

# THE WALL STREET JOURNAL.

## What's News

### Business & Finance

**Powell provided** a clear signal that the Fed is on track to increase interest rates by half a percentage point at its next meeting, stepping down from an unprecedented series of four 0.75-point rate rises. **A1**

◆ **Third-quarter U.S. growth** was stronger than previously estimated and demand for workers remained elevated in October, signs a tight labor market and resilient consumer demand are proping up the economy. **A6**

◆ **U.S. stocks rallied** after the Fed chairman's remarks, with the S&P 500, Nasdaq and Dow gaining 3.1%, 4.4% and 2.2%, respectively. **B1**

◆ **The annual rate** of inflation in the eurozone fell in November for the first time since mid-2021, but the slowdown is unlikely to deter the ECB from raising interest rates further, economists said. **A1**

◆ **Years before** Bankman-Fried's crypto empire collapsed, a group of employees quit in a power struggle—after becoming concerned about what they say was his cavalier approach to risk, compliance and accounting. **A1, A4**

◆ **Salesforce said** co-CEO Taylor is leaving a year after he was elevated to run the software provider alongside Chairman Benioff. **B1**

◆ **A potential battle** between Apple and Twitter appears to have been averted after a meeting between Musk and Cook. **B1**

◆ **DoorDash said** it is laying off around 1,250 people just weeks after offering a bullish outlook for its food-delivery business. **B1**

### World-Wide

◆ **The House approved** a measure to end a long-running railroad labor dispute while also backing a proposal to impose seven days of paid sick leave, as the president urged lawmakers to work quickly to head off a possible strike. **A3**

◆ **Russia is sending** hundreds of paramilitary troops to fight in Bakhmut, an eastern Ukrainian city that is fast becoming the focal point of the next phase of the Kremlin's invasion, a senior Ukrainian official said. **A12**

◆ **Blinken said** that Western countries would step up support for Ukraine's power sector and remain united against Putin's efforts to divide Europe over energy supplies. **A12**

◆ **The Biden administration** finds itself caught between its domestic-policy goals and some of its closest allies as it races against the clock to set the ground rules for new electric-vehicle subsidies. **A3**

◆ **The Treasury Department** said it has complied with a Supreme Court order that allows the administration to make Trump's tax returns available to the House Ways and Means Committee. **A4**

◆ **Antigovernment protests** in China are stirring sympathetic activity near Chinese diplomatic missions around the world, adding an international dimension to a sensitive political moment. **A9**

◆ **Died: Jiang Zemin**, 96, former Chinese leader. **A8**

... **Christine McVie**, 79, Fleetwood Mac musician. **A6**

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## House Democrats Choose Jeffries as Their Next Leader



**NEW GENERATION:** Rep. Hakeem Jeffries was elected by acclamation to succeed Rep. Nancy Pelosi. He is the first Black person to lead a major party in Congress. Reps. Katherine Clark and Pete Aguilar will serve in the No. 2 and 3 posts, respectively. **A4**

## Early Staffers of FTX Founder Say They Quit Over Risky Bets

By GREGORY ZUCKERMAN

Years before Sam Bankman-Fried's crypto empire collapsed, a group of employees quit in a power struggle—after becoming concerned about what they say was his cavalier approach to risk, compliance and accounting.

The employees worked at his trading firm, Alameda Research, and were some of his earliest colleagues, including Alameda's co-founder, Tara Mac Aulay. They left in 2018, well before the crypto exchange FTX grew out of Alameda. Both FTX

and Alameda are now bankrupt. Mr. Bankman-Fried placed huge bets on crypto assets but paid little heed to the risk of those bets, brushing off the staffers' concerns, according to people familiar with the matter. The firm commingled trading capital with operating cash and had poor record-keeping that left its profits and losses unclear, they said.

"He didn't want to feel constrained," said Naia Bouscal, a former software engineer at Alameda who left with Ms. Mac Aulay and the others. "But as a

result we ended up not really knowing how much money we even had."

Mr. Bankman-Fried told The Wall Street Journal that the staffers left the firm because of personal disputes and their lack of productivity, and that Alameda addressed the accounting, risk and other issues they raised. "Right now, I'm focusing on doing what I can to do right by FTX customers," Mr. Bankman-Fried said.

Some of the issues identified by the group of former employees are similar to those identified

recently by FTX's new chief executive brought on to manage the firm through bankruptcy, people familiar with the matter said.

"I and a group of others all quit, in part because of concerns over risk management and business ethics," Ms. Mac Aulay tweeted Nov. 16. "My heart goes out to all of the victims whose trust was betrayed, savings lost, and livelihoods destroyed."

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◆ Bankman-Fried denies knowing scale of Alameda bets..... A4

## Storms and Tornadoes Batter Parts of the South



**Eutaw, Ala., Police Chief Tommy Johnson surveys damage after severe storms swept across the South from Tuesday into Wednesday morning, killing at least two people in Alabama. A6**

## When Taylor Met Taylor

Couples with the same name can run into confusion

By LANE FLORSHEIM

When "Twilight" heartthrob Taylor Lautner got married on Nov. 11, he and his wife took the concept of two becoming one a step further than most: In addition to their legal union, Mr. Lautner and the registered nurse formerly known as Taylor Dome also unified their names.

"We're literally going to be the same person," the actor said in an interview on "The Kelly Clarkson Show" ahead of the wedding. "How narcissistic." After the ceremony, he posted a photo gallery on Instagram with the caption "Mr. and Mrs. Taylor Lautner."

Though their same-name Please turn to page A7

## How a Fire Triggered China's Covid Protest

After deadly blaze took a long time to snuff, many blamed the rigid pandemic restrictions

By AUSTIN RAMZY AND WENXIN FAN

As smoke crept through the 21-story apartment building in far western China, panicked messages filled the residents' chat group. "On the 16th floor, we don't have enough oxygen," a woman gasped in an audio message. "Soon our children won't be OK."

Another resident added a plea about the people in apartment 1901: "They wouldn't be able to open the door. Can you break into it and take a look? There are many children inside."

Many who heard the reports were shocked, not by a tragedy in the remote city of Urumqi, but because it had taken firefighters three hours to control the fire.

People across the country believed the delays happened in part because of the pandemic restrictions that have been a running source of discontent throughout the country. The impact has reached into the heart of Chinese politics.

Excerpts of residents' panicked conversation began to circulate on social media, along with videos of the emergency response. They showed fire crews struggling to get around barriers to approach the building. Videos showed fire crews' water streams falling short of the fire as its flames slithered toward the top of the apartment tower.

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◆ Greg Ip: China stumbles on Covid; U.S. shakes it off..... A2

## Powell Signals Fed Will Slow Rate Increases

Blue chips exit bear market as chairman indicates half-point rise likely this month

By NICK TIMIRAO

WASHINGTON—Federal Reserve Chairman Jerome Powell provided a clear signal that the central bank is on track to increase interest rates by half a percentage point at its next meeting, stepping down from an unprecedented series of four 0.75-point rate rises aimed at combating high inflation.

Investors have been eager for evidence that the central bank would slow its pace of rate rises and markets rallied after Mr. Powell's remarks. The Dow Jones Industrial Average rose 2.2%, or about 735 points, enough to put the index back in a bull market, defined as a 20% rise from a recent low. The yield on the benchmark 10-year Treasury note declined to 3.699% Wednesday from 3.746% Tuesday.

Mr. Powell in a speech Wednesday said that an overheated labor market needs to cool more for the Fed to be confident that inflation would decline toward its 2% goal.

Because the Fed has raised rates rapidly and it takes time for those moves to influence the economy, it would make sense for officials to slow rate

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## Bill on Rail Dispute Passes

House approves a measure aimed at averting a strike by railroad workers..... A3

## Eurozone Inflation Declines, but ECB Remains on Guard

By PAUL HANNON

The annual rate of inflation in the eurozone fell in November for the first time since mid-2021 as energy prices dropped.

However, the slowdown isn't likely to stop the European Central Bank from increasing interest rates further, economists warned. Consumer-price inflation across the 19 countries that share the euro has increased since Russia's invasion of Ukraine and the Kremlin's decision to weaponize the country's vast stores of energy to undermine European support for Kyiv.

As a result of rising energy prices, the eurozone's inflation rate had continued to rise even as U.S. inflation eased for four straight months from July, prompting the ECB to raise its key interest rate more sharply than at any time in its history.

Wednesday's data from the

European Union's statistics agency showed consumer prices in November were 10% higher than a year earlier, down from the 10.6% annual inflation rate recorded in October as energy prices fell. Economists surveyed last week by The Wall Street Journal had expected to see a decline to 10.4%.

This means that while prices continue to rise rapidly, they are no longer doing so at a faster rate every month. This is a long way from inflation being under control or prices stabilizing, and it doesn't guarantee that the inflation rate won't pick up again.

The inflation rate last fell in June 2021, but that proved to be a brief interruption in its long climb. ECB President Christine Lagarde said the

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Jiang Zemin, Chinese leader who presided over market-oriented changes, dies at 96. **A8**



**PERSONAL JOURNAL**  
In a tough housing landscape, some renters renovate like they own the place. **A13**



## U.S. NEWS

CAPITAL ACCOUNT | By Greg Ip

## China Stumbles on Covid; U.S. Shakes It Off



When Covid-19 first erupted, the U.S. struggled to balance the trade-off between lives and livelihoods. Infections and deaths soared while lockdowns devastated economic output and sparked demonstrations.

China, by contrast, was a model of authoritarian efficiency. Mass testing, lockdowns and closed borders suppressed outbreaks. This allowed most Chinese to live normal lives without fear of infection, sustaining broad support for “zero Covid” (as best as outsiders could tell).

The ruling Communist Party held out these divergent responses as proof of its superior governance model. The U.S. had lost its historical “capacity for self-rectification,” one Chinese scholar concluded.

Now, it's China with an economy staggering under repeated, draconian lockdowns, while infections spread. Public trust has eroded. Protests over the weekend, some challenging not just Covid restrictions but Communist Party rule, are almost unheard of, and risky.

The reversal of pandemic dynamics shows that what were assets for China in 2020—centralized authority indifferent to individual rights with a monopoly on information—are liabilities.

Historically, controlling epidemics required that some individuals sacrifice

freedom for the collective health of the community. Managing this trade-off is naturally easier in China, which subordinates individual to collective rights, than in the U.S., where individual rights are paramount.

Thus, China's response to the initial outbreak in Wuhan became a template for the world: restrictions, tracking and mass testing were comprehensive, enforced and effective. By accepting concentrated bursts of economic disruption, China achieved overall economic stability with remarkably few deaths.

But that strategy broke down this year as much more contagious variants emerged. Lockdowns increased in frequency and severity yet didn't truly suppress the virus. That led to growing public misery and eroding support, at least in big cities, for zero Covid.

In a democracy, protests aren't just allowed, they are part of the feedback mechanism through which the government designs and adjusts its policies. In April 2020, more than 100 people swarmed the Michigan state Capitol to protest Democratic Gov. Gretchen Whitmer's Covid restrictions.

Ms. Whitmer was initially defiant. But with opposition from business, the GOP-controlled legislature and the state Supreme Court, she eventually scrapped restrictions and declined to bring them



Epidemic-control workers in Beijing this week, at left; protesters at Michigan's Capitol in 2020, right.



leaders have learned their careers depend on unswerving adherence to Mr. Xi's edicts.

Yet those edicts have become irreconcilable. Last month, Beijing announced measures meant to lighten the burden of Covid restrictions by reducing mass testing and quarantine requirements. But this conflicted with the insistence that local governments keep outbreaks under control.

Eran Cui, an analyst at Gavekal Dragonomics, noted in a report that the cities Shijiazhuang and Zhengzhou initially adopted the looser approach, only to see infections jump. At that point, she wrote, they backtracked.

“The central government, local governments and the population at large now all apparently agree that mass lockdowns are no longer desirable,” she wrote. She predicted China will shift its focus to slowing, not stopping, the spread of the virus. An orderly reopening preceded by extensive vaccination and new treatments “is almost certainly out of reach now.”

Don't over-interpret these events. A chaotic exit from zero Covid now doesn't invalidate its success in prior years, or tell us anything about the durability of Mr. Xi's autocratic governance. By the same token, just because the U.S. has achieved a relatively peaceful coexistence with the virus doesn't vindicate its often chaotic response of 2020.

back even when new variants sent cases skyrocketing.

The competing interests and power centers that hampered the U.S. response to Covid have yielded a political and economic equilibrium. Covid-19 hasn't gone away, but restrictions and mandates have, with economic life mostly back to normal. Ms. Whitmer was re-elected last month.

In China, the feedback mechanism of public opinion is much more attenuated. President Xi Jinping felt no pressure to pivot from zero Covid even though the costs began to far exceed the ben-

efits—and the public was pushed to a breaking point.

In the U.S. a fire hose of often-conflicting information fueled fierce disagreements over pandemic measures and medications. In China, the Communist Party monopolized the supply of information. But rather than use this to prepare the public to live with the virus, it did the opposite by consistently portraying the alternative to zero Covid as a dystopia of illness and death.

Rather than approve Western mRNA vaccines, it championed much less effective Chinese shots. The net

effect is to leave the population less prepared for the inevitable end of restrictions.

As power became concentrated with Mr. Xi, governance has become at times capricious and yet also inflexible. “Xi's personal stature is directly and inextricably bound up with the success of the zero-Covid policy,” Yanzhong Huang, an expert on health policy at the Council on Foreign Relations, wrote in October. “A sudden policy shift is tantamount to admitting failure.”

In the U.S., states were allowed to pursue different approaches. In China, local



More than 90% of corn grown in the U.S. is genetically modified. Above, harvesting corn last month near Darien, Wis.

## Washington Threatens Battle Over Mexico's Plan for a GMO Corn Ban

The U.S. and Mexico are tangling over Mexico's proposal to ban genetically modified corn, with a top U.S. official threatening to initiate a trade dispute if the two countries can't find an agreement.

By Kristina Peterson  
in Washington  
and Anthony Harrup  
in Mexico City

Mexico plans to ban genetically modified corn by 2024, adding another flashpoint to the two countries' tensions over trade. More than 90% of corn grown in the U.S. is genetically modified, according to the National Corn Growers Association.

U.S. Agriculture Secretary Tom Vilsack met with Mexican President Andrés Manuel López Obrador in Mexico on Monday in an effort to resolve the dispute. In a statement after, Mr. Vilsack said if an agreement isn't reached, “the U.S. Government will be forced to consider all options, including taking formal steps to enforce our legal rights” under the U.S.-

Mexico-Canada Agreement.

That agreement, which took effect in 2020, was designed to ensure a level playing field in trade among the three countries and provides a framework for resolving disputes.

Mr. López Obrador said Tuesday that Mexico is sticking to its ban on genetically modified corn for human consumption, but that it offered to extend the deadline on yellow corn for livestock fodder by two years while its content is being studied.

“We're self-sufficient in white corn and we're not going to allow imports of yellow corn for human consumption,” he said. The ban applies to both yellow and white corn. Mexico imports much of its yellow corn to feed livestock. Both Messrs. Vilsack and López Obrador said they were still hoping to reach an agreement over genetically modified corn.

Mexico was the second-biggest market for U.S. corn exports in 2021, with \$4.7 billion in corn exports, according to the U.S. Agriculture Depart-

ment. Only China is a bigger importer of U.S. corn.

The dispute adds to recent trade friction between the U.S. and Mexico over energy policy.

In July, U.S. Trade Representative Katherine Tai requested dispute-settlement consultations with Mexico under the USMCA trade agreement, saying Mexico was favoring its state-owned utility and oil company at the expense of American businesses.

Ms. Tai is to meet with Mexican Economy Minister Raquel Buenrostro on Thursday in Washington, according to U.S. and Mexican officials. The two are expected to discuss both the rifts over corn and Mexico's nationalist energy policies, a Mexican official said.

In December 2020, Mr. López Obrador signed a decree to phase out the use of genetically modified corn in Mexico by January 2024. The ban aims to protect Mexico's native corn varieties and human health, according to the decree.

Most U.S. corn has been bred to make it resistant to insects, more productive and,

more recently, tolerant to drought. It is also designed to be used with glyphosate, the most widely used herbicide in the world.

In his 2020 decree, Mr. López Obrador also moved to phase out use of glyphosate, which is used on the majority of corn, soybean and cotton acres planted in the U.S. and is prized by farmers for its effectiveness and low cost compared with other chemicals.

The Mexican government cited studies saying glyphosate has adverse effects on the health of humans and some animals, and assertions by the International Agency for Research on Cancer that it is probably carcinogenic to humans, an assertion rejected by the U.S. Environmental Protection Agency.

## U.S. Pushes Selective Trading With China

By YUKA HAYASHI

WASHINGTON—The U.S. isn't seeking to decouple from China, Commerce Secretary Gina Raimondo said Wednesday, even as she emphasized steps the U.S. is taking to safeguard its technology to ensure its economic competitiveness.

Ms. Raimondo spoke on U.S. competition with China at the Massachusetts Institute of Technology. At a briefing with reporters in advance, Ms. Raimondo highlighted the importance of promoting trade and investment in areas outside of core economic and national security interests.

As an example, she pointed to a new Commerce Department initiative to promote American personal-care products in China, which she said would generate significant revenue for U.S. businesses and help project America's soft power through its well-known brands. “It's important that we get the bilateral economic relationship right, not just by protecting but also by actively promoting our economic interests in trade,” she told reporters. “We are not seeking the decoupling from China.”

Treasury Secretary Janet Yellen made similar comments Wednesday at the New York Times DealBook Summit. “I certainly hope and expect that there will continue to be very strong ties between China and the United States when it comes to mutually beneficial trade and investment,” Ms. Yellen said. “And this is not something that I think would be beneficial, either to the United States or to China or to the global economy, to see erode.”

Ms. Raimondo's policy to selectively promote trade and in-

vestment is one of the four pillars of her China strategy. The others are making investments in domestic innovation and competitiveness in areas such as semiconductors, green technologies and infrastructure; enhancing capacities to protect national security through export controls, monitoring of inbound and outbound investments; and working with allies to promote shared values and cooperate on supply-chain and technology issues.

Commerce chief says U.S. doesn't seek a decoupling from Beijing.

She said she chose to give the speech at MIT to highlight the strategy to invest in America's innovation and research and development. “We have an advantage,” she said at the briefing. “But honestly, we have to run faster and out-innovate and keep pushing if we want to maintain that.”

She said the new strategy comes amid the realization that the U.S.'s past policy to engage with China to bring about the opening of its economy didn't work. “China's leaders have made it very clear they don't plan to pursue political and economic reform and opening,” she said. “Instead they're committed to increasing the role of the state in the Chinese society and economy, constraining the free flow of capital and information and even decoupling economically from the United States.”

—Andrew Duehren  
contributed to this article.

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## U.S. NEWS

# House Passes Legislation To Head Off Railway Strike

Sick-leave measure also wins approval, with both bills now going to the Senate

By KATY STECH FERK AND ESTHER FUNG

The House approved a measure Wednesday to end a long-running railroad labor dispute while also backing a proposal to impose seven days of paid sick leave, as President Biden urged lawmakers to work quickly to head off a possible strike.

House lawmakers voted 290 to 137 on legislation that would force the adoption of a tentative labor agreement by rail workers, using the power of a 1926 law that allows Congress to intervene in railroad disputes that threaten to disrupt the U.S. economy. On paid leave, lawmakers voted 221-207 to approve the proposal, with Democrats in favor and almost all Republicans opposed.

Both measures now head to the evenly divided Senate, where 60 votes are required to advance most legislation. The timing of votes hadn't yet been set in that chamber, where leaders of both parties have backed the measure aimed at ending the strike.

The imposition of the deal would end a labor dispute between **Union Pacific Corp.**, **CSX Corp.** and other freight railroads and more than 115,000 workers.

Mr. Biden issued a state-



Union Pacific is one of the freight railroads involved in the dispute.

ment after the House votes pressing the Senate to act quickly on the labor deal, warning that a labor agreement needed to be set well before Dec. 9, when a cooling-off period expires and a strike could begin. He warned that railroads could begin halting the movement of critical goods and materials.

"Without action this week, disruptions to our auto supply chains, our ability to move food to tables, and our ability to remove hazardous waste from gasoline refineries will begin," Mr. Biden said.

The White House said Mr. Biden broadly supports providing more sick leave for rail workers, but he opposes measures that could slow down passage of the legislation and risk a strike. "He does not

support any bill or amendment that will delay getting the bill to his desk by this Saturday," White House press secretary Karine Jean-Pierre said.

House Speaker Nancy Pelosi (D., Calif.) said she reluctantly supported forcing the labor agreement's adoption, despite such a move undercutting the ability of unions to press for a better deal. "A shutdown would grind our economy to a halt, and every family would feel the strain," she said in a speech on the House floor in which she urged members to back both bills.

Some Republicans backed the bill to end the labor stand-off, while also criticizing the White House for failing to negotiate a deal that unions and management could support.

"Why is Congress doing this? The reason is...because the president failed, the administration failed. That's the reason this was brought to Congress," said Rep. Sam Graves (R., Mo.), the top Republican on Transportation and Infrastructure. He said he plans to support the measure enforcing the labor deal and urged colleagues to do the same.

Mr. Graves, though, opposed the paid-leave proposal, saying that the tentative agreement's terms, including its wage increases, "are more than fair for railroad workers."

Sen. Bernie Sanders (I., Vt.) proposed a similar sick-leave measure in the Senate. A group of about a dozen senators including Mr. Sanders and other members of the Democratic caucus applauded the House vote on sick leave and said the Senate should also vote on the measure.

Lawmakers from both parties said they were unhappy about the benefits offered to railroad workers, particularly related to paid sick leave, and said they were hesitant to force them to accept a deal. The five-year agreement, which replaces a contract that lapsed, offers railroad workers a 24% increase in wages from 2020 through 2024. It allows for one additional paid day off, on top of existing vacation and paid time off.

—Siobhan Hughes and Andrew Restuccia contributed to this article.

## U.S. Allies Push to Alter EV Subsidies

By YUKA HAYASHI

WASHINGTON—The Biden administration finds itself caught between its domestic-policy goals and some of its closest allies as it races against the clock to set the ground rules for new electric-vehicle subsidies.

The Treasury Department's Internal Revenue Service faces a year-end deadline to propose a guideline for how to qualify for EV tax incentives of up to \$7,500 per vehicle under the tax and climate spending legislation known as the Inflation Reduction Act that President Biden signed in August.

Congress designed the subsidy program as a means to accelerate a transition to cleaner vehicles. But it also wants to use the program to turbocharge the domestic EV industry to create more U.S. jobs and to cut reliance on China, which now dominates production of EV batteries and

their components.

That has put the U.S. at odds with the European Union, South Korea, Japan and the U.K., which object to measures in the legislation that require eligible vehicles to be assembled in North America and impose stringent rules for source-

**A key sticking point is a requirement that vehicles be assembled in North America.**

ing and manufacturing of batteries. The European and Asian governments say it discriminates against their companies and may violate World Trade Organization rules.

Representatives of the U.S. and the EU are expected to discuss the issue at the meeting of the bilateral Trade and

Technology Council on Monday.

The new EV subsidies replace a program that provided a \$7,500 tax credit for any electric or plug-in hybrid vehicle up to 200,000 vehicles sold by the manufacturer.

Public comments submitted to the IRS by foreign governments and auto manufacturers—among more than 800 submissions through a public-comment period that ended in early November—underscore the difficulty of the task the administration faces.

The Biden team is seeking to balance the goals of its clean-energy and China-competition policies with its pledge to work closely with its allies to combat global challenges such as strengthening economic security and supply chains to counter China and Russia.

While the Inflation Reduction Act set the framework for the tax incentive program, foreign government and auto-industry officials say they are hoping the Treasury will address some of their concerns through flexible interpretation of the law.

The South Korean government asked for amending what it said were discriminatory assembly and component requirements or to delay the implementation of the tax credits by three years. In its comment, the EU warned that the measures, if implemented in their current form, could "trigger a harmful global subsidy race" for key green technologies and inputs while creating "tensions that could lead to reciprocal or retaliatory measures."

Treasury Secretary Janet Yellen has said the U.S. would seek to address concerns of its trading partners, while emphasizing the mandate set by Congress.

—Andrew Duehren contributed to this article.

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## U.S. NEWS

# Hakeem Jeffries Is Elected To Lead House Democrats

New York lawmaker becomes first Black person to head a major party in Congress

By ELIZA COLLINS  
AND SIOBHAN HUGHES

WASHINGTON—Rep. Hakeem Jeffries was chosen to lead House Democrats next year, making the New Yorker the first Black person to lead a major political party in Congress and marking a generational shift following the departure of three longtime chiefs.

Democrats for the incoming 118th Congress voted on their new leadership Wednesday, ending two decades under Nancy Pelosi of California, who was both speaker and minority leader during that period. She is stepping aside as Republicans prepare to take the majority in the new year following wins in the midterm elections.

"Sometimes we can have noisy conversations," Mr. Jeffries said in pledging to unify the disparate factions of the House Democratic caucus. "At the end of the day, we always come together, find the highest common denominator, and get big things done for everyday Americans," he said.

Mr. Jeffries also offered an olive branch to Rep. Kevin McCarthy (R., Calif.), the front-runner to be House speaker in the new Congress. "Our commitment is always to extend the hand of partnership whenever and wherever possible," Mr. Jeffries said.

Reps. Katherine Clark (D., Mass.) and Pete Aguilar (D., Calif.) were elected to the No. 2 and 3 positions in the Democratic minority, respectively. All three Democrats ran unopposed and were elected by acclamation, without roll-call votes.

In a competitive contest, Democrats elected Rep. Ted Lieu of California as vice chair



Rep. Hakeem Jeffries, center, flanked by Reps. Katherine Clark and Pete Aguilar, on Wednesday

of the House Democratic caucus, beating contenders including Reps. Debbie Dingell of Michigan and Joyce Beatty of Ohio.

Mr. Jeffries, 52 years old, was first elected to Congress in 2012 and represents parts of Brooklyn and Queens. Ms. Clark, 59, currently the assistant speaker and now set to become the minority whip, represents Boston's northern and western suburbs. She first won her seat in a special election in 2013. Mr. Aguilar, 43, represents a district east of Los Angeles. He is currently the vice chair of the Democratic Caucus and will become its chair. He was elected to Congress in 2014.

Mrs. Pelosi, 82, Majority Leader Steny Hoyer (D., Md.), 83, and Whip James Clyburn (D., S.C.), 82, all said earlier that they would leave the top three leadership positions but remain in Congress. Mr. Clyburn is running to be assistant to the Democratic leader, which is lower in the leadership structure than his current

role, and faces a last-minute challenge from Rep. David Cicilline (D., R.I.).

Mr. Cicilline, who is gay, argued in a letter to colleagues that the LGBT community needed representation at the table after election losses knocked high-profile members of the group out of leadership ranks.

The race for the assistant position will occur on Thursday, with Mr. Clyburn currently out of town to speak at the funeral of a murdered University of Virginia football player, an aide said.

Because they will be in the minority next year, Democrats will have different titles than in the current leadership structure.

On the Republican side, several GOP lawmakers have said they won't support Mr. McCarthy, the current minority leader, for speaker. The next House speaker must be elected by a majority of the lawmakers present and voting in January, meaning almost all Republicans must support him if all Democrats are opposed.

# Panel Gets Access to Trump's Tax Returns

By RICHARD RUBIN

WASHINGTON—The Treasury Department has complied with a Supreme Court order that allows the administration to make former President Donald Trump's tax returns available to the House Ways and Means Committee, the department said Wednesday.

The next move falls to committee Chairman Richard Neal (D., Mass.), who was guarded Wednesday about his plans for analyzing the documents or releasing them publicly.

The committee has been seeking Mr. Trump's tax returns and audit records for nearly four years. Unlike other recent presidents and major-party presidential candidates, he didn't voluntarily release his tax records.

"We intend to see it through," Mr. Neal told reporters in the Capitol without confirming that the committee received the documents. A lawyer who represented Mr. Trump in the matter didn't respond to a request for comment.

Mr. Neal requested tax returns of Mr. Trump and several entities he owns or controls for tax years 2015 through 2020, as well as details and files about the Internal Revenue Service audits of those returns.

The long court battle that ended last week leaves Mr. Neal with precious little time. Since Democrats lost control of the House in the midterm election, Mr. Neal will lose his

chairmanship on Jan. 3 and Republicans have said they don't plan to pursue the matter.

Mr. Neal said his next step would be to meet with Democrats on the Ways and Means Committee to discuss the issue. He wouldn't say whether he intends to release any of the documents or portions of them publicly; that would require a vote by the full committee. Mr. Neal's written request for the records said he plans to study how the IRS audits presidents under an agency procedure that isn't codified into law.

Under the tax code, the Ways and Means chairman can request any tax return from the IRS, and the law says the administration shall hand those over. But when the Treasury Department was under the control of the Trump administration in 2019, the agency refused to comply with Mr. Neal's request for the returns.

That led to slow-moving litigation that ended with the Supreme Court's unsigned order last week. Mr. Trump's lawyers contended that the request was largely designed to publicize the returns and lacked a legitimate legislative purpose.

Even after Democrats lose control of the House, they will still control the Senate. The Finance Committee chairman, Sen. Ron Wyden (D., Ore.), has the same authority as Mr. Neal to request returns. He hasn't said what he plans to do.

—Jan Wolfe  
contributed to this article.



Former President Donald Trump refused to release his tax records.

# FTX's Bankman-Fried Denies Knowing Scale of Alameda Bets

By ALEXANDER SAEEDY

Sam Bankman-Fried said that he didn't intend to commit any fraud or use customer funds to back leveraged bets that went wrong at Alameda Research, a crypto hedge fund attached to FTX that pushed the exchange to bankruptcy.

"I didn't knowingly commingle funds," Mr. Bankman-Fried said via live stream at the DealBook Summit in New York on Wednesday. He also was sur-

prised at the size of Alameda's bets that went wrong, "which points to another failure of oversight on my part," he said.

"I didn't know exactly what was going on," Mr. Bankman-Fried said. "I learned a lot of these things as they were going on" in early November, he added.

He tried to deflect some of the blame for FTX's collapse away from himself, citing an extensive public relations campaign designed to inflict chaos

on the exchange. He also said he believed most U.S. exchange customers should be able to recover their locked-up crypto but that FTX's international customers may not be able to.

The comments came at Mr. Bankman-Fried's first known public appearance since he resigned from FTX and the firm collapsed into the largest-ever bankruptcy by a cryptocurrency platform. The firm, long a chaotic mess despite its public image of stability, failed af-

ter dipping into customer funds to back billions of dollars in risky bets by Alameda, its affiliated trading firm.

The failure of FTX and Alameda has unleashed a wave of financial distress among cryptocurrency firms, tipping lender BlockFi Inc. into its own chapter 11 case and threatening the financial health of other platforms.

Responding to a question about whether FTX and Alameda were more closely

connected than previously understood, Mr. Bankman-Fried said that they were "tied together more than I would have ever wanted it to be."

Mr. Bankman-Fried maintained that he didn't knowingly commingle FTX client funds. He said he started to get concerned late on Nov. 6 of problems with Alameda's position on FTX and later that day started to get concerned that "things might end quite badly here."

"Alameda's position was big

on FTX," he said.

New managers hired to steer FTX through bankruptcy are only beginning to sift through the firm's liabilities and hunt down assets that left it before it failed. They have said that the company was plagued by an unprecedented lack of corporate controls, and cryptocurrencies deposited by millions of customers are still frozen on the exchange, with little indication of how much they will get back, or when.

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## Staffers Say They Quit Over Risk

Continued from Page One

Alameda was started in Berkeley, Calif., by a group led by Mr. Bankman-Fried and Ms. Mac Aulay in fall 2017, two years before the launch of the FTX exchange. Most early employees said they were dedicated to effective altruism, or EA, a movement that aims to give more-effective charitable donations. They viewed Alameda as a way to make a lot of money trading cryptocurrencies—profits that could be funneled to charitable causes employing EA principles, the people said.

The firm began with a few million dollars of borrowed money from wealthy investors, including effective-altruism adherents recruited by Ms. Mac Aulay, and grew past \$100 million by early 2018, according to people familiar with the fundraising.

Early on, though, employees became worried, people familiar with the matter said. Mr. Bankman-Fried had worked at quantitative trading giant Jane Street Capital LLC, a firm that has extensive risk controls. But when colleagues at Alameda proposed setting up rigorous structures and systems for risk, compliance and accounting, Mr. Bankman-Fried was dismissive of the idea, according to the people.

He said such extensive con-

trols could crimp Alameda's activity and limit how fast the firm could move to place trades, the people said.

Alameda built a trading algorithm to make a large number of automated, rapid-fire trades, but some at the firm feared it couldn't keep track of all the activity, the people said. The staffers said Alameda needed to do a better job tracking its trading to account for its gains and losses, but Mr. Bankman-Fried rejected the idea, according to the people.

Staffers also had concerns about how the firm's trading capital was commingled with money dedicated to run the firm, the people said. That made it harder to track Alameda's performance and its operating expenses, they said.

Within months, Mr. Bankman-Fried had placed a series of big bets, including one on the price of ether, ignoring the advice of some colleagues, the people said. Alameda made some solid profits with arbitrage trades, or those profiting from different crypto prices in different markets, but then suffered losses from other wagers betting on price moves.

Some staffers were frustrated by what they said were poorly kept records and balance data, for example. They resulted in a series of transfers of XRP tokens that were delayed in arriving, which led to several million dollars of losses.

According to documents written by Mr. Bankman-Fried, dated 2018 and viewed by the Journal, Mr. Bankman-Fried acknowledged that Alameda's lack of accounting and risk controls



The group of Sam Bankman-Fried's Alameda Research colleagues left in 2018.

led to trading losses.

"No one was ultimately making sure that our trading and accounting were OK. We did a lot of sloppy trades, many of which some people were at the time worried about," Mr. Bankman-Fried wrote, saying that the issues helped precipitate "a number of clashes" at the firm.

According to Mr. Bankman-Fried's documents, the firm addressed the problems in March 2018, and Alameda built systems to better calculate the firm's profits, losses and transfers, leading to a more profitable trading system.

Some of those employees who departed said they had shared their concerns about Mr. Bankman-Fried and the firm's lack of risk controls with some of Alameda's investors and members of the effective-altru-

ism community, though it couldn't be determined how detailed their warnings were. They never shared their concerns with regulators, the people said, but Alameda was a relatively small firm that invested only for deep-pocketed individual investors.

Former Alameda employees offered Mr. Bankman-Fried a \$1 million buyout that he rejected, according to Mr. Bankman-Fried's documents.

By April 2018, Ms. Mac Aulay and the others had quit, leaving Alameda with about a dozen less-experienced employees. Alameda's assets fell to about \$30 million in the spring of 2018 as some investors withdrew money, the people said.

The employee departures occurred partly because Mr. Bankman-Fried and his allies had taken effective control of the firm, freeing out the others, according to some of those who left.

"We looked at Sam and his actions, his decisions, the way he treated people and the way he ran the company and came to the conclusion he's not a person we wanted to be in business with or associate with," Ms. Bouscal said.

"There are many things I wish I had done differently at Alameda," Mr. Bankman-Fried wrote in the documents. "I was unempathetic, rarely complimented people, and curt with feedback." But Mr. Bankman-Fried says in the documents he changed his treatment of his colleagues after the group left, leading to "a significantly more cooperative, happier, and more productive company."



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## U.S. NEWS

## Quarterly Growth Tops Earlier Estimate

BY BRYAN MENA  
AND HARRIET TORRY

Third-quarter U.S. growth was stronger than previously estimated and demand for workers remained elevated in October, signs a tight labor market and resilient consumer demand are propping up an economy struggling with persistently high inflation.

Gross domestic product increased at an annual rate of 2.9% from July to September, up from an initial estimate of 2.6%, the Commerce Department said Wednesday. Larger consumer spending and business investment estimates were behind the growth revision.

Job openings totaled a seasonally adjusted 10.3 million in October, the Labor Department said separately. That was down from 10.7 million in September but exceeded the 6.1 million unemployed people seeking work in October.

Demand for workers has eased some in recent months, and a wave of layoffs has rippled across industries such as tech, entertainment and real estate. CNN on Wednesday said it is laying off employees, DoorDash Inc. said it would cut staff and AMC Networks Inc. said in a memo to employees that it plans to lay off about 20% of its workforce.

Still, the growth and job figures point to U.S. resilience despite a slowing from the red-hot pace during the pandemic rebound and fears of a recession. The Federal Reserve is boosting rates at the fastest pace since the early 1980s to cool the economy and reduce inflation.

"There's still little sign of serious weakness in the labor market right now," said Julia Pollak, chief economist of jobs site ZipRecruiter. "The pain of tech layoffs and the real-estate slowdown are still quite contained in those few industries

directly affected by rising interest rates."

U.S. economic growth eased this fall with business activity in some parts of the country stalling or declining, the Fed said separately in a Wednesday report. Businesses expressed greater uncertainty and increased pessimism for the economy as prices and interest rates continued to rise, according to the central bank's latest compilation of anecdotes from around the country, known as the beige book.

Some layoffs were reported in the technology, finance and real-estate sectors, but employment grew modestly in most of the country, the Fed report said. Some businesses said they were reluctant to lay off workers because of recent hiring difficulties.

Employers added 261,000 jobs in October, a robust number but the smallest gain this year. Economists estimate the November payroll gain will be

even smaller in the Labor Department's next employment report, to be released Friday. Jobless claims have remained relatively low, but have been edging higher since record

lowers reached in the spring. Economists say layoffs aren't yet widespread. "It's easy to get lost in the headlines, like that Company X is laying off their 1,000 workers

or whatever, but to some extent, that is the natural order of the labor market," said Michael Pugliese, an economist at Wells Fargo.

Mr. Pugliese said he expects demand for workers to ease gradually in the coming months along with how often workers quit, which in part reflects workers' confidence in their ability to find a new job.

Companies in October posted more openings for jobs in services, finance, construction and wholesale trade sectors. Manufacturing, professional services, warehousing and transportation saw the biggest declines, the Labor Department said.

Hiring slowed while total separations, which includes layoffs and quits, picked up slightly in October from September. The number of times workers quit their jobs fell to its lowest level since May 2021 in October, but remained elevated at 4 million.

Mr. Powell pushed back against concerns that the Fed was raising rates too aggressively, warning that allowing rapid price increases to persist could cause consumers to expect continued high inflation, making it more entrenched.

"It can't be that we can go on for five years at a very high level of inflation and that it doesn't work its way into the wage- and price-setting process pretty quickly. That's a serious concern," he said.

Mr. Powell repeated his earlier view that officials were likely to raise rates to a somewhat higher level early next year than they had anticipated in projections released after their September meeting, when most officials saw their benchmark rate climbing to between 4.5% and 5%.

Mr. Powell focused part of his remarks on exploring why the share of people seeking work remains below its pre-pandemic level. The analysis carries important implications for setting interest rates because if wage pressures remain stronger in the coming years, that could lead to a period of greater volatility in wages, inflation and borrowing costs.

Mr. Powell said most of the shortfall appears to reflect older people who retired early when the pandemic hit the U.S. in March 2020 and from slower growth in the working-age population, which he said could reflect reduced levels of legal immigration and a surge in deaths during the pandemic.

Steps to boost workforce participation aren't controlled by the Fed and wouldn't be able

to take effect rapidly enough to address the current bout of high inflation, Mr. Powell said.

The upshot is that Fed policy will seek to slow inflation and wage growth by reducing demand for workers, a subject that Mr. Powell addressed delicately on Wednesday. "For the near term, a moderation of labor demand growth will be required to restore balance to the labor market," he said.

While strong wage growth "is a good thing," he implied it is too high right now to support a return to the Fed's 2% inflation target. "For wage growth to be sustainable, it needs to be consistent with 2% inflation," he said.

Mr. Powell said the Fed's preferred measure of inflation, the personal-consumption expenditures price index, likely rose around 6% in October from a year earlier, down from 6.2% in September. The Commerce Department is set to release October figures on Thursday. When stripped of volatile food and energy prices, the so-called core index likely increased around 5%, down from 5.1% in September, he said.

The Labor Department is set to release its November employment report on Friday, which will include details on hiring, wage growth and joblessness. The unemployment rate stood at 3.7% in October.

Watch a Video

Scan this code for a video of some of the Federal Reserve chief's remarks.

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## Fed Signals Rate Rises To Slow

Continued from Page One

increases, he said at an event at the Brookings Institution. "The time for moderating the pace of rate increases may come as soon as the December meeting," he said.

Fed officials lifted their benchmark rate by 0.75 percentage point on Nov. 2 to a range between 3.75% and 4%, which is up from near zero in early March. Many officials have signaled they are leaning toward approving a half-point increase at their Dec. 13-14 meeting.

Mr. Powell suggested Fed officials were moving into a new phase of policy tightening in which they would try to judge just how high rates need to climb. "My colleagues and I do not want to overtighten because...cutting rates is not something we want to do soon," he said. "That's why we're slowing down and going to try to find our way to what that right level is."

Mr. Powell reviewed signs of progress on the inflation fight, including a slowdown in interest-rate-sensitive sectors of the economy, such as housing, and improving supply-chain conditions. But he said that declines in rents and goods prices might be insufficient if firms don't slow their hiring to bring the strong demand for labor into better balance with a shortfall

in the supply of workers.

Labor demand has eased somewhat in recent months. Job openings totaled a seasonally adjusted 10.3 million in October, the Labor Department reported Wednesday. That was down from 10.7 million in September but far exceeded the 6.1 million unemployed people seeking work in October.

The labor market "shows only tentative signs of rebalancing, and wage growth remains well above levels that would be consistent with 2% inflation," Mr. Powell said. "Despite some promising developments, we have a long way to go in restoring price stability."

The Fed has raised interest rates this year at the most rapid pace since the early



Federal Reserve Chairman Jerome Powell spoke at the Brookings Institution on Wednesday.

1980s to battle inflation that is running near a 40-year high. Officials seek to reduce inflation by slowing the economy through tighter financial conditions—such as higher borrowing costs, lower stock prices and a stronger dollar—which typically curb demand.

The U.S. economy shrank slightly in the first half of this year, but grew more briskly in the third quarter than previously estimated. Gross domestic product increased at an inflation-adjusted annual rate of 2.9% from July through September, topping an initial estimate of 2.6%, the Commerce Department said Wednesday.

A wave of layoffs has rippled across industries such as tech, entertainment and real

estate. CNN said on Wednesday it is laying off employees, DoorDash Inc. said it would cut staff and AMC Networks Inc. said in a memo to employees that it plans to lay off about 20% of its workforce.

A big question now for the Fed is how much farther to raise rates. Some officials are concerned about causing unnecessary damage to the economy and labor market because it takes time for the full effects of those increases to ripple through the economy.

Other policy makers are concerned that price pressures could stay high because despite improvements in supply chains and commodity markets, prices have picked up for more labor-intensive services.

at BNP Paribas.

Inflation rates around the eurozone have been heavily influenced by government measures to protect households from surging energy prices. In November, the Netherlands saw the largest fall in its annual inflation rate, which plummeted to 11.2% from 16.8% in October as a government cap on energy prices came into effect.

Similar caps have been implemented in most eurozone countries, including France and Germany. Economists at the Bruegel research body in Brussels estimate European Union governments have so far allocated €600 billion (\$619.9 billion) to pay for those gaps and other efforts to shield households.

Many economists think eurozone inflation is close to its peak, in part because natural-gas prices have fallen over recent months and because the

eurozone economy likely entered a recession this quarter.

With energy consumption rising over the winter months, very high energy prices and higher interest payments will reduce the amounts that households can spend on other goods and services. Energy-intensive industries are cutting production to avoid losses.

Economists at JPMorgan estimated the combined effect of these and other headwinds will lead to a 1.3% annualized drop in gross domestic product during the final three months of this year and a 1% decline in the first three months of 2023, before growth returns in the second quarter as energy use falls.

With demand for their products set to weaken, a monthly survey conducted by the European Commission indicated that fewer manufacturers are plan-

ning to raise their prices over the coming months than at any time since September 2021.

High energy prices mean inflation is unlikely to fall sharply in the early months of next year but because these prices are already very high now, it will likely fall later in 2023.

For policy makers, the main uncertainty about inflation beyond next year is whether workers will secure big pay rises as they seek to make up for their lost spending power, leading to further price rises as businesses seek to cover their increased payroll costs.

So far, there are few signs that wages are rising sharply. According to the ECB's own measure of pay deals negotiated by labor unions and similar groups, wages in the three months through September were 2.9% higher than a year earlier.

Consumer prices, change from a year earlier

Sources: Organization for Economic Cooperation and Development (U.S.); Eurostat (Eurozone, Germany, Spain)

however, we continue to expect the ECB to keep hiking until policy rates are well into restrictive territory," said Paul Hollingsworth, an economist

## Eurozone Inflation Declines

Continued from Page One

same is likely true of the November drop.

"We don't see the components or the direction that would lead me to believe that we have reached peak inflation and that it is going to decline in short order," she told European lawmakers on Monday.

Ms. Lagarde pointed to uncertainties about the time it takes for increases in wholesale energy prices this year to be passed on to households. Her comments cemented expectations that the ECB will raise its

case of polio was confirmed this summer. No other confirmed case of polio has been reported, according to the CDC.

The health agency said it is in talks to begin wastewater testing with other locations that either have low polio vaccination rates or those with possible connections to what it called at-risk communities in New York.

The CDC said the majority of U.S. residents are at low risk because more than 92% of the population were vaccinated as children. There is no cure, but the multidose polio vaccine administered in the U.S. is at least 99% effective at preventing paralytic disease, according to health officials.

Philadelphia and Oakland County, Mich., northwest of Detroit, will be two of the new communities to have their sewage tested. The CDC said testing would take place for at least four months. Wastewater testing began in New York after a

Wastewater Testing For Poliovirus Grows

Health officials are expanding wastewater testing for poliovirus to track if the paralyzing virus is spreading in the country.

The information can help target vaccination efforts in certain communities, the Centers for Disease Control and Prevention said Wednesday.

Philadelphia and Oakland County, Mich., northwest of Detroit, will be two of the new communities to have their sewage tested. The CDC said testing would take place for at least four months. Wastewater testing began in New York after a

At Least Two Killed In Powerful Storms

Severe storms spawning tornadoes, hail, high winds and heavy rain swept across the South on Tuesday and Wednesday morning, killing at least two people in Alabama, state officials said.

A 39-year-old mother and her 8-year-old son died at about 3:30 a.m., Wednesday when their home was hit by severe weather, likely a tornado, said Capt. Joshua Douglass Sr. with the Montgomery County Sheriff's Office. The 51-year-old father of the boy was injured and is being treated at a hospital, Capt. Douglass said. Authorities

didn't release their names.

Later Wednesday, the National Weather Service in Birmingham confirmed that a tornado hit Montgomery County with winds estimated at 115 miles an hour. Several buildings in the state, including some apartment complexes, also were damaged by the storms, the weather service said.

By Wednesday afternoon, the bulk of the storm system was over the Atlantic Ocean and sunny skies had returned to much of the South.

The storm system swept across Arkansas, Louisiana, Mississippi and Alabama overnight Tuesday, leading some schools to cancel classes, delay opening or conduct classes remotely.

—Cameron McWhirter

U.S. VIRGIN ISLANDS  
Epstein Estate Settles Suit for \$105 Million

The estate of Jeffrey Epstein on Wednesday settled a lawsuit brought by the U.S. Virgin Islands that accused the disgraced financier of trafficking and sexually abusing girls and young women on his private island in the Caribbean.

U.S. Virgin Islands Attorney General Denise George said the estate agreed to pay the Virgin Islands government \$105 million, as well as one half of the proceeds from the sale of Little St. James, one of Epstein's private islands.

—James Fanelli

OBITUARY  
Fleetwood Mac's Christine McVie, 79

Christine McVie, a venerated songwriter and an integral member of Fleetwood Mac, one of the bestselling musical groups of the 1970s, died Wednesday morning at age 79.

The singer-songwriter and pianist died at a hospital following a short illness, according to a statement on behalf of her family posted on her Twitter account.

Ms. McVie wrote many of the band's most celebrated hits, including "Don't Stop," "Everywhere" and "Little Lies."

—Neil Shah



## U.S. NEWS

# New Alzheimer's Drugs Show Promise but Still Carry Risks

By JOSEPH WALKER

After years of failures, drug-makers appear on the verge of rolling out two new Alzheimer's therapies in the next several months.

The drugs, one from Eisai Co. and partner Biogen Inc. and another from Eli Lilly & Co., promise patients some much-needed options for slowing Alzheimer's memory-robbing advance.

Neither Biogen-Eisai's lecanemab nor Lilly's donanemab stop the disease, however. And the benefits from their use might be modest or short-lived, and come with risks such as brain bleeding and swelling.

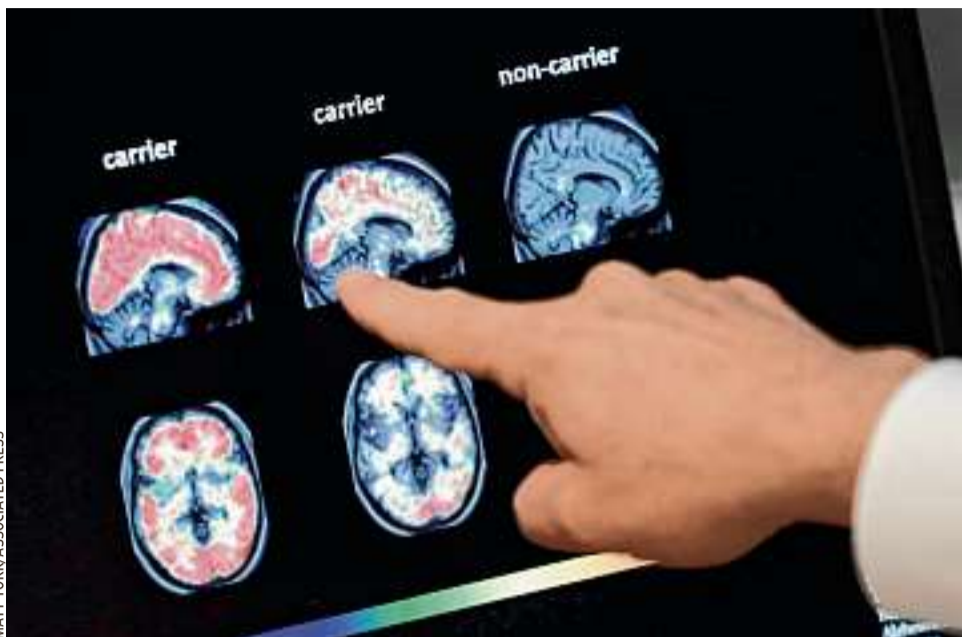
That means health regulators will need to closely scrutinize the mixed data coming in over the next weeks, and patients' access to the therapies could hinge on the willingness of Medicare and other health insurers to pay for them if approved.

The drugs' prospects got a lift when researchers testing the Eisai-Biogen drug this week reported that, in a large trial, it slowed the cognitive decline of volunteers by 27% over 18 months. It also reduced levels of a protein called amyloid, which is associated with Alzheimer's.

Citing the data, Citi analyst Andrew Baum said Wednesday there was now "little doubt lecanemab and likely donanemab will ultimately receive full approval."

The deadline for the Food and Drug Administration to approve the Biogen-Eisai drug is Jan. 6, while Lilly's is sometime in early 2023.

The regulatory blessings, if they come, could mark a turning point in Alzheimer's drug development. Researchers and companies have been seeking disease-changing therapies for years, only to suffer one set-



Two drugs might slow Alzheimer's, which is related to the buildup of amyloid plaque in the brain.

back after another.

Just last month, Roche Holding AG reported experimental Alzheimer's therapy gantenerumab failed to produce a statistically significant benefit in two large studies.

The Food and Drug Administration gave conditional approval of an earlier drug from Eisai and Biogen last year based on data indicating it reduced levels of the amyloid protein. Yet a study on the drug's effectiveness was inconclusive, and Medicare and other insurers limited coverage.

Sales were minuscule, and Biogen said in May that it would effectively stop marketing the drug, called Aduhelm. The failures had cast doubt on a theory that many scientists and industry officials held about Alzheimer's roots: that the disease was related to the buildup of amyloid plaques in the brain—and that reducing their levels would help patients.

Doctors and analysts said

positive study results for lecanemab especially—which, like donanemab, targets amyloid—lend support to the amyloid hypothesis.

"Both donanemab and lecanemab have shown high levels of plaque clearance and we believe today's results continue to support a high probability of success for donanemab," JPMorgan analyst Chris Schott said.

Last year, Lilly reported donanemab had slowed the cognitive decline of volunteers in a small study. The company expects its large study of the drug to finish up next year.

Doctors expressed concern about how helpful lecanemab would be in real-world use. And in the trial, 17.3% of volunteers who got the drug had signs of brain bleeding, compared with 9% of those who took a placebo.

Meanwhile, 12.6% of study subjects taking lecanemab had brain swelling versus 1.7% in the placebo group, according to researchers who presented the

data at the Clinical Trials on Alzheimer's disease conference in San Francisco.

If the drugs are approved, doctors will have to carefully consider which patients should receive treatment. For example, the drugs could be a risk factor for large brain hemorrhages in certain patients who also take blood thinners, Michael Irizarry, Eisai's vice president of clinical research for Alzheimer's, said in an interview.

Through late October, there were two deaths in Eisai's ongoing study among patients taking lecanemab, compared with one death in the placebo group during the initial 18-month follow-up period. The lecanemab patients who died had also been using blood thinners for other health problems which, like anti-amyloid drugs, raise the risk of brain bleeding.

In both cases, the immediate cause of death wasn't lecanemab, but the drug might have been one factor among others that led to the deaths, Dr. Irizarry said.

# Rules to Ease for Gay Men Donating Blood

By LIZ ESSLY WHYTE AND AMY DOCKSER MARCUS

Gay and bisexual men in monogamous relationships would be allowed to donate blood without abstaining from sex under guidelines being drafted by the Food and Drug Administration, people familiar with the plans said.

The change would be a departure from U.S. policy that for many years barred men who have sex with men from donating blood. The FDA policy originated in the 1980s during the AIDS epidemic, when tests for HIV, the virus that causes AIDS, weren't considered sensitive enough to protect the blood supply.

The FDA lifted the ban in 2015 but said gay and bisexual men had to abstain from sex for one year before donating. During the pandemic, amid severe blood shortages, federal officials shortened the abstinence requirement to three months.

The FDA plans to issue the new rules in coming months, the people familiar with the plans said. All potential donors would need to complete an individualized risk assessment, the people said. Canada adopted a similar system in September. Canada's risk assessment is a form that asks uniform questions regardless of gender or sexual orientation about a potential donor's medical history, travel and sexual activity.

The FDA's intended plans come after an agency-funded study of around 1,600 gay and bisexual men examined whether an individualized risk assessment would be as effective as time deferrals in keeping the blood supply safe. The study, conducted by three of the largest nonprofit blood centers in the U.S.—Vitalant, OneBlood and the American Red Cross—concluded earlier this year. Participants in the study were asked whether they had more than one sex partner during specific periods, the type of sexual activity they engaged in and

whether they used condoms, among other questions.

"We have a strong data set," said Dr. Brian Custer, director of Vitalant Research Institute and principal investigator of the study. "We have highly relevant information to envision what an individual risk-based approach would look like."

FDA officials are still drafting the new guidance and determining what the questionnaire would contain, the people said. The new risk assessment would likely ask potential donors if they have had any new sexual partners in the past three months, an FDA official said. People who say they haven't would be free to donate blood. People who say they have had new sexual partners would be asked if they have had anal intercourse in the past three months. People who say they haven't would be allowed to donate. People who say they have would likely be asked to wait three months before donating blood, an FDA official said.

Unprotected anal sex presents a higher risk of HIV transmission than other forms of sex, the Centers for Disease Control and Prevention has said. Three months is an adequate wait time, an FDA official said, because an HIV infection would be apparent within that time.

Blood centers such as the American Red Cross test donations for HIV, hepatitis B and C and other viruses. HIV testing over the years has improved. Some tests look for the presence of antibodies to HIV, indicating that a person was exposed to the virus. Other tests measure the amount of virus in the blood.

None of the tests can detect HIV immediately after infection, according to infectious-disease specialists. "With the latest HIV tests, that window is probably no greater than 10 days from the time of exposure," said Dr. Bruce Walker, an infectious-diseases specialist and director of the Ragon Institute of MGH, MIT and Harvard.

## FROM PAGE ONE

## Couples Share Names

Continued from Page One reveal gave way to jokes online, the Taylors Lautner, who didn't return requests for comment, are hardly alone in being a name-twin couple.

Ryan Webb and Ryan Webb, spouses who are oil and gas professionals in Oklahoma City, met on their lunch breaks. The shared first name took some getting used to. "It made the holidays real weird," Mr. Webb says. "Anytime anybody would say, 'Hey Ryan,' we'd both perk up like we were meerkats."

His family uses "Boy Ryan" and "Girl Ryan" to differentiate between him and his wife. (Mr. Lautner told Kelly Clarkson that he and his wife often go by "Boy Tay" and "Girl Tay.") Ms. Webb's family sometimes calls her Ryan Michelle, using her middle name.

The Webbs have two daughters, Ella and Katy. "If we ever do have a son, he will be named Ryan," Mr. Webb says.

Taylor Nelson-Cook and Taylor Nelson-Cook, who live in Denver, have been together since they were teenagers. In a sense, their shared name brought them together. Ms. Nelson-Cook (nee Hernandez), now 29, reached out to Mr. Nelson-Cook on blogging platform Xanga to introduce herself because they were



Taylor Nelson-Cook and Taylor Nelson-Cook with their children.

"Gaylor" for girl Taylor and "Maylor" for male Taylor, says Mr. Nelson-Cook, 30, who is a sports performance trainer. Their friends include a married couple both named Jordan Johnson.

Back in the 1920s, when the British author Evelyn Waugh married the socialite Evelyn Gardner, their friends differentiated between the two by calling them "He-Evelyn" and "She-Evelyn," according to Martin Stannard's two-volume biography of the author.

During the last 50 years, given names for both boys and girls have become much more varied, says Cleveland Evans, an expert in personal names for the American Name Society. "Many parents [are] on the lookout for the perfect 'different but not too different' name," says Mr. Evans. "This means that parents of girls have been even more likely to pick up on a formerly masculine name for a

daughter than they used to be," giving examples such as Avery, Madison and Riley.

Chris Kolbe, a 33-year-old stay-at-home mom, met her husband, Chris Kolbe, a 36-year-old warehouse employee, online playing the videogame "Halo: Reach." She says she wasn't particularly fond of her maiden name, which was Whitehead, and the new one was "cheesy." She says the couple makes a lot of cheese puns and opens each other's

mail all the time.

Alex Pack, 29, and Alex Colodny, 29, aren't married, but joke that they're "partners in life and partners in Leath," the microgreen-growing company they founded. Their team refers to them as the Alexes. According to the Brooklyn-based couple, who met on dating app Hinge, having the same name comes with business benefits, such as printing one set of business cards, identifying them as the Alexes. The "alex@growleath.com" email address, however, is a contentious matter.

"He stole it," says Ms. Pack. "I was the one setting it up," replies Mr. Colodny.

When Kyle Morrison, a 35-year-old graphic designer, met Kyle Beechey, a 34-year-old writer, at a Kid Cudi concert, he didn't believe her when she said her first name.

"I actually pulled out my driver's license to show him," Ms. Beechey says.

Mike Titley-Harris and Michael Titley-Harris, who live in West Midlands, England, recently received a jury summons. "Michael opened the letter and we both said, 'Who is this for?' He phoned up the number on the letter and they said, 'Whoever opened the letter is who has been called,'" Mike recalls. "Off you go, Michael!"

Both Messrs. Titley-Harris, who combined their last names when they married, are railway workers. "Same name, same job, same address, and we drive each other's cars, so we could say same cars too!" says Mike.

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WORLD NEWS

# Global Marchers Voice Solidarity With Chinese

By JAMES T. AREDDY

Antigovernment protests in China are stirring sympathetic activity near Chinese diplomatic missions and on university campuses around the world, adding an international dimension to a sensitive political moment.

The expressions of solidarity from Yale University to the streets of Istanbul are emanating from China's vast diaspora, and specifically those frustrated with Xi Jinping's authoritarian leadership, participants say.

Anger over uniquely strict Covid controls that sparked weekend demonstrations in cities including Beijing, Shanghai and Guangzhou is compounded elsewhere by a sense of duty among ethnic Chinese to get involved, some said. Speaking up, including online, is necessary in light of narrow opportunities within China to openly challenge authority, they said.

During the past weekend, young people assembled in several Chinese cities to demand an end to the government's Covid policy. Some called for the resignation of the nation's powerful leader, Mr. Xi.

The trigger was a deadly apartment fire in China's far-

western region of Xinjiang amid Covid restrictions there.

Now, as police in China take steps to quell antigovernment activity by barricading certain streets, closing campuses and rounding up demonstrators, protest plans are mushrooming overseas.

Anhui province native Yangyang Cheng says she never attended any China-related demonstration before Monday when she joined a candlelight vigil on the Connecticut campus of Yale, where she is a law-school researcher. Ms. Cheng says she was transfixed by videos of demonstrators in China venting political complaints she never heard voiced publicly in the country.

The experience was "exciting and terrifying and ultimately liberating," said Ms. Cheng. The gathering gave her "a sense of community and a sense of hope," she said.

Demonstrators on Tuesday night packed the sidewalk across the street from China's New York consulate in such numbers that they disrupted traffic and forced organizers to retreat to a nearby pier. Leading the crowd, a speaker said, "Release protest-

ers...stand with people in China." That was followed by someone shouting "Xi Jinping" and the crowd erupted with repeated calls of "Step down."

Newly registered social-media accounts on Twitter and Telegram indicate a proliferation of similar events worldwide, from downtown Minneapolis to the Pompidou Center in Paris and Tokyo. Most messaging is in Chinese, aimed at the 40 million to 60 million



People protest at Columbia University in New York in support of demonstrations in China calling for an end to Covid-19 lockdowns.

ethnic Chinese who live outside the country.

Participants at a Columbia University gathering on Monday, as elsewhere, held blank sheets of paper in a cheeky rejoinder to well-known censorship in China. One student climbed the school's Alma Mater statue to place a mock Wulumuqi Middle Road signpost, representing a protest gathering site in Shanghai that in turn is named for Urumqi,

the city in Xinjiang where the fire took place.

As Chinese students in the past decade have enrolled in big numbers at universities across the U.S., Canada, Australia and Europe, numerous studies have documented how Beijing's intelligence gathering and influence efforts followed them abroad. Students say one effect has been to make many of them more nationalistic; it has also discouraged antigov-

ernment activity that might be reported back to China.

A spokesman for China's Ministry of Foreign Affairs responded indirectly when asked about protests on Tuesday, saying the country enjoys rule of law. "At the same time, any rights and freedoms must be exercised within the legal framework," he said, while stressing that China's Covid controls are "scientific, correct and effective."

# Antigovernment Iranians Celebrate Soccer Team's World Cup Loss to U.S.

By BENOIT FAUCON

Iranians celebrated their national soccer team's loss to the U.S. at the World Cup late on Tuesday, defying the country's leadership who have attempted to use the tournament to rally support for the regime after months of protests.

Iranians in Tehran and other parts of the country took to the streets in jubila-

tion after the match ended, according to social-media posts. Some set off firecrackers and chanted "death to the dictator."

A video posted on social media and verified by Storyful, which is owned by News Corp, the parent company of The Wall Street Journal, showed people honking car horns and cheering in northeastern Iran.

The unusual reaction was in

contrast to the last time the two countries played each other in the 1998 World Cup. Iran won that match and eliminated the U.S., setting off wild celebrations across the country. This time, however, Team Melli, as Iran's soccer team is fondly called at home, has become a lightning rod for many Iranians who oppose the country's rulers.

Antigovernment demonstrations have engulfed the

country since mid-September after 22-year-old Mahsa Amini died in police custody. What began as protests demanding more rights have since broadened into calls to overthrow the Islamic Republic.

Many Iranians have criticized the Iranian soccer team for not speaking out in support of the protests and for meeting President Ebrahim Raisi ahead of the tournament. Some Iranians said the team's

gesture to not sing the Islamic Republic's national anthem before their opening World Cup match against England in an apparent show of solidarity with the rights movement was insufficient and late.

Iranians rooted for the opposition because they didn't want the country's rulers to use a win against the U.S. as propaganda. Iranian leaders in the past have used soccer celebrations to champion their

own rule and stir resistance against foreign enemies.

Tehran had tried to co-opt the team's efforts in Qatar to deflate the monthslong protest movement. After Iran beat Wales, crowds of pro-government supporters, including soldiers in uniform, gathered in the streets of Tehran waving the flags of the Islamic Republic. State media called Iran's victory a "miracle of unity."

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## WORLD NEWS

## Protesters Reach World on Twitter Despite Ban

BY NEWLEY PURNELL  
AND SELINA CHENG

HONG KONG—Twitter is banned in China, but it is proving a critical platform for getting videos and images of protests occurring across the nation to the rest of the world.

China's robust internet censors have sprung into action to scrub domestic social media of photos and video streams showing demonstrations against harsh Covid restrictions, spurring citizens to circumvent the nation's Great Firewall.

Twitter has been blocked in China since 2009, but people

in the country are able to access it using virtual private networks, or VPNs, which disguise their locations. They can then send material via the platform's messaging system to a handful of widely followed Twitter users, who in turn broadcast it globally.

One Twitter user who lives outside China and goes by the name of Li Laoshi, or Teacher Li, said he has been receiving more than a dozen messages per second with protest material at some points since public unrest erupted—the same number he used to get a day—so that he could repost

them publicly.

"My daily routine is: wake up, post online, and feed my cat," he said. The goal of the account, created in May 2020, is to record events that are subject to censorship in China, his profile states. It had more than 759,000 followers as of Wednesday, more than triple the number before protests began, according to social-media analytics site Social Blade.

Amid the protests, some search terms related to the protests have been flooded with pornography and other spam from what appear to be bot accounts, based on the

high frequency of their postings and low follower counts, among other factors. Searches on Twitter in simplified Chinese in recent days for the names of large Chinese cities where protests occurred returned thousands of tweets containing advertisements for sexual services or meaningless content such as time stamps.

Twitter also faced demands to reinstate at least two Twitter users who were posting content from the protests in recent days. The account owners said Twitter suspended their accounts citing violations of its rules against platform

manipulation and spam. Both said they were wrongly banned and other Twitter users jumped to their defense. The accounts were later restored.

Twitter didn't respond to a request for comment.

How Twitter handles such issues as China experiences its most widespread public dissent in decades will be an early test for the platform's new owner, Elon Musk, who has pledged to allow largely unfettered free speech on the platform and to tackle the problem of bots. Mr. Musk's Tesla Inc. relies heavily on China to manufacture its cars

and as a sales market.

Twitter has grown into a propaganda battleground for China in recent years as Beijing seeks to strengthen its global image and influence. Beijing has promoted its narratives on Twitter through a growing network of diplomatic and state-media accounts, and jailed dozens of people who use Twitter and other foreign platforms to allegedly disrupt public order and attack party rule.

China's State Council Information Office and the Cyberspace Administration of China didn't respond to a request for comment.

Fire Set Off  
Covid Furor  
In China

Continued from Page One

Pandemic controls imposed by Chinese authorities around, and possibly inside, the apartment building had delayed the fire response, neighbors and family members of those killed have said.

That would mean the death toll, which many believed was higher than the official tally of 10, was ultimately in part a product of China's strict, already widely detested zero-tolerance Covid policy. The government denies all that.

Outrage spilled onto the streets of Urumqi, the capital of the heavily Muslim Chinese region of Xinjiang, where residents had been locked down for more than 100 days. Footage of the fire and the protest in Urumqi spread on Chinese social media and on the popular do-everything app WeChat.

To large numbers of Chinese people who have had the experience of being locked inside their own apartments because of Covid controls, the images flowing out of Xinjiang conjured a scenario that seemed terrifyingly plausible.

"The 100-plus day lockdown is real. The many deaths from Covid controls are real. Discontent has accumulated and is destined to erupt," said a user on the Weibo platform.

Within days, the protest spread throughout China, growing into the largest show of public defiance the Communist Party has faced since the 1989 pro-democracy protests at Tiananmen Square. The demonstrations have posed a rare challenge to the recently extended rule of Chinese leader Xi Jinping.

China has experienced outrage over its strict Covid-19 restrictions before, most of which the authorities had managed to contain online. Going back nearly three years, the death of the coronavirus of Li Wenliang, a doctor who was punished for warning others about the initial outbreak in Wuhan, unleashed a flood of grief and anger.

This September, a bus crash in Guizhou province that killed 27 people who were being sent to quarantine in the middle of the night raised an outcry.

More recently, after an announcement that Covid restrictions would be eased led to little change, frustration spilled onto the streets. Workers at Foxconn Technology Group's main plant in the city of Zhengzhou clashed with police while protesting a contract dispute with roots in pandemic lockdowns.

In maintaining the lockdowns, local authorities have been able to rely on the country's most advanced and suffocating security apparatus, originally built to carry out a campaign of ethnic re-engineering against the region's 14 million Uyghurs and other Turkic Muslims.

Most if not all of the fire's victims belonged to these groups, according to relatives



FROM TOP: KEVIN FRAYER/GETTY IMAGES; SOCIAL MEDIA VIA REUTERS



People in Beijing honored those killed in a fire that some say could have been put out faster but for Covid restrictions. At left, a fire truck shot water at the burning building in Urumqi.

in apartment 1901, the subject of one of the desperate messages left in the residents' chat group.

Ms. Muhammad said she and her family abroad learned that the aunt, Qemernisahan Abdurahman, 48, had died in the apartment, along with four children aged 5 to 13.

Ms. Abdurahman's husband wasn't there. He and an elder son were detained as part of the crackdown in Xinjiang in 2017 and now are imprisoned, said Ms. Muhammad and her brother, Abdulhafiz Maiamaitimin, who lives in Switzerland.

"This news is so painful. No one imagined," she said.

In apartment 1801, directly below where Ms. Muhammad's aunt and children died, a woman also died along with her children, according to Abdudeweli Ayup, a Uyghur activist in Norway who spoke with relatives and neighbors of the fire victims.

Han Chinese don't have to fear the level of oppression faced by Uyghurs, Ms. Muhammad said, referring to the Chinese government's detention of upwards of a million Uyghurs and other Turkic Muslims in internment camps and prisons—a practice the United Nations has said may constitute a crime against humanity.

Yet "after the fire, they realized that Uyghurs today would be the Chinese tomorrow," she said.

Police have targeted protest participants by using some of the surveillance techniques honed in Xinjiang to target Uyghurs. In chat rooms used to organize demonstrations, protesters have reported police scanning the smartphones of pedestrians for overseas apps such as Twitter and Telegram, a common experience on the streets of Urumqi.

A lawyer representing more than a dozen protesters taken by police said she believes many of her clients were tracked through mobile-phone data, another echo of the Uyghur experience in Xinjiang.

On Tuesday, Chinese-Australian activist and cartoonist Badiuca, who goes by one name, reposted a widely shared video of police on the Shanghai subway checking the phones of passengers on Twitter.

He appended a single phrase: "Xinjiang-ization."

and overseas Uyghur activists. Discrimination by China's Han majority against Turkic minorities has long fueled ethnic tensions in the region, which exploded into deadly race riots in Urumqi in 2009.

Yet in the past week, the sides found common cause, at least temporarily, in anger over the fire.

According to an official account published in the state-run Xinjiang Daily newspaper, the blaze began on the 15th floor, in the apartment of a Uyghur woman who was having a bath in a home spa when a circuit breaker flipped. She flipped it back, then was alerted by her daughter to the smell of smoke. When she re-emerged from the bathroom, flames had risen to the wooden ceiling from the bed.

A community worker arrived just as they were fleeing the flames, according to Xinjiang Daily. He called the fire service at 7:49 p.m. last Thursday, then helped rush the pair and their neighbors downstairs.

At the ground level, burning debris had begun falling over the doorway. Those who couldn't leave through the front gate in time had to climb out of a window from an

apartment, the newspaper reported.

Firefighters didn't reach some of the apartments until around 90 minutes after they were called, according to posts on the chat group.

Video footage showed that traffic-control structures had to be removed as a line of fire trucks waited, causing delays. The government denied the structures had been installed for pandemic-control reasons.

At a press briefing convened late Friday night as protests unfolded, officials said that three fire trucks from a nearby station arrived at the scene five minutes after the fire was reported, but they were blocked by cars that had to be moved.

On social media, residents said those cars had been parked there for months during the fall Covid lockdown, and the engines couldn't start.

Li Wensheng, Urumqi's fire chief, said at the press briefing that some residents' "self-rescue abilities were weak," a comment that added to the simmering anger.

The Xinjiang and Urumqi governments didn't respond to requests for comment.

Han residents of Urumqi led the protests that unfolded in the freezing night air the day following the fire. Uyghur residents have faced the strictest lockdowns and largely stayed home out of fear they would bear the brunt of any reprisals, overseas activists said.

Demonstrations were fueled by the group chat conversations and footage of obstructed fire trucks, as well as by videos circulating online that appeared to capture the screams of people from the smoldering building. "Open the gate!" one woman could be heard shouting in horror in one video.

On Saturday night, several female students stood for hours on the campus of Communication University of China in Nanjing, holding blank sheets of paper in silence, widely taken to be a reference to Chinese censorship. A male student from Xinjiang offered a tribute to the victims in Urumqi and to "all other victims nationwide," saying he had been a coward for too long.

That same night, dozens of people in Shanghai gathered for a vigil with flowers and candles near a street named after Urumqi. Passersby joined in, and the crowd grew into the hundreds.

Just past midnight, some demonstrators began chanting for Mr. Xi to step down.

Similar protests emerged in half a dozen Chinese cities and more than a dozen university campuses in the following days. In several instances, demonstrators chanted "We are all Xinjiang people." Others called for democracy and

free speech.

Chinese authorities have devoted enormous resources to building domestic security and surveillance systems specifically designed to prevent such wide and unified outbreaks of dissent. While protests aren't uncommon, scholars who study China say they are almost always local events with little capacity to spread.

In imposing its stringent Covid controls, human-rights activists and other observers say, the Communist Party created an issue that China's citizens only have to look out their front door to understand. Some Uyghurs affected by the fire said the fear and frustration stemming from pandemic controls crossed deep-seated ethnic divides.

Marhaba Muhammad, now a resident of Turkey, said she read news of the fire with a sense of horror. She recognized the building as the home of her aunt, whom she last visited in 2016, shortly before leaving China. The family lived



Qemernisahan Abdurahman, 48, with three of her four children who died with her in the fire in Urumqi.

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## WORLD NEWS

# Global Headwinds, Inflation Hamper India's Recovery

By Vibhuti Agarwal  
and Shan Li

India's gross domestic product grew 6.3% from July to September as global pressures on prices and supply chains, along with economic downturns in the U.S. and European Union, slowed its economic recovery.

In April to June, the economy grew 13.5% from a year earlier, benefiting from the easing of Covid-19 restrictions, and from a comparison to a quarter in which India's economy was hit hard by a fierce wave of the illness.

Economists said domestic demand for goods and services picked up as people shopped for India's festival-packed season, which began in September.

But sluggish manufacturing growth indicates that companies are wary of boosting inventory when consumers are facing higher prices on energy, food and other goods. India's factory output declined by 0.8% in August, before rebounding slightly by 3.1% in September, according to official data. Manufacturing shrank 4.3% in the quarter from a year earlier, Wednesday's data showed.

"Manufacturers did not see demand to be substantial enough to crank up their activities to meet with higher festival demand," said Kunal Kundu, an India economist at the Société Générale. "That was a reflection that business is not very sure of the strength of the recovery process."

Retail inflation in India eased slightly, but still came in at 6.77% in October, according to the National Statistical Office. That is the 10th consecutive month where inflation breached the Reserve Bank of India's upper limit of 6%.

Economists said the interest-rate increases implemented by the central bank have helped combat inflation, but pushed more companies to de-

lay borrowing for projects, and led some consumers to put off large purchases such as homes.

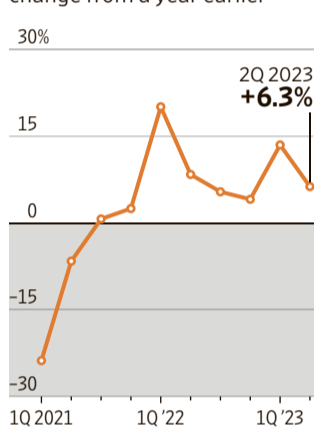
"It was necessary, and a slowdown is only to be expected," said Mr. Kundu. But most of the slowdown, he added, is directly related to "economic scarring" from the pandemic.

Total nationwide employment remains persistently below prepandemic levels. Surveys from the Centre for Monitoring Indian Economy, an independent think tank in Mumbai, show the economy is down nearly 12 million jobs compared with 2019. Many of those who held on to jobs are dealing with wage cuts that remained in place after businesses reopened and economic activity resumed.

Many economists said they don't expect food or fuel prices to fall dramatically, which will cut into people's ability to spend and hurt the small to medium-size businesses that are the backbone of the country's economy.

The International Monetary Fund in October lowered India's GDP growth for the current financial year to 6.8% from the earlier 7.4%. India recorded economic growth of 8.7% in the year ended March 31.

India's GDP, change from a year earlier



Note: For fiscal years ending June 30  
Source: India's Ministry of Statistics

## WORLD WATCH



A man and his son who were injured in a bomb blast on Wednesday in Quetta, a city in western Pakistan, received medical treatment at a local hospital. The Pakistani Taliban claimed responsibility for the attack, which killed at least four people.

UNITED ARAB EMIRATES

## Arrested American Faces Move to Egypt

An American citizen arrested on a visit to the United Arab Emirates faces possible extradition to his native Egypt after criticizing Egyptian President Abdel Fattah el Sisi and calling on Egyptians to protest in videos he made while living in the U.S.

Sherif Osman, 46, an Egyptian-American dual national, urged people to organize demonstrations during a United Nations climate summit in November held in the Egyptian beach city of Sharm El Sheikh.

On his YouTube channel, Mr. Osman said on Oct. 18 that "people must wake up and take to the streets." The video was viewed 110,000 times and is one of a dozen videos he posted in recent weeks criticizing the Egyptian government.

A U.A.E. official said Mr. Osman was arrested on Nov. 6 based on a request from an Arab League entity that coordinates among member states on law enforcement and national security.

An Egyptian government

spokesman didn't respond to requests for comment.

A spokesman for the U.S. Embassy in the U.A.E. said consular officers spoke with him on Nov. 10.

—Stephen Kalin

PAKISTAN

## Taliban Claim Attack Killing at Least Four

An attack claimed by the Pakistani Taliban killed at least four people Wednesday, just two days after the group announced the end of a cease-fire.

An explosion hit a truck carrying police officers on their way to be deployed as security for polio vaccinators, outside the western city of Quetta. The Civil Hospital in Quetta said it received four dead and 29 injured.

Pakistan, one of just two countries where polio remains endemic, is trying to eradicate the crippling childhood disease. Vaccinators have come under attack from extremists for years, so they work with police protection. But the presence of security forces also makes them targets.

Months of talks with Pakistani authorities resulted in a cease-fire

that was in place with the Pakistani Taliban until this week. The militant group ended that on Monday, saying its fighters were being hit in operations by security forces.

—Saeed Shah

FRANCE

## Officials Unveil Plan For Rolling Blackouts

France has prepared a contingency plan to conduct rolling blackouts this winter if its electrical grid comes under severe stress, officials said, as the country struggles to ramp up its fleet of nuclear reactors.

Corrosion discovered on pipes near the cores of several reactors led France to take more than half of them offline this year, causing a sharp drop in nuclear generation. The outages have compounded Western Europe's energy woes as the region grapples with a sharp cut in natural-gas deliveries from Russia amid the conflict over Ukraine. Twenty-two of France's 56 nuclear reactors are offline, according to government data.

That has left France facing the possibility it won't have enough power generation in Jan-

uary, when electricity demand peaks to heat households.

—Matthew Dalton

SYRIA

## Islamic State Says Leader Dies in Battle

Islamic State said its top leader died recently in fighting, less than a year after the terrorist group's previous commander was killed during a U.S. military raid in Syria.

The group's spokesman said Abu al-Hasan al-Hashimi al-Qurayshi is dead but gave no other details, according to an audio statement transcribed by SITE Intelligence Group, which monitors extremist organizations. The successor to the leadership role is Abu al-Husayn al-Husayni al-Qurayshi. Both names are noms de guerre.

The U.S. military's Central Command said the operation that killed the former Islamic State leader was carried out in mid-October by the rebel Free Syrian Army in Daraa province in southern Syria.

The White House said the U.S. wasn't involved in the operation.

—Jared Malsin



# Gifts Simplified

Buy Side from The Wall Street Journal has the expert gifting advice you need to make holiday shopping a breeze. We've compiled our shopping experts' recommendations in one place—this is a curation of select gifts that are sure to delight.

SHOP



Buy Side FROM WSJ

THE BOLD NEW SHOPPING SITE FROM THE WALL STREET JOURNAL.



WORLD NEWS

Ukraine Says Russia Uses Private Army

By JARED MALSIN

Russia is sending hundreds of paramilitary troops to fight in a key city on the front line in eastern Ukraine that is fast becoming the focal point of the next phase of the Kremlin's invasion, a senior Ukrainian official said Wednesday.

Russia has escalated its military assault on Bakhmut in recent days, resulting in heavy fighting that poses a test for Ukrainian forces defending the area, military analysts say.

Ukraine's Foreign Ministry asked all of its embassies worldwide to increase security after it said an explosive device hidden in an envelope detonated in the Ukrainian Embassy in Madrid.

Separately, Russian Defense Minister Sergei Shoigu said Russia would increase its defense budget by 1 1/2 times next year.

Separately, Russian Defense Minister Sergei Shoigu said Russia would increase its defense budget by 1 1/2 times next year.

West Vows To Boost Power-Grid Assistance

By WILLIAM MAULDIN AND DANIEL MICHAELS

BUCHAREST—Secretary of State Antony Blinken said Western countries would step up support for Ukraine's power sector and remain united against efforts by Russian President Vladimir Putin to divide Europe over energy supplies.

"His strategy has not and will not work," Mr. Blinken told reporters following meetings of the North Atlantic Treaty Organization and foreign ministers from the Group of Seven industrialized democracies.

The U.S. will provide more than \$50 million for Ukrainian electricity equipment, Mr. Blinken said this week.

Millions of Refugees Urged to Remain Abroad

By BOJAN PANCEVSKI

Russia's attacks on Ukraine's civilian infrastructure are forcing millions of Ukrainian refugees who intended to return home to stay put, prolonging their ordeal and straining Europe's ability to absorb one of the biggest flows of migrants in decades.



Vasyl Abruzov fled to Rauzan, France, about seven months ago with his three children, fearing for their safety from Russian attacks.

There are nearly eight million Ukrainian refugees in Europe, many of whom had hoped to return home in the fall.

And for the host countries, it means the bill is likely to rise just as the continent is facing a likely recession, uncertainties about its own energy supplies and an increase in refugee arrivals from elsewhere.

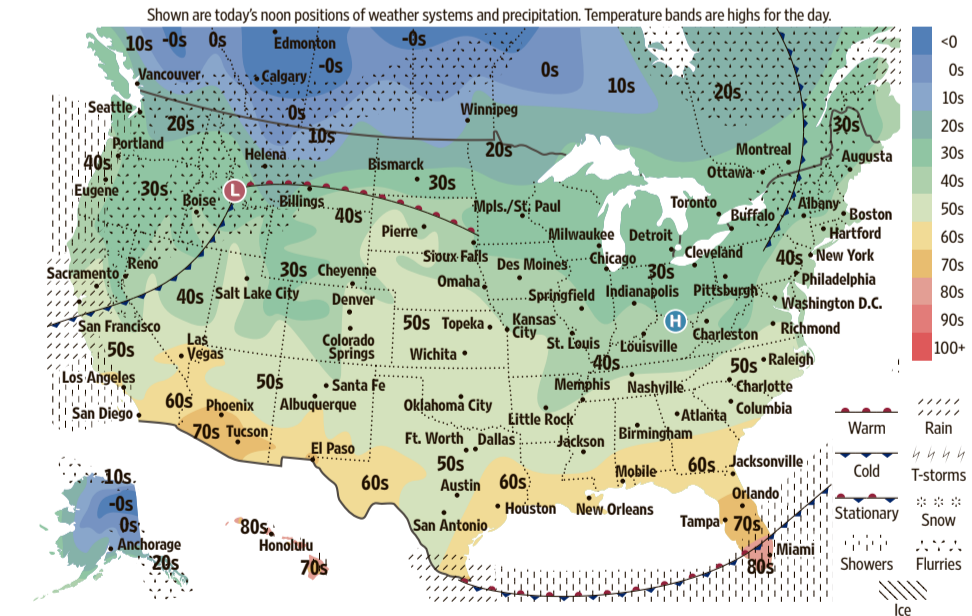
"Here we have safety but I don't see any future for us—I want to return to my business, to my life at home," said Ms. Cherniakova.

month, mainly from the Middle East and Central Asia. Together with arrivals from Ukraine, this means this year already has topped the historical immigration record set by the 2015 refugee crisis.

him with free housing. Mr. Abruzov, who was exempted from military service, had hoped to return after the summer, rejoining his wife, a Russian national who stayed in Kyiv for fear of not being allowed back because of her nationality.

After the war started, Vasyl Abruzov, a communications professional, fled with his three children to a village in France, where the community provided

Weather AccuWeather



U.S. Forecasts

Table with columns for City, Today, and Tomorrow, showing high/low temperatures and weather conditions for various US cities.

International

Table with columns for City, Today, and Tomorrow, showing high/low temperatures and weather conditions for various international cities.

The WSJ Daily Crossword

A crossword puzzle grid with clues for Across and Down. The puzzle is titled 'FLOATING UPSTREAM' by David P. Williams.

The WSJ Daily Crossword | Edited by Mike Shenk

A crossword puzzle grid with clues for Across and Down. The puzzle is titled 'FLOATING UPSTREAM' by David P. Williams.

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## Tips for Scoring an iPhone 14 Pro

Covid-related factory troubles have resulted in a shortage of the high-end phones. To snag one, you need to get clever.



**PERSONAL TECHNOLOGY**  
**JOANNA STERN**

**IN THE WORDS OF** Mariah Carey, “All I want for Christmas is...IOU!”

That is, “I owe you an iPhone 14 Pro or 14 Pro Max, since they’re pretty much sold out everywhere.” Apple has a supply problem—or at least a *Pro*-blem.

In early November, Apple-supplier Foxconn instituted a week-long Covid-19-related lockdown at the iPhone’s biggest assembly facilities in Zhengzhou, China. Operating at a reduced capacity during the crucial period for orders, Apple warned that shipments of its high-end models would be slowed. A few weeks later, workers at the same facility—known as “iPhone City”—protested and clashed with police after hearing that payments and bonuses would be delayed. Foxconn later blamed the issue on a computer error and offered payments to workers to quell the unrest.

Now Apple doesn’t have enough Pro models to meet holiday demand.

Dan Ives, an analyst at Wedbush Securities Inc., and other professional Apple watchers say this is a rare miscalculation for a company known for precise supply-chain management. An Apple spokesman said the company had nothing to add beyond its Nov. 6 statement.

As we head into December, Apple.com shows both the \$999-and-

up iPhone 14 Pro and \$1,099-and-up 14 Pro Max back-ordered until after Christmas.

So why not get one of the regular models—the \$799-and-up iPhone 14 or \$899-and-up iPhone 14 Plus—which are readily available? Possibly because a very wise WSJ tech columnist said “Go Pro or go home” in September. Most buyers said the same. The iPhone 14 Pro models currently represent between 85% to 90% of global overall iPhone 14 sales, according to Mr. Ives.

But the supply-chain Grinch hasn’t completely stolen your iPhone Christmas. If you’re set on getting one of Apple’s surgical-steel three-camera models before the holidays, you’ve got some options. You might not even have to pay extra.

► **Option 1: Look for a deep purple iPhone 14 Pro.**

In my searches, I noticed a peculiar phenomenon: The model with the earliest shipping time was generally the iPhone 14 Pro in the deep purple color. They might end up selling out as all the other color options fade away, but it’s worth a shot. I like the purple ones, but either there’s a glut or fewer shoppers want them.

► **Option 2: Check out other sellers’ selections.**

On BestBuy.com, the iPhone 14 Pro and Pro Max stocks seemed to fluctuate as I checked back (though certain deep purple models remained available). AT&T, Verizon and T-Mobile were a little less promising—though again I did spot some of those poor pur-

ples shipping sooner.

Just as in the Great Tickle Me Elmo Shortage of 1996, independent iPhone 14 Pro sellers might be price gouging. Search eBay and you’ll see brand new phones listed for hundreds more than Apple’s fixed prices. On Swappa, a website where individuals can sell new or used phones, things were a little more sane: Prices for new and used phones appeared to be closer to the retail prices.

Your first stop should be Back Market, a marketplace that sells refurbished iPhones and other electronic devices. Sellers indicate the condition of them and Back Market restricts sellers from asking more than list price. When searching around the site, I found a few good options, including a 14 Pro in “fair” condition for \$940.

► **Option 3: Buy an older iPhone 13 Pro.**

Without a doubt the iPhone 14 Pro and Pro Max are better phones than the lower-end iPhone 14 and iPhone 14 Plus. The Pros have three rear cameras, a faster processor and the new “dynamic island” multitasking trick. But the 14 Pro and 14 Pro Max aren’t much better than last year’s iPhone 13 Pro and 13 Pro Max. They look almost identical, and in my camera testing, I could barely spot the difference in the photos they captured.

Any iPhone 13 Pro owner will miss out on the dynamic island, along with car-crash detection and emergency satellite texting, however.

While Apple no longer sells



Either there’s a glut or fewer shoppers want them, but it appears to be easier to get your hands on the deep purple iPhone 14 Pro model.

iPhone 13 Pro models, refurbished options on Back Market are listed for \$100 to \$300 less than the price of the iPhone 14 Pro, depending on the condition of the phones. In fact, Serge Verdoux, Back Market’s chief commercial officer, told me sales of iPhone 13 Pro and Pro Max models have increased over the last two weeks.

You can also find new and used iPhone 13 Pro models on Amazon and eBay.

► **Option 4: Wait it out.**

Nothing says “I love you” like a printout of an iPhone order page with “Coming soon!” written atop it. Another idea: Pick up a fancy iPhone 14 Pro case and put the IOU in there.

Sure, some of you might be thinking, “What about switching to an Android phone, like the new Google Pixel 7?” Sure, the new Pixel has some great photo tricks and the in-screen fingerprint sensor is improved. But switching platforms isn’t an enticing option for many people who are locked into Apple’s walled garden with AirPods and Apple Watches. Besides, switching from iOS to Android can be more of a hassle than waiting a few weeks for a new phone.

Again, like Mariah says: “I don’t care about the presents underneath the Christmas tree—I just want you, iPhone 14 Pro, for my own.” Hope you like deep purple, Ms. Carey!

## Renters Open Door To DIY Renovations

By Imani Moise

Many Americans unable to buy a home right now are renovating their rentals instead.

Resigned to stay in place until the housing market improves and unwilling to live with dull décor, renters are swapping out fixtures, landscaping terraces and ordering custom furnishings. Online furniture retailer Wayfair Inc. said bookings for easily reversible add-on services like installing new doorknobs and drawer pulls have tripled since last year.

Renters say that not owning a house shouldn’t prevent them from having a place that feels like home.

“My mind-set is that I’m living now and want to enjoy now,” said Dinah Eke, 37 years old, a pharmaceutical project manager who shares a rental apartment with her husband and three kids in New York City and posts renter-friendly DIY tutorials on social media.

Nesting renters are one indicator that the housing market is at or near a peak, said Ken Johnson, a Florida Atlantic University economics professor who studies housing and rental markets.

“It makes no financial sense to invest in a property you are renting,” he said. “What’s driving this is that it’s incredibly expensive to switch from renting to owning.”

In September, the cost of buying a single-family home in the U.S. was \$888 more per month than

renting one, according to John Burns Real Estate Consulting. Confidence in the U.S. housing market hit a new low earlier in November with 16% of Americans indicating that they felt it was a good time to buy a home, according to the Fannie Mae sentiment survey. Lease-renewal rates also reached an all-time high last year, according to real-estate research firm RealPage.

Priced out of the home market or uninterested in committing to higher rates on 30-year mortgages, renters are putting up temporary peel-and-stick wallpaper, a popular upgrade for those looking to customize their space on a budget.

Temporary wallpaper outsold traditional wallpaper nationwide for the first time in August, according to wallpaper seller Spoonflower. Sales of peel-and-stick wallpaper in large rental markets like New York, Chicago, San Francisco and Austin are double to triple that of traditional wallpaper sales, according to Chasing Paper, another online seller. Wallpapering requests on gig-bookings app TaskRabbit are up 38% so far this year.

Kathleen Adams, a 35-year-old marketing strategist and restaurateur, put up geometric patterned peel-and-stick wallpaper in her bedroom in June, just before re-signing the lease for her New York City apartment for two years.

She moved into the building in 2017 shortly after her bid to buy an



Temporary wallpaper recently has been outselling traditional wallpaper.

apartment for herself fell apart due to construction delays. Since then, city home prices jumped 46%, according to the Federal Reserve Bank of St. Louis.

Like most renters, Ms. Adams was hesitant to make alterations to a space that she didn’t own. Lease agreements typically require tenants to leave units as they were on move-in day. Making changes often means renters have to pay both the cost of renovations and undoing them.

Ms. Adams lived in New York for more than a decade before she drilled her first hole in the wall, to hang a painting during the pandemic. Since then, she has transformed the cement deck overlooking the street with artificial grass and mood lighting, and commis-

sioned a custom-size piece of art to fill the wall in her living room nook.

“If I’m going to spend my summer doing DIY stuff, it means I’m going to be here for a while,” she said.

Nesting renters have given a surprise boost to interior-design companies like Havenly, which had expected a slowdown as the housing market cooled. Its 2022 sales growth rate has outpaced last year, driven in part by a 20% increase in spending by renters, said Lee Mayer, chief executive of the online company that designs layouts and sells furniture.

“If you were a renter planning to buy a house next year, all of a sudden you’re going to be a renter for a few more years,” she said. “If it were only a few more months you

probably would not have put up that wallpaper.”

The majority of Americans continue to believe that housing is a good financial investment even as the percentage of renters who believe they will ever become homeowners fell to an all-time low of 43% last year, according to an annual housing survey by the Federal Reserve Bank of New York.

Spending money to upgrade a home you’re renting may not make sense economically, but that doesn’t mean the satisfaction of living in a more attractive space isn’t worth it, Prof. Johnson said. Depending on the owners, tenants may even be able to get landlords to contribute to the cost or negotiate a rent reduction in exchange for renovations.

“Homes mean more to people than just a financial investment,” Prof. Johnson said.

Some tenants say that it can make financial sense to upgrade a rental when compared with alternatives, especially in cities with soaring rents.

When Kayla Forry, 30, moved from San Francisco to Los Angeles last year for a job, she settled for a small, poorly lit apartment and immediately got to work renovating.

Ms. Forry estimates that she’s spent roughly \$1,000 on renovations including replacing all of the generic hardware on her cabinets and drawers with antique glass bulbs, upgrading the lighting fixtures, and removing the blinds and glass shower door in favor of curtains.

“If I were to go to an apartment that was perfect looking, I would be spending \$1,000 more on rent every month,” she said. “The longer I’m in the space, the more cost effective that decision was.”



## PERSONAL JOURNAL.



**CARRY ON**  
DAWN  
GILBERTSON

# Wilderness Meets Retail At Bass Pro's Only Lodge

Memphis, Tenn.

**I SETTLED INTO** one of the giant black rocking chairs on the screened-in porch in my room at Big Cypress Lodge a few hours after check in.

Rushing waterfalls in the distance soothed me after a day of Thanksgiving travel. Paul Simon's "50 Ways to Leave Your Lover" provided a chill soundtrack. An overhead announcement jolted me back to reality.

"The time is now 6 p.m. and Bass Pro Shops is officially closed."

The 103-room lodge sits not in the wilderness but inside a sprawling retail shrine to hunting and fishing fanatics and the people who love them. (My 23-year-old son is the former, I'm the latter.)

It's the only hotel inside a Bass Pro Shops store.

Shoppers are spending more time and money in stores so far this holiday season. Few bricks-and-mortar businesses go to the bizarre extremes that this one does to lure them in.

The 535,000-square-foot store, a mashup of a mall, Disneyland, aquarium, zoo, shooting range, bowling alley, celebrity restaurant, souvenir shop and observation deck, is the largest in the chain. And the only one housed in a pyramid that was a sports and concert arena in a previous life. The NBA's Memphis Grizzlies played there briefly in the early 2000s.

Bass Pro Shops founder and chief executive, Johnny Morris, has other hotels, including Big Cedar Lodge in Missouri and a planned oceanfront resort in Florida, but none with a store.

Retail-hospitality tie-ups aren't new. IKEA has a 254-room hotel in Sweden, and the company formerly known as Restoration Hardware just opened RH Guesthouse in New York City. There are hotels galore attached to or near shopping malls.

But guests of those hotels don't stay *in* the store, unlike at Big Cypress. The lodge's front desk is inside the main entrance to the store. Guests with balcony rooms have 24/7 views into the place—trout pond, Cypress trees, neon shop lights and all—even when the



store is closed.

Surveying the quiet scene from my balcony at 4:30 a.m. on Black Friday before the store opened, I felt a little like Will Ferrell's character in "Elf" the night he camped out at Gimbels department store to redecorate for Santa's visit.

I watched employees restock oversize Christmas-colored boxes with \$19.98 RedHead shirt jackets and \$10 flannel shirts ahead of the 5 a.m. store opening. They chatted about the lines of shoppers already snaking out to the street.

Once the store opened, I took the elevator down one floor and stopped at the Sunglass Hut directly below my room. The manager regaled early shoppers with tales of Bass Pro's resident ducks that hold a "morning meeting" in the store—



The Big Cypress Lodge, inside the Memphis pyramid, features screened porches that overlook the sales floor, plus themed bowling.

wasn't a fan of the mule deer head mounted to the wall between our queen-size beds, but my son admired the good size buck.

The animal motif is hard to escape. The front desk clerk called me Mama Bear. My room's Do Not Disturb sign featured a bear and read "Hibernating," and the Wi-Fi password was named for a taxidermied bear on display in the bar on the hotel's third floor.

Wild game is the staple on restaurant menus at the Bass Pro Shops at the Pyramid, with elk sliders and a charcuterie board with venison and duck sausage featured at the Lookout restaurant 28 stories up. Hotel guests get free

elevator rides to the restaurant and observation deck, and handy line-skipping passes. Elsewhere, there is the Wahlburgers Wild burger joint owned by Mark Wahlberg and his family.

Hotel-retail combinations attract travelers with similar interests, says Jan Freitag, national director of hospitality analytics for CoStar Group.

"You can meet somebody at the bar and talk about the elk you shot or the bass you caught and it's not weird," he says.

Felicia Kittrell, a Nashville hospital worker, still remembers her response when her husband, Terry, asked her if she wanted to go with him to Bass Pro Shops to look at fishing poles more than 25 years ago. "No way, I don't want to go to no Bass Pro," Mrs. Kittrell responded. "Then when I got in there and realized all the stuff they had, I've been hooked ever since."

On Friday, the couple drove three hours from Nashville to check into Big Cypress Lodge for their 42nd wedding anniversary.

She wore a navy blue vest from Bass Pro and had the chain's Black Friday sales flier in her suitcase.

LeBron James initially drew Kathy and Cody Frederick to Big Cypress Lodge. The Red Bud, Ill., couple bought tickets to a Grizzlies-Los Angeles Lakers game in December 2018 as part of a holiday travel tradition with their son. (The Grizzlies now play at the nearby FedExForum.) The lodge's cabinlike rooms, balcony and motif reminded them of their honeymoon at Disney's Wilderness Lodge in Florida.

The store was an afterthought. "We have family members who hunt and fish," says Mr. Frederick, a computer programmer. "We just are not the family members that do that," adds Mrs. Frederick, who is a paralegal.

They returned to Big Cypress for two nights around Thanksgiving this year to catch a Grizzlies-New Orleans Pelicans game. At the store, they snapped selfies on an ATV decked out in holiday lights, ate at Wahlburgers and did some Christmas shopping.

"I'm supposed to be looking for hunting gloves for my nephew," Mrs. Frederick said, "and I'm like, 'What are hunting gloves?'"

## K-Pop Moves From Arena to Broadway

By ASHLEY WONG

**K**-pop is one of the most commercially successful music genres in the world. The heartthrob boy band BTS once grossed \$33 million in ticket sales for a concert event. Blackpink, a girl group whose members have become style icons, sold more than 1 million copies of its debut album in a month.

Now, as live theaters are struggling to bring audiences back, can the magic extend to Broadway ticket sales?

"KPOP" the musical is wagering the answer is yes. It's a precarious time to launch a brand new show on Broadway as the economy softens and Covid-19 continues to cancel performances. Due to several cases among production members, "KPOP" opened Nov. 27, a week later than originally scheduled.

Even some established shows are working to break even: "Phantom of the Opera" announced this fall that after more than 30 years onstage, next year would be its last due to low ticket sales. But the Andrew Lloyd Webber musical's announcement gave way to a sharp rise in demand, allowing the production to extend its run a few months longer.

Part concert, part mockumentary and part traditional Broadway show, "KPOP" follows three fictional Korean pop acts—MwE (pronounced "muh-wee"), the boy band F8 and the girl group RT-MIS—as they prepare for their first major concert in New York City.

The musical features an almost entirely Asian cast and production team, with Helen Park, one of two songwriters for the show, making history

as Broadway's first Asian-American female composer. It's also led by actual K-pop stars such as Luna of the girl group f(x) and Kevin Woo, formerly of boy band U-KISS.

"We were really designing the show for everybody," said Jason Kim, who wrote the musical's book. "We designed it for both people who would know a lot about K-pop and who would know nothing about K-pop, and also for people who were familiar with musicals and completely



Aiming for authenticity, 'KPOP' uses K-pop stars, like Kevin Woo, center.

unfamiliar with musicals." Part of their mission was to authentically depict both the brutality of the K-pop industry and who the stars were as people, in the vein of a behind-the-scenes music documentary. By pulling back the curtain to show audiences the humanity behind a pop star's shiny veneer, the story becomes universal, Ms. Park said.

"I think our goal is for people to come to the show and feel understood and understand other people's point of views," Ms. Park said. "And that, at the end of the day, even K-pop stars who seem so different than us are just like us."

As part of this project for authenticity, the performers dip in and out of Korean and English in both dialogue and song, just as many Korean-

Americans do in real life, Mr. Kim said. The creators tried to design the show such that those who don't speak Korean, or even those who speak only Korean, could follow the story.

"K-pop is a genre that has a lot of Korean lyrics, but it's transcending language and cultural differences," she said.

Much of the fervor for K-pop is driven by the powerful fan-bases artists command, such as BTS Army, which has boosted political causes and staged million-dollar campaigns in addition to helping the group sell out arenas.

Daniela Irwin, 21, said she learned about the musical at this year's KCON fan con-

vention in Los Angeles, where one of the "KPOP" leads, Kevin Woo, was promoting the show. Thrilled to learn the show had cast actual K-pop stars, Ms. Irwin and a friend immediately grabbed tickets for a Nov. 12 preview, though the show was canceled.

"For me, this was like the best of both worlds," she said, adding that she has also been a longtime Broadway enthusiast. Before her scheduled show was canceled, many of the people she spoke with outside the theater told her they were longtime Broadway fans eager to give a new show a chance.

"I love the theatrics of a Broadway show, and I love the theatrics of K-pop," Ms. Irwin added. "I was, like, 'How are they going to incorporate this?'"

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## ARTS IN REVIEW

## ART REVIEW

# Art Basel Miami Plays It Safe in the Sun

The art fair features thoughtful work but shies away from taking chances

By BRIAN P. KELLY

**T**he Miami area has always been known to push boundaries. It gave us genre- and game-changing personalities like Gloria Estefan and Antonio Brown. It serves as a financial gateway to the Americas and dared to put the Key lime into a pie. It arguably invented the hurricane party and had no small role in America's 1980s cocaine habit. Which makes the risk-averse nature of 2022's Art Basel Miami Beach especially surprising.

This year's edition of the sometimes notorious, always well-attended art fair marks the event's 20th anniversary and is its largest iteration to date, filling the Miami Beach Convention Center with 282 exhibitors from 38 countries and territories. And while there are few if any revolutionary works at the bloated proceedings—it took me nearly eight hours to make my way through the labyrinthine booths—technical skill and thoughtful compositions mean that there is still plenty of art that stands out.

Finding a coherent message across dozens—if not hundreds—of different exhibitors at an art fair is difficult even at the most zeitgeisty of times, and this isn't one of those. That said, a focus on our physical form recurs across

**The sometimes notorious, always well-attended fair marks its 20th anniversary.**

several displays. Cronenbergian body horror is present, whether in older creations like Judy Chicago's massive, crocheted "Birth" (1984), exhibited by Jessica Silverman and depicting just what it describes, or newer pieces like those of Samara Golden shown by Night Gallery, rainbow-hued wall sculptures made this year that could be unicorn viscera. While still corporeal, works elsewhere are more playful, like Jonathas de Andrade's clay sculptures at Galeria Nara Roesler of human midsections clad in lost swimwear he collected in Brazil.

For an art fair that focuses on the contemporary there are several rewarding surprises from the past. At DC Moore, "Bayou Fever" (1979) is a series of 21 energetic collages by Romare Bearden that tells the story of a struggle be-

tween the Conjur Woman and the Swamp Witch. Imbued with mysticism and bursting with color, these images were created as the starting point for a dance that Bearden hoped would be choreographed by Alvin Ailey but, alas, never came to be. In the same booth, 15 Jacob Lawrence silk-screens (1986-97) recount "The Life of Toussaint L'Ouverture," leader of the Haitian Revolution. Lawrence created several series focused on black history—his "Migration Series" is the most celebrated but other projects also looked at Harriet Tubman and John Brown, for example—and these pieces are just as compelling and immediate as his best work. And at Hirschl & Adler, George Tooker's "Stations of the Cross" (1984) fully engages the artist's Renaissance-influenced tempera technique by depicting the holy story across 14 panels focused solely on the hands of Christ (for which the painter used his own as models). The result is simultaneously classical and modern, at once religious and secular.

Smart curation is also a highlight at several booths. First among them is Kavi Gupta's space that features several artists playing with art history, albeit in very different styles. Arghavan Khosravi's "Our Hair Has Always Been the Problem" (2022), in which a woman stares out at us, her locks about to be chopped off by a guillotine, is a potent, timely commentary on the place of women in the Iranian-born painter's home country, and the delicately rendered garden behind her calls to mind Persian miniature painting.

Nearby, Tomokazu Matsuyama's brightly colored tondo portrait employs a visual language drawn from contemporary pop culture and Japanese manga while nodding to Renaissance compositions, and Suchitra Mattai's wall textile combines vintage saris and embroidery to wrestle with colonial history while riffing on the tradition of European tapestry. Also noteworthy is the display by Annelly Juda Fine Art that juxtaposes new works by Japanese ceramicist Raku Jikinyū with the century-old geometric drawings by Kasimir Malevich that inspired them. One glance at these competing yet complementary pieces collapses three dimensions into two, only to have another look reverse the process and have the planar explode into voluminous form.

As is the norm at fairs, engaging painting is omnipresent here—at Peres Projects, Shota Nakamura's "Untitled (A Young Boy in Forest)" is a pastoral depiction of



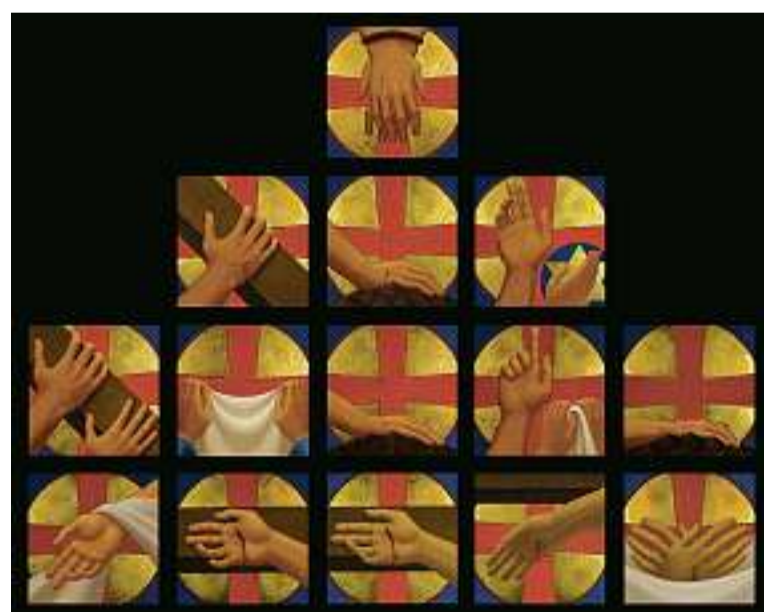
Clockwise from above: Jacob Lawrence's 'General Toussaint L'Ouverture'; Do Ho Suh's 'Inverted Monument'; George Tooker's 'Stations of the Cross'; installation view of Oren Pinhassi's 'I Would Talk About the End'; and Arghavan Khosravi's 'Our Hair Has Always Been the Problem'

the titular character reading in nature that's rendered in Gauguin-like green and ochre hues; Astrid Terrazas's neo-Surrealist "Wishing We Could've Packed Our Doorframe" at PPOW is crisscrossed full of autobiographical details, religious symbols and Mexican folklore; at Pilar Corrias, Manuel Mathieu's frenetic abstraction seems to breathe, and if you stare at it just right, a figure starts to emerge that looks like it was pulled from the nightmares of Francis Bacon or Lucian Freud.

But the most exciting work in Miami is three-dimensional. The sand-encrusted totems of Oren Pinhassi at Edel Assanti's booth greet us like Brancusi's that have just been on a long journey through the desert. At Travesía Cuatro, a rough-hewn chunk of clay sprouts elegant orange fronds as if some sort of extraterrestrial fungi in Teresa Solar's "Tunnel Boring Machine." Eduardo Sarabia's installation of Mexican pottery and custom-made shipping crates at OMR is instantly enchanting, but on closer inspection the works are packed with numerous references that range from the immigrant experience and narco culture to Nafta and Warhol's Brillo boxes. Curtis Talwst Santiago's miniature dioramas in reclaimed jewelry boxes, on view at Rachel Uffner, explore black life in rich detail and warrant slow looking (magnifying glasses are included!).

And Do Ho Suh's "Inverted Monument" at Lehmann Maupin is the closest thing to a showstopper at this year's fair: A massive plinth with an upside-down figure encased inside challenges traditional notions of hero worship, while the delicate plastic strands that constitute the work make it seem light as air. For an art fair—and a place—known for spectacle, it's a quiet capstone, but one that proves that extravagance isn't the only way to grab attention, even in Miami Beach.

Mr. Kelly is the Journal's associate Arts in Review editor. Follow him on Twitter @bpkelly89.





## SPORTS

## The Captain Driving the U.S. in Qatar

Tyler Adams doesn't ring up a lot of goals or assists. But his European experience as a midfielder is anchoring the squad.

By JOSHUA ROBINSON

**A**s the U.S. men's national team qualified for the knockout rounds of the World Cup on Tuesday night, no one had more touches of the ball than midfielder Tyler Adams.

They weren't the most memorable—he finished the 1-0 victory over Iran with no goals or assists. They weren't even the most dangerous—the bulk of them occurred more than 40 yards from Iran's goal. But they were among the most meaningful of the night.

That's because everything this American team does in Qatar, sooner or later, runs through the heart of its midfield, Tyler Adams.

"He makes everyone's job a little bit easier," the veteran U.S. defender Tim Ream said. "As he goes, the team goes—and you can see that."

Adams, the 23-year-old captain of the men's national team, is turning into one of the revelations of the tournament. He's been praised by opposing managers for his play on the field and by former England legend Gary Lineker for his poise away from it. Back home, Adams is living proof that U.S. fans are ready for a new kind of soccer star.

He doesn't do the obvious job of scoring goals, nor does he belong to the long line of respected American goalkeepers who prevent them. Instead, soccer culture has become entrenched enough statewide that supporters are now able to appreciate a 5-foot-9 midfielder who excels at one of the most subtle jobs in sports.

As a central midfielder, Adams is both the team's connective tissue, linking moves from defense to attack, and the guy getting his hands dirty by breaking up opposition play in front of his central defense. It's busy, unglamorous work that doesn't show up in many statistics. But at this World Cup, few are doing it better than Adams.

England manager Gareth Southgate couldn't help but notice him, because he was everywhere. South-



Tyler Adams, the captain of the U.S. men's national team, is turning into one of the revelations of the World Cup.

gate said that no team in years had covered as much ground against the Three Lions as the Adams-led Americans did in the 0-0 draw last week.

"In this World Cup he's extremely focused and his play has been outstanding," U.S. coach Gregg Berhalter said.

More than that, Adams embodies the new generation of cosmopolitan American soccer players, who spend their formative years in the game in Europe.

Adams began his career in New York Red Bulls' academy and graduated to the senior side in Major League Soccer as a 17-year-old in 2016.

His progress over the next three seasons was impressive enough for RB Leipzig in the German Bundesliga to take an interest.

Adams was clearly talented, but he had a couple of other things going for him to smooth the jump to Europe. One was that RB Leipzig is one of New York's sister clubs, founded under the Red Bull umbrella. The other was that the team happened to be coached by his former mentor in MLS, Jesse Marsch.

Together, they came to a life-changing realization in their respective soccer educations.

"To understand European football," Marsch said, "you have to really be here."

Adams grasped it more than most. When Marsch moved to Leeds earlier this year, he knew he wanted his do-it-all central midfielder with him. Adams was clearly getting the lesson. Today,

he had a couple of other things going for him to smooth the jump to Europe. One was that RB Leipzig is one of New York's sister clubs, founded under the Red Bull umbrella. The other was that the team happened to be coached by his former mentor in MLS, Jesse Marsch.

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he speaks about soccer more like a grizzled European manager than a 23-year-old American. Take his comments after the U.S. victory over Iran, which saw the Americans defend a one-goal lead with their backs to the wall for 20 nail-biting minutes.

"You have to suffer—that's part of the game," Adams said, parroting a favorite term of Spanish and Italian coaches. "It's obviously stressful, but one thing that we can count on in these moments is our defense."

On other issues, Adams is anything but grizzled, and his calm doesn't end where the soccer pitch does.

As captain, a position voted on by his U.S. teammates, Adams has been thrown into the spotlight as the face of the squad. And when he was faced in a news conference with an out-of-the-blue question from an Iranian journalist about discrimination in the U.S., his thoughtful response defused a tense situation and went viral.

"There's discrimination everywhere you go," he said. "One thing that I've learned, especially from living abroad in the past years and having to fit in different cultures and kind of assimilate into different cultures, is that in the U.S., we're continuing to make progress every single day."

"Growing up for me, I grew up in a white family, and with obviously an African-American heritage and background as well," he added. "So, I had a little bit of different cultures, and I was very easily able to assimilate in different cultures. Not everyone has that ease and the ability to do that. Obviously, it takes longer to understand, and through education, I think it's super important."

Adams didn't necessarily expect to have to address such heavy topics in the middle of a World Cup. Then again, despite leading one of the youngest squads at the tournament, he's proving incredibly difficult to surprise.

"For him to handle it with the poise that he did and the sincerity that he did," Ream said. "I thought it was fantastic for a 23-year-old."

## College Football's Epic Debate—for No. 4

By LAINE HIGGINS

**ONCE UPON AN EARLY** December, a fierce debate roiled college football about which team was most deserving of the national championship. Was it a Southern California team loaded with talent? Or perhaps Alabama, coached by a legend? Maybe even Ohio State, a Big Ten heavyweight with one loss to a team from That State Up North.

If this sounds familiar, it's because, back in 1972, those three teams were vying for superiority on the final week of the college football season. Now it's 2022, and the sport is arguing over the same teams—but this time, USC, Ohio State and Alabama are after something a bit less glorious.

Instead of aiming for a slot in a game with national championship implications in the '70s, or a coveted invitation to the title game during the Bowl Championship Series era, the prize this year is likely a chance to play No. 1 Georgia as the No. 4 seed in the College Football Playoff.

"Now what we have is people scrambling for the fourth position... which is maybe less compelling," said Dr. Peter Wolfe, an associate clinical professor of infectious disease at UCLA, whose bespoke college football ranking formula was used during the BCS era from 2000 to 2013.

Then again, he added, "People love to argue."

Based on the latest rankings

from the selection committee, Georgia and No. 2 Michigan, both 12-0, will likely advance to the semifinal no matter if they lose in their respective conference championship games, against No. 14 LSU and unranked Purdue, respectively. It's a product of a parity-filled season that has left just three undefeated and two one-loss teams standing heading into December.

The third team with a perfect record in 2022 is No. 3 Texas Christian. Their résumé is a bit shakier than the teams ahead of them, however, because they've had to dig themselves out of deficits in six of their nine Big 12 contests.

If TCU makes the field and USC defeats No. 11 Utah in the Pac-12 Championship on Friday, the argument over fourth will be about the merits of No. 4 USC vs. No. 5 Ohio State.

The 12-1 Trojans squad will have just won their conference with magical play from Heisman Trophy front-runner Caleb Williams. Ohio State, 11-1, is done with its regular season after getting crushed at home, 45-23, by Michigan.

Things really get spicy if TCU loses and USC falls to the Utes, a team that already handed them their lone loss of the season in October. That's when a 10-2 Alabama, sixth in the latest rankings, enters the picture. The Crimson Tide have only lost on the road, via a field goal against then-No. 6 Tennessee and later to then-No. 10 LSU on a 2-point conversion in overtime.



Mexico beat Saudi Arabia, 2-1, on Wednesday but were eliminated following Argentina's 2-0 win over Poland.



## Mexico Fails to Advance at World Cup

By JOSHUA ROBINSON IN DOHA, QATAR AND ANDREW BEATON IN LUSAIL, QATAR

**P**oland's players, exhausted and nervous, gathered on the pitch after the final whistle around a coach with a screen. They had just lost 2-0 to Argentina, and their World Cup fate was unfolding in the palm of their coach's hand.

The team was watching the dying moments of Mexico's game against Saudi Arabia, the clash between the other two teams in the group that would suddenly decide whether or not it was time to go home from Qatar. Only after more than five minutes did a referee's whistle 14 miles away put Poland out of its misery and send them into wild celebration.

Though Mexico had won, the 2-1 score line wasn't enough. Saudi Arabia's late consolation, in the fifth minute of stoppage time had altered a slew of tiebreakers and tipped the balance definitively in Poland's favor.

"It was dreadful, awful, and wonderful," Poland goalkeeper Wojciech Szczęsny said. "The game lasted about five hours for me."

The upshot: Argentina would end the group stage in first place and earn a round-of-16 matchup against Australia. And Poland, not Mexico, would join them after finishing second for the right to play France next. For Mexico, now eliminated from the tournament, the dizzying misfortune meant an un-

usually early exit. The team had reached the round of 16 in each of the past seven World Cups.

And unlike Poland's players, when the final whistle went in their match, they knew the significance immediately.

The strangest part is that the evening could have been even wilder. Only Saudi's late goal averted the chaotic scenario of a team being eliminated from the World Cup on one of the most arcane tiebreakers in sports: accumulated yellow cards.

Until then, Mexico—which began the night bottom of the standings—faced its fate coming down to fair play, where points are deducted for violations such as yellow and red cards. Saudi Arabia's 95th minute goal meant that Poland would advance on goal differential, not how many times a referee pulled a card out of his pocket.

The bizarre climax overshadowed an equally remarkable development, which had been days in the making: Argentina's recovery from its staggering defeat to Saudi Arabia in its opening match, which went down as one of the biggest upsets in World Cup history.

That result had left Argentina in full-blown crisis a week ago. Consumed by its own expectations, the pressure of simply being Argentina, and bringing one of the game's greatest players (Lionel Messi) to what is likely his final World Cup,

turned into a phenomenal burden.

"We should have a little more common sense, and think that it is just a football game," Argentina coach Lionel Scaloni said. "The truth is, I don't share the feeling that you are playing something more than a game. And that's what the players feel when they go out on the pitch."

For the Mexicans, though, extending their streak of Round of 16 appearances required more than a win. In order to surpass Poland on tiebreakers, Mexico had to improve its goal differential. That meant scoring more goals—or Poland conceding more. So it was a boost when Luis Chavez made it 2-0 Mexico in the 52nd minute, and when Argentina netted another in the 67th.

At that point, they were tied in points, goal differential and goals. They even drew their head-to-head matchup. If everything else remained, it would have come down to fair play—where Poland would have prevailed.

Mexico continued to press toward the end, and had enough opportunities to stretch its advantage. It even saw a late goal ruled out for offside.

Then, in the 95th minute, Saudi Arabia's Salem Al-Dawsari ended the drama. Even though he was heading out of the World Cup, there could still be one bit of consolation for him: Al-Dawsari will always be a hero in Poland.



USC quarterback Caleb Williams is a leading contender for the Heisman.



## OPINION

## The Moral Vanity of FTX



**WONDERLAND**  
By Daniel Henninger

The Covid-19 pandemic may have ended in the U.S., but there is no vaccine yet for this country's pandemic of moral vanity. Its latest victim is FTX founder Sam Bankman-Fried.

As his cryptocurrency company's value soared into vaporous billions, Mr. Bankman-Fried said he wasn't in it for the money. He described himself as a proponent of "effective altruism," or high-return charity, an idea he learned while at MIT from a philosophy graduate student. Mr. Bankman-Fried, 30, said he might keep 1% for himself and give the rest away through his FTX Foundation.

What interested me about Mr. Bankman-Fried's commitment to effective altruism is his notion of what qualified. As this newspaper reported on the FTX founder's philanthropy, "Sam Bankman-Fried said he wanted to prevent nuclear war and stop future pandemics." It gives new meaning to thinking big. It's also delusional, which has become a political characteristic of his generation.

During Elon Musk's pursuit of Twitter, Mr. Bankman-Fried's effective-altruism mentor, Will MacAskill, texted Mr. Musk on behalf of Mr. Bankman-Fried, who he said "has for a while been potentially interested in purchasing it [Twitter] and then making it better for the world."

And that is the telling point here—not make the

social-media platform better, but make it better for the world.

There was a time when people engaged in doing good addressed problems that, so to speak, you could get your arms around, such as improving school performance, providing potable water or preventing malaria. But at some point, the impulse to do good transformed into a combination of moral tendentiousness and grandiosity.

Remember "save the whales"? That morphed into "save the planet." Don't blame Mr. Bankman-Fried's generation entirely for its credulousness. No-longer-serious teachers—the so-called adults in the room—told them repeatedly they needed to save the planet. The Ford Foundation's homepage announces, "We're building a world where everyone has the power to shape their lives." It's no surprise Mr. Bankman-Fried would think his cryptocurrency profits could prevent nuclear war.

Still, inside the Bankman-Fried fairy tale rests a smaller tipping point, which suggests his generation senses that their preachy elders may have led them down a moral garden path.

In an exchange with Mr. Bankman-Fried, a writer for Vox asserts, "You were really good at talking about ethics." He replied that "I had to be" because of "this dumb game we woke westerners play where we say all the right shibboleths and so everyone likes us."

He is describing what has come to be known in our time as virtue signaling, which is the current version

of moral vanity—the presumption that doing good deserves the public's support and esteem. But why has this urge to assert public virtue in outsize ways become a mass movement? People who did good used to be humble. Now they won't get out of our faces.

One inevitably cynical answer is politics. The political left embraced the technique known as "controlling the narrative," which is a euphemism for propaganda. The

**Sam Bankman-Fried gave altruism a bad name. That doesn't mean the idea is dead.**

new element in our time is that these "narratives" always include sweeping, if vague, claims of moral certitude and superiority.

"Environmentalism" wasn't getting the job done, so it became "the climate crisis." Reducing racial inequality gave way to "social justice." During the Covid-19 pandemic, the citation of "science" became a moral cudgel.

The purpose of this moral grandiosity isn't to engage one's opponents but to marginalize them, to place them beyond the pale of what the new gatekeepers of virtue define as acceptable discourse.

The pity in this is that there remains much good to be done, if the left's insistence on politicizing virtue doesn't discredit the idea.

Overlooked in the Bankman-Fried saga is the implicit

admission inside the idea of effective altruism that capitalism—for-profit enterprise—is the indispensable means to good ends. It's a recognition that capitalism is the most dynamic force in American life. That's progress. What is left to debate is the role of the U.S.'s least dynamic sector—government.

The U.S. has the world's biggest private economy and biggest government. Something new is needed, such as more effective intermediating institutions, to fill the space between those two poles, which is filling up with seemingly unsolvable problems like opioid addiction, the violent mentally ill and chronic public-school underachievement. In California, Gov. Gavin Newsom is in a wheel-spinning battle with mayors over what to do about the state's epidemic of homelessness.

There are thousands of family foundations in the U.S., often supporting specific nonprofit projects. The traditional criticism of such efforts, whether charter schools or private-school voucher programs, is that it is too hard to scale them up to the magnitude of something like educating millions of students. Only government, they say, has the capacity.

I recognize that argument, but it's time to get past it. Charters and choice, which are succeeding, should be seen not as a threat but as a natural evolution away from aging public systems and toward more entrepreneurial, focused alternatives. Call it effective altruism. But hold the moral vanity.

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**BOOKSHELF** | By Bill Heavey

## Is Brevity the Soul of Success?

**The Bezos Blueprint**

By Carmine Gallo

(St. Martin's, 258 pages, \$28.99)

Ineffectual people like me are drawn to business books about successful people in the hope that some of their success will rub off on us. So we study Jeff Bezos and his ideas about leadership, or the tale of how Amazon grew from Mr. Bezos's garage to an international empire. And, since it's never too early to start your own little visionary on the road to world domination, there are even inspirational children's books like "A Curious Boy Named Jeff."

Carmine Gallo thinks we've been looking in the wrong place. In "The Bezos Blueprint: Communication Secrets of the World's Greatest Salesman," he argues that we should be focusing on the entrepreneur's overlooked and underappreciated communication skills, which, Mr. Gallo tells us, will "unleash your potential," creating "an unstoppable cycle of success." Having kept a tight leash on my potential for too long, I felt like this book was written specifically for me.

Mr. Gallo maintains that Mr. Bezos's annual shareholder letters offer particular insight. What's more, until now, "no book has analyzed the forty-eight thousand words Bezos wrote over twenty-four years of shareholder letters." Mr. Gallo delves into those words—48,062 of them, to be exact. He delves into those 2,481 sentences, which average 18.8 words each. He measures their readability using the Flesch-Kincaid scale, created in the 1940s, to show that the letters were written at a level an 11th-grader would understand.

Eventually, Mr. Bezos whittled his writing down to even shorter sentences—16 words, instead of 18.8, with a readability score fit for an eighth-grader.

There's a good reason we should value writing that's easy to read, we're told: "Our brains are not made to think." You read that right. Mr. Gallo quotes the neuroscientist and author Lisa Feldman Barrett, who says that "your brain's most important job is to control your body's energy needs. In short, your brain's most important job is not thinking." This is one of the most reassuring sentences I have ever read.

Incidentally, we do a disservice to Mr. Bezos and ourselves to think his success is simply a matter of "hacks." Success, we're told, is also a mindset. At Amazon, for example, it's always Day One. To Mr. Gallo, Day One is "a metaphor for creating and sustaining a culture of innovation no matter how large a company becomes." It's a continual search for ways to grow and learn. Then what, you may wonder, is Day Two like? Mr. Bezos himself tells us that Day Two is "stasis. Followed by irrelevance. Followed by excruciating, painful decline. Followed by death." In short, Day Two is a terrible, horrible, no good, very bad day that you never want to have.

Mr. Bezos's commitment to narrative is so important that Mr. Gallo, who titled one chapter "Writing That Dazzles, Shines, and Sparkles," chose a refreshingly hackneyed metaphor for it. "Narrative is to Amazon what an engine is to a Ferrari." The point is not that a man writing about writing actually wrote that, but that Mr. Bezos believes in stories so passionately that in 2004 he banned the use of PowerPoint for senior executives.

Mr. Gallo is a smart fellow who waits until page two to share that he teaches in an advanced leadership program at the Harvard University Graduate School of Design. So when he says to start your sentences with subjects and verbs that pull the rest of the sentence along, you want to pay attention. But the order of your words is also crucial. "Many writing instructors suggest putting your strongest stuff at the beginning (the locomotive) and save an interesting word for the end (the caboose)." The weak stuff goes in the middle. A prime example Mr. Gallo cites is the famous line from Shakespeare's popular hit "Macbeth" in which a messenger says "The Queen, my lord, is dead." Shakespeare could have written, "The Queen is dead, my lord." But he didn't, because he knew that the sentence would be more powerful if he led with the locomotive and saved the shocker for the caboose. In the words of one writing expert, "Shakespeare stuck the landing."

**Short sentences, written so an eighth-grader could understand. Turns out the secret to Amazon's success isn't logistical, it's lexical.**

Whether you're writing an article, document or email, says Mr. Gallo, you have 15 seconds—the time it takes to read 35 words—to grab a reader's attention. After that, 45% of readers will stop paying close attention. While Mr. Gallo notes that the human attention span has remained the same since the 1800s, today there are more things competing for our attention. "The secret to catching a person's attention is not to cut through the noise but to boost the signal." I love this idea, but Mr. Gallo never explains it and I have no idea what it actually means.

He does, however, explain "loglines." In the olden days, studio execs would write the title and a line about the movie on the spine—or log—of a script, and that became known as the logline. Writers pitching their stories thus learned to summarize their ideas in similarly brief terms. For "Finding Nemo," according to Mr. Gallo, the logline is: "When his son is swept out to sea, an anxious clownfish embarks on a perilous journey across a treacherous ocean to bring him back." Shonda Rhimes, the creator of "Grey's Anatomy," offered an even shorter logline. She pitched her show as "sex in the surgery." If I had known this earlier, I definitely would have watched it.

Amazon is an enormous and complex enterprise that includes Amazon Prime, Amazon Web Services, Kindle, Fulfillment by Amazon and many other things. Faced with creating a logline for the company, Mr. Bezos used all of nine words: "Amazon's mission is to be Earth's most customer-centric company."

I wanted this book to change my life, but maybe I'm one of those people whose potential—once it's finally unleashed—floats away like exhaust from a stalled Ferrari on the racetrack of life. I've survived a lot of Day Twos in my time. You can come back from Day Two and still be moderately successful. Look at yourself, gentle reader. You've stayed with me this far. So maybe I stuck the landing, too.

Mr. Heavey is a writer in Bethesda, Md.

## House 'Oversight' Has Two Meanings

By Karl Rove

One thing we know Americans will get from a Republican House is oversight—and lots of it. Committees will issue demands for documents and testimony and hold frequent hearings. Both ends of Pennsylvania Avenue will volley charges.

House GOP leaders have already promised investigations into Hunter Biden's business dealings, the failed response to the border crisis, politicization at the Justice Department and Federal Bureau of Investigation, Covid's origin, and the Afghan fiasco.

Republicans see payback and partisan advantage in oversight, but Democrats see potential for GOP self-sabotage. They hope Republicans will overreach, as they did by pushing President Clinton's impeachment in 1998. While they'll launch these inquiries quickly after the new Congress is sworn in on Jan. 3, none will be quickly resolved. The Hunter Biden investigation may even be put on hold if he's indicted, as it'll have to wait until the trial concludes.

Republicans should remember there's a risk investigations could swamp their legislative agenda. The goal of oversight must be above all to advocate for reforms that Americans will see as sensible and reasonable. Because the GOP holds only one chamber, House Republicans will play an oversize role in defining the party's image until it

nominate a presidential candidate in 2024.

It isn't enough to blast Hunter Biden for trading on his father's name and position. What ethics reforms would keep it from happening again? What policies will end the border crisis? What can be done to restore trust in the Justice Department and FBI? What will prevent America from abandoning allies and comrades-in-arms as it did in Kabul? These investigations can be an opportunity to prove to voters that Republicans can make Washington work again.

**If Republicans neglect legislation in their zeal to investigate, they'll lose an opportunity.**

But the GOP can't focus on oversight alone at the expense of legislating on the urgent issues that led 54.3 million Americans to vote Republican in midterm House races. Voters didn't give the GOP its majority, thin as it is, merely to lob grenades at Democrats. They expect Republicans to work to reduce inflation, strengthen the military, put Washington's fiscal house in order, restore prosperity, and get the country on the right course.

The GOP promised to focus on these issues when House Republicans released their Commitment to America policy plan in September. Its 18

elements were broken into four themes—a strong economy, a safe nation, a future of freedom, and a government accountable to the people.

Though that outline of policy suggestions was short on detail, it made clear that Republican Leader Kevin McCarthy (R., Calif.) is committed to addressing these topics and with bills written the right way—emerging from committees, not dictated by party leadership, as has been Speaker Nancy Pelosi's practice. Remember how the House had to pass ObamaCare so we could find what's in it?

The seven task forces Mr. McCarthy appointed to craft these priorities in June 2021 were each led by a serious member and included representatives from every committee involved in the topic. The Jobs and Economy Task Force was chaired by Rep. Patrick McHenry (R., N.C.) with major players from the Ways and Means, Financial Services and Budget committees. The China Task Force was led by Rep. Michael McCaul (R., Texas) with members from the Armed Services, Foreign Affairs and Intelligence committees.

This approach to legislation has a much higher likelihood of actually working. Resolving jurisdictional problems first and then moving bills from subcommittees to full committees reduces holdups and produces legislation more likely to draw bipartisan support. Such bills tend to be incremental rather than the huge, transformational bills

that unnerve Americans. Republicans could move bills to encourage production of domestic energy by lifting barriers, increase how much families can save tax-free for out-of-pocket medical expenses, and provide sensible conservation measures.

The restoration of regular order won't only produce better legislation; it'll also help restore public confidence in Congress. Americans dislike giant bills written in back rooms by leadership aides and jammed through on short notice.

In many cases, bills from a Republican House probably won't be approved by the Democratic Senate and signed by President Biden. But by trying, the GOP will have demonstrated the party's values and approach, paving the way for victories in 2024 and beyond.

To achieve that progress, Republicans must resist the temptation to focus only on generating coverage and whipping up the base with oversight hearings. Theatrics alone won't advance the conservative cause. In the coming months, it will fall to Republican committee chairmen and key members to balance oversight and legislating. The party's success depends on getting this right.

Mr. Rove helped organize the political-action committee *American Crossroads* and is author of "The Triumph of William McKinley" (Simon & Schuster, 2015).

## The U.S. Resists Spiking the Soccer Ball

By Tunku Varadarajan

Team USA knocked Iran out of soccer's World Cup on Tuesday, and Americans have reacted like gracious winners. There has been barely any of the triumphalism one would have expected in victory over a land whose rulers revile the U.S. as satanic.

Americans have preferred to dwell on the boyish heroics of Team USA, average age 24. The chivalry on display from the American public is derived in part from the wholesomeness of the players. The goal scorer and talisman, Christian Pulisic, is known to his teammates as Captain America. He credits his parents for his success. The players around him make for the most racially diverse team to represent the U.S. in any sport. And their

diversity is organic, achieved by excellence on the ball, not by legal design. Among its best players is Timothy Weah, the New York-born son of Liberia's President George Weah.

**A gracious reaction to a 1-0 victory over Iran at the World Cup.**

American schadenfreude was muted, also, by public sympathy with the people of Iran—which translated into sympathy for the Iranian players. After they stood in silent protest during their national anthem before their first game (against England), news filtered out that they'd been ordered by Tehran's mullahs to sing the anthem next

time—or face reprisals. They sang it halfheartedly at their second game (against Wales), and before facing Team USA, moving their lips in compliance with the bullies' diktat. Their evident lack of freedom struck a chord with Americans. These men faced mortal pressure. They deserve compassion.

In a team sport like soccer, the community and its standards press harder than in solitary contests. If you don't have freedom of speech at home, it will affect the team's temper, and its ability to let off steam or publicly express joy. This constraint afflicts players from authoritarian countries, and explains why they've seldom won the World Cup. The Soviet Union never did, for all its size and manpower.

We don't want our teams

laboring under the same kind of duress as the Iranians. Yet the West is in no pure state in that regard, with the cancellation culture warping our lives. The difference, of course, is obvious. No American player is going to be imprisoned for a stray political utterance or for getting someone's pronouns wrong. Iran, by contrast, is so hellish that its people were happy the U.S. won. "This was never about soccer," says Roya Hakakian, an Iranian-American writer, in an email. "For those inside Iran, the only consequential match is the one against the regime."

Mr. Varadarajan, a *Journal* contributor, is a fellow at the *American Enterprise Institute* and at *New York University Law School's Classical Liberal Institute*.



## OPINION

## REVIEW &amp; OUTLOOK

## Democrats Want a Lame-Duck Blowout

When is \$5 trillion still not enough? Answer: When you're a progressive about to lose your grip on total power. That's how to read Democrats' attempt to jam Republicans into one last, lame-duck, spending hurrah.

Congress is marching toward a Dec. 16 expiration of government funding. Democrats want to stuff all 12 of Congress's annual, overdue spending bills into a giant "omnibus" to finance government through September 2023. According to their media note-takers, the failure to pass an omnibus bill will result in one of two apocalyptic scenarios: a government shutdown, or the ruin of federal agencies forced to maintain spending at current levels.

That's a convenient ultimatum, given Democrats are angling to use the omnibus as a final spending spree before Republicans retake the House in January. Including the American Rescue Plan, an infrastructure bill, last year's omnibus, a veteran's fund, food-stamp and health-care increases, semiconductor subsidies, the Inflation Reduction Act, and student-loan forgiveness, Democrats have added close to \$5 trillion in new spending in two years. They now want more, as well as the chance to add pork and policy riders.

Congressional sources tell us Democrats are asking for \$150 billion in additional spending, split roughly between defense and non-defense. That's not counting the White House's separate demand for \$9 billion more in Covid funding; a bipartisan push for \$38 billion in Ukrainian aid; the annual "tax extender" dance; or the left's child-tax credit expansion (at least \$100 billion annually).

The additional \$75 billion for nondefense would by our calculations be a 10.3% increase, on top of last year's omnibus increase of 6.7%. The left's answer to the inflation its spending ignited is to spend even more.

Democrats hope to lure Republican to sign onto all this with what would equal a 9.6% increase in

military spending, on top of last year's increase of 5.6%. This investment is long overdue, and stop-gap bills known as continuing resolutions are no way to manage long-term defense planning. Yet each year Democrats hold the defense of the country hostage to ever-higher spending for their domestic constituencies.

Republicans are fighting among themselves, with Senate leader Mitch McConnell favoring an omnibus while House Republicans prefer a short-term continuing resolution that funds the government until they take power in the New Year.

One message from the midterm election is that voters want divided government to impose a pause on the Biden spending spree. A majority GOP House will have more leverage over priorities, assuming they can stay united. Senate Republicans don't think GOP House leader Kevin McCarthy can deliver, but why pre-empt his chance to try?

Taxpayers also deserve better than another rushed backroom deal as lawmakers sprint home for Christmas. Democrats ran all of government for two years but focused on their special spending causes rather than pass individual bills to finance the government. Now with three weeks left in a lame duck, they want to jam the GOP again.

Total federal spending in fiscal 2022, which ended on Sept. 30, was still 25.1% of GDP despite the fading pandemic. That's well above the 50-year average of 21%. Revenues were 19.6% of GDP, the second highest percentage in history. Democrats want to build in baseline outlays that keep spending that high and maintain pressure to keep raising taxes.

The GOP campaigned on a return to regular fiscal order, and why not start now? Democrats can threaten a government shutdown, but they'd own it as the party in control. If Republicans aren't going to use their power to enforce some fiscal discipline, they might as well stay in the minority.

### And the Senate GOP might go along to get more defense dollars.

## The Rosetta Stone's Best Home

The British Museum in London is among the world's greatest, alongside the Louvre in Paris and the Met in New York City. Like its peers, it's sometimes embroiled in scandals over the provenance of its artifacts. This week's scandal concerns the jewel in the British Museum's curatorial crown, the Rosetta Stone.

This 2,100-year-old block of granodiorite is among the most important objects in Mediterranean history. It contains a decree written in Greek, ancient Egyptian demotic script, and hieroglyphs. This allowed Jean-François Champollion to decipher the latter in 1822, after decades of cooperative (and competitive) effort by scholars across Europe—an achievement the museum is now marking with a bicentennial exhibition.

So naturally a petition has started to return the stela to Egypt, where it was discovered by the French during Napoleon's invasion in 1799 before being traded to the British and shipped to England. Defenders of Egypt's cultural patrimony have a point that the artifact was looted without permission of the duly constituted government of the day.

This case is different from the British Museum's other long-running provenance controversy, concerning marbles from the Parthenon in Athens that Greece claims. The museum says those were removed in the early 19th century

by Lord Elgin with permission of the Ottoman authorities who ruled that part of Greece at the time. It's also different from recent attempts to return art stolen from European Jews by the Nazis.

Would Egypt, or the world, have been better off if the Rosetta Stone had remained in Egypt then, or if it were returned now? The decipherment was made possible by bringing the artifact to a place where it could be inspected by experts and where detailed copies could be made and distributed across Europe. The work of these researchers, many of them stereotypical gentlemen enthusiasts, unlocked Egypt's ancient history for Egyptians as much as anyone else.

As a linchpin of the Mediterranean, Egypt's history is also part of Europe's cultural heritage. The decree recorded on the Rosetta Stone was written in Greek in addition to Egyptian scripts because it was issued in the reign of Ptolemy V, from the family of Greek descendants of a general of Alexander the Great who ruled Egypt until Cleopatra.

Leaving the Rosetta Stone in London will keep the timeless artifact accessible to the millions of visitors who will come to the British Museum each year as post-pandemic travel resumes. The thought should thrill curators and historians around the world who otherwise might descend into futile culture-warring over colonialism or transient fads.

## Americans Are Losing Trust in the Military

The current era is marked by fading trust in U.S. institutions, but confidence in one pillar has held up: the military. But now even that is eroding, and the question is whether the brass will get the message.

The Reagan Institute releases an annual survey of public attitudes on national defense, and this year only 48% reported having "a great deal of confidence" in the U.S. military in results first detailed here. That's down from 70% in 2018, and within the margin error of last year's 45%.

This is consistent with other surveys. Pew Research this year noted a 14-point drop since 2020 in Americans who said they had a great deal of confidence in the military to act in the public's interest.

The Reagan poll asked Americans what is driving the decline. It isn't the ability to carry out missions or win in a fight. It is "things going on outside the core competencies of the military," says Reagan's Roger Zakheim. "Call it politicization, call it wokeness," but that's where "you can connect the dots."

Some 62% said "military leadership becoming overly politicized" reduced their confidence some or a great deal. That includes trust in civilians who give the orders. Americans offered some of the worst ratings for decisions made by Presidents, and the U.S. retreat from Afghanistan comes to mind.

Some 52% also had reduced confidence in uniformed officers. Half cited "so-called 'woke' practices undermining military effectiveness." Some of these episodes—a brouhaha over maternity flight suits—were overblown. But others are revealing: An admiral suggested last year that to increase diversity the Navy should consider reviving the practice of looking at photos

in promotion boards—i.e., to make decisions based explicitly on race.

General Mark Milley's speech to Congress last year that he wanted to understand "white rage," in response to reasonable inquiries about whether cadets at West Point should be learning critical race theory, was a lapse in judgment. Many Americans

think the military is no longer an institution that runs on excellence, merit and individual submission to a larger cause.

The Pentagon denies this is a problem, but it surely is if half the public believes it. The military relies on young Americans to sign up amid many other career opportunities. Fewer are doing so. Americans on the left have their own reasons for declining confidence in the military: 46% cited right-wing extremism, even though this scourge has been wildly overstated.

This drop in confidence comes at an ominous moment, as the public seems to know. Some 75% in the Reagan survey viewed China as an enemy, up from 55% in 2018, and the percentage of those worried about Russia has doubled. Some 70% are concerned China might invade Taiwan within five years, and 61% support increasing the U.S. military's Pacific footprint.

The good news is that these trends can be reversed, as they were in the years after Vietnam. As GOP Rep. Mike Gallagher put it to us, the poll is helpful in narrowing "what our failures are," and it isn't the rank-and-file or even the equipment. "Ukraine has been one long advertisement for American weapons systems." But "it seems to be the leadership."

Americans want their military to focus on preventing or winning the next war, not on serving the latest political fashion.

## LETTERS TO THE EDITOR

### Has the Fed Seen Enough to Slow Rate Hikes?

Alan Blinder's case in "The Fed Has Good Reasons to Slow Rate Increases" (op-ed, Nov. 25) might have been stronger had he noted the large price declines in prospect for housing, gasoline and used cars. In much the same way as last year's surge in these prices contributed importantly to multidecade-high inflation, the very large falls in prospect for these prices will subtract substantially from headline inflation next year.

This point may be illustrated by housing costs, which account for almost 25% of the consumer-price index. In response to a more than doubling in mortgage rates, the housing market is already in a deep slump. That is prompting the Dallas Federal Reserve to forecast that housing prices could decline by as much as 20% next year. Even if home prices decline by half that, more than 3 percentage points would be shaved off headline consumer price inflation as past large housing price increases give way to large housing price falls.

Further substantial inflation relief must be expected from the recent 15% decline in used-car prices, the oil price slump from \$120 a barrel to around \$75, the strong dollar and reduced wage pressure as labor-market conditions ease in response to the unusually rapid pace of monetary policy tightening this year.

Now that the inflation outlook has changed very much for the better, the Fed would be well advised to heed Mr. Blinder's advice for a slower pace of interest rate hikes.

DESMOND LACHMAN  
American Enterprise Institute  
Washington

I hope Prof. Blinder is right about the U.S. economy turning the inflationary corner. But I disagree that "it may be time to slow down [the Fed's] breakneck pace of rate increases." The Fed should stay the course.

According to the latest CPI release, prices rose 0.4% last month. Let's assume the market anticipates the implied annualized inflation rate, 4.8%, over the next year. The Fed's target for its key policy interest rate is 3.75% to 4%. In other words, real interest rates are still negative. Let's not confuse tighter-than-previous policy for tight policy.

So long as the Fed relies on interest rates as a measure of the stance of monetary policy, we must not shy away from what they're telling us. Data from the Atlanta Fed suggests the neutral (Taylor rule) rate is somewhere between 6% and 9%. Translation: It's not time to let off the brakes.

PROF. ALEXANDER WILLIAM SALTER  
Rawls College of Business, Texas Tech  
Lubbock, Texas

### Energy Tech Won't Progress Like Computing

Bravo to Nick Stork and Joe Malchow ("One Man's Trash Is Another's Clean Fuel," op-ed, Nov. 21) for endorsing an energy "price system untouched by government." But in their otherwise sensible case for a bright energy future, they make a fundamental mistake by repeating a pernicious analogy: "The energy future may mirror computing's past . . . [as] is happening with lithium-ion batteries today." No, it won't, and no, it isn't.

If battery chemistry followed the arc of computing's progress, we would soon power a jumbo jet across the Atlantic with one battery the size of a cereal box. Similarly, if silicon photocells followed the trajectory of

silicon transistors, we would soon power all Manhattan with a solar panel the size of a page of the Journal. Only in comic books, however, does energy technology advance at the pace of information technology (aka Moore's Law).

The analogy has got it backward. Compared with building conventional energy machines, the physical realities of fabricating batteries, solar panels and wind turbines entail a 1,000% to 7,000% greater use of mined minerals to produce the same amount of energy.

MARK P. MILLS  
Manhattan Institute  
New York

### The Tangled Politics of American Immigration

Reihan Salam's essay "The Hidden Consensus on Immigration" (Review, Nov. 19) omits some key context about the current wave of immigrant families seeking asylum in the U.S. Many are fleeing for their lives from extreme violence, repression and poverty. Why else would people uproot their entire families to travel hundreds of miles for only a chance at a safe place to live? There are many other factors to immigration that he rightly points out, but this is a crucial one.

COOPER ZALE  
Los Angeles

The studies that Mr. Salam highlights indicate a consensus that the U.S. should welcome immigrants who are positioned to provide for themselves and their families. A points-

### The Trap of Always Trying To Keep Up With the Times

As much as I enjoyed the letter you printed (Nov. 28) criticizing your annual Thanksgiving editorials, at some point one must face the fact that our culture changes. What sounded fine on Nov. 28 really doesn't sound fine today.

The phrase "nonbinary person" isn't to be found anywhere in the reader's letter. Yes, we are a society of "free women and men," but the letter excludes every other person on the gender continuum. It seems bent on enforcing an oppressive and arbitrary system of gender classification that has its roots in supremacy and discrimination.

Don't you think it is time to update this letter, or write a new one that embraces our culture today, so that readers two weeks from now won't think you are totally "outdated"?

MIKE WOOSLEY  
Forest Hill, Md.

### What Gov. Newsom Learned

Joseph Epstein suggests that the \$16 billion spent on TV ads this election cycle "could pay to house the homeless," among other things ("We Need a Break From the Permanent Election Frenzy," op-ed, Nov. 28). I'm sure California Gov. Gavin Newsom would disagree. His administration has spent an almost equal sum on homelessness since the beginning of the pandemic without making a dent.

CHRISTINA KEEN  
Phoenix

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.

### Advantage's Disadvantage

In "The Inflation Reduction Act Comes for Medicare" (op-ed, Nov. 22), Casey Mulligan and Tomas Philipson write, "Democrats hate that Medicare Advantage has been available as a pseudo-private alternative to original Medicare's single-payer arrangement." Most of us who criticize Medicare Advantage (MA) do so because beneficiaries are required to select physicians and hospitals from a group determined by the insurance company. Conservatives like me hold dear the ability to select one's own physician, but MA deprives its clients of this ability to choose.

DWIGHT OXLEY, M.D.  
Wichita, Kan.

### Pepper ... And Salt

THE WALL STREET JOURNAL



"What's the term for 'we squandered away your investments?'"



## OPINION

## America's School Districts Are Too Big

By Andy Smarick

Some U.S. school districts have become so large and unwieldy that parents and taxpayers feel they have no ability to influence them. To restore local, democratic control, it's time to break up those big districts.

Public schooling was largely decentralized a century ago. A movement to standardize and professionalize K-12 education began in the Progressive Era. Consolidation may have accomplished some of its goals, but America's largest districts today tend to be among the lowest-performing. For the most part, they are

**Communities feel they've lost the ability to influence bloated bureaucracies. Time to break them up.**

located in big cities and their ring suburbs. The nation's three largest districts serve the nation's three largest cities: New York City, Los Angeles and Chicago. Many large districts also spend vast sums per student: San Francisco and Atlanta spend more than \$17,000 a pupil; Washington spends more than \$22,000; Boston more than \$25,000; and New York more than \$28,000.

Breaking these behemoths into smaller districts won't resolve any particular policy argument by itself. Over the past several years, small and large districts have debated the same issues. Board meetings have run hot, voter turnout has been high, school-board seats have been contested, teacher retirements have increased, and recall efforts have been mounted. But while threats against public officials are intolerable, vigorous public debate among parents and community members over the future of their local public



CHAD CROWIE

institutions defines civic engagement—and democracy. Civic virtue in a pluralistic, democratic republic doesn't require only participation; it also requires acceptance of lawful democratic decisions.

A district-deconsolidation movement wouldn't touch the vast majority of districts, and it wouldn't be a federal initiative. State governments would concentrate on the largest 1% of districts, roughly those with more than 40,000 students. A state could begin by passing a law requiring those districts to be deconsolidated by a future date—say, within five years. The resulting districts would be capped at an enrollment of 10,000 students. If the state decided a district couldn't objectively deconsolidate itself, a temporary commission

could do the work or state education officials could take charge.

Since the ultimate goal of this reform is to create small, democratic self-governing education bodies, each new district would need to have its own board and administration. Beyond that, though, different states—even different regions within a state—could approach deconsolidation differently.

Whatever a state decides, it should avoid setting arrangements in stone. Flexibility is important. Regardless of its flaws, a large, long-standing district will have valuable programs and customs suited to its community. No matter how well-planned, bold reforms will be unsettling, potentially unwinding some successful practices and causing new

problems. In the first few years, the state and its new districts may discover more-sensible arrangements related to district composition, shared services, enrollment systems, facilities management, transportation, school choice and more.

Large districts and those who benefit from them will object. Running a system with a billion-dollar budget confers prestige. Those in charge of such districts wield political power that will be hard to relinquish. Private providers of goods and services (such as books, professional development and school meals) prize the big contracts they score with massive districts. Unions and other professional associations have more power when they can organize on the scale of a huge district. They will

argue that breaking up districts would lead to inefficiencies and duplication of services. Why, they will ask, should we have five school boards, five central offices, and five superintendents, when we can have one of each?

Whether such large districts are actually more efficient remains debatable. But advocates of deconsolidation should be clear that there is more to public-school governance than efficiency. After all, separation of powers, bicameralism, federalism, democracy and individual rights can be considered inefficient.

Public schools are valuable not only because they teach young people reading or job skills but because they enable communities to pass their values on to the next generation. We shouldn't assess a school system based solely on math scores or graduation rates per dollar spent. We should also ask whether local citizens and parents feel as though the schools are theirs: Do the schools reflect their priorities and give them a way to engage in key decisions?

Parental and community control of public schools makes sense to most Americans, but K-12 policy has long been guided by principles like efficiency, accountability, college-readiness, fairness and transparency. All these are important. But we seem to have lost our commitment to schools as community-led institutions. Seldom does one hear that public-school reform should make a priority of the will of local citizens, even though in many places that principle is alive and well in practice. In big cities and the areas surrounding them—places where the need for strong, responsive, community-oriented schools is often most acute—it's time to re-establish the principle of local, democratic control.

*Mr. Smarick is a senior fellow at the Manhattan Institute. This op-ed is adapted from City Journal's autumn issue.*

## A Two-Time CEO's Advice to Disney's Bob Iger

By A.G. Lafley

I was asked in May 2013 to come out of retirement and return to Procter & Gamble as chief executive after my successor retired suddenly. The company needed me not only to identify candidates to be the next CEO, but also to boost the performance of business units and create sustainable productivity after a few years of slow growth. Bob Iger, returning for a second stint at Disney, faces a similar task. As Mr. Iger re-enters the arena, he might consider these five lessons I learned when I was called back to P&G in 2013.

First, CEOs in our position must assess the state of the company they're coming back to, and do it quickly. It's important to see things as they are, not as others want them to be.

Less than a week after I got the call to return, I flew to Cincinnati and met with company leadership. The next day I spoke with investors, shareholders, major customers—including Amazon, Costco, Kroger, Target, Walmart—key business partners and strategic suppliers from across the country and around the world. The day after that, I pored over business and financial results as well as forecasts for the

upcoming fiscal year. After three days I knew we were in deeper trouble than we realized. Our performance was lagging in nearly all of the expansion investments in more than a dozen developing countries. Most of the business units were falling short of their annual financial goals.

Second, returning CEOs need to familiarize themselves with the changes that took place in their absence. A lot happened during my three years away from P&G. Consumer needs and wants had shifted, with consumers demanding better performance, quality and value. E-commerce was growing quickly. The number of external stakeholders—government regulators, environmentalists, activists for other social causes—had increased, and their agendas had evolved. That's not even counting changes in technologies, channel demands, competitor threats, investor expectations and so much more. Understanding the external forces that affect business performance is critical to shaping a business strategy.

Third, business strategy must be taken seriously. Ideally, strategy is an integrated set of choices that uniquely positions a company in its industry to create sustainable advantage and superior value

relative to competition.

P&G made itself a top global company and industry leader in the first decade of this century by following a simple three-pronged strategy: exploit competitive advantages in core household and personal-care categories; extend into faster-growing, higher-margin home, beauty and personal-care categories; expand selectively into a

**I returned to Procter & Gamble after my successor abruptly retired. Here are five lessons I learned.**

few developing markets where P&G brands, products and business models maintained sustainable competitive advantage and delivered superior value creation.

Not all strategies succeed. My first successor focused on developing markets. Most of these consumers, however, didn't generate enough revenue to outweigh the capital costs and operating expenses it took to reach them.

While P&G's sales growth was slow in the 2½ years I served as second-time CEO, we laid the strategic

foundation for future sales and share growth. Meanwhile, business unit operating margins began to improve steadily.

My team put P&G back on the path to growth by focusing on the few businesses where P&G had the best odds of winning market leadership and sustaining growth and value creation. We also decreased the company portfolio of businesses and brands. We divested eight categories of business (including batteries, cosmetics and pet food) and about 100 brands so that the leadership team could focus on the businesses and brands that had the best chance of delivering competitive advantage, superior growth and value creation.

Fourth, strong leaders identify and appoint other strong leaders. P&G needed leaders who could make strategic choices and lead innovation that delivered consistent growth in sales and value creation. The board and I found my successor, David Taylor, through a process that anonymized the feedback of potential candidates throughout their time at the company to assess which were the best at delivering business and financial results, building leadership teams, and living up to the company's values. Anonymity guaranteed objectivity and

meritocracy, deferring advocacy until the final stage of the selection process.

Mr. Taylor and I then selected the heads of the businesses and the functions, considering who would lead us in growth, innovation and value creation through the end of the decade. Under the leadership of Jon Moeller, who succeeded Mr. Taylor in 2021, those women and men are still leading the businesses, delivering reliable business and financial results for the company.

Fifth, returning CEOs have to be humble enough to accept that they can't control everything. They must work hard to minimize risk. There's no guarantee of success; a promising business strategy only improves the odds. Customers, competitors, investors and other stakeholders will judge you on your results.

I know that Mr. Iger faces the challenging task of reorienting Disney's strategy and finding its next generation of leadership. I wish him all the best. If he can make sound strategic choices and select the right candidates for their next CEO and leadership team, then Disney can perform with excellence in the marketplace.

*Mr. Lafley was CEO of Procter & Gamble, 2000-10 and 2013-15.*

## The U.S. Government Keeps Buying Chinese Drones

By Lars Erik Schönander

In one of the latest moves in the U.S.-China great-power competition, the Defense Department revealed in October that DJI, a Chinese drone company, is on its "Chinese military companies" list, which tracks companies working with the People's Liberation Army. This reflects a growing, and justified, concern with the company—the largest commercial drone manufacturer in the world—and its close ties to the Chinese Communist Party.

As Brendan Carr, a commissioner of the Federal Communications

Commission, has warned, "DJI drones and the surveillance technology on board these systems are collecting vast amounts of sensitive data—everything from high-resolution images of critical infrastructure to facial recognition technology and remote sensors that can measure an individual's body temperature and heart rate." The surveillance potential of DJI drones isn't hypothetical; the Treasury Department has alleged that the Chinese Communist Party is using them to monitor Uyghurs trapped in Chinese concentration camps. If China can use these drones to spy on its own people, it can also

use them to spy on Americans.

Compounding DJI drones' risk is their capacity for "geofencing." Using GPS and satellite data, DJI can decide whether one of its drones will function in a given area, allowing the company to down an entire fleet if it chooses. The ability to deactivate government-owned drones shouldn't be entrusted to any foreign entity—least of all one under the thumb of the Communist Party.

The Defense Department's announcement continues steps by the federal government in recent years to counter DJI's surveillance and cybersecurity risks. Among other efforts, the Army banned DJI drone use in 2017 because of cybersecurity concerns, and in 2020 the Interior Department grounded its DJI drones for the same reason. Last year, in response to DJI's surveillance of Uyghurs, the Treasury Department's Office of Foreign Assets Control added DJI to its list of companies in the Chinese military-industrial complex, prohibiting Americans from buying or selling publicly traded securities tied to the company.

But other federal agencies haven't been as vigilant. According to newly revealed data from a Freedom of Information Act request that I submitted, DJI drones make up roughly two-thirds of the drone fleet run by the Agricultural Research Service, a division of the U.S. Department of Agriculture, for research and survey work. The ser-

vice has purchased DJI drones as recently as late 2020. If these drones shouldn't be used by the U.S. military or on federal lands, why should U.S. farmland be any different?

This lapse in security isn't unique. An open contract on SAM.gov, a General Services Administration database, shows that the U.S. Secret Service bought DJI drones earlier this year. Despite the Interior Department's efforts to decouple from DJI, the majority of its

**Some departments have outlawed their use, but others persist despite the national security risk.**

drone flights last year were still performed by the company's drones. And an untold number of DJI products are used by local police forces and government agencies, as well as government contractors across the country.

Why is the government continuing to purchase and use drones that pose a national-security risk? One factor is a successful lobbying push earlier this year. A bipartisan bill to ban federal agencies' procurement of drones from hostile foreign countries, including China, was introduced but failed to be added to the National

Defense Authorization Act. Rep. Mike Gallagher (R., Wis.), who sponsored the bill, lamented: "There is bipartisan recognition that Congress needs to act to mitigate threats posed by DJI drones, but these efforts have been undermined by lobbyists who'd rather sell out the country than lose a lucrative contract."

Congress needs to get serious about this issue. It should pass a law requiring all agencies to follow the Defense Department's guidelines for procuring drones that are known to be safe. The American Security Drone Act of 2021, which would prohibit federal funds from being used to buy drones manufactured in China, should be reintroduced and given priority in the next Congress.

States can also take action. Last year the Florida Legislature restricted state agencies' purchases of drones to manufacturers meeting specific security standards. Other states should follow suit.

All federal agencies should undergo an inspection to reveal the size and composition of their drone fleets. At the moment, there is no requirement for agencies to disclose the number and types of drones they are buying. Federal agencies shouldn't be allowed to buy products from companies that threaten America's security.

*Mr. Schönander is a policy technologist at Lincoln Network, a tech policy think tank.*

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## Stocks Rally on Rate-Shift Hopes

### Powell talk helps push Dow into bull market; indexes score second straight monthly gain

By JOE WALLACE AND KAREN LANGLEY

Stocks rallied Wednesday after Federal Reserve Chair Jerome Powell signaled a potential slowdown in interest-rate increases, powering the Dow Jones Industrial Average more than 700 points higher and into

a new bull market. The S&P 500 and Nasdaq Composite jumped 3.1% and 4.4%, respectively, and all three indexes ended November with a second consecutive month of gains.

Still, the rally wasn't enough to undo the damage inflicted earlier in the year as rapidly rising interest rates battered stocks. The S&P 500 is down 14% in 2022 and remains on track for its worst year since 2008. The tech-heavy Nasdaq Composite, whose members tend to be especially sensitive

to changing rates, has slumped 27%.

The Fed's aggressive campaign against sky-high inflation has punished stocks. Higher rates give investors more options to earn a return outside the stock market and hurt the worth of companies' future earnings in commonly used valuation models.

"It's been a pretty one-dimensional year," said Matt Orton, chief market strategist at Raymond James Investment Management. "The persistence of inflation has dominated ev-

erything else."

The indexes pared losses in recent weeks, boosted by a slowdown in inflation and hopes that the Fed will slow its campaign of rate increases starting in December.

That optimism was bolstered Wednesday when Mr. Powell indicated in a speech that the central bank is on track to raise rates by a half percentage point at its December meeting. That would mark a downshift after a series of four 0.75-point rate rises. Stocks rallied as Mr. Powell

spoke and built on their gains through the afternoon.

The S&P 500 rose 122.48 points to 4080.11. The Dow Jones Industrial Average added 737.24 points, or 2.2%, to 34589.77. The Nasdaq Composite advanced 484.22 points to 11468.00.

"Today's speech gives more hope for the possibility of that elusive soft landing," said Hank Smith, head of investment

◆ **Junk bonds rally on inflation hopes..... B11**

## Benioff to Be Sole CEO in Salesforce Shake-Up

By KATHRYN HARDISON

Salesforce Inc. said co-CEO Bret Taylor is leaving a year after he was elevated to run the business-software provider alongside Chairman Marc Benioff, ending the company's second experiment in recent years with dual leadership.

Mr. Taylor, 42 years old, will vacate the position Jan. 31, Salesforce said Wednesday. Mr. Benioff will become sole chief executive again and continue to serve as company chairman.

The departure comes amid growing challenges for the tech industry in areas such as cloud computing that thrived during the pandemic. Salesforce announced the leadership change along with its earnings. The company posted higher revenue in the latest quarter.

Mr. Taylor was credited as the architect of Salesforce's \$27.7 billion purchase of workplace-collaboration company Slack Technologies, Salesforce's biggest acquisition ever. He joined Salesforce in 2016 through its purchase of software company Quip Inc., which Mr. Taylor ran at the time. He initially was president and chief operating officer before being named co-CEO Nov. 30, 2021.

Salesforce elevated Mr. Taylor a day after he was named Twitter Inc. chairman, putting

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H&M plans to lay off about 1,500 people in response to weaker consumer demand. **B2**

#### BUSINESS NEWS

Hormel's sales slip 5%, hurt by weak results at its Jennie-O Turkey Store brand. **B3**

## DoorDash Cuts 6% of Workforce As Costs Surge

By PREETIKA RANA AND WILL FEUER

DoorDash Inc. said it is laying off around 1,250 people just weeks after offering a bullish outlook for its food-delivery business, extending a run of tech companies that have abruptly reversed course on hiring in recent months after blistering growth during the pandemic.

Chief Executive Tony Xu said the cuts, equivalent to 6% of DoorDash employees, were the most difficult announcement in the company's close to 10-year history.

"We too are not immune to the external challenges and growth has tapered vs our pandemic growth rates," he wrote in a memo to employees Wednesday.

Mr. Xu apologized for expanding head count so quickly, joining founders including Meta's Mark Zuckerberg, Twitter Inc.'s Jack Dorsey and FTX's Sam Bankman-Fried who apologized for hiring too many people when times were good.

"We were not as rigorous as we should have been in managing our team growth," Mr. Xu said. "That's on me," he added.

DoorDash has rapidly expanded its staff in recent years as it moved from delivering restaurant food to ferrying everything from groceries to alcohol during the health crisis. It had over 8,600 employees at the start of 2022. Its head count more than doubled to around 20,000 after it acquired European food-delivery company Wolt Enterprises this year.

While DoorDash's revenue has expanded in recent quarters, the pace of growth has cooled, and the company remains unprofitable.

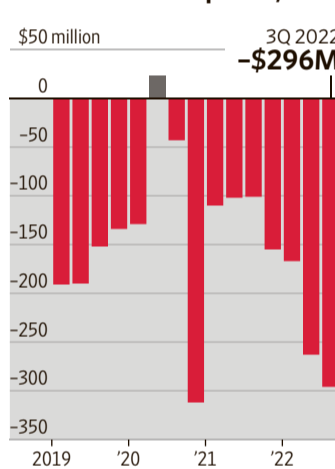
Signs of uncertainty for the tech industry have been spreading for much of the past year, as the boom in online goods and services during the pandemic gave way to surging inflation that triggered rising interest rates and growing economic

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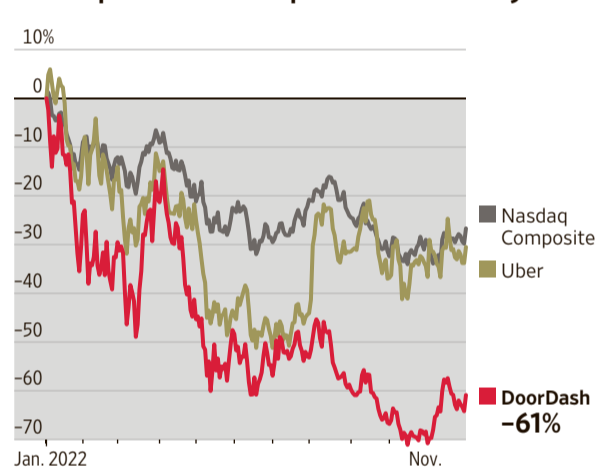
DoorDash has rapidly built its staff in recent years as it expanded the types of items it delivers.

### DoorDash's net profit/loss



Sources: the company (profit/loss); FactSet (performance)

### Share-price and index performance this year



## Twitter, Apple Resolve Differences After Meeting

By TIM HIGGINS

A potential battle between Apple Inc. and Twitter Inc. appears to have been averted after a meeting between Elon Musk and Tim Cook.

Mr. Musk, the new owner of Twitter, said he met with the Apple chief executive in a surprise set of tweets Wednesday.

"Good conversation," Mr. Musk wrote. "Among other

things, we resolved the misunderstanding about Twitter potentially being removed from the App Store. Tim was clear that Apple never considered doing so."

The suggestion of a detente was first raised when Mr. Musk tweeted a video that appeared to be taken on the parklike setting of Apple headquarters. His latest missive came just two days after the new Twitter

boss launched a barrage of attacks on the iPhone maker's App Store and advertising.

"Thanks @tim\_cook for taking me around Apple's beautiful HQ," Mr. Musk wrote on Twitter.

Mr. Musk on Monday accused Apple of stanching free speech and claiming that the tech giant had threatened to kick the Twitter app off the iPhone.

Apple didn't respond to a request for comment.

A meeting between Mr. Musk, the world's richest man, and Mr. Cook, head of the world's most valuable company, was an unexpected outcome, with the two appearing to be on a collision course following Monday's broadcast by Mr. Musk. Still, both Twitter and Apple have many reasons to keep the peace.

Apple is one of Twitter's biggest advertisers and controls access to its iPhone and its more than one billion users. Mr. Musk has said Apple threatened to take Twitter's app off the App Store, the digital marketplace where iPhone users download third-party software.

Meanwhile, Mr. Musk's push back against Apple threatens

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## Sports Betting Companies Strike Deals to Advertise on Campuses

By KATHERINE SAYRE

With the rise of sports betting, one playing field has become a dividing line in the U.S. gambling industry: college campuses.

Caesars Entertainment Inc. has signed marketing deals with the Louisiana State University and Michigan State University athletics programs, giving the Las Vegas-based sports-betting operator access to advertise in college stadiums and other sports facilities and in digital and broadcast sports content, among other rights, according to the company. Financial terms of the deals haven't been disclosed.

Meanwhile, gambling regulators have also considered stricter rules about advertising to people younger than 21. Some states with legal sports betting have attempted to build a barrier by banning wagers on in-state university teams. Some gambling executives have said sponsorship deals with universities should be off-limits.

The National Collegiate Athletic Association has hosted education sessions about the risks of sports wa-



Caesars Entertainment bought ads at LSU's Tiger Stadium.

gering on about 60 college campuses over the past year, in partnership with a non-profit funded by gambling company Entain PLC.

Sports betting—once an amenity inside Las Vegas casinos—has seeped into U.S. sports since its legalization in the U.S. in 2018 and has expanded to include 36 states and the District of Columbia.

The sports-betting market, fueled mostly by online wagering, has grown to a roughly \$4

billion industry and is forecast to reach as high as \$22 billion in annual revenue by 2026, according to VIXIO Gambling-Compliance, a research firm.

Caesars executives say the deals with universities give the industry access to college alumni and older fans who can bet legally, and steps are taken to avoid marketing to the under-21 crowd. Caesars has agreed to fund gambling education for students as part of the

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## The industry leader in artificial intelligence software.

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

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

PALANTIR TECHNOLOGIES INC. — PALANTIR.COM

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



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# H&M to Lay Off 1,500 As Demand Weakens

By TREFOR MOSS

H&M Hennes & Mauritz AB said it would cut around 1,500 jobs from its global workforce as retailers around the world face pressure from high inflation and weakening consumer demand.

The Swedish fast-fashion company disclosed the layoffs Wednesday as part of a broader efficiency program aimed at reducing administrative and overhead costs. As part of that effort, H&M had been reviewing its organization, Chief Executive Helena Helmersson said.

H&M, like other retailers, is grappling with uncertain consumer demand in many big markets at a time when its profit margin is coming under pressure from higher raw-material and freight costs.

Other retailers have also announced cuts amid fears of a global recession. Two weeks ago, Amazon.com Inc. said it would lay off staff to help control costs, with around 10,000 employees likely to be affected. In September, Gap Inc. said it would eliminate 500 corporate jobs in a bid to rein in costs.

The layoffs at H&M represent nearly 1% of its 155,000 global head count as of the end of last year. The cuts will impact office staff, most of them

in technology-related roles, at locations around the world, while front-line store employees won't be affected, a company spokeswoman said.

The spokeswoman added that the cost-cutting program was necessary in light of high inflation and its possible impact on consumer confidence, as well as the uncertain state of the global economy in general.

Overall, H&M said its cost and efficiency program would result in a restructuring charge of more than 800 million Swedish kronor, equivalent to around \$76 million, in the fourth quarter of 2022. It does, though, expect the measures to yield annual savings of 2 billion kronor from the second half of 2023.

H&M was slower to bounce back from the Covid-19 pandemic than some of its peers, notably Zara owner Inditex SA, with its 2021 revenue still down significantly relative to 2019, before the pandemic.

The Stockholm company regained some momentum in 2022, with sales rising 18% and 12% year-over-year in local currencies in the first and second quarters, respectively.

But sales then declined 4% by the same measure in the third quarter, which Ms. Helmersson chiefly attributed to the company's decision to exit Russia.

# Bet Firms, Colleges Make Deals

Continued from page B1

agreements, the company said. Eric Hession, president of Caesars Digital, said the LSU deal is about reaching alumni and older LSU fans, and the company is committed to marketing only to people 21 and older.

"For example, we don't use LSU athletes in the offers," he said. The Caesars signage in LSU's Tiger Stadium is visible to students in the stands, but that isn't unlike a gambling ad on television that is viewable by young people, he said.

LSU Athletics said in a written statement that the program is proud of the Caesars partnership, and the revenues generated from the deal are reinvested in student-athletes.

A Michigan State athletics spokesman said "steps have been taken to ensure there is no sponsorship activation near student entrances or seating areas" and that no marketing messages target students.

Both schools have declined to release the contracts, which were brokered through a third-party company, PlayFly Sports, the marketing and multimedia rights holder for the athletics programs.

Caesars signs are posted in LSU's Tiger Stadium, which

seats roughly 100,000 fans for football games in Baton Rouge, La. Some LSU students in the stands aren't old enough to make a bet legally. In Louisiana, as in most sports-betting states, the legal age to gamble on sports is 21. Sports-betting apps, including that of Caesars, are required by regulators to confirm the identity, age and location of users when signing up and placing bets.

PointsBet USA, a smaller sports-betting operator in the U.S., has signed deals with the University of Colorado and the University of Maryland. PointsBet declined to comment. Colo-

# \$22B

Estimated yearly revenue from legal sports betting by 2026

rado and Maryland athletics didn't respond to requests for comment.

Studies have shown that young adults are at a higher risk for sports-gambling-related problems, and studies have also suggested that 75% to 80% of college students report having gambled in general within the previous year, according to a report in the Journal of Gambling Issues.

"Most college students are not allowed to bet yet, but they may be tempted because of the exposure," said Martin Lycka, senior vice president for American regulatory affairs and re-

sponsible gambling for Entain.

The LSU agreement gives Caesars access to advertise inside the university's Tiger Stadium and other athletic facilities, on the athletics program's mobile app and broadcasts "as well as visibility for Caesars Sportsbook throughout all of LSU's 21 men's and women's varsity athletics programs," according to a news release announcing the deal.

PlayFly Sports Chief Executive Michael Schreiber said that according to a study by his company, the median age of an LSU college-football fan is 47 years old and 97% of the fan base is 21 or older.

"When you go to the stadium—the 100,000 seats—there are students in the stadium but they are significantly in the minority," Mr. Schreiber said.

The LSU news release called the Caesars agreement a seven-figure deal.

Caesars' internal policies also include not sending marketing material to anyone with a university email address. But in January, an LSU Athletics listserv, encouraging mobile betting with a \$300 offer in exchange for betting \$20. The email landed in some students' inboxes.

Caesars said the contract requires LSU Athletics to remove all LSU-based student accounts for any of Caesars' email promotions. The company said it worked with LSU to find out what happened, and there have been no further problems.

# BUSINESS & FINANCE

# GM Eyes Test of Full-Robot EV

By RYAN FELTON

General Motors Co.'s driverless-car unit has requested approval from California regulators to begin public testing of a shuttle that has no steering wheel or manual controls, showing the auto maker's determination to make progress on autonomous vehicles as rivals step back.

GM's Cruise LLC division in August submitted an application to the California Department of Motor Vehicles, requesting permission to test its Origin driverless vehicle on San Francisco streets, according to a copy of the document obtained through a public-records request.

The California DMV began reviewing the application in late October, according to emails reviewed by The Wall Street Journal as part of the request.

In its application, Cruise said it would begin test runs of the electric Origin in a confined area of San Francisco during limited hours and gradually expand over time. A Cruise spokesperson said it planned to launch testing once it received necessary regulatory approval and permits.

"Cruise has submitted, and the DMV has approved, multiple permit applications in the past. We look forward to working with the DMV to facilitate the review and resolve any questions they might have," the spokesperson said. The California DMV said it doesn't comment on pending applications or their status and there isn't a specified timeline for completing the review process.

Deploying the Origin on public roadways would mark a milestone in Cruise's efforts to a robotaxi business. Cruise



The driverless Cruise Origin shuttle wouldn't have a steering wheel or manual controls.

eventually plans to operate thousands of the podlike shuttles in a service that would span several U.S. cities and bring in \$1 billion in annual revenue by 2025 and \$50 billion annually by 2030, GM has said.

Before the end of the year, Cruise aims to expand its robotaxi service using the retrofitted Chevy Bolts to Austin, Texas, and Phoenix. It plans to enter more cities next year with thousands of autonomous vehicles, including some Origins, produced by GM and operated by Cruise, executives have said.

Cruise, which is majority-owned by GM, for years has tested in San Francisco with Chevy Bolts equipped with software, sensors and other gear to allow for driverless capability. In June, it began offering rides in those vehicles to paying customers in San Francisco.

The Origin is Cruise's first vehicle built from scratch to serve as a driverless people mover. The shuttle has a boxy,

rectangular shape with doors that slide open rather than out and seats facing each other to allow passengers to converse.

Honda Motor Co. is also an investor in Cruise, having committed \$750 million in 2018 and plans for an additional \$2 billion in coming years for the joint development of a mass-produced fully autonomous car.

GM plans to begin building Origins in volume at GM's main electric-vehicle factory in Detroit next year, Cruise Chief Executive Kyle Vogt told analysts in October.

While GM and Cruise push ahead on plans to commercialize robotaxis, other players have pulled back, expressing doubts about whether the technology can support a viable business soon.

Last month, Ford Motor Co. and Volkswagen AG shut down their jointly owned autonomous-vehicle developer, Argo AI. Each of the auto makers said it would redeploy

resources to develop partially automated driving features that can be used in its vehicles sooner.

Cruise's permit would only allow it to test the Origin without passengers. To transport people, Cruise would need authorization from a separate California regulator that oversees commercial vehicles, according to the DMV application.

Cruise intends to operate the Origin in the city and county of San Francisco at speeds up to 35 mph at all hours of the day, except when inclement weather is present, the application shows.

Since mid-October, Cruise has been testing a human-operated prototype of the Origin on San Francisco streets for data-collection purposes, Mr. Vogt has said.

In its application to the DMV, Cruise said it has developed a suite of tests specifically tailored to autonomous vehicles to verify the Origin's capabilities.

# Honda Reins In Self-Driving Ambition

By RIVER DAVIS

HAGA, Japan—Honda Motor Co. said it would focus for now on partially autonomous driving technology to improve safety, adding itself to the list of auto makers that say fully self-driving cars aren't ready for prime time.

The Japanese auto maker, an investor in General Motors Co.'s Cruise self-driving unit, this week showed off a prototype system that allows a car to automatically overtake slow-moving vehicles on a highway. It plans to roll out the technology globally starting in 2024, and it says it has found ways to use less expensive radar and sensor technologies to make the system affordable for mass-market cars.

However, the car can't fully drive itself. An alert human driver still needs to be



The car maker last year unveiled 'level three' autonomous driving.

at the wheel.

Honda's executive chief engineer, Mahito Shikama, said the company intends to focus on technologies such as the automatic passing system and other crash-prevention measures that fall short of full autonomy. "Honda's focus is on developing technologies that make cars safer and more reli-

able," he said.

A Honda operating executive, Yutaka Tamagawa, said full autonomy "would be a result, not a goal," of the car maker's research and development.

Honda's position offers the latest evidence that big players in the auto industry are becoming more cautious about

pouring cash into the development of driverless cars after years of bold promises.

Last year, Honda introduced a batch of 100 vehicles equipped with what it said was the world's first certified level three autonomous-driving technology. The system enables drivers to take their eyes off the road when driving in traffic on an expressway. Full autonomy is known as level five.

Honda invested \$750 million in GM's Cruise unit in 2018 and said it was ready to invest an additional \$2 billion by 2030.

At the time, some auto makers expressed confidence that full self-driving technology was just a few years away. More recently, though, technical barriers have emerged, and companies have poured more money into electric vehicles.

# Salesforce's Benioff Is Sole CEO

Continued from page B1

him in position to run two of tech's most prominent companies. Mr. Taylor served as Twitter chairman until the takeover by Elon Musk last month.

"After a lot of reflection, I've decided to return to my entrepreneurial roots," Mr. Taylor said Wednesday.

In his career, Mr. Taylor has been involved with notable tech innovations—from Google Maps to Facebook's "like" button—and he founded companies that sold for hundreds of millions of dollars.

"While there's absolutely no easy time for a transition like this, I do now feel like it's time to return to my entrepreneurial roots particularly given the landscape," Mr. Taylor said.

Shares of Salesforce fell 7.6% to \$148 in after-hours trading. Company revenue increased to \$784 billion during the quarter, up 19% on a constant-currency basis, slightly higher than what analysts had expected.

Mr. Benioff said he hoped Mr. Taylor would return.

This is the second time that the co-CEO structure didn't last long at Salesforce. In 2018, Keith Block was promoted to co-CEO alongside Mr. Benioff after five years as president and COO. He left 18 months later.

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BUSINESS NEWS

# Drop in Turkey Sales Hurts Hormel Results

By DEAN SEAL

Hormel Foods Corp.'s sales slipped 5% in the latest completed quarter as customers bought fewer refrigerated foods and Jennie-O Turkey Store products.

The food producer, based in Austin, Minn., said Wednesday sales fell to \$3.28 billion in the quarter ended Oct. 30 from \$3.45 billion a year earlier. Analysts polled by FactSet expected \$3.38 billion in revenue.

Hormel's refrigerated-foods business, its largest by sales, saw volumes drop 19% without the benefit of an additional week in last year's fiscal fourth quarter. Sales of its grocery products, such as Skippy peanut butter, rose on strong demand and higher prices despite a 4% drop in volume.

As expected, the company's Jennie-O Turkey Store brand took a hit from an avian influenza outbreak in the U.S., which Hormel said in June would weigh on industrywide poultry supplies. Volumes fell by nearly a third, cutting the segment's top line by 15%.

Food producers have been raising prices on everything from snacks to condiments in a bid to manage rising supply costs, testing demand for their products as customers tighten their purse strings.

Hormel and other meat producers have been pinched by a mix of inflation pressures on their customers, supply-chain disruptions and impacts from international plant shutdowns.

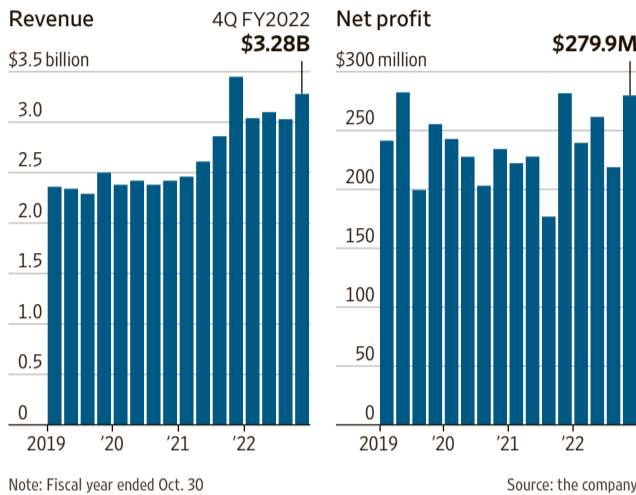
Tyson Foods Inc. reported earlier in November that profit from its beef business was down nearly two-thirds as premium cuts sold at a slower clip.

Its chicken business, how-



Jennie-O Turkey Store brand took a hit from an avian flu outbreak.

Hormel's quarterly financial results



Note: Fiscal year ended Oct. 30

Source: the company

ever, swung to a profit as prices rose on poultry. The average cost for beef and pork declined, the largest U.S. meatpacker said in its fourth-quarter earnings report.

Hormel's profit slid to \$279.9 million from \$281.7 million in the year-earlier period. Earnings were flat at 51 cents, topping analyst expectations by a penny, according to FactSet.

Hormel said it expects sales

to rise between 1% and 3% in fiscal 2023 to between \$12.6 billion and \$12.9 billion, falling short of analyst expectations of more than \$13 billion, according to FactSet.

The company projects earnings to grow to between \$1.83 and \$1.93 a share, missing analyst expectations of \$2.01 a share.

The company's shares fell 2.5% to close at \$47 on Wednesday.



Warner Bros. Discovery took ownership of CNN this year, but it has been a shaky start.

# CNN Says It Is Laying Off Staff and Paid Contributors

By JOSEPH DE AVILA

CNN said it is laying off employees and paid contributors, the latest shake-up for the cable network after Warner Bros. Discovery Inc. took ownership of it from AT&T Inc. this year.

"It is incredibly hard to say goodbye to any one member of the CNN team, much less many," Chris Licht, chief executive at CNN, wrote in a memo to staff on Wednesday that was viewed by The Wall Street Journal. "I recently described this process as a gut punch, because I know that is how it feels for all of us."

He said the company would notify "a limited number of individuals, largely some of our paid contributors, as part of a recalibrated reporting strategy." He added that he would notify affected employees on Thursday and follow up with more details.

A CNN spokeswoman didn't comment beyond the memo.

The cable-news network's cutbacks follow some at other entertainment companies. AMC Networks Inc. this week said it would lay off about 200 U.S.-based employees after struggling to make enough money from streaming services to offset losses from a continued decline in cable television.

Walt Disney Co. said in November that it would initiate layoffs after posting a disap-

pointing earnings report. Its flagship Disney+ service has incurred losses of more than \$8 billion over the past three years. About a week later, in a surprise, it brought back Robert Iger as chief executive.

Paramount Global also suggested that it would soon make substantial cost cuts during an earnings call in November after it reported a decline in third-quarter profit because of higher costs.

The CNN layoffs are the latest signs of a shaky start to the April merger of Discovery Inc. with AT&T Inc.'s WarnerMedia.

## The cutbacks come after layoffs at some other entertainment companies.

Over the summer, Warner Bros. Discovery, which also owns HBO, TNT and the Food Network, cut its outlook for this year and next in part because of a slowdown in advertising.

Warner Bros. Discovery has laid off about 1,000 employees since April as it cuts costs and grapples with high debt. Those cuts included staffers at HBO, the Warner Bros. movie and television production units and previous reductions at CNN.

In the spring, CNN pulled the plug on its streaming ser-

vice CNN+ about a month after it launched amid an underwhelming reception. It had invested \$300 million in the streaming service but didn't get many subscribers. Mr. Licht announced the service was shutting down less than two weeks after CNN ownership shifted from AT&T to Warner Bros. Discovery.

Mr. Licht has also begun overhauling CNN's lineup. In August, the network canceled its Sunday morning show "Reliable Sources" as part of a broader shake-up of the news channel's Sunday morning lineup. Brian Stelter, the host of "Reliable Sources" and the network's chief media correspondent, left CNN after the show was canceled.

Mr. Licht has indicated he wants CNN to change the perception that its political coverage is too partisan. That includes having more news shows and fewer opinion shows. David Zaslav, CEO of Warner Bros. Discovery, has also said he wants to differentiate CNN from "advocacy networks."

CNN created a morning news show with Don Lemon, Poppy Harlow and Kaitlan Collins as part of its lineup overhaul. Mr. Lemon left his prime-time program "Don Lemon Tonight" to join the new morning show.

In his memo to staff, Mr. Licht said laid off employees who are bonus eligible will still receive their 2022 bonuses.

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TECHNOLOGY

WSJ.com/Tech

# Amazon Defends Pandemic Hiring Spree

CEO says company should avoid giving up on long-term bets, even as jobs are cut

By Sarah E. Needleman

Amazon.com Inc. CEO Andy Jassy said he doesn't regret the hiring spree the company went on in recent years, even as the tech giant is now conducting one of the largest rounds of corporate layoffs in its history.

"This year we had the lens of a very uncertain economic environment, as well as having hired aggressively over the last several years," Mr. Jassy said at the New York Times' Dealbook Summit in New York City on Wednesday. The company's goal has been to go through its businesses "thoughtfully but thoroughly" and avoid compromising on

"key long-term" bets, the chief executive said.

Mr. Jassy defended Amazon's hiring during the Covid-19 pandemic, saying that the company's retail business grew at an unprecedented rate in 2020. "It forced us to make decisions at that time to spend a lot more money and to go much faster in building infrastructure than we ever imagined we would," he said.

The company is now cutting jobs across its corporate ranks that could affect about 10,000 employees, or 3% of corporate staffers.

A large percentage of those cuts have focused on Amazon's devices unit, which has long been headlined by the Alexa brand. The unit had grown to more than 10,000 employees but has incurred losses totaling more than \$5 billion annually in some recent years, The Wall Street Journal has reported.

Mr. Jassy also reiterated

the company's rationale for opposing unionization among employees, saying it can slow product or business development and adding that Amazon pays workers well. Employees at an Amazon warehouse in Staten Island, N.Y., voted to unionize earlier this year, although workers at other facilities have decided against unionization.

Separately, Mr. Jassy addressed Amazon's handling of controversial content on its e-commerce and video platforms. A video on Amazon Prime called "Hebrews to Negroes: Wake Up Black America" that features false conspiracies about Jews garnered national attention after basketball star Kyrie Irving promoted it to his millions of Twitter followers.

"Inside the company, we won't tolerate discrimination or harassment," Mr. Jassy said, but he added that Ama-



CEO Andy Jassy

zon must recognize that it has hundreds of millions of customers with different viewpoints. "We have to be willing to allow access to those viewpoints, even if they are objectionable," he said.

Mr. Jassy pointed out that Amazon has employees dedicated to reviewing and flagging content violations, though he also said, "We don't want a store where every page has a disclaimer." He added that the company's "customers do a pretty good job of warning people when there's objectionable content."

Mr. Jassy, who took over as CEO of Amazon in July 2021, has led a large review of the company's costs and has fixated on unprofitable businesses. While Amazon has said it remains invested in Alexa's future, executives have considered whether the company should focus on trying to add capabilities to the program that would require more investment, the Journal reported.

Mr. Jassy first acknowledged the layoffs two weeks ago after many employees had expressed confusion about which businesses would expe-

rience cuts and how far they would reach. At the time, Mr. Jassy said Amazon's cuts would extend into next year and that the layoffs were "the most difficult decision we've made" during his tenure.

Amazon will continue to review its workforce levels and investment, Mr. Jassy has said.

The company in October warned of a tough fourth quarter, with economic pressures weighing on sales. Some indicators, however, have shown a strong start to holiday shopping. Consumers spent a total of \$11.3 billion on Cyber Monday, or 5.8% more than a year ago, according to Adobe Analytics.

Amazon also has sounded more optimistic. The company said that Thanksgiving weekend was its biggest ever, though it provided few details.

—Sebastian Herrera contributed to this article.

## DoorDash Lays Off 6% of Staff

Continued from page B1

uncertainty. The tech-heavy Nasdaq Composite Index has been falling since November 2021, with investors becoming less optimistic about the prospects for continued growth and more focused on profitability. By the spring, some companies were announcing layoffs and hiring freezes, and venture investors were warning the startups in their portfolios to brace for a downturn.

Yet many tech executives appear to have been caught off guard by the suddenness with which the downturn has collided with their operations and plans.

Facebook parent Meta

Platforms Inc. went on a hiring spree as life and business shifted online during the pandemic and it set out to build its metaverse business. It added more than 27,000 employees in 2020 and 2021 combined, then added more than 15,000 in the first nine months of this year. A few weeks ago, it announced that it would cut more than 11,000 workers or 13% of staff.

Snapchat owner Snap Inc. said in August that it was parting ways with 20% of its employees after the company's ranks had swelled by 65% in two years.

Amazon.com Inc. hired more than 800,000 employees—mostly at its warehouses—between late 2019 and late 2021.

A few weeks ago, the company started cutting corporate employees. The Wall Street Journal reported the cuts would affect 10,000 employees, or roughly 3% of corporate staff, and don't appear likely to affect Ama-



Delivery remains a costly and labor-intensive business.

zon's hundreds of thousands of warehouse workers.

The tech sector isn't the only one announcing layoffs. Fast-fashion retailer H&M

Hennes & Mauritz AB and Warner Bros. Discovery Inc.'s cable network CNN also announced cuts Wednesday. Earlier this

week, AMC Networks Inc. said it planned to shed 20% of staff.

Amazon CEO Andy Jassy on Wednesday said that he doesn't regret the hiring spree the company went on in recent years.

Wednesday's announcement by DoorDash marked a reversal from the optimistic tone the company struck in reporting its third-quarter results just weeks ago. The company said its consumers continued to spend on delivery even as restaurants reopened and inflation was pinching their wallets.

"While our business continues to grow fast, given how quickly we hired, our operating expenses—if left unabated—would continue to outgrow our revenue," Mr. Xu told employees Wednesday.

DoorDash's stock performance has lagged behind its smaller delivery rival Uber Technologies Inc. and underperformed the tech-heavy Nasdaq Composite Index. The

company's shares rose more than 9% after Wednesday's cuts were announced but are down more than 60% so far this year. Uber's stock is down about 31%, while the Nasdaq Composite Index has slid about 27% so far this year.

Delivery remains a costly and labor-intensive business. While DoorDash has continued to expand on top of its pandemic-fueled growth spurt, it has turned a quarterly profit once—during the early months of the health crisis.

"Investors want that top-line growth to translate into better operating margins and that's what this management team is trying to address with these layoffs," said Youssef Squali, a Truist Securities analyst covering online businesses.

The company expanded into more lucrative categories like alcohol and groceries to trigger more spending and is reducing delivery costs by combining those orders with food.

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BUSINESS & FINANCE

# Billionaire's Startup Sees Human Tests In 6 Months

By DANIELA HERNANDEZ

Elon Musk's startup Neuralink Corp. should be ready to test its technology on humans in six months, the entrepreneur said Wednesday during a live-streamed update about progress the company has made with its brain-implant technology.

Neuralink has submitted most of its paperwork to the Food and Drug Administration, which oversees medical devices, including neural implants, Mr. Musk said.

The company wants to help restore vision and enable people with severe disabilities to move and communicate by decoding brain activity.

Eventually, Mr. Musk said, Neuralink wants to open clinics where patients could get a device implanted into their brains by surgical robots, which the company also showcased Wednesday.

Mr. Musk showed a video of "telepathic typing" from a monkey that has a Neuralink brain implant. The animal wasn't typing into a keyboard but was able to move a cursor to images of letters. "He's moving the cursor with his mind," he said. "He can't actually spell. I don't want to oversell this thing," he said.

Neuralink has been testing its implant technology on nonhuman primates for several years, including in April 2021, when the company released a video showing that a monkey implanted with two Neuralink devices could play Pong as the device translated its brain activity into commands with machine-learning software.

Clinical testing that proves an implantable device is safe and effective long-term would be necessary before a brain-computer interface, like Neuralink's, could be widely rolled out to patients.

# EU Warns Musk on Media Law

By KIM MACKRAEL AND SAM SCHECHNER

BRUSSELS—A top European official warned Elon Musk that Twitter Inc. would need to make significant changes to comply with a new European Union law governing social-media platforms and content moderation.

Thierry Breton, the EU's commissioner for the internal market, held a video call with Mr. Musk on Wednesday to discuss the new legislation, called the Digital Services Act. He said Mr. Musk—who completed his purchase of Twitter in October—stated he planned to get the service ready for the new rules, but Mr. Breton added that more work would be needed.

"There is still huge work ahead, as Twitter will have to implement transparent user policies, significantly reinforce content moderation and protect freedom of speech, tackle disinformation with resolve, and limit targeted advertising," Mr. Breton said, according to a summary of the call provided by his office.

If a company is found in non-compliance with the new law, it can face orders to comply and fines of up to 6% of its annual revenue—and, potentially, blocking of services in the case of certain repeated infringements.

The law is expected to start applying to social-media compa-

nies with more than 45 million users, such as Twitter, by around the middle of next year.

Following the call, Mr. Musk retweeted a company statement that said Twitter is continuing work to "keep the platform safe from hateful conduct, abusive behavior" and that it remains "committed to providing a safe, inclusive, entertaining, and informative experience for everyone."

Mr. Breton said the European Commission, which will be responsible for enforcing the new rules, plans to conduct what he referred to as a stress test at Twitter's headquarters early next year. He said that would allow the company to prepare for a future outside audit under the new legislation.

The conversation between Messrs. Musk and Breton comes after regulators in Europe have raised questions in recent weeks about the company's ability to comply with the new law following large-scale layoffs and widespread departures.

Twitter no longer has active staff members in Brussels following a wave of layoffs, departures and staffers locked out of company systems, The Wall Street Journal reported last week. But the company has kept contact with EU officials, meeting at its Dublin office last week with the bloc's justice commissioner. At the meeting, Twitter reiterated "our commitment to



Elon Musk says he plans to get the service ready for the new rules.

the DSA and tackling hate speech," according to a tweet from a Twitter staffer.

Mr. Breton said compliance with the new rules will require Twitter to have a sufficient combination of artificial intelligence and human resources to reinforce content moderation, according to the summary of the call. "I look forward to progress in all these areas," he said.

The Digital Services Act will require large social-media companies to maintain systems for removing content that European national governments deem to be illegal, as well as processes to allow for appeals of overzealous takedowns, among other requirements. It also mandates regular outside audits of the companies' processes. Some technology executives say the transparency requirements to

report to regulators on levels of moderation and different types of activity deemed harmful could be among the most challenging to implement.

The company, under Mr. Musk, recently stopped enforcing a policy that was meant to tackle Covid-19 misinformation, and Mr. Musk said he would reinstate suspended accounts on the platform if they haven't "broken the law or engaged in egregious spam." In Twitter's statement on Wednesday, the company said that what had changed was a new spirit of public experimentation but that its policies haven't changed.

Mr. Musk has previously said that the platform should intervene to comply with local laws, and that it "cannot become a free-for-all hellscape," but generally shouldn't take steps be-

yond that.

He bought Twitter for \$44 billion in October and has made sweeping changes to the platform, including broad layoffs.

It isn't the first time Mr. Breton has cautioned Twitter or Mr. Musk. In April, Mr. Breton warned that the company would need to follow the bloc's new rules for tackling illegal content and content that regulators consider harmful under Mr. Musk's ownership.

In May, before the Twitter purchase was completed, Mr. Breton met with Mr. Musk in the U.S. and discussed the coming DSA. In a video published on Twitter with the two men, Mr. Musk—who has called himself a free-speech absolutist and described content moderation as censorship—said they had shared a good talk.

"I think it's exactly aligned with my thinking," Mr. Musk said to Mr. Breton in the video. "I agree with everything you said, really. I think we're very much of the same mind and I think anything that my companies can do that would be beneficial to Europe, we want to do that."

Watch a Video



Scan this code for a video on Elon Musk's management playbook.

## Potential Battle Averted

Continued from page B1

to pull the iPhone maker further into the crosshairs of Republican lawmakers nervous about the power Silicon Valley holds. Mr. Musk has framed his fight with Apple as one against Big Tech squashing freedom of speech.

Before Mr. Musk's acquisition of Twitter about a month ago, he and Mr. Cook seemingly had little overlap in their business lives. In 2021, Mr. Cook said he had never spoken with Mr. Musk, though the two men had shared time around a table with Donald Trump shortly after he won the 2016 presidential election.

Mr. Musk, whose fortune is tied up mostly in Tesla Inc. and rocket company SpaceX, has said he once reached out to Mr. Cook for help when the electric car maker was struggling to increase production of the Model 3 compact car and

its finances were strained. Mr. Cook never took that meeting.

Wednesday's visit apparently included a stop at the pond on Apple's campus in Cupertino, Calif., according to video shared by Mr. Musk.

Since his takeover, some advertisers have restrained spending amid concerns about his ability to rein in objectionable content on the platform and the rapid pace of change at the company. Mr. Musk has said the company is losing \$4 million a day and warned employees that bankruptcy isn't out of the question.

He is racing to remake

Twitter's business.

That has included slashing costs, including laying off about half of the company, and efforts to boost nonad revenue through a beefier subscription service that promises to deliver Twitter's famed blue check mark to users for a price.

The check marks had once been given away free to high-profile users as a way to verify identity but have become seen by some as classist.

The rollout of the new service has been hit with snags. A fight with Apple could further threaten its distribution

through the App Store.

Traditionally, Apple warns app developers about concerns it may have or requests for changes and software makers are given a couple of weeks to address issues. If they choose not to make the fixes or resist, Apple has declined to allow apps to be updated through the App Store. In rare cases, it has deleted apps from its App store.

About 64% of Twitter users in the U.S. use Apple's mobile operating system for iPhone or iPad compared with 36% using Alphabet Inc.'s Android, according to Sensor Tower data.

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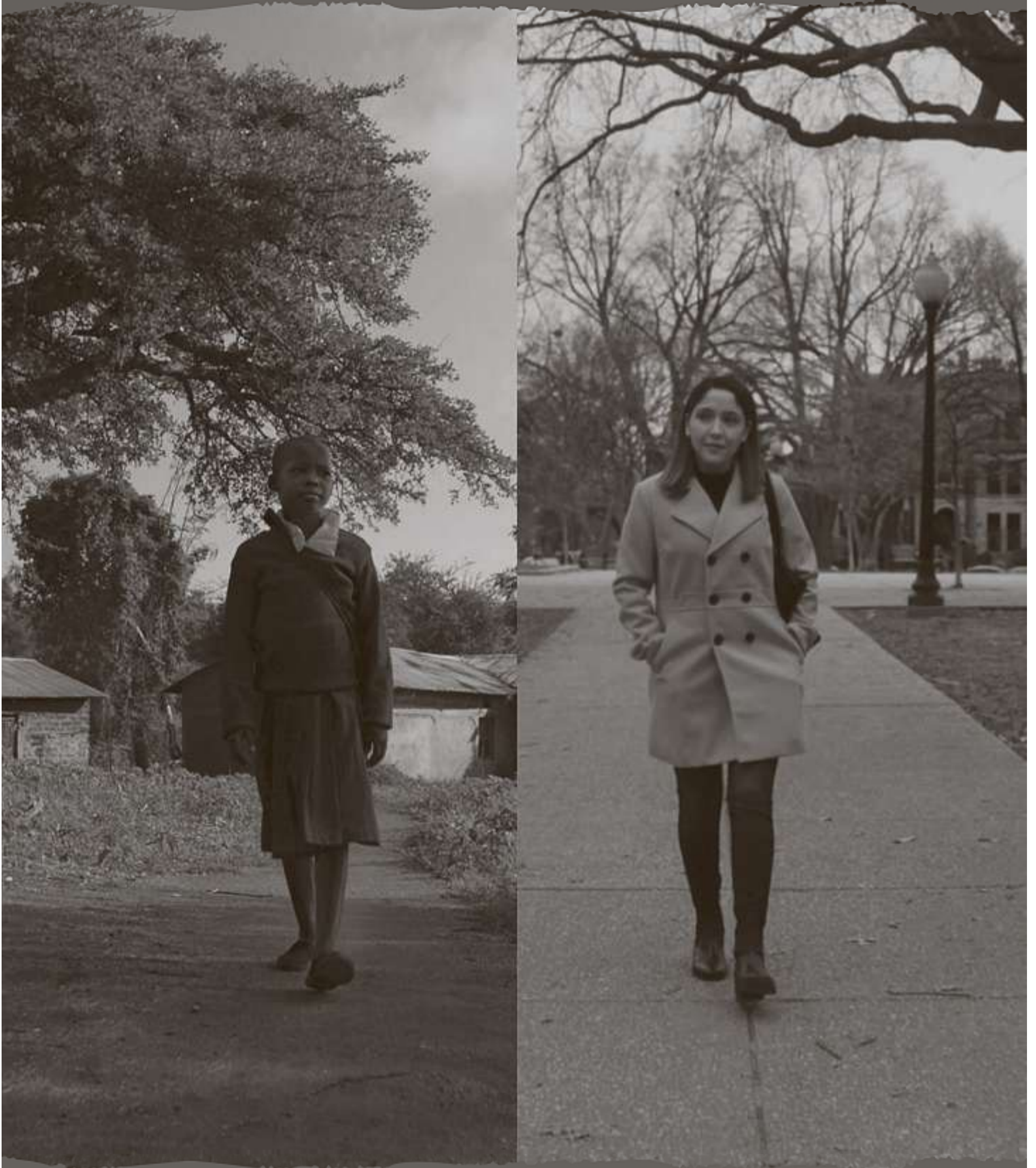
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# COMMODITIES

wsj.com/market-data/commodities

## Cash Prices

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 months.

Wednesday		Wednesday		Wednesday	
<b>Energy</b>					
Coal,C.Aplc.12500Btu.125O2-r,w	187.700	Iron Ore, 62% Fe CFR China-s	101.2	Wheat,Spring14%-pro Mnpls-u	11.8800
Coal,PwdrRvrBsn.8800Btu.0.85O2-r,w	17.100	Steel,HRC USA, FOB Midwest Mill-s	640	Wheat,No.2 soft red,St.Louis-u	7.5150
<b>Metals</b>					
<b>Gold, per troy oz</b>					
Handy & Harman base	1759.00	BMI Lithium Hydroxide, EXW China >56.5%-v,w	79650	Wheat - Hard - KC (USDA) \$ per bu-u	9.5475
Handy & Harman fabricated	1946.39	BMI Cobalt sulphate, EXW China >20.5%-v,m	8190	Wheat,No.1 soft white,Portld,OR-u	8.9500
LBMA Gold Price AM	*1755.35	BMI Nickel Sulphate, EXW China >22%-v,m	5635	<b>Food</b>	
LBMA Gold Price PM	*1752.70	BMI Flake Graphite, FOB China -100 Mesh, 94.95%-v,m	813	Beef,carcass equiv. index	236.49
Kruggerand,wholesale-e	1818.20	<b>Fibers and Textiles</b>			
Maple Leaf-f	1861.69	Burlap,10-oz,40-inch NY yd-n,w	0.7425	choice 1-3,600-900 lbs.-u	209.90
American Eagle-e	1861.69	Cotton,1 1/16 std lw-mdMnpls-u	0.8536	select 1-3,600-900 lbs.-u	1.2583
Mexican peso-e	2244.64	Cotlook 'A' Index-t	*97.50	Broilers, National comp wtd. avg.-u,w	2.9250
Austria crown-e	1708.45	Hides,hvy native steers piece fob-u	n.a.	Butter,AA Chicago-d	181.75
Austria phil-e	1826.90	Wool,64s,Staple,Terr del-u,w	n.a.	Cheddar cheese,blk,Chicago-d	206.50
<b>Silver, troy oz</b>					
Engelhard industrial	21.9500	<b>Grains and Feeds</b>			
Handy & Harman base	21.6660	Barley,top-quality Mnpls-u	n.a.	Hogs,low-So. Minnesota-u	0.97
Handy & Harman fabricated	27.0830	Bran,weat middlings, KC-u,w	253	choice 1-3,600-900 lbs.-u	n.a.
LBMA spot price	*21.7700	Corn,No.2 yellow,Cent IL-bp-u	6.4900	Milk,Nonfat dry,Chicago lb-d	1.2038
(U.S. \$ equivalent)	*21.3650	Corn gluten feed,Midwest-u,w	204.4	Steers,Tex.-Okla. Choice-u	n.a.
Coins,wholesale \$1,000 face-a	22326	Corn gluten meal,Midwest-u,w	656.3	Steers,feeder,Okla. City-u,w	190.63
<b>Other metals</b>					
LBMA Platinum Price PM	*993.0	Cottonseed meal-u,w	393	<b>Fats and Oils</b>	
Platinum,Engelhard industrial	1035.0	Hominy feed,Cent IL-u,w	212	Degummed corn oil, crude wtd. avg.-u,w	n.a.
Palladium,Engelhard industrial	1935.0	Meat-bonemeal,50% pro Mnpls-u,w	365	Grease,choice white,Chicago-h	0.7250
Aluminum, LME, \$ per metric ton	*2341.5	Oats,No.2 milling,Mnpls-u	4.3075	Lard,Chicago-u	0.8827
Copper,Comex spot	3.7295	Rice, Long Grain Milled, No. 2 AR-u,w	36.13	Soybean oil,crude,Cent IL-u,w	0.7400
		Sorghum,(Milo) No.2 Gulf-u	433.80	Tallow,bleach,Chicago-h	n.a.
		SoybeanMeal,Cent IL,rail,ton48%-u,w	433.80	Tallow,edible,Chicago-u	n.a.
		Soybeans,No.1 yllw IL-bpu	14.5400		

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 11/29

Source: Dow Jones Market Data

## Bonds | wsj.com/market-data/bonds/benchmarks

### Tracking Bond Benchmarks

Return on investment and spreads over Treasuries and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Total return close	YTD total return (%)	Index	Yield (%) Latest	Yield (%) Low	Yield (%) High
<b>Broad Market Bloomberg Fixed Income Indices</b>					
1957.92	<b>-12.6</b>	U.S. Aggregate	4.590	1.680	5.210
<b>U.S. Corporate Indexes Bloomberg Fixed Income Indices</b>					
2881.27	<b>-15.4</b>	U.S. Corporate	5.310	2.270	6.130
2784.74	<b>-9.3</b>	Intermediate	5.220	1.790	6.050
3838.04	<b>-24.8</b>	Long term	5.480	2.980	6.370
560.27	<b>-16.6</b>	Double-A-rated	4.640	1.950	5.320
761.78	<b>-15.6</b>	Triple-B-rated	5.590	2.500	6.440
<b>High Yield Bonds ICE BofA</b>					
n.a.	<b>n.a.</b>	High Yield Constrained	n.a.	n.a.	n.a.
n.a.	<b>n.a.</b>	Triple-C-rated	n.a.	n.a.	n.a.
n.a.	<b>n.a.</b>	High Yield 100	n.a.	n.a.	n.a.
n.a.	<b>n.a.</b>	Global High Yield Constrained	n.a.	n.a.	n.a.
n.a.	<b>n.a.</b>	Europe High Yield Constrained	n.a.	n.a.	n.a.
<b>U.S. Agency Bloomberg Fixed Income Indices</b>					
1689.88	<b>-7.8</b>	U.S. Agency	4.470	1.050	4.910
1495.22	<b>-6.5</b>	10-20 years	4.460	0.950	4.890
3220.09	<b>-23.0</b>	20-plus years	4.700	2.010	5.240
2533.81	<b>-12.1</b>	Yankee	5.130	1.920	5.840

Total return close	YTD total return (%)	Index	Yield (%) Latest	Yield (%) Low	Yield (%) High
<b>Mortgage-Backed Bloomberg Fixed Income Indices</b>					
1943.70	<b>-11.4</b>	Mortgage-Backed	4.690	1.930	5.380
1919.15	<b>-10.1</b>	Ginnie Mae (GNMA)	4.730	1.970	5.370
1142.41	<b>-11.6</b>	Fannie mae (FNMA)	4.670	1.920	5.390
1749.90	<b>-12.0</b>	Freddie Mac (FHLMC)	4.740	1.920	5.370
n.a.	<b>n.a.</b>	Muni Master	n.a.	n.a.	n.a.
n.a.	<b>n.a.</b>	7-12 year	n.a.	n.a.	n.a.
n.a.	<b>n.a.</b>	12-22 year	n.a.	n.a.	n.a.
n.a.	<b>n.a.</b>	22-plus year	n.a.	n.a.	n.a.
<b>Global Government J.P. Morgan<sup>1</sup></b>					
531.80	<b>-11.3</b>	Global Government	2.820	0.840	3.250
774.45	<b>-7.7</b>	Canada	3.120	1.430	3.780
348.59	<b>-14.1</b>	EMU\$	2.629	0.271	3.215
650.32	<b>-14.4</b>	France	2.440	0.150	2.980
463.09	<b>-13.7</b>	Germany	1.890	-0.370	2.400
281.58	<b>-4.4</b>	Japan	0.840	0.310	0.910
504.69	<b>-15.3</b>	Netherlands	2.110	-0.200	2.720
816.49	<b>-21.3</b>	U.K.	3.350	0.720	4.690
n.a.	<b>n.a.</b>	Emerging Markets <sup>***</sup>	n.a.	n.a.	n.a.

<sup>1</sup>Constrained indexes limit individual issuer concentrations to 2%; the High Yield 100 are the 100 largest bonds <sup>2</sup>In local currency <sup>3</sup>Euro-zone bonds

<sup>\*\*</sup>EMBI Global Index <sup>\*\*\*</sup>Sources: ICE Data Services; Bloomberg Fixed Income Indices; J.P. Morgan

## Global Government Bonds: Mapping Yields

Yields and spreads over or under U.S. Treasuries on benchmark two-year and 10-year government bonds in selected other countries; arrows indicate whether the yield rose (▲) or fell (▼) in the latest session

Coupon (%)	Country/ maturity, in years	Latest(▲/▼)	0	1	2	3	4	5	Previous	Month ago	Year ago	Spread Under/Over U.S. Treasuries, in basis points Latest	Prev	Year ago
4.500	<b>U.S.</b> 2	4.372 ▼							4.471	4.422	0.524			
4.125	10	3.699 ▼							3.746	4.009	1.440			
0.250	<b>Australia</b> 2	3.124 ▼							3.187	3.222	0.334	<b>-125.6</b>	-128.5	<b>-23.3</b>
1.750	10	3.540 ▼							3.617	3.748	1.709	<b>-15.5</b>	-13.2	<b>25.9</b>
0.000	<b>France</b> 2	2.252 ▲							2.152	2.003	-0.777	<b>-212</b>	-231.9	<b>-134.4</b>
2.000	10	2.417 ▲							2.389	2.603	0.022	<b>-127.8</b>	-136.0	<b>-142.8</b>
2.200	<b>Germany</b> 2	2.115 ▲							2.092	1.929	-0.735	<b>-226.6</b>	-237.9	<b>-130.2</b>
1.700	10	1.934 ▲							2.023	2.100	-0.349	<b>-176</b>	-182.5	<b>-179.9</b>
0.000	<b>Italy</b> 2	2.669 ▲							2.639	2.600	-0.231	<b>-171</b>	-183.2	<b>-79.8</b>
2.500	10	3.886 ▲							3.818	4.149	0.969	<b>19.1</b>	7.0	<b>-48.1</b>
0.005	<b>Japan</b> 2	-0.032 ▲							-0.034	-0.050	-0.131	<b>-441.2</b>	-450.5	<b>-69.8</b>
0.200	10	0.251 ▼							0.254	0.242	0.059	<b>-344.4</b>	-349.5	<b>-139.2</b>
0.000	<b>Spain</b> 2	2.368 ▲							2.332	2.126	-0.629	<b>-201</b>	-213.9	<b>-119.6</b>
2.550	10	2.952 ▲							2.908	3.134	0.403	<b>-74.2</b>	-84.0	<b>-104.7</b>
0.125	<b>U.K.</b> 2	3.256 ▲							3.214	3.198	0.479	<b>-112.4</b>	-125.7	<b>-8.8</b>
4.250	10	3.162 ▲							3.098	3.471	0.813	<b>-53.3</b>	-65.1	<b>-63.8</b>

Source: Tullett Prebon, Tradeweb ICE U.S. Treasury Close

## Corporate Debt

Prices of firms' bonds reflect factors including investors' economic, sectoral and company-specific expectations

### Investment-grade spreads that tightened the most...

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Current	Spread <sup>1</sup> , in basis points Current	One-day change	Last week
GSK Consumer Healthcare Capital UK	HLNLS	3.125	5.11	March 24, '25	94	-14	n.a.	n.a.
UBS	UBNS	4.125	5.28	Sept. 24, '25	116	-14	144	144
Vodafone	VOD	4.375	4.56	May 30, '28	80	-14	97	97
Mitsubishi UFJ Financial	MUFG	2.048	5.38	July 17, '30	161	-13	163	163
Canadian Imperial Bank of Commerce	CM	0.950	4.75	Oct. 23, '25	67	-12	79	79
Goldman Sachs	GS	6.250	5.60	Feb. 1, '41	161	-12	165	165
Cooperative Rabobank	RABOBK	4.375	5.69	Aug. 4, '25	140	-12	145	145
Kraft Heinz	KHC	6.875	5.78	Jan. 26, '39	181	-11	n.a.	n.a.

### ...And spreads that widened the most

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Current	Spread <sup>1</sup> , in basis points Current	One-day change	Last week
Credit Suisse	CS	2.950	8.36	April 9, '25	427	38	319	319
Philip Morris International	PM	5.000	5.19	Nov. 17, '25	110	17	95	95
Banco Santander	SANTAN	5.179	6.05	Nov. 19, '25	174	14	192	192
Constellation Energy	CEG	6.250	5.89	Oct. 1, '39	189	11	n.a.	n.a.
ENEL Finance International	ENELIM	6.800	5.68	Oct. 14, '25	137	10	135	135
Altria	MO	5.375	6.53	Jan. 31, '44	252	9	234	234
Bank of Nova Scotia	BNS	1.050	4.92	March 2, '26	109	8	n.a.	n.a.
Prudential	PRUFIN	3.125	5.26	April 14, '30	155	8	n.a.	n.a.

### High-yield issues with the biggest price increases...

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Current	Bond Price as % of face value Current	One-day change	Last week
Natura Cosmetics	NATURA	4.125	9.12	May 3, '28	79.000	2.25	76.420	76.420
Rakuten	RAKUTN	10.250	9.89	Nov. 30, '24	100.630	2.01	97.375	97.375
Sprint Capital	...	8.750	5.82	March 15, '32	120.750	1.75	118.920	118.920
Liberty Interactive	LINTA	8.250	22.21	Feb. 1, '30	51.000	1.63	48.070	48.070
Dish DBS	...	7.750	13.63	July 1, '26	83.760	1.39	81.625	81.625
Nokia	NOKIA	4.375	5.54	June 12, '27	95.380	1.28	93.375	93.375
Bath & Body Works	BBWI	6.875	7.97	Nov. 1, '35	91.230	1.11	89.950	89.950
Ford Motor Credit	...	4.389	6.08	Jan. 8, '26	95.290	1.06	94.703	94.703

### ...And with the biggest price decreases

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Current	Bond Price as % of face value Current	One-day change	Last week
Credit Suisse	CS	6.500	16.92	Aug. 8, '23	93.500	-1.25	96.525	96.525
Occidental Petroleum	OXY	6.950	5.94	July 1, '24	101.501	-1.00	103.250	103.250
Telecom Italia Capital	TTIM	6.375	8.97	Nov. 15, '33	82.125	-0.78	82.250	82.250
ProAssurance	PRA	5.300	7.23	Nov. 15, '23	98.249	-0.50	n.a.	n.a.
FirstEnergy	FE	7.375	5.56	Nov. 15, '31	112.627	-0.50	112.577	112.577
Commerzbank	CMZB	8.125	6.90	Sept. 19, '23	100.919	-0.44	101.250	101.250
Teva Pharmaceutical Finance Netherlands	...	3.150	7.35	Oct. 1, '26	86.188	-0.41	86.468	86.468
Seagate HDD	...							



# BIGGEST 1,000 STOCKS

## How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are composite quotations that include primary market trades as well as trades reported by Nasdaq BX (formerly National), Chicago Stock Exchange, Cboe, NYSE Bats 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 issue's average trading volume.

**Boldfaced quotations** highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher.

**Footnotes:**  
 +New 52-week high  
 -New 52-week low  
 dd-Indicates loss in the most recent four quarters  
 FD-First day of trading  
 H-Does not meet continued listing standards  
 If-Late trading  
 q-Trading exemption from Nasdaq requirements  
 N-NYSE bankruptcy  
 v-Trading halted on primary market  
 v-I 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.

Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
<b>A</b>	<b>B</b>	<b>C</b>		<b>D</b>	<b>E</b>	<b>F</b>		<b>G</b>	<b>H</b>	<b>I</b>	

Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
ABB	ABB	31.49	0.62	Berkley	WRB	76.28	1.24	Corteva	CTVA	67.16	1.59
ADT	ADT	9.24	0.13	BKRH/Hatke	BKR	318.50	3.47	CoStar	COST	61.04	2.79
AECOM	AEC	85.00	2.39	Berney	BER	480.28	20.41	Costco	COST	539.10	2.79
AES	AES	28.92	0.66	BerryGlobal	BERY	58.60	1.70	CoterraEnergy	CTRA	27.91	-0.16
Aflac	AFL	71.93	1.05	BestBuy	BBY	85.30	1.14	Coupage	CPNG	19.48	0.52
Agilent	AGI	132.72	2.95	Bill.com	BILL	104.02	5.75	Credicorp	BAP	153.55	6.62
Alphabet	GOOGL	2830.18	29.81	Biotech	TECH	32.00	0.22	Credit Suisse	CS	3.28	-0.01
Altria	MO	46.58	0.76	Brookfield	BEP	305.17	13.76	CrowdStrike	CRWD	117.45	20.35
Amazon.com	AMZN	96.54	4.12	Biogen	BIO	315.22	1.25	CrownCastle	CCI	141.43	3.23
Amgen	AMGN	123.54	5.01	BioMarinPharm	BMRN	100.98	3.86	CrownGlass	CCG	82.21	1.98
Ameren	AME	89.22	2.08	BionTech	BNTX	167.02	3.41	CubeSmart	CUBE	41.39	1.81
AmericanAirlines	AA	50.13	2.43	BlackKnight	BKI	10.99	1.24	Cullen/Frost	CFR	145.07	0.29
Alcoa	AA	68.89	1.61	BlackRock	BLK	716.00	20.00	Cummins	CM	251.16	4.74
Alexander's	ALX	15.61	0.30	Blackstone	BSX	94.53	3.32	Curtiss-Wright	CW	176.65	1.20
Alibaba	BABA	87.56	7.70	Block	SQ	67.77	5.66	DCP Midstream	DCP	39.34	0.47
Alliant Energy	ALL	56.30	1.23	BlueOakCapital	OWL	11.30	0.40	DISH Network	DISH	16.05	0.37
Allstate	ALL	123.90	0.52	Boeing	BA	178.88	5.26	DISH Energy	DTE	116.01	1.88
AllyFinancial	ALLY	27.01	0.50	BoeingHydgs	BKNG	207.94	62.29	DIXIE	DIX	29.67	0.56
Ally Bancorp	ALLYB	22.09	0.50	Bojiang	BOJ	42.08	1.39	Danaher	DHR	273.41	14.39
AlphaGraphics	ALPH	113.65	4.83	BorgWarner	BWA	72.51	0.37	Darden	DRI	146.99	2.03
Alliant Energy	ALL	56.30	1.23	BostonProsps	BXP	42.08	1.39	Darigold	DAR	71.92	1.97
Allstate	ALL	123.90	0.52	BostonSci	BSX	45.27	0.77	Datadog	DDOG	75.78	3.72
AllyFinancial	ALLY	27.01	0.50	BostonSci	BSX	45.27	0.77	DeVita	DVA	73.73	2.08
Ally Bancorp	ALLYB	22.09	0.50	BostonSci	BSX	45.27	0.77	Deere	DE	441.00	0.33
Ally Bancorp	ALLYB	22.09	0.50	BostonSci	BSX	45.27	0.77	Deere	DE	441.00	0.33
Ally Bancorp	ALLYB	22.09	0.50	BostonSci	BSX	45.27	0.77	Deere	DE	441.00	0.33

Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
LabCorp	LH	240.70	0.92	OtisWorldwide	OTIS	78.09	1.21	Splunk	SPLK	77.68	1.79
LamarResearch	LR	472.38	30.33	Ovintiv	OVV	55.76	1.54	Spotify	SPOT	79.42	4.32
LamarAdv	LAMR	100.12	10.00	OwensCorning	OC	88.84	-0.79	Starbucks	SBUX	117.20	2.01
Lincoln	LN	86.90	1.85	POC Energy	POE	74.32	0.94	Starbucks	SBUX	117.20	2.01
Las Vegas Sands	LVS	46.94	2.18	PG&E	PCG	15.70	0.53	StarwoodPro	STWD	21.41	0.25
Laticrete	LSC	72.83	5.01	PLDT	PLD	29.84	0.69	StateStreet	ST	79.67	5.74
Lear	LEA	144.24	4.09	PNC Fin	PNC	168.26	3.89	SteelDynamics	STLD	103.93	1.29
Legend Biotech	LEGN	51.51	3.00	POSCO	PKX	57.06	1.72	Stellantis	STLA	15.62	0.41
Leidos	LDOS	109.33	0.83	PPG Ind	PPG	135.22	3.39	Steris	STE	185.74	7.35
Lennox	LEN	72.10	1.46	PPG	PPL	29.52	0.50	StifelFinancial	SF	64.25	1.18
LennoxInt	LI	260.43	4.40	PTC	PTC	127.21	4.14	Stmicroelect	STM	38.88	1.97
LiAuto	LI	22.00	3.47	Paccar	PCAR	105.91	1.65	Stryker	SYK	233.89	6.69
LibertyBroadband	LBDR	90.20	1.52	PackagingCorp	PKG	135.89	3.20	SumitomoMits	SMMF	6.08	-0.01
LibertyBroadband	LBDR	90.20	1.52	PalantirTech	PLTR	7.50	0.42	SunCom	SUN	146.90	2.09
LibertyGlobal	LG	20.68	0.22	PalantirTech	PLTR	7.50	0.42	SunLifeFinancial	SLF	47.40	1.28
LibertyGlobal A	LGTVA	20.08	0.36	ParamountA	PARA	22.98	0.38	SuncorEnergy	SUN	32.87	0.57
LibertyGlobal B	LGTVB	20.08	0.36	ParamountB	PARA	20.08	0.33	SunRun	SUNR	32.58	1.84
LibertyGlobal C	LGTVC	20.08	0.36	ParkerHannifin	PH	298.44	4.65	Suzuki	SUZ	10.17	0.11
LibertyGlobal D	LGTVD	20.08	0.36	Payer	PAYX	124.03	3.88	Switch	SWCH	34.25	0.30
LibertyGlobal E	LGTVE	20.08	0.36	PaycomSoftware	PAYC	339.10	17.12	SynchronyFin	SYP	37.58	0.02
LibertyGlobal F	LGTVF	20.08	0.36	PaycomSoftware	PAYC	339.10	17.12	SynchronyFin	SYP	37.58	0.02
LibertyGlobal G	LGTVG	20.08	0.36	PaycomSoftware	PAYC	339.10	17.12	SynchronyFin	SYP	37.58	0.02
LibertyGlobal H	LGTVH	20.08	0.36	PaycomSoftware	PAYC	339.10	17.12	SynchronyFin	SYP	37.58	0.02
LibertyGlobal I	LGTVI	20.08	0.36	PaycomSoftware	PAYC	339.10	17.12	SynchronyFin	SYP	37.58	0.02

Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
GeneralElec	GE	85.97	0.31	GeneralMills	GIS	85.30	2.46	GeneralMills	GIS	85.30	2.46
GeneralMills	GIS	85.30	2.46	GeneralMills	GIS	85.30	2.46	GeneralMills	GIS	85.30	2.46
GeneralMills	GIS	85.30	2.46	GeneralMills	GIS	85.30	2.46	GeneralMills	GIS	85.30	2.46
GeneralMills	GIS	85.30	2.46	GeneralMills	GIS	85.30	2.46	GeneralMills	GIS	85.30	2.46

Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17
Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17
Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17
Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17

Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17
Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17
Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17
Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17

Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17
Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17
Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17
Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17

Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17
Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17
Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17
Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17

Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17
Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17
Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17
Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17

Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17
Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17
Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17
Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17

Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17
Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17
Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17
Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17	Genentech	GEN	252.39	1.17

Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net
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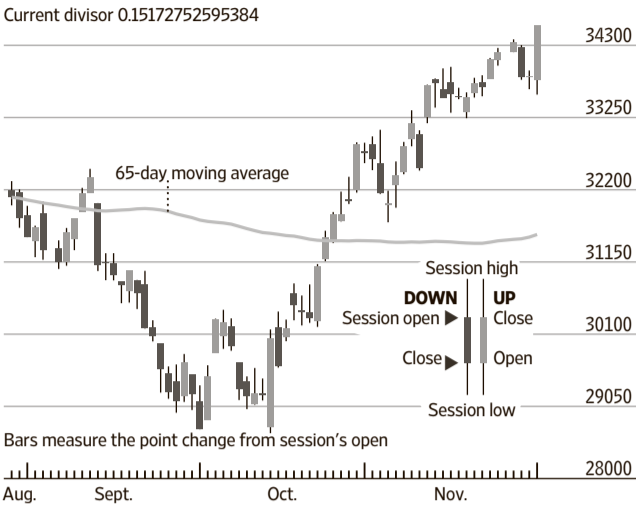


MARKETS DIGEST

EQUITIES

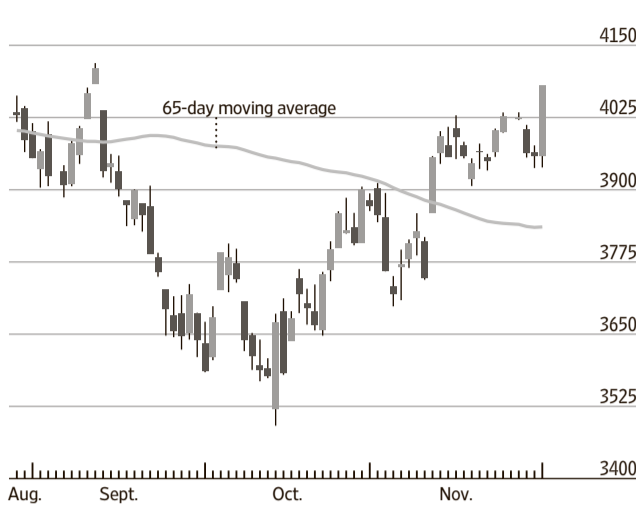
Dow Jones Industrial Average

34589.77 ▲ 737.24, or 2.18%
High, low, open and close for each trading day of the past three months.



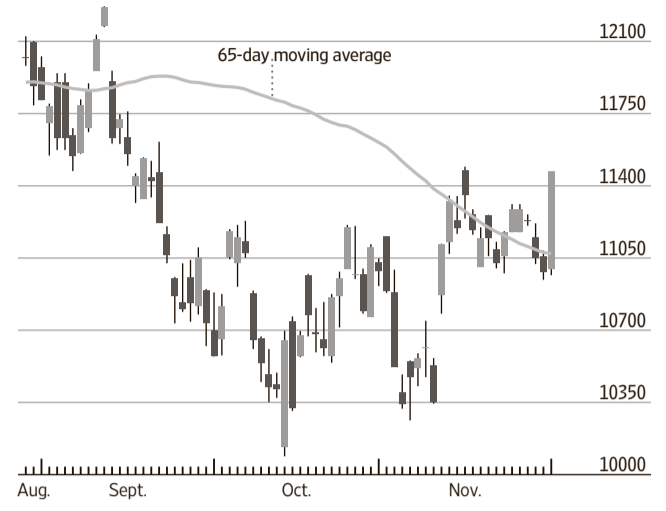
S&P 500 Index

4080.11 ▲ 122.48, or 3.09%
High, low, open and close for each trading day of the past three months.



Nasdaq Composite Index

11468.00 ▲ 484.22, or 4.41%
High, low, open and close for each trading day of the past three months.



Major U.S. Stock-Market Indexes

Table with columns for Index Name, High, Low, Close, Net chg, %chg, 52-Week High, Low, %chg, YTD %chg, 3-yr. ann. %chg. Includes Dow Jones, Nasdaq Stock Market, S&P, and Other Indexes.

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services...

Most-active issues in late trading

Table listing companies like Sabre Corp., SPDR S&P 500, NY Community Bancorp, etc., with columns for Symbol, Volume, Last, Net chg, After Hours % chg, High, Low.

Percentage gainers...

Table listing companies like Ra Medical Systems, Okta CI A, Suzano ADR, etc., with columns for Symbol, Volume, Last, Net chg, % chg, High, Low.

...And losers

Table listing companies like G-III Apparel Group, Elastic, FREYR Battery, etc., with columns for Symbol, Volume, Last, Net chg, % chg, High, Low.

Trading Diary

Volume, Advancers, Decliners

Table showing market volume, number of advancers and decliners, and issues traded for NYSE and NYSE Arca.

International Stock Indexes

Table listing international stock indexes by region/country, including MSCI ACWI, Euro STOXX, Nikkei 225, etc., with columns for Index, Close, Net chg, % chg, YTD % chg.

Percentage Gainers...

Table listing percentage gainers like SatixFy Communications, Xpeng ADR, etc., with columns for Symbol, Volume, Last, Net chg, % chg, High, Low.

Most Active Stocks

Table listing most active stocks like ProShares UltraPro QQQ, Otonomy, etc., with columns for Symbol, Volume, % chg from 65-day avg, Latest Session % chg, 52-Week High, Low.

Percentage Losers

Table listing percentage losers like Pacifico Acquisition, SFR, etc., with columns for Symbol, Volume, Last, Net chg, % chg, High, Low.

Volume Movers Ranked by change from 65-day average\*

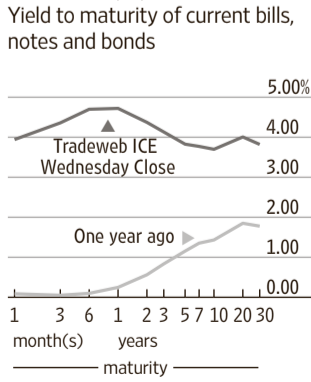
Table listing volume movers like Lead Edge Growth CI A, FutureTech II Acq CI A, etc., with columns for Symbol, Volume, % chg from 65-day avg, Latest Session % chg, 52-Week High, Low.

CREDIT MARKETS

Consumer Rates and Returns to Investor

Section containing 'U.S. consumer rates' with a line chart and 'Selected rates' table for various banks like Bankrate.com, First Internet Bank of Indiana, etc.

Treasury yield curve



Forex Race



Corporate Borrowing Rates and Yields

Table showing corporate borrowing rates and yields for U.S. Treasury, Aggregate, High-Yield MBS, etc., with columns for Index, Close, Yield, 52-Week High, Low, Total Return.

CURRENCIES & COMMODITIES

Currencies

Table showing U.S.-dollar foreign-exchange rates for various countries like Argentina, Brazil, Canada, etc., with columns for Country/currency, Rate, % chg.

Commodities

Table showing commodity prices for DJ Commodity, Crude oil, Natural gas, Gold, etc., with columns for Commodity, Close, % chg, 52-Week High, Low, YTD % chg.



FINANCE & MARKETS

Oil Futures, Forecasts Diverge on Prices

Discrepancy shows how uncertainty and volatility are making projections difficult

By BOB HENDERSON

Wall Street is bullish on oil. So why are prices falling?

Many oil traders and analysts believe prices over the coming months will far exceed those at which crude can be bought in the futures market now. But prices recently touched their lowest levels of the year, showing how uncertainty, volatility and risk can pry gaps between perceived values and market prices.

Brent crude futures for the next year currently range in price from \$83.52 a barrel for December 2023 delivery to \$86.97 for delivery in February 2023. Meanwhile, analysts at Bank of America, Goldman Sachs, JPMorgan, Morgan Stanley, UBS and the consulting firm Energy Aspects are forecasting, on average, a Brent price of \$105.50 next year, implying that an investor buying, for example, August futures at \$85.31 a barrel could earn a return of more than 23% in just seven months.

But there are lots of risks involved. Analysts' forecasts vary widely, mostly because of an especially cloudy outlook for next year's oil supply and demand. Some analysts are refraining from making price projections for next year until after the Organization of the Petroleum Exporting Countries' next meeting on Dec. 4. Oil prices also have been exceptionally volatile since Russia's invasion of Ukraine and its potential impact on Russian oil supplies—and with rising interest rates and China's



A tanker at a Russian crude-oil terminal this August. Oil prices have been exceptionally volatile since Russia's invasion of Ukraine.

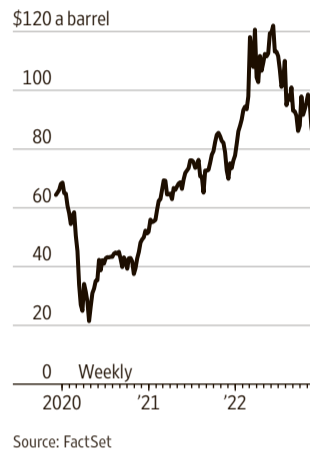
continuing fight with Covid-19 threatening economic growth.

Wall Street struggles with forecasting everything from stock prices to bond yields even under the best of circumstances. Witness oil's 2014 crash, its early-pandemic slide into negative territory or its current 35% decline from March's peaks, none of which analysts anticipated.

But the current situation is even more unpredictable than usual. Highlighting the uncertainty, the oil options market currently signals a 46% probability that Brent oil delivered in August 2023 will settle more than \$20 higher or lower than its current price.

"There are so many geopolitical issues around oil that the head spins at times," said Hari Hariharan, chief investment officer of NWI Management, a global macro hedge

Brent crude-oil futures price, front-month contract



Source: FactSet

fund. Worries about a recession have sent prices tumbling since June, when Brent at one point fetched over \$123 a barrel. They have taken their lat-

est step step down over the past few weeks, as renewed lockdowns risk delaying China's reopening, while rumors of a relatively permissive price cap on Russian oil has lifted expectations for the country's exports in the new year.

Yet analysts remain bullish for a host of reasons. Global oil stocks are at depleted levels. Coming European Union embargoes on Russian crude oil and refined products could still affect production. The Biden administration's releases from the Strategic Petroleum Reserve are tapering off. And most anticipate above-trend growth in global demand driven by China, India and other emerging markets conquering Covid and reopening their economies.

Russian supply and Chinese demand are the two biggest

question marks driving the differences between forecasts.

"The pent-up demand out of China is going to be enormous," said Amrita Sen, director of research for Energy Aspects. "That could swing demand by at least a million barrels a day, and that could easily make the difference between an oil price forecast of \$95 to \$105 versus \$120 to \$130. Easily."

JPMorgan analysts lowered their forecast for Brent in 2023 this week by \$8 a barrel to \$90 after concluding that Russian production will fully normalize to prewar levels despite the coming embargoes. Meanwhile, Energy Aspects analysts are holding fast to their \$123 forecast, in part because they see Russian production taking a hit of a million barrels a day by March of next year.

Saudi Arabia's PIF Gets \$17 Billion Loan From Banks

By RORY JONES

Saudi Arabia's sovereign-wealth fund said it raised a \$17 billion, seven-year loan from banks, a fresh injection of cash for a kingdom pouring unprecedented amounts of capital into diversifying its oil-dependent economy.

The Public Investment Fund is central to economic reforms launched by Crown Prince Mohammed bin Salman, the kingdom's 37-year-old de facto ruler,

and pledged to invest \$40 billion domestically each year to help the Saudi economy become less beholden to oil revenue.

The loan, agreed to with 25 financial institutions from the U.S. and elsewhere, is a sign of Wall Street's confidence in the Saudi economy as it benefits from high oil prices. The Saudi government said it won't immediately hand its surplus oil revenues to PIF, and the fund has sought to broaden its sources of funding, most recently issuing

debt for the first time.

In October, about 400 American executives visited the Saudi capital Riyadh for a conference sponsored by PIF, including JPMorgan Chase & Co. Chief Executive Jamie Dimon and David Solomon, head of Goldman Sachs Group Inc.

The new facility will help repay an \$11 billion loan arranged in 2018 with 15 financial institutions, and help "to drive impactful investment in Saudi Arabia and internationally," PIF said.

PIF's capital-raising strategy is unusual for sovereign funds, which often use national resources to invest and maintain a country's wealth for future generations. Taking on large debts isn't common for sovereign-wealth funds.

PIF has reinvented the traditional meaning of a sovereign-wealth fund, industry consultants say. Part of its mission is to remake the Saudi economy, which is reliant on the kingdom's oil export reve-

nue. It combined elements of a private-equity firm and venture-capital investor with a mandate to develop new industries at home to increase the government's non-oil revenues.

The fund created dozens of new companies in the kingdom and is building tourism resorts, housing communities, theme parks and entertainment venues. Its latest launch: an international airport in Riyadh that hopes to host 120 million passengers by 2030.

The government helped the fund with capital injections and asset transfers, including handing it a piece of oil giant Aramco earlier this year.

PIF previously said the fund made a return of 3% annually in the years before 2017, when Prince Mohammed revamped it from a holding company for state assets into a more active profile investor. In its October bond prospectus, the fund said its return rose to 12% since being given a new mandate.

New Highs and Lows

Table with columns for Stock, 52-Wk % Chg, and 52-Wk Hi/Low. It lists various stocks and their performance metrics.

Mutual Funds

Table with columns for Fund, NAV, YTD Chg, and YTD %Ret. It lists various mutual funds and their performance metrics.



MARKETS

Junk Bonds Rally on Inflation Hopes

Some debt losses are erased on potential for rates to top out without defaults

By Matt Grossman

Investors are driving a modest rally in junk bonds, erasing some of 2022's biting losses in a bet that the economic outlook for next year has stabilized.

Yields on below-investment-grade corporate bonds tracked by Intercontinental Exchange's index declined to 8.8% through Tuesday's trading, down from a high of 9.61% on Oct. 13. Investors say they are more confident that interest rates might peak without putting many lower-rated companies' ability to repay debt in serious jeopardy.

Bonds across the board were slammed this year by the Federal Reserve's efforts to contain inflation, which fueled the steepest interest-rate increases in decades. Inflation and higher rates undercut the value of bonds' fixed stream of payments

to investors, sending bond prices lower and yields higher.

Adding to the suffering for junk-rated bonds have been fears that higher rates could bring an economic slowdown that would hurt debt-laden businesses' ability to make payments on time, raising the possibility of defaults.

In the past month, fresh data and comments from Fed officials convinced many investors that the end of rate increases could be in sight. Figures showing year-over-year inflation slowed to 7.7% in October from 8.2% in September, "were a welcome relief," Dallas Fed President Lorie Logan said after their release.

Meanwhile, rising rates haven't dimmed the outlook for corporate profitability as much as some investors feared.

While more companies are laying off workers and cutting forward guidance as demand slows, Wall Street analysts expect corporate earnings among S&P 500 companies to grow 6% this year and 6% next year, according to FactSet.

"Despite the fact that we think we're going into a recession in 2023, corporate balance sheets are in pretty good condition," said John McClain, a portfolio manager at Brandywine Global Investment Management. "We don't see a meaningful default cycle going into 2023 and beyond."

Those factors have helped draw a steady stream of cash into junk-bond funds in the past month. Funds of sub-investment-grade debt have drawn positive net inflows for five straight weeks through Nov. 23, adding a total of \$13.47 billion during that stretch, according to Refinitiv Lipper. That marks the largest sustained run of inflows this year by far.

More companies in addition are paying down debt, a positive signal for junk-bond investors who scrutinize balance sheets to determine how likely businesses are to pay back debt on time.

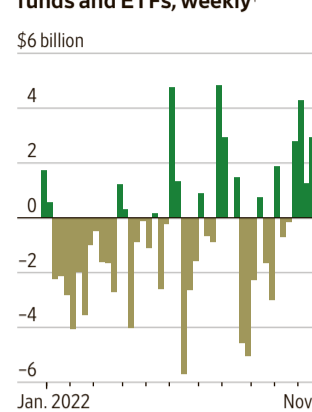
Last week the junk-rated clothing retailer Abercrombie & Fitch said it bought back \$8 million of its debt in the third quarter, alongside \$8 million

Corporate bond yields this year\*



\*Yield to worst; Prices move inversely; Data as of Tuesday. †Data as of Nov. 23. Sources: ICE (yields); Refinitiv Lipper (flows)

Net fund flows into high-yield funds and ETFs, weekly†



†Data as of Nov. 23

indexes. That is better than the minus 16% returns on higher-rated corporate debt.

High-yield bonds outperformed others largely because, in addition to offering higher interest payments, they tend to come due more quickly than their investment-grade counterparts, said Steven Foresti, chief investment officer for asset allocation and research at Wilshire Advisors. That means their prices are liable to fall less when interest rates rise.

Mr. Foresti has been telling clients that, at yields near 9%, junk bonds are offering attractive value. "There is much more utility to these investments than there was even less than a year ago," he said.

Others are skeptical. In the midst of the rally, junk bonds are offering 4.63 percentage points more yield than Treasuries, down from nearly 6 percentage points in June. During past recessions, that premium, or spread, often climbed above 8 percentage points as investors demand higher compensation for rising risk of default.

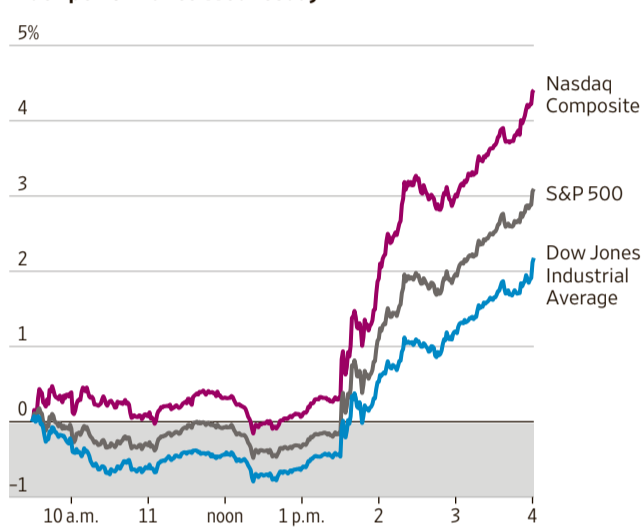
Stocks Rise On Powell Remarks

Continued from page B1 strategy at Haverford Trust. "From the market's perspective there's the chance of a soft landing as opposed to a hard landing that's a traditional recession."

The Dow has risen more than 20% since Sept. 30, its low point of the year. That puts it back in a bull market, which is defined as an increase of 20% or more from a recent low. The S&P and Nasdaq remain in bear markets.

The gain since Sept. 30 also marks the Dow's largest two-

Index performance Wednesday



Source: FactSet

month percentage gain since July 1938, measured by calendar months, according to Dow Jones Market Data.

Investors will closely watch

inflation data due to be published Dec. 13 for further clues about the path of interest rates.

"Operation catch-up is what this year has been all about

and I think it's over," said Hani Redha, portfolio manager at PineBridge Investments. "They've caught up. They're in a decent place," he said of the Fed.

Still, Mr. Redha said Mr. Powell could be seeking to push back at expectations of a looming pivot toward easier monetary policy.

Mr. Redha said stocks are likely to come back under pressure in early 2023. The Fed, he said, will continue to tighten monetary policy through its bondholdings even if it stops raising interest rates, while a recession will hurt earnings.

Money managers also are eyeing corporate earnings as a potential drag on stocks in the months to come. Analysts are forecasting profits from S&P 500 companies will rise more than 5% next year, according to FactSet. But many investors think those projections are unrealistic.

"Earnings estimates are too high for 2023," said Niladri Mukherjee, head of CIO portfolio strategy for Merrill and Bank of America Private Bank. "They need to come down."

Government bond prices have risen since data published Nov. 10 showed inflation slowed in October, sparking hopes the Fed will ease off the brakes.

The yield on the benchmark 10-year U.S. Treasury note declined to 3.699% Wednesday from 3.746% Tuesday. It is down from more than 4% at the start of the month, notching its largest one-month decline since March 2020.

Yields on longer-term U.S. Treasuries have fallen far below those on short-term bonds, a sign investors think the Fed is close to winning its inflation battle—and that the economy is heading toward recession.

Global markets broadly rose Wednesday, with the Stoxx Eu-

rope 600 up 0.6%.

Brent crude rose 2.9% to \$85.43 a barrel. Traders are awaiting details of the price cap that the U.S. and its allies are due to impose on Russian oil next week. The level of the cap is still under negotiation in the European Union.

Asian stocks moved higher early Thursday. Japan's Nikkei 225 was up 1.1%, Hong Kong's Hang Seng Index was up 1.3% and the Shanghai Composite was up 0.8%. S&P 500 futures were flat.

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 that price and the face value.

Table with 2 columns: Description and Amount. Includes 17-WEEK BILLS, Applications, Accepted bids, noncompetitively, foreign noncompetitively, Auction price (rate), Coupon equivalent, Bids at clearing yield accepted, Cusip number, and The bills, dated Dec. 6, 2022, mature on April 4, 2023.

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