DOW JONES | News Corp

TUESDAY, AUGUST 23, 2022 ~ VOL. CCLXXX NO. 45

WSJ.com

★★★★ \$5.00

DJIA 33063.61 **▼** 643.13 1.9%

NASDAQ 12381.57 ▼ 2.5% **STOXX 600** 433.17 ▼ 1.0% **10-YR.TREAS.** ▼ 13/32, yield 3.035%

OIL \$90.23 **▼** \$0.54

GOLD \$1,734.00 ▼ \$13.60

EURO \$0.9943 **YEN** 137.51

What's News

Business ヴ Finance

.S. stocks sold off amid investor concerns about additional sharp interest-rate increases by the Fed, taking some more wind out of this summer's market rally. The S&P 500, Nasdaq and Dow slid 2.1%, 2.5% and 1.9%, respectively. A1

- ♦ The IPO market is on pace for its worst year in decades, leaving fledgling companies with few options but to burn through cash while they wait for the stock market to calm. A1
- **♦** Many employers are shrinking the number of paid weeks of maternity and paternity leave they will offer, survey data from the Society for Human Resource Management show. A1
- ◆ Ford confirmed it is laying off roughly 3,000 white-collar and contract employees, its latest effort to slash costs as it makes a longer-range transition to electric vehicles. B1
- ◆ Elon Musk's lawyers sent a subpoena to Jack Dorsey, the first indication that Twitter's co-founder and former CEO will be officially involved in the legal fight over Musk's stalled \$44 billion deal. **B3**
- ◆ McDonald's is shaking up its board with the departure of longtime member Sheila Penrose and the addition of three new directors. B3
- ◆ Adidas said CEO Rorsted would step down next year, remaining in office until a new leader is appointed. B3
- ◆ Toyota's chief rebuked the Hino commercial-truck unit over a scandal involving falsified fuel performance and emissions data. B2

World-Wide

- **◆ Trump filed** a lawsuit seeking the appointment of a special master to review the materials taken by the FBI during the search of his Mar-a-Lago estate in Florida and asked a judge to order investigators to immediately stop examining the items. A4
- ◆ The leader of a Russianbacked breakaway region in eastern Ukraine announced details of plans to put captured Ukrainian soldiers on trial in Mariupol, a move that Zelensky warned would mean an end to all talks between Kyiv and Moscow. A6
- **♦** Russian authorities blamed Ukraine for the killing of the daughter of a prominent far-right Russian ideologue in a car bombing over the weekend. Kyiv has denied playing a role in her death. A6
- ◆ Pfizer and BioNTech asked the FDA to clear use of a Covid-19 shot modified to target the newest versions of the Omicron variant. A3
- ◆ Authorities in central China extended power curbs limiting factory production and opening hours for shopping malls, as the region grapples with a heat wave and a hydropowerdepleting drought. A16
- ◆ Ohio's largest public school district is scheduled to start classes online on Wednesday after teachers decided to strike over class sizes and other working conditions. A3
- ◆ Hawaii has the highest life expectancy of any U.S. state, according to new federal figures released by the CDC. A2

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Tensions Grow in Pakistan Over Fate of Ex-Leader Khan



ON GUARD: Supporters of Imran Khan, who was ousted as Pakistan's prime minister in April, gathered outside his residence in Islamabad on Monday after authorities threatened to arrest the former leader on a terrorism charge, A8

IPO Market Faces Worst Year In More Than Two Decades

By Corrie Driebusch

The IPO market is on pace for its worst year in decades, leaving fledgling companies with few options but to burn through cash while they wait for the stock market to calm.

Late last year, hundreds of companies were in the final stages of preparing to go public, encouraged by the best 18 months ever for U.S. initial public offerings. Then a combination of factors—sky-high

inflation, rising interest rates and Russia's invasion of Ukraine—sent shock waves through the stock market.

The IPO pipeline froze. So far this year, traditional IPOs have raised only \$5.1 billion all told, Dealogic data show. Typically at this point in the year, traditional IPOs have raised around \$33 billion, according to Dealogic data that goes back to 1995. Last year at this point, these offerings raised more than \$100 billion.

The last time levels were this low was 2009, when the U.S. was recovering from the depths of the financial crisis and the IPO market reopened near the end of the year.

IPO advisers say they don't expect 2022 to follow that pattern, meaning it could end up being the worst year for raising money in IPOs since Dealogic, a research firm, started tracking it in 1995.

Fintech firm Klarna Bank AB was a highly anticipated

2022 IPO, but instead of making a splashy debut, the Sweden-based company laid off hundreds of workers to cut costs and was forced to seek funding in private markets. Klarna, which specializes in buy now, pay later services, managed to raise \$800 million this summer—but only after cutting its valuation by 85% to \$6.7 billion.

That valuation is still three times the level Klarna was val-Please turn to page A8

Dow Falls Sharply As Rate Worries Linger

Index drops more than 600 points as investors parse potential Fed moves

By Alexander Osipovich AND CAITLIN OSTROFF

Fears of additional sharp interest-rate increases by the Federal Reserve sent the Dow Jones Industrial Average down 643 points on Monday, taking some more of the wind out of this summer's stock-market rally.

All three major stock indexes declined as investors looked ahead to a Friday speech by Fed Chairman Jerome Powell in Jackson Hole, Wyo., in which he is expected to give an update on the central bank's efforts to combat

Monday's selloff came after U.S. stocks snapped a fourweek stretch of gains for the S&P 500 on Friday. The market climbed from July to mid-August on hopes that inflation had started to peak, which would allow the Fed to soften its stance, as well as on generally strong corporate earnings.

But Fed officials remained publicly hawkish, leading some investors to conclude that the rebound was premature. The market's outlook also remains highly uncertain as investors weigh positive news—such as strong job growth—against worries that Fed tightening could tip the economy into recession.

Please turn to page A2

◆ Lower deficits ease blow to market from Fed......

Fauci to Leave by Year's End



Anthony Fauci, President Biden's chief medical adviser and the government's top infectious-disease official who was a face of the Covid-19 response, said he would leave in December. A3

Strikes in Crimea Disrupt Russia's Broader Strategy

By Thomas Grove

For generations, Crimea has anchored Russia's military power in the Black Sea. President Vladimir Putin of Russia vowed that it would remain Russian forever after he annexed it in 2014. But a spate of explosions and drone incursions in recent days shows the extent of its vulnerability on the peninsula and how it is now part of Ukraine's own war goals.

The strikes deep inside the Russian-occupied territory, including on the headquarters of the Russian Black Sea Fleet in Sevastopol, have disrupted Moscow's plans to drive farther into southern Ukraine, military analysts and officials said, potentially forcing a rethink of its on Saturday underscores Rusbroader strategy.

Since the start of the invasion, Crimea and the Black Sea Fleet have served as a hub for supplying forces, equipment and firepower to support Russia's occupation of southern Ukraine, where towns and cities quickly fell to Russian forces in the first days. From there, Russia has launched volleys of cruise missiles into Ukrainian towns, cities and military installations. Crimea was also seen as a crucial element in Moscow's plans to push farther west to Odessa and reate a landbridge to Moldova.

But a Ukrainian drone that found its way to the heavily fortified headquarters of the Black Sea Fleet in Sevastopol

sia's weakness on the strategically crucial territory. Previous explosions at the Saki air base in Crimea this month put more than half of the Black Sea Fleet's naval aviation combat jets out of use, according to a Western official. It isn't clear what caused that explosion.

"It's a game changer if Saki and Sevastopol can be hit," said John Spencer, chair of urban warfare studies at the Madison Policy Forum. "These strikes are attriting logistics, Please turn to page A7

◆ Zelensky warns Russia against trial of prisoners.... A6

Natural-gas crunch sparks

competition for tankers...... A7

Snorer, Save Your Marriage. Tape Your Mouth Shut.

Noisy sleepers give their partners peace by sticking adhesive strips across their lips

Silent treatment

By Stu Woo

At bedtime, David Gesualdi brushes his teeth and washes his face. Then he does the trick that pleases his wife.

He tapes his mouth shut. It's a technique

Iris Gesualdi says has reinvigorated the couple's marriage after more than 50 years. "I don't hate him anymore," she says.

Couples around the world are swearing by the previously obscure snoring remedy, which has drifted into the mainstream with a TV show, a bestselling book and popular social-media posts.

Mouth tapers affix a not-

too-sticky adhesive strip, such as surgical tape, either horizontally or vertically across their lips. Devotees including Mr. Gesualdi, a Rhode Island used-car-dealership owner, say

> that snuffs snoring, in part by rerouting breath through the nose. The believers have

gotten mixed messages from the mediestablishment and hard-nosed resistance from skep-

Please turn to page A9

tics who think mouth taping is best left to hostage movies. The little-studied practice could be risky, say doctors including Dr. Aarti Grover, medical director of Tufts Medical Center's Sleep Medicine Cen-



SPORTS Tom Brady returns to

the NFL's Buccaneers after an unusual preseason absence. A12



BUSINESS & FINANCE

Ford is laying off roughly 3,000 whitecollar and contract employees. B1

Companies Cut Back On Parental Time Off

By KATHRYN DILL AND ANGELA YANG

Many employers are shrinking the number of paid weeks of maternity and paternity leave they will offer.

New data show that the share of employers offering paid maternity leave beyond what is required by law dropped to 35% this year, down from 53% in 2020, according to the Society for Human Resource Management, a trade association for HR professionals that surveyed 3,000 employers.

Companies including Hulu and some small to midsize firms are trimming weeks off their benefits for new parents as some employers confront inflation, anticipate a recession and try to re-establish prepandemic norms.

Companies also downsized paternity-leave programs. The

share of employers giving paid paternity time off fell to 27% in 2022, from 44% in 2020, the SHRM survey found.

The declines might stem from companies changing their leave policies back to what they were in 2019 after extending more parental benefits to workers during the pandemic, according to SHRM. Over the past 15 years, maternity and paternity leaves have mostly increased, with a drop during the 2008-09 recession, along the way. This year, nearly double the number of surveyed U.S. companies offered paid maternity leave when compared with 2007. During the pandemic, when many companies extended perks to working parents, that level was almost

In the two years leading up to 2020, when the pandemic Please turn to page A4 **A2** | Tuesday, August 23, 2022

Heavy Rains Bring Flooding to Dallas-Fort Worth Area



SOAKED: A man pulled his stalled car from receding floodwaters in Dallas on Monday. At Dallas-Fort Worth International Airport, 9.02 inches of rain fell in the 24 hours ended at noon Monday, according to the National Weather Service station at the airport, the second-largest total over a 24-hour period on record for Dallas.

Life Expectancy Is Longest in Hawaii

By Talal Ansari

Where should you live to have the longest life expectancy? New data suggests heading out West is a good bet.

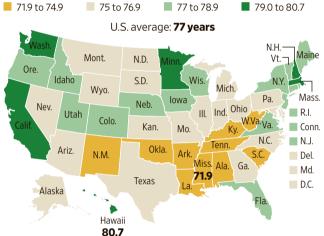
Hawaii has the highest life expectancy of any U.S. state, according to new federal figures released Tuesday by the Centers for Disease Control and Prevention. The combined average life expectancy for men and women in the state was 80.7 years old, making it the only U.S. state with an average expectancy rate above 80 years.

Washington has the secondhighest life expectancy, at 79.2 years. California was also high on the list, at 79.2 years. Other states that had among the highest life expectancies included Minnesota, Massachusetts and New Hampshire.

The CDC report comes as overall life-expectancy rates in the U.S. fell sharply in 2020 as the Covid-19 pandemic took hold. The data revealed that Americans' average life expectancy fell to 77 years in 2020, down 1.8 years from 2019 and the biggest life-expectancy decline since at least World War II.

Covid-19 was the nation's third leading cause of death in

Life expectancy at birth, in years, 2020



Source: Centers for Disease Control and Prevention

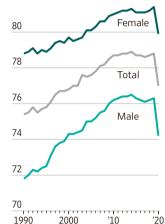
2020, behind heart disease and cancer, and was the underlying cause in about 351,000 deaths, the figures showed. Increases in mortality from unintentional injurieswhich include drug overdoses—as well heart disease, homicide and diabetes also decreased life expectancy.

While life expectancy was higher in states such as Hawaii, Washington and Minnesota, it fell sharply in several

Southern states. Mississippi came in at the bottom of the list, with a life expectancy of 71.9 years. West Virginia was second to last at 72.8, followed by Louisiana at 73.1 and then Alabama, at 73.2.

The report revealed that from 2019 to 2020, life expectancy declined for all 50 states and Washington D.C., with drops ranging from 0.2 year for Hawaii to 3 years for New York. The CDC looked at all 50

Life expectancy at birth, by sex lower life expectancies.



82 years

states and Washington, D.C., at data from 2020, including the 2020 final mortality statistics. population estimates based on the 2010 decennial census, and 2020 Medicare data for people

were mostly Southern states, but also included New Mexico, Indiana, Ohio, Missouri, and Oklahoma. Washington, D.C., was also among the areas with

Highest life expectancy was primarily found in the Western and Northeastern states, but also included Colorado, Minnesota, and Utah.

Iliya Gutin, a postdoctoral fellow at the Population Research Center at the University of Texas at Austin, said people aren't inherently in worse health in one state versus another, but that the regionality of life expectancy comes down to history, public policy, and lifestyles.

"Historically speaking, there's a lot of concentrated poverty in a lot of southern states, and issues of historical racism and discrimination," said Dr. Gutin, who was part of a 2020 study on the disadvantages in early life mortality in Southern states.

Active lifestyles in some areas can promote better health. and public policy regarding health in certain states can also lead to a healthier popu-The report said states with lation, he said. "It's not necesthe lowest life expectancy sarily just policies that are directly health relevant, like smoking, but it's more indirect social policies that still are likely to have downstream health consequences."

U.S. WATCH

ATLANTA

Two People Killed, One Hurt in Gunfire

Two people were killed and another person was wounded Monday in a shooting that shut down parts of Atlanta.

A woman believed to be the suspect is in custody, the Atlanta Police Department said. She was apprehended at Hartsfield-Jackson Atlanta International Airport after a search through the midtown area near Colony Square where the gunfire began.

Police first responded to calls of a shooting on West Peachtree Street around 1:45 p.m. ET, according to a statement from Atlanta PD.

They found two victims, one of whom died, police said.

Police got a second call for a shooting about a half mile away and found one victim, who died after being taken to a hospital for treatment. The last shot was fired at 2:15 p.m., police said.

Authorities had asked people to stay off the streets around the Colony Square complex, which contains many business offices, restaurants, shops and stores,

during the search for the suspect. No motive has been determined, police said. The third victim is receiving treatment at a

hospital, police said. –Ginger Adams Otis

CALIFORNIA

Body Found Believed To Be Missing Teen's

A body found in a Northern California reservoir is believed to be that of 16-year-old Kiely Rodni, who went missing weeks ago after attending a large party at a Sierra Nevada campground, authorities said Monday.

Nevada County Sheriff Shannan Moon said the body hadn't yet been identified, but "we believe it is our missing person." The body was found when the teen's submerged car was located, but officials offered no theory of how it ended up in the water.

Volunteer divers with a sonar-equipped group called Adventures with Purpose said they found Ms. Rodni of Truckee on Sunday inside her car, which they said came to rest upside down under about 14 feet of water in Prosser Reservoir, about 55 feet offshore. An autopsy was scheduled for Tuesday.

—Associated Press

ARKANSAS

Video Shows Officers Beating Suspect

Three Arkansas law-enforcement officers were suspended, and state police launched an investigation after a video posted on social media showed two of them beating a suspect while a third officer held him on the ground.

The officers were responding to a report of a man making threats outside a convenience store Sunday in the small town of Mulberry, about 140 miles northwest of Little Rock, authorities said.

The video shows one officer punching the suspect with a clenched fist, while another can be seen hitting the man with his knee. The third officer holds him against the pavement.

Two Crawford County sheriff's deputies and one Mulberry police officer were suspended, city and county authorities said.

Arkansas State Police said the agency would investigate the use of force.

State police identified the

suspect as Randal Worcester, 27. of Goose Creek, S.C. He was taken to a hospital for treatment then released and booked into the Van Buren County jail on multiple charges, including second-degree battery, resisting arrest and making terroristic threats, state police said. Mr. Worcester was released

Monday on \$15,000 bond. When asked how he was feeling, he said "all right." An attorney who escorted him from jail declined to comment on his behalf. Mr. Worcester is white, ac-

cording to jail booking information, and the three officers involved also appear to be white.

"I hold all my employees accountable for their actions and will take appropriate measures in this matter," Crawford County Sheriff Jimmy Damante said. Sunday evening, Mulberry Po-

lice Chief Shannon Gregory said the community and the department take the matter "very seriously." Arkansas Gov. Asa Hutchinson said Monday that the Justice Department's civil-rights division would conduct an investigation separate from state police. —Associated Press

Dow Falls More Than 600 Points

Continued from Page One

The market wants the Fed to sound off on the dovish standpoint, but the Fed's not there yet," said Philip Blancato, chief executive of Ladenburg Thalmann Asset Management. "The market got a little ahead of itself."

The Dow fell 643.13 points on Monday, or 1.9%, to close at 33063.61. The S&P 500 dropped 90.49, or 2.1%, to 4137.99. The technology-focused Nasdaq Composite slid 323.64, or 2.5%, to 12381.57. Even with the recent pullback, all three major indexes are up at least 5.8% over the past three months.

Futures markets show traders are split as to whether the central bank will raise interest rates by half a percentage point or three-quarters of a point at its next meeting in September.

Aggressive increases could cause businesses and consumers to cut back on spending, potentially hurting corporate earnings and economic growth.

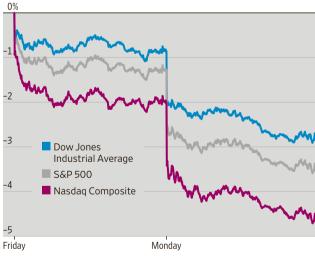
"Jackson Hole is something the market is starting to get nervous about," said Hani Redha, a portfolio manager at PineBridge Investments.

After the last Fed meeting, some investors expected it to ease up on rate increases, Mr. Redha said.

"There is chatter that perhaps Powell will try to reverse that perception," he said.

Investors are also concerned about a key number set to be released on Friday: the Commerce Department's personalconsumption-expenditures index, a measure of core inflation

Index performance, past two days



Source: FactSet

that excludes volatile food and energy costs. The index is seen as the Fed's preferred measure of inflation and could affect Mr. Powell's calculations.

Bond yields rose Monday in

AMPLIFICATIONS

Cans of Liquid Death water are sourced from the Austrian Alps. A Page One article on Saturday about the water, which comes in containers that look like beer cans, incorrectly said the Swiss Alps.

The last name of Don Larsen, the New York Yankees pitcher who threw a perfect game during the 1956 World a sign that traders might be anticipating Fed rate inbenchmark 10-year Treasury 2.987% on Friday. Yields and prices move in opposite direc-

rates boosted the dollar, which benefits from global money flows when it delivers higher yields than other currencies. The WSJ Dollar Index, which measures the against a basket of 16 currencies, rose 0.5% on Monday, its seventh consecutive day of gains. The euro weakened. again touching parity with the

All 11 sectors of the S&P 500 fell on Monday. Technology stocks that were flving high earlier this summer were among the worst performers.

creases. The yield on the note rose to 3.035%, from

vidual-investor favorite whose

shares have been on a wild ride in recent days, declined \$1.79 per share, or 16%, to \$9.24 after S&P downgraded the retailer's credit rating.

80 cents, or 5%, to \$15.08 after a \$1.7 billion jury verdict from Friday that calls into question the roof strength of some

plans to appeal.

cryptocurrency by market value, shed 1.9% from Sunday to trade at \$21,107.25.

prices are heavily influenced by market sentiment, causing selling in times of selloffs. In commodities, European natural-gas prices shot higher on worries that a planned closure of the Nord Stream pipe-

Benchmark European gas prices jumped 13%.

U.S. natural-gas prices rose on the prospect of increased demand from across the Atlantic, with the main front-month futures contract climbing 3.7%.

rope fell. The pan-continental Stoxx Europe 600 dropped 1%, led by losses in German, Italian and French stocks.

The selloff continued in Asia early Tuesday. Japan's Nikkei 225 was down 1.2%, South Korea's Kospi was down 0.9%, Hong Kong's Hang Seng Index was down 0.7% and the Shanghai Composite was down 0.4%. S&P 500 futures rose

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CORRECTIONS ざ

Series, was misspelled as Larson in a Review article on Saturday about Jackie Robinson.

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

The prospect of higher greenback

Apple, Tesla and Microsoft all retreated more than 2%. Netflix, a big beneficiary of the market's midsummer rally, slid \$14.62 a share, or 6.1%, to \$226.54 after analysts at CFRA

Research recommended that investors sell the stock. Bed Bath & Beyond, an indi-

Shares of Ford Motor fell

The auto maker has said it Bitcoin, the world's largest

The digital currency briefly broke below \$21,000 earlier on Monday. Cryptocurrency

line by Russia will prevent the continent from amassing sufficient fuel supplies before win-

Major stock indexes in Eu-

P2JW235000-2-A00300-1-----XA

Fauci Says He Will Depart in December

AND LIZ ESSLEY WHYTE

Anthony Fauci, President Biden's chief medical adviser and the government's top infectious-disease official, said he would step down in December.

His plans to depart come as vaccines and other precautionary measures have helped protect many people from the worst possible outcomes of Covid-19 infection, but the virus's ever-changing mutations, combined with many people's fatigue with shots, complicate efforts to move past the pandemic.

departure portends changes at the helm of the country's pandemic efforts as the Biden administration recalibrates to reflect the public's changing sentiments, while preparing a campaign for the fall to boost people's immune defenses against the latest, evasive versions of the virus.

"As he leaves his position in the U.S. government, I know the American people and the entire world will continue to benefit from Dr. Fauci's expertise in whatever he does next. Whether you've met him personally or not, he has touched all Americans' lives with his work," Mr. Biden said Monday.

Dr. Fauci will be the second top Covid-19 official to leave the Biden administration, after Jeffrey Zients, who led the White House's pandemic response for a year, departed earlier this year.

In addition to his role as Mr. Biden's chief medical adviser, Dr. Fauci is director of the National Institute of Allergy and Infectious Diseases and chief of NIAID's Laboratory of Immunoregulation. He will step down from all three roles.

"After more than 50 years of government service, I plan to pursue the next phase of my career while I still have so much energy and passion for my field," he said.

He said he planned to use what he has learned as NIAID director "to continue to advance science and public health and to inspire and mentor the next generation of scientific leaders as they help prepare the world to face future infectious disease threats.'

Dr. Fauci, 81 years old, has led infectious-disease response and research at the National Institutes of Health for nearly four decades, under seven presidents.

The top medical official became a U.S. household name during the pandemic.

With his Brooklyn accent, he became a public, and sometimes controversial, face of the public-health response to the HIV/AIDS crisis and most recently to Covid-19.

Before 2020, he often received bipartisan plaudits. During the Covid-19 pandemic, he was praised by many publichealth officials and Democrats for what they said were straightforward assessments of the risks posed by the virus. He became a household name, appearing on T-shirts, tote bags and a bobblehead doll.

Many Republicans criticized him, however, arguing he overstated the government's authority to require precautions and flip-flopped on how the coronavirus spread and the need to mask. Early in the pandemic he joined other government officials in advising the public not to wear masks, saying it could cause a shortage for healthcare workers and Covid-19 patients.

"I give advice, according to the best scientific evidence," Dr. Fauci told members of Congress in May 2020. "We should be humble about what we don't know."

Dr. Fauci received personal threats and was given an armed security team in 2020.

"He works tirelessly on behalf of all patients, often at great personal expense, and always bringing his Brooklyn

tenacity to the fight," said acting NIH Director Lawrence Tabak. "I will miss him greatly."

As director of NIAID, Dr. Fauci led research into viruses including HIV, Ebola and Zika. He was a spokesman for the U.S. government's response to the HIV/AIDS crisis in the late 1980s and early 1990s, when he alternated serving as an ally and target of activists clamoring for treatment options.

Dr. Fauci helped create the U.S. President's Emergency Plan for AIDS Relief, or Pepfar, a program started under President George W. Bush that helped steer billions of dollars to purchasing drug treatments for millions of people around the globe.

He said this summer that his Pepfar and other AIDS work was among the accomplishments he was most proud of.

For many years, Dr. Fauci continued his medical practice alongside his leadership roles, seeing Ebola and AIDS patients even as he led policy responses to those epidemics.

After the coronavirus hit NIAID contributed to the rapid development of Covid-19 vaccines. The institute had done early research into the messenger RNA technology used by some shots. Its researchers joined with Moderna Inc., in particular, on its vaccine.

Fauci contracted Covid-19 and had mild symptoms in June. He was treated with an antiviral drug.

He has in recent months helped with the government's monkeypox response. The NIAID is planning to test an antiviral smallpox treatment currently being used on an emergency basis for the outbreak.

Dr. Fauci's departure will add to the list of empty health posts within the Biden administration. The White House is currently weighing candidates to direct ARPA-H, a new entity meant to speed health research and collaborate with the private sector, and to replace Dr. Francis Collins, the former NIH director.

-Betsy McKay contributed to this article.

Pfizer Asks Regulators To Approve Modified Covid Shot

By Jared S. Hopkins

Pfizer Inc. and BioNTech SE have asked U.S. health regulators to clear use of a Covid-19 shot modified to target the newest versions of the Omicron variant.

The U.S. Food and Drug Administration is expected to clear the shots for use in the coming weeks, in time for a planned fall booster campaign.

Pfizer-BioNTech The booster shot targets the original coronavirus plus the BA.4 and BA.5 subvariants of Omicron, which have become predominant in the U.S.

Pfizer and BioNTech said they have begun producing doses of the vaccines, and could begin supplying them to the U.S. government upon FDA clearance for a vaccination campaign that could start as soon as September.

The vaccines haven't been tested in people in a clinical trial yet, though one is scheduled to begin this month, the companies said.

Studies in animals found a booster dose of the modified vaccine generated a strong immune response against the original strain and Omicron's BA.1, BA.2 and BA.4/BA.5 variants, according to the companies.

Moderna Inc. is also developing a bivalent vaccine and is expected to seek U.S. authorization soon.

The Centers for Disease Control and Prevention on Monday recommended use of Novavax Inc.'s Covid-19 vaccine for adolescents ages 12 to 17 who haven't been previously vaccinated. The CDC's endorsement follows FDA authorization of the vaccine in adolescents on Friday.



Columbus, Ohio, teachers, gathered in front of Columbus Downtown High School on Monday, are pushing for smaller classes and improved conditions.

hio Canital's Teachers Vote to Strike

By Isabelle Sarraf

Ohio's largest public school district is scheduled to start classes online on Wednesday after teachers decided to strike over class sizes and other working conditions.

Teachers in Columbus are pushing primarily for smaller classes and functional heating and air-conditioning for their classrooms, said the Columbus Education Association union, which represents nearly 4,500 teachers and staff at Columbus City Schools.

Union members are also demanding full-time art, music and physical education teachers at the elementary level, as well as a cap on the number of class periods during a given school day.

A spokeswoman for Columbus City Schools referred The Wall Street Journal to a recording of a press briefing given Monday by Board of Education President Jennifer Adair, and to the district's website. The organization says on its site: "The Board of Education is committed to providing an education to all of our students and is prepared to do that even during a teachers' strike."

The strike comes at a difficult time for schools nationwide, many of which are struggling to fill classroom vacancies and recruit qualified teachers before the year begins. In recent years, many teachers have retired early or left the profession altogether because of low pay and pandemic-related burnout.

A union representing about 2.000 Philadelphia staff, including bus drivers and custodial staff, also voted on Saturday to authorize a strike, demanding higher wages and training programs designed to help de-escalate potentially violent situations, like active shooters.

The earliest a strike could occur in Philadelphia is Sept. 1. three days after pre-K through Grade 12 students return to school. The School District of Philadelphia plans to participate in contract negotiations with the union, Superintendent Tony Watlington said.

The Columbus union's July negotiations with its State Employment Relations Board failed, but the two began hashing out a new collective bargaining agreement again on Aug. 10 at the request of a federal mediator. The union in a statement

said the board failed to respond to a counterproposal and didn't offer any proposals during this month's talks, leading its members to initiate a strike. The previous master agreement between the union and school district expired Sunday at midnight.

The school board said its final offer proposed installing air conditioning in nearly every school and reducing class sizes for kindergarten through the fifth grade to a maximum of 27 students.

The offer also included a guaranteed 3% annual salary increase for three years, a \$2,000 bonus paid out over four payments and a new paid leave plan for parents, according to the district. By the end of the contract, a teacher who in the previous school year earned the district's average salary of \$74,000 would earn upward of \$91,000, according to the district. Teachers just starting out would earn more than \$50,000 in their first year under the board's proposal.

Remote classes for Columbus students will tentatively be instructed by full-time substitutes, administrators and teachers who choose not to strike, according to the school district's back-to-school webpage, which features frequently asked questions pertaining to the

Newsom Vetoes Bill Allowing Pilot Programs for Safe Injection Sites

By Christine Mai-Duc

Gavin California Gov. Newsom vetoed a bill that would have allowed some cities and counties to operate sites where people could legally use illicit drugs under medical supervision, with the aim of reducing overdose deaths.

The proposal would have granted officials in Oakland, San Francisco and Los Angeles permission to develop pilot programs for what are known as safe consumption sites.

In his veto message, Mr. Newsom said he supported harm-reduction strategies for people addicted to drugs, but said, "I am acutely concerned about the operations of safe injection sites without strong, engaged local leadership and well-documented, vetted, and thoughtful operational and sustainability plans."

The Democrat said he was instructing his secretary of health and human services to convene local officials to dis-



California Gov. Gavin Newsom, a Democrat, defied the Democratic-controlled Legislature in his veto.

cuss best practices for overdose prevention programs. He said he was willing to revisit the issue if those officials came back with what he described as "a truly limited pilot program" with plans to run them safely and effectively.

State Sen. Scott Wiener, a San Francisco Democrat who

wrote the proposal, called Mr. Newsom's veto tragic. "For eight years, a broad coalition has worked to pass this lifesaving legislation," he said in a statement. "Each year this legislation is delayed, more people die of drug overdoses—two per day in San Francisco alone."

The bill received final passage in the Democratic-controlled state Legislature on Aug. 1 with 21 votes in the state Senate, the minimum needed for passage. Several lawmakers, including some facing close elections this fall, refrained from voting.

The mayors of Oakland and San Francisco and county officials in Los Angeles have lobbied for years for the ability to open such sites, citing the state's deluge of opioid-related overdoses and deaths in recent years. According to state data, there were 6,843 opioid-related overdose deaths in 2021, and the mortality rate has more than doubled since 2019.

The idea has become popular among advocates who argue that monitored drug use can prevent deaths and connect addicts with essential medical and social services that make them more likely to get clean. New York City last year

opened the first two safe injection sites in the U.S. Currently, Rhode Island is the only state that has legalized them, following the path of countries including Canada, Switzerland and the Netherlands.

Opponents have said safe injection sites amount to statesanctioned substance abuse that provides no clear path out of addiction.

Greenlighting such a controversial policy would have forced Mr. Newsom, who has courted the national spotlight and positioned himself as a leader in the Democratic Party, to own its results, said Garry South, a veteran California Democratic strategist. That could create a political risk for the governor if he pursues higher office and in his bid for re-election this November, said Mr. South.

Mr. Newsom's office didn't respond to a request for comment on his veto's potential political implications.

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U.S. NEWS

Latina Hopefuls See GOP Opening

By Aaron Zitner

Monica De La Cruz, a Republican candidate for Congress, wants to complete the wall along the Mexican border and supported her state's near-ban on abortion at six weeks. GOP Rep. Mayra Flores voted recently against bills that would protect same-sex marriage and ensure that women can cross state lines for abortion.

The two Hispanic women and a third Republican Latina, Cassy Garcia, are testing whether a platform of conservative policy ideas can propel them to Congress from overwhelmingly Latino House districts in South Texas, a region long dominated by Democrats.

In the 2020 election, then-President Donald Trump made gains across South Texas, boosting his vote share by 20 percentage points or more over his 2016 showing in many communities, though he still lost most of the region to President Biden. Ms. De La Cruz came within 3 points of winning a House seat that year in a district that hadn't sent a Republican to Congress in its nearly 120-year history.

When Ms. Flores, a firsttime candidate, flipped a nearby district to the GOP in a special election in June, some GOP strategists saw more evidence of a Latino vote shift. Now the three women are

working to expand the party's appeal in the region at a time when gaining just a few additional seats would give Republicans a House majority. Nonpartisan analysts say all three women are in competitive races, though Ms. De La Cruz has the most Republican-leaning voter mix in her district, an advantage in her race against political newcomer Michelle Vallejo, a Democrat. Ms. Flores has the most challenging terrain in her race against Democratic Rep. Vicente Gonzalez, who moved from a neighboring district after Texas lawmakers redrew the state's political boundaries.

Ms. Garcia, a former aide to Sen. Ted Cruz, is challenging







From left, Rep. Mayra Flores, Cassy Garcia and Monica De La Cruz are testing whether conservative platforms can win in South Texas.

nine-term Democratic Rep. Henry Cuellar in a race that is considered a tossup.

"It's amazing that there are three Latinas in South Texas running for office with conservative values. We want to inspire other Hispanics throughout the country to vote their values," said Ms. Flores.

"The people here in South Texas are conservative by nature," said Ms. De La Cruz, an insurance agent who also owns a property-management company.

Some in the GOP argue Republicans made gains in South Texas because many Latino voters felt abandoned by Democrats—not necessarily because they supported conservative policies.

"I think it's a mistake not to be a centrist Republican in that part of the state," said Jason Villalba, a former GOP state lawmaker who now leads the Texas Hispanic Policy Foundation, a research group. He said that the 2020 election outcomes showed voters rejecting Democratic policies viewed as harmful to energy and law-enforcement jobs, which drive much of the South Texas economy.

Those feelings about Democratic policies have diminished, Mr. Villalba said. "I think Republicans will do better than they've done historically, but I think they hit their high-water mark with Hispanics in Texas in 2020," he said.

Mayor Javier Villalobos of McAllen, the first Republican

Three Republicans are running in competitive House races in South Texas.

elected to lead that Texas city in at least two decades, said the three Republican women were running on "party line" platforms that might not be successful everywhere. "Evidently it worked during the primaries," he said of their agendas. "But now here we go in the general, and this is where they've got to pull from all sides."

The three women have excited some in their party for

providing compelling stories of personal achievement—particularly Ms. Flores, the daughter of migrant workers. Ms. Flores became a respiratory nurse, the wife of a border patrol agent and the first Mexican-born woman elected to Congress.

Their Democratic rivals say they better understand the values and needs of South Texas. Two have built reputations as centrist lawmakers who often break with their party: Mr. Gonzalez and Mr. Cuellar both voted recently against a Democratic-led bill to ban semiautomatic assault weapons, as did Ms. Flores.

Mr. Cuellar was the only Democrat to vote against legislation last year intended to protect abortion rights in anticipation of the Supreme Court's decision to overturn Roe v. Wade. Mr. Gonzalez says that, as a Catholic, he opposes abortion, "but I don't believe I should impose my views on others."

Mr. Gonzalez said he had worked to protect local energy-sector jobs and criticized Ms. Flores for touting local grants that were funded by an infrastructure bill she had denounced as a candidate.

The third Democratic House candidate, Ms. Vallejo, is the daughter of Mexican immigrants who runs a flea market. Until recently, Ms. Vallejo said on her campaign website that she supports expanding Medicare to include all Americans, and she called for canceling "all student loan debt." The website now says that Ms. Vallejo would expand Medicare eligibility to those 50 and older, and it no longer includes student loan forgiveness.

A spokesman for Ms. Vallejo said she still supports loan forgiveness and Medicare for all, but that the website now better reflects how the candidate is talking to voters.

Mr. Cuellar in June narrowly won a Democratic primary runoff. His campaign hit a stumble when Mr. Cuellar's Laredo home and campaign office were searched in January by the Federal Bureau of Investigation. Mr. Cuellar's lawyer has said that the Justice Department had informed him that the congressman isn't the target of an investigation.

The Justice Department declined to comment.

stating the library has many

books with LGBT content and

"pornographic sexually graphic

material," according to a copy

of the flier included in a packet

for a library board meeting in

June and viewed by The Wall

Street Journal. The fliers also

said the books were aimed at

"very young and impression-

changes and make the Patmos

Library a safe and neutral place

for our children," the flier

said. An organizer for James-

town Conservatives declined to

"Pray that we can make

able kids.

\$150,000.

Trump Suit Seeks Review of Recovered Materials

By Jan Wolfe And Sadie Gurman

Former President Donald Trump filed a lawsuit Monday seeking the appointment of a special master to review the materials taken by the FBI during the search of his Mar-a-Lago estate in Florida and asked a judge to order investigators to immediately stop examining the

Mr. Trump is also seeking a more detailed inventory of the items retrieved from his estate, as well as the return of any items seized that he says weren't within the scope of the search warrant.

"To date, the government has failed to legitimize its historic decision to raid the home of a President who had been fully cooperative," Mr. Trump's lawyers said in the civil complaint.

A special master is a third party, usually a retired judge, who reviews evidence to determine if it is protected by attorney-client privilege, executive privilege or similar legal doctrines.

"The Aug. 8 search warrant at Mar-a-Lago was authorized by a federal court upon the required finding of probable cause," Justice Department spokesman Anthony Coley said. "The Department is aware of this evening's motion. The United States will file its response in court."

Investigators have set up what is known as a filter team, a separate group of agents and lawyers to review the materials and determine whether any of them are protected by such privileges before they will be provided to investigators, according to people familiar with the team. The Justice Department already contacted Mr. Trump's legal team to return one active and two expired passports that were found in containers recovered during the search, officials have

Federal Bureau of Investigation agents removed more than two-dozen boxes during the Aug. 8 search of Mr. Trump's private club and resort, including 11 sets of classified documents, some marked top secret and meant to be only available in special government facilities. The contents of the classified material or what it pertains to haven't been made public.

The action, approved by U.S. Magistrate Judge Bruce Reinhart, who found FBI agents showed probable cause that a crime had been committed, set off a furious political response, with the former president's supporters and Republican lawmakers accusing the Justice Department of overreach.

Justice Department officials have said the Mar-a-Lago was a necessary step that Attorney General Merrick Garland approved after weeks of deliberation. People familiar with the Justice Department's approach have said a primary goal of the search was to ensure the security of highly sensitive national-security documents after the Trump team didn't relinquish them and amid concerns that the security of the material at Mar-a-Lago had been put at risk.

Library Defunded Amid Rift Over LGBT Content

By Joseph De Avila

A library in a rural western Michigan town is asking the community there to restore its public financing after voters defunded it following a dispute over books with LGBT content.

Voters in Jamestown Township, Mich., about 20 miles southwest of Grand Rapids, defeated a funding measure for Patmos Library earlier this month, stripping 85% of its funding for next year. The library, which has an annual budget of about \$250,000, is in danger of closing if it can't replace those funds, said Larry Walton, president of the library's board.

Patmos Library, like many libraries and schools across the U.S., has become a center of debate about free speech and what materials are appropriate for children. Conservative groups and parents in some states have asked libraries to remove books they find objectionable, many of which deal with LGBT themes.

County commissioners in Llano, Texas, ordered a review of children's books at the local library system last year. Some



People wait for a library board meeting to start at Jamestown Township's Patmos Library this month.

residents sued the judge, county commissioners and library board members in April after some books were banned.

In Vinton, Iowa, residents criticized their library for having LGBT staff and books with LGBT-related themes. The library temporarily closed in July after staff members quit amid the harassment.

Patmos Library's last two directors also resigned following harassment at work from people who objected to the books with LGBT themes, according to Mr. Walton.

The dispute over books in Jamestown began last November when a patron asked the library to remove the graphic novel "Gender Queer: A Memoir," Mr. Walton said. Residents began asking for other books with LGBT themes to be pulled, including the graphic novels "Spinning" and "Kiss Number 8."

Groups of parents that criticized the materials began coming to the library board's monthly meetings, demanding the removal of the books, Mr. Walton said. The library declined to remove any books from circulation.

A group called Jamestown Conservatives that disagreed with the library's decision to keep the books organized a campaign to defund the library. The group passed out fliers comment.
On Aug. 2, Jamestown voters struck down the funding measure for the library. The measure would have used property taxes to fund the library for 10 years. Jesse Dillman, a library patron, organized a Go-FundMe campaign to support the library after the vote failed.

The board of Patmos Library, a nonprofit organization that isn't run by the town, is working with volunteers to drum up support for a new measure on the November ballot that would restore the library's funding.

The campaign has raised about

Parental Time Off Is Cut Back

Continued from page A1 hit, many companies were

contending with hiring shortages and rolled out enriched perks, including more time off,

John **‡** Christian



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as a way to lure new talent. In the Covid-19 era, cognizant of the stresses that many working parents faced, many employers expanded benefits such as paid time off.

Now, some employers are shrinking the amount of paid leave they offer new parents to the legally required minimums, which can range from nothing to eight or 12 weeks, depending on the region. Eleven states, including California, Massachusetts and New York, have laws that require most employers to offer some paid leave to new parents; 39 states don't. Under U.S. federal law, qualifying workers can take up to 12 weeks of unpaid leave after the birth of a child.

Most employers are aware of how important parental leave is to recruiting and retaining employees. As some companies take leaves away, others are expanding benefits, widening the divide between workers who have parental

support at work and those who don't. Leave benefits tied with retirement savings and planning benefits this year in employer-ranked importance, according to SHRM's survey, with 82% of employers deeming them "very important" or "extremely important." Only healthcare benefits, at 88%, ranked higher.

Devon Richey a Texas-

Devon Richey, a Texasbased viewer-experience agent with Hulu, the streaming service owned by Walt Disney Co., said parental leave has been on his mind as he and his wife weigh the costs of having a child.

Hulu recently cut its fully paid parental-leave policy to eight weeks, down from 20. Depending on an employee's individual circumstances, including the state in which they live and their eligibility for short-term disability benefits, workers can still get up to 24 weeks of leave to care for the arrival of a child in a 12-month period, according to

company policy.
With less paid paternity

leave offered now, Mr. Richey said the couple would need to begin paying for full-time child care sooner.

"If my job is cutting back

on my parental leave, how am I going to afford child care if I

39

The number of states that don't require parental leave.

don't get paid more?" he said.
Child care, including nannies, preschools and nursery schools, is one of the greatest costs for most families in the U.S. A shortage of workers at daycare centers and summer camps has led to reductions and closures that often leave working parents scrambling or drive them out of the

workforce entirely.
Employers in certain indus-

tries offer more paid leave than others. More than half—54%—of professional, scientific and technical employers offer paid maternity leave separate from what is required by law, up from 52% in 2020, according to data from SHRM. About a third of employers in construction, utilities, agriculture and mining, and government and education offer paid maternityleave benefits.

By comparison, nearly all employers surveyed, 99%, offer paid vacation, up from 98% in 2020, SHRM data show. Similarly, 96% offer paid sick leave, up from 95% over the same period. Two-thirds of employers, 67%, said they offer a bank of paid time off that covers both, up from 66% two years ago.

Some companies are expanding benefits to stand out. Ferring Pharmaceuticals, a biopharmaceutical company

with more than 700 employees in the U.S., said this summer that it would expand paid parental leave to 26 weeks; previously, U.S. employees were eligible for eight weeks.

Rich Fuerstenberg, senior partner at consulting firm Mercer LLC, said he has seen many company-sponsored parental leaves steadily increase in recent years. In a recent Mercer survey of 451 employers with more than 500 workers, 70% said they planned to offer paid parental leave in 2023. He said that many companies, if faced with an economic downturn, would be more likely to cut other benefits first, such as 401(k) matches.

SHRM data show that ahead of the 2008 recession, 18% of companies surveyed offered paid maternity leave. By 2009, that share had dropped to 14%, with 7% of employers saying that they planned to reduce or eliminate paid maternity leave in the coming year.

By Brianna Abbott

Officials in New York are urging pediatricians and parents to bring patients up to date on polio shots, as evidence suggests the infectious and potentially debilitating poliovirus was present in the state as early as April.

Health officials said they have sent alerts to healthcare providers, hung fliers in houses of worship, grocery stores and summer camps, and talked with community leaders to boost polio vaccination rates in the greater New York City area. Some places including Rockland and Orange counties have polio vaccination rates around 60% among eligible children, compared with a national rate of around

93%, according to federal data. Polio is particularly insidi-

Polio is particularly insidious, health officials and other public-health experts said, because the majority of cases occur in people who never develop symptoms but can still spread the virus. That silent spread can cause meningitis or paralysis in someone unvaccinated against the disease.

Wastewater samples in areas including New York City, collected across multiple months, suggest the virus is likely circulating in the area to some degree, experts said. One case has been confirmed, in an unvaccinated young adult who experienced paralysis, officials said.

"It's that hidden aspect that I worry about," said Bryon Backenson, director of the Bureau of Communicable Disease Control at the New York State Department of Health. "It's really important for us to do prevention while we can."

Genetic sequencing of a specimen from the case suggests that the chain of polio transmission might have been going on as long as a year, though not necessarily within the U.S., according to a report from the Centers for Disease Control and Prevention. Wastewater samples in the U.K., which have been genetically linked to the U.S. case, were positive for poliovirus as early as February.

People who are vaccinated are at a low risk, health officials said, because three doses of the vaccine used in the U.S. are at least 99% effective at preventing paralysis.

"Anyone who is not immunized is at risk for paralytic disease," said Emily Lutterloh, director of the division of epidemiology at the New York State Department of Health. "We're trying to stop that.

In June, a Rockland County resident went to the emergency room after experiencing weakness in lower limbs following a low-grade fever, neck stiffness and back and abdominal pain, the recent CDC report said. The patient, who hadn't traveled outside the U.S., eventually tested positive for the poliovirus.

Since then, about 260 sewage samples in Rockland and Orange counties were tested for poliovirus and 21 were positive, including one in Orange County dating back as far



Three doses of the polio vaccine used in the U.S. are at least 99% effective at preventing paralysis, according to health officials.

as April, according to the CDC report. That sample didn't have enough genetic material available to link it to the confirmed case.

Wastewater samples collected in Rockland County in May, June and July, and in Orange County in June and July, have been genetically linked to

the case, and samples in New York City also tested positive for the virus. Wastewater data from August haven't been released.

The findings represent the second time since 1979 that there has been evidence of the virus transmitting within the U.S., the report said.

Electrical Brain Stimulation Is Shown to Boost Memory

By Aylin Woodward And Daniela Hernandez

Zapping the brain with weak electrical currents that mimic normal neural activity can boost memory in healthy older adults, at least over the short term, researchers said in a study published Monday in the journal Nature Neuroscience.

Electrical stimulation of the brain as a potential tool for enhancing memory is a growing field of research, with experiments showing that the ability to recall memories depends upon synchronized activity between different brain regions.

The new research, conducted on people over age 65, "adds to the growing evidence that noninvasive stimulation mimicking the rhythmic brain activity that supports cognition can improve memory" in this population, said Joel Voss, a University of Chicago professor of neurology who wasn't involved in the research.

For the study, a team of researchers led by Boston University neuroscientist Robert Reinhart conducted a series of experiments to test the effects of noninvasive electrical brain stimulation on 150 people between 65 and 88 years of age. Participants listened to and then tried to recall a list of 20 words spoken slowly to them as the researchers stimulated specific regions of their brains via electrode-studded elastic caps worn on their heads for 20 minutes.

The researchers found that repeated delivery of low-frequency currents to a brain region known as the parietal cortex—located in the upper back portion of the organ—improved recall of words toward the end of the 20-word lists. When the researchers targeted the prefrontal cortex at the front of the brain with high-frequency currents, the study participants saw improvements in their ability to remember words from the beginning of the lists.

When the scientists swapped the frequencies—delivering high-frequency pulses to the parietal cortex and low-frequency pulses to the prefrontal cortex—they saw no improvements. Similarly, they saw no improvements among participants in a control group, who received no



Shrey Grover, a co-author of the new study, administering brain stimulation to a research participant.

electrical stimulation.

The electrical stimulation improved both short- and longer-term memory lasting minutes by about 50% to 65% over four days of treatment, Dr. Reinhart said. The improve-

ments persisted one month after the treatment sessions. Short-term, or working, memory involves storing information over a period of seconds like remembering a phone number someone just gave you.

Long-term memory involves storing and then retrieving information over minutes, days, months or years.

"This is one of the first—maybe the first—study to look at, not just stimulating the

brain, but really a brain area with a specific frequency to have a specific effect on memory," said Daniel Press, chief of the cognitive neurology unit at Beth Israel Deaconess Medical Center in Boston, who wasn't involved in the research.

The technique aims to change the timing of brain cell activity and to direct the brain's ability to rewire its neural circuitry, a phenomenon known as plasticity, according to Shrey Grover, a coauthor of the new study. "This plasticity is what allows the effects to be carried forward in time even when the stimulation has ended," he added.

Though the apparatus used in the experiments is light-weight and easy to use, Dr. Reinhart said, it hasn't been cleared for clinical use by the U.S. Food and Drug Administration and for now is available only in research settings.

"It will take more work to turn this into something that could actually help people with memory impairments," said University of New Mexico neuroscientist Vincent Clark, who wasn't involved in the new study.



"My victory is taming my demons and learning to live again." While serving in Kosovo, Adam was severely injured and left with a traumatic brain injury. Back home, he fought depression, anxiety and alcohol. With support from DAV, Adam was able to build a new life. DAV helps veterans of every generation get the benefits they've earned—helping more than a million veterans each year. Support more victories for veterans. Go to DAV.org.



A6 | Tuesday, August 23, 2022

Zelensky Warns Against Prisoner Trials

Ukrainian president says such proceedings would preclude talks with Moscow

By Ian Lovett and Mauro Orru

ODESSA, Ukraine—The leader of a Russian-backed breakaway region in eastern Ukraine announced details of plans to put captured Ukrainian soldiers on trial in Mariupol, a move that Ukrainian President Volodymyr Zelensky warned would mean an end to all talks between Kyiv and Moscow.

Denis Pushilin, head of the self-proclaimed Donetsk People's Republic, told Russian state television Monday that preparations were nearing completion for the trial of soldiers who were captured after holding out for months at Mariupol's Azovstal steel plant. "Material on 80 cases of Azov crimes is completely ready," he said. Ukrainian officials have said

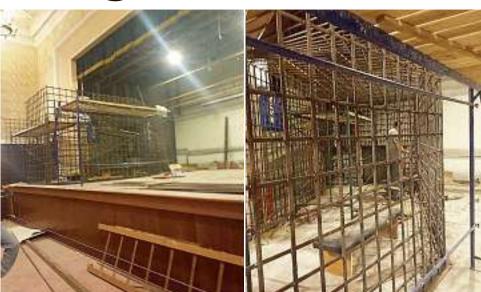
the trials could begin as early as Wednesday, the country's Independence Day, which also will mark exactly six months since the war began. They also have released photos that they claim show pro-Russian officials have built a cage to hold defendants on stage at Mariupol's philharmonic hall, where they say the trials will take place.

Mr. Zelensky said such a trial would cross a red line, and called on world leaders to join him in denouncing it. "If this despicable show trial takes place," he said in a video posted online Monday, "Russia will cut itself off from negotiations."

No direct talks have taken place between the warring sides in months, and friction has grown in recent weeks as explosions have shaken the Zaporizhzhia nuclear plant and pro-Ukrainian partisans have stepped up attacks inside Russian-held territory.

Russian troops, who seized the plant in the early days of the war, have been using it as a base from which to shell Ukrainian-held territory across the Dnipro River, according to Ukrainian officials. Russian officials say Ukrainians are shelling the plant, and have threatened to disconnect it from the power grid for what they say are safety reasons.

Monday, Valentyn Reznichenko, the governor of the Dnipropetrovsk region, said 42 grad rockets and barrel bombs overnight hit Nikopol, across the Dnipro River from the nuclear plant, injur-



Kyiv has released photos that it claims show a cage built by pro-Russian officials in Mariupol's philharmonic hall to hold Ukrainian soldiers captured at the Azovstal steel plant in that city.

ing at least four people, damaging 50 homes and knocking out electricity for some 2,000 residents. He said the nearby districts of Kryvorizka and Sinelnyk also were shelled.

The commander of the Ukrainian armed forces, Valery Zaluzhnyi, said Monday that 9.000 Ukrainian fighters have been killed since the invasion began in February, according to Ukrainian media. It is the

first time Kyiv has announced sia seized in 2014. military casualty figures.

Russia hasn't announced casualty figures for months. Attacks in Russian-held territory including inside Russia itselfhave increased in recent weeks.

During the past week, explosions have rocked airfields and ammunition depots in Belgorod, a Russian border region, and Crimea, the southern Ukrainian peninsula that Rus-

Mikhail Razvozhaev, head of the Russian-installed government in the Crimean city of Sevastopol, said the city's air defenses were again active Sunday night. He posted a video of himself inspecting bomb shelters.

'The main task of the enemy is to sow panic, and we must not succumb to provocations," he said. "Sevastopol is under reliable protection."

Russia has continued rocket strikes on major Ukrainian cities, including Odessa in the south, where a deal brokered by Turkey and the United Nations to resume the export of grain from Black Sea ports is being monitored by the Ukrainian military amid constant threats of Russian attack.

Officials in Odessa said that its air defenses intercepted two Russian Kalibr missiles fired from Russian ships on the Black Sea early Sunday, with three other missiles hitting an agricultural enterprise near the city and damaging grain silos there. Russia didn't comment on the allegations.

However, military analysts say Russia's campaign to take control of the rest of the Donetsk region in eastern Ukraine is flagging. Since capturing the cities of Severodonetsk and Lysychansk, pro-Russian forces have pushed on toward Bakhmut. But their advances toward the city have stalled, according to the Institute for the Study of War, a Washington-based think tank, which said the slow progress in the east reveals a fundamental weakness in the Kremlin's war effort.

—Nikita Nikolaienko contributed to this article.

Kremlin Blames Kyiv in Killing of Putin Ally's Daughter

By Ann M. Simmons

MOSCOW-Russian authorities blamed Ukraine for the killing of Daria Dugina, the daughter of a prominent farright Russian ideologue, in a car bombing over the weekend.

Kyiv has denied playing a role in Ms. Dugina's death.

Russia's Federal Security Service, the country's chief security agency, said Monday that investigators established that "the crime was planned and committed by the Ukrainian special services," and identified the perpetrator as a Ukrainian woman.

According to Russian inves-

tigators, the woman arrived in ander Dugin, an ally of Russian Russia on July 23 with her 12year-old daughter. She crossed the border in a Mini Cooper car with a license plate from the Donetsk People's Republic, a pro-Russian breakaway region of Ukraine. She later changed the plates to Kazakh ones in

Moscow, investigators said. The woman rented an apartment in the same building where Ms. Dugina lived and on Saturday went to a literary cultural festival outside Moscow city center that Ms. Dugina also attended as a guest of honor, Russian investigators said. Ms. Dugina's father, Alex-

President Vladimir Putin, was a speaker at the event.

Moscow region investigators said the Toyota Land Cruiser that Ms. Dugina was driving when she left the event exploded Saturday at about 9 p.m. as the likely result of a bomb placed inside. The explosive was detonated remotely, the Federal Security Service said.

According to investigators, the perpetrator of the bombing left Russia for Estonia through Russia's western Pskov region, which borders the European Union. She changed the license plates on

her car to Ukrainian plates to depart the country, they said.

Russia's claims couldn't be verified independently. The Wall Street Journal couldn't reach the Federal Security Service by phone, and the agency didn't respond to a written request to confirm details of the investigation or to provide further information.

Estonia's Police and Border Guard Board said in an email that it could share information about individuals entering and leaving its country "only in cases prescribed by law" and that Russia's accusations didn't meet this criteria. The agency

request for information from Russia concerning the matter.

The Journal couldn't independently reach Ms. Dugina's father, who for years has called on Russia to expand its territory and re-establish its empire by seizing Ukraine. She had long been a vocal supporter of his unique brand of Russian nationalism, called Eurasianism.

Mykhailo Podolyak, an adviser to Ukrainian President Volodymyr Zelensky, suggested that Russia is out of touch with reality in its attempts to blame Ms. Dugina's death on a Ukrainian woman and her

said it hadn't received an official child. "Ru-propaganda lives in a fictional world," he tweeted. Mr. Putin sent his condo-

lences to Ms. Dugina's family, saying, "A vile, cruel crime cut short the life of...a bright, talented person with a real Russian heart," according to a Kremlin statement.

comments In through Konstantin Malofeev, chairman of the board of directors of the Tsargrad media group, on whose TV channel Ms. Dugina was a frequent guest, Mr. Dugin praised his daughter as "a beautiful Orthodox girl, patriot" and called for her death to be avenged.



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U.S. Moves to Close Loopholes, Toughen Sanctions on Russia

By Ian Talley

WASHINGTON—The U.S. has imposed a set of powerful sanctions against Russia's economy to punish it for the invasion of Ukraine. Now, U.S. officials are pushing to ensure they are effective, closing loopholes, lobbying other nations for support, and cracking down on people abetting Russia's evasion.

Administration officials say the goal of this second phase is to cut off what avenues remain that provide revenue and imports President Vladimir Putin needs to prosecute the war, even as Europe continues to purchase significant volumes of oil and gas from Russia. That means targeting foreign banks and cryptocurrency platforms that help Russia maintain access to international currencies, taking over bank accounts and corporate assets of blacklisted oligarchs, and penalizing foreign companies caught exporting controlled goods to the country.

It also means trying to persuade countries such as China and India, which haven't joined the Western economic pressure campaign, to tamp down money and exports still flowing into Russia.

Washington's goal is to "em-

Turkish Businesses

Get Trade Warning

ministration warned Turkish

businesses against working

with sanctioned Russian insti-

tutions and individuals, intensi-

fying U.S. pressure on a NATO

strong relationship with Russia

during its invasion of Ukraine.

the American Chamber of Com-

merce in Turkey viewed by The

In a letter dated Aug. 22 to

ally that has maintained a

ISTANBUL-The Biden ad-

power the Ukrainians to defend themselves, degrade Russia's ability to fight this war [and] to project power in the future," Deputy U.S. Treasury Secretary Wally Adeyemo said last monthat the Aspen Security Forum, a conference on national security and foreign policy issues.

In late February and March, the U.S. and its allies launched a wide-ranging sanctions campaign against Russia, hitting Moscow's emergency cash reserves and blacklisting its biggest financial and corporate institutions. They also imposed restrictions on critical exports and took aim at the assets of Russia's oligarchs, a critical source of support for Mr. Putin.

But Russia continues to sell huge volumes of oil and natural gas, which remain largely unsanctioned, effectively funding its war machine and economy with cash from Western nations dependent on Russian energy exports. Other data suggests that though many countries are complying with the sanctions, Russia maintains significant trade with other states.

All that has enabled Moscow to continue prosecuting the war and keep its economy afloat, analysts say, and some view stepped-up enforcement as worthy but with limited deterrent effect.

Wall Street Journal, Deputy Secretary of the Treasury Wally Adeyemo said that Turkish companies were at risk of coming under U.S. sanctions if they did business with sanctioned Russian individuals. He sent an identical letter to Turkey's top business association, the Turkish Industry and Business Association, according to a person fa-

miliar with the correspondence.
The Turkish government
has maintained relations with
both Russia and Ukraine
throughout the war.

—Jared Malsin

Demand for LNG Tankers Surges

By Georgi Kantchev And Joe Wallace

Europe's energy crisis has unleashed a global battle over natural-gas tankers, leading to a shortage of ships and further boosting the fuel's record prices.

European countries ramped up their purchases of liquefied natural gas from the U.S., Qatar and other sources this year as Russia cut supplies to the continent. They are competing with peers in South Korea and Japan—where gas demand has surged during a heat wave—for a finite amount of supply ferried by a limited number of vessels.

The jostling has increased orders for new tankers transporting LNG—specialized ships the length of three football fields—as well as their price. Rates to charter existing tankers have jumped too, which has helped push gas prices to records in Europe and Asia.

Gas prices in Europe jumped a further 15% Monday after Russia said it would temporarily close a major pipeline for unexpected maintenance later this month. The rise in Europe dragged the U.S. natural-gas market up 3.7% to its highest level since 2008. Traders expect gas prices and tanker rates to zoom even higher if China, where demand has been curtailed by Covid-19 lockdowns, steps back into the market before winter.

The race to secure tankers is another sign of the reshuffling of the global energy map following Russia's invasion of Ukraine. The war has intensified competition for tight energy supplies, reoriented commodity flows and fractured parts of the global oil-and-gas market, with supporters and opponents of Russia paying different prices.

LNG and the tankers that carry the fuel were in high demand even before the conflict, as extreme weather curtailed hydropower and many economies sought to ditch coal to reduce carbon emissions. The war has turbocharged that trend.

Before the war, Russia cov- to fill storage



Europe's energy crisis has sent charter rates and prices for liquefied national gas tankers soaring.

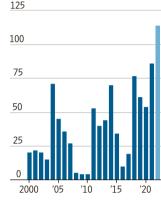
ered 40% of the European Union's gas supplies, mostly via a network of pipelines. Given that it will take time to upgrade the continent's pipeline network to receive imports from other nearby exporters, the main short-term alternative is LNG, which can be bought from producers further away and shipped, albeit at a higher price.

In the production of LNG, gas is chilled to minus 260 degrees Fahrenheit and shrunk to a liquid that can be stored and shipped to terminals. There it is returned to a gas state and used to power factories and heat homes.

Just one LNG tanker is available to be chartered for a single voyage in Asia two months or more from now, said Jason Feer, head of business intelligence at Poten & Partners, a shipbroker. None is available in the Atlantic Ocean.

"Everything out there is going to be snapped up," said Toby Copson, head of trading and advisory at Shanghaibased Trident LNG. "Effectively you've got Europe and Asia bidding against each other and propping the market up."

The scramble for ships adds another challenge for Europe, where governments are racing to fill storage facilities ahead Number of new LNG tankers ordered each year



Note: Data for 2022 through Aug. 18 Source: Clarksons Research

of the heating season and companies are buckling under high gas prices. Russia has capped deliveries to Germany via the key Nord Stream pipeline at 20% of its capacity, blaming Western sanctions. German and European officials have called the throttling an economic attack.

Amid the gas rush, daily charter rates for existing tankers that traders will take hold of between mid-September and mid-November have risen to \$105,250 a day, up from about \$64,000 now and about \$47,000 a year ago for vessels heading from the U.S. to Europe, accord-

ing to Spark Commodities. Rates were above \$100,000

Rates were above \$100,000 a day in June, before dropping when a fire at an LNG export facility in the U.S. reduced exports and demand for boats. Analysts and traders expect them to rebound because trading companies have booked many more boats on a long-term basis to make sure they can ferry LNG.

Traders are going on a buying spree for ships. Customers have shelled out \$24.1 billion on orders for new LNG tankers—including orders for eight vessels in August—so far in 2022, according to Stephen Gordon, managing director at London-based shipping firm Clarkson. They have already blown past the full-year record of \$15.6 billion from 2021.

Currently, 257 vessels are on the order book globally, according to consulting firm Rystad Energy. Ship makers in South Korea, the world's biggest producer of LNG tankers, don't have free capacity for new orders until 2027, Rystad estimates.

Among the biggest buyers of LNG tankers is Qatar, one of the world's largest LNG exporters. This tiny Persian Gulf kingdom has emerged as one of Europe's best hopes to wean itself off Russian gas.

Strikes on Crimea Vex Moscow

Continued from Page One command and control and ultimately the capabilities of the Black Sea Fleet itself."

The Western official said that since the recent explosions, Russia's Black Sea fleet is struggling to function as anything more than a coastal defense flotilla that occasionally conducts missile strikes. The hits have also all but upended any designs Russia had to launch an amphibious assault on Odessa, he said.

Since the start of the invasion, Crimea has been a reliably safe rear base to oversee Russia's occupation of the territory along Ukraine's southern coast. but Mr. Spencer said the recent strikes have weakened the security bubble of radar and air power the fleet had built around itself to act with impunity in the Black Sea. Russia could now be thinking about options to temporarily move the fleet's remaining ships elsewhere, potentially creating new logistical headaches for Mos-

cow, he said.

Tensions are increasing elsewhere. The leader of a Russianbacked breakaway region in eastern Ukraine, Denis Pushilin, announced details of plans to put captured Ukrainian soldiers on trial in Mariupol, which President Volodymyr Zelensky of Ukraine warned would mean an end to all talks between Kyiv and Moscow.

Ukrainian officials have said the trials could begin as early as Wednesday, the country's Independence Day, which also will mark exactly six months since the war began.

Meanwhile, Russian officials said they identified the perpetrator of the weekend car bombing of Daria Dugina, the daughter of a prominent farright Russian ideologue. Russia's investigators said a Ukrainian woman carried out the attack; Kyiv has denied a role in the car bombing, and Russia's claims couldn't be verified independently.

While Mr. Zelensky's government is far from launching an



Smoke rose from explosions at a key Russian air base on the Crimean Peninsula earlier this month.

offensive on Crimea, it says it wants to take back the peninsula after Russia seized it following the ouster of a pro-Russian president in Kyiv. Part of Ukraine since the Soviet era, Crimea had always been a strategically important territory for Moscow.

"One can literally feel in the air of Crimea that the occupation there is temporary, and Ukraine is returning," Mr. Zelensky said Saturday.

How these strikes will work into a broader counteroffensive against the Russians in the south has yet to be seen. Kyiv's

How the strikes will work into a broader counteroffensive has yet to be seen.

immediate goal is to push Russian troops out of Kherson, one of the few territories Moscow has occupied west of the Dnipro River. Ukrainian forces have focused on hitting supply lines and bridges over the river to isolate Russian troops there in the hope they will pull back.

Velina Tchakarova, director of the Austria Institute for European and Security Policy, said the blasts might not be heralding a broad military counteroffensive, but could be part of a policy of eroding Russian capabilities with the weapons at hand.

"In the absence of Ukraine's abilities to conduct a major counteroffensive, Ukraine is degrading Russia's abilities and sense of security to the best of its abilities," she said.

Regardless, the strikes are having a significant psychological effect on the Russian leadership, the Western official said.

The drone strike on one of the Russian military's most heavily fortified bases made it as important symbolically as it was operationally.

Ukrainian officials didn't comment on the Black Sea incident, but they have hinted at involvement in a string of previous blasts.

Russia said Ukraine has deployed drones to various bases across the peninsula in recent weeks, activating air defense systems in places such as Yevpatoria, where the Russian-backed governor of Crimea, Sergei Aksyonov, said the Russian Defense Ministry shot down all the targets over the peninsula.

Military analysts said the strikes indicate how Ukraine is gaining a better understanding of how Russian air defenses work and is also now able to make effective use of intelligence and weapons provided by Western countries—a crucial step for a military almost dependent on U.S. and European-supplied weaponry.

"They are finally showing that weapons deliveries make sense and make a difference on the battleground," Ms. Tchakarova said. "Right now that makes all the difference."

—Natalie Gryvnyak contributed to this article.

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Scan this code for a video on why Crimea is a focal point in the Ukraine war. Glamorous Style from Italy

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A8 | Tuesday, August 23, 2022

Pakistan Ex-Leader Faces Arrest

The government says Imran Khan should be charged with terrorism for his critical rhetoric

By SAEED SHAH

ISLAMABAD, Pakistan—The showdown between Imran Khan, who was ousted as Pakistan's prime minister in April, and the country's government and army intensified as authorities threatened to arrest the former leader on a terrorism charge.

Mr. Khan's term ended with a vote of no-confidence in Parliament after he lost the backing of the country's powerful military. Since then, the former cricket star relentlessly has criticized the new government and army in rallies nationwide, and called for new elections.

Mr. Khan's supporters on Monday formed a human blockade around his hilltop mansion on the edge of the capital, after a lower court judge filed a case against him under an antiterror law for allegedly threatening police and a judge in a speech over the weekend. Later in the day, his lawyers secured protective bail from the Islamabad High Court for three days. which means he can't be arrested in that time. The same court however, started contempt of court proceedings Monday against Mr. Khan over his comments about the judge.

The shaky coalition government, led by Prime Minister Shehbaz Sharif, says it opposes elections now because it must shore up the economy. Government officials say Mr. Khan ran the economy into a crisis in his 3½ years in power, and that he was removed through democratic means.

The real clash, say analysts, is between Mr. Khan and the army chief, Gen, Oamar Baiwa, A key reason why Mr. Khan is de-



Imran Khan at a rally in Islamabad on Saturday. The ousted prime minister is calling for new elections.

manding immediate elections and the government wants to wait until next year—is that the prime minister who is in power in November this year will take charge of the crucial decision of appointing the next army chief.

The former prime minister, who took an increasingly anti-Western line while in power, has accused the U.S. of conspiring with Pakistan's military leadership and his political opposition to end his term. Washington has denied intervening, and Pakistan's military has said it doesn't interfere in politics.

Pakistan is a longtime U.S. ally and recipient of billions of dollars of military support for the war on terror. But Mr. Khan's anti-American rhetoric has resonated in Pakistan, where Washington has backed previous military dictators. In more recent years, the U.S. has edged closer to rival India. America's two-decade war in Afghanistan—staunchly opunpopular in Pakistan.

Bilal Gilani, executive director of Gallup Pakistan, a pollster, said that Mr. Khan's support is higher than it was when he was elected in 2018. Mr. Khan's party, Tehreek-e-Insaf, won a series of by-elections in recent weeks, including in the southern city of Karachi on Sunday, where his party got more than double the vote of the government's candidate.

"People's opinions are shifting very rapidly. But if elections were to happen tomorrow, there is very little doubt that Imran Khan would form the government," said Mr. Gilani. "His narrative of an American conspiracy is clicking."

Mr. Khan broke through Pakistan's two-party political system to win the 2018 election, after struggling in opposition for more than two decades. He had help from the military, his opponents say.

Once in office, Mr. Khan fell posed by Mr. Khan—also was out with the army over key terests, its own view of the national interest. On that basis. it makes partnerships and breaks partnerships." In a speech Sunday in the

"The military has its own in-

northern city of Rawalpindi, which houses the headquarters of the army, Mr. Khan said the armed forces proclaim themselves to be neutral in politics, but that the moves against him came from "the boots," a thinly veiled reference to the military.

"I want to ask you whether you are neutral or not?" he asked a crowd of thousands, the first gathering in a series of nationwide planned rallies.

Mr. Khan's chief of staff, Shahbaz Gill, was arrested for sedition this month after he said that army personnel shouldn't follow illegal orders from their superiors. Mr. Khan alleges that Mr. Gill was tortured in custody. The government says medical examinations haven't found evidence of torture.

In recent days, the authorities also took a news channel that backed Mr. Khan off the air, and banned live transmission of his speeches. A longrunning legal case could see Mr. Khan barred from politics over his party receiving illegal campaign financing from abroad.

There was a similar crackdown on the media and opposition when Mr. Khan was in power, with dozens of his opponents jailed on corruption allegations that were never proven in court.

The political turmoil has shaken the economy, with the rupee plummeting and the business community pleading for stability. Inflation was already shooting up when Mr. Khan was ousted but the new government has gotten much of the blame, as the shock waves from the Ukraine war drove fuel and other prices up further. Inflation hit 42% in a weekly official index released last week.

Taiwan Hosts Governor Of Indiana

By Joyu Wang AND MIHO INADA

TAIPEI-Taiwan hosted its first sitting U.S. governor in nearly three years on Monday when Indiana's Eric Holcomb met in Taipei with the island's president, the latest in a string of visits by U.S. officials amid simmering tensions with China.

Mr. Holcomb, a Republican, was careful to avoid commenting on Taipei's frictions with Beijing, which claims Taiwan as part of China and launched live-fire military drills in response to previous visits by U.S. lawmakers, including House Speaker Nancy Pelosi. Instead, he cast the visit as an opportunity to boost trade ties between Taiwan and Indiana.

"It's a timeless truth that who you partner with matters," Mr. Holcomb told Taiwanese President Tsai Ing-wen during their meeting. The people of Indiana and Taiwan "share so many common values, interests and goals," he added.

Idaho's Brad Little was the last U.S. governor to lead a delegation to Taiwan in 2019.

Taiwan has been eager to cultivate tighter economic ties with the U.S., in part to reduce its reliance on China, the island's largest trading partner. Ms. Tsai highlighted Taiwan's status as the world's leading producer of advanced microchips and called for more collaboration among democratic countries.

China's Taiwan Affairs Office didn't respond to a request to comment. Beijing has condemned visits by U.S. officials to the island, saying they violate China's sovereignty.

FROM PAGE ONE

domestic and foreign policy is-

sues. The army has always

tried to keep relations with

Washington healthy, which

was imperiled by Mr. Khan's

reaching out to U.S. foes such

as Russia. Much of Pakistan's

military hardware is American.

odds with Gen. Bajwa over the

appointment of the head of

the military's Inter-Services

Intelligence, a spy agency that

wields enormous influence in

domestic politics. This friction

led the army leadership to

support the move in Parlia-

ment that removed Mr. Khan,

say his aides and opponents.

over the levers of power be-

tween elected governments and

the army means that no prime

minister has ever completed a

nent partner of any political

group," said Hasan Askari

Rizvi, a defense analyst based

in the eastern city of Lahore.

"The army is not a perma-

five-year term in office.

Repeated tussles in Pakistan

In particular, he was at

Worst IPO Market in Decades

Continued from Page One ued three years ago, a Klarna spokeswoman said.

StockX, an online marketplace that sells sneakers, streetwear and other items, had planned to go public as early as the second half of 2021, people familiar with the matter told The Wall Street Journal last year. But StockX has yet to file IPO paperwork. In June, the company laid off 8% of its workforce. The company declined to comment.

Fewer companies going public is typically viewed as bad news for the economy and investors.

An IPO, especially when a company is younger with more room to grow, can allow more small investors to benefit from future gains. Publicly traded firms must register with regulators and provide more transparency around their finances. Big-name IPOs are typically the kinds of high-growth companies that helped the stock market rise for a decade after the financial crisis.

Bankers and lawyers who work on IPOs said companies that decide to brave a fall or early winter stock-market debut this year may need to halve their valuations after two years of roaring markets private investors plowed cash into money-losing companies at sky-high valuations.

Top IPO lawyers say they are "pencils down" for almost all their expected deals this year, and that some companies looking to 2023 IPOs are pushing off hiring bankers.

Denny Fish, a portfolio manager at Janus Henderson Investors, typically buys shares of growth companies in their IPOs. He said he doesn't plan to participate in any IPOs until 2023 at the earliest.

"It might feel a little better because the market has bounced in July, but there's still so much uncertainty," Mr. Fish said. "There's just not a market for companies coming public right now."

As of Friday, the tech-heavy Nasdaq Composite was down 19% in 2022. That's up from its mid-June trough, when the in-



The New York Stock Exchange in Manhattan. The IPO market is on track for an even worse year than during the financial crisis.

KLARNA

dex was trading off more than 30% for the year.

cryptocurrencv Notable startups, food-delivery companies and financial-technology firms are among the companies that had planned 2022 IPOs. As time passes and their cash reserves diminish, companies may need to tighten their belts as financing gets tougher.

Some, such as rapid-delivery startup Gopuff, are cutting costs by laying off workers. Grocery-delivery company Instacart Inc. and payments company Stripe Inc. have slashed their private valuations. Others have had to raise new money at steep discounts to prior financing rounds.

Many fund managers agree with Mr. Fish. Those who bought stock in the blockbuster IPOs in 2020 and 2021, including trading platform Robinhood Markets Inc., electric-vehicle maker Rivian Automotive Inc. and restaurantsoftware provider Toast Inc., are saddled with big losses.

Even though the IPO market isn't healthy right now, many companies still have a burning desire to go public, bankers say. Some need the cash. Others are running against a ticking clock for restricted stock units issued to employees through vesting

\$50 billion 40 30 20 20

Source: PitchBook

Post-money valuation

INSTACART

plans. And some are eyeing acquisitions but need stock or money to complete offers.

"I don't think a lot of companies that are private right now expected they'd be private by now," said Barrett Daniels, U.S. IPO co-leader at

accounting firm Deloitte LLP. He said companies that money, especially founder-led firms, may struggle with the lower valuations their companies might now command. "It's a really, really hard pill to swallow. Going

2016 '17 '18 '19 '20 '21 '22 '20 '21 '22

> backwards is hard to compute," he said.

There are a handful of companies determined to go public in 2022, people familiar with the matter said, including Intel Corp.'s self-driving car unit Mobileye, Instacart, and American International Group

spinoff Corebridge Financial. Other offerings, including SoftBank Group Corp.'s Arm, a chip-design specialist, following its failed sale to Nvidia Corp., are expected within the first few months of 2023, peo-

Total VC deal value for late stage startups

\$250 billion 200 150 100 2005 '15 '20

*2022 data as of August 8

ple familiar with the matter

There are many reasons for the IPO drought. Late last year, fears of inflation and subsequent Federal Reserve rate increases spooked investors who put money into companies that promised big growth but have little or no current profits. High-growth companies sold off and inflation fears accelerated, with many analysts warning of a coming recession, driving shares of profitable companies The economy contracted at

an annualized rate in two consecutive quarters, a common definition of a recession, and volatility climbed.

Fund managers hunkered down, attempting to protect against big losses, which meant avoiding taking extra risks, like newly public compa-

Meanwhile. IPO advisers and investors agree the IPO playbook is changing: They say the first companies to go public after the markets calm down should be profitable, fairly large, and "must own" names—companies that are well-known and leaders in their specific industry.

Many private companies are taking note. Thanks in part to cost-cutting, Instacart, for example, was profitable in the second quarter of this year under generally accepted accounting principles, according to a person familiar with the matter.

Revenue for Instacart during the three months ended in June climbed 39% from the year-earlier period to \$621 million, investors told The Wall Street Journal, the highest quarterly revenue in Instacart's history.

Though some companies including Klarna were forced to face a sharp valuation cut because they needed to raise more money, many others aren't hurting for cash yet, because they raised a lot in 2021 before the market turned. Last year, U.S. venture-backed companies raised nearly \$330 billion, almost double the previous record raised in 2020, according to research company PitchBook.

Although the stock market is bouncing back and some secondary stock offerings have performed well, bankers fear what a poor showing by a new issue could do to the IPO market.

In May, Bausch + Lomb Corp. went public when virtually no one else was doing so, and investors were largely uninterested. The eye-care company priced its stock at \$18 a share, far below its expectations. It commanded a valuation of about \$6.3 billion, less than half of what the company had been hoping to reach just months earlier, people familiar with the matter said. A company spokeswoman declined to comment.

Now the stock trades around \$15.50 a share.



FAMILY & TECH JULIE JARGON

ongratulations, you'll soon be able to buy over-the-counter hearing aids. But know this: Getting hearing aids from CVS won't be the same as grabbing a pair of reading glasses off the rack.

Hearing aids have long required professional fitting from an audiologist and an out-of-pocket investment of several thousand dollars, creating a barrier for many patients. The Food and Drug Administration's ruling last week allows retailers to sell hearing aids to adults with mild to moderate hearing loss without a clinical assessment. The FDA expects this to remove barriers and reduce costs for more than 20 million American adults.

Consumers will be able to find hearing aids online and at retailers including Best Buy, CVS and Walgreens, as early as mid-October. The FDA estimates over-the-counter hearing aids could cost up to \$2,800 less than a pair purchased through an audiologist. It isn't yet clear if insurance companies will help cover the cost.

The goal of establishing this new category is to help people before their hearing is so bad that they need professionally fitted hearing aids. After first experiencing hearing loss, it takes people an average of five to seven years to seek help, according to the Hearing Industries Association. Delaying hearing assistance can result in cognitive decline, social isolation and depression, the FDA said.

But how will you know which hearing aid is right for you? How will you compare the features offered by various manufacturers? We might eventually see ratings and a common vernacular for comparing features such as speech enhancement. In the meantime, here are considerations to keep in mind when buying hearing aids over the counter.

What to look for

Appearance. One deterrent to getting hearing aids is how they look. People often feel that hearing aids—especially the over-theear beige ones—will make them look old. Many newer models are sleeker and more discreet, resembling Bluetooth earbuds. Some are so small, they're unnoticeable.

Battery life. It's annoying to have charging downtime during the day, and it's expensive to buy two sets of hearing aids. Many of the newer earbud varieties are rechargeable and come in a charging case. Check to see how many hours the hearing aids can last on a single charge—and how long it takes to charge them.

Bluetooth connection. Many enewer hearing aids can double as earphones, connecting wirelessly to your phone for calls and me-

THE WALL STREET JOURNAL.

Comparison Shop for OTC Hearing Aids

Consider how the various options fit your lifestyle; 'like buying a car'





SHOULD I GET ONE?

How do you know if you're a candidate for a hearing aid?

- ► People have told you. Often the first indication that there's a problem is when loved ones tell you they suspect you have a hearing problem.
- ► You turn up the volume. Do you have to crank up the TV or radio higher than others prefer?
- ▶ It's hard to hear in noisy places. Everyone has some trouble hearing in crowded restaurants, but if it's too hard to take part in conversations, that's a red flag.
- ► Listening makes you tired. When people have trouble hearing, they often compensate by reading peoples' lips, which can be fatiguing.
- ➤ You can go to an audiologist for a hearing exam, take an online screening test or try a smartphone app such as Mimi.



dia. If you don't want to switch between your hearing aid and a standard earbud, look for this Bluetooth capability.

App pairing. Many hearing aids can be controlled via an app. Some people love this, while others want all the controls on the device. Needless to say, for app control, a smartphone is required.

Customer support. Hearing aids are especially dependent on finetuning and troubleshooting. Some companies such as Eargo offer unlimited customer support with the one-time cost of the hearing

aids. Other companies might limit support or charge extra, so you should check. In addition, you can pay an audiologist to check your over-the-counter hearing aid.

Trial period. Some over-the-counter hearing-aid makers plan to offer a trial period. It can take weeks to get used to wearing them, so choose a brand that offers full refunds for up to at least 30 days. The FDA is requiring manufacturers to state their return policy on the label.

Price. You generally get what you pay for, so don't automatically opt

for the lowest-priced option unless it meets all of your criteria.

A learning curve

Hearing experts say there will likely be a lot of initial trial and error, with consumers returning some

hearing aids and trying new ones.

The FDA is requiring manufacturers to disclose certain technical specifications, including "maximum output limit value," "total harmonic distortion value" and "latency value." Clearly, we'll also need a lot of education as to what these terms even mean.

"Companies are going to try all sorts of stuff in this space, and

some will fail," says David Akbari, senior medical science, clinical and regulatory affairs liaison at medical-device maker Intricon, which plans to sell over-the-counter hearing aids. "The ones who win will come up with health-literacy information, like how to describe the characteristics of the devices."

The FDA will require over-thecounter hearing aids to be labeled as such. This is to differentiate them from inexpensive, nonregulated devices currently on the market that sit in your ear and amplify sound.

Consumer-hearing-aid advocate Janice Lintz is a proponent of standardizing certain features. Right now, what one manufacturer calls "mask mode" on a device—a setting to help listeners better hear someone who's wearing a mask—might be called "speech enhancement" on another. The FDA declined to require standardized terms, as it expects hearing tech to evolve.

Other hearing-industry experts say labels don't matter much, because all over-the-counter hearing aids must meet specific performance requirements for high-fidelity amplification, and they're required to be controllable and customizable by consumers.

"They're all using the same algorithms and processing technology," said Christian Gormsen, chief executive of Eargo, which has been selling hearing aids directly to consumers over the internet for five years and plans to soon sell its products in stores.

"It's like buying a car," he adds, noting that most drivers don't worry about how a car operates, but about how it fits their lifestyle. "You know a car can drive, but do you want a roomy car or a sporty car?"

Snorer, Tape Your Mouth Shut

Continued from the prior page ter in Boston. "Let's say you have some medical issues like acid-reflux disease," she says. "Having tape over your mouth might be detrimental."

Dr. Steven Park counters that many physicians are overly cautious. A former ear, nose and throat surgeon at Albert Einstein College of Medicine, he is a mouth taper who has blogged about the benefits. He hasn't seen documented cases of anything bad happening, he says, and "in the worst-case scenario, you wake up and take the tape off."

Mouth taping doesn't work for all snorers but might for those who breathe through their mouths while sleeping, Dr. Park says. Many mouth breathers wheeze when the jaw drops and the tongue falls backward, obstructing the airway, he says. Taping could bring silence by keeping mouths closed.

The idea of zipping lips for better sleep dates to at least the 1800s, when author George Catlin observed Native American mothers closing snoozing babies' mouths to encourage nasal breathing. He endorsed closed-lips sleeping in his book "The Breath of Life," later retitled "Shut Your Mouth and Save Your Life."

Taping remained largely hush-hush until 2019, when entrepreneur Nicho-



Dr. Steven Park, above, says many physicians are overly cautious about mouth taping; right, a SomniFix strip.

las Michalak appeared on the reality-TV show "Shark Tank" to pitch his company, SomniFix, and its lip-sealing adhesive strips. Inspired by his father, who had curbed snoring with a contraption of surgical tape and cardboard strips, he spent six months testing tape prototypes on himself, seeking a balance between too sticky and too weak. "I ended up being the guinea pig," says Mr. Michalak, the company's chief executive. "I experienced the downsides of really aggressive adhesives on my face."

A year later, author James Nestor promoted mouth taping in his book "Breath" as well as in interviews with Joe Rogan and National Public Radio. This year, videos of young mouth tapers have become popular



on TikTok, alongside comments calling the practice ridiculous.

Mr. Nestor says 80% of people who approach him after speaking engagements share mouth-taping success stories, sometimes saying in laughter or tears that it helped their relationships. "I wish they would talk about something else," he says. "It's such a teensy, teensy part of the book."

Mr. Nestor thinks some doctors worry people will seal their lips dangerously tight with, say, duct tape. He recommends a square of surgical tape about the size of a postage stamp that can be easily undone by moving the

lips apart. Wear the tape for five minutes while awake, he suggests, gradually adding minutes every day until comfortable sleeping with it.

Lara Briden has developed a protocol for taping comfortably. The 52-year-old New Zealand-based naturopathic doctor sticks a strip of surgical tape on her forearm to reduce some of its stickiness before sliding into bed to watch something with her husband on their laptop. When ready to sleep, she kisses her spouse, rolls over and moves the tape from arm to mouth.

"He knows when I've forgotten,"
Ms. Briden says. Her husband, Jonathan Briden, has considered taping her mouth during her slumber but concluded he didn't want to cross that line.

Nasal breathing can also make the nose release nitric oxide, which, among other benefits, makes sleep deeper, according to studies over the past three decades.

That potential intrigued Amy Nosta, a 51-year-old mom who home schools her children in New Jersey. So did the appeal of silencing her sleeping partner. "The loud squeak gets the grease," says her husband, John Nosta, 63, who runs a think tank focusing on technology in healthcare.

After Mrs. Nosta learned about mouth taping from Instagram last year, the couple found it worked on them both and say the upsides outweigh the diminished nighttime enunciation. "It's garbled," she says, "but you can still understand."

The remedy's benefits are largely anecdotal. The best-known mouth-taping-related research comes from Taiwan, where scientists studied

whether sealing the mouths of 30 patients with "habitual open-mouth breathing" could reduce snoring and obstructive sleep apnea, in which people might temporarily stop breathing. In a study published in 2015, they concluded that a patch, similar to tape, was useful in doing just that.

Another researcher, Dr. Ann Kearney of Stanford University's Voice and Swallowing Center, says she is organizing a similar study she hopes will include 300 patients.

Dr. Park, the mouth-taping advo-

cate, says that while tape might benefit people with mild sleep apnea, he suspects it won't help people with more severe forms of the condition.

Mr. Gesualdi of Rhode Island, age

74, had long tried to tame his thunderous snoring. He tried a retainerlike oral appliance, but it was uncomfortable, shifted his teeth and didn't always stay on all night.

Mrs. Gesualdi, who runs a women's boutique and says she's in her 70s, sometimes resorted to moving to another bed. "Of course he didn't like that," she says. "But let's face it: If someone constantly woke you up when you're in a deep sleep and you have work the next day, would you be happy?"

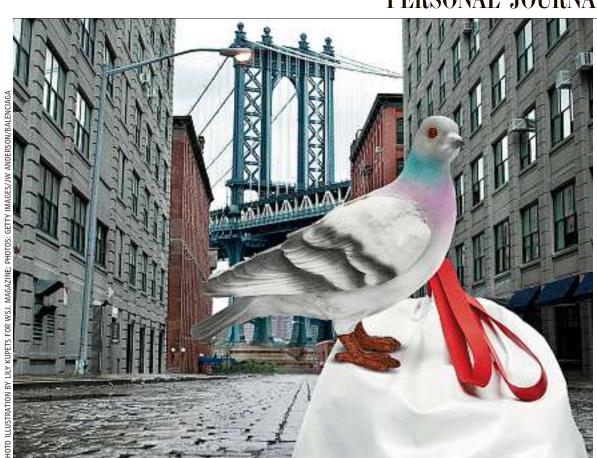
would you be happy?"

They saw the SomniFix pitch on "Shark Tank," and Mr. Gesualdi bought the product online. The tape worked, Mrs. Gesualdi says, and gave her a new bedtime routine: asking her husband if the tape is on and hoping for a muffled "yes."

"After all these years of being married to me and listening to me snore and all the craziness, I need to give my wife eight hours of sleep," Mr. Gesualdi says. "Otherwise she's a bear."

A10 | Tuesday, August 23, 2022

PERSONAL JOURNAL.



It's a Bird! It's a Plane! No, It's an \$890 Clutch!



ON TREND JACOB GALLAGHER

I'M AMBIVALENT about pigeons. Here in New York City, they're as ubiquitous as parking tickets. They leave me to peck at my phone just as I leave them to peck at steppedon pizza crust.

I'm certainly not about to carry one around. Others apparently feel differently: Behold the \$890, 3Dprinted resin "Pigeon Clutch" handbag from British fashion brand JW Anderson.

It has webbed brown toes, beady amber eyes and Oreo-tinted striations running down its "wings" and firm molded form. (One wing swings up to reveal a compartment.) It looks, well, like a pigeon.

The first release of the pigeon bag sold out, a representative for JW Anderson said, and a second run, which will ship in November, is available for preorder. It was the most-viewed product on the brand's website in August, the representative added. On social media, scads of people are crowing about it. "Horrified of pigeons but I'd die for this JW Anderson clutch," one tweet read. "JW Anderson is an absolute meme lord for making a £650 pigeon clutch," offered another.

This pigeon is part of a recent flock of unisex or men-targeted luxury handbags destined to stir up tweets and online takes. Louis Vuitton offers a \$2,850 men's leather "Paint Can" bag that is shaped like a tub of Sherwin Williams primer. It comes in just six colors. As one Twitter pundit wondered: "Since when carrying a

paint can is considered fashion?"

Then there is Balenciaga's \$1,790 "Trash Pouch," the spitting image of a half-stuffed Hefty bag, which according to the brand won't be available for weeks, but has generated press everywhere from Fox Business to the home-décor blog Apartment Therapy. Reactions often note that for the same price as one saggy leather clutch, you can purchase about 6,500 genuine Heftys. Such items are "clearly de-

signed to be shared," said Ana Andjelic, a brand executive and author of "The Business of Aspiration." "People talk about them, they grab people's attention. So, in that sense, it's the best brand advertising possible."

Will people buy these bags? Certainly. But online chatter and eyeballs, like the over 200,000 views of a woman's TikTok who bought AnBalenciaga's leather trash bag and JW Anderson's pigeon clutch are part of a wave of luxury curiosities.

derson's winged clutch (she named it "Perry the Pigeon"), are another measure of success. "It's so hard to actually get the attention of the consumer today, even on social media," said Thomaï Serdari, professor of marketing and director of the Fashion & Luxury M.B.A. program at New York University. "Sometimes you need that strong of a product to regain the attention that has gone elsewhere."

Today, as luxury companies release bags with the frequency of bird droppings, it seems the more comical, the more shareable, the more downright foolish the design, the better.

"These are conversation pieces," said Prof. Joseph Hancock II, the director of the retail-merchandising program at Drexel University and author of "Fashion Branding Stories." Those conversations, he noted, are often online, where the majority of his Gen Z students spend idle hours. "They all look at Instagram, they all look at TikTok. And so those things are the major vehicles for fashion change."

Since he bought it this summer, Eduardo Granja Bautista's bird purse has animated countless such conversations. "It's my most talked-about bag ever," said the 32year-old content creator in Mexico City. A video he posted to Instagram demonstrating how much his puny bag actually holds (more than you might think) has received over 3,000 likes and 130 comments, including many heart-eyes emojis.

Still, Mr. Hancock said, "most consumers aren't going to buy those bags." For brands, they're bait: See enough viral articles about that ersatz pigeon and you might search out JW Anderson for yourself, where you might buy a pair of sneakers or a more practical bag. By going viral, a brand gets a halo of cultural cachet, Ms. Serdari said: "If you buy something else, you're still very hip and very cool because you're part of that universe."

It's a play Balenciaga has run before: This year, it made global headlines by introducing pre-distressed \$1,850 sneakers.

Today's bizarro bags could be seen as the unruly grandchildren of the work of Judith Leiber, a Hungarian-born designer who starting in the 1960s made grin-inducing gemstone clutches depicting everything from french fries to a penguin in a top hat. Notably, contemporary Instagram influencers have newly cottoned to the brand's whimsical (and wildly expensive) clutches. Last year, Kylie Jenner posted a nearly \$6,000 lion-shaped clutch to Instagram—the gems twinkling through a phone screen.

As for shoppers, beauty is in the eye of the pigeon-holder. The message is, "I can have any tasteful thing and I'm choosing the pigeon bag," Ms. Andjelic said. She sees absurdist accessories as evidence of a recalibration in the luxury market, in which scarcity, quality and practicality often take a back seat to the shock, or smirk, factor. "Will it hold my phone" is suddenly less relevant



A bird in the hand is worth...\$890 for the 3D-printed resin handbag.

than will it make my friends go "Uh, what is that?""

Casey Pham, 30, who works in retail in Los Angeles, preordered Anderson's pigeon bag the moment he saw it. "It's just silly. I like birds," he said. "I thought it'd be funny to walk around town and people would think that I'm carrying a bird as a purse."

He recently carted his beaked companion to a friend's house where it earned a reception a real pigeon could only dream of: "They thought it was the best thing ever," he said. Online though, Mr. Pham has noticed people "just think it's obnoxious, which I kind of like." After all, if everyone had their own squab accessory, his would become as unremarkable as an actual pigeon.





Electric-vehicle buyers can get a credit of as much as \$7,500 for new EVs through 2032.

How to Navigate EV Tax Credits

By Ashlea Ebeling

or electric-vehicle shoppers, the decision to buy now or wait a few months could cost thousands of dollars.

Last week, President Biden signed the Inflation Reduction Act, a broad climate, healthcare and tax law. As part of the pact, the rules as to which vehicles qualify for an electric-vehicle tax credit have changed, including a new rule that requires final assembly in North America for purchases on or after Aug. 16.

More changes come as of Jan. 1, when vehicle-price limits and household-income limits kick in. For new EVs, no credit will be allowed for an individual taxpayer whose modified adjusted gross income is more than \$150,000, \$225,000 for head-of-household filers and \$300,000 for joint filers. For used EVs, no credit will be allowed for an individual taxpayer whose MAGI is over \$75,000, \$112,500 for head of household filers and \$150,000 for joint filers.

Taxpayers who are well over the new income limits need to act before year-end to get the credits. For those near the income limits, they can position themselves to be eligible in 2023 with some financial-planning steps.

"The new law drives a lot of investment in EVs, and in the long run it's going to

play a tremendous role in shifting our economy to electrification, but the consumer tax credits are awkward and in the short term confusing to people," says Joel Levin, executive director of the nonprofit EV advocacy group Plug In America.

Here's a guide to the new hurdles to claiming the credits.

What are the credits?

The maximum tax credit in the new law is the same as the old law. EV buyers can get a credit of as much as \$7.500 for new electric vehicles through 2032. And starting in January, there is a new tax credit of up to \$4,000 or 30% of the sales price, whichever is less, for used EVs, also through 2032.

Purchases between Aug. 16 and year-end

Shoppers who buy and take possession of an EV in this period are limited to vehicles with final assembly in North America.

To check whether a specific vehicle meets the final assembly rule, buyers can enter the make and model year and VIN into the National Highway Traffic Safety Administration's VIN Decoder.

Transition rule for pre-Aug. 16 purchases

EV buyers who entered into a binding contract to buy a new EV in 2022 before the Aug. 16

effective date can still claim

the credit based on the old rules, even if they take possession of the vehicle later.

Purchases in 2023 and

The manufacturer caps are lifted as of 2023. But price caps and income limits kick in, and new rules around battery components will limit the number of vehicles that qualify.

Income-limit workarounds

Congress designed the income limits as a cliff, meaning once you are over the amount, the credit is gone, says Mark Luscombe, a federal tax analyst at Wolters Kluwer Tax & Accounting. The limits aren't adjusted for inflation either, he adds.

But there is a potential workaround.

"For taxpayers who are hovering over the limits, it's not the end of the road. They may be able to benefit from the tax credit with the right tax planning," says Laura Caiafa, an enrolled agent in Hamden, Conn. A powerful way to lower modified adjusted gross income is by boosting contributions to a pretax 401(k) retirement account or a health-

savings account, she says. Another way to lower MAGI is to max out workplace dependent-care benefits and commuter benefits, Mr. Luscombe says.

ARTS IN REVIEW

MUSIC REVIEW | MARK RICHARDSON

A Too-Little-Known Troubadour

ometimes an underground musician has been at it so long it's hard to know where to jump in. Perhaps you heard a song you like on a streaming platform and then you click over to the artist's page and see that he or she has many albums already, and you have no idea which to check out first. Singer-songwriter Cass McCombs fits into this paradigm. He's successful by indie-rock standards, with releases that have done well on Billboard's Independent Albums charts, and he's a critical favorite, with several collections that have placed high on year-end lists. But he's not well known in the broader culture, and he's never been part of a scenehe grew up in Northern California but has been based in other cities, including New York and Baltimore. Since his 2003 debut full-length album, "A," he's released nine LPs, including a double, along with a rarity set. Where to begin?

Cass McCombs's 'Heartmind' walks a difficult line between cleverness and sincerity.

Mr. McCombs's new album, "Heartmind" (Anti-) out now, is as good a place as any. Like so much of his best work, it tackles hard questions and draws on a wide range of music, but it's ultimately accessible and easy to appreciate on first listen. Mr. McCombs experiments around the edges many of his songs are firmly in the realm of folk-rock, occasionally he lands on noisy psychedelia, here and there he adds a pinch of reggae. But the essence of his music is simple, building from his strummed acoustic guitar and his wry voice, which brings to mind that of Jackson Browne.

Though not identified as such, "Heartmind" is something of a concept album about music. Mr. McCombs dedicated the record to three artists he'd crossed paths with who died young in the past few years, and several songs touch on their shared history. On the opening track, "Music Is Blue," he sings over a taut, gnarled guitar riff, introducing the theme of songwriting as a balm and salvation but also a way to hide from the world, somewhere the complications of life can be avoided. "Music is my mistress" goes one

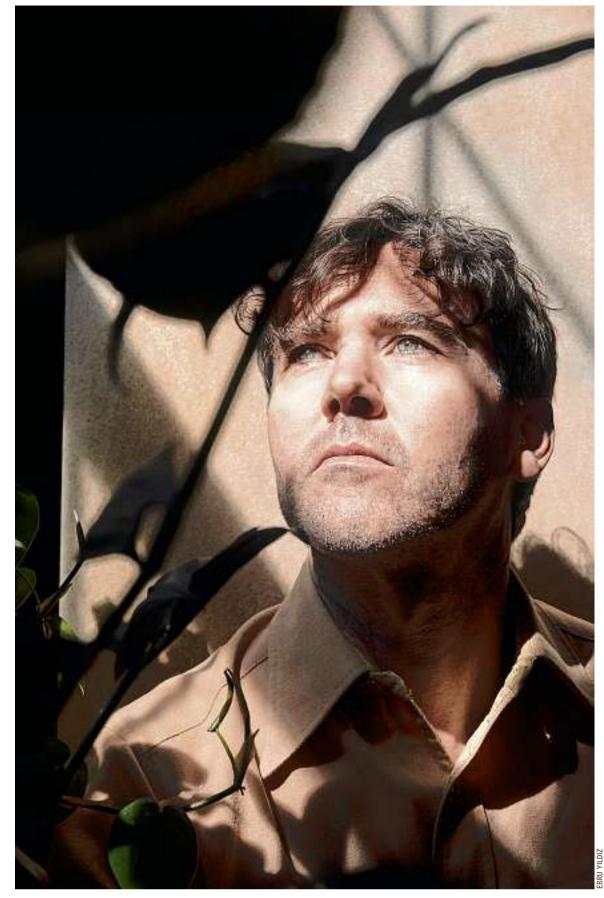
line, but Mr. McCombs is well aware of this phrase's shopworn nature and delivers it with a smile. "She had me in chains at her altar / Busking in the Village like a real

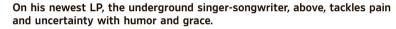
The following "Karaoke," the album's catchiest track, is an instant guitar-pop classic. It has an indelible tune and funny lyrics about the titular activity that wonder about the promises that songs fail to keep. The line "We met Under the Boardwalk / But did it mean anything?" points to the immortal track by the Drifters, and then, later, "You sang a melody, unchained / But will your love godspeed to me?" plucks from the Phil Spector-produced single made famous by the Righteous Brothers in 1965. On both "Karaoke" and "Heartmind" as a whole, Mr. Mc-Combs walks a difficult line between cleverness and sincerity—he has fun toying with language and poking fun at the clichés that crop up in the songwriting profession, but he also comes up with phrases that stick in your mind and can put a lump in your throat.

"Unproud Warrior," which has backing vocals from country singer Wynonna Judd, is another excellent cut filled with strange surprises. It's a highly atmospheric production, with jazzy drums heavy on the ride cymbal, a double bass anchoring the chord changes, and an eerie fiddle, and Mr. McCombs tells a rambling tale about someone discharged from military service and wandering the world, lost and alone. "You were only 17 when you enlisted," he sings, and he then proceeds to list people who accomplished great things at a young age. "At 23, Stephen Crane published 'The Red Badge of Courage' / Which is still known as one of the most realistic depictions of war / Even

though Crane was born after the Civil War ended" is a mouthful that looks jumbled on the page, but Mr. Mc-Combs's weary intonation imbues the lines with subtle musicality.

Both "A Blue, Blue Band," a fantasia about a group on the road, and the following "Belong to Heaven" further the album's theme, channeling the joy of a life in music while also making space for mourning. The first is dreamy and forlorn, as if based on a half-remembered country number played by a roadside





jukebox, while the latter is a bright, upbeat rocker that features contributions from Danielle Haim of the band Haim and lyrics that mix the poetic and mundane: "Always stealing from the plebs / A rosary of Dos Equis beads.'

Mr. McCombs ends the LP with the title track, an impressionistic swell of a song that stretches for over eight minutes. It's a beautifully cinematic and organic piececurls of sound from an Irish bagpipe provide a mournful toneover which the singer muses on logic and emotion and how neither seems to matter when tragedy strikes. "Empty ketchup packets may inherit the city," he sings, surveying a bleak landscape that includes a reference to a grim street corner found in San Francisco's Tenderloin neighborhood. "Heartmind" is an arresting collection of songs that tackles pain and uncertainty with humor and grace, from an underrated troubadour who makes it look easy.

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



Weather

Shown are today's noon positions of weather systems and precipitation. Temperature bands are highs for the day 60s Edmontor 0s 10s 70s Seattle 20s 30s 40s 50s 100s 60s New York 80s Reno 70s 80s 90s 70s 100+ 60s Los Angeles 100s 70s Warm Cold T-storms Stationary Snow

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Charlotte	88	68	рс	87	69	t
Chicago	83	65	S	83	66	pc
Cleveland	79	61	рс	82	63	S
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Denver	87	60	pc	88	61	pc
Detroit	82	63	pc .	86	66	S
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Houston	85	74	t	86	73	t
Indianapolis	83	62	рс	85	65	S
Kansas City	86	65	pc	90	69	S
Las Vegas	105	84	S	98	78	t
Little Rock	81	70	t	86	70	t
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New York City	84	70	t	87	72	S

Oklahoma City

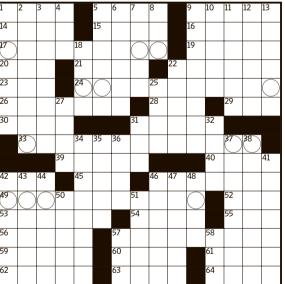
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The WSJ Daily Crossword | Edited by Mike Shenk



IG | By Jeff Stillman

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- 13 Low naval rank 51 Schoolyard 18 Political satirist
- 57 Buddy 22 Astronomical **58 AAA** siahtinas recommendation



A12 | Tuesday, August 23, 2022

The course was tremendous. It was designed by someone important I'm supposed to know the name of. It was awash with handsome details: rolling hills, lush fairways, clever doglegs and greens so impeccably maintained, I wanted to curl up and nap on them. That is, after I fourputted for a quintuple bogey.

Serious golfers love this place, and I could see why. It was beautiful. Challenging. Exclusive. Maybe even worth it.

But it wasn't for me.

I'm a scruffy golf course guy.
Let me explain. I admire a wellmaintained lap just as much as the
next hacker, but I prefer a golf
course that resembles my game: a
little rough, a little abandoned, a
little unclear if anyone's done anything to it for at least a few years.

I like a course which may or may not own a lawn mower. I like a course with trees they mean to have there, and trees that have just grown 50-feet tall without anyone noticing. It has tall grasses and short grasses, Bermuda and Rye, wildflowers and weeds, and those are just the greens. There's a palm tree right in the middle of a fairway. No one knows why. It just showed up.

Have you ever driven past a golf course and asked yourself: *Hey, is that a golf course, or is that a place where you can toss a broken dishwasher?* If you have, let me know where it is. I want to play there.

You might like to play the same courses that Tiger and Phil play. Not me. I want a course where a pro wouldn't walk a dog. I want sand traps that haven't been raked since the Ford administration. I want water hazards that might contain Titleists, 7 irons, shopping carts, and maybe someone who knew where Jimmy Hoffa went.

I like a course where the only noises you can hear are the birds, the wind in the trees, and the jack-hammers repairing a 10-lane highway. I like a course where, if you show up in cargo shorts, flip-flops and a Judas Priest T-shirt, someone might pull you aside and tell you you're overdressed.

(All you have to do is take off the flip-flops, and you're fine.)

I don't need to pull into a course and see a lot full of Audis and Bimmers.

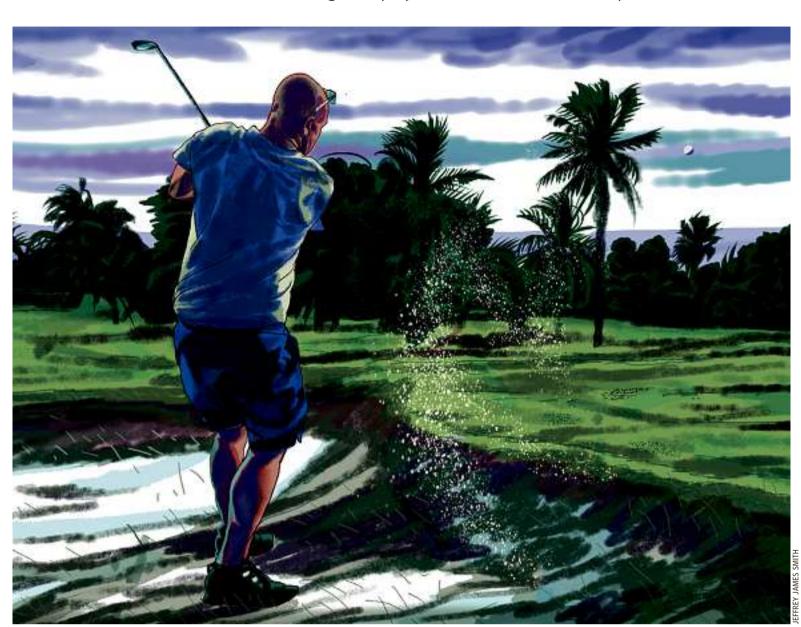
I like a course where a round costs less than dinner at Arby's, and, when you ask to pay, the clerk acts like it's a big hassle to get up from the TV. When you ask what the food options are, they point to

JASON GAY

The Joy of a Scruffy Golf Course

There are beautiful tracks where the legends play. Those aren't the kind of places I love.

SPORTS



a box of Snickers. They have two kinds of beer: Old Milwaukee, and also Old Milwaukee.

Oh wait, they have another kind of beer: Old Milwaukee.

To me, that's the ideal place to golf. It isn't fussy. It isn't rules-y. Nobody minds if you start on the 1st tee, or the 17th, or don't start at all. Nobody cares if you're playing with a fancy new driver or swinging your grandfather's broken woods. You can walk, crawl, or take a cart. At a course like this, there's the cart that works pretty well...and then there are the other carts.

I took my 9-year-old son recently to a course like this.

He's in the early stages of his golf career, where it's a victory if nobody loses an eye. That's right: He plays just like his old man.

When we first arrived at this course, I wasn't sure if it was still a place where people played golf. *Perfect*. When the woman in the shop warned us they hadn't had time to tend to the greens in a while, I said *No problem*. When they said the only balls they had to sell were old range balls, I said *Fantastic, gimme a dozen*.

We signed up for nine holes, and my son and I had a beautiful day. He shot a 32. I shot a 31. Then we moved onto the second. We saw a fox, a hawk, and a family eat

a pizza in a cart. He hit a range ball into the water and giggled. Then he hit another range ball into the water and giggled. Then he hit another range ball into the water and I told him to stop, or we were going to run out.

This is the best way to learn this hellish, soul-crushing game—at a place you can make a mistake. Golf is frightening enough. You're going to spend the rest of your life wondering why you play it, and whether or not you'd be happier with a less stressful activity, like gardening, or jackhammering a 10-lane highway. There's no need to add additional anxiety by playing on a fancy course where you need

to wear a collared shirt. Or worse, pants.

Maybe you're one of those talented golfers who loves a fancy course. You've been to the legendary laps played by Tiger and Phil and you've had the time of your life. You drive it straight, find the fairways and get to the greens in regulation. I bet you haven't fourputted since the Ford administration. I bet you look great in a collared shirt.

That's great! I admire your game, and offer sincere congratulations. We'll be over here, at the other place, eating a Snickers, looking for a range ball. It's got to be around here somewhere.

By Andrew Beaton

with the start of the NFL season now on the horizon, someone very notable took an unusual absence from the Tampa Bay Buccaneers for more than a week: Tom Brady.

Brady, who coach Todd Bowles said on Aug. 12 would be excused and absent, finally returned Monday. Now that he's back, there may finally be clarity on why he was gone from the team for much of the preseason as he prepares to play this upcoming season as a

45-year-old.

Brady's unconventional break from training camp was just the latest in a series of dramatic plot twists involving the superstar quarterback between last season and the new one.

He retired and unretired. His communications with Miami Dolphins brass became part central to an NFL investigation that led the league to take away draft picks and take the extraordinary step of suspending the club's owner, Stephen Ross.

Then Brady's strange offseason was capped by an abnormal absence from the Buccaneers during what's typically seen as a critical period for ramping up toward the season—even if he wouldn't actually be taking snaps in the preseason games he missed.

There have been only scant details about Brady's absence. Bowles said it was scheduled with the team ahead of training camp and that Brady was dealing with "personal things." Brady hasn't commented on it. Bowles then added this weekend that Brady was expected back "early" this week before the quarterback arrived for practice Monday, according to re-

porters who cover the team.

The unusualness of the absence, combined with the lack of information about it, has produced ramgent speculation and rumors, some of which are silly even for the

Focus on Brady's summer break has been heightened because, for a period of time a few months ago, it looked like Brady might not be with the Buccaneers at all this season. Before last season's playoffs

Tom Brady Returns to the Bucs. Again.



After an unusual preseason absence from the Tampa Bay Buccaneers, quarterback Tom Brady is back in camp.

even ended, reports emerged that the seven-time Super Bowl champion was calling it quits. A few days later, Brady said so himself. That lasted barely a month before Brady tweeted that he was coming

"These past two months I've realized my place is still on the field and not in the stands. That time will come. But it's not now," his tweet in March said.

Recent weeks, though, have shed startling new light on other factors that were swirling unseen in the background. There were plans to lure Brady to a different part of Florida.

The NFL's investigation into the Miami Dolphins spawned from a racial discrimination lawsuit by the team's former coach, Brian Flores, which also alleged that Ross offered to pay Flores to lose games in order to obtain a better draft pick. Ross denied the allegation, and the league's findings said nobody at the team, including Ross, instructed Flores to throw games. The lawsuit also alleged that Ross pressured Flores to tamper with a "prominent" quarterback in violation of league rules.

The biggest bombshells from the probe turned out to have to do with that latter morsel: confirmation that the Dolphins' brass had violated league rules by having improper communications with a player under contract with another team. That was Brady.

Those communications began as

early as August 2019, according to the NFL, when Brady was still with the Patriots. They continued during and after last season, when Brady was a Buccaneer. The talks focused on Brady becoming a limited partner or executive with the team. They also included the possibility of Brady playing for the club—even though Brady remained under contract with Tampa Bay.

The NFL also said the Dolphins broke the rules by having communications with the agent for Sean Payton before the coach had stepped down from his longtime role as coach for the New Orleans Saints. (Brady and Payton, who share an agent, were not penalized)

As a result, the NFL stripped

two draft picks from Miami while fining and suspending both Ross and Bruce Beal, one of the team's limited partners.

"The investigators found tampering violations of unprecedented scope and severity," commissioner Roger Goodell said in a statement at the time. "I know of no prior instance of a team violating the prohibition on tampering with both a head coach and star player, to the potential detriment of multiple other clubs, over a period of several years. Similarly, I know of no prior instance in which ownership was so directly involved in the vio-

It isn't especially difficult to see the future the Dolphins potentially envisioned: Payton as coach and Brady as an executive or perhaps still a football player. The problem was that both still had deals with other teams.

That plan didn't come to fruition. Brady, unretired as a Buccaneer. Payton remains off the sidelines. The Dolphins are forging ahead with a different coach, Mike McDaniel, and quarterback, former Alabama star Tua Tagovailoa.

There was yet another buzzy development over the past week suggesting Brady might have never made his way to Tampa Bay in the first place. Dana White, the head of UFC, said in a conversation with Rob Gronkowski that he nearly brokered a deal for them to go play for the Las Vegas Raiders in 2020—before Jon Gruden, the then-coach of the team, nixed it.

Now that Brady has returned to the Buccaneers, again, he also faces questions about how he'll fare on the field because of factors that have nothing to do with his presence. Tampa Bay's offensive line, which was one of the league's best when the team won the Super Bowl after the 2020 season, has suffered a rash of ailments and lost another player due to retirement. Star receiver Chris Godwin is still working his way back from an injury. Brady's longtime security blanket, Gronkowski, also retired.

Despite all of this, there's good reason to be bullish on the Buccaneers in 2022. They still have Tom

liberal outrage

Jesse Helms's

"Hands" ad in

his 1990 Sen-

ate campaign

against Har-

Some credit

the ad for

Helms's come-

Gantt?

Sen.

over

P2JW235000-0-A01300-1----XA

OPINION

Harvard's Invidious Racial Boxes



By William McGurn

from-behind victory. The 30-second spot featured the white hands of a frustrated job applicant crumpling a rejection letter. "You needed that job," the narrator says, "and you were the best qualified. But they had to give it to a minority because of a racial quota. Is that really

The ad said Mr. Gantt, who is African-American, favored racial quotas. It was politics at its rawest, and Mr. Gantt accused Helms of trying "to divide people along the lines of race." He denied he favored

Cut to 2022. The Minneapolis Public Schools have negotiated a contract with the teachers union that includes this language: "If excessing a teacher who is a member of a population underrepresented among licensed teachers in the site, the District shall excess the next least senior teacher. who is not a member of an underrepresented population." In plain English, Deroy Murdock writes in the Daily Mail, it means "fire Whitey first."

The Minneapolis contract is ugly stuff, but highly appoprepares to hear lawsuits in Act of 1882).

Remember the October by Students for Fair and the University of North Carolina of racial discrimination in admissions. In 1990. Helms's ad was denounced as false and incendiary. These days the discrimination it highlighted is fast becoming standard practice, and not only in Minneapolis and at UNC or Harvard.

Such discrimination was easier to rationalize, both practically and morally, when the issue was literally black and white. The idea was that the new race preferences—in college admissions, hiring and contracts—were a long overdue leveling of the racial scales. The Minneapolis district claims it is only trying to "remedy the continuing effects of past discrimination."

But America today is no longer so neatly divided between black and white, or even between the white majority and all minorities. Asian-Americans are an even bigger target than whites because their high achievement leads them, on the liberal scale, to be "overrepresented." This achievement is an embarrassment for the progressive narrative, so much so that they are often lumped in with whites or classified as "white adjacent" to avoid acknowledging that Asian-Americans are a minority-with their own experience of officially sanctioned bigotry (e.g., the internment camps for Japanese-Americans during the World War II site as the Supreme Court and the Chinese Exclusion

Unfortunately, in *Grutter v*. Admissions accusing Harvard Bollinger (2003), the court decovers 60% of the world's popclared that colleges' use of ulation—lumping Indians with race to further diversity was constitutional. In her majority opinion, Justice Sandra Day O'Connor implied this would be temporary. She couldn't imagine affirmative action would still be necessary in 25 years. After retiring, she said that might have been an underestimate.

> Not only preferences but the categories that colleges use are unconstitutional.

The Harvard and North Carolina cases now give the court the opportunity to rid the country once and for all of an unfair practice that leaves only a heightened sense of resentment in its wake. Were the Roberts court simply to declare that race preferences violate both Title VI of the Civil Rights Act and the 14th Amendment, it would be a tremendous victory for a colorblind America.

Even so, one of the more persuasive friend-of-thecourt briefs argues that such a decision would still leave unfinished business. Filed by David Bernstein of George Mason University's Antonin Scalia Law School, it suggests that not only are racial preferences arbitrary, unfair and racial boxes the schools use to classify students.

Take "Asian," a label that Chinese and Cambodians and Koreans. They have almost nothing in common, from religion to language to culture.

Same with "Hispanic." Harvard and UNC, Mr. Bernstein writes, can't "explain why white Europeans from Spain, people of indigenous Mexican descent, people of Afro-Cuban descent, and South and Central Americans who may be any combination of European, African, and indigenous by descent are grouped together as 'Hispanic.'

In addition, because this is largely self-reported, the incentive is for fraudulent or exaggerated claims. A few years ago, Vijay Chokal-Ingam-elder brother of "The Office" star Mindy Kaling—didn't think he had the grades to get into medical school as an Indian-American. So he checked the box on the application for African-American—and, hev presto, found himself accepted at St. Louis University's med school. More famously, Elizabeth Warren had to apologize for identifying as a Native American.

It's probably too much to expect the justices to note how poisonous and unscientific our racial boxes are while throwing out *Grutter*. But is it too much to hope that a student could fill out a college application without worrying that his grades and hard work might all be for unconstitutional, so are the naught if he checks the wrong racial box?

Write to mcgurn@wsj.com.

BOOKSHELF | By Barbara Spindel

His Business Was Insane

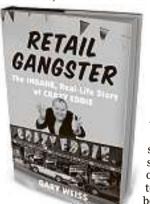
Retail Gangster

By Gary Weiss (Hachette, 336 pages, \$29)

he Crazy Eddie electronics chain, at its peak, numbered a respectable 43 stores from Philadelphia to Boston, but in the mid-1980s the discount retailer enjoyed an astonishing 99% name recognition among New Yorkers, higher even than the sitting president, Ronald Reagan. Anyone who resided in the region at the time knows why: the ubiquitous and incessant Crazy Eddie commercials, which featured a DJ named Jerry Carroll gesturing wildly and screaming, "His prices are insane!

In "Retail Gangster," Gary Weiss demonstrates that the lunacy was not confined to the airwaves. The Crazy Eddie empire was, from the start, built on lies and deception, with the fraud becoming so brazen that the company finally collapsed on itself.

The villain at the center of the drama is Eddie Antar, born in 1947, whose grandparents came to the United States from Syria and settled in south Brooklyn. According to Mr. Weiss, unlike their Eastern European counterparts,



Syria stressed work over education, fearing that too much schooling would lead to the Americanization of their children. Many of the Antars were in cash-based businesses, stashing their earnings in ceilings and mattresses to avoid paying taxes.

Jewish immigrants from

Eddie dropped out of high school in the ninth grade. He spent a few years hawking overpriced souvenirs to tourists around Times Square before his father, Sam M. Antar, sent him to run a family-owned

store, ERS Electronics on Brooklyn's Kings Highway, in 1969. Eddie, smart and shameless, relied on thievery to turn the outlet into a success.

Mr. Weiss, a journalist who has written books on the Mafia and Wall Street corruption, summarizes the shady practices that enabled Eddie Antar to keep prices low and still turn a profit. They included buying inventory below cost from an illegal supplier, selling merchandise at or below cost but pocketing the sales tax, pricing stereo components cheaply while overcharging for accessories, and passing off floor models and returned equipment as new product.

In 1973 the store was rechristened Crazy Eddie and began its expansion. It's not entirely clear who gets credit for the name change, but Mr. Weiss notes that "by the 1970s, the 'crazy merchant' shtick was a well-worn cliché in retail advertising." A young musician and concert promoter named Larry Weiss (no relation to the author) took over the growing operation's advertising, bringing in Jerry Carroll as pitchman.

The first television spots, which Mr. Weiss calls "a triumph of youthful energy and inexperience over conventional thinking," aired in 1976; there would be thousands of TV and radio ads in the coming years. (These were bleak times for New York, but the author recalls the period with a hint of nostalgia, describing "a lethal, exciting city that was deeply, exuberantly crooked.") The ads were annoying and abrasive, but they drew customers into the stores. When a new location opened in New Jersey, a local newspaper estimated that 20,000 people showed up to get a glimpse of Carroll and nab a free T-shirt.

As the company grew, Eddie realized that he needed an accountant: He funded his cousin Sammy Antar's education, and once Sammy learned some basic finance, the young man realized how small-time the company's corruption was. Years of skimming cash and cheating on taxes had artificially made Crazy Eddie seem less profitable than it was. Sammy suggested a new tactic: taking the company public, inflating its profits to elevate the stock price. Crazy Eddie's 1984 IPO was successful—and based on fraud.

With his gonzo TV ads and an ethos in tune with gritty 1970s New York City, everybody knew Crazy Eddie. Or so they thought.

The Antars had unwittingly backed themselves into a corner; as Mr. Weiss explains, "more and more fraud was required just to keep afloat." Fearing what was to come, Eddie began dumping stock and moving money out of the country. The denouement is unsurprising: shareholder class-action lawsuits, an SEC investigation, a criminal probe. The Antars, shredding every document in sight and lying under oath, began to turn on one another. Newspaper ads toward the end cheerfully promoted "Crazy Eddie's Family Feud Blowout Blitz," but the ship was sinking fast. Eddie, who'd been taught from childhood that family came first, left everyone behind and, fake passport in hand, fled to Israel, where he'd socked away millions.

Once extradited to the U.S., Eddie pleaded guilty to racketeering and served close to seven years in federal prison. (He died in 2016.) Sammy cooperated with prosecutors and avoided prison time. He is Mr. Weiss's primary source, and his colorful recollection of events fuels the fast-paced, entertaining narrative. "The due-diligence guys . come over, and they're seeing a bunch of Brooklyn thugs running a business," begins a typical anecdote.

Mr. Weiss is an enthusiastic storyteller himself, and he does a terrific job synthesizing a dizzying amount of information. He guides readers through complex financial machinations and a cast of characters that includes Eddie's two wives, Debbie I and Debbie II (Eddie's treatment of Debbie I is particularly loathsome), employees distinguished as honest Dave and dishonest Dave, and a family tree with nine people named either Sam or Eddie/Eddy.

The author's enthusiasm occasionally gets the better of him. Describing Sammy's efforts to inflate the profits in advance of the IPO, he write: "They wanted Crazy Eddie to be the filet mignon of stocks, a twenty-dollars-a-pound cut, not cheap like a fifty-cents-a-pound slab of fatty liver." His meaning is perfectly clear, but he presses the point with additional talk of top cut, ground round and tenderloin.

Over the years many people had mistaken the screaming Jerry Carroll for Eddie himself. The real Eddie, though he preferred anonymity, had a malevolent charisma of his own. Larry Weiss joined Eddie's doomed post-prison online venture despite having quit the company years before after being ripped off and abused by his boss. "Everyone loved him," he tells the author. "I did too. I don't know why."

Ms. Spindel's book reviews appear in the Christian Science Monitor, the San Francisco Chronicle and elsewhere.

China Risks Losing Its European Linchpin Europe should consider

By Tom Rogan

he People's Liberation Army of China will participate in Russia's coming Vostok ("East") military exercises, China's Defense Ministry said last week. The decision is "unrelated to the current international and regional situation," according to Beijing. (India also will participate, further evincing New Delhi's lack of interest in reciprocating U.S. support for its interests.)

An important question follows: Will Europe respond to PLA participation Beijing's joining the exercises, which run from Aug. 30 to Sept 5, at the same time that exercises should spark Russia's military is rampaging through Ukraine? It bears asking because European relations with China are at a critical point.

concern over its failure to provide promised business access to European companies, genocide against the Uyghur people, shredding of Hong Kong democracy, threats to subjugate Taiwan, intellectual property theft and endemic espionage. China's diplomatic arrogance has further agitated the Continent. Lu Shaye, China's ambassador to France, has been explaining to the land of liberté why Taiwan's people will have to be "re-educated" when the PLA lands on their shores.

Enraged by Beijing's decision to impose sanctions on European parliamentarians who complain about humanrights abuses, the European

Parliament is adopting a sive action in other areas. newly skeptical stance toward China. Eastern European governments are taking further independent action to reduce their cooperation with Beijing. On that count, the European Union is considering whether to launch a unified response to China's trade war against Lithuania. China began that conflict after Lithuania last year allowed Taiwan to open a representative office in Vilnius under the name Taiwan.

in Russia's military outrage in the EU

The EU's rising skepticism China faces rising European of Beijing is a dramatic shift from the traditional European strategy of former German Chancellor Angela Merkel. Putting trade before all other concerns. Ms. Merkel sought to conclude a major EU-China trade deal before leaving office last year. To its credit, the European Parliament has shelved that deal.

> That could be a big problem for Beijing. Xi Jinping and his powerful Standing Committee inner circle had assumed that relations with Euwould continue to develop on an easy footingthat as long as Beijing kept throwing new investments at European nations, their governments would keep turning a blind eye to China's aggres

From Mr. Xi's perspective, China's latest outrage against

Europe would provide China with growing access to and influence over the West. With time, this would allow Beijing to degrade U.S. efforts to mobilize traditional alliances against it. Looking forward, this would provide Beijing with the political capital and space to displace the U.S.-led democratic order with its own feudal mercantilist order.

China has belatedly recognized the risk of losing its European linchpin. Beijing's Global Times propaganda newspaper recently screeched its criticism of those calling Russia's war imperils what for a more robust European China often asserts as the stance toward China. Citing the "worrying tendency" of European opinion about Bei- state sovereignty. jing, the paper called on Europe to "figure out how much of its anxiety around China really comes from China, and how much comes from surrendering strategic autonomy to the U.S.'

This reference to "strategic autonomy" is a play on French President Emmanuel Macron's use of that term as a strategic framework for European policy independence from the U.S. The intellectual fallacy of Mr. Macron's framework is its conception of strategic autonomy as something akin to "that which helps France and Germany in any one moment" instead of "that which helps Europe at large." The Global Times concluded by warning Europeans that "It's easy to fall into a big hole specifically dug for Europe.'

European interests carefully. China is the one digging the hole in Sino-European relations, and the PLA participation in Vostok 2022 is compelling proof. This isn't merely an international military parade. It is a command and staff exercise to improve commanders' ability to fight effectively amid the fog and friction of war. By joining Vostok 2022, China is providing symbolic and professional support to the military waging war on Ukraine and thus also on European stability and security. most fundamental tenet of international order: respect for

Europe must recognize that communist China isn't a friend. Mr. Xi's regime represents an ambitious authoritarian adversary, which wants to have its European cake while also helping Russia eat it. This threatens the fundamental principle of the European project: the right of its peoples to live in freedom and peace after thousands of vears of wars. European leaders should be outraged at China's Vostok adventurism and reject deeper cooperation with Beijing.

Mr. Rogan is a national-security writer for the Washington Examiner.

Walter Russell Mead is away.

Good Government or Big Government? she described as "just what when taking into account the indisputable is that in the $2\frac{1}{2}$

By Stephen Moore

he Committee for a Responsible Federal Budget describes itself as "an authoritative voice for fiscal responsibility," whose purpose is "to improve the country's fiscal and economic condition." It touts its "bipartisan leadership." Yet the CRFB enthusiastically endorsed the so-called Inflation Reduction Act, which will raise spending by half a trillion dollars and passed both chambers of Congress by narty-line votes. Nearly every fiscal conservative and protaxpayer group strongly opposed the bill.

"This legislation focuses on lowering health care and energy costs, raising revenue and reducing deficits," said Maya president MacGuineas. She said Sen. Joe Manchin of West Virginia "deserves tremendous credit for pushing this fiscally responsi-

the doctor ordered." Yet while the bill is "paid for" with \$740 billion in tax increases and drug-price controls, its \$500 billion in new spending is fiscally irresponsible by any reckoning.

The Committee for a Responsible Federal Budget seems to have given up that goal.

For years the CRFB has spotlighted runaway entitlement spending as the driving force behind the growth in the national debt, now \$22 trillion and rising. Rather curtail entitlement costs, the act adds \$70 billion of ObamaCare subsidies to expand eligibility to families making up to \$100,000 in some states. The Heritage

negative economic effects of the taxes and spending, through 2031 the act will add \$100 billion to the debt.

Worse, it doesn't eliminate a single spending program and creates tens of billions of dollars of massive giveaways for electric vehicles, wind and solar power, already among the most heavily subsidized industries in American history. It also creates new programs, such as \$2 billion for "environmental justice grants."

Even in the wake of reports by government auditors that at least \$150 billion has been wasted on fraudulent and erroneous payments in programs such as unemployment insurance, Medicaid and food stamps, the new law does nothing to clean up or punish this fraud and waste.

There's a debate to be had about the advisability of green subsidies, drug price controls and hiring tens of thousands ble reconciliation bill," which Foundation estimates that more IRS agents. But what is

years since Covid hit America, the federal government has spent and borrowed roughly \$5 trillion. The fiscally prudent path would be to begin unwinding this new spending with a program of deep and immediate cuts in the trillions of dollars.

The CRFB did express skepticism about the original \$3 trillion version of what was then known as the Build Back Better Act. But adding hundreds of billions of new spending is still reckless. The CRFB has become a cheerleader for bigger government. It is neither authoritative nor fiscally responsible, and its bipartisan leadership is only for

Mr. Moore is a senior fellow at the Heritage Foundation. an economist with FreedomWorks and author of "Govzilla: How the Relentless Growth of Government Is Devouring Our Economy."

A14 | Tuesday, August 23, 2022

REVIEW & OUTLOOK

Dr. Fauci and the Rule of Experts

His long service is

laudable, but his Covid

legacy includes more

public mistrust.

that he will step down from his National Institutes of Health leadership posts in

December, and the fact that this is a major news story suggests the problem with his tenure. He became the main symbol of the rule by experts who imposed lockdowns on America and brooked no scientific debate on Covid.

Dr. Fauci has led the National Institute of Allergy and Infectious Diseases (NIAID) since 1984, and his personal research contributions are impressive. He first became known to the public during the early years of the AIDS epidemic, and his agency was an early backer of the mRNA technology that became the platforms for two Covid vaccines.

But the main legacy of his 38-year tenure will be as the public face of government during the Covid pandemic, for better and worse. His reassuring authority won acclaim in the early weeks of the pandemic as Americans struggled to make sense of the threat. "Fifteen days to slow the spread," he famously said in March 2020, and the Trump Administration and America picked up his refrain.

The two weeks would stretch to two years. The uncertainties of the pandemic's course weren't his fault, but the certainty of his policy prescriptions certainly was.

He and a passel of public-health experts used their authority to lobby for broad economic lockdowns that we now know were far more destructive than they needed to be. He also lobbied for mask and vaccine mandates that were far less protective than his assertions to the public. Dr. Fauci's influence was all the greater because he had an echo chamber in the press corps and among public elites who disdained and ostracized dissenters.

A flagrant example was Dr. Fauci's refusal even to consider that the novel coronavirus had originated in a lab at the Wuhan Institute of Virology in China. This may have been because the NIH had provided grant money to the nonprofit EcoHealth Alliance, which helped

nthony Fauci announced on Monday fund "gain of function" virus research at the Wuhan lab. In a semantic battle with Republicans, Dr. Fauci denied that the NIH funded such

> research. But his refusal even to consider the possibility that the virus started in a Wuhan lab showed that Dr. Fauci was as much a politician as a scientist.

> Worse, Dr. Fauci smeared the few brave scientists who opposed blanket lockdowns

and endorsed a strategy of "focused protection" on the elderly and those at high risk. This was the message of the Great Barrington Declaration authors, and emails later surfaced showing that Dr. Fauci worked with others in government to deride that alternative so it never got a truly fair public hearing.

"There needs to be a quick and devastating published take down of its premises," NIH Director Francis Collins wrote to Dr. Fauci. Their inability to abide criticism and dissent undermined the U.S. pandemic response.

"It's easy to criticize, but they're really criticizing science because I represent science. That's dangerous," Dr. Fauci said last November, in a comment that summarizes the view of the public-health clerisy. The public is supposed to let a few powerful men and women define science and then impose their preferred policies and mandates on the country.

The costs of that mindset have been severe, and not merely economic. We know now that states that locked down fared no better, and sometimes worse, than those that didn't. We also know that the vaccines, while invaluable against serious disease, don't prevent the spread of Covid-even after multiple boosters. More honest candor would have been better for America's trust in public-health authorities.

"Whether you've met him personally or not, he has touched all Americans' lives with his work," President Biden said Monday about Dr. Fauci's resignation. That's true enough. But his legacy will be that millions of Americans will never trust government health experts in the same way again.

Putin Blackmails Europe, Again

The Kremlin hopes

to thaw sanctions by

freezing the Continent.

ladimir Putin's recent spin at energy blackmail was so much fun for him, why

the thinking inside the Kremlin as Russia shuts down a critical natural-gas pipeline to Europe for the second time in as many months, triggering a new panic on the Continent.

Gazprom announced Friday it will shut down the Nord Stream 1 pipe-

line for three days next week for "unscheduled maintenance." This is the primary conduit for Russian gas directly into Western Europe, and it already was running at only 20% capacity. Another maintenance shutdown last month raised fears that Russia would cut off Europe's gas supply before the Continent was ready for such an event. Gas prices on Monday shot up. with the benchmark Dutch futures contract briefly reaching €300 per megawatt hour, according to Factset.

Mr. Putin keeps playing this game because he keeps winning it. European leaders are not capitulating in the way he ultimately hopes they will—pressuring Kyiv to negotiate a ceasefire on Mr. Putin's terms to end the war Russia started in Ukraine. But the gas stops are straining relations among Western allies. July's Nord Stream 1 shutdown allegedly occurred because a turbine was trapped in Canada due to sanc-

tions. The solution was for Ottawa to weaken its enforcement of the sanctions enough for not take another turn? That seems to be Canada to send the turbine back to Germany. Mr. Putin presumably had a

good chuckle.

We'll see what the price turns out to be for ending this maintenance shutdown. Mr. Putin might also figure he can weaken European resolve, and

exacerbate political tensions, simply by reminding Western voters early and often how vulnerable they are to energy shortages. This week's shutdown comes as Berlin is telling households to turn their thermostats down to 66 degrees Fahrenheit this winter to save fuel.

Already there's speculation about whether this time the gas might stay off for good, the same concern expressed for a time during July's shutdown. But Mr. Putin doesn't need to turn off the tap to create political problems in Western democracies, and has no incentive to do so as long as he also can profit from selling gas to Europe. He need only shut the spigot everv once in a while to trigger new worries among his adversaries.

The Kremlin will keep this up until Europe develops wider sources of natural gas, including domestic sources, or reinvests in nuclear power. Mr. Putin enjoys this ride, but Europe can choose to hop off at any time.

The High Price of Great Books Daycare

Toddlers often ask 'why,'

so daycare providers

need a college degree?

▼ upervising young children requires vigilant eyes and . . . a college degree? The District of Columbia decreed in 2016 that

lead teachers in local daycare outfits would need an associate degree or its equivalent in early childhood education. The effective date was punted until 2023, but this month a federal court upheld the rule against a legal challenge. Parents, gird your pocketbooks.

The lead plaintiff is Ilumi Sanchez, an immigrant to the U.S. who is licensed to care for children in her home. She has a law degree from the Dominican Republic. She and other plaintiffs argue that the requirement to get an associate degree doesn't advance any real government interest in ensuring quality daycare. For one thing, colleges that award such diplomas make students take dozens of credits in general-education courses and elective classes.

This did not convince the D.C. Circuit Court of Appeals. Quoting case law, Judge Sri Srinivasan writes that unless an economic policy infringes fundamental rights, it "must be upheld 'if there is any reasonably conceivable state of facts that could provide a rational basis' for the legislative choice." In his view, D.C. bureaucrats could reasonably think that mandating a college degree in early-childhood education "would be, generally speaking, relevant to the work of childcare providers."

As for those required elective classes, Judge Srinivasan says this: "A variety of courses outside the early-childhood major, from math and English to art and history, could be beneficial to someone tasked with the educational development of toddlers—as any adult who has been flummoxed by a two-yearold repeatedly asking 'why' can attest."

Sorry, judge, but that's hilarious. When twoyear-olds ask why, the best answer often is "because I said so." They aren't in-

terested in history, since they've never heard of it.

As a matter of legal analysis, it might be correct that D.C.'s regulation is not so irrational as to be unlawful. But this low bar

is saving a seriously irrational policy, as Judge Srinivasan inadvertently demonstrates. As a matter of economics, the college mandate will constrict supply. Daycare providers who are otherwise qualified, and even loved by parents, will be shut out, or else they'll have to pay tuition to comply. Prices will inevitably go up.

As a matter of politics, it's a perfect example of progressives' fatal conceit. Chinstrokers in the D.C. bureaucracy think that more education is good, yes? They cite experts, as Judge Srinivasan notes, such as "a report from the National Academies recommending a bachelor's degree requirement for all educators of children ages zero to eight."

At the same time, progressives scream that child care is too costly, so President Biden proposes massive federal subsidies. Does no one stop to think how burdensome regulations might be related to rising costs?

The Institute for Justice, which brought the case, hasn't decided whether to appeal. The D.C. rule has exceptions, such as a waiver process for teachers with 10 years of experience, but a better approach is to withdraw it. To adapt a famous phrase, the city could say that if you like your daycare, you can keep your daycare. But if D.C. is bloody-minded for mandates, how about requiring economics classes to be a city regulator?

LETTERS TO THE EDITOR

Academy of Pediatrics Abandons the Children

I read Julia Mason and Leor Sapir's op-ed "The American Academy of Pediatrics' Dubious Transgender Science" (Aug. 18) in disbelief. How can minors be allowed to make such monumental life-changing decisions when their brains aren't yet fully developed? There is a reason that children aren't allowed to vote, drive and drink until they reach a more mature age.

There will come a time when we look back in horror at the damage done to these children, but it will be too late for the youngsters who were allowed by adults, and perhaps encouraged, to take puberty blockers and mutilate their bodies.

SYLVIA HERNANDEZ Duck Key, Fla.

For my entire career, I was a fellow of the American Academy of Pediatrics, or AAP, and proudly so. That organization looked out for the interests of the powerless: minors who had no vote, money or political clout.

I was amazed to read, however, of the exponential increase in genderdysphoria diagnoses. To learn more, I searched online for the AAP diagnostic criteria for the disorder. I couldn't find any. Instead, I found the 2018 AAP policy statement advocating affirmation of the self-diagnosis as the recommended approach due to the high suicide rate in this patient population.

The treatment is surgery and hormone administration. If the diagnosis is incorrect, it is mutilating surgery. But with no diagnostic criteria-except the minor's statement-there is no differential diagnosis. So, the diagnosis is always correct.

I was told in medical school that whenever I did anything to a patient, I needed to be sure that I was doing it for that patient. "First, do no harm" isn't meant to be a suggestion; it is meant to be a mandate. The AAP needs to be reined in on this issue.

JOSEPH T. MARION, M.D. Carlsbad, Calif.

Somewhere along the way, the AAP strayed from its support of mainstream pediatric issues to become advocates for transgender therapy. It is patently wrong to support preadolescent children's efforts to alter their genders when they are developmentally incapable of making such decisions. Instead, the AAP should be advocating the counseling of these children, as well as studying the longterm consequences of mental-health is-

sues that some of these patients incur. After over 30 years as a fellow of the AAP, I resigned my membership over its extreme positions. I'd wager many other pediatricians have as well.

TIM EICHENBRENNER. M.D. Charlotte, N.C.

Industrial Policy Will Flunk the Market Test

In his insightful exposé of the ugly realities of the Chips Act ("The Semiconductor Boondoggle," Inside View, Aug. 15). Andy Kessler quotes National Economic Council director Brian Deese's assertion: "The question should move from 'Why should we pursue an industrial strategy?' to 'How do we pursue one successfully?" Mr. Kessler then observes that "this is as wrong as Soviet or Chinese five-year plans."

True. But more might be said about what is perhaps the most important factor condemning industrial policy to failure, namely, the absence of any genuine market test.

The only way to determine which industries truly contribute to economic growth is through market competition—through the process of each firm, spending only its investors' own money, going head-to-head with other firms to attract customers. Only in the free market is no one compelled to fund or patronize any firm, and only in the free market is no one prevented from, or penalized

for, experimenting with different peaceful ways to attract suppliers and customers. The resulting competition thus reveals which firms contribute most to economic betterment.

Industrial policy short-circuits the market's discovery process. Such policv is premised on the fantasy that politicians or bureaucrats, spending other people's money and protected from the competition of politically disfavored rivals, can foresee not only which particular products are best to produce, but also which of the countless alternative means of producing these products are the most efficient (that is, most sustainable).

Just as it would be folly to cancel the coming NFL season and instead rely on experts to declare the next Super Bowl champion, it would be great folly to cancel economic competition and instead rely on experts to declare which firms should and shouldn't survive.

PROF. DONALD J. BOUDREAUX Mercatus Center, George Mason U. Fairfax, Va.

Pushing More Onto Medicaid Is No Solution

Your editorial "The Government's Stealth Health Takeover" (Aug. 15) notes how employees and others are pushed into Medicaid and ObamaCare at considerable expense, but don't forget the poor care that those patients receive. At my local hospital, only a handful are willing to admit such patients and become their providers.

For some reason, recipients of

Where Did All the Right-Wing Institutionalists Go?

Rep. Liz Cheney is a fallen soldier of the increasingly rare species of right-wing American institutionalists ("Cheney, Trump and the GOP," Review & Outlook, Aug. 18). The majority of this country's population is center-right and believes in the institutions that have kept us together for 246 years. Democrats have historically been critical of institutions, such as the police and sometimes the Supreme Court.

Donald Trump's domination of the Republican Party has pushed it toward being critical of those very same institutions it once fiercely supported. The criticisms of the Federal Bureau of Investigation and the Justice Department are examples. Institutionalism simply isn't in fashion anymore.

With the threat posed to law enforcement and the Constitution on Jan. 6, Ms. Cheney's institutionalism kicked in and drove her down the path of political defeat. If distrust in our institutions got us in this political mess, support for our institutions will get us out.

Yardley, Penn.

to be much more entitled. They show up unannounced, miss appointments at an alarming rate, don't get their labs done and forget to bring checks for copays, but many are still comfortable screaming at the front-desk personnel. Since Medi-Cal pays only 60% of

these government programs also tend

the accepted standard (Medicare) fee rate, and a small office, such as mine, has a 50% overhead, the profit margin here is only 10%. Why put up with this grief? The program is a burden on taxpayers that promotes disparate outcomes for the beneficiaries and providers alike.

> STAN ALEXANDER, M.D. Arcadia, Calif.

The Results of Bail Reform Regarding Elliot Kaufman's review

of "Criminal (In)Justice" by Rafael Mangual (Bookshelf, Aug. 18): I am a practicing attorney in New York. In court last week, the case ahead of us on the docket was an arraignment. Two misdemeanor charges and one felony charge. The court read the defendant's prior record: seven felony convictions (two violent) and 10 misdemeanor convictions. In addition, the defendant had 11 misdemeanor cases awaiting trial.

Under New York's bail reform, however, the judge was compelled to set the defendant free. This is absurdity elevated to the surreal.

CHRISTOPHER DENTON Elmira, N.Y.

Pepper ... And Salt

THE WALL STREET JOURNAL



"I like the distinctive formal juxtapositions."

The Old Civil-Service Missile

Regarding "Firings and the Politics of the Civil Service" (Letters, Aug. 17): In the 1960s, when I was in the Air Force, some airmen called the Bomarc the "civil-service missile": "It doesn't work and you can't fire it."

SCOTT HERTENSTEIN Cary, N.C.

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The Trump Warrant Had No Legal Basis

By David B. Rivkin Jr. And Lee A. Casey

as the Federal Bureau of Investigation justified in searching Donald Trump's residence at Mar-a-Lago? The judge who issued the warrant for Mar-a-Lago has signaled that he is likely to release a redacted version of the affidavit supporting it. But the warrant itself suggests the answer is likely no—the FBI had no legally valid cause for the raid.

The warrant authorized the FBI to seize "all physical documents and records constituting evidence, contraband, fruits of crime, or other items illegally possessed in violation of 18 U.S.C. §§793, 2071, or 1519" (emphasis added). These three criminal

A former president's rights under the Presidential Records Act trump the statutes the FBI cited.

statutes all address the possession and handling of materials that contain national-security information, public records or material relevant to an investigation or other matters properly before a federal agency or the courts.

The materials to be seized included "any government and/or Presidential Records created between January 20, 2017, and January 20, 2021"—i.e., during Mr. Trump's term of office. Virtually all the materials at Mar-a-Lago are likely to fall within this category. Federal law gives Mr. Trump a right of access to them. His possession of them is entirely consistent with that right, and therefore lawful, regardless of the statutes the FBI cites in its warrant.

Those statutes are general in their text and application. But Mr. Trump's documents are covered by a specific statute, the Presidential Records Act of 1978. It has long been the Supreme Court position, as stated in Morton v. Mancari (1974), that "where there is no clear intention otherwise, a specific statute will not be controlled or nullified by a general one, regardless of the priority of enactment." The former president's rights under the PRA trump any application of the laws the FBI warrant cites.

The PRA dramatically changed the rules regarding ownership and treatment of presidential documents. Presidents from George Washington through Jimmy Carter treated their White House papers as their personal property, and neither Congress nor the courts disputed that. In Nixon v. U.S. (1992), the U.S. Circuit Court of Appeals for the District of Columbia held that Richard Nixon had a right to compensation for his presidential papers, which the government had retained under the Presidential Recordings and Materials Preservation Act of 1974 (which applied only to him). "Custom and usage evidences the kind of mutually explicit understandings that are encompassed within the constitutional notion of 'property' protected by the Fifth Amendment," the judges declared.

The PRA became effective in 1981, at the start of Ronald Reagan's presidency. It established a unique statutory scheme, balancing the needs of the government, former presidents and history. The law declares presidential records to be public property and provides that "the Archivist of the United States shall assume responsibility for the custody, control, and preservation of, and access to, the Presidential records."

The PRA lays out detailed requirements for how the archivist is to administer the records, handle



Outside Mar-a-Lago the day after the raid.

privilege claims, make the records public, and impose restrictions on access. Notably, it doesn't address the process by which a former president's records are physically to be turned over to the archivist, or set any deadline, leaving this matter to be negotiated between the archivist and the former president.

The PRA explicitly guarantees a former president continuing access to his papers. Those papers must ultimately be made public, but in the meantime-unlike with all other government documents, which are available 24/7 to currently serving executive-branch officials—the establishes restrictions on access to a former president's records, including a five-year restriction on access applicable to everyone (including the sitting president, absent a showing of need), which can be extended until the records have been properly reviewed and processed. Before leaving office, a president can restrict access to certain materials for up to

The only exceptions are for National Archives personnel working on the materials, judicial process, the incumbent president and Congress (in cases of established need) and the former president himself. PRA section 2205(3) specifically commands that "the Presidential records of a former President shall be available to such former President or the former President's designated representative," regardless of any of these restrictions.

Nothing in the PRA suggests that the former president's physical custody of his records can be considered unlawful under the statutes on which the Mar-a-Lago warrant is based. Yet the statute's text makes clear that Congress considered how certain criminal-law provisions would interact with the PRA: It provides that the archivist is not to make materials available to the former president's designated representative "if that individual has been convicted of a crime relating to the review, retention, removal, or destruction of records of the Archives."

Nothing is said about the former president himself, but applying these general criminal statutes to him based on his mere possession of records would vitiate the entire carefully balanced PRA statutory scheme. Thus if the Justice Department's sole complaint is that Mr. Trump had in his possession presidential records he took with him from the White House, he should be in the clear, even if some of those records are

In making a former president's records available to him, the PRA doesn't distinguish between materials that are and aren't classified. That was a deliberate choice by Congress, as the existence of highly classified materials at the White House was a given long before 1978, and the statute specifically contemplates that classified materials will be present-making this a basis on which a president can impose a 12-year moratorium on public access.

The government obviously has an important interest in how classified materials are kept, whether or not they are presidential records. In this case, it appears that the FBI was initially satisfied with the installation of an additional lock on the relevant Mar-a-Lago storage room. If that was insufficient, and Mr. Trump refused to cooperate, the bureau could and should have sought a less intrusive judicial remedy than a search warrant—a restraining order allowing the materials to be moved to a location with the proper storage facilities, but also ensuring Mr. Trump continuing access. Surely that's what the government would have done if any other former president

Messrs. Rivkin and Casey practice appellate and constitutional law in Washington. They served at the Justice Department and the White House Counsel's Office in the Reagan and George H.W. Bush administra-

Censorship at a Top College for Free Speech

By Christopher Nadon

Claremont, Calif. teach at Claremont McKenna College, the No. 1-ranked liberalarts college for free speech by the Foundation for Individual Rights and Expression. FIRE may need to consider its ratings.

On Oct. 4, 2021, my class discussed Plato's "Republic" and his views about censorship. A student objected that Plato was mistaken about its necessity. Here in the U.S., she said, there is none. Someone brought up "Huckleberry Finn." She replied, correctly, that removing a book from curriculums doesn't constitute censorship. I pointed out that the case was more complicated. The book had also been removed from libraries and published in expurgated

An international student asked me whv. I told her, quoting Mark Twain's precise language, which meant speaking the N-word. This caused the first student to change her mind and acknowledge the existence of censorship in America. Far from being harmed by hearing the word, she now saw that Plato's views couldn't be dismissed as outdated and merited more serious consideration. This liberation from her initial prejudice bore fruit. Later in the semester she raised a very thoughtful question about Socrates' criticisms of the poets: "But isn't Plato a poet?" A rare success.

CMC's administration determined

to put an end to any such successes. The associate dean of faculty, Ellen Rentz, emailed me on Oct. 14 asking me to speak on the phone about "some serious concerns" a student had raised with her about one of my courses. I asked repeatedly for her first to communicate the concerns in writing over email, but Ms. Rentz wanted only to discuss them in person, over the phone, or on Zoom. Eventually, on Nov. 6, the Dean of Faculty Heather Antecol emailed me explaining the student's concerns. who it turned out was not filing any sort of official complaint. After saying "this is not a disciplinary matter," Ms. Antecol said CMC still had a "duty to appropriately respond to concerns brought to the College's attention" and demanded to know the "pedagogic principles" that I thought justified using "the n* word expressly."

Here is exactly what I emailed in response to her question: "I do think that when a student asks me a direct question that I am able to answer, good 'pedagogy' requires that I tell him the truth. Do you disagree? Similarly, when a student makes a false statement, I think my job requires me to confront that student with facts that contradict him. Do you think I am wrong to do so? I also hold the view that before criticizing or praising an author, one should first attempt to understand that author as he understood himself, something that requires reading and discussing exactly what he wrote. Do you think I am mistaken in this approach?"

I never received a response. "Pedagogy" wasn't really up for discussion. Instead, the dean enlisted the help of both the department chairman and a co-director of the college's Open Academy program—a resource center that describes its purpose as "to counter the forces that are pulling us apart with educational strategies that bring us together"-to ban me from teaching any required courses in the future, seemingly into perpetuity.

Claremont McKenna threatened to bar me from teaching required classes for quoting 'Huck Finn.'

I was informed by these other faculty that the discussion of "Huck Finn," reading the forbidden word aloud from the autobiographical "Narrative of the Life of Frederick Douglass," and alleged complaints for making arguments on all sides of contentious issues such as the equality of the sexes, formed the basis for the dean's decision. But I can't be sure, because the dean of faculty's office has never informed me of a single complaint, though I had repeatedly asked in the fall for her office to detail what complaints, if any, students had filed against me. Instead, Ms. Antecol kept the process secret and played the role of investigator, prosecutor, judge and jury.

On July 13, I filed an internal grievance for violations of the college's published policies. That process has yet to run its course. I can report that two weeks after that filing, when it was apparent that my case and other similar ones would become public. Ms. Antecol decided to permit me to teach in the fall one of the two courses she had taken away from me and given to adjuncts.

The administration's behavior toward me and two similar cases in the literature department seem to show that CMC sets the bounds of faculty speech arbitrarily. This spring, a literature adjunct read aloud and asked students to discuss a passage from "The Color Purple" that contained the N-word. They complained. Ms. Antecol summoned the adjunct, who apologized and agreed to undergo recommended counseling. The professor submitted to re-education and training in critical race theory. Despite all this—and a glowing recommendation by the faculty member who observed her course—the class the adjunct was set to teach at CMC in the fall was abruptly canceled.

When a tenured literature professor, who is also well-connected to the board of trustees and the media, committed a similar offense, he received no penalty. Last fall the professor assigned Robert Lowell's poem "For the Union Dead," which contains the N-word. When he played

in class a recording of Lowell reading the poem, a student exploded, excoriating both author and teacher as old white men. The associate vice president for diversity and inclusion informed the professor by telephone, not in writing, that he was in the clear because he hadn't himself read the forbidden word aloud in class.

The effects of the administration's actions are disastrous and lasting. Students, already fearful to speak their minds, become even more so when they see that certain peers can veto the content of courses and conduct of teachers arbitrarily. Professors, a generally timid lot at best, give increased devotion to the cause of conformism. The liberating power of books, particularly those written in times and places distant from ours, is diminished when they are expurgated and bowdlerized.

My job as a teacher is to oppose ignorance wherever it manifests itself. If a dean promotes the work of Daniele da Volterra, Pope Paul IV's painter of fig leaves, I have no choice but to stand for the original of Michelangelo. And so must I stand for the original works of Mark Twain and Frederick Douglass, exactly as written by their authors. They deserve that, as do my students.

Mr. Nadon is a professor of government at Claremont McKenna Col-

Gerard Baker is away.

'Brain Death' Marks the True End of a Person's Life

looked at the screen monitoring her

By Michael Stanley

ctress Anne Heche suffered fatal injuries in an Aug. 5 car crash. But when did she die? She was declared brain dead on Aug. 11. She remained on life support until Aug. 14, when her organs were removed for donation. Some publications reported the death on Aug. 11, but there were obituary editors adamant she died on the 14th, "when someone is actually dead," as one editor put it.

The answer, both medically and

legally in almost every state, is that she died on Aug. 11. Journalists who assert otherwise not only mistake their opinion for facts but foment fears that brain death is a tool for overeager transplant surgeons, costconscious hospitals or windfall-seeking heirs. Such an attitude can haunt healthcare proxies with the feeling they're killing their loved

I've experienced the ambiguities of death as a family member as well as a physician. When my grandmother's pulse grew thready, I

vitals: 240 beats per minute. Those beats weren't getting much blood to her brain, but they were still her beats—a reaction to pain and the pangs for more air. My mother stroked her mother's hair and pressed a rosary into her palm. A moment later I felt the pulse stop. Looking up at the monitor I could see the heart rate drop-200, 100, 60, 40—her heart's inborn slowing as each node shut down. A few minutes later, the intensive-care physician entered the room, listened to a motionless chest, looked at the clock to mark the time, turned to my family and said, "I'm sorry." I shut the monitor off. The others in the room had been staring at it like a countdown and could still see the

physician, so my observation carries contraction can't be known. There is no way to determine precisely when enough of her brain's tissue had stroked out that it could no longer manage her body and facilitate the mind of the person I loved.

I once treated a patient who was told she wouldn't survive the night. She said goodbyes to family, received last rites and slipped into unconsciousness. I woke her up accidentally the next day, and in her delirious state she said, "Now I have

Anne Heche spent three days on life support, prompting confusion on the obituary pages.

their confidence in brain death.

As a physician I have a practical lar to my grandmother's case, and others with a careful examination, with flat brain waves on the monitor, with scans showing no blood going to the brain, with tracers showing a metabolically inactive brain, and with a test demonstrating the patient's brainstem no longer reacted to built-up carbon dioxide by taking a reflexive gulp of air.

As far as can be ascertained by medical science, there is no evidence of an active mind without a living brain. Ancient cultures understood death as expiration—literally, the lungs breathing out one's spirit. Later, attention was paid to the circulation of blood and the role of the heart. Humans put ourselves in a strange position in the mid-20th century when we developed ventilators that can do the work of breathing when a patient's lungs can't, or chemicals and machines that can keep a heart pumping.

This is frequently described as life-supporting equipment, but a more precise term is "organ-supporting equipment." Lungs and hearts and brains are intimately related, but the first two are replaceable. The brain is what makes you, you. When it stops functioning, a person dies.

Dr. Stanley is a resident in neurology at Brigham & Woman's Hos-

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EDITORIAL AND CORPORATE 1211 Avenue of the Americas, New York, N.Y., 10036 occasional sputtering heart contraction blip across the screen. When did my grandmother die? The official time of death is what her doctor wrote in the chart. I felt exactly when her pulse stopped a few minutes earlier, but I wasn't her no official weight. The machine kept ticking off futile twitches of a heart starting to stiffen until I shut the monitor off, so the time of the last

to die all over again." Her despair suggests a definition of death like Ayn Rand's: "I will not die. It's the world that will end." The "I" is a perceptual and experiencing one: a construct of the mind. It is the mind's relationship to the brain on which both medicine and law rest

obligation to act on the accepted definitions as they evolve with scientific knowledge and society's needs—approaching these questions with humility over sensationalism. As a neurologist I've declared patients dead: some in a manner simi**A16** | Tuesday, August 23, 2022

China Extends Power Rationing

Heat wave, drought prompt officials to curb factory output, mall hours in areas

By Brian Spegele AND YANG JIE

BEIJING—Authorities central China extended power curbs limiting factory production and opening hours for shopping malls, as the region grapples with its worst heat wave in six decades and a hvdropower-depleting drought.

In the Sichuan provincial capital of Chengdu, a major manufacturing hub, auto makers and components suppliers reported lower production because of the power constraints.

Farther east, in central China's sprawling metropolis of Chongqing, home to more than 30 million people, shopping malls were told they could open Monday only between 4 p.m. and 9 p.m. because of power rationing, state broadcaster China Central Television cited the local government as saying.

The combination of the drought and heat wave is leading to high electricity demand as residents need air conditioning to stay cool and denting supply from hydropower dams that are crucial to the region.

Rainfall feeding the Yangtze River basin was down 40% in July from a year earlier. The river is a key source of water for hydropower production and key for transportation. Levels for some parts of the river have been at their lowest points since records began, China's Ministry of Water Resources said last week.

The power rationing is undercutting industrial production, exacerbating the damage caused to China's economy by the government's stringent Covid-19 control measures. China is one of several countries that face droughts, which are challenging global supply chains and risk driving up food and energy costs.

General Interface Solution Holding Ltd., a Taiwanese maker of touch sensors and display components for electronics, said its subsidiary in Chengdu



A security guard keeps watch on a Shanghai bridge, where the lights have been turned off to conserve energy.

extended a suspension of production in accordance with the local government's contingency plans. Apple Inc., which had previously named the company as one of its suppliers, didn't respond to a request to comment.

Foxconn Technology Group, one of the biggest suppliers to Apple, has also been hit by power rationing. The company's production in Chengdu was continuing to run at a low level Monday, said people familiar with the matter, although it

was up slightly from last week. Foxconn was in talks with the local government to gradually increase production later this week, the people said.

A Foxconn spokesman said the current impact on production wasn't significant. He didn't comment further.

Meanwhile, the suspension because of the power curbs at Volkswagen AG's plant in Chengdu continued Monday, a spokeswoman said, adding that the company expects to

make up for any delays with increased production in the future. Toyota Motor Corp., which last week suspended production at its Chengdu plant, has conducted a test run on its production lines with its own power generator, a spokesman said. The plant wasn't operating at normal levels, he added.

The high temperatures have extended across much of southern China. The country's meteorological administration said that 65 weather stations registered record temperatures. The heat advisory was listed as a "red alert," its highest level, while the state forecaster put the drought warning at its second-highest level of orange.

The heat has also sparked wildfires. More than 5,000 firefighters, police and other personnel have been called in to battle blazes that ignited late last week south of Chongqing's downtown. Authorities said the fires had been extinguished by Monday morning.
—Selina Cheng

and Qianwei Zhang contributed to this article.

Red Flags On Growth Spur Loan Rate Cuts

By Jason Douglas

SINGAPORE—Banks China cut benchmark interest rates on loans to households and businesses, a small attempt to help revive growth in an economy struggling with a property bust and Beijing's zero tolerance to Covid-19.

The People's Bank of China week unexpectedly trimmed two of its policy rates in response to slowing growth and feeble demand for credit. Changes to so-called loan prime rates, which are set by a panel of banks and represent terms offered to the most creditworthy borrowers, usually follow soon after.

Economists say interest-rate cuts will probably do little to revive growth in China's flagging economy, where would-be borrowers are on edge over the threat of new disruptions to daily life from any new Covid-19 outbreaks and gloomy about their prospects against a worsening backdrop for growth and jobs. That is sapping demand for loans.

Data released last week showed economic activity slowed in July across the board, including factory output, investment, consumer spending, youth hiring and the real-estate sector, highlighting the breadth of the economic challenge facing policy makers in a politically sensitive year for leader Xi Jinping, who is expected to break with recent precedent and seek a third term in power this fall.

China recorded its weakest annual growth in two years in the second quarter, with gross domestic product expanding just 0.4% compared with a year earlier as Covid-19 lockdowns shut factories, snarled up transportation and shipping and left millions stuck at home. Data showed retail sales, industrial production and public and private investment slowed in July, while youth unemployment hit a new high, with almost a fifth of people aged 16 to 24 years old looking for work.

Senior officials last month effectively dropped their goal of recording an expansion of around 5.5% for the year as a whole, with China's Politburo, the Communist Party's top policy-making body, saying it hoped to keep growth within "a reasonable range" in the second half of the year.

The one-year loan prime rate offered by banks was lowered to 3.65% from a previous rate of 3.7%, while the fivevear rate was cut to 4.3% from 4.45%, the People's Bank of China said Monday.

In Iraq, Shiite Factions Shun Iran's Influence

By David S. Cloud AND GHASSAN ADNAN

BAGHDAD—As a bitter struggle for power in Iraq nears its 11th month, there is one point that unites its rival Shiite factions: None of them wants to be seen as too close to Tehran.

For nearly two decades since the U.S. invasion ousted Iraqi dictator Saddam Hussein, Iran has built strong ties with its neighbor, opposing American efforts and backing a network of militias that helps Tehran extend its reach. Iran, which is overwhelmingly Shiite Muslim, helped to keep Iraq's Shiite majority unified and able to wield power, often to Tehran's benefit.

Now, Iraq's Shiite factions are deeply divided in a sign of Iran's weakening influence in the country. One side led by influential cleric Moqtada al-Sadr is in its fourth week of occupying the parliament grounds in Baghdad's Green Zone. The other, the Coalition Framework, is seeking to form Iraq's next government and is led by former Prime Minister Nouri al-Maliki, Mr. Sadr's fierce rival and a politician known to be close to Iran.

"Iran gives us advice, but we don't listen to all Iranian advice," says Fahad al-Jubouri, a senior official in the National Wisdom Movement, a part of the Coalition Framework.

Mr. Sadr also has shunned association with the Iranians. "Iran can never control Sayed Moqtada al Sadr," said Ibrahim al-Jaberi, who heads Mr. Sadr's Baghdad office, using a title, Sayed, given to descendants of



Supporters of cleric Moqtada al-Sadr protested the nomination of a politician from a rival Shiite faction for prime minister earlier this month in Baghdad. The Iraqi public is pushing against sectarianism.

the Islamic prophet Mohammad.

The reluctance to be linked to Iran reflects a widespread weariness with Tehran, a potential threat to its strategy to limit U.S. influence in Iraq and to use its neighbor's territory and airspace to move weapons and other supplies to Syria, Lebanon and elsewhere. Protesters have shouted anti-Iran slogans. Many Iraqis blame Tehran for empowering powerful militias that fought the so-called Islamic State but are now perceived as armed wings of Shiite political factions and, to some, as enforcers of a corrupt status quo.

It is those militias that make the crisis so volatile, raising the prospect that a fight so far waged mostly peacefully turns violent. Armed clashes between Iraq's heavily armed Shiite factions would be one of the worst possible outcomes for Tehran. But an obvious Iranian effort to tilt toward Mr. Sadr's opponents could inflame the standoff, analysts say.

"Iran's major and first aim right now is to prevent any Shia-Shia fight because such fighting could lead to loss of Iranian influence over Iraq." said Laith Shubber, a former adviser to Iraqi Prime Minister Adel Abdul-Mahdi,

stepped down in 2019. In one of Tehran's few public comments about Iraq's troubles, Nasser Kanaani, Iran's foreign-ministry spokesman, said: "We are following the developments in Iraq very closely and with concern. We are trying to bring various views of the Iraqi factions closer together."

The U.S. also largely has been a bystander. The roughly 2.500 American troops still stationed in Iraq are narrowly focused on training the Iraqi army and supporting U.S. forces in neighboring Syria. A spokesman for the U.S. Embassy in Baghdad didn't respond to questions about Iran's role.

Kadhim al-Fartousi, a spokesman for Sayed al-Shuhada, one of the main militias, said Tehran's unpopularity after years of intervening in Iraqi affairs is causing them to hold back. "The Iranians told us...they suffered negative feedback from Iraqis, so this time they will leave Iraqis to handle their affairs by themselves," he said.

Behind the scenes, Tehran has been active. A senior Iranian military officer, Brig. Gen. Esmail Ghaani, arrived in Iraq earlier this month for talks on resolving the impasse, according to a senior Iraqi militia member. Gen. Ghaani is the chief of the Quds Force, a branch of the powerful Islamic Revolutionary Guard Corps that is responsible for the group's foreign dealings. But Gen. Ghaani made no public statements and the Shiite representatives he saw said nothing publicly about the meetings.

Mr. Sadr, who has met with the Iranian general in the past and has his own deep ties to Tehran, declined to see him, said his aide, Mr. Jaberi.

"The Iraqi public right now is pushing against sectarianism and really wants more of a nationalist government," said Marsin Alshamary, a research fellow in Iraqi politics at Harvard University's Kennedy School. "This is not a good case scenario for Iran because it weakens the political parties that it is close to.

The Shiite militias that Tehran has backed have shown signs of internal divisions, further challenging Iran's control. Some hard-line militias have continued to carry out rocket attacks on U.S. facilities in Iraq, while others have pledged to abide by Iraqi government orders against such attacks.

WORLD WATCH

PHILIPPINES

Schools Reopen as **Covid Closings End**

Millions of students wearing face masks streamed back to primary and secondary schools across the Philippines on Monday for their first in-person classes after two years of coronavirus lockdowns that are feared to have worsened alarming illiteracy rates among children.

Officials grappled with daunting problems, including classroom shortages, lingering Covid-19 fears, an approaching storm and quake-damaged school buildings in the country's north, to welcome back nearly 28 million students who enrolled for the school year.

Only about 24,000 of the nation's public schools, or about 46%, were able to begin in-person classes five times a week starting Monday, while the rest will resort to a mix of in-person and online classes until Nov. 2, when all public and private schools are required to bring all students back to classrooms, education officials said.

—Associated Press

KENYA

Losing Candidate Files Challenge

Kenya's losing presidential candidate Raila Odinga filed a Supreme Court challenge to last week's election result, asserting that the process was marked by criminal subversion and seeking



A boy cries outside his classroom in San Juan City as students across the Philippines held in-person classes for the first time in two years on Monday. The school closures sparked fears that already alarming illiteracy rates among Filipino children could worsen.

that the outcome be nullified

and a new vote be ordered. Mr. Odinga arrived to cheers Monday and helped to hoist boxes of material for the petition into place, starting the 14-day period in which the court must rule. At least two other petitions were

filed by human-rights figures. Deputy President William

Ruto was declared the winner of the Aug. 9 election with almost 50.5% of votes. The peaceful election turned chaotic in the final minutes before the declaration when the electoral commission split and a majority of commissioners said they couldn't

support the result. -Associated Press

PAKISTAN

Monsoon Season Death Toll Hits 777

Flash floods caused by abnormally heavy monsoon rains have killed 777 people across Pakistan over the last two months, officials said Monday, as rescuers

backed by troops raced against time to evacuate thousands of marooned people.

Since June 14, rain and flooding have affected 1.8 million people, and 317,678 of them were still living in relief camps across the country, according to the National Disaster Management Authority. It said out of the 777

killed, about 300 were reported since Aug. 1. Authorities are setting up

more relief and medical camps in remote areas in flood-hit southwestern Balochistan, southern Sindh and eastern Punjab provinces, where there is much damage.

The monsoon season runs from July through September in Pakistan.

-Associated Press

SWITZERLAND

Glaciers Are Melting Faster, Study Says

Switzerland's 1,400 glaciers have lost more than half their total volume since the early 1930s, a new study has found, and researchers say the ice retreat is accelerating at a time of growing concerns about climate change.

ETH Zurich, a federal polytechnic university, and the Swiss Federal Institute on Forest, ☑ Snow and Landscape Research on Monday announced the findings from a first-ever reconstruction of ice loss in Switzerland in the 20th century, based in part on an analysis of changes to the topography of glaciers since 1931.

The researchers estimated that ice volumes on the glaciers had shrunk by half over the subsequent 85 years-until 2016. Since then, the glaciers have lost an additional 12%, over just six years.

By area, Switzerland's glaciers amount to about half of all the total glaciers in the European Alps.

–Associated Press

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THE WALL STREET JOURNAL.

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Ford Cuts 3,000 White-Collar Jobs Lower

Auto maker's move is latest effort to slash costs in transition to electric vehicles

By Nora Eckert

Ford Motor Co. confirmed Monday it is laying off roughly 3,000 white-collar and contract employees, marking the latest in its efforts to slash costs as it makes a longer-range transition to electric vehicles.

Ford sent an internal email Monday to employees, saying it would begin notifying affected salaried and agency workers this week of the cuts. The email was viewed by The Wall Street the batteries that power them. Journal.

The 1% reduction in Ford's workforce of about 183,000 mostly targets employees in the U.S., Canada and India. About 2,000 of the targeted cuts will be salaried jobs at the Dearborn, Mich., auto maker. The remaining 1,000 employees are working in contract positions with outside agencies, the company said.

The cuts weren't unexpected. The Wall Street Journal and other media outlets reported in July that layoffs were coming for white-collar staff as part of a broader restructuring to sharpen the car company's focus on electric vehicles and

Ford shares closed down 5% on Monday, after news of a \$1.7 billion jury verdict in a case involving a rollover accident with one of the company's F-250 pickup trucks that left two peo-

ple dead.

The company's email, signed by Executive Chairman Bill Ford and Chief Executive Jim Farley, said Ford is changing the way it operates and redeploying resources as it embraces new technologies that weren't previously core to its operations, such as developing advanced software for its vehicles. The job cuts are effective

Sept. 1. a spokesman said. "Building this future re-

quires changing and reshaping company has said it would virtually all aspects of the way spend about \$50 billion we have operated for more than a century," the internal message said.

Mr. Farley has said recently that Ford has too many employees, and that the existing workforce doesn't have the expertise needed to transition to a portfolio of electric, softwareladen vehicles. He has said he aims to cut \$3 billion in annual costs by 2026 as part of his goal to reach a 10% pretax profit margin by then, up from 7.3% last year.

Like many global auto makers, Ford is pouring money into electric vehicles to close the sales gap with Tesla Inc. The through 2026 to develop EVs, targeting global sales of two million by then.

Mr. Farley this year divided the company into separate divisions, including one to focus on electric vehicles and advanced technologies and another to handle its traditional internalcombustion-vehicle lines. He has said profits from its lineup of gasoline and diesel-engine vehicles will help fund the transition, but that part of the business must operate more efficiently.

◆ Ford shares lose 5% on news of jury verdict....

Consumer price index for

Deficits Ease Blow To Market From Fed

By Sam Goldfarb

A shrinking federal budget deficit is providing a major boost to investors, enabling the Treasury Department to cut longer-term debt issuance despite the Federal Reserve's recent move to buy fewer bonds.

The prospect of the Fed shrinking its bondholdings, a policy known as quantitative tightening, or QT, has long been a nagging concern for investors. While it is early to conclude that the Fed maneuver won't hit markets, the strong rally in stocks and bonds in recent months suggests that the relationships are more complicated than many analysts had assumed.

"It's important to realize that QT and QE are not symmetric," said Thomas Simons, senior vice president and money-market economist in the fixed-income group at Jefferies LLC.

To support financial markets and the economy during the pandemic, the Fed engaged in a bond-buying policy known as quantitative easing, or QE. The program, which aimed to help maintain demand for goods and services across the economy, more than doubled the central bank's asset portfolio of mostly Treasury and mortgage securities to roughly \$9 trillion.

Starting in June, the Fed began reducing the size of that portfolio by letting some of its bonds mature without replacing them, a state known as runoff. Next month, it is poised to double the speed of that process by allowing as much as \$60 billion in Treasurys and \$35 billion in mortgage securities to run off each

Some market pundits have warned that the Fed's actions could significantly increase the supply of new Treasurys available to investors, pushing their prices lower and raising their yields, which serve as a benchmark for interest rates across the economy.

Instead, though, the opposite is happening.

Thanks to surging tax revenues and a drop in pandemic spending, the federal government has been cutting the sizes of its bond auctions since late 2021. It continued to cut in May, when the Fed was on the verge of shrinking its balance sheet, and announced further cuts this month even

after the process had started. Rather than rising, yields on the longer-term Treasurys that matter most for the economy have fallen since mid-June, as investors bet that a

Please turn to page B11

Bed Bath Funding Options Tighten

By Jodi Xu Klein AND SUZANNE KAPNER

Bed Bath & Beyond Inc.'s financing options to help staunch its cash bleed have narrowed after billionaire activist Ryan Cohen sold all his shares in the company last week. Now, the struggling retailer is under more pressure to persuade lenders to provide

it with fresh funds.
Since Mr. Cohen on
Wednesday announced plans to sell his entire 10% stake, many of the individuals who followed him to invest in the retail chain's shares have also sold. Its stock has since fallen 60%, closing at \$9.24 on Monday. Before that, its shares had more than quadrupled this month.

The falling share price has made it less likely that the retailer can fix its financial problems by issuing stock, as other struggling companies have done when they suddenly sparked the interest of bullish individual investors.

The company has signaled it has to raise cash. While it has said it should be fine for a year, its business remains in decline. It has been working with restructuring consultant Berkeley Research Group LLC to improve its cash, balance sheet and inventory positions, the company said in June.

Bed Bath & Beyond didn't respond to requests for comment. "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," company spokesman Eric Mangan has said previously.

On Monday, S&P Global Ratings cut the company's credit rating further with a negative outlook, indicating it could downgrade the ratings again in the near future. The ratings company cited poor sales, shrinking liquidity and looming debt maturities as rationale for the downgrade.

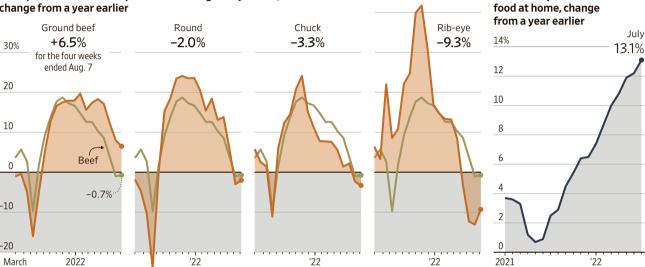
"We believe macro conditions are worsening and prospects for home goods sales continue to deteriorate," ac-

cording to the report. The negative outlook "reflects the risk the company could default on its debt or pursue a restructuring in the coming 12 months if its turnaround efforts do not gain significant traction," S&P said.

The company's sales in the latest quarter declined 25% from a year earlier. In late May, it had about \$108 million in cash reserves, down from \$440 million in February. In financial filings, it said that it had a solid liquidity position and could generate cash it needed from an existing credit line and its operations for the next year.

Recently, it has been hunting for \$375 million in debt to pad its cash levels and help pay down existing debt, people familiar with the matter Please turn to page B2

Price per volume for beef products at U.S. grocery stores, change from a year earlier



Beef Prices Decline, Burgers Aside

By Jaewon Kang AND PATRICK THOMAS

Beef is getting cheaper, bringing some economic relief to U.S. consumers.

Sources: IRI (price per volume); Labor Department (CPI)

Prices of beef, typically among the costliest grocery store purchases, are falling after more than a year of increases, as consumer demand softens for some cuts. Supplies are improving due to better staffing at meat plants, and supermarkets are offering more discounts on rib-eye, New York strip and other often-expensive products.

For months, prices for food and consumer products have been rising across grocery aisles due to higher costs of transportation, ingredients and labor. Some of the biggest increases have been in the meat section, and shoppers have been buying cheaper cuts or switching to less expensive protein like chicken. As beef prices plateau, consumers are finding more deals and options, industry executives and analysts said.

Retail beef prices fell 0.7% for the four-week period ended Aug. 7, compared with the same period a year ago, according to data from research firm Information Resources Inc. That decline came after beef prices fell 1% during the prior four-week period, which was the first monthly



As beef prices plateau, at least for the higher-end cuts, consumers are finding more deals.

decline since June 2021. U.S. retail beef prices hadn't fallen for two straight months in over a year and a half, though they remain at historically high levels.

In July, the pace of U.S. inflation eased slightly from a four-decade high as gasoline costs fell from June levels. along with declines in prices for used cars and airline fares. Grocery prices were up 1.3% in July compared with June, according to Labor Department

data, and the cost of eating out at restaurants also increased.

Prices for rib-eve and beef loin are down nearly 10% for the four weeks ended Aug. 7 compared with a year ago, while brisket decreased about 18%. Ground beef prices among the cheapest beef products and still in high demand-increased about 7% over the period, compared with a roughly 20% increase in

"The cost of all the stuff is piling up and it's starting to hit people's pocketbooks," said Carey Otwell, director of meat and seafood at Mitchell Gro-

cery Corp. The Alabama-based grocer is selling less premium meat such as grass-fed beef. People continue to buy lower-priced cuts like ground beef, holding up prices for those products. Mitchell's average cost of a case of beef declined about

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INSIDE

BUSINESS NEWS

Elon Musk's lawyers seek documents from former Twitter chief Jack Dorsey. **B3**

FINANCE

Goldman, JPMorgan process some trades using blockchain technology. **B10**

Revamped Occidental Won Over Buffett

By Benoît Morenne AND AKANE OTANI

As the pandemic set in, investors including Warren Buffett ditched shares of Occidental Petroleum Corp. Now, the oil-and-gas producer is the best-performing stock in the S&P 500 this year, and a newfound favorite of the veteran investor.

More than two years after selling off its common shares of Occidental, Mr. Buffett's Berkshire Hathaway Inc. is the company's largest shareholder with about 20% of its stock, according to recent filings, and Mr. Buffett received regulatory approval Friday to buy up to 50%.

Buoyed by soaring commodity prices, Occidental has substantially paid down its debt load and is generating cash. The company now looks

like a strong fit for Mr. Buffett, say investors and analysts. It is strengthening its balance sheet and returning cash to shareholders; it holds the largest position in the most active U.S. oil field; and it is investing in technologies to reduce carbon emissions, which some of Mr. Buffett's businesses are also doing.

"It checks off a lot of his boxes," said Steven Check, chief investment officer of Check Capital Management, which is invested in Berkshire. "It's American, it has great cash flow and it's a rational capital allocator."

Mr. Buffett has publicly praised the strategy of Occidental Chief Executive Officer Vicki Hollub, and many analysts have speculated that Berkshire could buy the entire company. Mr. Buffett hasn't informed Occidental of any



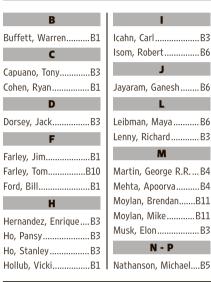
CEO Vicki Hollub cut Occidental's debt load and raised dividends.

plans to acquire a controlling stake in the company and is unlikely to do so in the nearterm, people familiar with the

matter say. "What Vicki Hollub was say-

ing made nothing but sense," Mr. Buffett said at Berkshire's recent annual shareholder meeting. "And I decided that it was a good place to put Berk-Please turn to page B10

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AppleA16	IntelA8	R
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Bed Bath & BeyondB1 Berkshire HathawayB1	J	SalesforceB3
BioNTechA3	JBS USAB6	Seawall CapitalB11 SmileDirectClubB12
BNP ParibasB10	Johnson & JohnsonB3	Sports EndeavorsB11
BYDB12	JPMorgan ChaseB2,B10	StockXA8
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CargillB6	Klarna BankA1	TeslaB12
Cineworld GroupB4 Corebridge FinancialA8	L	ToastA8
D	Li AutoB12	Toyota MotorA16,B2 Tyson FoodsB6
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Foxconn Technology. A16	MGM ChinaB3	W
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$Bed\ Bath$ **Options** Narrow

Continued from page B1 have said. A loan deal would help reassure suppliers and provide liquidity to fund inventory for the crucial holiday

shopping season. Law firm Kirkland & Ellis LLP is advising the company on the financing, according to a person familiar with the situation. Bloomberg earlier reported on the law firm's work with the company.

The Union, N.J., retailer has been reaching out to vendors to try to negotiate longer payment terms, the person said. One firm that finances suppliers has stopped providing credit on shipments to Bed Bath & Beyond, this person said, a sign of concern in the retailer's ability to pay ven-

Urged by Mr. Cohen through his investment firm RC Ventures, Bed Bath & Beyond said this year it would explore strategic options, including a potential sale of the

Sales decline in most recent quarter at Bed Bath & Beyond

BuyBuy Baby brand, which had 135 stores as of May. The company's interest in separating the seller of baby items and nursery furnishings has since cooled, according to people familiar with the discussions.

The prospective loan, marketed by JPMorgan Chase & Co., would be secured by intellectual property at the company's BuyBuy Baby division and structured in a way that would be ranked below other secured debt if the company files for bankruptcy, people familiar with the matter have said.

Credit investors, including some focusing on distressed debt, have been scrutinizing the brand's value to decide whether it is enough to secure the loan, the people said.

A credit investor who submitted a proposal in recent days as the company's stock price rose asked the retailer to issue more stock as part of the debt deal, one of the people

The company hasn't pub-

licly indicated that it is considering an equity offering since the shares began rallying earlier this month, just as equity analysts were downgrading its prospects.

The retailer has said that it would provide an update on efforts to strengthen its balance sheet at the end of the month.

As its stock lost steam, Bed Bath & Beyond's 2024 bonds also dropped in tandem, trading at roughly 40 cents on the dollar Friday, down nearly 27% from two days earlier, according to MarketAxess. The discounted price shows debtholders aren't confident the notes would be paid out in full, implying that equity is at high risk of being wiped out, as is common in a restructur-

Still, there is recent precedent for troubled businesses to defy debt markets to generate shareholder value. Professional investors largely as sumed that Hertz Global Holdings Inc. was valueless after it filed for bankruptcy in 2020, but it was amateur stockholders who won big betting the rental-car business would recover beyond the pandemic.

AMC Entertainment Holdings Inc. also sold \$2.2 billion of equity to get through the pandemic after becoming a favorite of individual traders, severe financial despite strains. Debt financing also requires confidence in Bed Bath & Beyond rebounding from operating missteps, including plowing money into privatelabel brands that alienated customers and had poor sales.

As the company adds name brands back, some suppliers are no longer giving the retailer the preferential treatment it once enjoyed, according to other people familiar with the matter. Some suppliers that once sold at Bed Bath & Beyond exclusively have broadened their distribution to include other retailers, the

people said. If the home-goods retailer, known for its large assortment of products, manages to get fresh funding, it would ease the pressure by suppliers who might further tighten payment terms or demand cash upfront

for merchandise. A tightening of vendor payment terms to 30 days from 60 days would roughly double the quarterly cash burn to \$400 million from about \$200 million estimated for the coming quarters, an analyst at Bank of America said in a note

-Alexander Gladstone and Alexander Saeedy contributed to this article.

Ford Shares Fall After Jury Awards \$1.7 Billion in Accident

By Nora Eckert

Ford Motor Co.'s shares slid 5% Monday, following news of a \$1.7 billion jury verdict involving a fatal rollover accident in one of its oldermodel heavy-duty trucks.

A jury in Georgia on Friday reached the verdict after a three-week trial, determining punitive damages should be imposed on Ford for selling 5.2 million Super Duty trucks that the plaintiffs' lawyers argued had dangerously weak roofs vulnerable to collapsing in a rollover crash.

Ford's stock closed at \$15.08, falling steeper than the broader market, which was also down sharply Mon-

The lawsuit, brought by the children of the victims who died in the crash, centered on a 2014 accident in which a couple driving a 2002 Ford F-250 truck were killed when the right front tire blew out and the pickup rolled over. The victims, Melvin and Voncile Hill, were crushed inside the truck, according to court Ford Motor share price, records.

"While our sympathies go out to the Hill family, we don't believe the verdict is supported by the evidence, and we plan to appeal," Ford said Sunday. "In the meantime, we aren't going to litigate this matter through the news me-

The verdict is believed to be one of Georgia's largest and puts a spotlight on other older-model Super Duty trucks sold by Ford over a roughly 17-year period that the plaintiffs' lawyers have argued have a similar roof de-

Often, high-dollar verdicts such as this one are later reduced by judges or the appeals court.

Still, the initial figure is large and the appeals process can take some time to resolve, said David Whiston, an auto analyst with Morningstar Inc.

"It's just another risk," Mr. Whiston said, adding that it is unclear where the final dollar figure will end up.

past three months



Additionally, if U.S. autosafety regulators were to get involved and push for a recall, the situation could become more costly for Ford, Mr. Whiston said.

The National Highway Traf-Safety Administration didn't return requests for comment on the verdict.

In the lawsuit, the plaintiffs' attorneys allege that Su-

per Duty trucks sold through the 1999-2016 model years had defectively designed roofs and Ford knew of the dangers posed at the time. The lawyers pointed to evidence they said showed that the trucks failed internal company testing and that in 2004, Ford developed a stronger roof but didn't use it in salable pickups until the 2017 model year, according to court documents.

Ford has identified 162 lawsuits and 83 similar incidents of roof crush in 1999-2016 Super Duty trucks, according to the pretrial order.

Ford contends that Mr. Hill, the driver of the F-250 truck involved in the accident, improperly steered the vehicle after the tire ruptured, causing it to leave the roadway at a dangerous angle, the court records show.

Ford also said that the tire on the truck had the incorrect load-carrying capacity, which led it to fail, and the Hills had improperly used their seat belts, according to the court documents.



Hino's recalls so far involve only products sold in Japan. It sold 158,000 buses and trucks globally in the fiscal year ended in March.

Emissions Scandal Grows at Toyota Unit

By River Davis

TOKYO—**Toyota** Motor Corp.'s chief rebuked its commercial truck unit, Hino Motors, over a scandal involving falsified fuel performance and emissions data that has led Hino to suspend most of its shipments in Japan.

Hino, which is 51%-owned by Toyota, said Monday that an inspection by Japan's Transport Ministry showed it failed to meet emissions testing requirements for one of its light-duty engine models, following similar disclosures about other models. Hino said it was suspending shipments of the trucks equipped with the engine in question.

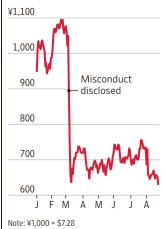
The new disclosure brings the tally of automotive engines about which data was falsified to 643.635. Hino said. More than 60,000 of those engines are subject to recalls, it said.

Hino sold 158,000 buses and trucks globally in the fiscal year ended in March. A spokeswoman said the recalls so far involved only products sold in Japan and the company hasn't disclosed any instances of data falsification outside Japan. The company is cooper-

Sidetracked

Hino Motors, majority-owned by Toyota Motor, has been hit by an emissions scandal.

Hino Motors stock price



ating with an investigation un- that it was facing a lawsuit in Toyota has dispatched technider way in the U.S., she said. Hino's issues follow a series

of scandals in 2018 involving manufacturing problems that tarnished the image of Japan's factories. The current issue first came

to light on March 4, when Hino said it had identified past misconduct relating to the emissions and fuel economy data of engines sold in Japan. It suspended sales of vehicles carrying three engine models and set up a committee of outside experts to look into the misconduct.

That investigation report, released earlier this month, found Hino had been falsifying data about the fuel economy and performance of its engines in Japan for roughly two decades.

The report attributed the problem to management's "failure to sufficiently engage with the front-line workforce," which it said created an environment that "prioritized meeting schedules and numerical goals over due processes."

Hino said it takes both the committee's report and the latest misconduct revelation seriously and is working to identify where the responsibility lies. It apologized again Monday. The problem is "grave and serious, and there is no room for excuses," said Hino President Satoshi Ogiso.

Hino, whose shares are separately listed on the Tokyo Stock Exchange, saw its operating profit fall 73% in the April-June quarter to the equivalent of \$31 million. It sold 9,300 trucks and buses in Japan in the quarter, down 32% from the same period a year earlier.

"We are extremely disappointed that Hino has once again betrayed the expectations and trust of its stakeholders," said Akio Toyoda, president of Toyota, in a statement Monday. "We will closely watch whether Hino can be reborn as a company worthy of the trust of its stakeholders."

Hino said earlier this month

U.S. District Court in Florida filed by plaintiffs who said they suffered damage due to alleged misconduct by Hino. The lawsuit seeks class-action status, the company said. It said it would take appropriate measures to defend itself but didn't discuss the substance of

Toyota's chief communication officer, Jun Nagata, said

cal experts to Hino facilities to advise the truck maker on its inspection methods. Because 49% of Hino is owned by other shareholders. Toyota isn't able to make any final decisions on the fate of Hino, Mr. Nagata said. "The point going forward is whether they can convince us and other stakeholders with their plans to rebuild," he

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Shakes Up Board and Increases Its Size

By WILL FEUER

McDonald's Corp. is shaking up its board of directors with the departure of longtime member Sheila Penrose and the addition of executives from Marriott International Inc., Johnson & Johnson and Salesforce Inc.

Ms. Penrose, who leads the board's sustainability and corporate responsibility committee, will retire from the board effective Sept. 30, the fastfood chain said Monday. She has served on the board since

Ms. Penrose's departure comes months after her seat on the McDonald's board was challenged by activist investor Carl Icahn, who criticized the fast-food chain over its suppliers' treatment of pregnant pigs. At the time, Mr. Icahn also targeted a seat held by Richard Lenny, the former chief executive of Hershev Co.

McDonald's Chairman Enrique Hernandez Jr. said Monday that Ms. Penrose has overseen the company's progress on climate, responsible sourcing and diversity, equity and inclusion goals.

McDonald's said it has elected Marriott CEO Tony Capuano, J&J Worldwide Chair of Pharmaceuticals Jennifer Taubert and Salesforce

One member departs after her seat was challenged by investor Carl Icahn.

Chief Financial Officer Amy Weaver to the board effective

The new additions increase the size of the board to 14, and increase the number of women on the board from three, including Ms. Penrose,

The move also comes after executives warned last month that the business outlook remains uncertain amid inflation and weakening consumer sen-

McDonald's said last month that for the recently ended quarter, higher prices and value-menu offerings pushed same-store sales up 3.7% in the U.S. from a year earlier, outpacing analysts' expectations. Overall revenue, though, fell 3%, mostly because of the stronger U.S. dollar.

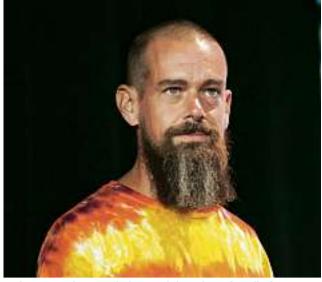
McDonald's Musk Seeks Dorsey Information

By Sarah E. Needleman

Elon Musk's lawyers have sent a subpoena to Jack Dorsey, the first indication that Twitter Inc.'s co-founder and former chief executive will be officially involved in the legal fight over Mr. Musk's stalled \$44 billion deal.

Mr. Musk is seeking documents from Mr. Dorsev relating to the effect of false or spam accounts on the social-media platform's business. The Tesla Inc. CEO is also seeking information about Twitter's use of monetizable daily active users, or MDAUs, as a metric and any other metrics the company might use to describe user or advertiser engagement.

Twitter sued Mr. Musk in July for attempting to abandon his takeover of the company. A five-day trial for the case is scheduled to start Oct. 17 in Delaware Chancery Court. Mr. Musk countersued earlier this month, accusing the company of fraud for allegedly misrepresenting the condition of the business and metrics about users on the platform.



Jack Dorsey, above, and Elon Musk have been friendly for years.

The subpoena sent to Mr. Dorsey, dated Aug. 19 and made public Monday, is one of dozens that have been issued by both parties in the case in recent weeks, including to members of Mr. Musk's inner circle of Silicon Valley investors, friends and financial backers. It is particularly noteworthy given Mr.

Dorsey's former role at Twitter and the yearslong relationship between the two men.

"Elon is the singular solution I trust," Mr. Dorsey tweeted on April 25, the day Twitter accepted Mr. Musk's bid. "I trust his mission to extend the light of consciousness."

Dorsey didn't respond to a request for comment. Mr. Musk's attorneys declined to comment. A spokesman for Twitter declined to comment.

Mr. Dorsey, who resigned from Twitter late last year under pressure from its board, was among those whispering in Mr. Musk's ear that Twitter should be a private company, The Wall Street Journal reported in April. The billionaires have been

seemingly friendly for years, exchanging messages on Twitter on shared topics of interest like cryptocurrency. In early 2020, while Mr. Dorsey was on stage at a Twitter all-hands event in Houston, he called Mr. Musk on FaceTime. Both men have stood out for running two tech companies at the same time. Mr. Dorsey was once simultaneously CEO of Twitter and payments company Block Inc., formerly known as Square. Mr. Musk is currently CEO of both Tesla and Space Exploration Technologies Corp., or

After stepping down from A lawyer representing Mr. the top job at Twitter in late

2021, Mr. Dorsey was openly critical of the company and its board, many of whom he put in their roles. On Twitter, he took a vague swipe at the board and seemingly endorsed criticism of a core feature of the platform that was instituted more than a decade earlier when he was chairman.

When Mr. Musk mocked Twitter's top legal boss on April 28 on its own platform, prompting online attacks toward her from his followers, Mr. Dorsey didn't take a public stand. At the time, current and former Twitter employees said Mr. Dorsey's lack of public comment shocked them because in 2018 he committed to reducing abuse and harassment on the platform.

Mr. Dorsey hasn't publicly weighed in on the legal dispute between Mr. Musk and Twitter in a substantive way and hasn't made a public statement about Mr. Musk's prospective ownership or decision to abandon the deal since he tweeted his support in April.

—Erin Mulvaney contributed to this article.

MGM to Put \$600 Million Into Macau Unit

By Elaine Yu

HONG KONG—The Chinese unit of U.S. gambling company MGM Resorts International said it would pump almost \$600 million into its Macau casino operator as the company prepares to bid for a new license in the pandemicbattered gambling enclave.

MGM China Holdings Ltd. recorded widening losses in the first half of the year due to Covid-19 outbreaks in mainland China and Macau that the company said have restricted travel to the city. Earlier this month, the Hong Kong-listed company posted a \$306 million loss attributable to the owners of the company in the first six months of 2022, deeper than a year-earlier loss of \$221 million.

The cash injection follows the introduction of new rules governing Macau's casino operators that set the stage for a rebidding process for licenses after they expire at the end of 2022. Companies are required to increase their capital to 5 billion patacas, the equivalent of around \$619 million, to ensure they have sufficient financial resources.

U.S.-owned casino companies MGM, Wynn Resorts Ltd. and Las Vegas Sands Corp. are seeking to renew their licenses in Macau after two decades in which the city become the world's biggest gambling hub. The companies have faced tougher conditions in recent years with anti-Covid lockdowns keeping Chi- ber of casino licenses will nese visitors away, which has



To renew their licenses, Macau casino operators are now required to increase their capital. The MGM Cotai casino in the city.

its co-chairperson, Pansy Ho, a daughter of the late gambling magnate Stanley Ho, as managing director of its subsidiary, MGM Grand Paradise, for the duration of the concession term if it is renewed, the company said in a statement to the Hong Kong stock exchange on Sunday.

While the maximum numstay at six, their tenure will

be cut by half to 10 years, and up more than 1.2% in Monday MGM China will also name 15% of a company's share capital must be held by a director who is a Macau citizen—up from 10% previously. MGM China said it would transfer 730,000 Class B shares to Ms. Ho to meet the new capital

requirement. Ms. Ho's annual salary as managing director will be \$8 million, if MGM Grand Paradise gets its new license, ac-

cording to MGM China. MGM China's shares edged trading.

Macau revised its gambling laws earlier this year, the biggest reform for the Chinese casino hub in two decades, to increase regulatory oversight and to more closely align companies' operations with China's national security in-

Last month, Macau's casinos shut down again during a nearly two-week citywide lockdown amid a Covid-19

outbreak—the first such closures since the early days of the pandemic, which caused the city's gross gaming revenue in July to plunge 95% from a year earlier.

Wynn Macau, the Chinese subsidiary of U.S.-listed Wvnn Resorts, earlier this month warned of adverse effects if its gambling license isn't renewed at the end of the year and said Covid-19 will likely continue to weigh on the company.

Adidas CEO Sets Surprise Exit Next Year

By Georgi Kantchev

BERLIN-Adidas AG said Chief Executive Kasper Rorsted will step down next year in an unexpected development for a company that has struggled in its key China market recently. The German sportswear

company said the decision was made by mutual agreement and that Mr. Rorsted will remain in office until a new leader is appointed in 2023. "After three challenging

years that were marked by the economic consequences of the Covid-19-pandemic and geopolitical tensions, it is now the right time to initiate a CEO transition and pave the way for a restart," the company said Monday.

Adidas shares closed down 5% in Frankfurt on Monday after the announcement. They

are down 38% this year. Mr. Rorsted has led the company since 2016 and his contract was due to run out in 2026. During his tenure, Adidas advanced its digital transformation and grew online sales more than fivefold. But revenue growth lagged behind peers such as Nike Inc. and Puma SE in recent years, heaping investor pressure on the management.

debate "The investor around change in leadership at Adidas has increased in intensity in recent months based on our discussions," analysts at



Under Chief Executive Kasper Rorsted, the sportswear company's sales growth lagged behind rivals.

RBC Capital Markets said on Monday.

In particular, Adidas has been held back by challenges in China. Sales have been hit by a consumer boycott that began last year after the company joined other Western brands to raise concerns about forced-labor allegations in China's Xinjiang region. Chinese sportswear makers, meanwhile, have improved in quality and design in recent years, increasing their market share.

More recently, China's Covid-19 restrictions have hit Adidas's revenues in the re-

earnings target for the year, citing the slowdown in the country. China is the largest apparel and footwear market in the world, valued at \$376 billion in 2021, followed by the U.S. at \$330 billion, according to market researcher Euromonitor International.

Other factors, such as suspended operations in Russia and the supply chain problems that have engulfed global business, have contributed to the company's lackluster performance lately.

In the second quarter, Adidas sales rose 4% at constant currency driven by Europe and gion. In July, Adidas cut its the Americas regions, while

revenue in mainland China, Taiwan and Hong Kong declined by 35%

Mr. Rorsted, who was born in Denmark, joined Adidas from German chemicals and company consumer-goods Henkel AG & Co. KGaA, where he was CEO.

"The past years have been marked by several external factors that disrupted our business significantly," Mr. Rorsted said on Monday. "It required huge efforts to master these challenges."

"This is why enabling a restart in 2023 is the right thing to do-both for the company and me personally," he said.

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Instacart Logs Gains Ahead of IPO

Delivery company's quarterly revenue hits highest level ever as more order via app

By Berber Jin

Instacart Inc. orders and revenue grew in the second quarter as consumers stuck to online grocery delivery despite rising prices and store reopenings, a promising sign for investors as the company prepares for an initial public offering as soon as later this

Instacart is one of the few companies in Silicon Valley moving toward a public listing in what is on pace to be one of the slowest years for IPOs in decades. A drop in the value of formerly highly valued technology stocks ranging from Snowflake Inc. to Uber Technologies Inc. has put renewed pressure on still-closely held companies looking to go public.

Revenue for Instacart during the three months that ended in June climbed 39% from the year-earlier period to \$621 million, investors said, the highest quarterly revenue in Instacart's history. The increase was stronger than in the first quarter, when revenue increased 15% year over year.

The San Francisco-based company's growth was driven by an increase in the number of orders placed on the app, which climbed 25% from the year-earlier quarter to more than 60 million, people familiar with the matter said. The quarter also was helped by the growth of new consumer price plans including lower-cost scheduled delivery and more expensive fast delivery options, as well as lower average fulfillment costs by grouping individual orders.

While the numbers are nowhere near the growth Insta-



The company was helped by the growth of new consumer price plans even as it faces mounting competition. An Instacart shopper.

of the pandemic, they still provide support for the grocery-delivery startup ahead of the planned public listing as soon as this year. Instacart also turned a profit in the second quarter, The Wall Street Journal previously reported, though the exact profit couldn't be learned.

Instacart has faced mounting competition of late. Retailers are increasingly using several delivery companies to fill online orders and negotiate better terms. To maintain its edge, Instacart has announced plans to cut delivery times for major customers and pushed into advertising.

Instacart order volume climbed 21% in the second quarter from a year earlier to \$7.1 billion, according to the people familiar with the matter. That marks a large incart saw during the early part crease from the first quarter,

when Instacart order volume rose 10%, compared with the year-earlier period.

The company's growth outpaced that of DoorDash Inc., which said second-quarter revenue rose 30% to \$1.6 billion. Investors frequently compare DoorDash to Instacart since it operates a similar third-party delivery model.

DoorDash also turned a quarterly profit ahead of its IPO in late 2020. It has since swung back to a loss because of investments overseas and in new categories such as grocery delivery and as employees' stock options vested.

The timing of Instacart's IPO isn't set and could change depending on several factors. The company said earlier this year it had more than \$1 billion in cash and marketable

Instacart was among the

pandemic lockdowns as consumers pivoted to online grocery shopping. Amid breakneck revenue growth, the company raised money at a \$39 billion valuation in a March 2021 funding round, making it one of the most valuable U.S. startups.

Growth slowed significantly in the following months as grocery stores reopened and competition from other delivery players mounted, causing the company's share of the online grocery market to fall. Some investors cut the value of their shares amid the falling value of public technology stocks. In March, Instacart said it lowered its internal valuation to \$24 billion.

In the past year, Instacart has invested in new business lines such as advertising to help sustain growth and main-

primary beneficiaries of the tain its competitive edge over rivals. Last year, Instacart bought a maker of automated shopping carts and a catering software company to help diversify the services it offered to grocery retailers. In March, Instacart said it would start building fulfillment centers for supermarkets that can deliver groceries in 15 minutes.

Instacart, helmed by Fidji Simo, a former executive at Meta Platforms Inc., counts major U.S. retailers including Publix Super Markets Inc. and grocery chain Kroger Co. as its customers. In July, co-founder Apoorva Mehta said he would step down as executive chairman and leave the board of directors when the company goes public. Ms. Simo is expected to take over as the chairwoman of the board.

-Preetika Rana contributed to this article.

Apple Staff Petition to **Ease Rules** On Return To Office

By Alyssa Lukpat

A group of Apple Inc. staffers is petitioning for a more flexible working environment after the tech giant recently told employees they will need to be in the office at least three days a week.

The group, AppleTogether, said it represents current Apple workers. It wrote a petition following Apple's announcement that employees must work from the office for three days a week starting next month.

In the petition, the group asked the company to let employees decide their own work arrangements with their managers. The group said it didn't want workers to have to provide private information or to ask for higher-level approvals to secure their chosen arrangements.

The employees who want more flexible work arrangements had compelling reasons,

The appeal for more flexible working arrangements had gathered 270 signers.

the petition said, including disabilities, health concerns and the fact that some of them are happier and more productive in flexible work environments.

"For the past 2+ years, Apple's formerly office-based employees have performed exceptional work, flexibly, both outside and inside traditional office environments," the petition said.

Apple's most recent quarterly results were better than expected despite high inflation and other economic pressures. Although its profits slid almost 11%, the company reported last month that its iPhone sales continued to grow, showing that Apple has remained resilient.

The petition had more than 270 signatures as of Monday afternoon. It couldn't be determined how many of the signers were Apple employees

The signatures represented only a fraction of Apple's global workforce. The tech giant, which is based in Cupertino, Calif., has more than 165,000 employees, according to Apple's website.

The company and AppleTogether didn't return requests for comment Monday.

Like many companies, Apple pushed back its return-to-office date several times during the pandemic as the Covid-19 virus spawned more contagious variants. Apple was one of the first U.S. companies to send its workers home in 2020 as the virus began to spread.

As Covid-19 cases dropped in the U.S. after the winter surge, some companies urged employees to return to the office. But companies have struggled to lure workers back, even with the promise of hybrid schedules or elaborate free meals. Tsedal Neeley, a professor

at Harvard Business School, said that Apple, like other companies, has had to reinvent its office culture, which it invested so heavily in when it opened its multibillion-dollar headquarters in 2017. "It was an investment centered on the abiding faith that physical presence and having people around is part of their secret sauce," she said, "and Covid debunked that perspective."

Dr. Neeley, who has advised companies on remote and hybrid work, said that employees across the workforce often push back on policies that require them to go to the office for a certain number of days a week. Instead, she said, it is often

more effective when companies ask their employees to come in for certain activities that benefit from in-person collaboration.

Tech companies have taken varied approaches to their return-to-office policies. Some, including Alphabet Inc.'s Google and Microsoft Corp., have told employees in recent months to work from the office for at least part of the week.

HBO's 'Thrones' Prequel Draws Strong Ratings

By Joe Flint

HBO's "House of the Dragon" drew nearly 10 million viewers in the U.S. during its Sunday night debut and briefly led the HBO Max streaming platform to crash for some users, in another sign of the interest in the prequel to "Game of Thrones." The audience was the larg-

est in HBO's history for the debut of a new series, the network said.

The strong premiere numbers for "House of the Dragon" comes at a critical time for HBO and its new parent company Warner Bros. Discovery Inc.the result of a combination this spring of Discovery Inc. and the WarnerMedia unit previously controlled by AT&T Inc.

Since taking control of HBO, Warner Bros., CNN and other assets months ago, the company's new leadership has been in cost-cutting and restructuring mode. That included pulling the plug on

CNN+ just weeks after the streaming service's launch. and shelving the nearly completed superhero movie "Batgirl" that had been made exclusively for HBO Max.

HBO last week laid off 70 people, or about 14% of its workforce, The Wall Street Journal reported. The bulk of the jobs were at HBO Max. In addition. TV shows and movies including almost 200 episodes of "Sesame Street" were recently taken off HBO Max in a cost-saving measure.

"House of the Dragon," which is the back story of the fictional Targaryen dynasty and takes place two centuries before the "Game of Thrones" series, had fewer viewers than the 2019 premiere of the final season of "Game of Thrones," the most-watched show in HBO's history. That season's premiere attracted an audience of 17.9 million. while the series finale averaged 19.8 million viewers, a record high for the service.



The Warner Bros. Discovery unit has put large hopes in 'House of the Dragon,' starring Matt Smith.

what HBO hopes will be several "Game of Thrones"-inspired programs. HBO has invested heavily in the "Game of Thrones" franchise as part

egy for its HBO Max directto-consumer platform. Warner Bros. Discovery is with another streaming ser-

The show is the first of of the overall growth strat- vice. Discovery+. The company earlier this month said the new, combined subscription platform would be rolled working to combine HBO Max out starting in the U.S. next

MoviePass Tries for a Comeback After First Flop

By Joseph Pisani

MoviePass, a subscription service for movie theaters that shut down three years ago, is coming back.

The new MoviePass will relaunch on Sept. 5 and a wait list will open later this week, a spokesman said Monday.

But the feature that previously made MoviePass popular—and ultimately led to its demise-won't return: There won't be an option to watch a movie a day, the spokesman said. Instead, subscribers will pay either \$10, \$20 or \$30 a month, depending on where they live, and get credits to watch movies in a theater. The spokesman declined to say how many movies subscribers can watch in a month. He said more details are expected to come later.

MoviePass is trying to return to an industry that has



MoviePass initially gave users the chance to watch a movie a day in a theater for \$9.99 a month.

changed. The movie-theater business has begun to recover from the depths of the pandemic, but attendance remains weakened. **Cineworld Group** PLC, the owner of Regal Cinemas, is preparing to file for

bankruptcy.

MoviePass made a splash in 2017 when it launched, giving users the chance to watch a movie a day in a theater for \$9.99 a month.

That price was hard to sus-

tain, since the company paid theaters the full ticket price, hoping to make up the difference by selling user data. That didn't pan out.

The company made tweaks, charging more per month and

the service ultimately shut down in 2019. A company run by former CEO MoviePass Spikes bought it out of bankruptcy last year. Mr. Spikes is

spokesman said.

behind the relaunch, the

cutting the number of movies subscribers could watch. But

The wait list will be open from Aug. 25 to Aug. 29 on the MoviePass website. It is free to join the wait list, according to the MoviePass website. MoviePass said the locations of participating movie theaters and how much interest there is from potential customers will influence where it

debuts the service. MoviePass will be facing more competition. AMC Entertainment Holdings Inc. and Regal offer their own membership services now, letting customers watch several movies a month for a fee.

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Injunction Denied in Ben & Jerry's Case

Independent board members had sought to halt asset transfer to licensee in Israel

By Saabira Chaudhuri

A judge denied a court petition by Ben & Jerry's independent board members that sought to stop parent Unilever PLC from transferring assets to a local licensee in Israel—a setback for the ice cream brand in an unusual legal fight between a wholly owned subsidiary and its corporate owner.

A judge for the Southern District of New York ruled Monday that Ben & Jerry's had failed to demonstrate irreparable harm in its request for a preliminary injunction against Unilever. Ben & Jerry's board members earlier this month had asked the court to stop Unilever from making the transfer, arguing in a court hearing that the move could allow the brand's products to be used to oppose social issues that it supports.

Representatives for Ben & Jerry's independent board



A man shopping at a Ben & Jerry's factory in Be'er Tuvia, Israel, last year, as the controversy grew.

respond to requests for comment. A lawsuit, in which the ice cream maker's independent board members are seeking to clarify their rights regarding protecting the brand integrity and social mission, is slated to

members and Unilever didn't be separately heard at a later

The rare legal battle between subsidiary and parent has its roots in a move by Ben & Jerry's last year to stop selling its products in Jewish settlements in the West Bank and

parts of East Jerusalem once the existing license arrangement expired. It said such sales were inconsistent with its values.

Unilever acquired Ben & Jerry's in 2000. Part of the deal involved agreeing to let

board make its own decisions about its social mission.

The move by Ben & Jerry's triggered a backlash, both inside and outside Israel. Naftali Bennett, then Israel's prime minister, and some U.S. politicians criticized the decision. A handful of U.S. state investment funds sold or threatened to sell Unilever shares.

Then, Unilever said it would sell the rights to the brand in Israel to the local licensee, saying Ben & Jerry's would be sold throughout Israel and the West Bank under its Hebrew and Arabic names.

While that sale has closed, leaving Ben & Jerry's unable to block it outright, lawyers for independent board members sought to stop Unilever from transferring know-how and trade dress—referring to trademark law that protects the look and feel of a product and distinguishing it from other similar products—about new products.

Members of Ben & Jerry's independent board said the sale of the Israeli business was made without their consent. The brand had argued that the

Ben & Jerry's independent local licensee could launch products using Ben & Jerry's recipes but branded with names that opposed a social mission the Vermont-based ice cream maker was backing.

Unilever's lawyers countered that Ben & Jerry's arguments were highly speculative. On Monday, the judge agreed with Unilever, ruling that the potential harm outlined by Ben & Jerry's was "too speculative to constitute irreparable harm," given it was based on a "hypothetical scenario involving several speculative steps."

Ben & Jerry's lawyers also had said an injunction was needed to prevent consumer confusion over who owns Ben & Jerry's social mission. The judge said the prospect of confusion was "remote" and that Ben & Jerry's had offered no evidence of such confusion or its impact.

Watch a Video



Scan this code for a video on how Ben & Jerry's uses its

Ad-Agency Giants Buck Downtrend, Face Uncertainty

By Patrick Coffee

Top global advertising agency networks have so far defied widespread declines in ad spending that have hurt digital platforms, publishers and broadcasters.

The five largest agency holding companies—WPP PLC, **Publicis Groupe SA, Omnicom Group** Inc., **Interpublic Group** of Cos. and Dentsu Group Inc.—have exceeded their prepandemic growth rates in recent months.

Some of the companies recorded revenue declines in the years preceding 2021 as advertisers moved more of their money toward digital platforms such as Alphabet Inc.'s Google and Meta Platforms

Inc.'s Facebook, which sometimes bypass agencies and sell directly to marketers. This year, however, all five raised their guidance for revenue growth to somewhere between 6% and 7%, an increase of as much as 2 percentage points over estimates made earlier in

At the same time, most have lost value in the stock market, and their financial outlooks for the years to come remain uncertain, according to analysts.

"These businesses as a collective group were slowing steadily over the prepandemic phase. Now why are we reaccelerating?" asked Michael Nathanson, senior research analyst at MoffettNathanson.

One reason for the revenue growth streak is that pandemic-inspired demand for socalled digital transformation work, which isn't tied to larger ad spending trends, shows no sign of slowing.

Publicis Chief Strategy Officer Carla Serrano said the company's strongest growth so far this year has come from its Publicis Sapient division, which helps companies expand their online presence and ecommerce operations.

Another factor is a decadesold business model centered around long-term, fee-based contracts with big advertisers, wherein compensation isn't tied to the volume of ads that a given company buys, said Mr. Nathanson.

doubled down on marketing as prices for basic goods increase. Unilever PLC and Coca-Cola Co. both recently told investors that their ad budgets had grown in the first half of the year.

Multinational advertisers are also increasingly looking to simplify their marketing operations by consolidating more work with networks that can simultaneously juggle disparate functions such as media planning and customer relationship management. Coca-Cola chose WPP to handle most of its global advertising business in late 2021.

Size is a key factor in this equation, according to market research firm Forrester, which

Some of these clients have recently released a report lower operating margins, finding that the largest agency networks are best positioned to retain market share.

Perhaps most important, companies like WPP and IPG have minimal exposure to the small-to-medium-size businesses and venture-backed startups whose pullback has driven much of the decline in spending, Mr. Nathanson said.

Yet investors remain cau-

On WPP's most recent earnings call, Chief Executive Mark Read said the company would face challenges ahead, "particularly in 2023." Its share price dropped roughly 10% in the following days in a selloff that investment research firm Morningstar attributed to

while MoffettNathanson cut its 2023 organic revenue growth estimates for WPP to 2.3% from 3.3%, citing macroeconomic uncertainty.

Even companies higher growth rates hesitated to predict their own post-2022 fortunes.

Chief Executive Mark Penn of Stagwell Inc., the newest global agency network, said he expects 18% to 22% organic revenue growth this year thanks, in part, to U.S. midterm election spending with his company's political advocacy firms.

The question that nobody really knows the answer to is what's going to happen next year," Mr. Penn said.





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B6 | Tuesday, August 23, 2022

British Airways to Cut Over 10,000 Flights

By Benjamin Katz

LONDON—British Airways is cutting more than 10,000 flights through the rest of the summer flying season and into the winter, threatening to extend the aviation industry's chaotic postpandemic recovery in Europe into next year.

The airline said it is cutting flights to comply with an extension of London Heathrow Airport's cap on departing passengers. It also revised down its flying schedule from November through March, consolidating same-day flights to destinations and offering to rebook affected passengers on other airlines according to availability, it said in a statement on Monday.

British Airways, a unit of International Consolidated Airlines Group SA, said it would scrap more than 1,200 domestic and intra-European flights through Octoberabout 24 a day.

Another 10,000 are being canceled through the winter season. That excludes additional long-haul cancellations that the airline already made. In total, the cuts represent about 8% of its total winter flying plans.

British Airways, similar to airlines across Europe and the U.S., has struggled to increase its capacity to meet a fasterthan-expected resurgence in travel demand following the relaxation of pandemic-era travel restrictions and border controls. The industry has strained to bring back enough staff across airports, ground handlers and at carriers to meet demand, which has led to one of the most disruptive flying seasons in history.

The pain has been worse in Europe. The disruption-including thousands of last-minute cancellations, delays, lost baggage, and long lines through check-in and security at the world's busiest airports-has led to drastic action within the industry, including the imposing of monthslong passenger caps at hubs in London, Frankfurt and Amsterdam.

London Heathrow said last week that it would extend its cap, which restricts daily de-



The airline is cutting flights to comply with London Heathrow Airport's departing-passengers cap.

parting passenger numbers to 100,000, until Oct. 29. Frankfurt and Amsterdam Schiphol Airport have also extended their own restrictions through autumn to help alleviate some of the staffing pressure points at each hub.

Heathrow said the caps,

which were originally due to lift on Sept. 11, are working. Data from FlightAware shows reductions in cancellations and delays at each of those European hubs since the peak of the disruption in June and

British Airways, the biggest

operator at Heathrow, will continue to limit ticket sales on some flights where necessary to meet the airport's flying restrictions. The carrier had previously restricted sales on all intra-European flights to ensure it complied with the airport's measures.

Coffee Shops Avoid Consumer Backlash Against Inflation

By RINA TORCHINSKY

Americans dined out less as inflation surged this summer. but they couldn't resist shelling out more at coffee and pastry shops.

Total consumer spending fell 3.1% in June from a year earlier at the restaurants analyzed in a report by the financial-services provider Rabobank using data from Earnest Research. But spending at coffee shops and bakery cafes rose 1.9% during the period, the report said.

Analysts, economists and coffee drinkers offer varied explanations for the resilience of caffeine and sugar suppliers, including the pleasure of relatively small indulgences during a time of belt-tightening.

"I've always thought of it as a small treat," Breck Winokur, a real-estate developer who lives in Durham, N.C., said of her coffee shop visits. She said she recently purchased an iced latte and a pair of pastries for

Ms. Winokur said she often goes to a coffee shop during the weekend, sometimes as part of an outing with her family. Should economic conditions worsen, she said, she might have to cur-



Many Americans are hooked on coffee-shop routines, economists say. A New York cafe.

tail the visits.

"It's not really going to eat into my budget if I'm just going every once in a while," she said, adding, "But if it's going to be so much more expensive, I'll probably have to factor it in a little more."

consumers are Many hooked on their routines as much as the stimulants, and they enjoy the experience of

spending time in coffee shops and bakeries, according to

economists. Whitney Celestin's Washington, D.C., home is surrounded by coffee shops. She said she grabs an afternoon cup from a nearby shop about two or three times a week.

"Going to the coffee shop is a really quick way to interact with people on my walk with

my dog," she said. "It's just a nice way to be in the neighborhood."

Some analysts said the relative health of coffee and pastry purveyors in June could be a reflection of the return of more workers to offices. "The basic hypothesis is that when vou commute, vou will buy more in coffee shops," said David Tinsley, senior economist

at Bank of America Institute. "You're quite likely to buy one going into work. You're quite likely to buy your lunch or another cup of coffee in the af-The average price of a cup

of a coffee in a quick-service shop was \$4.90 in the first six months of this year, up 7.6% from the same period last year, according to the NPD Group, a market-research firm.

Brewing at home was more expensive, too. The price of coffee increased 15.8% in June from a year earlier and rose 20.3% in July, according to the Labor Department.

Annual U.S. inflation in June hit 9.1%, a four-decade high, according to the Labor Department, before easing to 8.5% in July.

Starbucks Corp. reported earlier this month that its U.S. same-store sales increased 9% for the three months ended July 3 from a year earlier while its prices generally are around 5% higher.

'We are not currently seeing any measurable reduction in customer spending or any evidence of customers trading down" to buy lower-priced items, Chief Executive Howard Schultz said on an August earnings call.

Marshall Escamilla, 42 years old, said he drinks several cups a day and visits a coffee shop about once a week. He likes to get work done there. During the early stages of the pandemic, he missed those trips.

Mr. Escamilla, a podcaster and former teacher, said that inflation isn't significantly affecting his spending, but that if conditions worsen, visits to the coffee shop wouldn't be the first thing on the chopping block. Eating less meat would be higher up, for example, he

"Think about those little expenses, and are they really things that would give you \$120 worth of joy per month," he said. "For me, personally, going into a coffee shop and getting out of the house and seeing people and being in a different environment is well worth \$120 a month."

About 66% of Americans drink coffee every day, according to the National Coffee Association.

Alfredo Romero, economics professor at North Carolina Agricultural and Technical State University, said, "There are some things that people are slower to let go of, and one of those things is coffee.'

American Airlines Names Digital Chief

By Isabelle Bousquette

American Airlines Group Inc. said it would appoint Ganesh Jayaram, currently the chief information officer of Deere & Co., as chief digital and information officer, effective Sept. 1.

Mr. Jayaram will report to American Chief Executive Robert Isom and succeed Maya Leibman, who previously announced she would relocate to the U.K. for family reasons. Ms. Leibman has served as American's CIO since 2012 and will continue with the company in an advisory role. Mr. Jayaram was previously

appointed CIO at Deere effective May 31 of this year. Before that, he had spent nearly 16 years at Deere in various information technology and business roles, including six years as the vice president of IT.

Before his career at the farm-machinery maker, Mr. Javaram held roles at Danaher Corp., Canon USA and Boston Consulting Group.

Mr. Isom said American began searching for a new tech chief in May when Ms. Leibman announced her move to the U.K., and that Ms. Leibman was instrumental in Mr. Jayaram's selection.

"He has held leadership roles both inside the business and within technology teams, always with a focus on his team working collaboratively across disciplines," Mr. Isom wrote in an internal memo that went out to all American employees. "The scale of his work has been very similar to that at American—and that will allow him to get up to speed in relatively short order.'

American said that Ms. Leibman will assist in the transition until the end of the year, when she will take on new international responsibilities.

During her time as CIO, Ms. Leibman ushered in major IT initiatives, such as American's move to the cloud and the integration of IT systems after American's merger with US

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Continued from page B1 13% over the past 12 weeks compared with the same period a year ago.

Howard Radziminsky, a retiree who lives in Scottsdale, Ariz., said he recently bought rib-eye for \$5.97 a pound and New York strip steaks for \$4.77 a pound. Mr. Radziminsky, who follows a proteinheavy diet and eats red meat five to six days a week, said he hadn't seen rib-eve sell for under \$6 a pound in a while.

"Promotional prices have come back to where they were two years ago," he said. "I always eat red meat. I'm happy." Since the start of the pan-

demic, meatpacking companies such as Tyson Foods Inc., JBS USA Holdings Inc., National Beef Packing Co. and Cargill Inc. have said they couldn't process as many cattle as usual because their plants were short-staffed. That constrained supplies, they said, and pushed prices higher while demand stayed hot.

Arkansas-based Tyson Foods, the biggest U.S. meat processor by sales, said the company's own average sales price for beef was 1.2% lower over the three months ended July 2, as customers opted for cheaper cuts. The wholesale price of boxed beef shipped from meatpackers as of Aug. 13 is down about 15% from a year ago, according to the Agriculture Department.

Some of the bottlenecks at processing plants that drove prices up over the past two vears have eased, improving the U.S. beef supply, said Katelyn McCullock, senior agricultural economist at the Livestock Marketing Information

"We're getting healthier from a labor perspective," said Shane Miller, head of Tyson's beef and pork unit, adding that higher wages and a variety of new benefits programs have helped staffing. "We're running more volume to our plants.

A tight labor market and higher employee turnover and absenteeism rates than before the pandemic at meat plants are expected to keep processing capacity limited in the industry, said executives and industry analysts. Boxed beef prices remain roughly 30% above their five-year average, according to the USDA.

More cattle are being directed to processing plants as ranchers shrink the size of their herds because of persistent drought conditions in parts of the U.S., helping to improve the supply of beef in stores.

Prices for some beef cuts may not stay down for long as the cattle supply tightens. U.S. beef production is expected to decline later in 2023, constraining the supply of cattle and ultimately raising the price of beef, according to USDA and agriculture executives.

Tyson Chief Executive Donnie King said on a call with analysts this month that he expects the company to pay more for cattle going into 2023 and even 2024 as supply tightens.

BIGGEST 1,000 STOCKS

How to Read the Stock Tables The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdag Stock Market listed securities. Prices are composite quotations that include primary market trades as well as trades reported by Nasdag BX (formerly Boston), Chicago Stock Exchange, Cboe, NYSE National and Nasdag ISE. The list comprises the 1,000 largest companies based on market capitalization. Underlined quotations are those stocks with large changes in volume compared with the issues average trading volume. Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher. Wall Street Journal stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices from 4 p.m. the previous day.	Stock Sym Close Chg FidNatlinfo FIS 97.47 2.63 FifthThirdBncp FITB 35.50 1.04 FirstLiti2Esch AFCMC 2848 49 11.29 FirstHorizon FHN 22.78 0.16 FirstRoflagt FRC 160.31 3.23 FirstSolar FRC 160.31 3.23 FirstSolar FISE 104.48 0.93 FirstEnergy FIE 40.44 0.83 Fiserv FISV 106.77 2.71 FiveBelow FIVE 129.52 6.46 Five9 FIVN 106.87 2.56 Fiex FIEX 18.15 0.45 Fiex FIEX 18.15 0.45 FordMotor FND 87.58 4.43 FomentoEconMex FMX 65.96 0.45 FordMotor FND 87.58 0.48 FordMotor FND 87.58 0.49 FND 87.	Stock	Novocure	ShawComm B SJR 26.88 -0.23 TeledyneTech TDY 385.47 -11.64 VerisSign VRSN 196.01 -5.46 SherwinWilliams SHW 241.4 -3.14 Telefines TFX 255.9 -0.61 Telefines TFX 255.9 -0.68 SherwinWilliams SHW 241.4 -3.14 Telefines TFX 255.9 -6.68 Sherwinwilliams SHW 241.4 -3.14 Telefines TFX 255.9 -6.68 Sherwinwilliams SHW 241.4 -3.14 Telefines TFX 255.9 -6.68 Sherwinwilliams SHW 241.4 -3.14 Telefines TFX 255.9 -0.04 Telefines TFX 255.
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The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. Monday, August 22, 2022	XGC A	Agirfy AGFY 0.92 -10.7 Akerna KERN 0.12 -7.4 Akili AKII 6.50 -49.2 AllegiantTravel ALGT 97.16 -4.3 AlphaStarWt ALSAW 0.01 -0.4 AmbrxBio AMAM 1.80 -4.1	CEVA CEVA 30.39 -4.6 CAE CAE 19.33 -2.8	ShJPMUSDEmgBd ShM 86.16 -0.74 -21.0 Vangdforth Vug S18.5 -2.60 -21.5 Vangdforth Vug S18.5 -2.60 -21.5 Vangdforth Vug S18.5 -2.60 -21.5 Vangdflithcr Vug S18.5 -2.60 -21.5 -2.60 -21.5 Vangdflithcr Vug S18.5 -2.60 -21.5 -2.60 -21.5 -2.60 -21.5 -2.60 -21.5 -2.60 -21.5 -2.60 -2.50
Mutual Funds	Fund NAV Chg % Ret	-		
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. f-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. f-Footnotes p and r apply. v-Footnotes x and e apply. x-Evotnotes v, 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.	GrowthCompanyK6 17.24 -0.4124.7 infilPr8IndInlarp 1 -0.63 -0.67 -1.7.5 MidCplnxInstPrem 40.68 -0.67 -1.7.5 MidCplnxInstPrem 27.49 -0.59 -13.4 SAIUSLaCplntkr8 1 -9.49 -0.43 -1.2.3 SeriesBondFd 9.27 -0.04 -9.9 SeriesOverseas 10.92 -0.26 -24.2 SerLTTPeBdltx -55 -0.03 -21.9 Smc[pldxInstPrem 23.75 -0.51 -1.3.8]	SrsIntIVal 9.58 -0.14 -1.42 TotalBond 9.07 -0.05 -1.02 Fidelity SAI -0.04 -9.8 TotalBd 9.03 -0.02 -9.4 U.S.TreBdlcx 9.03 -0.02 -9.4 First Eagle Funds GlbA 59.05 -0.77 -8.5	ShtDurinc p 3.92 -0.01 -3.7	1000 Inv r NA NA TotintBdldxAdm 19.95 -0.12 -9.1 TotBd2 9.78 -0.04 -10.2 S&P Sel NA NA TotintBdldx r 28.04 -0.41 -16.9 Totintlinstldx r 112.15 -1.61 -16.9 TSM Sel r NA NA ToticksAdm 10.88 -2.20 -13.6 TottlinstPlid r 112.17 -1.62 -16.9

Monday, August 22, 2022 Net YTD NAV Chg % Ret Fund Net YTD NAV Chg % Ret Fund | Nav Chg %Ret | 36.10 -0.65 -5.0 35.50 -0.62 -14.6 20.18 -0.21 -11.8 37.92 -0.61 -13.9 28.99 -0.38 -12.8 0 InstPlus 351.27 -7.64 -12.3 6 InstTStPlus 73.41 -1.60 -13.5 8 MidCplstPl 293.18 -6.25 -14.2 8 RealEstaInst 94.10 -2.03 -12.6 15 SmCaplnst 94.10 -2.03 -12.6 15 TIPSIxins 25.05 +0.01 -0.5 4 TotBdInst2 9,78 -0.04 -10.2 1 TotBdInst2 9,78 -0.04 -10.2 4 TotBdInst1 9,90 -0.04 -10.2 4 TotBdInst2 9,78 -0.04 -10.2 5 TotIntBdIdxlnst 10.10 -0.03 -0.03 -0.04 -10.2 1 TotIntBdIdxlnst 10.10 -0.04 -10.2 1 TotIntBdIdxlnst 10.10 -0.04 -10.2 1 TotIntBdIdxlnst 10.10 -0.04 -10.2 | EqincAdmi | 97.45 | -2.06 | -18.2 | ExtndAdmi | 97.45 | -2.06 | -18.2 | ExtndAdmi | 11.06 | -2.50 | -19.7 | GNMAAdmi | 9.67 | -0.06 | -7.1 | GrwthAdmi | 129.65 | -3.42 | -21.3 | HthCareAdmi | 87.82 | -0.87 | -5.0 | HYCorAdmi | 7.30 | -0.05 | -8.2 | InfProAd | 25.73 | -0.02 | -6.2 | Extlored Admit | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -6.2 | -DivdGro IntlVal LifeGro LifeMod PrmcpCor STAR TgtRe2020 TgtRe2025 29.91 -0.61 -11.1 27.06 -0.42 -14.8 27.59 -0.29 -11.1 17.82 -0.22 -12.4 98.29 -2.23 -29.4 10.55 -0.04 -10.1 8.66 -0.05 -11.4 95.46 -2.08 -13.6 8.46 -0.06 -20.6 TatRe2030 33.40 -0.46 -13.1 33.40 -0.40 -13.1 | OttBalnstz | 27.6 | 0.04 -10.2 | 36.22 -0.58 -13.8 | TotBaldstzh | 29.94 -0.17 -9.0 | 36.22 -0.58 -13.8 | TotStinst | 100.90 -2.20 -13.6 | 36.21 -0.71 -14.2 | TotStinst | 100.90 -2.20 -13.6 | 36.21 -0.71 -14.3 | Valualnet | 54.55 -0.92 -3.8 | TgtRe2035 TgtRe2040 TgtRe2045 MidCpAdml 269.10 -5.73 -14.2 269.10 -5./3 -14.2 10.61 -0.02 -9.8 13.51 -0.02 -6.7 10.79 -0.02 -9.4 10.73 -0.01 -3.1 15.60 ... -1.2 | MuHYAdml | 10.61 | -0.02 | -9.8 | TgtRe209 | 130.77 | -3.64 | -26.5 | MulhtAdml | 13.51 | -0.02 | -6.7 | TgtRe209 | 167.57 | -1.21 | -8.3 | MulhtAdml | 10.79 | -0.02 | -9.4 | TgtRe209 | 167.54 | -2.11 | -29.0 | MulhtAdml | 10.73 | -0.01 | -3.1 | TgtRetto | 15.60 | ... | -1.2 | Wells1 | 15.03 | -1.47 | -25.1 | PrmcpAdml | 148.35 | -3.10 | -12.5 | Welltn | 95.32 | -2.01 | -18.8 | RealEstatAdml | 137.92 | -3.06 | -15.0 | Wndsrll | 15.00 | -1.0 | Wndsrll | 15.00 | -1.0 | Wndsrll | -1.0 | Wndsrll | -1.0 TgtRe2050 54.55 -0.92 -3.8 40.15 -0.72 -1.43 WCM Focus Funds 44.73 -0.79 -14.3 WCM Focus Funds 44.73 -0.79 -14.3 WCMFoclntiGrwlns 20.30 -0.37 -26.7 12.95 -0.10 -9.7 Western Asset 26.35 -0.23 -7.7 CoreBondl 11.18 -0.07 NA 42.62 -0.58 -11.3 CorePlusBdl 9.94 -0.07 NA 41.06 -0.85 -10.4 CorePlusBdl 9.94 -0.07 NA TgtRe2060 TgtRet2055 TgtRetInc WellsI

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MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

33063.61 ▼643.13, or 1.91% Trailing P/E ratio 19.43 23.77 P/E estimate * 18.05 19.04 High, low, open and close for each Dividend vield 1.81 trading day of the past three months. 2.16 All-time high 36799.65, 01/04/22



Bars measure the point change from session's open

28800 ______ Aug. June July

*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc; †Based on Nasdaq-100 Index

S&P 500 Index

65-day moving average

May

June

4137.99 ▼90.49, or 2.14% High, low, open and close for each

trading day of the past three months.



Nasdaq Composite Index

12381.57 ▼ 323.64, or 2.55% High, low, open and close for each trading day of the past three months.

Trailing P/E ratio *† 27.21 34.91 P/E estimate *† 24.36 28.65 Dividend yield *† 0.82 0.68 All-time high: 16057.44, 11/19/21



Major U.S. Stock-Market Indexes

-			Latest				52-Week —		%	chg —
	High	Low	Close	Net chg	% chg	High	Low	% chg	YTD :	3-yr. ann.
Dow Jones										
Industrial Average	33586.59	33007.63	33063.61	-643.13	-1.91	36799.65	29888.78	-6.4	-9.0	8.0
Transportation Avg	14697.48	14480.87	14539.01	-232.74	-1.58	17039.38	12868.60	-1.0	-11.8	13.0
Utility Average	1052.99	1038.48	1040.95	-15.11	-1.43	1071.75	869.74	10.8	6.1	7.4
Total Stock Market	42021.17	41555.67	41636.22	-914.35	-2.15	48929.18	36759.60	-10.1	-14.4	11.6
Barron's 400	981.55	959.86	961.88	-19.67	-2.00	1127.20	852.16	-6.7	-13.1	13.3
Nasdaq Stock Marke	et									
Nasdaq Composite	12538.55	12353.73	12381.57	-323.64	-2.55	16057.44	10646.10	-17.1	-20.9	15.7
Nasdaq-100	13073.07	12859.82	12890.54	-352.36	-2.66	16573.34	11127.57	-15.8	-21.0	18.7
S&P										
500 Index	4195.08	4129.86	4137.99	-90.49	-2.14	4796.56	3666.77	-7.6	-13.2	12.3
MidCap 400	2556.96	2517.71	2522.13	-55.93	-2.17	2910.70	2200.75	-6.6	-11.3	10.1
SmallCap 600	1258.84	1237.02	1239.64	-28.53	-2.25	1466.02	1087.48	-7.3	-11.6	10.2
Other Indexes										
Russell 2000	1933.69	1911.69	1915.74	-41.60	-2.13	2442.74	1649.84	-13.2	-14.7	8.4
NYSE Composite	15588.32	15316.01	15341.85	-246.47	-1.58	17353.76	14097.05	-7.8	-10.6	6.5
Value Line	583.67	569.86	570.79	-12.88	-2.21	696.40	510.18	-13.1	-15.1	4.1
NYSE Arca Biotech	4904.60	4803.22	4820.58	-69.59	-1.42	6019.57	4208.43	-17.9	-12.6	2.3
NYSE Arca Pharma	805.60	795.71	798.13	-5.41	-0.67	887.27	732.23	-1.0	-3.5	11.0
KBW Bank	110.23	109.10	109.59	-2.57	-2.29	147.56	98.36	-13.4	-17.1	5.9
PHLX [§] Gold/Silver	104.18	102.21	103.92	-0.15	-0.14	167.76	100.65	-20.9	-21.5	3.4
PHLX [§] Oil Service	68.73	66.58	68.24	-0.45	-0.66	88.37	49.14	34.1	29.4	2.3
PHLX§ Semiconductor	2903.04	2833.62	2843.37	-109.97	-3.72	4039.51	2458.46	-14.9	-27.9	23.4
Cboe Volatility	24.62	22.39	23.80	3.20		15.53 36.45	15.01	38.8	38.2	12.6

Sources: FactSet; Dow Jones Market Data

Late Trading

Aug.

July

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

Most-active issues in late trading

HEAR

- 52-Week

		Volume			After Hou	·s —		
Company	Symbol	(000)	Last	Net chg	% chg	High	Low	
SPDR S&P 500	SPY	12,793.4	413.91	0.56	0.14	441.65	413.22	
CSX	CSX	8,053.4	33.60	0.04	0.12	33.61	33.45	
Bank of America	BAC	5,966.5	34.74	0.02	0.06	34.76	34.65	
Marin Software	MRIN	5,667.2	2.49	0.74	42.29	2.95	1.72	
Utilities Sel Sect SPDR	XLU	4,424.1	76.63	-0.01	-0.01	76.65	76.57	
KE Holdings ADR	BEKE	3,848.1	15.70	0.03	0.19	15.91	15.67	
Apple	AAPL	3,502.7	167.73	0.16	0.10	167.85	164.07	
General Motors	GM	3,479.9	38.51	-0.04	-0.10	38.76	38.45	
Percentage gainers								
Marin Software	MRIN	5,667.2	2.49	0.74	42.29	2.95	1.72	
Blue Apron CI A	APRN	1,104.7	6.90	0.76	12.38	6.95	5.98	
Palo Alto Networks	PANW	702.1	550.70	42.65	8.39	554.99	505.50	
Indonesia Energy	INDO	119.1	8.18	0.48	6.23	8.40	7.70	
FutureFuel	FF	177.7	7.53	0.36	5.02	7.53	7.17	
And losers								
GigaCloud Technology	GCT	370.1	34.78	-6.63	-16.01	42.29	32.50	
dLocal	DLO	257.3	27.00	-2.62	-8.85	30.16	26.69	
Zoom Video Comms	ZM	2,475.4	89.55	-7.89	-8.10	99.77	87.00	
BioAtla	BCAB	307.5	8.43	-0.55	-6.12	8.54	8.43	

Trading Diary

Volume, Advancers, Decliners NYSE NYSE Amer.

Total volume* 835,041,829 15,240,116

Adv. volume*	118,709,294	6,922,254							
Decl. volume*	706,993,820	8,307,591							
Issues traded	3,327	292							
Advances	550	81							
Declines	2,650	201							
Unchanged	127	10							
New highs	20	2							
New lows	88	23							
Closing Arms	0.97	0.31							
Block trades*	4,277	160							
	Nasdaq	NYSE Arca							
Total volume *4,270,841,585 241,844,411									
Adv. volume*	936,658,080	55,941,216							
Decl. volume*3	3,272,838,996	185,521,055							
Issues traded	4,798	1,748							
Advances	1,013	218							
Declines	3,516	1,521							
Unchanged	269	9							
New highs	42	8							
New lows	195	19							
Closing Arms	1.01	0.41							
Block trades*	24,734	1,000							
* Primary market NY	* 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.

International Stock Indexes

Region/Country	y Index	Close	Net chg	— Latest ——— % chg	– YTD % chg
World	MSCI ACWI	635.46	-11.35	-1.75	-15.8
	MSCI ACWI ex-USA	281.40	-3.12	-1.10	-18.3
	MSCI World	2736.10	-51.61	-1.85	-15.3
	MSCI Emerging Markets	991.90	-9.56	-0.95	-19.5
Americas	MSCI AC Americas	1574.55	-33.30	-2.07	-13.8
Canada	S&P/TSX Comp	19974.92	-136.46	-0.68	-5.9
Latin Amer.	MSCI EM Latin America	2167.93	-7.56	-0.35	1.8
Brazil	BOVESPA	110500.53	-995.68	-0.89	5.4
Chile	S&P IPSA	3289.85	28.12	0.86	17.2
Mexico	S&P/BMV IPC	48016.61	-446.65	-0.92■	-9.9
EMEA	STOXX Europe 600	433.17	-4.19	-0.96 ■	-11.2
Eurozone	Euro STOXX	403.81	-7.63	-1.85	-15.7
Belgium	Bel-20	3736.60	-33.14	-0.88	-13.3
Denmark	OMX Copenhagen 20	1738.43	9.98	■ 0.58	-6.7
France	CAC 40	6378.74	-117.09	-1.80	-10.8
Germany	DAX	13230.57	-313.95	-2.32	-16.7
Israel	Tel Aviv	2024.95	-19.76	-0.97	2.4
Italy	FTSE MIB	22165.66	-368.91	-1.64	-18.9
Netherlands	AEX	711.04	-8.48	-1.18	-10.9
Russia	RTS Index	1173.79	3.22	0.28	-26.4
South Africa	FTSE/JSE All-Share	69195.60	-523.83	-0.75■	-6.1
Spain	IBEX 35	8284.80	-53.30	-0.64	-4.9
Sweden	OMX Stockholm	790.27	-17.52	-2.17	-23.8
Switzerland	Swiss Market	11085.84	-70.88	-0.64	-13.9
Turkey	BIST 100	3062.49	42.29	1.40	64.9
U.K.	FTSE 100	7533.79	-16.58	-0.22	2.0
U.K.	FTSE 250	19499.34	-388.45	-1.95	-17.0
Asia-Pacific	MSCI AC Asia Pacific	159.64	-1.13	-0.70 ■	-17.3
Australia	S&P/ASX 200	7046.90	-67.56	-0.95	-5.3
China	Shanghai Composite	3277.79	19.72	0.61	-9.9
Hong Kong	Hang Seng	19656.98	-116.05	-0.59	-16.0
India	S&P BSE Sensex	58773.87	-872.28	-1.46	0.9
Japan	NIKKEI 225	28794.50	-135.83	-0.47 	0.01
Singapore	Straits Times	3262.57	16.06	■0.49	4.4
South Korea	KOSPI	2462.50	-30.19	-1.21	-17.3
Taiwan	TAIEX	15245.14	-163.64	-1.06	-16.3
Thailand	SET	1615.82	-10.10	-0.62	-2.5

Percentage Gainers...

	Latest Session			JZ-VVEEK		
Symbol	Close	Net chg	% chg	High	Low	% chg
NERV	4.59	1.49	47.83	17.04	2.51	-72.1
PET	7.63	2.44	47.01	13.13	4.30	
BON	2.77	0.73	35.45	12.57	1.51	-75.4
SGFY	28.00	6.80	32.08	29.88	10.70	7.7
APRN	6.14	1.28	26.34	12.76	2.27	57.8
GRFX	3.13	0.63	25.20	4.50	2.05	46.9
BLTE	26.84	4.27	18.92	44.70	8.80	
ZIVO	4.44	0.66	17.31	7.90	2.37	31.0
REUN	4.20	0.57	15.70	31.40	3.40	-81.6
GBNH	3.55	0.48	15.64	12.00	1.27	-67. 8
CANO	5.55	0.73	15.15	15.58	3.81	-49. 8
CAAS	4.03	0.53	15.14	4.31	2.20	9.5
PRVA	41.98	5.49	15.05	42.00	17.99	42.5
HUSA	4.39	0.53	13.73	16.61	1.07	164.5
MCVT	3.67	0.44	13.62	12.15	2.84	-55.9
	NERV PET BON SGFY APRN GRFX BLTE ZIVO REUN GBNH CANO CAAS PRVA HUSA	Symbol Close NERV 4.59 PET 7.63 BON 2.77 SGFY 28.00 APRN 6.14 GRFX 3.13 BLTE 26.84 ZIVO 4.44 REUN 4.20 GBNH 3.55 CANO 5.55 CAAS 4.03 PRVA 41.98 HUSA 4.39	Symbol Close Netchg NERV 4.59 1.49 PET 7.63 2.44 BON 2.77 0.73 SGFY 28.00 6.80 APRN 6.14 1.28 GRFX 3.13 0.63 BLTE 26.84 4.27 ZIVO 4.44 0.66 REUN 4.20 0.57 GBNH 3.55 0.48 CANO 5.55 0.73 CAAS 4.03 0.53 PRVA 41.98 5.49 HUSA 4.39 0.53	Symbol Close Net chg % chg NERV 4.59 1.49 47.83 PET 7.63 2.44 47.01 BON 2.77 0.73 35.45 SGFY 28.00 6.80 32.08 APRN 6.14 1.28 26.34 GRFX 3.13 0.63 25.20 BLTE 26.84 4.27 18.92 ZIVO 4.44 0.66 17.31 REUN 4.20 0.57 15.70 GBNH 3.55 0.48 15.64 CANO 5.55 0.73 15.15 CAAS 4.03 0.53 15.14 PRVA 41.98 5.49 15.05 HUSA 4.39 0.53 13.73	Symbol Close Net chg % chg High NERV 4.59 1.49 47.83 17.04 PET 7.63 2.44 47.01 13.13 BON 2.77 0.73 35.45 12.57 SGFY 28.00 6.80 32.08 29.88 APRN 6.14 1.28 26.34 12.76 GRFX 3.13 0.63 25.20 4.50 BLTE 26.84 4.27 18.92 44.70 ZIVO 4.44 0.66 17.31 7.90 REUN 4.20 0.57 15.70 31.40 GBNH 3.55 0.48 15.64 12.00 CANO 5.55 0.73 15.15 15.58 CAAS 4.03 0.53 15.14 4.31 PRVA 41.98 5.49 15.05 42.00 HUSA 4.39 0.53 13.73 16.61	Symbol Close Net chg % chg High Low NERV 4.59 1.49 47.83 17.04 2.51 PET 7.63 2.44 47.01 13.13 4.30 BON 2.77 0.73 35.45 12.57 1.51 SGFY 28.00 6.80 32.08 29.88 10.70 APRN 6.14 1.28 26.34 12.76 2.27 GRFX 3.13 0.63 25.20 4.50 2.05 BLTE 26.84 4.27 18.92 44.70 8.80 ZIVO 4.44 0.66 17.31 7.90 2.37 REUN 4.20 0.57 15.70 31.40 3.40 GBNH 3.55 0.48 15.64 12.00 1.27 CANO 5.55 0.73 15.15 15.58 3.81 CAAS 4.03 0.53 15.14 4.31 2.20 PRVA 41.98

Most Active Stocks

Company	Symbol	Volume (000)	%chg from - 65-day avg	Latest S Close	ession % chg	52-W High	eek
AMC Entertainment	AMC	149,305	217.0	10.46	-5.51	32.43	5.96
ProShares UltraPro QQQ	TQQQ	111,444	-31.8	32.57	-7.86	91.68	21.32
ProSh UltraPro Shrt QQQ	SQQQ	104,582	-8.1	39.54	7.86	67.69	28.15
AnPac Bio-Medical ADR	ANPC	98,660	15747.0	0.36	64.63	4.01	0.20
Mullen Automotive	MULN	97,176	53.0	0.71	-6.14	15.90	0.52
Graphex Group ADR	GRFX	97,042	40701.1	3.13	25.20	4.50	2.05
Bright Minds Biosciences	DRUG	82,533	3997.1	2.16	72.80	8.95	0.75
Bed Bath Beyond	BBBY	76,897	140.0	9.24	-16.23	30.14	4.38
SPDR S&P 500	SPY	74,481	-6.0	413.35	-2.08	479.98	362.17
Ford Motor	F	69,932	15.5	15.08	-5.04	25.87	10.61
* Volumes of 100,000 shares or i	nore are ro	ounded to t	he nearest t	housand			



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Forex Race

All are available free at WSJMarkets.com

Percentage Losers

9.57

9.20 -0.37 **-3.87**

		— La	itest Sess	sion —		ek	
Company	Symbol	Close	Net chg	% chg	High	Low	% chg
Akili	AKLI	7.15	-6.92	-49.1 8	37.58	6.50	-27.0
Adv Emissions Solutions	ADES	3.86	-2.55	-39.78	8.00	3.81	-45.2
Pharvaris	PHVS	12.15	-6.35	-34.32	27.50	11.06	-30.6
Genius Group	GNS	5.17	-2.58	-33.29	36.75	3.45	
Golden Sun Education	GSUN	35.50	-15.35	-30.19	95.00	13.41	
Cyxtera Technologies	CYXT	7.25	-1.96	-21.28	15.42	7.22	-10.5
Virax Biolabs	VRAX	4.50	-1.04	-18.77	29.00	4.40	
Volcon	VLCN	1.97	-0.45	-18.60	17.96	0.95	
Singing Machine	MICS	7.67	-1.70	-18.14	14.70	2.39	-17.6
Reading Intl B	RDIB	24.71	-4.99	-16.80	37.93	18.00	2.7
Bed Bath Beyond	BBBY	9.24	-1.79	-16.23	30.14	4.38	-66.3
Owlet	OWLT	1.76	-0.34	-16.19	9.65	1.56	-80.8
Gracell Biotech ADR	GRCL	2.86	-0.52	-15.38	15.00	1.68	-73.7
Hydrofarm Holdings Group	HYFM	3.61	-0.64	-15.06	56.31	2.27	-92.2
Carvana CI A	CVNA	35.96	-6.34	-14.99	363.09	19.45	-89.9

Volume Movers Ranked by change from 65-day average*

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest S Close	Session— % chg	52-W High	eek Low
ALPS Equal Sector Weight	EQL	702	12692	101.49	-2.01	110.75	90.41
JATT Acquisition CI A	JATT	475	7295	9.99	-0.30	10.05	9.70
Akili	AKLI	7,336	52 88	7.15	-49.1 8	37.58	6.50
Frontier Investment CI A	FICV	502	4591	9.76	0.10	9.89	9.61
Ibere Pharma CI A	IBER	1,285	4387	9.85	-0.20	9.87	9.61
Wag! Group	PET	5,055	4384	7.63	47.01	13.13	4.30
Jiya Acquisition Cl A	JYAC	289	3911	9.93	0.10	9.94	9.65
VanEck Long/Flat	LFEQ	471	3557	36.09	-2.11	44.62	35.89
AxonPrime Infr Acqn CI A	APMI	563	2222	9.74	0.21	10.78	9.59
Simplify Health Care ETF	PINK	498	2057	25.75	-1.42	29.91	22.79
* Common stocks priced at \$2 a s 5,000 shares † Has traded fewer			average v	olume ove	r 65 tradii	ng days of	at least

CURRENCIES & COMMODITIES

Currencies

 $U.S.-dollar\,foreign-exchange\,rates\,in\,late\,New\,York\,trading$

			US\$vs,				US\$ vs,
		∕lon —	YTD chg			∕lon —	YTD chg
Country/currency	in US\$	per US\$	(%)	Country/currency	in US\$	per US\$	
Americas				Vietnam dong	.00004271	23415	2.5
Argentina peso	.0073	136.6308	33.1	Europe			
Brazil real	.1939	5.1585	-7.4	Czech Rep. koruna	.04031	24.806	13.4
Canada dollar	.7660	1.3055	3.3	Denmark krone	.1337	7.4814	14.4
Chile peso	.001066	938.50	10.2	Euro area euro	0.9943	1.0058	14.4
Colombiapeso	.000227	4400.32	8.2	Hungary forint	.002430	411.52	26.7
Ecuador US dollar	1	1	unch	Iceland krona	.007096	140.92	8.6
Mexico peso	.0497	20.1407	-1.8	Norway krone	.1017	9.8296	11.6
Uruguay peso	.02472	40.4450	-9.5	Poland zloty	.2087	4.7909	18.9
Asia-Pacific				Russia ruble	.01663	60.125	-19.6
Australian dollar	.6877	1.4541	5.6	Sweden krona	.0934	10.7095	18.3
China yuan	.1460	6.8489	7.8	Switzerland franc	1.0369	.9644	5.7
Hong Kong dollar	.1274	7.8465	0.6	Turkey lira	.0553	18.0725	35.7
India rupee	.01252	79.862	7.2	Ukraine hryvnia	.0271	36.8500	34.7
Indonesia rupiah	.0000672	14888	4.5	UK pound	1.1768	.8498	15.0
Japan yen	.007272	137.51		Middle East/Afri	ca		
Kazakhstan tenge	.002113	473.36	8.8	Bahrain dinar	2.6525	.3770	0.01
Macau pataca	.1237	8.0860	0.6	Egypt pound	.0522	19.1710	22.0
Malaysia ringgit	.2230	4.4850	7.7	Israel shekel	.3036	3.2936	5.9
New Zealand dollar	.6170	1.6207	10.8	Kuwait dinar	3.2513	.3076	1.7
Pakistan rupee	.00462	216.650	23.0	Oman sul rial	2.5974	.3850	unch
Philippines peso	.0178	56.230	10.3	Qatar rial	.2747	3.641	-0.04
Singapore dollar	.7152	1.3982	3.7	Saudi Arabia riyal	.2663	3.7559	0.03
South Korea won	.0007442	1343.73	13.0	South Africa rand	.0588	17.0033	6.7
Sri Lanka rupee	.0027855	359.00	76.9				
Taiwan dollar	.03316	30.156	8.8		Close Net C		
Thailand baht	.02768	36.130	8.7	WSJ Dollar Index 1	.00.07 0.5	55 0.55	11.75

CREDIT MARKETS

5.81%

Consumer Rates and Returns to Investor Selected rates U.S. consumer rates

A consumer rate against its benchmark over the past year



30-year mortgage, Rate Bankrate.com avg†:

ear fixed-rate	5.75%	Financial Resources Federal Credit Union Bridgewater, NJ	3.25 % 800-933-3280		
nortgage - Andrew	4.50	Savings Bank of Danbury	3.25%		
10-year Trea		Danbury, CT	844-723-2265		
▼ note yield	d 3.25	First Montana Bank, Inc.	3.38%		
Anna part	•	Libby, MT	406-293-0280		
	2.00	United Teletech Financial	3.75%		
. l	. 0.75	Tinton Falls, NJ	732-530-8100		
ID J F M A M J J A	10.77	First Citizens Bank	4.00%		
2022		Raleigh, NC	800-367-0995		
rate	—Yield/Rate Last (●)We				

SONDJFMAMJJ	A	FILS	Citizens	4.00%			
2021 2022		Ralei	gh, NC		800-367-0995		
Interestrate		late (%) -) Week ago		Veek Range (2 4 6	%) —— 8 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	2.98	2.94	0.11	•	2.98	0.85	
Money market, annual yield	0.16	0.14	0.07		0.16	-0.48	
Five-year CD, annual yield	1.88	1.83	0.41	•	1.88	0.10	
30-year mortgage, fixed [†]	5.81	5.55	3.03		6.11	2.06	
15-year mortgage, fixed [†]	4.98	4.97	2.32	•	5.39	1.74	
Jumbo mortgages, \$647,200-plus	5.86	5.56	3.06		6.11	1.59	
Five-year adj mortgage (ARM)†	4.35	4.24	2.82		4.35	0.26	
New-car loan, 48-month	5.07	5.07	3.41		5.09	0.41	
Bankrate.com rates based on survey of ov banks.† Excludes closing costs.	/er 4,800 on			sted by 70% of Jones Market		-	

Treasury yield curve Yield to maturity of current bills, notes and bonds

3.00% Tradeweb ICE 2.40 Monday Close 1.80 1.20 One year ago 0.60 1 , 0.00 3 6 1 2 3 5 7 10 20 30 month(s) years

maturity

major U.S. trading partners WSJ Dollar Index 2021 2022

Yen, euro vs. dollar; dollar vs.

 $Sources: Tradeweb \ ICE \ U.S. \ Treasury \ Close; Tullett \ Prebon; Dow \ Jones \ Market \ Data$ Corporate Borrowing Rates and Yields

corporate Doi	orporate borrowing Nates and Tieras										
		— Yield	l(%) —	 52-V	/eek —	Total Re	eturn (%)				
Bond total return index	Close	Last	Week ago	High	Low	52-wk	3-yr				
U.S. Treasury, Bloomberg	2162.910	3.290	3.100	3.550	0.850	-10.463	-1.826				
U.S. Treasury Long, Bloombe	rg 3480.010	3.430	3.270	3.630	1.720	-22.830	-5.846				
Aggregate, Bloomberg	2018.020	3.790	3.580	4.140	1.400	-10.871	-1.541				
Fixed-Rate MBS, Bloomber	g 2018.470	3.700	3.500	4.240	1.670	-8.770	-1.533				
High Yield 100, ICE BofA	3145.894	7.438	6.786	8.427	3.210	-8.388	0.544				
Muni Master, ICE BofA	559.519	2.866	2.554	3.191	0.754	-7.158	-0.341				
EMBI Global, J.P. Morgan	765.525	7.472	7.110	8.085	4.516	-17.877	-3.913				
	Sources: J.P. N	Лorgan; В	Ioomberg F	ixed Inco	me Indic	es; ICE Dat	a Services				

Commodities

 $Sources: Tullett\, Prebon, Dow\, Jones\, Market\, Data$

	Close	Net chg	% Chg	High	Low	% Chg	% chg
DJ Commodity	1082.80	5.03	0.47	1264.48	872.16	24.15	14.43
Refinitiv/CC CRB Index	292.83	0.81	0.28	329.59	211.91	38.18	26.02
Crude oil, \$ per barrel	90.23	-0.54	-0.59	123.70	65.57	37.46	19.97
Natural gas, \$/MMBtu	9.680	0.344	3.68	9.680	3.561	145.37	159.52
Gold, \$ per troy oz.	1734.00	-13.60	-0.78	2040.10	1699.50	-3.84	-5.12

COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

		Joine	uc				
	М	etal & l	Petr	oleum	Future	S	
			ntract		· uture		Open
	Open	High	hi lo	Low	Settle	Chq	interest
Conner	-High (C	-			Settie	city	meerese
Aug	3.7020	3.7030	JU 1D3.	3.6690	3.6705	-0.0130	1.000
Dec	3.6730	3.6945		3.6080		-0.0175	79,432
Gold (CI	MX) -100 tr	oy oz.;\$p	er troy	OZ.			
Aug	1740.50	1740.50		1726.50	1734.00	-13.60	376
Sept	1747.00	1747.00		1726.00	1734.40	-14.00	3,546
Oct	1750.50	1752.30		1730.40	1738.60	-14.40	40,087
Dec	1760.60	1762.10		1740.20	1748.40	-14.50	379,503
Feb'23 April	1772.40 1780.20	1773.90 1780.20		1753.40 1766.80	1761.10 1773.30	-14.50 -14.60	20,830 7,327
	1760.20 um (NYM		07.\$1			-14.00	1,521
Aug	MIII (IVIIIVI) - Jo troy	02., ψ	Jei tioy o	1980.30	-148 70	
Dec	2136.50	2153.00		1961.50	1998.00		4,332
Platinu	m (NYM)	-50 troy o	z.; \$ pe	r troy oz.			,
Aug					866.90	-20.00	3
Oct	889.60	892.70		855.60	868.00	-20.00	53,553
	CMX) -5,00		\$ per				
Aug	18.840	18.915		18.800	18.873	-0.185	55
Dec Crudo (19.075 Dil, Light	19.175	/BIV/B#	18.715	18.980	-0.196	83,964
Sept	89.65	91.26	(IV T IVI	86.60	ا 90.23	-0.54	22,652
Oct	89.63	91.03		86.28	90.36	-0.08	256,980
Nov	89.24	90.68		86.06	89.97	-0.14	135,459
Dec	88.75	90.18		85.74	89.45	-0.16	191,231
June'23	84.52	85.78		82.32	85.25	-0.08	120,803
Dec	80.80	82.02		79.26	81.65	-0.02	133,430
	bor ULS		42,00				
Sept Oct	3.6960 3.6600	3.7835 3.7423		3.6478 3.6076	3.7762 3.7384	.0757 .0775	35,340
	e-NY RE		M)_//2			.0775	68,897
Sept	3.0059	3.0175	WI)-42	,000 gai., 2.8273	2.8912	1263	44,890
Oct	2.7720	2.7983		2.6158	2.6822	1067	83,149
Natura	I Gas (NY	M) -10,00	0 MM	Btu.;\$pe	r MMBtu.		
Sept	9.174	9.982	A	9.158	9.680	.344	40,595
Oct	9.159	9.950	A	9.143	9.647	.332	118,522
Nov	9.261		A	9.231	9.710	.325	121,242
Jan'23	9.424	10.133	A	9.401	9.862	.310	85,011
April	5.585 5.401	5.884 5.685		5.585 5.400	5.752 5.557	.096 .095	70,977 74,234
May	5.401	5.005		5.400	5.557	.095	74,234
		Δaria	cultu	ire Fut	ures		
					.ui co		
	BT) -5,000		per bu		422.50	7.50	1 11 00 1
Sept	622.75	635.25		618.00 614.25	633.50 629.00	7.50 5.75	141,894
Dec Oats (C	618.25 BT) -5,000	631.00	porbu		629.00	5./5	700,115
Sept	422.75	424.00	регис	410.00	412.75	-6.00	246
Dec	385.50	394.50		384.00	389.50	2.25	2,511
Soybea	ns (CBT)	-5,000 bu.	; cents	per bu.			
Sept	1484.25	1534.50		1478.00	1527.00	38.25	23,070
Nov	1398.00	1438.50		1393.00	1435.25	31.25	310,177
	ın Meal (tons;			44.00	49
Sept	449.30	463.40		445.30	460.50	11.80	47,451
Dec Soyboa	401.60	416.60) lhe i -	399.40	415.40	13.10	190,987
Sept	ın Oil (CB 67.87	69.46	J IDS.; C	ents per 1 67.12	68 .77	.87	47,276
Sept Dec	65.61	66.98		64.71	66.35	.65	140,757
	Rice (CB1		wt·\$i		00.55	.00	_10/12/

		Con	tract			Open
	Open	High hild		Settle	Chg	interest
Aug	181.050	181.875	181.050	181,400	100	2,843
Oct	186,500		185.675	186,475	300	15,360
Cattle-	Live (CM	E)-40.000 lb	s.; cents per l	b.		,
Aug	141.100		141.000	141.225	375	2,455
Oct	144.875	145.025	144.200	144.500	750	117,174
Hogs-L	ean (cM	E)-40,000 lb	s.; cents per ll	O.		
Oct	92.750		92.125	93.975	.850	89,098
Dec	83.750	84.950	83.125	84.475	.325	69,317
Lumbe	r (CME)-1	10,000 bd. ft	, \$ per 1,000 l	bd. ft.		
Sept	514.30	516.60	500.00	500.00	-20.00	1,191
Nov	500.00		▼ 477.10	478.40	-24.50	1,019
Milk (CI	VIE) -200,0	00 lbs., cent	s per lb.			
Aug	20.07	20.09	20.07	20.09	.01	4,088
Sept	19.67	20.15	19.60	19.96	.23	5,707
Cocoa (ICE-US)-1	0 metric ton:	s;\$ per ton.			
Sept	2,366	2,388	2,331	2,348	-14	11,078
Dec	2,374	2,398	2,339	2,356	-18	146,303
Coffee	(ICE-US)-	37,500 lbs.; c	ents per lb.			
Sept	215.00	225.60	213.55	224.30	8.35	8,012
Dec	212.40	223.15	210.80	221.20	7.85	94,473
Sugar-	World (1	CE-US) -112,0	000 lbs.; cents	s per lb.		
Oct	17.94	18.09	17.74	17.94	15	297,809
March'23	17.90	18.01	17.71	17.92	12	205,384
Sugar-	Domest	ic (ICE-US)-	112,000 lbs.;	ents per lb).	
Nov				36.30		1,840
Jan'23				36.00		2,601
Cotton	(ICE-US)-	50,000 lbs.;	cents per lb.			
Oct	121.04	121.43	121.04	117.89	-1.86	125
Dec	115.50	117.45	113.08	114.14	-1.87	108,905
Orange	Juice (10	CE-US)-15,0	00 lbs.; cents	per lb.		
Sept	169.55	171.10	168.10	168.85	90	3,287
Nov	166.20	167.50	165.00	165.50	70	5,961
		Interes	t Rate Fu	tures		
Ultra T			ST) - \$100,00	0; pts 32nd	s of 1009	6
Sept	150-200	151-100	149-140	150-010	-12.0	1,265,552
Dec	150-100	151-020	149-060	149-250	-13.0	96,466
Treasu	ry Bond	S (CBT) -\$10	0,000; pts 32	nds of 100	%	

Dec	115.50	117.45	113.08	114.14	-1.87	108,905
			00 lbs.; cents į			
Sept	169.55	171.10	168.10		90	3,287
Nov	166.20	167.50	165.00	165.50	70	5,961
		Interes	t Rate Fu	tures		
Ultra Tr	easurv	Bonds (CB	T) - \$100,000): pts 32nd	s of 100%	6
Sept	150-200	151-100	149-140	150-010		1,265,55
Dec	150-100	151-020	149-060	149-250	-13.0	96,460
Treasu	ry Bonds	S (CBT) -\$10	0,000; pts 32	nds of 100	%	
Sept	138-220		137-250			1,150,30
Dec	138-030	138-160	137-060	137-090	-21.0	22,65
Treasu	ry Notes	(CBT)-\$100	0,000; pts 32r	nds of 1009	6	
Sept	118-080	118-140	117-215	117-230	-12.5	3,332,02
Dec	118-110		117-250	117-260	-13.0	231,75
5 Yr. Tro	easury N	Notes (CBT) -\$100,000;	ots 32nds o	f100%	
Sept	111-240	111-272	111-097	111-107		3,910,15
Dec	111-257		111-122	111-132	-10.0	257,51
2 Yr. Tro	easury l	Notes (СВТ) -\$200,000;	pts 32nds o	of 100%	
Sept	104-208	104-208	104-146	104-151	-4.0	2,083,79
Dec	104-161		104-102		-4.6	74,57
			ST) -\$5,000,00		aily avg.	
Aug	97.6675	97.6700	97.6675	97.6675		471,89
Oct	97.0600		97.0200	97.0300		264,81
			S (CBT) -\$10			
Sept	92-220		92-185	92-200	-15.0	16,25
) -\$1,000,000			
June	98.0575		98.0550			
March'23		96.3700	96.2250	96.2350	1150	1,026,03
			0; pts of 100%			
Sept	96.6550		96.6175	96.6275		1,115,69
Dec	96.1050	96.1050	96.0050	96.0200		1,724,31
March'23			95.9500	95.9550		1,075,15
Dec	96.5100	96.5200	96.3550	96.3600	1250	968,85
		Curre	ncy Futu	res		
Japane	se Yen (CME)-¥12.50	00,000;\$per	100¥		

 Sept
 .7321
 .7330
 .7280
 .7286

 Dec
 .7379
 .7395
 .7346
 .7351

 Canadian Dollar (CME)-CAD 100,000; \$ per CAD

Monday

Cash Prices	wsj.com/market-data/commodities
The second second Class.	h

16.99 17.31

744.50 762.50

838.00

17.13 17.42

866.00

770.50 17.25 57,209 **788.25** 17.25 157,250

19.00

84,235

Monday, August 22, 2022

.**7286** -.0034 230,504 .**7351** -.0034 2,800

.7659 -.0035 138,187

Monday

* EMBI Global Index

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace separate from the futures price on an exchange, which reflects what the commodity might be worth in future

	Monday
Energy	
Coal,C.Aplc.,12500Btu,1.2SO2-r,w Coal,PwdrRvrBsn,8800Btu,0.8SO2-r,w	187.150 16.250
Metals	
Gold, per troy oz	
Engelhard industrial Handy & Harman base	1736.00 1733.25
Handy & Harman fabricated LBMA Gold Price AM	1923.91 *1752.90
	*1750.75
Krugerrand,wholesale-e	1829.17
Maple Leaf-e American Eagle-e	1872.93 1872.93
Mexican peso-e	2258.19
Austria crown-e	1718.74 1837.92
Austria phil-e Silver, troy oz.	1857.92
Engelhard industrial	19.0000
Handy & Harman base	19.0850
Handy & Harman fabricated LBMA spot price	23.8560 £16.2400
	*19.2300
Coins, wholesale \$1,000 face-a	17487
Other metals	
LBMA Platinum Price PM Platinum,Engelhard industrial	*904.0 878.0
Palladium,Engelhard industrial	2025.0
Aluminum, LME, \$ per metric ton	*2376.0

16.99 17.23 17.41 17.52

Nov 17.41 17.52 1. **Wheat (CBT)**-5,000 bu; cents per bu.

754.00 774.00 771.25 791.75

Cattle-Feeder (CME)-50,000 lbs.; cents per lb.

Dec 771.25 791.75 , Wheat (KC)-5,000 bu; cents per bu. Sept 844.75 869.25 & Dec 846.50 869.75 & Dec 846.50 869.75

ron Ore, 62% Fe CFR China-s Shredded Scrap, US Midwest-s,m	
Stredded Scrap, US Midwest-s, M Steel, HRC USA, FOB Midwest Mill-s Battery/EV metals BMI Lithium Carbonate, EXW China, =99.2%-v, w	100.7 n.a. 790 70375
BMI Lithium Hydroxide, EXW China, =56.5% -v, w BMI Cobalt sulphate, EXW China, >20.5% -v, m BMI Nickel Sulphate, EXW China, >22%-v, m BMI Flake Graphite, FOB China, -100 Mesh, 94-95%-v, m	70000 9909 5364 795
Fibers and Textiles	
Burlap,10-oz,40-inch NY yd-n,w Cotton,11/16 std lw-mdMphs-u Cotlook 'A' Index-t Hides,hvy native steers piece fob-u Nool,64s,staple,Terr del-u,w	0.7800 1.2689 *131.00 n.a. n.a.
Grains and Feeds	

	IVIOIIda
Wheat,Spring14%-pro Mnpls-u Wheat,No.2 soft red,St.Louis-u Wheat - Hard - KC (USDA) \$ per bu-u Wheat,No.1soft white,Portld,OR-u	10.4600 7.9450 9.4525 8.7000
Food	
Beef, carcass equiv. index choice 1-3,600-900 lbsu select 1-3,600-900 lbsu select 1-3,600-900 lbsu Broilers, National comp wtd. avgu,w Butter, AA Chicago-d Cheddar cheese, blb, Chicago-d Cheddar cheese, blb, Chicago-d Milk, Nonfat dry, Chicago lbd Coffee, Brazilian, Comp-y Coffee, Colombian, NY-y Eggs, large white, Chicago-u Flour, hard winter KC-p Hams, 17-20 lbs, Mid-US fob-u Hogs, lowa-So. Minnesota-u Pork bellies, 12-14 lb MidUS-u Steers, TexOkla. Choice-u Steers, Feeder, Okla. City-u, w	235.21 209.72 1.2917 3.0200 189.50 182.00 153.25 2.1938 2.9598 1.9950 22.30 0.99 111.99 n.a. 1.2826 n.a.
Fats and Oils	
Degummed corn oil, crude wtd. avgu,w Grease choice white Chicago-h	65.7500 0.7400

Steers,TexOkla. Choice-u	n.a.
Steers,feeder,Okla. City-u,w	195.75
Fats and Oils	
Degummed corn oil, crude wtd. avgu,w	65.7500
Grease,choice white,Chicago-h	0.7400
Lard,Chicago-u	n.a.
Soybean oil,crude;Centl IL-u,w	0.7098
Tallow,bleach;Chicago-h	0.8100
Tallow,edible,Chicago-u	n.a.

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; D=CME; E=Manfra,Tordella & Brookes; H=American Commodities Brokerage Co; K=bi-weekly; M=monthly; N=nominal; n.a.=not quoted or not available; P=Sosland Publishing; R=SNL Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. *Data as of 8/19 Source: Dow Jones Market Data

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

Policy Rates

Money Rates

Copper,Comex spot

August 22, 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.

Week —52-WEEK— Latest ago High Low

_	_			
	Infl	ation		
	July ir	idex	Chg Froi	n (%)
	le	vel .	June '22	July '21
U.S. cons	umer pri	ce ind	ex	
Allitems	296	.276	-0.01	8.5
Core	295	.646	0.33	5.9
I	nternati	ional	rates	
	Latest	Week ago	−52 High	-Week [_] Low
Prime rat	tes			
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

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
Overnight	repurci	nase		
U.S.	2.29	2.27	2.31	0.01
U.S.	gover	nment	rates	
U.S. Discount	gover	nment	rates	
	gover 2.50	nmen 2.50	2.50	0.25
	2.50			
Discount Federal fur	2.50	2.50	2.50	

0.0	0122		Australia	1.07	1.07	1.07	0.10
onal r	ates		Overnight	t repurc	hase		
Week	- 52-	Week -	U.S.	2.29	2.27	2.31	0.01
ago	High	Low	U.S	. gover	nmen	t rates	
			Discount				
5.50	5.50	3.25		2.50	2.50	2.50	0.25
4.70 1.475	4.70 1.475	2.45 1.475	Federal fu	ınds			
			Effective rate	2.3400	2.3300	2.3400	0.0700

Key Interest Rates

Data are annualized on a 360-day basis. Treasury yields are per annum, on actively traded noninflation and inflation-indexed issues that are adjusted to constant maturities. Data are from weekly Federal Reserve release H.15.

	Week	Ended	— 52-W	eek —		Wee	k Ended	52-W	eek —
	Aug 19	4ug 12	High	Low		Aug 19		High	Low
Federal fur	nds (effe	ctive)			6-month 1-vear	3.14 3.25	3.13 3.28	3.14 3.28	0.05 0.07
	2.33	2.33	2.33	80.0	2-year	3.24	3.24	3.27	0.20
Commercia	al paper				3-year 5-year	3.22 3.01	3.16 2.95	3.44 3.45	0.41 0.78
Nonfinancial					7-year	2.96	2.89	3.44	1.05
1-month 2-month	2.31 2.39	2.33 2.35	2.33 2.39	0.05 0.05	10-year 20-year	2.87 3.36	2.81 3.29	3.36 3.64	1.26 1.81
3-month	n.a.	n.a.	n.a.	n.a.					
Financial					Treasury yie	elds (s	econda	ry mark	(et)
1-month	2.36	2.36	2.36	0.06	1-month	2.15	2.15	2.15	0.02
2-month	2.53	2.58	2.58	80.0	3-month	2.62	2.55	2.62	0.03
3-month	2.75	2.76	2.76	0.09	6-month	3.02	3.01	3.02	0.05
Discount w	indow p	rimar	y credi	t	TIPS				
	2.50	2.50	2.50	0.25	5-year 7-vear	0.35 0.36	0.30 0.32	0.52 0.62	-1.88 -1.47
Treasury y maturities	ields at	consta	int		10-year 20-year	0.39 0.67	0.35 0.62	0.71 0.84	-1.14 -0.72
1-month 3-month	2.24 2.71	2.23 2.64	2.24 2.71	0.03 0.03	Long-term avg	1.01	0.95	1.13	-0.60

Notes on data: Federal-funds rate is an average for the seven days ended Wednesday, weighted according to rates on broker trades; Commercial paper rates are discounted offer rates interpolated from sales by discounted averages of dealer bid rates on nationally traded certificates of deposit; Discount window primary credit rate is charged for discounts made and advances extended under the Federal Reserve's primary credit discount window program; **rate** is average for seven days ended Wednesday; **Inflation-indexed long-term TIPS** average is indexed and is based on the unweighted average bid yields for all TIPS with remaining terms to maturity of 10 years or more;

Sources: Federal Reserve; for additional information on these rate data and their derivation, please see, https://www.federalreserve.gov/datadownload/Build.aspx?rel=H15

	Week —52-WEEK— Latest ago High Low
High	2.4500 2.4500 2.4500 0.0900
Low	2.3200 2.3100 2.3200 0.0200
Bid	2.3300 2.3200 2.3300 0.0500
Offer	2.3500 2.3600 2.3700 0.0600
Treasury	bill auction
4 weeks	2.150 2.150 2.150 0.020
13 weeks	2.740 2.610 2.740 0.035
26 weeks	3.110 3.020 3.110 0.045

Secondary market

Fannie Mae 30-year mortgage yields

Notes on data:

30 days	5.060	4.641	5.434	2.337				
60 days	5.104	4.683	5.526	2.371				
Other short-term rates								
	Week -52-Week Latest ago high lov							
Call money								
	4.25	4.25	4.25	2.00				
Commercial paper (AA financial)								

Comme	ciai papei (,~~ , , , , ,	anciai	,
90 days	2.82	2.71	2.88	0.08
Libor				
One month	2.42743	2.37971	2.42743	0.07525
Three month	2.97971	2.94186	2.98400	0.11413
Six month	3,56557	3.53300	3.56886	0.14663
One year	4.03214	3.99457	4.03214	0.21950
Secured	Overnight 2.28	Financ 2.28	2.30	o.03
	Latest	Value Traded		Neek — Low
DTCC GO	F Repo Ind	ex		
Treasury		17.650	2.315	0.015
MBS	2.324	35.500	2.342	0.018

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; Discount rate
is effective July 28, 2022. Secured Overnight
Financing Rate is as of August 19, 2022. DTCC
GCF Repo Index is Depository Trust & Clearing
Corp.'s weighted average for overnight trades in
applicable CUSIPs. Value traded is in billions of
U.S. dollars. Federal-funds rates are Tullett
Prebon rates as of 5:30 p.m. ET.

Sources: Federal Reserve; Bureau of Labor Statistics; DTCC; FactSet;

Tullett Prebon Information, Ltd.

Intesa Sanpaolo

			Open				
	Open	High hi	lo	Low	Settle	Chg	interest
Dec	.7694	.7704		.7653	.7657	0035	11,232
British	Pound (C	ME)-£62,	500;	per£			
Sept	1.1830	1.1842	$\overline{\mathbb{V}}$	1.1747	1.1757	0060	232,517
Dec	1.1852	1.1861	$\overline{\mathbb{V}}$	1.1769	1.1778	0060	6,008
Swiss F	ranc (cM	E)-CHF 12	5,00	0; \$ per Cl	HF		
Sept	1.0456	1.0467		1.0373	1.0386	0061	38,826
Dec	1.0529	1.0551		1.0461	1.0472	0061	653
Austra	lian Dolla	r (CME)-	AUD	100,000;	\$ per AUD		
Sept	.6875	.6931		.6864	.6873	.0004	165,703
Dec	.6884	.6939		.6873	.6880	.0003	1,827
Mexica	n Peso (c	:ME)-MXN	1500),000; \$ pe	er MXN		
Sept	.04927	.04942		.04911	.04934	.00015	203,181
Dec	.04846	.04854		.04825	.04846	.00015	635
Euro (C	ME)-€125,0	00; \$ per (E				
Sept	1.0057	1.0065	$\overline{\mathbb{V}}$.9944	.9951	0101	687,063
Dec	1.0119	1.0132	$\overline{\mathbb{V}}$	1.0011	1.0018	0100	9,944
	Index Futures						
Mini DJ Industrial Average (CBT)-\$5 x index							

Index Futures								
Mini D.	J Industri	al Averag	e (CBT) -\$5 x	index				
Sept	33620	33654	33001	33056	-650	78,377		

		Con		Open		
	Open	High hilo	Low	Settle	Chg	interest
Dec	33748	33748	33095	33148	-654	890
Mini S	&P 500 (CME) -\$50 x i	ndex			
Sept	4221.00	4221.50	4131.50	4141.25	-90.25	2,289,057
Dec	4236.00	4246.00	4149.75	4159.00	-90.75	57,867
Mini S	&P Midc	ар 400 (см	1E) -\$100 x ir	ndex		
Sept	2570.70	2575.80	2518.10	2523.30	-55.10	49,287
Dec				2529.60	-56.20	4
Mini N	lasdaq 10	O (CME)-\$2	20 x index			
Sept	13226.50	13226.50	12874.50	12909.75	-358.75	248,748
Dec	13304.00	13310.00	12954.75	12986.25	-361.00	4,641
Mini F	Russell 20	00 (CME)-	50 x index			
Sept	1955.60	1956.00	1911.70	1917.50	-41.60	508,798
Dec	1959.10	1964.10	1919.00	1924.20	-41.50	5,281
Mini F	Russell 10	00 (CME)-\$	550 x index			
Sept	2286.00	2324.70	2270.80	2274.60	-51.10	13,492
U.S. D	ollar Inde	X (ICE-US)-	\$1,000 x inde	ex		
Sept	108.06	109.03	108.02	108.98	.88	58,714
Dec	107.74	108.71	107.74	108.68	.88	1,013
					Sour	ce: FactSet

Bonds | wsj.com/market-data/bonds/benchmarks

Tracking Bond Benchmarks

Return on investment and spreads over Treasurys and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Total return close	YTD total return (%)	Index	— Yield	d(%) — ow High	Total return close	YTD to		Index		/ield (% t Low	6) — High
Broad N	Narket Bloombe	erg Fixed Income Indice			Mortga	ge-Back	red Bloo	mberg Fixed Income In	dices		
2018.02	-10.1	U.S. Aggregate		00 4.140	2018.47	-8.2		Mortgage-Backed	3.700	1.670	4.240
U.S. Co	porate Indexes	Bloomberg Fixed Inco	ne Indice	25	1988.77	-7.0		Ginnie Mae (GNMA)	3.700	1.700	4.250
2951.23	-13.4	U.S. Corporate	4.670 1.9	60 4.990	1187.67	-8.4		Fannie mae (FNMA)	3.700	1.660	4.240
2825.01	-8.1	Intermediate	4.460 1.3	40 4.820	1820.32	-8.7		Freddie Mac (FHLMC)	3.690	1.660	4.240
4000.75	-21.6	Long term	5.060 2.9	00 5.310	559.52	-7.1		Muni Master	2.866	0.754	3.191
582.14	-13.8	Double-A-rated	4.050 1.7	10 4.370	397.25	-6.6		7-12 year	2.704	0.756	3.237
778.41	-13.9	Triple-B-rated	4.990 2.1	.70 5.320	446.48	-9.2		12-22 year	3.353	1.100	3.753
High Yi	eld Bonds ICE B	ofA			423.63	-12.8		22-plus year	4.011	1.583	4.342
472.96	-9.4	High Yield Constrained	7.976 3.8	30 8.931	Global C	Governn	nent J.P.	Morgan [†]			
446.02	-11.5	Triple-C-rated	13.516 6.8	193 15.197	546.14	-8.9		Global Government	2.350	0.750	2.560
3145.89	-9.4	High Yield 100	7.438 3.2	10 8.427	769.52	-8.3		Canada	3.080	1.280	3.500
409.26	-11.1	Global High Yield Constrained	8.128 4.0	19 9.062	359.56	-11.4		EMU§	2.100	0.191	2.562
311.17	-10.8	Europe High Yield Constrained	6.492 2.3	04 7.457	673.35	-11.4		France	1.890	0.100	2.330
U.S Age	ncy Bloomberg	Fixed Income Indices			483.13	-10.0		Germany	1.250	-0.390	1.740
1721.62	-6.2	U.S Agency	3.530 0.6	80 3.670	287.45	-2.4		Japan	0.620	0.280	0.710
1517.60	-5.2	10-20 years	3.500 0.5	70 3.630	523.62	-12.1		Netherlands	1.580	-0.250	2.030
3471.64	-17.2	20-plus years	3.990 1.9	50 4.190	864.13	-16.7	Ì	U.K.	2.710	0.720	2.740
2583.19	-10.4	Yankee	4.370 1.5	660 4.610	765.53	-16.8		Emerging Markets **	7.472	4.516	8.085
*Constrai	Constrained indexes limit individual issuer concentrations to 2%; the High Yield 100 are the 100 largest bonds In local currency § Euro-zone bonds										

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

	Country/		_				_	Yield	d(%) ———			Spread Under/Over U.S	. Treasurys, in basis	points
Coupon (%)	Maturity, in years	Latest(()-	2 -1	0	1	2	3	4 Previous	Month ago	Year ago	Latest	Prev	Year ago
3.000	U.S. 2	3.335					П	•	3.265	2.989	0.224			
2.750	10	3.035						•	2.987	2.781	1.259			
2.750	Australia 2	2.962						•	2.839	2.751	0.026	-37.7	-38.6	-20.0
1.250	10	3.529						•	3.420	3.449	1.090	49.3	44.7	-17.1
0.000	France 2	0.739	A			•			0.738	0.418	-0.725	-260.0	-248.7	-95.1
2.000	10	1.894							1.814	1.610	-0.151	-114.3	-115.9	-141.2
0.400	Germany 2	0.895	A			•			0.814	0.427	-0.751	-244.4	-241.1	-97.7
1.700	10	1.309				•			1.231	1.027	-0.494	-172.8	-174.3	-175.5
0.000	Italy 2	1.852				-			1.762	1.678	-0.506	-148.	-146.3	-73.2
2.500	10	3.595						•	3.498	3.329	0.546	55.8	52.5	-71.5
0.005	Japan 2	-0.069			•				-0.082	-0.082	-0.140	-340.8	-330.8	-36.6
0.200	10	0.231			•				0.201	0.214	0.012	-280.6	-277.2	-124.9
0.000	Spain 2	1.074	A			•	1		1.041	0.793	-0.616	-226.5	-218.4	-84.2
2.550	10	2.472					•		2.392	2.242	0.215	-56.5	-58.1	-104.6
0.125	U.K. 2	2.601					•)	2.498	1.839	0.094	-73.8	-72.8	-13.2
4.250	10	2.514					•		2.416	1.941	0.526	-52.3	-55.7	-73.5

Source: Tullett Prebon, Tradeweb ICE U.S. Treasury Close

Sources: ICE Data Services; Bloomberg Fixed Income Indices; J.P.Morgan

Corporate Debt

Prices of firms' bonds reflect factors including investors' economic, sectoral and company-specific expectations

Investment-grade spreads that tightened the most...

		_				and the format and a second	
Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Current	ad*, in basis poi One-day change	Last week
Blackstone Private Credit Fund	BCRED	2.700	5.44	Jan. 15, '25	206	-37	n.a.
HSBC Holdings	HSBC	4.250	4.71	Aug. 18, '25	135	-16	n.a.
Deutsche Bank	DB	4.162	4.33	May 13, '25	98	-13	109
Verizon Communications	vz	4.500	4.64	Aug. 10, '33	161	-6	159
Cooperatieve Rabobank	RABOBK	4.375	4.64	Aug. 4, '25	138	-5	137
Royal Bank of Canada	RY	4.240	4.27	Aug. 3, '27	109	-5	113
HCA	НСА	5.375	4.67	Feb. 1, '25	131	-4	117
Amazon.com	AMZN	3.000	3.41	April 13, '25	3	-3	-8
And spreads that wide	ened the n	nost					
Nucor	NUE	3.950	4.03	May 23, '25	66	18	63
Credit Suisse	cs	5.000	5.32	July 9, '27	214	16	n.a.
Barclays	BACR	3.650	4.61	March 16, '25	127	13	n.a.
HSBC Holdings	HSBC	4.950	5.11	March 31, '30	212	13	204
Banco Santander	SANTAN	5.147	5.18	Aug. 18, '25	180	13	n.a.
Citigroup	c	4.400	4.33	June 10, '25	95	8	91
Celanese	CE	6.050	5.87	March 15, '25	250	8	240
Toronto-Dominion Bank	TD	4.456	4.45	June 8, '32	142	8	136

High-yield issues with the biggest price increases								
Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Bond Pric	e as % of face v One-day change	value —— Last week	
Occidental Petroleum	ОХҮ	6.950	3.76	July 1, '24	105.645	0.72	105.580	
DCP Midstream	DCP	6.450	5.67	Nov. 3, '36	107.500	0.50	n.a.	
Sprint Communications	S	6.000	2.78	Nov. 15, '22	100.710	0.22	100.550	
Dish DBS		5.000	8.26	March 15, '23	98.250	0.13	98.500	
Ball	BALL	4.000	4.38	Nov. 15, '23	99.550	0.12	99.500	
Cablevision Systems	CSCHLD	5.875	3.39	Sept. 15, '22	100.140	0.08	100.180	
And with the biggest price decreases								
Rite Aid	RAD	7.700	16.60	Feb. 15, '27	72.650	-2.95	n.a.	
Teva Pharmaceutical Finance Netherland	S	3.150	6.91	Oct. 1, '26	86.750	-2.78	90.250	
Dish DBS		5.125	14.51	June 1, '29	60.345	-2.30	66.080	
Ford Motor	F	7.450	6.37	July 16, '31	107.250	-1.75	110.250	
OneMain Finance	OMF	7.125	8.14	March 15, '26	96.906	-1.66	100.000	
Prime Security Services Borrower	PRSESE	5.750	6.53	April 15, '26	97.510	-1.11	100.250	
QVC	QVCN	4.850	6.32	April 1, '24	97.789	-1.10	98.500	

*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.

5.710

7.14

Jan. 15, '26

Source: MarketAxess

n.a.

-1.01

B10 | Tuesday, August 23, 2022

Goldman, JPMorgan are processing some trades using the crypto technology

By Paul Vigna

Wall Street's biggest banks have largely avoided investing directly in cryptocurrencies. But many are quietly working to integrate blockchain, the technology behind crypto, into trading and other businesses.

Goldman Sachs Group Inc. is trading some bonds and other debt securities for clients on blockchain-based networks such as Ethereum, and the bank is building its own blockchain-based trading platform. JPMorgan Chase & Co. has a platform in place, called Onyx.

Big Wall Street firms help make the economy run, connecting buyers and sellers of securities and lending money to businesses. But their sophisticated trades are often run on creaky old systems. Goldman and others hope they will be able to run faster, lesscostly and ultimately moreprofitable systems based on blockchains.

The blockchain, sometimes called distributed ledger technology, is the plumbing that keeps crypto markets running. It is basically a software program that uses an open record-keeping system—a central ledger—to track assets and record transactions and information about ownership of those assets. Every participant operates off the same central ledger.

Blockchain-driven systems on Wall Street would be different in some respects from the systems behind bitcoin and other cryptocurrencies. They would be permissioned networks, meaning a central party-such as a bank or a consortium of banks-would decide who is allowed on.

Outside of banking, Walmart Inc. used blockchain for tracking its supply chains. In real estate, some title companies used it for recording homeownership.

Goldman and others say that using blockchain in trading platforms should lower the risk associated with trading partners. Backers say it could make it easier for issuers to track who owns their shares or other assets.

"Blockchain technology is going to rewire all financial services," said Tom Farley, the former president of the New York Stock Exchange.

That said, Wall Street firms



The headquarters of Goldman Sachs in New York. The bank trades some bonds on blockchain-based networks.

have been experimenting with blockchain projects for at least the past five years. Despite much hype, few have had a widespread impact on how fitransactions

Others have thrown in the towel. A group of European insurance companies formed a consortium called B3i in 2016 to explore blockchain uses in their industry. In July, the consortium shut down after failing to raise new capital.

Regulatory issues could be a challenge, especially for multinational banks dealing with a host of overseers. Rules about risk management, custody and collateral are being developed in the U.S. and overseas. For instance, the international Basel Committee on Banking Supervision is developing a set of regulations that could require banks to set aside capital against what it called unforeseen risks arising from blockchain networks.

Challenges aside, few banks want to run the risk of being left out of a potential new technology. The biggest are

engaged in an arms race to build competing platforms.

At Goldman, Mathew Mc-Dermott runs the digital-asset group, which has about 70 full-time staffers specializing in areas such as engineering, compliance and legal and government affairs. Mr. McDermott said he was a skeptic when he first heard of the blockchain, but no more. The same is true of many top Wall Street bankers, who initially scoffed at the idea that bitcoin or other cryptocurrencies were more than a fad.

"I'm not doing this just to satisfy my curiosity," said Mr. McDermott, who has worked at Goldman for 16 years and led the group since 2020. "Everything has a commercial

Goldman declined to disclose financial information about the group, including how much the bank has invested in it or whether it has turned a profit. The firm expects the blockchain-based trading platform it is building to serve itself and its clients, but also possibly be used by other banks as well.

Some rivals are also planning for wider platforms. JP-Onyx platform, Morgan's launched in 2020, can be used by other banks. Goldman, BNP Paribas and others have been using it to trade repos, or repurchase agreements. JPMorgan said Onyx has processed more than \$350 billion of repo transactions.

"They're doing real trades," said Yuval Rooz, the chief executive of Digital Asset, which writes blockchain software and counts Goldman and the Australian Stock Exchange among its clients. Still, he said, competition is tight.

Last year, Goldman arranged a \$100 million, twoyear bond issue for the European Investment Bank that was registered in France and handled on the Ethereum net-

Normally, a bond sale like that would settle in five days. Mr. McDermott said it settled in just an hour.

What that means in practice is that money that might otherwise be tied up for days between counterparties will be

It means there is far less time to worry about counterparty risk, the odds that one party or the other to a trade won't hold up its end of the transaction.

The bank has more clients for such digital bonds, Mr. Mc-Dermott said, and expects to complete more sales.

Fintech CFOs Are Seeking New Funding Options

By Kristin Broughton

Fintech lenders are bolstering their funding options, seeking sources of capital that are sustainable through an extended downturn

technology **Financial** firms-many of them set up in a low-interest-rate environment—in recent years found willing buyers for their loans, as financial institutions looked for investment opportunities.

That dynamic is shifting, as rising interest rates are prompting investors to demand higher yields and become choosier about where they put their money. Banks. meanwhile, have grown more cautious about credit risk and the overall economic outlook and are generating better returns from the loans already on their books.

The credit quality of the loans has also weakened as borrowers, particularly those with blemished credit histories, increasingly fall behind on their net losses on fintech loans consumers weighted average credit scores between 680 and 710 rose 5.34 percentage points from a year earlier, to 10.87%, according to Kroll Bond Rating Agency LLC, a credit rating firm. The same metric for borrowers with credit scores between 710 and 740 increased 0.51 percentage point over the same period, to 4.69%, according to KBRA.

Fintech companies, which have different business models and funding structures, are taking steps to strengthen their funding, including finding longterm investors willing to ride out a shaky economy, seeking out additional loan buyers and, for those with a bank charter, relying more on deposits.

San Mateo, Calif.-based Upstart Holdings Inc., which specializes in personal loans for subprime borrowers, is looking for new investors, which could include sovereign-wealth funds, pension funds or insurance companies, that would be payments. In July, annualized willing to buy loans when

Losses on consumer loans from fintech companies are on the rise for borrowers with blemished credit histories.

Annualized net losses on fintech loans, monthly



other investors pull back, Chief Financial Officer Sanjay Datta said. "We're in a bit of a

Source: Kroll Bond Rating Agency

paradigm shift now, going from using what historically would have been purely at-will capital to finding more permanent-style, long-term capital partners," he said.

Upstart generates revenue

by matching financial institutions—banks, credit unions and institutional investors—with loans and charging fees for that. The company originates most of its loans through Cross River Bank, a Fort Lee, N.J.based community bank that caters to fintech companies. Some investors slice them into securities and sell them in transactions sponsored by Upstart.

The company in the second quarter saw a sharp pullback in demand from investors and banks. Upstart arranged 321,138 loans during the quarter, 31% fewer than the prior quarter. Revenue fell 26% over the same period, to \$228.2 million. Upstart expects revenue to decline 25% during the third quarter, to about \$170 million, because of funding constraints.

Upstart has operated with a fee-based business model centered on offloading loans. Now, as it seeks a longer-term capital partner, the company is considering temporarily

spring, when it said it wouldn't. Upstart wants the option to fund its own loans should demand from thirdparty buyers remain a challenge, Mr. Datta said.

Other fintech lenders, some which aren't publicly traded, are feeling the squeeze as investors demand higher yields. Buy-now-pay-later provider Affirm Holdings Inc. is aiming to line up a diverse set of loan buyers and funding channels, Chief Financial Officer Michael Linford said at an investor conference in June.

Affirm—which has partnerships with companies including retailers Amazon.com Inc. and Walmart Inc. and e-commerce company Shopify Inc.has grown rapidly over the past year. Gross merchandise volume, which measures all transactions on Affirm's platform net of refunds, increased 73% during the quarter ended March 31, to \$3.9 billion.

Affirm funds its loans holding loans on its books. through a mix of securitiza-That's a reversal from this tions, whole loan sales and 41% from a year earlier.

warehouse lines of credit, in which the company borrows against its consumer loan balances. "We've thought about building our capital program to not be reliant on any one channel, any one partner, any one kind of partner," Mr. Linford said at the June conference.

LendingClub Corp., which specializes in personal loans, is funding more loans with bank deposits as some investors demand higher yields. Lending-Club received a bank charter after acquiring Boston-based Radius Bank last year for \$185 million, giving the company access to deposits. LendingClub—which faced

funding challenges of its own before becoming a bank—in the second quarter retained 27% of the consumer loans it originated, above its target range of 20% to 25%, according to finance chief Tom Casey. The remainder were sold to investors. The company originated \$3.8 billion in loans in the second quarter, up

OccidentalReorients **Operations**

 $Continued\, from\, page\, B1$ shire's money."

Under Ms. Hollub's leadership, Occidental has cut its debt load, repurchased shares and raised its dividends. Like other companies, it has also been conservative about boosting production, despite oil prices rising.

That strategy is paying off. Occidental generated a record \$4.35 billion in free cash flow in the second quarter and \$3.7 billion in profit. After its shares fell roughly 80% in 2020, Occidental's stock has jumped 138% this year, a rally driven, in part, by Mr. Buffett's purchases.

Long-term doubts remain about demand for oil and gas as some countries shift to greener energy sources and some investors remain wary of the industry. Occidental is also betting big on carbon capture, a technology whose profitability is unproven.

Occidental entered the pan-

demic saddled with debt from a \$38 billion deal to take over rival Anadarko Petroleum Corp., part of which it funded with \$10 billion from Berkshire. Plunging oil prices led the company to lay off employees and cut executives' salaries-including Ms. Hollub's-and slash expenses in the oil patch.

But while the deal looked ill-timed, analysts say, the assets Occidental acquired from Anadarko have since helped solidify its position as the largest producer in the Permian basin, the prolific shale oil field in West Texas and New Mexico. The company said it produced roughly half a million barrels of oil a day domestically in the second quarter of the year, compared with about 280,000 barrels before it acquired Anadarko.

Occidental has said it generates a profit when oil prices are as low as \$40 a barrel. In the second quarter of the year, Brent crude oil prices averaged \$114.10 per barrel and U.S. crude prices averaged \$109.90 per barrel, according to Scotiabank.

All facts point to Occidental being a play on domestic oil production for Mr. Buffett, said Bill Stone, chief investment officer of Glenview

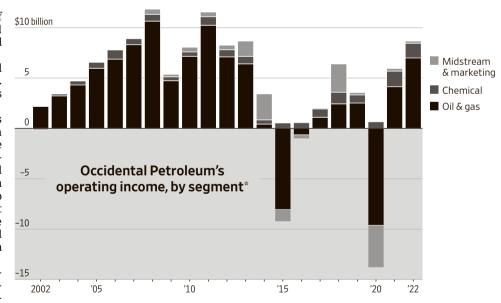
Trust, which held shares of both Berkshire and Occidental as of the end of the second quarter.

Mr. Buffett has also boosted his purchases of Chevron Corp. this year, making it Berkshire's fourth-largest holding.

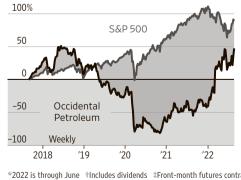
Occidental has said it aims to reach net-zero emissions on its operations and energy use by 2040. The company has invested in carbon removal through its Oxy Low Carbon Ventures and plans to develop the first industrial-scale plant to capture carbon dioxide from the air, which it says will require upward of \$1 billion in investment.

Occidental's focus on becoming a greener operator may inform Mr. Buffett's appetite, analysts said. Berkshire's energy unit, Berkshire Hathaway Energy, has stated a goal of retiring its coal units by 2049 and achieving net zero greenhouse gas emissions by 2050.

Occidental intends to develop 70 plants to suck carbon dioxide out of the atmosphere by 2035, it told investors in March. Truist Securities said in a June note that more than 10% of Occidental's total business could come from its carbon-capture division in a couple of years, up from less than 5% currently.

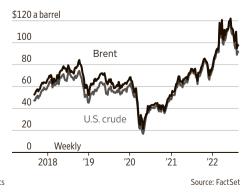


Total return, past five years[†]



*2022 is through June $\,$ †Includes dividends $\,$ ‡Front-month futures contracts

Crude-oil prices, past five years[‡]



52-Wk % Sym Hi/Lo Chg Stock **New Highs and Lows** 52-Wk % Sym Hi/Lo Chg Stock 52-Wk % Sym Hi/Lo Chg Stock 52-Wk 52-Wk % Sym Hi/Lo Chg Stock MTW MTCH MTLS MMX MUX MUX MDRR AIU MMAT METX METX MMK MPLN.WS NODK NETC.WS NA NATR NAVE NEOG NBS NA NAVAX 9,44 - 6.3 20,60 - 4.8 4,00 - 4.1 3,67 - 12.1 4,298 - 5.3 1,49 - 6.6 0,20 - 6.3 0,37 - 5.7 1,29 - 2.2 1,15 - 4.7 6,09 - 7.6 0,80 11.8 4,40 - 13.8 0,53 - 2.8 14,04 - 2.4 1,57 - 1,49 1,269 - 7.4 4,20 - 5.8 0,62 - 11.3 1,269 - 7.4 4,20 - 5.8 0,62 - 11.3 1,269 - 7.4 4,20 - 5.8 0,62 - 11.3 1,269 - 7.4 4,20 - 5.8 0,62 - 11.3 1,269 - 7.4 1,27 - 1,29 1,29 - 7.4 1,29 - 7.4 1,20 - 7.4 1,2 Sym Hi/Lo Chg PUCKW GOCO GRC GRC GEHI GDOT GRFS TV HCI HUYA HALL HCDIP HARP HCTI HITI HIW HZNP HGEN HYZN IAC BACK IMAB VATE IXAQW IAG 0.19 -5.1 2.09 -4.9 0.07 21.4 0.14 -11.6 GravitasEduc RaMedicalsys RMIED Ready/Caphts 2026 RCC Redwire Robw Rekra Repay Repay Researchable Field Revealtantial Revealtan 12.76 0.40 0.20 0.59 0.50 3.17 0.59 16.34 26.80 1.60 0.70 187.81 1.47 3.68 1.96 2.29 13.6 Humanigen 1-4.2 HyzonMotors 1.5 IAC 1.5 IMAC 1.7 I-Mab 1.6 INNOVATE 1.7 INNOVATE 1.7 INNOVATE 1.8 INNOVATE Lipocine LivePerson LogicBioTh LoyaltyVen LumiraDx reshpet

Deep-Sea Mining Nears Reality

Development looms despite concerns about impact on environment

By Yusuf Khan

Companies could start mining the ocean floor for metals used to make electric-vehicle batteries within the next year, a development that could occur despite broad concerns about the environmental impact of deep-sea mining.

The International Seabed Authority, a United Nations observer organ-

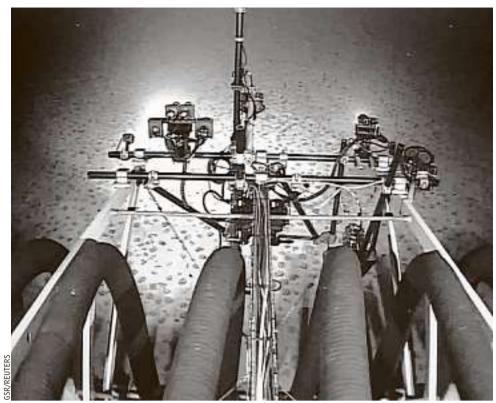
COMMODITIES ization that regulates deep-sea mining in international waters, is drawing up a final regulatory framework for deep-sea mining that all 168 members would need to agree to within the next 12 months. The U.S. isn't a member of the ISA. With or without the finalized rules, the ISA will permit

seabed mining by July 2023, according to people familiar with the matter.

The intent of deep-sea mining is to scrape the ocean floor for polymetallic nodules-tennis-ball-size pieces of rock that contain iron and manganese oxide layers. A seabed in the Pacific Ocean called the Clarion Clipperton Zone, which cover 1.7 million square miles between Mexico and Hawaii, contains a high volume of nodules made of battery metals, such as cobalt, manganese and lithium. The International Seabed Authority in 2010 estimated the zone had roughly 30 billion metric tons of nodules.

Cobalt and other metals used in making rechargeable batteries that power products from phones to electric vehicles are in high demand, setting off a race to find and procure them. Prices of these metals are soaring as mining for them comes under scrutiny, curtailing supply.

Since the ISA was formed in civil-society groups such as the 1994, the agency has facilitated



The intent of deep-sea mining is to scrape the ocean floor for metals used to make EV batteries.

testing and exploration of the ocean bottom. It has licensed 22 contractors to explore the deep sea with a focus on scientific exploration, though some of the licenses went to units of global companies, including Lockheed Martin Corp. and **DEME Group** NV. In June 2021, the Pacific island nation the Republic of Nauru and startup Metals Co. applied to the ISA to mine in the Clarion Clipperton Zone, triggering a rule that required the agency to establish a code that would allow "exploitation" for deep-sea resources within two years.

It is unclear if there will be a market for deep-sea mined metals. Auto makers, such as Groupe Renault, Bayerische Motoren Werke AG and Volkswagen AG, have signed a moratorium effort led by Greenpeace agreeing not to buy cobalt

sourced from seabed mining. Other similar protests from

Deep Sea Conservation Coali-

tion have also called for a halt known about this potential," while the European Union has advocated for prohibiting deepsea mining until "scientific gaps are properly filled."

Some Pacific island communities with a large span of territorial waters in proportion to their land mass, however, believe there is a sustainable way to mine these minerals and provide a steady source of revenue for their economies.

The Cook Islands, for instance, an island nation 2,000 miles from the coast of New Zealand and located south of the Clarion Clipperton Zone, is among the few countries already exploring scraping the ocean bottom for metals, intent on using the resources to boost its economic health. The Cook Islands, with a population of 17,000 people, is a member of the ISA but in theory its territorial waters sit outside of the authority's jurisdiction.

"We've known about these nodules for decades and we've

said Alex Herman, seabed minerals commissioner for the Cook Islands Seabed Minerals Authority. "We want to be able to realize the potential [of the nodules], but we want to realize it our way.'

The Cook Islands economic zone is estimated to contain 12 billion tons of nodules especially rich in cobalt.

This year, the nation handed out exploration licenses to private companies—CIC Ltd., CIIC Seabed Resources Ltd. in a joint venture with Belgium's Global Sea Mineral Resources NV, and Moana Minerals Inc. to explore the seabed within its territorial waters and determine the feasibility of sustainable mining over the next five years. The exploration alone is expected to raise 200 million New Zealand dollars, equivalent to \$128 million, over the fivevear period, which Ms. Herman described as "huge" for a de-

Ms. Herman said it was important the companies understood the island nation's values to ensure confidence that licensees "could develop the sector without serious harm to the marine environment and with benefits to the owners of those minerals, which is our people," Ms Herman said, adding "the onus is on them to

demonstrate that." The Cook Islands had previously relied heavily on tourism to fuel its economy, which like most nations in the region, was heavily decimated by the pandemic. Tourism accounted for about 65% of the nation's nominal gross domestic product before the pandemic, according to the Cook Islands Statistics Office.

Tonga, the Republic of Kiribati and Nauru are other South Pacific countries that support mining.

Palau, another Pacific island nation, announced its opposition to deep-sea mining in June, months after the Cook Islands's move, calling for a moratorium on the issue, warning about the damage to marine environments and "threatening one of the world's largest carbon sinks.'

Other island nations, including Fiji and Vanuatu, have previously voiced opposition as

For now, the ISA is firm in saying that "deep-seabed mining will not start until the necessary regulatory framework is in place." The rules are intended to protect the integrity of ocean life while allowing commercial use, the ISA said

Many members, environmental organizations and lawvers familiar with the regulations say that in theory a pending application, such as the one from Nauru and Metals Co., can be approved even in the absence of finalized regulations. Companies and nonprofits suggest that the ISA is being forced to confirm deep-sea mining rules, spelling out what is and isn't allowed, after more than 20 years of discussion on

Seawall Bets on Popularity Of Soccer

By Maria Armental

Seawall Capital LLC is betting on soccer's growing popularity by acquiring a majority stake in Sports Endeavors Inc., the owner of online retailer soccer.com and the Eurosport soccer catalog.

Seawall, based in Austin, Texas, and the Moylan family, which founded Sports Endeavors in 1984 and will continue to run the company as a minority owner, see an opportunity from growing interest in soccer across the U.S. as the FIFA World Cup kicks off this fall and the women's World Cup follows next year. The U.S., which hosted the World Cup in 1994, is slated to host the 2026 World Cup with Mexico and Canada.

"A generation of players that came through '94, where the game was always really important to them, are now the decision makers," said Mike Moylan, the company's co-founder and chief executive.

At the same time, he said, soccer is now a mainstream sport in the U.S. and American players have made it to some of the top clubs around the world.

The Eurosport catalog goes out to nearly one million people, and the company has expanded

The youth sports market is rebounding, industry data show.

into other sports, including baseball, softball, lacrosse and volleyball. The company also runs sports apparel and equipment retailers WorldSoccerShop and 431 Sports, which focuses on team uniforms.

The Moylans and Matt Eby, Seawall's founder and managing partner, declined to comment on the size of the investment. Seawall typically makes \$25 million to \$100 million investments in founder-led companies, according to the firm's website.

Mr. Moylan said the investment will help SEI accelerate initiatives, such as increasing capacity along with sales and marketing investments. The company also is looking to expand licensing opportunities with clubs in the U.S. and abroad.

Brendan Moylan, SEI's chief operating officer, said the company remains very bullish on youth sports and the health benefits associated with playing sports.

"There has been an unprecedented interest in getting kids back out onto the field," he said, adding that the Covid-19 pandemic underscored the important role sports play in connecting people.

Although youth sports suffered during the pandemic as many events were canceled and health measures were imposed to help curb the spread of the virus, the market is rebounding, according to industry data. According to a report published by the Aspen Institute's Project Play, 47% of youth sports parents said that as of September 2021 their kids had resumed sports at the same level as before the pandemic. Research firm Allied Market

Research predicts that the sports equipment and apparel market will reach \$930.5 billion by 2031, with a compound annual growth rate of more than 8% from 2022 to 2031. The market, the firm said, stands to benefit from demand generated by events such as the Olympics and the FIFA World Cup as well as organizations like the Indian Premier League and youth sports.

The SEI investment isn't Seawall's first in a sports equipment or apparel company. In late 2020, the firm acquired Kent Water Sports Holdings LLC and has since rebranded the company as Kent Outdoors. SEI has "an incredibly power-

ful connection with the consumer," said Mr. Eby, who previously co-founded private-equity firm Tengram Capital Partners.

"That moment where you get your jersey, and you put your new jersey on the first time," Mr. Eby said, "that's a special moment."

Bausch Hires Advisers After Patent Setback

By Alexander Saeedy

maker Pharmaceutical Bausch Health Cos. has retained advisers to help it map out its future after the company lost a major patent dispute and has drawn criticism y over the recent spinoff of its eve-care business.

Canada-based Bausch said on Monday it hired law firm White & Case LLP and investment bank Houlihan Lokey Inc. to advise on strategic alternatives. Last month Bausch lost a legal dispute over a patent it holds on gastrointestinal tract drug Xifaxan, known as rifaximin, to treat irritable bowel syndrome.

Losing the patent battle means Bausch will likely face

competition from generics manufactured by companies like **Alvogen** Inc. Bausch has already launched an appeal to the decision.

"We expect that generic competition will enter the market no later than year-end 2024—much earlier than our previous base-case assumption of January 2028," S&P Global Ratings analysts wrote in a recent report after the ruling. They also estimated that Xifaxan contributes to about 50% of Bausch's total pretax earn-

The potential revenue drop from Xifaxan adds additional pressure on the company as it faces an uproar from its creditors over the spinoff of its eyecare business, **Bausch** + **Lomb**

Corp., which saw a limited initial public offering of shares this spring. Bausch pursued the spinoff at the behest of activist investors Carl Icahn and Glenview Capital Management.

Unsecured creditors have hired law firm Paul, Weiss, Rifkind, Wharton & Garrison LLP to advise them on possible legal claims stemming from the spinoff, which they contend transferred value away from them, according to people familiar with the matter. They have already communicated their concerns about the spinoff to the company in writ-

ing, the people familiar said. Secured creditors have separately brought on Gibson Dunn & Crutcher LLP for advice in relation to the spinoff, people

Paul Weiss and Gibson Dunn didn't return requests for com-

faxan, losses may increase for holders of Bausch's roughly \$20 billion in debt. Franklin Templeton and JPMorgan Chase & Co. number among the company's largest creditors, and the company carries \$12 billion in unsecured bonds and \$7.7 billion in secured debts, company filings show.

Some of Bausch's bonds are trading around 40 cents on the dollar, according to Advantage Data, implying losses of about \$7 billion for holders who purchased the debt at face value.

Bausch said on Monday that it plans to continue with the

familiar with the matter said. spinoff of its eye-care business, which it acquired in 2013, and had transferred additional shares in Bausch + Lomb to an Without a patent for Xi- unrestricted subsidiary. The company likely has enough capacity under its debt documents to sell the shares and pay existing shareholders with the proceeds through dividends, analysts said.

Formerly known as Valeant Pharmaceuticals International Inc., the company was the subiect of congressional hearings and government investigations over price increases of certain drugs before new management took over and renamed the company in 2018.

–Alexander Gladstone and Andrew Scurria contributed to this article.

Lower DeficitsEase Blow

Continued from page B1 slowing economy will force the Fed to soon stop raising its benchmark short-term interest rate. That in turn has helped fuel a rebound in stocks, with the S&P 500 rallying 13% from its June 16 low.

An important distinction between quantitative easing and tightening is that the Fed gets to choose what bonds to buy when it is expanding its balance sheet. When it lets those bonds run off, the Treasurv can raise funds to pay their principal by borrowing in short-term bills rather

AUCTION RESULTS

Here are the results of Monday's Treasury auction: All bids are awarded at a single price at the market-

	13-Week	26-Week
Applications	\$151,539,992,900	
Accepted bids	\$60,144,880,400	\$46,779,325,600
" noncomp	\$1,161,901,900	\$1,535,620,900
" foreign noncomp	\$1,000,000,000	\$900,000,000
Auction price (rate)	99.299778	98.427722
	(2.740%)	(3.110%)
	2.798%	3.204%
Bids at clearing yield accepted	45.25%	60.41%
3,	912796W70	912796T33
Both issues are dated mature on Nov. 25, 20 Feb. 23, 2023.		

than longer-term notes and U.S. borrowing bonds—significantly reducing the impact of the tightening It is also predictable that a

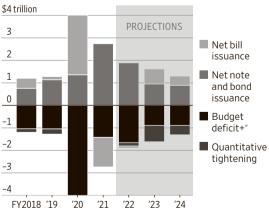
shrinking budget deficit would mitigate the impact of quantitative tightening because the Fed is trying to cool a hot economy that is bringing in more tax revenue, said Mr. Simons.

Some investors and analysts say that quantitative tightening has dragged on bonds that already don't attract as much demand from investors, such as the recently introduced 20-year Treasury. That bond was yielding 3.49% Monday, or almost 0.5 percentage point more than the 10-year note and 0.2 percentage point more than the 30-year bond. The yield premium on the 20-year issue over the 30-year bond is unusual given that yields tend to rise as a bond's maturity increases, reflecting risks including inflation.

The Fed's move to shrink its holdings of mortgage bonds has also been cited as one reason why the spread between yields on mortgages and Treasurys has widened this year.

While the Treasury has been cutting the size of its note and bond auctions to date, it could always turn around and start increasing them a few months from now.

needs and methods



Net new supply of Treasury notes and bonds after Fed QE purchases†



*Comprises deficit, change in cash balance and other financing †Quantitative easing purchases spanned 2020 into 2022 Note: Projections based on primary dealers' median forecast for borrowing and assumption that bills as a percentage of outstanding Treasurys rise to middle of recommended 15%-20% range. Notes and bonds include TIPS Source: WSJ analysis of Treasury Department and Federal Reserve data

Still, most analysts don't expect that to happen. At the end of July, short-term bills that mature in one year or less made up 15.1% of the outstanding Treasurys—at the very bottom end of the 15%-20% range that a Treasury advisory committee has recommended to the government.

That provides one rationale for the Treasury to increase issuance of bills rather than notes and bonds. Another reason is the huge amount of excess demand for bills at the moment, evidenced by their low yields relative to interest rate expectations and the trillions of dollars that investors have parked in a Fed facility that serves an alternative for short-term lending.

Some analysts also note that the Treasury has typically met a large new funding need by issuing bills first and only later rolling those into longerterm bonds. Following that pattern, Mr. Simons said, the government might start increasing the size of its note and bond auctions only around the end of 2023, after which it would still take time for the market to feel an impact.

Many investors, meanwhile, are more focused on inflation and the Fed's plans to raise short-term interest rates than they are on the central bank's balance sheet.

Leah Traub, a portfolio manager at Lord Abbett, said her team has been holding fewer two-year and three-year bonds than their benchmark index on the expectation that the Fed won't cut rates next vear, as many other investors expect.

Quantitative tightening, by contrast, is less of a concern.

"As long as the pace of tightening isn't changing and the outlook for the budget deficit isn't changing, then I think the markets are priced for it already," she said.