

THE WALL STREET JOURNAL.

What's News

Business & Finance

U.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 Russian-backed 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 hydropower-depleting 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 valuing last year. *Please turn to page A8*

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**

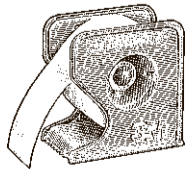
Snorer, Save Your Marriage. Tape Your Mouth Shut.

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

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 medical establishment and hard-nosed resistance from skeptics 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 Center. *Please turn to page A9*



Silent treatment

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, po-

tentially forcing a rethink of its broader 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 create a landbridge to Moldova. But a Ukrainian drone that found its way to the heavily fortified headquarters of the Black Sea Fleet in Sevastopol

on Saturday underscores Russia'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**

INSIDE



SPORTS
Tom Brady returns to the NFL's Buccaneers after an unusual preseason absence. **A12**



BUSINESS & FINANCE
Ford is laying off roughly 3,000 white-collar 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 triple. In the two years leading up to 2020, when the pandemic *Please turn to page A4*

U.S. NEWS

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.

LM OTERO/ASSOCIATED PRESS

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's 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, according 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.

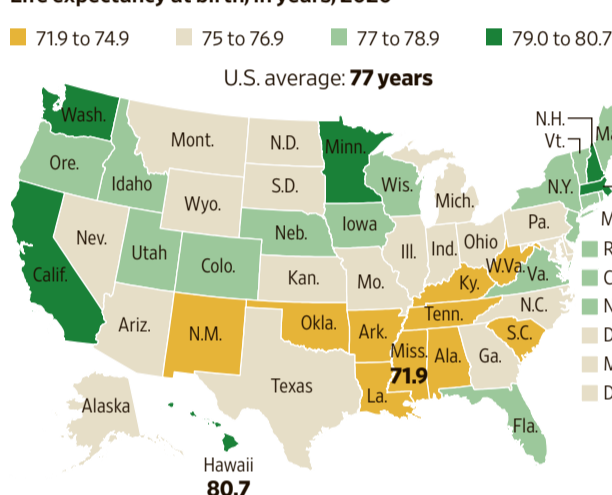
Sunday evening, Mulberry Police Chief Shannon Gregory said the community and the department take the matter "very seriously." Arkansas Gov. Asa Hutchinson said Monday that the Justice Department's civil-rights division would conduct an investigation separate from state police.

—Associated Press

Life Expectancy Is Longest in Hawaii

By TALAL ANSARI

Life expectancy at birth, in years, 2020



Source: Centers for Disease Control and Prevention

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 second-highest 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

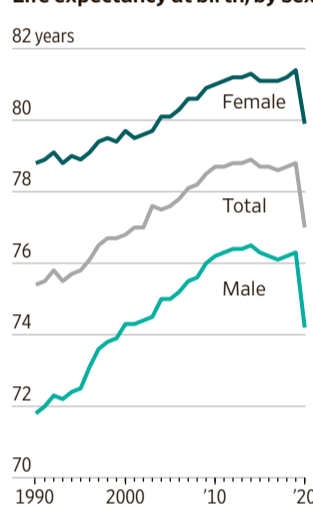
2020, behind heart disease and cancer, and was the underlying cause in about 351,000 deaths, the figures showed. Increases in mortality from unintentional injuries—which include drug overdoses—as well heart disease, homicide and diabetes also decreased life expectancy.

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



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 ages 66–99.

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

lower life expectancies.

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 population, he said. "It's not necessarily 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."

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 Blencoe, 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.

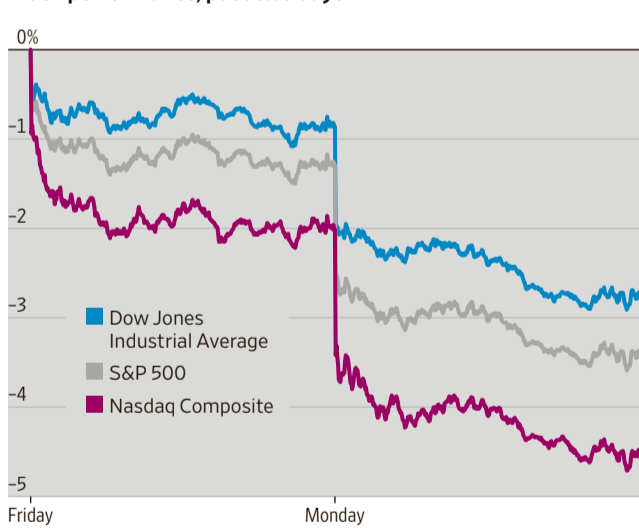
"Jackson Hole is something the market is starting to get nervous about," said Hani Redha, a portfolio manager at PineBridge Investments.

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 personal-consumption-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

a sign that traders might be anticipating Fed rate increases. The yield on the benchmark 10-year Treasury note rose to 3.035%, from 2.987% on Friday. Yields and prices move in opposite directions.

The prospect of higher 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 greenback 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 dollar.

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

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

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CORRECTIONS & 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 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.

U.S. NEWS

Fauci Says He Will Depart in December

BY ANDREW RESTUCCIA 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. His 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 public-

health 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 wear masks. 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. Dr. 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. The Pfizer-BioNTech 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.

Ohio Capital'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 bar-

gaining 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 strike.

Newsom Vetoes Bill Allowing Pilot Programs for Safe Injection Sites

BY CHRISTINE MAI-DUC

California Gov. Gavin 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 state-sanctioned 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.

U.S. NEWS

Polio Shots Urged in New York

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 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 co-author 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 lightweight 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.

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WORLD NEWS

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.

On 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 military casualty figures.

Russia hasn't announced casualty figures for months. Attacks in Russian-held territory—including inside Russia itself—have 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-

sia seized in 2014.

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 Severodoneck 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 far-right 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 Russia on July 23 with her 12-year-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-

ander Dugin, an ally of Russian 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

said it hadn't received an official 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

child. "Ru-propaganda lives in a fictional world," he tweeted.

Mr. Putin sent his condolences 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.

In comments issued 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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WORLD NEWS

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-

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 month at 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 un-sanctioned, 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.

Turkish Businesses Get Trade Warning

ISTANBUL—The Biden administration warned Turkish businesses against working with sanctioned Russian institutions and individuals, intensifying U.S. pressure on a NATO ally that has maintained a strong relationship with Russia during its invasion of Ukraine.

In a letter dated Aug. 22 to the American Chamber of Commerce in Turkey viewed by The

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 familiar 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-



Europe's energy crisis has sent charter rates and prices for liquefied natural 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.

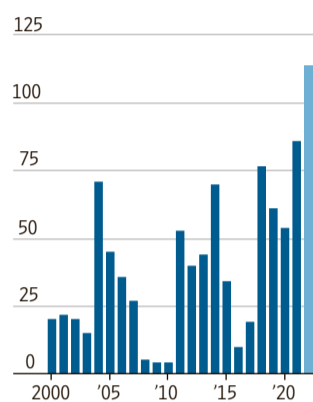
In the production of LNG, gas is chilled to minus 260 degrees Fahrenheit and shrunk to a liquid that can be stored and shipped to terminals. There it is returned to a gas state and used to power factories and heat homes.

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 Shanghai-based 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

ing to Spark Commodities.

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 Moscow, he said.

Tensions are increasing elsewhere. The leader of a Russian-backed 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 far-right 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 Dni-pro 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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WORLD NEWS

Pakistan Ex-Leader Faces Arrest

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

By SAIED 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. Qamar Bajwa. 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 opposed by Mr. Khan—also was

unpopular 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 out with the army over key

domestic and foreign policy issues. 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.

In particular, he was at 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 Parliament that removed Mr. Khan, say his aides and opponents.

Repeated tussles in Pakistan over the levers of power between elected governments and the army means that no prime minister has ever completed a five-year term in office.

"The army is not a permanent partner of any political group," said Hasan Askari Rizvi, a defense analyst based in the eastern city of Lahore.

"The military has its own interests, its own view of the national interest. On that basis, it makes partnerships and breaks partnerships."

In a speech Sunday in the 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 long-running legal case could see Mr. Khan barred from politics over his party receiving illegal campaign financing from abroad.

There was a similar crack-down 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.

"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. 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

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 where 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.

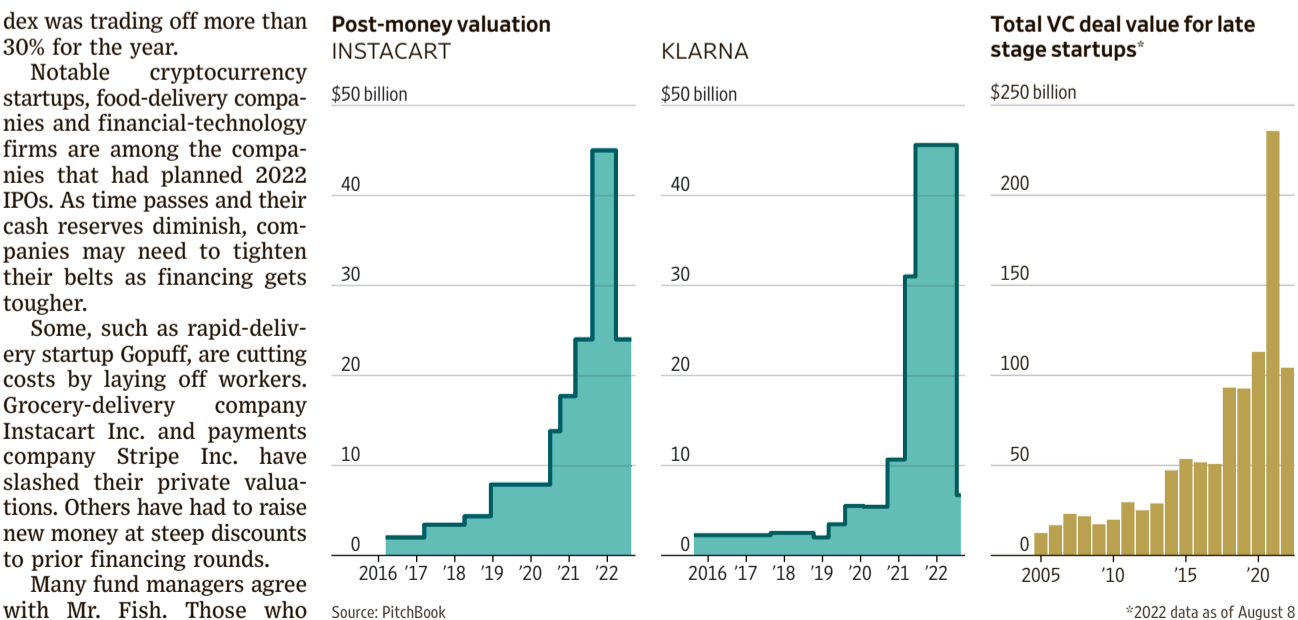
Denny Fish, a portfolio manager at Janus Henderson Investors, typically buys shares of growth companies in their IPOs. He said he doesn't plan to participate in any IPOs until 2023 at the earliest.

"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.



dex was trading off more than 30% for the year. Notable cryptocurrency 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 restaurant-software 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 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 need 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 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, people familiar with the matter say.

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

lower, too. 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 companies.

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**

Comparison Shop for OTC Hearing Aids

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

Congratulations, 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-the-ear 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 newer hearing aids can double as earphones, connecting wirelessly to your phone for calls and me-



Intricon plans to begin selling its hearing aids for \$799 per pair in stores starting this fall.



Many newer models resemble Bluetooth earbuds.

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 fine-tuning 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

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.

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-the-counter 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 tapper 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 snoring 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 contraction 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 tappers have become popular

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 advocate, 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 retainer-like 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?"

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."

PERSONAL JOURNAL.



PHOTO ILLUSTRATION BY LILY KUPETS FOR WSJ. MAGAZINE; PHOTOS: GETTY IMAGES/JW ANDERSON/BALENCIAGA

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 stepped-on pizza crust.

I'm certainly not about to carry one around. Others apparently feel differently: Behold the \$890, 3D-printed 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 designed 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 An-

Balenciaga's leather trash bag and JW Anderson's pigeon clutch are part of a wave of luxury curiosities.

der'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 Thomai 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 32-year-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 bizarre 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 carried 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

For 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, health-care 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 later

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.

SPORTS



Not long ago, I was a guest for a round of golf at a private club. Wow, look at me: I'm fancy.

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 four-putted 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 well-maintained 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 jackhammers 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.



JEFFREY JAMES SMITH

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 four-putted 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 reporters who cover the team.

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

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 back.

"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 violations."

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 Brady.

BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

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Ford Cuts 3,000 White-Collar Jobs

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 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

the batteries that power them.

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 people 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 reemploying 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 virtually all aspects of the way 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, software-laden 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

company has said it would spend about \$50 billion 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 internal-combustion-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..... B2

Lower 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 Treasury and \$35 billion in mortgage securities to run off each month.

Some market pundits have warned that the Fed's actions could significantly increase the supply of new Treasuries 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 Treasuries that matter most for the economy have fallen since mid-June, as investors bet that a

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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," according to the report.

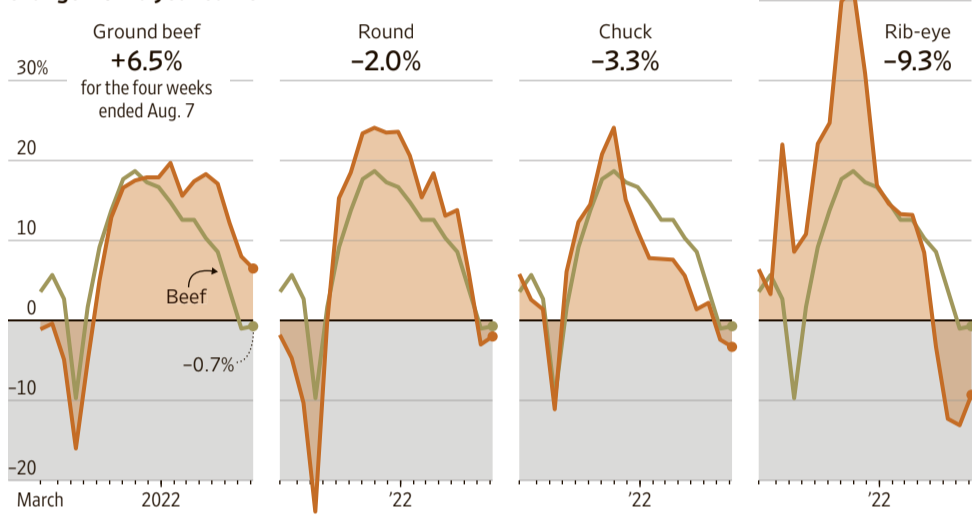
The negative outlook "reflects the risk the company could default on its debt or pursue a restructuring in the coming 12 months if its turnaround efforts do not gain significant traction," S&P said.

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

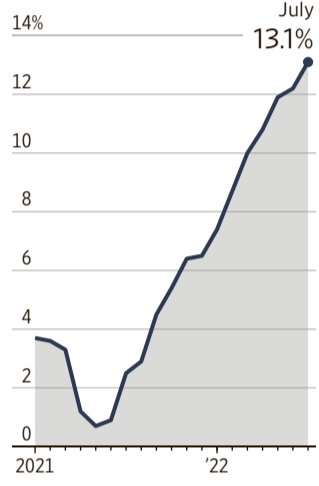
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Price per volume for beef products at U.S. grocery stores, change from a year earlier



Sources: IRI (price per volume); Labor Department (CPI)

Consumer price index for food at home, 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.

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



MICHAEL REYNOLDS/EPA/SHUTTERSTOCK

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-eye 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 January.

"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 Grocery 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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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 new-found 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



F. CARTER SMITH/BLOOMBERG NEWS

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 near-term, 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-

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INDEX TO BUSINESSES

These indexes cite notable references to most parent companies and businesspeople in today's edition. Articles on regional page inserts aren't cited in these indexes.

Index to Businesses table with columns A, B, C, D, F, G and rows for various companies like Adidas, Alphabet, AMC Entertainment, etc.

INDEX TO PEOPLE

Index to People table with columns B, C, D, F, H and rows for individuals like Buffett, Capuano, Cohen, etc.

BUSINESS & FINANCE

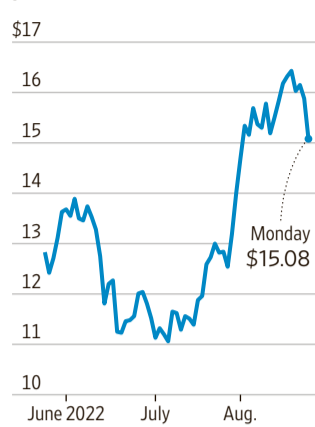
Ford Shares Fall After Jury Awards \$1.7 Billion in Accident

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 older-model heavy-duty trucks.

The truck, according to court 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.

Ford Motor share price, past three months



Source: FactSet

per Duty trucks sold through the 1999-2016 model years had defectively designed roofs and Ford knew of the dangers posed at the time.

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.

Additionally, if U.S. auto-safety regulators were to get involved and push for a recall, the situation could become more costly for Ford, Mr. Whiston said.

The National Highway Traffic Safety Administration didn't return requests for comment on the verdict.

In the lawsuit, the plaintiffs' attorneys allege that Su-

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 vendors.

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

lically 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 debt-holders 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 restructuring.

Still, there is recent precedent for troubled businesses to defy debt markets to generate shareholder value. Professional investors largely assumed 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, despite severe financial strains. Debt financing also requires confidence in Bed Bath & Beyond rebounding from operating missteps, including plowing money into private-label 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 in June.

—Alexander Gladstone and Alexander Saedy contributed to this article.

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.

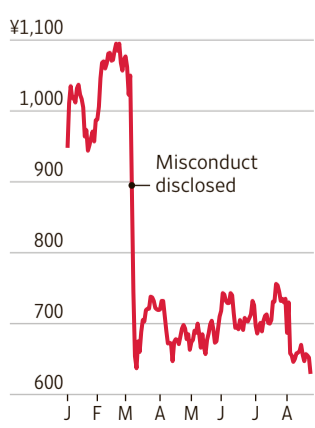
The new disclosure brings the tally of automotive engines about which data was falsified to 643,635, Hino said. More than 60,000 of those engines are subject to recalls, it said.

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 cooperating with an investigation under way in the U.S., she said.

Sidetracked

Hino Motors, majority-owned by Toyota Motor, has been hit by an emissions scandal.

Hino Motors stock price



Note: ¥1,000 = \$7.28 Source: FactSet

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



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.

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BUSINESS NEWS

McDonald's 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 fast-food chain said Monday. She has served on the board since 2006.

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 Hershey 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 Oct. 1.

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, to four.

The move also comes after executives warned last month that the business outlook remains uncertain amid inflation and weakening consumer sentiment.

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.

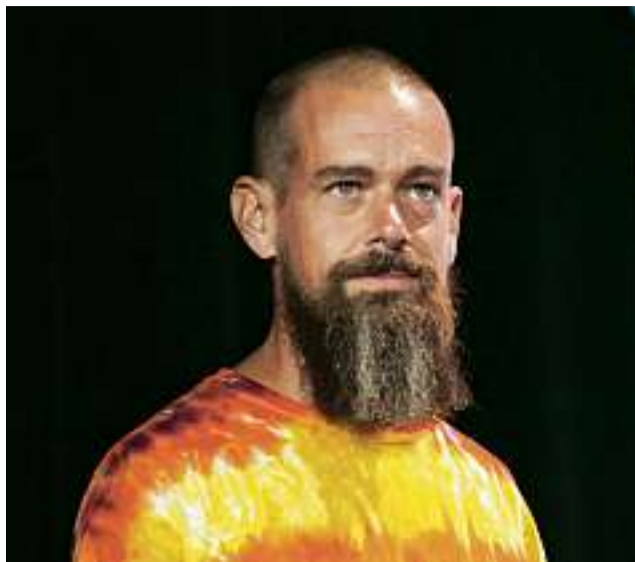
Musk Seeks Dorsey Information

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. Dorsey 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."

A lawyer representing Mr.

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 SpaceX.

After stepping down from 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 pandemic-battered 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 became the world's biggest gambling hub. The companies have faced tougher conditions in recent years with anti-Covid lockdowns keeping Chinese 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.

slashed revenue.

MGM China will also name 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 number of casino licenses will stay at six, their tenure will

be cut by half to 10 years, and 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, according to MGM China. MGM China's shares edged

up more than 1.2% in Monday 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 interests.

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 Wynn 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.

"The investor debate 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 region. In July, Adidas cut its

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 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 consumer-goods company 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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TECHNOLOGY

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 year.

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 Instacart saw during the early part



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 \$71 billion, according to the people familiar with the matter. That marks a large increase 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 securities.

Instacart was among the

primary beneficiaries of 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-

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 largest 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.

The show is the first of what HBO hopes will be several "Game of Thrones"-inspired programs. HBO has invested heavily in the "Game of Thrones" franchise as part

of the overall growth strategy for its HBO Max direct-to-consumer platform. Warner Bros. Discovery is working to combine HBO Max

with another streaming service, Discovery+. The company earlier this month said the new, combined subscription platform would be rolled out starting in the U.S. next summer.

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

cutting the number of movies subscribers could watch. But the service ultimately shut down in 2019.

A company run by former MoviePass CEO Stacy Spikes bought it out of bankruptcy last year. Mr. Spikes is behind the relaunch, the spokesman said.

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.

BUSINESS NEWS

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.

members and Unilever didn't 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

be separately heard at a later date.

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

Ben & Jerry's independent 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

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



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 pre-pandemic 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 2022.

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 pre-pandemic 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 so-called 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 e-commerce operations.

Another factor is a decades-old 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.

Some of these clients have 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

recently released a report 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 cautious.

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

lower operating margins, while MoffettNathanson cut its 2023 organic revenue growth estimates for WPP to 2.3% from 3.3%, citing macroeconomic uncertainty.

Even companies with 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. mid-term 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.

Featured Speakers

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BUSINESS NEWS

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 October—about 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 faster-than-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 monthlong 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 July.

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 \$15.

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."

Many consumers are 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 you commute, you 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 afternoon."

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 said.

"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. Jayaram 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 Airways.



Prices for rib-eye and beef loin are down nearly 10% for the four weeks ended Aug. 7 compared with the year-earlier period.

Beef Prices Ease for Top Cuts

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 protein-heavy diet and eats red meat five to six days a week, said he hadn't seen rib-eye 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 pandemic, 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 years have eased, improving the U.S. beef supply, said Katelyn McCulloch, senior agricultural economist at the Livestock Marketing Information Center.

"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.

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THE WALL STREET JOURNAL

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BIGGEST 1,000 STOCKS

How to Read the Stock Tables
The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are expressed in dollars and cents.

Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume.
Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher.

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.

Monday, August 22, 2022
Stock Sym Close Net Chg
A B C
ABB ABT 28.44 -1.28

Monday, August 22, 2022
Stock Sym Close Net Chg
D E F
DCP Midstream DCP 38.12 -0.06
DTE Energy DTE 134.64 -1.50
Danaher DHR 285.98 -6.46

Monday, August 22, 2022
Stock Sym Close Net Chg
G H I
GFL Environmental GFL 28.16 -0.72
Gallagher AGY 188.88 -1.82
GameStop GME 34.50 -1.99

Monday, August 22, 2022
Stock Sym Close Net Chg
J K L
JD.com JD 55.32 0.62
JP Morgan Chase JPM 116.67 -1.96
Jabil JBL 61.65 -1.53

Monday, August 22, 2022
Stock Sym Hi/Low Chg
Highs
ChesapeakeWtB CHXKZ 83.23 5.9

Monday, August 22, 2022
Fund Net YTD NAV Chg % Ret
Fidelity Freedom
FZD 12.71 -0.14 -1.30

Stock Sym Close Net Chg
K R
KKR KKR 52.92 -1.17
KLA KLA 359.00 -12.01

Stock Sym Close Net Chg
O P Q
OGE Energy OGE 42.20 -0.58
ONEOK ONEK 60.50 -0.45
OrbignyAuto ORLY 27.38 -12.17

Stock Sym Close Net Chg
R S T
RBC Bearings ROLL 247.31 -4.21
RELI RELX 28.64 -0.15
REX RELX 29.08 -0.22

Stock Sym Close Net Chg
U V W
Uber UBER 28.00 -1.01
Ubiquiti UI 31.75 -0.94
UPiPath PATH 17.06 -0.94

Stock Sym Hi/Low Chg
X Y Z
Xerox XRX 1.45 -0.02
Xilinx XLN 10.00 -0.10
XcelEnergy XEL 42.00 -0.25

Stock Sym Close Net Chg
TeledyneTech TDY 385.47 -11.64
Teleflex TEF 235.50 -6.68
Ericsson ERIC 7.28 -0.31

Stock Sym Close Net Chg
T U V
T Energy TRP 49.87 0.41
TD Synnex TSN 102.37 -5.17
TD Connectivity TDC 12.97 -5.10

Stock Sym Close Net Chg
W X Y
WasteMgt WMT 174.24 -0.88
WestFraserTimber WFT 9.81 -1.20
WestPharmcs WST 31.47 -8.05

Stock Sym Close Net Chg
Z A B
Zscaler ZS 163.00 -3.22
Zillow Z 32.64 -0.98
ZG ZIG 43.14 -0.17

Dividend Changes

KEY: A: annual; M: monthly; Q: quarterly; r: revised; SA: semiannual; S21: stock split and ratio; SO: spin-off.

Company Symbol Yld % Amount New/Old Frq Payout/Record
Increased
Crane Timbers Royalty Tr CRT 5.8 2306/19169 M Sep15/Aug31

Reduced

Orchid Island Capital ORC 13.9 16/225 M Sep28/Aug31

Stocks

Orchid Island Capital ORC 1.5 /Aug31

Foreign

Aegion AEG 3.9 11365 SA Sep21/Aug24

Special Re Pfd J

Old Republic Intl ORI 3.8 100 Sep15/Sep01

Sources: FactSet; Dow Jones Market Data

Exchange-Traded Portfolios | WSJ.com/ETFResearch

Largest 100 exchange-traded funds, latest session

Monday, August 22, 2022
ETF Symbol Price Chg YTD (%)
CsmrDiscSector XLV 162.88 -2.78 -20.0

Mutual Funds

Top 250 mutual-funds listings for Nasdaq-published share classes by net assets.

Net YTD NAV Chg % Ret

Fidelity Freedom
FZD 12.71 -0.14 -1.30

Net YTD NAV Chg % Ret

NHORIZ 55.20 -1.27 -28.7

COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Table with columns: Metal & Petroleum Futures, Open, High, Low, Settle, Chg, Open interest. Includes Copper-High, Gold, Palladium, Platinum, Silver, Crude Oil, Light Sweet, NY Harbor ULS, Gasoline, Natural Gas, Corn, Oats, Soybeans, Soybean Meal, Soybean Oil, Rough Rice, Wheat, Wheat (KC), Cattle-Feeder.

Table with columns: Open, Contract High/Low, Settle, Chg, Open interest. Includes Cattle-Live, Cattle-Live (CME), Hogs-Lean, Lumber, Milk, Cocoa, Coffee, Sugar-World, Sugar-Domestic, Ultra Treasury Bonds, Treasury Bonds, Treasury Notes, 5 Yr. Treasury Notes, 2 Yr. Treasury Notes, 10 Yr. Del. Int. Rate Swaps, Three-Month SOFR, Eurodollar, Japanese Yen, Canadian Dollar.

Table with columns: Interest Rate Futures, Ultra Treasury Bonds, Treasury Bonds, Treasury Notes, 5 Yr. Treasury Notes, 2 Yr. Treasury Notes, 10 Yr. Del. Int. Rate Swaps, Three-Month SOFR, Eurodollar, Japanese Yen, Canadian Dollar.

Table with columns: Currency Futures, Japanese Yen, Canadian Dollar.

Table with columns: Agriculture Futures, Corn, Oats, Soybeans, Soybean Meal, Soybean Oil, Rough Rice, Wheat, Wheat (KC), Cattle-Feeder.

Cash Prices | wsj.com/market-data/commodities

Monday, August 22, 2022

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

Table with columns: Commodity, Price, Change. Includes Energy (Coal, Oil), Metals (Gold, Silver, Copper), Fibers and Textiles, Grains and Feeds, Food, Fats and Oils.

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=Colco Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. *Data as of 8/19

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

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.

Table with columns: Inflation, Policy Rates, Overnight repurchase, U.S. government rates, Discount, Federal funds, Prime rates.

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.

Table with columns: Week Ended, High, Low. Includes Federal funds (effective), Commercial paper, Nonfinancial, Treasury yields (secondary market), Discount window primary credit, Treasury yields at constant maturities.

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.

Secondary market

Table with columns: Fannie Mae, 30-year mortgage yields, 30 days, 60 days.

Other short-term rates

Table with columns: Call money, Commercial paper (AA financial), Libor, Secured Overnight Financing Rate.

DTCC GCF Repo Index

Table with columns: Treasury, MBS.

Notes on data: U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective July 28, 2022. Other prime rates aren't directly comparable; lending practices vary widely by location; 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.

Table with columns: Open, Contract High/Low, Settle, Chg, Open interest. Includes Dec, British Pound, Sept, Dec, Swiss Franc, Australian Dollar, Mexican Peso, Euro, Sept, Dec.

Index Futures

Table with columns: Mini DJ Industrial Average (CBT), Sept.

Table with columns: Open, Contract High/Low, Settle, Chg, Open interest. Includes Dec, Mini S&P 500 (CME), Dec, Mini S&P Midcap 400 (CME), Dec, Mini Nasdaq 100 (CME), Dec, Mini Russell 2000 (CME), Dec, Mini Russell 1000 (CME), Dec, U.S. Dollar Index (ICE-US).

Source: FactSet

Bonds | wsj.com/market-data/bonds/benchmarks

Tracking Bond Benchmarks

Return on investment and spreads over Treasuries and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Table with columns: Broad Market, U.S. Corporate Indexes, High Yield Bonds, Mortgage-Backed, Global Government. Includes 2018.02, 2018.47, 1988.77, 2951.23, 2825.01, 4000.75, 582.14, 778.41, 472.96, 446.02, 3145.89, 409.26, 311.17, 1721.62, 1517.60, 3471.64, 2583.19.

*Constrained indexes limit individual issuer concentrations to 2%; the High Yield 100 are the 100 largest bonds. †In local currency. ‡Euro-zone bonds. **EMBI Global Index. Sources: ICE Data Services; Bloomberg Fixed Income Indices; J.P. Morgan

Global Government Bonds: Mapping Yields

Yields and spreads over or under U.S. Treasuries on benchmark two-year and 10-year government bonds in selected other countries; arrows indicate whether the yield rose (▲) or fell (▼) in the latest session

Table with columns: Coupon (%), Maturity, Country, Latest, Yield (%), Previous, Month ago, Year ago, Spread Under/Over U.S. Treasuries, in basis points. Includes U.S., Australia, France, Germany, Italy, Japan, Spain, U.K.

Source: Tullett Prebon, Tradeweb ICE U.S. Treasury Close

Corporate Debt

Prices of firms' bonds reflect factors including investors' economic, sectoral and company-specific expectations

Investment-grade spreads that tightened the most...

Table with columns: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Spread, Current, One-day change, Last week. Includes Blackstone Private Credit Fund, HSBC Holdings, Deutsche Bank, Verizon Communications, Cooperatieve Rabobank, Royal Bank of Canada, HCA, Amazon.com.

...And spreads that widened the most

Table with columns: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Spread, Current, One-day change, Last week. Includes Nucor, Credit Suisse, Barclays, HSBC Holdings, Banco Santander, Citigroup, Celanese, Toronto-Dominion Bank.

High-yield issues with the biggest price increases...

Table with columns: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Bond Price as % of face value, Current, One-day change, Last week. Includes Occidental Petroleum, DCP Midstream, Sprint Communications, Dish DBS, Ball, Cablevision Systems.

...And with the biggest price decreases

Table with columns: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Bond Price as % of face value, Current, One-day change, Last week. Includes Rite Aid, Teva Pharmaceutical Finance Netherlands, Dish DBS, Ford Motor, OneMain Finance, Prime Security Services Borrower, QVC, Intesa Sanpaolo.

*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 2-spread. Note: Data are for the most active issue of bonds with maturities of two years or more

Source: MarketAxess

BANKING & FINANCE

Wall Street Firms Turn to Blockchain

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.

Goldman Sachs Group Inc. is trading some bonds and other debt securities for clients on blockchain-based networks such as Ethereum.

Big Wall Street firms help make the economy run, connecting buyers and sellers of securities and lending money to businesses.

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.

Blockchain-driven systems on Wall Street would be different in some respects from the systems behind bitcoin and other cryptocurrencies.

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 financial transactions take place.

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.

Regulatory issues could be a challenge, especially for mul-

tinational 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 McDermott runs the digital-asset group, which has about 70 full-time staffers specializing in areas such as engineering, compliance and legal and government affairs.

"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.

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.

Some rivals are also planning for wider platforms. JPMorgan's Onyx platform, 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.

Last year, Goldman arranged a \$100 million, two-year bond issue for the European Investment Bank that was registered in France and handled on the Ethereum network.

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 freed up.

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. McDermott 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.

Financial technology 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 payments. In July, annualized

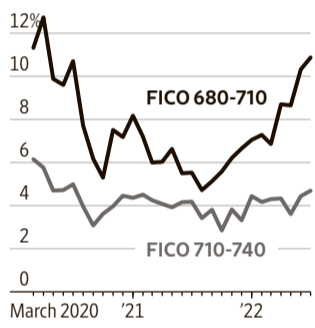
net losses on fintech loans among consumers with weighted average credit scores between 680 and 710 rose 5.34 percentage points from a year earlier, to 10.87%, according to Kroll Bond Rating Agency LLC, a credit rating firm. The same metric for borrowers with credit scores between 710 and 740 increased 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 long-term 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 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



Source: Kroll Bond Rating Agency

other investors pull back, Chief Financial Officer Sanjay Datta said. "We're in a bit of a 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.

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 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 holding loans on its books. That's a reversal from this

spring, when it said it wouldn't. Upstart wants the option to fund its own loans should demand from third-party buyers remain a challenge, Mr. Datta said.

Other fintech lenders, some of 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.

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 through a mix of securitizations, whole loan sales and

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. LendingClub 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 41% from a year earlier.

Occidental Reorients Operations

Continued from page B1

Under Mr. Hollub's leadership, Occidental has cut its debt load, repurchased shares and raised its dividends. Like other companies, it has also become 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-

demically 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.

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

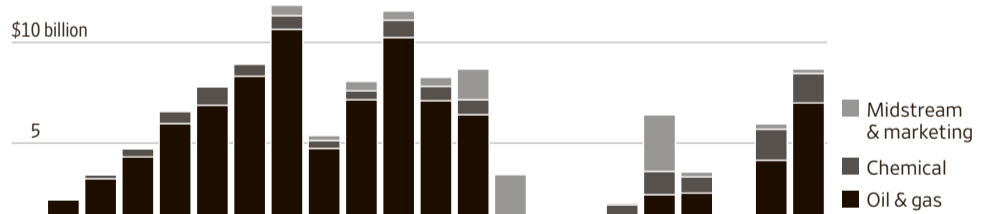
Trust, which held shares of both Berkshire and Occidental as of the end of the second quarter.

Mr. Buffett has also boosted his purchases of Chevron Corp. this year, making it Berkshire's fourth-largest holding.

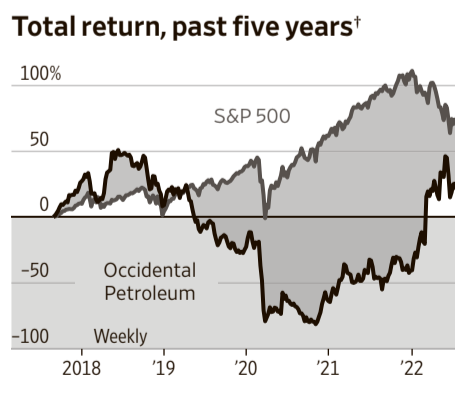
Occidental has said it aims to reach net-zero emissions on its operations and energy use by 2040. The company has invested in carbon removal through its Oxy Low Carbon Ventures and plans to develop the first industrial-scale plant to capture carbon dioxide from the air, which it says will require upward 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.

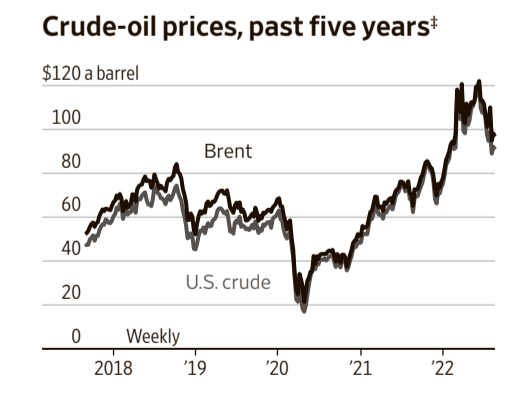
Occidental intends to develop 70 plants to suck carbon dioxide out of the atmosphere by 2035, it told investors in March. Truist Securities said in a June note that more than 10% of Occidental's total business could come from its carbon-capture division in a couple of years, up from less than 5% currently.



Occidental Petroleum's operating income, by segment*



Total return, past five years*



Crude-oil prices, past five years*

New Highs and Lows

Table with multiple columns listing stock symbols, 52-week high/low percentages, and stock names. Includes sub-sections for 'Continued From Page B7' and 'Stock'.

