by **AccuWeather, Inc.** ©2022

Today Tomorrow							
City	Hi	Lo	W	Hi	Lo	W	
Anchorage	31	19	sn	25	14	S	
Atlanta	76	56	S	75	61	S	
Austin	84	69	C	83	59	t	
Baltimore	69	51	S	70	59	S	
Boise	44	30	рс	42	41	r	
Boston	64	50	S	69	57	S	
Burlington	64	49	S	66	57	рс	
Charlotte	74	54	рс	73	61	c	
Chicago	74	58	S	70	60	pc	
Cleveland	69	55	S	70	59	рс	
Dallas	80	67	C	75	52	t	
Denver	47	23	C	41	28	pc	
Detroit	68	53	S	71	59	pc	
Honolulu	86	73	pc	85	75	sh	
Houston	82	70	рс	83	63	t	
Indianapolis	73	54	S	74	60	pc	
Kansas City	75	63	pc	68	40	r	
Las Vegas	57	41	sh	63	43	S	
Little Rock	81	60	pc	81	60	S	
Los Angeles	66	48	pc	70	49	S	
Miami	86	74	t	85	73	S	
Milwaukee	68	58	C	66	58	sh	
Minneapolis	68	43	pc	46	37	C	
Nashville	78	55	S	79	60	S	
New Orleans	81	66	S	83	71	DC	

New York City

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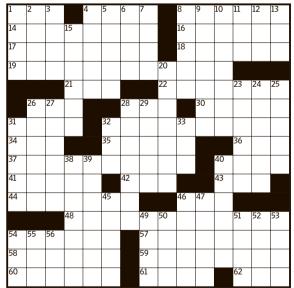
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The WSJ Daily Crossword | Edited by Mike Shenk



CHARACTER DEFICIENCIES By Lewis Rothlein

1 Naval initials

4 Clermont cleric 8 Bilingual Muppet

on "Sesame Street" 14 *Funny moves

16 Name-dropper's phrase? 17 Makes

untraceable, in a way

19 *Phones on a 21 FAQ offering

work with it

22 Jed Clampett's daughter

18 "Really?!"

26 Whitesmiths

28 "Whiteboards are 43 Ashram sounds remarkable," e.g. 44 It's sometimes 30 Gem appraiser's

tool 31 Royal forest denizen 32 *Many of

Manhattan's top stores 34 Skating legend

Midori 35 Ping-pong paddle wood, often

36 River through Devonshire 37 *Chefs' location

40 They can be saturated

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

41 Releases 42 Ear: Prefix

54 Skateboarding thrill 57 Gist of the

Hippocratic oath 58 Madeleine

found in shells

48 *Starting points

for many patents

46 Austrian's

Albright in 1948, e.a. 59 General spelling rule, and what must be imagined in the

starred clues to make them accurate

60 "Thanks, but it's covered"

61 Flag raiser

62 SFO-to-LAX

heading

1 Home of the

of Music

2 Get high

Herb Alpert Sch.

3 Coarse material

4 Like some fees

7 Being, to Brutus

5 Final stands.

in a way

8 Treat, as a

12 Andalusian

satisfaction

15 Brittany baby

20 Provides space

for, in a way

23 Site of public

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24 Tops

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13 Sigh of

25 Some RSVPs 26 Straw mat 27 Like the Bible being the most

shoplifted book 28 Sailor's wear

29 Dark

31 Trail traveler 32 "Frontline"

network

33 Horse course

38 Hold capacity

39 Garland's

"Easter Parade'

6 Shipping hazard co-star

40 Iconic Christmas sound

stubborn squeak

46 Choreographer 9 "If she be false. heaven mocks

itself" speaker 47 Small tenant

10 "I disagree!"

49 "Got it, daddy-o" 11 Réunion, par exemple 50 Upscale Asian

fusion chain 51 Alternative to

52 Field sustenance

for short 53 Hook helper

54 Jerry's partner

55 Online qualifier 56 Negroni component



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Putin's Nonnuclear War in Ukraine



WONDER By Daniel Henninger

about Ukraine become preoccupied with whether desperate Vladimir Putin might use a tactical nu-

conversation

clear weapon. That possibility, however concerning, should not deter us from staying focused on the higher stakes Mr. Putin put in motion by invading Ukraine.

Across the more than four decades of the Cold War—a struggle between the ideological opposites of Western freedom and Soviet communism the great fear, other than nuclear war, was of a ground war between Russia and the U.S.-led forces of the North Atlantic Treaty Organization.

Ukrainians are dying to protect the free world from an active alliance of enemies.

Cold War military doctrine held that this war likely would start with a massive Russian tank invasion through Germany's Fulda Gap.

The West, led by Ronald Reagan and other significant national and religious leaders, won the Cold War. No one seethed more at the Soviet Union's defeat than Russia's current leader, Vladimir Putin, serving then as a KGB agent in East Germany.

In February, Mr. Putin restarted his cold war against the Western victors with a ing as winter approaches to retank invasion. Instead of the take the southern city of Kher-

any tank army to capture the Ukrainian capital of Kyiv.

> No one should delude oneself, however hard some try, into thinking that Mr. Putin's intentions were merely to reannex Ukraine and go home to live in peace with the world. After conquering Ukraine, Mr. Putin would have established a military presence on Ukraine's western borders.

He would have begun political, economic and military pressure against countries on NATO's eastern flank-Poland, the Czech Republic, Romania, Slovakia, Hungary. His goal over the long term would be de facto reabsorption.

Similar pressure would be applied to the Baltic states of Lithuania, Latvia and Estonia, plus Sweden and Finland, whose quick decision to join NATO demonstrates that these countries understood immediately the broader implications of the Putin invasion.

Ukraine hasn't figured much in the U.S. midterm elections, which are properly focused on political accountability for the highest rate of inflation experienced in most Americans' adult lifetimes and widespread, often unchecked civil disorder. But the midterms will be succeeded quickly by politicians positioning themselves for the 2024 presidential election, and U.S. support for Ukraine is going to be an issue.

For now, only the most churlish isolationists can fail to be moved by the success of Ukraine's daily effort to resist. and even defeat, everything the Putin military machine has thrown at it.

Ukraine's army is continuing its advances against an ineptly led Russian force in the country's east and is attempt-Fulda Gap, Mr. Putin sent a son. Meanwhile, Mr. Putin, contributions of the so-called



Damage in Nikopol, Ukraine.

pushed by allies such as Chechen leader Ramzan Kadyrov, initiated bombardment of Ukraine's energy infrastructure on Monday, presumably to create a winter with little heat or water. The U.S. said Wednesday that North Korea is covertly shipping artillery shells to Russia.

From afar, it is difficult to appreciate, much less comprehend, how Ukrainians continue to survive this onslaught. I spoke about it a few days ago with Jim Hake, founder of the U.S. militarysupport group Spirit of America, which we've written about here. The organization has been deeply involved the past year in getting supplies into Ukraine, including the building of a Ukrainian armed-forces radio station.

Mr. Hake is an entrepreneur, and after returning last week from Ukraine, he makes a good case that Ukraine's success is due both to a refusal to be erased by Mr. Putin and to its private sector's instinct to innovate on the fly. A mobile app, for instance, alerts people to air raids.

He notes especially the

territorial defense forces, an under-the-radar collection of skilled volunteers in towns across Ukraine who largely organize local resistance to the Russians. Or, as he puts it, "People who can do something are doing something."

It is a sad irony that some in the U.S. have decided this is the moment to pull back American support Ukraine, which is the fateful but willing nation fighting Mr. Putin's assault on freedom and sovereignty.

The House Progressive Caucus sent President Biden a letter recently urging him to start direct negotiations with Mr. Putin to end the war. Quick denunciation of the letter forced caucus chair Rep. Pramila Jayapal to withdraw it. The always-mercurial Tulsi Gabbard then denounced the left for caving to "the warmongers" in the Democratic Party.

On the right, Citizens for Sanity ran an ad during the World Series saying that Mr. Biden's domestic failures are a consequence of the financial and military support the U.S. is giving Ukraine.

Russia, China and Iran are now in an informal alliance whose explicit goal is to replace the U.S. and its liberal values. Ukraine is now their central, active battlefield. Mr. Putin is bombarding Ukraine's infrastructure and civilians with Iranian-made drones and ballistic missiles. Xi Jinping has committed China to a "no limits" partnership with Russia.

Besides themselves, the Ukrainian people are sacrificing and dying to protect the West from these determined enemies. Once the U.S. presidential campaigns begin, we will find out soon enough which candidates recognize this reality.

Write henninger@wsj.com.

BOOKSHELF | By Dan Blumenthal

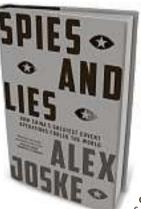
The Myth of the 'Peaceful Rise'

Spies and Lies

By Alex Joske (Hardie Grant, 268 pages, \$22.99)

ho are our enemies? Who are our friends? This is the revolution's foremost question," wrote a young Mao Zedong in 1925. The Chinese Communist Party, of which Mao was then a rising leader, needed to manipulate friends and destroy enemies as it worked to overthrow the Republic of China. The insurgent party was forced to partner with its main rival, the Chinese nationalist party, to fight Imperial Japan. It did so even as it subverted the nationalists from within. According to party history, the CCP eventually prevailed in this deadly contest for power by employing what Mao called his "three magic weapons": maintaining a strong party, winning armed struggles, and engaging in "united front" operations to infiltrate and co-opt its rivals.

Today Xi Jinping, the CCP general-secretary, is employing the same trio of magic weapons in his bid for geopolitical dominance. He has accelerated the modernization of the party's armed wing, the People's Liberation Army; strengthened the party's role in China's political and economic life; and reinvigorated the united-front



system to manipulate friends and keep enemies close. This last pillar of Chinese strategy, political warfare, is by its nature covert, opaque and hard for outsiders to understand. In "Spies and Lies: How China's Covert Operations Fooled the World," the Australian China expert Alex Joske elucidates, more completely than ever before, the workings of the Ministry of State Security (MSS), China's premier intelligence organization, which, since its founding in 1983, has combined

traditional intelligence collection with political-influence campaigns. Mr. Joske's incisive history and analysis provides a much-needed look inside Beijing's complex, often ruthlessly effective efforts to shape and soften Western responses to its rapid global ascendance.

Washington is now facing a reckoning over its decades of complacency about China. How did Beijing manage to convince so many powerful American politicians, pundits and academics that its rise would be peaceful? In the late 20th century, the United States had legitimate reasons to view its China engagement strategy with optimism as Beijing experimented with private businesses and abandoned its Maoist excesses. But by the early aughts China was dramatically building up its military, pillaging U.S. technology, hollowing out America's industrial base, forcefully expanding its maritime territory and cracking down on domestic dissenters. Yet Washington persisted in its argument that China would gradually liberalize and ultimately become a responsible geopolitical partner.

To be sure, Beijing's deliberate attempt to fool the U.S. power elite was not the sole cause of our misguided China policy. U.S. companies were turning profits in China and pushed U.S. politicians to keep engagement alive. Moreover, after 9/11 the U.S. ranked countering nuclear-weapons proliferation and fighting terrorists as its highest priorities. China was considered a potentially useful partner.

But the idea that China would be an exception to the destructive path of rising powers received a huge assist from Beijing's political-warfare operatives. Mr. Joske documents the MSS's patient and extensive efforts to soothe American concerns about China. Even the term "peaceful rise," which became popular in U.S. policymaking circles, was coined (in 2003) by an MSS-affiliated policy organization, the China Reform Forum. Its leader, Zheng Bijian, was invited into the halls of American power, wrote for the prestigious policy journal Foreign Affairs, met with high-level officials and charmed opinion makers. He was even favorably mentioned in the George W. Bush administration's most important China-policy speech. Meanwhile, the MSS-affiliated "think tank," the China Institutes of Contemporary International Relations, hosted countless American policy experts (including this reviewer) for "scholarly exchanges" that for Beijing were exercises in disseminating propaganda and collecting intelligence. The MSS understood that Washington think tanks are conduits to power.

An unprecedented history and analysis of Beijing's campaign to soften Western

resistance to its rapid global ascendance.

China's political warriors preyed on Americans' thirst for knowledge about China's secretive political system. The price for access to party leaders was the parroting of Chinese propaganda themes, and influential Americans were instrumental in keeping alive a policy that strengthened China. Mao would have been proud as the MSS charmed friends and marginalized enemies.

Washington lost sight of who really called the shots in China: not the charming diplomats, not the impressive entrepreneurs, but the CCP. The party never abandoned its strategic inheritance as a ruthless insurgency that overthrew a U.S. ally. The CCP believes that it is in a continuous state of "struggle" against enemies foreign and domestic and that its survival depends upon the psychological manipulation of its "friends." China's tacit "offer to the West," Mr. Joske writes in one of his frankest passages, remains the following: "Ensure that we aren't provoked into challenging you. For now, we are still growing, but our achievements will soon match and surpass yours. Abandon Taiwan, forget universal human rights, cede your sovereignty, give us control of strategic industries and technologies and you might be allowed a place in the coming century—if we're feeling nice."

Ironically, having awoken to the CCP's threats, Washington is now susceptible to another kind of manipulation; taking too much counsel of its fears. Witness the Pelosi affair. When word got out last summer that House Speaker Nancy Pelosi planned to visit Taiwan, Beijing's political warriors mobilized, telling U.S. opinion-makers that the speaker would be in danger and that the visit would cause a "crisis." While Mrs. Pelosi ignored this psychological operation, the MSS surely enjoyed a collective grin as the Biden administration and the chattering classes parroted Chinese propaganda.

Mr. Joske compellingly shows how the CCP has insinuated its narratives into American political discourse. Xi Jinping has elevated the status of the MSS as he prepares China for what he calls "the great struggle" against the U.S. Mr. Joske's book is thus a perfectly timed guide to undermining a historically critical tool of China's malign strategy.

Mr. Blumenthal is a senior fellow at the American Enterprise Institute and the author of "The China Nightmare: The Grand Ambitions of a Decaying State."

What to Expect in the 2022 Midterms

By Karl Rove

ere's what I'll be looking for Tuesday as I watch election returns at Fox News in New York.

When polls close Tuesday at 6 p.m. EST in parts of Indiana and Kentucky (both states are split between time zones). I'll compare what each Democrat and Republican hopeful receives to what their parties' presidential candidate got in 2020. That's something to watch across the board. In Grab some snacks and districts or states where Joe Biden's margin is smaller than this year's Democratic candidates' that indicates it could be a bad night for their party.

At 7 p.m., polls close in four states as well as the rest of Indiana and Kentucky and part of Florida. I'll focus on Georgia to see by how much Gov. Brian is beating Stacey Abrams. The bigger Mr. Kemp's margin, the better Herschel Walker's chances to win the Senate seat. If neither he nor Sen. Raphael Warnock gets more than 50% of the vote, the election goes to a Dec. 6 runoff.

Virginia also closes at that time, with three high-profile House races. If the GOP takes one seat, it'll point to a good night nationally, two seats to a great night, and three to a blowout. I'll also start matching the final polls with outcomes to see if surveys underpolled Republicans.

At 7:30 p.m., North Carolina and Ohio polls close. Republicans must win both Senate returns with 2020's totals.

At 8 p.m., voting ends in 16 states, parts of five others and the District of Columbia. Pennsylvania could decide the Senate. It's a state Mr. Biden won by only 1.18%, and I'll check Tuesday's returns against his 2020 margin to see how Mehmet Oz and John Fetterman are doing. But Pennsylvania's mail-in ballot rules may make it hard to tell. Those votes

get ready for a long night of surprises and Republican victories.

can't be opened and verified until 7 a.m. the day of the election, then counted after polls close. In 2020 their numbers were so overwhelming that they took days to count. While the in-person Election Day votes broke 66% for Donald Trump, the mail-ins went 77% for Mr. Biden. If the Senate race is tight and vote-counters meet a similar mass of mailins, we may not know who won for days.

The last Florida polls close at 8 p.m. I'll look to see how strong a 2024 launch Gov. Ron DeSantis gets—I suspect it'll be Canaveral-worthy. There are other points worth watching too. Does Sen. Marco Rubio's margin confirm Florida's deepening redness? Does the GOP pick up three or four

County?

I'll also keep an eye on New Hampshire. Late polling says its Senate race could be sliding toward the GOP. Republicans also hope to flip Rhode Island's Second Congressional District, Connecticut's Fifth, Maine's Second and New Jersey's Sev-

A blockbuster group of Johnson, it's hard to see Democrats getting above 50 seats. As with Messrs. Walker and Kemp in Georgia, Blake Masters's fate in his Senate race in Arizona could well depend on Kari Lake's run for governor.

At that hour, we'll also see if Republicans get a gigantic upset for New York governor. Rising crime has energized that race and could help the GOP flip up to four House seats in the Empire State. If there's a Senate shocker, it could be then in Colorado or at 11 p.m. in Washington state. The Republicans probably won't take either seat, but don't be shocked if they scoop up one. Michigan features a high-profile abortion initiative: How will that affect the state's gubernatorial contest? I'll also look at the three Republican Latinas running for South Texas House seats and Democrat Robert Francis O'Rourke.

We'll get a peek at Mr. races. I'll compare Tuesday's House seats? Does it carry Trump's 2024 potential at 9 Schuster, 2015).

heavily Hispanic Miami-Dade p.m. too. Michigan and Arizona GOP attorney general and secretary of state hopefuls-and later the Nevada secretary of state candidate—are running on the purest expression of his core message: The 2020 election was stolen and Mr. Trump is the legitimate president.

At 10 p.m., Nevada rolls in. enth, all of which report at 8 The GOP's best Senate pickup opportunity, Adam Laxalt, is helped by Sheriff Joe Lomstates close at 9 p.m., perhaps bardo's gubernatorial bid. The settling the Senate's fate. If the GOP also hopes to win one or GOP keeps Wisconsin's Ron more of three Democratic House seats in the Las Vegas

> At 11 p.m., the remaining West Coast states report. Oregon Republicans might snag their first gubernatorial victory since 1982 and may pick up two or three congressional seats. The same hour, California Republicans look to defend five House seats and grab perhaps three Democratic seats.

> This midterm's gravitational forces—inflation, the economy. crime, border security, Mr. Biden's approval rating, voters' feelings about the direction the country is headed-all work to the GOP's advantage. That will deliver the House and probably flip the Senate. Take a nap Tuesday afternoon, have snacks ready, and be prepared for surprises. See you ringside!

Mr. Rove helped organize watch Gov. Greg Abbott thrash the political-action committee American Crossroads and is author of "The Triumph of William McKinley"

Notable 💆 Quotable: Ben Sasse on the University

From Sen. Ben Sasse's testimony Tuesday before the University of Florida board of trustees, which was considering his nomination as university president:

I'm a romantic when it comes to the importance of education and the mission of a university. Students aren't machines and a university isn't an assembly line. Education, properly understood, isn't exclusively-or even primarily—about transmitting information. Education is about learning how to humbly and meaningfully engage

A library card and internet access will get you far in the simpler business of acquiring information. But it takes a

that's what a university is—to engage ideas. . . .

A healthy university must challenge young men and women with new and even uncomfortable ideas. A healthy university must embrace debate. A healthy university will welcome complicated truths and explore eye-opening perspectives. A healthy university will challenge assumptions and consider alternatives. A healthy university stays humble by understanding that the quest for knowledge and truth is a life-long endeavor. No wise person ever concludes they know it all. A healthy university affirms the dignity of every human being and builds a community of inclusion.

Life is short. How are we, who are all destined for dust, community of learners-and going to redeem our time?

things bigger than consumerism and power politics. None of us is the center of the universe—that's something that all of us. from freshmen students and new presidents to tenured faculty and hall-offame coaches, need to remind ourselves. This is a community of ideas and communities of ideas are built on trust and respect. You can have communities of power or you can have communities of respect. A university is supposed to be a partnership built on that trust and respect.

A healthy university works to expose students to a wide range of opinions, to challenge their assumptions, and to help them refine their arguments. Not because we want to indoctrinate them on and the world.

Deep down we know we need what they must think, but because we want to teach them how to think for themselves, how to wrestle with competing truth claims. Agree to disagree and then disagree profoundly and passionately. Argue with sharp minds and open hearts. See the best in the other side. As we say in our family: argue hard and hug anyway.

We want Gators to engage ideas. We want Gators to know why they believe what they believe. . . . We want to embrace ideas, humility, curiosity, and learning for every single member of this community. . . . I want our students to be challenged and to rejoice in that challenge—that struggle—because we want Gators to go out and serve Florida

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REVIEW & OUTLOOK

Jerome Powell's Not for Turning—Yet

stays the course as

complaints mount.

take away the punch bowl, though not usually in 30 minutes. Yet that's what happened Wednesday when The Federal Reserve

Federal Reserve Chairman Jerome Powell explained in his press conference that he really is staying the anti-inflation course, half an hour after a Fed statement had seemed to hint to the contrary.

The Federal Open Market Committee increased its target range for the fed funds rate by 0.75 percentage points, to 3.75%-4%, as Mr. Powell had primed markets to expect. But investors cheered the FOMC statement, which said future decisions will account for "the cumulative tightening" achieved so far as well as "the lags" with which monetary policy operates. Wall Street has been searching for signs the Fed might start moderating the pace of rate increases or stop raising altogether, and it sounded like the FOMC was offering that hope. Stock and bond prices surged.

Then Mr. Powell met the press, and his message remains more hawkish than not. While allowing that the pace of rate increases might slow, he also said recent data suggest the top rate the FOMC needs to reach may be higher than the Fed has previously predicted. He also swatted away Wall Street's fretting about "overtightening" by saying he believes the greater risk would be not to tighten enough.

Message received. Stocks promptly fell, by 3.4% in the case of Nasdaq.

This is no mark against Mr. Powell. Investors

have long bet on easy money, even as inflation rose to its current dangerous level. The labor market remains surprisingly strong given mounting recession fears, and the economy so

he cliché is that a central bank's job is to far is weathering a moderation in the housing market prompted by rising mortgage rates. This gives the Fed political leeway to keep up its infla-

tion fight, and Mr. Powell is right to take advantage.

He also delivered a rebuke to critics abroad who fret that the Fed will plunge the global economy into recession. The U.N. Conference on Trade and Devel-

opment and the International Monetary Fund, among others, warned last month that rising interest rates and a strong dollar endanger the world economy, especially developing economies.

Mr. Powell's correct retort: "The world's not going to be better off if we fail [to get inflation under control]. Price stability in the United States is a good thing for the global economy over a long period of time."

He and his peers at developed-economy central banks would do the world a favor by coordinating better to moderate exchange-rate gyrations. But if they're not willing to do that, at least the Fed can stick to its own price-stability mandate at home.

Even at 3.75%-4% the Fed's base rate is negative in real terms. No disinflation we can remember was achieved without rates rising above the inflation rate. The Fed's inflation target is 2% while personal-consumption expenditure inflation (the Fed's favorite measure) was still 6.2% in September. The Fed will have to watch for signs of financial trouble of the kind that hit British pension funds, but it still has a lot of antiinflation work to do.

Milton Friedman would have smiled at the Fed's reference to "lags" in the impact of higher rates, but we doubt he would have called for a retreat this soon in the fight against the worst inflation in 40 years.

The Pacific's Missing Fighter Jets

The Pentagon pulls

F-15s from Okinawa

without a replacement.

he Pentagon is pulling F-15 fighter jets from Okinawa after decades on the Japanese island, and the news has received

too little attention. American air power is spread thin across the world, and the U.S. is in a precarious position even as it needs to put more hardware in the Pacific to deter China.

"Starting in November, the

Department of Defense will commence a phased withdrawal of F-15 C/D aircraft forward-deployed to Kadena Air Base over the next two years," the Air Force said on Oct. 28 after the news had leaked. The Air Force F-15Cs and Ds are 38 years old on average, and no doubt they're costly to maintain and keep airborne. Lt. Gen. David Deptula, a retired F-15 pilot, tells us these are the last active duty F-15C/D pilots in the Air Force, another limiting factor.

Yet the F-15s are departing strategic real estate in the Western Pacific's first island chain with no permanent replacement. The U.S. will "temporarily" deploy "newer and more adon rotation, the Air Force says. The announcement promises a steady presence but says the Pentagon has "not made a decision on the long-term solution."

This reality has been a long time in the making, the "inevitable result," as Gen. Deptula says, of political complacency and "slashed investment in successor aircraft." The Air Force initially planned to buy 750 F-22s, but former Defense Secretary Bob Gates shut down the production line at 187 jets. The services aren't buying enough F-35s to pick up the load.

The result: The Air Force will have "less than 45% of its original planned" fifth-generation fighter force "in the critical 2027-2030 timeframe when China may be ready to attack Taiwan." the Mitchell Institute for Aerospace Stud-

ies said in a recent report.

Only about half of the F-22 fleet is mission capable, and these jets are working overtime all over the world. The Pentagon has dispatched F-22s to Poland to deter Vladimir Putin from extending his war in Ukraine to NATO. It also sent a squad-

ron of F-22s to the Middle East this year to help the United Arab Emirates fend off the Houthi rebels.

Air Force Gen. Mark Kelly told reporters this fall to imagine "a bill comes to your house" for 60 fighter squadrons. "I'm trying to pay that bill with 48 fighter squadrons" (plus nine attack squadrons that can't survive in a fight in highly contested airspace).

Some defenders of the F-15 pullout say the fighters are too old to help in any conflict with China, or would be obliterated early on, as if this is comforting. A rotational force is also a big downgrade. One virtue of a permanent presence is that American troops learn the neighborhood and are prepared to fight on night one of a conflict. That pays a double dividend of deterrence, persuading adversaries the U.S. is serious about enforcing order.

The Biden Administration has shown no interest in growing the Air Force, even as it calls China a "pacing" threat. The F-15 departure "sends the wrong signal," as GOP lawmakers wrote in a Tuesday letter to the Pentagon, and it will fall to Congress to pick up the pace on aircraft buys and find long-range fires or other assets that can be moved into the Pacific.

None of this will be easy or cheap, but the vanishing F-15s are one more sign of America's eroding military power.

A Decisive Win for Netanyahu

enjamin Netanyahu has been around long enough to have done something to rankle almost every Israeli. But as his victory in Tuesday's election shows, Israelis still trust him for the job of Prime Minister he has held twice before. In a rough neighborhood, with enemies that seek Israel's destruction, that's no small vote of confidence.

With nearly 90% of ballots counted, Mr. Netanyahu's Likud Party is set to win 32 seats, up from 30 in 2021, with a path to a coalition government as large as 65. Barring a late swing, this would be a larger majority for the right in the Knesset than anyone saw coming, ending the political paralysis that has plagued the country since 2019.

This reflects important realities in Israeli politics. Mr. Netanyahu is still considered the Israeli leader best able to deal with great powers. With Russian troops in Syria, the poisoned chalice of Chinese economic engagement and an America that is hot and cold, Israel needs a strategic vision. Mr. Netanyahu has one, as he laid out recently in these pages, whereby economic and military strength lead to diplomatic success, not the other way around. The Abraham Accords with the Gulf Arabs are a vindication of that vision.

Mr. Netanyahu also benefits from keeping his eye on the threat from Iran amid the distractions, and from his record of free-market reform. As finance minister from 2003-05, Mr. Netanyahu led Israel's transformation from a socialist economy to the "start-up nation" it is

Meanwhile, the Israeli left has collapsed. Its two parties, including the Labor Party that dominated for decades, received less than 7% of the vote—combined. Far-left Meretz is now likely to win no seats. The left lost credibility after the Palestinians refused to accept a state when it was offered and pocketed Gaza only to use the territory for attacks on Israeli civilians.

The left was also outflanked by centrist politicians who focused on the cost of living. Counting the center-left, led by current Prime Minister Yair Lapid, the left is still getting only 25% of the vote. The breakup of the Arab Joint List into its constituent factions also aided the right.

Shas, a Haredi party, and the Religious Zionist slate are also on track for more seats, driven by support from the once-marginalized Mizrahi Jews from Arab lands, and from voters deserted by right-winger Naftali Bennett when he joined Israel's previous government. He had previously filled a gap between Likud and the far right. The rise of the Religious Zionists, on pace for 10% of the vote, is unsettling; its extreme ideas make it a Jewish counterpart to some Arab-Israeli parties.

Yet the outraged international press may be over-reading the result: The slate's radical Otzma Yehudit Party attracts only around 5% of the vote, and many of its new voters disclaim its worst ideas but like its punchy Mizrahi leader, who presented a moderate face. Ninety per cent of voters didn't choose the far right, which is more than can be said for many European countries.

The vote means Mr. Netanyahu will have a mandate he lacked in the final years of his previous turn as Prime Minister. That should make Israel more confident in meeting regional threats, as it remains America's most valuable ally in the region.

LETTERS TO THE EDITOR

Diversity Is Elusive in U.S. College Admissions

Regarding Kyle Peterson's Weekend Interview with David E. Bernstein ("Affirmative Action Mocks Ethnic Diversity," Oct. 29): I recently did genealogy research and found that my father's family was labeled "mulatto" in Mexican Catholic Church records from the late 1700s. All I knew previously was that my parents emigrated from Mexico. My husband is Jewish. with family folklore of roots in Lithuania, Germany and Russia.

Which ancestry explains our son's tightly curled brown hair? Does that or any other physical characteristic help us figure out how to answer the race question on his college applications next year?

We all know his college prospects will be markedly different depending on what box we check: Latino, white, or black. Technically, each answer is true. But my son is a good student with a strong academic record, and one truth allows us to game the system and make much more likely his admission to top-tier colleges. Is this the intent of the race-based admission system?

MARIA LUISA PALMA Granada Hills, Calif.

Prof. Bernstein's analysis reveals what a house of cards the whole diversity argument has become. One question: Why is diversity so important, anyway? It has a toxic effect on the real concern, meritocracy.

In any endeavor, we have the right to demand the best. Imagine yourself as a patient whose medical needs require a surgical procedure. You would have every right to demand the best physician available. Why must I care, or be told that I must care, whether the person is black, white or Asian?

It seems our society is more concerned about whether something feels good than if it does good.

JOHN S. CARR Loganville, Ga.

Mr. Peterson's article is thoughtprovoking. The American system has similarities to the situation in my home country, India, which has had reservations for people from specific castes to encourage diversity and equal growth.

The question we ask in India is the same we should ask here in the U.S.: Should race play a role, or should diversity be based purely on the economic condition from which a student comes? Is it fair that a minority child from an affluent background gets admitted into Harvard over a poor child from a nonminority-or different minority—background?

I am all for diversity and think it is an important lever, but not when it is based on arbitrary conditions.

> Arjun Shrinath San Jose, Calif.

Low Turnout Lets DA Krasner Off the Hook

Your editorial "Impeaching Larry Krasner" (Oct. 28) concedes that Mr. Krasner, Philadelphia's district attorney, "won re-election last year with nearly 70% of the vote.'

This misses the important context that turnout in Philadelphia in the 2021 election was mere 22%, according to election results posted by the city. Only 229,700 of 1,050,042 registered voters cast ballots. Of these, Mr. Krasner secured 155,102 votes, representing 14.8% of all registered voters. This is far from an overwhelming majority.

What is overwhelming, and tragic, is that Philadelphia recently marked its thousandth gun homicide since Jan. 1, 2021. This year, nearly 2,000

Philadelphians have been shot, including nearly 200 youth. Twentyseven of these young people died.

Mr. Krasner claims that his critics want to undermine the will of the voters. This deflection may be fine for political spin, but it ignores that 85% of registered voters didn't vote for Mr. Krasner. Instead of lashing out at his critics, Mr. Krasner should target the violent criminals who are devastating his city. All of those being victimized by crime-100%would rather he do his job than pursue his woke, soft-on-crime ideology.

MATTHEW J. BROUILLETTE President and CEO, Commonwealth Partners Chamber of Entrepreneurs Harrisburg, Pa.

Privatization Can Go Further: See Honduras

I am the developer of one of the Economic Development and Employment Zones, or ZEDEs, in Honduras that Mary Anastasia O'Grady writes about ("Who's Driving Chaos at the Border?" Americas, Oct. 31). This new type of free-trade zone gives people the option to live where dayto-day governance and most public services are provided by private, forprofit companies.

Residents and companies pay taxes only to the developer, who provides most public goods and services, like security, roads, education and healthcare, and gives 12% of the tax-take to the government to cover the cost of

What Kind of Economic Growth Is Good for Society?

Andy Kessler's "The Deadly 'De-Growth' Craze" (Inside View, Oct. 31) condemns opposition to economic growth, and it is easy to agree. Much good can be achieved through prosperity; growth in prosperity seems likely to enhance them. Mindless no-growth policies deserve to be condemned.

So also, however, do mindless growth policies deserve criticism. Humans aren't "like Manta rays," condemned by nature to pursue a course (growth or swimming) without adjusting according to understandings of the good. Not all economic growth is meritorious. For example, it wouldn't be beneficial to grow the sector of the economy that produces and markets destructive drugs.

PROF. SCOTT FITZGIBBON Boston College Belmont, Mass.

We Wouldn't Need The Grain

Rather than escort Ukrainian grain ships through the blockaded Black Sea ("Russia Resumes Its Food Blockade," Review & Outlook, Oct. 31), I suggest we stop putting so much corn in our gas tanks and put it on the world market instead.

JAMES BERRY Cherry Hill, N.J.

CORRECTION

Nelson Rockefeller became vice president in 1974. This was misstated in the Nov. 1 op-ed "Lee Zeldin Visits Kathy Hochul Country." The article also misspelled Buffalo homicide suspect Adam Bennefield's surname.

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

the armed forces, criminal justice and other national-level public goods.

My fellow developers and I expect the competition for clients to massively improve the quality of the services provided and keep costs down. For example, in Ciudad Morazán, my project, the only tax is a flat 5% on income, for firms and individuals.

It might seem impossible with such a low tax-take to do most of what Western governments do. They spend between 40% and 60% of GDP. But as recently as 120 years ago, the U.S. federal tax-take was only 3.5% of GDP. We have been operating for more than a year now, and we are enjoying a small fiscal surplus that will be refunded at the end of the year to residents. We make money only on rents, not taxes.

The ZEDEs are a unique opportunity for development in Honduras as well as a promising experiment. The U.S., and especially those in the countrv who value freedom and personal responsibility, should keep a keen eye on us. If we succeed, we might become an example to try at home.

Massimo Mazzone Ciudad Morazán Tegucigalpa, Honduras

A Hippocratic Political Oath Regarding your editorial "Why

Democrats Are Losing" (Oct. 27): Few Democratic candidates will acknowledge real issues besetting Americans right now (crime, inflation, border chaos and deteriorating education), let alone offer solutions. The Hippocratic oath has been out of vogue for a while, but I think it's making a comeback, albeit in politics. Given the Biden tumult, voters are looking for relief. They are leaning toward the candidate likeliest to "first, do no harm."

PHILLIP RULAND Newport Beach, Calif.

Pepper ... **And Salt**

THE WALL STREET JOURNAL



"You divert its attention while I 'U-N-P-L-U-G' it.

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THE WALL STREET JOURNAL.

Trump Casts a Shadow Over Arizona's GOP

By Robert Robb

Phoenix rizona has felt like ground zero this election season. Republicans believe they have a realistic shot at capturing a U.S. Senate seat and two House districts currently held by Democrats. A third when they're being giddy. That could change the balance of power in Washington.

Democrats believe they have a realistic chance of winning the governorship, currently in Republican hands, and the majority in the Arizona Senate, or at least an even split. And an outside chance of picking off a Republican congressional seat, offsetting losses elsewhere.

He's not as popular as the Republican Party, and nowhere else is the election so much about him.

Republicans ought to be winning easily. The GOP still has a 4-point advantage over Democrats in registration. In a midterm year, the advantage in actual turnout should be even higher. The backdrop for this election, in Arizona and elsewhere. is the sense that President Biden and his administration aren't up to the job. National election trends tend to influence down-ballot races

Yet most of these contested races are regarded as tossups. The reason Republicans aren't winning in a romp is another national trend: the Trump effect. The Journal has often editorialized about the strategic mistake Donald Trump has made in trying to make this election about him, which disfavors Republicans, rather than about the Biden administration's record, which favors the GOP.

In probably no other state has Mr. Trump succeeded more in making the election about him than in Arizona. The Arizona Republican Party has been entirely remade into the party of Trump. Candidates he endorsed won every contested primary. The nominees for statewide office-Blake Masters for U.S. Senate, Kari Lake for governor, Mark Finchem for secretary of state and Abe Hamadeh for attorney general—all pledged fealty to Mr. Trump's delusion that the 2020 presidential election and Arizona's electoral votes were stolen from him.

Mr. Trump's reach extended down to legislative primaries. The Republican caucuses in next year's Legislature, whether in the majority or the minority, will be much more MAGA than before.

The only Republican in a pivotal race who isn't a full-fledged Trumpian is Juan Ciscomani, the nominee for an open congressional seat in southern Arizona, where Democrat Ann Kirkpatrick is retiring. Mr. Ciscomani comes out of Gov. Doug Ducey's more traditional Republican

Mr. Trump likes Arizona and often



Trump and GOP gubernatorial nominee Kari Lake in Mesa, Ariz., Oct. 9.

holds rallies here. But he hasn't fared well with the broader Arizona electorate. In 2012 Mitt Romney won the state by 9 percentage points. In 2016 Mr. Trump carried it by only 3.5. In 2020 Joe Biden won by 0.3 point and became only the second Democrat to carry Arizona since Harry S. Truman.

In 2018, while Mr. Trump was president, Democrats took both of Arizona's U.S. Senate seats. The last time both of the state's U.S. senators were Democrats was 1953. Republicans also lost a House seat in 2018. And the GOP margin in the state Legislature, once formidable, shrank to a single member in each chamber. Republicans can no longer win statewide elections in Arizona by turning out the base, holding them and picking up

fenestration. But the Islamic Repub-

lic's rulers, like the shahs before them,

know that their regime ultimately

rests on haybat—the awe of unchal-

lengeable power. That neither teenage

girls throughout Iran nor foundational

figures of the theocracy see this maj-

esty any longer suggests that Mr.

Mr. Gerecht, a former Iranian-tar-

gets officer in the Central Intelli-

gence Agency, is a senior fellow at

the Foundation for Defense of De-

mocracies. Mr. Takeyh is a senior

fellow at the Council on Foreign Re-

Khamenei's time is running out.

a small slice of independents.

Roughly 225,000 Arizonans voted in 2018 for both Republican Doug Ducey for governor and Democrat Kyrsten Sinema for U.S. Senate. These Ducey-Sinema voters now hold the balance of power in close statewide elections, and their ranks have probably enlarged given the trends in both major political parties. A third of the Arizona electorate is registered independent.

Mr. Masters has made some effort, postprimary, to render himself more acceptable to the Ducev-Sinema voters. He has softened his stance on abortion and some other issues. He has even backpedaled a bit on the claim that the 2020 presidential election was stolen-reportedly to Mr. Trump's displeasure.

The rest of the Trump ticket, however, is still running full MAGA. That presents Ducey-Sinema voters with a dilemma they wouldn't have faced with a more traditional GOP candidate in the mold of Mr. Ducey, John McCain or Jon Kyl. Hence all the toss-ups.

Democrats hoped the combination of Trump, election denialism and abortion would rebalance an electoral playing field tilted against them. As Election Day approaches, polls have the Republicans gaining some momentum. If the polls are undercounting MAGA voters, Republicans might muddle through and make some gains in the state.

Arizona has been on a roll, attracting new residents and businesses, outperforming most of the country economically. Mr. Ducey has acquired a national reputation as a conservative reformer, principally due to two measures: a 2.5% flat individual income tax and universal Empowerment Scholarship Accounts, which parents can use for a variety of educational purposes, including tuition at private schools.

Those legacy measures probably aren't at risk. Ms. Lake isn't the supply-sider Mr. Ducey has been. Her big tax cut idea is to prohibit cities from charging sales tax on food. But she isn't going to increase individual income-tax rates. And she has run as a resolutely pro-school-choice candidate.

The Democratic gubernatorial candidate, Secretary of State Katie Hobbs, says she wouldn't attempt to repeal the flat tax. And the attempt would be futile anyway. The Arizona Constitution requires a two-thirds vote for the Legislature to raise

Ms. Hobbs isn't hot on school choice and would lean toward the traditional public-school monopoly. But by inauguration day, there will be tens of thousands of Arizona families benefiting from the universal vouchers. A fifth of Arizona students are already enrolled in charter schools. The state seems to have achieved critical mass on school choice, with a large enough bloc of beneficiaries to make a reversal politically difficult.

But one part of the Ducey legacy is at risk if Ms. Lake wins. The governor has largely steered clear of cultural controversies. The state was stung by national boycotts over voters' 1990 rejection of a Martin Luther King holiday and SB 1070, the 2010 illegal-immigration law that went to the Supreme Court.

Ms. Lake is all MAGA—sticking it to woke progressives is the point. She has promised curriculum wars and is a Covid vaccine skeptic. She plans to "declare an invasion" at the southern border and savs she'll take over border enforcement—including deportations—from the national government. If Ms. Lake wins, cultural controversies will take center stage, with Arizona again featuring in the national media, including late-night comedy shows. She's only the nominee, and it's already happening.

Mr. Robb writes about politics and policy at robertrobb.substack.com. He was a columnist at the Arizona Republic for 23 years.

Iran's Hard-Liners Are Starting to Crack

By Reuel Marc Gerecht And Ray Takeyh

his time is different. The Iranian people have been protesting in the streets for more than a month since the morality police beat a young woman to death for reportedly failing to wear a headscarf. Now even Supreme Leader Ali Khamenei's allies are distancing themselves from the government. It's too soon to say the elite is fracturing, but it's clear that these divisions will widen, putting unprecedented stress on the regime.

For four decades, regime loyalists have united in times of crisis. When reformers threatened the system in the late 1990s, moderates and hardliners worked together to crush the threat. It's telling that today many influential conservatives display little compunction about criticizing Mr. Khamenei and his henchmen.

Even regime stalwarts are criticizing Khamenei, which hasn't happened during previous revolts.

Take Ali Larijani, who was the longest serving speaker of Parliament and is still one Mr. Khamenei's advisers. He's never been known to care about women's rights. He's been an ardent defender of the Islamic Revolutionary Guard Corps and sycophantic toward Mr. Khamenei. But in a recent interview with the Iranian paper Ettela'at, he decried the rigid imposition of the hijab and insisted, "Dialogue is necessary, and it has to be substantive. We must provide the public venues for protest and a means of conducting a dialogue."

Jumhuriya Islami, a conservative newspaper whose first managing director was Mr. Khamenei, has also criticized the regime. A stern editorial rejected the government's official explanation for the protests-that they are a product of foreign interference-and stressed the seriousness of demonstrators' grievances: "The problems of inflation, unemployment, drought, and destruction of the environment have caused people, ranging from retirees, educators and students, to protest." The newspaper offered a 14-point plan to defuse tensions. Point 11: "Don't lie about what is happening."

Chief Justice Gholam-Hossein Mohseni-Eja'i has long cultivated an image of a ruthless enforcer. And yet he is now imploring that "we must increase dialogue in the country and ensure that diverse opinions are presented in the public culture." This is hardly what Mr. Khamenei wants to hear from the judiciary, the linchpin of his regime's frequent inquisitions.

Former President Hassan Rouhani, who has often kept quiet about repression if not loudly backed it, has strongly dissented from the supreme leader's methods: "National security isn't achieved only by recourse to military and law-enforcement means. . . . Security must come through the protection of life and the securing of one's livelihood, personal freedoms, and the basic rights of the people."

Autocracies rely on terror, and it's clear that fewer Iranians fear Tehran today. This is particularly true of young women, but Iranians from all walks of life have joined the protests. The unrest has produced strikes in critical industries, and the security services have been hesitant to use lethal force. That conservatives are now critiquing Mr. Khamenei shows that the regime is losing its core strength. They seem to realize that Tehran can't kill its way to success. These men either don't have the stomach to murder thousands of women, or they believe-rightly-that doing so would only lead to mass confrontation with hundreds of thousands of angry, relentless men.

Those inside the regime who are critical of Mr. Khamenei find themselves in a difficult position. The demonstrators aren't interested in compromise. Dialogue was the objective of protesters in 1997, when Mohammad Khatami, a clerical reformer, became president; even as late as 2009, when the pro-democracy Green Movement brought millions into Tehran's streets, a compromise with the regime might have been possible. The theocracy's brutal reactions then, and to later efforts at reform, have ended the possibility of dialogue. Conservatives now face a choice between joining the protest or being left behind.

The scenes in Iran today are reminiscent of 1979. The monarchy's prospects dimmed when those who benefited most from its largess hedged and then fled. Today an important segment of the Islamist elite is displaying a similar hesitancy to back the regime. Over time it could become a majority.

The Islamic revolutionaries running Iran are made of stern stuff: They believe they're defending God from political, if not spiritual, de-

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A MESSAGE FROM AMERICA'S HOSPITALS & HEALTH SYSTEMS

Hospitals Keep Communities Healthy

The driving mission of all hospitals and health systems, regardless of size and location, is to provide quality and compassionate care to patients and advance health in their communities.

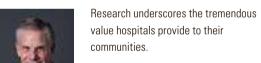
During the last three years of the greatest public health crisis of our lifetime, our nation has seen firsthand how America's hospitals, health systems and health care workers stepped up by caring for patients, providing countless essential services to their communities and saving lives.

The fact is America's hospitals and health

- Provide care to all who need it, 24 hours a day, 7 days a week, 365 days a year.
- Provide other services and programs to advance health and wellness and drive research, education and innovation.
- Serve as a source of millions of good jobs and as economic anchors in communities across the country.

Beyond administering life-saving and emergency medical care to patients around the clock, all hospitals provide incomparable value to their communities. They also go beyond those essential services by leading initiatives and working in partnership with others to improve and sustain the health of all of those in their communities.

These efforts are as diverse as the communities hospitals serve. Some examples include neighborhood health clinics, food banks and programs to address food insecurity, medical research, affordable housing, behavioral health services, transportation to appointments and education to improve health and well-being. Importantly, these benefits are specifically tailored to meet the many varied health needs of the communities the hospital serves.



federal tax exemption.

Rick Pollack President and CEO American Hospital

of the field, provided over \$110 billion in community benefits in 2019, the most recent year data is available. • Benefits to the community are

almost nine times the value of their

systems alone, which make up about 60%

• Tax-exempt hospitals and health

- In total, hospitals of all types have provided \$745 billion in uncompensated
- care to patients since 2000. · Hospitals support programs to meet
- unmet community needs, while absorbing many costs of caring for the needy and uninsured; provide care through government programs that cover less than the actual cost of care; provide services, such as burn units and neonatal services that typically operate at a financial loss but are essential for patients and communities; and take on administrative costs necessary to comply with overreaching government and commercial insurance company regulation.

Going beyond the statistics, every day there are thousands of examples of hospitals, health systems and caregivers saving lives, providing care for countless injuries and illnesses, and going beyond those critical services to support the health of their communities. These efforts distinguish hospitals and health systems from all other sectors in health care, most of which have no commitment to serving everyone in their community and much too frequently deny or limit care.

When people see the blue "H," they know that there is a hospital always

there, ready to care, as we work to advance health in America.



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Ethiopia, Rebels Reach a Truce

The deal would end the two-year civil war that has left hundreds of thousands dead

By Nicholas Bariyo

Ethiopia's government and rebels who have been fighting a two-year civil war in Africa's second-most-populous nation said Wednesday they agreed to put down their arms, the first step toward ending a conflict that has killed hundreds of thousands of people.

"The two parties have formally agreed to the cessation of hostilities, as well as systematic and orderly disarmament and unhindered access to humanitarian supplies," said Olusegun Obasanjo, the former Nigerian president who led African Union-mediated peace talks in South Africa.

The agreement, signed by representatives of the government of Ethiopian Prime Minister Abiy Ahmed and the Tigray People's Liberation Front, raised hopes that intense fighting that has ravaged Ethiopia's northern Tigray region and spilled into neighboring provinces would come to an end.

Under the terms of the truce, the Ethiopian government agreed to restore electricity and banking services, which were severed in the early days of the war, to the Tigray.

The government in Addis Ababa also agreed to allow unhindered humanitarian supplies to the region. Aid groups have warned of an escalating hunger and medical crisis for Tigrav's six million people.

In November 2020, the gov-



Redwan Hussien Rameto, left, representing the Ethiopian government, and Getachew Reda, right, representing the Tigray People's Liberation Front attended a news conference in South Africa on Wednesday announcing an African Union-mediated Ethiopian peace accord.

ernment of Mr. Ahmed accused fighters linked to the TPLF of attacking an Ethiopian military base, and launched what he called a law-enforcement operation against the group that had dominated Ethiopian politics for nearly three decades.

In a statement issued by his office, Mr. Ahmed, who didn't attend the talks in the South African capital Pretoria, hailed the truce and appealed for international support for the reconstruction of Tigray and other conflict-ravaged areas.

"Our commitment to peace remains steadfast," Mr. Ahmed

said. "And our commitment to collaborating for the implementation of the agreement is equally strong."

Getachew Reda, who led the Tigrayan delegation, said the TPLF made painful concessions to end the suffering caused by the war. "It's not because we were weary of fighting," Mr. Reda said.

Details of the terms of the deal were scant. An earlier five-month humanitarian truce was shattered in August, and government forces, supported by troops from neighboring Eritrea, continued to mount artillery barrages and air-

strikes on positions of Tigrayan fighters as the Pretoria talks dragged on during the past week.

Both sides in the conflict have been accused of atrocities against civilians and other human-rights abuses.

Questions also were raised concerning the position of Eritrea, which wasn't part of the Pretoria talks but has been fighting alongside the government's troops since the start of the conflict.

"As much as a resolution was urgent to relieve the humanitarian suffering of the Tigrayans, the conflict was not

considered particularly ripe for resolution," said Cameron Hudson, a former State Department official, now with the Washington-based Center for Strategic and International Studies. "This would suggest that they have bypassed confidence building measures that come with a more incremental approach."

The actual death toll is unknown. Researchers at Ghent University in Belgium have estimated that the fighting, disease or starvation have claimed as many as 500,000 lives since the outbreak of the conflict.

German Chancellor Is Heading To Beijing

By Bojan Pancevski

German Chancellor Olaf Scholz heads to Beijing this week, days after Chinese leader Xi Jinping embarked on a third term and reaffirmed his support for Russia despite Moscow's invasion of Ukraine.

The visit—it is also the first by a Group of Seven leader since the start of the Covid-19 pandemic—comes amid a standoff between China and the U.S. over the future of Taiwan, which Beijing sees as a renegade province. Beijing also angered Washington and its allies in recent days, when it said it would deepen relations with Russia and repeated its position that the North Atlantic Treaty Organization was to blame for the war in Ukraine.

The trip is also happening as Germany's economy teeters on the brink of a recession because of rocketing energy costs and falling exports, raising China's significance as an economic lifeline for German manufacturers. China accounts for 12.4% of German imports and 7.4% of its exports, according to the German Economic Institute, a think tank, making it Germany's largest trade partner.

This dependence has pushed Mr. Scholz to walk a tightrope, seeking to maintain a vital economic relationship while navigating rising East-West geopolitical tensions. His critics are growing concerned that Berlin has failed to learn the lessons from its economic dependence on Russia as Beijing hardens its own relations with the West.

Last week, Mr. Scholz allowed China's state-control shipping company Cosco Shipping Holdings Co. to acquire a 24.9% concession of a container terminal in Hamburg, Germany's largest port, despite opposition from within his government. After the decision, Germany's Foreign Ministry said the deal would increase China's hold on critical infrastructure in Germany.

Iranian Leader Eases Tone on Protesters

By David S. Cloud And Aresu Eqbali

Iran's supreme leader took a conciliatory stance toward protesters on Wednesday, saying the government has no dispute with young people on the streets, as he sharpened his assertion that the U.S. and other foreign powers were orchestrating the monthslong unrest.

Ayatollah Ali Khamenei provided no evidence for his claim of foreign involvement, but he accused the U.S. and others of conducting a form of unconventional warfare against Iran, an escalation in Tehran's rhetoric as sit-ins and other protests continued in several cities.

"These are our own kids and we don't have any dispute with them," Mr. Khamenei said of the protesters in a speech to a group of students in Tehran. "The recent incidents were hybrid warfare and not merely street riots," he said, pointing to the U.S., Israel and Europe.

His accusation that Iran is a target of belligerent action by outside powers came a day after The Wall Street Journal reported U.S. and Saudi officials are concerned about a possible

attack by Iran in the region, driven by a desire to deflect attention from its internal unrest. He claimed his regime has intervened to stop the alleged foreign interference. "The Iranian nation really punched them in the mouth and will from now on, too," Mr. Khamenei said, referring to foreign adversaries.

Iranian officials have complained about coverage of the protests by Farsi-language satellite TV channels based outside the country.

Mr. Khamenei didn't mention Saudi Arabia in his remarks. He referred to a memo made public by Iran's Islamic Revolutionary Guard Corps and the Intelligence Ministry that asserted that Western intelligence services were responsible for the protests. The State Department didn't respond to

a request to comment.

His portrayal of the protesters as well-meaning but misguided young people motivated by emotion is part of the government's strategy to suppress the unrest where it is

strongest—among students.
Students "came to the streets due to excitement and feelings and some awareness



tion Saudi Arabia in his remarks. He referred to a memo Ayatollah Ali Khamenei blames the West for inciting 'hybrid warfare and not merely street riots' against the regime.

of the issues," he said.

In recent weeks, officials have targeted students more directly, with suspensions from universities for those accused of taking part in the protests, as well as confrontations between students and security forces at campuses that have become the epicen-

ter of much of the unrest.

The protest movement was ignited in September by the death on Sept. 16 of 22-year-old Mahsa Amini in custody of the morality police, after being detained for allegedly violating

riots' against the regime.

Though the unrest has been widespread and sometimes drawn thousands of people chanting antigovernment slogans, it largely has been nonviolent and led by young people, more often in groups of several dozen or less, making it difficult for security forces to stamp out using anti-riot measures.

Iran's strict Islamic dress code.

On Wednesday, Iran denied it was planning an attack on Saudi Arabia or Iraq, insisting it is trying to build constructive relations with its Middle East neighbors.

Earlier this week, Saudi Arabia shared intelligence with Washington indicating an imminent attack from Iran, putting the U.S. military and others in the Middle East on an elevated alert level. Saudi officials said their intelligence showed Iran is poised to carry out attacks on both the kingdom and Erbil, Iraq. The White House said the Saudi information was worrisome.

Nasser Kanaani, the spokes-

man for Iran's foreign ministry, said the accusation that Iran was planning an attack is "baseless." Tehran, he said, has been engaged in positive diplomacy with its neighbors.

"It will carry on with that

seriously," Mr. Kanaani added.
White House officials declined to respond to Tehran's remarks Wednesday.

With tensions building, the U.S. Central Command advertised in a tweet Wednesday that F-22 jets, the most capable air-to-air fighter in the U.S. Air Force inventory, and F-15E warplanes are stationed in the region. Military officials wouldn't say when the aircraft arrived in the Middle East.

—Michael Amon contributed to this article.

Canada Blocks Chinese Mine Deals

By Paul Vieira And Vipal Monga

Canada, citing national security concerns, on Wednesday ordered three Chinese companies to divest themselves of their shares in domestic companies involved in extracting critical minerals.

The move marks the latest step by Canada and other developed-world economies to protect their critical mineral assets. Demand for minerals such as cobalt, lithium and nickel is surging as the automotive industry shifts to electric power. Canada, along with allies including the U.S. and Australia. are concerned about China's dominance over the market and have begun to funnel money to ore refiners and battery makers because they want to counterbalance their Asian rival.

Canada said its decision emerged after a national security review of foreign-led deals involving companies engaged in the mining of critical minerals, including lithium.

"We will act decisively when investments threaten our national security and our critical minerals supply chains, both at home and abroad," François-Philippe Champagne, Canada's minister for innovation, who is responsible for foreign-investment policy, said in announcing the divestitures.

Last week Canada modified its foreign-investment rules governing critical minerals and said investments or takeovers by foreign state-owned companies in the sector would be essentially banned unless there exceptional circumwere stances. Canada has said any transaction that involved the transfer of control of critical minerals—essential for the production of electric vehicles, cellphones and wind turbines—to foreign entities could be subject to a national security review.

WORLD WATCH

SOUTH KOREA

Opposition Urges Firings After Tragedy

The main opposition Democratic Party called for the country's national police chief and interior minister to be fired as pressure mounts over who shoulders responsibility for the deaths and injuries involving hundreds of people in a crowded Seoul alleyway.

The recriminations hit a new octave after police released transcripts from a series of emergency calls placed Saturday, which warned of dangerous overcrowding on a sloping side street in Itaewon, a popular nightclub district. The crowd eventually collapsed on top of itself, leading to the deaths of at least 156 people and injuries to 172 others.

Witnesses have said a lack of police presence contributed to people getting packed together in an alleyway. Turnout to the district on Saturday exceeded initial estimates of 100,000.

On Wednesday, South Korean Prime Minister Han Duck-soo pointed to the lack of a crowd-management system as a cause of the accident. Mr. Han vowed to sternly hold those responsible accountable and ordered the police

to thoroughly probe the inaction. Opposition-party leader Lee Jaemyung said the Itaewon crowd crush resulted from government incompetence and carelessness.

— Timothy W. Martin

AMERICAS

Prospects for Ending Energy Dispute Fade

A shake-up of Mexican trade officials has clouded prospects for a quick resolution of a dispute with the U.S. and Canada over what are seen as Mexico's nationalist energy policies.

The changes at the Economy Ministry are part of an effort by Mexican President Andrés Manuel López Obrador to put people who support his stance in charge of negotiations, people familiar with the situation said.

U.S. Trade Representative Katherine Tai is scheduled to meet with Mexico's new top trade official, Economy Minister Raquel Buenrostro, on Thursday. But there is a tacit agreement to extend dispute-resolution talks until December, when the leaders of the U.S., Mexico and Canada are expected to meet in Mexico to review the implementation of the U.S.-Mexico-Canada Agreement, the people familiar said.

iliar said. —Juan Montes



TRADITION: A girl dressed as a 'Catrina,' or skeleton, sits on a grave during the Day of the Dead at a cemetery in the Purepecha indigenous community of Cucuchucho, Michoacán state, in Mexico.

NORTH KOREA

Missile Launch Leads To Japan Warnings

North Korea fired one longrange and two short-range ballistic missiles on Thursday, including a missile that triggered emergency warnings for Japanese citizens in northern prefectures to seek shelter, Seoul and Tokyo officials said. A long-range ballistic missile was fired from the Sunan area on the outskirts of Pyongyang around 7:40 a.m. local time, Seoul's military said. Then at 8:39 a.m., two more short-range ballistic missiles were fired from Kaechon. The distance flown by the missiles wasn't immediately released by Seoul officials.

Tokyo officials initially said one of the missiles may have flown over Japanese territory, prompt-

ing warnings to take shelter. But authorities concluded the missile didn't fly over Japan and they are analyzing where it landed, according to Tokyo's defense ministry. Japan's Prime Minister Fumio Kishida called the recent ballistic missile launches an "outrageous act." The barrage of activity comes a day after the Kim Jong Un regime fired at least 23 missiles off its east and west coasts.

—Dasl Yoon

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THE WALL STREET JOURNAL.

Thursday, November 3, 2022 | **B1**

S&P 3759.69 ▼ 2.50% **S&P FIN** ▼ 1.28% **S&P IT** ▼ 3.47%

inflation.

DJTRANS ▼ 3.15% **WSJ\$IDX** ▲ 0.35%

2-YR. TREAS. yield 4.568%

NIKKEI 27663.39 ▼ 0.06% See more at WSJ.com/Markets

Blue Chips Lose Over 500 Points

Stocks sink after Powell says Fed has 'ways to go' in raising interest rates

By Caitlin McCabe AND PAUL VIGNA

The Dow Jones Industrial Average fell more than 500 points, while the broader S&P 500 and tech-heavy Nasdaq Composite also lost ground after the Federal Reserve again sharply raised interest rates. The Fed hinted at a possible slowdown in the pace of increases but indicated it still has work to do in its fight against

The major stock indexes, which had been trading modestly lower for much of the morning, initially soared after the Fed's announcement. In the policy statement, officials acknowledged it could take time for the rapid increases in rates this year to be reflected in the economy, a hint that the central

bank may raise rates at a a gain of more than 400 points slower pace at future meetings. Investors' euphoria didn't

last long. Stocks reversed course during Chairman Jerome Powell's press conference when he said that the central bank has "a ways to go" in tightening policy enough to bring inflation down to its 2% target and for that reason, it was premature to talk about pausing rate increases.

The Dow Jones Industrial Average dropped 505.44 points, or 1.55%, to 32147.76, giving up earlier in the afternoon. The S&P 500 fell 96.41 points, or 2.5%, to 3759.69, and the Nasdag Composite lost 366.05 points, or 3.4%, to 10524.80.

All 11 sectors in the S&P 500 declined more than 1%. The consumer discretionary, technology and communication services groups—home of the growth stocks that are most sensitive to rising ratesdropped more than 3%.

As expected, the Fed lifted interest rates by 0.75 percentage point for the fourth consecutive meeting, bringing the federal-funds rate to a range between 3.75% and 4%.

But investors remained focused on the terminal rate how high the central bank will ultimately bring interest rates before pausing its rate increases or cutting rates again.

During his news conference, Mr. Powell said "the incoming data since our last meeting suggests ultimate level of interest rates will be higher" than

Please turn to page B11

Musk Puts Off Lifting **Twitter** Bans

By Dan Strumpf AND THOMAS DERPINGHAUS

Elon Musk said Twitter Inc. won't let anyone who was removed from the service for violating its rules back on the platform until the company has a clear process in place, which he said will take at least a few weeks.

Mr. Musk, who recently completed a \$44 billion takeover of the company, said on Twitter early Wednesday that he had spoken to a number of civil-society leaders about how the company "will continue to combat hate & harassment & enforce its election integrity

Meanwhile, Twitter employees are bracing for what are expected to be heavy job cuts. The Wall Street Journal previously reported that the company is drafting plans for broad layoffs, with one investor saying up to 50% of staff could be cut and that employ-Please turn to page B4

Penguin Seeks Aid Of Simon In Appeal

By Jessica Toonkel AND JEFFREY A. TRACHTENBERG

Book-publishing giant Penguin Random House wants to appeal a federal judge's decision blocking its acquisition of Simon & Schuster, but the first step is to ensure its would-be deal partner stays in the fight.

Penguin parent Bertelsmann SE has had talks with Simon & Schuster owner Paramount Global about offering inducements, including cash, that would lead Paramount to support an appeal and continue pursuing the transaction, according to people familiar with the situation.

Paramount has several factors to consider, including whether an appeal can succeed. The company could choose to walk away from the deal and put Simon & Schuster back up Please turn to page B4

WB Discovery, Clouded by Debt, **Looks for Fixes**

By JOE FLINT

David Zaslav declared it a "bright shiny day" after the deal to merge his cable programming juggernaut Discovery Inc. with AT&T Inc.'s WarnerMedia unit closed last April.

It has been anything but that for Warner Bros. Discovery Inc. and the new chief executive of the media giant, whose holdings include movie and television studios, CNN and HBO, and Discovery channels such as Food Network and

As of Wednesday's close, the stock is down 48% since the deal closed on April 8, and the company disclosed it expects to incur as much as \$4.3 billion in restructuring charges by the end of 2024. It also has nearly \$50 billion in

"We think Warner Bros. Discovery has one of the best assets in media coupled with one of the worst balance sheets in media," Wells Fargo analyst Steven Cahall said. Warner Bros. Discovery is expected to report quarterly results Thursday.

A stream of layoffs, depar-

tures of top leaders and budget cuts have sunk morale, several executives said. More than 1,000 people have been let go since April, people familiar with the matter said, with more cuts coming.

Growing concerns about the financial viability and the long-term prospects streaming in general aren't helping. Cord-cutting is also eroding confidence in the future of cable networks, of which Warner Bros. Discovery owns more than two dozen around the globe.

The net debt of \$47.5 billion is a dark cloud. It has a net leverage-net debt divided by the last 12 months of adjusted earnings before interest, taxes, depreciation and amortization—of 5 times, much higher than other media companies.

Warner Bros. Discovery has said it aims to bring that down to 2.5 to 3 times by the end of 2024 and promised to devote free cash flow to paying down debt.

The repositioning "requires fixed income investors to hold their nose for a few years." Moody's Investors Service Se-



Warner Bros. licensed 'The Lord of the Rings' and 'Hobbit' movies to Amazon Prime Video.

Share and index performance since the Warner Media deal closed in April



Discovery+ subscribers 100 million subscribers Domestic **53M** 20 20 2021

HBO/HBO Max and

NFL's Snyder Hires Bankers to Explore Deals

AND LOUISE RADNOFSKY

Dan Snyder, the embattled owner of the Washington Commanders who faced allegations of wrongdoing directed both at him and his National Football League franchise, has hired bankers to explore "potential transactions," the team said.

Mr. Snyder, who bought out

his minority partners last year after an acrimonious dispute, hired BofA Securities, the team's statement said. It added that Mr. Snyder and his wife, co-owner Tanya Snyder "remain committed to the team."

Although the statement didn't specifically say they plan to sell the team, hiring a major bank is often a prelude to such a move. A sale would mark a

jarring reversal for Mr. Snyder, who has repeatedly rebuffed anv notion of selling, even as problems mounted for both him and his team.

Mr. Snyder and his team have been the subject of escalating off-the-field controversies in recent years. An NFL-led probe into the team that concluded last year—which arose after former employees reported being sexually or verbally harassed while working there—found the team's workplace culture was unprofessional, especially for women. Mr. Snyder has denied wrongdoing in regards to allegations specifically against him, including a settlement he paid to a woman. A powerful congressional committee has since been investigating Mr. Snyder, the

team and the NFL's handling of the team's issues.

Public scrutiny of sports team owners, their behavior and whether they should be allowed to maintain their prestigious perches in the face of ugly allegations has been particularly acute lately. In September, Phoenix Suns and Mercury owner Robert Sarver said Please turn to page B10

Boeing Sets Out Plan To Strengthen Finances

By Andrew Tangel AND DOUG CAMERON

Boeing Co. executives on Wednesday said they planned to restore the plane maker's financial strength over the next three years, after a string of losses following two 737 MAX crashes and other problems.

Boeing Chief Financial Officer Brian West said the company expects to generate about

\$100 billion in annual sales by 2025 or the next year, a level it hasn't reported since 2018. The first of two MAX crashes occurred late that year, leading to the biggest crisis in the company's history.

Boeing Chief Executive David Calhoun said the Arlington, Va., aerospace company was determined to move beyond disruptions caused by the MAX

Please turn to page B2

Carbon Offsets Prompt Forest Purchase

By Ryan Dezember

PISGAH, Md.—A major player in credit markets has made one of the largest U.S. timberland purchases in years, laying Wall Street's biggest wager yet on forest carbon markets. Oak Hill Advisors LP, a sub-

sidiary of T. Rowe Price **Group** Inc. that manages \$56 billion and is best known as a corporate-debt investor, said that it led a consortium to pay about \$1.8 billion for 1.7 million acres of forest. The properties spread over

17 Eastern states and will be overseen by a unit of environmental-markets Anew Climate LLC. Oak Hill last year joined with Anew's subsidiary Bluesource Sustainable Forests Co. to acquire and manage timberland to maximize how much carbon is stored in the standing trees rather than how much wood is produced from cutting them down.

Anew says that between the 1.7 million acres acquired from the Forestland Group, a liquidating investment firm, and earlier purchases of about 100,000 acres, it is one of the 10 largest U.S. timberland



Cakey Worthington, a forester for Anew Climate, measures trees.

owners. It is the only one among them focused on carbon markets instead of feeding lumber and pulp mills.

Anew plans to throttle back logging. It expects just 10% to 20% of revenue from the properties will come from harvesting wood, compared with 80% to 90% of the top line under the previous owner,

said Jamie Houston, who leads the Anew unit.

'We're really going to be focused on forest health," he said. "We're thinking about this in decades, not years."

The market for forest-carbon offsets has boomed in recent years as companies sought ways to make up for their greenhouse-gas emis-

offsets is to pay timberland owners to log less so that the trees keep growing and accumulating carbon. Polluters can use offsets to

sions. The idea behind forest

cover some of their tab under California's regulated cap-andtrade system if the landowners follow guidelines that can encumber properties for more than a century. Increasingly, offsets are

sold in so-called voluntary markets in unregulated transactions. Companies use voluntary offsets to scrub carbon from the environmental balance sheets they maintain for investors, and for public relations. Prices for voluntary offsets vary widely and terms range from a year to decades. Critics of offsets say that

many promised harvest reductions are merely theoretical, either because the forests are too remote or rugged to be logged economically or the owners aren't generally in the business of clear-cutting. And even when there are fewer harvests, demand from mills means more intense logging elsewhere, they say. An overarching criticism is that offsets allow companies to pay a

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INSIDE



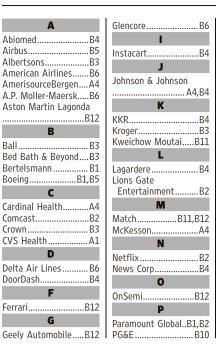
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Kroger-Albertsons deal spurs questions about its impact on workers and competition. **B3**



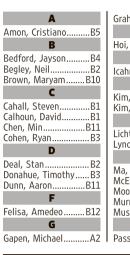
FINANCE

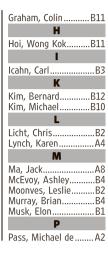
High-speed trader Simplex pulls back from certain trades after warning. **B10**



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BUSINESS & FINANCE

Netflix's Ad Tier Makes Debut

Netflix Inc. is rolling out an ad-supported tier of service in a dozen countries as it continues talks with major studios,

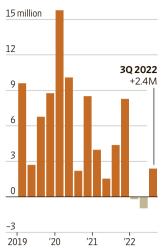
> By Suzanne Vranica, Joe Flint and Sarah Krouse

capping a seven-month sprint between the streaming giant's announcement about entering the ad business and the product's debut.

The Los Gatos, Calif., company has so far secured bigname advertisers for its initial launch and hired new senior ad industry executives to help develop its business, but it continues to haggle with several major studios for the right to run ads against their content in the new service or put their content on the ad tier, according to people familiar with the matter. The service is scheduled to launch Thursday in the U.S.

The launch of the company's ad-supported tier of service, called "Basic with Ads," comes a month before rival Disney+ starts its first ad-backed plan and as Netflix tries to boost subscriber growth and revenue after a tumultuous 2022. New adbacked plans are important elements of a push within the streaming industry to make more revenue per subscriber by offering lower-cost plans that let consumers pay less in exchange for watching ads.

Among the studios with whom Netflix hasn't yet finalNet new Netflix subscribers, quarterly



ized revised licensing agreements are Walt Disney Co., Comcast Corp.'s NBCUniversal, Sony Pictures Television, Warner Bros. Discovery Inc. and Lions Gate Entertainment Corp., people familiar with the negotiations said.

Source: the company

Disney makes no original content for Netflix, but it provides reruns of popular shows including "Grey's Anatomy" and "How to Get Away with Murder." NBCUniversal is a big supplier of original and library content to Netflix, including the drama "You."

Talks also continue with Sony Pictures Television, which makes "The Crown" and "Cobra Kai" and sells its theatrical

movies and reruns of "Breaking Bad" to the streamer. Production companies closer to a deal with Netflix include Warner Bros., which makes original shows for and sells library content to the streamer, and they expect to reach an agreement, the people said.

It is unclear what content from outside suppliers will be missing from the new service. Whether Netflix has the right to insert ads or include content on an ad-supported tier depends on the terms of its initial licensing agreements with stu-

Netflix has said the tier will include content representing 85% to 90% of viewing on its platform, but it hasn't spelled out what percentage of its library that represents.

The new Netflix plan will cost \$6.99 in the U.S. and will include four to five minutes of ads per hour of content, the company said this past month. It plans to take a "crawl, walk, run" approach to entering the ad market, executives have said, which means ad formats and its approach to ad sales will evolve over time.

—Jessica Toonkel contributed to this article.

Watch a Video



Scan this code for a video on how Netflix reversed its subscriber losses.

Roku Warns on Sales, Advertising

Roku Inc. expects revenue from its two main business drivers-advertising and sales of streaming hardware—to fall in the fourth quarter as macroeconomic conditions pressured consumers and advertisers to reduce spending.

The company's shares fell 18% in after-hours trading.

Chief Executive Anthony Wood told investors Wednesday that the coming holiday season was "probably going to be different than the typical holiday season." He said advertisers including toy marketers were reducing their fourth-quarter ad spending due to uncertainty over a potential recession.

"The first thing companies do in the face of such uncertainty is cancel their ad budgets," he said.

Big advertisers aren't spending this quarter, he said. 'They aren't spending with anyone. It's not just they're not spending with us."

Based in San Jose, Calif., Roku is the nation's largest maker of streaming hardware, but derives most of its revenue from advertising. It sells all ads viewed on its own streaming service

–Patience Haggin

WarnerLooks for **Fixes**

Continued from page B1 nior Vice President Neil Begley said.

Competitor Paramount Global Wednesday reported a drop in profit for its third quarter, due in part to declines in its television division, and it added fewer new subscribers to its streaming service than analysts expected. Paramount shares sank 12% Wednesday.

The slowdown in advertising is more bad news. CNN Chairman Chris Licht told staffers in a memo last week that the state of the economy will result in unsettling changes that "will not be easy because they will affect people, budgets, and projects.

At a recent town hall, Mr. Zaslav said he is working on restructuring the company "so that we can attack and be the global leader that we all want to be."

To do that, there needs to be more efficiency, he has said, which means examining how resources are being used and consolidating roles.

"There's nothing harder than what we're going through right now," he said at the town hall.

High-profile projects have been killed including the "Batgirl" movie for HBO Max as well as "Demimonde," an expensive science-fiction drama from producer J.J. Abrams.

The new leadership has also canceled and written off projects aimed at children and teens for HBO Max. Shows no



CEO David Zaslav says Warner Brothers Discovery is 'not for sale, absolutely, not for sale.'

"Charlotte's Web," a co-producand "Degrassi," a co-production with WildBrain Studios.

Senior leadership pushes back on the notion that they are haphazardly cutting programming, noting that Warner Bros. Discovery is on track to spend \$22 billion on content this year, which includes

Warner Bros. Discovery is also looking to generate more revenue by licensing content to other companies.

Warner Bros. licensed "The Lord of the Rings" and "Hobbit" movies to Amazon Prime Video, which that platform wanted to help drum up interest for its "Lord of the Rings" series. The studio also licensed its "Lego" movies to Paramount Global and "The Vampire Diaries" to Peacock.

The company expects to increase revenue when it combines the HBO Max and Discovery+ streaming services

longer going forward include next year and launches a free rights to a British drama ad-supported platform similar tion with Sesame Workshop, to Paramount Global's Pluto and Fox Corp.'s Tubi.

> TBS and TNT—the bulk of the original programming team was let go, sending a signal to the remaining workers and Hollywood that the channels were out of the scripted content business as part of the cost cuts.

> However, Turner's agreements distributors have covenants that call for original scripted programming. The company is attempting to walk back its earlier moves and says it will remain in the scripted business.

> To be sure, TNT had expensive, low-rated dramas such as "Snowpiercer" that at \$7 million per-episode weren't seen as financially justifiable, people close to Mr. Zaslav said. Turner is now making lowprice acquisitions of pre-existing content to honor the covenants. It recently bought U.S.

called "The Lazarus Project" for the TNT network.

Another challenge will be At the Turner networks— holding on to TNT's NBA rights deal when it is up after the 2024-25 season, and the league is expected to seek a significant increase over the more than the \$1 billion TNT currently pays to air games.

Mr. Zaslav is aware that the past few months have been messy and painful, people familiar with his thinking said.

His team said they are making tough decisions that will be borne out by the results down the road.

And while the Hollywood gossip machine has a theory that Mr. Zaslav is stripping the company down for a sale, he said at a companywide meeting earlier this fall that Warner Bros. Discovery has the strongest hand in the business.

"We are not for sale, absolutely, not for sale," he said. -Sarah Krouse

contributed to this article.

Paramount Posts Drop In Profit as Costs Rise

By DEAN SEAL AND JESSICA TOONKEL

Paramount Global reported a drop in third-quarter profit on higher costs, while revenue increased nearly 5% as the media company added 4.6 million subscribers to its Paramount+ streaming service.

Both the top and bottom lines missed Wall Street expectations. Shares fell more than 12% Wednesday.

Also on Wednesday, the New York Attorney General's office announced a \$30.5 million settlement with Paramount's CBS unit and former CBS Chairman and Chief Executive Leslie Moonves for concealing sexual-misconduct allegations against Mr. Moonves, misleading investors about those allegations and insider trading.

Mr. Moonves was terminated for cause in 2018 after allegations that he assaulted and harassed many women during his career. CBS then merged with Viacom, which is now Paramount Global.

A Paramount spokesman said the company was pleased to resolve that matter "without any admission of liability or wrongdoing." Mr. Moonves's attorney didn't respond to an e-mailed request for comment. For the third quarter, Para-

mount said that revenue gains for its direct-to-consumer and film business were offset in part by a decline in its television division, which suffered from a drop in advertising revenue. Paramount said it ended the quarter with 46 million Paramount+ subscribers, about 750,000 short of analyst expectations, according to FactSet.

Overall revenue came in at \$6.92 billion for the quarter ended Sept. 30. Revenue from Paramount+ nearly doubled while its overall direct-to-consumer business, which includes the flagship streaming service as well as Pluto TV, Showtime, Noggin and BET+, logged a 38% gain. The company's traditional TV offerings recorded a 5% decline in revenue, while, Paramount's film logged a 48%

Paramount posted a profit of \$231 million, or 33 cents a share, down from \$538 million, or 80 cents a share, in the same quarter a year ago, as costs and expenses rose 11.5%.

Boeing To Bolster *Finances*

Continued from page B1 crashes, pandemic and other regulatory and stability problems in recent years and generate returns for shareholders.

"I want nothing more than to return money to you," Mr. Calhoun said during an investor conference at its Seattle airplane-delivery center. "This company is big enough, it serves a big enough marketit's profitable enough to be able to do that, and do that predictably."

The company returned almost \$13 billion to shareholders in 2018 in dividends and stock buybacks. On Wednesday, it said it could resume investor payouts as soon as

Boeing last week reported \$3.3 billion third-quarter loss, driven primarily by charges from various defenseunit programs. Boeing shares rose 2.8% to \$147.41 Wednes-The Boeing executives out-

lined plans to boost the com-

pany's annual free cash flow to

about \$10 billion by 2025 or Executives said they are on track to stop bleeding cash

this year for the first time since the MAX crashes, generating as much as \$2 billion for 2022. They said Boeing wouldn't need to raise additional debt or issue new equity as it planned to pay down the \$52 billion in bonds and loans it took on to navigate recent vears of tumult.

Key to Boeing's plan in boosting its financial performance is producing and delivering more airplanes. The MAX grounding and separate manufacturing and regulatory problems with its 787 Dreamliner have left the company saddled with scores of both those aircraft in inventory. Mr. West said the company expects to deliver as many as 450 of its 737s next year, up from the 375 the company expects to

Boeing's quarterly net profit/loss \$4 billion

3Q 2022 -\$3.3B% ′19 '20 Sources: S&P Capital IQ; the company

hand over in 2022. Commercial-jetliner chief Stan Deal said supply-chain issues continued to hamper 737

deliveries in October. The company handed over 23 jets to customers last month, fewer than the company's targeted monthly production rate of 31. Mr. Deal said two defects

related to the fuselage slowed

deliveries last month. Execu-

tives had been pointing to a

shortage of engines as a hurdle to deliveries. Executives said they planned to increase 737 production to around 50 a month by 2025 or 2026. Mr. Calhoun said Boeing

likely wouldn't introduce an all-new commercial aircraft until the mid-2030s, because the technology needed to develop an advanced new jet isn't ready. European rival Airbus SE

has been outselling Boeing in the fast-growing segments for aircraft seating around 200 passengers, and some industry officials and analysts have said Boeing's lack of a new plane puts it at a disadvantage. The company's defense

business, once a source of profit and cash, has also weighed on the business. Boeing has taken around \$12 billion in charges over the past six years on programs such as the KC-46A aerial tanker and the VC-25B Air Force One replacement.

The combination of aggressive bids for Pentagon contracts and design and technical problems have left Boeing losing money on many programs.



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BUSINESS NEWS

Supermarket Deal Finds Critics

The \$20 billion pact spurs questions about its impact on workers and competition

By Jaewon Kang

Elected officials, independent grocers and union groups are airing concerns and in some cases pushing back on the proposed deal between **Kroger** Co. and Albertsons Cos. as antitrust officials are set to begin reviewing the supermarket megamerger.

Kroger in October announced it would acquire Albertsons, saying that a deal would help them boost their scale and technology, and better compete with larger rivals.

Antitrust attorneys expect the deal to face a lengthy regulatory review, and the companies plan to submit details of their merger plan to the Federal Trade Commission around Thursday, according to a letter viewed by The Wall Street Journal. It isn't unusual for consumer groups, workers, lawmakers and competitors to voice questions about large mergers

A combination of the two biggest supermarket operators in the U.S. is prompting elected officials to question how the \$20 billion deal could affect grocery workers' jobs, food prices and the ability of smaller



Kroger said the deal with Albertsons would help them boost their scale and technology.

supermarkets to compete. Some independent grocers and trade group officials said in recent meetings with White House officials and regulators that the combined entity would command greater leverage over suppliers, hurting competition. Company and union officials met in Chicago last week to discuss the proposed merger.

When announcing the deal, Albertsons said it would pay its shareholders a special cash dividend of up to \$4 billion on Nov.

7, a move that isn't conditioned on the merger's closing and is part of its strategy to return capital to shareholders, Ted Hassi, a partner at Debevoise & Plimpton LLP, who represents the company, wrote in the let-

Several state attorneys general last week asked Albertsons to delay that payout until officials finished reviewing the proposed Kroger deal. They wrote in a letter to the companies that the dividend would erode Albertsons's ability to compete with Kroger and other retailers if the deal didn't go through.

Albertsons notified the attorneys general Friday that it can't comply with the request, according to the letter viewed by the Journal. Albertsons's financial condition is strong and the company wouldn't change its approach to hiring or store investment after making the dividend payment, Mr. Hassi wrote.

Attorneys general of Washington, D.C., California and Illinois on Wednesday filed a lawsuit in federal court against the companies, seeking a temporary restraining order to stop the payout.

Washington State Attorney General Bob Ferguson filed a separate lawsuit Tuesday in the state to block the dividend payment, and a hearing is expected for Thursday.

Albertsons said the lawsuits are meritless, and provide no legal basis for canceling or postponing the dividend, which the company said will be paid regardless of whether the merger is completed. Kroger said the decision to issue a special dividend was made by Albertsons and is independent of the merger.

In Washington, D.C., Sens. Elizabeth Warren (D., Mass.) and Bernie Sanders (I., Vt.) and Rep. Jan Schakowsky (D., Ill.) in a letter last week urged FTC Chair Lina Khan to oppose the deal. Some consumer-advocacy groups warned the merger could reduce competition across the country.

Kroger said its merger provides benefits to consumers, workers and communities by expanding access to fresh food. The company said it has a record of lowering prices and improving customer experience and it will continue to invest in those areas. It said it is committed to working cooperatively with the FTC and all other interested parties.

Icahn Acquires Stake in Crown

By Cara Lombardo AND LAUREN THOMAS

Carl Icahn has a sizable stake in **Crown Holdings** Inc. and believes the beverage-can maker should shed noncore units and buy back more stock, according to people familiar with the matter.

The billionaire activist investor has a stake valued at about \$700 million, making him the company's second-largest holder, the people said.

Crown has a market value of roughly \$8 billion after its shares have lost nearly 40% this year. The stock plummeted last week after Crown lowered its financial outlook, blaming macroeconomic factors, including inflation, higher interest rates and currency swings.

Crown Chief Executive Timothy Donahue said on a call with analysts and investors that the company also didn't expect "such a sudden and sharp decline" in demand for beverage cans globally.

Crown and its larger rival Ball Corp., have experienced severe whiplash amid the Covid-19 pandemic. Demand for aluminum cans rose initially in 2020, as restaurants and bars were forced to shut down and consumers stayed home to sip on their favorite alcoholic beverages, including canned cocktails, spiked seltzer and beer.

But more recently, companies including Crown have said consumer demand for these types of drinks has fallen, leaving them with a glut of inventory. Crown said it has indefinitely postponed certain projects in the U.S., while Ball said in August it planned to shut down two of its facilities in the U.S. Ball shares are down nearly 50% for the year.

"You never like to say, we're caught off guard, but I think we were really," Mr. Donahue said on last week's conference call.

Late Bed Bath CFO Is Dropped From Lawsuit

By Jennifer Williams-Alvarez

Bed Bath & Beyond Inc.'s late finance chief Gustavo Arnal, who died by suicide in September, has been dropped from a shareholder lawsuit that had accused him of colluding with activist investor Ryan Cohen to artificially inflate the struggling home-goods retailer's share price.

Going after Mr. Arnal's estate "would have been complicated, messy and just not economical," said Steven Toll, a managing partner at law firm Cohen Milstein Sellers & Toll PLLC and counsel for Pengcheng Si, who filed the suit. "There's plenty of grief in his family, and us making it even worse didn't seem worth it," Mr. Toll said.

In an amended complaint filed Tuesday, Mr. Arnal is no longer listed as a defendant. Gone are claims from the original complaint that Messrs, Arnal and Cohen colluded to boost the company's share price. The original filing didn't provide evidence for such conversations between the two men. Bed Bath & Beyond has said the lawsuit was without

Mr. Arnal, 52, died by suicide in early September amid a mounting financial crisis at the retailer and shortly after he was accused in the original complaint of having sold Bed Bath & Beyond shares while in possession of material insider information. He sold about \$1.4 million of stock in August under a prearranged trading plan, filings show.

Bed Bath & Beyond and Mr. Cohen, along with JP Morgan Securities LLC, are still named as defendants in the suit, which seeks class-action status. The amended filing alleges that Mr. Cohen "orchestrated a market manipulation" by deceiving individual investors that he would hold on to his investment, boosting Bed Bath & Beyond's stock price and then "secretly" selling his holdings in the company.

Bed Bath & Beyond and Mr. Si declined to comment. Mr. Cohen didn't respond to a request for comment. Mr. Cohen has previously declined to comment.

Mr. Cohen in March unveiled a stake in Bed Bath & Beyond and called on its management to consider strategic alternatives. The company then added new directors and in June said Chief Executive Mark Tritton would leave. Mr. Cohen unloaded his entire stake in August.

> -Suzanne Kapner and Kristin Broughton contributed to this article



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B4 | Thursday, November 3, 2022

J&J Bets on Heart Pumps in Deal

Purchase of Abiomed seen as boost for medical-device lineup before unit is split off

By Peter Loftus

Johnson & Johnson is betting on a promising and fastgrowing category of heart pumps to jump-start sales in its medical-device business with a new \$16.6 billion deal to acquire Abiomed Inc.

The health-products company will face challenges meeting ambitious growth targets for the new business, however, and ongoing clinical trials aren't certain to produce results that will lead to wider use of Abiomed's devices that J&J is counting on, analysts say.

J&J's medical-device business, which sells artificial knees and contact lenses, has for several years, especially had largely sluggish growth relative to its pharmaceutical

Turning around the medical-device unit is taking on more importance because J&J is planning to separate its consumer-health unit, which sells Tylenol and Band-Aids, into an independent company next year. That will leave J&J with pharmaceutical and medicaldevice units.

"You want to have a higher mix of more above-average, growing companies," said Stifel analyst Rick Wise.

To rev up the medical-device unit's sales, New Brunswick, N.J.-based J&J has in recent years exited or shed some device businesses such as artery-opening stents and diabetes devices, while looking for higher-growth areas it could

J&J executives say Abiomed would add to its lineup an emerging and fast-growing business in heart pumps, named Impella.

The tiny pump is generally used to assist the heart's pumping function as heart-disease patients undergo other



One of Abiomed's Impella heart pumps is demonstrated by senior program manager Dr. Gerd Spanier. J&J is looking to lift device sales.

cardiovascular procedures. Abiomed is the market leader, topping \$1 billion in sales in its most recent fiscal year.

J&J, whose medical-device unit had \$27 billion in sales last year, thinks it can substantially boost Abiomed

J&J's medical-device unit's global footprint, extensive relationships with doctors, commercial capabilities and clinical expertise "will strengthen Abiomed's geographical reach and global therapy adoption to more quickly expand access, said Ashley McEvoy, the unit's chairwoman.

Analysts say J&J could increase Impella sales by introducing the pump, currently sold in the U.S. and a handful of other countries, to more markets. "There's an opportunity to globalize this business," said Jayson Bedford, an analyst with Raymond James & Associates.

J&J also plans to boost sales by broadening the patients who could get the Impella pumps to patients under-

Analysts say wider use of the device still hinges on medical trials.

high-risk heart procedures or who have had heart attacks, in addition to those who already get them for heart failure and other conditions.

Under terms of the deal, J&J has set targets for sales growth that could be tough to meet, analysts say. Abiomed shareholders will receive additional payments from J&J if Abiomed product sales top \$3.7 billion during a 12-month period later this decade.

The target is ambitious because it would imply about 20% average annual growth, said Mr. Bedford. In comparison, Abiomed's year-over-year revenue rose 11% excluding currency exchange for its latest quarter.

The structure of the deal mitigates the risk of missing that target, however, because Abiomed shareholders will get those additional payments only if the target is met, analysts say.

Another risk, according to analysts, is that ongoing clinical trials of Abiomed's Impella pump, testing it in high-risk

patients, may fail to produce results that support wider use of the pump.

Abiomed hopes the studies, which are expected to yield results in the coming years, lead to recommendations in hearttreatment guidelines for Impella's use. The trials are estimated to be completed between 2023 and 2026, according to a National Institutes of Health database of clinical trials. Yet Wells Fargo analyst Larry Biegelsen said in a research note that the trials could take longer than expected and may not be positive.

Abiomed is "a solid company, but our checks suggest there are significant risks to growth going forward," Mr. Biegelsen said.

J&J expects the deal to begin adding to its earnings in

Musk Puts Off Ban Ends

Continued from page B1 ees would be evaluated to determine the scope of the fir-On Wednesday. employees and people familiar with the situation were sharing estimates ranging from more than 2,000 to nearly 3,750, the latter equating to about half of the roughly 7,500 employees Twitter had at the start of this year, according to a regulatory filing.

On the issue of lifting the bans, Mr. Musk said, "Twitter's content moderation council will include representatives with widely divergent views, which will certainly include the civil rights community and groups who face hate-fueled violence.'

Mr. Musk, a self-described free-speech absolutist, is working to address concerns that the social-media platform under his ownership will be subject to looser content moderation and welcome back personalities who were removed from the platform.

This week, two large advertising companies recommended that their clients temporarily hold advertising on Twitter because of concerns about the company's ability to monitor its content, people familiar with the situation have said.

Mr. Musk has said among the people he would welcome back to the social-media platform is former President Donald Trump, whom the platform suspended indefinitely after linking Mr. Trump's comments to the Jan. 6 Capitol riot.

Mr. Musk has said he wants the social-media platform to rely less on digital advertising, saying he sees a path to boosting revenue in selling subscriptions.

Digital ads account for nearly 90% of Twitter's total revenue, and Mr. Musk has recently tweeted that he was leaning toward an \$8-per-

EARLY BIRD GETS





WSJ.COM/BUYSIDEGIFTS



GIFTING. REVIEWED. READY TO CLICK.

THE BOLD NEW SHOPPING SITE FROM THE WALL STREET JOURNAL

Instacart to Pay Cash Bonuses To Staffers After Delaying IPO

its first companywide cash bonuses starting in December, said people familiar with the matter, as the grocery delivery provider aims to motivate staff after delaying its initial public offering.

The cash bonus is a shift in the company's efforts to reward and retain employees. Instacart has historically given out equity rewards to boost retention.

Instacart told employees last month that going public was unlikely this year due to tumultuous market conditions. Chief Executive Fidji Simo said at the time that the company was offering a special cash bonus to reward staff, and that Instacart is finding additional ways for

last week and are expected to receive 40% of the payment on Dec. 9 with the remainder paid in June 2023, some of the people said. Staff will still receive the bonus if the company goes public before the payout dates, they said.

The San Francisco company told employees that amounts were calculated using role, performance and tenure without manager discretion, and that it wouldn't share the exact calculation with staff, according to internal messaging viewed by The Wall Street Journal. The bonus is planned for corporate employees, and not shoppers who fulfill delivery orders for the company. The payments are expected to range from

thousands of dollars on the Employees received the lower end to higher for more terms of their bonuses late senior, longer-tenured employees, some of the people

> Delivery companies such as Instacart got a boost to their business during the pandemic, which prompted consumers to avoid shopping in person and instead order food online. Many shoppers have stuck with delivery, though competition remains fierce with other food-delivery companies such as Uber Technologies Inc. and DoorDash Inc.

> When announcing that the IPO was unlikely this year, Instacart told employees that its revenue grew more than 40% during the latest quarter, compared with the same period a year ago, and that gross profit rose more than 45% year-over-year.

Penguin Seeks Simon Aid

Continued from page B1 for sale, but there is no guarantee it would fetch a price as high as the \$2.18 billion offered by Penguin Random House.

The companies don't have much time to come to an agreement. Under the terms of their 2020 deal, Bertelsmann agreed it would pay Paramount a termination fee of \$200 million if the acquisition was "completely prohibited or if the termination date is reached," according to the Bertelsmann 2021 annual report. The termination date is Nov. 21, said people familiar with the deal.

On Oct. 31, U.S. District Judge Florence Pan blocked Penguin Random House from acquiring Simon & Schuster on the grounds that the deal would lessen competition. The judge accepted the Justice Department's argument that the agreement would lead to lower compensation for writers because there would be less competition between publishers of anticipated bestsellers.

Penguin Random House said it would request an expedited appeal. In a quarterly filing on Wednesday, Paramount Global said the company is "discussing next steps with Bertelsmann and Penguin Random House, including seeking an expedited appeal."

The companies don't have much time to come to an agreement.

Together, Penguin Random House and Simon & Schuster would have accounted for slightly more than 27% of all print books sold in the U.S. through the 52-week period ended Oct. 24, according to book tracker NPD BookScan. HarperCollins Publishers would be the next largest player, accounting for an 11.1% share.

HarperCollins Chief Executive Brian Murray expressed interest in Simon & Schuster during the trial over the Justice

Department's challenge to the deal. HarperCollins parent News Corp, which also owns The Wall Street Journal, is considering a proposal from Rupert Murdoch that it merge with Fox Corp., the other wing of the media baron's empire. Michael Pietsch, chief execu-

tive of Lagardere SCA's Hachette Book Group, also said at trial that Hachette Livre, which includes all of Lagardere's global book-publishing interests, would be a potential buyer. KKR & Co. has expressed interest in Simon & Schuster and could emerge as a potential buyer, according to people familiar with the situation.

One issue for Paramount and potential bidders to consider is whether the judge's ruling could make it difficult to pursue any merger between major book publishers. Some people close to the situation said the full details of the judge's ruling could shed light on that question. A redacted, public version of the judge's decision is expected in coming

The environment for a deal also isn't as strong as in 2020, with higher interest rates making it more expensive for a buyer to borrow money.

P2JW307000-0-B00500-1-----XA

Airbus said it will need to assign someone to oversee compliance with the new rules. An Airbus production plant in Toulouse, France.

New EU Cybersecurity Rules **To Cover More Aviation Firms**

By CATHERINE STUPP

New cybersecurity rules in Europe will for the first time require a swath of aviation suppliers to identify and defend against hacking risks to flight safety.

CYBERSECURITY The rules, which take effect in 2025, will apply to a range of air transportation companies, including manufacturers, airlines, airports, flight training schools, caterers and weather data providers. Companies also will be required to create a governance system that assigns an individual to be

responsible for making sure

problems are documented and

addressed.

"It's a huge increase of the workload," said Robert Baltus, chief operations officer at the European Business Aviation Association, a Brussels-based group representing more than 700 companies including Shell Aircraft, which operates aircraft for Shell PLC, and Volkswagen AirService, an airline that runs business jets for Volkswagen AG.

ation industry already fall under separate EU cybersecurity rules that require them to implement basic security measures and report cyberattacks to national cybersecurity authorities.

The European Union Aviation Safety Agency, known as EASA, the EU body that drafted the rules, said the regulation aims to address potentially dangerous cyberattacks, such as an aviation design company's engineering files falling into the hands of hackers, or blueprints being modified or corrupted.

"The requirements of this regulation are definitely demanding," an **Airbus** SE spokesman said. The plane maker will need to adjust some of its processes, such as assigning a person to oversee the system, he said.

Regulators in the U.S. also are stepping up cyber rules for the aviation sector. The Transport Security Administration said in October it would introduce new cybersecurity requirements for some parts of agency already requires airline and airport operators to do cybersecurity assessments and appoint a cyber coordinator.

Last month, the Russian-

language hacker group known as Killnet took credit for lowlevel denial-of-service attacks on the websites of several U.S. airports, including New York's LaGuardia and Los Angeles International, which disrupted their websites but didn't affect operations or flights.

One of the challenges for some smaller or medium-size companies will be finding cybersecurity staff who understand the specific technologies and requirements for security aviation systems, said Thomas Hutin, senior managing director in the Paris office of FTI Consulting.

Companies across industries are struggling to find cybersecurity staff to fill the more than three million jobs that are estimated to be open worldwide in the field.

"Whether or not all affected stakeholders have the in-house capabilities and expertise to

Many companies in the avi- the aviation industry. The manage this transition is a risk," said Nick Rhodes, head of operations, safety and infrastructure at the European Regions Airline Association, whose members include airlines and manufacturers such as Airbus and Boeing Co.

Costs to set up the systems required by the regulation could be high, he said.

Companies will need to appoint or hire staff to oversee the system tracking and reporting cyber threats, train employees to use it, and in some cases buy new cyber tools, Mr. Baltus said.

EASA said the regulation has to cover a web of suppliers because the aviation industry is so interconnected. A cyberattack could target one company but could damage customers and suppliers.



Qualcomm Sees **Smartphone Slump** Deepening in 2022

By Asa Fitch

Qualcomm Inc. again slashed its forecast for smartphone shipments and gave a gloomier-than-expected sales outlook, joining other chip makers confronting a sharp turn in consumer demand after a pandemic-fueled boom.

The designer of mobilephone chips cut its forecast to a low-double-digit percentage decline from an earlier forecast of a mid-single-digit fall, indicating that the downward trend in the handset market is accelerating. Qualcomm, in reporting quarterly results on Wednesday, said it projected up to \$10 billion of sales for the current quarter, well short of Wall Street estimates of around \$12 billion.

The San Diego-based company reduced its projection for 5G handset sales this year to as many as 650 million from an earlier forecast of up to 700 million. Earlier in the year it forecast shipments of more than 750 million units.

Qualcomm Chief Executive Cristiano Amon said the company had implemented a hiring freeze, was planning spending reductions for certain products and could make further cuts to spending as needed.

'We're being very disci-

plined in managing operating expenses," he said on a call with analysts.

The company also said Wednesday that it would supply most of Apple Inc.'s new 5G iPhones next year with socalled modem chips that coordinate communications between phones and cell towers. Oualcomm had earlier assumed it would only supply about 20% of those chips, suggesting Apple's efforts to develop its own modem chips and replace Qualcomm's haven't moved as quickly as expected.

While phones have been a drag on Qualcomm's business, the company's sales are still rising because it is gaining market share in chips for highend 5G smartphones and because it is diversifying into other markets, including the automotive sector, which have been more resilient.

Qualcomm said sales in the most recent quarter rose by 22% to \$11.4 billion, above what analysts in a FactSet survey expected. Net profit rose 3% to \$2.87 billion, below estimates.

The company's shares fell about 5% in aftermarket trad-

Many chip makers are going through a rough patch after profiting handsomely from soaring demand during the pandemic.



A virtual-reality exhibition by the chip maker at a Beijing fair.

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B6 | Thursday, November 3, 2022

Maersk Looks Beyond the Seas

Company expects its revenue from logistics to top ocean transport in the next few years

By Paul Berger and Paul Page

A.P. Moller-Maersk AS expects logistics revenue to surpass the ocean business by the middle of the decade as the container giant warns of "dark clouds on the horizon" for global shipping demand.

Maersk Chief Executive Søren Skou said in an earnings call Wednesday that the Denmark-based company, one of the world's largest container lines by volume, is maintaining its focus on transforming from mostly an ocean shipping operator to becoming a global logistics juggernaut.

Mr. Skou said the strategy should help insulate Maersk from the boom-and-bust cycles of the container industry. "Our strategy is not to gain market share in ocean." Mr. Skou said. "It is to gain share in our customers' wallet of logistics

Ocean carriers are facing a sharp reversal in fortunes. Demand for space on container ships during the Covid-19 pandemic drove hundreds of billions of dollars in profits for the world's largest ocean carriers. This year, shipping volumes and rates are plunging as consumers pull back on spending amid rising inflation and a war in Ukraine that has triggered a global energy crisis.

Maersk's revenue in the most recent quarter grew 37%



Ocean shipping volumes and rates are diving this year as consumers pull back on spending amid rising inflation and a war in Ukraine.

from the year-ago period to \$22.8 billion, thanks largely to higher contracted freight rates negotiated earlier in 2022 when demand for space was at a high. Net profit increased to a record \$8.9 billion from \$5.4 billion logged in the year-ago

Maersk officials say cargo volumes in the quarter fell 7.6%, including a 10% drop on the busiest trade routes between China and Western nations, and carriers have been pulling capacity from the market as freight rates have

"It is clear that freight rates have peaked and started to normalize during the quarter,

driven by both decreasing demand and easing of supply chain congestion," Mr. Skou said.

The average spot market cost of shipping a container from Asia to the U.S. West Coast during the last week of October was \$2,494, according to online freight marketplace Freightos, down 85% from a vear ago.

Mr. Skou's outlook was one of the darkest so far in a container shipping sector that has seen trade volumes decline rapidly this fall.

Maersk says it is somewhat insulated from the spot-market volatility because a large share of its business comes through

long-term contracts.

Contract negotiations in the next year will be heavily influenced by spot rates, however, and won't protect Maersk from a broader downturn in trade demand. "When the customers themselves suffer for the effects of economic decline, volume can't be conjured out of the thin air," Mr. Skou said.

He said the company is trying with its logistics investments "to break away from the cyclicality of the shipping industry and the commoditized nature of traditional container shipping.'

Maersk has made a series of acquisitions in logistics and inland transport in recent years,

capped by the \$3.6 billion pur chase completed in August of LF Logistics, the Hong Kongbased contract logistics arm of supply-chain giant Li & Fung.

Maersk's logistics revenues reached \$4.2 billion in the most recent quarter, which included one month's revenues from the LF Logistics acquisition. Ocean revenue in the same period surpassed \$18 billion.

. We are well on the way towards a significant market position in the logistics industry," Mr. Skou said. "And at some point in this decade, probably around the middle of the decade, we expect our logistics revenue to surpass that of

American Pay Deal For Pilots Rejected

By Alison Sider

Leaders of the union that represents pilots at **American** Airlines Group Inc. on Wednesday rejected a contract proposal that included pay raises of about 20% over a two-year period.

The board of the Allied Pilots Association, which represents American's roughly 15,000 pilots, voted against a tentative deal the airline and union negotiators struck last

The rejection is the latest in a series of snags in talks between airlines and pilots, who are seeking pay raises as well as better schedules and other changes they say will improve their quality of life. Pilots at **United Airlines** Holdings Inc. this week spurned a tentative agree-

Union officials said tentative deal didn't adequately address all concerns.

ment that would have provided raises of more than 14.5% over 18 months, and pilots at Delta Air Lines Inc. voted to authorize union leaders to call a strike if they deem it necessary.

American's proposal would have boosted pay for its pilots by 12% initially, with another raise of 5% after a year and 2% after two years. The latest offer was an improvement over American's initial offer of raises totaling 17%, but union officials said the tentative deal didn't adequately address pilots' other concerns.

"American's management has done very little to address contract provisions regarding schedule reliability, and instead focused more on keeping mainline pilots' pay increases as low as possible," said Dennis Tajer, an American captain and union spokesman.

American had no immediate comment.

While fraught labor relations and rancorous bargaining are nothing new for the airline industry, talks between the two sides have grown more combative this year. Contract negotiations were put on hold during the Covid-19 pandemic, delaying pay raises, and the subsequent surge in travel has led to frustration among pilots and other labor groups.

Glencore Faces Bribery Penalties in the U.K.

By Alistair MacDonald

LONDON-British prosecutors are seeking over \$200 million in penalties from Glencore PLC to resolve a probe into bribery in Africa, and they said they now want to prosecute a number of the commodities giant's former executives.

The U.K.'s Serious Fraud Office on Wednesday asked a court to impose the penalties, which it said could include Britain's largest corporate confiscation order to claw back money made from crime. A judge is set to decide on the size of the penalty Thursday.

The news comes after Glencore in May said it would pay more than \$1 billion to U.S. authorities and admitted wrongdoing to resolve allegations of bribery and market manipulation. At that time, Glencore also said it would plead guilty to the U.K. bribery charge, which it did in June.

On Wednesday, the SFO set



Lisa Osofsky, with scarf, was hired in 2018 to lead the U.K.'s SFO.

Jacobson described as a sub- million, equivalent to \$6.2 milstantive bribery case.

The bribery included an agent working for Glencore withdrawing cash in Nigeria and transporting it by private jet to Cameroon, prosecutors told a court in London, according to a skeleton argument released to the media. One Glen-

out what prosecutor Victoria core worker withdrew €6.3 lion, in cash from a company office in Switzerland to pay bribes, claiming it was for office expenses, the court heard.

The SFO has asked the judge to consider £81 million, equivalent to about \$93 million, as a base fine. The end amount could end up much

higher, the agency said. It also is asking for legal costs of £4.5 million and to claw back £93.5 million from Glencore that prosecutors calculate it made from its trades.

Glencore has previously said it has made a provision of \$1.5 billion to cover U.S., Brazilian and U.K. penalties.

A Glencore spokesman declined to comment Wednesday. The company has previously said that its corporate compliance culture has changed since the period when the bribery is said to have occurred.

The charges center on bribes that Glencore employees paid to state-owned oil companies in West African countries including Nigeria, South Sudan and Ivory Coast to secure contracts for oil. Officials were paid to give Glencore preferential access to particular grades of oil at times when it would be most beneficial to sell on markets, prosecutors said. The company

paid around \$30 million in bribes, the court heard. Prosecutors quoted emails

and WhatsApp messages in

which the agents used by Glencore traders talked of the pressure they were under to supply bribes quickly. Thanks bro... I am kinda

under pressure," one agent messaged a Glencore trader, whose name wasn't disclosed.

The SFO declined to say how many individuals-including former Glencore executives—it hopes to prosecute in relation to the case. In the court documents there are 17 names anonymized.

In recent years the SFO has tried to shake a reputation in Britain for being lenient and slow. In 2018, a former U.S. prosecutor, Lisa Osofsky, was hired to lead the agency. The SFO's joint head of fraud, bribery and corruption is U.S.trained lawyer Sara Chouraqui, who worked on the Glencore

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Oak Hill, **Partners** Buy Forests

Continued from page B1 relatively small price to avoid reducing emissions.

Carbon markets have been jammed up lately by companies demanding offsets that represent actual harvest reductions, according to participants in the opaque markets. Landowners have created offsets at a rapid clip, but they have held out for higher prices to justify less logging.

Oak Hill and Anew say they are in no hurry to sell offsets and are content to let carbon amass on the properties while markets mature.

"Ultimately, creating a balance sheet of these assets should be valuable because everyone else has it on the liability side," said Adam Kertzner, Oak Hill senior partner.

This winter, when leaves have fallen and trees are easier to measure, Anew will dispatch foresters to establish baseline volumes of biomass from which the accrual of carbon will be measured, said Cakey Worthington, vice president of carbon operations.

The 56 properties are mainly hardwood forest and range from Michigan's Upper Peninsula down to Louisiana's Atchafalaya Basin, over to the Analachicola River in Florida, up through Appalachia and to New York state's Adirondack Mountains.



A forest in Pisgah, Md., is among the 1.7 million acres bought by Oak Hill and other investors.

Forestland Group raised funds from endowments, wealthy individuals and other big investors starting in the mid-1990s and bought the timberland from families and small mills. The strategy was to stand apart from rival timberland investors by focusing on naturally regenerating forests instead of the South's monoculture pine plantations or the Pacific Northwest's planted slopes of spruce and fir.

For one, there was less competition to buy slowgrowing deciduous forests that supply wood for furniture, flooring and cabinetry than for the stands of softwood, such as pine, that are harvested to make lumber and mashed into pulp for delivery boxes and coffee cups, said Blake Stansell, who was presiand is among about 15 employees joining the timberlands' acquirer. Prized species were pro-

dent of the Forestland Group

moted by sculpting the canopy to control where sunlight hit the forest floor, leaving the best specimens to reproduce after harvests and then taking them out once the little ones were ready to really grow. The funds had reached their lifespan and were being liquidated, putting the biggest assemblage of U.S. hardwood forests on block.

Oak Hill, which had been aiming to buy \$500 million of timberland, rounded up more investors to buy all of the Forestland Group's holdings. More than 150 foresters fanned out to size up each property.

One property, 10,400 acres outside Washington, D.C., on mac River, features American beech, black cherry and yellow poplar interspersed with loblolly and Virginia pine. Anew is reducing harvests

the Maryland side of the Poto-

and will manage it to promote the growth of the woods, not just the trees with the most value at mills, Ms. Worthington said. In a small plot where the

trees were measured to serve as a sample for how much carbon is held in ecologically similar parts of the property, she pointed out what would be wasted in a typical harvest but has value in carbon markets: holly bushes and sweet gum that fall under equipment treads, a towering yet hollowed beech and a black cherry bent like a lightning bolt and unsuitable for a saw-

MARKETS DIGEST

EQUITIES

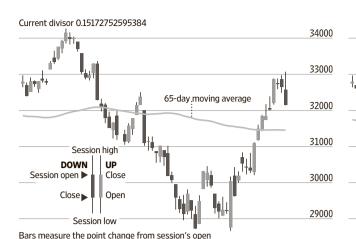
Dow Jones Industrial Average

32147.76 \$\notin 505.44\$, or 1.55% High, low, open and close for each trading day of the past three months.

THE WALL STREET JOURNAL.

Trailing P/E ratio 19.91 22.56 P/E estimate * 17.47 18.80 Dividend vield 1.77 2.22 All-time high 36799.65, 01/04/22

28000



Sept. Oct. *Weekly P/E data based on as-reported earnings from Birinyi Associates Inc; †Based on Nasdaq-100 Index

S&P 500 Index

Aug.

3759.69 ▼96.41, or 2.50% High, low, open and close for each

trading day of the past three months.

Trailing P/E ratio * 18.68 29.27 P/E estimate * 17.03 22.37 Dividend vield * 1.75 1.31 All-time high 4796.56, 01/03/22

Nasdaq Composite Index

10524.80 ▼ 366.05, or 3.36% High, low, open and close for each trading day of the past three months.

Trailing P/E ratio *† 23.35 34.75 P/E estimate *† 21.14 29.41 Dividend yield *† 0.99 0.65 All-time high: 16057.44, 11/19/21



Major U.S. Stock-Market Indexes

•	High	Low	Latest Close	Net chg	% chg	High	52-Week — Low	% chg		chg — 3-yr. ann
Dow Jones										
Industrial Average	33071.93	32139.77	32147.76	-505.44	-1.55	36799.65	28725.51	-11.1	-11.5	5.5
Transportation Avg	13618.92	13089.54	13094.43	-426.52	-3.15	16890.40	11999.40	-22.3	-20.5	6.8
Utility Average	929.02	904.27	904.59	-9.28	-1.02	1071.75	838.99	-1.0	-7.8	1.4
Total Stock Market	39243.89	37861.31	37868.10	-1023.75	-2.63	48929.18	36056.21	-21.7	-22.1	6.5
Barron's 400	943.00	908.21	908.39	-29.01	-3.09	1127.20	825.73	-17.6	-17.9	9.2
Nasdaq Stock Marke	et									
Nasdaq Composite	10993.24	10522.90	10524.80	-366.05	-3.36	16057.44	10321.39	-33.4	-32.7	7.9
Nasdaq-100	11410.91	10903.48	10906.34	-382.61	-3.39	16573.34	10692.06	-32.4	-33.2	10.1
S&P										
500 Index	3894.44	3758.68	3759.69	-96.41	-2.50	4796.56	3577.03	-19.3	-21.1	7.0
MidCap 400	2455.58	2371.68	2372.44	-70.09	-2.87	2910.70	2200.75	-17.9	-16.5	6.2
SmallCap 600	1204.08	1159.81	1160.01	-40.93	-3.41	1466.02	1064.45	-19.3	-17.2	5.8
Other Indexes										
Russell 2000	1861.57	1789.13	1789.14	-62.25	-3.36	2442.74	1649.84	-25.6	-20.3	4.0
NYSE Composite	14929.38	14496.33	14497.85	-292.86	-1.98	17353.76	13472.18	-15.8	-15.5	2.9
Value Line	545.59	526.22	526.29	-16.36	-3.01	696.40	491.56	-23.6	-21.7	-0.3
NYSE Arca Biotech	5092.60	4924.98	4927.22	-39.93	-0.80	5815.27	4208.43	-15.3	-10.7	2.9
NYSE Arca Pharma	817.09	799.58	799.75	-3.25	-0.41	887.27	737.84	8.0	-3.3	9.6
KBW Bank	106.10	102.72	102.78	-2.07	-1.97	147.56	94.66	-27.6	-22.3	-1.0
PHLX [§] Gold/Silver	106.37	99.09	99.24	-6.19	-5.87	167.76	91.40	-24.6	-25.1	1.1
PHLX [§] Oil Service	83.42	80.50	80.70	-1.55	-1.88	88.37	49.14	30.8	53.1	5.7
PHLX [§] Semiconductor	2462.14	2327.74	2328.47	-74.28	-3.09	4039.51	2162.32	-35.1	-41.0	11.3
Cboe Volatility	26.62	25.39	25.86	0.05	0.1	.9 36.45	15.10	71.3	50.2	28.1

Sources: FactSet; Dow Jones Market Data

Late Trading

Sept.

65-day moving average

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

Most-active issues in late trading

		Volume			After Hou	rc	
Company	Symbol	(000)	Last	Net chg	% chg	High	Low
SPDR S&P 500	SPY	8,812.8	374.89	0.02	unch.	382.19	352.80
Edwards Lifesciences	EW	6,420.6	70.55	0.24	0.34	72.58	70.00
OmniAb	OABI	6,375.3	2.45	0.04	1.66	2.63	2.40
Roku CI A	ROKU	5,730.4	44.44	-9.88	-18.19	61.90	41.12
ProShares UltraPro QQ0	Q TQQQ	5,593.9	18.28	0.08	0.41	18.29	18.05
iShares iBoxx \$ HY Cp B	d HYG	5,180.7	72.90	-0.02	-0.03	72.96	72.83
Invesco QQQ Trust I	QQQ	5,040.1	265.90	0.22	0.08	266.05	264.90
Vanguard Russ 1000 Grwt	h vong	4,971.2	54.95	0.09	0.16	56.31	54.95
Percentage gai	ners						
HubSpot	HUBS	53.1	294.87	31.29	11.87	297.00	252.00
Green Brick Partners	GRBK	75.5	25.00	2.57	11.46	25.00	22.43
Infinera	INFN	50.7	5.80	0.57	10.90	5.80	5.23
Confluent	CFLT	105.6	24.69	2.29	10.22	26.93	22.20
		747.4	0 (01	0.47	0.40	00 44	0 (10

Etsy ETSY 717.4 96.01 8.47 99.44 ...And losers Tandem Diabetes Care TNDM 541.3 40.04 -11.30 -22.01 51.35 37.50 Roku Cl A 5,730.4 44.44 -9.88 -18.19 61.90 41.12 ROKU **Lumen Technologies** LUMN 4,901.6 6.05 -1.00 -14.18 7.21 5.92 44.19 FTNT 594.3 46.50 -6.73 -12.64 55.00 Fortinet

123.9 137.06 -13.55

Trading Diary

Adv. volume* 101,801,694

Volume, Advancers, Decliners NYSE NYSE Amer.

Total volume*1,051,969,123 9,623,758

446,839

Decl. volume* 945	,019,006	9,161,282
Issues traded	3,294	300
Advances	709	60
Declines	2,469	226
Unchanged	116	14
New highs	67	3
New lows	142	14
Closing Arms†	2.05	5.76
Block trades*	4,700	90
	Nasdag	NYSE Arca
Total volume*5,436	,426,385	410,613,951
Total volume*5,436 Adv. volume*1,011	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	., ,
	,578,129	86,492,873
Adv. volume*1,011	,578,129	86,492,873
Adv. volume*1,011 Decl. volume*4,389	,578,129 ,831,733	86,492,873 323,872,925
Adv. volume*1,011 Decl. volume*4,389 Issues traded	,578,129 ,831,733 4,848	86,492,873 323,872,925 1,765
Adv. volume*1,011 Decl. volume*4,389 Issues traded Advances	,578,129 ,831,733 4,848 1,217	86,492,873 323,872,925 1,765 263
Adv. volume*1,011 Decl. volume*4,389 Issues traded Advances Declines	,578,129 ,831,733 4,848 1,217 3,400	86,492,873 323,872,925 1,765 263 1,490
Adv. volume°1,011 Decl. volume°4,389 Issues traded Advances Declines Unchanged	,578,129 ,831,733 4,848 1,217 3,400 231	86,492,873 323,872,925 1,765 263 1,490 12

Primary market NYSE, NYSE American NYSE Arca only. † (TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1indicates selling pressure.

29,999

1,525

Block trades*

International Stock Indexes

Region/Country	y Index	Close	Net chg	— Latest ———— % chg	- YTD % chg
World	MSCIACWI	578.22	-9.25	-1.57	-23.4
	MSCI ACWI ex-USA	257.48	0.29	0.11	-25.2
	MSCI World	2499.78	-46.62	-1.83	-22.7
	MSCI Emerging Markets	873.02	5.44	■0.63	-29.1
Americas	MSCI AC Americas	1432.74	-36.38	-2.48	-21.6
Canada	S&P/TSX Comp	19277.01	-240.70	-1.23	-9.2
Latin Amer.	MSCI EM Latin America	2304.30	-11.40	-0.49	8.2
Brazil	BOVESPA	116928.66		Closed	11.5
Chile	S&P IPSA	3176.00	0.52	0.02	13.2
Mexico	S&P/BMV IPC	50864.85		Closed	-4.5
EMEA	STOXX Europe 600	413.39	-1.22	-0.29	-15.3
Eurozone	Euro STOXX	393.43	-2.84	-0.72	-17.8
Belgium	Bel-20	3553.44	-36.21	-1.01	-17.6
Denmark	OMX Copenhagen 20	1700.28	53.25	3.2	3 -8.8
France	CAC 40	6276.88	-51.37	-0.81	-12.2
Germany	DAX	13256.74	-82.00	-0.61	-16.5
Israel	Tel Aviv	1943.02	-0.85	-0.04	-1.8
Italy	FTSE MIB	22802.97	7.33	0.03	-16.6
Netherlands	AEX	667.24	-6.08	-0.90 ■	-16.4
Russia	RTS Index	1108.69	-9.50	-0.85	-30.5
South Africa	FTSE/JSE All-Share	67123.10	-291.17	-0.43	-8.9
Spain	IBEX 35	7968.60	-30.40	-0.38	-8.6
Sweden	OMX Stockholm	756.82	0.53	0.07	-27.0
Switzerland	Swiss Market	10806.23	22.58	0.21	-16.1
Turkey	BIST 100	4071.87	17.20	0.42	119.2
U.K.	FTSE 100	7144.14	-42.02	-0.58 ▮	-3.3
U.K.	FTSE 250	18217.75	21.85	0.12	-22.4
Asia-Pacific	MSCI AC Asia Pacific	139.99	1.11	■0.80	-27.5
Australia	S&P/ASX 200	6986.70	9.84	0.14	-6.2
China	Shanghai Composite	3003.37	34.17	1.15	-17.5
Hong Kong	Hang Seng	15827.17	371.90	2.41	-32.4
India	S&P BSE Sensex	60906.09	-215.27	-0.35	4.6
Japan	NIKKEI 225	27663.39	-15.53	-0.06	-3.9
Singapore	Straits Times	3141.13	10.62	0.34	0.6
South Korea	KOSPI	2336.87	1.65	0.07	-21.5
Taiwan	TAIEX	13100.17	62.96	0.48	-28.1
Thailand	SET	1625.02	-0.71	-0.04	-2.0
Sources: FactSe	t; Dow Jones Market Data				

Percentage Gainers...

		— Latest Session —			52-Week		
Company	Symbol	Close	Net chg	% chg	High	Low	% chg
Benefitfocus	BNFT	10.36	3.37	48.21	13.06	5.69	-6. 8
Bandwidth Cl A	BAND	17.42	5.12	41.63	89.18	9.20	-80.0
Rayonier Advanced Matls	RYAM	6.00	1.53	34.23	7.62	2.44	-15.4
Ligand Pharmaceuticals	LGND	68.00	15.24	28.89	105.99	45.25	-31.8
Chegg Inc.	CHGG	25.75	4.64	21.98	37.64	15.66	-24.4
Huadi International	HUDI	30.84	5.41	21.27	68.00	8.95	34.1
Arcturus Therapeutics	ARCT	21.69	3.41	18.65	48.75	11.70	-52.4
Quad/Graphics	QUAD	3.17	0.48	17. 84	7.55	2.12	-32.0
MicroSectors Gold 3X Inv	GDXD	21.15	3.17	17.63	31.40	6.63	4.9
Direxion Dly DJ Bear 3X	WEBS	45.73	6.25	15.83	61.40	13.12	221.2
LSI Industries	LYTS	8.91	1.11	14.23	9.09	5.41	9.6
Mercury General	MCY	33.06	4.09	14.12	56.95	27.89	-41.5
Cocrystal Pharma	COCP	2.79	0.33	13.41	11.95	2.05	-75.6
Sentage Holdings	SNTG	2.38	0.28	13.33	11.25	2.06	-78.4
MicroSectors Trav -3x Lv	FLYD	12.63	1.47	13.16	28.00	10.47	

Eaton Corp. PLC

ETN

Most Active Stocks

Company	Symbol	Volume (000)	%chg from 65-day avg	Latest S Close	ession % chg	——52-W High	eek Low
ProShares UltraPro QQQ	TQQQ	327,383	64.1	18.20	-10.34	91.68	16.32
Mullen Automotive	MULN	250,836	104.8	0.36	-9.62	15.90	0.21
ProSh UltraPro Shrt QQQ	SQQQ	191,168	38.0	59.04	10.38	69.55	28.15
Direxion Dly SCOND 3 BL	SOXL	172,862	70.8	8.24	-9.45	74.21	6.21
Advanced Micro Devices	AMD	142,29 8	70.4	58.63	-1.73	164.46	54.57
Amazon.com	AMZN	133,858	122.1	92.12	-4.82	188.11	92.01
SPDR S&P 500	SPY	124,729	47.9	374.87	-2.51	479.98	348.11
SoFi Technologies	SOFI	104,644	127.2	5.12	-10.65	24.65	4.77
Apple	AAPL	93,047	10.4	145.03	-3.73	182.94	129.04
Starry Group Holdings	STRY	86,181	9052.4	0.28	55.56	10.90	0.17
* Volumes of 100 000 shares or r	nore are ro	unded to t	= ·he nearest t	housand			

NOTICE TO READERS

Effective Thursday, November 3, 2022, the WSJ U.S. Prime rate will be 7.00%, the Federal Funds Discount Rate will be 4.00% and the Federal Funds Target Rate will be 3.75-4.00%.

Percentage Losers

-9.00

150.61 137.06

		— Lа	atest Sess	sion —		- 52-We	ek
Company	Symbol	Close	Net chg	% chg	High	Low	% chg
OmniAb	OABI	2.41	-3.72	-60.65	10.50	2.41	-75.8
Cardlytics	CDLX	4.51	-5.17	-53.41	97.21	4.43	-94.9
Peak Bio	PKBO	6.98	-6.07	-46.51	15.00	6.40	-28.6
Rogers Corp	ROG	127.83	-101.66	-44.30	274.51	124.50	-52.6
Tupperware Brands	TUP	4.51	-3.22	-41.66	21.49	4.20	-76.2
Enovix	ENVX	10.53	-7.46	-41.47	39.48	7.26	-67.2
Selina Hospitality	SLNA	6.28	-3.66	-36.82	49.49	6.21	-35.6
TFF Pharmaceuticals	TFFP	1.74	-0.96	-35.56	9.96	1.47	-78.9
Semler Scientific	SMLR	28.01	-14.99	-34.86	125.83	26.70	-76.6
Omnicell	OMCL	50.00	-26.36	-34.52	187.29	48.95	-71.9
Kaman	KAMN	21.69	-10.59	-32.81	46.50	21.67	-43.8
Resideo Technologies	REZI	15.83	-7.53	-32.23	28.35	15.76	-42.1
ZoomInfo Technologies	ZI	30.81	-12.69	-29.17	79.17	30.12	-55.9
Sonnet BioTherapeutics	SONN	2.05	-0.78	-27.56	9.59	1.10	-77.8
Cooper-Standard Holdings	CPS	7.01	-2.52	-26.44	28.06	3.53	-74.7

Volume Movers Ranked by change from 65-day average*

Volume %chafrom —Latest Session — — 52-Week

Company	Symbol	(000)	65-day avg	Close	% chg	High	Low
FTAC Zeus Acqn Cl A	ZING	20,108	38438	10.14	1.60	10.36	9.72
OmniAb	OABI	20,896	32419	2.41	-60.65	10.50	2.41
Benefitfocus	BNFT	21,562	23099	10.36	48.21	13.06	5.69
Jiya Acquisition CI A	JYAC	1,063	7402	10.04	0.05	10.04	9.74
Advanced Merger Ptrs A	AMPI	2,635	4154	10.01	0.86	10.19	9.66
IQ Chaikin US Small Cap	CSML	541	3566	32.02	-2.53	38.59	28.70
Invsc RAFI Strat EM	ISEM	182	2814	18.84	-1.36	29.88	18.43
VanEck China Bd	CBON	700	2282	21.24	-0.59	25.09	21.24
Frazier Lifesciences A	FLAC	1,904	2247	10.04	-0.10	10.40	9.72
NewHold Invt II CI A	NHIC	338	2211	9.97	-0.35	11.20	9.70
*Common stocks priced at \$2 a share or more with an average volume over 65 trading days of at least 5,000 shares. #Has traded fewer than 65 days							

CURRENCIES & COMMODITIES

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

U.Sdollar fore	ign-excr	iange ra		mate new York
			US\$vs,	
Country/currency	in US\$	Ved — per US\$	YTD chg (%)	Country/currency
Americas				Vietnam dong
Argentina peso	.0063	157.5950	53.5	Europe
Brazil real	.1944	5.1435	-7.7	Czech Rep. korur
Canada dollar	.7293	1.3713	8.5	Denmark krone
Chile peso	.001059	944.70	10.9	Euro area euro
Colombiapeso	.000200	5003.03	23.1	Hungary forint
Ecuador US dollar	1	1	unch	Iceland krona
Mexico peso	.0508	19.6722	-4.0	Norway krone
Uruguay peso	.02466	40.5450	-9.3	Poland zloty
Asia-Pacific				Russia ruble
Australian dollar	.6350	1.5748	14.4	Sweden krona
China yuan	.1372	7.2898	14.7	Switzerland fran
Hong Kong dollar	.1274	7.8501	0.7	Turkey lira
India rupee	.01206	82.903	11.3	Ukraine hryvnia
Indonesia rupiah	.0000639	15648	9.8	UK pound
Japan yen	.006760	147.93	28.5	Middle East/A
Kazakhstan tenge	.002168	461.15	6.0	Bahrain dinar
Macau pataca	.1236	8.0890	0.7	Egypt pound
Malaysia ringgit	.2111	4.7380	13.7	Israel shekel
New Zealand dollar	.5819	1.7185	17.5	Kuwait dinar
Pakistan rupee	.00451	221.500	25.7	Oman sul rial
Philippines peso	.0171	58.405	14.5	Qatar rial
Singapore dollar	.7055	1.4175	5.1	Saudi Arabia riya
South Korea won	.0007073	1413.83	18.9	South Africa ran
Sri Lanka rupee	.0027248	367.00	80.9	

urope .04003 24.983 14.2 zech Rep. koruna .1319 7.5821 **15.9 enmark** krone **uro area** euro 0.9818 1.0186 **15.8** lungary forint .002410 414.93 27.8 .006821 146.60 **13.0 celand** krona .0956 10.4644 18.8 **lorway** krone .2086 4.7929 **19.0** .01639 61.000 **-18.4 Poland** zloty **Russia** ruble **weden** krona .0900 11.1064 22.7 witzerland franc .9967 1.0033 **10.0** .0537 18.6287 39.8 Turkey lira .0271 36.8500 34.7 **Ikraine** hryvnia **K** pound 1.1392 .8778 **18.8** Middle East/Africa Bahrain dinar 2.6529 .3770 unch .0415 24.0798 53.3 gypt pound **srael** shekel .2825 3.5397 **13.9 Luwait** dinar 3.2305 .3095 **2.3** 2.5974 .3850 **unch Oman** sul rial 3.642 **-0.01** audi Arabia riyal 2661 3.7582 **0.1** .0548 18.2616 14.5 South Africa rand

─ Wed ─ YTDchg in US\$ per US\$ (%)

.00004025 24845 8.7

Close Net Chg % Chg YTD% Chg

WSJ Dollar Index 103.97 0.36 0.35 **16.10**

Thailand baht .02646 37.790 13.7 Sources: Tullett Prebon, Dow Jones Market Data

.03096 32.295 **16.5**

Taiwan dollar

CREDIT MARKETS

Consumer Rates and Returns to Investor Selected rates U.S. consumer rates

5-year CDs

Bankrate.com avg†:

Los Angeles, CA

TAB Bank

Oaden, UT

Bethesda, MD

State Bank of India California

Presidential Bank, FSB

Colorado Federal Savings Bank

Sources: FactSet; Dow Jones Market Data; Bankrate.com

A consumer rate against its benchmark over the past year

Federal-funds target rate ▶ 2.00 Five-year CD yields 1.00 0.00

3.00%

. 1	-1.00	Gree	nwood \	/illage, CO	877-4	184-2372
N D J F M A M J J A S O 2022			Commu more, M	nity Bank D	888-2	4.30 % 205-8388
Interestrate		Rate (%) -) Week ago	52 Low (-Week Range (%) 2 4 6 8		3-yr chg (pct pts)
Federal-funds rate target	3.00-3.25	3.00-3.25	0.00	•	3.25	1.50
Prime rate*	6.25	6.25	3.25		6.25	1.50
Libor, 3-month	4.51	4.37	0.14	•	4.51	2.62
Money market, annual yield	0.25	0.24	0.07		0.25	-0.46
Five-year CD, annual yield	2.33	2.26	0.41	•	2.35	0.88
30-year mortgage, fixed	7.25	7.22	3.09	•	7.38	3.40
15-year mortgage, fixed [†]	6.48	6.49	2.42	•	6.52	3.20
Jumbo mortgages, \$647,200-plus	7.27	7.24	3.09	•	7.43	2.97
Five-year adj mortgage (ARM)	5.52	5.51	2.82		5.53	1.25
New-car loan, 48-month	6.11	6.10	3.41		6.11	1.55

Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks.† Excludes closing costs.

Treasury yield curve

2.33%

2.27%

2.84%

2.85%

3.70%

877-707-1995

800-355-3063

800-799-1424

Yield to maturity of current bills, notes and bonds

4.00 Tradeweb ICE Wednesday Close 3.00 One year ago 1.00 3 6 1 2 3 5 7 10 20 30 month(s) years maturity

major U.S. trading partners 5.00% WSJ Dollar Index 2.00 ___0.00 -28 _ _ _ _ _ _ 2021 2022

Forex Race

Yen, euro vs. dollar; dollar vs.

Sources: Tradeweb ICE U.S. Treasury Close; Tullett Prebon; Dow Jones Market Data Corporate Borrowing Rates and Yields

Co. po. a.c. 20.							t (0/)
Bond total return index	Close		l (%) — Week ago	High	Low	52-wk	eturn (%) 3-yr
U.S. Treasury, Bloomberg	2041.290	4.430	4.330	4.540	1.060	-14.227	-3.527
U.S. Treasury Long, Bloombe	rg 3008.860	4.340	4.330	4.570	1.720	-31.526	-9.628
Aggregate, Bloomberg	1887.160	5.030	4.970	5.210	1.580	-15.653	-3.688
Fixed-Rate MBS, Bloombe	rg 1868.230	5.080	5.090	5.380	1.810	-14.903	-4.165
High Yield 100, ICE BofA	3073.888	8.214	8.149	8.753	3.669	-10.725	-0.508
Muni Master, ICE BofA	535.389	3.852	3.921	3.936	0.895	-10.475	-1.659
EMBI Global, J.P. Morgan	718.178	8.668	8.775	9.159	4.744	-21.804	-6.152
	Sources: J.P. N	Norgan; Bl	। loomberg F	ixed Inco	ome Indic	es; ICE Dat	a Services

Commodities

	Close	Net chg	% Chg	High	Low	% Chg	% chg
DJ Commodity	1047.75	8.99	0.87	1264.48	893.10	10.24	10.73
Refinitiv/CC CRB Index	280.66	4.32	1.56	329.59	218.39	19.03	20.78
Crude oil, \$ per barrel	90.00	1.63	1.84	123.70	65.57	11.30	19.66
Natural gas, \$/MMBtu	6.268	0.554	9.70	9.680	3.561	10.55	68.04
Gold, \$ per troy oz.	1645.70	0.70	0.04	2040.10	1623.30	-6.69	-9.95

B8 | Thursday, November 3, 2022

COMMODITIES

wsj.com/market-data/commodities

Futi	ıres (Contra	acts			
	M	etal & Pe	etroleum	Future	s	
		Cont				Open
	Open	High hi	lo Low	Settle	Chg	interest
Coppe	r-High (C	MX) -25,000	lbs.; \$ per lb.			
Nov	3.4985	3.5015	3.4750	3.5055	-0.0040	1,806
)ec	3.4715	3.5160	3.4330	3.4685	-0.0040	100,200
Gold (c	MX) -100 to	roy oz.;\$ per	troy oz.			
Nov	1650.80	1659.10	1650.70	1645.70	0.70	2,919
Dec	1651.40	1666.00	1648.60	1650.00	0.30	350,775
Jan'23	1664.90	1664.90	1664.50	1656.90		52
-eb	1664.90	1680.20	1662.80	1664.10	0.30	80,729
April	1681.60	1694.20	1677.90	1679.00	0.50	17,838
lune	1693.50	1708.00	1692.90	1694.10	0.70	9,070
	um (NYM) - 50 troy oz	:;\$ per troy oz			
Nov				1847.50	-26.90	
Dec	1874.00	1910.00	1842.00	1850.10	-26.90	6,312
	ım (NYM)	-50 troy oz.;:	\$ per troy oz.			
lov				960.20	0.40	1
an'23	952.70	964.80	939.00	950.90	0.40	52,032
		00 troy oz.;\$				
lov	19.780	19.865	19.575	19.600	-0.073	141
Dec	19.635	20.110	19.200	19.594	-0.073	105,597
			YM) -1,000 bb			
Dec	88.62	90.36	87.72	90.00	1.63	300,576
Jan'23	87.42	89.14	86.60	88.86	1.67	155,255
eb	86.07	87.79	85.29	87.53	1.71	71,622
March	84.93	86.52	84.05	86.27	1.74	
June	81.68	83.43	81.05	83.19	1.76	125,360
Dec	77.69	79.43	77.20	79.23	1.72	164,761
			2,000 gal.; \$ pe		05/3	72 720
Dec Inn/22	3.6359	3.6945	3.5526	3.6774	.0563	72,720
Jan'23 Gasolii	3.4727	3.5484	3.4182	3.5396	.0705	46,030
Gaso ili Dec	2.5997	2.7065)-42,000 gal.; ! 2,5813	per gai. 2.6972	.1027	88,998
Jan'23	2.5997	2.7065	2.5120	2.6080	.0831	52,326
Jan 25	2.520/	2.010/	2.5120	2.0080	.0851	52,520

		Cont	ract			Oper
	0pen	High hilo	Low	Settle	Chg	interest
Natural	Gas (NY	M) -10,000 N	1MBtu.:\$pe	r MMBtu.		
Dec	5.829	6.303	5.787	6.268	.554	104,493
Jan'23	6.179	6.620	6.153	6.589	.509	143,134
Feb	6.002	6.401	5.916	6,373	.474	59,949
March	5.424	5.769	5,403	5,749	.374	98,813
April	4.628	4.827	4.628	4.823	.193	78,934
May	4.582	4.758	4.581	4.754	.169	86,176
		Agricul	ture Fut	ures		
Corn (CE	3T) -5,000	bu.; cents per				
Dec	696.50	697.25	680.00	687.50		594,496
March'23	701.00	702.00	685.25	692.75	-9.75	376,655
		bu.; cents per				
Dec	399.50	400.50	376.75	391.00	-8.50	2,689
March'23	404.50	404.50	384.00	397.75	-9.00	1,290
		-5,000 bu.; ce				
Nov	1434.50	1445.00	1421.25	1440.00	4.25	2,895
Jan'23	1446.00	1457.75	1431.00	1454.00	6.25	259,647
Soybea	n Meal (CBT) -100 tor	ns; \$ per ton.			
Dec	424.80	427.60	420.00	424.50	30	136,334
Jan'23	417.80	419.50	412.80	417.00	80	91,762
Soybea		T) -60,000 lb:				
Dec	73.65	75.90	72.55	75.61	2.24	116,497
Jan'23	71.28	73.57	70.34	73.28	2.22	96,292
Rough F	Rice (CB1	7)-2,000 cwt.;	\$percwt.			
Nov				17.19	04	380
Jan'23	17.59	17.73	17.45	17.58	07	6,643
Wheat (00 bu.; cents į				
Dec	898.50	902.00	837.75	846.00	-56.50	135,745
March'23	915.25	919.75	857.00	865.00	-54.00	82,660
Wheat ((KC) -5,00	0 bu.; cents pe	er bu.			
Dec	985.25	990.25	936.00	940.25	-49.75	64,901
March'23	983.50	986.25	934.25	938.75	-47.75	47,224
Cattle-I	Feeder (CME) -50,000) lbs.; cents p	oerlb.		
Nov	177.975	179.225	177.900	178.925	2.000	6,111
Jan'23	179.550	180.725	179,400	180,000	1.800	25,188

Cash Prices | wsj.com/market-data/commodities

Wednesday, November 02, 2022

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace separate from the futures price on an exchange, which reflects what the commodity might be worth in future

Iron Ore, 62% Fe CFR China-s

	Wednesday
Energy	
Coal,C.Aplc.,12500Btu,1.2SO2-r,w Coal,PwdrRvrBsn,8800Btu,0.8SO2-r,w	182.100 7 17.150
Metals	
Gold, per troy oz Engelhard industrial Handy & Harman base Handy & Harman fabricated	1655.00 1649.55 1831.00
LBMÁ Gold Price AM LBMA Gold Price PM Krugerrand,wholesale-e	*1652.55 *1645.25 1721.32
Maple Leaf-e American Eagle-e Mexican peso-e Austria crown-e	1762.50 1762.50 2125.05 1617.59
Austria phil-e Silver, troy oz.	1729.56
Engelhard industrial Handy & Harman base Handy & Harman fabricated LBMA spot price (U.S.\$ equivalent)	20.0000 19.5850 24.4810 *£17.3000 *20.0000 20659
Coins, wholesale \$1,000 face-a Other metals LBMA Platinum Price PM	*950.0
Platinum,Engelhard industrial Palladium,Engelhard industrial Aluminum, LME, \$ per metric ton Copper,Comex spot	970.0 1925.0 *2245.5 3.5055

Shredded Scrap, US Midwest-s,m Steel, HRC USA, FOB Midwest Mill-s Battery/EV metals	n.a. 700
BMI Lithium Carbonate, EXW China, =99.2% v,w	76025
BMI Lithium Hydroxide, EXW China, =56.5% v,w	75275
BMI Cobalt sulphate, EXW China, >20.5% v,rm	8494
BMI Nickel Sulphate, EXW China, >22% v,rm	5480
BMI Flake Graphite, FOB China, 100 Mesh, 94.95% v,rm	765
Fibers and Textiles	
Burlap,10-oz,40-inch NY yd-n,w	0.7400
Cotton,11/16 std lw-mdMphs-u	0.8100
Cotlook 'A' Index-t	*89.20
Hides,hvy native steers piece fob-u	n.a.
Wool,64s,staple,Terr del-u,w	n.a.
Grains and Feeds	
Barley,top-quality Mnpls-u	n.a.
Bran,wheat middlings, KC-u,w	225
Corn,No. 2 yellow,Cent IIbp,u	6.6400
Corn gluten feed,Midwest-u,w	203.6
Corn gluten meal,Midwest-u,w	659.8
Cottonseed meal-u,w	433
Hominy feed,Cent II-u,w	215
Meat-bonemeal,50% pro Mnpls-u,w	368
Oats,No.2 milling,Mnpls-u	4.3100

Wheat,No.2 soft red,St.Louis-u Wheat,No.1soft white,Portld,OR-u Wheat,No.1soft white,Portld,OR-u Wheat,No.1soft white,Portld,OR-u Beef,carcass equiv. index choice 1-3,600-900 lbsu select 1-3,600-900 lbsu select 1-3,600-900 lbsu Brollers, National comp wtd. avgu,w Brollers, National comp		Wednesday
Beef, carcass equiv. index choice 1-3,600-900 lbsu 237.8 select 1-3,600-900 lbsu 208.2 Select 1-3,600-900 lbsu 20.6100 lbs. Select 1-2,6100 lbs. Sel	eat,No.2 soft red,St.Louis-u eat - Hard - KC (USDA) \$ per bu	
choice 1-3,600-900 lbsu 237.8 select 1-3,600-900 lbsu 208.2 Broilers, National comp wtd. avg-uw 1.214 Butter, AA Chicago-d 26,10 Cheddar cheese, blk, Chicago-d 197.0 Milk, Nonfat dry, Chicago lbd 137.0 Coffee, Brazilian, Comp-y 1,73 Coffee, Colombian, NY-y 2,307 Eggs, large white, Chicago-u 3,255 Flour, hard winter KC-p 24,6 Hams, 17-20 lbs, Mid-US fob-u 90.3 Hogs, lowa-So. Minnesota-u 90.3 Pork loins, 13-19 lb MidUS-u n.a Steers, TexOkla. Choice-u n.a	Food	
	pice 1-3,600-900 lbsu ect 1-3,600-900 lbsu ect 1-3,600-900 lbsu ecrs, National comp wtd. avgu, ers, Aa Chicago-d ddar cheese, blk, Chicago-d ddar cheese, blk, Chicago-d Nonfat dry, Chicago lbd ee, Brazilian, Comp-y 'ee, Colombian, NY-y s, large white, Chicago-u ,r, hard winter KC-p is, 17-20 lbs, Mid-US fob-u s, Jowa-So. Minnesota-u cbellies, 12-14 lb MidUS-u kolins, 13-19 lb MidUS-u krs, TexOkla. Choice-u ers, feeder, Okla. City-u, w	237.87 208.28 W 1.2145 2.6100 197.00 197.75 137.00 1.7135 2.3070 3.2550 24.60 1.07 90.33 n.a. 1.1712 n.a.
Fats and Oils	Fats and Oils	

Steers,TexOkla. Choice-u	n.a.
Steers,feeder,Okla. City-u,w	188.50
Fats and Oils	
Degummed corn oil, crude wtd. avgu,w	67.5000
Grease,choice white,Chicago-h	0.7250
.ard,Chicago-u	n.a.
Goybean oil,crude;Centl IL-u,w	0.7554
Fallow,bleach;Chicago-h	0.7400
Fallow,edible,Chicago-u	0.8850

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; D=CME; E=Manfra,Tordella & Brookes; H=American Commodities Brokerage Co; K=bi-weekly; M=monthly; N=nominal; n.a=not quoted or not available; P=Sosland Publishing; R=SNL Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. *Data as of 11/1

Source: Dow Jones Market Data

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

Money Rates

November 2, 2022

er short-term rates

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Latest ago

	Infl	ation		
	Sept.in		Chg Fron	
	le	vel A	ug. '22 S	Sept. '21
U.S. consu	mer pri	e inde	x	
Allitems	296	.808	0.22	8.2
Core	298	3.442	0.43	6.6
In	ternati	onal r	ates	
	comiaci	ond in		
		Week		Week-
	Latest	ago	High	Low
Prime rate	s			
U.S.	6.25	6.25	6.25	3.25
Canada	5.45	5.45	5.45	2.45
Japan	1.475	1.475	1.475	1.475
Policy Rate	es			
Euro zone	2.00	1.25	2.00	0.00
Switzerland	1.00	1.00	1.00	0.00
Britain	2.25	2.25	2.25	0.10
Australia	2.85	2.60	2.85	0.10
Overnight	repurch	nase		
U.S.	3.81	3.03	3.81	0.01

Notes on data:

U.S.	gover	nmen	t rates		Oth
Discount					
	3.25	3.25	3.25	0.25	
Federal fu	nds				Call mone
Effective rate High Low	3.4000	3.2700	3.1000 3.4000 3.0700		Commerce 90 days
Bid Offer	3.0800	3.0800	3.0800 3.1200	0.0600	Libor One month
Treasury b 4 weeks 13 weeks		00 3.43			Three month Six month One year
26 weeks	4.4				Secured (
Se	econda	ary ma	rket		
Fannie Ma	e				
20		lala			DTCCCC

13 weeks	4.070	4.000	4.070	0.045
26 weeks	4.440	4.390	4.440	0.065
Se	condary	/ mar	ket	
	_			
Fannie Ma	e			
Fannie Ma 30-year mort	_	;		
	gage yields	6.464	6.812	2.452

	۱ Latest	Week ago	− 52-\ high	Week – low
Call mone	y			
	5.00	5.00	5.00	2.00
Commerc	ial paper (AA fin	ancial)
90 days	n.a.	4.16	4.25	0.11
Libor				
One month	3.83571	3.63229	3.84157	0.08550
Three month	4.50843	4.37386	4.50843	0.13975
Sixmonth	4.97071	4.93186	4.97071	0.21325
One year	5.53600	5.39343	5.53600	0.34975

Secured	Overnight	Financ	ing Ra	ite
	3.05	3.02	3.05	0.04
	Latest	Value Traded		
DTCC GC	F Repo Inc	dex		
Treasury MBS		27.490 28.570		

—52-WEEK-High Lov

U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective September 22, 2022. Other prime rates aren't directly comparable; lending practices vary widely by location; Discount rate is effective September 22, 2022. Secured Overnight Financing Rate is as of November 1, 2022. DTCC GCF Repo Index is Depository Trust & Clearing Corp.'s weighted average for overnight trades in applicable CUSIPs. Value traded is in billions of U.S. dollars. Federal-funds rates are Tullett Prebon rates as of 5:30 p.m. ET. Sources: Federal Reserve; Bureau of Labor Statistics; DTCC; FactSet; Tullett Prebon Information, Ltd. **Macro & Market Economics**

Watching the Gauges: U.S. Supply and Demand

thousands of gallons per day, except natural-gas figures, which are in billions of cubic feet. Natural-gas import and demand data are available monthly only.

I	nvento	ries, O	00s barr	els			I	mport	S, 000s b	arrels	per day	/
	Current	Expected change	Previous week	Year ago	4-week avg	5-year avg	Current	Expected change	Previous week	Year ago	4-week avg	5-year avg
Crude oil and							:					
petroleum prod	1,224,099		1,225	1,234	1,226	1,274	8,088		8,419	8,215	8,043	8,518
Crude oil												
excluding SPR	436,830	-200	440	434	438	455	6,205		6,180	6,172	6,089	6,541
Gasoline	206,633		208	214	208	219	286		655	667	529	464
Finished gasoline	15,142	-900	14	17	16	22	118		61	112	79	69
Reformulated	20		0	0	0	0	0		0	0	0	0
Conventional	15,122		14	17	16	22	118		61	112	79	69
Blend. components	191,491		193	197	193	197	168		594	555	450	394
Natural gas (bcf)	3,394		3	4	3	4						
Kerosene-type							:					
jet fuel	36,394		36	40	36	39	74		371	241	146	190
Distillates	106,784	-800	106	127	106	127	121		139	190	113	222
Heating oil	8,037		8	9	9	10	0		0	0	0	21
Diesel	98,747		98	118	98	59	121		139	190	113	201
Residual fuel oil	30,308		30	29	30	31	245		243	260	204	187
Other oils	296,867		295	293	299	300	1,034		734	560	863	755
Net crude, petroleum			4 (07	4.044	4.420	1.01/	4.074		2.007	4.	2.000	4.004
products, incl. SPR	1,623,891		1,627	1,846	1,630	1,916	-1,374		-3,007	-46	-2,028	1,091

products, incl. 3FK	1,023	,071	1,	027 1,040	1,030	1,710	-1,3/43,00/ -40 -2,020 1,091
Week	dy De	mand,	000s b	arrels pe	er day		Natural gas storage
	Current	Expected change	Previous week	Year ago	4-week avg	5-year avg	Billions of cubic feet; weekly totals
Total petroleum product	20,481		20,587	19,997	20,275	20,634	4250
Finished motor gasoline	8,660		8,930	9,504	8,636	9,141	Five-year average 3250 for each week 2250
Kerosene-type jet fuel Distillates	1,308 4,257		1,682 3,878	1,682 3,686	1,482 4,144	1,672 4,306	Natural gas, 1250 lower 48 states
Residual fuel oil	272		170	454	260	306	10Wei 40 states
Propane/propylene	1,034		720	1,282	1,034		NDJFMAMJJASO
Other oils	4,951		5,208	3,389	4,721		2021 2022
Note: Expected changes	are provid	ded by Dow	lones News	wires' surve	ev of analys	sts. Previou	us and average inventory data are in millions.

Sources: FactSet; Dow Jones Market Data; U.S. Energy Information Administration; Dow Jones Newswires

Cattle-Live (CME)-40,000 lbs; cents per lb. lec 152,000 152,500 151,200 151,400 -,550 117,838 etc23 155,400 155,775 154,700 154,900 -,350 71,76 logs-Lean (CME)-40,000 lbs; cents per lb. lec 84,500 84,850 83,250 83,300 -1,900 84,009 etc23 157,975 88,075 86,950 87,200 -1,250 48,565 lumber (CME)-110,000 lbs, cents per lb. low 458,80 467,10 450,00 450,00 -7,60 345 arg.23 449,90 466,90 443,60 451,00 1.50 1,459 log etc 19,04 19,25 18,85 19,06 -0,4 5,483 log etc 2,355 2,390 2,353 2,379 31 108,258 log etc 2,355 2,390 2,353 2,379 31 108,258 log etc 2,355 2,395 2,355 2,385 33 93,745 log etc 175,20 183,40 175,20 182,15 7,55 69,855 loffee (ICE-US)-37,500 lbs; cents per lb. log etc 175,20 183,40 175,20 182,15 7,55 69,855 loffee (ICE-US)-31,200 lbs; cents per lb. log etc 175,20 183,40 175,20 182,15 7,55 69,855 log etc 175,20 183,40 175,20 182,15 7,69 6,75 84,742 log etc 175,20 log etc 175,20 los; cents per lb. log etc 175,20 log etc 175,20 los; cents per lb. log etc 175,20 los; cents per lb. log etc 175,20 log etc 175,20 los; cents per lb. log e			Contr	act			Open
lec		Open			Settle	Chg	
lec	attle-l	ive (CM	E) -40 000 lbc	: contc por l	h		
ely 23 155.400						- 550	117 838
Section CME -40,000 Discrents per Discrent							
Sec						.,,,,	7 1/17 0
eb'23 87.975 88.075 86.950 87.200 -1.250 48,565 Lumber (CME)-110,000 bd. ft., \$ per 1,000 bd. ft. tov 488.0 467.10 450.00 450.00 -7.60 345 an'23 449.90 466.90 443.60 451.00 1.50 1,459 Milk (CME)-200,000 bls., cents per lb. tov 19.04 19.25 18.85 19.06 -0.4 5,483 COCOO (ICE-US)-10 metric tons; \$ per ton. toc 2,355 2,390 2,353 2,379 31 108,258 March'23 2,355 2,390 2,355 2,385 33 93,745 Coffee (ICE-US)-37,500 lbs.; cents per lb. tec 19.04 19.20 170.95 176.95 6.75 84,742 March'23 171.90 178.20 170.95 176.95 6.75 84,742 March'23 171.90 178.20 170.95 176.95 6.75 84,742 March'24 18.45 18.49 18.15 18.47 0.04 331,205 March'25 18.45 18.49 18.15 18.47 0.04 331,205 March'26 ICE-US)-50,000 lbs.; cents per lb. tec 78.40 79.00 76.52 79.00 4.00 93,252 March'23 77.00 78.64 75.50 78.64 4.00 80,887 Drange Juice (ICE-US)-15,000 lbs.; cents per lb. tec 78.40 79.00 76.52 79.00 4.00 98,252 March'23 77.00 78.64 75.50 78.64 4.00 80,887 Drange Juice (ICE-US)-15,000 lbs.; cents per lb. tec 78.40 79.00 76.52 79.00 4.00 98,252 March'23 77.00 78.64 75.50 78.64 4.00 80,887 Drange Juice (ICE-US)-15,000 lbs.; cents per lb. tec 278.40 79.00 76.52 79.00 4.00 98,252 March'23 77.00 78.64 75.50 78.64 4.00 80,887 Drange Juice (ICE-US)-15,000 lbs.; cents per lb. tec 28.40 79.00 76.52 79.00 4.00 98,252 March'23 77.00 78.64 75.50 78.64 4.00 80,887 Drange Juice (ICE-US)-15,000 lbs.; cents per lb. tow 209.40 1.70 1.45 an'23 204.95 207.30 202.65 205.40 1.20 9,722	Dec					-1.900	84.009
Author CME) 110,000 bd. ft., \$ per 1,000 bd. ft.	eb'23			86.950			
lov 458.80 467.10 450.00 450.00 -7.60 345 an'23 449.90 466.90 443.60 451.00 1.50 1,459 Alilik (CME)-200,000 lbs, cents per lb. lov 20.54 20.79 20.51 20.68 .09 5,009 lec 19.04 19.25 18.85 19.0604 5,483 loccoa (ICE-US)-10 metric tons; \$per ton. lec 2,355 2,390 2,355 2,385 33 93,745 lec 175.20 183.40 175.20 182.15 7.55 69,855 larch'23 171.90 178.20 179.95 176.95 6.75 84,742 lec 175.20 183.40 175.20 182.15 7.55 69,855 larch'23 171.90 178.20 170.95 176.95 6.75 84,742 lec 175.20 183.40 175.20 182.15 7.55 69,855 larch'23 171.90 178.20 170.95 176.95 6.75 84,742 lec 175.20 183.40 175.20 182.15 7.55 69,855 larch'23 171.90 178.20 179.95 176.95 6.75 84,742 lec 175.20 183.40 175.20 183.47 .04 331,205 larch'3 171.90 178.20 179.95 176.95 6.75 84,742 lec 184.5 18.49 18.15 18.47 .04 331,205 larch'3 17.40 17.49 17.16 17.48 .09 152,500 lec 78.40 79.00 76.52 79.00 4.00 98,252 larch'23 77.00 78.64 75.50 78.64 4.00 80,887 lock 78.40 79.00 76.52 79.00 4.00 98,252 larch'23 77.00 78.64 75.50 78.64 4.00 80,887 lov 209.40 1.70 145 lo							/
Ailk (CME)-200,000 lbs, cents per lb. 200,70 20.51 20.68 .09 5,009 loc 20.79 20.51 20.68 .09 5,009 loc 19.04 19.25 18.85 19.06 -0.04 5,483 COCOG (ICE-US)-10 wetric tons; \$ per ton. lec 2,355 2,390 2,355 2,379 31 108,258 Larch '23 2,355 2,395 2,355 2,385 33 93,745 Coffee (ICE-US)-37,500 lbs; cents per lb. lec 175.20 182.15 7.55 69,855 March '23 171.90 178.20 170.95 176.95 6.75 84,742 Logar-World (ICE-US)-112,000 lbs; cents per lb. 17.48 1.94 12.16 12.48 .09 152,500 Logar Domestic (ICE-US)-112,000 lbs; cents per lb. 34.76 .09 2,033 Alarch '23 79.00 78.64 79.00 76.52 79.00 4.00 98,252 Patrach'23 77.00 78.64 75.50 78.64 4	lov					-7.60	345
100	an'23	449.90	466.90	443.60	451.00	1.50	1,459
100	Milk (cn	1E) -200,0	00 lbs., cents p	oer lb.			
1	lov	20.54	20.79	20.51	20.68	.09	5,009
lec 2,355 2,390 2,355 2,379 31 108,258 darch'23 2,355 2,395 2,355 2,385 33 93,745 coffee (ICE-US)-37,500 lbs; cents per lb. lec 175,20 183,40 175,20 180,50 lbs; cents per lb. lec 175,20 183,40 175,20 170,95 176,95 6,75 84,742 lagrar-World (ICE-US)-112,000 lbs; cents per lb. ladrach 18.45 18.49 17.16 17.48 09 152,500 lbguar-Domestic (ICE-US)-112,000 lbs; cents per lb. ladrach 17.40 17.49 17.16 17.48 09 152,500 lagrar-Domestic (ICE-US)-112,000 lbs; cents per lb. lec 78.40 79.00 76.52 79.00 4.00 98,252 ladrach 23 77.00 78.64 75.50 78.64 4.00 80,887 Orange Juice (ICE-US)-15,000 lbs; cents per lb. low 209,40 1.70 145 and 200,400 145 lbs; ladrach 23 04.95 207.30 202.65 205.40 1.20 9,722 lbs; ladrach 23 04.95 207.30 202.65 205.40 1.20 9,722 lbs; ladrach 23 18.20 18	Dec				19.06	04	5,483
Arack 23 2,355 2,395 2,355 2,385 33 93,745	Cocoa (\$ per ton.			
18	Dec						
lec 175.20 183.40 175.20 182.15 69,855 darch'23 171.90 178.20 170.95 176.95 69,855 darch'23 171.90 178.20 170.95 176.95 6.75 84,742 darch'23 171.90 178.20 18.15 18.47 0.4 331,205 day 17.40 17.49 17.16 17.48 0.9 152,500 lbs; cents per lb. an 34.76 0.9 2,033 darch (ICE-US)-50,000 lbs; cents per lb. lec 78.40 79.00 76.52 79.00 4.00 98,252 darch'23 77.00 78.64 75.50 78.64 4.00 80,887 darch'23 77.00 78.64 75.50 78.64 4.00 80,887 darch'23 204.95 207.30 202.65 205.40 1.20 9,722 lbtra Treasury Bonds (CBT) - \$100,000; pts \$204.05 \$10.00 \$1.450,939 lbs; cents per lb. lec 129-270 130-200 128-130 129-030 -1.00 1,450,939	/larch'23				2,385	33	93,745
Arrivary 17.190 178.20 170.95 176.95 176.95 176.75	Coffee						
Sugar-World (ICE-US)-112,000 bs; cents per b.)ec						
Narch						6.75	84,742
Agy							
Sugar-Domestic (ICE-US)-112,000 lbs; cents per lb. an 34.76 .09 2,033 .00	∕larch						
an darch 34.76 .09 2,033 alarch 35.01 3,173 cotton (ICE-US)-50,000 lbs; cents per lb. lec 78.40 79.00 76.52 79.00 4.00 98,252 darch 23 77.00 78.64 75.50 78.64 4.00 80,887 Drange Juice (ICE-US)-15,000 lbs; cents per lb. lov 20,40 1.70 145 an 23 204.95 207.30 202.65 205.40 1.20 9,722 lbtra Treasury Bonds (CBT) - \$100,000; pts \$20d.5 100% Interest Rate Futures Interest Rate Fut	Иay						152,500
March S.01		Domesti	i c (ICE-US) -11	.2,000 lbs.;			
Cotton (ICE-US)-50,000 lbs; cents per lb. Interest Rate Eutures	an					.09	
Pec 78.40 79.00 76.52 79.00 4.00 98,252 Harch'23 77.00 78.64 75.50 78.64 4.00 80,887 Propage Juice (ICE-US)-15,000 Ibs.; cents per lib. Interest Rate Futures Interest Rate Futures Interest Source 129-270 130-200 128-130 129-030 -1.00 1,450,939 Interest Rate Italian 129-030 -1.00 1,450,939 Interest Rate Italian 129-030 -1.00 1,450,939 Interest Rate Italian 129-030 -1.00 1,450,939 Interest					35.01		3,173
Arch'23							
Drange Juice (ICE-US)-15,000 lbs.;cents per lb. 209,40 1.70 145							
lov an 23 204.95 207.30 202.65 205.40 1.70 145 205.40 205.40 1.20 9,722 Interest Rate Futures						4.00	80,887
an'23 204.95 207.30 202.65 205.40 1.20 9,722 Interest Rate Futures Ultra Treasury Bonds (CBT) - \$100,000; pts 32nds of 100% lee 129-270 130-200 128-130 129-030 -10.0 1,450,939		Juice (I	E-US) -15,000) lbs.; cents			
Interest Rate Futures Ultra Treasury Bonds (CBT) - \$100,000; pts 32nds of 100% eec 129-270 130-200 128-130 129-030 -10.0 1,450,939		0046-	207.20	202 (=			
Iltra Treasury Bonds (CBT) - \$100,000; pts 32nds of 100% lec 129-270 130-200 128-130 129-030 -10.0 1,450,939	an'23	204.95	207.30	202.65	205.40	1.20	9,722
Iltra Treasury Bonds (CBT) - \$100,000; pts 32nds of 100% lec 129-270 130-200 128-130 129-030 -10.0 1,450,939			Indiana.	D-4- E	A	_	
Dec 129-270 130-200 128-130 129-030 -10.0 1,450,939			Interest	Rate Fu	tures		
Dec 129-270 130-200 128-130 129-030 -10.0 1,450,939	Jitra Tı	easurv	Bonds (CBT) - \$100.00	0: pts 32nd	s of 1009	6
	ec .						

Jitra Tr	easury	Bonds (C	BT) - \$100,000); pts 32nd	s of 100	%
ec			128-130	129-030	-10.0	1,450,939
/larch'23	130-140	130-260	128-270	129-180	-12.0	3
reasui	ry Bond:	S (CBT) -\$1	00,000; pts 32r	nds of 100	%	
ec	121-090	121-310	120-040	120-230	-10.0	1,190,883
/larch'23	121-020	121-260	119-300	120-160	-11.0	2,804
reasu	y Notes	(CBT)-\$10	00,000; pts 32r	nds of 1009	6	
ec	110-180	111-090	110-050	110-200	1.5	3,934,669
/larch'23	110-260	111-190	110-160	110-295	1.5	17,510
Yr. Tre	easury N	Notes (CB	T) -\$100,000; p	ots 32nds o	of 100%	
ec		107-010		106-177		4,133,149
/larch'23	106-270	107-082	106-152	106-255	1.0	7,611
			ST) -\$200,000;	pts 32nds		.,
)ec		102-092				2,231,219
/larch'23		102-156		102-077	-1.9	2,929
O Day	Federal	Funds (C	BT) -\$5,000,00	00; 100 - da	aily avg.	
lov	96.2175	96.2175	96.2125	96.2175	.0025	381,872
an'23	95.5600	95.6100	95.5450	95.5800	.0200	281,931
			ps (CBT)-\$10	0,000; pts	32nds o	f100%
		89-115				
Three-N	Month S	OFR (CM	E) -\$1,000,000	:100 - daily	ava.	,
		96.5225				617,957
			▼ 94.9300			1,145,480
						, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,

		(ontrac	τ			Upen
	0pen	High h	ilo	Low	Settle	Chg	interest
Eurodo	llar (CME)-\$1,000 i)00. r	ots of 100	%		
Nov	95.3100			95.2800	95.3050	.0025	138,329
Dec	94.8850	94.9500		94.8500	94.8850	.0050	1,567,587
March'23	94.6800	94.7950	$\overline{\mathbf{w}}$	94.6100	94.6650	0200	926,271
Dec	95.1150	95.2550		94.9750	95.0650	0850	889,129
		C		F t			
		Cur	renc	y Futu	ires		
Japane	se Yen (CME) -¥12	.500.0	000: \$ per	100¥		
Nov	.6761	.6871		.6749	.6810	.0051	710
Dec	.6781	.6900		.6773	.6840	.0055	254,206
Canadia	an Dolla	r (CME)-	AD 10	00,000;\$	per CAD		
Nov	.7344	.7382		.7294	.7334	0010	332
Dec	.7339	.7384		.7294	.7335	0010	141,894
British							
Nov	1.1490			1.1393		0011	1,631
Dec	1.1501			1.1402	1.1489	0010	239,140
Swiss F			25,00				
Dec	1.0047	1.0141		1.0010	1.0070	.0017	49,725
March'23	1.0176	1.0240		1.0123	1.0171	.0016	325
			-AUD		\$ per AUD		
Nov	.6397	.6495		.6351	.6419	.0017	236
Dec	.6404	.6503		.6357	.6427	.0019	164,715
Mexica	n Peso (CME)-MX	N 500),000;\$p		00005	0
Nov	05004	05005		05010	.05085	.00025	8
Dec	.05024		A	.05018	.05053	.00024	282,828
Euro (CI Nov	и Е) -€125, .9890	per, 5984.	€	.9822	.9895	.0003	6,413
Dec	.9912	1.0012		.9847	.9921	.0003	646,268
Dec	.7912	1.0012		.7047	.9921	.0005	040,200
		ln	dex	Future	es		
Mini DJ	Industr	ial Aver	age	(CBT)-\$5	x index		
					20170	F07	74540

Contract

		In	dex Future	es		
Mini D.	J Indust	rial Aver	age (CBT) -\$5	x index		
Dec	32657	33106	32121	32178	-507	74,542
			32370	32416	-504	1,253
Mini S&	šP 500 (CME) -\$50	x index			
Dec	3863.00	3907.00	3760.25	3768.75	-97.25	2,274,759
			3791.75		-98.50	56,427
Mini S&	&P Midc	ap 400 ((CME)-\$100 x ir	ıdex		
Dec	2448.20	2462.90	2371.60	2376.90	-72.20	47,074
March'23				2381.40	-69.10	1
Mini Na	asdaq 10)(CME)	\$20 x index			
Dec	11320.25	11460.00	10909.00	10944.50	-387.50	277,464
March'23	11444.00	11567.50	11022.50	11057.00	-390.50	4,396
Mini Ru	ussell 20)00 (CME) -\$50 x index			
Dec	1852.80	1869.60	1789.40	1793.30	-63.30	499,024
March'23	1874.00	1883.50	1805.20	1808.10	-64.60	286
Mini Ru	ussell 10	00 (CME))-\$50 x index			
		2146.70		2071.90	-54.60	10,604
U.S. Do	llar Inde	X (ICE-US)-\$1,000 x inde	2X		
Dec	111.37	112.03	110.26	111.23	13	54,841
March'23	110.97	111.52	109.87	110.81	14	1,094
					Source	ce: FactSet

Bonds | wsj.com/market-data/bonds/benchmarks

Tracking Bond Benchmarks

Return on investment and spreads over Treasurys and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Total return close	YTD total return (%)	Index		ld(%) — Low High		YTD to return		Index		'ield (% t Low	
Broad N	larket Bloomb	erg Fixed Income Indices	5		Mortga	ge-Back	ed Bloor	mberg Fixed Income In	dices		
1887.16	-15.6	U.S. Aggregate	5.030 1.	.580 5.210	1868.23	-14.7		Mortgage-Backed	5.080	1.810	5.380
U.S. Cor	porate Indexe	s Bloomberg Fixed Incor	ne Indic	es	1849.84	-13.2		Ginnie Mae (GNMA)	5.050	1.840	5.370
2742.92	-19.3	U.S. Corporate	5.920 2.	.130 6.130	1095.88	-14.9		Fannie mae (FNMA)	5.090	1.800	5.390
2695.41	-12.1	Intermediate	5.850 1.	.570 6.050	1679.84	-15.4		Freddie Mac (FHLMC)	5.070	1.800	5.370
3540.58	-30.4	Long term	6.060 2.	.940 6.370	535.39	-11.1		Muni Master	3.852	0.895	3.936
527.75	-20.7	Double-A-rated	5.160 1.	.840 5.320	381.69	-10.3		7-12 year	3.695	0.918	3.794
721.05	-19.6	Triple-B-rated	6.230 2.	.340 6.440	421.52	-14.3		12-22 year	4.359	1.180	4.428
High Yie	eld Bonds ICE E	BofA			388.49	-20.0		22-plus year	4.994	1.673	5.131
457.96	-12.2	High Yield Constrained	9.101 4.	.086 9.623	Global C	Governm	ent J.P.	Morgan [†]			
423.04	-16.0	Triple-C-rated	16.304 7.	.298 16.779	521.01	-13.1		Global Government	3.080	0.840	3.250
3073.89	-11.5	High Yield 100	8.21 4 3.	.669 8.753	757.77	-9.7		Canada	3.440	1.430	3.780
393.76	-14.4	Global High Yield Constrained	9.425 4.	.601 9.945	341.21	-15.9		EMU§	2.891	0.271	3.215
300.90	-13.8	Europe High Yield Constrained	7.907 2.	.731 8.508	636.54	-16.3		France	2.690	0.150	2.980
U.S Age	ncy Bloomberg	Fixed Income Indices			455.39	-15.2		Germany	2.110	-0.370	2.400
1660.06	-9.4	U.S Agency	4.800 0.	.900 4.840	282.00	-4.3		Japan	0.820	0.310	0.910
1471.74	-7.9	10-20 years	4.780 0.	.790 4.820	493.23	-17.2		Netherlands	2.380	-0.200	2.720
3065.34	-26.6	20-plus years	5.080 2.	.010 5.240	800.65	-22.8		U.K.	3.520	0.720	4.690
2431.88	-15.5	Yankee	5.720 1.	.790 5.840	718.18	-21.9		Emerging Markets **	8.668	4.744	9.159
*Constrair		ndividual issuer concentration	ons to 2%	; the High `				t In local currences; Bloomberg Fixed Incon	,		

Global Government Bonds: Mapping Yields

 $Yields \, and \, spreads \, over \, or \, under \, U.S. \, Treasurys \, on \, benchmark \, two-year \, and \, 10-year \, government \, bonds \, in \, the property of the pr$ selected other countries; arrows indicate whether the yield rose (\blacktriangle) or fell (\blacktriangledown) in the latest session

Coupon (%)	Maturity, in years	Latest(●)-1	0	1 2	3 4	5	Previous	Month ago	Year ago	Latest	Prev	Year ago
4.375	U.S. 2	4.568 ▲				•	4.538	4.206	0.454			
2.750	10	4.059			•		4.052	3.802	1.546			
0.250	Australia 2	3.278			•		3.207	3.316	0.503	-128.4	-135.1	5.3
1.750	10	3.820 🛦			•		3.774	3.899	1.903	-23.6	-27.2	35.0
0.000	France 2	2.092 🛦		•			2.036	1.805	-0.667	-246.9	-252.1	-111.7
2.000	10	2.678			•		2.667	2.725	0.195	-137.8	-137.9	-135.9
0.400	Germany 2	1.977 ▲		•			1.935	1.756	-0.669	-258.4	-262.2	-111.9
1.700	10	2.138 🛦		•			2.131	2.111	-0.160	-191 .	-191.5	-171.4
0.000	Italy 2	2.725 🛦			•		2.714	2.850	-0.163	-183	-184.3	-61.3
2.500	10	4.303 🛦)	4.257	4.514	1.086	24. 8	21.1	-46.7
0.005	Japan 2	-0.045 ▼	•				-0.043	-0.040	-0.103	-460.6	-460.0	-55.3
0.200	10	0.247 ▼	•				0.252	0.252	0.084	-380.9	-379.4	-146.9
0.000	Spain 2	2.230 🛦		•			2.161	2.097	-0.585	-233.1	-239.6	-103.5
2.550	10	3.220 🛦			•		3.201	3.303	0.528	-83.6	-84.5	-102.6
0.125	U.K. 2	2.985 ▼			•		3.145	3.917	0.664	-157.6	-141.2	21.4
4.250	10	3.399 ▼			•		3.464	4.149	1.038	-65.7	-58.2	-51.5

Source: Tullett Prebon, Tradeweb ICE U.S. Treasury Close

Corporate Debt

Prices of firms' bonds reflect factors including investors' economic, sectoral and company-specific

Investment-grade spreads that tightened the most...

mvestment grade spree	ias that t	giiteilea		J C	Core	ad* in basis asi	nto
Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Current	ad*, in basis poi One-day change_	Last week
Smurfit Kappa Group	SKGID	7.500	6.74	Nov. 20, '25	225	-48	n.a.
Metropolitan Life Global Funding		3.000	5.18	Sept. 19, '27	93	-28	n.a.
Wells Fargo	WFC	4.100	5.62	June 3, '26	137	-20	162
Barclays	BACR	4.375	6.86	Jan. 12, '26	261	-12	246
B.A.T. International Finance	BATSLN	3.950	5.90	June 15, '25	142	-12	154
Mondelez International	MDLZ	4.250	5.24	Sept. 15, '25	76	-11	80
Citigroup	c	4.600	5.86	March 9, '26	158	-10	182
Home Depot	HD	5.875	5.49	Dec. 16, '36	141	-10	149
And spreads that wide	ned the n	nost					
HSBC Holdings	HSBC	6.800	8.42	June 1, '38	406	26	410
Lloyds Banking	LLOYDS	4.582	7.60	Dec. 10, '25	312	12	283
Cisco Systems	csco	2.950	4.86	Feb. 28, '26	62	11	n.a.
Sumitomo Mitsui Financial	SUMIBK	2.348	5.79	Jan. 15, '25	125	8	n.a.
HP	HPQ	6.000	7.06	Sept. 15, '41	270	5	277
Metropolitan Life Global Funding		2.950	5.60	April 9, '30	159	5	155
Citigroup	c	3.700	5.80	Jan. 12, '26	155	4	n.a.
Walt Disney	DIS	2.650	5.27	Jan. 13, '31	119	4	124
High-viold issues with the	o biggos	t price in	croscoc				

High-yield issues with the biggest price increases...

						e as % of face \	/alue
Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Current	One-day change_	Last week
Lumen Technologies	LUMN	7.650	11.43	March 15, '42	70.750	1.85	65.500
Ford Motor	F	4.750	7.73	Jan. 15, '43	69.750	1.03	68.625
Sprint Capital		8.750	6.21	March 15, '32	117.810	0.81	117.579
Howmet Aerospace	HWM	5.900	6.33	Feb. 1, '27	98.404	0.65	98.735
Bath & Body Works	BBWI	5.250	7.85	Feb. 1, '28	89.000	0.63	88.500
Telecom Italia Capital	TITIM	6.375	9.77	Nov. 15, '33	77.375	0.54	78.189
Transocean	RIG	7.500	14.50	April 15, '31	66.500	0.50	n.a.
Teva Pharmaceutical Finance Netherla	ands	2.800	6.43	July 21, '23	97.500	0.48	96.892
And with the biggest p	rice decre	eases					
Dish DBS		7.750	14.10	July 1. '26	82,300	-2.72	82.500

	And with the bigge	st price decre	ases				_	
-	Dish DBS		7.750	14.10	July 1, '26	82.300	-2.72	82.500
	Bausch Health	BHCCN	11.000	17.55	Sept. 30, '28	76.470	-1.28	79.250
_	Navient	NAVI	6.750	8.65	June 15, '26	94.200	-1.01	93.640
	Ford Motor Credit		3.370	6.44	Nov. 17, '23	96.970	-0.93	97.105
	Commerzbank		8.125	7.96	Sept. 19, '23	100.125	-0.46	100.090
	Sprint Capital		6.875	6.25	Nov. 15, '28	103.090	-0.42	103.250
	Intesa Sanpaolo	ISPIM	5.017	8.52	June 26, '24	94.719	-0.41	94.728

*Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year hot-run Treasury; 100 basis points=one percentage pt.; change in spread shown is for Z-spread. Note: Data are for the most active issue of bonds with maturities of two years or more

Source: MarketAxess

Sym Close Chg

BIGGEST 1,000 STOCKS Net Sym Close Chg How to Read the Stock Tables The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are composite quotations that include primary market trades as well as trades reported by Nasdaq BX (formerly Boston), Chicago Stock Exchange, Cboe, NYSE National and Nasdaq ISE. The list comprises the 1,000 largest companies based on market capitalization. Underlined quotations are those stocks with large changes in volume compared with the issues average trading volume. Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher. Sym Close Chg Footnotes: i-New 52-week high. i-New 52-week low. dd-Indicates loss in the most recent four quarters. FD-First day of trading. h-Does not meet continued listing standards Sym Close Chg Sym Close Chg Sym Close Chg Stock Stock Stock Stock Mosaic MotorolaSol MurphyOil MurphyUSA NICE NIO NOV NRG Energy NVR NXP Semi Nasdaq NationalGrid NatiRetailProj NatWest NetApp NetEase Netflix Neurocrine MOS 51.89 MSI 239.00 MUR 48.41 MUSA 306.51 NICE 180.17 NIO 9.49 NOV 21.84 NRG 43.37 NVR 4129.72 NVP1 148.61 NDAQ 60.72 NGG 54.90 NNN 42.25 NWG 5.39 NTAP 68.87 NTAP 68.87 NTAP 58.87 NTAP 5 RepublicSvcs RSG 130.32 -0.86 ResMed RMD 218.00 -2.87 RestaurantBrands QSR 58.13 -0.84 RevfordIndRight RRXR 54.36 -0.82 ReynoldsCnsrrr REYN 29.58 -0.62 RiOTINTO RIO 52.78 -2.19 RitchieBros RBA 61.82 -3.31 ICE InterContine IBM IntIFlavors IntIPaper Interpublic Intuit ICE IHG IBM IFF IP IPG INTU EquityResdntl EQR 61.85 ErieIndemnity A ERIE 258.51 EssentialUtil WTRG 43.71 EssexProp ESS 216.32 -1.40 3.51 -0.43 -5.07 92.63 53.30 136.83 94.26 32.72 29.08 385.03 -1.39 -1.47 -1.37 -1.19 -0.81 -0.74 -9.74 -2.5 -2.9 -1.4 12.1 EL 189.96 ETSY 87.54 RE 321.87 EVRG 60.77 | Intuit | INTU | 385.03 | IntuitiveSurgical | ISRG | 236.13 | InvitatHomes | INVH | 31.46 | IndianComm | IRDM | 50.30 | IronMountain | IRM | 49.18 | ItauUnibanco | ITUB | 5.72 standards If-Late filing q-Temporary exemption from Nasdaq requirements. t-NYSE bankruptcy v-Trading halted on primary market. vJ-In bankruptcy or receivership or being reorganized under the Bankruptcy Code, or securities assumed by such companies. Wall Street Journal stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices from 4 p.m. the previous day. Wednesday, November 2, 2022 Stock Sym Close Chg Stock Sym Close Chg 45.55 39.56 10.06 119.22 32.28 A B C ABB 27.41 - 0.68 ADT 8.25 - 0.20 ACM 73.72 - 2.01 AES 25.83 - 0.51 AFL 66.69 - 0.12 AGC0 115.64 - 1.22 ANSS 209.45 - 9.79 APA 42.24 - 1.55 ASX 4.97 - 0.16 ASMI 446.33 - 29.05 ABT 98.04 - 1.27 BBB 14.52 - 2.39 -1.11 -8.99 -5.64 -0.83 Coca-ColaEuro CCEP Cognex CGRX CGRX CGRX CognizantTech CTSH CoinbaseGibl COIN ColgatePalm CL Comcast A CMCSA CommerceBcshrs CBSH SABESP SBS ConagraBrands CAG Concentrix CNXC Confluent CFLT ConocoPhillips COP ConEd ED ConstBrands A STZ ConstellationEner CEG ContinentalRscs CLR Cooper Coopart CPRT ASETech ASML AT&T AbbottLabs GRIEnvironmental GFL GSK GSK Gallagher Gamestop Gamestop GamingsLelsure GLP Garmin Garrnin Garrnin Garrnin General GeneralIbles GeneralIblis General | Conjunctional | Conjunction 26.02 33.12 185.35 Cooper Copart CorebridgeFil Corning Corteva -0.23 -1.46 **-4.85 -6.09** -0.64 -7.15 -1.94 -1.88 GileadSciences GILD GitLab GTLB GlobalPayments GPN GlobalFoundries GFS Globant GLOB GlobeLife GL GlobusMedical GMED DCP Midstream DCP DISH Network DISH DTE Energy DTE DXC Tech DXC Danaher DHR Darden DRI DarlingIngred DAR 38.55 14.55 111.02 GDDY GFI GS GRAB GGG GWW GPK PAC ASR HCA HDB DINO HPQ HSBC HTHT HLN HAL GoDaddy GoldFields 28.16 242.54 -139.71 77.76 **G 74.48** LIN 294.34 -3.83 Ent LYV 76.78 -2.65 Eng LYG 1.87 -0.06 INT 482.06 -3.57 L 55.51 -0.98 El LOGI 49.34 -0.87 LOW 185.71 -7.84 LCID 13.34 -0.28 LULU 316.06 -14.30 LUMN 7.05 -0.38 sell LYB 78.20 -0.27 ·13.28 61.41 60.95 26.98 26.10 **31.55** 6.04 35.79 47.38 -2.82 CaresarsEnt. CZR 44,08 CamdenProperty CPT 111,89 CamdenProperty CPT 111,89 Cameco CD 22,08 CambpbellSoup CPB 52,26 CanbillRiwy CNI 116,06 CanNaturalRes CNQ 59,90 CanPacRiwy CNI 14,06 CannaturalRes CNQ 59,90 CanPacRiwy CNI 14,06 Carlisle CNI 29,90 Carlisle CNI 29,00 Carlisle CNI 29,00 Carlisle CNI 29,00 Carlisle CNI 28,00 Caterpillar CNI 21,50 Caterpillar CNI 28,00 Centene CNI 28,11 Centrals Elbras EBR 9,34 CeridianHCMI CNI 15,50 Cherkopoint CNI 215,75 Charlindustries GTI 218,94 CheniereEnery LNG 178,62 CheinereEnery LNG 178,62 CheinereEnery LNG 178,60 CheinereEnery CNG 18,50 CheinereEnery CNG 178,50 ChewyA CNinaEastrnAir CEA 16,72 Wednesday, November 2, 2022 **ETF** Symbol Price (%) (%) 16.34 -1.02 -1.53 -4.75 -0.24 -1.17 -4.47 0.18 -6.48 -7.08 -3.18 11.44 -0.69 ETF CnsmrDiscSelSector CnsStapleSelSector DimenUScoreEgo EnSelSectorSPDR FinSelSectorSPDR FinSelSectorSPDR InvsCQOII InvsCSxPS00EW IShCoreDIvGrowth IShCoreMSCIEAFE IShCoreMSCIEM IShCoreMSCIEM IShCoreMSCIEM IShCoreMSCIEM AnteroResources AR Aon AON ApellisPharm APLS ApolloGlbMgmt APO Apple AAPL ApplMaterials AMAL Apple APP Aon ApellisPharm ApolloGlbMgm | MarinMarietta | MLM 22.89 | | MarvellTech | Mart 39.05 | | Masco | MAS 44.12 | | Masco | MAS 44.12 | | Massimo | MAS 1126.80 | | Mastercard | MA 319.82 | | MatadorRscs | MTDR 67.37 | | Mattle | MAT 18.06 | | McCormick | MKC 77.23 | | McDonald's | MCD 270.37 | | McKesson | MCK 389.79 | | MedicalProp | MCD 270.37 | | MedicalProp | MCD 18.78 | | MeradalLibre | MEL 851.28 | | MeradalLibre | MEL 851.28 | | MeradalLibre | MEL 851.28 | | MetaPlatforms | MET 73.57 | | Mettlef | MET 73.57 | | Mettlef | MTD 123.81 | | Mccontinet | MUD 135.78 | | MitsubishiUF | MJFG 2.13 | | Midamapt | MAA 153.21 | | Midamapt | MAA 153.21 | | Middleby | MID 155.79 | | MitsubishiUF | MJFG 4.79 | | Moligned | MBL 12.54 | | Mollege | MBL 12.54 | | MongoDB | MBL 13.22 | | MongoDB | MBL 13.22 | | MongoDB | MDB 13.22 | | MongoDS MRVI 39.05 -0.69 MAS 44.12 -1.54 MAS 140.80 -4.83 MA 319.82 -13.37 MTDR 67.37 -1.09 MTCH 45.74 -1.84 MAT 18.06 -0.89 MKC 77.23 -1.36 MCD 270.37 -2.58 MCM 389.79 -7.75 MPW 11.01 -0.54 MEDP 210.12 -12.19 MDT 85.78 -1.96 MEN 99.40 -0.36 MEN 99.40 -0.36 MEN 99.40 -0.36 MEN 73.57 -0.37 Hologic HomeDepot HondaMotor Honeywell HorizonTherap 0.12 -7.33 DBX DUK DD DT EME -1.01 -0.86 1.84 **-2.17** -4.00 -0.43 -0.72 Dropbox DukeEnergy DuPont ArcherDaniels ADM 9:380 -1.73 AresMgmt ARES 76.63 -1.46 ArGEN-X ARRS 371.70 7.37 AristaNetworks ANET 125.04 -2.67 Arswelled ARRS 371.70 7.37 Arshaletworks ANET 125.04 -2.67 AspenTech ARW 101.02 -2.68 AscendisPharma ASND 113.94 -2.72 AspenTech AZPN 2558 -5.71 Assurant AZPN 2558 -5.71 Assurant AZN 59.70 -0.15 Atlassian TEAM 172.40 -19.34 AtmosEnergy ATM 10.19.55 -0.72 Autodesk ADK 193.81 -14.67 Autodiv Alty 79.12 -1.85 ADP AJR 38.46.67 Autodose ADK 193.81 -4.61 Avanord AGR 40.69 0.08 Avantor AVTR 192.8 -0.70 AveryDennison AVY 165.50 -32.8 AvisBudget CAR 21.91.81 -1.34 AxonEnterprise AXON145.22 -2.23 HorizonTherap HormelFoods DR Horton HostHottels HowmetAerospace Hubbell HubSpot Huntana JBHunt Huntingingalls LyattHotels ICL Group IdexxLab ING Groep Invesco IQVA ITI LeahnEnterprises Loon Dynatrace DT EMCOR EME ENI E EOG Rscs EOG EPAM Systems EPAM EDG RSCS EDAM SYSTEMS EPAM SYSTEMS EPAM SYSTEMS EPAM EQT EQT EQT EASTWAND EAST EASTWAND EAST EASTWAND EASTWAND

| HuntingtonBochs | HBAN | 1498 | -0.30 | HBAN

ETR 108.76 ETR 108.76 d EPD 24.80 EFX 161.86

Equinix Equinor Equitable EquityLife

e Chg	Stock	Sym	Close	Chg	Stock	Sym	ı Close	Chg	Stock	Sym	Close	Chg
9 -2.56	RepublicSvcs	RSG	130.32	-0.86	STMicroelec	STM	30.18	-1.14	UnitedRentals	URI	309.45	-11.75
0 -2.99	ResMed	RMD	218.00	-2.87	Stryker	SYK	211.97	-8.12	US Bancorp	USB	41.75	-1.13
1 -1.47	RestaurantBrands		58.13	-0.84	SumitomoMits		5.65	0.03	1 UnitedTherap	UTHR	253.65	25.26
1 -12.16	RexfordIndlRealty		54.36 29.58	-0.82	SunComms SunLifeFinancia	SUI	129.99 41.68	-4.39 -0.61	UnitedHealth		543.43 26.59	-3.88 -2 34
7 -5.46 9 -0.22	ReynoldsCnsmr RioTinto	RIO	52.78	-0.62 -2.19	SuncorEnergy		34.09	-0.95	UnitySoftware UniversalHealthB	UHS	113.13	-4.19
4 -0.66	RitchieBros	RBA	61.82	-3.31	Suzano	SUZ	9.96	-0.31	UnumGroup	UNM	44.90	-0.78
7 -0.66	Rivian	RIVN	31.52	-1.96	Switch	SWCH	33.95	-0.04	VF	VFC	27.50	-1.13
2-119.57 1 -3.24	RobertHalf	RHI	76.01	-1.32	SynchronyFin	SYF	34.94 281.11	-0.96 -10.06	VICI Prop VailResorts	VICI	32.01 214.26	-0.69 -6.48
2 -1.63	Robinhood Roblox	HOOD RBLX	11.40 42.87	-0.52 -1.44	Synopsys Sysco	SYY	81.45	-2.66	Valle	VALE	12.77	-0.46
6 -0.04	RocketCos.	RKT	6.61	-0.30	-	_	1/		ValeroEnergy	VLO	125.83	-4.17
5 -0.03	Rockwell	ROK	235.38			U	V		ValmontInds		312.16 158.45	-8.91 -5.30
9 -0.09 7 -2.15	RogersComm B Roku	RCI ROKU	41.64 54.32	-0.49 -2.47	TC Energy	TRP	44.03	0.27	VeevaSystems Ventas	VEEV	37.37	-5.50
9 -0.28	A Rollins	ROL	41.87	-0.33	TD Synnex	SNX	91.14	-1.20	VeriSign	VRSN	186.61	
0 -13.75	RoperTech	ROP	403.12	-10.59	TE Connectivity Telus	TEL	20.62	-9.80 -0.17	VeriskAnalytics	VRSK	169.33	-12.14
6 2.70 8 0.58	RossStores	ROST	92.60	-2.08	TelusIntl	TIXT	23.78	-0.84	Verizon VertexPharm	VZ VRTX	37.71 310.01	0.34 -4.19
3 -2.18	RoyalBkCanada RoyalCaribbean	RCI	91.72 49.66	-0.75 -2.32	TFI Intl	TFII	91.46	-1.24	Viatris	VTRS	10.07	-0.18
2 -0.50	RovalGold	RGLD	92.07	-5.06	TJX	TJX	70.29	-1.47	Visa	V	200.95	-5.98
7 -0.52	RoyaltyPharma	RPRX	42.27	0.05	I T-MobileUS TPG	TMUS TPG	150.02 31.32	-2.26 -0.40	Vistra	VST	22.87	0 67
1 -5.55 8 -0.43	RyanSpecialty	RYAN RYAAY	43.67 66.45	-1.55 -2.54	TRowePrice	TROW	104.66	-2.03	VMware Vodafone	VIVIVV	11.88	-0.67
0 -3.47	Ryanair SAP	SAP	93.97	-2.54	TaiwanSemi	TSM	60.52	-1.06	VoyaFinancial	VOYA	66.86	-1.65
2 -0.21	S&P Global	SPGI	310.74	-5.39	TakeTwoSoftware TakedaPharm		13.55	-2.76 -0.15	VulcanMatls	VMC	162.91	-1.88
4 -0.08	SBA Comm	SBAC		-7.41	Tapestry	TPR	30.59	-1.57	W 2	/ V	Z	
-0.29 5 -4.40	SEI Investments	SEIC	54.05 19.61	-0.47 -0.06	TargaResources			-1.50		` '		
0 -4.59	SK Telecom SS&C Tech	SSNC		-2.03	Target	TGT	160.20	-4.39	WEC Energy	WEC	90.25	-1.70
8 -0.34	StoreCapital	STOR	31.63	-0.10	TataMotors TeckRscsB	TTM	25.27	-0.38 -0.92	WEX W.P.Carey	WEX	156.62 75.37	-9.11 -1 33
0 -5.58 6 -0.70	SVB Fin	SIVB	213.05		TeledyneTech	TDY		-10.28	WPP	WPP	44.00	-0.90
5 -0.70 5 -0.44	Salesforce Sanofi	CRM SNY	150.01 42.94	-9.81 -0.05	Teleflex	TFX		-10.84	Wabtec	WAB	90.45	-3.31
9 -0.47	SareptaTherap		113.42	-0.66	Ericsson TelefonicaBras	ERIC	5.45 7.84	-0.12 -0.15	WalgreensBoots	WBA	35.81 140.75	-0.45 -0.94
3 6.80	Sasol	SSL	15.59	-0.18	Telefonica	TEF	3.47	-0.15	Walmart WarnerBrosA		12.68	-0.94
5 -1.85 -0.30	Schlumberger		51.14	-0.41	TelekmIndonesia		26.54	-1.33	WarnerMusic		25.41	-1.27
2 -5.78	SchwabC Sea	SCHW SE	78.93 47.27	-0.96 -1.84	Tenaris	TS	30.92	-0.72	WasteConnections	WCN	129.96	-0.94
4 -0.73	! Seagate	STX	49.49	-1.54	TencentMusic Teradyne	TER	3.74 79 44	-0.02 -2.78	WasteMgt Waters	WM WAT	155.22 295.74	-1.30 -11.70
8 -2.80 9 -3.24	Seagen	SGEN	129.10	2.41	Tesla	TSLA	214.98	12.84	Watsco	WSO	266.87	-5.73
9 -5.24	SealedAir Sempra	SEE	42.42 150.54	-2.00 -0.91	TetraTech	TTEK		-3.93	WebsterFin	WBS	52.67	-1.91
	ServiceCorp	SCI	67.52	6.37	TevaPharm TexasInstruments	TEVA	8.76 158.49	-0.36 -4.41	WellsFargo Welltower	WFC	46.88 58.86	-0.07 -1.24
2 -0.50	ServiceNow	NOW	392.68	-25.88	TexasPacLand	TPL		-13.18	Wescolntl		137.28	-3.02
6 -1.00	ShawComm B Shell	SJR	25.86 54.91	-0.31 -0.93	TexasRoadhouse			-0.60	WestFraserTimber	WFG	72.70	-3.57
1 -18.89	SherwinWilliams		215.73	-9.05	Textron ThermoFisherSc	TXT	67.20 490.98	-1.31 -26.71	WestPharmSvcs WestAllianceBcp		219.53 64.65	-9.97 -3.58
0 -2.70 3 -4.07	ShinhanFin	SHG	24.96	-0.64	ThomsonReuters	TRI	102.30	-0.54	WesternDigita	WDC	34.58	-1.12
9 -12.48	ShockwaveMed Shopify	SWAV	283.59 33.51	-8.46 -1.28	3M	MMM		-2.44	WesternMidstrm	WES	27.93	-0.37
8 -0.01	Sibanye-Stillwater		9.11	-0.40	Toast Toro	TOST	20.05 102.40	-1.96 -2.72	Westlake WestRock	WLK WRK	96.07 33.57	-2.03 -0.48
4 -1.40 8 -0.69	SignatureBank	SBNY	146.66		TorontoDomBk		63.51	-0.86	Weyerhaeuser		29.66	-0.73
3 -1.47	SignifyHealth	SGFY	29.20 111.61	-0.02 -2.23	TotalEnergies	TTE	54.79	-1.06	WheatonPrecMet	WPM	31.34	-1.66
1 -1.63	SimonProperty SiriusXM	SIRI	6.07	0.01	ToyotaMotor TractorSupply	TM	135.39	0.23 -9.12	Whirlpool Williams	WHR	131.62 33.04	-5.75 -0.40
5 -0.95 2 -1.99	Skyworks	SWKS	83.39	-3.03	TradeDesk	TTD	49.50	-3.58	Williams-Sonoma		115.53	-9.27
0.05	SmithAO	AOS	53.70 22.98	-0.90	Tradeweb	TW	55.26	-0.40	WillisTowers	WTW	220.13	-1.07
3 -0.46	Smith&Nephew Smucker	SJM	149.26	-0.89 -0.05	TraneTech TransDigm	TT TDG	160.81 557.71	1.02 -17.81	WillScotMobile Wipro	WSC	41.46 4.63	-1.56 -0.10
8 -0.08 1 -1.30	Snap	SNAP	9.54	-0.71	TransUnion	TRU	54.16	-2.44	Wolfspeed	WOLF	71.04	-5.75
5 -1.42	SnapOn	SNA	220.03	-1.84	Travelers	TRV	182.31	-0.47	WoodsideEnergy	WDS	23.44	-0.34
3 -3.15	Snowflake SOQUIMICH	SNOW SQM	147.75 91.51	-11.75 -2.25	Trimble	TRMB		-6.24 0.96	Workday	WDAY	143.51	-8.09
1 -2.28	SolarEdgeTech			-7.67	Trip.com TruistFinl	TEC	43 92	-0.90	WyndhamHtls WynnResorts		73.02 67.13	-2.11 -0.73
3 -0.38 3 -3.08	Sony	SONY	71.37	-2.64	Twilio	TWLO	67.39	-7.69	XP	XP	19.25	-0.73
5 -0.89	SouthState	SSB	88.23	-2.42	! TylerTech	TYL	296.56	17.68	XcelEnergy	XEL	65.31	-0.59
8 -3.92	Southern SoCopper	SO SCCO	64.80 47.99	-0.73 -2.02	TysonFoods	TSN UBS	67.44 15.72	-0.56 -0.23	Xylem YumBrands	XYL YUM	104.27 117.37	-1.27 -0.78
2 -0.45	SouthwestAir		36.50	-0.44	UBS Group UDR	UDB	38.84	-0.23	YumChina	YUMC	46.32	3.26
3 -2.29 0 -1.25	SouthwesternEner	SWN	6.65	-0.15	UGI	UGI	34.70	-0.93	ZTO Express	ZTO	17.57	-0.20
4 -2.05	Splunk	SPLK	76.76	-6.09	US Foods	USFD		-0.87	ZebraTech		236.03	-2.27
2 -0.43 8 -8.99	Spotify StanleyBlackDck	SPOT	75.00 73.28	-5.17 -3.31	Uber Ubiguiti	UBER UI	28.81	-0.94 -9.23	Zendesk Zillow C	ZEN 7	76.40 29.50	-0.32 -1.48
-2.62	Starbucks	SBUX	84.58	-2.52	UiPath	PATH	11.16	-1.17	Zillow A	ΖG	29.43	-1.53
-2.38	StarwoodProp	STWD	20.12	-0.69	UltaBeauty	ULTA	406.77	-15.23	ZimmerBiomet	ZBH	107.69	-4.15
5 -5.39 0 -3.56	StateStreet SteelDynamics	STT	73.88 92.36	-0.52 -4.35	Unilever UnionPacific	UL UNP	44.92 192.53	-0.58 -4.29	ZionsBancorp Zoetis		49.49 147.36	-2.12 -5.36
5 -26.26	Stellantis	STLA	13.37	-0.36	UnitedAirlines		41.11	-1.55	ZoomVideo	ZM	78.60	-4.29
7 -14.32	Steris	STE	165.95	-6.92	UnitedMicro	UMC	5.89	-0.10	ZoomInfoTech	ZI	30.81	<u>-12.69</u>
5 -3.66	StifelFinancial	SF	62.18	-0.66	UPS B	UPS	164.58	-2.82	Zscaler	ZS	138.09	12.30
7 <u>-0.19</u> 5 0.06												
0 -4.53												
9 -2.01 4 -2.52	Excha	ng	e-T	rac	led Por	tfo	olio	5	WSJ.com/	ETFr	esea	ırch
5 -1.62 2 -6.45												
5 -0.28			1.	argest	100 exchange	-trade	d funds	lates	t session			
4 -0.24 7 -0.94				a. gest	100 exchange	crude	G Turius	, idea	50551011			
0 0 0 4						- 1				Claste	Ch	VTD

JPMEquityPrem JPM UItShincm SPDRBim:3MTB SPDR Gold SPDRBim:3MTB SPDR Gold SPDRBim:3MTB SPDR Gold SPDRBim:3MTB SPDR Gold SPDRS SPDOValue SCHWABUS DL SCHWABUS DL SCHWABUS SL SC | JEPST | 53.35 | 53.55 | 53.55 | 59.57 | 53.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.65 | 59.6 -3.78 -1.74 -2.54 -1.24 -1.26 -1.70 -1.76 -1.70 -1.76 -1.70 IShCore-S&P SC IShCore-S&PTOTUS IShCore-S&PTOTUS IShCore-TotalUSDBd IShCore-USAggdBd IShSeleetDividend IShSeleetDividend IShSesAware-USA IShEdgeMSCIUSAQual IShGddTr IShIBoxxSHYCpBd IShIBoxxSHYCpBd IShIBoxXSHYCpBd IShIBSXSHXOFCPBd IShIMSSCIACWI ISHMSCIACWI IS -1.16 -0.75 -0.94 -2.03 -4.83 **-1.09** ShIP-J HOUNDED ShPfdSIncon ShPussell1000Gwth ShRussell1000Val IShRussellMid-Cap IShRussellMid-Cap IShRussellMid-Cap IShRussellMid-Cap IShRussell1000 IShSEP500Growth IShSEP500Value IShSIPOVAlue IShSIPOTTreaBd IShIPSBondETF IShI-3YTreasuryBd IShIPSTreaBd IShVSTreaBd IShVSTreaBd IShVSTreaBd 102.84 206.71 57.79 140.97 109.76 106.13 80.74 94.03 96.35 22.34 -0.23 -0.05 -0.17 -0.43 -0.16

New Highs and Lows

AxonEnterprise AXON
BCE
BHP Group
BJ'sWholesale
BJ
BOKF Fin
BOKF

Ball BALL
BancoBilbaoViz BBVA
BancoBradesco BBDO
BancodeChile BCH
BancSanBrasil BSBR

BIDU BakerHughes BKR Ball BALL 35.37 16.72 27.14 1407.98

ChinaSoAirlines ZNH 27.14
Chipote MG 1407.98 - ChoiceHotels CHH 127.6
ChoudeLers CHH 127.6
Churdhillows CH 210.5
Church Chubb CH 210.5
Church Chubh CH 32.5
Church Churchillinowns CHDN 203.42
Clena CH 320.86
ClinclinatiFin [Mr 99.05
Cintas CTAS 415.81 - CiscoSystems CSCO 44.57

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE

American and Needer Chall Market shade that hit a new 52 week introduction or law			.g		, ==	,	111/20 0119		/ Lo ding brook	-,	
American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low	ScorpioTankers STNG 52.26 -	-3.1 AmVirtualCloud AVCT 1.04 -8	3.7 CoeptisTherap COEP	4.45 -8.8 FirstRepBkPfdH FR	CpH 19.06 0.6	LXP Ind Pfd C LXPpC	46.82 -1.0	PacGE pfH PCGpH 1	6.07 -2.0 SmileDirec	ctClub SDC 0	0.70 -3.5
in the latest session. CHG -Daily percentage change from the previous trading session.											
	7AcqnA SVNA 10.17		3.9 ColliersIntl CIGI	86.07 -4.9 FirstRepBkPfdl FR	Cpl 21.01 -0.8				.7.77 -5.4 SocketMo		1.84 -3.3
	SilverSpikell A SPKB 9.99	0.1 AnywhereRealEst HOUS 6.80 -6	5.9 ColombierAcqnWt CLBR.WS	0.02 -16.0 FirstSavingsFin FSI	F G 22.18 0.9	LendingClub LC	9.82 -5.0	PacWestBncpPfdA PACWP 2	4.30 -0.4 SolenoThe	erap SLNO 0	0.95 -0.2
Wednesday, November 2, 2022	SportsVenturesA AKIC 10.03	Applovin APP 15.99 -6	5.1 ComputerPrograms CPSI	25.90 -19.1 FirstWaveBio FW			48.71 -4.9	PagayaTechWt PGYWW	0.12 -20.0 Sono	SEV 1	1.29 -0.8
Treamentally, Iteration at Education	SpringValleyll SVIIU 10.36		3.6 ContainerStore TCS	4.45 -12.0 FormFactor FO					9.40 -11.9 SoteraHea		6.27 -8.7
52-Wk % 52-Wk % 52-Wk %											
	StellarBancorp STEL 34.47 -	-0.1 ArbeRobotics ARBE 4.26 -11	L.3 CorazonV838 Wt CRZNW	0.01 196.0 FreightTech FR					.6.76 -12.4 SoundHou		2.36 -8.0
Stock Sym Hi/Lo Chg Stock Sym Hi/Lo Chg Stock Sym Hi/Lo Chg	SuperMicroComp SMCI 85.95 1	L2.5 ArgoBlockchain ARBK 0.81 -6	5.0 CoreScientific CORZ	0.16 -6.2 FusionAcqnIIWt FSN	B.WS 0.01 -1.9	LoopMedia LPTV	3.80 0.4	ParamountPfdA PARAP 2	6.86 -7.9 Southern	Vts20 SOJD 18	8.91 0.1
E	SustDevtl A SDAC 9.97	ArgoBlockchainNts ARBKL 2.39 -16	5.5 Cuentas CUEN	0.33 FutureHealthWt FHI	LTW 0.02 -9.6	LuciraHealth LHDX	0.82 -9.8	PaxMedica PXMD	1.70 -11.9 SouthernNts	2020C SOJE 17	7.40 -0.6
Enact ACT 28.37 4.5 KLX Energy KLXE 16.27 0.3			0.3 CuriosityStrmWt CURIW								0.02 -44.4
Highs EnergemA ENCP 10.22 0.4 KademSustA KSI 9.92 0.1						M&T Bank Pfd H MTBpH				SPOT 74	4.85 -6.4
EnergyRecovery ERII 26.34 -3.6 KairousAcqn KACL 10.14 0.2			3.7 Cushman&Wkfd CWK					PebblebrookPfdE PEBpE 1	7.61 2.1 Spotify		
Aflac AFL 68.12 -0.2 EnLinkMid ENLC 12,65 0.6 KismetTwoA KAII 10.00 0.2			2.4 CustomersBncpNt34 CUBB			2 MagicEmpire MEGL	2.35 -7.1	Perfect PERF	7.09 -20.2 Staffing36	50 STAF 2	2.31 -3.3
	Tenneco TEN 19.90 -	-0.2 Atento ATTO 2.40 -11	L.6 CycloTherap CYTH	1.38 -22.5 Gelesis GLS	S 0.30 -20.5	MaravaiLifeSci MRVI	15.20 -6.5		0.04 -46.6 StewartInt	fo STC 37	7.84 -1.6
	TexasRoadhouse TXRH 101.29 -	-0.6 AvenueTherap ATXI 2.12 -8	3.5 CyxteraTech CYXT	2.35 -8.9 GelesisWt GLS	S.WS 0.01	. Materion MTRN	67.26 -21.5			dsWt SNAXW 0	0.03 -48.1
AbriSPACI ASPA 10.55 EnterpriseFinSvcs EFSC 54.31 -0.8 LambWeston LW 88.04	TimberlandBncp TSBK 31.38	2.4 Avient AVNT 28.17 -18	3.9 DHB Capital Wt DHBCW		RC 104.81 -7.8		18.00 -4.7				0.80 -0.3
ActiniumPharm ATNM 14.79 8.8 EpiphanyTechA EPHY 9.98 0.2 LongviewII A LGV 10.02											
Adeia ADEA 11.85 0.6 ErieIndemnity A ERIE 262.44 1.4 Macatawa MCBC 11.63 2.0			0.2 D-WaveQuantum QBTS	2.50 -15.8 GeniusGroup GN	S 0.82 -1.3	Matterport MTTR	3.11 -9.1		8.57 -3.1 SuperCom		0.22 -1.4
AerojetRocket AJRD 50.09 0.9 Euronay EURN 19.22 -1.0 MammothEnergy TUSK 6.37 5.1			2.1 Datadog DDOG		T 4.20 -4.9	mCloudTech MCLD	0.81 11.1	PriveterraAconWt PMGMW	0.02 -35.5 Synlogic		0.80 -3.9
	TransportadGas TGS 9.27 -	-0.3 Aware AWRE 1.40 -7	7.0 Dave DAVE	0.26 -12.7 GlobalIndl GIC	22.81 -25.9	MedicusSciWt MSACW	0.01 -45.8		0.52 -1.3 System1	SST 4	4.80 -1.0
AhrenAcqnA AHRN 10.14 0.2 EverestRe RE 328.10 1.8 MarlinTechA FINM 10.04			5.8 DigitalBrdgPfdH DBRGpH								0.16 -7.9
AmalgamFin AMAL 25.46 1.9 FTACEmeraldA EMLD 9.96 0.3 McDonald's MCD 276.67 -0.9						Metlife pfA METpA			LAT TODO THE		1.46 -3.3
Amgen AMGN 274.88 -1.1 FinTechVI A FTVI 10.01 0.2 McGrathRent MGRC 97.63 -1.5	Trustmark TRMK 37.06 -						2 (7 00				
AnthemisDigA ADAL 10.18 0.3 FstCmntyBcsh FCBC 38.00 -1.1 McKesson MCK 399.42 2.0	UFP Tech UFPT 106.46 1		2.4 DukeEnerDeb78 DUKB	23.30 -0.8 GreenidgeGen GR	EE 0.82 -7.7	MicrobotMed MBOT	3.6/ -0.8	Pulmonx LUNG 1	2.76 3.1 TFF Pharm		1.47 -35.6
AppliedIndITechs AIT 130.47 -3.5 FirstInterBanc FIBK 46.34 -0.5 MedTechAcan MTACU 10.40 4.0						Mind CTI MNDO			0.08 -9.7 TPG RE Fi		.6.27 -2.2
	UnitedTherap UTHR 259.18 1	11.1 BabcockWilcoxPfdA BWpA 16.71 -2	2.6 Eargo EAR	0.56 -6.8 GpoAvalAcc AV	AL 2.07 -2.3	Missfresh MF			9.20 -2.0 Talkspace	TALK 0	0.64 -2.5
ArdmoreShipping ASC 14.30 -1.0 FirstSolar FSLR 154.75 1.0 MetLife MET 75.52 -0.5		-1.7 BakktWt BKKT.WS 0.43 -2	2.1 EastStoneAcqn ESSC	8.07 -17.3 GuardforceAl GF					7.20 -2.0		0.12 -4.1
AthenaTechII A ATEK 9.98 0.2 Flex FLEX 20.15 -2.0 MissionAdv MACC.U 10.01			0.6 EdocAcanRt ADOCR				25.25 -1.6		0.00 -10.0 Took CTolor		0.02 -51.4
AtlCoastal II A ACAB 10.10 0.3 FortressVal III A FVT 10.03 0.3 ModineMfg MOD 18.38 -7.4								Quotient QTNT	0.06 -12.4 Tech&Telec		
AusterlitzII A ASZ 9.98 0.1 Freedoml A FACT 10.00 0.1 MolsonCoorsA TAP.A 70.95 3.1			3.0 EdtechX II Wt EDTXW					Qutoutiao OTT	0.32 -14.1 ThredUp		1.07 -7.0
	ViveonHealth VHAQ 10.49	0.4 BaxterIntl BAX 51.91 -3	3.4 ElliottOppIIWt E0CW.WS	0.09 -26.3 Hanesbrands HB	6.58 -4.3	MongoDB MDB	163.20 -10.0		5.93 -15.5 TopBuild	BLD 147	7.61 -5.9
BWX Tech BWXT 58.42 -1.1 FrontierAcqnA FRON 9.99 0.1 MountRainier RNER 10.15 0.1	WabashNational WNC 22.66 -	-2.4 Beachbody BODY 0.90 -5	5.6 ElysGameTech ELYS	0.27 -6.5 HartfordFinPfdG HIC	5pG 24.02 -1.0	Mountain Wt MCAAW	0.03 -24.5			TREX 40	0.22 -8.4
BankFirst BFC 88.47 -0.5 Gaming&HospA GHAC 9.96 0.2 NOW DNOW 13.51 -0.9	WorldwideWebbA WWAC 10.07	0.1 BedBath BBBY 4.02 -8	3.4 EmbarkTech EMBK	5,44 -8,3 Hasbro HA		MyriadGenetics MYGN	15.91 -6.9		.9.34 -13.7 Tri-Cont D		4.25 -1.0
BanyanAcqnA BYN 10.10 0.3 GenworthFin GNW 4.95 1.3 Nathan's NATH 70.54 2.6	VOIGWIGEVEEDIA VVVAC 10.07		9.7 EnergyVault NRGV	2.80 -0.7 Herbalife HL		NSTS Bancorp NSTS	10.54	ReadyCapPfdC RCpC 1	7.86 0.8 Tricida		0.28 -8.7
Belden BDC 74.95 1.0 GesherlAcqn GIACU 10.29 0.6 NatrlOrderAcqn NOAC 10.06 0.2	XPACAcqn XPAX 9.88							RedCat RCAT			
			2.0 EnsysceBio ENSC		KA 67.02 -6.7				0 12 2 FINNET		2.44 -3.2
	Lows	Biolase BIOL 1.76 -1	L.1 Entegris ENTG	62.45 -21.0 HighlandIncmPfdA HFR	RODA 19.03 -2.8	NeuroBoPharm NRBO	6.81 -2.0			ts2025 TRINL 24	4.54 1.0
BigSkyGrowthA BSKY 9.91 0.2 GlenfarneMergerA GGMC 9.93 0.2 NobleRockA NRAC 10.02 0.3	LOWS		B.6 EnteraBio ENTX	0.68 -7.9 HomeStreet HN		NeuroMetrix NURO			3.07 TritiumDC	FC DCFC 1	1.82 -10.7
Biogen BIIB 287.37 -0.6 GlbPtrll A GPAC 10.03 0.1 NortheastBank NBN 43.77	ACI Worldwide ACIW 20.02 -1		0.7 EntergyBds66 EAI	20.36 -0.2 HorizonBancorp HB		NeuroPace NPCE	2.34 -18.5	RenaissancePfdF RNRpF 2	1.40 -0.6 TruictFinIC		0.84 -0.3
BioPlusAcqnA BIOS 10.16 0.3 GlobalPtrII GPACU 10.02 0.1 NortheastCmBncp NECB 13.65 -0.9	A2ZSmartTech AZ 1.12 -							Repay RPAY			
CCNeubergerIII A PRPC 10.02 0.1 GoresTechII A GTPB 9.94 0.2 OCA Acqn A OCAX 10.15 0.1	AZZSMartiech AZ 1.12		5.7 EntergyLA Bds66 ELC	21.00 -0.6 HorizonGlobal HZ		NewVistaAcqnWt NVSAW	0.02 55.8		E 74 22 2 TruistFinie		.8.65
	AxiosSustGrwWt AXAC.WS 0.03 -3		2.2 EntergyMS Bds EMP	20.55 -0.6 HothTherap HO			12.85 -3.7		7.85 -0.6 Trupanion		4.36 -8.7
	AXIS CapPfdE AXSpE 19.21 -	-1.4 BrenmillerEner BNRG 2,52 -11	L.5 EntergyNOLA Bds ENJ	22.03 -0.3 HudsonExecll Wt HC	IIW 0.01 -46.3	l Newmark NMRK				re TUP 4	4.20 -41.7
CarneyTechII A CTAQ 10.02 GrandCanyonEduc LOPE 104.14 -0.4 Old2ndBcp OSBC 16.75 -0.3	AcelRxPharm ACRX 2.23 -	-8.1 BrighthouseDeb58 BHFAL 21.01 -0	0.7 EnthusiastGaming EGLX			Newmont NEM			0.02 -25.4 TylerTech	TYL 296	6.45 -5.6
CarticaAcqnA CITE 10.25 0.4 GulfIslandFab GIFI 5.42 6.0 OmegaAlpha OMEG 10.01 0.1	AchieveLifeSci ACHV 2.11 -		0.1 EnvericBiosci ENVB	3.22 -2.4 IkenaOncology IKN			4.43 -6.3	RockleyPhotonics RKLY	0.46 -11.5 UnityBiote		2.30 -14.5
CarticaAcgn CITEU 10.25 0.8 HBT Finl HBT 21.65 0.3 OmniLitAcgnA OLIT 10.12			2.6 EquitablePfdA EOHpA			Nextdoor KIND		Rogers ROG 12			6.59 -8.1
		4.9 BrilliantAcqnvvt BKLIW 0.01 2					2.34 -/./		2 10 07 011111930111		
	AcropolisInfrWt ACRO.WS 0.07 -1						0.02 /.2		0.20 0.2	61558 UNMA 22	
CatchalnvtA CHAA 9.98 -0.1 HarleyDavidson HOG 44.96 -1.3 Paccar PCAR 98.89 -1.3			2.7 EssexProp ESS	216.19 -2.3 InnovativeEyeWt LUC	YW 0.22 -27.3	NomuraHoldings NMR			.9.20 -0.2 UsanaHea	lth USNA 51	1.05 -4.7
CentralPuerto CEPU 5.13 -0.2 HarmonyBio HRMY 59.84 -1.3 Parsons PSN 48.66 2.0	AcuityAds ATY 1.51 -	-4.4 CHS Pfd CHSCP 27.05 1	L.3 EsteeLauder EL	187.85 -8.1 InozymePharma INZ		NorthernStrIII Wt NSTC.WS		SVB Fin SIVB 21		UXIN 3	3.36 -5.0
CheniereEnergy LNG 182.35 -0.7 HealthEquity HQY 79.20 -2.3 PathfinderA PFDR 9.99 0.3	Aditxt ADTX 2.20 -	-8.6 CMSEnerNts2078 CMSC 21.53 -0	0.5 EvolveTransit SNMP			NovaLifestyle NVFY	0.57 3.0	SVB Fin PfdA SIVBP 1	7.33 -0.6 ValleyNatl	DfdA VIVDD 2	2.02 -1.0
ChesapeakeEner CHK 107.31 1.1 HeartlandMediaA HMA 10.11 PearlHoldingsAcon PRLHU 10.11			0.7 Exagen XGN	2.32 -1.6 IntegratedWellWt WE		NovaVisionWt NOVVW		SchmittIndustries SMIT	1.15 -12.3 Vaxart	VXRT 1	1.54 -4.9
	AEye LIDR 0.79 -	-8.6 CMSEngyPfdC CMSpC 16.00 -0		0.21 -6.8 iRadimed IRM		NubiaBrandWt NUBIW					0.09 0.3
			L.8 Express EXPR	1.04 -2.7 JianzhiEduc JZ		NuvveHoldingWt NVVEW			0.00 -10.0 VickersVar	ntagel VCKAU 9	9.77 -5.6
ClarimAcqnA CLRM 10.02 ICF Intl ICFI 121.28 -1.5 PeriphasCapA PCPC 24.94 0.1	Agrify AGFY 1.35 -1	15.0 CadenceBkPfdA CADEDA 19.35 -1	L.2 EvePointPharm EYPT	4.89 -5.4 JonesLang JLL	. 141.09 -12.5	NuvveHolding NVVE	0.84 -10.6	SeabridgeGold SA 1	.0.26 -6.4 Vimeo	VMEO 3	3.34 -9.7
Constellation A CSTA 9.99 0.1 InsuAcqnIII A IIII 10.01 0.2 Plexus PLXS 103.23 -0.9			3.7 FOXOTechnologies FOXO		RM 2.22 -7.1		7.56 -6.1	Seagate STX 4			0.23 3.6
			9.4 FtacParnassusWt FTPAW			OmniAb OABI	2.41 -60.7		2.40 -4.5 VoyaFinIPt	fdB VOYA_DB 20	0.70 -1.5
								Calications CINA	4 21 24 0 VOYAFINIPI	OD ANADR 50	
CorceptTherap CORT 30.14 -3.7 IndustrsBachoco IBA 49.85 0.5 PrimaveraCapA PV 10.03			L.0 FTACZeusAcqnWt ZINGW					SelinaHosp SLNA	6.21 -36.8 VyantBio		1.50 -20.0
Corteva CTVA 68.43 -0.3 IntegratedWellA WEL 10.20 0.1 PrimeMedicine PRME 21.57 -3.8		-0.2 CardioDiag CDIO 2.01 -11	l.1 FaZe FAZE	2.68 -9.8 KKRRealEstFinPfdA KRE					6.70 -34.9 WesternU	nion WU 12	2.87 -4.3
CresceraCapA CREC 10.14 0.1 IntlSeaways INSW 44.85 -0.4 PrincipalFin PFG 89.27 -1.7	Alphabet A GOOGL 86.88 -	-3.9 Cardlytics CDLX 4.43 -53	3.4 FedAgriMtgPfdE AGMpE	20.57 -0.2 KalaPharm KA	LA 5.72 -6.0	OncoSecMedical ONCS	0.35 -8.5	SempraNts79 SREA 2	1.08 0.4 WiMiHolo	gram WIMI (0.98 -2.5
	Alphabet C G00G 87.01 -		9.3 FifthThirdPfdB FITBP			180LifeSci ATNF		SenseiBiotherap SNSE	1.33 -3.6 Winc		0.50 -4.9
			3.7 FifthThirdPfdK FITBO			Oragenics OGEN			1.63 -0.3 WiSA Tec	h WISA 0	0.43 -8.5
	Antentymerap AME 0.35-1					Only Clayering Oden		Chattariel als CTTY	2.51 0.7 WISA IEC	I WISA U	
DPCapAcqnIA DPCS 10.17 0.2 J.Jill JILL 22.47 5.6 Rambus RMBS 34.81 1.8			I.2 FinchTherap FNCH	1.24 -4.5 KearnyFinancial KR		OrbitalInfr OIG		ShattuckLabs STTK	2.51 -8.7 WrapTech	WRAP 1	1.07 0.9
			4.6 FirstCitizensPfdA FCNCP			Organovo ONVO	1.55 -5.4		.0.53 -6.6 XPeng		6.18 3.0
Dycominds DY 122.13 -3.3 JackCreekA JCIC 9.99 Renren RENN 32.81 -1.3	AmFinDeb AFGE 17.75	0.5 Cleveland-Cliffs CLF 12.21 -8	B.3 FirstFoundation FFWM	15.28 -5.0 Kingstone KIN		. Otonomy OTIC	0.09 -8.1	ShuttlePharm SHPH	2.25 -5.3 Y-mAbsTh	erap YMAB ?	3.25 -2.1
EDAP TMS EDAP 10.57 8.9 JawsMustangA JWSM 10.03 0.2 RevolutionHithcr REVHU 10.02	AmerFinDeb2060 AFGD 20.35 -		1.7 First HS Educ FHS	0.30 -15.1 LCI Inds LCI		OtterTail OTTR	56.03 -9.6		0.19 -13.6 ZebraTech		
		-1.3 CodeChainNew CCNC 0.14 4	1.3 FirstHorizonPfdB FHNpB						0.05 -48.1 ZimmerEn		0.10 -5.8
EmbraceChangeWt EMCGW 0.30 14.3 JupiterAcqn JAQC 9.83 0.5 ScienceApplicat SAIC 110.73 0.2	AmerSupercond AMSC 3.27 -2	23.4 CodexDNA DNAY 1.52 -2	2.5 FirstHorizonPfdE FHNpE	23.71 LL Flooring LL	6.00 -7.9	PSBusParksPfdX PSBpX	12.51 -2.8	SleepNumber SNBR 2	!5.04 -7.7 ZoomInfo1	iech ZI 30	0.12 -29.2
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RBC Bearings RBC RELX RELX R1 RCM RCM RPM RPM

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| tnotes | x and e | apply. x-Ex | -divide | end. z | -Footno | te x, | e and s | apply
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 | | | | 13 | .02 -0 | .01-16.9
 | | | -0.01-10.6 | HYCorAdm | lr 5.09
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10.72 | -0.44-20. | InPrSeIn
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 | .39 +0 |).02-11 | InflPrBdIndInsl | Pr 9.74 | -0.02-12 | .7 SysClob
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 | s 66.72 -1.8 |
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 | 1 27 0 | 12 0 | MidCplnxlnstPre | m 25.54 | -0.73-19 |
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 | nd 9.1 | 5 -0.11-19 | CoreBoi | nd 9 | | .UZ NA
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 | SAI | , o.o. 1, | CorePlu | SBO 6 | .99 | NA
 | HelSci | 88.77 | -1.79-14.7 | MidCpAdm | 1 246.45
 | -7.06-21.1 | TatRe2030 | 30.87 | -0.43 NA | SmCapInst
 | 87.44 -2.8 |
| | | | | | 0.01-11. | .0 00 | naMkt\/ | 2/2
 | 23 -0 | 10-10 | 2 SeriesOversea | as 9.96 | -0.19-30 |
 | | 7 -0 01-14 | 9 Changan | Dett A | 00 0 | 01 (4
 | LaCanGow I | 47.61 | -1.70-35.2 | IVIUHYAUITI | 9.82
 | +U.U5-15.5 | TatRe2035 | 19.02 | -0.29 NA | STIGradein
 | st 9.78 -0.0 |
| | | | | | -18 | 2 Em | nMktCorl | a 27.
Fa 18
 | 33 -0 | 1 08 2/ | SerLi ireBaio | 1X 5.66 | -0.02-32 | 2 USTreF
 | dldx 8.5 | 1 -0.02-14 | 3 Lord Ab | .IIIA P 3 | | .01 -0.4
 | MidCap | 86.66 | -2.47-26.1 | MUINTAGM | 10.10
 | | TatRe2040 | 33.30 | -0.55 NA | STIPSIXINS
 | 23.91 -0.0
9.25 -0.0 |
| | | | | | 10 | Int | CoreFa | 1 12
 | 16 -0 | 18-22 | 4 TMIchidylactDro | III ZZ.Z4
m10E 2E | 2 05 21 | 1 First Ea
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pen ? | 90 | -6.0
 | NHoriz | 48.53 | -2.17-36.8 | Mul +d Adm | 10.10
 | +0.05-14.7 | TatRe2045 | 22.32 | -0.41 NA | TotBullist
 | 9.25 -0.0 |
| | | | | | 11.23-20 | 1 Int | SmCo | 15
 | 83 -0 | 23-26 | 3 TotalMarketInd | v 13 29 | -0.36-20 | GlbA
 | 55.7 | 6 -1.02-13 | .6 Metron | litan We | oct |
 | KZUZU | 18.31 | -0.21-17.6 | MuShtAdn | ni 10.47
ni 15.45.
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+0.01 -1.9 | TatRe2050 | 36.80 | -0.68 NA | TotBdlistz
 | 9.14 -0.0 |
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 | ds | | TotRetE | SYI 8 | 20 -0 | 01-17.6
 | R2025 | 15.86 | -0.22-18.8 | Drmcn Adm | 1 r138 60
 | -2 01-19 2 | TatRe2060 | 37.69 | -0./1 N/ | TotintRdidvin
 | ct 28 70 =0.0 |
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 | .75 -0 | 0.69-20. | 2 Fidelity Fre | edom | 0.01 17 | NwInc
 | | 14 | | an 8 | .25 -0 | .01-17.5
 | R2030 | 23.51 | -0.37-20.3 | PoalEctat Ad | ml11/130
 | -3 26-28 8 | TatRet2059 | 40.97 ء | -0.76 NA | TotStInst
 | 91.70 -2.4 |
| | | | | | | | |
 | | | | | -0.12-19 | 4 Franklin
 | | | | nds | |
 | R2040 | 25.42 | -0.51-22.4 | SmCanAdr | nl 87 44
 | -2.86-18.5 | TgtRetInc | 12.12 | -0.08 NA | ValueInst
 | 53.10 -0.8 |
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 | Schwab Fund | ds | | SmGthAdr | nl 70.82
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| 11.61+ | 0.03-12. | Intl Eq | | 9.82 - | 0.15-26 | .6 US | SLgVa | 41
 | .74 -0 |).79 -7. | 9 Freedom2030 | K 14.49 | -0.18-20 | .6 Growth
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| n n | wution. f. /. k-Recs i. k-Recs i. | wition. f -Previous, k -Recalculated demption charge demption charge demption charge potnotes x and e ue to incomplete review. NN -Fun NAV Chg %Re NAV Chg %Re ntury Inv 59.91 - 2.16-31. 48.27 - 0.70 - 8.1 27.80 - 0.37 - 0.71 - 12. 48.16 - 0.88-23. 48.64 - 0.61-29. 55.87 - 1.1.29 - 0.71 - 1.2 49.01 - 0.01 - 1.2 40.44 - 0.92-510. 12.24 - 0.01 - 9. 40.64 - 0.10-3-29. 41.91 - 1.10-32. 62.52 - 0.68-27. 62.52 - 0.68-27. 62.52 - 0.68-27. 62.52 - 0.68-27. | witton. f-Previous day's quot, k-Recalculated by Lipper, idemption charge may apply otnotes x and e apply. x-Exue to incomplete price, perfereview. NN-Fund not tracked to the control of | wition. f-Previous day's quotation. f. Previous day's quotation. f. Previous day's quotation. f. Recalculated by Lipper, using demption charge may apply. s-St otnotes x and e apply. x-Ex-dividue to incomplete price, performar review. NN-Fund not tracked. 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NE-Not released by Lipper, review. NN-Fund not tracked. NS-Fund didn't exist at start of period. Wednesday, Npvember 2, 2022 Net YTD Net YTD NAV Chg 'RRet Fund NAV Chg 'RRet Fund NAV Chg 'RRet NAV Chg 'RRe | Comparison Com | Calamos Funds Calamos Fund | Salar Contract | Contract Contract | Septembrie Sep | Second Control Contr | Dispersion of the provious day's quotation. g -Footnotes x and s apply. F-Footnotes e k. K-Recalculated by Lipper, using updated data. p -Distribution costs apply. k -Footnotes x and e apply. k -E-dividend. c -Footnote x, e and s apply. NA -Not are to incomplete price, performance or cost data. NE -Not released by Lipper, review. NN -Fund not tracked. NS -Fund didn't exist at start of period. Net YTD Net YTD Net YTD Net YTD NAV Chg %Ret Fund NAV Chg %Ret LargeCapPGnwth 16.81 -0.94-28.5 LargeCapPGnwt | ution. F-Previous day's quotation. g-Footnotes x and s apply. 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BANKING & FINANCE

High-Speed Trader Gets Warning

16 million contracts

Simplex pulls back from certain trades after Finra notification over 'signaling' strategy

By Alexander Osipovich

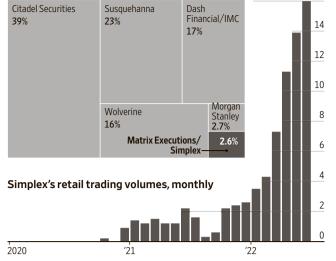
Simplex, a Chicago highspeed trading firm, has pulled back from the lucrative business of handling individual investors' options orders after receiving a warning from a Wall Street regulator over a potentially abusive trading strategy.

The Financial Industry Regulatory Authority notified Simplex that the strategywhich traders call "signaling"-appeared to violate market rules, people familiar with the matter said.

Signaling is a way for a trading firm to monopolize a stream of individual investors' options orders, while shutting out rival firms that might want to execute those orders. It is essentially a way around rules in the U.S. options markets that require orders to be sent to exchanges so multiple players in the marketplace can compete to execute them.

Some options exchanges have said signaling could be a form of market manipulation. Simplex executives believe the

Market share in retail options trading*



*Data is based on number of contracts traded in June.

firm did nothing illegal, the

By capturing a stream of individual investors' options orders, Simplex would have been able to keep all the profits and not split the proceeds with rivals. Simplex is an options market maker, meaning it option contracts throughout the day, making money by buying at a slightly lower price than it sells for.

Market makers find it attractive to fill individual investors' orders because such investors are unlikely to have better knowledge of price moves than the market makers themselves. Small investors tend to trade less-active options contracts with wide spreads between the buying and selling price, creating profit opportunities for market makers.

In mid-October, Matrix Executions—a firm affiliated with Simplex that handles options orders for retail brokerages unexpectedly told brokers to cut back the volume of orders they were sending to Matrix, according to people briefed on

the decision. Matrix told some tionship. brokers to reduce their order flow by 99%, the people said. Filings show Matrix handled options trades for brokers such as E*Trade, Tastytrade and Webull as recently as September. Matrix is majorityowned by Simplex. Representatives of Matrix and Simplex declined to comment.

Options traders said they began to notice earlier this year that some firm or firms were engaged in what appeared to be a signaling strategy. Traders at one large options market maker said they spotted a pattern in which a retail order would be posted on an options exchange and canceled almost instantly. Then, within about two-millionths of a second, another order would be posted—identical to the first except for slightly different price terms. Next, someone would swoop in and trade against the new order.

The traders at the large market maker, who shared their analysis with The Wall Street Journal, said the pattern repeated up to 15,000 times a day and persisted for months. They concluded a rival was engaged in a signaling strategy, passing information between two parts of the same enterprise that are supposed to maintain an arm's-length rela-

Big U.S. options market makers often have what's known as a wholesaler unit that takes orders for retail brokers and has a regulatory obligation to seek the best executions for clients.

The first, quickly canceled order appeared to be a signal from a wholesaler unit, alerting its affiliated market-making arm to prepare for an incoming order.

Several market makers became aware of the pattern and complained to exchanges, according to the options traders. One of the market makers raised concerns with the Securities and Exchange Commission and Finra, upset because the signaling strategy was costing it money and appeared illegal, one of these traders said. An SEC spokeswoman declined to comment. In a statement, a Finra spokesman didn't directly address the Simplex warning but stressed the importance of the regulator's best-execution rule.

"At its core, Finra's rule requires that firms direct customer orders to markets with the most beneficial terms for those orders, and this central principle applies the same in the options markets as it does in the equity and fixed-income markets," he said.

California Gas Ban Has Utility In a Bind

By KATHERINE BLUNT

As California expands its efforts to phase out natural-gas use in homes, the nation's largest gas utility is trying to reinvent itself for a future in which far fewer customers use its core service.

Southern California Gas Co., a unit of Sempra, is studying how to repur-

COMMODITIES pose its system-and handle the costs of doing so-as the state works to ban the sale of gas furnaces and water heaters starting in 2030. The state's initiatives are the latest in a series of measures aimed at reducing future gas use to address climate-change concerns. Already, about 50 California cities and towns have regulations in place to ban or limit gas hookups in new buildings.

SoCalGas faces an acute challenge in transforming its business away from natural gas, one that will require billions of dollars to build new pipelines and reuse or retire existing ones. Unlike California's other large utilities, PG&E Corp. and Sempra's San Diego Gas & Electric Co., So-CalGas doesn't have an electricity business and relies entirely on its gas system for revenue.

The utility, which serves 21.8 million customers primarily in Southern California, said it envisions overhauling much of its system to transport what is known as green hydrogen, an energy source that doesn't emit carbon when burned.

As more homes and businesses install electric heaters and appliances, the company anticipates growing its industrial customer base by delivering hydrogen for use in electricity generation, heavy transportation and other car-

bon-intensive processes. "Our system continues to be essential and used, but it gets used in different ways," said Maryam Brown, the company's president. "The appliances are going to change, but we still have to be able to meet reliability and resiliency needs."

Betting on green hydrogen, which is made using renewable energy, isn't a sure thing. It is expensive to produce, and there isn't yet a widespread market for it, though the Inflation Reduction Act created substantial tax credits for its production. There also are safety risks and engineering hurdles associated with retrofitting pipelines to carry hydrogen and using it to fuel power plants and trucks.

Gas utilities nationwide are grappling with similar challenges as dozens of other cities and states look to limit gas use. But California has some of the most ambitious plans for doing so as it works to achieve carbon neutrality by 2045. In September, it became the first state in the U.S. to target a ban on the sale of gas furnaces and heaters following a vote by the California Air Resources Board.

Each of California's large gas utilities has plans to study blending hydrogen into their gas systems. The California Public Utilities Commission this summer released a study showing that hydrogen blends of up to 5% are generally safe to transport in many existing pipelines, but that more research is needed to address the safety risks of higher-percentage blends.

contributed to this article.

Venture Capital Stays Hot as Markets Cool

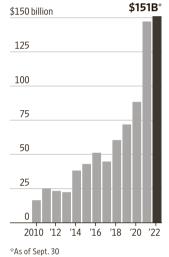
By Heather Somerville

Investors who fund venture-capital firms continue to plow money into the sector. eager for access to hot technology startups even as the industry lurches into a bear

Venture-capital funds raised \$151 billion in the first three quarters of this year, exceeding any prior full-year fundraising, according to recently released information from PitchBook Data Inc. The money has been concentrated in fewer, larger funds, such as Seguoia Capital's \$2.25 billion in Lightspeed Venture Partners' \$7.1 billion hauls from July. But even first-time fund managers, who tend to struggle in downturns, have been resilient. Funding for newcomers is on pace to match or exceed nearly every year before 2021, according to PitchBook. The surge has added up to a U.S. venture-capital record of nearly \$300 billion in dry powder, or money that is available to spend.

Many family offices, sovereign-wealth funds, fund of funds and other so-called limited partners remain steadfast backers of venture-capital firms, convinced that technology trends such as cryptocurrency and artificial intelliwill outlast any economic downturn. Historically, venture capital has offered better returns than other asset classes, even in a recession. Venture-capital firms are stockpiling largerthan-ever mounds of money, despite tech stocks' decline and persistent inflation.

"We are actively writing checks," said Michael Kim, founder of Cendana Capital, which invests in early-stage VC funds. Mr. Kim said his firm's investment pace refundraising activity



mains as active as during the pandemic-driven heyday early-stage startups are more insulated from macroeconomic trends. "I think venture is in a and get paid fees by the limgood position," he said. ited partner based on how "There's enough capital."

There is sure to be some pain along the way. Venture firms will need to mark down their portfolios to reflect public market declines. With little opportunity for startups to go public, there will be fewer exits for venture funds and less money to return to their limited partners. Venture partners said they expect some startups' valuations to stav stagnant for years, and the number of startups in their portfolio that go out of business to rise by roughly 10%.

"I spend a lot of time thinking about which companies are at risk of running out of money," said Chris Douvos, founder of Ahoy Capital, a fund that backs early-stage venture-capital firms.

Venture-firm partners decide how to invest the money,

much money they are managing. Venture capitalists will need some of that cash to support their existing portfolio companies—some say they are squirreling away 30% to 40% of their funds for startups that might have trouble raising money from new investors. But plenty will be left over to spend on new deals, they say, when the price is right.

PitchBook's 2022 research includes funds that were partly raised in the friendlier market of 2021—a venture fund takes on average about a vear to raise. Still, the momentum hasn't let up. In September, Bessemer Venture Partners closed \$4.6 billion in funding and Scale Venture Partners closed a \$900 million fund; in October, Lowercarbon Capital announced a new \$250 million fund.

Snyder and the team. That

probe, led by former Securities

and Exchange Commission chair

gress in late July, after a

lengthy back-and-forth with the

committee. The House over-

sight report is expected before

the committee's chairwoman.

New York Democrat Carolyn Maloney, leaves Congress in

This litany of issues also

produced yet another problem:

finding a new home for the

team that plays in an increas-

ingly substandard facility,

FedEx Field. Prospects for a

new stadium for the team have

stalled amid political obsta-

cles-including objections to

Mr. Snyder specifically—in the District of Columbia, Maryland

early January.

Mr. Snyder testified to Con-

Mary Jo White, is ongoing.

Snyder Hires Bankers

Continued from page B1 he would begin the process of selling the basketball teams after an investigation into his workplace conduct led the league to suspend him for a year and fine him \$10 million. The probe found Mr. Sarver had uttered racial slurs "when recounting the statements of others," made sex-related comments in the workplace and treated female employees unequally.

Relenting to the pressure, however, has a big benefit for owners who are under scrutiny: their teams are worth enormous sums of money. A sale of the Commanders would be expected to top the \$4.65 billion the Denver Broncos went for this year.

Mr. Snyder's decision to seek an exit was hailed by the attornevs representing dozens of his former employees.

"Today's news that Dan and Tanya Snyder are exploring selling the Washington Commanders is a good development for the team, its former and current employees, and its many fans," said lawyers Lisa Banks and Debra Katz, who have long criticized Mr. Snyder and the NFL for allowing him to continue owning the club. "We will have to see how this unfolds, but this could obviously be a big step towards healing and closure for the many brave women and men who came forward."

The Commanders' announcement comes shortly after another NFL owner, the Indianapolis Colts' Jim Irsay, called for the league to act against Mr. Snyder. "I believe there's merit to remove him as owner of the [team]," Mr. Irsay said at league meetings last month.

In response to Mr. Irsay's

comments, a Commanders spokesperson said that, when Mr. Irsay has seen the evidence, he would conclude that "there is no reason for the Snyders to consider selling the franchise. And they won't."

But Mr. Snyder has privately faced increasing pressure to sell the team from other owners, a person familiar with the matter said, while sponsors have also expressed concerns about him to other owners.

Forbes first reported that Mr. Snyder had hired BofA Securities to explore a potential sale of the franchise. If Mr. Snyder proceeds with a

sale. it could set the stage for a record-breaking auction. The Broncos sale earlier this year shattered the price for a North American sports team. People inside the sport have long expected that if the Commanders hit the market, the price tag would exceed that given the franchise's history and location.

A sale would be expected to top the \$4.65 billion paid for the Denver Broncos.

Mr. Snyder first purchased the team formerly known as the Redskins in 1999, taking over a club that won three Super Bowls in the 1980s and 1990s and had developed one of the game's most rabid fan bases. But the team has struggled both on and off the field since he took over. It has routinely missed the playoffs and hasn't reached a Super Bowlwhile being the subject of numerous controversies.

For years, activists called on Mr. Snyder to change its longtime name, dubbing it a racial epithet and insensitive toward Native Americans. Mr. Snyder steadfastly refused to do so.

That finally changed in 2020, as protests against racial injustice swept across the



Dan Snyder bought out his minority partners last year.

country in response to the killing of George Floyd. That amplified the longstanding criticisms of the team, and even the team's biggest sponsors joined the chorus. FedEx called for a change and Nike removed the team's gear from its website. That renewed pressure led to Mr. Snyder changing course and dropping the moniker it had used for 87 years. After two seasons playing as the Washington Football Team, it adopted the Commanders name this year.

That was just one of the several problems playing out for Mr. Snyder and the team simultaneously. Mr. Snyder was also fighting with the team's minority owners in a feud that grew increasingly nasty. The limited partners took him to arbitration, saying he had violated their shareholder agreement. Lawyers for Mr. Snyder, meanwhile, accused them of trying to force him to sell the team and orchestrating a smear campaign against him when he refused. It was settled when he eventually bought them out.

The allegations against the team's workplace culture remain at least partly unresolved, however. The team was fined \$10 million, and Mr. Snyder agreed to step away from the day-to-day operations of the team following an investigation that he initially commissioned, but which was later taken over by the league.

Then came the House Committee on Oversight and Reform's probe, which introduced new allegations of financial improprieties inside the team and another woman who at a committee-hosted roundtable accused Mr. Snyder of sexually harassing her. He denied the allegation, but it led to yet another NFL investigation of Mr.

and Virginia. Should Mr. Snyder proceed with a sale, it would save the NFL and its owners from weighing the potentially acrimonious process of forcing him to sell.

League bylaws require 24 of 32 teams to vote an owner out. A sale would almost certainly be a welcome notion for the club's fans, who have watched the team suffer over the past couple of decades. Earlier this year, at a game, they chanted: "Sell the team."

Dividend Changes

KEY: A: annual; M: monthly; Q: quarterly; r: revised; SA: semiannual; S2:1: stock split and ratio; SO: spin-off

Company	Symbol	Yld 9	Amount New/Old	Frq	Payable / Record
Increased					
A10 Networks	ATEN	1.3	.06/.05	Q	Dec01/Nov15
Brixmor Property Group	BRX	4.9	.26/.24	Q	Jan17/Jan04
Civitas Resources	CIVI	2.9	.50 /.4625	Q	Dec30/Dec15
ExxonMobil	XOM	3.3	.91/.88	Q	Dec09/Nov15
Marathon Petroleum	MPC	2.6	.75 /.58	Q	Dec12/Nov16
MPLX	MPLX	9.1	.775 /.705	Q	Nov22/Nov15
North Eur Oil Royalty Tr	NRT	11.7	.74/.46	Q	Nov30/Nov18
Simon Property Group	SPG	6.5	1.80/1.75	Q	Dec30/Dec09
Sirius XM Holdings	SIRI	1.4	.0242/.02196	Q	Nov30/Nov11
Reduced					
CVR Partners	UAN		1.77 /10.05	Q	Nov21/Nov14
Initial					
Midland States Bncp Pfd A	MSBIP	7.7	.689		Dec30/Dec15
Stocks					
Bio-Techne	TECH		4:1		/Nov30
iClick Interactive ADR	ICLK		1:10		/Nov14
Vyant Bio	VYNT		1:5		/Nov02

Company Foreign Amcor Bank of Butterfield Dec13/Nov23 Nov28/Nov14 4.0 36036 Dec16/Nov11 Dynagas LNG 8.75% Pfd. B DLNGpB Nov22/Nov15 Scorpio Tankers Dec15/Nov17 Textainer Group Holdings Textainer Group Pfd A Dec15/Dec02 3.4 7.8 Dec15/Dec02 Textainer Grp Pfd. B Thomson Reuters TGHpB Dec15/Dec02 Dec15/Nov17 TRTN Triton International Dec22/Dec08 Triton Intl Pfd. A Triton Intl Pfd. B TRTNpA TRTNpB Dec15/Dec08 8.2 Dec15/Dec08 Triton Intl Pfd. C TRTNpC 8.2 46094 Dec15/Dec08 Triton Intl Pfd. D Triton Intl Pfd. E Dec15/Dec08 Special Civitas Resources CVR Energy Nov21/Nov14 Timberland Bancorp

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MARKETS



Robinhood spent heavily to expand its business but now is cutting back. It has made two rounds of layoffs this year.

Robinhood Cuts Its Losses

By Vicky Ge Huang AND ALEXANDER OSIPOVICH

Net losses at **Robinhood** Markets Inc. shrank in the third quarter after a steep drop in expenses helped offset declining revenue and lower user numbers.

The online broker reported third-quarter revenue of \$361 million, a vear-over-vear decrease of 1% and a seventh consecutive quarterly drop.

Rising interest rates helped lift quarterly net interest revenue to \$128 million, more than doubling from a year ago. Chief Financial Officer Jason Warnick said the company has about \$17 billion in assets that generate interest revenue.

Transaction-based revenue dropped 22% to \$208 million. Robinhood's September monthly active user count fell 35% to 12.2 million from a year ago, the lowest level since the fourth quarter of

Robinhood, which has spent heavily to expand its business, is cutting back.

Its operating expenses in

million, a 69% decrease from Robinhood's quarterly

The company has made two rounds of layoffs this year.

Its net loss narrowed to \$175 million from \$1.32 billion last year. Its stock ticked up 4% in aftermarket trading Wednesday.

Launched less than a decade ago, Robinhood fueled the pandemic's day-trading boom thanks to its easy-touse, mobile-first design.

online brokerage signed up millions of investors during the pandemic but is struggling to keep them as markets reel from the Federal Reserve's interest-rate increases and traders' return to

Robinhood's revenue is closely tied to trading volume. It sends customer orders to high-speed trading firms in exchange for cash in a practice called payment for order flow. That has become less lucrative for brokerages as their customers became less active over the past year.

Order-flow revenue at the dozen largest U.S. retail brokerages was \$767.5 million in the third quarter, a decline of

net profit/loss

\$0.25 billion



Source: the company

2020

1.50

13% from 2021, according to data compiled by Larry Tabb, head of market-structure research at Bloomberg Intelli-

'21

Robinhood's order-flow revenue from stocks and options trading fell 29% to \$149.9 million, compared with the same quarter last year, Mr. Tabb's data show.

Shares of Robinhood have plunged 36% this year and finished Wednesday at \$11.40. The stock is down 70% from

its July 2021 initial public offering price of \$38 a share, according to Dow Jones Market Data.

Robinhood has faced stiff competition from larger and more entrenched players in the brokerage industry.

Its users tend to be younger and have less money in their brokerage accounts than at many competitors.

The online brokerage has tried to capitalize on growing interest in cryptocurrency by broadening the number of currencies traded on its platform to 19.

It recently launched the beta version of its "Web3 wallet" to 10,000 users. The wallet-separate from the main Robinhood trading app-allows users to trade and swap cryptocurrencies with no network fees.

Vlad Tenev, chief executive of Robinhood, said the company plans to roll out the wallet internationally early next

"We've been making a ton of investments in the past year despite it being crypto winter," Mr. Tenev said on the company's earnings call.

Continued from page B1 once expected.

Stocks

Move

Lower

The market had been betting on a "pivot" or change in monetary policy from the central bank, Eaton Vance portfolio manager Aaron Dunn said. But

Mr. Powell un-WEDNESDAY'S dermined that **MARKETS** focusing

more on how long the central bank will have to keep raising rates. Moreover, it wasn't clear that the Fed knows how high rates will ultimately have to get, he said.

U.S. government bonds fell, with the yield on the benchmark 10-year U.S. Treasury note rising to 4.059% from 4.052% Tuesday. The two-year vield, which is more sensitive to near-term interest-rate expectations, edged up to 4.568% from 4.538%. Yields move inversely to prices. The dollar rose, with the WSJ Dollar Index gaining 0.35%.

Hopes of a Fed pivot have stoked several short-lived rallies throughout the year. U.S. stocks mounted a rebound in October reminiscent of the rally this summer when investors piled back into equities after months of selling pressure. That rally was similarly driven by hopes that the Fed might begin to slow rate rises. But Mr. Powell's reiteration in late August of the central bank's commitment to fighting inflation helped send stocks spiraling again.

The bull case is a bit of contrarian betting and trying to time the Fed's policy moves, said Colin Graham, head of multiasset strategy at asset manager Robeco. At some point the Fed will alter its course and when it does stocks are likely to rise again, he said.

Ultimately, the Fed did suggest its next rate increase may be smaller than the last four, something the market has been anticipating. Data from CME Group show a 57% chance of the Fed raising rates by 0.5 per-

centage point at its December meeting, up from 44% before the meeting.

Meanwhile, corporate earnings season so far has proved to be a mixed bag. Some of the U.S.'s biggest banks reported results that were better than feared, but other market heavyweights, most notably big technology companies, have disappointed investors.

Overall, third-quarter earnings of companies in the S&P 500 are set to grow by about 3% from the year before, according to FactSet figures blending actual results and estimates for firms yet to report.

Match Group rose \$1.84, or 4.2%, to \$45.74 after it posted stronger-than-expected revenue and profit.

After the market close, mobile-phone chip supplier Qual-

All 11 sectors in the broad S&P 500 index declined more than 1%.

comm said it sees the smartphone slump worsening. Shares slumped about 7% in late trading. Online-trading broker Robinhood Markets reported a narrower-than-expected loss. pushing shares up 4% after hours.

The Stoxx Europe 600 fell 0.3%. Indexes in China extended a rally that came amid speculation that China could ease its zero-Covid policy. The Shanghai Composite added 1.2% and Hong Kong's Hang Seng gained 2.4%. Early Thursday, the Hang Seng was down 2.3% and the Shanghai benchmark was flat. Japanese markets are closed Thursday for a holiday. S&P 500 futures rose 0.2%.

AUCTION RESULTS

Here are the results of Wednesday's Treasury auction. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between the size.

17-WEEK BILLS Applications Accepted bids noncompetitively Auction price (rate)

Bids at clearing yield accepted The bills, dated Nov. 8, 2022, mature on March 7, 2023.

Chinese Liquor Takes Hit **Amid Crackdown Fears**

By Weilun Soon

Chinese President Xi Jinping has a vision to distribute wealth more equally across the country. Investors are sobering up to what that could mean for the companies that make the nation's beloved fiery booze.

Mr. Xi recently doubled down on his plans for "common prosperity" during China's weeklong Communist Party congress in October. Investors are worried this could portend an industry crackdown, or simply be bad for the future sales of luxury baijiu distillers and companies that sell expensive goods.

Shares of Kweichow Moutai Co., a state-owned company whose potent liquor can cost \$700 a bottle, fell 28% in October to their lowest level in more than two years. The decline erased roughly \$100 billion in market capitalization in just a month.

The stock's fall was much steeper than the 7.8% decline in the broader CSI 300 Index of the largest listed companies in mainland China last month. Wuliangye Yibin Co., which also produces baijiu liquor, declined 21% in October. The distillers recouped some losses in the last two days following a market rally fueled by investors' hopes that China might ease its zero-Covid policy early next year.

Shanghai-listed Moutai has been a popular holding of both international and domestic investors. The distiller makes its version of the potent bailiu spirit in the southern province of Guizhou. The liquor is made from sorghum and has been dubbed "firewater," a nod to its 53% alcohol content. Moutai has long been a status symbol in China, often consumed at weddings and lavish business dinners. The company's consistent double-digit sales growth year after year resulted in it being classified as a Chinese consumer staple stock, even though its products are highly costly. September when

Moutai's market capitalization was at about \$330 billion, the company briefly replaced inPerformance since the end of September



Source: FactSet

ternet giant Tencent Holdings

Ltd. as China's most valuable

publicly listed company. As of this summer, foreign investors held about 7.4% of Moutai's shares, according to Wind data. But after Mr. Xi started espousing his vision to remake China's economy during the party congress, international investors pulled the equivalent of \$1.8 billion from the stock, taking their ownership down to 6.4% by the end of October. That made up the bulk of the more than \$2 billion in foreign outflows from Moutai last month.

"The term 'common prosperity' gave some investors the impression that Xi wants to build an egalitarian society," which made them concerned about the distillers' prospects, said Wong Kok Hoi, founder and chief investment officer of APS Asset Management. The firm is a longtime holder of Moutai shares.

Last week, Chinese stocks held by global investors sold off heavily after Beijing unveiled a party leadership packed with Xi loyalists. The Hang Seng Index fell 8.3%, and analysts chalked up much of the losses to pessimism about China's economic outlook and the fact that it didn't signal any easing of its Covid-19 restrictions.

Overall, foreign investors pulled the equivalent of \$7.9 billion from mainland China's equity markets in October through Market capitalization



the Stock Connect program. It was the second-largest monthly drawdown in the history of the cross-border trading link, and the biggest since March 2020. during a global selloff in the early months of the pandemic.

"Investors have been derisking after the party congress. People are worried about future demand for baijiu, but there was no evidence of any hostile attitude towards the liquor sector," said Min Chen, Head of China at Somerset Capital Management in Singapore. He said the baijiu makers' steady growth in sales, which have averaged 10% to 15% yearly, is likely to continue.

Harsh lockdowns didn't significantly damp Chinese consumers' appetite for Moutai. The distiller reported revenue growth of 11% and 12% in 2020 and 2021, respectively. For the first nine months of this year, Moutai posted the equivalent of \$12 billion in revenue, up 17% from the year-earlier period. Its net profit jumped 19% to the equivalent of about \$6 billion.

Goldman Sachs analysts are optimistic about Moutai's prospects. In an Oct. 25 report, the investment bank said the distiller and Wuliangye are two superpremium baijiu brands that can be expected to ride on strong consumer demand. "Affluent consumers are generally under less financial pressure than lower class or middle class," the analysts wrote.

EXPERIENCES OFFERS EVENTS INSIGHTS



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B12 | Thursday, November 3, 2022

This Chip Sector Is Diamond in Rough

Wolfspeed and OnSemi face major costs building up silicon-carbide manufacturing—but the rewards are significant

In a brutal market for semiconductors, one part of the business can take a beating—literally.

Chips made with silicon carbide are superior to those made with regular silicon for certain applications that involve large amounts of power conversion, such as inverters and drivetrains in electric cars. It also is a challenging material to work with, being second only to diamonds in terms of hardness. In an in-depth report this year, Matt Ramsay of Cowen noted that simply sawing off a single wafer, which are most commonly 6 inches wide, takes more than three hours.

Still, the electric-vehicle market alone has kept demand for silicon carbide booming. **Wolfspeed**, which makes both silicon-carbide wafers and chips using the material, reported last week that revenue surged 54% year over year to about \$241 million in the September quarter. ON Semiconductor, which is

more commonly known as **OnSemi** and relies on silicon carbide for only a small portion of its business, nevertheless said Monday that its revenue from that segment in the September quarter was triple from the start of the year.

The companies are working to rapidly expand their silicon-carbide production capabilities. That is giving investors a case of sticker shock, though. Shares of both Wolfspeed and OnSemi took sharp hits Monday due to worries about rising capital expenditures in a market where chip demand overall is finally slipping. During an analyst meeting, Wolfspeed said it expects to invest about \$1 billion in the current fiscal year that ends in June and more than \$2 billion the following year. That would exceed the company's total projected revenue for those periods. The company also expects to burn cash over the next three fiscal years as

Share-price and index performance



it builds new production facilities.
OnSemi's spending plan is more
modest but will still leave a mark.
In its third-quarter call on Mon-

day, the company said capital expenditures as a percentage of revenue are expected to go up to mid to high teens over the next several quarters after averaging 8% over the past five years.

Both companies are still in a strong position in front of a major market opportunity. Mr. Ramsay projects revenue for silicon-carbide products will average growth of 35% annually over the next five years. That has helped both stocks outperform most of their semiconductor peers this year.

But some amount of hype has played a part as well. Wolfspeed's stock soared 32% following its fiscal first-quarter results in August only to slide 18% following its report last week. The recent one included a disappointing near-term forecast due to problems with a new production process. That should serve as a humbling reminder to investors about how

challenging silicon carbide is to scale; Wolfspeed has been working with the material for its entire 35year existence.

OnSemi, meanwhile, saw its stock price rev up in July on rumors that the company scored a major deal to supply silicon-carbide chips to EV maker Tesla. The company hasn't confirmed those rumors, but the stock never lost that boost even with Monday's drop; OnSemi's 19% gain over the past six months makes it the best performer by far on the PHLX Semiconductor Index for that time. Investors expect OnSemi's automotive segment revenue to average 22% growth over the next four quarters—nearly double the projected growth of sector leader NXP's auto segment over that time.

But as Wolfspeed has just shown, no stock in this market is indestructible.

—Dan Gallagher

Match Group Still Has Game

In a market with a lot of letdowns, the dating giant looks like a Steady Eddie

In online dating, most people lead with a flashy picture and disappoint in the flesh. New Match Group Chief Executive Bernard Kim did the opposite. Maybe he is on to something.

Shares of the dating giant rose more than 16% in after-hours trading Tuesday after it posted third-quarter numbers that were so boring they were kind of sexy. Match's revenue grew 1% year on year, while its adjusted operating income came in essentially flat on that basis. But when you beat what looks like sand-bagged guidance by as much as 10%, as Match did on the bottom line, investors tend to perk right up. Its shares rose 4.2% on Wednesday.

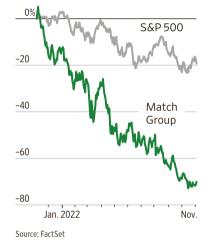
Points to Mr. Kim, who could use the goodwill. He will be challenged over the next year to reignite growth for Match's largest app, Tinder, which lacks a chief executive, in a difficult macroeconomic environment. Mr. Kim called for more cost controls. In the third quarter, Tinder's direct revenue grew 6% year on year with revenue per payer falling slightly—quite a deceleration. Last year's third quarter saw 20% growth on the same basis.

The big question for Match is how long Tinder can stay hot. A 2017 survey of heterosexual American adults showed online dating was the most popular way couples meet. Tinder has been the No. 1 dating app worldwide for quite some time.

with lower penetration in the Asia-Pacific region (revenue outside the Americas and Europe repre-

sented 18% of Tinder's direct reve-

Share-price and index performance, past year



nue in the third quarter), Match said even in the U.S., about 16% of unmarried 18- to 24-year-olds have used Tinder in the past month. That might be because many don't need help meeting a match or aren't looking for a mate. Few are motivated enough to pay up to find one: Match said it had nearly 100 million monthly active users across all of its apps as of March 31 but 16.5 million payers as of the third quarter.

With its shares down more than 70% over the past year, the bar was low. Given recent user losses even at Netflix and Facebook, Wall Street seemed happy just to hear customers aren't breaking up with Tinder too. Match said it expects Tinder's direct revenue to grow 5% to 10% this year, with its growth rate accel-

erating on a quarterly basis as execution improves under the platform's new leadership team.

Match said a re-envisioned Tinder will focus on new-user adoption through women's experience, Gen Z-targeted product initiatives, virtual goods and coins and an expanded advertising effort.

should all that fail, Match has other shots on goal. The company said it expects the relationship app Hinge to deliver at least an incremental \$100 million in direct revenue next year, with strong growth also coming from the Latin dating app Chispa and the Black singles app BLK. Though it has roughly 15 apps in its stable, Match is looking to hit underserved demographics through its own incubation and strategic acquisitions. Match bought the members-only dating app The League this year for an undisclosed amount.

The best-performing tech stocks right now have suddenly embraced profitability. With that in mind, Match said it would plan to make "targeted expense reductions" outside its high growth and highgrowth potential business, guiding investors to expect "at least flat margins" year on year for 2023. Analysts had been forecasting Match's adjusted operating income margin to contract by 3 percentage points next year.

Given the laundry list of companies disappointing investors this earnings season already, Wall Street seems happy to settle for a cheap date that at least checks the boxes.

—Laura Forman

Fed Draws Blood as It Tries to Thread the Needle

If somebody plans on stopping their car, they usually slow down first. If all they want to do is slow down, they do the same thing. The Federal Reserve is trying to convince people that it is merely doing something like the latter.

Fed policy makers on Wednesday raised their target interest rate on overnight rates by 0.75 percentage point, or 75 basis points. That was entirely expected. What investors have been focused on has been whether the central bank might, after four straight 75-basis-point increases, reduce the magnitude of its rate boosts.

At the conclusion of its rate-setting meeting on Wednesday, the Fed laid down the groundwork for doing this.

The central bank also added new language to its postmeeting statement, emphasizing that it "will take into account the cumulative tightening of monetary policy, the lags with which monetary policy affects economic activity and inflation, and economic and financial developments."

The point is clear: It makes sense to start raising rates by smaller increments, if only to better assess how all the tightening it has already done will affect the economy.

But that phrasing was immediately reflected in the market's reaction, with stocks soaring, the dollar weakening and long-term Treasury yields falling just after the statement was released. Some investors misinterpreted a move toward smaller rate increases as a

prelude to an eventual stop. The danger of that, though, is that markets might become too exuberant, leading to an easing of financial conditions that, perversely, leads to a situation in which the Fed needs to raise rates even more.

As details followed, the rally in stocks turned into a rout, yields rose and the dollar strengthened. In his news conference, Fed

Chairman Jerome Powell made clear that even though the increases might be smaller, the Fed's assessment of how high rates ultimately will need to go is likely higher now than it was following its September meeting.

"It is very premature to think about pausing," he said.

The lasting problem is that the Fed has to care so much about what markets think.

To some degree, this is a problem that comes with the central bank's steps toward increased transparency.

Before 1994, it didn't even announce its rate decisions, much less provide projections or hold postmeeting press conferences. It is also a reflection of an increasingly financialized U.S. economy in which market perceptions of what the Fed is going to do have much stronger and more-direct impacts than they used to.

If the Fed's idea of the perfect market reaction to one of its meetings is for the markets to hardly move at all, Wednesday was far from perfect.

—Justin Lahart

Ferraris and Aston Martins Sell Well—When They Can Be Built

The superrich are throwing more money than ever at fancy cars. That doesn't always make them super-profitable to manufacture.

Ferrari reported "remarkable order intake" alongside third-quarter earnings on Wednesday. The luxury-car maker doesn't disclose reservations, yet orders for its Purosangue model—its long-discussed answer to sport-utility vehicles, launched in September with a starting price of €390,000 in Italy, equivalent to \$385,000—are running "way above our most promising expectations," said Chief Executive Officer Benedetto Vigna on a call with analysts.

The company nudged up full-year guidance. It now expects revenues of €5 billion, which would be about 17% higher than last year and almost one-third above the prepandemic total in 2019. Adjusted operating profits should come in above €1.18 billion, giving a margin of about 24%—well ahead of the average for listed car makers. Ferrari shares nonetheless fell, underlining just how high expectations are set after years of consistent delivery.

It isn't easy to get a luxury-car brand right. Just look at **Aston Martin Lagonda**, which also reported earnings Wednesday. It has desirable products, albeit not in Ferrari's league: In the third quar-



Ferrari's margin as implied by its adjusted-operating-profit outlook is 24%, well above the average for listed car makers.

ter, the average price paid for an Aston Martin jumped to a record £189,000, or about \$217,000, excluding special editions, and orders for the company's core sports-car range extend well into next year. But the company has for years been let down by weak profitability amid persistent opera-

tional problems.

The latest are slow logistics and

shortages of certain interior parts, which stopped it from delivering all the vehicles it hoped. The problems seem temporary, and AML has new products coming next year that are built on a more-flexible production line designed to be more profitable. But AML has disappointed investors so continuously since its 2018 initial public offering that few are prepared to

give it the benefit of the doubt.

AML shares dived 15% Wednesday as the company downgraded sales and profit guidance. The stock is now down 82% this year, not helped by a discounted rights issue in September. Even after that equity raise, the company's balance sheet appears debt-heavy. The fundamental problem is insufficient cash generation.

Ferrari is the finely tuned cash machine AML needs to become. AML isn't shy about the link: It hired former Ferrari CEO Amedeo Felisa to be its new boss in June, as well as a former Ferrari engineer as chief technical officer. Ferrari will probably make about twice the number of cars AML does this year, yet it has almost 17 times the enterprise value.

That comparison highlights the opportunity for long-term investors if AML can finally be turned around. Very few car brands can command prices as high as Aston Martin, and most of them are doing well. **Volkswagen** last week reported Ferrari-like profitability at its most expensive brands, Lamborghini and Bentley.

There also are plenty of deeppocketed backers prepared to bail AML out. The latest capital increase brought the Saudi sovereign-wealth fund and Chinese car maker **Geely** on board, though Canadian billionaire Lawrence Stroll remains the largest shareholder, as

well as executive chairman.

The risk for smaller investors is that they are asked to cough up yet more cash before AML finally turns the corner. Next year's product launches will be all-important. The company will have to hope rich people then are still feeling insulated from the economy's wider problems. —Stephen Wilmot



S investing based on environmental, social and governance factors continues to grow, investors are faced with a dilemma: Which ESG ratings are they to believe?

After all, investors themselves have no idea which companies live up to ESG standards. They need to rely on outside ratings to determine which companies are worth their investment dollars. Yet ESG ratings vary substantially depending

BY FLORIAN BERG

on which provider is doing the ratings—to a point where a company could be highly rated with one rating company and have a very low score with another. The correlation between ESG ratings from the six raters my colleagues and I looked at ranged from 0.38 to 0.71, on a scale from minus 1 (meaning total disagreement) to 1 (meaning full agreement). In other words, the six never all

agreed on a company's ESG rating and in most cases there was little agreement among

That means investors need to dive deep into the details of the different methodologies of ESG raters when the same company has dramatically different ratings.

To get at the reasons for the divergence in ${\it Please turn to page R8}$

Dr. Berg is a research associate at the MIT Sloan School of Management. He can be reached at reports@wsj.com.

Investors' Views on ESG

A survey finds they vary by age and wealth

IG asset-management companies have increasingly used their voting power as shareholders to encourage companies to adopt environmental, social and governance initiatives.

But is that what their clients want?

A recent research survey by Stanford University sought to better understand individual investors' views

about ESG investing. It found that investors' support for ESG measures and their willingness to potentially lose money in that cause varied by their age and wealth, as well

as the particular ESG issue. Investors 58 years old and over were the least likely to support ESG objectives in general, and those between 18 and 41 were the most likely—a difference that showed in their willingness to put their savings at risk to support various initiatives.

BY LISA WARD

For instance, more than one-third of the younger investors said they would be willing to lose 11% to 15% of their retirement savings to encourage companies to have gender and racial diversity mirroring the general population, but only 3% of the older investors said they would forfeit that amount for that goal. About two-thirds of the older investors said they were unwilling to lose any money to support diversity.

Please turn to page R2

Inside

GROWING INTEREST

Companies face pressure to improve supply-chain sustainability. R4



Scan this code to see how inflation 汉国

has boosted creditcard debt with concerning implications for the U.S. economy.

Screening

Should investors think positive or negative when it comes to building their portfolios? **R5**

GREENER TOGETHER

When your partner doesn't do their part to be sustainable. R10



JOURNAL REPORT | ESG

Investors' Views On Sustainable Investing

R2 | Thursday, November 3, 2022

Continued from page R1

Timing counts

"Older investors want fund managers to generate financial returns to support their spending needs during retirement and don't have a lot of time to recoup big losses," says David Larcker, a professor at Stanford's Graduate School of Business, a fellow at the Hoover Institution, a public-policy think tank, and one of the researchers.

The authors surveyed 2,470 investors in the summer of this year, with savings ranging from \$10,000 to more than \$500,000.

The survey also found that wealthier young investors tended to be the biggest ESG champions. For example, young investors with at least \$250,000 under management said on average that they would be willing to lose about 14% of their retirement savings to have companies reduce carbon emissions to net zero by 2050. But young investors with savings of



less than \$50,000 said on average they would be willing to lose 6% to accomplish that goal.

The type of ESG initiative also mattered to the investors surveyed. They cared more about environmental issues, like water quality, than social issues, like equal opportunity, and they cared about governance the least. Prof. Larcker believes that's because investors could be personally affected by a big storm, forest fire or gender bias in pay, but may have a harder time evaluating CEOs' paychecks.

How to vote?

The survey respondents also said

they wanted investment managers' voting to reflect their personal views when it comes to ESG initiatives. To that end, 79% of the survey's respondents with assets managed by BlackRock Inc. said they approved of the firm's using its voting power to promote diversity on corporate boards.

But fully reflecting their clients' views on ESG initiatives remains a challenge for investment managers, given the range of investors' positions on the issues. Investment managers could split their votes to reflect individual investors' different perspectives, Prof. Larcker says. For instance, that could mean voting 70% of their shares in a company in favor of a specific ESG proposal and 30% of their shares against the proposal.

Investment managers also could try to give their clients a better understanding of what they have to be willing to risk to support an ESG agenda, Prof. Larcker suggests. That could entail making it clear how voting choices panned out financially and from an ESG perspective, he says: "Did a vote improve or hurt the company's financial performance in the short or long term? Was there a tangible effect on the environment or on employee diversity?"

"Fund managers need to acknowledge that there is likely to be some trade-off between ESG and financial returns," he says, "and that trade-off may matter to individual investors."

Ms. Ward is a writer in Vermont. Email her at reports@wsi.com.

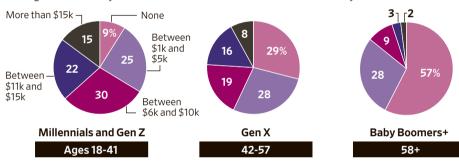
Attitudes About ESG

How investors are willing to risk their investment dollars to achieve goals when it comes to environmental, social and governance issues

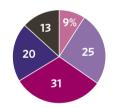
ENVIRONMENTAL

How much investors with \$100,000 in retirement savings would be willing to lose to have the companies they are invested in...

...change from industry-standard **carbon emission levels** to a 'net zero' by 2050

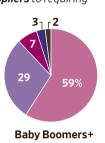


...change from industry-standard levels of **renewable energy usage by suppliers** to requiring 100% renewable energy

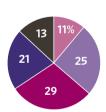


Millennials and Gen Z

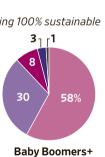
18 7 29% 17 29 Gen X



....change from industry-standard levels of **product sustainability** to requiring 100% sustainable



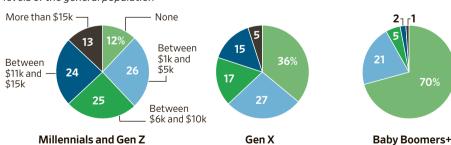
Millennials and Gen Z



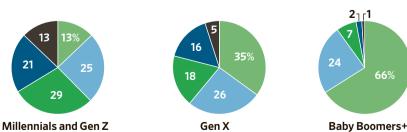
SOCIAL

How much investors with \$100,000 in retirement savings would be willing to lose to have the companies they are invested in...

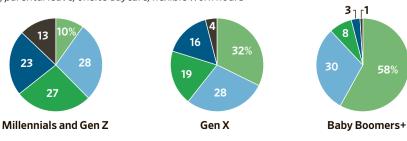
...change from industry-average levels of **gender and racial diversity** to mirror the diversity levels of the general population



...change from industry-average **gender wage inequality** to no gender wage inequality



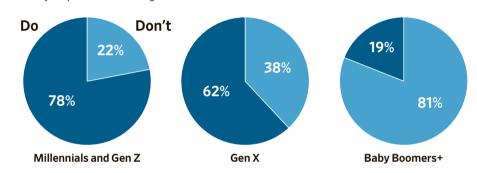
...be required to provide the following to all employees: **healthcare coverage** for domestic partners, parental leave, onsite daycare, flexible work hours



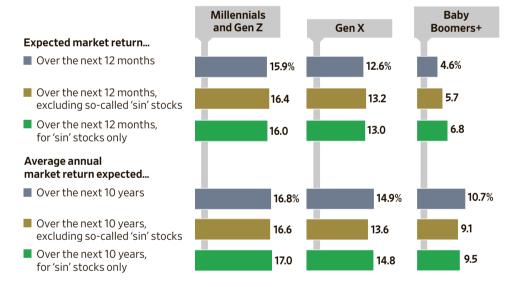
Source: Courtesy of Stanford Graduate School of Business, Rock Center for Corporate Governance at Stanford University and the Hoover Institution

FOCUSED INVESTING

Investors who do/don't own any mutual funds or exchange-traded funds that restrict themselves to socially responsible investing



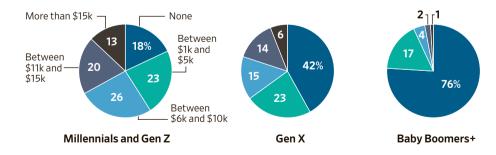
AVERAGE MARKET-RETURN EXPECTATIONS



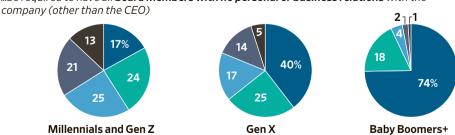
GOVERNANCE

How much investors with \$100,000 in retirement savings would be willing to lose to have the companies they are invested in...

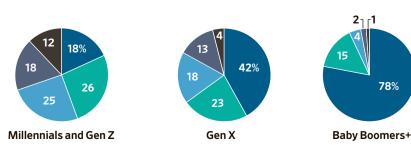
...be required to separate the chairman and CEO roles



...be required to have all **board members with no personal or business relations** with the



...limit the **number of other board positions** their directors can hold to two or less



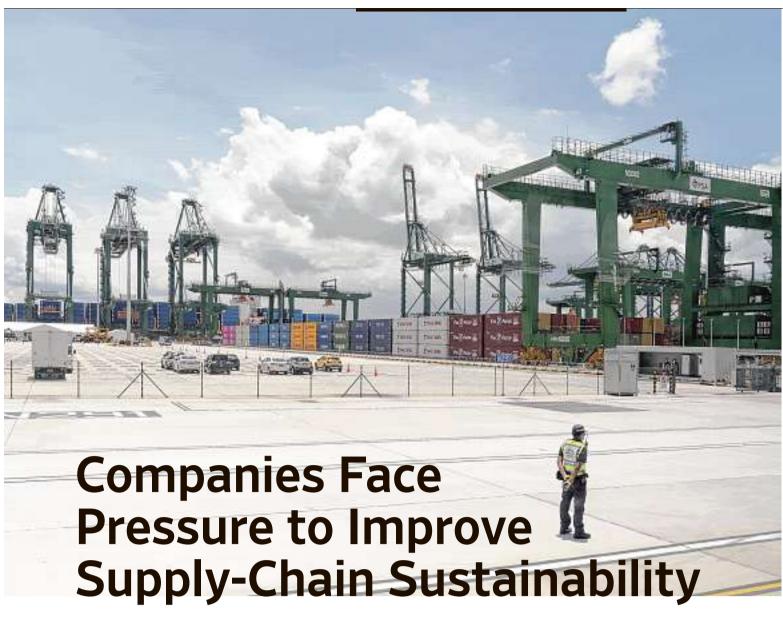


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JOURNAL REPORT | ESG



BY CHERYL WINOKUR MUNK

A new survey finds that interest in environmental issues has become more intense over the past year

ESPITE renewed efforts, achieving sustainability broadly across the supply chain often remains elusive.

While an impera-

tive for many companies, global disruptions including the Covid-19 pandemic have made it more difficult to achieve goals across the supply chain that advance human rights, fair labor practices and positive environmental outcomes. Yet sustainability remains top of mind for many companies, according to David Correll, research scientist with the MIT Center for Transportation & Logistics.

He recently spoke to The Wall Street Journal about the challenges companies are facing and how efforts to improve supplychain sustainability are likely to intensify. What follows are edited excerpts of that conversation.

The priorities

- WSJ: This is the third year MIT has done its global study on supply-chain sustainability. What are the top takeaways for companies?
- DR. CORRELL: One takeaway is that supply-chain sustainability seems to be here to stay, and it's real. Over three years of observation, every source of sustainability pressure that we monitor—for example, governmental regulators, customers, investors—has increased in perceived pressure. Our survey shows that it has really survived—and even thrived—in times of crisis. That was a result that we didn't necessarily expect when we started. For two years in a row now, roughly 80% of Eng-

lish-language respondents reported that their firm's commitment to supply-chain sustainability stayed the same or increased in the face of the global Covid-19 pandemic.

To put some specifics to that, we break supply-chain sustainability up into 10 dimensions. Five are environmental, including things like managing across your supply chain for climate-change mitigation and water conservation, and five are social. That includes things like human-rights protection and diversity, equity and inclusion. What we find is that when we ask for prioritizations of those dimensions over time, it changes every year. It changes by geography, it changes by industry.

Firms should take away from this that what is enough now to impress your customers, your regulators or your investors is not likely to be sufficient next year, or for a different group of customers or regulators or investors.

- WSJ: Where do companies struggle the most when it comes to supply-chain sustainability?
- DR. CORRELL: Even a simple item like a diaper can have up to 50 component pieces. Something like an automobile will have tens of thousands. So brands at the ends of supply chains, particularly consumer-facing brands, really have trouble measuring the environmental and social sustainability of the thousands of disparate vendors that serve them. And this is a big struggle for managers, even managers for whom supplychain sustainability is a big priority. Where I really hear the challenge among the firms I work with is they have a hard time managing upstream where they

have so many vendors that are all over the world.

Making it work

- WSJ: What specific steps can companies take to improve supply-chain sustainability?
- DR. CORRELL: The most common practice we identified among respondents was the supplier audit. Roughly half (46%) of respondents who reported that their firm has a supply-chain sustainability program reported conducting them. Similarly prevalent were the use of codes of conduct, applied to one's suppliers (35%) and to their own firm (32%). Looking further up what we call the staircase of practices, we see businesses working with partners to help them to measure and monitor sustainability in the supply base.
- WSJ: Can you give a few examples to illustrate how the pandemic has helped or hurt these efforts?
- DR. CORRELL: For all the horrible things that the pandemic brought to the world, the new attention to supply chain may have actually helped supply-chain sustainability. For example, one subject we interviewed described 2021's Covid-19induced supply-chain snarls as giving his team air cover to propose new supply-chain ideas, ideas which included sustainability improvements like alternative-fuel delivery vehicles.
- WSJ: What might be the practical implications for companies that don't take steps to improve supply-chain sustainability?
- DR. CORRELL: Supply-chain sustainability efforts are seeking to eliminate the kinds of humanrights scandals and environmental transgressions that can permanently tarnish a brand or can seriously disrupt continuity of supply. Forgoing the opportunity to avert those crises feels risky to me. The second thing is that it's a missed opportunity to find new ways to create value. Doing better at sustainability involves being closer and sharing information with some of your supply base. There's value to unlock through supplier development and collaboration in terms of innovation and resilience.
- WSJ: Can you outline a few actions by third parties that could help companies improve supplychain sustainability efforts?
- DR. CORRELL: Investors are far and away the fastest-growing driver of sustainability pressure that our respondents report. Public commitment to sustainability and commitment to ESG by major investors can move the needle. Our respondents clearly report

that especially in the last year they've felt the pressure most acutely from their investors.

Changing focus

- WSJ: Why do you think people are focused on different aspects of sustainability now than they were a few years ago? For instance, there's more interest now in climate-change mitigation and conservation.
- DR. CORRELL: The biggest change between year one and year two of the study was really the rise in prevalence in social issues. The biggest change in year two to year three is the resurgence of interest in environmental issues, particularly climate-change mitigation. Why is really open to interpretation. Personally, I think that how people prioritize their sustainability efforts and decisions is influenced by what's on the news that morning, what they hear on their commute and on their way home. It's important to note that our year-two survey
 - "What is enough now to impress your customers, your regulators or your investors is not likely to be sufficient next year."

was deployed October to November 2020. I think race and equity were a bigger part of the national conversation then, at least in the U.S., and that may have influenced the results that we collected that year. Last year's survey was open to respondents from October 2021 through December 2021, which was around the time of the COP26 United Nations Climate Change Conference in Glasgow.

- WSJ: Do you expect interest in sustainability, in general, will continue to grow, and in particular, do you expect the focus on environmental sustainability to continue?
- DR. CORRELL: I don't see any reason it will slow down. At least forecasting out one year, I really think energy and climate are going to be more top of mind to consumers and regulators and, guite importantly, to investors, especially with what's been happening in the world, including the possibility that Europe will go through the winter without Russian hydrocarbons.

Ms. Winokur Munk is a writer in West Orange, N.J. She can be reached at reports@wsj.com.



The Experts

When Investors **Can Add ESG** To 401(k)s, They Don't

INVESTMENT strategies focused on environmental, social, and governance (ESG) issues have been receiving increased interest from retirement-plan sponsors, consultants and regulators. But what about retirement-plan participants themselves? Are they also interested?

Not so much, according to a recent study I conducted with Zhikun Liu, a senior research associate at the Employee Benefit Research Institute. We looked at the allocation decisions of do-ityourself participants (that is, investors who build their own portfolios) in retirement plans that offered at least one ESG fund. According to our analysis, less than 10% of DIY investors chose to allocate money to an ESG fund when it was offered in their 401(k) plan. Among those who did put money in an ESG fund, the investment made up only about 20% of the total port-

To put that in perspective, consider that a majority of 401(k) investors end up in a plan default investment—typically a target-date fund-so they don't even get the choice unless it's one of the few target-date funds with an ESG focus. So that means, according to our analysis, it's a minority of a minority of all participants who choose to invest in an ESG fund when it's available to them.

We found that one of the most important factors in determining whether somebody would choose an ESG fund was simply the total number of funds in the participant's portfolio. This implies that, for many retirementplan participants, allocating investments to an ESG fund is driven by the fact they want to build a larger portfolio—and not necessarily because it was specifically an ESG fund.

The only exception was when there was a "plan level effect" that resulted in broader acceptance of ESG by plan participants. That's when there is, say, a strong culture or business alignment with E, S, and/or G factors at the plan participant's employer.

The low adoption rate raises a bigger issue: Should retirementplan sponsors add more ESG funds to their offerings?

Setting aside the efficacy of an ESG strategy, I am concerned that including ESG funds in a defined-contribution plan could result in worse performance for participants to the extent that it encourages investors to build their own portfolios, rather than choosing a target-date fund. So, investors wanting ESG exposure in their retirement plan would have to forgo the default option and build the portfolio themselves. And the odds of the participant-built portfolio being "better" than the target-date fund is relatively low, since target-date funds are highly diversified and built by investment pros.

Another thing to keep in mind is that incorporating ESG strategies into a defined-contribution plan can be difficult and ambiguous since there are a range of ratings for ESG funds, and investors can have very different preferences across the dimensionsfor instance, they care a lot more about G (governance) than they do about E (environment) or vice

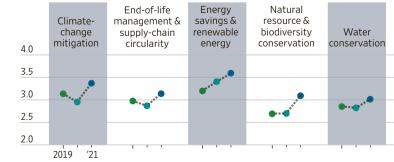
–David Blanchett, head of 答 retirement research at PGIM

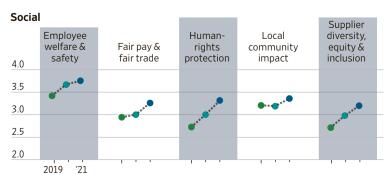
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Supply-Chain Priorities

The average importance supply-chain professionals say their company gives to investing in the following areas, on a scale of 1 (low) to 5 (high)

Environment





Source: Kellen Betts and David H.C. Correll annual global surveys

ESG Investors' Dilemma: Think Positive or Negative?

It's a question of shunning all companies in a sector or taking a more nuanced approach

BY SUZANNE MCGEE

OR many investors, the question isn't whether to invest in companies that embrace environmental sustainability, social responsibility and good governance. The

question, rather, is *how*.

And more specifically, a fundamental question is this: Do you use a positive or negative screen when building an ESG portfolio?

With negative screens, an investor would shun all companies in a particular sector or doing a certain kind of business. They might, for instance, eliminate exposure to companies in the tobacco or fossil-fuel industry, or those with relatively outsize carbon footprints or a lousy record of labor relations.

By contrast, with positive screens, investors tend to be more inclusive when building their portfolios, perhaps using them to find companies that score high on certain ESG criteria compared with peers—say, retailers with labor-friendly practices and whose supply chains exclude sweatshops—or companies actively engaged in some sort of constructive change such as clean-energy businesses.

Both approaches have their strengths and weaknesses—and can result in the creation of portfolios with very different characteristics.

Rudimentary?

The history of negative screening is extensive, with roots dating back to the 18th century when religious groups such as the Methodists and the Quakers codified how their beliefs should be applied to their business and investing decisions. Thenas now-faith-based investors tended to shun so-called sin stocks, or businesses involved in tobacco, liquor or gambling.

One of the oldest mutual funds in the ESG universe, Pax World, was founded in 1971 when two United Methodist ministers designed a prototype negative screen whose primary goal was to exclude businesses profiting from the Vietnam War.

How common are negative screens today? More than half of individual and institutional investors who responded to a BNP Paribas survey in 2021 said they still rely on negative screens like those developed by Pax.

That doesn't surprise Shari Friedman, managing director of climate and sustainability at Eurasia Group, a geopolitical consulting group based in New York. "It's simple and it's transparent," she says.

Jonathan Doolan, a Paris-based managing partner at advisory firm Indefi, is skeptical, calling negative screens a "rudigmentary way" to build an ESG portfolio. Mr. Doolan, ⊵who advises asset-management companies on ÿstrategic issues such as developing ESG products, Sbelieves negative screen-≧ing has a number of downsides, including the Elimits it imposes on the ≒investible universe.



"You risk creating an ESG bubble of 'acceptable' stocks," he says, adding that, by his calculations, only 15% of the stocks in the Russell 1000 index would qualify for inclusion in portfolios built using negative screens.

There's plenty of research to support Mr. Doolan's critique. Even academics who say negative screens have had only a minor impact on risk and returns over the long haul acknowledge that stocks frequently excluded from ESG portfolios, such as tobacco and alcohol stocks, have substantially outperformed the market.

Middle ground

That data, along with the growing sophistication of screening tools and the array of investors flocking to ESG, help explain the growing popularity of positive screens and hybrid approaches to building an ESG-focused portfolio.

Positive ESG screening can, in practice, lead to investors pursuing an array of strategies. Some investors use positive screens to identify companies involved in addressing a specific ESG issue. Cleantechnology funds, for example, seek to back very specific businesses, such as manufacturers of solar panels. Others might use positive screens to identify companies pushing forward with new sustainability measures or governance practices-regardless of the industry in

Both approaches have their strengths and weaknesses—and can result in the creation of portfolios with very different characteristics.

which they operate. Positive vs. negative screens isn't just a matter of semantics. The different approaches often lead to portfolios that look very different. For instance, a survey of the holdings of the world's largest ESG funds by MSCI ESG Research LLC found that the **Putnam Sustainable Lead**ers Fund had only slightly more than 1% of its assets invested in communications-technology companies, while Parnassus Core **Equity** and the **iShares ESG Aware MSCI USA ETF** both had a weighting of more than 10% in this sector. While some big ESG funds shun industrial stocks, others-notably clean-tech funds—are willing to invest nearly 25% of their assets in companies as diverse as Ecolab Inc. and PPG Industries Inc., the survey found.

The single biggest area of overlap between portfolios created with positive

vs. negative screens seem to be technology stocks. The MSCI study found that names like Alphabet Inc. (the parent of Google), Microsoft Corp. and Applied Materials Inc. often appear in both. There is no reason to avoid them because of some kind of failing, and each makes a point of emphasizing what it is doing to limit carbon emissions or tackle other social or governance issues.

What ESG investors, consultants and analysts increasingly find most interesting is a hybrid approach, where both negative and positive screening is deployed to build a portfolio that avoids the worst players, allocates capital to emerging businesses that hold particular appeal to the ESG community, and encourages others to be-

come more sustainable.

There will always be complex trade-offs, says Mr. Doolan. For instance, Bangladesh relies almost exclusively on dirty fossil fuels—but moving toward decarbonization would take a toll on other aspects that ESG investors tend to favor, such as food security and social justice, he says.

Adds Ms. Friedman:
"It's going to remain
nearly impossible to devise a screening approach
that reflects what every
investor wants to see."

Ms. McGee is a writer in New England. Email her at reports@wsj.com.



Special Advertising Feature



Underlining the company's commitment to tackling climate change, Samsung Electronics has unveiled a new environmental strategy, including a series of innovative initiatives that will help it achieve net zero carbon emissions by 2050.

In a report published in April of this year, the United Nations outlined the scale and urgency of the world's climate emergency in the starkest terms. Despite the efforts made following the historic Paris Agreement in 2015, at which 196 countries pledged to keep global warming to no more than 1.5°C by achieving net zero carbon emissions by 2050, scientific data shows we are on a pathway to a temperature rise of almost double that limit (2.7°C). Without rapid change, added the report, the consequences for the planet and its inhabitants will be nothing short of cataclysmic.

But while it is crucial for governments to lead the way in

tackling climate change, companies and consumers also have a huge role to play. To that end, Samsung Electronics has reaffirmed the importance it places on sustainability with the recent announcement of a new, comprehensive environmental strategy to tackle climate change and maximize resource circularity.

The global tech brand has already demonstrated its commitment to promoting sustainability in its products over many years, with recent examples including the Neo QLED 8K and Galaxy Z Fold4 smartphone, which both incorporate recycled materials, and the Bespoke AI Laundry

and the Bespoke Refrigerator, which each reduces energy usage significantly. But its latest environmental strategy aims to raise the bar for sustainability still further, while setting new standards in the electronics industry.

"Samsung is responding to the threats of climate change with a comprehensive plan that includes reducing emissions, new sustainability practices and the development of innovative technologies and products that are better for our planet," said Jong-Hee Han, Vice Chairman, CEO and Head of Device eXperience (DX) Division at Samsung Electronics, in the company's announcement on September 15.



A Power of Good

Making products that are more energy- and resource-efficient is key to Samsung's plans. Creating products that use less electricity and resources involves making the entire lifecycle of a product—from raw material sourcing to disposal and recycling—more sustainable.

One of the main ways the company aims to do this is by leveraging low-power technologies in everyday products, such as by introducing ultra-low-power memory chips to significantly reduce the electricity consumption in data centers and mobile devices by 2025 compared to current products.

The company also plans to implement low-power technologies in seven categories of consumer electronics, namely smartphones, refrigerators, washing machines, air conditioners, TVs, monitors and PCs.

In addition, Samsung has signaled its commitment to maximizing resource circularity by expanding e-waste collection systems from about 50 countries to over 180 by 2030, and establishing a new Circular Economy Lab to drive research around recycling technology and sustainable material sourcing processes.



A Net Zero Roadmap

Samsung's environmental strategy also centers around its goal of achieving net zero direct and indirect carbon emissions for the DX Division by 2030, and across all its global operations by 2050.

To that end, the company has joined RE100, a global initiative that brings together the world's most influential businesses in a collaborative effort to match global electric power needs with renewable energy by 2050. As part of this initiative, Samsung plans to match the electric power needs of its DX Division and all international markets where it operates with renewable energy within five years.

Bright Ideas

Drawing on the company's vast technical resources and knowledge, Samsung is also addressing global climate challenges through initiatives designed to catalyze innovation.

A first of its kind in the semiconductor industry when it was established within the Samsung Advanced Institute of Technology in September 2021, the Carbon Capture Research Institute has been tasked with developing carbon capture and utilization technologies that make it possible to store carbon discharged from semiconductor industrial sites and turn it into

In addition, Samsung is identifying and investing in startups that support innovative green technologies through C-Lab, its in-house venture incubation and external start-up acceleration program.



Everyday Sustainability

Ultimately, tackling climate change effectively requires a concerted effort from consumers, companies and governments, which is why it is crucial for market-leaders such as Samsung to both set new standards in this area and make it easier for their customers to make sustainable choices. At the same time, Samsung plans to continue developing new technologies and implement further sustainable practices to enable a brighter future for all.



Samsung is

responding to the threats of climate change with a comprehensive plan that includes reducing emissions, new sustainability practices, and the development of innovative

technologies and

products that are

Jong-Hee Han, Vice Chairman, CEO and Head of Device eXperience (DX) Division at Samsung Electronics

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R8 | Thursday, November 3, 2022

JOURNAL REPORT | ESG

Behind the ESG Ratings

Continued from page R1
ESG ratings, Julian Kölbel, Roberto Rigobon, and I analyzed the differences between ESG ratings from six raters. We identified three sources of the divergence: differences in which indicators are included in the ratings, in the weights given to each of those indicators, and in how they are measured. Together, those three factors define each rating company's methodology.

Here is what we found—and potential ways to address the divergence of ESG ratings to make them a better tool for investors.

Different data, weights

To see how much the underlying data can differ from rater to rater, consider this: In our sample of six different raters, the number of indicators that feed into the final ESG rating ranges from 38 for one rating company to 282 for another. This indicates substantial differences in what ESG raters think is important.

Weight divergence happens when rating companies have different views of the relative importance of various issues. For instance, occupational health and safety are commonly measured by looking at injury rates in factories. Some raters might give more weight to how companies perform on this score than, for example, the companies' lobbying practices. But other raters think that lobbying practices are much more important, as companies might try to reduce accidents in their own factories but at the same time lobby against regulation aimed at making all factories safer-which could add up to more injuries nationwide.

Investors need to know if the weightings align with their own personal concerns. For instance, for many people—and for many raters—diversity and climate change have taken on more importance in recent years. But there remain major differences

Different yardsticks

One of the trickiest reasons for the ratings divergence happens when raters look at the same data (or lack of data) and come

in the weights raters give them.

ment of specific indicators. That is, a company receiving a high score for one indicator is more likely to receive high scores for all other indicators from that same rater. Think of a highschool student who has five different classes with the same teacher. In four classes, she excels; but in the last class, she doesn't show any interest. The teacher might give her the benefit of the doubt and, maybe subconsciously, raise her grade in that one class because of her performance in the other four classes.

of ratings divergence, and found that the measurement differences were responsible for 56% of the overall ESG variations. The use of different indicators was responsible for 38% and weightings 6%.

One way to improve measurement would be regulation requiring all companies to disclose certain ESG-related data, as the information reported by companies is the main source of data for ratings. Currently, some companies follow disclosure standards developed by the Global Reporting Initiative or the Sus-

ready happening with financial disclosure. This would give ESG raters reliable data to use in their assessments of each indicator.

However, while there might be less divergence in ESG ratings if companies reported a uniform set of data, there will always be *some* divergence resulting from different rating methodologies. Enhanced competition among rating companies with different methodologies could encourage innovation that would continually improve ratings so that they provide a fuller picture of companies' ESG efforts, beyond whatever data those companies might be required to disclose.

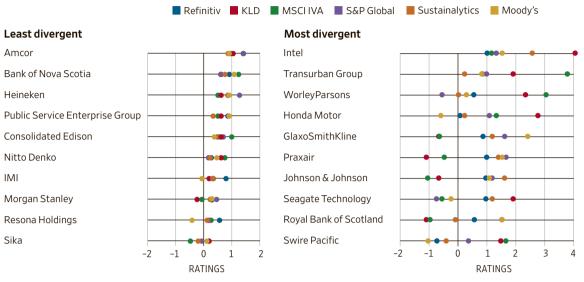
For instance, if accidents on the job were one mandatory measure of labor practices, a company might realize that it could manipulate the data by pressuring doctors to play down the severity of such incidents. In a competitive market, ESG rating companies could find other ways to measure labor practices, in addition to the required data.

Regulation could encourage such innovation. Regulators could, for example, force ESG raters to be more transparent about their methods. That would increase competition because investors would be able to make more informed decisions about which ratings to use. In addition, academics, nongovernmental organizations, the media and the companies being rated would be able to criticize the practices of ESG raters in a constructive way.

For now, ESG ratings divergence doesn't mean that measuring ESG performance is a futile exercise. It's clearly better than nothing. But it highlights the reality that measuring ESG performance is, to say the least, challenging—for the raters and for the investors who rely on them. Until those ratings contain fewer measurement discrepancies, investors who care about ESG performance are going to have to dig deeper to make sure their money is going where their values are.

In Agreement—Or Not

Companies with the most and least divergence in ESG ratings from six raters, based on recent research



RATERS

Note: The different rating scales of the six raters were normalized by subtracting the mean and dividing it by its standard deviation to make them comparable Source: Florian Berg, Julian F. Kölbel, Roberto Rigobon; MIT Sloan, University of Zurich

up with different measurements. For example, only a few companies disclose carbon-dioxide data for their supply chain. For companies that don't provide that data, ESG raters often estimate carbon-dioxide emissions from the supply chain. Each rater has its own way of doing that, so each arrives at a different conclusion.

We also found that a rater's overall view of a company appears to influence the measure-

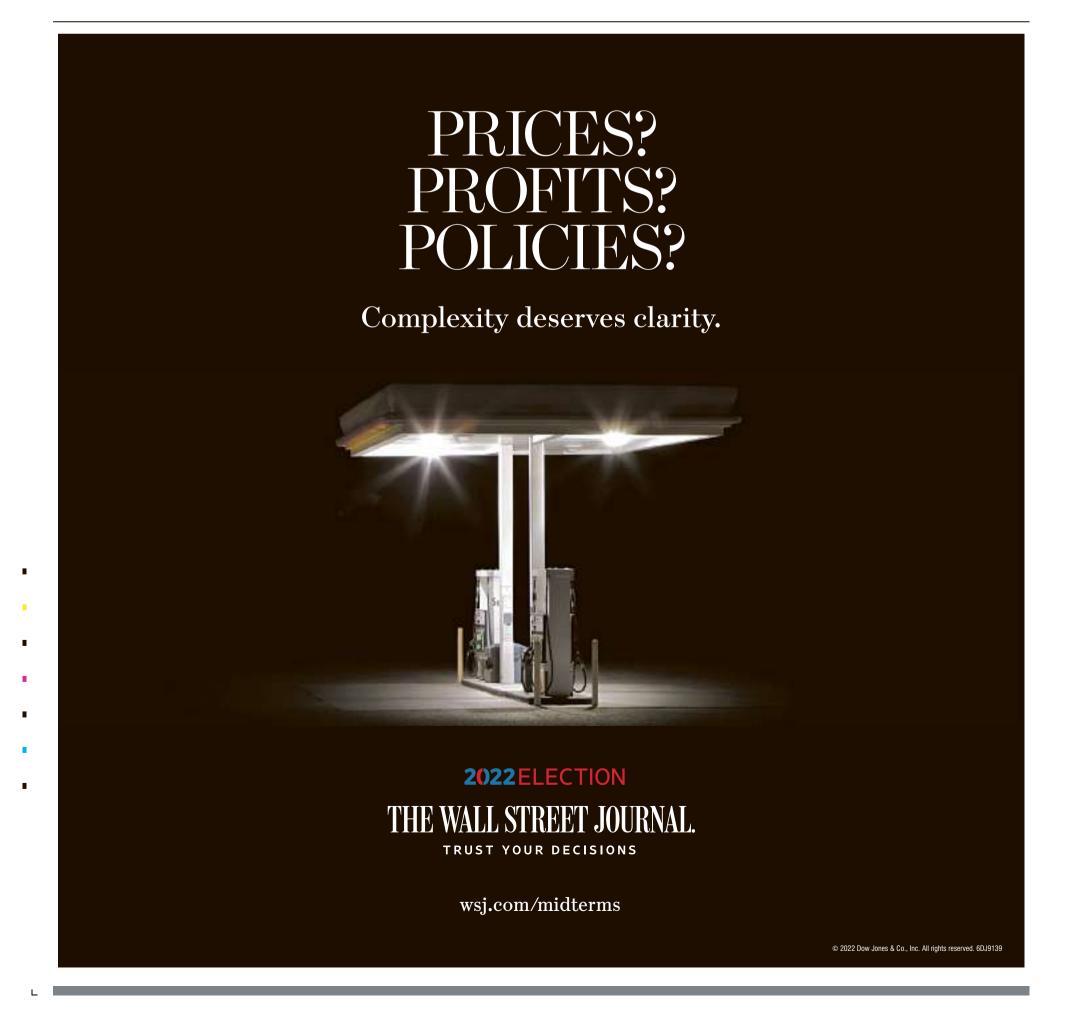
This is what we call the rater effect. It shows that ESG measurement, like any assessment, can be subject to all sorts of human biases. Furthermore, some raters use artificial-intelligence technology in their assessments. These models can be biased, too, and contribute to the measurement divergence.

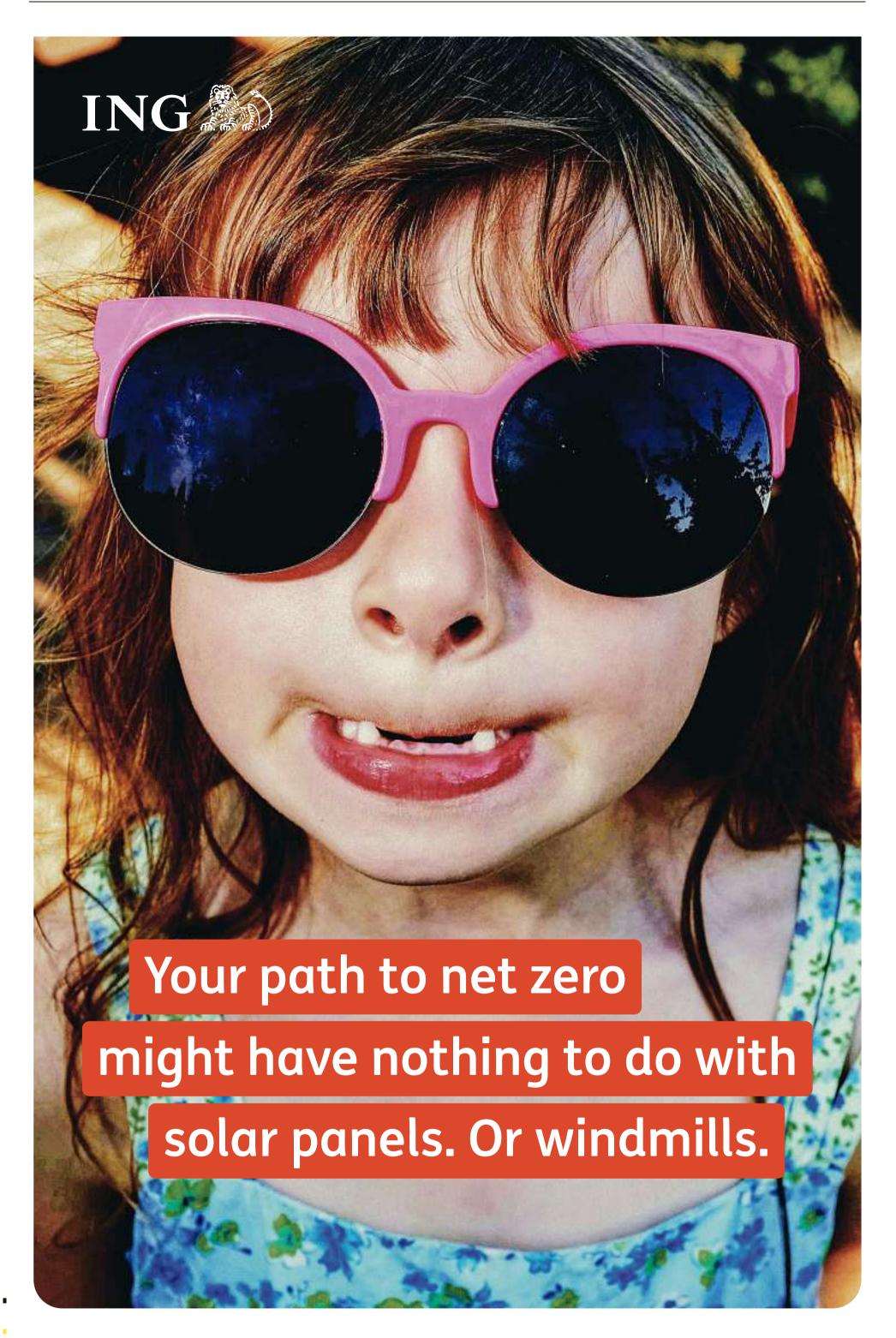
Seeking out solutions

We looked at each of the causes

tainability Accounting Standards Board. But such disclosure is optional. If regulators enforced mandatory reporting in compliance with a uniform standard, all companies' performance on this ESG data could be more easily measured.

If regulators want to go even further, they could impose mandatory auditing of ESG data, so that companies' disclosures would be approved by auditors in a way similar to what is al-





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...It can spur you to action. Sometimes.

F you saw your spouse throwing away a glass bottle instead of recycling it, would it make you more likely to recycle?

The answer has a lot to do with who has the decision-making power in the relationship.

That is the finding of a recent study into couples and their responses to environmental concerns. A romantic partner who has more decision-making power in the relationship will often do things to compensate for their partner's behavior. That is, they will act more sustainably than they otherwise would. By contrast, those who don't have decision-making power often don't push the issue by changing their behavior.

Why? Dominant partners see it as their responsibility to balance out their spouse and make the couple as a whole more green—and to signal that commitment to others.

"One partner is likely trying to rectify the couple's image," says Hristina Nikolova, one of the paper's co-authors and an assistant professor at Boston College's Carroll School of Management.

The bride wore green

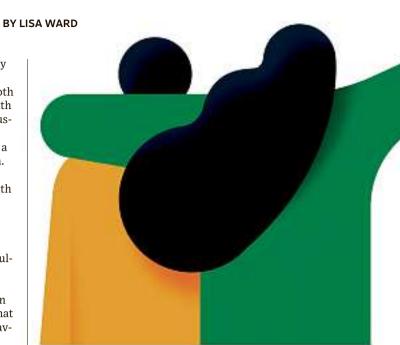
In one part of the study, the authors ran a Facebook advertising campaign targeting people who were recently engaged to be married. The authors deemed that women were more likely to have decision-making power in this instance, which is often the case with wedding planning. So, would these dominant partners be motivated to make up for a

future spouse's environmentally weak behavior?

More than 70,000 people, both men and women, saw an ad with the headline "How to have a sustainable wedding," and they were asked to click through to a website with more information.

But half of the people, both men and women, saw an ad with an additional sentence: "Your partner will likely make many unsustainable wedding choices like plastic water bottles and disposable decorations, which ultimately damage our environ-

The authors found that when women saw the Facebook ad that mentioned their partner's behavior, their clickthrough rate-



Decision-making partners are more motivated to act green when their partners presumably showed bad behavior.

which indicates how often ad exposures lead to clicks—was 0.97%. The clickthrough rate for women seeing the ad without the additional sentence was lower, 0.72%.

That means that the decisionmaking partners were more motivated to act green when their partners presumably showed bad behavior. (Throughout their research, the authors controlled for whether or not the dominant partner was eco-conscious.)

Meanwhile, there was no statistically significant difference in the clickthrough rate for men, the partners who presumably didn't have decision-making

power in the event.

In another part of the paper, the authors recruited 360 married participants and gave half of them a hypothetical scenario where their partners failed to recycle their trash after a big cleaning project. The other participants, the control group, were told about the project but didn't hear anything about their partners' actions.

The authors then surveyed the participants, asking about their decision-making role in the relationship and their intention to engage in green activities—like riding a bike or eating less meat—over the next three

months. The authors found that when partners felt they had more decision-making power, and that their partner wasn't being green, they were $8\%\ more$ likely to say they would make environmentally friendly choices than the control group—partners with high decision-making power not told about their partners' behavior.

Throughout the experiment, meanwhile, there wasn't a statistically significant difference between spouses with less decision-making power who were told their partner didn't recycle and those who weren't.

Show you mean it

The survey also tried to uncover participants' underlying motivation for their behavior, asking questions like: "It is my responsibility to ensure that we are an environmentally conscious couple," "It is my duty to ensure

that we, as a couple, behave in an environmentally conscious way" and "I want to make a positive impression through engaging in sustainable consumption."

Spouses with more decisionmaking power who were told their partner didn't recycle were more likely to say that they had a responsibility to make the couple more green and signal that commitment.

Dr. Nikolova believes this desire for a positive couple identity holds lessons for businesses that are marketing environmental products or promoting more environmentally sustainable initiatives. For instance, a company selling household goods could incorporate the message that their customers have a responsibility to make their household more sustainable—instead of just appealing to people as individuals.

So, instead of aiming their pitches at people individually, advertisers might bear in mind how couples tend to interact.

"Companies may want to think differently about how they target customers," says Dr. Nikolova.

Ms. Ward is a writer in Vermont. She can be reached at reports@wsj.com.

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