

THE WALL STREET JOURNAL.

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What's News

Business & Finance

Bond yields are trading at their highest levels in more than a decade, posing yet another threat to a stock market that has struggled to find its footing this year. On Monday, U.S. stocks rose ahead of the Fed's interest-rate decision Wednesday, with the S&P 500, Nasdaq and Dow gaining 0.7%, 0.8% and 0.6%, respectively. **A1, B1**

◆ **Workers are returning to U.S. offices at the highest rate since the pandemic forced most workplaces to temporarily close in 2020, as infection rates continue to fall and more companies intensify efforts to bring employees back.** **A1**

◆ **A judge ruled against a Justice Department antitrust challenge to UnitedHealth's \$13 billion acquisition of health-technology firm Change, rejecting government claims that the deal would unlawfully suppress competition and limit innovation in health-insurance markets.** **A1**

◆ **Ford warned third-quarter earnings would be affected by about \$1 billion in higher-than-anticipated supplier costs and parts shortages that have led to unfinished vehicles it couldn't sell.** **B1**

◆ **Porsche shares are set to begin trading Sept. 29 in one of the largest European public listings in years, raising up to \$9.4 billion and valuing the sports-car maker at as much as \$78 billion.** **B1**

◆ **Instacart doesn't plan to raise much capital in its IPO and instead plans to have most of the listing come from the sale of employees' shares, said people familiar with its thinking.** **B1**

World-Wide

◆ **Weather officials warned Puerto Rico could see landslides and mudslides amid life-threatening rain stemming from Hurricane Fiona, which has knocked out power for much of the island.** **A3**

◆ **Mark Frerichs, an American kidnapped in Kabul more than two years ago, was freed in a prisoner exchange between the U.S. and the Taliban, the White House said.** **A3**

◆ **Ukrainian forces said they control the eastern bank of the Oskil River in the Kharkiv region, cementing strategic gains and putting them closer to the Russian-held cities of Donetsk and Luhansk.** **A8**

◆ **Migrants from Cuba, Venezuela and Nicaragua are driving the continued record pace of illegal migration at the U.S.'s southern border, with more than three times as many migrants from those countries arrested so far this year as at the same point in 2021, government data show.** **A3**

◆ **The EU staked its claim to broad new powers to regulate industries during crises, aiming to address the kinds of disruptions that took place during the pandemic.** **A8**

◆ **The number of people dying in U.S. traffic accidents fell in the April-to-June period compared with a year earlier, the first quarterly drop since 2020.** **A6**

◆ **China's armed forces are capable of blockading Taiwan, a senior U.S. Navy official said, noting the size of the country's navy, the world's largest.** **A9**

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Queen Carried to Final Rest After Crowds Bid Farewell



IN ARMS: Pallbearers carry the coffin of Queen Elizabeth II into St. George's Chapel on Monday in Windsor, England, following the state funeral at Westminster Abbey. The funeral was watched by viewers around the globe. **A18**

Bonds' Returns Pose New Threat To Stocks

A key Treasury yield hits an 11-year high, altering risk calculus in the equity market

By Akane Otani

Bond yields are trading at their highest levels in more than a decade, posing yet another threat to a stock market that has struggled to find its footing this year.

When interest rates were at rock bottom, as they were after the 2008 financial crisis and then again after the pandemic, it was easy for investors to justify putting money into the relatively risky stock market. The returns they would get from stocks would almost always beat what they could get from government bonds yielding close to nothing—leading Wall Street to declare “there is no alternative” to stocks.

That dynamic has been upended. After several Fed interest-rate increases, yields across the Treasury market have climbed to multiyear highs. Now, fewer than 16% of S&P 500 stocks have dividend yields greater than the yield of the two-year U.S. Treasury note, according to Strategas. Fewer than 20% have dividend yields greater than the yield of the 10-year note, which on Monday reached 3.489%, its highest level since 2011. Those numbers mark the lowest share since 2006.

“A lot of investors chose to take risk in the equity market because there was no return available anywhere else. Now's the time where people are thinking, ‘Do I really need to take that risk?’” said Katie Nixon, chief investment officer of Northern Trust Wealth Management.

U.S. stocks shook off early losses Monday, with the S&P *Please turn to page A10*

◆ Gold loses its status as a haven..... B1
◆ Stocks gain ahead of key Fed meeting..... B11

Work-in-Office Rates Jump To Highest Since Early '20

By Peter Grant

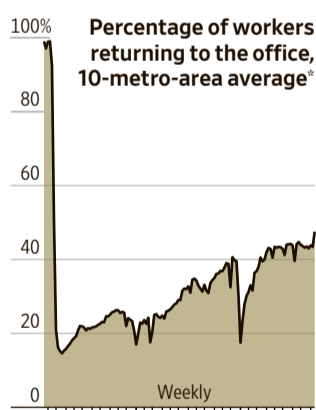
Workers are returning to U.S. offices at the highest rate since the pandemic forced most workplaces to temporarily close in 2020, as infection rates continue to fall and more companies intensify efforts to bring employees back.

Office use on average was 47.5% of early 2020 levels for workers in the office over the five business days from Sept. 8 to 14 in the 10 major metro areas monitored by Kastle Systems. The company, which tracks security swipes into buildings, said that was the highest percentage since late March 2020.

Midweek days were especially strong, with office use for Tuesday and Wednesday last week at about 55% of the pre-pandemic workforce, also a high during the pandemic for those days, Kastle said. The data through last Wednesday were the most recent weekly figures available.

Other indicators show a return-to-office pickup after Labor Day. On Wednesday, ridership on the Long Island Rail Road surpassed 200,000 for the first time since March 2020. Metro-North Railroad, another *Please turn to page A2*

◆ These bosses are OK with boundaries..... A12



Percentage of workers returning to the office, 10-metro-area average*
*Includes Washington, New York, Chicago, Houston, Philadelphia, San Francisco, Los Angeles, Dallas, San Jose, Calif., and Austin, Texas. Data through Sept. 14
Source: Kastle Systems

Powell Draws From Volcker's Playbook

Fed risks recession to bring down inflation

By Nick Timiraos

The Federal Reserve's annual August retreat in Jackson Hole, Wyo., was imminent, and markets were rallying on expectations the central bank might slow its pace of interest rate increases.

Fed officials thought investors were misreading their intentions given the need to slow the economy to combat high inflation. In a widely anticipated speech, Chairman Jerome Powell decided to be blunt. He scrapped his origi-

nal address, according to two people who spoke to him, and instead delivered unusually brief remarks with a simple message—the Fed would accept a recession as the price of fighting inflation.

Mr. Powell cited the example of former Fed chairman Paul Volcker, who drove the economy into a deep hole in the early 1980s with punishing rate increases to break the back of double-digit price gains. “We must keep at it until the job is done,” Mr. Powell said, invoking the title *Please turn to page A10*

Welcome to the World's Oddest Pot Party, Thrown by Police

Maryland cops set up Green Labs to sharpen their field sobriety skills

By Scott Calvert

MONTGOMERY VILLAGE, Md.—It was a pot party with a twist. The cops were hosting. “Have some fun,” Montgomery County Police Lt. John O'Brien urged the 10 marijuana enthusiasts who had brought joints, blunts, edibles, vape pens and at least one bong to the public-safety training academy in this suburban Maryland county.

Soon the aroma of weed filled a white tent. A clutch of police officers stood watching. The vibe was chill. The police supplied chips for the munchies and pizza for dinner. Their purpose, though, was sober: to show officers what marijuana impairment looks like, and the stoners how the drug can mess with their driving. The police call it a green lab. Participants *Please turn to page A6*

DOJ Dealt Blow in Suit Against UnitedHealth

By Anna Wilde Mathews and Brent Kendall

WASHINGTON—A federal judge ruled on Monday against a Justice Department antitrust challenge to UnitedHealth Group Inc.'s \$13 billion acquisition of health-technology firm Change Healthcare Inc., rejecting government claims that the deal would unlawfully suppress competition and limit innovation in health-insurance markets.

U.S. District Judge Carl Nichols ruled for the companies in an opinion that he kept under seal for now because he

said it “may contain competitively sensitive information.” The judge said he would release a redacted public version of the ruling in the coming days. In a one-page public order, he denied the Justice Department's request to block the companies from completing the deal.

The court ruling represents an early blow to stepped-up antitrust enforcement by the Biden administration, which sued in February to block the deal. The Justice Department's top antitrust official, Jonathan Kanter, said the department *Please turn to page A4*

INSIDE



JASON GAY
Tua & Oh! Tagovailoa keeps the Miami Dolphins undefeated with stunning win. **A14**

U.S. NEWS

Hostage Freed in U.S. Swap With the Taliban

By JESSICA DONATI
AND ESMATULLAH KOHSAR

Mark Frerichs, a civil engineer and U.S. Navy veteran who was kidnapped in Kabul more than two years ago, was freed on Monday in a prisoner exchange between the U.S. government and the Taliban, the White House said.

In exchange for Mr. Frerichs, believed to be the last U.S. citizen still being detained by the Taliban when U.S. forces departed the country last year, Washington handed over Bashir Noorzai, a drug lord who was handed a life sentence in the U.S. in 2009 for trafficking \$50 million of heroin.

"Bringing the negotiations that led to Mark's freedom to a successful resolution required difficult decisions, which I did not take lightly," President Biden said. "My administration continues to prioritize the safe return of all Americans who are held hostage or wrongfully detained abroad."

Mr. Frerichs's family expressed gratitude to the president and his administration for their efforts to free the 60-year-old hostage.

A senior White House official told reporters in a briefing on Monday that freeing Mr. Noorzai wouldn't create any additional risks for Americans or materially impact the drug trade in Afghanistan.

It was a difficult decision, the official said, but necessary to bring home an American citizen who had been unjustly held for 2½ years. Mr. Frerichs was in Qatar being offered a range of services to aid his recovery, the official said.

In January 2020, Mr. Frerichs was lured to a meeting

Mark Frerichs was kidnapped in Afghanistan more than two years ago.

to discuss a potential work project, U.S. officials have said, and then allegedly transferred to the custody of the Haqqani network. Members of the group, which the U.S. has designated a terrorist organization, are part of the Taliban government that took over after American forces departed.

Mr. Frerichs was captured just as the U.S. and the Taliban were preparing to sign a deal to withdraw U.S. forces in February 2020. During the course of those negotiations, the Trump administration in late 2019 secured the release of two hostages, including one American, in return for a Haqqani prisoner.

Despite lobbying by Mr. Frerichs's family, a deal for his release wasn't worked out with either the Trump or Biden administrations as the last U.S. forces prepared to leave.

Taliban officials had several times suggested they were prepared to release Mr. Frerichs in exchange for Mr. Noorzai, who has spent 17 years in U.S. prisons.

The Taliban-appointed foreign minister, Amir Khan Muttaqi, said the exchange at Kabul airport on Monday morning was the result of numerous rounds of talks and was a move that could "shorten the distance between the two nations."

The Taliban have repeatedly said the group wants normal relations with the international community, but the U.S. and its allies say there is still a long way to go before that can happen.



Mark Frerichs in undated photo

Puerto Rico Braces for Mudslides

By ALLISON PRANG
AND ARIAN CAMPO-FLORES

Weather officials warned Puerto Rico could see landslides and mudslides amid life-threatening rain stemming from Hurricane Fiona, which has knocked out power for much of the island and prompted overflowing rivers and flash floods.

The National Weather Service in San Juan on Monday pressed residents to move to higher ground immediately, noting that heavy rainfall would "only aggravate the current situation," particularly for the southern and western half of Puerto Rico.

More than 1.3 million customers remained without power Monday morning, and President Biden over the weekend made an emergency declaration for the island. About two-thirds of Puerto Rico was without water Monday morning, according to a government emergency website.

The storm comes about five years after Hurricane Maria slammed into the island, killing almost 3,000 people and wiping out its power grid.

"These rains will continue to produce life-threatening and catastrophic flooding along with mudslides and landslides across Puerto Rico," the National Hurricane Center said.

Puerto Rico Gov. Pedro Pierluisi said Monday that more than 2,000 people were in over



More than 1.3 million customers remained without power Monday in Puerto Rico after Hurricane Fiona battered the island.

100 shelters amid the storm, and that there are 600 members of the National Guard throughout the island.

He said the downpours had produced unprecedented flooding in parts of the island, in some cases exceeding what they experienced during Hurricane Maria. Damage to infrastruc-

ture, urban areas and residences has been "catastrophic," he said.

The storm's effects were most severe in the southern and southwestern regions of Puerto Rico, as well as mountain areas and parts of the northern coast, Mr. Pierluisi said. He cautioned that rainfall was expected to continue

through at least the end of Tuesday.

A temporary bridge that was put in place after Hurricane Maria also broke during the storm, according to U.S. House Delegate Roberto Lefranc Fortuño.

Medical device makers—among Puerto Rico's top employers because of corporate

tax breaks the island has offered—said their manufacturing plants hadn't suffered significant damage.

Fiona is now a Category 2 hurricane, with maximum sustained winds of 100 miles an hour, and moving northwest, the National Hurricane Center said Monday afternoon

Adnan Syed's Murder Conviction Is Vacated

By JENNIFER CALFAS
AND ALYSSA LUKPAT

A Baltimore Circuit judge vacated the murder conviction of Adnan Syed for his alleged involvement in the 1999 death of Hae Min Lee, a case that drew national attention on the hit podcast "Serial."

The state's attorney for Baltimore City asked the court last week to vacate Mr. Syed's first-degree murder conviction for the fatal strangling of Ms. Lee, saying a nearly yearlong investigation had revealed new evidence.

At a hearing Monday in Baltimore's Circuit Court, Judge Melissa Phinn found the state had grounds to vacate the conviction "in the interest of justice and fairness." She ordered Mr. Syed to be released under home detention and said the state would have 30 days to set a new trial date, should they choose to.

"At this time, we will remove the shackles from Adnan Syed," Judge Phinn said. Mr. Syed was released directly from the courtroom.

Mr. Syed was convicted in 2000 for the murder of Ms. Lee, an 18-year-old high-school student and his ex-girlfriend. Mr. Syed was 17 years old at



Adnan Syed waved Monday as he left the Baltimore Circuit courthouse after a judge vacated his 2000 murder conviction. Prosecutors had questioned his conviction in a motion last week.

the time of the crime and was charged as an adult. He has been serving a life sentence at the Patuxent Institution, a state prison in Jessup, Md., according to state records.

In their motion last week, prosecutors questioned the integrity of his conviction and

said new evidence suggested there are two suspects who may have been involved in the murder, including one who had told someone he would make Ms. Lee disappear. The suspects weren't properly ruled out during the first investigation, prosecutors said.

Their motion also questioned cellphone records and data used as evidence in Mr. Syed's original trial, as well as the reliability of a key witness.

"This case has an abundance of issues that gives the state overwhelming cause to question the reliability of the defen-

dant's conviction," said Becky Feldman, chief of the Baltimore City state's attorney's office's sentencing review unit, during the hearing Monday.

Prosecutors said they weren't asserting that he was innocent. "But we are declaring in the interest of fairness and justice he is entitled to a new trial," Baltimore City State's Attorney Marilyn Mosby said at a news conference after the judge's decision.

Mr. Syed has long maintained his innocence. Erica Suter, a public defender for Mr. Syed and director of the Innocence Project Clinic at the University of Baltimore School of Law, said Monday her client was innocent and his original conviction "was built on a flawed investigation."

Ms. Lee's family, represented by a lawyer at the hearing Monday and over Zoom by her brother Young Lee, said they weren't given proper time to attend the hearing in person. Judge Phinn rejected a motion brought by the family's lawyer, Steve Kelly of Sanford Heisler Sharp, to postpone the hearing by several days.

Mr. Lee said Monday he felt blindsided and betrayed by the state's motion to vacate Mr. Syed's conviction.

Record Illegal Crossings Persist As Origins of Migrants Shift

By MICHELLE HACKMAN

WASHINGTON—Migrants from Cuba, Venezuela and Nicaragua are driving the continued record pace of illegal migration at the U.S.'s southern border, with more than three times as many migrants from those countries arrested so far this year as at the same point in 2021, government data show.

Border Patrol agents made about 181,000 arrests of migrants crossing the southern border illegally in August, putting the total this year just shy of two million with a month still to go in the government's 2022 fiscal year. Migrants who want to ask for asylum at the border must be arrested by a Border Patrol agent to start the process.

Separately, Customs and Border Protection, which includes the Border Patrol, took 22,473 people into custody at legal border crossings. Combined, CBP has recorded nearly 2.2 million encounters along the southwest border since October.

The record numbers of migrants caught crossing the border illegally come as Republican governors escalate a campaign to send migrants to Democratic strongholds. Last week, planes carrying 50 mi-

grants seeking asylum, mostly from Venezuela, landed unexpectedly in Martha's Vineyard in Massachusetts. Florida Gov. Ron DeSantis's office confirmed that the state orchestrated the flights.

Until recently, most of the people crossing the U.S. border illegally were either Mexicans, typically in search of work, or families from northern Central America. But the number of migrants from Mexico, Guatemala, Honduras and

181,000

Migrants arrested in August at the southern U.S. border

El Salvador has been falling, with 50% fewer migrants coming from those countries in August compared with the same period a year ago.

Migration from Cuba, Venezuela and Nicaragua, on the other hand, has been climbing. Nearly 200,000 Cubans have crossed into the U.S. this year seeking safety, government data show, the largest such migration away from the Caribbean island since Fidel Castro took power, surpassing

even the migration of the Mariel boatlift in 1980.

In all three countries, a combination of political repression and economic hardship made worse by the Covid-19 pandemic has driven hundreds of thousands of migrants to head to the U.S.

Title 42, a pandemic-era border policy the Biden administration has been ordered by a court to continue, gives the Border Patrol the power to expel some migrants without giving them the chance to ask for asylum. But the U.S. can only expel migrants that either their own countries or Mexico will take. Tense relations with Cuba, Venezuela and Nicaragua means none of those countries will accept deportees, and Mexico won't either.

That has led the U.S. government to allow citizens from those countries to remain in the country to pursue their asylum claims, likely encouraging more people fleeing the three countries to make the dangerous journey to the U.S.

According to immigration authorities, in recent months nearly half of the migrants released into the U.S. to pursue asylum or other humanitarian relief have been from one of those three countries.

—Alicia A. Caldwell contributed to this article.

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U.S. NEWS

GOP Presses Poll Watching in Wisconsin

Typically mundane job becomes a flashpoint in the key state after Trump's false claims

By ALEXA CORSE

GREEN BAY, Wis.—Republicans here are recruiting a fresh batch of poll watchers to monitor voting in November as part of a revamped response to allegations of election fraud that roiled the latest presidential contest.

Poll watching, a normally mundane duty where volunteers sit for hours watching for any possible rule violations at voting sites, is emerging as a flashpoint in the fight over U.S. election rules after former President Donald Trump falsely claimed that widespread election fraud cost him the 2020 race. The Republican National Committee said it has launched a multimillion-dollar effort to recruit tens of thousands of poll watchers and poll workers and hire dozens of staff to monitor voting.

Many Republican voters are heading into the midterms still skeptical about the 2020 election, and the Republican Party is encouraging them to volunteer to monitor the polls. Some Republicans view the effort as a way to ensure that Mr. Trump's fraud claims don't prompt supporters to skip the election altogether because of doubts about the process.

Democrats are raising concerns that highly partisan volunteers could try to intimidate voters or election officials.

Here in Brown County, the local Republican Party says it has signed up more than 100 poll watchers and is working to recruit more volunteers. Mr. Trump won Brown County in 2020 with some 53% of the vote. Wisconsin flipped from supporting Mr. Trump in 2016 to being won by President Biden, a Democrat, by about 20,700 votes in 2020.

Democrats and voting-rights advocates have long warned



A poll watcher observed as volunteers counted absentee primary ballots in Green Bay, Wis., last month.

that unruly poll watchers could lead to intimidation, which could especially affect minority voters, who have historically faced discrimination.

"Republicans are recruiting and training partisan election deniers as poll workers and watchers, and laying the groundwork to cancel votes in elections they don't win," Democratic National Committee spokesman Ammar Moussa said.

Republicans reject any suggestion of wrongdoing and say their efforts to recruit poll watchers are a way to improve transparency and increase confidence in elections.

"There are a lot of people that, you know, they get upset and they do nothing. Or they say, 'I'm never going to vote again,'" said Jim Fitzgerald, chairman of Wisconsin's Brown County Republican Party. "We wanted to be a partner in restoring the integrity of the ballot box."

In Wisconsin, observers face

Volunteers Observe Opening of Ballots

On the day of Wisconsin's August primary, at Green Bay's City Hall, volunteers spent hours opening absentee ballots. Their every move was watched by some half-dozen poll watchers—or observers, as they are called in Wisconsin—who sat behind a rope line. A local police detective stood guard.

strict rules including that they can't take photos while polls are open, can't touch official election papers and can't interact with a voter unless the voter requests to do so. Other states have similar rules, and federal law prohibits intimidating voters.

The DNC said state-level Democratic parties take the lead on recruiting poll watchers, but the national and state

Green Bay first asked police to monitor absentee-ballot counting in 2020, said City Clerk Celestine Jeffreys, citing what she called "the general atmosphere of mistrust in elections."

Ms. Jeffreys said she increasingly worries about disruption. "My experience is that now this is the normal: to be challenging, and to be interfering and to be interruptive. And to create a tense atmosphere for voters," said Ms. Jeffreys, whose role is formally nonpartisan.

groups share lists of potential volunteers. The DNC said it is spending tens of millions of dollars to protect access to the polls, including voter-registration efforts and litigation. Outside groups aligned with Democrats and Republicans also recruit poll watchers.

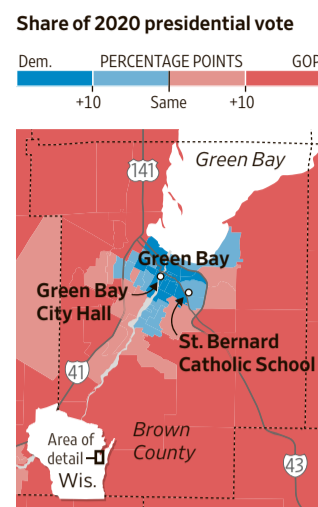
Wisconsin, a state known for close elections, has high-profile races this year. Sen. Ron Johnson, a Trump-backed Republi-

can who initially said he would oppose certifying some states' 2020 results but ultimately didn't object, is facing a challenge from Democrat Mandela Barnes, Wisconsin's lieutenant governor. Democratic Gov. Tony Evers is being challenged by Republican Tim Michels, a construction executive endorsed by Mr. Trump.

Wisconsin has been a hotbed of voting fights, including a GOP-led election audit, with potential implications for not only the midterms but also the 2024 presidential election. Mr. Evers has said the governor plays a key role in certifying Wisconsin election results and warned that if Republicans hold power they could try refusing to certify results.

Mr. Michels has vowed to tighten voting rules including for absentee voting.

Election officials have raised concerns about poll watchers in other states. In North Carolina, local election officials reported a number of incidents during



Source: The Associated Press

the state's May primary, saying some observers interfered with voters.

"We want to avoid any disruptive issues going forward, especially given how these incidents seem to have recently surfaced in significant-enough numbers to cause our county directors concern," said Paul Cox, a lawyer for the North Carolina State Board of Elections.

Ben Wikler, Wisconsin Democratic Party chairman, said Republicans are focusing too much on the 2020 election. "On the one hand, that makes the Republicans less likely to win statewide office in 2022," Mr. Wikler said. "But on the other hand, it puts us in danger, if Republicans do win, of having a wave of laws or worse that could really break down the basic processes of democracy in the state."

In the Senate race, Mr. Barnes, the Democrat seeking to flip the seat, has accused Mr. Johnson, the Republican incumbent, of trying to undermine democracy by playing down the Jan. 6, 2021, Capitol attack, in which a mob of Trump supporters disrupted the certification of Mr. Biden's presidential election victory.

While he didn't object to certifying the 2020 results, Mr. Johnson said he had concerns about the election.

FAA Rejects Cut in Training

By ALISON SIDER

Aviation-safety regulators rejected a proposal by a regional airline seeking to reduce the number of hours that some co-pilots need to begin flying passengers.

Indianapolis-based Republic Airways Holdings Inc. asked the Federal Aviation Administration to allow pilots who go through a special program at the airline's training academy to begin flying on a restricted license after 750 hours of training—half of what is generally required.

The request came as regional airlines such as Republic say they are facing a short-

age of pilots that has strained their ability to fly to small cities around the country. Republic operates flights for United Airlines Holdings Inc., American Airlines Group Inc. and Delta Air Lines Inc.

In a letter to Republic on Monday, the FAA said it didn't agree that Republic's plan served the public interest and doesn't believe the airline's plan would help address a "perceived pilot shortage." The agency said granting an exemption to Republic could open the door to similar requests from other airlines.

The decision underscores the dilemma facing regional airlines, which play an outsized role

in U.S. air travel, operating over 40% of U.S. passenger flights.

Republic's request reignited an industry debate about a federal rule that requires aspiring U.S. airline pilots to have at least 1,500 hours of flying experience to qualify to be a first officer at an airline, unless they are former military pilots or graduates of colleges and universities with professional aviation programs.

That requirement was put in place in 2013 after a fatal plane crash in 2009 near Buffalo, N.Y., which investigators blamed on a tired crew that didn't properly react to stall warnings.

—Micah Maidenberg contributed to this article.

DOJ Is Rebuffed On Deal

Continued from Page One

disagreed with the decision and was considering its next steps. "Protecting competition and access to affordable healthcare is of the utmost importance to the antitrust division and the Department of Justice," Mr. Kanter said.

The ruling represents a triumph for UnitedHealth, which owns the largest U.S. health insurer and a healthcare operation that includes thousands of doctors as well as clinics and surgery centers, along with a powerful conglomerate of health data.

In a statement, a UnitedHealth spokesman said, "We are pleased with the decision and look forward to combining with Change Healthcare as quickly as possible so that together we can continue our work to make the health system work better for everyone."

Change provides services related to payment processes for healthcare systems, analytics for financing and billing and tools that help hospitals make decisions about patient care.

UnitedHealth had agreed to divest itself of business assets related to claims processing to address competition concerns,

an offer the Justice Department had dismissed as insufficient.

Judge Nichols in his order required UnitedHealth to make that divestiture.

UnitedHealth's deal for Change, announced in January 2021, would bring the health technology company under the company's Optum health-services arm. UnitedHealth had argued that its combination with Change could help improve care by getting better information to doctors, and reduce waste. It agreed to pay nearly \$8 billion for Change and assume about \$5 billion in debt.

A judge sets back the more aggressive Biden policy on antitrust law.

The Justice Department argued that the deal would give UnitedHealth a virtual monopoly on a key tool that health insurers use to determine when a claim should be paid. And it said the company shouldn't be allowed to own Change's data clearinghouse, which rival insurers use to compete with UnitedHealth.

The judge, an appointee of President Donald Trump, a Republican, signaled his skepticism of the lawsuit in a hearing earlier this month. A trial took place in August.

The lawsuit was part of an

early batch of antitrust cases brought by the Justice Department under President Biden, a Democrat. The suits were designed to take a harder line on corporate deal activity. Among other cases, the department is waiting on a ruling in its challenge to a publishing deal, Penguin Random House's planned acquisition of Simon & Schuster. And it is preparing to go to trial next week in its lawsuit challenging a partnership between American Airlines Group Inc. and JetBlue Airways Corp.

The current crop of antitrust officials, backed by calls from Democrats for a more aggressive approach, have sought to set new court precedents that would steer the law in a broader direction, after years of rulings in which the judiciary has tended to read the antitrust laws more narrowly than a generation ago. Monday's decision served as a reminder that the Justice Department's goals are dependent on proving their cases in front of a judge.

UnitedHealth and its rivals have continued to move more deeply into vertical integration of various health assets, spanning insurance and healthcare provider businesses, as well as pulling together ever-larger troves of health data.

Even after the Justice Department filed suit to block the Change deal, UnitedHealth moved ahead with other acquisitions, including a \$5.4 billion takeover of home-health company LHC Group Inc.

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- ▶ Policymakers and regulators learn from nations where smoke-free alternatives have contributed to successful anti-smoking efforts. What works in one country can work in another, and that should inform regulations and other decisions about smoke-free products.
- ▶ Public health advocates and activists use the complete body of facts when discussing the relative risks associated with smoke-free products. The most harm from cigarettes comes from burning tobacco—there shouldn't be any confusion about that.
- ▶ Leaders at the local and national levels recognize that new technologies—digitally activated age verification, for example—can greatly enhance efforts to prevent youth from using tobacco or nicotine products.

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INTERNATIONAL

U.S. NEWS

Holdouts Are Getting First Covid Shot

Thousands of adults in U.S. are vaccinated each day due to rules and easing concerns

By JARED S. HOPKINS

More than a year-and-a-half after the first Covid-19 vaccines became available, people are trickling in every day to get their first doses.

As health officials and physicians roll out retrofitted boosters targeting subtypes of the Omicron variant, federal data suggest there are still thousands of people a day getting shots of the original vaccines for the first time.

The seven-day average for adults getting first shots each day ranged between roughly 15,000 and 18,000 in late August, according to a Wall Street Journal analysis of data from the U.S. Centers for Disease Control and Prevention.

The data can overestimate first-shot recipients, because there are times where the agency can't link follow-up shots, including boosters, to people who received an initial series. The same effect can lead to an undercount of booster

shots, according to the CDC.

People who recently got the first jab cited a range of reasons. Some said they were ordered to do so, such as to start a new job or travel for a vacation. Others waited until a vaccine using a more-traditional technology, instead of the newer mRNA versions, became available. Some went ahead after getting sick with Covid-19, or after a family member vouched that the shots worked.

Many newly vaccinated people said learning about the shots had erased some of the concerns that had been triggered by misinformation they had heard from friends or seen online.

"To tell you the truth, I kind of felt stupid that I waited so long," said Linda Ford, who got vaccinated in June ahead of a trip to Niagara Falls that required the shots.

Before then, Ms. Ford, a 63-year-old from West Helena, Ark., said she had held off due to concerns about the safety of the shots fueled by her readings online. She got Covid-19 twice, despite wearing a mask and limiting her time in public to protect against infection.

Health authorities have

continued to push people to get vaccinated this late in the pandemic even if they have had Covid-19, to protect themselves as well as vulnerable family members.

The most widely used shots—a messenger RNA vaccine from Pfizer Inc. and partner BioNTech SE, and another from Moderna Inc.—involve two doses several weeks apart. A vaccine from Johnson & Johnson consists of one dose.

80%

Portion of the U.S. population that received at least one dose

Nearly 80% of the U.S. population has received one dose of a Covid-19 shot, and 68% is fully vaccinated, according to the CDC.

Many of those continuing to hold out probably won't change their minds. About 80% of unvaccinated adults in the U.S. who were surveyed in July said they definitely won't get a shot, according to the Kaiser Family Foundation.

The rest could end up getting shots at clinics or community events intended to encourage boosting, according to doctors, pharmacists and others who have been administering the shots.

There aren't published data yet on why people who were hesitant about getting a Covid-19 vaccine changed their minds. Researchers who have studied other vaccination campaigns said acceptance generally improves over time.

Christian Ketel, a community health nurse who manages the Vanderbilt Mobile Vaccine Program in Tennessee, said holding clinics regularly at the same locations—sometimes 20 times at the same church or housing community—led hesitant people to trust his team.

Holdouts also were swayed, he said, after speaking with friends and family who vouched for the safety of the shots. His team, which focuses on refugees and people who have low income or are homeless, administers about 20 to 30 first doses a month.

"They've finally been able to understand their risk of getting significantly sick outweighs their apprehensions of

getting vaccinated. It just takes some people a little bit longer to get to that point," Mr. Ketel said.

Some people may decide to get a Covid-19 shot as public debate over whether they are needed recedes and political polarization over vaccination dies out in some parts of the country, said Saad Omer, director of the Yale Institute for Global Health.

Covid-19 vaccine acceptance has broken along political lines, surveys have found. In the Kaiser Family Foundation's July survey, some 6% of self-reported Democrats said they definitely wouldn't get vaccinated, compared with 29% of self-reported Republicans.

Robert Johnson, of Oklahoma City, said he delayed getting vaccinated because of worries that potential side effects could jeopardize his health, a concern as a single father raising three children. After talking with his doctor at an Oak Street Health Inc. clinic, he got vaccinated in June to be able to start working as an aide at a behavioral health clinic. "It took some time to get comfortable with it," he said.

—Jon Kampf
contributed to this article.

Biden's Pandemic Claims Criticized

By STEPHANIE ARMOUR

President Biden's assertion that the pandemic is over is ranking both Republicans and some public health leaders who say it is premature to announce victory over Covid-19 and that the declaration could undermine the administration's efforts to secure more funding from Congress.

Mr. Biden said during an interview that aired Sunday on "60 Minutes" that "the pandemic is over. We still have a problem with Covid. We're still doing a lot of work on it. It's—but the pandemic is over."

The White House in September asked Congress for \$22.4 billion for Covid-19 and the administration is pushing to include the money in a continuing resolution that must pass by Sept. 30 to keep the government running. Federal officials have said the funding is critical to help develop and purchase more durable vaccines that prevent transmission and breakthrough infections. Republicans have so far opposed any new appropriations, saying unspent Covid-19 relief funds should be tapped first.

The administration has also continued to renew a public-health emergency despite criticism from some Republicans who say it is no longer necessary.

Some public health leaders say it is irresponsible to announce the pandemic is over because about 400 people are still dying daily from the virus, and up to 23 million Americans are living with long Covid, according to the Government Accountability Office.

"It's completely off base," said Dr. Eric Topol, founder and director of the Scripps Research Translational Institute, a medical research facility. "It's an illusion. We have millions of people with long Covid and no vaccine that blocks transmission."

The optimism reflects an administration that is eager to show it has made progress in the battle against Covid-19. The White House in March said the nation was in a new phase of the pandemic where there are enough vaccines and treatments to allow Americans to return to more normal lives. The administration last week released what it called an up-

Traffic-Accident Deaths Fell in Second Quarter

By JOSEPH PISANI

The number of people dying in U.S. traffic accidents fell in the April-to-June period compared with a year earlier, the first quarterly drop since 2020.

The National Highway Traffic Safety Administration said traffic deaths fell 4.9% to 10,590 in the second quarter of 2022, compared with 11,135 in the same quarter a year earlier, according to estimates released on Monday by the country's auto-safety regulator.

It was the first decrease fol-

lowing seven consecutive quarters of increases that started in the summer of 2020.

Ann Carlson, the NHTSA's acting administrator, said the numbers are estimates and it is too early to know why they dropped. The data will be updated at the end of the year.

"We hope this is the beginning of a trend in the right direction," Ms. Carlson said in a speech on Monday at the Governors Highway Safety Association annual meeting in Louisville, Ky.

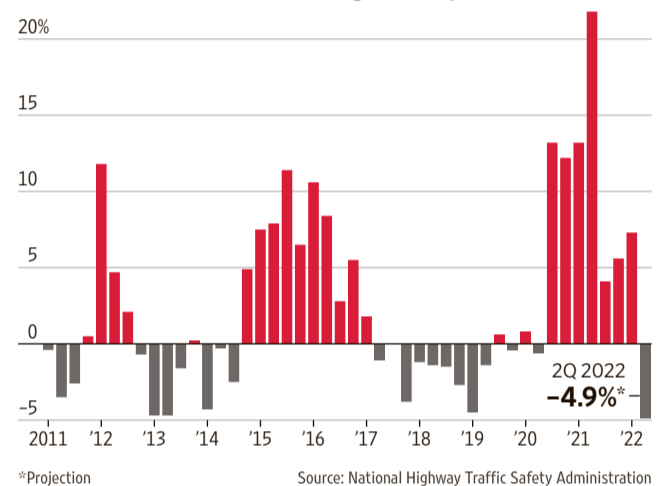
NHTSA said risky driving

since the Covid-19 pandemic began in 2020 has led to a rise in traffic deaths. More drivers were speeding, drove under the influence or didn't wear a seat belt, the regulator said. U.S. traffic fatalities reached a 16-year high in 2021, with nearly 43,000 deaths.

Ms. Carlson said despite the improvement in the second quarter, traffic deaths were still too high.

In the first six months of the year, traffic deaths rose to 20,175, up 0.5% from the same period the year before. That is

U.S. motor-vehicle fatalities, change from a year earlier



the largest number of deaths during the first half of a year since 2006, NHTSA said.

"As life starts to return to

normal, the fatality trends we first saw in 2020 remain a crisis," Ms. Carlson said. "That is not the new normal we want."

FROM PAGE ONE

Pot Party Thrown By Police

Continued from Page One

have two 30-minute periods to get high. After each one, they are ushered into classrooms for a battery of field sobriety tests, such as walking in a straight line—or trying to.

Savoring a joint inside the tent, Tiara Artis, 29 years old, said she was happy to do her part. Like her fellow participants, she has a state-issued medical marijuana card, which makes it legal for her to consume pot.

Ms. Artis said she had another reason for showing up: "Honestly, just for the opportunity to smoke in front of the cops without anything happening to me," she said. "It's a little strange, but I'm also used to doing strange things because I'm a strange person."

Montgomery County was the first police department in the U.S. to hold a green lab, in 2018, according to police officials there. The recent one was the county's ninth. Law-enforcement agencies in Seattle and Ohio recently launched similar programs.

In Maryland, where medical marijuana has been legal since 2014, voters will decide in November whether to legalize recreational pot use. As more states move to legalize pot, local officials are concerned that more stoned motorists will take to the roads.

It is illegal to drive while impaired by marijuana, but there



An officer from Maryland's DUI Institute supervises cannabis intake by the volunteers at the Montgomery County training academy.

isn't any widely accepted standard for assessing pot impairment, as there is with alcohol. In some states, laws say drivers can't have any THC—the psychoactive compound in cannabis—in their systems, while others set allowable levels. Maryland has no such law.

"It's really important that our officers can be able to look at that person and say, OK, I think this is cannabis, and I think it's affecting them to the point where they can't operate a motor vehicle safely," said Officer Jayme Derbyshire, who coordinates Montgomery County's green lab program.

She said the lab doesn't aim to get anyone super-stoned, since those are easy calls for officers. Rather, participants are encouraged to consume as they typically do.

Jesse Levin, who brought his bong, said he found it impossible to consume normally because he never does so around the police. The 25-year-old pumped the Grateful Dead through earbuds, while trying, he said, to "just enjoy it instead of being worried about how

weird it is."

When Officer Derbyshire and Capt. David McBain, then a lieutenant, first pitched the idea years ago, the police brass weren't entirely sold. Capt. McBain said they thought it might just turn into a big party.

The program has safeguards, he said. Participants are picked up and dropped off at home, though some have asked to go to a bar afterward. County buildings are smoke-free, so the toking takes place outside. The police don't provide marijuana—a Schedule I controlled substance under federal law—although participants are reimbursed up to \$60.

At the inaugural green lab, officers learned that showing up in their uniforms could be a major buzz kill. A young participant "went into complete shock" at the sight of a couple dozen uniformed officers, said Officer Derbyshire. "She was in tears within seconds and went and locked herself in a bathroom stall. It took a few minutes to get her out."

Several participants at the recent edition said they didn't

just use marijuana regularly, they worked at dispensaries. They said they had no doubt pot can impair drivers and that users have a responsibility to consume safely. They also said they wanted to show the police that it's possible to medicate without becoming intoxicated. Dispensary worker Deeanna Schultz, 33, said her participation baffled some friends. "Some people are like, whoa, why are you helping the cops figure out what they're looking for?" she said.

Wendy Diehl, 45, said she felt "overmedicated" after her second session. "Pretty funny, pretty psychoactive, you know, enjoying the moment, feeling creative," she said.

In a classroom, she wobbled while walking in a line and held her arms out to steady herself. She had difficulty focusing both eyes on a close-up object, and her eyelids fluttered—both signs of pot use, said Kraig Webb, the officer assessing her.

Officer Webb said he found the session helpful, if somewhat mind-blowing. "Never in a million years would I have

imagined that we'd have a tent at the back of the police academy and people are back there smoking," he said.

Khiry Maxberry, 26, had a go at a driving simulator after smoking a blunt. He reacted far too slowly when a virtual pedestrian stepped onto the imaginary road.

Later while smoking a second blunt, he also drank a rum and Coke, which the police offered because mixing pot and alcohol is common. Back in the classroom, he faltered on the sobriety tests. Counting out loud, he jumped from 16 to 19.

"There's definitely impairment," observed Jeff Choma, a Maryland State Police first sergeant who is a drug-recognition expert and offered tips to officers attending as students.

At night's end, Mr. Maxberry, who said he never drives soon after smoking, described the experience as "laughable, but for that matter, on the other end of the spectrum, it shows the importance of it." He continued riffing, then paused. "I kind of lost my train of thought right there," he said, laughing.

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U.S. NEWS

Mexican Donors Can Again Be Paid for Plasma

By MIKE CHERNEY

Pharmaceutical companies scored a legal victory that will again allow them to pay people who cross the border from Mexico for their blood plasma, giving a boost to U.S. supply of a critical ingredient needed for treating serious disorders.

On Friday, a judge on the U.S. District Court for the District of Columbia issued a preliminary injunction that prevents border officials from enforcing a ban on paying for plasma donations from Mexicans who enter the U.S. on visitor visas. The injunction applies while the litigation is pending, and although the ruling isn't final, the judge indicated the pharmaceutical companies have a strong case.

The U.S. is one of the few countries that allow payments for plasma. Up to 10% of U.S.

U.S.-Mexican border.

The ban was criticized by Mexican donors, who said the new policy deprives them of income and pride they took in helping others, and patient-advocacy groups, who worried about the availability of plasma-derived medicines.

However, some doctors have raised concerns that high-frequency donation could have negative health effects, and others have questioned the ethics of paying poor people for plasma. Pharmaceutical companies say their supply base is diverse and that giving plasma is safe and closely regulated.

"We are excited to welcome back Mexican donors to our plasma collection centers," CSL said after the judge's ruling. "The decision recognizes the critical importance of the need for plasma in the manufacture of life-saving therapies for hundreds of thousands of people."

U.S. Customs and Border Protection didn't respond to a request for comment. In legal filings, the agency said pharmaceutical companies could increase payments to attract more collections from U.S. citizens domestically, and that Mexicans could still donate plasma without getting paid. It said after the pandemic began, it learned its field offices were taking inconsistent positions on whether to allow Mexicans with visitor visas to enter the U.S. to make paid plasma donations, and that it issued the ban to provide clarity.

Judge Tanya S. Chutkan agreed with the pharmaceutical companies that the border agency's policy shift seemed arbitrary and that the agency didn't appear to provide a notice and comment period. She also supported the companies' argument that there would be significant harm if the ban weren't lifted while the case proceeds.

Some doctors worry frequent donations could have negative health effects.

plasma collected nationwide comes from Mexican nationals, who get paid roughly \$50 to donate. But last June, U.S. border officials indicated they would stop the roughly 30-year practice of allowing Mexican visitors to get paid for plasma because they viewed it as labor for hire, which isn't allowed under a visitor visa.

Affiliates of Australia-based CSL Ltd. and Spain-based Grifols SA sued to overturn the ban, which came just as U.S. plasma collections were disrupted by the Covid-19 pandemic. Both companies have invested millions of dollars in collection centers near the



Amazon pledged to hire 5,000 refugees in the next three years. A delivery worker near the Amazon Spheres, part of its Seattle headquarters

Major U.S. Companies Commit To Hire Over 20,000 Refugees

By JESSICA DONATI

NEW YORK—Major U.S. companies pledged to hire more than 20,000 refugees over the next three years, a number that refugee advocates say will help integrate the wave of Afghans and Ukrainians who arrived over the past year.

The hiring commitments were announced on Monday at an event in New York organized by the Tent Partnership for Refugees, which is pressing corporations to hire refugees. The group said the pledges reflect a growing awareness by U.S. companies that hiring refugees benefits their business. It said research shows that consumers value ethical behavior and refugees make more loyal employees.

"Every single number that is announced is a life. It has its own story and has an impact for generations and genera-

tions to come," said Hamdi Ulukaya, the Chobani chief executive and founder of Tent, at the conclusion of the event.

More than 100 major U.S. companies have signed up to join the Tent Partnership network.

The hiring goal of 20,000 is just a fraction of the total of Afghan and Ukrainian arrivals over the past year. U.S. government data show close to 80,000 Afghans have arrived in the U.S. since the collapse of the U.S.-backed government in Afghanistan. An International Rescue Committee report published in August said about 41,000 of the resettled Afghans are working age and many of them have joined the U.S. workforce.

The IRC report didn't say how many had found jobs. The average salary, based on a survey of 1,800 Afghan arrivals, was just over \$16.50 an hour and the main hiring sectors

have been manufacturing, retail and food services, the IRC data showed.

The Tent Partnership says around 150,000 Ukrainians have arrived in the U.S. on a variety of visas, including tourist visas, which wouldn't make them eligible to work. About 50,000 have arrived through the U.S. government United For Ukraine program, which aims to provide Ukrainians with a pathway to seek refuge in the U.S.

Major companies such as Amazon.com Inc., Walmart Inc. and Uber Technologies Inc. have emerged as key destinations for Afghans and other refugees looking for their first job in America.

"The commitment we're making today is not just about jobs, but providing refugees with access to meaningful opportunities to help them build their new life," said Janet Saura, vice president, em-

ployee relations, WW Amazon Stores and Corporate.

Amazon made the largest pledge on Monday, committing to hire 5,000 refugees in the next three years. Hilton Worldwide Holdings Inc. and Marriott International Inc. each pledged to hire 1,500 refugees. Pfizer Inc. said it would hire 500 refugees.

"We embrace and celebrate the diversity that refugees bring to the workforce, their skill set, their life experiences, resilience and fierce dedication to being successful," said Mona Babury, global diversity, equity and inclusion leader at Pfizer.

U.S. companies also committed to providing training resources and internship opportunities for thousands of refugees. In total, 45 companies made announcements. Tent said the pledges would result in more than \$900 million in income for refugees each year.

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WORLD NEWS

Ukraine's Forces Extend Advance in East

As Kyiv closes in on cities of Donetsk and Luhansk, Moscow hits civilian infrastructure

By IAN LOVETT

Ukrainian forces said they control the eastern bank of the Oskil River in the Kharkiv region, cementing strategic gains and putting them closer to the Russian-held cities of Donetsk and Luhansk. Moscow, meanwhile, continues to launch attacks against civilian infrastructure.

Strategic Command of the Ukrainian Armed Forces have posted a video on social media that appeared to show an armored vehicle crossing the river, along with the message, "Ukraine controls the left bank." The claim suggests Ukraine's push east is continuing after its forces seized about 3,500 square miles of territory in the northeastern Kharkiv region this month that put Moscow on the back foot.

Ukrainian troops are within about 20 miles of the Luhansk region, which Moscow captured months ago, and whose seizure the Kremlin has called



A Russian missile hit the ground about 300 yards from the Pivdenoukrainsk nuclear plant, forcing a brief shutdown, Ukraine says.

one of its priorities of the war.

Ukrainian President Volodymyr Zelensky said in a video address Monday that Ukrainian forces were holding their positions in the Kharkiv region.

Russian-installed local authorities accused Ukrainian forces of launching a strike Monday on the city of Donetsk that killed 13 civilians, including two children. Eight people were hurt. The strike targeted a public-transportation stop, a store and a bank, said Denis Pushilin, head of the self-proclaimed Donetsk People's Republic.

Ukraine's defense ministry didn't respond to a request for comment on the strike.

Some analysts have asked whether Ukrainian forces may be overextending themselves after their speedy advance, but Ben Hodges, a former commander of the U.S. Army in Europe, said the potential threat in the area might come from Russian territory, though he doubts Moscow could launch an offensive from Belgorod, a Russian city near Ukraine, without Kyiv being aware of it ahead of time. Retired Lt. Gen. Hodges said

the Ukrainians are trying to keep pressure on the Russians to prevent them from establishing a strong new defensive line.

"If you're launching a counteroffensive and having great success, the two things in the front of your mind are, how do I keep up momentum and are my flanks exposed?" he said. "Wherever they can find a flank or a key intersection necessary for logistics to support Russian forces, they're going to try to [target] that."

Russian forces, meanwhile, established a new defensive line

between the river and the town of Svatove in the Luhansk region over the weekend, according to the British Ministry of Defense.

Battlefield setbacks have continued for Moscow. The British ministry said Russia lost at least four combat jets in Ukraine within the last 10 days, for a total loss of about 55 jets since the start of the war.

"This uptick in losses is partially a result of the Russian air force accepting greater risk as it attempts to provide close air support to Russian

ground forces under pressure from Ukrainian advances," the ministry wrote on Twitter. "Russia's continued lack of air superiority remains one of the most important factors underpinning the fragility of its operational design in Ukraine."

Moscow's response has focused on attacking Ukraine's civilian infrastructure. Early Monday, Ukrainian officials said, a Russian airstrike hit the Pivdenoukrainsk nuclear power plant in Ukraine's southern Mykolaiv region.

A Russian missile struck the ground about 300 yards from the South Ukraine nuclear power plant, forcing a brief shutdown, said Ukraine's state-owned atomic energy corporation Energoatom.

The facility sits about 150 miles from the larger Zaporizhzhia nuclear plant, a Russian-occupied facility which has been the center of global efforts to prevent the continuing war from causing a nuclear disaster. Energoatom officials said the strike caused minimal damage.

The Kremlin didn't comment on the strike on the nuclear facility.

—Yuliya Chernova, Nancy A. Youssef and Drew Hinshaw contributed to this article.

EU Seeks New Powers Over Supply Chains in Crises

By KIM MACKRAEL

BRUSSELS—The European Union staked its claim to broad new powers to regulate industries during crises, presenting a controversial proposal that has drawn opposition from business leaders but which EU officials say is vital to tackle disruptions such as those during the Covid-19 pandemic.

The European Commission, the bloc's executive arm, on Monday unveiled what it calls the Single Market Emergency Instrument, which aims to address the kinds of disruptions that took place during the pandemic, when some countries,

including the U.S., sought to block exports of vaccines and other health-related products. Other free-market economies have enacted such measures. The new proposal needs approval from the EU's 27 member states and the European Parliament to become law.

Officials said the instrument is intended in part to improve tracking of potential supply-chain issues before a crisis unfolds. Measures that could require companies to share information or give priority to orders would only come into effect during a so-called emergency phase, they said, where shortages of cer-

Critics of the proposal said the plan gives too much power to Brussels.

tain items could have ripple effects throughout the broader European economy.

"We need new tools that allow us to react fast and collectively," said EU Executive Vice President Margrethe Vestager.

Countries including the U.S. and Japan have taken steps in recent years to exert more con-

trol over the production and movement of goods that might be needed during emergencies or to keep their economies running. Some EU officials have said the bloc needs its own emergency tools to ensure Europe isn't disadvantaged in a crisis if other jurisdictions block exports or employ other protectionist measures.

Critics of the EU proposal said the plan gives too much power to Brussels and could interfere with companies' existing contracts. Germany's trade group for the mechanical engineering industry, the VDMA, said last week that telling businesses which orders they should

give priority to during an emergency risks damaging those companies' competitiveness.

"For a globally networked industry like mechanical and plant engineering, reliability of deliveries is indispensable," said Executive Director Thilo Brodtmann.

The commission said it would take into account cases where giving priority to an order might create liabilities for a company whose contracts are governed by the laws of a country outside the EU. It said companies would have an opportunity to explain to the commission why they can't comply with a request to give

priority to certain orders.

Fines for noncompliance could reach up to 1% of a company's average daily revenue for each working day it doesn't follow through with an agreement to give priority to certain orders, according to the proposal. Officials said such fines could apply to companies that have promised to give priority to orders but don't follow through.

In cases where a company provides inaccurate information or doesn't explain why it can't comply with a request to give priority to an order, fines could reach up to 200,000 euros, equivalent to \$199,654, the proposal said.

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WORLD NEWS

Bus Crash Stirs Anger in China

By Cao Li

HONG KONG—A fatal bus crash in southwestern China that killed 27 people being transferred to a quarantine facility has reignited public anger about the toll of strict anti-Covid measures meant to protect the Chinese public.

The bus overturned on a highway early Sunday in the southwestern province of Guizhou while carrying passengers to a quarantine facility, state-backed media outlets reported. The accident killed 27 people and injured 20 others, local police said.

The accident raised fresh questions about the human toll of China's zero-tolerance campaign, which seeks to crush even small Covid outbreaks by locking residents in their homes and sending close contacts of infected patients to centralized quarantine facilities. Many Chinese citizens are looking for signs of a change in policy ahead of October's closely watched Communist Party conclave.

Beijing's strict Covid-prevention measures have stoked

increasing public frustration in recent weeks as the human and economic toll mounts nearly three years into the pandemic. Authorities this year have locked down large swaths of the country for weeks and even months at a time, most notably Shanghai—a city of 25 million people that is China's most prosperous city—for two

The fatal accident raises new questions about the toll of zero-Covid efforts.

months in the spring.

On Monday, internet users took to China's social-media platforms to express anger and lament the hopelessness of the Guizhou bus passengers, who had been caught in what many saw as the apparent arbitrariness of authorities' measures.

It wasn't clear whether the passengers being transported had contracted the virus, or

had merely been close contacts of patients.

The fact that the bus was traveling around 2:40 a.m. when it overturned led many on social media to speculate that the passengers were being transferred at that time in order to draw less attention. Many asked what urgent matter prompted authorities to bus people from their homes at that hour. China passed a law in 2018 banning all long-distance road passenger transportation between 2 a.m. and 5 a.m., citing safety concerns.

A spokesperson at China's Ministry of Transport referred questions to Guizhou provincial authorities, who declined to answer questions, pointing instead to official state media reports about the accident.

On Sunday, Lin Gang, the vice mayor of Guizhou's capital, Guiyang, bowed in apology, expressing "deep sorrow and remorse" for the deaths.

On China's social-media platforms, the gesture was greeted by cynicism. "An apology will not bring the deceased back to life," read one widely shared post, which said

that the accident had cost the trust of society.

"This shouldn't have happened. Had they been quarantined at home, they wouldn't have lost their lives," read another post. "The virus didn't take their lives, but they still aren't coming back," added another. "They didn't die from Covid, they died on the way to quarantine. Such a pity."

One of the most popular comments on China's Twitter-like Weibo platform—"How do you know that you won't be on that early morning bus one day?"—attracted thousands of likes before it was deleted, only to be reproduced by other social-media users.

One phrase was echoed by many social-media users: "Zero deaths from Covid, 27 deaths from Covid measures."

In the case of Guizhou, the province of nearly 40 million people had recorded roughly 2,600 confirmed Covid cases, including asymptomatic infections, since the beginning of the month. Since the pandemic began in early 2020, Guizhou province has recorded only two Covid deaths.



Ranson Chan, in gray mask, outside a Hong Kong police station.

Hong Kong Charges Prominent Journalist

By DAN STRUMPF

HONG KONG—Police on Monday charged the head of Hong Kong's largest journalist group with obstructing police officers, the highest-profile prosecution of a press worker in recent months following a sustained crackdown on the city's pro-democracy media.

The charge against Ranson Chan, chairman of the Hong Kong Journalists Association, comes about two weeks after his arrest while covering a meeting of owners of a housing estate in the northern Hong Kong neighborhood of Mong Kok.

Police at the time accused Mr. Chan of obstructing officers and disorderly conduct, and said he was uncooperative and refused to provide his identification when approached by officers. The charge carries a maximum prison term of two years.

Mr. Chan, deputy assignment editor at independent news outlet Channel C, is set to leave Hong Kong for the U.K. at the end of the month to begin a journalism fellowship through the Reuters Institute at Oxford University.

He was previously an editor at the popular pro-democracy news site Stand News, an outlet shut following a police raid of its newsroom in December and the arrests of seven peo-

ple linked to the site. Mr. Chan wasn't among those arrested.

Mr. Chan's case is set to be heard at a Hong Kong magistrates' court on Thursday, police said. Mr. Chan told The Wall Street Journal that he was discussing the charge with his lawyer, and said police didn't take his passport. In a video posted to Channel C's YouTube page, Mr. Chan said he didn't know when asked whether he thought police were trying to prevent him from leaving Hong Kong.

He also criticized his initial arrest, saying he wouldn't have been arrested for similar conduct even in mainland China.

The charge against Mr. Chan comes as the journalists' association and other media groups face growing pressure in the wake of the 2020 National Security Law. Beijing imposed the law following a wave of sometimes-violent pro-democracy protests the year before, but rights groups have said it has been used as a tool to squash free speech and close opposition media outlets.

The Hong Kong Journalists Association has clashed with police as it voiced opposition to the city's media crackdown. The group has also faced attacks by the city's pro-Beijing press and Hong Kong's trade-union registry has sought additional information about the association's activities.

Navy Chief Warns About Taiwan Blockade

By NIHARIKA MANDHANA

China's armed forces are capable of blockading Taiwan, a senior U.S. Navy official said, noting the size of the country's navy, which is the world's largest and growing fast.

"If they want to bully and put ships around Taiwan, they very much can do that," Vice Adm. Karl Thomas, commander of the U.S. Seventh Fleet, said in a Wall Street Journal interview.

China conducted military drills in August that sought to demonstrate its ability to blockade Taiwan, which China sees as part of its territory. The drills came in response to a visit by House Speaker Nancy Pelosi to the island in August. By using a blockade, military analysts say, Beijing could try

to force submission by Taiwan's leaders without an invasion.

For decades, Washington has maintained a policy of strategic ambiguity, not saying whether it would directly intervene in a conflict. Though the White House says that policy hasn't changed, President Biden has said the U.S. would defend Taiwan if China tried to invade.

Adm. Thomas said he didn't know if China would carry out an invasion or a blockade, but it is his job to be ready for whatever they do. If China were to mount a blockade, he said the international community could step in.

"Clearly if they do something that's non-kinetic, which, you know, a blockade is less kinetic," he said, meaning it isn't an all-out attack involv-

ing lethal force, "then that allows the international community to weigh in and to work together on how we're going to solve that challenge."

After the Pelosi visit, China launched dayslong military exercises that included warplane and naval maneuvers, and it launched missiles over Taiwan's main island for what is believed to have been the first time. Adm. Thomas said the firing of missiles was irresponsible and that China had "moved the goal posts just a little bit more" by doing so.

"There's a term in Mandarin—*can shi*—nibbling like a silkworm," he said. "They just kind of continue to push the boundaries, see what they can get away with."

China's Foreign Ministry

didn't respond to a request for comment. China has accused the U.S. of escalating tensions over Taiwan.

Adm. Thomas said he sees China's recent actions around Taiwan as an extension of the "might makes right" mentality the country has shown in the way it has militarized the South China Sea. China's expansive claims overlap with those of other countries. It has during the past decade built artificial islands in those waters, equipping the outposts with military infrastructure.

"They've completely militarized those islands," he said. "They already have all the fuel-storage capacity they need, the ability to house troops, they have the missiles, the radars, the sensors."



Demonstrators gather near a burning barricade in Tehran Monday as they protest Mahsa Amini's death.

Protests Over Woman's Death In Custody Spread Across Iran

By BENOIT FAUCON

Protests spread across Iran on Monday over the death of a young woman in police custody who allegedly violated the country's strict Islamic dress code, with women removing their state-mandated headscarves in the streets and police responding with force.

The demonstrations over Mahsa Amini's death on Friday pose one of the toughest challenges yet for the one-year-old government of President Ebrahim Raisi, coming as he embarks on a trip for the United Nations General Assembly and as questions swirl about the health of Supreme Leader Ayatollah Ali Khamenei.

The protests, which started in Ms. Amini's hometown in northwestern Iran following her funeral there on Saturday, have spread to several Iranian cities and towns.

Four people were killed and a 10-year-old child was shot on Monday by security forces, who fired live rounds at protesters in the country's west, said Hengaw, a human-rights organization in Iran's Kurdish region, from where Ms. Amini came.

Iranian officials didn't comment on the report. Dozens of protesters have been injured over the past three days as security forces have used water cannons and fired pellets and

tear gas to disperse the crowds. Many have been arrested.

On Monday, women, many without a head scarf, or hijab, faced off with security forces, chanting "woman, life, freedom" in Tehran.

Authorities have periodically shut the Internet in parts of the country since Ms. Amini's death, said Netblocks, an internet observatory that monitors global traffic outages. Iran's government has often used that tactic to prevent protests from spreading.

Mr. Raisi, who ordered the Interior Ministry to investigate Ms. Amini's death, called her family on Sunday to express his condolences, state media reported.

The police in Tehran called Ms. Amini's death an "unfortunate" incident on Monday and denied that she was mistreated while in custody, the state-run IRNA news agency reported.

Ms. Amini's death and the resulting demonstrations against the Islamic Republic's morality laws and the vice police who enforce them come at a time when more women are flouting such rules.

The protests highlight how restrictions on women have galvanized opposition to the government in Iran, where a large secular population is ruled by ultraconservative Islamic clerics. Iranian celebrities, athletes

and politicians have called for shutting the morality police, saying Ms. Amini's death should be a turning point.

In recent months, women have increasingly removed their veils in an act of defiance, and seeing unveiled women isn't uncommon on the streets of Tehran. Iranian law requires all women to wear a head scarf and other clothing worn to demonstrate modesty in Islamic societies. The law also bans wearing too much makeup or clothing authorities deem inappropriate.

Ms. Amini was visiting Tehran with her family last Tuesday when she was arrested by morality police for allegedly violating the dress code.

The protests over Ms. Amini's death are the latest demonstrations in Iran this year. Teachers, farmers and middle-class professionals have also taken to the streets to decry the state of the country's economy and call for a change in government.

Deaths in custody after arrests for inappropriate head cover are rare in Iran. In October 2007, a woman died after the morality police arrested her in the western Iranian city of Hamedan. The police said she died by suicide, but her father said he believed she was killed.

—Aresu Egbali in Tehran contributed to this article.

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Pittsburgh, Pennsylvania

FROM PAGE ONE

Powell Channels Volcker

Continued from Page One of Mr. Volcker's 2018 autobiography, "Keeping At It."

The moment underscores the Fed chairman's rapid about-face during one of the most tumultuous periods for the economy and central bank since the 1970s. After championing an aggressive stimulus campaign just 12 months ago, he has this year led the most rapid tightening of monetary policy since the early 1980s.

The Fed has two mandates: full employment and stable prices; officials define the latter with a formal 2% inflation target. For most of the past two decades the Fed could focus on full employment because inflation seldom deviated much from 2%. Today, though, with inflation at 8.3%, the highest since Mr. Volcker's tenure, Mr. Powell has concluded that, like Mr. Volcker, he must devote his attention to that problem, even if doing so takes a serious near-term toll on employment.

Single mandate

"Until inflation comes down a lot, the Fed is really a single mandate central bank," said Richard Clarida, who served as Mr. Powell's second-in-command from 2018 until this past January.

Without explicitly predicting a recession, officials have made clear their willingness to tolerate one. Mr. Powell has stopped talking about a so-called soft landing, in which the Fed slows growth enough to bring down inflation without causing a recession, except when asked. Instead, he has framed the Fed's objective of bringing down high prices as an "unconditional" obligation and warned of even worse consequences for employment later if the Fed does not defeat inflation now. "We can't fail on this," Mr. Powell told lawmakers this summer.

The upshot is that Fed officials, while reluctant to say it bluntly, could raise rates until they force unemployment higher and slow wage growth, the mirror image of their strategy through the end of last year.

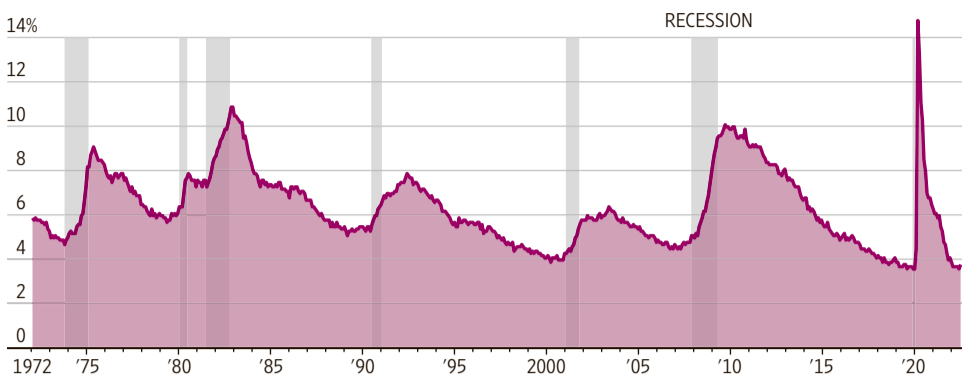
One Fed official, governor Christopher Waller, suggested this month the central bank would be comfortable with the jobless rate rising to around 5%, from its current 3.7%. That magnitude of increase has never occurred outside a recession.

"If unemployment were to stay under, say, 5%, I think we could really be aggressive on inflation," he said. After it goes above 5%, the Fed will face "obvious pressure to start making tradeoffs" between employment and inflation.

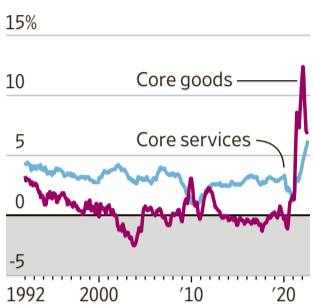
Markets have been slow to come around to the Fed's new posture, largely because it is at odds with how the Fed has acted for years. In the past, the Fed would ease monetary policy whenever the economy and

Unemployment is near 50-year lows but inflation is running near 40-year highs, and there are signs underlying price pressures could require stiffer steps by the Fed to slow down the economy.

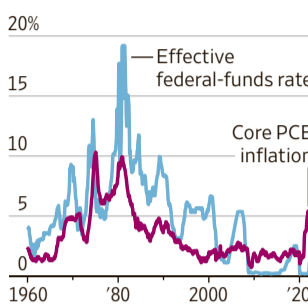
Unemployment rate



Consumer-price index, change from a year earlier



Fed benchmark rate versus the rate of underlying inflation



U.S. two-year Treasury yield



Note: Unemployment rate is seasonally adjusted. Core CPI and Core PCE exclude food and energy categories. Sources: Labor Department via St. Louis Fed (unemployment); Labor Department (CPI); Federal Reserve (rates), Commerce Department (PCE inflation); Tullett Prebon (two-year Treasury)

'We must keep at it until the job is done.'

Federal Reserve Chairman Jerome Powell



job market seemed in danger—a luxury it had while inflation was running at or below its 2% target.

In the first year of the pandemic, Mr. Powell emulated the response of former chairman Ben Bernanke to the 2008 financial crisis, rolling out innovative policies aimed at preventing market and economic meltdowns. As recently as a year ago, most Fed officials remained focused on avoiding the post-2008 problem of sluggish growth and a weak jobs recovery.

When inflation began to rise last year, it initially appeared driven by a handful of items such as used cars or airfares tied to the reopening of the economy from the pandemic. Officials misjudged how stronger demand, fueled by fiscal stimulus and the Fed's low rates, exacerbated those bottlenecks. Some have said their emphasis on the jobs recovery blinded them to threats that inflation would stay higher for longer.

"The Fed bears considerable responsibility for the current predicament. Monetary policy was way too loose for way too long," said Michael Strain, head of economic-policy studies at the right-leaning American Enterprise Institute. Until this past March, for example, the Fed was purchasing mortgage bonds to hold down longer-term interest rates even though housing markets were booming. "That was a major error. It should not have happened," he said.

hurting the economy. Investors who have largely tossed aside hopes for a Fed pivot are now anxious for clarity on two things: how high interest rates will go by the end of the rate-increase campaign, and for how long they will stay there.

"The Fed statement will be everything," said Louis Navellier, chief investment officer of Navellier & Associates. "We need a light at the end of the tunnel." Mr. Navellier estimated he has put 60% of his portfolio into the energy sector this year. That is a choice that has paid off, as stubbornly strong inflationary pressures have made energy stocks by far the best-performing S&P 500 sector this year.

"All I care about is finding the silver lining window. But that window is getting much more narrow," Mr. Navellier said, adding that it has become more difficult to pick winning stocks.

So far, data haven't been on investors' side.

Money managers had gotten a glimmer of hope last month when the Labor Department's consumer-price index report showed inflation pulled back slightly from multidecade highs in July. But the department's most recent report, released last week, failed to show that trend continuing. Core CPI, which excludes volatile food and energy prices, rose 0.6% in

The Fed's difficulty forecasting how the economy would rebound from the pandemic was compounded earlier this year by Russia's invasion of Ukraine and the West's financial counter-assault, which drove up prices of energy, fertilizer, and other commodities.

While falling fuel costs have held down overall inflation this summer, geopolitics could send them rising later this year—for example, if Russia withholds oil from global markets. Meanwhile, housing costs and prices for services such as dental and hospital visits, haircuts, and car repairs have risen amid a tight labor market. It's been a wake-up call to policy makers and market participants unfamiliar with how pernicious an environment of higher prices can be.

The economy has added 380,000 jobs on average over the last six months, a level that is far in excess of the breakeven rate of around 50,000 that economists think is consistent with keeping the unemployment rate steady. Wages and salaries for private-sector workers rose 5.7% for the 12 months through June, a level that is likely to keep inflation well above the Fed's 2% target.

Only this year did Mr. Powell signal rates would have to rise more swiftly to meet the inflation threat. He found himself repeatedly having to revise up those plans, which has whipped markets. In June, despite telegraphing a half point increase, the Fed raised rates 0.75 point because of high

readings on actual and expected inflation.

After another 0.75-point increase in July, Mr. Powell vaguely hinted at the Fed eventually moderating rate rises. Investors reacted with glee, betting on the sort of rally that accompanies the Fed turning from rate rises to rate cuts. The market reaction flummoxed Fed officials and many private-sector analysts who follow the central bank closely because the Fed hadn't signaled such a pivot.

Unwelcome rally

Worse, the rally was making the Fed's job harder. The Fed aims to restrain investment and spending through higher interest rates. Rate increases slow the economy by cooling interest-rate sectors such as housing and pushing down prices for stocks and other assets. The market's rally—the S&P 500 gained 17% between mid-June and mid-August—was doing the opposite.

"I suspect Powell wasn't happy that things eased after the July meeting," said William English, a former senior Fed economist who is now a professor at the Yale School of Management.

Markets seemed to expect the Fed would act as it did in the 1970s, when under then-Chairman Arthur Burns, the central bank raised rates aggressively to bring down inflation but then reversed course prematurely for fear of inflicting more pain on the labor

market than the public and Congress would tolerate.

Mr. Volcker, whose senior thesis at Princeton University criticized the Fed for allowing inflation to spike after World War II, took office determined to undo that pattern. He started his career as an economist at the New York Fed. As a Treasury official, he advised President Richard Nixon on cutting the dollar's remaining formal ties to gold in 1971. He became president of the New York Fed in 1975, where he had a front-row seat to the Fed's failure to tackle inflation.

After President Jimmy Carter made him Fed chair in 1979, Mr. Volcker unveiled a bold change in how the Fed would set interest rates, allowing them to rise dramatically. "Vacillation and procrastination, out of fears of recession or otherwise, would run grave risks," he told lawmakers in early 1980. A painful double-dip recession ensued, sending unemployment to 10.8% in 1982, the highest since the Great Depression.

Mr. Powell lauds Mr. Volcker's legacy not because of the precise tactics he used, but because "he had the courage to do what he thought was the right thing," he said this spring at a news conference. "If you read his last autobiography, that really comes through."

The Fed's annual gathering in Wyoming, which occurred in person this year for the first time since 2019, gave Mr. Powell his biggest stage of the year. "I thought what was appropriate was a very concise and focused message," he said at a conference earlier this month, describing the Jackson Hole speech as "more direct."

Markets got the message. The S&P 500 has slid nearly 7% since Aug. 26, and the 2-year Treasury yield, which is particularly sensitive to monetary policy, has hit its highest level since 2007.

Mr. Powell's remarks "reminded me of how I learned to speak to my sons when they were teenagers—in short declarative sentences to get my point across," said Steven Blitz, chief U.S. economist at research firm T.S. Lombard.

One Fed official took the unusual step of publicly endorsing the market reaction. "I was actually happy to see how Chair Powell's Jackson Hole speech was received," said Minneapolis Fed President Neel Kashkari in a podcast with the Bloomberg news service. "I certainly was not excited to see the stock market rallying after our last Federal Open Market Committee meeting because I know how committed we all are to getting inflation down," he added.

The strategy the Fed is now following borrows heavily from the lessons of the 1970s and 1980s. To be sure, circumstances aren't the same. Back then, inflation had been high for a decade, fueling a self-fulfilling cycle in which prices stayed elevated because consumers and businesses expected inflation to remain high. Officials point to evidence today, such as the strong dollar, that investors and the public expect the Fed to return inflation to 2%, which could make the process less painful.

At some point, the Fed will have to evaluate how to balance its employment and inflation goals, "but this is not the time for that," said Cleveland Fed President Loretta Mester in an interview this month. "There's no real nuance here because inflation is just so high."

Exactly how high rates will have to go remains highly uncertain, in part because the inflation outlook is also highly uncertain. Economists inside and outside the Fed have anticipated the pace of price increases to slow as softer demand for goods and lower commodity prices and shipping costs feed through supply chains. But last week, the Labor Department reported another uncomfortably high inflation reading.

The core consumer price index, which excludes volatile food and energy prices, rose 0.6% in August from July, double July's pace. Economists follow core inflation closely as a reflection of broad, underlying inflation. Stronger service-sector prices could trouble policy makers by reflecting how solid demand and growing incomes have enabled companies to continue raising prices.

"The message of the August CPI is that core inflation in this economy is not going to just melt away, and by the way, when you look at the labor market, it's still adding a huge amount of jobs," said Mr. Blitz.

That report cemented Wall Street analysts' expectations the Fed will raise rates by 0.75-point again at their two-day meeting that concludes this Wednesday, and traders in futures markets put a small probability on an even larger increase of a full percentage point.

As important as the rate increase is the signal the Fed sends about how much higher rates will go, how fast they expect to get there, and what they expect the economic consequences to be.

Inside the Fed, one camp has argued for moving faster to around 4%. "I don't really see why you want to drag out interest-rate increases into next year," said St. Louis Fed President James Bullard in an interview last month.

Another camp has voiced more concerns about tightening too much. "I would prefer to find an appropriate spot to pause and monitor how things are going rather than go much higher [and] potentially overshoot, knowing that, 'Well, we can always turn that around in quick order if that's necessary,'" Chicago Fed president Charles Evans told reporters earlier this month.

Fed officials are anxious not to let an inflationary mindset take root, however. That is why they are in a hurry to see the economy cool and are unlikely to cut rates as Mr. Powell did in 2019 when the economy looked like it might be sliding into a recession.

"The clock is ticking," Mr. Powell said at a conference on Sept. 8. The longer inflation is high, the greater the risk "that the public will start to just naturally incorporate higher inflation into its economic decision-making. And our job is to make sure that doesn't happen."

Bond Yield Rise Is Risk For Stocks

Continued from Page One 500 ending up 0.7% and the Dow Jones Industrial Average climbing 0.6%, or 197.26 points. Major indexes are down for the year: The blue-chip index has fallen 15% in 2022, while the S&P 500 is down 18%.

Whether or not markets get any reprieve depends in part on what happens at the end of the Fed's policy meeting Wednesday.

Federal-funds futures tracked by CME Group show the market assigning a 100% probability of the Fed raising interest rates by at least 0.75 percentage point, after several increases that have brought the fed funds rate to a range of between 2.25% and 2.5%.

What's less certain, investors said, is what Fed Chairman Jerome Powell will say at the central bank's postmeeting news conference. Markets swooned last month after Mr. Powell said the central bank would keep raising interest rates until it felt confident it had reined in inflation, even if that would up

August from the month prior, double July's pace.

"In my view, that starts the clock over," said Brad Conger, deputy chief investment officer of Hirtle Callaghan & Co., referring to the Fed's desire to see data over multiple months before deciding that inflation is subsiding enough for it to slow down its pace of rate increases. "For equity investors, that's a really challenging backdrop," he said.

Several Fed moves have brought the fed funds rate to a range of 2.25% to 2.5%.

Meanwhile, the Fed's interest-rate increases threaten to put more pressure on an already slowing economy. Last week, mortgage rates jumped above 6% for the first time since the 2008 financial crisis. Rising borrowing costs have led to declining sales of existing homes for six straight months.

Consumers' spending on other areas, including clothes, food and big-ticket items like cars, has remained strong. Corporate earnings have also proved to be better than feared, even with companies

being hit by higher costs for everything from freight to raw materials to wages, and the labor market has continued to be a bright spot.

Yet investors said they can't help but wonder how long those trends will last, especially because the Fed doesn't look anywhere close to done with its rate increases.

Bond traders are pricing in a terminal rate—the peak federal-funds rate in a rate-increase cycle—of around 4.41% in April, according to FactSet.

Some economists see the Fed taking the terminal rate even higher. Nomura economists are forecasting a terminal rate of 4.5% to 4.75%, up half a percentage point from their prior call. Deutsche Bank's chief U.S. economist sees the federal-funds rate going as high as 5%.

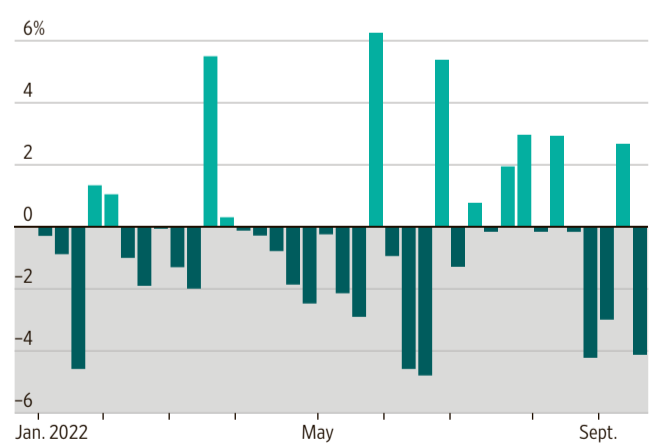
At this point, a lot of the bad news hanging over investors' heads already seems to have been priced in by the markets, Ms. Nixon said.

But even with that in mind, it is difficult to see an easy path higher for markets, given the combination of tightening monetary policy, slowing growth both in the U.S. and globally, and above-trend inflation, Ms. Nixon said.

"What's the catalyst that'll propel markets higher? That's where short term, things are still very murky," she said.

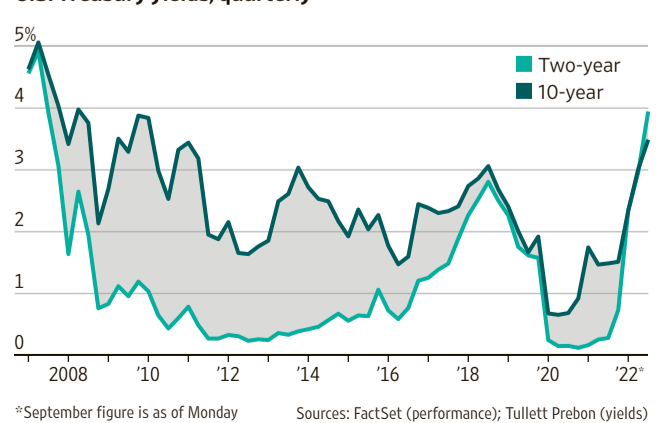
The Dow Jones Industrial Average closed out one of its worst weeks of the year on Friday.

Dow industrials weekly performance



Bond yields have shot up to multiyear highs this year following the Federal Reserve's rapid interest-rate increases.

U.S. Treasury yields, quarterly



*September figure is as of Monday Sources: FactSet (performance); Tullett Prebon (yields)

Food Prices Are Getting To People

'It's taken a toll': Shoppers hit hard by higher costs say they feel stress at the grocery

By RACHEL WOLFE

To understand how people are navigating inflation these days, go to a grocery-store parking lot. An afternoon spent talking with shoppers and reviewing grocery receipts outside of Rouses Market in Houma, nearly 60 miles southwest of New Orleans, painted a picture of the trade-offs and difficult decisions families are facing to afford steadily rising food bills.

The consumer-price index—which measures what consumers pay for goods and services—rose 8.3% in August from the same month a year ago, driven by higher prices for everything from new vehicles to medical care and electricity. Grocery prices were 13.5% higher in August compared with a year earlier, according to the Bureau of Labor Statistics. That is the biggest 12-month jump since March 1979. With no relief in sight, many consumers say they are struggling to keep up.

In the Houma area, just over half of households are considered middle class, with a median income of \$44,956, according to Pew Research Center. The stories people told coming out of Rouses—a middle-of-the-road local chain—were all the same. They saw ever-higher prices on staples from milk to bread, while wages fail to keep up.

The shoppers told stories of planning meals around what is on sale and driving to four stores to find the best price.

Stress on top of stress

When single mom Jamaica Bonvillian was asked about her grocery trip, she started tearing up. "I just get to the point where I break down and I'm like, 'OK, how do I do it?'" she said. After getting off her shift as a part-time bricklayer, she grabbed \$129 worth of food, including a \$7.99 Lunchable her son had begged for that had jumped from about \$5. She was restocking the pantry after moving back into her home two weeks ago, more than a year after it had been damaged by Hurricane Ida. Until a few months

ago, \$832 in monthly government assistance was enough to comfortably feed her four-person family. Now, the essentials cost her closer to \$1,400 a month. She has been buying in bulk from Sam's Club and picking up Dollar Store paper towels and toilet paper "so thin you can see through them" to stretch the budget, she said. And she has taken on extra work painting and landscaping on the weekends to try to make up the difference.

"I'm going to be dead honest. Mental health, it's taken a toll. Why is it so hard to stay afloat and to live without just going through the motions of living?" said Ms. Bonvillian, 40, while her 8- and 13-year-olds looked on. They said they worry, too.

Goodbye to a Louisiana staple

For Kerry Carter, 54, grocery shopping has become something of a second job. An avid cook, Mr. Carter said he now only buys food when it is on sale and plans his meals accordingly. He decides where to go shopping for the week based on the coupon mailers, which he skims over breakfast every morning. He normally only goes to Rouses on Wednesdays, when more goods are on sale. Still, he said his monthly grocery bills keep climbing.

"I can't do what I want to do. I have to be on a budget," Mr. Carter, a construction worker, said. He can't remember his last vaca-



Jamaica Bonvillian, with children Meadow, 13, and Bentlei, 8, says she has taken on extra work to pay food bills.

tion, and hasn't been able to afford the materials he needs to finish the house he is building for his family, including his wife and teenage son.

As a child, he remembers looking forward to trips to the supermarket with his mom. "Now, I cringe," said Mr. Carter, who spent \$80.86 at the market that day, according to his receipt. He was only planning to pick up tomatoes, but ended up also getting six packs of chicken wings (on sale for \$1.49 a pound, down from about \$5), three packages of sausages (\$6.99 each), chicken thighs (\$7.08), bananas (\$1.12), broccoli (\$2.37) and a red onion (\$1.50).

He said he can't afford to buy red meat or pork chops anymore, but said the biggest loss is that he can no longer host as many seafood boils for

Kerry Carter, an avid cook, has been trying to buy food only when it is on sale.

13.5%

Amount grocery prices climbed in August from a year earlier

his friends and family. What used to be \$100 for shrimp, crab, corn, sausage, potatoes and lemons is now closer to \$300. "Boils are the lifeblood of Louisiana," Mr. Carter said, adding that he feels less connected to his community without them.

Buying the basics gets harder

Jessica Boudreaux, 45, and her son Daniel Horsley, 23, spent \$68.21 that day on ingredients for cornbread, Mexican dip and affordable staples like hot dogs.

She said she has been shopping at Rouses instead of a more expensive store closer to her house. Two years ago, she said, she spent about \$300 a month on groceries for her and her son. Now, their bill is about \$600.

She was most struck by the price of a dozen eggs (\$2.49) and a stick of margarine (\$1.49). The price of eggs is up about 40% from a year ago, according to the Labor Department, and butter and mar-

garine are up about 29%.

"It's horrible. It's nonsense," said Ms. Boudreaux, who receives disability assistance.

Her other son and her grandson are moving in with her soon, and she doesn't know how she will afford to feed everyone. "Luckily my grandbaby is only 2, so he doesn't eat a lot," she said.

She is also concerned about buying Halloween candy, saying she has to start stocking up now on the cheapest options available. "I feel bad because it's for kids, but I gotta do what I gotta do," she said.

Groceries eclipse mortgage payments

Megan Naquin, 38, visited the supermarket with her 1-year-old and 3-year-old for a few ingredients for the breaded chicken she was making for dinner. She said she now spends more on groceries for her family of eight than on her \$1,500 monthly mortgage.

"Stuff hasn't just gone up a little bit, it's gone up tremendously," the homemaker said, adding that she and her husband have been trying fewer recipes and doing less cooking for fun than they once did.

She cautions her six children not to go through the food in the pantry too quickly: "Anytime we go grocery shopping we say, this better still be here next week."

MY RIDE | A.J. BAIME

He Paid \$550 for a BMW And Then Transformed It

Ali Javidan, 46 years old, a tech investor living in Sunnyvale, Calif., on his 1971 BMW 2002 restomod, as told to A.J. Baime.

In 1997, I was going to college, studying mechanical engineering. I had a huge passion for cars and almost no money. I had a budget of \$800 to buy a car, and the most fun vehicle I could find was this 1971 BMW 2002. It was on sale for \$1,000 and I talked the owner down to \$550.

The 2002 was an extraordinarily important car for BMW. In its day, the car changed the trajectory of the company, and kind of created the passion for a European compact sports sedan that still exists today. The name stood for its powerful 2000 cubic-centimeter engine and two doors. I drove mine for a couple years, every day to school and to my jobs, in San Francisco and Los Angeles.

I finished college, parked the car

in my mom's garage in Orangevale, Calif., and bought a reasonable commuter car. I worked for years as an engineer for racing teams and in tech, and when I had a little free time and money, I found an apartment in the Bay Area with a garage. I began creating a restomod [a term meaning restoration and modernization] out of my BMW.

I told my wife, "I want to build this with everything I've learned in college and while working on race cars." And that's what I did. If I wanted to do something with the car that required a month to engineer, 3-D print and fabricate, then I would slow down and do it.

With the help of some friends, I restored the bodywork and the paint. I re-engineered all the suspension. One of the big considerations was the powertrain. I wanted something that was true to the BMW essence, but more modern with as much character as possible. The pri-



Ali Javidan built out his 1971 BMW 2002, purchased in 1997, with junkyard parts and a 3-D printer.

mary choice was a BMW S14 engine from a model called the E30 M3; I found one at a junkyard. I had a friend who builds BMW motorsport engines rebuild my engine, so it is quite powerful. It is a 2.3-liter engine that makes about 275 horsepower, a perfect combination with a car that weighs about 2,200 pounds.

For me, it's all about the details. For example, the flared fenders. To most people, they don't look like

quick steering. A responsive chassis. A car that can ride on rough roads—which is primarily what I have done with it. I have put about 20,000 miles on it since the restoration, and most of that has been rallying and long road trips.

I consider it to be the perfect vintage BMW driving experience, with the sound and feel of a modern sports sedan and all the character of a 1970s compact car.



PERSONAL JOURNAL.

By LINDSAY ELLIS

These Bosses Are OK With Boundaries

Some managers want to help staff find a better work-life balance

Hannah Thatcher has hired two employees to her engineering team since early 2020. She says she made clear to them in the interview process that they should take their accrued time off, put work devices away after hours and not be shy about asking for a mental-health day.

"I like to make my expectations pretty clear early on," Ms. Thatcher said. "Their time off is their time off—and it will be respected."

Many workers are focusing more of their attention on family and nonwork pursuits, and some job seekers are trying to decipher the buzzwords in job postings for red flags that a role could be a one-way ticket to burnout. Some bosses are telling their employees that it is OK if the job is, well, just a job.

A few employers are pledging to respect work-life boundaries in their job listings, and some managers say they make it a priority to discuss work-life balance during the early stages of the recruiting process.

Ms. Thatcher, a senior environmental engineer for the Washington State Department of Transportation, said her managerial outlook stems from her own early career as a geologist. Back then, she worked 12-hour shifts in an oil field and was on call even when she was technically off.

"It took me a really long time...to realize that weekends aren't a treat," she said. "This is what I'd like to do moving forward for other people."

Ms. Thatcher's department offers flexible-scheduling options, like working four 10-hour days a week or alternate Fridays off with longer days in between. Before someone on her team takes time off, Ms. Thatcher schedules a handoff meeting so notes on projects, deadlines and deliverables that might emerge in that person's absence can be addressed.

Trivinia Barber, founder and chief executive of Priority VA, a staffing agency based near Savannah, Ga., recently posted a job for an executive assistant to an entrepreneur.

"You can expect to be appreciated and respected like never before," the job description said. Hundreds of applications flowed in, and dozens of candidates excitedly



pressed for an interview because they were impressed by this language, Mrs. Barber said.

Before posting the job with those promises, Mrs. Barber says she grilled the executive, Frank Mocerino, to make sure he could live up to the expectations he was setting. Would he call an assistant at 10 p.m.? 4 a.m.? Would they be expected to bring a laptop on vacation? Have Slack on their phone? The answers to all were "no."

Mr. Mocerino helped found his company in 2015 to focus on wellness and wanted that philosophy to extend to his employees. Maybe

'You can expect to be appreciated and respected like never before,' a listing pledged.

it won't come as a surprise that his company, the Ohm Store, is an online retailer that sells metal bowls used for meditation and organizes workshops on the practice. He said he sensed that people assumed the role of executive assis-

tant would require work outside traditional business hours.

"They deserve to be done at 4 p.m. or 5 p.m. They deserve to not have to check their phone or computer when they're having dinner with family, or out with friends, or putting their kids to bed," said Mr. Mocerino, who is based in Marengo, Ill.

Katie Kirkpatrick, of Sycamore, Ill., ultimately got the job. She said she was seeking a remote position with flexibility so she could care for her daughter, who was recently diagnosed with Type 1 diabetes. Initially, she thought the job descrip-

tion was too good to be true, but said she feels assured by the interviews she had with her new boss.

"This is a totally different pace for me," Mrs. Kirkpatrick said.

Promises of balance are one thing, but candidates won't know the realities of any given job situation until they start. Some bosses may fail to live up to their pledges, and plenty of jobs—especially in a market where it has been hard to fully staff up—require long hours, extra assignments and responding to client demands outside the 9-to-5.

An analysis of thousands of employee reviews on Glassdoor, the job-posting and rating platform, shows that mentions of boundaries have increased nearly 30% between 2019 and this year. Three out of four comments about how employers treat boundaries were negative, according to Glassdoor.

Ayman Al-Abdullah, an executive coach and the former CEO of the software marketplace AppSumo, said he advises his executive clients to be clear about their expectations early in the interview process. Using terms like "work-life balance" and "boundaries" to woo candidates, while only promoting those who consistently work on weekends, isn't fair, he added.

"The last thing you want is to bait-and-switch candidates," Mr. Al-Abdullah said.

In April, Charlene Holder and her husband opened a LaVida Massage franchise in Rome, Ga. As she hired massage therapists, she said she talked about her own experience as a masseuse. One boss, she said, would add extra clients to her schedule at the end of the day, making her hours longer than she wanted, and book prenatal massages, a service she expressly said she didn't want to do.

One of LaVida's recent job postings read: "You will be working for someone who knows what you're putting your body through, who knows your passion for healing, and who will respect your boundaries and honor your individuality."

When Sharlyssa Duncan was hiring staff earlier this summer for Golden Leaf Studios, her boutique in Missoula, Mont., she let her new team of retail workers know they could—and should—set boundaries at work.

"Their time at the store is time at the store," Ms. Duncan said. "Private time is private time."

PHOTO ILLUSTRATION BY ELENA SCOTT/THE WALL STREET JOURNAL. ISTOCK

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The Cool Way to Cover a Pimple? Heart, Star or SpongeBob Sticker

By JOSEPH PISANI
AND LAURYN AZU

The latest way to cover a pimple is getting more attention than what's underneath.

"People actually stare at me more," says Selma Sanchez, who puts rainbow-colored stars, hearts and even stickers shaped like Hello Kitty over breakouts. She says she'd rather people stare at a sticker than her acne.

Many Gen Z-ers are getting stuck on pimple patches. They're more noticeable than a whitehead, but fans say they are better to look at and give them a confidence boost. And the stickers are more than just face décor: the sticky side of the patch has ingredients that aim to shrink spots.

The companies behind the patches recommend putting them on overnight. But young people are wearing them to work and special events, sometimes matching the colorful stickers to their outfits or eye makeup.

They've been spotted on famous faces, including pop star Justin Bieber and his model wife, Hailey Bieber, but the trend can still raise some eyebrows.

A doctor once asked Ms. Sanchez if she knew she had a star on her head. "I'm like, 'Yes, I do,'" recalls the 26-year-old tutor from Norwalk, Calif. "It's actually a pimple patch."

First popularized in South Korea, pimple patches started popping up on social media in 2015, inspiring companies to introduce them in the U.S., according to research company Grand View Research. Last year, pimple patches were a \$510 million market in the U.S. and are expected to grow 70% to \$870 million by 2030, according to Grand View Research's estimates,



Jazzi Manalo Sullivan creates a look around pimple patches. Some patches feature cartoon characters like SpongeBob.

thanks in part to their use by celebrities and influencers.

Not all pimple patches are colorful. Hero Cosmetics has made translucent ones since 2017 and is sticking to them, saying it wants to serve as many people as possible and that discreet ones are the best way to do that.



Charli Howard used to wear clear pimple patches and thought to herself: "I think it can be a bit cuter than that." She founded Squish Beauty in 2019, which sells flower-shaped patches that sparkle.

Starface began selling star-shaped patches in 2019. Co-founder Julie Schott wanted a way to make people feel special during break-

outs. "We've heard people say it's like that gold star you get in elementary school," she said. "It's just intrinsically tied to a reward."

Starface is also dropping limited-edition patches shaped like "Sesame Street" star Elmo and the under-the-sea characters of "SpongeBob SquarePants."

Dermatologist Hadley King said the patches are safe to wear for hours and that hydrocolloid, the ingredient in many pimple patches, pulls out fluid from pimples to dry them up faster.

Another benefit: covering a zit with a patch makes it less likely that you will pick at it, Dr. King said. Picking or popping a pimple can cause scarring.

Jazzi Manalo Sullivan has ditched covering blemishes with layers of makeup, which she said used to make her pimples worse. Now, the 24-year-old, a graphic designer in San Francisco who does makeup tutorials on social media, puts on pimple patches and matches the colors to her eye shadow.

"I can create a whole look out of it instead of just being ashamed that I have a pimple," she said.

FROM TOP: JAZZI MANALO SULLIVAN; CAM POLLACK/THE WALL STREET JOURNAL

ARTS IN REVIEW

MUSIC REVIEW | MARK RICHARDSON

Recording The Weight Of Memory

The English singer-songwriter Beth Orton explores trauma and growth on her deeply poetic and personal new album

Early in her career, English singer-songwriter Beth Orton was defined by her collaborations. She first made her name in the 1990s as a guest vocalist on tracks by electronic producers during a pop era heavily influenced by the U.K. rave scene. On songs by the Chemical Brothers and William Orbit, Ms. Orton's earthy voice and folk-derived phrasing provided an intriguingly organic contrast to heavily sequenced grooves. Two solo albums from the period—1996's moody trip-hop outing "Trailer Park" and 1999's more folk-oriented "Central Reservation"—established her as a commercial force in her home country and a critic's favorite in the U.S.

During that decade, Ms. Orton's sensibility—grounded in British folk, reverent of underground music from every era, open to production experiments—aligned with the post-rave zeitgeist. As music tastes changed, she became more of a cult artist, but over the years she's built a quietly powerful cata-

Mitchell. And Ms. Orton's integration of jazz, folk and electronic ambience recalls the music of stylistically restless singer-songwriters like John Martyn and Tim Buckley, both of whom she has covered in the past.

All these influences are apparent on the opening title track. Over a rolling piano line and drifting plumes of synthesizer, vibraphone and horns, Ms. Orton takes in the natural world and tries to square the beauty she sees outside with the pain she feels within. "Mist is rising, jewels aligning / And the shadows fall away," she sings. On this record, those dark spaces are never far from view.

On the following "Friday Night," she introduces another of the album's recurring themes: how maturity can be found in our shifting relationship to our own memories. She makes the idea explicit from the opening couplet—"I've been dreaming of Proust all in my bed / He speaks to me in my sleep"—and then, as conveyed in an interview earlier this month with website the Line of Best Fit, recounts teenage adventures with a friend, with whom she used to drink and do drugs and run wild on the London streets. It captures beautifully the experience of finding escape in self-destruction, how unplugging from the demands of the world for a few hours at a time can be a means of survival.

Ms. Orton has long battled chronic illness—she was diagnosed with Crohn's disease while a teenager and, more recently, has experienced seizures. Her medical issues are germane only because this collection of songs sounds as if it were created by her entire body. She's 51 years old, and her voice has taken on an otherworldly weariness—it's a cracked and ragged instrument that is also very beautiful. You can hear her effort to get the words out or have them land in the right places, and the palpable exertion makes the record sound that much more vital.

Throughout "Weather Alive," Ms. Orton finds the ideal backdrop for her well-worn and expressive vocals. On "Fractals," a slice of post-punk funk that brings to mind the early Talking Heads work pro-



Beth Orton's new record, 'Weather Alive,' is out Friday.

ELIOT LEE HAZEL



duced by Brian Eno, Mr. Skinner's drumming is sympathetic, crisp and unobtrusive but always makes its presence felt, while swells of horn and curls of synths suggest clouds drifting into view. True to

throughout, but the tunes are less important than the mood. Late in the record, "Arms Around a Memory"—its title a nod to the most signature solo ballad by Johnny Thunders of the New York Dolls (Ms. Orton, a keen student of music history, often seeds her work with such references)—has a dreamy open-ended sweep that evokes jazz, even as it sounds carefully composed. On the closing "Unwritten," Ms. Orton's piano has a slight twinkle that contrasts with Mr. Skinner's thudding percussion as she relates a narrative about enduring by acknowledging life's uncertainty, suggesting that our stories about ourselves are never fixed.

Among younger artists, today's prevailing mode of confessional songwriting rests on a formula: "I endured trauma, and I healed—

that was then, but look at me now." This can make for inspirational and uplifting anthems, but it doesn't capture how life really works. The reality of what you transcend and what you will always carry with you is much more complicated, and it's much harder to squeeze into a catchy chorus. Here, Ms. Orton is coming from an intensely creative and deeply poetic place, and she also sounds like she's bearing the pain and memory of all that came before. She seems to feel life's complexity in her bones, and the weight of the past colliding with the wisdom of the present courses through this extraordinary record.

There are some fine melodies

In her music, the burdens of the past collide with the wisdom of the present.

the album's title, these songs feel like meteorological phenomena with their own pockets of strange pressure, thunderstorms, and occasionally a crack in the clouds that reveals blue sky.

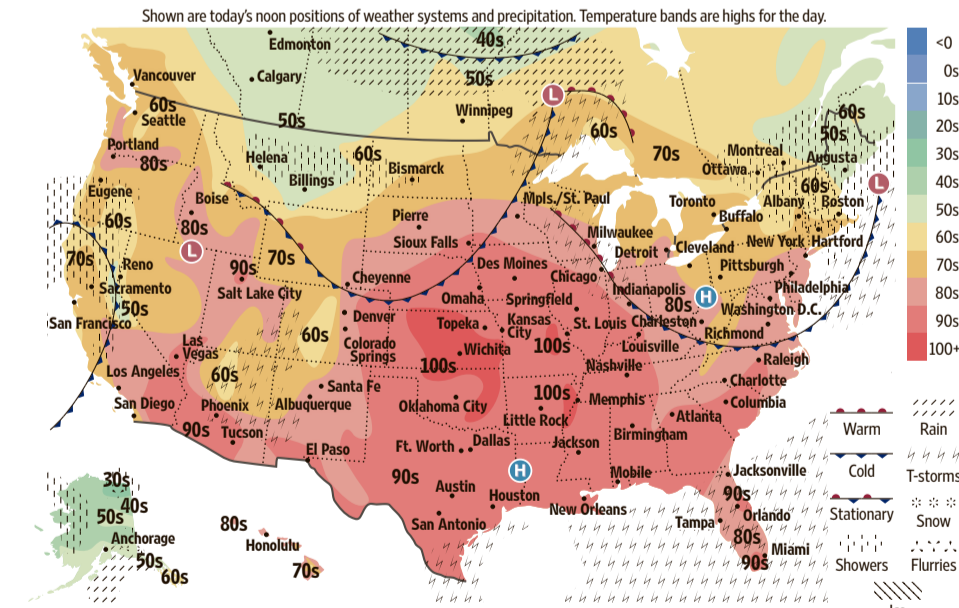
There are some fine melodies

Among younger artists, today's prevailing mode of confessional songwriting rests on a formula: "I endured trauma, and I healed—

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

Weather



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U.S. Forecasts

Table with columns for City, Today (HI, LO, W), and Tomorrow (HI, LO, W). Lists major cities like Anchorage, Atlanta, Austin, Baltimore, Boise, Boston, Burlington, Charlotte, Chicago, Cleveland, Dallas, Denver, Detroit, Honolulu, Houston, Indianapolis, Kansas City, Las Vegas, Little Rock, Los Angeles, Miami, Milwaukee, Minneapolis, Nashville, New Orleans, New York City, and Oklahoma City.

International

Table with columns for City, Today (HI, LO, W), and Tomorrow (HI, LO, W). Lists international cities like Amsterdam, Athens, Baghdad, Bangkok, Beijing, Berlin, Brussels, Buenos Aires, Dubai, Edinburgh, Frankfurt, Geneva, Havana, Hong Kong, Istanbul, Jakarta, Jerusalem, Johannesburg, London, Madrid, Manila, Melbourne, Mexico City, Moscow, Mumbai, Paris, Rio de Janeiro, Riyadh, Rome, San Juan, Seoul, Shanghai, Singapore, Sydney, Taipei City, Tokyo, Toronto, Vancouver, Warsaw, and Zurich.

The WSJ Daily Crossword | Edited by Mike Shenk

A crossword puzzle grid with numbers 1 through 63 indicating the start of words. Some letters are pre-filled in the grid.

- Down
1 Pencil that's about ready to be thrown away
2 Senator Murkowski
3 Laudatory poems
4 She played Phoebe's mother on "Friends"
5 Lose contact with one's roots?
6 Grandfather of Enos and Enoch
7 Trickster of Marvel movies
8 Parishioners' response
9 They're checked at airports
10 Shipping inquiry
11 Article of Indian attire
12 Like mozzarella
13 Ambient musician Brian
21 Elwes of "The Princess Bride"
22 Snorts from snouts
25 Zillow options
26 Wear down
27 Deliberately miss
28 Leftist, in 1950s slang
29 Become slippery, in a way
30 The "nothing really matters" part of "Bohemian Rhapsody," e.g.
31 Laudatory song
32 Domain of Mars
35 Some dash lengths
37 Country singer Fricke
38 Drawers
40 Cries out
41 Not fooled by
43 Oval pill
44 "Don't cut in front of me!"
47 Stress can exacerbate it
48 Butter bits
49 President before Wilson
50 Jamaican tangelo
51 Stagger
52 Nina Garcia's magazine
53 Move above the horizon
54 Baseball feature
55 Move below the horizon

BACKUP DEVICES | By Trip Payne

- Across
1 Part of a piggy bank
5 Honeycrisp alternative
9 Simple answer to "Who's there?"
14 It ebbs and flows
15 Leslie who played Burr in "Hamilton"
16 Place for a plumber's snake
17 Tech support caller, typically
18 Prepare spanakopita, say
19 Pinocchio creator Collodi
20 Lysine or arginine, in biology
23 "Wonder Woman" star Gadot
24 Heated state
25 Listened to something break the silence
32 Stew
33 NyQuil maker
34 Site of the world's tallest bldg.
36 Love, in Latin
37 Leslie of "Coming 2 America"
38 Floral support
39 Like China's flag, mostly
40 Quick-to-read poem
41 Gumbo vegetables
42 Request after a bad diagnosis
45 Mahershala with two Oscars
46 "Teen Mom Family Reunion" network
47 Fruity desserts, and a hint to the circled words
55 Deli counter sight
56 Pulitzer-winning author James
57 Tennis's Nastase
58 Door sign
59 Show off, in slang
60 Disney's snow queen
61 Dry runs
62 Fight like a knight
63 Come across as

Previous Puzzle's Solution
A grid showing the solution to a previous crossword puzzle, with words like COB, HEFT, ERAISE, UNE, PEALE, LAGOS, RAD, ARRANGETT, TOPS, ARRIVAL, GANGES, BIOGNE, NAT, FLIG, ELK, RALTT, MOCO, ELKHOUND, TAXED, ARRAY, GUNS, AGAPE, LASTIC, CALL, PORE, FALISE, AWAY, POTT, AGL, SLIADIE, P, ARRI, ARGUARDS, ARREST, ROOMS, DEO, CAIRO, ONSET, ERA, EGGON, SEIN, EISP.

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

SPORTS

JASON GAY

Tua & Oh! Tagovailoa Keeps Miami's Frisky Fish Undefeated

Yes: A dolphin is a mammal but stop fussing details and let this team's fans enjoy a stunning win

You aren't a true NFL fan until your team has kicked your soul so hard, it makes you want to not only want to shut off the television, but remove it from the wall, take it outside, and drive over it with your car, or better yet, a military-grade tank, back and forth, repeatedly, until it is a fine dust of plastic, glass and metal.

And then drive over it a few more times.

Miami Dolphins fans have been there, lots. This weekend, it was Baltimore's turn.

It was looking so good for the Ravens in Baltimore: Three quarters of the way through Sunday's joust with Miami, the Sons of Poe were cruising 35-14 after quarterback Lamar Jackson blasted for a 79-yard TD run reminding everyone of his electric, MVP-caliber talent.

Put it in the books. The big NFL fuss this week would be about Jackson's stellar performance—and whether the Ravens had blundered in letting their QB wander into the regular season without a new contract. Jackson, who broke Michael Vick's record for 100-yard rushing games by a quarterback, looked like The Full Lamar again. Did Baltimore need to step up and make him whole?

Then Tua Tagovailoa went berserk.

The Hawaii-raised, left-handed Sabanite has been a subject of debate among football's nerdocracy and even Dolphins fans themselves. Is Tagovailoa an underwhelming QB—or actually underrated? Miami has won more than it's lost during Tua Time, but they have hardly been a powerhouse. It hasn't helped that the Los Angeles Chargers drafted the beloved quarterback Justin Herbert one pick after Bama's Tagovailoa in 2020.

Add the recent news about the



Dolphins playing secret footsie with a certain 40-something quarterback with fabulous hair and a known fear of tomatoes...Tua & Miami felt like an unsettled marriage heading into 2022 with a new head coach, Mike McDaniel.

After Sunday, less so. Very much less.

Tagovailoa, who is still just 24, had the game of his NFL career in Baltimore, throwing for 469 yards

and six touchdowns, four of them in the fourth quarter, as Miami shocked the Ravens 42-38. The victory rekindled flashbacks of Dan Marino and Marks Clayton and "Super" Duper and improved the Team Fish's record to 2-0 after their opening weekend roast of Bill Belichick and New England.

Sunday was two games in one, a contest that appeared headed definitively one way and suddenly veered

into something completely the opposite, underlining the reason networks pony up billions for the NFL brand of entertainment.

Wait: Miami came back...how?

By scoring in bunches, and fast. The Dolphins have given Tagovailoa helpful associates, trading for the Kansas City speedster Tyreek Hill and adding him to a receiver corps that already included gifted second-year receiver (and another Sabanite)

Miami Dolphins quarterback Tua Tagovailoa threw for 469 yards and six touchdowns on Sunday.

Jaylen Waddle. Both receivers exploded Sunday. Hill had 11 catches for 190 yards and two touchdowns. Waddle had 11 for 171, and also scored two touchdowns.

It was the kind of pyrotechnics of long-lost Dolphin eras; Tua's six touchdown passes tied the franchise record jointly held by Marino and bespectacled Bob Griese.

For Tagovailoa, it is a signature performance to put in the bank for the next time his NFL credentials are questioned. For McDaniel, the 39-year-old (but looks 29) coach in his debut head coaching season, it's another auspicious victory against an AFC Jedi.

Topple the Grumpy Lobster Boat Captain in Week 1—then John Harbaugh the next? Not bad, Mike!

It was the NFL thriller of the weekend, approached only by the Jets' final-minute comeback over Cleveland, Dallas's Dak-deprived field goal victory over Cincinnati (now 0-2), and whatever on Earth you call what happened with the Cardinals and Raiders in Las Vegas.

In the last game, the Raiders appeared to be coasting to a Week 2 victory—taking a 20-0 halftime lead on an afternoon their hometown colleagues on the Las Vegas Aces closed out their first WNBA title.

Then it went kablooy, in the most dismal, Raider-like way. The Cardinals roared all the way back and won in overtime, 29-23.

The star of the comeback was Arizona quarterback Kyler Murray, who used his foot speed and ability to take sharp angles to evade tacklers—at times it looks as if Murray's powered by a joystick—to get the Cards a pair of fourth-quarter touchdowns and 2-point conversions.

Murray wasn't on the field for the overtime winner, however. That wound up being a 59-yard fumble return by Arizona's Byron Murphy Jr., who very nearly prematurely tossed the football in the air in celebration—and lost the touchdown—before crossing the goal line.

He did not. Phew. Cards win. Presumably, exasperated Raiders fans stared at their televisions and considered their options. The 2022 NFL season is still young. Hopefully, they gave the TV a chance to redeem itself.

The Jets and Giants Have Hope. Seriously.

By ANDREW BEATON

The Jets and Giants entered this season sharing the dishonor of having the worst record in the NFL for the last half decade. They combined for zero playoff appearances. By the end of each season, their shared home MetLife Stadium was about as cheerful as the Port Authority Bus Terminal.

That makes it particularly staggering when both New York's football teams now share something far different: bona fide hope that they're turning the corner.

The Giants are 2-0. The Jets just pulled off a wildly improbable comeback. They both spent their Sunday not only winning—but also showcasing why their futures may be less miserable.

Both have stocked up on promising young talents with the immense draft capital they have accumulated in recent years. It's finally beginning to pay dividends.

For the Giants, who beat the Carolina Panthers 19-16 for their second consecutive narrow win, this is their first time with a winning record since 2016. For the Jets, a thrilling 31-30 win over the Cleveland Browns snapped an even remarkable streak: They hadn't won a single game in September since 2018, a stretch of 13 consecutive losses in the opening month of the season.

"We're off the schneid," Jets coach Robert Saleh said afterward. "I love the way this feels."

The Jets snapped that streak in stunning fashion. They were down 30-17 with 1:55 left when a couple of incredibly fortunate things happened. The Browns had scored a touchdown instead of just bleeding the clock out. And then they missed the extra point.

That gave the Jets a faint chance that required several unlikely things to occur. The first happened when quarterback Joe Flacco, playing for an injured Zach Wilson, threw a 66-yard touchdown pass. The second followed shortly thereafter when they recovered an onside kick.

The quick score and recovery gave the Jets more than a minute to engineer another touchdown

drive. Flacco hit rookie receiver Garrett Wilson twice on the drive—the second of which was a 15-yarder into the end zone.

It added up to a dizzying turn of events. At its peak, the Browns had a 99.6% chance of winning, according to nflfastR's win probability model.

That final sequence was one of the main reasons the performance was encouraging. The Jets didn't just beat an opposing team missing its starting quarterback, with Deshaun Watson serving a suspension for Cleveland. They did so on the backs of many of its prized young players.

Wilson, the No. 10 pick in this year's draft, finished with 102 receiving yards and two scores.

Breece Hall, the team's rookie running back, was productive on the ground and also had a receiving touchdown. Ahmad "Sauce" Gardner, who the Jets drafted fourth overall this year, also made plays at cornerback for a team that ranked dead last in the NFL in defense in 2021.

The Giants engaged in a much more obvious reset this year when they brought in a new general manager, Joe Schoen, and head coach, Brian Daboll. This season is only two weeks old but already Daboll may not have to pay for a beer in the New York area. They won their opening game against the Tennessee Titans by a point after a gutsy decision to go for a 2-point conversion in the fourth quarter. A video of Daboll dancing in the locker room after the game mimicked his team's first two wins: high in effort, low in artistry.

Sunday's win, when the Giants hit a 56-yard field goal with a few minutes left to take the lead, was equally gritty and dramatic. And they have done it with a healthy dose of young players contributing. Starting offensive tackles Andrew Thomas and Evan Neal have both been top-10 picks over the last three years. Dexter Lawrence, a first rounder in 2019, has emerged as an anchor on the defensive line. Running back Saquon Barkley, after a couple of years marred by injury, has re-emerged as a force to be reckoned with.

"It's not easy to win in this



The Giants, above, and the Jets, below, had thrilling wins in Week 2.



league," Barkley said. "This is my first time in five years being 2-0."

What's more is that both of these teams are missing two of their most important building blocks. The Giants used the fifth pick in this draft on Kayvon Thibodeaux, a gifted pass rusher who has sat out the first two weeks after suffering a preseason injury. The Jets have also been without the most critical piece of their future: Zach Wilson.

That also reflects that while both of these teams are beginning to build young cores displaying promise, they also have question marks at the most important position in the sport: quarterback.

When the Jets drafted Garrett Wilson, they imagined a Wilson-to-Wilson combo for years to come. Instead, Zach Wilson suffered a knee injury for the second straight

year after a debut season in which he did little to support the idea that he is definitively the team's quarterback of the future. Even if the rest of their blue-chip pieces turn into stars, much of the team's future rests with Wilson, who's expected to miss another week, in a quarterback-driven league.

The Giants have even more uncertainty. They declined an option for Daniel Jones's contract next season, an indication of the doubt the team's brass has that the quarterback the team took No. 6 overall in 2019 can live up to the potential the franchise once saw in him.

For the first time in years, though, the Giants and Jets can take a break from thinking about the future. That's because they notched signature early-season wins.

Carlsen Fuels More Chaos In Chess

By ANDREW BEATON AND JOSHUA ROBINSON

WHEN AMERICAN GRANDMASTER Hans Moke Niemann began with two conventional pawn moves against world champion Magnus Carlsen in an online event on Monday, the top-ranked Norwegian responded with a stunning counter, one that isn't in any chess book. He simply resigned the game.

Carlsen's move was the latest explosion in a scandal that has rocked professional chess this month. Carlsen recently withdrew from an in-person event after losing to Niemann, with his only public comments coming in the form of a cryptic video of a European soccer manager. The chess world was quick to understand the implications of his unprecedented decision: Niemann faced widespread speculation that he is a cheater.

"It must be embarrassing for the world champion to lose to me," Niemann said after their meeting earlier this month at the Sinquefeld Cup in St. Louis.

Niemann, a 19-year-old who attended Columbia Grammar & Preparatory School in New York, has repeatedly denied cheating against Carlsen or during any in-person contest, though he admitted to seeking illegal assistance in online games twice before. He chalked those up as youthful mistakes.

Carlsen's resignation, which happened during the tournament's live stream, was as dramatic in the moment as it was baffling. The screen simply said Carlsen had lost and his camera clicked off.

"What happened? What?!" Tania Sachev, who holds the title of Woman Grandmaster, said on the broadcast as Carlsen's camera suddenly shut off and the game ended.



Carlsen's resignation was stunning.

FROM TOP: RICH SCHULTZ/GETTY IMAGES; NICKY CAMMETTI/GETTY IMAGES; ARUN SANIKAR/AGENCE FRANCE-PRESSE/GETTY IMAGES

OPINION

The Pope Abandons His Own



MAIN STREET
By William McGurn

It was a Saturday morning in July 1997, one week after Hong Kong was handed back to China. Cardinal Joseph Zen was waiting inside the Catholic Cathedral of the Immaculate Conception, all smiles. He was there to baptize his friend and the founder of Apple Daily, Jimmy Lai. I was there as Jimmy's godfather.

We were a happy little band that day. But today, 25 years later, Jimmy has been imprisoned. And 90-year-old Cardinal Zen, who was arrested in May by national-security police, is about to be put on trial.

As Hong Kong puts Cardinal Joseph Zen on trial, Francis still offers no support.

The trial of the cardinal and five others involved with the now-defunct 612 Humanitarian Relief Fund was supposed to start Monday but was postponed until at least Wednesday because the judge came down with Covid. The 612 fund was set up to help pay legal costs for those arrested in the 2019-20 pro-democracy demonstrations. Prosecutors claim the fund wasn't registered properly under Hong Kong's Societies Ordinance—a law frequently used against triads, or secret societies. Conviction carries a fine of about \$1,300.

One question is whether the

authorities will be satisfied with a fine. Originally the defendants were arrested for collusion with foreign forces, which can carry a life sentence. A guilty finding would feed a narrative that these people were fundraising illegally to undermine China.

The trial comes at an awkward time for the Vatican because its 2018 deal with China is now up for renewal. Will Pope Francis go ahead even as China puts his cardinal on trial on a patently ridiculous charge?

Cardinal Zen is being tried alongside Margaret Ng, a prominent former legislator; scholar Hui Po-keung; Cyd Ho, a former legislator; Sze Ching-wee, the 612 Fund secretary; and Denise Ho, a popular singer and gay-rights activist.

They too have their champions. But not, alas, in Rome. "The Holy See has learned with concern the news of Cardinal Zen's arrest and is following the development of the situation with extreme attention" was the Vatican's only official comment.

The Vatican architect of the still-secret deal with Beijing, Cardinal Secretary of State Pietro Parolin, professed his "closeness" to his fellow cardinal—before revealing his true priorities. "The most concrete hope," he said, "is that initiatives such as this one will not complicate the already complex and not simple path of dialogue."

Just two years ago Cardinal Zen, who grew up in Shanghai, flew to Rome in a desperate attempt to get the Holy Father



Cardinal Joseph Zen

to reconsider his China deal. But a pope who always seems to have time for private audiences with celebrities such as Leonardo DiCaprio refused to meet a cardinal with long firsthand experience of Chinese communism. Cardinal Gerhard Muller noted that no senior Vatican official had offered an expression of solidarity or a prayer initiative for Cardinal Zen at last month's gathering of cardinals in Rome.

On a return flight from Kazakhstan Thursday, the pope suggested this is no accident. When a reporter asked about Cardinal Zen, the pope offered not a word of support, noting only that the cardinal "says what he feels" despite knowing there are "limitations." The pope declined to even say China was undemocratic. All that was missing was a cock crowing in the background.

By contrast, Joe Biden's press secretary said the president calls for the immediate release of "those who have been unjustly detained and charged, like Cardinal Joseph

Zen." Likewise, House Speaker Nancy Pelosi condemned the cardinal's arrest in a Washington Post op-ed, where she also called him "the embodiment of moral fortitude" and highlighted his opposition to the Sino-Vatican deal.

What would it take to admit the deal was a mistake? The brutal persecution of the Muslim Uyghurs? Beijing's increasingly aggressive push to Sinicize the Catholic faith by making it serve the Chinese Communist Party? If a show trial for a cardinal doesn't do it, what would?

The assurance that Vatican diplomats are working on it is scant consolation. The last thing Cardinal Zen wants is a deal that gives him preferential treatment. Or, worse, one that guarantees his own freedom in exchange for renewal of a Sino-Vatican accord he regards as a calamity for the Chinese people.

Cardinal Zen is no stranger to Hong Kong's prisons. He visits inmates regularly. If ultimately prison were to be his fate, this good shepherd would regard it as a great gift, to suffer right alongside his sheep.

"Martyrdom is normal in our church," he said after his arrest. "We may not have to do that, but we may have to bear some pain and steel ourselves for our loyalty to our faith."

Plainly, the Communist Party of China and local Hong Kong authorities don't know what to do with such a man. Sadly, neither does Pope Francis.

Write to mcgurn@wsj.com.

BOOKSHELF | By Barton Swaim

Riddled With Bullets

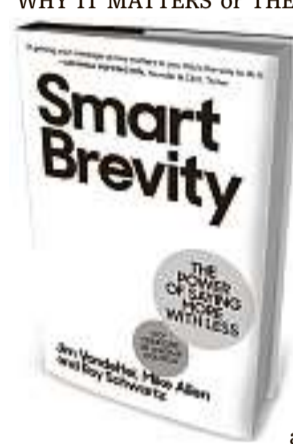
Smart Brevity

By Jim VandeHei, Mike Allen and Roy Schwartz
(Workman, 218 pages, \$27)

I didn't have time to write you a short letter, so I wrote you a long one." The remark, attributed by the authors of "Smart Brevity" to Mark Twain, nicely sums up the book's theme: It's hard, time-consuming work to say a thing briefly, but the work pays off. In fact, Twain wrote no such thing—the remark, in a slightly different form, belongs to Blaise Pascal. But the point is still valid.

The authors of "Smart Brevity" are Jim VandeHei, Mike Allen and Roy Schwartz, co-founders of the aggressively to-the-point news website Axios. Messrs. Allen and VandeHei left Time magazine and the Washington Post, respectively, for Politico, which Mr. VandeHei co-founded, in 2007. Before Axios, which began in 2016, Mr. Schwartz worked for Politico and Gallup.

The book is written in the style of an Axios news article: A one- or two-sentence lede, a terse paragraph labeled WHY IT MATTERS or THE BIG PICTURE, followed by a



few short bullet-pointed paragraphs. The authors developed this style, which they call Smart Brevity, when they realized that consumers of news in the 21st century, overwhelmed by words issuing from every direction, generally don't read news articles; they skim them, or glance at the headline and the first sentence or two. Their solution: If you want to influence people through the medium of words, use fewer of them. "Strong words, shorter sentences, arresting teases, simple visuals and smartly organized ideas," they write, "transform writing from unnoticed to vital—and remembered."

"The Elements of Style" and many other guidebooks enjoin writers to omit needless phrases, delete unnecessary modifiers, use active verbs, and so on. You get all that here, but Messrs. VandeHei, Allen and Schwartz write for the online era of short attention spans and verbal incontinence.

They have a point. Most books and essays published these days are too long: gummed up with adjectives and pointless asides, laden with prolix displays of expertise. Many news articles, too, are repetitive, full of vague insinuation, and include figures and quotations whose import is not apparent. Then there are the ordinary modes of written communication. You have not experienced periphrastic confusion until you have tried to read emails from your child's public school about matters that ought to be simple but, for reasons that perplex the greatest minds, are not—picture days, pick-up times, grade reports.

"Something went haywire in our evolutionary journey that turned us into long-winded blowhards armed with a few fancy words in reserve," the authors write.

That "something" was, of course, the internet. Messrs. VandeHei, Allen and Schwartz don't discuss the difference between print reading and screen reading, but it's worth some reflection. An email or a web article can hold an infinite number of words. The temptation to keep issuing verbiage is too great, the discipline of economy too taxing, for most writers to bear. The printed page, by contrast, although it doesn't guarantee good writing, does impose limits. If you are reading these words in print, you will note that the review comes to an end near the bottom of the page, where the dead-tree real estate reaches its end.

Just as the limitless space of web text tempts writers to indulge their logorrhea, the blinking, ever-transmuting, cartoonish interface of web browsers prevents would-be readers from paying attention to anything for longer than about 7 seconds. "Smart Brevity" is a slick, engaging and in some ways laudable effort to help communicators reach through the verbal haze and grab readers by the lapels.

Most books and essays these days are too long. Is the solution to write in aggressively terse, bullet-pointed paragraphs?

Maybe the Axios style is the future of written communication. If so, please kill me.

I don't get the bullet points, for one thing. The book's short chapters are written in paragraphs, as all writing in English is, but about two thirds of these paragraphs have little dots to the left. "The bullet point is a wonderful way to isolate important facts or ideas," the authors write. Maybe so, but the excessive use of bullets leads you to wonder why some bulleted paragraphs have no important facts or ideas, and some nonbulleted ones do. And anyway why am I thinking more about these little dots than about the subject matter? It's a fine way to read if you want to go insane.

The authors show they can write lean and punchy copy, and they are right to tell readers not to write "price point" when they mean "price" or "core competency" when they mean "skill." But their own copy, as Mark Twain never said, isn't exactly top-drawer quality. Sometimes we have a good idea, they observe, but then "we type it up and it sounds like . . . a big clump of mud" (ellipsis in original). "A workplace revolution is unfolding in real time," we're told—"in real time" meaning I guess, "now." "Use active verbs," they tell us. Good advice. But as an example of a sentence with a passive verb, they offer "The situation in Afghanistan continues to deteriorate from a security perspective." The sentence is bad but the verb is active.

The worst thing about "Smart Brevity," though, is the way the Axios style does the work of interpretation for the reader. News journalism at its best presents you with an array of observable circumstances and no definite conclusion. The arrangement of those circumstances is itself an act of interpretation, to be sure, but in the end the journalist leaves it to readers to decide what it all means.

Not in the world of Smart Brevity™. There you're simply told WHY IT MATTERS and THE BOTTOM LINE and, in its online manifestation, if you doubt the reporter's construal you're invited to click the words GO DEEPER and read some other article. "Don't make your readers pick what's important!" the authors exclaim to reporters. "You've mastered your content, honed your idea and know what matters."

The assumed connection between mastery of "content" and the attainment of truth. That, in a way, is everything wrong with 21st-century journalism.

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

The Clumsy Push to Disrupt the World Order



GLOBAL VIEW
By Walter Russell Mead

It was a busy week for Washington's foreign-policy elite. House Speaker Nancy Pelosi visited Armenia to express sympathy following a round of fighting with Azerbaijan that left an estimated 200 dead in their contested border regions. Before heading to London for Queen Elizabeth's funeral, President Biden warned Vladimir Putin against using nuclear weapons in Ukraine and repeated that the U.S. will defend Taiwan with American troops if Beijing invades.

But the week's biggest news didn't come from Washington. It came from Samarkand, Uzbekistan, the fabled Silk Road city, where the eight nations that make up the Shanghai Cooperation Organization held their annual summit.

As Russian forces retreat in Ukraine, the Eurasian power balance is shifting. Xi Jinping is asking questions about the war, and Indian Prime Minister Narendra Modi is airing qualms. This is not a sign that things are going well for Mr. Putin. More significantly, while traveling to Samarkand, Mr. Xi stopped in neighboring Kazakhstan. A Russian military intervention in January quelled a revolt against President Kassym-Jomart Tokayev's government. Mr. Putin undoubtedly hoped this would

restore Russian power in a vast, resource-rich territory once part of the Soviet Union.

Mr. Xi doesn't see things that way and expressed China's undying support for Kazakhstan's "independence, sovereignty and territorial integrity." He also said China would "categorically oppose the interference of any forces in the internal affairs of your country." Translation from the euphemisms of professional diplomats: Hands off, Vlad.

In the 1920s and early 1930s, Benito Mussolini was the senior member of the Fascist alignment in Europe, with Hitler a minor figure. But Mussolini failed to develop Italy's economic and military might while Hitler transformed Germany into a colossus. Mussolini shrank and Hitler grew. The Samarkand summit made clear that Mr. Putin is getting shorter while Mr. Xi is standing tall, at least for now.

That doesn't mean Mr. Xi is preparing to dump Mr. Putin. Hitler grew to despise Mussolini—his grandiosity, his bad strategic choices, his weak army and his pathetic economy. But when Mussolini fell from power, Hitler stepped in to prop him up. China doesn't have so many allies that it can afford to throw Russia under the bus.

The other message out of Samarkand is less encouraging. What is now the SCO began as a relatively informal association of the so-called Shanghai Five (Russia, China,

Kazakhstan, Kyrgyzstan and Tajikistan) in 1996. In 2001 the founders plus Uzbekistan created the more ambitious Shanghai Cooperation Organization. India and Pakistan joined in 2017, and as the challenge to world order has grown, the organization has become more significant.

It is still growing. Iran will become a permanent member next year, and Turkish President Recep Tayyip Erdogan has said he hopes his country

Russia, China and Iran seek a new global system but propose no positive agenda.

will join. Last week the SCO displayed its clout, hosting important negotiations that affect American interests—without no American officials at the table.

Yet while the leaders in Samarkand toasted one another, warning signs were flashing from Ethiopia across the Middle East into Eastern Europe and West Asia. Iran's drive for supremacy has plunged much of the Middle East into state failure and war. The American withdrawal from Afghanistan left behind a humanitarian nightmare and a security threat for the neighbors. Massive floods have exacerbated what was already one of the most serious crises in Pakistan's unhappy history.

With the great powers distracted, new battles erupt. Armenia and Azerbaijan weren't the only former Soviet republics engaged in shooting last week. Hostilities broke out between Kyrgyzstan and Tajikistan over their disputed borders, with up to 100 deaths and more than 100,000 civilians evacuated.

Mr. Putin's war hasn't destabilized only Eastern Europe. From the Middle East to Central Asia, governments face discontent as supply shocks raise food and energy prices. From Turkey to Kazakhstan, countries whose economies have deep ties to Russia struggle to navigate Western sanctions. The soaring dollar and global inflation make matters worse. This will be a bitterly hard and hungry winter for millions.

Russia, China and Iran all seek to disrupt the international system. Yet they have no positive agenda to propose. In Iraq, Syria, Lebanon and Yemen, Iranian meddling produces only misery and ruin. Mr. Putin's attack on Ukraine has weakened Russia, and greater upheavals may be in store. China's saber-rattling over Taiwan has galvanized a stronger alliance against it. Pakistan and Sri Lanka, the two countries who tied their futures most closely to China's Belt and Road Initiative, have fallen into deep crisis.

If SCO nations seriously want a new international system, they will have to do much better than this.

A Democrat Defects on School Choice

By Corey DeAngelis

Democrat Terry McAuliffe lost his race for Virginia governor last year when he suggested parents should butt out of their children's education. Florida's Charlie Crist last month named a teachers union president as his running mate. But one Democratic gubernatorial candidate is taking a different approach.

Pennsylvania Attorney General Josh Shapiro has quietly endorsed private school choice. His campaign website calls for "adding choices for parents and educational opportunity for students and funding lifeline scholarships like those approved in other states and introduced in Pennsylvania"—language that was absent as of Sept. 7, according to the Internet Archive.

The Lifeline Scholarship bill is an education savings

account program that would give families with children assigned to failing public schools the power to reallocate their children's state education dollars. They could spend that money on any approved education expense, including private-school tuition and fees, tutoring, instructional materials, and special-needs educational services.

Pennsylvania's Josh Shapiro puts parents over teachers unions.

Republican state Rep. Clint Owlett introduced the Lifeline Scholarship bill, which passed the GOP-led Pennsylvania House in April 104-98, with only one Democrat in favor. The bill then passed the Senate Education Committee in June on a party-line 7-4 vote. The

bill has since stalled, perhaps because Senate leadership expected a veto from Democratic Gov. Tom Wolf, who has vetoed other school-choice bills.

Some Democrats, such as Colorado Gov. Jared Polis, have backed charter schools, but as far as I am aware, Mr. Shapiro is the first statewide candidate in his party to support private-school choice. It's smart politics. Earlier this summer, a survey by the American Federation of Teachers found Republicans leading on education in battleground states including Pennsylvania.

The latest Morning Consult polling shows that 77% of Pennsylvania parents with children in school support education savings accounts. The latest RealClearOpinion Research polling shows 72% of American voters support school choice, with supermajority support among Democrats as well as Republicans

and independents.

Mr. Shapiro attended private schools, as do his children. By supporting the expansion of options for less-advantaged families, he'll preempt Republican accusations of school choice hypocrisy. Pennsylvania parents are already accustomed to school choice. More than 60,000 state scholarships are awarded to K-12 students to attend private schools in the state each year.

Once parents get school choice, they fight hard to keep it. And while Republicans are leading the charge in Pennsylvania as elsewhere, Mr. Shapiro's shift in policy may be a first step toward bipartisan support for school choice. Parents and children will benefit if others in his party follow his lead.

Mr. DeAngelis is a senior fellow at the American Federation for Children.

OPINION

REVIEW & OUTLOOK

Is the Pandemic ‘Over,’ or Not?

President Biden finally dared to say it on Sunday, declaring in an interview on CBS’s “60 Minutes” that the “pandemic is over.” Various public-health eminences are saying he’s wrong, but his comments recognize the reality of the disease at this stage and the public mood. The trouble is that his Administration still hasn’t lifted its official finding of a Covid public-health emergency.

Eric Topol, the Scripps Research Translational Institute director who is one of America’s leading Covid scolds, tweeted “Wish this was true. What’s over is @POTUS’s and our government’s will to get ahead of it, with magical thinking on the new bivalent boosters. Ignores #LongCovid, inevitability of new variants, and our current incapability for blocking infections and transmission.”

But global Covid deaths in the first week of September were the lowest since March 2020 when the World Health Organization declared Covid a pandemic, and even Director-General Tedros Adhanom Ghebreyesus last week said “the end is in sight.”

Covid has become significantly less lethal as most people in the U.S. and world have gained some level of immunity from vaccination or infection. About 400 Americans each day have been dying from Covid this summer, but most are elderly or have other medical ailments. It’s still important to protect the vulnerable.

But for most Americans, Covid is no worse than a bad flu. “If you are up-to-date on your vaccines today, and you avail yourself of the treatments, your chances of dying [from] COVID are vanishingly rare and certainly much lower than your risk of getting into trouble with the flu,” White House Covid re-

sponse coordinator Ashish Jha told National Public Radio.

But if that’s right, why hasn’t the President also declared an end to the public-health and national emergencies? If the pandemic is over, then so is the emergency. Yet the Administration continues to extend the public-health emergency that was first declared in January 2020.

The reason is almost certainly money. A March 2020 Covid law enables the government to hand out billions of dollars in welfare benefits to millions of people as long as the emergency is in effect. This includes more generous food stamps and a restriction on state work requirements. It also limits states from removing from their Medicaid rolls individuals who are otherwise no long financially eligible. The Foundation for Government Accountability estimates these ineligible costs nearly \$16 billion a month.

Most outrageous, only weeks ago the Administration used a separate national emergency declaration related to the pandemic to legally justify canceling some \$500 billion in student debt. An Education Department Office of the General Counsel memo says the pandemic and national emergency enable the Education Secretary to modify federal student aid requirements under the 2003 Higher Education Relief Opportunities for Students Act.

Mr. Biden seems to want it both ways. He wants to reassure Americans tired of restrictions on their way of life that the pandemic is over and they can get on with their lives. But he wants to retain the official emergency so he can continue to expand the welfare state and force states to comply. Covid can’t be an emergency only when it’s politically useful.

Drunk on Theft in Oregon

Oregon has binged on lawlessness in recent years, and now the hangover is setting in. New data from the Oregon Liquor and Cannabis Commission show a huge surge in the shoplifting of alcohol.

In 2021 Oregon’s liquor stores reported more than 459 incidents of shoplifting, up from some 266 in 2019, according to our analysis of state data. The trend continues this year as alcohol vendors had reported some 450 shoplifting incidents by the end of July.

Portland accounts for more than half of the alcohol heists. Already this year its liquor stores have reported more than 275 shoplifting incidents by the end of July—more than the entire statewide total in 2019. The state data show that Portland’s thieves have pilfered more than \$31,000 in alcohol so far this year.

Dan Miner, the owner of two Portland liquor stores, says he often sees shoplifters shove liquor bottles down pant legs, tuck them inside coats, or stuff them in large purses. And “I’ve had baby carriers used, with a blanket over it to hide [alcohol]—no baby in it, of course,” he says. But “this year in particular,

there’s much more brazen activity where people don’t even try to hide. They just grab the bottle and march out of the store.”

Oregon’s lawbreakers have reason to feel emboldened. In the aftermath of George Floyd’s murder, vandals and looters broke into Portland’s Pioneer Place Mall, the Apple store, and other businesses.

The state’s elected officials responded to the riots with legislation that strictly limits when police can use tear gas and other force.

Meanwhile, Portland slashed its 2021 police budget by some \$27 million. The city also reduced its authorized sworn police force from 1,001 in 2019 to 882 in 2021. Frustrated with the lack of political support, officers resigned and retired in masse, and the police bureau currently has some 108 vacancies that it’s struggling to fill.

The Portland Police Bureau has had to triage its response to crime and encourages theft victims to report the crime online instead of calling 911. “I have never received a follow-up call or a visit for shoplifting,” Mr. Miner says. In Oregon, theft of goods worth less than \$1,000 is a mere misdemeanor. Thieves are clearly drunk on their impunity.

State data show a spike in shoplifting at liquor stores.

Everyone is still waiting as the Sept. 30 deadline looms.

Where’s the Permitting Bill, Joe?

If a week is a long time in politics, then it has been an eon since Sen. Joe Manchin cut his supersecret permitting deal with Democratic leaders. Yet Mr. Manchin still hasn’t told the public—or even many of his Senate colleagues—what exactly he negotiated. To re-use a famous phrase from Nancy Pelosi, does Congress have to pass the bill to find out what’s in it?

Democratic Leader Chuck Schumer plans to attach the permitting reform to a government-funding vehicle called a continuing resolution that needs to pass by the end of this month. Mr. Manchin said last week that the text of his deal probably will be “released in the CR,” according to the Hill. It sounds as if the strategy is to prevent anyone from pondering the details too long. The permitting changes might be unveiled at the last minute, as pressure to avoid a government shutdown peaks.

West Virginia’s other Senator, Republican Shelley Moore Capito, got tired of waiting last week and released a permitting package backed by 46 other Republicans. To pick a few crucial items, it would codify the Trump Administration’s streamlining of environmental reviews under the 1970 National Environmental Policy Act. President Biden’s regulatory gnomes are hard at work undoing those changes.

The Capito bill would grant states “sole authority” to regulate fracking, including on federal lands in their borders. For other energy development on available federal lands, each state would get the opportunity to displace the feds as the primary regulator and permitter. It’s a good idea, putting federalism to work.

The bill says lawsuits against energy projects would have to be filed within 60 days of a final agency action. A summary of what Mr. Manchin wants, which is public but weeks old, mentions a “statute of limitations for court challenges,” though how long is left unsaid. The Capito bill would lock in the Trump Administration’s definition of “waters of the

United States,” and it would stop federal agencies from adopting or using “any estimates for the social cost of greenhouse gases that may raise gasoline prices.”

Sen. Capito would also save the Mountain Valley Pipeline from legal purgatory. That project is about 95% complete and would provide an outlet for West Virginia’s natural gas. Ms. Capito’s legislation would expedite the pipeline’s federal approvals and declare them exempt from judicial review. That’s also a step better than the summary from Mr. Manchin, which says he’d “give the DC Circuit jurisdiction.”

Progressives in Congress are already lining up to block Mr. Manchin’s reform without having seen it. A House opposition letter has 70 signatures, and the list of “no” votes is probably longer. “I haven’t taken a definitive position,” said Democratic Rep. Peter DeFazio, “because I don’t know what the hell they’re doing.” Ms. Capito’s bill won’t pass, but it’s a good yardstick to judge Mr. Manchin’s plan.

Mr. Manchin seems to hope that the GOP bill is good news for him, since maybe Ms. Capito can corral 15 or 20 Republican votes for his secret deal. Ms. Capito is skeptical. “Now the onus is on me to provide support for something I had no hand in and still don’t know what it is?” she said. “What if I would go to somebody and say, ‘hey, you know, support this, it’s really good.’ Well, they go ‘what is it?’ And I go, ‘well, I don’t know. Trust me.’ I mean, you just can’t operate like that.”

Mr. Manchin is in a pickle, since he promised permitting reform and then promptly gave up his leverage by voting for Mr. Schumer’s bloated climate subsidy bill. Sooner or later he has to release the results of his negotiation. But the more the clock ticks, the more curious the delay becomes. With so many Democrats opposed, Mr. Manchin will need Republicans to pass his bill. But Republicans should make sure its details are worth the political advertising, and worth lending it their credibility.

LETTERS TO THE EDITOR

Who Is Being Trained to Repair Submarines?

Seth Cropsey’s op-ed “Delayed Repairs Shrink the Submarine Fleet” (Sept. 15) doesn’t identify the root causes of maintenance and shipbuilding delays for U.S. Navy submarines: the growing shortage of skilled ship technicians. Apprenticeship and other technical training programs aren’t producing enough new workers to replace those who are retiring, let alone adding workers with the expertise to expand submarine production.

The Navy and private shipbuilders need to expand “career academies” in high schools and technical colleges to meet the growing demand for qualified engineers and technicians. And this isn’t the only industry reporting that it can’t find workers with the skills needed to fill vacant jobs.

EDWARD E. GORDON, PH.D.
Chicago

As a submarine veteran, I appreciate the fleet’s unique role as an “essential war-fighting instrument,” and agree with much of Mr. Cropsey’s article. But for the same reasons I struggle with climate-change investment, I cringe when war games are cited to justify rebuilding the force.

If computer models provide insufficient evidence for Republicans to support the green-energy agenda, why should the military’s version convince Democrats to sign up for more shipyard resources? Given that U.S. submarines have “advanced capabilities,” might these mitigate a potential numbers disadvantage? While war games add value as a training tool, I think Mr. Cropsey’s case is stronger when analytics are left out.

NICK POSSLEY
Powell, Ohio

Bigotry on the Subway, Calumny on Park Ave.

Most of the debate on New York yeshivas has focused on details such as funding, the balance of rights, truthful presentation of data and media bias. William Galston takes a stab at these in “What Rights Do Hasidic Schools Have?” (Politics & Ideas, Sept. 14).

More interesting is the question Sheva Tauby asks (“The Campaign Against Our Yeshivas,” Houses of Worship, Sept. 16) in her heartfelt, mother’s plea: “Why, then, are some people so intent on interfering with the private religious yeshiva education that is working so well for my children and so many others?” The answer, I’m afraid, is nothing new.

Being a visibly Orthodox Jew in New York in the past decade has meant constant public ridicule and abuse. On the subway and on the street, we are accosted for endangering babies (during circumcision), committing a chicken Holocaust (*kapparat*), spreading disease (measles, Covid) and now abusing our children (for choosing yeshiva education). To-

day, Hasidic Jews are cast as illiterate and impoverished, but soon enough we’ll be in the role of wealthy slumlords again.

One of the only minorities that still faces focused bigotry in “polite society” is a certain type of Jew, the ones who haven’t cast off their ancient ways. That fellow Jew are among those prodding the horse, or even driving the wagon, is part of the same old story. They believe that if only we’d change and embrace their enlightened ways, anti-Semitism would finally disappear.

“Are the Hasidim a little too Jewish for them?” the writer A.M. Rosenthal asked in 1993, after these enlightened types had equivocated as Hasidic Jews were attacked in Brooklyn’s Crown Heights riots. “Sweethearts,” Rosenthal continued, “by you, you are Park Avenue, by your wife you are Park Avenue, but by an anti-Semite you are a Hasid.”

MENDY GOPIN
Brooklyn, N.Y.

The Politics of a Nice Cup of Black Rifle Coffee

It is ironic that Megan Keller’s op-ed “A Socially Conscious but Politically Incorrect Company” (Sept. 16) was published on National POW/MIA Recognition Day. Many financial institutions seem to have been more concerned about their ESG scores than their shareholder returns, given that they wouldn’t bank for Black Rifle Coffee or participate in what appeared to be lucrative financial deals.

I am not surprised by the law firm that “thought no one from top law schools would be willing to work at the firm if it took on Black Rifle as a client, especially because its name included the word ‘rifle.’” It demonstrates, however, the lack of respect, gratitude and support that the left gives to the women and men who serve to make us and keep us free.

BYRON ANDERSON
Saratoga, Calif.

Ms. Keller expresses concerns over the treatment of Black Rifle’s CEO, Evan Hafer, and whether that will have an effect on his business. With

‘You Called the Police?’: Crazy and Crazier in Chicago

Your editorial “McDonald’s and the Crisis of Chicago” (Sept. 16) says that Chicagoans shouldn’t tolerate the city’s increasing crime rate and public disorder. This makes me think of a recent experience I had in my upscale neighborhood on the North Side of Chicago. Unprovoked and in broad daylight, a mentally-ill homeless man backed me against a wall and threatened to kill me. Later, I told a young neighbor about the interaction and recommended she keep her distance from the man. The police couldn’t detain him because of Covid-19 regulations.

Her response: “You called the police? I hope he’s OK.” Her empathy wasn’t with the law-abiding neighbor standing before her, whose life had been threatened. She is representative of the progressive voters Mayor Lori Lightfoot and Gov. J.B. Pritzker are courting. Don’t count on Chicago improving any time soon.

ROB FRISCH
Chicago

The Two Faces of Liberalism

Regarding your editorial “A Sanctuary City Spectacle” (Sept. 17): Our Statue of Liberty says, “Give me your tired, your poor, your huddled masses yearning to breathe free, the wretched refuse of your teeming shore.” Martha’s Vineyard liberals add, “Just not in our backyard.”

EDWARD HAAS
Atlantic Beach, Fla.

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

revenues of \$233 million, it certainly doesn’t seem so. And so what about finance and law firms that decline to do business with Black Rifle? Isn’t that part of our free-market economy? You get to choose with whom you do business, and you get to decide the reasons to do so.

Let’s also not characterize the decisions of various finance and law firms not to work with Black Rifle as antiveteran, as if any company has a monopoly on veteran support and employment. Those decisions are simply anti-Trump and anti-right-wing. Similarly, the decisions of Florida Gov. Ron DeSantis on Disney have been anti-Disney and anti-left-wing.

Given Disney’s predicament with Florida Gov. Ron DeSantis, I’d say, for Black Rifle, what’s good for the goose is good for the gander.

RICH COMSTOCK
Akron, Ohio

For decades, my wife and I drank nothing but Starbucks coffee. We visited the stores religiously, ground their beans and even bought their stock. Our youngest son worked his way through school at Starbucks. Now, when I have my morning coffee, it is Black Rifle. This isn’t because of optics or the company’s social or political statements—for we all know Starbucks has made its own statements over the years. It is because Black Rifle offers a better cup of coffee.

MICHAEL J. MCGUIRE
Neenah, Wis.

Grover One-Ups the Donald

In “Can Trump Follow Cleveland’s Footsteps?” (op-ed, Sept. 16), Troy Senik omits a fact that distinguishes Grover Cleveland’s career from Donald Trump’s: Cleveland won the popular vote in all three of his presidential elections. In 1888, he won it but lost the election. Mr. Trump, on the other hand, lost the popular vote in his two presidential elections.

DAVID W. STEUBER
Laguna Beach, Calif.

Pepper ... And Salt

THE WALL STREET JOURNAL



“Remind me—
who had the last laugh?”

WORLD NEWS



King Charles III, center left, led a contingent that walked behind the coffin of Queen Elizabeth II as they left Westminster Abbey after the state funeral service for the monarch on Monday.

Britain Says Farewell to Queen Elizabeth

Royal tradition mixes with personal touches as millions watch monarch's funeral

BY MAX COLCHESTER
AND DAVID LUHNOW

LONDON—Britain bid a final farewell to Queen Elizabeth II, the country's longest-serving monarch, during a historic funeral and solemn military procession that drew hundreds of thousands of people to London and Windsor Castle and was watched by millions around the globe.

Monday's state funeral, which paid tribute to her deep Christian faith and life of service, closed the chapter on the second Elizabethan age, a reign that lasted 70 years and saw an era of radical change for Britain as its empire was dismantled. The queen, however, remained a hugely popular head of state who gave people in Britain and abroad a valued sense of continuity and proved a powerful symbol of the country's identity.

"People of loving service are rare in any walk of life," said the archbishop of Canterbury, Justin Welby, during his sermon at the state funeral in Westminster Abbey. "Leaders of loving service are still rarer."

During six hours of tightly choreographed pageantry, the nation and hundreds of dignitaries from across the world paid tribute to the queen's reign. It was the first British state funeral since Winston Churchill's in 1965 and one of the biggest set-piece events in the nation's history, as her coffin was taken in a procession, on foot and by hearse, from a state funeral in Westminster Abbey in central London to its final resting place in Windsor Castle.

After a committal service in St. George's Chapel in Windsor, her crown, orb and scepter—

symbols of a monarch's power—were removed from her coffin and placed on the altar. The lord chamberlain, the most senior official in the royal household, then broke his wooden wand of office over the coffin to symbolize the monarch's passing. The dean of Windsor read a Christian prayer, "Go forth upon thy journey from this world, O Christian soul."

The day's proceedings slowly shifted from the public to the private. Early on Monday, officials ended four days of the queen's coffin lying in state, which allowed an estimated 750,000 Britons to say farewell. The public again got to send off the queen through several public processions.

The proceedings ended later Monday with a private family ceremony as the queen's coffin was lowered into the ground next to that of her husband, Prince Philip.

The state funeral in Westminster Abbey on Monday morning mixed royal tradition with poignant personal touches to reflect the queen's life. The hymns chosen by the queen included "The Lord's My Shepherd," which was sung during the queen's marriage to Prince Philip in Westminster Abbey in 1947. The choir also sang a short anthem, "O Taste and See How Gracious the Lord Is," which was composed by Ralph Vaughan Williams for Queen Elizabeth's coronation in 1953.

President Biden, French President Emmanuel Macron and Canadian Prime Minister Justin Trudeau were in attendance, along with the king of Spain, the sultan of Oman and Japan's Emperor Naruhito and Empress Masako.

As the service was ending shortly before noon, there was a two-minute silence held across the nation. London's red buses were ordered to pull over and shut their engines. Flights were canceled from Heathrow Airport to ensure no

aircraft noise.

When the moment of silence ended, those in the service rose and sang "God Save the King," the first time it had been sung in the abbey for more than 70 years, leaving the queen's son, King Charles III, appearing tearful. It gave way to a more somber note as a lone piper played "Sleep, Dearie, Sleep."

After the service, the queen's coffin was marched in procession to Wellington Arch, near Hyde Park Corner. King Charles and his family followed on foot as minute guns fired from Hyde Park and Big Ben tolled.

The coffin, draped in the royal flag, was then loaded onto a hearse and driven to Windsor Castle, about an hour west of London. Once at Windsor, the coffin was again marched in procession along the "long walk," a mile-long stretch of road strewn with flowers that leads to the castle. The queen's



Members of Britain's royal family arrived at St. George's Chapel on Monday, while members of the public also showed their grief.

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two corgis were among those who awaited her arrival.

The gathering was the crescendo of a 10-day mourning period for the nation. Across the U.K., giant screens were set up in public spaces for people to view the occasion. Many cinemas showed it, too.

Outside the abbey, hundreds of thousands of people crowded central London to pay their respects, corralled by the largest-ever policing operation for a single day in the capital.

Many slept overnight near Buckingham Palace to secure a spot from which to view the

cortege. "It's a once-in-a-lifetime opportunity to pay our respects," said Sim Madgewick, who brought his family to London from Essex.

They arrived on Sunday afternoon and joined the long line to see the queen lying in state at Westminster Hall, emerging at 2 a.m. on Monday, snatching a few hours sleep on a stationary train at nearby Charing Cross station, and heading off again to Buckingham Palace at 6:30 a.m. to get a place to see the funeral procession.

The minutely scripted events began Monday morning

when the queen's coffin was taken in a procession from Westminster Hall to Westminster Abbey, the site of the coronation of nearly every English and British monarch dating back to William the Conqueror in 1066. Church bells tolled 96 times, for each year of the monarch's life.

Late Sunday, Mr. Biden paid tribute to the queen. "Our hearts go out to the royal family. King Charles and all of the family. It's a loss that leaves a giant hole and sometimes you think you'll never overcome it," he told reporters.

King Charles said he was "deeply touched by the many messages of condolence and support we have received from this country and across the world."

At the abbey, King Charles, joined by his wife, Camilla, the queen consort, watched over the coffin. Behind them sat his son, Prince Harry, with his wife, Meghan, the Duchess of Sussex. Across the aisle, the heir to the throne, Prince William, sat with his wife and children.

"With gratitude we remember her unwavering commitment to a high calling over so many years as queen and head of the Commonwealth," said David Hoyle, the dean of Westminster.

The royal family will remain in mourning for the queen for a further seven days.

"Her majesty famously declared on her 21st birthday broadcast that her whole life would be dedicated to serving the nation and the commonwealth," Archbishop Welby said. "Rarely has a promise been so well kept."

—Julie Steinberg
contributed to this article.

Watch a Video

Scan this code to watch a video of key moments from the state funeral.

WORLD WATCH

MEXICO

Strong Quake Kills One in Pacific Town

A strong earthquake rocked southwestern Mexico on Monday and was felt in Mexico City less than an hour after a drill was held to commemorate devastating quakes in 1985 and 2017.

The earthquake struck around 2:05 p.m. EDT in the southwestern state of Michoacán with a magnitude of 7.7, according to the Mexican seismological service.

The U.S. Geological Survey measured the quake at magnitude 7.6. President Andrés Manuel López Obrador said on Twitter that one person was killed in the Pacific resort town and port of Manzanillo,

in Colima state. Federal authorities said the person died when a ceiling collapsed at a department store.

Authorities also reported minor damage to some hospitals and other buildings in coastal areas. Michoacán Gov. Alfredo Ramírez said no fatalities were reported.

Mexico City Mayor Claudia Sheinbaum said on Twitter that there was no significant damage or any casualties in the capital.

The quake saturated wireless telephone systems and internet service as people contacted relatives. It knocked out electricity to around 1.2 million users in five states, the country's state-owned utility said, adding that 68% of those had power restored late Monday afternoon.

—Anthony Harrup

MYANMAR

Fatal Airstrike Hit School, Witnesses Say

Government helicopters have attacked a school and village in north-central Myanmar, killing at least 13 people including seven children, a school administrator and an aid worker said Monday.

Civilian casualties often occur in attacks by the military government on pro-democracy insurgents and their allies. However, the number of children killed in the air attack last Friday in Tabayin township in Sagaing region appeared to be the highest since the army seized power in February last year.

The attack occurred about 70 miles northwest of Mandalay.

School administrator Mar Mar said she was trying to get students to safe hiding places in ground-floor classrooms when two of four Mi-35 helicopters hovering began attacking, firing machine guns and heavier weapons at the school, which is located in the compound of the village's Buddhist monastery.

When the air attack stopped, about 80 soldiers entered the monastery compound, firing their guns at the buildings, she said.

The state-run Myanmar Alinn newspaper reported Saturday that security forces were checking the village after receiving information that the members of the antigovernment People's Defense Force were hiding there.

—Associated Press

IRAN

Tehran Is Seeking Assets Seized by U.S.

Iran told the United Nations' highest court that Washington's confiscation of some \$2 billion in assets from Iranian state bank accounts to compensate bombing victims was an attempt to destabilize the Iranian government and a violation of international law. In 2016, Tehran filed a suit at the International Court of Justice after the U.S. Supreme Court ruled money held in Iran's central bank could be used to compensate the 241 victims of a 1983 bombing of a U.S. military base in Lebanon believed linked to Iran.

—Associated Press

SOUTH KOREA

American Aircraft Carrier Joins Training

A U.S. aircraft carrier is to visit South Korea this week for its first joint training with South Korean warships in five years, officials said Monday, in an apparent show of force against increasing North Korean nuclear threats. The USS Ronald Reagan aircraft carrier and its battle group will arrive Friday for a combined training meant to boost the allies' military readiness and to show "the firm resolve by the Korea-U.S. alliance for the sake of peace and stability on the Korean Peninsula," the South Korean navy said.

—Associated Press

BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

Tuesday, September 20, 2022 | B1

S&P 3899.89 ▲ 0.69% S&P FIN ▲ 1.12% S&P IT ▲ 0.82% DJ TRANS ▲ 1.95% WSJ \$IDX ▼ 0.004% 2-YR. TREAS. yield 3.946% NIKKEI (Midday) 27684.35 ▲ 0.42% See more at WSJ.com/Markets

Gold Loses Status as Haven

Metal has lost 8.2% this year as nervous investors turn to Treasury bonds

By HARDIKA SINGH

Investors expected sticky inflation to lift gold prices this year. Instead, the opposite happened.

The most actively traded gold contract is on pace to decline for six consecutive months, with a loss of 14% through that period so far. That is a significant drop for an asset that is supposed to be a haven and marks the longest losing streak since September 2018, when prices fell 9.9% over six months.

Gold is prized by investors for its usual stability during times of turmoil. Prices jumped near records earlier this year, shortly after Russia's invasion of Ukraine upended markets for stocks and commodities. In early March, gold settled at a 2022 high of \$2,069.40 a troy ounce. Now, it is down 8.2% so far this year, on pace for its worst annual performance since 2015.

Stocks are trading lower than they were in early March. The war has dragged on and concerns about inflation have only intensified. But the haven metal has been stuck in a trading range of about \$1,650 to \$1,800 since June. Gold fell on Monday, down 0.3% to \$1,678.20 a troy ounce.

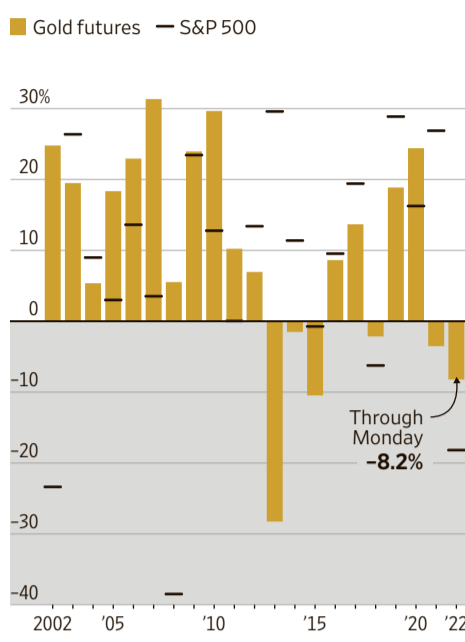
The volatility is another example of how the Federal Reserve's aggressive rate-raising campaign is shaking up all corners of financial markets. Last week's report that inflation remains stubbornly high all but cemented expectations that the interest-rate increases will continue. The Fed is expected to announce another big rate increase when it meets this week.

Why does that matter for gold? Nervous investors who

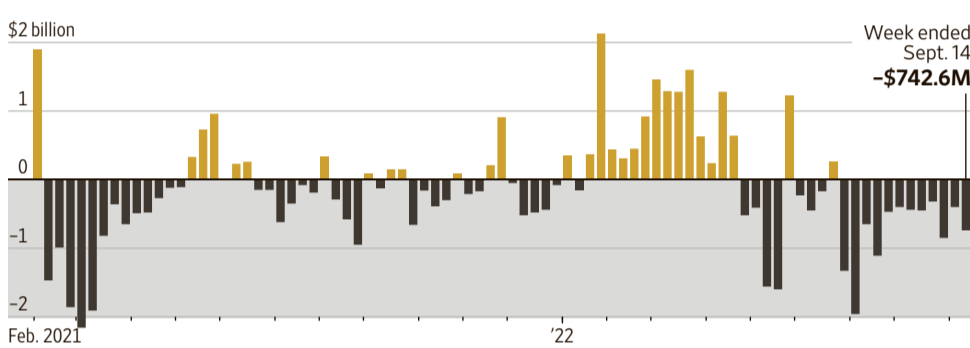
Gold futures price



Annual performance



Weekly net flows into precious metals mutual- and exchange-traded funds



Note: Gold data show most-actively traded contract. Sources: FactSet (gold price, gold and S&P 500 performance); Refinitiv Lipper (flows)

want safe, boring assets when the stock market is a mess don't favor just gold. Many of them also like to scoop up Treasury bonds.

"The outlook for gold remains vulnerable until the Fed stops hiking rates," said Tai Wong, a senior trader at Heraeus Precious Metals in New York.

Treasury yields tend to move in tandem with investors' expectations for the Fed's benchmark rate, so investors these days can get relatively big returns on govern-

ment bonds. Last week, the yield on the two-year Treasury hit its highest level since 2007. That, plus the fact that Treasuries, unlike gold, offer regular payouts, has pushed many risk-averse investors from gold to bond buyer.

JPMorgan Chase & Co. analysts forecast that gold prices will keep falling, averaging \$1,650 a troy ounce in the fourth quarter. That reflects a growing belief that the Fed is in no position to ease its foot off the rate-increasing brakes.

"It's not a light switch that

goes on and off. It's a dimmer," said Richard Fisher, former president of the Federal Reserve Bank of Dallas, during a talk hosted by CME Group on Wednesday.

The dollar, another haven, is further complicating matters. Investors looking for a safe bet have also been snapping up the U.S. currency, pushing it near 20-year highs. That has made gold more expensive for overseas buyers, damping their demand.

The pain is showing up

Ford's Supplier Costs Mount, Eat Into Profit

By NORA ECKERT

Ford Motor Co. on Monday warned third-quarter earnings would be affected by about \$1 billion in higher-than-anticipated supplier costs and parts shortages that have led to unfinished vehicles it couldn't sell during the period.

The Dearborn, Mich., auto maker reaffirmed its year-end guidance for 2022, projecting adjusted operating results for the third quarter would fall between \$1.4 billion and \$1.7 billion.

Ford's stock was down more than 4% in after-hours trading. Ford expects to have about

40,000 to 45,000 vehicles in inventory at the end of the quarter that are awaiting parts and can't be delivered to dealerships, a figure that is higher than expected.

Those vehicles, many of them higher margin trucks and SUVs, are expected to be completed and sold in the fourth quarter, the company said.

Additionally, based on recent negotiations with suppliers, Ford said it is paying more for parts and materials to account for the effects of inflation.

The higher payments added about \$1 billion in un-

VW's Porsche Listing Seeks \$9.4 Billion

By WILLIAM BOSTON

BERLIN—Porsche AG shares are set to begin trading Sept. 29 in one of the largest European public listings in years, raising as much as \$9.4 billion and valuing the sports car maker at as much as \$78 billion.

Porsche's parent, German car giant Volkswagen AG, priced the public offering of preferred stock in line with average analyst expectations. Combined with a private sale of Porsche ordinary stock to VW's largest investor, Porsche Automobil Holding SE, the sale of 25% of Porsche could raise €19.5 billion for VW, equivalent to \$19.5 billion.

VW said it plans to distribute nearly half the gross proceeds from the combined Porsche share sale to its share-

holders in a special dividend. The listing could test investor appetite for further offerings in a market that has been weighed down by soaring inflation, the war in Ukraine and fears of a global recession.

VW sought to walk a line between maximizing proceeds and ensuring a successful IPO in difficult market conditions, analysts said. The price range for Porsche's preferred shares between €76.50 and €82.50, is largely in line with investor expectations.

In a reference to Porsche's iconic 911 sports car model, VW created 911 million Porsche shares, divided evenly between nonvoting preferred shares and ordinary shares with voting rights.

VW is selling 25% of Porsche preferred shares, or about

Small Oil Drillers Approach Limits Of Their Inventory

By COLLIN EATON AND BENOÎT MORENNE

Dozens of small drillers helped fuel a resurgence in the busiest U.S. oil patch over the past two years. But they tapped many of their best drilling spots and will have to ease their rapid pace of drilling as their inventory shrinks, analysts and executives said.

Private oil companies in the Permian Basin of West Texas and New Mexico emerged from the pandemic-induced oil downturn last year as a growth engine for U.S. shale, now running almost half of the working drilling rigs there, up from a quarter before the pandemic. Their publicly traded rivals are restrained by shareholders pushing for conservative spending and using leftover cash to pay investors and reduce debt.

After growing rapidly, most smaller producers now have, on average, around six years of drilling locations that could gen-

erate returns at low prices, according to data provided to The Wall Street Journal by energy analytics firm Enverus Inc. Energy executives said those limitations will likely lead them to slow their drilling.

"Can private companies maintain this pace indefinitely? The answer is no," said James Walter, co-chief executive of publicly listed Permian Resources Corp., a new company formed by the combination of Colgate Energy Partners III LLC and Centennial Resource Development Inc. "There's just not enough companies of scale, with enough quality inventory."

The constraints will likely lead many private producers to level out activity or sell themselves to larger companies that would temper their growth, executives and analysts said. A pullback could crimp overall U.S. oil production. Private producers hold around one-fifth of the Permian's most valuable

Please turn to page B2



Many customers are opting for more expensive and more reliable air shipping for their needs.

Big Ocean Shipping Lines Turn to Planes Amid Snarls

By COSTAS PARIS AND BENJAMIN KATZ

For the giants of ocean trade, big ships aren't enough anymore; they need planes, too.

The pandemic, which accelerated the shift toward online shopping, followed by post-lockdown demand and now the war in Ukraine, scrambled the intricate ballet that shipping companies rely on both at sea and in port to deliver goods on time. Port congestion has forced ships to wait at anchor for weeks. A lack of workers to load and unload ships has further slowed deliveries. Empty containers have piled up in places with nothing to put in them. Exporters elsewhere, eager to move their goods, can't find enough of them.

The three European companies that dominate container

shipping—Denmark's AP Moeller-Maersk, France's CMA CGM Group and Switzerland's Mediterranean Shipping Co.—have in the past largely shunned airfreight as an expensive distraction from their globe-spanning fleet of giant vessels, container terminals and related logistics businesses. But years of global supply-line disruptions have pushed many customers to opt for more expensive—and more reliable—air shipping, executives say. Now, these container ship companies are racing each other into that market.

"For some key customers airfreight is a must," said Michel Pozas Lucic, global head of Maersk's airfreight division.

Auto-parts suppliers, clothing manufacturers and tech companies, which all typically rely on sea freight to move

their goods, had started to switch to air, concerned that the Covid-related snarls at ports would disrupt just-in-time supply chains or cause them to miss deadlines for the launch of new products or the start of new fashion seasons.

"You can't rely only on ships anymore," said Abbie Durkin, the owner of Palmer & Purchase, a women's clothing and accessories boutique with three stores in New York. "I'm flying in our entire winter collection to make sure it arrives before Christmas."

Maersk last year bought German airfreight forwarder Senator International, doubling its air-cargo volume. Maersk has also been buying airplanes for its air-cargo division, formerly known as Star Air. The division, which has for several years flown freight

Please turn to page B6

Instacart IPO to Sell Employee Shares

By BERBER JIN AND CORRIE DRIEBUSCH

Instacart Inc. doesn't plan to raise much capital in its initial public offering and instead plans to have most of the listing come from the sale of employees' shares, said people familiar with its thinking.

In meetings with prospective investors in recent weeks, Instacart executives said they didn't plan to issue many new shares in their IPO, the people said. The sale of mostly employee shares would allow Instacart's staff, including some of its earliest hires, to at last cash out of some of the shares they have been accumulating.

The move could help Instacart, which was founded in 2012, retain talent by allowing employees more ways to benefit from their shares. Listed shares could also make Instacart more attractive to new employees than startups that have decided to wait for a better market to list.

The decision shows the pressure on some of Silicon Valley's oldest startups to go public even as technology stocks slump. Until recently, a large amount of investment available through the private market allowed startups to put off public offerings if they wanted to, delaying payouts to their employees.

Companies are putting off listings further as they are worried they won't get a good price in the current market. Instacart is one of the few companies bucking the trend

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INSIDE



AUTOS
Losses widen despite rising sales in China's EV industry amid rising battery costs. **B2**



MINING
Fortescue vows to spend billions on clean energy in bid to stop using fossil fuels. **B3**

COTO/DDP/ZUMA PRESS

JAIR CABRERA TORRES/DPZ/ZUMA PRESS

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 of businesses categorized by letter (A through Z) with company names and page numbers.

INDEX TO PEOPLE

Index of people categorized by letter (A through Z) with names and page numbers.

BUSINESS & FINANCE

China's EV Startups See Losses Widen

BY SELINA CHENG

HONG KONG—China's electric-vehicle market is booming, but the country's hottest EV startups are seeing losses grow even as sales rise.

Rising battery prices and supply-chain delays this year have driven up costs further for emerging EV makers. The startups are already burning cash to introduce newer, smarter models—complete with heated massage seats or battery-swapping services—to gain a foothold in the world's largest automobile market.

Among those hit are three U.S.-listed startups that have been popular with Chinese buyers: NIO Inc., which markets premium EVs; Xpeng Inc., which touts its auto-driving software as a rival to Tesla Inc.'s; and Li Auto Inc., the youngest of the trio. All three companies reported higher revenue and recorded bigger losses in the second quarter from a year earlier, citing rising costs and disrupted supplies.

The stakes are high for the newcomers in China's crowded EV sector, especially as they take on the likes of Tesla and BYD Co. Those two more established auto giants are gobbling up sizable market share, while legacy foreign car brands are also introducing more electric models to maintain their place in the market.

Another company hoping to make it in China's cutthroat EV market is China Evergrande New Energy Vehicle Group Ltd., a subsidiary of cash-strapped property developer China Evergrande Group.

Smaller Oil Drillers Face Limits

Continued from page B1 acreage, some analysts said. Some private drillers said the Enverus inventory data were overly conservative but largely didn't dispute that private companies lack the assets to keep growing rapidly.

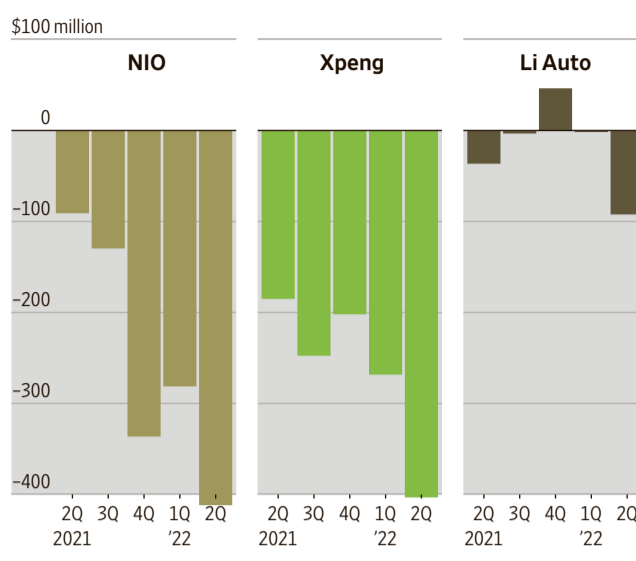
Porsche To Raise \$9.4 Billion

Continued from page B1 12.5% of the entire company, to investors in the public offering. Roughly the same amount of ordinary shares are being sold to Porsche SE, VW's largest shareholder and the listed investment fund majority owned by Ferdinand Porsche's heirs.

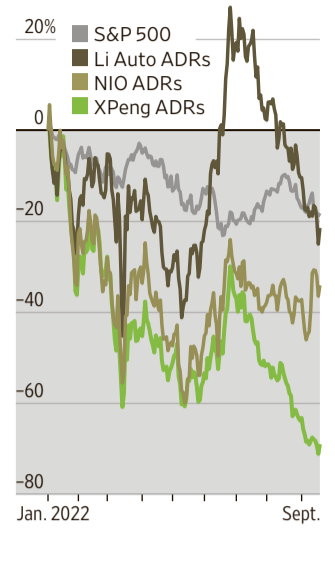
The deal will put Porsche shares in public hands for the first time since VW acquired the company in 2012, after Porsche's failed attempt to use its higher market valuation to acquire its larger cousin.

The final amount of debt would be determined by the final IPO price and the amount of Porsche SE's share of the special dividend. With total proceeds of up to €19.5 billion, VW will retain nearly €10 billion in gross proceeds from the sale of Porsche

Electric-vehicle startups quarterly net profit/loss



Stock and index performance



Source: the companies (net profit/loss); FactSet (performance)

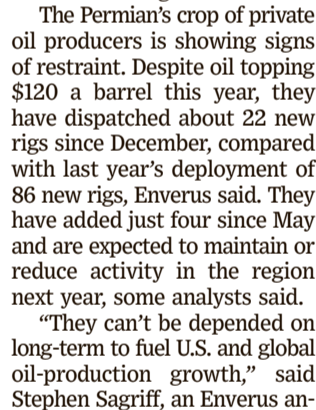
Most Chinese EV manufacturers remained unprofitable during the first six months of this year and are unlikely to break even in the next 12 to 18 months, Fitch Ratings said in a note last week.

China's lucrative EV market is booming thanks to favorable policies, including purchase-tax exemptions, cash subsidies and relaxed license quotas, to boost new EV sales over traditional combustion-engine vehicles.

The China Passenger Car Association predicts that the nation will sell 6.5 million electric and plug-in hybrid vehicles this year. The Chinese government said earlier this year it wanted new-energy vehicles to take up 20% of market share by 2025, but that figure was surpassed in August, when nearly 30% of all passenger cars sold used new energy.

NIO, which is based in Shanghai, raked in \$1.5 billion in revenue in the second quarter, breaking its own records, but it reported a \$411 million loss, almost five times more than a year earlier.

European IPO volume, quarterly



Note: 3Q 2022 figure as of Monday. Source: Dealogic

Shares after distributing the special dividend to its shareholders. VW Chief Finance Officer Arno Antlitz has said the money raised from the Porsche share sale will be used to finance its transformation to an electric-car maker.

Some investors have criticized the way in which the Porsche share sale is structured, saying it cemented insider control of both VW and Porsche. In addition, a large portion of the IPO, the sale of nonvoting preferred stock, will go to a small group of investors, leaving a small amount of Porsche's preferred shares to trade freely.

—Ben Dummett contributed to this article.



Xpeng, whose cars are popular with Chinese buyers, has been hampered by the chip shortage.

the same quarter. Its losses were \$403 million, more than double a year earlier.

Xpeng Chief Executive He Xiaopeng said shortages of chips and batteries have posed a great challenge to the company since last year. Mr. He said the situation has gradually improved, but the company still faced a high risk of running short on 10 types of chips at present.

Increased battery costs have been partially offset by raising prices, Xpeng executives said,

though the car maker couldn't fully recoup outlays because of an order backlog that meant some vehicles it delivered had been sold earlier at a lower price. The full potential of the sales rally has also been limited this year by lockdowns and a weakening consumer economy.

Li Auto President Kevin Shen said the company had been severely affected during the second quarter due to the resurgence of Covid-19.

Li Auto's revenue was up by 73% in the second quarter from a year earlier, but its loss more than doubled to \$96 million.

AutoZone Sales Rise Amid Strong Demand

BY WILL FEUER

AutoZone Inc. reported higher sales in its recently ended quarter, as return-to-office mandates pushed Americans to use their cars more and helped fuel demand for repairs.

The car-parts retailer on Monday posted sales of \$5.35 billion for the fiscal fourth quarter, up about 9% from a year earlier and above Wall Street estimates. The rising price of new cars also has caused drivers to stick with their current vehicles longer, helping drive up sales of car parts needed for repairs and maintenance.

U.S. same-store sales, which adjusts for new store openings, climbed 6.2% in the quarter.

During the pandemic, supply-chain challenges have driven up the price of new and used cars, pushing more Americans to invest in repairing their current vehicles. That has been a boon for car-parts retailers such as AutoZone and its rivals Advance Auto Parts Inc. and O'Reilly Automotive Inc.

AutoZone's retail business posted same-store sales growth even on top of a strong year-ago period, which was boosted by federal stimulus money, Chief Executive Bill Rhodes said on Monday at a conference call with analysts. The company's commercial business also is growing rapidly, he said.

The company raised prices to offset surging transportation, labor and raw-material costs, boosting sales by 11% in

the quarter, Mr. Rhodes told analysts.

Some costs appear to be stabilizing now, he said, adding that transportation costs are reaching historic levels, and wage growth hasn't shown signs of slowing.

Sales of AutoZone's more discretionary products softened as gasoline prices surged earlier in the quarter, but those sales have since bounced back amid falling prices at the pump, Mr. Rhodes said. He added that the company hasn't seen customers trade down to cheaper products.

The return to the office after more than two years of widespread working from home could also serve as a tailwind for car-parts retailers as American workers take to the road for their commutes, increasing wear and tear on cars.

Mr. Rhodes said AutoZone also had slightly benefited in the most recent quarter from warmer-than-typical weather. Extreme weather drives parts failures and accelerates car maintenance.

For the quarter ended Aug. 27, AutoZone posted a profit of \$810 million, or \$40.51 a share, compared with \$785.8 million, or \$35.72 a share, in the same period a year earlier. Analysts surveyed by FactSet had expected earnings of \$38.44 a share.

Shares of AutoZone fell more than 3% to \$2,097.59 on Monday. The stock is basically flat in 2022, compared with the S&P 500's decline of about 18% over that period.

cles to dealers due to parts shortages, including a lack of computer chips. GM posted a 40% decline in net income in the second quarter, hurt by a loss in China, as well as continued supply-chain snarls.

Ford's sales growth has outpaced competitors in recent months, mostly because its dealership inventory had been depleted in the prior year due to a factory fire in Japan at a critical computer-chip maker. Ford's U.S. sales rose 27% in August, in contrast to a 5% decline for the broader auto industry.

Inflationary pressures have pushed up raw-material costs, and Ford has raised sticker prices on some popular models, such as the electric Mustang Mach-E SUV and F-150 Lightning truck.

Ford's earnings have been helped by buyers being willing to pay record prices for new vehicles because of limited car and truck availability. In the second quarter, the auto maker's net income rose nearly 19% over the same-year period.

Ford Warns On Profit

Continued from page B1 expected costs in the third quarter, the company said. Ford said in July it was facing inflationary pressures that would affect a range of costs, totaling about \$3 billion for the year.

The company's notice is another indication that the supply-chain disruptions that have hindered the industry for more than a year now are continuing to weigh on auto-sector earnings.

Other car companies are also struggling to restock dealerships, citing shortages of semiconductors and other critical parts that are needed to assemble cars and trucks.

General Motors Co. said this summer it was unable to deliver nearly 100,000 vehi-

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BUSINESS NEWS

Mining Giant Makes Clean-Energy Vow

Fortescue plans to spend \$6 billion on renewables, phase out fossil-fuel use by 2030

By AMRITH RAMKUMAR

Fortescue Metals Group Ltd. will spend more than \$6 billion on renewable energy and stop using fossil fuels by 2030, a pledge that the Australian iron-ore giant says will lower energy costs and mark a key step toward producing low-carbon steel.

Fortescue is committing to use a combination of wind and solar power, battery storage and hydrogen produced from renewable energy to generate the electricity and fuel needed to extract iron ore, company officials said. Buyers in the steel supply chain could then turn that “green iron ore” into steel.

The commitment, the first by a major mining company, comes in response to rising pressure from investors and customers such as steelmakers, and ultimately auto makers, to reduce the environmental impact of raw materials. Pulling metal out of the ground and processing it requires large amounts of energy, transportation and water.

That environmental footprint is one factor in curtailing production of key metals like steel and copper that are needed in massive quantities for green products such as electric cars and solar panels.

Fortescue joins a small



Executive Chairman Andrew Forrest, at left at one of the company's mines in Australia, has become an evangelist for green power.

group of companies including U.S.-based utility NextEra Energy Inc. pledging to slash emissions close to zero, which they call real zero. That is in contrast to the plans by most companies to reduce emissions and use carbon credits to offset their remaining emissions, known as net zero. Offsets are credits tied to projects like renewable energy or forest preservation. They have been criticized for failing to reduce carbon emissions.

Fortescue says the \$6 bil-

lion investment will pay for itself over time through a combination of energy-price savings and avoiding payments on offsets. The effort is expected to save about \$3 billion through 2030 and roughly \$820 million annually after that.

Company founder and executive chairman Andrew Forrest is announcing the initiative as part of the annual meeting of the United Nations General Assembly and New York City's climate week. The

mining billionaire, known for his big bets on metals like iron ore and nickel, has become an evangelist for green power and hydrogen, in part because he sees a chance to develop new technologies that other industrial companies will adopt.

Mr. Forrest owns about 37% of the company, which has a market value of roughly \$35 billion, according to FactSet. Surging iron-ore prices boosted the company's profits in recent years, though prices

have fallen recently alongside other commodities amid worries of a Chinese economic slowdown and softening demand.

Much of Fortescue's environmental footprint and energy spending goes toward fuel to power trucks and trains that move iron ore. It hopes to replace that fuel with battery-powered transportation where possible and hydrogen for any hard-to-electrify processes. There is also a chance to juice profits by pro-

ducing lower-carbon metals, Mr. Forrest said in an interview.

“This is the next big opportunity I see in our industry,” he said. Customers have indicated they are willing to pay a premium for a lower-carbon product, he added.

Mr. Forrest has a history of bold promises, which have sometimes been upended by the boom-and-bust iron-ore markets and left Fortescue laden with debt. Promising to clean up the company's operations could allow the commodity producer to differentiate itself to customers and investors.

Mr. Forrest said this is the best long-term strategy for the company and that businesses like his are the ones with the scale to address climate change.

The company already has a clean-energy unit developing green projects, Fortescue Future Industries. Some of the clean power and hydrogen for the parent company's iron-ore operations could come from that unit, which is marketing itself as a possible alternative to Russian natural gas in Europe and is pursuing U.S. hydrogen projects.

The parent company recently acquired battery-focused Williams Advanced Engineering.

The remaining products the company needs will come from external firms like construction machine maker Liebherr, which is working with Fortescue on zero-emissions trucks, Mr. Forrest said.

Wegmans Halts App for Self-Checkout Over Losses

By ALYSSA LUKPAT AND JAEWON KANG

Wegmans, the East Coast supermarket chain, said Monday that it would stop using its self-checkout app until the system could be improved because its stores were experiencing losses.

The chain, which stretches from New York to North Carolina, said it rolled out its app, called Scan, early in the Covid-19 pandemic. Customers at certain locations could scan items on the app as they shopped and then pay at a self-checkout register.

Wegmans joined a wave of grocery stores using self-checkout technology during the pandemic to compensate for worker shortages and to limit worker and customer interactions. But the technology makes it easier for shoplifters to sneak by, retail experts have said.

Retailers including Kroger

Co. and CVS Health Corp. have separately warned that their businesses are dealing with increases in thefts.

Wegmans said in a statement that while users enjoyed the convenience of the Scan app, it needed to be improved to meet business needs.

“Unfortunately, the losses we are experiencing prevent us from continuing to make it available in its current state,” said Deana Percassi, a Wegman's spokeswoman.

Wegmans is a family-owned chain with more than 100 locations. Its supermarkets have a cult following, and customers for more than a century have shopped in its sprawling emporiums.

The chain began using its self-checkout app during the pandemic. Other stores, including Amazon.com Inc.'s Go shops, had already been using checkout-free technology in stores.

Grocery stores have nearly

doubled their self-checkout usage since the pandemic started, with such systems comprising nearly a third of all transactions last year, according to a report by FMI—the Food Industry Association. Some shoppers, however, have reported being frustrated by the technology, which caused them to double-scan items or have trouble looking up produce.

U.S. retailers and restaurants are raising more concerns about theft and other safety issues, saying incidents have increased in recent years. Violent crime has been on the rise across the country since the onset of the pandemic, and consumers have resumed shopping in stores and dining out. Incidents are increasing partly as people face tighter budgets and inflation, some industry experts have said.

McDonald's Corp.'s chief executive said last week that the burger chain is grappling with



The supermarket chain is among several retailers that have seen the effects of shoplifting.

violent crime, homelessness and drug overdoses in its Chicago locations, and called on city and business leaders to address the problems.

Starbucks Corp. in July said it would permanently close 16 stores after workers at those locations reported incidents

related to drug use and other disruptions.

For grocery stores, theft and homelessness are driving store-safety challenges, operators have said. Companies with stores in big cities have said they are hiring more security guards and locking up

theft-prone products such as over-the-counter medicine, while coaching employees on how to manage conflicts. Some supermarket operators have limited hours, or are changing layouts frequently so they aren't as familiar to potential thieves.

Nikola CEO Had Concerns on Milton

By JAMES FANELLI AND CORINNE RAMEY

Nikola Corp. Chief Executive Mark Russell told a New York federal jury Monday that he had concerns about joining the electric-truck company because he believed its founder, Trevor Milton, “was prone to exaggeration in public statements.”

Testifying in Mr. Milton's securities-fraud trial, Mr. Russell said that before coming on board in 2019 as president of Nikola, he and Mr. Milton reached an agreement that Mr. Russell would become the chief executive officer if Nikola became a publicly traded company. Mr. Russell said he sought the arrangement because as head of a public company, statements from the CEO needed to be accurate.

“Anything he said in public was the equivalent of a press release or securities filing,” Mr. Russell said of his concerns about Mr. Milton making misstatements as the company head.

Monday marked the second week of Mr. Milton's trial on charges of securities fraud and wire fraud. Prosecutors alleged that before and after Nikola went public in June 2020, Mr. Milton repeatedly lied to investors about the status of his company's trucks and technology, including on social media, televi-



Nikola founder Trevor Milton

sion and podcast interviews. As he made the company sound more successful than it was, its stock price soared, making Mr. Milton a billionaire, prosecutors said.

Mr. Milton, who resigned from the company in 2020, has pleaded not guilty. His lawyers have called the case “a prosecution by distortion” and argued that prosecutors cherry picked portions of Mr. Milton's interviews and social media postings. Mr. Milton's statements were part of the company's marketing plan, they said. The founder's defense team also said Nikola employees didn't stop Mr. Milton from making the statements in question and then abandoned Mr. Milton amid government investigations.

Mr. Russell, who is set to retire as CEO on Jan. 1, testified that before Nikola went public, he discussed with Mr. Milton the need to speak ac-

curately. The company's bankers also wanted Mr. Milton to stop attending investor meetings after he didn't stick to what was on a slide-deck presentation in a meeting with SoftBank, Mr. Russell said.

“I think he felt that the slides were insufficient in being persuasive,” Mr. Russell said, recalling that Mr. Milton believed the company's bankers “don't know how to sell.”

After Nikola went public, Mr. Milton became executive chairman of Nikola, a position that still left him in charge of the company.

“That was totally against

what I was bargaining for,” Mr. Russell told jurors. “I wanted to be the chief executive officer in terms of leading the company and making public statements.”

Nikola has said it cooperated with government inquiries. It settled an investigation by the Securities and Exchange Commission for \$125 million. The company didn't admit or deny wrongdoing.

Over the past week, federal prosecutors have called current and former Nikola employees as witnesses.

—Ben Foldy contributed to this article.

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TECHNOLOGY

Meme-Stock Traders Target Avaya

BY MATT WIRZ

Individual investors are backing a new underdog, **Avaya Holdings Corp.**, pumping up the software company's downtrodden stock by about 200% over the past month and confounding Wall Street professionals.

Avaya's fans include day traders who congregate on Reddit and Twitter forums, and a 35-year-old software entrepreneur who snapped up a 15% stake. They are facing off against a group of large fund managers such as **Apollo Global Management Inc.** and **Ares Management Corp.** that could benefit if the company seeks bankruptcy-court protection.

Avaya share and bond prices reflect a high risk of bankruptcy, even after the recent rebound. Still, the willingness of individual investors to back the company while global markets tank

shows the endurance of the meme-stock trend.

"It seems naive that anyone would be willing to give them the benefit of the doubt," said Lance Vitanza, a stock analyst at Cowen Inc. "Our model shows they're going to be out of cash in June."

A spokeswoman for Avaya declined to comment.

Institutional investors soured on Avaya, which sells software for corporate phone networks and for customer call centers, this summer. It issued \$600 million of new loans and convertible bonds, then badly missed earnings guidance and disclosed uncertainty about its ability to continue as a going concern. Its stock fell to 65 cents from around \$5, and its loan prices dropped by nearly 40% to about 48 cents on the dollar, according to Advantage Data Inc.

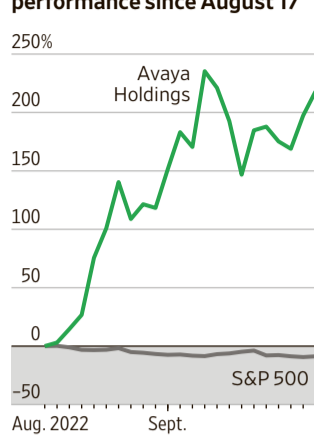
The shares started to re-

bound in mid-August after Theo King, co-founder of cloud software company Faria Education Group Ltd., bought a 15.41% stake and said the market was undervaluing Avaya's recurring revenue from its 90,000 customers. Mr. King followed up his purchases with a letter laying out a turnaround strategy and some reading recommendations for Avaya's board. The holdings and the letter were disclosed in an Aug. 23 regulatory filing.

He took to Twitter to rebut a bearish report by Cowen's Mr. Vitanza and to call out Apollo for maneuvering to potentially take control of the company if it enters bankruptcy. "Lenders should be lenders—not try to become owners," he tweeted.

Avaya has announced about \$250 million of cost cuts and Mr. Vitanza's cash-burn forecast is "not realistic," according to Mr. King. Management has sev-

erated options other than bankruptcy, including finding a strategic partner, he said. Avaya announced a first round of job cuts in early September.



The activist campaign gal-

vanized individual investors. Some liked Mr. King's vision for the company. Others bought in expecting the stock to pop because of a short squeeze. The percentage of Avaya's shares sold short is about 28%, according to S&P Global Market Intelligence. The stock trades around \$2.00.

Individual investors might have rallied because of the involvement of large fund managers such as Apollo and Ares. The two are part of a group with dozens of members, including BlackRock Inc., that hired law firm Akin Gump Strauss Hauer & Feld LLP to stake their claims against Avaya, according to people familiar with the matter. "Let's take Apollo to the moon," a WallStreetBets poster stated in early September. A spokeswoman for Apollo declined to comment on the posts by Mr. King and others.

Instacart Readies Its IPO

Continued from page B1

and in the summer was targeting a fourth-quarter listing.

The IPO market is headed for its worst year in decades, leaving some startups with few options but to spend through their cash reserves while they wait for the stock market to calm. Instacart turned a net profit in the second quarter, which could explain why it is focusing its public listing on the sale of employee shares.

Late last year, hundreds of companies were getting ready to list. Then high inflation, rising interest rates and Russia's invasion of Ukraine pummeled prices, drying up the appetite for IPOs.

Highly valued startups like food-delivery firm Gopuff and online marketplace StockX LLC have delayed listing plans. Payments provider Stripe Inc., founded in 2010 and last valued by investors at \$95 billion, has also yet to go public.

Listed companies similar to Instacart have seen their shares hit harder than most. Delivery companies DoorDash Inc. and Delivery Hero Inc. have each tumbled more than 50% since the beginning of the year. Over the same period, the tech-heavy Nasdaq Composite Index fell less than 30%.

While Instacart will sell a small percentage of new shares, the bulk of its offering will come from employee shares that will be sold directly to new investors at an agreed-upon price ahead of a stock-market debut. Details of the listing could change depending on market conditions and other factors.

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Take-Two Says Hackers Leaked Game Footage

BY SABELA OJEA

Take-Two Interactive Software Inc. said hackers broke into the networks of its Rockstar Games Inc. unit and illegally accessed early-development footage of the company's next "Grand Theft Auto" videogame.

Take-Two disclosed the hack in a securities filing on Monday, saying that an unauthorized third party downloaded confidential information from its systems. The New York-based company said that Rockstar Games doesn't expect any long-term disruptions from the incident and that work on the widely known game would con-

◆ **Heard on the Street:** Hack steals Take-Two thunder.... B12

tinue as planned.

"We have already taken steps to isolate and contain this incident," Take-Two said, adding that the services of Rockstar Games haven't been affected by the intrusion.

Rockstar Games confirmed the unauthorized access to its systems in a post on Twitter. "We are extremely disappointed to have any details of our next game shared with you all in this way," the company tweeted.

Take-Two shares closed slightly higher, at \$125.08, in trading on Monday, and have fallen by nearly one-third this year.

The hacker claiming to be behind the Rockstar hacks also appeared to claim responsibility for last week's break-in at



The 'Grand Theft Auto' series sold more than 375 million units worldwide since its release in 1997.

Uber Technologies Inc. The hacker said the Uber hack was "my previous work," in a post on an online videogaming forum, viewed by The Wall Street Journal.

The ride-hailing company announced a cybersecurity breach last week after a hacker claimed to have gained wide-

spread access to the company's computer systems.

Uber disclosed more details about the attack on Monday. It said its initial investigation found the hacker likely entered its systems through a contractor's account.

The hacker likely bought the contractor's password on what

is known as the Dark Web, Uber said. The Dark Web is a network of servers that use anonymity software to cloak their locations.

Uber said Monday it hadn't found evidence that sensitive user information, such as trip history and credit-card information, was stolen.

BUSINESS NEWS

Delta Tackles New Challenges as Travel Rebounds

BY NINA TRENTMANN

Dan Janki, the finance chief of **Delta Air Lines Inc.**, had to navigate a host of pressures in his first year in the airline industry as travel demand remained below the levels seen before the Covid-19 pandemic.

Now, with demand surging, he faces new challenges as airlines struggle with capacity issues, rising costs, high debt levels and concerns about an economic downturn.

The executive, who spent nearly three decades at General Electric Co., said his approach is to focus on things that are within his control, such as cutting debt and improving margins while allocating funds for increasing inventory and reducing time buffers.

Mr. Janki had no airline experience before joining Atlanta-based Delta as chief financial officer in July 2021, unlike his peers at American Airlines Group Inc. and United Airlines Holdings Inc. Regardless of their professional backgrounds, the CFOs at those carriers are facing many of the same challenges, including capacity constraints after routes and jobs were slashed during the early days of the pandemic.

Delta has been holding more spare plane parts to make sure crucial pieces aren't missing when needed, as well as adding time before and after flights, Mr. Janki said. Combined with the self-imposed capacity restrictions, these moves have kept the company's unit costs higher than they were before the pandemic. Excluding fuel, Delta spent 12.76 cents per available seat-mile—a metric used to measure unit costs—during the second quarter, up from 11.42 cents a year ago but down from 41.96 cents during the second quarter of 2020, when pandemic lockdowns were in full force. That compares with 10.47 cents in the second quarter of 2019, before Covid-19.

The buffers helped Delta improve service in July and August, after it hit a low in June, and they should continue to do so as the year progresses, Mr.



Finance chief Dan Janki said going from business to business at GE helped him get his head around a new business.

Janki said. "It's still not at the level we want, but it will continue to get better," he said. Delta in recent months also cut the number of flights it operates. September has been off to a good start, Mr. Janki said at a conference last week.

Consumer demand remains strong and corporate travel—an important income generator for Delta before the pandemic—is recovering, Mr. Janki said. Slower economic growth could help the airline's corporate segment as more companies might decide to send their sales and other executives to see clients in person, Mr. Janki said.

Apart from improving Delta's financials, Mr. Janki is focusing on bringing down debt. Delta had \$22.9 billion in net debt at the end of the second quarter, down from \$24.5 billion at the end of 2021, according to S&P Global Market Intelligence.

The company is targeting adjusted net debt of \$15 billion by 2024, which would mean a reduction of \$5 billion in adjusted net debt between now and then. Adjusted net debt stood at

\$19.6 billion at the end of the second quarter, Delta said. The airline is looking to opportunistically pay down debt and doesn't see a big impact on its financing costs from rising interest rates, as 85% of its debt is fixed rate, Mr. Janki said.

Delta relied more on debt to shore up liquidity than rivals with weaker balance sheets that used a combination of debt and equity, said Savanthi Syth, an analyst at financial-services firm Raymond James Financial Inc.

The airline is somewhat limited in terms of what it can do with its capital, as it received emergency funds from the government during the onset of the pandemic. Those restrictions will fall away next month, but restoring the dividend or buying back shares will have to wait, Mr. Janki said.

New labor agreements with Delta's pilots—currently under negotiation—will add to the company's cost base going forward, analysts said. "The U.S. airline industry has some big tackling to do," said Ms. Syth.

"You have these cost headwinds when you have the consumer and the economy softening."

Mr. Janki said he is working to reduce Delta's unit costs. Part of that endeavor will be to bring nine aircraft back into service that are parked, and training new employees. "As we get a stable operation and you

Dan Janki said his approach is to focus on things that are within his control.

build that experience, you can start to get the efficiencies of those teams," Mr. Janki said.

Mr. Janki held various roles while at GE, such as divisional CFO and CEO of business units, including president and CEO of GE's power portfolio. "It wasn't just one business," Mr. Janki said, adding that going from business to business at GE helped him get his head around

"a new business that I had no prior experience with."

To familiarize himself with Delta, Mr. Janki said he attended morning meetings, inspected the engine shop, visited the wing operations and spent some time in the reservations department. "Those types of things really give you a sense of the operation," he said.

More than a year into the new role, Mr. Janki has made some changes, for example around how the company closes out its quarter. The focus has been to bring insights and analytics earlier into the earnings process to improve efficiency, Delta said. Mr. Janki attends a weekly commercial meeting held by President Glen Hauenstein, which previously wasn't a regular responsibility for the CFO.

Delta uses a rolling forecast, Mr. Janki said, which allows the company to update its spending plans on a regular basis, instead of sticking with a fixed annual budget. "We're looking within a month, within a quarter, daily, weekly," Mr. Janki said. The

company, which reported earnings per share under U.S. generally accepted accounting principles of \$1.15 during the second quarter and \$1.44 in non-GAAP EPS, is guiding investors to an operating margin in the mid-teens, more than \$4 billion in free cash and non-GAAP EPS in excess of \$7 in 2024. That compares with an operating margin of 11% and \$1.6 billion in free cash at the end of June.

Colleagues said Mr. Janki is sometimes seen at 6 a.m. at the cafe opposite his office, reading materials. "One of his strengths is, he is a learner," said John Krenicki, the former vice chairman of GE and CEO of GE Energy to whom Mr. Janki reported to as divisional CFO.

Mr. Janki was known for his detailed knowledge of GE. "It was not unusual for me to just ring him up and ask him what he thought about this or that option," said Larry Culp, the company's chairman and CEO, speaking generally. GE is in the process of splitting its business into three parts. "He was comfortable in his own skin to tell me what he was thinking, instead of trying to guess what I was thinking," Mr. Culp said. Delta is a customer of GE's aircraft engine business.

Mr. Janki in his early days took part in GE's corporate audit staff program, a rigorous multiyear rotation through various divisions that the conglomerate used to groom future leaders until it decided to disband it in 2020. "He accumulated the parts throughout his career that got him the big chair," said Peter Crist, the chairman of executive recruitment firm Crist Kolder Associates.

Mr. Janki wants his 600-people strong finance team to rely more on data and improve its systems, including streamlining information in the cloud. Part of that effort will be to combine fuel and operating data, as well as information about employees, crew expenses and spending on maintenance, he said.

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BUSINESS NEWS

West Coast Port-Worker Talks Hit Snags

Wages, automation are sticking points as industry fears dispute could extend into '23

By PAUL BERGER

West Coast port labor talks are stalled as dockworker disputes hit the region's big trade gateways, according to shipping industry officials who fear the negotiations could take months to resolve.

Some maritime executives had hoped the talks, which began in mid-May, would conclude in the early fall. Now they worry the negotiations could continue through the end of 2022 or into 2023, extending uncertainty that has triggered shifts in trade flows and complicated planning in supply chains.

"What you are starting to hear is people are losing faith," said one shipping industry official.

The talks cover more than 22,000 workers at 29 ports from California to Washington state that include major hubs for trade with Asia. Members of the International Longshore and Warehouse Union have been working without a contract since the last agreement



The talks cover 22,000 workers at 29 ports, many of them congested. Containers in Los Angeles.

expired in July, leaving companies working without grievance machinery that allows for resolution of disputes between workers and their bosses.

The work incidents generally haven't delayed cargo movement, but officials say they worry that confrontations over work disputes could escalate.

Unionized dockworkers in Seattle last week called meetings to prepare for possible picketing. Workers at the Port

of Tacoma, Wash., didn't staff a night shift in August at a cargo-handling facility because of a disagreement over CPR training.

Dockworkers at the Port of Los Angeles wouldn't work for about four weeks at an automated section of the largest container-handling facility run by A.P. Moeller-Maersk A/S. The workers cited safety concerns over the automated equipment

at the site, which has been in operation since 2020.

The dockworkers at Los Angeles returned to the automated section of the terminal on Sunday.

Port of Los Angeles Executive Director Gene Seroka said that in August 40,000 containers, measured in 20-foot equivalent units, were diverted to the neighboring Port of Long Beach because of the dispute.

Many importers are shift-

ing goods from the West Coast gateways on longer, more expensive routes to East Coast and Gulf Coast ports so their cargo won't get stuck in case of a lockout or job actions. The surge in cargo has led to congested terminals and vessel backups at several of those ports.

The concerns over the progress of the talks comes as labor disputes around the U.S. are growing. The Biden administration last week intervened to narrowly avert a nationwide shutdown of the freight rail system. Shipping industry officials say they also want the government to get more involved in the port labor talks.

Administration officials say they are closely monitoring the talks and the negotiations are proceeding at a good pace.

Dockworker union leaders and their employers are negotiating the first new multiyear labor contract since 2015.

The two sides reached a tentative agreement on health and benefits at the end of July. They haven't made progress on more difficult issues, such as wages and automation, according to shipping industry officials, because the talks have been held up by a dispute over which workers covered by two separate unions repair

and maintain equipment at a cargo-handling terminal at the Port of Seattle.

The National Labor Relations Board awarded that work to the International Association of Machinists and Aerospace Workers. Shipping industry officials said proposals to end the dispute have been exchanged with the ILWU for several weeks "with little progress."

Labor Secretary Marty Walsh, who holds weekly calls with officials from the ILWU and the Pacific Maritime Association, the group negotiating for shipping lines and terminal operators that employ the workers, said the work disruptions are "bumps in the road."

"Unfortunately the only time something is reported is when it's on the union side," Mr. Walsh said. "I'm sure there are bumps on the company side."

The ILWU and PMA have an agreement not to discuss the talks publicly.

A spokeswoman for the ILWU said negotiations take time and that the union "remains committed to the process, with the goal of reaching a collective bargaining agreement with our employers that supports dockworker jobs and the American economy."

Shippers Turn to Airplanes

Continued from page B1

for United Parcel Service Inc. and Germany's DHL, operates 15 Boeing 767 freighters. It is leasing an additional four and has ordered three more 767s and two 777s.

The airfreight industry grew by more than 21% last year from a year earlier, based on a metric measuring tonnage and distance flown, according to the International

Air Transport Association, a trade group. Revenue hit \$289 billion, up from \$238 billion in 2020 and \$264 billion in 2019 before the pandemic.

"E-commerce grew three to five times faster during the pandemic and e-commerce centers were developed across the world," said Darren Hulst, vice president, commercial marketing for Boeing Co. "These centers need a fleet of aircraft to provide same-day or second-day delivery services."

IATA expects world airfreight to further grow by 4.4% this year. Strong demand pushed freight rates up by nearly 200% between January and April this year compared with the same period last year.

Over the past three years, 400 freight planes were added to the world fleet, a 20% rise, according to Boeing. The plane maker estimates the global freighter fleet will grow to more than 3,600 in 2040 from around 2,000 now.

Maersk rival CMA and Air France-KLM agreed earlier this year to share freight space on the companies' planes. As part of the deal, CMA also agreed to pump about \$400 million into the cash-strapped airline. The carrier, like much of the commercial aviation industry, has relied on air cargo to help it get through the travel bust of the pandemic.

CMA also started its own airfreight division last year

and is operating four Airbus A330 freighters and two Boeing 777s. It will add two more 777s next year and four Airbus 330s that will be delivered in 2025 and 2026.

"Shipping and cargo, if you can have it together then you have a broader product," said Air France-KLM Chief Financial Officer Steven Zaat.

MSC, meanwhile, made a joint bid with German airline Deutsche Lufthansa AG for ITA Airways, the beleaguered Italian carrier formerly known as Alitalia. MSC had said the airline could bolster its air shipping network, while also feeding its cruise ship business. Last month, MSC and Lufthansa lost that bid—to a consortium including Air

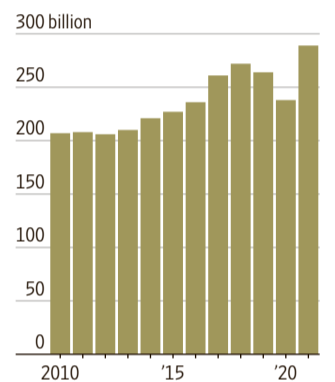
France and Delta Air Lines Inc.

Encouraging the shift, the economics of shipping are changing. The price of air cargo can be more than three times higher than sea freight if the shipment is big and heavy. But for products like computer chips, gadgets and electronics, the difference is smaller. Accounting for fast-rising charges imposed by ports and carriers when containers arrive late, airfreight makes sense not only for big importers but also for smaller businesses.

For airlines, freight was a lifeline during lockdown. For many carriers, it is now a business line they have decided to continue pursuing.

Air cargo is growing fast as companies try to circumvent congested sea ports.

Global air cargo capacity



Note: Capacity measured in metric tons of revenue load carried one kilometer. Source: International Air Transport Association

Featured Speakers

STEVE CASE
Chairman and CEO, Revolution;
Co-Founder, AOL

RAY DALIO
Founder,
Co-Chief Investment Officer
and Board Member,
Bridgewater Associates

JENNIFER GRANCIO
CEO, Engine No. 1

AMY HOWE
CEO, FanDuel

CARL ICAHN
Chairman, Icahn Enterprises

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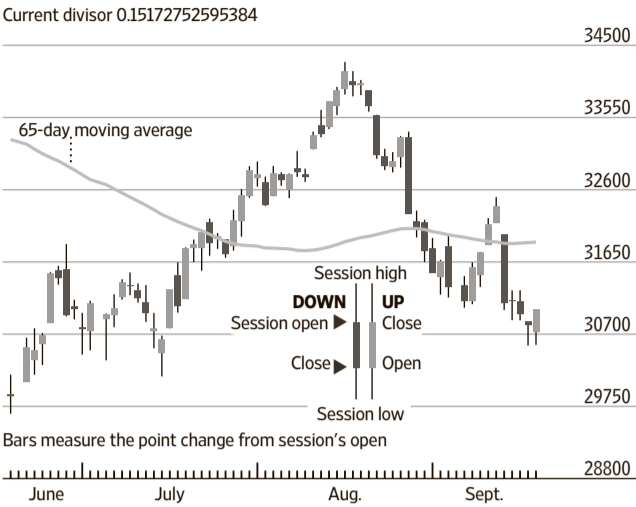
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MARKETS DIGEST

EQUITIES

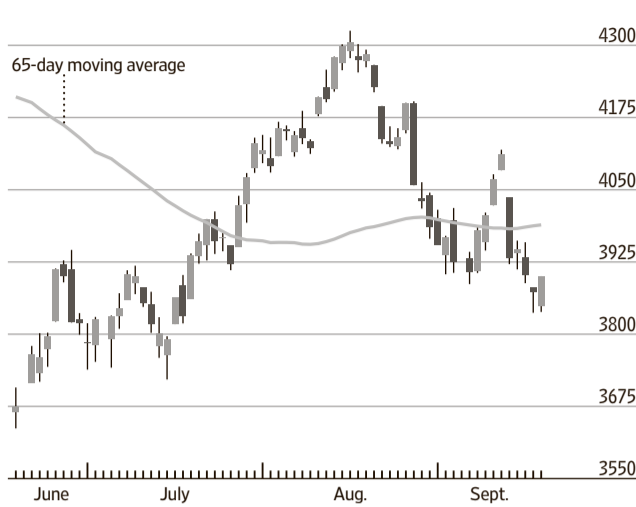
Dow Jones Industrial Average

31019.68 ▲ 197.26, or 0.64%
High, low, open and close for each trading day of the past three months.



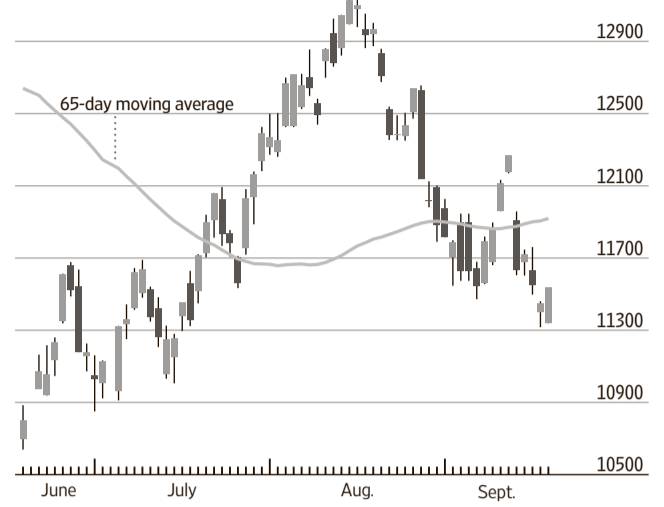
S&P 500 Index

3899.89 ▲ 26.56, or 0.69%
High, low, open and close for each trading day of the past three months.



Nasdaq Composite Index

11535.02 ▲ 86.62, or 0.76%
High, low, open and close for each trading day of the past three months.



Major U.S. Stock-Market Indexes

Table with columns for Index Name, High, Low, Close, Net chg, % chg, 52-Week High/Low, % chg, YTD, and 3-yr. ann. Includes Dow Jones, Nasdaq Stock Market, S&P, and Other Indexes.

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services...

Most-active issues in late trading

Table listing companies like SPDR S&P 500, Yamana Gold, Ford Motor, Apple, Kohl's Corp, Snap, Visa CIA, NortonLifeLock, O2Micro Intl ADR, Change Healthcare, Caribou Biosciences, Cognex, Pegasystems, Sweetgreen, Ford Motor, Steel Dynamics, O-I Glass, and Brookdale Senior Living with their respective trading data.

Trading Diary

Volume, Advancers, Decliners

Summary table for NYSE and NYSE Amer. showing Total volume, Adv. volume, Decl. volume, Issues traded, Advancers, Declines, Unchanged, New highs, New lows, Closing Arms, and Block trades.

International Stock Indexes

Table listing international stock indexes by region/country, including MSCI ACWI, Euro STOXX, FTSE 100, Nikkei 225, etc., with their latest values and changes.

Percentage Gainers...

Table listing percentage gainers among various stocks, including Ventoux CCM Acquisition, Rumble, Purple Innovation, BYND Cannabis Ent, KnowBe4, Allakos, ShiftPixy, BlackRock Corp Hi Yd Fd, Coeur Mining, U.S. Gold, Wix.com, Research Frontiers, Broadwind, Airt, InnovAge Holding, etc.

Most Active Stocks

Table listing most active stocks by volume, including Amer Virtual Cloud Techs, ProShares UltraPro QQQ, ProSh UltraPro Shrt QQQ, Mullen Automotive, Apple, Direxion Dly SCOND 3 BL, SPDR S&P 500, Purple Innovation, Advanced Micro Devices, and Tesla.

Percentage Losers

Table listing percentage losers among various stocks, including Virio Therapeutics, MicroCloud Hologram, FOXO Technologies, Sonnet BioTherapeutics, Wag! Group, Soteria Health, Amprius Technologies, Pacer iPath Gold Trend, Grove Collaborative, Nexalin Technology, BriaCell Therapeutics, InozymePharma, Wearable Devices, Nabriva Therapeutics, and Applied DNA Sciences.

Volume Movers

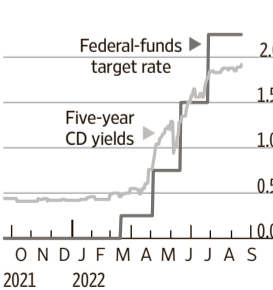
Table listing volume movers, including Virio Therapeutics, MicroCloud Hologram, Inflection Point CI A, Profound Medical, TPB Acquisition I CI A, iShares MSCI Belgium ETF, Bannix Acquisition, Keyarch Acquisition, Post Holdings Ptr CI A, SPAC New Issue ETF, etc.

CREDIT MARKETS

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



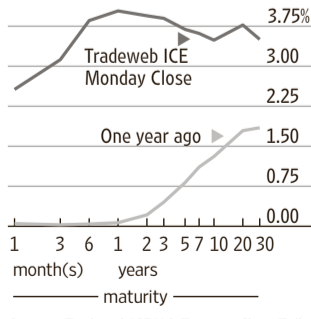
Selected rates

5-year CDs

Table listing selected rates for various banks and institutions, including Bankrate.com avg, Presidential Bank, First Internet Bank of Indiana, TAB Bank, Colorado Federal Savings Bank, Greenwood Village, CO, CFG Community Bank, and Baltimore, MD.

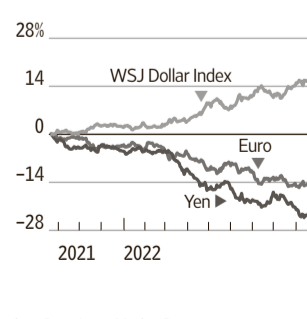
Treasury yield curve

Yield to maturity of current bills, notes and bonds



Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Corporate Borrowing Rates and Yields

Table listing corporate borrowing rates and yields for various companies, including U.S. Treasury, Aggregate, Fixed-Rate MBS, High-Yield 100, Muni Master, and EMBI Global.

CURRENCIES & COMMODITIES

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Table listing U.S.-dollar foreign-exchange rates for various countries and currencies, including Americas, Europe, Asia-Pacific, Middle East/Africa, and Vietnam.

Commodities

Table listing commodity prices for various goods, including DJ Commodity, Refining/CC CRB Index, Crude oil, Natural gas, and Gold.

Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks. † Excludes closing costs.

Sources: J.P. Morgan; Bloomberg Fixed Income Indices; ICE Data Services

COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Metal & Petroleum Futures

Table with columns: Commodity, Open, High, Low, Settle, Chg, Open interest. Includes Copper-High, Gold, Dec, Copper, Palladium, Platinum, Crude Oil, NY Harbor ULSD, Gasoline, Natural Gas, Corn, Soybeans, Soybean Meal, Soybean Oil, Wheat, Wheat (KC), Cattle-Feeder, etc.

Cattle-Live (CME)

Table with columns: Commodity, Open, High, Low, Settle, Chg, Open interest. Includes Hogs-Lean, Lumber, Milk, Cocoa, Coffee, Sugar-World, Sugar-Domestic, Cotton, Orange Juice, etc.

Interest Rate Futures

Table with columns: Commodity, Open, High, Low, Settle, Chg, Open interest. Includes Ultra Treasury Bonds, Treasury Bonds, Treasury Notes, 5 Yr. Treasury Notes, 2 Yr. Treasury Notes, 30 Day Federal Funds, 10 Yr. Del. Int. Rate Swaps, Three-Month SOFR, Eurodollar, Japanese Yen, Canadian Dollar, British Pound.

Currency Futures

Table with columns: Commodity, Open, High, Low, Settle, Chg, Open interest. Includes Japanese Yen, Canadian Dollar, British Pound.

Agriculture Futures

Table with columns: Commodity, Open, High, Low, Settle, Chg, Open interest. Includes Corn, Oats, Soybeans, Soybean Meal, Soybean Oil, Wheat, Wheat (KC), Cattle-Feeder, etc.

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

Monday, September 19, 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...

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

Borrowing Benchmarks

wsj.com/market-data/bonds/benchmarks

Money Rates

September 19, 2022

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Table with columns: Category, Rate. Includes Inflation, U.S. consumer price index, International rates, Prime rates, Federal funds, Discount, Federal funds, Overnight repurchase, U.S. government rates, Secondary market, Other short-term 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...

Table with columns: Maturity, Rate, -52-Week-High, -52-Week-Low. Includes Federal funds (effective), Commercial paper, Nonfinancial, Financial, Discount window primary credit, Treasury yields at constant maturities, TIPS, Policy Rates.

Notes on data: Federal-funds rate is an average for the seven days ended Wednesday... DTCC GCF Repo Index... U.S. prime rate... Other prime rates... Discount rate... Secured Overnight Financing Rate...

Index Futures

Table with columns: Index, Open, High, Low, Settle, Chg, Open interest. Includes Mini DJ Industrial Average, U.S. Corporate Indexes, High Yield Bonds, U.S. Agency Bloomberg Fixed Income Indexes.

Mortgage-Backed Bloomberg Fixed Income Indexes

Table with columns: Index, Open, High, Low, Settle, Chg, Open interest. Includes Mortgage-Backed, U.S. Agency Bloomberg Fixed Income Indexes.

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: Index, YTD total return (%), Index, Yield (%), Total return close, YTD total return (%), Index, Yield (%). Includes Broad Market Bloomberg Fixed Income Indexes, U.S. Corporate Indexes, High Yield Bonds, U.S. Agency Bloomberg Fixed Income Indexes.

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: Country, Maturity, Yield, Spread, Under/Over U.S. Treasuries. Includes U.S., Australia, France, Germany, Italy, Spain, U.K.

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 Morgan Stanley, FedEx, HP, Bank of Nova Scotia, Norfolk Southern, Verizon Communications, Pfizer, Royal Bank of Canada.

...And spreads that widened the most

Table with columns: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Spread, Current, One-day change, Last week. Includes F&G Global Funding, Wells Fargo, Morgan Stanley, Nestle Holdings, ORIX, Citigroup, Lockheed Martin, Raytheon Technologies.

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 Bath & Body Works, Commerzbank, Ford Motor Credit, Tri Pointe Homes, Teva Pharmaceutical Finance Netherlands, Ball, Transocean, Sprint Capital.

...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 Occidental Petroleum, Lumen Technologies, CSC Holdings, Nordea Bank Abp, Barclays, Hughes Satellite Systems, Howmet Aerospace, Owens-Brockway Glass Container.

*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

An Education Fundraising Startup Gets \$50 Million

Silversmith-led group becomes company's first private-equity investment partner

By MARIA ARMENTAL

Silversmith Capital Partners led a \$50 million growth investment in GiveCampus Inc., becoming the first private-equity sponsor to back the educational fundraising startup and accelerate its product development and hiring.

The Boston-based firm acquired a minority interest in the Washington-based company whose technology provides an alternative to raising donations through phone calls and mailings.

Schools buy subscriptions to its system, which offers several products including social fundraising that blends social media and gamelike aspects to help drive engagement.

"Fundraising is a critical component of school budgets," said Jim Quagliaroli, a Silversmith managing partner who became a GiveCampus director as part of the investment. "Without effective fundraising, schools face a choice between cutting budgets or increasing tuition and fees, both of which harm students and especially students from less advantaged backgrounds."

Client fees paid to GiveCampus depend in part on the amount raised and the number of people involved in a campaign, according to the company's website. GiveCampus also provides support services



Mike Kong, left, and Kestrel Linder started GiveCampus in 2014.



and applications to manage volunteers and process donations through mobile payment systems such as Venmo and PayPal.

Other investors participating in the transaction included Michael Seibel, a partner and managing director with startup accelerator Y Combinator, an early backer of the company. Also investing were Claire Hughes Johnson, a corporate adviser and former chief operating officer at payments platform Stripe Inc., and former HubSpot Inc. Chief Marketing Officer Mike Volpe, a Silversmith senior adviser.

Recent market volatility and pandemic-related economic disruptions haven't significantly affected donation rates for most of the organizations that the company works with, said Kestrel Linder, GiveCampus co-founder and chief executive. But he said some schools that rely on a few donors for significant sums expect to see fundraising chal-

lenges if the donors' fortunes have been affected by the economic slump.

Mr. Linder and Mike Kong started GiveCampus in 2014, nearly a decade after meeting as undergraduates at Johns Hopkins University in Baltimore. After graduating, Mr. Linder worked for several years for government contractors such as Booz Allen Hamilton Holding Corp. as a consultant after graduating. Mr. Kong worked as a computer systems engineer, including at Meta Platforms Inc.'s Facebook, before joining Mr. Linder and becoming the startup's chief technology officer.

The two came up with the idea for GiveCampus after getting donation requests from their alma mater.

"We basically said, if this is the best that Johns Hopkins can do, maybe there is a real need in this particular industry for something better," Mr. Linder said.

So far, the company said it has helped more than 1,000 nonprofit schools raise more than \$2 billion. Clients have included Williams College and Boston College in Massachusetts as well as Johns Hopkins and college preparatory schools Choate Rosemary Hall in Wallingford, Conn., and Phillips Academy in Andover, Mass.

In the startup's early days, the co-founders' friends and family, alongside angel investors and Y Combinator, provided less than \$1 million in capital. Over the past six years, GiveCampus has been profitable and free-cash-flow positive, Mr. Linder said.

The new money will let the company accelerate hiring, Mr. Linder said. GiveCampus plans to roughly double its current 75-employee workforce over the next 20 months or so.

Silversmith, which backed GiveCampus through its \$880 million third fund, also committed additional money to let GiveCampus employees and early investors cash out, if they choose. Terms of that arrangement are being completed.

As a major investor, Silversmith is expected to help the company increase revenue to an annual rate of more than \$100 million from around \$20 million currently.

Mr. Quagliaroli said reaching that level is doable but might take years, adding that is as it should be.

"It should take years because the cadence in which you build...has implications for how you recruit, how you continue to serve customers," he said.



WHO Foundation CEO Anil Soni, left, and OurCrowd CEO Jon Medved

Venture Fund Targets Healthcare Inequality

By DOV LIEBER

Israeli venture-capital firm OurCrowd aims to raise a \$200 million fund in partnership with an affiliate of the World Health Organization that would invest in companies that address global healthcare inequality.

The collaboration, announced Monday at a Clinton Global Initiative event in New York alongside the meeting of the United Nations General Assembly, is the latest iteration of organizations collaborating with venture capital to further their goals.

The Switzerland-based World Health Organization Foundation, a nonprofit affiliate of the World Health Organization, will require companies that receive investments from the Global Health Equity Fund to sign a pledge ensuring their technologies will be available and affordable for lower-income populations and countries.

The new fund is casting a wide net, seeking to invest not just in health technology, but health-adjacent industries such as food-tech, agtech and energy companies.

The launching of the WHO Foundation in 2020 and its partnership with OurCrowd were conceived as a response to the Covid-19 pandemic, which highlighted inequality in access to healthcare globally, according to the heads of the venture-capital firm and the nonprofit organization.

Jon Medved, founder and chief executive of OurCrowd, which PitchBook says is Israel's most active VC firm by number of investments, said his firm's new fund takes the trend of impact investing further. It asks companies not just to commit to certain good-behavior goals but to bake their desired impact on inequality directly into their business strategy.

"It's not enough just to commit to behave. We have to commit to work for change," Mr. Medved said.

About one-third of the 20% of profits from the fund that go to its managers will be donated to the WHO Foundation, Mr. Medved said.

By affiliating the fund with the pledge of the WHO Foundation, Mr. Medved said he hopes to attract companies and investors that will be drawn to their shared goals.

"I think that they will seek this out," he said.

Morris Laster, a managing partner at OurCrowd who will oversee the fund, said working with the WHO Foundation will give the VC firm access to better deal flow with companies

seeking support and advice from the nonprofit from regions yet untapped by the venture-capital firm.

The collaboration between OurCrowd and the WHO Foundation began when the latter's chief executive, Anil Soni, emailed Mr. Medved in October 2021 in search of a financial partner that could align with his organization's goals.

By reaching out to Mr. Medved, Mr. Soni aimed to "align return-seeking investment with the goals of global health" to generate revenue while spurring critical innovation in the health sector.

While the WHO Foundation had considered other firms, Mr. Soni said OurCrowd's breadth of investments across the globe makes it an optimal partner to further his organization's goals.

"We were looking for a partner with a pair of eyes that

The fund is seeking to invest in health-adjacent industries like agtech.

could see North America, Europe, Africa, Asia...and we've found with OurCrowd a willingness and an adaptability that is going to be very helpful," said WHO Foundation Chief Impact Investment Officer Geetha Tharmaratnam.

OurCrowd invests its own money as well as provides a platform for 215,000 registered members from 195 countries to invest, according to the company. Since its founding in 2013, it has received more than \$1.9 billion in commitments and invested in 347 companies and 39 funds across five continents, according to the company.

OurCrowd cites earlier investments such as plant-based meat substitute maker Beyond Meat Inc. and Israeli startup H2Pro, which aims to produce cheaper hydrogen fuel, as examples of companies the fund would seek to invest in.

Mr. Soni said in the 20 months since his organization was founded, it has raised \$65 million from private-sector and philanthropic sources. He hopes to contribute between 5% to 10% of the WHO's total budget, which is currently \$3 billion annually. Since its founding, Mr. Soni said the nonprofit has largely raised funds for the global Covid-19 response and for WHO programs in Ukraine.

—Aaron Boxerman contributed to this article.

Treasury Aims at Illicit Crypto Risks

By MENGQI SUN

The Treasury Department is seeking public comment on the possible illicit finance and national-security risks posed by the use of digital assets, as part of the agency's mandate under President Biden's March executive order to study the development of cryptocurrency.

The request for comment, issued Monday, also asks the public for suggestions to mitigate these risks by the deadline of Nov. 3.

The Treasury, in a version of the request-for-comment document on the Federal Register website, said crypto has been used in sophisticated cybercrime-related financial networks and activity, including through ransomware. The growing use of digital assets has increased the risk of crimes such as money laundering, terrorist financing, fraud, thefts and corruption, according to the document.

Brian Nelson, the Treasury undersecretary for terrorism and financial intelligence, said Monday that public input will aid the agency in setting controls to hold bad actors accountable and to identify potential gaps in existing



Treasury official Brian Nelson says public comment will help in identifying gaps in enforcement.

enforcement.

Various stakeholders, including crypto industry advocates, members of civil society, traditional financial institutions and crypto firms, are expected to provide comments, according to Alex Zerden, the principal of financial technology and risk advisory firm Capitol Peak Strategies LLC.

"This [commentary process] shows the Treasury is taking public engagement very seriously...from the lens

of risk, as opposed to the way of risk and opportunity," Mr. Zerden, a former Treasury official in the Obama and Trump administrations, said. He added that it would eventually be up to the Treasury in determining how to incorporate the comments it receives into its policy-making process.

The request for comment comes as the crypto market sees another wave of volatility, adding to calls for greater regulatory oversight. The Treasury Department

is expected to lay out the risks it perceives cryptocurrencies could pose to consumers and to the financial system in a series of reports that are set to become public this month.

The reports, which the Treasury is completing and sending to the White House, will feature Treasury's analysis of crypto markets and will each focus on one of four topics—the payment system, consumer protections, illicit finance and financial stability.

New Highs and Lows

Table with columns for Stock, 52-Wk % Change, and 52-Wk High/Low. Includes sub-sections for Continued From Page B9, New Highs, and New Lows.

MARKETS

Stocks Rise Ahead of Key Fed Meeting

Yield on 10-year Treasury note soars to highest level in more than a decade

By Caitlin McCabe and Alexander Osipovich

Major stock indexes inched up and bond yields hit their highest level in more than a decade as investors looked ahead to the Federal Reserve's interest-rate decision later this week.

The S&P 500 rose 26.56 points, or 0.7%, to 3899.89. The broad market index opened with losses but rallied in the last hour of trading, putting it firmly into positive territory. The Dow Jones Industrial Average advanced 197.26 points, or 0.6%, to 31019.68. The technology-focused Nasdaq Composite climbed 86.62 points, or 0.8%, to 11535.02.

Last week, both the S&P and Nasdaq notched their biggest weekly declines since June amid a slew of corporate warnings that raised alarm bells about the trajectory of the U.S. economy. Companies such as FedEx and General

Electric were among those that pointed to signs of economic troubles. The messages sparked worries among investors about how well corporate earnings can hold up as the Fed keeps raising rates and the U.S. potentially heads for a recession.

This week, investors are largely focused on a round of interest-rate decisions by central banks. The Fed's decision, to be announced Wednesday, will be followed Thursday by the Bank of England.

Investors sold government bonds in the run-up to the Fed meeting, sending yields to their highest level in years.

The yield on the 10-year U.S. Treasury note rose to 3.489%, its highest 3 p.m. ET settlement level since 2011, and up from 3.447% on Friday. The two-year yield, which is much more sensitive to near-term interest-rate expectations, climbed to 3.946%, its highest settlement since 2007, up from 3.859% on Friday. Yields and bond prices move in opposite directions.

Futures markets on Monday afternoon showed that traders estimate an 82% chance that the Fed will raise interest rates by 0.75 percentage point and an 18% chance that the U.S. central bank will lift rates by a full percentage point, according to CME Group.

"We're afraid that the Fed could surprise us with another jumbo hike," said Florian Ielpo, head of macro at Lombard Odier Investment Managers. Last week's corporate warnings, he said, suggested "we very well could be at the entry point of the U.S. recession."

Still, analysts at JPMorgan suggested in a research note on Monday that the market may have hit bottom after last



FedEx last week warned of economic troubles ahead. The company, whose shares rose 1.2% on Monday, reports results Thursday.

week's selloff.

Due to the resilience of corporate earnings, deep pessimism in investor positioning and signs that the Fed may have succeeded in tempering inflation expectations, "any downside from here would be limited," they wrote.

Nine of the S&P 500's 11 sectors ended the day with gains. Healthcare was one of the sectors that posted losses, weighed down by losses among vaccine makers.

Moderna tumbled \$9.84, or 7.1%, to \$127.90, making it the worst-performing stock in the S&P 500, after President Biden said in a televised interview that the Covid-19 pandemic was over. Novavax fell \$1.98, or 6.5%, to \$28.43, while

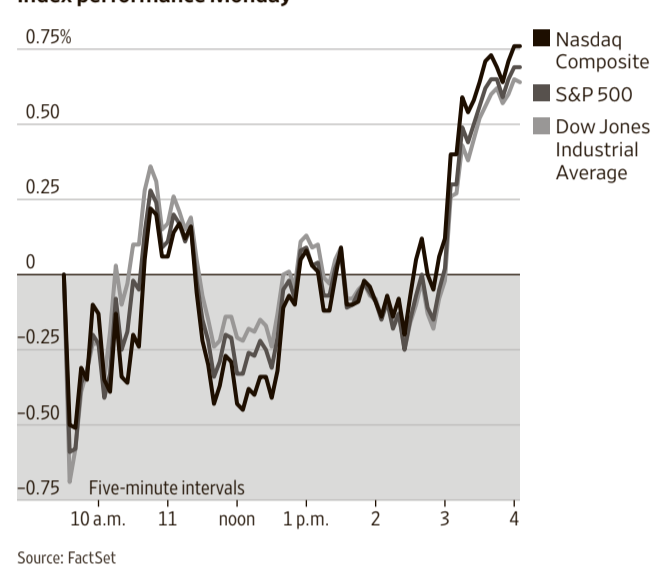
Pfizer shed 59 cents, or 1.3%, to \$45.44.

Later this week, investors will parse results from companies including Costco Wholesale and home builder Lennar. They also will get full results from FedEx after its sales warning last week.

Futures on Brent crude, the benchmark for global oil prices, bounced back from sharp losses earlier in the session and gained 0.7% to settle at \$92 a barrel.

Overseas, the pan-continental Stoxx Europe 600 slipped less than 0.1%. Early Tuesday, Japan's Nikkei 225 was up 0.4%, Hong Kong's Hang Seng Index was up 1.1% and the Shanghai Composite was up 0.6%. S&P 500 futures rose 0.2%.

Index performance Monday



AUCTION RESULTS

Here are the results of Monday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

	13-Week	26-Week
Applications	\$140,429,330,200	\$117,035,089,700
Accepted bids	\$55,759,935,200	\$43,369,164,700
* noncomp	\$1,459,366,100	\$1,512,841,200
* foreign noncomp	\$492,000,000	\$394,000,000
Auction price (rate)	99.173417	98.089000
	(3.270%)	(3.780%)
	3.343%	3.907%
Bids at clearing yield accepted	7.06%	55.38%
	912796087	912796051

Both issues are dated Sept. 22, 2022. The 13-week bills mature on Dec. 22, 2022; the 26-week bills mature on March 23, 2023.

China Vanke's Onewo Plans Hong Kong IPO

By Dave Sebastian

Onewo Inc., a Chinese property manager majority-owned by developer China Vanke Co., plans to raise up to \$783.6 million in its Hong Kong initial public offering, testing a difficult market for new listings against the backdrop of turmoil in China's real-estate market.

The company expects to offer the shares for anywhere from 47.10 Hong Kong dollars—equivalent to \$6—to HK\$52.70, according to a filing to Hong Kong's stock exchange on Monday. That gives Onewo a valuation of \$7 billion to \$7.84 billion, Vanke said.

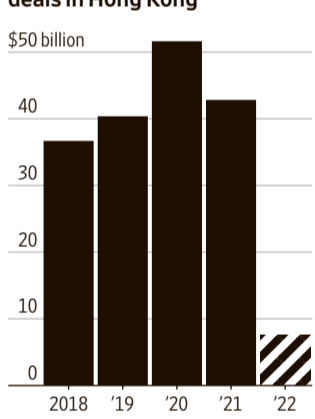
Vanke, based in Shenzhen, China, said it will hold about 56.6% of Onewo after the IPO, assuming the overallotment option isn't exercised.

The parent company currently holds a roughly 62.9% stake in Onewo, which will remain a Vanke subsidiary after the listing, it said.

Global IPO volumes have largely dried up this year, with high inflation, rising interest rates and Russia's invasion of Ukraine hurting stock prices.

In Hong Kong, new and secondary listings have raised \$7.5 billion so far this year, down 79% from the same period last year, according to De-

Funds raised from primary and secondary deals in Hong Kong



Note: 2022 figure is through Monday. Source: Dealogic



In Hong Kong, new and secondary listings have raised \$7.5 billion so far this year, down 79%.

alogic. China's struggling property market is a major worry for investors.

New-home sales and prices are dropping in many cities. Still, Onewo said its profit rose 12% to the equivalent of \$45.6 million in the first three months of the year, while revenue grew 44% to the equivalent of \$980.5 million.

Vanke in August said its net profit attributable to shareholders rose 11% in the first half of 2022, reaching the equivalent of \$1.75 billion due to higher contributions from Onewo and the logistics-and-

warehousing business, though sales at its property-development business fell 39% during the period.

Onewo said it is offering 116.7 million shares in the IPO, 90% of which will be available to international investors. The size of the share sale is smaller than the 180.5 million cap set by China's securities regulator when it approved Onewo's listing in July.

Six so-called cornerstone investors have committed to buying a total of \$280 million of the IPO shares and agreed to hold the stock for at least six months from the expected

listing date of Sept. 29, Onewo said.

Assuming the IPO prices at the top of the range, those investors—which include Singapore's state investment fund Temasek Holdings Ltd., Chinese state-owned enterprise China Chengtong Holdings Group Ltd. and a Singapore subsidiary of UBS Asset Management—will buy about 36% of the shares on offer, comprising 3.6% of issued shares after the IPO, it said.

The IPO proceeds will go toward investing in Onewo's technology offerings, financing acquisitions or investments,

attracting talent and funding the development of its "Onewo Town" model, where the company has several properties under management in a given subdistrict, Onewo said.

Onewo said it expects to price its IPO on Thursday. The unit's listing will follow that of other property managers that have also gone public this year, including Jinmao Property Services Co., Redco Healthy Living Co. and Lushang Life Services Co. Longfor Group Holdings Ltd.'s property-management unit also filed for a Hong Kong IPO in July.

Swiftly Is Valued at More Than \$1 Billion

By Corrie Driebusch

Swiftly Systems Inc. raised \$100 million in its latest funding round, boosting the valuation of the grocery-technology company to more than \$1 billion, according to people familiar with the matter.

The capital infusion, from BRV Capital Management and others, is the second funding round this year for Swiftly and values it at \$1.1 billion to \$1.2 billion, one of the people said. In March, Swiftly said it raised \$100 million in a Series B funding round led by Wormhole Capital.

Swiftly works with bricks-and-mortar grocery stores, pharmacies and convenience stores to upgrade their mobile apps and websites and to power their loyalty programs. Swiftly makes its money by selling ads for the retailers on their apps and websites.

The company signed 22,500 individual stores in the U.S. to its platform.

As of now, the Seattle company has signed 22,500 individual stores in the U.S. to its platform.

The funding round comes during a tough time for private companies seeking fresh capital as stock- and bond-market volatility take a toll. After a year and a half of boom times for venture-capital check writing, investors have become more conservative with their cash, even as they sit on a record pile of it.

That has contributed to pressure on the valuations of higher-profile players in the grocery ecosystem such as Instacart Inc. and Gopuff.

"Fundraising is always really hard," said Sean Turner, chief technology officer of Swiftly. "It's even harder in this environment." He said the company chose to raise more money in a Series C funding round now to scale the business.

BRV Capital will join the board and help Swiftly as it considers expanding beyond the U.S.

Gold Prices Decline

Continued from page B1
Across gold markets, SPDR Gold Shares, the world's largest exchange-traded fund backed by physical gold, is down more than 2% in September so far.

Investors have pulled money from precious metals-

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focused mutual funds and ETFs for 12 consecutive weeks, according to Refinitiv Lipper data. That is the longest streak since a 13-week run of outflows that ended in May 2021.

Gold prices are off almost 20% from the all-time levels they hit in August 2020, when Covid-19 fueled uncertainty.

"Gold's not as attractive as it was in 2020," said Ruth Crowell, chief executive at the London Bullion Market Asso-



Many nervous investors these days are buying Treasury bonds as a haven for their funds. A worker sorts gold bars in India.

ciation. The front-month gold futures contract lost \$44.50 a troy ounce, or 2.6%, to \$1,671.70 last week.

Gold remains a better option than stocks, Ms. Crowell added. The S&P 500 is down 18% this year.

Many investors expect the Fed to slow its pace of rate increases next year, which could bring down yields and the dol-

lar, boosting gold prices. The JPMorgan analysts expect gold to rise to about \$1,820 a troy ounce by late next year.