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THE WALL STREET JOURNAL.

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What's News

Business & Finance

China's economy expanded 3% in 2022, one of its slowest rates in decades as repeated lockdowns hammered households and businesses, and down sharply from its 8.1% pace in 2021. **A1**

◆ **Two years into** negotiations with U.S. regulators about whether TikTok will be able to remain in the country, the popular Chinese-owned video-sharing app is trying a new tack: increased transparency. **A1**

◆ **Electric-vehicle sales** crossed a key global milestone last year, achieving market share of around 10%, aided by strong growth in China and Europe, according to data and estimates. **A1**

◆ **Activist investor** Ryan Cohen has built a stake in Alibaba and is pushing the Chinese e-commerce giant to intensify its share-repurchase program, according to people familiar with the matter. **B1**

◆ **Bain Capital** Co-Chairman Steve Pagliuca is retiring after a 34-year career at the private-equity firm, where he will remain a senior adviser. **B1**

◆ **Microsoft said it** will allow more businesses access to the software behind popular artificial-intelligence tools made by OpenAI. **B1**

◆ **Treasury chief** Yellen will meet with senior Chinese official Liu He this week. **A6**

◆ **The CFPB is** weighing new restrictions tied to the fees money-transfer companies charge for wiring money abroad. **A5**

World-Wide

◆ **Russia and its ally** Belarus launched air-force exercises along the border with Ukraine in an effort to boost coordination ahead of what Ukrainian officials and military analysts believe could be a fresh effort by Moscow in the coming months to retake battlefield momentum. **A8**

◆ **China's population** dropped for the first time since the early 1960s, declining to 1.412 billion in 2022 from 1.413 billion in 2021 as deaths exceeded births. **A6**

◆ **House Republicans are** seeking two years of visitor logs from Biden's Delaware home as part of a push for more details about documents marked as classified found in the president's home and at an office he used after his vice presidency. **A4**

◆ **California was hit** again by rain and snow as the state moved toward what forecasters said would be the end of a series of storms that have battered it since Christmas. **A3**

◆ **Italy's Carabinieri** military police detained the country's most notorious fugitive mafia boss, Matteo Messina Denaro, who had been on the run for 30 years. **A18**

◆ **Nepalese authorities** recovered flight recorders from a plane crash that killed 69 people, a key step in their probe into what brought down the Yeti Airlines flight. **A6**

◆ **Died: Gina Lollobrigida,** 95, Italian film legend. **A18**

JOURNAL REPORT
Outlook 2023: Future of globalization. **R1-12**

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Nation Honors Civil-Rights Great Dr. Martin Luther King Jr.

ERIC GAY/ASSOCIATED PRESS

STEPPING UP: Thousands of people marched in San Antonio on Monday to mark the holiday honoring Dr. Martin Luther King Jr. In Washington, President Biden declared the nation at 'a time for choosing' as he paid tribute to the civil-rights leader. A2

China's GDP Growth Weakens To 3%

Covid-19 lockdowns block spending, knocking down rate from 8.1% in 2021

BY JASON DOUGLAS

SINGAPORE—China's economy grew at one of its slowest rates in decades last year as repeated lockdowns hammered households and businesses, emphasizing the high cost of zero-tolerance Covid-19 policies that Beijing abruptly abandoned at the end of 2022.

China's economy expanded 3% in 2022, the National Bureau of Statistics said Tuesday, a sharp slowdown from the 8.1% pace recorded in 2021. Aside from 2020, when the economy grew by only 2.2%, last year marked the worst year for gross domestic product growth in China since 1976, the year Mao Zedong's death ended the decade of strife known as the Cultural Revolution, according to World Bank data.

The ditching of almost all public-health restrictions in China after nearly three years of smothering even tiny virus outbreaks sets the stage for an economic rebound in 2023. Economists expect a consumer-led recovery in China this year to buttress global

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Population Falls in China

It is the first decline since the 1960s, when the country was devastated by famine......... A6

Companies Slow Price Bumps After Shoppers Start to Balk

After pushing prices to new heights last year, some companies are starting to pull back. It could be another sign that inflation is starting to turn a corner.

By Sarah Nassauer, Suzanne Kapner and Nick Timiraos

Conagra Brands Inc., which makes Hunt's ketchup and Slim Jim meat sticks, raised prices 17% in its latest quarter, on top of two previous quarters, when it increased prices more than 10%.

The company said it is done boosting prices for now. Conagra's sales volumes fell 8.4% for the quarter ended Nov. 27, which the company attributed in part to shoppers recoiling from the price increases.

Restaurant chain Hurricane Grill & Wings is trying a different means to the same end. Rather than lower prices to bump sales, it now sells a bucket-and-a-half of chicken wings for the same price as a bucket. The bonanza reflects the falling price of chicken wings, which surged last year, said Andy Wiederhorn, chief executive of franchising company Fat Brands Inc. Hurricane Grill & Wings is among its brands.

Executives at Constellation Brands Inc., which sells Corona beer, say they plan smaller price increases after higher-than-usual increases in October slowed sales growth.

Many companies raised their prices substantially last year to offset higher fuel costs and higher prices for ingredients, parts and labor. As fuel prices have dropped and pandemic supply-chain snarls have eased, some of those costs have come down.

That is a good sign for the economy. It suggests that some inflation in the past year resulted from extreme supply-demand imbalances brought on by the pandemic and the war in Ukraine and which are now fading.

Some companies raised prices not only because their costs were higher, but because they anticipated rising costs, according to a recent study. Those price increases, in turn, drove inflation higher.

The study, by economists at

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EVs Climb to 10% Of New Cars Sold

BY WILLIAM BOSTON

BERLIN—Electric-vehicle sales crossed a key global milestone last year, achieving market share of around 10% for the first time, driven mainly by strong growth in China and Europe, according to data and estimates.

While EVs still make up a fraction of car sales in the U.S., their share of the total market is becoming substantial in Europe and China, and they are increasingly influencing the fortunes of the car market there as the technology goes mainstream. The surge in EV sales contrasted with the broader car market that suffered from economic worries, inflation and production disruptions.

Global sales of fully electric vehicles totaled around 7.8 million units, an increase of as much as 68% from the previous year, according to preliminary research from LMC Automotive and EV-Volumes.com, research groups that track automotive sales.

Ralf Brandstätter, the head of Volkswagen AG's China business, said Friday that electric vehicles would keep expanding rapidly and China could soon reach the point that sales of conventional vehicles begin a permanent decline as plug-in

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INSIDE

JEFFREY BECKER/USA TODAY SPORTS

JASON GAY
The New York Giants, a proud franchise, are back with a playoff win. **A14**

TikTok Proposes A Revamp to Keep Presence in U.S.

BY GEORGIA WELLS AND STU WOO

Two years into negotiations with U.S. regulators about whether TikTok will be able to remain in the country, the popular Chinese-owned video-sharing app is trying a new tack: increased transparency.

In recent conversations with Washington lawmakers and civil-society organizations, TikTok has revealed details of a complex, $1.5 billion plan to reorganize the company's U.S. operations, according to people familiar with the discussions.

TikTok has kept its plans largely quiet with such groups as the tech company continues to negotiate with the Committee on Foreign Investment in the U.S., or Cfius, an executive-branch panel deliberating over how TikTok can remain operating in the U.S.

The talks with U.S. officials and lawmakers have become more urgent for TikTok in recent

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◆ Ryan Cohen amasses stake in Alibaba....................................... B1

Belly Buttons Challenge the Buttoned-Up

* * *

Peekaboo fashion puts the focus on navel gazing

BY RORY SATRAN

Has fashion reached Peak Belly Button? Recently, we've witnessed the rise of crop tops for men, children, dolls, puppies and pregnant women, as well as super low-rise jeans and miniskirts from designers such as Miu Miu. Swimsuits and dresses now feature so many tummy and side cutouts they can resemble Swiss cheese. As midriff exposure has become almost humdrum, a new style is emerging: the belly-button-focused diamond-cutout dress.

"Showing the belly button is the last taboo," says New

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Russia's Use of Energy As a Cudgel Backfires

BY GEORGI KANTCHEV AND JOE WALLACE

Russian President Vladimir Putin's use of energy as a weapon of financial war is increasingly backfiring, threatening the core of Russia's beleaguered economy and curtailing its geopolitical influence.

Western sanctions, falling prices for Russian fossil fuels and strategic miscalculations are hurting the country's oil-and-gas industry while the war in Ukraine is poised to stretch into a second year. Ultimately, the strain will erode Moscow's status as an energy superpower, according to analysts and former energy officials and executives.

Russia hoped cutting off natural gas would cause Europe to freeze and weaken its support for Kyiv, officials on the continent said. Warm weather and ample supplies from other producers have derailed that effort so far. European gas prices fell 15% Monday to levels last experienced in September 2021.

The Russian oil industry, meanwhile, is having trouble adapting to a European Union embargo and a U.S.-led price cap on its crude. A Kremlin threat to cut supplies in response failed to boost prices and hasn't materialized, showing Russia's weakened hand.

Russia has diverted much of the oil that went to Europe, but in doing so it has replaced an array of buyers with two big importers: China and India. Refiners there command low prices, in part because delivery farther afield raises shipping rates.

With gas, Russia needs to

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◆ Warm spell eases Northeast fuel crunch....................................... A3

◆ Maneuvers show off Russia-Belarus ties....................................... A8

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U.S. NEWS

THE OUTLOOK | By Harriet Torry and Anthony DeBarros

Economists See High Recession Risk

Despite signs that inflation has started to recede, economists still expect higher interest rates to push the U.S. economy into a recession in the coming year, according to The Wall Street Journal's latest quarterly survey.

On average, business and academic economists polled by the Journal put the probability of a recession in the next 12 months at 61%, little changed from 63% in October's survey. Both figures are historically high outside actual recessions.

The Federal Reserve had initially hoped it could bring down inflation with only a slowing in economic growth rather than an outright contraction, an outcome dubbed a "soft landing." But three-quarters of respondents said the Fed wouldn't achieve a soft landing this year.

That is despite a slightly more optimistic outlook for inflation. As measured by the year-over-year change in the consumer-price index, inflation has eased from 9.1% last June to 6.5% in December, and economists expect it to fall to 3.1% by the end of this year, a lower endpoint than the 3.3% they expected in the last survey, in October. They see it ending 2024 at 2.4%, little changed from the previous survey.

"While recent inflation prints have shown some progress, a few persistent categories like core services are associated with the historically tight labor market, suggesting that there is still 'a long way to go' for the Fed," Deutsche Bank economists Brett Ryan and Matthew Luzzetti said in the survey. "The Fed would stay on its tightening trajectory to restore the rebalance of labor market and price stability, which in our view would engineer a sharp rise in unemployment and recession," they added.

Greg Daco, chief economist at EY-Parthenon, said, "While services activity remains robust, the housing sector is tumbling under the weight of elevated mortgage rates and manufacturing activity is stalling—both signaling a broader economic downturn is likely coming." He expects the combination of persistent inflation, tighter financial conditions and weaker global growth to tip the U.S. economy into a mild recession in the first half of 2023.

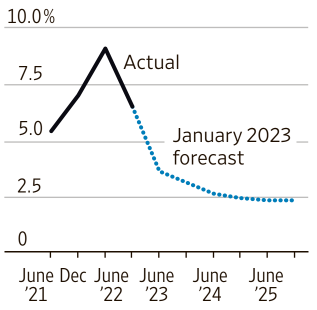
While economists don't think a recession can be avoided, they expect it to be relatively shallow and short-lived, in line with other recent surveys.

On average, they expect gross domestic product to expand at a 0.1% annual rate in the first quarter of 2023 and contract 0.4% in the second. They see no growth for the third quarter and a 0.6% growth rate for the fourth.

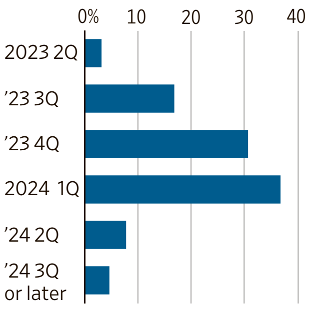
Economists expect GDP to stagnate in 2023, posting growth of just 0.2% compared with the fourth quarter of 2022. In the WSJ survey in October, economists forecast 0.4% GDP growth in 2023.

While most recessions have included at least two consecutive quarters of negative growth, that isn't the criterion used by the panel at the National Bureau of Economic Research, a nonprofit academic group that dates business cycles. A recession is "a significant decline in economic activity that is spread across the economy and that lasts more than a few months," NBER says on its website. Still, even that definition is loose because NBER ultimately declared the 2020 downturn at the start of the Covid-19 pandemic a recession even though it lasted only two months.

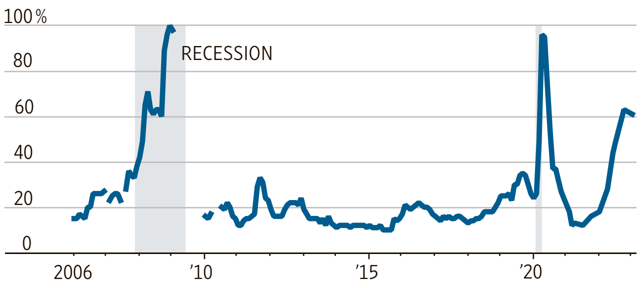
Economists expect annual inflation to ease by December: consumer-price index, year-to-year change



When do you expect the Federal Reserve to reverse course and make its next rate cut?



Probability the U.S. is in a recession in next 12 months including today*



*Gaps indicate question not asked or data unavailable.

Sources: Labor Department (actual CPI); Wall Street Journal Economic Forecasting Survey of 71 economists (CPI forecast, Federal Reserve survey); Wall Street Journal surveys of economists (recession probability)

Employers are expected to cut jobs starting in the second quarter through the end of the year, the survey found. For 2023 as a whole, economists expect that payrolls will decline by 7,000 a month on average. That is a sharp downgrade from October's survey, when economists expected employers to add nearly 28,000 jobs a month over the subsequent four quarters.

Economists view high inflation, and the Fed's efforts to tame it, as a top risk to the economy this year.

When asked which category of inflation will be the hardest to tame in 2023, a quarter of economists picked housing. A further 18% said healthcare and another 18% picked personal services.

Economists in the survey expect the Fed will need to raise the benchmark federal-funds rate target to 5% this year, in line with central-bank officials' own projections. The Fed lifted the rate target by a half percentage point in December, to between 4.25% and 4.5%. Fed officials are trying to balance the risk of raising rates too much with the risk of not doing enough to slow down spending and investment, which could allow higher inflation to become entrenched.

Fed officials have signaled they don't expect to cut rates this year. Economists disagree: 51% expect the Fed to start cutting this year, although that is down from 60% in the last survey. Markets also are pricing in interest-rate cuts this year.

The Fed will start cutting in the fourth quarter of this year, according to 31% of economists. Another 37% expect that it will be in the first quarter of 2024, and 8% expect it in the second quarter of next year.

The Journal surveyed 71 economists, although not every economist answered every question. The survey was conducted Jan. 6-10.

◆ Bond rally gives investors hope about 2023.................... B1

ECONOMIC CALENDAR

Tuesday: The **Bank of Japan** announces its latest monetary-policy decision. The central bank recently said the yield on the 10-year Japanese government bond could rise as high as 0.5% from a previous cap of 0.25%.

Wednesday: The U.K.'s Office for National Statistics releases inflation data for December. **U.K. consumer prices** rose 10.7% in November from a year earlier, down from 11.1% in October.

In the U.S., the Labor Department releases its **December producer-price index**, which rose 7.4% in November from a year before, the smallest increase since May 2021. The Commerce Department releases **December retail sales**, which fell 0.6% in November from October, the biggest monthly decline in 2022.

And the Federal Reserve releases December figures on **industrial production**, which increased 2.5% in November from a year earlier, the smallest annual rise since March 2021.

Thursday: The Commerce Department releases December figures on new residential construction and building permits. **Housing starts** declined 0.5% in November from the month before, the third straight monthly decline, while **building permits** fell 10.6% in November.

Meanwhile, the Labor Department reports the number of new worker filings for unemployment benefits in the week ended Jan. 14. **Initial jobless claims** fell slightly in the first week of 2023.

And the Statistics Bureau of Japan releases annual inflation data through December. **Consumer prices in Japan** rose 3.8% in November from a year earlier.

Friday: The National Association of Realtors reports sales of previously owned U.S. homes for December. **Existing-home sales** fell in November for the 10th straight month.

U.S. WATCH

ANDREW HARNIK/ASSOCIATED PRESS

A crowd gathered for a ceremony Monday at the Martin Luther King Jr. Memorial in Washington, D.C.

WASHINGTON, D.C.

Biden Pays Tribute to Martin Luther King

President Biden declared the nation at "a time for choosing" in a Monday speech marking Martin Luther King Jr. Day and paying tribute to the civil rights icon's legacy.

"This is a time for choosing," Mr. Biden said at an annual breakfast in Washington hosted by the National Action Network on what would have been Dr. King's 94th birthday. "Will we choose democracy over autocracy, community over chaos, love over hate? These are the questions of our time."

—Sabrina Siddiqui

GEORGIA

Bulldogs Player Killed In Car Crash

Georgia Bulldogs football player Devin Willock and a recruiting staffer for the team were killed in a car crash early Sunday in Athens, Ga., police said.

Two other members of the football program were also injured in the crash, which came hours after the Bulldogs celebrated their second straight national championship with a parade.

Mr. Willock, 20 years old, was a passenger in a Ford Expedition that slammed into two power poles and several trees around 2:45 a.m. local time.

—Ginger Adams Otis

NEW YORK

Planes Come Close To Colliding at JFK

U.S. aviation-safety officials are investigating how two planes came close to a collision at John F. Kennedy International Airport Friday night.

Delta Air Lines Flight 1943 was headed down the runway when air-traffic controllers noticed another plane crossing in the jetliner's path, a spokesman for the Federal Aviation Administration said Saturday. Delta's Boeing 737 came to a stop about 1,000 feet before reaching the point where a Boeing 777 operated by American Airlines was crossing.

—Alison Sider

EVs Cross 10% Sales Threshold

Continued from Page One

vehicles take bigger market share.

"Last year, every fourth vehicle we sold in China was a plug-in, and this year it will be every third auto," Mr. Brandstätter said. "We haven't reached the tipping point yet, but we're expecting to get there between 2025 and 2030."

For the full year, fully electric vehicles accounted for 11% of total car sales in Europe and 19% in China, according to LMC Automotive. Combined with plug-in hybrid vehicles, which have rechargeable batteries but also small combustion engines, the share of electric vehicles sold in Europe rose to 20.3% of the total last year, according to EV-Volumes.com.

The U.S. lags behind China and Europe in the rollout of electric vehicles. U.S. buyers and auto makers sold 807,180 fully electric vehicles in the U.S., a rise in the share of all-electric vehicles to 5.8% of all vehicles sold from 3.2% the year before. Tesla Inc. is still the world's dominant EV maker, but conventional auto makers are shortening its lead with new electric-model launches.

In Germany, the largest auto market in Europe, electric vehicles accounted for 25% of new vehicle production last year, according to VDA, the German automotive manufacturers association. In December, there were more EVs sold in the country than conventional cars.

New-car sales overall fell around 1% to 80.6 million vehicles, according to the LMC data, with growth of nearly 4% in China helping to offset declines of 8% in the U.S. and 7% in Europe, which was hit by the weakening global economy, soaring energy costs, supply-chain disruptions and the war in Ukraine.

Bayerische Motoren Werke AG, the German luxury-car maker, was one of many manufacturers last year to record a rise in sales of plug-in models even as overall sales declined. BMW reported a 5% decline in total new-car sales but saw EV sales more than double last year.

"We are confident that we can repeat this success next year, because we have a continued high order backlog for fully electric models," BMW sales chief Pieter Nota said this month, commenting on the growth in sales of electric models.

VW, Europe's biggest manufacturer by sales, said on Thursday that overall new-car sales fell 7% to 8.3 million vehicles last year, but sales of electric vehicles rose 26% to 572,100 units.

The sales figures encompass the company's large stable of brands, including VW, sports-car maker Porsche, luxury-car brand Audi and passenger-car brands Skoda and Seat.

The bulk of VW's sales of EVs were in Europe, but sales growth was strongest in China and the U.S., the company said.

Other manufacturers reported a similar divide of strong growth in sales of electric cars—boosted in part by the availability of a wider array of models in addition to those by market leader Tesla—and weak or declining sales of conventional vehicles. Ford Motor Co., Mercedes-Benz Group AG and BMW each said their EV sales more than doubled in 2022 while their total vehicle sales declined.

The U.S. lags behind China and Europe in the rollout of electric vehicles.

European auto makers have focused their EV production and sales on home markets as they try to meet European Union emissions regulations. They also began last year to more aggressively expand their EV business in other major markets, especially China and the U.S.

In China, which accounted for around two-thirds of global sales of fully electric cars last year, domestic manufacturers are gaining ground on traditional Western auto makers and are also beginning to expand into Europe and the U.S.

Worldwide, Tesla maintained the top spot in a global ranking of manufacturers by sales of all-electric vehicles, followed by Chinese manufacturers BYD Co. and SAIC Motor Corp., and brands belonging to the VW group, according to a study published by Stefan Bratzel, director of the Center of Automotive Management, an automotive-research group in Germany.

In the U.S., Ford is the second-largest maker of EVs by sales, followed by Hyundai Motor Co. and its affiliate Kia Motors Co., VW and Nissan Motor Co. lost EV market share in the U.S. last year.

While EVs are showing signs of becoming more mainstream globally, analysts warn that repeating last year's strong EV performance in 2023 could be difficult as economic worries weigh on consumers, and cash rebates on EVs are reduced or scrapped completely in some countries. Rising electricity prices in Europe in the wake of Russia's attack on Ukraine also have diminished the appeal of EVs compared with gas-powered cars.

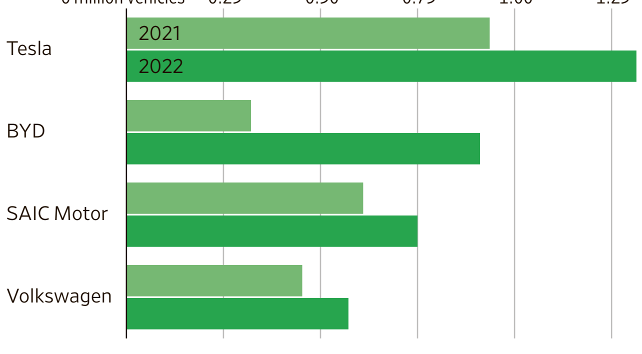
Germany witnessed a surge in last-minute EV purchases in December, as consumers rushed to take advantage of government incentives before they were cut this year.

Since Jan. 1, government subsidies for the purchase of an EV with a listing price of up to €40,000, equivalent to about $43,000, fell to 4,500 from €6,000 previously.

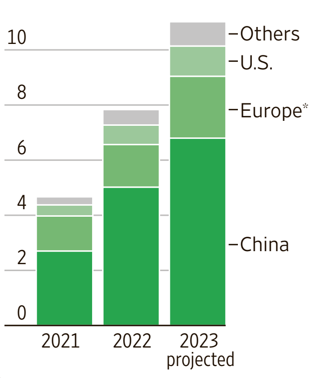
For the past couple of years, auto makers, especially in Europe, have struggled to find key components such as computer chips to maintain production in pace with demand. This mismatch between demand and supply is one reason auto makers posted lofty profits last year despite broadly weaker sales.

As the economy weakens, supply-chain problems ease and subsidies dry up, manufacturers could find it harder to maintain the high prices for new cars as they chase potentially fewer buying customers. This could result in a downward price spiral that potentially hits profits.

Top four electric vehicle manufacturers in 2022, by global deliveries



Global sales of full-electric vehicles



*Excludes Russia and CIS countries

Sources: Center of Automotive Management (top EVs); LMC Automotive, ev-volumes.com (global sales)

CORRECTIONS & AMPLIFICATIONS

Ford Motor Co. factory workers in North America worked a full week only three times last year as of November because of chip shortages. An Exchange article in some editions Saturday about efforts to boost the production of semiconductors in the U.S. incorrectly said that applied to Ford factory workers globally.

Dmytro Zhluktenko's last name was misspelled as Zhlutenko in a World News article on Wednesday about efforts to provide technology to Ukraine in its war with Russia.

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

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Warm Spell Eases Northeast Fuel Crunch

Region has built up inventories of heating oil and is poised to avoid a shortage

By David Uberti
And Bob Henderson

The East Coast appears poised to dodge a winter fuel crisis with unusually warm weather reducing heating costs and easing fears of shortages.

Mild temperatures in recent weeks across the U.S. and Europe have cut demand for heating oil, which many residents in New England, New York and Pennsylvania use for home heating. The warm spell has pushed down the fuel's average weekly retail price roughly 23% from November rates that were the highest ever logged by federal recordkeepers.

Still-elevated heating costs have inflicted financial pain across the region, busting budgets while forcing residents to dial down thermostats and bundle up indoors. But the high prices have also pushed refiners to pump out distillates including heating oil and diesel, used interchangeably, allowing distributors to refill inventories during the beginning of the heating season.

Stockpiles across the East Coast totaled about 34.3 million barrels the week that ended Jan. 6, according to the Energy Information Administration, up from roughly 24.9 million barrels two months earlier.

Those unseasonably low fall inventories had inspired dire warnings from lawmakers and analysts that an extended cold snap could ripple across international energy markets. With natural-gas prices skyrocketing after Russia curtailed exports to Europe, officials feared a harsh winter would push utilities in the U.S. and industries in Europe to switch to diesel and rob East Coast residents of heating-oil supplies.

Now, with the U.S. experiencing its warmest January in more than 15 years, energy analysts say each forecast of additional mild weather is tempering the threat of a full-on shortage.

"Obviously, winter is not over," said Vikas Dwivedi, global oil and gas strategist at Macquarie Group. "But the clock is ticking."

The Northeast is particularly vulnerable to such market shocks because of limited pipeline capacity from natural-gas producing regions in Appalachia and maritime regulations that make shipping liquid fuels from the Gulf Coast costly.

Retail heating-oil prices averaged about $4.57 a gallon on the East Coast the week that ended Jan. 9, the EIA said, down from $5.93 in November, but still roughly 90% higher than a year ago.

Those prices have shocked some residents, such as Matt Brown, who has begun tabulating his boiler's daily fuel consumption on a whiteboard in the kitchen of his Framingham, Mass., home.

Mr. Brown, a public-health analyst, said he turned up his thermostat during a pre-Christmas cold snap for fear of his pipes bursting. His fuel usage averaged about 8 gallons a day over the four-day period, equal to about $200.

"When I saw that," he said, "it really freaked me out."

For fuel makers, which pulled back on production capacity during the pandemic, the high prices have ushered in boom times.

Wholesale diesel's premium over crude oil soared to a record level of $88.56 a barrel on Oct. 18 and has since fallen to less than $53, which is still far above previous levels. The high margins encouraged refiners to pump out heating oil that retail suppliers across the Northeast deliver to customers in fleets of trucks.

"Price did its work," said Eric Slifka, chief executive of Global Partners LP, which supplies fuel to about 1,700 gas stations from Virginia to Maine. "Ultimately, it attracted a lot of barrels from all over the world."

As fuel producers try to capitalize on high prices by running their refineries hard, the EIA expects that U.S. distillate inventories will continue to build this year and eventually push down diesel's premium over crude by an additional 20%.

That stems in part from international factors. Bank of America analysts recently told clients that they expect further declines in diesel and heating-oil prices, pointing to more refining capacity coming online and China bumping up export quotas to funnel more fuel into global markets.

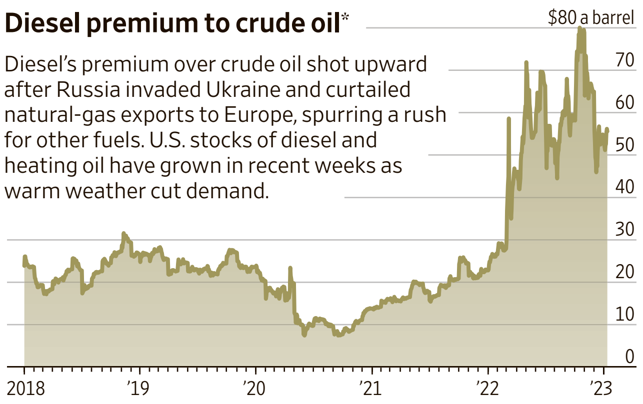
The recent price declines allowed Mr. Brown in Massachusetts to refill his heating-oil tank this month at $5 a gallon, down from $6 when he fueled up in November. But even with the unusually warm weather, the 34-year-old is burning about 3 gallons of fuel a day, equal to roughly $550 in monthly costs.

While Mr. Brown has scheduled his thermostat to run at 63 degrees during the day, it dips to 58 degrees overnight.

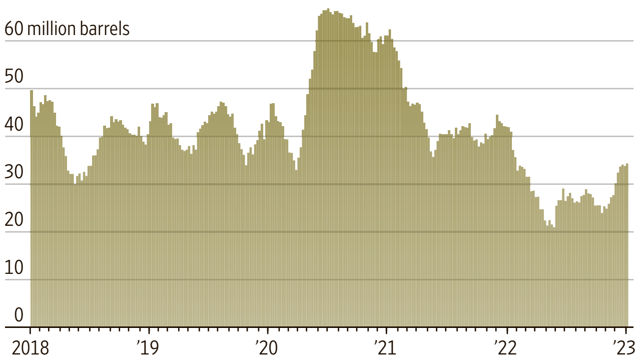
"I tell that to my friends, and they grimace," he said.

Diesel premium to crude oil*

Diesel's premium over crude oil shot upward after Russia invaded Ukraine and curtailed natural-gas exports to Europe, spurring a rush for other fuels. U.S. stocks of diesel and heating oil have grown in recent weeks as warm weather cut demand.



East Coast stockpiles of distillate fuel, weekly†



*As of Thursday †As of Jan. 6
Sources: FactSet (premium); Energy Information Administration (stockpiles)

JOSE CARLOS FAJARDO/BAY AREA NEWS GROUP/ASSOCIATED PRESS

Stephanie Beard and her son Devan Beard, 13, carry sand bags and make their way home through flooded streets in Brentwood, Calif.

California Storms Finally Coming to End

By Adolfo Flores

California was hit again by rain and snow Monday as the state moved toward what forecasters said would be the end of a series of storms that have battered it since Christmas.

The nine storms known as atmospheric rivers—flowing columns of condensed water vapor in the atmosphere that produce significant precipitation—have killed at least 19 people, flooded communities, shut down highways and cut power to tens of thousands of homes. The storms and accompanying damage have been more intense in the north and middle regions of the state than the south.

Monday's storm wasn't expected to bring as much precipitation as previous ones, but residents were warned to remain vigilant as the combination of already saturated ground and storm water flowing downstream could still cause flooding and mudslides, forecasters said.

The National Weather Service issued a winter storm warning until early Tuesday in the Sierra Nevada, a mountain range that runs along the eastern edge of California.

One smaller, fast-moving additional storm system is forecast to arrive late Wednesday through Thursday.

From there, a stretch of dry weather is expected across California through at least the weekend and likely into next week, said Colby Goatley, a National Weather Service meteorologist.

"Hopefully by this weekend, it's the light at the end of the tunnel," Mr. Goatley said.

The storms continued to wreak havoc in California over the holiday weekend. In San Diego, the National Weather Service warned residents Monday to avoid areas near the San Diego River that had flooded nearby roads, posting a picture of a car taken away by rushing waters. In San Joaquin County, the sheriff's office issued a mandatory evacuation for a mobile home park as water flooded homes.

In the Los Angeles neighborhood of Woodland Hills, cars parked at a shopping center were damaged when a large tree toppled Saturday, according to local reports.

Downtown Los Angeles recorded 1.82 inches of rain Saturday, breaking the previous record of 1.56 inches set in 1978.

In San Luis Obispo County, the sheriff's office said it continued to search for a 5-year-old boy who was swept away by raging floodwaters last week.

About 41,500 customers in California were without power Monday afternoon, according to the site PowerOutage.us. California Gov. Gavin Newsom said the storms have claimed more lives than wildfires in the past two years combined.

—Jim Carlton contributed to this article.

Watch a Video

Scan this code for a video on how California's beach towns were affected.

Medical Residents Unionize Over Pay, Conditions

By Dominique Mosbergen

Physicians-in-training at top teaching hospitals across the country are joining unions, demanding higher pay and better working conditions.

The Committee of Interns and Residents, the largest group representing doctors in residency and fellowship programs, said it added chapters at five teaching hospitals last year and two in 2021, up from a prepandemic pace of roughly one a year. CIR, which is affiliated with the Service Employees International Union, said it represents about 15% of the nation's 140,000 residents and fellows.

The pandemic's strains spurred residents to organize, said Simranvir Kaur, a fourth-year resident specializing in obstetrics and gynecology at Stanford Medicine, where most of some 1,400 Stanford residents voted to form a union last May. Residents were working longer shifts without extra compensation and treating Covid-19 patients without adequate protective gear, Dr. Kaur said.

"When there's extra work, the burden falls on us," Dr. Kaur said. Stanford, which is based in Palo Alto, Calif., said it is negotiating a union contract with its residents.

Unionized nurses at Montefiore Medical Center and Mount Sinai Hospital in New York City went on a three-day strike this month over pay and staffing concerns. Graduate students at the University of California recently went on strike for over a month.

> **The Covid-19 pandemic's strains spurred residents to organize.**

Hospital administrators said residents and fellows are unique from other healthcare workers because they are both employees and students who are learning from the institution. A strike among unionized residents could cripple a hospital's ability to care for patients, administrators said. The American Medical Association's ethics code advises physician unions not to engage in strikes by withholding essential medical services. CIR said that residents' first priority is patients and that unionized residents would vote to strike only as a last resort.

"We prefer not to strike. We want to work, we are privileged to do what we do," said Anis Adnani, a second-year emergency medicine resident at the University of Illinois Chicago. "But we have no leverage if it's not on the cards." UIC said it was negotiating with CIR to establish a union contract for residents.

Residents said they believe collective bargaining could win them better pay and working conditions that could alleviate some burnout and stress. CIR said its members have won concessions, including better compensation at St. Elizabeths Hospital in Washington, D.C., and more protections for pregnant residents at the University of Washington.

The University of Washington said residents and fellows are important members of the care teams at UW Medicine.

Stanford residents said they are pushing for higher wages and more accommodations for residents who are breast-feeding or have disabilities.

At Montefiore, residents plan to vote on whether to officially establish a union, CIR said. Residents there said their interest was partly motivated by Montefiore's decision to move clinics in the Bronx and direct resources to more affluent neighborhoods.

Montefiore said it is committed to its patients in the Bronx and to improving services to reach them.

Chicago Mayor Faces Difficult Re-Election Bid

By Joe Barrett

CHICAGO—Mayor Lori Lightfoot is facing stiff competition from a large field of candidates in her re-election bid as Chicago tackles crime and the lingering economic fallout of the Covid-19 pandemic.

Ms. Lightfoot, a 60-year-old former federal prosecutor, was the first Black woman and first gay person elected mayor of the nation's third-largest city, winning every city ward in a 2019 runoff against Cook County Board President Toni Preckwinkle. Now, early polls show the mayor as an underdog in the Feb. 28 election, with the top two vote-getters expected to face off in an April runoff if no candidate wins a majority in the first round.

"I think there is a lot of disappointment in the communities that I represent, about having high hopes for her and being very disappointed in her performance," said Alderman Tom Tunney, a pro-business restaurant owner in the city's liberal Lakeview neighborhood.

Ms. Lightfoot faces eight rivals, including six other Black candidates, which could dilute some of her support; U.S. Rep. Jesús "Chuy" Garcia (D., Ill.) who is Hispanic; and former schools chief Paul Vallas, who is white.

In 2019, Ms. Lightfoot promised an overhaul of police oversight, more openness and collaboration and investment in all of the city's neighborhoods, not just the downtown Loop, seeking to contrast herself from her predecessor, former White House chief of staff Rahm Emanuel.

She made progress with the city's long-term budget issues, but crime has remained a major issue. McDonald's Corp. moved its headquarters to the city's West Loop neighborhood in 2018, and its CEO said in the fall that public safety problems were a barrier to getting workers to return downtown.

Ms. Lightfoot's tenure also has been marked by repeated clashes with unions for teachers and police.

Early polling and surveys show her needing to fight to make it into the knockout round, while Mr. Garcia appears to be the front-runner. Her other chief rivals include Mr. Vallas, who has made public safety central to his campaign, and Brandon Johnson, a Cook County commissioner with strong backing from the teachers union.

"They just are not scientific polls and haven't done a good job of capturing the electorate of the city," said Christina Freundlich, spokeswoman for the Lightfoot campaign.

Ms. Lightfoot has some key aldermanic endorsements, including from the head of the Black caucus. And she holds a significant fundraising and spending advantage.

While dealing with the Covid-19 pandemic, a surge in crime and a period of unrest following the 2020 police killing of George Floyd in Minneapolis, Ms. Lightfoot earned several upgrades from debt-rating agencies and secured the city's first casino license, with tax revenue for the project dedicated to pension relief.

She also has sought to reinvigorate neighborhoods on the city's South and West Sides, which have faced historical underfunding. Her administration has brought together $2.2 billion in public and private funding for projects in those areas, according to her administration.

The campaign points to record spending on public safety. Still, the city has wrestled with a surge in crime in recent years with 804 murders in 2021. Murders fell 14% to 694 in 2022, but remained above prepandemic levels.

CHRISTOPHER DILTS/BLOOMBERG NEWS

Lori Lightfoot was the first Black woman elected Chicago mayor.

U.S. NEWS

Republicans Split Over What to Cut

By Siobhan Hughes

WASHINGTON—House Republicans are gearing up for an intraparty fight over cutting spending, a clash that will help shape the GOP's posture in a confrontation with Democrats over raising the debt ceiling.

Republicans have said they are determined to cut spending despite Democrats' objections. But first they have to produce their own plan, pitting Republicans who want to protect military spending against those who see such expenditures as fair game in any negotiations alongside cuts to domestic programs.

Republicans will also need to decide whether they want to pursue money-saving changes to Medicare and Social Security, which many GOP lawmakers would like to tackle, but such a step is seen as politically perilous.

The Treasury Department said the debt ceiling must be addressed by early June. Many Republicans have said they see the debt ceiling—which must be raised so the Treasury can borrow more money to finance the nation's existing obligations—as their prime opportunity to press for spending reductions in negotiations with the Senate, which Democrats control.

Earlier this month, spending plans became a key part of negotiations between now-Speaker Kevin McCarthy (R., Calif.) and a group of holdouts including Rep. Chip Roy (R., Texas), which was blocking Mr. McCarthy's path to the gavel. Under the agreement that got Mr. McCarthy voted in as speaker, the House Budget Committee, which is responsible for a budget blueprint, must produce a resolution that balances the budget in no more than 10 years.

According to the deal, the blueprint must use as its starting point the level of fiscal 2022 spending, said Rep. Michael Waltz (R., Fla.), who was briefed by the deal's negotiators and members of the House Appropriations Committee. That level would effectively erase the spending increase that Congress approved before Christmas in a $1.65 trillion omnibus bill, which all Democrats in both chambers and some Republicans supported.

In theory, resetting fiscal 2024 spending to 2022 levels would result in a roughly $130 billion cut in discretionary spending from current 2023 levels. That could include about a $75 billion cut to military spending. Alternatively, Republicans could decide to maintain or boost military spending at the expense of domestic programs. These so-called discretionary programs make up about one-third of the federal budget.

"There's waste in every segment of the budget, including defense," said Rep. Tom McClintock (R., Calif.), who has suggested another look at possible military-base realignments and closures.

Others cited weariness over funding related to the Russia-Ukraine war. "I think the mood of the country has shifted pretty much to no more Ukraine money," said Doug LaMalfa (R., Calif.).

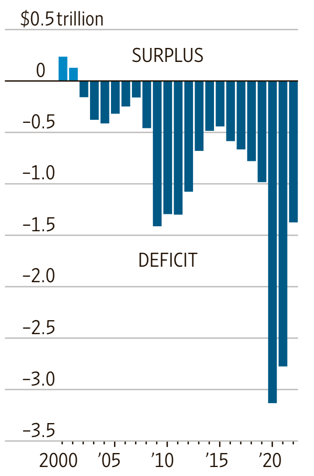
Congress approved roughly $100 billion in aid for Ukraine last year with broad bipartisan support, but some Republicans have warned that they could try to block future funding.

Many have said military spending must be protected. "We can't have China front and center and then end up going backwards on defense," Mr. Waltz said. "This is all a battle to be had, and you've seen reflections of it."

In comments Sunday on Fox News, Mr. McCarthy didn't commit to specific cuts, nor did he rule out any parts of the budget for reductions. Of the military, he said, "I'm sure they can find some places that they could be more efficient," while adding, "every single level of government should be doing that."

Democratic lawmakers and the White House have called the GOP's effort to tie budget cuts to the debt ceiling irresponsible and said that deep reductions in spending have no chance of passage. "The debt ceiling shouldn't be held hostage to this sort of conversation," said Rep. Richard Neal (D., Mass.).

Annual federal surplus/deficit



Major categories of federal spending for fiscal year 2023

Social Security	23%
Medicare	14%
Medicaid, CHIP, ACA subsidies	12%
Other mandatory programs	14%
Nondefense discretionary	16%
Defense discretionary	14%
Net interest	8%

Note: For fiscal years starting Oct. 1 and ending Sept. 30.
Source: U.S. Office of Management and Budget via Federal Reserve Bank of St. Louis; Treasury Dept. (surplus, deficit); Center on Budget and Policy Priorities; Congressional Budget Office (spending)

Biden Faces GOP Demands For List Of Visitors

By Daniella Cheslow

House Republicans are seeking two years of visitor logs from President Biden's Delaware home as part of a push for more details about documents marked as classified that were found in Mr. Biden's home and at a Washington office he used after his vice presidency.

"Given the serious national security implications, the White House must provide the Wilmington residence's visitor log," House Oversight Committee Chair James Comer (R., Ky.) wrote in a Sunday letter to White House chief of staff Ron Klain.

Mr. Comer also requested documentation of searches Biden aides conducted, including the identity of the aides and the dates of their searches.

The White House declined to comment on whether it would comply with the request. Mr. Biden was in Atlanta to mark Martin Luther King Jr. Day with an appearance at Dr. King's Ebenezer Baptist Church. The White House publishes visitor logs for visits to the White House, renewing a practice that the Trump administration had discontinued, but doesn't release logs for visits to Mr. Biden's residences elsewhere.

The White House confirmed last week a CBS report that Mr. Biden's attorneys found documents marked as classified on Nov. 2 at the Penn Biden Center for Diplomacy and Global Engagement, a Washington think tank. The Biden administration said the president's lawyers turned the documents over to the National Archives a day later.

In December, aides to Mr. Biden found additional classified documents in the garage of the president's home in Wilmington.

Another document was found in January at the residence, and on Saturday the White House said five additional classified pages were found there as well.

Mr. Comer has launched an investigation, saying his committee had concerns Mr. Biden "has compromised sources and methods with his own mishandling of classified documents."

The revelations of the documents have drawn comparisons to the FBI's warrant-backed search of former President Donald Trump's Mar-a-Lago home in Florida amid a criminal investigation into the handling of classified materials found there.

Agents seized more than 11,000 documents from the residence in August, including roughly 100 marked as classified, after a monthslong effort to get Mr. Trump's team to relinquish documents.

—Sabrina Siddiqui contributed to this article.

FROM LEFT: RICK BOWMER/ASSOCIATED PRESS; JIM URQUHART/REUTERS

Ronna McDaniel, above, has been Republican National Committee leader since late 2016. Harmeet Dhillon, an election lawyer who has represented former President Donald Trump in court, is her main competitor.

RNC Leader Has a Tough Race of Her Own

By John McCormick

An intense leadership fight inside the Republican National Committee is pitting a three-term incumbent with a losing record against a combative challenger, a sign of the party's struggle to regroup after November's disappointing midterm elections.

Ronna McDaniel, who has led the RNC since shortly after being selected in late 2016 by Donald Trump when he was president-elect, is favored to win a fourth two-year term as chair at a Jan. 25-27 meeting in Southern California, some veteran committee members said.

Harmeet Dhillon, an election lawyer from California who has represented Mr. Trump in court and been on the RNC for six years, is her main competitor. MyPillow Inc. Chief Executive Mike Lindell has also thrown his name into the mix, although it would be unusual for the national party to select a leader who isn't already an RNC member.

The RNC raises hundreds of millions of dollars each election cycle for campaigns nationwide, works to turn out voters and oversees presidential primary debates and national conventions. The contest for its new leader has focused less on substantive differences in how each candidate would lead the party and more on whether Ms. McDaniel is to blame for three election cycles of disappointing results.

During Ms. McDaniel's tenure, the GOP lost the House in 2018, followed by the White House and Senate in 2020. The party won a narrow majority in the House in November, but failed to secure Senate control and underperformed historical norms in an economic environment that should have been favorable to the party not controlling the White House.

The RNC race is playing out as the GOP braces for a presidential primary campaign between Mr. Trump and potential Republican candidates who have suggested that the party needs a new face and fresh strategies to win more independent voters and elections.

Mr. Trump has so far remained neutral in the first contested RNC leadership election in 12 years, although some of his supporters have helped mobilize opposition to Ms. McDaniel.

The RNC raises hundreds of millions of dollars each election cycle.

Some of the 168 voting members in the normally clubby RNC say they don't need any convincing to make a change. "If a coach has multiple losing seasons, there is a change made," said Beth Campbell, an RNC member from Tennessee who plans to vote for Ms. Dhillon.

Ms. Dhillon has run an aggressive campaign that some members said has fueled division in the RNC. She has faulted the "consultant class" for giving the committee and some of its candidates bad advice, and is touting her experience with election law and skills as a communicator. "I see a lack of strategy and a lack of leadership," she said in an interview.

Ms. McDaniel, in an interview, pointed to turnout gains and other accomplishments under her leadership and said Ms. Dhillon is using disinformation to attack her tenure unfairly. "The biggest problem in our party right now is infighting, the circular firing squad," Ms. McDaniel said. "If you look at Arizona, for example, there is more rancor within the Republican Party than I've ever seen."

The leadership of the Republican Party of Arizona in December called on Ms. McDaniel to resign her post. Stark disagreement over Mr. Trump's false claims that he won the 2020 election have torn the state GOP apart, and the party lost a Senate race and governor's race there in November. Several other state party committees in recent weeks have passed no-confidence votes against her.

Among her accomplishments, Ms. McDaniel points to opening 38 community centers in 19 states to help make inroads with Hispanic, Asian and Black voters, and recruiting tens of thousands of poll workers and watchers. The RNC filed more than 80 lawsuits during her tenure that she says were designed to protect election transparency and integrity.

Bruce Hough, a longtime RNC member from Utah who plans to support the current chair, said the party's losses were more attributable to Mr. Trump than to Ms. McDaniel. "These were candidates who won primaries, but could not win general elections," he said.

TikTok Proposes A Revamp

Continued from Page One

months as federal and state politicians made moves to ban the app on government-issued devices. Congress is also considering a bill that would ban TikTok in the U.S. Lawmakers cite concerns that Beijing could access U.S. users' data on TikTok, or shape what people in the U.S. see on the platform—accusations that the company has denied.

TikTok is hoping that details of its planned reorganization, and promised measures to ensure oversight of its content-recommendation algorithms, will convince potential allies in Washington of its ability to operate independently of its parent company, China-based ByteDance Ltd., according to the people familiar with the discussions.

A TikTok spokeswoman said it believes the proposal addresses concerns about content recommendation and user-data access with the government and independent oversight.

"We are not waiting for an agreement to be in place," she said. "We've made substantial progress on implementing that solution over the past year and look forward to completing that work to put these concerns to rest."

Creating a system for monitoring the secret algorithms that power TikTok's video-sharing app is emerging as a central piece of the plan to assuage U.S. concerns.

In conversations in Washington, TikTok executives have described how Oracle Corp. and other third-party monitors would review the code related to how TikTok selects which videos to serve to users, as well as how TikTok identifies which videos to delete, some of the people familiar with the discussions said.

ByteDance is trying to walk a fine line. Its goal is to maintain ownership of TikTok in the U.S. but also make the app's operations more transparent and silo it off in a separate unit overseen by U.S. government-approved employees. TikTok is trying to convince lawmakers that with these measures, the app wouldn't pose a threat to U.S. citizens.

If TikTok doesn't reach a deal, the U.S. government could try to force ByteDance to sell parts of its operations or leave the U.S. market.

MARIO TAMA/GETTY IMAGES

A TikTok office in Culver City, Calif. The company plans a complex reorganization of its U.S. operations.

Scrutiny of TikTok increased after an internal probe found employees misused their authority to access the data of journalists on the platform in an effort to identify leaks of company information.

Rep. Mike Gallagher (R., Wis.) said he is as worried about Beijing's ability to influence videos as he is about user data. He said he is concerned about TikTok suppressing videos critical of China and its rulers, while promoting stories beneficial to them.

"For younger users, the concern isn't that they're using TikTok just to watch stupid videos," said Mr. Gallagher, who co-sponsored a bipartisan bill to ban TikTok from operating in the U.S. "It's that they're relying on TikTok to get their news."

As part of its proposal, TikTok has said all of its systems related to serving content would be housed with Oracle. The code that runs these systems would be visible to both Oracle and third-party monitors, according to people familiar with TikTok's proposal.

Since the summer, TikTok has routed all new traffic exclusively through Oracle, and the proposal includes an audited process to delete backup data.

U.S. executives didn't always understand what was happening with the algorithms.

For example, in 2020, U.S. TikTok executives noticed views for videos from certain creators about the U.S. presidential election were mysteriously dropping 30% to 40%, people familiar with the episode said. When those executives asked their bosses in China, they found that TikTok's algorithm team had tweaked certain aspects of the type of content shown on the app to play down political conversations about the election, and this had inadvertently buried the videos of a range of users, the people said.

Responding to questions about the incident, another TikTok spokeswoman said political content was popular on the app in 2020. She said the hashtags #trump, #biden, #trump2020 and #biden2020 garnered more than two trillion cumulative views monthly at that time.

In the proposed arrangement, according to the people familiar with it, third-party monitors would check the code for the video-recommendation algorithms to detect whether it has been manipulated or if the Chinese government or other foreign actors have had access. Provisions in the proposal stipulate that if the U.S. government or the third-party monitors see anything that concerns them, there would be a process to flag the issues to TikTok and ultimately to the U.S. government if necessary.

TikTok would create a wholly owned unit called TikTok U.S. Data Security, or USDS. The unit would be charged with safeguarding the app and report to an outside board whose primary fiduciary responsibility would be to Cfius instead of ByteDance.

All employees hired into this 2,500-person unit would be subject to requirements from the U.S. government. The Treasury Department, which oversees Cfius, didn't respond to a request for comment.

TikTok has spent an estimated $1.5 billion setting up the Oracle data center, moving code, and hiring and paying the third-party monitors, according to people familiar with the proposal. They said they expect such expenses to cost TikTok $700 million to $1 billion annually going forward, if TikTok reaches a deal.

TikTok also will likely need approval from Beijing for any structures that involve content-recommendation algorithms.

New Rules Weighed for Overseas Remittances

By Andrew Ackerman

WASHINGTON—The Consumer Financial Protection Bureau is weighing new restrictions tied to the fees money-transfer companies charge for wiring money abroad, part of a broad effort to scrutinize fees across the financial system.

Bureau officials say they are studying whether differences in the way providers of overseas money transfers disclose exchange rates and certain fees can make it difficult for consumers to choose the lowest-cost option. Immigrants and other workers send billions of dollars from the U.S. to other countries each year in transfers known as remittances.

The industry scrutiny comes about a decade after the CFPB wrote rules requiring money-transfer firms to disclose the exchange rate and fees associated with each transfer. Now, the probe is part of a broader push by the bureau to crack down on what it describes as problematic fees.

"We continue to see a lack of transparency about fees, exchange rates, and taxes, which comprise the true cost to consumers of sending money abroad," CFPB director Rohit Chopra said in a letter to Sen. Elizabeth Warren (D., Mass.) that was released Friday. He said the bureau "believes there is significant noncompliance" with the existing remittance rules by nonbank money-transfer companies.

Many money-transfer firms dispute that their fees are hidden or that it is difficult for consumers to shop for the best deal. Western Union Co. said it gives customers the information they need "to make informed decisions and to comparison shop among providers."

A CFPB official said the bureau is looking into boosting exchange-rate transparency but didn't say what the agency plans to propose or when.

The World Bank estimates that the total volume of remittance transfers reached $794 billion in 2022, of which $626 billion flowed to low- and middle-income countries. The U.S. is the largest remittance-sending country in the world, sending an estimated $72.7 billion in 2021.

$794B

Total volume of remittance transfers in 2022

The CFPB's existing money-transfer regulations were aimed at improving disclosures about fees and exchange rates. Now, consumer advocates such as the National Consumer Law Center say the rules don't require disclosures precise enough to help people choose between remittance providers that use different pricing strategies.

For instance, one money-transfer company might offer no upfront fees but use a higher exchange rate, meaning that the actual cost to the sender could be more than if they chose another provider who discloses upfront fees but employs a lower exchange rate.

A consumer seeking to send $1,000 abroad also might find that some providers charge fees that come out of the $1,000, while others impose fees on top of the amount.

Some newer entrants in the remittance space say more transparency would help consumers compare options. "We believe consumers struggle to understand how much it costs to send money abroad due to inconsistent pricing strategies from providers and the opaqueness of exchange rate margins," said Nick Catino, global head of policy and social impact at Wise, a cross-border payments company.

—Paul Kiernan contributed to this article.

THE ALBUQUERQUE JOURNAL/ASSOCIATED PRESS

Solomon Peña in custody.

Defeated Candidate Arrested in Shootings

By Dan Frosch

A former Republican candidate for the New Mexico state legislature was arrested Monday for his suspected involvement in a string of recent drive-by shootings at the homes of several Democratic elected officials.

Solomon Peña, who lost his race for state representative to his Democratic opponent in November, helped orchestrate the shootings and participated in at least one of them, Albuquerque police said. The homes of two county officials and two state legislators, including the New Mexico House speaker, were hit, according to police. Nobody was hurt in the incidents, which took place over the past several weeks, though the homes were damaged.

"We believe he was the mastermind behind this," said Albuquerque Police Chief Harold Medina.

Mr. Peña was upset after losing his race, authorities said, and subsequently paid four other men cash and sent text messages with home addresses where he wanted them to shoot. Following the most recent shooting, which took place Jan. 3, a car was pulled over in connection with the incident, police said, and two firearms and over 800 fentanyl pills were seized. The car was owned by Mr. Peña, police said in a news release Monday night.

Police said Mr. Peña also went with the men and attempted to shoot at one of the homes, but the handgun he was using malfunctioned. One of the other men fired more than a dozen rounds from a separate handgun during that particular shooting, police said.

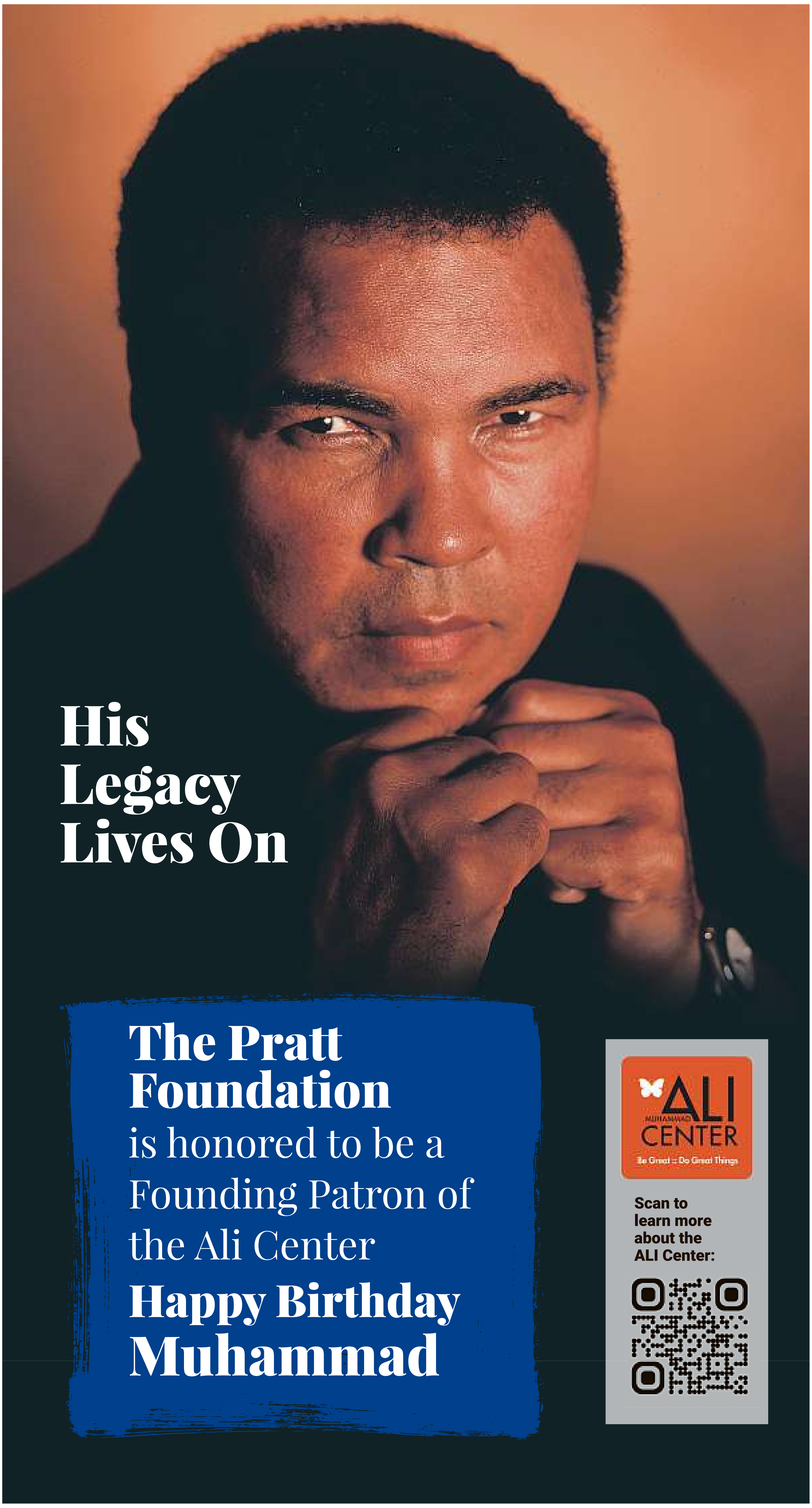
Earlier this month, police also arrested another man for his alleged involvement in the incidents.

Police said that following his election loss last year, Mr. Peña approached several local lawmakers unannounced at their homes, saying he had evidence the election was fraudulent. He grew angry when his entreaties were ignored, they said, and began executing his plan to shoot up the various homes of the Democratic officials.

In the news release, police noted that Mr. Peña had been sued in August by his Democratic opponent, who argued that Mr. Peña was ineligible to serve in the state legislature because he is a convicted felon. A judge ruled in September that Mr. Peña could remain on the ballot.

Mr. Peña was in the process of being booked into jail. A lawyer or representative for Mr. Peña couldn't be reached.

"APD essentially discovered what we had all feared and what we had suspected: that these shootings were indeed politically motivated," said Albuquerque Mayor Tim Keller, a Democrat.



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China's Population Takes a Drop

First decrease since early 1960s comes as Covid-19 aggravates demographic worries

By Liyan Qi

China's population dropped for the first time since the early 1960s as deaths outnumbered births, the National Bureau of Statistics said Tuesday, a new reality for a country that has long been the world's most populous.

The population decline, to 1.412 billion in 2022 from 1.413 billion in 2021, comes after years of falling birthrates. It was the first drop since an era of famine that followed Mao Zedong's "Great Leap Forward."

The number of births declined to 9.56 million from 10.62 million in 2021, Tuesday's data showed. China's birthrate—the number of births per thousand people—dropped to 6.77 in 2022, compared with 7.52 in 2021.

The data revived the question of whether China has already lost the status of the most populous country to India, whose estimated 1.4 billion population is still growing.

To underline the contrast: While United Nations forecasts see China eking out just above 10 million births in 2023, it estimates that around 23 million babies will be born in India. The U.N.'s forecasts, released in July, predicted that India will surpass China as the world's most populous country this year.

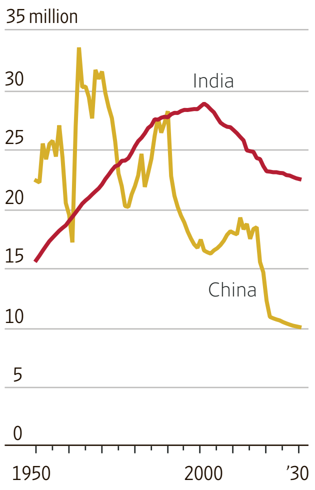
At the root of China's population decline is the reluctance of many young Chinese to have children. Births saw a brief uptick in 2016, after Beijing abolished its decadeslong "one-child policy," but have slipped every year since, and dropped further during the Covid-19 pandemic.

The Covid-19 restrictions in place for most of 2022 severely cut into Chinese economic activity, adding to the hesitation of young Chinese about having children.

The number of deaths, which in recent years has been neck and neck with births, increased to 10.41 million in 2022, from 10.14 million in 2021.

China's counting of deaths and births is based on a sample of households, except once a decade when it carries out a nationwide census. Kang Yi, the head of the statistics bureau, said the official estimates of births and deaths for 2022 were based on calculations as of early November. That means the data don't reflect deaths in December, when China saw a surge in Covid-19 infections after Beijing ended its strict pandemic restrictions.

Estimates of births in India and China



Source: United Nations

China's National Health Commission said this weekend that hospitals had recorded roughly 60,000 Covid-related deaths since the government scrapped most pandemic controls in early December. The release of the number followed criticism from public-health experts, including at the World Health Organization, that China wasn't accurately accounting for the toll of the outbreak.

Beijing has for years acknowledged its demographic challenges, but predicted in a blueprint released in 2017 that the country's population would continue to grow until 2030. A more dire reality gradually sank in, and last year officials forecast that the population would start dropping by 2025 or before. In the second half of 2022, many demographers said they expected China to post a population decline for the year.

China's steep decline in births, especially compared with India's, is likely to have big economic consequences.

India benefits from a younger workforce and population, which helps it attract investment and build a stronger consumer market, said Manoj Kewalramani, chairman of the Indo-Pacific studies program at India's Takshashila Institution think tank. "Not too many older people will be shopping for new cars, new gadgets, new homes," he said.

As Beijing shifts from seeking to control Covid-19 to trying to revive growth, a shrinking population means softening demand for property, a pillar of economic growth for China, said Yi Fuxian, a scientist at the University of Wisconsin-Madison.

It has become increasingly hard for the Chinese government to convince young people to have more children to support the aging population; already, one out of every five Chinese is 60 years or older.

Since China allowed couples to have three children in 2021, local governments have tried anything from cash rewards and longer maternity leaves.

Such efforts haven't seemed to yield much results. China's marriage registrations sharply declined in 2021 and continued to drop over the first nine months of last year.

Security Chief Gets Key Post in Hong Kong

By Selina Cheng

HONG KONG—China signaled its intention to maintain a tough line on Hong Kong by promoting a law enforcer sanctioned by the U.S. for spearheading a national-security crackdown to its top representative post in the city.

Beijing named Zheng Yanxiong, who ran its Office for Safeguarding National Security in Hong Kong since mid-2020, as the director of its liaison office in the city. The liaison office represents the central government in Hong Kong and executes decisions from Beijing.

After China's leaders imposed a national-security law to clamp down on antigovernment protests that had rocked the city, Mr. Zheng led the secretive agency as it combated dissent. National-security police effectively wiped out the city's political opposition with mass arrests, and targeted two media outlets that were shuttered.

Mr. Zheng warned during a 2021 interview that the city's courts must reflect China's will and its national interest or risk losing its powers granted by Beijing, comments that some legal observers said threatened the city's independent judiciary and the rule of law.

Assuming his new role on Monday, Mr. Zheng told reporters that he will strive to boost communication between Beijing and Hong Kong. The city has moved away from political turmoil and has resumed order, but it has yet to achieve full prosperity, Mr. Zheng said in remarks Sunday.

Past leaders of the liaison office have come from backgrounds in provincial government, diplomacy or Hong Kong policy before taking the appointment. Mr. Zheng is the first director coming into office from a national-security job and his promotion means three of the city's top official posts are now held by law enforcers.

His appointment indicates that Hong Kong's national security remains a priority over its slowing economy, even though the city no longer has an opposition to speak of, said Carole J. Petersen, a professor of law at the University of Hawaii.

"There is really no significant security threat in Hong Kong, but obviously Beijing really wants to maintain very tight control," she said.

Mr. Zheng's promotion surprised some staff at the China liaison office who had expected deputy director Chen Dong, who has a background in economics, to become the new chief, according to people familiar with the matter.

Growth Rate Slows In China

Continued from Page One

growth as the U.S. and Europe flirt with recession.

The easing of public-health restrictions is part of a broader policy reset in China aimed at revitalizing its economy. Officials have also signaled the end of a clampdown on technology companies, relaxed tough regulations on the real-estate sector and lifted a ban on Australian coal.

How potent the rebound will be is still uncertain. Demand for Chinese exports is sinking as the global economy slows. Consumer confidence is on the floor after three years of sporadic lockdowns. Many economists fret that scarring from the pandemic, in vanished jobs and closed businesses, may take time to heal.

The world's second-largest economy also faces longer-term challenges, including a widening confrontation with the U.S. and rapidly worsening demographics.

China also remains in the grip of a deadly wave of Covid-19 cases after relaxing its pandemic controls, with hundreds of millions believed infected and around 60,000 Covid-19-related deaths acknowledged since the beginning of December, figures that health experts say may underestimate the true toll. Any recovery will only happen after a painful few months as Covid-19 sweeps through China's cities, towns and villages, disrupting daily life and economic activity, economists say.

TINGSHU WANG/REUTERS

Retail sales fell 0.2% in 2022 from a year earlier, after rising a more robust 12.5% in 2021.

"The year 2022 was tough for me, and probably many business owners in the service sector," said Wang Juanli, who co-runs a yoga studio in Beijing. Repeated Covid outbreaks and the government's heavy-handed efforts to contain it meant her business was effectively shut for almost four months of the year, she said.

The government's U-turn on Covid controls means Ms. Wang says she hopes that "everything will be better from now on." She hopes to see more new clients after people seek to stay healthier after recovering from infection.

"Luckily, we survived in such a hostile environment," said Ms. Wang.

Such a poor economic performance wasn't what many, including top Chinese officials, expected early last year. Anticipating China's Covid-containment measures would keep the virus at bay and Western demand for Chinese-made goods would help power another year of strong expansion, the government penciled in a growth target of around 5.5% for 2022.

The fast-spreading Omicron variant of the virus and its offshoots nixed that ambition. In the first months of 2022, the city of Xi'an, known for its terracotta warriors, was put under lockdown after a burst of cases, while outbreaks at ports such as Tianjin and Ningbo sent ripples through stretched global supply chains. Companies including South Korean chip maker Samsung Electronics Co., German auto manufacturer Volkswagen AG and suppliers to Nike Inc. and Adidas AG reported production hitches.

Lockdowns spread to the industrial province of Jilin in the northeast and the technology hub of Shenzhen in the far south as the authorities battled to control blossoming caseloads across the country. Shanghai—China's commercial capital and a metropolis of 25 million people—entered lockdown in April. Restrictions weren't fully lifted for two months.

Tuesday's data showed the economic repercussions of the disruption. Retail sales fell 0.2% from a year earlier, after rising 12.5% in 2021. Growth in industrial production slowed to an annual 3.6% as factories wrestled with lockdowns and supply problems, from 9.6% in 2021. Fixed-asset investment rose 5.1%, only slightly faster than the 4.9% pace recorded in 2021, highlighting how government spending on infrastructure struggled to offset a 10% drop in investment by a weakened real-estate sector.

Exports rose 10.5% from a year earlier, though the most recent monthly data show China's export boom is fading as consumers in the U.S. and Europe wilt under the pressure of high inflation and rising interest rates.

China's headline measure of joblessness, the urban surveyed unemployment rate, stood at 5.5% at year-end, down from a 6.1% peak in April.

In one of the starkest signs of economic scarring, young workers have borne the brunt of the country's weak year: Unemployment among those aged 16 to 24 was 16.7% in December, having peaked at close to 20% in July.

By lifting Covid restrictions, China's government hopes to propel a consumer-driven recovery, though the timing and strength of that rebound isn't clear.

—Grace Zhu and Xiao Xiao in Beijing contributed to this article.

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Yellen Seeks to Smooth Ties With Beijing

By Andrew Duehren

WASHINGTON—U.S. Treasury Secretary Janet Yellen will meet with senior Chinese official Liu He this week as the two superpowers try to rekindle a relationship that accounts for much of the world's economic activity but has grown tense over technology access, trade policy and Taiwan.

The pair will meet Wednesday in Zurich, where Ms. Yellen is stopping ahead of a multicountry tour through Africa that is aimed in part at countering China's influence on the continent. Mr. Liu, who is expected to step down from his post in March but is close to Chinese President Xi Jinping, is expected to attend the World Economic Forum in Davos, Switzerland. The two sides arranged to meet in a third country while they are both abroad.

CAROLYN KASTER/ASSOCIATED PRESS

Treasury Secretary Janet Yellen is to meet with China's Liu He.

Senior U.S. and Chinese officials have only recently started meeting again after China cut off most such communications following then-House Speaker Nancy Pelosi's visit to Taiwan last year. President Biden and Mr. Xi in November agreed to resume contacts among top officials, and Ms. Yellen is looking at traveling to China after Secretary of State Antony Blinken visits next month, according to people familiar with the matter. U.S. officials have been unsure who Ms. Yellen's next counterpart will be after a Chinese government reshuffle.

The renewed engagement comes as both countries try to recalibrate their relationship with their top geopolitical rival—and one of their closest economic partners. Chinese officials are moving to try to revitalize their economy and soften their rhetoric toward Washington. The U.S. and Ms. Yellen, meanwhile, are scrutinizing perceived national-security risks in Chinese technology, while also aiming to avoid undue harm to an engine of global economic growth.

"Secretary Yellen has got a big challenge," said Matt Goodman, senior vice president for economics at the Center for Strategic and International Studies, a Washington think tank. "That's making the case for growth on one hand and on the other being forceful for the U.S. need to protect our national security."

A Treasury official said the department doesn't view protecting national security and promoting global economic growth to be at odds with each other. Regular communication with Chinese officials can help accomplish both goals, the Treasury official said.

The U.S. last year imposed wide-ranging export controls on advanced semiconductors, a step aimed at hobbling China's ability to develop its military capabilities. The Biden administration is working on an executive order on screening U.S. investment in certain Chinese technology sectors, including advanced semiconductors.

With both the export controls that are in place and the potential outbound investment restrictions, some Treasury officials are concerned that the steps could slow China's access to technology for ordinary commercial purposes as well. Ms. Yellen, who has pushed for U.S. companies to become less reliant on China, is concerned that China could retaliate against the U.S. economy, according to people familiar with her thinking. If Chinese officials see U.S. policies as too punitive, they could cut off U.S. access to goods such as solar panels, for example.

"The defense and intelligence agencies are frequently going to have more restrictive views on these questions than the Treasury," said Mark Sobel, a former Treasury official who is the U.S. chairman of the Official Monetary and Financial Institutions Forum, a think tank.

Treasury officials, who have held a series of meetings with private-sector participants to discuss the possible investment controls on China, have sought to more narrowly target the White House order, according to people familiar with the matter. Outstanding questions include how many Chinese technology sectors would be subject to the controls, whether the government would outright ban investment in them and how investors would comply with the new rules, these people said.

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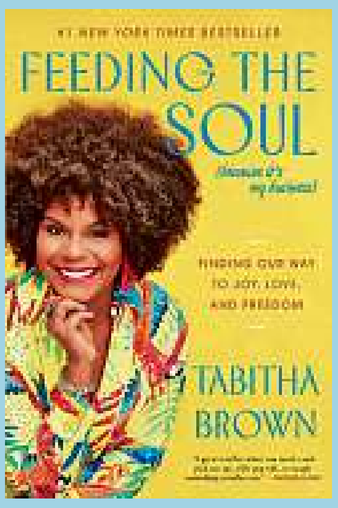

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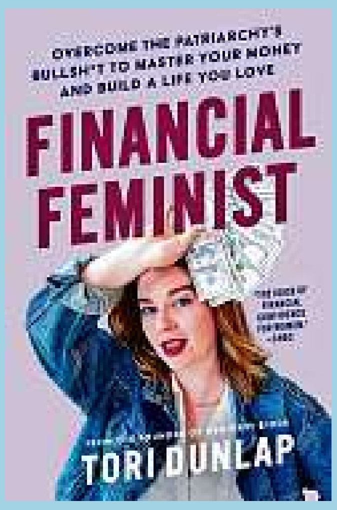

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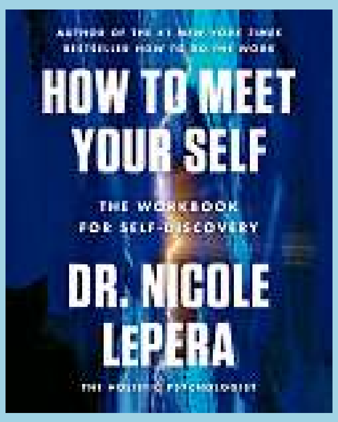

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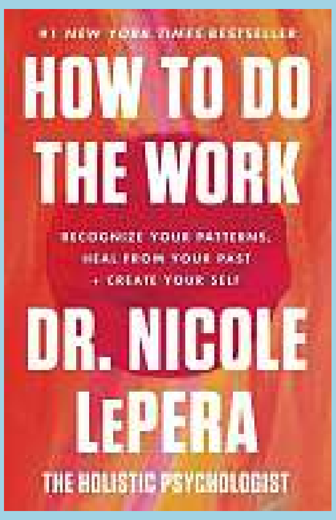

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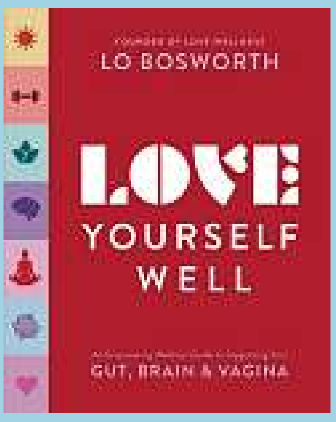

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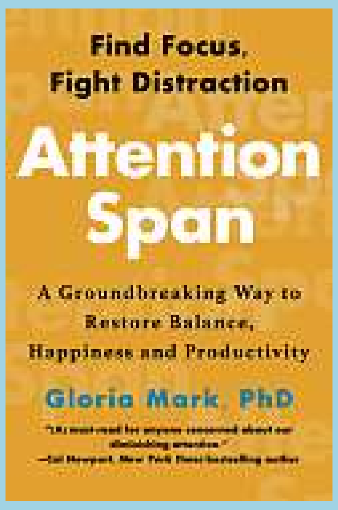

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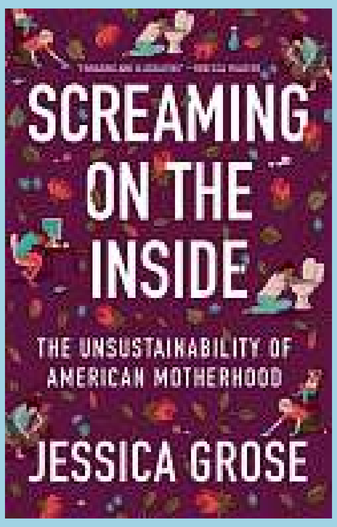

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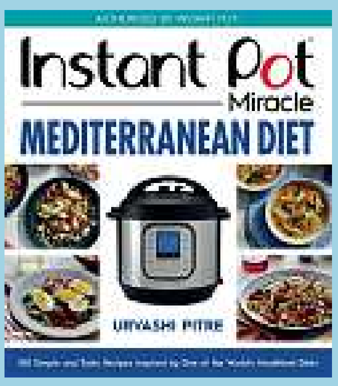

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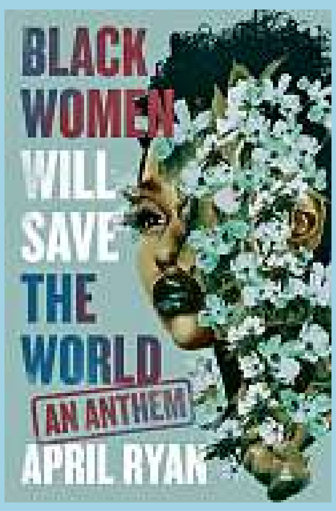

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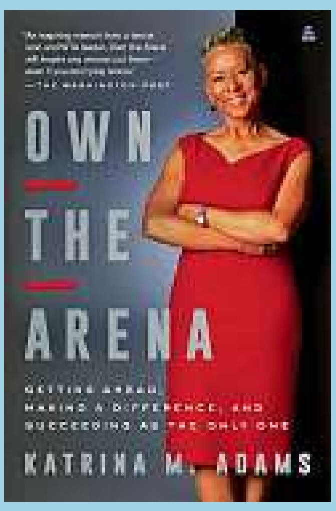

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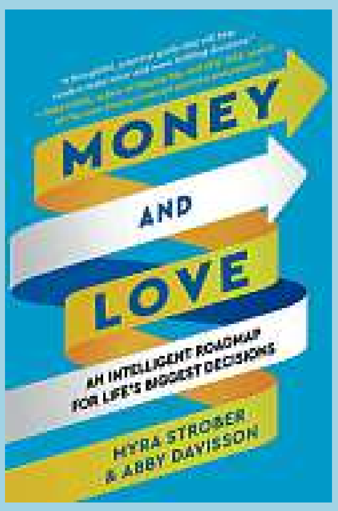

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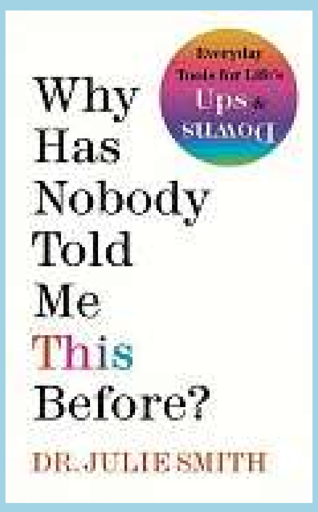

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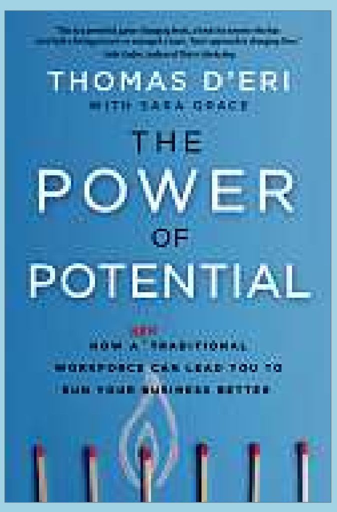

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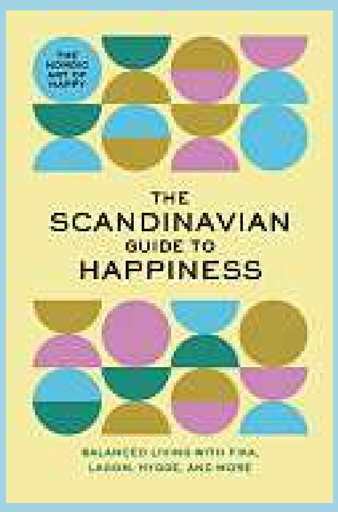

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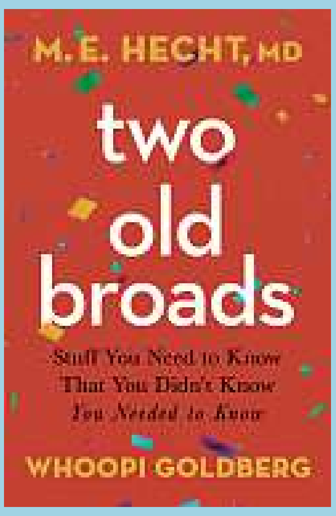

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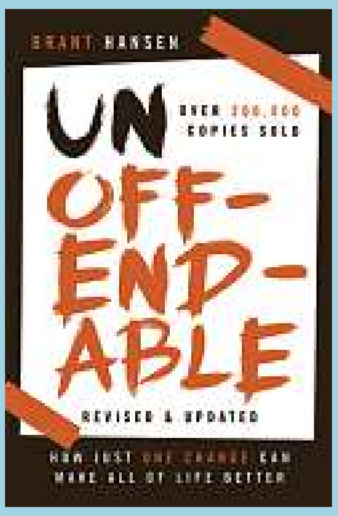

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WORLD NEWS

Maneuvers Show Off Russia-Belarus Ties

Joint air-force exercises along Ukrainian border presage a potential offensive by Moscow

By Thomas Grove And Bojan Pancevski

Russia and its ally Belarus launched a series of air-force exercises Monday along the border with Ukraine in an effort to boost cooperation ahead of what Ukrainian officials and military analysts believe could be a fresh effort by Moscow in the coming months to retake battlefield momentum.

Moscow has reorganized mobilization and training efforts, boosted arms production and last week appointed its top general in charge of Ukraine operations in an effort to increase efficiency on the battlefield and end a series of wins by Ukraine in recent months.

"The Kremlin is likely preparing to conduct a decisive strategic action in the next six months intended to regain the initiative," said a note from the Institute for the Study of War, a U.S.-based think tank that publishes daily reports on the war in Ukraine.

Ukrainian authorities on Monday were also continuing rescue operations at an apartment building in Dnipro, eastern Ukraine, where officials in Kyiv said a Russian missile struck over the weekend, killing at least 40 people. As the death toll has risen, the strike has turned out to be one of the largest attacks on civilians since the start of the war.

Russia used Belarus as a springboard for the initial phase of its invasion last year, but hasn't so far fully enlisted Belarus as a battlefield ally in the first year of the conflict. Nonetheless, the show of strength between the two countries' militaries underscores the will to maintain pressure on Ukraine.

The exercises involving joint air patrols and paratrooper landings begin the day after the Belarusian Security Council Chairman Pavel Muraveyko said Minsk was ready to respond to any threats from Ukraine and that the situation on the border was currently tense.

Over the weekend, the two armed forces also carried out joint artillery exercises.

EVGENIY MALOLETKA/ASSOCIATED PRESS

Rescue workers on Monday carried a body from an apartment building in Dnipro, eastern Ukraine, that was hit by a Russia missile over the weekend. At least 40 people were killed in the strike.

Russia remains committed to its maximalist demands on Kyiv, say U.S. and European officials, and its moves potentially to escalate its battlefield presence are taking place as Ukraine's allies gear up for talks on Friday on whether to provide Kyiv with more sophisticated weapons to counter the Russian threat.

Representatives of more than 50 countries supporting Ukraine are set to gather in Ramstein, Germany, to discuss provisions for Kyiv and pledge fresh supplies later this month.

Kremlin spokesman Dmitry Peskov dismissed Western measures to support Ukraine, saying Monday they were unable to change the situation.

Moscow's Energy Clout Ebbs

Continued from Page One

build huge pipelines eastward to sell all the fuel that used to head to Europe. That would take years. And in the long run, lost access to technology and Western know-how will likely undermine production potential as Soviet-era oil-and-gas fields dwindle.

All these issues will potentially be magnified when a fresh round of sanctions goes into effect next month.

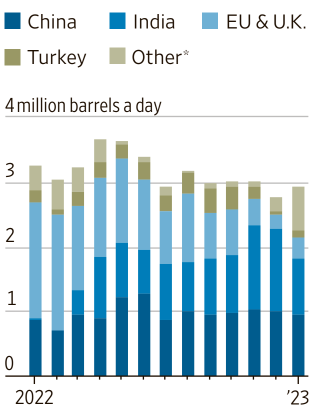
"Because of sanctions, the Russian economy becomes ever more dependent on energy exports," said Thane Gustafson, professor at Georgetown University and a historian of energy in Russia. "And when those themselves decline, the Russian economy's ability to invest those…and its ability to modernize its legacy infrastructure [go] down."

Russia's earnings from fossil-fuel exports fell 17% in December to the lowest level since the start of the Ukraine invasion, according to the Finland-based research organization Centre for Research on Energy and Clean Air.

Analysts and former Russian energy officials and executives said Russia will remain a major oil-and-gas producer with the ability to swing global prices. But they said Moscow will struggle to maintain output at prewar levels and sell it at international market prices, cutting into its biggest source of tax revenue and capacity to wield commodity exports as a tool of influence.

The reshuffle is making Russia more reliant on China, threatening to realize longtime fears in Moscow that it would become a junior partner to Beijing. Lower output could also weaken Russia's hand in its relationship with Saudi Arabia, the core of the Organization of the Petroleum Exporting Countries Plus oil cartel.

Russia's crude-oil shipments by destination



*Includes ships with unknown destinations, many of which analysts think are heading to India this month.
Source: Kpler

"Russia is still an energy power but its role has dramatically changed," said Vladimir Milov, former Russian deputy energy minister and now an opposition politician living abroad. "Russia will have a smaller market share in oil and gas, it will make less profit and it has lost some of its geopolitical leverage as well."

Evgeny Gribov, who quit as an executive at Lukoil PJSC, Russia's second-biggest oil producer, shortly after the invasion, said the ban on exports to Europe and loss of Western technology are "going to have a hugely negative impact on the oil-and-gas industry, and then consequently to the Russian budget."

"Oil-industry taxes will go down substantially," he said. "Oil companies will reduce investments, which has a huge negative multiplier to the Russian economy."

The immediate pain is concentrated in gas. State-owned Gazprom PJSC's output fell to 413 billion cubic meters in 2022 from 515 billion in 2021 after the firm cut off most of its European customers, which used to subsidize barely profitable sales at home.

Production of crude oil and a related hydrocarbon called condensate has held up at about 10.7 million barrels a day, said Livia Gallarati of Energy Aspects, down by 400,000 barrels a day since the eve of the war. Ms. Gallarati expects output to slip starting Feb. 5, when an EU ban on Russian refined fuels could force refiners to slow their own crude consumption.

Analysts don't expect Russia's energy industry to buckle quickly, as Venezuela's once-mighty oil sector did under U.S. pressure. One reason: the Biden administration, eager to ward off high gasoline prices, designed the price cap in such a way that Russia has a financial incentive to keep producing.

A steady deterioration of production and revenue is more likely, analysts said.

According to all future scenarios developed by the International Energy Agency, Russian fossil-fuel exports will never return to 2021 levels, "leaving Russia with a much diminished position," the IEA said last year.

Europe's energy links with Russia initially gave Moscow the upper hand in its economic war with the West. West Germany first traded steel pipes for gas with the Soviet Union in the 1960s, and those ties deepened down the decades. When they frayed last year, energy prices shot up, piling particular pressure on Europe while sending a gusher of revenue to Moscow.

The money helped Russia fund the war in Ukraine and placate its population at home with handouts. Oil and gas are the backbone of the Russian economy and provided 45% of the federal budget in 2021.

But prices have since fallen and the long-run outlook for production—and the Russian economy—has darkened.

Russia's main kind of crude, Urals, used to sail to Europe at about the same prices as global benchmark Brent. Most of the oil now heads on the weekslong voyage to India, and many mainstream shipping companies and traders are unwilling to handle it. Urals is trading at just more than half the price of Brent, according to Argus Media. At $45 a barrel, it doesn't fetch much more than Russia's estimated cost of production, when capital expenditure is included—though a weaker ruble should bolster local-currency tax revenue.

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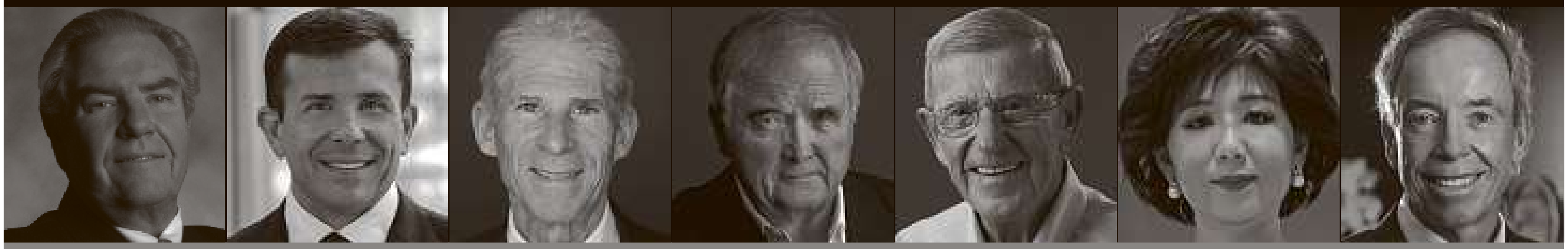

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Fashion Bares Belly Buttons

Continued from Page One

York designer Michael Kors, who created a black diamond cutout gown for entrepreneur and model Lori Harvey to wear to the 2022 Met Ball. The look, he adds, is "outrageous and elegant at the same time."

The style, trumpeted by fashion brands Christopher Esber, Saint Laurent and Gucci, and worn on the red carpet by stars including Zoë Kravitz, Julia Garner and Hailey Bieber, exposes a neat little window onto the belly button. These dresses are often long-sleeved and ankle-length, putting the entire focus on navel gazing.

Mr. Kors sees the look as a direct rebuttal to the forced comfiness of pandemic lockdowns. "After being in tracksuits and slippers," he says, "everyone's like, 'Get me out of this hoodie.' "

Exposing the navel isn't totally novel: Mr. Kors cites Cher as an early adopter. "Every week you'd wait to see what part of the body Cher would expose in a glamorous way," he says. In the 1970s, it was rare that Cher wasn't showing off her belly button, often while wearing sparkling ensembles by designer Bob Mackie.

And the look dates to even further back. Amanda Garfinkel, assistant curator at the Costume Institute at The Metropolitan Museum of Art, notes that, "Fashion has been experimenting with exposure like this for a long time." She continues, "Erogenous zones shift over time, so cutouts change location."

She traces the opening or window at the belly to the 1960s and 1970s, but cutouts, transparency, and veiling in various spots can be found in evening-wear designs by Madeleine Vionnet and Madame Grès as early as the 1930s.

Designers such as Yves Saint Laurent and Halston in the late 1960s and 1970s referenced the sari and the sarong, traditional garments that expose triangular and diamond shapes on the body through wrapping. Geoffrey Beene's work in the 1980s and '90s featured a number of midriff-cutout dresses which look similar to today's peekaboo gowns.

Ms. Garfinkel says that these garments are often about "play when it comes to exposure and coverage." There's certainly a playful quality to the velvet Gucci dress with a diamond-shaped belly cutout worn by Ms. Garner to the 2022 Emmy Awards.

JON KOPALOFF/GETTY; FRAZER HARRISON/GETTY; JEFF KRAVITZ/FILMMAGIC

Hailey Bieber, Julia Garner and Lori Harvey in diamond cutout dresses.

New York fashion influencer and filmmaker Ashley Rous wore the same dress as Ms. Garner in a short film she made for Gucci. "I definitely felt exposed," she says.

In the video, she wears the dress to type a letter on a Belle Epoque-style train. She says it was a good "challenge" to show a part of her body that she has struggled with insecurities about. "It's nice to look at my stomach and go: 'That's what it is, that's a human stomach.' "

Beyond the red carpet, are these dresses actually selling? Beth Buccini, the owner of the Kirna Zabête boutiques in New York, Florida and Pennsylvania, says the Saint Laurent diamond cutout-midriff dresses and catsuits, which are in the $3,000 range, have sold well in the company's Soho store in Manhattan and online. "It's a very young, very trendy customer who has a lot of money," she says.

The diamond-belly dress is at the cutting edge of the more widespread craze for cutouts in clothing, which has become a staple for many women. Some, sure, are Gen Z women inspired by looks like those worn by the Kardashian-Jenner clan, the Hadid sisters, and the character Maddy on "Euphoria." The black cutout minidress by the brand Akna that Maddy wore on season two of the TV show went viral in 2022, becoming a popular Halloween costume and DIY project for teens.

But cutouts have been embraced way beyond the "Euphoria" crowd.

"You can get this cutout look at any price and any style," says Ms. Buccini, citing "bohemian" brands such as Zimmermann and Johanna Ortiz, which offer party dresses in the $500-$1000 range, and multibrand retailer Revolve, which has a whole cutout section on its website.

As for age, she says it all depends on where the cutout is. She notes that Italian fashion brand Blumarine has made a cutout sweater with a slit at the shoulders—"any age can pull that off."

Erin Busbee, a Telluride, Colo., blogger who specializes in over-40 fashion, agrees that "a lot of it comes down to the placement." She suggests cutouts that fall just under the bust or at the sides of the waist. "If you have strategically placed cutouts they can look classy and sophisticated."

Will the diamond cutout dress look go big, or is it more of a flash? While relatively modest cutout dresses are everywhere, the more extreme belly-button-baring version appears to be a niche trend and a temporary phase, some say. Ms. Buccini of Kirna Zabête suggests people are more apt to show other parts of their physiques.

"Most people have better cleavage and legs than they do midriffs," she says.

Plus, she adds, "You want to go to that fun party, and be able to feel great in what you're wearing, and not have to worry about having a bowl of pasta."

Shoppers Battle Inflation

Continued from Page One

the Federal Reserve Bank of Kansas City, found that higher markups—the gap between what a firm charges and what it costs to produce an item—were a major driver of inflation in 2021.

They concluded that companies in some cases were raising prices in 2021 in anticipation of future cost pressures, rather than because of market power or outsize demand. Andrew Glover, a senior economist at the Federal Reserve Bank of Kansas City who was involved in the study, doesn't expect prices to fall this year, he said, but he anticipates that the pace of increase will continue to slow.

Even if waning cost pressures give companies less reason to raise prices, that doesn't spell an end to the inflation problem.

Fed officials worry that a host of other factors could sustain upward pressure on inflation. China's reopening could boost global demand for commodities and energy, sending prices up. Unemployment, at 3.5%, is at a 53-year low. Fed officials fear tight labor markets could sustain higher wage growth, particularly for labor-intensive services.

Inflation, which fell from 9.1% in June to 6.5% in December as measured by the consumer-price index, is still far above the 2% range, which is the Fed's target and around the level that prevailed before the pandemic. Price gauges that seek to filter out volatile prices showed inflation ran at between 4.5% and 7% in the past 12 months.

"We welcome these better inflation reports," Fed Chairman Jerome Powell said last month. "But I think we're realistic about the broader project."

The Fed worries consumers will expect inflation to stay high and build it into their behavior. Such inflationary psychology can be self-fulfilling: If consumers believe high prices will persist, they could seek bigger raises, and businesses, seeing higher labor costs, could continue raising prices.

Consumers last year cut back on purchases, suggesting that they were hitting a ceiling on prices they were willing to pay.

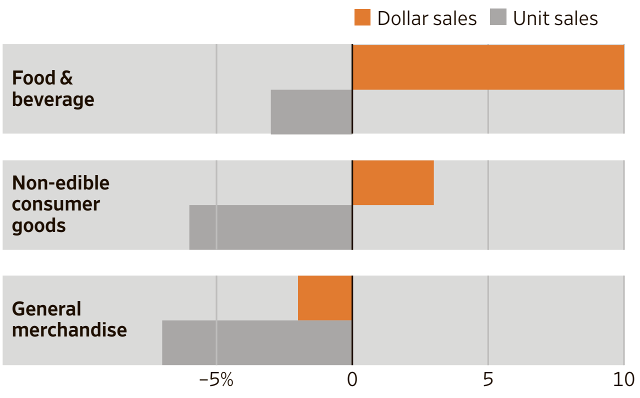
Unit sales of general merchandise, a category that includes home décor and small appliances, fell 7% in 2022 compared with 2021, according to data from IRI and NPD, which track store and online purchases. Dollar sales of those items fell 2%, reflecting higher prices.

Unit sales of food and beverages fell 3% last year, but on a dollar basis they rose 10%. That showed consumers were willing to pay higher prices for groceries but bought fewer items.

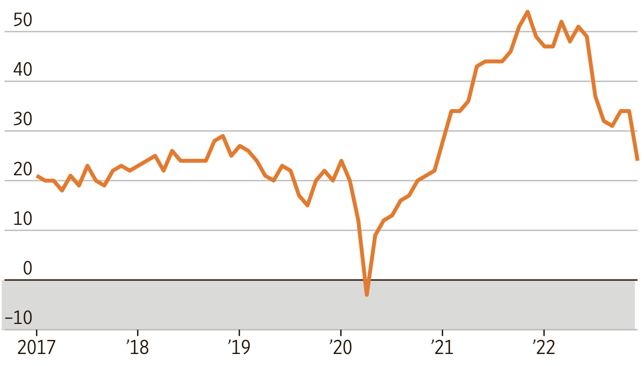
ASA FEATHERSTONE, IV FOR THE WALL STREET JOURNAL (2)

A checkout lane at the Kroger grocery store on Jan. 11 in Anderson Township, Ohio.

2022 sales by category, change from 2021 in:



Net percent of small businesses surveyed that plan to raise prices in the next three months*



*Net percent that said they would raise prices minus those that said they would lower prices; seasonally adjusted

Sources: IRI, NPD (sales); NFIB Research Center (planned price increases)

"People need to eat," said Krishnakumar Davey, a president at IRI. Shoppers are nonetheless buying less when possible and, in many cases, buying less expensive versions of necessities such as toilet paper and laundry detergent.

Sticker shock

2023 is the year of cost cutting for product manufacturers, said Mark Malo, founder of Next Gear Consulting, a consumer-goods advisory and former executive at Clorox Co. On average, expenses should be flat as shipping rates fall, he said, but labor and other costs remain high for some products.

Chummy Tees founder Josh Neuman raised prices on his T-shirts by about $4 in 2020. He has since lowered them to prepandemic levels after sales, which surged during the peak of the Covid-19 pandemic, fell to 2019 levels.

"The consumer's mind-set has changed," Mr. Neuman said. "They want to save money and raising prices is not an option for me in 2023, even though many of my costs are still elevated."

Oransi LLC, a maker of air purifiers, cut prices on its bestselling model in November by 20%, said Chief Executive Peter Mann. The model had sold for $599 since its September 2020 launch. It is now $399.

Mr. Mann said he decided to cut the price to offset waning consumer demand and heightened competition. Interest in air purifiers soared during the pandemic.

While some component costs such as chips are still higher than they were before the pandemic, others, including shipping rates have fallen, making it easier to lower prices without taking too big a hit to profits, Mr. Mann said.

Heather Caye Brown raised prices at her active and swimwear brand Night Dive by 15% last year. She doesn't think she can raise prices again.

"People are tightening their purse strings," Ms. Caye Brown said. "I feel like I'm on a tightrope and trying to balance being able to be profitable enough to keep the business going, but also not wanting to deter customers."

This past holiday shopping season, marked by a return of heavy discounting, was weaker than what some companies had expected. Lululemon Athletica Inc. said that although sales rose strongly, its profit margins were squeezed as shoppers bought more items on sale.

Walmart Inc., Target Corp., and other large retailers that sell a wider variety of goods such as food, clothes and décor, report quarterly earnings next month, which will include their holiday sales.

Large retailers late last year started resisting their suppliers' price increase requests, aiming to boost profits and attract more cash-strapped shoppers by keeping a lid on price increases, according to executives.

Shoppers in the aisle of a Kroger grocery store in Newport, Ky.

Premium products

Some companies introducing new products are mindful of price-sensitive shoppers and retailers. Executives behind Beautiful, a new brand of small kitchen appliances and cookware co-owned by actor Drew Barrymore, kept prices low for its introduction to Walmart in 2021.

Data from Walmart and other sources indicated that consumer spending was cooling for some categories, said Shae Hong, chief executive of Made by Gather, the kitchenware company behind Beautiful. The company worked with manufacturers to lower production costs, he said, which kept prices low and helped gain valuable shelf space near the front of Walmart stores.

"It just made sense for us to invest in price to drive more demand in a tough environment," Mr. Hong said.

Shoppers' resistance to higher prices vary by product. Sales are rising faster for premium versions of butter, such as Kerrygold Irish butter, despite higher prices slowing shoppers' appetite for less fancy butter.

U.S. dollar sales of Kerrygold butter rose 28% in 2022 compared with 2021, said a spokeswoman for Ornua, the Irish dairy cooperative that owns Kerrygold. Volume sales of Kerrygold rose 17% while overall butter volume sales dropped 2.8% during the same period, she said.

The brand's "premium positioning and grass-fed credentials helps to attract a different shopper," compared with mainstream and store brands, she said. Two sticks of Kerrygold butter cost around $4.18 at Walmart; the store-brand butter costs $4.48 for four sticks.

The biggest deodorant makers increased prices last year without denting sales. Deodorant sales by dollar rose 22.2% during the last four weeks of the year and 6.1% by units, according to a Jefferies analysis of NielsenIQ data.

Procter & Gamble Co. and Unilever PLC, which together account for 80% of U.S. deodorant sales—including such brands as Secret, Old Spice and Suave—each imposed double-digit price increases in the quarter. P&G said this fall that a new aluminum-free offering helped boost sales. It reports quarterly results on Thursday.

Jillian Amodio, a 32-year-old mother of two in Annapolis, Md., said inflation has changed her shopping habits. She has started buying more food in bulk at Sam's Club and more clothes from Walmart and Amazon.com Inc., all because of better prices.

"Anytime I'm at the grocery store, my kids say, 'Can I get this?' " Ms. Amodio said. "I used to be more lax, but now I'm saying no to the extra chips or the toy."

—Jennifer Williams-Alvarez and Jennifer Maloney contributed to this article.

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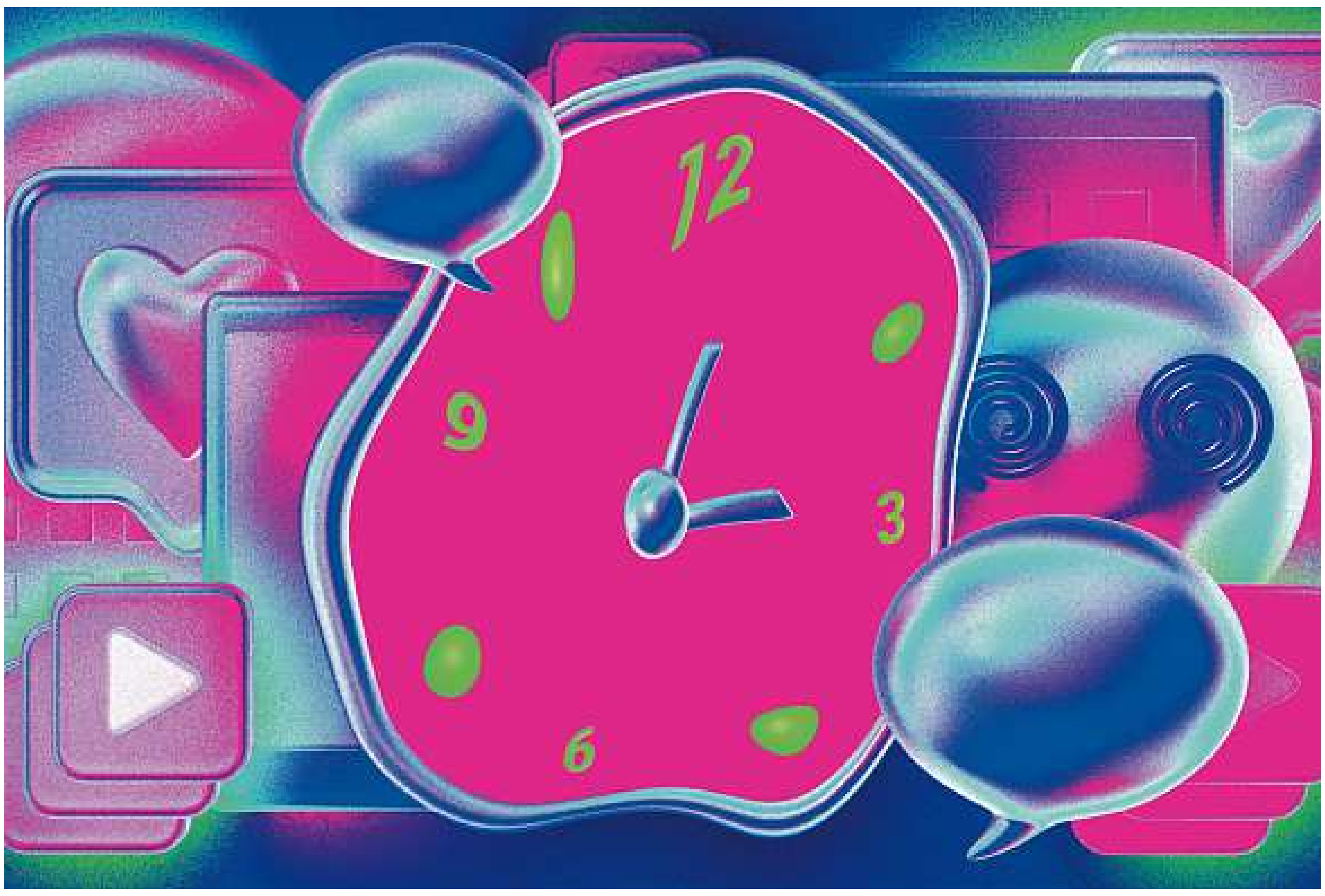

ILLUSTRATION BY SHIRA INBAR

Your Brain's Online Time Warp

Want to break bad screen habits? Start by guessing how long you spend on games, social media

FAMILY & TECH
JULIE JARGON

Indulge me in a little exercise: Estimate how long you spend each week scrolling Instagram, reading news, streaming video, trawling Amazon and the like. Next, look at your phone's weekly screen-time report to see how much time you actually spend doing those things.

I bet your initial estimate was lower than your actual number, perhaps by a long shot. You're not a bad guesser, nor are you trying to seem more virtuous than you are. Time just passes differently when we're online.

That is the conclusion of researchers such as Peter Tse, who have spent years studying our perception of time.

Paradoxically, time can feel slow when we're deeply absorbed in something, such as a videogame. But our memory tells us it passed quickly, says Dr. Tse, a professor of cognitive neuroscience at Dartmouth College.

On top of that, the things we remember most vividly later on are typically jarring experiences, or new and exciting ones. Our memories of routine activities tend to fade fast.

"The brain judges time by how much information it's processing. When something is novel, we pay attention to it," Dr. Tse says.

A good example would be the way time stands still in an impending car crash. "We're processing more information per second, so it seems to last longer."

The adage of child-rearing—the days are long but the years are short—shows how the lack of novelty plays a role. The early days might have individually felt grueling, but later on you can't remember every diaper change. When you look back, it seems like your kids grew up in a flash.

Videogames and social media affect us in similar ways. Our Instagram feeds might hold the illusion of novelty, but can you really remember every birthday post you read or cat video you watched? The experience of scrolling, regardless of what we scroll past, is largely the same from day to day.

Fifth-grader Ben Rodsky, 11 years old, understands this. When he's on his iPad, watching TikTok videos and playing games, it doesn't feel like he's on long at all, he says. But looking back on his iPad use, he says, "It feels like time goes 10 times faster."

Sometimes, his mom has him take a 10-minute screen break, to see how long that feels in the real world. He is supposed to meditate. After about a minute, he asks, "Has it been 10 minutes yet?"

Just about any adult can relate. No matter our age, we all get sucked into our devices.

Dr. Tse and colleagues published their first study on the effect novelty can have on our perception of time back in 2004—three years before the iPhone came out. Participants in his study were shown a series of repetitive images flashing on a screen, followed by one new image. While all images appeared for the same duration, participants thought the new image lasted longer.

Other time-perception experiments have since been conducted around videogame and social-media use and have found that people lose track of time when playing videogames and scrolling Facebook.

Some studies have also shown that people vastly underestimate the amount of time they spend on screens. A well-cited 2015 study, published in the peer-reviewed scientific and medical journal PLOS One, found that people underestimate their actual daily smartphone use by about 20%.

Some researchers say that figure has likely increased in recent years.

Brain-jacked

So what's the big deal?

As we spend more time on virtual pursuits, it's harder to manage time in general, Dr. Tse says. This can cause us to miss out on building in-person relationships and on activities such as exercising and spending time outdoors.

That little high you get when you see new likes on your Instagram post? That's the feel-good chemical dopamine being released in your brain.

But when the brain is repeatedly flooded with dopamine, it regulates itself, reducing the amount that gets released. Individual likes are less rewarding so you need more of them to feel good. Instead of 30 minutes, you're on for an hour.

Philip Gable, an associate professor in the University of Delaware's department of psychological and brain sciences, has done research showing that when people view photos of potential rewards such as a dessert, they perceive them retrospectively as having been shown for a shorter amount of time than photos of flowers.

"When you're highly motivated, that makes time fly," Dr. Gable says, citing videogames and social media. "The problem is, these things are not as meaningful as our brains are tricked into thinking they are." He adds, "You might be interacting with other people, but it's ephemeral."

Andrew Fishman, a licensed clinical social worker in Park Ridge, Ill., uses a time-estimation exercise when treating kids with problems regulating their gaming. He says the children play three to five times longer, on average, than they estimate.

Once kids see how much time they're devoting to gaming versus to other activities they enjoy, he helps them develop a plan for more nonscreen activities. He says adults should consider doing the same exercise.

WHAT YOU CAN DO

Once you've tracked all the time you spend online, decide on new screen-time limits and come up with activities to replace that wasted device time. Here's how:

▶ **Take baby steps.** Ben Rodsky, the fifth-grader, says it's helped to gradually dial back the amount of time he spends on his iPad. He has, in the past, stepped down from three hours at a time on his iPad to just 45 minutes.

▶ **Partner up.** Dr. Tse suggests enlisting a partner with whom to do screen-free activities, the same way you'd use a workout buddy to keep you honest at the gym. If one of you pulls out your phone at dinner or during a hike, you can remind the other to put it away.

▶ **Make it a family thing.** If your family spends too much time on screens, model the behavior you want, Mr. Fishman says. Track your own digital usage and set limits for yourself, then share all that with your kids.

▶ **Set a timer.** Dr. Gable recommends setting a 30-minute timer while doing things that typically cause you to lose track of time. You'll become more aware of how long that feels.

Allergies Spur Call For Early Boarding

By Jacob Passy

Some travelers with food allergies say airlines aren't doing enough to ensure their safety on flights and are asking regulators to step in.

Passengers with potentially life-threatening allergies say that being able to notify flight crews of their medical condition and preboard flights to clean their seats is crucial. They say the policies vary widely from carrier to carrier and execution of them can vary from flight to flight. Some of these travelers have called on the Transportation Department to mandate access to preboarding and other policies for passengers with allergies.

Airline employees often make decisions based on a limited understanding of the medical condition, federal disability regulations and their own company's policies, food-allergy advocates say.

An estimated 26 million U.S. adults and nearly six million children have food allergies, based on studies published, respectively, in the medical journals JAMA Network Open and Pediatrics. Shellfish, milk, peanuts and tree nuts are among the most common allergies, according to Food Allergy Research and Education, a nonprofit. Allergies can trigger anaphylaxis, a severe reaction that can cause death in less than 15 minutes, according to the Allergy and Asthma Network. For some, accidentally touching crumbs of food on a tray table and then eating or rubbing one's eye can trigger an episode.

Matthew Peicker, a 20-year-old college student from New Hampshire who is allergic to peanuts and tree nuts, says an American Airlines gate agent wouldn't let him preboard during a flight from Las Vegas to Charlotte, N.C., in September. On two other American flights, he says gate agents let him preboard after initially hesitating. On one flight, he says he found crumbs on his tray table while cleaning his seat.

"We're dedicated to providing a positive travel experience for all customers," an American Airlines spokeswoman said in an email. After The Wall Street Journal reached out to American for comment, Mr. Peicker says he spoke with a company representative about his concerns and was offered a $150 credit.

Airlines' policies on allergies differ widely. Delta Air Lines and JetBlue Airways are among the carriers that let people note their allergies when booking a flight online. Travelers on United Airlines must contact customer support after booking. If a passenger notifies an airline of an allergy in advance, some airlines will change the food offered on flights.

In recent months, the DOT has received formal complaints against Southwest Airlines and United regarding their treatment of passengers with food allergies. A 2019 DOT order in response to complaints involving American Airlines stated that not letting passengers with allergies preboard puts an airline in violation of the Air Carrier Access Act, a law that prohibits airlines from discriminating against people with disabilities. American revised its preboarding policy, and the complaints were dismissed.

A DOT spokeswoman said in an email that passengers who need additional time to wipe down their seating areas before a flight must be allowed to preboard. The spokeswoman added that airlines can request that passengers provide a medical certificate, such as a written statement from a doctor, saying the passenger can safely fly, as a condition of travel.

Boarding before other passengers is the most important step travelers with food allergies can take to prevent an in-flight reaction, says Lianne Mandelbaum, founder of No Nut Traveler, a nonprofit focused on passengers with food allergies.

"Humans are messy, and you don't know who sat in the seat before you," she says. Beyond wiping down seats, some travelers place disposable covers on the seat and armrests to prevent contact.

Preboarding is an issue with many airlines because the time it takes to board an aircraft has a direct impact on profitability, says Ahmed Abdelghany, associate dean for research at the O'Maley College of Business at Embry-Riddle Aeronautical University in Daytona Beach, Fla. Boarding flights quickly is critical to maintaining the tight turnaround times that allow airlines to operate more flights—and prevent complaints from passengers eager to leave the airport.

Southwest says it stopped allowing passengers with severe peanut allergies to preboard in September. That prompted a group of advocacy organizations and nonprofits to file a DOT complaint against the airline. A Southwest spokesman attributed the change to "an unintentional internal miscommunication." The airline reverted to the old policy on Dec. 15.

Allergy advocates argue Southwest's policy may not help people with other food allergies, since the written policy only refers to people with nut allergies.

"When Southwest flip-flops back and forth on compliance with the law, that creates confusion in the people on the ground who have to implement these policies with passengers, and it makes it that much more likely that even people with peanut allergies will be denied preboarding," says Mary Vargas, a lawyer representing the allergy groups in the DOT complaint.

United is the subject of a DOT complaint filed by an unnamed business traveler who said she was kicked off a flight in June after disclosing her severe food allergy to a flight attendant. In the complaint, the traveler said she incurred over $1,400 in additional travel expenses after renting a car to reach her destination. Ms. Vargas also represents the traveler in the United complaint. A United spokeswoman said the airline doesn't comment on active cases. The DOT declined to comment on the pending complaints.

United updated its policy this month concerning customers with food allergies to say that people with severe allergies can notify flight attendants to request an allergy buffer zone around their seat.

26M

U.S. adults with food allergies. Six million children also have them.

GETTY IMAGES

The Transportation Department says passengers who need additional time to wipe down their seating areas must be allowed to preboard.

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OFF BRAND
RORY SATRAN

In Fashion, Beauty Ads Make Way for Gray

More older models, such as Birgitt Doss and Jutta von Brunkau, above, are being sought out. Frances Dunscombe, right, didn't begin modeling until her 80s.

FROM TOP: YELENA YEMCHUK; TRISHA WARD

Ninety-year-old Frances Dunscombe only began modeling at age 82 after the death of her husband. When her daughter, a model in her 60s, suggested Ms. Dunscombe join her to visit her agency, she scoffed, "You must be joking." Now, she realizes, "Actually, I think it was quite a good time to start modeling, because it wasn't going to go to my head."

A childhood war evacuee in Britain, she left school at 15 and didn't have a major career until modeling. Now, several years into her modeling career, she's done lingerie pictures, worn Prada in Hunger magazine and been on the cover of Harper's Bazaar UK. Ms. Dunscombe, who lives in Surrey, U.K., sees her mission as inspiring and advocating for older women. "I get extremely irritated when fashion editors promote the most frumpy of clothes for the older age groups," she said. "Aren't they aware of what is going on at the moment? That we are coming to the fore."

Ms. Dunscombe is part of the fashion and beauty industry's new silver wave. Luxury fashion brands, direct-to-consumer beauty brands and mass clothing lines have begun casting older models—*much* older models. Some are celebrities, but increasingly, they are unknowns.

It would appear brands are finally warming to the idea that women of all ages want to see themselves in advertising.

Beauty giant L'Oréal's current spokespeople include Helen Mirren, 77, Jane Fonda, 85, and Viola Davis, 57. Maye Musk, "nepo-mommy" of titan Elon, became CoverGirl's oldest cover girl in 2017 at age 69. Luxury brand Celine famously cast the late silver-haired writer Joan Didion in its ads in 2015. Saint Laurent has more recently featured Betty Catroux, 78, and Joni Mitchell, 79. Models over 50 now regularly walk runway shows including at Valentino, Simone Rocha, Balenciaga, Rachel Comey and more.

Even on the men's side, Prada has recently employed silver foxes Jeff Goldblum, 70, and Vincent Cassel, 56.

"A youth-obsessed culture is just boring," said the New York designer Ms. Comey, whose casting is held up as an example for age representation. Even on her e-commerce site, typically a zone for the most conventional models, she includes people of all ages. "Casting people of all ages has always felt natural to me," she said, because, after all, "we design for people at all stages and moments of their lives."

That kind of common sense is still rare in the fashion industry, where models are typically in their late teens and early 20s. While there's no comprehensive tracker of models' ages, the Fashion Model Directory website estimated the median age of models as 23 in 2019, and a 2022 diversity report from the Fashion Spot clocked only 23 total castings of over-50s on the fall 2022 runways.

In her 1996 article about then-16-year-old model James King in the New York Times Magazine, Jennifer Egan described the paradox of marketing fashion via young girls: "Teen-age girls simulate an adulthood they have yet to experience, for the consumption of adult women who then feel dogged by standards of youth and beauty they will never meet. Welcome to image culture's hall of mirrors."

The year before Ms. Egan's article, model and actor Isabella Rossellini was dumped from selling antiaging cream as she aged. Throughout the 1980s and '90s, Ms. Rossellini embodied serenity in perfume and skin care ads for the French cosmetics company Lancôme. But when she was 42 in 1995, her contract abruptly ended.

"Women dream to remain young, so if you are 42 you can no longer represent that dream," Ms. Rossellini rememb ers the company's executives telling her, as she recounted in the 2012 documentary "About Face" and in several interviews. Last year, Ms. Rossellini told Charlie Rose, "I think they made a mistake." In today's more hospitable climate, the 65-year-old Ms. Rossellini has started appearing in Lancôme advertisements again.

"So women's dreams have changed?" Ms. Rossellini asked Mr. Rose of the shift. "They don't want to be young—they want to be old?" In response, Francoise Lehmann, chief executive officer at Lancôme, called Ms. Rossellini "the perfect embodiment of the Lancôme brand values of positive and powerful beauty."

Some of the older models in the spotlight at the moment, stars with extraordinary longevity like Pat Cleveland and Jerry Hall, came up as young models in the 1960s and '70s. Bethann Hardison, 80, one of the first Black supermodels who began working in the 1960s, is the subject of "Invisible Beauty," a documentary premiering at Sundance this month. Ms. Hardison appeared in a Victoria's Secret campaign in October 2022.

A nostalgic taste for '90s fashion has renewed interest in models from that period, including Christy Turlington, Naomi Campbell and Cindy Crawford, now in their 50s.

But with the demand for older models appearing to be at a record high from print advertising to social media campaigns to runways, older modeling newcomers are joining these familiar faces.

Georgia Makely-Schraeder, the global director of digital and media at Ford Models, said that her agency had done open casting calls for older models to meet demand in recent years. Briefs from brands that once sought only young, thin, predictable models have increasingly opened up, she said.

Rebecca Valentine started Grey Model Agency in London in 2015 specifically to address the burgeoning demand for older models. She specializes in, as she put it, "models over 50 whose faces tell a story." (Ms. Dunscombe is one of her models). Since she launched her agency, she said, "we have seen an explosion" in the types of older models being cast, including "silver haired fashionistas" and "androgynous yoga bunnies."

Ms. Dunscombe said that as a 90-year-old model her job was to communicate: "You are not the perfect person. You are simply an example of what everyone could aspire to."

NATHAN PERKEL FOR THE WALL STREET JOURNAL (2)

MY RIDE | A.J. BAIME

Second Chance on a '55 Corvette

Keith Tholin, 73, a retired medical device executive living in San Clemente, Calif., on his 1955 Chevrolet Corvette, as told to A.J. Baime.

WHEN I WAS growing up, my dad was a United Airlines mechanic. He would buy these old cars and he would teach my brother and I how to work on them. He taught us how to tune up the engines, how to paint a car. Over the years, while my brother and I were in school, he probably had five or six C1 [first generation, from 1953 to 1962] Corvettes.

In 1971, my dad bought this 1955 Corvette that became our favorite of all the cars he owned. Chevrolet first came out with the Corvette in 1953, and it famously had a fiberglass body. The year 1955 saw the first production Corvette with a V-8 engine.

A previous owner autocrossed the car [autocross is a form of racing], and he had modified it. He put in a larger 283-cubic-inch V-8 engine and a BorgWarner four-speed transmission. He put in a fuel-injection unit. So the car was pretty unique.

My father used to take this '55 to Corvette events, and he got to know a man named Zora Arkus-Duntov [a General Motors engineer who has been called the "Father of the Corvette"]. At one, in 1980, camera crews came out and they asked Duntov to get in a Corvette for photos. He chose my father's car, and I have photos of Duntov driving in a parking lot with my father in the passenger seat.

When my father died, he had a 1978 Corvette and this 1955 that was our favorite. My brother and I flipped a coin, and he won. So he got the 1955, but several years later, I bought it from him and I have owned it ever since. It sat in my garage for 25 years, but when I retired six years ago, I started a restoration.

I personally took the car apart, every nut and bolt, and put it back together. I painted it. While I was doing this work, all these memories of my father and brother—the three of us—working on Corvettes came back to me. I still have some of my father's tools and I used them during the restoration.

My father had a receipt that had the name of the guy who owned the car before him. His name was Lou Matli. I googled him and was able to track him down. About five years ago, my wife and I went to see him; he lived outside Sacramento. He remembered everything about the car. He had trophies from his autocross competition, and he gave them to me.

These days I take the '55 to car shows and Cars & Coffee events.

I think my father would be proud of the work I did, because I used all the skills that he had taught me to do the job on this Corvette he had bought over 50 years ago.

Keith Tholin drives the Corvette his father owned. Above, autocross racing trophies won by a previous owner.

ARTS IN REVIEW

FILM REVIEW

The Defiant Dames of Silent Cinema

The women featured in this new four-disc set from Kino Lorber are anything but damsels in distress

By David Mermelstein

'CINEMA'S FIRST NASTY Women," a new collection of silent movies available on both DVD and Blu-ray from Kino Lorber, earns points for its catchy, if perhaps sometimes misleading, title. But it deserves even more credit for its contents—a crop of 99 films (some 14 hours' worth), made from 1898 to 1926. Most come from France and the U.S., but a handful are from Italy, and a smattering hail from Denmark, Sweden or Britain. In all, 13 international archives and libraries contributed material.

Both the Blu-ray and DVD sets consist of four discs, but only the Blu-ray version is complemented by a perfect-bound, 112-page book of scholarly essays, interviews, archival photos and, most important of all, useful notes on the films themselves. Beyond that, audio commentaries in English accompany 19 of the films, with a further 15 in Spanish. (The set is region-free and being marketed worldwide.) English intertitles are present in all movies that originally contained them, and all foreign-language intertitles have been subtitled in English. Newly recorded music, mostly by female composers, accompanies each picture. Many of the scores are cleverly in sync with the era; others, jarringly not.

As the set's moniker makes clear, the emphasis is on women, but not the demure type often associated with early cinema. Instead, this box revels in disruption, rebellion and, more than occasionally, outright mayhem. Yet a stubborn irony lies at its heart: Most of these films were directed, written and produced by men—in marked contrast to Kino Lorber's "Pioneers: First Women Filmmakers," a set from 2018, and its periodic supplements, among them two volumes released in 2020 devoted to the now-celebrated Alice Guy Blaché.

The earliest films here are extremely short (from one or two minutes to about 12). And even the bulk of those shot later seldom exceed a quarter hour. A notable exception is "The Snowbird" (U.S., 1916), at 82 minutes. Its plot, credited to Mary Ryder and June Mathis, concerns a tough society girl's trip to rural Quebec, where she tangles with the ornery cuss defrauding her father. A handful of other films clock in at around 25 minutes, so a long attention span is seldom essential.

Each disc carries a loose general categorization ("Disastrous Domestics & Anarchic Tomboys," "Queens of Destruction," "Gender Rebels" and "Female Trick-

> It gathers nearly a hundred movies made from 1898 to 1926.

sters") and then groups films under more specific headers to further divide. The oldest pictures may require unusual patience and concentration, for much had to be implied when watching a film took about as much time as frying an egg.

But as with many things, immersion can engender appreciation. So it is with the 12 (of 24) films in the so-called Léontine series presented here, all made in France between 1910 and 1912. They feature an incorrigible brat (played by a fully grown woman, who, despite fame in her day, now remains nameless) raining all manner of havoc on nearly everyone she meets, though notably none on animals. Her competition comes from two other Gallic rabble-rousers: the unruly Rosalie (Sarah Duhamel) and the ill-tempered Cunégonde (Little Chrysia), both making life difficult for those around them in their own series.

Two American pictures deserve special mention: "Laughing Gas" (1907), directed by the cinema pioneer Edwin S. Porter and running just seven minutes, features the exuberant Bertha Regustus, a black woman of irresistible charm, under the influence of a dentist's laughing gas. As she travels home, everyone she encounters, including passengers on a tightly packed streetcar, becomes touched by her uncontrollable mirth. That all are white may be the biggest surprise of all. "Fatty and Minnie-He-Haw" (1914), directed by the infamous comedian Fatty Arbuckle and running 21 minutes, stars Arbuckle and Minnie Deveraux, of the Cheyenne and Arapaho tribes, in a farce that pits her, the earthy daughter of an Indian chief, against his feckless coward, with the pair clumsily attempting physical affection even as he pines for a different bride.

If anything mars this valuable set, it's the imposition of trendy academese on its contents. The curators—two film scholars, Maggie Hennefeld and Laura Horak, and an archivist, Elif Rongen-Kaynakçi—have framed the project as a barbed counterpoint to anti-feminist rhetoric, and many of the supplements invoke the wearisome jargon of race- and gender-studies, frequently obscuring the useful insights that may also be present. Another annoyance are the condescending title cards addressing racial stereotypes, which in several cases seem random.

Yet those interested in cinema's infancy and early stages, when technology was slowly but surely metamorphosing into art, will find hours of scintillating footage seen to extraordinary advantage, thanks to recent advances in cinema restoration. This set's cant can be ignored. The films themselves, like so many of their central characters, are irrepressible.

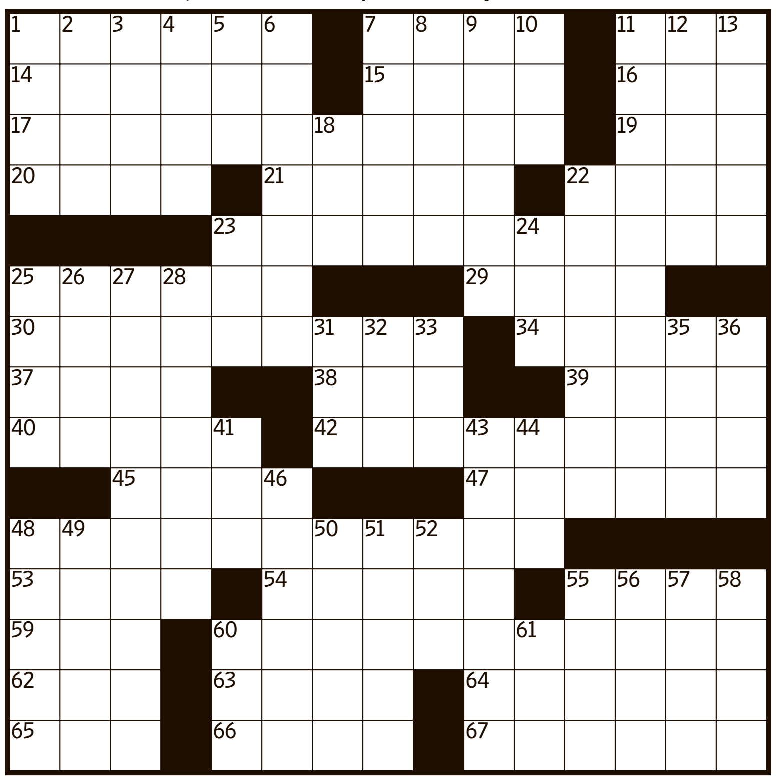
Mr. Mermelstein writes on film and classical music for the Journal.

Mabel Taliaferro in 'The Snowbird' (1916)

KINO LORBER (3)

Bertha Regustus in 'Laughing Gas' (1907), above; Fatty Arbuckle and Minnie Devereaux (at left) in 'Fatty and Minnie-He-Haw' (1914), above center

The WSJ Daily Crossword | Edited by Mike Shenk



SPEED READING | By Ella Dershowitz

Across

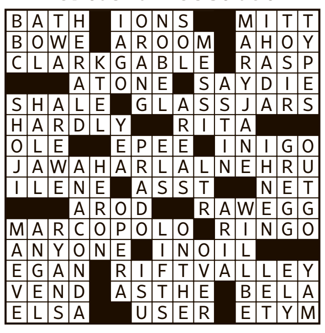
1 Pre-merger location
7 Choir voice
11 Checkers at SFO
14 Internet setup device
15 "Dead Poets Society" director Peter
16 Doja Cat specialty
17 *"Get ready to feel a lot of feels"
19 California's Santa ___ winds
20 Saints quarterback Dalton
21 Searcher's question
22 Winter Palace inhabitant
23 *"Actually..."
25 More active
29 Yard division
30 *Mascara and liquid liner
34 "A Series of Unfortunate Events" brother
37 Journey
38 Big word on a dollar bill
39 Additionally
40 Painter Matisse
42 *1970s aquarium pet
45 Farmiga of "The Conjuring"
47 Little ___ (Brighton Beach nickname)
48 *Doris Day signature song
53 Raggedy dolls
54 Set on a course?
55 Smartphone precursors
59 Bit of body art, for short
60 *"I only need a minute," or a guarantee about this puzzle's theme
62 Number on a whiskey bottle
63 Knob
64 Patti with three Tonys
65 Cleared (of)
66 In need of a massage
67 Reached great heights

Down

1 Ocean predator
2 "Verb" or "adjective," e.g.
3 Had regrets about
4 Person with a J.D.
5 "Not so great"
6 Reading before the semester starts
7 The Beatles' "Eight Days ___"
8 Get smart
9 Grow bored with
10 Hosp. areas
11 Takes shots off the field?
12 Yemen's capital
13 In pieces
18 Wed. follower
22 Like many a country highway
23 Supporter's vote
24 Stir-fry vessel
25 Meyers of late night
26 Burning pile
27 New and improved
28 Dazzle
31 Goddess of the dawn
32 "___ Visite" (Truffaut short film)
33 Casserole sphere
35 Functions
36 Protein-rich legume, to Brits
41 Ranter's emotion
43 Tasty bites
44 ___ Mae (Whoopi's "Ghost" role)
46 Polar bear's place
48 2022 World Cup host
49 Eel on a sushi menu
50 Target of prayer rug prayers
51 Tarnish
52 Leave the beach?
55 Insect in a cocoon or chrysalis, e.g.
56 Designer Christian
57 Dermatology topic
58 Timetable, informally
60 Civil rights leader ___ B. Wells
61 Status ___

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

Previous Puzzle's Solution



The contest answer is **HEART**. The letters alphabetically separating the initials of the five theme answers (C**DEF**G for CLARK GABLE; G**HI**J for GLASS JARS; J**KLM**N for JAWAHARLAL NEHRU; M**NO**P for MARCO POLO; R**STU**V for RIFT VALLEY) give an alternate answer for another answer's clue: DEF for ETYM; HI for AHOY; KLM for TWA; NO for HARDLY; and STU for RINGO. The first letters of those answers, taken in order of the parenthetical numbers in the theme clues, spell the contest answer.

SPORTS

FROM TOP: STEPHEN MATUREN/GETTY IMAGES; KAREEM ELGAZZAR/USA TODAY SPORTS/REUTERS

Top, Daniel Jones and Brian Daboll. Below, the Bengals' Sam Hubbard scored after a Ravens fumble.

JASON GAY

The New York Giants Are Back

A proud franchise gets a playoff win. Plus: craziness in Jacksonville and on the goal line in Cincinnati.

Decades from now, mystified scientists will gather to study the NFL's Minnesota Vikings, to try to figure out what they were all about—if they existed to compete in football, or merely to psychologically torment a population of loyal, long-suffering fans.

Tests will be run; helmets will be carbon-dated; archaeologists and academics will scour the ruins of old Twin Cities stadia. Brainy lab coats will review those regular-season box scores and heart-breaking playoff collapses, the fact that a 13-4 team could be quite statistically terrible, and ask a simple, probing question: How?

I digress. Let's give our love to the New York Giants, for they are the playoff victors here, 31-24 winners over a vanishing Vikings team I'm not quite sure ever existed. It's New York that's the story here, moving on to a date next weekend with their divisional rival Philadelphia Eagles and a very important football game for some of the noisiest fans you know.

The Giants are sometimes referred to as the New York Football Giants, a classy nod to a time when New York had itself a baseball club on the Polo Grounds. In recent years, it was also a helpful reminder for what sport the Giants are supposed to be playing, because they were bad, bad, bad—not just NFL bad, but Jets bad.

After stunning Tom Brady and the Grumpy Lobster Boat Captain Bill Belichick in the Super Bowl for the 2011 season, the Giants went into the wilderness for a decade, surviving on twigs, N.J. transit cards and memories of past accomplishments. They cycled through six coaches. They said an awkward farewell to Super Bowl hero Eli Manning. They forced New York sports fans to watch the Knicks in November.

And now, suddenly, they're back. The Giants got themselves a new coach, Brian Daboll of Buffalo, and they delivered a better-than-expected season, finishing 9-7-1, third behind the Eagles and Cowboys in the division, but good enough for the playoffs, because the NFC was mostly blah sludge this year.

Daboll didn't overhaul the Giants; he coached them up, giving fresh confidence to burdened young talent like quarterback Daniel Jones and running back Saquon Barkley and making the Giants competitive nearly every weekend. On Sunday they pounded and handled Minnesota, using a Jones-Barkley running combo and a stout defense to overcome some late miscues and an atrocious roughing-the-passer penalty. (I support protecting QBs, but it's getting to the point defenders are expected to make them a bowl of porridge, read "Goodnight Moon," and gently tuck them in.)

The Vikings were...the Vikings. At any minute, I thought they would explode for a 24-point quarter. I also wondered why they seemed to play so casually, like it was barefoot badminton at their aunt's birthday. On Minnesota's final, fourth-down play, quarterback Kirk Cousins attempted and completed a 3-yard pass, which would have been fine...except that the Vikings needed 8 yards to keep playing.)

Research scientists, with goggles and tools. One day this franchise will be excavated like a lost city.

As for the Giants, they have momentum and a useful chip on their shoulder. They weren't picked to win Sunday; they won't be favored visiting the 14-3 Eagles; they can't wait for you to forget their names and note that technically, they play in New Jersey, as if that is a brilliant cartographer's revelation.

The attitude is brewing into precisely the "Sleep On Us" vibe the Giants deployed to win those two Super Bowls against the New England Patriots, and if we're sitting here next weekend having a similar conversation about their determination and mettle, it won't be shocking.

After all, it's already a weird playoff year. The most bizarre game of the weekend happened in Jacksonville, where the Los Angeles Chargers raced to a 27-0 lead over the Jaguars, only to utterly come apart and lose, 31-30. Perhaps scientists should also be deployed to probe the itinerant Chargers, who are blessed with sumptuous talent and yet a remarkable ability to lose games they are supposed to easily win.

Jax wages on. So do the San Francisco 49ers, the only favorite to have an easy game, thumping Seattle 41-23. Also moving forward are the Buffalo Bills, who survived a rousing if time-addled effort from the Miami Dolphins, and the Cincinnati Bengals, who needed a 98-yard fumble return to beat the undermanned Baltimore Ravens.

Ravens fans will be seeing that nightmare play all winter: backup quarterback Tyler Huntley soaring high (why high?) for a sneak plunge in a 17-17 game, getting the ball punched out mid-leap, and 6-foot-5, 265 pound Cincinnati lineman Sam Hubbard scooping the ball up and huffing across the field looking like he'd found out his gate was closing while he was standing in line at an airport Starbucks.

Never seen anything like it, or the Vikings.

Eventually, the scientists will figure it out.

Arsenal Keeps Its Title Bid Rolling

By Joshua Robinson

London

For nearly a decade, Arsenal made its annual trip across North London to the home of rival Tottenham Hotspur and returned without a victory. There were galling close calls and embarrassing capitulations. Nearly all of them involved some kind of pratfall.

So when the streak ended on Sunday afternoon with a 2-0 win for Arsenal at the Tottenham Stadium, the result could have stood as a milestone on its own. But as the players celebrated in front of the small contingent of traveling fans, they understood that they had claimed something far more surprising. By the time Arsenal left its hated rival's home, it was a genuine contender in the Premier League title race.

As the season approaches the halfway point, Arsenal holds an eight-point lead over Manchester City, which has won championships in four of the past five seasons. For Arsenal, the youngest squad in the league with an average age of 24.1, this is uncharted territory.

"I saw a team with a lot of courage, determination, quality, and they really wanted it today," Arsenal manager Mikel Arteta said. "They are young and they are starting to believe and have experience."

The tests for Arsenal will now come in quick succession. By March, the club could either be in charge of the race or practically out of it. First there is a difficult home game against a newly drama-free Manchester United on Jan. 22, and then a potentially season-defining clash against Manchester City on Feb. 15. But as intimidating as that schedule may be, Arsenal goes into it in a better position than most of its fans can remember. In fact, after 18 of 38 games, the club has never had this many points since the Premier League began in 1992.

What makes it so stunning isn't Arsenal's record in itself—the team's controlled performance on Sunday underlined again that it is clearly one of the smoothest, most efficient teams in English soccer today. The shock comes from the sheer speed of Arsenal's turnaround. The club is 15 points better off than it was at this stage last season and 23 ahead of its total at this point in 2020-21.

Much of that comes down to the faith the club has placed in Arteta. Only hired in December 2019, when Arsenal was in free fall, he currently has the fifth-longest active tenure in the Premier League—all the more impressive considering he had never managed before. During that spell, there were plenty of moments when his inexperience was obvious. Arteta might have been fired if Arsenal hadn't committed so completely to a rebuilding project.

The fans weren't shy about calling for his head then, but they have happily changed their tune since. At the final whistle on Sunday, Arsenal supporters were marking their first victory at Tottenham in nine years with a song about "Super Mik Arteta" on loop.

"In the last few years there were places we haven't won for 15, 17 or 20 years," Arteta said. "I would like to do it all at once."

Not only has Arteta been given more time to prove himself than most managers, he's also enjoyed a free hand in building the squad he needed. That meant investing in young talent quickly to suit his playing style—seven of Sunday's starters weren't playing for Arsenal when Arteta arrived in London—and drumming out the aging, highly-paid stars who didn't. (The club had no qualms about cutting loose two of the highest earners in its history, Mesut Ozil and Pierre-Emerick Aubameyang, after Arteta decided he preferred not to work with them.)

FRANK AUGSTEIN/ASSOCIATED PRESS

Arsenal players celebrate after a 2-0 win over Tottenham. Arsenal holds an eight-point lead in the Premier League.

All of which has left Arteta exactly with the team he designed. All it needed, in this era of Manchester City reeling off championships with near-immaculate seasons, was an opening.

That seemed to arrive on Sunday when City lost its own crosstown derby against Manchester United, 2-1, on Saturday. Though City had been ahead with 15 minutes to go, an uncharacteristic wobble combined with a confusing offside decision by the officials, saw the defending champions allow two goals in quick succession and lose for the third time this season.

In recent years, Arsenal might have seen a chance like that and choked. Instead, the team wasted no time in stamping its authority on the Tottenham game.

The first break in the game came in the 14th minute, when Bukayo Saka fired a hard cross straight at Tottenham goalkeeper Hugo Lloris, only for Lloris to break the first rule of goalkeeping and push the ball into his own net. The stadium fell into near silence as 61,000 people wrapped their heads around what they had just witnessed.

Twenty-two minutes later, Arsenal added a second goal when Martin Odegaard fired into the bottom corner of the goal from 25 yards out. The Norwegian playmaker who was supposed to be a wunderkind at 15 is finally a star at 24 and at the heart of the Arsenal offensive machine.

"Especially in the first half, I thought he was incredible," Arteta said. "He's really showing a different kind of presence, the way he's influencing the game."

He's also influencing the standings. Right now, Arsenal is on pace to finish the season with 99 points. That number is so ridiculous that only two teams have ever managed it. And to be clear, it's highly unlikely Arsenal will become the third. But Arteta knows that if his team is going to win a first Premier League title in 19 years, it will have to be close.

"I don't want to do too much calculation," Arteta said. "It will demand almost perfection."

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OPINION

The New Structural Racism

MAIN STREET
By William McGurn

Before the Supreme Court renders its decision on Harvard's and the University of North Carolina's use of race preferences in admissions, the justices might take a glance across the Potomac. Northern Virginia today offers a snapshot of how affirmative action, intended as a benevolent effort to prevent discrimination, has hardened into an ugly war on achievement.

The latest fuss was kicked off before Christmas when Asra Nomani, an India-born mom and reporter, wrote a piece for the Manhattan Institute's City Journal detailing how her son's Virginia high school never informed him he'd been recognized by the National Merit Scholarship Program.

Other students at Thomas Jefferson High School for Science and Technology—known as "TJ" and regularly ranked America's No. 1 high school—said they had the same experience. So Virginia Attorney General Jason Miyares launched a civil-rights investigation on Jan. 4. Days later, principals at two more Fairfax County high schools, Westfield and Langley, admitted they too had failed to inform student award winners.

Mr. Miyares then expanded his investigation to all Fairfax County. No sooner had he done so than neighboring Loudoun County reported that three of its high schools had delayed notifying its students—though officials insisted it wasn't intentional. On Friday, four *more* Fairfax high schools fessed up, followed by another on Monday.

The National Merit Scholarship Program is a competition of 1.5 million students, based on their scores on the Preliminary Standard Achievement Test/National Merit Scholarship Qualifying Test. "Commended Students" rank in the top 3%, while "Semifinalists" test in the top 1%.

It's an achievement that can make a difference on a college or scholarship application. But the kids who weren't told they were National Merit winners, or were told too late, couldn't include it on their applications.

Given that the program leaves notifications up to the individual schools, it's possible that all these failures were bureaucratic snafus. But the context offers a less generous reading. Public education in Fairfax County has become the front line for an equity agenda that has hardened into a war on achievers, who are disproportionately Asian-American.

As a federal judge pointed out in 2022 in a case contesting TJ's new admissions policy, the Fairfax County School Board eliminated the merit-based entrance exam to make room for African-American and Hispanic students by reducing the number of Asian-Americans. In that sense it "worked."

The class admitted before the change was 73.05% Asian-American, 3.29% Hispanic and 1.23% African-American. After the change, these figures went to 54.36%, 11.27% and 7.09%, respectively. The share of white students grew from 17.70% to 22.36%.

Meantime, in October district officials signed a $455,000 contract for strategic planning with consultant Mutiu Fagbayi of Performance Fact Inc. A PowerPoint presentation he'd already delivered at a September 2022 Fairfax County School Board retreat defines equity as "equal outcomes for every student, without exception."

In Northern Virginia, affirmative action has hardened into a war on high achievers.

Or consider Shawnna Yashar, another TJ mom, whose son wasn't told he was a commended student until after the deadline for his early admissions application. Ms. Yashar says that when she complained to TJ's director of student services, Brandon Kosatka, he told her that the school wants "to recognize students for who they are as individuals, not focus on their achievements," and that it delayed informing winners to spare the feelings of those who didn't qualify.

It's hard not to notice that those who paid the price for this approach were overwhelmingly Asian-American, judging by the names on the National Merit Semifinalists' list published by Fairfax County. Asian-Americans at TJ accounted for 101 of the 132 winners, or 77%. At Langley it was 10 of 15 (66%), and for Westfield it was four of five (80%).

Asian-Americans make up only 18.97% of the student population of the Fairfax County public schools.

What makes Asian-American achievement so resented by our equity warriors is that it exposes as false the narrative about an irredeemably racist America where minorities can't succeed. This progressive disdain for Asian-Americans is amplified by a resentment of moms and dads who believe they should have a say in their kids' educations.

In Virginia, parents watched teachers unions agitate to keep classrooms closed during Covid. They learned the National School Boards Association asked the Biden administration to regard angry parents who showed up to public meetings demanding accountability as domestic terrorists. And they heard a schools superintendent in Loudoun County lying to them about a brutal sexual assault of a 15-year-girl in a school bathroom.

Now these same officials want parents, especially Asian-American parents, to believe that not informing their children that they won a prestigious academic competition was an innocent oversight. We'll see what the attorney general finds. But nothing these school officials have done has earned them a presumption of trust.

Write to mcgurn@wsj.com.

Can India Emerge as a Rival to China?

GLOBAL VIEW
By Walter Russell Mead

New Delhi
Prime Minister Fumio Kishida's visit to Washington reminded Americans last week that Japan has become America's most important ally. But my visit to the Ananta Centre's India-U.S. Forum here over the weekend reminded me that the future of the Indo-Pacific rests largely in India's hands.

The history of Asia can be read in comparing the Indian and Chinese economies. According to World Bank figures in chained dollars, in 1980 India's gross domestic product was 64% of China's. By 2001 when China joined the World Trade Organization, India's economy was only 28% as large as China's. And, despite several years of rapid growth in the 21st century, by 2021 India's economy had fallen even further behind and equaled only 17% of the Chinese economy. Even as India has caught up with China in population and built a world-class cyber industry, it has not emerged as the kind of manufacturing powerhouse that could rival China's economic weight in Asia and beyond.

Uneven development has been a more important driver of world politics throughout modern history than many people understand. Britain's early lead in the Industrial Revolution made it both the workshop and the master of the world in the 19th century. As the rest of Europe caught up with Britain, Western powers managed to dominate virtually the entire world.

Japan's early industrial success made it the greatest power in Asia by the end of the 19th century, and Imperial Japan was sometimes called the "Britain of Asia." Regional supremacy went to the heads of Japan's rulers, and they embarked on a destructive and ultimately ruinous quest for hegemony. Now China's success has made it the greatest regional power and tempted some in Beijing to follow the path of Imperial Japan.

If India's economy had kept pace with China over the past 40 years, India would currently have a GDP of $10 trillion instead of $2.73 trillion. Between the military spending an economy of that size can support and the economic and political clout it would give Indian businesspeople and diplomats, there would be no "China threat" in the Indo-Pacific. When and if the gap between India and China begins to close, the balance of power in Asia will also start to shift, and China will need to rethink its approach to regional and world politics.

America's problem in Asia is not that China is too rich. It is that India is too poor. In the short to medium term, the imbalance between the two Asian giants requires the U.S. to work with our allies to keep Chinese ambitions and power in check. But even as we focus on the clear and present danger, we must keep the big picture in mind. The U.S. and India have disagreed and will disagree on many things, but America's national interests are firmly tied to India's success.

India's great economic achievement to date has been the development of a world-class information economy.

Manufacturing hasn't been a strong suit, and technology alone won't do the trick.

Cities like Bangalore and Hyderabad have become important centers of IT, and the rise of the Indian tech sector has helped build an emerging Indian middle class. Cyber alone, however, won't be enough to achieve the transformational growth that India needs. If India wants to end poverty at home and emerge internationally as China's peer, it must become a great manufacturing power.

The World Bank estimates that in 2021 India had more than 360 million children 14 or younger, 112 million more than China. IT will provide jobs for only a fraction of those young people. For the hundreds of millions of Indian workers who do not speak English and have limited mathematical skills, factory work offers the only feasible path out of poverty.

Manufacturing for the world market has not been India's strong suit. Rickety infrastructure, expensive and unreliable electric power, complicated labor and land laws, and a frustrating bureaucracy prevented India from joining previous waves of Asian industrialization. Japan, South Korea, Taiwan, Singapore, Vietnam and of course China all outperformed India in the race to industrialize.

Today, however, a confluence of international and domestic factors is giving India a chance to catch up. Internationally, manufacturers are looking to reduce their dependency on China. Domestically, the populist government of Prime Minister Narendra Modi wants broader prosperity than the cyber economy on its own can provide. Years of investment in highways, railroads and ports combined with regulatory reforms have reduced if not eliminated the obstacles that long kept foreign investors at bay.

While Indians work on making their country more attractive for foreign investment, American policy makers need to remember that Indian economic growth is critical to American goals in the Indo-Pacific. As American trade policy adjusts to the new era of great-power competition, we need to ensure that made-in-India products have access to American markets.

Katie Hobbs Wants to Turn Back the Clock

By Jason Bedrick And Corey DeAngelis

Arizona's then-Gov. Doug Ducey signed a law last year establishing America's most expansive school-choice program. Mr. Ducey's successor, Katie Hobbs, seeks to undo that progress.

Arizona established education savings accounts, which it styles Empowerment Scholarship Accounts, in 2011. With an ESA, parents can use a portion of their child's state education funds—about $7,000—to pay for private-school tuition, tutoring, textbooks, online courses, home-school curricula, special-needs therapy and other expenses. Last year's law abolished eligibility limits and made ESAs available to all K-12 students in the state. Ms. Hobbs's proposed budget would undo the expansion, leaving only around 1 in 4 students eligible.

In her first State of the State Address, she assailed the Legislature for expanding the program and warned it "will likely bankrupt the state." She claimed the new law is "poised to cost Arizona taxpayers an estimated $1.5 billion over the next 10 years if left unaddressed."

But there's an obvious problem with her math. Arizona spends more than $12,000 a pupil on its public schools, while the typical universal ESA award amount is only $7,000. Ms. Hobbs counts the cost of the program but ignores the fiscal benefit. An analysis from the nonpartisan Common Sense Institute finds that the ESA program will save taxpayer money.

Arizona's governor would repeal a 2022 school choice law.

The ESAs are funded with 90% of the *state's* per pupil expenditure, but none of the federal or local portion, which means that each student who uses an ESA instead of enrolling in a district school generates savings for taxpayers.

The state Education Department reports that traditional public-school enrollment has declined by nearly 31,000 since 2019 and is now more than 70,000 below the 2019 budget projections. The Common Sense Institute calculates that this decline generates more than $500 million in annual statewide savings, more than offsetting the $377 million annual projected cost of the full ESA program. Meanwhile, Ms. Hobbs proposes to spend $1.34 billion on "new executive initiatives," belying her profession of concern for the taxpayer.

Arizona's Legislature remains narrowly under Republican control, and the leaders of both chambers have pronounced the governor's budget dead on arrival. "First of all, Arizonans want school choice," House Speaker Ben Toma said in response to Ms. Hobbs's speech. "I don't think giving parents choice is equivalent to anti-public-education."

The governor has a line-item veto, but Ms. Hobbs won't be able to use it to limit ESAs, which are funded by formula tied to money for public schools. That means she'd need Republican lawmakers to cross party lines.

That would be risky for them. A Morning Consult tracking poll this month found 67% of Arizonans and 77% of parents with school-aged children support ESAs. Enrollment has surged to 45,000 from 10,000 since the expansion. Even Ms. Hobbs should think twice before alienating these constituents.

Mr. Bedrick is a research fellow at the Heritage Foundation. Mr. DeAngelis is a senior fellow at the American Federation for Children.

BOOKSHELF | By Peter Thonemann

Aiming For Empire

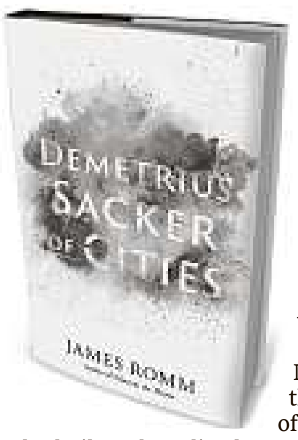
Demetrius: Sacker of Cities

By James Romm
(Yale, 210 pages, $26)

Nominations, please, for the title of Most Confusing Historical Period Ever. The third-century crisis of the Roman Empire? The Thirty Years' War? The Balkans, pretty much whenever? Kids' stuff. The half-century after the death of Alexander the Great still beats all comers.

After Alexander's death in Babylon in 323 B.C., his vast empire, stretching from the Adriatic to the Indus, was engulfed in a head-spinning series of civil wars between a huge cast of Macedonian generals, all of whom seem to be married to everyone else's sister. By the end of the 280s B.C., three major successor dynasties (the Ptolemies in Egypt, the Seleucids in the Near East, and the Antigonids in Macedon) had finally emerged from the carnage. But the intervening period was, frankly, a nightmare.

Among the dozen or so grim-faced warlords who fought over Alexander's legacy, by far the best-known to us is the mercurial Demetrius Poliorcetes ("City-Besieger"). Demetrius probably never met his great predecessor—he was only a toddler when Alexander set out for Asia—but none of Alexander's successors came so close to reincarnating the conqueror's spirit. In "Demetrius: Sacker of Cities," James Romm draws a concise and engaging biographical portrait of this extraordinary man.



Demetrius was the son of the Macedonian general Antigonus the One-Eyed, the most ruthless of Alexander's early successors, who built a short-lived personal empire in modern Turkey and Syria. Already in his 60s at the time of Alexander's death, Antigonus was an old man in a hurry. At the age of 19, Demetrius was leading his father's Companion Cavalry in battle, and when Antigonus took the title "King" in 306 B.C., Demetrius was proclaimed as co-ruler.

Demetrius' nickname derived from his spectacular siege operations, most famously deployed during his year-long siege of the island city of Rhodes in 305–04 B.C. His first empire collapsed overnight after Antigonus' defeat and death at the battle of Ipsus in 301, but with phenomenal speed Demetrius won a new kingdom for himself, this time in Macedon and mainland Greece. His second empire was equally short-lived. In 286 B.C., a quixotic attempt to imitate Alexander's heroic march into Asia descended into farce, and Demetrius died soon afterward of gluttony and alcoholism, imprisoned in a remote Syrian fortress.

Much of what we know of Demetrius' life and personality comes from Plutarch's sparkling and melodramatic biography, written some 350 years after Demetrius' death. Most of the entries in Plutarch's "Parallel Lives" deal with figures of exemplary virtue; his "Life of Demetrius" (along with its Roman parallel, the equally over-the-top "Life of Antony") instead explores the effects of self-destructive vice. Plutarch paints an irresistible picture of Demetrius' physical beauty, courage and charisma but also his immense and indiscriminate sexual appetite, his heavy drinking, and his increasingly unhinged megalomania. Perhaps some of this is a bit overdrawn—or shaped by Plutarch so as to draw out the analogies with Mark Antony—but it is all enormous fun. Puccini could have made a terrific opera out of it.

Mr. Romm has long been one of the most energetic interpreters of ancient Greek history for a nonspecialist readership. He has tackled the wars of Alexander's successors before, in his lively and accessible "Ghost on the Throne" (2011), to which his biography of Demetrius is (as it were) a worthy successor. Mr. Romm knows how to tell a story, and "Demetrius: Sacker of Cities" rattles along at a terrific pace; his narrative of the epic siege of Rhodes is the most exciting I have ever read. For all his evangelical zeal, Mr. Romm does occasionally vent his frustration with the Habsburg-like tangle of overlapping marriage-alliances: "A curse on these repurposed names!" he writes at one point, as he wrestles with yet another of the period's four Alexanders, four Ptolemies and three Demetriuses. Nonetheless, it is hard to imagine a more lucid account of the fiendish political history of the period.

Among the warlords eager to succeed Alexander the Great was a man of courage and charisma, as well as vast appetites and unhinged megalomania.

Mr. Romm's handling of cultural history is less surefooted. One striking novelty of this period is the emergence of the ruler-cult—the worship of living generals and kings as gods by Greek city-states. Thanks to Plutarch's account, and an extraordinary surviving Athenian cult-hymn to Demetrius, we know more about the worship of Demetrius than of any other early Hellenistic ruler. "Hail," sang the Athenians, "son of the most powerful god Poseidon and of Aphrodite! For other gods are far away, or do not have ears, or don't exist, or take no notice of us, but you we see present here, not made of wood or stone, but real: so we pray to you."

These cults, for Mr. Romm, are nothing but "infatuation" and "self-abasement": The hymn to Demetrius shows "how low Athens had sunk," and Athenian politicians cynically promoted the worship of Demetrius "in order to bolster their own political futures."

But there is surely more to it than that. Throughout the Greek world and Roman Empire, the cult of living rulers continued down to the fourth century A.D. and was treated with immense seriousness by participants; the ruler-cult was as central to the legitimacy of Hellenistic kings and Roman emperors as the divine right of kings was to Christian Europe. We may not like the ruler-cult much, but to dismiss a social institution that endured for more than 600 years as nothing more than contemptible flattery doesn't make for terribly good history.

It should be said that Mr. Romm's publisher hasn't served him especially well. The subtitle "Sacker of Cities" is, at best, dodgy marketing: Demetrius besieged dozens of cities but sacked only one (Babylon). The absence of plates is a major missed opportunity: The official portraiture of Demetrius, in sculpture and on coins, is a glorious seam of contemporary evidence for his Alexander-like public persona. Still, for anyone new to this tangled but thrilling period of history, Mr. Romm's whirlwind Demetrius is now the place to start, though be warned: Trying to master the marriage alliances between Ptolemy and Lysimachus may bring on a migraine.

Mr. Thonemann teaches Greek and Roman history at the University of Oxford.

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OPINION

REVIEW & OUTLOOK

The Debt-Ceiling Showdown

The first rule of political negotiation is never take a hostage you're not prepared to shoot. That's advice for House Republicans to contemplate as they gear up for a high-stakes showdown with President Biden over raising the federal borrowing limit.

Do Republicans have a strategy that will unite them in the clutch?

The U.S. will reach its $31.4 trillion limit on gross federal debt on Thursday, and Treasury is resorting to special measures that on present revenue trend can delay default into the spring. Speaker Kevin McCarthy has promised his Members he won't move to raise the limit without spending concessions from President Biden. But Mr. Biden says he won't negotiate at all over the debt limit.

Something or someone has to give because the debt limit has to be raised. The U.S. has already borrowed and spent the money, and debt held by the public is a contract. Nobody sane in Washington wants to be blamed for triggering a default, and the bond market ructions it would cause, which means it almost certainly won't happen.

Republicans are right to want to stop the reckless spending trends of the last four years. U.S. debt held by the public is now about 100% of GDP, up from 39.2% as recently as 2008 and 77.6% in 2018. The cost of financing that debt is rising fast along with interest rates, and interest on the debt will take up an increasingly large share of federal revenue. Priorities like national defense will be squeezed.

Spendthrifts should pay their debts, but they should also have their credit card pulled, or at least limited, so they can't keep piling up unpaid bills. This is the sensible principle that most of Washington has abandoned in recent years. It's good for the country that someone in power wants to rein it in.

The problem is that the House GOP faces an imbalance of political forces. Their majority is only five, which will shrink to four if Rep. George Santos is forced to resign. Democrats hold the Senate and the White House. All of Wall Street, bond investors, the credit-rating agencies and the financial world will be warning of debt-limit doom. The press will side as usual with the Democrats. Maintaining GOP unity as the political pressure builds will make the vote for Speaker look easy.

Republicans used the debt limit as leverage to negotiate a spending limit on non-entitlement spending in 2011 with Barack Obama. Annual caps and the threat of automatic cuts caused outlays to fall as a share of GDP for several years. But the cost was high because defense and domestic social-welfare spending were both capped. Entitlements were exempt as the two sides agreed to negotiate reforms. But Mr. Obama had no real intention of doing so, and neither does Mr. Biden, whose transparent strategy is to portray the House GOP as MAGA radicals.

Military readiness suffered greatly until Republicans began to trade defense increases for social-welfare increases during the late Obama and Trump years. The world is a more dangerous place now, with Russia invading Ukraine, China threatening Taiwan, Iran getting closer to a nuclear weapon, and jihadists far from defeated. A sequester deal like the one in 2011 would be a dangerous gift to U.S. adversaries.

One emerging GOP strategy would be to pass a bill that guarantees against default by prioritizing tax revenue for debt repayment. It would also protect Medicare and Social Security payments and some vital federal services. That would leave other domestic accounts and perhaps non-essential defense spending to be unfunded until a debt deal is reached. This beats taking debt default as a hostage, but it still carries political risks as Democrats highlight what isn't funded.

* * *

All of which means Republicans will have to pick their spending targets carefully, explain their goals in reasonable terms so they don't look like they want a default, and then sell this to the public as a united team. The worst result would be for Republicans to talk tough for months, only to splinter in a rout at the end, and be forced to turn the House floor over to Democrats to raise the debt limit with nothing to show for it. Opportunists on the right would then cry "sellout," even if they had insisted on demands that were unachievable.

This is what Democrats expect to happen, which is why they don't think they need to negotiate. If Republicans want to use the debt limit as leverage, they need a strategy for how this showdown ends, not merely how it begins.

Ph.D. Students of the World, Unite

Labor unions dominate Illinois politics, so far be it from elite academia to be left out. Last week Northwestern University graduate students voted 1,644 to 114 to unionize, joining the United Electrical, Radio and Machine Workers of America.

Northwestern grad students join the radio and machine workers.

According to the Daily Northwestern, the "graduate workers" platform goals include "competitive pay," "professional standards" in labs and classrooms, "power to address misconduct" as well as "comprehensive healthcare" and financial support for international students. Does this include scholarships for students from China?

Unions invariably drive up costs, and graduate students who collectively bargain to increase pay or comprehensive healthcare for twenty-somethings will add another layer to the cost of attending the private university. At Northwestern, tuition this year is $62,391 a year for undergraduates, or more than $87,000 a year including all expenses, according to the university's website.

In the private economy, unions face limits on their demands lest they bankrupt their companies and end up unemployed. Government unions, by contrast, often sit on both sides of the bargaining table since politicians who negotiate with them are usually their political allies, and taxpayers foot the bill.

University unions occupy ground in between. Northwestern's graduate students will join a private-sector union, but the school is less sensitive to costs because it will pass those along to students in higher tuition. The demand for name-brand schools explains why grad student have joined unions in places like Harvard and Columbia. President Biden's proposals to cancel student-loan debt and reduce repayment schedules for some graduates give schools no incentive to hold the line on costs and tuition.

Graduate students at top-flight universities hardly look like Marx's proletariat. On the other hand, joining a union is a sign that they are ready to join the professoriate.

Wisconsin Bids for a Flat Income Tax

Reform in the states continues despite little notice in the national media, and the latest example comes from Wisconsin. Badger State Republicans are proposing a major tax cut and reform that includes a flat rate of 3.25% on income.

The GOP proposal would take the top rate to 3.25% from 7.65%.

The GOP-led Legislature announced a plan Friday that would replace four current brackets, including a top rate of 7.65% and a lower bound of 3.54%, meaning every taxpayer would pay less. The reform would phase in over four years with the flat rate taking effect in 2026.

The tax cut would make Wisconsin the latest member of a fast-growing state club. Income-tax cuts took effect in 11 states on New Year's Day, according to the Tax Foundation. Arizona, Idaho and Mississippi adopted flat taxes, and Wisconsin would become the 14th state to do so.

Michigan has a flat rate of 4.25%, while Iowa Gov. Kim Reynolds signed a reform last year that takes Iowa's top rate down from 8.53% to 3.9% in 2026. Even progressive Illinois has a flat rate of only 4.95% as 55% of voters in 2020 soundly rejected Gov. J.B. Pritzker's attempt to rewrite the state constitution to impose a progressive rate system.

Badger State Republicans realize their progressive tax structure makes it harder to hold on to mobile residents. As Assembly Speaker Robin Vos told the Milwaukee Journal Sentinel Tuesday, "if someone is going to spend six months and a day somewhere it is better to have them in Wisconsin than somewhere else." Wisconsin has lost 0.3% of its population on net to domestic migration since 2018, according to the Census Bureau.

The cut in the top marginal rate would be especially helpful to the thousands of small businesses that are the backbone of the state economy. As Senate Majority Leader Devin LeMahieu said in a memo to legislators: "As many as 95% of Wisconsin's businesses are structured as pass-throughs" that pay at the individual tax rate. The 7.65% top marginal rate starts at a mere $280,950 of income for an individual filer.

Republicans enjoy a near two-thirds majority in each legislative chamber. But Democratic Gov. Tony Evers has already uncapped his veto pen. "We should continue to have a progressive tax system," he said last month, and he restated his opposition Friday.

Legislators hope Mr. Evers is persuadable because he also wants a tax cut, but his proposal returns much less to taxpayers. He unveiled a tax plan last year that would reduce income-tax bills by about 10% for families earning less than $150,000, or single filers below $100,000. But the savings, doled out through a credit rather than a rate cut, would be much smaller and do much less for the economy. The Journal Sentinel reports that a median family would keep about $375 more than today. The same family would save more than $900 under the GOP reform.

Mr. Evers will play the class-warfare card, but Republicans needn't be intimidated. The state is projected to have a budget surplus of $6 billion for the next year that can accommodate the rate cuts. Wisconsin's economy isn't as vibrant as it could be with a better tax and regulatory system. Republicans are right to use the state surplus to return money to taxpayers and make the state more competitive.

LETTERS TO THE EDITOR

Are We Willing to See Russia as It Really Is?

In his letter "Russia Was Never Predestined for Putinism" (Jan. 12), responding to my op-ed "Putin Wants Ukraine Back in the U.S.S.R." (Dec. 30), Leon Aron argues that history is filled with "zigzags and hairpin turns" and the Russian invasion of Ukraine by Vladimir Putin represented a radical break with the policies of former Russian President Boris Yeltsin. There is no sign that this is true.

Yeltsin's corruption needed terror to protect it and all evidence shows that Yeltsin and Mr. Putin were linked by common crimes. In September 1999, four Russian apartment buildings were blown up in the middle of the night and more than 300 people were killed. The bombings were blamed on Chechens and used to justify a new invasion of Chechnya. Mr. Putin, the newly appointed prime minister, was put in charge of the war. His rating soared and he was elected president.

For 23 years, I had no doubt that the bombings were carried out by the Federal Security Service (FSB) in cooperation with members of Yeltsin's entourage. But I was uncertain of the guilt of Yeltsin himself. Documents recently released by the Clinton Presidential Library, however, show that Yeltsin actively aided the operation to make Mr. Putin president. In a telephone call on Sept. 8, 1999, he informed President Bill Clinton that Mr. Putin would be the next president. "I am sure you will have good relations with him," Yeltsin said. Mr. Putin's rating at the time was 2%. On the next day, the first Moscow apartment building was blown up in the middle of the night.

The idealization of Yeltsin and Mr. Putin did the world no good. The war on Ukraine could have been prevented if the U.S. had seen Russia as it is. But Russia does not reveal her secrets willingly, and none are so blind as those who will not see.

DAVID SATTER
Washington

Mr. Satter is author of "Age of Delirium: the Decline and Fall of the Soviet Union."

The U.S. Classifies Too Many Documents

Regarding your editorial "Biden's Classified Document Stash" (Jan. 11): Isn't the National Archives supposed to be keeping track of such things? My experience in the pharmaceutical and medical-device industry includes the use of robust document-management systems for critical documents much less important than our national secrets.

Classified documents at least require the care afforded ordinary library books, in that if they are missing or overdue after a certain period of time, notices are automatically sent. The National Archives should be hunting these things down. We can't expect perfection during the scrum of vacating the White House, but the Archives should have representatives involved in this process to ensure return of classified materials. This is a failure more of the Archives than of either the Biden, Obama or even Trump administrations.

LARRY ISACSON
Laguna Niguel, Calif.

Having spent a career protecting classified material at many of our overseas missions, the Trump-Biden abuses of the system are actually common. The volume of classified material held by the U.S. government is incalculable. Protecting toilet paper would be easier.

As we are thrust into an era of congressional investigations of government, maybe lawmakers should start by zeroing in on how, realistically, to protect sensitive national information. Imagine the number of documents curried away in the homes and offices of former government senior officials.

BRIAN FLANAGAN
St. James, N.C.

Perhaps Ian Fleming put it best in "Goldfinger": "Once is happenstance. Twice is coincidence. The third time it's enemy action." Though the latest Washington document drama deserves a wry chuckle, it also confirms that the U.S. is facing a crisis of custody for our most sensitive documents. Our elected representatives should urgently investigate why so many classified documents seem to be lying loose around the country. The quicker the better, before our real enemies start snooping around old offices.

TRAVIS REED
Denver

With the record of past malfeasance and outright illegal abuse of power, why should anyone have believed the initial government announcements? "Roughly 10" items were found? One might "roughly" announce hundreds or thousands; what stops anyone from counting to nine or 12? Evasive language is used to evade the truth. There could have been "roughly 10" boxes of documents for all we know.

JOE BOCCUZZI
Tomball, Texas

How Was America to Blame in World War II?

Regarding Paul Kennedy's review of Robert Kagan's "The Ghost at the Feast" (Books, Dec. 31): Why do historians blame America rather than the duplicity of the Soviet Union and fecklessness of Britain and France for the debacle in the early years of World War II?

The U.S. under President Franklin Roosevelt had pursued a plan of effective rearmament. Work on the high-tech Yorktown aircraft carriers and their SBD bombers that defeated the Japanese at Midway began almost immediately after Roosevelt's inauguration. So did work on scores of new destroyers to escort the carriers. Although tank and antitank-gun technology lagged, aircraft design and manufacturing capability soared. Thanks to Roosevelt's prescience, U.S. aircraft answered the call in the Battle of France. Britain and France sleepwalked into the war; they should have asked for help sooner.

JIM MCMANUS
Phoenix

Schools Must Think Like Students to Discipline Them

As a high-school math teacher with 28 years in the trenches, I would argue that in-school suspensions are better than out-of-school suspensions ("Schools Test Mental-Health Approaches to Discipline," Personal Journal, Jan. 5).

I used to survey my students regarding out-of-school suspensions: "Which is worse: a one-day suspension or a two-day suspension?" The rowdy crowd would invariably answer that one day is worse because you get only one day off from school.

Assuming that in-school suspensions aren't run like a daycare center, mosh pit or rec room, they are highly unpopular with the rowdy crowd. In-school suspension is a punishment and an opportunity to rethink classroom conduct, not a reward for poor behavior. Administrators should think like students.

JEFFREY R. SMITH
Alameda, Calif.

Coach Bennett Sets the Pace

Regarding Bob Greene's "Would Kirby Smart Turn Down a Raise?" (op-ed, Jan. 9): University of Virginia basketball coach Tony Bennett turned down a raise in 2019 after winning a national title. "I have more than enough," said Mr. Bennett, "and if there are ways that this can help out the athletic department, the other programs and coaches, by not tying up so much, that's my desire." He also donated $500,000 toward a career-training initiative for UVA basketball players. What a wonderful world it would be if more coaches followed his example.

CAROLYN WILSON
Wilmington, N.C.

Who Knows Crowd Control?

Your editorial "Brazil Gets a Democracy Test" (Jan. 10) states that "Brasilia's security forces need to explain why the capital wasn't better protected." Really, it's *Brazil's* security forces that need to explain that?

FRED FISHER
Pensacola, Fla.

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

"I love bamboo but there's no chemistry here."

A Solution Is in Sight for the ESG Controversy

By Vivek Ramaswamy

Last year's ESG backlash spawned a vigorous debate about the use of environmental, social and governance factors in capital allocation. I met with numerous state financial officers, pension-fund boards, policy makers and corporate leaders who solicited my perspectives and those of competing asset managers as they grappled with fiduciary questions relating to ESG.

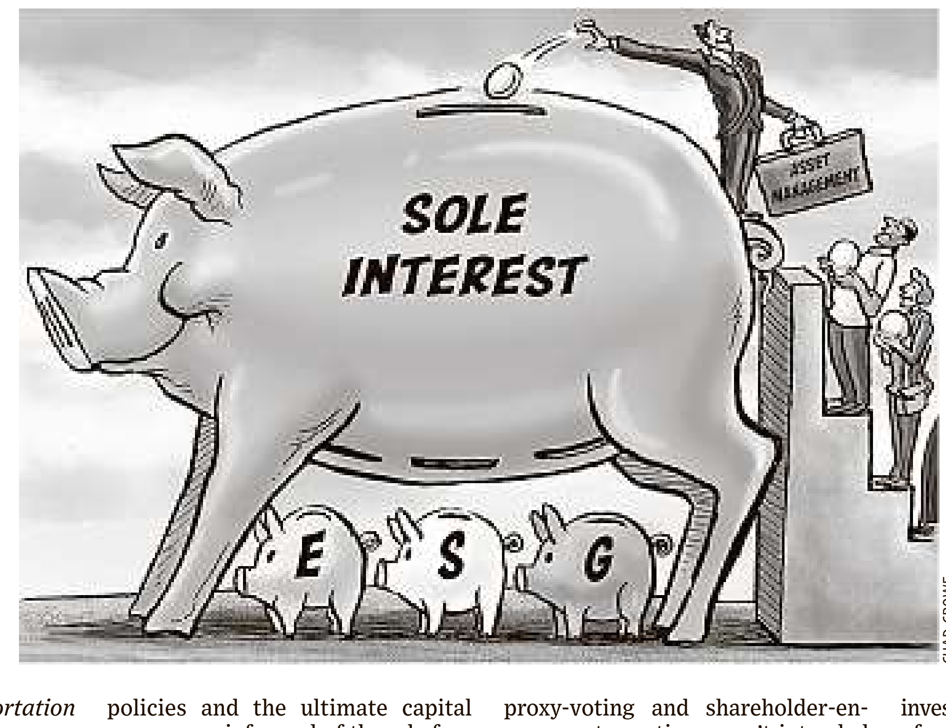
These discussions appear to have prompted the Big Three asset managers—BlackRock, State Street and Vanguard—to undertake small reforms, likely aimed at mitigating legal liability risk. Vanguard withdrew from the Net Zero Asset Managers initiative (though it remains affiliated with at least four similar associations); BlackRock and State Street announced new proxy voter choice programs (albeit only for a fraction of client assets and thus far limiting third-party alternatives to proxy advisory firms that also promote ESG); all three began to offer greater transparency to states about their proxy voting policies (although they are still opaque about the content of most shareholder engagements, which Vanguard defines as "direct contact with companies to discourage undesirable corporate behavior").

It's fine for investors to support social objectives, but only with disclosure and affirmative consent.

ESG is far from dead. But there may be a solution in sight to the ESG debate: disclosure to and consent from capital owners.

When investing money, individuals and other capital owners typically use financial intermediaries such as wealth managers and pension funds. These intermediaries are asset *allocators,* putting money into instruments such as index funds and mutual funds. Asset *managers* control these funds, buying stocks and bonds issued by publicly traded companies, and the boards of public companies allocate capital across corporate projects.

Wealth managers, pension funds and asset managers, unlike corporate directors, aren't merely fiduciaries but also trustees. They are held to the highest legal standard—the "sole interest rule," according to which a "fiduciary shall discharge his duties . . . solely in the interest of the participants and beneficiaries and . . . for the exclusive purpose of providing benefits to participants and their beneficiaries," as the U.S. Supreme Court put it in *Central States, Southeast & Southwest Areas Pension Fund v. Central Transportation* (1985).



CHAD CROWE

The sole-interest rule is codified in state constitutions, statutes and case law. Trustees aren't permitted to make investments to advance nonpecuniary interests or social causes but must act solely and exclusively to maximize retirees' "financial benefits," in the case of pension funds, as the Supreme Court held in *Fifth Third Bancorp v. Dudenhoeffer* (2014). Because pension-plan trustees must be solely motivated by considerations of financial return, "mixed motive" investing is per se unlawful, as multiple state attorneys general noted in legal opinions last year.

Large asset managers integrate ESG objectives into their investment approaches in one of two ways. The first is through dedicated ESG or sustainability funds, which systematically exclude or underweight securities in disfavored sectors such as fossil fuels, tobacco and firearms. These funds represent a small portion of total assets under management—less than 6% as of last year in BlackRock's case. If dedicated ESG funds accurately disclose their policies and the ultimate capital owners are informed of them before making investment decisions, there's no legal problem. People are free to use their money to promote any social causes they like.

The second and more prevalent way that asset managers promote ESG is through "stewardship," which refers to proxy voting and shareholder engagement. The largest asset managers use stewardship to promote ESG principles in all their portfolios, including non-ESG index funds.

In 2022, large asset managers including BlackRock voted in favor of implementing racial-equity audits at companies like Apple and Home Depot notwithstanding that the companies' boards recommended against doing so. Similar examples abound with large asset managers imposing emissions caps, ESG-linked executive compensation and board diversity mandates across corporate America. Many capital owners strongly disagree with these objectives even though their money was used to support them.

As legal scrutiny intensified, ESG advocates started to claim that their proxy-voting and shareholder-engagement practices aren't intended to advance social or political objectives but are motivated solely by financial considerations. Courts are likely to reject these claims given that candid descriptions of ESG invariably acknowledge that its goal is to advance "socially responsible," "moral" or "social impact" outcomes and to allow investors to "put their money where their values are."

An activist group pushing for Apple's 2022 racial-equity audit said its mission was to "hold companies accountable for the ways they perpetuate white supremacy." The Dutch nonprofit that in 2021 proposed an emissions cap at Chevron stated that its intention was to fight climate change. BlackRock and State Street used client funds to vote for both proposals, with no real financial justification for either. The boards of Apple and Chevron initially declined to adopt these proposals even though they enjoy broad legal deference, whereas the asset managers, bound by the sole-interest rule, voted for them. That maximizing value was their sole motivation isn't credible.

But there's a better defense for ESG-promoting asset managers: disclosure. Large asset managers are gradually becoming more transparent as pension-fund clients press them on their ESG practices. In recent months, BlackRock has written letters to officials in red and blue states alike about its ESG policies. BlackRock and State Street testified before the Texas Legislature last month.

Regulators are demanding greater transparency too. In November, the Securities and Exchange Commission enacted a new rule requiring asset managers not only to disclose proxy votes but to categorize them in buckets like "environment or climate," "diversity, equity and inclusion" or "other social issues." If asset allocators in possession of such disclosures continue to invest or recommend the investment of capital into ESG-promoting funds, BlackRock and State Street can plausibly argue that they implicitly consented to the use of nonpecuniary factors.

That passes the buck of liability up to asset allocators. They shouldn't be allowed to make such decisions on their clients' behalf without express permission.

A combination of pro-disclosure policies and investor education can solve that problem. Lawmakers concerned about the use of ESG in capital markets need not ban it. They can simply require that capital owners be informed by their asset allocators whether their money is invested in an ESG-promoting fund and provide express consent to do so. Some capital owners will say yes, others will say no. But their dollars wouldn't be used to advance social policies they don't expressly support. If that is achieved, the ESG debate in the asset-management industry will be mostly over.

Mr. Ramaswamy is executive chairman of Strive Asset Management.

How the Gas Stove in Your Kitchen Became a Symbol of Freedom

FREE EXPRESSION
By Gerard Baker

The Great Gas Stove Rebellion of 2023 probably won't resonate with future generations of freedom-loving folk the way the Boston Tea Party does. It's unlikely that the plucky protagonists in the struggle to save our ovens and ranges from the grasping hands of regulatory totalitarianism will one day be celebrated as the Samuel Adamses and Patrick Henrys of the kitchen appliance age.

"Give me smoothly regulated gas-flow cooking capability or give me death!" has a flaming blue ring to it. But it lacks somehow the peal of urgency, the alarm of existential threat our stone-kiln-firing predecessors could adduce to fuel their noble cause.

Still, the little victory secured last week over the forces of progressive technocratic authoritarianism is significant in its way—even if it may prove only provisional and someday in a bleak, electrified future, our Vikings and Kenmores are eventually prised from our cold, dead hands.

The small triumph chalked up for common sense and normality is so rare these days it's worth celebrating in itself. It's also a useful reminder that the inexorable march of government mandates, the endless effort by our rulers to enforce their "scientifically" unchallengeable dogma on what they see as a population of ignorant drudges, can be resisted.

More than that, the way the episode played out last week has been an instructive exercise in how modern society advances, how the ascendant left is the locomotive force behind our culture and politics. We evolve today through the imposition from above of new rules and dogmas—as if that is a stable, natural process and any attempt to resist it is ignorant, reactionary extremism.

You can tell this from the way in which much of the media reported on the attempted gas-stove grab.

As conservatives—and, much of the apolitical public—began to raise their voices against Commissar Richard Trumka Jr.'s diktat declaring war on gas stoves, the media took up the familiar narrative.

"How Gas Stoves Became a Right-Wing Cause in the Culture Wars" explained Time Magazine.

An unelected official proposes some indefensible new regulation in the name of "science" that materially and adversely affects the lives of tens of millions of Americans—and it is somehow another front opened by the "right wing" in their "culture wars."

The left framed its latest crusade as a 'right-wing culture war.' We've seen this pattern many times.

It happens all the time. You can frame a good deal of the political and cultural evolution of the country in the past few decades in this way: The left elites compel adherence to their latest ideological orthodoxy and anyone questioning it is waging culture war. It happened with same-sex marriage, the idea that sex is independent of biology, the proposition that all white people are racist, the assertion that the planet is burning. All started out as intellectual hobbyhorses of the left fringe and quickly wound up being examples of the "far right" trying to impose its will.

This fits the wider narrative of our ruling intellectual classes: that it is the conservative side of the political spectrum that has gone extreme, that all our contemporary political woes—hyperpartisanship, divisiveness, the extremism of our political discourse—can be traced to the Republican Party's jumping off the right of the ideological diving board into the deep end of fanaticism.

Yet the 2022 Gallup Poll Social Series, an annual survey of thousands of Americans, found new confirmation that it is the Democratic Party, not the GOP, that has moved toward the extreme in the past few decades and in the process has driven much of the cultural agenda.

Last year Gallup found that the percentage of Democrats who identify themselves as politically liberal rose by 4 points, to 54%, a new high, with 36% declaring themselves moderate and only 10% conservative. In 1994, the proportion of Democrats identifying as liberal was 25%. In 2010 it was 40%.

Over the same period the proportion of registered Republicans who identify as conservative has only edged up—from roughly 60% in the 1990s to 72% in 2022. Most others identify as moderate.

"Increased liberal identification among U.S. Democrats has occurred across all demographic categories," writes Lydia Saad, director of social research at Gallup, commenting on the survey. "But that shift has been particularly pronounced among White Democrats."

Since Democrats now seem heavily to favor the illiberal imposition of many of their notions, it might be time to retire the term "liberal" in describing them. But the sharp swing to the left is clear.

Some of these ideological changes do, it's true, become quickly embedded in wider public support. Gay marriage is the obvious example. But most don't. Resisting them, like resisting assaults on our kitchen appliances, isn't extremism. It's patriotism.

There's a Climate Solution in Dairy Cows' Stomachs

By Fred Krupp
And Antoine de Saint-Affrique

Agriculture contributes a third of global greenhouse-gas emissions even as climate change is reducing farm yields and threatening the livelihoods of farmers. The number of hungry people in the world increased from 282 million to 345 million in 2022 alone. We must reverse these trends.

Carbon dioxide is the well-known villain of the climate-change story, but the problem of methane emissions deserves more attention. The methane released into the atmosphere this year will have a bigger effect on global temperatures over the next decade than carbon dioxide from all fossil-fuel use in 2023, according to Environmental Defense Fund scientist Ilissa Ocko.

The food we eat is a major methane culprit. Agriculture and livestock account for more than 40% of annual global methane emissions from human-related activities. Finding ways to reduce these emissions while still providing comprehensive sources of nutrition would be a major climate victory.

Dairy, which represents 8% of these emissions, can play a meaningful role. That's why Danone, one of the world's largest dairy companies, and Environmental Defense Fund are launching a joint effort to reduce methane from dairy cattle, feed an ever-growing global population, and ensure farms are profitable now and in the future.

Danone is pledging to reduce agricultural methane emissions from its fresh milk supply 30% by 2030, aligning with the Global Methane Pledge, a commitment by 150 countries to reduce their national methane emissions by the end of the decade. EDF, with its focus on science and market-based solutions, will join with Danone to advance research, innovative financing for farmers, transparency and accountability.

In 2023 Danone will equip dozens of U.S. and European dairy farms with new manure-management infrastructure to reduce methane emissions. In Morocco, Danone has already trained 1,600 smallholder farmers on how to increase milk yields and lower greenhouse-gas emissions per gallon of milk through better herd management and more balanced and digestible food for cattle. Over the next four years, Danone will work with local partners to scale this project and reach 10,000 small-scale farmers.

EDF will provide scientific expertise on methane reduction, support economic analysis of how methane-mitigation strategies benefit farm incomes, and review and improve reporting methods to ensure transparency.

This is the first methane-specific climate commitment by a major food company, and the first such partnership that addresses livestock methane. We are taking this step because the status quo won't drive climate solutions or sustainable business growth.

A new partnership will work to reduce methane emissions from production of milk around the world.

The good news is that innovations are emerging that will allow us to reduce livestock methane emissions. Improving animal health and welfare, including through high-quality feed, can improve yields and reduce methane emissions per gallon of milk. Separating manure solids from liquids or changing how manure is stored can reduce methane from manure. Meanwhile, innovative technologies that reduce the methane created by microbes in the cow's stomach (similar to digestive aids for humans) are already being deployed and show great promise in reducing emissions even further.

Danone isn't starting from zero. The company is already supporting regenerative-agriculture projects in 14 countries, working with governments, business suppliers and nonprofits. Through this work we've seen that small dairy producers can enhance cow productivity and reduce methane emissions per gallon of milk while earning more profits. U.S. and European dairy farms can improve manure and nutrient-cycle management to reduce methane and optimize fertilizer use on cropland. In the coming months we will accelerate our work in these areas.

While this partnership isn't a silver bullet to address all food-related challenges, consumers will welcome it. Many want food that is nutritious and tasty, but they also want to make more climate-friendly purchasing decisions.

A big part of climate progress lies in cows' stomachs. If we can solve this challenge, we will have made a substantial dent in heat-trapping emissions. We'll also show that cooperation between environmentalists, governments, farmers and companies can be effective. That's no small accomplishment.

Mr. Krupp is president of the Environmental Defense Fund. Mr. de Saint-Affrique is CEO of Danone.

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WORLD NEWS

Turmoil Tests Latin America Democracies

Riots in Brazil, Peru are the latest signs of discontent driven by corruption, inequality

By Ryan Dube and Juan Forero

DIEGO RAMOS/AGENCE FRANCE-PRESSE/GETTY IMAGES

Protesters blocked a highway last week in Arequipa, Peru, demanding the resignation of the country's latest president, Dina Boluarte.

LIMA, Peru—This country has had six presidents in five years, the latest taking power last month and igniting protests that have cost 42 lives and paralyzed many of Peru's highland cities.

In Mexico, President Andrés Manuel López Obrador has taken measures that undermine the country's independent electoral agency, while thousands of supporters of former Brazilian President Jair Bolsonaro, many of them who said his opponent had rigged the October presidential election, last week ransacked the country's presidential palace, the Congress and the Supreme Court.

Across Latin America, democracy is being tested in a way it hasn't in years, say pollsters, political analysts and citizens. Protests, sometimes violent, are regular. More than half of Latin Americans think corruption is on the rise and consider most elected officials to be corrupt, according to Transparency International, the global anticorruption watchdog. Several counties have seen political parties from the center crumble, replaced by fringe or anti-establishment movements.

In the wake of Covid-19, poverty and hunger have shot up in several countries. Violent gangs trafficking everything from cocaine to methamphetamines to fentanyl have expanded.

Ecuador, which was lauded just a few years ago for lowering crime and becoming a magnet for U.S. retirees, has seen homicides shoot up by nearly 300% from 2019 to 2022, according to Ecuador's national police.

"More than dying from hunger, we're dying of terror, and we're afraid of even going to the store," said JaKelin Patrón, a maid with three children in coastal Guayaquil. "The kids are so frightened we don't want to send them to school. I am losing hope."

The U.S. has felt the effects, with record numbers of migrants searching for a better life fleeing to the southwest border.

"We have so many countries in political distress now," said Marta Lagos, director of Latinobarómetro, a Chilean-based pollster that for years has tracked growing dissatisfaction among the region's 668 million people. Latinobarómetro polls show "people are tired of politics, of governments, of politicians using power for things that don't advance whatever it is people want to improve, like healthcare and pensions," she said.

In Latinobarómetro's most recent polling, 49% said they supported democracy in 2020, down from 63% a decade before. Just a quarter of Latin Americans said they are satisfied with democracy, down from 45% in 2009. Polling found that 73% of the region's citizens said they believe their country is governed for the powerful elite, up from about half of the population a decade earlier.

The turbulence has come in the wake of increasingly tough economic times that have made the decadelong commodity boom that began in 2003 a distant memory. Annual economic growth from 2013 through 2019 barely topped 1% on average for the region, World Bank data shows. The region suffered the world's biggest economic contraction in 2020 as the pandemic wreaked havoc on growth and public debt while killing more than 1.7 million Latin Americans. Growth bounced back in 2021, rising 6.9%, but settled at 3.6% last year and is expected to slow to 1.3% in 2023, the World Bank said.

Many Latin Americans have low expectations of their governments. Latinobarómetro shows support for governments declined to 40% from 54% a decade ago.

In Brazil, pollsters and political scientists say the election of former President Jair Bolsonaro in 2018 was a consequence of a lack of trust in the government following the vast Car Wash corruption scandal that ensnared lawmakers from most major parties.

Brazil's Supreme Court on Friday authorized an investigation into Mr. Bolsonaro over accusations from prosecutors that he incited the Jan. 8 riots in the Brazilian capital by not conceding his defeat in the Oct. 30 election to Luiz Inácio Lula da Silva.

Currently, three Latin American countries are considered by rights groups and political scientists to be dictatorships: Cuba, with its 64-year-old Communist regime; Venezuela, which the U.S. and other countries have accused of rigging elections; and Nicaragua, where the country's president, Daniel Ortega, jailed politicians who ran against him in the last election. More than 1 in 4 of the 411,000 migrants apprehended at the U.S. southern border during October and November came from those three countries, according to U.S. Customs and Border Protection.

There are many democracies in Latin America that remain resilient, say constitutional experts and politicians around the region. But more democracy has meant higher expectations. A robust media in these democracies has shed light on corruption and other problems, angering citizens.

Peru lowered poverty and deployed macroeconomic policies that resulted in low inflation and a boost to foreign investments over the past two decades. But anger bubbled under the surface. Particularly in the country's southern indigenous regions, people have been upset about poor services and frequent corruption scandals in Lima.

When Peru's president, Pedro Castillo, tried to dissolve Congress in December, lawmakers removed him from power and protesters responded by blocking roads, torching government buildings and battling police.

Global Job Market Seen Resilient

By Paul Hannon

Unemployment will stay mostly stable around the world this year and next despite a sharp economic slowdown, reflecting a shortage of workers in rich countries among other factors, the International Labor Organization said Monday.

High prices for food and energy, coupled with rising interest rates, are expected to slow the global economy this year. The World Bank last week said it expects world output to rise by just 1.7%, which would be the third-weakest expansion in nearly three decades, overshadowed only by the 2009 and 2020 downturns.

The expected resilience of the labor market despite these conditions underlines a key specificity of the current downturn: Aging populations in a number of economies are making it increasingly hard for businesses to fill their vacancies.

In its annual report on the outlook for jobs, the ILO said the global economy faces its first episode of stagflation since the 1970s. But while unemployment rose significantly during that decade of weak growth and high inflation, the United Nations agency expects the number of unemployed workers to rise by just three million to 208 million in 2023, leaving the jobless rate unchanged at 5.8%.

> Even as economic growth slows, aging populations make it harder to fill jobs.

Even that modest rise will add to the damage caused by the pandemic, with 13 million more people unemployed in 2022 than in 2019, despite a substantial drop during the year. While unemployment rates have fallen below their prepandemic levels in the Americas and Europe, they remain higher in other regions.

"The slowdown in global employment growth means that we don't expect the losses incurred during the Covid-19 crisis to be recovered before 2025," said Richard Samans, director of the ILO's research department.

The ILO said the fact that unemployment is set to rise only slightly during a significant slowdown in growth is mostly attributable to the slow growth of the global workforce, with more people entering retirement and younger people staying in education for longer.

Central banks in the U.S. and Europe worry that shortages of workers will lead to wage rises that could keep inflation high for longer. Policy makers have signaled they intend to raise their key interest rates further this year. The ILO warned they risk going too far.

Rather than losing their jobs, many workers are instead seeing their real wages fall. The ILO said real wages fell 0.9% in 2022, with real wages in rich countries falling by 2.2%, while in developing countries they rose by 0.8%, a slowdown from 2021.

"This decline is reducing the purchasing power of the middle class and hitting low-income groups particularly hard," the agency said.

U.K. Halts Scottish Law on Gender Recognition

By Max Colchester And David Luhnow

The U.K. government on Monday blocked a law voted by Scotland's Parliament on gender recognition, the first time that the London-based government has stopped a Scottish law from taking effect, in a move that will deepen divisions between Scottish nationalists and the U.K.

The Scottish law, passed in November, makes it easier for transgender people to get official government recognition of their acquired gender by removing any need for a medical diagnosis of gender dysphoria and lowering the age from 18 to 16.

"I have not taken this decision lightly," said Secretary of State for Scotland Alister Jack. He said the law "would have a significant impact" on equalities laws that govern the U.K. as a whole.

U.K. government officials have expressed concerns that the new legislation could undermine women's rights as laid out in a 2010 law. Kemi Badenoch, the government's women and equalities minister, has said she worries the new legislation could be used by predatory males to declare themselves transgender and access women-only bathrooms or shelters for abused women.

In the 25 years since some decision-making powers were devolved to the Scottish Parliament, this is the first time the government in Westminster has used a so-called section 35 order to overrule Scottish lawmakers in Edinburgh and block a law they voted to introduce.

"This is a full-frontal attack on our democratically elected Scottish Parliament," wrote Nicola Sturgeon, the Scottish National Party's leader.

Italian Police Arrest Sicilian Mafia Boss

By Margherita Stancati

HANDOUT/AGENCE FRANCE-PRESSE/GETTY IMAGES

Matteo Messina Denaro was apprehended Monday after 30 years on the run. He was found guilty of a string of murders.

ROME—Italy's Carabinieri military police have detained the country's most notorious fugitive mafia boss, who had been on the run for 30 years, dealing a blow to one of the world's most storied crime syndicates.

Matteo Messina Denaro was in a private hospital in the Sicilian city of Palermo for cancer treatment when Carabinieri swarmed the area and captured him Monday morning, the Carabinieri said.

Mr. Messina Denaro was sentenced to life imprisonment in absentia after being convicted in 2020 of involvement in the murders of two top anti-mafia prosecutors in 1992. Courts have also found him guilty of involvement in a wave of bombings in Italian cities that killed and injured dozens of civilians in 1993.

Mr. Messina Denaro, who according to Italian authorities was regional head of Cosa Nostra in the western Sicilian city of Trapani, has been a fugitive since summer 1993.

The mobster was directly involved in a string of other murders, including one that particularly shocked Italy: the kidnapping and brutal killing of 12-year-old Giuseppe Di Matteo, who was targeted to punish his father, a mafia turncoat. The boy was strangled and his body was dissolved in acid.

The son of a mafia boss and a loyal lieutenant of Cosa Nostra's late "boss of bosses," Salvatore Riina, Mr. Messina Denaro was a leading figure in the crime syndicate during the 1980s and early 1990s, one of the most violent periods of the Sicilian mafia's history.

Following a bloody internal war between rival factions, mafia turncoats helped Italian prosecutors crack down on the crime syndicate in the late 1980s. The mafia responded with a terror campaign against the Italian state and civilians.

Monday's capture of 60-year-old Mr. Messina Denaro marks one of the most significant moments in decades in the country's fight against organized crime.

WORLD WATCH

INDONESIA

Clash at Smelter Leaves Two Dead

A clash involving Chinese and Indonesian workers at a nickel smelter in Indonesia left two people dead and a part of the facility burned down, showing how tensions have accompanied the expansion of Chinese investment in operations to mine and process the lucrative metal in the Southeast Asian country.

The violence—which broke out Saturday at the facility of PT Gunbuster Nickel Industry, a subsidiary of China's Jiangsu Delong Nickel Industry Co.—involved the use of pipes and rocks, a police spokesman said. Workers set fire to mess halls, dozens of rooms and heavy machinery, said the spokesman.

—Jon Emont

WEST BANK

Teen Fatally Shot During Raid on Camp

Israeli security forces fatally shot a 14-year-old Palestinian during a raid Monday into a refugee camp in the occupied West Bank, Palestinian health officials said, the latest incident in weeks of surging violence.

The Palestinian Health Ministry identified the teenager as Omar Khumour and said he died after being struck in the head by a bullet during an Israeli military raid into Dheisha refugee camp. Crowds of Palestinians full of rage massed outside the hospital where he died in Bethlehem.

The Israeli army said forces entered the Dheisha camp and were bombarded by Molotov cocktails and rocks.

—Associated Press

OBITUARY

Gina Lollobrigida, Film Legend, Dies

Italian film legend Gina Lollobrigida, who achieved international stardom during the 1950s and was dubbed "the most beautiful woman in the world" after the title of one of her movies, died in Rome on Monday, her agent said. She was 95.

The agent didn't give details. "Lollo," as she was lovingly nicknamed by Italians, began making movies in Italy just after the end of World War II.

Besides "The World's Most Beautiful Woman" in 1955, career highlights included Golden Globe-winner "Come September," with Rock Hudson; "Trapeze"; "Beat the Devil"; and "Buona Sera, Mrs. Campbell."

—Associated Press

CHRIS HELGREN/REUTERS

Italian film icon Gina Lollobrigida, shown at her villa in southern Rome in 2006, has died at age 95.

TECHNOLOGY: IT DEFENSES ARE SCRUTINIZED B4

BUSINESS & FINANCE

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Cohen Amasses Stake in Alibaba

After building stake, meme-stock investor pushes e-commerce giant on share buybacks

By Lauren Thomas

Activist investor Ryan Cohen has built a stake in **Alibaba Group Holding** Ltd. worth hundreds of millions of dollars and is privately pushing the Chinese e-commerce giant to accelerate and further boost its share-repurchase program, according to people familiar with the matter.

Mr. Cohen, known as the meme-stock king for helping ignite explosive rallies in GameStop Corp. and others, built the stake in the second half of last year, the people said.

While the stake is small in comparison to Alibaba's market capitalization of nearly $300 billion, Mr. Cohen has a wide following among individual investors.

Mr. Cohen, with a net worth of over $2.5 billion and a portfolio of stocks including Apple Inc. as well as Wells Fargo & Co. and Citigroup Inc., first contacted Alibaba's board in August to express his view that the company's shares are deeply undervalued based on his belief that it can achieve double-digit sales and nearly 20% free-cash-flow growth over the next five years, the people said.

Alibaba's shares have climbed about 67% from a multiyear low in October, with its American depositary receipts closing at $117.01 on Friday, but are still down from a high of over $300 reached in late 2020 as technology and other shares rallied in the early days of the pandemic.

The shares have been hurt by depressed consumer sentiment in China as the country grapples with Covid-19 and a clampdown on technology companies there that caused affiliate Ant Group Co. to call off its highly anticipated initial public offerings in Shanghai and Hong Kong.


ANASTASIA SAMOYLOVA FOR THE WALL STREET JOURNAL

Ryan Cohen

Following Mr. Cohen's initial communication, Alibaba in November announced its board approved expanding the company's share-repurchase program by $15 billion, to $40 billion, while also extending it through March of 2025.

Alibaba said it had repurchased roughly $18 billion of its shares under its existing buyback plan, as of November 16.

Mr. Cohen has communicated to Alibaba's board that the share-repurchase plan could be boosted by an additional $20 billion, to roughly $60 billion, the people said.

The activist investor has expressed his admiration for management's ability to achieve earnings growth while assembling quality assets, they added. Mr. Cohen wants to have a collaborative, long-term relationship with Alibaba, the people said.

Mr. Cohen has also conveyed his belief that Apple, in which he owns a more-than $800 million stake, could provide a road map for Alibaba, the people said. Since 2012, the iPhone maker has repurchased hundreds of billions of dollars of its shares, and the stock has soared.

Share repurchases can support stocks by reducing the supply of shares traded and boosting per-share profit. Investors often take them as a bullish signal, as they suggest executives are optimistic about their company and confident in its financial position.

In August, Alibaba showed that its once-powerful growth had run out of steam, as the company failed to post revenue growth for the first time since its blockbuster 2014 U.S. listing. Revenue for its fiscal first quarter fell 0.1% from the prior year, to the equivalent of $30.7 billion, with Alibaba blaming China's Covid-19 outbreak, which has caused disruptions to supply chains.

In its second quarter, Alibaba eked out 3% revenue growth. The company said that categories within its commerce division, such as apparel and accessories and consumer electronics, had started to recover.

Mr. Cohen built his fortune on online pet retailer Chewy Inc., which he founded.

Bain's Pagliuca To Retire As a Top Executive

By Laura Cooper And Dana Mattioli

Bain Capital Co-Chairman Steve Pagliuca is retiring after a 34-year career at the private-equity firm.

Mr. Pagliuca will remain a senior adviser at the firm, will continue to be involved in the portfolio companies in which he holds a board seat and will be a significant investor in Bain's funds, part of a plan put in place years ago, he said.

Co-managing partners John Connaughton and Jonathan Lavine will continue to run Bain, roles they assumed in 2016.

Mr. Pagliuca joined Bain Capital in 1989, five years after it was spun off from consulting firm Bain & Co, where he started his career. He graduated from Harvard Business School and needed a summer job to pay for a doctorate in economics. "I couldn't afford it, and saw an ad for a summer job," he recalled. "They asked me to come on board and stay for two, three years and they'd help me pay for my doctorate."

Please turn to page B9

Microsoft Gives More Customers Access to AI Tools

By Tom Dotan

Microsoft Corp. said Monday that it is allowing more customers access to the software behind popular artificial-intelligence tools made by OpenAI.

The startup has been the center of tech industry's recent surge in excitement about AI, thanks to its futuristic products like chatbot ChatGPT, which can answer questions and write essays and poems, and image generator Dall-E 2, which turns language prompts into novel images.

While Microsoft and OpenAI used to limit the number of businesses that had access to the tools, the Azure OpenAI Service will allow any business to apply for access—opening the way for more AI-infused products.

Broadening access to artificial-intelligence tools is the next step in trying to turn the software that has captured the public's imagination into a potentially big business for Microsoft, OpenAI and others.

Microsoft has invested $1 billion in OpenAI and is in talks to put in even more The Wall Street Journal reported.

Microsoft announced Monday in a blog post it won't allow customers access to build on ChatGPT at first.

Instead, it will be offering access to GPT-3.5, as well as Dall-E 2 and a code-writing tool Codex, which can turn natural language prompts into code. The company wrote it plans to make ChatGPT available for businesses in the near future.

Microsoft's vice president of AI platform, Eric Boyd, wrote in the post that the company's cloud-hosting service Azure has been updated for the AI era and, paired with OpenAI's tools, allows customers to make "cutting edge applications."

"With Azure OpenAI Service now generally available, more businesses can apply for access to the most advanced AI models," Mr. Boyd wrote.

OpenAI's tools like GPT-3 have already been popular among some startups. Since being made available in a limited fashion in 2020, companies like content creation startup Jasper have licensed GPT-3 to create products that can automatically generate text for websites. Other startups like Yoodli use GPT-3 for its speech-coaching software.

Microsoft has been working to rebrand itself as the vanguard of the AI revolution and let customers access OpenAI's tools into its own software.

STREETWISE | By James Mackintosh

BlackRock, Goldman Are at Odds Over 60/40 Portfolio's Relevance

The best-known names in asset management and investment banking are taking opposite sides in the debate over the classic way of building a portfolio—60% stocks and 40% bonds—after a disastrous performance for the 60/40 model last year.

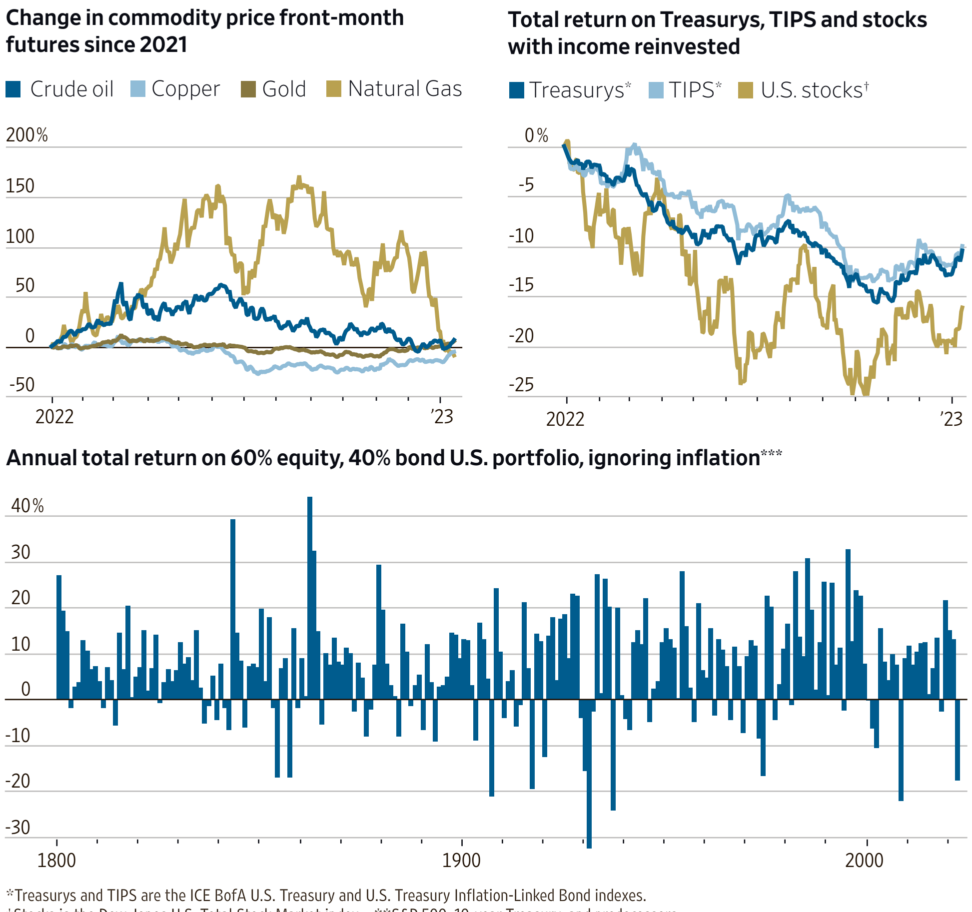
BlackRock says the losses—the worst in nominal terms for a 60/40 portfolio since the financial crisis of 2008 and the worst in real terms in a calendar year since the Great Depression—show that the structure is outdated. Goldman demurs, arguing the odd big loss is inevitable in any strategy and that 60/40 remains a valid basic approach. Strategists and fund managers at other large money managers and banks have been piling in on both sides.

Investors should be paying close attention after decades of 60/40's being accepted at a minimum as a reasonable base on which to construct a portfolio. Abandon it, and investments once considered exotic—BlackRock likes private debt and equity, commodities, infrastructure and inflation-linked bonds—join stocks and bonds as building blocks. Stick with it and they amount to small add-ons to the stock/bond core.

There are decent arguments for and against the 60/40 split as a sensible starting point for a portfolio. Before getting into them, it is worth considering why 60/40 became the standard (some prefer 50/50 for a bit more caution, or 70/30 for a bit more aggressiveness). It gives an investor decent exposure to growth through the stock element, steady income from the bonds, and a cushion during recessions when stocks often fall hard and bond yields usually fall too, increasing bond prices. Plus, it is easy.

Last year, stocks were down big, and bonds lost

Please turn to page B9



*Treasurys and TIPS are the ICE BofA U.S. Treasury and U.S. Treasury Inflation-Linked Bond indexes. †Stocks is the Dow Jones U.S. Total Stock Market index. **S&P 500, 10-year Treasury, and predecessors

Sources: FactSet (commodity price); Refinitiv (total return); Deutsche Bank (annual return)

Beijing Unblocks Didi App For Rides

By Raffaele Huang

SINGAPORE—**Didi Global** Inc. obtained approval from China's cybersecurity regulator to resume new-user registration for its ride-hailing service, the company said Monday, another sign that Beijing is easing its grip on its internet giants.

Didi is resuming new-user registration on Monday, it said on its Weibo social-media account. That suggests Didi's app will soon return to mobile app stores. In 2021, Chinese authorities ordered app stores to remove Didi's services as they targeted the ride-hailing giant in a cybersecurity probe.

Didi also said it has rectified security issues that regulators found in the probe. It will take measures to protect platform and data security and safeguard national security, it said.

Please turn to page B2

INSIDE

Bond Rally Eases Pressure on Traders

By Sam Goldfarb

Another strong week for the U.S. bond market is giving investors increasing hope that they can turn the page on a brutal 2022.

Yields on Treasurys, which fall when bond prices rise, have plunged this year more than they shot upward last January, at the start of what ultimately became the worst year for bonds on record.

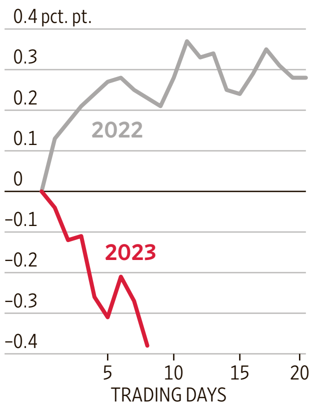
It is still extremely early, and many analysts believe that bonds will face challenges ahead. But the rally so far has exceeded most expectations, providing a boost to other assets, including stocks, and improving vibes across exhausted trading desks.

Investors will get further insight into the economy in the coming week. More banks, such as **Goldman Sachs Group** Inc. and **Morgan Stanley**, are set to report earnings after **JPMorgan Chase** & Co. said Friday that it was preparing for a mild recession and putting aside about $1.4 billion to handle potential loan losses. There will also be new data on retail sales and supplier prices.

Last year, declines in bond prices were so relentless that older Treasurys, known as off the runs, traded at unusually large discounts to newer, more frequently traded bonds because they were vulnerable to larger price drops.

This year has already provided a much better trading environment. Signs of moderating inflation and comments from Federal Reserve officials indicating that they will likely further slow the pace of their interest-rate increases has "made people a lot more comfortable fully investing in the Treasury market," said Michael Lorizio, a senior trader at Manulife Investment Management.

The conditions, he said, have been "energizing to both sides of the Street," with both asset managers and bond dealers feeling like they can "scale into larger trades and more off-the-run securities."



Source: Tradeweb ICE

While cheering traders, this year's nascent bond rally has implications far beyond Wall Street's trenches. Falling Treasury yields translate to lower borrowing costs for consumers and businesses. Overall, the trend is good for economic growth—though potentially an issue for the Fed officials, who have expressed anxiety at times that market rallies could complicate their inflation fight.

For now, investors aren't sharing that concern. Even as they have ratcheted down their interest-rate expectations, market-based measures of inflation expectations have remained stable. Those gauges suggest it will take more months for consumer-price increases to slow to an annual pace around the Fed's 2% target from the current rate of 6.5%.

Investors' interest-rate expectations play a decisive role in dictating Treasury yields. When investors anticipate that future bonds won't offer as much income as previously thought, it makes current bonds more valuable, causing yields to fall.

Two major events have fed investors' optimism this year. First, a jobs report indicated that workers' average hourly earnings rose both less than expected in December and less than previously estimated over

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BUSINESS & FINANCE

Crossover Funds Grow Amid Losses

By Juliet Chung

Hedge funds investing in fast-growing public and private companies lost tens of billions of dollars of clients' money last year. That isn't stopping more "crossover" funds from launching.

Mala Gaonkar, 53 years old, a former co-investment chief of Lone Pine Capital LLC, launched her New York-based crossover fund, SurgoCap Partners, on Jan. 3 with $1.8 billion, people familiar with her firm said. Ms. Gaonkar's launch was widely anticipated given her experience and marks the largest-ever startup from a female hedge-fund manager. Lone Pine, which Ms. Gaonkar left roughly a year ago, lost 36% in 2022 in its flagship hedge fund.

Patrick Fu, 45, who co-led Sequoia's hedge fund until October 2021 before leaving in March, is aiming to raise as much as $1 billion for his crossover fund, Los Angeles-based Dandelion Capital Management, people familiar with his effort said. Dandelion is targeting a third-quarter start. Sequoia Capital Global Equities lost about 41% last year in its worst-ever showing, according to people familiar with the crossover fund, including from its investment in bankrupt cryptocurrency exchange FTX.

Kristov Paulus, 33, a senior investor at Boston-based Whale Rock Capital Management LLC who left at year-end, plans to launch Kultura Capital Management in San Francisco in the second half of the year, people familiar with his plans said. Several chief executives of private companies Mr. Paulus backed while at Whale Rock have committed to investing. Whale Rock lost 43% in its crossover fund last year through November.

Loading up on shares of fast-growing public and private companies was one of the most surefire paths to profit for hedge funds in the later stages of the bull market, supercharging companies' valuations, juicing funds' returns and minting fortunes for managers, who said insights from their investments in private companies informed their public-markets wagers and vice versa. But funds' recent losses as public and private valuations come under pressure are prompting a reassessment by managers and their clients.

36%
Loss at Lone Pine Capital's flagship hedge fund

Even against such a backdrop, more launches are possible. Bankers say they are having conversations with employees at wounded crossover firms who are thinking about starting their own funds.

The report card for crossover funds in 2022 is grim. **Tiger Global Management** lost 56% in its flagship hedge fund and 67% in its long-only fund, historic losses for the firm, while **D1 Capital Partners** lost about 30% in the share class in which half of clients' money can be invested in private companies.**Coatue Management** and **Viking Global Investors**, among the best performers, lost about 19% and 23%, respectively, in their crossover funds.

In comparison, stock-picking hedge funds lost an average 2% last year on an equal-weighted basis, according to a Goldman Sachs Group Inc. client note. The S&P 500 lost about 18% last year, including dividends.

Former Executives of Fox Subsidiary Are Facing Trial in FIFA Bribery Case

By James Fanelli

Two former executives of a 21st Century Fox subsidiary are set to go on trial beginning this week on charges that they bribed FIFA officials to secure broadcasting rights to soccer matches, the latest in a string of U.S. prosecutions alleging wide-ranging corruption in the sport's international governing body.

Hernan Lopez and Carlos Martinez, defendants in a Brooklyn federal court, are accused of working with others to make millions of dollars in illicit payments and kickbacks between 2000 and 2015 to South American soccer officials in exchange for the broadcasting rights to the region's most popular club tournament, the Copa Libertadores, and other matches.

Federal prosecutors also allege the two men relied on loyalty secured through the bribes to obtain confidential information regarding bidding for the rights to broadcast the 2018 and 2022 World Cup tournaments in the U.S. Fox later paid more than $400 million for the English-language rights to broadcast the two tournaments in the U.S.

The indictment doesn't allege that Fox used the information, and the company hasn't been accused of wrongdoing.

Messrs. Lopez and Martinez, who have pleaded not guilty, left their 21st Century Fox roles several years ago. The trial is expected to offer a window into the corporate culture of the company at the time of the allegations.

HASSAN AMMAR/ASSOCIATED PRESS

Federal prosecutors allege the two men used bribes to obtain confidential information regarding bidding for the rights to broadcast the 2018 and 2022 World Cup tournaments in the U.S.

Mr. Lopez, a dual citizen of the U.S. and Argentina, was chief executive of subsidiary Fox International Channels. Mr. Martinez, a dual citizen of the U.S. and Mexico, was president of Fox International Channels, Latin America. Their lawyers, who declined to comment, previously called the allegations vague and accused the Justice Department of overreach in policing foreign business conduct.

Lawyers for Mr. Lopez have previously said they intend to show that in 2014 he helped initiate an internal audit after a Fox competitor made bribery allegations. Mr. Lopez acted in good faith throughout the internal investigation, they said.

Walt Disney Co. acquired major entertainment assets of 21st Century Fox from **Fox** Corp. in 2019. Fox International Channels was absorbed by Disney as part of the deal. Fox Corp. and Wall Street Journal parent **News Corp** share common ownership.

"This case involves a legacy business that has no connection to the new Fox Corporation," a Fox spokesman said. "We have cooperated fully and respect the judicial process."

A representative for Disney didn't respond to a request for comment.

Full Play Group SA, a sports marketing company operating out of Argentina, also is a defendant in the trial and faces the same charges for the alleged Copa Libertadores scheme. Full Play is additionally charged with participating in a conspiracy involving bribes to secure the rights to some World Cup qualifying events.

A lawyer for Full Play said the company is looking forward to starting the trial but declined to comment further. The company's lawyers previously have said that the countries where the alleged crimes took place, including Argentina and Paraguay, didn't have commercial bribery laws at the time.

The case is the latest in a sprawling, decadelong corruption investigation that U.S. law enforcement has said involves two generations of soccer officials at the highest echelon of the sport and more than $200 million in bribes.

The Brooklyn U.S. attorney's office has secured at least 27 individual guilty pleas over the span of the probe, including from high-ranking soccer officials, businessmen and a former managing director at a Swiss bank.

Bond Rally Eases Pressure

Continued from page B1

the preceding two months. That suggested to some that a major driver of longer-term inflation might not be as potent as formerly feared.

Last week's consumer-price index report was then also encouraging, hinting at a continued slowdown in the type of services inflation that Fed officials have spotlighted as particularly important.

The yield on the benchmark 10-year U.S. Treasury note settled Friday at 3.510%, down from 3.570% a week earlier and 3.826% at the end of last year.

Treasury yields lie at the center of financial markets. Last year, the S&P 500 fell over 19%, while the tech-heavy Nasdaq Composite dropped 33% in large part because skyrocketing yields meant investors could get a much-improved, risk-free return by simply holding Treasurys to maturity. Rising yields tend to be particularly damaging to shares of younger, fast-growing companies, many of them in the tech sector, because of the increased opportunity cost of waiting longer for potential generous cash flows.

This year, the reverse has occurred, with yields falling, the S&P 500 climbing 4.2% and the Nasdaq advancing 5.9%.

Some analysts caution that this relationship might not last. All else equal, falling Treasury yields are a positive for stocks. Still, if yields are sliding because investors are anticipating a bad recession, expectations for corporate earnings will also likely decline, causing stock prices to drop.

On the flip side, some welcome scenarios for stocks may not be so great for bonds. In the best outcome for the U.S. economy, inflation will continue to ease without a recession—a soft landing. That should generally be good for stocks, and lower inflation is also typically helpful for bonds.

Even so, some analysts say this could lead to higher yields, because current bond prices reflect bets that the Fed will cut rates later this year. The central bank likely would face little pressure to cut rates if the economy isn't in a recession.

Watch a Video

Scan this code for a video on what bank results say about the economy.

Beijing Unblocks Didi App

Continued from page B1

The Cyberspace Administration of China, which led the probe, didn't respond to a request for comment.

The long-awaited approval comes a year and a half after the ride-hailing giant was targeted in a cybersecurity probe. It also follows a series of steps recently by Chinese regulators that have helped remove some uncertainty that clouded the country's internet sector since officials began a crackdown in late 2020.

Companies including Didi, Alibaba Group Holding Ltd. and its fintech affiliate Ant Group Co. were targeted by regulators in the clampdown. Some have faced big fines, while the market value of China's largest publicly listed tech firms have tumbled.

China's central bank said last week that Ant, whose blockbuster initial public offering was called off in 2020, has completed a required rectification of various business lines. Last month, China also fully resumed government approvals for videogames after a suspension that started in June 2021.

The Wall Street Journal reported in December that government officials were preparing to wrap up investigations

CFOTO/DDP/ZUMA PRESS

The removal of Didi's mobile apps from stores amid a Chinese regulatory crackdown has curbed the company's growth.

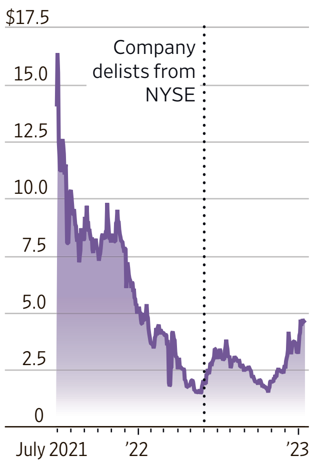
of internet companies as economic conditions deteriorated, including allowing Didi's mobile apps to be restored to domestic app stores.

In July 2021, days after Didi's IPO on the New York Stock Exchange, Chinese regulators announced a data-security investigation into the company.

The suspension of Didi's new-user registration in China and removal of mobile apps from stores have curbed the company's growth. Before the listing, Didi had 377 million annual active users in China, or about 86% of its global user base, it said in its listing prospectus. In 2021, Didi had more than 97% of revenue from its China mobility business, the company's annual report showed. Didi and its rivals were hit last year as people's movements were reduced due to Covid-19 lockdowns and other pandemic control measures.

Since the probe, Didi's stock price plunged and its fourth-quarter revenue in 2021 fell

Didi's American depositary receipts



Note: Didi's ADRs now trade over the counter
Source: FactSet

13% from a year earlier. In June, Didi delisted from the U.S. exchange after telling shareholders it was required to do so to resolve the cybersecurity investigation. Being able to bring back its apps in China is also a prerequisite for the company to relist its stock in Hong Kong.

In July, Chinese authorities fined Didi the equivalent of about $1.2 billion. The internet regulator said at the time that an investigation found Didi had flouted the country's cybersecurity, data security and personal-information-protection laws. Didi said it would "resolutely comply" with the regulatory decision and other rules.

China's top officials have repeatedly pledged to support the country's platform companies as it pivots to rescue its weakened economy. Still, tighter oversight has become a new norm for the technology sector.

China's transportation regulator in December summoned 15 ride- and truck-hailing companies, including Didi, requiring them to protect the interest of users and drivers as well as to compete in an orderly way.

In China, vehicles and drivers are required to obtain government permits for ride-hailing services, a rule that Didi and many other companies haven't fully followed for years.

According to government data, 64.5% of the orders on Didi in December were carried out by vehicles and drivers with required government permits, compared with 40.8% in July 2021.

Didi and its affiliate Piggy Express have been less compliant than some of its biggest rivals such as Cao Cao Mobility backed by Zhejiang Geely Holding Group Co., the filing showed.

Didi didn't respond to a request for comment on the government permits.

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Capital Spending Seen Slowing as Fears Grow

By Kristin Broughton

Companies are expected to tap the brakes on capital investments this year as they assess the risk of a downturn and contend with higher financing costs.

A slowdown in capital spending—meaning investments in property, equipment and technology—would mark a shift from the past two years, when companies after the initial shock of the pandemic took advantage of large cash piles and low interest rates to spend heavily on distribution centers, technology upgrades and other big-ticket items.

Among the 464 companies in the S&P 500 that reported capital expenditures for the third quarter through Jan. 13, capital spending rose 23% from a year earlier, to $235.8 billion, according to S&P Global Market Intelligence, a financial data company. During the prior-year period, capital expenditures among the same companies climbed 21% to $191.9 billion. Higher construction and input costs also have inflated capital budgets.

But the prospect of a downturn is making companies more cautious about overextending themselves given possible revenue declines, advisers said. Companies in the S&P 500 are projected to boost capital spending by an estimated 6% in 2023, compared with an estimated 20% increase in 2022, according to an analysis from advisory firm Ernst & Young, using data from FactSet. Capital spending in 2021 rose by 9% from 2020, the first year of the pandemic, EY said.

After two years of spending heavily, some companies want to pause to digest the investments they have made, advisers said. Companies are grappling with continuing uncertainty surrounding the future pace of interest-rate increases and inflation, as well as geopolitical risks, including those stemming from Russia's war in Ukraine. "I think there's a legitimate concern regarding the concentration of risks that are not manageable at the individual company level," said Andrea Guerzoni, global vice chair of strategy and transactions at EY.

FedEx Corp. last month lowered its capital-spending forecast for the current fiscal year by $400 million, to $5.9 billion. The delivery company is facing weaker demand for packages after benefiting from a surge in e-commerce early during the pandemic. During the quarter ended Nov. 30, revenue declined 3% to $22.8 billion. Profit fell 32% to $788 million.

"The high rate of growth, particularly at ground over the past few years—that's in the rearview mirror," Chief Financial Officer Mike Lenz said during a Dec. 20 earnings call. The company declined to make Mr. Lenz available for an interview.

ANDREW KELLY/REUTERS

FedEx last month reduced its capital-spending forecast for 2023.

Trial to Focus on Musk Tweets Proposing Taking Tesla Private

By Rebecca Elliott And Meghan Bobrowsky

ROBIN RAYNE/ZUMA PRESS

The deal to take the electric-vehicle maker would have been valued at around $72 billion.

Elon Musk is headed to court in a securities-fraud trial over tweets from 2018 in which he floated the possibility of taking **Tesla** Inc. private, with in-person jury selection poised to begin Tuesday.

The class-action case originates with an Aug. 7, 2018, tweet in which the **Tesla** chief executive said, "Am considering taking Tesla private at $420. Funding secured."

An investor, Glen Littleton, sued Tesla, Mr. Musk and members of Tesla's board at the time, alleging that Mr. Musk's tweets were false and cost investors billions of dollars by spurring swings in the prices for Tesla stock, options and bonds. In court filings, Mr. Musk has said he was indeed considering taking Tesla private and believed he had the support of Saudi Arabia's sovereign-wealth fund to do so. The deal, which would have been valued around $72 billion, never materialized.

U.S. District Judge Edward Chen, who is overseeing the San Francisco jury trial that is scheduled to run through Feb. 1, has ruled that Mr. Musk's tweets about taking the company private weren't true and that he acted recklessly in making them.

Questions for the jury include whether Mr. Musk's tweets were material to investors and whether he knew they were untrue.

The case is unusual in that securities-fraud cases usually resolve before going to trial, such as through a settlement, said Jill Fisch, a securities-law professor at the University of Pennsylvania. The defendants in this case face "an uphill battle" in light of the judge's pretrial decision about the veracity of Mr. Musk's statements, she said.

Attorneys for the lead plaintiff didn't respond to a request for comment, nor did an attorney for Tesla, Mr. Musk and the other board members.

Mr. Musk is expected to take the stand as early as Wednesday, some two months after he did so in Delaware in a trial over his pay package at Tesla. In 2021, he also appeared before Delaware's business-law court to defend Tesla's roughly $2.1 billion 2016 takeover of home-solar company SolarCity Corp.

Also on the list of possible witnesses are Tesla board chair Robyn Denholm, board members Ira Ehrenpreis, James Murdoch and Kimbal Musk—the CEO's brother. The head of investor relations, Martin Viecha, also may be called.

In advance of this week's trial, Mr. Musk asked the court to move the trial to Texas on the basis that potential jurors in San Francisco could be biased against him. Judge Chen rejected the request.

"It isn't that hard it seems to me to find 15 people," he said.

Opening arguments could start as early as Tuesday after the jury is selected.

The lead plaintiff is seeking damages for investor losses he alleges stemmed from Mr. Musk's and Tesla's statements. Tesla stock closed up 11% the day Mr. Musk initially tweeted about potentially taking Tesla

> The class-action case originates with an Aug. 7, 2018, tweet by Mr. Musk.

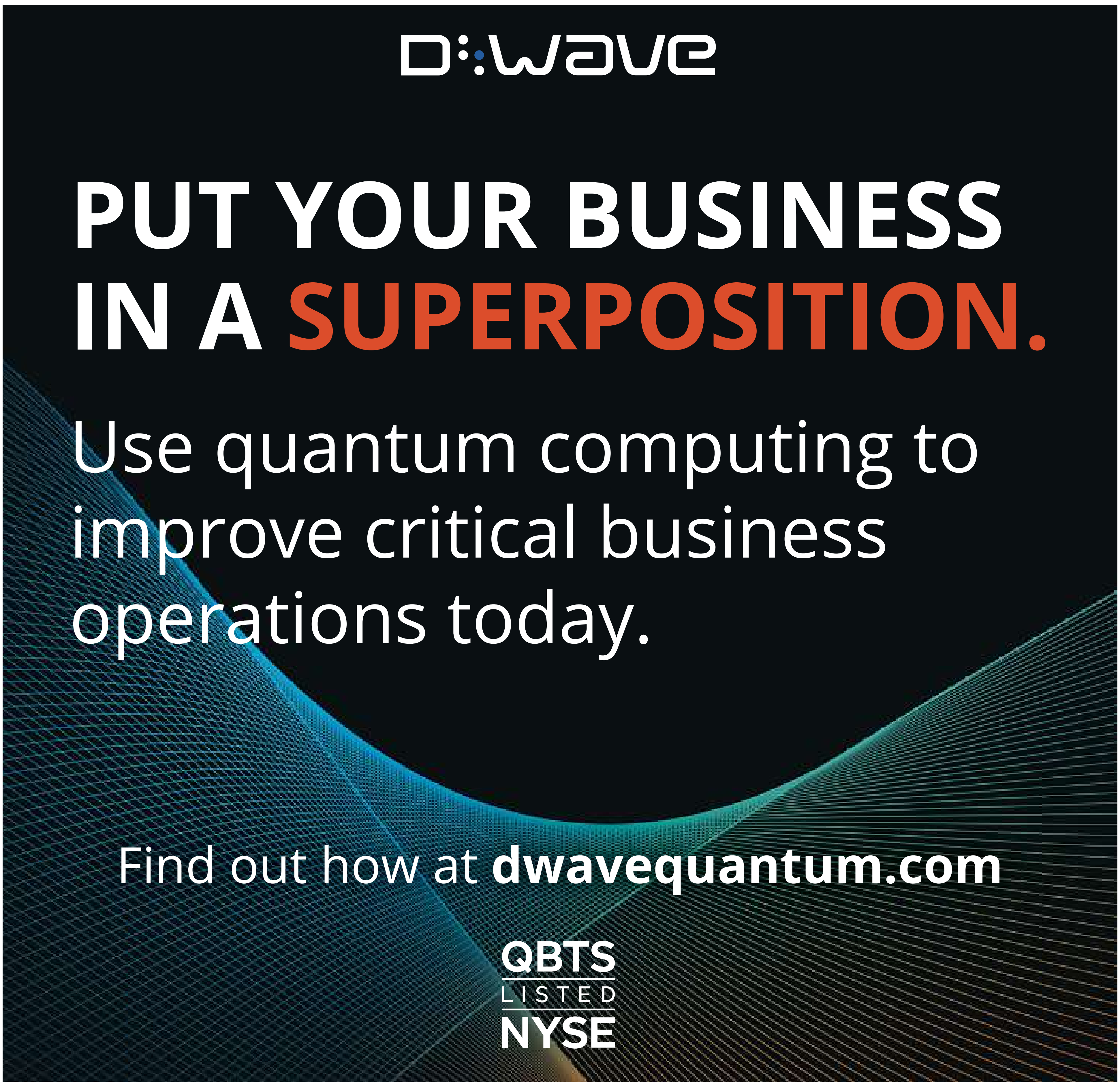
private, later giving back all those gains and falling further as questions emerged about the deal.

The defendants have said the plaintiff won't be able to prove to a jury that the statements were materially false. Mr. Musk was considering taking Tesla private, the defendants have said, even if some of his assertions about the deal may not have been literally accurate.

Defendants, in a trial brief, said Mr. Musk believed he had secured backing to take the car maker private from Saudi Arabia's sovereign-wealth fund, the Public Investment Fund. A lawyer for the defendants said Friday that his team had chosen not to enforce subpoenas calling on fund representatives to testify. The sovereign-wealth fund didn't respond to a request for comment.

Mr. Musk and Tesla each agreed in 2018 to pay $20 million to settle civil charges brought by the Securities and Exchange Commission over the same tweets.

Mr. Musk also agreed to step down as chairman of the company, while remaining CEO. He later said in legal filings that he felt pressured to settle with the SEC. Last year, a federal judge denied Mr. Musk's request to scrap his settlement.



Investors Scrutinize IT Defenses

Some firms require extensive security controls before agreeing to deals

By James Rundle And Kim S. Nash

Private-equity companies are taking a closer look at how their portfolio companies manage their cybersecurity, often before a deal is signed.

A combination of market forces and investor pressure is forcing even the youngest companies to beef up their cybersecurity, as would-be acquirers step up their scrutiny of digital weaknesses.

CYBERSECURITY

"Cyber's ability to impact the operating performance of a company or the financial risk it can create is significant," said Jeffrey Calhoun, a managing partner at New York-based **Tailwind Capital**, a private-equity firm that invests in middle-market infrastructure, supply-chain and technology companies. "It's our responsibility as control shareholders to head those things off in every possible way."

While a mature cybersecurity program was once the preserve of large, well-resourced companies, startups and mid-market firms are now finding that a host of third parties, from clients to regulators and investors, are now requiring them to implement at least baseline defenses.

Insurers, for instance, often require applicants to demonstrate that they have cybersecurity measures in place before they grant coverage, while regulators are applying pressure at "the highest level we've seen in 20 years," said Dave DeWalt, a managing director at venture-capital firm **NightDragon**.

"The insurance industry and regulators are almost driving the same controls into a company to make them perform better," he said. "This is all good stuff. It should have happened 10 years ago."

Private-equity companies also are stepping up how they assess companies they may wish to buy. In addition to fundamentals such as financial health and management structure, they are often looking at cybersecurity.

"Cybersecurity has evolved significantly as a risk factor, and it's an area that requires due diligence before we even make an investment," said Mr. Calhoun.

Tailwind requires portfolio companies to have multifactor authentication, network security, cyber insurance, and an incident-response team or access to one at a cybersecurity company. It also requires companies to have a chief information security officer either full-time or through Tailwind's relationships with cybersecurity companies.

Tailwind contracts with consulting firms for a certain number of hours a year of work with virtual CISOs, who are often retired corporate security chiefs. Each portfolio company gets at least 10 hours each month of access to such a CISO from companies including **Secureworks** Inc. and **Presidio** Inc.

Virtual CISOs help with creating security policies, testing controls, advising chief executives and technology officers, and reporting to the board, said Eash Sundaram, an operating executive at Tailwind.

The idea is "to bring the security of companies to our minimum standards," said Mr. Sundaram, a former chief digital and technology officer at airline **JetBlue Airways** Corp. "It happens in a systematic way."

KIM S. NASH/THE WALL STREET JOURNAL

Firms are under pressure to beef up cybersecurity. An Amazon.com conference in Boston last year.

WSJ PRO CYBERSECURITY
wsj.com/pro/cybersecurity

Ag Firms Bet on Carbon-Capture Farming

By Patrick Thomas

Agriculture companies are investing millions of dollars to develop farming programs designed to capture more carbon dioxide in fields as a possible solution to mitigate climate change.

The challenge: convincing farmers that it is worth their time, the costs of new farming practices and potentially losing out on some of their harvest in the process.

Iowa corn farmer Chris Edgington said he has looked at various carbon programs over the past year, calculating the risk of reduced crops as he adjusts the way he manages his crops and the potential compensation for the carbon his fields could capture. So far, he said, he hasn't signed up.

"At the current economics, it will be a real challenge to grow," said Mr. Edgington, chairman and a former president of the National Corn Growers Association.

Agriculture industry giants including **Bayer** AG, **Nutrien** Ltd., **Corteva** Inc. and startups such as **Indigo Ag** Inc. are developing systems that aim to create a farming-driven carbon market.

The idea is to harness natural processes to turn farmers' fields into carbon sinks. Plants withdraw carbon dioxide from the air and combine it with water and sunlight to produce energy through the process of photosynthesis, which embeds carbon in the dirt through the plants' roots. Soil can retain the carbon for years if left undisturbed.

The agriculture industry, which has come under increased environmental scrutiny in recent years, has said that paying farmers to maximize those natural processes can help make them part of a potential solution. Carbon programs also give companies a potential new revenue stream, as they project farm-generated carbon offsets will draw demand from food manufacturers, airlines and tech companies seeking to offset their own carbon emissions.

The market for carbon credits overall, including forestry and other carbon-capture projects, could reach $50 billion by 2030, according to a 2021 study from consulting firm McKinsey & Co. Agriculture companies said that farmers will share in proceeds from the sale of carbon credits.

Less than 5% of the more than 1,300 U.S. farmers surveyed by McKinsey in 2022 said they participated in a carbon program, and more than 50% of farmers said an unclear return on investment was one of their top reasons for not participating.

HEYWOOD YU/BLOOMBERG NEWS

Nutrien Ltd. is among the companies developing systems to create a farming-driven carbon market.

The number of farmers signing contracts to participate in a company's carbon market was flat at about 1% from January 2021 to August 2022, according to surveys of hundreds of farmers conducted by agronomists at Purdue University.

Agriculture executives said their farmer sign-ups are on track or exceeding expectations.

Fertilizer supplier **Nutrien** Ltd. said it signed up 110 growers in 2021 to its carbon program and reached 160 in 2022, on par with its goal.

Corteva officials said the seed supplier's program is on track and that demand for carbon credits is expected to rise along with the price farmers are paid.

Executives said they are adjusting to farmer concerns, including by grandfathering farmers into programs who had been using carbon-capturing "no till" farming practices for years, or by offering more flexible contracts.

Company officials say that farmers' paychecks will rise over time, as will the health of their soils, another long-term benefit that they said will entice farmers to sign up.

To participate, farmers must commit to overhauling crop-production systems to incorporate practices that increase their soil's carbon sequestration, such as avoiding tillage and planting cover crops during the winter.

Farmers generally are paid $15 to $20 a ton of carbon sequestered under agriculture companies' current programs, Bank of Montreal senior analyst Joel Jackson said.

He estimated that farmers need to earn more than $50 a ton to make carbon programs economically viable for their operations.

Though it varies by farm, no-till farming sequesters an average of 0.3 metric ton of carbon per acre a year, according to the Soil Science Society of America.

"Carbon should be priced at $75 per ton for farmers to take notice," said Chris Harbourt, chief strategy officer of Indigo. "At $100-plus, farmers need to think about it as a serious part of their farm planning."

Mr. Harbourt said Indigo has raised the amount it pays farmers in the past year from $20 a ton to more than $40.

He said the price that farmers are paid will rise as companies pay more for the credits.

Platform To Trade Crypto Claims Planned

By Caitlin Ostroff

The founders of a bankrupt crypto hedge-fund firm are seeking to launch an exchange where creditors to insolvent digital-assets firms, including their own, would be able to buy and sell claims.

Su Zhu, a co-founder of the bankrupt crypto hedge-fund manager Three Arrows Capital Ltd., said that he and others are seeking to raise $25 million in seed money for the new platform. A pitch deck to potential investors, seen by The Wall Street Journal, referred to the company as GTX, a poke at the fallen crypto exchange FTX.

Mr. Zhu said that GTX isn't the final name of the company. The other founders include Kyle Davies, who co-founded Three Arrows, and Mark Lamb and Sudhu Arumugam, the co-founders of crypto exchange CoinFLEX. They are likely to decide on a name for the company next week.

CoinFLEX said in a blog post on its website that it could be rebranded "into this new entity," and that the GTX name was a placeholder. It said any funds raised would be used to expand the company, which should in turn benefit CoinFLEX's creditors.

A wave of cryptocurrency companies filed for bankruptcy protection last year after the value of various coins fell and financial stress spread through the industry.

Three Arrows defaulted last year on a roughly $2.4 billion loan from crypto lender Genesis Global Capital.

The lender's parent company, Digital Currency Group Inc., filed a claim of about $1.2 billion against Three Arrows. Last summer, a British Virgin Islands court ordered the liquidation of Messrs. Zhu and Davies' company after creditors including DCG sued it for failing to repay debts.

Mr. Zhu said some Three Arrows creditors would have the option to convert their claims into equity in the new claim-trading company.

The Block earlier reported the plans for the exchange.

Other crypto companies including lenders Celsius Network LLC and BlockFi Inc. and exchange FTX have also filed for bankruptcy. Investors are wary that more companies may become insolvent.

Bankruptcy proceedings are often lengthy, sometimes requiring claimants to wait years before getting back some of their money.

—Elaine Yu contributed to this article.

Struggling Hydrogen Firm Gets Lift From Climate Bill

By Amrith Ramkumar

KINGSLAND, Ga—Andy Marsh tried for 14 years to make a profit running **Plug Power** Inc. Last summer he went to Washington and came away with a potential windfall.

While senators battled over the climate, tax and spending bill, there was surprising agreement that hydrogen, Plug Power's business, needed a big dose of support. "My biggest concern that I have right now is that we have not invested the money that we needed to invest in hydrogen," Sen. Joe Manchin (D., W.Va.) said at a hearing in July when he was blocking the overall package.

Mr. Marsh takes some credit. He shuttled back and forth to Washington, made a trip to West Virginia and agreed to build plants in New York at the urging of Sen. Chuck Schumer (D., NY). All appeared for naught when Mr. Manchin rejected plan after plan.

When the two senators surprised Washington with a deal, Mr. Marsh got what he asked for. "It's been a pretty harrowing ride," he said.

At Plug Power's first green hydrogen facility in a southeast Georgia industrial park in Kingsland, construction workers lay pipe and concrete where the company soon expects to produce about 15,000 kilograms of liquid hydrogen a day. That is enough to power roughly 10,000 forklifts or about 300 trucks for a day.

Hydrogen has long been a dream of clean-energy advocates. It can produce energy with water as the only byproduct. Climate change has made it a favorite of oil companies, steelmakers, airlines and other industries under pressure to reduce carbon emissions.

'They've got a one-lap lead in a very, very competitive race.'

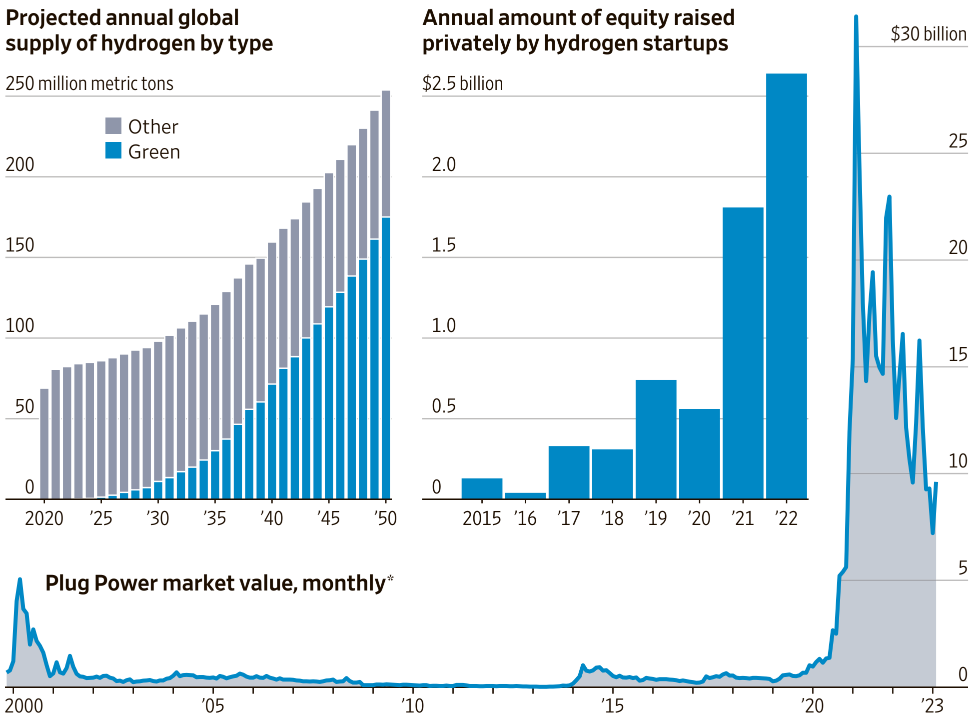
China, Japan, Australia and Europe have a head start on the U.S. But Congress packed the new law, the Inflation Reduction Act, with goodies meant to urge American production of renewable energy and its technology. Few companies have more to gain than Plug Power from the government cash, which turns an expensive and money-losing fuel source to a potentially profitable one.

If Plug Power succeeds, it would be a dramatic transformation for the supplier of power equipment for forklifts, which hasn't turned a profit in its 25-year history. Plug Power stock has twice soared to bubble levels—20 years apart—and crashed. Mr. Marsh is being sued by investors for cashing in on the last boom. Today Plug Power's shares are off about 80% from the most recent bubble peak.

The government's push into hydrogen and Plug Power's decades of experience with fuel cells have transformed the company into a potential leader in a hot new industry.

"They've got a one-lap lead in a very, very competitive race," said Wesley Edens, the billionaire co-chief executive of Fortress Investment Group LLC and chief executive of liquefied natural-gas company **New Fortress Energy**. New Fortress plans to use Plug Power equipment to make green hydrogen in a Texas facility.

The global hydrogen market is projected to more than triple by 2050, with green hydrogen accounting for nearly all of that growth, consulting firm Wood Mackenzie forecasts. It would become one of the biggest industries in the energy sector.



*Latest figure through Friday
Sources: Wood Mackenzie (supply); PitchBook (equity raised); FactSet (market value)

Right now, the cheapest hydrogen, made from natural gas, costs about $1.50 a kilogram to produce. Green hydrogen costs roughly $5 a kilogram or more.

Plug Power plans to sell green hydrogen to customers like Amazon and Walmart for about $6 a kilogram. The new tax credit of up to $3 a kilogram, which will be shared with the customers, will make the product more than twice as profitable. Shortly after the bill signing, Plug Power announced another agreement with Amazon to supply roughly 10 million kilograms annually starting in 2025.

At the Georgia facility, devices called electrolyzers will split water into hydrogen and oxygen, then the hydrogen will be cooled and compressed.

The plant will initially run on power from the local utility, some of which is generated from fossil fuels, so Plug will pay for renewable energy certificates to qualify the hydrogen as green.

It is planning facilities in New York, California and Texas, plus an expansion of the Georgia facility. It also is adding to its fuel-cell production. Mr. Schumer cut the ribbon at a Plug Power fuel-cell manufacturing facility in New York on Thursday.

Big hydrogen producers **Linde** PLC and **Air Products and Chemicals** Inc. have also ramped up their U.S. green hydrogen commitments. Air Products' $4 billion project in Texas will be one of the largest globally when it begins operating in 2027. Oil-and-gas giants are also investing in the sector.

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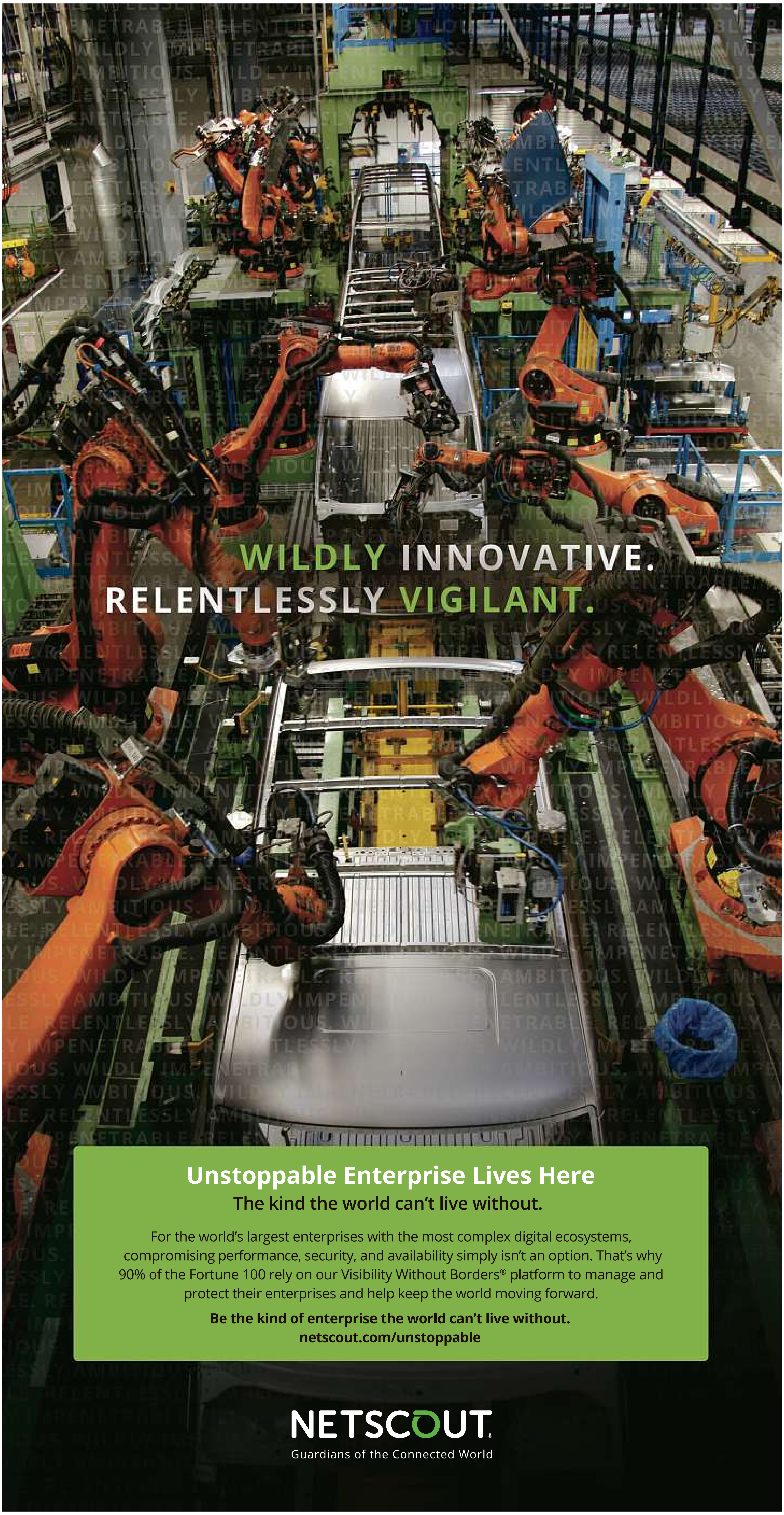

CLOSED-END FUNDS

Listed are the 300 largest closed-end funds as measured by assets. Closed-end funds sell a limited number of shares and invest the proceeds in securities. Unlike open-end funds, closed-ends generally do not buy their shares back from investors who wish to cash in their holdings. Instead, fund shares trade on a stock exchange. NA signifies that the information is not available or not applicable. NS signifies funds not in existence for the entire period. 12 month yield is computed by dividing income dividends paid (during the previous 12 months for periods ending at month-end or during the previous 52 weeks for periods ending at any time other than month-end) by the latest month-end market price adjusted for capital gains distributions. Depending on the fund category, either 12-month yield or total return is listed.

Source: Lipper

Friday, January 13, 2023

Fund (SYM)	NAV	Close	Prem /Disc	52 wk Ttl Ret
General Equity Funds				
Adams Diversified Eq Inc ADX	17.96	15.08	-16.0	-15.6
Central Secs CET	42.06	35.33	-16.0	-10.8
CohenStrsCEOppFd FOF	11.21	11.86	+5.8	-8.2
EVTxAdvDivIncm EVT	25.14	24.06	-4.3	-13.5
GabelliDiv&IncTr GDV	25.16	21.72	-13.7	-14.1
Gabelli Equity Tr GAB	5.41	5.71	+5.5	-11.1
GeneralAmer GAM	45.62	37.77	-17.2	-9.2
JHancockTaxAdvDiv HTD	24.20	21.77	-10.0	-1.7
Liberty All-Star Equity USA	6.26	6.22	-0.6	-17.0
Liberty All-Star Growth ASG	5.53	5.27	-4.7	-28.6
Royce Micro-Cap Tr RMT	10.48	9.31	-11.2	-8.2
Royce Value Trust RVT	15.69	14.32	-8.7	-15.5
Source Capital SOR	41.49	38.63	-6.9	-5.5
Sprott Focus Trust FUND	9.19	8.60	-6.4	4.8
SRH Total Return STEW	15.84	13.12	-17.2	-8.4
Tri-Continental TY	30.33	26.92	-11.2	-10.0
Specialized Equity Funds				
abrdn Glb Prem Prop AWP	4.61	4.28	-7.2	-28.0
abrdn Global Infra Inc ASGI	21.52	18.54	-13.8	-2.3
Adams Natural Resources PEO	26.78	22.58	-15.7	27.7
ASA Gold & Prec Met Ltd ASA	19.61	16.37	-16.5	-23.8
BR Enh C&I CII	18.19	17.87	-1.8	-6.3
BlackRock Energy & Res BGR	14.57	12.68	-13.0	22.5
BlackRock Eq Enh Div BDJ	8.97	9.13	+1.8	1.5
BlackRock Enh Glbl Div BOE	11.44	10.19	-10.9	-10.1
BlackRock Enh Intl Div BGY	6.09	5.34	-12.3	-8.7
BlackRock ESG Cap Alloc ECAT	17.37	14.49	-16.6	-14.7
BlackRock Hlth Sci Tr II BMEZ	19.28	16.26	-15.7	-19.6
BlackRock Hlth Sciences BME	43.09	43.18	+0.2	-0.1
BlackRock Innov and Grow BIGZ	9.26	7.52	-18.8	-37.6
BlackRock Res & Comm BCX	11.71	10.23	-12.6	7.7
BlackRock Sci&Tech Tr II BSTZ	20.36	17.01	-16.5	-42.3
BlackRock Sci&Tech Trust BST	30.23	31.45	+4.0	-28.0
BlackRock Utl Inf & Pwr BUI	23.35	22.14	-5.2	-10.3
CLEARBRIDGE ENGY MDS OPP EMO	NA	29.79	NA	28.1
CLEARBRIDGE MLP&MDSTM TR CTR	NA	30.67	NA	22.9
ClearBridge MLP & Midstm CEM	NA	35.72	NA	25.9
ChnStrInfr UTF	25.70	25.58	-0.5	-0.7
Cohen&SteersQualInc RQI	13.26	13.22	-0.3	-15.4
CohenStrsReal Est and I RLTY	16.64	15.04	-9.6	NS
Cohen&Steers TotRet RFI	12.28	13.81	+12.5	-7.8
CohenStrsREITPrefInc RNP	21.53	22.48	+4.4	-10.6
Columbia Sel Prm Tech Gr STK	24.30	25.29	+4.1	-19.7
DNP Select Income DNP	9.35	11.73	+25.5	14.2
Duff&Ph Util&Infra Inc Fd DPG	12.90	14.01	+8.6	8.0
EtnVncEqtyInc EOI	15.46	15.67	+1.4	-13.8
EtnVncEqtyIncoII EOS	16.36	16.80	+2.7	-19.9
EVRskMnDvsEqInc ETJ	8.18	7.77	-5.0	-18.1
ETnVncTxMgdBuyWrtInc ETB	13.45	13.56	+0.8	-13.8
EtnVncTxMgdBuyWrtOpp ETV	12.49	12.59	+0.8	-15.2
EvTxMnDvsEqInc ETY	11.51	11.49	-0.2	-14.3
EtnVncTxMgdGlbB ETW	8.70	8.14	-6.4	-19.0
EvTxMnGblDvEqInc EXG	8.43	7.88	-6.5	-18.6
Ecofin S&S Impact Term TEAF	NA	13.47	NA	-5.2
First Trust Energy Inc G FEN	15.91	14.32	-10.0	-2.7
First Tr Enhanced Eq FFA	17.43	16.49	-5.4	-16.8
FirstTrEnergyInfra FIF	17.61	15.22	-13.6	13.9
FirstTrMLPEner&Inc FEI	9.42	8.08	-14.2	10.9
Gabelli Healthcare GRX	12.30	10.35	-15.9	-17.6
Gab Utility GUT	3.73	7.70	106.4	11.2
GAMCOGlGold&NatRes GGN	4.07	3.81	-6.4	9.5
J Han Finl Opptys BTO	33.94	36.08	+6.3	-16.6
Neuberger Brmn MLP & EI NML	8.44	7.05	-16.5	32.4
Neuberger Nxt Gen Conn NBXG	12.09	9.77	-19.2	-30.2
Nuv Dow 30 Dyn Overwrite DIAX	16.61	15.85	-4.6	-4.3
NuvCorEqAlpha JCE	12.45	12.81	+2.9	-12.4
Nuveen Nasdaq 100 Dyn Ov QQQX	20.60	22.52	+9.3	-14.2
Nuv Real Est JRS	8.77	8.29	-5.5	-26.0
Nuveen Rl Asst Inc & Gro JRI	14.30	12.50	-12.6	-14.8
NuvS&P500DynOvFd SPXX	15.28	15.91	+4.1	-6.8
NuvSP500BuyIncFd BXMX	12.95	13.11	+1.2	-6.1
ReavesUtilityIncome UTG	30.15	30.28	+0.4	-4.3
Tortoise Enrgy Infra Crp TYG	NA	34.09	NA	25.8
Tortoise Midstream Enrgy NTG	NA	37.90	NA	22.9
VDivInt&PremStr NFJ	13.87	11.94	-13.9	-16.9
V Art Int&Tech Opps AIO	19.90	17.15	-13.8	-23.6
Income & Preferred Stock Funds				
CalamosStratTot CSQ	13.82	14.00	+1.3	-18.2
CohenStrsLtdDurPref&Inc LDP	21.69	20.16	-7.1	-16.6
CohenStrsSelPref&Income PSF	21.65	20.47	-5.5	-14.2
CohenStrsTaxAvPreSecs&I PTA	21.26	19.29	-9.3	-14.2
Dividend and Income DNI	17.53	11.62	-33.7	-11.9
FirstTrIntDurPref&Inc FPF	19.90	18.32	-7.9	-18.8
JHanPrefInc HPI	16.71	17.09	+2.3	-9.8
JHPrefIncII HPF	16.54	16.73	+1.1	-11.5
HnckJPfdInco III HPS	14.85	15.45	+4.0	-8.2
J Han Prm PDT	13.41	13.56	+1.1	-11.4
LMP CapInco SCD	NA	12.58	NA	-7.5
Nuveen Multi-Asset Inc NMAI	14.28	12.38	-13.3	-22.1
Nuveen Pref & Inc Opp JPC	8.18	7.62	-6.8	-15.5
Nuveen Fd JPS	8.02	7.29	-9.1	-19.0
Nuveen Pref & Inc Term JPI	20.39	19.84	-2.7	-16.4
Nuveen Var Rate P&I NPFD	20.37	18.21	-10.6	-24.7
TCW Strat Income TSI	5.06	4.84	-4.3	-8.6
Convertible Sec's. Funds				
AdvntCnvrtbl&IncFd AVK	13.05	12.36	-5.3	-21.3
CalamosConvHi CHY	11.03	11.96	+8.4	-14.2
CalamosConvOp CHI	10.45	11.66	+11.6	-12.0
Ellsworth G&I Fund Ltd ECF	9.92	8.58	-13.5	-20.4
V Conv & Inc NCV	4.09	3.78	-7.6	-23.5
V Conv & Inc II NCZ	3.64	3.30	-9.3	-23.7
V Div Inc & Conv ACV	21.08	21.05	-0.1	-33.0
V Eqty & Conv Inc NIE	22.02	19.77	-10.2	-16.6
World Equity Funds				
abrdn Emg Mkts Eq Inc AEF	6.42	5.47	-14.8	-26.9
abrdn Tot Dyn Div AOD	9.59	8.29	-13.6	-13.4
Allspring Gl Div Oppty EOD	4.78	4.64	-2.9	-12.1
BlackRock Capital Alloc BCAT	17.37	14.77	-15.0	-15.2
Calamos GloDynInc CHW	6.66	6.10	-8.4	-31.9
EV TxAdvGlbDivInc ETG	17.71	16.24	-8.3	-20.9
EtnVncTxAdvOpp ETO	24.31	22.35	-8.1	-24.2
First Tr Dyn Euro Eq Inc FDEU	13.61	12.10	-11.1	-6.9
Gabelli Multimedia GGT	4.43	5.57	+25.7	-24.5
GDL Fund GDL	10.09	8.01	-20.6	-5.3
Highland Global Alloc HGLB	12.29	10.01	-18.6	12.5
India Fund IFN	16.61	15.60	-6.1	-15.8
Japan Smaller Cap JOF	8.18	6.77	-17.2	-13.5
LazardGlbTotRetInc LGI	16.91	15.39	-9.0	-15.5
Mexico MXF	NA	16.76	NA	10.5
Miller/Howard High Inc E HIE	11.85	10.91	-7.9	5.8
MS ChinaShrFd CAF	18.39	15.30	-16.8	-22.6
MS India IIF	24.99	21.25	-15.0	-9.7
MS CBRE Gl In Mg MEGI	NA	15.05	NA	-19.7
Templeton Dragon TDF	13.57	11.92	-12.2	-19.9
Templeton Em Mkt EMF	13.96	12.51	-10.4	-15.4

Fund (SYM)	NAV	Close	Prem /Disc	12 Mo Yld
U.S. Mortgage Bond Funds				
BlckRk Income BKT	13.53	13.06	-3.5	8.3
Invesco HI 2023 Tgt Term IHIT	8.49	8.23	-3.1	5.9
Investment Grade Bond Funds				
Angel Oak FS Inc Trm FINS	14.63	13.14	-10.2	9.7
BlRck Core Bond BHK	11.49	11.17	-2.8	7.9
BR Credit Alloc Inc BTZ	11.72	10.62	-9.4	9.1
J Han Income JHS	12.15	11.36	-6.5	5.6
MFS Intmdt MIN	3.06	2.86	-6.5	0.0
Western Asset Inf-Lk Inc WIA	NA	9.01	NA	15.2
Western Asset Inf-Lk O&I WIW	NA	9.63	NA	11.8
Westn Asst IG Def Opp Tr IGI	NA	17.00	NA	4.9
Loan Participation Funds				
Apollo Senior Floating AFT	NA	12.81	NA	8.8
BR Debt Strategy DSU	10.65	9.56	-10.2	7.5
BR F/R Inc Str FRA	13.02	11.60	-10.9	6.8
BlackRock Floatng Rt Inc BGT	12.64	11.30	-10.6	6.8
Blackstone Strat Cr BGB	12.50	11.08	-11.4	7.3
EtnVncFltRteInc EFT	12.86	11.52	-10.4	9.1
EV SenFlRtTr EFR	12.65	11.52	-8.9	9.6
FT/Sr Fltg Rte Inc 2 FCT	11.20	9.88	-11.8	9.0
Highland Income HFRO	14.54	10.60	-27.1	8.9
InvDYCrOpp:AX VTA	11.25	NA	NA	NA
InvSnrIncTr VVR	4.10	3.92	-4.4	11.4
Nuveen Credit Strat Inc JQC	5.90	5.31	-10.0	9.7
NuvFloatRateIncFd JFR	9.24	8.37	-9.4	9.6
NuvFloatRteIncOppty JRO	9.14	8.33	-8.9	9.6
Nuveen Senior Income NSL	5.40	4.79	-11.3	9.6
High Yield Bond Funds				
AllianceBernGlHiIncm AWF	NA	10.01	NA	10.3
Allspring Income Oppty EAD	7.35	6.72	-8.6	10.9
Barings Glb SD HY Bd BGH	14.87	13.62	-8.4	9.99
BR Corporate HY HYT	9.64	9.25	-4.0	9.8
BlackRock Ltd Dur Inc BLW	14.00	13.61	-2.8	8.2
Brookfield Real Asst Inc RA	15.97	17.10	+7.1	14.7
CrSuisHighYld DHY	2.10	1.89	-10.0	10.5
DELAWARE IVY HIGH INCOPP IVH	12.33	11.73	-4.9	8.2
DoubleLine Inc Sol DSL	12.33	12.39	+0.5	13.6
DoubleLine Yld Opps DLY	15.52	14.47	-6.8	10.6
First Tr Hi Inc Lng/Shrt FSD	13.02	11.95	-8.2	11.0
First Trust HY Opp:2027 FTHY	16.18	14.68	-9.3	11.8
Franklin Univ FT	7.93	7.16	-9.7	7.5
KKR Income Opportunities KIO	NA	11.81	NA	11.4
Nuveen Global High Inc JGH	13.26	11.98	-9.7	12.0
PGIM Global High Yield GHY	12.92	11.58	-10.4	11.6
PGIM High Yield Bond ISD	14.07	12.72	-9.6	10.6
PGIM Sh Dur Hi Yld Opp SDHY	17.28	15.71	-9.1	8.8
PioneerHiIncm PHT	7.83	6.94	-11.4	11.3
WstAstHIF II HIX	NA	5.51	NA	12.1
Western Asset Hi Inc Opp HIO	NA	4.08	NA	9.1
Western Asset Hi Yld D O HYI	NA	12.65	NA	9.0
Other Domestic Taxable Bond Funds				
Allspring Multi-Sector ERC	10.00	10.20	+2.0	10.7
Apollo Tactical Income AIF	NA	12.69	NA	9.7
Ares Dynamic Crdt Alloc ARDC	NA	12.15	NA	10.3
BlackRock Mlt-Sctr Inc BIT	15.11	14.69	-2.8	9.5
BlackRock Tax Muni Bd BBN	18.25	17.66	-3.2	7.9
DoubleLine:Oppor Crdt Fd DBL	14.93	15.53	+4.0	8.8
EVLmtDurIncm EVV	10.65	9.89	-7.1	12.7
Franklin Ltd Dur Income FTF	7.26	6.50	-10.5	12.6
J Han Investors JHI	14.14	13.31	-5.9	9.4
MFS Charter MCR	7.02	6.52	-7.1	0.0
NuvCorePlusImpact NPCT	12.93	11.06	-14.5	11.9
Nuveen Taxable Muni Inc NBB	17.04	16.54	-2.9	7.8
PIMCO Corp & Inc Oppty PTY	11.18	13.15	+17.6	13.1
PIMCO Corp & Inc Strat PCN	11.43	12.58	+10.1	12.6
PIMCOHiInco PHK	4.70	4.95	+5.3	12.1
PIMCO IncmStrFd PFL	8.18	8.49	+3.8	12.0
PIMCO IncmStrFd II PFN	7.21	7.45	+3.3	12.1
Putnam Prem Inc PPT	4.03	3.84	-4.7	8.6
Western Asset Dvsfd Inc WDI	NA	14.00	NA	11.4
World Income Funds				
abrdn AP IncFd FAX	3.29	2.83	-14.0	12.5
MS EmMktDomDebt EDD	5.40	4.62	-14.4	6.8
PIMCO Access Income PAXS	15.83	15.73	-0.6	NS
PIMCO Dynamic Income PDI	17.98	19.90	+10.7	17.8
PIMCO Dynamic Inc Opp PDO	13.59	13.68	+0.7	19.0
PIMCO Stratg Inc RCS	4.51	5.31	+17.7	12.3
Templeton Em Inc TEI	6.07	5.61	-7.6	11.8
Templtn Glbl Inc GIM	4.89	4.45	-9.0	9.1
WstAstEmergDebt EMD	NA	9.35	NA	11.0
Western Asset Gl Cr D Op GDO	NA	13.69	NA	9.4
National Muni Bond Funds				
AllBerNatlMunInc AFB	12.54	10.91	-13.0	5.2
BlckRk Inv Q Mun BKN	13.35	12.23	-8.4	6.5
BlackRock Muni 2030 Tgt BTT	23.83	21.87	-8.2	3.5
BlackRock Muni BFK	11.75	10.37	-11.7	5.8
BlackRock Muni II BLE	12.18	10.79	-11.4	5.9
BlckRk Muni Inc Qly BYM	13.02	11.63	-10.7	5.7
BR MuniAssets Fd MUA	11.70	11.14	-4.8	5.2
BR MH Qly 2 MUE	11.57	10.38	-10.3	5.9
BR MuniHoldngs MHD	13.18	11.63	-11.8	5.6
BR MuniVest Fd MVF	8.01	7.05	-12.0	5.3
BR MuniVest 2 MVT	12.43	10.96	-11.8	5.8
BR MuniYield Fd MYD	12.26	10.85	-11.5	5.6
BR MuniYld Qlty MQY	13.37	12.06	-9.8	5.8
BR MuniYld Qlty 2 MQT	11.85	10.53	-11.1	5.9
BR MuniYld Qly 3 MYI	12.48	11.26	-11.2	5.2
BNY Mellon Muni Bd Infra DMB	12.13	11.12	-8.3	5.8
BNY Mellon Str Muni Bond DSM	6.77	6.01	-11.2	5.9
BNY Mellon Strat Muni LEO	7.04	6.31	-10.4	5.6
Del Inv Natl Muni Income VFL	12.28	10.89	-11.3	5.2
DWS Muni Inc KTF	10.30	8.93	-13.3	4.7
EVMuniBd EIM	11.68	10.56	-9.6	4.8
EVMuniIncm EVN	11.52	10.45	-9.3	5.5
EVNatMuniOpp EOT	18.58	17.37	-6.5	4.5
InvAdvMuIncTrII VKI	9.88	8.96	-9.3	6.0
Invesco MuniOp OIA	6.50	6.48	-0.3	5.6
InvescoMuOppTr VMO	11.05	9.94	-10.0	5.6
InvescoMuTr VKQ	11.08	10.00	-9.7	5.5
InvescoQual Inc IQI	11.16	10.13	-9.2	5.8
InvTrInvGrMu VGM	11.39	10.13	-11.1	5.6
InvescoValMunInc IIM	13.66	12.46	-8.8	5.8
MAINSTAY MK DEFTR MUN OP MMD	NA	17.45	NA	6.3
NeubrgrBrm NBH	12.29	11.13	-9.4	6.1
Nuveen AMT-Fr Mu Val NUW	15.21	13.85	-8.9	3.4
Nuveen AMT-Fr Mu CI NEA	12.95	11.34	-12.4	5.4
Nuveen AMT-Fr Mu CI NVG	13.88	12.20	-12.1	6.1
Nuveen Dyn Muni Opp NDMO	11.26	10.92	-3.0	9.2
Nuveen Int Dur Mun Term NID	13.62	13.37	-1.8	4.1
Nuveen Mu Crdt Opps NMCO	12.36	11.83	-4.3	6.6
Nuv Muni Credit Income NZF	13.82	12.08	-12.6	5.8
NuvMuniHiIncOpp NMZ	11.42	10.68	-6.5	7.0
Nuveen Muni Val NUV	9.40	8.95	-4.8	3.9
Nuveen Quality Muni Inc NAD	13.30	11.74	-11.7	5.5
Nuveen Sel TF NXP	14.60	14.37	-1.6	3.9
PIMCO MuniInc PMF	10.07	10.24	+1.7	6.2
PIMCOMuniIncII PML	9.25	9.26	+0.1	7.8
PIMCO MuniIII PMX	8.49	8.36	-1.5	6.3
PioneerHiIncAdv MAV	9.74	8.64	-11.3	6.1
PionrMuniHiIncOppty MIO	13.05	11.39	-12.7	6.7
PioneerMunHiIcm MHI	10.52	9.36	-11.0	5.9
Putnam Mgd Inc PMM	6.70	6.78	+1.2	6.1
Putnam Muni Opp PMO	11.38	11.53	+1.3	5.8
RiverNorth Flx Mu Inc II RFMZ	15.70	14.19	-9.6	8.2
RiverNorth Mgd Dur Muni RMM	16.63	15.40	-7.4	7.7
Western Asset Mgd Muni MMU	11.80	10.38	-12.0	4.6
Single State Muni Bond				
BlackRock CA Mun BFZ	13.18	11.17	-15.3	4.5
BR MH CA Qly Fd Inc MUC	12.88	11.18	-13.2	5.7
BR MH NJ Qly MUJ	13.16	11.57	-12.1	6.4
BR MH NY Qly MHN	12.24	10.72	-12.4	5.4
BR MuniYld MI Qly MIY	13.09	11.58	-11.5	5.7
BR MuniYld NY Qly MYN	11.81	10.30	-12.8	5.3
BlackRock NY Mun BNY	12.15	10.62	-12.6	5.4
EVCAMuniBd EVM	10.55	8.94	-15.3	4.9
Eaton Vance NY Muni Bd ENX	10.97	9.61	-12.4	4.3
InvCaValMuIncTr VCV	11.36	9.93	-12.6	5.4
InvPAValMuIncTr VPV	11.92	10.25	-14.0	5.4
InvTrInvGrNYMu VTN	12.12	10.55	-13.0	5.0
Nuveen CA AMT-F Qual MI NKX	13.55	12.35	-8.9	5.1
Nuveen CA Val NCA	9.45	8.87	-6.1	3.6
NuveenCAQtyMuInc NAC	13.05	11.30	-13.4	5.4
NuvNJ Qual Muni Inc NXJ	13.83	11.81	-14.6	5.3
Nuveen NY AMT/Fr Qual MI NRK	12.28	10.63	-13.4	5.4
Nuveen NY Qual Muni Inc NAN	12.73	11.17	-12.3	5.2
Nuveen OH Qual Muni Inc NUO	14.86	12.98	-12.7	3.8
Nuveen PA Qual Muni Inc NQP	13.65	11.57	-15.3	4.8
Nuveen VA Qlty Mun Inc NPV	12.66	11.79	-6.9	5.0
PIMCO CA PCQ	10.82	11.25	+4.0	5.1
PIMCOCAMuniII PCK	6.88	6.27	-8.9	5.6

Fund (SYM)	NAV	Close	Prem /Disc	52 wk Ttl Ret
General Equity Funds				
Alternative Strategies:I	5.10	NA	NA	-19.3
Specialized Equity Funds				
ArrowMark Financial Corp BANX	NA	18.69	NA	NA
CBRE GlbRlEst IGR	6.88	6.40	-7.0	-23.6
Clarion Partners REI D	12.40	NA	NA	7.6
Clarion Partners REI I	12.42	NA	NA	8.0
Clarion Partners REI S	12.42	NA	NA	6.9
Clarion Partners REI T	12.39	NA	NA	7.0
First Tr Real Assets;I	9.77	NA	NA	NS
NexPointRlEstStrat;A	20.64	NA	NA	4.5
NexPointRlEstStrat;C	20.87	NA	NA	3.6
NexPointRlEstStrat;Z	20.89	NA	NA	4.8
PIMCO Flexible REI;Inst	10.12	NA	NA	NS
PREDEX;I	29.97	NA	NA	6.3
PREDEX;T	30.16	NA	NA	6.2
PREDEX;W	30.16	NA	NA	6.2
Principal Dvs Sel RA A	25.45	NA	NA	0.0
Principal Dvs Sel RA Ins	25.53	NA	NA	0.3
Principal Dvs Sel RA Y	25.73	NA	NA	0.4
The Private Shares;A	41.82	NA	NA	1.8
The Private Shares;I	42.40	NA	NA	2.1
The Private Shares;L	41.27	NA	NA	1.6
Thirdline Real EstateI	9.96	NA	NA	5.5
USQ Core Real Estate:I	28.66	NA	NA	5.0
USQ Core Real Estate:IS	28.71	NA	NA	5.1
Versus Cap MMgr RE Inc:I	29.40	NA	NA	NE
Versus Capital Real Asst	27.57	NA	NA	5.1
Wildermuth:A	12.81	NA	NA	-3.2
Wildermuth:C	12.09	NA	NA	-3.9
Wildermuth:I	12.96	NA	NA	-2.9
Income & Preferred Stock Funds				
Alpha Alternative Assets	6.58	NA	NA	-12.9
Calamos L/S Eqty and DI CPZ	18.68	16.32	-12.6	-7.6
Carlyle AlpInv Pvt Mkt:I	NA	NA	NA	NS
Flat Rock Opportunity	18.62	NA	NA	-1.7
Lord Abbett Spec Sit I:A	8.95	NA	NA	-5.8
Lord Abbett Spec Sit I:I	8.95	NA	NA	-3.7
Variant Altrntv Inc:Inst	28.70	NA	NA	8.7
Variant Impact;Instl	26.62	NA	NA	12.5
Convertible Sec's. Funds				
Calmos Dyn Conv and Inc CCD	20.38	22.39	+9.9	-20.7

Fund (SYM)	NAV	Close	Prem /Disc	12 Mo Yld
World Equity Funds				
ACAP Strategic:A	15.60	NA	NA	-27.0
ACAP Strategic:W	11.62	NA	NA	-26.4
CalamosGlbTotRet CGO	10.31	9.40	-8.8	-23.3
Cantor Fitzgerald SI:A	10.64	NA	NA	NS
Primark Priv Eq Inv:I	11.16	NA	NA	-11.6
Sweater Cashmere	20.29	NA	NA	NS
Thornburg Inc Bldr Opps TBLD.O	17.26	15.14	-12.3	-9.2
VirtusTotalRetFd ZTR	7.50	6.93	-7.6	-7.6
U.S. Mortgage Bond Funds				
Arca US Treasury	NA	NA	NA	0.0
Ellington Inc Opp:A	8.47	NA	NA	6.6
Ellington Inc Opp:M	8.36	NA	NA	7.3
Loan Participation Funds				
1WS Credit Income;A2	17.99	NA	NA	6.4
1WS Credit Income;Inst	18.20	NA	NA	6.3
AlphCntrc Prime Merid In	8.36	NA	NA	14.8
Axonic Alternative Inc	NA	NA	NA	9.6
Blackstone FR EI D	21.23	NA	NA	7.3
Blackstone FR EI I	21.20	NA	NA	7.6
Blackstone FR EI T	21.16	NA	NA	7.0
Blackstone FR EI T-I	21.69	NA	NA	7.0
Blackstone FR EI U	22.10	NA	NA	7.0
Bluerock HI Inst Crd:A	24.24	NA	NA	NS
Bluerock HI Inst Crd:C	24.22	NA	NA	NS
Bluerock HI Inst Crd:F	24.22	NA	NA	NS
Bluerock HI Inst Crd:I	24.23	NA	NA	NS
BNYM Alcntr Glb MS Cr Fd	85.35	NA	NA	8.4
CliffwaterClFd;I	10.50	NA	NA	8.0
CliffwaterElFd;A	10.61	NA	NA	9.4
CNR Strategic Credit	7.67	NA	NA	21.2
Eagle Point Instl Income	NA	NA	NA	NS
Equalize Community Dev	9.40	NA	NA	3.1
FedProj&TrFinanceTendr	9.73	NA	NA	5.6
Flat Rock Core Income	19.87	NA	NA	6.8
InvDYCrOpp:A	11.25	NA	NA	8.0
InvDYCrOpp:R6	11.26	NA	NA	8.3
InvDYCrOpp:Y	11.25	NA	NA	8.3
Invesco Sr Loan A	5.84	NA	NA	8.7
Invesco Sr Loan C	5.86	NA	NA	7.9
Invesco Sr Loan IB	5.84	NA	NA	9.0
Invesco Sr Loan IC	5.84	NA	NA	8.8
Invesco Sr Loan Y	5.84	NA	NA	9.0
Lord Abbett FR Hi Inc:A	NA	NA	NA	NS
Lord Abbett FR Hi Inc:I	NA	NA	NA	NS
Monachil Credit Income	10.11	NA	NA	NS
OFS Credit Company OCCI	NA	8.69	NA	NA
Yieldstreet Prism	NA	NA	NA	8.6
High Yield Bond Funds				
Apollo Diversified Cd:A	NA	NA	NA	7.0
Apollo Diversified Cd:C	NA	NA	NA	7.2
Apollo Diversified Cd:F	NA	NA	NA	7.8
Apollo Diversified Cd:I	NA	NA	NA	7.2
Apollo Diversified Cd:L	NA	NA	NA	7.2
Apollo Diversified Cd:M	NA	NA	NA	7.2
Opprtnstc Crdt Intrvl;I	11.57	NA	NA	NS
Peak Income Plus	10.00	NA	NA	NS
PIMCO Flexible Cr I;A-1	7.15	NA	NA	15.4
PIMCO Flexible Cr I;A-2	7.15	NA	NA	15.4
PIMCO Flexible Cr I;A-3	7.15	NA	NA	15.2
PIMCO Flexible Cr I;A-4	7.15	NA	NA	15.2
PIMCO Flexible Cr I;Inst	7.15	NA	NA	16.0
Other Domestic Taxable Bond Funds				
AFA MMC;Inst	9.34	NA	NA	9.4
AFA MMC;Inv	9.31	NA	NA	9.4
Alternative Credit Inc:A	9.97	NA	NA	7.0
Alternative Credit Inc:C	10.09	NA	NA	6.2
Alternative Credit Inc:I	9.99	NA	NA	7.3
Alternative Credit Inc:L	9.97	NA	NA	6.7
Alternative Credit Inc:W	9.97	NA	NA	7.0
Angel Oak Str Crdt:FI	20.35	NA	NA	NS
Angel Oak Str Crdt:Inst	20.35	NA	NA	9.2
BR Credit Strat;A	8.67	NA	NA	6.7
BR Credit Strat;Inst	8.65	NA	NA	7.7
BR Credit Strat;U	8.67	NA	NA	6.7
BR Credit Strat;W	8.67	NA	NA	6.7
BlackRock Mlt-Sctr Oppty	68.38	NA	NA	9.1
BlackRock Mlt-Sec Opp II	71.54	NA	NA	9.0
CION Ares Dvsfd Crdt;A	NA	NA	NA	5.9
CION Ares Dvsfd Crdt;C	NA	NA	NA	5.8
CION Ares Dvsfd Crdt;I	NA	NA	NA	6.1
CION Ares Dvsfd Crdt;L	NA	NA	NA	6.0
CION Ares Dvsfd Crdt;U	NA	NA	NA	5.8
CION Ares Dvsfd Crdt:U2	NA	NA	NA	5.8
CION Ares Dvsfd Crdt;W	NA	NA	NA	5.9
CNR Select Strategies	12.38	NA	NA	0.0
First Eagle Crdt Opps A	23.65	NA	NA	8.1
First Eagle Crdt Opps A2	23.61	NA	NA	NS
First Eagle Crdt Opps I	23.57	NA	NA	8.6
First Trust Private Cr;I	9.94	NA	NA	NS
Franklin BSP Pvt Cr:A	10.20	NA	NA	NS
Franklin BSP Pvt Cr:Adv	10.20	NA	NA	NS
FS Credit Income;A	11.87	NA	NA	6.2
FS Credit Income;I	11.91	NA	NA	6.4
FS Credit Income;T	11.90	NA	NA	5.9
FS Credit Income;U	11.85	NA	NA	5.7
FS Credit Income;U-2	11.94	NA	NA	6.3
GL Beyond Income	0.43	NA	NA	NE
KKR CREDIT OPPTY;D	NA	NA	NA	9.6
KKR CREDIT OPPTY;I	NA	NA	NA	9.5
KKR CREDIT OPPTY;T	NA	NA	NA	8.6
KKR CREDIT OPPTY;U	NA	NA	NA	8.7
Palmer Square Opp Inc	16.47	NA	NA	7.5
The Finite Solar Finance	9.87	NA	NA	0.2
Thrivent Church Ln&Inc:S	9.26	NA	NA	3.3
World Income Funds				
BlueBay Destra Itl E:A	22.23	NA	NA	18.6
BlueBay Destra Itl E:I	22.25	NA	NA	18.8
BlueBay Destra Itl E:L	22.21	NA	NA	18.3
BlueBay Destra Itl E:T	22.13	NA	NA	18.2
Carlyle Tact Pvt Cred:A	8.32	NA	NA	7.9
Carlyle Tact Pvt Cred:I	8.35	NA	NA	8.4
Carlyle Tact Pvt Cred:L	8.31	NA	NA	7.9
Carlyle Tact Pvt Cred:M	8.36	NA	NA	7.6
Carlyle Tact Pvt Cred:N	8.31	NA	NA	8.6
Carlyle Tact Pvt Cred:U	8.37	NA	NA	NS
Carlyle Tact Pvt Cred:Y	8.32	NA	NA	8.2
Lord Abbett Cred Opps Fd	9.00	NA	NA	7.7
Lord Abbett Cred Opps Fd	8.99	NA	NA	8.5
Lord Abbett Crd Op:U	9.00	NA	NA	7.8
Oaktree Dvsfd Income;D	8.77	NA	NA	7.5
PIMCO Flexible EM I;Inst	8.40	NA	NA	NS
National Muni Bond Funds				
Ecofin Tax-Adv Soc Impct	8.93	NA	NA	4.9
Lind Cap Pt Mun Cred Inc	8.93	NA	NA	NS
Nuveen En HY Muni Bd:A1	7.43	NA	NA	5.0
Nuveen En HY Muni Bd:A2	7.44	NA	NA	NS
Nuveen En HY Muni Bd:I	7.43	NA	NA	5.9
PIMCO Flex Mun Inc;A-3	10.15	NA	NA	2.9
PIMCO Flex Mun Inc:A1	10.15	NA	NA	3.2
PIMCO Flex Mun Inc;A2	10.15	NA	NA	3.2
PIMCO Flex Mun Inc;Inst	10.15	NA	NA	3.7
Single State Muni Bond				
PIMCO CA FMI;Inst	10.13	NA	NA	NS

Insider-Trading Spotlight

Trading by 'insiders' of a corporation, such as a company's CEO, vice president or director, potentially conveys new information about the prospects of a company. Insiders are required to report large trades to the SEC within two business days. Here's a look at the biggest individual trades by insiders, based on data received by Refinitiv on January 13, and year-to-date stock performance of the company

KEY: B: beneficial owner of more than 10% of a security class **CB:** chairman **CEO:** chief executive officer **CFO:** chief financial officer **CO:** chief operating officer **D:** director **DO:** director and beneficial owner **GC:** general counsel **H:** officer, director and beneficial owner **I:** indirect transaction filed through a trust, insider spouse, minor child or other **O:** officer **OD:** officer and director **P:** president **UT:** unknown **VP:** vice president Excludes pure options transactions

Biggest weekly individual trades

Based on reports filed with regulators this past week

Date(s)	Company	Symbol	Insider	Title	No. of shrs in trans (000s)	Price range ($) in transaction	$ Value (000s)	Close ($)	Ytd (%)
Buyers									
Jan. 5	CrowdStrike Holdings	CRWD	R. Austin	D	35	95.14-97.59	3,367	99.53	-5.5
Jan. 10-11	NGM Biopharmaceuticals	NGM	D. Goeddel	DOI	309	4.76-4.84	1,479	5.30	5.6
Jan. 6	Great Elm Group	GEG	J. Reese	DOI	461	2.17	1,000	2.41	19.3
Jan. 4	Comera Life Sciences Holdings	CMRA	C. Cherington	B	743	1.23	914	1.62	31.7
Jan. 4			D. Soane	BI	203	1.23	249		
Jan. 9	B. Riley Financial	RILY	R. Paulson	D	20	37.22	744	40.14	17.4
Jan. 6	Heska	HSKA	K. Wilson	CEO	11	58.22-59.05	646	78.46	26.2
Jan. 9	Biote	BTMD	A. Heyer	D	200*	3.00	600	3.93	5.4
Jan. 9			S. Cone	D	83	3.00	250		
Jan. 11	Comtech Telecommunications	CMTL	K. Peterman	CEO	44	12.67-13.00	561	13.48	11.0
Jan. 4	Coinbase Global	COIN	T. Lutke	DI	11	34.62	381	49.98	41.2
Jan. 10			T. Lutke	DI	10	37.76	365		
Jan. 10	Erasca	ERAS	J. Lim	CEOI	60	3.86	231	4.16	-3.5
Jan. 5-9	Xos	XOS	D. Semler	CEO	250	.64-.94	220	0.99	124.0
Jan. 10	Heico	HEI	A. Henriques	DI	1	157.07	218	165.24	7.6
Jan. 10			M. Hildebrandt	DI	1	157.07	218		
Jan. 10			J. Neitzel	D	1	157.07	218		
Jan. 10			F. Schwitter	D	1	157.07	218		
Sellers									
Jan. 9	Veeva Systems	VEEV	P. Gassner	CEO	1,348	153.03-163.41	207,139	164.24	1.8
Jan. 4-6			P. Gassner	CEO	89	157.56-166.14	14,529		
Jan. 9-10	NVIDIA	NVDA	M. Stevens	DI	210	157.92-160.10	33,274	168.99	15.6
Jan. 9	ZoomInfo Technologies	ZI	H. Schuck	CEO	1042*	25.03-26.00	26,585	26.01	-13.6
Jan. 4-5	Automatic Data Processing	ADP	C. Rodriguez	O	111	232.85-241.12	26,307	245.36	2.7
Jan. 9			C. Rodriguez	O	38	239.80-242.79	9,071		
Jan. 9-10	ChargePoint Holdings	CHPT	M. Linse	DOI	2,498	10.00-10.09	25,021	11.88	24.7
Jan. 5	Novocure	NVCR	A. Danziger	CEO	213	108.00-119.99	23,106	93.99	28.1
Jan. 6-10	FirstCash Holdings	FCFS	D. Rippel	DOI	212	89.28-90.61	19,017	89.54	3.0
Jan. 4-5	Moderna	MRNA	S. Bancel	CEO	80	172.64-180.16	14,068	192.00	6.9
Jan. 9-11	AutoZone	AZO	W. Rhodes	CEOI	5	2424.30-2485.00	12,217	2368.88	-3.9
Jan. 4-5			P. Daniele	O	4	2450.00-2453.22	10,585		
Jan. 9	Synopsys	SNPS	S. Ghazi	P	29	329.93	9,613	332.97	4.3
Jan. 9	Merck	MRK	S. Chattopadhyay	O	84	110.61-114.46	9,432	112.25	1.2
Jan. 10	HubSpot	HUBS	D. Shah	CT	30	279.46-289.23	8,576	315.70	9.2
Dec. 5-7	Credo Technology Group Holding	CRDO	L. Tan	DI	509	14.61-15.07	7,523	14.74	10.7
Jan. 4-6	Cloudflare	NET	M. Prince	CEOI	157	39.90-43.55	6,462	43.93	-2.8
Jan. 9	Mastercard	MA	A. Bhalla	O	14	371.22-372.87	5,273	375.52	8.0

* Half the transactions were indirect **Two day transaction

p - Pink Sheets

Buying and selling by sector

Based on actual transaction dates in reports received this past week

Sector	Buying	Selling	Sector	Buying	Selling
Basic Industries	4,919	2,621,413	Finance	4,124,235	25,050,238
Capital Goods	1,619,084	23,439,120	Health care	4,081,521	115,967,333
Consumer durables	230,962	9,019,110	Public Utilities	0	27,515,874
Consumer non-durables	0	41,477,639	Technology	4,115,002	203,593,845
Consumer services	1,168,256	43,265,308	Transportation	1,998	41,593
Energy	2,740	5,964,153			

Sources: Refinitiv; Dow Jones Market Data

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COMMERCIAL REAL ESTATE

NOTICE OF SECURED PARTY PUBLIC AUCTION OF COLLATERAL INCLUDING 100% OF THE MEMBERSHIP INTERESTS IN CLAVER NY LLC

NOTICE IS HEREBY GIVEN that Jones Lang LaSalle, on behalf of BIG Real Estate Capital I, LLC, a Delaware limited liability company (the "Secured Party"), will offer for sale at public auction the following property: all right, title and interest of Secured Party in the Collateral, as such term is defined in that certain Mezzanine Loan Agreement, dated as of November 1, 2018, by and between 35 Claver LLC, a Delaware limited liability company, as borrower (the "Debtor"), and the Secured Party, as lender, and that certain Pledge and Security Agreement, dated as of November 1, 2018, by and between the Debtor and the Secured Party, as such agreements may have been further amended or modified from time to time, including all of the Debtor's limited liability company membership interests in Claver NY LLC (the "Mortgage Borrower") (collectively, the "Collateral").

It is the understanding and belief of the Secured Party, but without any warranty or representation by the Secured Party as to accuracy or completeness, that the Collateral consists of, among other things, 100% of the membership interests of the Debtor in the Mortgage Borrower, the owner of the land and building known as 35 Claver Place, Brooklyn, New York.

The public auction will take place on Friday, January 20, 2023 at 12:00 p.m. Eastern Prevailing Time in front of the Delaware Court of Chancery located at 500 North King Street, Wilmington, Delaware 19801. The sale will be conducted virtually via online video conference; provided, however, that if, at the time of sale, applicable state and city laws and rules permit the sale to be conducted in-person, and if relevant building management rules permit the same, then Secured Party may conduct the sale both virtually and in-person in front of the Delaware Court of Chancery located at 500 North King Street, Wilmington, Delaware 19801. The URL address and password for the online video conference will be provided to all confirmed participants that have properly registered pursuant to the Terms of Sale.

All interested prospective purchasers are invited to become "qualified bidders." Only qualified bidders and their duly appointed agents and representatives may participate at the public auction. The terms of sale may be obtained by contacting Brett Rosenberg, JLL Capital Markets, T +1 212 812 5926, M +1 646 413 4861, e-mail Brett.Rosenberg@am.jll.com.

Dated: January 3, 2023, SILLS CUMMIS & GROSS, P.C., Attorneys for Secured Party, Attn: Robert Hempstead, Esq., 101 Park Avenue, 28th Floor, New York, NY 10178, Tel: (973) 643-5689, Fax: (973) 643-6500, E-mail: rhempstead@sillscummis.com

NOTICE OF SALE

NOTICE OF SECURED PARTY PUBLIC SALE OF INVENTORY AND EQUIPMENT

PLEASE TAKE NOTICE that, in accordance with the applicable provisions of the Uniform Commercial Code, HITACHI CONSTRUCTION MACHINERY CO. LTD., 16-1, HIGASHIUENO 2-CHOME, TAITO-KU, TOKYO, 110-0015, JAPAN ("Secured Party"), will sell certain inventory and equipment owned by ACME BUSINESS HOLDCO, LLC, 9175 E. Pima Center Parkway, Scottsdale, AZ 85258 and ACME LIFT COMPANY, L.L.C., 4751 E. Indigo St, Mesa, AZ 85205 (the "Collateral"), consisting of excavators, base machines, wheel loaders, telehandlers and crawler carriers and manufactured by Secured Party, JLG or John Deere Construction, to the highest qualified bidders at a public sale. The public sale will take place beginning at 2:00 p.m. Eastern Standard Time (New York) on January 19, 2023, both in person at and remotely from the offices of Paul Hastings LLP, 200 Park Avenue, 26 th Floor, New York, NY 10166, with access afforded in-person and remotely via Zoom or other web-based video conferencing and/or telephonic conferencing program selected by Secured Party. Remote log-in credentials will be provided to registered bidders at e-mail addresses provided by them. The Collateral will be sold to the highest qualified bidders; provided, however, that Secured Party reserves the right to cancel the sale in its entirety, or to adjourn the sale to a future date by announcement made at the time and place scheduled for the public sale. The Collateral will be offered for sale first as two (2) larger, bulk lots and then either as individual items or as a number of smaller lots, such individual items or smaller lots to be determined by the Secured Party and announced at the time of the public auction. Interested parties who intend to bid on the above Collateral must contact Takayuki Umabiki at t.umabiki.pf@hitachi-kenki.com or at 813-5826-8155 to receive the Terms of Sale, which include the bidding instructions. Interested parties who do not contact the Secured Party and qualify and register prior to the public sale will not be permitted to enter a bid or participate at the public sale either in person or remotely.

PAUL HASTINGS LLP
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Money Rates

January 16, 2023

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

	Dec. index level	Chg From (%) Nov. '22	Dec. '21
U.S. consumer price index			
All items	296.797	-0.31	6.5
Core	300.113	0.17	5.7

International rates

	Latest	Week ago	52-Week High	52-Week Low
Prime rates				
U.S.	7.50	7.50	7.50	3.25
Canada	6.45	6.45	6.45	2.45
Japan	1.475	1.475	1.475	1.475
Policy Rates				
Euro zone	2.50	2.50	2.50	0.00
Switzerland	1.50	1.50	1.50	0.00
Britain	3.50	3.50	3.50	0.25
Australia	3.10	3.10	3.10	0.10
Overnight repurchase				
U.S.	4.33	4.33	4.36	0.01

Other short-term rates

	Latest	Week ago	52-Week high	52-Week low
Libor				
One month	4.46486	4.40429	4.46486	0.10300
Three month	4.79471	4.78257	4.82971	0.24800
Six month	5.11543	5.14100	5.22529	0.41814
One year	5.39271	5.46186	5.66643	0.76671

January 13, 2023

Inflation

	Dec. index level	Chg From (%) Nov. '22	Dec. '21
U.S. consumer price index			
All items	296.797	-0.31	6.5
Core	300.113	0.17	5.7

International rates

	Latest	Week ago	52-Week High	52-Week Low
Prime rates				
U.S.	7.50	7.50	7.50	3.25
Canada	6.45	6.45	6.45	2.45
Japan	1.475	1.475	1.475	1.475
Policy Rates				
Euro zone	2.50	2.50	2.50	0.00
Switzerland	1.50	1.50	1.50	0.00
Britain	3.50	3.50	3.50	0.25
Australia	3.10	3.10	3.10	0.10
Overnight repurchase				
U.S.	4.33	4.30	4.36	0.01

U.S. government rates

	Latest	Week ago	52-Week High	52-Week Low
Discount	4.50	4.50	4.50	0.25
Federal funds				
Effective rate	4.3400	4.3300	4.3400	0.0800
High	4.6500	4.6500	4.6500	0.1000
Low	4.3100	4.3000	4.3100	0.0500
Bid	4.3200	4.3300	4.3200	0.0700

	Latest	Week ago	52-Week High	52-Week Low
Offer	4.3400	4.3500	4.3700	0.0800
Treasury bill auction				
4 weeks	4.370	4.100	4.370	0.020
13 weeks	4.560	4.410	4.560	0.120
26 weeks	4.710	4.635	4.710	0.275

Secondary market

	Latest	Week ago	52-Week High	52-Week Low
Fannie Mae				
30-year mortgage yields				
30 days	5.446	6.007	6.812	2.968
60 days	5.460	6.043	6.988	3.015

Other short-term rates

	Latest	Week ago	52-Week high	52-Week low
Call money	6.25	6.25	6.25	2.00
Commercial paper (AA financial)				
90 days	n.a.	4.51	4.71	0.21
Libor				
One month	4.45443	4.40157	4.45900	0.10300
Three month	4.79243	4.80986	4.82971	0.24129
Six month	5.10114	5.19700	5.22529	0.39500
One year	5.35700	5.55886	5.66643	0.72571
Secured Overnight Financing Rate	4.30	4.31	4.32	0.04

	Latest	Value Traded	52-Week High	52-Week Low
DTCC GCF Repo Index				
Treasury	4.306	51.890	4.365	0.023
MBS	4.360	50.050	4.403	0.032

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 December 15, 2022. **Other prime rates** aren't directly comparable; lending practices vary widely by location; **Discount rate** is effective December 15, 2022. **Secured Overnight Financing Rate** is as of January 12, 2023. **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.

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MARKETS DIGEST

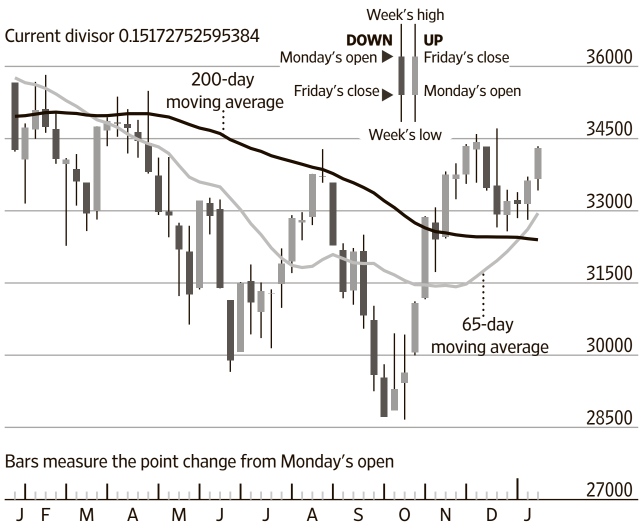
Dow Jones Industrial Average

34302.61 ▲672.00, or 2.00% last week

High, low, open and close for each of the past 52 weeks

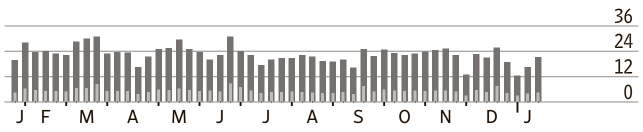
	Last	Year ago
Trailing P/E ratio	22.11	21.91
P/E estimate *	18.78	18.59
Dividend yield	2.01	1.93
All-time high	36799.65, 01/04/22	

Current divisor 0.15172752595384



Bars measure the point change from Monday's open

NYSE weekly volume, in billions of shares



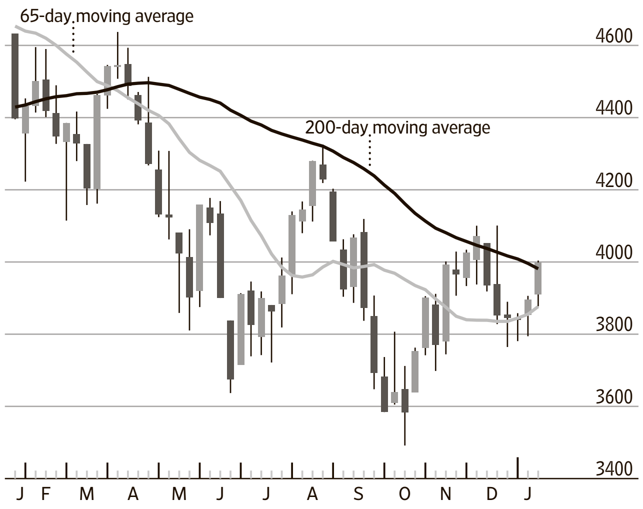
* Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; † Based on Nasdaq-100 Index

S&P 500 Index

3999.09 ▲104.01, or 2.67% last week

High, low, open and close for each of the past 52 weeks

	Last	Year ago
Trailing P/E ratio *	19.15	28.55
P/E estimate *	17.37	21.10
Dividend yield *	1.72	1.30
All-time high	4796.56, 01/03/22	



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Major U.S. Stock-Market Indexes

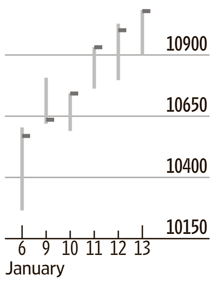
	Latest Week High	Low	Close	Net chg	% chg	52-Week Low	Close (●)	High	% chg	% chg YTD	3-yr. ann.
Dow Jones											
Industrial Average	34342.32	33421.80	34302.61	672.00	2.00	28725.51		35911.81	-4.5	3.5	5.9
Transportation Avg	14426.13	13859.49	14364.39	488.20	3.52	11999.40		16718.54	-9.7	7.3	9.1
Utility Average	1003.67	978.24	988.60	7.33	0.75	838.99		1071.75	3.7	2.2	4.0
Total Stock Market	40327.73	38943.94	40282.76	1196.72	3.06	36056.21		47316.14	-14.9	4.6	6.2
Barron's 400	978.03	939.37	976.74	36.70	3.90	825.73		1075.25	-9.2	6.1	9.8
Nasdaq Stock Market											
Nasdaq Composite	11084.01	10589.60	11079.16	509.86	4.82	10213.29		14893.75	-25.6	5.9	6.1
Nasdaq-100	11547.96	11050.68	11541.48	501.13	4.54	10679.34		15611.59	-26.1	5.5	8.4
S&P											
500 Index	4003.95	3877.29	3999.09	104.01	2.67	3577.03		4662.85	-14.2	4.2	6.7
MidCap 400	2583.60	2478.41	2580.91	90.96	3.65	2200.75		2782.64	-7.2	6.2	7.7
SmallCap 600	1240.84	1182.94	1238.88	53.05	4.47	1064.45		1388.27	-10.8	7.0	6.7
Other Indexes											
Russell 2000	1889.15	1793.19	1887.03	94.23	5.26	1649.84		2162.46	-12.7	7.1	4.2
NYSE Composite	15940.61	15464.19	15918.37	378.63	2.44	13472.18		17219.06	-7.6	4.8	4.3
Value Line	575.65	552.53	575.16	22.63	4.10	491.56		663.47	-13.3	7.2	1.3
NYSE Arca Biotech	5558.05	5313.04	5524.61	130.59	2.42	4208.43		5524.61	5.1	4.6	2.7
NYSE Arca Pharma	882.27	850.13	866.00	-16.27	-1.84	737.84		887.27	8.1	-0.2	9.7
KBW Bank	107.75	104.03	107.63	2.36	2.25	94.66		147.1	-26.8	6.7	-1.3
PHLX§ Gold/Silver	137.19	131.04	136.70	4.66	3.53	91.40		167.76	6.4	13.1	10.9
PHLX§ Oil Service	92.25	86.18	91.60	6.464	7.59	56.08		91.6	40.8	9.2	6.2
PHLX§ Semiconductor	2807.67	2663.40	2800.66	164.56	6.24	2162.32		3900.61	-28.2	10.6	14.0
Cboe Volatility	22.46	18.01	18.35	-2.78	-13.16	18.35		36.45	-4.4	-15.3	14.2

§ Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

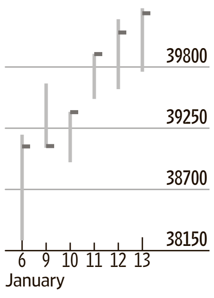
Nasdaq Composite

▲ 509.86, or 4.82% last week



DJ US TSM

▲ 1196.72, or 3.06% last week



International Stock Indexes

Region/Country	Index	Latest Close	Net chg	% chg	YTD % chg
World	**MSCI ACWI**	638.18	0.10	0.02	5.4
	MSCI ACWI ex-USA	301.51	0.13	0.04	7.2
	MSCI World	2735.88	0.16	0.01	5.1
	MSCI Emerging Markets	1030.90	1.06	0.10	7.8
Americas	**MSCI AC Americas**	1521.19	–0.15	–0.01	4.4
Canada	**S&P/TSX Comp**	20390.33	30.23	0.15	5.2
Latin Amer.	**MSCI EM Latin America**	2264.80	–25.09	–1.10	6.4
Brazil	**BOVESPA**	109212.66	–1703.42	–1.54	–0.5
Chile	**S&P IPSA**	3108.78	–0.33	–0.01	–2.0
Mexico	**S&P/BMV IPC**	53631.89	55.17	0.10	10.7
EMEA	**STOXX Europe 600**	454.63	2.09	0.46	7.0
Eurozone	**Euro STOXX**	446.10	1.15	0.26	8.8
Belgium	**Bel-20**	3951.79	11.47	0.29	6.8
Denmark	**OMX Copenhagen 20**	1879.05	33.79	1.83	2.4
France	**CAC 40**	7043.31	19.81	0.28	8.8
Germany	**DAX**	15134.04	47.52	0.31	8.7
Israel	**Tel Aviv**	1851.91	6.42	0.35	3.1
Italy	**FTSE MIB**	25901.33	117.86	0.46	9.3
Netherlands	**AEX**	748.35	0.31	0.04	8.6
Norway	**Oslo Bors All-Share**	1348.82	–8.94	–0.66	–1.0
South Africa	**FTSE/JSE All-Share**	79167.80	–165.92	–0.21	8.4
Spain	**IBEX 35**	8871.07	–10.63	–0.12	7.8
Sweden	**OMX Stockholm**	854.85	7.81	0.92	9.3
Switzerland	**Swiss Market**	11435.99	145.20	1.29	6.6
Turkey	**BIST 100**	5207.67	222.81	4.47	–5.5
U.K.	**FTSE 100**	7860.07	16.00	0.20	5.5
U.K.	**FTSE 250**	20082.33	129.49	0.65	6.5
Asia-Pacific	**MSCI AC Asia Pacific**	165.64	–0.45	–0.27	6.4
Australia	**S&P/ASX 200**	7388.20	60.10	0.82	5.0
China	**Shanghai Composite**	3227.59	32.29	1.01	4.5
Hong Kong	**Hang Seng**	21746.72	8.06	0.04	9.9
India	**S&P BSE Sensex**	60092.97	–168.21	–0.28	–1.2
Japan	**NIKKEI 225**	25822.32	–297.20	–1.14	–1.0
Singapore	**Straits Times**	3283.60	–10.15	–0.31	1.0
South Korea	**KOSPI**	2399.86	13.77	0.58	7.3
Taiwan	**TAIEX**	14927.01	102.88	0.69	5.6
Thailand	**SET**	1684.86	3.13	0.19	1.0

Sources: FactSet; Dow Jones Market Data

Commodities and Currencies

	Monday Close	Net chg	% Chg	YTD % chg
WSJ Dollar Index	95.32	0.24	0.25	-1.28
Euro, per dollar	0.9242	0.001	0.11	-1.09
Yen, per dollar	128.57	0.71	0.56	-1.94
U.K. pound, in dollars	1.22	-0.004	-0.31	0.81

	Last Week Close	Net chg	% Chg	YTD % chg
DJ Commodity	1048.28	38.86	3.85	-0.04
Refinitiv/CC CRB Index	275.91	11.09	4.19	-0.66
Crude oil, $ per barrel	79.86	6.09	8.26	-0.50
Natural gas, $/MMBtu	3.419	-0.291	-7.84	-23.60
Gold, $ per troy oz.	1918.40	54.20	2.91	5.42
U.S. Dollar Index	102.18	-1.70	-1.63	-1.29
WSJ Dollar Index	95.09	-1.55	-1.60	-1.52
Euro, per dollar	0.9231	-0.0164	-1.74	-1.20
Yen, per dollar	127.86	-4.25	-3.22	-2.48
U.K. pound, in dollars	1.22	0.014	1.17	1.12

	52-Week Low	Close (●)	High	% Chg
DJ Commodity	985.04		1264.48	6.42
Refinitiv/CC CRB Index	245.43		329.59	12.42
Crude oil, $ per barrel	71.02		123.70	-4.72
Natural gas, $/MMBtu	3.42		9.68	-19.78
Gold, $ per troy oz.	1623.30		2040.10	5.61
U.S. Dollar Index	95.17		114.10	7.38
WSJ Dollar Index	89.19		105.14	6.62
Euro, per dollar	0.87		1.04	5.38
Yen, per dollar	113.68		150.15	11.97
U.K. pound, in dollars	1.07		1.37	-10.55

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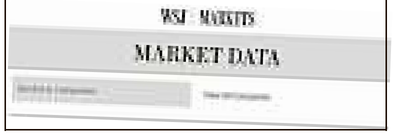


New to the Market

Public Offerings of Stock

IPOs in the U.S. Market

Initial public offerings of stock expected this week; might include some offerings, U.S. and foreign, open to institutional investors only via the Rule 144a market; deal amounts are for the U.S. market only

Expected pricing date	Filed	Issuer/business	Symbol/ primary exchange	Shares (mil.)	Pricing Range($) Low/High	Bookrunner(s)
01/16/2023	1/21 2022	Lucy Scientific Discovery Inc Early-stage psychotropics contract manufacturing company focused on contract research, development, and manufacturing organization for the emerging psychotropics-based medicines industry.	LSDI Nq	2.0	4.00/ 4.00	WestPark Capital Inc

Lockup Expirations

None expected this week

IPO Scorecard

Performance of IPOs, most-recent listed first

Company SYMBOL IPO date/Offer price	Friday's close ($)	% Chg From Offer price	% Chg From 1st-day close
Israel Acquisitions **ISRLU** Jan. 13/$10.00	10.13	1.3	...
MGO Global **MGOL** Jan. 13/$5.00	4.65	–7.0	...
Skyward Spcl Insurance **SKWD** Jan. 13/$15.00	19.10	27.3	...
AlphaTime Acquisition **ATMCU** Dec. 30/$10.00	10.13	1.3	0.2
Coya Thera **COYA** Dec. 29/$5.00	4.80	–4.0	5.0
Horizon Space Acquisition I **HSPOU** Dec. 22/$10.00	10.15	1.5	0.8
Alphavest Acquisition **ATMVU** Dec. 20/$10.00	10.14	1.4	1.1
Lipella Pharmaceuticals **LIPO** Dec. 20/$5.75	3.19	–44.6	–32.4
Erayak Power Solution Grp **RAYA** Dec. 14/$4.00	2.50	–37.5	–25.8
Adamas One **JEWL** Dec. 7/$4.50	3.00	–33.3	–33.3

Company SYMBOL IPO date/Offer price	Friday's close ($)	% Chg From Offer price	% Chg From 1st-day close
Acrivon Thera **ACRV** Nov. 15/$12.50	12.42	–0.6	–25.4
ASP Isotopes **ASPI** Nov. 10/$4.00	1.64	–59.0	–38.6
Plutonian Acquisition **PLTNU** Nov. 10/$10.00	10.34	3.4	3.1
Snail **SNAL** Nov. 10/$5.00	1.72	–65.6	–23.6
Mobileye Global **MBLY** Oct. 26/$21.00	32.98	57.0	13.8
Prime Medicine **PRME** Oct. 20/$17.00	15.96	–6.1	3.8
Hudson Acquisition I **HUDAU** Oct. 14/$10.00	10.29	2.9	2.8
TenX Keane Acquisition **TENKU** Oct. 14/$10.00	11.35	13.5	13.2
Spring Valley Acquisition II **SVIIU** Oct. 13/$10.00	11.04	10.4	9.3
Aquaron Acquisition **AQUNU** Oct. 4/$10.00	10.49	4.9	4.7

Sources: Dow Jones Market Data; FactSet

Public and Private Borrowing

Treasurys

Tuesday, January 17

Auction of 13 and 26 week bills;

announced on January 12; settles on January 19

Wednesday, January 18

Auction of 17 week bill;

announced on January 17; settles on January 24

Thursday, January 19

Auction of 4 and 8 week bills;

announced on January 17; settles on January 24

Auction of 10 year TIPS;

announced on January 12; settles on January 31

A Week in the Life of the DJIA

A look at how the Dow Jones Industrial Average component stocks did in the past week and how much each moved the index. The DJIA gained 672.00 points, or 2.00%, on the week. A $1 change in the price of any DJIA stock = 6.59-point change in the average. To date, a $1,000 investment on Dec. 31 in each current DJIA stock component would have returned $31,464, or a gain of 4.88%, on the $30,000 investment, including reinvested dividends.

The Week's Action Pct chg (%)	Stock price change	Point chg in average*	Company	Symbol	Close	$1,000 Invested (year-end '22)
7.45	25.92	170.83	**Goldman Sachs**	GS	$374.00	$1,089
6.65	3.66	24.12	**Dow**	DOW	58.68	1,165
6.41	9.00	59.32	**salesforce.com**	CRM	149.51	1,128
6.36	14.30	94.25	**Microsoft**	MSFT	239.23	998
5.83	5.48	36.12	**Walt Disney**	DIS	99.40	1,144
4.80	1.38	9.10	**Intel**	INTC	30.11	1,139
4.31	13.68	90.16	**Home Depot**	HD	331.21	1,049
3.97	5.14	33.88	**Apple**	AAPL	134.76	1,037
3.86	9.60	63.27	**Caterpillar**	CAT	258.46	1,079
3.72	5.59	36.84	**American Express**	AXP	155.76	1,058
3.68	5.07	33.42	**JPMorgan Chase**	JPM	143.01	1,074
3.47	4.32	28.47	**Nike**	NKE	128.85	1,101
3.02	6.34	41.79	**Honeywell**	HON	216.61	1,011
2.44	5.31	35.00	**Visa**	V	223.06	1,074
2.20	2.79	18.39	**3M**	MMM	129.51	1,080
1.52	2.19	14.43	**IBM**	IBM	145.89	1,035
1.16	0.56	3.69	**Cisco**	CSCO	48.88	1,034
0.57	1.00	6.59	**Chevron**	CVX	177.56	989
0.53	1.13	7.45	**Boeing**	BA	214.13	1,124
0.46	0.17	1.12	**Walgreens**	WBA	36.78	984
0.03	0.05	0.33	**Travelers**	TRV	193.92	1,034
–0.09	–0.43	–2.83	**UnitedHealth Group**	UNH	489.57	923
–0.22	–0.58	–3.82	**McDonald's**	MCD	268.89	1,020
–0.78	–0.33	–2.17	**Verizon**	VZ	41.86	1,079
–1.02	–1.49	–9.82	**Walmart**	WMT	145.29	1,025
–1.26	–3.47	–22.87	**Amgen**	AMGN	271.73	1,035
–1.98	–3.04	–20.04	**Procter & Gamble**	PG	150.88	996
–2.26	–2.59	–17.07	**Merck**	MRK	112.25	1,012
–3.11	–1.97	–12.98	**Coca-Cola**	KO	61.43	966
–3.78	–6.82	–44.95	**Johnson & Johnson**	JNJ	173.43	982

*Based on Composite price. DJIA is calculated on primary-market price.
Source: Dow Jones Market Data; FactSet.

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Country/currency	Mon in US$	Mon per US$	US$ vs, YTD chg (%)
Americas			
Argentina peso	.0055	182.1750	3.1
Brazil real	.1943	5.1477	–2.6
Canada dollar	.7458	1.3409	–1.1
Chile peso	.001216	822.68	–3.0
Colombia peso	.000213	4689.88	–3.27
Ecuador US dollar	1	1	unch
Mexico peso	.0532	18.7811	–3.6
Uruguay peso	.02521	39.6600	–0.8
Asia-Pacific			
Australia dollar	.6955	1.4378	–2.0
China yuan	.1485	6.7336	–2.4
Hong Kong dollar	.1280	7.8110	0.1
India rupee	.01225	81.650	–1.3
Indonesia rupiah	.0000665	15045	–3.4
Japan yen	.007778	128.57	–1.9
Kazakhstan tenge	.002158	463.45	0.1
Macau pataca	.1242	8.0490	0.01
Malaysia ringgit	.2317	4.3160	–2.0
New Zealand dollar	.6383	1.5667	–0.5
Pakistan rupee	.00437	228.875	1.0
Philippines peso	.0183	54.510	–2.1
Singapore dollar	.7569	1.3212	–1.5
South Korea won	.0008052	1241.96	–1.6
Sri Lanka rupee	.0027322	366.00	–0.4
Taiwan dollar	.03293	30.368	–0.9
Thailand baht	.03023	33.080	–4.4
Vietnam dong	.00004264	23450	–0.8
Europe			
Czech Rep. koruna	.04506	22.191	–1.7
Denmark krone	.1455	6.8745	–1.0
Euro area euro	1.0821	.9242	–1.1
Hungary forint	.002712	368.69	–1.3
Iceland krona	.007004	142.78	0.9
Norway krone	.1009	9.9121	1.1
Poland zloty	.2307	4.3346	–1.0
Russia ruble	.01455	68.750	–6.8
Sweden krona	.0960	10.4198	–0.2
Switzerland franc	1.0797	.9262	0.1
Turkey lira	.0532	18.7915	0.5
Ukraine hryvnia	.0272	36.7500	–0.3
UK pound	1.2196	.8199	–0.8
Middle East/Africa			
Bahrain dinar	2.6532	.3769	–0.04
Egypt pound	.0337	29.6501	19.8
Israel shekel	.2933	3.4093	–3.3
Kuwait dinar	3.2732	.3055	–0.2
Oman sul rial	2.5974	.3850	unch
Qatar rial	.2737	3.654	–0.4
Saudi Arabia riyal	.2662	3.7562	–0.1
South Africa rand	.0586	17.0657	0.2

	Close	Net Chg	% Chg	YTD % Chg
WSJ Dollar Index	95.32	0.24	0.25	–1.28

Sources: Tullett Prebon, Dow Jones Market Data

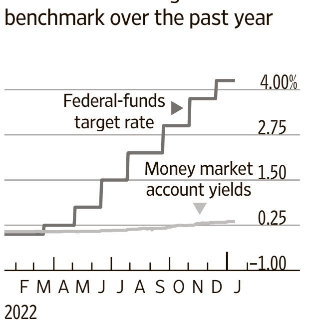
Key Interest Rates

Data delayed due to holiday.

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



Selected rates

Money Market/Savings Accts

Bankrate.com avg†:	**0.35%**
TAB Bank	**3.64%**
Ogden, UT	800-355-3063
BrioDirect	**3.75%**
Montebello, NY	877-369-2746
MyBankingDirect	**4.05%**
Westbury, NY	516-683-4100
UFB Direct	**4.11%**
San Diego, CA	877-472-9200
CFG Community Bank	**4.15%**
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	4.25-4.50	4.25-4.50	0.00	4.50	2.75
Prime rate*	7.50	7.50	3.25	7.50	2.75
Libor, 3-month	4.79	4.78	0.24	4.83	2.96
Money market, annual yield	0.35	0.35	0.07	0.35	-0.15
Five-year CD, annual yield	2.76	2.77	0.42	2.77	1.36
30-year mortgage, fixed†	6.37	6.80	3.53	7.41	2.67
15-year mortgage, fixed†	5.66	6.08	2.85	6.53	2.38
Jumbo mortgages, $726,200-plus†	6.35	6.82	3.55	7.44	2.15
Five-year adj mortgage (ARM)†	5.47	5.51	2.83	5.60	1.12
New-car loan, 48-month	6.54	6.54	3.51	6.69	2.08

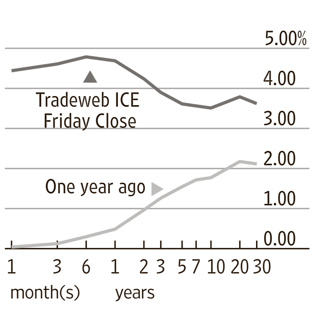
Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks.† Excludes closing costs.

Sources: FactSet; Dow Jones Market Data; Bankrate.com

Benchmark Yields and Rates

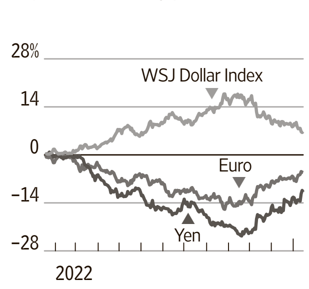
Treasury yield curve

Yield to maturity of current bills, notes and bonds



Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Sources: Tradeweb ICE U.S. Treasury Close; Tullett Prebon; Dow Jones Market Data

Corporate Borrowing Rates and Yields

Bond total return index	Yield (%) Last	Wk ago	Spread +/- Treasurys, in basis pts, 52-wk Range Last	Low	High	Total Return 52-wk	3-yr
U.S. Treasury, Bloomberg	3.860	3.930				-9.36	-2.02
U.S. Treasury Long, Bloomberg	3.730	3.810				-22.74	-6.02
Aggregate, Bloomberg	4.300	4.430	n.a.	35	69	-9.44	-1.96
Fixed-Rate MBS, Bloomberg	4.230	4.410	n.a.	18	88	-8.09	-2.34
High Yield 100, ICE BofA	7.367	7.664	348	266	552	-5.849	0.332
Muni Master, ICE BofA	2.908	3.091	5	-17	9	-4.688	-0.050
EMBI Global, J.P. Morgan	7.462	7.671	379	333	496	-12.069	-3.858

Sources: J.P. Morgan; S&P Dow Jones Indices; Bloomberg Fixed Income Indices; ICE BofA

Chinese Stocks Fall Early

Beijing reports slowdown in economic growth as result of Covid lockdowns

Chinese stock markets traded slightly lower early Tuesday after the government reported a sharp slowdown in the country's economic growth for 2022.

By Caitlin McCabe, Dave Sebastian and Megumi Fujikawa

Beijing said gross domestic product rose at a 3% rate last year due to the impact of Covid-19 lockdowns. GDP grew by 8.1% in 2021. It was the slowest growth rate—outside of 2020 in the throes of the pandemic—since the Cultural Revolution ended in 1976.

MONDAY'S MARKETS

Hong Kong's Hang Seng Index was down about 1% early Tuesday, while the Shanghai Composite was down 0.2%.

S&P 500 futures late Monday were down 0.3%.

U.S. stock and government-bond markets were closed Monday to mark Martin Luther King Jr. Day.

Major U.S. indexes have made a strong start to 2023, with the S&P 500 gaining 4.2% to start the year. Evidence of cooling inflation has convinced some investors that markets already endured the brunt of the Federal Reserve's interest-rate increases, giving some market participants confidence to buy riskier assets.

Federal-funds futures imply a 91% chance the Fed raises rates by 0.25 percentage point at its next meeting, according to CME Group–the smallest such increase since March.

Still, risks loom for financial markets. Many economists still expect higher interest rates to push the U.S. economy into a recession in the coming year. Business and academic economists polled recently by The Wall Street Journal put the probability of a recession in the next 12 months at 61%, little changed from 63% in October's survey.

Another concern, some market watchers say, is the growing disconnect between Fed communications and what investors anticipate it might do this year. Fed officials have indicated that they will continue raising interest rates in case price pressures prove more persistent. Some investors expect the Fed to reverse course and begin easing monetary policy later this year.

"It's an impasse," said Altaf Kassam, head of investment strategy and research for Europe, the Middle East and Africa at State Street Global Advisors. "The market reckons the Fed will blink because economic conditions are worsening to an extent that they would have to stop raising rates and even cut rates to avoid a hard landing. But the Fed has repeatedly said, 'Read my lips, no rate cuts.'"

This week will bring results from **Goldman Sachs** and **Morgan Stanley**, as well as other corporate heavyweights such as **Netflix** and **United Airlines**. Investors will also be eyeing updates from the World Economic Forum, the annual gathering of executives, world leaders and billionaires in Davos, Switzerland.

Another key event this week is Wednesday's Bank of Japan meeting, with investors on the lookout for any change in its yield-curve control framework—a key part of the central bank's loose monetary policy. The BOJ said Dec. 20 that it would allow 10-year government bond yields to rise as high as 0.5%, up from a 0.25% cap. Yields traded above that level Monday, following a similar move last week. Bond yields rise as prices fall.

In Japan, the Nikkei 225 stock index fell 1.1% Monday but was up 1.2% early Tuesday.

In Europe, major indexes rose, extending a stretch of recent strength for stocks in the region. The pan-continental Stoxx Europe 600 added 0.5% to reach its highest closing level in nearly nine months.

Bain's Pagliuca To Retire

Continued from page B1

He never ended up getting it.

The premise of Bain Capital was to use skills developed in management consulting and apply them in private-equity buyouts. Mr. Pagliuca was a founding member of Information Partners, a joint venture between Bain Capital and Dun & Bradstreet that focused on technology investments.

When he joined Bain Capital, it had around $200 million under management. It now has $160 billion in assets and ranks as one of the biggest private-equity firms in the world.

During his three decades at Bain, Mr. Pagliuca played a important role in several takeovers, including the purchase of research-and-advisory firm Gartner Inc., where he remains on the board.

He also helped to lead Bain's investment in hospital chain HCA, a $33 billion deal completed alongside KKR & Co. and Merrill Lynch Global Private Equity in 2006. Other deals include Bain's investments in Burger King, Virgin Australia and Worldpay Group PLC.

Mr. Pagliuca's move comes with the private-equity industry is under pressure. After a blockbuster year yielding more than $1 trillion in deal value in 2021, private-equity mergers and acquisitions activity fell sharply last year.

Deals have been harder to get done as financing for large acquisitions, like Bain's 2022 $17 billion purchase of Athenahealth Inc. alongside Hellman & Friedman LLC, becomes harder to come by as interest rates rise and banks grapple with tens of billions of dollars of buyout debt on their balance sheets.

Jamie Dimon, chairman and CEO of JPMorgan Chase & Co., met Mr. Pagliuca during the first few weeks of classes at Harvard Business School in 1980 during pickup basketball games. The men remained friends, and their firms have worked together on deals, Mr. Dimon said. "He's very smart and humble," Mr. Dimon said. He said Bain is the "antithesis" of how private equity is often described, and he has found the firm to be collaborative in their approach to deals.

Mr. Pagliuca has a colorful personal life. A former basketball player at Duke University, he is co-owner of the Boston Celtics basketball team and is a fixture in the front row at the team's games—recently hosting the Prince and Princess of Wales.

His family foundation also donated a state of art biotech lab to Harvard that has helped entrepreneurs start over 50 companies. He recently bought an Italian soccer club, Atalanta.

Adam Silver, commissioner of the National Basketball Association, said he has known Mr. Pagliuca for about two decades. He said he has been helpful in media and technology matters, most recently helping the league in considering its various streaming opportunities.

SUZANNE KREITER/THE BOSTON GLOBE/GETTY IMAGES

Steve Pagliuca is co-owner of the Boston Celtics basketball team.

Firm Weighs Virgin Australia IPO as Travel Rebounds

Bain Capital is considering an initial public offering of Australia's second-largest airline in what would be a new test of investor appetite for carriers in a turbulent postpandemic recovery.

On Monday, Bain Capital said as a first step, it will soon ask advisers about the best timing, structure and metrics for relisting **Virgin Australia** on the Australian Securities Exchange.

The private-equity firm acquired Virgin Australia in 2020 after the airline collapsed into insolvency as the Covid-19 pandemic grounded flights worldwide.

Australia closed its borders to noncitizens for nearly two years, while its states and territories adopted different strategies when policing their internal borders, in some cases setting new rules for passengers midflight.

Before its acquisition by Boston-based Bain Capital for $2.45 billion, Virgin Australia was listed on Australia's main stock exchange for 16 years. It competes with **Qantas Airways** Ltd. on domestic routes and offers international flights to destinations like Bali, Indonesia, and Queenstown, New Zealand.

—Rhiannon Hoyle

The 60/40 Strategy Debated

Continued from page B1

money too. The Dow Jones U.S. Total Stock Market index lost 19.5% including dividends, while the ICE BofA U.S. Treasury index lost 12.9%. A 60/40 U.S. portfolio had one of its worst years ever, because the bonds didn't do what they were supposed to do. The question, then, is whether 2022 was an exception and bonds will now resume normal service.

The best argument for sticking with 60/40, at least as a base, is that it is a decent neutral portfolio when we don't have any idea about how the future will work out. Bonds have sometimes lost money at the same time as stocks for extended periods in the past, but not often.

"It's happened [losses on both] in the past—it will happen in the future," says Sharmin Mossavar-Rahmani, head of the investment strategy group in the **Goldman Sachs** investment division and chief investment officer of wealth management. "But it's rare."

Goldman calculates that U.S. stocks and bonds both lost money over a 12-month period just 2% of the time since 1926. You might reasonably be upset that your investments were caught up in such an unusual loss, but you should make radical portfolio changes only if you think this is the start of something new.

BlackRock argues exactly this. "This is a different regime. The great moderation is over," says Vivek Paul, head of portfolio research at BlackRock Investment Institute.

After 10-year Treasury yields peaked at 15.8% in 1981, they fell for four decades to a low of 0.5% in 2020, offering surprise long-term capital gains to bondholders on top of the guaranteed income. Better still, from 2000 onward they offered fairly good day-to-day protection against losses on stocks, as the pattern of price moves flipped so bonds and stocks went in opposite directions. (Put another way, stocks tended to rise when bond yields went up, and fell when yields fell). The protection offered by bonds didn't come at the cost of sacrificing returns.

For sure, 10-year yields can't drop more than 15 percentage points in the next 40 years because they currently yield only about 3.5%. The bond-equity link also seems to have returned to the pattern of higher bond yields being bad for stocks, and vice versa, as investors focus on inflationary pressure instead of economic growth. It is reasonable to think this might last given the long-term upward pressure on inflation from deglobalization, demographics and spending to combat climate change.

In a sense this is the active-passive argument played out again. If you, like me, think we're probably heading for a more inflationary future, it makes sense to hold less in the way of ordinary bonds. But if you aren't really sure—Ms. Mossavar-Rahmani says the outlook is clouded by "heavy fog," and she's not wrong—60/40 is a decent place to start.

A further argument for 60/40 is that many of the things put forward as an alternative portfolio cushion to bonds also had a terrible year last year. You might think Treasury inflation-protected securities would protect against inflation. But rising real yields meant that since the start of last year, TIPS lost almost exactly the same amount as ordinary Treasurys.

Private markets aren't immune. Being private could mean the fund manager doesn't tell you that you've lost money, but the value of a loan or a company has gone down as interest rates have risen, no matter whether the company is private or listed. And fees are far higher.

Commodities felt like a no-brainer last year, when everyone was obsessed with rising energy prices, metals shortages and inflation. Yet, the spot prices of crude oil, U.S. natural gas, gold and copper are very close to where they started 2022. It wasn't a buy-and-hold market.

The fundamental problem is that last year the Everything Bubble deflated. Stocks and bonds started out very expensive, as did TIPS and private assets, because they were priced on the assumption of very low interest rates. Once the Federal Reserve recognized reality, the assumption went out the window and prices plunged. With valuations back in the range of reasonable for both stocks and bonds, a 60/40 equity/bond split is a decent starting point for building a portfolio—even if those who worry more about long-run inflation, as I do, might add a little more inflation protection than comes as standard.

THE TICKER | MARKET EVENTS COMING THIS WEEK

Tuesday

Empire Manufacturing

Dec., previous	-11.2
Jan., expected	-7.0

Earnings expected Estimate/Year Ago

Citizens Financial Group	**1.31**/1.17
Goldman Sachs	**5.56**/10.81
Interactive Brokers	**1.17**/0.83
Morgan Stanley	**1.25**/2.08
Signature Bank	**4.82**/4.34
United Airlines	**2.11**/(1.60)

Wednesday

Business inventories

Oct., previous	up 0.3%
Nov., expected	up 0.4%

Capacity utilization

Nov., previous	79.7%
Dec., expected	79.6%

Industrial production

Nov., prev.	down 0.2%
Dec., exp.	down 0.1%

Mort. bankers indexes

Purch., prev.	down 1.0%
Refinan., prev.	up 5.0%

Producer price index

All items, Nov.	up 0.3%
Dec., exp.	down 0.1%
Core, Nov.	up 0.4%
Dec., expected	up 0.1%

Retail sales, ex. autos

Nov., prev.	down 0.2%
Dec., exp.	down 0.4%

Retail sales

Nov., prev.	down 0.6%
Dec., exp.	down 1.0%

Earnings expected Estimate/Year Ago

Charles Schwab	**1.09**/0.86
Discover Financial Services	**3.65**/3.64
J.B. Hunt	**2.45**/2.28
Kinder Morgan	**0.30**/0.27
PNC Financial	**3.95**/2.86
Prologis	**0.61**/1.67

Thursday

Building Permits

Nov., previous	1.342 mil.
Dec., expected	1.370 mil.

EIA status report

Previous change in stocks in millions of barrels

Crude oil	up 19.0
Gasoline	up 4.1
Distillates	down 1.1

EIA report: natural gas

Previous change in stocks in billions of cubic feet

	up 11

Housing starts

Nov., previous	1.427 mil.
Dec., expected	1.370 mil.

Initial jobless claims

Previous	205,000
Expected	220,000

Philadelphia Fed survey

Dec., previous	-13.8
Jan., expected	-10.0

Earnings expected Estimate/Year Ago

Fastenal	**0.42**/0.40
M&T Bank	**4.20**/3.37
Netflix	**0.58**/1.33
PPG	**1.13**/1.26
Procter & Gamble	**1.58**/1.66
Truist Financial	**1.24**/1.13

Friday

Existing-home sales

Nov., previous	4.09 mil.
Dec., expected	3.96 mil.

Earnings expected Estimate/Year Ago

Ally Financial	**0.97**/2.02
Huntington Bancshares	**0.40**/0.26
Regions Financial	**0.65**/0.43
Schlumberger	**0.68**/0.41
State Street	**1.98**/2.00

* FactSet Estimates earnings-per-share estimates don't include extraordinary items (Losses in parentheses) ◆ Adjusted for stock split

Note: Forecasts are from Dow Jones weekly survey of economists

Cash Prices

Monday, January 16, 2023

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

	Monday
Energy	
Coal,C.Aplc.,12500Btu,1.2SO2-r,w	138.000
Coal,PwdrRvrBsn,8800Btu,0.8SO2-r,w	15.500
Metals	
Gold, per troy oz	
LBMA Gold Price AM	*1904.05
LBMA Gold Price PM	*1907.15
Silver, troy oz.	
LBMA spot price	*£19.4500
(U.S.$ equivalent)	*23.6750
Other metals	
LBMA Platinum Price PM	*1057.0
Aluminum, LME, $ per metric ton	*2511.0
Fibers and Textiles	
Cotlook 'A' Index-t	*97.85
Food	
Beef,carcass equiv. index	
choice 1-3,600-900 lbs.-u	250.34
select 1-3,600-900 lbs.-u	228.24
Coffee,Brazilian,Comp-y	1.6202
Coffee,Colombian, NY-y	2.1167
Hams,17-20 lbs,Mid-US fob-u	0.72
Hogs,Iowa-So. Minnesota-u	78.68
Pork bellies,12-14 lb MidUS-u	1.2818
Pork loins,13-19 lb MidUS-u	1.0948

Friday, January 13, 2023

	Friday
Energy	
Coal,C.Aplc.,12500Btu,1.2SO2-r,w	138.000
Coal,PwdrRvrBsn,8800Btu,0.8SO2-r,w	15.500
Metals	
Gold, per troy oz	
Engelhard industrial	1906.00
Handy & Harman base	1907.15
Handy & Harman fabricated	2116.94
LBMA Gold Price AM	*1883.10
LBMA Gold Price PM	*1882.55
Krugerrand,wholesale-e	1995.24
Maple Leaf-e	2014.43
American Eagle-e	2014.43
Mexican peso-e	2321.14
Austria crown-e	1883.51
Austria phil-e	2014.43
Silver, troy oz.	
Engelhard industrial	24.1000
Handy & Harman base	24.1090
Handy & Harman fabricated	30.1360
LBMA spot price	*£19.4800
(U.S.$ equivalent)	*23.7000
Coins,wholesale $1,000 face-a	21764
Other metals	
LBMA Platinum Price PM	*1082.0
Platinum,Engelhard industrial	1066.0
Palladium,Engelhard industrial	1757.0
Aluminum, LME, $ per metric ton	*2447.0
Copper,Comex spot	4.2075
Iron Ore, 62% Fe CFR China-s	127.0
Shredded Scrap, US Midwest-s,m	n.a.
Steel, HRC USA, FOB Midwest Mill-s	730
Battery/EV metals	
BMI Lithium Carbonate, EXW China, =99.2%-v,w	74075
BMI Lithium Hydroxide, EXW China, =56.5% -v,w	77325
BMI Cobalt sulphate, EXW China, >20.5% -v,m	7488
BMI Nickel Sulphate, EXW China, >22%-v,m	5688
BMI Flake Graphite, FOB China, -100 Mesh, 94-95% -v,m	813
Fibers and Textiles	
Burlap,10-oz,40-inch NY yd-n,w	0.7350
Cotton,1 1/16 std lw-mdMphs-u	0.8279
Cotlook 'A' Index-t	*100.10
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,w	248
Corn,No. 2 yellow,Cent IL-bp,u	6.6600
Corn gluten feed,Midwest-u,w	211.7
Corn gluten meal,Midwest-u,w	676.7
Cottonseed meal-u,w	385
Hominy feed,Cent IL-u,w	218
Meat-bonemeal,50% pro Mnpls-u,w	383
Oats,No.2 milling,Mnpls-u	4.3400
Rice, Long Grain Milled, No. 2 AR-u,w	37.00
Sorghum,(Milo) No.2 Gulf-u	n.a.
SoybeanMeal,Cent IL,rail,ton48%-u,w	481.30
Soybeans,No.1 yllw IL-bp,u	15.0500
Wheat,Spring14%-pro Mnpls-u	11.5225
Wheat,No.2 soft red,St.Louis-u	7.5375
Wheat - Hard - KC (USDA) $ per bu-u	9.0375
Wheat,No.1soft white,Portld,OR-u	8.2250
Food	
Beef,carcass equiv. index	
choice 1-3,600-900 lbs.-u	250.34
select 1-3,600-900 lbs.-u	227.33
Broilers, National comp wtd. avg.-u,w	1.2206
Butter,AA Chicago-d	2.4250
Cheddar cheese,bbl,Chicago-d	170.75
Cheddar cheese,blk,Chicago-d	200.00
Milk,Nonfat dry,Chicago lb.-d	125.50
Coffee,Brazilian,Comp-y	1.5935
Coffee,Colombian, NY-y	2.0907
Eggs,large white,Chicago-u	4.6150
Flour,hard winter KC-p	20.70
Hams,17-20 lbs,Mid-US fob-u	0.75
Hogs,Iowa-So. Minnesota-u	74.55
Pork bellies,12-14 lb MidUS-u	1.1032
Pork loins,13-19 lb MidUS-u	1.0997
Steers,Tex.-Okla. Choice-u	n.a.
Steers,feeder,Okla. City-u,w	196.63
Fats and Oils	
Degummed corn oil, crude wtd. avg.-u,w	n.a.
Grease,choice white,Chicago-h	0.6600
Lard,Chicago-u	n.a.
Soybean oil,crude;Centl IL-u,w	0.6681
Tallow,bleach;Chicago-h	0.6750
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 1/12

Source: Dow Jones Market Data

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NYSE Rights Symbol "KIO RT"

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Last trading day for rights is February 15, 2023*

Offer expires February 16, 2023*

*Unless extended

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January 17, 2023

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