THE WALL STREET JOURNAL.

DOW JONES | News Corp * * * * TUESDAY, SEPTEMBER 6, 2022 ~ VOL. CCLXXX NO. 56 WSJ.com ★★★★ $5.00

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What's News

Business & Finance

Power prices surged, European currencies hit multidecade lows and governments worked to contain the economic hit after Russia cut its main natural-gas pipeline to the heart of Europe. **A1, A10**

◆ **European stock** indexes and the euro fell after Nord Stream gas was cut. U.S. markets were closed for the Labor Day holiday. **B9**

◆ **VW said it would** list its sports-car maker Porsche in one of the biggest IPOs in years and a crucial test of investors' confidence as high inflation and the war in Ukraine put a damper on the global economy. **A1**

◆ **The Biden administration** has leased fewer acres for oil-and-gas drilling offshore and on federal land than any other administration in its early stages dating back to the end of World War II, a Wall Street Journal analysis found. **A1**

◆ **Ernst & Young's** leaders are expected this week to approve splitting its auditing and consulting businesses, according to people familiar with the matter. **B1**

◆ **The death of** Bed Bath & Beyond's CFO comes as the retailer has lost several executives and finance team members who could step into the role for the holiday season. **B1**

◆ **CVS's deal to acquire** Signify will add 10,000 contracted doctors and clinicians and give CVS a hand in coordinating medical care for millions of Americans. **B1**

World-Wide

◆ **A federal judge** in Florida ordered the appointment of a special master to review documents seized from Trump's Mar-a-Lago property, a move that temporarily blocks the government from using the materials for a criminal investigation. **A1**

◆ **U.K. Foreign Secretary** Liz Truss won the race to lead the ruling Conservative Party and become Britain's next prime minister, taking the helm of a nation heading into an economic storm. **A1**

◆ **Tens of thousands** of migrants who crossed the border illegally in the past year are in limbo after the U.S. government failed to file the necessary paperwork in court. **A3**

◆ **Biden's plan** to cancel student debt and modify payments for millions of Americans could cost as much as $1 trillion, according to budget analysts, challenging the administration's efforts to scale down the federal deficit. **A4**

◆ **Ukraine's energy** operator said a fire caused by Russian shelling had severed a power-transmission line and effectively disconnected the Zaporizhzhia nuclear-power plant from Ukraine's electricity grid. **A8**

◆ **Chile's leftist president** was laying the groundwork for a major political reset after voters overwhelmingly rejected a proposed constitution that his supporters had endorsed. **A18**

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Personal Investing: The rush into dividend stocks. **R1-6**

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CARL COURT/GETTY IMAGES

Liz Truss, in London after being chosen prime minister Monday, will lead a nation facing high inflation and slow growth.

Truss Is Picked to Lead U.K. As It Faces Economic Turmoil

By Max Colchester

LONDON—U.K. Foreign Secretary Liz Truss won the race to lead the ruling Conservative Party and become Britain's next prime minister, taking the helm of a nation heading into an economic storm.

Ms. Truss, 47, who succeeds Boris Johnson Tuesday as prime minister, will face the most daunting economic outlook for an incoming British leader since her political hero, Margaret Thatcher, became the U.K.'s first female prime minister in 1979.

Britain's slowing economy is poised to enter recession, inflation is at its highest rate in decades and households are facing crippling energy bills from the war in Ukraine.

Productivity growth has dropped to half the rate it was in the early 2000s, real wages have stagnated, the pound is nearing record lows and an aging population is placing a growing strain on public services, even as the government tries to rein in the public spending that soared during the Covid-19 pandemic.

Britain's exit from the European Union has hampered trade with the country's largest trading partner, and immigration restrictions have choked off access to inexpensive European labor. That has worsened a labor shortage of a scale not seen in the rest of Europe, driven by an unexpectedly high number of people leaving the workforce after the pandemic.

The energy crisis combined with a labor crunch is an inflationary double whammy.

"They have the worst of both worlds," said Mark Flanagan, who until recently led the U.K. team at the International Monetary Fund.

The country is on track to record the lowest economic growth and the highest inflation in the Group of Seven rich countries next year, according to the Organization for Economic Cooperation and Development. The economic-policy

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◆ Pound falls to lowest level in decades...................................... A10

Judge Orders Review Of Trump Records

Special master to be appointed as DOJ must pause using materials for any criminal probe

By Jess Bravin And Aruna Viswanatha

WASHINGTON—A federal judge in Florida ordered the appointment of a special master to review documents seized from Donald Trump's Mar-a-Lago property, a move that temporarily blocks the government from using the materials for a criminal investigation.

Mr. Trump asked the court to appoint the independent attorney to review materials federal agents seized on Aug. 8 from a storage room and the former president's office. The search came after months of discussions between Trump representatives and the government failed to satisfy authorities that all national-security documents had been transferred to the National Archives.

In a particular blow to the Justice Department, the order said that Mr. Trump could assert claims not only of attorney-client privilege, which are available to any suspect, but also executive privilege—that is, a president's ability to shield internal conversations with his aides. The government had argued that a former president couldn't raise executive-privilege claims against the very executive branch whose processes the privilege sought to protect.

The Labor Day order permitted intelligence officials to continue their examination of po-

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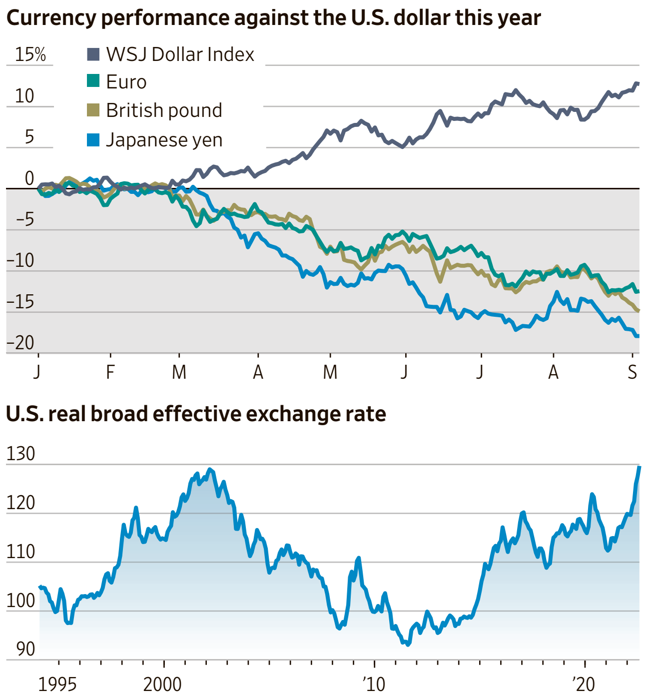
Dollar Boosts Buying Power

In July, an index that considers inflation when measuring the dollar's strength topped its previous peak from 2002. **A2**



Sources: Dow Jones Market Data (indexes); Tullett Prebon (currencies); Bank for International Settlements, retrieved from Federal Reserve Bank of St. Louis (exchange rate)

Energy Prices Jump in Europe After Russia Shuts Pipeline

By Joe Wallace and Kim Mackrael

Power prices surged, European currencies hit multidecade lows and governments worked to contain the economic hit after Russia cut its main natural-gas pipeline to Europe.

The cutoff, which the Kremlin blamed Monday on Western sanctions and said would be long-lasting, realizes the worst-case scenario Europe had been girding for since Russia invaded Ukraine in February.

Europe is at the front lines of the economic war between Russia and the West that runs parallel to the battlefield war in Ukraine. Soaring electricity prices and a shortage of natural gas have hammered the European economy and raised concerns about blackouts and shortages this winter.

Natural-gas and electricity prices initially leapt by a third before settling up more than 10% on Monday in response to the shutdown of the Nord Stream pipeline to Germany, announced by state-controlled Gazprom PJSC after markets closed last week. As traders braced for an expected recession in the eurozone, the euro briefly slid to its lowest level in 20 years. Stocks fell in Germany,

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◆ European stocks and euro decline... B9
◆ Heard on the Street: OPEC sends a warning shot......... B10

VW Readies Big IPO For Porsche Brand

By William Boston

BERLIN—Volkswagen AG said Monday that it would list its sports-car maker Porsche AG in one of the biggest initial public offerings in years and a crucial test of investors' confidence as high inflation and the war in Ukraine put a damper on the global economy.

The offering could value Porsche at between €60 billion and €85 billion, according to analysts' estimates, which is the equivalent of $59.8 billion and $84.7 billion. It would inject fresh cash into VW's coffers that executives say will help the company bankroll its transition to electric vehicles and self-driving cars. At the maximum valuation, Porsche's IPO could total as much as €10.6 billion.

"The listing of Porsche AG will give fresh tailwind to Volkswagen's transformation," VW Chief Finance Officer Arno Antlitz said.

Oliver Blume, who is chief executive of both Porsche and the entire Volkswagen company, welcomed the decision by VW's supervisory board to move forward with the planned listing, saying it would grant Porsche greater independence.

"This is a historic moment for Porsche," Mr. Blume said.

Confirming past comments about the planned offering, VW said that in preparation for the listing, Porsche's stock has been split into 50% ordinary shares and 50% nonvot-

Please turn to page A2

U.S. Oil Leasing Slows Under Biden

By Timothy Puko and Anthony DeBarros

WASHINGTON—The Biden administration has leased fewer acres for oil-and-gas drilling offshore and on federal land than any other administration in its early stages dating back to the end of World War II, according to a Wall Street Journal analysis.

President Biden's Interior Department leased 126,228 acres for drilling through Aug. 20, his first 19 months in office, the analysis found. No other president since Richard Nixon in 1969-70 leased out fewer than 4.4 million acres at this stage in his first term.

Harry Truman was the last president to lease out fewer acres—65,658—in 1945-46, when offshore drilling was just beginning and the federal government didn't yet control the deep-water leases that have made up the largest part of the federal oil-and-gas program in modern times.

Mr. Biden, a Democrat, pledged to stop drilling on federal lands as a candidate, saying the nation needs to transition to clean energy. He softened his stance as oil prices soared following Russia's invasion of

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◆ Next nuclear projects get a kickstart... A6

Sheep Are the Solar Industry's Lawn Mowers of Choice

* * *

The tough job of clearing grass around panels has shepherds in high demand

By Amrith Ramkumar

DEPORT, Texas—A team clearing grass from a field of solar panels on a recent day worked without complaint, despite the summer heat.

The panels blanket nearly 1,500 acres of a solar farm in Deport, a town near the Oklahoma border. Ely Valdez, the boss, makes sure prairie grasses don't block sunshine from the panels. His sheep do most of the work.

Jobs clearing local flora under and around stretches of solar panels have triggered an unexpected boom for Mr. Valdez and other sheepherders working the new photovoltaic fields blooming across America. Centuries after breakout roles in

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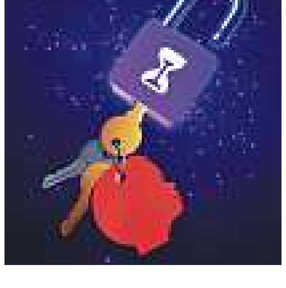
INSIDE



PERSONAL JOURNAL
Parents can take extra steps to keep control of children's screen time. **A11**

U.S. NEWS

THE OUTLOOK | By Gwynn Guilford

Global Slowdown Damps Inflation

A global slowdown, in particular in China, is taking the edge off inflation pressures, especially for key imports and commodities.

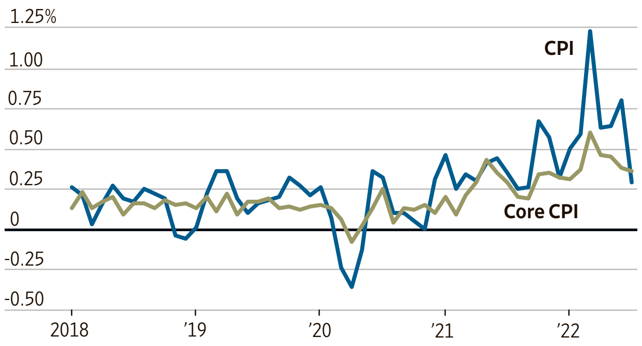
Global inflation eased in July, to 0.3% on a monthly basis, down from an average of 0.7% a month in the first half of the year, according to analysis by Nora Szentivanyi, a global economist at JPMorgan, and colleagues. The figures omit Turkey, where inflation is unusually high.

"Weaker global demand in the face of diminished purchasing power through the past year is now driving disinflation through two main channels," said Ms. Szentivanyi—first, by weighing on some commodity prices, and second, by easing global supply-chain constraints.

She and her colleagues estimate falling commodity prices and easing goods price pressures will lower global inflation to a 5% annualized rate in the second half of 2022, from 9.7% in the second quarter.

The global slowdown is being felt most acutely in commodity prices. Brent crude oil fell to around $93 a barrel Friday from more than $120 in early June. Copper is down around 28% from mid-April. The United Nations Food and Agriculture Organization's food price index fell 1.9% in August from July, the fifth straight monthly decline.

J.P. Morgan global* consumer-price index, percentage change from a month ago



*excludes Turkey
Source: J.P. Morgan

Prices of U.S. imports, excluding autos, rose 1.9% in July, down from 3.2% in March.

Foreign-made manufactured goods like furniture, recreational equipment and home entertainment increased just 2.8% in July, compared with 4.8% in April. That relief on import prices should flow through to consumer prices in the coming quarters, said Omair Sharif, who leads forecasting firm Inflation Insights.

To be sure, many other forces are still pushing the other way on U.S. inflation: service prices are rising, in particular for housing, and tight labor markets have pushed wage growth to its highest in at least 20 years. Federal Reserve Chairman Jerome Powell recently said July's slightly slower pace of inflation was far too little for the central bank to ease its campaign of raising interest rates.

Recent research by New York Fed economists found that price increases from imported inputs have passed through to U.S. domestic producer prices at a much higher rate recently than pre-Covid. But whether the reverse will also be true depends on how the U.S. economy is doing.

Import prices for consumer goods, excluding autos, fell 0.5% in July from April, while consumer prices for those same goods rose at a steady clip. If that divergence persists, the likely reason is domestic factors "such as unstable inflation expectations, higher wage inflation, strong pricing power of domestic distributors and higher transportation costs," said Aichi Amemiya, senior U.S. economist at Nomura Securities.

China is a key driver of easing external price pressures. The world's second-largest economy after the U.S. grew just 0.4% from a year earlier in the second quarter, its weakest in two years. While wide-scale Covid-19 lockdowns drove much of spring's decline, China's property collapse is now dragging heavily on growth.

Slumping investment by developers, in particular, has quashed demand for industrial and energy commodities. The volume of gasoline imports fell 36% in July from a year earlier, while that of steel dropped 25%, according to Chinese government data.

China in 2021 consumed 72% of the world's iron-ore imports, 55% of refined copper and more than 15% of oil globally. Any slowing of its resource-hungry economy tends to put downward pressure on commodity prices everywhere, said Edward Gardner, commodities economist at Capital Economics.

A prime example is iron-ore prices, which are down around 40% from their peak earlier in the year, said Warren Patterson, head of commodities strategy at ING. "China is the largest importer by some distance," he said. "With the weakness in the property market, this raw material for steel production is really suffering."

The country's producer-price index—a broad measure of pipeline inflation pressures—fell 1.3% in July from a month earlier.

"You have weak domestic demand and plenty of supply, and that tends to be deflationary," said Thomas Gatley, a senior analyst at Gavekal Dragonomics. As Chinese factories struggle to sell at home, they face more pressure to cut prices abroad—which will likely translate into a boom in Chinese net exports, said Mr. Gatley.

So far, there is no clear sign of this impact in U.S. trade data, said Nomura's Mr. Amemiya. Prices for U.S. imports from China increased 2.8% from a year ago in July, down from a 4.9% pace in March. But price gains for imports overall also slowed, including for manufactured goods like computers and electronics that China exports.

One factor pushing up global price pressure is natural gas. An artificial shortage engineered by Russian President Vladimir Putin has driven up prices for natural gas and electricity. European natural-gas future prices have more than tripled since the beginning of this year.

Europe has increasingly turned to U.S. exports of liquefied natural gas, putting upward pressure on U.S. gas and electricity prices.

"This year, the Russia and Ukraine and implications for energy markets might end up overwhelming the effects of what happens in China," said Bill Adams, chief economist at Comerica Bank. "China's housing and its effect on global inflation is likely to be a big deal in 2023."

ECONOMIC CALENDAR

Tuesday

The Institute of Supply Management and S&P Global release their separate **surveys of purchasing managers** on economic activity in the U.S. services sector.

Wednesday

The Commerce Department reports on **U.S. exports and imports** of goods and services in July. The trade deficit shrank in June due to higher shipments of energy and food products combined with a decline in imports.

The Federal Reserve releases its periodic compilation of economic anecdotes collected from businesses around the country, known as the **Beige Book**, including what they have seen happening with inflation, employment and output growth in recent weeks.

Thursday

The **European Central Bank** announces its latest monetary-policy decision. In July, the ECB raised interest rates by a half percentage point and unveiled a plan to buy the debt of Europe's most vulnerable economies, seeking to protect the currency union as it navigates the twin threats of skyrocketing inflation and slowing economic growth.

The Labor Department releases the number of worker **filings for unemployment benefits** on the week ended Sept. 3. Initial jobless claims, a proxy for layoffs, fell to a two-month low in the week ended Aug. 27, though they have stayed above the 2019 prepandemic average since late May.

China's National Bureau of Statistics releases inflation data for August. Consumer prices in China rose to the highest level in two years in July.

Dollar Lifts Buying Power Of Americans

By Julia-Ambra Verlaine

Inflation is high, but U.S. consumers' relative purchasing power has never been higher.

An index that considers inflation when measuring the dollar's strength relative to currencies of major U.S. trading partners in July topped its previous peak from 2002, showing how the dollar's surge has helped mitigate rising domestic prices.

The Real Effective Exchange Rate for the dollar, calculated by the Bank for International Settlements, measures the currency against a group of important U.S. trade partners, taking into account the changing prices of goods and services in each relevant economy. Some analysts have said considering inflation provides a broader assessment of a currency's relative purchasing power than traditional measures.

And the dollar has soared this year, in contrast to its declines during the inflation-plagued 1970s. The WSJ Dollar Index has gained in five of the past six months and is up nearly 13% in 2022. It has climbed past parity with the euro for the first time in 20 years and dented the Japanese yen, which traded Friday at 140.12 to the dollar, its lowest level since August 1998. The dollar ranked behind only natural gas among the best-performing assets in August, according to Deutsche Bank analysts.

Few observers expect a long-term weakening soon. Investors and analysts said Friday's jobs data reinforced expectations that the Federal Reserve will continue to raise interest rates aggressively to cool inflation. That policy has been a major driver of the dollar's gains, with higher rates attracting investors' money from economies where they remain low.

Thanos Bardas, global co-head of investment grade at Neuberger Berman, said Europe's war-fueled energy woes have joined lagging central-bank policy there and in Japan in boosting the dollar, attracting overseas investors to everything from Treasurys to U.S. stocks. Structural factors could mean that persists, he said. "The innovation is taking place in the U.S.," Mr. Bardas said. "So that element will always help the dollar."

This year's surge began after the Fed signaled it would rapidly raise rates to fight inflation, even at the expense of economic growth. That sparked selling in stocks and bonds, driving up the two-year Treasury yield, which typically moves with expectations for Fed policy. Others piled in to shelter from simultaneous selling in stocks and bonds, eventually sending the WSJ Dollar Index to multidecade highs.

Many now expect the Fed will continue raising rates well into 2023. The two-year yield recently hit its highest closing level since the run-up to the global financial crisis in 2007, around 3.5%.

The dollar's strength makes imports cheaper while lifting the cost of U.S. goods for international consumers. That can hurt exporters and spur inflation abroad.

"The rest of the world gets a double whammy of higher import prices and tighter liquidity conditions," said Steve Englander, global head foreign-exchange research and North America macro strategy at Standard Chartered.

Inflation has hit U.S. consumers hard, draining wallets at the gasoline pump, grocery store and car lot. But the combination of growth and inflation has been more benign than in many other places. Inflation in the eurozone rose to a record in August while the U.K.'s annual rate of inflation moved into double digits in July.

Some Wall Street analysts contend the dollar is reaching its peak as other central banks begin to lift rates, too. The European Central Bank has indicated it could raise interest rates this month by three-quarters of a percentage point. Recent data from the Commodity Futures Trading Commission indicated that hedge funds have reduced bullish bets on the dollar.

Watch a Video

Scan this code for a video on how inflation affects different countries.

◆ China's central bank moves to boost yuan................................ B9

U.S. WATCH

CALIFORNIA

Weather Raises Risk Of Rolling Blackouts

California on Monday faced its greatest risk of blackouts so far this summer, officials said, as soaring temperatures stressed the power grid and rapidly spreading wildfires killed two over the weekend.

A historic heat wave combined with dry and windy conditions across much of California has set the stage for possible rolling blackouts and wildfires, which have sent thousands fleeing their homes in the northern part of the state.

State officials anticipated a shortfall of power supplies on Monday and Tuesday. The California grid operator ratcheted up calls for residents and businesses to limit their power use.

Conservation has helped the state squeak by without blackouts so far across five days of high heat, but the peak load for electricity was projected to grow to the highest level in five years on Monday and had the potential to reach the highest level yet on Tuesday.

—*Jennifer Hiller*

JUSTIN MERRIMAN/BLOOMBERG NEWS

HANGING ON: Ironworkers joined a parade Monday in Pittsburgh as Labor Day was marked across the U.S.

NEW ORLEANS

Ex-Mayor, Opponent Of Segregation Dies

Former New Orleans Mayor Moon Landrieu, whose early, lonely stand against segregationists in the Louisiana Legislature launched a political career at the forefront of sweeping changes on race, died Monday. He was 92 years old.

Ryan Berni, a longtime friend of the family, confirmed Mr. Landrieu's death.

A progressive white Democrat, whose demeanor could be combative at times, Mr. Landrieu came from a blue-collar Roman Catholic family, served in the Army and sat alongside the first Black students at the city's Loyola law school before winning a statehouse seat in 1960.

To win his first mayoral term, Mr. Landrieu assembled a coalition of white liberals and African-Americans and campaigned to bring Black people into important positions in government.

—*Associated Press*

Porsche Readies Listing

Continued from Page One

ing preferred stock.

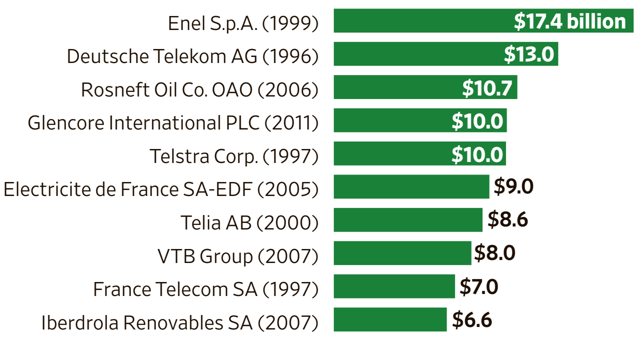
The German auto maker intends to list Porsche on the Frankfurt Stock Exchange and offer 25% of Porsche's preferred stock to private investors in a public offering aimed for late September or early October.

In a second step, the Porsche family heirs, who own a majority stake in VW, will purchase 25% plus one share of Porsche's ordinary shares, or voting stock, through their listed family investment fund, Porsche Automobil Holding SE.

Porsche SE has agreed to purchase the shares at the IPO price plus a 7.5% premium. The acquisition of Porsche voting stock gives the Porsche heirs a blocking minority, giving them effective control over major strategic decisions on the company's board and in shareholder meetings.

The Qatar Investment Authority has signaled its intention to acquire 4.99% of Porsche's preferred stock, VW said, becoming a cornerstone investor.

Top 10 Europe listed IPOs on record



Source: Dealogic

VW, which will continue to hold the remainder of Porsche's stock, said in the event of a successful IPO, 49% of the proceeds from the IPO and the private placement would be distributed to VW shareholders in the form of a special dividend. The dividend would likely be paid in the beginning of 2023, VW said.

The German auto maker said it would now begin meeting individual investors to weigh demand and determine the price for the shares, which could begin trading by the end of the month.

Some investors have warned that the way the IPO is being structured, with only the nonvoting shares sold to the public, could make it difficult for VW to get top dollar for the sports-car maker. Investors are concerned insiders will continue to exercise control over the company at the expense of private investors.

Investors are also concerned that Mr. Blume's dual role as CEO of VW and Porsche could lead to conflicts of interest.

At the end of July, an investor poll conducted by Bernstein Research showed that 71% of respondents thought Mr. Blume's double role would have a negative impact on the Porsche IPO.

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Missing Filings Fuel Migrant Case Backlog

U.S. takes no action on thousands of people who crossed into the country illegally

By Alicia A. Caldwell

Tens of thousands of migrants who crossed the border illegally in the past year are in limbo after the U.S. government failed to file the necessary paperwork in court, leaving them with no immigration case to fight and ambiguous legal status in the U.S.

Migrants released into the U.S. after crossing the border from Mexico typically have an initial court date set several weeks later, the first step to applying for asylum or other protections in the U.S. and the start of a legal process that can take years to complete when everything goes as planned. The brief first hearing often ends with the judge setting a second hearing weeks or months later, giving migrants time to find a lawyer.

Roughly 47,000 of the nearly 284,500 cases completed in U.S. immigration courts between the start of the federal fiscal year in October and June were dismissed because a document known as a Notice To Appear, or an NTA, wasn't filed, according to data compiled by the Transactional Records Access Clearinghouse at Syracuse University.

Between fiscal 2013 and 2020, fewer than 12,000 of about 1.6 million cases lacked government paperwork, according to TRAC. Last fiscal year, about 15,000 of 144,751 cases did.

Unlike typical criminal cases such as a traffic violation, in which charges are dismissed if the government fails to do its part, immigration court cases can be filed at any time, leaving migrants in limbo.

Immigration judges and lawyers say such delays, deemed "failure to prosecute" by Justice Department judges hearing the cases, are also undermining efforts by the Biden administration to reduce a backlog of cases that is approaching 2 million.

"When hearings are scheduled and don't go forward due to a DHS 'failure to prosecute,' it strains an already overburdened system," said Mimi Tsankov, president of the National Association of Immigration Judges union, who also works as a judge in New York.


ADREES LATIF/REUTERS

Young migrants were processed by a border agent after being smuggled into Roma, Texas, in August.

Biden administration officials didn't give a reason why they haven't filed their paperwork in 17% of cases this fiscal year. Border authorities have recently been overwhelmed by a record number of illegal crossings from Mexico, expected to hit 2 million by the end of the fiscal year.

A spokesman for the Department of Homeland Security said in a statement that in cases of missing or misfiled paperwork, it is standard practice for the government to fix the error "so that cases may resume and migrants can continue with their obligation to appear before an immigration court at a later date."

On a recent Thursday morning in Los Angeles, immigration court Judge Nathan Aina said that 11 of the morning's scheduled 15 cases were being closed for failure to prosecute.

"I don't know if we've ever had a docket with so many failure-to-prosecute" cases, Judge Aina said, adding without the necessary paperwork he doesn't have the legal authority to move forward.

None of the 11 migrants whose cases the government failed to prosecute appeared in court. People who work with migrants said it may be because they called a government hotline that informed them they didn't technically have a case even though they had a hearing scheduled.

Without any determination of their legal status, migrants in these situations don't have legal permission to live or work in the U.S., but they have also not been ordered to be deported to their home country.

Some can apply for asylum during their first year in the county through a different process managed by U.S. Citizenship and Immigration Services, though that typically requires assistance from a lawyer. Others often fail to understand that the government could file paperwork and reactivate their cases at any time, according to lawyers and activists.

The missing case documents add another layer of complexity to an already overburdened system that lawyers and the judges' union argue needs to be overhauled completely.

"The system has literally collapsed on itself," said Charles Kuck, an Atlanta-based immigration lawyer. "They could hire 1,000 more judges, but they aren't going to get through this backlog."

In Uvalde, an Agonizing Return to School

By Elizabeth Findell And Ben Chapman

UVALDE, Texas—Zayon Martinez doesn't like to talk about his last day of second grade, when he hid under his desk at Robb Elementary School and then fled while a gunman killed 21 students and teachers. All the 8-year-old knows, he says, is that he doesn't want to go back.

His father, Adam Martinez, who has been an outspoken critic of the Uvalde school district's response to the shooting, spent the summer discussing with his wife how to educate Zayon and his sister this school year.

"He said, 'It doesn't matter how many cops are there, they're not going to go in and protect us,' " Mr. Martinez said, describing his son's fears.

The Martinez family decided that for now, at least, third-grader Zayon and seventh-grader Analiya should enroll in a new online offering.

They are one of many families in Uvalde making difficult choices as public schools prepare to reopen Tuesday, three months after the deadliest school shooting in a decade.

Some are sending their children to private schools. Others are putting their faith in security improvements the district is implementing at public schools, including a new elementary campus opening in place of Robb, which is scheduled to be demolished.

A number of parents said they have lost trust in the school district for not providing enough accountability as evidence has come out about the response to the massacre, including that law enforcement waited outside the classroom where victims were bleeding to death for more than an hour.

Uvalde Consolidated Independent School District leadership has said that work is under way on its campuses to install new fencing, add security cameras, upgrade door locks and radio reception, and provide additional staff and school police training. It is partnering with telehealth and nonprofit services to connect children with mental-health resources.

District officials didn't respond to requests for comment and haven't said how many students are enrolled in in-person or online school this year and how many left the district.


KAYLEE GREENLEE BEAL FOR THE WALL STREET JOURNAL (2)

Zayon Martinez, 8, with his father, Adam Martinez. Zayon hid under his desk during the shooting at school and doesn't want to go back.

At Sacred Heart Catholic elementary school in Uvalde, classes recently started for some 110 students, double the number who attended last year, said Principal Joseph Olan. Pre-K and third grade are at maximum capacity and have waiting lists.

Eleven students who were shot and wounded are among the 50 to 60 Robb Elementary School students switching to Sacred Heart, according to Catholic Extension, a nonprofit fundraising organization that is providing scholarships for transferring students.

The school staff received child trauma training, Mr. Olan said. He brought in counselors and emotional support dogs. With funding from donations, Sacred Heart was able to install new fencing, reinforced doors and locks and bulletproof windows.

Felicha Martinez's son Xavier Lopez was killed in the Robb shooting and she opted to send his younger brother, 7 years old, to Sacred Heart. Following a recent rally for gun control at the state Capitol in Austin, she said she lost confidence in the district when it took three months to fire school police chief Pete Arredondo.

Former Robb Elementary students starting third and fourth grade this year will attend a new school called Uvalde Elementary. A few days before classes began, a shiny new nonscalable metal fence with some remaining gaps lined the campus, a former high school.

Several children walking out of a "meet the teacher" night with new, donated backpacks and Bibles said they were excited to start. Some parents said they were nervous, and not yet fully satisfied with security, but believe the district is making good progress. "This can happen anywhere—we can't hide them in a bubble," said Narcy Luna, the grandmother of 9-year-old Ricardo Luna. "Having him together with his friends and seeing their smiles, they need that."

The challenges of the new year in Uvalde echo those of other school shootings. Some children experience phobias and anxiety, while others suffer from survivors' guilt, said Tom Brant, a former school psychologist who helped Newtown, Conn., students adjust to school following the 2012 massacre at Sandy Hook Elementary. "No one knew how they would respond," Mr. Brant said of returning students. "There had to be some rebuilding of trust."

Proper training of teachers and the presence of counselors can help, Mr. Brant said. Although some families left Newtown, and those who stayed saw an increase in mental-health issues, Mr. Brant said children who experienced the shooting at Sandy Hook largely saw similar long-term academic and social outcomes as their peers. "If you intentionally plan for their return to school, amazingly, they really show that resiliency," he said.

In Uvalde, Zayon said he was excited to see school friends during a recent trip to pick up items left behind at Robb Elementary during the shooting, but upset he couldn't find the shoes he took off to better curl into a ball under his desk.

Mr. Martinez has worked to make a front room of the family's house, where Zayon and Analiya will have online classes, feel like a classroom, with a pencil sharpener and a globe. But he said he's worried his children will fall behind academically or miss out on social learning, and he wants them back at school in person as soon as next semester. Hearing his father, Zayon shook his head. "I don't know," he said.

Search for Survivors In Plane Crash Is Called Off

By Christine Mai-Duc

Coast Guard officials said they have called off a search for survivors in the Puget Sound after a plane crash Sunday that left one passenger dead and nine others missing.

Officials said Monday afternoon they had suspended the search for the nine missing people, including a young child, as of noon local time. Dozens of aircraft and vessels across multiple agencies had begun searching at sunrise for any sign of survivors, officials said, covering an area of about 2,100 square nautical miles.

"It is always difficult when it comes time to make a decision to stop searching," said Capt. Daniel Broadhurst with the 13th Coast Guard District.

One person was confirmed dead and nine others missing in Puget Sound.

"The hearts of all the first responders go out to those who lost a family member, a loved one or a friend in the crash."

Officials said they received reports around 3:11 p.m. Sunday that a seaplane carrying nine adults and one child had crashed in Mutiny Bay off Whidbey Island. The aircraft was roughly 20 minutes into a flight from Friday Harbor, an island resort town, to an airport in the Seattle suburb of Renton, about 80 miles away.

Officials said the plane was operated by tourist company Friday Harbor Seaplanes and owned by sister company Northwest Seaplanes, which said on its website it has "logged over 24 years of accident and incident free flying."

A team of federal investigators with the National Transportation Safety Board was en route to investigate the crash.

California Fast-Food Bill Signed, Opening Path to Higher Pay

By Christine Mai-Duc And Heather Haddon

A government-appointed council could increase wages for California's estimated half-million fast food workers to as much as $22 an hour starting next year, under a law signed by Gov. Gavin Newsom on Monday.

The law, known as the FAST Recovery Act, will establish a first-in-the-nation state council tasked with setting minimum wage standards in California for the entire industry, which relies heavily on the franchise business model and which labor advocates claim has long been plagued with wage theft and other worker abuses.

Mr. Newsom, a Democrat, said the law will give fast-food workers a "stronger voice and seat at the table to set fair wages and critical health and safety standards across the industry."

Restaurant groups and franchisees lobbied aggressively against the bill and in recent days had urged Mr. Newsom to veto it, saying it would cause widespread price increases without improving existing worker protections.

The International Franchise Association, which lobbies on behalf of restaurant chains such as McDonald's Corp. and Yum Brands Inc., accused Mr. Newsom of siding with special interests by signing a bill "designed to hurt the franchise business model in California."

"This bill is a fork in the eye to franchise owners and customers at a time when it hurts most," the association said.

Many restaurant operators said they wouldn't be able to afford to raise wages so suddenly. California's current minimum wage is $15 an hour, and is set to increase by 50 cents on Jan. 1.

"You can't charge enough for food to offset what will happen from a labor perspective," said Greg Flynn, president of Flynn Restaurant Group, which operates franchise brands in 44 states and owns 105 restaurants in California. "California is already the most difficult state in the nation to operate as a restaurateur. This just makes it more difficult and less attractive."

Passing the measure was a top lobbying priority for state and national leaders of the Service Employees International Union, who were also involved in the continuing national "Fight for $15" campaign to raise minimum wages across the country to $15 an hour.

Speaking to reporters shortly after the announcement, SEIU international President Mary Kay Henry called the new law one of the most significant pieces of labor legislation in a generation. "California fast food workers have set a new model for workers having more power across their industry," Ms. Henry said.

Michaela Mendelsohn, an El Pollo Loco franchisee in Southern California, said she recently put on hold plans to add to her group of six stores because of the measure. If wages shoot up, she added, she will consider eliminating cashier positions or installing kiosks in her California locations that allow customers to input orders.

U.S. NEWS

Judges, Funding Deadline Await Senate

By Natalie Andrews And Katy Stech Ferek

WASHINGTON—Senators return to work Tuesday facing a deadline to keep the government funded and a push by Sen. Joe Manchin (D., W.Va.) to pass an energy-permitting bill that he demanded as a condition for supporting the Democrats' climate, healthcare and tax law.

Democratic lawmakers will turn their immediate attention this week to confirming more of President Biden's judicial nominees. By the end of the month, Congress must also pass legislation to avoid a government shutdown and reauthorize the Food and Drug Administration's user-fee agreements for prescription and generic drugs and medical devices.

With midterm elections two months away, Democratic lawmakers currently controlling the Senate are pushing to get final bills through. An expected vote on a bill to codify same-sex marriage, which passed the House in July and has drawn some GOP support in the Senate, seems likely to get pushed to October. Some senators are also pushing to take up changes to the Electoral Count Act, a bipartisan effort that aims to clarify how presidential election disputes are resolved.

Nonpartisan election analysts see control of the Senate, currently split 50-50, as up for grabs, while Republicans are seen as having the advantage in the House, where Democrats currently have a narrow majority. Between now and Election Day, senators are scheduled to be back in Washington for four weeks, then gone a week, and then back for two weeks in October.

The White House is also asking Congress for an additional $47.1 billion in emergency funding for Covid-19 and monkeypox and to back Ukraine in the war with Russia, as well as spending for natural disasters, according to administration officials. Many Republicans have balked at continuing to use emergency, unpaid-for funds to address the pandemic, and a previous deal to fund Covid efforts fell apart in April.

Senators first will focus on installing two federal judges to posts in the U.S. court system. The nominees, Judge John Z. Lee of Illinois for the Seventh Circuit, and Andre B. Mathis of Tennessee for the Sixth Circuit, are part of President Biden's continuing effort to increase diversity on U.S. courts. Mr. Lee is Korean-American and Mr. Mathis is Black.

Lawmakers will need to pass a government-funding bill before the end of September to avoid a partial shutdown. Most lawmakers anticipate leadership will agree to punt on finalizing appropriations bills, and instead settle on a continuing resolution that will maintain funding levels to an agreed-upon date, likely until December, according to several aides.

Mr. Manchin said he is hopeful that Democratic leaders will add a provision to that continuing resolution: a major permitting bill that would speed up environmental impact reviews conducted by federal agencies for big infrastructure projects required under the National Environmental Policy Act.

Senate Majority Leader Chuck Schumer (D., N.Y.) has promised to attach the permitting bill to must-pass legislation to try to ease its path to approval.

Senate Republicans already are signaling they will oppose the permitting measure, skeptical of assurances it will help the fossil-fuel industry and worried about giving momentum to Democrat-led initiatives before midterms. Mr. Schumer agreeing to put it on a must-pass piece of legislation would put pressure on lawmakers of both parties to pass it.

Student Debt Relief Costs Soar In Some Analyses

By Gabriel T. Rubin And Amara Omeokwe

The tab for debt relief could hit $1 trillion, according to the Penn Wharton Budget Model. Students at Rice University's library in Houston.

BRANDON BELL/GETTY IMAGES

President Biden's plan to cancel student debt and modify payments for millions of Americans could cost as much as $1 trillion, according to budget analysts, challenging the administration's efforts to scale down the federal deficit.

Analysts expect strong interest in both debt cancellation and in programs that allow borrowers to pay a lower percentage of their income to keep up with their loans. The anticipated popularity of the policy could drive up costs and raise questions about whether the expense can be offset by other administration policies, as the White House says.

The total price tag for the program could reach $1 trillion, according to the Penn Wharton Budget Model, a widely regarded analysis frequently cited by policy makers. Other analysts say the total bill could be nearly $500 billion, a range that shows the uncertainty and complexity of projecting the student-loan portfolio's performance.

The White House hasn't released comparable estimates of the policy's total cost, though it said the debt-cancellation portion of the plan alone would reduce revenue the government receives from student-loan payments by about $240 billion over a decade.

The White House hasn't proposed to raise taxes or other forms of revenue to offset the cost of the student-loan programs, but it says the debt-forgiveness portion is paid for through the reduction in the federal deficit that has occurred this fiscal year. The Biden administration has touted recent deficit reduction as an economic achievement and part of its strategy to counter inflation.

Some analysts say the student-loan programs move the federal budget in the other direction.

"This action by the president will make the deficit bigger than it would be otherwise," said Douglas Elmendorf, who served as director of the nonpartisan Congressional Budget Office during the Obama administration.

The debt-cancellation portion alone could cost over $500 billion, according to the Wharton model.

In addition to the estimate of forgone payments, the White House has said a more detailed estimate of the cost of the debt-forgiveness provisions is forthcoming. In the absence of an official estimate, markets and deficit watchers have relied on private forecasts.

The administration also may underestimate how many borrowers will enroll in the program, budget analysts said, because it is likely to be more popular than the White House assumes. While the White House projects a 75% enrollment rate similar to other debt-relief programs, analysts see that number as too low.

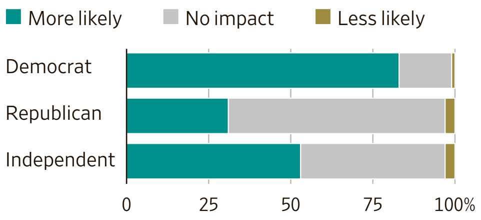
"There's no downside—we expect compliance to be very high," said Kent Smetters, director of the Wharton model. "It really just depends how easy they make it to apply." The White House said that while there is uncertainty about what the take-up rate is going to be, they hope it is as high as possible.

Meanwhile, the White House's use of projected declines in the deficit as a means of justifying the costs of the debt-relief provisions in the program deviates from what it usually means for government spending to be "paid for," budget experts said. Typically that term has been used to describe when the costs of a policy are offset—such as through higher taxes or spending cuts in specific programs—rather than relying on a broad, existing reduction in the deficit to cover its expense.

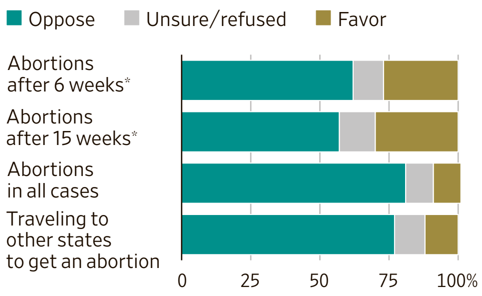
Bharat Ramamurti, deputy director of the White House National Economic Council, told reporters last month that the administration would use a portion of the projected decline in the federal deficit this fiscal year, which ends in September, to provide the debt relief and that the White House considers the forgiveness fully paid for.

The U.S. is projected to run a $1.03 trillion deficit this fiscal year, according to White House estimates released in August. That would represent a roughly $1.7 trillion decline from the prior fiscal year. The decrease reflects waning federal pandemic spending and strong tax receipts. In the 2019 fiscal year, before the pandemic began, the U.S. recorded a $984 billion deficit.

How has the Supreme Court decision overturning Roe v. Wade impacted your likelihood to vote in the upcoming November elections?



Would you favor or oppose policies banning...



*With exceptions for the health of the mother, but not in cases of rape or incest
Note: Percentages may not add to 100% due to rounding.
Source: WSJ poll of 1,313 registered voters, conducted Aug. 17-25, 2022, by cellphone, landline and text-to-web; margin of error +/- 2.7 pct. pts.

Support for Abortion Rights Grows in Wake of Court Ruling

By Catherine Lucey

Voters have grown more supportive of legalizing abortion following the Supreme Court overturning Roe v. Wade, with a clear majority opposing restrictions, like bans at a certain point of pregnancy or barring women from traveling to get a legal abortion, according to a new Wall Street Journal poll that underscores the importance of the issue in the midterms.

According to the survey, 60% of voters said abortion should be legal in all or most cases, up from 55% in March. Another 29% said it should be illegal, except in cases of rape, incest and when the woman's life is endangered, compared with 30% in March. And 6% said it should be illegal in all cases, down from 11% in March.

The court's decision to end federal constitutional protections for the procedure has injected new Democratic energy into a midterm election that Republicans expected to be dominated by economic issues. About a dozen states have banned many or most abortions since the Supreme Court's ruling in Dobbs v. Jackson Women's Health Organization.

"Abortion is not an issue that most people, prior to Dobbs, spent a lot of time thinking about," said Democratic pollster Molly Murphy, whose firm conducted the poll with Republican Tony Fabrizio. "What Dobbs has done is one, we've had a national conversation about it. Two, it has gone from hypothetical to real."

More than half of voters said the ruling made them more motivated to vote in the midterm elections.

Asked broadly about their top issue for the midterms, voters cited the economy and inflation first, followed by abortion. But when offered a choice of five issues and asked which made them most likely to vote, they put the Supreme Court ruling overturning Roe v. Wade ahead of inflation.

Among those who named the court ruling as the most important issue tested against others, 77% were Democrats, 8% were Republicans and 9% were independents.

On which party is best able to handle abortion policy, 48% said Democrats, 27% Republicans, 16% said neither and 6% said both equally. A total of 41% of independents said they trust Democrats most to handle abortion policy, compared with 18% who said Republicans were best.

The Wall Street Journal poll of 1,313 registered voters was conducted Aug. 17-25.

Abortion has been a motivating issue in some key ballot tests ahead of the midterms. Kansas voters rejected a measure that would have amended the state's constitution to explicitly say it doesn't protect abortion. And abortion was seen as a key issue for Democrat Pat Ryan, who won a special election to fill an open U.S. House seat in New York's Hudson Valley.

"The truth of the matter is even among Republicans there isn't a clear consensus. They want restrictions, the question is what restrictions and how far should they go," said Mr. Fabrizio, the GOP pollster.

Review of Documents Is Ordered

Continued from Page One

tential damage to national security that Mr. Trump, a Republican, might have caused by taking highly sensitive documents to his private Palm Beach, Fla., club.

"The Court is mindful that restraints on criminal prosecutions are disfavored but finds that these unprecedented circumstances call for a brief pause to allow for neutral, third-party review to ensure a just process with adequate safeguards," said the order by U.S. District Judge Aileen Cannon, who was appointed by Mr. Trump.

The government argued that Mr. Trump had no legal right to seek such a review and that it was unnecessary because a Justice Department "filter team," separate from the investigation, already had identified materials that could be protected by attorney-client privilege.

According to the order, agents seized around 500 pages of material that might be subject to attorney-client privilege, including medical documents, correspondence related to taxes and accounting information. A separate team of agents searched Mr. Trump's office and kept some of the materials from investigators to determine whether they were protected by attorney-client privilege.

Monday's order directed the parties to confer and return to court by Friday with a list of candidates to serve as special master and a draft order defining the master's responsibility. "The Government may continue to review and use the materials seized for purposes of intelligence classification and national security assessments," it said.

"The United States is examining the opinion and will consider appropriate next steps in the ongoing litigation," Justice Department spokesman Anthony Coley said. The government could appeal to the 11th U.S. Circuit Court of Appeals in Atlanta.

Mr. Trump in a statement didn't directly address the order but said it "takes courage and 'guts' to fight a totally corrupt Department of 'Justice' and the FBI." He has increasingly attacked the investigation, including during a rally Saturday night in Pennsylvania, where he called it "a travesty of justice that made a mockery of America's laws, traditions and principles."

The order by Judge Cannon, in Fort Pierce, Fla., found no "compelling showing of callous disregard for [Mr. Trump's] constitutional rights" in the government's approach to the search, which it executed after a federal magistrate judge in West Palm Beach approved a warrant last month. Nonetheless, Judge Cannon was highly sensitive to the potential damage to Mr. Trump's reputation should improperly seized materials be used to initiate criminal process against him.

A special master would add to the 'appearance of fairness' to Trump.

Monday's order was expected; Judge Cannon had signaled earlier in the proceedings that she was inclined to grant Mr. Trump's request for the special master.

The Justice Department and Mr. Trump disagree over whether some materials are considered presidential records, which belong to the government, or personal records—and which documents could hold evidentiary value, Judge Cannon wrote. Appointing a special master would add to the "appearance of fairness" regarding the investigation of the former president, she wrote.

The Supreme Court, she wrote, has left open the question of whether a former president can raise executive privilege claims against a successor administration.

Executive privilege is a power presidents have asserted to withhold information from Congress and the courts on the grounds that secrecy is essential to the performance of certain presidential duties.

Last week, prosecutors told Judge Cannon that a former president couldn't invoke executive privilege against the executive branch and said that even if there were a circumstance in which he could invoke such privilege, the ongoing investigation wasn't one of those exceptions. "The seized materials—and, in particular, any such materials marked as classified—are essential to a criminal investigation into the handling of the records themselves," the Justice Department wrote.

Judge Cannon cautioned that the special master review ultimately might prove of little benefit to Mr. Trump. He "ultimately may not be entitled to return of much of the seized property or to prevail on his anticipated claims of privilege," she wrote.

The order doesn't suspend the Justice Department's entire criminal investigation related to the documents but bars investigators from specifically using the seized documents for now.

Prosecutors have said the government was using the materials "as it takes further investigative steps," including to guide additional witness interviews. The order appears to put those efforts on pause, but such a pause could last only a few weeks given the small number of documents at issue.

The Justice Department said last week that investigators had already reviewed all of the seized documents except for those that a separate team identified as potentially attorney-client privileged.

—Alex Leary contributed to this article.

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Next Nuclear Projects Get A Kickstart

Climate law, investor interest boost smaller reactors, but economics still remain unproven

By Jennifer Hiller


ELAINE THOMPSON/ASSOCIATED PRESS

TerraPower, which has a facility in Everett, Wash., above, was chosen by the Energy Department to test and build advanced reactors.

Smaller-scale nuclear-power proposals are getting a boost of federal support under the recently passed climate, healthcare and tax bill. Now their backers must prove the projects can be delivered on time and on budget.

Investor interest in what are known as advanced reactors—pitched as the next generation of nuclear power—has grown in recent years because the reactors are potentially cheaper and faster to build than their predecessors. But their economics are unproven and none are currently under construction in the U.S.

Subsidies for advanced reactors under the legislative package that President Biden signed into law in August could spur some projects forward, say analysts and executives.

The projects would qualify for production or investment-tax credits also available to wind and solar power under the new law. They could receive an enhanced credit if they are placed near former coal-fired power plants, an idea that has taken hold among utility companies in search of new, stable forms of power generation. Projects eventually could receive billions of dollars through the credits, say analysts.

New reactors could face the same challenges that energy infrastructure of all kinds has faced because of issues such as slow permitting. Sen. Joe Manchin (D., W.Va.) has proposed legislation as a companion to the climate bill to speed approvals, though it faces political headwinds.

Nuclear-power generation has steadily declined in recent years, with 13 units shut since 2013, as it faces concerns over spent fuel and other environmental issues, as well as competition from cheaper energy sources, including wind, solar and natural gas.

The law also offers tax credits to help existing nuclear reactors stay open. But some utility executives and project developers say new nuclear plants ought to be built to simultaneously meet growing energy demand, corporate climate targets and Mr. Biden's climate goals.

"Even preserving the nuclear fleet is not enough," said Jeff Lyash, chief executive of the Tennessee Valley Authority, which oversees power generation for a large part of the mid-South.

The TVA holds an early federal permit that approves a site near Oak Ridge, Tenn. for small reactor deployment. Mr. Lyash said it would be a few years before the company decides whether to construct the reactor.

The nuclear industry has a history of delays and cost overruns. Just one large nuclear plant is under construction in the U.S.—**Southern** Co.'s expansion of its Vogtle facility in Georgia—and it is more than five years delayed and billions of dollars over its initial projected cost. Other countries including China and Russia are building smaller reactors, but skeptics say the effort is a gamble on a technology with unproven economics.

"I think we're in some sort of a nuclear bubble here," said Edwin Lyman, director of nuclear-power safety at the nonprofit Union of Concerned Scientists, a nuclear-safety watchdog. "There are multiple federal vehicles for subsidizing these projects. The question is: 'Is there really a demand?' Or 'Is this supply-driven?'"

Advanced nuclear reactors could deliver carbon-free power but first must overcome the industry's poor record on project execution, said Chris Levesque, CEO of TerraPower LLC, which plans a reactor project near the site of a closing coal plant in Kemmerer, Wyo.

"There is a show-me aspect to this," Mr. Levesque said.

Clay Sell, CEO at advanced nuclear company X-Energy LLC, said tax credits could help the industry follow the same path as wind and solar, which have seen widespread development and plummeting project costs. "This provision carries with it the same level of promise for the nuclear industry," Mr. Sell said.

In August, Dow Inc. said it would consider placing an X-Energy high-temperature gas reactor at one of Dow's Gulf Coast sites to provide power and heat for industrial processes.

TerraPower, which is backed by Bill Gates, said in August it had raised $750 million, including $250 million from Korean conglomerate SK Group. Moohwan Kim, an executive vice president at holding company SK Inc., said the company has invested in TerraPower "under the judgment that nuclear will be a vital part of the energy transition in the future."

TerraPower and X-Energy were chosen by the Energy Department to test, license and build what are called demonstration reactors to prove the technology. Last year's bipartisan infrastructure law included $3.2 billion for such projects.

Oil Leasing Has Slowed Sharply

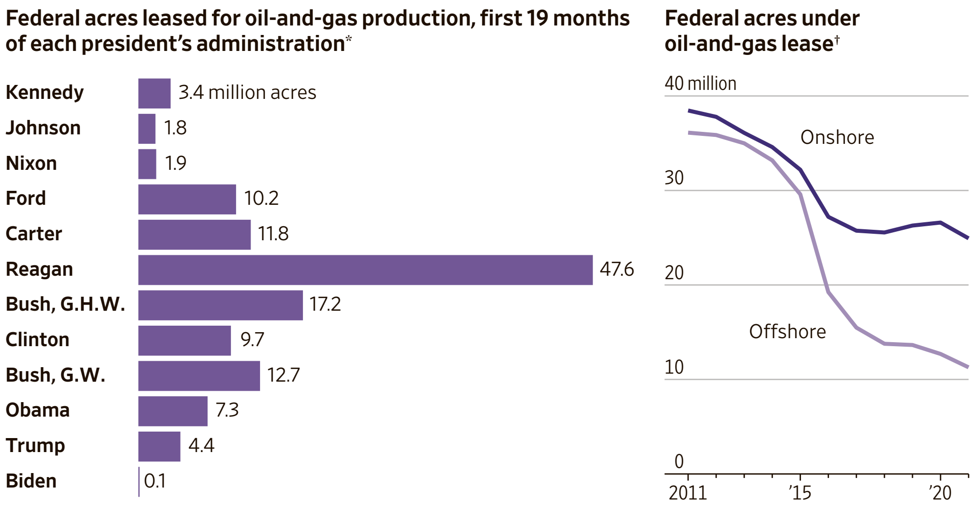
Continued from Page One

Ukraine—calling for boosting supplies to ease inflation—but he has spurned a leasing program that for decades has been a go-to asset for presidents looking to raise U.S. energy production.

"The president said he was going to stop leasing. And he's been remarkably successful," said David Bernhardt, an energy lawyer and former Interior secretary in the Trump administration.

The program had already been in a long decline as oil-and-gas companies shied away from offshore drilling and federal lands amid the boom in fracking shale. Under Mr. Biden's stewardship the decline has quickened, with leasing down 97% from the first 19 months of the term of predecessor Donald Trump, a Republican.

The Journal's analysis, based on Bureau of Land Management and Bureau of Ocean Energy Management data, quantifies the slowdown in onshore and offshore leasing under Mr. Biden. It doesn't include land leased in Alaska since the late 1990s, little of which fell into the periods analyzed.



*First terms only. Excludes National Petroleum Reserve in Alaska and Coastal Plain of the Arctic National Wildlife Refuge.
†By fiscal year. Onshore as of last day of fiscal year. Offshore as of Oct. 1 for all years except 2013, which is Nov. 4.
Sources: Bureau of Land Management; Bureau of Ocean Energy Management

The Interior Department, which oversees oil leases, said it issued a record high number of drilling permits for existing leases last year. Department spokeswoman Melissa Schwartz said industry trends have driven most U.S. production to private and state-owned lands, and that of the roughly 35 million acres now leased from the federal government, about 60% isn't actively producing.

"There is no shortage of opportunity to produce oil from federal lands," she said.

White House spokesman Abdullah Hasan said the administration is "making America a magnet for clean energy manufacturing investment, securing America's clean energy future, and putting us on track to meet our climate goals" while still producing near-record amounts of oil.

Mr. Biden has said repeatedly that the U.S. needs to transition away from fossil fuels to reduce greenhouse-gas emissions that contribute to climate change.

During his first week in office, Mr. Biden imposed an indefinite moratorium on new leases, and Interior required additional reviews on drilling permits for the next 60 days. Since then, the administration has tried only one offshore sale, which was invalidated by a court in January. It resumed onshore leasing this summer following a June 2021 ruling by a federal judge in Louisiana that the president's moratorium was unlawful.

The Mineral Leasing Act of 1920 requires onshore oil and gas leasing "at least quarterly." The administration has been in office for six quarters; it has conducted auctions in just one, in late June, after the administration came under increasing pressure to tame soaring gasoline prices in the wake of Russia's invasion of Ukraine.

Former presidents Jimmy Carter, a Democrat, and Ronald Reagan, a Republican, boosted leasing to records in the 1970s and early '80s in response to geopolitical oil crises. Mr. Reagan still holds the record, leasing nearly 48 million acres in his first 19 months.

In 2009, the first year under former President Barack Obama, a Democrat whom Mr. Biden served as vice president, Interior held 35 onshore oil- and gas-lease sales, according to a department release from 2010. In its first year, the Biden administration had none.

The Inflation Reduction Act, signed into law by Mr. Biden on Aug. 16, requires the Interior Department to offer at least 2 million acres of federal land and 60 million offshore acres to oil and gas producers every year for the next decade. Those requirements must be met for an administration to permit some wind-power and solar-power development.

That still gives the Biden administration or others wiggle room if they want to stymie oil and gas, said lawyers and analysts. One tactic could be offering areas unappealing to the industry, they said. The administration could also simply forgo wind and solar development on federal territory.

The Interior Department said it is committed to abiding by terms of the Inflation Reduction Act, "including direction regarding the federal oil and gas programs."

Federal leases account for more than a quarter of all U.S. oil production. Crude production offshore and on federal lands hit a record high in 2021, according to Interior Department data that dates back through 2003. So far, the drop-off in new leases hasn't been a factor in the supply issues that helped send gasoline and other energy prices to historic highs earlier this year, since oil typically takes years to reach the market after federal leases are approved, analysts said.

Even so, new leases are needed to maintain supply later, helpful in averting future shortages and price surges, energy industry leaders said.

"The leases are kind of our raw material," said Stephen Green, who oversees exploration and production for Chevron Corp. in North America. "Chevron or the industry needs a predictable source of raw material."

Mr. Biden entered office at a tumultuous time in the history of the federal program, when development faces conflicting pressures from environmentalists and industry.

Environmentalists want Mr. Biden to fulfill his pledge to stop federal oil-and-gas leases.

Federal territory "seems to be the last place where we want accelerated oil and gas drilling," said Andrew Wetzler, the chief program officer at the Natural Resources Defense Council. "It certainly is a dramatic change and it's a very welcome one."

Oil companies said Mr. Biden's slowdown has gone too far. The rise in energy prices has put pressure on Mr. Biden to take steps to boost output and bring oil prices down to tame inflation. The administration said on April 15 that it would restart the onshore leasing program but with a higher royalty rate charged to oil drillers.

In all, the Interior Department has awarded 203 leases for oil and gas development during Mr. Biden's first 19 months in office. Former presidents Trump and Obama each approved 10 times as many leases during the same period, the Journal's analysis shows.

Sheep Help Power Solar Boom

Continued from Page One

the Bible, shepherds are back in demand.

Sheep, the surprise workhorse of renewable energy, are generating several million dollars in annual revenue tidying up solar farms nationwide.

"It's changing all of our lives," said Mr. Valdez, 45 years old. He expects the flocks he oversees to soon generate several hundred thousand dollars in annual revenue. The solar windfall helped Mr. Valdez pay off his house in San Antonio.

The number of acres of solar fields employing sheep in the U.S. has grown to tens of thousands from 5,000 in 2018, according to estimates by people in the business. Flock owners charge as much as $500 an acre a year.

The solar industry auditioned several methods for the job, but requirements weeded out expected contenders. Power mowers, which can't maneuver easily enough under panels to avoid the risk of damaging equipment, are of limited use.

Grazing animals looked like front-runners but logistical constraints thinned the herd. Cows and horses are too big to fit under the panels. Goats are happy to eat any noxious weed but also chew on wiring and climb on equipment.

Sheep—docile, ravenous and just the right height—easily smoked the field.

Mr. Valdez is responsible for the 1,700 sheep that dot the solar farm owned by Lightsource BP in Deport. He gets a cut of the money paid to the flock's owner. Where sheep are at work, the sound of bleating pierces the steady buzz of machinery converting sunlight to electricity.

His 2,000-sheep flock is deployed at three solar projects near his home and watched over by his wife, three children and 10 employees.

Mr. Valdez, who previously owned a concrete company, launched his shepherding business seven years ago. He read an article about solar grazing in Europe that intrigued him and, by chance, saw a frustrated technician doing battle with plants sprouting in a solar field across the street from his house. He made a $30,000 deal for his 27 ewes and ditched the concrete business.


JORDAN VONDERHAAR FOR THE WALL STREET JOURNAL

Sheep graze at a solar farm in Deport, Texas.

Hiring sheep for landscaping goes back decades. The White House had a flock of sheep to keep weeds in check during World War I. But before the dawn of the solar industry, many sheepherders faced hard times. Demand for domestic lamb and mutton has fallen to imports from Australia and New Zealand—nations that along with China also dominate the global wool market.

Some shepherds are now so bullish they are taking loans to expand flocks. After speaking with Mr. Valdez and others basking in solar-related work, longtime shepherd JR Howard spent about $500,000, some of it borrowed, for enough sheep to contract with the Lightsource BP farm. He moved his family nearly 400 miles last year for the job.

The shepherding life isn't all quiet contemplation. Mr. Howard, 42, spends his days moving sheep and sheep fencing to overgrown spots, trucking water tanks and sometimes hauling in extra feed.

Among Mr. Howard's guard dogs are a pair of akbash named Snowflake and Spark. They are an ancient breed used by Turkish shepherds, strong enough and big enough to fend off coyotes and other predators. They mostly follow the sheep around.

Many solar shepherds cut expenses by using breeds that don't need shearing. The Lightsource BP farm uses dorper sheep, many topped with striking black heads, and katahdin, first raised in Maine some decades ago for meat. Some of the animals like being petted while they graze.

Solar companies are trotting out perks for their four-legged workers, including on-site water pumps and paddocks for comfortable sleeping.

"Sheep truly are the appropriate technology for this," said Michael Baute, vice president of regenerative energy and carbon removal at solar developer Silicon Ranch Corp., based in Nashville, Tenn. Finding enough of them is a challenge, said Mr. Baute, a longtime farmer who works as a middleman between shepherds and solar developers. He wandered into the job in 2018, after he hired a flock to trim grass at a 50-acre solar farm run by Silicon Ranch.

The solar developer, backed by oil giant Shell PLC, was so pleased with the work it bought Mr. Baute's nascent sheep-broker business. Flocks now dine across 12,500 acres of the company's solar farms, mostly in the Southeast.

Demand also outstrips supply among shepherds. The American Solar Grazing Association and extension schools tied to North Carolina State University and Cornell University have research and training related to the practice; entry-level classes are hard to find.

Christy King, a project manager for Solv Energy, the company that manages the solar project for Lightsource BP, loves the new lambs in Mr. Howard's flocks. Earlier this year, she got permission to take one home. She named it Cordina, after a colleague, and bottle-fed her. Ms. King walked Cordina on a leash, and the lamb slept in bed with her.

Cordina, who eventually grew bigger and less adorable, is now a working sheep. Ms. King said she bumps into Cordina from time to time on the solar farm, which generates enough energy to power about 40,000 homes.

Ms. King, trained as a technician, learned only recently about the finer points of sheepherding. "I never knew people did this," she said.

Hydrogen Leak Poses Challenge for NASA

BY MICAH MAIDENBERG

The leak that delayed NASA's latest attempt to blast off its moon rocket over the weekend was tied to the agency's use of liquid hydrogen, a fuel some space companies have chosen not to use as they develop new engines for their own large rockets.

Hydrogen is light and burns extremely hot, making it an efficient propellant to use on different stages of a rocket launch, the National Aeronautics and Space Administration has said. But hydrogen, given its properties, can be difficult to contain, engineers say.

That is what happened Saturday, when NASA tried for the second time last week to launch the Artemis I mission, using the Space Launch System rocket to blast a spacecraft to a lunar orbit. Earlier, on Aug. 29, NASA was able to fill up the liquid-hydrogen tank on the rocket, but engineers called off that launch attempt largely because of another issue.

The benefits and difficulties of liquid hydrogen as a propellant for rocket launches are well known to engineers at NASA.

NASA officials said Saturday that engineers will now try to dig into why a relatively large leak emerged that day. Officials have pointed to at least one mistake, involving too much pressure during a chilling procedure that occurred during prelaunch operations on Saturday, but said it was too soon to say that it caused the leak.

Mike Sarafin, the mission manager for Artemis, NASA's moon-exploration effort, said that at one point on Saturday, there was an "inadvertent pressurization" on a transfer line for liquid hydrogen. The pressure was around three times the level the agency had planned, potentially affecting a seal. The sequence where the problem occurred was handled manually, according to Mr. Sarafin.

NASA tried for the second time last week to launch the Artemis I mission.

"It's too early to tell exactly whether that was the cause" of the hydrogen leak, he said.

Many in the space industry, including former NASA officials, were still trying to understand the challenges that emerged with the rocket.

Engines for large rockets under development by some space companies don't rely on liquid hydrogen, in combination with liquid oxygen, to power them.

Elon Musk's SpaceX switched from using that propellant to liquid methane as the company was designing its Raptor engines, Mr. Musk said on Twitter on Saturday night. SpaceX plans to use dozens of Raptor engines on Starship, the two-part rocket system it has been developing but hasn't tried to blast to orbit yet.

Methane offers the "best combo of high efficiency & ease of operation," he said in a tweet, adding that methane tanks are smaller and don't need insulation.

SpaceX aims to use Starship for deep-space operations, and NASA hired SpaceX to provide a Starship lander to transport astronauts to the surface of the moon on a future NASA Artemis mission.

A spokesman for **Space Exploration Technologies** Corp., the formal name for SpaceX, didn't respond to a request for comment.

Blue Origin LLC, Jeff Bezos's space company, uses liquid hydrogen on the engines on its New Shepard rocket, which conducts suborbital space flights, but it is taking a different approach for the engines that would power its New Glenn rocket, which hasn't flown yet.

Those engines, called BE-4s, use a form of liquid methane. Blue Origin didn't respond to a request for comment.

Bill Nelson, NASA's administrator, said the postponement Saturday and the first one on Aug. 29 were the right decisions as engineers worked to launch a complex rocket for the first time.

He also defended the SLS rocket's use of liquid-hydrogen fuel. As a senator representing Florida, Mr. Nelson helped pass legislation in 2010 that directed NASA to develop the SLS rocket program.

That bill included language calling on the agency to use assets from the shuttle program and other agency efforts, including liquid-fuel engines. The space shuttles were powered by engines using liquid hydrogen, as well as liquid oxygen, and the four engines on the SLS were previously used on shuttle flights. "We did not have any question about hydrogen," Mr. Nelson said at a briefing Saturday, discussing that legislation.

Congress has been supportive of the SLS program, providing more funding for it over the last 10 fiscal years than NASA asked for, according to a recent analysis from the Planetary Society, a group that advocates for space exploration.

KEVIN DIETSCH/GETTY IMAGES

An Artemis I flag was pulled after the launch was scrubbed Saturday in Cape Canaveral, Fla.

WORLD NEWS

Russian Attack Cuts Off Ukrainian Plant

Energy operator says shelling caused a fire, severing nuclear facility from the electricity grid

By Matthew Luxmoore

KYIV, Ukraine—Ukraine's energy operator said on Monday that a fire caused by Russian shelling had severed a power-transmission line and effectively disconnected the Zaporizhzhia nuclear-power plant from Ukraine's electricity grid.

Ukraine has for weeks accused Russia of deliberately shelling the plant, Europe's largest. Russia has blamed Ukrainian forces positioned across the Dnipro River in areas around the city of Nikopol. It didn't immediately comment on the latest accusation.

"Due to a fire caused by shelling, the 330 kV ZTPP–Ferosplavna power transmission line was disconnected, that is the last line linking the ZNPP/ZTPP hub to the power system of Ukraine," the country's energy operator Energoatom said on Monday, referring to the Zaporizhzhia nuclear-power plant and Zaporizhzhia thermoelectric-power plant.

Before the war, the 6.7-gigawatt facility provided about a fifth of Ukraine's total electricity. The cutoff is unlikely to have a dramatic effect on Ukraine's electricity supply, given much weaker demand for power since the war began, an official at Energoatom said. The power plant has for weeks been producing minimal amounts of electricity, mostly to keep itself running, the person said. But the hobbled plant could become a bigger problem.

"This is not critical to Ukraine's energy system, because the consumption of energy has substantially dropped since the war started," the person said. "But winter is coming, and cold is coming, and if this plant is out of service then things will be even harder."

ALEX BABENKO/REUTERS

Ukrainian firefighters on Monday put out a residential blaze following a Russian military strike in Bakhmut, in the Donetsk region.

In recent weeks, officials have managed to overcome damage to other power lines by keeping reserve lines operating, and a visit last week from representatives of the International Atomic Energy Agency fueled hopes that the fighting might end. It was unclear if the reserve lines had been damaged by the latest attack.

Officials in Kyiv and the West have said Russia's ultimate goal in occupying the plant is to sever it completely from Ukraine's grid and reconnect it to Russia's.

In recent days, the IAEA sent a team of six inspectors to the plant in a bid to control its operation and encourage fighting to stop. On Monday, Ukraine said four of the six had left the plant after completing the work, but that the remaining two would continue on a permanent basis at the plant. Russian state media reports confirmed that two staff had stayed behind.

The news adds to Ukraine's woes as it struggles to keep its economy afloat amid mounting debt and provide energy to residents. Ukraine's Energy Ministry on Sunday said around 600,000 consumers had been left without power as a result of damage to key infrastructure.

Damage to power lines and other vital infrastructure comes as residents across Ukraine prepare for winter, but it has overwhelmingly affected inhabitants of the Donbas region in the country's east, where people are stockpiling wood and coal in villages and towns deprived of gas.

But the tide appears to be shifting on the battlefield. Ukraine's military offensive to recapture territory in the south of the country from Russian troops claimed its political success on Monday when the Moscow-appointed head of occupying forces in one region said a referendum on formally joining Russia would be postponed because of deteriorating security conditions.

Ukraine says its offensive in the south has liberated several towns captured by Russian forces early in the war, but Russia continues to push for territorial gains in the east.

Pipeline Shutdown Hits EU

Continued from Page One

Italy, France and other markets.

Helping Russia and potentially further hindering Europe, the Organization of the Petroleum Exporting Countries and its allies—led by Moscow—agreed on Monday to cut oil production for the first time in over a year. The decision boosted crude prices, which are more than 30% higher than they were a year ago even after a recent decline, funneling fossil-fuel revenue to the Kremlin.

European governments and energy executives said the throttling of gas is designed to hurt economies and undermine support for Ukraine. Moscow said Western sanctions have made maintenance of key pieces of equipment on the Nord Stream pipeline impossible. Gazprom has declined to reroute gas through functioning pipelines.

Kremlin spokesman Dmitry Peskov said on Monday that problems pumping gas "arose due to the sanctions imposed against our country and against a number of companies by Western states, including Germany and Great Britain."

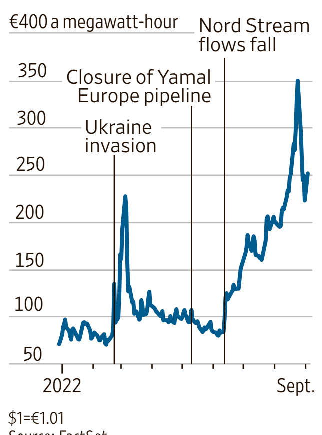
"We insist that the collective West, in this case the European Union, Canada, Great Britain, are to blame for the situation having reached the point where it is now," he said.

Germany's energy regulator said on Monday "the defects alleged by the Russian side are not a technical reason for the cessation of operations."

Gas and electricity prices remained below the records recorded in late August. But the advance stands to goose inflation, push consumers into poverty and pile pressure on energy-intensive industries experiencing factory closures.

European utilities, many backed by governments, have worked furiously this year to replace Russian gas flows with alternative sources, including supercooled liquefied-natural gas sent by ship from the U.S. and the Middle East. Germany said on Monday it would keep open two nuclear-power plants that had been slated for closure.

Wholesale natural-gas prices in northwest Europe



$1=€1.01
Source: FactSet

Gas-storage levels have risen ahead of European targets and some analysts increasingly think the region will survive the winter without state-directed rationing, albeit at exorbitant costs to the economy through record prices.

Governments have shelled out tens of billions of dollars to shield vulnerable households and businesses. Germany announced a $65 billion plan on Sunday. Further complicating the outlook, some analysts expect the European Central Bank to raise interest rates this week to control inflation fueled by high energy prices.

The Nord Stream closure, which Gazprom said would last indefinitely, added urgency to Europe's efforts to make sure it gets through the winter without running out of gas. EU energy ministers are set to meet on Friday to assemble a plan to limit the severity of a likely recession.

Among the moves to lessen the damage, France said it would unlock a key bottleneck in European gas flows that will allow it to export gas to Germany.

"Germany needs our gas and we need electricity produced in the rest of Europe, notably Germany," President Emmanuel Macron of France said after speaking via videoconference with his German counterpart.

A key goal is to tame wild moves in electricity markets that have driven Europe's power-hungry factories to shut. Options circulated by the Czech Republic, which holds the rotating EU presidency, include measures to temporarily cap prices for gas imports and gas used for electricity generation, and to put a limit on revenue earned by renewable, nuclear and hydropower companies with low running costs. Revenue beyond a certain point would be skimmed and redistributed to customers, a document seen by The Wall Street Journal suggested.

More immediately, governments are taking steps to ensure power markets don't break down. Haywire moves in the price of electricity have saddled utilities with massive cash payments they are required to make to trade on energy exchanges.

Officials in some countries fear failed payments could undermine financial stability, and that the cash squeeze is creating a vicious cycle of volatility.

The options put forward by the Czech government include a pan-European credit line, potentially handled by the European Central Bank, from which companies with large margin calls could borrow to keep trading. The proposals also raise the possibility of a temporary suspension of trading on European power derivative markets. Those ideas are due to be discussed during talks this week.

Concerned about a potential meltdown in the integrated Nordic power market, governments in Sweden and Finland got ahead of the EU over the weekend, offering energy companies a combined $33 billion in guarantees to ensure margin payments are met. Lawmakers in Sweden approved the guarantees on Monday.

One approach the EU's executive arm appears to be considering seriously is a price cap on remaining imports of Russian gas. A document outlining the idea acknowledged such a cap could lead Russia to cut off gas deliveries to the bloc entirely.

—Noemie Bisserbe and Ann Simmons contributed to this article.

WORLD NEWS

Soldier Describes Early Chaos

By Evan Gershkovich

Former Russian paratrooper Pavel Filatyev said he and the rest of his platoon ran for cover in the woods during an early March battle near the Ukrainian city of Mykolaiv as artillery shells burst around them.

The unit's commanding officer was killed. A soldier frantically called out to another officer asking what to do.

"Who the hell knows?" was the response, former Junior Sgt. Filatyev said.

As darkness fell, he said, a third officer ordered a new advance. The men, tired, hungry and short on ammunition and medical supplies, refused to budge. One soldier punched the officer in the jaw.

Mr. Filatyev, 34 years old, has since left the army and Russia and said he intends to seek political asylum in France. He is one of the most outspoken veterans of the conflict, detailing what he calls the Russian military's failings in Ukraine in interviews and a 141-page written account published online.

Russia's Foreign Ministry has dismissed Mr. Filatyev's accounts as "clearly unreliable" and called him a "fake soldier." The Kremlin and the Russian Defense Ministry didn't respond to requests for comment for this article.

The former sergeant, who served in Russia's 56th Guards Air Assault Regiment, described the fight around Mykolaiv—which he said took place as Russian forces attempted to capture an airfield there—and other episodes from the war in a four-hour telephone interview with The Wall Street Journal.

In the opening weeks of the invasion, Mr. Filatyev's accounts—among the most detailed yet to emerge—describe a Russian military hampered by confusion, faulty communications, poor logistics, low morale and insubordination from soldiers angry about the conditions under which they were fighting.

All the details from Mr. Filatyev's narrative couldn't be independently verified. But his descriptions are in line with other accounts offered by Russian prisoners of war, Ukrainian soldiers and intercepted communications released by Ukrainian authorities.

SKANDER KHLIF FOR THE WALL STREET JOURNAL

Pavel Filatyev, a former Russian soldier, has detailed what he calls the military's failings in Ukraine.

Mr. Filatyev pointed to online videos of battles and their aftermath that corroborated his accounts. He also provided documentation of his military service and his hospitalization at a military clinic in April for an eye infection suffered while "performing special tasks in Ukraine."

A week after Mr. Filatyev posted his written account, a pro-Kremlin video blogger interviewed an unidentified soldier who said he belonged to the same regiment as Mr. Filatyev. That soldier recalled the same timeline of events, presenting them in a more positive light.

That soldier didn't mention shortages of equipment or supplies or say troops were demoralized. He said communications faltered at times because units were far apart. And he said there was temporary indecision among officers after the regiment's commander was killed during the airfield battle.

The soldier the pro-Kremlin blogger interviewed said Russian troops' preinvasion training was effective, but that soldiers lacked combat experience.

As Russian President Vladimir Putin gathered troops around Ukraine last year, Mr. Filatyev said he didn't expect a full-scale war. "I thought politicians were just trying to scare each other," he said.

But warnings of a Russian invasion built over the winter and soldiers grew anxious, he said.

In the early hours of Feb. 24, he awoke to the sounds of missiles and jet fighters flying overhead. His column set off northward, crossing from Crimea into the Kherson region of Ukraine. The invasion was on.

Things quickly went wrong, he said. Units lost touch with each other as equipment for communications stopped working. Mr. Filatyev's unit was meant to travel by village roads in an effort to capture a bridge across the Dnipro River, but came under heavy fire.

The following morning, on Feb. 25, after abandoning stuck vehicles and squeezing into what remained, the regiment came across a destroyed Russian column. Rumors spread that some 2,000 Russian soldiers had been killed up ahead.

Before the war, Mr. Filatyev had dismissed the Kremlin's claims that the U.S. and its allies were readying an attack on Russia from Ukraine. But he struggled to comprehend how the Ukrainian army, which he had been told was a demoralized shell, was putting up such resistance. "You get this shock and think, 'Who are we fighting against? Could the Ukrainian army really have done this?' " he said.

On March 3, Mr. Filatyev said his regiment set out for Mykolaiv, a port city along the coast to which Ukrainian forces had dropped back. The Russian unit launched its assault on the military airport.

After that failed, the Russians withdrew, spread out into groups of 20 and dug in. Mr. Filatyev spent the next month in a trench in a village halfway between Kherson and Mykolaiv. In April, a shell shot mud into Mr. Filatyev's eye, causing an infection. His war was over.

Mr. Filatyev was evacuated to a military hospital in Sevastopol in Crimea, where he was treated from April 13-19, according to a copy of his medical report reviewed by the Journal.

Before he left, the medic in his unit asked him to tell hospital staff that the medic had run out of syringes and painkillers.

Ex-Journalist Gets Prison for Treason

By Ann M. Simmons

MOSCOW—A former Russian journalist who worked for the country's space agency was sentenced to 22 years at a maximum-security prison for high treason, in a case his supporters believe was politically motivated.

A Moscow court ruled Monday that Ivan Safronov, who once worked as a defense reporter and later became an aide to the head of the space agency, known as Roscosmos, would serve his time in a strict regime colony and should also pay a fine of 500,000 rubles, the equivalent of around $8,300, according to Rapsi, the Russian state agency for legal and judicial reporting.

Russia's Federal Security Service investigated the case, which was classified as top secret, the news agency said. The trial was held behind closed doors.

According to investigators, between 2015 and 2019, Mr. Safronov collected secret information about Russia's military-technical cooperation with members of the Collective Security Treaty Organization, an intergovernmental military alliance of select post-Soviet states, as well as Russia's collaboration with countries of the Middle East, Africa and the Balkan Peninsula.

"He systematically passed the collected information to representatives of foreign intelligence services, realizing that this information could be used by the [North Atlantic Treaty Organization] member states against the security of the Russian Federation," Rappsi cited the prosecutors as saying. "It was documented that Safronov committed illegal actions on a reimbursable basis, as well as using encryption methods," they said.

Russia's state news agency, TASS, reported that one of the counts in the case alleged that Mr. Safronov was working for the Czech special services, and the other involved the transfer of information to political scientist Demuri Voronin, who sent the classified material to the Federal Intelligence Service of Germany. The Czech Republic and Germany are both NATO member states. Mr. Voronin has since also been arrested for high treason, the news agency said.

NATO representatives didn't respond to a request for comment on the case. Following Mr. Safronov's detention in July 2020, a spokeswoman for NATO said the organization wasn't going to "speculate on allegations made by the Russian security service against a Russian citizen."

Prosecutors had recommended a sentence of 24 years in prison for Mr. Safronov,

Before taking the space agency job, Ivan Safronov was a prominent journalist.

who refused to plead guilty in exchange for a 12-year term, the court news agency reported.

Mr. Safronov's lawyers couldn't be reached for comment. They told journalists at the courthouse they would immediately appeal the sentence, the Russian news agency Interfax reported.

The former journalist's case is one in a string of treason accusations brought against prominent Russians in recent years, including at least 10 scientists, in cases critics believe are politically motivated.

Before taking the space agency job, Mr. Safronov was a prominent journalist for business dailies Kommersant and Vedomosti, where he reported on politics, military and space topics.

British Pound Falls to Lowest Level Since 1985

By Chelsey Dulaney

The British pound slid to its lowest level against the U.S. dollar since 1985, a reflection of the U.K. economy's dire situation. Investors are braced for sterling to weaken even further to a level not seen in more than two centuries of trading across the Atlantic.

The pound was lower in early Monday trading in Asia to $1.1475, according to FactSet. That is the lowest since 1985. On Monday afternoon, the pound was trading at $1.1516.

Sterling's descent is in part a side effect of the relentless U.S. dollar rally, which has driven the euro and Japanese yen to multidecade lows in recent days.

But the problems are also homegrown. The U.K. faces an energy crunch that threatens to leave many households unable to pay their bills this winter. Uncertainty over the economic policies the U.K.'s next prime minister will enact and the Bank of England's ability to control sky-high inflation are compounding the pound's weakness.

"The economic challenges facing the U.K. economy are probably of a magnitude as great as anything we've seen in living memory," said Mark Dowding, chief investment officer at BlueBay Asset Management.

Goldman Sachs warned U.K. inflation could top 22% next year amid spiraling energy costs, one of the starkest projections. The bank estimates the U.K. economy would contract 3.4% in that scenario.

Mr. Dowding thinks the pound could fall to parity, or a 1-to-1 exchange rate, with the U.S. dollar in the next year. The pound has never been worth less than $1 in the more-than-200-year history of the currency pair—though it got close in 1985 when sterling fell to $1.05, before the world's largest economies joined forces to weaken the U.S. dollar under the so-called Plaza Accord.

"There's a really bleak path in which you end up with the U.K. almost needing to go back to the [International Monetary Fund] for a bailout as a quasi-emerging market crisis," Mr. Dowding said. In 1976, a pound crisis forced the U.K. to seek a $3.9 billion loan from the IMF. "That's the very worst of scenarios," he said.

The British pound was once the world's pre-eminent currency. But the pound's worth has been on a steady decline over the past century, coinciding with the erosion of its status as the main currency in global trade and central bank reserves. The 2016 Brexit vote dealt another heavy blow, which led to headline-grabbing comparisons between the pound and risky emerging-market currencies.

More-staid investors and analysts dismissed the comparison as hyperbolic, but some are beginning to acknowledge a growing list of similarities.

Adam Cole, chief currency strategist at RBC Capital Markets, is worried that the typical positive relationship between U.K. interest-rate expectations and the pound appears to have unraveled.

In normal times, higher interest rates making holding a currency more attractive since investors get paid a higher return. But lately, yields and the pound have gone in the opposite direction.

The pound fell 4.6% against the dollar in August, its worst month since October 2016.

Meanwhile, the yield on the U.K. 10-year government bond rose to 2.88% from 1.808%, the biggest monthly rise since 1990.

"Periods where rate expectations rise and the currency falls is something we expect to see in emerging markets, not developed markets," Mr. Cole said.

He said the breakdown in correlation reflects doubts over whether the Bank of England's plans to raise rates will ultimately succeed in controlling inflation.

The pound is also vulnerable because of widening deficits that have left the country reliant on what former Bank of England Gov. Mark Carney described as "the kindness of strangers," or foreign investors, to fill funding gaps.

The U.K.'s current-account deficit, a broad measure of trade and income flows, ballooned to a record 8.3% of gross domestic product in the first quarter, in part due to the rising cost of fuel imports.

For the most part, foreign investors have been happy to play that role, buying up U.K. companies, government debt, property and shares.

Liz Truss Inherits Challenges

Continued from Page One

forum predicts the U.K. economy will record zero growth in 2023 and that inflation will run at 7.4%. The U.S., meanwhile, is forecast to grow 1.2% and have far lower inflation at 3.5%.

Without major government intervention, the combination of higher energy prices and weak wages will translate to a fall of roughly £3,000, or about $3,500, a year in average disposable income for U.K. households by 2024—the biggest single decline in living standards in a century, according to the Resolution Foundation, a British think tank.

Only sanctions-ravaged Russia will have a worse economic performance next year among all major economies, the IMF predicts. While a prolonged period of stagflation—the unusual condition when high inflation combines with stagnant consumer demand and relatively high unemployment—isn't yet on the cards, "policy makers need to be aware that there is an enhanced risk," said Mr. Flanagan.

The British government has said those risks are overblown. U.K. Chancellor of the Exchequer Nadhim Zahawi pointed to the country's record high employment and said many households built up savings during the pandemic and that its financial sector is well capitalized. "I think the U.K. economy is pretty resilient," he said in an interview.

Narrow support

Ms. Truss defeated her rival, former Chancellor of the Exchequer Rishi Sunak, by 57% to 43%. Some 172,000 Conservative Party members were eligible to vote in the contest, which was triggered by Mr. Johnson's resignation as party leader in July amid a revolt by cabinet members and top officials following a series of scandals.

Ms. Truss, a libertarian, campaigned on tax cuts to revitalize the economy rather than on more government spending. However, she is expected in the coming days to announce large-scale state intervention to help households and businesses deal with higher gas prices. This could push up government debt dramatically.

The new prime minister will have to corral a party that has developed a taste for revolt. Conservative lawmakers have ousted two of their own leaders in the past three years. Meanwhile, the Conservatives trail the opposition Labour Party by 10 percentage points in the polls.

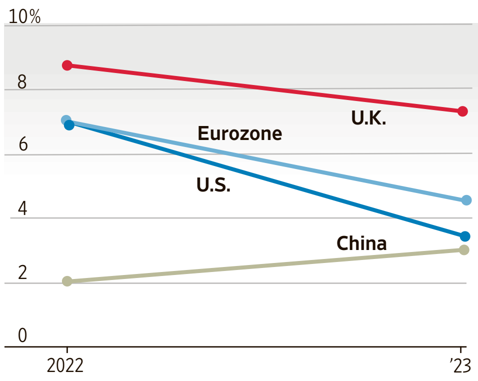
Ms. Truss was backed by only a third of Conservative lawmakers in the first rounds of voting, so she comes to power without a large support base in the House of Commons. Polls show limited support for her across the country at large. Only one in seven British voters think she will be a better leader than Mr. Johnson, according to pollster YouGov.

"It is going to be a very difficult ride for her," says John Kampfner, a director at the Chatham House think tank. "She will need extraordinary amounts of resilience."

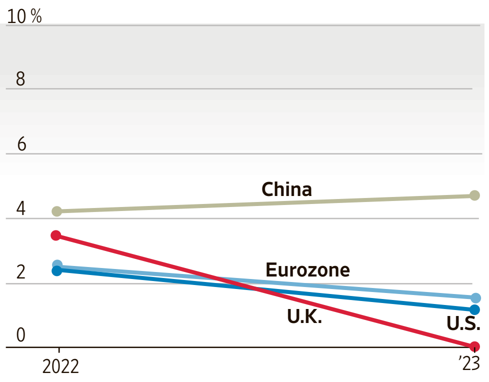
She will face the continuation of what has been a long, hot summer of discontent. Wage growth has lagged behind rising prices, and recent months have seen numerous strikes, including the biggest rail walkout since 1989.

Ms. Truss spoke at the Jaguar Land Rover plant in Solihull, England, in August during her campaign.

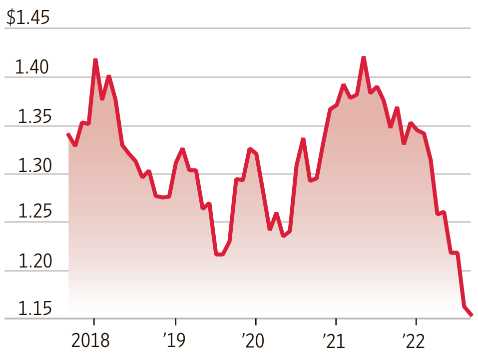
Projected annual inflation



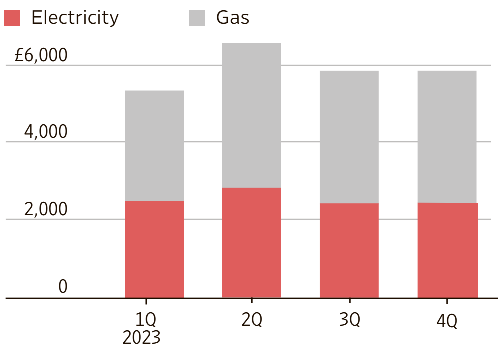
Projected annual change in GDP



How many U.S. dollars the British pound buys



Projected average annual household energy expenditures for the U.K.



Note: £1,000 = $1,151

Source: OECD (inflation, GDP), Tullett Prebon (US dollar), Cornwall Insight Group (energy expenditures)

Ms. Truss hasn't yet laid out what she will do to mitigate what the public and press call the "cost of living crisis."

Threats of a coming recession have weakened the pound, which is flirting with its lowest level since the mid-1980s, making travel and imports more expensive. The U.K. is a net importer of food, energy and manufactured goods, leaving it vulnerable to global price swings.

Britons are struggling to get passports, driving tests or appointments with doctors as public services creak in the wake of the Covid-19 pandemic and funding shortfalls.

Things are expected to get worse during the winter months, when cold weather will drive up energy bills for homes and businesses. Starting in October, the average British household will pay £3,549 a year to heat their homes—nearly triple the rate paid last year, according to figures by U.K. energy regulator Ofgem, which sets a cap on household energy prices. Ofgem periodically revises its energy price cap to reflect market prices. By next April, that could soar to £5,300 a year, according to estimates by independent energy consulting firm Cornwall Insight.

No cushion

Unlike Germany, which has large domestic storage facilities for natural gas, the U.K. shut down its last gas storage facility in 2017, giving it no cushion against shocks in the spot price. The government is now rushing to reopen the facility.

Britain hasn't yet matched the policies of some European countries that have stepped in to shield customers from rising energy prices and are putting plans in place to reduce energy consumption this winter.

"I feel like I am standing on the cliff edge asking myself, 'When are we going to fall off?' " said Andreas Antona, who owns Simpsons, an upmarket restaurant in Birmingham, England.

His staff of 80 are asking for pay raises to cover their bills. "The business can't really take it, as we can't put up our prices," said Mr. Antona, who also runs a pub in the area.

The government has pledged some help for households to help them absorb some of the energy price hike, but there isn't a program for small businesses such as pubs and restaurants. Bankruptcies in the U.K. rose 80% to 5,629 from the April to June period compared with the period last year, according to government statistics, and economists warn of a wave of bankruptcies over the winter.

Val Burrows, who runs a laundry shop in East Grinstead, England, said she was recently notified her company's energy bill would jump from £10,000 a year to £16,000 a year. She has hiked prices by 30%, but that isn't enough to break even. "I will need to consider closing next year," the 64-year-old said. "It is soul-destroying."

Plan for the future

Ms. Truss, who has argued that a recession isn't inevitable, is expected to detail an economic plan in the coming days. Politicians close to her back boosting energy supply by fracking or drilling more in the North Sea.

"I will work to deal with the supply issues and also make sure people are able to keep more money in their own pocket," she said recently. That is expected to be coupled with a support package for poorer households and businesses. She has said she may review the Bank of England's mandate and give the government more power to cut financial regulations.

"We do not have to resign our great country to managed decline," she told supporters recently.

Many economists say her government will have to announce a larger bailout for individuals and businesses to help cover energy bills if it wants to avoid a deep recession and a wave of bankruptcies this winter.

Sheila Correll, an 80-year-old retiree living on a state pension, said she is reluctant to go food shopping given recent price increases. "It's not just a few pence. It's 1 pound, 2 pounds, and prices keep jumping," said Ms. Correll. "I steer clear of shopping now because it's so nerve-racking."

She is worried about rising energy bills. Last winter, she said, she didn't turn on her heaters a single day, opting to take brisk walks in the park and bundle up instead. In the coming year, energy costs could chew up half the monthly income of pensioners like her, according Cornwall Insight, the energy consulting firm.

British conservative politician Iain Macleod coined the word "stagflation" in 1965. It came to symbolize years of economic discontent in Britain as the nation suffered a combination of price increases, bouts of recession and high unemployment following the 1973 oil shock. The resulting mass-strikes and power blackouts are etched in the nation's psyche.

There are echoes of that crisis in Britain today. Ever since the 2008 financial crisis, Britain's productivity and economy have grown more slowly than the U.S., a trend that has continued since the U.K.'s decision to leave the European Union in 2016.

Looking to Thatcher

Ms. Truss, who grew up in northern England to left-wing parents, toured the country repeatedly stating her admiration of Mrs. Thatcher, the former Conservative prime minister who pulled the U.K. out of stagflation by crushing trade unions, deregulating the economy and later cutting taxes. Ms. Truss has long touted herself as a free marketer, and unlike recent Conservative prime ministers she has a strong conviction that the state should be shrunk.

The shine of Mrs. Thatcher's market-based reform has long since faded. In the 1980s, output per hour worked in the U.K. was growing at an annual rate of 2.8%. In the decade after the 2008 financial crisis it grew at 0.7% a year. This decline in British productivity growth "is uniquely large" among developed nations, said Neil Shearing, at Capital Economics, an economics research firm. Reasons include a lack of investment by firms and underperforming small businesses.

Uncertainty after the 2016 Brexit referendum about how trade would work with the EU made companies hold back on investment—it is around 30% below where it would have been if the pre-referendum trend had continued, according to European bank Berenberg. Since leaving the EU, small business exports to Europe have been hampered by increased bureaucracy, and there is lingering worry about a possible trade war with Europe.

Labor crunch

Britain's labor shortage is keeping unemployment low but has raised costs to businesses. Post pandemic, the U.K. workforce was around 680,000 people smaller than expected, according to the Office for Budget Responsibility, a U.K. government-funded body that provides economic forecasts. This was due to an unexpectedly high number of people with long-term sickness, early retirement or people opting to go to college.

Meanwhile the state has increased in size to cope with Covid-19 and an aging population. Mr. Johnson raised taxes, leaving the country's tax burden on track to hit the highest level in 70 years. Ms. Truss has vowed to reverse some of the planned tax moves, and pay for it by refinancing longer-term debt.

Inflation is expected to wipe out 40% of planned government increases in spending on public services, according to the Institute for Fiscal Studies, an economics research firm. This is particularly bad news for the U.K.'s nationalized healthcare system. Already struggling with a record backlog of 6.6 million patients waiting for treatment following the Covid-19 crisis, analysts say the National Health Service is showing severe signs of strain. People suffering strokes or burns in England waited on average an hour for an ambulance in July, well above the target of 18 minutes.

Earlier this summer Michael Gove, a cabinet minister in Mr. Johnson's government, said that large parts of the state were "simply not functioning."

Graham Alexander, the general manager at AJ Engineering & Construction Services Ltd., in Forres, Scotland, which makes metal structures used in construction, had to raise his 125 staffers' wages by 5% in March and an additional 7% in August. He recently put on hold investment in an automated steel cutting machine because his costs are rising, meaning some metal plates continue to be cut and welded by hand.

The company is increasingly looking to take on work based on a flexible day rate rather than locking in prices with longer term contracts because inflation is pushing up prices so fast.

He said Brexit is also adding difficulties. Two of the company's welders left during Covid-19 to return to Poland and never came back. "In Poland the wages were higher than they expected," he said.

—David Luhnow contributed to this article.

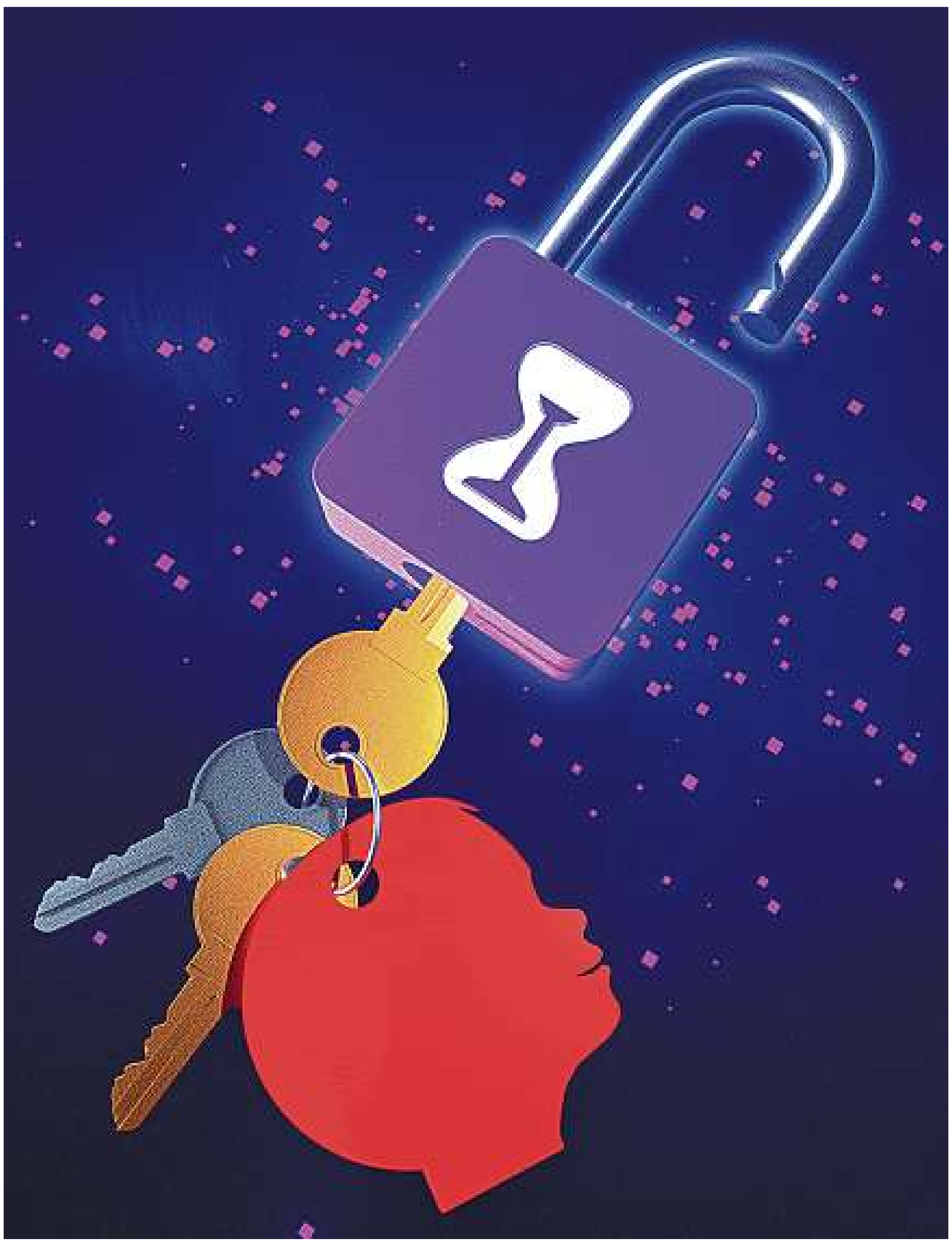


PHOTO ILLUSTRATION BY DANIEL DOWNEY

Keep Control Of Screen Time

Kids have all kinds of hacks for getting around device locks, but parents can outwit them

FAMILY & TECH
JULIE JARGON

IF YOU THINK LOCKING down your kids' iPhones or iPads is just a matter of turning on some Screen Time settings, think again.

Apple's Screen Time controls are fairly simple, and in most cases, they can provide peace of mind. But it's no surprise that children have gotten good at finding ways to bypass its time limits and app restrictions. Some workarounds are clever hacks, others entail sketchy software downloads. Often, though, kids are benefiting from the mistakes their parents made when setting up controls.

First: Don't ever share your Apple ID password or Screen Time passcode with your children.

With the launch of iOS 16, expected in the coming weeks, Apple is making Screen Time and Family Sharing setup easier for parents. With each software update, it also fixes known hacks—including many that were mentioned to me by online-safety experts, ethical teen hackers and parents. The best way to outwit your children is to make sure their devices run the latest system software.

Go to Settings > General > Software Update and make sure the Automatic Updates option is on.

If the kids are using old, hand-me-down iPads or iPhones, Apple might no longer provide those important updates. Any device Apple doesn't support anymore could be vulnerable to funny business.

I focused on Apple because of its dominance of the U.S. market, especially among kids. Any device or platform's parental controls could be susceptible to manipulation, so always be on your guard.

How They Hack

Here are some common workarounds children use in their attempts to bypass Apple's Screen Time restrictions:

▶ **Changing the time zone.** Setting the device to an earlier time zone can fool Downtime, the Screen Time function that prevents users from accessing a device's apps after a preset time. Apple was supposed to have fixed this in iOS 15, but the trick sometimes still works on iPhones and iPads.

I tested it out on my daughter's iPad Pro, which was running the slightly older iPadOS 15.5. I scheduled downtime to begin at 8:25 a.m. Pacific. At that time, all the apps went gray and I couldn't open them. But when I changed the device's time zone to Honolulu's, three hours behind me in California—bingo!—I was able to open any app.

I updated the tablet to the latest version of iPadOS, 15.6.1, and the time-zone hack no longer worked.

Chris McKenna, founder of internet-safety company Protect Young Eyes, has been informing Apple of Screen Time hacks for years. When he scheduled downtime on his up-to-date iPhone and then changed the time zone to an earlier one, he was still able to access all his apps. (This might be because he is the admin for his Family Sharing group.)

> Children's workarounds include changed time zones, burner phones and access to passcodes.

An Apple spokeswoman said her team couldn't replicate the time-zone workaround on an iPhone running the latest software, and neither could I.

▶ **Tapping for more time.** After setting up a downtime schedule, parents sometimes forget to toggle on Block at Downtime. If that's not turned on, kids can tap Ignore Limit and keep going.

▶ **Redownloading an app.** When children reach their time limit on an app, they can remove it from their device and redownload it without parental approval. The app is then accessible until the next downtime period is scheduled. (This doesn't work on the latest iPhone and iPad operating systems, based on my own testing, but several people told me it works on older versions).

You can prevent this by adjusting app permissions. In Settings, go to Screen Time > Content & Privacy > iTunes & App Store Purchases > Deleting Apps. Set that to Don't Allow.

▶ **Screen recording.** If you've set up Screen Time on your child's device and your kid hands it to you to type in the Screen Time passcode, he or she can secretly record the screen by turning on the option in the control center. When you hand it back, there will be a video showing what you typed, says Claire Wang. She's a high-school senior in Andover, Mass., who leads an online community for Hack Club, a nonprofit coding network for students.

▶ **Downloading software.** TikTok and YouTube are full of tutorials on how to download programs for Macs and PCs that promise to bypass Screen Time limits without a passcode. They often require users to make an unencrypted backup of their phone while connected to the computer. One YouTuber advises kids to clear the computer's browser history after installing the software so their parents don't know they went to the website.

How well these programs really work—and whether they leave your phone vulnerable to malware—is something I didn't want to test.

"No one truly knows what these applications indeed do or hold the power of doing," said Joshua Kats, a former Hack Club member who's now studying cybersecurity at Macaulay Honors College in New York.

▶ **Turning to a burner phone.** Some kids scrounge up a burner—either a prepaid cellphone or an old model dug out of a drawer or borrowed from a friend. Even without a data plan, devices can still get online via Wi-Fi.

What to Say to Your Kids

Mr. McKenna, the internet-safety expert, suggests a trust-building approach to abiding by parental controls, with clear consequences for violations.

"It's important to acknowledge to your kids that you know hacks exist," he says. "Then you can say, 'If you follow our rules, awesome, have a great time with the phone, but if you don't, I'm telling you what will happen, and that's your choice.' "

If you suspect your children have already figured out some kind of hack, Mr. McKenna recommends giving them one-time amnesty. He suggests saying something like, "Wow, I've set up Screen Time and either it's not working right or you're so smart, you've out-hacked Dad." He says to tell them they won't be in trouble this time, but if the kids don't fess up, then maybe the device disappears.

MY RIDE | A.J. BAIME

Time-Capsule Benz Fell Into His Hands

MUSTAFA HUSSAIN FOR THE WALL STREET JOURNAL (2)

Terry Kiwala bought his 1979 Mercedes-Benz 300D sight unseen. The leather seats and interior wood were in perfect condition.

Terry Kiwala, 44, a vice president at First Analysis, a Chicago-based financial services firm, on his 1979 Mercedes-Benz 300D, as told to A.J. Baime.

I FIRST JOINED the Mercedes-Benz Club of America when I was 15, even before I got my driver's license. I bought my first car in 1998, a turbo-diesel Mercedes, and I still have it. I got to know many club members by going to events and track days, and ultimately became the club's national president for four years. It was an honor to serve.

In late May of this year, a member of the club who lived in Sacramento decided to sell her 1979 300D. A friend of mine told her, "You know? Before you sell it to anyone else, you should call Terry." So I talked to her. She was from Germany, but lived in California, and the story she told fascinated me.

In 1979, the owner and her husband had bought this car new and had picked it up at the Mercedes-Benz factory in Germany. They vacationed there with the car, and then had it shipped back to California. It had never left the state since, and it only had 88,000 miles on it.

The 300D is not an exceptional car. There were lots and lots built in the 1970s and 80s. The D in the name stood for diesel. It was reliable, so people drove them for 300,000 or 400,000 miles, and owners didn't think to keep them as collector cars. The 1979 300D packed just 77 horsepower. It was very slow, and very mainstream. But as a friend of mine once said, "An exceptional example of an unexceptional car is exceptional, if only a few exist." The question became: What condition was this 300D in?

I asked the owner to send me pictures. She told me she had a landline telephone and so she couldn't send any. I was nervous. But I made an offer on the car sight unseen. I have a bunch of fast cars. I'm a big [race] track guy. This car was out of character for me, but I loved the story—that it had been picked up in Germany by its original owner, who kept it for over 40 years, and who was a member of the Mercedes-Benz Club of America. And the owner was so happy this car was going to go to a Mercedes club member who would care for it.

The car arrived on a truck at my house on a Tuesday. When I saw it, I was amazed. It was an absolute time capsule. I have been with the Mercedes club for almost 30 years, and I had seen very few of this chassis in this condition.

The previous owners had put sheepskins on the leather seats. When I looked under them, the original leather was perfect. I could not find a crack in any of the interior wood. There was a tremendous amount of documentation, and the coolest record was from 1979, when the original owners had the car serviced in Stuttgart. They paid in Deutsche marks.

The documentation included a 1979 bill from servicing in Stuttgart.

I was planning to go to a car show outside of Chicago that Sunday. I emailed the organizers and said that I had stumbled on this remarkable car. Would there be room at the show? They said sure. I got the car on a Tuesday, had it detailed on a Thursday, and showed it that Sunday for the first time. It was Father's Day, and I brought my godson Jack Tyszka with me; he calls it the diesel machine and he loves it. The car was very well received. I'm planning on taking it to the national club convention in California in October.

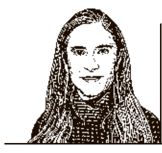
For me, this story illustrates the magic of car-enthusiast organizations like the one I belong to. If you're going to sell a car, and you've gone through the blood, sweat and tears of being a good steward, you want it to go to someone you know is going to value it the way you did.

A Champion's Upper-Body Workout

JOSH LETCHWORTH FOR THE WALL STREET JOURNAL

Dana Mathewson won a Grand Slam with the help of a specially tailored upper-body workout. It can also help strengthen most people who work at desks all day. Go to WSJ.com's Anatomy of a Workout column for demonstrations of her muscle-building drills and exercises.

PERSONAL JOURNAL.



TURNING POINTS
CLARE ANSBERRY

Family Caregivers Find More Options to Get Paid

NATE SMALLWOOD FOR THE WALL STREET JOURNAL

Connie Hoyt helps her granddaughter, Airian Hoyt, play piano. The Medicaid wages she earns help pay for gas.

Family caregivers, long the backbone of the country's long-term care system, are increasingly tapping public and private resources to get paid for caring for loved ones.

During the pandemic, Sheila D. Johnson, 55, of Richmond, Va., couldn't get skilled nurses to help with her brother, Kevin, who is paralyzed and lives with her. She had to quit her job to take care of him.

"I still needed to work and have income so I decided I might as well try to get paid," says Ms. Johnson, who began researching and found a Medicaid program that would allow her to earn income for providing care. She is paid $12.70 an hour by the managed-care company handling the Medicaid program for 56 hours of care a week, which is about 40% less than she was earning from her bakery and doing social media for a farm market, but it helps. "Our expenses on the electric side are really high," she says, noting that her brother has a ventilator and oxygen machine that runs 24 hours a day.

"I think paid family caregivers are the way of the future," says Denise Brown, owner of the Caregiving Years Training Academy, which offers a planning tool for families exploring potential compensation options, including Medicaid, long-term care insurance, and the U.S. Department of Veterans Affairs, that allow eligible family caregivers to be reimbursed.

Some families, who have the resources, are using their own money to hire children, nieces, nephews and grandchildren.

"Rather than trying to find a direct care worker, who may or may not be available or reliable, families will instead hire a family member" says Ms. Brown, who suggests those families consult elder law attorneys and financial planners.

An estimated 48 million Americans provide care without pay to an adult family member or friend, according to Caregiving in the U.S. 2020, a report by AARP and the National Alliance for Caregiving.

Many of these family caregivers assumed the role during the pandemic, as private caregivers left what is a demanding and low paying profession. Often, these caregivers—the majority of whom are women—have to leave their own job, creating a financial strain on their households.

Interest in providing financial support for family caregivers, including compensation, is growing due to the workforce crisis, long Covid, and growing gap between the number of people needing care and those available to provide it, says Lance Robertson, a director in healthcare for the consulting firm Guidehouse, and former U.S. Assistant Secretary for Aging. "Family members are right there. They're equipped and capable. If we lose them, it will worsen the workforce crisis," he says.

Many family caregivers are eligible for hourly wages, most often through state Medicaid plans, but don't know it exists or how to navigate the often complicated process. Coverage, eligibility and benefits vary by state and sometimes by county. Some states require family members to take training courses. Others won't pay a spouse or legal guardian or a family member, who lives in the same house. Hourly pay is often based on the average local wage for a home-care aide. The median hourly wage for home health and personal care aides is about $14 an hour.

"We found that 80% of family caregivers don't know they can get paid," says Maggie Norris, founder of recent start up Aidaly, which helps family caregivers access compensation from public and private sources, and manage paperwork. Aidaly has about 2,280 caregivers enrolled in two markets, Miami-Dade and Phoenix, and most are adult daughters living in the home with their parents, says Ms. Norris.

Some caregivers feel guilty about accepting compensation.

"I felt terrible taking money," says Connie Hoyt, 72, who takes care of her granddaughter, Airian, 29, who has spina bifida, is paralyzed from the waist down, and lives with Connie and her husband, Bob, in Clearfield, Pa. Airian's mom, Bobbi, who is the youngest of Connie's four daughters, died in April of a heart attack.

Ms. Hoyt didn't know that she could be a paid caregiver for Airian until someone at a spina bifida clinic told her about a Medicaid program that would allow Airian to hire her own caregivers, including family members.

"I'm not going to be here forever," says Ms. Hoyt, who has fallen and broken her leg twice. Last year, she had a heart attack and recently, she was diagnosed with kidney failure. "I realized I need to get this set up for her for the time when I can't take care of her," says Ms. Hoyt. Other family members, who live nearby, could step in and be paid.

Ms. Hoyt, who worked nights cleaning at a local hospital until she broke her leg, gets paid an hourly rate of $11.20 for 12 hours a day, which helps pas for gasoline to take Airian to the spina bifida clinic in Pittsburgh, a five-hour round trip, and to take her bowling and to movies with her boyfriend, who is also paralyzed, and to Special Olympics competitions. Airian's gold medals from swimming hang on her wall.

Barbara Corley, of Circleville, Ohio, gets paid to provide care three days a week for her sister, who is spastic quadriplegic, through Ohio's Medicaid waiver program. Ms. Corley, who left her full time job with a prosthetic manufacturer during the pandemic to become a certified caregiving consultant, also has a contract with her county.

"There's a real effort in our county to get family caregivers whenever possible," says Ms. Corley, in part because agencies can't find workers and also know the families are struggling financially. Ms. Corley guides other families through the Medicaid waiver certification process, telling them where to get CPR training and background checks.

"Just because you're a family member doesn't mean they send you a blank check," says Ms. Corley, who is an independent provider and gets paid a higher hourly rate—$21 to $22 pre-tax—than family members who work for an agency and are paid between $12.50 to $15 an hour pre-tax.

All 50 states and the District of Columbia offer some type of self-directed Medicaid services for long-term care that allow qualified individuals to manage their own care. That can include hiring a family member, but rules and criteria vary from one state to another.

LAKE AUSTIN SPA RESORT (2)

Lake Austin Spa Resort in Texas offers a 'Nutrition for Menopause and Beyond' session

Menopause Vacations Soothe Midlife Change

By Andrea Petersen

Massage appointments, Pilates classes and lectures about hormones: It's all in a day on a menopause vacation.

Resorts, destination spas and wellness practitioners are offering new retreats and services to help women in midlife navigate menopause and cope with its symptoms, which include hot flashes, insomnia and mood issues. These trips are cropping up at a time when menopause is becoming a hot topic of public conversation and is gaining notice from entrepreneurs and investors eager to attract a cohort of women who have money to spend.

The Farncombe Estate in the Cotswolds in England is hosting "Pause!" a women's menopause retreat next year with yoga classes and sessions with a physician and nutritionist. In the spring, the Amilla Maldives is launching a series of five-day menopause programs run by a naturopath, which will include talks on stress reduction and healthy eating as well as intuitive dance sessions and "tree hugging therapy."

Beginning this summer, Lake Austin Spa Resort in Austin, Texas, has a "Nutrition for Menopause and Beyond" session with a registered dietitian, priced at $190 on top of nightly rates, which run about $595 a person. At Miraval Arizona Resort & Spa in Tucson, Ariz., a new workshop addresses the sexual problems that can occur during this time of a woman's life.

The new retreats and services reflect recent attention to menopause and perimenopause, the years leading up to the last menstrual period that are marked by dramatic fluctuations in hormone levels.

Many menopause retreats emphasize healthy eating.

With Gen Xers firmly in midlife and the oldest millennials now in their early 40s, the attention makes business sense. Wellness travel, of which women in middle age are the most active participants, grew 8% annually from 2017 to 2019 and is expected to reach $815.5 billion in 2022, according to the Global Wellness Institute, a non-profit research and advocacy group.

Canyon Ranch's wellness resorts have seen a 50% increase in the number of inquiries about menopause-related concerns over approximately three years, according to Stephen Brewer, its director of medicine.

Doctors who specialize in treating menopause symptoms say that some of the approaches touted at retreats, like certain vitamins, minerals and herbs and particular types of exercise, aren't backed by science.

For example, there's no evidence that dietary supplements help with symptoms like hot flashes, says Stephanie Faubion, medical director of the North American Menopause Society and the director of Mayo Clinic Women's Health. (Nor does exercise, she says, though it has other benefits for menopausal women.)

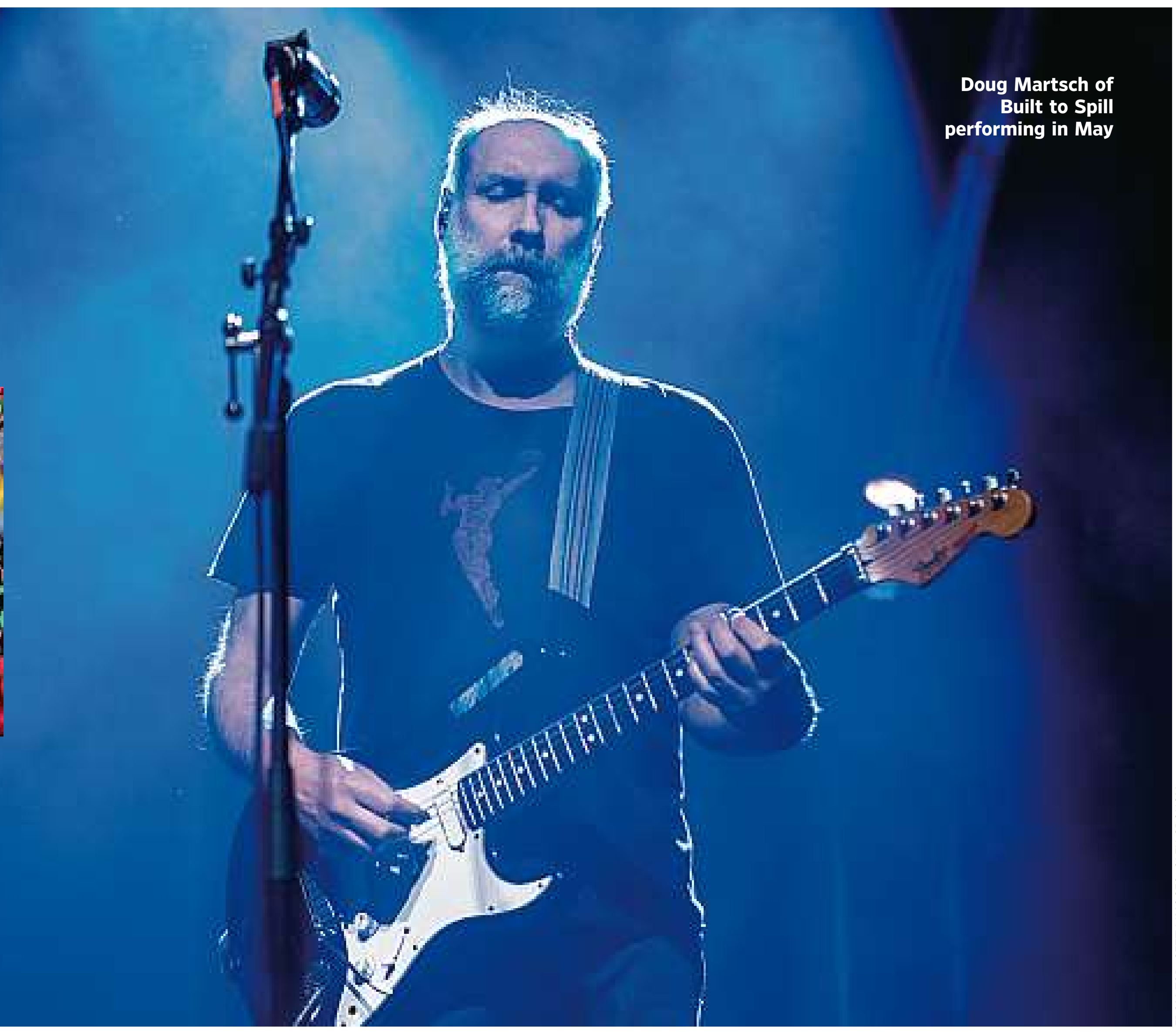
Nutrition advice is a popular topic at retreats, and Dr. Faubion says there is some evidence that a vegetable- and soy-heavy diet that promotes weight loss may reduce the severity and frequency of hot flashes. Reducing stress can alleviate menopause symptoms, too, she notes.

"If women are really working on stress management on these retreats, it's conceivable that would help and the community, being with other women in the same situation, helps," says Dr. Faubion.

MUSIC REVIEW | MARK RICHARDSON

Still Indie After All These Years

Doug Martsch returns, with a new label and bandmates, with a record that stays loyal to his underground '90s roots



Doug Martsch of Built to Spill performing in May

FROM TOP: GETTY IMAGES; ALEX GRAHAM

Doug Martsch of Built to Spill has been making indie rock for so long he's outlasted all of the genre's trends. In the 1990s, he released a well-received album on a small label that is now regarded as a classic—1994's "There's Nothing Wrong With Love"—and that led to a deal with Warner Bros. In those days, an independent band with roots in the punk-rock scene signing with a major label carried real risk. Corporate imprints were trying to catch up with the post-Nirvana alternative-rock boom and were signing small bands with promise—most now forgotten—at a dizzying pace. Built to Spill's career on Warner started in 1997 with "Perfect From Now On," an LP filled with long, knotty songs that were less commercial than those on its indie predecessor. Clearly, the group wasn't about to play the game or alter its sound.

Mr. Martsch has never changed his way of doing things, for better or worse, and he never left his hometown of Boise, Idaho. Unlike his peers in Modest Mouse—an outfit frequently compared with Built to Spill when it started—he's never been interested in contemporary production styles. With the new Built to Spill release, "When the Wind Forgets Your Name," out Friday, Mr. Martsch has a new label (Sub Pop) and new bandmates, but he's still making music that sounds like it could have come out in the '90s. It's his first collection of original material in almost seven years, and the songwriting is stronger than we've heard from him since at least 2006's "You in Reverse."

A palpable sadness runs through the album, even though many songs first scan as whimsical.

Mr. Martsch's voice has weathered with age, but its essential yearning is intact. His work often takes the point of view of a wide-eyed innocent, someone who is trying to figure out what's going on and who feels cut off from how the world works. He sings with a high-pitched tenor, with a bit of Neil Young mixed with Wayne Coyne of Flaming Lips. There's plenty of Mr. Young's sound in his guitar playing, too, though his greatest influence, apparent in his ability to infuse melodic beauty with jagged noise, is J Mascis of Dinosaur Jr. On this record, he's joined in his home studio by bassist João Casaes and drummer Lê Almeida, both of whom he met while touring in Brazil. They are a capable rhythm section that mostly slips into the background—this album is all about Mr. Martsch's voice, guitar and songs.

There's a palpable sadness running through this set, even though many songs first scan as whimsical. Mr. Martsch's lyrics are about confusion and uncertainty, about being trapped in your own head and trying to reason your way out. He becomes fixated on language, inverting the meanings of words partly because it's a playful pastime and partly because it shows you how quickly reality can change. Halfway through the opening "Gonna Lose," a compact rocker with a thick glammy sheen on the guitars, he drops the distortion to sing, "I've come to realize time's all wrong / Answers materialize then they're gone." On "Fool's Gold," slower in pace, with more jangle in the arrangement, the aside "It was only a dream but it still felt good / To spend a little time thinking something mattered" is about as uplifting as things get.

But the sprightly nature of the tunes and arrangements means the melancholy of the words is only part of the story. The fifth track, "Rock Steady," has a pronounced Jamaican lilt—Mr. Martsch is a huge reggae fan, though he's incorporated only bits and pieces of that genre into his own music over the years—and a sunny tune that complicates his more downcast observations. "Geology, genealogy / Arbitrarily, eventually, came up with me" goes one line, accentuated by the track's use of space and echo-heavy production. It's an exceptionally affecting guitar-pop number that ranks with the best pieces Mr. Martsch has written. The following "Spiderweb" finds him in more familiar arrangement territory, though it features a particularly wonderful guitar solo, filled with dive-bombing wails and clever inversions of the song's primary melody.

But while the varied tempos and structures suggest a wide range of feeling, "When the Wind Forgets Your Name" is ultimately a very lonely-sounding album; the character at the center of these pieces seems divorced from what's happening around him and not sure what comes next. The epic closer, "Comes a Day," which lasts over eight minutes, sums up the record well, veering between sounds and styles—soaring solos, build-ups and break-downs—and circles around the idea of accepting one's fate, without quite getting there. "Life is long when waking up feels wrong," he sings at one point, capturing the mood of the LP as a whole. Even after nearly 30 years, Mr. Martsch still excels at channeling his pessimism and self-loathing into funny and empathetic songs that connect, and that transmission makes the listener feel less alone.

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

Weather

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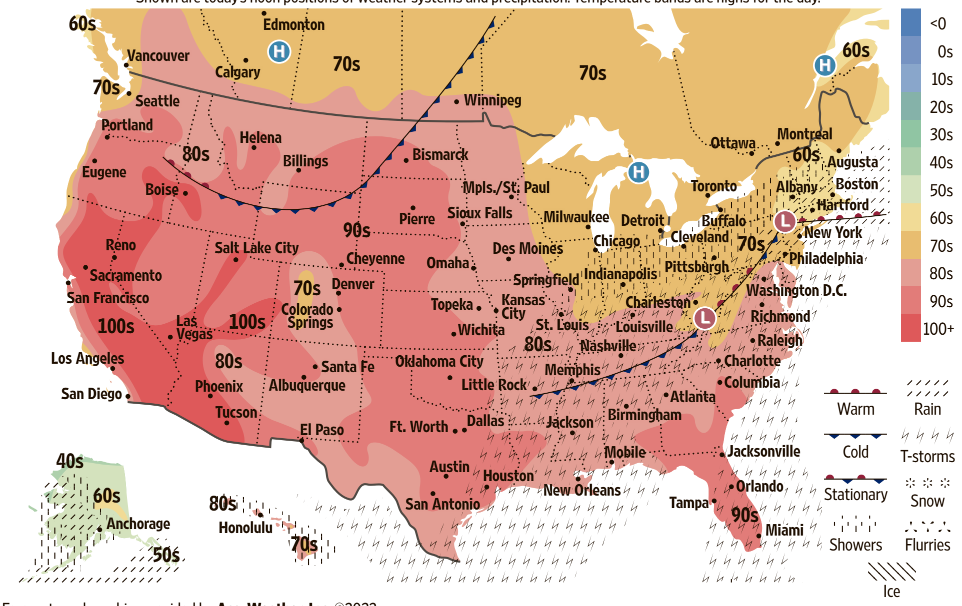
Shown are today's noon positions of weather systems and precipitation. Temperature bands are highs for the day.



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U.S. Forecasts

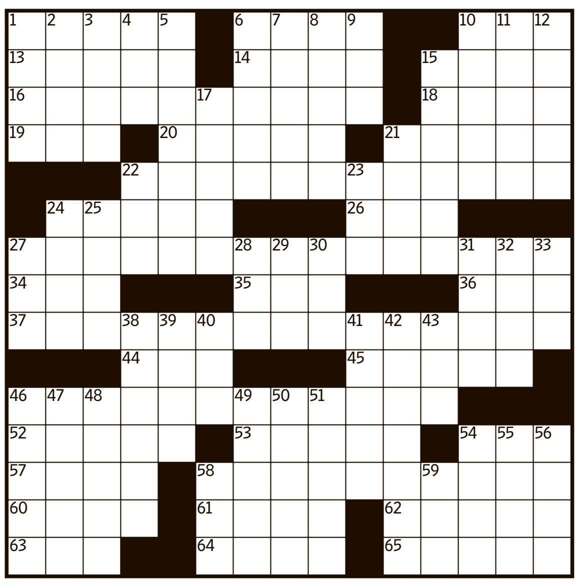
s...sunny; pc... partly cloudy; c...cloudy; sh...showers; t...t'storms; r...rain; sf...snow flurries; sn...snow; i...ice

City	Today Hi	Today Lo	Today W	Tomorrow Hi	Tomorrow Lo	Tomorrow W
Anchorage	57	51	sh	56	52	c
Atlanta	86	72	t	86	71	t
Austin	94	71	pc	94	70	t
Baltimore	80	67	t	76	64	r
Boise	103	70	s	104	66	pc
Boston	66	61	r	69	58	pc
Burlington	71	58	c	75	59	pc
Charlotte	87	71	t	87	69	t
Chicago	78	65	pc	80	62	s
Cleveland	75	62	pc	76	62	sh
Dallas	92	74	pc	92	72	pc
Denver	98	66	s	98	69	s
Detroit	79	59	pc	80	59	s
Honolulu	88	76	sh	90	76	s
Houston	91	74	t	91	72	t
Indianapolis	78	64	pc	81	62	pc
Kansas City	87	64	pc	87	64	s
Las Vegas	111	87	s	108	84	s
Little Rock	89	71	t	87	70	t
Los Angeles	97	73	s	98	72	s
Miami	93	79	pc	92	79	t
Milwaukee	76	63	pc	78	65	s
Minneapolis	82	65	s	86	66	s
Nashville	85	69	r	84	65	c
New Orleans	86	77	c	85	75	t
New York City	72	64	r	72	62	r
Oklahoma City	90	68	s	91	66	s
Omaha	87	64	pc	90	64	s
Orlando	94	77	t	94	76	t
Philadelphia	76	66	t	75	64	r
Phoenix	110	85	pc	108	82	s
Pittsburgh	75	62	sh	77	61	sh
Portland, Maine	63	54	c	71	54	pc
Portland, Ore.	91	60	s	83	54	pc
Sacramento	111	70	s	103	69	s
St. Louis	83	68	pc	84	65	pc
Salt Lake City	104	73	s	105	75	s
San Francisco	93	60	s	85	61	s
Santa Fe	90	55	pc	89	54	s
Seattle	77	55	s	75	53	pc
Sioux Falls	89	62	s	92	68	s
Wash., D.C.	82	70	t	79	67	sh

International

City	Today Hi	Today Lo	Today W	Tomorrow Hi	Tomorrow Lo	Tomorrow W
Amsterdam	78	61	pc	74	60	t
Athens	83	70	s	84	70	s
Baghdad	114	81	pc	114	83	s
Bangkok	88	77	t	85	77	t
Beijing	86	56	s	89	58	s
Berlin	71	56	pc	76	59	sh
Brussels	82	59	pc	77	58	c
Buenos Aires	66	57	s	71	59	s
Dubai	105	88	s	105	87	s
Dublin	64	55	r	65	53	r
Edinburgh	68	55	r	66	56	sh
Frankfurt	86	64	pc	82	64	c
Geneva	81	61	t	77	59	t
Havana	90	72	pc	89	71	sh
Hong Kong	92	81	pc	87	78	c
Istanbul	78	68	pc	79	66	s
Jakarta	91	77	sh	90	77	sh
Jerusalem	83	64	s	83	63	s
Johannesburg	77	49	s	72	51	s
London	69	60	r	69	59	t
Madrid	86	58	pc	83	60	c
Manila	89	78	t	90	78	t
Melbourne	61	47	c	66	56	pc
Mexico City	70	57	r	68	58	sh
Milan	85	67	t	83	66	t
Moscow	53	41	c	52	38	r
Mumbai	88	80	r	88	80	sh
Paris	81	59	pc	74	58	t
Rio de Janeiro	74	64	pc	79	67	pc
Riyadh	110	82	s	109	85	s
Rome	85	68	s	86	70	s
San Juan	90	78	sh	90	78	sh
Seoul	79	62	r	80	59	s
Shanghai	87	73	s	90	73	pc
Singapore	87	78	t	84	77	sh
Sydney	63	52	r	64	57	pc
Taipei City	87	78	sh	84	75	sh
Tokyo	86	79	pc	86	76	t
Toronto	73	60	pc	74	61	pc
Vancouver	72	56	s	72	55	pc
Warsaw	67	43	pc	69	47	s
Zurich	81	60	t	78	59	t

The WSJ Daily Crossword | Edited by Mike Shenk



COULD GO EITHER WAY | By Seth Geltman & Jeff Chen

Across

1 Disagree, disagreeably
6 Part to play
10 Possesses
13 Microphone's pickup
14 Tot's boo-boo
15 Tirade
16 What each of 22-, 27-, 37- and 46-Across does
18 Elsa's sister in "Frozen"
19 Take up the slacks?
20 Site of historic 1965 marches
21 Love affair
22 Heist that leaves no clues behind
24 Used as a rendezvous spot
26 Tic-tac-toe win
27 It may be of considerable interest
34 Russian craft that circled Earth for 15 years
35 Tire filler
36 Mauna ___
37 Decade following Black Tuesday
44 Japanese drama
45 Marmite's chief ingredient
46 Highly inappropriate appropriation
52 1977 film directed by Carl Reiner
53 Devout
54 Unlikely to earn a treat
57 Minuscule
58 What each of 22-, 27-, 37- and 46-Across does
60 Addition column
61 Appear
62 Worker's reward
63 Immediately
64 Popular bubble tea flavor
65 Rose

Down

1 Bucks
2 Troubadour's instrument
3 Original fellow
4 Ringo, for example
5 Spot for grilling?
6 Piano-playing dog on "The Muppet Show"
7 "You ___ big time"
8 Scent of spring
9 Serpentine swimmer
10 Vietnam's capital
11 Per ___ (yearly)
12 Look intently
15 Powder packer
17 "A champion of comfort for all," according to its website
21 Just ___ in the machine
22 Scoreboard no.
23 Cargo unit
24 Sierra Club founder
25 To be, on the Left Bank
27 Online gasp
28 Glasgow denial
29 Quick swim
30 Like some marked-down garments: Abbr.
31 Yale students
32 Send packing
33 Retired M&M's color
38 Nettles
39 Ned Flanders's younger son on "The Simpsons"
40 FedEx alternative
41 Give the once-over
42 Security equipment
43 Utter
46 Boarded
47 Herbivore with a horn
48 Nixon's running mate
49 Sleep clinic study
50 Clause
51 Drink featuring cranberry and lime juice
54 Spirit
55 Furthermore
56 Reddened, maybe
58 Approx. figure
59 Milk type

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

Previous Puzzle's Solution

The contest answer is ATHOS. The five theme answers are characters from works ("Pride and Prejudice," "A Christmas Carol," "Breakfast at Tiffany's," "Crime and Punishment," "The Sun Also Rises") whose initials plus one added letter are grid answers (PAPA, ACCT, BATH, CAPO, TSARS). The added letters spell the contest answer.

SPORTS

NATHAN HACKETT FOR THE WALL STREET JOURNAL

The Mets Lead in Hit by Pitches

New York batters keep getting plunked. This might help them win the National League East.

By Joshua Robinson And Andrew Beaton

When hotshot prospect Brett Baty finally reached the major leagues in August, he quickly learned what it meant to be a New York Met: he got drilled by an 83 mile-per-hour curveball.

Baty hit the deck with a sore foot and his first big-league bruise. His manager, Buck Showalter, looked on from the top step of the dugout and seethed that this was happening again. More than any manager in baseball this season, Showalter has watched his players get grazed, plunked and downright nailed by opposing pitchers. Not only do the Mets lead the league in this painful category, they're on pace to have the most hit batsmen of any major league team since 1900.

"Certainly, they're a nice bunch of guys," says former Mets pitcher and SNY analyst Ron Darling. "So there's not the 'Bad Guy' factor where you just can't stand a team."

If there's any consolation for Showalter and his clubhouse of dinged up ballplayers, it's that this isn't personal. Players are getting plunked at historic rates across the league. The Mets are just making the most of the mayhem. Their league-leading 88 hit batsmen this season have led to 2.4 win probability added, according to Baseball Reference. And those two-plus wins could decide who takes the National League East—the Mets enter Labor Day in first place by just a single game.

Fittingly enough, getting pelted repeatedly by hard objects isn't too different from the modern experience of being a Mets fan. It can be painful and absurd. In 2022, though, the most painful way of getting to first base has been the Mets' advantage.

The Wall Street Journal reviewed footage of every Mets' hit by pitch this season and found that the team is most commonly plunked in the arm, then the leg. Fortunately for the players, only a few have been in the head or helmet area.

Wherever the Mets are hit, that ball is usually coming in hot. Of all the 88 hit by pitches, 52 have come on either four-seam fastballs or sinkers. Seventeen of those have been at least 95 MPH—topping out at 101. It's all part of the sport's evolution: the speed gun reigns supreme, even if the trade-off in accuracy means pitchers could end up hurling the ball to LaGuardia Airport.

Baseball is comfortably on pace to exceed 2,000 hit-by-pitches for only the second year in history. The only other time was 2021. In fact, the five most bruising seasons since 1900, as measured in the average number of batters hit by pitches per game, happen to be the past five seasons, according to Baseball Reference.

"It's a problem we have in MLB in general," Showalter said earlier this year, before watching his Mets get hit several dozen more times. "It's just not good."

It's no coincidence that this is happening now. The past five seasons also saw the most strikeouts per nine innings in baseball history. Starters don't go as deep into games and spend all of their juice on fewer at-bats. Inconsistent flamethrowing pitchers are shuttled back and forth from Triple-A.

The reality is that major-league pitchers' priorities have shifted so much toward speed that hit batsmen are simply a byproduct. The Mets just happen to be the premier victims.

"Velocity is held pretty sacred right now," Darling said. "So you have a lot of guys throwing the ball a lot harder than anyone's ever thrown it and the control is not always there."

Mets outfielders Brandon Nimmo and Mark Canha are both among baseball's top seven in getting hit by pitches this season. And the Journal's review shows how the pair embodies two vastly different approaches to the art of getting thumped really hard by a flying ball of cork, leather and yarn.

Baseball's unwritten rules dictate that a hit batsman must not acknowledge the fact that it hurts—a lot—unless absolutely necessary. Whenever Nimmo is hit by a pitch, he absorbs the blow and sprints to first base (even though the base is free). It didn't even faze him when he got hit by four balls in a span of five days in June.

Canha, meanwhile, meets the situation with uncanny calm. His routine is always the same: get hit, say nothing, bend to remove his leg protector, unfasten his elbow guard, and trot gently to claim his base. As far as he's concerned, it's another duel won.

In fact, Canha has been hit so often this season—he's up to 17 and counting—that he can now see it coming. During one game against the Texas Rangers in July, he turned to teammate Tylor Megill and said of the opposing pitcher, "He hit me last year one time, with a curveball though."

Then it happened. Fans heard exactly how Canha felt about it, because Canha happened to be wearing a microphone for TV. "Mic'd up and you get drilled, huh?" Texas first baseman Nate Lowe asked him. "You didn't swear, did you?"

Canha confirmed that he didn't—maybe because he had been bracing for it.

"He must not like the way you stand," his Mets teammate Pete Alonso told him.

Canha countered: "He's like, 'I don't like this guy's face.'"

Perhaps for Canha, this magnetism for whizzing projectiles is what made him a valuable offseason acquisition for the Mets. Last year in Oakland, he was tied for the MLB lead in hit by pitches with 27, along with the Seattle Mariners' Ty France.

His stoicism is also the trademark of a generation of players raised with a whole arsenal of protective gear, from elbow pads to ankle guards. Many hitters now enter the batter's box dressed if they'll be rollerblading to first base. The effect is that players are progressing from Little League to high school to the minors without **fully** knowing the greatest fear in the game: getting drilled by the ball.

"Guys have been wearing it for so long that I think there's an invincibility that they must feel when they're at the plate," Darling said. "Certainly guys are going to bail when it's in the head area. But anything from the chest down, guys are not moving."

When you get nailed by baseballs as often as the Mets do, it isn't always pleasant. At this point, it's routine for the Mets broadcast to immediately show Showalter glowering after one happens. At times, frustration has boiled over. The Mets got hit three times by the Cardinals in a game in April. There was a brawl the next day.

Still, the Mets stand in there because these plays can be critical. They've contributed to more than two wins, six runs batted in and even other ways that don't quite show up in the box score. During a game in late August, the Mets entered the bottom of the ninth inning tied 6-6 with the Colorado Rockies when Starling Marte got dinged, moving Nimmo to second. Two batters later, Nimmo scored on a walk-off single by Alonso—which he was only in position to do because of the hit by pitch.

The flip side is that the braver attitude to getting hit by baseballs might have altered the course of Mets history—for the worse—had it been around in the 1980s. Remembering Mookie Wilson's epic at-bat in Game 6 of the 1986 World Series, Darling pointed to the game-tying wild pitch, which was so far inside that Wilson leapt out of the way.

The 2022 Mets, he says, would have handled it differently.

"That is a hit-by-pitch today. One hundred percent."

Coco Gauff Is Ready For a Grand Moment

By Joshua Robinson

Even when she isn't in the middle of a match, Coco Gauff is always running. Around the grounds of the Billie Jean King National Tennis Center, she waves off the player security detail and prefers to sprint, headphones on, everywhere she needs to go.

"You've probably seen me," she says.

The strangest part isn't that one of the brightest young talents in women's tennis dashes around the U.S. Open like she's late for calculus class. It's where she's running. After she booked her spot in the quarterfinals, with a two-hour, 7-5, 7-5 victory over Zhang Shuai on Sunday, Gauff hustled over to the practice courts to hit a little longer.

"I feel like practicing afterwards has prepped me mentally for these long matches," she said. "Whether it's an easy win or a tough win or a tough loss, coming back out I think mentally is preparing me to play these second weeks."

Gauff, still only 18, can use all the preparation she can get. For the player just a few months removed from high school, this is her first foray into the second week of the U.S. Open. And in a season that has already seen her become the world's No. 1 ranked doubles player, she's checking off milestones by the month. Back in June, Gauff also got her first taste of a Grand Slam tournament final at Roland-Garros.

Though she lost the French Open to world No. 1 Iga Swiatek, the experience taught her two lessons. The first was that she comfortably had the fitness to play through the final Saturday of a major. The second was that the post-match practice ritual might have something to it.

"It's been working for me so I keep going," she said.

Making a deep run in Paris, where only two different American women have won since the 1980s, was one thing. Home turf for the Atlanta-born teenager is a different proposition: U.S. Open crowds have been waiting for Coco Gauff for years.

She first caught their attention as a precocious wild card in 2019, when she fought her way into the third round and suddenly emerged as the next great hope of American women's tennis. Gauff struck the ball purely, covered the court like few others, and came armed with a grenade launcher of a serve.

The thing about 15-year-olds, though, is that they're 15 years old. Gauff wasn't ready.

She went down in straight sets to then-defending champion Naomi Osaka. Three years later, in the same tournament that saw Serena Williams exit the stage for expected retirement, the New York fans have transferred their affection directly to one of the players that Williams inspired. Gauff, who was born well after Williams' first major title, has said repeatedly that she wouldn't be a tennis player today without Serena.

"It is because of you I believe in this dream," she wrote to Williams on Instagram last week.

CJ GUNTHER/EPA-EFE/SHUTTERSTOCK

Coco Gauff booked her spot in the quarterfinals, with a 7-5, 7-5 victory over Zhang Shuai on Sunday.

Williams's presence was everywhere during the first week of the tournament. The loudest moments inside Arthur Ashe Stadium so far were reserved for her farewell tour. But on Sunday afternoon, Gauff seemed to inherit all the noise. (Especially as she fired up the fans with her fist-clenching shouts of "Come on" after critical points—pure Serena.)

"This is a surreal moment for me, on Arthur Ashe Stadium people are chanting my name," she said. "I feel like I'm at an NBA game."

Gauff is normally a little more reserved. She says she finds it awkward when she can hear herself scream. In New York, though, the 24,000 fans watching her in person are more than happy to drown her out. And Gauff's next opponent, Caroline Garcia of France, already knows to expect a hostile crowd inside Ashe when they meet on Tuesday for a place in the semis.

"It's going to be explosive," Garcia said in French. "She's been a star since she was very young and you've got an American crowd that gets very, very fired up...The Americans, they don't just support their players—they're also here for the show."

For entertainment purposes, at least, Garcia is the ideal opponent. A seasoned pro who is finally coming into her own as a singles player this season, she is on a 12-match winning streak that included a dark-horse win at the final U.S. Open tuneup tournament in Cincinnati. More than that, she is an aggressive hitter who steps into the court to play on the front foot.

Except this is a version of Gauff that Garcia hasn't seen before.

The powerful serve, which has always been there, has gone from excellent to potentially record-breaking. In the second round, Gauff touched 128 miles per hour—the third-fastest women's serve in U.S. Open history. She has also turned into a deadly defender, racking up the second most return points of the tournament. And playing to the crowd, Gauff says she has occasionally surprised herself.

"I think I'm feeding off the momentum a lot," she said. "New York is bringing out a side of me that I haven't had since I was 15."

OPINION

Biden Is Angry but Not Serious

MAIN STREET
By William McGurn

President Biden's address Thursday night reminds us that there is nothing in Washington more overrated than a presidential speech.

We recovering White House speechwriters know that presidential speeches are mostly forgotten by the weekend after they're delivered—if they're even noticed in the first place. Of the thousands of speeches delivered by presidents since 1789, only a few are still remembered: Washington's Farewell, Lincoln's Gettysburg Address, FDR and JFK's Inaugurals, Reagan's Berlin Wall address, etc. That's because the ultimate significance of a president's speech is determined more by the moment and whether what was said rose to meet it.

To say this is to see immediately why Joe Biden bombed in Philadelphia. FDR rallied the nation against Hitler and Mussolini, and Reagan did the same against the "evil empire" of the Soviet Union. Mr. Biden sounded like an overwrought sophomore by pretending that MAGA Republicanism presents a similar existential threat to democracy, and the next day he showed that even he didn't believe his own claim that all Trump supporters were threats to the country.

Yes, it was full of nasty stuff. But in the end it was more Beltway bathos than menace. Surely it's damning that what so many people seem to remember isn't Mr. Biden's message but the nakedly political use of the uniformed Marines behind him (calling Gen. Mark Milley)—and the neon illumination that made the stately face of Independence Hall look like the entrance to a bordello in some red-light district.

Even more striking was the tone. Gone was genial Joe from Scranton, the man who persuaded Americans that he would give them a calm and drama-free presidency. In its place was Dark Brandon, a superhero saving America from imaginary armies of fascism.

This Joe Biden seems to think anger conveys seriousness. But apparently no one inside the West Wing is asking whether these outbursts really help him—or only underscore his failure to do anything about what he's complaining about.

Former Barack Obama adviser David Axelrod understands. In February, after the president's remarks on Vladimir Putin's invasion of Ukraine, he tweeted that Mr. Biden was having a "strong night" but added that "he too often confuses anger with energy, and lapses into Clint Eastwood in Gran Torino."

Mr. Biden well knows voters aren't happy with him. For all the talk about his legislative victories and a fortunate drop in gas prices, the president obviously isn't confident those will prove decisive when Americans go to the polls. He's not the first politician to calculate that his best path to victory is to paint political opponents as not merely wrong but evil and pray voters end up hating the other guys more than they hate him.

Let's face it, this is a president who's mad as hell and wants everyone to know about it. In July, for example, he tweeted out his anger at "companies running gas stations" whose high prices at the pump didn't "reflect the cost you're paying for the product." He wants us to know he's also mad at the Supreme Court for overturning *Roe v. Wade*. He's reportedly even furious with his own White House aides for their lack of respect for what he says in public—and their irritating and frequent habit of correcting him whenever he unleashes a whopper.

A president needs to rise to the occasion. Yelling at opponents isn't how to do it.

He repeatedly snaps at members of the press who ask tough questions, whether it be about inflation ("stupid son of a bitch") or about surveys showing up to two-thirds of *Democrats* would prefer a 2024 presidential nominee other than him ("Read the polls, Jack. You guys are all the same"). At an AFL-CIO convention in June, Mr. Biden directed his anger more broadly at anyone who doesn't appreciate how wonderful his presidency is, almost yelling, "I don't want to hear any more of these lies about reckless spending. We're changing people's lives!"

So Mr. Biden's problem is hardly that he's not angry enough. Many Americans are also angry at the way things are going today. But they want their problems fixed. Instead, President Biden merely huffs and puffs. The persistence of all these problems—high gas prices, the erosion of paychecks because of still-high inflation, the chaos at the southern border, the humiliation of our bungled exit from Afghanistan—is persuading people that the job is too big for him.

Macbeth calls life a "tale told by an idiot, full of sound and fury, signifying nothing." Which isn't quite true, at least for a White House. If Joe Biden isn't able to fix the problems he's railing about, his sound and fury signifies the one thing no American president can afford: impotence.

Write to mcgurn@wsj.com.

A Century of U.S.-Israel Ties

GLOBAL VIEW
By Walter Russell Mead

One hundred years ago, Sen. Henry Cabot Lodge (R., Mass.) and Rep. Hamilton Fish (R., N.Y.) steered a joint resolution through Congress putting the U.S. on record in supporting a Jewish homeland in Palestine. The Senate vote was unanimous; the House whooped it through on a voice vote. In September 1922 President Warren G. Harding signed the resolution, launching a tradition of official American support for Zionist aspirations in Palestine that a long line of presidents from both parties have continued.

The Lodge-Fish Resolution unintentionally launched another tradition: belief among many Americans that American support for Zionism was the result of nefarious Jewish influence. Jewish wealth, the theory went, favored pro-Israel politicians while Jews supposedly imposed pro-Israel views on a press that they allegedly controlled. The two traditions coexist to this day. Support for Israel, while not unlimited or uncritical, dominates both parties in Congress, while controversies over the role of pro-Israel "Jewish money" in American elections continue to rage.

But the past 100 years tell a different story. American Jews, contrary to legend, aren't an irresistible political force. Two years after the Lodge-Fish resolution, Congress passed a system of immigration restriction that reduced Jewish immigration to the U.S. by about 90%. The American Jewish community was unable to block this legislation, just as it was unable to persuade Franklin D. Roosevelt's administration to take strong action to protect Jews in Hitler's Germany. In 1944, Jewish leaders begged the American government to bomb the rail lines leading to Auschwitz; those pleas were rejected.

Yet these years of Jewish powerlessness were peak years for anti-Semitic conspiracies. Henry Ford's Dearborn Independent, a newspaper distributed nationally through the growing network of Ford auto dealers, was a platform for anti-Semitic propaganda. The so-called second Ku Klux Klan, a national revival of the Reconstruction-era organization originally formed to restore white supremacy in the South, was near the height of its influence as it campaigned against mass immigration of Catholics and Jews from Eastern and Southern Europe. Father Charles Coughlin's infamous radio broadcasts emphasized the idea of a Jewish conspiracy even as discrimination against Jews at elite universities became deeply entrenched.

It wasn't simply that American Jews were too weak to impose Zionism on the American political system. Most of them didn't want to. Led by Henry Morgenthau, Woodrow Wilson's ambassador to the Ottoman Empire and the most influential Jewish political leader of the era, most prominent American Jews opposed the British government's Balfour Declaration and the Lodge-Fish Resolution that endorsed it. The New York Times had been a pro-Zionist newspaper under non-Jewish ownership. It became anti-Zionist after it was bought by a Jewish publisher in 1896. Not until the 1940s did the American Jewish establishment embrace the Zionist cause.

Congress supported a Jewish state in 1922, and the conspiracy theories began.

That Jewish support had little impact on American policy. During the 19 years between Israel's 1948 declaration of independence and its overwhelming victory in the 1967 Six Day War, American Jews were united and enthusiastic in supporting Israel. Yet U.S.-Israel relations were at their frostiest in that era. Both Dwight D. Eisenhower and John F. Kennedy preferred a strong relationship with Egyptian president Gamal Abdel Nasser to close relations with Israel. Under Eisenhower, the U.S. sided with Egypt against Israel during the 1956 Suez crisis, and Kennedy focused his diplomatic efforts on an attempt to derail Israel's drive for nuclear weapons.

The modern era of a close U.S.-Israel alignment began only after Egyptian President Anwar Sadat made peace with Israel and rapprochement with the U.S. the key to his strategy. The relationship deepened after the shah of Iran fell in 1979, and again after the 9/11 attacks when Israeli intelligence significantly assisted American counterterror efforts around the world. The three presidents most associated with pro-Israel policies—Richard Nixon, George W. Bush and Donald Trump—were deeply unpopular with Jewish voters, and even unequivocally pro-Israel Republicans like Trump and Mitt Romney received less financial support from Jewish contributors than their Democratic opponents did.

It is the story of non-Jewish support for Israel that needs to be told. It is not only that American Christians going back to Boston Puritans like Increase Mather and colonial theologians like Jonathan Edwards believed that God would someday lead the Jews back to their biblical homeland. Politicians like John Adams and Theodore Roosevelt, and hardheaded businessmen like John D. Rockefeller and J.P. Morgan, supported Zionist aspirations as well.

One hundred years after the Lodge-Fish Resolution, Jewish and non-Jewish Americans alike continue to debate America's relationship with the Zionist movement and the Jewish state. That is as it should be. Those who think that Jewish financial and media power are the forces that drive America's Middle East policy continue to miss the point. Anti-Semitic myths about Jewish power can't explain America's past policy in the Middle East and provide no useful guidance for the future.

A Law-and-Order Leader for Oregon

By Larry Hogan

With even Democrats like Joe Biden now distancing themselves from the defund-the-police movement, it's time to put this far-left lunacy to rest. Nowhere in America is there a clearer opportunity for change than in Oregon, where Republican Christine Drazan is running for governor to move her state in a new pro-law-enforcement direction. I'll be campaigning for her there this week.

Oregon was one of the centers of this dangerous movement. In 2020, when riots broke out in Portland, city and state leaders seemed more concerned with blaming police than restoring order and holding violent rioters accountable. Instead of backing up law enforcement, Portland politicians passed reckless measures to defund it. The results have been predictable and tragic: Homicides surged 207% in less than two years.

Compare this with Maryland. In 2015 I had been governor only 89 days when the worst violence in 47 years erupted in Baltimore. When then-Mayor Stephanie Rawlings-Blake said she wanted to give the rioters "space" to "destroy," I made clear that approach was unacceptable.

As governor, Christine Drazan would fully fund state police.

I declared a state of emergency and sent 1,000 additional police officers and 4,000 National Guardsmen to the city. We allowed peaceful protests but immediately stopped the violence. I walked the streets of Baltimore to lower the temperature and listen to concerns.

In the summer of 2020, the success of our peace-through-strength approach was clear. While cities across America were facing unrest, Baltimore was peaceful, and the community worked with the police to keep the city safe. While Portland was defunding police, I enacted a Re-Fund the Police Initiative, which invested $500 million in law enforcement.

A breakdown of law and order only harms the most vulnerable among us. While homelessness is out of control in Oregon, we've reduced it in Maryland by 24%.

The people of my deep-blue state, including Democrats and independents, have stood with us because they knew I would never put politics or ideology before public safety. That's exactly the common-sense approach that Christine Drazan would bring, and that's why I believe she can win and be successful in a blue state.

She would fully fund state police and increase the number of officers across Oregon, work to make sure violent criminals are held accountable, and crack down on the supply of deadly drugs such as fentanyl and the gangs that bring them into communities.

Few ideas have been more destructive to the U.S. in recent years than "defund the police." With violent crime rising across America and police recruitment, retention and morale at all-time lows, it's important that we begin reversing the damage by electing pro-law-enforcement leaders. Other Republican gubernatorial candidates, like Joe Lombardo in Nevada and Mark Ronchetti in New Mexico, are running great campaigns focused on supporting law enforcement, but a vote for change in Oregon would be heard all across the country.

I urge Oregonians to set their state and our nation on a new course by electing Christine Drazan.

Mr. Hogan, a Republican, is governor of Maryland.

BOOKSHELF | By Laura Vanderkam

Of Time And Happiness

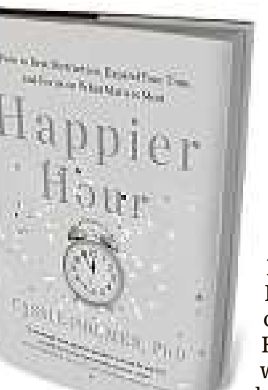
Happier Hour

By Cassie Holmes
(Gallery, 308 pages, $28.99)

Growing up, Cassie Holmes was known as "Little Miss Happiness." A cheerful outlook seemed to come naturally to her—or at least nothing in her life suggested that the world was anything but a sunny place.

Then, one fateful day, a week before she was to marry her childhood sweetheart—her wedding dress packed in her car for the trip she was about to take from Palo Alto, Calif., to San Diego, where the wedding was to take place—her cellphone rang: Her fiancé had abruptly decided to call things off. The experience left her humiliated and depressed. "I was confronted with the harsh reality that bad things happen," Ms. Holmes writes. "Feeling this depth of unhappiness forced me to realize that I shouldn't rely on my disposition to experience happiness going forward."

And so Ms. Holmes, a social psychologist and a professor at UCLA's Anderson School of Management, began studying exactly how people can make themselves feel better. "Knowing *what to do*—and practicing it over and over—is not only how grumps can overcome their muted daily enjoyment," she says, "but how all of us can get through even the toughest of situations." In "Happier Hour: How to Beat Distraction, Expand Your Time, and Focus on What Matters Most," Ms. Holmes engagingly conveys what she has learned from her study.



Happiness is a well-covered topic, and so Ms. Holmes has focused her research on how people can spend their time to boost well-being. One of the first misconceptions she tackles: that more free time is always better. Her analysis of time-use data and well-being finds that people are happiest with 2 to 5 hours of discretionary time per day—a nice reality check for anyone fantasizing about quitting a job to move to a tropical island. It is also a comforting statistic for those who, like Ms. Holmes, are raising young kids (in Ms. Holmes's case, with a different Prince Charming, who turned out to have more staying power than the first one). Two hours is achievable if 10 is not, and 10, it turns out, may not be better anyway.

Several financial studies have found that giving money away makes people feel happier than spending it on themselves, and Ms. Holmes has found that the same thing is true with time. When research subjects were either assigned to help edit a high-school student's essay for 15 minutes or allowed to leave the lab 15 minutes early, the subjects who helped with the editing later reported "having more 'spare time' than those who had received the fifteen minute windfall." While this finding may seem improbable, it points up the oddity of time perception. It's easy to tell yourself that, being busy, you have no time for anything else. It's harder to sustain that harried self-narrative when you feel effective and capable, which is what helping others accomplishes.

Ms. Holmes and her fellow researchers have also discovered that as people get older they tend to find a higher level of happiness in ordinary events (say, a walk with a friend) in contrast to younger people, who mostly see happiness boosts from extraordinary events (a great vacation or show). "Realizing their time is precious, people become more prone to savor even the simplest of moments," she writes, which suggests a mind trick for finding such moments more meaningful: Consider how many times you have done an activity and, rather than assuming it will be possible indefinitely, calculate how many times more you can reasonably expect it to happen again.

More free time isn't always better—a good reality check for anyone fantasizing about quitting a job to move to a tropical island.

Ms. Holmes tried this approach after once admonishing her son to hurry up when he had literally stopped to smell the roses on the way to preschool. Since she walked her son to preschool almost every day, she thought of it as an everyday activity, and she adapted to it "as if we would continue to do it every day forever." But she hadn't counted. "I did not realize that on that very morning I was trying to get Leo to *hurry up*, we had already completed 80 percent of those preschool commutes," she writes. Better to enjoy the roses on the last 20%.

While Ms. Holmes has plenty of ideas, most of them aren't exactly shocking—they're the sort of counsel and advice your wise grandmother might dole out. Spend more time with friends and less time on your phone. Don't let a lack of confidence stand in your way. Think about what people might say in your eulogy to help direct your time now to actions that matter. Make a point of deliberately planning how you'd like to spend your time in order to boost the chances that you actually spend your time in that way.

However commonplace they may seem, such nudges—delivered in this friendly read with earnestness and sometimes wistfulness—are good reminders. When it comes to time and creating a good schedule, "you are the artist," Ms. Holmes writes. "You're not just an observer, subject to passive viewing. This is *your time*. . . . The mosaic you create is the magnificent life that *you* get to live."

Sometimes even small changes can make a difference. For instance, after tracking her time and her moods, Ms. Holmes came to realize how stressful and unpleasant she found certain faculty meetings that she was required to attend. So now, whenever she sees this dreaded activity looming, she schedules a preferred activity immediately afterward to cheer her up—in her case, a walk to get tea with a colleague. It's a smart idea for anyone to try, given that life will always include episodes and events that almost seem designed to lower our spirits. "Happiness is a choice," she writes. "How we decide to approach our hours and spend our days determines the happiness we get to enjoy in life."

Ms. Vanderkam is the author of "168 Hours: You Have More Time Than You Think" and the forthcoming "Tranquility by Tuesday: 9 Ways to Calm the Chaos and Make Time for What Matters."

OPINION

REVIEW & OUTLOOK

Jackson's Water Woes Explained

The Mississippi city is another example of failed local government.

It's inevitable these days that any urban calamity immediately becomes a progressive parable of systemic racism and "anti-government ideology," as one columnist put it. That's been the media spin after last week's failure of a water treatment plant in Jackson, Miss., but the truth isn't that simple. This is another local government failure of the kind that is becoming all too common in America's cities.

Mississippi Gov. Tate Reeves said Monday that "we have returned water pressure to the city," but Jackson residents suffered a week without a reliable water supply after flooding of the Pearl River overwhelmed the 30-year-old O.B. Curtis water treatment plant. Much of the blame belongs to chronic mismanagement by elected officials in the city of about 150,000, which is also the state capital.

* * *

Ensuring safe and reliable drinking water is fundamentally a local responsibility under the U.S. federalist system, with the state and federal government providing some oversight. But many cities like Jackson are struggling to perform this core government responsibility.

Jackson's water woes aren't new. In 2014, 90% of city voters approved a one percentage-point increase in the sales tax in part to fund water and sewer repairs. In the past nine years, the city has allocated nearly $490 million from its capital budget to water and sewers—about $3,200 per resident. But much of the money hasn't been well spent, and the city's water problems have worsened.

In the month before the flood, Jackson residents were under a boil-water notice—a frequent occurrence in the city—due to failed pumps at the Curtis plant. In April 2021, an electrical fire caused the plant to temporarily shut down, and a winter storm that year also interrupted the water supply for many residents for weeks. The city's progressive mayor, Democrat Chokwe Lumumba, blames white state Republicans for not providing sufficient funding.

Yet the state made available nearly $170 million in loans and grants from 2016 to 2021 for Jackson's water and sewer infrastructure. Earlier this year, Mr. Lumumba grumbled when the state offered another $25 million from federal American Rescue Plan Act funds because lawmakers insisted on exercising oversight on how the money was spent. The state had good reason.

In March 2020, the federal Environmental Protection Agency issued an Emergency Administrative Order to Jackson citing conditions "that present an imminent and substantial endangerment to the persons served" by the water system. The city had "failed to perform filter maintenance" at both of its water treatment plants, EPA noted. Jackson residents say the city doesn't respond to calls when pipes burst or sewage backs up in their homes.

The progressive media narrative is that Jackson's problems are the inevitable result of whites fleeing the predominantly black city, resulting in a shrinking of the local tax base. But many blacks have been escaping too. Blame lousy schools and infrastructure and a homicide rate that is among the highest in the U.S. In any case, city revenue increased to $264 million from $242 million between 2018 and 2020. Yet the city's water and sewage disposal system ran $27 million in operating deficits during that time.

Uncollected bills are one problem. Faulty meters installed under a $90 million contract with Siemens in 2013 have resulted in the city losing as much as $1.8 million a month, according to the Jackson Water Sewer Business Administration. In March 2020 as Covid hit, the state imposed a two-month moratorium on water shutoffs owing to unpaid bills. But the city maintained a moratorium until September 2021, which meant the city collected less money to fund repairs.

* * *

Jackson's competence problems read like those in Detroit and Flint, Mich. State receiverships helped fix their chronic fiscal and management problems, and this is an idea worth considering for Jackson. Gov. Reeves has promised to cover half the costs of the repairs for the current crisis, but Jackson needs more help than money alone can provide.

Herbert V. Kohler Jr.

He made plumbing fixtures 'a work of art' and Wisconsin a golf destination.

Family businesses that grow into giant firms yet stay family-owned are rarities these days. One of the most enduring and successful is the Kohler Co., the power and plumbing fixtures firm based in its namesake Wisconsin village, thanks to the efforts and vision of former CEO Herbert Kohler Jr., who died Saturday at age 83.

The Kohler company was founded in 1873 by Herb Kohler's grandfather, Austrian immigrant John Michael Kohler. Herb Kohler took over in 1972 when the company had some $160 million in annual revenue and expanded it into a global business with nearly $6 billion in revenue when he stepped down as CEO in 2015.

Herb Kohler turned the company from its utilitarian roots into one that stressed design as well as functionality in its bathroom and kitchen fixtures. His son David succeeded Herb as CEO. The company's success is a reminder that old manufacturing businesses can succeed by adapting to new tastes and the demands of the marketplace.

Herb Kohler is less well known as the man who put his corner of Wisconsin—half way between Milwaukee and Green Bay near Sheboygan—on the map as a global golf destination. With the help of designer Pete Dye, Kohler took a stretch of farmland and an abandoned airfield and developed several courses that attract golfers from around the country and world.

Whistling Straits, a Scottish links-style course on the Lake Michigan shore, hosted the Ryder Cup in 2021 and has also hosted three PGA tournaments, one of professional golf's four major annual men's championships.

As the Chicago Tribune once put it, "The likelihood of turning this vast rural farmland into a golf mecca is about the same as making a toilet a work of art. Herbert Kohler can now say he has done both."

Starting a successful business is enormously difficult, but keeping a U.S. manufacturing firm flourishing in the latter half of the 20th and early 21st centuries was arguably even harder. Herb Kohler could say he did that too.

Liz Truss to the British Rescue

Britain's new leader faces an energy crisis and failing economy.

Liz Truss won the job of British Prime Minister Monday, and now we'll see if she can lift her Conservative Party and country out of the economic and energy mess into which Prime Minister Boris Johnson has driven it.

Ms. Truss defeated rival former Chancellor Rishi Sunak 57%-43% by rallying the rank and file behind her with a Thatcherite economic message the party and U.K. haven't heard from the Conservatives in years. Tax cuts top her agenda, including a reversal of Mr. Johnson's 2.5-percentage-point payroll-tax increase and planned increase in the corporate tax rate to 26% from 19%.

More important than the specific policies, however, has been Ms. Truss's emphasis that economic growth rather than income redistribution can solve Britain's problems, and that private enterprise can do it better than government direction. She also pushed back against the woke pieties that have swept United Kingdom media and academic elites almost as thoroughly as they have America's.

That marks a major break from the last 12 years of Tory governance. Starting with Prime Minister David Cameron, the party began a leftward tilt that culminated in the fiasco of Mr. Johnson's tenure. He won a historic parliamentary majority in 2019's election on a pledge to finalize Britain's departure from the European Union. But the rest of his agenda consisted of ruinous climate pledges and tax increases.

The mistake was for the Tories to turn themselves into another party of redistribution instead of standing as Britain's party of prosperity. The prosperity is evaporating as Britain becomes the worst-performing major economy. Opinion polls suggest voters trust the opposition Labour Party more on redistribution.

The danger is that time may be too short for Ms. Truss to execute a turnaround before a national election due by 2024. Her immediate challenge will be soaring energy prices that promise a winter of hardship.

Ms. Truss seems to be leaning toward caps on energy prices, which would be a mistake. Once imposed they are hard to lift and they distort supply and demand. The least awful among bad short-term policy options is a support program for households and small businesses, amounting to handouts of tens of billions of pounds. As for a longer-term solution, Ms. Truss supports more domestic energy production via shale fracking and drilling in the North Sea, but she has yet to disavow Mr. Johnson's net-zero carbon emissions goal that deters energy investment.

Ms. Truss's tax-rate cuts are a good economic start. But Britain needs a deeper reform of the tax system to weed out myriad awful incentives that deter investment and job creation, such as steep taxes on business premises. It also hasn't tapped its Brexit dividend by overhauling economic regulations. Ms. Truss will have to persuade recalcitrant Tory lawmakers who have grown comfortable with the redistributionist and woke state.

The main charge against Ms. Truss is that her agenda is fiscally reckless. But the Tory status quo has failed miserably and it would be reckless for the country and political malpractice to keep doing the same thing. Wish the new Prime Minister luck, because she is going to need it.

LETTERS TO THE EDITOR

Weingarten Responds on Covid School Closures

As a union leader in the public eye, I'm used to enduring attacks from your editorial page ("Randi Weingarten Flunks the Pandemic," Review and Outlook, Sept. 2). But I'd suggest you also listen to the teachers who gave their all to help students and families weather a global pandemic that killed a million Americans and orphaned 200,000 kids.

No teacher I know enjoyed remote and hybrid learning—which, before the pandemic, was championed by Betsy DeVos. Not one teacher relished teaching art class via Zoom to 40 pupils, 20 of them in a classroom and 20 at home.

While former President Donald Trump and his education secretary, Ms. DeVos, ranted and raved, their successors put the safety measures in place to get reopening done. The American Rescue Plan, which every Republican in Congress voted against, is our vehicle to accelerate learning so kids can recover and thrive. Rather than divide and distract, politicians of all stripes should focus on what children need, from reading, math and music to mental-health support and pathways to careers and colleges. Teachers deserve our ear and our help, not shame and blame.

Randi Weingarten
President, American Federation of Teachers
Washington

While clearly the policies enacted during the Covid outbreak made learning suboptimal, it is not the teachers unions that are to blame. Unions serve their members, not the greater society. The school and political leaders who agreed to the union demand to shut the schools should be held responsible for the poor learning results.

Stephen Horwitz
Bethesda, Md.

Is This the Best That Government Can Do?

Bravo for your editorial "Lina Khan's Merger Metaverse" (Aug. 30). Readers deserve to know that the Federal Trade Commission is attempting to resurrect "actual potential competition" zombies that were buried by the courts long ago and should remain in their crypts.

I litigated the last potential-competition cases more than 40 years ago against a Justice Department bent on stopping bank mergers. Those cases represented policy-driven hopes that a massive government lawsuit unsupported by the law or evidence would scare off private companies uninterested in protracted litigation. Luckily, several banks were willing to endure the pain to establish the law.

During the trials, I saw judges roll their eyes when the government sought to prove that if the target company, which was not competing in the market, was acquired by a company that was competing in the market, the loss of the target company's theoretical influence on competition in the market would harm consumers. Really? The government could hardly describe the theory in its pleadings and appearances in fewer than 100 words. That's all you need to know about the actual-potential-competition theory.

You should also note the irony that these new cases represent. Big Tech has gobbled up the universe over the past 25 years, and now its sights are set on the metaverse, and the best that the government can do is roll out a discredited theory of law? It's probably time to update the antitrust laws to accommodate virtual reality, but good luck getting Congress to do that.

Thomas P. Vartanian
McLean, Va.

Homeowners Protect Themselves From Fires

Regarding "Getting to 'Guilty' for 84 Wildfire Deaths" (Exchange, Aug. 27) about PG&E Corp.'s liability resulting from the 2018 Camp Fire: A photo shows that while the houses are piles of ash, trees surrounding them are still standing and mostly green. The few that are brown have been scorched from the radiant heat from houses that went up in flames. The houses burned while the forest around them survived.

This has engendered a crusade of sorts in fire-prone areas in California and other parts of the West. It's called home hardening, and the program developed by the National Fire Protection Association recognizes that most homes in wildland fires ignite not from a wall of flames but from wind-driven embers. Through NFPA inspections, ember-entry points and other ignition sources are sealed or removed. A list of simple and inexpensive steps can be done by the homeowners themselves. This might mean installing a fine-screen mesh over existing vents or removing a woodpile leaning against the house. Over half of structures can therefore be prevented from igniting, which in turn means residents can evacuate with a degree of assurance that their homes will still be standing when they return. Many cities offer these inspections free of charge.

Scott Dittrich
NFPA inspector
Malibu, Calif.

Income Inequality on Top and Equality at the Bottom

It is good to see economists finally address the matter of income inequality using income after taxes and transfer payments to analyze the distribution of household income ("Income Equality, Not Inequality, Is the Problem," op-ed, Aug. 30). This tells the true story, and Phil Gramm and John Early should be commended. I would hope that they might also publish the same analysis for the top two income quintiles and the top 1%. They would find that the matter of income distribution is really a two-headed monster: too much inequality at the top and too little inequality in the middle.

Charles L. Ladner
Newtown Square, Pa.

In a 2014 book, Jonathan Godbey and I described "the ditch": an area of income at which lower-income households had a higher standard of living than middle-income households, due to entitlements and refundable tax credits. At the time, making more than $29,000 pushed a family of four into the ditch, where families would remain until income reached roughly $50,000. While in the ditch, the household made less than the four-person household making $29,000. The tax and entitlement systems also combine to encourage single parenthood.

Allen Buckley
Atlanta

In Financial Services, the Consumer Is Still in Charge

Dan Morenoff's likening of the largest investment shops to the Teddy Roosevelt era is far-fetched ("Break Up the ESG Investing Giants," op-ed, Sept. 1). Led by Vanguard, these firms have continually lowered the cost of investing for the American public. I am a lifelong Vanguard investor (and a former employee) because I choose to be. I am not a captive audience of a Roosevelt-era monopolistic firm that is trying to separate me from my money. I can have my money elsewhere in 24 hours. I vote with my wallet.

Mr. Morenoff says that these firms should be dissolved. As individual investors would likely lose tens of billions from the loss of economies of scale that the Big Three provide, would he personally be willing to make up the difference?

Martin Riehl
Downingtown, Pa.

Let's Learn From Gorbachev

I have always felt that Mikhail Gorbachev was one of the greatest heroes of the 20th century ("Mikhail Gorbachev," Review & Outlook, Aug. 31). Here was a leader who looked at the facts and bravely decided to dismiss a failed economic system, regardless of the decades he spent promoting it, and reduced his own political power, purely because it was the right thing to do for his countrymen. When was the last time you saw a politician do that?

Ari Weitzner
New York

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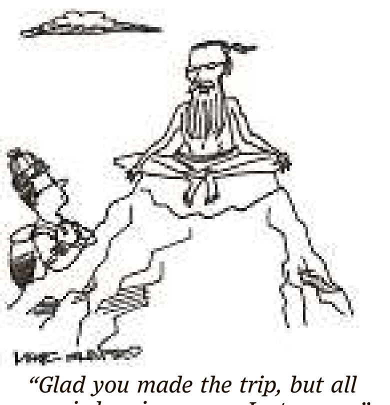
Pepper ... And Salt

THE WALL STREET JOURNAL



"Glad you made the trip, but all my wisdom is now on Instagram."

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Inflation Catches the Pentagon Flat-Footed

By Mackenzie Eaglen And John Ferrari

After dismissing congressional concerns for months, Pentagon leaders recently issued guidance to troops on how to cope with inflation eating their paychecks. Army leaders suggested soldiers and their families consider going on food stamps or talk to an Army-provided financial adviser.

What they need is more money. The Defense Department's flat-footed response to inflation will result in a real—and cumulative—pay cut for service members. This won't ease the crisis in military recruiting. The armed forces are likely to miss recruitment targets again next year, and therefore shrink at a time of heightened global risks.

By using rosy assumptions about prices, officials have ended up hurting both readiness and troops.

Pentagon leaders stuck to rosy inflation assumptions for far too long and against the advice of others. In a memo to Congress in May, Pentagon Comptroller Michael McCord and the service secretaries made clear that the Defense Department wasn't tracking inflation's effects in budget execution, forecasts weren't being updated with new data, and no inflation adjustments were made to the president's budget request.

As a result, the department estimated inflation for fiscal 2022 at only 3.9%, using the gross domestic product chain-type price index, which measures changes in prices for all goods and services in the economy. New data from the Bureau of Economic Analysis suggests that inflation is 8.9%.

But it's actually worse. The Pentagon may be experiencing even higher inflation than the overall economy, according to the new measure of inflation that the Bureau of Labor Statistics released in June, the Producer Price Index. For government defense purchases, the PPI clocked July year-over-year inflation at 13.6%.

With a request of $773 billion for next year, the PPI number would mean that the Pentagon's assumptions are off by about $70 billion according to our math. Hardly a rounding error.

Although the House and Senate have added money in their defense bills, $7.1 billion and $21.2 billion respectively, raging inflation means troops and their families will lose $8.7 billion in buying power this year. Since January 2021, service members will have received a 3% raise (2021), a 2.7% raise (2022), and a 4.6% raise (2023 projected)—but none of these will let them clear inflation. Uniformed personnel are facing a real pay cut of 12.5% by our estimate.

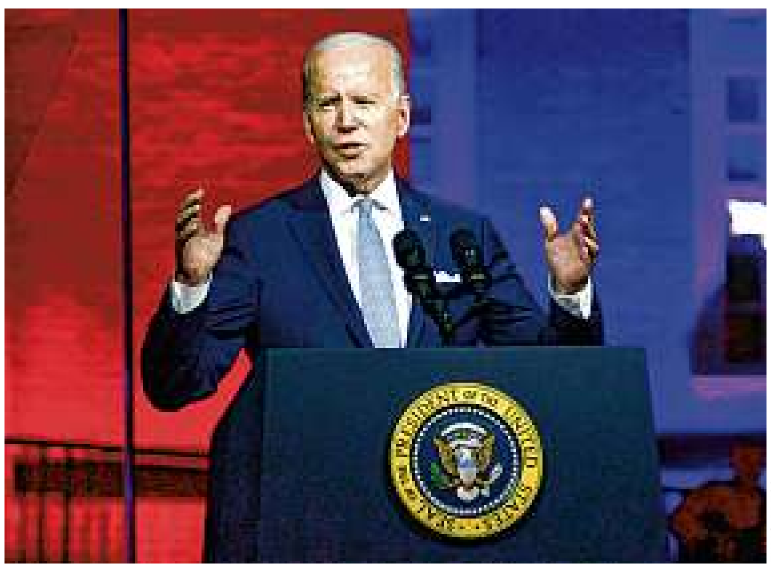
The Pentagon did all this over the protestations of Congress. Knowing the Defense Department was misjudging inflation, all four defense committees on Capitol Hill were left to estimate their own inflation numbers. When Congress asked how it could help the military cope with inflation, Pentagon leaders said no financial help was needed.

Having already added more money to the defense budget than President Biden requested, Congress will have to appropriate even more to save America's troops from the Defense Department's negligence. It's the only way to get troops and their families the financial lifeline they need.

Ms. Eaglen is a senior fellow at the American Enterprise Institute. Mr. Ferrari, a retired U.S. Army major general, is a visiting fellow at AEI.

The Left Gets Fascism Backward

By Lance Morrow



ZUMA PRESS

The Democrats have the "fascist" business wrong. Donald Trump isn't a fascist, or even a semi-fascist, in President Biden's term. Mr. Trump is an opportunist. His ideology is coextensive with his temperament: In both, he is an anarcho-narcissist. He is Elmer Gantry, or the Music Man, if Harold Hill had been trained in the black arts by Roy Cohn. He is what you might get by crossing the Wizard of Oz with Willie Sutton, who explained that he robbed banks because "that's where the money is."

As for Mr. Trump's followers, they belong to the Church of American Nostalgia. They are Norman Rockwellians, or Eisenhowerites. They regard themselves, not without reason, as the last sane Americans. You might think of them as American masculinity in exile; like James Fenimore Cooper's Natty Bumppo, living in the forest has made their manners rough.

If there are fascists in America these days, they are apt to be found among the tribes of the left. They are Mr. Biden and his people (including the lion's share of the media), whose opinions have, since Jan. 6, 2021, hardened into absolute faith that any party or political belief system except their own is illegitimate—impermissible, inhuman, monstrous and (a nice touch) a threat to democracy. The evolution of their overprivileged emotions—their sentimentality gone fanatic—has led them, in 2022, to embrace Mussolini's formula: "All within the state, nothing outside the state, nothing against the state." Or against the party. (People forget, if they ever knew it, that both Hitler and Mussolini began as socialists.) The state and the Democratic Party must speak and act as one, suppressing all dissent. America must conform to the orthodoxy—to the Chinese finger-traps of diversity-or-else and open borders—and rejoice in mandatory drag shows and all such theater of "gender." Meantime, their man in the White House invokes emergency powers to forgive student debt and their thinkers wonder whether the Constitution and the separation of powers are all they're cracked up to be.

Mr. Trump and his followers, believe it or not, are essentially anti-fascists: They want the state to stand aside, to impose the least possible interference and allow market forces and entrepreneurial energies to work. Freedom isn't fascism. Mr. Biden and his vast tribe are essentially enemies of freedom, although most of them haven't thought the matter through. Freedom, the essential American value, isn't on their minds. They desire maximum—that is, total—state or party control of all aspects of American life, including what people say and think. Seventy-four years after George Orwell wrote "1984," such control (by way of surveillance cameras, social-media companies and the Internal Revenue Service, now to be shockingly augmented by 87,000 new employees) is entirely feasible. The left yearns for power and authoritarian order. It is Faust's bargain; freedom is forfeit.

Biden's Democrats seek a one-party state. Trump's followers want freedom from government power.

Mr. Trump, the canniest showman in the White House since Franklin D. Roosevelt, introduced into 21st-century politics what seemed to be new idioms of hatred, a freestyle candor of the id. Doing so, he provoked his enemies—and finally Mr. Biden—to respond in kind: a big mistake. In the early 1950s, when Sen. Joseph McCarthy was loose in the land, and roughly half the country supported his anti-communist inquisition, President Eisenhower wisely decided, "I will not get into the gutter with this guy." It took a while for McCarthy to implode.

When Mr. Biden spoke in Philadelphia the other night, he might have been thinking of FDR's speech at Madison Square Garden on the night of Oct. 31, 1936, at the end of his presidential campaign against Alf Landon—and, by the way, three months before he tried to pack the Supreme Court. That night, Roosevelt boasted that his enemies (Republicans, plutocrats, et al.) "are unanimous in their hate for me." With a flourish, he added, "I welcome their hatred!"

Americans, lamenting the divisions of 2022 and, some of them, entertaining fantasies of a new civil war, should refresh their historical memories. The country has been bitterly divided against itself any number of times. The hatreds and convulsions of the 1930s (the era of Huey Long and Father Charles Coughlin and the Silver Shirts, of homegrown tribes of Trotskyists and Stalinists) culminated in the ferocious battle between isolationists and internationalists that lasted until the Sunday morning of Pearl Harbor.

The motif of political hatred returned to America almost as soon as World War II ended. The Alger Hiss case of 1948 warmed up the enmities, and McCarthy blew on the coals and turned half of the country against the other half. Such hatred seems cyclical. The 1960s (assassinations, civil rights battles, urban riots, the Vietnam War) had Americans at one another's throats again. Those eruptions of political rage occurred in the years when the baby boomers and Joe Biden (who was a few years older) came of age and acquired their idea of what America is all about.

That night in 1936, Roosevelt, warming to the language of hatred, suggested that his enemies should get out of the country: "Let them emigrate and try their lot under some foreign flag." Mr. Biden—who, as he spoke in Philadelphia, was bathed in a lurid red light that seemed, as it were, ineptly theological—was content to cast his foes into outer darkness.

Mr. Morrow is a senior fellow at the Ethics and Public Policy Center. His latest book is "The Noise of Typewriters: Remembering Journalism," forthcoming in January.

Can Britain's Conservatives Find Their Way Again?

FREE EXPRESSION
By Gerard Baker

Inflation may not be transitory but being leader of the U.K. surely is. For the third time in six years Britain has a new prime minister. A pace of turnover that superior Brits once sneered at as reflecting Balkan-level instability is now routine for Her Majesty's Government.

Margaret Thatcher lasted more than 11 years in 10 Downing Street; Tony Blair managed a decade. Neither was ever rejected by the British people in that quaint exercise in popular democracy known as a general election. Both won thumping majorities three times and then succumbed to the impatience and ambition of parliamentary colleagues who, in their wisdom, ousted them midterm and replaced them with nonentities who were—sooner or later—rejected at the polls.

Will the latest gamble pay off any better? Having removed Boris Johnson in the early summer amid angst about his disorderly behavior, Conservative members of Parliament hope a change at the top will see them through one of the most challenging periods any British leader has faced.

The woman (yes, the party of supposed patriarchal bigots has elevated another one) who travels to Balmoral Castle in Scotland on Tuesday to receive her prime ministerial commission from an ailing Queen Elizabeth is Liz Truss, now foreign secretary. After a lengthy qualifying tournament in which parliamentarians eliminated a succession of candidates, Ms. Truss beat her rival, former Chancellor of the Exchequer Rishi Sunak, in the runoff among the party's 150,000 regular members.

Ms. Truss won for two main reasons, one that will have no lasting significance and one that will likely determine the success of not only her government but post-Brexit Britain.

The first was simmering resentment among Conservative rank and file at Mr. Johnson's ouster. The tousle-haired bombshell was always more liked by activists than by his fellow members of Parliament. It was in part Mr. Sunak who precipitated the palace coup. When the house lights went up, the treacherous former sidekick was standing there, the blood still warm on his switchblade. Ms. Truss had remained cannily loyal. Or at least offstage, out of sight.

Mr. Johnson, a sublime opportunist, has hinted he may stick around, but there are no second acts for ousted party leaders in Britain, and the former journalist will surely find more rewarding openings for his colorful brand of entertainment.

The second—and more important—reason is frustration among Conservatives that the party has lost its way over 12 years in power. That's not to say there is no difference between the Conservative Party and the opposition. If Jeremy Corbyn's Labour had won in 2019, Britain would by now be well on the path to Soviet-style socialism. But the Conservatives in the past few years have been swept along on the progressive tide rolling relentlessly over the West's landscape. Mr. Johnson deserves credit for cutting the Gordian knot of Brexit, but the defining qualities of the past three leaders—the slick PR emptiness of David Cameron, the genteel futility of Theresa May and the pyrotechnic amorality of Mr. Johnson—have proved no match for the ravenous maw of the modern ideological orthodoxy.

Bowing to the gods of an ever-expanding public sector and welfare state, they have raised the tax take of national income to its highest level in 70 years. They have subscribed eagerly to climate extremism, imposing punishing regulations on businesses. They have proved reliable facilitators of the continuing woke revolution in culture, art and science. They imposed highly restrictive Covid lockdowns and mandates with happy abandon.

Liz Truss campaigned on low taxes, production of energy, and a repudiation of wokeness in culture.

Ms. Truss spent her leadership campaign repudiating all this. While Mr. Sunak warned of fiscal fragility, she promised big tax cuts, saying she favors growth over redistribution. She spoke of bolstering energy production. She swore never to impose lockdowns again. She has enthusiastically bashed the progressive cultural hegemony of the media and academia.

Can she deliver? Doubts linger about her credentials. She is something of a chameleon herself, a pacifist Liberal Democrat in early adulthood who voted in 2016 to remain in the European Union but now speaks like the idealized progeny of Ronald Reagan and Thatcher and stands, Boudica-like, as a fervent British nationalist.

But those close to her insist her ideology is consistent—a distrust of big government being the defining theme. The challenges, however, are daunting. She faces a winter of stratospheric energy prices, wider inflation and the prospect of strikes for higher pay. If she is bold enough to make good on her promises of massive fiscal support against an unprecedented fuel crisis, along with her promised tax cuts, the fiscal impact—and possible financial market reaction—could be brutal. Anticipation of her munificence has already helped push the pound sterling near a multidecade low against the dollar.

Above all, she lacks a mandate, validation through a popular victory. She was backed by a minority of her party in Parliament and—for the first time in a Tory contest—failed to win an outright majority of party members. She must now work to win her own mandate by reviving a moribund conservatism.

Invest in the Future of Ukraine

By Volodymyr Zelensky

I told the World Economic Forum in May that I plan great leaps ahead for the postwar Ukrainian economy. I committed my administration to creating a favorable environment for investment that would make Ukraine the greatest growth opportunity in Europe since the end of World War II.

Today, with the introduction of Advantage Ukraine, I am delivering on that promise. I invite foreign investors and companies with ambition to see the advantage in investing in the future of Ukraine, and to recognize the tremendous growth potential our country presents. We have already identified options for more than $400 billion of potential investment, which reach from public-private partnerships to privatization and private ventures. With the support of the U.S. Agency for International Development, we have formed a project team of investment bankers and researchers, appointed by Ukraine's Economy Ministry, that will work with businesses interested in investing.

While Ukraine is recognized for its agriculture, the breadbasket of Europe, the nation is less well known for its leadership in science and technology. Our country has a growing, well-educated, English-speaking workforce with in-demand STEM capabilities. Today, Ukraine has more graduates with degrees in technology than most European countries, while 240,000 citizens are employed in the information-technology sector (this is forecast by the Ukrainian government to grow to 450,000 by 2024). Additionally, I am proud that Ukraine leads among central and eastern European countries in research and development and IT outsourcing.

It's a land of surprising opportunity, which aspires to become a major hub for information technology.

To create a safe, transparent environment for business engagement, Ukraine is pursuing investment guarantees from both the Group of Seven and the European Union, reforming the country's tax system, and establishing a strong new legal framework. Our country has already adopted rules and laws to allow companies to build transparent corporate structures, attract foreign investment more easily, and use additional mechanisms to protect intangible assets. Favorable conditions will allow us to establish Ukraine as a powerful IT hub and implement innovative business ideas quickly and effectively.

Ukrainians are grateful for the support we have received from around the world, but today I am writing not to ask for favors. Advantage Ukraine, our new program, outlines investment opportunities that will unleash the economic potential of Ukraine while delivering growth for those who have the vision to invest.

I stand by what I said in May, and I say it now with even greater conviction: Ukraine is a land of surprising opportunity. I personally invite you to be surprised by our potential and to invest in the future of Ukraine.

Mr. Zelensky is president of Ukraine.

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ALBERTO VALDES/ EPA-EFE / SHUTTERSTOCK

People who opposed Chile's draft constitution celebrated its rejection at the Las Condes commune in Santiago on Sunday.

Chile Leader Pivots to Center

Young leftist president must craft a more moderate constitution after voters reject draft

By Patricia Garip And Kejal Vyas

SANTIAGO, Chile—The country's young leftist president was laying the groundwork for a major political reset after voters overwhelmingly rejected a proposed constitution his supporters had endorsed.

In a referendum on Sunday, 62% of more than 13 million voters opposed the proposal that would have dramatically reined in Chile's market-oriented economy, while 38% favored it. Pre-election pollsters such as Cadem had predicted for months that voters would reject the draft, but not by such a wide margin.

President Gabriel Boric is now under pressure to shepherd the process of writing another constitution that is more moderate, in response to an earlier mandate by voters to replace the existing charter.

The 388-article proposal was designed to give the state a greater role in the economy and aimed to replace a constitution that originated in 1980 under former dictator Augusto Pinochet, though it has been amended dozens of times since the restoration of democracy in 1990.

The peso strengthened on Monday and the local stock market climbed as investors embraced the defeat of a proposal perceived as creating more barriers for business. Sergio Godoy, chief economist at Santiago-based brokerage firm STF Capital, said political negotiations on a new constitutional process have to get under way quickly to sustain these trends, as economic recession looms.

Getting concrete steps in place for the new constitutional-drafting process before the Sept. 11 anniversary of the 1973 military coup is an important test for Mr. Boric, said Leonardo Moreno, who leads the democracy-advocacy group Fundacion Avina in Chile. "It would be a true sign that Chile has healed from its past wounds," he said.

The draft charter called for Chile to be declared a "plurinational" state—with several nations in one. It aimed to grant indigenous groups overrepresentation in Congress and allow them to create separate justice systems, raising concerns about the principle of equality before the law. A proposed scrapping of the Senate sparked worries over balance of powers in government.

"This result should draw the attention of the political world to reflect on the silent majority…which prevailed over an extreme left that tried to capture the process," Sen. Felipe Kast of the center-right Evopoli party said, celebrating the outcome. "Today all sectors should act with a lot of humility and reflect on what Chile said [on Sunday] very clearly, that it wants change, but changes that are well done."

In an address after votes were tallied, Mr. Boric said he would work with legislators to quickly start another drafting process. He underscored a need for broader representation, and said he and his aides would spend the week consulting other political factions to determine the steps ahead.

"As president of the republic, I take this message with much humility," Mr. Boric said. "This decision demands our institutions and politicians to work with more drive, more dialogue, more respect and care until we get to a proposal that represents us all, that generates confidence and that unites us as a country," he added, holding his arms across his chest.

Mr. Boric is widely expected to usher in sweeping changes to his cabinet to facilitate political negotiations for the new constitutional convention that will be tasked with creating a fresh draft. Among those likely to be pushed out are former associates of Mr. Boric from his formative days as a student protester.

The 36-year-old took office in March, riding a wave of voter discontent with the center-right and center-left parties that had governed Chile for the past three decades.

One Suspect Dead In Canada Attacks

By Paul Vieira

OTTAWA—Canadian police said Monday one of the suspects in the weekend stabbing spree that killed 10 people in the western province of Saskatchewan was found dead, as police intensified their search for his 30-year-old brother.

The stabbing attacks—which also left 18 people injured—started early Sunday morning in an indigenous community about 300 miles north of Montana and occurred at 13 different locations. It was one of the deadliest murder rampages in recent Canadian history.

One of two suspects being sought in the attacks, 31-year-old Damien Sanderson, was found dead in heavily grassed territory of the James Smith Cree Nation, Royal Canadian Mounted Police said Monday.

Police believe his death wasn't the result of self-inflicted wounds, RCMP Assistant Commissioner Rhonda Blackmore said. She said police were still searching for Myles Sanderson, his brother, and police believe he has suffered injuries and is seeking medical help.

Ms. Blackmore said police couldn't say whether Myles Sanderson was a suspect in his brother's death. "It's an investigative avenue that we are following up on," she said.

She added that investigators have yet to establish a motive for the knife attacks.

Attempts to reach relatives of Myles Sanderson and Damien Sanderson have been unsuccessful over the past two days.

Earlier Monday, police had issued an arrest warrant for Myles Sanderson, who faces three charges of first-degree murder and one count of attempted murder. Police said further charges are anticipated as the investigation continues.

Police had filed one charge of first-degree murder against Damien Sanderson along with a count of attempted murder, and also issued a warrant for his arrest.

Saskatchewan is a largely rural province, known for its production of grains and oil-and-gas reserves, that is slightly smaller than Texas but home to more than one million people. The RCMP issued emergency alerts for Saskatchewan, as well as the neighboring western provinces of Alberta and Manitoba. The three provinces border on the U.S. states of Montana, North Dakota and Minnesota.

Police previously believed both Myles Sanderson and Damien Sanderson were last seen

Ten people were killed and 18 injured in the stabbing spree in Saskatchewan.

on Sunday in Regina, the capital of Saskatchewan, in a black Nissan sport-utility vehicle.

"We are still operating under the impression that Myles is in the city of Regina," said Evan Bray, chief of the Regina police force. Chief Bray said that up until Monday afternoon, police assumed both Sanderson brothers were in the provincial capital.

A spokeswoman for the James Smith Cree Nation declined to comment on how many community members had been killed or injured. She said community leaders were meeting with residents.

"As Canadians, we mourn with everyone affected by this tragic violence, and with the people of Saskatchewan," said Prime Minister Justin Trudeau.

Police said no infants or children were among those killed in the stabbing spree. The youngest victim, Ms. Blackmore said, was a person in the early 20s.

WORLD WATCH

DANIEL IRUNGU/SHUTTERSTOCK

Kenyan President-elect William Ruto, left, and running mate Rigathi Gachagua are set to take office.

ISRAEL

Military Says Soldier Shot Reporter in Error

An Israeli soldier likely shot Palestinian-American Al Jazeera reporter Shireen Abu Akleh by mistake in May, Israel's military said after facing pressure from the U.S. to release the results of its investigation into her killing.

Ms. Abu Akleh's death sparked a storm of criticism of the Israeli military and calls for accountability. Israeli officials had initially said they couldn't conclude who killed Ms. Abu Akleh after a routine arrest operation turned into a hectic urban battle with Palestinians in a crowded area of the West Bank city of Jenin.

A senior Israeli military official on Monday said the evidence indicated the lethal shots likely came from an Israeli military jeep with a clear line of vision to Ms. Abu Akleh's location.

"The most likely possibility is that she was mistakenly shot by an Israeli soldier, who of course did not identify her as a journalist," the official said.

Nabil Abu Rudeineh, the spokesman for Palestinian Authority President Mahmoud Abbas, called the Israeli investigation "a new Israeli attempt to evade responsibility," and said that the Palestinians would continue to seek accountability for her death, including through the International Criminal Court.

—Dov Lieber

KENYA

High Court Upholds Presidential Vote

The Supreme Court upheld William Ruto's victory in August's presidential election, rejecting claims by his main opponent that the vote was rigged.

In a unanimous ruling, the court turned away arguments by former Prime Minister Raila Odinga, 77 years old, and his supporters that Mr. Ruto, the 55-year-old current vice president, and his allies had manipulated the tallies and tinkered with voter-identification devices to fix the results.

The decision reinforced Kenya's standing as an island of stability in a region beset by despots, drought, militants and poverty.

Mr. Odinga, who had the backing of departing President Uhuru Kenyatta, chose to seek redress in the court and not the street, and the court resisted political pressure to find in his favor.

Hundreds of Mr. Ruto's supporters danced and cheered outside his Nairobi residence after the court announced its decision.

The East African country is a major American ally in the fight against al-Shabaab, al Qaeda's franchise in neighboring Somalia.

Major U.S. companies, such as **Alphabet** Inc., and **Microsoft** Corp., use Kenya as a base.

—Michael M. Phillips

AFGHANISTAN

Bomb Kills Two Staff Of Russian Embassy

Two employees of the Russian Embassy in Kabul were killed on Monday in an explosion near the mission, the Russian Foreign Ministry said.

According to the ministry, an unknown assailant set off an explosive device at around 10:50 a.m. local time at the entrance to the consular section of the embassy. Kabul police said four Afghan citizens were killed and 10 others injured.

Detectives from Russia's Investigative Committee, the country's main investigative agency, said preliminary information confirmed that the two Russians killed were the embassy's second secretary and an embassy security guard.

The attacker was killed by Taliban security personnel guarding the embassy before he could reach the embassy's main gate, Kabul police said.

Late Monday, the Taliban's jihadist rival, Islamic State, claimed responsibility for the attack, according to SITE Intelligence Group, which tracks online extremist activity.

"Of course, we are talking about a terrorist act," Kremlin spokesman Dmitry Peskov told reporters on Monday. "We strongly condemn such terrorist acts."

—Ann M. Simmons and Esmatullah Kohsar

TECHNOLOGY: CHINESE E-COMMERCE COMPANIES SUFFER AS CONSUMERS CUT BACK B4

BUSINESS & FINANCE

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EY Leaders Expected to Back Split

By Jean Eaglesham

Ernst & Young's leaders are expected this week to give the green light to splitting its auditing and consulting businesses, paving the way for the biggest shake-up in the accounting profession in more than 20 years, according to people familiar with the matter.

The accounting giant's global executive committee, which oversees the firm's 312,000-person worldwide network, met on Labor Day to put the finishing touches to the plan for a worldwide breakup, the people familiar with the matter said. The committee is expected to approve the plan later this week, which will trigger votes on the deal by EY's roughly 13,000 partners, who stand to make windfalls averaging more than a million dollars each.

The split, penciled in for late next year, would separate EY's accountants who check the books of companies such as Amazon Inc. from its faster-growing consulting business of advising on technology, deals and other issues.

EY's move could radically reshape the accounting landscape if it goes to plan, industry watchers said.

An EY spokeswoman said that discussions were continuing and that "at this time, no decision has been made on moving to the next phase."

EY is one of the Big Four firms that dominate auditing in major financial markets and whose multibillion-dollar consulting arms compete with Accenture PLC and International Business Machines Corp.

> The global executive committee met to put finishing touches to the plan.

"There's a good chance it will cause other big firms to follow suit," said Martin White, a senior analyst at Source Global Research, a consulting-industry research company. "Who doesn't want a massive payday if you think it's there and it's not going to cause [your business] longer-term harm?"

EY's rivals say they intend to keep auditing and consulting under one roof. Deloitte held exploratory talks with bankers after news of the EY plan emerged, The Wall Street Journal reported, but says it isn't planning a split. A spokesman said Deloitte "will not separate and split our businesses and we will not monetize our collective life's work." KPMG said its current model brings a "range of benefits," and PricewaterhouseCoopers said it is "fully committed" to its multidisciplinary strategy.

EY's planned split would divide its $45 billion-revenue global network roughly 60:40 between the consulting business and the audit-focused partnership, which would retain the EY brand, according to a May version of the proposal reviewed by the Journal. The new consulting company was forecast to raise some $10 billion to the public at the time of the split, in addition to borrowing $17 billion to help fund partner payouts.

EY's partners have a strong financial inducement to back

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Bed Bath Tragedy Follows Shake-Up

By Suzanne Kapner And Nina Trentmann

The death of **Bed Bath & Beyond** Inc.'s chief financial officer comes as the retailer has lost several members of its finance team and senior executives who could temporarily step into the role for the holiday season.

The unprofitable company is expected to move quickly to reassure investors by appointing an interim finance chief, possibly before the U.S. stock market reopens after the Labor Day holiday weekend, recruiters and analysts said. Bed Bath & Beyond declined to comment.

Gustavo Arnal died Friday by suicide just days after he had briefed investors on the company's restructuring efforts and closed a financing deal that gave the company about $500 million in cash. As part of the restructuring, the company said last week two more senior executives—its chief operating officer and chief stores officer—were leaving.

Those departures follow a management shake-up that started June 29 when Chief Executive Mark Tritton and Chief Merchandising Officer Joe Hartsig left the home-goods seller after it reported plunging sales and deep losses. The following day the company said its chief accounting officer, John Barresi, who reported to Mr. Arnal, had resigned.

Mr. Arnal was one of the few senior executives to stay in his role during a time of tumult for the company, and several members of his finance team have either left or recently been promoted into their roles. This new team faces the task of completing the accounting for the company's results and work to reassure vendors and lenders about its operations.

Pressured by shrinking sales, Bed Bath & Beyond has been burning through its cash

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Ocean Shipping Rates Plunged 60% This Year

By Costas Paris

Freight rates on the main ocean trade routes are sinking during what is typically the industry's peak season after cargo owners shipped holiday goods early and inflation dented consumer demand.

The cost to ship a 40-foot container from China to the U.S. West Coast now stands around $5,400 a box, down 60% from January, according to the Freightos Baltic Index. A container shipped from Asia to Europe costs $9,000, 42% less than at the start of the year. The rate for both routes, while still above prepandemic levels, peaked at more than $20,000 last September.

Market conditions have made a sharp reversal from earlier in the pandemic. Freight rates jumped roughly 10-fold in 2021 because supply-chain disruptions, port backlogs and a surge of cargo left importers scrambling for space on box ships. Some big retailers such as **Walmart** Inc. chartered vessels to get around bottlenecks last year.

This year, Walmart and other retailers ended up with too much inventory after they raced to import goods earlier than usual, anticipating shipping delays and demand that didn't materialize. Manufacturers, too, moved goods earlier than usual. Apparel sellers such as **Gap** Inc. and toy makers including **Hasbro** Inc. reported spring surges in inventory levels that normally occur closer to the holidays.

"For spot rates, the party is over," said Jonathan Roach, a container shipping analyst at London-based Braemar. "The backdrop of a potential global recession, driven by surging energy prices and rapid inflation, is driving down the market. The pandemic boom in demand for consumer products has calmed and spending on travel, leisure, and services made a revival in 2021."

Shipping rates are set to further ease for the remainder of the year and in 2023, according to shipowners and analysts. A series of new ships will hit the water over the next two years with net fleet growth expected to exceed 9% next year and in 2024. By comparison, container volume growth will be marginally negative next year and rise around 2% in 2024, according to Braemar.

Best Buy Co. Chief Executive Corie Barry said in an earnings call last Tuesday that freight-transportation cost pressures are easing. She said the electronics retailer, whose sales are shrinking, is finding it easier to get freight space on ships and trucks.

"This is really a nonpeak season because for the first time ever, volumes moved in the second half are lower than those moved in the first half," said Peter Sand, chief analyst at maritime-data provider Xeneta. "There is a lot of uncertainty given the continued war in Ukraine and the global eco-

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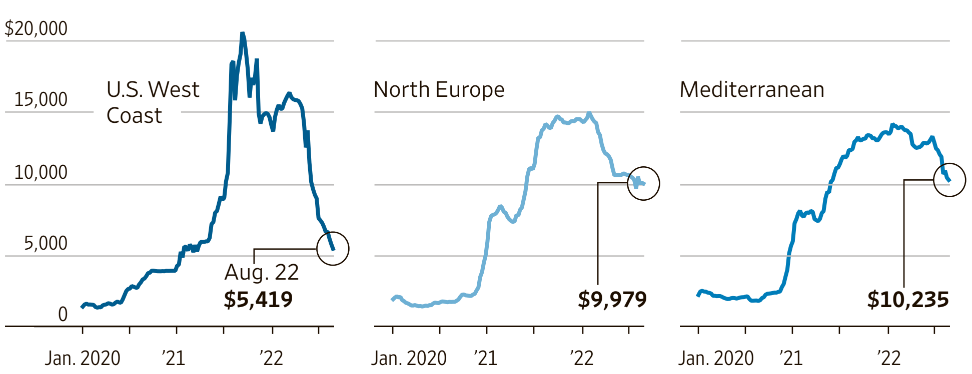
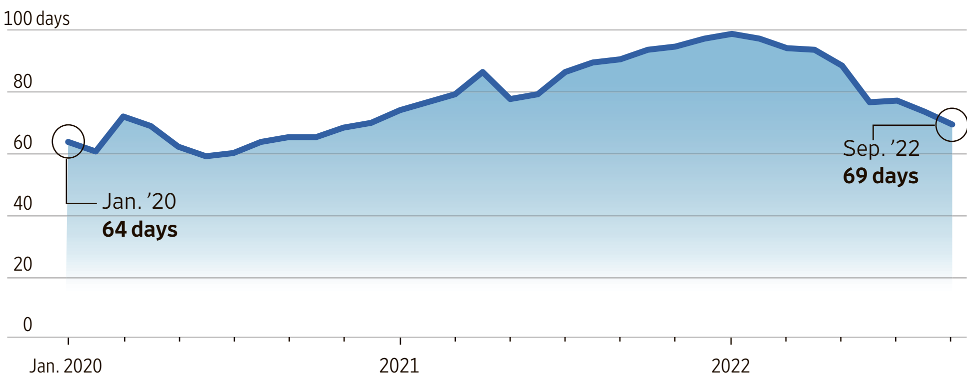
Average rates for shipping from China to the U.S. West Coast, North Europe and Mediterranean



Number of days for cargo delivered by ship to reach destination port



Source: Freightos

CVS Wagers $8 Billion On Home Healthcare

By Sharon Terlep

CVS Health Corp. is betting $8 billion that the house call is the future of healthcare.

The drugstore giant's deal to acquire home-healthcare company **Signify Health** Inc., announced Monday, will add 10,000 contracted doctors and clinicians and give CVS a hand in coordinating medical care for millions of Americans.

CVS, the nation's biggest healthcare company by revenue, said that it agreed to acquire Signify for $30.50 a share in an all-cash deal, confirming earlier Wall Street Journal reports. CVS said it expects the deal, finalized over the weekend after a sales process that drew interest from companies from Amazon.com Inc. to UnitedHealth Group Inc., to close in the first half of 2023.

CVS for years has worked to transform itself from a pharmacy chain to an integrated provider of medical services, with the biggest step being its 2018 acquisition of insurer Aetna. Initially, CVS envisioned a model centered on pharmacists, in-store clinics and an insurance business.

But Karen Lynch, who took over as CVS chief executive last year, determined that the company needs doctors on its payroll to fulfill those ambitions. She also set out to expand CVS's presence in home healthcare, demand for which has been rising as the U.S. population has aged.

"The house call is having what I'd characterize as a renaissance," she said. "This deal enhances the connection to consumers in the home."

Signify's model is based on an analytics-and-technology platform, used by doctors that go into homes equipped with connected iPads, that allows

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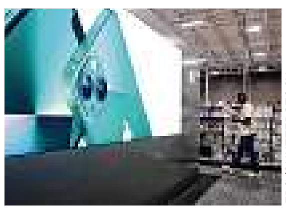
INSIDE

SOCIAL MEDIA
Instagram fined $402 million in EU for allegedly mishandling children's data. **B3**



EPA/SHUTTERSTOCK

TECHNOLOGY
Apple to puts its priciest iPhones center stage at product event. **B4**

Markets Seesaw as Fed, Tensions Overseas Offset Bullish Signs

By Karen Langley

After a summer stock rally met with skepticism, investors are heading toward autumn with a feeling of discontent.

The Federal Reserve has pledged to aggressively raise interest rates to fight inflation, which remains near the highest in decades, and war in Europe and Covid-19 lockdowns in China are complicating efforts to predict how the economy withstands the pain.

Even seemingly good news isn't enough to maintain a stock rally. Major indexes initially rose Friday after the monthly jobs report walked the fine line of suggesting the economy remains strong while growth will be marginally negative next year and rise indicating wage pressures may be easing.

But stocks later pulled back in a volatile session that may have been exacerbated by light trading ahead of Labor Day weekend. Sentiment shifted after Russia indefinitely suspended natural-gas flows to Europe, raising the stakes as governments on the continent try to avoid energy shortages.

JEENAH MOON/BLOOMBERG NEWS

Utility stocks tend to outperform in weak economic times.

The S&P 500 lost 1.1%, closing out a third consecutive week of declines during which the index has fallen 8.3%. It is down 18% in 2022.

Between the central bank's battle against inflation and economic pressures overseas, many investors say it isn't hard to find reasons to feel

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INDEX TO BUSINESSES

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

INDEX TO PEOPLE

BUSINESS & FINANCE

PETER BOER/BLOOMBERG NEWS

Recent quarterly earnings at A.P. Moeller-Maersk surpassed what it normally makes in a year.

Shipping Rates Plunge

Continued from page B1
nomic downturn.”

Spot-market container shipping rates declined so rapidly, Xeneta said in a report in August, that the prices have come closer to long-term contract prices, which traditionally come at a discount, and were below contract rates in some markets.

Most major importers such as Walmart move their cargo through long-term contracts rather than paying spot prices.

The 10 largest liners have been enjoying bumper profits over the past two years. Recent quarterly earnings at industry bellwether **A.P. Moeller-Maersk** AS were $8.59 billion, surpassing what it normally makes in an entire year.

But many companies warned of weakening market conditions in the second half of 2022.

“We need to pay close attention to the impact of inflation on consumer demand and behavior,” said **China Cosco Shipping** Corp., which runs the world's fourth-largest box ship fleet, in its first-half report last Wednesday. “Combined with the changes in the delivery of new vessels, the supply side of the industry will face a new situation.”

Shipping executives and analysts said they don't expect freight rates to return to pre-pandemic levels, in part because of higher fuel costs. In 2019, the average cost to send a container across the Pacific to the U.S. West Coast was $1,500.

—Liz Young contributed to this article.

Tragedy Follows Shake-Up

Continued from page B1
reserves. Last week, Bed Bath & Beyond said some vendors were pressing for better payment terms amid concerns about its liquidity. Mr. Arnal told investors that the company had started closing underperforming locations and was in regular discussions with vendors.

“As we have managed through our cash burn we have seen changes in some of our vendors and we manage it one week another week so it has not been a systemic ongoing change,” Mr. Arnal told investors on Wednesday. “We've just been managing the situations one by one.”

The 52-year-old finance veteran also said the company was still completing its accounting for the quarter ended Aug. 27. The company will have to file its quarterly 10-Q to regulators within 45 days or seek an extension. The preliminary results showed sales fell 26% and the company burned through $325 million in cash in the period.

“Given that finances are one of the company's most pressing challenges right now this further erodes confidence,” said Neil Saunders, managing director of research firm GlobalData PLC. “Bed Bath & Beyond now lacks two of the most important leadership positions: a permanent CEO and a CFO. It needs to correct that quickly.”

The company is being led by board member and interim CEO Sue Gove, who spent 30 years in the retail industry, where she held various roles, including chief operating officer of Zale Corp., which is now part of Signet Jewelers Ltd. She then went into consulting, serving as a senior adviser for Alvarez & Marsal before founding Excelsior Advisors LLC in 2014.

On Wednesday, Ms. Gove promoted two executives to head the company's Bed Bath & Beyond and buybuy Baby chains in newly created roles of brand presidents. Those executives are responsible for merchandising and stores.

Within the finance department, Mr. Barresi was replaced in late June as chief accounting officer by another member from Mr. Arnal's team, Laura Crossen. She joined the company in 2001 and had been senior vice president of treasury and tax. The company promoted its head of investor relations, Susie Kim, to head of treasury.

A search for a permanent successor to Mr. Arnal will likely take three months or longer and be complicated by the challenges the company is facing.

Stock Market Seesaws

Continued from page B1
bearish.

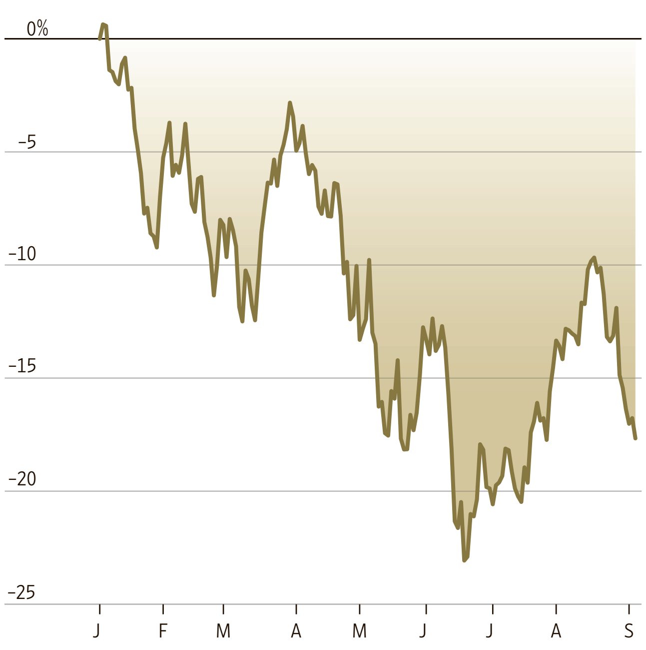
“Obviously we're still hiking [rates] at a very fast pace,” said Tiffany Wade, senior portfolio manager at Columbia Threadneedle Investments. “There's a lot of negative factors going on around the world that could be impacting markets over the next several quarters.”

Markets have struggled to walk a tightrope lately. With investors focused on the Fed's campaign to tame inflation, stocks have skidded when strong economic data suggested the central bank might need to raise interest rates more aggressively to cool the economy.

But since monetary tightening takes time to trickle down, analysts also have braced for the possibility that the economic data, at some point, will show the kind of weakness that accompanies a recession.

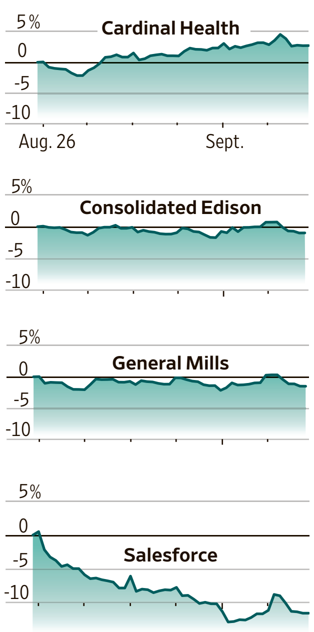
Friday's job numbers seemed to hit the sweet spot. The report showed monthly wage growth eased in August, a positive sign as investors and policy makers watch for inflation to come down. U.S. employers added 315,000 jobs, suggesting the economy remains robust and essentially matching the forecasts of economists surveyed by The Wall Street Journal.

S&P 500 performance this year



Source: FactSet

Share-price performance



The Fed's commitment to tamping down inflation, which has remained near a four-decade high, has shaped a relationship that could appear topsy-turvy to the world beyond Wall Street: Data signaling economic strength has been received as bad news by the stock market, since it could persuade the Fed that more large interest-rate increases are needed to cool the economy enough to slow the cycle of price increases.

Last week, the S&P 500 slumped 1.1% Tuesday after data showed that job openings rose in July, another marker of a tight labor market in which demand for workers exceeds the number of unemployed people seeking work. Thursday, stocks initially traded lower after a survey of U.S. manufacturing activity came in stronger than expected.

“In general we're probably in a period where good news is taken badly by the markets,” Ms. Wade said. “As long as the economy still continues to be strong, it gives the Fed cover to raise rates more to combat inflation faster.”

Investors this week will parse data assessing the services side of the economy as well as new jobless-claims numbers as they anticipate the next meeting of the central bank's rate-setting committee later in September.

Traders were betting Friday that there was a better than 50-50 chance that the Fed lifts rates by 0.75 percentage point at that meeting, though wagers on a smaller 0.5-percentage-point increase rose after the employment report, according to data from CME Group.

Since Fed Chairman Jerome Powell reiterated the central bank's stance on inflation in a speech on Aug. 26, markets have adopted a cautious tone.

Utilities, consumer staples and healthcare stocks, groups that tend to hold up relatively well when economic growth weakens, are among the best-performing S&P 500 sectors since the day before his remarks. Shares of **Cardinal Health** Inc., utility **Consolidated Edison** Inc. and Cheerios cereal maker **General Mills** Inc. all outpaced the market during that time.

Technology stocks, which often trade at lofty valuations that make them particularly sensitive to rising rates, were the worst-performing S&P 500 segment over the same period. Shares of **Salesforce** Inc. and **Qualcomm** Inc. have each dropped 12% since Aug. 25.

Even after its drawdown this year, the stock market in general is priced at levels that don't strike many investors as an enticing deal. The S&P 500 traded late last week at 16.9 times its projected earnings over the next 12 months, down from the 21.5 at which it ended last year but just a touch below the 10-year average of about 17.2, according to FactSet.

“We're at a rather treacherous point right now,” said Brian Jacobsen, senior investment strategist at Allspring Global Investments. Even with valuations lower, he said: “They're not so attractive where it looks like people have just given up on stocks and really reached the point of peak pessimism.”

Jeremy Zirin, senior portfolio manager and head of private client U.S. equities at UBS Asset Management, said his team in recent months has bought shares of healthcare and consumer-staples companies. Mr. Zirin considers the view that good news is bad for stocks to be too simplistic. In reality, he said, it is all about inflation, leaving a fairly narrow path for the market.

“If good growth data is suggestive that inflation is going to remain high, that's going to be negative for markets most likely,” he said. “If inflation is coming down because demand is rapidly declining and we're careening into a recession, that's not good news either.”

EY Leaders Expected to Back Split

Continued from page B1
the deal. The audit partners are in line for cash payouts, which were in June expected to average two to four times annual compensation. Those multiples may have declined as markets have fallen in recent weeks. Still, the windfalls are expected to be worth well over a million dollars for the typical U.S. and U.K. partners, who earn on average $850,000 to $900,000 a year, according to people familiar with the matter.

On the consulting side, partners are promised shares in the new company, which were in June expected to be worth typically seven to nine times their annual compensation, paid out over five years.

Carmine Di Sibio, EY's global chairman and chief executive who spearheaded the proposed split, is in line for a windfall of tens of millions of dollars, the people familiar with the matter said.

EY's leaders are expected to say the split will be good for the firm's finances, as well as their own, according to the people familiar with the matter. They hope the breakup will free the consultants to win billions of dollars of business, unfettered by independence rules that restrict the work accounting firms can do for audit clients, the people said.

EY checks the books of a raft of Silicon Valley giants, including Amazon, Salesforce Inc., Workday Inc. and Google parent Alphabet Inc. That limits its ability to compete in the fast-growing area of consultants teaming up with tech giants to sell outsourced services to companies.

Once the carefully choreographed “go” decision has been announced this week, the firms that make up EY's roughly 140-country global network are expected to vote on the plans this fall and early next year, according to the people familiar with the matter. The decision, originally scheduled for June, was delayed to make sure the leaders of the U.S. and other big member firms were happy with the proposal, the people familiar with the matter said. The sticking points included the treatment of around $10 billion of promised payments to retired partners, the Journal previously reported.

The decision is expected to signal the start of negotiations with the Securities and Exchange Commission and other regulators worldwide who will need to sign off on the deal.

The watchdogs are expected to be pleased by the reduction of potential conflicts of interest, a longstanding problem in the industry. They will want to be assured that EY's audit-focused firm will be sufficiently resilient to withstand potential blockbuster litigation damages, despite its sharply reduced size.

EY is facing multibillion-dollar legal claims in Germany and the U.K. over its allegedly failed audits of two corporate blowups, fintech company Wirecard AG and hospital operator NMC Health PLC. EY has said it stands by its audit work.

Another issue that needs clearance by the regulators is branding. Paul Munter, the SEC's acting chief accountant, said last month that after an accounting firm sells off part of its business, the new entity shouldn't profit from the accounting firm's name or logo. The two businesses can't share marketing or advertising, he added.

CVS Bets On Home Healthcare

Continued from page B1
the clinicians to assess patient needs and connect them with follow-up services.

The clinicians “operate much like Uber drivers,” said Kyle Armbrester, Signify Health CEO. “We're in a gig economy and this is a flexible model.”

Ms. Lynch said CVS, by being the care coordinator, can direct more patients to other CVS services and generate savings for patients.

She said CVS remains focused on expanding into primary care in addition to in-home health. Ms. Lynch has previously said the company is looking to acquire primary-care practices.

The deal the latest for a home-health company. Rival Walgreens Boots Alliance Inc. last week finalized a deal to purchase a majority stake in CareCentrix, Inc., another home-healthcare platform.

This spring, UnitedHealth agreed to buy LHC Group Inc., one of the country's largest home-health firms, for about $5.4 billion. Last year, Humana Inc. agreed to take full control of home-health provider Kindred at Home. Both LHC and Kindred provide continuous home-healthcare services.

—Laura Cooper contributed to this article.

U.K.'s Vistry in Deal to Buy Rival Builder

By Ben Dummett

U.K. home builder **Vistry Group** PLC agreed on Monday to acquire rival **Countryside Partnerships** PLC for about $1.44 billion in stock and cash, in a move that will create one of the country's biggest developers and that represents a win for U.S.-based activist investor **Browning West** LP.

By joining forces, Vistry and Countryside will gain greater scale to better handle a possible slowdown in the U.K. housing market, amid record-setting inflation, increasing interest rates and the prospect of a lengthy recession.

Last year, Countryside built 5,385 homes across parts of Britain, while its bigger competitor delivered 8,639 units, according to the companies' annual reports.

Vistry said it expects to generate at least £50 million, equivalent to about $58 million, in annual pretax cost savings from the deal, in part from combining procurement operations, among other benefits.

The combined entity would have a market value of more than $3 billion.

The stocks of both Countryside and Vistry are lower this year.

Countryside, though, has underperformed and the company has suffered from upheaval in its senior management, which has placed it under increasing pressure from shareholders to strike a deal.

In January, the company's then-chief executive officer resigned following the release of disappointing profit and revenue results.

That same month, Peter Lee, a partner at Browning West, which currently owns about 15% of Countryside, joined the board.

The builder, which recently was headed by interim co-CEOs, put itself up for sale.

Then, in June, the builder, which has most recently been headed by interim co-chief executives, put itself up for sale.

That move came following pressure from Browning, which focuses its investments in North America and Western Europe, and Countryside's rejection of a £1.5 billion takeover offer from **Inclusive Capital Partners** LP as too low.

Inclusive is a San Francisco-based hedge-fund manager. Its founders include Jeffrey Ubben, who previously founded ValueAct Capital.

Inclusive Capital had previously indicated that it supported the auction process and would participate.

Inclusive owns about 9% of Countryside shares.

Browning and Inclusive, together with other large Countryside investors holding almost a 40% stake, support the deal, Vistry said.

A combination of economic uncertainty and the fallout from Russia's invasion of Ukraine has made deal making particularly hard because of the challenges of valuing a target company.

By using stock to pay for a big part of the acquisition, Countryside and Vistry can overcome that challenge by allowing shareholders of each company to hold shares in the combined entity and benefit from cost savings and any stock gains if the merger succeeds and overall market conditions improve.

Under the terms of the deal, Vistry is offering Countryside shareholders 0.255 of a new Vistry share and 60 pence in cash for each Countryside share, for a total of about £1.25 billion.

Countryside shareholders are expected to own about 37% of the combined company, Vistry said.

Ireland Fines Instagram on Privacy

By Sam Schechner

LEFEVRE SYLVAIN/ABACA/ZUMA PRESS

Meta said the decision related to old settings it had updated more than a year ago. It plans to appeal the calculation of the fine.

Instagram is being hit with the second-largest European Union privacy fine for allegedly mishandling data about children, ramping up the bloc's enforcement of its privacy law against big technology companies.

Ireland's Data Protection Commission said it fined Instagram owner **Meta Platforms** Inc. €405 million, equivalent to $402 million, in a long-running investigation that looked at minors who operated business accounts on the service, potentially exposing more of their contact information than if they operated a personal account.

The Irish data regulator, which leads privacy enforcement in the EU for Meta and other tech companies with European headquarters in Ireland, said it has finalized the decision including the fine after incorporating changes ordered by a body representing all the bloc's privacy regulators, and planned to publish it next week.

Meta said the decision related to old settings it had updated more than a year ago, and that it plans to appeal the calculation of the fine.

Until late 2019, Meta said Instagram displayed business users' contact information by default, but now it makes it optional. Users under 18 now have their accounts set automatically to private when they sign up, among other new safety features, the company said.

Politico earlier reported on the amount of the fine.

The decision's focus on children hits a sensitive area for social-media companies: their handling of minors on their services. Instagram faced criticism and investigations after The Wall Street Journal published articles showing that the company's internal research found Instagram was harmful for teenage girls with body-image concerns. The company later paused development of an Instagram kids app.

Last week, California legislators passed a bill that would require the makers of social-media apps like Instagram and TikTok to consider the physical and mental health of minors when designing their products. California Gov. Gavin Newsom must sign the bill for it to become law.

The Instagram fine works out to about 1% of Meta's net income for 2021. But it might presage EU privacy decisions with greater potential to force changes to data-collection practices by big tech companies if they are confirmed in likely court appeals. That could have ripple effects on the digital advertising and social-media sectors.

EU regulators have been taking a more aggressive line on enforcing its General Data Protection Regulation, after complaints from privacy activists that regulators—particularly in Ireland—have been too slow. Under the law, regulators from across the bloc have the right to weigh in on big cases that stretch across borders, and they have been using that to push for additional charges and bigger fines.

Last year, Luxembourg fined **Amazon.com** Inc. 746 million euros and Ireland fined WhatsApp 225 million euros for alleged privacy violations. Both companies said they would appeal.

China E-Commerce Slows

Consumers trim buying amid economic uncertainty and continuing lockdowns

By Shen Lu

Chinese consumers are cutting back on discretionary purchases and becoming more thrifty as the country's economic slowdown drags on, impeding the once-inexorable growth of the country's e-commerce companies.

For the April-June quarter, **Alibaba Group Holding** Ltd. posted its first revenue decline while **JD.com** Inc. saw its slowest growth, after lockdowns and other rigid Covid-19 control measures in China caused disruptions to supply chains. Executives and analysts expected better performance from Chinese e-commerce companies in the current quarter, but uncertainties linger as Beijing sticks to its stringent zero-Covid policy.

China is the world's largest e-commerce market, whose online consumption totaled $6.1 trillion in 2021, government data show. The pandemic has spurred the industry's growth, but the momentum has lost steam. Research firm Insider Intelligence forecasts that e-commerce sales in China will grow 9.1% in 2022, the slimmest gain since 2008 and slower than the 9.4% growth rate estimated for the U.S.

Alibaba posted a revenue decline—0.1%—in the April-June quarter for the first time since its 2014 listing, due primarily to a 1% decline in sales at its core China commerce business.

In an August call with analysts, Alibaba's Chief Executive Daniel Zhang cited China's Covid restrictions for a mid-single-digit decline in total sales value of items sold on its flagship e-commerce platforms, Taobao and Tmall.

"Although we are seeing signs of steady recovery in consumption, I think it will take more time for that to fully play out and for consumer confidence and sentiment to fully recover," he said.

Alibaba's rival JD.com recorded its slowest revenue increase—5.4%—in the second quarter since it went public in 2014.

An exception was upstart **Pinduoduo** Inc., popular among lower-income consumers for its offerings of discounted goods. Pinduoduo's revenue rose 36% as consumers looked for bargains amid a souring economy, though at $4.7 billion, that is about 15% of Alibaba's revenue.

Chinese consumers are grappling with slowing wage increases, rising unemployment and inflation, as the economy expanded in the April-June period at its slowest pace in two years. The real-estate downturn is further damping confidence.

While China's retail sales rebounded from a plunge in the spring, its pace of growth is still below prepandemic levels, at 2.7% in July and 3.1% in June compared with the same period last year. For nearly two decades, retail sales on average had increased by around 12% each month.

Many economists expect consumer spending to remain depressed, as China's stimulus is largely focused around infrastructure spending and Beijing remains reluctant to budge from its zero-Covid policy.

E-commerce, however, held up better than offline retail. Data from the National Bureau of Statistics show that despite a slim drop in April, sales of physical goods online expanded 11% in the second quarter.

Ma Enbiao, a 36-year-old Shanghai resident, said his family is saving more and stocking up on food. The financial hub went under a two-month lockdown in the spring, which left many residents struggling to obtain supplies.

Mr. Ma said he hasn't splurged on any consumer electronics this year and is eating out less. "I'm downgrading my lifestyle," he said.

As consumers stockpile to prepare for future lockdowns, growth in online purchases of food and household items has consistently outperformed apparel this year, national data show, though the growth is slower than last year's pace. JD.com's largest growth category, supermarket, saw order volume up more than 25% in the second quarter compared with the same period last year.

To stimulate consumption, the Shanghai government last week handed out 200 million yuan in digital coupons, equivalent to around $29 million. Mr. Ma received three coupons valued at 100 yuan, or around $15. He spent the coupons on daily necessities and food.

Besides food and household items, Chinese consumers are also spending more on self-care, pet care, outdoor activities and home improvement as sporadic lockdowns continue.

On Alibaba's platforms, sales in fashion items and accessories took a hit between April and June, the company said. Demand for products in healthcare, pet care and outdoor activities rose.

WPIC, a consulting firm operating stores for global brands across Chinese e-commerce marketplaces, said for the first six months of 2022, camping equipment sales through live streaming on Alibaba's Tmall shot up 70% year-over-year.

JD.com recorded double-digit growth in consumption of fitness and wellness in the second quarter. Demand for electronics and big-ticket home appliances was flat.

JD.com Chief Executive Xu Lei said that in the long run, China's consumer market is still strong. "When coming out of the cyclical adjustments, we expect to see strong recovery momentum," Mr. Xu said in an August call with analysts.

GILLES SABRIE/BLOOMBERG NEWS

Delivery workers unload a truck of parcels at a JD.com sorting center in Beijing.

Apple Puts a Spotlight On Its Priciest iPhones

By Tim Higgins

Apple Inc.'s most expensive smartphones will take focus on Wednesday as the company unveils the iPhone 14 lineup amid a global slowdown for all but the priciest of gadgets.

The company's Pro models—the 6.1- and 6.7-inch display versions—have helped fuel record sales and profits for the past two years as the technology giant unveiled its first 5G-capable iPhones in late 2020.

Those versions, which have been priced starting at $200 more than the base-level offering, are poised to get some of the most notable upgrades in a cycle that is expected to be more evolutionary than revolutionary for the iPhone.

Apple's first in-person product event since Covid-19 upended modern life will include reporters at company headquarters in Cupertino, Calif., and be broadcast simultaneously via its website beginning at 1 p.m. in New York.

The question among many investors is how long can demand—which has been at record heights—last for the iPhone during uncertainty around the economy.

Apple has remained confident that there is still interest in converting to the latest technology. "Around the world, 5G penetration is still low," Tim Cook, Apple chief executive, told analysts in July. "And so I think there's reason to be optimistic."

So far, Apple has bucked an industrywide decline in smartphone shipments, which slipped almost 9% in the past quarter from a year earlier, according to researcher International Data Corp. In the first half, the bright spot in the market was smartphones priced above $900, according to Counterpoint Research.

Since the arrival of the 5G phones in late 2020, U.S. buyers have been shelling out more for their iPhones. Average selling prices of the iPhone rose to $954 in the June quarter compared with $783 in the September quarter in 2019, when the iPhone 11 was introduced, according to estimates by Consumer Intelligence Research Partners' survey of consumers. That is because more buyers have been opting for the more expensive Pro models and spending more to add more storage on the device.

The iPhone 13 Pro comes with 128 gigabytes, while an extra $100 bumps that to 250 gigabytes. For an extra $500, buyers can get 1 terabyte. More than 50% of iPhone buyers were upgrading their storage in the 12 months ended in June, according to Consumer Intelligence Research Partners, compared with less than 40% in 2019.

Continuing to sell pricier phones could help Apple boost revenue even if the rate of unit sales slows or becomes stagnant in the coming fiscal year. The 5G phones fueled estimated unit growth of 27% in fiscal 2021, according to FactSet data. Apple doesn't release unit sales.

The unveiling comes amid a slowdown for all but the most expensive gadgets.

On Wednesday, the biggest changes are planned for the most-expensive Pro versions. Those models are expected to have more-powerful cameras and better video performance and to receive Apple's new A16 chip, according to people familiar with the plans. The base models will get an enhanced version of the current A15 processor. The base lineup is also expected to get the larger 6.7-inch display along with the cheaper 6.1-inch version, people familiar with the plans said.

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Scan this code for a podcast on deciding whether to upgrade your phone.

P&G Pricing Tests Loyalty In Laundry

By Sharon Terlep

P&G executives say they believe Americans will keep spending on household products, even if inflation and the economy worsen.

KRISTEN NORMAN FOR THE WALL STREET JOURNAL

Procter & Gamble Co. is testing the bounds of what consumers are willing to pay for high-end household products.

For decades, P&G has dominated laundry aisles with detergents that often cost more than twice that of rival brands. It has raised prices in recent years on products like Tide with little resistance from consumers, growing sales volume and gaining market share in the process.

But in recent weeks, sales of premium detergents have been on the decline, industry data show, and consumers are increasingly picking up cheaper brands or powdered detergent. It is the latest sign that shoppers are shifting how they spend, even on essential items, as inflation remains near four-decade highs.

"I won't deny at all that certain consumers will make changes on the margins," P&G Chief Executive Jon Moeller said. P&G's strategy, he said, focuses on churning out products that outperform competitors and are essential to daily life. "It's hard for me to understand how superiority in these categories becomes irrelevant," he said.

U.S. sales of premium detergent brands fell nearly 3% in the four-week period ended Aug. 7, while cheaper price categories were either flat or growing, according to research firm IRI.

Recent shifts in laundry-detergent buying aren't likely to change P&G's market dominance. P&G has a nearly 60% share of the U.S. liquid-detergent market and an 80% share for single-dose laundry pods, which are typically more expensive per load than liquid detergent. The company also makes lower-priced detergents.

Higher prices helped lift quarterly sales in the Cincinnati company's fabric and home-care unit, which includes laundry products.

P&G this summer raised detergent prices by close to 10% from a year ago, according to retail data-tracking firms.

Despite the higher prices, organic sales, a measure that strips out deals and currency moves, for the unit increased 9% in the June quarter from the prior year. But for the first time since the summer of 2018, sales volumes dropped for the unit, falling by 1%.

Diana Bianrosa for years referred to herself as a "Tide girl," a loyal buyer of P&G's pricey orange-bottled liquid laundry detergent. Ms. Bianrosa, a bank employee living in the Bronx borough of New York City with her 3-year-old daughter, now hunts for bargains and usually buys lower-cost brands. "I was, like, 'You know, let's do something cheaper,' " said Ms. Bianrosa, 40 years old. She often used Tide or Dreft, a P&G detergent designed for children's clothes. "Everything is getting so expensive."

Laundry-soap prices vary widely. Liquid detergent ranges from less than $1 for 16 ounces of detergent for the lowest-cost, value brands, which includes Arm & Hammer, to more than $2 for the same amount for premium brands like Tide and Persil, owned by Germany's **Henkel**, according to market-research firm IRI. Single-dose packets are pricier, ranging from around $3 for 16 ounces of detergent, to more than $6. Powdered detergent is generally less expensive than liquid alternatives.

As more Americans draw a line on how much they will spend for household mainstays, cracks are forming in P&G's laundry-soap superiority. P&G's share of the $11 billion U.S. market for liquid detergent in August was roughly 2 percentage points lower than a year ago, according to analysts, company executives and data from research firm Nielsen.

Dollar General Corp. said last month more people are buying low-cost powdered laundry detergent. Executives at **Church & Dwight** Co., maker of lower-cost Arm & Hammer products including laundry detergent, said they have seen sales take off.

"The trade down to value detergent has begun," Church & Dwight Chief Executive Matthew Farrell said on a July earnings call with analysts. The company's growth is aided by good timing: It recently brought manufacturing of its laundry pods in house, giving it more control to increase capacity to serve demand. It also recently launched a detergent designed for babies' clothes and gear.

Mr. Farrell said that, industrywide, in the quarter ended June 30, dollar sales of liquid laundry detergent grew 7% overall. Sales were up 11% for value brands and 4% for premium offerings, he said.

P&G, the world's biggest consumer-products company by sales, has managed to notch gains while increasing prices, in part because few corners of the economy have held up amid inflation as solidly as household staples. Shoppers are paying more for fewer goods. They have given priority to food and need-based home staples over clothing and gadgets.

> Recent shifts aren't likely to change P&G's detergent market dominance.

P&G executives say they believe Americans will keep spending on household products, even if inflation and the overall economy worsen. The company, which makes everything from Gillette razors to Pampers diapers, is far better prepared for a downturn than it was before the Great Recession, they say.

In advertisements, the company is promoting the cost-saving benefits of its products, such as a detergent that cleans items in cold-water cycles, which could help households save on energy bills. It offers lower-cost alternatives in its Gain and Era brands and in Tide Simply, a lower-cost version of Tide that comes in a bright yellow bottle.

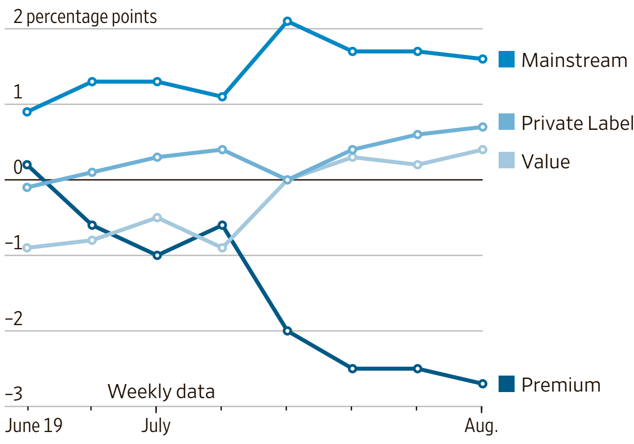
P&G said it is also making more products available in smaller package sizes, aimed at people who can't or don't want to spend as much at once. Smaller packages generally are pricier per unit.

Tide, in some ways, benefits from its high price tag because people might be hesitant to trade down to cheaper brands amid concerns of a big decline in quality, said Truist analyst Bill Chappell. He predicts that Tide would only suffer serious sales losses in a long and deep recession.

Another bright spot for P&G: Even as some consumers seek out cheaper detergents, another segment of consumers is switching to its pricey detergent pods, the company says.

"There is a very strong labor market; consumer balance sheets are very healthy," Mr. Moeller, the CEO, said. "What happens tomorrow? Who knows."

U.S. laundry detergent market share by category, percentage point changes from a year earlier



Source: IRI

Music Festivals Find Times Are Harder

By Anne Steele


AMY HARRIS/ASSOCIATED PRESS

Festivals are more expensive for consumers than an artist's show at an arena. Above, the Lollapalooza festival in Chicago in July.

Travis Scott was scheduled to perform Labor Day weekend at Day N Vegas, a premier hip-hop event—and the rapper's first appearance since the Astroworld festival tragedy last year.

But in July, promoter **Goldenvoice** pulled the plug, citing logistics, timing and production issues. More specifically, people familiar with the matter said, having to move the event to one of Las Vegas's hottest weekends because of venue competition made for lackluster sales.

Following a two-year pause on live shows, the concert industry is on pace to have its biggest year ever. More tickets are being sold to more shows than before, and fans are shelling out top dollar to see their favorite acts. But the rush to the road has raised fresh challenges for music festivals, a pillar of the touring market for the past decade.

Concert executives say the pent-up demand that created a frenzy at the end of 2021 has waned. The first few festivals that came out and did well—Lollapalooza, Life Is Beautiful, BottleRock—gave the industry a false sense of the market.

"Given the lead time for these festivals, everybody said, 'Let's get going for 2022,' " said Lawrence Peryer, chief commercial officer for ticketing platform **Lyte**. "It was exuberance met with those early signals that set people agog."

The reality in 2022—plagued by Covid-19 variants, inflation, labor shortages, supply issues and a glut of acts on tour—proved more difficult than anticipated. And with fresh concerns of a downturn, fans are becoming choosier about where they spend their dollars.

"We had extraordinarily good events in 2021," said Melissa Ormond, chief operating officer of festivals for **AEG Presents** and Goldenvoice, which promote dozens of festivals including Coachella and Stagecoach. "As more and more tours felt comfortable hitting the road, it just got to be just a lot of artists out there."

Most artists earn the bulk of their income from touring, making the pandemic lockdowns particularly tough for midsize and smaller acts—and their crews—that rely on hitting the road for income. Postponed tours from 2020, acts planning new tours and a host of new or revived festivals have amounted to a lot of artists on the road at the same time, said Max Frieser, vice president at **Infamous**, which has helped market more than 25 festivals over the past year.

"There's an oversaturation of events," he said, pointing out that audience numbers have dropped on a per-event basis despite overall ticket sales being up. "There are less people buying festival tickets. The industry is asking fewer people to buy more tickets."

Another problem is festivals included similar lineups, with acts that were already on their own tours, or are scheduled to be, making it easier for fans to be picky about how they see an artist, Ms. Ormond said. Festivals are more expensive for consumers than an artist's show at an arena, which makes it more difficult to sell tickets, she said.

The festival market is no stranger to oversaturation. Festivals boomed earlier this century but saw a downturn about five years before the pandemic, highlighted by the failed Fyre Festival that led to criminal charges against the entrepreneur behind it.

"There was a bit of a culling," Mr. Peryer said. "The reasons why may have been forgotten in the exuberance to get back to live after the pandemic."

Dede Flemming, co-founder of Do LaB Inc., which promotes the Lightning in a Bottle festival in California's Central Valley, said there was an energy boost at the end of last summer. "If you announced something and went on sale, you were going to sell all your tickets," he said.

That sentiment changed by spring, he said. At Coachella, where Do LaB promotes a stage, "that's when I started hearing from other festivals and ticketing company owners that everything going on sale was hurting," Mr. Flemming said.

Sluggish sales led to cancellations across live events. The number of shows announced and then canceled for the first half of 2022 more than doubled from 2019, according to Bandsintown, a site that tracks where artists are performing. Cancellations rose in January because of crews and artists getting Covid-19, and in June as festivals started to cancel, said Fabrice Sergent, Bandsintown's managing partner.

For the festivals that have gone on, it has been costly with competition for resources and labor, and higher prices for everything from gas and diesel to fencing and staging. Promoters, agents and executives say events are 30% to 40% more expensive to put on. Many festivals postponed from two years ago were operating off a 2020 budget—and ticket prices—before the event came to fruition after inflation had hit.

"Festivals are a petri dish of the economy on the whole—travel, transport, food," said Mike Luba, a live-events producer and artist manager who runs Michigan's Electric Forest festival. "Putting on events is just more expensive."

After a year in which many festivals are scraping by, promoters are rethinking how many will come back and whether to hold fewer days.

"There probably will be a few that have one less day, or may take a year off and come back when the talent can be stronger," AEG's Ms. Ormond said.

Buku, a popular decade-old festival in New Orleans, last month said it wouldn't take place in 2023. "Times are changing and the current model of Buku needs to take a break," organizers said.

In the future, organizers say, it is important to have a focused event. "The multigenre festivals, with rare exceptions, are not working," Ms. Ormond said.

A bright spot, many executives say, has been sales of VIP tickets offering more premium experiences, such as gated-off sections near the stage and air-conditioned tents.

"Some people are willing to spend more for creature comforts," said Mr. Flemming, the Do Lab co-founder. Electronic-music fan Emily Christensen, for whom August marked a turning point in her comfort level going to bigger shows postpandemic, said she has only purchased VIP tickets.

Still, Ms. Ormond said she isn't worried about festivals in the long term. "Even if we are a little bit more measured heading into an uncertain time, we believe in the festival market, in the value it brings to fans," she said.

Companies Compete For Treasury Talent

By Kristin Broughton

The second-in-commands in companies' finance departments—treasurers, heads of accounting, controllers and vice presidents of finance—are taking home larger paychecks, benefiting from increased competition for talent and their businesses' improved financial performance.

At many companies, deputy-level finance executives in recent years have played a more prominent role in helping chief financial officers lead their departments, recruiters and executives say. Some CFOs have taken on more strategic and operational duties in recent years—for instance, information technology and supply-chain matters—and want a top-tier accounting executive at their side. Corporate treasurers early on during the pandemic stepped into the spotlight by helping their companies stockpile cash and develop liquidity forecasts.

These executives are benefiting from some of the same trends pushing up compensation for finance chiefs and other senior leaders, including a tight labor market, the more frequent use of one-time cash or stock awards and double-digit increases in annual cash bonus payouts after many companies last year exceeded their financial targets.

Corporate treasurers, one of the highest paid finance roles apart from that of the CFO, saw a 23% increase in their median cash bonuses during the most recent fiscal year compared with a year earlier, totaling $134,500, according to Mercer, a benefits advisory firm. Total median compensation for the role—including salary, cash bonuses and stock awards—rose 6%, to $441,230, over the same period, Mercer said. The company's data is based on a survey of 300 publicly traded companies across industries with median annual revenue of $3.48 billion. The figures include amounts earned for the most recent 12-month period that ended before April 1.

By comparison, CFOs received a 50% increase in their median bonus pay, to $684,200, as well as a 58% bump in total compensation to just over $2 million, according to Mercer.

Some companies, aware their No. 2 finance executives are being contacted by recruiters, are giving out one-time bonuses to retain talented executives, especially those viewed as potential successors to the CFO, and giving them additional responsibilities to help them move up the ladder, according to recruiters. "They put together a retention grant that's going to make it very expensive to leave," said Aaron Rouza, partner and co-head of the finance practice at recruiting firm True Search.

Companies are also offering benefits to new hires such as guaranteed cash bonuses, which aren't at risk if the business misses its performance targets, or options for flexible and remote work, recruiters said.

Chief accounting officers, in particular, have been in strong demand across industries over the past year as many finance chiefs take on responsibility for operational issues, said Cathy Logue, head of the CFO and financial executives practice at recruiting firm Stanton Chase. Some companies are offering salaries as much as 20% higher than what the executive earned before, she said. "Demand drives price," she said.

Chief accounting officers have been in strong demand over the past year.

Netflix Inc. in June hired Ken Barker as chief accounting officer, succeeding JC Berger, who served as global controller, according to a spokeswoman. Mr. Barker, previously senior vice president of finance at videogame maker **Electronic Arts** Inc., was hired with a salary of $2.4 million, as well as an annual stock-option allowance of $600,000, according to a regulatory filing. In his new role, Mr. Barker serves as Netflix's principal accounting officer, a role previously held by CFO Spencer Neumann, who continues to serve as the company's top finance officer, the filing said. Mr. Barker reports to Mr. Neumann.

MARKETS DIGEST

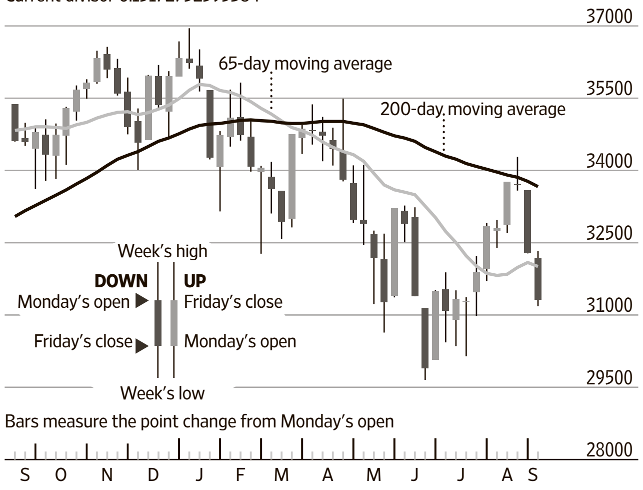
Dow Jones Industrial Average

31318.44 ▼964.96, or 2.99% last week

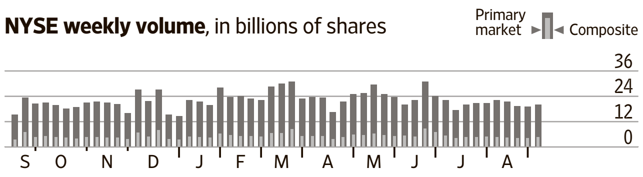
High, low, open and close for each of the past 52 weeks

	Last	Year ago
Trailing P/E ratio	18.44	24.04
P/E estimate *	16.73	19.24
Dividend yield *	2.26	1.80
All-time high	36799.65, 01/04/22	

Current divisor 0.15172752595384



NYSE weekly volume, in billions of shares

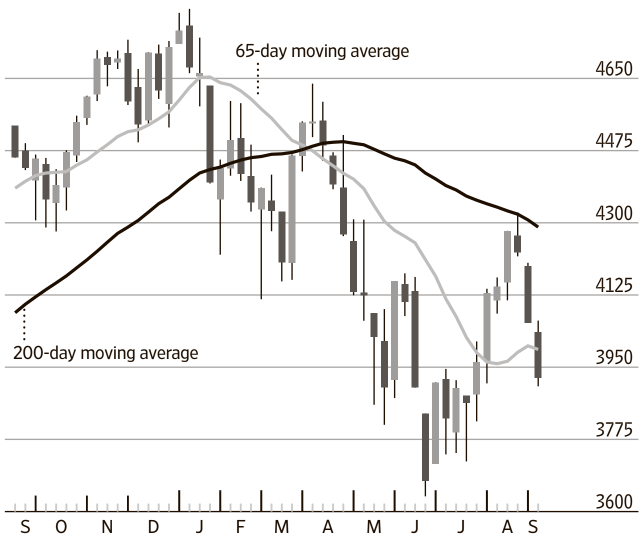


S&P 500 Index

3924.26 ▼133.40, or 3.29% last week

High, low, open and close for each of the past 52 weeks

	Last	Year ago
Trailing P/E ratio *	21.53	31.70
P/E estimate *	17.52	22.27
Dividend yield *	1.68	1.29
All-time high	4796.56, 01/03/22	



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*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; †Based on Nasdaq-100 Index

Major U.S. Stock-Market Indexes

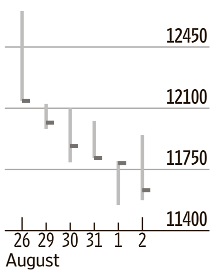
	Latest Week High	Low	Close	Net chg	% chg	52-Week Low	Close (●)	High	% chg	% chg YTD	3-yr. ann.
Dow Jones											
Industrial Average	32325.16	31182.09	31318.44	-964.96	-2.99	29888.78		36799.65	-11.5	-13.8	5.9
Transportation Avg	14376.53	13662.69	13737.61	-642.62	-4.47	12868.60		17039.38	-6.9	-16.6	10.7
Utility Average	1038.63	1006.18	1014.17	-12.57	-1.22	869.74		1071.75	7.3	3.4	6.3
Total Stock Market	40962.31	39258.96	39491.05	-1424.95	-3.48	36759.60		48929.18	-16.1	-18.8	9.6
Barron's 400	947.05	905.30	909.61	-44.81	-4.69	852.16		1127.2	-12.9	-17.8	11.4
Nasdaq Stock Market											
Nasdaq Composite	12124.87	11546.52	11630.86	-510.85	-4.21	10646.10		16057.44	-24.3	-25.7	13.5
Nasdaq-100	12594.34	12012.98	12098.44	-506.73	-4.02	11127.57		16573.34	-22.7	-25.9	16.3
S&P											
500 Index	4062.99	3903.65	3924.26	-133.40	-3.29	3666.77		4796.56	-13.5	-17.7	10.3
MidCap 400	2503.63	2380.13	2393.10	-107.15	-4.29	2200.75		2910.7	-13.3	-15.8	8.4
SmallCap 600	1223.47	1156.17	1161.88	-63.62	-5.19	1087.48		1466.02	-15.2	-17.1	8.1
Other Indexes											
Russell 2000	1898.67	1799.17	1809.75	-90.08	-4.74	1649.84		2442.74	-21.0	-19.4	6.6
NYSE Composite	15229.26	14576.65	14689.50	-488.71	-3.22	14097.05		17353.76	-13.1	-14.4	4.9
Value Line	564.98	536.98	541.20	-23.41	-4.15	510.18		696.4	-19.4	-19.5	2.4
NYSE Arca Biotech	4808.83	4617.59	4699.40	-27.44	-0.58	4208.43		5998.75	-21.7	-14.8	2.3
NYSE Arca Pharma	779.00	753.26	755.86	-23.15	-2.97	732.23		887.27	-4.3	-8.6	9.1
KBW Bank	108.09	103.61	104.97	-2.68	-2.49	98.36		147.56	-17.2	-20.6	4.1
PHLX§ Gold/Silver	104.66	94.42	98.07	-5.77	-5.56	94.71		167.76	-27.9	-26.0	-0.3
PHLX§ Oil Service	73.70	65.68	68.98	-2.951	-4.10	49.14		88.37	28.1	30.8	3.1
PHLX§ Semiconductor	2801.59	2548.17	2599.26	-199.18	-7.12	2458.46		4039.51	-24.2	-34.1	20.0
Cboe Volatility	27.69	23.19	25.47	-0.09	-0.35	15.01		36.45	55.2	47.9	10.3

§Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

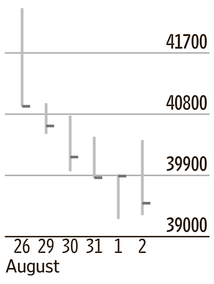
Nasdaq Composite

▼ 510.85, or -4.21% last week



DJ US TSM

▼ 1424.95, or -3.48% last week



International Stock Indexes

Region/Country	Index	Latest Close	Net chg	% chg	YTD % chg
World	**MSCI ACWI**	604.93	-2.05	-0.34	-19.9
	MSCI ACWI ex-USA	269.56	-2.41	-0.89	-21.7
	MSCI World	2596.70	-8.51	-0.33	-19.6
	MSCI Emerging Markets	967.80	-4.22	-0.43	-21.4
Americas	**MSCI AC Americas**	1495.13	-0.02	-0.002	-18.2
Canada	**S&P/TSX Comp**	19270.85	...	Closed	-9.2
Latin Amer.	**MSCI EM Latin America**	2189.72	27.03	1.25	2.8
Brazil	**BOVESPA**	112203.35	1339.11	1.21	7.0
Chile	**S&P IPSA**	3546.47	74.58	2.15	26.4
Mexico	**S&P/BMV IPC**	46026.08	137.45	0.30	-13.6
EMEA	**STOXX Europe 600**	413.39	-2.58	-0.62	-15.3
Eurozone	**Euro STOXX**	386.15	-5.80	-1.48	-19.4
Belgium	**Bel-20**	3567.72	-47.10	-1.30	-17.2
Denmark	**OMX Copenhagen 20**	1663.71	0.03	0.002	-10.7
France	**CAC 40**	6093.22	-74.29	-1.20	-14.8
Germany	**DAX**	12760.78	-289.49	-2.22	-19.7
Israel	**Tel Aviv**	2001.81	-1.62	-0.08	1.2
Italy	**FTSE MIB**	21480.19	-441.07	-2.01	-21.5
Netherlands	**AEX**	674.12	-4.45	-0.66	-15.5
Russia	**RTS Index**	1287.78	3.25	0.25	-19.3
South Africa	**FTSE/JSE All-Share**	67399.39	21.08	0.03	-8.6
Spain	**IBEX 35**	7862.68	-69.52	-0.88	-9.8
Sweden	**OMX Stockholm**	749.58	-11.28	-1.48	-27.7
Switzerland	**Swiss Market**	10819.54	-72.17	-0.66	-16.0
Turkey	**BIST 100**	3358.37	135.62	4.21	80.8
U.K.	**FTSE 100**	7287.43	6.24	0.09	-1.3
U.K.	**FTSE 250**	18629.68	-223.54	-1.19	-20.7
Asia-Pacific	**MSCI AC Asia Pacific**	153.59	-0.76	-0.49	-20.5
Australia	**S&P/ASX 200**	6852.20	23.49	0.34	-8.0
China	**Shanghai Composite**	3199.91	13.43	0.42	-12.1
Hong Kong	**Hang Seng**	19225.70	-226.39	-1.16	-17.8
India	**S&P BSE Sensex**	59245.98	442.65	0.75	1.7
Japan	**NIKKEI 225**	27619.61	-31.23	-0.11	-4.1
Singapore	**Straits Times**	3215.48	9.79	0.31	2.9
South Korea	**KOSPI**	2403.68	-5.73	-0.24	-19.3
Taiwan	**TAIEX**	14661.10	-11.94	-0.08	-19.5
Thailand	**SET**	1622.00	-0.15	-0.01	-2.1

Sources: FactSet; Dow Jones Market Data

Commodities and Currencies

	Monday Close	Net chg	% Chg	YTD % chg
WSJ Dollar Index	101.11	0.17	0.17	12.91
Euro, per dollar	1.0068	0.0024	0.24	14.50
Yen, per dollar	140.59	0.38	0.27	22.14
U.K. pound, in dollars	1.15	0.001	0.05	-14.86

	Last Week Close	Net chg	% Chg	YTD % chg
DJ Commodity	1053.46	-49.29	-4.47	11.33
Refinitiv/CC CRB Index	284.47	-14.62	-4.89	22.42
Crude oil, $ per barrel	86.87	-6.19	-6.65	15.50
Natural gas, $/MMBtu	8.786	-0.510	-5.49	135.55
Gold, $ per troy oz.	1709.80	-26.30	-1.51	-6.44
U.S. Dollar Index	109.61	0.81	0.74	14.22
WSJ Dollar Index	100.94	0.94	0.94	12.72
Euro, per dollar	1.0044	0.0009	0.09	14.22
Yen, per dollar	140.20	2.63	1.91	21.81
U.K. pound, in dollars	1.15	-0.023	-1.93	-14.90

	52-Week Low	Close (●)	High	% Chg
DJ Commodity	888.27		1264.48	16.88
Refinitiv/CC CRB Index	217.91		329.59	29.24
Crude oil, $ per barrel	65.57		123.70	25.37
Natural gas, $/MMBtu	3.56		9.68	86.46
Gold, $ per troy oz.	1696.60		2040.10	-6.61
U.S. Dollar Index	92.04		109.69	19.10
WSJ Dollar Index	86.84		101.02	16.24
Euro, per dollar	0.84		1.01	19.30
Yen, per dollar	109.22		140.20	27.81
U.K. pound, in dollars	1.15		1.39	-16.93

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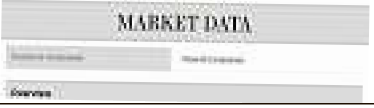


New to the Market

Public Offerings of Stock

IPOs in the U.S. Market

None expected this week

Lockup Expirations

Below, companies whose officers and other insiders will become eligible to sell shares in their newly public companies for the first time. Such sales can move the stock's price.

Lockup expiration	Issue date	Issuer	Symbol	Offer price($)	Offer amt ($ mil.)	Through Friday (%)	Lockup provision
Sept. 7	May 5,'22	Bausch + Lomb	**BLCO**	18.00	787.5	**-16.7**	125 days

Sources: Dealogic; Dow Jones Market Data

IPO Scorecard

Performance of IPOs, most-recent listed first

Company SYMBOL IPO date/Offer price	Friday's close ($)	% Chg From Offer price	1st-day close
bioAffinity Tech **BIAF** Sept.1/$6.13	7.05	15.0	-15.1
Addentax Grp **ATXG** Aug.31/$5.00	9.59	91.8	-98.5
Shuttle Pharmaceuticals Hldgs **SHPH** Aug.31/$8.13	14.90	83.4	-61.3
Hempacco **HPCO** Aug.29/$6.00	5.64	-6.0	-27.5
Jeffs' Brands **JFBR** Aug.26/$4.16	1.90	-54.3	-29.1
Onfolio Hldgs **ONFO** Aug.26/$5.00	1.80	-64.1	-25.2
PaxMedica **PXMD** Aug.26/$5.25	5.17	-1.5	5.3
Starbox Grp Hldgs **STBX** Aug.23/$4.00	4.15	3.8	-73.1
GigaCloud Technology **GCT** Aug.18/$12.25	20.04	63.6	27.7
Innovative Eyewear **LUCY** Aug.16/$7.50	2.88	-61.6	-48.0
CorpHousing Grp **CHG** Aug.12/$4.00	2.81	-29.8	-24.1
Forza X1 **FRZA** Aug.12/$5.00	4.39	-12.2	-41.4
Reborn Coffee **REBN** Aug.12/$5.00	2.48	-50.4	-48.3
Hainan Manaslu Acquisition **HMACU** Aug.11/$10.00	10.02	0.2	0.2
Treasure Global **TGL** Aug.11/$4.00	3.20	-20.0	-82.0
Embrace Change Acquisition **EMCGU** Aug.10/$10.00	10.07	0.7	0.4
Magic Empire Global **MEGL** Aug.5/$4.00	5.82	45.5	-94.0
Pono Capital Two **PTWOU** Aug.5/$10.00	10.02	0.2	-0.1
Mobiv Acquisition **MOBVU** Aug.4/$10.00	10.03	0.3	-0.1
Bruush Oral Care **BRSH** Aug.3/$4.16	1.59	-61.8	-26.0

Sources: Dow Jones Market Data; FactSet

Public and Private Borrowing

Treasurys

Tuesday, September 6

Auction of 13, 26 and 52 week bills; announced on September 1; settles on September 8

Thursday, September 8

Auction of 4 and 8 week bills; announced on September 6; settles on September 13

Cash Prices

Monday, September 05, 2022

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

	Monday
Metals	
Gold, per troy oz	
LBMA Gold Price AM	*1706.90
LBMA Gold Price PM	*1712.50
Silver, troy oz.	
LBMA spot price	*£15.4900
(U.S.$ equivalent)	*17.9150
Other metals	
LBMA Platinum Price PM	*840.0
Aluminum, LME, $ per metric ton	*2309.0
Fibers and Textiles	
Burlap,10-oz,40-inch NY yd-n,w	Closed
Cotton,1 1/16 std lw-mdMphs-u	Closed
Cotlook 'A' Index-t	*126.60

Friday, September 2, 2022

	Friday
Energy	
Coal,C.Aplc.,12500Btu,1.2SO2-r,w	187.150
Coal,PwdrRvrBsn,8800Btu,0.8SO2-r,w	16.250
Metals	
Gold, per troy oz	
Engelhard industrial	1718.00
Handy & Harman base	1712.50
Handy & Harman fabricated	1900.88
LBMA Gold Price AM	*1706.00
LBMA Gold Price PM	*1694.30
Krugerrand,wholesale-e	1789.14
Maple Leaf-e	1831.95
American Eagle-e	1831.95
Mexican peso-e	2208.78
Austria crown-e	1681.20
Austria phil-e	1797.71
Silver, troy oz.	
Engelhard industrial	18.3000
Handy & Harman base	18.2340
Handy & Harman fabricated	22.7930
LBMA spot price	*£15.3700
(U.S.$ equivalent)	*17.7700
Coins,wholesale $1,000 face-a	18018
Other metals	
LBMA Platinum Price PM	*838.0
Platinum,Engelhard industrial	843.0
Palladium,Engelhard industrial	2035.0
Aluminum, LME, $ per metric ton	*2306.0
Copper,Comex spot	3.4215
Iron Ore, 62% Fe CFR China-s	95.0
Shredded Scrap, US Midwest-s,m	n.a.
Steel, HRC USA, FOB Midwest Mill-s	800
Battery/EV metals	
BMI Lithium Carbonate, EXW China, =99.2%-v,w	70700
BMI Lithium Hydroxide, EXW China, =56.5% -v,w	69025
BMI Cobalt sulphate, EXW China, >20.5%-v,m	8193
BMI Nickel Sulphate, EXW China, >22%-v,m	5293
BMI Flake Graphite, FOB China, -100 Mesh, 94-95%-v,m	765
Fibers and Textiles	
Burlap,10-oz,40-inch NY yd-n,w	0.7700
Cotton,1 1/16 std lw-mdMphs-u	1.1139
Cotlook 'A' Index-t	*131.60
Hides,hvy native steers piece fob-u	n.a.
Wool,64s,staple,Terr del-u,w	n.a.
Grains and Feeds	
Barley,top-quality Mnpls-u	n.a.
Bran,wheat middlings, KC-u	215
Corn,No. 2 yellow,Cent IL-bp,u	6.6900
Corn gluten feed,Midwest-u,w	210.3
Corn gluten meal,Midwest-u,w	662.6
Cottonseed meal-u,w	418
Hominy feed,Cent IL-u,w	192
Meat-bonemeal,50% pro Mnpls-u,w	428
Oats,No.2 milling,Mnpls-u	4.2975
Rice, Long Grain Milled, No. 2 AR-u,w	33.75
Sorghum,(Milo) No.2 Gulf-u	n.a.
SoybeanMeal,Cent IL,rail,ton48%-u,w	474.10
Soybeans,No.1 yllw IL-bp,u	15.1200
Wheat,Spring14%-pro Mnpls-u	10.4000
Wheat,No.2 soft red,St.Louis-u	8.0100
Wheat - Hard - KC (USDA) $ per bu-u	9.5775
Wheat,No.1soft white,Portld,OR-u	9.0500
Food	
Beef,carcass equiv. index	
choice 1-3,600-900 lbs.-u	229.68
select 1-3,600-900 lbs.-u	207.11
Broilers, National comp wtd. avg.-u,w	1.2664
Butter,AA Chicago-d	3.1000
Cheddar cheese,bbl,Chicago-d	185.75
Cheddar cheese,blk,Chicago-d	176.50
Milk,Nonfat dry,Chicago lb.-d	152.00
Coffee,Brazilian,Comp-y	2.2988
Coffee,Colombian, NY-y	3.0496
Eggs,large white,Chicago-u	2.0650
Flour,hard winter KC-p	21.00
Hams,17-20 lbs,Mid-US fob-u	0.93
Hogs,Iowa-So. Minnesota-u	98.98
Pork bellies,12-14 lb MidUS-u	1.7424
Pork loins,13-19 lb MidUS-u	1.3023
Steers,Tex.-Okla. Choice-u	141.00
Steers,feeder,Okla. City-u,w	193.50
Fats and Oils	
Degummed corn oil, crude wtd. avg.-u,w	76.1500
Grease,choice white,Chicago-h	0.7400
Lard,Chicago-u	n.a.
Soybean oil,crude;Centl IL-u,w	0.7344
Tallow,bleach;Chicago-h	0.8100
Tallow,edible,Chicago-u	n.a.

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; D=CME; E=Manfra,Tordella & Brookes; H=American Commodities Brokerage Co; K=bi-weekly; M=monthly; N=nominal; n.a.=not quoted or not available; P=Sosland Publishing; R=SNL Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. *Data as of 9/1

Source: Dow Jones Market Data

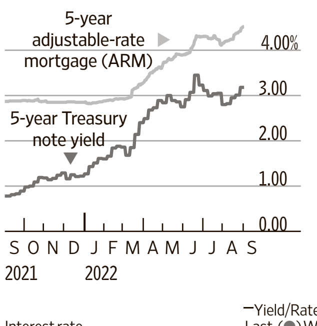
Key Interest Rates

Data delayed due to holiday.

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



Selected rates

Five-year ARM, Rate

Bankrate.com avg†:	4.52%
Florence Savings Bank	3.00%
Florence, MA	800-644-8261
Raymond James Bank, NA	3.00%
St. Petersburg, FL	800-718-2265
Clinton Savings Bank	3.50%
Clinton, MA	888-744-4272
Hanscom Federal Credit Union	3.75%
Hanscom AFB, MA	800-656-4328
RTN Federal Credit Union	3.88%
Waltham, MA	781-736-9900

Interest rate	Yield/Rate (%) Last (●)	Week ago	52-Week Range (%) Low	High	3-yr chg (pct pts)
Federal-funds rate target	2.25-2.50	2.25-2.50	0.00	2.50	0.25
Prime rate*	5.50	5.50	3.25	5.50	0.25
Libor, 3-month	3.16	3.07	0.11	3.16	1.03
Money market, annual yield	0.16	0.16	0.07	0.16	-0.56
Five-year CD, annual yield	1.88	1.88	0.41	1.88	0.14
30-year mortgage, fixed†	6.14	5.90	3.04	6.14	2.46
15-year mortgage, fixed†	5.30	5.12	2.32	5.39	2.09
Jumbo mortgages, $647,200-plus†	6.17	5.91	3.06	6.17	1.62
Five-year adj mortgage (ARM)†	4.52	4.40	2.82	4.52	0.33
New-car loan, 48-month	5.10	5.10	3.41	5.10	0.46

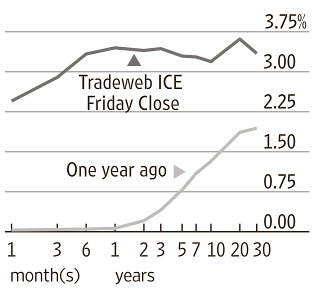
Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks.† Excludes closing costs.

Sources: FactSet; Dow Jones Market Data; Bankrate.com

Benchmark Yields and Rates

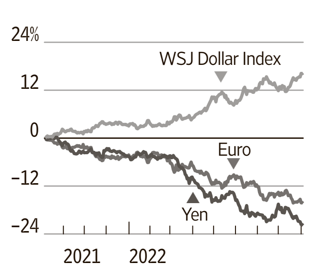
Treasury yield curve

Yield to maturity of current bills, notes and bonds



Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Sources: Tradeweb ICE U.S. Treasury Close; Tullett Prebon; Dow Jones Market Data

Corporate Borrowing Rates and Yields

Bond total return index	Yield (%) Last	Wk ago	Spread +/- Treasurys, in basis pts, 52-wk Range Last	Low	High	Total Return 52-wk	3-yr
U.S. Treasury, Bloomberg	3.410	3.310				-11.07	-2.31
U.S. Treasury Long, Bloomberg	3.550	3.390				-23.96	-7.15
Aggregate, Bloomberg	3.970	3.830	52	32	56	-11.80	-2.06
Fixed-Rate MBS, Bloomberg	3.960	3.820	41	18	54	-9.80	-1.99
High Yield 100, ICE BofA	7.700	7.420	430	249	552	-10.893	-0.199
Muni Master, ICE BofA	3.120	2.943	-5	-8	11	-8.230	-0.821
EMBI Global, J.P. Morgan	7.677	7.360	430	307	496	-19.399	-4.422

Sources: J.P. Morgan; S&P Dow Jones Indices; Bloomberg Fixed Income Indices; ICE BofA

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Country/currency	Mon in US$	Mon per US$	US$ vs, YTD chg (%)
Americas			
Argentina peso	.0071	140.1292	36.5
Brazil real	.1940	5.1536	-7.5
Canada dollar	.7609	1.3143	4.0
Chile peso	.001134	881.75	3.5
Colombia peso	.000224	4463.33	9.8
Ecuador US dollar	1	1	unch
Mexico peso	.0500	20.0017	-2.4
Uruguay peso	.02456	40.7150	-8.9
Asia-Pacific			
Australian dollar	.6797	1.4712	6.9
China yuan	.1442	6.9340	9.1
Hong Kong dollar	.1274	7.8492	0.7
India rupee	.01253	79.791	7.1
Indonesia rupiah	.0000671	14903	4.6
Japan yen	.007113	140.59	22.1
Kazakhstan tenge	.002116	472.66	8.6
Macau pataca	.1237	8.0865	0.6
Malaysia ringgit	.2235	4.4740	7.4
New Zealand dollar	.6095	1.6407	12.2
Pakistan rupee	.00455	219.650	24.7
Philippines peso	.0176	56.932	11.6
Singapore dollar	.7125	1.4035	4.1
South Korea won	.0007303	1369.30	15.2
Sri Lanka rupee	.0027778	360.00	77.4
Taiwan dollar	.03256	30.716	10.8
Thailand baht	.02733	36.590	10.1
Vietnam dong	.00004253	23515	2.9
Europe			
Czech Rep. koruna	.04040	24.750	13.1
Denmark krone	.1335	7.4887	14.5
Euro area euro	0.9933	1.0068	14.5
Hungary forint	.002455	407.27	25.4
Iceland krona	.006969	143.49	10.6
Norway krone	.1003	9.9669	13.2
Poland zloty	.2102	4.7563	18.1
Russia ruble	.01626	61.505	-17.8
Sweden krona	.0926	10.8041	19.3
Switzerland franc	1.0206	.9798	7.4
Turkey lira	.0549	18.2191	36.8
Ukraine hryvnia	.0271	36.8500	34.7
UK pound	1.1518	.8682	17.5
Middle East/Africa			
Bahrain dinar	2.6525	.3770	0.01
Egypt pound	.0520	19.2283	22.4
Israel shekel	.2934	3.4083	9.6
Kuwait dinar	3.2406	.3086	2.0
Oman sul rial	2.5972	.3850	0.01
Qatar rial	.2747	3.640	-0.1
Saudi Arabia riyal	.2660	3.7591	0.1
South Africa rand	.0583	17.1624	7.7

	Close	Net Chg	% Chg	YTD % Chg
WSJ Dollar Index	101.11	0.17	0.17	12.91

Sources: Tullett Prebon, Dow Jones Market Data

CLOSED-END FUNDS

Listed are the 300 largest closed-end funds as measured by assets. Closed-end funds sell a limited number of shares and invest the proceeds in securities. Unlike open-end funds, closed-ends generally do not buy their shares back from investors who wish to cash in their holdings. Instead, fund shares trade on a stock exchange. **NA** signifies that the information is not available or not applicable. **NS** signifies funds not in existence for the entire period. 12 month yield is computed by dividing income dividends paid (during the previous 12 months for periods ending at month-end or during the previous 52 weeks for periods ending at any time other than month-end) by the latest month-end market price adjusted for capital gains distributions. Depending on the fund category, either 12-month yield or total return is listed.

Source: Lipper

Friday, September 2, 2022

Fund (SYM)	NAV	Close	Prem /Disc	52 wk Ttl Ret
General Equity Funds				
Adams Diversified Eq Inc **ADX**	18.68	15.94	-14.7	-11.5
Central Secs **CET**	42.42	35.70	-15.8	-9.0
CohenStrsCEOppFd **FOF**	11.24	11.66	+3.7	-13.7
EVTxAdvDivIncm **EVT**	NA	24.46	NA	-8.0
GabelliDiv&IncTr **GDV**	23.86	21.11	-11.5	-18.4
Gabelli Equity Tr **GAB**	5.09	6.22	+22.2	-1.7
GeneralAmer **GAM**	43.68	36.67	-16.0	-12.1
JHancockTaxAdvDiv **HTD**	25.15	23.93	-4.9	2.5
Liberty All-Star Equity **USA**	6.03	6.22	+3.2	-21.2
Liberty All-Star Growth **ASG**	5.43	5.55	+2.2	-29.4
Royce Micro-Cap Tr **RMT**	9.90	8.82	-10.9	-17.1
Royce Value Trust **RVT**	15.14	14.86	-1.8	-13.3
Source Capital **SOR**	40.46	37.09	-8.3	-9.7
Sprott Focus Trust **FUND**	8.16	7.77	-4.8	0.0
SRH Total Return **STEW**	14.30	12.04	-15.8	-10.0
Tri-Continental **TY**	30.76	27.56	-10.4	-8.4
Specialized Equity Funds				
abrdn Glb Prem Prop **AWP**	4.90	4.84	-1.2	-23.2
Adams Natural Resources **PEO**	24.66	21.52	-12.7	51.2
ASA Gold & Prec Met Ltd **ASA**	16.07	13.94	-13.3	-34.9
BR Enh C&I **CII**	19.10	18.79	-1.6	-8.2
BlackRock Energy & Res **BGR**	13.07	11.51	-11.9	35.5
BlackRock Eq Enh Div **BDJ**	9.20	9.35	+1.6	0.6
BlackRock Enh Glbl Div **BOE**	10.87	9.62	-11.5	-18.2
BlackRock Enh Intl Div **BGY**	5.43	4.79	-11.8	-20.4
BlackRock ESG Cap Alloc **ECAT**	17.05	14.28	-16.2	NS
BlackRock Hlth Sci Tr II **BMEZ**	18.91	16.38	-13.4	-39.6
BlackRock Hlth Sciences **BME**	41.40	42.31	+2.2	-8.5
BlackRock Innov and Grow **BIGZ**	9.75	8.18	-16.1	-55.1
BlackRock Res & Comm **BCX**	10.27	9.28	-9.6	3.8
BlackRock Sci&Tech T II **BSTZ**	22.95	20.29	-11.6	-46.6
BlackRock Sci&Tech Trust **BST**	34.18	34.19	0.0	-31.5
BlackRock Utl Inf & Pwr **BUI**	22.59	23.60	+4.5	-7.3
CLEARBRIDGE ENGY MDS OPP **EMO**	34.66	28.74	-17.1	41.9
CLEARBRIDGE MLP&MDSTM TR **CTR**	36.70	30.15	-17.8	35.4
ClearBridge MLP & Midstm **CEM**	40.54	34.09	-15.9	34.4
ChnStrInfr **UTF**	26.05	26.50	+1.7	-3.8
Cohen&SteersQualInc **RQI**	14.32	14.28	-0.3	-8.9
CohenStrs Real Est and I **RLTY**	17.46	16.38	-6.2	NS
Cohen&Steers TotRet **RFI**	13.21	13.72	+3.9	-13.6
CohenStrsREITPrefInc **RNP**	23.38	23.50	+0.5	-11.7
Columbia Sel Prm Tech Gr **STK**	25.25	28.28	+12.0	-9.3
DNP Select Income **DNP**	9.74	11.31	+16.1	13.7
Duff&Ph Uti&Infra Inc Fd **DPG**	13.76	14.79	+7.5	10.1
EtnVncEqtyInc **EOI**	NA	15.43	NA	-13.2
EtnVncEqtyIncoII **EOS**	NA	17.43	NA	-23.5
EVRskMnDvsEqInc **ETJ**	NA	9.22	NA	-7.2
ETnVncTxMgdBuyWrtInc **ETB**	NA	15.73	NA	3.6
EtnVncTxMgdBuyWrtOpp **ETV**	NA	14.54	NA	-4.0
EvTxMnDvsEqInc **ETY**	NA	12.83	NA	-4.3
EtnVncTxMgdGlbB **ETW**	NA	8.91	NA	-12.4
EVTxMnGblDvEqInc **EXG**	NA	8.58	NA	-13.0
Ecofin S&S Impact Term **TEAF**	16.57	14.83	-10.5	7.3
First Trust Energy Inc G **FEN**	15.60	15.42	-1.2	21.2
First Tr Enhanced Eq **FFA**	17.19	16.77	-2.4	-16.9
FirstTrEnergyInfra **FIF**	17.64	15.13	-14.2	19.6
FirstTrMLPEner&Inc **FEI**	9.25	8.13	-12.1	19.9
Gabelli Healthcare **GRX**	12.06	10.76	-10.8	-17.5
Gab Utility **GUT**	3.94	7.85	+99.2	9.8
GAMCOGlGold&NatRes **GGN**	3.45	3.38	-2.0	-5.9
J Han Finl Opptys **BTO**	33.61	35.19	+4.7	-11.8
Neuberger Brmn MLP & EI **NML**	8.57	7.07	-17.5	50.1
Neuberger Nxt Gen Conn **NBXG**	12.48	10.65	-14.7	-42.3
NubrgrRlEstSec **NRO**	4.10	4.02	-2.0	-17.1
Nuv Dow 30 Dyn Overwrite **DIAX**	15.63	15.51	-0.8	-5.9
NuvCorEqAlpha **JCE**	13.85	14.39	+3.9	-6.7
Nuveen Nasdaq 100 Dyn Ov **QQQX**	22.16	22.36	+0.9	-20.8
Nuv Real Est **JRS**	9.63	9.45	-1.9	-13.2
Nuveen Rl Asst Inc & Gro **JRI**	14.69	13.18	-10.3	-12.7
NuvS&P500DynOvFd **SPXX**	15.42	15.67	+1.6	-8.1
NuvSP500BuyIncFd **BXMX**	12.96	13.29	+2.5	-5.0
ReavesUtilityIncome **UTG**	31.37	31.54	+0.5	-6.9
Tortoise Enrgy Infra Crp **TYG**	41.24	34.26	-16.9	36.1
Tortoise Midstream Enrgy **NTG**	44.49	36.91	-17.0	36.1
VDivInt&PremStr **NFJ**	13.71	12.11	-11.7	-18.0
V Art Int&Tech Opps **AIO**	19.54	17.22	-11.9	-24.8
Income & Preferred Stock Funds				
CalamosStratTot **CSQ**	14.05	14.55	+3.6	-16.9
CohenStrsLtdDurPref&Inc **LDP**	21.54	20.04	-7.0	-19.3
CohenStrsSelPref&Income **PSF**	21.60	20.92	-3.1	-25.9
CohenStrsTaxAvPreSecs&I **PTA**	21.39	19.08	-10.8	-20.2
Dividend and Income **DNI**	16.54	11.85	-28.4	-15.4
FirstTrIntDurPref&Inc **FPF**	19.89	18.62	-6.4	-23.0
JHanPrefInc **HPI**	17.46	17.91	+2.6	-11.3
JHPrefIncII **HPF**	17.30	17.69	+2.3	-14.5
HnckJPfdInco III **HPS**	15.47	15.68	+1.4	-12.1
J Han Prm **PDT**	14.00	15.19	+8.5	-3.5
LMP CapInco **SCD**	14.36	12.76	-11.1	-6.7
Nuveen Multi-Asset Inc **NMAI**	15.36	13.26	-13.7	NS
Nuveen Pref & Inc Opp **JPC**	8.18	7.79	-4.8	-16.4
Nuveen Fd **JPS**	8.00	7.28	-9.0	-22.3
Nuveen Pref & Inc Term **JPI**	20.52	19.71	-3.9	-16.5
Nuveen Var Rate P&I **NPFD**	20.48	19.44	-5.1	NS
TCW Strat Income **TSI**	5.20	5.05	-2.9	-6.0
Convertible Sec's. Funds				
AdvntCnvrtbl&IncFd **AVK**	13.03	12.94	-0.7	-20.4
CalamosConvHi **CHY**	11.44	12.28	+7.3	-17.6
CalmosConvOp **CHI**	10.87	11.27	+3.7	-21.1
V Conv & Inc **NCV**	4.12	3.81	-7.5	-31.9
V Conv & Inc II **NCZ**	3.67	3.35	-8.7	-31.7
V Div Inc & Conv **ACV**	21.83	21.39	-2.0	-25.1
V Eqty & Conv Inc **NIE**	25.14	22.11	-12.1	-18.5
World Equity Funds				
abrdn Emg Mkts Eq Inc **AEF**	5.96	5.20	-12.8	-37.0
abrdn Tot Dyn Div **AOD**	8.94	7.89	-11.7	-18.2
Allspring Gl Div Oppty **EOD**	4.74	4.84	+2.1	-10.9
BlackRock Capital Alloc **BCAT**	17.51	14.63	-16.4	-28.5
Calamos GloDynInc **CHW**	6.48	7.16	+10.5	-24.9
EV TxAdvGlbDivInc **ETG**	NA	16.97	NA	-18.2
EtnVncTxAdvOpp **ETO**	NA	23.38	NA	-21.8
FirstTr Dyn Euro Eq Inc **FDEU**	11.74	10.48	-10.7	-18.3
Gabelli Multimedia **GGT**	4.77	7.31	+53.2	-13.2
GDL Fund **GDL**	10.12	8.18	-19.2	-4.9
Highland Global Alloc **HGLB**	12.54	10.18	-18.8	13.8
India Fund **IFN**	18.78	17.58	-6.4	-10.9
Japan Smaller Cap **JOF**	7.34	6.25	-14.9	-28.2
LazardGlbTotRetInc **LGI**	16.15	16.05	-0.6	-19.0
Mexico **MXF**	NA	13.66	NA	-9.5
Miller/Howard High Inc E **HIE**	10.74	9.91	-7.7	4.8
MS ChinaShrFd **CAF**	17.42	14.77	-15.2	-24.3
MS India **IIF**	29.83	24.92	-16.5	-7.4
MS CBRE Gl In Mg **MEGI**	17.91	15.39	-14.1	NS
Templeton Dragon **TDF**	12.09	10.51	-13.1	-38.4
Templeton Em Mkt **EMF**	13.45	11.66	-13.3	-31.4

Fund (SYM)	NAV	Close	Prem /Disc	12 Mo Yld
U.S. Mortgage Bond Funds				
BlckRk Income **BKT**	4.72	4.54	-3.8	8.7
Invesco HI 2023 Tgt Term **IHIT**	8.78	8.58	-2.3	5.9
Investment Grade Bond Funds				
Angel Oak FS Inc Trm **FINS**	NA	14.11	NA	9.1
BlRck Core Bond **BHK**	11.69	11.57	-1.0	7.5
BR Credit Alloc Inc **BTZ**	11.71	10.91	-6.8	9.1
J Han Income **JHS**	12.37	11.74	-5.1	6.4
MFS Intmdt **MIN**	3.12	2.92	-6.4	10.1
Western Asset Inf-Lk Inc **WIA**	11.20	10.03	-10.4	17.3
Western Asset Inf-Lk O&I **WIW**	11.68	10.26	-12.2	12.1
Loan Participation Funds				
Apollo Senior Floating **AFT**	NA	13.11	NA	7.6
BR Debt Strategy **DSU**	10.63	9.55	-10.2	7.5
BR F/R Inc Str **FRA**	13.01	11.94	-8.2	6.6
BlackRock Floatng Rt Inc **BGT**	12.63	11.38	-9.9	6.8
Blackstone Strat Cr **BGB**	NA	11.44	NA	6.8
Eaton Vance F-R 2022 TT **EFL**	NA	8.58	NA	4.2
EtnVncFltRteInc **EFT**	NA	12.00	NA	7.7
EV SenFlRtTr **EFR**	NA	11.87	NA	8.1
FT/Sr Fltg Rte Inc 2 **FCT**	11.13	10.19	-8.4	8.7
Highland Income **HFRO**	15.45	11.55	-25.2	7.8
InvDYCrOpp:AX **VTA**	11.30	NA	NA	NA
InvSnrIncTr **VVR**	4.27	3.81	-10.8	8.7
Nuveen Credit Strat Inc **JQC**	6.12	5.37	-12.3	8.7
NuvFloatRateIncFd **JFR**	9.46	8.64	-8.7	8.2
NuvFloatRteIncOppty **JRO**	9.36	8.48	-9.4	8.3
Nuveen Senior Income **NSL**	5.54	4.95	-10.6	8.3
High Yield Bond Funds				
AllianceBernGlHiIncm **AWF**	10.64	9.91	-6.9	7.8
Allspring Income Oppty **EAD**	7.27	6.83	-6.1	10.5
Barings Glb SD HY Bd **BGH**	15.05	13.59	-9.7	9.2
BR Corporate HY **HYT**	9.71	9.54	-1.8	9.7
BlackRock Ltd Dur Inc **BLW**	13.91	13.44	-3.4	8.6
BNY Mellon Hi Yield Str **DHF**	2.58	2.30	-10.9	9.9
Brookfield Real Asst Inc **RA**	16.85	19.20	+13.9	11.1
CrSuisHighYld **DHY**	2.11	1.93	-8.5	9.4
DELAWARE IVY HIGH INCOPP **IVH**	11.97	11.46	-4.3	7.0
DoubleLine Inc Sol **DSL**	13.16	12.14	-7.8	13.8
DoubleLine Yld Opps **DLY**	16.32	14.82	-9.2	9.4
First Tr Hi Inc Lng/Shrt **FSD**	12.94	11.65	-10.0	10.6
First Trust HY Opp:2027 **FTHY**	16.28	14.92	-8.4	11.2
Franklin Univ **FT**	8.07	7.87	-2.5	6.3
KKR Income Opportunities **KIO**	13.59	12.24	-9.9	10.2
Nuveen Global High Inc **JGH**	13.05	11.82	-9.4	11.2
PGIM Global High Yield **GHY**	NA	11.59	NA	10.7
PGIM High Yield Bond **ISD**	13.96	12.66	-9.3	9.8
PGIM Sh Dur Hi Yld Opp **SDHY**	NA	15.19	NA	8.5
PioneerHiIncm **PHT**	7.79	7.06	-9.4	10.9
WstAstHIF II **HIX**	5.20	5.45	+4.8	10.8
Western Asset Hi Inc Opp **HIO**	4.44	3.99	-10.1	9.0
Western Asset Hi Yld D O **HYI**	12.91	12.39	-4.0	9.1
Other Domestic Taxable Bond Funds				
Allspring Multi-Sector **ERC**	9.87	10.01	+1.4	11.1
Apollo Tactical Income **AIF**	NA	12.82	NA	8.2
Ares Dynamic Crdt Alloc **ARDC**	NA	12.88	NA	9.0
BlackRock Mlt-Sctr Inc **BIT**	15.09	16.04	+6.3	9.1
BlackRock Tax Muni Bd **BBN**	18.51	18.74	+1.2	7.6
DoubleLine:Oppor Crdt Fd **DBL**	15.74	15.54	-1.3	8.8
EVLmtDurIncm **EVV**	NA	10.56	NA	11.3
Franklin Ltd Dur Income **FTF**	7.40	6.82	-7.8	12.3
J Han Investors **JHI**	14.41	13.66	-5.2	10.3
MFS Charter **MCR**	6.88	6.49	-5.7	9.7
NuvCorePlusImpact **NPCT**	13.41	11.88	-11.4	10.3
Nuveen Taxable Muni Inc **NBB**	17.47	17.50	+0.2	7.1
PIMCO Corp & Inc Oppty **PTY**	11.51	13.54	+17.6	10.4
PIMCO Corp & Inc Strat **PCN**	11.89	13.56	+14.0	9.7
PIMCOHiInco **PHK**	4.84	5.11	+5.6	11.1
PIMCO IncmStrFd **PFL**	8.48	9.03	+6.5	10.7
PIMCO IncmStrFd II **PFN**	7.48	7.70	+2.9	11.0
Putnam Prem Inc **PPT**	4.06	3.75	-7.6	8.2
Western Asset Dvsfd Inc **WDI**	15.97	14.01	-12.3	10.0
World Income Funds				
abrdn AP IncFd **FAX**	3.26	2.86	-12.3	11.4
MS EmMktDomDebt **EDD**	5.14	4.41	-14.2	7.8
PIMCO Access Income **PAXS**	17.79	16.99	-4.5	NS
PIMCO Dynamic Income **PDI**	19.81	21.16	+6.8	12.2
PIMCO Dynamic Inc Opp **PDO**	15.53	14.86	-4.3	12.1
PIMCO Stratg Inc **RCS**	4.71	5.38	+14.2	11.2
Templeton Em Inc **TEI**	5.62	4.97	-11.6	14.7
Templtn Glbl Inc **GIM**	4.64	4.59	-1.1	8.9
WstAstEmergDebt **EMD**	10.07	9.12	-9.4	11.4
Western Asset Gl Cr D Op **GDO**	13.58	13.43	-1.1	8.9
National Muni Bond Funds				
AllBerNatlMunInc **AFB**	12.46	11.23	-9.9	5.2
BlckRk Inv Q Mun **BKN**	13.15	14.90	+13.3	5.3
BlackRock Muni 2030 Tgt **BTT**	23.62	22.17	-6.1	3.3
BlackRock Muni **BFK**	11.52	10.60	-8.0	6.2
BlackRock Muni II **BLE**	11.92	10.92	-8.4	6.1
BlckRk Muni Inc Qly **BYM**	12.71	12.50	-1.7	5.5
BR MuniAssets Fd **MUA**	11.92	12.17	+2.1	4.4
BR MH Qly 2 **MUE**	11.56	11.02	-4.7	5.6
BR MuniHoldngs **MHD**	13.58	12.76	-6.0	5.7
BR MuniVest Fd **MVF**	7.93	7.29	-8.1	5.4
BR MuniVest 2 **MVT**	12.15	11.30	-7.0	5.9
BR MuniYield Fd **MYD**	12.00	10.90	-9.2	5.7
BR MuniYield Qlty **MQY**	13.21	12.27	-7.1	5.9
BR MuniYld Qlty2 **MQT**	11.68	11.90	+1.9	5.4
BR MuniYld Qly 3 **MYI**	12.40	11.40	-8.1	5.3
BNY Mellon Muni Bd Infra **DMB**	12.14	13.26	+9.2	4.7
BNY Mellon Str Muni Bond **DSM**	6.73	6.37	-5.3	5.6
BNY Mellon Strat Muni **LEO**	7.05	6.60	-6.4	5.5
Del Inv Natl Muni Income **VFL**	12.25	11.93	-2.6	4.4
DWS Muni Inc **KTF**	10.10	9.08	-10.1	4.9
EVMuniBd **EIM**	11.48	10.51	-8.4	5.2
EVMuniIncm **EVN**	11.56	10.86	-6.1	5.1
EVNatMuniOpp **EOT**	18.40	17.34	-5.8	4.2
InvAdvMuIncTrII **VKI**	9.75	9.10	-6.7	6.0
Invesco MuniOp **OIA**	6.52	6.48	-0.6	5.4
InvescoMuOppTr **VMO**	10.89	10.14	-6.9	5.8
InvescoMuTr **VKQ**	10.91	10.06	-7.8	5.8
InvescoQual Inc **IQI**	10.99	10.07	-8.4	5.7
InvTrInvGrMu **VGM**	11.24	10.32	-8.2	5.8
InvescoValMunInc **IIM**	13.45	13.04	-3.0	5.6
MAINSTAY:MK DEFTR MUN OP **MMD**	17.39	17.81	+2.4	5.7
NeubrgrBrm **NBH**	12.11	10.98	-9.3	6.1
Nuveen AMT-Fr Mu Val **NUW**	14.97	13.97	-6.7	3.3
Nuveen AMT-Fr Qlty Mun I **NEA**	12.67	11.73	-7.4	5.6
Nuveen AMT-Fr Mu CI **NVG**	13.75	13.73	-0.1	5.7
Nuveen Dyn Muni Opp **NDMO**	11.66	11.20	-3.9	8.0
Nuveen Int Dur Mun Term **NID**	13.53	13.44	-0.7	4.1
Nuveen Mu Crdt Opps **NMCO**	12.67	12.93	+2.1	5.7
Nuv Muni Credit Income **NZF**	13.68	12.66	-7.5	5.8
NuvMuniHiIncOpp **NMZ**	11.51	11.61	+0.9	6.5
Nuveen Muni Val **NUV**	9.27	8.85	-4.5	3.7
Nuveen Quality Muni Inc **NAD**	13.06	12.13	-7.1	5.7
Nuveen Sel TF **NXP**	14.36	13.90	-3.2	3.9
PIMCO MuniInc **PMF**	10.04	10.88	+8.4	5.8
PIMCOMuniIncII **PML**	9.30	10.82	+16.3	6.4
Pimco Muni III **PMX**	8.49	9.17	+8.0	6.0
PioneerHiIncAdv **MAV**	9.58	8.72	-9.0	5.5
PionrMuniHiIncOppty **MIO**	13.26	12.00	-9.5	4.9
PioneerMunHiIcm **MHI**	10.29	9.37	-8.9	4.9
Putnam Mgd Inc **PMM**	6.65	6.38	-4.1	5.0
Putnam Muni Opp **PMO**	11.20	11.27	+0.6	5.2
RiverNorth Flx Mu Inc II **RFMZ**	15.64	14.47	-7.5	7.8
RiverNorth Mgd Dur Mun I **RMM**	16.37	15.74	-3.8	6.9
Western Asset Mgd Muni **MMU**	11.62	10.40	-10.5	4.4
Single State Muni Bond				
BlackRock CA Mun **BFZ**	12.72	11.40	-10.4	4.5
BR MH CA Qly Fd Inc **MUC**	12.69	11.97	-5.7	5.4
BR MH NJ Qly **MUJ**	12.90	13.00	+0.8	5.8
BR MH NY Qly **MHN**	11.91	10.75	-9.7	5.7
BR MuniYld MI Qly **MIY**	12.94	13.42	+3.7	5.0
BR MuniYld NY Qly **MYN**	11.48	10.41	-9.3	5.5
BlackRock NY Mun **BNY**	11.74	10.81	-8.0	5.6
EVCAMuniBd **EVM**	10.34	9.25	-10.5	5.0
Eaton Vance NY Muni Bd **ENX**	10.58	9.35	-11.6	4.4
InvCaValMuIncTr **VCV**	10.96	9.95	-9.2	5.4
InvPAValMuIncTr **VPV**	11.80	10.57	-10.4	5.2
InvTrInvGrNYMu **VTN**	11.76	10.47	-11.0	5.1
Nuveen CA AMT-F Qual MI **NKX**	13.46	13.24	-1.6	4.9
Nuveen CA Val **NCA**	9.33	8.87	-4.9	3.3
NuveenCAQtyMuInc **NAC**	12.89	12.15	-5.7	5.2
NuvNJ Qual Muni Inc **NXJ**	13.43	12.18	-9.3	5.3
Nuveen NY AMT/Fr Qual MI **NRK**	12.00	10.84	-9.7	5.2
Nuveen NY Qual Muni Inc **NAN**	12.50	11.21	-10.3	5.1
Nuveen OH Qual Muni Inc **NUO**	14.59	12.52	-14.2	4.3
Nuveen PA Qual Muni Inc **NQP**	13.37	11.98	-10.4	5.0
Nuveen VA Qlty Mun Inc **NPV**	12.41	14.02	+13.0	4.0
PIMCO CA **PCQ**	10.77	15.03	+39.6	5.2
PIMCOCAMuniII **PCK**	6.76	7.06	+4.4	5.4

Fund (SYM)	NAV	Close	Prem /Disc	52 wk Ttl Ret
General Equity Funds				
Alternative Strategies:I	5.40	NA	NA	-14.0
BOW RIVER CAPTL EVGN;II	NA	NA	NA	N
Specialized Equity Funds				
ArrowMark Financial Corp **BANX**	NA	19.63	NA	NA
Bluerock Total Inc+ RE:M	NA	NA	NA	NS
CBRE GlbRlEst **IGR**	7.31	7.26	-0.7	-22.3
Clarion Partners REI D	12.70	NA	NA	21.3
Clarion Partners REI I	12.72	NA	NA	21.7
Clarion Partners REI S	12.72	NA	NA	20.6
Clarion Partners REI T	12.70	NA	NA	20.7
First Tr Real Assets;I	NA	NA	NA	NS
NexPointRlEstStrat;A	21.78	NA	NA	21.4
NexPointRlEstStrat;C	22.05	NA	NA	20.5
NexPointRlEstStrat;Z	22.03	NA	NA	21.7
PREDEX;I	32.54	NA	NA	26.2
PREDEX;T	32.75	NA	NA	26.1
PREDEX;W	32.74	NA	NA	26.0
Principal Dvs Sel RA A	26.83	NA	NA	0.8
Principal Dvs Sel RA Ins	26.90	NA	NA	1.7
Principal Dvs Sel RA Y	27.08	NA	NA	1.9
The Private Shares;A	43.10	NA	NA	4.8
The Private Shares;I	43.65	NA	NA	5.0
The Private Shares;L	42.58	NA	NA	4.5
Thirdline Real Estate I	10.10	NA	NA	NS
USQ Core Real Estate:I	30.88	NA	NA	23.5
USQ Core Real Estate:IS	30.92	NA	NA	23.6
Versus Cap MMgr RE Inc:I	31.24	NA	NA	NE
Versus Capital Real Asst	27.25	NA	NA	5.9
Wildermuth:A	13.52	NA	NA	0.9
Wildermuth:C	12.80	NA	NA	0.0
Wildermuth:I	13.66	NA	NA	1.1
Income & Preferred Stock Funds				
Alpha Alternative Assets	6.71	NA	NA	-21.3
Calamos L/S Eqty and DI **CPZ**	18.48	17.23	-6.8	-7.4
Flat Rock Opportunity	19.77	NA	NA	2.9
Lord Abbett Spec Sit I:A	9.24	NA	NA	NS
Lord Abbett Spec Sit I:I	9.24	NA	NA	NS
Variant Altrntv Inc:Inst	28.65	NA	NA	8.6
Variant Impact;Instl	26.40	NA	NA	NS
Convertible Sec's. Funds				
Calmos Dyn Conv and Inc **CCD**	21.48	22.80	+6.1	-25.4
World Equity Funds				
ACAP Strategic:A	15.26	NA	NA	-40.9
ACAP Strategic:W	11.33	NA	NA	-40.4
CalamosGlbTotRet **CGO**	10.10	11.59	+14.8	-30.3
Primark Priv Eq Inv:I	11.24	NA	NA	-8.7
Sweater Cashmere	20.06	NA	NA	NS
Thornburg Inc Bldr Opps **TBLD.O**	16.17	14.51	-10.3	-15.4
VirtusTotalRetFd **ZTR**	8.08	7.63	-5.6	-5.6

Fund (SYM)	NAV	Close	Prem /Disc	12 Mo Yld
U.S. Mortgage Bond Funds				
Arca US Treasury	NA	NA	NA	0.0
Ellington Inc Opp:A	8.78	NA	NA	8.0
Ellington Inc Opp:M	8.67	NA	NA	8.2
Loan Participation Funds				
1WS Credit Income;A2	NA	NA	NA	6.5
1WS Credit Income;Inst	NA	NA	NA	6.5
AlphCntrc Prime Merid In	9.26	NA	NA	11.1
Axonic Alternative Inc	NA	NA	NA	12.2
Blackstone FR EI D	NA	NA	NA	5.8
Blackstone FR EI I	NA	NA	NA	6.1
Blackstone FR EI T	NA	NA	NA	5.6
Blackstone FR EI T-I	NA	NA	NA	5.6
Blackstone FR EI U	NA	NA	NA	5.6
Bluerock HI Inst Crd:A	NA	NA	NA	NS
Bluerock HI Inst Crd:C	NA	NA	NA	NS
Bluerock HI Inst Crd:F	NA	NA	NA	NS
Bluerock HI Inst Crd:I	NA	NA	NA	NS
BNYM Alcntr Glb MS Cr Fd	88.40	NA	NA	8.8
CliffwaterClFd;I	NA	NA	NA	6.2
CliffwaterElFd;A	10.76	NA	NA	7.5
CNR Strategic Credit	8.54	NA	NA	19.9
Eagle Point Instl Income	NA	NA	NA	NS
Equalize Community Dev	9.58	NA	NA	2.4
FedProj&TrFinanceTendr	9.89	NA	NA	2.4
Flat Rock Core Income	NA	NA	NA	6.9
InvDYCrOpp:A	11.31	NA	NA	NS
InvDYCrOpp:R6	11.31	NA	NA	NS
InvDYCrOpp:Y	11.30	NA	NA	NS
Invesco Sr Loan A	6.04	NA	NA	6.0
Invesco Sr Loan C	6.05	NA	NA	5.2
Invesco Sr Loan IB	6.04	NA	NA	6.2
Invesco Sr Loan IC	6.04	NA	NA	6.1
Invesco Sr Loan Y	6.04	NA	NA	6.2
OFS Credit Company **OCCI**	NA	10.88	NA	NA
Yieldstreet Prism	NA	NA	NA	8.0
High Yield Bond Funds				
Apollo Diversified Cd:A	NA	NA	NA	6.6
Apollo Diversified Cd:C	NA	NA	NA	6.6
Apollo Diversified Cd:F	NA	NA	NA	6.6
Apollo Diversified Cd:I	NA	NA	NA	6.6
Apollo Diversified Cd:L	NA	NA	NA	6.6
Apollo Diversified Cd:M	NA	NA	NA	NS
Opprtnstc Crdt Intrvl;I	NA	NA	NA	NS
PIMCO Flexible Cr I;A-1	7.99	NA	NA	9.1
PIMCO Flexible Cr I;A-2	7.99	NA	NA	9.1
PIMCO Flexible Cr I;A-3	7.99	NA	NA	8.8
PIMCO Flexible Cr I;A-4	7.99	NA	NA	8.8
PIMCO Flexible Cr I;Inst	7.99	NA	NA	9.7
WA Middle Mkt Inc	579.55	NA	NA	5.7
Other Domestic Taxable Bond Funds				
AFA MMC;Inst	9.68	NA	NA	5.9
AFA MMC;Inv	9.66	NA	NA	5.9
Alternative Credit Inc:A	NA	NA	NA	6.6
Alternative Credit Inc:C	NA	NA	NA	5.8
Alternative Credit Inc:I	NA	NA	NA	6.9
Alternative Credit Inc:L	NA	NA	NA	6.4
Alternative Credit Inc:W	NA	NA	NA	6.6
Angel Oak Str Crdt:FI	NA	NA	NA	NS
Angel Oak Str Crdt:Inst	NA	NA	NA	14.9
BR Credit Strat;A	8.70	NA	NA	6.5
BR Credit Strat;Inst	8.68	NA	NA	7.5
BR Credit Strat;U	8.70	NA	NA	6.5
BR Credit Strat;W	8.70	NA	NA	6.5
BlackRock Mlt-Sctr Oppty	70.48	NA	NA	9.1
BlackRock Mlt-Sec Opp II	72.66	NA	NA	8.6
Carlyle Tact Pvt Cred:A	NA	NA	NA	7.1
Carlyle Tact Pvt Cred:I	NA	NA	NA	7.6
Carlyle Tact Pvt Cred:L	NA	NA	NA	7.1
Carlyle Tact Pvt Cred:M	NA	NA	NA	6.8
Carlyle Tact Pvt Cred:N	NA	NA	NA	7.7
Carlyle Tact Pvt Cred:Y	NA	NA	NA	7.4
CION Ares Dvsfd Crdt;A	NA	NA	NA	5.6
CION Ares Dvsfd Crdt;C	NA	NA	NA	5.7
CION Ares Dvsfd Crdt;I	NA	NA	NA	5.7
CION Ares Dvsfd Crdt;L	NA	NA	NA	5.7
CION Ares Dvsfd Crdt;U	NA	NA	NA	5.6
CION Ares Dvsfd Crdt:U2	NA	NA	NA	5.6
CION Ares Dvsfd Crdt;W	NA	NA	NA	5.7
CNR Select Strategies	12.62	NA	NA	0.0
First Eagle Crdt Opps A	24.53	NA	NA	7.2
First Eagle Crdt Opps A2	24.52	NA	NA	NS
First Eagle Crdt Opps I	24.49	NA	NA	7.8
FS Credit Income;A	NA	NA	NA	6.0
FS Credit Income;I	NA	NA	NA	6.3
FS Credit Income;T	NA	NA	NA	5.7
FS Credit Income;U	NA	NA	NA	5.5
FS Credit Income;U-2	NA	NA	NA	5.9
GL Beyond Income	0.44	NA	NA	NE
KKR CREDIT OPPTY;D	21.54	NA	NA	10.3
KKR CREDIT OPPTY;I	23.22	NA	NA	8.5
KKR CREDIT OPPTY;T	23.01	NA	NA	7.7
KKR CREDIT OPPTY;U	22.15	NA	NA	7.8
Lord Abbett Cred Opps Fd	9.28	NA	NA	7.2
Lord Abbett Cred Opps Fd	9.28	NA	NA	8.0
Lord Abbett Crd Op:U	9.28	NA	NA	7.2
Palmer Square Opp Inc	17.12	NA	NA	5.2
The Finite Solar Finance	9.81	NA	NA	NS
Thrivent Church Ln&Inc:S	9.25	NA	NA	3.0
World Income Funds				
BlueBay Destra Itl E:A	24.12	NA	NA	10.5
BlueBay Destra Itl E:I	24.14	NA	NA	10.7
BlueBay Destra Itl E:L	24.09	NA	NA	10.2
BlueBay Destra Itl E:T	24.01	NA	NA	10.1
Oaktree Dvsfd Income;D	9.01	NA	NA	NS
PIMCO Flexible EM I;Inst	8.37	NA	NA	NS
National Muni Bond Funds				
Ecofin Tax-Adv Soc Impct	9.46	NA	NA	4.7
Lind Cap Pt Mun Cred Inc	8.99	NA	NA	NS
Nuveen En HY Muni Bd:A1	7.68	NA	NA	4.1
Nuveen En HY Muni Bd:A2	7.69	NA	NA	NS
Nuveen En HY Muni Bd:I	7.68	NA	NA	5.1
PIMCO Flex Mun Inc;A-3	10.04	NA	NA	2.3
PIMCO Flex Mun Inc:A1	10.04	NA	NA	2.6
PIMCO Flex Mun Inc;A2	10.04	NA	NA	2.6
PIMCO Flex Mun Inc;Inst	10.04	NA	NA	3.1
Single State Muni Bond				
PIMCO CA FMI;Inst	10.03	NA	NA	NS

A Week in the Life of the DJIA

A look at how the Dow Jones Industrial Average component stocks did in the past week and how much each moved the index. The DJIA lost 964.95 points, or 2.99%, on the week. A $1 change in the price of any DJIA stock = 6.59-point change in the average. To date, a $1,000 investment on Dec. 31 in each current DJIA stock component would have returned $26,288, or a loss of 12.37%, on the $30,000 investment, including reinvested dividends.

Pct chg (%)	Stock price change	Point chg in average*	Company	Symbol	Close	$1,000 Invested (year-end '21)
1.06	1.40	9.23	**Walmart**	WMT	$133.00	$930
0.71	1.72	11.34	**Amgen**	AMGN	242.37	1,104
-0.84	-0.96	-6.33	**JPMorgan Chase**	JPM	113.71	734
-0.93	-1.53	-10.08	**Johnson & Johnson**	JNJ	162.74	970
-0.95	-2.44	-16.08	**McDonald's**	MCD	254.51	965
-1.46	-4.92	-32.43	**Goldman Sachs**	GS	331.48	884
-1.99	-2.59	-17.07	**IBM**	IBM	127.79	992
-2.03	-0.73	-4.81	**Walgreens**	WBA	35.27	700
-2.08	-6.20	-40.86	**Home Depot**	HD	291.90	717
-2.35	-2.54	-16.74	**Nike**	NKE	105.74	639
-2.44	-12.90	-85.02	**UnitedHealth Group**	UNH	516.35	1,035
-2.48	-4.14	-27.29	**Travelers**	TRV	162.70	1,051
-2.52	-2.87	-18.92	**Walt Disney**	DIS	111.20	718
-2.53	-5.13	-33.81	**Visa**	V	197.76	917
-2.83	-1.30	-8.57	**Cisco**	CSCO	44.59	719
-3.11	-1.96	-12.92	**Coca-Cola**	KO	61.15	1,048
-3.20	-6.17	-40.67	**Honeywell**	HON	186.89	910
-3.39	-3.03	-19.97	**Merck**	MRK	86.23	1,144
-3.40	-5.56	-36.64	**Chevron**	CVX	157.85	1,383
-3.61	-5.13	-33.81	**Procter & Gamble**	PG	137.16	853
-4.49	-12.03	-79.29	**Microsoft**	MSFT	256.06	766
-4.51	-1.95	-12.85	**Verizon**	VZ	41.30	824
-4.77	-7.81	-51.47	**Apple**	AAPL	155.81	881
-4.78	-7.52	-49.56	**American Express**	AXP	149.79	924
-5.78	-11.09	-73.09	**Caterpillar**	CAT	180.83	889
-5.80	-7.49	-49.36	**3M**	MMM	121.65	706
-6.41	-2.14	-14.10	**Intel**	INTC	31.22	622
-6.98	-11.54	-76.06	**salesforce.com**	CRM	153.69	605
-7.73	-12.71	-83.77	**Boeing**	BA	151.82	754
-9.46	-5.15	-33.94	**Dow**	DOW	49.31	901

*Based on Composite price. DJIA is calculated on primary-market price.
Source: Dow Jones Market Data; FactSet.

Insider-Trading Spotlight

Trading by 'insiders' of a corporation, such as a company's CEO, vice president or director, potentially conveys new information about the prospects of a company. Insiders are required to report large trades to the SEC within two business days. Here's a look at the biggest individual trades by insiders, based on data received by Refinitiv on September 2, and year-to-date stock performance of the company

KEY: B: beneficial owner of more than 10% of a security class **CB:** chairman **CEO:** chief executive officer **CFO:** chief financial officer **CO:** chief operating officer **D:** director **DO:** director and beneficial owner **GC:** general counsel **H:** officer, director and beneficial owner **I:** indirect transaction filed through a trust, insider spouse, minor child or other **O:** officer **OD:** officer and director **P:** president **UT:** unknown **VP:** vice president Excludes pure options transactions

Biggest weekly individual trades

Based on reports filed with regulators this past week

Date(s)	Company	Symbol	Insider	Title	No. of shrs in trans (000s)	Price range ($) in transaction	$ Value (000s)	Close ($)	Ytd (%)
Buyers									
Aug. 30-31	**B. Riley Financial**	**RILY**	B. Riley	**CEO**	50	49.17-49.76	**2,473**	50.95	-42.7
Aug. 31			R. Paulson	**D**	25	49.76	**1,244**		
Aug. 30	**SeaWorld Entertainment**	**SEAS**	M. Adams	**CFO**	39	51.03	**1,990**	51.32	-20.9
Aug. 31-Sept. 1	**Groupon**	**GRPN**	J. Barta	**BI**	164	9.80-10.04	**1,614**	11.05	-52.3
Aug. 30	**Westrock Coffee**	**WEST**	J. Ford	**DI**	107	12.15	**1,300**		
Aug. 30	**Woodward**	**WWD**	D. Hess	**D**	11	93.93	**1,033**	92.01	-15.9
Aug. 29	**Freeport-McMoRan**	**FCX**	R. Lance	**DI**	31	31.88	**988**	28.30	-32.2
Aug. 29	**Booking Holdings**	**BKNG**	R. Mylod	**D**	n.a.	1912.37	**956**	1837.91	-23.4
Aug. 29-30	**American Assets Trust**	**AAT**	E. Rady	**CEOI**	30	28.36-28.66	**857**	27.41	-27.0
Aug. 22-24			E. Rady	**CEOI**	28	28.39-28.90	**795**		
Aug. 25-26			E. Rady	**CEOI**	25	28.55-28.94	**720**		
Aug. 25-29	**comScore**	**SCOR**	W. Livek	**D**	350	2.08-2.10	**732**	2.30	-31.1
Aug. 29	**South Plains Financial**	**SPFI**	N. Valles	**D**	25	26.57	**664**	26.75	-3.8
Aug. 26	**Kennedy-Wilson Holdings**	**KW**	S. Zax	**D**	35	18.15	**635**	17.67	-26.0
Aug. 29-31	**Rocket Companies**	**RKT**	J. Farner	**CEO**	74	7.91-8.33	**599**	7.62	-45.6
Aug. 29	**Cable One**	**CABO**	T. Gayner	**DI**	n.a.	1177.75	**589**	1127.55	-36.1
Aug. 29	**Keurig Dr Pepper**	**KDP**	M. Milikin	**O**	13	38.79	**503**	37.83	2.6
Aug. 26	**CommScope Holding**	**COMM**	C. Treadway	**CEO**	48	10.41	**500**	12.69	14.9
Sellers									
Aug. 26-29	**Dollar General**	**DG**	T. Vasos	**CEO**	217	239.18-244.14	**52,034**	242.60	2.9
Aug. 26			R. Taylor	**GC**	44	241.79-246.67	**10,782**		
Aug. 25	**Walmart**	**WMT**	S. Walton	**DOI**	348	135.66	**47,146**	133.00	-8.1
Aug. 25			A. Walton	**BI**	348	135.66	**47,146**		
Aug. 25			J. Walton	**BI**	348	135.66	**47,146**		
Aug. 29	**Airbnb**	**ABNB**	J. Gebbia	**DO**	273*	111.78-115.37	**31,143**	113.64	-31.7
Aug. 29	**Bill.com Holdings**	**BILL**	B. Murray	**O**	96	162.84-168.41	**15,737**	149.64	-39.9
Aug. 30	**Lam Research**	**LRCX**	D. Bettinger	**CFO**	35	435.62-443.10	**15,323**	430.21	-40.2
Aug. 25-29	**MP Materials**	**MP**	D. Gold	**DI**	381	35.87-37.79	**13,995**	32.12	-29.3
Aug. 30-Sept. 1			D. Gold	**DI**	343	32.93-35.07	**11,710**		
Aug. 25	**Chevron**	**CVX**	J. Johnson	**O**	85	164.01	**13,990**	157.85	34.5
Aug. 25-26	**TE Connectivity**	**TEL**	T. Curtin	**CEO**	103	131.25-132.08	**13,541**	123.89	-23.2
Aug. 26	**Broadridge Financial Solutions**	**BR**	R. Daly	**OD**	75*	175.04-176.34	**13,147**	166.48	-8.9
Aug. 24-25	**Moderna**	**MRNA**	S. Bancel	**CEO**	90*	138.48-143.08	**12,722**	138.57	-45.4
Aug. 24	**CF Industries Holdings**	**CF**	W. Will	**CEO**	103	110.05-110.50	**11,294**	106.86	51.0
Aug. 25	**Abbott Laboratories**	**ABT**	R. Ford	**CEO**	102	105.10	**10,765**	102.50	-27.2
Aug. 29	**Keurig Dr Pepper**	**KDP**	R. Gamgort	**OD**	275	38.67	**10,634**	37.83	2.6
Aug. 25	**Intuit**	**INTU**	S. Goodarzi	**CEO**	22	458.94-466.10	**10,307**	420.06	-34.7

* Half the transactions were indirect **Two day transaction
p - Pink Sheets

Buying and selling by sector

Based on actual transaction dates in reports received this past week

Sector	Buying	Selling	Sector	Buying	Selling
Basic Industries	1,341,585	55,219,495	**Finance**	16,184,073	401,789,583
Capital Goods	2,729,384	82,582,493	**Health care**	2,216,144	77,329,127
Consumer durables	26,430	4,622,975	**Public Utilities**	59,682	8,043,790
Consumer non-durables	1,746,976	58,495,409	**Technology**	1,863,988	145,615,039
Consumer services	5,989,319	220,166,876	**Transportation**	93,750	2,675,637
Energy	883,598	28,677,777			

Sources: Refinitiv; Dow Jones Market Data

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

Money Rates

September 5, 2022

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Inflation

	July index level	Chg From (%) June '22	July '21
U.S. consumer price index			
All items	**296.276**	−0.01	8.5
Core	**295.646**	0.33	5.9

International rates

	Latest	Week ago	52-Week High	52-Week Low
Prime rates				
U.S.	**5.50**	5.50	5.50	3.25
Canada	**4.70**	4.70	4.70	2.45
Japan	**1.475**	1.475	1.475	1.475
Policy Rates				
Euro zone	**0.50**	0.50	0.50	0.00
Switzerland	**0.25**	0.25	0.25	0.00
Britain	**1.75**	1.75	1.75	0.10
Australia	**1.85**	1.85	1.85	0.10
Overnight repurchase				
U.S.	**2.30**	2.29	2.31	0.01

Other short-term rates

	Latest	Week ago	52-Week high	52-Week low
Libor				
One month	**2.65571**	2.52386	2.65571	0.07525
Three month	**3.15814**	3.06957	3.15814	0.11413
Six month	**3.73657**	3.56643	3.73657	0.14663
One year	**4.22057**	4.12329	4.22314	0.21950

Sept. 2, 2022

Inflation

	July index level	Chg From (%) June '22	July '21
U.S. consumer price index			
All items	**296.276**	−0.01	8.5
Core	**295.646**	0.33	5.9

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Policy Rates				
Euro zone	**0.50**	0.50	0.50	0.00
Switzerland	**0.25**	0.25	0.25	0.00
Britain	**1.75**	1.75	1.75	0.10
Australia	**1.85**	1.85	1.85	0.10
Overnight repurchase				
U.S.	**2.30**	2.29	2.31	0.01

U.S. government rates

	Latest	Week ago	52-Week High	52-Week Low
Discount	**2.50**	2.50	2.50	0.25
Federal funds				
Effective rate	**2.3300**	2.3300	2.3400	0.0700
High	**2.4500**	2.4500	2.4500	0.0900
Low	**2.3200**	2.3100	2.3200	0.0200
Bid	**2.3300**	2.3300	2.3300	0.0600
Offer	**2.3500**	2.3700	2.3700	0.0800
Treasury bill auction				
4 weeks	**2.470**	2.310	2.470	0.020
13 weeks	**2.880**	2.740	2.880	0.035
26 weeks	**3.235**	3.110	3.235	0.045

Secondary market

	Latest	Week ago	52-Week High	52-Week Low
Fannie Mae				
30-year mortgage yields				
30 days	**5.359**	5.086	5.434	2.337
60 days	**5.412**	5.128	5.526	2.371

Other short-term rates

	Latest	Week ago	52-Week high	52-Week low
Call money	**4.25**	4.25	4.25	2.00
Commercial paper (AA financial)				
90 days	**2.66**	2.83	2.99	0.08
Libor				
One month	**2.65571**	2.52386	2.65571	0.07525
Three month	**3.15814**	3.06957	3.15814	0.11413
Six month	**3.73657**	3.56643	3.73657	0.14663
One year	**4.22057**	4.12329	4.22314	0.21950
Secured Overnight Financing Rate	**2.29**	2.28	2.30	0.03

	Latest	Value Traded	52-Week High	52-Week Low
DTCC GCF Repo Index				
Treasury	**2.298**	28.500	2.315	0.015
MBS	**2.330**	32.850	2.342	0.018

Notes on data:

U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective July 28, 2022. **Other prime rates** aren't directly comparable; lending practices vary widely by location; **Discount rate** is effective July 28, 2022. **Secured Overnight Financing Rate** is as of September 1, 2022. **DTCC GCF Repo Index** is Depository Trust & Clearing Corp.'s weighted average for overnight trades in applicable CUSIPs. Value traded is in billions of U.S. dollars. **Federal-funds rates** are Tullett Prebon rates as of 5:30 p.m. ET.

Sources: Federal Reserve; Bureau of Labor Statistics; DTCC; FactSet; Tullett Prebon Information, Ltd.

Global Government Bonds: Mapping Yields

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

Coupon (%)	Country/ Maturity, in years	Yield (%) Latest	Previous	Month ago	Year ago	Spread Under/Over U.S. Treasurys, in basis points Latest	Prev	Year ago
3.250	**U.S.** 2	3.398 ▼	3.520	3.077	0.212			
2.750	10	3.190 ▼	3.264	2.740	1.293			
2.750	**Australia** 2	3.018 ▼	3.052	2.630	0.017	-38.4	-35.0	-19.1
1.250	10	3.658 ▼	3.658	3.095	1.233	45.9	46.0	-9.3
0.000	**France** 2	0.900 ▼	0.924	0.375	-0.695	-250.2	-247.8	-90.3
2.000	10	2.195 ▲	2.146	1.496	-0.016	-100.4	-105.3	-134.2
0.400	**Germany** 2	1.123 ▲	1.094	0.457	-0.709	-227.9	-230.8	-91.7
1.700	10	1.563 ▲	1.523	0.956	-0.357	-163.[illegible]	-167.6	-168.3
0.000	**Italy** 2	2.187 ▲	2.136	1.290	-0.484	-121.5	-126.6	-69.2
2.500	10	3.945 ▲	3.839	3.026	0.707	74.6	64.0	-61.9
0.005	**Japan** 2	-0.082 ▼	-0.079	-0.104	-0.124	-348.4	-348.1	-33.2
0.200	10	0.235 ▼	0.243	0.163	0.042	-296.4	-295.6	-128.4
0.000	**Spain** 2	1.285 ▲	1.250	0.641	-0.624	-211.7	-215.1	-83.2
2.550	10	2.758 ▲	2.708	2.024	0.331	-44.1	-49.1	-99.5
0.125	**U.K.** 2	3.199 ▲	3.110	1.949	0.199	-20.3	-29.1	-0.9
4.250	10	2.944 ▲	2.916	2.053	0.624	-25.5	-28.3	-70.2

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

China Moves To Boost The Yuan

By Rebecca Feng

China's central bank cut the amount of foreign exchange banks must keep in reserve, an attempt to bolster the country's rapidly weakening currency.

The yuan is trading around its lowest level in more than two years. It is worth around 6.94 per U.S. dollar in the more freely traded offshore market, taking its year-to-date decline against the dollar to 8.4%, according to FactSet.

The People's Bank of China said on Monday it would cut the foreign-exchange reserve requirement ratio by 2 percentage points to 6% from Sept. 15. That will release around $19 billion into the country, said analysts, meaning Chinese banks will no longer need to sell yuan to buy that amount of foreign currency.

CURRENCIES

The decision to cut the foreign-exchange reserve ratio was a sign that China's central bank isn't willing to stand by and continue to watch the yuan fall, said Zhiwei Zhang, president and chief economist of Pinpoint Asset Management.

"The Chinese economy is facing quite a lot of headwinds, and some people in the market have been arguing that perhaps the central bank will want to take the chance and depreciate the yuan to help exports," he said. "But this action shows that the People's Bank of China is not willing to tolerate sharp yuan depreciation against the U.S. dollar."

It was the second time the central bank cut the foreign-exchange-reserve requirement ratio this year, after a 1 percentage point cut in April, during another period of yuan weakness.

The latest reduction in the ratio will have a negligible impact on the supply of dollars in China, said Frances Cheung, an analyst at OCBC Bank.

"The amount released is not significant but it sends a signal," said Ms. Cheung.

The signal appeared to work, at least in the short term. The central bank announced the move at around 5 p.m. Beijing time, when the dollar was worth more than 6.95 yuan in the offshore market. Minutes after the announcement, it strengthened to around 6.94 per dollar.

Becky Liu, head of China macro strategy at Standard Chartered, said the size of the cut was bigger than expected but the move won't stop the yuan's depreciation by itself.

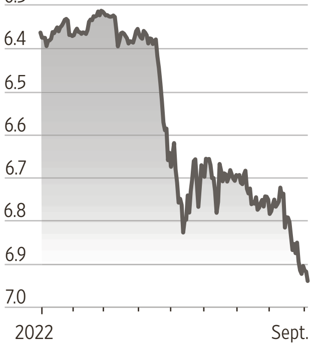
Ms. Liu said the divergence of monetary policy between China and the U.S. and the economic pressure facing China due to its dogged zero-Covid policy could weaken the yuan further.

The dollar has soared this year against almost all currencies, after an aggressive campaign of rate increases by the Federal Reserve.

The Fed increased rates by three-quarters of a percentage point in June and July and many economists expect it to continue at a strong pace. The benchmark federal-funds rate is now at 2.25% to 2.50%, compared with 0% to 0.25% at the start of the year. China's central bank has gone in the other direction, making cuts to two key interest rates in August.

"This may also be in anticipation of a 75 basis points interest-rate increase from the Fed, in order to offset the widening interest rate differential between the U.S. and China and avoid capital outflow due to expectations of yuan depreciation, which would be a vicious cycle," said Mr. Zhang at Pinpoint Asset Management.

How many yuan $1 buys



Note: Scale inverted to show a weakening yuan
Source: Tullett Prebon

European Stocks, Euro Decline

By Chelsey Dulaney And Dave Sebastian

European indexes fell and the euro touched a new 20-year low after Russia indefinitely halted natural-gas flows through a major pipeline, sending energy prices soaring.

The pan-continental Stoxx Europe 600 index dropped 0.6%, while Germany's DAX lost 2.2%. The U.K.'s FTSE 100 bucked the trend to rise 0.1%. All three indexes posted larger declines earlier in the session.

MONDAY'S MARKETS

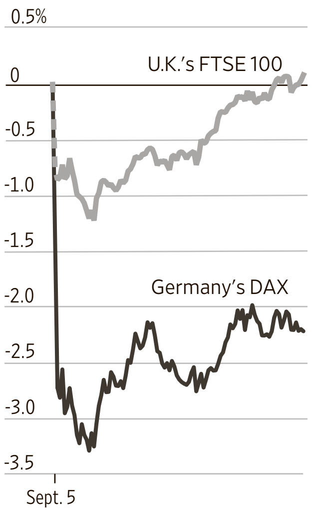
The euro fell as low as $0.9879, setting a new 20-year low, before recovering to trade down less than 0.1% as of late afternoon U.K. time. The U.S. dollar continued to rise more broadly, as investors bet that the Federal Reserve will continue raising interest rates at an aggressive clip.

The WSJ Dollar Index, which tracks the currency against a basket of peers, was up 0.2%, putting it on course to settle at a fresh 20-year high, as currencies including the Chinese yuan and Japanese yen came under renewed pressure.

Meanwhile, U.S. stock futures gained, with markets closed for the Labor Day holiday. Contracts linked to the S&P 500, Dow Jones Industrial Average and Nasdaq-100 all rose 0.3%.

U.S. stocks fell on Friday after strong labor-market data bolstered the case for the Fed to continue its pace of policy tightening. The U.S. economy's apparent resilience in the face of higher borrowing costs contrasts with the increasingly bleak outlook in Europe.

European stock indexes



Source: FactSet

SHEN BOHAN/XINHUA/ZUMA PRESS

BYD fell 5.9%. A BYD car at the Chengdu Motor Show in August.

Russia's move on Friday to extend a halt to flows through the Nord Stream pipeline to Germany is set to exacerbate energy pressures that are already straining households and businesses across the continent.

Natural-gas futures in northwest Europe, which reflect the cost of fuel in the wholesale market, were up more than 10% Monday. They remain below the record high recorded in late August.

"It's inevitable now that Europe is going to be in a recession," said Craig Erlam, senior market analyst at Oanda. "It's just a case of how much support governments are going to offer against that backdrop and how inflationary that's going to be."

Germany over the weekend unveiled a support package worth €65 billion, equivalent to $64.7 billion, that includes a price cap on electricity.

In the U.K., Foreign Secretary Liz Truss was named the winner of the Conservative Party leadership race and is expected to be appointed prime minister on Tuesday. Ms. Truss has pledged tax cuts and immediate support for households struggling with energy bills. The British pound rose 0.2% to about $1.15, after falling to a multidecade low earlier in the trading session.

Prices for Brent crude, the global oil benchmark, rose 2.3% to $95.15 after OPEC+ agreed to the first cut in production in over a year. The group of oil-producing countries agreed to reduce output by around 100,000 barrels a day, amid fears of a global recession and more Iranian crude coming to the market if the nuclear deal is revived.

Asian stock indexes fell after an extension of lockdowns in China, where Covid-19 case numbers remain elevated. Authorities have tightened measures to contain Covid-19 in the large cities of Shenzhen and Chengdu. After ordering 21 million residents of Chengdu to remain indoors last week, the local government has extended a lockdown covering most of the city until Wednesday.

Hong Kong's stock benchmark fell 1.2%. **BYD** dropped 5.9% after an exchange filing Friday showed Warren Buffett's **Berkshire Hathaway** has further pared its stake in the electric car maker. Tech giant **Tencent**, Chinese auto maker **Geely** and e-commerce company **JD.com** were among the other stocks that dragged down the Hang Seng Index.

China's CSI 300 index of the largest stocks listed in Shanghai or Shenzhen fell 0.2%. Japan's Nikkei 225 edged 0.1% lower, and Korea's Kospi index declined 0.2%.

China's yuan broke through a new two-year low against the U.S. dollar. The offshore yuan traded as weak as 6.9551 yuan per dollar, its lowest level since August 2020, before recouping some losses. China's central bank moved to limit the currency's slide by cutting the amount of foreign exchange banks must hold as reserves.

Early Tuesday, the Nikkei was flat, Hong Kong's Hang Seng Index was down 0.1% and the Shanghai Composite was up 0.6%. S&P 500 futures rose 0.55%.

STREETWISE | By James Mackintosh

Another Doomsday Scenario Is Looming

Think inflation is the biggest threat to your investments? Perhaps not: One fund manager that successfully navigated the past two major stock crashes is bracing for an awful end to the year because it fears the Federal Reserve's quiet exit from bonds.

London-based Ruffer LLP is concerned the accelerating runoff of the Fed's Treasury holdings will suck liquidity out of the markets—just as rising rates and falling stock and bond prices increase the need for cash to smooth the drop.

"It puts a pincer on equities and bonds at the same time," said Alex Lennard, investment director at Ruffer. It could be "the sort of event you tell the grandchildren about."

Ruffer is far from the only investor growing queasy at the prospect of the Fed's quantitative tightening, which is reversing the huge growth in the central bank's balance sheet since quantitative easing began in 2008.

But it is perhaps the most surprising. Ruffer, which runs money for institutions and private investors, spent much of the past decade prepping for inflation by accumulating a massive holding in the longest-dated inflation-linked bonds available, 50-year debt issued by the British government. Now it is holding 40% of its assets in cash and equivalents, an investment that cannot keep up with inflation.

Ruffer has a decent record when it comes to crises: Its funds barely dropped in the 2020 lockdown that took stocks down by a third, and made money as markets plunged in 2008-09. But it has underperformed in bull markets.

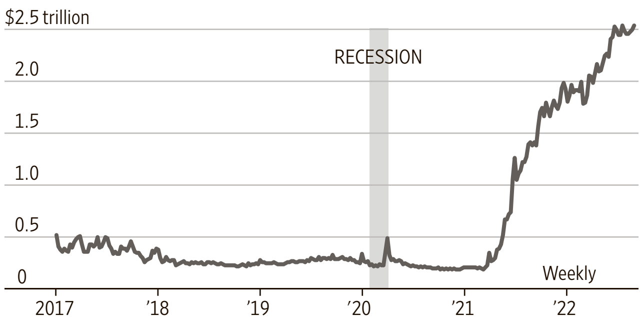
The Fed doubles the pace of its bond runoff this month, aiming to reduce its Treasury holdings by $60 billion and its mortgage-backed securities by $35 billion monthly. Those concerned about the impact include hedge fund giant Bridgewater, which thinks markets will fall into a "liquidity hole" as a result.

Bank of America equity strategist Savita Subramanian says QT alone could lead to a 7% stock price drop as the boost from QE is reversed. Steven Major, global head of fixed-income research at HSBC, thinks the interaction of QT and the plumbing of the financial system is too complex for anyone to predict properly. "The truth of it is that no one really knows," he says, including the Fed.

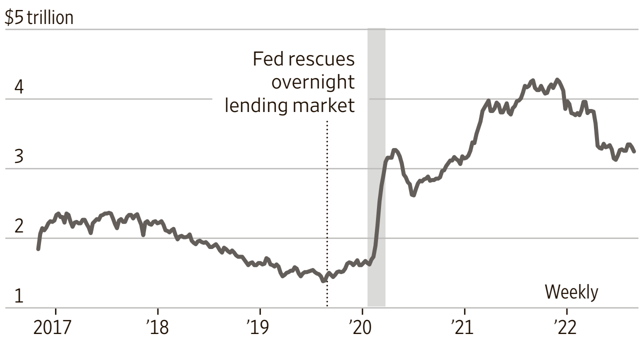
The last time QT was tried, under Fed Chairwoman Janet Yellen, now Treasury secretary, it went perfectly—until it suddenly didn't. Ms. Yellen said the predictable pace of balance-sheet reduction starting in 2017 should be "like watching paint dry," and for two years it was. Then in 2019, the overnight lending market—crucial to the financial system and reliant on plentiful reserves—seized up, forcing an emergency rescue to prevent a full-on credit crunch.

QT is a bit different this time, the main reason that Ruffer is so fearful. Before we get into it, a quick reminder on central-bank reserves for those who haven't delved into the monetary system for a while. The Fed creates reserves as a special form of dollars that can only be held by banks and some similar firms, that they use to settle debts to each other. (The rest of us mostly use bank-created electronic money, plus physical dollars.) Since QE began, reserves have ballooned as the Fed created reserves to buy bonds from banks.

Money-market fund reverse repos with Federal Reserve



Fed reserves held by depository institutions



Sources: Federal Reserve Bank of St. Louis

Unlike in 2017, large quantities of reserves have been returned to the central bank via money-market funds. These funds, which savers use as a liquid alternative to savings accounts, are allowed to deposit money at the Fed overnight using reverse repurchase agreements (RRPs), and have sucked $2.2 trillion of reserves out of the system, up from zero at the start of last year.

For now, the loss of reserves isn't a problem. Banks had too many deposits and reserves anyway, and they still have $3.3 trillion of reserves, more than they had ever held until last year. But there are risks.

Ruffer's concern is that the loss of reserves will impede the banks' willingness to take risks. That doesn't matter too much when markets are calm, but, to put it mildly, they aren't. Ruffer expects widespread withdrawals from fund managers after the terrible year they've had, forcing sales of stocks and bonds. If banks are constrained and unwilling to deploy money, they won't cushion price declines and markets could drop suddenly.

A wonkier concern is that the loss of reserves to money-market funds will drain the banks so much that their reserve levels approach the minimum the Fed thinks is needed to avoid a repeat of the 2019 breakdown. Deutsche Bank strategist Tim Wessel argued in a recent note that the Fed would probably stop QT when the banks have $2.5 trillion of reserves.

If money-market funds keep grabbing deposits and parking them with the Fed's reverse repo facility, that could be reached as soon as January, he says—forcing the Fed into an embarrassing early end to QT. As an alternative, it could cut the rate it offers money-market funds to try to shift money back to bank deposits instead.

Where this stops being wonky is that an early end to QT would mean higher rates would be needed for the Fed to tighten policy the same amount, something sure to hit stocks.

The problem with these risks is that they're real, but it's impossible to say if or when they will hit. I don't have enough confidence that trouble is so imminent that investors need to go heavily into cash the way Ruffer has. There are enough other issues—especially the market's failure to prepare for weaker earnings next year—to keep me bearish on stocks, but inflation makes cash an expensive place to hide. Still, QT is a risk to watch closely, because it's only boring until it suddenly isn't.

THE TICKER
MARKET EVENTS COMING THIS WEEK

Tuesday

Earnings expected (Estimate/Year Ago)

Coupa Software	**0.09**/0.26
Guidewire Software	**(0.01)**/0.37
HealthEquity	**0.33**/0.40
Asana	**(0.39)**/(0.23)
Casey's General Stores	**3.64**/3.19
Copart	**1.10**/1.03
Descartes Systems Group	**0.27**/0.27
GameStop	**(0.42)**/(0.19)

Wednesday

Mort. bankers indexes

Purch., previous	down 2.0%
Refinan., prev.	down 8.0%

Int'l trade deficit in billions

Jun., previous	$79.6
Jul., expected	$70.1

Thursday

Consumer Credit

Jun., previous	up $40.1 bil.
Jul., expected	n.a.

EIA status report (Previous change in stocks in millions of barrels)

Crude-oil stocks	down 3.3
Gasoline stocks	down 1.2
Distillates	up 0.1

EIA report: natural-gas (Previous change in stocks in billions of cubic feet)

up 61

Initial jobless claims

Previous	232000
Expected	239000

Earnings expected (Estimate/Year Ago)

Zscaler	**0.21**/0.14

Friday

Wholesale inventories

Jun., previous	up 1.8%
Jul., expected	n.a.

Earnings expected (Estimate/Year Ago)

Kroger	**0.79**/0.80

* FactSet Estimates earnings-per-share estimates don't include extraordinary items (Losses in parentheses) ◆ Adjusted for stock split

Note: Forecasts are from Dow Jones weekly survey of economists

BRANDON BELL/GETTY IMAGES

Kroger is expected to report per-share earnings of 79 cents on Friday.