

THE WALL STREET JOURNAL.

What's News

Business & Finance

Central banks around the world moved to combat the effects of a soaring dollar and rising inflation, joining the Fed in risking a recession to rein in climbing prices. **A1**

◆ **Japan intervened** in the foreign-exchange market to support the yen for the first time in 24 years, shortly after the BOJ confirmed it would maintain ultralow rates. **B11**

◆ **Boeing agreed** to pay \$200 million to settle an SEC probe into allegations that the plane maker and former CEO Muilenburg made misleading statements about the 737 MAX's safety risks after two of the jets crashed. **A1**

◆ **FedEx said** it plans to raise shipping rates by an average of 6.9% starting in January as the company copes with a global slowdown in deliveries. **B1**

◆ **U.S. stocks dropped**, with the S&P 500, Nasdaq and Dow industrials posting losses of 0.8%, 1.4% and 0.4%, respectively. **B11**

◆ **Ancora, the activist investor** that helped install three directors on the Kohl's board last year, is now trying to force out the retailer's chairman and CEO. **B1**

◆ **Humana and CVS Health** are circling Cano Health, according to people familiar with the situation, as healthcare heavyweights scramble to snap up primary-care providers. **B2**

◆ **U.S. regulators have** begun inspecting China-based audits, kicking off a process that will determine whether companies from Alibaba to Yum China can remain listed on U.S. stock exchanges. **B11**

World-Wide

◆ **Russians began** reporting to military collection points in the thousands while others tried to flee the country as it emerged that the call-up for troops to fight in Putin's war in Ukraine could be wider than initially thought. **A1, A7-8**

◆ **The U.S. and its allies** used a U.N. Security Council special session to condemn Russia for its invasion of Ukraine and call for an investigation into Moscow's alleged war crimes. **A7**

◆ **Trump's assertion** that he declassified documents seized at Mar-a-Lago has come under judicial scrutiny this week, as judges highlighted the limits of that defense and noted a lack of courtroom evidence substantiating it. **A6**

◆ **House Democrats passed** bills that would give millions of dollars in grants to police agencies, even as resistance from some progressives showed how difficult the issue has become for the party. **A4**

◆ **Criminals potentially stole** an estimated \$45.6 billion by making fraudulent unemployment insurance claims meant for people laid off during the pandemic, a government watchdog said. **A2**

◆ **Democrats and Republicans** hold sharply different views of whether America is fulfilling its ideal of offering economic advancement to those who work hard, a WSJ poll shows. **A4**

◆ **An Indiana judge** temporarily blocked enforcement of the state's near-total ban on abortion, a week after it took effect. **A3**

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A mural in Moscow depicts Russian soldiers, as President Vladimir Putin's mobilization of reservists gets under way.

Russians Fear Wider Call-Up As Putin Activates Reservists

MOSCOW—Russians began reporting to military collection points in the thousands while others tried to flee the country as it emerged that the call-up for troops to fight in President Vladimir Putin's war in Ukraine could be wider than initially thought.

Road traffic surged at border points leading out of Russia on Thursday, local media

reported, and airline tickets are now sold out for days after Mr. Putin announced the call-up on Wednesday. At least four Russian regions said they had barred exit for men without the approval of their local military-recruitment offices.

Videos posted by local media showed men bidding farewell to families across Russia. Although described by the Kremlin as a partial mobilization to prevent what Mr. Putin called a decadeslong Western plot to break up Russia, the ambiguities in the call-up or-

The Ukraine Crisis

- ◆ U.N. pressed for war-crimes investigation..... A7
- ◆ Prisoner exchange prompts backlash in Russia..... A7
- ◆ Putin pulls out nuclear threat playbook..... A8

der spread fears that a broader draft of military-aged men beckons as Moscow continues its self-described special military operation in Ukraine.

Meanwhile, at the United Nations Security Council's special session on Thursday, the U.S. and its allies condemned Russia for its invasion and called for a probe of Moscow's alleged war crimes.

Ukraine's foreign minister, Dmytro Kuleba, said Kyiv supported efforts to create a mechanism to hold Russia to account, but that providing Ukraine with more weapons was critical to prevent more atrocities from taking place.

Senior Russian officials had said 300,000 reservists and veterans below the age of 36

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◆ **Yen rallies after Japan intervenes.....** B11

Amazon Hires Dangerous Trucking Companies

They have worse DOT scores than their peers, Journal analysis shows

By CHRISTOPHER WEAVER

Amazon.com Inc. has rapidly built a sprawling network to move merchandise around the nation's highways. Many of the trucking companies it hired for all that driving are more dangerous than their peers, sometimes fatally so.

They include one company whose driver was found with a crack pipe after running an Amazon trailer into a Minnesota ditch. He was convicted of driving while high. Another driver hauling Amazon freight was involved in a fatal accident in Kansas after losing control while braking—two months after his employer ig-

nored a police order to fix the truck's brakes, police reports show.

A third driver at another company had two crashes during a single trip between Amazon warehouses, ultimately careening across a Wyoming highway into an oncoming truck, killing its driver.

All three companies received unsafe driving scores that raised red flags at the U.S. Transportation Department, a Wall Street Journal analysis of government data found. Between February 2020 and early August 2022, more than 1,300 Amazon trucking contractors received scores

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Bond Yields Climb on Moves

U.S. bond yields surged Thursday, after foreign governments and central banks rushed to raise interest rates or otherwise support local currencies pressured by the dollar rally. The moves unnerved investors already fearful of an economic slowdown. **B1**



The Rise of the 32-Year-Old College Football Player

Students' careers are stretched from four or five years to as many as eight

By LAINE HIGGINS

Tom Brady briefly tried out retirement, but at age 45 he's still a few years away from being able to fully join the AARP. The University of Georgia's soon-to-be 25-year-old quarterback Stetson Bennett IV, on the other hand, is already embedded with the retirement group.

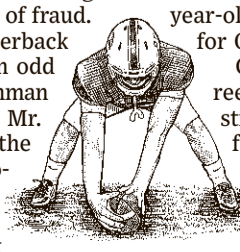
Mr. Bennett and some of his linemen are stars of a new AARP commercial in Georgia that warns seniors of fraud. A student quarterback might seem like an odd choice to be a pitchman for retirees, but Mr. Bennett is one of the most popular people in the state after delivering the Bulldogs their first national champion-

ship in 41 years last season. He also represents a surprising development in college football: many of the players are a lot older than they used to be.

Mr. Bennett, who turns 25 in October, is practically an elder statesman by college football standards. Elsewhere in the top five conferences there are 17 quarterbacks who are at least 23 or will turn that age by the end of the 2022 football season. There's even a 32-year-old punter suiting up for Oklahoma State.

College football careers are being stretched from four or five years to as many as eight—and the primary reason is the pandemic.

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INSIDE



MANSION
Luxury home sales plunge on recession fears and rising interest rates. **M1**



BUSINESS & FINANCE
FedEx to raise shipping rates as it copes with global slowdown in deliveries. **B1**

Boeing Agrees to Settle SEC's 737 MAX Probe

Boeing Co. agreed to pay \$200 million to settle a Securities and Exchange Commission investigation into allegations that the plane maker and

By Dave Michaels, Andrew Tangel and Emily Glazer

its former chief executive made misleading statements about the 737 MAX's safety risks after two of the jets crashed.

Dennis Muilenburg, Boeing's former CEO, agreed to pay \$1 million to settle the SEC's claims, the agency said on Thursday. Both the company and Mr. Muilenburg resolved the investigation without admitting or denying wrongdoing.

"In times of crisis and tragedy, it is especially important that public companies and executives provide full, fair, and truthful disclosures to the markets," SEC Chair-

man Gary Gensler said. He said Boeing and Mr. Muilenburg "failed in this most basic obligation."

Boeing said it has made changes across the company in response to the 737 MAX crashes, including improving its safety processes and transparency.

Mr. Muilenburg didn't respond to requests for comment. The Wall Street Journal reported earlier Thursday that Boeing was poised to settle the matter with the SEC.

Accident investigators have blamed an automated flight-control system for sending two Boeing 737 MAX jets into fatal nosedives in late 2018 and early 2019. Mr. Muilenburg led Boeing through the two crashes, which took 346 lives, and the aftermath before the company's board ousted him in late 2019. His predictions about when the 737 MAX would return to ser-

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U.S. NEWS

Indiana Abortion Law Is Blocked

By JENNIFER CALFAS

An Indiana judge temporarily blocked enforcement of the state's near-total ban on abortion a week after it took effect, allowing clinics to resume the procedure as litigation over the new law continues.

Judge Kelsey Hanlon, a special judge in the Monroe County Circuit Court, issued a preliminary injunction Thursday.

"There is reasonable likelihood that this significant restriction of personal autonomy offends the liberty guarantees of the Indiana Constitution," Judge Hanlon wrote in the order.

Indiana's Republican-led legislature was the first to pass a near-total abortion ban after the U.S. Supreme Court overturned *Roe v. Wade* in June. The law banned abortion throughout pregnancy with exceptions in some cases of rape and incest, fatal fetal anomalies and emergencies that threaten the life or physical health of the pregnant woman. It took effect Sept. 15.

Lawyers representing abortion providers in the state including Planned Parenthood and Whole Woman's Health filed a lawsuit against the near-total ban in August, arguing the new law violated the right to privacy and equal privileges protections under the Indiana Constitution.

"We knew this ban would cause irreparable harm to Hoosiers, and in just a single week, it has done just that," the group of providers said in a statement after the judge's decision.

A spokeswoman for Planned Parenthood said they aim to resume abortion appointments as soon as possible.

Indiana Attorney General Todd Rokita, a Republican, said he planned to appeal the decision. "Our office remains determined to fight for the lives of the unborn, and this law provides a reasonable way to begin doing that," Mr. Rokita said in a statement.

Indiana Gov. Eric Holcomb, a Republican, signed the law shortly after it passed in the legislature Aug. 5.

About a dozen states have enforced bans or narrow restrictions on abortion since the Supreme Court ended federal protections for the procedure, creating a patchwork of access to abortion. Since the June decision, abortion-rights advocates have sought to block these laws citing provisions in state constitutions they argue protect the right to the procedure. Judges in Ohio and South Carolina have temporarily blocked those states' bans on most abortions after six weeks of pregnancy.

Neptune's Rings Shine in Latest Images From Webb Telescope



HEAVENLY SIGHT: The National Aeronautics and Space Administration said images it released Wednesday give the clearest view of Neptune's rings in 30 years. The images from the James Webb Space Telescope show bright spots on the planet that NASA said are methane-ice clouds and captured seven of Neptune's 14 known moons.

Home Sellers Are Scarce as Rates Rise

By NICOLE FRIEDMAN

Homeowners with low mortgage rates are balking at the prospect of selling their homes to borrow at much higher rates for their next homes, a development that could limit the supply of houses for sale for years to come.

Housing inventory has risen from record lows earlier this year as more homes sit on the market longer. But the number of newly listed homes in the four weeks ended Sept. 11 fell 19% year-over-year, according to real-estate brokerage Redfin Corp. That is an indication that sellers who don't need to sell are staying on the sidelines, economists say.

Larry and Corina Lewis of Tarrytown, N.Y., have two children and expect to need a bigger home in the next few years. But their current 30-year mortgage rate is 2.75%.

"The thought of giving this up in order to pay double in interest, that's a nauseating thought for me," Mr. Lewis said. Even if the average mortgage rate falls from its current level, he said, "I still don't see it ever getting quite that low."

Some homeowners will always need to sell due to job relocations, divorces, deaths or other life events. Yet if those who have the option not to move decide to stay put, that could keep the inventory of homes for sale below normal levels and home prices elevated, even if demand remains low.

The lack of housing inventory is one of the major reasons home prices have remained near record highs, despite seven straight months

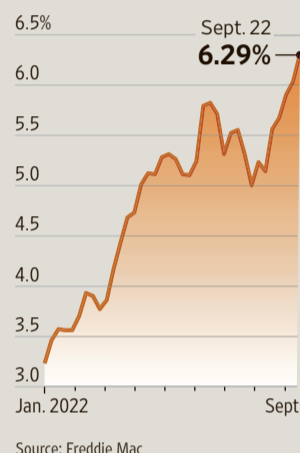
Fed Action Pushes 30-Year to 6.29%

Mortgage rates rose for the fifth consecutive week, reaching yet again the highest level since the financial crisis.

The average rate on a 30-year fixed mortgage climbed to 6.29%, according to a survey of lenders released Thursday by Freddie Mac. It was the second week in a row that rates topped 6%. The last time rates were this high was October 2008, when the U.S. was deep in recession.

The sharp rise is another product of the **Federal Reserve's** campaign to curb decades-high inflation. On Wednesday, the central bank raised interest rates for the

Average rate on a 30-year fixed-rate mortgage



Source: Freddie Mac

fifth time this year. Officials indicated that more large increases are on the way even if such moves risk a recession.

A year ago, mortgage rates were 2.88%.

Higher rates affect virtually every corner of the economy, but their effect on housing is particularly acute since higher rates can easily add hundreds of dollars to a buyer's monthly mortgage payments.

The national median mortgage payment was \$1,839 in August, up 33% from the start of the year, the Mortgage Bankers Association said Thursday.

Mortgage rates don't move automatically when the Fed raises its rate. They typically rise or fall in tandem with the benchmark 10-year Treasury yield, but that yield is heavily influenced by expectations for Fed rates. The 10-year yield this week hit its highest level since 2011.

—Charley Grant

of declining sales as interest rates have roughly doubled since the start of the year.

"I like to call it the 'golden handcuffs' of mortgage rates," said Odeta Kushi, deputy chief economist at First American Financial Corp. "You've got existing homeowners who are sitting on these rock-bottom rates, and what is their financial incentive to move and lock into a rate that's potentially as much as 3 percentage points higher than what they've locked into?"

Millions of Americans locked in historically low borrowing rates in recent years when the Federal Reserve kept short-term interest rates low. As of July 31, nearly nine of every 10 first-lien mortgages had an interest rate below 5%

and more than two-thirds had a rate below 4%, according to mortgage-data firm Black Knight Inc. About 83% of those mortgages are 30-year fixed rates, Black Knight said.

Owners with low mortgage rates are reluctant to borrow for the next purchase.

The Fed reversed course and started to raise rates in March in an effort to tame inflation. Those rate increases, including another three-quarters of a percentage point on

Wednesday, have rippled through the mortgage market.

Alyssa and Brandon McDuffie reached out to a real-estate agent this summer to explore selling their Raleigh, N.C., house, which they bought in 2018. The agent said they could probably sell for at least \$200,000 more than the \$312,000 they paid. The couple decided to hold off until at least next year because they are reluctant to give up their 3.375% mortgage rate.

"With home prices going up the way they are, if we sold our house, it would make a great profit, but we're going to eat up that profit in another home we're going to buy for a higher interest rate," Mr. McDuffie said.

In an analysis of four major metro areas—Atlanta, Chicago, Los Angeles and Washington—Redfin found homeowners with rates below 3.5% were less likely to list their homes for sale in August compared with homeowners with higher rates.

Economists say it is difficult to predict how much the increase in mortgage rates could reduce home listings, because rates haven't climbed this rapidly in decades. The National Association of Realtors estimated that when mortgage rates increased in 2018, the existing-home inventory was 12% lower than it otherwise would have been.

"I really don't see inventory rising," said Lawrence Yun, NAR's chief economist. By NAR's measurement, which includes homes that are under contract, the supply of homes for sale at the end of August fell slightly from July.

Sam Khater, chief economist for Freddie Mac, said an analysis he did in 2016 of past periods of rising rates showed a decline in sales in which buyers' prior mortgage rates were more than 2 percentage points below their new mortgage rates. But there was no change if the difference between the rates was less than 2 percentage points.

Many sellers today have significant equity in their current homes, which can help them put down larger down payments on their new purchases to offset the effect of the higher interest rates. Those who are moving from high-cost markets to cheaper areas might also be less sensitive to higher rates, Mr. Khater said.

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WORLD NEWS

War-Crimes Panel Sought at U.N.

Moscow must be held accountable, U.S. and its allies tell meeting of Security Council

By JESSICA DONATI
AND VIVIAN SALAMA

WASHINGTON—Facing Europe's biggest humanitarian crisis in decades, the U.S. and its allies used Thursday's United Nations Security Council special session to condemn Russia for its invasion of Ukraine and call for an investigation into Moscow's alleged war crimes, in the latest step to push back against President Vladimir Putin and Russian aggression.

"We support a range of national and international efforts to collect and examine mounting evidence of war crimes in Ukraine," U.S. Secretary of State Antony Blinken said at the meeting. "We must hold these perpetrators to account."

France is leading calls for the creation of a special tribunal to prosecute crimes of atrocities in Ukraine. But it proposed few concrete measures, and how the process was supposed to move forward couldn't be determined.

Ukraine's foreign minister, Dmytro Kuleba, told reporters on the sidelines of the meeting that Kyiv supported continuing efforts to create a mechanism to hold Russia to account, but that providing Ukraine with more weapons was critical to prevent more atrocities from taking place.

"The only feasible way to put President Putin and his entourage on trial is to establish a special tribunal for the crime of aggression against Ukraine," he said later at the meeting.

Mr. Putin in recent days has moved to mobilize as many as 300,000 reservists and annex occupied parts of Ukraine, and threatened nuclear strikes. Those moves come after Ukraine launched a lightning offensive in the country's northeast earlier this month, retaking some 10% of territory



BRENDAN McDERMID/REUTERS

Russia had captured since the beginning of its invasion.

Mr. Putin's threat of a nuclear response to battlefield losses in Ukraine fueled a new sense of urgency to the U.N.'s gathering this year, but longstanding differences among permanent members, which include Moscow, have increasingly become an impediment to global security.

Creation of any tribunal to try war crimes is fraught with legal complications and Thursday's session highlighted the limits of the U.N. body to respond to the crisis. At the same time, the meeting captured a continued effort of western nations aligned against Russia's war in Ukraine to strike back at Mr. Putin and to coax countries that have remained neutral to reassess where they stand on the conflict.

Neither Russia nor Ukraine

are parties to the Rome Statute, which created the International Criminal Court. Still the court has begun an investigation into allegations of war crimes, deployed a permanent field presence to Ukraine in May, and following the discovery of mass burial sites in the east last week, it plans to send additional investigators to collect possible evidence.

"The process of accountability, of collecting evidence, of sieving it and weighing it and determining what is shown is not simply an academic exercise. It is critical in order to pierce the fog of war," said International Criminal Court prosecutor Karim Khan, at the start of the meeting.

The ideal pathway would be to establish an international tribunal through an agreement between the U.N. and Ukraine, according to Oona Hathaway, a

Pentagon Pressed On Drones To Ukraine

By GORDON LUBOLD
AND NANCY A. YOUSSEF

WASHINGTON—A bipartisan group of 17 members of Congress are urging Defense Secretary Lloyd Austin to provide advanced drones to Ukraine, saying the technology could be key to giving Kyiv a battlefield advantage.

In a letter dated Wednesday and reviewed by The Wall Street Journal, the group told Mr. Austin it was time to complete a security review of advanced drones requested by Ukraine "to better hold the territory they fought so hard to reclaim."

The Biden administration has been loath to provide the advanced drones for fear of escalation with Russia but also because of sensitive technology, including a camera that feeds intelligence data to the ground that officials fear could fall into the wrong hands if the aircraft was shot down.

The Pentagon declined to comment about the letter.

The use of drones, coupled with traditional military hardware, including HIMARS, U.S.-provided rocket-launch systems, helped Ukraine reclaim roughly 3,500 square miles of territory from Russian forces.

"Ukraine could better confront Russian threats with advanced [unmanned aerial systems] like the MQ-1C Gray Eagle or the MQ-9A Reaper," the legislators wrote.

Among the signatories of the letter were Rep. Marcy Kaptur (D., Ohio), Rep. Adam Schiff (D., Calif.), Rep. Elissa Slotkin (D., Mich.), Rep. Brian Fitzpatrick (R., Pa.) and Rep. Victoria Spartz (R., Ind.).

Gray Eagles can travel hundreds of miles, give fighters a swath of real-time intelligence, such as where Russian forces are positioned, and fire Hellfire missiles.



AMR ALKHRY/REUTERS

Left: U.S. Secretary of State Antony Blinken spoke during Thursday's U.N. Security Council meeting on Russia's invasion of Ukraine. Above, Ukraine's foreign minister, Dmytro Kuleba, attended.

professor of international law at Yale Law School, as it would help repair damage to the international legal system.

Using the U.N. Security Council to establish such a mechanism would likely fail because Russia, as a permanent member, wields a veto and would likely block any move. The U.S. and some of its allies have proposed reforming the Security Council by adding new members and changing the veto system, but acknowledge that that would require China and Russia to approve the move.

Russia's foreign minister, Sergei Lavrov, responded to the allegations from the U.S. and France with counter-accusations, saying the West was fomenting the war in Ukraine by pumping Kyiv with weapons and supporting extremist groups in the country that trampled the rights of Russian-speaking communities. He also dismissed allegations of crimes in the Ukrainian city of Bucha as staged.

"I think this is very timely," Mr. Lavrov said referring to calls for accountability for alleged war crimes in Ukraine at Thursday's meeting, "Precisely this term, impunity, reflects what has been going on in the country since 2014."

Russia invaded Ukraine in

2014 after protests ousted the president and led to the installation of a Europe-friendly government. The U.S. and its allies have repeatedly denied Russia's accusations of wrongdoing in Ukraine. France's foreign minister, Catherine Colonna, said that Ukraine's "only fault was to want to live freely."

Divisions ran deep among the permanent members of the Security Council, which includes Russia, the U.S., the U.K., France and China, long before Moscow's Feb. 24 invasion of Ukraine.

On Thursday, China's Foreign Minister Wang Yi called for more dialogue to de-escalate the conflict. "The top priority is for the parties to resume dialogue without preconditions," he said. "When it comes to the safety and security of nuclear facilities, there is no room for trial and error. Accidents and risk must be prevented."

The Biden administration has said it would use the General Assembly to help build support for its position on Ukraine, but would rely on persuasion. "We were going to shape the arguments for them, and we were going to point out to them the reality of what was happening," a senior administration official said Wednesday.

—William Mauldin
contributed to this article.



Medical personnel assist a released Ukrainian prisoner of war Thursday after a mass exchange.

Prisoner Exchange Prompts Backlash From Nationalists

By ISABEL COLES
AND KATE VTYRGINA

A prisoner exchange between Russia and Ukraine that included senior Ukrainian commanders was hailed as a victory by Kyiv but provoked criticism among nationalists in Russia who questioned the decision to release them.

The prisoner swap, brokered by Turkey, was a rare diplomatic breakthrough in the war, which has shifted gears since Ukrainian forces compelled Russia to retreat from a large area in the east of the country. In response, Russian President Vladimir Putin this week ordered reservists to mobilize and pledged to use all the instruments at his disposal to prevail, hinting at nuclear strikes.

Among the 215 prisoners released by Moscow were several senior commanders who led Ukraine's defense of the port city of Mariupol and became symbols of resistance to Russia's onslaught.

After holding out for weeks in the bunkers beneath Mariupol's giant steelworks, more than 1,000 fighters laid down their arms in May on Kyiv's orders. Russia had promised to put them on trial, branding the Azov regiment to which

many of them belong as a terrorist group.

"This is clearly a victory for our state, for our entire society," Ukrainian President Volodymyr Zelensky said in his nightly address, adding that the swap had been in the works for some time.

In return, Ukraine released 55 Russians and Viktor Medvedchuk, a confidant of Mr. Putin. Mr. Medvedchuk is the leader of a banned pro-Moscow party in Ukraine and was facing treason charges. Moscow initially offered to release 50 Ukrainian prisoners in return for Mr. Medvedchuk, Mr. Zelensky said, but ultimately agreed to four times that many. "We exchanged one fan of Russia for 200 warriors. ... I think this is a good result," he said.

The total number of prisoners held by each side is unknown. Mr. Zelensky said in an interview with Reuters last week that hundreds of Russians had been taken captive during Ukraine's recent offensive in the northeastern Kharkiv region, but that Moscow had more prisoners than Kyiv.

Russian officials were mostly quiet after the exchange. "The Kremlin does not comment on information about the exchange of prison-

ers with Ukraine, including whether they included Medvedchuk or Azov fighters," Kremlin spokesman Dmitry Peskov told government news agency TASS.

But the swap was met with criticism by some Russian supporters of the war in Ukraine who have been increasingly vocal about what they describe as the Kremlin's failures on the battlefield.

Among the critics, Igor Girkin, a former intelligence officer who led pro-Russian militants in a separatist movement in eastern Ukraine in 2014, denounced the release of the Azov commanders as treachery and said it was an insult to those now being mobilized.

"The release...is worse than a crime...and worse than a mistake. It is incredible stupidity," he wrote. "It was apparently impossible to do this at least a couple of days before the presidential decree announcing mobilization."

Russian-backed authorities in Mariupol had been preparing to hold a trial of Ukrainian prisoners of war including members of the Azov regiment in the city's concert hall. Mr. Zelensky had warned that all negotiations between Kyiv and Moscow would end if the trial went ahead.

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—Zarah Sikora
Salem, Massachusetts

WORLD NEWS

Putin Pulls Out Nuclear-Threat Playbook

Use on the battlefield would produce few military advantages, rhetoric goes long way

By STEPHEN FIDLER

With the possible exception of North Korean leader Kim Jong Un, no global leader throws around nuclear threats more freely than Russian President

ANALYSIS Vladimir Putin. The world heard more of the same this week. The reason he issues such threats is that they work.

Fears of Russian escalation have limited the involvement of the U.S. and its allies in the war in Ukraine. While supplying Kyiv with arms that have been critical in turning the tide of the war, Western governments have ruled out steps, including the imposition of a no-fly zone, that would lead to a direct confrontation between forces of the North Atlantic Treaty Organization and Russia.

Western governments have said in recent months that they haven't identified any Russian actions to suggest Moscow is preparing to use nuclear weapons. But they say they have to take Mr. Putin's threats seriously because there is a nonzero chance that he will act on them.

Leaders in the West widely depicted Mr. Putin's rhetoric on Wednesday as a sign of desperation. Their strategists struggle to identify any scenarios where using a nuclear weapon would benefit Russia. In most scenarios, Russia's breaking of a nuclear taboo that has held since the end of World War II would leave it worse off, potentially losing some of the few friends who have stayed by its side since it began the invasion.

"Everybody's fixated on the intimidation, the rhetoric, rather than what bene-



A destroyed Russian tank sat in the village of Kamyanka, recently liberated by Ukrainian forces, in Kharkiv region, Ukraine, on Thursday.

fits might come to Russia from actually using it. And part of the reason for that, of course, is because the propaganda has been so very successful, it has put brakes on support for Ukraine," said Keir Giles, head of the Conflict Studies Research Centre, a U.K. think tank focused on Eurasia.

François Heisbourg, defense adviser at the Paris-based Foundation for Strategic Research, said that use of a tactical nuclear weapon on the battlefield would yield "a very big bang and actually relatively few military advantages." Ukraine is dispersing its forces and there are no large troop concentrations to attack. Meanwhile, Russian forces would have to advance through nuclear fallout to take advantage.

That leaves a Russian attack of intimidation or terror on a major Ukrainian population center. Western analysts struggle to see any strategic

benefit in such a move, and it likely would lead the self-deterrence now being practiced by the U.S. and its allies to fall away. President Biden has said Russia would face an unspecified "consequential" U.S. response if Moscow used nuclear weapons. Such consequences, say

Propaganda has been successful, putting brakes on support for Ukraine.

strategists, would be unlikely to involve American nuclear weapons but could put significant Russian military assets in Ukraine at risk.

Yet Mr. Putin has shown himself in the Ukraine war to be something less than a master strategist, Western analysts said. British nu-

clear-weapons expert Lawrence Freedman says the Russian leader already has done some "really stupid things" in invading Ukraine so the possibility that he might do something "even stupider" can't entirely be ruled out.

In a televised address Wednesday, Mr. Putin boasted that Russia had some more modern weapons than NATO, adding that in the event of a threat to Russia's territorial integrity, "we will certainly make use of all weapon systems available to us."

In formulating the threat, Mr. Putin is going beyond Russia's official rationale for using nuclear weapons. In 2020, Moscow published a new nuclear doctrine that said one of the circumstances in which Russia reserved the right to use nuclear weapons was in response to a conventional attack "that threatens the very existence of the state."

Valeriy Akimenko, a Russian nuclear weapons specialist at the Conflict Studies Research Centre, said a threat to the territorial integrity of Russia "is quite a different set of circumstances from a threat to the very existence of the state."

In practice, Mr. Akimenko said the document shouldn't necessarily be taken as a definitive guide to what Russia would do in a war. "Think about to what extent Russia is law-abiding. It's not really law-abiding at all," he said.

One reason Western governments remained relatively unmoved by Mr. Putin's threat this week was that it was nothing new—it is actually a step down from the messaging in the early days of the war. In a staged televised event at the Kremlin on Feb. 27, he ordered an increase in the alert level of the Russian nuclear arsenal.

The order was confusing because Russia's strategic

nuclear forces are routinely on high alert. In early March, however, the U.S. postponed a test of an intercontinental ballistic missile.

Western officials said later they didn't detect any unusual nuclear activity that would give rise to concern, but there was enough anxiety in France for the government to make an unprecedented operational order to send three of its four nuclear-armed submarines out to sea, said Mr. Heisbourg. "These things change, but I'm less worried now than I was in March," he said.

Mr. Putin's reference to territorial integrity isn't new either. It was first outlined by a Russian general as part of a military exercise in 2019, according to Mr. Akimenko.

Still, the juxtaposition with new plans to annex further parts of Ukraine raised concerns that Mr. Putin was linking Ukrainian attacks on the soon-to-be declared Russian territories with Russia's territorial integrity, though he made no such explicit connection. Ukraine already has struck targets in the illegally annexed territory of Crimea—and on the Russian city of Belgorod, Moscow claims—without any escalatory response.

In calculating the risk-reward around nuclear-weapons use, other factors could come into play. Mr. Akimenko says the failure rate of the missiles that would likely be used to deliver a nuclear weapon has been significant during the conflict, entailing risks to Russia if they were nuclear armed and failed.

Military analysts say detonating a nuclear warhead would be a last dangerous throw of the dice for the Russian leader, possibly more directed at saving his own skin than the Russian state. Whether Russia's military commanders would follow any such order would be yet another calculation that Mr. Putin would have to make.

Russians Fear More Call-Ups

Continued from Page One would be activated. But Mr. Putin's decree, posted on the Kremlin's website, didn't specify how many people—or who—would be subject to mobilization, only that it was partial and that Russia's defense department would later say how many recruits it needs.

Summons notices started arriving for people of all ages and categories through Wednesday and overnight Thursday, including some who aren't reservists, rights activists tracking the cases said. In Buryatia, a republic in eastern Siberia with a population of just under one million that has seen a disproportionate number of its soldiers killed in Ukraine, at least 3,000 people were summoned in the 24 hours after Mr. Putin's announcement, according to the Free Buryatia Foundation, an antiwar group.

"This is not a partial mobilization," said Alexandra Garmazhapova, the group's founder, saying some people had received notices even though they had no military experience and were older than 36. She said she received reports of authorities handing out summonses at people's workplaces, and that her phone was buzzing throughout the night with messages from locals asking how they could get to neighboring Mongolia.

Videos published by a local media outlet showed a long line of cars at a border checkpoint, while a Telegram chat group called "Evacuation of Buryatia" had grown to more than 1,000 users with nearly 2,000 messages after its creation late Wednesday night.

On Thursday, the Kremlin directed any questions about mobilization procedures to the Russian Defense Ministry. The Defense Ministry said that in the first 24 hours since the mobilization order was made, about 10,000 people came to recruitment offices voluntarily, before receiving notices.

In his announcement on Wednesday, Mr. Putin stressed that he had ordered a partial



A man arrived in Yerevan, Armenia, from Russia on Thursday.

mobilization of reservists that "have certain military specialties and relevant experience." Most Russians generally support the war in Ukraine, according to both state and independent polling agencies, but experts said that support is fragile and could be easily buffeted by the mobilization.

On Wednesday night, thousands of people protested across the country in the first mass display of discontent since a burst of antiwar rallies at the start of the invasion. More than 1,300 were detained, and men reported receiving draft sum-

Thousands of people protested across the country on Wednesday night.

mons at police stations, according to the Russian independent OVD-Info rights monitor and three people interviewed by The Wall Street Journal.

Kremlin spokesman Dmitry Peskov said on Thursday that issuing summons notices to people detained at a protest is "not against the law."

Andrei Shashkov, an 18-year-old university student in Moscow, was detained at the Yuzhnoye Tushino police station, according to a copy of his police records reviewed by the Journal. Officers separated the detained men from the women and told them they wouldn't be able to leave until they signed the summons, Mr. Shashkov recounted on Thursday. The Journal reviewed his summons. Mr. Shashkov said he was

told to show up at his military recruitment center, from where he would head to two-week military training exercises in the town of Naro-Fominsk outside Moscow. Mr. Shashkov, however, didn't show up and said he would take his chances. As a student, he might be given a reprieve, he said.

Others chose to play it safe. Alexander Vasilyukha was in the western Siberia city of Surgut when Mr. Putin said he would be ordering a partial mobilization of reservists.

Mr. Vasilyukha, 26, is exempt from military service but eligible to be called up in times of war. Mr. Putin has refrained from declaring war, but Mr. Vasilyukha decided he wouldn't risk staying behind. He flew three hours to Moscow, took a high-speed train north to St. Petersburg and by midnight he was in Estonia.

"It's all so unpredictable," he said by phone. "I decided not to play with fire."

The race to snap up airline tickets and rush for some border points was a predictable reaction to a more formal mobilization order, said Denis Volkov, director of the Levada Center an independent polling firm.

"Mobilization is a shock, but this will soften it," Mr. Volkov said. "Many people see this conflict as an international one, as the West versus Russia."

—Jessica Donati and Vivian Salama contributed to this article.

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ARTS IN REVIEW

Just as a bonsai tree is somewhat overshadowed by a giant sequoia, “Don’t Worry Darling” the film comes to us somewhat overshadowed by “Don’t Worry Darling” the generator of behind-the-scenes gossip. That’s a shame, because a film should be judged on its merits, not its memes. There is considerable visual flair to the movie, which was directed by Olivia Wilde, and at its core it does consider in an imaginative way a troubling cultural trend, which I won’t discuss because it involves a third-act revelation.

Not that I’d recommend “Don’t Worry Darling,” though. Written by Katie Silberman from a story by brothers Carey and Shane Van Dyke, it suffers from a major structural problem, which is that in its endlessly padded middle section it coyly refuses to get to the point until it exhausts the audience’s patience, then sprints through a late explanation that deserves more careful consideration. “Don’t Worry Darling” stars the endlessly impressive Florence Pugh, who excels in every mode as one of a gaggle of impeccably turned out housewives living in an idyllic but strange desert community. The women come across as hyperfeminine, or perhaps merely averagely feminine for the period, which judging by the cars and the clothes is the postwar years. As the ladies wave goodbye in their pretty frocks, each morning their skinny-tie-wearing husbands go off to work on a secret undertaking with overtones of the Manhattan Project, except this one is called the “Victory Project.” The fortunate young couples spend their evenings enjoying giant steaks, enticing cocktails and vigorous love-making. Life is perfect.

Too perfect, in a surreal, “Twilight Zone” way, Katie Byron’s spectacularly detailed ’50s production design and Matthew Libatique’s color-drenched cinematography immediately trigger suspicion that the film is a satire, a



Florence Pugh as Alice and Harry Styles as Jack in Olivia Wilde’s new movie

FILM REVIEW | KYLE SMITH

‘Don’t Worry Darling’: Trouble in Paradise

Things aren’t what they seem in a too-perfect postwar community

fantasy, or a combination of both, like “The Truman Show” or “Pleasantville.” The women are so elegant, perky, and giddy at being housewives that they might as well be residents of some truly optimal place, such as Stepford, Conn.

Ms. Pugh, who is on screen virtually throughout, pushes her character, Alice, through a vast range of emotions as she starts to

share the alarm of a fellow housewife, Margaret (Kiki Layne), who warns that things are not as they seem. When Margaret disappears and Alice wanders off to an unauthorized area while witnessing what she believes to be a plane crash, she starts to panic. That earns her a visit from a sinister doctor (Timothy Simons) who promises that all her troubles will

melt away as soon as she starts taking the right medications. Neighbors such as her friend Bunny (played by Ms. Wilde) tell her that her concerns are unfounded. And her blandly dashing husband, Jack (Harry Styles), comforts her and reminds her that everyone should be honored to assist in executing the grand plans of the Victory Project’s charismatic

three years ago, was funny but offered little in the way of directorial vision. This time Ms. Wilde is clearly out to change perceptions, making an ambitious bid to vault into the auteur ranks with important themes and fantastical elements that rummage around in the subconscious and attempt to make a spectacular visual map for Alice’s internal conflict. Yet the images, such as an eerie close-up of an eyeball and interludes from a Busby Berkeley-style geometric group dance, try too hard to impress, and grow stale with repetition.

I’d certainly rather watch an ambitious film than an unambitious one. But Ms. Wilde’s movie needs more discipline and less hallucination. As it stands, “Don’t Worry Darling” is bound to wind up being lumped into the same mental category as “The Stepford Wives,” a terrible movie that is reducible to a punch line.

TELEVISION REVIEW | JOHN ANDERSON

Allison Janney in Action



Allison Janney as Lou, with Jurnee Smollett as Hannah in Anna Foerster’s film

It’s more of a custom than a rule, but American action-thrillers often begin in gripping, adrenaline-fueled, roller-coaster fashion and then accelerate to the point they can’t move. The wall of inanity has been hit. Viewers can and do check out. So blame Allison Janney for making us linger so long over “Lou.”

The actress inspires considerable devotion for bringing a believable earthiness to her roles, for having thrived as long as she has in a youth-and-glamour-obsessed industry, and for having plied her trade in so many genres—from TV’s “West Wing” and “Mom” to “I, Tonya,” for which she won her Best Supporting Actress Oscar. “Lou” adds something novel to the Janney CV: a fugitive ex-government operative, living a quasi-survivalist lifestyle in the woods of San Juan Island in the Pacific Northwest. Ramba, so to speak.

It’s a good thing we like Ms. Janney, because there’s not much to like about Lou. She’s grim, curt, ambles like a cowboy (director Anna Foerster shoots her from behind several times, just to accentuate the walk, which is per-

fect). She demands the back rent owed her by her evidently needy tenant, Hannah (Jurnee Smollett), a single mom who, like Lou, is on the run from something. And Lou clearly doesn’t like herself very much, though she is tidy: When we meet her, she’s decorated the walls of her house with black plastic

An unlikely pair tracks down a kidnapped child in this 1980s story.

garbage bags because she’s planning to blow her brains out and doesn’t want to leave a mess.

“Lou,” set in the early ’80s, is better the less we know. Why is Lou so disquieted by Ronald Reagan, talking on TV about Iran-Contra? Why does she berate herself for having “made the world a more dangerous place”? How did she come to have the fighting skills of a Navy SEAL, Green Beret and Bruce Lee? Ms. Janney keeps us involved during the more meditative moments

of “Lou,” but screenwriters Maggie Cohn (“The Staircase”) and newcomer Jack Stanley simply have too much time to fill. An initially taut thriller goes slack and loses traction, much like Lou and Hannah as they inelegantly slip slide their way through the rain-soaked Washington woods while tracking Hannah’s daughter, Vee (the charming Ridley Asha Bateman), and her captor (Logan Marshall-Green). Who is he? To summarize too much would be unfair, but one might say a custody battle or two has gone awry.

Ms. Foerster, a cinematographer with credits on a number of notable thrillers (“The Day After Tomorrow,” “Aeon Flux”), knows the territory, knows how to keep things moving, and mixes violence and pathos with a sure hand. Sometimes you just want a crazy action movie to kill an evening, and “Lou” fits that bill. Just don’t expect to be thinking about it tomorrow.

Lou
Friday, Netflix

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SPORTS

By JOSHUA ROBINSON

The era of the “Big Three” in men’s tennis ended last week with a farewell post on Roger Federer’s Instagram account. To tell you how long he had been around, Federer had 16 major titles by the time Instagram was invented.

The Swiss master’s exit ushers out a period of dominance unlike anything tennis has ever seen—a spell in which Federer, Rafael Nadal, and Novak Djokovic took 63 of a possible 75 Grand Slam tournaments over the course of two decades. During that time, the Big Three delayed the question of who might succeed them simply by sticking around. Federer won an Australian Open at age 37. Nadal and Djokovic—36 and 35, respectively—took three of the four Grand Slam tournaments this season.

But at the U.S. Open this month, tennis got its first look at a clutch of players who seem set to define the men’s circuit of the future. It was easy to conclude that in men’s tennis, world-beating greatness may have skipped a generation.

There was impressive tennis from Italy’s Jannik Sinner, now a mainstay in the second week of Slams. There was Norway’s Casper Ruud, who reached two major finals this season. Felix Auger-Aliassime of Canada was eliminated early, but he figures to be a contender soon. And of course there was new U.S. Open champion Carlos Alcaraz, of Spain. All four are 24 or younger.

It also helps that this group will not spend its prime years getting beaten down by the Big Three, who dispatched entire classes of elite players during their reign. France’s Gael Monfils and Jo-Wilfried Tsonga, for instance, were players who rose as the next big things in the Federer era. Tsonga retired after this year’s French Open while Monfils has been slowed by injuries in recent years.

Then came what tennis fans called the NextGen—a group headlined by 20-something players such as Alexander Zverev, Stefanos Tsitsipas, and Daniil Medvedev. They too have largely failed to ruffle the Big Three.

“There has been a lot of talk about the new generation coming and taking over the three of us,” Djokovic said in early 2021. “But realistically, that isn’t happening still. We can talk about it all day if you want. But with all my respect about the other guys, they still have a lot of work to do.”

“Certainly they will be the leaders of the future of tennis, without a doubt,” Djokovic added. “But I’m not going to stand here and hand it over to them. I’m going to make them work their ass off for it.”

This spring, world No. 5 Zverev went toe-to-toe with Nadal on Nadal’s spiritual home clay of Roland-Garros, only to retire after rolling his ankle. Tsitsipas, now ranked No.

Greatness Skipped a Generation During Tennis’s ‘Big Three’ Era

Roger Federer’s retirement ushers out a period of dominance unlike anything the sport has ever seen



Novak Djokovic, Andy Murray, Roger Federer and Rafael Nadal in 2013. The ‘Big Three’ of Djokovic, Federer and Nadal have won a combined 63 Grand Slam titles. Right, Carlos Alcaraz.

6, went one better and propelled himself to a French Open final in 2021, but threw away a two-set lead and lost to Djokovic.

The only one of that group who managed a breakthrough was Medvedev, who took down an exhausted Djokovic in last year’s U.S. Open final. He and Dominic Thiem remain the only members of the NextGen club to earn major titles.

Now, just when they appeared to have weathered the hardest of the Big Three years, comes another threat playing irresistibly complete tennis in Carlos Alcaraz.

The most frustrating part for his midcareer rivals: Alcaraz is just 19. “Carlos, I think he’s born to play this kind of tournament, born to play these kind of matches,” his coach Juan Carlos Ferrero said. “Since the moment that I started with him, I saw some things that were different than the other guys

at his age.”

The biggest advantage Alcaraz has over the NextGen players, however, is really that he won’t spend his prime years getting beaten down by the Big Three.

“It’s disappointing I was never able to play against him,” Federer said. “I always said there will be new superstars in the game, and he’s one of them. The game is bright.”

The same dynamic seems to be playing out on the women’s side, too. Though Serena Williams’s era of dominance was a long way behind her by the time she rode off into expected retirement after the U.S. Open, no clear successor emerged, other than Ashleigh Barty, who abruptly retired in the spring. Instead, the player currently flexing her muscles on tour is three-time major champion Iga Swiatek of Poland, who is 21 years old.

When Williams won her first



Grand Slam tournament, Swiatek wasn’t even born.

“The new generation, I think it’s going to be great,” Federer said in London on Wednesday, ahead of his farewell at the Laver Cup. “The best movers are the best players. It’s been like this for the last 10, 20 years already now, and it’s going to stay like this.”

For the best mover in the bunch,

Alcaraz, Federer will take on a strange new role: a legend of the game who exists mainly in the record books. And Alcaraz knows that the other two aren’t all that far from joining him. The target in his sights now is Nadal’s all-time mark for major titles.

“Well, I have one,” Alcaraz said in New York. “He has 22. I’m in the row.”

Presidents Cup Could Be Decided by LIV Battle

By ANDREW BEATON
AND LOUISE RADNOFSKY

CAPTAINING THE INTERNATIONAL team at the Presidents Cup has never been a particularly easy endeavor. In the biennial golf team battle between the U.S. and the world—minus Europe—the Americans have been utterly dominant.

But this year, picking the international roster was especially fraught. In recent months, players kept captain Trevor Immelman in the loop as they mulled decisions that would not only define their personal futures, but also the future of golf. And each time one of those players told Immelman they were leaping to LIV Golf, Immelman had to strike them from his team.

“Am I disappointed that they’re not able to be here? Absolutely,” said Immelman, a South African who won the 2008 Masters, of the mixed players. “But we have the 12 guys here that we love and wanted to be here.”

The Saudi-backed upstart LIV circuit is at war with the PGA Tour in court and in Congress. One of the battleground issues will be on full display at the PGA Tour-run Presidents Cup: the Tour has barred golfers who opted to play on the rival circuit from playing in any of its events, a move that it says is legal and an appropriate response to violating Tour rules. LIV says it is anticompetitive retaliation that also happens to hurt the Tour itself, and it is the core of an antitrust lawsuit that LIV and some of its players have filed against the Tour.

The players’ decisions to leave



The International Presidents Cup team is missing 2022 British Open champion Cameron Smith, who joined LIV Golf.

combined with the Tour’s stance have also made an already imbalanced affair even more tilted.

Since the Presidents Cup’s inception in 1994, the Americans have won 11 times, they have drawn once while the internationals scored their lone victory all the way back in 1998. Without the star European players, who compete against the U.S. in the Ryder Cup, this matchup has been one-sided for more than two decades.

The scales are even more uneven at this Presidents Cup, which begins Thursday at Quail Hollow Club in Charlotte, N.C. That’s because this edition is just as notable for the players missing as the ones participating. The interna-

tional roster, which was going to be a sizable underdog even at full strength, has been acutely undercut by the absence of LIV players.

The marquee player for the international team would have been Cameron Smith, a mulleted Australian who won both the Players Championship and the British Open this year while reaching as high as No. 2 in the world rankings. He was among the most recent defectors to LIV, though, and he’s part of a group of golfers that figured to star on the international roster had they not bolted from the PGA Tour.

Chilean Joaquin Niemann and Mexican Abraham Ancer are both in the top-25 of world rankings but

also out of the competition because of their decision to join LIV.

It isn’t as if top-notch American players didn’t join LIV. Captain Davis Love III noted that he would have selected Dustin Johnson, who went 5-0 in the team format at the 2021 Ryder Cup. “Yes, we miss him,” Love III said. Bryson DeChambeau and Brooks Koepka were also part of that last Ryder Cup team where the U.S. triumphed over Europe.

The U.S. has five of the top-10 players in the rankings, led by No. 1 Scottie Scheffler. The highest-ranked international player: Hideki Matsuyama, who at No. 17 is behind 10 of the competing Americans.

Udoka Suspended By Celtics

By LOUISE RADNOFSKY

The Boston Celtics late Thursday suspended head coach Ime Udoka for the 2022-23 season for what the team called “violations of team policies,” rocking one of the preseason NBA title favorites a month before the new season begins.

The team did not specify the violations. Reports by ESPN and The Athletic said that Udoka was facing disciplinary action over a consensual relationship with a female colleague. The Celtics statement did not elaborate on the circumstances.

The team appeared to leave open the possibility that Udoka had coached his last game with the Celtics.

“A decision about his future with the Celtics beyond this season will be made at a later date,” the 46-word team statement read.

“I want to apologize to our players, fans, the entire Celtics organization, and my family for letting them down,” Udoka said in a statement reported by ESPN. “I am sorry for putting the team in this difficult situation, and I accept the team’s decision. Out of respect for everyone involved, I will have no further comment.”

The suspension jolted the league and shook a Celtics team coming off an unexpected appearance in the NBA Finals in Udoka’s first season as their coach.

—Rachel Bachman and Ben Cohen contributed to this article.

BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

Friday, September 23, 2022 | B1

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FedEx to Raise Shipping Rates

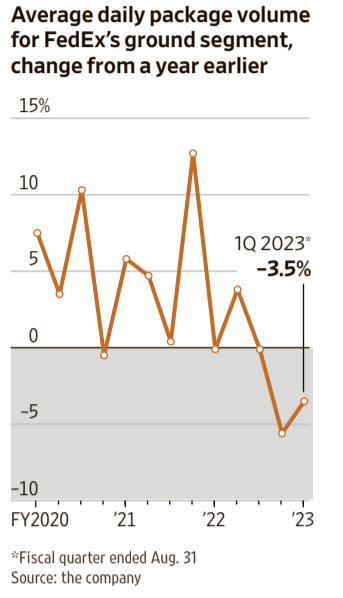
By ESTHER FUNG
FedEx Corp. plans to raise shipping rates by an average of 6.9% starting in January as the delivery giant copes with a global slowdown in deliveries.

cade highs. Energy prices have declined in recent weeks, though they are still above year-ago levels. FedEx offsets some of those costs with fuel surcharges.

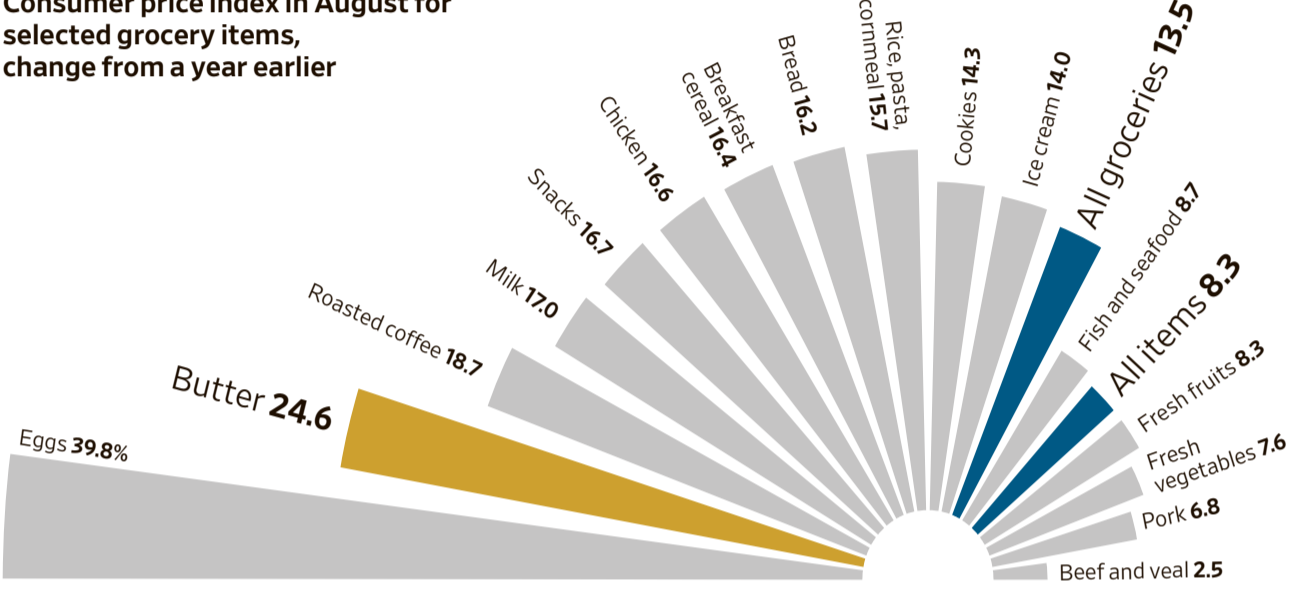
in the quarter ended Aug. 31 fell 11% from the prior year, the third straight quarter of declines. Increases in fees like fuel surcharges helped boost FedEx's revenue despite the decline in volumes.

savings this fiscal year from a plan announced last week to park aircraft, suspending Sunday deliveries and closing some offices. It also plans to write an additional \$4 billion in annual costs from its operations over the next two years.

the role from founder Fred Smith on June 1, faced questions from analysts Thursday about the company's view that the macroeconomic environment is the primary reason for its recent performance.



Consumer price index in August for selected grocery items, change from a year earlier



Kohl's Chairman, CEO Face Activist Pressure to Leave

By DEAN SEAL AND SUZANNE KAPNER
Ancora Holdings Inc., the activist investor that helped install three directors on the Kohl's Corp. board last year, is now trying to force out the retailer's chairman and chief executive.

sale this year as being too low, including a \$9 billion takeover offer that would have supplied investors with \$64 a share in cash. The department-store chain's actions in the months that followed, as choppiness in the financing markets suppressed deal making, have destroyed billions of dollars in shareholder value and 'painted the company into a corner,' Ancora said.

Butter Cost Rises on Tight Supply

By JESSE NEWMAN
Lower milk production on U.S. dairy farms and labor shortages for processing plants have weighed on butter output for months, leaving the amount of butter in U.S. cold storage facilities at the end of July the lowest since 2017, according to the Agriculture Department.



The dairy herd contracted last year, and fewer cows resulted in less milk for butter churns

On average, butter prices hit \$4.77 per unit in the four-week period ending Aug. 27, the highest level since at least 2017, according to Nielsen.

While consumers pay up for butter, some U.S. producers are working to squeeze out more sticks ahead of the busy holiday baking season.

Joe Coote, chief executive of Washington-based Darigold Inc., a major U.S. dairy processor, said the company is trying to...

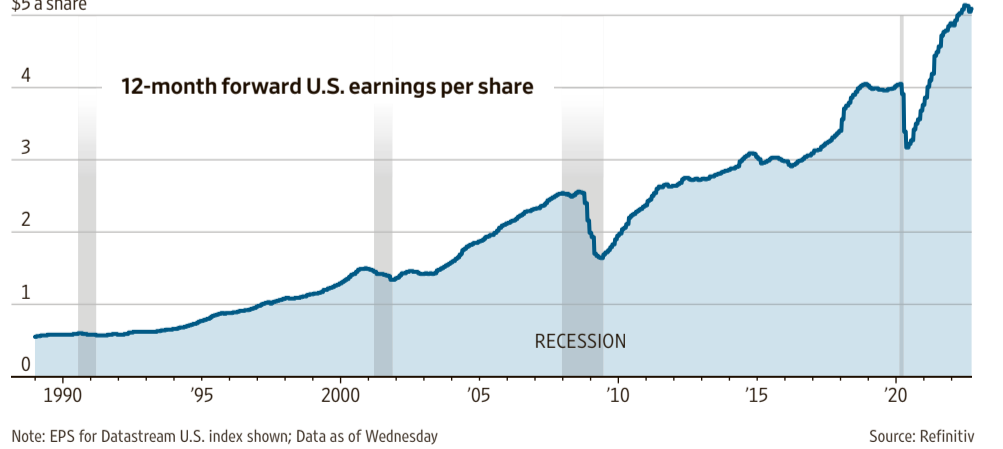
Yields Jump as More Countries Lift Rates

By SAM GOLDFARB
U.S. government bond yields surged Thursday, after foreign governments and central banks rushed to raise interest rates or otherwise support local currencies pressured by the dollar's strongest rally in a generation.

seeks to quell inflation. But long-term U.S. yields began a sharp ascent shortly before the start of U.S. stock trading Thursday, responding at least in part to several central banks raising rates and Japan, the world's third-largest economy, intervening in the foreign-exchange market to sell dollars and buy yen for the first since 1998.

Market Still Isn't Priced for Recession

The stock market is almost always late to wake up to the threat of recession, but it is increasingly hard to miss the warnings from the Federal Reserve. Not only might there be a recession, but the Fed has no intention of stepping in to save investors this time.



slowdown that avoids recession. As that message sinks in, expect stock prices to sink further. The key question, of course, is how much risk to earnings is priced in already. After all, stocks are down 20% this year and only 3% above their June low, confirming that the bear market continues.

February 2020. At the same time, 81% trade at lower multiples of those forecasts. This divergence reflects two obvious factors and a third up for debate. The first is the pandemic itself, which boosted the earnings of many of the tech firms that dominate the market and overall profit margins.

with probabilities, so if I think there is more danger of a recession I should put less value on those future earnings. The bull case would be that this is already happening, hence the lower valuation, so investors won't be shocked by a recession. After all, a majority of fund managers surveyed by Bank of America already say that a recession is likely, the highest since 2020 and before that 2009.

INSIDE section with two sub-articles: 'BUSINESS NEWS' about Humana and CVS seeking to buy primary-care provider Cano, and 'RESTAURANTS' about Olive Garden and LongHorn Steakhouse posts 16% drop in profit.

INDEX TO BUSINESSES

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

Index to Businesses table with columns A through Y listing various companies and page references.

INDEX TO PEOPLE

Index to People table with columns B through Y listing individuals and page references.

Butter Prices Increase

Continued from page B1

to open up more production capacity at its two butter plants in the Northwest.

"We want to run the assets we have harder when we can get more milk off farm," Mr. Coote said.

The problem for butter starts with milk. The U.S. dairy herd contracted last year as farmers' costs surged.

as dairy processors have brought new or expanded cheese plants online, boosting demand for milk to turn into cheese.

Labor shortages have prompted some butter makers to reduce or idle production, according to Tanner Ehmke.

Marshall Reece, a senior vice president at Minnesota-based Associated Milk Producers Inc., said the company's butter production is down between 5% and 10% this year.

"It's the second shift that typically runs over family time that's become harder and harder to fill," Mr. Reece said.

Following declines in 2021, U.S. butter production fell 2% through July, according to USDA.

Prices of commodity butter traded on the Chicago Mercantile Exchange have soared nearly 40% this year.

Shifts in global trade patterns have taxed butter supplies. Since 2016, the U.S. has imported more butter than it exported.

Shifts in global trade patterns have taxed butter supplies.

Prices of commodity butter traded on the Chicago Mercantile Exchange have soared nearly 40% this year.

Shifts in global trade patterns have taxed butter supplies.

Following declines in 2021, U.S. butter production fell 2% through July.

other goods have pinched farmers' margins despite record-high milk prices.

Fewer cows resulted in less milk for butter churns, which pump out much of their butter in the first half of the year.

In the U.S. dairy industry's hierarchy, bottlers typically get first dibs on milk, then manufacturers of goods such as ice cream, yogurt and cheese.

Kohl's Leaders Pressured

Continued from page B1

the activists, along with a third director who received the investor group's blessing.

The activists have continued to push for a bigger shake-up and led a campaign earlier this year to replace as many as 10 directors.

Kohl's shares have fallen about 45% this year to \$26.93, down from a high of \$64.38 in late January.

Like other department stores, Kohl's was struggling to keep up with discount chains and fast-fashion retailers long before the Covid-19 pandemic.

After rejecting more-lucrative offers earlier this year, Kohl's and Franchise Group entered into exclusive talks in June.

Less than a month later, negotiations were terminated, and Kohl's said it would no longer pursue a sales process.

Mr. Boneparth said the decision was based on chilliness in the deal-making market.

BUSINESS & FINANCE

Humana, CVS Target Cano Health

By LAURA COOPER AND DANA CIMILLUCA

Humana Inc. and CVS Health Corp. are circling Cano Health Inc., people familiar with the situation said.

The talks are serious and a deal to purchase Cano could be struck in the next several weeks, assuming the negotiations don't fall apart.

Miami-based Cano operates primary-care centers in California, Florida, Nevada, New Mexico,

up 32% after The Wall Street Journal reported on the talks with Humana and other unnamed parties.

It couldn't be learned which other potential buyers might be in the mix, but Cano could be Humana's to lose as the health insurer has a right of first refusal on any sale.

Miami-based Cano operates primary-care centers in California, Florida, Nevada, New Mexico,

Texas, Illinois, New York, New Jersey and Puerto Rico, according to documentation from the company.

Ties between the companies run deep: Cano was Humana's biggest independent primary-care provider in Florida.

Which Humana is the exclusive health plan for Medicare Advantage, the filing added.

Humana has established a footprint in primary care, which it continues to expand.

There has been a frenzy of deal making involving large companies scooping up primary-care assets to get closer to patients and provide more personal service.

Cano went public in 2020 through a special-purpose acquisition vehicle backed by real-estate investor Barry Sternlicht.

Mesa Offers Pilots Help to Build Flying Time

By ALISON SIDER

Regional airline company Mesa Air Group Inc. is offering a new way for pilots who have gone through initial training to build up the hundreds of additional flying hours they need to qualify for airline jobs.

The airline, which flies for United Airlines Holdings Inc., American Airlines Group Inc. and cargo carrier DHL Express, said Thursday it acquired 29 small two-seat planes with options to buy as many as 75 more over the next year.



Mesa Air Group flies for United, American and DHL.

pilots out there trying to build time," Jonathan Ornstein, Mesa's chief executive, said.

Competition for pilots has been fierce in recent months

and regional carriers like Mesa have said they have struggled to keep up. That is partly because bigger airlines have raided smaller operators to re-

plenish their ranks as they recover from the pandemic.

Regional airlines have been boosting pay to lure recruits. Mesa recently said it would nearly triple newly hired first officers' pay to \$100 an hour.

Some airlines' efforts to mitigate what they describe as burdensome requirements have run up against resistance. The Air Line Pilots Association, a major union, disputes that there is a shortage, and has said carriers are looking to cut corners and weaken rules the union says are critical for safety.

FedEx To Raise Rates

Continued from page B1

ation. "Now we have more capacity than we need," he said. "Could we have timed that a little better? I don't know, you can't calculate it. You can't build half a building."

FedEx's chief customer officer, Brie Carere, pointed to the recent plunge in costs to ship cargo on ocean trade routes from Asia to bolster the company's defense that macroeconomic pressures were mostly responsible for the earnings miss.

Executives also were pressed by analysts on the company's progress in efforts to make its delivery networks more efficient. Activist investor D.E. Shaw Group has pushed the company to boost profit, and Mr. Subramaniam, who previously served as FedEx's operations chief, has pledged to make the operating structure more efficient and increase profit margins.

FedEx executives said the company will generate big savings from reducing flights. They said there are plans to idle eight narrow-body aircraft in response to lower volumes, and to reduce flight frequency by around 10%.

FedEx said Thursday it expects to save this fiscal year between \$1.5 billion and \$1.7 billion in its Express business by reducing flight frequencies and parking aircraft. It expects to save up to \$500 million in its Ground business from closing sorting operations and stopping some Sunday deliveries.

such as closing FedEx Office and corporate office locations.

Delivery companies, including FedEx, UPS, the U.S. Postal Service and Amazon.com Inc., are slated to handle about 92 million parcels a day in the time frame that corresponds with the holiday-shopping season, but they have the capacity to handle about 110 million parcels, said Satish Jindel, president of research firm SJ Consulting Group.

Carriers scrambled to in-

crease package-handling capacity in earlier months of the pandemic as businesses dealt with a jump in online purchases. A pullback in online orders occurred faster than carriers and many retailers expected.

rapidly. FedEx Express, the company's biggest unit by revenue, flies time-critical packages overnight for customers.

—Cara Lombardo contributed to this article.

Watch a Video section with a QR code and text: Scan this code for a video on how the consumer-price index works.



Kohl's CEO Michelle Gass

self.

After rejecting more-lucrative offers earlier this year, Kohl's and Franchise Group entered into exclusive talks in June for a potential takeover deal initially priced at \$60 a share.

Mr. Boneparth said the decision was based on chilliness in the deal-making market and the retail industry, which has been roiled this year as record inflation strained consumer spending.

ation was based on chilliness in the deal-making market and the retail industry, which has been roiled this year as record inflation strained consumer spending.

Kohl's shares have fallen about 45% this year to \$26.93, down from a high of \$64.38 in late January.

Like other department stores, Kohl's was struggling to keep up with discount chains and fast-fashion retailers long before the Covid-19 pandemic.

The company's sales have fallen in each of the past two quarters while its profit has plunged. Kohl's said in August that it has been increasing promotions to clear excess inventory.

Legal notice from the United States District Court Southern District of New York regarding the settlement of shareholder derivative litigation for Fulton County Employees' Retirement System, Inc. The notice details the terms of the settlement, the parties involved, and the process for objecting to the settlement.

BIGGEST 1,000 STOCKS

How to Read the Stock Tables
The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities.

Footnotes:
F-New 52-week high
N-New 52-week low
dd-Indicates loss in the current quarter.

Table with columns: Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg

Table with columns: Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg

Wall Street Journal stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices as of 4 p.m. the previous day.

Table with columns: Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg

Table with columns: Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg

Table with columns: Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg

New Highs and Lows

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that had a new 52-week intraday high or low in the latest session.

Table with columns: Stock, Sym, Hi/Low, Chg, Stock, Sym, Hi/Low, Chg, Stock, Sym, Hi/Low, Chg, Stock, Sym, Hi/Low, Chg, Stock, Sym, Hi/Low, Chg

Table with columns: Stock, Sym, Hi/Low, Chg, Stock, Sym, Hi/Low, Chg, Stock, Sym, Hi/Low, Chg, Stock, Sym, Hi/Low, Chg, Stock, Sym, Hi/Low, Chg

Table with columns: Stock, Sym, Hi/Low, Chg, Stock, Sym, Hi/Low, Chg, Stock, Sym, Hi/Low, Chg, Stock, Sym, Hi/Low, Chg, Stock, Sym, Hi/Low, Chg

Table with columns: Stock, Sym, Hi/Low, Chg, Stock, Sym, Hi/Low, Chg, Stock, Sym, Hi/Low, Chg, Stock, Sym, Hi/Low, Chg, Stock, Sym, Hi/Low, Chg

Table with columns: Stock, Sym, Hi/Low, Chg, Stock, Sym, Hi/Low, Chg, Stock, Sym, Hi/Low, Chg, Stock, Sym, Hi/Low, Chg, Stock, Sym, Hi/Low, Chg

Advertisement for 'The Marketplace' featuring 'Own Russia ADRs?' and 'EXCELLENT BUSINESS OPPORTUNITY ADJOY, INC DBA "DABBL"' with contact information and website links.

BANKING & FINANCE

Investors Shun Macau Casinos' Bonds

Slowdown in tourism hits revenue amid China's strict zero Covid-19 crackdown

By Elaine Yu

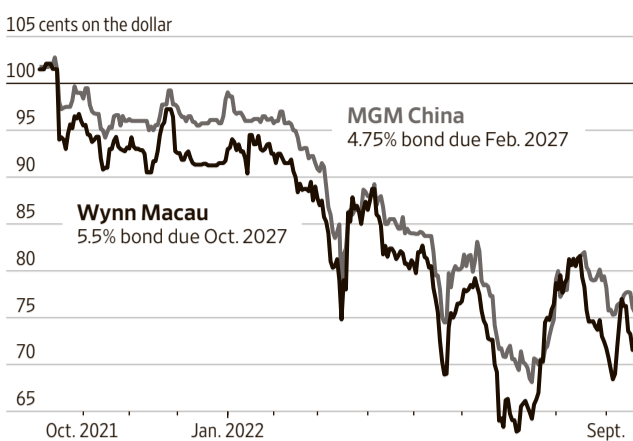
Macau's casinos once seemed to have a license to generate cash. They are now being squeezed by a worsening slowdown in Chinese tourism—and their bond prices are reeling as a result.

A bond from MGM China Holdings Ltd. that matures in May 2024 was trading at around 87 cents on the dollar on Wednesday, yielding more than 14%—a level more commonly associated with distressed debt.

There are several reasons for the selloff of bonds issued by Macau's casinos, including uncertainty about which of them will be allowed to renew their licenses this year. But a key factor is the collapse of Chinese tourism to Macau, once a huge source of revenue for casinos in the city.

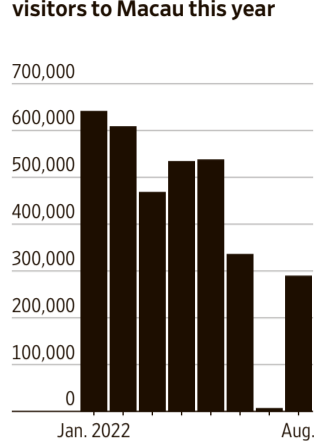
Mainland visitors to Macau in the first half of this year fell 78% from the same period in 2019, government figures show, while gross gambling revenue fell 82% to \$3.25 billion from \$18.5 billion.

Bond prices*



*As of Wednesday

Number of mainland Chinese visitors to Macau this year



Sources: FactSet (price); Macau government (visitors)



Tourists board a coach outside the Wynn casino resort in Macau.

The damage to Macau's casinos—and as a result its wider economy—shows how China's strict zero-Covid policy is causing damage even outside the mainland.

“There’s no prognosis for when things will begin to reopen and when you can at least get to a cash-flow-positive environment,” said Vitaly Umansky, senior analyst for global gaming at Sanford C. Bernstein.

The usual remedy to falling revenue is to cut costs. But Macau's casinos haven't been able to significantly cut their expenses, since the government has pressured them not to lay off local staff. The gambling industry is the biggest employer in Macau.

“At some point, you're going to have to cut costs be-

cause you're going to run out of money,” said Mr. Umansky.

The lack of visitors from mainland China translates into refinancing risks for the casinos in the next few years, said Colin Mansfield, head of U.S. gaming, lodging and leisure at Fitch Ratings.

Macau's six casino operators have enough liquidity for the foreseeable future—from eight months to well over two years, depending on the company, said Mr. Umansky. Even if their revenue recovered to just 30% of prepandemic levels, most of them could stop bleeding cash, he said.

James Goldstein, a gambling and retail analyst at CreditSights, said investors had naturally been expecting that things would improve, but the bad news has only

gotten worse. Macau finally had its first major Covid-19 outbreak this summer. The government's strict response stacked the odds even further against a near-term recovery in the sector. Macau's economy, which depends on its casinos, contracted 39.3% in the second quarter, according to official sources.

“It’s just a matter of people becoming impatient with this idea that the recovery is coming, and then it never comes,” said Mr. Goldstein.

Investors are also looking for signs as to whether China might begin to loosen Covid restrictions after the Communist Party congress in mid-October, which will decide the nation's top leadership. But there is still no clarity on when any opening up in China

might happen.

The fall in the prices of their bonds means Macau's casinos are looking elsewhere for funding.

Wynn Macau in June said it would get a revolving loan facility of \$500 million from its U.S. parent at a 4% interest rate. The following month, Sands China Ltd. received a \$1 billion loan from its parent, payable in July 2028.

The Macau casinos of Las Vegas Sands Corp. and Wynn Resorts Ltd. have enough liquidity—at \$2.8 billion and \$1.8 billion in the second quarter of 2022, respectively—to keep them afloat for more than two years, said Mr. Goldstein of CreditSights.

Las Vegas casinos have generated more than a billion dollars a month in gambling

revenue for 17 months in a row. Macau casino revenue fell to a record low of \$49 million in July, when casinos shut down for nearly two weeks during a citywide lockdown.

The strength of Las Vegas gives some breathing room to several Macau casinos. MGM and Wynn both run casinos in both cities.

That makes them better able to weather the downturn than SJM Holdings Ltd., which operates only in Macau, said Gloria Tsuen, a senior credit officer at Moody's Investors Service.

Las Vegas Sands, which sold its Vegas properties for about \$6.25 billion to focus on its Asia operations, is supported by its casino resort in Singapore.

BlackRock Takes Heat From New York Over Climate Stance

By Angel Au-Yeung

The official responsible for New York City's public pension funds is pressing BlackRock Inc. to recommit to achieving net zero emissions across its investment portfolio.

In a letter Wednesday to BlackRock Chief Executive Larry Fink, New York City Comptroller Brad Lander said the asset manager's voting record in the 2022 proxy season and recent public statements have him concerned that BlackRock is backtracking on its climate commitments.

Mr. Lander's letter follows an

early August missive from 19 state attorneys general that accused BlackRock of pressuring companies to phase out fossil fuels to the detriment of the local economies that depend heavily on the energy industry.

BlackRock, in response, said it doesn't dictate emissions targets for the companies in which it invests. The company cited its \$100 billion of investments in Texas energy companies as proof that it isn't boycotting fossil fuels.

“BlackRock now abdicates responsibility for driving net zero alignment on its own

portfolio by saying that it does not ask companies to set specific targets,” Mr. Lander wrote. BlackRock manages about \$43 billion in investments for three New York City pension funds.

BlackRock declined to comment. In its response to the August letter, the company said it has a fiduciary obligation to “identify short- and long-term trends in the global economy that may affect our clients' investments.”

BlackRock is the world's biggest investor, with about \$8.5 trillion in assets under

management. It holds stakes in more than 14,000 companies worldwide and casts votes on proxy proposals on behalf of passive investors.

For years, the company walked a political tightrope over its climate stance.

“Climate risk is investment risk,” Mr. Fink wrote in his 2020 annual letter. That comment—and others like it—ranked executives in the oil-and-gas industry and officials in the states that they call home.

Texas Comptroller Glenn Hegar last month included BlackRock on a list of 10 financial

firms that the state labeled as hostile to energy companies, a move that could lead state entities to stop doing business with the asset manager.

“We disagree with the Comptroller's opinion,” a representative for BlackRock said at the time.

Now, BlackRock is facing pushback from officials on the other side of the debate.

Mr. Lander, the New York City comptroller, asked BlackRock to publish plans that detail the asset manager's commitment to achieving net zero. He also asked BlackRock to

press its portfolio companies to disclose climate-related lobbying and work to end lobbying and insurance for new fossil-fuel supply projects.

He criticized BlackRock's decision to support fewer climate-related shareholder proposals in the 2022 proxy-voting season. BlackRock voted in favor of 24% of environmental and social shareholder proposals in this year's proxy-voting season, down from 43% last year. The firm said the decline was partly because of a crop of “more prescriptive” shareholder proposals.

New Highs and Lows

Table listing various stocks and their 52-week high and low prices, including continued from page B9.

Table listing various stocks and their 52-week percentage change, including continued from page B9.

Table listing various stocks and their 52-week percentage change, including continued from page B9.

Mutual Funds

Table showing top 250 mutual funds listings for Nasdaq-published share classes by net assets.

Thursday, September 22, 2022

Table showing mutual fund performance for Thursday, September 22, 2022, including fund names, NAV, and YTD returns.

Fidelity

Table showing mutual fund performance for Fidelity funds, including fund names, NAV, and YTD returns.

Investment Company of America

Table showing mutual fund performance for Investment Company of America funds, including fund names, NAV, and YTD returns.

