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WSJ
THE WALL STREET JOURNAL WEEKEND

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What's News

World-Wide

Russian state-owned energy exporter Gazprom said it would shut down the Nord Stream natural-gas pipeline to Germany for three days of maintenance later this month, ratcheting up the pressure on energy-starved Europe. **A1**

◆ **A series of explosions** rocked Crimea and a border region inside Russia, punctuating a new phase of the war in which Ukraine is targeting enemy bases and infrastructure deep behind the front line. **A5**

◆ **Preparations are** under way for Chinese leader Xi to travel to Central Asia to meet with Russia's Putin and other leaders at a regional summit in mid-September, according to people familiar with the planning. **A6**

◆ **The future of** a Florida law targeting what Gov. DeSantis considers "woke indoctrination" is now in question amid multiple legal challenges alleging that it violates freedom of speech. **A3**

◆ **A member** of a group of British Islamic State prison guards known as the "Beatles" was sentenced to life in prison for his role in the murder of American hostages in Syria. **A3**

Business & Finance

◆ **Many of Wall Street's** biggest banks are nearing agreements to pay as much as $200 million each and admit that their employees' use of personal messaging apps such as WhatsApp violated regulatory requirements, according to people familiar with the matter. **A1**

◆ **U.S. stocks fell**, ending the week lower and snapping a four-week stretch of gains for the S&P 500, as investors second-guessed how aggressively the Fed will need to move to tame inflation. The S&P 500, Dow and Nasdaq lost 1.3%, 0.9% and 2%, respectively, on Friday. **A1**

◆ **Warren Buffett's** Berkshire Hathaway has the green light from regulators to purchase as much as 50% of Occidental Petroleum's shares, after seeking approval for such a transaction in July. **A1**

◆ **Cineworld is preparing** to file for bankruptcy within weeks after struggling to rebuild movie-theater attendance from pandemic lows, according to people familiar with the matter. **B1**

◆ **General Motors said** it plans to reinstate its quarterly dividend, after suspending it in April 2020 to preserve cash during the early days of the pandemic. **B1**

OPINION
The SEC's Gensler On the Regulation Of Crypto **A13**

JOURNAL REPORT
Travel: When Couples Disagree About Vacation Plans **R1-10**

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Strike by Tube Workers Leaves London Less Than Jolly


ANDY RAIN/EPA/SHUTTERSTOCK

CRUNCH: Much of London's transportation network came to a halt Friday as thousands of subway workers went on strike after negotiations with the government stalled over pay and working conditions. Crowds thronged to buses and taxis. A7

Stocks Fall as Investors Rethink Inflation

August gains end on Fed officials' comments; meme stocks lose ground

BY CAITLIN MCCABE AND AKANE OTANI

U.S. stocks fell Friday, ending the week lower and snapping a four-week stretch of gains for the S&P 500, as investors second-guessed how aggressively the Federal Reserve will need to move to tame inflation.

The market endured a stretch of choppy moves as traders reassessed their bets on what the Fed might do at its September meeting. For weeks, many investors had been feeling confident that inflation had possibly peaked and that the central bank would soften the magnitude of its future interest-rate increases.

But comments in recent days from central-bank officials, combined with the release of the minutes from the Fed's July meeting, put the possibility of continued aggressive rate increases back in focus. On Thursday, Federal Reserve Bank of St. Louis President James Bullard said he would lean toward a 0.75-percentage-point increase in September.

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Largest Banks to Pay Fines In WhatsApp Messages Probe

BY DAVE MICHAELS

WASHINGTON—Many of Wall Street's biggest banks are nearing agreements to pay as much as $200 million each and admit that their employees' use of personal messaging apps such as WhatsApp violated regulatory requirements, according to people familiar with the matter.

The total amount of fines will likely top $1 billion, the people said, and will be announced by the end of September. The roster of banks poised to pay $200 million each includes Bank of America Corp., Barclays PLC, Citigroup Inc., Deutsche Bank AG, Goldman Sachs Group Inc., Morgan Stanley and UBS Group AG, the people said.

Jefferies Financial Group Inc. and Nomura Holdings Inc. are nearing settlements with regulators but will pay lower fines, reflecting their smaller size, the people said.

The Securities and Exchange Commission and the Commodity Futures Trading Commission plan to announce the deals with the banks by Sept. 30, the end of the government's current fiscal year. That would put the penalties in the government's annual enforcement statistics.

Spokesmen for the SEC and CFTC declined to comment. Spokespeople for the banks declined to comment. A spokesman for UBS couldn't be reached.

The agencies' investigations examined how traders and brokers used encrypted apps such as WhatsApp to discuss investment terms, client meet-

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Adderall Opens Door to Relapse

Harlan Band got the amphetamine through an online startup with a single video call

BY ROLFE WINKLER

Harlan Band had turned a corner. He was 29 years old and back in school, catching up on algebra and Shakespeare, earning A's, seeking to put a lost decade behind him and looking ahead to studying medicine.

That was the story Mr. Band told his family. He also said it was the reason he sought help from Done Global Inc., an online mental-health company that prescribes stimulants like Adderall in video calls as short as 10 minutes.

In his first appointment with Shabnam Rahimi, a nurse practitioner working for Done, Mr. Band said he had been diagnosed with attention-deficit hyperactivity disorder as a boy, according to medical records reviewed by The Wall Street Journal. Now that Mr. Band was in college, he had trouble focusing on his studies and believed the pills would help. He didn't reveal that he was a recovering drug addict.

After the evaluation, the Los Angeles man picked up a 30-day supply of generic Adderall from Walgreens.

Mr. Band's use of the pre-

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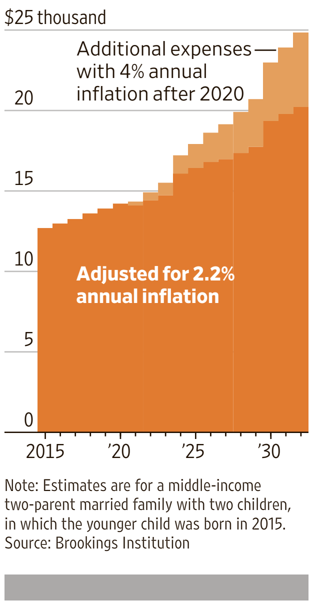
Child-Rearing Costs Jump

Inflation fuels rise in expenses for raising a family. **A3**

Estimated annual family expenses for a child born in 2015



Note: Estimates are for a middle-income two-parent married family with two children, in which the younger child was born in 2015.
Source: Brookings Institution

Buffett Is Cleared To Buy as Much as Half of Occidental

BY BENOÎT MORENNE AND RYAN DEZEMBER

Warren Buffett's Berkshire Hathaway Inc. has the green light from regulators to purchase as much as 50% of Occidental Petroleum Corp.'s shares, after seeking approval for such a transaction in July.

In a regulatory filing Friday, the Federal Energy Regulatory Commission said that Berkshire Hathaway had asked for and received its permission to buy up to 50% of the driller's shares. Berkshire has been loading up on Occidental's shares this year, amassing roughly 20% of the company's stock, public filings show, leaving many analysts to speculate whether Mr. Buffett would seek control of the company, one of the largest U.S. oil producers.

Occidental's shares jumped to lead stock gains among the S&P 500 Friday, up 9.9% after the publication of the ruling. The company's stock has risen about 146% this year, far and away tops in the S&P 500 stock index, which is down 11% this year.

Berkshire requested the authorization on July 11 and said at the time it owned approximately 18.72% of the outstanding common shares of Occidental, according to the federal ruling. Berkshire has since added shares and earlier this month said in a securities filing that it held roughly 20% of

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The Latest Innovation in Beer Is Water in a Can

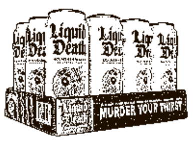
* * *

The no-booze beverage market peddles H2O disguised as lager

BY RACHEL WOLFE

NEW ORLEANS—Hundreds of visiting revelers hit the House of Blues blowout that kicked off the cocktail industry's biggest annual conference, bobbing to '90s hip-hop and throwing back cans of Liquid Death.

Makers of the scary-sounding beverage sponsored the opening night gala, hoping to persuade more bartenders and restaurant owners to serve Liquid Death back home. Whatever their pitch, there's nothing better in nature to quench a thirst.


Don't be fooled.

The cans, covered with a skull-and-cross-bones logo, are filled with water from the Swiss Alps. At a glance, few carry no alcohol. That is the point, said Liquid Death founder Mike Cessario, 40 years old, of Los Angeles.

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Russia to Shut Off Gas Again, Testing Europe

BY GEORGI KANTCHEV

Russian state-owned energy exporter Gazprom PJSC said it would shut down the Nord Stream natural-gas pipeline to Germany for three days of maintenance later this month, ratcheting up the pressure on energy-starved Europe.

The unexpected move could complicate efforts by Germany and much of Europe to fill gas reserves and stave off widespread rationing to keep its population warm through the long continental winter—and avert factory shutdowns.

Moscow has already throttled back deliveries over the pipeline—its main gas link to Europe—to 20% of its maximum capacity, citing technical issues with its turbines. German and European officials have dismissed these explanations and have called the gas cuts an economic attack in retaliation for supporting Ukraine in its war with Russia.

Russia, and the Soviet Union before it, spent more than a generation building energy links into the heart of Europe. Cheap Siberian gas coursed reliably through pipelines for decades into power plants and home furnaces, with billions of

Please turn to page A5

◆ New U.S. aid package to Ukraine includes drones...... **A5**

EXCHANGE

WAX ON
Private-equity firms are buying car washes and other smaller companies. **B1**

U.S. Firms Bring Home Overseas Jobs

Companies are on pace to reshore nearly 350,000 jobs this year, data show

By Dion Rabouin

U.S. companies are bringing workforces and supply chains home at a historic pace.

American companies are on pace to reshore, or return to the U.S., nearly 350,000 jobs this year, according to a report released Friday from the Reshoring Initiative. That would be the highest number on record since the group began tracking the data in 2010. The Reshoring Initiative lobbies for bringing manufacturing jobs back to the U.S.

Over the past month, dozens of companies have said they had plans to build new factories or start new manufacturing projects in the U.S. Idaho-based Micron Technology Inc. announced a $40 billion expansion of its current headquarters and investments in memory manufacturing. Ascend Elements said it would build a $1 billion lithium-ion battery materials facility in Kentucky. South Korean conglomerate SK Group said it would invest $22 billion in a new packaging facility, electric-vehicle charging systems, and hydrogen production in Kentucky and Tennessee.

"We think it'll be a long-term trend," said Jill Carey Hall, U.S. equity strategist at Bank of America Corp. "Before Covid there was...a little uptick but obviously Covid was one big trend and you've seen a continued big jump up this year."

To be sure, globalization has been a tailwind for investors and large companies for much of the past 30 years, particularly U.S. firms. Increased trade across borders boosted profits and productivity and allowed countries to focus on the goods and services they were best equipped to produce. Globalization has also provided multinational companies with new customers and new pools of low-cost labor.

But the Covid-19 pandemic, which snarled supply chains worldwide, pushed many executives to think about bringing their business closer to home. Russia's invasion of Ukraine, which upended commodities markets, is another motivator. So is the possibility of a conflict between China and Taiwan, which produces the chips used in smartphones, personal computers and cars.

The U.S. government is also luring companies back. The Chips and Science Act and the Inflation Reduction Act, both passed this month, provide tax breaks and other incentives for building and investing in manufacturing centers for goods such as semiconductors, electric vehicles and pharmaceuticals.

Investors' increased focus on carbon emissions also has bolstered the need for closer-to-home supply chains. Carbon pricing mechanisms and taxes recently implemented in the European Union and elsewhere will further reduce the appeal of extensive cross-border supply chains, Barclays economists wrote in a recent note to clients.

Barclays found that large S&P 500 companies are recruiting more in their home countries and slowing cross-border M&A activity.

"Globalization is in retreat," the firm's U.K.-based economists Christian Keller and Akash Utsav wrote.

The 350,000 reshored jobs expected this year would far exceed the roughly 265,000 jobs added in 2021 and would be more than 50 times the 6,000 jobs reshored to the U.S. in 2010. The Reshoring Initiative tallies company announcements of head-count increases for positions that were previously held in other countries, new positions in industries that had little to no U.S. presence and positions created in the U.S. from direct investment by companies based in other countries.

On corporate earnings calls in the second quarter, the term "reshoring" was mentioned nearly 12 times as much as it had been in the second quarter of 2019, according to data from Bank of America.

However, the broad shift might not be an outright win for blue-collar American workers. Increased capital spending suggests many companies could be looking to replace overseas workers with technology rather than with U.S.-based workers, according to Bank of America. Capital expenditures are often investments in equipment or technology that automate the tasks of workers.

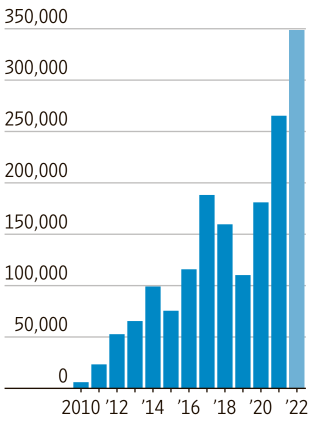
"There's no question that companies, when they bring jobs back, they know they're going to be paying three to five times as much for labor," said Harry Moser, the founder and president of the Reshoring Initiative. "Therefore they have to automate."

North American companies ordered a record 11,595 robots, worth $646 million, in the first quarter, putting 2022 on pace to surpass last year's record numbers, according to the Association for Advancing Automation.

STEVE HELBER/ASSOCIATED PRESS

Technicians worked at a Micron Technology automotive chip manufacturing plant in 2019.

Number of jobs announced that are returning to the U.S.



Note: 2022 is a projection.
Source: Reshoring Initiative

NOTICE TO READERS
The Numbers column will return next week.

Investors Rethink Inflation

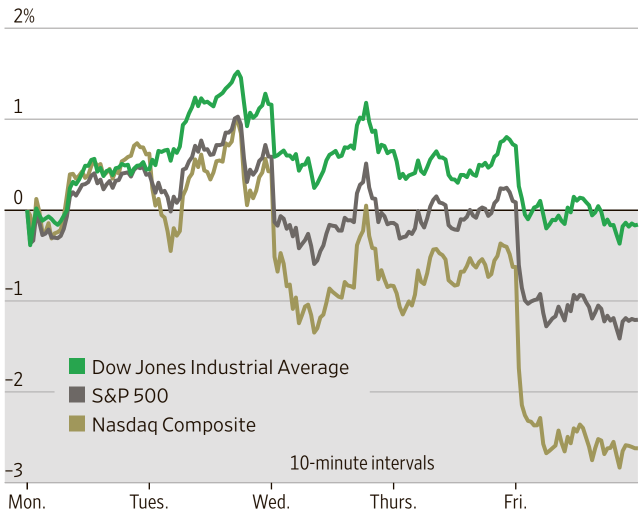
Continued from Page One

"This feels like a re-evaluation of whether there has been enough financial tightening," said John Roe, head of multiasset funds at Legal & General Investment Management. "And if there hasn't actually, could we get more pain from central banks having to do more?"

The S&P 500 dropped 55.26 points, or 1.3%, to 4228.48 and fell 1.2% for the week. The Dow Jones Industrial Average fell 292.30 points, or 0.9%, to 33706.74 and lost 0.2% for the week. The Nasdaq Composite declined 260.13 points, or 2%, to 12705.22 and fell 2.6% for the week.

Next week, central bankers will meet in Jackson Hole, Wyo., for the Federal Reserve Bank of Kansas City's annual economic policy symposium.

Index performance this past week



Source: FactSet

Traders will be watching officials' speeches closely for insights on how the Fed is thinking.

Some of the market's biggest gainers over the past month were among its biggest losers Friday.

Shares of Bed Bath & Beyond dropped $7.52, or 41%, to $11.03, notching their biggest one-day loss ever, after billionaire activist investor Ryan Cohen sold his entire stake in the company.

Bed Bath & Beyond had enjoyed a spectacular run, rising 122% since the start of the quarter, thanks in part to soaring interest among retail investors. But Mr. Cohen's disclosure that he would sell his stake sparked a selloff midweek, threatening to unwind much of the gains investors had enjoyed in recent weeks.

Other meme stocks popular among retail investors also slid. GameStop lost $1.44, or 3.8%, to $36.49, and AMC Entertainment fell $1.27, or 6.6%, to $18.02.

Investors' broad retreat from risky assets also hit cryptocurrencies. The price of both bitcoin and ether fell from Thursday afternoon's levels.

Expectations for another aggressive rate increase rippled across other markets. The yield on the 10-year U.S. Treasury note rose to 2.987% from 2.879% Thursday. Yields rise when bond prices fall.

The WSJ Dollar Index rose 0.5% Friday, on pace for its largest one-week percentage increase since March 2020, according to Dow Jones Market Data. Higher rates tend to bolster the greenback as yield-seeking investors pour more money into U.S. dollar-denominated securities.

In Europe, the pan-continental Stoxx Europe 600 ended down 0.8%.

In Asia, Hong Kong's Hang Seng and Japan's Nikkei 225 both ended roughly flat. China's Shanghai Composite lost 0.6%.

CORRECTIONS & AMPLIFICATIONS

The names of Taylor Bridges and Brian Bentley were incorrectly transposed in a Page One article Thursday about military veterans who are volunteering to train Ukrainian troops. Mr. Bridges is a former U.S. Marine, and Mr. Bentley, who is 29 years old, is an American-born former Israeli paratrooper.

In some editions Friday, Rina Torchinsky's last name was misspelled as Torchins in the byline of a U.S. Watch article about unemployment claims.

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

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Child-Rearing Expenses Soar Amid Inflation

By Rina Torchinsky

NATE SMALLWOOD FOR THE WALL STREET JOURNAL

Muffy Mendoza with her sons Mack Jr. and Phillip, left and right, and her husband, Mack, center, in Pittsburgh earlier this month.

The cost of raising a child through high school has risen to more than $300,000 because of inflation that is running close to a four-decade high, according to a Brookings Institution estimate.

It determined that a married, middle-income couple with two children would spend $310,605—or an average of $18,271 a year—to raise their younger child born in 2015 through age 17. The calculation uses an earlier government estimate as a baseline, with adjustments for inflation trends.

The multiyear total is up $26,011, or more than 9%, from a calculation based on the inflation rate two years ago, before rapid price increases hit the economy, the Brookings Institution said.

For Muffy Mendoza, high inflation has meant that "boys week" wasn't in the cards this summer. The gathering, she said, is usually a time for all of the boys in her family—her three sons and their cousins—to get together at her Pittsburgh home. This year, the gathering is too expensive. "It costs a lot to feed almost 10 boys," she said.

Brookings calculated the cost of raising a family based on a 2017 estimate from the Agriculture Department. The estimate covers a range of expenses, including housing, food, clothing, healthcare and child care, and accounts for childhood milestones and activities—diapers, haircuts, sports equipment and dance lessons, among other costs.

"A lot of people are going to think twice before they have either a first child or a subsequent child because everything is costing more," said Isabel Sawhill, a senior fellow at Brookings. "You also may feel like you have to work more."

Inflation's trajectory in the future isn't clear, Dr. Sawhill said, in part because Federal Reserve efforts to bring the rate down have an uncertain outcome.

The annual inflation rate eased to 8.5% in July, down from 9.1% the prior month. Gasoline and other energy prices fell from the prior month, but food prices continued to climb. Prices for food at home were up 13.1% in July compared with the year before, the Labor Department said, adding pressure to household budgets.

High prices in the grocery store have led Jennifer Smith to be creative at mealtimes. Meatless Mondays and clean-out-the-fridge Thursdays are new additions to the family's bill of fare. A turkey sandwich, leftover pasta, and sautéed peppers and onions were all on the menu one Thursday night in the Raleigh, N.C., home.

Mrs. Smith said her grocery bill has rocketed up. She noticed prices for snack foods—Cheez-It and Goldfish crackers, among others—have increased. "Our kids are back-to-school shopping now," she said. "Everything has gone up."

Rising expenses for raising a family could disproportionately affect lower-income families, said Dr. Sawhill, who holds a Ph.D. in economics. For a single parent earning $20,000 or $30,000 a year, shelling out the extra funds for a child might be difficult, she said.

Black families are also more exposed to inflation fluctuations, economists say. Researchers from the University of California, San Diego and the Richmond Federal Reserve Bank showed that Black families experience higher levels of price volatility, which can make it difficult for households to determine how much the money they earn will buy.

To respond to higher prices, people might choose to shop at a more affordable store, but Black households were already shopping at the cheapest nearby store, said Munseob Lee, an economics professor at the University of California, San Diego. He said shoppers could also trade down to lower-quality items, but Black families and lower-income households have little room to adjust.

"There's nothing left to cut out," said Mrs. Mendoza, who is chief executive officer of Brown Mamas, a network of more than 6,500 Black mothers in the Pittsburgh area. "We're cutting off the cable today because we can't afford it," she said of efforts to reduce her household's costs.

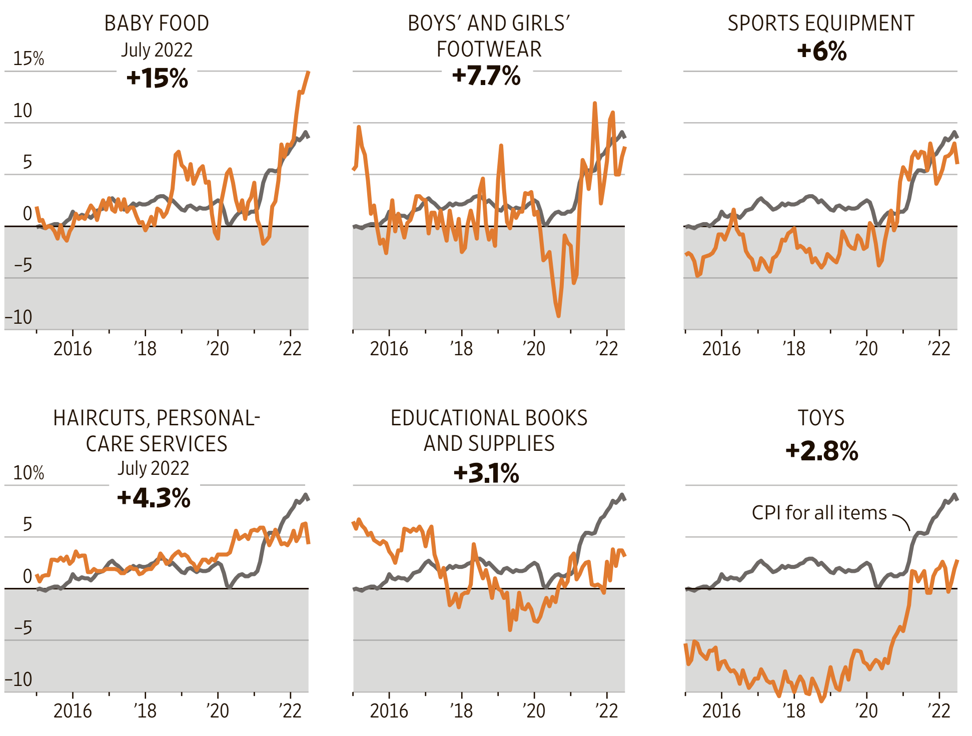
Tamera Dixon, a Pittsburgh mother of a son, said she is trying to save money, even in her sleep. "Switching cellphone plans, cutting back on eating out, helping your neighbor, buying from your local grocery store, your local farmers market," Ms. Dixon said. "When you've done all those things naturally just to survive, you've run out and you've exhausted all of that."

Child care, including nannies, preschools and nursery schools, is one of the greatest costs for most families, said Diane Schilder, a senior fellow at the Urban Institute.

Adrienne Briggs, who runs Lil' Bits Family Child Care Home, in Philadelphia, has been in the business for decades. It is a family child-care center, where she cares for children on one floor and lives on another. Ms. Briggs, who holds a master's degree in early childhood education, said her salary isn't commensurate with her education. She said she makes less than minimum wage, which is $7.25 an hour in Pennsylvania.

Most of the families she serves receive government subsidies, she said. "That actually pays about half of what my true cost really is, and it's kind of hard to put the true cost onto the families just because of inflation, and even before inflation, just the economy itself."

Consumer-price index for select categories, change from a year earlier



Source: Labor Department

Ming Li/THE WALL STREET JOURNAL

FROM LEFT: SARAH SILBIGER/REUTERS; ANDREW HARNIK/ASSOCIATED PRESS

Carl and Marsha Mueller, the parents of humanitarian aid worker Kayla Mueller, arrived at the federal courthouse for the sentencing of El Shafee Elsheikh. At right, Diane Foley, the mother of journalist James Foley, spoke to members of the media.

ISIS 'Beatle' Sentenced to Life Term

By Aruna Viswanatha

A member of a brutal group of British Islamic State prison guards known as the "Beatles" was sentenced to life in prison for being part of a cell that murdered American hostages in Syria.

U.S. District Judge T.S. Ellis issued the sentence against El Shafee Elsheikh during a hearing Friday in Alexandria, Va.

Elsheikh, one of the most notorious Islamic State members to be tried in a U.S. courtroom, was found guilty by a federal jury in April on eight counts, including hostage-taking resulting in death, conspiring to murder Americans outside the U.S. and conspiring to provide material support to terrorists.

Prosecutors sought to show during the trial that Elsheikh was one of several guards especially feared for their wanton cruelty, including vicious beatings that often left hostages with broken ribs.

Humanitarian aid workers Kayla Mueller and Peter Kassig and journalists James Foley and Steven Sotloff were among their victims in Syria in 2014 and early 2015. The three men were beheaded in gruesome propaganda videos. Ms. Mueller was repeatedly raped by Islamic State leader Abu Bakr al-Baghdadi, according to the testimony of a fellow female captive. The group later claimed without proof that Ms. Mueller was killed in an airstrike. None of their bodies were recovered.

"This prosecution unmasked the barbaric and sadistic ISIS Beatles," said one of the prosecutors on the case, First Assistant U.S. Attorney Raj Parekh. "For the first time, the victims had the opportunity to face an unmasked Elsheikh during trial and describe the atrocious crimes that he committed against them."

In a sentencing memo filed last week, prosecutors argued that Elsheikh's actions contributed to the rape of Ms. Mueller and that his philosophical defense of slavery, as well as the false information the court found Elsheikh had provided about his detention in Syria, necessitated harsh punishment. Several of the counts on which he was convicted carry mandatory life sentences.

Elsheikh's lawyers said he recognized he would spend the rest of his life in prison, but asked the court to consider whether he needed to be sent to solitary confinement. The judge declined to make a recommendation and said that would be for the Bureau of Prisons to decide.

Elsheikh, who was born in Sudan in 1988 and grew up in London, and another member of the cell, Alexanda Kotey, were captured by Kurdish fighters in Syria in 2018 and were in U.S. military custody in Iraq until 2020, when they were brought to the U.S. to face the charges.

He was convicted of being part of a cell that murdered U.S. hostages in Syria.

The Justice Department agreed not to pursue the death penalty against them, paving the way for the British government to provide evidence for their prosecution in the U.S. Kotey pleaded guilty to all counts last year and was sentenced to life in prison in April. In exchange for his cooperation, Kotey could be sent to Britain after 15 years to serve out the rest of his sentence, according to the terms of his plea deal.

The victims "came to Syria to promote peace and enlightenment in a country torn by war," and Elsheikh "responded with systematic, premeditated and relentless abuse and torture," Mr. Parekh said in closing arguments in the April trial. "What these horrific crimes left behind is a legacy of brutal killings and shattered families."

Nina Ginsberg, one of Elsheikh's defense attorneys, sought to cast doubt on his involvement, noting that none of the survivors could identify him as their captor. "As hard as the government tried, it has not proven that Elsheikh was one of the Beatles," she said during the trial.

But testimony from surviving hostages and a former American Islamic State fighter suggested Elsheikh and the other guards were high-ranking figures in the terrorist organization who orchestrated the hostage-taking scheme.

Florida's 'Stop WOKE Act' Runs Into Legal Hurdles

By Arian Campo-Flores

Florida Gov. Ron DeSantis targeted what he considers "woke indoctrination" in April when he signed a bill into law that bars public schools and private employers from mandating certain types of racial-sensitivity instruction. The law's future is now in question amid multiple legal challenges alleging that it violates freedom of speech.

A federal judge in Tallahassee, Fla., on Thursday blocked provisions of the law focused on workplaces, finding that it was likely unconstitutional for infringing on the First Amendment and being impermissibly vague. The same day, a group of students and educators represented by the American Civil Liberties Union and others filed a lawsuit challenging the law on similar grounds. A third lawsuit filed in April by plaintiffs including teachers also is pending.

"If Florida truly believes we live in a post-racial society, then let it make its case," wrote Chief U.S. District Judge Mark Walker of the Northern District of Florida in his ruling Thursday. "But it cannot win the argument by muzzling its opponents."

Mr. DeSantis, a Republican, made the measure—which he dubbed "Stop the Wrongs to Our Kids and Employees (W.O.K.E.) Act"—a key part of his legislative agenda this year. Among other provisions, it establishes that subjecting employees or students to training or instruction that promotes any one of eight concepts constitutes unlawful discrimination. Such concepts include that "a person, by virtue of his or her race, color, sex, or national origin, bears personal responsibility for and must feel guilt" because of past actions by members of the same group.

"No one should be instructed to feel as if they are not equal or shamed because of their race," Mr. DeSantis said when he signed the bill.

In June, a group of plaintiffs, including a honeymoon registry company that planned to provide employees with diversity training, sued to challenge the law. They argued that the measure unconstitutionally prohibited the expression of viewpoints opposed by government officials and chilled speech.

Judge Walker agreed on Thursday, ruling that the plaintiffs were likely to succeed on the merits of the lawsuit because the measure attacks ideas rather than conduct.

"Florida's Legislators may well find Plaintiffs' speech 'repugnant,' " he wrote, citing a 1927 Supreme Court opinion. "But under our constitutional scheme, the 'remedy' for repugnant speech 'is more speech, not enforced silence.' "

Judge Walker granted in part a preliminary injunction that suspended enforcement of the law.

Mr. DeSantis's communications director, Taryn Fenske, said, "Judge Walker has effectively ruled that companies have a First Amendment right to instruct their employees in white supremacy. We disagree and will be appealing his decision." In a court filing, attorneys for the state argued that the law's restrictions didn't violate the First Amendment because willing employees were free to hear about the forbidden concepts.

In the ACLU-backed case, filed Thursday in federal court in Tallahassee against Florida officials, seven professors and one student challenged the law's provisions affecting colleges and universities. They argue that its restrictions on what faculty and students can discuss in the classroom regarding race and gender violate the First Amendment.

Among the plaintiffs are a University of Central Florida professor who teaches courses on feminism, race and philosophy and a statistics professor at Florida State University who discusses the use of race as a variable in social science studies.

—Melissa Korn contributed to this article.

Trump Search Puts a New Focus on FBI

Mar-a-Lago seizure thwarted efforts to keep bureau out of partisan politics

BY ARUNA VISWANATHA

FBI Director Christopher Wray stood before immense paintings of an eagle and an American flag at the field office in Omaha, Neb., last week to talk about how agents had used a tip from Ireland to help save a local hospital from a ransomware attack.

It was the sort of threat Mr. Wray has made a bureau priority to counter. But the first two questions from the press were about former President Donald Trump.

Two days earlier, 1,500 miles away in Florida, Federal Bureau of Investigation agents had seized more than two dozen boxes from Mr. Trump's Mar-a-Lago home in a criminal investigation into the handling of classified documents there.

The seizure set the political world ablaze, with many Republican lawmakers and officials rallying around the former president and describing the unprecedented action of searching an ex-president's house as the Biden administration weaponizing the FBI against its opponents.

It also thwarted what Mr. Wray has been trying to achieve since Mr. Trump appointed him to the job five years ago for a 10-year term: keep the bureau out of partisan politics and the Washington media maelstrom after being at the center of both for years prompted by errors in the handling of investigations into both 2016 presidential candidates.

Meanwhile, Mr. Wray has sought to broaden the bureau's focus on other priorities, especially economic espionage by the Chinese government and the growing blizzard of cyberattacks that have the potential to paralyze the American economy.

The Mar-a-Lago search promises to put the FBI and the Justice Department, which oversees it, under renewed scrutiny that will only intensify if Republicans take control of the House in November's midterms. It has already prompted a rash of new threats against agents, a development Mr. Wray addressed in an interview Thursday in his office on the seventh floor of FBI headquarters in Washington, where a plaque on his wall memorializes the nine agents killed in the line of duty under his tenure.

"I have faith in the American people and I think most people rightly condemn violence and threats of violence, but there are a noisy few who seem to believe otherwise," he said, noting that the bureau was bolstering its own security.

While Mr. Wray didn't address the Mar-a-Lago search in the interview, people familiar with the matter say he was involved in weeks of discussions with Attorney General Merrick Garland and other senior Justice Department and FBI officials about the decision to execute the search warrant at Mr. Trump's Florida home. They said Mr. Wray came to believe it was a step that had to be taken to recover classified documents there.

The day before his meetings in Omaha, Mr. Wray met with officials in Iowa including Republican Sen. Chuck Grassley. "If the FBI isn't extraordinarily transparent about its justification for yesterday's actions and committed to rooting out political bias that has infected their most sensitive investigations, they will have sealed their own fate," Sen. Grassley said in a statement after their meeting.

NATE PALMER FOR THE WALL STREET JOURNAL

FBI Director Christopher Wray has sought to focus the bureau's attention on other priorities, including economic espionage by China.

Wray Cites a Move Toward Violence

FBI Director Christopher Wray traced heightened threats to the bureau to a rise in attacks against all law enforcement and an increase in Americans across the political spectrum who resort to violence to manifest their views.

In an interview with The Wall Street Journal, Mr. Wray said, "Too many people seem to keep forgetting: it's a very special and unique kind of individual who is willing to sacrifice his or her life for a total stranger."

More law enforcement officers were killed last year than in any since 9/11, according to FBI data. Recently, federal agencies have warned of an increase in threats and possible violence in the wake of the FBI's Aug. 8 search of former President Donald Trump's Mar-a-Lago home in Florida.

A Trump supporter and military veteran recently tried to use a nail gun to breach bulletproof glass at the FBI office in Cincinnati, following through on a call for violence he posted on his Truth Social account soon after the Mar-a-Lago search.

Police officers later killed him in a shootout after an hourslong standoff.

—Aruna Viswanatha

Mr. Wray, 55 years old, took over the agency in the wake of Mr. Trump's firing of former FBI Director James Comey. Along with the fallout from the report of an internal watchdog that in 2019 found serious failures in how the FBI sought to monitor a former 2016 Trump campaign adviser, prompting wide-ranging reforms, he inherited an agency that had made other missteps.

A 2021 inspector general report found FBI agents disregarded allegations by Olympic gymnasts that they were sexually assaulted by their former national team doctor Larry Nassar and later made false statements to cover their mistakes.

During the Trump administration, Justice Department officials said they were unsure from one week to the next whether Mr. Wray might be fired. A year-and-one-half into President Biden's term, the FBI's reputation remains tangled up with Mr. Trump.

"To all the pundits, they think what we do looks easy, and they have no shortage of opinions about how we should do it," Mr. Wray told a group of graduating FBI agents last week in Quantico, Va. "Follow the facts wherever they lead, no matter who doesn't like it," he said.

"Trust me, there's always somebody who doesn't like it."

Mr. Wray's low-key approach has drawn the support of many agents, said Brian O' Hare, president of the FBI Agents Association, an association of current and former agents. Others say it won't be sustainable in the current politically heated environment and that he may need to be more vociferous in defending the bureau and articulating his rationales for action.

"I'm concerned that in this polarized and disinformation-driven environment, more may be required," said Greg Brower, a former senior FBI official who worked alongside Mr. Wray. "You may see him in his next five years be more outgoing as the reality has changed and perhaps does require the FBI director to be more outward in terms of defending the bureau and explaining the bureau's work."

A range of sensitive matters have continued to keep the FBI in the middle of the political storm. The investigation into the Jan. 6, 2021, riot has moved beyond the violence of that day—which has already resulted in the arrest of around 850 members of the mob—and closer to those in Mr. Trump's orbit.

Mr. Wray said the bureau has taken on board the lessons of the past few years. "The FBI, at its best, is zealously committed to rigor and objectivity and professionalism and excellence," he said, before adding: "We are humans."

—Sadie Gurman contributed to this article.

U.S. WATCH

CRISTOBAL HERRERA-ULASHKEVICH/EPA/SHUTTERSTOCK

OFFICER MOURNED: Miami-Dade police officers saluted slain Detective Cesar Echaverry as his body was moved from a hospital to the county medical examiner's office on Friday. He was shot in the head Monday while trying to stop a fleeing robbery suspect in Liberty City and died two days later.

GEORGIA

Ban on Food, Water To Voters Stands

A judge has declined to block a section of a Georgia election law that bans handing out food and water to voters waiting in line. Voting-rights groups argued that the provision infringes their free speech rights and should be immediately blocked while the case is pending.

The state had argued that the provision was necessary to protect against conditions at polling places that could raise worries over potential illegal campaigning or vote buying. It also argued it was too close to the November election to make changes.

U.S. District Judge J.P. Boulee said the voting-rights groups may ultimately prevail on part of their challenge, but he said it is too close to the election to block any part of the provision.

—Associated Press

FLORIDA

Eighty-Five Accused Of Drug Smuggling

Eighty-five people have been arrested and millions of dollars in illicit drugs seized in a smuggling operation that used checked bags on commercial flights from California to Florida, investigators said Friday.

Polk County Sheriff Grady Judd said the drugs were hidden in luggage on flights from Los Angeles to Orlando over a two-year period. One seizure involved six pieces of luggage containing nothing but drugs, he said.

The 85 arrests involved 355 combined felonies and 93 misdemeanors in a case centered on drug trafficking in the area around Winter Haven, Fla., authorities said.

Street value of about $12.8 million was estimated for the seizures of drugs.

—Associated Press

UTAH

Transgender Girls Allowed to Compete

Transgender girls in Utah will be given the opportunity to participate in female sports as the school year begins after a judge on Friday reversed a ban pending legal challenges from parents.

Instead of an outright ban, transgender girls will now go before a state commission of political appointees who will determine on a case-by-case basis if they are eligible to participate. Utah's Republican lawmakers created the commission in a law passed earlier this year as a fallback plan to be implemented in case of an injunction against the law.

Under terms of the law, the panel will be allowed to ask for and assess the child's height and weight in making decisions, about whether a transgender girl would have an unfair advantage.

—Associated Press

Buffett Eyes More of Occidental

Continued from Page One

Occidental's common stock. Berkshire also owns warrants to buy another big slug of Occidental's common stock as well as $10 billion worth of preferred shares that pay Berkshire about $800 million annually, filings show.

"It is concluded that the Proposed Transaction is consistent with the public interest," Carlos D. Clay from the FERC's Office of Energy Market Regulation wrote in the filing.

A spokesman for Occidental confirmed that Berkshire could now buy up to 50% of Oxy's common shares and didn't comment further. A Berkshire Hathaway representative didn't immediately respond to a request to comment.

Mr. Buffett has invested billions in renewables, such as wind-farm projects, through Berkshire's energy unit and has also added oil companies to the holding company's portfolio in recent years. Chevron Corp. is now one of Berkshire's largest stock investments.

Occidental has raked in high profits from elevated oil prices, netting $3.7 billion in the second quarter of this year. The profits are a dramatic turnaround for the company, which lost around $14.8 billion in 2020 after the global pandemic gutted oil demand. Berkshire's buying of the stock, as well as that of the many investors who follow Mr. Buffett's moves, has helped lift Occidental's shares to the head of the broad rally in energy stocks.

Occidental's ill-timed $38 billion deal to take over rival Anadarko Corp. in 2019 loaded the company with debt, leaving it in a perilous position as oil prices tumbled during the pandemic. Chief Executive Officer Vicki Hollub made deep spending cuts over the past two years, moved to rein in growth and focused on using cash to pay down debt.

The company has repaid $8 billion in debt this year to bring it to $22 billion, down from nearly $36 billion a year ago, according to the company and analysts. Occidental's endeavor to restore investment-grade status and its cash-generating capabilities have made it an attractive target for Mr. Buffett, said Neal Dingmann, an analyst with Truist Securities. "It's a great sort of hedge against a lot of his other businesses to own such a high free-cash-flowing business," he said.

Mr. Buffett has made no secret of his admiration for Ms. Hollub, describing her as one of the best executives in the business. In 2019, he acquired $10 billion in preferred stock to help the company pay for the Anadarko deal.

"What Vicki Hollub was saying made nothing but sense," Mr. Buffett said at Berkshire's annual shareholder meeting in April. Occidental looked like "a good place to put Berkshire's money," he added.

Mr. Buffett had to show his hand to the market because power plants controlled by both Occidental and Berkshire Hathaway feed the same grid in Louisiana. Occidental owns a power plant in Taft, La., that feeds its chemical plant next door. Leftover power is sold on the local grid, which Berkshire Hathaway Energy plants also feed.

NATI HARNIK/ASSOCIATED PRESS

The billionaire's company won approval from regulators to buy up to half of Occidental Petroleum.

FERC ruled that since Occidental's plant accounts for just 0.48% of the capacity connected to the region's grid, a combination with Berkshire "will not have an adverse effect on competition" in the local electricity market. Mr. Buffett had to ask, though, before beefing up Berkshire's Occidental stake.

In recent years, Occidental has ventured into renewables through its Oxy Low Carbon Ventures unit. This new focus dovetails with Berkshire's own investments in renewable energy and puts Mr. Buffett's company in a position to benefit from tax breaks, said Bill Smead, chief investment officer at Smead Capital Management.

"We see Berkshire's filing as a vote of confidence in the oil macro and the value proposition in energy equities," said Kevin MacCurdy, a managing director at investment firm Pickering Energy Partners.

WORLD NEWS

New U.S. Aid Package Includes Drones

Nearly $775 million in assistance brings total of military aid to Kyiv to about $10.6 billion

By Gordon Lubold

WASHINGTON—The U.S. is sending mine-resistant vehicles, drones, new missile systems and other fresh types of military assistance to Ukraine in the latest tranche of aid, officials said Friday.

The new $775 million assistance package brings the total of military aid to Ukraine to about $10.6 billion since the Biden administration entered office last year. It is the 19th such package of aid the Biden administration has announced since the conflict began.

The U.S. will send Ukraine more than a dozen ScanEagle surveillance and reconnaissance drones for its fight against Russian forces there, as well as new types of howitzers, antitank missile systems, and ammunition for Carl Gustaf recoilless rifles already in the Ukrainians' arsenal.

ROMEO RANOCO/REUTERS

The U.S. will send Ukraine more than a dozen ScanEagle surveillance and reconnaissance drones. ScanEagle drones are shown in 2018.

The package also includes more ammunition for other systems already deployed there, giving the Ukrainians the ability to continue countering Russian forces in the east and inside Russian-occupied Crimea, officials said.

The U.S. is also for the first time providing Mine Resistant Ambush Protected vehicles, or MRAPs, and other mine-clearing equipment, for use in the swaths of territory Russia has mined, officials said.

U.S. defense officials said at this juncture of the war they are looking at ways to provide support and maintenance capabilities, as well as new capabilities such as the mine-clearing equipment, as the nature of the conflict shifts, potentially to help Ukraine to retake more territory from the Russians.

"We will continue to consult with the Ukrainians to make sure that we are providing them what they need, when they need it," a senior defense official said Friday.

The new aid comes as the conflict, now in its sixth month, reaches a stalemate, with neither the Russian nor Ukrainian sides making significant progress against the other, officials said.

In addition to the 15 ScanEagle drones, about 40 MRAPs, 16 new Howitzers and ammunition, defense officials announced more ammunition for the High Mobility Artillery Rocket System, or Himars, that the Ukrainians are using to target Russian positions, as well as well as about 1,000 more antitank Javelins and the rounds to go with them.

"We see this as a continuing aspect of Ukrainian success," the official said.

About 50 Humvee trucks are also in the package, as well as smaller gear such as secure communications and night vision goggles, officials said.

It also includes artillery and ammunition, thermal imagery and optics systems.

Blasts Hit Russian-Held Territory and Border Region

By Ian Lovett
And Evan Gershkovich

ODESSA, Ukraine—A series of explosions rocked Crimea and a border region inside Russia overnight, punctuating a new phase of the war in which Ukraine is targeting enemy bases and infrastructure deep behind the front line.

An ammunition depot in Russia's southern Belgorod region bordering Ukraine ignited late Thursday, the region's governor wrote on his social-media pages. Around the same time, unverified videos on social media showed billowing clouds of smoke and fire in the city of Kadiivka in Ukraine's eastern Luhansk region, which Russian forces captured in early July. Russian-installed authorities in Luhansk said Ukrainian forces had struck the city with U.S.-supplied Himars mobile rocket launchers.

Air-defense systems were also activated in the occupied city of Kerch, Oleg Kryuchkov, an adviser to the Russian-appointed head of Crimea, which Russia seized in 2014, wrote on his Telegram channel.

Residents in the Crimean city of Sevastopol, the headquarters of Russia's Black Sea Fleet, reported explosions at the local military airfield Thursday night. Sevastopol's governor, Mikhail Razvozhayev, wrote on his Telegram channel that a drone had been shot down near the airfield but denied the airfield had suffered an attack.

A Western official said Friday that an earlier attack on a Russian air base in Crimea had put more than half of that fleet's naval aviation combat jets out of use.

Ukrainian officials have typically stopped short of claiming responsibility for successful attacks behind Russian lines. Ukrainian presidential adviser Oleksiy Arestovych listed on Twitter all of the sites that had been targeted and wrote: "As you understand, we have nothing to do with it."

Russian officials didn't immediately comment.

> **The explosions appear to intensify Kyiv's strategy of hitting supply lines.**

On Wednesday, Mykhailo Podolyak, another adviser to Ukrainian President Volodymyr Zelensky, had suggested that the Kerch bridge connecting Crimea to mainland Russia is a legitimate military target for Ukraine. Mr. Kryuchkov wrote Thursday that Kerch and the bridge weren't in danger.

The explosions near Russian ammunition depots, airfields and bridges appeared to intensify the strategy Ukrainian forces have adopted in recent weeks—hitting Moscow's supply lines in hopes of starving Russian troops west of the Dnipro River in the occupied Kherson region of resources and ultimately forcing them to retreat.

Thursday was the first day since early July without evidence or Russian claims of any territorial gains, according to the Institute for the Study of War, a Washington-based think tank.

The two sides are also trading accusations about plans to attack the Russian-occupied Zaporizhzhia nuclear plant, Europe's largest nuclear-power station.

Lt. Gen. Igor Kirillov, chief of Russia's radiation, chemical and biological defense forces, said Thursday that Ukraine was planning to cause "a minor accident at the nuclear-power plant and, thereby, disrupting the normal and safe operation of the nuclear-power plant, blaming Russia for this."

Ukrainian intelligence, meanwhile, posted on Facebook that employees from Rosatom, the Russian state nuclear corporation, have been advised to stay away from the plant on Friday, because the Russians were planning to "organize a real terrorist attack on Europe's largest nuclear facility."

Neither side provided any evidence for their claims.

Pipeline To Close Again

Continued from Page One

dollars returning to Russia.

But since the months leading up to Russia's invasion of Ukraine, President Vladimir Putin has used Russia's stranglehold on European energy to try to divide the West. His hope, analysts say, is to counter the economic blockade of Russia by forcing financial pain in the other direction, undermining the willingness of European capitals to funnel arms and money to Kyiv.

European leaders expect Russia will keep gas flowing at a low level to toy with the region and create uncertainty. A full cutoff is also possible but would exact a cost on the energy export-dependent Russian economy, which is under strain from Western sanctions.

Russia will continue to intermittently interrupt gas supply to Europe in the coming months to keep pressure elevated and send gas prices higher before a full interruption, said Simone Tagliapietra, a senior fellow at Bruegel, a think tank.

"European Union countries should increase action to save gas and prepare for difficult times ahead," he said. "Winter is coming, and we cannot be unprepared."

EU gas storages are now around 76% full, broadly in line with their historical average for this time of the year. Germany, at around 78%, has recently been filling up its storage faster than anticipated. However, even full storage might not be enough to see the region through the winter if Russian flows stop completely.

Gazprom said Friday that the maintenance would take place between Aug. 31 and Sept. 2 and if no faults are discovered, it would restore the flows at the current rate.

Gas prices in Europe, trading at record highs, rose further on the news, with futures at a trading hub in the Netherlands, the benchmark in northwest Europe, jumping more than 5%.

If Russia stops the gas over winter, Europe's fragile economy will likely plunge into recession, analysts and officials have warned. Soaring electricity prices forced some energy-intensive industries, such as metal-forging operations, to announce shutdowns this week.

MARKUS SCHREIBER/ASSOCIATED PRESS

Nord Stream has become a flashpoint since Russia invaded Ukraine.

The temporary closure wasn't previously announced and comes just weeks after the 760-mile-long Nord Stream pipeline—which connects Russia's prolific Siberian gas fields with Germany under the Baltic Sea—was shut for 10 days of annual maintenance in July.

After the work ended, Gazprom restored the flow, but only to 40% of capacity. It later cut that to 20%, saying it

> **Gazprom said the pipeline would shut for three days, if no problems are found.**

couldn't maintain normal flow without a turbine that had been undergoing maintenance in Canada. Other turbines also needed maintenance, it said.

German Chancellor Olaf Scholz has rejected that explanation, saying Russia refused to take delivery of the turbine. He has said there were no technical or legal reasons for reducing the gas supply.

The Kremlin has said that Russia needed to be certain the turbine wasn't sanctioned and wouldn't be turned off remotely under the pretext of sanctions. It has repeatedly dismissed accusations that gas supplies were used for political leverage.

Cuts via Nord Stream affect other European customers because Germany exports some of the gas. It also creates global ripples, including in the U.S. where natural gas prices this week hit their highest since 2008. The U.S. has become a major exporter of super chilled liquefied natural gas to Europe.

On Friday, Gazprom said that the only remaining turbine at the pipeline's compressor station had to undergo maintenance, calling it a routine procedure that is supposed to take place every 1,000 hours of operation of the turbine.

Germany's Federal Network Agency, the country's energy regulator, said Friday that it was monitoring the situation.

For Russia, cutting supply to Europe is a gamble. With Russian domestic storage filling up fast, more gas wells might need to be closed. Once closed, some wells lose pressure and are costly or impossible to reopen.

Russia's options to reroute the flows to Asia or other markets are limited by its mostly European-facing infrastructure. A pipeline to China opened in 2019 but has limited capacity. A second one is now the subject of negotiations with Beijing but won't be ready for years.

Before Russia's invasion of Ukraine, the European Union imported about 40% of its gas from Russia. Governments across Europe are trying to secure gas from other suppliers, including Norway, Algeria, the U.S. and Qatar, which often comes in the form of liquefied natural gas transported by ship.

Watch a Video

Scan this code for a video on Russia's use of energy as an economic weapon.

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Xi Weighs Putin Meeting in Uzbekistan

By Keith Zhai

Preparations are under way for Chinese leader Xi Jinping to travel to Central Asia to meet with Russia's Vladimir Putin and other leaders at a regional summit in mid-September, according to people familiar with the planning.

The tentative addition of a trip to Mr. Xi's schedule was prompted by House Speaker Nancy Pelosi's visit to Taiwan this month, which was seen in Beijing as an escalation of Western pressure on China, some of the people said.

People involved in preparations for the annual summit of the Shanghai Cooperation Organization, scheduled to take place in the Uzbek city of Samarkand on Sept. 15 and 16, said Mr. Xi's office signaled this week that he might attend in person, though they cautioned that his plans remain in flux. The office has also begun preparing bilateral meetings on the sidelines of the summit with the leaders of Pakistan, India and Turkey, who also are planning to attend, they said.

Planning for Mr. Xi's attendance began only after angry warnings and threats of retaliation failed to dissuade Mrs. Pelosi from visiting Taiwan, a democratically self-governed island that Beijing claims as part of China, according to some of the people. China's leadership is concerned that intensified tensions with Washington over Taiwan could lead to an accidental military encounter, they said.

China's Foreign Ministry, the Kremlin, the Uzbek Foreign Ministry and the Shanghai Cooperation Organization didn't respond to requests to comment. Russia's state-run TASS news agency said in June that Mr. Putin planned to attend the summit but didn't mention a meeting with Mr. Xi.

A trip to Samarkand would underline Mr. Xi's goal of cultivating tighter security relationships with countries that aren't U.S. allies as a bulwark against Western efforts to contain China, Chinese officials said.

The Shanghai Cooperation Organization is a regional security bloc founded by China, Russia and Central Asian states in 2001, and it has been described by some observers as a "NATO of the East," referring to the North Atlantic Treaty Organization. The group expanded in 2017, adding India and Pakistan. Observer states include Iran and Afghanistan, while Turkey is listed as a dialogue partner.

Plan comes after Mrs. Pelosi's trip to Taiwan heightened U.S.-China tensions.

Diplomats from some SCO countries said Mr. Xi was expected to attend, though a final decision has yet to be made on whether he would do so in person or virtually.

"Our world has entered a new period of volatility and transformation with the combined impact of major changes," Chinese foreign ministry spokesman Zhao Lijian said in a regular news conference ahead of a meeting of SCO foreign ministers late last month. "China is ready to work with all parties to strengthen solidarity and mutual trust."

The Wall Street Journal earlier reported that Mr. Xi is planning to visit Southeast Asia and meet face-to-face with President Biden in November, in what would be the first such encounter since Mr. Biden's inauguration. In an interview with Bloomberg News published Friday, Indonesian President Joko Widodo said that Mr. Xi is planning to attend the Group of 20 summit on the resort island of Bali in November, which Mr. Biden is also expected to attend.

A meeting with Mr. Putin ahead of the meeting with Mr. Biden would send a signal of Mr. Xi's commitment to strong China-Russia ties, which were described by the Chinese foreign ministry as having "no limits" after a meeting between Messrs. Putin and Xi in February in Beijing, weeks before Russia's invasion of Ukraine.

Mr. Putin this week called Mrs. Pelosi's visit to Taiwan a "thoroughly planned provocation" by the U.S., designed to sow chaos. Beijing said the Russian leader's remark demonstrated "high-level strategic coordination between China and Russia." The two militaries will also conduct side-by-side drills later this month in the Russian Far East.

In China, Billionaire Sentenced To 13 Years In Prison

By Keith Zhai

Xiao Jianhua, a Canadian-Chinese billionaire whose abduction from Hong Kong five years ago sent shock waves through China's business community, was sentenced to 13 years in prison by a Shanghai court after pleading guilty to charges including graft and illegal handling of funds.

Mr. Xiao used the company he founded, Tomorrow Group, to pay bribes to unnamed government officials totaling around $100 million over 20 years, according to a statement from the Shanghai No. 1 Intermediate People's Court released Friday through state media. It said Mr. Xiao used companies he controlled to illegally collect more than $45 billion in public deposits.

The charge of illegally collecting public deposits is typically leveled against individuals accused of selling real estate or raising funds for investment from regular people under false pretenses or without the proper licenses.

Mr. Xiao couldn't be reached. Mr. Xiao's relatives didn't respond to a request to comment.

Human smugglers removed Mr. Xiao from Hong Kong's Four Seasons Hotel, where he lived in a serviced apartment, and spirited him to mainland China in 2017. Before his disappearance, he controlled a sprawling business empire covering sectors ranging from insurance to beet farming, and was known for having business connections with Beijing's political elite.

The court said Mr. Xiao's sentence was reduced in part because he "turned himself in." The court said he also showed contrition and helped authorities mitigate losses.

Mr. Xiao faced trial in July after spending years being held mostly in isolation. Neither relatives nor Canadian diplomats were granted access to the trial.

The Canadian government said in a statement that it made repeated attempts to attend Mr. Xiao's trial but was denied by the Chinese government. "The lack of transparency in Mr. Xiao's legal process is very concerning, as is the ongoing lack of consular access which prevents us from being able to assess his well-being," it said.

Sri Lanka's Farmers Struggle to Survive

By Shan Li And Philip Wen

GALENBINDUNUWEWA, Sri Lanka—For more than half a century, Pahatha Mellange Jayaappu has tilled the field on his modest farm in Sri Lanka's agricultural heartland, unswayed by recurrent political and economic turmoil.

Now, the 71-year-old is just trying to eke out enough of a harvest to feed his family after an abrupt ban on chemical fertilizers last year devastated his crops. He says he has given up on planting for profit.

"We have lived through armed insurrections and bad government policies," Mr. Jayaappu said. "This is the worst year I've ever seen. They have destroyed the farmers."

Many Sri Lankans aren't getting enough to eat, and farmers and agricultural experts say the food shortages are set to worsen. The government reversed the ban in November and promised fresh supplies of chemical fertilizers, but farmers said many got only a small amount, and too late for the current growing season.

The nationwide yield from this month's rice harvest—one of two each year—will likely be just half the normal level, said Manoj Thibbotuwawa, a food-security expert at the Institute of Policy Studies of Sri Lanka, a Colombo-based think tank. Yields of other major crops such as corn and sorghum likely will be off 30% to 60%.

DEEPTI ASTHANA FOR THE WALL STREET JOURNAL

Pahatha Mellange Jayaappu is trying to eke out enough of a harvest to feed his family.

The island nation of 22 million has been in the grip of an economic crisis long in the making. Financial pressures started mounting before the pandemic because of debt-fueled infrastructure spending and tax cuts that slashed government revenue. Then Covid-19 battered the tourism industry, and the war in Ukraine roiled global markets for food and fuel.

The ban on imports of agricultural chemicals took effect in May 2021, and the rice harvest the following March was down 40%, according to government data. Prices soared. Sri Lanka, which had been largely self-sufficient in rice, was forced to use some of its fast-dwindling foreign reserves to import the key staple. Other crops such as tea, an important foreign-exchange earner, also have suffered. In May, the country defaulted on its external debt.

Nearly 6.3 million Sri Lankans lack access to adequate food, the United Nations World Food Program reported last month, and well over half of households are cutting back on meals or eating less-nutritious foods. Food inflation crossed 90% in July, show official data.

"Never before in modern history have we faced famine of this scale," President Ranil Wickremesinghe said last month.

Mr. Wickremesinghe was installed by Parliament last month after his predecessor, Gotabaya Rajapaksa, fled the country and resigned in the face of mass protests over fuel shortages and food prices. The new president has warned that the country needs to find a further $300 million to import enough fertilizer to prevent another rice disaster. The next crop will be sown in September.

Mr. Rajapaksa billed the ban as a nationwide shift to organic farming, but agricultural experts say that requires a yearslong transition. Opposition lawmakers said cutting off imports of fertilizer, which the government heavily subsidizes for farmers, was a shortsighted attempt to hold on to foreign reserves.

In Anuradhapura district, a major hub of rice farming in the northern part of Sri Lanka, many farmers say they don't believe that their troubles will end soon. About half the farmers in the region have given up on commercial farming.

"Even those who cultivate the land don't have enough to eat," said 66-year-old farmer Wasala Mudiyansalage Walamaga Gedera Weerakoon Banda. His 1-acre farm, which usually produces about 2,000 kilos of rice—allowing him to sell part for a profit—can't produce enough to feed his family, he said.

Farmers complained that the organic fertilizers that came on the market after the ban took effect were poor quality. And the haste of the ban left insufficient time to make their own compost, or learn how to farm organically.

Sanath Sisira tried sprinkling cow and chicken manure onto his fields, which helped his guava plants some but had zero effect on his rice crop.

"You can't just throw food waste into the fields," he said. Without chemical pesticides, he added, bugs have devoured his melon crop. He says trucks hauling crops are trailed by flocks of crows, as they are crawling with insects.

The government began supplying chemical fertilizers at a subsidized price to farmers on Monday, and global organizations such as the World Bank have agreed to provide financial assistance to buy fertilizer, said W.M.D. Wanninayake, spokesman for the agriculture ministry.

Recreational Users Test Limits of Thailand's Hazy Pot Rollout

By Feliz Solomon

BANGKOK—On a recent Friday night at Tortuga, Art and Weird Café, assistant manager Gus Maneerak slid a pair of chopsticks into a jar and plucked out a few choice chunks of cannabis.

"We like to keep it traditional around here," he said, using the ubiquitous Asian utensil to weigh out a gram of Beast Mode, one of almost a dozen varieties on offer at the venue, a popular hangout for university students who like to smoke and play board games, or just zone out to music.

Business is booming since Thailand this year became the first country in Asia to decriminalize the cannabis plant—a bold experiment in a region where harsh antidrug policies are the norm. But after lifting most restrictions in one fell swoop, authorities are trying to rein it in before their country earns a reputation as the Amsterdam of Asia.

LAUREN DECICCA/GETTY IMAGES

Health Minister Anutin Charnvirakul with people who got free cannabis plants from the Thai government to celebrate pot legalization.

The rollout, which began in June, was intended to involve two steps. While the government removed the plant from the official list of banned narcotics—with the aim of fostering the medical-cannabis industry, they said—lawmakers were charged with legislating new ground rules to prevent recreational use, setting out who could do what with weed, where and why. The first part happened, but amid parliamentary gridlock, the second didn't.

Within a few weeks, entrepreneurs were testing the limits. Cafes and restaurants added cannabis-infused cocktails, curries and cakes to their menus. Dispensaries advertised exotic strains with infographics detailing their unique properties: Try a bit of Amnesia to feel energized and creative, or Papaya Cake for relaxation and sexual arousal.

"We've set a few house rules," Mr. Maneerak said. "For example: If you're gonna puke, go puke outside."

Facing a legal void, health officials rushed out directives setting some basic limits. Cannabis couldn't be sold to anyone under the age of 20, or to pregnant women or breastfeeding mothers, one directive said. Another said smoking cannabis in public was banned because it created a cloud of aromatic fumes that could affect other people. This constituted a public nuisance punishable by up to three months in prison and a fine of more than $700, it said.

"We're still in this legal vacuum, and a lot of people are trying to cash in," said Kitty Chopaka, an advocate of decriminalization and the owner of a dispensary in the capital, Bangkok. Ms. Chopaka said she is on a committee with policy makers to help hammer out the new rules that might eventually flesh out new processes for obtaining commercial licenses, definitions for permissible uses and penalties for violations.

Until those are passed, supply is plentiful. Cafes offer edibles such as brownies, cookies and popcorn made with weed. One advertised a "keto" doughnut, referring to the high-fat, low-carbohydrate ketogenic diet. These products sell for a few dollars each, and some are potent enough to get as many as four people high. No doctor's note is required, though a few cautious customers preface their purchases with vague claims to staff about ailments like intermittent ankle pain or difficulty sleeping.

"Our customers are definitely here for fun, not for medicine," said Nok Siraphatt, the owner of Loft Coffee, a cafe in Bangkok that sells cannabis and weed-infused drinks.

Cannabis is used in many countries to treat conditions such as chronic pain and to ease some side effects of chemotherapy. Almost half of U.S. states also allow recreational use, treating cannabis as a regulated substance like alcohol.

In Thailand, the Health Ministry led the charge for decriminalization. Officials said it would help Thailand tap into a multibillion-dollar medical-marijuana industry, and give people more freedom when making choices about their healthcare. The government freed thousands of prisoners jailed on cannabis-related charges, gave away a million seedlings and launched an app to educate citizens about the plant's properties and register their crops.

Only the plant's extracts—a concentrated form of its active chemicals—are still considered narcotics, and only if they contain more than 0.2% of tetrahydrocannabinol, or THC, a psychoactive compound that gets people high.

Not everyone was elated. Illicit drugs pose persistent problems across Asia—a major source of the world's opiates and methamphetamine—and some countries take a zero-tolerance approach to all narcotics, such as Singapore, where the death penalty is used to punish trafficking in excess of certain amounts and citizens are liable for using drugs abroad.

After Thailand's policy change, Thai embassies in Singapore, Indonesia, Japan and Vietnam warned travelers not to bring cannabis in from Thailand, as did authorities in Malaysia.

Thailand's health minister, Anutin Charnvirakul, defended the policy last month, as lawmakers grilled him on it and an apparent surge in recreational use. He reiterated that it was motivated by health and economic concerns, and said he hoped the new law regulating its use would be passed soon. "We're very confident that we can control the use of cannabis in appropriate ways," he said.

North Korea Slams Offers From South

By Dasl Yoon

SEOUL—South Korean President Yoon Suk-yeol sought to shake up frothy inter-Korean ties Monday with what he called an "audacious plan." He offered food aid and economic assistance that could modernize North Korea's airports and hospitals—only if Pyongyang showed some commitment to denuclearize.

By the end of the week, North Korea gave its answer: "We don't like Yoon Suk-yeol himself."

The biting remark came from Kim Yo Jong, the sister of the country's leader and regime mouthpiece, via a Friday statement published in North Korean state media. It was titled, "Don't have an absurd dream."

The conservative Mr. Yoon took office in May and promised a firmer hand with Pyongyang's perceived misdeeds. The South Korean leader's latest proposal represents the "height of absurdity," Ms. Kim said.

"Dogs will always bark, as a pup or an adult, as the same goes for the one with the title of president," Ms. Kim said.

Mr. Yoon is childish to think he can barter economic cooperation for nuclear weapons, Ms. Kim added, pointing to similar failed offers by his South Korean predecessors and the U.S.

The Kim regime's rejection of Seoul's latest proposal sets the stage for Pyongyang to heighten tensions on the Korean Peninsula and justify an acceleration of weapons provocations that were largely put on hold this summer as it battled a Covid-19 outbreak.

North Korea has grown more bellicose against its neighbor in recent weeks, threatening to annihilate the South's military and blaming Seoul for creating the impoverished country's Covid outbreak. In the Friday statement, Ms. Kim slammed coming joint military drills between Seoul and Washington, calling them "war exercises."

Hours after Ms. Kim's remarks ran in North Korean state media, South Korea's presidential office expressed regret about Pyongyang's response. The meaning of Mr. Yoon's plan had been distorted, and North Korea should consider more careful deliberations about the proposal, the office added.

Mr. Yoon, a 61-year-old career prosecutor, has taken a harder line against North Korea than his left-leaning predecessor who preferred engagement. He has backed pre-emptively striking North Korea in the event of an imminent threat and has called on strengthening deterrence. Yoon administration officials routinely refer to North Korea's missile tests as provocations, phrasing rarely used by the prior government.

The tougher talk doesn't mean Seoul is opposed to diplomacy. Mr. Yoon has said he would meet with Kim Jong Un, though only when negotiations could produce tangible results toward denuclearization. Any such inter-Korean meeting shouldn't be a mere political show, Mr. Yoon said at a Wednesday news conference marking his 100th day in office.

North Korea, after laying low for more than two months, returned to weapons tests on Wednesday, test-firing two cruise missiles.

JORGE SILVA/PRESS POOL

Kim Yo Jong, sister of North Korean leader Kim Jong Un.

HENRY NICHOLLS/REUTERS

People walk past closed gates at an entrance to Waterloo Underground station, as London Underground employees strike over pay.

London Tube Workers Go on Strike

By Alyssa Lukpat And Elissa Miolene

LONDON—Much of London's transportation network came to a halt Friday as thousands of subway workers went on strike after negotiations with the government stalled over pay and working conditions.

The strike closed down most of the underground lines, a lifeblood for the city, as about 10,000 workers protested in part because they say their wages haven't kept up with surging inflation rates, according to the National Union of Rail, Maritime and Transport Workers, or RMT, and Transport for London, a government agency.

London has come to a standstill several times this year because of underground worker strikes. The workers and union have been protesting a series of cost-cutting measures Transport for London, or TfL, has proposed, including layoffs, pay cuts and pension reductions. The agency's budget has been tight since ridership dropped off during the pandemic, and TfL is in negotiations with the government over funding.

"The government needs to stop trying to get services on the cheap," said Mick Lynch, the union's general secretary. The union represents more than 83,000 British transportation workers.

Andy Lord, TfL's chief operating officer, said Wednesday the RMT is seeking assurances that no organization could meaningfully provide. He added that no proposals on pensions or terms and conditions have been made, and no one has or will lose their jobs because of the agency's proposals.

TfL warned residents and visitors not to travel on the system, known as "the Tube," on Friday, saying there would be little to no train service.

Across the city on Friday, commuters scrambled to get around. Many workers had planned to stay home.

Outside the black grates of central London's Farringdon Station, which includes both subway and train stops, the platform was much quieter than on a typical Friday afternoon—aside from a few travelers scrutinizing their smartphones for alternate routes to their final destinations. One woman, upon arriving, shouted an exasperated expletive over her phone. "I can't believe I forgot," she said.

The Tube workers walked out a day after thousands of rail workers across the country held their own strike over pay and other issues. The rail workers planned to strike again Saturday, leaving only about 20% of Britain's trains running, according to Network Rail, the agency that manages most of Britain's railways.

Mayor Sadiq Khan said he was frustrated by the Tube strike. "This will have a serious impact on London's businesses and commuters, at a time when we're working to get more passengers back on to the network and boost the capital's economic recovery," he said Friday.

The U.K. has been hobbled by a series of walkouts this year on its transportation systems, including dayslong strikes in March and June. The transportation workers have been negotiating with the government for months over proposed changes, including a potential inflation-adjusted raise.

The country's annual inflation rate topped 10% in July, the Office for National Statistics said this week. It is forecast to continue to rise as energy prices soar in Europe. Consumer prices have skyrocketed, squeezing household budgets.

WORLD WATCH

PUNIT PARANJPE/AGENCE FRANCE-PRESSE/GETTY IMAGES

HANG ON: A Hindu devotee clung to a rope Friday after breaking a curd pot as a human pyramid collapsed below him during the Janmashtami festival in Mumbai marking the birth of the god Krishna.

NICARAGUA

Police Arrest Bishop Critical of Regime

Nicaraguan police on Friday detained a Roman Catholic bishop who is an outspoken critic of President Daniel Ortega along with several priests and seminarians in the latest move against opponents of his government.

Riot police raided the residence of Bishop Rolando Álvarez in Matagalpa, one of Nicaragua's main cities in the north of the country, at around 3 a.m., the Matagalpa diocese and Catholic priests said. Police knocked down the door and took the men in vehicles, local media reported.

The National Police said in a statement that Msgr. Álvarez was taken to the capital, Managua, where he was placed under house arrest at another residence, and was able to meet with relatives and converse with the vice president of the Nicaraguan Episcopal Conference.

Vice President Rosario Murillo, who is Mr. Ortega's wife and the government spokeswoman, responded to an email request for comment with a note simply saying: "Thank you ... ! Regards."

—Juan Montes

SYRIA

Market Blast Kills 3 Children, 12 Adults

A rocket attack on a crowded market in a town held by Turkey-backed opposition fighters in northern Syria killed 15 people on Friday and wounded dozens, an opposition war monitor and a paramedic group said.

The attack on the town of al-Bab came days after a Turkish airstrike killed at least 11 Syrian troops and U.S.-backed Kurdish fighters. The Syrian Observatory for Human Rights, an opposition war monitor, blamed Syrian government forces for Friday's shelling, saying it was in apparent retaliation for the Turkish airstrike.

The Observatory said three children were among the 15 killed, and that there were more than 30 wounded.

The U.S.-backed Kurdish-led Syrian Democratic Forces said in a statement that its fighters didn't shell al-Bab. There was no comment from the government.

In other developments, the Observatory and the U.S. military said a drone strike late on Thursday night in northeastern Syria killed four women and wounded several others.

—Associated Press

FINLAND

Leader Defends Actions at Party

Finland's Prime Minister Sanna Marin said Friday she has taken a drug test "for her own legal protection" after a video was leaked of her dancing and lip-syncing songs at a private party. Ms. Marin defended her actions, saying she drank alcohol with friends but didn't do any drugs.

A video posted on social media Thursday shows six people at a party dancing and lip-syncing a song. Later in the video, the 36-year-old prime minister is on her knees dancing while lip-syncing.

Ms. Marin, the Nordic country's youngest-ever prime minister, said she didn't have any government meetings that weekend and "I had some time off and I spent it with my friends. And I didn't do anything illegal." It was unclear when the party was held.

Critics have noted that Finland, which shares a 832-mile land border with Russia, faces high electricity prices among other serious fallout from Russia's invasion of Ukraine.

Ms. Marin has said previously that she will continue to have a personal life despite her job.

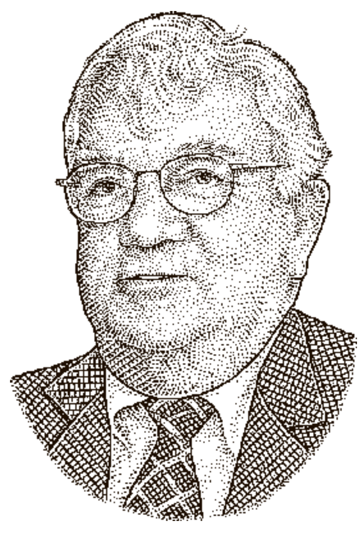
—Associated Press

OBITUARIES

CHARLIE LOUDERMILK
1927 — 2022

Army Surplus Chairs Gave Entrepreneur His Start

By James R. Hagerty



Charlie Loudermilk was helping his mother run restaurants in Atlanta in 1955 when he hatched a business idea. He bought 300 used wooden folding chairs from an Army surplus dealer and rented them to an auction house, on a per day basis, for a dime apiece.

He was off and running in the furniture-rental business as the founder of the company now called Aaron's Co. Or perhaps not exactly running, because it turned out to be a long slog.

Mr. Loudermilk, who died Aug. 3 after a stroke at the age of 95, worked long hours and often had to scramble. When demand for rented punch bowls exceeded his supply, he once had to dash home and grab a silver bowl—one of his wife's favorite wedding gifts.

It was 27 years before Aaron's was ready to sell stock to the public, giving Mr. Loudermilk a major financial boost and the wherewithal to match his address in Atlanta's tony Buckhead neighborhood. The struggles continued. Furniture rental was never going to be a prestigious business.

Often, Mr. Loudermilk told the Atlanta Business Chronicle, "you're dealing with people who have not handled their money or their life responsibly. You have to go and repossess things."

In a 2011 memoir, "Charlie," Mr. Loudermilk wrote that he never would have gone into the rental business if he had realized how difficult it would be and how much stress it would put on himself and his family.

Yet furniture rental made Mr. Loudermilk a civic leader and philanthropist in Atlanta. It also gave him a bit part in history when his company rented tents to civil-rights demonstrators led by Martin Luther King Jr. during the march from Selma to Montgomery, Ala., in 1965. Wary of controversy, Mr. Loudermilk had the tents delivered in a Hertz truck rather than one emblazoned with his brand name.

Though he was a conservative Republican, Mr. Loudermilk was one of the few white business leaders who publicly supported Andrew Young, a Black Democrat, when he ran successfully for mayor of Atlanta in 1981. Mr. Young, who had already served in Congress and as U.S. ambassador to the United Nations, recalled in an interview that he sought Mr. Loudermilk's help.

"I could win without the business community," Mr. Young said, "but I could not run the city without the business community." Mr. Loudermilk "caught a lot of hell" from white business leaders for supporting the Young campaign but laughed it off, the former mayor said.

Robert Charles Loudermilk, known as Charlie, was born July 12, 1927, and grew up in Atlanta. His father worked on electrical lines for Georgia Power. His mother managed school cafeterias before becoming a restaurant owner.

He learned to box, played high-school football and enrolled at Georgia Tech, where he floundered. After a brief stint in the Navy, he switched to the University of North Carolina at Chapel Hill. In Chapel Hill, unlike in Atlanta, no one knew he came from the wrong side of the tracks. He was jovial and remembered people's names. That helped make him a leader in student government and chairman of the Interfraternity Council.

He was a good-time Charlie. "A couple of times I got so drunk that I had to be taken to the hospital," he wrote. At one point, a student newspaper reported that Mr. Loudermilk was "going to try studying a while after participating in virtually every other activity on campus."

Skipping classes got him kicked out of school. Furious, he vowed to abandon his education, until an alumni-association leader talked sense into his head. He graduated with a degree in business in 1950.

In the early 1950s, he thrived as a salesman for makers of milk and pharmaceuticals before returning home to work with his mom.

The booming Atlanta economy brought in people who needed to furnish temporary apartments with sofas and TV sets. Because he couldn't rely on furniture factories to deliver fast enough, he set up his own furniture plants. Franchising allowed him to create a national rental chain.

Mr. Loudermilk is survived by three children and five grandchildren. Two marriages ended in divorce.

He and Andrew Young often disagreed on issues but never tired of talking about politics. Their mutual respect endured. Shortly before Mr. Loudermilk died in a hospital, Mr. Young stopped by for one last visit.

◆ Read in-depth profiles at WSJ.com/news/types/obituaries

RAKESH JHUNJHUNWALA
1960 — 2022

Indian Investor Drew Comparisons to Buffett

Rakesh Jhunjhunwala had the equivalent of about $420 to invest when he began his career as a value hunter in the Indian stock market in 1985. Over time, he honed his skills at making long-term investments in well-managed companies, an approach that earned him the unofficial title of India's Warren Buffett.

Forbes magazine recently estimated his net worth at $5.8 billion.

When a Wall Street Journal reporter visited him in 2006, Mr. Jhunjhunwala was in his 15th-floor office in Mumbai, sitting with his back to a view of the Arabian Sea. Chain-smoking and wearing a diamond ring, he monitored five computer screens and barked orders to his assistants.

Millions of small investors mimicked his trades. He gave speeches to groups including the Millennium Mams, an organization for housewives eager to learn about business. His office décor included images of Hindu deities as well as sketches of Mr. Buffett and George Soros.

Mr. Jhunjhunwala studied "the people behind the business" rather than basing his decisions only on performance, said Deven Choksey, managing director of KRChoksey Shares & Securities Pvt. Ltd. One of his successful investments was a stake in jewelry maker Titan.

Mr. Jhunjhunwala died Aug. 14 at the age of 62. A nephew, Vishal Gupta, said the cause of death was cardiac arrest.

—James R. Hagerty

ROGER ACKERMAN
1938 — 2022

Corning CEO Put Focus on Technology

When Roger Ackerman was named chairman and chief executive of Corning Inc. in 1996, the company depicted him as a technologically savvy leader who would guide the company into the internet age.

"I'm absolutely ready to take over at Corning, and have no fear," he told The Wall Street Journal.

Mr. Ackerman sold Corning's housewares division, featuring such brands as Pyrex, to focus on making optical fibers, liquid-crystal-display glass and other high-tech marvels. Optical fibers were in demand as telecom companies rushed to lace the globe with voice and data networks.

Not content with just making optical fibers, the pipes for voice and data, Corning wanted to produce photonic components to guide light signals through that fiber. It spent billions on acquisitions to expand its photonics business. Sales in 2000 were more than double the 1996 level.

By the time Mr. Ackerman retired in 2001, spending on telecom equipment was plunging, and the photonics business was in the red. Corning wrote down the value of the acquired photonics assets and later sold that business.

Mr. Ackerman also led a foundation supporting the Malcolm Baldrige quality awards for business. He "collected every new golf gadget or club," according to an obituary published by his family.

Mr. Ackerman died July 30 after a long illness. He was 83.

—James R. Hagerty

FROM PAGE ONE

These Cans Only Try to Look Mean

Continued from Page One

"We're using packaging and brand psychology to make something healthier, not feel like it's healthy," he said.

Mr. Cessario's company competes in a no-booze beverage market that includes brands Ghia, De Soi and Athletic Brewing Co. Ghia and De Soi are made with a mix of herbs, shrubs and fungi said to relieve stress without creating a buzz. Athletic beers use water, hops, barley and yeast.

The beverages cater to partygoers who seek the conviviality of social events without drinking alcohol, either for health reasons or to avoid risking hangovers, regretful behavior or flashing red lights on the drive home. Many prefer to disguise their teetotal beverages and avoid the nosy *why-aren't-you-drinking?* interrogators.

Bob Lugowe, 37, bought a Liquid Death tallboy at a recent Megadeth concert and said toting around the can, adorned with gothic heavy-metal style lettering, made him feel as much a part of the crowd as carrying a beer.

"I didn't want to get made fun of for drinking Poland Spring at a punk show," said Mr. Lugowe, who runs an indie record label out of Philadelphia. One welcome feature, he said, was being able to crush the big can on his skull alongside all the other happy hell-raisers.

The drink's disguise is so convincing it sometimes looks taboo in other settings. While giving a music lesson to an 11-year-old, in Beaverton, Ore., Niah Klotz noticed the student's Mom eyeing his can of Liquid Death suspiciously.

"I had to explain it and show her the label," said Mr. Klotz, 26. "She was like, 'Oh, OK, that explains it. It just really looks like a beer.' And I was like, 'Yeah, they do that on purpose.' "

Allison Gruber, 46, saw one of her seventh-grade students drinking what looked like a beer during a Zoom class last year.

"I had seen some egregious behavior and thought to myself, 'My God, now kids are just wantonly drinking alcohol on Zoom at 8:45 in the morning,' " said the Chicago writer and now-retired teacher.

She wrote in the Zoom chat, "Miguel, what is in your hand?" He wrote back "Liquid Death!," said Ms. Gruber. "Which did not answer the question because I had never heard of this before."

ANGELA OWENS/THE WALL STREET JOURNAL

Cans of Liquid Death and no-alcohol Athletic beer.

Ms. Gruber now sees the cans everywhere, she said, and suspects part of the attraction for middle-schoolers is the chance to fool adults. A Super Bowl commercial last year showed a group of elementary school kids whooping it up with cans of Liquid Death.

"I remember candy cigarettes," Ms. Gruber said. "Part of it was a shock value like, 'Is that a kid smoking?' "

The new beverages aren't like the low-alcohol lagers introduced by beer companies back in the day or distilleries peddling fake gin or whiskey, said Tim Caulkins, a marketing professor at Northwestern University's Kellogg School of Management. Real drinkers know something is missing in those beverages. "It's like fat-free mayonnaise," he said.

Bottles of Ghia or cans of Athletic IPA, on the other hand, have never included alcohol, a zero-proof status that sates growing consumer demand.

Almost a quarter of respondents to a NielsenIQ survey said in January that they were cutting back on drinking alcohol. That might have contributed to the 1.9% fall in total alcohol sales since August of last year. Sales of nonalcoholic beer, wine and spirits, meantime, are up 20.5% over the same period.

Athletic Brewing, launched in 2018, is now the most-sold beer at Whole Foods. The beverage company made more than $40 million in revenue last year and is on track for 100% growth this year, said CEO Bill Shufelt.

Liquid Death earned $45 million in 2021, and is on track for 300% growth this year, Mr. Cessario said.

Ghia sales are on track to reach $5 million this year, said Mélanie Masarin, who started the company in 2020.

Lauren Finney Harden, a 38-year-old content strategist in Atlanta, discovered Ghia when she was pregnant in 2020. She said she found the ritual of opening the bottle and pouring it over ice helped ease herself out of the workday.

Nick Hamon, 43, who owns a bar in Fayetteville, Ark., stopped by the cocktail conference's big opening night party sponsored by Liquid Death. He joked that maybe he should make his fortune filling cans with Arkansas tap water and calling it Liquid Life.

The only trouble, Mr. Hamon said, was that he doubted his customers would be happy paying for something they were accustomed to getting free.

Largest Banks Face Fines

Continued from Page One

ings and other business. Under SEC and CFTC rules, brokerage firms are supposed to preserve and monitor their employees' written communications, which creates a paper trail for regulators who check compliance with investor-protection laws. Services such as WhatsApp and Signal give priority to privacy and can be set up to automatically delete messages after a number of days or after a chat has been read.

Traders and brokers aren't supposed to use such products to conduct the firm's business. The practice became more common—and harder to detect—during the early stages of the pandemic, when employees switched to working entirely from home.

Regulators and compliance experts also worry that spreading a bank's business across personal and business devices raises the risk that hackers will find a way to steal lucrative commercial secrets, said Mark Berman, a regulatory consultant at CompliGlobe, which serves overseas companies that have to follow SEC rules.

Fines above $100 million are outliers in both Democrat and Republican administrations, generally only assessed against the biggest market participants and often based on claims of investor harm. The median fine ordered in the 2020 fiscal year, the last full year of the Trump administration, was $194,000.

The record-keeping enforcement initiative likely won't end with the big banks, some of the people said, because the SEC is now probing whether regulated money managers broke the same rules.

"The fines are high to try to serve as a deterrent," Mr. Berman said. "On the other hand, Democrats like to increase the amount of fines. In this case it is probably more of the former, because they have to send a really strong message."

Payments are expected to reach $200 million for each company.

The anticipated settlements are patterned on a deal that JPMorgan Chase & Co.'s brokerage arm reached with the SEC and CFTC in December, the people said. J.P. Morgan Securities LLC paid $200 million—$125 million to the SEC and $75 million to the CFTC—over the breakdown in record-keeping diligence. The SEC said the failure was "firm-wide, and involved employees at all levels of authority."

JPMorgan's policies prohibited the use of WhatsApp for business. But regulators identified over 100 people at J.P. Morgan Securities and tens of thousands of messages that weren't properly retained by the firm, according to the SEC's settlement order.

Bank of America, Morgan Stanley and Barclays have disclosed in the past month that they would pay $200 million, the same amount as JPMorgan, to resolve the investigations. Barclays said in a securities filing that regulators found its business units "failed to comply with their respective record keeping and supervisory obligations, where such communications were sent or received by employees over electronic messaging channels that had not been approved by the bank for business use by employees."

Several other banks have disclosed they are negotiating with the SEC and CFTC to settle the probes but haven't said how much they would pay. Goldman Sachs, for instance, said this month it was "in advanced discussions with the SEC and CFTC" to resolve the investigations. A Goldman Sachs spokeswoman declined to comment.

The SEC's push for big fines has irked many defense lawyers and legal executives at the banks, according to people familiar with the negotiations. That is because the investigations don't allege any fraud or harm to clients.

SEC officials have said the practice of using personal-messaging apps was improper and undermined their ability to conduct investigations. In the JPMorgan settlement, the SEC said the bank didn't always search the personal devices of its employees when it responded to subpoenas and other requests for information.

FROM PAGE ONE

Getting Adderall Was Easy

Continued from Page One

scription stimulants preceded a relapse later in the fall of 2020 that left a string of fresh needle marks on both of his arms. His mother emailed Done after later finding one of his prescriptions.

"Looking at your website it looks as if getting amphetamines is as easy as 1-2-3," Debra Dion wrote. "I wonder if any part of your work is assessing whether or not you are dealing with an addict?"

Done declined to comment about Mr. Band, citing patient privacy. The company said it is a technology platform that connects patients with medical professionals and doesn't prescribe medications.

Done and similar telemedicine companies such as Cerebral Inc. have treated tens of thousands of patients seeking relief from ADHD over the past two years. The pandemic prompted the U.S. to suspend requirements that patients be evaluated in person before getting Adderall, a change that has fueled rapid growth of these online businesses.

Adderall, which can produce a euphoric high and lead to dependence, is a Schedule II controlled substance, the same legal category as opioid pain relievers OxyContin and Vicodin. Stimulants like Adderall are among the most commonly abused prescription drugs, a U.S. government survey found.

The ease of acquiring a prescription stimulant with a video call, popular with customers, has coincided with an increase in Adderall prescriptions and drawn scrutiny by U.S. government officials.

Cerebral faces a federal investigation into possible violations of the Controlled Substances Act. The company said it was cooperating with authorities and that it would stop prescribing stimulants for ADHD. A similar startup closed in April. Done is now one of the last telemedicine companies in the stimulant business, and it has picked up patients from its former rivals.

CVS Health Corp. and Walmart Inc. said in May that their pharmacies would no longer fill controlled substance prescriptions for Done and Cerebral. Done said it was seeking to provide the companies more details about its practices and commitment to high-quality psychiatric care.

Ms. Rahimi, the Done clinician, described Mr. Band as a well-groomed pre-med student, according to notes from their Oct. 14, 2020, video call. Mr. Band revealed no substance-use disorders, and Ms. Rahimi concluded he was a low-risk patient.

At the time, Mr. Band was in a sober-living house run by Phoenix Rising, an addiction-treatment center. It was his second try at kicking drugs that year. He had been addicted to opioids, mostly heroin, for at least 10 years and told rehab counselors he had also abused stimulants, tranquilizers, alcohol and marijuana. In a disheartening cycle, Mr. Band would get treatment, abstain for weeks or months and relapse, his family said.

It is difficult to pinpoint any single reason why recovering addicts relapse, but one risk of prescribing Adderall to them is that the medication can increase their craving for other drugs, according to mental-health professionals. They say patients with a drug history such as Mr. Band's need to be monitored closely for signs they are abusing the medication.

Former Done employees said the company and some of its clinicians paid more attention to signing up new patients than monitoring existing ones. Done said it doesn't give priority to growth over patient safety.

In November 2020, Done ended a requirement that patients participate in monthly follow-up appointments before receiving prescription renewals or dosage increases. Patients were instead asked to complete an online form for the requests. "We heard you and we understand that keeping up with follow-up appointments every month has been very difficult and not ADHD friendly," the company said in an email to patients announcing the change.

Done clinicians such as Ms. Rahimi work as independent contractors for the company and are paid as much as $10 for each monthly renewal. One clinician said she made roughly $20,000 a month renewing prescriptions for her more than 2,000 patients, sometimes at a pace of two refills a minute.

The company advertises heavily on TikTok, Instagram and other social-media platforms, promoting a one-minute ADHD assessment ahead of its 30-minute evaluations. Done charges patients a $79 monthly service fee for "worry-free refills" and clinician responses to questions.

Mr. Band's use of the stimulants preceded a relapse in the fall of 2020.

Ms. Rahimi, who no longer works for the company, said she didn't recall Mr. Band. She and other former Done clinicians said tight appointment schedules had them moving quickly from one call to the next, making it difficult to conduct extensive medical evaluations.

Nearly every caller wanted a prescription, and the company expected clinicians would largely comply, Ms. Rahimi said. "You can't disappoint the patient," she said. "There was that pressure to give stimulants to everyone."

An internal company report last year from Done's chief medical officer at the time said that multiple Done providers had "expressed a perception of pressure to diagnose ADHD and prescribe stimulants."

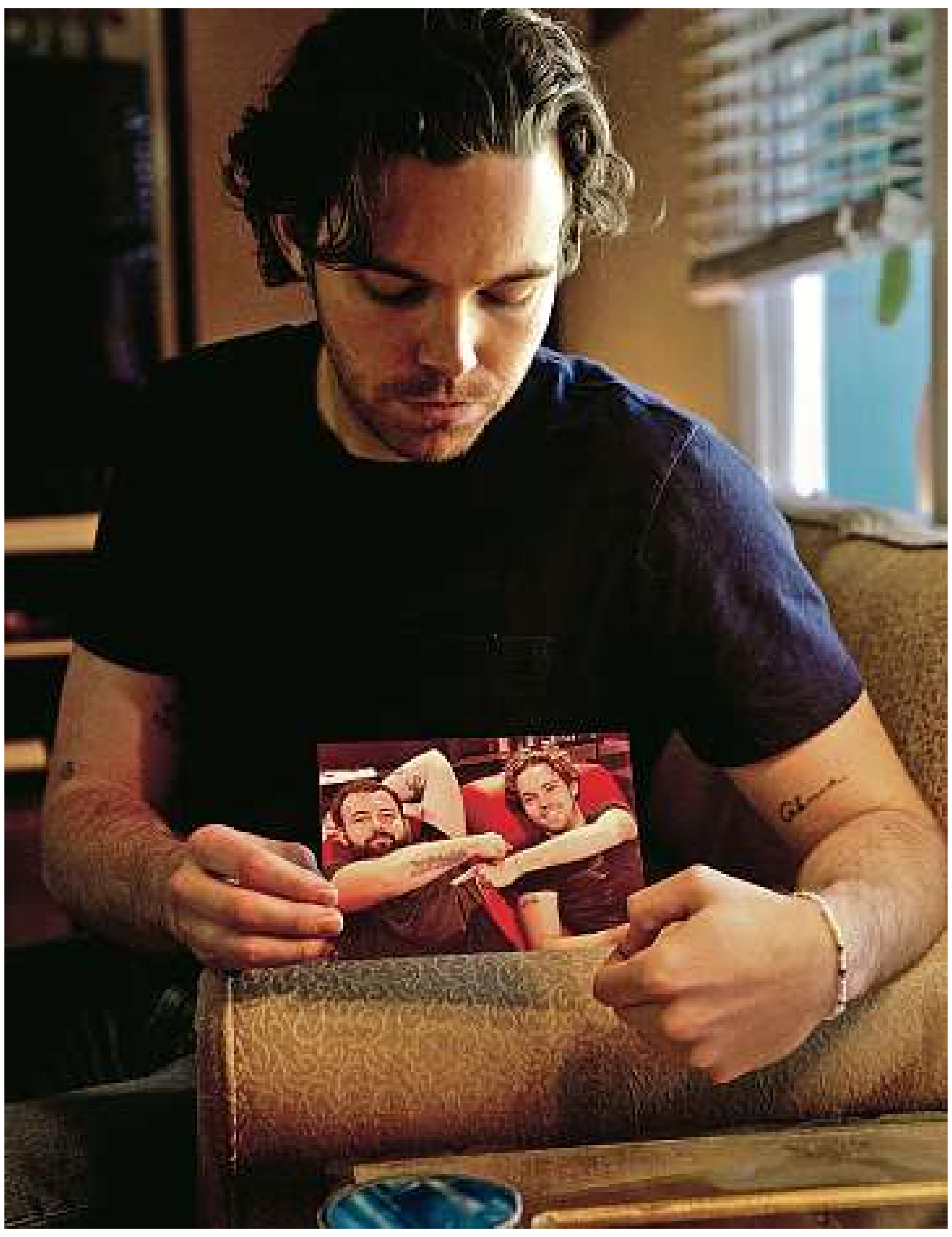
Done said the report, which addressed Mr. Band's case and other issues, was irrelevant to its business. The company said it relies on clinicians to use their judgment and follow proper procedures.

Done founder and Chief Executive Officer Ruthia He is a former Facebook product manager with no medical training.

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

Mr. Band had bragged to a housemate, James Walker, about how easy it was to get stimulants through Done, Mr. Walker said. He recalled suggesting to Mr. Band that he avoid all such drugs for a while. Mr. Walker, another recovering addict, said he believed the pills "had everything to do with his relapse."

This article about Mr. Band's interactions with Done is based on internal company documents, government reports, interviews with Mr. Band's family and current and former Done employees. Ms. Dion provided text messages, medical records and emails.



Zalman Band holding a photo showing him with his brother Harlan Band.

Horror show

A few months after Mr. Band was born in 1991, his family moved into a historic 9-bedroom Spanish-style house in the Hollywood Hills area of Los Angeles. His father, Charles Band, was a successful filmmaker of scores of low-budget horror movies, including "Puppet Master," one of his best known. Mr. Band's parents divorced a few years later, and he moved to the city's San Fernando Valley with his mother, Ms. Dion.

Mr. Band struggled academically, Ms. Dion said. He was diagnosed with ADHD and prescribed a stimulant, just as he had told Ms. Rahimi, the Done clinician. Ms. Dion said her son didn't like how the pills made him feel and quit them.

Mr. Band hurt his back in an all-terrain vehicle accident as a teenager and suffered lingering pain. He was prescribed OxyContin when he was about 18. Mr. Band had used marijuana, but the opioid changed everything, his mother and brother Zalman Band said.

He worked on and off—in construction, at a call center, a supermarket and sometimes with his father. He also spent time in jail and passed through at least seven drug-treatment centers.

Just before New Year's Eve in 2019, Mr. Band resolved to get fit and start school. He had been off drugs since entering a detox facility that fall and was in a sober-living house. He started 2020 hoping to catch up from the years lost to addiction, and he enrolled for the spring semester at Los Angeles Pierce College, a two-year community college.

When the pandemic hit, the lockdown forced Mr. Band out of his sober-living house, and he returned to using heroin. His family sent him to the Phoenix Rising facility near Palm Springs, Calif. "I don't want to die. I want a real life," he said during his initial interview on April 13, 2020.

Mr. Band entered an outpatient program and over the following six months he was drug-tested regularly. After getting clean once again, he re-enrolled for online classes at Pierce in the fall semester.

Red flags

Ms. Rahimi had only recently joined the company when she met Mr. Band in October 2020. She specialized in family medicine, she said, and hadn't previously diagnosed many ADHD cases.

As a safeguard against abuse, clinicians working in California are required to check a state database for past controlled-substance prescriptions. Other states have similar measures.

Ms. Rahimi, working in California, wrote in her notes that the database showed "no red flags" for Mr. Band. She apparently missed one: a prescription for generic Suboxone, used to help opiate addicts quit. Mr. Band was prescribed the drug after checking into rehab six months earlier, according to the database.

Done's internal report last year said it was unclear whether Ms. Rahimi had appropriately reviewed Mr. Band's database record. Ms. Rahimi said she didn't recall. She said Done staff also checked prescription databases and shouldn't have scheduled an appointment with a patient who had a drug-use history.

The report noted that thousands of Done patients were transferred to new clinicians without timely follow-ups, including clinicians who didn't hold licenses to write prescriptions in states where their patients were located. Done declined to comment on any element of the report.

Psychiatrists say ADHD is a complex mental-health diagnosis, and traditional evaluations can take 90 minutes or more. Done advertises 30-minute appointments. Some evaluations have lasted 10 minutes or less, according to internal reports viewed by the Journal. Ms. Rahimi said she sometimes had only 10 to 15 minutes to spend with patients.

Done said it doesn't schedule evaluations for less than 30 minutes and that clinicians have autonomy over all treatment decisions

"It would be impossible to do a full work-up in 30 minutes and feel comfortable about the risk factors related to substance abuse," said David Goodman, a psychiatrist specializing in ADHD at the Johns Hopkins University School of Medicine. Drug addicts properly diagnosed with ADHD can benefit from treatment with the stimulants, he said, but they must be closely managed.

"It was pretty apparent, seeing day by day how the Adderall affected him," said Mr. Walker, the housemate. Once gregarious, Mr. Band became emotionless and irritable, Mr. Walker recalled.

Mr. Band received a second and third prescription from Ms. Rahimi on Nov. 11, 2020, including a new pill that increased his dosage. The prescriptions also were for a longer duration, a 90-day supply instead of 30, a period experts say is unusual. Done declined to provide Mr. Band's mother with clinical notes from the appointment that might explain the decision.

A week before Ms. Rahimi renewed Mr. Band's prescription, Done executives had discussed firing her because she didn't have a supervising physician, a requirement in California, according to company emails viewed by the Journal. Ms. Rahimi said Done had promised to provide one.

The company cut ties with Ms. Rahimi two days after the renewal call with Mr. Band.

Done's internal report later concluded that Ms. Rahimi, who didn't hold a psychiatric mental-health credential, had been "less qualified to diagnose and manage ADHD."

'Is everything ok?'

At the time, Mr. Band and three housemates from the sober-living facility, including Mr. Walker, had rented a house in Rancho Mirage, Calif. Each agreed to stay sober. Mr. Band took the master bedroom with a private bathroom.

Mr. Band told his family he was excited about spending Thanksgiving at his grandparents' house nearby. Then he said he might be too sick to go. After he stopped answering texts, his parents arranged for a drug test.

Mr. Walker and Mr. Band's other housemates said they had become suspicious of the time Mr. Band spent alone in his room.

Two days before Thanksgiving, Mr. Band was back in detox. He left after four days, against medical advice, and told his parents he needed to be at his computer finishing his course work.

A group of recovering addicts came to Mr. Band's house for dinner on Nov. 30 to say they were pulling for him.

The next day, Mr. Band sent a text to Mr. Walker, who was out of town, and described all the heroin and crack cocaine he had. "Bro I Bought a half lunar of the best tar I've ever had," he wrote. He also recommended Done if Mr. Walker wanted Adderall.

On Dec. 3, Mr. Band's mother texted him asking why he wasn't answering his phone.

"Sorry just in the middle of some shit," he replied.

"Is everything ok?" his mother asked.

The next day, around 12:40 p.m., Mr. Band's housemates knocked on his door to check on him. When he didn't answer, they picked open the lock and found him leaning out of a chair, seemingly frozen, arms awkwardly folded, dressed in a tank top and shorts.

The toxicology report listed the drugs found in his body, including amphetamine, methamphetamine, cocaine, morphine, codeine and various tranquilizers. The cause of death was acute opiate and cocaine intoxication.

In June, Mr. Band's mother received a Done video advertisement on her Facebook feed. A young actress mimics her parents who mock her for believing she has ADHD. After a plug for the company's 1-minute assessment, she says: "Wow, seems like I should check out Done."

—Joseph Walker contributed to this article.

ALLISON ZAUCHA FOR THE WALL STREET JOURNAL (3)

Top, Debra Dion keeps a plaster-cast hand sculpture that her son Harlan Band made in preschool. Above, Ms. Dion and her son Zalman Band in June at Ms. Dion's home in Los Angeles.

SPORTS

By Joshua Robinson

FROM TOP: PETER POWELL/EPA/SHUTTERSTOCK; DAVID KLEIN/REUTERS

Man United Becomes a Punchline

The most successful club of the Premier League era appears to have run out of ideas

It was the middle of the night in Manchester when the world's richest man appeared to turn himself into the unlikely savior of English soccer's most popular team. On Tuesday, Tesla co-founder Elon Musk fired off a 45-character tweet announcing that he planned to buy Manchester United.

For those beleaguered United supporters who happened to be awake, it seemed like a fever dream. Here was someone proposing to end the tenure of the U.S.-based Glazer family, a 17-year spell that included wild success in the beginning and nearly a decade of equally stunning failure. Four hours and 33 minutes later, Musk tweeted that it was all a gag.

As it turned out, the world's richest man was just another guy on Twitter cracking jokes at Manchester United's expense.

"I'm not buying any sports teams," Musk added.

United's transformation from the most dominant team of the Premier League era into a punchline seems to have accelerated lately. After nearly a decade of false starts, the club hit rock bottom last week with a 4-0 loss at the hands of Brentford. Worse than the comprehensive defeat, however, was that the result felt wholly unsurprising. For the first time since the league's founding in 1992, Manchester United slumped to last place in the standings. Two games in, the club has no points, one goal, and now has to face Liverpool on Monday.

"It's my responsibility," said new manager Erik ten Hag, the eighth man to stand on the touchline for United since Alex Ferguson's retirement in 2013, including caretakers. "Of course, I hoped for a better start. This start doesn't make it any easier."

Nor does his current roster. Despite more than $1.5 billion in spending on new talent since Ferguson left, the squad remains a hodgepodge of parts assembled under a succession of different leaders.

United's crosstown rival, Manchester City, has shelled out more in that time (but its net spend is lower due to sale of players) and the club has five Premier League titles to show for itself. United, meanwhile, says that it still plans to make more signings before the transfer window closes on Sept. 1. Most recently, it's been linked with a move for U.S. men's national team captain Christian Pulisic, who has struggled to establish himself as a starter at Chelsea.

More notable than any arrival this summer is one potential exit. When United reacquired Cristiano Ronaldo last year, he became their oldest new outfield signing this century. He was also a living, breathing, preening paradox. Though Ronaldo was United's top scorer last season, fans viewed him as a symbol of everything that was wrong with the club—a creaking institution trying to recapture former glory without a new idea in sight.

This wasn't lost on Ronaldo. Even he grew disgusted with how the club was being run during another dispiriting limp to sixth place. This summer, the 37-year-old Ronaldo let it be known that he wanted to move to a team that had qualified for the Champions League. So far, there are no serious signs of a club swooping in for him.

Cristiano Ronaldo, top, has let it be known that he wants to move to a team in the Champions League. Above, United fans push for an ownership change.

The combination of horrible results, aimless expenditure, and lack of a discernible plan has led United fans to focus their frustration on the Glazers. Supporters argue that more than half a billion dollars spent on servicing debt over the past decade has done little for the club's long-term stability, that managerial appointments have been below the club's lofty standards, and that necessary upgrades to their home stadium have been ignored. Fans haven't forgiven ownership for signing up United to the failed European Super League project in 2021 either.

Calls for change, which have echoed since Day 1 of the Glazer era, remain a daily occurrence.

"Any prospective new owner or investor has to be committed to the culture, ethos, and best traditions of the club," the Manchester United Supporters' Trust said on Thursday.

Still, fans of Premier League clubs have shown over and over again that they don't care much where their teams' owners come from or how they make their money. Talk of vetting investors and making sure there are no off-field skeletons tend to stop at the faintest glimmer of on-field success.

Chelsea fans chanted the name of Russian oligarch Roman Abramovich last season even as he was forced to sell the club under the threat of impending sanctions. Manchester City's Etihad Stadium features a banner thanking Sheikh Mansour bin Zayed al-Nahyan, the member of the royal family of Abu Dhabi who bought the club in 2008, despite concerns over Abu Dhabi's human-rights record. And in Newcastle last year, fans danced outside St. James' Park when news broke that their club had been acquired by the Public Investment Fund of Saudi Arabia. Promises of lavish spending and the prospect of a first major English trophy since the 1950s were enough to quell their unease about how Saudi does business outside soccer.

So by the standards of Russian oligarchs and Middle Eastern petrostates, a possible United takeover by an eccentric billionaire with dreams of going to Mars might have seemed pretty palatable—except, of course, it was all a gag.

Musk was joking, but at least one other prospective buyer clearly isn't. The British petrochemicals billionaire Jim Ratcliffe, fresh from his failed, late bid for Chelsea this spring, has said he would bid if he felt the club was receptive. (One person with knowledge of his thinking has said that an offer was already in the works.)

"We would be interested in buying the club if it is up for sale," an Ineos spokesman said.

The club, which is traded on the New York Stock Exchange, hasn't commented on sale rumors. Should it be available, United could fetch a price far higher than its current market capitalization of around $2.3 billion, thanks to an industry-leading commercial operation that made Man United a global household name.

Still, all of that commercial success hinged on success on the field first. And in the short term, that is something that even one of the biggest sales in sports can't fix. Two games into his career as Man United manager, ten Hag is merely the latest coach to discover just how broken the club is. He even has Elon Musk making the point.

"Other teams are improving a lot and it looks like we're in the same place," ten Hag said last week. "It's rubbish. It's poor and we need higher standards than that—it's clear."

Weather

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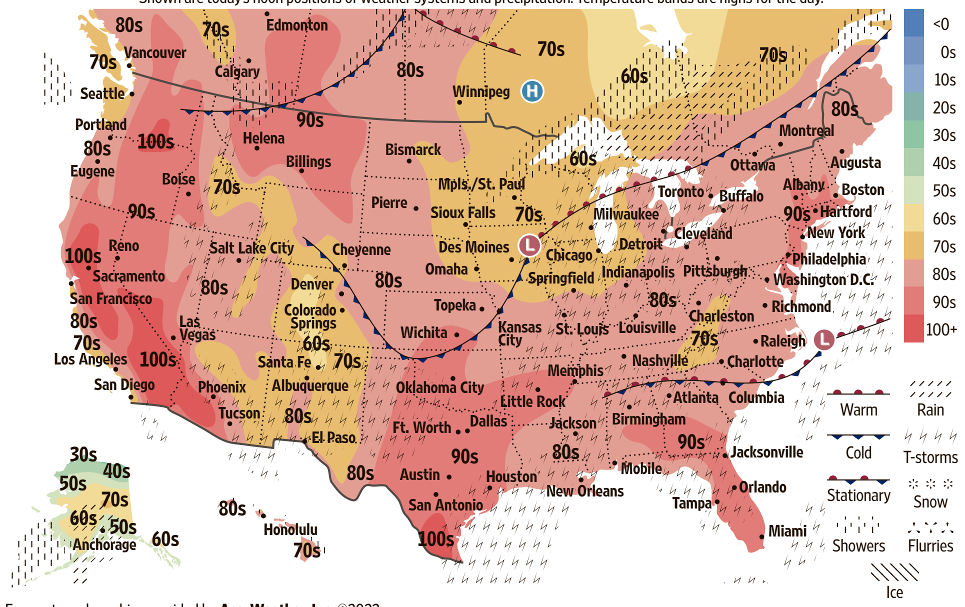
Shown are today's noon positions of weather systems and precipitation. Temperature bands are highs for the day.



Forecasts and graphics provided by AccuWeather, Inc. ©2022

U.S. Forecasts

s...sunny; pc... partly cloudy; c...cloudy; sh...showers; t...t'storms; r...rain; sf...snow flurries; sn...snow; i...ice

City	Today Hi	Today Lo	Today W	Tomorrow Hi	Tomorrow Lo	Tomorrow W
Anchorage	58	54	sh	61	56	c
Atlanta	85	71	t	83	69	t
Austin	96	75	pc	92	75	t
Baltimore	89	70	pc	84	69	t
Boise	94	70	pc	98	70	pc
Boston	89	71	s	85	67	pc
Burlington	88	69	s	88	67	c
Charlotte	85	71	t	83	71	t
Chicago	74	65	t	75	64	sh
Cleveland	85	67	t	77	65	t
Dallas	93	77	t	86	73	t
Denver	80	60	t	84	59	t
Detroit	86	66	t	78	65	t
Honolulu	88	76	s	88	76	pc
Houston	91	76	t	92	76	t
Indianapolis	84	67	t	79	65	sh
Kansas City	83	63	t	84	63	s
Las Vegas	97	80	pc	98	81	s
Little Rock	91	74	s	83	70	t
Los Angeles	84	65	s	81	65	pc
Miami	92	82	t	91	82	t
Milwaukee	74	65	t	73	65	pc
Minneapolis	77	61	t	79	63	s
Nashville	88	71	t	84	69	t
New Orleans	88	78	t	89	77	t
New York City	87	72	pc	84	71	pc
Oklahoma City	93	70	pc	75	66	r
Omaha	78	60	pc	83	62	pc
Orlando	93	77	t	92	76	t
Philadelphia	90	71	pc	87	72	t
Phoenix	92	78	t	94	80	t
Pittsburgh	84	66	pc	77	65	t
Portland, Maine	85	63	s	82	63	s
Portland, Ore.	84	63	pc	89	62	pc
Sacramento	100	62	s	90	62	s
St. Louis	85	69	t	83	69	pc
Salt Lake City	83	67	t	89	70	pc
San Francisco	74	57	pc	72	57	pc
Santa Fe	67	52	t	75	54	t
Seattle	78	60	c	80	61	pc
Sioux Falls	77	59	t	81	59	s
Wash., D.C.	88	72	pc	83	71	t

International

City	Today Hi	Today Lo	Today W	Tomorrow Hi	Tomorrow Lo	Tomorrow W
Amsterdam	73	60	pc	71	59	pc
Athens	94	77	s	92	76	s
Baghdad	116	85	pc	115	82	pc
Bangkok	91	79	t	90	78	t
Beijing	88	70	pc	79	68	sh
Berlin	76	61	t	78	58	pc
Brussels	75	54	pc	74	58	pc
Buenos Aires	61	47	s	61	49	pc
Dubai	108	91	s	107	92	s
Dublin	68	49	pc	66	56	c
Edinburgh	65	51	pc	64	51	pc
Frankfurt	79	60	sh	82	60	pc
Geneva	77	56	c	79	56	pc
Havana	92	74	t	90	73	t
Hong Kong	86	81	t	89	82	t
Istanbul	86	73	s	86	74	s
Jakarta	92	77	sh	90	77	t
Jerusalem	86	66	s	86	64	s
Johannesburg	61	38	s	60	41	s
London	74	58	pc	71	61	pc
Madrid	96	65	s	97	67	s
Manila	90	77	t	88	78	t
Melbourne	57	40	pc	59	50	pc
Mexico City	73	58	c	72	57	sh
Milan	87	62	s	85	66	s
Moscow	79	61	t	78	63	c
Mumbai	86	80	sh	86	79	t
Paris	77	57	pc	78	62	pc
Rio de Janeiro	66	64	c	68	63	sh
Riyadh	112	87	s	111	88	c
Rome	84	68	s	87	68	s
San Juan	89	79	t	89	79	sh
Seoul	89	73	s	89	73	s
Shanghai	99	84	t	96	85	t
Singapore	88	78	t	86	79	t
Sydney	68	50	pc	64	48	s
Taipei City	95	81	t	98	82	pc
Tokyo	86	78	t	86	76	t
Toronto	85	67	pc	76	66	t
Vancouver	74	61	c	74	61	c
Warsaw	86	67	c	78	64	t
Zurich	73	53	t	76	53	pc

Last Shot at Champions League Glory

By Rachel Bachman

AFTER A TRAINING SESSION for a charity game in London earlier this summer Heather O'Reilly, a retired U.S. women's team standout, was in a buffet line when an old acquaintance spoke to her.

"Heather, you are very good. You should still play," she remembers Arsène Wenger telling her. Wenger had led Arsenal's men to three Premier League titles.

O'Reilly took his advice.

On Thursday, the 37-year-old midfielder returned to competitive soccer three years after her retirement, fulfilling a lifelong desire to play in the Champions League, which features Europe's top clubs in a sprawling, months-long tournament. She scored the lone goal for Ireland's Shelbourne FC in a 1-0 victory over Slovenian club Pomurje.

"It's, like, surreal," O'Reilly said after scoring the game-winner four minutes into the match, on a header. "I didn't think it was going to be possible in my career."

On Sunday, Shelbourne plays Valur, the club champion of Iceland. If it wins, Shelbourne will advance to Champions League group play this fall.

Weeks ago, O'Reilly was playing five-a-side games at the University of North Carolina, where she is now an assistant coach. She retired from the U.S. women's national team in 2016 and from club play in 2019.

BEN MCSHANE/SPORTSFILE/GETTY IMAGES

Heather O'Reilly is back in action for Ireland's Shelbourne FC.

After the chat with Wenger, O'Reilly kept thinking about a comeback. A few weeks later she called up a site with the Champions League clubs listed by abbreviations.

"I was like, 'Who's S-H-E-L?'" O'Reilly recalled. It was Shelbourne, the Irish league champion. She emailed the club and explained she wanted to play in the Champions League. It turns out that Shelbourne—whose women's team is technically amateur and consists largely of students and players with day jobs—had heard of the World Cup winner and three-time Olympic champion.

Her husband Dave's initial reaction to the notion of O'Reilly reviving her pro career was an eye roll, she said. It would mean taking their two sons under 3 years old across the Atlantic.

But the family got a trip to the coast north of Dublin. And O'Reilly, who never envisioned her athletic career and motherhood overlapping, got to dress the boys, Jack and Will, in Shelbourne kits and show them Mom can still play. Throughout her comeback O'Reilly has kept her sense of humor. A few days ago, she tweeted: "Heading to go play Champions League at age 37 and Ronaldo isn't," with a crying-laughing emoji. The nod to the Manchester United star, who's also 37, spurred both awe and anger.

"My 5yr old brother is better than you," one man tweeted at O'Reilly.

After her game Thursday, an interviewer asked, "Any final words for Cristiano?"

"You're an amazing player," O'Reilly said. "But you're not here this year."

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OPINION

THE WEEKEND INTERVIEW with James Hankins | By Barton Swaim

The Case for an American Revolution in Morals

Somerville, Mass.

It's hard to contemplate American public life in the 21st century and not arrive at the unhappy conclusion that we are led by idiots. The political class has lately produced an impressive string of debacles: the Afghanistan pullout, urban crime waves, easily foreseen inflation, mayhem at the southern border, a self-generated energy crisis, a pandemic response that wrought little good and vast ruin. Then there are the perennial national embarrassments: a mind-bogglingly expensive welfare state that doesn't work, public schools that make kids dumber, universities that nurture destructive grievances and noxious ideologies, and a news media nobody trusts.

Readers may object to parts of this list, but few will deny feeling that the country's government and major institutions are run by people who don't know what they're doing. A similar situation obtained seven centuries ago in Europe, as I learned recently from "Virtue Politics: Soulcraft and Statecraft in Renaissance Italy." The 2019 book, by Harvard historian James Hankins, is a study of Italian humanist writers and statesmen beginning with Francesco Petrarca (1304-74), known to English speakers as Petrarch. Fourteenth-century humanism arose, Mr. Hankins writes, from a widespread disgust with the venality and incompetence of political and ecclesiastical leaders in late-medieval Italy.

The nation's political and intellectual leaders go from one failure to another. A historian of the Italian Renaissance blames a lack of virtue.

The humanists basically rejected the central question of Greek and Roman political theory: What is the best regime? For Petrarch and his followers over the next century, "constitutional form was far less important than the character of rulers," Mr. Hankins writes. By the early 14th century European political thought had degenerated into narrowly legalistic arguments about why this or that ruler has a superior claim to office. To the humanists, that preoccupation was being beneath the notice of serious thought. Their goal "was to uproot tyranny from the soul of the ruler, whether the ruler was one, few, or many."

The Western political tradition would ultimately move in a different direction, toward rights-based constitutionalism and the rule of law. "Virtue politics," as Mr. Hankins terms the political ideal developed by the Italian humanists, "aimed primarily to bring to power rulers who were good and wise; constitutional thought aimed primarily to limit the damage that might be done by bad and foolish rulers." In this respect the humanists were totally unlike that other Italian Renaissance writer—Niccolò Machiavelli (1469-1527). He counseled a less principled, more calculating and brutally realistic approach to leadership. The Italian humanists—Petrarch, Giovanni Boccaccio, Leon Battista Alberti and others—produced, Mr. Hankins writes, a "distinctive way of thinking about politics that amounts to a lost tradition of political prudence."

My own attachment to classical liberalism makes me skeptical of any philosophy purporting to empower "good" and "wise" leaders without first attending to the limits on their authority. But I have to admit: At the moment American constitutional democracy doesn't seem very good at limiting the damage done by bad and foolish officials. In fact we seem overrun with rulers who possess lots of Machiavellian guile but no Machiavellian competence. Maybe we have something to learn from virtue politics?

On a recent visit to Mr. Hankins's home, I ask about the American conviction that the way to reform society is to reform laws and institutions and create new agencies. "The Renaissance humanists didn't think that way," he says. "Part of the reason had to do with their relationship to the Catholic Church." In late antiquity—roughly the fifth century—Christians redesigned the liberal arts as a set of skills: grammar, logic, rhetoric and so on. Their idea was that Christianity would transform the heart—education wasn't going to do that. The Renaissance authors of the 14th and 15th centuries, by contrast, had a more difficult relationship with the Catholic Church, which was extremely corrupt at that time. "You weren't going to reform society through the church," Mr. Hankins explains. "What you could do is improve the sort of person who occupied high positions in city-states, in kingdoms, in the church. . . . And you could do it through a certain kind of education. This is why the humanities were invented."

These days that term "the humanities" signifies a hodgepodge of squishy disciplines, from literary theory to cultural studies. For the original humanists, "it meant you understood the true potential of human nature to be good, to achieve nobility—true nobility, not inherited nobility." They wanted students at their elite institutions to be immersed in works that turned the mind to nobility of character. "The 'Aeneid' of Virgil, which was full of examples of noble behavior. Also the 'Lives' of Plutarch. They wanted men and women—and humanism addressed both men and women, unlike [medieval] scholasticism—to know what it's like to be noble. . . . These are the core disciplines of the humanities: grammar, rhetoric, history, poetry, moral philosophy. Why history? Because history is the teacher of prudence."

Mr. Hankins calls what the humanists proposed "political meritocracy." Americans usually use "meritocracy" (coined by the British writer Michael Young in his 1958 book "The Rise of the Meritocracy") to mean a society run by high-achieving people with superior technical proficiency. What the humanists envisioned was rule by the wisest, most virtuous people.


KEN FALLIN

Our ruling class certainly *think* they're virtuous. Walking through Somerville and nearby Cambridge on the way to Mr. Hankins's house, I noted many yard signs proclaiming tribal membership in the inane language of modern progressivism: "Science is real," "Love is love," "Black lives matter," "Embrace diversity," "Empower the powerless." Mr. Hankins's interpretation of his neighbors' strange fragments: "They're enjoying the approval of their own consciences without training their minds in any serious way through moral effort."

Clear and precise language, Mr. Hankins notes by contrast, was at the center of the Renaissance humanists' program. Lucidity of expression, Petrarch wrote, was "the highest proof of intelligence and knowledge." For the humanists, the good and wise ruler was able to draw on his skills in language to persuade people to act for the common good. "The humanists were opposed to the scholastic idea that you could argue someone into good behavior," Mr. Hankins says. "They thought you needed the whole person—you had to engage the passions and appetite . . . precision of language and eloquence in the service of nobility."

What would a modern Petrarch say about American elites? "That they're contemptible," Mr. Hankins says. "I keep a list. Whenever someone in Washington does something admirable, something not for political advantage but for the country, I write that person's name on the list." I know the punch line, and I wait for it: "It's a short list."

Part of the problem is what Mr. Hankins calls "scientism." Meaning? "The belief that science will solve all your problems, that you can abandon judgment, that you can abandon what the Greeks called *phronesis*, practical wisdom, which comes through the study of the past and from reading the great works of the past, like Aristotle's 'Politics,' which is about the art of making wise decisions."

We saw the abandonment of *phronesis* most clearly, Mr. Hankins says, in the Covid response. "It became evident very early on that science didn't speak with one voice on the subject. There were different opinions about what it all meant, different views of the data. But elites determined to subject themselves to *the* science." He emphasizes the definite article. "That's always the giveaway, when you call it *the* science."

Mr. Hankins's book was published a year before the Covid pandemic came to the U.S., and so he notes but doesn't emphasize Petrarch's experience of the Black Death of 1347-49. The great humanist scholar lost close friends to the plague, as virtually all survivors did. Was his dim view of Italian elites shaped by that experience? "He tended to see the plague as God's punishment for the corruption of the age, but I think the answer to that question is yes. Petrarch was highly critical of the learning of his day, which he always compared unfavorably with that of antiquity. In general he thought the sciences of his time—natural, legal, medical—were arrogant, corrupt and venal. He thought doctors were arrogant and overconfident about their own scientific knowledge. His main criticism, though, was reserved for astrology, which was part of university curricula back then. He thought it was completely fraudulent. I'm not sure what he would say about some social sciences of our own day."

In one sense, the Italian humanists' argument, as Mr. Hankins explains it, is both apposite and unassailable. At a time when nearly everybody worries about the perceived legitimacy of our most important institutions—Congress, the Justice Department, the presidency itself—it's refreshing to hear somebody say it out loud: These institutions are losing their legitimacy because the people who run them are bad and stupid. But in another sense the obvious counterpoint is that it's naive about the human capacity for virtuous behavior.

The American constitutional order, as Mr. Hankins acknowledges, is profoundly Augustinian in its outlook—it reasons from the fallenness of humanity. The U.S. Constitution assumes, as the Founders did, that bad rulers were a normal and inevitable part of political life. The way to deal with that reality—so an Augustinian like me might say—would be to erect legal checks on political power and not, as Petrarch and other humanists thought, to cultivate a more virtuous ruling class.

Mr. Hankins considers himself a classical liberal—"I think less government is better than more." But he doesn't see Anglo-American constitutionalism as the final word on political thought. "Look at the humanities George Washington was trained in," he says. "If you read about Washington's education, it was basically on a Renaissance humanist model—not only memorizing moral maxims but reading Plutarch and Roman history and the famous plays of antiquity that were so crucial in communicating proper forms of behavior."

I try to suggest a compromise: Surely we're not going back to virtue-based politics, but maybe there are things we can learn from the humanist tradition? Mr. Hankins rejects the premise. "I'm not sure I agree with that. You need a moral revolution to make it happen, but political meritocracy is something that can be revived, in my view."

Mr. Hankins, 67, has been teaching at Harvard for 37 years and speaks with affection about his students. "The younger generation out there is disgusted with the older one," he says. "The people who get all the attention from the press are the woke, but there's another big part of the young population that's ready for a moral revolution."

And not just in the U.S. He has traveled and taught in China and says "it's happening there, too, subterraneously. It's building. The scientism. The abdication of moral judgment. The idea that our leaders are just following the science, following the algorithms, following the experts, and we're not even going to look into the faces of people who are losing their jobs because we shut the economy down? We're going to let our grandparents die in isolation and talk to them on iPhones as they're dying? It's obscene."

All this talk about venal, incompetent leaders made me wonder about that short list of Mr. Hankins's. Who's on it? "I think, for example, of some genuinely accomplished people who went to work for the Trump White House out of a sense of duty, knowing the hell they'd take for it. James Mattis, William Barr, Mike Esper, Don McGahn, some others."

On the subject of Donald Trump, we each lament the inability of some otherwise serious people, on the left and the right, to talk about the 45th president in anything but the language of civilizational catastrophe. Why is Mr. Hankins, the author of a 700-page book on virtuous political leadership, not similarly undone by Mr. Trump? Because his profession has prepared him to take the long view.

"I think of it as an historian," he says. "Many people don't think deeply about what it would be like to live in a different time. They have no sense of comparison. Thinking long about history, you get a much broader view of human life. History is a road to sanity."

Mr. Swaim is an editorial page writer for the Journal.

Woke Activism Is Flooding American Classrooms

CROSS COUNTRY
By Daniel Buck

I studied for a master's degree in education at the University of Wisconsin-Madison in 2015. My program was batty. We made Black Lives Matter friendship bracelets. We passed around a popsicle stick to designate whose turn it was to talk while professors compelled us to discuss our life's traumas. We read poems through the "lenses" of Marxism and critical race theory in preparation for our students doing the same. Our final projects were acrostic poems or ironic rap videos.

At the time, I figured my experience was unique. Surely, I thought, other teacher-prep programs focused on human cognition, behavioral management, child psychology and other educational practicalities. Alas, my program was mild compared with what current graduates must suffer.

The Wisconsin Institute for Law and Liberty has reviewed the required coursework for 14 programs for teachers-to-be in the Badger State. These programs produce about 80% of all teaching graduates in the state each year. What they found was shocking. Worldview building and ideological manipulation take precedence over teacher preparation.

On the syllabi, noticeably lacking are academic literature or manuals of classroom instruction. Instead, Hollywood movies like "Freedom Writers," popular books like Jonathan Kozol's "Letters to a Young Teacher," and propaganda like "Anti-Racist Baby" abound. In place of academic essays, graduate students write personal poems or collect photographs. These kitschy activities infantilize what ought to be a rigorous pursuit of professional competency.

The University of Wisconsin-River Falls defines education as a "social justice and change agent." The University of Wisconsin-Stevens Point commits to "anti-racism." Each program exhibits a philosophy of education called critical pedagogy, made popular by Brazilian Marxist Paulo Freire, that envisions schools as places not of academic instruction but of societal change.

Freire, one of the authors assigned most often in schools of education, mapped the oppressor-oppressed dichotomy onto the teacher-student relationship and advocated for what he believed was a liberatory education. He cited the Maoist and Leninist Revolutions as ideals of his thought in action. Where Freire shifts from Marxist ramblings to practical advice, he encourages teachers to spur their students toward discontent with the world around them.

If there's practical training involved, it's likely to be about how to discuss LGBTQ+ issues with 3-year-olds. The same philosophy encourages "action civics." Rather than teaching a straightforward history curriculum, educators are expected to encourage their students to advocate social change.

Wisconsin education schools openly embrace a Marxist program called 'critical pedagogy.'

Wisconsin is no outlier. Progressive activism is flooding American classrooms because teacher-prep programs are steeped in it. In 2019 the James G. Martin Center for Academic Renewal reviewed the education-school syllabi at the University of North Carolina at Chapel Hill, the University of Michigan and the University of Wisconsin-Madison. "The results are unequivocal," wrote Jay Schalin, the study's author. "The most influential thinkers in our education schools are radicals who adhere to a collectivist, utopian vision."

What teachers-to-be aren't being taught is perhaps even more concerning. The National Council on Teacher Quality reviewed how many schools of education taught prospective elementary-school teachers the "science of reading"—decades-old research that confirms the necessity of phonics, spelling and vocabulary instruction. Only 15% of schools emphasized these elements in 2006, which increased to 22% according to a survey from 2019.

The implications of these syllabi are chilling. The Wisconsin Institute for Law and Liberty paper reports almost 2,000 students graduate yearly from Wisconsin's teacher-training programs. The Teachers College at Columbia University has more than 90,000 alumni. These institutions are producing a teaching workforce imbued with a radical ideology but lacking instructional skills. Their influence over thought, policy, instructional practice and curricula is far-reaching.

Students are the obvious losers. But teachers suffer, too. It's almost a rite of passage that every teacher must go through hell his first year. Partly this is a function of getting used to the job, but it's also a reflection of how ill-prepared they are by their training to stand in front of a classroom full of students.

Training and credentialing programs have been dumping mediocrity into American schools for decades. The system is so entrenched, perhaps the answer isn't reforming the education schools but getting rid of them. Many successful charter schools employ a mentorship model. They hire enterprising young men and women and then provide rigorous on-the-job training, coaching and support. There are also alternative licensing programs, some of them through universities, that focus on the practicalities of classroom instruction for anyone looking to change careers.

For now, legislators should ease teacher licensing requirements and support any reforms that stop the flow of ideology from schools of education to America's classrooms. One day a better-trained, ideologically diverse corps of teachers might emerge that is more interested in helping students learn actual content than in filling their heads with progressive politics.

Mr. Buck is the editor of Chalkboard Review, a senior visiting fellow at the Fordham Institute, and an eighth-grade English teacher at Hope Christian School in Milwaukee.

OPINION

REVIEW & OUTLOOK

This Is Your IRS at Work

Official audits show a record of incompetence. It still gets $80 billion.

The new Inflation Reduction Act has many damaging provisions, but for sheer government gall the $80 billion reward to the Internal Revenue Service stands out. The money will go to hire 87,000 new employees, doubling its current payroll. This is also doubling down on incompetence, as anyone can see in the official reports of the Treasury Inspector General for Tax Administration (Tigta).

We've read those reports for the last several years so you don't have to, and the experience is a government version of finding yourself in a blighted neighborhood for the first time. You can't believe it's that bad. The trouble goes beyond the oft-cited failures like answering only 10% of taxpayer calls, or a backlog of 17 million unprocessed tax returns. The audits reveal an agency that can't do its basic job well but will terrorize taxpayers whether deserving or not.

* * *

Consider the agency's chronic mishandling of tax credits. By the IRS's own admission, some $19 billion—or 28%—of earned-income tax credit payments in fiscal 2021 were "improper." The amount hasn't improved despite years of IRS promises to do better.

• A January Tigta audit found that an estimated 67,000 claims—totaling $15.6 billion—for the low-income housing tax credit from 2015 to 2019 "lacked or did not match supporting documentation due to potential reporting errors or noncompliance."

• A May audit found that 26% ($1.9 billion) of its American opportunity tax credits for education expenses were improper in fiscal 2021, and 27% ($541 million) of its net premium tax credits (ObamaCare) were improper in fiscal 2019 (the most recent year it estimated). The same May audit said the IRS acknowledged that 13% ($5.2 billion) of its enhanced child tax credit payments were improper.

• How did it handle $1,200 stimulus checks, the sick and paid family leave credit, or the employee retention tax credit? Unknown, since the agency didn't estimate failure rates—for which Tigta rapped its knuckles.

• A September 2021 audit found the IRS in 2020 issued 89,338 notices to taxpayers insisting that "balances were owed even though the taxes were not actually due." Why? Because the feds had extended the filing deadline amid Covid but the IRS apparently didn't notice.

• A February audit found the IRS department responsible for ensuring retirement-plan tax compliance suffered a 23% decline in the quality of its examinations from fiscal 2018 to fiscal 2020. In the past seven months, Tigta has issued searing reports on IRS mismanagement of everything from its partial-payment program for delinquent taxpayers, to its auditing of partnerships, to its struggle to handle internal employee misconduct.

• This ineptitude extends to programs Democrats insist will now raise revenue—those targeting higher earners. In 2010 Congress passed the Foreign Account Tax Compliance Act, which was supposed to identify wealthy Americans using undisclosed foreign accounts. Congress's Joint Committee on Taxation said this would raise some $9 billion in revenue by fiscal 2020. Yet an April Tigta audit noted that while the IRS has spent $574 million to implement the law, the agency has drummed up only $14 million in compliance revenue.

• A July 2021 audit related the failure of the IRS small-business/self-employed division's strategy, which began in 2010 to examine more returns from "high-income individual taxpayers." The IRS defines high earners as those with income greater than $200,000. Yet from fiscal 2015 to the end of fiscal 2017 (when the strategy was shut down), 73% of returns targeted by the strategy fell below $200,000.

Democrats say a turbocharged IRS won't pursue taxpayers earning less than $400,000, but don't believe it. Middle-income Americans are easier marks, as they are more likely to write a check than engage in years of costly litigation.

* * *

The Tigta site shows the IRS is good at one thing: punishing those who resist its demands. A March audit chastised the IRS for using lien foreclosure suits to confiscate "principal residences" from delinquent taxpayers, a process that does "not provide [taxpayers] the same legal protections as seizures."

A March 2017 report related the agency's crackdown on businesses flagged as potentially evading a law that requires financial institutions to report currency transactions exceeding $10,000. The IRS took to seizing property from its targets before even conducting interviews. Tigta reports that even when interviews were conducted, the IRS failed to advise the accused of their rights or the purpose of the interview, and failed to consider "realistic defenses or explanations." Tigta found that "most" of those targeted (owners of gas stations, jewelry stores, scrap-metal dealers, restaurants) had not committed crimes, though many were never able to regain their property.

This is the IRS that Democrats are now arming with more money and manpower to unleash on Americans. The $80 billion is a demonstration of their priorities, and further proof of the rule that failure in government is invariably rewarded with a bigger budget.

Children Are Priceless

The Brookings Institution is making a media splash with its estimate that it now costs more than $300,000 to raise a child through high school, an estimate first shared with our news colleagues at the Journal. Others are picking up the figure as if it's a shocker. We don't dispute the number, but that isn't the way to look at it.

No doubt it takes money to feed, clothe and educate a family these days, and inflation isn't helping. But children aren't merely cost centers. Even ignoring human affection and thinking in the most utilitarian terms, children are assets—to the families who raise them, to the nation in which they are born, and to the world to which they will contribute across their lifetimes.

A bizarre idea we sometimes hear is that young people don't want to have children for fear of climate change. Have children, or don't, that's your choice. But bringing another person into the world isn't going to matter in the slightest to global temperatures. That is, unless your child becomes the adult who finds a solution to battery storage, or some other technological or business breakthrough that enhances the human condition.

A real cause for concern is the declining U.S. birth rate that is falling below the replacement rate. Without immigration, the U.S. population would begin to shrink. This is nothing to cheer. Whatever children cost to raise, they are a priceless vote of confidence in the future.

Florida Toys With Housing Suicide

Orlando may resort to rent control, which is deadly for new supply.

One consequence of inflation is the bad policy temptations that come with it. Lawmakers in urban hot spots are flirting with rent control again, and a coming vote in Orlando, Fla., will give residents a chance to show they've learned more about economics than have local leaders.

Commissioners in Florida's Orange County voted last week to put a rent-control measure on the ballot in November. The ordinance would block landlords from raising rents above the inflation rate, as gauged by the consumer-price index for southeastern states. The measure would expire after 2023, but once in place these policies tend to stay forever. See New York City.

Fast-rising rents have made price controls look like an appealing quick fix. Backers of the ballot measure point to the 35% spike in Orlando rents since 2020 as a sign that affordability has become an emergency. "I don't want to regulate rent. I don't want to control landlords," Commissioner Mayra Uribe told the press last week. "I'm actually trying to find a solution for our housing problem."

City councilors in Tampa and St. Petersburg also debated rent control this month before voting it down, and Miami-Dade leaders proposed a study meant to provide the basis for capping rent increases. More could be on the way. As reported by a Florida Atlantic University study, the Sunshine State in 2021 had eight of the 10 U.S. rental markets where prices rose most sharply.

The problem is that restricting prices would distort rental markets without providing much relief. Price controls on rent discourage builders from adding supply and deprive landlords of any benefit from refurbishing their properties. Existing tenants often see their neighborhoods deteriorate.

None of this should be news to Orange County leaders, who got a lesson in rent dynamics from their own adviser. GAI Consultants, who the commissioners hired to assess the policy, reported that the causes of rising rents are "likely beyond the control of local regulation." Capping rent hikes would lead to "unintended consequences," the consultants said, in the understatement of the year.

The report also identified the real solution for a price surge: adding more supply. There's evidence in the home-buying market that builders are already seizing that opportunity. A record 1,200 new homes came up for sale in the Orlando metropolitan area in May, according to local realtors. Existing-home sales in the region have also dropped by a third since last year as buyers balk at list prices. Price rises have slowed without government intervention.

Orlando's rent-control threat could be averted if local real-estate advocates can persuade a state court. Two industry associations have sued to kill the ballot measure, saying it violates a 1977 state ban on rent control. Common sense supports the plaintiffs, though the county commissioners may argue that today's prices qualify as a "housing emergency" that would allow the measure.

That means voters would have to save the day. Florida has become a mecca for refugees from other states in large part because of sensible economic policies. Nothing would do more to ruin that friendly economic climate than the insanity of rent control.

LETTERS TO THE EDITOR

How Else Can We Protect Freedom of Speech?

Michael Bloomberg doesn't like a Florida law that bans teaching progressive ideology in classrooms ("Republican Censors Go for Woke," op-ed, Aug. 16). He might be right; laws aren't the best way to fight ideas. But what method would Mr. Bloomberg recommend to fight the intolerance? Fire far-left educators and replace them with conservative-minded ones?

The core of the problem is that progressives took dominating positions in academia, the schools, media and now business and finance. The social-media mob greatly helped them by instilling fear in people with different opinions. Dissidents have been silenced.

Mr. Bloomberg writes, "The solution to political repression isn't more political repression. It's freedom. Truth has nothing to fear from free speech—on college campuses, or anywhere else." The point, however, is there isn't true freedom of speech today—only freedom for progressive speech.

VICTOR MISHKEVICH
Bridgewater, N.J.

In an otherwise excellent critique of Gov. Ron DeSantis's attack on free expression, Mr. Bloomberg repeats a common myth: that on college campuses, "Speakers over the past decade have regularly been disinvited, shouted down and even physically attacked." In fact, such incidents are extremely rare.

In 2021 the Foundation for Individual Rights and Expression, which maintains a "campus disinvitation database," identified only 10 cases in which colleges disinvited speakers for political reasons. There are reasons to be concerned about free expression on campus, but generalizing from unrepresentative cases inflames partisan passions and doesn't advance efforts to foster a culture of open inquiry.

DAVID WIPPMAN
President, Hamilton College
Clinton, N.Y.

PROF. GLENN C. ALTSCHULER
Cornell University
Ithaca, N.Y.

Mr. Bloomberg confuses taking hate and propaganda out of the K-12 curriculum with banning the freedom to speak and exchange ideas. Meanwhile, we in Florida are doing a pretty good job of educating our children to be valued members of the community, and that didn't start and doesn't end with our current governor signing something into law.

BARBARA ENGELHART
Naples, Fla.

Mr. Bloomberg makes a good point about the difficulty of enacting laws that prohibit the expression of guilt-evoking views in the classroom, but his solution merely restates the problem: "The way to address controversial theories" is "to allow citizens to give them a free airing, where they can be openly debated." But what if open debate isn't allowed? What then?

GERALD J. BEDNAR
Euclid, Ohio

Kissinger and the Search for Equilibrium

It struck me while reading Laura Secor's "Weekend Confidential: Henry Kissinger" (Review, Aug. 13) that the former secretary of state's prescription for keeping the peace between the great powers could also be applied as balm for this country's domestic polarization. According to Mr. Kissinger, diplomatic equilibrium relies on "an acceptance of the legitimacy of sometimes opposing values."

There seems to be little support for that kind of thinking in America's political parties. Nor for the other component in Mr. Kissinger's prescription, a sense that "there are limitations to the exercise of your own capabilities and power in relation to what is needed for the overall equilibrium."

DAVID L. NICANDRI
Tumwater, Wash.

Mr. Kissinger illuminates the need for smart people in midlevel government positions and wise men at the top. Reading the interview, I envisioned a large table and chairs atop a balance ball. In those chairs were wise men from Russia, Germany, China, the U.S., etc., all of whom must cooperate to maintain Mr. Kissinger's equilibrium. Precarious indeed.

RODNEY ROMIG
Sarasota, Fla.

Currency Boards Have a Strong Global Record

In his letter (Aug. 15) responding to my op-ed "Floating Currencies Compound Uncertainty" (Aug. 9), Prof. William Miles states that "currency boards would lead to more of the banking crises, debt defaults and high inflation" that policy makers try to minimize. Solid evidence flies in the face of his assertions.

The first currency board was established in Mauritius in 1849. At their peak, there were over 70 currency boards. Since 1849, there have been 711 banking crises scattered throughout the world. Only 16 occurred in countries with currency boards. Of the more than 500 sovereign-debt defaults since 1849, only five occurred in currency-board countries.

What about inflation? It's always been much higher in countries with central banks than in those with currency boards. In a study of 98 countries from 1950-93, I found that inflation was almost five times higher in countries with central banks than in those with currency boards. If that's not enough, there have been 61 episodes of hyperinflation in the world since 1849. All were produced by central banks, not currency boards.

Mr. Miles also claims that since the 1980s and 1990s, most emerging market countries have adopted floating exchange-rate regimes, and "have achieved low inflation with floating currencies." According to the IMF, the number of emerging-market countries that have freely floating exchange rates has plunged by 50% since 1997. And the current average annual inflation for the remaining floaters is 13%, well above their inflation targets.

PROF. STEVE H. HANKE
Johns Hopkins University
Baltimore

Military Leaders Could Have Done More to Stop a Disaster

Karl Rove's op-ed "The Afghan Debacle Didn't Have to Happen" (Aug. 18) is right on point. The military abandonment of Afghanistan was breathtakingly irresponsible. What I want to know is: Did our senior military leadership truly fight tooth and nail against the desertion of Bagram Air Base as well as leaving behind mammoth quantities of valuable equipment?

If they weren't properly consulted or were ignored, then all of them—the secretary of defense and the entire Joint Chiefs of Staff—should have resigned simultaneously. How would Gens. George Marshall, Colin Powell and Adm. Chester Nimitz have reacted to this unforgivable disgrace, obvious to any and all who have ever worn or are wearing the uniform?

CAPT. BRUCE WOODRUFF, USN (RET.)
Midlothian, Va.

The Fallacy That Never Quits

In his letter "Making Medicine an 'Anti-Racist' Profession" (Aug. 16), Jack Resneck Jr., president of the American Medical Association, claims that "disparities in life expectancy" are evidence of racism. I hope he uses better logic in treating patients. Are all differences in life expectancy attributable to discrimination? In 2020, average life expectancy for U.S. women was more than 5 years greater than the life expectancy for men. Would he interpret this difference as antimale discrimination? Are there no other relevant factors?

PROF. THOMAS GRENNES
North Carolina State University
Raleigh, N.C.

One Trumpism They Believe

Regarding "Trump Derangement Syndrome Spares None" (Letters, Aug. 17): Why is it that Never Trumpers consider everything Donald Trump utters to be a lie, yet accept with 100% veracity and seriousness his statement that he could shoot someone on Fifth Avenue and his supporters would still vote for him?

NIEL JOHNSON
Laguna Woods, Calif.

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.

Pepper ... And Salt

THE WALL STREET JOURNAL

"If you'd like a second opinion, I also do Tarot reading."

OPINION

Can the U.S. Become Exceptional Again?

By Richard Vedder

'American exceptionalism" isn't a jingoistic fantasy. For two centuries it's been based solidly on empirical realities. Output in the new United States in 1776 was perhaps a quarter of that in its mother country, Great Britain. Only a century later, the U.S. was producing more goods than the British, and by its bicentennial in 1976 the U.S. was the world's premier superpower.

Signs of extraordinary accomplishment were everywhere. The U.S. witnessed the largest sustained immigration the world had ever known, as people flocked to American shores. There were so many that the nation decided to restrict admission rather severely beginning in the 1920s. U.S. global leadership didn't come from random luck, superior location or natural resources. Its 20th-century rival, the Soviet Union, had far more people and land and at least as many valuable minerals in 1976.

It would take a renewed respect for work, laws, fiscal responsibility, enterprise and education.

But fast-forward to 2022, and things don't look the same. American economic superiority has declined markedly. Polls show that a sizable majority of Americans believe the nation is heading in the wrong direction. Annual output growth has declined considerably (to 2.35% between 2000 and 2020 from 3.93% between 1950 and 1970). America's enviable reputation for curbing misery, poverty and cruelty—at home and abroad—has eroded, too. The ignominious retreat from Afghanistan is only one example. America doesn't seem so "exceptional" anymore.

To understand why, let's consider five relevant factors.

• *A sharply declining work ethic.* In January 2000, 64.6% of the noninstitutionalized working-age population was employed. By July 2022, that share had fallen to 60%. Had the proportion remained at its 2000 level, the U.S. workforce would have seen 12.1 million new entries—well above the Bureau of Labor Statistics' estimate of job vacancies today. While the pandemic initially played a role in limiting labor-force participation, the current shortage reflects a different culprit: enormous increases in government payments, such as outsize food-stamp and Medicaid benefits.

DAVID KLEIN

• *A declining sense of fiscal responsibility.* In the nation's first 140 years, the federal government ran 101 annual budget surpluses and only 39 deficits. That changed with the Keynesian revolution of the 1930s, which has only intensified this century. The gross national debt now exceeds yearly gross domestic product—something previously seen only on rare occasions, such as the period immediately following World War II. The last time the U.S. balanced its budget was 21 years ago, in fiscal 2001. Deficits have since risen under Republican and Democratic presidents. Even more ominous are the underfunded liabilities for Social Security and Medicare, which will impose severe burdens on the next generation of Americans. Rather than address this, the Biden administration has added to the fiscal mayhem by pausing or canceling student-loan obligations.

• *A growing disrespect for laws, rules and religious commandments.* With some conspicuous exceptions—namely, slavery and segregation—Americans have historically been a rules-abiding people, respecting laws embraced by secular and religious tradition. National peace and prosperity depended in large part on the public's appreciation for property and human rights. People obeyed financial agreements and considered harming others to be not only illegal but sinful.

In recent decades that conception has become far less widespread. Church membership plummeted to 47% in 2020 from 70% in 1999. The reduction in serious crime beginning in the 1980s has reversed with a vengeance. Large-scale riots break out on the occasion of perceived injustices—such as the use of violence by police—which lead to damaged property, lost lives and enhanced fear and mistrust. "Thou shall not kill" and "thou shall not steal" no longer command the fearful respect they once did.

• *A decline in respect for free markets and a rising collectivism that erodes investment and entrepreneurship.* It's no accident that the Industrial Revolution and its aftermath occurred because of the ascendance of thinkers such as Adam Smith and John Locke and inventor-entrepreneurs such as James Watt, Thomas Edison and Steve Jobs. Limits imposed by kings and bishops were displaced by market-provided incentives for entrepreneurs. What Deirdre McCloskey aptly termed the "Great Enrichment"—the onset of extraordinary growth in income beginning in the early 1800s—reached its greatest expression in America. Yet today collectivist governmental power and regulation undermine such entrepreneurial initiatives, from fracking to healthcare.

• *A rise in ignorance.* Despite having immediate access to more information than their parents could have dreamed of, today's youth increasingly know less about the world around them. On the 2018 Program for International Student Assessment—an international evaluation in math, science and reading for 15-year-old students—Americans scored lower than their peers in Asian powerhouses such as China and Japan and in European allies from the U.K. to Germany.

American universities are subordinating academic achievement to ideology while constricting free expression—the lifeblood of intellectual advancement and prosperity. Teachers unions restrict competition. Knowledge of the past is particularly spotty as schools either down play or distort the nation's history. The effect is a decline in patriotism and love of country, which loosens the glue of national unity embodied in the motto *E pluribus unum*.

Adversity isn't new to America. George Washington's army faced it at Valley Forge. Abraham Lincoln confronted it during the Civil War. The nation endured it in the Pearl Harbor and 9/11 attacks. The U.S. has met and overcome perilous challenges before. But to be exceptional again will require reclaiming and practicing what makes America uniquely special. It'll require a project of rediscovery—of finding something that not so long ago the nation abandoned.

Mr. Vedder is an emeritus professor of economics at Ohio University, a senior fellow at the Independent Institute, and author of "Restoring the Promise: Higher Education in America."

Peggy Noonan is away.

Liz Cheney and Her Unhappy Choice Among Liars

BUSINESS WORLD
By Holman W. Jenkins, Jr.

John F. Kennedy's much quoted, little understood "Profiles in Courage" is basically a book of political career management. Its key sentence dismisses as an absurdity the idea of expecting professional politicians, at every moment, to be ready to throw away their careers and livelihoods over matters of principle. In the meat of the book, he details the exceptional cases of congressmen who took stands they knew would be fatal to their re-elections. Even so, some had their parachutes ready. Daniel Webster, who voted for a compromise with slavery repugnant to his Massachusetts constituents, resigned his Senate seat and became secretary of state.

A no-name rural Ohio congressman today can kiss his career goodbye if he's on the wrong side of Trump voters so he doesn't get on the wrong side of Trump voters. Different situations, different profiles in calculation. Liz Cheney has a name that already makes her a big fish in the small pond of Wyoming politics. As the state's sole House member, she outranks in exclusivity and name recognition even its two senators. What she lacked was a simple path to further advancement commensurate with her national assets and expectations.

Claims about her courage can be overdone. She's a professional. She has taken brickbats for sure but she's not thrown herself on the pyre. She is betting intelligently on her future in full recognition that most politicians don't become president but her chances are as good or better than they were before she opposed Donald Trump. Her political celebrity is enhanced. Her name is as familiar now to 330 million Americans as it was previously to 581,813 Wyoming inhabitants.

Ms. Cheney's biggest long-run risk may come not from antagonizing Mr. Trump but from antagonizing millions of voters by making common cause with Jan. 6 committee Democrats like Adam Schiff, whose lying and cynicism have been every bit as corrosive as Mr. Trump's. At an appropriate moment, it will pay her to talk a great deal about her opposition to the Russia collusion hoax.

Remind yourself, too, that Joe Biden was being a profile in calculation when he phoned Ms. Cheney after her Tuesday GOP primary loss. His priority wasn't helping Ms. Cheney. His priority was further discombobulating Republicans (and,

Trump's lies aren't the establishment's lies and yet find traction with millions of voters.

let's face it, strengthening Mr. Trump who is the best ally Democrats have in their current straits) by elevating Ms. Cheney's visibility and connecting her to Mr. Biden.

So what about her oft-stated claim, which justifies it all, that Mr. Trump represents a "unique threat to democracy"? The adjective is important.

Mr. Trump obviously isn't unique in relation to Democrats who promoted the collusion hoax to discredit the 2016 election, or even unique in relation to the Trump of 2016 who claimed the outcome was "rigged" when he thought he was losing to Hillary Clinton.

He obviously isn't unique in relation to Stacey Abrams, who claimed the 2018 Georgia gubernatorial election was stolen from her, or in relation to numerous Democrats who said George W. Bush stole the 2000 presidential election.

A columnist for London's Economist magazine ventures that "Mr. Trump has again and again broken through the boundaries of the American political imagination." The statement would command more social acuity if it had said Mr. Trump *had been the occasion* for such boundary breaking. To anybody with an honest imagination, much of the breaking was done by his enemies. In unminced words, the CIA analyst turned social critic Martin Gurri recently noted the "total blindness" of Barack Obama's speech at Stanford decrying the role of political disinformation: "He never mentioned the most effective disinformation campaign of recent times, conducted against Trump by the Hillary Clinton campaign, in which members of his own administration participated."

None of this excuses Mr. Trump but it raises a question of who exactly has been learning from whom.

We enter here upon the gnarliest territory. Mr. Trump is clearly unique in one sense, but it's not obvious whether it strengthens or weakens Ms. Cheney's case. Unlike these Democrats, his lies are not embraced and trumpeted by credentialed institutions and the mainstream press.

It feels weird to say it, but if Mr. Trump represents a unique threat (and maybe he does), it's because his lies aren't the establishment's lies, they aren't the media elite's lies, and yet his lies have a purchase with a large and possibly decisive electorate. Offhand, only one lie heard in normal, everyday American discourse seems to me close in size to Mr. Trump's 2020 lie, and that's the routine, universally affirmed lie, which is nowhere found in the science, that climate change is the end of the world.

The SEC Treats Crypto Like the Rest of the Capital Markets

By Gary Gensler

What do car manufacturers have to do with crypto lending platforms? Consumers and investors deserve protection—that's true of motor vehicles and investment vehicles alike.

In September 1966, President Lyndon B. Johnson signed the National Traffic and Motor Vehicle Safety Act. Nearly six decades later, seat belts and other basic safety features remain standard. That's true despite many innovations in automotive technology. Whether a car runs on gasoline or electricity, drivers and passengers deserve to be protected.

Similarly, our federal securities laws, which President Franklin D. Roosevelt signed in the depths of the Great Depression, were designed to protect investors. There's no reason to treat the crypto market differently from the rest of the capital markets just because it uses a different technology.

Recent market events show why it is critical that crypto firms comply with securities laws. In recent months, some crypto lending platforms have frozen their investors' accounts or gone bankrupt. When it comes to bankruptcy, these investors have to get in line at the court.

Consider this hypothetical: Bob runs an app that promotes 4%, 7% or 19% returns. Alice and millions of other everyday investors put their assets in Bob's app. Investors benefit from knowing what stands behind Bob's claims that he will provide a certain return. If an investment sounds too good to be true, it may be. Alice gets to decide whether to invest based on those disclosures.

The disclosures help her understand what Bob is doing with her assets. Is he trading them? Is he lending them to other investors? Is he running a hedge fund? How is he funding the promised returns, and what risks is he taking?

Notably, it doesn't matter what kind of asset Alice put into Bob's app—cash, gold, bitcoin, chinchillas or anything else. It's what Bob does that determines what protections are provided by the law.

Further, depending on how Bob uses Alice's assets, he also might be operating an investment company, such as a mutual fund. In that case, Bob would have to provide additional protections that make it harder to defraud investors.

Bob can't avoid complying with these time-tested investor protections by sticking a label on the product or on the promised benefits. He might call it interest, yield, earn or annual percentage yield rewards. He might say his app is a lending platform, a crypto exchange or a decentralized finance platform. Across decades of cases, the Supreme Court has made clear that the economic realities of a product—not the labels—determine whether it is a security under the securities laws.

That's what the Securities and Exchange Commission found in a recent settlement with the crypto-lending platform BlockFi. The company had borrowed more than $10 billion in crypto assets from 570,000 investors, offering them a variable interest rate in return.

Securities laws that protect investors continue to apply even when new technologies come along.

That made its lending product offered to investors, called BlockFi Interest Accounts, a security. BlockFi then pooled these assets, packaged them into loans to institutional borrowers, and invested funds in other securities. That made it an investment company.

That BlockFi had borrowed *crypto* wasn't the issue here. In fact, you could replace "crypto" with any other asset. The issue was what it *did* with the borrowed assets and what it *didn't* do as a firm: provide the required disclosures to investors. Compliance with our laws protects the investing public. Unfortunately, some platforms that offer crypto lending aren't complying with the applicable requirements.

We can dispense with the idea that crypto lending isn't subject to regulation. On the contrary, the rules have been around for decades. The platforms aren't following them. Noncompliance isn't the inevitable result of the crypto business model or underlying crypto technology. Rather, it is as if these platforms are saying they have a choice—or even worse, saying "Catch us if you can."

As I said in a speech last year, "Make no mistake: If a lending platform is offering securities, it . . . falls into SEC jurisdiction." On many occasions, the commission and state regulators have addressed how the relevant case law implicates crypto assets, including crypto lending.

There are costs of complying with securities laws, just as there are costs to car makers of adding seat belts. Platforms that offer crypto lending need to comply anyway, not merely because that's the law, but also because it helps protect investors and increase trust in our markets.

Fortunately, there is a path forward. I encourage platforms offering crypto lending to come in and talk to SEC staff. Getting these platforms into compliance with the securities laws will benefit investors and the crypto market.

In the meantime, the SEC will serve as the cop on the beat. As with seat belts in cars, we need to ensure that investor protections come standard in the crypto market.

Mr. Gensler is chair of the SEC.

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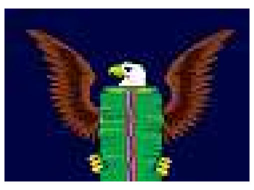

$80 Billion
What the IRS's new funding means for your taxes **B4**

EXCHANGE

Tap, Tap, Tap
When did everyone start using Apple Pay? **B5**

DJIA 33706.74 ▼ 292.30 0.9% **NASDAQ** 12705.22 ▼ 2.0% **STOXX 600** 437.36 ▼ 0.8% **10-YR. TREAS.** ▼ 29/32, yield 2.987% **OIL** $90.77 ▲ $0.27 **GOLD** $1,747.60 ▼ $7.70 **EURO** $1.0040 **YEN** 136.93

PRIVATE EQUITY WANTS TO Wash Your Car

A vehicle moves through an Ultra Car Wash, an operation backed by money from a private equity firm, in an Atlanta suburb.

DAVID WALTER BANKS FOR THE WALL STREET JOURNAL

Buyout firms are buying and bundling smaller businesses

By Miriam Gottfried

Lawrenceville, Ga.

On a warm summer day, a gray sedan approaches the express tunnel at Ultra Car Wash in this Atlanta suburb. The vehicle, recognized by a scanner, passes through a gate and automatically gets treated with brushes, scrubbers and air blasters programmed to the specifications of a prepaid membership. It emerges minutes later, sparkling in the sun.

The financing for this car-wash operation—which services more than 800 vehicles on a busy day—comes from private equity, an industry that has long made headlines buying and selling giant corporations. What most private-equity firms actually buy are smaller regional businesses, from car washes and dentist offices to auto-repair shops and dry cleaners.

Ultra Car Wash belongs to an emerging empire of 107 car washes primarily in the Southeast and Midwest amassed with the backing of Atlanta buyout firm Red Dog Equity LLC. The company it backed, Mammoth Holdings LLC, acquires existing car washes, builds new ones and merges them together. It aims to reach 500 car washes by 2025.

"I didn't come here to play small ball," said Mammoth Chief Executive Dave Hoffmann, who joined last year and previously was CEO of Dunkin' Brands Group Inc. "We're going to build something really unique."

The strategy of buyout firms, flush with cash and facing stiff competition to invest it, is to bundle these modest businesses—a move known in the private-equity industry as a "roll up"—and find new ways for them to make money. The goal is to create bigger, more valuable companies that can be sold down the line for multiples of what they paid.

The car-wash industry has become a hotbed of private-equity activity. Investors are now paying big prices for regional chains—as much as 18-to-20 times earnings before interest, taxes, depreciation and amortization, according to bankers involved in the

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GM Ready To Restart Dividend

Payout was halted amid pandemic to save cash

By Nora Eckert

General Motors Co. said it plans to reinstate its quarterly dividend, after suspending it in April 2020 to preserve cash during the early days of the Covid-19 pandemic.

The Detroit auto maker also said Friday that it plans to resume opportunistic share repurchases, saying progress on key initiatives has instilled confidence it can fund growth in electric vehicles and other advancements while returning capital to shareholders.

GM said it expects to pay out its first dividend of 9 cents a share on Sept. 15 and plans to increase its existing repurchase program of common stock to $5 billion, up from the $3.3 billion remaining in the program.

GM shares rose 2.5% in Friday trading.

The move marks a shift from GM's position early this year. In February, Chief Executive Mary Barra said the company wouldn't resume paying out a dividend, to give priority to spending on EVs and other growth plans.

In the spring of 2020, GM and other car makers suspended their quarterly dividend payments, citing uncertainty around the health crisis and looking to preserve cash as they shut down factories to comply with lockdown orders and other Covid-19-related restrictions.

Since then, GM's profits have rebounded, and it has set aside billions of dollars to expand its lineup of EVs, including hefty investments in battery factories. In all, the company plans to spend $35 billion on electric and autonomous vehicles by 2025.

GM's share price has fallen about 32% since the start of the year, more than those of rivals Ford Motor Co. and Stellantis NV.

Ford reinstated its quarterly dividend late last year, after suspending payments early in the pandemic. The Dearborn, Mich., auto maker then said in July that it would raise the divi-

Please turn to page B2

Regal Cinemas Owner Nears Bankruptcy

Recovery in ticket sales has trailed expectations

By Alexander Gladstone

Cineworld Group PLC, the owner of Regal Cinemas, is preparing to file for bankruptcy within weeks after struggling to rebuild movie-theater attendance from pandemic lows, according to people familiar with the matter.

The London-based cinema company has engaged lawyers from Kirkland & Ellis LLP and consultants from AlixPartners to advise on the bankruptcy process, these people said. Cineworld, the second-largest cinema chain in the world, is expected to file a chapter 11 petition in the U.S. to allow it to restructure under court protection and is also considering filing an insolvency proceeding in the U.K., they said.

This past week, Cine-world said that despite a gradual recovery in attendance since reopening theaters last year, recent admissions have lagged below expectations due to a limited film slate.

A company spokesman said Friday that all its theaters are open for business as usual, and it is "proactively evaluating strategic options to ensure we have the balance sheet strength and flexibility to adapt to market conditions."

While revenue has rebounded somewhat since Cineworld reopened its theaters starting in April 2021, the recovery has been too little, too late for the company, which was founded in the U.K. in 1995 and acquired the Regal chain in 2018 for $3.6 billion.

Cineworld's performance is still below prepandemic levels. And aside from a couple of superhero films like "Black Panther: Wakanda Forever" scheduled for release in the fall, a

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ESPN Faces Questions About Its Future

Parent Disney depends on the network to fund its streaming expansion, but subscriptions are in decline

By Joe Flint

An activist investor's suggestion this week that Walt Disney Co. spin off ESPN rekindled a long-running debate over what the company should do with a sports network that has been a major profit engine for years but whose subscriber base is eroding.

Daniel Loeb's Third Point LLC, which owns a small stake in the entertainment giant, told management in a letter Monday that there is a "strong case to be made" for Disney to part with ESPN, which would result in a company that is "no longer haunted by the specter of cord-cutting," or consumers canceling their pay-TV subscription in favor of streaming services.

Fewer Americans are getting cable TV—and, by extension, ESPN—every year, but the network remains home to some of the most popular content on TV, particularly as many people no longer watch live programming that isn't news or sports.

ESPN attracted more prime-time viewers so far this year than any other cable network but Fox Corp.'s Fox News, according to Nielsen. And the channel brings in significantly more in fees than any of its rivals: On average, every American with a pay-TV package that features ESPN pays more than $100 a year for access to the network, according to Kagan, a media research group within S&P Global Market Intelligence.

The network currently has 73.2 million subscribers, down from 87.7 million in 2017, according to Kagan, which estimates that number will fall to 60.8 million by

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NOAH GRAHAM/NBAE/GETTY IMAGES

ESPN reporter Monica McNutt interviews NBA star Stephen Curry.

THE SCORE

THE BUSINESS WEEK IN 7 STOCKS

WALT DISNEY CO.

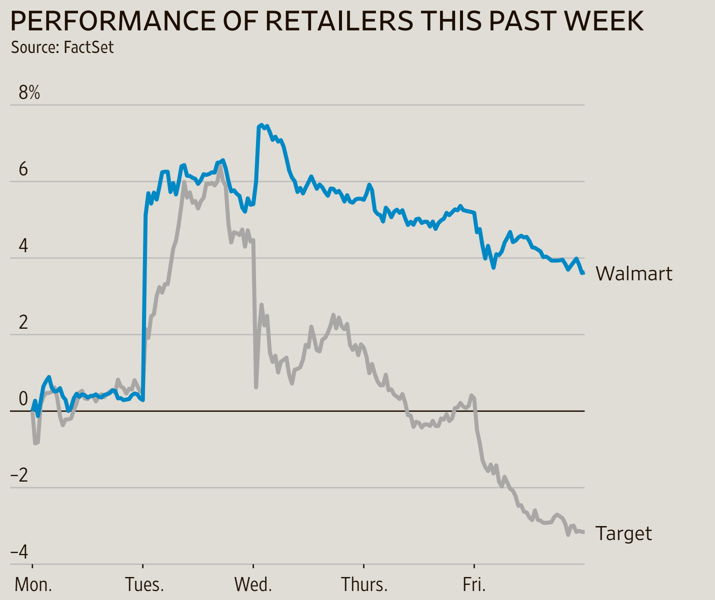
DIS 2.2%

A new drama is in development at Disney. Activist investor Dan Loeb said in a letter to Disney Chief Executive Bob Chapek released Monday that he wants the media company to buy the rest of streaming service Hulu and explore a spinoff of ESPN. His hedge-fund firm Third Point LLC, he said, has repurchased a "significant stake" in the media company after liquidating holdings earlier in the year. In his letter, Mr. Loeb also urged the company to engage with Third Point on a number of issues, from new members of its board to a cost-cutting program. Disney shares **rose 2.2% Monday.**

AMAZON.COM INC.

AMZN 0.1%

Amazon is searching Hollywood for a star. It has held conversations with senior movie-studio executives who work for rivals to help lead its entertainment division, The Wall Street Journal reported Wednesday. Former Paramount Pictures executive Emma Watts and Netflix Inc.'s Scott Stuber are among the Hollywood players who had conversations with Amazon, the Journal reported. At Netflix, where Mr. Stuber helped cement the company's status as the streaming industry's dominant player, he oversees a division that has produced dozens of movies. Amazon's shares **rose 0.1% Thursday.**



WALMART INC.

WMT 5.1%

A retailing giant known for its discounts is having success raising prices. Walmart's second-quarter revenue rose as it benefited from consumers paying more for goods and making more visits, the company said Tuesday. Rival Target Corp. said Wednesday its profit fell due to an effort to quickly unload excess inventory at a discount. Walmart's shares **rose 5.1% on Tuesday**, and Target **fell 2.7% Wednesday.**

LOWE'S COS.

LOW 0.6%

The foundation of Lowe's could use shoring up. Same-store sales at the home-improvement retailer fell for the second quarter in a row, and Lowe's said its results lagged due to reduced spending from the do-it-yourself cohort, which makes up 75% of its customer base. At Home Depot Inc., which has a higher share than Lowe's from professionals such as contractors and electricians, second-quarter revenue rose as higher prices more than offset a drop in transactions. Professionals tend to spend more per trip. Lowe's shares **closed Wednesday up 0.6%**, while Home Depot rose 4%.

BED BATH & BEYOND INC.

BBBY 41%

Billionaire Ryan Cohen cleaned up his involvement in Bed Bath & Beyond. Mr. Cohen, the co-founder of pet-supply retailer Chewy Inc., helped ignite a new meme-stock frenzy in shares of Bed Bath & Beyond earlier this year. But this week he sold all the stock held by his firm RC Ventures, according to a filing on Thursday. When he revealed his a stake in the company in March, he outlined steps the home-goods retailer should take to turn around. As of Wednesday, the shares were up more than 350% for the month of August, but **plunged 20% Thursday and a further 41% Friday.**

STELLANTIS NV

STLA 0.6%

Dodge wants muscle-car enthusiasts to get charged up about its first vehicle to run on battery power. It unveiled a new concept car Wednesday evening that it hopes will replace models such as the Challenger and Charger whose loud, powerful engines have long been their main appeal. The move aligns with the ambitious plans of its parent company, Stellantis, which wants to spend $35 billion in the coming years adding more electric vehicles to its showrooms. Dodge's forthcoming EV is expected to go on sale in 2024. Shares of Stellantis **rose 0.6% Thursday.**

FOOT LOCKER INC.

FL 20%

A new leader raced to the front of the pack at Foot Locker. Former Ulta Beauty Inc. Chief Executive Mary Dillon was named Friday as the next chief executive of the athletic-goods chain. She joins as Foot Locker tries to shift out of shopping malls and lessen its dependence on Nike Inc. Foot Locker's lead independent director, Dona Young, will also assume the role of nonexecutive chair on Feb. 1, making Foot Locker one of a few publicly traded companies to have women in the top two jobs. Foot Locker shares **rose 20% Friday.**

—Dan Fitzpatrick

What Lies Ahead for ESPN?

Continued from page B1

2025. Marc Ganis, president of the consulting firm Sportscorp, expects U.S. cable subscriptions to stabilize around the 50 million mark.

A potential spinoff of ESPN "doesn't make a lot of sense to me," said former ESPN Chief Executive Steve Bornstein, who ran ESPN in the 1990s. "I don't know what problems you are solving." Besides its flagship channel, ESPN also includes several sister networks and the ESPN+ streaming service.

Disney declined to comment for this article. In its response to Mr. Loeb's letter earlier this week, the company said it welcomed the views of all investors. Disney's statement said the company achieved record streaming subscriptions and strong profit growth at its U.S. theme-parks business, but didn't mention ESPN.

Pat Crakes, a sports-media consultant and former Fox Sports executive, said Disney needs ESPN and other cable assets to fund its streaming business's losses. The company's TV networks generated $2.5 billion in operating income during the most recent quarter, more than its thriving parks division, which brought in $2.2 billion. Meanwhile, Disney's streaming services—which include Disney+, Hulu and ESPN+—lost $1.1 billion.

"Disney cannot give up ESPN while they are still in the process of developing their bundles," said Mr. Ganis.

In his letter, Mr. Loeb said a stand-alone ESPN could take on some of Disney's $46 billion debt load.

His most pointed argument was that independence would let ESPN pursue a business it has already embraced: sports betting.

ESPN has marketing partnerships with both DraftKings Inc. and Caesars Entertainment Inc.'s Caesars Sportsbook, and ESPN2 airs a show called "Daily Wager" offering betting insights and tips. On Disney's earnings call last week, CEO Bob Chapek said the company has had conversations about getting more actively involved in betting itself.

Third Point declined to comment.

Mr. Loeb isn't the first to suggest jettisoning ESPN. Inside Disney, there have been occasional discussions over the years about where ESPN fits in the future of the company, people familiar with the matter said. However, its contributions to the company's bottom line outweighed any long-term concerns, they said.

Beyond cord-cutting, the rapid escalation of sports-rights fees has eroded ESPN's profitability in recent years. Last year, ESPN renewed "Monday Night Football" at a cost of $2.7 billion a season, a 35% increase from its previous deal with the NFL. The network has also indicated it will be aggressive in its efforts to retain rights to the National Basketball Association when that deal expires in three years.

Disney doesn't break out ESPN's financial performance, but a former executive estimated the network generates in the neighborhood of $3 billion in earnings before interest, taxes, depreciation and amortization annually, and has a valuation of around $25 billion.

That's about half of what ESPN was valued at by analyst Matthew Harrigan in 2014, who at the time projected its Ebitda to be around $4.5 billion. Mr. Harrigan declined to comment.

A Disney executive said that the valuation is significantly higher than $25 billion. Disney and ESPN representatives declined to comment on the unit's finances.

Disney acquired majority control of ESPN as part of its 1995 purchase of Capital Cities/ABC Inc. At that time, ESPN was the darling of the cable business not only for its live sports but for its irreverent attitude in covering it. Anchors such as Chris Berman, Dan Patrick, Keith Olbermann and the late Stuart Scott became household names.

For years, ESPN pretty much had the field to itself and launched sister networks, a magazine and a radio network all while delivering a steady stream of profits to Disney.

These days, ESPN competes for sports content not only with rivals such as Fox Sports and Warner Bros. Discovery Inc.'s TNT and TBS, but with Amazon.com Inc.'s Prime Video and Apple Inc.'s TV+ service, which are also moving aggressively onto ESPN's turf. The competition continues to drive up the cost of content even as ratings for many major sports stagnate or decline.

The network has shown a willingness to walk away if a sports-rights deal gets too pricey. It recently opted not to keep its share of rights to the Big Ten conference. The Big Ten on Thursday struck a massive new seven-year contract with Fox, CBS and NBC that people familiar with the matter said is worth up to approximately $7.5 billion.

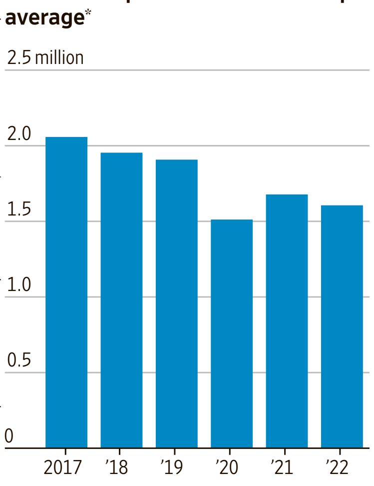
Disney is also investing heavily in its ESPN+ streaming service, which currently has around 23 million subscribers, a gain of more than 50% from the same time last year. Like all TV companies moving into streaming, ESPN is trying to make a compelling direct-to-consumer product without encouraging cord-cutting.

ESPN+ will exclusively carry one NFL game this coming season, a first for the service, on top of its heavy load of Ultimate Fighting Championship bouts, college football, Major League Baseball, professional hockey and golf.

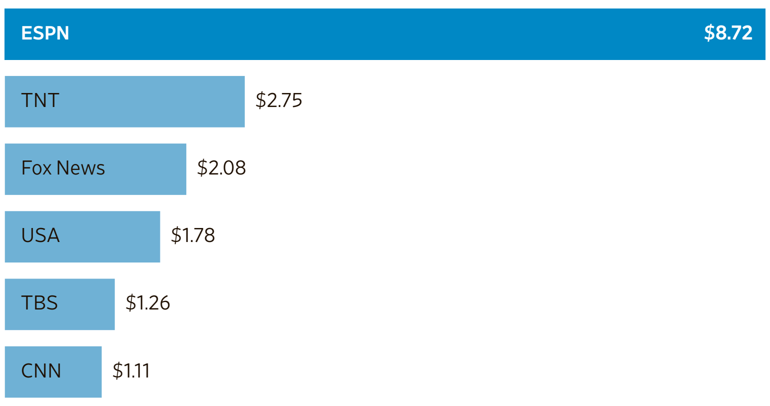
"If you moved a true tier-1 sport over to ESPN+ exclusively, you'd take your pay-TV economics down a lot while not anywhere near recovering those lost economics with streaming," Mr. Crakes said.

ESPN's costs have risen for pro and collegiate sports. Reporters Cassidy Hubbarth, Chiney Ogwumike and Christine Williamson, left.

DAVID J. GRIFFIN/ICON SPORTSWIRE/GETTY IMAGES; JESSE D. GARRABRANT/NBAE/GETTY IMAGES



*2022 averages are as of Aug. 12



Sources: Nielsen (viewership); Kagan, a division of S&P Global Market Intelligence (fees)

Price Tags Of Rivians To Start At $73,000

By Sean McLain

Electric-vehicle startup **Rivian Automotive** Inc. is discontinuing the cheapest versions of its pickup truck and SUV models, citing low customer demand.

Eliminating the base version, dubbed the Explore package, now means the most affordable pickup truck in the R1T model line will have a price of $73,000—an increase of $5,500, Rivian said in a post on its website. The least expensive version of its all-electric SUV, the R1S, is now $78,000.

Rivian Chief Executive RJ Scaringe has sought to simplify the array of options the company initially offered for its vehicles to increase production numbers. A Rivian executive, speaking on a podcast, said discontinuing the low-price packaging options would allow it to manufacture more vehicles quickly.

This is the second time that Rivian has adjusted prices for its vehicles as it confronts rising raw-material costs and manufacturing difficulties that led the company to report a $1.7 billion loss for the second quarter.

GM Ready To Restart Its Dividend

Continued from page B1

dend payment to 15 cents a share.

When asked by an analyst this month about the dividend, GM finance chief Paul Jacobson said the company would analyze how much money it had in its funds after making costly EV investments.

"We've obviously been through a lot of turmoil over the last few years," Mr. Jacobson said. "But as we start to emerge from that and maybe we start to get through into better, more stable economic times, we can have that consistent return."

GM's profits have remained healthy in recent quarters, lifted by constrained inventory levels at dealerships and buyers' paying higher prices for its vehicles. Still, its net income declined 40% in the 2022 second quarter, mostly due to a loss in China and supply-chain troubles that left GM with tens of thousands of unfinished vehicles that it couldn't sell.

Executives in July said they expect factory output to improve in the second half of the year, and GM maintained its full-year guidance. GM said it is still taking precautions to guard against weakening economic conditions, including cutting discretionary spending and curtailing hiring. Ms. Barra said in July that a restructuring in 2019 and 2020 cut about $4.5 billion in annual costs, helping prepare GM for any downturn.

BUSINESS NEWS

Tesla Asked About Autopilot Camera

NHTSA requests more details about driver-assistance technology amid probe of crashes

By Joseph De Avila

U.S. auto-safety regulators are asking **Tesla** Inc. for information related to its cabin-camera system as part of an investigation into crashes involving its driver-assistance technology.

The National Highway Traffic Safety Administration sent a nine-page letter to Tesla on Thursday asking questions about its vehicles, including what role the cabin-camera system plays in driver-engagement alerts and timing.

The agency is also asking the electric-car maker to identify each lawsuit filed against Tesla where the plaintiff alleges the crash was affected by the vehicle's hardware and software systems.

NHTSA asked Tesla to describe in detail the engineering and safety measures that went into design decisions for Autopilot, its driver-assistance technology.

Tesla must respond to a set of the requests by Sept. 19, the agency said. One additional reply is due Oct. 12.

Tesla didn't respond to a request to comment Friday.

The electric-car maker has long maintained that driving with Autopilot engaged is safer than doing so without it. Tesla points to internal data showing that crashes were less common when drivers were using Autopilot. Some researchers have criticized Tesla's methodology.

Autopilot is designed to help drivers steer and keep an appropriate distance from other cars. The driver-assistance system tells motorists to pay attention to the road and keep their hands on the wheel.

NHTSA in June expanded its probe into a series of crashes in which Tesla vehicles using Autopilot struck first-responder vehicles stopped for roadway emergencies. The agency said it was upgrading its earlier investigation, which began in August 2021, after identifying new crashes involving Autopilot and emergency-response vehicles.

NHTSA said last August that it had found 11 incidents since early 2018 in which a Tesla vehicle using Autopilot struck one or more vehicles involved in an emergency situation. In June, the NHTSA said it identified six additional collisions.

The agency has expanded its probe of Autopilot to include crashes that didn't occur at emergency scenes.

NHTSA's probe into the crashes will determine whether it will order a safety recall. Car makers are required to recall their vehicles if a safety defect is discovered.

Tesla recalled about 135,000 Model S and Model X vehicles in the U.S. in 2021 due to touch-screen failures. Tesla said at the time that it disputed that the issue was because of a defect but recalled the cars in the interest of customer experience.

Tesla also recalled more than 285,000 vehicles in China in 2021 because of a cruise-control-related safety issue. China's State Administration for Market Regulation said the auto maker's cruise-control system could be activated accidentally, potentially leading to sudden acceleration. Tesla apologized and said it would improve safety in line with national requirements.

Shares of Tesla declined 2% to $890 in Friday trading. The shares are down about 16% year to date.


MIKE BLAKE/REUTERS
NHTSA is interested in Tesla's cabin-camera system's role in driver-engagement alerts and timing.

Power Cuts in China Worry EV Maker

Tesla Inc. has asked Shanghai's government to help ensure its suppliers in China's Sichuan province would have sufficient electricity supply amid a power crunch, a government letter and people familiar with the matter said.

Tesla's request came as it ramps up production at its Shanghai factory following a bumpy few months. It shut down its plant in Shanghai for weeks around May during the city's two-month Covid-19 lockdown. Tesla is concerned that should component supplies be delayed due to the power cuts, its vehicle production would further face backlogs, the people said.

So far, production has continued as usual at Tesla's Shanghai plant, people briefed about the matter said.

Tesla didn't respond to a request for comment.

The power cuts in southwest China including Sichuan come as the country's manufacturers in recent months have repeatedly grappled with supply-chain disruptions and factory shutdowns linked to Beijing's stringent policy to rein in Covid-19 outbreaks.

The automotive industry has been among the hardest hit this year, with many car factories located in cities that went through lockdowns. In the first seven months of the year, passenger car sales in China fell 3.5% from the year-earlier period, data from China Passenger Car Association showed. During the same period, sales of made-in-China Tesla cars—which includes exports—grew 66% to some 323,000 cars.

As parts of China suffer their worst heat wave in six decades and lower rainfall, Sichuan province, heavily reliant on hydropower, has been struck by a power crunch. This past week, the province ordered many factories to shut or scale back production for six days.

—Raffaele Huang

Deere Trims Profit Forecast, but Demand Stays Strong

By Bob Tita And Connor Hart

Deere & Co. lowered its profit forecast for the year as rising costs put pressure on margins, despite increasing sales of farm equipment.

The Moline, Ill., company, the largest supplier of farm equipment in the U.S., has been boosting prices this year to offset growing costs. Demand for its green and yellow tractors, harvesters and other equipment remains strong, the company said. Elevated crop prices are keeping farmers interested in new machinery even as their own production expenses increase from higher costs for seed, fertilizer, fuel and other supplies.

Deere said supply-chain problems continue to delay deliveries of some parts, causing partially completed machinery to stack up at assembly plants as the company waits for parts to arrive. That made Deere's factories less efficient during the most recent quarter, executives said, while higher costs for freight shipments and materials further pressured profit margins.

Total costs and expenses during the quarter rose more than 23% to $11.56 billion from a year earlier, driven in part by inflationary pressures and unfavorable currency exchange rates for the U.S. dollar on overseas sales, Deere said.

"We're seeing some modest improvement in the supply base, but overall it's still very fragile and deliveries are still choppy," Rachel Bach, manager of investor communications told analysts during a conference call Friday.

Deere's profit from small farm machinery and landscaping equipment slipped 5% from a year earlier, while sales from that business rose 16%. Sales and profit on large farm equipment each rose 43% during the quarter. Sales of construction and timber harvesting equipment climbed 8% as profit increased by 11%. Profit margins on large farm and construction equipment during the quarter were nearly flat with last year.

The company narrowed its full-year profit forecast to $7 billion to $7.2 billion, from its previous view of $7 billion and $7.4 billion.

Shares of Deere edged up 0.45% Friday.

For the full year, Deere said it expects sales of large farm equipment to increase by 25% to 30% over last year. It said customer demand remains strong into 2023 based on the response to early-order programs for some of next year's models.

For the three months ended July 31, Deere said net income increased to $1.88 billion, or $6.16 a share, from $1.67 billion, or $5.32 a share, in the year-ago quarter.

Overall equipment sales totaled $13 billion.

CORPORATE NEWS BRIEFS

TWITTER

Staff Is Warned of Reduced Bonuses

Twitter Inc. warned staff that the size of bonus payments this year was at risk because of financial difficulties, adding to belt-tightening measures tech companies are implementing in the face of the economic downturn.

The social-media company told employees Friday that it had "experienced significant challenges" to revenue since January. It linked those to a variety of factors, including problems in the advertising economy and others tied to uncertainty over Elon Musk's $44 billion acquisition of the social-media platform, which the billionaire is trying to abandon.

Twitter last month reported a surprise decline in sales that it blamed on similar factors. The company reported a loss of $270 million, or 35 cents a share.

Twitter, in Friday's message to employees, said that the pool of potential money available for bonuses, which is based on the business's performance, has dropped to half of what it was expected to be when the board approved the plan back in January. The warning to staff about the bonuses was reported earlier by the New York Times.

—Meghan Bobrowsky

FOOT LOCKER

New CEO Hails From Ulta and McDonald's

Foot Locker Inc. named former Ulta Beauty Inc. Chief Executive Mary Dillon as its next CEO, succeeding Richard Johnson, who is retiring.

Ms. Dillon, 61 years old, will take up her new post and join the board on Sept. 1. Mr. Johnson, who is 64, will remain executive chairman through Jan. 31, 2023. He will then become a senior adviser to the CEO until early April 2023.

Foot Locker's lead independent director, Dona Young, will assume the role of nonexecutive chairman on Feb. 1, making Foot Locker one of a few publicly traded companies to have women in the top two jobs.

Mr. Johnson said the board evaluated internal and external candidates and that Ms. Dillon's strong record at Ulta and McDonald's Corp., where she previously served as chief marketing officer, made her the obvious choice.

One of Ms. Dillon's mandates will be to improve Foot Locker's digital operations, something she was able to do at Ulta.

—Suzanne Kapner


TAYLOR GLASCOCK FOR THE WALL STREET JOURNAL
Mary Dillon, incoming CEO of Foot Locker, lifted Ulta's web sales.

WALMART

Insurance Expanded For Some Abortions

Walmart Inc. is expanding the types of medical situations for which its employee health plan would cover abortions and the cost of travel, to include conditions such as ectopic pregnancy.

The shift at Walmart, the country's largest private employer, is another sign of how companies are grappling with the Supreme Court's decision to overturn the constitutional right to abortion.

On Friday Walmart sent a memo to its roughly 1.7 million U.S. workers that said its health-care plan would cover the cost of abortion when "there is a health risk to the mother, rape or incest, ectopic pregnancy, miscarriage or lack of fetal viability."

Walmart said it would defer to the woman's doctor in determining whether those conditions are met.

Previously, Walmart's health plan said the company would cover the procedure "when the health of the mother would be in danger if the fetus were carried to term, the fetus could not survive the birthing process, or death would be imminent after birth."

Walmart's expanded coverage was reported earlier by CNBC.

Walmart is headquartered in Bentonville, Ark., a state that allows abortion to save a mother's life, but not in the case of rape or incest.

On Friday Walmart told workers it would cover travel for medically necessary abortions.

—Sarah Nassauer

WAYFAIR

Workforce Is Cut 5% Or About 870 People

Wayfair Inc. said it would lay off about 870 employees as part of efforts to manage operating costs and realign investment priorities. The reduction represents about 5% of the company's global workforce and about 10% of its corporate team, Wayfair said Friday.

The company had previously announced a hiring freeze, which it said began in May.

Shares fell 20% in Friday trading. The stock has lost about two-thirds of its value this year.

The Boston-based furniture and home-goods company said it expects the layoffs to cost between $30 million and $40 million, consisting largely of employee severance and benefits. These costs are expected to be reflected in the current quarter, it said.

Chief Executive Niraj Shah told employees in an email announcing the layoffs that the company had spent several years staffing up to match the growth to both e-commerce and home goods, fueled by shoppers sprucing up their homes during the pandemic. "This year, that growth has not materialized as we had anticipated," he wrote.

—Charity L. Scott and Connor Hart

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EXCHANGE

THE INTELLIGENT INVESTOR | JASON ZWEIG

Beat the Market by Picking the Market

Your stock fund may have pulled a perfectly legal switcheroo to make its returns look better

ALEX NABAUM

You know all that stuff you've been hearing for so long about how fund managers can't beat the market?

It isn't true. Fund managers can easily beat the market. All they have to do is change which market they're trying to beat.

Hundreds of them have been doing just that for years. Such maneuvers are perfectly legal—and investors need to fend for themselves, because regulators have so far been paying little attention.

A new study by finance professors Kevin Mullally of the University of Central Florida and Andrea Rossi of the University of Arizona finds that between 2006 and 2018, 37% of all U.S. stock mutual funds pulled this kind of switcheroo.

In as many as two-thirds of the cases, funds made past returns look better by changing the benchmarks they compared themselves to. More than half the time, funds chose a new index that wasn't even a good match for their strategy.

Funds can't change past results, but they can change what they compare those results to.

Note carefully: Funds can't retrospectively change their results, but they can switch what they compare those results to.

Under rules set by the Securities and Exchange Commission almost 30 years ago, mutual funds have to display their past returns alongside those of "an appropriate broad-based securities market index."

That comparison, the SEC has said, is intended to help investors tell "how much value the management of the fund added by showing whether the fund 'out-performed' or 'under-performed' the market."

Determining which index is appropriate is more or less up to the manager. Fund companies can change benchmarks without much explanation.

For the first year after a change, the SEC requires funds to continue showing the old benchmark alongside the new one. (That rule was intended to "minimize the possibility" that funds would switch yardsticks solely to make themselves look better by comparison.) After a year, funds can measure their past returns only against the new index, and drop all mention of the one they used to use.

That means you can look at a fund's past returns this year and see them underperforming the market by a wide margin. The next time you check, the fund could be measuring itself against a different index—a comparison that can suddenly burnish its past returns to a bright sheen.

A return of 10% makes a fund look like a stinker if the yardstick it compares itself to went up 20% over the same period. Contrast that same 10% against an index that gained only 5%, though, and suddenly the fund looks like a star.

I wondered whether fund managers were more likely to change to an index that makes them look better or one that makes them look worse.

The suspense wasn't exactly killing me.

On average, according to Profs. Mullally and Rossi, by switching indexes, fund managers make their past returns—relative to "the market"—look 0.8 percentage point better over one-year periods. Longer-term results get an even bigger boost, risingby an average of 2.4 and 4.8 percentage points, averaged annually, over five and 10 years, respectively.

That attracts investors. Funds that change benchmarks take in an average of $70 million more in new money over the ensuing five years than funds that didn't switch—even though performance doesn't improve.

To be fair, these changes can be totally legit.

Maybe a new index measures performance better than existing ones. Or a small-stock fund grows so large that it should compare itself against midsize stocks instead. Or a new manager is taking an entirely different approach, making the old benchmark obsolete.

For a dramatic shift in comparative results, consider Parametric Dividend Income Fund.

In July 2018, it switched benchmarks from the Nasdaq U.S. Dividend Achievers Select Index (a basket of companies of various sizes) to the large-company Russell 1000 Value Index.

However, the fund continued to specialize in high-dividend-paying stocks "selected from the Russell 3000 Index," which includes small, midsize and large companies.

As a result of the switch, the fund's 2019 prospectus showed it beating its new benchmark by an average of 1.5 percentage points annually since inception in early 2014.

Had the fund stuck to its original, dividend-focused measure, it would have underperformed by approximately 0.7 percentage points annually over the same period, says Prof. Mullally.

A spokeswoman for Parametric says the fund changed its benchmark because "it is a better style match for the strategy" and "allows investors to more easily compare the fund to similar funds."

Vanguard Energy Fund has changed benchmarks three times since 2000, although its disclosures are more transparent.

Instead of burying the past returns of the old indexes it used to compare itself to, Vanguard Energy shows a "spliced" benchmark. That includes the old and new indexes alike, so investors have a fuller picture that doesn't hide unflattering past comparisons.

Unfortunately, that practice is rare, says Prof. Mullally.

Prospectuses always warn that past performance is no guarantee of future results. Turns out it's no guarantee of past results, either.

TAX REPORT | LAURA SAUNDERS

What $80 Billion Buys the IRS

More agents and more audits, though some fiery rhetoric has been off the mark

KIERSTEN ESSENPREIS

The last Tax Report came out just as Congress took up the Inflation Reduction Act, and it discussed the bill's $80 billion in proposed new Internal Revenue Service funding. Over half the new dollars were earmarked for new tax enforcement, especially audits of high-earning taxpayers, while the rest was to improve operations, technology and taxpayer service.

Now the bill is law, signed by President Biden on Aug. 16. Although details changed, the IRS's $80 billion in new funding survived and is in place to be spent over a decade. Supporters of the law, who have long complained that IRS appropriations have been too erratic to fix fundamental problems like 1960s-era technology, are pleased with the stable funding.

The bill's passage means there's more for taxpayers to know, both to counteract recent wild claims and to prepare for what's ahead. Here are highlights.

■ **There won't be 87,000 new IRS agents with guns.** According to the Treasury Department's plan, part of the new funding will go to hire 87,000 workers over 10 years. This figure includes all hires, such as customer-service reps and tech workers as well as agents. It doesn't take into account that due to the IRS's aging workforce, more than 50,000 retirements and other departures are expected in coming years.

Some of the funding's opponents have said the 87,000 hires will be armed. According to an IRS spokesman, the only agency staffers allowed to carry guns are 2,100 special agents in the criminal-investigation division, and they make up less than 3% of the total current IRS workforce of about 80,000.

According to Natasha Sarin, a Treasury official overseeing the IRS, about 1,000 of the hires will be special agents, with many replacing departing agents. In the late 1990s, the agency had 3,500 special agents.

■ **Funding could still shift.** The new $80 billion for the IRS over 10 years is on top of the agency's annual funding, which for fiscal 2022 is about $13 billion. Congress will continue to make annual appropriations for the IRS, and the party in charge could alter them.

For example, lawmakers could shift annual allocations so that less goes to enforcement and more to customer service. They could also cut or raise this funding.

■ **The Inflation Reduction Act doesn't directly address the crushing IRS backlog—but Congress is on it.** The $80 billion seeks to rebuild the IRS after years of lower funding. Meanwhile the agency has a backlog of about 17 million unprocessed paper tax returns for individuals and businesses plus correspondence it's behind on, in part due to the pandemic.

Earlier this year IRS Commissioner Chuck Rettig said he expected this situation to be "healthy" by year-end. But with the IRS processing about 500,000 returns a week at best and more coming by Oct. 17, the math isn't favorable. However, on Aug. 17 National Taxpayer Advocate Erin Collins said the weekly number of processed returns is rising.

This past week, a bipartisan group of Congress members sent a stern letter to Mr. Rettig asking for more backlog details. The letter also urged the IRS to extend the suspension of automated collections and notices, which were paused earlier because the agency couldn't process mail from taxpayers. Stay tuned.

■ **More audits are coming, but not soon.** It will take time for the IRS to staff up, especially in a tight labor market. By one estimate, new agents aren't fully productive for three to five years.

The Treasury Department has pledged to use the new funding to focus on tax underpayments by higher-income people. Their returns are often more complex than lower earners' returns, and the IRS needs to devise new audit methods.

■ **About the audit threshold of $400,000 of income.** Treasury and IRS officials have said the new funds for tax enforcement won't increase audits on filers making less than $400,000, which some have called into question.

On Aug. 10, Treasury Secretary Janet Yellen sent a letter to the IRS with more specifics. It says the new funding "shall not be used to increase the share of small business or households below the $400,000 threshold that are audited relative to historical levels." The Treasury directive leaves room for audits of taxpayers claiming, say, $300,000 of income that have an additional $200,000 of unreported income.

The bottom line, says Ms. Sarin: "For honest taxpayers earning less than $400,000, the chances of being audited are going down."

Ms. Yellen's directive isn't binding on future administrations.

■ **An "audit" isn't always an audit.** Many filers think any contact with the IRS is an audit, but it's not. In a true audit, the agency examines a taxpayer's records and requires proof of income, deductions or credits on the return.

What isn't an audit? Among other things, a letter saying a filer omitted income paid by a bank or employer, or a "math-error notice" that assesses tax for a mistake detected by an IRS computer. Still, these issues can be scary and require a taxpayer response.

With better IRS systems and the end of the backlog, it should be easier to resolve these issues, but taxpayers who encounter them shouldn't think they're evidence of rising audit rates.

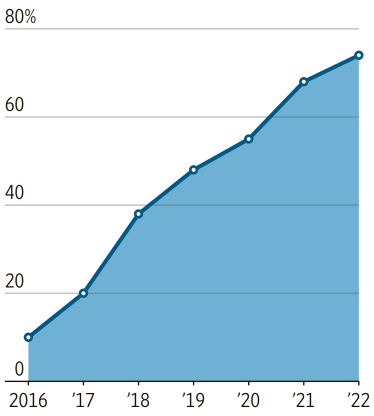
■ **If you're thinking of putting your tax house in order...** Some pertinent information: The statute of limitations is three years for routine issues and six years for many major ones, but the clock doesn't start to run until a return is filed. As of Oct. 1, the interest rate on most tax underpayments rises to an annual equivalent of 6%. This rate resets quarterly, so people with overdue tax payments can still benefit from lower rates for prior quarters.

SCIENCE OF SUCCESS | BEN COHEN

When Did We All Start Using Apple Pay?

It took longer than expected for the iPhone to become a wallet; Apple shows patience isn't a virtue, it's a vicious corporate skill

Apple Pay activation on iPhones



Note: 2022 data through June
Source: Loup Ventures

Patience isn't the most popular virtue in Silicon Valley, where companies aspire to move fast and break things, the motto that defined the age of tech excess.

Nothing broke on the day in 2014 when Apple presented a new service called Apple Pay. If the quality of destruction was measured by the speed at which it happened, the flashy innovation from an industry titan would have been considered a disappointment. The idea that it would make the wallet obsolete sounded ridiculous when the pace of Apple Pay adoption underperformed expectations. Wall Street analysts and iPhone users alike were skeptical for the next few years. The experience of using a credit card didn't seem like a problem that required a solution from Apple.

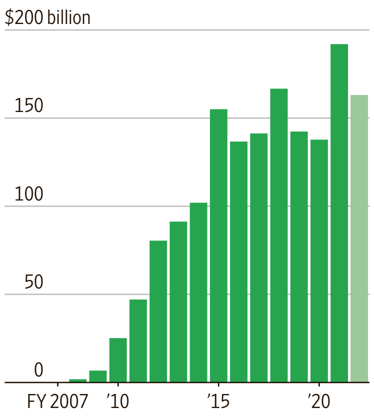
It's a bet that now appears to be paying off in a very strange way for our hit-driven economy: slowly.

Apple has been picked apart for so many lessons that it could start its own business school, but what the case of Apple Pay shows is that patience is a competitive edge for companies that know how to wield it.

Patience often sounds like a dirty word to our tech overlords—Steve Jobs wasn't exactly Job—but only time can break certain habits of human behavior. Trillions of dollars in market cap buys that kind of time. Not every company has the luxury of playing the long game, but it was an indulgence the world's richest corporation could afford.

Back in 2014, Apple CEO Tim Cook predicted that digital wallets on smartphones and watches would be big.

Apple iPhone sales



Note: Fiscal years end in September; 2022 through 3Q
Source: FactSet

The percentage of iPhones with Apple Pay activated was 10% in 2016 and 20% in 2017, according to research from Loup Ventures, as most people seemed perfectly happy with their plastic cards and leather wallets. Adoption nearly doubled again in 2018. It hit 50% by 2020. Now it's around 75% and inching closer to ubiquity. Of course, not every account that gets activated remains in active use.

So what changed? We did. Apple's executives remained confident about the future even when the present wasn't so rosy because they could look at the rest of the world's acceptance of contactless payments and see that the U.S. was lagging years behind.

It would take work to build the technological infrastructure for iPhone users to start using Apple Pay. It would also take waiting for the public to get comfortable with change. The company's data suggested that customers were pleased with Apple Pay once they tried it. "People love Apple Pay," Loup Ventures analyst Gene Munster said in a recent interview. Apple just needed more customers to use it. And its pestering worked.

The company says that 90% of retailers across the U.S. now take Apple Pay. The number that accepted contactless payments when the service was introduced was 3%.

The more places that accept Apple Pay, the more value the service provides, and the more people upload their credit and debit cards to the Wallet app. They can use Apple Pay to order stuff online, send money to friends and buy things in a physical store by holding it near a contactless reader. The fees Apple collects from banks whose cardholders use Apple Pay amount to less than 1% of the company's overall revenue, according to Mr. Munster's estimates, but Apple generates so much profit from iPhone sales that even billions of dollars would be a rounding error. Apple Pay exists to improve the iPhone experience.

The activation rate of Apple Pay has begun to resemble the classic trajectory of tech adoption, which suggests that what is now a tiny slice of Apple's pie can get much bigger, along with the overall market for contactless payments. Such tap-to-pay spending accounts for nearly 20% of Visa's face-to-face transactions in the U.S., but the rates in big cities have climbed above 25%, with the Bay Area at 30% and New York reaching 45%. Apple Pay is also the top payment app for teenagers, according to investment firm Piper Sandler. As teens and cities go, so goes the nation.

Apple's rhetoric was ahead of reality for most of Apple Pay's existence. Chief Executive Tim Cook once predicted that 2015 would be "the year of Apple Pay." In 2016, he declared that it would kill cash. In 2018, he conceded that mobile payments hadn't taken off as he expected. "Does it matter if we get there in two years, three years, five years?" Apple Senior Vice President Eddy Cue said five years ago. "Ultimately, no."

Apple hasn't confused patience with stubbornness. Apple moved quickly to discontinue the HomePod speaker three years after the product hit the market, for example, and no amount of patience would have been enough to save the iPod.

But in this case time was on Apple's side. The company said revenue from Apple Pay doubled in 2019, and Mr. Cook sounded triumphant early this year. "The growth of Apple Pay has just been stunning," he said on a January earnings call.

Apple says the ultimate goal is giving users "the option to replace their physical wallet with a secure, private and easy to use mobile wallet."

Apple Pay has become the scaffolding for the company to build a much larger business. Apple dipped a toe in finance in 2019 by collaborating with Goldman Sachs on the Apple Card and plunged deeper by announcing a "buy now, pay later" option expected later this year. Its ambitions have the attention of analysts, the concern of rivals and the scrutiny of regulators. European antitrust authorities recently accused the company of abusing its market power to favor Apple Pay; Apple has said that it's cooperating with the investigation.

Apple eventually wants your virtual wallet to contain everything from your driver's license to insurance cards, but the company has learned that the process of replacing physical objects doesn't happen overnight. It barely happens over decades. "There's a legitimate chicken-and-egg problem in payments," said Bernstein analyst Harshita Rawat. "Consumer habits are very hard to change, and merchant acceptance takes many, many, many years."

The consumer habit that will take the longest to change also happens to be the one with the greatest rewards. The biggest pool of money in the U.S. mobile-payments business is the cash register, said Gerard du Toit, a Bain & Co. partner, and Apple is narrowingly leading a crowded pack with the highest share of digital payments in physical stores.

But its rival isn't just Cash App and PayPal or Google and Samsung. It's the convenience of credit cards.

And those are still winning. Apple's executives argue the enhanced security of Apple Pay helps make for a superior consumer experience, but there is not yet a compelling reason to pick a phone over plastic. Unlike scanning a mobile boarding pass, which took off in barely any time because it eliminated the hassle of printing, Apple Pay doesn't reduce much friction.

I spent the past few weeks leaving cards in my pocket and tapping my phone wherever I could. But there are still plenty of places where I couldn't. Restaurants have been slow to embrace the technology required for Apple Pay. Gas stations have been reluctant to spend on upgrading their pumps. Walmart, which favors its own mobile payment option, remains the most notable holdout among retailers.

People would rather leave home without their wallets than without their phones, according to Bain surveys, but that fantasy is only realistic if mobile payments become as reliable as credit cards. Even if 90% of merchants take Apple Pay, the remaining 10% has an outsize effect. It seems likely that Apple will get there—maybe not immediately, but eventually.

Success for Apple Pay looks different now than it did eight years ago. Eight years from now, it will be unrecognizable again.

Apple can wait. It takes patience to reap the benefits of patience.

ILLUSTRATION BY JAMES STEINBERG; STEPHEN LAM/REUTERS; MAXIM ZMEYEV/REUTERS

Big Money Goes After Car Washes

Continued from page B1
deals. High inflation is testing the durability of the car-wash business model as costs for labor, chemicals and equipment rise. The car-wash industry has touted itself as recession resistant, but there is a worry among some investors that consumers will forgo washing their cars if an economic downturn hits.

Smaller companies have long made up the bulk of private-equity targets even as multibillion-dollar deals garnered the most attention. Buyout firms owned more than 10,000 U.S. companies as of June 30, up from fewer than 2,000 in 2000, according to PitchBook. Some 80% of those companies are valued at between $25 million and $1 billion, a percentage that remained consistent over the past 20 years even as the industry ballooned.

When leveraged buyouts rose to prominence in the 1980s they offered a simple, but lucrative, formula: Buy an undervalued business using a relatively small amount of cash and a heaping helping of borrowings tied to the cash flows of the business, and then sell it a few years later for a profit.

The more debt a business took on, the higher the potential profit. Buyout firms became notorious for slashing costs, firing management and cutting jobs to boost cash flows.

But as competition in the industry tightens, that playbook isn't enough to guarantee a good return—especially when going after smaller businesses. A growing number of private-equity investors now prefer to rely less on debt, let company owners keep sizable stakes in their enterprise and keep employees on staff. This frees up the target to invest in its growth. The private-equity firms must also make significant operational improvements at businesses in order to increase their value.

Car washes held little appeal for private equity until recently. They were primarily cash businesses whose sales fluctuated with the weather and required multiple employees to be on site. When car-wash owners introduced prepaid wash memberships, revenue became more consistent and fewer employees were required to be on site. That made private-equity investors pay attention.

The importance of these monthly subscription packages was on display at the Ultra Car Wash in Lawrenceville. A young employee wearing shorts, black sneakers and a polo shirt stood at one of the entrance gates to the car-wash tunnel and pitched various unlimited memberships to the driver of a black pickup truck.

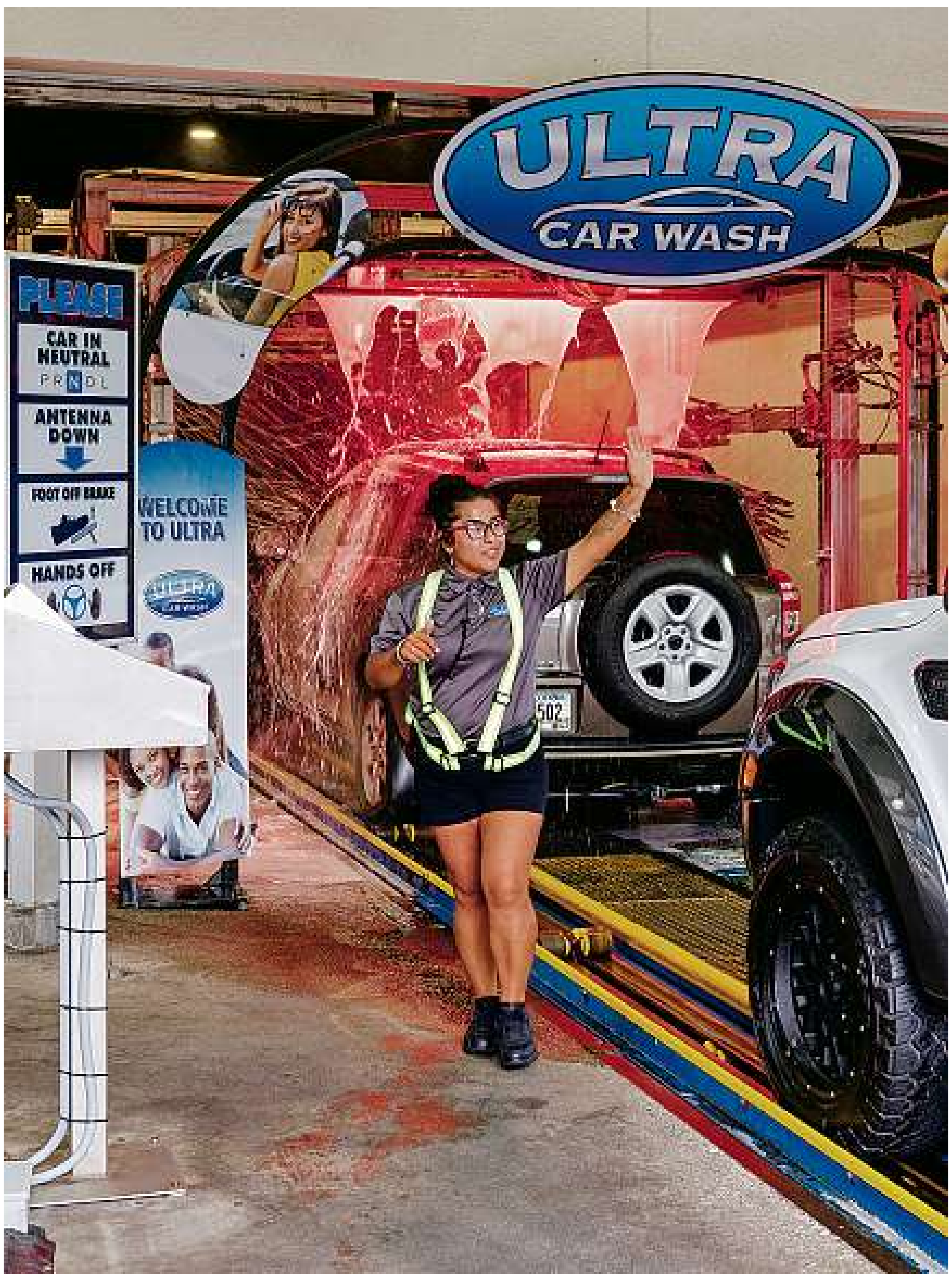
For $17.99 a month, she explained, the driver could get unlimited washes. For just a few dollars more, he could get his tires shined each time. A bit more would buy him a coat of wax. The top-of-the-line package, which includes all of that plus a ceramic bond to protect the car's finish from the elements, was $34.99 a month.

Without a membership, a basic car wash would cost $9.99, so if the driver was planning to wash his truck twice that month, the unlimited membership made sense, she said.

The goal for employees at that location is to get 5% to 10% of customers a day to sign up for a monthly membership, according to district manager Luis Peña.

It is a critical part of the larger business. Thanks to wash-club memberships, Mammoth gets more than 60% of its revenue from automatic charges to customers' credit cards each month. That means a rainy week doesn't throw off sales. Having more locations creates incentives for people to sign up for a subscription, making scale more advantageous.

Subscriptions also mean much of the actual car-washing process is automated, which helps boost profits. Subscribers get a radio-frequency identification tag for their windshields that lets a machine read which package they have, triggering the right mix of cleaning and chemicals. A typical express wash needs only two employees working at a time, resulting in hefty operating margins of around 65%, excluding rent costs.



'I didn't come here to play small ball,' said Mammoth CEO Dave Hoffmann. 'We're going to build something really unique.'

Isabel Lopez, above, works the Ultra Car Wash, which relies on memberships, right. Its owner is led by Dave Hoffmann, above right.

Leonard Green & Partners was among the first in the private-equity world to recognize how big car washes could be. It bought Mister Car Wash Inc. for $500 million from a unit of Toronto-based buyout firm Onex Corp. in 2014.

Leonard Green made its name investing in retail but when the economics of traditional retail began to deteriorate, it shifted its focus to businesses that provide services. It saw that Mister Car Wash had better margins than peers because of the high volume of cars that passed through its tunnels, according to people familiar with the deal. It also had low market share, with its 134 locations accounting for only about 2% of the market.

Mister Car Wash was good at bringing operational improvements—such as persuading customers to pay for wash subscriptions—to newly acquired locations. One of Mister Car Wash's 2014 acquisitions was an Albuquerque, N.M., chain called Octopus Car Wash, which owned the location featured in the television series "Breaking Bad."

Leonard Green bet that Mister Car Wash could get much bigger. That bet paid off in June 2021 when the private-equity firm took Mister Car Wash public. The company now has more than 400 locations. Shares have fallen as cost increases pulled down profit margins and investors fretted that inflation-conscious consumers would cut back on washing their cars. Still, Leonard Green's initial $250 million investment is worth more than 10 times that today.

"Roll-up strategies are something private equity has pursued for ages," said John Richert, head of regional investment banking at JPMorgan Chase & Co. "The reason it took so long to get to car washes is because nobody thought about it."

Red Dog hopes to replicate that success with Mammoth. Managing Partners Toby Chambers and Tom Connolly, veterans of private equity and deal-making, founded the private-equity firm in 2018 with the goal of investing alongside business owners.

That same year, they met Gary Dennis and Chip Hackett, Atlanta-based entrepreneurs who founded Mammoth in 2002 and had eight express car washes operating under an assortment of local brands, including Ultra. Messrs. Dennis and Hackett had identified potential partners but lacked the capital and deal-making expertise to buy them alone.

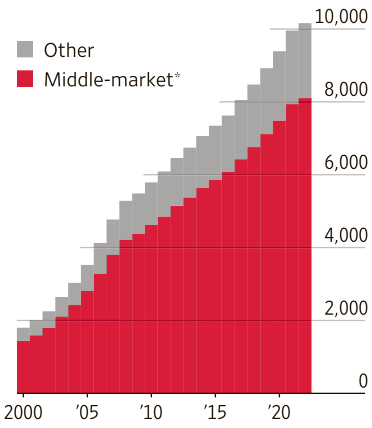
Messrs. Chambers and Connolly decided to invest, helping the entrepreneurs buy other car-wash businesses as part of the same transaction and giving Mammoth a total of 22 locations. The Pritzker Organization, the merchant bank for the business interests of billionaire hotelier Tom Pritzker, agreed to partner with Red Dog.

Key to the strategy was expanding Mammoth's existing unlimited wash-club subscription program, crafted by its founders, to all the new locations. The pricing was designed as a barbell with a low price point at the bottom, a high one at the top and a number of more incremental midrange options in between.

"These gentlemen had really mastered the strategy on how to implement and run the club," Mr. Chambers said.

It also helped that Mammoth's founders were well connected within the industry, making it easier for the company to recruit others who wanted to sell their businesses. Many people who have sold to them still have a stake in Mammoth; in fact, they currently own about a third of the company. Some are also on Mammoth's Business Advisory Council, which consults on deal sourcing and integration, site selection and development for new construction, training and supply-chain management.

Number of U.S. companies owned by private-equity firms



*companies valued at between $25 million and $1 billion
Note: 2022 data through June
Source: PitchBook

When Mammoth enters a market, it buys a dominant brand with multiple locations and then scoops up smaller players in those same markets, which it rebrands to match the bigger chain. Its car-wash brands include Swifty, Marc-1, Finish Line, Wiggy Wash, PitStop, Busy Bee, PureMagic and Silverstar, among others. It is also building new locations, which typically cost $4.5 million to $5 million a pop, including land.

The company said it keeps the employees who work at its locations following acquisitions and trains them to use Mammoth's sales practices and operations systems. For Mr. Peña, who joined Ultra 12 years ago, site manager would have previously been the highest title he could attain. Now he manages multiple locations across multiple brands.

"I started when I was 17 years old," Mr. Peña said. He said he didn't think of it as a career at the time.

Mammoth saves money by buying cleaning chemicals and other supplies in bulk. It has centralized customer service, recruiting, training, human resources and back-office functions such as payroll and accounting.

Mammoth's strategy also involves some financial wizardry. While the company pays a relatively high multiple of earnings for its initial foothold in a market, it can typically pay a lower multiple of earnings for subsequent deals because the targets have fewer locations and less sophisticated management teams, executives said.

By merging the lower-priced acquisitions with the higher-priced ones, Mammoth effectively lowers the overall price paid for the business. The company also lowers its purchase price by selling its real estate and renting it back from the new owner in what is known as a sale-leaseback.

Mammoth initially finances new deals using a delayed-draw term loan—a type of loan that lets a borrower withdraw predefined amounts at predetermined times after the total amount has been approved. Its lender is Chicago-based Monroe Capital LLC.

Once it installs the Mammoth playbook at new locations, it is able to sell the real estate for a higher price than what it paid and use the proceeds to do more deals or fund new development.

Car washes have become a hugely popular real-estate play for individual investors, said Jeff Lefko of real-estate advisory firm Hanley Investment Group, where car-wash deals now account for a significant portion of revenue.

"There is no other operation on a 1-acre site that can do $1 million to $2.5 million in sales and pocket half of that," he said.

Selling real estate and renting it back has enabled Mammoth to continue to expand with no additional investment from its private-equity backers.

"I've just never seen a market where you can actually get to some real meaningful scale, and you've never put any incremental equity to work," said Mammoth Chief Financial Officer Jennifer Vandervelt, who joined the company in May. "You can actually pay yourself."

Red Dog Equity's Tom Connolly, left, and Toby Chambers, right.

DAVID WALTER BANKS FOR THE WALL STREET JOURNAL (2); MAMMOTH HOLDINGS; STEVEN DINBERG/RED DOG EQUITY

MARKETS DIGEST

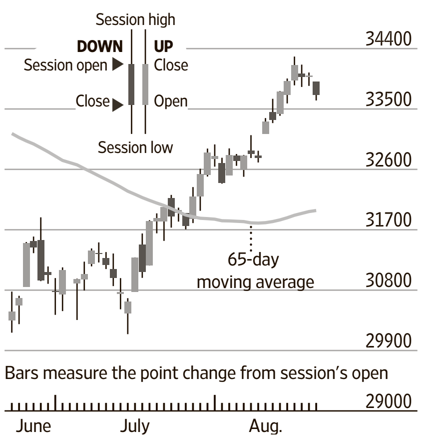
Dow Jones Industrial Average

33706.74
▼ 292.30
or 0.86%

All-time high
36799.65, 01/04/22

	Last	Year ago
Trailing P/E ratio	19.80	23.64
P/E estimate *	18.05	19.04
Dividend yield	2.10	1.79

Current divisor
0.15172752595384

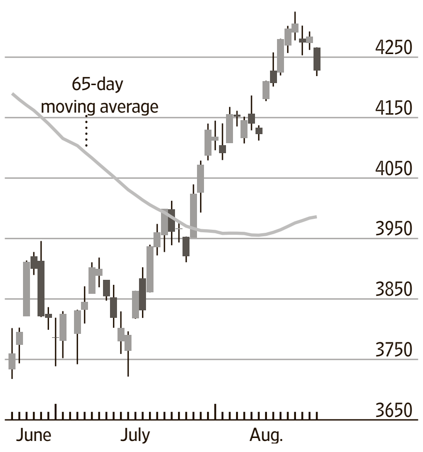


S&P 500 Index

4228.48
▼ 55.26
or 1.29%

All-time high
4796.56, 01/03/22

	Last	Year ago
Trailing P/E ratio *	23.18	31.20
P/E estimate *	18.38	21.97
Dividend yield *	1.54	1.34

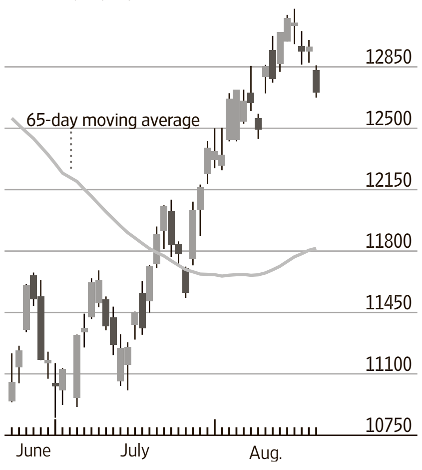


Nasdaq Composite Index

12705.22
▼ 260.13
or 2.01%

All-time high:
16057.44, 11/19/21

	Last	Year ago
Trailing P/E ratio *†	27.21	34.91
P/E estimate *†	24.36	28.65
Dividend yield *†	0.82	0.68



Weekly P/E data based on as-reported earnings from Birinyi Associates Inc. † Based on Nasdaq-100 Index

Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg	% chg YTD	% chg 3-yr. ann.
Dow Jones										
Industrial Average	33904.69	33627.09	**33706.74**	-292.30	**-0.86**	36799.65	29888.78	**-4.0**	-7.2	**8.8**
Transportation Avg	14990.37	14748.27	**14771.75**	-263.59	**-1.75**	17039.38	12868.60	**1.5**	-10.4	**13.6**
Utility Average	1060.94	1051.82	**1056.06**	-1.16	**-0.11**	1071.75	869.74	**11.1**	7.7	**8.1**
Total Stock Market	42892.70	42448.24	**42550.57**	-618.95	**-1.43**	48929.18	36759.60	**-7.2**	-12.5	**12.4**
Barron's 400	996.70	979.04	**981.55**	-15.14	**-1.52**	1127.20	852.16	**-4.1**	-11.3	**14.0**
Nasdaq Stock Market										
Nasdaq Composite	12859.01	12674.87	**12705.22**	-260.13	**-2.01**	16057.44	10646.10	**-13.7**	-18.8	**16.7**
Nasdaq-100	13402.61	13210.82	**13242.90**	-263.09	**-1.95**	16573.34	11127.57	**-12.3**	-18.9	**19.7**
S&P										
500 Index	4266.31	4218.70	**4228.48**	-55.26	**-1.29**	4796.56	3666.77	**-4.8**	-11.3	**13.1**
MidCap 400	2609.93	2570.35	**2578.06**	-41.87	**-1.60**	2910.70	2200.75	**-3.6**	-9.3	**10.9**
SmallCap 600	1285.69	1263.94	**1268.17**	-23.05	**-1.78**	1466.02	1087.48	**-4.0**	-9.5	**10.9**
Other Indexes										
Russell 2000	1992.30	1952.50	**1957.35**	-43.38	**-2.17**	2442.74	1649.84	**-9.7**	-12.8	**9.1**
NYSE Composite	15763.90	15555.51	**15588.32**	-175.58	**-1.11**	17353.76	14097.05	**-5.6**	-9.2	**7.1**
Value Line	594.46	582.18	**583.67**	-10.79	**-1.82**	696.40	510.18	**-10.1**	-13.1	**4.9**
NYSE Arca Biotech	4929.23	4863.55	**4890.17**	-39.06	**-0.79**	6019.57	4208.43	**-15.3**	-11.4	**2.0**
NYSE Arca Pharma	807.66	796.13	**803.53**	7.41	**0.93**	887.27	732.23	**-0.5**	-2.9	**11.4**
KBW Bank	113.49	111.65	**112.15**	-2.23	**-1.95**	147.56	98.36	**-10.4**	-15.2	**6.6**
PHLX§ Gold/Silver	105.84	103.91	**104.07**	-2.66	**-2.49**	167.76	100.65	**-17.3**	-21.4	**4.2**
PHLX§ Oil Service	69.20	68.31	**68.69**	-1.11	**-1.59**	88.37	48.53	**41.5**	30.3	**1.7**
PHLX§ Semiconductor	3008.65	2941.63	**2953.34**	-84.50	**-2.78**	4039.51	2458.46	**-9.3**	-25.2	**25.1**
Cboe Volatility	21.27	20.08	**20.60**	1.04	**5.32**	36.45	15.01	**11.0**	19.6	**6.9**

§ Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	874,180,708	15,969,655
Adv. volume*	129,345,359	605,140
Decl. volume*	735,146,805	15,323,960
Issues traded	3,318	282
Advances	467	56
Declines	2,714	218
Unchanged	137	8
New highs	26	1
New lows	57	11
Closing Arms†	0.89	4.81
Block trades*	4,785	144

	Nasdaq	NYSE Arca
Total volume*	4,598,836,075	220,276,696
Adv. volume*	838,451,308	29,679,291
Decl. volume*	3,728,895,732	190,207,374
Issues traded	4,762	1,708
Advances	987	196
Declines	3,542	1,499
Unchanged	233	13
New highs	46	11
New lows	109	9
Closing Arms†	1.24	0.56
Block trades*	28,781	1,068

* Primary market NYSE, NYSE American NYSE Arca only.
†(TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

Track the Markets: Winners and Losers

A look at how selected global stock indexes, bond ETFs, currencies and commodities performed around the world for the week.

Index | Currency, vs. U.S. dollar | Commodity, traded in U.S.* | Exchange-traded fund

	%
Nymex natural gas	6.48%
Nymex ULSD	5.19
Russian ruble	4.62
WSJ Dollar Index	2.25
S&P 500 Consumer Staples	1.94
NIKKEI 225	1.34
S&P 500 Utilities	1.23
S&P/ASX 200	1.17
S&P 500 Energy	0.99
FTSE 100	0.66
S&P BSE Sensex	0.31
Comex copper	0.20
iSh 1-3 Treasury	-0.01
iSh TIPS Bond	-0.04
Dow Jones Industrial Average	-0.16
S&P/TSX Comp	-0.34
Indian rupee	-0.37
S&P 500 Health Care	-0.57
Shanghai Composite	-0.57
Bloomberg Commodity Index	-0.72
IBEX 35	-0.74
STOXX Europe 600	-0.80
S&P/BMV IPC	-0.80
CAC-40	-0.89
Nymex RBOB gasoline	-0.94
S&P 500 Industrials	-1.05
VangdTotalBd	-1.06
iShNatlMuniBd	-1.08
Chinese yuan	-1.09
BOVESPA Index	-1.12
iSh 7-10 Treasury	-1.14
Indonesian rupiah	-1.15
S&P 500	-1.21
Euro STOXX	-1.36
KOSPI Composite	-1.39
S&P MidCap 400	-1.41
Nymex crude	-1.43
VangdTotIntlBd	-1.44
S&P SmallCap 600	-1.52
Mexico peso	-1.55
S&P 500 Consumer Discr	-1.58
Canada dollar	-1.68
S&P 500 Information Tech	-1.71
S&P 500 Financials	-1.72
DAX	-1.82
Swiss franc	-1.87
FTSE MIB	-1.90
S&P 500 Real Estate	-1.94
Hang Seng	-2.00
Euro area euro	-2.13
Corn	-2.15
iSh 20+ Treasury	-2.17
iShiBoxx$InvGrdCp	-2.31
Nasdaq-100	-2.38
Norwegian krone	-2.41
S&P 500 Materials	-2.45
Dow Jones Transportation Average	-2.48
South Korean won	-2.50
iShiBoxx$HYCp	-2.52
UK pound	-2.53
Japanese yen	-2.54
Nasdaq Composite	-2.62
Comex gold	-2.84
Russell 2000	-2.94
S&P 500 Communication Svcs	-3.28
Australian dollar	-3.47
iShJPMUSEmgBd	-3.74
South African rand	-4.70
Wheat	-6.54
Comex silver	-7.83
Soybeans	-10.81
Lean hogs	-23.49

*Continuous front-month contracts

Sources: FactSet (indexes, bond ETFs, commodities), Tullett Prebon (currencies).

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Methodology

Performance reflects price change (except DAX, Bovespa, and Tel Aviv 35, which reflect total returns). Commodities are represented by the continuous front-month futures contract. Bond exchange-traded fund performance may diverge from that of their underlying index. Bond categories are represented by the following ETFs: U.S. Bonds Total Market: Vanguard Total Bond Market; 1-3 Yr U.S. Treasurys: iShares 1-3 Year Treasury; U.S. 7-10 Yr Treasurys: iShares 7-10 Year Treasury; 20+ Yr U.S. Treasurys: iShares 20+ Year Treasury; Treasury Inflation-Protected Securities (TIPS): iShares TIPS; Investment Grade Corporate Bonds: iShares iBoxx $ Investment Grade Corporate; High Yield Corporate Bonds: iShares iBoxx $ High Yield Corporate; Municipal Bonds: iShares National Muni; International Bonds: Vanguard Total International; Emerging Market Bonds: iShares J.P. Morgan USD Emerging Markets.

International Stock Indexes

Region/Country	Index	Close	Latest Net chg	Latest % chg	YTD % chg
World	**MSCI ACWI**	**646.81**	-8.58	**-1.31**	-14.3
	MSCI ACWI ex-USA	**284.52**	-3.50	**-1.22**	-17.4
	MSCI World	**2787.71**	-38.70	**-1.37**	-13.7
	MSCI Emerging Markets	**1001.46**	-8.12	**-0.80**	-18.7
Americas	**MSCI AC Americas**	**1607.85**	-22.47	**-1.38**	-12.0
Canada	**S&P/TSX Comp**	**20111.38**	-153.99	**-0.76**	-5.2
Latin Amer.	**MSCI EM Latin America**	**2175.49**	-55.50	**-2.49**	2.1
Brazil	**BOVESPA**	**111496.21**	-2316.66	**-2.04**	6.4
Chile	**S&P IPSA**	**3261.73**	-32.47	**-0.99**	16.2
Mexico	**S&P/BMV IPC**	**48463.26**	-266.54	**-0.55**	-9.0
EMEA	**STOXX Europe 600**	**437.36**	-3.40	**-0.77**	-10.3
Eurozone	**Euro STOXX**	**411.44**	-4.72	**-1.13**	-14.1
Belgium	**Bel-20**	**3769.74**	-34.35	**-0.90**	-12.5
Denmark	**OMX Copenhagen 20**	**1728.45**	19.27	**1.13**	-7.3
France	**CAC 40**	**6495.83**	-61.57	**-0.94**	-9.2
Germany	**DAX**	**13544.52**	-152.89	**-1.12**	-14.7
Israel	**Tel Aviv**	**2054.88**	...	Closed	3.9
Italy	**FTSE MIB**	**22534.57**	-451.13	**-1.96**	-17.6
Netherlands	**AEX**	**719.52**	-6.34	**-0.87**	-9.8
Russia	**RTS Index**	**1170.57**	8.27	**0.71**	-26.6
South Africa	**FTSE/JSE All-Share**	**69719.43**	-1291.95	**-1.82**	-5.4
Spain	**IBEX 35**	**8338.10**	-92.20	**-1.09**	-4.3
Sweden	**OMX Stockholm**	**807.79**	-13.57	**-1.65**	-22.1
Switzerland	**Swiss Market**	**11156.72**	-10.87	**-0.10**	-13.4
Turkey	**BIST 100**	**3020.20**	0.19	**0.01**	62.6
U.K.	**FTSE 100**	**7550.37**	8.52	**0.11**	2.2
U.K.	**FTSE 250**	**19887.79**	-248.86	**-1.24**	-15.3
Asia-Pacific	**MSCI AC Asia Pacific**	**160.77**	-1.33	**-0.82**	-16.7
Australia	**S&P/ASX 200**	**7114.50**	1.72	**0.02**	-4.4
China	**Shanghai Composite**	**3258.08**	-19.47	**-0.59**	-10.5
Hong Kong	**Hang Seng**	**19773.03**	9.12	**0.05**	-15.5
India	**S&P BSE Sensex**	**59646.15**	-651.85	**-1.08**	2.4
Japan	**NIKKEI 225**	**28930.33**	-11.81	**-0.04**	0.5
Singapore	**Straits Times**	**3246.51**	-26.97	**-0.82**	3.9
South Korea	**KOSPI**	**2492.69**	-15.36	**-0.61**	-16.3
Taiwan	**TAIEX**	**15408.78**	12.02	**0.08**	-15.4
Thailand	**SET**	**1625.92**	-10.15	**-0.62**	-1.9

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	52-Week Low	% chg
GigaCloud Technology	GCT	48.01	32.32	**205.99**	60.00	12.51	**...**
Social Cap Suvretta I	DNAA	14.07	4.50	**47.02**	17.44	9.07	**43.6**
Axsome Therapeutics	AXSM	59.55	17.12	**40.35**	61.11	19.70	**176.2**
Greenbrook TMS	GBNH	3.07	0.70	**29.54**	12.00	1.27	**-71.1**
Graphex Group ADR	GRFX	2.50	0.44	**21.36**	4.31	2.05	**20.2**
Immunovant	IMVT	6.21	1.08	**21.05**	9.54	3.15	**-20.9**
Foot Locker	FL	38.39	6.41	**20.04**	61.50	23.85	**-34.2**
Bill.com Holdings	BILL	174.29	24.89	**16.66**	348.50	89.87	**-16.7**
Taylor Devices	TAYD	9.81	1.39	**16.45**	12.25	8.13	**-15.4**
Applied DNA Sciences	APDN	4.11	0.51	**14.17**	7.35	0.62	**-27.6**
Allakos	ALLK	4.00	0.46	**12.99**	112.87	2.54	**-95.0**
Mannatech	MTEX	26.50	3.00	**12.77**	43.10	15.49	**-17.9**
Bionomics ADR	BNOX	8.15	0.90	**12.40**	22.00	5.70	**...**
Bruush Oral Care	BRSH	2.36	0.24	**11.32**	3.88	1.79	**...**
Quest Resource Holding	QRHC	7.00	0.68	**10.76**	8.30	3.60	**6.2**

Percentage Losers

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	52-Week Low	% chg
Accelerate Diagnostics	AXDX	1.26	-1.23	**-49.40**	7.19	0.50	**-80.6**
Bright Minds Biosciences	DRUG	1.25	-0.92	**-42.40**	8.95	0.75	**-76.2**
Bed Bath Beyond	BBBY	11.03	-7.52	**-40.54**	30.14	4.38	**-58.5**
Capstone Green Energy	CGRN	2.41	-1.53	**-38.83**	6.71	1.52	**-41.9**
Golden Sun Education	GSUN	50.85	-15.30	**-23.13**	95.00	13.41	**...**
MMTec	MTC	1.88	-0.54	**-22.31**	17.50	1.41	**-86.0**
StoneCo Cl A	STNE	9.06	-2.60	**-22.30**	55.30	6.81	**-81.9**
CI&T	CINT	9.02	-2.43	**-21.22**	22.50	8.99	**...**
Second Sight Medical Prd	EYES	4.35	-1.17	**-21.20**	12.72	3.42	**-58.7**
Grove Collaborative	GROV	5.52	-1.46	**-20.92**	12.50	3.75	**-42.9**
23andMe Holding	ME	3.33	-0.85	**-20.33**	13.68	2.12	**-61.8**
Wayfair Cl A	W	57.01	-14.33	**-20.09**	300.39	43.31	**-80.4**
Amyris	AMRS	2.88	-0.67	**-18.87**	16.31	1.47	**-79.4**
Maxeon Solar Tech	MAXN	17.86	-3.99	**-18.26**	25.39	7.48	**16.0**
Nautilus Biotechnolgy	NAUT	2.21	-0.46	**-17.23**	8.61	2.07	**-70.1**

Most Active Stocks

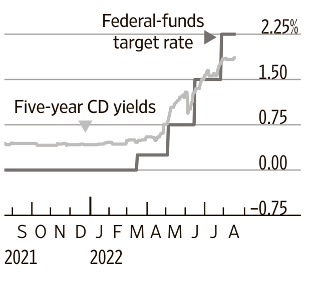
Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	52-Week Low
Endo International	ENDP	**245,327**	327.9	0.40	**-1.40**	7.07	0.28
Bed Bath Beyond	BBBY	**133,167**	343.4	11.03	**-40.54**	30.14	4.38
Volcon	VLCN	**113,808**	8584.8	2.42	**31.52**	17.96	0.95
ProShares UltraPro QQQ	TQQQ	**111,558**	-32.0	35.35	**-5.86**	91.68	21.32
ProSh UltraPro Shrt QQQ	SQQQ	**106,649**	-6.5	36.66	**5.83**	67.69	28.15

* Common stocks priced at $2 a share or more with an average volume over 65 trading days of at least 5,000 shares †Has traded fewer than 65 days

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



Selected rates

5-year CDs

Bankrate.com avg†:	**1.86%**
State Bank of India California	**2.02%**
Los Angeles, CA	877-707-1995
Colorado Federal Savings Bank	**3.10%**
Greenwood Village, CO	877-484-2372
First Internet Bank of Indiana	**3.25%**
Indianapolis, IN	888-873-3424
TAB Bank	**3.25%**
Ogden, UT	800-355-3063
CFG Community Bank	**3.65%**
Baltimore, MD	888-205-8388

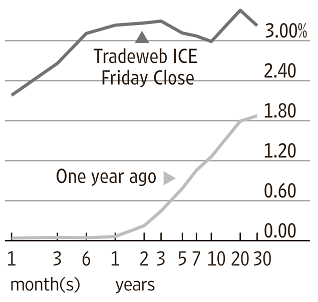
Interest rate	Yield/Rate (%) Last	Week ago	52-Week Range (%) Low	High	3-yr chg (pct pts)
Federal-funds rate target	**2.25-2.50**	2.25-2.50	0.00	2.50	**0.25**
Prime rate*	**5.50**	5.50	3.25	5.50	**0.25**
Libor, 3-month	**2.96**	2.92	0.11	2.98	**0.81**
Money market, annual yield	**0.15**	0.14	0.07	0.15	**-0.50**
Five-year CD, annual yield	**1.86**	1.83	0.41	1.86	**-0.07**
30-year mortgage, fixed†	**5.68**	5.56	3.03	6.11	**1.98**
15-year mortgage, fixed†	**4.94**	4.96	2.32	5.39	**1.70**
Jumbo mortgages, $647,200-plus†	**5.70**	5.57	3.06	6.11	**1.45**
Five-year adj mortgage (ARM)†	**4.34**	4.22	2.82	4.34	**0.27**
New-car loan, 48-month	**5.07**	5.07	3.41	5.09	**0.41**

Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks.† Excludes closing costs.

Sources: FactSet; Dow Jones Market Data; Bankrate.com

Treasury yield curve

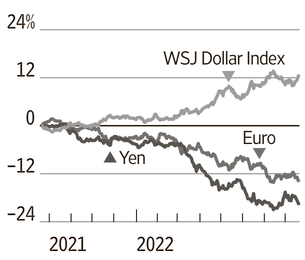
Yield to maturity of current bills, notes and bonds



Sources: Tradeweb ICE U.S. Treasury Close; Tullett Prebon; Dow Jones Market Data

Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Corporate Borrowing Rates and Yields

Bond total return index	Close	Yield (%) Last	Week ago	52-Week High	52-Week Low	Total Return (%) 52-wk	3-yr
U.S. Treasury, Bloomberg	2168.970	**3.230**	3.130	3.550	0.850	**-10.253**	-1.783
U.S. Treasury Long, Bloomberg	3494.750	**3.400**	3.280	3.630	1.720	**-22.479**	-5.809
Aggregate, Bloomberg	2026.840	**3.710**	3.620	4.140	1.400	**-10.523**	-1.412
Fixed-Rate MBS, Bloomberg	2030.530	**3.600**	3.550	4.240	1.670	**-8.296**	-1.368
High Yield 100, ICE BofA	3174.020	**7.222**	6.891	8.427	3.210	**-7.387**	1.095
Muni Master, ICE BofA	560.112	**2.850**	2.546	3.191	0.754	**-7.047**	-0.348
EMBI Global, J.P. Morgan	772.215	**7.339**	7.109	8.085	4.516	**-17.080**	-3.536

Sources: J.P. Morgan; Bloomberg Fixed Income Indices; ICE Data Services

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Country/currency	Fri in US$	Fri per US$	US$vs, YTD chg (%)
Americas			
Argentina peso	.0073	136.1577	**32.6**
Brazil real	.1934	5.1699	**-7.2**
Canada dollar	.7695	1.2996	**2.8**
Chile peso	.001059	944.50	**10.9**
Colombia peso	.000228	4387.33	**7.9**
Ecuador US dollar	1	1	**unch**
Mexico peso	.0496	20.1610	**-1.7**
Uruguay peso	.02472	40.4450	**-9.5**
Asia-Pacific			
Australian dollar	.6878	1.4539	**5.6**
China yuan	.1467	6.8171	**7.3**
Hong Kong dollar	.1275	7.8454	**0.6**
India rupee	.01251	79.923	**7.3**
Indonesia rupiah	.0000674	14838	**4.1**
Japan yen	.007303	136.93	**19.0**
Kazakhstan tenge	.002098	476.71	**9.6**
Macau pataca	.1237	8.0860	**0.6**
Malaysia ringgit	.2234	4.4765	**7.5**
New Zealand dollar	.6173	1.6200	**10.8**
Pakistan rupee	.00465	214.925	**22.0**
Philippines peso	.0179	56.017	**9.8**
Singapore dollar	.7188	1.3913	**3.2**
South Korea won	.0007486	1335.74	**12.4**
Sri Lanka rupee	.0027778	360.00	**77.4**
Taiwan dollar	.03320	30.117	**8.7**
Thailand baht	.02796	35.760	**7.6**
Vietnam dong	.00004273	23405	**2.4**
Europe			
Czech Rep. koruna	.04075	24.538	**12.2**
Denmark krone	.1350	7.4077	**13.3**
Euro area euro	1.0040	.9961	**13.3**
Hungary forint	.002484	402.61	**24.0**
Iceland krona	.007125	140.36	**8.1**
Norway krone	.1020	9.8059	**11.3**
Poland zloty	.2114	4.7313	**17.5**
Russia ruble	.01681	59.500	**-20.4**
Sweden krona	.0944	10.5933	**17.0**
Switzerland franc	1.0424	.9593	**5.2**
Turkey lira	.0553	18.0866	**35.8**
Ukraine hryvnia	.0272	36.7500	**34.4**
UK pound	1.1831	.8452	**14.3**
Middle East/Africa			
Bahrain dinar	2.6525	.3770	**0.01**
Egypt pound	.0522	19.1563	**21.9**
Israel shekel	.3053	3.2751	**5.3**
Kuwait dinar	3.2501	.3077	**1.7**
Oman sul rial	2.5974	.3850	**unch**
Qatar rial	.2746	3.642	**-0.01**
Saudi Arabia riyal	.2663	3.7558	**0.02**
South Africa rand	.0588	16.9986	**6.6**

	Close	Net Chg	% Chg	YTD % Chg
WSJ Dollar Index	99.52	0.55	0.56	**11.13**

Sources: Tullett Prebon, Dow Jones Market Data

Commodities

	Close	Friday Net chg	Friday % Chg	52-Week High	52-Week Low	52-Week % Chg	YTD % chg
DJ Commodity	**1077.77**	5.01	**0.47**	1264.48	853.12	**26.33**	13.90
Refinitiv/CC CRB Index	**292.03**	1.70	**0.58**	329.59	206.96	**41.10**	25.67
Crude oil, $ per barrel	**90.77**	0.27	**0.30**	123.70	62.32	**45.65**	20.69
Natural gas, $/MMBtu	**9.336**	0.148	**1.61**	9.336	3.561	**142.43**	150.29
Gold, $ per troy oz.	**1747.60**	-7.70	**-0.44**	2040.10	1699.50	**-1.88**	-4.37

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MARKET DATA

Futures Contracts

Metal & Petroleum Futures

	Open	High	Contract hi lo	Low	Settle	Chg	Open interest
Copper-High (CMX)-25,000 lbs.; $ per lb.							
Aug	3.6725	3.6725		3.6660	**3.6835**	0.0370	1,043
Dec	3.6450	3.6835		3.6125	**3.6710**	0.0350	76,762
Gold (CMX)-100 troy oz.; $ per troy oz.							
Aug	1753.70	1754.30		1747.50	**1747.60**	−7.70	821
Sept	1757.70	1757.70		1745.80	**1748.40**	−8.10	3,627
Oct	1762.70	1762.70		1749.80	**1753.00**	−8.10	39,967
Dec	1773.10	1773.30		1759.30	**1762.90**	−8.30	378,191
Feb'23	1784.00	1784.50		1773.20	**1775.60**	−8.60	20,300
April	1794.10	1795.90		1785.90	**1787.90**	−8.50	7,485
Palladium (NYM) - 50 troy oz.; $ per troy oz.							
Aug					**2129.00**	−18.00	
Dec	2170.00	2175.00		2119.50	**2145.70**	−18.50	4,275
Platinum (NYM)-50 troy oz.; $ per troy oz.							
Aug					**886.90**	−16.70	3
Oct	907.50	907.50		878.30	**888.00**	−16.90	52,403
Silver (CMX)-5,000 troy oz.; $ per troy oz.							
Aug	19.130	19.130		19.120	**19.058**	−0.390	57
Dec	19.580	19.580		19.035	**19.176**	−0.393	80,982
Crude Oil, Light Sweet (NYM)-1,000 bbls.; $ per bbl.							
Sept	90.39	92.09		88.38	**90.77**	0.27	45,029
Oct	90.00	91.69		87.95	**90.44**	0.33	253,265
Nov	89.60	91.22		87.53	**90.11**	0.44	135,047
Dec	88.99	90.60		86.98	**89.61**	0.53	189,786
June'23	84.72	85.95		82.99	**85.33**	0.59	123,736
Dec	81.38	82.19		79.72	**81.67**	0.42	130,959
NY Harbor ULSD (NYM)-42,000 gal.; $ per gal.							
Sept	3.6551	3.7391		3.5662	**3.7005**	.0508	40,923
Oct	3.6086	3.6954		3.5266	**3.6609**	.0576	64,178
Gasoline-NY RBOB (NYM)-42,000 gal.; $ per gal.							
Sept	3.0296	3.0554		2.9664	**3.0175**	−.0086	49,648
Oct	2.7915	2.8212		2.7346	**2.7889**	.0005	79,758
Natural Gas (NYM)-10,000 MMBtu.; $ per MMBtu.							
Sept	9.201	9.395		8.870	**9.336**	.148	44,824
Oct	9.153	9.370		8.860	**9.315**	.145	117,600
Nov	9.240	9.429		8.945	**9.385**	.143	121,414
Jan'23	9.375	9.597		9.125	**9.552**	.139	84,498
April	5.624	5.689		5.512	**5.656**	...	71,185
May	5.461	5.500		5.347	**5.462**	−.023	73,395

Agriculture Futures

	Open	High	Contract hi lo	Low	Settle	Chg	Open interest
Corn (CBT)-5,000 bu.; cents per bu.							
Sept	619.00	627.75		616.00	**626.00**	6.25	146,458
Dec	615.00	624.50		612.00	**623.25**	7.50	696,284
Oats (CBT)-5,000 bu.; cents per bu.							
Sept	405.00	419.75		405.00	**418.75**	6.00	255
Dec	375.00	392.00	▼	370.00	**387.25**	6.25	2,262
Soybeans (CBT)-5,000 bu.; cents per bu.							
Sept	1496.75	1499.25		1475.75	**1488.75**	−6.75	23,071
Nov	1405.75	1410.00		1386.25	**1404.00**	−1.25	311,481
Soybean Meal (CBT)-100 tons; $ per ton.							
Sept	450.00	451.20		441.50	**448.70**	−.70	48,229
Dec	408.00	408.90		399.40	**402.30**	−5.60	190,920
Soybean Oil (CBT)-60,000 lbs.; cents per lb.							
Sept	66.25	68.29		65.84	**67.90**	1.64	48,131
Dec	64.27	66.09		63.79	**65.70**	1.43	139,941
Rough Rice (CBT)-2,000 cwt.; $ per cwt.							
Sept	16.59	17.14		16.58	**17.09**	.53	4,800
Nov	16.87	17.44		16.87	**17.38**	.52	3,588
Wheat (CBT)-5,000 bu.; cents per bu.							
Sept	733.00	756.75		727.25	**753.25**	21.75	58,127
Dec	751.00	773.75		745.25	**771.00**	22.00	157,742
Wheat (KC)-5,000 bu.; cents per bu.							
Sept	812.50	847.50		812.50	**844.75**	32.25	22,663
Dec	816.00	849.75		815.25	**847.00**	31.75	82,459
Cattle-Feeder (CME)-50,000 lbs.; cents per lb.							
Aug	181.350	182.075		180.850	**181.500**	−.025	3,037
Oct	187.600	188.200		186.400	**186.775**	−.900	14,859
Cattle-Live (CME)-40,000 lbs.; cents per lb.							
Aug	141.475	141.800		141.325	**141.600**	.325	2,874
Oct	144.950	145.725		144.875	**145.250**	.500	116,704
Hogs-Lean (CME)-40,000 lbs.; cents per lb.							
Oct	93.325	94.000		91.900	**93.125**	−.175	91,416
Dec	85.400	85.575		83.400	**84.150**	−1.025	70,271
Lumber (CME)-110,000 bd. ft., $ per 1,000 bd. ft.							
Sept	558.90	558.90		516.60	**520.00**	−45.50	1,203
Nov	543.40	546.30		501.20	**502.90**	−46.90	890
Milk (CME)-200,000 lbs., cents per lb.							
Aug	20.08	20.08		20.05	**20.08**	...	3,985
Sept	20.06	20.26		19.64	**19.73**	−.53	5,673
Cocoa (ICE-US)-10 metric tons; $ per ton.							
Sept	2,376	2,399		2,357	**2,362**	−40	13,752
Dec	2,400	2,414		2,365	**2,374**	−48	146,608
Coffee (ICE-US)-37,500 lbs.; cents per lb.							
Sept	215.20	217.55		212.60	**215.95**	1.25	13,463
Dec	212.35	214.70		209.45	**213.35**	1.50	93,208
Sugar-World (ICE-US)-112,000 lbs.; cents per lb.							
Oct	17.78	18.20		17.61	**18.09**	.32	300,754
March'23	17.81	18.11		17.62	**18.04**	.27	203,484
Sugar-Domestic (ICE-US)-112,000 lbs.; cents per lb.							
Nov	36.00	36.25		36.00	**36.30**	.31	1,840
Cotton (ICE-US)-50,000 lbs.; cents per lb.							
Oct	115.81	118.60		115.39	**119.75**	2.63	126
Dec	112.73	116.63		111.01	**116.01**	3.31	106,734
Orange Juice (ICE-US)-15,000 lbs.; cents per lb.							
Sept	167.70	173.10		167.70	**169.75**	1.90	3,798
Nov	165.10	169.55		165.10	**166.20**	1.00	5,448

Interest Rate Futures

	Open	High	Contract hi lo	Low	Settle	Chg	Open interest
Ultra Treasury Bonds (CBT) - $100,000; pts 32nds of 100%							
Sept	153-050	153-050		150-050	**150-130**	−2-16.0	1,290,702
Dec	152-260	152-290		149-310	**150-060**	−2-16.0	76,109
Treasury Bonds (CBT)-$100,000; pts 32nds of 100%							
Sept	140-150	140-170		138-070	**138-150**	−1-31.0	1,157,537
Dec	139-240	139-300		137-230	**137-300**	−1-31.0	11,558
Treasury Notes (CBT)-$100,000; pts 32nds of 100%							
Sept	118-285	118-295		118-010	**118-035**	−23.5	3,398,712
Dec	119-000	119-010		118-045	**118-070**	−24.0	165,705
5 Yr. Treasury Notes (CBT)-$100,000; pts 32nds of 100%							
Sept	112-017	112-027		111-187	**111-210**	−11.5	3,993,217
Dec	112-040	112-052		111-210	**111-232**	−12.0	196,862
2 Yr. Treasury Notes (CBT)-$200,000; pts 32nds of 100%							
Sept	104-220	104-223		104-176	**104-191**	−1.0	2,116,892
Dec	104-190	104-195		104-141	**104-153**	−1.9	57,207
30 Day Federal Funds (CBT)-$5,000,000; 100 - daily avg.							
Aug	97.6675	97.6675		97.6650	**97.6675**	.0000	471,513
Oct	97.0700	97.0750		97.0450	**97.0500**	−.0150	270,209
10 Yr. Del. Int. Rate Swaps (CBT)-$100,000; pts 32nds of 100%							
Sept	93-000	93-035		93-000	**93-030**	−29.5	16,226
Three-Month SOFR (CME)-$1,000,000; 100 - daily avg.							
June	98.0575	98.0600		98.0550	**98.0575**	.0000	716,122
March'23	96.4000	96.4050		96.3200	**96.3500**	−.0250	1,026,731
Eurodollar (CME)-$1,000,000; pts of 100%							
Sept	96.6700	96.6750		96.6350	**96.6575**	−.0050	1,119,752
Dec	96.1100	96.1250		96.0600	**96.0850**	−.0200	1,708,739
March'23	96.1200	96.1200		96.0350	**96.0700**	−.0200	1,076,644
Dec	96.5700	96.5750		96.4600	**96.4850**	−.0500	971,448

Currency Futures

	Open	High	Contract hi lo	Low	Settle	Chg	Open interest
Japanese Yen (CME)-¥12,500,000; $ per 100¥							
Sept	.7375	.7384		.7302	**.7320**	−.0055	228,065
Dec	.7439	.7448		.7367	**.7385**	−.0055	2,733
Canadian Dollar (CME)-CAD 100,000; $ per CAD							
Sept	.7723	.7723		.7685	**.7694**	−.0031	138,396
Dec	.7720	.7722		.7683	**.7692**	−.0031	11,077
British Pound (CME)-£62,500; $ per £							
Sept	1.1935	1.1941		1.1797	**1.1817**	−.0120	229,044
Dec	1.1956	1.1961		1.1818	**1.1838**	−.0119	5,950
Swiss Franc (CME)-CHF 125,000; $ per CHF							
Sept	1.0475	1.0490		1.0441	**1.0447**	−.0031	38,243
Dec	1.0550	1.0574		1.0526	**1.0533**	−.0032	649
Australian Dollar (CME)-AUD 100,000; $ per AUD							
Sept	.6917	.6922		.6861	**.6869**	−.0051	168,684
Dec	.6923	.6930		.6870	**.6877**	−.0052	1,818
Mexican Peso (CME)-MXN 500,000; $ per MXN							
Sept	.04940	.04942		.04905	**.04919**	−.00018	201,046
Dec	.04828	.04853		.04821	**.04831**	−.00019	633
Euro (CME)-€125,000; $ per €							
Sept	1.0106	1.0114		1.0051	**1.0051**	−.0058	684,185
Dec	1.0178	1.0182		1.0117	**1.0118**	−.0059	9,603

Index Futures

	Open	High	Contract hi lo	Low	Settle	Chg	Open interest
Mini DJ Industrial Average (CBT)-$5 x index							
Sept	34003	34009		33616	**33706**	−275	78,107
Dec	34076	34089		33722	**33802**	−275	888
Mini S&P 500 (CME)-$50 x index							
Sept	4287.00	4288.00		4220.75	**4231.50**	−55.00	2,308,587
Dec	4304.25	4305.50		4239.25	**4249.75**	−55.00	53,740
Mini S&P Midcap 400 (CME)-$100 x index							
Sept	2620.10	2621.60		2571.10	**2578.40**	−43.10	49,155
Dec					**2585.80**	−41.80	4
Mini Nasdaq 100 (CME)-$20 x index							
Sept	13534.25	13534.50		13228.75	**13268.50**	−254.75	253,708
Dec	13600.25	13611.50		13306.75	**13347.25**	−255.75	4,644
Mini Russell 2000 (CME)-$50 x index							
Sept	1999.80	2000.20		1952.90	**1959.10**	−42.60	511,020
Dec	2000.60	2007.90		1959.60	**1965.70**	−42.60	5,207
Mini Russell 1000 (CME)-$50 x index							
Sept	2325.40	2357.90		2319.50	**2325.70**	−33.00	13,500
U.S. Dollar Index (ICE-US)-$1,000 x index							
Sept	107.42	108.14		107.42	**108.10**	.68	56,782
Dec	107.15	107.84		107.13	**107.80**	.70	1,004

Source: FactSet

Exchange-Traded Portfolios | WSJ.com/ETFresearch

Largest 100 exchange-traded funds, latest session

Friday, August 19, 2022

ETF	Symbol	Closing Price	Chg (%)	YTD (%)
CnsmrDiscSelSector	XLY	167.53	−2.06	−18.1
CnsStapleSelSector	XLP	76.91	−0.32	−0.3
DimenUSCoreEq2	DFAC	26.09	−1.36	−9.9
EnSelSectorSPDR	XLE	79.46	−0.03	43.2
FinSelSectorSPDR	XLF	34.96	−1.99	−10.5
HealthCareSelSect	XLV	132.92	0.27	−5.7
IndSelSectorSPDR	XLI	98.84	−1.29	−6.6
InvscQQQI	QQQ	322.86	−1.95	−18.8
InvscS&P500EW	RSP	149.44	−1.32	−8.2
iSh0-5YTIPSBd	STIP	101.16	0.02	−4.5
iShCoreDivGrowth	DGRO	52.14	−0.89	−6.2
iShCoreMSCIEAFE	IEFA	61.05	−1.42	−18.2
iShCoreMSCIEM	IEMG	49.06	−1.29	−18.0
iShCoreMSCITotInt	IXUS	58.62	−1.36	−17.4
iShCoreS&P500	IVV	424.36	−1.32	−11.0
iShCoreS&P MC	IJH	257.58	−1.64	−9.0
iShCoreS&P SC	IJR	104.04	−1.81	−9.1
iShCoreS&PTotUS	ITOT	93.98	−1.42	−12.2
iShCoreTotalUSDBd	IUSB	47.08	−0.74	−11.1
iShCoreUSAggBd	AGG	101.99	−0.70	−10.6
iShSelectDividend	DVY	126.79	−0.71	3.4
iShESGAwareUSA	ESGU	94.21	−1.38	−12.7
iShEdgeMSCIMinUSA	USMV	75.86	−0.62	−6.2
iShEdgeMSCIUSAQual	QUAL	124.04	−1.56	−14.8
iShGoldTr	IAU	33.15	−0.78	−4.8
iShiBoxx$HYCpBd	HYG	76.95	−1.02	−11.6
iShiBoxx$InvGrCpBd	LQD	111.60	−1.19	−15.8
iShJPMUSDEmgBd	EMB	86.80	−1.52	−20.4
iShMBSETF	MBB	98.23	−0.72	−8.6
iShMSCI ACWI	ACWI	90.77	−1.34	−14.2
iShMSCI EAFE	EFA	64.69	−1.37	−17.8
iShMSCIEmgMarkets	EEM	39.90	−1.36	−18.3
iShMSCIEAFEValue	EFV	43.88	−1.28	−12.9
iShNatlMuniBd	MUB	106.88	−0.29	−8.1
iSh1-5YIGCorpBd	IGSB	50.75	−0.28	−5.8
iShPfd&Incm	PFF	34.40	−0.98	−12.8
iShRussell1000Gwth	IWF	251.83	−1.66	−17.6
iShRussell1000Val	IWD	158.33	−1.14	−5.7
iShRussell2000	IWM	194.65	−2.15	−12.5
iShRussellMid-Cap	IWR	72.94	−1.65	−12.1
iShRussellMCValue	IWS	113.08	−1.50	−7.6
iShRussell1000	IWB	232.92	−1.42	−11.9
iShS&P500Growth	IVW	69.68	−1.80	−16.7
iShS&P500Value	IVE	149.26	−0.82	−4.7
iShShortTreaBd	SHV	110.09	0.01	−0.3
iShTIPSBondETF	TIP	115.44	−0.17	−10.7
iSh1-3YTreasuryBd	SHY	82.53	−0.07	−3.5
iSh7-10YTreaBd	IEF	102.48	−0.86	−10.9
iSh20+YTreasuryBd	TLT	113.04	−1.61	−23.7
iShUSTreasuryBd	GOVT	23.81	−0.46	−10.8
JPM UltShtIncm	JPST	50.17	−0.02	−0.6
ProShUltPrQQQ	TQQQ	35.35	−5.86	−57.5
SPDRBlm1-3MTB	BIL	91.49	...	0.1
SPDR Gold	GLD	162.72	−0.73	−4.8
SPDRS&P500Value	SPYV	39.97	−0.84	−4.8
SPDRPtfS&P500	SPLG	49.65	−1.31	−11.1
SPDRS&P500Growth	SPYG	60.36	−1.82	−16.7
SchwabIntEquity	SCHF	32.59	−1.39	−16.2
SchwabUS BrdMkt	SCHB	49.61	−1.45	−12.2
SchwabUS Div	SCHD	77.23	−0.78	−4.5
SchwabUS LC	SCHX	50.02	−1.40	−12.1
SchwabUS LC Grw	SCHG	67.13	−1.96	−18.0
SchwabUS SC	SCHA	44.61	−2.02	−12.9
Schwab US TIPs	SCHP	56.58	−0.18	−10.0
SPDR DJIA Tr	DIA	337.04	−0.85	−7.2
SPDR S&PMdCpTr	MDY	470.46	−1.67	−9.1
SPDR S&P 500	SPY	422.14	−1.34	−11.1
SPDR S&P Div	SDY	130.70	−0.80	1.2
TechSelectSector	XLK	148.11	−1.82	−14.8
UtilitiesSelSector	XLU	77.70	−0.05	8.5
VangdInfoTech	VGT	380.93	−1.93	−16.9
VangdSC Val	VBR	169.22	−1.57	−5.4
VangdExtMkt	VXF	149.69	−2.16	−18.1
VangdDivApp	VIG	157.69	−0.92	−8.2
VangdFTSEDevMk	VEA	42.32	−1.49	−17.1
VangdFTSE EM	VWO	41.56	−1.12	−16.0
VangdFTSE Europe	VGK	54.26	−1.36	−20.5
VangdFTSEAWxUS	VEU	51.20	−1.29	−16.4
VangdGrowth	VUG	258.56	−1.95	−19.4
VangdHlthCr	VHT	246.26	0.03	−7.6
VangdHiDiv	VYM	109.50	−0.71	−2.3
VangdIntrCorpBd	VCIT	81.25	−0.83	−12.4
VangdLC	VV	193.19	−1.34	−12.6
VangdMC	VO	221.95	−1.51	−12.9
VangdMC Val	VOE	143.48	−1.12	−4.6
VangdMBS	VMBS	48.25	−0.56	−8.7
VangdRealEst	VNQ	99.52	−1.05	−14.2
VangdS&P500ETF	VOO	388.12	−1.38	−11.1
VangdST Bond	BSV	76.71	−0.14	−5.1
VangdSTCpBd	VCSH	76.62	−0.30	−5.7
VangdShtTmInfltn	VTIP	49.99	0.04	−2.7
VangdShortTrea	VGSH	58.71	−0.05	−3.5
VangdSC	VB	200.66	−1.95	−11.2
VangdTaxExemptBd	VTEB	50.34	−0.36	−8.3
VangdTotalBd	BND	75.49	−0.63	−10.9
VangdTotIntlBd	BNDX	50.14	−0.67	−9.1
VangdTotIntlStk	VXUS	52.94	−1.34	−16.7
VangdTotalStk	VTI	211.79	−1.43	−12.3
VangdTotWrldStk	VT	92.43	−1.40	−14.0
VangdValue	VTV	142.20	−0.68	−3.3

A Week in the Life of the DJIA

A look at how the Dow Jones Industrial Average component stocks did in the past week and how much each moved the index. The DJIA lost 54.31 points, or 0.16%, on the week. A $1 change in the price of any DJIA stock = 6.59-point change in the average. To date, a $1,000 investment on Dec. 31 in each current DJIA stock component would have returned $28,250, or a loss of 5.83%, on the $30,000 investment, including reinvested dividends.

The Week's Action: Pct chg (%)	Stock price change	Point chg in average*	Company	Symbol	Close	$1,000 Invested (year-end '21)
4.48	2.09	13.77	**Cisco**	CSCO	$48.70	**$786**
3.63	4.80	31.64	**Walmart**	WMT	137.02	**958**
3.25	4.36	28.74	**IBM**	IBM	138.37	**1,074**
2.43	4.01	26.43	**Johnson & Johnson**	JNJ	169.31	**1,002**
2.31	1.47	9.69	**Coca-Cola**	KO	65.17	**1,117**
2.09	3.06	20.17	**Procter & Gamble**	PG	149.73	**931**
2.04	6.43	42.38	**Home Depot**	HD	321.32	**784**
1.66	4.36	28.74	**McDonald's**	MCD	266.54	**1,005**
1.16	1.06	6.99	**Merck**	MRK	92.08	**1,222**
0.99	2.47	16.28	**Amgen**	AMGN	250.86	**1,142**
0.85	4.62	30.45	**UnitedHealth Group**	UNH	548.32	**1,099**
0.71	1.49	9.82	**Visa**	V	212.82	**987**
0.63	1.08	7.12	**Travelers**	TRV	172.64	**1,115**
0.34	0.69	4.55	**Honeywell**	HON	201.56	**982**
−0.34	−0.58	−3.82	**Apple**	AAPL	171.52	**970**
−0.63	−1.24	−8.17	**Caterpillar**	CAT	195.60	**962**
−0.79	−0.44	−2.90	**Dow**	DOW	55.49	**1,000**
−1.18	−1.43	−9.42	**Walt Disney**	DIS	120.14	**776**
−1.29	−4.55	−29.99	**Goldman Sachs**	GS	349.27	**924**
−1.35	−2.16	−14.24	**Chevron**	CVX	157.69	**1,382**
−1.62	−0.73	−4.81	**Verizon**	VZ	44.42	**887**
−1.97	−5.76	−37.96	**Microsoft**	MSFT	286.15	**856**
−2.02	−0.73	−4.81	**Intel**	INTC	35.38	**705**
−2.17	−3.60	−23.73	**American Express**	AXP	162.24	**1,001**
−2.51	−2.91	−19.18	**Nike**	NKE	113.16	**682**
−2.87	−3.50	−23.07	**JPMorgan Chase**	JPM	118.63	**766**
−3.22	−6.12	−40.34	**salesforce.com**	CRM	183.77	**723**
−4.16	−7.07	−46.60	**Boeing**	BA	162.92	**809**
−4.62	−7.04	−46.40	**3M**	MMM	145.20	**843**
−5.84	−2.37	−15.62	**Walgreens**	WBA	38.22	**758**

*Based on Composite price. DJIA is calculated on primary-market price.
Source: Dow Jones Market Data; FactSet.

Borrowing Benchmarks

WSJ.com/bonds

Money Rates

August 19, 2022

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Inflation

	July index level	Chg From (%) June '22	July '21
U.S. consumer price index			
All items	**296.276**	−0.01	8.5
Core	**295.646**	0.33	5.9

International rates

	Latest	Week ago	52-Week High	52-Week Low
Prime rates				
U.S.	**5.50**	5.50	5.50	3.25
Canada	**4.70**	4.70	4.70	2.45
Japan	**1.475**	1.475	1.475	1.475
Policy Rates				
Euro zone	**0.50**	0.50	0.50	0.00
Switzerland	**0.25**	0.25	0.25	0.00
Britain	**1.75**	1.75	1.75	0.10
Australia	**1.85**	1.85	1.85	0.10

Secondary market

	Latest	Week ago	52-Week High	52-Week Low
Fannie Mae				
30-year mortgage yields				
30 days	**5.028**	4.680	5.434	2.335
60 days	**5.073**	4.723	5.526	2.371

Notes on data:

U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective July 28, 2022. **Other prime rates** aren't directly comparable; lending practices vary widely by location. Complete Money Rates table appears Monday through Friday.

Sources: Bureau of Labor Statistics; FactSet

Bonds | wsj.com/market-data/bonds/benchmarks

Global Government Bonds: Mapping Yields

Yields and spreads over or under U.S. Treasurys 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	Yield (%) Latest	Previous	Month ago	Year ago	Spread Under/Over U.S. Treasurys, in basis points: Latest	Prev	Year ago
3.000	U.S. 2	3.265 ▲	3.233	3.229	0.218			
2.750	10	2.987 ▲	2.879	3.017	1.241			
2.750	Australia 2	2.839 ▼	2.841	2.773	0.032	-41.1	-35.0	-18.6
1.250	10	3.420 ▲	3.345	3.524	1.094	43.6	46.2	-15.2
0.000	France 2	0.738 ▲	0.637	0.514	-0.717	-251.3	-255.5	-93.5
2.000	10	1.814 ▲	1.680	1.841	-0.139	-117.0	-120.3	-138.5
0.400	Germany 2	0.814 ▲	0.749	0.631	-0.743	-243.7	-244.3	-96.0
1.700	10	1.231 ▲	1.102	1.278	-0.487	-175.4	-178.1	-173.3
0.000	Italy 2	1.762 ▲	1.654	1.351	-0.494	-148.	-153.8	-71.2
2.500	10	3.498 ▲	3.327	3.331	0.571	51.4	44.3	-67.5
0.005	Japan 2	-0.082 ▲	-0.086	-0.072	-0.140	-333.3	-327.7	-35.8
0.200	10	0.201 ▲	0.200	0.242	0.017	-278.3	-268.4	-122.9
0.000	Spain 2	1.041 ▲	0.913	0.993	-0.618	-220.9	-227.8	-83.6
2.550	10	2.392 ▲	2.244	2.383	0.223	-59.2	-63.9	-102.2
0.125	U.K. 2	2.498 ▲	2.445	2.040	0.119	-75.3	-74.7	-9.9
4.250	10	2.416 ▲	2.323	2.180	0.541	-56.8	-56.0	-70.4

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	Spread*, in basis points: Current	One-day change	Last week
Sumitomo Mitsui Financial	SUMIBK	3.364	4.28	July 12, '27	117	−16	n.a.
Barclays	BACR	3.650	4.43	March 16, '25	114	−14	n.a.
Banco Santander	SANTAN	5.147	4.96	Aug. 18, '25	169	−10	179
HSBC Holdings	HSBC	4.950	4.94	March 31, '30	200	−9	207
Westpac Banking	WSTP	3.133	5.23	Nov. 18, '41	178	−9	183
Canadian Imperial Bank of Commerce	CM	3.300	4.13	April 7, '25	85	−8	n.a.
Ontario Teachers' Finance Trust	ONTTFT	0.875	3.68	Sept. 21, '26	58	−7	55
Coca–Cola	KO	2.000	3.56	March 5, '31	62	−5	65

...And spreads that widened the most

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Current	One-day change	Last week
HSBC Holdings	HSBC	4.250	4.78	Aug. 18, '25	150	17	n.a.
Citigroup	C	4.400	4.15	June 10, '25	87	12	93
Bank of America	BAC	3.950	4.13	April 21, '25	86	11	94
Jefferies	JEF	4.150	5.43	Jan. 23, '30	245	11	238
HCA	HCA	5.375	4.61	Feb. 1, '25	133	8	132
Walt Disney	DIS	1.750	3.66	Jan. 13, '26	54	7	47
Cooperatieve Rabobank	RABOBK	4.375	4.72	Aug. 4, '25	142	7	n.a.
Amazon.com	AMZN	3.000	3.34	April 13, '25	6	6	−4

High-yield issues with the biggest price increases...

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Bond Price as % of face value: Current	One-day change	Last week
Occidental Petroleum	OXY	6.450	5.23	Sept. 15, '36	112.000	2.12	110.906
Teva Pharmaceutical Finance Netherlands	...	3.150	6.07	Oct. 1, '26	89.529	1.51	90.375
American Airlines	AAL	5.250	10.78	Jan. 15, '24	93.000	1.00	93.750
MGM Resorts International	MGM	6.000	4.85	March 15, '23	100.625	0.18	101.125
Ford Motor Credit	...	4.250	3.05	Sept. 20, '22	100.086	0.03	100.002

...And with the biggest price decreases

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Current	One-day change	Last week
DCP Midstream	DCP	6.450	5.72	Nov. 3, '36	107.005	−2.46	n.a.
Ford Motor	F	4.750	6.85	Jan. 15, '43	77.094	−1.64	81.500
Sprint Capital	...	8.750	5.34	March 15, '32	125.250	−1.48	127.875
Liberty Interactive	LINTA	8.250	13.13	Feb. 1, '30	77.250	−1.25	74.375
Intesa Sanpaolo	ISPIM	5.710	6.79	Jan. 15, '26	96.760	−1.19	n.a.
American Airlines	AAL	11.750	7.24	July 15, '25	111.563	−1.19	113.743
ADT Security	ADT	4.875	6.50	July 15, '32	88.250	−1.11	90.575
Bath & Body Works	BBWI	6.875	7.89	Nov. 1, '35	91.750	−1.00	95.750

*Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year hot-run Treasury; 100 basis points=one percentage pt.; change in spread shown is for Z-spread.
Note: Data are for the most active issue of bonds with maturities of two years or more

Source: MarketAxess

Dividend Changes

KEY: A: annual; M: monthly; Q: quarterly; r: revised; SA: semiannual; S2:1: stock split and ratio; SO: spin-off.

Company	Symbol	Yld %	Amount New/Old	Frq	Payable / Record
Increased					
C&F Financial	CFFI	3.3	.42 /.40	Q	Oct01 /Sep15
Covenant Logistics Cl A	CVLG	0.8	.08 /.0625	Q	Sep30 /Sep02
Tapestry	TPR	3.3	.30 /.25	Q	Sep26 /Sep09
United Bancorp	UBCP	4.0	.1575 /.155	Q	Sep20 /Sep09
Virtus Invt Partners	VRTS	3.1	1.65 /1.50	Q	Nov15 /Oct31
Winnebago	WGO	1.6	.27 /.18	Q	Sep28 /Sep14
Stocks					
Second Sight Medical Prd	EYES		1:3		/Aug19
Foreign					
Autoliv	ALV	3.1	.64	Q	Sep22 /Sep07
Granite REIT	GRP.U	3.9	.1999	M	Sep15 /Aug31
Grindrod Shipping Hldgs	GRIN	16.5	.84	Q	Sep19 /Sep09
Skylight Health Pfd. A	SLHGP	17.3	.1927	M	Sep20 /Aug31
Torm	TRMD	...	.58		Sep16 /Sep01

Sources: FactSet; Dow Jones Market Data

New Highs and Lows

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. **% CHG**-Daily percentage change from the previous trading session.

Friday, August 19, 2022

Highs

Stock	Sym	52-Wk Hi/Lo	% Chg
ACNB	ACNB	36.73	0.9
ADMA Biologics	ADMA	2.65	1.6
Adtran	ADTN	25.47	0.9
A SPAC II	ASCB	9.95	0.3
ATN Intl	ATNI	50.45	-0.5
AdaraAcqnA	ADRA	9.97	0.2
AllianceResource	ARLP	24.32	1.5
Amdocs	DOX	90.77	0.1
ArcutisBiotherap	ARQT	26.14	-1.2
ArdmoreShipping	ASC	10.04	1.4
ArtesianRscs A	ARTNA	60.36	-0.3
AtlStreetAcqn	ASAQ	9.98	0.2
AxsomeTherap	AXSM	61.11	40.3
ByteAcqnA	BYTS	9.92	-0.1
BankFirst	BFC	82.66	-0.1
BoozAllen	BAH	99.22	-0.1
Brown-Forman A	BF.A	76.60	-0.6
BullpenParlayA	BPAC	10.01	...
CarneyTechII A	CTAQ	9.92	0.2
CaseysGenStores	CASY	222.20	1.5
ChesapeakeWtA	CHKEW	87.75	-3.2
Cigna	CI	293.96	0.7
Clearfield	CLFD	124.23	0.4
ComputeHlthA	CPUH	9.88	-0.2
ConEd	ED	101.57	-0.4
ConsldWater	CWCO	16.00	0.6
CornerGrowthA	COOL	9.97	0.4
CresceraCapA	CREC	10.01	0.3
DataKnightsA	DKDCA	10.34	0.1
DelekLogistics	DKL	60.75	-5.7
ESSA Bancorp	ESSA	19.45	-1.6
FirstFinIN	THFF	49.00	0.4
5:01Acquisition	FVAM	9.97	0.1
FlameAcqnA	FLME	9.86	...
GeneralMills	GIS	78.36	0.6
GigaCloudTech	GCT	60.00	206.0
GlbPtrII A	GPAC	9.92	0.1
GoldenFalconA	GFX	9.92	...
GoldenPath	GPCO	10.23	0.3
GoldenSunEduc	GSUN	95.00	-23.1
Haemonetic	HAE	77.46	0.3
Harte-Hanks	HHS	17.50	1.3
Hershey	HSY	234.28	1.1
Hubbell	HUBB	225.60	0.1
Humana	HUM	502.57	0.8
ICF Intl	ICFI	111.10	-1.1
InsuAcqnIII A	IIII	9.91	0.3
InterceptPharm	ICPT	21.25	-9.9
KademSustA	KSI	9.85	0.2
Kellogg	K	76.99	1.0
KewauneeSci	KEQU	19.61	2.6
LaJolla	LJPC	6.24	...
MontaukRenew	MNTK	18.15	-0.3
MurphyUSA	MUSA	302.83	-0.1
NL Industries	NL	10.71	-2.4
OhioValleyBanc	OVBC	32.49	2.9
OverseasShip	OSG	2.88	4.3
OxfordIndustries	OXM	118.54	0.4
PBF Logistics	PBFX	19.12	-1.1
PyxisTankersPfdA	PXSAP	24.00	-1.0
QCR Holdings	QCRH	62.85	-3.1
ROC Energy	ROC	10.04	0.1
RiverviewAcqnUn	RVACU	11.66	-0.9
SKGrowthOppsA	SKGR	12.50	...
SanJuanBasin	SJT	15.43	-5.7
SierraWireless	SWIR	30.96	0.3
SocCapSuvrettal	DNAA	17.44	47.0
Southern	SO	80.57	0.6
SupernusPharms	SUPN	35.55	4.9
TreeHouseFoods	THS	50.39	-0.4
TsakosEnergyPfdD	TNPpD	25.12	...
UFP Tech	UFPT	98.72	0.8
WhiteMtnIns	WTM	1310.27	0.5

Lows

Stock	Sym	52-Wk Hi/Lo	% Chg
A SPAC I Wt	ASCAW	0.05	...
ATI PhysTherapy	ATIP	0.91	-2.8
AcmeUnited	ACU	26.88	1.2
AfricanGoldWt	AGAC.WS	0.05	-16.9
Agrify	AGFY	1.03	-16.3
AlbireoPharma	ALBO	16.83	-1.0
AllegiantTravel	ALGT	101.39	-2.9
AmbrxBio	AMAM	1.95	-5.8
AmericanPubEdu	APEI	11.54	2.2
AmerGold&Silver	USAS	0.45	-3.0
AmpioPharm	AMPE	0.09	-2.7
AnPacBioMed	ANPC	0.20	-8.0
AppliedMolecular	AMTI	1.63	-8.8
Applovin	APP	26.82	-7.0
Aravive	ARAV	0.78	-9.2
Arcimoto	FUV	2.25	-8.8
Arrival	ARVL	1.24	-7.3
Avantor	AVTR	26.50	-2.0
Azenta	AZTA	57.34	-2.3
BitMining	BTCM	0.37	-9.8
Babylon	BBLN	0.68	-4.9
BigBear.ai	BBAI	1.57	-7.1
Biofrontera	BFRI	1.08	1.8
BiteAcqnWt	BITE.WS	0.05	-14.5
BoxedWt	BOXD.WS	0.15	-6.6
BrightLightsWt	BLTSW	0.04	-54.9
BrooklynImmuno	BTX	0.45	-7.8
CI&T	CINT	8.99	-21.2
CAE	CAE	19.85	-1.3
CarGurus	CARG	18.88	-3.3
CarverBancorp	CARV	5.22	-2.7
CenterraGold	CGAU	4.55	-1.5
Cerence	CRNC	20.23	-4.3
ClarusTherapWt	CRXTW	0.03	-41.7
ClarusTherap	CRXT	0.20	-27.2
CleverLeaves	CLVR	0.88	-8.0
CodeChainNew	CCNC	0.25	-5.4
Cohbar	CWBR	0.17	-2.0
CerveceriasUnid	CCU	10.57	-2.9
Compugen	CGEN	1.34	-0.7
Corphousing	CHG	2.59	-9.0
CureVac	CVAC	12.03	-3.4
DiamondHeadWt	DHHCW	0.05	42.7
DouglasEmmett	DEI	20.95	-1.6
DuckCreekTech	DCT	13.01	-5.3
EBET	EBET	2.00	2.3
E-HomeHousehold	EJH	0.21	-8.1
EQONEX	EQOS	0.48	-13.0
EzgoTech	EZGO	0.64	-9.8
EducDev	EDUC	3.21	-0.9
ElancoAnimal	ELAN	17.44	-3.4
ElancoAnimalUn	ELAT	28.40	-3.6
ElevateCredit	ELVT	1.71	-8.4
EnthusiastGaming	EGLX	1.54	-5.4
EtonPharm	ETON	2.31	-2.9
FTAI Infra	FIP	2.45	-8.7
FivePoint	FPH	3.75	-1.3
ForgeGlobal	FRGE	3.63	-6.7
FranklinStProp	FSP	3.05	-2.5
Freshpet	FRPT	44.45	-3.3
Gannett	GCI	2.20	-0.4
GardinerHlthcrWt	GDNRW	0.06	-2.5
Gelesis	GLS	1.19	-5.3
GenesisUnicornWt	GENQW	0.09	-10.1
GoHealth	GOCO	0.50	-1.2
GoldenMinerals	AUMN	0.22	-8.8
Gorman-Rupp	GRC	26.58	-0.4
GreenDot	GDOT	21.92	-2.7
HCI Group	HCI	52.91	-5.5
Haleon	HLN	5.95	-2.1
HallmarkFin	HALL	1.30	-8.3
HarborCustomPfdA	HCDIP	12.91	-1.9
HealthAssurWt	HAACW	0.08	-9.8
HorizonTherap	HZNP	60.28	-1.3
Humanigen	HGEN	0.32	-5.4
HyzonMotors	HYZN	1.97	-13.5
IHS Holding	IHS	7.22	-2.5
IamGold	IAG	1.27	-6.6
icad	ICAD	2.72	-6.7
IndLogistics	ILPT	8.72	-2.2
InnovativeEyewr	LUCY	4.69	-6.6
InozymePharma	INZY	3.14	-2.7
IntegratedRailWt	IRRX.WS	0.19	-12.0
Intercure	INCR	5.23	-0.8
KaziaTherap	KZIA	1.51	-11.2
KoninklijkePhil	PHG	18.58	-1.3
KoreaElcPwr	KEP	8.00	-2.0
KukeMusic	KUKE	1.13	...
Leafly	LFLY	1.86	-3.5
LendingTree	TREE	37.82	-10.3
Lipocine	LPCN	0.59	...
LiveRamp	RAMP	20.79	-1.7
LufaxHolding	LU	3.84	1.3
LumiraDxWt	LMDXW	0.15	-50.0
Materialise	MTLS	11.96	-5.7
MaverixMetals	MMX	3.52	-3.3
McEwenMining	MUX	2.90	-6.5
MetaMaterials	MMAT	0.85	-1.6
MetallaRoyalty	MTA	4.15	-5.7
MetenHolding	METX	0.77	-2.5
MobileGlbEsports	MGAM	3.38	-8.5
NanoLabs	NA	6.00	-7.6
NautilusBiotech	NAUT	2.07	-17.2
NavideaBiopharm	NAVB	0.43	-3.6
Neogen	NEOG	20.82	-0.5
NewYorkCityReit	NYC	3.33	-2.3
Newmont	NEM	43.42	-2.5
Nocera	NCRA	1.95	...
Olo	OLO	7.41	-3.3
OppFi	OPFI	2.42	-4.3
Organogenesis	ORGO	4.22	-6.6
OrientalCulture	OCG	1.83	-6.8
OrionEnergySys	OESX	1.45	-1.7
OtonomoTech	OTMO	0.55	-16.5
Outbrain	OB	4.57	-8.0
OxbridgeAcqnWt	OXACW	0.05	-4.0
PLBY Group	PLBY	4.62	-9.1
PMV Consumer Wt	PMVC.WS	0.04	-7.6
PanAmerSilver	PAAS	16.02	-3.4
ParamountGoldNV	PZG	0.38	2.2
Paymentus	PAY	10.70	-4.5
PeriphasCapWt	PCPC.WS	0.26	-31.3
Playtika	PLTK	10.85	-4.2
PLxPharma	PLXP	0.85	-9.6
PolarityTE	PTE	1.13	-12.9
Polished.comWt	POL.WS	0.20	-4.0
PrimeImpactIWt	PIAI.WS	0.02	...
Quotient	QTNT	0.20	-1.4
QuotientTech	QUOT	2.21	-3.5
RF Acqn Wt	RFACW	0.03	27.3
RackspaceTech	RXT	5.18	-0.7
RebornCoffee	REBN	3.41	-8.1
Repay	RPAY	9.48	-0.2
ReShapeLife	RSLS	0.42	-3.8
RetractableTechs	RVP	3.23	-4.7
ReunionNeuro	REUN	3.45	-11.9
RevelationBioUn	REVBU	0.51	-8.8
Revolve	RVLV	23.31	-7.1
RingCentral	RNG	44.90	-4.7
RockleyPhotonics	RKLY	1.35	-23.0
RockleyPhotonicsWt	RKLY.WS	0.13	-41.3
RoyalBkCanadaPf	RYpT	24.87	-2.1
SK Telecom	SKM	21.03	-0.7
Sanofi	SNY	40.90	0.2
SecondSightWt	EYESW	0.18	-23.5
Semantix	STIX	3.32	-3.0
SigilonTherap	SGTX	0.65	0.8
SiTime	SITM	121.54	-5.3
SmithMicro	SMSI	2.22	-2.2
Sonendo	SONX	1.21	-6.1
Sonos	SONO	16.08	-5.3
SwvlWt	SWVLW	0.08	-7.5
TTEC	TTEC	56.35	-3.8
Talon1AcqnWt	TOACW	0.09	...
TandemDiabetes	TNDM	48.30	-5.3
TrueCar	TRUE	2.30	-6.1
Tuya	TUYA	1.43	-6.5
22ndCentury	XXII	1.40	-6.6
Twilio	TWLO	75.50	-5.8
uCloudlink	UCL	0.64	-2.4
Unisys	UIS	10.09	-3.4
UnitedBancshares	UBOH	20.80	-5.7
UplandSoftware	UPLD	10.60	-2.9
urban-gro	UGRO	3.92	-5.2
VenusConcept	VERO	0.38	-1.7
VerifyMe	VRME	1.32	-9.5
VintageWineEstWt	VWEWW	0.81	-10.5
WarriorTechWt	WARR.WS	0.03	16.6
WeWork	WE	4.47	-7.8
WeWorkWt	WE.WS	0.67	-9.1
XBiotech	XBIT	4.49	-4.6
Zovio	ZVO	0.30	0.4

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 Boston), Chicago Stock Exchange, Cboe, NYSE National and Nasdaq ISE.

The list comprises the 1,000 largest companies based on market capitalization. Underlined quotations are those stocks with large changes in volume compared with the 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:
i-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.
lf-Late filing.
q-Temporary exemption from Nasdaq requirements.
t-NYSE bankruptcy.
v-Trading halted on primary market.
vj-In bankruptcy or receivership or being reorganized under the Bankruptcy Code, or securities assumed by such companies.

Stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices from 4 p.m. the previous day.

Friday, August 19, 2022

A B C

YTD % Chg	52-Week Hi	52-Week Lo	Stock	Sym	Yld %	PE	Last	Net Chg
-25.04	699.54	338	Adobe	ADBE	...	41	425.06	-13.97
-13.70	244.55	164	AdvanceAuto	AAP	2.9	23	207.02	-0.47
5.49	153.36	80.81	AdvDrainageSys	WMS	0.3	32	143.60	-4.29
-33.32	164.46	71.60	AdvMicroDevices	AMD	...	40	95.95	-4.49
-27.39	71.38	37.20	AerCap	AER	...	dd	47.50	-1.32
-69.25	**176.65**	**13.64**	**AffirmHldgs**	**AFRM**	**...**	**dd**	**30.92**	**-4.83**
-13.80	179.57	112.52	AgilentTechs	A	0.6	31	137.62	-2.35
-24.67	38.47	14.36	agilon health	AGL	...	dd	20.34	-0.37
-17.73	67.14	38.02	AgnicoEagle	AEM	3.7	25	43.72	-0.44
-13.33	316.39	216.24	AirProducts	APD	2.5	26	263.70	-3.90
-31.07	**212.58**	**86.71**	**Airbnb**	**ABNB**	**...**	**63**	**114.76**	**-6.51**
-17.09	123.25	85.90	AkamaiTech	AKAM	...	28	97.04	0.24
15.51	291.48	169.93	Albemarle	ALB	0.6	122	270.02	-9.49
-4.70	37.99	25.89	Albertsons	ACI	1.7	11	28.77	0.06
-14.38	**98.09**	**37.19**	**Alcoa**	**AA**	**0.8**	**10**	**51.01**	**-2.83**
-20.95	88.78	63.92	Alcon	ALC	0.3	74	68.87	-0.06
-26.83	224.95	130	AlexandriaRlEst	ARE	2.9	88	163.15	-2.71
-24.55	182.09	73.28	Alibaba	BABA	...	49	89.63	-1.11
-58.94	737.45	225.86	AlignTech	ALGN	...	35	269.82	-11.84
26.15	862.87	585.10	Alleghany	Y	0.0	33	842.19	0.75
-19.62	148.69	93.05	Allegion	ALLE	1.5	20	106.45	-2.66
4.18	65.37	54.20	AlliantEnergy	LNT	2.7	23	64.04	-0.13
10.67	144.46	106.11	Allstate	ALL	2.6	39	130.20	-2.82
-26.15	56.28	31.66	AllyFinancial	ALLY	3.4	5	35.16	-1.14
27.36	236.80	117.58	AlnylamPharm	ALNY	...	dd	215.97	-7.48
-18.36	152.10	102.21	Alphabet C	GOOG	...	22	118.12	-2.74
-19.08	151.55	101.88	Alphabet A	GOOGL	...	22	117.21	-2.96
-4.05	57.05	41	Altria	MO	7.9	47	45.47	-0.14
-37.51	23.90	8.51	AlumofChina	ACH	1.4	8	8.58	-0.13
-17.09	188.11	101.26	Amazon.com	AMZN	...	124	138.23	-4.07
6.79	3.33	2.42	Ambev	ABEV	3.4	18	2.99	-0.04
3.91	13.61	10.66	Amcor	AMCR	3.8	20	12.48	-0.24
↑ 20.78	90.77	68.33	Amdocs	DOX	1.7	21	90.39	0.05
-20.34	769.90	447.92	Amerco	UHAL	0.0	10	578.53	-2.17
9.37	99.20	80.27	Ameren	AEE	2.4	25	97.35	0.65
-10.55	22.57	16.52	AmericaMovil A	AMOV	3.4	15	18.83	0.15
-9.24	22.65	16.89	AmericaMovil	AMX	1.8	15	19.16	0.17
-21.10	22.35	11.93	AmerAirlines	AAL	0.0	dd	14.17	-0.67
17.95	105.48	80.22	AEP	AEP	3.0	21	104.94	0.57
-0.83	199.55	134.12	AmerExpress	AXP	1.3	17	162.24	-2.41
-1.62	152.29	122.71	AmericanFin	AFG	1.7	11	135.10	-2.47
-13.76	44.07	32.60	AmHomes4Rent	AMH	1.9	65	37.61	-0.43
-1.34	65.73	48.40	AIG	AIG	2.3	4	56.10	-1.23
-6.18	303.72	220	AmerTowerREIT	AMT	2.0	45	274.41	-1.08
-16.44	189.65	129.45	AmerWaterWorks	AWK	1.7	22	157.81	-0.94
-5.43	37.78	23.96	AmericoldRealty	COLD	2.8	dd	31.01	-0.18
-5.61	332.37	219.99	Ameriprise	AMP	1.8	10	284.74	-7.09
14.40	167.19	113.68	AmerisourceBrgn	ABC	1.2	17	152.03	2.12
-12.34	148.07	106.17	Ametek	AME	0.7	27	128.90	-1.23
11.51	258.45	198.64	Amgen	AMGN	3.1	21	250.86	1.16
-9.43	88.45	61.67	Amphenol	APH	1.0	28	79.21	-0.93
-4.42	191.95	138.50	AnalogDevices	ADI	1.8	47	168	-2.13
-13.28	67.91	50.59	AB InBev	BUD	0.7	27	52.51	-0.78
-14.45	8.94	5.45	AnnalyCap	NLY	13.2	3	6.69	-0.04
139.26	48.80	11.19	AnteroResources	AR	...	16	41.87	-0.56
-0.23	341.98	246.21	Aon	AON	0.7	43	299.87	-2.70
37.31	69.98	27.50	ApellisPharm	APLS	...	dd	64.92	-0.58
-19.74	81.07	45.97	ApolloGlbMgmt	APO	2.8	dd	58.13	-1.42
-3.41	182.94	129.04	Apple	AAPL	0.5	28	171.52	-2.63
-33.51	167.06	82.67	ApplMaterials	AMAT	1.0	14	104.63	-3.64
↓ -71.43	**116.09**	**26.82**	**Applovin**	**APP**	**...**	**dd**	**26.93**	**-2.04**
-10.06	136.23	94.03	Aptargroup	ATR	1.4	32	110.16	-0.87
-37.09	180.81	84.14	Aptiv	APTV	0.0	249	103.77	-2.98
1.95	39.95	28.74	Aramark	ARMK	1.2	63	37.57	-0.39
-26.42	**37.87**	**20.86**	**ArcelorMittal**	**MT**	**1.4**	**1**	**23.42**	**-1.26**
6.37	50.73	37.44	ArchCapital	ACGL	...	12	47.28	-0.55
29.06	98.88	58.44	ArcherDaniels	ADM	1.8	14	87.23	-0.39
-7.86	90.08	53.15	AresMgmt	ARES	3.3	48	74.88	-2.66
9.44	388.06	249.50	arGEN-X	ARGX	...	dd	383.25	5.76
-9.57	148.57	85.18	AristaNetworks	ANET	...	40	130	-2.74
-16.06	137.95	105.33	ArrowElec	ARW	...	6	112.71	-2.38
...	229.60	173.81	AspenTech	AZPN	...	...	223.85	-3.03
10.26	194.12	144.18	Assurant	AIZ	1.6	34	171.85	0.07
15.31	71.70	53.63	AstraZeneca	AZN	2.1	dd	67.17	0.67
-29.36	483.13	159.54	Atlassian	TEAM	...	dd	269.34	-14.03
12.64	122.95	85.80	AtmosEnergy	ATO	2.3	21	118.01	0.61

YTD % Chg	52-Week Hi	52-Week Lo	Stock	Sym	Yld %	PE	Last	Net Chg
-10.43	66.24	45.09	CIBC	CM	4.9	9	52.20	-0.77
3.14	137.19	105.34	CanNtlRlwy	CNI	1.8	22	126.72	-0.70
31.79	70.60	29.75	CanNaturalRes	CNQ	4.2	7	55.68	-0.31
13.53	84.22	64.37	CanPacRlwy	CP	0.7	36	81.67	-0.35
4.54	25.79	21	Canon	CAJ	3.2	15	25.54	-0.11
-22.66	175.98	98.54	CapitalOne	COF	2.1	5	112.21	-1.64
-20.04	72.37	36.90	Capri	CPRI	...	10	51.90	-1.95
34.45	71.45	45.85	CardinalHealth	CAH	2.9	dd	69.23	0.43
25.85	318.71	195.04	Carlisle	CSL	1.0	22	312.27	-3.53
-38.87	60.62	30.01	Carlyle	CG	3.9	6	33.56	-1.07
-26.08	155.98	84.37	CarMax	KMX	...	16	96.27	-2.47
-50.94	**27.39**	**8.10**	**Carnival**	**CCL**	**0.0**	**dd**	**9.87**	**-0.58**
-51.70	**24.89**	**7.43**	**Carnival**	**CUK**	**0.0**	**dd**	**8.93**	**-0.57**
-21.68	58.89	34.12	CarrierGlobal	CARR	1.4	14	42.48	-1.82
-81.75	**363.09**	**19.45**	**Carvana**	**CVNA**	**...**	**dd**	**42.30**	**-5.56**
↑ 12.44	222.20	170.82	CaseysGenStores	CASY	0.7	24	221.90	3.31
-17.80	142.64	86.34	Catalent	CTLT	...	38	105.24	-1.07
-5.39	237.90	167.08	Caterpillar	CAT	2.5	16	195.60	-1.75
-31.77	176.50	104.74	Celanese	CE	2.4	6	114.67	-2.24
31.80	110.22	38.31	CelsiusHldg	CELH	...	511	98.28	-4.64
48.13	24.91	7.26	CenovusEnergy	CVE	1.8	11	18.19	-0.47
17.60	98.53	59.67	Centene	CNC	...	31	96.90	1.56
16.98	33	24.32	CenterPointEner	CNP	2.2	13	32.65	0.06
-37.93	130.37	43.23	CeridianHCM	CDAY	...	dd	64.84	-1.63
15.81	25.01	18.97	ChangeHlthcr	CHNG	...	dd	24.76	-0.23
-42.25	460.21	203.37	CharlesRiverLabs	CRL	...	25	217.59	-2.56
23.04	214.14	108.29	ChartIndustries	GTLS	...	162	196.23	-1.52
-30.29	825.62	407.75	CharterComms	CHTR	...	15	454.46	-3.61
6.20	149.62	107.85	CheckPoint	CHKP	...	20	123.79	-0.84
-8.03	539.87	403	Chemed	CHE	0.3	27	486.54	3.97
63.53	167.91	82.68	CheniereEnergy	LNG	0.8	dd	165.85	-1.71
21.24	61.91	38	CheniereEnerPtrs	CQP	5.7	30	51.21	0.90
49.30	**105**	**51.40**	**ChesapeakeEner**	**CHK**	**9.6**	**9**	**96.33**	**-5.92**
34.38	182.40	93.21	Chevron	CVX	3.6	11	157.69	-1.33
-27.45	**92.76**	**22.22**	**ChewyA**	**CHWY**	**...**	**dd**	**42.78**	**-3.21**
-4.50	21.63	15.77	ChinaEastrnAir	CEA	...	dd	17.67	-0.29
-14.09	9.69	6.93	ChinaLifeIns	LFC	5.9	7	7.07	-0.02
-1.46	55.03	40.60	ChinaPetrol	SNP	14.9	5	45.83	-0.19
-11.33	35.15	23.50	ChinaSoAirlines	ZNH	0.0	dd	26.30	-0.57
-4.35	1958.55	1196.28	Chipotle	CMG	...	63	1672.26	-38.47
3.76	218.99	171.96	Chubb	CB	1.7	12	200.58	-1.83
-4.15	45.87	39.12	ChunghwaTel	CHT	5.9	24	40.46	-0.33
-13.46	105.28	80.34	Church&Dwight	CHD	1.2	28	88.70	-0.03
-12.14	262.20	172.75	ChurchillDowns	CHDN	0.3	17	211.66	-3.18
-27.52	78.28	41.63	Ciena	CIEN	...	20	55.79	-0.58
↑ 27.59	293.96	191.74	Cigna	CI	1.5	17	292.98	2.09
-8.82	143.22	93.41	CincinnatiFin	CINF	2.7	32	103.88	-2.29
-1.50	461.44	343.86	Cintas	CTAS	1.1	37	436.52	-3.92
-23.15	64.28	40.82	CiscoSystems	CSCO	3.1	17	48.70	-0.67
-12.88	73.90	43.44	Citigroup	C	3.9	7	52.61	-0.94
-17.50	57	34.34	CitizensFin	CFG	4.3	10	38.98	-0.76
8.65	115	78.07	CitrixSystems	CTXS	1.4	40	102.77	-0.42
-47.53	26.73	11.71	Clarivate	CLVT	...	dd	12.34	-0.61
10.07	38.65	27.83	ClearwayEnergyA	CWEN.A	3.5	8	36.85	-1.77
10.10	41.79	29.61	ClearwayEnergyC	CWEN	3.3	8	39.67	-1.94
-18.28	34.04	14.31	Cleveland-Cliffs	CLF	0.0	3	17.79	-0.66
-14.62	186.86	120.50	Clorox	CLX	3.2	40	148.87	0.16
-47.89	**221.64**	**38.96**	**Cloudflare**	**NET**	**...**	**dd**	**68.53**	**-4.51**
10.07	67.20	52.28	Coca-Cola	KO	2.7	30	65.17	-0.05
-3.90	61.26	42.33	Coca-ColaEuro	CCEP	4.1	15	53.75	-0.32
-40.79	92.17	41.69	Cognex	CGNX	0.6	32	46.04	-1.17
-22.68	93.47	63.26	CognizantTech	CTSH	1.6	16	68.60	-0.53

Mutual Funds

Data provided by LIPPER

Top 250 mutual-funds listings for Nasdaq-published share classes by net assets.
e-Ex-distribution. **f**-Previous day's quotation. **g**-Footnotes x and s apply. **j**-Footnotes e and s apply. **k**-Recalculated by Lipper, using updated data. **p**-Distribution costs apply, 12b-1. **r**-Redemption charge may apply. **s**-Stock split or dividend. **t**-Footnotes p and r apply. **v**-Footnotes x and e apply. **x**-Ex-dividend. **z**-Footnote x, e and s apply. **NA**-Not available due to incomplete price, performance or cost data. **NE**-Not released by Lipper; data under review. **NN**-Fund not tracked. **NS**-Fund didn't exist at start of period.

Friday, August 19, 2022

Fund	NAV	Net Chg	YTD %Ret
American Century Inv			
Ultra	70.46	-1.44	-19.6
American Funds Cl A			
AmcpA	33.27	-0.60	-21.2
AMutlA	51.41	-0.32	-2.5
BalA	30.09	-0.24	-8.9
BondA	11.92	-0.08	-9.4
CapIBA	64.75	-0.41	-6.5
CapWGrA	52.83	-0.61	-16.1
EupacA	50.15	-0.77	-22.2
FdInvA	64.57	-0.84	-12.8
GwthA	58.43	-1.06	-21.4
HI TrA	9.48	-0.06	-7.0
ICAA	44.60	-0.53	-12.1
IncoA	24.13	-0.13	-5.4
IntBdA	12.87	-0.03	-5.1
N PerA	52.75	-0.76	-20.6
NEcoA	47.29	-0.86	-23.5
NwWrldA	69.01	-1.04	-19.8
SmCpA	59.60	-1.26	-25.5
TxExA	12.30	-0.04	-8.1
WshA	54.49	-0.40	-6.5
Artisan Funds			
IntlVal Inst	37.58	-0.49	-11.3
Baird Funds			
AggBdInst	10.07	-0.06	-10.3
CorBdInst	10.32	-0.07	-10.2
ShtTBdInst	9.36	...	-3.2
BlackRock Funds			
HiYldBd Inst	6.96	-0.05	-8.3
BlackRock Funds A			
GlblAlloc	17.38	...	-11.4
BlackRock Funds III			
iShS&P500IdxK	496.96	-6.49	-10.4
BlackRock Funds Inst			
EqtyDivd	19.61	-0.12	-1.7
StratIncOpptyIns	9.57	-0.03	-4.1
Bridge Builder Trust			
CoreBond	9.26	-0.05	-9.9
CorePlusBond	9.19	-0.06	-10.1
Intl Eq	10.91	-0.17	-18.5
LargeCapGrowth	19.32	-0.32	-17.9
LargeCapValue	16.52	-0.15	-3.6
MunicipalBond	9.88	-0.03	-7.0
Calamos Funds			
MktNeutI	14.00	-0.04	-3.5
Columbia Class I			
DivIncom I	29.98	-0.22	-4.3
Dimensional Fds			
5GlbFxdInc	10.08	-0.01	-5.8
EmgMktVa	27.94	-0.25	-9.3
EmMktCorEq	21.29	-0.22	-14.2
IntlCoreEq	13.52	-0.19	-14.8
IntSmCo	17.74	-0.30	-18.1
IntSmVa	18.43	-0.27	-13.1
LgCo	30.14	-0.40	-10.4
US CoreEq1	32.97	-0.45	-8.9
US CoreEq2	29.94	-0.40	-8.7
US Small	43.08	-0.70	-8.0
US SmCpVal	43.11	-0.66	-0.4
US TgdVal	29.68	-0.47	-1.2
USLgVa	43.37	-0.42	-4.9
Dodge & Cox			
Balanced	101.97	-0.82	-5.3
GblStock	13.77	-0.14	-4.6
Income	12.74	-0.07	-8.4
Intl Stk	42.86	-0.62	-8.4
Stock	231.68	-1.69	-4.3
DoubleLine Funds			
TotRetBdI	9.36	-0.04	-8.2
Edgewood Growth Instituti			
EdgewoodGrInst	40.54	-1.01	-33.0
Fidelity			
500IdxInstPrem	147.05	-1.91	-10.4
Contrafund K6	18.67	-0.28	-19.6
ExtMktIdxInstPre	71.30	-1.61	-17.9
FidSerToMarket	14.05	-0.20	-11.7
GrowthCompanyK6	17.65	-0.42	-22.9
InflPrBdIndInsPr	10.44	-0.03	-6.5
IntlIdxInstPrem	41.35	-0.52	-16.1
MidCpInxInstPrem	28.08	-0.47	-11.5
SAIUSLgCpIndxFd	20.37	-0.27	-10.4
SeriesBondFd	9.31	-0.06	-9.5
SeriesOverseas	11.18	-0.15	-22.4
SerLTTreBdIdx	6.58	-0.10	-21.6
SmCpIdxInstPrem	24.26	-0.54	-12.0
TMktIdxInstPrem	118.02	-1.72	-11.7
TotalMarketIndex	14.86	-0.22	-11.4
USBdIdxInstPrem	10.69	-0.06	-9.6
Fidelity Freedom			
FF2020	13.85	-0.15	-12.1
FF2025	12.73	-0.14	-12.6
FF2030	15.89	-0.19	-13.0
FF2035	13.66	-0.19	-13.9
FF2040	9.67	-0.14	-14.4
Freedom2030 K	15.88	-0.19	-12.9
Freedom2035 K	13.65	-0.19	-13.8
Freedom2040 K	9.67	-0.15	-14.4
Idx2030InsPre	18.11	-0.20	-12.2
Fidelity Invest			
Balanc	26.75	-0.33	-11.5
BluCh	137.10	-3.30	-25.3
Contra	14.85	-0.24	-19.8
ContraK	14.90	-0.24	-19.8
CpInc	9.55	-0.06	-8.0
GroCo	28.27	-0.68	-22.5
InvGrBd	10.35	-0.06	-9.5
LowP	50.36	-0.43	-6.4
Magin	12.38	-0.20	-16.2
NASDAQ	160.74	-3.29	-18.3
OTC	15.19	-0.29	-22.5
Puritn	23.74	-0.23	-12.1
SAIUSQtyIdx	16.86	-0.19	-11.0
SrsEmrgMkt	16.37	-0.29	-22.1
SrsGlobal	12.70	-0.16	-15.7
SrsGroCoRetail	15.90	-0.37	-22.1
SrsIntlGrw	15.14	-0.25	-20.8
SrsIntlVal	9.72	-0.14	-13.0
TotalBond	9.82	-0.06	-9.7
Fidelity SAI			
TotalBd	9.30	-0.06	-9.4
U.S.TreBdIdx	9.05	-0.05	-9.2
First Eagle Funds			
GlbA	59.82	-0.52	-7.3
FPA Funds			
NwInc	9.64	-0.01	-2.5
Franklin A1			
IncomeA1	2.36	-0.02	-3.3
FrankTemp/Frank Adv			
IncomeAdv	2.34	-0.02	-3.2
FrankTemp/Franklin A			
Growth A	125.02	-1.99	-16.9
RisDv A	87.97	-0.88	-8.9
Guggenheim Funds Tru			
TotRtBdFdInstl	24.68	-0.17	-11.7
Harbor Funds			
CapApInst	75.47	-1.61	-25.1
Harding Loevner			
IntlEq	23.71	-0.37	NA
Invesco Funds Y			
DevMktY	35.88	-0.47	-23.7
JHF III DispVal			
DispValMCI	26.29	-0.31	-5.0
John Hancock			
BondR6	14.09	-0.10	-10.8
JPMorgan I Class			
CoreBond	10.61	-0.06	NA
EqInc	23.40	-0.16	NA
LgCpGwth	51.46	-0.71	NA
JPMorgan R Class			
CoreBond	10.63	-0.05	NA
CorePlusBd	7.52	-0.04	NA
Lord Abbett A			
ShtDurIncmA p	3.93	-0.01	-3.9
Lord Abbett I			
ShtDurInc p	3.93	...	-3.5
Metropolitan West			
TotRetBdI	9.61	-0.06	-10.7
TRBdPlan	9.01	-0.06	-10.7
MFS Funds			
IIE	28.04	-0.27	-16.2
MFS Funds Class I			
GrowthI	154.67	-2.87	-20.5
ValueI	51.57	-0.46	-4.8
Northern Funds			
StkIdx	46.43	-0.60	-10.5
Old Westbury Fds			
LrgCpStr	15.53	-0.22	NA
Parnassus Fds			
ParnEqFd	55.86	-0.69	-11.8
PGIM Funds Cl Z			
HighYield	4.83	-0.04	NA
TotalReturnBond	12.52	-0.08	-11.7
PIMCO Fds Instl			
AllAsset	NA	...	NA
ShortT	9.58	+0.01	NA
TotRt	9.02	-0.06	NA
PIMCO Funds A			
IncomeFd	10.85	-0.06	NA
PIMCO Funds I2			
Income	10.85	-0.06	NA
PIMCO Funds Instl			
IncomeFd	10.85	-0.06	NA
Price Funds			
BlChip	134.41	-2.68	-24.4
DivGro	68.78	-0.59	-6.7
Growth	77.65	-1.56	-27.0
HelSci	92.55	-0.39	-11.1
LgCapGow I	56.50	-1.12	-23.2
MidCap	97.33	-1.62	-17.1
NHoriz	56.47	-1.10	-26.5
R2020	19.85	-0.18	-10.6
R2025	17.29	-0.16	-11.4
R2030	25.80	-0.27	-12.5
R2040	28.14	-0.35	-14.1
Schwab Funds			
1000 Inv r	91.52	-1.28	NA
S&P Sel	65.36	-0.85	NA
TSM Sel r	72.69	-1.05	NA
TIAA/CREF Funds			
EqIdxInst	30.31	-0.44	-11.3
VANGUARD ADMIRAL			
500Adml	391.11	-5.10	-10.4
BalAdml	43.19	-0.48	-10.8
CAITAdml	11.24	-0.04	-6.6
CapOpAdml r	168.80	-2.37	-12.8
DivAppIdxAdm	42.79	-0.39	-7.3
EMAdmr	34.57	-0.39	-14.8
EqIncAdml	90.95	-0.60	...
ExplrAdml	99.51	-2.15	-16.4
ExtndAdml	113.56	-2.57	-17.9
GNMAAdml	9.73	-0.04	-6.6
GrwthAdml	133.07	-2.67	-19.2
HlthCareAdml r	88.69	-0.11	-4.1
HYCorAdml r	5.35	-0.03	-7.4
InfProAd	25.75	-0.07	-6.2
IntlGrAdml	100.52	-2.12	-27.8
ITBondAdml	10.59	-0.07	-9.7
ITIGradeAdml	8.71	-0.07	-10.9
LTGradeAdml	8.52	-0.13	-20.1
MidCpAdml	274.83	-4.21	-12.3
MuHYAdml	10.63	-0.04	-9.6
MuIntAdml	13.53	-0.04	-6.6
MuLTAdml	10.81	-0.04	-9.3
MuLtdAdml	10.74	-0.02	-3.0
MuShtAdml	15.60	-0.02	-1.2
PrmcpAdml r	151.45	-1.85	-10.6
RealEstatAdml	140.98	-1.54	-13.2
SmCapAdml	96.14	-1.91	-10.8
SmGthAdml	79.92	-2.05	-19.2
STBondAdml	10.06	-0.01	-4.3
STIGradeAdml	10.13	-0.02	-4.9
STIPSIxAdm	25.02	-0.03	-0.5
TotBdAdml	9.94	-0.06	-9.9
TotIntBdIdxAdm	20.07	-0.11	-8.5
TotIntlAdmIdx r	28.45	-0.37	-15.7
TotStAdml	103.08	-1.50	-11.8
TxMCapAdml	218.50	-3.03	-11.3
TxMIn r	13.61	-0.18	-16.0
USGroAdml	121.60	-3.09	-27.8
ValAdml	55.47	-0.37	-2.2
WdsrllAdml	74.35	-0.87	-8.5
WellsIAdml	64.39	-0.44	-6.9
WelltnAdml	74.59	-0.72	-10.1
WndsrAdml	80.34	-0.87	-0.7
VANGUARD FDS			
DivdGro	36.75	-0.24	-3.3
IntlVal	36.12	-0.46	-13.1
LifeCon	20.39	-0.19	-10.9
LifeGro	38.53	-0.48	-12.5
LifeMod	29.37	-0.32	-11.7
PrmcpCor	30.52	-0.38	-9.2
STAR	27.48	-0.36	-13.4
TgtRe2020	27.88	-0.25	-10.1
TgtRe2025	18.04	-0.19	-11.3
TgtRe2030	33.86	-0.38	-11.9
TgtRe2035	20.95	-0.24	-12.1
TgtRe2040	36.80	-0.45	-12.4
TgtRe2045	24.76	-0.32	-12.8
TgtRe2050	40.89	-0.53	-12.8
TgtRe2060	41.87	-0.55	-12.8
TgtRet2055	45.52	-0.59	-12.8
TgtRetInc	13.05	-0.10	-9.0
WellsI	26.58	-0.18	-6.9
Welltn	43.20	-0.41	-10.1
WndsrII	41.91	-0.49	-8.5
VANGUARD INDEX FDS			
ExtndIstPl	280.22	-6.34	-17.9
IdxIntl	17.01	-0.22	-15.8
MdCpVlAdml	74.31	-0.81	-3.7
SmValAdml	72.69	-1.16	-4.6
TotBd2	9.82	-0.06	-9.9
TotItlInstPlId r	113.79	-1.48	-15.7
TotSt	103.05	-1.50	-11.8
VANGUARD INSTL FDS			
BalInst	43.20	-0.48	-10.7
DevMktsIndInst	13.63	-0.18	-16.0
DevMktsInxInst	21.30	-0.29	-16.0
ExtndInst	113.55	-2.57	-17.9
GrwthInst	133.08	-2.67	-19.2
InPrSeIn	10.49	-0.03	-6.2
InstIdx	358.91	-4.68	-10.4
InstPlus	358.91	-4.68	-10.4
InstTStPlus	75.01	-1.09	-11.7
MidCpInst	60.71	-0.93	-12.3
MidCpIstPl	299.43	-4.58	-12.3
RealEstaInstl	21.82	-0.24	-13.1
SmCapInst	96.13	-1.91	-10.7
SmCapIstPl	277.48	-5.52	-10.7
STIGradeInst	10.13	-0.02	-4.8
STIPSIxins	25.04	-0.03	-0.5
TotBdInst	9.94	-0.06	-9.9
TotBdInst2	9.82	-0.06	-9.9
TotBdInstPl	9.94	-0.06	-9.8
TotIntBdIdxInst	30.11	-0.17	-8.5
TotStInst	103.10	-1.49	-11.7
ValueInst	55.47	-0.37	-2.2
WCM Focus Funds			
WCMFocIntlGrwIns	20.67	-0.38	-25.3
Western Asset			
CoreBondI	11.25	-0.09	-12.7
CorePlusBdI	10.01	-0.10	-14.5
CorePlusBdIS	10.01	-0.09	-14.5

FedEx Contractors Agitate for Changes

By Esther Fung

Tensions between **FedEx** Corp. and independent companies that help deliver its packages are escalating as more than 2,000 of its contractors gather in Las Vegas for an annual expo.

The networking event comes as many FedEx Ground contractors have been dueling with the company over everything from rising fuel costs to inaccurate shipping forecasts. Some contractors are lobbying the company for better pay, while others want to start discussions about coordinating a labor stoppage if their demands aren't met.

"FedEx Ground is out of touch with the economic health of its independent contractors," said Spencer Patton, a FedEx contractor and expo organizer based in the Nashville, Tenn., area, adding that contractors banding together could help improve their chances of securing concessions from the company.

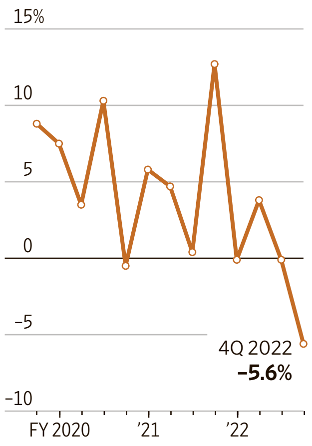
Regarding associations formed for advocacy, FedEx said every business, including service providers, must determine whether membership is in their organizations' best interests. The company added that it won't negotiate with a committee and that agreements with service providers, or contractors, will continue to be negotiated individually. FedEx said it will not be attending the expo.

For FedEx, dealing with unrest from a portion of its more than 6,000 contractors adds to challenges for Chief Executive Raj Subramaniam, who took over the role from founder Fred Smith on June 1. FedEx is facing pressure from investors to improve profit margins and make the Ground segment—a major revenue contributor—more efficient.

GABBY JONES FOR THE WALL STREET JOURNAL

FedEx uses thousands of contractors, which buy their own trucks and hire drivers for deliveries. A FedEx sorting facility in New York.

Average daily package volume for FedEx's ground segment, change from a year earlier



Note: Fiscal year ended May 31
Source: the company

The FedEx Ground contractors, many of whom are small businesses, buy their own trucks, hire drivers and sign contracts with FedEx that typically run for 12 to 18 months, with agreements detailing requirements for service levels along designated areas, safety and payment.

FedEx said it is constantly looking to operate its network more efficiently and encourages its contractors to do the same. It said that some of its facilities offer reduced diesel prices and that it structured payments to contractors indexed to weekly price changes. The company also said it accepted a higher percentage of requests to renegotiate contracts in July than ever before.

Mr. Patton, who runs a business delivering packages along 225 routes in the Midwest, has waged a public campaign against FedEx and posted videos on YouTube calling for contractors to join a trade association he created. The former hedge-fund owner also called for the company to consider its contractors as franchisees—similar to relationships that McDonald's Corp. has with operators of most of its restaurants—instead of independent contractors. Franchisees typically have to make more financial disclosures upfront to prospective franchisees.

"Could FedEx do more to help us? Yes. But we can also be more efficient," said Tony Lin, a contractor based in Newburgh, N.Y. Mr Lin., who operates routes in New York and Connecticut, said his profit margins are thinner this year and that having a bigger business helped him buffer against some economic challenges.

FedEx said rapid growth in e-commerce propelled the average annual revenue of its service providers, more than doubling over the past four years to $2.3 million. Many contractors worked to buy more trucks, hire staff and pick up routes to handle the boom in business.

Parcel volumes from e-commerce shippers have waned in recent months. Since January, a number of contractors have sent letters to company officials, citing problems with FedEx's shipping forecasts and higher costs of fuel, wages and vehicle maintenance. Contractors have said they should receive a larger chunk of the fuel surcharge that FedEx charges its customers. Some have abandoned their routes after protracted losses, according to contractors interviewed by The Wall Street Journal.

Executives and engineers from FedEx Ground in recent weeks have been talking with contractors at terminals across the country where delivery trucks are loaded. FedEx staff used PowerPoint presentations to illustrate to contractors that they could reduce costs by scheduling routes better and making sure drivers are out making deliveries for at least eight or so hours a day. "Now with market conditions changing, FedEx Ground and service providers must all adapt and adjust again," FedEx said.

Some contractors interviewed by the Journal said the presentations didn't address their complaints.

The relationship between FedEx and its contractors has shifted from being collaborative to combative, said Satish Jindel, president of the research firm SJ Consulting Group. He said that FedEx needs to listen to feedback from drivers and contractors, but that contractors need to improve the way they explain their operations and expenses to the company.

In the year ended in May, the FedEx Ground segment accounted for about 36% of total revenue. The segment's operating profit declined 17%, underperforming the company's two other major units, Express and Freight.

FedEx said last month it would suspend Sunday residential delivery in some rural areas to help improve efficiency and reduce costs, a move that some contractors had previously called for.

Later this month, contractors said they expect to receive a schedule issued by FedEx that includes how each of their businesses would be compensated during peak delivery season, which starts around November and runs through early January.

Watch a Video

Scan this code to see a WSJ documentary about global supply chains.

Investor's Exit Compounds Uncertainty at Bed Bath

By Suzanne Kapner

Bed Bath & Beyond Inc. suffered another blow this past week when its highest-profile investor sold out, just months after buying up shares and securing seats on the board.

Billionaire investor Ryan Cohen filed to sell his entire 10% stake in the company, a disclosure that sparked a pullback in its stock that began late Wednesday.

Mr. Cohen, co-founder of online pet-products retailer **Chewy** Inc., took a large stake in Bed Bath & Beyond early this year and pushed for changes, including a sale of its Buybuy Baby chain. In March, the company reached a settlement with Mr. Cohen that included the addition of three new directors.

His exit adds to the uncertainty at a company that is losing customers, running low on cash and operating without a permanent chief executive. The retailer, which ended May with about $100 million in cash, is hunting for a $375 million loan to build cash and help pay down debt, according to people familiar with the matter. A loan proposal it is marketing to lenders would be backed by inventory and company brands, the people said.

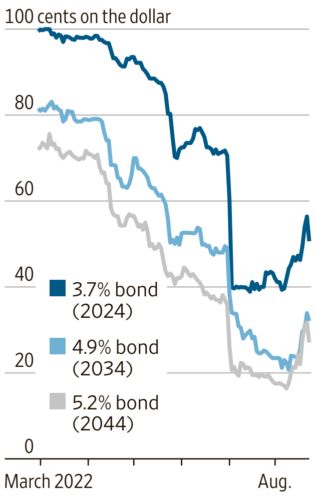
The company's shares sank about 20% on Thursday and plunged an additional 40% Friday to close at $11.03.

The company warned in June that sales in the current quarter were trending down 20% compared with the same period last year. Anthony Chukumba, an analyst with Loop Capital LLC, wrote in an Aug. 12 note to clients that recent store checks showed the chain remained out of stock on a large selection of items and that it was heavily discounting its private-label merchandise.

The liquidity problems have been exacerbated by the board's decision in November 2019 to authorize spending $1 billion on a three-year share-repurchase plan, which was completed a year ahead of schedule. The buybacks were funded from the sale of noncore assets such as Cost Plus World Market, Christmas Tree Shops and other chains.

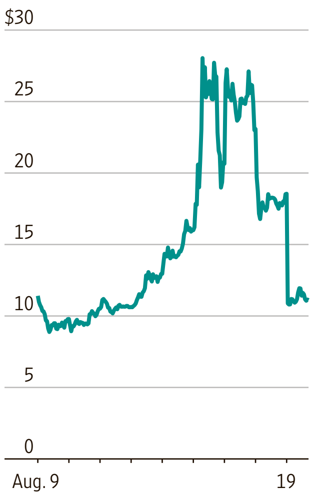
"We are continuing to execute on our priorities to enhance liquidity, make strategic changes and improve operations to win back customers, and drive cost efficiencies," Bed Bath & Beyond spokesman Eric Mangan said. He added that the company has been working with financial advisers and lenders to strengthen its balance sheet, and that it plans to provide more information at the end of this month.

Bed Bath & Beyond's bond prices



Source: FactSet

Share price, past 10 days



It's unclear what immediate impact, if any, Mr. Cohen's exit from the stock will mean for the company or the board, which now includes his representatives. Back in the spring, Mr. Cohen had expressed concern that Bed Bath & Beyond's turnaround plan was failing to deliver results. "Approximately 18 months after releasing a 170-page cover-the-waterfront plan, the company is struggling to reverse sustained market share losses, stem years-long share price declines and navigate supply chain volatility," Mr. Cohen wrote in a March 6 letter to the board.

Bed Bath & Beyond's sales have fallen for four consecutive quarters. In the three months that ended March 28, net sales fell 25% to $1.46 billion. The net loss widened to $358 million from $51 million a year earlier.

Mr. Mangan, the Bed Bath & Beyond spokesman, has previously said the company's supply chain wasn't established enough to respond to the disruptions caused by the Covid-19 pandemic. He added that after years of underinvestment, the company made significant strides during former Chief Executive Mark Tritton's tenure to modernize its technology and infrastructure. It improved its website and mobile app by upgrading search capabilities and navigation, launched a marketplace featuring items from third-party sellers and added or expanded buy-online, pickup in store, curbside pickup and same-day delivery.

Mr. Mangan said the company has taken steps to conserve cash, such as reducing capital expenditures by $100 million, including putting store remodels on hold.

Bed Bath & Beyond's shares had soared early this week, defying analyst warnings about the company's shrinking liquidity. The stock was trading below $6 a share at the start of August and has climbed steadily since then. The surge was supercharged after Mr. Cohen disclosed on Monday the purchase of call options earlier in the week underlying 1.7 million shares of Bed Bath & Beyond stock. Call options give investors the right, but not the obligation, to buy shares at specific prices by a stated date. That prompted individual investors to pile into the shares.

The rally was further fueled by a so-called short squeeze. The company's shares have a big short interest, which is a bet by investors that the stock will decline. They borrow shares and sell them, with a plan to repurchase them at lower prices and pocket the difference.

Once the shares started to rise, some short sellers covered their positions, helping push the stock up further.

Bed Bath & Beyond's shares traded as high as $30 intraday Wednesday before the Thursday and Friday selloff.

Bonds tied to the company had rallied as well on renewed hopes that it can exploit the stock rally to raise equity capital, as meme-stock favorite AMC Entertainment Holdings Inc. did to escape financial distress last year. There are no explicit public indications the company is considering such an equity offering, and the bonds are down from earlier this year.

The retailer is being led by Sue Gove, a Bed Bath & Beyond director who took over as interim CEO in June after Mr. Tritton stepped down.

—Alexander Saeedy and Alexander Gladstone contributed to this article.

Cinema Chain Eyes Bankruptcy

Continued from page B1

sparse supply of content lies ahead in the second half of this year, as Hollywood studios have limited production, delayed releases or sent movies straight to streaming amid uncertainty over when theater attendance would fully return.

Meanwhile, Cineworld faces coming maturities on its more than $5 billion in debt. A transaction in bankruptcy aimed at paring debt would likely dilute or wipe out equity interests in Cineworld.

Cineworld is negotiating with its lenders to fund the costs of the bankruptcy process, according to a person familiar with the matter. Representatives of Kirkland & Ellis didn't respond to a request to comment. A representative for AlixPartners declined to comment.

An in-court restructuring would give Cineworld the chance to cut debt, restructure or break certain lease obligations, and settle other liabilities, such as a recent legal judgment amounting to roughly $1 billion stemming from a soured merger with Canadian movie theater chain Cineplex Inc. Cineworld has appealed the judgment and denied it is liable to Cineplex, which didn't respond to a request for comment.

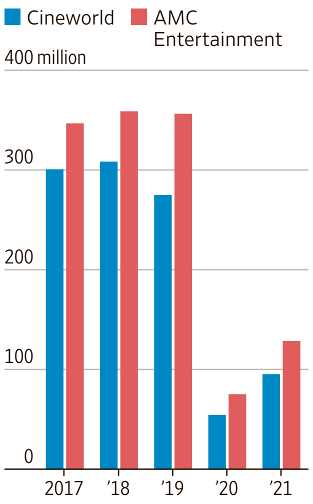
Investors have been largely willing to fund companies in the entertainment, retail and cruise-line industries that had to close temporarily early in the pandemic, in hope they would rebound as lockdowns lifted. After a rash of defaults in 2020, bankruptcy filings have hovered at historically low rates as central banks eased borrowing conditions for the most troubled businesses. Cineworld itself narrowly escaped bankruptcy in 2020 after landing a lifeline from creditors while its nearly 800 theaters were shut due to Covid-19 restrictions.

Analysts expect defaults to grow modestly from those historic lows due to tightening monetary conditions and as investors become less willing to bankroll money-losing enterprises.

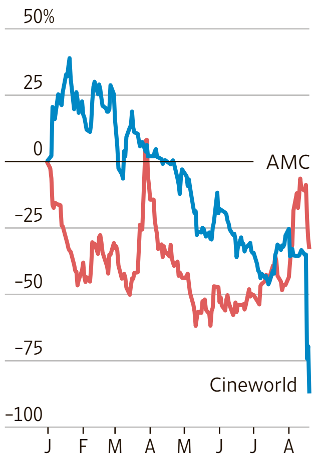
AMC Entertainment Holdings Inc., the world's largest cinema chain, has faced similar challenges of muted attendance and a limited supply of new releases during the pandemic, but AMC managed to raise more than $2.2 billion of equity to stay afloat, largely by tapping into the enthusiasm of individual investors who made it a meme stock and drove its shares to dizzying highs.

But Cineworld doesn't have an army of bullish traders at its back. In an interview with The Wall Street Journal in October 2021, Cineworld Chief Executive Mooky Greidinger said he was happy for AMC and that "not every stock in the U.S. market is a meme stock." Cineworld didn't generate a positive cash flow last year as it is still beset by steep rent costs and high interest payments on its debts, company filings show.

Annual attendance



Share performance, year to date



Note: Cineworld's 2017-18 attendance is adjusted for the acquisition of Regal Cinemas
Sources: the companies (attendance); FactSet (share performance)

Studio executives project the 2022 box office to end with around $7 billion in total U.S. ticket sales, or about two-thirds of what prepandemic years yielded. So far, the nation's overall screen count hasn't changed that much since the Covid-19 closures, with about 500 screens dropped between 2019 and today, according to the National Association of Theatre Owners.

That number is expected to increase in the coming months as small and midsize operators struggle without government subsidy payments, according to studio distribution executives.

However, Hollywood studio chiefs have recently indicated to shareholders that they want to emphasize theatrical releases as more people move on from the pandemic and streaming growth in the U.S. stalls. But given the challenges that Cineworld is facing with its heavy debt load, recent legal judgment and the limited crop of new film releases expected for the near-term, it is almost certainly too late for the company to escape bankruptcy, people familiar with the matter said.

Cineworld's London-listed shares were down 58% at the close Friday.

—Alexander Saeedy and Erich Schwartzel contributed to this article.

Biotech Rebounds on Optimism, Deals

Sentiment shifts with positive clinical trials, new drug approvals, eased Medicare fears

By Gregory Zuckerman

Biotech stocks, some of the biggest losers in the selloff, are soaring.

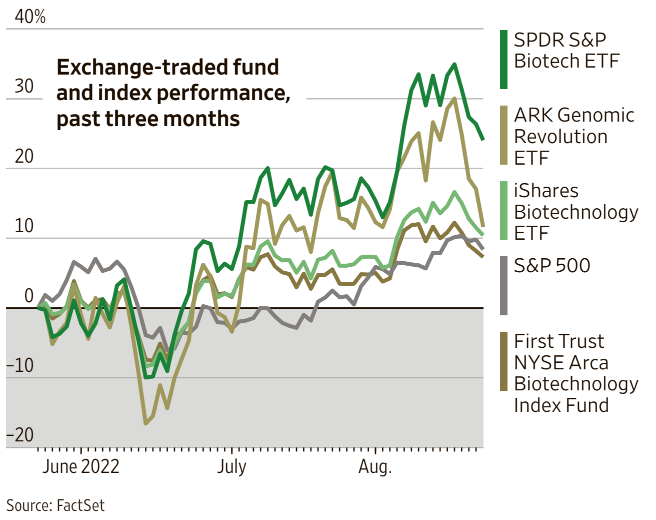
The speculative sector is getting a boost from renewed optimism among investors. Fundamental drivers like deal making, new drug approvals and buying by big investors provide confidence that the rally could persist.

The **SPDR S&P Biotech ETF**, an equal-weighted fund of biotech stocks, is up 39% from its 2022 low May 11, while another fund, the **iShares Biotechnology ETF**, has climbed about 20% from its own low June 16. By comparison, the S&P 500 is up 15% from its 2022 low that same day in June. The S&P Biotechnology Select Industry Index remains down 22% this year, and it is underperforming all S&P 500 sectors except communication services.

The surge comes after some high-profile healthcare hedge funds, including Perceptive Advisors and RA Capital Management, said they were buying shares in the sector.

All kinds of risky stocks have been soaring lately as investors become less concerned about a series of aggressive interest-rate increases by the Federal Reserve. A rise in interest rates can hurt biotech and other shares with little current earnings but hopes for lots of profits down the road, because higher rates reduce the value of future earnings. Biotech companies research and develop drugs, typically in yearslong processes rife with setbacks, but there is also potential for huge wins when they develop successful treatments.

But analysts and investors say there is more going on for biotech than interest-rate hopes and a return of speculation. Recent high-profile clinical studies have been encouraging, a reminder to investors of the progress some biotech



Source: FactSet

companies are making against major diseases and illnesses.

Two weeks ago, **Alnylam Pharmaceuticals** Inc. reported a successful clinical trial for its heart-disease drug, a potential blockbuster. The stock has risen about 60% since the news. On Aug. 5, **Karuna Therapeutics** Inc. announced impressive results from a late-stage trial for a schizophrenia treatment. The stock has soared to $263 from $140.

If the drug is approved it could have a huge impact, according to some of Karuna's early investors.

"Having a medicine with a low side-effect profile that has such a major impact on all aspects of schizophrenia is a game changer," says Robert Nelsen, co-founder of Seattle-based venture-capital firm Arch Venture Partners, which holds a stake in Karuna. "Current drugs have huge side effects and less effectiveness, and patients won't stay on them."

Investors are encouraged about recent drug approvals by the Food and Drug Administration and say the recently passed inflation bill won't curb Medicare pricing for biotech drugs as much as some feared.

"The uncertainty over the Medicare drug pricing was replaced with certainty on what the price controls would look like," says Jeffrey Jay, co-portfolio manager of the hedge fund Great Point Partners.

Biotech mergers have picked up and some expect more deals ahead, as big pharmaceutical companies sitting on cash, such as **Pfizer** Inc. with $33 billion, search for attractive biotech companies. This month, Pfizer agreed to buy **Global Blood Therapeutics** Inc., a biotech company that has one of the few approved treatments for sickle-cell disease, for $5.4 billion in cash. Profits from Pfizer's Covid-19 vaccine have given the company the wherewithal to make more deals, investors say.

This month, **Amgen** Inc. agreed to acquire **ChemoCentryx** Inc., while **Merck** & Co. is in advanced talks to buy **Seagen** Inc., a biotech focused on cancer.

"We've been waiting and waiting, but M&A has finally woken up," says healthcare investor Brad Loncar at Loncar Investments. "A company like Pfizer can spend tens of billions of dollars on M&A and not flinch."

Analysts caution that too many small and unproven biotech companies went public during the industry's surge in 2020 and early 2021, and that many of these companies remain risky investments, even as the sector surges.

Still, investors say biotech has entered a new period.

"M&A is finally picking up, and FDA signals have been positive lately, all arrows have pointed in the right direction," says Mr. Loncar. "For most of the past year-and-a-half, I woke up each morning expecting bad news. Now I expect good news."

Private-Equity Firms Look to Foreign Cash

By Chris Cumming

American private-equity firms are collecting more money from abroad, as the high price of oil has given foreign sovereign-wealth funds additional capital to invest at the same time as some domestic institutions struggle.

Public pension funds in the U.S., long a prime source of fundraising for many private-equity managers, have struggled this year as equity prices have fallen. These funds, which manage money for teachers, firefighters and other public employees, lost a median 7.9% in the 12 months ended June 30, making it more difficult to commit money to new buyout funds.

But sovereign-wealth funds—which are typically state-owned and whose assets rise and fall with national wealth—have stepped in to partly fill the fundraising gap created by the struggles of U.S. pension funds, say private-equity firms and people who help them raise capital.

State-owned funds in the Middle East and other oil-producing regions have been particularly active investors this year, because of the cash surplus created by high oil prices. While part of this oil windfall is absorbed by state budgets and investment in public equities, much of it has also flowed into alternative investments such as private equity, real estate, private credit and infrastructure, say people who follow the market closely.

"The prolonged oil-price increase is really benefiting the sovereign-wealth funds, while pension plans and endowments have found the environment more challenging," said Michael Maduell, president of the Sovereign Wealth Fund Institute, which researches the sector.

Assets held by Middle Eastern sovereign-wealth funds have appreciated by 20% so far this year, to about $3.75 trillion, according to the institute's data. That increase closely tracks the price of Brent crude, the global oil benchmark, which has risen by about 23% this year to trade just around $96 a barrel on Friday.

"With all of that additional liquidity, the oil-based sovereign-wealth funds are putting a lot more money into large private-equity funds," said Fraser Van Rensburg, a managing partner at placement agent Asante Capital Group, which helps private-fund managers raise capital.

Reliable information on how much sovereign-wealth funds invest overall in private equity is scarce, because typically these funds don't make their finances public. But there is little question that state-managed funds have taken on new prominence in private-equity fundraising this year.

Private-equity firm TPG Inc. has been raising a larger proportion of capital from sovereign-wealth funds and a relatively smaller amount from pension funds than during its previous fundraising efforts, Chief Financial Officer Jack Weingart told analysts in an Aug. 9 conference call. Money from U.S. investors has accounted for about 35% of the capital raised for TPG's ninth buyout and second healthcare funds so far, Mr. Weingart said. Both vehicles remain in the market for commitments. In the firm's previous fundraising cycle, which ended in 2019, domestic sources provided about 47% of the capital for those strategies, he said.

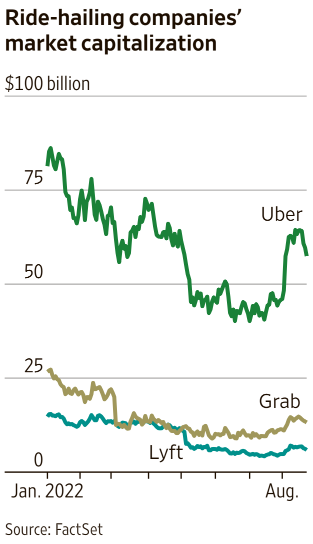
"We're definitely seeing a bit of a mix shift in the [limited partner] base, given that the current dynamics in the fundraising market are affecting some segments of the market more than others," Mr. Weingart said. "The composition of our LP base is much more international this cycle than it was last cycle."

For other firms, the balance is more weighted toward foreign investors. Alternatives manager StepStone Group Inc. has over the past year raised about 80% of its capital from outside of the U.S. and North America and 20% from the U.S., firm Chief Executive Scott Hart told analysts in an Aug. 4 earnings call.

Of the 10 sovereign-wealth funds with the largest private-equity holdings—including both direct and fund investments—five are located in the Middle East, according to Sovereign Wealth Fund Institute data. The largest is Abu Dhabi's Mubadala Investment Co., with about $97 billion in private-equity assets, followed by the Kuwait Investment Authority, with about $71 billion.

Even with such funds investing more of their oil windfall in private funds, the buyout industry as a whole has seen a decline in fundraising this year. Global private-equity fundraising fell by 43% in the first half of the year, to $247 billion, according to Preqin Ltd., which tracks data on private markets.

Ongoing fundraising weakness shows the need for firms to have a diverse mix of investors to ensure that they aren't overly dependent on one region or type of institution for raising money, say people who assist firms with raising capital.



Source: FactSet

Rally Fizzles For Three Ride-Hailing Companies

By Dave Sebastian

Ride-hailing firms Uber, Lyft and Grab have recovered some of their lost market value over the past month, but a selloff this past week has undermined the rally.

The shares of **Uber Technologies** Inc. and **Lyft** Inc. had risen more than 35% since mid July, aided by their stronger-than-expected results earlier this month. Singapore-based **Grab Holdings** Ltd., which is set to report its second-quarter performance on Aug. 25, had jumped 41%. But the three companies' shares have all fallen heavily this past week. By Friday's U.S. market close, Lyft had fallen 14% this past week, while Uber and Grab had fallen about 10%.

"We are likely in a bear-market rally," said Eli Lee, head of investment strategy at Bank of Singapore. He added that the recent strength in ride-hailing stocks could wane over the near term, as macroeconomic conditions remain highly challenging.

The three companies' shares are still well down this year, losing more than $43 billion in market value.

Uber has posted more than $31 billion in net losses since 2014, its earliest publicly disclosed financial record. Grab, which has also burned through billions of dollars in cash, likely won't have the same luxury Uber had in its growth spending, said Saurabh Rathi, investment chief of Singapore-based family office Carbon Graphite Advisors.

"Will they have that much flexibility to keep losing money and investors say, 'No problem; you show me profitability after 10 years'? I think that scenario has really changed—Wall Street will no longer be that accommodative," Mr. Rathi said.

Uber, whose revenue in the three months ended June 30 more than doubled from a year ago to $8.1 billion, reported positive free cash flow from its underlying operations for the first time—fulfilling a promise made to investors. Lyft booked a 30% increase in second-quarter revenue to $991 million. Both companies posted losses for the quarter.