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THE WALL STREET JOURNAL.

DOW JONES | News Corp ****** THURSDAY, SEPTEMBER 8, 2022 ~ VOL. CCLXXX NO. 58 WSJ.com ★★★★ $5.00

DJIA 31581.28 ▲ 435.98 1.4% NASDAQ 11791.90 ▲ 2.1% STOXX 600 412.01 ▼ 0.6% 10-YR. TREAS. ▲ 20/32, yield 3.264% OIL $81.94 ▼ $4.94 GOLD $1,715.30 ▲ $14.90 EURO $1.0008 YEN 143.75

What's News

Business & Finance

The Federal Reserve appears to be on a path to raise interest rates by another 0.75 percentage point this month in the wake of Powell's public pledge to reduce inflation even if it increases unemployment. **A1**

◆ **The Fed's Barr said** that the central bank is considering how to more closely scrutinize bank mergers and may beef up the way it requires certain banks to plan for their own demise. **A6**

◆ **The export boom** that has powered China's economy through the pandemic decelerated in August, reflecting the impact from rising inflation and slowing growth elsewhere in the world. **A1**

◆ **The U.S. reported** a sharp narrowing in the July trade deficit due to weaker demand for imports. **A2**

◆ **U.S. stocks rose**, with the Nasdaq gaining 2.1% to snap a seven-day losing streak. The S&P 500 and Dow advanced 1.8% and 1.4%, respectively. **B1**

◆ **The judge steering** the lawsuit over the stalled Twitter takeover said Musk can amend his countersuit to incorporate allegations from a whistleblower complaint by Twitter's former security chief. **B1**

◆ **Cineworld, the owner** of Regal Cinemas, filed for chapter 11 after a sluggish recovery in theater admissions fell short of the company's financial needs. **B3**

◆ **A Google product** that pays publishers to feature their content is almost a year behind its intended launch schedule in the U.S., as negotiations with some media outlets have bogged down. **B4**

World-Wide

◆ **Russia's Putin threatened** to curtail the export of grain from Ukraine and said Moscow is ready to extend its rationing of natural-gas exports and cut off oil and refined products if the West goes ahead with a price-cap plan for Russian crude. **A8**

◆ **An unexpected Ukrainian** military offensive in the east near the city of Kharkiv is gaining ground, testing Russian occupation forces that also are under pressure in southern Ukraine. **A8**

◆ **Democratic leaders faced** time pressure to slim down their ambitions for a bill that keeps the government funded beyond September, with Ukraine aid likely to survive but other measures seen as less certain by lawmakers. **A4**

◆ **Steve Bannon is expected** to face New York state criminal charges following an investigation into a crowdfunding campaign to build a wall along the southern U.S. border, according to people familiar with the matter. **A4**

◆ **The second of two** brothers wanted in a stabbing spree in the Canadian province of Saskatchewan that killed 10 people died Wednesday after officers took him into custody, police said. **A18**

◆ **Amylyx's drug** for ALS won the backing of FDA advisers who just months ago narrowly recommended against its approval. **A7**

◆ **Opponents of** a new California law that could set the minimum wage for the fast-food industry as high as $22 an hour next year have begun an effort to block it. **A3**

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Obamas' Portraits Unveiled at the White House

ANDREW HARNIK/ASSOCIATED PRESS

CLOSEUP: The official portraits of former President Barack Obama and former first lady Michelle Obama were unveiled at the White House Wednesday. Mr. Obama's portrait was painted by Robert McCurdy and Mrs. Obama's by Sharon Sprung. **A3**

China Export Boom Sputters As Inflation Tightens Its Grip

By Stella Yifan Xie

HONG KONG—The export boom that has powered China's economy through the pandemic decelerated in August, reflecting the impact from rising inflation and slowing growth elsewhere in the world.

The slowdown in exports threatens to erode the pillar that has held up growth in the world's second-largest economy, as fresh Covid-19 lockdowns in major Chinese cities are further restraining spending and the world economy edges closer to recession. China has been struggling to shake off the effects of its zero-tolerance Covid policies and a downturn in the property market.

Chinese goods shipments to the rest of the world rose by 7.1% in August from a year ago to $314.9 billion, the weakest gain since April, China's General Administration of Customs said Wednesday. The result fell below a median forecast of 12.5% among economists polled by The Wall Street Journal, and decelerated from July's 18% year-over-year gain.

Slowing exports partly reflect disruptions in factory production because of temporary power shortages as a severe drought and heat wave swept through central China, though economists expect the impact of that to be short-lived.

Recent flare-ups of Covid-19 cases, however, threaten to disrupt manufacturing in more cities as authorities step up restrictions ahead of a Communist Party gathering in October, when President Xi Jinping of China is expected to break with recent precedent and claim a third term.

Other economies in the region are showing signs of weakening exports. On Wednesday, Taiwan reported that export growth slowed to the lowest level in more than two years, dropping to 2% in August year-over-year from 14.2% in

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◆ Trade gap narrows as import demand cools off................... A2

Fed Sets Path for Another 0.75 Point Rate Rise

Ahead of Sept. 20-21 meeting, officials do little to dispel market's hardening expectation

By Nick Timiraos

The Federal Reserve appears to be on a path to raise interest rates by another 0.75 percentage point this month in the wake of Chairman Jerome Powell's public pledge to reduce inflation even if it increases unemployment.

Fed officials have done little to push back against market expectations of a third consecutive 0.75-point rate rise in recent public statements and interviews ahead of their Sept. 20-21 policy meeting.

Investors in interest-rate futures markets saw a roughly 75% probability on Wednesday that the Fed will raise rates by another 0.75 point this month, according to CME Group

Major U.S. stock indexes closed higher Wednesday, with the Nasdaq Composite ending a seven-session streak of declines. Oil prices fell to their lowest level since before Russia's invasion of Ukraine. U.S. Treasury yields also declined, with the benchmark 10-year yield closing at 3.264%, from 3.339% on Tuesday.

In a speech Aug. 26 in Wyoming, Mr. Powell underscored

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◆ Fed's Barr signals shift on bank mergers.............................. A6
◆ Canada's central bank boosts rates to 14-year high........... A6

Russia Turns Destroyed City Into a Propaganda Tool

Mariupol, a strategic prize, will host show trial; 'this is their revenge'

By Isabel Coles

At the Philharmonic Hall in Mariupol, Ukraine, the stage is almost set for a performance this fall casting Russia as liberator of the city it battered into submission three months ago.

Where the grand piano used to sit, metal cages have been installed to hold Ukrainian prisoners of war who defended the industrial port city, and now stand accused of its destruction by Mariupol's new rulers.

"The hearings will take place in the main auditorium, and the war criminals will be led to it through an iron corridor," a reporter from the propaganda arm of Russia's military said in a recent broadcast.

The tribunal, expected to start this month, is a centerpiece of Russian efforts to mold the city of Mariupol in a new image that reflects its narrative of the invasion: that Moscow is liberating Ukraine from violent nationalists.

Moscow has said it won't rebuild other smaller cities in Ukraine's east that stood in the way of its advance and were laid to waste in the fighting. But Mariupol is of particular value to both sides, strategically and symbolically.

For Ukraine, it is the site of a heroic last stand by outnumbered troops defending a flourishing Ukrainian city.

In Russia's telling, it is restoring the natural order here, adorning the ruins of build-

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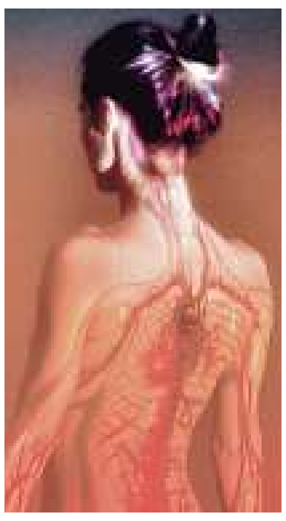
JEFF CHIU/ASSOCIATED PRESS

BUSINESS & FINANCE
Apple's new lineup focuses on safety features. **B1**



THE FUTURE OF EVERYTHING
In the Lab: Seeking new parts for the body. **R1-12**

Fans Keep Attempting the Famous 'Dirty Dancing' Lift

* * *

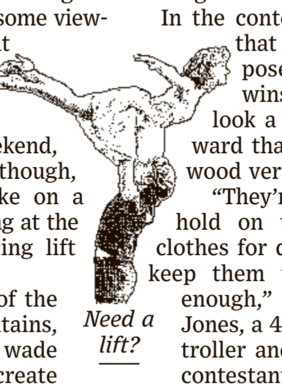
The 1987 movie still drives people to hoist their partners in the air

By James Fanelli

"Dirty Dancing," the 1987 film about forbidden romance in the Catskills, is a coming-of-age tear-jerker for some viewers. Others cringe at its sappy ballads and over-the-top choreography.

This coming weekend, in Lake Lure, N.C., though, the movie will take on a truly higher meaning at the annual Dirty Dancing lift competition.

In the foothills of the Blue Ridge Mountains, contestants will wade into a lake to re-create the film's famous scene in which leading man, Patrick Swayze, "Johnny," practices hoisting co-star Jennifer Grey, "Baby," over his head in water. She rests gracefully in the air on his hands, her arms reaching out like a superhero in midflight.



Need a lift?

In the contest, the couple that maintains the pose the longest wins—and things look a tad more awkward than in the Hollywood version.

"They're just trying to hold on to somebody's clothes for dear life just to keep them up there long enough," says Amanda Jones, a 44-year-old controller and four-time lift contestant from Raleigh, N.C.

Ms. Jones has placed second and third before and is a

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Bed Bath & Beyond Officials Thought CFO Was Overwhelmed

By Cara Lombardo, Sharon Terlep and Suzanne Kapner

In the weeks before Gustavo Arnal took his own life, there was growing concern among Bed Bath & Beyond Inc. officials and directors over the demands being placed on the chief financial officer and the stress of the intensifying financial crisis at the home-goods chain, according to people familiar with the matter.

Sue Gove, a board member who took over as interim chief executive in June, and some other board members thought Mr. Arnal was overwhelmed but didn't want to replace the finance chief while the retailer was in the midst of raising money, the people said.

Mr. Arnal told people he was stressed, his friends said. He was putting in 18-hour days while he worked on the company's restructuring plans. He was inundated with emails from individual investors and plaintiffs' lawyers questioning an August sale of some of his holdings in Bed Bath & Beyond, the people said.

Mr. Arnal was discussing with the company the possibility of taking a break, the people said. Company officials had calls about the topic before the Labor Day weekend and planned to pick up the discussions after the holiday, some of the people said.

On the morning of Aug. 31, Ms. Gove, Mr. Arnal and other executives announced they had secured fresh financing and briefed investors on a major restructuring.

Two days later, Mr. Arnal died from a fall at the 57-story New York City skyscraper where he lived with his wife, police said. The medical examiner determined it was a suicide.

His death and a shareholder lawsuit alleging wrongdoing at the company have become tabloid fodder. The company is investigating and reviewing Mr. Arnal's emails; company officials have seen no evidence of fraud or wrongdoing, some of the people said.

The company has said the suit is meritless and staff are mourning the loss of their colleague. Mr. Arnal's family didn't respond to requests to comment.

"I could see the stress on him," said Jan Zijderveld, the former chief executive of Avon Products, who had dinner with Mr. Arnal and his wife six weeks ago at a restaurant in Manhattan.

Mr. Arnal was upbeat and animated throughout the meal, which stretched past 1 a.m., Mr. Zijderveld said. His friend

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U.S. NEWS

CAPITAL ACCOUNT | By Greg Ip

Dissecting a Case for a Soft Landing

Prominent economists including Larry Summers predict a recession is coming. Half of Americans think the U.S. is already in one, according to a Wall Street Journal poll. Federal Reserve Chairman Jerome Powell has stopped talking up a "soft landing," when the economy slows enough to bring down inflation but not push unemployment up much, and has begun warning of pain.

The gloom has felt justified. In March, I wrote that the odds don't favor a soft landing. Still, the chances aren't zero, and they might have improved with Friday's report that job growth continued in August while wage growth eased and the labor force expanded. Economists at Goldman Sachs have long been in the soft-landing camp, putting the probability of a recession in the coming 12 months at 33%. That is higher than normal but less than the nearly 50% average of economists surveyed by The Wall Street Journal. To understand the reasons Goldman expects a soft landing, I talked to its chief economist, Jan Hatzius.

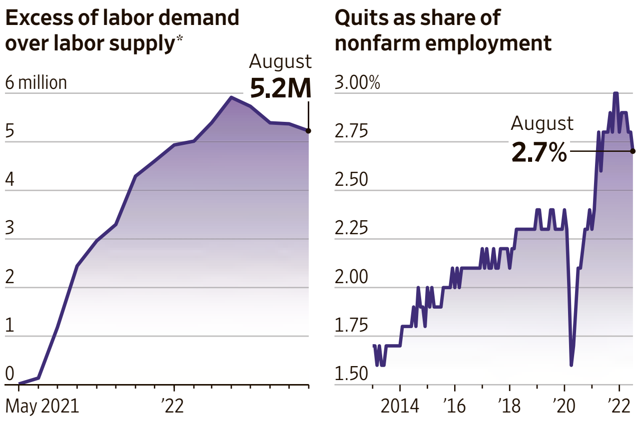
The main obstacle to a soft landing is the historical record. In the three soft landings since World War II— 1965, 1984 and 1994—the Fed wasn't trying to push inflation down; it was merely trying to keep it from going higher. At times like the present, when inflation was too high and the Fed set out to push it lower, a recession always occurred.

But Mr. Hatzius said that is a "small sample," largely confined to the 1970s and early 1980s, which shouldn't be extrapolated to today. First, he noted, the public expected much higher inflation back then, and it took high unemployment to change the public's wage- and price-setting behavior. Expectations today are much lower: The spread between regular and inflation-indexed bonds, for example, projects 2.4% inflation over the coming five years, and surveys by the University of Michigan and Federal Reserve Bank of New York are in the same ballpark. So getting actual inflation back to 2% doesn't require stringent monetary tightening.

Second, today's economy is "too dislocated" by a pandemic, war and other disruptions to apply past relationships between growth, unemployment and inflation, Mr. Hatzius said. For example, he said demand for labor shows up as high vacancies and rapid wage growth rather than unemployment going continuously lower. Conversely, cooling labor demand should manifest itself as lower vacancies and wage growth, not necessarily higher unemployment. Goldman expects the unemployment rate in a year to be 3.8%, not much higher than its current 3.7%.

Similarly, in many goods markets, "You can see very large changes in inflation rates in response to relatively small changes in the supply-demand balance," Mr. Hatzius said, pointing to used cars, where "we've gone from sky-high inflation rates to modest deflation rates."

Less excess demand for labor and fewer workers quitting their jobs are among the signs Goldman Sachs sees that the labor market is cooling.



*Vacancies, lagged by one month, minus unemployment

Sources: Goldman Sachs (excess labor); Labor Department (quits)

To achieve a soft landing, economic growth has to slow below its long-term trend of 1.75%—and it has, Mr. Hatzius noted. Growth was slightly negative in the first half of this year and will be around 1.25% in the coming 12 months, Goldman estimates.

Goldman also thinks the labor market has started to loosen up. The firm measures labor demand by adding total employment to job vacancies, and then compares that with the labor force. While demand still exceeds supply, the gap has started to close. The share of people quitting their jobs has trended steadily lower since December.

Goldman's wage tracker, which consolidates several different measures of pay, puts wage growth now at 5.5% a year. Mr. Hatzius said it has to fall to 4% to be compatible with 2% to 2.5% inflation, and he thinks that is happening. Hourly wage growth slowed in August, and corporate earnings calls and surveys by the National Federation of Independent Business and some Fed banks also show easing wage pressure.

It is a long way from July's 8.5% increase in consumer prices to the Fed's inflation target of 2%. But that overstates how much work the Fed has to do. Its target is based on a different price index, which was up 6.3% in July, and that was buoyed by food and energy, whose prices were elevated by global disruptions and have begun dropping. Excluding those, "core" inflation was 4.6% in July. Easing of supply disruptions such as for used cars will further lower core inflation with no push from the Fed, Mr. Hatzius predicted.

Finally, Mr. Hatzius thinks inflation only needs to fall to 2.5%, not to 2%, for the Fed to stop tightening. The reason, he argues, is that the Fed wants inflation to average 2% over the business cycle, so it can tolerate 2.5% inflation during a strong economy to offset below-2% readings during recessions.

Goldman economists were more pessimistic than the consensus in 2007, correctly anticipating the housing crash would do sustained economic damage. That analysis of financial balances: Private-sector spending significantly outstripped its income. That amplified the pullback in consumption and investment when the financial crisis hit.

Today, their analysis of financial balances leads to a different conclusion: Private borrowing is within historical ranges. This doesn't rule out recession. Indeed, it might mean the Fed, at the margin, must raise interest rates more to achieve the desired slowing in demand. But Mr. Hatzius said the sort of knock-on effects that transform a moderate downturn into something more severe are much less likely. The absence of such "tail risks" favors a soft landing, he said.

Goldman's upbeat outlook is swimming against the stream of economic history and recent market sentiment. But inflation news in July and job market news in August have made it more plausible than a few months ago.

Trade Gap Narrows As Import Demand Cools Off

By Harriet Torry

The U.S. reported a sharp narrowing in the July trade deficit due to weaker demand for imports, a positive sign for short-term economic growth but a potential warning sign for the global economy.

The trade gap in goods and services shrank by 12.6% in July from the prior month to a seasonally adjusted $70.65 billion, the Commerce Department said Wednesday.

From an accounting perspective, Wednesday's numbers bode well for U.S. economic growth in the third quarter, as trade deficits subtract from gross domestic product.

"Trade is going to help growth in the third quarter," said Joshua Shapiro, chief U.S. economist at Maria Fiorini Ramirez Inc. However, he added that declining imports due to cooling U.S. demand are "not a good sign for global economic activity, and that looks to be on the cards as we go into the latter part of the year."

Imports fell 2.9% to $329.94 billion in July, reflecting declines in American purchases of consumer goods and industrial supplies.

U.S. imports have dropped for two straight months as shoppers faced high inflation, which has dented consumer sentiment, surveys show. July's import decline also came as U.S. retailers grappled with bloated inventories following prolonged supply-chain disruptions triggered by the Covid-19 pandemic.

Exports grew 0.2% to $259.29 billion in July from the prior month, helped largely by higher shipments of capital goods like computers and industrial machinery. Spending by foreign visitors, which is counted as a services export, also picked up as Covid travel restrictions eased and more vacationers came to the U.S.

July's decline in import demand is a cautionary sign for the global economy.

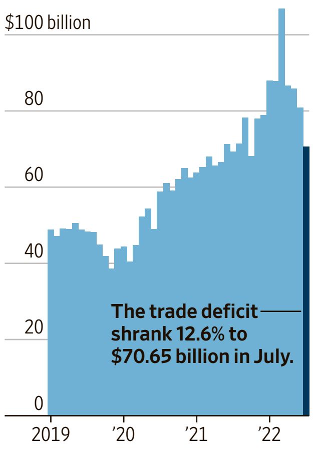
The drop in imports and rise in exports in July came despite a strong dollar, which makes imports cheaper for U.S. consumers while lifting the cost of U.S. goods abroad, which can hurt exporters.

Still, economists expect a slowing global economy will hinder trade flows in the near future. Recent surveys have pointed to a sharp slowdown in global economic growth as higher prices weaken consumer demand and the war in Ukraine scrambles supply chains.

The export boom that has powered China's economy through the pandemic decelerated in August, reflecting the impact from rising inflation and slowing growth elsewhere in the world.

Although the U.S. trade deficit has narrowed in recent months, it remains wide by historical comparison, reflecting the strength of the U.S. economy compared with other major economies. Before the pandemic, the trade deficit hovered for years between $40 billion and $50 billion a month.

U.S. trade deficit in goods and services



Note: Seasonally adjusted

Source: Commerce Department

China's Export Rise Sputters

Continued from Page One

July. The slowdown was led by a 9.9% fall in exports to China, signaling feeble demand.

South Korea's exports to China have dropped for three consecutive months, and were down 5.4% in August from a year earlier, contributing to a record trade deficit of $9.47 billion. South Korea's semiconductor exports contracted in August for the first time since April 2020 because of weak consumer demand among other factors.

Meanwhile, the U.S. Commerce Department reported on Wednesday that the trade gap in goods and services shrank by 12.6% in July from June, to a seasonally adjusted $70.65 billion, amid lower demand for imports.

A host of weakening export data in major Asia economies came as world business activity dipped into contraction for the first time in more than two years, pointing to shrinking global demand amid economic fallout from the Ukraine war and interest-rate increases by central banks to battle inflation.

Global economic output contracted in August for the first time since June 2020, according to the purchasing managers index survey compiled by S&P Global.

The headline PMI, which measures output for both manufacturing and services sectors, fell to 49.3 in August, down from 50.8 in July and below the 50 mark that separates expansion from contraction.

If lockdown months are excluded, the latest reading was the lowest since June 2009, when the world was ensnared by the global financial crisis, S&P Global said.

CFOTO/DDP/ZUMA PRESS

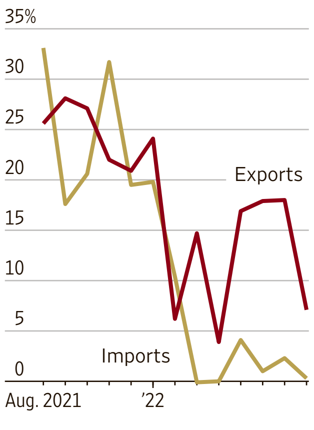
Chinese exports rose 7.1% in August. Above, a cargo ship on Wednesday loaded vehicles for export at Lianyungang Port in Jiangsu province.

Already, shipments to some of China's largest trading partners have pulled back. Exports to the European Union grew 11.1% in August from a year ago, down from a 23.1% gain in July. Shipments to the U.S. contracted by 3.8% in August, reversing from an 11% increase the previous month, data from Chinese customers on Wednesday showed.

Many economists have predicted for months that China's export boom would taper off as consumers in the West cut back on spending on goods amid the highest inflation in decades.

Surging energy costs in Europe, in large part because of Russia's drastic cutback in its gas supplies, will likely prompt more households to save more to pay for gas bills this winter, further diminishing their demand for Chinese exports in the coming months,

Chinese imports and exports, change from a year earlier



Source: China National Bureau of Statistics

said Iris Pang, chief economist for Greater China at ING.

"We are not that optimistic about global demand in 2023, when the impact from interest-rate hikes on the real economy will become more obvious," Ms. Pang said.

Meanwhile, Beijing's overall trade surplus narrowed for the first time since February, edging down to $79.39 billion in August, compared with a record $101.26 billion in July. But economists warn the relatively robust trade-surplus data reflects continuing weak demand in China's economy, weighed down by its strict Covid-containment strategy and prolonged property-market downturn.

China's imports weakened further in August, pointing to disappointing demand at home, as consumer confidence remains feeble while the jobless rate among young people rose to a record.

Inbound shipment to China was flat as it gained 0.3% from a year earlier to $235.5 billion, down from a 2.3% increase in July. The reading was the weakest since April, when port and factory activities came to a halt because of lockdowns in Shanghai and other cities. It undershot the 1.5% forecast among economists polled by The Wall Street Journal.

Covid-19 cases in China began to rise in early August, leading to lockdowns in several cities, threatening to depress factory operations and consumer confidence even further.

As of Tuesday, 49 cities were under lockdown or various degrees of control measures, accounting for about a quarter of China's gross domestic product and affecting a fifth of China's total population, economists from Nomura estimated. As a result, they lowered China's full-year growth forecast to 2.7% from 2.8%.

"China needs to rely more on domestic demand than exports," Zhiwei Zhang, chief economist at Pinpoint Asset Management wrote in a note to clients on Wednesday. He added the key challenge for Beijing is to balance the need to revive economic activities and containing Covid-19 outbreaks.

"China is facing a dilemma," said Mr. Zhang. "It's a tricky balance."

—Grace Zhu in Beijing contributed to this article.

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CORRECTIONS & AMPLIFICATIONS

Kyung In Hwang, a researcher at the Korea Institute for Industrial Economics and Trade, said building up refining capacity for production of battery materials in South Korea would be expensive because of environmental concerns. A Heard on the Street column on Friday about electric-vehicle battery manufacturing incorrectly quoted him as speaking about environmental regulations. Also, Dr. Hwang prefers to spell his name in English as Kyung In Hwang. The article used a different transliteration, Gyeongin Hwang.

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

Opponents Work to Block Fast-Food Law

By Christine Mai-Duc
And Heather Haddon

Restaurants owners, business groups and other opponents of a new California law that could set the minimum wage for the fast-food industry as high as $22 an hour next year have begun an effort to postpone its implementation and let voters decide whether to permanently block it in 2024.

A proposed referendum seeking to overturn the law, known as the FAST Recovery Act, was filed with the California attorney general's office Tuesday afternoon, a spokeswoman for the state's top lawyer confirmed.

A coalition, called Protect Neighborhood Restaurants, said Wednesday that it was backing the effort to let voters weigh in on the law. The International Franchise Association and the National Restaurant Association, two Washington, D.C.-based industry groups, were co-chairing the coalition, the group said.

"It is only right for California's voters to have a voice before harboring the burden of a bill that has widely been heralded as a massive step in the wrong direction," the coalition said in a statement.

The FAST Recovery Act was signed into law by Gov. Gavin Newsom, a Democrat, on Monday. It is set to take effect Jan. 1, but would be suspended if the referendum, which would likely be on the ballot in November 2024, qualifies.

The law, the first of its kind in the nation, calls for California to create a 10-person council including workers, union representatives, employers and business advocates that could set a minimum wage for fast-food workers next year as high as $22. That minimum would rise annually based on inflation.

California's current minimum wage is $15 an hour and is set to increase by 50 cents next year.

Organized labor backed the new law as a way to improve wages in an industry that unions have struggled to organize in part due to the large number of franchisees. They said they were now prepared to defend it.

"We are not counting on it qualifying," Mary Kay Henry, international president of the Service Employees International Union, said of the proposed referendum at a news conference Wednesday, "but we're also prepared for a fight."

Fast-food workers and their supporters marched in favor of the wage measure in August in Sacramento.
RICH PEDRONCELLI/ASSOCIATED PRESS

Fast-food corporations and their franchisees accused legislators of singling them out and said forcing them to raise wages so quickly would increase their operating costs abruptly and cause prices to rise industrywide.

"Unfortunately, in an already high-inflation environment, we'll now be forced to pass along most of the wage increase to customers, at least in the short term," said Anand Gowda, founder of San Diego-based High Bluff Capital Partners, which owns the Church's Chicken and Quiznos chains. Mr. Gowda said he is looking to automate operations in his restaurants to reduce staff because of the law.

Restaurant and business groups spent at least $1.7 million to lobby against the bill after it was introduced last year and last week urged Mr. Newsom to veto it.

Amendments added at the end of the legislative session last month and negotiated with input from Mr. Newsom's administration curtailed some of the council's authority and added the $22 wage cap, as well as a 2028 sunset that would shut down the council unless renewed.

In a video posted to social media after he signed the bill into law on Labor Day, Mr. Newsom said he was proud to sign a measure that "empowers our workers."

Opponents will need to submit roughly 623,000 valid voter signatures by Dec. 4 to qualify a referendum for the November 2024 ballot. Typically in California, referendum backers spend millions to gather the signatures needed to get onto the ballot and need to collect more than the minimum, as some end up being disqualified.

The spokeswoman for the attorney general said her office will issue a title and summary for the measure, necessary for proponents to begin collecting signatures, by Sept. 16.

If it qualifies, the referendum could be a costly fight between organized labor and the fast-food industry resembling 2020's Proposition 22, in which companies including Uber Technologies Inc., Lyft Inc. and DoorDash Inc. convinced voters to exempt them from a law meant to classify gig workers as full-time employees. The companies and labor spent some $220 million advertising for and against the measure.

ACA Ruling Backs Religious Objection

By Jacob Gershman

A federal judge in Texas ruled Wednesday against a preventive-care requirement under the Affordable Care Act that compels coverage of HIV-prevention drugs, saying it violated the rights of an employer who objected to the mandate on religious grounds.

U.S. District Judge Reed O'Connor in Fort Worth said the requirement burdened the religious exercise of the owner of a Christian-owned company that employs dozens of people, including the staff at a wellness center in Houston, in violation of the federal Religious Freedom Restoration Act.

Judge O'Connor, a President George W. Bush appointee whose 2018 decision against the ACA was later overturned by the Supreme Court, also ruled that a government task force that recommended the HIV-prevention coverage exercised unconstitutional authority because its members weren't properly appointed.

Wednesday's decision came in a lawsuit challenging an array of preventive-care services that many employer plans must cover without deductibles and copayments.

The plaintiffs, including Braidwood Management Inc., allege that federal law unlawfully penalizes religious businesses that refuse to provide coverage for drugs that the lawsuit claims "facilitate and encourage homosexual behavior, prostitution, sexual promiscuity and intravenous drug use."

Judge O'Connor said requiring Braidwood to cover an HIV-prevention regimen known as pre-exposure prophylaxis, or PrEP, for high-risk individuals was unlawful. The judge said the government lacked a compelling enough reason to force religious employers to underwrite coverage for HIV-prevention drugs, which include Truvada, made by California-based Gilead Sciences Inc.

"Defendants do not show a compelling interest in forcing private, religious corporations to cover PrEP drugs with no cost-sharing and no religious exemptions," Judge O'Connor wrote.

Lawyers for the Justice Department said Braidwood failed to show that its religious beliefs had been burdened by the requirement. There was no evidence that the company had spent money on, or was likely to pay for, PrEP drug coverage, the government argued.

A department spokeswoman had no immediate comment on the decision.

Judge O'Connor's ruling doesn't mean the HIV-drug requirement must be entirely stripped away from the ACA. But depending on how the case proceeds, it could give more room for other employers to claim it violates their religious beliefs.

Portraits of Obamas Unveiled at White House

By Catherine Lucey

WASHINGTON—Former President Barack Obama and former first lady Michelle Obama returned Wednesday to the White House for the unveiling of their official portraits.

The paintings were revealed during a ceremony in the East Room hosted by President Biden, who was Mr. Obama's vice president, and first lady Jill Biden. It was the first time Mrs. Obama had returned to the White House since she and Mr. Obama left in 2017. Mr. Obama visited earlier this year for an event honoring his signature health-care law.

The ceremony marked the first presidential portrait unveiling at the White House since 2012, when former President George W. Bush and Laura Bush were received by the Obamas.

The White House portrait collection dates to a painting of former President George Washington that hangs in the East Room. Starting in the 1960s, the White House Historical Association sought to acquire portraits of past presidents and first ladies not in the collection and began financing portraits of recent presidents, said Stewart McLaurin, the organization's president.

The association is a nonprofit and is nonpartisan. Mr. McLaurin said the association meets with the outgoing president and first lady, the couple pick the artists and the association pays for the portraits with private funds. Mr. Obama's portrait was painted by Robert McCurdy. Mrs. Obama was painted by Sharon Sprung.

Mr. Obama praised Mr. McCurdy, saying he "paints people exactly the way they are, for better or worse." Mrs. Obama referenced the fact that the Obamas were the first Black first family, saying that with the portraits, "what we are seeing is a reminder that there's a place for everyone in this country."

—Alex Leary contributed to this article.

Democrats Narrow Spending-Bill Goals

By Siobhan Hughes

ELIZABETH FRANTZ/REUTERS

Sen. Chuck Schumer said the bill would probably extend government funding through mid-December.

WASHINGTON—Democratic leaders faced time pressure to slim down their ambitions for a bill that keeps the government funded beyond September, with Ukraine aid likely to survive but measures related to Covid-19 aid, energy permitting and same-sex marriage seen as less certain by lawmakers.

Congress needs to pass a short-term spending bill, called a continuing resolution or CR, by the end of this month in order to avoid a partial government shutdown, ahead of the home stretch of midterm campaigning.

The Biden administration has asked Congress to include in the new spending bill some $47.1 billion in emergency spending, including money to fight the Covid-19 pandemic and the monkeypox outbreak, as well as to aid Ukraine.

Senate Majority Leader Chuck Schumer (D., N.Y.) said Wednesday that he wanted to wrap in legislation to reduce delays common in permitting both clean-energy and fossil-fuel infrastructure projects. That would fulfill a pledge he made to Sen. Joe Manchin (D., W.Va.) to win his support for the Democrats' now-enacted climate, healthcare and tax law.

"We will work as hard as we can to accomplish as much as we can in this work period," said Mr. Schumer, who said the bill would probably extend government funding through mid-December.

Republicans and some Democrats said the bill should stay narrowly focused, and not tack on items they see as extraneous or controversial.

At least 10 Republican votes would be needed to advance a bill.

"The key to getting the CR done with the least amount of controversy is for it to be as clean as possible," said Senate Minority Leader Mitch McConnell (R., Ky.).

In the Senate, most legislation needs 60 votes to clear procedural hurdles. That means Democrats would need at least 10 Republican votes to advance a bill in the evenly split chamber.

Democrats have floated adding legislation to recognize same-sex marriage, but supporters say they would rather keep that vote on a different track.

"We would prefer to do it as a separate bill," said Mr. Schumer.

Sen. Susan Collins (R., Maine), a lead Republican negotiator of the marriage measure, said that "it should not be attached to the CR—that would cause us to lose Republican support." A handful of Republicans have voiced support for the measure and others have signaled that they are open to the proposal.

Senate Appropriations Committee Chairman Patrick Leahy (D., Vt.) identified funding for Ukraine aid and disaster relief as items that could make the cut for the continuing resolution, but said other items should be excluded.

"I'd like to keep as much out as possible," he said.

The aid for Ukraine retains enough popularity that senators expect it to hitch a ride on the spending bill. The White House has asked for $13.7 billion to respond to Ukraine, including $4.5 billion for equipment for Ukraine and to replenish Defense Department stockpiles that were drawn down in order to bolster Ukraine's defenses.

It has sought another $4.5 billion to support Ukraine's government, which has survived on Western giving; officials in Kyiv have said Ukraine needs about $5 billion every month to cover essential government services and keep its economy functioning.

"I do think we'll see bipartisan support for the administration's request for additional both military and general economic assistance funding," said Sen. Chris Coons (D., Del.).

Sen. Shelley Moore Capito (R., W.Va.) said that she anticipated that including the permitting legislation in a continuing resolution would be "a big problem" for her Republican colleagues, because of its connection to the Democrats' climate bill.

Republicans had assumed the proposal was dead before Mr. Schumer and Mr. Manchin unveiled their surprise deal this summer. "People probably still feel burned," Ms. Capito said.

Democrats also have raised objections to the permitting bill. On Tuesday night, Sen. Elizabeth Warren (D., Mass.) declined to rule out blocking a continuing resolution that included the measure, which speeds up permitting for fossil-fuel projects as well as renewable energy projects.

Another possible casualty is money for vaccines and therapeutics to combat the newest iterations of the Covid-19 virus. Republicans have repeatedly blocked previous efforts to pass additional coronavirus funding, saying the administration hasn't used all the money that Congress already provided for pandemic relief, and some see less reason to be sympathetic now.

—Lindsay Wise contributed to this article.

State Charges Against Bannon Expected Over Wall Campaign

By James Fanelli and Corinne Ramey

LEV RADIN/PACIFIC PRESS/ZUMA PRESS

Steve Bannon was pardoned by former President Donald Trump for federal charges related to a private campaign to build a border wall.

Former Trump adviser Steve Bannon is expected to face New York state criminal charges Thursday following an investigation into a crowdfunding campaign to build a wall along the southern U.S. border, according to people familiar with the matter.

Mr. Bannon is scheduled to surrender to the Manhattan district attorney's office on Thursday morning, the people said. The exact charges couldn't be determined. The indictment is currently under seal, according to the people.

A spokeswoman for the district attorney's office declined to comment.

Mr. Bannon, who served as chief strategist and senior counselor to former President Donald Trump, said that the charges followed a similar effort by federal prosecutors several years ago.

Federal prosecutors in New York "did the exact same thing in August 2020 to try to take me out of the election," he said. "It didn't work then, it certainly won't work now. This is nothing more than a partisan political weaponization of the criminal justice system."

The expected criminal charges were earlier reported by the Washington Post.

The district attorney's investigation focused on Mr. Bannon's involvement in the We Build the Wall campaign, a private effort to construct a barrier along the southern U.S. border.

Mr. Bannon is expected to be arraigned Thursday afternoon in a state court in Manhattan, according to the people familiar with the matter.

In the federal case, the U.S. attorney's office for the Southern District of New York charged Mr. Bannon in 2020, accusing him and three other men of siphoning hundreds of thousands of dollars from the campaign. He pleaded not guilty to charges of conspiring to commit wire fraud and conspiring to commit money laundering. In his final day in office, Mr. Trump pardoned Mr. Bannon of the federal charges while those charges were pending.

Separately, Mr. Bannon is awaiting an Oct. 21 sentencing on contempt of Congress charges.

In a July 22 verdict, a federal jury in Washington said Mr. Bannon unlawfully defied a subpoena issued by the House committee investigating the Jan. 6, 2021, attack on the Capitol. The jury found Mr. Bannon guilty of two counts of contempt of Congress—one count for withholding documents from congressional investigators and one count for not appearing for a deposition interview.

Contempt of Congress is a misdemeanor offense, carrying a minimum sentence of 30 days and a maximum sentence of one year for each count.

After that October hearing, Mr. Bannon plans to appeal, his lawyers have said.

—Jan Wolfe contributed to this article.

Official Held in Killing Of Las Vegas Reporter

By Zusha Elinson and Dan Frosch

Las Vegas police arrested a local public official on Wednesday in connection with the fatal stabbing of an investigative journalist who reported on his alleged abuse of office, according to a law-enforcement official with knowledge of the case.

Robert Telles, the Clark County public administrator, had been angry about a series of stories that Jeff German, a Las Vegas Review-Journal reporter, wrote about him, according to posts on social-media accounts with Mr. Telles's name on them.

The Las Vegas police issued a statement saying an arrest had been made in the Friday homicide, but didn't name the suspect. A law-enforcement official confirmed that Mr. Telles was arrested for the murder of the 69-year-old Mr. German, as did the Review-Journal.

"The arrest of Robert Telles is at once an enormous relief and an outrage for the Review-Journal newsroom," said Glenn Cook, executive editor of the Review-Journal, in a statement. "We are relieved Robert Telles is in custody and outraged that a colleague appears to have been killed for reporting on an elected official."

The Wall Street Journal wasn't able to identify an attorney for Mr. Telles.

Police served search warrants in connection with the case earlier Wednesday, they said. According to the Review-Journal, authorities searched Mr. Telles's home.

Mr. German's stories about Mr. Telles chronicled turmoil in the public administrator's office, including allegations of bullying and an improper relationship between Mr. Telles and a staffer. Mr. Telles denied the allegations, but lost his June Democratic primary following Mr. German's stories.

The public administrator's office oversees the estates of people who have died and administers estates in court when families cannot.

According to a biography on the office's website, Mr. Telles was an attorney specializing in probate matters and estate planning before he was elected.

He posted a letter on his campaign website criticizing Mr. German's stories, the Review-Journal has reported.

A series of tweets on an account attributed to Mr. Telles accused Mr. German of lying and publishing smear pieces.

'Dirty Dancing' Gives a Lift

Continued from Page One

aiming for first this weekend, though she says competition is tough. "Now people are starting to hear about it and actually practice."

This year marks the 35th anniversary of the "Dirty Dancing" movie, a sleeper box-office hit grossing $214.6 million worldwide to date. It keeps drawing admirers, and, surprisingly, not just those with more spring in their step three decades ago.

Earlier this year, Fox debuted "The Real Dirty Dancing" competition, and the title of Ms. Grey's memoir "Out of the Corner," released in May, nods to a movie line. A "Dirty Dancing" reimagining with Ms. Grey is in the works for 2024.

Brides and grooms are posting videos of themselves re-enacting the Dirty Dancing sequence, and memes of real-life fails have gone viral. In one, a woman does a face plant after her partner fumbles her in the air.

Kaleb McCaw, 22, and Tessa McCaw, 20, re-created Dirty Dancing's final number at their December wedding in Springfield, Ohio.

Ms. McCaw grew up watching the movie at dance class, and it was the first film she and Mr. McCaw watched as a couple. During downtime in the pandemic, she decided to learn the Dirty Dancing moves and taught him.

VEASEY CONWAY FOR THE WALL STREET JOURNAL

Rainey Ashcraft and Amanda Jones practice for a lift contest

Mr. McCaw says it was a reversal of what happens in the movie, in which Johnny teaches Baby to dance.

"I guess I was Baby and she was Johnny," he says.

Lake Lure draws "Dirty Dancing" die-hards because it served as a filming location for some scenes.

Pembroke, Va., also had a role, with the Mountain Lake Lodge there serving as the fictional resort in the movie.

In a side plot, Lake Lure and Mountain Lake Lodge each have laid claim to being the location of the lake-lift scene.

People involved in making "Dirty Dancing" have said in recent years it was shot at Mountain Lake. It's a point organizers of the Lake Lure festival acknowledge, but shrug off. Mountain Lake dried up in 2008 and the water has only partly returned.

"At least you can still perform a lift in Lake Lure," says Michelle Yelton, who helped launch the North Carolina festival.

Heidi Stone, president of Mountain Lake Lodge, says unlike Lake Lure, the lodge film locations are still intact for guests to enjoy.

"There is really no comparison between the two places," she says.

In Lake Lure, the local Chamber of Hickory Nut Gorge is organizing the Dirty Dancing Festival, set for Saturday. The event raises awareness for pancreatic cancer, which killed Mr. Swayze in 2009. It also invites fans to "really shake it down" with activities including a watermelon-carrying contest.

One of the highlights is the lift competition and crowds gather around the lake to watch the contest take off—or not.

Some lifters struggle to get their partner in the air, while some liftees flop around like fish out of water for balance above their partners' head and shoulders.

"It's all in the grip," says Emily Pankonin, a 35-year-old account manager for an industrial supply company, who won in 2018. "A lot of people try to grab your hips, but that's not a good spot. It's just right under your ribs."

Another previous winner, Mark Bodo, says he kept his wife, Leslie, aloft for about 14 seconds. While she held the pose, Mr. Bodo turned her in a circle in an act of showmanship, but the move almost cost them. "I lost my footing in the mud and I nearly dropped her," he says.

Ms. Jones, the four-time competitor, knows every line in "Dirty Dancing" and first entered in 2014. Initially, she planned to participate with her husband, but says she "had to bench him" when she realized he wasn't up to the challenge. She conscripted her stepson in his place.

Her husband, Scott Jones, was relieved when he was cut. "Amanda is competitive," he says. "If we lost, it would be a topic of conversation for a while."

In 2017, 2018 and 2019 she competed with her personal trainer, Rainey Ashcraft.

—Jeffrey A. Trachtenberg contributed to this article.

Fed's Barr Signals Shift on Bank Mergers

New regulatory chief's comments suggest more forceful stance on Wall Street oversight

By Andrew Ackerman

ALEX WONG/GETTY IMAGES

Fed Vice Chairman Michael Barr, in his first public remarks since taking office, suggested he was looking at ways to beef up stress tests.

WASHINGTON—The Federal Reserve's new regulatory chief said Wednesday that the central bank is considering how to more-closely scrutinize bank mergers and may beef up the way it requires certain banks to plan for their own demise.

The remarks from Fed Vice Chairman Michael Barr, his first in public since taking office July 19, suggest a more aggressive approach to overseeing Wall Street than his Republican predecessor Randal Quarles.

Mr. Barr said he aims to evaluate how the Fed reviews proposed bank tie-ups and to assess "where we can do better," speaking at an event hosted by the Brookings Institution, a Washington think tank.

The remarks from Mr. Barr are consistent with those made by the Biden administration and its top regulators, who are seeking to address concerns that the steady growth of the nation's largest regional banks has introduced new risks to the financial system. While these firms might lack the vast trading floors and international operations of megabanks such as JPMorgan Chase & Co. and Bank of America Corp., the biggest regionals' balance sheets are now approaching the size of some of so-called systemically important banks.

The push to revamp the way regulators assess the mergers of large banks is in its early stages but could make bank tie-ups more difficult.

"These risks may be difficult to assess, but this consideration is critical to assess how we are performing merger analysis and where we can do better," Mr. Barr said Wednesday.

The remarks were being closely watched by banks and officials to get a sense of Mr. Barr's priorities.

He spoke about so-called living wills, or plans for banks to wind themselves down in a crisis without a government bailout. Mr. Barr said regulators need to continue to analyze whether firms are taking "all appropriate steps to limit the costs to society of their potential failure." He also warned about the so-called resolvability of some larger regional banks that have grown in size and in importance to the financial system.

Mr. Barr's remarks didn't go into detail on whether he plans to alter bank capital and liquidity levels through changes to the central bank's rulebook or its annual "stress tests," which aim to determine how large lenders would react to drastic market and economic shock.

Still, he suggested he was looking at ways to beef up stress tests, the value of which some critics say has eroded over time, becoming less stressful for banks. "The stress tests need to continue to evolve," Mr. Barr said. "They're supposed to be stressful. They're supposed to be tough. And I want to make sure that they are that way."

He said he would have more to say about certain bank-capital requirements in the fall.

Mr. Barr has previously said he wants to get a broad view of requirements before pushing for adjustments to rules piece by piece.

Industry groups, such as the Bank Policy Institute and the Financial Services Forum, had no immediate comment on Mr. Barr's remarks.

Mr. Barr's supervision role is the government's most influential bank overseer, responsible for developing a vision for the regulation of big banks and other financial firms. That includes developing policy recommendations for the Fed board and for overseeing its regulatory staff, which supervises some of the largest U.S. financial firms, including JPMorgan, Bank of America and Citigroup Inc.

Mr. Quarles, who previously held the Fed supervision post, focused on simplifying financial regulations enacted after the 2008-09 financial crisis. Supporters say those moves clarified or better calibrated the central bank's rules. Some Democrats say they significantly softened the impact of the Wall Street rulebook. Mr. Quarles left the Fed in December.

At the event, Mr. Barr also addressed monetary policy. He said inflation was too high and that the Fed was committed to bringing it down. Acknowledging that the Fed's rate increases risk a further slowdown to the economy—and even some pain—he said it is far worse to let "inflation continue to be too high."

He didn't specify how high the Fed's benchmark interest rate should rise.

Mr. Barr was the last of President Biden's slate of five appointees to the central bank. Fed Chairman Jerome Powell and three other appointments were confirmed in recent months.

Formerly a dean of public policy at the University of Michigan, Mr. Barr also served in the Treasury Department during the Clinton and Obama administrations, including as a top lieutenant to then-Treasury Secretary Timothy Geithner. Mr. Barr played a role as an architect of the 2010 Dodd-Frank financial overhaul, including the law's creation of the Consumer Financial Protection Bureau.

Fed on Path To Lift Rate 0.75 Point

Continued from Page One

the central bank's commitment to boosting interest rates enough to lower inflation from 40-year highs. "We will keep at it until we are confident the job is done," he said.

His remarks and tone placed him among the Fed officials who favor a more aggressive pace of rate increases than others, said Tim Duy, chief U.S. economist at research firm SGH Macro Advisors. Raising rates by 0.75 point would fit that approach, he said.

Mr. Powell's speech showed he "very much did not want to leave the impression that the Fed would fall short on fighting inflation," Mr. Duy said.

Fed Vice Chairwoman Lael Brainard, a senior policy adviser to Mr. Powell, on Wednesday didn't express a preference on the size of the next increase, but she underscored the need for rates to rise and stay at levels that would slow economic activity. "We are in this for as long as it takes to get inflation down," she said at a banking conference in New York.

Ms. Brainard explained why officials could expect rate increases to lead inflation to moderate in the coming months. She also stressed how policy makers would eventually need to balance the risks of raising rates too much with the risks of cutting rates too soon after economic growth slows. "At some point in the tightening cycle, the risks will become more two-sided," she said.

ELIZABETH FRANTZ/REUTERS

Fed Chairman Jerome Powell, shown in July, is to speak Thursday in his last scheduled public remarks before the coming Fed meeting.

Michael Barr, the Fed's vice chairman for bank supervision, said Wednesday he viewed the risks of allowing inflation to become entrenched as a greater worry than the risk of raising rates too much. Higher rates could bring "some pain in the economy," but "it's far worse...to let inflation continue to be too high," he said at the Brookings Institution.

Fed officials have raised rates this year at the fastest clip since the early 1980s, taking their benchmark federal-funds rate from near zero in March to a range between 2.25% and 2.5% in July.

Several officials have signaled a desire to raise the fed-funds rate closer to 4% by year's end—about 1.5 percentage points higher than its current level. That could be accomplished in rate increases of various sizes at each of the three remaining Fed meetings this year.

An aggressive approach would point to a 0.75-point rate rise at the coming meeting, followed by smaller increases at the next two, analysts said.

"The argument is you're going to have to go much further than where policy rates are now, and the risk of overshooting is still fairly low," Mr. Duy said. "And you might rather try to get a little bit more ahead of the curve rather than risk falling behind further."

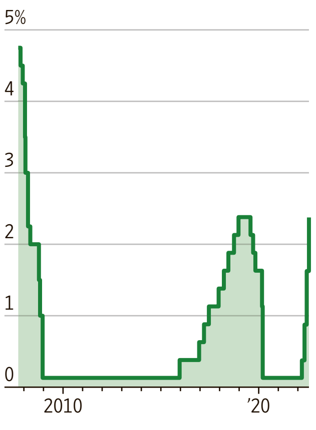
St. Louis Fed President James Bullard said in an Aug. 18 interview he was leaning in favor of a 0.75-point rate increase this month to raise the fed-funds rate to around 4% by year's end. "I don't really see why you want to drag out interest-rate increases into next year," he said.

> Fed officials have raised rates this year at the fastest clip since the early 1980s.

Another option would be to raise rates by a half point at each of the remaining meetings this year.

Officials will submit new economic projections at their meeting this month, showing how high they expect to lift the fed-funds rate by year's end.

Federal-funds target rate



Note: Chart shows midpoint of range since 2008.
Source: Federal Reserve

Their next steps needed to be guided by "where do we want to see interest rates by the end of the year and into next year," New York Fed President John Williams said in an interview last week. "If, based on the data, it's clear that we need to get interest rates significantly higher by the end of the year, then obviously that informs a decision at any given meeting."

Cleveland Fed President Loretta Mester said Wednesday she believed rates were still providing stimulus to the economy because inflation-adjusted, or real, short-term rates are below zero. Ms. Mester said she expects the fed-funds rate will need to rise somewhat above 4% by early next year and stay at that level.

"We have to get into positive territory for the real rate, and that means we're going to have to do more work than where we are now," she said in a webinar hosted by Market News International.

The U.S. labor market has remained strong, with employers adding a robust 315,000 jobs in August. While inflation slowed a bit in July, underlying price pressures and wage growth suggest it could run well above the Fed's 2% target for some time.

Ms. Brainard said Wednesday that while the easing of inflation in July was welcome, it would require "several months of low monthly inflation readings to be confident" that inflation was returning to the Fed's 2% target.

Mr. Powell is to speak Thursday in a moderated discussion at the Cato Institute, his last scheduled public remarks before the coming Fed meeting.

The Fed is raising rates to combat inflation by slowing the economy through tighter financial conditions, which typically curb spending, hiring and investment. Any sustained easing in financial conditions—such as through falling yields and rising stocks—could have the opposite effect.

Officials have been uncomfortable with how markets rallied—easing financial conditions—following their July 26-27 meeting, when Mr. Powell at a news conference signaled the central bank would at some point slow its rate rises.

The rally risked undoing some of the Fed's work to slow the economy. The average 30-year fixed mortgage fell to 5.45% in mid-August, down from 5.82% in July, according to the Mortgage Bankers Association.

After that rally, "they are much more aware of the communications challenges they face with markets," said Jonathan Pingle, chief U.S. economist at UBS. Mortgage rates rose to 5.94% last week, the MBA said Wednesday.

Weak Growth Seen In Beige Book Report

U.S. businesses in the late summer expected continued weak economic growth as consumers and businesses face high inflation, a tight labor market and economic uncertainty, the Federal Reserve said.

The Fed's 12 regional reserve-bank districts said their business contacts noted "expectations for further softening of demand over the next six to twelve months," according to the central bank's latest compilation of economic anecdotes, known as the Beige Book.

Some of the districts reported slight to modest growth, while others saw the same degree of softening activity, leaving the overall picture unchanged since earlier in the season, said the report, which included information gathered through Aug. 29.

Prices remained high, but most of the regional districts saw "some degree of moderation in their rate of increase," the report said.

Bankers in the Cleveland Fed's district said that they expect consumers and businesses to delay major purchases because of high inflation and rising interest rates, which would eventually lead to weaker demand for loans.

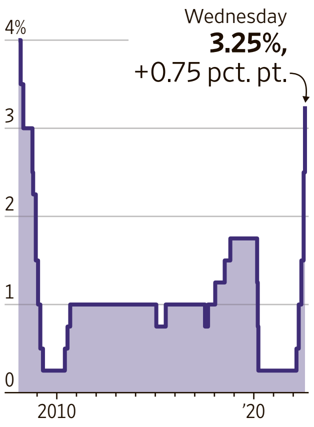
Businesses in the New York Fed's district reported raising their prices less than before, with a large, but declining, share of them planning further price increases in the months ahead.

Business contacts across the country said tight labor-market conditions persisted.

—Bryan Mena

Canada's Central Bank Boosts Rates to 14-Year High

Bank of Canada policy interest rate



Source: Bank of Canada

By Paul Vieira

OTTAWA—The Bank of Canada delivered another hefty increase to its main interest rate, taking it above 3% for the first time in over 14 years, and said rates need to go higher to tame inflation.

The Bank of Canada on Wednesday lifted its overnight target rate by 0.75 percentage point to 3.25%, following a surprise full-percentage-point increase in July. Following five increases beginning in March, the central bank's benchmark interest rate is now 3 percentage points higher than where it started 2022, reflecting the urgency among global central banks to cool inflation triggered by supply-chain disruptions, stronger-than-expected consumer demand and the war in Ukraine.

The last time the Bank of Canada's benchmark rate was 3% or higher was in April 2008. In a statement explaining its decision, the central bank said the benchmark rate will need to climb higher to ensure inflation decelerates toward its preferred 2% target.

The most recent consumer-price index report in Canada indicated annual inflation slowed in July to 7.6% from a four-decade high of 8.1%. The central bank said the deceleration was the result of lower gasoline prices. With the exception of gasoline, the Bank of Canada added, upward price pressures are broadening across the economy.

The central bank said indicators measuring domestic demand—such as household consumption and business investment—were very strong based on second-quarter data.

"As the effects of tighter monetary policy work through the economy, we will be assessing how much higher interest rates need to go to return inflation to target," the statement said. "The governing council remains resolute in its commitment to price stability and will continue to take action as required."

Last month, Federal Reserve Chairman Jerome Powell said U.S. rates had to go higher and would remain elevated for a prolonged period to ensure inflation is tamed.

Benjamin Reitzes, an economist at BMO Capital Markets, said the tone of the Bank of Canada's statement "remains very concerned about inflation." He added central bank officials likely "want to see a few quarters of below-potential growth and some loosening of labor-market conditions before they'll be more comfortable with the inflation outlook."

Eleven economists surveyed by The Wall Street Journal before Wednesday's rate decision predicted a three-quarter-point increase. Where there was disagreement was how much higher the Bank of Canada might be willing to go.

Some analysts said the central bank is close to ending its rate-rising campaign. Higher interest rates have already deflated the housing market, which accounted for one-fifth of economic growth last year. Existing-home sales declined 30% in July from a year ago.

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U.S. NEWS

Panel, in Shift, Backs a Drug To Treat ALS

By Liz Essley Whyte
And Joseph Walker

Amylyx Pharmaceuticals Inc.'s drug for amyotrophic lateral sclerosis, or ALS, won the backing of Food and Drug Administration advisers who just months ago narrowly recommended against its approval.

The panel of FDA advisers, meeting a second time to review the drug, voted 7-to-2 on Wednesday that there was enough evidence for the agency to approve it.

The recommendation suggests the FDA might clear a medicine that promises to slow the progression of the debilitating, eventually fatal disease, though some staff have raised concerns whether it truly works.

The agency, which doesn't have to follow its expert panel's advice, must make a decision by Sept. 29.

"To deprive ALS patients of a drug that might work—it's not something that I'll feel terribly comfortable with. In the previous meeting it wasn't that clear," said Liana Apostolova, a neurology professor at the Indiana University School of Medicine, who voted for the drug.

Other panel members said the evidence for the drug's effectiveness was weak.

"We essentially have a single study with many nontrivial scientific concerns," said Caleb Alexander, a professor of epidemiology and medicine at Johns Hopkins Bloomberg School of Public Health, who voted against the drug.

Convening a second advisory meeting was unusual for the FDA, which faced criticism last year when it greenlighted another neuroscience drug that advisers said lacked proof it worked: Biogen Inc.'s Alzheimer's drug, Aduhelm.

Patient advocates have campaigned for the Amylyx drug, saying it is a safe and promising treatment for a fatal illness, also known as Lou Gehrig's disease.

More than 16,000 people in the U.S. have ALS, a neurodegenerative disease that causes muscle weakness and eventually robs patients of the ability to speak, move and breathe.

Amylyx said a data analysis found the drug, known as AMX0035, could help patients live as much as 18 months longer.

"That's a huge deal because it's a quarter to a half of an average patient's lifespan" after diagnosis, said Brian Wallach, an ALS patient and cofounder of patient advocacy group I AM ALS, through an interpreter. "That's something we've never had before."

At a first meeting on the drug in March, the FDA advisory committee voted 6-to-4 that a single mid-stage, or Phase 2, study didn't provide enough evidence that Amylyx's drug was effective against the illness.

In early June, the FDA extended its deadline for making an approval decision from June 29 to Sept. 29. About a week later, Canadian health authorities cleared the drug for use against ALS, prompting U.S. patients to consider crossing the northern border to obtain it.

The FDA's delay in making a decision, and its willingness to consider additional data, made some patient advocates and Wall Street analysts optimistic that the agency was looking for a way to approve Amylyx's drug.

However, briefing materials released by the FDA on Friday indicated that its reviewers remained skeptical of the drug in the absence of an additional study.

U.S. WATCH


JAY JANNER/AUSTIN AMERICAN-STATESMAN/ASSOCIATED PRESS

A power outage early Wednesday morning at Austin-Bergstrom International Airport in Texas caused flight delays and cancellations.

NEW YORK

Mask Mandate Ends On Public Transit

New Yorkers no longer have to wear masks on subways, buses and other mass transit, Gov. Kathy Hochul said Wednesday.

The Democratic governor said masks would be encouraged but optional on the state's public transportation systems. Masks will still be required at state-regulated healthcare facilities and in clinical settings. "Now we're in a far different place than we had been," Ms. Hochul said. She referenced state data showing that reported Covid-19 case levels have remained far below numbers reached during the winter Omicron surge. State officials will continue to monitor coronavirus data and adjust policies as necessary, she added.

Masks will also be optional on the Long Island Rail Road and the Metro-North Railroad, according to the Metropolitan Transportation Authority.

Reported Covid-19 cases in New York have trended downward since July while hospitalizations have remained relatively steady, according to data from Johns Hopkins University.

—Alyssa Lukpat

WASHINGTON

Bid to Delay Sedition Trial Is Turned Down

Stewart Rhodes, founder of the far-right Oath Keepers militia group, lost a last-minute bid Wednesday to delay his jury trial on seditious conspiracy charges stemming from the Jan. 6, 2021, attack on the Capitol.

During a contentious court hearing in Washington, U.S. District Judge Amit Mehta kept the trial date of Sept. 26, rejecting Mr. Rhodes's argument that a delay of at least 90 days was necessary because his relationship was broken with his two Texas-based defense lawyers, Phil Linder and Lee Bright.

Judge Mehta said Messrs. Linder and Bright were skilled lawyers who had done an impressive job sifting through volumes of evidence ahead of the trial. Noting his wide discretion on requests to substitute counsel, Judge Mehta said he wouldn't terminate Messrs. Linder and Bright from the case, as Mr. Rhodes had requested he do a day earlier. "I have not heard of a whiff of conflict between Mr. Rhodes and his lawyers until yesterday," Judge Mehta said.

—Jan Wolfe

MEMPHIS

Police Arrest Suspect In Shooting Spree

Police in Memphis, Tenn., said a man who drove around the city shooting at people during an hourslong spree that forced frightened people to shelter in place Wednesday has been arrested.

Memphis police spokeswoman Karen Rudolph said 19-year-old Ezekiel Kelly was taken into custody after 9 p.m. in the Whitehaven neighborhood.

That was about two hours after police sent out an alert saying a man driving a light blue Infiniti was responsible for multiple shootings in the city. Police said he later switched vehicles to a grey Toyota SUV.

It wasn't immediately known if anyone had been killed. Police said he recorded his actions on Facebook.

The University of Memphis sent a message to students saying a shooting had been reported near the campus.

Rhodes College, which is about 4 miles away from the university, advised students on and off campus to shelter in place.

—Associated Press

TEXAS

Airport Power Outage Pauses All Takeoffs

The main airport in Austin was without power for roughly three hours Wednesday morning, leading to flight delays and cancellations as no planes were allowed to take off during the outage.

The Austin-Bergstrom International Airport first posted about the power outage on Twitter at 5:53 a.m. ET, saying airport teams were dispatched to find out what was causing it. The city's utility, Austin Energy, said the outage was caused by malfunctioning underground equipment and that it was still working on restoring power to a nearby hotel and a parking garage. The power in the Barbara Jordan Terminal was restored just before 9 a.m. ET.

The airport said early Wednesday that roadways to the airport's Barbara Jordan Terminal were blocked. Those flying Wednesday morning out of the airport were encouraged to check their flight status and were told to expect delays. The airport is owned and run by the city of Austin. Fewer than 900 flights take off from the airport each day. .

—Allison Prang

Ukrainian Troops Advance in the East

Forces target critical Russian supply routes, which also are under pressure in the south

By James Marson

AMMAR AWAD/REUTERS

Ukrainian soldiers in the eastern Donetsk region. Kyiv's forces are strengthening as the country gets advanced weapons from the West.

An unexpected Ukrainian military offensive in the east near the country's second-largest city of Kharkiv is gaining ground, testing Russian occupation forces that also are under pressure in southern Ukraine, in the latest sign that Ukraine's defenders are seizing the military initiative.

Ukrainian units are advancing eastward from Kharkiv, according to Ukrainian officials and Russian war bloggers, targeting a critical Russian supply route.

The dual offensives in eastern and southern Ukraine show how the country's military is increasingly forcing Russia to react to its moves. Ukraine's forces are growing stronger as the country gets advanced weapons from the U.S. and other Western nations, while Russia is struggling to deploy more well-trained forces after suffering heavy losses since it invaded in February.

Russia still holds an advantage in the quantity of artillery and shells, however, and advancing remains difficult for either side's forces, particularly across the flat and open ground that characterizes large parts of eastern and southern Ukraine.

After pushing Russian troops back from the Ukrainian capital of Kyiv this spring, Ukrainian forces gradually were retreating from cities in the east that Russia was leveling with artillery and airstrikes. But Russia's eastern offensive appears exhausted, with manpower and supply shortages exacerbated by Ukraine's use of long-range rockets provided by the U.S. to strike command posts and ammunition and fuel depots.

One target of the offensive is the city of Kupyansk, a road hub for Russian supplies heading south from the border into eastern Ukraine. A continued Ukrainian advance also could threaten to isolate Russian forces in the city of Izyum, which Moscow has been seeking to use as a staging point for its own offensive in eastern Ukraine.

Ukrainian forces surrounded the city of Balakliya on Tuesday and advanced along a road northeast, seizing villages, according to Russian bloggers who are close to the Russian military.

President Volodymyr Zelensky hailed advances in his nightly address Wednesday: "I think every citizen feels pride for our warriors."

Russia's Defense Ministry on Wednesday didn't comment on Ukraine's eastern offensive but said Russian forces successfully hit Ukrainian targets in Kharkiv and the eastern Donetsk region. Ukraine paused its offensive in the south in the past day after incurring large losses in manpower and military equipment, the ministry said.

Also on Wednesday, Russian President Vladimir Putin signaled defiance in the face of Ukraine's offensives, saying Moscow had only gained from the invasion and that it would continue the military campaign "until the end."

"We have not lost anything and will not lose anything," Mr. Putin said. Western countries have failed to isolate Russia through "economic, financial and technological aggression," he said.

The advance near Kharkiv comes a week after Ukraine launched an offensive in the south, retaking several villages and expanding a bridgehead across the Inhulets River. Kyiv is trying to cut off thousands of Russian troops in the southern regional capital of Kherson, which Russia had seized.

Ukraine also claimed fresh success in the south on Wednesday, seizing a village and striking Russian military facilities, pontoon bridges used to supply troops in Kherson and ammunition depots.

Ukraine spoke openly of its intention to launch a southern offensive, prompting Russia to reinforce its units in the south with thousands of troops from the east. That appears to have opened opportunities for Ukrainian forces in the east.

Oleksiy Arestovych, a Ukrainian presidential adviser, said multiple offensives are keeping the Russians off balance, leaving them unable to shore up all positions with reserves. "It's clear who has the initiative at the moment," he said.

On Tuesday, Ukraine said its forces also made limited advances in the eastern region of Luhansk, almost all of which was captured by Russia during its now-stalled eastern offensive.

—Olya Fokaf and Evan Gershkovich contributed to this article.

Putin Threatens to Abandon Grain Deal

Russian President Vladimir Putin threatened to curtail the export of grain from Ukraine and said Moscow is ready to extend its rationing of natural-gas exports and cut off oil and refined products if the West goes ahead with a price-cap plan for Russian crude.

By Jared Malsin in Istanbul and Evan Gershkovich in Moscow

SERGEI BOBYLEV/TASS/ZUMA PRESS

President Vladimir Putin spoke Wednesday at the 2022 Eastern Economic Forum in Russia's Far East.

The comments, made at an economic conference, represent some of the Russian leader's starkest and broadest threats over his country's prodigious commodities exports. He also characterized those threats more directly than in the past as an economic weapon he is willing to wield in response to Western sanctions levied after his invasion of Ukraine.

Mr. Putin suggested Russia could pull out of a United Nations-brokered deal that has allowed for the large-scale export of Ukrainian grain, sending global wheat prices up 4% in early Wednesday trading.

The deal helped ease soaring food prices by allowing Ukrainian farmers an outlet for their harvests.

At the economic forum, in the Russian Far East city of Vladivostok, Mr. Putin accused the West of taking advantage of the deal at the expense of developing-world countries.

"What we are seeing is another blatant deception," Mr. Putin said, calling the pact "a swindle." He said he would contact Turkish President Recep Tayyip Erdogan—who alongside the U.N. backed and facilitated the negotiations that led to the deal—to discuss a possible limit to exports.

He also attacked Western plans to impose a price cap on Russian crude exports globally, threatening to cut off sales to any nation that approves such a limit. The Group of Seven club of rich nations agreed to back such a deal, and Washington and its allies are trying to recruit other buyers, in particular India and China, to sign on.

Mr. Putin said Wednesday that Russia has contractual obligations on energy deliveries, but would reconsider them if a price cap is imposed. "We will not deliver anything if it contradicts our interests," he told an audience of officials and business leaders.

In the past, Russia has blamed maintenance problems because of Western sanctions for a decline in its energy supplies to the West. European officials have said the shortfalls are retribution meant to punish Europe for its support for Kyiv.

Turkey's Mr. Erdogan, speaking on Wednesday in Serbia, didn't directly respond to Mr. Putin's comments about the grain agreement, but said Moscow's energy threats should be taken seriously. He also accused the West of pursuing "a policy based on provocation" in Ukraine. The Turkish Foreign Ministry didn't respond to a request to comment.

A senior U.S. State Department official said Mr. Putin's comments on Ukrainian grain exports appears designed to split Western countries from developing economies, which are the traditional recipients of grain from the Black Sea region. Another senior State Department official said Ukraine has benefited more than the Kremlin expected in exporting grain, triggering the warnings about the future of the deal.

The EU separately said Wednesday that it plans to propose a price cap on Russian gas. Before the invasion, Russian gas made up around 40% of EU supplies. That share has fallen to 9%.

The practical effects of Mr. Putin's threat remain to be seen. Early Wednesday, oil prices hit their lowest levels since before the Ukraine war despite Mr. Putin's comments. Futures for gas at a trading hub in the Netherlands, the benchmark in northwest Europe, fell 4%.

Since the war started, Russia has relied on surging prices to make up for the fall, in volume terms, of exports of oil and gas. A sustained retreat in energy prices would further squeeze Russia's economy.

The EU had planned to stop importing Russian oil in December. Russia, meanwhile, has reoriented much of its sales of crude to China, India and Turkey. Also Wednesday, Mr. Putin said he plans to meet with his Chinese counterpart, Xi Jinping, on the sidelines of a regional forum next week in Uzbekistan.

The grain agreement requires the cooperation of Russia, Ukraine, Turkey and the U.N., the four parties that signed the deal in July. Neither Russia nor Turkey has any direct control over where Ukraine exports its food products on the international market, but Russia generally hasn't interfered militarily with the deal. Ukraine has been able to export more grain than many skeptics had thought possible.

Mr. Putin said only two of 87 ships, carrying 60,000 tons of food, had so far gone to poor countries under the U.N. World Food Program. Those ships have carried grain to Ethiopia and Somalia, according to U.N. data.

Ukraine's infrastructure minister, Oleksandr Kubrakov, tweeted in response to Mr. Putin, "Threats and fakes are typical for Russian politics."

Watch a Video

Scan this code for a video on Putin's threat to curtail grain shipments.

EU Plans $5 Billion Loan for Ukraine

By Laurence Norman

The European Union is set to provide a further $5 billion in emergency funding for Ukraine, but the bloc is still falling short of the assistance it pledged to provide to Kyiv in May.

On Wednesday, European Commission President Ursula von der Leyen said the EU's executive body would propose a new loan for Ukraine of 5 billion euros, equivalent to $5 billion.

The announcement comes after months of wrangling among member states about how to fund €9 billion the EU first pledged in May to help Ukraine pay salaries and bills. At about the same time, Washington approved a $40 billion package for Ukraine, including huge grants.

The EU's failure to drum up the assistance more speedily comes as the costs of Russia's invasion of Ukraine in Europe are rising sharply. The holdup after the May announcement was one of the first signs the EU was running out of momentum on new measures to take against Russia and fresh support for Ukraine.

The commission in August paid out €1 billion to Ukraine, and Germany made a €1 billion grant available to Kyiv in June, which Berlin wants counted toward the EU's €9 billion package. However, while the €5 billion loan proposed Wednesday looks likely to be approved by member states and the European Parliament, that leaves a shortfall of billions of euros in grants that are supposed to be provided by member states.

"The remaining up to €3 billion will be provided as soon as possible," the commission said Wednesday.

The EU also provided Ukraine with a separate €1.2 billion loan package in the spring.

The EU assistance is desperately needed in Ukraine to plug a budget gap faced by President Volodymyr Zelensky's government, which is presiding over an economy devastated by the Russian invasion.

The International Monetary Fund has estimated that Ukraine needs about $5 billion a month in assistance to keep the country running.

Germany has spearheaded concerns about the EU package. Berlin said that the EU should avoid giving loans to Ukraine, which would push its debt levels higher, and instead should provide only grants to Kyiv.

Europe Considers Windfall Levies on Electricity Producers

By Kim Mackrael And Joe Wallace

BRUSSELS—European Union officials are weighing plans to redistribute some electricity producers' windfall revenues to households and companies reeling under the continent's high energy prices.

The European Commission, the bloc's executive arm, offered several proposals Wednesday to deal with high gas and electricity prices, including the windfall measure and a cap on the price of Russian natural gas, which the Kremlin has throttled in response to Western sanctions.

Sharply reduced flows of Russian pipeline gas, combined with lower nuclear and hydroelectricity production this summer, have forced some factories to close and fueled worries about social unrest. Prices for gas and power hit record highs over the summer before falling in recent days, but remain many times higher than a year ago.

"We are confronted with astronomic electricity prices for households and companies and with enormous market volatility," European Commission President Ursula von der Leyen said. The measures the commission is proposing should help protect households and businesses.

Europe's energy-intensive industries—from smelters to glassmakers—are counting on Brussels to intervene to lower the cost of gas and electricity prices across the continent before winter approaches and temperatures start to drop.

Ms. von der Leyen said the commission would recommend what she referred to as a cap on revenues generated by companies that produce electricity at a relatively low cost. Revenues beyond that cap could be redistributed in a way that lowers electricity bills for households and businesses, the commission said in a document it released Wednesday ahead of an emergency meeting set for Friday.

Commission measures should help protect households and businesses.

Electricity generators with low running costs such as nuclear plants have been raking in profits because power prices in the wholesale market are pegged to input costs for gas power plants, the most expensive to operate right now.

Diplomats and energy experts said the plan would amount to a levy by governments on the windfall revenues that are now being earned by many non-gas electricity producers. Investors and traders are awaiting details including the level at which revenues would be capped and how governments would distribute the money raised.

Ms. von der Leyen said steps also could be taken to capture some of the unexpected profits being made by fossil-fuel companies. Revenues from a so-called solidarity contribution could be used to lower energy bills and support the shift to cleaner energy sources, according to the commission.

The president repeated her support for a cap on the prices paid for Russian gas imports. European officials have worried in the past that capping prices could prompt Russia to cut gas flows entirely, but those flows have already dwindled by so much that analysts said the consequences would be limited.

Other proposals the commission intends to put forward include a mandatory target for reducing electricity use during peak hours, when prices can spike because more expensive sources of electricity need to be drawn upon, and emergency support for energy companies that are facing a cash crunch.

A vicious cycle has emerged between falling trading volumes and price volatility. Utilities and other companies that hedge sales of power with derivative contracts faced huge collateral requirements from exchanges and other counterparties. That led some to bail out of trades, pushing prices up. Companies are also concerned their counterparties could go bust, making them more hesitant to trade.

Europe's Measures to Alleviate Energy Crisis Come With Risk

By Paul Hannon
And Chelsey Dulaney

European governments are increasing spending to shield households from surging energy prices driven by Russia's economic war, but that comes amid rising borrowing costs and mounting investor unease about swelling sovereign debt.

To date, the European Union's five largest economies have announced support for households, and less-costly help for businesses, totaling €203 billion, around $201 billion.

The measures might keep millions of people from sliding into poverty—and thousands of businesses from going bust—as energy bills soar, cushioning the crisis's impact on the economy and, governments hope, backstopping political support for Ukraine. Some measures, such as price caps for power and natural gas, could also help central banks to fight inflation.

But they also come with risks: If they discourage recipients from cutting their gas consumption, that could lead to shortages of the fuel late this winter. And while the supporting measures aren't yet on par with the Covid-19 bailouts of the past two years, they are adding to government debt at a time when investors are demanding higher interest to finance budget deficits already swollen by pandemic-era spending.

Some of this aid comes in the shape of caps on energy prices, or cuts in energy taxes, which economists say could encourage higher natural-gas and power consumption, possibly leading to a shortfall of both early next year and rationing or blackouts.

"That's exactly the wrong kind of thing to do," said Benjamin Moll, a professor of economics at the London School of Economics. While help should be provided to hard-pressed households, it should come in ways that "are not directly tied to gas consumption," he added.

In an analysis published on Tuesday, the Brussels-based Bruegel research body said that while wholesale energy prices in the first six months of this year were around 10 times their average level, household consumption in the EU fell by just 7%, largely because home-energy prices had been capped.

Germany's government on Sunday announced its third package of measures to help shield households from surging energy costs, bringing total help so far to €95 billion. The measures include a price cap on electricity; a cut in the value-added tax on natural gas; the postponement of a rise in carbon-emissions prices for one year; one-time payments to retirees and students, and other smaller measures.

The aid adds to government debt as investors demand higher interest.

At €65 billion, the cost of the package is much larger than the first two, reflecting the larger scale of expected rises in energy prices. The announcement came a day after Russia suspended virtually all gas deliveries to Germany in retaliation for Western sanctions against Moscow and support for Ukraine.

So far, economists at UBS estimate that the combined cost of the German aid packages is worth 2.7% of annual economic output. By comparison, the International Monetary Fund estimated last year that additional spending and revenue forgone by Berlin during the pandemic at 15.3% of gross domestic product, not counting loans, guarantees and equity investments equivalent to a further 27.8% of output.

France's price cap and grants to vulnerable households so far amount to about 1.8% of GDP, UBS estimates. In Italy, the cost of similar measures is estimated at 2.4% of annual output, and 1.25% of GDP in Spain.

Pandemic support cost the French government 9.6% of GDP, the Italian government 10.9% and the Spanish government 8.4%, in addition to loans and guarantees that were a lot larger. Despite this, bond investors are bracing for a ramp-up in government spending, an expectation that is helping drive up benchmark government borrowing costs across Europe and making it more expensive for governments to borrow their way out of the crisis.

The EU is discussing introducing a windfall tax on energy producers to help fund aid for the broader economy. Germany has said its spending won't exceed its constitutional debt brake that limits new borrowing at 0.35% of GDP.

U.K. Will Cut Taxes, Cap Bills, Truss Says

By Max Colchester

LONDON—Britain's new Prime Minister Liz Truss said her government would unveil a major bailout package to help households and companies survive a surge in energy prices triggered by the war in Ukraine, but she ruled out any new windfall taxes on energy companies.

During her first appearance as prime minister in the House of Commons on Wednesday, Ms. Truss promised her government would help British households and businesses struggling with high inflation and skyrocketing energy costs by capping their bills and cutting taxes, which she said would stimulate a sluggish economy. "The reality is this country will not be able to tax its way to growth," she told lawmakers.

Ms. Truss is expected Thursday to announce a package to limit the amount energy companies can charge businesses and households. The bailout, which officials estimate could exceed £100 billion, equivalent to about $115 billion, is aimed at preventing a sharp recession this fall. Energy bills are expected to rise 80% in October when a cap on prices was due to increase.

Ms. Truss is trying to shore up an economy headed into the doldrums, analysts say. Inflation is at a 40-year high and wages are falling at their fastest pace in 20 years. A recession is predicted in the coming months. She is rushing to push through supply-side reforms, including cutting payroll taxes and scrapping a planned increase in corporation tax.

Battle lines were quickly drawn Wednesday with the opposition Labour Party over how the British government would fund such a package.

Labour Party leader Keir Starmer criticized Ms. Truss for not putting a windfall tax on energy companies that he said stood to make £170 billion in excess profits during the coming years, arguing that taxpayers ultimately will be left to foot the bills.

"Is she really telling us she's going to leave these vast profits on the table and let working people foot the bill?" said Mr. Starmer. The Labour Party has advocated for a freeze on energy bills funded in part by a windfall tax on energy companies' profits.

Ms. Truss said a growing economy would ensure the package is paid for. Mr. Starmer "doesn't understand that people want to keep more of their money."

◆ James Mackintosh: Markets still have faith in U.K.......... B11

Moscow Showcases Mariupol

Continued from Page One

ings with its tricolor.

Workers are repaving the square in front of the charred facade of the performing arts theater on which Russian aircraft dropped two 500-kilogram bombs in March, according to human-rights organization Amnesty International, killing an unknown number of people seeking shelter inside. Moscow denies responsibility.

The city's Russia-installed mayor proposed forcing Ukrainian prisoners of war to rebuild Mariupol but abandoned the idea because international conventions prohibit it, he told Russian state news agency TASS.

Russia is now seeking to demonstrate it can improve the material well-being of residents and restore some kind of normality. The more civilians stay in Mariupol, the more it can claim legitimacy. It would also complicate any future Ukrainian attempt to retake the city.

CLOCKWISE FROM TOP: AFP/GETTY IMAGES (2); MARIUPOL CITY COUNCIL/REUTERS

Russia is building a new medical center in Mariupol, top, after laying waste to much of the city. Cages have been readied for a show trial of Ukrainian prisoners of war at the Philharmonic Hall, left, and workers are rushing to restore essential services amid the ruins.

Removing mines

Moscow's efforts are bumping up against the reality that as much as 90% of residential buildings were damaged or destroyed in the battle for the city, according to United Nations estimates. Mariupol's infrastructure, and the massive steelworks that powered its economy, are also wrecked. Fixing the damage will cost no less than $14 billion, Ukrainian officials say.

Russian officials visiting the city in recent months have posed triumphant amid the ruins, vowing to rebuild. President Vladimir Putin approved a 100-page master plan for redevelopment, outlining priorities up to 2040. Some officials have pointed to Grozny, the city Russia destroyed, then rebuilt, in Chechnya, as an example of Mariupol's bright future.

In pockets of the city, contractors from Russia have begun tearing down gutted buildings and assembling modular housing. Efforts to restore electricity are continuing, while Russian sappers remove mines.

The new mayor promised water mains would be fixed by the end of July, but many residents are still collecting water from wells or puddles. In a city that was before February one of Ukraine's most rapidly developing, the installation of a traffic light was presented as a major achievement.

It is a dramatic reversal of fortunes for Mariupol, whose recent flowering can be traced back to 2014, when Ukraine drove out Russia-backed forces that briefly took over as part of an invasion of eastern Ukraine. Seeking to make a statement, government leaders and entrepreneurs pumped investment into the city.

It thrived, in contrast to the nearby city of Donetsk, which became the capital of a Moscow-run quasi-statelet known as the Donetsk People's Republic that was gripped by violence and poverty.

"We were building a different world, a better world—a European city," said Mariupol's exiled mayor, Vadym Boychenko. "They were jealous of this."

Rapid development had eroded pro-Russian sentiment in Mariupol to about 30% on the eve of the invasion, according to Mr. Boychenko. But some who supported Russia before welcomed the return. "They have been preparing for this all these eight years," he said. "This is their revenge."

New mayor

A new mayor was appointed weeks before Ukraine's President Volodymyr Zelensky ordered fighters holding out in the bunkers beneath the giant Azovstal steelworks to surrender in May.

Those fighters were primarily from the Azov Regiment, part of Ukraine's National Guard that was originally established as a volunteer militia in 2014 to support the country's threadbare armed forces.

Russian propaganda channels highlighted the unit's large contingent of nationalists and its commander, Andriy Biletskiy, who had led groups that espoused neo-Nazi ideas. The regiment was integrated into the National Guard later that year and Mr. Biletskiy left in 2016.

As the battle for the city died down, surviving residents emerged from basements to find their city mutilated, with bodies strewn in the street. After months of bombardment, many were simply relieved it was over, and grateful for help from any quarter.

Russian organizations arrived with food, water and information for people who had been largely cut off from the outside world since mobile-phone networks were destroyed in the early days of the siege. Huge screens mounted on buses broadcast Russia's version of the war to residents as they waited in line for aid packages.

Some welcomed the new order, which has put local members of Ukraine's main pro-Russian opposition party in charge of the city council.

"We won't let anyone, including our enemies, doubt that a wonderful Russian resort city will emerge here," said the new mayor, Konstantyn Ivashchenko, who was head of the Azovmash industrial factory.

At least two-thirds of the city's 450,000 inhabitants fled during and after the battle. Many who stayed were elderly and unwilling to uproot their lives. To neutralize any threat from the remaining population, the new authorities checked their identities and questioned them, detaining anyone deemed a threat.

And then the cleanup efforts began.

Authorities recruited residents to sweep the streets and dig up the remains of thousands of people buried under the rubble of collapsed buildings, or in makeshift graves around the city.

DNA samples were taken and added to a database so missing people can be traced in the future, authorities said.

The master plan adopted in July identifies the construction of a new cemetery as a priority for Mariupol's development. With at least 22,000 people killed during Russia's assault, existing graveyards are filling up.

A central aim is to provide housing for the existing population before the onset of winter. Builders were brought in from Russia to help.

Within weeks, several five-story apartment blocks were sprouting up. On Kuprina Street, an entire residential complex materialized, with a playground, parking lot and exercise equipment.

AFP/GETTY IMAGES

Mariupol residents have set up an improvised marketplace to raise cash by selling their belongings.

Its location on the western edge of the city—nearest the front line with Ukrainian forces—has raised some residents' suspicion it is designed to shield against any future advance on Mariupol. In any case, only a fraction of the damaged housing stock has been replaced, say residents.

Ukrainian officials are expecting a fresh exodus from the city as temperatures start to drop. Exiled local officials have also repeatedly warned of a cholera outbreak.

Tatyana Marena, the vice rector of Mariupol State University, left in May, but returned to her hometown in July to visit relatives and deliver medicine.

She kept away from her old campus, saying she didn't want to run into five colleagues who joined its new faculty and recently appeared in a photograph alongside Russia's minister for higher education, Valery Falkov.

She said she saw little evidence of rebuilding, except for scaffolding around the concert hall, and was pained to see some people react with joy to attempts to restore basic services.

"Russia destroyed our city—destroyed our lives—and we should be glad they are supplying us with water?" she said.

Moscow and St. Petersburg donated books and buses as workers rushed to rebuild enough schools for 15,900 children Russia estimates have remained in Mariupol. A shortage of teachers was more problematic.

'The new Mariupol'

Three schools approached one teacher with offers of a higher salary than she receives from Ukraine's Ministry of Education, where she gives online classes, but she couldn't face singing the Russian national anthem.

The fate of the Azovstal steelworks, which together with the Illich plant generated 40,000 jobs for the city, is unclear. The Russian master plan lays out several options, including transforming Azovstal into a recreational facility with a museum and memorial dedicated to Russia's victory.

Steel magnate Rinat Akhmetov, who owns both plants and is Ukraine's richest man, told a Polish newspaper he would spare no effort to rebuild them "when the Ukrainian flag flies again over Mariupol."

Inside the city, however, hopes that Ukrainian control will be restored soon—if ever—are fainter. Soldiers from the Donetsk People's Republic are manning checkpoints while their families relax on the city's beaches, according to former residents who have visited.

Vasyl Pikuz left the city after refusing to stay on as director of the philharmonic orchestra. "This is the new Mariupol," he said.

Iran Expands Nuclear Program As Talks Stall

By Laurence Norman

Iran's stockpile of highly enriched uranium has grown enough to easily produce enough fuel for an atomic bomb, the United Nations atomic agency reported Wednesday, as talks to revive the 2015 nuclear deal falter over Tehran's last-minute demands for U.S. guarantees.

Iran's cache of highly enriched uranium of 60% purity increased by about 30% in the quarter to Aug. 21, reaching 55.6 kilograms, according to the International Atomic Energy Agency's latest quarterly report sent to member states and seen by The Wall Street Journal. Its total stockpile of enriched uranium has grown to 3,941 kilograms, the report said.

The highly enriched uranium easily can be converted into weapons-grade fuel, with Iran's stockpile of that material well above the minimum amount needed to fuel one nuclear weapon.

Iran says its nuclear program is entirely for civilian purposes and that it has never sought to work on nuclear weapons.

In recent weeks, the IAEA also has reported a sharp increase in the number of advanced centrifuges Tehran has installed and fed with uranium at its main nuclear facilities. Iran has removed IAEA cameras that were overseeing the production of centrifuges so Iran's inventory of the machines is unknown.

The agency warned in its report that Tehran's removal of the cameras, which came after Iran was rebuked by the IAEA board of member states in early June, will pose "considerable challenges" in specifying how many machines Iran has, should the nuclear deal be restored.

The agency said Iran's actions "had detrimental implications" for its ability to assure members of the peaceful nature of Iran's nuclear program.

The U.S., Iran and other world powers are seeking to restore the 2015 agreement, which lifted most international sanctions on Iran in exchange for tight but temporary restrictions on its nuclear program. The negotiations center on the steps the U.S., which left the agreement in 2018, and Iran must take to return into compliance with the deal.

After the European Union tabled what it called a final text in Vienna on Aug. 8 to restore the nuclear deal, Tehran and Washington appeared to be closing the last gaps on an agreement. Crucially, Iran seemed to have dropped its demand for an upfront guarantee that the IAEA would close a probe into undeclared nuclear material it has found in Iran.

However, in a note sent Sept. 1, Iran dialed up its demands on guarantees to ensure it wins economic benefits from the deal, on the pace of U.S. sanctions-lifting and pushed for new language on what happens with the agency's nuclear probe.

Washington said Iran's response wasn't constructive and European diplomats have said a deal before the midterm elections in the U.S. in November looks increasingly unlikely now.

While under a restored deal, Iran would have to ship out or dilute most of its stockpile of enriched uranium, including all of its 60% material, its centrifuges would remain close at hand. The increase in the number of centrifuges Iran has installed, is operating and producing is therefore a growing concern for Western diplomats seeking to revive the nuclear accord.

Under the deal, diplomats say, in addition to the roughly 5,000 first generation centrifuges Iran is allowed to deploy to enrich uranium, most of the excess advanced centrifuges would be uninstalled but stored intact under an IAEA seal at Iran's nuclear facilities.

Should a deal not take place, Iran's growing inventory of centrifuges could be enough to produce thousands of kilograms of low enriched uranium a year, a senior Western diplomat said, which if converted to weapons-grade material, could fuel several nuclear weapons a year.

IRANIAN PRESIDENCY OFFICE/WANA/REUTERS

A number of new-generation Iranian centrifuges are seen on display during Iran's National Nuclear Energy Day in April 2021.

Suspected South Korean Suicides Spur Calls for Change

By Dasl Yoon

SEOUL—The deaths of three women in a tiny suburban apartment have prompted South Koreans to reflect whether the country's safety net lets too many of the most vulnerable slip through.

The mother, in her 60s, was suffering from cancer, while her daughters, in their 40s, had incurable illnesses, said an official in the city of Suwon, about 25 miles south of Seoul. They couldn't pay their $300 monthly rent, the official said.

The three bodies lay for more than a week before they were found by police, who said the women apparently died by suicide, though autopsy results are pending. They left a nine-page note detailing their financial struggles, local media reported.

The story touched a nerve in a country that has claimed the industrialized world's highest suicide rate for nearly two decades, dominating national headlines for days and spurring proposals to plug perceived gaps in the country's social safety net.

"I will pursue welfare for the weak rather than welfare for the sake of politics, and I will find those who are vulnerable and can't express their difficulties," South Korean President Yoon Suk-yeol said days after the discovery of the bodies.

In 2014, a stunningly similar tragedy—the suicide deaths of a woman in her 60s and two daughters who were facing financial difficulties—led lawmakers to relax income standards for welfare assistance, extending it to hundreds of thousands of additional people.

That family had spiraled into debt but hadn't applied for government subsidies. They left behind a final rent payment for their basement home in southern Seoul and a note reading, "We are sorry."

Suicide is the leading cause of death for South Koreans in their teens to their 30s. Overall, the number of deaths by suicide was three times the number of deaths from vehicular accidents in 2020, the most recent figures available. But the road-safety budget is 10 times what is earmarked for suicide prevention.

Mental-health issues, financial woes and physical-health problems are the three main factors in suicide, according to research from South Korea's national policy agency, which interviewed surviving family members and referenced suicide notes.

South Korea's hypercompetitive society, social inequality and winner-takes-all mentality contribute to the deaths of poor families, the activist group Korean People's Solidarity Against Poverty said in response to the Suwon deaths. "Tragically we live in a society where we fear poverty more than death," the group said.

Less than a fifth of people suffering from depression seek help in South Korea, said Kim Hyun-soo, the director of the Seoul Suicide Prevention Center, in part because some health-insurance companies reject applications if there is a history of mental-illness treatment.

"Suicide is often seen as the individual's problem rather than society's," Mr. Kim said.

As he began his five-year term in 2017, former President Moon Jae-in made suicide prevention one of his key 100 policies. He set a goal of lowering the suicide rate to 20 deaths per 100,000 people and created a department in the health ministry. But the sum allocated to suicide-prevention programs from 2018 to 2021 was $73 million, an annual spending rate about 10% of that in neighboring Japan, which has made significant progress in lowering the suicide rate.

Mr. Yoon, who took office in May, hasn't laid out specific plans to address the suicide rate. In response to the three deaths, his party said it would propose a bill this month allowing people to get welfare benefits even if they are living at an unregistered address.

The women had moved to Suwon from neighboring Hwaseong, apparently to escape debt collectors, neighbors told local media.

Officials said they hadn't registered their address with the local government or sought welfare assistance.

No surviving relative claimed the three bodies, officials said. Local media, citing the note left behind, reported that a father and son had died two years ago. The city of Suwon held a public funeral for the women and cremated their bodies.

"The three women suffered severe hardships and were left in a blind spot of the welfare system," Yoon Myung-hwan, a Suwon city official, said at the service.

Civic groups have called on the government to relax standards for getting benefits.

Several local governments say they plan to reach more people in hardship.

At an emergency meeting he convened shortly after news of the three deaths, South Korean Prime Minister Han Duck-soo said there are many cases in which people don't receive welfare services because they aren't aware of them, or die tragically because they aren't identified quickly enough.

Pressure Mounts In Thriving Economy

South Korea has grown in recent decades to be the world's 10th-largest economy—an export powerhouse, technological leader and cultural trend maker.

But along the way it also became a pressure-packed society, in which academic achievement is paramount and the workweek is one of the world's longest.

Meanwhile, the 12% of gross domestic product South Korea devotes to social spending, according to data from the Organization for Economic Co-operation and Development, is well short of the 20% average for OECD members, 38 democracies with market-based economies.

Its social-spending percentage, including cash benefits and tax breaks, trails those of all but three of the 38: Mexico, Chile and Turkey.

That means South Koreans who don't flourish may be disproportionately left behind compared with their counterparts in other wealthy countries, said Paik Jong-woo, a psychiatrist and former director of the Korea Suicide Prevention Center.

"South Korea's social safety net did not improve as quickly, and social stigma around mental-health problems persists," Dr. Paik said.

South Korea's suicide rate of 25.7 deaths per 100,000 people, though down by about 20% from its 2011 peak, is the highest in the OECD, and more than double the average of 11. It comes to about three dozen suicides a day.

FROM PAGE ONE

Stress on CFO Was A Concern

Continued from Page One

said he was under pressure at work but didn't discuss the details, Mr. Zijderveld said. "He's the sort of guy who carries the world on his shoulders," he said.

Bed Bath & Beyond has about 800 stores around the U.S. The chain boasted 27 straight years of growth until 2019, when it started to lose customers to online shopping. That year, its founders and leaders were ousted by activist investors.

The company has since been reeling from a failed turnaround strategy that left it with too much inventory, evaporating profits and a shrinking cash pile.

The architect of the strategy, former CEO Mark Tritton, left in June, followed by other senior executives he recruited to the company. Gone are the chief operating officer, chief merchant and chief accounting officer. Mr. Tritton declined to comment this week.

Mr. Arnal, who started at the company in May 2020, was one of the few members of Mr. Tritton's leadership team to keep his role this year. He was a polished finance executive who had spent two decades at Procter & Gamble Co. and worked several years in London as chief financial officer for Avon and in a senior finance role at Walgreens Boots Alliance.

By the time Mr. Arnal arrived, Bed Bath & Beyond was in trouble. Its market value, which peaked above $17 billion in 2012, had shriveled to under $1 billion. The company's business was upended by the Covid-19 pandemic: Stores were shut and supplies disrupted.

Then it got caught up in the meme-stock mania, during which individual investors chased companies that Wall Street had left for dead.

Ryan Cohen, the billionaire co-founder of online retailer Chewy Inc. and an activist investor, unveiled a stake in Bed Bath & Beyond in March and called on the company to streamline its strategy and explore strategic alternatives. Bed Bath & Beyond quickly reached an agreement and added new board members. The shares took a hit in mid-August when Mr. Cohen revealed he had unloaded his entire stake.

That coincided with a stock sale by Mr. Arnal. On Aug. 16, the CFO sold about $1.4 million of his Bed Bath & Beyond shares when the price briefly jumped above $20, according to a securities filing. The filing said the sales were made automatically under a prearranged plan that he set up in April. Such trading plans are commonly used by insiders to sell shares at predetermined prices or dates. Following the sale, Mr. Arnal owned about 255,000 shares then worth about $5 million, according to the filing.

The 52-year-old told colleagues he was stressed from the attention that his stock sale generated saying people and some media outlets misinterpreted it and didn't acknowledge that it was preplanned, said the people familiar with the matter.

On Aug. 23, he was named as a defendant in a shareholder's suit, along with the company, a bank and Mr. Cohen. The lawsuit, seeking class-action status, was filed by an attorney in Washington, D.C., named Pengcheng Si claiming about $100,000 in losses on his Bed Bath & Beyond investment.

The suit alleged Mr. Arnal and Mr. Cohen conspired to inflate the company's share price. No evidence is offered in the 24-page lawsuit about conversations the suit alleged between Mr. Arnal and Mr. Cohen or how the plaintiff allegedly learned about them.

Mr. Cohen has previously declined to comment and Mr. Arnal hadn't responded to the suit before his death. Mr. Si declined to comment on the litigation and said in an email on Wednesday that he wished to extend condolences to Mr. Arnal's family.

Records show Messrs. Cohen and Arnal had no direct communications and only interacted on conference calls that included other executives, according to some of the people familiar with the matter.

On a conference call last week, Mr. Arnal spoke carefully and calmly as he outlined plans to cut about 20% of corporate and supply-chain staff and close a fifth of the company's namesake stores. He said he had secured financing that would give the company about $500 million in additional liquidity and he was working to close the books on the quarter ended Aug. 27.

Seth Basham, an analyst at Wedbush Securities, who spoke with Mr. Arnal after the call, said it was business as usual. "There was nothing out of the ordinary," he said.

Mr. Arnal grew up in Venezuela and, at around 18 years old, he started importing trucks and selling them to locals at a profit, according to Mr. Zijderveld. He used the proceeds to pay for college, he said. Mr. Arnal got an undergraduate degree in mechanical engineering and a masters in finance from universities in Venezuela, according to his LinkedIn profile, and then joined P&G.

At P&G, he was known as a demanding boss with high standards and integrity, said Brian Cullen, who worked with Mr. Arnal at the consumer-products giant and is now an executive at Lithko Contracting LLC.

"You should always present the facts," Mr. Cullen recalls Mr. Arnal teaching him. "Finance people don't sell."

Mr. Arnal worked at P&G for over 20 years, holding senior finance roles in the U.S. and Europe, before joining Walgreens Boots Alliance in 2017. He left Walgreens a year later. He had hoped to become finance chief of Walgreens' Boots U.K. pharmacy chain, but the company hired a new finance chief shortly after Mr. Arnal joined, people familiar with the matter said.

At Avon, Mr. Arnal was intense, even by the standards of typically driven senior executives. "It was 24/7, 'Let's fix this thing,'" said Mr. Zijderveld, who recruited him to help with a turnaround of the beauty-products seller. "He was full of intensity. This is not a half-measure kind of guy."

Mr. Arnal often put in long hours, then stayed out late with friends, and relished time with his wife and two adult daughters, both of whom live in London, Mr. Zijderveld said.

The two executives worked together until Avon was acquired in early 2020. Mr. Zijderveld said he considers Mr. Arnal's tenure to be a success. After the acquisition, Mr. Arnal wanted to be CFO of a big U.S. company, he said.

A few months later, Mr. Arnal landed the job at Bed Bath & Beyond.

—Jodi Xu Klein and Nina Trentmann contributed to this article.

GABBY JONES/BLOOMBERG NEWS

The chain had 27 years of growth until 2019, when it started to lose customers to online shopping.

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TikTok-Worthy Redesigns Come To Humble Dorm

Students hungry for social-media acclaim and home comforts are splurging on décor

By Rachel Wolfe

Dorm rooms are designed to be utilitarian: 12-by-19 feet of standard-issue furniture and cinder-block walls.

Don't tell that to today's college freshmen.

At schools across the country, students are locked in unofficial competitions for who can make their dorms the least dormlike. Some wealthier families are spending hundreds of dollars or more on dormitory décor, even hiring designers. Other students are doing time-intensive DIY projects on the cheap. Some of those efforts culminate in dorm-room-transformation videos that rack up millions of views on TikTok.

The over-the-top rooms are often a collaboration between kids and their parents and stand as a contrast to last year, when many students weren't allowed to have anyone help them move in at all due to Covid-19 concerns.

University of Mississippi freshmen Ansley Spinks and Taylor Robinson live in one of the most viral examples. The barren "before" and tricked-out "after" TikTok video of their violet-accented room has 3.8 million views and thousands of comments to the tune of, "OMG that looks like a room in a normal house."

The two women and their moms, who didn't meet until move-in day, had been sending each other messages since late May. They ordered light-up signs spelling out their names off Etsy, picked out matching bedding and built a virtual 3-D model of the room to workshop layouts, landing on one with a dedicated lounge space for watching TV.

Amber Park, Ansley's mother, says the eight-hour assembly and roughly $2,000 they spent (that the girls largely funded themselves) is nothing compared with what she's heard some other moms say they pay.

"It's a crazy thing, especially in the South," says Ms. Park, a 48-year-old human-resources consultant who lives in Marietta, Ga.

Dozens of families pay Dawn Thomas of After Five Designs as much as $10,000 to give their kids magazine-worthy rooms. Ms. Thomas has been decorating dorms at schools like the University of Alabama, Ole Miss and UCLA for 19 years. She says this year is different in how much pressure students are putting on themselves to have perfectly Instagrammable rooms. The $1,050 cabinet she designed to camouflage a mini-fridge sold out in a matter of weeks.

"Some days I go, 'Do people do all this for a picture? Are they doing it for Instagram?' " says Ms. Thomas, who is based in Jackson, Miss. She says she gets effusive thank-you texts from moms when they're back home for giving their kids a cozy place to live.

Sydney Hargrove used money from a summer job at the beach to upgrade the look of her Hunter College dorm.

FROM TOP: ALEX WEBSTER FOR THE WALL STREET JOURNAL; TAYLOR ROBINSON

A video of this violet-accented makeover of this University of Mississippi dorm had 3.8 million views and thousands of comments.

For Sydney Hargrove, having a swoon-worthy room is a matter of identity. The 18-year-old sophomore at New York City's Hunter College says she made a lot of her friends during her freshman year by leaving her door open. This year's room features a wall-to-wall green shag rug and black-and-white polka dotted peel-and-stick wallpaper.

Some of the two million people who viewed the TikTok of her room have criticized her for investing so much time and money in a space she's spending less than a year in. She says the effort is worth it—and that she spent a lot less than people think. (About $100 this year and $300 last, she says, which she earned at her summer job working at a New Jersey beach.)

"With all the things going on in the world, there's so much uncertainty, and New York is a tumultuous place to live, so coming back to this dorm is a form of therapy," she says.

Allyson Schall, a senior at Mount Vernon Nazarene University in Mount Vernon, Ohio, has done up her dorm every year. She believes this year's edition takes the cake. As a residential adviser, she wanted to create a space where freshmen on her floor would feel comfortable hanging out.

"It looked like a jail cell in the beginning," Ms. Schall, 21, says.

She leveraged her summer job at Target to snatch up a $300 mid-century-modern-inspired armchair on sale for $80. She rigged an outdoor lantern to the ceiling using zip ties and command strips for mood lighting.

> 'It looked like a jail cell in the beginning,' senior Allyson Schall said of her unadorned dorm.

Her parents were supportive of her passion for interior design—until they had to help unload three cars' worth of belongings, including a headboard her father built.

Bayla Felton-Jones, a freshman at Elizabeth City State University, in Elizabeth City, N.C., spent days this past summer planning every inch of his "light and airy modern" room. That includes the spacing of the honors certificates above his bed and the fluffy gray welcome mat outside his door.

"I want my college experience to be one I can remember, since I got robbed of high school with Covid, and my room is a part of that," says Mr. Felton-Jones, 18.

His roommate, Quinn Miller, missed the memo.

Unable to find Mr. Miller on Instagram or Facebook before move-in on Aug. 16, Mr. Felton-Jones hoped for the best. He got pure practicality: blank walls, one pillow and a towel thrown over the end of the bed.

Mr. Miller won't argue that he's a minimalist. "I just sleep here pretty much," says Mr. Miller, 20. "I don't see a point in spending money on things that I don't need."

Mr. Felton-Jones's friends and parents find the contrast between the two halves of the room hilarious. They tell him that when they walk in, "You first look at heaven, and then you look over and you're like, 'Oh, well, nevermind.' "

His saving grace? The unmade bed is at least in his color scheme.

Work Etiquette Gets a Rude Awakening

Plethora of job openings can be a blessing or a curse, as politeness gets put on the back burner

ON THE CLOCK
CALLUM BORCHERS

Workers, where are your bleeping manners?

You're cursing more and hand-shaking less, quitting on shorter notice and waiting longer to answer emails and texts.

At least, that's how it feels to the self-appointed etiquette police among your co-workers and business associates. Politeness is tough to measure and, sure, certain norms are overdue for updates. Still, I keep hearing from business people who swear (as in attest, not cuss) that the working world is getting ruder.

Hiring managers lament that job candidates skip cover letters whenever possible, seldom follow up interviews with thank-you notes and can't be counted on to show up once they've accepted offers.

Job seekers, for their part, complain that computers screen those cover letters, anyway, and that too few recruiters are considerate enough to send rejection letters, leaving hopefuls to wonder for weeks about where they stand with potential employers.

Many workers, particularly younger ones, claim they aren't interested in bonding with colleagues and act accordingly. Happy hour? Hard pass. That's not so much about being cold or uncivil, these people say, as it is about maintaining a private life away from work.

Others' interpersonal skills are rusty or underdeveloped, owing to limited opportunities to practice during much of the past couple of years.

One glimmer of hope, or a sign of self-awareness: LinkedIn reports August enrollment in its two most popular business-etiquette courses was up 127% year over year.

Those mourning the supposed decline of business etiquette blame the pandemic, a tight labor market, Gen Z and the internet.

"In the last three or four years, it has become much, much worse," says Steve Landrum, a sales executive who lives near Atlanta.

His No. 1 gripe is "ghosting" from potential clients, which he says is more common now than at any time in his 30-year career. Like a dating-app match who suddenly stops answering messages after flirting, some sales leads show initial interest only to cut off communication without explanation.

When that happens, Mr. Landrum sends a short "breakup" email—"I'm going to assume that you've gone in a different direction," he writes—if only for his own sense of closure. He tells me those who aren't courteous harm their own reputations, though he concedes that bad form doesn't dog people as it once did.

The bigger shift in recent years might be that rudeness has become less costly. Left your job abruptly? In this economy, there's bound to be another one around the corner—for now, anyway—and companies aren't checking references as often as they used to do.

Underdressed for the big meeting? Let she who is without stretchy Zoom pants cast the first stone.

Ignored that question a co-worker asked you on Slack? In a hybrid workplace, you might never cross paths with them and have to suffer the awkward consequences. Or if you do, you can claim to have accidentally turned off notifications.

PHOTO ILLUSTRATION BY OLEG BORODIN FOR THE WALL STREET JOURNAL

Just don't try that excuse on Phoenix Normand, chief of staff at a tech company in California.

"Waiting all day to return a Slack inquiry is pretty much the most disrespectful thing you can do," he says.

A close second: Mucking up written communications with wayward punctuation, misspellings, abbreviations and emojis. If Mr. Normand sees a "your" that should be "you're," he's gonna be, like, WTF? Amirite?

"The English language is being butchered to the point where it's almost embarrassing," he says.

He adds that workers often don't realize their informality can land poorly, at least if someone like the 53-year-old Mr. Normand is on the receiving end. A recipient might conclude that the writer doesn't know basic grammar and syntax or take offense. A sloppy email can inadvertently suggest that the person in the "to" field isn't worth the time it takes to proofread.

Toni Purvis, founder of the School of Disruptive Etiquette in Washington, D.C., recommends erring on the side of formality in writing. It can be safer, she says, to buck traditional notions of "professional" appearance because many companies have come to realize that rules governing attire, hair, tattoos and other aspects of personal style can marginalize certain workers.

Still, it remains important to consider how others perceive the way you present yourself, she adds.

For instance, the red suit Ms. Purvis wore on her first day as an intern at an investment bank in the aughts sent the wrong message. In an industry with its own dull palette—banker gray—it looked as if she was trying to be the center of attention, she says.

The outfit was a hand-me-down, and Ms. Purvis was oblivious to the unofficial dress code because she was the first person in her family or circle of friends to enter the corporate world. Her school aims to help others who don't grow up learning etiquette by osmosis avoid missteps.

Daniel Post Senning, author and spokesman at the Emily Post Institute, notes that many traditional standards can be traced to wealthy, white society in the Northeast. He agrees with Ms. Purvis that contemporary etiquette is evolving to be more inclusive.

"Being true to who you are and where you came from is an important part of being honest," he says.

That doesn't mean authenticity always goes over well.

Cole Wiser, the creative director at a marketing agency in Dallas, says addressing a client as "y'all" once prompted a private scolding by a manager who thought the term was too informal. Ever since, Mr. Wiser says, he's been self-conscious about a contraction that's just part of how he talks.

When he slipped another "y'all" into a video call with a client recently, he asked his LinkedIn network to weigh in. The advice ranged from use it to don't use it to use it only with fellow Texans. "Read the room" was a popular tip.

The mixed feedback wasn't especially helpful, but he posted thank yous, anyway. It seemed like the proper thing to do.

Job Enthusiasm Falls As Offices Push for Return

By Ray A. Smith

A word of warning to bosses: American workers are returning to offices after the summer break less happy than they've been in a long time.

U.S. employee engagement, a measure of involvement in the workplace and enthusiasm about work, has dropped since 2021, coinciding with the rise in job resignations. The number of workers who say they are actively disengaged from their jobs—defined as workers who are unhappy about their work and resentful their needs aren't being met—is rising, according to new research by Gallup, which has tracked workers' investment in their jobs since 2000.

Nearly one-third of workers described themselves as engaged, or enthused about work, while just under 20% described themselves as actively disengaged, according to Gallup's June survey of 15,091 U.S. workers. The rest are "not engaged"—people who do the minimum required and are psychologically detached from their jobs. The results are an about-face from the summer of 2020 when U.S. worker engagement levels calculated by Gallup hit their highest level ever, at 40%. People under 35 reported the sharpest drop in engagement.

The data may help explain "quiet quitting," where employees coast at work and draw a paycheck. Gallup said quiet quitters now make up half the U.S. workforce.

"What we're seeing right now is kind of a deterioration of the employee-employer relationship," said Jim Harter, chief scientist for Gallup's workplace management practice. Some of the estrangement may have been exacerbated by two years many workers spent out of the office in remote and hybrid work arrangements.

Managers are calling employees back to the office in part to resolve this disconnect, yet those in-office requirements are among the biggest sources of tension between bosses and employees. In a survey of more than 32,000 workers around the world published in late April, ADP Research Institute, a division of the payroll processor ADP, found two-thirds (64%) of respondents said they would consider looking for a new job if required to return to the office full time.

So unhappy was Sarah Millard, 31, of Richmond, Va., with her employer's insistence on in-person work five days a week that she quit in June to take a remote project manager job with a search engine technology company based in Syracuse, N.Y. After the birth of her first child in November 2020, flexibility became paramount, she said, so she could share child care responsibilities with her husband, who also works from home. She was happy when her old employer in August of 2021 started letting people work remotely once a week. But when the company called workers back to the office five days a week, she decided to take the leap.

"That's when I really started actively looking for another job," she said.

Working remotely gives Ms. Millard a sense of autonomy, she said, and allows her to drop her daughter at preschool, which her previous employer's 9 a.m. start time prohibited.

Susan Quinn, the chief executive of circle S studio, where Ms. Millard worked, said her company seeks to be flexible with workers. The company did ask employees to come back every day for a short time due to a big client commitment, but never intended to convey that its work-from-home Wednesday policy was discontinued permanently, she said.

Quit rates fell by 35% when hybrid work options were rolled out to 1,612 engineers, marketing and financial professionals in randomized controlled trials, according to recent research from Stanford University economist Nicholas Bloom.

In survey after survey, workers repeatedly say they value the ability to work from home some of the time as equivalent to a 7% or 8% pay increase, he said.

Both Gallup and ADP identify stress at work as a reason many workers feel disengaged. Nearly seven in 10 workers surveyed—67%— said they experience stress at work at least weekly, up from 62% prepandemic, according to ADP. One in seven said they feel stressed at work every day. Key stressors include the length of the workday and concerns over job security.

Gallup said workers who reported declines in engagement cited a lack of clarity about expectations from managers, not feeling connected to a company's mission or purpose, little to no recognition for hard work, and receiving little career development as key reasons for their disengagement.

Morgan Sheranek, 24, worked full time at a department store in Pittsburgh for 2½ years and wanted to climb the ladder with the company, but said she burned out in her retail manager job from working long hours amid staff shortages throughout the pandemic. Despite what seemed like an always-on work schedule, she also increasingly felt her hard work wasn't recognized.

When Ms. Sheranek asked for a role change, she said she was told to "bloom where you are planted." A week later, she began looking on LinkedIn and soon found a new job as an operational specialist at a logistics company in Morgantown, W.Va. She said she's much happier at work now and gets to use her vacation days, unlike her old job where she struggled to take off or would often get called in on days she had scheduled to take off.

"Before, with the crazy hours I was working, I felt like I didn't have enough time for myself," Ms. Sheranek said. "Here, they want you to take that PTO, they want you to be able to have a work-life balance."

AARON DURALL FOR THE WALL STREET JOURNAL

64%

Employees who will weigh taking a new job if required to return full time

Root Cause of Long Covid Sought

YOUR HEALTH
SUMATHI REDDY

The virus that causes Covid-19 can remain in some people's bodies for a long time. A growing number of scientists believe that lingering virus is a root cause of long Covid.

New research has found the spike protein of the SARS-CoV-2 virus in the blood of long Covid patients up to a year after infection but not in people who have fully recovered from Covid. Virus has also been found in tissues including the brain, lungs, and lining of the gut, according to scientists and studies

The findings suggest that leftover reservoirs of virus could be provoking the immune system in some people, causing complications such as blood clots and inflammation, which may fuel certain long Covid symptoms, scientists say.

A group of scientists and doctors are joining forces to focus research on viral persistence and aim to raise $100 million to the search for treatments. Called the Long Covid Research Initiative, the group is run by the PolyBio Research Foundation, a Mercer Island, Wash., based nonprofit focused on complex chronic inflammatory diseases.

"We really want to understand what's at the root of [long Covid] and we want to focus on that," says Amy Proal, a microbiologist at PolyBio and the initiative's chief scientific officer. Dr. Proal has devoted her career to researching chronic infections after developing myalgic encephalomyelitis/chronic fatigue syndrome, an illness that shares similar symptoms with long Covid, in her 20s.

Three long Covid patients, frustrated at the lack of answers and treatments, have helped connect researchers. So far, the group says it has received a pledge of $15 million from Balvi, an investment and direct giving fund established by Vitalik Buterin, the co-creator of the cryptocurrency platform Ethereum.

Among the strongest evidence of viral persistence in long Covid patients is a new study by Harvard researchers published Friday in the journal of Clinical Infectious Diseases. Researchers detected the spike protein of the SARS-CoV-2 virus in a large majority of 37 long Covid patients in the study and found it in none of 26 patients in a control group.

Patients' blood was analyzed up to a year after initial infection, says David R. Walt, a professor of pathology at Brigham and Women's Hospital and Harvard Medical School in Boston and lead researcher of the study. Dr. Walt is not currently involved with the long Covid initiative.

A year after infection, some patients had levels of viral spike protein that were as high as they did earlier in their illness, Dr. Walt says. Such levels long after initial infection suggest that a reservoir of active virus is continuing to produce the spike protein because the spike protein typically doesn't have a long lifetime, he adds.

Dr. Walt plans to test antivirals such as Paxlovid or remdesivir to see if the drugs help clear the virus and eliminate spike protein from the blood. He says it's possible that for some people, the normal course of medication isn't enough to clear the virus, so some lingers. Such cases may require "a much longer exposure to these antivirals to fully clear," says Dr. Walt.

Long Covid patients experience such a range of long-term symptoms that scientists believe there is likely more than one cause, however. Some cases may be fueled by organ damage, for instance.

Yet consensus is growing around the idea that lingering virus plays a significant role in long Covid. Preliminary research from immunologist Akiko Iwasaki's laboratory at Yale University documented T or B cell activity in long Covid patients' blood, suggesting that patients' immune systems are continuing to react to virus in their bodies. She is a member of the initiative.

In a 58-person study published in the Annals of Neurology in March, University of California, San Francisco researchers also found SARS-CoV-2 proteins circulating in particles in long Covid patients' blood, especially in those with symptoms such as fatigue and trouble concentrating.

Some people may harbor the virus and don't have long-term symptoms, says Timothy Henrich, an associate professor of medicine at UCSF involved with the study and a member of the long Covid initiative. For others, lingering virus may produce problems.

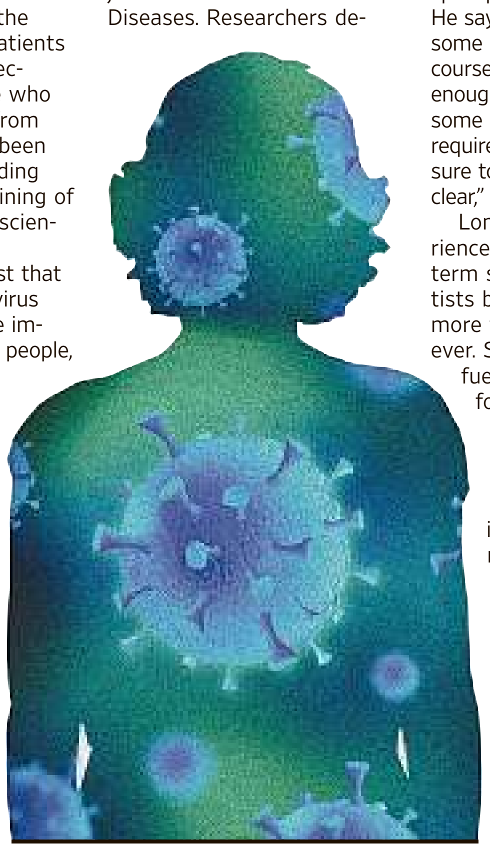


PHOTO ILLUSTRATION BY ERICKA BURCHETT/THE WALL STREET JOURNAL; ISTOCK (2)

FAMSF (4)

EXHIBITION REVIEW

Designer Guo Pei's Revolutionary Splendor

Imperial methods and global traditions meet cutting-edge sensibilities

By Laura Jacobs

San Francisco

Guo Pei's art grew out of absence. The Chinese couturier was born in 1967, one year into her country's Cultural Revolution, a movement that saw splendor prohibited and scholars, intellectuals and artists—the carriers of culture—silenced if not killed. When Ms. Guo was a little girl, her grandmother told her stories about the embroidered silks she wore as a young woman during the last years of the Qing Dynasty, material beauty Mao's government forced her to disown and destroy. Disown—a loss of identity. Destroy—a loss of context. The revolution ended in 1976, when Ms. Guo was 9, freeing her generation to embrace its deep aesthetic inheritance. In "Guo Pei: Couture Fantasy," a stunning exhibition at San Francisco's Legion of Honor, now extended through Nov. 27, we see the designer on an epic quest of retrieval.

At the entrance to the exhibition, a wall quote from Ms. Guo suggests the horizon line of her vision. "Fantasy is the height of your spirit. It is the most important part of life because it fuels its meaning." Her own fantasies sent her in search of the dragon and the phoenix, the snow lotus and the summit, the loomed and sewn-in symbols of imperial China. Yet she also looks to the West, where she happily appropriates art, architecture and the shapes of aristocratic and religious dress. While the new millennium saw John Galliano and Alexander McQueen taking Paris by storm, their multicultural mashups shattering the norms of couture, Ms. Guo was reaching similar highs of phantasmagoric expression, but off in Beijing, and not in her day-to-day business. She produced special collections as pure art, shown on a runway yet meant for a museum. In 2015, when Rihanna wore her sumptuous yellow cape-dress to the Met Gala, the spotlight finally found Ms. Guo. In 2016, she made her debut as a guest member of the Chambre Syndicale de la Haute Couture.

Organized by Jill D'Alessandro, curator in charge of costume and textile arts at the Fine Arts Museums of San Francisco, the exhibition of 82 works begins on the museum's ground floor, in the Rosekrans Court, with eight ensembles from Ms. Guo's second collection—2007's "An Amazing Journey in a Childhood Dream." She explains that when she was pregnant with her second daughter, she pictured a child's reverie of Barbie dolls come to life (outfitted, however, as no known Barbie in history). These pastel pieces fuse the empire silhouette of the babydoll dress with the bullfighter's richly bullioned bolero and crop pant, volume coming from origami folds of fabric. It's a performance, really, starring Ms. Guo's swooping, pivoting, precise imagination along with the 450 artisans (of which 300 are embroiderers) who realize her dramatic dreams.

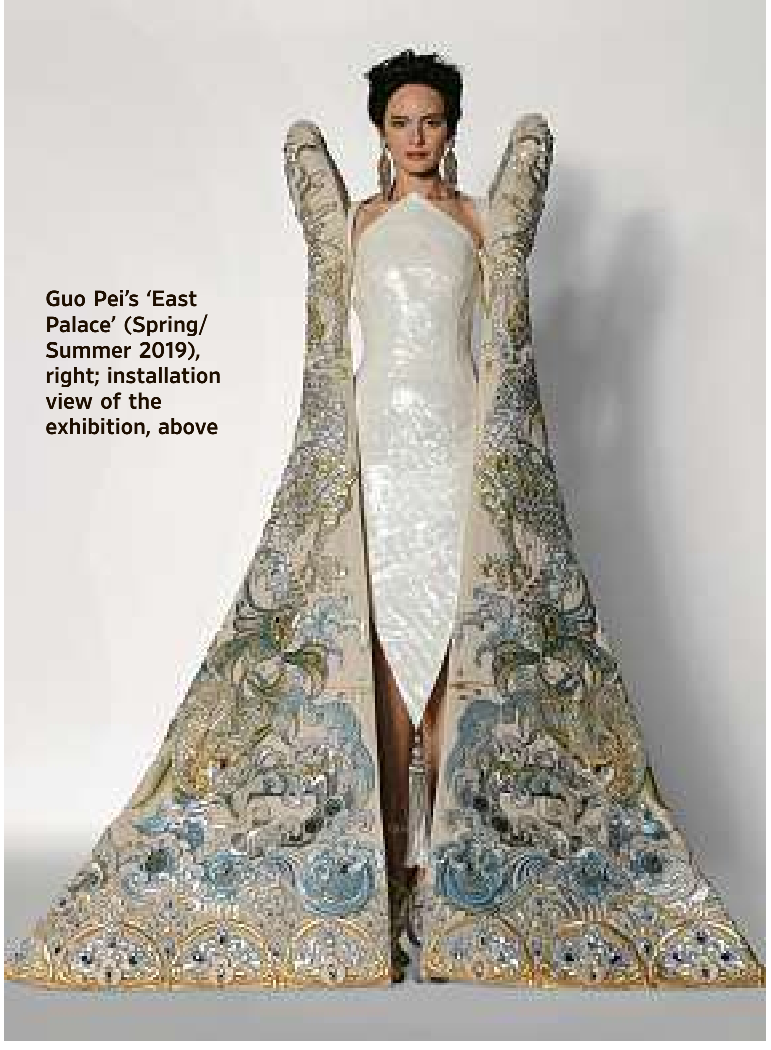
In four rooms that circle around the first, we're presented with selections from seven other collections, many titled for transcendent or transfigured states. "Garden of Soul" (2015) is a psychedelic celebration of flower power. "Elysium" (2018) looks to the underworld, a darkly fertile realm of roots and reincarnation. "Legends," Spring/Summer 2017, fashions women as futuristic warriors and priests, while "Alternate Universe," Winter/Fall 2019-2020, imagines a world in which monkeys and crows reign over man (love it!). "Himalaya," Spring/Summer 2020, is a spiritual trek in Tibetan clouds.

Yet even "L'Architecture," Fall/Winter 2018-19, which sees the gothic cathedrals of France rebuilt as architectonic gowns, is high-vaulted. A Victorian number in black holds within a sort of theater: in back, fabric draped from a bustle is drawn open like two curtains, revealing a scene of printed silk—a twilight forest of bare branches. The set of "Giselle" act 2, perhaps? I've never seen anything like it. In "East Palace," Spring/Summer 2019, Ms. Guo upstages her own heritage, bringing wild opulence to traditional forms of Chinese dress.

Every piece here is a tour de force. Ms. Guo has the in-house "hands" because she hunted down China's last great embroiderers and hired them as teachers. But she also works hand in glove with textile houses, and has commissioned cutting-edge materials such as a mother-of-pearl fabric called *raden ori,* and reed turned into ribbon that can hold a shape. For "Legends," she collaborated with Martin Leuthold, the creative director at Jakob Schlaepfer, asking for a fabric that was like sun streaming through a chapel window. If element 79—gold—has an eternal soul, it might look like her mantle of printed silk and gold thread, a glistening holographic material that suggests the liquid fire in which Excalibur was forged.

Most beautiful, I think, is the textile Ms. Guo chose for "Himalaya." Seeking to express that mystical "abode of snow," she used the wrong side of Japanese obi satin, an unfinished surface of iridescent silk hairs, an otherworldly fur. Her couture Sherpas, wrapped to breathe the Earth's highest altitudes, are unforgettable.

On the upper level of the museum, Ms. Guo's creations have been placed among the masterpieces in 11 galleries—in pointed period affinity—from Medieval Art, to French and Italian Baroque, to Neoclassicism. Ensembles from six other collections appear in these spaces. Do not miss "Da Jin" (Magnificent Gold) from the 2006 "Samsara" (Life Cycle) collection, her first. Mating the Eastern lotus motif with the Western crinoline, it reads like an embodiment of hemispheric harmony, and took 50,000 hours to create. For Ms. Guo, this golden gown represents rebirth—the rising sun. "During the Cultural Revolution," she says, "they destroyed their own culture, but my generation found it again."



Guo Pei's 'East Palace' (Spring/Summer 2019), right; installation view of the exhibition, above

Ms. Guo's 'Elysium' (2018)

Ms. Guo's 'L'Architecture' (Fall/Winter 2018–2019)

Guo Pei: Couture Fantasy
Legion of Honor Museum, through Nov. 27

Ms. Jacobs is the Arts Intel Report editor for the weekly newsletter Air Mail.

SPORTS

The Rams' Secret Weapon: Keeping Players Healthy

A data-driven approach has kept injuries low. They won the Super Bowl.

By Andrew Beaton

Irvine, Calif.

There's a room in the Los Angeles Rams' facility called the barbershop. Players know they can walk in there and freely talk about their aches and pains, or just about anything else they want to discuss. The space even has a barber pole hanging outside, but nobody goes there to get their haircut.

It's the team's training room. And it's the focal point of the Rams' effort to reduce injury through a combination of communication, analytics and an embrace of modern training methods.

There's a long list of reasons the Rams are the reigning Super Bowl champions and among the favorites to win another title this year. Coach Sean McVay is a wizard who wears a headset. Defensive lineman Aaron Donald is one of the most destructive forces to ever throw on pads and a helmet. And in a violent sport notorious for injuries, the Rams have outpaced their competition in a crucial category: keeping their players healthy.

The team has tackled one of football's thorniest issues by not approaching it as a strict medical problem. The Rams try to solve it with data.

It has paid off to the tune of a Lombardi Trophy. In a sport where injuries seem completely random, the Rams have been in the top five in avoiding missed games due to them—for five straight years.

"You're working smart," McVay says. "But most importantly, too, you're working efficiently."

McVay doesn't claim credit for this. The one person who everyone close to the Rams touts is Reggie Scott, who was the youngest head trainer in modern NFL history before McVay was the youngest coach. Scott, who's now the team's vice president of sports medicine and performance, doesn't simply attribute the Rams' success to his decade-plus of experience in the job. He also points to the numbers that are flooding football.

Chips and tracking technology have quantified what people used to estimate or judge with their eyes.

The cutting edge of football is trying to figure out how to harness these still relatively new gushers. Teams incorporate them into player evaluations and decision making. The Rams did just that when they found a future Super Bowl Most Valuable Player named Cooper Kupp in the third round of the draft. They also use it to guide their sports science.

"We've always had our intuition, our gut," Scott says. "Now we've got data to confirm our gut."

Ten years ago, Scott remembers watching practices and *thinking* players were fatigued. Now they can objectively confirm it. Scott and people around the team—including trainers and an analytics department that culls the information on an in-house software system—track metrics like how many yards a player has run at a high speed or their acceleration and deceleration times. There are more data points collected in the weight room. Any step or bodily action could be a red flag that something is amiss.

The goal is to snuff out potential injuries before they happen. An acute spike in measured workload, for instance, can put players at higher risk for certain ailments, Scott says. When a players' numbers begin sharply deviating from his norm, it could be a sign that something is wrong.

They also don't blindly rely on spreadsheets. Scott calls it marrying the objective with the subjective—which they also have a process to distill. Twice a week, Rams players fill out a survey about how they're feeling. When the answers in those questionnaires dovetail with a trend or metric they've observed, they know they're onto something.

That's also why the atmosphere of the training room is so important. The players need to trust Scott and his team because most NFL players have an extraordinary incentive to think about hiding any injury. Contracts aren't guaranteed. Toughness is gospel.

Scott wants a relaxed environment and cultivated the barbershop experience so thoroughly that he got back from a game a few years ago and found that Kupp had purchased the swirling barbershop pole to put up. Injuries, Scott adds, can leave players distraught so he wants to keep the conversations casual and cheerful. He feels like the barber who's simultaneously chopping it up with everyone while going about his job.

"I've always said that when they come into the training room, we always want to really have a positive, upbeat feel to it," he says.

For it to work, McVay has to be willing to make practices lighter based on trends around the team, in the interest of keeping players fresh over the course of a season that's now 17 games. He also has to be accommodating when the numbers indicate it's wise to give a player time off not because he's hurt—but because their process indicates he could be at increased risk of landing on the shelf.

McVay admits when he was hired as a 30-year-old in 2017, his instinct was to go, go, go. But it didn't take him long to learn about what he calls the "sports science advantage" from Scott. Now McVay rejects the old-school notion of needing grueling five-hour practices every day while preaching a progressive ramp-up during training camp to make sure his players are fit.

"It's really all about balancing the volume, the intensity, the tactical while also making sure that you're cognizant of avoiding some of the soft-tissue injuries," McVay says.

There's proof that this is working. While teams typically display little, if any, consistency in their success at keeping players on the field every year, the Rams have completely defied that. Since 2017—McVay's first year as coach—the Rams have ranked in the top-five every season in fewest games missed due to injury, according to mangameslost.com, a website that tracks injury trends. Scott says their internal metrics align with those findings.

The team isn't completely immune to injuries. Star receiver Odell Beckham Jr. went down in the Super Bowl with a knee injury. Quarterback Matthew Stafford is currently nursing an elbow issue. Bones will still break and muscles will inevitably tear.

That's why it's an exercise in reduction not elimination. Soft-tissue injuries, like sore hamstrings for instance, may be more preventable than a broken finger.

But Scott also believes the injuries that look like freak accidents may also show up in the numbers. Maybe, for instance, a player suffered an injury on a play because he was clearly fatigued and his form deteriorated, leading to whatever went wrong.

"We can't predict injuries, right?" Scott says.

"Do I think we can reduce the environment for an increase in injury?" he adds. "Absolutely."

For the Rams, figuring out how to manage all of this is more important than ever. They played in the last game of the last NFL season. They play in the first game of this one Thursday night against the Buffalo Bills. The shortest offseason in football is the reward for winning the Super Bowl.

Rams vice president of sports medicine and performance Reggie Scott, right, says fostering positive relationships is critical.

BREVIN TOWNSELL/LA RAMS

Tiafoe Makes U.S. Open Semifinals

By Joshua Robinson

THROUGHOUT THE BARREN years of American men's tennis, the measure of success for U.S. hopefuls has been steadily moving backward.

First came the expectation that someone—anyone—would match Andy Roddick's success at the 2003 U.S. Open. When that didn't happen, simply reaching a major final started to look good. A semi wasn't bad either. Pretty soon, an entire generation had come and gone without giving the U.S. men much hope for silverware.

Enter 24-year-old Frances Tiafoe.

Playing with infectious joy and suddenly steely nerves, Tiafoe on Wednesday became the first American to reach a Grand Slam semifinal since John Isner at Wimbledon in 2018, and the first one to do it here in Queens since Roddick in 2006. He defeated world No. 9 Andrey Rublev, 7-6(3), 7-6(0), 6-4 in 2 hours and 35 minutes.

"This is wild, this is crazy," Tiafoe said after the match.

The first two sets came and went without a single break of serve. But in the third, Tiafoe finally cracked Rublev (whose pained expressions suggested he was already ripe for the cracking).

Then again, 17 aces and 45 winners from Tiafoe over just three sets will have that effect.

"I don't think I've seen him hit the ball as well as he is now," Tiafoe's coach, the former South African pro Wayne Ferreira, said on ESPN.

Tiafoe will next face Jannik Sinner of Italy or Spanish hotshot Carlos Alcaraz on Friday, having previously defeated both on tour. If he survives the semis, he would become the first American man to play a Grand Slam final since Wimbledon in 2009. But Tiafoe isn't giving a moment's thought to the lean years.

"I wanna win for me," he said before the match. "Not the whole 19-year thing."

Tiafoe's rise to the upper reaches of professional tennis is one of the most peculiar in the game: it started out as deeply improbable and eventually became long overdue. The son of immigrants from Sierra Leone, he picked up the sport because his father happened to work in maintenance at the Junior Tennis Champions Center in College Park, Md.

Tiafoe's talent shone through quickly enough for him to reach the final of the U.S. Open junior tournament at the age of 16.

"I feel so at home on courts like this," Tiafoe said. "I always find a way somehow on this court…Let's enjoy this one. We got two more, guys. We got two more."

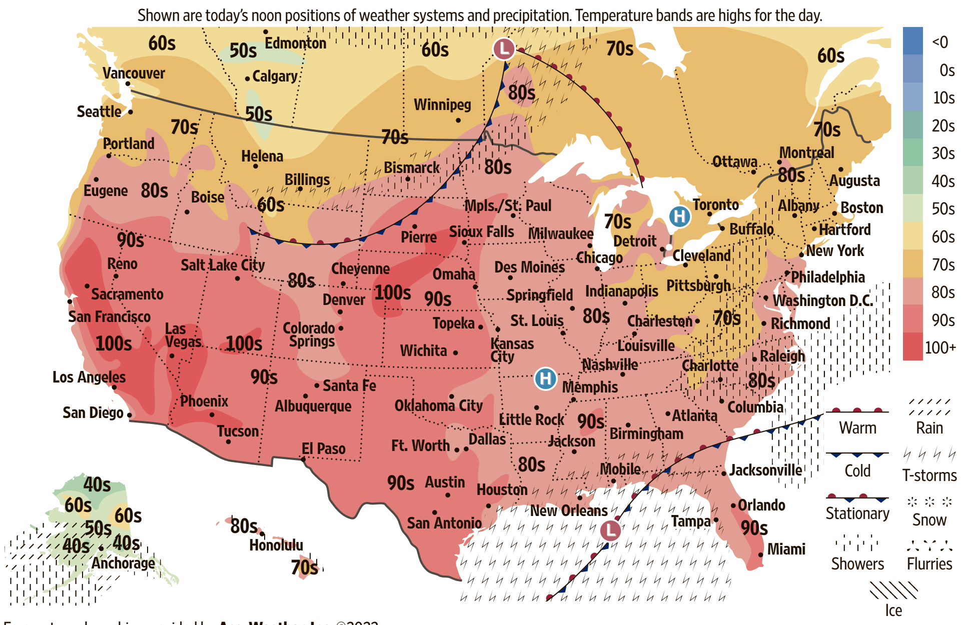
Tiafoe is in the U.S. Open semifinals.

SARAH STIER/GETTY IMAGES

Weather

AccuWeather | Go to AccuWeather.com

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



Forecasts and graphics provided by AccuWeather, Inc. ©2022

U.S. Forecasts

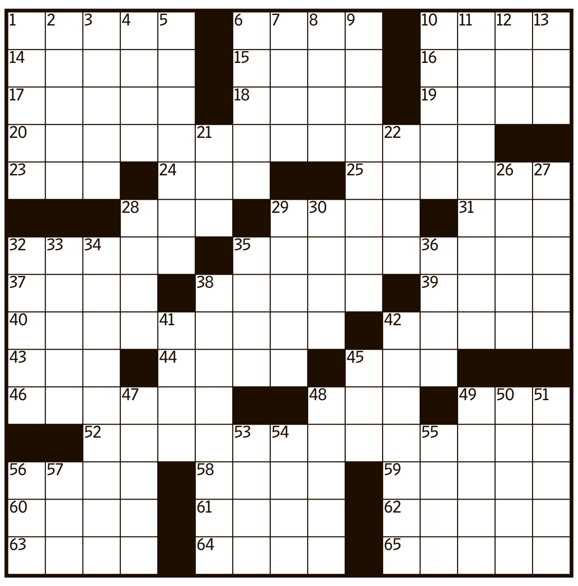
s...sunny; pc... partly cloudy; c...cloudy; sh...showers; t...t'storms; r...rain; sf...snow flurries; sn...snow; i...ice

City	Today Hi	Today Lo	Today W	Tomorrow Hi	Tomorrow Lo	Tomorrow W
Anchorage	56	50	r	55	50	sh
Atlanta	84	69	t	77	70	t
Austin	93	69	s	94	70	s
Baltimore	81	63	pc	83	63	s
Boise	86	49	s	84	54	s
Boston	71	59	pc	75	62	s
Burlington	80	60	s	81	62	s
Charlotte	81	67	pc	84	67	c
Chicago	83	62	s	85	65	s
Cleveland	77	59	pc	83	67	pc
Dallas	90	72	s	91	70	s
Denver	97	60	s	72	50	pc
Detroit	81	58	s	84	66	s
Honolulu	88	75	s	88	76	s
Houston	90	70	pc	89	72	s
Indianapolis	81	59	pc	82	68	pc
Kansas City	88	63	s	89	62	s
Las Vegas	108	82	c	97	75	s
Little Rock	88	65	pc	89	68	pc
Los Angeles	100	78	s	100	72	pc
Miami	92	79	t	92	79	t
Milwaukee	81	64	s	82	67	s
Minneapolis	89	67	s	70	56	c
Nashville	84	64	c	85	68	t
New Orleans	85	73	t	84	74	t
New York City	79	65	pc	82	66	s
Oklahoma City	89	66	s	91	64	s
Omaha	93	65	s	85	57	s
Orlando	89	75	t	88	76	t
Philadelphia	81	65	pc	84	65	s
Phoenix	101	82	pc	95	78	c
Pittsburgh	77	60	pc	81	62	pc
Portland, Maine	71	54	s	75	57	s
Portland, Ore.	81	57	s	88	67	s
Sacramento	111	72	s	106	67	s
St. Louis	83	63	s	85	66	s
Salt Lake City	98	66	s	87	60	s
San Francisco	84	62	s	78	59	s
Santa Fe	90	55	s	86	57	pc
Seattle	72	54	s	78	55	s
Sioux Falls	95	64	s	70	54	sh
Wash., D.C.	82	66	pc	83	67	s

International

City	Today Hi	Today Lo	Today W	Tomorrow Hi	Tomorrow Lo	Tomorrow W
Amsterdam	69	57	r	67	57	t
Athens	87	69	s	89	73	s
Baghdad	113	84	s	113	82	s
Bangkok	85	77	t	87	77	t
Beijing	92	62	pc	91	64	pc
Berlin	70	56	r	72	55	t
Brussels	69	56	r	66	57	t
Buenos Aires	69	48	sh	59	47	s
Dubai	103	88	s	104	87	s
Dublin	64	54	r	65	52	sh
Edinburgh	65	56	r	61	53	r
Frankfurt	74	58	r	73	58	t
Geneva	72	54	pc	70	53	t
Havana	87	72	sh	88	72	t
Hong Kong	88	80	t	89	80	t
Istanbul	80	67	s	83	68	s
Jakarta	87	77	t	88	77	t
Jerusalem	86	64	s	88	64	s
Johannesburg	75	56	s	80	57	s
London	68	57	t	68	56	t
Madrid	85	60	pc	89	63	s
Manila	91	79	pc	89	78	t
Melbourne	64	54	sh	64	53	r
Mexico City	70	56	sh	74	55	c
Milan	79	64	r	77	62	t
Moscow	50	35	pc	53	38	pc
Mumbai	87	80	t	89	80	sh
Paris	71	58	t	70	57	t
Rio de Janeiro	83	69	s	86	72	s
Riyadh	108	83	s	109	83	s
Rome	85	73	t	85	69	pc
San Juan	89	78	sh	90	79	c
Seoul	83	63	s	85	62	pc
Shanghai	88	71	c	84	70	pc
Singapore	86	78	c	85	78	t
Sydney	69	60	pc	70	57	sh
Taipei City	89	75	pc	89	75	s
Tokyo	81	74	t	83	74	t
Toronto	78	60	s	82	66	s
Vancouver	69	54	s	72	56	s
Warsaw	72	53	c	61	53	r
Zurich	71	53	r	70	52	t

The WSJ Daily Crossword | Edited by Mike Shenk



BRAND EX | By Mike Shenk

Across

1 Stole, e.g.
6 Yard or boom, say
10 Tag indication
14 "West Side Story" song
15 It has a radial notch
16 Augury
17 Helvetica look-alike
18 Words of denial
19 Tear
20 Really outstanding glass cleaner?
23 Holds
24 Supermodel Carangi
25 Bilbao's province
28 Sharing possessive
29 They may clash
31 Civil rights activist ___ B. Wells
32 Far from graceful
35 Nail care product shared by shipmates?
37 Thought
38 Principal pipes
39 Supermarket section
40 Watch that requires a magnifying glass to read?
42 Creates an app
43 Procure
44 Bills in tills
45 Bud holder
46 Jaunt
48 In shape
49 Steamed state
52 Cereal variety that's taken on a yellow-green tint?
56 Two-master
58 Soothing stuff
59 Bakery output
60 Character with an ivory leg
61 Screw feature
62 Kind of bull or infallibility
63 Stable mother
64 Chow
65 Won every game

Down

1 Box office triumph
2 Magna ___
3 Its brightest star is Hamal
4 Muscat money
5 Scapegoat
6 Jazz legend with an "Arkestra"
7 Snow mover
8 Against
9 Shower surprises
10 Dressing spots
11 "Ooh, this is gonna be fun!"
12 Enlightened state
13 Break off
21 It's inspired
22 Round figure
26 "Easy on Me" singer
27 The abscissa is the distance from it
28 Passable
29 Huron allies
30 Millennials' predecessor
32 Very beginning
33 Parting word
34 Started fighting
35 Showed up
36 Nagasaki noodles
38 Product of the imperial kilns
41 "Jazz" writer Morrison
42 Dozes
45 George Bush Ctr. org.
47 "Well, that's a surprise!"
48 Fingerboard features
49 "Crossing my fingers!"
50 Deal with gerrymandering
51 Lionize
53 First name in scatting
54 Trunk on a Triumph
55 Bird food holder
56 Starchy tuber
57 "So that's it!"

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

Previous Puzzle's Solution

P	C	P	■	■	P	A	L	E	O	■	■	R	F	K
T	H	A	N	■	I	H	E	A	R	■	B	E	L	A
S	I	L	E	N	C	E	I	S	G	O	L	D	E	N
■	L	E	T	O	■	M	A	Y	■	M	U	T	E	■
M	E	D	L	E	Y	■	■	■	O	N	E	A	C	T
C	A	R	E	L	E	S	S	W	H	I	S	P	E	R
A	N	Y	A	■	S	A	L	A	D	■	M	E	S	A
■	■	■	S	A	Y	M	Y	N	A	M	E	■	■	■
A	C	C	E	D	E	■	■	■	M	O	N	A	C	O
M	A	R	■	A	S	S	■	U	N	O	■	R	A	W
A	L	A	R	M	■	H	E	N	■	C	L	O	N	E
■	T	W	I	S	T	A	N	D	S	H	O	U	T	■
H	E	L	D	■	O	N	T	O	P	■	A	S	I	F
I	C	E	E	■	S	I	E	N	A	■	D	A	N	E
P	H	D	S	■	H	A	R	E	M	■	S	L	A	Y

OPINION

Take Joe Biden's Speech Seriously

WONDER LAND

By Daniel Henninger

It is a big advantage for Joe Biden that no one takes him seriously. He spent Labor Day continuing to express animosity toward "MAGA Republicans," and one's instinct is to write this off as Joe rousing his party's base for the midterm elections. It's much more than that.

This isn't just Joe or a blowhard Senate majority leader's pro forma raking of the other side. No matter how feckless one thinks the occupant of the White House is, an American head of state has extraordinary powers to intimidate, investigate and, if desired, prosecute. The power of this office is incomparable. It is a mistake not to take Mr. Biden's MAGA speeches seriously, no matter how intemperate.

The MAGA attacks raise the issue of using state power to silence opponents.

The day after his dark speech in Philadelphia, Mr. Biden attempted a distinction, saying, "I don't consider any Trump supporter to be a threat to the country," and suggesting he was referring only to those who condone political violence. This is disingenuous. He is obviously casting a wide net.

Millions of quite-normal Americans, who wouldn't be caught dead invading the U.S. Capitol, consider themselves MAGA Republicans, which in broad terms means they align to some degree with Donald Trump's policies and opinions while he was president. Mr. Biden can't use this phrase and insist he is talking only about a minority within the Republican party or American conservatism.

RICKY FITCHETT/ZUMA PRESS

The president spoke on Sept. 1 in Philadelphia.

The president's continued assaults on MAGA Republicans should be properly seen as an attempt both to marginalize the opposition and to intimidate it into submission and silence. The implicit threat in Mr. Biden's thought-out aggression is that the legal and investigative powers of the state may be deployed against disfavored beliefs.

One of the most significant episodes in the use of state power to intimidate private citizens' political behavior was the Internal Revenue Service's investigation during Barack Obama's first term of small tea-party groups, which organized around the goal of controlling federal spending. Some threat that was.

The IRS's investigations of 501(c)(4) groups and delays in approving their tax status made a household name out of Lois Lerner, head of the agency's tax-exempt groups unit. That federal offensive chilled the tea-party movement. With their just passed legislative "victory," the Democrats and Mr. Biden are creating an army of IRS auditors.

Last October, Mr. Biden's attorney general, Merrick Garland, issued an extraordinary order directing the FBI and U.S. attorneys to investigate "threats of violence" against school administrators and teachers. The order was directly related to parent protests over racial and gender issues in school curriculums in Loudoun County, Va.

Mr. Garland told Congress it wasn't his intention to intimidate parents. That, too, was disingenuous. A warning shot was sent. How many parents want to risk getting entangled with FBI agents or federal prosecutors?

Much of the Democratic Party elite believes out loud that the Republican Party is totally Trumpian and should be suppressed. "The basket of deplorables" wasn't an idea unique to Hillary Clinton. Any president presides over a government filled with loyalists, and these appointees gain access to the investigative powers of the federal state.

Mr. Biden is entitled to be peeved at the former president's quixotic attempts to reverse the 2020 election. But by enlarging his complaint to the MAGA Republicans as a "threat to our democracy," he is dog-whistling the Lois Lerners in his government's enforcement agencies that the "Trumpies" are fair game.

In the private sector, the tactic of message-sending came to be known as cancel culture. Corporations, colleges and cultural organizations have exploited the same mismatch between their institutional power and the limited resources of individuals. After someone's deviation from the new norms, it always begins with official inquiries, with investigations. It nearly always ends with social ostracism and silence.

As to the whatabout Trump issue, Mr. Biden's MAGA speeches pointedly fail to mention that Govs. Brian Kemp, Doug Ducey, Larry Hogan and numerous other Republicans have opposed Mr. Trump's election theories, at some political risk. What Democrat in the past two years has spoken against the politicized violence that erupted in cities across the U.S. in the summer of 2020?

Mr. Biden's rants about restoring limits on political behavior would have a smidgen of respectability if he criticized any of his own, such as the mobs that paraded in front of the homes of all six Republican-nominated Supreme Court justices, an obvious attempt to influence them and thus a violation of federal law. His attorney general did nothing, even after a man was arrested for allegedly trying to assassinate Justice Brett Kavanaugh. In other words, the president was OK with this show of intimidation.

The siren song of using state power against opponents tempts all politicians, and that includes in a "democracy," a word Mr. Biden invokes almost as often as MAGA. Mr. Biden achieved his goal of becoming president of the U.S. His MAGA speeches carry an undercurrent of threat inappropriate to his office. He should stop.

Write henninger@wsj.com.

Democrats Were the First Election Deniers

By Karl Rove

Among the more grating parts (and there were many) of President Biden's Independence Hall speech last week were his repeated references to election deniers. "Democracy cannot survive when one side believes there are only two outcomes to an election: either they win or they are cheated," he thundered. "I will not stand by and watch elections in this country stolen by people who simply refuse to accept that they lost."

This is annoying because Mr. Biden owes his presidency to an election denier. In 2020 his faltering presidential primary campaign was rescued by the endorsement of Rep. James Clyburn (D., S.C.).

This powerful South Carolina politico was one of 31 Democratic House members who voted on Jan. 6, 2005, to object to awarding Ohio's electoral votes to President George W. Bush, despite Mr. Bush winning the Buckeye State by 118,601 votes. Flipping Ohio would have made John Kerry president by a 271-266 Electoral College vote.

On the House floor in 2005, the ranking Judiciary Committee Democrat, Rep. John Conyers (D., Mich.), presented the case for awarding Ohio to the Democrats, claiming "electronic machines transferred" votes from Mr. Kerry to Mr. Bush, creating situations with "significantly more votes than voters in some precincts, significantly less ballots than voters in other precincts, and voters casting more than one ballot." He even asserted that a voting-machine company "reprogrammed the computer by remote dial-up" in a way that altered the outcome. Sound familiar?

Mr. Clyburn, now House majority whip, wasn't the only significant Democrat pushing these wacky theories. Consider other 2005 Democratic election deniers who today hold top congressional posts. These include then-Rep. Ed Markey (D., Mass.), now a senator; Rep. Raúl Grijalva (D., Ariz.), Natural Resources Committee chairman; Rep. Frank Pallone (D., N.J.), Energy and Commerce Committee chairman; Rep. Maxine Waters (D., Calif.), Financial Services Committee chairman; Rep. Bennie Thompson (D., Miss.), chairman of both the Homeland Security and Jan. 6 committees; Rep. Danny K. Davis (D., Ill.), chairman of a Ways and Means subcommittee; Rep. Sheila Jackson Lee (D., Texas), a senior member of the Judiciary, Homeland Security and Budget committees; and Rep. Jan Schakowsky (D., Ill.), senior chief deputy whip. Even the now-deceased civil-rights icon, Rep. John Lewis (D., Ga.), was an election denier, voting not to accept Ohio's certification for Mr. Bush.

Though she didn't vote to flip the Buckeye State, then-Minority Leader Nancy Pelosi (D., Calif.) defended her party's election deniers. She said the "debate is fundamental to our democracy" and warned Republicans not to "talk about this as a 'conspiracy theory,'" arguing instead "it is about the Constitution."

Despite all this, Mr. Biden's rhetoric on the evils of election denial was untempered last week. He assailed "MAGA Republicans," saying they "refuse to accept the results of a free election" and are "determined to succeed in thwarting the will of the people." The president vowed that he would not "stand by and watch . . . the will of the American people be overturned by wild conspiracy theories and baseless, evidence-free claims of fraud."

In 2005, 31 members of the House objected to certifying Ohio's Republican electors.

Some apologists might excuse Mr. Biden's bombast by saying he was talking about the mob that stormed the Capitol, assaulted police officers, and tried breaking up a joint congressional session. But that's not what Mr. Biden said. His targets included MAGA Republicans who merely watched the Jan. 6 riots—with sympathy, Mr. Biden claims, though the truth is few Republicans approved of the mob's actions.

Though Mr. Biden made some genuflections toward the idea that not all Republicans are extremists—in reality, few are—the president asserted that the GOP "is dominated, driven, and intimidated" by "MAGA Republicans." He even lumped in pro-life Americans as enemies of democracy, suggesting that if you disagree with Mr. Biden's social agenda on abortion, then you are a part of "an extremism that threatens the very foundations of our republic."

Though both 2005 Democratic and 2021 Republican election deniers are entitled to their opinions, I believe both groups are wrong. Neither election was stolen. The rightful winners were inaugurated and while Mr. Kerry conceded, Mr. Trump didn't. It's clear that while what Democratic election deniers did in 2005 was wrong, what some Republicans have done since 2020 is worse.

Still, Mr. Biden did America no good last week with his ham-handed, sanctimonious speech that indiscriminately machine-gunned his political opposition. In a deeply polarized time, he needlessly added to our divisions. Our nation desperately needs leaders who can help Americans find some measure of civility and mutual respect amid political disagreement. Mr. Biden demonstrated that isn't him.

Mr. Rove helped organize the political-action committee American Crossroads and is author of "The Triumph of William McKinley" (Simon & Schuster, 2015).

Who Was That Masked Economist?

By Mark Skousen

I was looking forward to the American Economic Association's January conference in New Orleans after two years of virtual meetings. Then I got this notice from the AEA: "All registrants will be required to be vaccinated against COVID-19 and to have received at least one booster. High-quality masks (i.e., KN-95 or better) will be required in all indoor conference spaces. These requirements are planned for the well-being of all participants."

Seriously? This isn't 2020—it's *2023*. Everyone else has been getting back to normal, and being exposed to viruses is part of life. I got vaccinated, wore masks, kept my distance, and got Covid anyway. So did millions of others.

I can fly to New Orleans, teach college classes, and go to restaurants, gyms and social events without wearing a mask or showing proof of vaccination. Even Broadway theaters have dropped their demand for masks.

An academic group imposes 2020 rules on a 2023 conference.

I called the Hilton Riverside, headquarters hotel for the AEA meetings, and asked if they have any mask or vaccine mandates. They said "none." I'll speak at the New Orleans Investment Conference at the same hotel in October, and the organizers aren't mandating masks or vaccines. Overseas it's the same. I'm speaking at the World Knowledge Forum in September in Seoul and attending the Mont Pelerin Society meetings in October in Oslo. No masks or shots required.

China still has mandates in place. Maybe the AEA should hold its annual meeting in Beijing. Perhaps organizers will feel more comfortable among central planners.

The AEA is cagey about who planned this particular policy. When I emailed, the AEA said it was a decision made by "the AEA's leadership." Did someone do a cost-benefit analysis? Who knows! Why didn't they make allowances for people with religious or health concerns about vaccines? I share the sentiments of George Mason University's Tyler Cowen who said on his blog: "How about allowing a members' vote on this? Or should I just be happy that the AEA is making itself irrelevant at such a rapid pace? It is remarkable the speed at which the economics profession isn't really about economics anymore." Peter Drucker once observed that "there are no slower learners than economists." I never believed that until now.

Mr. Skousen holds the Doti-Spogli Chair of Free Enterprise at Chapman University and is the author of "The Making of Modern Economics."

BOOKSHELF | By Alex Kershaw

Escape From Colditz

Prisoners of the Castle

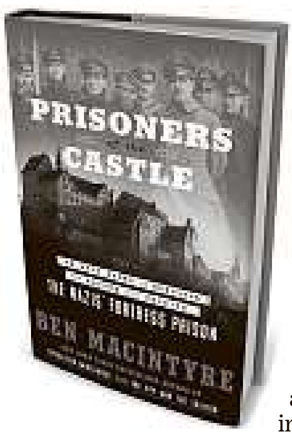
By Ben Macintyre

(Crown, 330 pages, $28.99)

Thrilling narratives of escape from captivity during World War II are legion. The story of Colditz is one of the best known: an oft-recounted tale of jolly good chaps, all in it together, outwitting their doltish captors to pull off the impossible with polish and poise. The reality was far different, yet as Ben Macintyre writes in "Prisoners of the Castle," the "myth" of Colditz "has stood unchanged and unchallenged for more than seventy years."

Built on a rock outcrop above the Mulde River near Leipzig, Germany, the grim and Gothic Colditz Castle before the war had been a place for the incurably insane. From 1939, it became a maximum-security prison for unruly Allied officers deemed *deutschfeindlich*, or "German-unfriendly"—POWs considered likely to try and escape. True to form, more than 100 prisoners of Colditz would eventually break out of the Third Reich's most infamous prison.

An international rivalry developed early on within the prison walls, with the French and British competing to complete successful escapes, so-called home runs. The French claimed first bragging rights when, on April 11, 1941, Lt. Alain Le Ray slipped away during a soccer match, hiding in a local house before making his way to Switzerland.



It took until January 1942 before the first British prisoner, a "ferociously competitive" army officer named Airey Neave, marched out of Colditz dressed in a fake German uniform. Neave would later join MI9, the British Intelligence operation set up to help Allied fighters escape imprisonment or avoid capture in enemy territory. He eventually became a member of parliament and key adviser to Margaret Thatcher before being assassinated by Irish terrorists in 1979.

Contradiction abounded within the castle's supposedly impenetrable walls. Reinhold Eggers, the fortress's security officer responsible for preventing escapes, was an "ardent anglophile" who respected his ingenious adversaries. "The experts had to lay on absolute masterpieces to beat us," Eggers recalled in his own book about Colditz after the war. It was "a permanent game of leapfrog: first we were ahead with our security barriers, then they were, scheming around them." Elaborate tunnels were dug. A glider, nicknamed the Colditz Cock, was built to be launched from the prison roof. But the most successful plans were hatched by individuals using brilliant disguises and distractions. The canniest inmates, Eggers believed, were "conspicuous in a normal way," rather than "nervously inconspicuous."

Like the war outside, life inside Colditz was made up of endless bouts of waiting, punctuated by intense moments of drama. The routine of Colditz, in Mr. Macintyre's words, was "spectacularly, soul-crushingly, and sometimes unbearably boring." Men struggled to defeat lassitude and depression. A particularly popular pastime was "goon-baiting"—irritating the guards at any opportunity.

Douglas Bader, a legless RAF fighter pilot, was arguably the war's most celebrated British POW already when, as Mr. Macintyre recounts, he "clumped into Colditz on August 18, 1942: a man with legs of tin, a heart of oak, and feet of clay." Bader was "almost insanely brave, able to inspire others to feats of courage they never dreamed possible, but he was also arrogant, domineering, selfish, and spectacularly rude, particularly to those he considered of lower status. . . . The war had made him into a hero. But it also made him insufferable."

When news of D-Day reached Colditz in June 1944, there was raucous celebrating and much drinking of stashed moonshine. One British officer was, however, dismayed by the prospect of the Allies drawing closer. Lt. Michael Sinclair, a serial escaper known to the Germans as The Red Fox, did not want to be rescued. He yearned more than ever to make a home run.

Built on a rock outcrop, the grim German castle once housed the incurably insane. Then it became a prison for unruly Allied POWs.

Two months later, in August 1944, the first American prisoners entered Colditz, among them 50-year-old Col. Florimond Joseph Du Sossoit Duke. As Mr. Macintrye describes him, the blue-blooded Duke was "the second-oldest paratrooper in the American air force" and one of World War II's "least successful secret agents." Duke and two other Americans serving in the Office of Strategic Services had naively parachuted into Hungary that March and tried to prevent the country from joining the Nazis, only to end up as guests of the Gestapo.

A few weeks after the Americans' arrival, Sinclair made his final run for freedom. He had escaped Colditz more times than any other prisoner, only to find himself having to outwit Eggers yet again. A guard shot Sinclair, the only man killed escaping Colditz castle. Eggers was deeply moved by Sinclair's fate, writing: "Valhalla is the resting place of Lieutenant Mike Sinclair."

In all, fewer than three dozen men achieved Sinclair's dream. It was one thing to get out of Colditz; it was quite another to make it home.

As Nazi Germany was overrun, veterans of Colditz wondered if they would be liberated or taken somewhere to be massacred. Unlike Sinclair, they wanted to stay put and wait for the Allies to arrive. As Mr. Macintyre writes: "The prisoners had spent more than four years trying to get out of the castle; now, it seemed, they might have to fight the Germans in order to stay in it."

On April 14, 1945, the prisoners took charge of Colditz after negotiating a secret surrender with their captors. Bader goaded the Germans to the very end, asking: "Where is the Luftwaffe?" He remained a congenital goon-baiter, remarking in Munich, years after the war—while in earshot of a group of former Luftwaffe pilots—"My God, I had no idea we left so many of the bastards alive."

Mr. Macintyre is a British journalist and the author of "The Spy and the Traitor." In retelling the story of Colditz, he makes it his own. His entertaining yet objective and often-moving account ends on an ironic note. Eggers was arrested by the Soviets in 1946, finally leaving captivity in 1955 after spending twice as much time being a prisoner as any man he'd kept locked up in Colditz.

Mr. Kershaw is the author, most recently, of "Against All Odds: A True Story of Ultimate Courage and Survival in World War II."

REVIEW & OUTLOOK

Gavin Newsom's Dirty Energy Secret

Californians narrowly averted rolling blackouts on Tuesday, but the threat looms all week amid an unpleasant but not unusual heat wave. This ought to be a warning about how the government force-fed green energy transition is endangering grid reliability, but Democrats and the media can't break out of their climate-change conformity to think clearly, or think at all.

California's electricity woes result from man-made climate policies.

Democrats blame climate change for the state's week-long warnings to conserve power, but California's climate hasn't suddenly changed. Triple-digit temperatures aren't unprecedented even in early September, despite Gov. Gavin Newsom's claims. What has drastically changed in recent years is California's electric generation.

Solar and wind power have rapidly expanded thanks to rich government subsidies along with the state's renewables mandate. These have made it harder for baseload gas and nuclear generators that run around the clock to make money. Many have shut down, and the result is that the state often lacks sufficient power when the sun goes down.

California's summer electric generation capacity increased by about 10,700 megawatts (MW) between 2010 and 2020—potentially enough to power eight to 10 million homes. The problem is that gas-fired capacity during this time declined by 4,390 MW and nuclear by 2,150 MW. Solar and wind surged 17,000 MW, but those sources can't be commanded to run when people need them.

The state must therefore rely on imports from other states in the evenings, especially during heat waves. But these imports are becoming less dependable since California's neighbors are also losing base-load generators owing to their own renewable buildouts. Arizona lost about half of its summer coal-generating capacity between 2015 and 2020.

During heat waves that span the Southwest like the one this week, California must resort to emergency measures to reduce electricity demand. This includes asking users to turn up their thermostats and providing incentives for industrial businesses to power down. A desalination plant in Carlsbad cut water production by about 20% earlier this week to free up power for homes. Not what the state needs during a drought.

The climate left blames drought for causing a reduction in the state's hydropower, but why didn't lawmakers and grid managers prepare for such a scenario? Drought conditions aren't uncommon in the state. The truth is that politicians put too much faith in utility-scale batteries to save the day, but these are expensive and have been hard to scale.

Irony of ironies, the state has installed temporary gas-fired generators to run during grid emergencies. In other words, the state that is working so hard to banish fossil fuels has become more dependent on them. Los Angeles's municipal utility is generating nearly 30% of its electricity from coal, some of which is being shared with the rest of the state. Call it Gavin Newsom's dirty little climate secret.

Meantime, power shortages are causing prices to spike in the Golden State as they are in Europe. Electricity prices in California's wholesale market surged Tuesday evening to about $1,700 per MWh compared to the normal $100 and $67 a year ago. All of this explains why residential electric rates in California have risen by 50% in the past two years—three times more than they have nationwide.

Californians paid on average about 29 cents per kilowatt hour in June, by far the most in the continental U.S. and twice as much as in neighboring states. Rates are only going higher. Green-energy subsidies don't make electricity cheaper. They create market distortions that threaten the grid and raise prices.

But what starts in California rarely stays in California. Americans everywhere will soon be soaked with higher prices for power that is becoming less reliable. Rhode Island Energy this summer asked regulators to more than double current electric rates for this winter. Falling gasoline prices for many Americans could be fully offset by rising electricity costs.

The grid problems that Californians are enduring will grow and spread as supersized green-energy subsidies and mandates spread their harmful incentives throughput the U.S. economy in coming years. The culprit is the left's climate policies, not climate change.

Disqualified for Jan. 6?

The lawbreakers of Jan. 6 are being prosecuted for a variety of offenses. But should the courts also bar them from holding public office, like Confederates after the Civil War?

That happened Tuesday in New Mexico when a state judge disqualified Otero County Commissioner Couy Griffin from holding public office. The 14th Amendment bars from office anyone who once took an oath to support the U.S. Constitution and then "engaged in insurrection or rebellion against the same." Judge Francis Mathew, of New Mexico's First Judicial District, says this language means Mr. Griffin must be removed and "barred for life" from office.

The breadth of this precedent is troubling, which is no defense of Mr. Griffin's conduct on Jan. 6. According to the court's findings, he trespassed on restricted areas outside the Capitol and riled up the mob with a bullhorn. In a Facebook video the next day he said "Joe Biden will never be President" and floated the idea of "a Second Amendment rally on those same steps," in which case "there's going to be blood running out of that building."

Mr. Griffin was acquitted of disorderly conduct but convicted of entering and remaining on restricted grounds. New Mexico lets private citizens sue to eject an unlawful officeholder, and a group of residents did so with help from Citizens for Responsibility and Ethics in Washington. Tuesday's ruling might be only the start of this disqualification campaign.

Judge Mathew says an "insurrection" is an assemblage that uses force or intimidation to "prevent the execution of one or more federal laws." But consider the scope of that definition. Two years ago a crowd in Portland, Ore., yelled "feds go home" and gave cover to assaults on a U.S. courthouse. In 2018 a Los Angeles councilman and 17 others were arrested for obstructing access to an immigration facility. "We need, by the millions, to be coming out and blocking the entrance to federal detention centers," he urged. Sound a little insurrectiony?

In Judge Mathew's view, the 14th amendment can be triggered even if the public official in question was peaceful and wasn't convicted of a crime. He says the disqualification provision covers anyone who's "leagued" with insurrectionists, including those who engaged in "nonviolent overt acts or words in furtherance of the insurrection." Where is the line between a Jan. 6 rioter and a person who now regrets giving $50 to a "stop the steal" fund?

Some Democrats have talked about barring Republicans in Congress from running again on similar grounds. But down that road lies more political trouble as politicians use courts, rather than elections, to defeat their opponents. Mr. Griffin is best disqualified by the voters.

Russia's Ukraine Setbacks

Russia's war against Ukraine seems to have taken a modest turn in Ukraine's favor, and one sign is Vladimir Putin's new threats and his scramble for arms from his own client states.

Putin's threats and scramble for arms show he's under pressure.

Russia expected its February blitzkrieg to end in a quick victory, but the conflict has bogged down and Ukraine is now pressing an offensive in the south aimed at busting up Russian logistics and taking back territory. Russia has had to spend down its munition stores. It is having a hard time replenishing smart weapons in particular because of the West's embargo on selling computer chips and other components that go into modern weapons.

Thus the Kremlin's Operation Tin Cup toward Iran and North Korea, two of the world's worst rogues. U.S. intelligence officials whispered to the press on Monday about Pyongyang's help for Moscow to relieve "severe supply shortages." This follows last month's reports that the mullahs of Iran are supplying drones to the Kremlin. Countries claiming great power status typically provide client states with weapons, not vice versa.

You can also measure Mr. Putin's anxiety by his threats Wednesday to further curtail Russian energy exports and renege on his deal to let Ukraine export grain through the Black Sea. Russia has recently cut off the natural gas flow to Europe through the Nord Stream 1 pipeline, and Mr. Putin threatened to extend the cutoff and add oil and refined products. He wants to increase the political pressure on European leaders going into the cold winter months. But any such cutoff would also hurt the Kremlin's revenue to fund the war.

As for grain, Mr. Putin struck the deal to allow Ukrainian exports this summer lest Russia be blamed for famine around the world. He accused the West on Wednesday of "blatant deception" in somehow taking advantage of the deal at the expense of providing food to the developing world.

But Mr. Putin knows the food market is global and one of the goals of the export deal was to lower food prices by increasing supply. That helps consumers in poor countries too. If Mr. Putin does block Ukraine's grain exports, he'll be responsible for the suffering.

The U.S. could also warn Mr. Putin that if he does block Ukraine's grain, a coalition of the willing would consider naval escorts for Ukrainian grain ships. A similar plan worked to escort oil from the Persian Gulf in the 1980s against threats from Iran. With his military struggling with manpower and supplies, Mr. Putin can't be eager to challenge Western ships engaged in a peaceful escort mission.

The Ukraine war is far from over, and Mr. Putin may escalate his brutality and extortion. But Moscow's sound and fury show that Ukraine's resistance and foreign support are making a difference. Continuing the supply of advanced weaponry is crucial to stopping Mr. Putin's designs on Kyiv, and on the front-line nations of NATO if he isn't stopped. Ukraine is under pressure but so is Russia.

LETTERS TO THE EDITOR

Plan From Big Labor Does Workers No Favor

Congratulations to Jason Riley for his exemplary demonstration of the value of work in early life ("Social Justice for California Fast-Food Workers? Where's the Beef?" Upward Mobility, Aug. 31). It helps one to gain experience with supervision, punctuality, responsibility and so forth.

It is unfortunate, however, that Mr. Riley had felt ashamed to be doing the jobs he was doing. If we can celebrate such work and make public examples of young people who are learning such early lessons, perhaps we can bring pressure on the unions and their allied politicians to stop hindering the youth, especially the low-income and youth of color, who most need that first boost upward.

CULLEN COATES
Lincoln, Calif.

Next March I will celebrate my 50th anniversary as an entrepreneur. My initial skills and work habits were acquired as a young person from part-time and summer jobs as a newspaper delivery boy, grocery clerk, shoe salesman and office clerk. I didn't expect and wasn't worth more than minimum wage. It would be unfortunate if the next generation is deprived of a similar experience.

TED BOND SR.
Libertyville, Ill.

The fixing of wages for California fast-food workers reminds me of what happened to my business when I was forced to raise wages three years in a row. My prices increased, I hired fewer staff and my employees received fewer shifts. My sales weren't increasing, but my costs were.

PETER LANCASTER
Ottawa

At $22 an hour for unskilled labor, California would risk passing the break-even point for restaurants to purchase "Flippy" the robot. Miso Robotics equipment works, on time, with no sick days, bathroom breaks or worker lawsuits. Also, deduct the equipment cost and depreciation.

JOE BOCCUZZI
Tomball, Texas

Setting fast-food-worker wages ("California's Union Whopper," Review & Outlook, Sept. 3), as our state is poised to do, could come about only through a time-tested recipe: Legislature-labor coziness. The bill in question was introduced in 2021 by four-term assembly member Lorena Gonzalez; a year later she resigned to become chief of the California Labor Federation, AFL-CIO. Nauseating.

GREGORY HALL
La Jolla, Calif.

The Two-Pronged Threat to U.S. Democracy

Unlike Lance Morrow, I don't believe that President Biden had it all backward ("The Left Gets Fascism Backward," op-ed, Sept. 6). Instead, the president erred by not condemning equally all the people who pose a threat to our democracy.

The president made a credible argument against those he labels "MAGA Republicans." Denying the validity of repeatedly verified results of a presidential election is a threat to democracy. But Mr. Biden sabotaged his own message by failing to denounce "woke" Democrats who also destabilize our country.

People who believe that America was founded on white supremacy and remains irremediably white supremacist don't support the country. How could anyone support a nation they believe to be so rotten to its core? People who condemn the police, including its black and brown officers, as agents of a racist system undermine the nation. People who advocate teaching our children that the country was founded to promote slavery surely aren't defending our democracy. Democratic Party officials who make multimillion-dollar contributions to the primary campaigns of the most die-hard Trump loyalists are signaling that their partisanship trumps their love of country.

If I had heard Mr. Biden speak out vigorously, or even at all, against the malign members of his own party, I would respect him for putting the interest of the country first. But when he rails only against the other party and neglects to reflect on his own, he is promoting the hate that is tearing our country apart.

ANDREW G. KADAR
Beverly Hills, Calif.

The Source of the Ever-Rising Cost of College

Consider what is driving the increase in the cost of college: government regulations ("Student-Loan Forgiveness Is Really a Bailout for Woke Higher Ed" by Allysia Finley, Life Science, Aug. 29). These regulations require the increase in administrators for gender equality, diversity, loan management, climate-change compliance and more. These people require salaries, which all adds to the cost passed on to students.

MARIA C. MUSELER
Annapolis, Md.

Federal loans and subsidies most certainly exacerbate the debt problem ("Colleges Love Loan Forgiveness," Review & Outlook, Aug. 26), but the real cause is that too many students are unable to handle rigorous intellectual work. Nevertheless, they are brainwashed by their high-school counselors into believing that without a bachelor's degree they have a bleak future.

If they were properly counseled into pursuing a vocational curriculum while in high school, applications to college would plummet, the dropout rate of those already enrolled would fall and colleges would have no need to hire so many administrators.

WALT GARDNER
Los Angeles

Finding Meaning Beyond Work and Paid Employment

I take exception to Nicholas Eberstadt's claim in "The Americans Who Never Went Back to Work After the Pandemic" (op-ed, Sept. 3) that "success through work, no matter one's station, is a key to self-esteem, independence and belonging." In his article, Mr. Eberstadt refers to males like me as NILFs, short for "not in the labor force" between the ages of 55 and 64.

I retired last year at 62, after 40 years of employment, mostly with academic and nonprofit organizations. I do not need work for my self-esteem. With good health and financial planning, I could have 30 more years of cultivating interests, volunteering, consulting, traveling and spending time with family. As a society, we need to embrace NILFs rather than shame them by framing work as an either-or proposition.

LAWRENCE H. TRACHTMAN
Durham, N.C.

Marines Know to Pay Close Attention to the Solomons

Your editorial "The Unwisdom of the Solomons" (Aug. 31) will draw the attention of a high percentage of your Marine readers. An important part of the training for every recruit who will proudly wear the eagle, globe and anchor is Marine Corps history. We all know about the first offensive action in World War II's Pacific theater: Guadalcanal, Aug. 7, 1942. Marines secured Guadalcanal after six months of hard fighting to keep a Japanese airfield from completion and allow Australians to breathe a little easier.

In 1982 an Australian couldn't thank me enough for being a U.S. Marine, even though my service was in Vietnam in the 1960s, not the '40s. Now China, not Japan, is controlling what happens in the Solomons.

CAPT. GARY NASH, USMC (RET.)
Chanhassen, Minn.

Trump's Gifts to Democrats

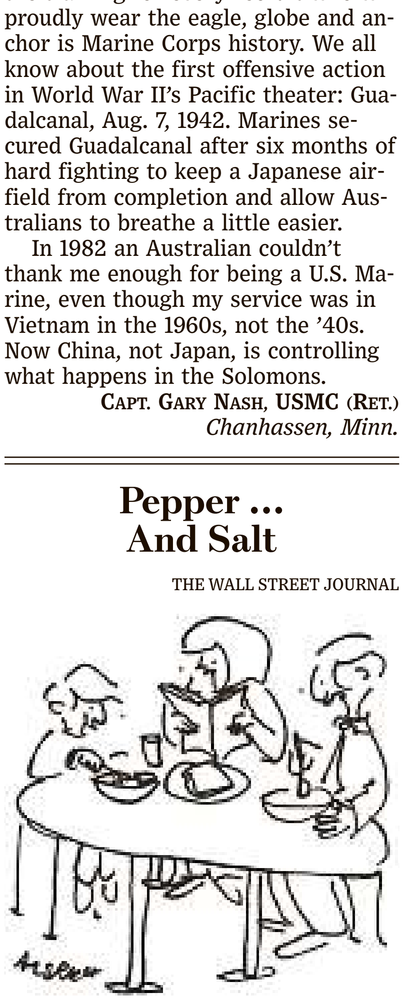
My friends who support the Democrats are delighted by former President Trump's revenge campaign ("Trump's Vendetta Politics," Review & Outlook, Sept. 1). For them, it is the gift that keeps on giving. Conservatives remain thankful for Mr. Trump's successes on the southern border, the economy and foreign affairs. But he gave away the 2020 election, lost the Senate in Georgia, and now is sinking the party's midterm chances. It is time for Mr. Trump to leave center stage and take his inflated ego with him.

JOHN BRENNAN
Sherman, Texas

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

Pepper ... And Salt

THE WALL STREET JOURNAL



"At eight years old, Ezra, you're too young to enjoy schadenfreude."

OPINION

Higher Ed Can Rediscover Its Purpose

By Allen C. Guelzo And Scott L. Wyatt

The young man in the Verizon store was selling phones, but that clearly wasn't his first choice in life. His goal when he went to college had been to become a physical therapist. He loved the field, and in his freshman year it seemed to offer many attractive possibilities. Then he was informed that he lacked the required math class to continue in the program. Sorry, but he would have to take the class and wait an entire year to reapply with no promise he would be admitted into the competitive program next time around. A year would go by. He would accumulate more student debt but make no real progress toward the credential he wanted. And the taxpayers' investment in his education, through support of his public college, would be for naught.

We've heard versions of this story many times. It's no way to run an educational institution.

Colleges and universities have become stupefied by their 'brands' and forgotten their students.


PHIL FOSTER

When students enter modern American higher education, they enter the equivalent of four-year cattle chutes. Matriculating at colleges and universities promises you a degree, but only after an extra year or two to negotiate the internal bottlenecks and zigzags of the curriculum. The student is encouraged to tolerate these bottlenecks by embracing the school's brand and overlooking its failings. But branding hasn't been much consolation to the increasing numbers of students who start college and give up in frustration. By 2019, 36 million Americans who had begun college programs over the preceding 20 years dropped out, with the pace increasing by 22% between 2014 and 2019.

If this bodes ill for the noncompleters, it's also one more sign that American higher education is in serious need of a reset. Not only are dropouts up, but enrollments in the fall of 2021 fell by 2.7%, and that followed a drop of 2.5% the previous year. Compared with the fall of 2019, first-year classes in 2021 were 9.2% smaller. There is a word for this kind of casualty rate: decimation.

This is partly, but only partly, a consequence of the pandemic. A more ominous and permanent reason for the downward trend is the overall shrinkage in the size of the college-age population as a result of declining birthrates, which have been falling since 1975. Enrollments in American higher education peaked at 20.5 million students in 2011, long before the pandemic. By the fall of 2019, the student population had declined to 18.5 million.

But colleges and universities have shown that they are as stupefied by their brands as they hope their students will be. In order to recruit and entertain students who end up spending five or six years to complete a four-year degree, colleges and universities turn their campuses into resort facilities and build athletic programs rather than address the problems that impede students' progress toward a career.

An investigation by two University of California economists indicated that in 1961 full-time college students devoted 24.5 hours a week to outside-the-classroom study; by 2003, that total shrank to 14.5 hours. Richard Aron and Josipa Roksa found that by 2011 the amount of study time had diminished to 12 hours a week. A third of the students tracked by Mr. Arum and Ms. Roksa put in less than five hours of study a week.

These institutions have spent too much time and money building their brands and not enough educating their students. Reconsidering that imbalance is a multigenerational project, but we suggest several immediate changes:

• Allow students to take one semester, or one course, from any accredited institution, and assemble a program of study piece by piece without committing four years to a single institution. It is possible under the current rules for students to transfer from place to place, but only at horrendous cost, since the average student loses 43% of college credit after he transfers.

• In the next reauthorization of the federal Higher Education Act, repurpose accreditation societies into third-party reviewers of specific programs of study. Accreditation reviews struggle to pass a single judgment on entire institutions, with small teams of evaluators trying to give a grade on myriads of programs that are often beyond their own experience. Rather than evaluate sprawling campuses with thousands of students and hundreds of programs with a single thumbs-up or down, target accreditation so that students can know beforehand if their chosen program and its classes meet professional expectations—not whether the entire campus satisfies an indistinct and generalized presumption of competence.

• For the goal of negotiating such a series of targeted programs and courses into a certification or diploma, create through either a public or private agency what Richard Vedder describes as a College Learning Evaluation (similar to the College Board Educational Testing Service), which would independently certify a student's acquisition of the bachelor's degree or its equivalent.

• Make educational access a year-round affair, and not just through incidental summer programs, so that time to completion for a bachelor's degree can be certified in as little as three years for all degrees.

• "Off-shore" graduate education on the pattern suggested by Harvard's James Hankins—not literally sending it to other countries, but separating it into independent, discipline-specific academies: in effect, graduate-level think-tanks of mathematics, economics, politics or humanities. This would relieve the current jumble of professors in many universities trying to meet simultaneously the broad demands of undergraduates and the highly-focussed expectations of graduate students.

There will always be academic giants whose value—or brand—is worth the price tag, and they will weather the demographic storms. There will always be programs that require residential time, in laboratories, studios and libraries. And there will always be enclaves of deep meditation over great books and ideas. Universities won't need to immolate themselves. But they will need to become more intentional about the education they are providing, and about the students for whom they are providing it.

Mr. Guelzo is director of the Initiative on Politics and Statesmanship in Princeton University's James Madison Program. Mr. Wyatt is senior executive director for statewide online education in the Utah System of Higher Education.

Inflation and the Scariest Economics Paper of 2022

By Jason Furman

The scariest economics paper of 2022 argues that labor markets remain extremely tight, underlying inflation is high and possibly rising, and several years of very high unemployment may be necessary to get inflation under control. The paper is a painstaking empirical exploration by Johns Hopkins macroeconomist Larry Ball with coauthors Daniel Leigh and Prachi Mishra of the International Monetary Fund released by the Brookings Papers on Economic Activity. It shows why the Federal Reserve will likely need to maintain its war on inflation, even if unemployment continues to rise.

Economists use labor market slack to help predict inflation. Typically they look at the unemployment rate, but using the ratio of job openings to unemployment to measure labor market slack offers a clearer picture. Analysts who focused solely on the unemployment rate mistakenly believed the labor market still had substantial slack in 2021 and deemed wage and price inflation transitory. The big burst of inflation that followed left them scratching their heads. Messrs. Ball, Leigh and Mishra find that labor-market tightness itself added 3.4 percentage points to underlying inflation in July 2022.

The paper also argues, convincingly in my view, for a different measure of underlying inflation. Fluctuations in energy and food prices are generally due to factors outside the control of macroeconomic policy makers. Geopolitics and weather have elevated the inflation rate in recent years. Plunging gasoline prices are temporarily lowering the inflation rate now. That's why economists since the 1970s have focused on "core" inflation, which excludes food and energy.

But food and energy aren't the only things people buy that are subject to supply-side volatility. Prices of new and used cars, for example, have gyrated over the past two years for reasons that are mostly unrelated to the strength of the overall economy. Both regular and core inflation are based on taking averages of price increases and can be distorted by large changes in outlier categories. The median inflation rate calculated by the Federal Reserve Bank of Cleveland drops outliers to remove these distortions.

To bring price increases down to 2%, we may need to tolerate unemployment of 6.5% for two years.

Median inflation is a statistically better measure of the underlying inflation that policy makers can actually control. This is worrying because while the Fed's preferred headline inflation fell to zero in July and annual inflation excluding food and energy has stabilized at around a 4% annual rate, median personal-consumption expenditure inflation shows no sign of moderating and has run at a 6.6% annual rate in the last three months.

The scariest part of the new paper, however, is when the authors use their model to forecast the unemployment rate that would be needed to bring inflation down to the Fed's 2% target. The authors present a range of scenarios, so I ran their model using my own assumptions. I assumed that the labor market will cool on its own as job openings fall two-thirds of the way back to what they were before Covid. I also assumed that inflation expectations will fall back toward where they were before Covid and that the recent good news on gasoline and other volatile prices will keep coming for the rest of 2022.

Under these assumptions, which are more optimistic than the authors' midpoint scenario, if the unemployment rate follows the Federal Open Market Committee's median economic projection from June that the unemployment will rise to only 4.1%, then the inflation rate will still be about 4% at the end of 2025. To get the inflation rate to the Fed's target of 2% by then would require an average unemployment rate of about 6.5% in 2023 and 2024.

There is, of course, tremendous uncertainty with this forecast. If businesses believe that low inflation is coming and act like it, inflation could fall without a large increase in unemployment. On the other hand, if the labor market doesn't shift back to the way it was working pre-Covid, or if there are more unfavorable supply shocks, the outlook could be more painful.

What should the Fed do? Four things: First, place more emphasis on the ratio of job openings to unemployment and median inflation as it assesses the tightness of labor markets and the underlying rate of inflation. Second, the new paper shows how much easier it will be to tackle inflation if expectations remain under control. The Fed should follow up on Chairman Jerome Powell's tough talk at Jackson Hole with meaningful action such as a 75-basis-point increase at the next meeting. Third, be prepared to accept the unemployment rate rising above 5% if inflation is still out of control. Finally, stabilizing at a 3% inflation rate is probably healthier for the economy than stabilizing at 2%—so while fighting inflation should be the central bank's only focus today, at some point the Fed should reassess the meaning of victory in that struggle.

Mr. Furman, a professor of the practice of economic policy at Harvard University, was chairman of the White House Council of Economic Advisers, 2013-17.

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A Sweet Lesson From a Pie

By Mike Kerrigan

I was recently in Door County, Wis., the land of cherries—a fruit sweet to taste and, for me, sweeter to recall. The diminutive drupe reminds me of a conversation I had with my daughter Molly, now 19, about a decade ago on the summer shores of Lake Michigan.

Molly and I have much in common, including an abiding love of homemade pies. Since I was old enough to wonder about heaven, I've never shaken the sense that freshly baked pies eternally cooling on window sills must figure prominently. My daughter agrees.

When Molly was younger, we would talk about pies before, while and after eating them. She made a special face and gesture—one eye closed, fork waved twice in the air—whenever a tasty pie had stuck the landing. So this conversation wasn't all that strange as we drove around Door County, a Valhalla for cherries, that July day.

"Dad," Molly asked from the back of our Chevy Suburban, "try to guess my two favorite pies." I thought before answering, given the importance of the subject.

"Pumpkin and Wisconsin cherry," I offered, looking at her through the rearview mirror. Our Lake Michigan location had inspired my second guess and, I assumed, her question. But that hadn't registered with Molly. Her face got squinty, an unmistakable tell for confusion. As quickly as the look came, it was replaced by a sly grin.

"OK," she corrected, "try to guess my *three* favorite pies." Molly had reshuffled her rankings, relegating her original top two picks to second and third place when new data—the forgotten splendor of Wisconsin cherry—came to light.

We all have the power to change our minds.

Our brief conversation stayed with me. Too often facts around me change, but my mind doesn't. Impervious to new information, I function like a navigation system that has missed a turn but won't reroute. Since that summer day, when I sense myself behaving this way, I try to recall the "favorite pie" conversation with my daughter and correct my course.

It was a small moment that Molly has probably forgotten, but I never will. Sometimes big lessons come from small moments.

Mr. Kerrigan is an attorney in Charlotte, N.C.

Shareholders Stand Up For Profit At Chevron

By Vivek Ramaswamy

I sent a letter to Chevron's board of directors Tuesday questioning its recent decisions to embrace policies that my firm, Strive Asset Management, believes are harmful to its business interests.

In 2021 a Dutch climate nonprofit called Follow This submitted a shareholder resolution demanding that Chevron reduce "Scope 3 emissions." The Environmental Protection Agency's website defines Scope 3 emissions as those that are "the result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly impacts in its value chain," including employee commuting, leased assets and downstream use of products by customers.

Follow This expressly said it sought to combat climate change, not advance a business goal. Chevron's board opposed the proposal. Yet the resolution earned majority shareholder support, including from its three largest shareholders at the time, Vanguard, State Street and BlackRock.

Under pressure from asset managers, the company embraced policies that are harmful to investors.

The resolution would require Chevron to account for things beyond its control, such as whether its employees drive hybrids or Humvees to work, whether its leased data center is powered by coal or wind, or whether its customers use its gasoline to deliver solar panels or tractors. There is no way for Chevron to force these third parties to change their behavior other than to refuse to employ or do business with them if they don't comply.

Scope 3 accounting is useless even in theory as a gauge of environmental impact, because it would count the same unit of emissions more than once. A gallon of gasoline used anywhere in Chevron's value chain would count toward Chevron's Scope 3 emissions *and* the Scope 3 emissions of each company involved. But many companies in Chevron's value chain haven't adopted such caps. Caterpillar hasn't, so Chevron effectively bears full responsibility for the emissions of every Caterpillar backhoe that burns its fuel.

Scope 3 emissions reductions are adverse to the growth of any company that adopts them. Microsoft's Scope 3 emissions ballooned by 23% in 2021 precisely because sales boomed: Each additional Xbox sold takes additional energy to power it. Such measures are particularly hostile to an oil company, whose only meaningful way to cut Scope 3 emissions is to reduce sales of its main product.

Chevron's board partly stood its ground after the shareholder vote, declining to adopt "absolute Scope 3 targets." But in September 2021, the company announced a new $10 billion in spending on low-carbon projects—triple its prior commitment. When asked by an investment analyst if these projects were a "value driver or a license to do business," a Chevron executive responded "a little bit of both." One month later, the company set specific targets for reducing Scope 3 carbon intensity and said it "supports the Paris Agreement" and a carbon tax. These are curious business decisions. Congress didn't ratify the Paris Agreement—and it isn't Chevron's responsibility to do so. Successful companies seldom lobby for higher taxes on their products.

Chevron's board should publicly commit to evaluating all projects on financially measurable return on investment without regard to extralegal social pressure. The board should repudiate Scope 3 emissions controls and stop advocating a carbon tax or the Paris Agreement unless it demonstrates that such activities create shareholder value.

Compared with his peers, Chevron CEO Michael Wirth has exhibited unusual courage. Berkshire Hathaway recently became Chevron's second-largest shareholder. When Berkshire was itself the subject of an ESG spat in 2021, CEO Warren Buffett dismissed such demands as "asinine." Mr. Wirth should follow Mr. Buffett's example ahead of next spring's proxy voting season.

Mr. Ramaswamy is executive chairman of Strive Asset Management, which held a more than $50 million Chevron position as of Tuesday.

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Old Skeleton Shows an Early Amputation

Human remains said to be 31,000 years old were found missing left foot at Borneo site

By Dominique Mosbergen

An ancient skeleton found in a cave in Borneo without its left foot demonstrates what researchers are calling the oldest known case of surgical amputation.

Researchers found the 31,000-year-old human remains while searching for ancient rock art in the rainforests of the Indonesian portion of the island of Borneo. Bony growth where the foot was severed resembles healing that typically follows surgery, the researchers said in a paper published Wednesday in Nature. That would place the procedure some 25,000 years before the amputation of the arm of a man whose remains were discovered near Paris about 15 years ago.

"This really rewrites the history of human medicine," said Tim Maloney, an archaeologist at Australia's Griffith University who was part of the team that made the discovery.

Anthropologists who weren't involved in the research said it isn't clear that the remains offer conclusive evidence of surgical amputation. Drawing broad conclusions about ancient societies from a small number of bones and archaeological sites is difficult, the authors of the new paper acknowledged.

"It's a possible story," said Daniel Wescott, director of the Forensic Anthropology Center at Texas State University, who wasn't involved in the paper. "But with one-off examples, it's really hard to say."

Amputations are among the oldest-known surgical procedures, archaeologists say. In a 2007 paper in Nature, researchers in France described their discovery near Paris of the remains of a man who appeared to have undergone a successful surgical amputation of his forearm. The man had lived sometime between 4,900 and 4,700 B.C., the researchers said, based on carbon dating of his tomb.

Evidence of millennia-old surgical amputations has also been recorded in countries including China and Peru. In 2011, archaeologists said they found the remains of a person in Bulgaria who may have had a hand amputated about 6,000 years ago.

Surgical amputations are a high-risk procedure even today, with up to a fifth of people dying within 30 days of a lower-limb amputation, according to a 2015 analysis of amputation-related mortality rates.

TIM MALONEY/GRIFFITH UNIVERSITY/ASSOCIATED PRESS

Researchers found the remains while searching for ancient rock art in the rainforests of Borneo.

Dr. Maloney and his colleagues found the Liang Tebo cave in Borneo in the spring of 2020 in an area where cave paintings some 40,000 years old had previously been found. The remains they unearthed in Liang Tebo were of a person who died between the ages of about 16 to 19, the researchers said. The person was interred in a well-cut grave adorned with stone markers, they said. Artifacts in the grave included a bright-red nodule of ocher found near the person's mouth and several flake-stone objects.

The researchers excavated the remains over many days, using soft tools to remove a quarter-teaspoon of sediment at a time, Dr. Maloney said. The intact right leg was unearthed first. "But the left leg...there was a mysterious absence of the left foot," Dr. Maloney said.

The researchers excavated the rest of the grave but didn't find the missing foot. Given the well-preserved nature of the remains and grave, they concluded that the person was buried without it.

Closer examination suggested that the person had undergone an amputation and hadn't lost the foot to an accident, punishment or animal attack, the researchers said. They said they found no evidence of the infection that would likely have followed a traumatic severing. The bones also appeared to have been cleanly severed, the researchers said.

Phoebe Stubblefield, a forensic anthropologist at the University of Florida who wasn't involved in the research, said the person could have lost the foot some other way. The left leg demonstrated signs of infection including large openings consistent with drainage sites for pus, she said, based on photographs of the bones published with the paper. The paper attributed the openings to potential insect damage.

Dr. Stubblefield agreed that the person likely received care from others after losing the foot. Bone growth and signs of healing suggested the person survived six to nine years after the amputation, the researchers said, suggesting the person was cared for. They also theorized that early humans in Borneo may have found medicinal substances in the rainforest to relieve pain and provide antimicrobial treatment.

Dr. Maloney said the discovery in Borneo suggested the rainforest wasn't a barrier to some early humans. Whoever performed the apparent surgical amputation had a certain depth of medical knowledge, including the workings of muscular and vascular systems, he said.

India Ella Dilkes-Hall, an archaeologist at the University of Western Australia and a coauthor of the paper, said more rock art and archaeological sites could be found in the part of Borneo where the skeleton was found.

"But I don't think we'll find anything like this again," Dr. Dilkes-Hall said. "This is an incredible find."

MIKE CHERNEY/THE WALL STREET JOURNAL

Dennis Tipakalippa in the Australian Tiwi Islands. He is suing to stop an energy firm from drilling for natural gas about 85 miles offshore.

In Australian Gas-Project Dispute, Sacred Dances Part of Court Hearing

By Mike Cherney

TIWI ISLANDS, Australia—An indigenous clan leader on these islands off northern Australia stretched his arms and stomped his feet as the chants of other Tiwi people filled the forest. A few steps away, waves lapped a beach where sea turtles lay eggs.

The sacred dance, called the turtle dance, is usually performed at funerals. This time, Dennis Tipakalippa danced before an Australian federal judge, during a rare court hearing held in the island wilderness. Mr. Tipakalippa, supported by his clan, is suing to stop energy producer **Santos** Ltd. from drilling for natural gas about 85 miles offshore.

"It's like a million-dollar view out here," Mr. Tipakalippa told lawyers, court employees and residents at the end of the hearing.

Whatever the judge decides, lawyers, indigenous people and activists say the court's willingness to travel and listen to communities are signs that Australian institutions are increasingly taking the concerns and heritage of indigenous people into account. To many, the hearing signals progress in a country trying to come to terms with its past treatment of indigenous people.

But the hearing is a headwind to a planned natural-gas project, just as the Ukraine war disrupts global energy supply. The judge has the authority to invalidate the Australian offshore-energy regulator's approval, given in March, for the project's drilling. The project aims to pipe gas extracted near the Tiwi Islands to an existing facility in Darwin, a regional capital, where it would be chilled for export.

The Australian case, which centers on whether Mr. Tipakalippa's clan was properly consulted, is one of several disputes in which companies have faced pressure to respond to concerns of indigenous people.

Alina Leikin, a lawyer with the nonprofit Environmental Defenders Office, which is representing Mr. Tipakalippa, said the Tiwi case could set a benchmark for what consultation is needed with indigenous communities. If Santos loses, it may need to redo its consultation and reapply to the regulator for approval.

Santos, in court filings, said it consulted the Tiwi Land Council, a statutory body representing all eight clans of Tiwi people, and held in-person meetings with locals. A Santos spokeswoman said the $3.6 billion Barossa gas-field development was subject to robust approval processes by the offshore regulator, which also signed off on Santos's consultation efforts. The company has agreed to stop drilling before breaching the gas reservoir until the case is decided.

The judge could decide the case in mid-September. But for some community members, having the hearing in their community was already a victory.

"Even if we just stopped now, that would be enough," Antonia Burke, an indigenous Australian and activist who grew up on the Tiwi Islands. "It was just good for all of us to sit here and see us represented in a way that was so powerful."

Suspect in Canada Stabbing Spree Dies After Arrest

By Paul Vieira

OTTAWA—The second of two brothers wanted in a stabbing spree that killed 10 people in the Canadian province of Saskatchewan died Wednesday after officers took him into custody, police said.

Myles Sanderson, the target of an intense manhunt, was located and captured by police Wednesday afternoon, days after his brother and fellow suspect was found dead, the Royal Canadian Mounted Police said. Police said at a news conference Wednesday night that Mr. Sanderson later died at a Saskatchewan hospital due to "medical distress."

"I can't speak to this specific manner of death. That's going to be part of the autopsy that will be conducted," said Rhonda Blackmore, assistant commissioner with the RCMP unit in Saskatchewan. She said that officers performed cardiopulmonary resuscitation on Mr. Sanderson until paramedics arrived.

She said external law-enforcement agencies would investigate the circumstances leading to his death.

Police had issued an arrest warrant for Mr. Sanderson, saying he was a suspect after a series of knife attacks that started early Sunday morning in James Smith Cree Nation, a territory that covers 58 square miles and is roughly 300 miles north of the Montana border. He faced three charges of first-degree murder, one count of attempted murder and a break-and-enter charge.

Mr. Sanderson's brother, Damien Sanderson, was found dead on Monday in a grassy area in the James Smith Cree Nation. Police said his death wasn't the result of self-inflicted wounds.

Ms. Blackmore said Damien Sanderson, who had faced murder and attempted murder charges in the knife attacks, was still considered to have been a suspect in the spree.

She said a tip indicated Myles Sanderson was spotted Wednesday afternoon outside of a residence, in a white Chevrolet pickup truck and apparently armed with a knife.

With his death, Ms. Blackmore said, "We may never have an understanding of the motivation" leading to the stabbing attacks.

Earlier Wednesday, police disclosed the names of those killed, among them a mother of three who a relative said was trying to protect her household when she was stabbed.

Myles Sanderson and his brother were suspects in knife attacks that killed 10.

Nine of the 10 deceased lived in the James Smith Cree Nation, police said, adding their ages ranged from 23 to 78. Police said 18 people were injured, with the youngest a teenager. The stabbings took place at 13 different locations.

As police were hunting for Myles Sanderson, the Canadian Broadcasting Corp. broadcast audio of an interview with his parents, who urged him to turn himself in.

"Please, please bring yourself in. We don't want any more hurt," his father said. "I want to see you again."

WORLD WATCH

ALBANIA

Tirana Cuts Iran Ties Over Cyberattacks

Albania cut diplomatic ties with Iran and expelled the country's embassy staff over a major cyberattack nearly two months ago that was allegedly carried out by Tehran on Albanian government websites, the prime minister said Wednesday.

The move by NATO member Albania was the first known case of a country cutting diplomatic relations over a cyberattack.

In a statement, the White House said it has had experts on the ground for weeks helping Albania, and had concluded Iran was behind the "reckless and irresponsible" attack and subsequent hack-and-leak operation.

The government's decision was formally delivered to the Iranian Embassy in Tirana, the capital, in an official note, Prime Minister Edi Rama said. All embassy staff were ordered to leave Albania within 24 hours.

On July 15, a cyberattack temporarily shut down numerous Albanian government digital services and websites.

Mr. Rama said an investigation determined that the cyberattack wasn't carried out by individuals or independent groups, calling it "state aggression."

Iran on Wednesday condemned the diplomats' expulsion, calling the action ill-considered and shortsighted, according to Iranian state TV.

The Iranian Foreign Ministry denied Tehran was behind any cyberattack on Albanian government websites.

—Associated Press

BRAZIL

Bicentennial Used As Campaign Rally

Brazil's President Jair Bolsonaro transformed the nation's bicentennial Wednesday into a multicity campaign event, but didn't use his appearances to undermine the coming election as his opponents had feared.

Mr. Bolsonaro, who trails former President Luiz Inácio Lula da Silva in polls before the Oct. 2 vote, drew tens of thousands of supporters to rallies in Brasília and Rio de Janeiro. The armed forces put on military displays in the cities, with the president attending.

Mr. Bolsonaro compared Mr. da Silva to autocratic leftist leaders in Venezuela and Nicaragua, and called Brazil's former president "a gangster."

"We will have a much better administration with us being elected, with the grace of God," Mr. Bolsonaro said in a speech in Rio.

His prior efforts to sow doubt about the voting system has prompted widespread concern among his opponents that he may reject election results.

In Brasília, the crowd at a military display chanted against Mr. da Silva, who wants to return to the post he held in 2003-10. Speaking at a rally immediately afterward, Mr. Bolsonaro made no reference to Brazil's struggle for independence and instead focused on his achievements.

Later, he attended another military display in Rio along Copacabana beach, where his supporters often hold demonstrations.

—Associated Press

SYRIA

Building Collapse Kills at Least 11

A building collapsed in Syria's northern city of Aleppo on Wednesday, killing at least 11 people, including three children, the Syrian state television reported.

The TV said the illegally built, five-story building in Aleppo's southern neighborhood of Fardous collapsed in the evening. It said seven women, three children and an elderly man were killed.

The report also said two people were injured, and seven nearby buildings were evacuated for fear they might collapse as well. Search operations were ongoing amid the rubble in case more people might be buried under the debris.

State news agency SANA quoted the head of the Aleppo city council, Muid Madlaji, as saying that the building was illegally built and had weak foundations. He said the area suffered wide damage during the war.

Fardous was a rebel-held neighborhood until December 2016, when government forces with the help of Russia and Iran captured eastern parts of the city, which had been held by insurgents for four years.

Many buildings in Aleppo were completely destroyed or damaged during Syria's 11-year conflict, which has killed hundreds of thousands and displaced half the country's prewar population of 23 million.

Aleppo is Syria's largest city and was once its commercial center.

—Associated Press

BUSINESS & FINANCE

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Judge Lets Musk Cite Informant

By Sarah E. Needleman

The Delaware judge steering the lawsuit over **Twitter** Inc. and Elon Musk's stalled $44 billion takeover said the billionaire chief executive of Tesla Inc. can amend his countersuit to incorporate allegations from a whistleblower complaint by the social-media company's former head of security.

The judge denied Mr. Musk's request to push back a trial over the deal in Delaware Chancery Court to November from Oct. 17.

In a decision Wednesday, the judge cited a Chancery Court rule in which leave to amend should be "freely given when justice so requires."

Chancellor Kathaleen McCormick made the decision after an hourslong hearing Tuesday covering several pending legal issues in the case. Twitter and Mr. Musk closed the hearing with oral arguments regarding their position on whether to include allegations by the whistleblower, Peiter Zatko, who was fired by Twitter this year.

"I am reticent to say more concerning the merits of the counterclaims at this posture before they have been fully litigated," Chancellor McCormick said in her ruling. "The world will have to wait for the post-trial decision."

Shares of Twitter closed at $41.20 Wednesday, up 6.6%.

Chancellor McCormick said she would put parameters around additional requests for information related to the new claims and maintain the existing trial schedule.

"I am convinced that even four weeks' delay would risk further harm to Twitter too great to justify," she said.

In the whistleblower complaint, submitted to the Securities and Exchange Commission in July and made public last month, Mr. Zatko accuses the company of failing to protect sensitive user data and lying about its security problems.

Twitter sued Mr. Musk in July over his attempt to walk away from their $44 billion merger agreement reached in April. Mr. Musk filed a countersuit, accusing the company of misrepresenting the condition of its business and key metrics about the users on its platform.

After the whistleblower complaint was made public, Mr. Musk's team requested permission from the Delaware court to include those allegations in its countersuit.

In response to Chancellor McCormick's decision Wednesday, Alex Spiro, a lawyer for Mr. Musk, said his team is "hopeful that winning the motion to amend takes us one step closer to the truth coming out in that courtroom." He declined to comment on the judge's decision not to push back the trial.

A spokesman for Twitter said, "We look forward to presenting our case in court beginning on October 17th and intend to close the transaction on the price and terms agreed upon with Mr. Musk."

The judge filed several separate decisions Wednesday on other pending motions that were the subject of the omnibus hearing, including not allowing Mr. Musk's team to reargue a request that Twitter produce documents from an extended timeline.

Mr. Musk's lawyers suggested that the judge's earlier order on the extended timeline failed to explain the basis for the court's decision.

"That is not true," she wrote Wednesday. "The order identifies four specific grounds" for denying the request: the timing of the request, the large volume

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Nasdaq Slump Stops At 7 Days

By Joe Wallace and Eric Wallerstein

The Nasdaq Composite Index rose 2.1% on Wednesday, snapping a seven-day losing streak, the worst stretch for the technology-heavy index since 2016.

The broader S&P increased 71.68 points, or 1.8%, to 3979.87, its best performance since Aug. 10. Except for energy stocks, each of the S&P's 11 sectors notched gains. The Dow Jones Industrial Average rose 435.98 points, or 1.4%, to 31581.28.

Meanwhile, oil prices fell to their lowest level since before the invasion of Ukraine.

Stocks and commodities have fallen for three consecutive weeks on three-pronged concerns for the world economy. In China, Covid-19 lockdowns are curtailing activity and disrupting international supply chains.

Europe's energy crisis is shutting down parts of industry and saddling governments with enormous bills.

In the U.S., the problem for markets is different. Some investors say the economy is too

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Target CEO To Stay Past 65

By Charity L. Scott

Target Corp. said Chief Executive Brian Cornell agreed to remain for an additional three years, and the company's board eliminated its mandatory retirement age of 65, seeking to provide stability at a time of upheaval in the retail industry.

The decision keeps the 63-year-old at the helm of the company, which has slashed its financial forecasts several times this year after misjudging demand and being stuck with excess inventory. Target shares have fallen nearly 30% this year.

Mr. Cornell has led Target since 2014 and would have reached retirement age in early 2024 under the old company policy. He also serves as Target's board chairman.

The retailer joins other companies, including 3M Co. and Merck & Co., that in recent years have relaxed or removed mandatory retirement ages for chief executives. Last year, Boeing Co. said it was raising the retirement age for CEO David Calhoun to 70 from 65 so he could stay in the role.

"It was important to us as a board to assure our stakeholders that Brian intends to stay in his role beyond the traditional retirement age of 65," said Monica Lozano, lead independent director of Target's board.

Target didn't undertake an executive search to identify other CEO candidates as part of the decision to eliminate the

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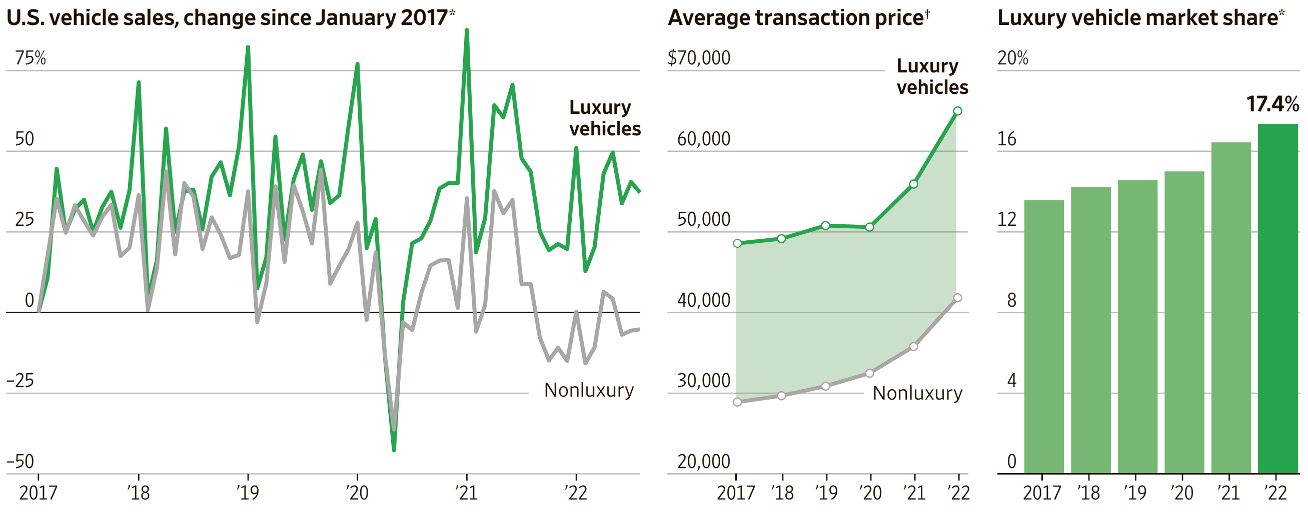

*2022 data are through July †Through July of each year

Source: J.D. Power

Luxury-Vehicle Sales Rise Sharply

By Ryan Felton

MALCOLM JACKSON FOR THE WALL STREET JOURNAL

The expanding pool of affluent people is providing a bigger customer base for luxury brands.

More Americans are opting to buy luxury vehicles than ever before, a shift fueled by cash-rich buyers who were able to bank savings during the pandemic and growing wealth among shoppers in the upper-income brackets.

The share of new vehicles sold by luxury brands, like **BMW** AG, **Mercedes-Benz Group** AG and **Tesla** Inc., has steadily grown in recent years, hitting a record 17.3% of the overall U.S. car market in June, according to J.D. Power, a data-analytics firm focused on the auto industry. That percentage is up from 14.1% in 2019 and continues a rise that began years earlier, industry data show.

Sales of luxury cars deemed superpremium—those sold by brands like Lamborghini, Bentley and Ferrari—are still small but have increased to 6,700 vehicles sold through July this year, a 36% jump compared with the same period five years ago, J.D. Power's data show.

"The wealth is growing, and so the luxury market is growing," said Alain Favey, board member for sales and marketing at Bentley Motors Ltd., a unit of **Volkswagen** AG.

Over the past several years, the expanding pool of affluent people is providing a bigger customer base for brands like Bentley to pursue, Mr. Favey said. And many of these well-off buyers in the U.S. are younger, he said, having amassed wealth in the tech and entertainment industries.

The luxury-car market got an extra lift during the pandemic with the stock market rally and rising home prices boosting the spending power of many American households, analysts and executives say.

Sales of premium vehicles have cruised at record levels over the past few years. In 2021, they hit 2.48 million, up 13% over the prior year and above the 1.7% increase registered by mass-market manufacturers, according to Kelley Blue Book, a research firm specializing in vehicle pricing and valuation.

"The records could've been

Please turn to page B2

Investors Forgo A Hedge

By Eric Wallerstein

Traders are backing away from bets on a market crash.

The Nations SkewDex, an index that tracks demand for protection against a downward market swing, fell to 57.82 Tuesday, hovering near its lowest levels since the Covid-19 pandemic sent volatility soaring.

The S&P 500, on the other hand, has fallen in 10 of the past 14 trading sessions, down 9.1% since Aug. 16, partly on renewed worries about how quickly the Federal Reserve will move to raise interest rates.

The SkewDex tracks the cost of protective put options on the SPDR S&P 500 exchange-traded fund that would pay out in a large market decline. Puts give the right to sell shares at a specific price over a period and can be used to hedge a portfolio or speculate that prices will

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Apple Stresses New Phones' Safety Tools

By Tim Higgins

Apple Inc. on Wednesday began a third year of nudging customers to iPhones with 5G-capable technology, betting iterative enhancements will still appeal to buyers who haven't upgraded to the latest offerings.

The iPhone 14 lineup took center stage for customers and investors at the company's annual September event at its Cupertino, Calif., headquarters and on its website. The new models are an evolutionary offering after the late 2020's iPhone 12 brought 5G cellular capability for the first time. 5G has been touted as offering faster download speeds, appealing for streaming video and videogames.

The tech giant focused on safety features for the iPhone 14 lineup and newest smartwatches, adding sensors that can detect car crashes and alert authorities. The new smartphones will get satellite connectivity for sending emergency messages to use in areas not touched by cellular towers.

Many analysts had expected to see Apple increase prices for some iPhones, but the company kept starting prices the same compared with a year ago for both base and high-end models. It dropped the cheapest iPhone Mini version.

Demand for the iPhone 12 and iPhone 13 lineups helped Apple post record profit and sales for the past two years. iPhone revenue rose 39% in fiscal 2021 and is expected to rise an additional 6.7% to a record $205 billion this fiscal year, which ends later this month.

"The iPhone's sales performance year to date has been impressive, and is the biggest reason why the company has largely bucked the economic

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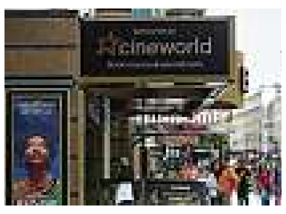

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Regal parent Cineworld, the world's second-largest theater chain, files for bankruptcy. **B3**

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Samsung sees the drop in chip sales growth continuing into next year. **B6**

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INDEX TO PEOPLE

Target CEO To Remain

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mandatory retirement policy, a Target spokeswoman said. Mr. Cornell doesn't have an employment contract with the Minneapolis company.

Mr. Cornell has received compensation valued at about $19 million, including a salary of $1.4 million, for each of the past three years, according to regulatory filings. The spokeswoman said any changes to his compensation would be disclosed in the company's next annual proxy filing.

On Wednesday, Target said Arthur Valdez, its 52-year-old chief supply-chain and logistics officer, would retire, with the position immediately filled by Gretchen McCarthy, an 18-year Target veteran. Mr. Valdez will stay in a consulting role until April 2023.

The announcements come weeks after Target reported disappointing earnings, driven by an inventory glut that ate into the company's profit. Target had previously cut its operating-margin forecast to roughly 2%, but operating margins shrank more than predicted and earnings fell 90% for the quarter.

Target was one of many retailers caught flat-footed as high inflation and waning concerns about Covid-19 drove shoppers to change their spending habits—devoting more of their dollars to travel and experiences, and cutting back on patio furniture, small electronics and other items that were in high demand for much of the pandemic.

Mr. Cornell took an aggressive approach to the inventory problem, slashing prices and canceling orders with suppliers where possible, although inventory levels were $6 billion higher at the end of the second quarter than at the same point in 2019.

A former PepsiCo Inc. and Walmart Inc. executive, Mr. Cornell joined Target when the company was reeling from a customer-data breach. He exited from its business in Canada, sold the pharmacy operations and poured billions into improving stores, store brands and adding e-commerce services. The strategy revived sales, which also got a boost during the pandemic.

—Chip Cutter contributed to this article.

BUSINESS & FINANCE

KAMIL KRZACZYNSKI/REUTERS

Rivian Automotive will need to more than double production in the second half to meet its targets. The assembly line in Illinois.

Struggling EV Startups Find They Can't Replicate Tesla's Early Edge

By Ben Foldy

Electric-vehicle startups had a rip-roaring 2021 as investors placed bets on which would be the next **Tesla** Inc. This year has been more like a pileup on the track.

Startups that raised billions during the boom are struggling with supply-chain issues and soaring commodity prices. Investors have realized that building cars is extraordinarily capital-intensive and companies will burn plenty of cash before they can manufacture their models at scale and turn a profit.

Instead of focusing on growth at all costs, the auto makers are cutting spending to preserve cash. For investors, it's easy to think this will be a repeat of Tesla's near-death experiences as the company launched its first mass-market model. But times are different now.

Tesla CEO Elon Musk has tweeted that his company was "about a month away from bankruptcy" as it launched its mass-market Model 3. Now, it's the world's most valuable auto maker.

Tesla not only survived but thrived with a significant first-mover advantage. Once launched, the Model 3 and subsequent Model Y SUV dominated electric-vehicle sales in the U.S. Even with new competition from other auto makers, the Models 3 and Y still accounted for 60% of U.S. electric-vehicle sales this year through August, according to industry data firm Motor Intelligence. And Tesla's sales volumes allowed it to sell more than $3 billion worth of regulatory credits to other auto makers who lacked significant electric sales of their own in 2020 and 2021.

The most valuable new startups are rolling out their first models in a very different environment, looking to establish a foothold against much stiffer competition from legacy brands.

"Tesla had a thesis that legacy auto makers would never get it and the capital spigot was open to them for a long time," said Charles Mann, senior analyst at Columbia Threadneedle Investments.

"That thesis relied on legacy auto apathy that is no longer the case," he said.

Shares in **Rivian Automotive** Inc., which raised $12 billion in November in the largest U.S. IPO since 2014, are down 68% in 2022. The company's R1T electric pickup was the first of its kind on the market when it began selling last September.

Irvine, Calif.-based Rivian said it built about 7,000 of its vehicles through the first half of the year, a rate it needs to more than double in the second half if the company is to meet an already-halved target of 25,000 vehicles produced in 2022. Citing supply chain issues and unexpectedly high commodities prices, the company has raised its forecast for an expected 2022 loss to $5.5 billion, and laid off 6% of its staff in July.

"We will always be focused on growth, however, Rivian is not immune to the current economic circumstances," Chief Executive RJ Scaringe said in an internal letter announcing the reductions. A spokeswoman for the company said it was on track to hit its 25,000-vehicle target.

Detroit is already nipping at its heels. Ford Motor Co. this spring began selling an electric version of its F-150 pickup—the bestselling model in America for decades—and reported selling nearly 7,000 of them through August. General Motors Co. has an electric version of its popular Silverado set to hit lots next year. **Lucid Group** Inc. went public in the largest SPAC deal of 2021, raising $4.4 billion. Shares in the Newark, Calif.-based luxury electric auto maker are down 62% in 2022.

Like Rivian, Lucid also has sharply slashed its targets for 2022, saying last month it expected to make between 6,000 and 7,000 of its high-end electric luxury sedans in 2022, down from an initial goal of 20,000.

And Lucid faces much of the same struggles with supply issues. Production of its Lucid Air sedan has been choked and the company sold about 1,000 cars in the first half of the year. Mercedes-Benz sold just over 4,000 of its EQS electric luxury sedan in the U.S. alone in the first half.

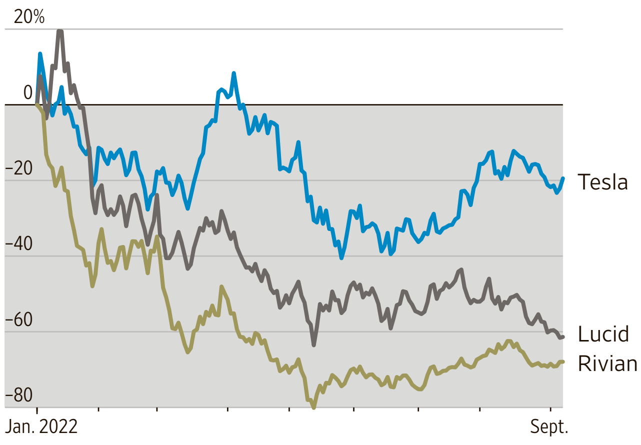
Even electric newcomer Polestar, which said last week it was on pace to hit its target of selling 50,000 cars this year, has seen its shares drop by 48% since going public in June. Polestar is a unit of Volvo Cars AB, which in turn is owned by Zhejiang Geely Holding Group Co. of China.

For now, the startups have enough cash to survive.

Rivian reported finishing the second quarter with about $15.5 billion in cash and cash equivalents on hand. Lucid, which reported $4.6 billion cash on hand at the end of June, filed a shelf agreement last week that it said would allow it to raise an additional $8 billion over the next three years.

But without the potential for Tesla's early market domination, nor the billions the company earned from selling credits, EV newcomers may never reach the kind of valuation investors were hoping for this time last year.

Share-price performance this year



Source: FactSet

Sales Leap For Luxury Vehicles

Continued from page B1

higher if they weren't supply-constrained," said Tyson Jominy, an analyst with J.D. Power, referring to the manufacturers.

The tilt toward luxury in the car business is another example of a split that has emerged in the U.S. economy, in which those with means have continued to splurge, while less well-heeled buyers have pulled back.

Auto dealer Jack Hanania said demand for high-price cars has been so robust he decided to open a used-car business focused exclusively on $100,000-plus models in the summer of 2020. It proved to be a well-timed bet.

In a normal year, Mr. Hanania said he sells about 10 Lamborghinis, costing as much as $250,000 used. In 2021, he said he sold nearly 30.

"I knew there was some demand," said Mr. Hanania, who has car dealerships in Florida and Pittsburgh. "But I didn't know we had so many buyers from all over who would come in and buy these cars."

There is no one definition of what is a luxury vehicle, analysts say. Typically, the category includes brands established with the intent of targeting more affluent customers and that offer a higher-end experience—both in the types of models they sell and at the dealership. Often, these vehicles sell at higher price points than their mass-market counterparts, although the line has started to blur more in recent years on some specific vehicle types.

Superpremium refers to models that represent a significant step up in price from the more general luxury category.

In the auto industry, prices for new vehicles have soared in recent years as manufacturers have grappled with supply-chain disruptions and inventory shortages on dealership lots.

As mainstream models—like those made by Ford Motor Co., Toyota Motor Corp. and Hyundai Motor Co.—have gotten more expensive and harder to find, many buyers have opted to go upmarket, where the selection has generally been better, dealers say.

In some categories, the price gap between the luxury and nonluxury models has narrowed considerably.

For instance, the difference in the average transaction prices for a Kia Telluride SUV and a similar-size luxury SUV, the Lexus RX 350, was $6,875 in July, according to data from car-buying website Edmunds. Before the pandemic, that price gap between the two models was about $9,000, the firm's data show.

Higher trade-in values in the used-car market are also helping buyers to cross over into luxury territory, said Phil Maguire, who owns Maguire Family of Dealerships, a chain of stores in New York state. "The thought process was to maybe spend a little bit more and go with the luxury premium they really like," he said.

Car companies are leaning into the moment, giving priority to factory production of their premium offerings and introducing more expensive options, executives say.

Cadillac, for instance, plans to debut its most expensive model ever: a hand-built $300,000 electric vehicle, called the Celestiq, The Wall Street Journal has reported.

Mercedes-Benz is reshaping its global lineup to focus more on vehicles that typically sell for $100,000 and above, including the G-Class SUV and its Mercedes-Maybach models.

$300

Thousands Cadillac plans to charge for its new Celestiq

On Monday, Volkswagen said it would list its high-end sports car maker Porsche AG in one of the biggest initial public offerings in years. Porsche has routinely generated double-digit profit margins for VW and outsize earnings contributions to its larger parent's bottom line.

Meanwhile, Tesla's sales have exploded in recent years, contributing to the overall share growth on the luxury end. With many models priced at about $50,000 and up, Tesla's U.S. market share hit 3.8% through June, more than double what it was in the same period a year ago, according to Kelley Blue Book.

Tom McParland, a New Jersey-based car-buying consultant who helps shoppers locate and purchase vehicles, said he is seeing a lot more luxury buyers interested in electronic vehicles, including those made by well-established brands like BMW. He said more customers also are paying for cars in cash or putting down sizable down payments.

"The folks who can afford an $80-, $90-, $100,000 car probably aren't as impacted as your typical buyer," Mr. McParland said.

Amid a broader inventory crunch, the luxury brands have kept their lots better stocked as car companies sought to use their limited computer-chip supplies for higher-end models, dealers and analysts say.

Still, BMW said in August that it expects business to be affected in the coming months because of inflation, interest rate increases and supply-chain challenges.

Dimitris Psillakis, chief executive of Mercedes-Benz USA, said he still sees plenty of growth ahead because with cars and trucks in short supply, the pent-up demand should keep buyers flocking to showrooms.

"The market has not shown its full potential," Mr. Psillakis said.

Peloton Says Safety Watchdog to Seek Fines Over Recall

By Dean Seal

Peloton Interactive Inc. was warned in August that federal safety regulators plan to seek fines against the company over alleged failures related to the recall of its treadmills last year.

Peloton disclosed in a securities filing on Wednesday that the Consumer Product Safety Commission notified the company in August that it believes the company failed to meet its obligations under the Consumer Product Safety Act in connection with its Tread+ treadmill model.

The exercise-equipment maker agreed to halt sales and recall the treadmills last year following reports of dozens of injuries and the death of a 6-year-old child who was pulled under one of the machines. Peloton initially rebuffed CPSC's urging for a recall before reversing course and apologizing for its earlier response.

Peloton said the CPSC has continued to investigate the matter since and that agency staff are planning to recommend fines.

"While we disagree with the agency staff, we are engaged in ongoing confidential discussions with CPSC," Peloton said in the filing.

$1.2B

Peloton's loss in the most-recent quarter

A spokeswoman for the CPSC declined to comment.

Peloton is also the subject of scrutiny from the Department of Homeland Security and the Justice Department, which have each subpoenaed the company for information on its reporting of product-related injuries. The Securities and Exchange Commission is also investigating the company's public disclosures related to these issues.

The CPSC issued a warning in April 2021 for people with young children or pets to stop using the Tread+ treadmills, and included the recording of an incident in which a child was pulled under one of the machines before freeing himself.

Peloton initially pushed back on the advisory, saying the Tread+ models were safe when users follow safety recommendations, such as keeping children and pets away from the treadmill. The company further accused the CPSC of being unwilling to "engage in any meaningful discussions with Peloton before issuing its inaccurate and misleading press release."

Facing pressure, Peloton changed its tune the following month. John Foley, co-founder and then the chief executive, said at the time that the company erred in its initial response to the CPSC's request for a recall.

In May 2021, Peloton halted sales of the treadmill and offered full refunds. Since then, it has reduced recognized revenue for connected fitness products by nearly $140 million for actual and estimated future returns, it said in its latest filing.

The scrutiny on Peloton comes as the CPSC continues to reverse from a slowdown in enforcement efforts under the Trump administration. After declining to seek any penalties in 2019 and 2020, the agency issued two in 2021 and has three under its belt so far this year.

The swearing in of Commissioner Mary T. Boyle in June brought the commission up to full strength, with a 3-2 split in favor of Democratic appointees who are expected to take an aggressive enforcement stance in line with the Biden administration's pro-regulation agenda.

The following month, Commissioner Richard Trumka Jr. said the agency plans to beef up its penalties going forward to be "multiples higher than they have been in the past" in a bid to enhance accountability.

"We are wiping the slate clean and writing the next chapter in CPSC's work to keep companies from hiding dangerous products in our homes," he said.

Peloton, meanwhile, is coming off a $1.2 billion loss in the most-recent quarter as demand for its bikes and other fitness equipment stagnates.

The company was a pandemic winner, as lockdowns and gym closures in early 2020 sent Peloton's subscriber count soaring. But revenue has plunged as people returned to their in-person gyms and fitness classes.

The slowdown led to the departure of Mr. Foley as CEO, a role he had held for all of the company's 10-year existence, and the elimination of 2,800 jobs in February.

The company is now being led by Barry McCarthy, the former CFO of Spotify Technology SA and Netflix Inc.

The New York-based company said last month that it would shed another 784 jobs as it exits all of its North American distribution warehouses and shifts to third-party logistics providers.

SUSANNAH IRELAND/AGENCE FRANCE-PRESSE/GETTY IMAGES

Movie-theater ticket sales have recovered somewhat but still lag behind their prepandemic levels. A London theater.

Cineworld Files Bankruptcy Petition

By Alexander Gladstone

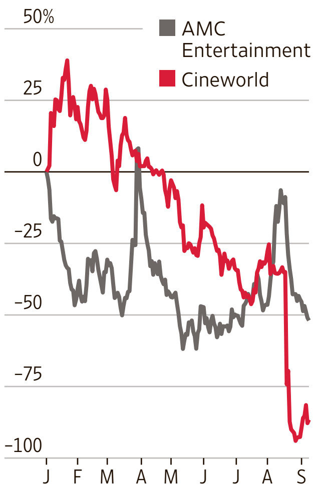
Cineworld Group PLC, the owner of Regal Cinemas, filed for bankruptcy Wednesday after a sluggish recovery in theater admissions fell short of the company's financial needs.

Cineworld, the world's second-largest movie theater chain behind rival AMC Entertainment Holdings Inc., filed a chapter 11 petition in the U.S. Bankruptcy Court in Houston. The Wall Street Journal reported last month that Cineworld was preparing to file for bankruptcy in the U.S.

While movie-theater attendance has recovered somewhat as Covid-19 fears wane, ticket sales still lag behind their prepandemic levels. Aside from a couple of superhero films like "Black Panther: Wakanda Forever" scheduled for release this fall, theaters are contending with a sparse content slate as some Hollywood studios have limited production, delayed releases or gone straight to streaming amid uncertainty as to when audiences will return in force.

London-based Cineworld has more than $5 billion in debt and faces a roughly $1 billion legal judgment stemming from a soured merger with Canadian cinema chain Cineplex Inc. The chapter 11 proceedings open a path for Cineworld to cut its liabilities through a possible asset sale or financial restructuring as it tries to retain moviegoers who are tempted to stream flicks at home.

Share performance year to date



Source: FactSet

Cineworld expects to deleverage its balance sheet while seeking concessions from landlords and continuing its theater operations uninterrupted. The company said Wednesday that it has commitments from its lenders for a roughly $1.94 billion loan to carry it through the restructuring process and cover operating expenses.

Bankruptcy filings show the company is planning to jettison leases for 20 of its 505 U.S. cinema sites and could close more theater locations as it reviews which of its locations are underperforming or cost too much to rent.

The chapter 11 filing spotlights how Cineworld's fate diverged during the pandemic from that of AMC, which became a darling of retail investors who drove its stock to dizzying heights.

Compared with Cineworld, AMC was arguably in worse shape as the pandemic began, according to analysts, but raised roughly $2.2 billion over the past two years by selling new shares to an enthusiastic investor base who call themselves "apes."

Cineworld Chief Executive Mooky Greidinger acknowledged in an interview with The Wall Street Journal last year that AMC had found a powerful capital-raising advantage through its meme-stock status that London Stock Exchange-listed Cineworld didn't.

"British retail investors just aren't as cultish as U.S. retail investors are," said Michael Pachter, an analyst at Wedbush Securities.

Cineworld said Wednesday it doesn't expect to be delisted from the London Stock Exchange as a result of the chapter 11 filing. But equity interests will likely be diluted, with no guarantee of a recovery for stockholders, the company said.

Fox Mostly Fills Its Super Bowl Ad Lineup

By Joe Flint

Fox Broadcasting said it has sold nearly all the commercial spots for its Super Bowl telecast, showing that appetite for the big game remains high despite an ad-spending slowdown that has hit some media and tech companies.

The network said it has already sold 95% of its commercial inventory for the game, which will air in February. The high demand for the Super Bowl comes as some media companies have reduced their outlook for ad revenue, as marketers anxious about the economy trim budgets.

With more viewers embracing streaming platforms that have few or no commercials, the value of sports has grown for advertisers. Most big sporting events are viewed live, and marketers pay a premium to reach those viewers.

The National Football League is an especially hot property. Both Fox and NBC said they have sold more than 90% of their NFL regular season ad inventory for the season that starts on Sept 8. Last year at this time, they had sold closer to 80% of their ad space.

Typically the most-watched event in the U.S., the Super Bowl is an unrivaled platform for companies to showcase their wares and launch new products. Movie studios, car manufacturers and beer and soda companies all spend heavily on what is known as the big game.

February's Super Bowl, in which the Los Angeles Rams beat the Cincinnati Bengals, averaged about 112 million viewers on NBC and its various streaming platforms, including Peacock.

Fox Broadcasting has some Super Bowl spots going for more than $7 million, people familiar with the matter said.

Last season, some advertisers paid up to $7 million for commercials during the game, which aired on Comcast Corp.'s NBC, The Wall Street Journal previously reported.

The average cost of a commercial in last season's Super Bowl was around $5.5 million, according to ad-tracking firm Kantar Media. The average of this season is expected to fall in that range or slightly higher, a person close to the network said. The Super Bowl rotates annually between the NFL's biggest television-rights holders.

The Fox commercials that topped $7 million are for premium spots in the game, usually right after the opening kickoff and in the final minutes of the contest. The halftime show is also a big draw for advertisers.

Fox Sports sales chief Mark Evans said Fox did a lot of repeat business for the game. "On average, the game is not going to look terribly dissimilar," he said.

Fox Sports parent **Fox** Corp. and Wall Street Journal parent News Corp share common ownership.

Google Paid-News Effort Hits Snag

Featured-content project falls behind schedule as publishers seek better terms

By Alexandra Bruell, Keach Hagey and Miles Kruppa

A Google product that pays publishers to feature their content is almost a year behind its intended launch schedule in the U.S., as negotiations with some media outlets have bogged down, people familiar with the situation said.

Google News Showcase allows publishers to curate panels of related stories that appear on Google News and some other Google platforms. Links bring readers to news organizations' websites and, in some cases, allow users free access to normally paywalled content.

Alphabet Inc.'s Google announced Showcase in 2020 as part of a $1 billion global investment in partnerships with news publishers. It first launched in Germany and Brazil and has since expanded to 18 countries including Australia and New Zealand. The program at one point had been internally slated for a possible launch in the U.S. in 2021, according to people familiar with the matter.

A number of factors have caused delays in the negotiations with U.S. media outlets. Some publishers feel Google isn't paying enough and are objecting to certain contractual terms, including a provision that would limit their right to get more money from the tech company in other ways, several publishing executives said. Some publishers want to wait and see the fate of legislation in Congress that would give publishers a stronger negotiating hand with tech platforms.

The delays with Showcase cast further doubt on whether major U.S. publishers can rely on revenue from licensing content to Big Tech companies. Publishers have struggled to compete with Google and Facebook for ad dollars, and long criticized those companies for not paying for news content. The tech companies each responded with programs meant to compensate publishers. But Facebook recently said it is no longer investing in its news efforts, ending sizable payments to some publishers, and Google's Showcase has yet to launch in the U.S.

Google's program is meant to create "new and deeper partnerships around the world and, importantly, will power great experiences for people online," Google spokeswoman Jenn Crider said in a statement. The company has signed up 1,700 news publications and continues to look at additional ones, she said.

Though Google hasn't activated the Showcase feature in the U.S., it has made some progress lately in media dealings. Bloomberg Media in recent months agreed to a multiyear licensing deal in the U.S. with Google that will generate $1 million to $3 million a year, while Reuters agreed to a global deal last year that would bring in a similar amount of U.S. revenue, people familiar with the agreements said. The Texas Tribune also has signed a Showcase deal, people familiar with the deal said.

Google in February 2021 announced a multiyear deal with News Corp, parent of The Wall Street Journal, that included Showcase and other elements. The media company said the deal and other tech tie-ups would generate a combined annual revenue of more than $100 million. News Corp owns news organizations in Australia and the U.K., as well as Barron's, MarketWatch and the New York Post in the U.S.

In at least some cases, Google agrees to pay publishers 25% of their promised Showcase fees before the feature has launched in their market, according to documents reviewed by the Journal.

Other news organizations entertained deals with Google but couldn't come to terms. **Gannett** Co. which owns USA Today and hundreds of local newspapers, in early negotiations with Google rebuffed an offer of more than $6 million a year as part of a multiyear deal, according to people close to the discussions. Instead, the company asked for payments of around $300 million annually, a valuation based on the findings of a study commissioned by industry trade body News Media Alliance, the people said. The companies didn't come to an agreement.

During early negotiations with Google, the Washington Post had discussed a possible deal for over $5 million a year, according to people familiar with the matter, but the outlet was seeking a bigger payment. The Post received over $15 million a year from Facebook's news program, The Wall Street Journal previously reported.

As Google works to forge ties with some publishers in the U.S., it is bringing on a prominent executive from the Post. The outlet's chief information officer, Shailesh Prakash, is leaving the company to join Google in November as general manager of News, Post Chief Executive Fred Ryan told staff on Wednesday.

For some U.S. outlets, one sticking point is a contractual term from Google that says a Showcase deal constitutes all payment that a publisher is entitled to for its content, according to people familiar with the matter.

International publishers also face restrictions. In one international Showcase contract reviewed by the Journal, Google reserved the right to end the Showcase agreement if the publisher "participates in or initiates a legal claim or complaint relating to Google's…use of news content."

Google got broad access to the publisher's content, including full text of stories, high-resolution images, extended summaries, and article clipping functionality, according to the international contract.

Some news publishers were hesitant to commit to a Showcase deal ahead of pending U.S. legislation that would allow publishers to collectively negotiate with Google for compensation without violating antitrust laws, according to publishing executives. The legislation is scheduled for a committee vote this month.

DAVID PAUL MORRIS/BLOOMBERG NEWS

Showcase was announced in 2020 as part of a $1 billion plan to invest in partnerships with news publishers. Google's headquarters.

CEO Aims to Boost Productivity 20%

Google Chief Executive Sundar Pichai said he wants to make the company 20% more productive, the latest sign that the technology giant is planning changes to deal with macroeconomic uncertainty.

Mr. Pichai, speaking at the Code Conference in Beverly Hills, Calif., on Tuesday night, cited past decisions to merge overlapping product areas as an example of changes that could happen at Google, a unit of **Alphabet** Inc.

"Sometimes there are areas to make progress [where] you have three people making decisions. Understanding that and bringing it down to two or one improves your velocity by 20%," Mr. Pichai said. He didn't spell out how he was measuring those improvements.

Mr. Pichai pointed to macroeconomic concerns affecting advertising and consumer spending, which affect Google's business.

"To me, those are all factors outside of our control," Mr. Pichai said. "What you can focus on is what you're prioritizing."

The comments add to the reset that Mr. Pichai signaled in a memo to staff in July, when he said Google would be "slowing the pace of hiring for the rest of the year, while still supporting our most important opportunities." Google hired about 10,000 new employees in the second quarter and more who are committed to start this quarter, he added. Alphabet reported 163,906 employees as of March, up 17% from a year earlier.

The Google boss previously raised concerns about employee productivity following an increase in hiring during the pandemic. During an internal meeting in July, he asked staff for ideas on how to improve focus across the company.

Alphabet in July reported the slowest quarterly sales growth in two years.

—Miles Kruppa

Netflix Finds New Ways to Cut Costs

By Sarah Krouse And Jessica Toonkel

As **Netflix** Inc. looks to save money in the face of slowing subscriber growth, the company is scouring its operations for more opportunities to cut costs.

From paring back its real-estate footprint, to limiting corporate swag, to controlling cloud-computing costs and hiring more junior staff, the streaming giant is taking a range of steps to reduce spending, people familiar with the situation say.

Netflix said it lost nearly one million subscribers in the June quarter, citing heightened competition. The company has laid off more than 400 employees this year and has said it would hold steady its spending on new movie and TV programming. But the cost-cutting efforts are going deeper, touching most corners of the business, as the company imposes greater financial discipline.

Belt-tightening is commonplace for companies that confront financial pressures. At Netflix, where years of breakneck growth made cost controls a lower corporate priority, the newfound attention to spending on items big and small marks a cultural shift.

Netflix is trying to better control rising cloud-computing costs with longtime cloud partner Amazon Web Services, according to people familiar with that work. Netflix aims to keep costs from ballooning as it tries to increase its subscriber base to as many as 500 million customers globally in the next three years, those people said.

Among the changes Netflix is exploring is reducing the number of copies of data and content it stores around the world, the people said. Netflix has long spent heavily on cloud and networking infrastructure, viewing the reliability of its service as a key selling point.

Netflix is hiring more junior employees, from interns to recent college graduates, as part of an expanded "emerging talent" recruitment initiative, people familiar with the program said. Previously, the company had generally recruited experienced staff, particularly for engineering roles. That change means the company can spend less on salaries for some roles and ensures that skilled staff can focus on complex tasks as the company grows, people close to the company said.

Spending on perks is also being reined in. The company over the past year put limits on the Netflix-branded goods, including coffee mugs, sweatshirts and baby onesies, that employees can order. After years of unlimited orders, employees are now limited to ordering $300 worth of merchandise a year, people familiar with the changes said.

Netflix's operating expenses rose to $23.5 billion in 2021, up 15% from the prior year, as it spent more on programming, salaries and content delivery. The company spends heavily to create movies and TV shows and has increased its content budget steadily for years.

Netflix Chief Financial Officer Spencer Neumann in April said Netflix is now trying to pull back on content- and non-content-related spending. "We're trying to be smart about it and prudent in terms of pulling back on some of that spend growth to reflect the realities of the revenue growth of the business," he said.

In the real-estate realm, Netflix is closing its Salt Lake City office and has told workers there they will do their jobs remotely, according to people familiar with the matter. Netflix also is giving up space in Los Gatos, Calif., and Los Angeles.

The Salt Lake City office for years housed a team that responded to legal matters, technical research staff that helped Netflix's customer-support organization with bugs and other problems, and a unit that helped with software the company used to make movies and shows. Netflix outsourced customer support call-center functions several years ago.

Apple Unveils Phones

Continued from page B1

downturn," said Gene Munster, managing partner at Loup Ventures. "Keeping that segment's momentum going this holiday in the face of a stressed consumer will be top of mind for investors when the new models are unveiled."

Apple has defied an industrywide decline in smartphone shipments, which slipped almost 9% in the past quarter compared with a year earlier, according to researcher International Data Corp. During the first half, the bright spot in the market was smartphones priced above $900, according to Counterpoint Research.

The biggest changes on Wednesday were in the higher-end iPhone Pro models that cost more and have helped drive more revenue for the company. Apple revealed 6.1- and 6.7-inch display versions of the Pro models and added a 6.7-inch offering—called iPhone 14 Plus—to the iPhone 14 base version along with the 6.1-inch display.

The Pro versions got a new faster A16 chip and screen that is brighter and allows for always-on display. The high-end phones come with a new design that houses the front camera in a pill-shaped hole in the screen replacing the iPhone 13's notch. It surfaces alerts in what Apple is calling the dynamic island that expands across the top of the screen. The high-end devices have a bigger camera system with more-advanced zooming among other capabilities.

The base iPhone 14 with the 6.1-inch display will start at the same price as last year's iPhone 13. The new larger-size 6.7-inch iPhone 14 Plus starts at $899 while the same-size Pro version with a better camera system and other upgrades starts at $999. The bigger iPhone Pro Max starts at $1,099.

Some analysts were predicting Apple would increase prices with the iPhone 14 as the company faces increased cost pressures.

"It is impressive that Apple has maintained year-on-year pricing parity on the new iPhone 14 devices in the U.S.," Ben Wood, chief analyst at CCS Insight, said in an email. "We had anticipated that inflation, increased production and component costs, and other expenses such as more expensive shipping would have led Apple to increase its retail pricing."

The company also announced a new high-end version dubbed Apple Watch Ultra, starting at $799 and including a larger screen, more battery life and improved GPS precision. The Ultra, aimed at adventure users from backcountry hikers to scuba divers, has a new look with rounded edges along with an added button for custom actions and a crown that is designed to be used wearing gloves.

Additionally, Apple introduced the Series 8 model that measures temperature—helping estimate ovulation—and detects if a car crash has occurred. The Series 8 begins at $399 while an updated cheaper Apple Watch model, starting at $249 dubbed the SE, includes the crash detection feature.

Healthcare, wellness and fitness uses continue to be in focus for the gadget that first went on sale in 2015.

After the watches, the company showed updated AirPods Pro headphones that the company said would have improved the noise-canceling capabilities by blocking double the amount of sound and customizable spatial audio. The gadgets will start at $249.

One of the biggest technological changes announced Wednesday was the arrival of satellite connectivity for smartphones. The new service, called Emergency SOS via satellite, will allow iPhone 14 users to send special low-bandwidth text messages to emergency responders through space-based relays. Apple said the service will launch in November in the U.S. and Canada. The company plans to offer the service for free for two years.

Smartphones have long been used the U.S. Global Positioning System's existing network of satellites for wayfinding, but technical limitations have typically kept consumer-grade devices from reaching space-borne communications networks. The power needed to send a strong signal skyward has restricted the market to heavy, expensive satellite phones from specialists including Iridium Communications Inc. and Globalstar Inc.

New constellations of satellites with Earth-hugging orbits have brought the technology within reach, though smartphones still need microchips and antennas capable of reaching them. Apple said it spent years working on the technology, which uses an app to tell users where in the sky to point the device.

Globalstar confirmed in a regulatory filing Wednesday that it will supply the new Apple service using spectrum licenses it already holds. The Covington, La., company has international licenses to send space-to-ground signals over 11.5 megahertz of wireless spectrum.

Using a one-stop shop for regulatory licenses could allow Apple to eventually offer its satellite service outside of North America. Other companies pursuing satellite-phone services could face the need for individual government approvals in each country where they plan to offer service.

—Drew FitzGerald contributed to this article.

CARLOS BARRIA/REUTERS

The new models are an evolutionary offering after the iPhone 12 introduced 5G capability.

Samsung Sees Chip Growth Still Stalling

Pullback is forecast to last into 2023 as inflation, rates hurt consumer mood

By Jiyoung Sohn

PYEONGTAEK, South Korea—**Samsung Electronics** Co. sees the sharp downturn in chip sales extending into next year, the latest note of pessimism for a semiconductor industry reeling from a dramatic pullback in sales of PCs, smartphones and data servers.

"The second half of this year looks bad, and as of now, next year doesn't really seem to show a clear momentum for much improvement," said Kyung Kye-hyun, who heads Samsung's semiconductors unit and serves as the company's co-CEO, at a Wednesday media briefing.

Samsung, the world's largest chip maker by revenue, will respond quickly to fast-changing market conditions, Mr. Kyung said. Earlier this year, industry executives widely believed that the second half of 2022 would be stronger than the first. But by late spring, it became apparent that demand levels had "drastically changed" and would instead be softening significantly, Mr. Kyung said.

Despite the slowdown, Mr. Kyung said Samsung would continue to expand its investment and research-and-development spending. He suggested Samsung could—as it did during prior industry dry spells—use the downturn to capture more market share. He didn't elaborate.

"Bad times can become good opportunities," said Mr. Kyung, 59 years old, who rose to Samsung's co-CEO position late last year.

The semiconductor industry enjoyed record-setting growth during the pandemic as demand for tech gadgets boomed. The effects of high inflation, rising interest rates and geopolitical tensions this year have sapped consumer and business spending. The drop-off has taken many chip companies by surprise.

Global chip sales are expected to grow 13.9% to $633 billion this year, according to a recent forecast from trade group World Semiconductor Trade Statistics. That represents a pullback from an earlier projection for a 16.3% rise.

Next year, chip sales are now forecast to grow by 4.6%, a half of a percentage point lower than an earlier 5.1% projected increase, according to estimates from the trade group.

Intel Corp. Chief Executive Pat Gelsinger, at a conference Wednesday, said he sees a more "tepid" market than even in July. Even so, he stuck to his expectation that the chip-sales slowdown will bottom out in the current quarter and conditions will improve in the final three months of the year.

The challenges go beyond consumers' willingness to spend on tech products. Semiconductor giants, including Nvidia Corp. and Advanced Micro Devices Inc., face potential sales losses due to new U.S. licensing requirements for shipping certain advanced chips to China and Russia.

In response to the sales slowdown, chip producers are also scaling back capacity expansion. IC Insights, a semiconductor market-research firm, lowered its industrywide capital expenditure estimate this year by 3 percentage points, reducing it to 21% growth from a year earlier.

Samsung dominates the market for memory chips, which go in everything from automobiles to smartphones to refrigerators. With its contract chip-making business, the South Korean firm is also one of the few companies able to produce the world's most advanced chips, alongside Taiwan Semiconductor Manufacturing Co. and Intel. Samsung stands to benefit from a recently approved package of U.S. subsidies and tax credits worth roughly $77 billion.

Samsung operates chip-production factories at three locations in South Korea, plus two plants in Austin, Texas. It announced plans last year to build a $17 billion facility in neighboring Taylor, Texas.

Samsung also runs two chip-making plants in Xi'an, China. The South Korean chip maker expects potential difficulties in bringing new equipment to its China facilities due to U.S. export restrictions. But China, which makes up about 40% of global tech demand, is a market that can't be overlooked, Mr. Kyung said.

"Rather than taking sides in the U.S.-China conflict, we are working to find a win-win solution for all sides and think it's the right direction to be going in," he said.

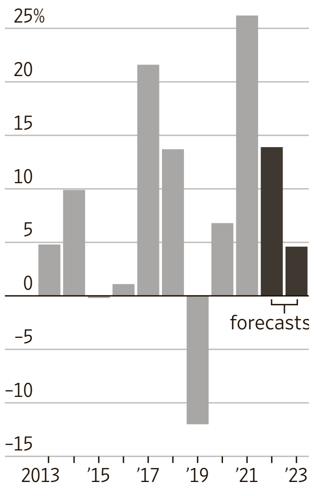
Mr. Kyung spoke to reporters at Samsung's chip-making facility—the world's largest—located in the South Korean city of Pyeongtaek. On Wednesday, Samsung said production had started at its newest operational plant for advanced NAND flash memory chips. Production had been under way since July but Samsung hadn't disclosed the development.

The Samsung semiconductor chief made a rare public acknowledgment that the company's contact-chipmaking, or foundry, business had faltered in its efforts to ensure sufficient capacity for customers during a time of widespread shortages. As a result, he said, Samsung "did not have that good of a reputation in Silicon Valley."

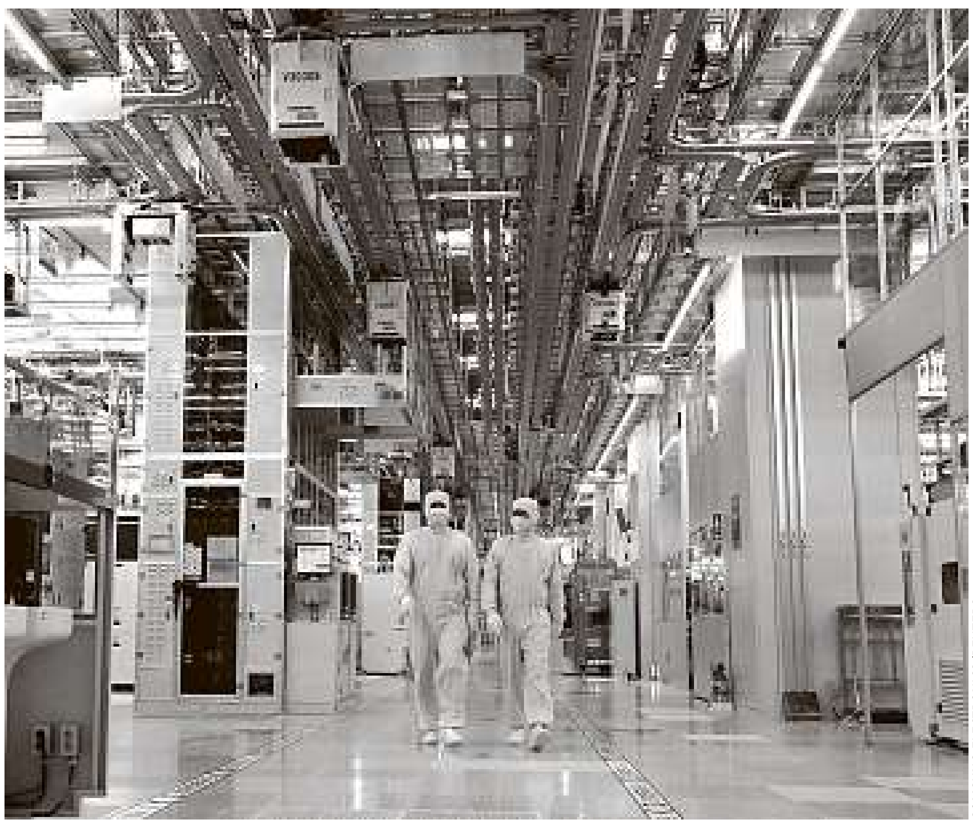
"In the foundry business, long-term strategic partnerships are important in addition to just winning customers, but we fell short in those aspects," said Mr. Kyung, who vowed improvements.

In the future, Samsung's semiconductor unit will invest in overseas locations as needed based on market changes, though has yet to firm up any specific plans, he added.

Annual change in global semiconductor sales



Source: World Semiconductor Trade Statistics



The sales falloff has taken many companies by surprise. Samsung's plant in Pyeongtaek, South Korea.

Tencent Deal Hurts Game Maker's Shares

By Sam Schechner

Investors are disappointed there is no imminent takeover in the offing for the maker of Assassin's Creed.

Shares in **Ubisoft Entertainment** SA, the developer behind the popular videogame franchise, fell more than 15% on Wednesday after Chinese internet giant **Tencent Holdings** Ltd. said it would increase its investment in the French company while agreeing to limit its holding, helping block a full Ubisoft takeover for now.

Deal-making among videogame companies has surged in recent years, including Microsoft Corp.'s $75 billion deal earlier this year to buy Activision Blizzard. That led analysts and investors to hope that other big tech and media companies would snap up the few big independent game developers that remain, like Ubisoft—pushing up their shares.

But under the terms of the Ubisoft investment, announced Tuesday, Tencent is agreeing only to pay nearly 50% of a family holding company that owns most of France's Guillemot family's shares in the videogame maker. It won't get any board seats or operational veto rights. Tencent, which currently owns 4.5% of the company directly, also agreed to cap its direct holdings at just under 10% for the next eight years.

"We are excited to expand our engagement with the founders, the Guillemot family," Martin Lau, Tencent's president, said in a statement.

Analysts say the transaction keeps Tencent from making a full takeover that investors had hoped for—but also deepens a partnership with the Chinese game maker that discourages other companies from making a bid.

"Everyone had been hoping for a takeover," said Charles-Louis Planade, a game-industry analyst at TPI CAP. "The message Tencent is sending to others is, 'Forget Ubisoft; it's for me.'"

A spokesman for Ubisoft said the deal with Tencent brings stability to its shareholder base, but that any other company could still make an offer to acquire the company. In that case, Tencent would no longer be bound by its cap and could make a counteroffer, the spokesman said.

The Ubisoft deal is the latest expansion by Tencent into foreign tech companies. Through a series of investments and deals, including the 2016 acquisition of mobile-game studio Supercell, Tencent has built itself into the world's largest videogame maker by revenue.

Ubisoft, founded by the Guillemot family in 1986, is one of the few remaining independent gaming studios that makes big, immersive games—making it a prime target for takeovers.

Ubisoft in 2020 said multiple senior executives had left amid an internal investigation into allegations of misconduct and inappropriate behavior.

◆ Heard on the Street: Tencent looks abroad to level up.... B12

Musk Suit Can Cite Informant

Continued from page B1

of documents produced by Twitter already, the burden from a previous ruling asking Twitter to produce a subset of additional documents and the burden an extended timeline would place on Twitter.

She said the defendants were wrong in arguing that she "misapprehended or overlooked facts" concerning the matter and that while they disagree with her decision, "disagreement is not a basis for reargument."

Chancellor McCormick also ordered Mr. Musk to produce phone records concerning texts between himself and Jared Birchall, head of the billionaire's family office, over a certain period.

The judge took some shots at Mr. Musk's legal team in the ruling, reiterating frustration she expressed in the hearing.

She said their approach to answering interrogatories—legal questions—"left much to be desired" and that despite Mr. Musk's side having less to do in producing documents ahead of trial, they "still fell short in their obligations."

"They did a bad job of it," she wrote in the ruling. That echoed some statements she made during oral arguments, when she said she was bothered by Mr. Musk's lawyers' delayed and incomplete responses to one of her orders.

In a decision resolving a fight between Twitter and Mr. Musk over producing company Slack messages from dozens of employees, the judge ruled that Twitter needed to provide ones from just two additional people: Egon Durban, a member of Twitter's board, and Vijaya Gadde, head of legal, policy and trust at the company.

During Tuesday's hearing, Mr. Spiro pointed to Mr. Zatko's expertise and reputation in the security industry and chastised Twitter for not disclosing what it knew about his accusations of "egregious deficiencies" related to privacy and digital security.

Twitter's team countered by describing Mr. Zatko as a disgruntled former employee with an ax to grind.

Listen to a Podcast

Scan this code for a podcast about the whistleblower's allegations.

Vacation travel largely returned to 2019 levels this summer or even surpassed them.

Vacationers Are Packing Flights, But Business Travel Is Slower

By Alison Sider

As a busy and sometimes chaotic summer comes to a close, major U.S. airlines said appetite for vacation travel is holding up as they continue to hope for a full recovery in business travel.

Airports were inundated with tourists this summer as vacation travel largely returned to 2019 levels or even surpassed them. Over the Labor Day weekend, passenger volumes topped levels from before the Covid-19 pandemic, according to the Transportation Security Administration.

The bigger question for airlines may be whether corporate bookings will chart a similar recovery this fall.

Corporate customers account for an outsize share of airline revenues and profits, but the Global Business Travel Association last month projected that the industry won't return to prepandemic spending levels worldwide until mid-2026—18 months later than it predicted last year—as inflation, high energy costs and other macroeconomic concerns slow recovery.

Despite concerns that consumers would be deterred by inflation and a weakening economy, executives said leisure bookings aren't ebbing.

"We're seeing a really strong September. It does not appear that summer has come to an end—it's that strong," said Patrick Quayle, United's senior vice president of global network planning and alliances.

Even as children return to school, people are still booking trips to Mexico, the Caribbean and Europe at similar levels as they did over the summer, he said.

"Historically, there's always a drop-off between August and September, and we're not seeing that," he said during a Cowen investor conference. United on Wednesday slightly increased its outlook for third-quarter revenue and margins.

Robert Isom, chief executive of American Airlines Group Inc., also said demand remains steady. "As we get past Labor Day, our leisure bookings remain strong," he said at the same event.

Airlines have said employees at small and midsize companies have been back on the road for months, but larger companies have been slower to return. While large corporations have been lagging, "it feels like there's a little more energy for return to office up and down the West Coast," said Shane Tackett, Alaska Air Group Inc.'s chief financial officer.

MARKETS DIGEST

EQUITIES

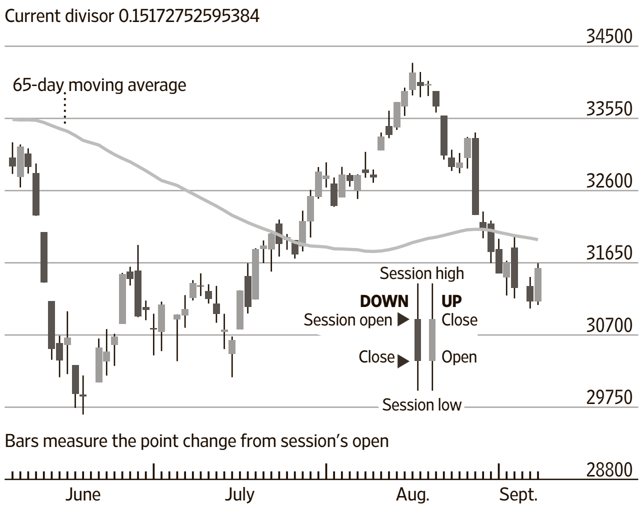
Dow Jones Industrial Average

31581.28 ▲435.98, or 1.40%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio	18.59	23.81
P/E estimate *	16.73	19.24
Dividend yield	2.25	1.82
All-time high	36799.65, 01/04/22	

Current divisor 0.15172752595384

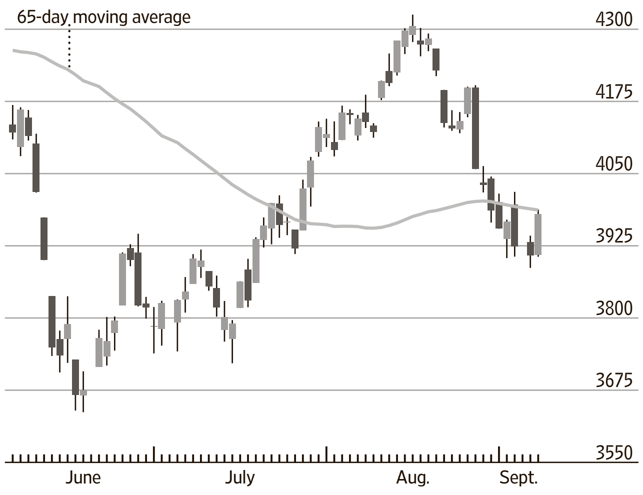


S&P 500 Index

3979.87 ▲71.68, or 1.83%

High, low, open and close for each trading day of the past three months.

	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	

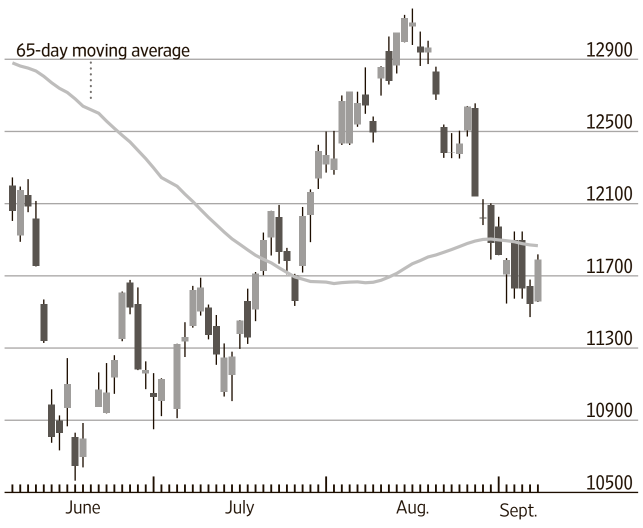


Nasdaq Composite Index

11791.90 ▲246.99, or 2.14%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio *†	24.82	36.25
P/E estimate *†	22.31	29.15
Dividend yield *†	0.90	0.66
All-time high:	16057.44, 11/19/21	



*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 High	Latest Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg	% chg YTD	% chg 3-yr. ann.
Dow Jones										
Industrial Average	31644.34	31095.21	31581.28	435.98	1.40	36799.65	29888.78	-9.8	-13.1	5.6
Transportation Avg	13789.77	13453.25	13737.97	73.42	0.54	17039.38	12868.60	-5.9	-16.6	10.1
Utility Average	1048.45	1016.83	1047.29	33.66	3.32	1071.75	869.74	10.3	6.8	7.3
Total Stock Market	40127.21	39276.54	40054.29	749.41	1.91	48929.18	36759.60	-14.3	-17.6	9.5
Barron's 400	916.36	897.78	914.64	12.87	1.43	1127.20	852.16	-11.2	-17.3	11.1
Nasdaq Stock Market										
Nasdaq Composite	11819.07	11555.08	11791.90	246.99	2.14	16057.44	10646.10	-22.9	-24.6	13.3
Nasdaq-100	12298.12	12026.98	12259.39	248.08	2.07	16573.34	11127.57	-21.5	-24.9	16.0
S&P										
500 Index	3987.89	3906.03	3979.87	71.68	1.83	4796.56	3666.77	-11.8	-16.5	10.1
MidCap 400	2435.95	2371.80	2432.02	53.94	2.27	2910.70	2200.75	-10.5	-14.4	8.4
SmallCap 600	1167.61	1143.79	1166.79	20.79	1.81	1466.02	1087.48	-13.2	-16.8	7.8
Other Indexes										
Russell 2000	1832.57	1787.43	1832.00	39.68	2.21	2442.74	1649.84	-18.6	-18.4	6.8
NYSE Composite	14865.99	14562.78	14844.57	213.05	1.46	17353.76	14097.05	-11.3	-13.5	4.7
Value Line	548.99	536.05	548.41	11.21	2.09	696.40	510.18	-17.2	-18.4	2.2
NYSE Arca Biotech	4760.61	4621.58	4754.01	110.53	2.38	5983.77	4208.43	-19.4	-13.9	3.6
NYSE Arca Pharma	766.16	753.49	765.29	6.96	0.92	887.27	732.23	-1.5	-7.5	9.2
KBW Bank	106.48	103.30	106.30	2.27	2.18	147.56	98.36	-15.1	-19.6	4.0
PHLX§ Gold/Silver	101.16	95.88	100.68	3.60	3.71	167.76	94.71	-23.4	-24.0	2.2
PHLX§ Oil Service	67.59	65.61	67.36	-0.85	-1.25	88.37	49.14	29.7	27.8	0.4
PHLX§ Semiconductor	2631.41	2560.45	2611.50	40.03	1.56	4039.51	2458.46	-22.7	-33.8	18.5
Cboe Volatility	27.15	24.54	24.64	-2.27	-8.44	36.45	15.01	37.2	43.1	18.0

§Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of $2 and minimum after-hours volume of 50,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
Energy Transfer	ET	7,261.2	11.45	-0.03	-0.22	11.49	11.42
Bank of America	BAC	6,854.6	33.58	0.01	0.03	33.61	33.55
SPDR S&P 500	SPY	5,756.2	397.79	0.01	0.003	397.90	393.48
iShares MSCI EAFE ETF	EFA	5,289.3	60.23	-0.63	-1.03	60.85	60.20
Globalstar	GSAT	5,057.8	2.10	0.04	1.94	2.17	2.04
KE Holdings ADR	BEKE	4,752.3	17.80	...	unch.	17.93	17.76
3M	MMM	4,064.3	120.50	-0.05	-0.04	122.25	119.88
iShares MSCI Emg Markets	EEM	3,821.8	38.33	-0.31	-0.80	38.64	38.31

Percentage gainers...

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
Asana	ASAN	1,435.1	22.57	3.53	18.54	22.93	18.79
Tandy Leather Factory	TLF	116.4	7.05	0.90	14.63	7.44	5.70
GameStop Cl A	GME	2,764.3	26.52	2.48	10.32	28.99	23.39
Vera Therapeutics	VERA	228.1	20.99	0.79	3.91	20.99	20.20
Light Wonder	LNW	84.1	49.06	1.83	3.87	49.06	47.23

...And losers

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
American Eagle Outfitters	AEO	1,229.9	9.94	-1.65	-14.24	11.62	9.61
Wayfair Cl A	W	73.9	47.00	-3.70	-7.30	51.00	46.40
McCormick Co	MKC	78.6	80.01	-4.99	-5.87	85.00	80.01
2U	TWOU	436.3	7.24	-0.38	-4.99	7.62	7.24
AvidXchange	AVDX	1,809.3	7.74	-0.40	-4.91	8.14	7.74

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	843,241,186	18,544,396
Adv. volume*	702,210,408	7,489,528
Decl. volume*	133,050,027	10,627,636
Issues traded	3,341	288
Advances	2,442	162
Declines	763	111
Unchanged	136	15
New highs	16	1
New lows	141	18
Closing Arms†	0.67	2.41
Block trades*	3,887	167

	Nasdaq	NYSE Arca
Total volume*	4,445,647,782	263,958,883
Adv. volume*	3,574,110,285	217,454,773
Decl. volume*	831,062,388	46,211,109
Issues traded	4,829	1,722
Advances	3,285	1,463
Declines	1,292	246
Unchanged	252	13
New highs	31	4
New lows	291	81
Closing Arms†	0.59	1.60
Block trades*	25,178	1,029

* Primary market NYSE, NYSE American NYSE Arca only.
†(TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

International Stock Indexes

Region/Country	Index	Close	Latest Net chg	Latest % chg	YTD % chg
World	MSCI ACWI	607.73	5.41	0.90	−19.5
	MSCI ACWI ex-USA	266.53	−1.81	−0.68	−22.6
	MSCI World	2614.10	29.13	1.13	−19.1
	MSCI Emerging Markets	956.51	−8.73	−0.90	−22.4
Americas	MSCI AC Americas	1514.26	26.23	1.76	−17.1
Canada	S&P/TSX Comp	19241.44	153.29	0.80	−9.3
Latin Amer.	MSCI EM Latin America	2131.44	−0.74	−0.03	0.1
Brazil	BOVESPA	109763.77	...	Closed	4.7
Chile	S&P IPSA	3402.52	−41.30	−1.20	21.3
Mexico	S&P/BMV IPC	46056.97	154.08	0.34	−13.5
EMEA	STOXX Europe 600	412.01	−2.37	−0.57	−15.5
Eurozone	Euro STOXX	387.80	0.45	0.12	−19.0
Belgium	Bel-20	3577.06	4.30	0.12	−17.0
Denmark	OMX Copenhagen 20	1648.15	−6.47	−0.39	−11.6
France	CAC 40	6105.92	1.31	0.02	−14.6
Germany	DAX	12915.97	44.53	0.35	−18.7
Israel	Tel Aviv	1970.25	−14.04	−0.71	−0.4
Italy	FTSE MIB	21489.36	8.75	0.04	−21.4
Netherlands	AEX	671.27	−4.00	−0.59	−15.9
Russia	RTS Index	1243.70	−8.77	−0.70	−22.1
South Africa	FTSE/JSE All-Share	66715.83	−822.94	−1.22	−9.5
Spain	IBEX 35	7855.90	13.70	0.17	−9.8
Sweden	OMX Stockholm	750.09	−2.06	−0.27	−27.7
Switzerland	Swiss Market	10805.16	−29.02	−0.27	−16.1
Turkey	BIST 100	3402.81	11.43	0.34	83.2
U.K.	FTSE 100	7237.83	−62.61	−0.86	−2.0
U.K.	FTSE 250	18811.48	−9.36	−0.05	−19.9
Asia-Pacific	MSCI AC Asia Pacific	150.55	−2.04	−1.34	−22.0
Australia	S&P/ASX 200	6729.30	−97.24	−1.42	−9.6
China	Shanghai Composite	3246.29	2.85	0.09	−10.8
Hong Kong	Hang Seng	19044.30	−158.43	−0.83	−18.6
India	S&P BSE Sensex	59028.91	−168.08	−0.28	1.3
Japan	NIKKEI 225	27430.30	−196.21	−0.71	−4.7
Singapore	Straits Times	3210.83	−13.35	−0.41	2.8
South Korea	KOSPI	2376.46	−33.56	−1.39	−20.2
Taiwan	TAIEX	14410.05	−267.15	−1.82	−20.9
Thailand	SET	1639.92	6.05	0.37	−1.1

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	Low	% chg
Azure Power Global	AZRE	4.86	1.27	35.38	24.61	3.26	-78.0
Shuttle Pharma	SHPH	36.40	7.90	27.72	126.26	11.77	...
a.k.a. Brands Holding	AKA	2.92	0.56	23.73	15.23	1.74	...
Nutex Health	NUTX	3.17	0.57	21.92	52.80	2.36	9.3
Reata Pharmaceuticals A	RETA	27.07	4.71	21.06	114.80	18.47	-75.4
Blue Apron Cl A	APRN	6.71	1.10	19.61	12.76	2.27	60.5
Amyris	AMRS	3.24	0.53	19.56	15.12	1.47	-76.0
Tupperware Brands	TUP	8.77	1.41	19.16	24.71	5.54	-61.7
Vicarious Surgical	RBOT	4.37	0.69	18.75	15.79	2.82	-56.2
Glaukos	GKOS	57.01	8.91	18.52	64.49	33.33	-0.6
Dyne Therapeutics	DYN	13.80	2.13	18.25	17.89	4.30	-15.2
Alaunos Therapeutics	TCRT	3.44	0.53	18.21	3.50	0.41	78.2
Coupa Software	COUP	65.82	10.00	17.91	270.79	50.54	-73.9
Quoin Pharm ADR	QNRX	3.91	0.59	17.77	372.50	2.94	-98.7
Cheetah Mobile ADR	CMCM	3.33	0.50	17.67	10.10	2.77	-65.7

Percentage Losers

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	Low	% chg
CleanTech Acquisition	CLAQ	6.77	-2.68	-28.36	13.00	5.61	-31.5
First Wave BioPharma	FWBI	3.24	-0.98	-23.22	211.50	2.87	-98.3
Veru	VERU	11.51	-3.08	-21.11	24.55	4.34	24.0
Presidio Property Trust	SQFT	1.73	-0.35	-16.83	4.18	1.66	-54.8
AdTheorent Holding	ADTH	2.32	-0.41	-15.02	11.90	2.23	-76.4
Avalo Therapeutics	AVTX	4.99	-0.88	-14.99	34.92	2.42	-84.8
TuanChe ADR	TC	2.33	-0.38	-14.02	3.95	1.42	12.0
Ascent Solar Technologies	ASTI	5.59	-0.90	-13.87	94.00	5.00	-92.6
Ucommune International	UK	5.50	-0.86	-13.52	21.80	2.61	-73.3
Oppenheimer Holdings A	OPY	30.16	-4.71	-13.51	54.98	28.88	-31.7
China Automotive Systems	CAAS	4.16	-0.63	-13.15	5.12	2.20	23.1
Golden Path Acquisition	GPCO	8.88	-1.34	-13.11	11.25	8.23	-10.2
Direxion S&P Biotech Br	LABD	21.05	-3.07	-12.73	85.28	15.70	12.0
Kaspien Holdings	KSPN	2.23	-0.31	-12.20	21.00	1.82	-88.9
FaZe Holdings	FAZE	12.10	-1.63	-11.87	24.69	8.02	24.9

Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	Low
Allena Pharmaceuticals	ALNA	259,942	879.9	0.08	3.16	1.17	0.06
ProShares UltraPro QQQ	TQQQ	164,364	3.8	27.61	5.91	91.68	21.32
ProSh UltraPro Shrt QQQ	SQQQ	121,383	5.4	45.42	-5.94	67.69	28.15
Globalstar	GSAT	116,407	1964.6	2.06	-1.44	2.98	0.90
Imara	IMRA	102,174	170933.4	2.01	71.79	4.62	0.97
Amer Virtual Cloud Techs	AVCT	90,375	207.5	0.19	-14.77	4.97	0.13
Apple	AAPL	87,151	18.4	155.96	0.93	182.94	129.04
Direxion Dly SCOND 3 BL	SOXL	79,078	22.9	12.99	4.59	74.21	10.53
SPDR S&P 500	SPY	70,625	-6.9	397.78	1.80	479.98	362.17
Advanced Micro Devices	AMD	67,799	-19.8	79.61	1.13	164.46	71.60

* Volumes of 100,000 shares or more are rounded to the nearest thousand

Volume Movers

Ranked by change from 65-day average*

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	Low
Good Wks II Acqn Cl A	GWII	446	6350	9.98	-0.15	10.01	9.67
Addentax Group	ATXG	17,286	5999	6.19	6.72	656.54	4.51
InMed Pharmaceuticals	INM	1,029	5409	8.80	0.00	59.25	5.82
CENAQ Energy Cl A	CENQ	520	4877	10.05	0.00	10.96	9.83
TortoiseEcofin III Cl A	TRTL	3,291	3837	9.77	0.00	10.15	9.61
Emg Mkts Horizon Cl A	HORI	197	3219	10.01	-0.30	10.04	9.75
Andretti Acquisition A	WNNR	1,174	3140	10.05	-0.22	10.31	9.84
Inflection Point Cl A	IPAX	220	2883	9.75	0.10	9.80	9.55
Graf Acquisition IV	GFOR	303	2827	9.75	0.31	10.01	9.63
Procure Space ETF	UFO	279	2766	20.72	1.17	31.90	19.37

* Common stocks priced at $2 a share or more with an average volume over 65 trading days of at least 5,000 shares †Has traded fewer than 65 days

CURRENCIES & COMMODITIES

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Country/currency	Wed in US$	Wed per US$	US$ vs, YTD chg (%)
Americas			
Argentina peso	.0071	140.7590	37.1
Brazil real	.1905	5.2486	−5.8
Canada dollar	.7622	1.3121	3.8
Chile peso	.001131	884.03	3.8
Colombia peso	.000227	4400.30	8.2
Ecuador US dollar	1	1	unch
Mexico peso	.0501	19.9768	−2.6
Uruguay peso	.02451	40.7950	−8.8
Asia-Pacific			
Australian dollar	.6769	1.4773	7.3
China yuan	.1436	6.9661	9.6
Hong Kong dollar	.1274	7.8499	0.7
India rupee	.01256	79.643	6.9
Indonesia rupiah	.0000670	14918	4.7
Japan yen	.006956	143.75	24.9
Kazakhstan tenge	.002110	473.86	8.9
Macau pataca	.1236	8.0890	0.7
Malaysia ringgit	.2221	4.5015	8.1
New Zealand dollar	.6075	1.6461	12.6
Pakistan rupee	.00445	224.625	27.5
Philippines peso	.0175	57.098	12.0
Singapore dollar	.7122	1.4041	4.1
South Korea won	.0007275	1374.61	15.6
Sri Lanka rupee	.0027778	360.00	77.4
Taiwan dollar	.03243	30.836	11.2
Thailand baht	.02746	36.410	9.6
Vietnam dong	.00004239	23590	3.2
Europe			
Czech Rep. koruna	.04071	24.561	12.3
Denmark krone	.1346	7.4308	13.6
Euro area euro	1.0008	.9993	13.6
Hungary forint	.002530	395.26	21.7
Iceland krona	.007103	140.79	8.5
Norway krone	.1000	9.9998	13.5
Poland zloty	.2126	4.7028	16.8
Russia ruble	.01635	61.150	−18.2
Sweden krona	.0935	10.6995	18.2
Switzerland franc	1.0241	.9765	7.0
Turkey lira	.0549	18.2271	36.8
Ukraine hryvnia	.0271	36.8500	34.7
UK pound	1.1535	.8669	17.3
Middle East/Africa			
Bahrain dinar	2.6525	.3770	0.01
Egypt pound	.0519	19.2705	22.7
Israel shekel	.2918	3.4271	10.2
Kuwait dinar	3.2334	.3093	2.2
Oman sul rial	2.5972	.3850	0.01
Qatar rial	.2732	3.660	0.5
Saudi Arabia riyal	.2661	3.7582	0.1
South Africa rand	.0580	17.2516	8.2

	Close	Net Chg	% Chg	YTD % Chg
WSJ Dollar Index	101.35	−0.33	−0.33	13.18

Sources: Tullett Prebon, Dow Jones Market Data

Commodities

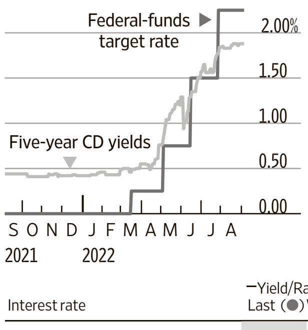
	Close	Wednesday Net chg	Wednesday % Chg	52-Week High	52-Week Low	52-Week % Chg	YTD % chg
DJ Commodity	1031.28	-15.76	-1.50	1264.48	888.27	15.29	8.99
Refinitiv/CC CRB Index	276.52	-6.11	-2.16	329.59	218.10	26.09	19.00
Crude oil, $ per barrel	81.94	-4.94	-5.69	123.70	65.57	18.24	8.95
Natural gas, $/MMBtu	7.842	-0.303	-3.72	9.680	3.561	59.58	110.24
Gold, $ per troy oz.	1715.30	14.90	0.88	2040.10	1696.60	-4.21	-6.14

CREDIT MARKETS

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



Selected rates

5-year CDs

Bankrate.com avg†:	1.85%
NBKC Bank	1.76%
Overland Park, KS	913-341-1144
State Bank of India California	2.27%
Los Angeles, CA	877-707-1995
Colorado Federal Savings Bank	3.20%
Greenwood Village, CO	877-484-2372
TAB Bank	3.25%
Ogden, UT	800-355-3063
CFG Community Bank	3.40%
Baltimore, MD	888-205-8388

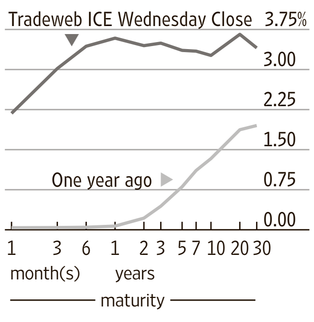
Interest rate	Yield/Rate (%) Last (●)	Week ago	52-Week Range (%) Low	High	3-yr chg (pct pts)
Federal-funds rate target	2.25-2.50	2.25-2.50	0.00	2.50	0.25
Prime rate*	5.50	5.50	3.25	5.50	0.25
Libor, 3-month	3.19	3.10	0.11	3.19	1.06
Money market, annual yield	0.16	0.15	0.07	0.16	-0.55
Five-year CD, annual yield	1.85	1.88	0.41	1.88	0.15
30-year mortgage, fixed†	6.17	6.03	3.04	6.17	2.52
15-year mortgage, fixed†	5.37	5.23	2.32	5.39	2.18
Jumbo mortgages, $647,200-plus†	6.20	6.05	3.06	6.20	1.54
Five-year adj mortgage (ARM)†	4.60	4.49	2.82	4.60	0.32
New-car loan, 48-month	5.15	5.10	3.41	5.15	0.50

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

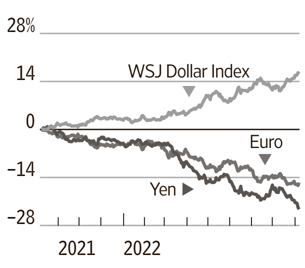
Treasury yield curve

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	Close	Yield (%) Last	Yield (%) Week ago	52-Week High	52-Week Low	Total Return (%) 52-wk	Total Return (%) 3-yr
U.S. Treasury, Bloomberg	2139.730	3.470	3.420	3.550	0.860	−10.904	−2.331
U.S. Treasury Long, Bloomberg	3381.210	3.610	3.480	3.690	1.720	−23.371	−7.192
Aggregate, Bloomberg	1990.220	4.050	3.960	4.140	1.400	−11.744	−2.127
Fixed-Rate MBS, Bloomberg	1987.870	4.110	3.960	4.240	1.670	−10.105	−2.134
High Yield 100, ICE BofA	3095.771	7.673	n.a.	8.427	3.272	−10.685	−0.214
Muni Master, ICE BofA	550.599	3.159	3.057	3.191	0.800	−8.538	−0.851
EMBI Global, J.P. Morgan	754.706	7.734	7.578	8.085	4.516	−19.574	−4.735

Sources: J.P. Morgan; Bloomberg Fixed Income Indices; ICE Data Services

COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Metal & Petroleum Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Copper-High (CMX)-25,000 lbs.; $ per lb.							
Sept	3.4630	3.4630		3.4180	**3.4380**	−0.0310	3,327
Dec	3.4600	3.4670		3.4030	**3.4305**	−0.0315	109,952
Gold (CMX)-100 troy oz.; $ per troy oz.							
Sept	1694.80	1715.20		1694.70	**1715.30**	14.90	1,671
Oct	1703.20	1721.40		1692.50	**1718.20**	14.80	42,703
Nov			▲		**1722.80**	14.90	6
Dec	1712.90	1731.20		1701.70	**1727.80**	14.90	379,273
Feb'23	1723.80	1742.40		1714.50	**1740.00**	14.80	28,400
April	1732.20	1753.60		1728.00	**1752.20**	14.80	6,631
Palladium (NYM) - 50 troy oz.; $ per troy oz.							
Sept	2019.50	2019.50		2019.50	**2007.90**	51.50	28
Dec	1982.50	2045.00		1963.00	**2022.80**	49.60	6,005
Platinum (NYM)-50 troy oz.; $ per troy oz.							
Sept					**846.00**	13.30	
Oct	837.20	855.60		826.20	**847.20**	13.30	58,503
Silver (CMX)-5,000 troy oz.; $ per troy oz.							
Sept	18.240	18.240		18.240	**18.137**	0.342	350
Dec	17.905	18.400		17.740	**18.260**	0.352	125,668
Crude Oil, Light Sweet (NYM)-1,000 bbls.; $ per bbl.							
Oct	86.93	87.76		81.50	**81.94**	−4.94	197,070
Nov	86.53	87.33		81.18	**81.63**	−4.88	156,189
Dec	86.10	86.80		80.79	**81.25**	−4.78	203,703
Jan'23	85.50	86.09		80.27	**80.75**	−4.68	71,508
June	81.82	82.15		77.33	**77.85**	−4.01	117,295
Dec	77.65	78.14		73.97	**74.57**	−3.46	145,840
NY Harbor ULSD (NYM)-42,000 gal.; $ per gal.							
Oct	3.5738	3.6234		3.4959	**3.5860**	.0122	74,615
Dec	3.4395	3.4735		3.3712	**3.4337**	−.0098	37,639
Gasoline-NY RBOB (NYM)-42,000 gal.; $ per gal.							
Oct	2.4358	2.4672		2.3001	**2.3077**	−.1082	73,678
Nov	2.3750	2.4171		2.2591	**2.2670**	−.1010	52,781
Natural Gas (NYM)-10,000 MMBtu.; $ per MMBtu.							
Oct	8.039	8.299		7.751	**7.842**	−.303	111,341
Nov	8.118	8.355		7.828	**7.901**	−.311	130,856
Dec	8.300	8.506		7.971	**8.035**	−.332	69,041
Jan'23	8.372	8.591		8.062	**8.115**	−.343	86,812
April	5.535	5.650		5.313	**5.352**	−.329	71,623
May	5.406	5.504		5.175	**5.219**	−.325	77,890

Agriculture Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Corn (CBT)-5,000 bu.; cents per bu.							
Sept	678.50	690.00		675.25	**676.75**	−4.00	4,127
Dec	675.00	688.00		669.00	**671.00**	−5.00	752,625
Oats (CBT)-5,000 bu.; cents per bu.							
Sept					**391.00**	−7.25	1
Dec	384.25	395.00		373.00	**376.50**	−7.25	3,014
Soybeans (CBT)-5,000 bu.; cents per bu.							
Sept	1485.25	1503.75		1472.50	**1466.75**	−23.25	794
Nov	1398.50	1432.25		1380.75	**1383.50**	−15.25	308,317
Soybean Meal (CBT)-100 tons; $ per ton.							
Sept	437.90	447.60		435.00	**436.10**	2.60	585
Dec	406.80	424.00		404.40	**411.50**	4.70	196,049
Soybean Oil (CBT)-60,000 lbs.; cents per lb.							
Sept					**67.73**	−1.23	19
Dec	63.28	63.49		61.70	**62.10**	−1.18	143,867
Rough Rice (CBT)-2,000 cwt.; $ per cwt.							
Sept					**16.78**	−.07	221
Nov	17.23	17.23		16.97	**17.06**	−.07	8,504
Wheat (CBT)-5,000 bu.; cents per bu.							
Sept	802.25	855.00		802.25	**826.50**	26.50	398
Dec	816.75	873.50		809.25	**844.25**	27.25	167,118
Wheat (KC)-5,000 bu.; cents per bu.							
Sept	920.00	931.00		906.75	**901.50**	22.50	64
Dec	880.50	934.00		874.00	**901.50**	19.50	92,196
Cattle-Feeder (CME)-50,000 lbs.; cents per lb.							
Sept	183.500	183.975		181.800	**182.025**	−2.150	5,223
Oct	185.450	185.925		183.750	**183.950**	−2.150	16,832
Cattle-Live (CME)-40,000 lbs.; cents per lb.							
Oct	145.100	145.500		144.150	**144.250**	−.800	112,280
Dec	150.975	151.150		150.000	**150.075**	−.800	79,842
Hogs-Lean (CME)-40,000 lbs.; cents per lb.							
Oct	91.750	93.225		90.825	**91.075**	−.025	72,700
Dec	84.200	85.225		83.500	**83.600**	.100	74,869
Lumber (CME)-110,000 bd. ft., $ per 1,000 bd. ft.							
Sept	490.00	509.00		485.10	**505.50**	15.50	296
Nov	462.20	488.70		458.00	**486.00**	23.80	2,043
Milk (CME)-200,000 lbs., cents per lb.							
Sept	19.63	19.86		19.51	**19.84**	.17	4,940
Oct	20.01	20.38		19.76	**20.34**	.25	6,089
Cocoa (ICE-US)-10 metric tons; $ per ton.							
Sept					**2,308**	−75	716
Dec	2,369	2,383		2,333	**2,350**	−19	143,570
Coffee (ICE-US)-37,500 lbs.; cents per lb.							
Sept	229.30	229.50		227.20	**226.90**	−7.00	179
Dec	229.95	231.00		222.95	**223.25**	−7.00	101,833
Sugar-World (ICE-US)-112,000 lbs.; cents per lb.							
Oct	17.98	18.34		17.92	**18.05**	.07	259,688
March'23	17.78	18.05		17.74	**17.82**	.02	232,655
Sugar-Domestic (ICE-US)-112,000 lbs.; cents per lb.							
Nov					**35.50**	...	1,860
Jan'23					**35.75**	...	2,553
Cotton (ICE-US)-50,000 lbs.; cents per lb.							
Oct	108.56	109.03		106.29	**106.10**	−2.19	84
Dec	103.40	105.39		101.19	**101.62**	−1.93	113,176
Orange Juice (ICE-US)-15,000 lbs.; cents per lb.							
Sept					**175.90**	−2.60	4
Nov	168.80	169.10		164.35	**165.90**	−2.60	8,174

Interest Rate Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Ultra Treasury Bonds (CBT) - $100,000; pts 32nds of 100%							
Sept	143-120	146-000		143-020	**145-260**	1-31.0	24,960
Dec	143-010	145-260		142-250	**145-180**	1-31.0	1,335,440
Treasury Bonds (CBT)-$100,000; pts 32nds of 100%							
Sept	132-260	134-140		132-200	**134-060**	1-06.0	40,135
Dec	132-060	133-290		132-020	**133-210**	1-07.0	1,169,192
Treasury Notes (CBT)-$100,000; pts 32nds of 100%							
Sept	115-185	116-075		115-140	**116-055**	18.0	32,842
Dec	115-170	116-075		115-135	**116-055**	18.5	3,513,132
5 Yr. Treasury Notes (CBT)-$100,000; pts 32nds of 100%							
Sept	110-052	110-195		110-037	**110-187**	11.5	27,120
Dec	110-040	110-187		110-012	**110-175**	12.2	3,982,185
2 Yr. Treasury Notes (CBT)-$200,000; pts 32nds of 100%							
Sept	104-048	104-090		104-045	**104-082**	2.9	35,044
Dec	104-007	104-057		104-002	**104-048**	3.6	1,919,372
30 Day Federal Funds (CBT)-$5,000,000; 100 - daily avg.							
Sept	97.4625	97.4650		97.4500	**97.4600**	.0000	192,882
Oct	96.9850	96.9950		96.9400	**96.9750**	−.0100	322,743
10 Yr. Del. Int. Rate Swaps (CBT)-$100,000; pts 32nds of 100%							
Sept	90-090	90-235		90-025	**90-190**	18.0	15,316
Three-Month SOFR (CME)-$1,000,000; 100 - daily avg.							
June	98.0600	98.0600		98.0575	**98.0575**	−.0025	709,366
Dec	96.1900	96.2250	▼	96.1500	**96.2050**	.0150	976,634
Eurodollar (CME)-$1,000,000; pts of 100%							
Sept	96.5825	96.6025		96.5400	**96.5775**	−.0075	1,110,668
Dec	95.8600	95.8900		95.8100	**95.8600**	−.0050	1,685,034
March'23	95.8250	95.8850		95.7950	**95.8650**	.0350	1,051,411
Dec	96.1950	96.3000		96.1800	**96.2850**	.0900	933,705

Currency Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Japanese Yen (CME)-¥12,500,000; $ per 100¥							
Sept	.7010	.7011	▼	.6903	**.6944**	−.0061	253,679
Dec	.7076	.7076	▼	.6967	**.7009**	−.0060	24,799
Canadian Dollar (CME)-CAD 100,000; $ per CAD							
Sept	.7601	.7625		.7569	**.7607**	.0005	142,437
Dec	.7597	.7623		.7567	**.7606**	.0005	16,746
British Pound (CME)-£62,500; $ per £							
Sept	1.1521	1.1542	▼	1.1407	**1.1503**	−.0023	261,041
Dec	1.1532	1.1561	▼	1.1427	**1.1523**	−.0020	19,028
Swiss Franc (CME)-CHF 125,000; $ per CHF							
Sept	1.0168	1.0254		1.0141	**1.0229**	.0065	45,695
Dec	1.0239	1.0334		1.0220	**1.0309**	.0066	2,363
Australian Dollar (CME)-AUD 100,000; $ per AUD							
Sept	.6736	.6770		.6699	**.6753**	.0021	170,454
Dec	.6744	.6780		.6709	**.6764**	.0021	7,547
Mexican Peso (CME)-MXN 500,000; $ per MXN							
Sept	.04956	.04998		.04941	**.04989**	.00037	195,704
Dec	.04869	.04912		.04857	**.04903**	.00037	3,454
Euro (CME)-€125,000; $ per €							
Sept	.9911	1.0017		.9883	**.9989**	.0072	672,320
Dec	.9977	1.0083		.9949	**1.0055**	.0074	32,030

Index Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Mini DJ Industrial Average (CBT)-$5 x index							
Sept	31153	31644		30975	**31577**	411	75,184
Dec	31250	31731		31073	**31670**	412	1,519
Mini S&P 500 (CME)-$50 x index							
Sept	3907.50	3988.75		3883.50	**3980.00**	69.50	2,183,890
Dec	3924.00	4005.25		3900.00	**3996.75**	70.00	117,751
Mini S&P Midcap 400 (CME)-$100 x index							
Sept	2375.40	2435.30		2360.30	**2431.10**	54.40	51,853
Dec	2370.10	2442.70		2370.10	**2439.70**	55.00	34
Mini Nasdaq 100 (CME)-$20 x index							
Sept	12019.75	12306.25		11921.50	**12263.25**	244.25	278,928
Dec	12090.00	12378.75		11996.50	**12338.50**	246.25	7,568
Mini Russell 2000 (CME)-$50 x index							
Sept	1791.60	1833.70		1778.70	**1830.60**	38.00	534,532
Dec	1798.40	1839.70		1785.80	**1837.10**	37.80	7,725
March'23	1839.30	1839.30		1800.00	**1846.50**	39.00	10
Mini Russell 1000 (CME)-$50 x index							
Sept	2152.30	2193.30		2148.90	**2188.80**	39.50	13,569
Dec					**2193.90**	39.90	2
U.S. Dollar Index (ICE-US)-$1,000 x index							
Sept	110.32	110.79	▲	109.52	**109.83**	−.37	58,417
Dec	110.03	110.48	▲	109.26	**109.57**	−.35	3,100

Source: FactSet

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

Wednesday, September 7, 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.

	Wednesday
Energy	
Coal,C.Aplc.,12500Btu,1.2SO2-r,w	192.900
Coal,PwdrRvrBsn,8800Btu,0.8SO2-r,w	16.200
Metals	
Gold, per troy oz	
Engelhard industrial	1700.00
Handy & Harman base	1702.65
Handy & Harman fabricated	1889.94
LBMA Gold Price AM	*1712.50
LBMA Gold Price PM	*1702.60
Krugerrand,wholesale-e	1779.11
Maple Leaf-e	1821.68
American Eagle-e	1821.68
Mexican peso-e	2196.39
Austria crown-e	1671.79
Austria phil-e	1787.63
Silver, troy oz.	
Engelhard industrial	18.1500
Handy & Harman base	18.2650
Handy & Harman fabricated	22.8310
LBMA spot price	*£15.8900
(U.S.$ equivalent)	*18.3950
Coins,wholesale $1,000 face-a	18296
Other metals	
LBMA Platinum Price PM	*852.0
Platinum,Engelhard industrial	858.0
Palladium,Engelhard industrial	2025.0
Aluminum, LME, $ per metric ton	*2260.0
Copper,Comex spot	3.4380
Iron Ore, 62% Fe CFR China-s	96.9
Shredded Scrap, US Midwest-s,m	n.a.
Steel, HRC USA, FOB Midwest Mill-s	820
Battery/EV metals	
BMI Lithium Carbonate, EXW China, =99.2%-v,w	70850
BMI Lithium Hydroxide, EXW China, =56.5% -v,w	69625
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	1.0910
Cotlook 'A' Index-t	*121.60
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	6.6700
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	4.4650
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	14.7400
Wheat,Spring14%-pro Mnpls-u	10.5000
Wheat,No.2 soft red,St.Louis-u	8.4038
Wheat - Hard - KC (USDA) $ per bu-u	9.8150
Wheat,No.1soft white,Portld,OR-u	9.2000
Food	
Beef,carcass equiv. index	
choice 1-3,600-900 lbs.-u	230.37
select 1-3,600-900 lbs.-u	206.64
Broilers, National comp wtd. avg.-u,w	1.2664
Butter,AA Chicago-d	3.1475
Cheddar cheese,bbl,Chicago-d	193.50
Cheddar cheese,blk,Chicago-d	185.00
Milk,Nonfat dry,Chicago lb.-d	153.00
Coffee,Brazilian,Comp-y	2.2784
Coffee,Colombian, NY-y	3.0218
Eggs,large white,Chicago-u	2.0750
Flour,hard winter KC-p	21.60
Hams,17-20 lbs,Mid-US fob-u	n.a.
Hogs,Iowa-So. Minnesota-u	97.54
Pork bellies,12-14 lb MidUS-u	n.a.
Pork loins,13-19 lb MidUS-u	1.3876
Steers,Tex.-Okla. Choice-u	n.a.
Steers,feeder,Okla. City-u,w	n.a.
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 9/6

Source: Dow Jones Market Data

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

Tracking Bond Benchmarks

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

Total return close	YTD total return (%)	Index	Yield (%) Latest	Low	High
Broad Market Bloomberg Fixed Income Indices					
1990.22	-11.2	U.S. Aggregate	4.050	1.400	4.140
U.S. Corporate Indexes Bloomberg Fixed Income Indices					
2897.94	-14.9	U.S. Corporate	4.930	1.960	5.010
2795.82	-9.0	Intermediate	4.720	1.340	4.820
3872.77	-24.1	Long term	5.310	2.900	5.410
569.02	-15.5	Double-A-rated	4.270	1.710	4.370
762.96	-15.5	Triple-B-rated	5.250	2.170	5.340
High Yield Bonds ICE BofA					
464.14	-11.1	High Yield Constrained	8.495	3.830	8.931
436.89	-13.3	Triple-C-rated	15.063	6.950	15.197
3095.77	-10.9	High Yield 100	7.673	3.272	8.427
402.60	-12.5	Global High Yield Constrained	8.721	4.019	9.062
305.67	-12.4	Europe High Yield Constrained	7.104	2.304	7.457
U.S Agency Bloomberg Fixed Income Indices					
1713.04	-6.6	U.S Agency	3.690	0.700	3.750
1511.86	-5.6	10-20 years	3.650	0.590	3.720
3392.98	-19.0	20-plus years	4.190	1.950	4.270
2547.37	-11.6	Yankee	4.600	1.570	4.670
Mortgage-Backed Bloomberg Fixed Income Indices					
1987.87	-9.5	Mortgage-Backed	4.110	1.670	4.240
1959.81	-8.3	Ginnie Mae (GNMA)	4.120	1.700	4.250
1169.20	-9.7	Fannie mae (FNMA)	4.110	1.660	4.240
1791.65	-10.1	Freddie Mac (FHLMC)	4.100	1.660	4.240
550.60	-8.6	Muni Master	3.159	0.800	3.191
392.29	-7.8	7-12 year	2.998	0.796	3.237
436.48	-11.2	12-22 year	3.734	1.146	3.753
408.54	-15.9	22-plus year	4.387	1.620	4.387
Global Government J.P. Morgan†					
538.59	-10.2	Global Government	2.550	0.790	2.590
764.69	-8.8	Canada	3.200	1.290	3.500
353.27	-13.0	EMU§	2.351	0.271	2.562
662.03	-12.9	France	2.120	0.150	2.330
474.56	-11.6	Germany	1.500	-0.370	1.740
284.90	-3.3	Japan	0.710	0.300	0.710
512.86	-13.9	Netherlands	1.840	-0.200	2.030
819.19	-21.1	U.K.	3.230	0.720	3.240
754.71	-17.9	Emerging Markets**	7.734	4.516	8.085

*Constrained indexes limit individual issuer concentrations to 2%; the High Yield 100 are the 100 largest bonds † In local currency § Euro-zone bonds

** EMBI Global Index

Sources: ICE Data Services; Bloomberg Fixed Income Indices; J.P.Morgan

Global Government Bonds: Mapping Yields

Yields and spreads over or under U.S. 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	3.447 ▼	3.499	3.248	0.220			
2.750	10	3.264 ▼	3.339	2.838	1.370			
2.750	**Australia** 2	3.070 ▲	3.059	2.630	0.018	-38.6	-45.5	-20.6
1.250	10	3.716 ▲	3.662	3.095	1.272	44.7	31.3	-10.2
0.000	**France** 2	0.895 ▼	0.900	0.375	-0.657	-256.1	-261.3	-88.1
2.000	10	2.148 ▼	2.200	1.496	0.035	-112.0	-114.9	-133.8
0.400	**Germany** 2	1.092 ▼	1.107	0.457	-0.694	-236.4	-240.7	-91.8
1.700	10	1.575 ▼	1.641	0.956	-0.321	-169.3	-170.9	-169.4
0.000	**Italy** 2	2.138 ▼	2.188	1.290	-0.462	-131	-132.5	-68.6
2.500	10	3.858 ▼	3.950	3.026	0.771	59.0	60.1	-60.2
0.005	**Japan** 2	-0.085 ▼	-0.081	-0.104	-0.121	-354.0	-359.5	-34.5
0.200	10	0.247 ▲	0.241	0.163	0.041	-302.1	-310.8	-133.3
0.000	**Spain** 2	1.262 ▼	1.282	0.641	-0.605	-219.4	-223.1	-82.9
2.550	10	2.738 ▼	2.787	2.024	0.367	-53.0	-56.2	-100.6
0.125	**U.K.** 2	2.979 ▼	3.184	1.949	0.196	-47.7	-33.0	-2.8
4.250	10	3.033 ▼	3.101	2.053	0.643	-23.5	-24.9	-73.0

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

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

Money Rates

September 7, 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	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	2.35	1.85	2.35	0.10
Overnight repurchase				
U.S.	2.25	2.29	2.31	0.01
U.S. government rates				
Discount				
	2.50	2.50	2.50	0.25
Federal funds				
Effective rate	2.3300	2.3400	2.3400	0.0700
High	2.4500	2.4500	2.4500	0.0900
Low	2.3000	2.3000	2.3200	0.0200
Bid	2.3300	2.3000	2.3300	0.0600
Offer	2.3700	2.3400	2.3700	0.0800
Treasury bill auction				
4 weeks	2.470	2.310	2.470	0.020
13 weeks	2.965	2.880	2.965	0.035
26 weeks	3.320	3.235	3.320	0.045
Secondary market				
Fannie Mae 30-year mortgage yields				
30 days	5.479	5.212	5.479	2.337
60 days	5.528	5.259	5.528	2.371
Other short-term rates				
Call money	4.25	4.25	4.25	2.00
Commercial paper (AA financial)				
90 days	n.a.	2.64	2.99	0.08
Libor				
One month	2.70457	2.55343	2.70457	0.07525
Three month	3.19400	3.09971	3.19400	0.11413
Six month	3.75214	3.66057	3.75214	0.14663
One year	4.18886	4.22314	4.22314	0.22163
Secured Overnight Financing Rate	2.29	2.29	2.30	0.03

	Latest	Value Traded	52-Week High	Low
DTCC GCF Repo Index				
Treasury	2.279	23.800	2.315	0.015
MBS	2.329	22.400	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 6, 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.

Corporate Debt

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

Investment-grade spreads that tightened the most...

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Spread*, in basis points Current	One-day change	Last week
BPCE	BPCEGP	1.000	4.31	Jan. 20, '26	95	−30	n.a.
Banco Santander	SANTAN	5.147	5.23	Aug. 18, '25	174	−16	180
John Deere Capital	...	3.400	3.87	June 6, '25	33	−9	n.a.
Nationwide Building Society	NWIDE	4.850	5.05	July 27, '27	164	−9	n.a.
Procter & Gamble	PG	3.000	3.93	March 25, '30	68	−9	68
Wells Fargo	WFC	3.000	4.31	Feb. 19, '25	77	−9	62
Toronto–Dominion Bank	TD	0.700	3.98	Sept. 10, '24	54	−8	57
Toyota Motor Credit	TOYOTA	1.450	3.89	Jan. 13, '25	39	−8	n.a.

...And spreads that widened the most

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Current	One-day change	Last week
Barclays	BACR	3.650	4.97	March 16, '25	146	21	n.a.
Royal Bank of Canada	RY	3.375	4.16	April 14, '25	65	16	63
MetLife	MET	6.375	4.81	June 15, '34	154	15	n.a.
Oracle	ORCL	5.375	6.40	July 15, '40	274	14	276
HSBC Holdings	HSBC	4.375	5.08	Nov. 23, '26	171	12	n.a.
Credit Suisse	CS	1.250	5.42	Aug. 7, '26	205	10	175
Medtronic	MDT	4.375	4.71	March 15, '35	142	10	124
Halliburton	HAL	7.450	6.09	Sept. 15, '39	243	9	n.a.

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

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Bond Price as % of face value Current	One-day change	Last week
Murphy Oil	MUR	7.050	7.14	May 1, '29	99.530	1.73	98.470
Occidental Petroleum	OXY	7.950	6.14	June 15, '39	118.750	1.68	121.840
Howmet Aerospace	HWM	5.950	6.32	Feb. 1, '37	96.573	1.60	97.750
Xerox	XRXCRP	6.750	8.40	Dec. 15, '39	85.074	1.45	n.a.
Sprint Capital	...	6.875	5.63	Nov. 15, '28	106.430	1.23	106.266
ZF North America Capital	ZFFNGR	4.750	6.76	April 29, '25	95.200	1.08	93.202
Ford Motor	F	4.750	7.00	Jan. 15, '43	75.759	0.88	75.939

...And with the biggest price decreases

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Current	One-day change	Last week
Navient	NAVI	5.625	9.69	Aug. 1, '33	73.000	−1.00	76.000
Occidental Petroleum	OXY	6.200	6.11	March 15, '40	101.000	−0.63	101.500
Ford Motor Credit	...	3.664	6.09	Sept. 8, '24	95.500	−0.50	n.a.
OneMain Finance	OMF	7.125	8.98	March 15, '26	94.500	−0.22	94.312
Dish DBS	...	7.750	15.18	July 1, '26	79.041	−0.21	79.500
Barclays	BACR	5.200	5.62	May 12, '26	98.631	−0.02	99.353

*Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year hot-run Treasury; 100 basis points=one percentage pt.; change in spread shown is for Z-spread.

Note: Data are for the most active issue of bonds with maturities of two years or more

Source: MarketAxess

Exchange-Traded Portfolios | WSJ.com/ETFresearch

Largest 100 exchange-traded funds, latest session

Wednesday, September 7, 2022

ETF	Symbol	Closing Price	Chg (%)	YTD (%)
CnsmrDiscSelSector	XLY	159.93	3.07	−21.8
CnsStapleSelSector	XLP	73.45	1.80	−4.7
DimenUSCoreEq2	DFAC	24.60	1.74	−15.1
EnSelSectorSPDR	XLE	78.30	−1.16	41.1
FinSelSectorSPDR	XLF	33.46	1.98	−14.3
HealthCareSelSect	XLV	127.15	1.63	−9.8
IndSelSectorSPDR	XLI	93.79	1.60	−11.4
InvscQQQI	QQQ	298.97	2.02	−24.9
InvscS&P500EW	RSP	142.53	2.19	−12.4
iSh0-5YTIPSBd	STIP	98.87	0.02	−6.6
iShCoreDivGrowth	DGRO	49.30	1.73	−11.3
iShCoreMSCIEAFE	IEFA	57.40	0.86	−23.1
iShCoreMSCIEM	IEMG	47.56	0.81	−20.5
iShCoreMSCITotInt	IXUS	55.67	0.91	−21.5
iShCoreS&P500	IVV	399.82	1.81	−16.2
iShCoreS&P MC	IJH	243.22	2.27	−14.1
iShCoreS&P SC	IJR	95.73	1.73	−16.4
iShCoreS&PTotUS	ITOT	88.52	1.85	−17.3
iShCoreTotalUSDBd	IUSB	46.25	0.70	−12.6
iShCoreUSAggBd	AGG	100.11	0.69	−12.2
iShSelectDividend	DVY	121.23	2.00	−1.1
iShESGAwareUSA	ESGU	88.63	1.86	−17.9
iShEdgeMSCIMinUSA	USMV	72.54	2.01	−10.3
iShEdgeMSCIUSAQual	QUAL	116.75	1.78	−19.8
iShGoldTr	IAU	32.61	1.05	−6.3
iShiBoxx$InvGrCpBd	LQD	108.38	1.37	−18.2
iShJPMUSDEmgBd	EMB	85.58	1.52	−21.5
iShMBSETF	MBB	95.99	0.60	−10.6
iShMSCI ACWI	ACWI	85.74	1.49	−18.9
iShMSCI EAFE	EFA	60.85	0.88	−22.7
iShMSCIEmgMarkets	EEM	38.64	0.89	−20.9
iShMSCIEAFEValue	EFV	41.68	0.48	−17.3
iShNatlMuniBd	MUB	105.25	0.30	−9.5
iSh1-5YIGCorpBd	IGSB	50.34	0.38	−6.6
iShPfd&Incm	PFF	32.98	1.01	−16.4
iShRussell1000Gwth	IWF	234.60	1.94	−23.2
iShRussell1000Val	IWD	151.03	1.72	−10.1
iShRussell2000	IWM	182.19	2.18	−18.1
iShRussellMid-Cap	IWR	69.43	2.34	−16.4
iShRussellMCValue	IWS	108.05	2.28	−11.7
iShRussell1000	IWB	219.56	1.88	−17.0
iShS&P500Growth	IVW	64.70	1.97	−22.7
iShS&P500Value	IVE	142.56	1.63	−9.0
iShShortTreaBd	SHV	109.97	−0.004	−0.4
iShTIPSBondETF	TIP	111.67	0.41	−13.6
iSh1-3YTreasuryBd	SHY	82.25	0.15	−3.8
iSh7-10YTreaBd	IEF	100.05	0.65	−13.0
iSh20+YTreasuryBd	TLT	109.19	1.58	−26.3
iShUSTreasuryBd	GOVT	23.46	0.49	−12.1
JPM UltShtIncm	JPST	50.16	0.05	−0.6
SPDRBlm1-3MTB	BIL	91.45	0.01	0.02
SPDR Gold	GLD	159.94	1.02	−6.4
SPDRS&P500Value	SPYV	38.20	1.68	−9.0
SPDRPtfS&P500	SPLG	46.78	1.83	−16.2
SPDRS&P500Growth	SPYG	56.03	1.91	−22.7
SchwabIntEquity	SCHF	30.64	0.76	−21.2
SchwabUS BrdMkt	SCHB	46.73	1.90	−17.3
SchwabUS Div	SCHD	72.83	1.46	−9.9
SchwabUS LC	SCHX	47.14	1.86	−17.2
SchwabUS LC Grw	SCHG	62.25	2.05	−24.0
SchwabUS SC	SCHA	41.89	2.17	−18.2
Schwab US TIPs	SCHP	55.11	0.38	−12.4
SPDR DJIA Tr	DIA	316.33	1.32	−12.9
SPDR S&PMdCpTr	MDY	444.56	2.29	−14.1
SPDR S&P 500	SPY	397.78	1.80	−16.2
SPDR S&P Div	SDY	124.83	1.96	−3.3
TechSelectSector	XLK	134.08	1.60	−22.9
UtilitiesSelSector	XLU	77.13	3.13	7.8
VangdInfoTech	VGT	345.08	1.59	−24.7
VangdSC Val	VBR	159.71	1.91	−10.7
VangdExtMkt	VXF	141.01	2.23	−22.9
VangdSC Grwth	VBK	215.58	2.77	−23.5
VangdDivApp	VIG	149.63	1.82	−12.9
VangdFTSEDevMk	VEA	39.84	0.86	−22.0
VangdFTSE EM	VWO	40.60	0.84	−17.9
VangdFTSE Europe	VGK	51.12	1.39	−25.1
VangdFTSEAWxUS	VEU	48.63	0.79	−20.6
VangdGrowth	VUG	240.28	2.08	−25.1
VangdHlthCr	VHT	235.49	1.83	−11.6
VangdHiDiv	VYM	104.52	1.44	−6.8
VangdIntermBd	BIV	76.50	0.63	−12.7
VangdIntrCorpBd	VCIT	79.23	0.92	−14.6
VangdLC	VV	181.93	1.81	−17.7
VangdMC	VO	211.21	2.24	−17.1
VangdMC Val	VOE	137.56	2.16	−8.5
VangdMBS	VMBS	47.15	0.47	−10.8
VangdRealEst	VNQ	94.52	1.95	−18.5
VangdS&P500ETF	VOO	365.68	1.79	−16.2
VangdST Bond	BSV	76.17	0.17	−5.8
VangdSTCpBd	VCSH	75.95	0.30	−6.5
VangdShtTmInfltn	VTIP	49.47	0.04	−3.8
VangdShortTrea	VGSH	58.52	0.12	−3.8
VangdSC	VB	189.80	2.31	−16.0
VangdTaxExemptBd	VTEB	49.36	0.06	−10.1
VangdTotalBd	BND	74.09	0.72	−12.6
VangdTotIntlBd	BNDX	49.14	0.37	−10.9
VangdTotIntlStk	VXUS	50.33	0.86	−20.8
VangdTotalStk	VTI	199.53	1.85	−17.4
VangdTotWrldStk	VT	87.37	1.45	−18.7
VangdValue	VTV	135.94	1.50	−7.6

BIGGEST 1,000 STOCKS

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are composite quotations that include primary market trades as well as trades reported by Nasdaq BX (formerly Boston), Chicago Stock Exchange, Cboe, NYSE National and Nasdaq ISE.

The list comprises the 1,000 largest companies based on market capitalization.

Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume.

Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was $2 or higher.

Footnotes:
- ▲-New 52-week high.
- ▼-New 52-week low.
- **dd**-Indicates loss in the most recent four quarters.
- **FD**-First day of trading.
- **h**-Does not meet continued listing standards
- **lf**-Late filing
- **q**-Temporary exemption from Nasdaq requirements.
- **t**-NYSE bankruptcy
- **v**-Trading halted on primary market.
- **vj**-In bankruptcy or receivership or being reorganized under the Bankruptcy Code, or securities assumed by such companies.

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

Wednesday, September 7, 2022

A B C

Stock	Sym	Close	Net Chg
ABB	ABB	27.76	0.44
ADT	ADT	8.41	0.02
AECOM	ACM	73.81	1.80
▲ AES	AES	27.18	1.13
Aflac	AFL	60.86	1.33
AutoNation	AN	119.45	3.21
AutoZone	AZO	2197.06	66.20
Avalara	AVLR	91.91	0.07
Avalonbay	AVB	210.45	3.32
Avangrid	AGR	49.46	0.86
Avantor	AVTR	25.17	0.71
AveryDennison	AVY	188.67	5.14
AvisBudget	CAR	157.56	2.65
CardinalHealth	CAH	70.97	1.46
Carlisle	CSL	302.80	4.86
Carlyle	CG	32.33	0.67
CarMax	KMX	88.52	3.39
Carnival	CCL	9.82	0.38
Carnival	CUK	8.77	0.34
CarrierGlobal	CARR	41.50	1.20
CaseysGenStores	CASY	221.40	6.22

New Highs and Lows

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. % CHG-Daily percentage change from the previous trading session.

Wednesday, September 7, 2022

Stock	Sym	52-Wk Hi/Lo	% Chg
EHang	EH	6.01	2.0
ElPolloLoco	LOCO	8.15	7.2
ElancoAnimal	ELAN	14.33	1.2
ElancoAnimalUn	ELAT	23.72	...
ElevateCredit	ELVT	1.27	-0.8
Enovis	ENOV	47.73	2.0
EnteraBio	ENTX	1.30	-0.9
ErmenegildoZegnaWt	ZGN.WS	1.25	-5.8
Escalade	ESCA	10.85	0.1
GencoShipping	GNK	12.97	-3.3
GIIIApparel	GIII	18.27	-5.6
GlenBurnieBncp	GLBZ	9.84	-3.5
GoldFields	GFI	7.73	2.9
GoldenFalconWt	GFX.WS	0.05	-11.6
GoldenPath	GPCO	8.23	-13.1
GrafTechIntl	EAF	5.52	3.4
GranitePointMtg	GPMT	8.79	-0.8
Graphex	GRFX	1.80	-8.3
IdexBiometrics	IDBA	6.12	-4.8
iMediaBrands	IMBI	0.85	-4.6
Infobird	IFBD	0.34	-1.6
InfoSvcsGrp	III	5.30	2.2
InnovAge	INNV	3.39	...
InnovativeEyewr	LUCY	2.35	-4.4
InsightAcqnWt	INAQ.WS	0.09	-12.0
InsteelInds	IIIN	26.94	2.1
IntegratedRailWt	IRRX.WS	0.16	0.6
Lands'End	LE	9.86	2.8
LandseaHomes	LSEA	5.68	-0.2
LibertyBroadbandC	LBRDK	95.63	1.6
LibertyGlobal A	LBTYA	18.82	1.7
MemberCollect	MCG	4.94	7.5
MesaLab	MLAB	155.53	3.1
Minim	MINM	0.29	-2.7
MitsubishiUFJ	MUFG	4.89	-1.4
NuSkinEnts	NUS	38.54	1.2
NuvationBioWt	NUVB.WS	0.24	-4.0
Nuvei	NVEI	27.93	2.6

Continued on Page B10

IPO Scorecard

Performance of IPOs, most-recent listed first

Company SYMBOL IPO date/Offer price	Wed's close ($)	% Chg From Offer price	% Chg From 1st-day close
bioAffinity Tech **BIAF** Sept. 1/$6.13	5.75	**–6.2**	–30.7
Addentax Grp **ATXG** Aug. 31/$5.00	6.19	**23.8**	–99.1
Shuttle Pharmaceuticals Hldgs **SHPH** Aug. 31/$8.13	36.40	**348.0**	–5.4
Hempacco **HPCO** Aug. 29/$6.00	4.74	**–21.0**	–39.1
Jeffs' Brands **JFBR** Aug. 26/$4.16	1.67	**–59.9**	–37.7
Onfolio Hldgs **ONFO** Aug. 26/$5.00	1.57	**–68.6**	–34.6
PaxMedica **PXMD** Aug. 26/$5.25	3.58	**–31.8**	–27.1
Starbox Grp Hldgs **STBX** Aug. 23/$4.00	3.40	**–15.0**	–77.9
GigaCloud Technology **GCT** Aug. 18/$12.25	20.22	**65.1**	28.9
Innovative Eyewear **LUCY** Aug. 16/$7.50	2.39	**–68.1**	–56.9

Sources: Dow Jones Market Data; FactSet

Dividend Changes

Company	Symbol	Yld %	Amount New/Old	Frq	Payable / Record
Increased					
Phillips Edison	PECO	3.3	.0933 / .09	M	Oct03 / Sep16
Verizon Communications	VZ	6.4	.6525 / .64	Q	Nov01 / Oct07
Reduced					
Presidio Property Trust	SQFT	19.4	.02 / .106	Q	Sep30 / Sep16
Initial					
Ryman Hospitality Prop	RHP	0.5	.10		Oct17 / Sep30
Foreign					
G. Willi-Food Intl	WILC	5.3	.43		Sep21 / Sep13
Pyxis Tankers Pfd. A	PXSAP	9.4	.1615	M	Sep20 / Sep13

Sources: FactSet; Dow Jones Market Data

KEY: A: annual; M: monthly; Q: quarterly; r: revised; SA: semiannual; S2:1: stock split and ratio; SO: spin-off.

Mutual Funds

Data provided by LIPPER

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

e-Ex-distribution. f-Previous day's quotation. g-Footnotes x and s apply. j-Footnotes e and s apply. k-Recalculated by Lipper, using updated data. p-Distribution costs apply, 12b-1. r-Redemption charge may apply. s-Stock split or dividend. t-Footnotes p and r apply. v-Footnotes x and e apply. x-Ex-dividend. z-Footnote x, e and s apply. NA-Not available due to incomplete price, performance or cost data. NE-Not released by Lipper; data under review. NN-Fund not tracked. NS-Fund didn't exist at start of period.

Wednesday, September 7, 2022

Fund	NAV	Net Chg	YTD %Ret
BluCh	127.53	+2.78	-30.5
Contra	13.94	+0.21	-24.7
ContraK	14.00	+0.22	-24.7
CpInc	9.29	+0.05	-10.3
GroCo	26.37	+0.56	-27.7
InvGrBd	10.16	+0.06	-11.0
LowP	48.00	+0.40	-10.8
Magin	11.50	+0.24	-22.2
NASDAQ	149.45	+3.13	-24.1
CapApInst	70.60	+1.50	-29.9
Harding Loevner			
IntlEq	22.46	+0.19	-25.3
Invesco Funds A			
EqIncA	10.29	+0.12	-8.7
Invesco Funds Y			
DevMktY	34.67	+0.18	-26.3
JHF III DispVal			
DispValMCI	25.12	+0.54	-9.2
LrgCpStr	14.76	+0.22	-21.7
Parnassus Fds			
ParnEqFd	52.86	+1.04	-16.5
PGIM Funds Cl Z			
HighYield	4.69	+0.02	NA
TotalReturnBond	12.28	+0.07	NA
PIMCO Fds Instl			
AllAsset	11.07	+0.04	-11.2
TotRt	8.87	+0.05	-12.1
500Adml	368.42	+6.65	-15.6
BalAdml	41.38	+0.56	-14.5
CAITAdml	11.07	-0.01	-7.9
CapOpAdml	r159.45	+2.92	-17.6
DivAppIdxAdm	40.61	+0.75	-12.0
EMAdmr	33.77	+0.19	-16.8
EqIncAdml	86.99	+1.31	-4.4
ExplrAdml	94.43	+2.27	-20.7
ExtndAdml	107.03	+2.42	-22.6
TotStAdml	97.14	+1.82	-16.8
TxMCapAdml	206.04	+3.86	-16.4
TxMIn r	12.79	+0.09	-21.1
USGroAdml	113.53	+2.62	-32.6
ValAdml	53.01	+0.79	-6.5
WdsrIIAdml	70.37	+1.13	-13.4
WellsIAdml	62.54	+0.60	-9.6
WelltnAdml	71.60	+0.97	-13.7
WndsrAdml	76.27	+1.26	-5.8
MdCpVlAdml	71.27	+1.50	-7.6
SmValAdml	68.67	+1.31	-9.9
TotBd2	9.64	+0.05	-11.4
TotIntlInstIdx	r107.99	+0.70	-20.0
TotItlInstPlId	r108.02	+0.70	-20.0
TotSt	97.11	+1.82	-16.8
VANGUARD INSTL FDS			
BalInst	41.39	+0.56	-14.5
DevMktsIndInst	12.80	+0.08	-21.1

Evergrande's Stake in Bank Sold

Troubled China builder nets $1.05 billion after bid by consortium in court-arranged auction

By Cao Li and Clarence Leong

A consortium of Chinese state-owned and private companies agreed to pay the equivalent of $1.05 billion for a minority stake in a domestic bank held by **China Evergrande** Group, helping the troubled property developer settle a dispute over one of its debt obligations.

The group of seven companies, which are mostly from China's northeastern Liaoning province, was the sole bidder in an auction arranged by a local court, which had put a 14.6% stake in a regional commercial lender called **Shengjing Bank** Co. up for sale.

The opening price of the auction on Taobao, Alibaba Group Holding Ltd.'s internet-auction platform, was 7.31 billion yuan, equivalent to $1.05 billion—the same as the consortium's bid. Three of the companies in the group are majority- or wholly owned by the government of Shenyang, the capital of Liaoning province.

Evergrande, the world's most indebted developer, in late July disclosed that one of its subsidiaries had been told to honor a guarantee of that amount following an arbitration ruling.

That subsidiary had pledged all its shares in Shengjing Bank toward the guarantee, and Evergrande indicated that the stake would have to be sold.

Evergrande used to be the bank's largest shareholder and once owned more than 36% of the lender. Shengjing Bank is based in Shenyang and has 18 branches in five Chinese provinces and municipalities. It also previously made loans to Evergrande.

After the developer began to struggle with liquidity problems last year, Evergrande sold more than half its ownership in the bank to Shenyang Shengjing Financial Holdings Investment Co., a subsidiary of the state-owned Assets Supervision and Administration Commission of Shenyang. That deal, for a 20% stake in the bank, was valued at about $1.5 billion.

The sale of Evergrande's remaining stake in the lender will help stabilize the bank's operations, said Wang Xiaoqiang, a senior analyst with zhuge.com, a real-estate data company.

"Shenyang SASAC's acquisition of the shares will not only improve Shengjing Bank's operation, but also help China Evergrande to tide over difficult times," Ms. Wang added.

Song Hongwei, a research director of Tongce Research Institute, which tracks and analyzes China's real-estate market, said the local government had to step in to help resolve the situation. He said that if the auction had failed, it could have affected Shengjing Bank's valuation or posed risks to the lender.

Shengjing Bank, which is listed in Hong Kong, last month reported net profit equivalent to about $136 million for the first half of 2022, down 8.4% from the same period a year earlier. The bank had total assets of $152 billion at the end of June.

Evergrande, which disclosed roughly $300 billion in liabilities in mid-2021, has been trying to reach an agreement with its creditors after defaulting on its international debt late last year. Its Chief Executive Officer Shawn Siu told Chinese media earlier this week that the developer would strive to come up with a plan to restructure its offshore debts by the end of the year.

ANDREA VERDELLI/BLOOMBERG NEWS

The sale is expected to help stabilize both the regional bank and the developer that held a stake in it. A China Evergrande project in Beijing.

Kardashian Cofounds Investment Venture

By Laura Cooper

Kim Kardashian and a former partner at Carlyle Group Inc. are launching a new private-equity firm focused on investing in and building consumer and media businesses.

Ms. Kardashian is teaming up with Jay Sammons, who ran consumer investing at Carlyle, to launch **SKKY Partners**, they said in separate interviews. SKKY will make investments in sectors including consumer products, hospitality, luxury, digital commerce and media as well as consumer-media and entertainment businesses.

Ms. Kardashian, known to many from her appearances on her family's show "The Kardashians" and its predecessor, "Keeping Up With the Kardashians," has steadily grown her own business empire in recent years. The undergarment and apparel business she started in 2019, Skims, was valued at $3.2 billion in January. The company raised $240 million at that time in a funding round led by Lone Pine Capital. This year she launched a skin-care line, SKKN BY KIM, a nine-product collection.

Known for investing in hot brand names such as Beats By Dre and streetwear brand Supreme, Mr. Sammons left Carlyle at the end of July after more than 16 years at the firm. He said he expects to continue making similar investments as he did at Carlyle.

Mr. Sammons approached Ms. Kardashian and her mother, Kris Jenner, about starting the firm earlier this year, he said, adding that he has had a relationship with them for years. Ms. Jenner, who serves as her daughter's manager and oversees the family's businesses, will join SKKY as a partner, Mr. Sammons said.

SKKY plans to make both control and minority investments in companies. Ms. Kardashian said the idea of working closely with entrepreneurs to help them grow companies is what attracted her to the idea of starting SKKY. She said she would bring experiences from her own businesses to bear when working to help portfolio companies thrive.

SKKY will make equity investments in luxury goods, media and other sectors.

"The exciting part is to sit down with these founders and figure out what their dream is," Ms. Kardashian said. "I want to support what that is, not change who they are in their DNA, but just support and get them to a different level."

SKKY hasn't made any investments yet but plans to make its first one before the end of the year, Ms. Kardashian said. The firm founders haven't begun fundraising, but plan to start doing so from institutional investors shortly. Mr. Sammons and Ms. Kardashian declined to provide details on the expected size of the fund.

The former Carlyle investor will run the day-to-day operations of the firm, which will be based in Boston, where he lives, and Los Angeles, where Ms. Kardashian lives.

Mr. Sammons, who has spent two decades in the private-equity industry, said that joining with Ms. Kardashian allows the pair to leverage their complementary skill sets: for him, the financial and investment side, and for her, an ability to expand companies with help from her global reach and social influence.

Manufacturers Turn to 'Machine Health' Tech

By Angus Loten

Startups that make technology designed to predict industrial-equipment failures before they happen are seeing a surge in demand, as strained supply chains prompt manufacturers to squeeze more efficiency out of production lines, startup founders and analysts say.

Anna Farberov, general manager of PepsiCo Labs, the technology venture arm of **PepsiCo** Inc., said that over the past year so-called predictive-maintenance systems at four Frito-Lay plants reduced unexpected breakdowns, interruptions and incremental costs for replacement parts, among other benefits. Developed by New York startup **Augury** Inc., the technology helped Frito-Lay add some 4,000 hours a year of manufacturing capacity—the equivalent of several million pounds of snacks coming off the production line and shipped to stores, Ms. Farberov said.

PepsiCo is sending the technology to most of its U.S. Frito-Lay plants and plans to roll it out in its southern U.S. beverage plants and eventually to all its bottling facilities in North America, she said. "We had a very clear business target to achieve," she said.

The global market for predictive-maintenance technology, also called machine-health tech, is expected to reach $18.6 billion by 2027, growing at a compound annual growth rate of just over 26%, according to data-analysis firm Research and Markets. When Covid-19 struck in 2020, closing factories and disrupting shipping routes, worldwide spending on predictive maintenance stood at roughly $4 billion, the firm said.

Augury expects to add up to 50 new industrial customers by the end of the year, said Saar Yoskovitz, the company's co-founder and chief executive. In addition to Pepsi, current customers include **Colgate-Palmolive** Co., **DuPont** Inc. and **Hershey** Co., among roughly 100 beverage and food producers, pharmaceutical firms, consumer packaged goods makers and other large-scale manufacturers, the company says.

Augury makes wireless sensors that attach to factory equipment and pick up the sounds they emit. The data is transmitted to its cloud-based platform and analyzed by artificial-intelligence software trained to recognize more than 80,000 industrial machinery sounds at various life cycles of operations—from functioning smoothly to falling apart—and overlays these sounds to detect patterns. Augury's system then relays its insights to the plant's maintenance team in real time, enabling them to better focus equipment inspections.

Other tech startups offering similar predictive-maintenance technology include **C3.ai** Inc., **DataProphet** and Senseye. Though the technology isn't new, soaring demand—driven by added supply-chain disruptions in the wake of Russia's invasion of Ukraine and Covid-related shutdowns in China—is making these and other startups increasingly valuable to manufacturers.

Senseye, a predictive-maintenance software developer based in the U.K., in June was acquired by **Siemens** AG. In announcing the deal, Siemens said Senseye's technology can reduce unplanned machine downtimes by up to 50%, while boosting maintenance staff productivity by as much as 30%. Terms weren't disclosed.

In October, when Augury raised $180 million in a Series E funding round—which took its private-market valuation above $1 billion—its lead investor was oil-field giant **Baker Hughes** Co. Another was the corporate venture arm of **Schneider Electric** SE. Under the terms of the deal, Baker Hughes took a seat on Augury's board. It also signed a multiyear commercial agreement, Augury said.

Warren Pruitt, vice president of global engineering at Colgate-Palmolive, said the company turned to predictive-maintenance tools in a bid to improve machine performance and reduce machine downtime. Previously, the company relied on preventive and calendar-based maintenance to manage equipment, he said. Colgate-Palmolive has put Augury's platform to work in all of its North America plants, as well as many in Europe, Latin America and Asia, he said.

JOHN MARSHALL MANTEL/ZUMA PRESS

Predictive-maintenance tech at four Frito-Lay plants reduced unexpected breakdowns and costs.

Newell Brands Cuts Outlook as Stores Cut Orders

By Sabela Ojea

Retailers are reducing orders for the fall more than expected, consumer-goods supplier **Newell Brands** Inc. said, a sign that merchants are stepping up efforts to pare swollen inventory stockpiles.

The distributor of Sharpie markers, Yankee Candle and other consumer products cut its sales outlook for the third quarter and for the year, and now expects a decline in sales from a year ago, when retailers were bulking up inventories depleted early in the pandemic and manufacturers were scrambling to boost production.

The consumer market has shifted dramatically this year, with high inflation cutting into spending and shoppers turning away from some goods in favor of travel and services. Retailers including Walmart Inc., Target Corp. and Macy's Inc. that pulled orders forward to get around supply-chain disruptions are discounting some goods, seeking to slough off excess inventories to off-price outlets and canceling orders with overseas suppliers.

"Although we remain enthusiastic about the back-to-school season and continue to see solid growth in the commercial business, we have experienced a significantly greater-than-expected pullback in retailer orders and continued inflationary pressures on the consumer," Newell Brands Chief Executive Ravi Saligram said.

The company said it now expects to close the third quarter with net sales in the range of $2.21 billion to $2.32 billion, down from its previous guidance of $2.39 billion to $2.5 billion. For 2022, Newell expects net sales in the range of $9.37 billion to $9.58 billion, a drop from previous guidance of $9.76 billion to $9.98 billion, it said.

The new outlook would also represent a decline in sales when compared with year-ago periods, when it reported sales of $2.8 billion and $10.6 billion for the third quarter of 2021 and 2021 as a whole, respectively.

Newell shares rose about 0.8% to $17.21 in Wednesday trading.

New Highs and Lows

Continued From Page B9

Stock	Sym	52-Wk Hi/Lo	% Chg
OPKO Health	OPK	2.10	2.8
Offerpad	OPAD	1.35	2.2
OncoSecMedical	ONCS	0.67	-0.7
1-800-FLOWERS	FLWS	6.47	1.2
180LifeSci	ATNF	0.77	-0.8
OneStopSystems	OSS	3.63	-1.6
OneSpan	OSPN	9.57	-2.2
Onfolio	ONFO	1.42	1.0
OnfolioWt	ONFOW	0.15	-7.7
OpenText	OTEX	28.94	0.3
Oppenheimer A	OPY	28.88	-13.5
OppFiWt	OPFI.WS	0.20	8.7
Organogenesis	ORGO	3.41	-3.0
Organon	OGN	28.23	0.9
OrientalCulture	OCG	1.43	2.0
Orix	IX	77.42	-0.1
OsirisAcqn	OSI.U	9.74	0.1
PLBY Group	PLBY	3.91	4.7
PVH	PVH	53.03	4.8
PalisadeBio	PALI	0.14	5.7
PanbelaTherap	PBLA	0.51	-1.9
ParsecCapWt	PCXCW	0.02	-56.5
Patterson	PDCO	25.03	3.0
PediatrixMedical	MD	16.33	7.1
PegasusDigWt	PGSS.WS	0.22	-4.3
PeriphasCapWt	PCPC.WS	0.20	14.3
PerkinElmer	PKI	130.13	1.9
Perma-Fix	PESI	4.71	0.5
PetrosPharm	PTPI	0.61	-2.4
PineIslandWt	PIPP.WS	0.08	-5.2
PineappleEner	PEGY	1.93	1.0
PioneerBancorp	PBFS	9.13	2.0
Pixelworks	PXLW	1.73	1.7
PolarityTE	PTE	0.86	-4.0
Polished.comWt	POL.WS	0.14	-5.1
PolyPid	PYPD	1.10	4.3
PostHldgsWt	PSPC.WS	0.15	-14.9
PowerREIT PfdA	PWpA	24.58	-0.4
PresidioProperty	SQFT	1.66	-16.8
PresidioPropPfdD	SQFTP	18.70	1.8
PrimorisSvcs	PRIM	19.00	1.9
ProfoundMed	PROF	5.30	-4.3
QualigenTherap	QLGN	0.35	-1.5
QualtricsIntl	XM	11.21	0.4
Quhuo	QH	2.62	-3.5
RMR Group	RMR	25.57	1.6
ROC Energy Rt	ROCAR	0.06	-14.3
RebornCoffee	REBN	2.11	-4.7
ReconTech	RCON	0.61	-1.2
Remark	MARK	0.35	-6.9
Renalytix	RNLX	1.52	-4.5
ReunionNeuro	REUN	2.67	-4.8
RevelationBioUn	REVBU	0.40	7.1
Rezolute	RZLT	2.17	-1.3
RigettiCompWt	RGTIW	0.23	11.4
RigettiComp	RGTI	2.13	3.1
RioTinto	RIO	53.21	-1.0
RithmCapPfdC	RITMpC	18.68	-0.6
RockleyPhotonics	RKLY	1.11	0.8
RogersComm B	RCI	41.47	-0.3
RubiconTech	RBCN	3.05	-1.6
ShuaaPtrsI Wt	SHUAW	0.08	-0.8
SLGreenRealtyPfd	SLGpI	23.33	-0.5
SWK Holdings	SWKH	16.28	-0.8
Salesforce	CRM	150.48	1.0
ScopusBio	SCPS	0.31	-5.9
Sema4	SMFR	0.96	7.4
Semantix	STIX	2.23	-7.8
SemperParatusWt	LGSTW	0.10	-35.3
SeniorConnectI Wt	SNRHW	0.03	-6.3
ShiftPixy	PIXY	11.06	-4.2
ShinhanFin	SHG	24.82	0.7
SierraBancorp	BSRR	20.48	1.4
SimplyGoodFoods	SMPL	29.30	0.3
SiTime	SITM	94.21	2.9
Skillsoft	SKIL	2.62	-3.2
SmartSand	SND	1.56	-2.4
SolarWinds	SWI	8.26	-1.8
SonnetBio	SONN	0.20	0.6
Sony	SONY	73.05	-1.2
SoteraHealth	SHC	15.82	-6.1
SoCopper	SCCO	44.31	1.3
SpectrumBrands	SPB	59.90	0.5
StandardMotor	SMP	35.21	0.2
StanleyBlackDck	SWK	84.63	2.6
StanleyB&D Un	SWT	54.61	1.7
Starbox	STBX	3.39	-5.8
StarryGroupWt	STRY.WS	0.13	12.0
Strattec	STRT	24.46	-1.0
StrongholdDig	SDIG	1.27	4.6
SunshineBio	SBFM	1.01	-1.9
TCBioPharm	TCBP	0.30	0.5
Ternium	TX	28.72	...
TOP Ships	TOPS	0.26	-3.4
TPG RE Fin	TRTX	8.67	-0.3
T2Biosystems	TTOO	0.10	-7.1
TangoTherap	TNGX	3.57	-3.7
Taoping	TAOP	0.66	-4.4
Telefonica	TEF	3.92	...
TenaxTherap	TENX	0.19	-10.4
Teradata	TDC	31.86	-0.3
TeraWulf	WULF	1.06	-10.7
TesscoTech	TESS	4.16	-3.0
TioTechA Wt	TIOAW	0.10	-10.0
TonixPharm	TNXP	0.87	0.7
ToyotaMotor	TM	140.96	-0.4
TreasureGlobal	TGL	2.71	1.4
TrinityPlace	TPHS	0.85	-5.4
Trinseo	TSE	24.74	1.1
Tronox	TROX	13.72	3.2
TrueCar	TRUE	1.92	...
TuscanIIWt	THCAW	0.04	-38.4
Tuya	TUYA	1.19	-2.4
TysonFoods	TSN	72.18	1.1
UiPath	PATH	12.21	-11.2
Unisys	UIS	8.68	-0.8
UnitedInsurance	UIHC	0.92	-4.4
UnitedSecBcshrs	UBFO	6.84	0.7
US GlobalInv	GROW	3.58	0.3
Uniti	UNIT	9.02	0.3
UnivestFin	UVSP	24.20	1.2
UsanaHealth	USNA	60.33	1.2
UserTesting	USER	3.87	1.5
Vaccinex	VCNX	0.74	-1.1
VascularBiogenics	VBLT	0.19	-1.6
VeraBradley	VRA	3.31	...
Veritex	VBTX	26.86	-3.1
Verizon	VZ	41.00	...
VersusSystems	VS	0.25	-8.8
VickersVantIWt	VCKAW	0.11	-11.1
VillageFarms	VFF	2.48	0.8
VivaniMedical	VANI	2.78	-9.9
Vodafone	VOD	12.64	-2.3
Vontier	VNT	20.88	1.9
WarnerBrosA	WBD	12.48	0.4
WesternDigital	WDC	40.13	1.2
WeTrade	WETG	1.25	-4.3
WheelsUp	UP	1.73	6.9
WholeEarthBrdsWt	FREEW	0.18	45.0
WidePoint	WYY	2.18	-3.1
Wiley A	WLY	39.43	-9.8
Wiley B	WLYB	41.46	-12.2
Willdan	WLDN	20.64	0.3
WooriFin	WF	24.28	...
XL Fleet	XL	1.06	...
XPeng	XPEV	15.63	0.6
YottaAcqnWt	YOTAW	0.04	-29.7
ZimIntShipping	ZIM	31.37	-4.8
ZimVie	ZIMV	14.11	-0.1
Zovio	ZVO	0.24	-3.6
Zymeworks	ZYME	4.11	-2.3

STREETWISE | By James Mackintosh

U.K. Looks a Mess, but Markets Still Have Faith

It's increasingly easy to present Britain as a basket case.

Liz Truss has just taken office as the fourth prime minister in six years, with gross domestic product per person still lower than before the pandemic, the highest inflation among major economies, its own central bank predicting a slump next year and a deep energy crisis taking hold.

Productivity has been dire for more than a decade, it has cut itself out of its main trading bloc, debt is high and strikers are bringing critical ports, railways and courts to a halt.

This might not sound like a natural place to invest, and indeed Deutsche Bank this week flagged up the (small) risk of a balance of payments crisis. But everything has a price, so it's worth at least wondering if the U.K. is cheap enough to more than justify the obvious weakness.

My view is that Britain has much the same troubles as the rest of Europe, thanks to soaring energy costs in the wake of Russia's invasion of Ukraine. It's made things a bit worse for itself by taking a holiday from government while the Conservative Party picked a new leader (who said some silly things about managing the economy) over the summer, but it can rescue the situation.

It's easy to cherry-pick data to support the case that markets are losing faith:

◆ Sterling on Wednesday dropped below its 2020 low against the dollar to reach the lowest since 1985, and there's loose talk in the markets of "dollar parity" (though at $1.14 to the pound even the 1985 low of $1.05 remains far off).

◆ Gilts have sold off heavily, with August the worst month for 10-year and 30-year government bonds in data back to 1989. Investors took fright at the prospect of Ms. Truss's new government having to borrow well over £100 billion, equivalent to $115 billion, to cap energy prices, as well as her promise to cancel planned tax increases on companies and workers.

◆ Stocks have been an absolute disaster for a very long time, with the price of the FTSE 100 barely up since its 1999 peak, and the forward price-to-earnings ratio dropping below 10 this summer, the cheapest of any large market. A dollar-based investor would have made no money since 2014 in the FTSE, while more than doubling it in the S&P.

It's equally easy to dismiss such price moves. Sure, the pound has collapsed against the dollar. But what currency hasn't? The pound is down about 15% against the dollar this year, but the euro is down 13% and the yen 19%. Sterling is no outlier. The same goes for gilts, which lost slightly more than German bonds at all maturities; enough to notice, but a 3% yield on the 10-year is hardly a sign of panic with inflation at 10%.

British small and midsize companies, which tend to be more domestic, have underperformed European ones this year, but again not by much. And the FTSE itself has beaten both European stocks and the S&P 500 in dollar terms—and is rare among equity markets in delivering a positive return when its dividends are included, in local currency terms.

The sub-10 price/earnings ratio on the FTSE was a result of the skew of the market toward energy and mining companies, which have low valuations everywhere, not just in the U.K.

The markets haven't—at least so far—concluded that Britain has unique troubles.

Yet, the risk of a crisis can't be dismissed. Julian Jessop, a fellow at the free-market think tank Institute of Economic Affairs and an informal adviser to Ms. Truss's campaign, says problems are possible. The U.K. has a record current-account deficit and needs to borrow more to finance her plans, at a time when the government has yet to establish credibility.

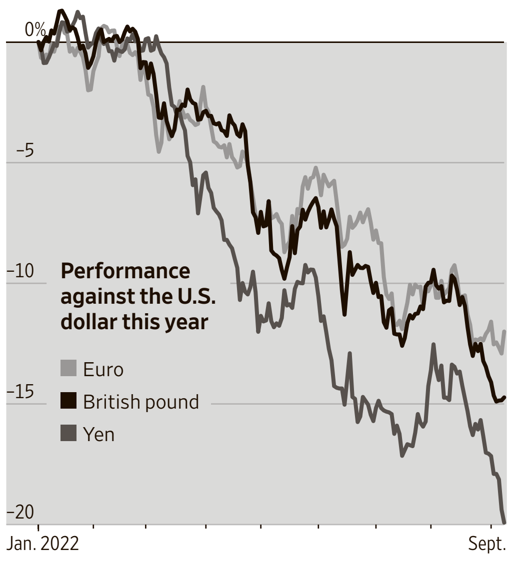
What could make it go wrong? "If she comes out and does something completely bonkers then that's a threat," Mr. Jessop says.

A deep recession forcing yet further tax cuts would hurt. Or if a series of policy reverses make the markets lose faith in Britain's predictability, when the world economy and markets are already highly volatile. He doesn't expect any of these.

Ms. Truss's inflammatory comments during the internal party election campaign over the summer mostly explain the underperformance of British markets compared with Europe. But her musings about changes to the Bank of England and her praise for the Bank of Japan—which has the easiest monetary policy of any major central bank—are unlikely to lead to radical changes. If anything, she seems to want tighter policy, which foreign investors would applaud. Equally, her rejection of "handouts" followed by reports of different ideas for energy rescue plans confused investors.

Hopefully, the new prime minister has learned from the market reaction to her comments and will improve her communication. The first test comes on Friday with details of her plan to cap energy bills.

Britain, like Europe, faces hard times, and isn't coping terribly well. But its institutions still function and markets haven't, for all the scaremongering, lost faith. Things could always get worse—or be messed up by an inexperienced government—but I wonder if the apocalyptic talk is itself a sign that pessimism about British assets has gone too far.



*September 2022 figure as of Wednesday

Sources: Tullett Prebon (performance against the dollar); Refinitiv (British pound)

Warwick Pitches Fund for Oil Bets

By Luis Garcia

Warwick Investment Group is seeking $750 million for a new fund to invest in oil and gas, saying unrelenting global demand for fuels combined with a dearth of capital in the sector make it a good time to prospect for deals.

COMMODITIES

"The beginning of a commodities bull market, coupled with falling investment…and the continued demand growth from emerging markets, creates a compelling backdrop for oil and gas investments over the next decade," Warwick said in a marketing presentation viewed by The Wall Street Journal.

The Oklahoma City firm is pitching the new fund, Warwick Partners V LP, roughly 18 months after wrapping up a predecessor pool with $416 million. The firm has set a $1.2 billion upper limit for the new fund, the presentation showed.

Warwick, which started out buying interests in oil-and-gas wells run by publicly traded energy companies, expanded roughly three years ago to become a well operator in its own right, the presentation showed. Warwick's fund would stick with that strategy and target energy assets across regions such as the Permian Basin and Eagle Ford Shale in Texas, Oklahoma's Mid-Continent and the Appalachian Basin in Pennsylvania and West Virginia. The firm said it aims to generate a risk-adjusted net internal rate of return of 17% and a gross return on investment of 2.0 times invested capital with the new fund, according to the presentation.

Warwick seeks to take advantage of diminished investor interest in oil- and gas-focused strategies, which raised $2.64 billion across seven U.S.-focused funds last year, according to research provider PitchBook Data Inc. That represents an 83% drop from the $15.41 billion collected in 2020 across 20 U.S. funds, the data show. As of mid-August, private-equity firms raised $1.62 billion across four U.S. oil- and gas-focused funds, PitchBook said.

A sharp rise in prices for oil and gas this year spurred renewed investor interest and encouraged private-equity firms to start new oil-and-gas funds, but raising capital remains challenging, industry consultants say.

Limited partner investors "are focused on renewables, energy transition and energy efficiency as the wave of the future and are not swayed by what they perceive as temporary blips in commodity prices," said Kelly DePonte, a managing director at fund placement agent Probitas Partners.

Warwick points to reduced competition for deals and the creation of a unique opportunity to invest in the sector through a drop in oil- and gas-focused fundraising in recent years, according to the presentation. It highlighted trends among publicly traded energy companies to return capital to shareholders and to merge with large peers, which both tend to thin out the universe of potential buyers for smaller energy businesses.

Investors Shun Crash Puts

Continued from page B1

drop.

Hedge funds and other big institutional investors have already reduced their exposure to the stock market after the S&P 500 dropped 21% in the first half.

"We have seen less demand for hedging because a lot of the large institutions that use protective options have de-risked their portfolios substantially," said Steve Sosnick, chief strategist at Interactive Brokers Group Inc.

Traders aren't betting on an extreme market move—known as a tail risk or black swan event—either. The Nations TailDex, which measures the demand for high-payout options tied to such a crash, is also signaling calm. The index has yet to close above 15 since mid-June, after averaging nearly 21 daily last year and spiking to 56 in March 2020 during the Covid-19 market shock.

"Investors simply are not assigning high probabilities to catastrophic outcomes," said Garrett DeSimone, head of quantitative research at data provider OptionMetrics.

Even if the economy slows into a recession as the Fed tightens monetary policy, few investors are predicting a protracted downturn. Consumer spending has remained relatively resilient, and the labor market has been robust, with the unemployment rate hovering near a 50-year low.

Despite the lack of demand for hedges, Wall Street's fear gauge—the Cboe Volatility Index, or VIX—has climbed in recent weeks. That mostly stems from options activity near current market levels, analysts say.

One way to see that is in the convergence of the VIX, which estimates volatility based on options tied to outcomes ranging from a major crash to much smaller moves, and the Nations VolDex, which is geared specifically toward more immediate price changes.

Demand for options nearer to current market levels has pushed the VolDex closer to the VIX, compressing the spread between the two and suggesting that activity is what is driving headline volatility higher. The indexes closed Tuesday at 24.42 and 26.83, respectively.

"People want protection immediately…they do not want insurance to kick in only if the S&P 500 falls another 10 or 15%," said Scott Nations, president of **Nations Indexes Inc.**, which develops volatility and option strategy indexes, the SkewDex, TailDex and VolDex among them. He added that investors may have lost their appetite for downside protection after the strategies failed to pay out during the market's steady grind lower.

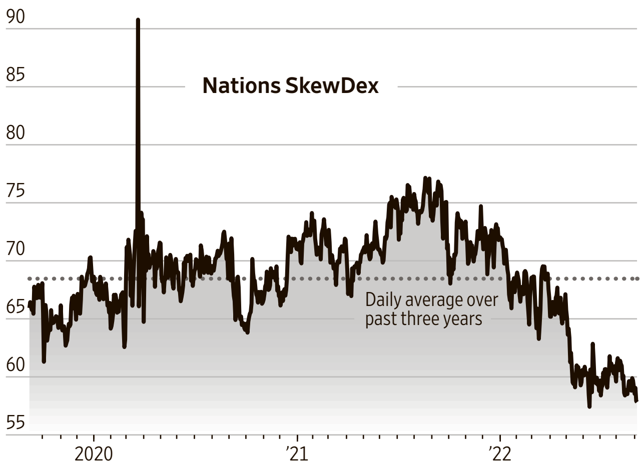
The relative lack of demand for hedges doesn't indicate a broader trend away from trading options. Volumes are set to break a record this year, with more than 40 million contracts trading daily, according to the Options Clearing Corp. Nearly 913 million contracts changed hands in August, the third-highest month on record and a 13% rise from a year earlier.

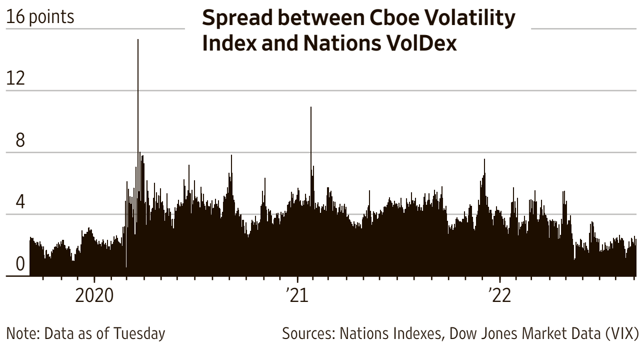
Some traders are still betting on a whirlwind of market volatility through bullish call options on the VIX. More than 105,000 contracts were placed last Thursday on the volatility index hitting 70 by January, according to data provider Trade Alert, representing more than 20% of total call volume on the index that day.

Since its launch in 1993, the VIX has only closed above that level 11 times, with all instances occurring during the 2008-09 financial crisis or March 2020 Covid-19 crash.

Investors have also turned to other avenues for expressing their pessimism—speculators recently upped their bets against S&P 500 futures to the highest levels since March 2020.

That sentiment may finally be creeping into the options market: The ratio of put options to bullish call options changing hands over the past week is near highs, according to Deutsche Bank.





Note: Data as of Tuesday

Sources: Nations Indexes, Dow Jones Market Data (VIX)

Nasdaq Slump Ends

Continued from page B1

strong, encouraging the Federal Reserve to keep raising interest rates to curb inflation. Wednesday's move might suggest that sentiment is changing.

WEDNESDAY'S MARKETS

"For the last several weeks, the market read positive economic news as bad news, because it meant further tightening from the Fed," said Art Hogan, chief market strategist at B. Riley FBR Inc. "That counterintuitive reaction can only last for so long—today investors are realizing they overreacted."

Mr. Hogan noted that the best-case scenario—the Fed tackling inflation without causing a recession—requires economic growth to remain fairly robust.

Long-term U.S. Treasury yields also halted their recent rise, adding some relief for investors who feared rates could hit even more restrictive levels, he said.

The yield on 10-year U.S. Treasurys declined to 3.264% from 3.339% Tuesday. Yields fall when bond prices rise.

International benchmark Brent crude sank 5.2% to $88 a barrel. Domestic West Texas Intermediate fell 5.7% to $81.94, for its lowest close since Jan. 11, according to Dow Jones Market Data.

"What we are seeing today is worry over Chinese demand," said Stewart Glickman, senior equity analyst and head of energy sector at CFRA Research.

"The lion's share of incremental demand for oil on a yearly basis comes from emerging markets," added Mr. Glickman. "When China taps the brake hard on its economy with its zero-tolerance policy on Covid-19, that eats into projected demand."

Chinese trade data showed outbound shipments rose 7.1% from a year earlier in August, slowing from an 18% increase in July. China's imports increased 0.3% from a year earlier, down from 2.3% growth in July.

The export figures point to softening global growth, while the import data suggest lockdowns are hurting demand in China, said BNP Paribas Asset Management strategist Daniel Morris. "You are conceivably losing your second-biggest global motor of growth because Covid just seems to drag on and on in terms of the restrictions," he said.

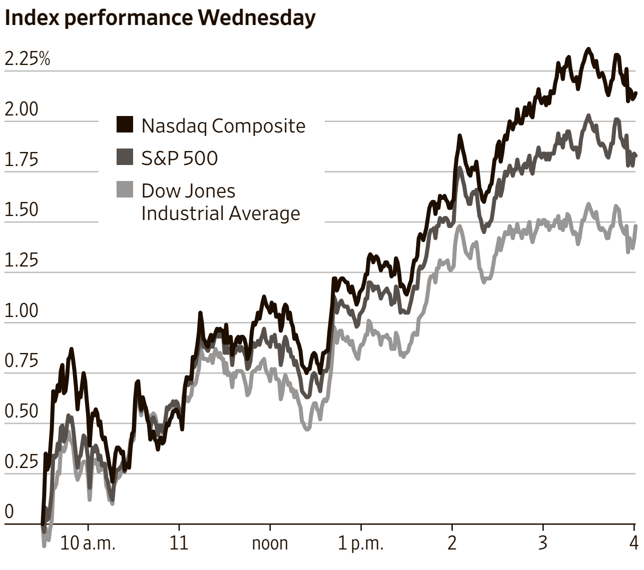
Investors parsed another batch of data on the U.S. economy on Wednesday, in the Fed's release of its periodic compilation of economic anecdotes collected from businesses around the country.

Comments in the beige book contained notions of resilient economic strength to this point, which investors weighed against a bleaker forward outlook. Similarly, continued wage growth was measured against an overall slowing in price increases in many of the Fed's 12 districts.

Overseas, the Stoxx Europe 600 fell 0.6%. Early Thursday, Japan's Nikkei 225 was up 2.1%, Hong Kong's Hang Seng Index was down 0.6% and the Shanghai Composite was down 0.1%. S&P 500 futures were flat.

GEORGE FREY/GETTY IMAGES

Oil prices fell to their lowest level since before the invasion of Ukraine. Benchmark Brent crude sank 5.2% to $88 a barrel.



Source: FactSet