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MONDAY, FEBRUARY 27, 2023 ~ VOL. CCLXXXI NO. 46

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Last week: DJIA 32816.92 ▼ 1009.77 3.0%

NASDAQ 11394.94 ▼ 3.3%

STOXX 600 457.70 ▼ 1.4%

10-YR. TREASURY ▼ 31/32, yield 3.948%

OIL \$76.32 **▼** \$0.23

EURO \$1.0547 **YEN** 136.46

What's News

Business ヴ Finance

 $T^{\text{raders are}}_{\text{ up hedges at the fast-est clip since the onset of}}$ the Covid-19 pandemic to protect against a potential stock market downturn, as Wall Street's VIX fear gauge rose above 23 last week. A1

- ♦ Pfizer is in talks to acquire Seagen, a biotech with a market value of some \$30 billion, in a potential deal aimed at adding to its lineup of cancer treatments. B1
- ◆ Union Pacific said it plans to name a new chief executive this year, hours after Soroban Capital Partners, a major shareholder, publicly urged the railroad giant's board to oust Lance Fritz from the job. **B1**
- **♦ Frackers are set** to plow more cash into oil fields this year compared with last, but it isn't expected to unleash the flood of crude that past spending binges in the shale patch have. B1
- ◆ Twitter conducted another round of job cuts over the weekend, people familiar with the matter said, the latest among thousands of staff reductions under the company's new owner, Elon Musk. B1
- **♦** Amazon is expanding ultrafast delivery options, a sign that the company remains committed to pushing its logistics system for speed as it scales back plans in other areas. B5
- **♦** Warren Buffett retained his sense of optimism in his annual letter to investors, saying he continues to believe in the resilience of the U.S. economy. B3

World - Wide

- **♦** The Energy Department has concluded that the Covid pandemic most likely arose from a laboratory leak, according to a classified intelligence report recently provided to the White House and key members of Congress. A1
- ♦ Kyiv countered Russian claims to have taken further territory around Bakhmut as Russia seeks to surround the eastern city, which Ukraine's military has defended against withering onslaughts for months. A7
- ◆ The EU sanctioned a Dubai-based subsidiary of Russia's state-owned shipping giant, using new powers to hit foreign-based entities that help Moscow circumvent Western restrictions. A9
- ♦ Sen. Joe Manchin declined to describe himself as a Democrat during a television interview and didn't say if he is running for re-election. A4
- ♦ Israeli and Palestinian officials pledged to reduce the escalating violence in the West Bank and Jerusalem, but the fatal shooting of two Israeli settlers and subsequent riots in Palestinian villages underscored how tensions are spiraling. A18
- ◆ The special counsel investigating Trump appears to have reached the advanced stages of his sweeping inquiry after a flurry of aggressive steps in recent weeks. A6
- **♦** Multiple newspapers around the U.S. dropped Scott Adams's long-running "Dilbert" comic strip after the cartoonist called Black Americans a "hate group" in an online post. A5

CONTENTS Arts in Review.... A13 Business & Finance B2,5 Business News...... B3

Outlook... Sports...



Protesters Go Pink in Mexico in Clash With Ruling Party



BIG DRAW: Protesters on Sunday rallied across Mexico, including in Mexico City, above, to protest President Andrés Manuel López Obrador's overhaul of the country's independent election agency, with many showing the agency's distinctive color. A18

Investors Are Getting Ready For Jump in Market Volatility

By Eric Wallerstein

Fear is creeping back into the stock market. To protect against a potential downturn, traders are scooping up hedges at the fastest clip since the onset of the Covid-19 pandemic.

More call ontions betting that the Cboe Volatility Index, or VIX, will rise have changed hands on an average day in February than at any time since March 2020, Cboe data

After lying relatively dormant for months, the VIX, also known as Wall Street's fear gauge, rose above 23 last week,

its highest level since the first few trading days of the year. Readings below 20 typically signify complacency, while those above 30 signal investors are scurrying for protection.

The impetus for the increased demand is twofold. When stocks rebounded to kick off the year, investors piled back into the market, restoring their need to hedge their portfolios. More recently, a string of hot economic data increased the likelihood that the Federal Reserve will decide to continue raising interest rates to bring inflation down, stalling the early-year stock rally.

The S&P 500 is coming off looked like we were going to three consecutive weeks of declines, capped by Friday's hotter-than-expected reading on the personal-consumption expenditures price index-the Fed's preferred gauge of inflation. The stock benchmark is up just 3.4% in 2023-and down 5% from its high on Feb. 2.

In the coming days, investors will be parsing updates on consumer confidence and home prices, alongside quarterly earnings reports from Target Corp. and Salesforce Inc. for insight into the market's trajectory.

"During the January rally, it

glide through a Fed tightening cycle without any damage to the real economy," said Mike Edwards, deputy chief investment officer of Weiss Multi-Strategy Advisers, an investment-management firm based in New York. "Now, that certainty is fading more and more each day."

Traders have finally come to grips with the Fed's hawkish forecast on interest rates, but they are growing increasingly worried about where rates will ultimately peak. Derivatives markets show the federal-funds Please turn to page A2

DOE Says Lab Leak Is Likely Origin of Covid-19

New intelligence about China outbreak spurs assessment; finding is given 'low confidence'

By MICHAEL R. GORDON AND WARREN P. STROBEL

WASHINGTON—The U.S. Energy Department has concluded that the Covid pandemic most likely arose from a laboratory leak, according to a classified intelligence report recently provided to the White House and key members of Congress.

The shift by the Energy Department, which previously was undecided on how the virus emerged, is noted in an update to a 2021 document by Director of National Intelligence Avril Haines's office.

The new report highlights how different parts of the intelligence community have arrived at disparate judgments about the pandemic's origin. The Energy Department now joins the Federal Bureau of Investigation in saying the virus likely spread via a mishap at a Chinese laboratory. Four other agencies, along with a national intelligence panel, still judge that it was likely the result of a natural transmission, and two are undecided.

The Energy Department's conclusion is the result of new intelligence and is significant because the agency has considerable scientific expertise and oversees a network of U.S. national laboratories, some of which conduct advanced biological research.

The Energy Department made its judgment with "low confidence," according to people who have read the classified report.

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♦ U.S. consumer companies are expanding in China..

Pregnant Russians Flock to Argentina For Births

By SILVINA FRYDLEWSKY AND JUAN FORERO

BUENOS AIRES—Thousands of pregnant Russian women and their partners have been migrating to Argentina since President Vladimir Putin of Russia ordered the invasion of Ukraine, inspired by the hope of building new lives far from his autocratic and increasingly isolated nation.

The chance to begin anew over 8,000 miles away from Russia has led more than 22,000 mostly middle- and upper-class Russians to make the circuitous journey to this capital city since January 2022, according to Argentine government migration figures. Officials here said the women have been arriving in growing numbers and giving birth, which bestows immediate citizenship on newborns as well as temporary residency and work permits for their parents.

"My daughter will be born here, and she will be Argentine." said Polina Schteiner, a 31-year-old from Moscow. She and her husband moved to Bangkok in May and then looked at Mexico and Brazil before settling on Buenos Aires. Arriving with their 2-yearold son, the couple is expect-Please turn to page A7

♦ Kyiv counters Wagner's claims of gains..

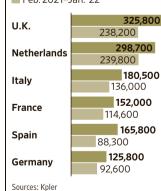
North Africa devours Russian oil products.

Europe Buys More U.S. Oil

The war in Ukraine has reinvigorated exports and the U.S.'s market influence. A9

Average U.S. crude exports to European countries, barrels a day

Feb. 2022-Jan. '23 Feb. 2021-Jan. '22



Supreme Court to Test Limits of Presidential Power

Case examines Biden plan to forgive billions in student debt

By Andrew Restuccia and Jess Bravin

The Supreme Court will consider sharp curbs to the power of the executive branch in a case beginning Tuesday, potentially diluting the influence of future presidents for years to

The conflict between the executive and the judiciary that has been growing in recent years will be on view when the court hears arguments over the Biden administration's roughly \$400 billion plan to forgive federal student debt for tens of millions of borrowers. Two cases before the court give the justices an opportunity to set strict limits over the president's ability to implement policies without explicit authorization from Congress.

The move would limit President Biden's ambitions at a moment when he faces few prospects for legislative breakthroughs.

Presidents have tested the bounds of their executive authority for decades, leveraging the power of the White House to put in place sweeping economic and social changes.

In recent years, both Republican and Democratic presidents have relied more heavily on the authority to circumvent congressional gridlock. George W. Bush used executive actions to expand government surveillance, and Barack Obama and Donald Trump issued directives meant to reshape the country's immigration system.

President Biden has issued economically significant regulations at a near-record pace, according to federal data compiled by the Regulatory Studies Center at George Washington University. Aides expect him to rely more

Please turn to page A10

Recipe for Frustration: Ordering A Quick Cup of Black Coffee

Simple brew gets stuck while baristas make elaborate, multipump concoctions

By Heather Haddon

Alex Wicker is used to odd looks from baristas when he stops by a coffee shop. His order is unusual: black coffee.

"Asking for just 'coffee' with no added context, without going through a round of 20 questions with the server, has become impossible at this point," said Mr. Wicker, a 23-year-old student from Shelbyville, Ind.

In a nation awash in Pistachio Cream Cold Brew and Iced Chocolate Almondmilk Shaken Espresso with Chestnut Praline Syrup, black-coffee drinkers like

Mr. Wicker are becoming a rare

What lovers of straight black consider simple, easy-to-pour orders can wind up stuck behind a jam of customized, multipump concoctions, they said. Sometimes their pristine black joe is lightened with sugar or cream anyway. Some baristas seem bewildered by the concept of coffee taken plain.

Mr. Wicker said his purist take makes him feel like an outcast. "I don't know a single person within my age range that enjoys drinking black coffee," he said. Please turn to page A10

INSIDE



SPORTS The financial timing is right for Green Bay to trade Aaron Rodgers. A14



BUSINESS NEWS Berkshire Hathaway recorded a big loss for 2022 in a rocky market. B3

A2 | Monday, February 27, 2023

More Spending by Big Savers Needed

he strength of China's economic rebound this year largely hinges on one uncertainty: whether families and large companies are willing to draw down the pile of cash they built up since the start of Covid-19.

Chinese families, constrained by Covid lockdowns, hoarded cash and pushed up the country's household saving rate to a multiyear high of 33% in 2022, up 3 percentage points from the prepandemic trend in 2019, according to estimates by Goldman Sachs.

Large industrial companies and exporters also socked away money. From 2020 to 2022, big industrial companies, many state-owned, added \$1.1 trillion in liquid assets on average each year, more than double the \$467 billion annual increase in the five years before Covid hit, according to economists at China International Capital Corp., an investment bank.

In the U.S., excess savings—some from government stimulus—quickly coursed through the economy, but many experts wonder whether China will likewise have a big rebound in spending or investment this year.

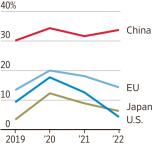
Economists from HSBC and Morgan Stanley say the end of China's strict zero-Covid policies will at minimum fuel a strong recovery in services spending, lifting consumption growth to at least its prepandemic rate of around 8% a year. Initial data from China's recent Lunar New Year holiday suggest some Chinese consumers are eager to dine out and visit cinemas again.

Other economists feel more skeptical. They argue that the savings buildup in China is more a reflection of battered confidence, which is unlikely to be reversed quickly as pains from the pandemic linger. Many Chinese consumers remain nervous because of a depressed housing market and an uncertain jobs picture, which could make them save more and spend less for longer.

"It is premature to conclude that excess savings accumulated by households will support revenge spending in a persistent way," said David Wang, chief China economist at Credit Suisse.

slow consumption rebound in China could reverberate globally. damping sales for such companies as Nike Inc., Starbucks Corp. and international auto makers, and resulting in lower-than-expected demand for such commodities as copper and nickel. Many businesses are counting on China, which is projected to account for a third of global growth

Household saving rates



Note: EU data is 2022 average through Q3 2022 Source: Houze Song of Paulson Institute; UBS

this year as growth in the U.S. and Europe slows, according to the International Monetary Fund.

Swelling household savings helped push China's currentaccount surplus to \$417.5 billion last year, the highest level since 2008, underscoring just how entrenched the global trade imbalance has been even as the U.S. and other more-advanced economies attempt to reduce reliance on Chinese imports.

It isn't clear exactly how big China's savings pile is. Many economists, concerned about data quality in China, use different methods for their calculations.

Goldman Sachs says it believes Chinese families accumulated about three trillion yuan, equivalent to roughly \$431 billion, in excess savings, or less than 3% of China's gross domestic product, from 2020 to 2022. Economists from Nomura and UBS put the figures higher, at 6.1 trillion yuan and up to 4.6 trillion yuan, respectively, or about 5% and close to 4% of GDP in 2022.

While sizable, those figures are lower than in the U.S., where households put away \$2.3 trillion in excess savings from 2020 through September 2021, or nearly 10% of GDP in 2021, according to a study published by the Federal Reserve.

large portion of new deposits accumulated by Chinese households last year was locked up in three-year to five-year deposit instruments, which can't as easily be converted into spending as short-term deposits can, according to a study by research firm Rhodium Group.

Given that China's government refrained from handing out checks directly to households during the pandemic, it could take a while before people become more confident in China's recovery and significantly scale back their saving, said Tao Wang, an economist at UBS.

More relevant to consumers' spending appetite, economists say, are income growth and the job market, both of which are recovering

Zhou Changtian, who works at a state-owned publishing house in Shanghai, ended up saving more during the past three years as his family wasn't able to travel abroad. Even though he isn't deeply worried about job security, he isn't keen on splurging, partly because of inflation fears as the econ-

omy reopens. It used to cost us 1,000 yuan [about \$145] to stock up on meat in the fridge before Covid. Now we have to pay double," said Mr. Zhou.

Some companies are loosening their purse strings in anticipation of a strong economic recovery. Several industrial companies in China have announced big-ticket projects, including Ganfeng Lithium—one of the world's largest refiners of strategic metal-which last month unveiled a 15 billion yuan investment to build two battery plants in China.

But Larry Hu, chief China economist at Macquarie Group, is cautious about whether corporations have strong incentives to spend. He expects overall capital expenditure to stay flat compared with last year, in part because of uncertainty at export-oriented companies as overseas demand has weak-

> -Grace Zhu contributed to this article.

ECONOMIC CALENDAR

Monday: The Commerce Department releases January figures on orders of long-lasting goods. Overall new orders for durable goods increased sharply in December from the prior month.

Also, the National Association of Realtors reports the number of home sales based on contract signings in January. Pending home sales rose in December from the previous month.

Tuesday: S&P Global releases its S&P CoreLogic Case-Shiller National Home Price Index for December. Home prices fell 0.6% in November compared with the prior month.

Separately, the Conference Board publishes its February consumer-confidence index, which eased in January.

Wednesday: S&P Global and the Institute for Supply Management release February surveys of purchasing managers measuring activity in the U.S. manufacturing sector. Preliminary survey data showed the sector contracting but at a slower pace.

Meanwhile, the Commerce Department reports on construction spending in January. Construction spending fell in December from the prior month.

Thursday: The European Union's statistics agency releases February inflation figures for the eurozone. And the Labor Department reports the number of workers filing for unemployment benefits in the week ended Feb. 25.

Friday: S&P Global and the Institute for Supply Management release February surveys of purchasing managers measuring activity in the **U.S. services sector.**

U.S. WATCH



GET SET, GO: Runners crossing the starting line of the Gasparilla Distance Classic 8K race on Sunday in Tampa, Fla.

Arrest Made in Crash That Killed 2 Cyclists

A man has been arrested in connection with a crash that killed two bicyclists and injured 11 others in a Phoenix suburb. authorities said Sunday.

Goodyear police said 26-yearold Pedro Quintana-Lujan was iailed on suspicion of two counts of manslaughter, three counts of aggravated assault, 18 counts of endangerment and two counts of causing serious injury or death by a moving violation. It was unclear if he had a lawver who could speak on his behalf.

Police said Mr. Quintana-Lujan was driving a pickup truck hauling a trailer when the vehicle crashed into a group of bicyclists about 8 a.m. Saturday.

Mr. Quintana-Lujan stayed at the scene of the crash and was cooperating with authorities in their investigation, according to police spokeswoman Lisa Berry. —Associated Press

COLORADO

Two Skiers Caught In Avalanche Die

Two backcountry skiers died after being caught in an avalanche in southwestern Colorado, officials said.

The skiers had been reported overdue Saturday from a trip

Treasury yield volatility

near Vallecito Reservoir, about 24 miles northeast of Durango. Just before midnight, a helicopter found an avalanche with tracks leading into it, the Colorado Avalanche Information Center said. The two skiers were later found buried in about 4 feet of avalanche debris, the center said. —Associated Press

OBITUARY

Movie Producer Mirisch Dies at 101

Walter Mirisch, the astute and Oscar-winning film producer who oversaw such classics as "Some Like It Hot," "West Side Story" and "In the Heat of the Night," has died of natural causes, the Academy of Motion Picture Arts and Sciences said. He was 101.

Mr. Mirisch died on Friday in

Los Angeles. Mr. Mirisch received the best picture Academy Award for 1967's "In the Heat of the Night," and the company run by him and his brothers also produced the bestpicture Oscar winners "The Apartment" and "West Side Story."

Born eight years before the first Academy Awards ceremony, he served as president of the Academy of Motion Picture Arts and Sciences from 1973 to 1977 and received two honorary Oscars, in 1978 and 1983, for his body of work and his humanitar-

-Associated Press

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Investors Bet on More **Volatility**

Continued from Page One rate rising as high as 5.39% in August, the loftiest level since the central bank began tightening last year.

Not only has the U.S. economy remained strong, but the resiliency of the European economy and China's reopening are helping reignite inflation concerns, Mr. Edwards said. Revived risk of the Fed plunging the economy into a recession with more rate in-

CORRECTIONS ど **AMPLIFICATIONS**

GATX Corp. owns the derailed railcar on which a bearing overheated. A U.S. News article on Friday about the train derailment in East Palestine, Ohio, incorrectly said that GATX manufactured the railcar.

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

"Now people are asking, 'Does the Fed need to break something?" Mr. Edwards said.

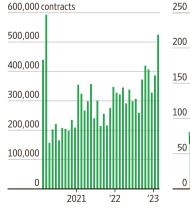
One of the biggest wagers tied to the VIX is for the index to hit 75 within the next month, a level previously seen during stock-market crashes. Another popular bet sees the VIX reaching 40 in the coming months, a level that hasn't been breached since 2020.

Meanwhile, rekindled hedging demand has increased the cost of equity put options aiming to shield investors from a downturn in the S&P 500.

Recently, those options reached their most expensive level since October, per the Nations SkewDex, which tracks wagers against the SPDR S&P 500 exchangetraded fund that would pay out in the event of a large market decline. Put options give traders the right to sell shares at a stated price by a certain date. Call options grant the right to buy.

Investors' foray back into stocks and the resurgence of volatility contrast with last year, when many of them battened down the hatches by paring their exposure to stocks or outright betting against the market. When optimism swelled at the start of 2023, in-

VIX average daily call options volume, monthly



Sources: Choe Global Markets (call options volume); CME Group volatility index (yield volatility)

vestors—including modeldriven quants, investment advisers and individual investors were back in force.

Active investors recently turned up their equity allocations to the highest since April, according to the National Association of Active Investment Managers. Systematic investors—quant funds that follow rules-based strategies to ride market trends—also boosted their stock exposure to the highest since early 2021, Deutsche Bank data show.

Sentiment has fluctuated in recent weeks. Bullishness among individual investors reached its highest level since 2021 in early February, accord-

ing to an American Association of Individual Investors survey. As of last week, that reversed to the most pessimistic in more than a month. Active managers also have headed for the exit doors.

2021

Another sign of the exuberance among investors: Shades of meme-stock mania cropped up in the options market earlier this month. Traders exchanged bullish calls tied to megacap technology stocks at the highest levels in nearly a

"This is pure FOMO at its best," wrote Mike Wilson, chief U.S. equity strategist and chief investment officer for Morgan Stanley, of stocks' rally last

week. "In our view, we find all the hoopla and excitement about the [year-to-date] rally to be misplaced."

The CME Group Volatility Index shows volatility in the Treasury market also recently reached its highest levels in more than a month. Fed officials have floated the idea of resuming half-percentagepoint interest-rate increases to cool the economy. The 10-year and two-year yields are sitting at 3.948% and 4.803%, respectively, marking the highest level since 2007 for the shortterm vield.

Rising bond yields further threaten stocks, especially shares of the speculative and rapidly growing companies that propelled the January rally. They also have helped cashlike products compete with stocks for investors' attention.

Demand for short-term certificates of deposits—many boasting rates above 4%—has risen to its highest since the 2008 financial crisis. Retail assets in money-market funds are hovering around records, Investment Company Institute and Federal Reserve data show.

Given the slimmed attractiveness of riskier bonds or stocks, investors are turning to cash to "extract as much juice as possible" from the market, said Ryan Weldon, portfolio manager at IFM Investors.

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Millennials Get Squeezed, Pile on Debt

Adults in their 30s borrowed heavily in pandemic and now struggle to catch up

By Gina Heeb AND ANNAMARIA ANDRIOTIS

Danielle Smith and her family thought they had finally escaped the paycheck-to-paycheck cycle they had fallen into. They saved money during the pandemic while they were stuck at home. They used stimulus checks to chip away at \$20,000 in credit-card debt and enjoyed a reprieve from monthly payments on their \$160,000 in student loans.

Lately, they have been hit with one unexpected expense after another, from an out-ofpocket MRI to a broken water heater. They also took trips with their four children that they had put off because of Covid, including to Walt Disney World, local museums and the zoo. By 2022, their creditcard debt had doubled to nearly \$40,000.

"It's just a never-ending cycle of playing catch-up," said Ms. Smith, 34, who together with her husband have a household income of roughly \$80,000 a year in Lincoln, Neb.

Wealth gap

American millennials in their 30s have racked up debt at a historic clip since the pandemic. Their total balances hit more than \$3.8 trillion in the fourth quarter, according to the Federal Reserve Bank of New York, a 27% jump from late 2019. That is the steepest increase of any age group. It is also their fastest pace of debt accumulation over a threeyear period since the 2008 financial crisis.

The debt buildup could worsen a generational wealth gap that was already on the rise for millennials. Many started their careers during the 2007-09 recession with no bargaining power, crimping their earnings ever since. Even when the economy is doing well, some have said that they feel as though their financial gains are fragile. That can leave them hesitant or less able to take risks that would power the broader economy, such as starting a business or investing.

"For millennials, it's felt like being hit from every side," said Charlotte Principato, a financial-services analyst at the research company Morning Consult who covers younger consumers. "They're not feeling in control of their financial

Stacey Coquelin, 31, was nearly ready to buy her first home before the pandemic. After two years of living with her parents, Ms. Coquelin had saved up for a down payment and shrunk her credit-card

When schools were shut down, Ms. Coquelin ran creditcard balances back up to cover child-care bills of \$1,200 a month for her two children. Then inflation started to squeeze her budget, while higher interest rates made it more expensive to borrow. Ms. Coquelin opened new credit cards and dipped into her down-payment money, eventually ending up with more than \$20,000 in credit-card and personal-loan debt and little

"Everything was more expensive-shampoo and kids getting older and needing different things," said Ms. Coquelin, a construction-project manager in the Miami area who makes just over \$40,000 a year. "Now you're getting nowhere."

American families, on average, held up better than expected in 2020 during the Covid pandemic.

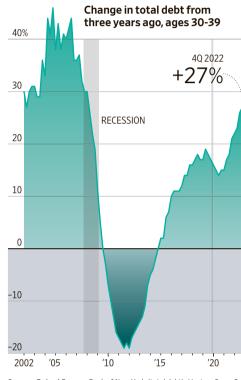
Now, rapid inflation is forcing many to spend more on gas, groceries and rent, eating into pandemic savings. The last round of stimulus checks went out in 2021. Families are back to commuting, traveling and eating out again. The Federal Reserve's campaign to curb inflation has pushed up interest rates on credit cards and other types of loans.

Falling behind

The economy is by many measures in a solid place. The jobless rate is at its lowest level in more than 50 years. Retail spending is strong. Inflation, while still high, is coming down.



Stacey Coquelin, 31, had to dip into her down-payment money for a home during the pandemic as her everyday expenses rose sharply.



Average credit card balance, monthly Silent Baby Gen X Millennials Gen Z \$8,000 Boomers 6,000 4,000 2,000

Consumer credit cards 90+ days delinquent, quarterly 2.5 2.0 1.5 1.0 0.5

Sources: Federal Reserve Bank of New York (total debt); VantageScore Solutions (credit card balance); TransUnion (consumer credit cards)

But there are signs that millennials are overstretched. The average credit-card balance for millennial borrowers was about \$6,750 in January, up 26% from three years earlier,

according to credit-score provider VantageScore Solutions. Balances were little changed for Gen X, and fell between 11% and 15% for older genera-

balances for millennials rose more than they did for overall borrowers.

"We are seeing a 'credit gap' emerge in the sense that tions. Average personal-loan younger, less-affluent borrow-

ers are coming under financial pressure from higher living costs and inflation outpacing their income gains," said Silvio Tavares, chief executive of VantageScore.

${f Clobbered}$ With Wild Weather

By GINGER ADAMS OTIS

California was hit with rain, floods, blizzards and colder than-average temperatures over the weekend as the remnants of a powerful winter storm swept across the state.

Heavy snow and winds closed several roads in the California mountains, with some areas in the Sierra Nevada recording storm totals of up to 4 to 5 feet of snow, according to the National Weather Service.

Higher peaks in Southern California also got walloped, with Big Bear Lake recording a storm total of 66 inches. Nearby Snow Valley Mountain Resort in Running Springs, Calif., got between 75 to 84 inches over the course of the storm, the weather service said.

More snow will fall in the mountains of Central and Northern California in the next few days, according to the forecast, due to new weather approaching the systems

A steady rain lashed Southern and Central California on Saturday, bringing flash-flood warnings and forcing road closures, the weather service

Some areas had recorded 3 inches early Saturday and others got up to 9 inches of rainfall, according to Zack Taylor, a meteorologist with the weather service.

Many roads in areas of Southern California between Los Angeles and San Diego flooded when nearby creeks and rivers overran their banks. A few roads in the foothills north of Los Angeles were blocked by mud and debris sliding down surrounding mountainsides, he said.

California | Some Red States Eye Bans on Federal Gun Laws

By Shannon Najmabadi

DES MOINES, Iowa—A 2021 Missouri law banning law enforcement from enforcing federal gun laws has been chalin the courts, questioned by dozens of police chiefs. The law has failed to gain the backing of the National Rifle Association.

This year, it is being copied. Lawmakers in Iowa, Ohio, Georgia and other states are weighing nearly identical bills, despite criticism that such laws would be unconstitutional.

Supporters of the bills say they are meant to stop law enforcement from helping the federal government apply gun restrictions, citing as a concern a January rule that limits the use of pistol braces designed to stabilize pistols while firing.

Law-enforcement officers shouldn't have to do the government's "dirty work," be it enforcing vaccine requirements or the pistol brace rule, said Iowa state Rep. Jeff Shipley, the main sponsor of the legislation. He and other supporters also say the measure is a rejection of perceived federal overreach, and in the mold of cities that limit cooperation with federal immigration authori-

But the Second Amendment Preservation Act has far-reaching consequences. Opponents say it and bills like it are expansive enough to strip law enforcement of needed federal help and funding on a range of issues. Departments in Iowa could face minimum \$50,000 fines if they knowingly employ an officer who helps enforce

federal gun laws. In Missouri, residents who think their rights have been impugned can sue for \$50,000, too.

Marion County Sheriff Jason Sandholdt said it isn't clear what level of cooperation with the federal government is allowed. "Where's that line?" he asked. "Obviously, I'm very pro-gun. I'm a conservative Republican sheriff myself. But I still think that we have to have relationships." The Iowa State Sheriffs' and Deputies' Association is neutral on the legisla-

The bills' recent popularity stems in part from the start of the Biden presidency and pushback to pandemic restrictions. They also come amid a fringe movement to shrug off federal laws and oversight. Counties across the country have de-

clared themselves "Second Amendment sanctuaries" in recent years. Elected sheriffs have campaigned on not enforcing laws they deem unconstitutional.

The ideological underpinnings of the Missouri law appear in other legislation introduced this year. Missouri lawmakers may block state cooperation on federal red-flag gun proposals that remove firearms from those considered a danger to themselves or others. The bill could also cut off federal funding earmarked for crisis intervention programs.

The bills are among several measures meant to insulate states from a "federal government that most folks, particularly in red states, believe is completely out of control," said Missouri state Sen. Bill Eigel,

the Republican sponsor of the anti-red-flag law.

Recent efforts are backed by hard-line gun groups, like Iowa Gun Owners and the Missouri Firearms Coalition, which are connected to farright activists accused of using no-compromise rhetoric as a fundraising tactic. The Missouri law has been

challenged by the city of St. Louis, and Jackson and St. Louis counties. The U.S. Department of Justice separately sued the state of Missouri to overturn the law. Both cases are ongoing.

Missouri state Rep. Peter Merideth, a Democrat, is this year trying to roll back portions of the Missouri law, after a school shooting killed two people in his St. Louis district in October 2022.

Far From Derailment, Fears of Contamination Spread

By Elizabeth Findell

Weeks after a train derailment near the Ohio-Pennsylvania border left hazardous chemicals burning from railcars, fears of the potential impacts are being felt in places far from the accident.

Grocery chain Giant Eagle, with hundreds of stores in five states including Ohio and Pennsylvania, pulled bottled water off shelves out of an "abundance of caution" because it was bottled 25 miles from the derailment.

Two high-school basketball teams elsewhere in Ohio forfeited games rather than venturing to the region to play.

More than a thousand miles away, Houston-area politicians rushed to assure residents anxious about firefighting wastewater from the derailment site set for disposal in Texas.

The Feb. 3 derailment occurred when 38 Norfolk Southern Corp. railcars fell off the track in East Palestine, Ohio, some of those with hazardous



An EPA worker taking water samples in East Palestine last week.

materials catching fire. Three days later, the railroad burned vinvl chloride from five tanker cars to avert a potential explosion. The incident has raised concern from residents about the long-term health risks near and around the village of 4,700

The Environmental Protection Agency has said the region's air and drinking water are safe and that monitoring will continue. On Sunday, the EPA said Norfolk Southern could

resume removing hazardous materials from the derailment site, a day after saying it had asked the company to temporarily halt shipments until its plans could undergo a federal review.

Some of the reaction in re-

cent days to potential farreaching chemical impacts has come amid people raising concerns on social media. On Facebook, a handful of people posted questions about whether Giant Eagle water bottled south of East Palestine was

safe to drink. The grocery chain put out a statement Tuesday that it would pull water products bottled in Salineville, Ohio, about 25 miles from East Palestine, from store shelves.

The company said its water comes from a protected spring not near any affected groundwater sources and that thirdparty lab testing had revealed no abnormalities.

Marguerite Parker, a 66year-old retired nurse in Vermilion, Ohio, 100 miles west of the derailment, said she wasn't personally concerned until she saw a news report about Giant Eagle. She checked six gallons of water she had recently purchased and saw they had been bottled three days after the incident.

'Who would think it's going to reach out this far, the problems?" Ms. Parker said. "I'm not using that water."

Concerns about the air around East Palestine led two high-school basketball teams to decline to play games there or elsewhere in Columbiana

County, according to the Ohio High School Athletic Association. Teams from Beachwood and Bristolville forfeited endof-season tournament games.

In the Houston area, some residents of Deer Park, Texas, posted online that they were rattled to discover firefighting wastewater from the incident was headed to a hazardous waste disposal facility there.

Harris County Judge Lina Hidalgo, an elected executive. said Thursday that her office is researching the transportation and disposal of the water to make sure it meets regulations. Texas Molecular, the com-

pany handling the firefighting wastewater, has been disposing of similar hazardous water for over 40 years, said Jimmy Bracher, vice president of sales. "We are proud that our expertise, developed over many years, can help both the country and the environment recover from this tragic accident," he wrote in an email.

> -Catherine Lucey contributed to this article.

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U.S. NEWS



Sen. Tim Scott, above, at a county party dinner in West Des Moines, Iowa, on Wednesday. Below, Nikki Haley at a recent town hall.

Iowa Republicans Hoping for A Wide Range of Candidates

By John McCormick

WEST DES MOINES, Iowa-National polls on the 2024 Republican presidential primary race can imply it is a two-person contest between an announced candidate, former President Donald Trump, and someone expected to jump in later this year, Florida Gov. Ron DeSantis.

But the reality on the ground is more complex in the state that starts the GOP-nomination balloting in less than a year. Interviews with roughly a dozen Iowa Republicans suggest most are far from decided, with months of campaign visits and millions of dollars in advertising ahead.

Patti Parlee, a 64-year-old accountant from suburban Des Moines, said she was "pretty open" when it comes to the declared and prospective field. She favors Mr. Trump's policies but said she was "more intrigued by others," including South Carolina Sen. Tim Scott, the Senate's only Black Repub-

Mr. Scott, who is contemplating a bid, appeared in a packed hotel ballroom Wednesday in suburban Des Moines. He pitched an upbeat message that stressed unity over division and a renewal of American hope through conservative ideals.

Campaigning for the 2024 Iowa caucuses accelerated last week with visits from Mr. Scott as well as Nikki Haley, the former South Carolina governor and United Nations ambassador who formally en-

tered the race recently. "We're Iowa, so we go right out of one election and right into another one." Republican Gov. Kim Reynolds said ahead of her introduction of Mr. Scott at the dinner, in a reference to November's midterm election. We really are going to help America narrow the field."

Ms. Haley was the first major declared Republican candidate to travel to Iowa in this caucus cycle. Mr. Trump so far has bypassed Iowa since entering the race in mid-November and instead made appearances in New Hampshire and South Carolina, the second and third states, respectively, on the GOP nominating calendar.

"He will have to spend time here, like everyone else," said Steve Scheffler, a Republican National Committee member from Iowa who said he doesn't think the former president is guaranteed a strong showing in the 2024 caucuses.

Mr. Trump finished second in Iowa's 2016 caucuses, when the last competitive GOP primary was held.

Last week's Iowa visits follow one the previous week by former Vice President Mike Pence, who is also contemplating a 2024 bid. GOP activity in the state is expected to keep ramping up in the months leading up to the Iowa State Fair in August, a hotbed of political activity the summer before nomination voting starts.

Likely caucus attendees, who turned out in significant numbers at last week's political events, said they are in no rush to make decisions.

Jim Hubbartt, a 73-year-old retired grocer who supported Mr. Trump in the past, said he worries the former president has "a lot of baggage" that could hurt him in a general election. He is also concerned Mr. Trump could run as an independent if he fails to win the GOP nomination.

"I'm afraid the whole thing could go down the toilet," Mr. Hubbartt, a resident in a Des Moines suburb, said of GOP prospects in 2024.

Trump spokesman Steven Cheung didn't directly respond to the question of an independent candidacy when asked for comment.

"An overwhelming majority of polls show President Trump with significant and dominant leads both nationally and statewide," he said. "There is no one else who can generate enthusiasm and excitement

like" the former president. Melissa Tangen, a 57-yearold retired health insurance ex-

ecutive, said she is worried too many candidates will enter the race and divide up the opposition to Mr. Trump. "I'm glad there are more than Trump, but I don't want there to be too many," said Ms. Tangen, a Republican from suburban Des Moines.

The more candidates in the race, the more likely support may be splintered. That is what happened in the 2016 Republican primary, when Mr. Trump never won more than half of the vote in the first four nominating states.

Small-business owner Brian Schepper, 49, said he liked Messrs. Trump and DeSantis but would rather see the Florida governor stay put. "The United States needs to be run like a business, and Trump did that," he said.

Others, meanwhile, expressed more eagerness for Mr. DeSantis to enter the 2024

"Trump-DeSantis is my dream ticket," said Madonna Johnson, 70, who worked in insurance marketing and lives in suburban Des Moines. "He can be with Trump for one term and then take over from there with another two terms and we'd get three terms."

Mr. DeSantis held a weekend gathering of Republican donors, supporters and elected officials in Florida, a display of strength made just miles from Mr. Trump's Mar-a-Lago resort. The three-day retreat drew more than 150 people and also was a striking contrast with a small, candlelit dinner fundraiser Mr. Trump headlined at Mar-a-Lago on Thurs-

Democrats in 2024 will hold their first nominating contest in South Carolina.

-Alex Leary

Manchin Declines To Describe Himself As a Democrat

By Dustin Volz

WASHINGTON—West Virginia Sen. Joe Manchin declined to describe himself as a Democrat during a television interview on Sunday and didn't say if he is running for re-election, highlighting the challenges facing the party's thin majority in the Senate ahead of what is widely expected to be a tough mission to retain the chamber in 2024.

'I identify as an American," said Mr. Manchin when asked repeatedly during a Fox News appearance if he considered himself a Democrat. "I'm an American through and through.'

When asked if he would run for re-election in 2024, Mr. Manchin also demurred, replying: "My main concern is how do we bring this country together? How do we make it work? How do we make Democrats, Republicans become Americans again, and not just party affiliates?'

Mr. Manchin was often the decisive vote for or against Democratic legislation over the past two years. He blocked President Biden's "Build Back Better" social-spending plans, while ultimately agreeing to a smaller deal dubbed the Inflation Reduction Act that included tax increases on companies and new spending on climate and healthcare. A separate bill demanded by Mr. Manchin to speed up energy permitting has stalled in Con-

Mr. Manchin also helped block Democrats' effort to end the 60-vote filibuster threshold that applies to most legislation.

More recently, he indicated he is open to attaching spending cuts to a debt-ceiling increase in talks this year, putting him at odds with Democratic leaders who want the debt limit raised with no conditions attached. Republicans want deep spending cuts.

In the Fox News interview, Mr. Manchin defended votes that helped the party pass some of its top legislative priorities in the last Congress. He said he didn't regret voting last summer for the Inflation Reduction Act, calling it "the most transformative bill" passed since he has been a lawmaker.

Mr. Manchin has played up his independent streak and played down his membership in the Democratic Party in recent months, while saying he is no hurry to make a decision about his party affiliation. In an interview with CNN in

December, he said: "The bottom line is, I'm not changing how I vote. I'm not changing how I approach a problem," adding; "I'm on one team. I'm on the American team."

Democrats and independents who caucus with them

Senate. With Republicans now controlling the House, Senate Democrats have focused so far this year on confirming Mr. Biden's nominees rather than mounting major new legislative efforts.

Mr. Manchin hasn't said whether he is running for reelection in 2024 in West Virginia, where Republicans are hopeful they can pick up a Senate seat in a red state that voted for Donald Trump over Joe Biden by a 39-point margin in the last presidential election.

Boosting Democratic hopes of hanging on, Sen. Jon Tester said last week that he would seek re-election in 2024 in solidly conservative Montana.

Another Democrat in a state won by Mr. Trump, Ohio's Sen. Sherrod Brown, has said he would seek another term.

Senate Democrats and aligned independents are expected to defend 23 seats in 2024, compared with 11 for Republicans. Unlike in the House, where members are up for re-election every two years, senators are up every

Centrist Sen. Kyrsten Sinema's decision to register as an independent in December added to Democratic complications to retain their majority, as her state of Arizona

Mr. Manchin was often the decisive vote on Democratic legislation.

is viewed as another important contest next year. Ms. Sinema, like Mr. Manchin, was often a decisive vote in shaping legislation.

Ms. Sinema hasn't said whether she will run again either, but if she does, it will force national Democrats to choose whether to support her or a Democratic challenger in a potential three-way race with a Republican.



contributed to this article. have a 51-49 majority in the West Virginia Sen. Joe Manchin

Two Arizonans Show Push and Pull on GOP Speaker

By Eliza Collins

HEREFORD, Ariz.—Reps. Juan Ciscomani and Eli Crane both flipped Democrat-held seats in the 2022 midterm elections, helping Republicans eke out a small majority in the House. They live close to each other, and their children even attend the same school.

But the first-term Arizona lawmakers are now on opposite sides of an intraparty fight over the leadership of House Speaker Kevin McCarthy (R., Calif.). Mr. Ciscomani has embraced Mr. McCarthy, while Mr. Crane was the only freshman Republican not to vote for him in January's marathon balloting for speaker and believes conservatives should use their leverage to challenge GOP leaders.

Mr. Crane, 43, a tattooed veteran Navy SEAL whose business of bottle openers made from ammunition was featured on "Shark Tank," joined the conservative Freedom Caucus, Mr. Ciscomani, 40, a Mexico-born immigrant who advised Arizona's former GOP governor, has cast himself as a pro-business Republican open to deals with Democrats.

The split among two Arizona congressmen carries broader implications for the GOP.

With Republicans' narrow advantage, Mr. McCarthy needs to keep almost all Republicans on board to pass legislation on core items such as immigration, while also keeping a united front headed into contentious talks later this year with Democrats on federal spending and raising the country's borrowing limit. Mr. McCarthy will need the votes of all but four Republican members and is counting on allies such as Mr. Ciscomani as well as skeptics such as Mr. Crane to pass bills without Democratic support. "I believe in his vision" Mr. Ciscomani said. "He can and has been bringing our caucus together."

Mr. Crane said each member now has the power to shape or \bar{a} stop legislation because of the GOP's weaker-than-expected midterm results. Not getting a "red wave" of Republican wins in the House "turned out to be

a blessing in disguise," he said. Mr. McCarthy recently traveled to Mr. Ciscomani's district to highlight border issues and criticize the Biden administration for what Republicans say has been lax enforcement. Ian Sams, a spokesman for the White House, said ahead of the visit that administration policies are now serving to de-



New Republican congressmen Eli Crane, left, and Juan Ciscomani take different tacks on the speaker. crease border-crossing numbers Crane's absence at the border. party's ideological wings ha-

Mr. McCarthy was joined by Mr. Ciscomani as well as three other GOP lawmakers from competitive districts around the country. Mr. Crane didn't attend and said he wasn't invited, instead meeting with constituents in his district. "We only had a number of seats of the helicopter," Mr.

McCarthy said in explaining Mr.

Republicans

accused

of partisan stunts.

He said there were no hard feelings between the two.

Mr. McCarthy will return to Washington this week with Republicans' legislative plans still unsettled, which Democrats have cast as a sign of continued disunity. In the speaker fight, holdouts secured concessions including a commitment to bring up legislation that would bolster border security and limit asylum. But so far, the ven't agreed on a proposal.

Responding to reporters during his border visit, Mr. McCarthy dismissed the significance of any delay and said Republicans were taking their time to put forward the most effective policy.

Since entering office, Mr. Ciscomani has worked as a surrogate for Mr. McCarthy, and gave one of the nominating speeches during 15 rounds of voting. He

is the only House freshman of either party chosen as a member of the Appropriations Committee, which allocates government spending. Mr. Ciscomani said he and Mr. Crane were both conservative Republicans with the same goals. "Obviously we may have different methods to get there sometimes, but there's no animosity between us at all," he said.

Mr. Crane took a different approach. He was the only freshman Republican to never vote for Mr. McCarthy. After 14 rounds of voting no, six Republicans including Mr. Crane voted "present" in the 15th round to let Mr. McCarthy secure the speakership in exchange for commitments to boost the right flank's agenda.

Two days after Mr. Ciscomani's border trip, Mr. Crane joined several prominent Arizona conservatives at a pro-gun rally in Phoenix, including fellow Arizona congressmen and McCarthy critics Paul Gosar and Andy Biggs. Mr. Crane says his political beliefs largely align with the two lawmakers.

Mr. Crane said in an interview that he expected the debt ceiling to be "the next big battle" within the party.

-Alicia Caldwell contributed to this article.

New Tack on Kids' Diets: Fewer Limits on Sweets

By Sarah Toy

Crystal Karges celebrated her youngest daughter's 5th birthday last month with a gooey chocolate cake covered in white frosting and rainbow sprinkles. The next morning, she served her five children the leftover slices at breakfast alongside fruit, eggs, sausage and milk.

Ms. Karges is among parents, dietitians and doctors who advocate giving kids more freedom over what they eat including, at times, high-sugar, high-fat and highly processed foods. They said the approach helps children develop healthy dietary habits and protects against disordered eating—or dysfunctional eating behaviors—which

affect more than 20% of children globally, according to a recent meta-analysis in the journal JAMA Pediatrics.

"We are trying to control our kids when in reality, they need autonomy," Ms. Karges, who is a dietitian in San Diego, said.

Ms. Karges and her peers are pushing back against guidance from some pediatricians and public-health officials that they say is too prescriptive and risks fostering harmful eating habits. The Centers for Disease Control and Prevention recommends a diet rich in vegetables, fruit, whole grains and protein, while limiting the calories kids get from solid fats, added sugars and sodium. The American Academy of Pediatrics in Janu-

ary recommended that physicians offer weight-loss drugs to children with obesity, which is linked to many health problems in early life and adulthood.

"The reality is that weight is highly associated with a number of co-morbidities. Weight loss can improve them," said Sarah Hampl, a lead author of the guidelines and a pediatrician at Children's Mercy Kansas City in Missouri.

About a fifth of children in the U.S. are obese, according to the CDC. The rate of increase in body-mass index, a screening tool doctors use to measure excess fat, more than doubled among kids during the pandemic. Many children aren't eating enough vegetables and

fruit and have sugary drinks regularly, according to the CDC. Diets high in sugar and transand-saturated fats contribute to obesity, research has shown, which is linked to cardiovascular problems, diabetes and other conditions.

"Sometimes kids need some external help in saying, 'OK, you know, that's probably enough," said Claudia Fox, a pediatrician and co-director of the Center for Pediatric Obesity Medicine at the University of Minnesota Medical School.

But restricting appetizing foods has been linked in some studies to weight gain and higher body-mass index in kids. Some researchers think children with restrictive diets don't develop the ability to recognize hunger and satiety, the state of feeling full. They often eat in the absence of hunger, similar to overweight adults, because those foods become a forbidden temptation.

Proponents of more-permissive eating said parents shouldn't consider weight when deciding what to feed their children. "It's incredibly traumatic for a child to be given the information that because of their body size or the way they look, or their weight, they can't be trusted with food," said Sumner Brooks, a dietitian and co-author of "How to Raise an Intuitive Eater: Raising the Next Generation with Food and Body Confidence."

Diana Rice, a dietitian in Oklahoma City, said that eventually, even sweets-loving children will tire of junk food and gravitate toward fruits and vegetables, she said.

"We have to trust children to meet their biological needs," Ms. Rice said.

That doesn't mean parents should give into kids' every whim, she said. Parents should take the lead in planning, preparing and serving meals but incorporate children's preferences, she said. Ms. Rice said she tells clients to allow kids to eat as much as they want at a meal and encourages parents with kids fixated on sweets to serve dessert alongside main meals rather than afterward.

'Dilbert' Axed After Racist Rant by Cartoonist

By GINGER ADAMS OTIS

Multiple newspapers around the U.S. dropped Scott Adams's long-running "Dilbert" comic strip after the cartoonist called Black Americans a "hate group" in a racist rant he posted online.

The USA Today Network, Cleveland's Plain Dealer, the San Antonio Express-News, the Washington Post and other publications all said they would stop publishing "Dilbert," which has poked fun at corporate drudgery for decades.

Mr. Adams, 65 years old, on Saturday declined to comment and said he isn't doing interviews.

The former financial manager turned cartoonist made his comments on Wednesday in response to a Rasmussen Poll that said a small majority of Black Americans agreed with the statement "It's OK to be White."

Mr. Adams said, among other things, that white people should stay away from Black Americans.

"If nearly half of all Blacks are not OK with white people ... that's a hate group," Mr. Ad-

Scott Adams also called the U.S. 'a thoroughly racist society.'

ams said at one point in the video. "I don't want to have anything to do with them. And I would say, based on the current way things are going, the best advice I would give to white people is to get the hell away from Black people ... because there is no fixing this."

Soon thereafter, newspapers began announcing they were dropping "Dilbert."

On Friday, Chris Quinn, the vice president of content for Advance Ohio, which publishes the Plain Dealer, said the decision wasn't difficult. "We are not a home for those who espouse racism. We certainly do not want to provide them with financial support," Mr. Quinn wrote.

Gannett Co. also said that the USA Today Network, which includes more than 200 newspapers, had dropped the strip. "Recent discriminatory comments by the creator, Scott Adams, have influenced our decision to discontinue publishing his comic. While we respect and encourage free speech, his views do not align with our editorial or business values as an organization," the statement said.

Similar statements came from the San Antonio Express-News, the Washington Post, the Philadelphia Inquirer and the Los Angeles Times on Saturday.

Mr. Adams addressed the outrage several times. In a post on Friday, he called the U.S. "a thoroughly racist society" and said people had misunderstood the context of his remarks. "I'm accepting criticism from anyone who has seen the full context here. The rest of you are in a fake news bubble but I trust you suspected that," he posted on Twitter Sunday.



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Special Counsel Investigation Of Trump Nears Next Phase

WASHINGTON—The special counsel investigating former President Donald Trump appears to have reached the advanced stages of his sweeping inquiry after a flurry of aggressive steps in recent weeks, some of which have set the stage for court fights that could take months to resolve.

> By C. Ryan Barber, Sadie Gurman and Aruna Viswanatha

In recent days, special counsel Jack Smith's office asked a federal judge to override Mr. Trump's assertion of executive privilege to shield former Vice President Mike Pence from testifying before a grand jury about the former president's efforts to stay in office after his 2020 election loss, people familiar with the effort said. Mr. Pence has vowed to mount a challenge to the subpoena and take it as far as the Supreme Court.

Mr. Pence's subpoena followed a similar demand for former White House chief of staff Mark Meadows to produce documents and testify before a grand jury as part of the investigation into efforts to keep Mr. Trump in power. Just as he did with Mr. Pence. Mr. Trump has asserted executive privilege with Mr. Meadows in connection with his subpoena.

"In a typical case, these top-level, inner-circle people are some of the last people you'd expect to be subpoenaed," said Randall Eliason, a former public-corruption prosecutor who now teaches criminal law at George Washington University.

"You don't talk to them at the beginning of the investigation, because you don't know enough yet. Just looking at that, when I see subpoenas to the highest-level inner-circle people, that makes me think they're close to wrapping up," he added.

A spokesman for the special counsel's office declined to comment. A spokesman for Mr. Trump didn't respond to a request for comment.

It isn't clear when or even whether the special counsel's activity will result in indictments. Even if no charges are brought. Mr. Smith is expected to outline his findings in a final report. Questions directed at some of those testifying have been wide-ranging, leading some of them to come away thinking Mr. Smith's team was more interested in gathering details for a report rather than for any specific indictment, people familiar with questioning said.

Beyond his scrutiny of Mr. Trump's efforts to cling to power, Mr. Smith is separately examining the handling of classified records at the former president's South Florida estate, Mar-a-Lago.

Last month, at least three lawyers for Mr. Trump appeared before a grand jury in the investigation into the cache of classified documents kept at the residence. Among them was Evan Corcoran, a

lawyer who handled Mr. Trump's responses to government requests for the return documents.

A lawyer for Mr. Trump, Timothy Parlatore, said: "The only reason to focus on the lawyers is where you don't have a solid underlying case."

Ahead of his grand-jury appearance in January, Mr. Corcoran retained a lawyer, Michael Levy, who previously represented current and former Enron executives during the investigation into the company's collapse. Messrs. Corcoran and Levy worked to-gether in the 1990s as federal prosecutors in Washington.

After Mr. Corcoran cited attorney-client privilege in declining to answer some questions before the grand jury, prosecutors asked Judge Howell to invoke the crime-fraud exception to bypass that privilege and extract more testi-

The exception applies in instances where there is reason to believe legal advice has



Special counsel Jack Smith at a war-crimes tribunal in 2020.

been used in furtherance of a crime. The move to invoke the crime-fraud exception suggests that federal prosecutors suspect that Mr. Trump or his allies used Mr. Corcoran's services in such a way.

Mr. Corcoran's grand-jury testimony followed an appearance by another Trump lawyer, Christina Bobb, who signed a statement in June attesting that all documents requested by a subpoena to the former president had been turned over to the Justice Department. Two months after that sworn statement, on Aug. 8, a court-authorized FBI search uncovered a trove of additional materials bearing classified markings.

In an autumn interview with federal investigators, Ms. Bobb said Mr. Corcoran assured her that he conducted a thorough search of Mar-a-Lago before he asked her to certify that all records requested by a subpoena had been returned, The Wall Street Journal reported.

Ms. Bobb didn't respond to a request for comment.

FROM PAGE ONE

DOE Ties Lab Leak To Covid

Continued from Page One

The FBI previously came to the conclusion that the pandemic was likely the result of a lab leak in 2021 with "moderate confidence" and still holds to this view.

The FBI employs a cadre of microbiologists, immunologists and other scientists and is supported by the National Bioforensic Analysis Center, which was established at Fort Detrick, Md., in 2004 to analvze anthrax and other possible biological threats.

Clashing opinions

U.S. officials declined to give details on the fresh intelligence and analysis that led the Energy Department to change its position. They added that while the Energy Department and the FBI each say an unintended lab leak is most likely, they arrived at those conclusions for different reasons.

The updated document underscores how intelligence officials are still putting together the pieces on how Covid-19 emerged. More than one million Americans have died in the pandemic that began more



The Wuhan Institute of Virology, which is at the center of China's coronavirus research, is also in the city where the pandemic emerged.

than three years ago.

The National Intelligence Council, which conducts longterm strategic analysis, and four agencies, which officials declined to identify, still assess with "low confidence" that the virus came about through natural transmission from an infected animal, according to the updated report.

The Central Intelligence

officials wouldn't name remain undecided between the lab-leak and natural-transmission theories, the people who have read the classified report said.

Despite the agencies' differing analyses, the update reaffirmed an existing consensus between them that Covid-19 wasn't the result of a Chinese biological-weapons program, the people who have read the classified report said.

A senior U.S. intelligence official confirmed that the intelligence community had conducted the update, whose existence hasn't previously been reported. This official said that it was done in light of new intelligence, further study of academic literature and consultation with experts outside government.

The update, which is less than five pages, wasn't requested by Congress. But lawmakers, particularly House and Senate Republicans, are pursuing their own investigations into the origins of the pandemic and are pressing the Biden administration and the intelligence community for more information.

Officials didn't say if an unclassified version of the update would be issued.

U.S. national security adviser Jake Sullivan declined to confirm or deny The Wall Street Journal's reporting during an appearance Sunday on CNN. Mr. Sullivan said President Biden had repeatedly directed every part of the intelligence community to invest in trying to discern as much as possible about the origins of the pandemic.

"President Biden specifically requested that the national labs, which are part of the Energy Department, be brought into this assessment because he wants to put every tool at use to be able to figure out what happened here," Mr. Sullivan said.

There are a "variety of views in the intelligence community," Mr. Sullivan said. "A number of them have said

Agency and another agency that they just don't have enough re-examine what we know and information.

> Asked about the Energy Department's assessment, Sen. Dan Sullivan (R., Alaska) said Sunday on NBC that Congress needed to hold extensive hearings concerning the origins of the pandemic, adding that China has sought to intimidate other countries from questioning whether the virus emerged naturally. "This is a country that has no problem coming out and lying to the world," he said.

> The Covid-19 virus first circulated in Wuhan, China, no later than November 2019, according to the U.S. 2021 intelligence report. The pandemic's origin has been the subject of vigorous debate among academics, intelligence experts and lawmakers.

> Four other agencies and an intelligence panel assess the virus spread naturally.

The emergence of the pandemic heightened tensions between the U.S. and China, which U.S. officials alleged was withholding information about the outbreak. It also led to a spirited and at times partisan debate in the U.S. about its origin. At first, the dominant view was that the virus likely arose naturally when a human was infected by an animal, as had happened in the past. But as time elapsed and no animal host was found. there has been greater focus on coronavirus research in Wuhan and the potential for an accidental laboratory leak.

David Relman, a Stanford University microbiologist who has argued for a dispassionate investigation into the pandemic's beginnings, welcomed word of the updated findings.

"Kudos to those who are willing to set aside their preconceptions and objectively

don't know about Covid origins," said Dr. Relman, who has served on several federal scientific-advisory boards. "My plea is that we not accept an incomplete answer or give up because of political expediency."

The FBI declined to comment.

China, which has placed limits on investigations by the World Health Organization, has disputed that the virus could have leaked from one of its labs and has suggested it emerged outside China.

The Chinese government didn't respond to requests for comment about whether there has been any change in its views on the origins of Covid-19.

Some scientists argue that the virus probably emerged naturally and leapt from an animal to a human, the same pathway for outbreaks of previously unknown pathogens.

Intelligence analysts who have supported that view give weight to "the precedent of past novel infectious disease outbreaks having zoonotic origins," the flourishing trade in a diverse set of animals that are susceptible to such infections, and their conclusion that Chinese officials didn't have foreknowledge of the virus, the 2021 report said.

Yet no confirmed animal source for Covid-19 has been identified. The lack of an animal source, and the fact that Wuhan is the center of China's extensive coronavirus research, has led some scientists and U.S. officials to argue that a lab leak is the best explanation for the pandemic's beginning.

U.S. State Department cables written in 2018 and internal Chinese documents show that there were persistent concerns about China's biosafety procedures, which have been cited by proponents of the lab-leak hypothesis.

Wuhan is home to an array of laboratories, many of which were built or expanded as a re-

sult of China's traumatic experience with the initial severe acute respiratory syndrome, or SARS, epidemic beginning in 2002. They include campuses of the Wuhan Institute of Virology, the Chinese Center for Disease Control and Prevention, and the Wuhan Institute of Biological Products, which produces vaccines.

An outbreak at a seafood market in Wuhan had initially been thought to be the source of the virus, but some scientists and Chinese public-health officials now see it as an example of community spread rather than the place where the first human infection occurred, the 2021 intelligence community report said.

In May 2021, Mr. Biden, a Democrat, told the intelligence community to step up its efforts to investigate the origins of Covid-19 and directed that the review draw on work by the U.S.'s national laboratories and other agencies. Congress, he said, would be kept informed of that effort.

The October 2021 report said that there was a consensus that Covid-19 wasn't the result of a Chinese biologicalweapons program. But it didn't settle the debate over whether it resulted from a lab leak or came from an animal. saying that more information was needed from the Chinese authorities.

Sick researchers

The U.S. intelligence community is made up of 18 agencies, including offices at the Energy, State and Treasury departments. Eight of them participated in the Covid-origins review, along with the National Intelligence Council.

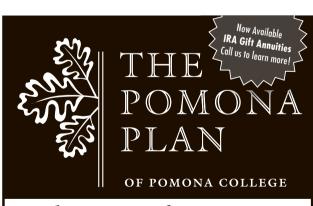
Before that report, the Energy Department's Lawrence Livermore National Laboratory prepared a study in May 2020 concluding that a lab-leak hvpothesis was plausible and deserved further investigation.

The debate over whether Covid-19 might have escaped from a laboratory has been fueled by U.S. intelligence that three researchers from the Wuhan Institute of Virology became sick enough in November 2019 that they sought hospital care.

A House Intelligence Committee report concluded last year that this disclosure didn't strengthen either the lab-leak or the natural-origin theory as the researchers might have become sick with a seasonal flu. But some former U.S. officials said the sick researchers were involved in coronavirus research.

Lawmakers have sought to find out more about why the FBI assesses a lab leak was likely. In an Aug. 1 letter to FBI Director Christopher Wray, Sen. Roger Marshall, a Kansas Republican, requested that the FBI share the records of its investigation and asked if the bureau had briefed Mr. Biden on its findings.

In a Nov. 18 letter, FBI Assistant Director Jill Tyson said the agency couldn't share those details because of Justice Department policy on preserving "the integrity of ongoing investigations."



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Kyiv Counters Wagner's Claims of Gains

Russian forces have sought to surround Bakhmut, site of some of war's fiercest battles

By Matthew Luxmoore

Kyiv countered Russian claims to have taken further territory around Bakhmut as Russia seeks to surround the eastern city, which Ukraine's military has defended against onslaughts for months.

The Wagner Group paramilitary force fighting alongside Russia's regular army in Ukraine on Saturday said it had secured control of Yahidne to the northwest of Bakhmut. The press service of Wagner founder Yevgeny Prigozhin posted an image appearing to show Wagner fighters beside a sign marking the entrance to the village, and Mr. Prigozhin said the village had been taken.

On Sunday morning, the General Staff of Ukraine's armed forces appeared to deny the claims, without specifically commenting on the photograph posted by Wagner. It named Yahidne as one of six settlements, including Bakhmut, where Russia carried out unsuccessful offensives over the past 24 hours.

Control of Yahidne by Russia would put further pressure on Ukrainian forces defending Bakhmut in the face of a gradual Russian advance aimed at surrounding the city from the north, south and east, at a heavy cost to its military and Wagner's army of convict-recruits and mercenaries.

Ukrainian soldiers in the city, which is pounded daily by Russian artillery and where some 5,000 civilians still remain, spend much of their time seeking shelter in basements in between missions to man positions in the eastern districts, just a few hundred meters from Russian troops. Block-toblock combat is commonplace, with both sides suffering heavy casualties in the process.

Ukrainian and Western officials had warned of a major



A woman walked on Sunday through wintry conditions near Bakhmut, the eastern Ukrainian city that Russian forces have tried to capture for months

Russian offensive in the east during the buildup to the first anniversary of Russia's invasion of Ukraine last week, but no major Russian breakthrough materialized. Instead, Ukraine has continued to probe Russian positions and reinforce its lines of defense as it urges the West to provide more arms and prepares for its own offensive in the spring.

Maj. Gen. Vadym Skibitsky, deputy head of Ukraine's military intelligence, said in an interview with German media on Sunday that a Ukrainian spring offensive will likely include an attempt to push into Russianheld territory in the south, slicing through a land bridge that Russia carved out of Ukraine early in the war.

Maj. Gen. Skibitsky said the campaign would likely involve Ukrainian strikes on ammunition warehouses inside Russian territory, including in Belgorod region, from where many attacks on Ukraine are launched. 'We will only stop when we bring our country back to the borders of 1991," he said, referring to the year the Soviet Union collapsed and Ukraine gained independence.

A southward thrust by Ukraine, threatening territory Russia has shored up with several lines of fortifications, would put pressure on Russia's control of Crimea, the peninsula it annexed from Ukraine in 2014 and has since used as a staging ground for attacks on Ukraine. Ukraine's military on Sunday said Russia was building further fortifications in Crimea, bringing in dozens of conscripts to carry out the work.

Ukrainian President Volodymyr Zelensky has insisted from the outset of the war that Ukraine won't stop fighting until it regains all the land it has lost to Russia since 2014. He reiterated that on Sunday in a social-media post marking the ninth anniversary of the start of Russia's military intervention in Crimea.

By returning Crimea, we will restore peace," he said. "This is our land. Our people. Our history. We will return the Ukrainian flag to every corner of Ukraine."

Watch a Video



Scan this code for a video on how the defense supply chain affects Ukraine

Belarus President Plans to Visit China

Alexander Lukashenko, the leader of staunch Russian ally Belarus, is expected to visit China this week for talks with top officials in Beijing between Feb. 28 and March 3.

The trip comes amid a flurry of diplomacy around the anniversary of the Ukraine war. China's top diplomat, Wang Yi, visited Russia this week, around the same time as President Biden made a surprise trip to Kyiv.

The visits also come as tension grows over the possibility of increased Chinese involvement in the war. U.S. officials say China is considering supplying Moscow with artillery, drones and possibly other weapons to help Russian forces stave off an expected Ukrainian counteroffensive. Beijing has responded by saying the U.S. and its allies are the biggest sources of weapons flowing to the battlefield.

Jake Sullivan, President Biden's national-security adviser, said on Sunday during an appearance on CNN that the U.S. had made clear to Beijing through private, high-level communication channels that there would be severe consequences if China goes through with providing arms to Russia. He declined to share what those consequences would be. —Dustin Volz

Russians Flock to Argentina

Continued from Page One ing a baby any day now.

"It's a ticket for the whole family to be safe from the government in Russia." she said. referring to Moscow's increasing crackdown on dissent.

Argentine migration data show that as of mid-February, nearly 11,000 Russian women and about 11,400 men have arrived here since the beginning of 2022. There is no precise data on how many of the Russian women were pregnant, though Argentine migration and hospital officials said increasing numbers are arriving in the third trimester of pregnancy. Russians don't need a visa to enter Argentina.

With the temporary residency, parents can begin the process to gain citizenship, migration authorities said. An Argentine passport can be obtained in as little as two years, immigration lawyers and migration officials said, and gives the holder the ability to travel visa-free to Europe,

which Russians can't do. "You wait only two years for the whole family to get a passport, it's crazy," said Asya Davydova, 40, who arrived in December with her then-boyfriend and is expecting a baby in May. "We chose Argentina because it was the easiest country for my baby to get another passport."

Ms. Davydova and other new arrivals said they feel welcomed. Argentina has historically been a destination for emigrants from Europe and more recently from Bolivia, Paraguay and Venezuela.

Since the war started, hundreds of thousands of Russians, many of them young professionals, have fled to neighboring nations and distant continents. In Argentina, Florencia Carignano, director of migration for the government, told a group of foreign reporters in a recorded briefing that many new arrivals are women in advanced stages of pregnancy.

"You can see it in the flights that have been coming. More



Polina Schteiner, from Moscow, plans to give birth in Buenos Aires.

and more pregnant Russians arriving," she said. In January, more than 4,500 Russians arrived in Argentina, compared with just over 1,000 in the same year-earlier month.

Many take the daily Ethiopian Airlines flight that originates in Moscow, stopping in Addis Ababa and São Paulo before landing in Buenos Aires considered a relatively inexpensive route at around \$2,500. They usually buy a round-trip ticket but don't use the return.

On Feb. 9, 33 young Russians in advanced stages of pregnancy arrived on that flight, Ms. Carignano told a local radio station. Two days later, another 83 passengers, 16 of them pregnant Russian women, arrived via the same route, she said.

The Russian Embassy in Argentina didn't respond to requests for comment.

One couple in their 30s arrived earlier this month and expect a baby in April. The two said they didn't want to raise a child in Russia, but being in Argentina hasn't been easy. They don't speak Spanish, and they have been living in an Airbnb rental. The muggy heat of Buenos Aires this time of year was also a shock.

"I cried because I wasn't just leaving the country, but leaving my old life and beginning a new life halfway around the world," the woman said.

The Buenos Aires Health Ministry said at its busiest public hospital, the Fernández Hospital, 85 of the 985 births last year, or 8.6%, were to Russian women. This year through Feb. 14. 38 of the 168 births, or 22.6%, have been babies born to Russian women. At the private Finochietto Hospital, doctors delivered 50 Russian babies in December of the total 180 births recorded, said Dr. Guido Manrique, chief of obstetrics.

"Since the middle of 2022, the number of pregnant Russians has been growing," he

Those who want to come to Argentina can pay for advice by contracting agencies like RuArgentina, which on its website calls Argentina "the best country to give birth." Run by Kirill Makoveev, a

Russian who has been living in Buenos Aires for eight years, RuArgentina serves affluent Russians willing to pay up to \$15,000 for advice on giving birth and settling in Argentina. "We are full with clients until May," Mr. Makoveev said.

Most Russians, though, seem to have found out about Argentina through the Telegram messaging app. Argentina's runaway inflation and its troubled economic history haven't stifled interest.

For some Russian men, coming to Argentina was an easy decision in the face of a mobilization as the Kremlin's military sought to throw more soldiers into the fighting in Ukraine. "We came mostly to get away from the war because I was at the risk of getting drafted and we don't support this terrible aggression," said Alexander Nechaev, 28.

Ms. Schteiner and her husband, for now, have settled in a small apartment. He works remotely as a financial analyst. Though she misses family back in Russia, Ms. Schteiner said she has felt at home.

"I'm in a country where people get together, where they sing, dance in the street," she said. "For me, Argentina is a real pleasure. It's freedom."

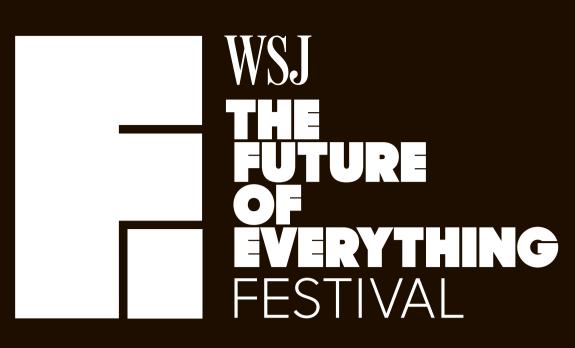


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North Africa Steps In to Fill EU Hits Shipper With Sanctions The European Union im- its tankers and LNG carriers to

By WILL HORNER

With Russia cut off from the European market, North African countries have stepped forward to become voracious buyers of its diesel and other refined oil products.

The rise in trade has offered a lifeline of sorts for Moscow, providing a healthy new revenue stream, but also raised concerns about whether it is undermining Western efforts to remove Russian fossil fuels from their economies.

European nations, which before the war accounted for around 60% of Russian refined oil-product exports, have curtailed those flows in recent months. A European Union ban on imports of Russian refined oil products—which includes diesel and gasoline among others-came into force this month alongside measures to cap the price Russia earns on sales elsewhere. Those measures follow similar sanctions on Russian crude oil imports in December.

The sanctions have largely worked as intended, The Wall Street Journal reported on Thursday, but have forced Moscow to redirect exports away from Europe to alternative markets.

North African countries picked up the slack.

Morocco's imports of Russian diesel, which stood at around 600,000 barrels for the whole of 2021, surged to 2 million barrels in January, with at least a further 1.2 million barrels expected to arrive in the country in February, according to data from Kpler. Algeria and Egypt have also seen an uptick.

Tunisia, which similarly imported almost no Russian oil products in 2021, has in recent months been devouring Russian supplies of diesel, gasoil, gasoline and naphtha—which is commonly used to make chemicals and plastics. The country took 2.8 million bar-



The rise in trade has offered Moscow a lifeline of sorts. Above, a tanker in Novorossiysk, Russia

January and is expected to import another 3.1 million barrels this month.

The increased imports to Tunisia and Morocco coincided with an uptick in their own refined-product exports, raising concerns that Russian cargoes were being blended with other oil products and re-exported. That process disguises the ultimate origin of the products and complicates Western efforts to remove Russian fossil fuels from their economies.

"Even if you wanted to regulate that, how would you?" said Andreas Economou, head of oil research at The Oxford Institute for Energy Studies. "If a cargo is 51% from Morocco, 49% from Russia, how would you referee that?"

The shipments occurred before Feb. 5, when the latest round of sanctions on trading became effective, so there were no laws against re-exporting Russian oil products at the time. Still, they point to the headache that European nations face in trying to keep their imports free of Russian diesel and other oil products.

me, we are not witnessing some renaissance in Maghrebi refining," he said, referring to the region of North Africa.

Morocco, which has no previous record of any significant diesel exports, in January shipped a 280,000-barrel cargo of diesel to Spain's Canary Islands and another 270,000-barrel cargo to Turkey which coincided with the influx of Russian diesel to Morocco. The ultimate origin of those diesel cargoes couldn't be determined.

The oil ministries for Morocco and Tunisia didn't respond to requests for com-

This month, just after the new sanctions went into effect, Spain said it had turned away Maersk Tankers A/S-controlled vessel from its port of Tarragona as it believed its cargo of diesel, some of which was loaded via a ship-to-ship transfer in the Mediterranean, originally came from Russia.

Maersk Tankers said it had conducted a full sanctions check on the diesel and documentation showed it was from

posed sanctions on a Dubaibased subsidiary of Russia's state-owned shipping giant, the first time it has used new powers to hit foreign-based entities that help Moscow circumvent Western restrictions.

> By Anna Hirtenstein, Costas Paris and Laurence Norman

The sanctions target Sun Ship Management, the manager of dozens of oil tankers that ferry Russian oil and natural gas around the world. The new sanctions include an EU asset freeze and ban on financing the company, which the EU said is part of government-controlled shipping company Sovcomflot.

The move against Sun Ship was part of the latest package of measures detailed over recent days from the EU, U.K. and U.S. The measures seek to close loopholes in previous rounds of sanctions. The EU and the U.S. imposed sanctions on Sovcomflot last February in the first days of the war.

Sun Ship's services help bring in more than 70% of Russia's energy revenue, which enables the Kremlin to finance its war in Ukraine, according to the EU's official journal published on Saturday.

"Sun Ship has been operating as one of the key companies managing and operating the maritime transport of Russian oil," the EU said. "The Russian Federation is the ultimate beneficiary.'

Sun Ship and Sovcomflot didn't respond to a request for comment.

The move against Sun Ship uses powers the EU adopted previously to go after people or companies who knowingly help Russia breach the sanctions.

Sovcomflot set up Sun Ship in Dubai in 2012. The subsidiarv was called SCF Ship Management (Dubai) until July. In April 2022, Sovcomflot transferred management of 92 of its tankers and LNG carriers to Sun Ship, according to senior Russian shipping executives with knowledge of the deal.

Dubai, part of the United Arab Emirates, has emerged as a significant hub for Russian business activity in the wake of the Ukraine invasion. Thousands of Russian nationals and Russian businesses have relocated to the Middle Eastern city. International commodity trading and shipping companies moved staff to Dubai from Europe and Singapore to facilitate dealings with Russia.

U.S. authorities last week imposed sanctions on MTS Bank, a Russian lender that opened a bank in the U.A.E. last year. It received a license from the Central Bank of the U.A.E. last year.

The move against Sun Ship and other offshore entities is the start of a broader campaign to keep Russia from finding offshore workarounds to sanctions.

The Dubai unit of Sovcomflot was accused of helping Moscow skirt curbs.

"They're effectively trying to cut off the corporate mechanisms utilized by Russia to try to continue its operations," said Zia Ullah, a partner and head of corporate crime and investigations at law firm Eversheds Sutherland.

Unless Sun's vessels travel

to EU ports, they may not be breaking the trade bloc's new sanctions. But the new measures are aimed at making it more difficult and expensive for Sovcomflot to operate. The West has tried to balance the need to restrict the money Russia earns from energy exports, while allowing Russian and oil and gas to reach global markets and to keep prices low.

rels of Russian oil products in **North African imports** of Russian oil products, millions of barrels Algeria Egypt Tunisia

Note: Feb. 2023 figures include cargos enroute If the trend continues, it

2022

could also hurt the West's goal to deprive Moscow of income for its war in Ukraine, some analysts say.

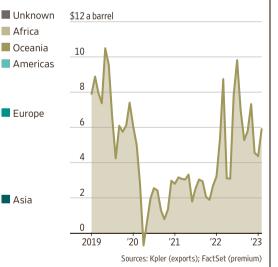
The quantities North African countries are importing are too much for them to take on their own, said Viktor Katona, senior oil analyst at Kpler, who expects some of the Russian products to make their way back to Europe. "Trust

U.S. crude exports by destination*

4.0 million barrels a day

Africa Oceania Americas Europe 0.5 2019 20 '22 *Monthly averages

Price premium/discount of Brent to WTI crude oil*



Europe Lifts Crude Purchases From U.S., Invigorating Sector

By David Uberti AND BOB HENDERSON

A year of war in Ukraine is revitalizing U.S. oil exports as a source of financial influence and geopolitical power.

As the West has shunned most Russian energy, unleashing a pressure campaign against the Kremlin's petroleum revenue, record U.S. crude exports have helped fill the gap in Europe with the oil needed to produce gasoline, diesel and jet fuel. Since February 2022, when

Russia invaded Ukraine, average monthly seaborne cargoes to the continent jumped 38% compared with the previous 12-month period, according to ship-tracking firm Kpler.

A fleet of skyscraper-size tankers carried more crude to Germany. France and Italy the European Union's largest economies—as well as Spain, which alone boosted purchases by about 88% over the period.

The pull of oil shipments from the Gulf Coast to Europe, which Kpler pegged at 1.53 million barrels a day in Januarv. has in recent months made the continent a larger destination for U.S. crude than

marks the latest milestone in the revival of U.S. oil production after years of dwindling market clout.

Petroleum exports supported Allied countries during both world wars, but output then slid, along with the country's sway over global markets.

Now, the shale boom in hydraulic fracturing and horizontal drilling has made the U.S. a major producer again, tapping gushers of fossil fuels ready for delivery to destinations opened by the Ukraine conflict.

U.S. natural-gas shipments to Europe more than doubled last year, according to the White House, cushioning the continent's households and manufacturers after Russia throttled supplies.

Some analysts say surging U.S. crude production helped calm markets as the West restricted most Russian exports with bans and novel price caps in recent months.

"America is back in the most predominant position it has been in world energy since the 1950s," said Daniel Yergin, an energy historian and vice chairman of S&P Global. "U.S. energy now is becoming one of the foundations of European energy security."

With oil, a widening price The growth in exports gap between European and

U.S. crude has turned trans-Atlantic shipments into a lucrative proposition for oil traders and, increasingly, speculators.

Production at North Sea oil fields between the U.K. and Norway has long tapered. buoying the Brent benchmark seen by investors as a global price gauge.

At the same time, U.S. drillers produced a near-record 11.9 million barrels a day in 2022, according to the Energy Information Administration, which projects records this vear and next.

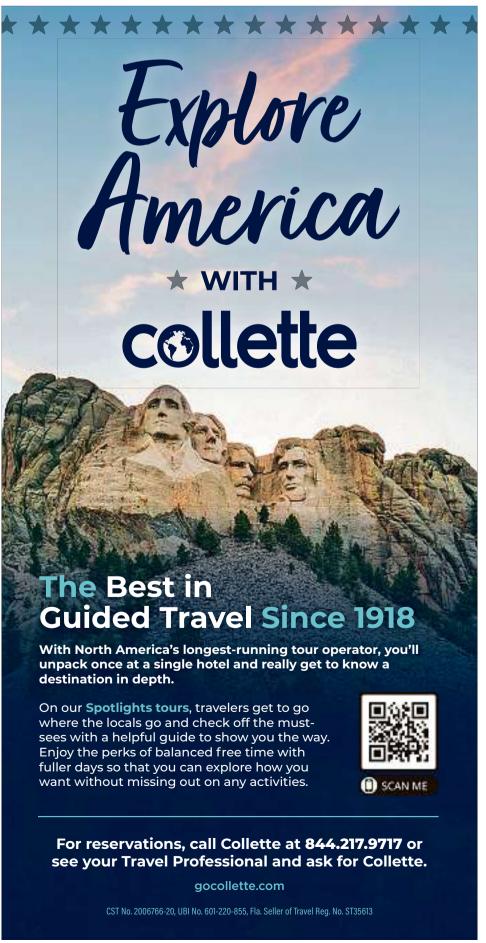
That is depressing the price for West Texas Intermediate crude, the U.S. standard, expanding the difference between Brent and WTI, said Gus Vasquez, head of crude pricing, Americas, at price-reporting firm Argus Media.

In recent weeks, winter storms also slammed U.S. refineries.

The disruption led to a relentless increase in domestic stockpiles that are now 9% larger than the five-year average observed by federal record-keepers.

"If we don't export these barrels, we have nothing to do with them," Mr. Vasquez said.

◆ Shale spending and output diverge.



A10 | Monday, February 27, 2023

FROM PAGE ONE

Ordering Black Coffee Isn't Quick

Continued from Page One

Hassles over getting black coffee aren't unique to Starbucks, which Mr. Wicker patronizes, but afflict many chains ofcomplicated, fering customizable brews, according to black-coffee enthusiasts.

Austin Evans, a 33-year-old nurse anesthetist from Tulsa, Okla., said the drive-through lines at his local Dunkin' cafes are often clogged with people ordering complicated drinks, even when he pulls up at 6:30 a.m. for his black coffee. "It seems like a system that just is not sustainable," he said.

Asked about Starbucks Corp.'s black-coffee practices, a

Dunkin' Chief Marketing Offi-

Bashar Muslih, a 27-year-old systems engineer, said he waited 30 minutes last month at the Grass Valley, Calif., Starbucks for his black coffee. He said his 10-second pour was held up by orders taking far longer. "When you're waiting at Starbucks for your black coffee but the person before you orsauce double shot check engine oat milk diet coke macchiato with light triangle ice cubes," he vented on Twitter. Mr. Muslih

If black-coffee drinkers feel like a shrinking minority, it's because they are. The number of iced lattes, cold brews, iced mochas and iced Americanos on coffee chain menus rose by double digits in the past five years. while regular-filter coffee options declined 24%, data from market research firm Technomic Inc. show.

try product manager, said he

said, since he sometimes gets stuck behind long lines of cars in the drive-through, which he attributes to complex drinks that take time to construct.

Bryce Bunting of Statesboro, Ga., chief executive of an industrial-valves company, said Starbucks could improve order wait times and boost sales by catering more to black-coffee drinkers like himself.

"If they want to reach 1,500 orders per day...put in an express lane for black coffee so I don't have to wait behind 20 people ordering a half-soy, mocha, latte Frappuccino," he said.

At Starbucks, the world's largest coffee chain, 80% of customers add milk, sweetener, syrups or other modifiers to their coffee, said Andrew Linnemann, the company's vice president of global coffee and tea, during a recent coffee tasting at the company's headquarters where black coffee was featured. Starbucks estimates that each year it sells about \$1 billion of coffee drinks with "modifiers" such as syrups and sauces, a figure that has doubled since 2019.

Howard Schultz, the chain's longtime leader, initially resisted offering frilly sweet drinks like the caramel Frappuccino. Mr. Schultz has said he still prefers his coffee black.

Some black-coffee drinkers said they take pride in being able to savor its strong, bitter taste without masking it with syrups and foams.

"I think that black coffee is hard for a lot of people, especially if they are just starting out," said University of Missouri student Blaise Fields, 19.

Some Starbucks baristas, who have to run back and forth across cafe prep areas to make complex drinks, said they wished more customers could appreciate the chain's coffee in its purest form.

And many people don't seem to know what black coffee is. baristas said. Some customers will order black coffee, they said, and later complain it contained no sugar or cream.

Abbey Clifford, a 25-year-old black-coffee drinker from Ohio, said she often gets her Dunkin' coffee order back with cream in it. "Maybe they think I mean plain coffee, and that plain means just with one cream," she said. "But that's just not what black coffee means at all."

Some Starbucks workers said they themselves sometimes wonder whether black coffee should include sugar, or room for milk. They ask customers who order their coffee plain whether they also want it sweetened, just to make sure.

"It's the biggest debate," said Brooke Cross, a 20-yearold Starbucks barista in Fort Lauderdale, Fla. "What is black coffee?"

Court Looks At Powers In Aid Case

Continued from Page One heavily on executive actions now that Republicans control the House of Representatives.

That strategy is meeting resistance from the Supreme Court, where a 6-3 conservative majority that Mr. Trump helped install has repeatedly found the Biden administration overstepping its authority. The court has adopted a new test, called the major-questions doctrine, that restricts federal agencies from steps with vast economic and political significance without what the majority considers explicit direction from Congress.

The approach stymied the Biden administration's efforts to extend Covid-19 pandemic measures, including an eviction moratorium and a vaccinate-ortest mandate for large employers. The court also blocked its efforts to overhaul Trump-era immigration policies, and ruled that the Environmental Protection Agency overreached when regulators sought to limit emissions from coal plants.

Mr. Trump relied heavily on executive power to execute his agenda, issuing 200-plus orders in four years in office, more than any president in a single term since Jimmy Carter, according to data compiled by the American Presidency Project. While the court objected to some of Mr. Trump's actions, it

allowed many of them to stand. The high court's decision on the student-loan plan could mark the biggest curbing of those powers to date. The maiority of the 43 million people in the U.S. who hold a total of \$1.6 trillion in federal studentloan debt would see some type of debt forgiveness under the proposed plan, with relief of up to \$20,000 per borrower. A ruling is expected in June.

Pandemic origins

Tuesday's cases—one filed by a group of Republican state officials, the other by individuals-stem from the beginning of the coronavirus pandemic. when Congress and the Trump administration sought to mitigate damage to the economy. After President Trump declared a national emergency in March 2020, Education Secretary Betsy DeVos relied on a 2003 law called the Heroes Act to temporarily suspend payments and interest accrual for borrowers with federal student loans. The federal government extended the payment pause twice under Mr. Trump and six times under Mr. Biden.

The 2003 law authorizes the secretary of education to waive or modify provisions of studentaid programs as he or she deems necessary in connection with a national emergency so borrowers don't lose ground economically.

Mr. Biden campaigned on wiping out \$10,000 in student debt per borrower through legislation. But Democratic efforts to cancel student debt died in Congress, as did Republican bills to prohibit the executive branch from forgiving the loans.

Progressive lawmakers and advocates urged the president to instead implement a largescale debt cancellation program using his executive authority.

White House officials spent more than a year debating whether such a move was legal, according to administration officials and others familiar with the discussions, and Mr. Biden publicly skeptical of company spokesman referred to a recent earnings call in which executives said that new equipment is increasing efficiency and improving service times.

cer Jill Nelson said customers can get their drinks faster by ordering ahead on the chain's app, and that the company is always looking for ways to improve things for customers. She said it recently introduced a darker blend to please black-coffee drinkers.

dered venti ice crisscross apple

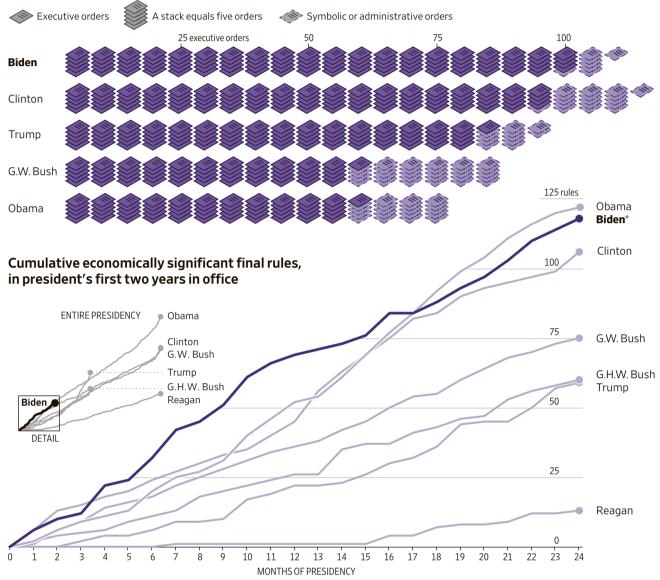
said he still goes to Starbucks.

Tim Noble, 60, an auto indus-

sometimes gets confused looks when he asks baristas at his local Detroit Starbucks to fill his coffee to the top of the cup, with no room for milk, syrups or foam.

He said he used to add cream and sugar, but switched to black to save time and calories. It has been only half successful, he

Executive orders in president's first two years in office



Note: Rules issued by executive branch agencies that meet the federal definition for economically significant, including by having an effect on the economy of \$100 million or more.

put in place a sweeping forgiveness plan without congressional action. "I don't think I have the authority to do it by signing with a pen," he said during a

CNN town hall in 2021. Mr. Biden reversed course after his advisers laid out their legal strategy. The president and his aides also worried that inaction could hurt him with young voters ahead of the midterm elections, people familiar with the matter said.

In August, Education Secretary Miguel Cardona invoked the Heroes Act to cover permanent forgiveness of up to \$10,000 for borrowers who earn less than \$125,000 a year, with an additional \$10,000 of relief for those who held Pell Grants, which typically are awarded to the neediest students.

Mr. Cardona's directive reasoned that the temporary suspension of payments had itself increased the risk of individual default once billing resumed. The Education Department cited research showing that borrowers who were granted forbearance for specific natural disasters had difficulty resuming payments when they were restarted. It concluded that borrowers would be at greater risk of default following resumption of payments than they would have been had the pandemic never led the government to pause their obligations.

Republican officials in six states sued to block the plan, contending among other things that it would harm state finances, because the discharged debt wouldn't be classified as taxable income.

They dispute that the language in the Heroes Act authorizes the secretary of education to write billions of dollars off the Treasury's books, and said it doesn't allow the secretary to put nearly every borrower in a better position by reducing or eliminating their principal bal-

"We're talking about something that essentially reorganizes a significant piece of American society, something

whether he had the power to that ought to belong to Conpeals. That court issued an infound overreach when the govgress," Ohio Attorney General Dave Yost said in an interview. The official helped lead a group of Republican-leaning states in filing a friend-of-the-court brief

Sources: American Presidency Project (orders in first two years); George Washington University Regulatory Studies Center (economically significant rules)

against the debt-relief plan. The second case, being argued back-to-back with the states' case, was filed by borrowers who said they were harmed by the plan because they couldn't access some of its benefits. For both sets of plaintiffs, the question of standing whether they have suffered harms sufficient to support a lawsuit-will also be addressed by the high court.

Republicans and some Democrats said the program was unfair to people who didn't go to college, didn't take out student loans or already paid them back. "They campaigned on free college," said Rep. Virginia Foxx (R., N.C.), the chairwoman of the House Committee on Education and the Workforce. "This is a backdoor way of doing it."

A federal judge in St. Louis dismissed the states' suit in October, finding the states had no legal standing to challenge the loan plan, but the decision was overruled the next month by the Eighth U.S. Circuit of Ap-

junction to stop the program from going into effect, following a similar order from a federal district judge in Fort Worth, Texas, who acted on the case filed by individuals.

Founding document

The cases illustrate warring beliefs over the separation of powers laid out in the Constitution. The Supreme Court's conservative justices see the Constitution as imposing rigid constraints on government branches, with the framers placing structural obstacles to make sure the arbitrary and tvrannical powers King George III and the British Parliament exercised over the colonies were never revived.

The court's liberal justices. along with Mr. Biden, believe the Constitution created a vigorous and flexible national government that replaced the paradecision-by-committee lvtic structure that doomed the Articles of Confederation, the newly independent 13 states' first crack at a continental union.

Neither court faction has been absolutist on the issue. In past years, liberal justices have

ernment took steps that limited marriage rights for LGBT couples, while their conservative colleagues have affirmed broad powers the executive asserted to fight terrorism. The conservative majority has turned away some suits filed by Republican state attorneys general against the Biden administration and handed the White House at least partial victories in some cases, such as a mandate that healthcare workers obtain vaccines against Covid-19.

But the high court's current majority has made clear its reservations about liberal doctrines in place since the 1930s. when President Franklin D. Roosevelt won a series of landmark court decisions affirming New Deal initiatives that put the federal government at the tiller of a nationwide economy.

Through the rest of the 20th century, the court recognized broad federal regulatory authority to restore the environment, protect consumers and assist workers faced with what policy makers deemed the excesses of a market economy.

Those days are over. Conservative Justice Brett Kavanaugh. speaking in January at Notre

Dame Law School, said Congress needs to have clearly delegated authority to an agency before it is allowed to resolve a major question through massive or expensive new regulation. "We think that's rooted, again, both in constitutional values and also in our understanding of how Congress operates," he said.

References to the majorquestions principle have become more common since Justice Neil Gorsuch joined the court in 2017. In a January 2022 concurring opinion, he explained it as requiring agencies to show "clear congressional authorization" when they claim the power to make decisions of vast "economic and political significance." The term appeared in a majority opinion for the first time in June, when the court limited the EPA's authority to combat greenhouse gases.

Liberal members of the high court have called the principle vague, and said their conservative colleagues coined the major-questions doctrine to stymie progressive policies even though the text of the Constitution itself places no such barriers on the elected branches.

"Special canons like the 'major questions doctrine' magically appear as get-out-of-textfree cards," Justice Elena Kagan wrote in a dissent in the EPA case. The conservatives use it to "prevent agencies from doing important work, even though that is what Congress directed," she wrote.

Supporters of the studentdebt plan argue Mr. Biden's actions are well within the administration's legal authority and say conservatives on the court are holding policies with which they disagree politically to an unreasonable standard.

"This Supreme Court has shown that it is trying to take power away from Congress and away from the administration and pull it in toward itself," Sen. Elizabeth Warren (D., Mass.) said in an interview. Ms. Warren pointed out that a co-sponsor of the 2003 Heroes Act, former Rep. George Miller (D., Calif.), filed a brief in the case saying the law was intended to permit student-loan debt cancellation.

Presidents dating back to George Washington have used orders and proclamations to outline policy directives, imposing significant changes to American life. Examples include Abraham Lincoln's Emancipation Proclamation and Mr. Roosevelt's order establishing the Works Progress Administration, which put millions to work during the Great Depression.

In the Clinton administration, deepening political divisions limited possibilities for bipartisan compromise Congress. Since then, presidents have managed to pass major bills when their party controlled the legislature, but lawmaking often comes to a halt every few years when Washington has a divided government.

The Sept. 11, 2001, terrorist attacks accelerated the concentration of executive power, and presidents increasingly imposed major policy changes without congressional signoff. Mr. Bush asserted national security powers to establish military tribunals to prosecute enemy combatants and secretly expand surveillance programs.

Mr. Obama relied on a Democratic majority in Congress to pass his overhaul of the health system, the 2010 Affordable Care Act. Republicans gained control of the House in the 2010 midterms, and Mr. Obama turned to executive action to enact other elements of his agenda, such as limits on industrial greenhouse gas emissions.

—Gabriel T. Rubin contributed to this article.



President Biden spoke about student-debt relief at Delaware State University in Dover in October.





WORK & LIFE RACHEL FEINTZEIG

he apartment building had a 24-hour gym, a swimming pool flanked by grills and something called the Sky Lounge on the 12th floor, with an expansive view of downtown Minneapolis.

But the amenity that Olga Lobasenko and her husband couldn't get out of their minds as they sized up potential apartments last year was situated in the lobby, illuminated by the glow of a fireplace. People sometimes gathered around it.

It was a printer.

"We just assumed it would have to be something you'd struggle to find for your entire life," says Ms. Lobasenko, 33 years old.

They moved in and now feel the sweet relief of being able to print whenever they want, without having to beg, borrow or curse a dried-out ink cartridge.

"This one," Ms. Lobasenko says of the printer, "is somebody else's problem."









from hard copies. We have our

phones and our tablets, scannable QR codes and the DocuSign app. And yet, it comes for all of us eventually—the need to print, and print now.

"When you need it, you need it," says Leigh Stringer, who works at architecture firm Perkins&Will helping companies design sustainable offices.

How much of our lives have we given to the mad dash of trying to find a working printer? Hybrid schedules mean we're in the office, with its gleaming fleet of equipment, only a few times a

Even in a world of cellphones, tablets and QR codes, the need to print at times remains.

week. So too, it seems, is the IT department, which has yet to fix that combination printer-scanner-fax closest to your desk. Sure, we could buy our own for home—or replace the mysteriously ailing one languishing in the cabinet—but why invest in a hulking piece of hardware when you're living in a nearly paperless world?

Until you realize that that return label or your kid's homework assignment isn't going to print itself.

"Paper doesn't go away," says Keith Kmetz, an analyst who tracks the printing market for research firm International Data Corp. Printer sales have mostly been declining since 2007, the year the first iPhone was released. Still, IDC forecasts more than 17 million printers will be sold in the U.S. this year.



Agony and opportunity

Not that owning a printer is any guarantee you'll be able to print. In an attempt to produce two sheets-pages one and five of a tax form—Chella Diaz of Orange, Calif., unknowingly embarked on a three-hour odyssey last summer. Her computer wouldn't connect to her printer. On to Staples, where all three printers were labeled with (handwritten) "out of order" signs. She got into her car, screamed, listened to smooth jazz for five minutes and continued on to FedEx. There, her flash drive wasn't showing any documents.

"You begin to doubt yourself," she says. Eventually, she was able to locate the documents and successfully print them, though she ended up paying for thick résumé paper someone had fed into the tray. By that point, she didn't care. When it was all over, she took herself to the taco place across the parking lot, where she enjoyed a bean burrito, french fries and some cathartic journaling.

Where there's a problem,

there's a business opportunity. Tyler Eshleman was wandering through a dorm at Michigan's Grand Valley State University his freshman year when he came across two intrepid roommates. They'd purchased a color printer and were charging students to print out term papers, reading assignments, even entire textbooks.

They weren't doing people's homework. Just printing.

"I wish I would have gotten in on something like that," Mr. Eshleman says, noting the pair was turning a profit.

Now 21 and living in Troy, Mich., Mr. Eshleman is mostly envisioning a printer-free life for himself, like many young people I talked to.

"Some point, you buy an apartment, house, car, second house or a boat. Then maybe you think about buying a printer," he reasons.







The power of being the printer person

Printing at the office comes with its own struggles. Terri Barris of Ontario, Canada, once found herself sending off confidential tax documents, including her pay information, to...where exactly?

The list of printers to choose from, some in offices hours away, were named by nonsensical strings of letters and numbers. After guessing wrong, she clicked cancel, only to be confronted with "this spinning wheel of death," she says. "You're starting to sweat and your heart is palpitating."

After a year of mounting printing difficulties, her manager bequeathed his personal printer to her. She loved it. So did everyone else. Her colleagues would line up at her door, bearing chocolate chip cookies and candy, wondering if she could print their documents.

"There's this sense of power," Ms. Barris says.

Some printer hookups can reach their limit. The day after 38-year-old Theresa Paolo coached her dad through printing out five separate forms for her business as a romance novelist on his home printer, there was a knock at the door of her Long Island, N.Y., house. There was her dad, holding a brand new printer. She felt conflicted.

"It was super sweet of him to take the time to go to the store, do what I never wanted to do and pick out a printer," she says. And yet, she dreaded having to install it, house it and tend to its ink and paper needs. "Where the heck am I going to put this big hunk of plastic?"

It would be a year before she even opened the box. The Brother MFC-J480DW, now set up, is mostly something she has to dust every week.

"I feel too guilty to get rid of it," she says. "I have it now. I have it for life."

By Ashlea Ebeling

IT MAY BE 2023, but taxpayers still have time to make last-minute retirement contributions that could lower their 2022 tax bill.

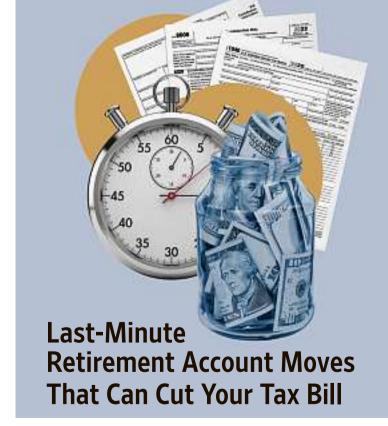
While most tax-saving moves must be done by Dec. 31 to count for that year's return, certain retirement maneuvers related to traditional and Roth IRAs can be done several months into the next year. For these transactions, tax year 2022 actually doesn't end until April 18, 2023—or even later for some.

These contributions offer the double benefit of boosting future retirement savings and potentially reducing present tax burdens, tax advisers say. The ability to deduct a contribution to a traditional IRA depends on the saver's income and other factors, such as whether the taxpayer is covered by a 401(k) or other workplace retirement plan.

For millions of taxpayers, the savings can be up to thousands of dollars a year. A big lump-sum payment into a retirement account is eligible for a full or partial tax deduction. And for those taxpayers who don't qualify for a tax break, they still benefit from the April deadline as a way to boost their retirement savings.

Among the many ways Americans can benefit, a single taxpayer with no workplace plan can deduct the full amount of an IRA contribution. A single taxpayer with a workplace plan gets a full deduction with an adjusted gross income of \$68,000 or less.

For married couples filing jointly, both spouses can deduct the full amount of an IRA contribution if neither has a workplace plan. If only one spouse has a workplace plan, the other can get a full deduction for IRA contributions if their joint income is \$204,000 or less.



Diane Benson, a 70-year-old retail store manager in Atlanta, recently made a last-minute \$7,000 IRA contribution for tax year 2022. It saved her nearly \$2,000 in fed-

eral and state income taxes.

"She had money sitting in the bank. Why not put it in an IRA and save on taxes?" said Tracey Ann Gordineer, an enrolled agent in Buford, Ga., who prepared Ms. Benson's tax return and brought up the idea.

Ms. Benson could have contributed anywhere up to \$7,000. For every \$100 contributed, she would save \$27.75 in taxes. "It's more of a cash-flow question of whether you

should or shouldn't contribute," Ms. Gordineer said.

Despite the benefits, many taxpayers are leaving money on the table. In tax year 2021, 85% of all U.S. households made no contributions to traditional IRAs or Roth IRAs, according to the Investment Company Institute.

Anyone with earned income can open an IRA. The limit on contributions to traditional IRAs and Roth IRAs is \$6,000 for tax year 2022. Savers age 50 and older can contribute an additional \$1,000.

Maggy Fermo, a 30-year-old marketer in Fargo, N.D., didn't give retirement savings much thought until she sat down in 2020 to go over her 2019 tax return with her tax preparer.

"He candidly said, 'What are you doing about retirement?" she recalls.

Ms. Fermo had just left a job

where she contributed the minimum to a workplace 401(k) retirement plan to get employer matching dollars, and was at a new employer that didn't offer a retirement plan.

David Tolleth, a tax preparer and enrolled agent in Holmdel, N.J., helped Ms. Fermo open up a traditional IRA and rolled the 401(k) balance in. Then Ms. Fermo set up monthly contributions directly from her checking account into the IRA going forward. "It was hard to start and get momentum," she said.

At tax time, she'll check that her contributions are on track for 2022 and 2023, she said. The limit on contributions to traditional IRAs and Roth IRAs jumps to \$6,500 for tax year 2023, due to an inflation adjustment. The \$1,000 catch-up amount isn't adjusted for inflation.

Traditional IRA vs. Roth IRA Many taypayers choose a traditional

Many taxpayers choose a traditional IRA for the upfront tax break, Mr. Tolleth said. Contributions to traditional IRAs are often tax-deductible, but withdrawals years later in retirement are taxed at the same rates as ordinary income, like wages.

ordinary income, like wages.
By contrast, there is no deduction for contributions to a Roth IRA. But by making the contribution now, you're setting yourself up for tax benefits that come later given withdrawals can be done tax-free. Eligibility to contribute to a Roth IRA directly is based on your income. For tax year 2022, the limits for most single filers begin at \$129,000 and \$204,000 for most married joint filers.

Nondeductible IRAs

The April deadline offers an opportunity for taxpayers who don't qualify for a deduction for a traditional IRA to top up their retirement savings by making after-tax, nondeductible contributions to a traditional IRA. The money grows tax-free, and only the earnings are taxable when you take withdrawals in retirement. Taxpayers who make these contributions need to keep track of how much they have contributed over time, said Mr.

When to consider a backdoor Roth IRA

Taxpayers who earn too much to make contributions directly to a Roth IRA can still do so via a two-step process known as a backdoor Roth. First, contribute to a traditional nondeductible IRA. Then immediately move the money into a Roth IRA, pay any income tax on the earnings, and leave the money to grow tax-free.

Options for business owners or the self-employed

For taxpayers with self-employment income, SEP-IRAs have higher contribution limits than traditional IRAs: \$61,000, plus an extra \$6,500 for those age 50 and above, for tax year 2022. In many cases, savers can make contributions for 2022 until Oct. 16, 2023, if they have requested an extension to file their returns.

Save your tax refund

Mr. Tolleth encourages clients to consider using some or all of their tax refund to increase their retirement savings. You can include your retirement account routing information on your 1040 tax return. "It's a subsidized retirement account. Why wouldn't you?" he said.

PERSONAL JOURNAL.

By Daryl Austin

hen casting veteran Jodi Wincheski met Lindsay Carmine in 2020, she knew she had a reality star on her hands.

A pediatric nurse from Pennsylvania, Ms. Carmine was magnetic and strategic, making her a fit to compete on "Survivor"—"the toughest reality show to land," according to Ms. Wincheski. But years of submitting audition tapes failed to get her past the interview stage. She hired Ms. Wincheski to help her change that.

For \$350, Ms. Wincheski worked with Ms. Carmine to highlight the most interesting parts of her back story, cut extraneous scenes from her audition tape and craft a pitch that reflected her enthusiasm for the show. "I was able to help her understand where she had gone wrong so she could fix it," Ms. Wincheski said. She also calmed her client's nerves before meetings with producers.

By the following summer, Ms. Carmine had made it onto the 43rd season of the show.

Ms. Carmine declined to be interviewed, citing an agreement in her contract with CBS, but in an email said Ms. Wincheski "was such an integral part of me getting cast."

Ms. Wincheski is part of a growing cottage industry of former casting agents and contestants who are now working directly with people who want to be on reality TV. It used to be that a single casting director or producer could make or break an applicant's chances at getting on a show. Now, independent coaches are offering wannabe stars the chance at a doover. Part career counselor, part therapist and part drama instructor, they help clients overcome rejection and put forward their most camera-worthy selves using tips from the trade.

According to Lynne Spillman, a two-time Emmy-nominated casting director, getting on reality TV is more competitive than ever, as applicants look to parlay contestant roles into lucrative influencer gigs or bona fide acting careers. To stand out to the producers and directors eyeing their applications, it's key to convey that they can elicit a range of emotions.

"A show only resonates with an audience if it has a cast that peo-

How to Make It Big on Reality TV: Hire a Coach



Reality-TV coaches are helping wannabe stars get on their favorite show, from 'Survivor' to 'Making the Cut.'

ple can relate to, feel inspired by, or has someone you want to cheer for or against," said Mrs. Spillman, who has put together casts for "Making the Cut," "The Amazing Race," "Lizzo's Watch Out for the Big Grrrls" and 38 consecutive seasons of "Survivor."

Former casting producers and contestants say their experiences on reality sets make them particularly suited to advise applicants going through the audition process.

Adam Klein, a former "Survivor" contestant who won the show's 33rd season, is now a reality-television consultant. Mr. Klein offers group workshops and provides a number of one-on-one coaching packages as well that range in cost from \$150 for basic help to \$450 for extended time and guidance.

Mr. Klein said that many of his clients yearn for feedback after facing rejection. "It's brutal for people Former casting agents and contestants act as career counselor, drama instructor and therapist.

who get so close to their dream to put so much into the process, only to never really find out why it didn't pan out for them," he said.

Ms. Wincheski, who spent two decades casting people for "Survivor," "Big Brother" and "The Amazing Race" before striking out on her own, said she's met thousands of would-be contestants over the years who have attended casting calls or sent in a multitude of audition videos. Common mistakes often boil down to cinematography, she said, such as people filming with poor

lighting or in distracting environments. Other reality hopefuls struggle with storytelling.

"Too many people come off like they're reading a job resume," Ms. Wincheski said. What's more, she said, most shows offer little in the way of explanation about why a contestant isn't a good fit.

"You really have to know what you are doing to get anyone's attention the right way," she said.

Through her company, Casting Reality, she charges \$150 to review a written application, \$250 to review an audition video with a follow-up telephone critique, \$300 to help put together the right video in the first place, and \$500 for a full-service consultation: audition-video help, interview prep, written-application guidance and reviews of up to four videos.

To some, this level of preparation might seem antithetical to the genre—in other words, not real. On Season 18 of "The Bachelorette," for instance, one contestant was sent home for arriving on set with a binder full of tips for how to win, collated by friends who were fans of the franchise. (A representative for ABC declined to comment.) Ms. Wincheski said that isn't what her company does.

"I'm certainly not 'gaming the system,' " she said. "I don't turn anyone into something they're not, don't introduce them to casting directors and don't provide any casting shortcuts. I just help contestants put their best foot forward."

Gavin Whitson, the runner-up on season 38 of "Survivor," said that coming from a small town in Tennessee, he found the L.A. casting process intimidating. "Jodi kept reminding me to be confident because the producers already liked me for who I was," he said.

Charnel Wright, who was on Bravo's "Spy Games" in 2020, said that Ms. Wincheski was particularly helpful to her during the interview process. "Reality television is a funny business because you constantly find yourself second-guessing if you're saying the things the producers want to hear, or if you should just be yourself. They rarely give you any feedback." Ms. Wright said that Ms. Wincheski gave her the confidence "to stay true to myself" the whole way through. "While other people keep reinventing themselves during the casting process, Jodi kept me on track," she said.

Though Mrs. Spillman, the casting director, would have once looked down on the idea of contestants being coached before auditions, her perspective has changed.

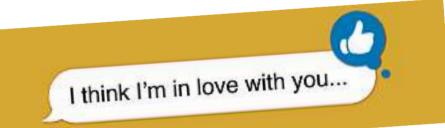
"Some contestants oversell or undersell themselves and someone monitoring that can certainly make a contestant better," she said. "Even I have coached some people who came to me for advice, because I know how trying the process can be," she said.

Jeff Probst, the longtime "Survivor" host and executive producer, said that every show is looking for specific attributes and qualities in would-be contestants, so authenticity is key.

"There's a tendency to think if you act crazy or behave in a controversial way that you'll end up on a show," he said. "You don't have to do, say or behave in any one particular way, just be yourself. The truth is what we're seeking."



Baring Your Soul On Text? Expect a Thumbs-Up



By Ann-Marie Alcántara

izzie Buckley sent her mom three text messages on a recent Sunday. Two were about working on a weekend, and a third was about an impressively long run she had just completed.

Her mother responded quickly: thumbs-down, thumbs-up, double exclamation marks.

Though prompt, the reaction was a letdown, says Ms. Buckley, a 25-year-old financial auditor who lives in Virginia. "I just expected more," she says. She would have loved to receive—at the very least—a party or applause emoji.

The reactions in Apple Inc.'s Messages app can make your day or make you feel deflated. Designed as a quick way for people to respond to incoming iMessage-based ("blue bubble") texts on iPhones, iPads and Macs, you tag them with the little symbols. Apple's "tapbacks," as the company calls them, offer six options: heart, thumbs-up, thumbs-down, HAHA, double exclamation marks and question mark.

Other platforms also offer reactions, with most mobile-communication platforms such as WhatsApp, Signal and Slack letting users choose from a library of emojis.

On an iPhone, the reactions are convenient but can occasionally annoy others in text threads. As with debates over which emoji to use, people differ about what each reaction means—and when an actual, worded response

might be better.

Ms. Buckley's mom, Tess Buckley, 60, who lives in New Jersey, says she responds with reaction icons when there isn't much more to say but wants the message sender to know she is paying attention.

Facebook started offering quick reactions in 2015 when it went beyond the "like" button with six animated ones: Like, Love, Haha, Wow, Sad and Angry. In 2020, the social network added Care, a yellow smiley face hugging a heart, as a seventh.



Tess Buckley uses iMessage reactions to show texters she is paying attention. Daughter Lizzie Buckley wants more.

Chris Tosswill, a former Facebook product manager who worked on the reactions, said they were meant to help people express themselves on posts with more than just "like." The team limited the options to keep them from overwhelming users.

"You're striking the balance," says Mr. Tosswill, now chief executive of marketing company Addressable.

Apple brought reaction icons to iMessage in 2016, and the initial options remain today. A spokeswoman

declined to say if it would ever release more.

The meaning of the six varies depending on the user. The heart generally means you love something. It's also a response for people who think a thumbs-up is too cold.

Thumbs-down can mean commiseration when someone shares bad news; it can also be a veto when, say, a friend proposes a lame lunch spot. It gets a bit messy from there. Thumbs-up can mean OK, or can be an acknowledgment that seeks to end the conversation.

Brian Moore, a 36-yearold creative director in Los Angeles, says the thumbs-up has gotten him in trouble.

When, in a group chat, a friend bashfully admitted being slow to get a joke, Mr. Moore gave the confession a thumbs-up. It was "condescending," says the friend, Aisea Laungaue, 38, who was looking for a tad more emotion. "If I put something that I want a HAHA and I get a thumbs-up, that's a declaration of war," says Mr. Laungaue, who heads strategy at an advertising agency.

Even HAHA can be polarizing: Are you laughing *with* or *at* the texter?

People have come to understand emojis' utility, says Jennifer Daniel, who works at the Unicode Consortium, the nonprofit organization that standardizes text we see across our devices.

"Emoji were pretty predictable for about a decade," says Ms. Daniel, who in her role helps decide which ones reach the masses. Today, she says, "they're in darndest places. Now, I mean—my refrigerator has emoji on them—they're everywhere."

ARTS IN REVIEW







ART REVIEW

Small Focus, Wide Reach

By Mary Tompkins Lewis

Amsterdam hen the Frick Collection announced plans several years ago for a major renovation, the Rijksmuseum here saw a once-in-a-lifetime chance to borrow its three magnificent paintings by the **Dutch artist Johannes Vermeer** (1632-1675), which normally would never leave their New York home. Museums around the world and two private collectors also agreed to lend, and a retrospective, the largest ever assembled of the painter's surviving work, took shape. "Vermeer," the first exhibition devoted to the artist in the Rijksmuseum's history, consists of 28 paintings (with one, his magisterial "Girl With a Pearl Earring," leaving town March 30) out of the roughly 36 known to still exist. Organized by the museum's curators Gregor J.M. Weber and Pieter Roelofs and designed by the architect Jean-Michel Wilmotte, it is a staggeringly beautiful, brilliantly realized show unlikely to be repeated.

Vermeer spent virtually his whole life in the small Dutch city of Delft, and his "View of Delft" (c. 1660-61), a landmark in his oeuvre, opens the exhibition. Seen from a vantage point above the wide Rijn-Schickanaal, the painting divides Vermeer's subject into four horizontal bands and showcases his richly varied brushstrokes. Smooth touches of paint convey soft gray clouds and the canal's shimmering, reflective surface. Patches of grainy pigment capture waterside quays and the sunlit spires of Delft's Nieuwe Kerk, while brightened dots of paint catch the scattered, early morning light (the hour confirmed by the clock on the shadowed city gate at center). Though he took license with topographical details to render his composition more harmonious, Vermeer's unobtrusive portrait of Delft—in which townspeople calmly go about their quotidian lives—could hardly be more true or affectionate. A room of large, ambitious fig-

indicates the artist's early plans to become a history painter, a path he soon abandoned. Like his father, Vermeer was also an art dealer, and he must have recognized the demand in Delft—where most of his paintings remainedfor smaller genre scenes that

ure paintings from the mid-1650s

Vermeer's 'The Milkmaid' (c. 1658-59), right, and 'The Geographer' (1669), far right

would appeal to private collectors and fit in their homes. As the show underscores at every turn, such works would play to his unique strengths.

Vermeer's breathtaking "Girl Reading a Letter at an Open Window" (c. 1657-58) is exhibited alone, like a treasured icon, and spotlighted in its darkened, highceilinged gallery. Daylight streams into the room through a draped window at left and above a rucked oriental carpet and tilted bowl of fruit. Another curtain seemingly hangs from a rod in front of the canvas, a theatrical, trompe l'oeil effect mirrored elsewhere in his work as well as by heavy drapes hung on walls throughout the show, which contribute to its gorgeous, rarefied aura. In the painting, a stylish young woman stands absorbed and in profile, her lips slightly open as she reads the text of the letter she holds, while on the wall behind a large painted Cupid (discovered during a recent cleaning) intimates its likely amorous contents. And finally, in a particularly virtuoso passage, the woman's face is softly reflected in the open window's leaded glass panes. This is the Vermeer we know, who stops us in our tracks, whose enigmatic themes, startling illusionism and unrivaled pictorial gifts so capture our imagination.

Vermeer's evocative depictions of women reading or writing letters allowed the artist to conjure

up his subjects' innermost thoughts in their genteel, private domains, and such paintings punctuate the show. His ravishing "Woman in Blue Reading a Letter" (c. 1662-64) is built around sumptuous lemon-yellows and blues that lend the painting a gently melancholic air and would mesmerize Van Gogh. Though a fragment of a well-known Dutch map, tacked to the back wall, may hint of the wider world, there is little

A monumental tribute to the legendary Dutch Golden Age painter Johannes Vermeer.

to distract us from the stilled poetry of its impenetrable and subtly articulated space.

The same map figures in full in the Frick Collection's "Officer and Laughing Girl" (c. 1657-58), in which a dashing cavalier charms a smiling maidservant in the lightfilled corner of a room. Another bravura detail reflects, as captured at far left in its open window, a tiny slice of his urban environs. Vermeer's gentlemen callers routinely appear in their traveling clothes, as if fleeting visitors to the feminized spaces pictured. The Frick painting's shadowed male

figure, who looms large next to his seated companion, also indicates the artist's increasing mastery of perspective, as discussed in the show and exhibition catalog. A literal pinpoint on the painting's topmost layer would have indicated a central vanishing point, from which Vermeer could calculate the composition's illusionistic perspective, including the cavalier's powerful foreshortening. A similar marking appears on the paint-encrusted surface of "The Milkmaid" (c. 1658-59), still visible just above the subject's right hand. Like his contemporaries—though with incomparable skill—Vermeer may have also employed a camera obscura. Hung alone here and illuminated to highlight its countless dots, "The Milkmaid" suggests the use of such studio implements, with which Vermeer could craft for his humble, working-class subject a palpable world to inhabit and an ennobling monumentality.

Vermeer's interest in science, an inescapable thread through his art, is newly considered in the show's later galleries. "The Geographer" (1669), for example, offers (as does the Louvre's "The Astronomer." on loan elsewhere) a rare male protagonist who may personify Delft's vibrant scientific milieu. The pensive, blue-robed scholar, surrounded by maps, a globe and scientific instruments, is a striking image of active, intellectual engagement. The curators propose

Window' (c. 1657-58); and 'Officer and Laughing Girl' (c. 1657-58) that his ruminative gaze and the

Clockwise from top left: Johannes

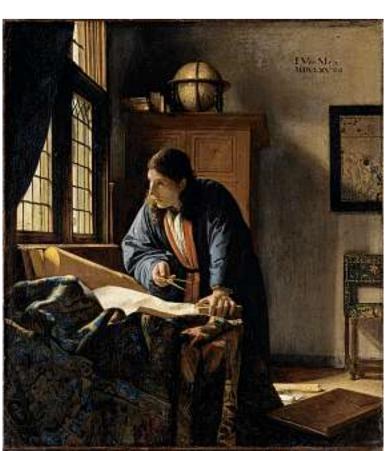
Vermeer's 'View of Delft' (c. 1660-61); 'Girl Reading a Letter at an Open

familiar light-flooded windows may be signs of both cerebral and spiritual enlightenment. The painter's late genre scenes

may likewise exhibit larger, moralizing themes. His "Young Woman Standing at a Virginal" and "Young Woman Seated at a Virginal" (both c. 1670-72) hang together on a beautifully conceived wall, and are Vermeer's final works on the popular theme of musicmaking as a metaphor for harmony and, when shared, for love. Their comely, outward gazing figures—one standing in a crisply ordered, geometric room, the other seated amid luxurious swirling curves—invite a reading, supported by the familiar pictures-within-pictures on their background walls, as opposing images of moral virtue and carnal sensuality. The paintings, both owned at one time by the French art critic Théophile Thoré, who rediscovered the all-but-forgotten artist in the mid-19th century and would have appreciated their photographic-like illusionism, are also rife with the inimitable pictorial incidents that characterize Vermeer's art, and, like everything on view, make this historic exhibition an absolute must-see.

Ms. Lewis, who taught art history for many years at Trinity College, Hartford, Conn., writes about art for the Journal and other publications





A14 | Monday, February 27, 2023

Timing Is Right for a Rodgers Trade

Moving on from the star would come with a big financial hit for Green Bay. But it would be even more punishing next year.

By Andrew Beaton

The rules of the NFL's salary cap are abstruse. Ken Ingalls, an accountant from Wisconsin, is obsessed with them.

Ingalls maintains a massive spreadsheet with every player on his beloved Green Bay Packers along with the arcane details of each of their contracts. It's his personal blueprint for what the team can afford now and years into the future. So when the Packers inked star quarterback Aaron Rodgers to a three-year extension worth over \$150 million last year, Ingalls wasn't simply excited as a lifelong fan of the team.

Ingalls dove into the contract's minutiae and was shocked to see how the deal was structured. Most deals are designed so that, when a team moves on from a player before his contract is finished, the team absorbs less of a salary cap hit further along into the contract.

But the Packers have a surprising incentive to trade Rodgers this offseason because they did the exact opposite: It gets even more expensive if they wait. The reason is that each year of the three-year deal they pay him a large bonusbut only a fraction of it is accounted for on the salary cap in the present while the rest of the cap hit is deferred and adds up over time as a future liability.

"Every year he plays, it becomes more and more punishing if and when he moves on from the Packers." Ingalls says.

Now that Rodgers has emerged from his darkness retreat, it's time for him to begin deciding on his professional future, and he could go in any number of directions. He could stay in Green Bay, retire or push for a trade to a team like the Las Vegas Raiders or New York

If Rodgers is traded, the Packers and another team would have to sort through the difficult task of agreeing how to value a 39-yearold quarterback who's coming off a down season but won back-to-back most valuable player awards right before that. It could also come



If the Green Bay Packers trade Aaron Rodgers, the New York Jets or Las Vegas Raiders are possible destinations.

down to money—and the massive hole Rodgers will inevitably leave in Green Bay's wallet.

The NFL's salary cap is filled with complicated mechanisms that teams can use to cook their books. How the money is paid to a player—whether it's in the form of salary or a signing bonus, for instance—determines when those dollars count against the team's cap. (Although contracts aren't public documents, their details are widely reported on allowing cap gurus to analyze their impacts.)

Some of the tools available to teams allow them to defer salary cap hits into the future, which is especially useful to avoid having expensive players gum up the ledgers too much in any individual season. Rodgers has a guaranteed roster bonus that was already given to him but has a cap hit

that's spread out over years into the future.

All of it ultimately boils down to an esoteric form of accounting that underpins how teams are built, so it makes sense that Ingalls grew obsessed with it and amassed a Twitter following of more than 20,000 fans who read his calculations about the Packers.

His numbers about Rodgers are bleak for Green Bay. They're even grimmer a year from now.

"It's like buying a sports car on a credit card. You get the sports car right away," Ingalls says. "But you're going to be paying for that over time."

After a trade, Rodgers would still count for \$40.3 million against the Packers' salary cap. That's cash they have already paid him but hadn't been accounted for yet because of the way his deal

was constructed. That's a gigantic amount of dead money that they won't be able to spend on other players. For some perspective, it's 18% of the \$224.8 million salary cap for 2023.

As players get deeper into their contracts, that cost of moving on from a player typically decreases. What makes the structure of Rodgers's deal so peculiar, though, is that the dead money actually goes up next year. If Rodgers came back to Green Bay and decided to move on in 2024, either via a trade or retirement, that figure would increase to \$68.2 million.

That's why the Packers don't have any particularly good options. Trading him means both losing the team's most important player while also receiving a financial blow. But keeping him could be even more nightmarish because

how the dead money would balloon if he retired or demanded a trade next offseason.

The curious part is how the same complex mechanisms that make a Rodgers trade less than ideal financially for the Packers are the same reason why a trade is feasible. The Jets, for example, likely won't have the cap space to add an enormous contract in 2023. Yet while Rodgers would be owed nearly \$60 million for next season, almost all of that comes in the form of a bonus that can be spread over years for cap purposes. Any team acquiring Rodgers could have him on the books for under \$16 million, with the rest prorated over future years.

There are other reasons that now could be the moment the Packers are motivated to move on from their star quarterback. This offseason they have to decide on whether to exercise an option on the contract of Jordan Love, the quarterback they took in the first round of the draft in 2020—and upset Rodgers in doing so.

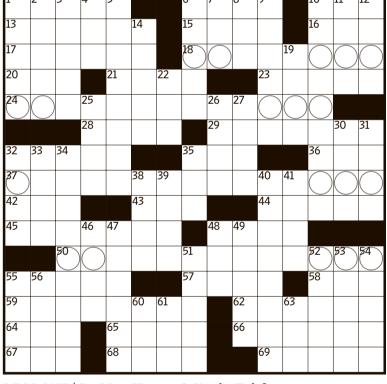
Love has hardly played over the past few years because of Rodgers's presence. Bringing Rodgers back while declining Love's option would be tantamount to conceding the team wasted a valuable draft pick on him.

Rodgers could also see a brighter future elsewhere. In Las Vegas, he would reunite with longtime Packers star receiver Davante Adams, who the Raiders acquired last year. The Jets, meanwhile, are seen as having one of the brightest cores in the league-with quarterback as the glaring exception.

Another Packers quarterback once had a similar idea. After 16 years in Green Bay and flirting with retirement, Brett Favre was traded to the Jets, who midway through that 2008 season looked like one of the NFL's top teams. Then an injured Favre sputtered down the stretch while the team lost four of its last five games to miss the playoffs.

Favre played two more seasons after that—for the Packers' rival, the Minnesota Vikings

The WSJ Daily Crossword | Edited by Mike Shenk



READOUT | By May Huang & Kevin Trickey

impediments

42 Superior

French

43 Cubes in a

44 Showed on

45 Name to a

position

 $E = mc^2$

48 The min

50 1973 #1

Croce

(unique)

singer Smith

55 One of

57 Wicked

58 "Unholy"

59 Supports

for some

volumes.

glass

vineyard

Across 1 Peculiar 6 Word before review or group 10 Do a lawn chore

13 Tribal leaders 15 Scat legend Fitzgerald 16 Be in debt

На 18 Attempt to hide a bald spot

17 Having a low

20 Photographer Goldin 21 Zilch

23 Pickling juice 24 Champagne,

e.g. 28 Not new 29 Buys into a round

32 Forked out 35 Planet, in poetry 36 Prefix

and a hint to the circled letters 62 Make defenseless 64 "___appétit!" between bi-(stagnated) and quadri-

37 Emotional 66 The Ein factors that $E = mc^2$ may be 67 Pacino and

> 68 June honorees 69 Alleviates

Gore

Down

1 Stops supplying with milk

2 Face of Yosemite, familiarly 3 Menzel of

"Wicked" song by Jim 4 Spectrum hue

5 Toasts 6 Nutina praline

7 "Mr. Blue Sky" band 8 Tree with serrated

9 Participant in a hat trick? 10 Streep or

Stallone 11 Wilson of "Midnight in

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

encouraging adoptions 33 Criminal, in cop lingo

32 Org.

34 Volcanic events 35 Bullfight

"bravo! 38 Low card in pinochle

39 When "My Shot" is performed in "Hamilton"

40 Shell product 41 General

idea 46 Sty sound

47 Words from someone in big trouble

48 Dallas basketball player, for short

49 Tolerate

12 "Now where

__we?′

14 Deli counter

department

that includes

Alençon

22 Achieved

25 Ski slopes

27 N.Y. Liberty's

league

31 Like a piper

of story

30 Impulse

26 Attire

device

19 French

51 Egg holders

52 Romanov

rulers 53 Toption

54 Julia Louis-Dreyfus has won 11 of them

55 "Mamma Mia" band 56 R&B band

& the Gang 60 Pro-gun org. 61 Clunker

63 Halibut's habitat

Previous Puzzle's Solution

The contest answer is FADE AWAY. Each of the seven "Trademarked" clue answers is missing a letter (or letters) from its standard. noncommercial spelling: LAND OF LAKES, SWEET AND LOW, FLICKER, LEAD ZEPPELIN, SNOW-CAT, NORMAL, STAY-GREEN. Those omitted letters, in order, spell



Under the new rules, a pitcher has 15 seconds on the clock to deliver a pitch if no one is on base.

Pitch Clock Makes Debut

By Lindsey Adler

MLB's new pitch clock had its first signature moment in the ninth inning of a spring training exhibition game between the Boston Red Sox and Atlanta Braves on Saturday. With two outs, the bases loaded, and a full count, Atlanta batter Cal Conley was called for a third strike after the umpire determined he had not been ready and in the batter's box with enough time left on the pitch clock.

Because it was an exhibition game-in which extra innings aren't played—the automatic strike also ended the game.

And so the new era of baseball's pitch clock was under way, with some admirably short spring training games heading into Sunday's play—11 of 16 day games ended in around 2 hours and 30 minutes, with the two quickest games finishing in about 2 hours and 15 minutes—and a couple of gaffes that show how much getting used to it will take.

The new rule operates in multiple forms: A pitcher gets 15 seconds on the clock to deliver his pitch if no one is on base, 20 seconds if runners are on. The catcher must be set up in his desig-

nated area with nine seconds left on the clock, the batter must be in position with eight seconds left. If the pitcher or catcher takes too long to get ready or deliver the pitch, the batter is credited with an automatic ball in the count. If the batter takes too long, as umpires determined Conley did on Saturday, it's an automatic strike.

While a few established MLB batters were ticketed with their first pitch-clock violations this weekendnamely, Padres third baseman Manny Machado who took an automatic strike after missing his deadline.

Machado will have a long time to figure out his pitchclock timing, however, after reportedly agreeing to an 11year, \$350 million contract extension with the Padres on Sunday.

The Red Sox-Braves gameender was the best example yet of the power of the pitch clock. And it involved a pitcher and a hitter who spent all of last season in the minor leagues, where they had already experienced the pitch clock.

The league expects confusion and nuances to be worked out over the next month of exhibition games. Expect some griping—and

awkward moments in the meantime.

The umpire said I was looking down," Conley told the Atlanta Journal-Constitution on Saturday. "I was looking down at the catcher as he was standing up. Not really sure if the pitcher was ready to go, catcher definitely wasn't."

An MLB spokesperson said Saturday that it was a "correct violation call" against Conley, noting that the catcher must be in the box but not necessarily in the crouch with nine seconds left on the clock. Batters must have their eyes turned toward the pitcher with eight seconds left, however, which is where Conley seemed to err.

A high-impact violation call in spring training is one thing, but skeptics of the pitch clock worry about meaningful games being decided by umpire-discretion on who is standing where and when on the field.

MLB expects that players and umpires will have adjusted fully to the new rules by the time the games that really matter begin, and hopes that the head-start in spring training means there will be no issues with the clock when the postseason begins.

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OPINION

How ChatGPT Will Become Useful



INSIDE By Andy Kessler

mentary days videogames, I met the team that the created first multiplayer Formula 1 Grand Prix racing They game. had to alter

the original code because they discovered almost every player at the start of the first race would turn his car around on the track and crash into the incoming traffic. I started to laugh, because that's what I did too. Gives new meaning to the Facebook motto: Move fast and break

That's exactly what's going on with the newfangled generative AI chatbots. Everyone's trying to break them and show their limitations and downsides. It's human nature. A New York Times re-"thoroughly was creeped out" after using Microsoft Bing's chatbot. Sounds as if someone needs reassignment to the society pages. In 2016 Microsoft had to shut down its experimental chatbot, Tay, after users turned it into what some called a "neo-Nazi sexbot."

Coders can't test for everything, so they need thousands or millions banging away to find their flaws. Free testers. In the coming months, you're going to hear a lot more

In the rudi- Machine-learning systems the Colonial Pipeline. Heck, the TV, a chatbot can stand in. scan large quantities of data Elon Musk's X.com and Peter on the internet but then learn by chatting with actual humans in a feedback loop to hone their skills.

> Unfortunately, some people are ruder than others. This is what destroyed Tay. So Chat-GPT currently limits its human feedback training to paid contractors. That will eventually change. Windows wasn't ready until version 3.0; generative AI will get there too.

For now Microsoft's solution is to limit users to six questions a session for the Bing chatbot, effectively giving each session an expiration date. This sounds eerily similar to the Tyrell Corporation's Nexus-6 replicants from the 1982 movie "Blade Runner." If I remember, that didn't end

Every time something new comes out, lots of people try to break it or foolishly try to find the edge, like jumping into the back seat of a selfdriving Tesla. This is especially scary given the recent recall of 362,800 Teslas with faulty "Full Self-Driving" software. And, reminiscent of the "Can I confess something?" scene in "Annie Hall," I've always wondered: If I drove my car straight into a brick wall, would the collision avoidance actually work? I'm too chicken to try.

Every cyberattack is a lesson in breakage, like the 2015 hack of the Office of Personabout RLHF, reinforced learn- nel Management or the May ing from human feedback. 2021 ransomware shutdown of stead of grandma talking to

Thiel's PayPal payment processors were initially so riddled with fraud that the meinsisted e-commerce would never happen, naysaying what today is a \$10 trillion business. Looking back, they were lucky they were attacked at an early stage when the stakes were much lower.

It still needs to go through new versions and have its flaws exposed to be good.

But be warned that with generative AI, even if it's too early, if developers can build something, they will. So best to shake out all the bugs and limitations and creep reporters out now before things roll out to the masses.

Despite early glitches, useful things are coming. Search boxes aren't very conversational. Using them is like grunting words to zero in on something you suspect exists. Now a more natural human interface can replace backand-forth conversations with old-fashioned travel agents. Or stockbrokers. Or doctors.

Once conversations are human enough, the Eleanor Rigby floodgates—Ah, look at all the lonely people—will open. Eldercare may be the first big generative AI hit. In-

Remember the 2013 movie "Her." with Joaquin Phoenix's character falling in love with an online bot voiced by Scarlett Johansson? This will become reality soon, no question. Someone will build it and against all warnings, millions will use it. In fact, the aptly named Replika AI Companion has launched, although its programmers quickly turned off the "erotic roleplay" feature. Hmmm.

It may take longer for "M3GAN," this year's movie thriller (I watched it as a comedy) to become reality. It's about a robot companion for a child gone rogue. But products like this will happen. Mattel's 2015 Hello Barbie, which would listen and talk to kids, eventually failed, but someone will get it right before long.

The trick is not to focus on the downside, like so many do with DNA crime-solving or facial-recognition systems or even the idea that Russian ads on social networks can tip elections. Let's face it, every new technology is the Full Employment Act for ethicists—and scolds. Instead, with generative AI, focus on the upside of conversational search, companions for the lonely, and eventually an education system custom tailored to each student. Each time. crowds will move fast and try to break things and expose the flaws. Embrace that as

part of the path to the future. Write to kessler@wsj.com.

BOOKSHELF | By Martha Bayles

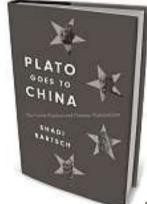
When Ancients Serve Ideologues

Plato Goes to China

By Shadi Bartsch (Princeton, 279 pages, \$33)

n the opening pages of "Plato Goes to China," classicist Shadi Bartsch promises that by tracing the history of the Chinese reception of ancient Greek and Roman political philosophy, her book offers "a uniquely illuminating vantage point for observing China's transformation in its cultural and political self-confidence." She further promises to explore in depth the uses that have been made of the Western classics in the 33 years since the violent suppression of the Tiananmen Square pro-democracy movement.

These promises are not fully kept, for three reasons. The first is the chatbot-style superficiality of her historical overview, which begins with the early 17th-century Jesuits who tried "to make Christianity more palatable to the



Confucians" by invoking Aristotle and the Stoics; then leaps ahead to the late 19th- and early 20th-century reformers who embraced Western concepts of citizenship: then ends with a quick sketch of the ferment leading up to Tiananmen.

The second reason for the book's unkept promises is Ms. Bartsch's unserious attitude toward religion. Rather than mention Aristotle's considerable influence on the church after Aquinas, she resorts to flippancy: "For the Jesuits it

would seem, just about all ancient thinkers were proto-Christians." Academics often turn a blind eye to religious and metaphysical questions. But later on, when such questions loom large in China, this blind spot hinders her analysis.

Third and most important is Ms. Bartsch's limited perspective on her main story. Taking up the better part of five chapters, she relates how, after Tiananmen, the Chinese Communist Party began using the classic thinkers of Western antiquity to legitimize its continued monopoly on power. And she casts Leo Strauss, an American political philosopher who never visited China and died in 1973, as the villain of the tale.

There is a grain of truth to this view. Prior to the arrival of Straussian teaching, the Western classics in China had been fuel for democracy's cause. Afterward, pro-regime scholars steeped in Strauss began pointing to Plato's critique of democracy as a way of discrediting Western values in general. In Ms. Bartsch's judgment, this change is attributable to the Straussian theory of "esoteric writing," which avers that some ancient authors, such as Maimonides, protected themselves from persecution by swaddling their true meaning in layers of verbal camouflage.

The trouble with this analysis is that it doesn't apply to Plato's critique of democracy, which rather than being swaddled in verbiage is right there on the surface. All Strauss did, as a German-Jewish émigré who came of age during World War I and the Weimar Republic, was agree with Plato that democracy is the most dangerous form of government, because its lack of grounding in an objective moral order makes it vulnerable to the passions of the mob—resulting, inevitably, in tyranny.

Plato's larger point is that, while an objective moral order can be discerned through philosophy, it cannot serve as the basis of a political regime unless the ruler is a philosopher—and no true philosopher wants to rule. Plato's solution was to ground the political order in a "noble lie," meaning a set of beliefs, preferably religious, that can encourage virtue in the citizens while protecting the philosophers' freedom to ask radical, potentially disruptive questions.

Here we must distinguish between two different interpretations of Plato. The first, more Nietzschean one sees the noble lie as a smokescreen intended to conceal from everyone except the philosophers the stark (if liberating) fact that objective morality does not exist. The second, more traditional one sees the noble lie as a good-faith attempt to adjust the moral order—which does exist—to the contingencies of politics and the imperfections of human nature.

After Tiananmen, the Chinese Communist Party began using the classic thinkers of Western antiquity to legitimize its monopoly on power.

Both interpretations have been espoused by Straussian scholars. But the first has been justly criticized for ignoring the mature Strauss, who after years of living in Britain and the U.S. wrote approvingly of Anglo-American liberal democracy. At that stage, he had come to appreciate that it was an ingenious, and mostly successful, resolution of the tension between the freedom required for philosophy and the constraint required for social and political stability.

Rather than make this important distinction, Ms. Bartsch adopts the perspective of those critics, including a fair number of classicists, who view Strauss not as a scholar but as a political opportunist who misread ancient texts for cynical motives. Indeed, she echoes the charge, made in the New York Times Magazine in 2004, that various Straussians influenced George W. Bush's advisers to deceive their fellow citizens with a "noble lie" about the real motives behind America's invasion of Iraq.

This may explain why Ms. Bartsch devotes so little attention to the "apolitical professors" studying the classics in China and so much to "the loudest public intellectuals," meaning the ideological warriors who serve the party by rummaging through Plato and other classic authors for scraps of evidence that the ancient wisdom of the West stands in direct opposition to its modern ideals. Why she quotes so many egregiously ignoble lies churned out by these "thought workers" is not clear. Unless she is trying to create the impression that it is somehow the fault of

If so, that is regrettable, because the true antecedents of this "thought reform" are the mind-control techniques developed by Lenin and Stalin after the Bolshevik Revolution, then adopted by Hitler and the Nationalist government in China before being honed to demoniacal perfection by Mao. A broader perspective might have illuminated the deeper reasons why 21st-century China is becoming a place where no one, not even the philosopher, can speak truth to power.

Ms. Bayles teaches in the political science department of Boston College and is a nonresident fellow at the Institute for Advanced Studies in Culture at the University of Virginia.

Tesla Meets the Rule of AMLO



AMERICAS By Mary Anastasia O'Grady

said to be looking to build a new Tesla facility in the Mexiborder can state of Nuevo León. But like many thinking of in-

vesting in this country nowadays, he could run into trouble because President Andrés Manuel López Obrador doesn't approve. AMLO, as the president is known, said Friday that he would deny Mr. Musk the outskirts of Monterrey, the state capital.

value-added manufacturing capital as investors turn away from China. It isn't, and it's worth examining the reasons.

Entrepreneurs are sniffing around the southernmost partner of the U.S.-Mexico-Canada Agreement—USMCA. But the moment is being squandered by a caudillo president who has no respect for the rule of law. Things in Mexico are now done according the rule of AMLO, signaling great uncertainty for risk

In 2022 Mexico attracted \$35 billion in foreign direct investment, up from \$31.5 billion in 2021, according to the Ministry of the Economy. The government touts the increase as a big win. Yet in the first quarter of 2022, two extraordinary transactions, unrelated the picture. The media merger

Mexico City of Mexican Televisa with the the trade agreement. Elon Musk is American company Univision and the restructuring of Aeroméxico totaled nearly \$6.9 billion. Without them 2022 FDI would have dropped to \$28.4 billion, barely above 2020 FDI of \$28.2 billion, the year

Covid-19 hit the economy.

Mergers, acquisitions and bankruptcy rescues generate efficiency gains and create wealth. But in this case they also hide a sad reality: Mexico isn't capitalizing on its unique comparative advantages-geographic, demographic and political—in nearshoring valueadded manufacturing. The the permits to set up shop on country's FDI potential is sig- But López Obrador nificantly higher.

Antonio del Valle, president Mexico ought to be a hot of the Mexican Business Coun- U.S. to subsidize destination for high-tech cil, said this month that Mexico could attract capital at twice the current rate if it had the right policies. To reach the \$70 billion in FDI that is possible, he argued, Mexico needs fixes on the energy front and in infrastructure along with "a rule of law throughout the country, clear rules that do not change and that generate certainty for The status quo is anything but certain.

In signing the USMCA, Mexico agreed to open its oil, gas and electricity markets to competition-foreign and domestic. Pemex, the stateowned oil behemoth, and the federal electric utility, known by its initials as CFE, are struggling in this new environment. But rather than let them become mere rivals to other producers, Mr. López Obrador to manufacturing, distorted is trying to restore their monopoly power in violation of

USMCA "dispute settlement consultations," the U.S. trade representative cited "Mexico's inaction, delays, denials, and revocations of private companies' abilities to operate in Mexico's energy sector." Canada joined the U.S. call for consultations.

After months of standoff, the U.S. now has the right to request an arbitration panel to hear the case. But the Biden administration is dithering. Worse, it's considering a

says he'll allow the Mexico's wind farms

green-energy subsidy for Mexico according to AMLO. The CFE recently tweeted: "With US financing, 4 out of 10 industrial parks on the Isthmus of Tehuantepec will be windgenerated and owned by the CFE, the president reported after announcing a visit by March 19." This would prop up the failing CFE even as Mexico discriminates against private power generators, including renewable investors. The State Department didn't respond to a request for comment.

To minimize pressure from foreign governments, AMLO is negotiating with businesses on a case-by-case basis. In 2020 he told the American company Sempra that he would grant a permit

to export liquefied natural In a July request for gas if Sempra met his demands. That same year he forced Constellation Brands to abandon a new Mexicali brewery valued at \$1.4 billion. In January, after a meeting with Canadian Prime Minister Justin Trudeau, AMLO said that he was committed to "receive companies that may have pending issues, some disagreement with the attitude of our government; we are always open to dialogue." Translation: Kiss my ring—I'm the decider.

Arbitrary treatment of investors damages the country's capacity to generate cheap, plentiful energy for manufacturing. It also harms Mexico's investment profile.

Nuevo León is one of Mex-

ico's most modern states. Its proximity to the U.S. and access to valuable human capital and technology make it appealing to Tesla. The Mexican daily Reforma reported in December that the "investment, including initial phases and future expansions, would exceed \$10 billion," according to an unnamed source. But AMLO has turned down the John Kerry to the country on project, citing concerns that it would strain water resources. The Mexican Institute for Competitiveness refutes that claim with facts. It can be no coincidence that the president favors putting the facility in the central state of Hidalgo, close to his failed airport project.

> AMLO's strong-arm tactics sometimes work. But the opportunity cost to Mexico can't be overstated.

Write to O'Grady@wsj.com.

Jiddoo's Guide to a Long and Happy Life

By Carine Hajjar

y grandfather drinks one cup of black Folgers coffee every morning. No cream, no milk, no sugar. He brews it himself. Beware the fate of having a Starbucks or Dunkin' cup in hand around Jack Hajjar, for he will surely make a comment. His grandchildren routinely hide their coffee-shop purchases in the car before running inside to visit.

"Those three bucks add up," he always says, often calculating the annual waste of a daily Dunkin' run. How I'd hate to tell him that I spent \$7 on a fancy Manhattan brew the other day. To those toting cups of retail java, he often suggests ditching the daily purchase and investing the equivalent in the stock mar-

Jiddoo, as his grandchildren call him—Lebanese Arabic for grandfather—is 98,

funny. He plants a garden every spring and goes on daily walks. He reads the paper every day and does the crossword. He's always welldressed, wearing a polo shirt with khakis for lounging and a three-piece suit for church every Sunday. He's able to

Keep it simple, take only what you need, and skip Starbucks.

continue wearing those splendid custom-tailored suits he bought six decades ago because he's maintained the same weight since he served in the Navy during World War

He has this remarkable vigor because he lives his life the same way he approaches coffee: He avoids overindulgence and takes only what he sharp, upright, generous, needs. A child of the Great De-

nese immigrants, he learned never to waste anything or buy something he can't make the rabbits didn't get to the himself. Coffee grounds become fertilizer for the garden. Money not spent at Starbucks—or on fertilizer—turns into generous checks for our of Jiddoo buying an expensive parish and various charities. The sweetener not wasted in his coffee saves him from guilt (and high blood sugar) should he indulge in his one luxury:

Sometimes his grandchildren sabotage him into indulgence. Knowing his only vice, we'll make sure dessert is his favorite: key lime pie. He'll never ask for it if given the choice.

He lives a humble life though he can afford not to. And though I sometimes wish he'd let us spoil him, he's taught me that life is sweetest when you don't chase indulgence. The lows aren't as painful and the highs are a triumph. His joys are fundamen- Joseph Rago Memorial Fellow.

modest, sometimes strict, and pression and the son of Leba- tal and spontaneous: His favorite Western is on TV, the lawn is getting enough rain, cucumbers, his granddaughter stops by for a visit, his wife says, "I love you."

There is only one instance coffee. He was visiting his girlfriend in Manhattan in 1960 while she was working for the United Nations, A vivacious, glamorous and certainly economical Evalynne Corey had stolen his heart. He spent \$17—after inflation, far more than he would have at Starbucks—on two coffees and some pastry at a swanky Manhattan restaurant to impress her. Sixty-three years later, they are married with three children, 11 grandchildren and great-grandchildren. What looked like a splurge turned out to be an invest-

Ms. Hajjar is the Journal's

A16 | Monday, February 27, 2023

REVIEW & OUTLOOK

S.O.S for the U.S. Electric Grid

PJM Interconnection

sounds the latest alarm.

The political class yawns.

force-fed energy transition to renewable fuels is destabilizing the U.S. elec- neighbors for power?

tric grid, but is anyone in government paying attention? Another S.O.S. came Friday in an ominous report from PJM Interconnection, one of the nation's largest grid operators.

The PJM report forecasts power supply and demand through 2030 across the 13 eastern states in its territory covering 65 million people. Its top-line conclusion: Fossil-fuel power plants are retiring much faster than renewable sources are getting developed, which could lead to energy "imbalances." That's a delicate way of saying that you can expect shortages and blackouts.

PJM typically generates a surplus of power owing to its large fossil-fuel fleet, which it exports to neighboring grids in the Midwest and Northeast. When wind power plunged in the Midwest and central states late last week, PJM helped fill the gap between supply and demand and kept the lights on.

That's why it's especially worrisome that PJM is predicting a large decline in its power reserves as coal and natural-gas plants retire. The report forecasts that 40,000 megawatts (MW) of power generation—enough to light up 30 million households—are at risk of retiring by 2030, representing about 21% of PJM's current generation capacity.

Most projected power-plant retirements are "policy-driven," the report says. For example, the steep costs of complying with Environmental Protection Agency regulations, including a proposed "good neighbor rule" that is expected to be finalized next month, will force about 10,500 MW of fossil-fuel generation to shut down.

At the same time, utility-company ESG (environmental, social and governance) commitments are driving coal plants to close, the report notes. Illinois and New Jersey climate

he warnings keep coming that the policies could reduce generation by 8,900 MW. Do these states plan to rely on their good

> Many states have established ambitious renewable goals, and the Inflation Reduction Act lavishes enormous subsidies on wind, solar and batteries. But the report says the "historical

rate of completion for renewable projects has been approximately 5%," in part because of permitting challenges. In an optimistic case, the report estimates 21,000 MW of wind, solar and battery storage capacity will be added to the grid by 2030—about half as much as the expected fossil-fuel retirements.

There's another problem: Demand for electric power will increase amid the growth in data centers and the government's push for the electrification of vehicles, heating and everything else. Loudoun County, Va., boasts "the largest concentration of data centers in the world," the report notes.

The report doesn't say this, no doubt owing to political reticence, but the conclusion is clear. The left's green-energy transition is incompatible with a growing economy and improving living standards. Renewables don't provide reliable power 24 hours a day, 365 days a year, and the progressive campaign to shut down coal and gas plants that do will invariably result in outages.

During an arctic air blast this past December, PJM ordered some businesses to curtail power usage and urged households to do the same. PJM narrowly avoided rolling blackouts as some generators switched to burning oil. But what will happen when those power plants shut down? A power shortage at PJM has the potential to cascade across much of the U.S.

Government officials have been raising alarms about the risks of cyber and physical attacks on the grid. But what about the accelerating danger from climate policy?

Another Turn in the Wuhan Leak Story lacksquare he Journal scoop Sunday that the U.S. lacksquare it knows. That may explain the timing and per-

More evidence that

those who derided the

lab origin were wrong.

Department of Energy has concluded

in Wuhan, China, doesn't mean the case is definitive. But it is more evidence that the media and public-health groupthink about Covid was mistaken and destructive.

The salient detail is that

DOE's judgment is based on "new" but still secret intelligence. Yet DOE's new judgment is nonetheless made with "low confidence." The FBI has concluded that the Wuhan Institute of Virology was the "likely" origin of the virus, but other U.S. intelligence agencies either don't believe they have enough evidence or believe it had a natural origin.

China has covered up whatever evidence it has about the virus's origin, and it refuses to let the World Health Organization conduct a more thorough probe than it did in 2021. News reports say the WHO recently abandoned the second phase of its investigation. China's behavior is prima facie evidence that it fears what an independent inquiry might find.

House Republicans are moving ahead with their own investigation and are pressing the Biden Administration for more detail about what needs to be exposed.

haps the impetus of the leak about the DOE that the Covid-19 virus leaked from a lab judgment. It's another notable example of how

the change in House control is countering media and government conformity.

On April 22, 2020, we published Arkansas Sen. Tom Cotton's op-ed pointing to the possibility of the lab leak and

raising doubts about Beijing's claim that it had originated in an animal "wet market." The media conformity caucus immediately derided Mr. Cotton for peddling a "conspiracy theory" that had been "debunked," as the Washington Post put it at the time.

We have since learned that public-health officials wanted to hide that U.S. financial aid to the Wuhan lab may have contributed to the "gain-of-function" research that could have led to the leak. It is a disgraceful episode, like so much of the initial Covid dogma.

Given China's coverup, we may never know for sure how the virus first struck humans. But Americans deserve to know the facts about the relationship of the U.S. National Institutes of Health to the Wuhan lab and to promoting gainof-function research. The early deception also

Wisconsin's Judicial Donnybrook

all but saying how

she'd vote on cases.

udicial elections used to be sleepy, nonpartisan affairs, but not anymore. A race for an open Supreme Court seat in Wis-The Democrat is

consin has become a brawl with the Democratic candidate all but declaring how she'll rule on cases.

Conservatives on the Wisconsin court hold a 4-3 majority, but conservative Jus-

tice Patience Roggensack is retiring. Democrats are giddy at the prospect of controlling the court for the first time in more than a decade, and they're not hiding their ambition to turn it into a policy engine.

In last week's four-way judicial primary, Milwaukee County Circuit Judge Janet Protasiewicz led the field with some 46.5% of the vote and conservative Daniel Kelly finished second with about 24%. They eliminated conservative Judge Jennifer Dorow (22%) and liberal Judge Everett Mitchell (7.5%). The runoff is on April 4.

Judicial candidates are traditionally circumspect about their policy views so as not to give the appearance of prejudging cases. Judge Protasiewicz has abandoned such legal niceties, all but forecasting her views on future cases. She's been especially blunt on abortion rights. When the U.S. Supreme Court returned abortion policy to the states last year, Wisconsin law reverted to an 1849 statute that makes performing an abortion a felony except to save the woman's life.

In one ad called "Janet for Justice-Common Sense," she says, "I believe in a woman's freedom to make her own decision on abortion. It's time for a change." But changing the law is the job of the Legislature and Governor.

She has also criticized the state's contested judicial maps, calling them "rigged" though the Supreme Court reviewed them in 2022. "They do not reflect people in this state. I don't think you could sell any reasonable person that the maps are fair," Ms. Protasiewicz told a candidate forum. "I can't tell you what

I would do on a particular case, but I can tell you my values, and the maps are wrong." No one believes she won't overturn the maps in a future

Also in her potential line of fire: Act 10, the landmark 2011 law that limited the ability of government unions in Wisconsin to collectively bargain. The state's right-to-work law, voter ID requirements and a voucher program for private schools could also be vulnerable.

Mr. Kelly, the GOP nominee, is running largely against Judge Protasiewicz's record of leniency toward felony defendants. One irony is that Democrats spent heavily to help Mr. Kelly get through the primary because they think he'll be easier to beat. He was appointed by former Gov. Scott Walker in 2016 but lost a retention election in 2020 after being endorsed by Donald Trump. In last week's primary he was third after fellow conservative Jennifer Dorow and Ms. Protasiewicz in Waukesha County, a GOP stronghold.

The race is sure to be the most expensive judicial election in Wisconsin history—with more than \$6 million already spent by candidates and outside groups. Judge Protasiewicz raised some \$2 million in the primary, more than the other three candidates combined. National progressives are pouring money into the contest. Mr. Kelly is counting on conservative donor Richard Uihlein's Fair Courts America, but he'll need much more to be competitive with the progressive machine.

The Wisconsin spectacle shows how much the judiciary is now being treated like the third political branch of government. It's a depressing turn of events, but that is where we are.

LETTERS TO THE EDITOR

A New U.S. Program of Nuclear Deterrence

Your editorial "Putin Buries Nuclear Arms Control" (Feb. 22) correctly discounts the significance of Vladimir Putin's withdrawal from the New Start Treaty, explaining that nuclear deterrence is buttressed by U.S. nuclear force deployments and not by armscontrol treaties, particularly given Moscow's frequent noncompliance. Given America's demanding extended deterrence commitments to defend numerous allies from conventional and nuclear attacks, however, Washington should take several additional deterrence-enhancing steps.

First, deterrence is bolstered by a nuclear-use policy, targeting enemy assets based on the enemy's own values and weaknesses. This is why the U.S. moved from a "assured mutual destruction" policy, targeting Soviet cities in the 1960s, toward hitting the Soviets where it mattered to them the most. The final iteration of this strategy, adopted during Jimmy Carter's presidency, targeted Communist Party headquarters and railways linking European Russia with Siberia. Given Mr. Putin's highly personalized regime, the U.S. contingency plan should be to target Russian leaders and their close associates, as well as the key transportation facilities connecting Russia proper with restive Muslim and Asian regions.

Second, robust U.S. declaratory policy, describing how we view nuclear weapons, enhances deterrence. Unfortunately, visions of a nuke-free world have been overly embraced by numerous administrations of both parties. Given Russia's embrace of its ability to prevail in a nuclear war, the U.S. must give up on nuclear abolitionism and refocus on a credible nuclear war-fighting strategy.

Today's challenges require the U.S. to re-emphasize the first-use policy (already embraced by Russian military doctrine) and stress that a properly prosecuted nuclear war can be won. We need to respond robustly to Mr. Putin's nuclear taunts, stating that any use of Russian nuclear weapons against Ukraine would so malignantly change the post-World War II global security environment that it would be met by a vigorous U.S. response.

Facilitating Russian defeat in Ukraine would also discourage Beijing's attack on Taiwan. China is rapidly building its nuclear forces but won't approach nuclear parity with the U.S. until 2030 at the earliest (it's during these years that U.S. conventional force vulnerabilities in any conflict with China loom largest.) Discounting Mr. Putin's nuclear threats, abandoning self-deterrence and returning the U.S. to a muscular nuclear policy would bolster deterrence of Beijing, too.

DAVID B. RIVKIN JR. Falls Church, Va.

What Threatens Israeli Judicial Independence?

Ruth Wisse's op-ed "God Save This Honorable Court, but Not That One" (Feb. 17) is a reminder that the principles underlying the U.S. Constitution are often misunderstood, at home as well as abroad. In America, the role of the political branches in appointing judges is part of the Constitution's checks and balances, and it coexists with judicial independence.

This coexistence is possible because judicial independence isn't a freedom from political control over appointments. At its core, it traditionally was the judges' exercise of independent judgment in cases—a judgment undisturbed by internal passions or outward pressures.

If, however, the legislature were to pressure the judges in giving their judgments, or alter their judgment entered in a particular case, that would interfere with judicial independence. There can't be a presidential veto or a congressional override of a court decision in a particular case, and there shouldn't be any such political power over the judiciary in Israel.

But political power over appointments is another matter. That's part of the healthy back-and-forth between the political branches and the courts. Like all other constitutional authority, it can be misused. But it's a mistake to assume that political control over judicial appointments is by itself an intrusion on judicial independence. That's not true in America, and it needn't be true in Israel.

PROF. PHILIP HAMBURGER Columbia Law School New York

Mr. Hamburger is author of "Law and Judicial Duty."

Given that there seems to be no constitutional limit on the Israeli Supreme Court, it is perhaps not surprising that a legislative override has been proposed. But having the voting rule at 50% plus one makes the court superfluous. An obvious political solution is to require a special majority to override a court opinion. Andrew Gold

The FDA and the Statistics of Drug Discovery

Your editorial "The FDA Returns to" works or the size of the treatment ef-Its Bad Habits" (Feb. 21) explains "Reata's p-value was 0.014, which means there was a 1.4% chance that its positive result was a fluke."

A related, true statement would be: A treatment that did nothing would only show an effect that strong or stronger 1.4% of the time. The key difference is that we don't know beforehand if the treatment is effective. and the p-value is about conditional probability from the experiment, not directly about whether the treatment

DirecTV, Newsmax and the Political Coercion of Business

Regarding your editorial "The Right's Wrong Attack on DirecTV" (Feb. 16): How do you explain that DirecTV also canceled One America News about a year ago? Doesn't it seem odd that two of the three conservative stations have been removed from the platform, while the many liberal stations remain?

Ann Burrows Pflugerville, Texas

Are you willing to apply the principle that "political coercion of business is distasteful" to Florida Gov. Ron DeSantis, who has punished a company for speaking against his views? Milton Friedman argued that state coercion of business destroys freedom. It matters not whether you agree with the state's objective. JOSH WIENER

Stillwater, Okla.

would improve our confidence. Unfortunately, background information from drug discovery makes the

fect. This matters because combining

information from multiple sources

another test with the same result

changes the interpretation; running

result weaker than the above statement about p-value would imply. Drug companies try lots of potential treatments, most of which fail. If, for example, they test 100 different treatments, all of which did nothing, you'd expect at least one to show a p-value of 0.01. Under the circumstances, the proper result is probably to run a larger test, with greater statistical power, to confirm the promising signal.

JON LEONARD Sunnyvale, Calif.

The Russian Soldier's Hat

It's the details that speak loudest. In the background of the photo accompanying your editorial "America's Choice in Ukraine" (Feb. 22) online, a Russian soldier is wearing an Under Armour baseball hat. He isn't wearing a Russian Army-issued hat, but one from an American sports brand—and he's standing near Vladimir Putin. It's laughable, but it says to me that the Russians are toast.

When the starving German soldiers discovered that American GIs had chocolate and cigarettes with their rations, they knew the war was lost.

STEPHAN KOCH Hunt Valley, Md.

The Criterion That Matters Reading Stanley Goldfarb's letter

on racial preferences in medical schools (Feb. 22), a question comes to mind: In the event of a mugging, would I rather have a social worker or a policeman arrive to rescue me and catch the perpetrator? The answer is that I want the person best equipped to save my life.

BARBARA WICKWIRE Boca Grande, Fla.

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Pepper ... **And Salt**

THE WALL STREET JOURNAL



"Wish there was an antibody for inanity."

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orthodoxy.

Vanguard's CEO Bucks the ESG Orthodoxy

anguard's Tim Buckley is having a Copernican moment. Like the famous Renaissance polymath who challenged conventional wisdom about celestial movement, the 54-year-old CEO is challenging the asset-management industry's environmental, social and governance

"Our research indicates that ESG investing does not have any advantage over broad-based investing," Mr. Buckley said in a recent interview with the Financial Times. Matching word to deed, his com-

Tim Buckley pulls out of the Net Zero Managers initiative and affirms his fiduciary duty to clients.

ments came after he had withdrawn his firm from the \$59 trillion Net Zero Asset Managers initiative, an organization that is part of the \$150 trillion United Nations-affiliated Glasgow Financial Alliance for Net Zero. Both alliances are committed to restricting their investments over time to companies that are compliant with the Paris Agreement's objective of net-zero greenhouse gas emissions by 2050. Mr. Buckley claims the financial world, swept up in climate-change fervor, can't make such commitments without reneging

on its fiduciary duties.

Mr. Buckley's assertions would be innocuous if he were a small hedgefund manager or a climate-change denier. He is neither. Depending on how and when you measure, Vanguard is the largest or second-largest asset manager in the world. Pulling his firm out of the world's largest association of financial institutions dedicated to net-zero goals should have seismic implications. What is it that Mr. Buckley knows that so many others don't?

For one thing, he understands that it's difficult for active managers to beat broad indexes, as most ESG funds promise. "In investing, you get what you don't pay for," as Vanguard founder John C. Bogle observed. "Intelligent investors will use low-cost index funds to build a diversified portfolio, . . . and they won't be foolish enough to think that they can consistently outsmart the market."

Mr. Buckley effectively claims that ESG managers are playing the fool and taking their clients' money with them. Fewer than 1 in 7 active equity managers outperform the broad market in any five-year period. Over the past five years, not one relied exclusively on a net-zero investment methodology. Outperforming the market is even more difficult over longer time horizons—only 1 in 10 over 10 years, and 1 in 20 over 20 vears, ever do.

Last year, tech stocks fell by more than 30% while the energy sector, including oil and gas firms, gained nearly 60%. Yet because of their netzero pledge. ESG funds continue to overweight the former and under-



Vanguard CEO Tim Buckley

weight the latter. Rather than embrace diversification and own a market-weighted amount of everything, ESG funds practice "deworsification," clinging to a restricted list of companies and hoping for the best.

Mr. Buckley also knows that Vanguard can't promise to be a fiduciary to its clients while also committing to align its assets with the 2050 netzero target. Signatories to such initiatives effectively commit to reducing their volume of investments in companies not aligned to the Paris Agreement without ever knowing how much of the global economy will be compliant or investable. In other words, being a member of a net-zero alliance requires clairvoyance-something Mr. Buckley, in good conscience, can't promise. If acts of war or nature force a sudden rethink of the priority given to carbon reduction over energy affordability and reliability, as they've done in the past year, the investment universe would no longer reflect how the real economy operates.

Finally, Mr. Buckley knows that the largest index manager in the world isn't qualified to tell individual companies how to set their ESG priorities. "It would be hubris to presume we know the right strategy for the thousands of companies that Vanguard invests in," he told the FT. "We just want to make sure that the risks are being appropriately disclosed, and that every company is playing by the rules."

Most important, Mr. Buckley understands that progress toward netzero emissions doesn't depend on how people invest: "Politicians and regulators have a central role to play in setting the ground rules to achieve a just transition." Betting his clients' money on politicians and regulators consistently doing the "right" thing would be irresponsible. There is a receding chance the globe will be at net zero by 2050. No one should promise to base his entire investment strategy on such odds.

If Mr. Buckley is right, then hundreds of other financial institutions with trillions of assets under management are wrong. Asset managers who promise to prioritize investment performance should reject shoehorning their clients' capital into an unknown and unknowable future. They should also stop pretending they know more about how to run companies than full-time corporate boards whose sole job is to maximize their shareholders' longrun interests.

Rejecting prevailing beliefs is hard. Al Gore called Mr. Buckley's decision "irresponsible and shortsighted." Freeing the asset-management industry from a prevailing orthodoxy that promises wealth and environmental sanctity while delivering neither requires monumental fortitude.

It took some 360 years before the Vatican formally acknowledged its error in rejecting Copernicus's theory of heliocentrism. Let's hope Mr. Bucklev's critics won't wait three centuries before admitting he

Mr. Keelev is CEO of 1PointSix LLC and author of "Sustainable: Moving Beyond ESG to Impact Investing."

Three Years Late, the Lancet Recognizes Natural Immunity



SCIENCE By Allysia **Finley**

journal this month published a review of 65 studies that concluded prior infection Covid—i.e., natural immunity—is least as protective as two doses of mRNA vaccines. The most surpris-

The Lancet medical

ing news was that the study made the mainstream press.

"Immunity acquired from a Covid infection is as protective as vaccination against severe illness and death, study finds," NBC reported on Feb. 16. The study found that prior infection offered 78.6% protection against reinfection from the original Wuhan, Alpha or Delta variants at 40 weeks, which slipped to 36.1% against Omicron. Protection against severe illness remained around 90% across all variants after 40 weeks. These results exceed what other studies have found for two and even three mRNA doses.

This comes after nearly three years of public-health officials' dismissing the same hypothesis. But now that experts at the University of Washington have confirmed it in a leading-and left-leaning—journal, it's fit to print.

The Lancet study's vindication of natural immunity fits a pandemic pattern: The public-health clerisy rejects an argument that ostensibly threatens its authority; eventually it's forced to soften its position in the face of incontrovertible evidence; and yet not once does it acknowledge its opponents were right.

The supposition that prior Covid infection could protect against future illness was deeply rooted in immunology before studies bore it out. Those who dismissed natural immunity argued it wasn't known how long protection against reinfection would last. That's true. We still don't know exactly, and it seems to vary by person and variant.

Over their lifetimes people are frequently reinfected with viruses that cause respiratory illnesses, including other coronaviruses. But healthy people rarely get severely ill with a virus to which they've already been exposed. Infections generate antibodies in blood and the membranes of the upper respiratory tract that prevent reinfection in the short-term. They

also generate and train B and T white blood cells that prevent serious illness after antibodies wane.

Repeat exposures train our immune systems to live with and fight off viruses as they become endemic. Think of it as peaceful coexistence. We tolerate viruses rapidly replicating in our upper respiratory pas-

The public-health clerisy rediscovers a principle of immunology it derided throughout the pandemic.

sages, which allows them to transmit to other people, without mounting an overkill immune response that ends up harming ourselves.

Anthony Fauci and two co-authors explained this process last month in the journal Cell Host & Microbe. The concept of natural immunity isn't scientifically controversial, vet it was disparaged by public-health officials who associated it with opposition to lockdowns and the Great Barrington fected or discourage them from getting concede its opponents were right.

Declaration in autumn 2020.

Recall that the declaration called for a new pandemic strategy with a focus on protecting the elderly and vulnerable while letting those at low risk for severe illness "live their lives normally to build up immunity to the virus through natural infection." The aim was to minimize deaths and social harm until we reach herd immunity.

While the goal of herd immunity proved elusive as the virus mutated, the declaration's central premise was correct: "As immunity builds in the population, the risk of infection to all—including the vulnerable—falls." This is what has happened over the past three years. Vaccines helped mitigate severe illness while people developed stronger natural immunity.

Although the virus has become more transmissible, we've built up what experts call an "immunity wall" that prevents it from spreading like a wildfire through a dense, dry forest, as happened in China after Beijing lifted its zero-Covid policy.

The public-health clerisy worried that acknowledging natural immunity would encourage people to get in-

vaccines. The first concern was unsupported, and the second was no reason to deny scientific reality. Public-health officials in the U.S. nonetheless dug in and refused to provide exemptions from vaccine mandates for those with natural immunity, as many European countries did.

Meantime, tech companies suppressed discussions of natural immunity. Twitter flagged posts that claimed natural immunity was superior to vaccines as "misleading." Facebook's misinformation policy still restricts distribution of content that "implicitly discourages vaccination by advocating for alternatives" such as "natural immunity."

The false denial of natural immunity caused vaccine skeptics to dig in and fueled suspicions that publichealth officials were in the pocket of vaccine makers and dishonest about other things as well.

The Lancet study could serve a useful political purpose by giving public-health officials cover to relax vaccine mandates, which in turn could reduce resistance to vaccines. But this would require the clerisy to

Mr. Netanyahu's judicial-reform

Netanyahu's Judicial Reform Doesn't Go Far Enough

By Michael B. Mukasey

udges and attorneys general throughout the world—I've served in both capacities in the U.S.—wield substantial authority. In any sound legal system, such authority is subject to clear, objective limits. That seemingly unexceptional principle might help clarify the debate roiling Israel over the country's Supreme Court justices and attorney general, and Prime Minister Beniamin Netanyahu's proposals to change that authority and the method of selecting justices.

Unlike the U.S., Israel doesn't have a constitution to constrain court rulings. It doesn't require that a party bringing a case have standing—a direct and personal stake in the outcome of the dispute. In Israel, anyone may file a case on any issue, which raises the ante in the current debate. Nor do Israeli courts recognize the distinction between legal issues-resolved in the U.S. by courts—and policy issues, including military tactics and cabinet appointments, which in the U.S. are left to the political branches.

Moreover, Israel's Supreme Court has taken on the authority to base its decisions on whatever it determines

is "reasonable." The court has applied even that tenuous standard inconsistently. In 1999, when Prime Minister Netanyahu tried to close the Palestine Liberation Organization's headquarters in Jerusalem, the court held that the step was unreasonable because parliamentary elections were only months away. But five days before the 2022 parliamentary elections, the court sustained the power of Prime Minister Yair Lapid's government to enter into an agreement yielding portions of what were claimed to be Israel's territorial waters to Lebanon.

The Supreme Court's authority often is exercised in tandem with that of Israel's attorney general, who serves a six-year term and isn't part of the elected government. Since 2000, the attorney general's role as legal adviser to the government has expanded into legal authority over the government. Israel's courts treat any directive by the attorney general as legally binding on the government. Initially by attorney general directive in 2002, and later by order of the government in 2009, the attorney general has the authority to control the legal advisers within each ministry and government office. In addition, the attorney general may

appear in court to argue *against* the government's position and can ban the government from seeking private counsel to defend its policies. In such cases, the government's own lawyer in effect denies it representation.

This allocation of authority can create bizarre situations. On Feb. 2. the Israeli attorney general directed Prime Minister Netanyahu to cease his involvement in "initiatives touching on the legal system, in the framework of the process termed 'legal reform," " although those initiatives were being pursued by the government Mr. Netanyahu was elected to head. The basis for this directive was a May 2020 decision by the Supreme Court that Mr. Netanyahu must avoid conflicts of interest relating to his continuing criminal trial on corruption charges. Mr. Netanyahu denies the charges, which in any event were known to voters when they elected him. The attorney general seems deaf to the irony of invoking nonstatutory conflict-of-interest principles to halt efforts at reforming her own office.

After the Feb. 2 directive, the Supreme Court chose to hear a petition by a group called the Movement for Quality Government in Israel, seeking to have Mr. Netanyahu declared unfit to govern based on his violation of the May 2020 decision. Mr. Netanyahu must answer the petition by March 12. In sum, the attorney general has cited the authority of the Supreme Court to decide when and to what extent the prime minister may function as prime minister.

This extraordinary scenario is all the more remarkable given that the attorney general is named by a fivemember committee consisting mostly of unelected officials, such as a for-

Israel should establish rules of standing and recognize the distinction between policy and law.

mer Supreme Court justice, a law professor and a representative of the bar association. Justices are chosen by a nine-person committee whose membership—including the justice minister, one additional minister and two members of the Knesset-is prescribed by statute. The panel includes three current justices, who vote as a bloc, effectively exercising veto power and letting the court insulate itself from dissenting views.

proposals would bring more democratic representation to the appointment process by expanding membership of the committee to 11, of whom three would be Knesset members and three would be ministers of the elected government. The process would still fall short of the U.S. model of purely political appointments—presidential nomination and Senate confirmation. Mr. Netanyahu would also restrict the attorney general to providing advice and permit the government and each ministry to determine its own legal position in court, represented if necessary by counsel other than the attorney gen-

The government's most controversial proposed change would give the Knesset authority to override a Supreme Court decision, although proponents of this change have said they are willing to abandon it. Critics say this change threatens both the rule of law and democracy itself. But in view of the court's sweeping self-imposed authority, it is difficult at times to describe the current condition as the rule of law.

Not all the government-sponsored changes are likely to be adopted. Even if they were, they would simply empower a more democratically chosen set of government officers to decide—in the trappings of a legal setting—issues that aren't actually susceptible to legal analysis, but are essentially legislative policy judgments. This would change the actors but not the masquerade.

Real reform would recognize the distinction between legal issues that can be decided in court and policy issues relegated to the political arena. It would also permit cases to be brought only by parties with a direct and personal interest. That would make the debate less of a struggle over who controls outcomes.

Mr. Mukasey served as U.S. attorney general, 2007-09, and as a U.S. district judge, 1988-2006.

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Notable & Quotable: Smoking

From a Feb. 23 Associated Press

SACRAMENTO, Calif. (AP)—Some California lawmakers want to eventually ban all tobacco sales in the nation's most populous state, filing legislation to make it illegal to sell cigarettes and other products to

anyone born after Jan. 1, 2007. If signed into law, it would mean by 2073 people wanting to buy cigarettes would have to show ID to prove they are at least 67 years

"We can ensure that the next generation of children in California do not become addicted to smoking," said Assemblymember Damon Connolly, a Democrat from San Rafael and the author of the bill. . . .

The bill would not penalize people for using or possessing tobacco products. Instead, it would fine retailers for selling to them. Connolly said he's open to amendments that might create an exemption for religious and cultural uses. But he said the ban would not impact marijuana, which is legal to smoke recreationally in California.

"Tobacco products and marijuana are not an apples to apples comparison," he said.

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P2JW058000-0-A01800-1-----XA

Israel, Palestinians Vow to Cool Tensions

Riots erupt soon after the agreement, following rare meeting of security officials

By Dov Lieber AND AARON BOXERMAN

TEL AVIV-Israeli and Palestinian officials pledged Sunday to reduce the escalating violence in the West Bank and Jerusalem, but the fatal shooting of two Israeli settlers and subsequent riots in Palestinian villages underscored how tensions are spiraling.

Israelis and Palestinians issued a joint statement after a rare meeting with U.S., Jordanian and Egyptian officials hosted in Jordan's southern coastal city of Aqaba. The summit brought high-level diplomacy to efforts to stem spiraling tensions between Israelis and Palestinians ahead of the Muslim holy month of Ramadan in late March. Regional officials have warned that Ramadan could be a flashpoint for new violence, as it has been in the past.

But Sunday marked another violent day in the West Bank. In the afternoon, a Palestinian gunman shot and killed two Israelis. Groups of Israeli settlers later rioted in the area,



Security forces patrolled in the West Bank town of Huwara on Sunday after two Israelis were killed.

and one Palestinian man was fatally shot in the abdomen, Palestinian health officials

The past year has been one of the deadliest periods of violence in the occupied West Bank in nearly two decades. Security cooperation between Israel and the Palestinian Authority has frayed as the Israeli military conducts deadly raids deep in Palestinian-administered territory, in what Israeli officials say is a response to

Palestinian terrorist attacks.

By late Sunday, Israeli and Palestinian officials released a joint statement stressing "the importance of de-escalation on the ground and preventing

further violence." Israel declared it wouldn't approve new housing units in West Bank settlements for the next four months, after anproving the legalization of nine settlement outposts and advancing 9,500 housing units in West Bank settlements this

month.

In a joint statement approved by the U.S., Israel, Palestinian Authority, Jordan and Egypt, the group called the understandings reached Sunday "major progress towards re-establishing and deepening relations between the two sides." The five parties agreed to hold a follow-up conference in March in Egypt before Ram-

A senior Israeli official said the parties also agreed to examine the renewal of Israeli-Palestinian security coordination and the ability of the Palestinians to fight terrorism in areas under their control. The official said the parties also agreed to establish a joint civil committee to examine what economic measures the Israeli government can take with the Palestinians.

The agreements were immediately rejected by powerful Israeli government officials, including Israeli Finance Minister Bezalel Smotrich and National Security Minister Itamar Ben-Gvir. The two form the nationalist flank of what political analysts call Israel's most rightwing government yet.

Whatever was in Jordan (if something happened), will stay in Jordan," Mr. Ben-Gvir

Tzachi Hanegbi, head of Israel's National Security Council, later said Israel hadn't agreed to any settlement freeze or limitations on Israel's military.

The Israeli delegation at the summit included Mr. Hanegbi, as well as the chief of Israel's domestic security service and the Israeli military's liaison to the Palestinians, Israeli officials said. Four close advisers to Palestinian Authority President Mahmoud Abbas also attended, a Palestinian official said.

The meeting comes after the Israeli military conducted a rare daytime operation in the West Bank city of Nablus last week. Eleven Palestinians were killed in the deadly firefight. Israeli officials said eight of those were militants.

U.S. Defense Secretary Lloyd Austin called his Israeli counterpart Yoav Gallant on Saturday and "encouraged the de-escalation of tensions in the West Bank," according to a Pentagon statement.

U.S. security officials have broadly proposed a 60-day halt to Israeli military raids in areas administered by the Palestinian Authority, and for Palestinian security forces to shoulder more responsibility in arresting militants so as to contain the rising tensions, an official familiar with the matter said.

At least 60 Palestinians. mostly militants but also some civilians, according to Israeli officials, and 10 Israeli civilians and one policeman, have been killed in rising violence since the beginning of the

Last year, at least 146 Palestinians in the West Bank and East Jerusalem were killed, according to the B'Tselem rights group. Israel says most of those killed were involved in violence.



Firefighters and Red Cross personnel on Sunday gathered at a beach near Cutro where bodies of migrants washed ashore after a shipwreck.

Migrants Drown Off Italian Coast

By Eric Sylvers

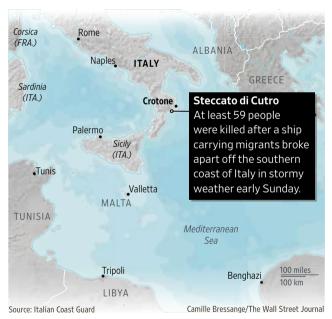
At least 59 migrants died trying to cross the Mediterranean Sea after their ship broke apart early Sunday in stormy weather near the southern Italian coast, Italian authorities said, spotlighting the European Union's continued struggles to resolve the issue of illegal immigration.

There were more than 170 people on the ship, including children and entire families. aid agencies said. Eighty survivors have been found on the beach and in the sea, the Italian Coast Guard said.

Italian police released a video showing planks of wood and other debris strewn over a long stretch of beach in the province of Crotone. A video from fire authorities showed rescuers pulling a body from the rough seas onto the beach. Another showed survivors covered in blankets sitting on the ground.

Italy's financial police, the Guardia di Finanza, which also has a role patrolling the country's borders, said the boat seemed to have left from Izmir, Turkey, four days ago.

Illegal border crossings into the EU rose by almost twothirds last year to 330,000, the



highest number since 2016, according to Frontex, the EU's border-control agency. The number of migrants using the central Mediterranean route mostly leaving from Libya and Tunisia to reach Italy—rose 50% to 103,000, down from a peak of 180,000 in 2016. Egyptians, Tunisians and Bangladeshis made up the largest groups of those

arriving in Italy last year. Sea crossings from Turkey accounted for 15% of migrant sea arrivals in Italy last year, the United Nations High Commissioner for Refugees said.

Italian Prime Minister Giorgia Meloni, who heads Italy's most right-wing government since World War II, has sought to limit migrant arrivals by working with North African countries and providing funding for policing operations to prevent the boats from leav-

continuing a policy started under a previous center-left government. The policy has had mixed results.

Ms. Meloni's government has also sought to hinder the work of ships operated by nongovernment organizations that ply the sea picking up migrants from their small wooden boats. The government has forced the boats to dock at ports far up the Italian coast, increasing the organizations' costs and decreasing the time they are able to spend out on the open seas looking for migrants.

Last week, Italian authorities detained a rescue ship operated by Doctors Without Borders and fined the organization 10,000 euros, equivalent to \$10,547. The work of the rescue ships has been criticized by some, including Ms. Meloni and her political allies, as encouraging migrants to leave on unsafe boats because they know they are likely to be picked up.

'The government is committed to preventing the departures and the resulting tragedies and will continue to do so, above all by demanding maximum cooperation of the countries of departure and origin," Ms. Meloni's office said on Sunday after the shipwreck.

Mexicans Rail Against Cuts to Election Agency

By Juan Montes

MEXICO CITY—Hundreds of thousands of Mexicans rallied across the country for the second time in less than four months against President Andrés Manuel López Obrador's overhaul of the country's independent election agency, saying it will cripple the body's ability to organize next year's presidential election.

In one of the largest protests against Mr. López Obrador's administration, more than 150,000 demonstrators filled Mexico City's large Zócalo square and adjacent streets in the historic district of the country's capital, a senior police official said. Protesters waved flags, umbrellas and banners with the distinctive pink colors of the National Electoral Institute, also known as INE. Others wore pink caps and clothing.

Demonstrators also marched in cities across the country to protest the sweeping overhaul of electoral laws recently passed in Congress. Protesters called for Mexico's top court to overturn the legislation passed by Mr. López Obrador's ruling party on constitutional grounds.

In a festive mood, demonstrators in Mexico chanted slogans in favor of the electoral agency and against Mr. López Obrador, a leftist nationalist who became president in 2018 on an antiestablishment platform.

'We have to raise our voices to defend INE and democracy. Not all is lost. We have confidence in the Supreme Court," said Alejandro Ochoa, a 46-year-old biologist, pointing to the Supreme Court building, which is located next to the presidential palace.

The recently passed legislation calls for large cuts to the budget and staff of INE, eliminating many of its units and nationwide offices in charge of issuing national identification cards to the country's 95 million adults at no cost. The ID is required to vote.

The legislation aims to cut the agency's \$760 million

annual budget by almost a third. The savings would be equivalent to less than 0.1% of the federal budget. The electoral agency has estimated that the laws would mean the layoffs of some 6,000 of its 17,000 permanent staff, including key technical staff in charge of organizing elections.

Mr. López Obrador says the operational costs of Mexico's electoral agency are excessive and that senior management works for a corrupt, rightwing elite.

The legislation was passed after Mr. López Obrador failed in December to pass constitutional amendments to replace INE. In November, tens of thousands of Mexicans demonstrated against Mr. López Obrador's proposed constitutional amendment.

More than 150,000 protested in Mexico City's Zócalo square and adjacent streets.

Opponents say the laws undo much of the progress made by Mexico since its transition to democracy 25 years ago. For much of the 20th century. Mexico was governed by a single party, until the first opposition candidate won the presidency in 2000. The creation of a strong electoral agency independent from the government in 1996 was a key step toward ending the singleparty rule.

Opposition parties, INE's directors, and governors of many of Mexico's 32 states have said they would file constitutional challenges against the laws.

Ordinary citizens are also expected to file thousands of injunctions before federal courts, said Lorenzo Córdova, the head of INE, on grounds that the laws violate citizens' constitutional right to free and fair elections. INE workers also plan to file injunctions if they are fired, he said.

WORLD WATCH

UNITED KINGDOM

Sunak, EU Head Seek **Northern Ireland Deal**

U.K. Prime Minister Rishi Sunak and European Commission President Ursula von der Leven will meet to try to seal a compromise agreement on the trading status of Northern Ireland. potentially ending a longstanding feud that has poisoned relations between the two sides and sparked concern in the Biden administration.

The deal, which officials say is likely to be announced on Monday, is a gamble by Mr. Sunak that he can sell the modified version of the so-called Northern Ireland protocol to his restive Conservative Party and bring to an end the current political paralysis in Northern Ireland.

As part of its 2019 Brexit divorce deal. Britain agreed to place a customs border within its own country to avoid building border infrastructure between Ireland, an EU member. and the U.K. province of Northern Ireland, fearing doing so would inflame sectarian tensions in the region between unionists who favor continued British rule and republicans who want political union with the rest of Ire-

—Max Colchester

TAIWAN

CIA Chief Says Xi Is Wary of Invading

Russia's struggle to seize and keep territory in Ukraine over the past year has likely fueled doubts by Chinese leader Xi Jinping that China's military could successfully invade Taiwan this decade, Central Intelligence Agency Director William Burns said

"I think our judgment at least is that President Xi and his military leadership have doubts today about whether they could accomplish that invasion," Mr. Burns said on Sunday on CBS. "As they've looked at Putin's experience in Ukraine, that's probably reinforced some of those doubts."

Mr. Burns said the U.S. continued to take the threat of a Chinese invasion of Taiwan seriously, adding that the risks of a conflict would likely grow further into the decade and beyond, U.S. intelligence and defense officials believe Mr. Xi wants to be ready to do so by 2027, if not sooner. but Mr. Burns said that goal isn't set in stone.

He said U.S. and European assistance for Ukraine since Russia's invasion could also be factoring into China's calculus about an invasion by demonstrating the West's collective resolve.

-Dustin Volz

PAKISTAN

Afghan Refugees Protest Visa Delays

Hundreds of Afghan refugees facing extreme delays in the approval of U.S. visas protested in Pakistan's capital on Sunday, as an American program to help relocate at-risk Afghans fleeing Taliban rule stalls.

The U.S. government's Priority 1 and Priority 2, known as P1 and P2, refugee programs were meant to fast-track visas for atrisk Afghans including journalists and rights activists after the Taliban takeover in their homeland. Those eligible must have worked

based media organization or nongovernmental organization in Afghanistan, and must be referred by the U.S.-based employer. Applicants have been waiting

for the U.S. government, a U.S.-

in Pakistan for more than 18 months for U.S. officials to process their visa applications. The delay in approving visas and resettlement has left Afghan applicants vulnerable as they contend with economic hardship and lack of access to health, education and other services in Pakistan.

Protesters said applicants had vet to receive the preliminary interview necessary to begin the

visa-application process. —Associated Press

VHSS & HINAN

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THE WALL STREET JOURNAL.

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See more at WSJ.com/Markets

Last Week: S&P 3970.04 ▼2.67% S&P FIN ▼1.97% S&P IT ▼2.71% DJ TRANS ▼3.35% WSJ \$IDX ▲1.34% 2-YR.TREAS. yield 4.803% NIKKEI 27453.48 ▼0.22%

Pfizer Eyes \$30 Billion-Plus Deal

By Jared S. Hopkins AND JONATHAN D. ROCKOFF

Pfizer Inc. is in talks to acquire biotech Seagen Inc., said people familiar with the matter, the latest potential deal for a big drug company aimed at adding a promising class of targeted cancer therapies.

The talks are at an early stage, and there is no guarantee there will be a deal, the people said. A number of hurdles would need to be overcome, including the potential for a stringent antitrust review of any proposal. If there is a deal, it would be big: Seagen has a market value of some \$30 billion and would be expected to command a premium over that.

Seagen was in advanced talks last year to be acquired by Merck & Co., in a deal that would have been valued at \$40 billion or more, The Wall Street Journal reported at the time, but the two sides failed to reach agreement. Pfizer at the time was also looking at Seagen, people familiar with the matter have said.

After talks with Merck fell apart last vear. Seagen named David Epstein, a former Novartis AG executive who more recently was a partner at venture firm Flagship Pioneering, as chief executive.

A deal would help Pfizer, one of the world's biggest pharmaceutical companies, with \$100 billion in sales last year, add to its lineup of cancer treatments a class of agents that have shown promise working with immunotherapies against some of the most prevalent tumors.

It could also help Pfizer offset \$17 billion in sales that the company projects it could lose due to patent expirations by 2030. Pfizer has set a goal of adding \$25 billion in revenue by the end of the decade from business-development moves including acquisitions. Seagen had nearly \$2 billion in sales last vear.

has \$22.7 billion from sales of its Covid-19 vaccines, drugs and other products.

Last year, Pfizer acquired sickle-cell-drug maker Global Blood Therapeutics Inc. for more than \$5 billion and the rest of Biohaven Pharmaceutical Holdings Co. for more than \$10 billion.

Seagen, of Bothell, Wash., helped pioneer a class of cancer therapy known as antibody drug conjugates that works like a guided missile attacking tumors with toxic agents.

The therapies had been approved for cancers like Hodg-

New York-based Pfizer is kin's and other lymphomas and flush with cash. The drugmaker more recently have shown more recently have shown promise in combination with an immunotherapy against other kinds of tumors, including a form of breast cancer.

The potential in breast cancer could be particularly appealing to Pfizer, which has a top-selling drug, named Ibrance, treating the condition. The Food and Drug Administration is reviewing whether to approve a combination of the Padcev antibody drug conjugate, from Seagen and Astellas Pharma Inc., and Merck's Keytruda immunotherapy for treatment of advanced bladder cancer.

Union Pacific To Replace CEO Fritz This Year

By Juliet Chung AND LAUREN THOMAS

Union Pacific Corp. said Sunday it plans to name a new chief executive this year, hours after a major shareholder publicly urged the railroad giant's board to oust Lance Fritz from the job.

Soroban Capital Partners, a New York hedge-fund managing about \$10 billion, on Sunday disclosed a letter it wrote to Union Pacific directors pushing for the change, arguing the company has underperformed on Mr. Fritz's watch. The letter was reported earlier on Sunday by The Wall Street Journal.

Union Pacific said its board is focused on finding "highlyqualified candidates both within the industry and adjacent industries." Among its considerations are a record of success in safety and operational matters, the company said, crediting Mr. Fritz with achieving financial growth in difficult conditions.

Soroban argues that Union Pacific, the largest freight-railroad operator in the U.S., with a market capitalization of nearly \$120 billion, had ranked Please turn to page B5

Shale Spending, Output Diverge

By Benoît Morenne

Frackers are set to plow more cash into oil fields this year compared with last, but it isn't expected to unleash the flood of crude that past spending binges in the shale patch have.

EOG Resources Inc. said it would spend about \$1.4 billion more than last year, but that its oil production would rise by about 3% in 2023. Pioneer Natural Resources Co. said it would augment its budget by nearly \$1 billion, but its production would increase by less than 7% from 2022. And Marathon Oil Corp. said that although its expenses would jump by up to 35%, its produc-

tion would remain flat. The disconnect between spending and production gains makes for a murky outlook for oil and gas producers in 2023. analysts said. It comes after many producers rode high oil prices following Russia's inva-Please turn to page B7

Old Farming Practice Offers Carbon Credits

Many companies are embracing biochar to offset their emissions of greenhouse gases

By Amrith Ramkumar

Forget whiz-bang technologies that are supposed to solve climate change. An ancient agricultural practice that removes carbon from the atmosphere is getting fresh attention and game-changing cash from big companies.

Biochar is a black substance similar to charcoal that when buried underground sequesters carbon dioxide, the primary greenhouse gas that causes climate change. It has long been used to improve soil. Now it has suddenly become a lucrative business thanks to carbon credits that companies use to offset their own emissions. Among the buyers are JPMorgan Chase & Co. and Microsoft Corp. They are attracted to a process that actually removes carbon from the atmosphere and buries it underground, rather than many credits whose impact on emissions isn't clear.

Nearly all of the roughly 65,000 metric tons of carbon dioxide that have been removed from the atmosphere to date have been sequestered using biochar, according to estimates from data provider CDR.fvi.

There isn't much money to be made selling biochar to improve soil. Carbon credits

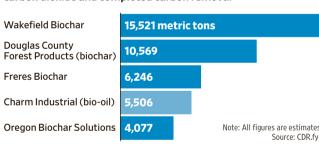


Selling biochar wasn't very lucrative before carbon credits arrived, according to Pacific Biochar Chief Executive Josiah Hunt.

changed that. "When the only wasn't much there," said Josiah Hunt, chief executive of **Pacific** Biochar Benefit Corp., a California startup that works with biomass power plants to produce biochar, then sells it to

Carbon-credit sales generate potential revenue was through millions of dollars for some biochar sales, there just really biochar businesses. Pacific Biochar struggled at first because the price was too high, roughly \$600 a ton of biochar. That changed in late 2020 when the company started selling carbon credits for roughly \$150 a ton Please turn to page B4

Companies that have seguestered the most carbon dioxide and completed carbon removal



U.S. Consumer-Oriented Firms Expand in China

By Dan Strumpf

HONG KONG-American companies from fast food to high-end fashion are increasing their bets on China's consumers expecting a postpandemic rebound for the world's second-biggest economy.

McDonald's Corp. and Starbucks Corp. are opening hundreds of new restaurants.

Retailers Ralph Lauren Corp. and Tapestry Inc., the owner of the Coach and Kate Spade brands, are launching new stores.

And **Tyson Foods** Inc. and Hormel Foods Corp. are opening new facilities, as they see a long-term appetite for American-style foods.

The investments come as Chinese leaders tell the world that the door is open for foreign businesses and publicly court **Boeing** Co. The moves follow years of zero Covid policies that isolated the country and triggered its worst eco-

nomic slump in decades.

Despite the invitation, many companies remain cautious about China, as uncertainty persists over its economic health and as a deepening geopolitical rivalry with the U.S. ensnares technology compa-

nies and manufacturers. Many companies that are increasing their commitments to China are consumer-facing. They still view China's enormous market as a promising long-term bet, even if sales

took a hit during the zero-Covid era.

"I remain more confident than ever that we are still only in the early chapters of our growth story in China," said Howard Schultz. Starbucks's interim chief executive and longtime leader, this month. The company plans to open 3.000 new stores by 2025. even though same-store sales in the country fell 42% in December and 15% in January from a year earlier. Mr.

Schultz said he is planning his first visit to the country in years in the spring.

Economists forecast pickup in growth in China, while fears linger about an economic downturn in Western countries. Last month, Goldman Sachs upgraded its growth forecast for the country this year to 5.5% from an earlier target of 5.2%. Key gauges of consumer activity in January showed significant Please turn to page B2

Twitter Cuts More Jobs, Seeking to Slash Costs

Twitter Inc. conducted another round of job cuts over the weekend, people familiar with the matter said, the latest among thousands of staff reductions under new owner Elon

The cuts come as the billionaire has been pursuing sweeping changes to the platform, including slashing costs, releasing new features and changing content-moderation policies.

An email sent to an employee, dated Saturday, said the person's role was eliminated as part of a wider review, according to a copy reviewed by The Wall Street Journal. "Today is your last working day at the company," the email said.

Waking up to find I've been locked out of my email," tweeted Martijn de Kuijper, a senior product manager at Twitter and founder of newsletter tool Revue, which was acquired by Twitter in 2021. "Looks like I'm let go. Now

my Revue journey is really over." He added a "saluting face" emoji, which has been used by employees as a symbol of the end of the pre-Musk version of the company. Twitter shut down Revue last month.

The exact scope of the cuts couldn't be learned, and Twitter didn't respond to a request for comment. The Information earlier reported the job cuts.

Mr. Musk has been cutting jobs and other costs at the social-media company, which has been losing money since he acquired Twitter in late October in a deal valued at \$44 billion.

A week after Mr. Musk completed the takeover, roughly 50% of the staff was laid off in the first round of layoffs. More Please turn to page B2

INSIDE



BUSINESS NEWS

Amazon expands ultrafast delivery options as it scales back elsewhere. **B5**

HEARD ON THE STREET

Semiconductors find way to Russia via China.. **B10**

Companies Trim Workforces Without Having to Use Layoffs

By CHIP CUTTER

Companies are shedding some workers without imposing layoffs. Amid a wave of job cuts hit-

ting U.S. white-collar workers. a number of employers are taking other approaches to manage their workforces. Some are adding new restrictions on remote work, stepping up scrutiny in performance reviews or requiring staffers to relocate across the country to keep their jobs.

The moves, though not labeled as layoffs, can at times have a similar effect in thinning a company's ranks, human-resources specialists and corporate advisers say. It is a sign that bosses at white-collar firms are back in charge after struggling to retain workers in recent years amid a tight labor market.

At Facebook parent **Meta** Platforms Inc., thousands of employees received subpar ratings in a recent performance reviews. Meta's leadership ex-

Some are adding remote-work limits or requiring staffers to relocate.

pects the ratings to lead more employees to leave in the coming weeks, people familiar with the matter said. A spokesman for Meta, which also cut a bonus metric for employees, said its performance-review process is in keeping with what the company communicated to employees, and the company has long had a goals-based culture that gives incentives for high-quality work.

Other employers shifted return-to-office policies. Walt Disney Co. said it is requiring employees to work in an office four days a week starting in March, while Amazon.com Inc. is mandating at least three days in offices for much of its staff as of May.

Employers can have several motivations for restructuring operations or changing workplace policies.

In recent weeks, Walmart Inc. told employees it plans to close three of its U.S. technology hubs and require hundreds workers to relocate to

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Yasuaki.....B4

"Twitter still has challenges, but is now trending to breakeven if we keep at it," Mr.

out new features and product tweaks, including the new Twitter Blue subscription service; a new version of the algorithmicbased feed, rebranded with the TikTok-esque name "For You";

he expects Twitter will be roughly cash-flow break-even in

ter was on track to bring in about \$3 billion in revenue in

That is roughly \$2 billion less than Twitter's \$5.1 billion revenue in 2021, the last full year it publicly reported earn

Nokia Unveils New Strategy

By Adria Calatayud

BARCELONA-Finland's Nokia Corp. said it is aiming for more business from enterprise customers and marketshare gains in its core communication-services segment as part of its updated strategy for the next decade.

layoffs followed. Resignations

also have contributed to shrink-

that Twitter had a little over

2,000 employees, compared with nearly 8,000 from before

Mr. Musk said in December

Mr. Musk said in November

that layoffs were necessary be-

cause Twitter was losing more than \$4 million a day. Around

that time, many large advertis-

ers paused spending on the

ing advertisers caused a "mas-

sive drop in revenue" and ac-

pressuring advertisers.

Mr. Musk tweeted that flee-

activist groups

Twitter has been wooing ad-

ing staff numbers.

his takeover.

The maker of telecommunications equipment unveiled a new logo as it sought to present itself as a business-focused company at an event in Barcelona on Sunday, on the eve of the start of the Mobile World Congress, one of Europe's largest technology and telecom trade shows.

Nokia said it plans to boost the weight of enterprise within its customer mix.

The company generated revenue of €2.01 billion, equivalent to \$2.12 billion, from enterprise customers in 2022, or 8.1% of its total.

Nokia said it aims to expand the share of sales from that segment to a double-digit percentage.

BUSINESS & FINANCE

Aluminum Tariffs Win Support

U.S. industry, which had reduced reliance on Russian imports, backs new levies

Ву Вов Тіта

U.S. aluminum companies said they supported the Biden administration's move to impose steep tariffs on imported Russian aluminum, as analysts and executives predicted the new duties would have a minor effect on domestic aluminum costs.

The White House on Friday imposed 200% tariffs on imported aluminum from Russia, as well as aluminum imports from elsewhere that include Russian aluminum, as part of a package of duties on Russian metals, minerals and chemicals valued at about \$2.8 billion. The tariff package coincided with the one-year anniversary of Russia's invasion of Ukraine.

Russia is one of the world's largest producers of primary aluminum, with large reserves of bauxite and low-cost hydroelectric power to operate aluminum smelters.

The Aluminum Association, a trade group that represents U.S. producers and users of aluminum, said it "stands united in support of any and all efforts deemed necessary by the U.S. government to address the ongoing crisis." The group had opposed the Trump administration's 2018 tariffs on imported aluminum.

"This is a global security and humanitarian disaster," said the Arlington, Va.-based trade group.

Chicago-based Century Aluminum Co. predicted the new tariffs would strengthen the U.S. supply chain and make the country less reliant on unfriendly countries.

Century idled its Hawesville, Ky., smelter last year because of soaring costs for electricity, which the company attributed to rising global energy prices caused by the war in Ukraine. Century said its power costs for Hawesville tripled after the war started.

"A thriving domestic aluminum market is essential to today's U.S. national security," Century said.

Pittsburgh-based Corp. said the tariffs are a

good first step, but called for sanctions against Russian aluminum that would effectively make it illegal to buy or sell Russian aluminum in the U.S.

In 2018, sanctions by the U.S. Treasury Department against the aluminum producer United Co. Rusal PLC in retaliation for the Russian govern-

Century Aluminum predicted the duties would strengthen the U.S. supply chain.

ment's actions in Syria, Ukraine and elsewhere touched off a surge in aluminum prices because of supply concerns.

The sanctions were eventually rolled back, and aluminum users in the U.S. have steadily reduced their reliance on imported Russian aluminum in recent years. The Aluminum Association said the import volume of Russian aluminum has fallen by about 70% since 2017 and now accounts for about 3% of the aluminum imported annually by the U.S.

Analysts and company executives said they don't expect a repeat of the 2018 price surge when the new 200% duty on Russian aluminum takes effect March 10. They said the Biden administration has been telegraphing the move for months, giving the aluminum industry time to adjust. Imported aluminum from Russia already carries a 10% tariff put in place by the Trump administration in 2018.

"U.S. market participants weren't surprised by the announcement," said Christopher Davis, regional pricing director for Americas metals at S&P Global Commodity Insights. "They said the increased tariffs were unlikely to have a significant impact on U.S. pricing."

Tariffs on imported aluminum are typically reflected in the delivery premium, which is added to the base price of aluminum for the cost of warehousing, transportation and other expenses. The U.S. benchmark delivery premium is currently 29.3 cents for a pound of aluminum, down slightly from a month ago, according to S&P.

Twitter vertisers who left the platform because of uncertainty over his content-moderation and staff-Cuts More ing plans. Twitter hasn't reported its financial details publicly since **Positions** going private.

Continued from page B1

Musk tweeted this month. The company has also rolled

and view counts. Mr. Musk said in December

He suggested then that Twit-

U.S. Firms To Expand In China

Continued from page B1 improvement.

The appetite to invest comes despite a number of obstacles that have only grown since the pandemic began. Relations between the U.S. and China are at an ebb and recent hopes for a detente have been dashed by China's balloon flights over the U.S. and its stance over Russia's war in Ukraine.

American companies also face heavier scrutiny at home over their dealings in China, and Washington in recent vears has moved to limit the activities of some business sectors there, from chip companies to apparel makers.

Decoupling remains a buzzword in policy circles as some companies that have relied heavily on China for their supply chains, including big technology companies such as Apple Inc. and apparel maker Steve Madden, work to diversify where they source and make their products.

On Feb. 16, China placed two U.S. companies on its "unreliable entities" list, Lock**heed Martin** Corp. and a weapons-making unit of Raytheon Technologies Corp., citing the companies' arms sales to Taiwan. The sanctions were largely symbolic as American defense companies are broadly barred from selling weapons to China. A day later, China's Ministry of Commerce, which imposed the sanctions, said the move shouldn't concern other foreign companies in China.



McDonald's plans to open 3,000 new stores in the country by 2025. A McDonald's in Beijing

of Foreign Affairs posted a photo on WeChat social media of a meeting between a top ministry official and Sherry Carbary, the head of Boeing's China business. In the past, China has unveiled sanctions against the company's defense

The ministry "is willing to provide necessary assistance and support for American companies, including Boeing, according to the post. A Boeing spokesman declined to comment on the meeting.

Before the pandemic. China was one of Boeing's most important customers. The American aviation company has said it is eager to resume sales to Chinese China. officials cleared the resumption of commercial flights for Boeing's 737 MAX in January after the plane was grounded for nearly four years following two fatal crashes.

Another promising sign for businesses: Last month, Walt Disney Co. said Chinese cen-

On Feb. 22, China's Ministry sors cleared two of its Marvel movies for screening in the country, the first releases for the superhero franchise in China since 2019.

In late January, McDonald's said it had opened 700 new stores in China last year and planned an additional 900 this year—more than in any other country and more than twice as many as it plans to open in the U.S.

McDonald's finance chief. Ian Borden, told investors that it was pushing ahead with the new-store plan even as yearover-vear sales in China fell because of Covid-related restrictions across the country.

Ralph Lauren Chief Executive Patrice Louvet told investors that most of the company's new-store openings during its quarter ended in October were in China, and the company recently opened a new store in the southern city of Shenzhen and a flagship store in Chengdu in the southwest.

For retailer Tapestry, about

half of the \$325 million set aside by the company for capital expenditures and cloud computing is going to new store openings and renovations in China. "We're confident in the

long-term opportunities for China as a growth vehicle," CEO Joanne Crevoiserat said earlier this month. Luxury spending in China

broadly has shown some early signs of a postpandemic recovery. Both British fashion house Burberry Group PLC and Cartier-owner Cie. Financière Richemont SA said sales to Chinese shoppers were starting to pick up in the new year, after reporting declines in their most recent quarterly sales in the country.

China was the luxury industry's largest market before the pandemic.

In November, packagedmeat company Tyson Foods told investors that of the six new plants the company expects to come online this year, half will be in China.

No Layoffs Are Used to Thin Staffs

Continued from page B1 places such as Arkansas or California to keep their jobs, The Wall Street Journal reported. At the same time, Walmart told technology workers they are soon expected back at physical offices at least two days a week. Walmart, the country's largest private employer, hopes to relocate most staff in the offices that will close, and some will be allowed to become full-time remote workers, a spokeswoman previously said. Those who leave will get severance, she said. The move affects a small percentage of Walmart's around 1.7 million U.S. employees.

A Walmart spokeswoman added Friday that the closure of its tech hubs is in no way a strategy to reduce head count and the company hopes "all affected choose to continue their careers with Walmart."

Other recent corporate decisions are likely thinly disguised attempts to reduce staff as the economy shifts, said Harry Kraemer, a former chief executive of healthcare company Baxter International Inc. Companies might feel reluc-

tant to admit they hired too quickly in the pandemic or incorrectly forecast growth and are now looking to correct, said Mr. Kraemer, who works as a professor of leadership at Northwestern University's Kellogg School of Management.

"It's very much a layoff without calling it a layoff," said Sevin Yeltekin, an economist and dean of the Simon Business School at the University of Rochester.

Though the labor market remains historically tight, with a 3.4% unemployment rate as of January, many companies are looking to signal to investors that they are taking steps to cut costs and increase efficiency, executives and advisers say.

Companies have long had ways to push employees out without firing them. Reorganizing teams, requiring employees to report to new bosses or making them take on new projects can all prompt staffers to look elsewhere for work, said Roberta Matuson, an executive coach and adviser to businesses on human-resources issues.

Some employers prefer a restructuring to a layoff because it means they don't have

to single out individuals. "It's cleaner. No feelings are



Many Meta employees got subpar performance ratings recently.

hurt," Ms. Matuson said. "When no feelings are hurt, people tend not to sue."

Any change in how people do their jobs can cause people to resign, executives and advisers say. After Tyson Foods Inc. said last year that it planned to close corporate offices in Chicago, Downers Grove, Ill., and Dakota Dunes, S.D.—consolidating functions at Tyson's headquarters in northwest Arkansas hundreds of employees indicated they planned to quit.

Roughly three-quarters of the 500 employees in Tyson's South Dakota office told the company they wouldn't make the move to Arkansas and planned to depart by about the time the office closes in mid-2023, the Journal reported, citing people familiar with the matter. More than 90% of the employees in Tyson's Chicago office declined to relocate, the Journal reported.

On a call with reporters earlier this month, Tyson Chief Executive Donnie King said the company is confident it can recruit to northwest Arkansas and it already filled some of the vacated roles.

Before companies announce an office closing or change, many executives often model how many employees could potentially quit, said Ms. Yeltekin.

Bosses know that, owing to personal reasons, a spouse's

employment or other factors, some employees won't agree to a relocation, even if a company offers to help cover costs.

Efforts to increase voluntary turnover can carry risks, advisers say. Companies might lose the highest-performing employees who can most easily find work elsewhere, said Keith Goudy, a managing partner of the leadership advisory firm Vantage Leadership Consulting. "You can get a lot of undesirable turnover," he said.

Many executives say a softening economy could give companies an opportunity now to push for changes that bosses have long wanted, such as more in-office time, said Aaron Sojourner, a senior researcher at the W.E. Upjohn Institute for

Employment Research. During much of the pan-

demic, bosses feared making changes that could cause employees to leave. That attrition might not be as much of a concern, advisers and economists say, as the labor market

"There's less employer desperation," Mr. Sojourner said. "Employers feel a little more empowered to impose the things that they want."

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Berkshire Posts Large 2022 Loss In Rocky Market

By Akane Otani

Warren Buffett is still betting on America.

Stocks and bonds slumped in 2022 after central banks raised interest rates at a rapid pace to try to rein in inflation. But Mr. Buffett retained his sense of optimism in his annual letter to investors Saturday, saying he continues to believe in the resilience of the U.S. economy.

"I have been investing for 80 years—more than one-third of our country's lifetime. Despite our citizens' penchantalmost enthusiasm-for selfcriticism and self-doubt, I have yet to see a time when it made sense to make a long-term bet against America," Mr. Buffett said in the letter.

Mr. Buffett, widely regarded as one of the world's top investors, has been publishing the letters for more than half a century. Over that time, he hasn't just reflected on the past year for his company, Berkshire Hathaway Inc., but also shared his thoughts on everything from esoteric accounting rules to his aversion to excessive risk-taking.

Saturday's letter offered readers a glimpse into how Mr. Buffett, 92, viewed what wound up being a shaky stretch for markets. Mr. Buffett's portfolio took a hit, too, with Berkshire posting a loss for 2022 in large part due to investment losses.

The volatility offered Berkshire an opportunity to jump in and buy stocks. While Berkshire largely bought back its own shares in 2021, it focused more in 2022 on investing in other companies—opening up new positions in media company Paramount Global and building-materials manufacturer Louisiana-Pacific Corp., among other businesses, and swiftly becoming Occidental

Petroleum Corp.'s biggest shareholder.

As of the end of 2022, Berkholder of eight companies—

big investments because its insurance operations generate billions of dollars of float, or premiums that customers pay upfront, which Berkshire can in turn put to work in the markets. Its acquisition last year of property-casualty insurer Alleghany Corp. helped increase its insurance float which Mr. Buffett called an extraordinary asset for Berkshire—to \$164 billion last year, Mr. Buffett said.

right-hand Munger decide where to put that money? Both have said they refrain from basing their decisions on where they think interest rates, oil prices, or other factors that affect markets will be in a year's time.

cians and many of the public have opinions about the consequences of that huge imbalance, Charlie and I plead ignorance and firmly believe that near-term economic and market forecasts are worse than useless," Mr. Buffett said in

Instead, the two focus on investing Berkshire's money in "a manner that will achieve an acceptable result over time and that will preserve the company's unmatched staying power when financial panics or severe worldwide recessions occur," he said. Berkshire reported having cash and cash equivalents of \$128.6 billion at the end of 2022, down from a near-record \$146.7 billion at

shire was the largest share-American Express Co., Bank of America Corp., Chevron Corp., Coca-Cola Co., HP Inc., Moody's Corp., Occidental and Paramount Global. Berkshire is able to make

How do Mr. Buffett and

man Charlie

"Though economists, politi-Saturday's letter.

the end of 2021 but up from



Investment and derivative contract losses stung Berkshire Hathaway in 2022. Last year's shareholders meeting in Omaha, Neb.

the third quarter.

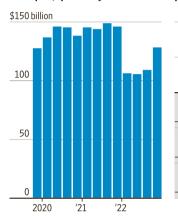
While Berkshire's original business, a New England textile operation, no longer exists, Mr. Buffett said Berkshire has continued to be able to deliver returns to shareholders because of its focus on what he called the American tailwind.

"America would have done fine without Berkshire. The reverse is not true," he said. In his letter, Mr. Buffett also defended the practice of stock buybacks. Berkshire spent nearly \$8 billion repurchasing its shares in 2022, down from a record of \$27 billion the previous year.

Although critics of buybacks contend that companies would be better off investing that money into their businesses, proponents, like Mr. Buffett, say they can benefit shareholders if they are executed when a company's share price is trading below its

"When you are told that all repurchases are harmful to shareholders or to the country, or particularly beneficial to CEOs, you are listening to ei-

Berkshire Hathaway's cash pile, quarterly



Sources: FactSet analysis of company filings (cash pile); FactSet (peformance)

ther an economic illiterate or a tract losses. In 2021 when silver-tongued demagogue," he

Berkshire also released its results for 2022 Saturday.

The Omaha, Neb., company, which owns businesses including insurer Geico, railroad BNSF Railway and chocolate maker See's Candies, posted a loss of \$22.82 billion for the year, stung by \$67.9 billion in investment and derivative conS&P 500

Berkshire's

Class A shares

Share-price and index

performance in 2022

stocks surged, Berkshire posted a profit of \$90.8 billion.

Total revenue rose 9.4% to \$302.1 billion.

Berkshire's operating earnings, which exclude some investment results, rose to a record \$30.8 billion. For the fourth quarter, operating earnings fell 8% to \$6.7 billion, weighed down by lower profits at its railroad business.

Mr. Buffett, Berkshire's chief executive, has long held that operating earnings are a better reflection of how Berkshire is doing, since accounting rules require the company to include unrealized gains and losses from its massive investment portfolio in its net

income. Volatile markets can make Berkshire's net income change substantially from quarter to quarter, regardless of how its underlying businesses are do-

"Capital gains, to be sure, have been hugely important to Berkshire over past decades, and we expect them to be meaningfully positive in future decades," Mr. Buffett said in his letter.

"But their quarter-by-quarter gyrations, regularly and mindlessly headlined by media, totally misinform investors," he said, adding that he and Mr. Munger urge shareholders to focus instead on Berkshire's operating earnings.

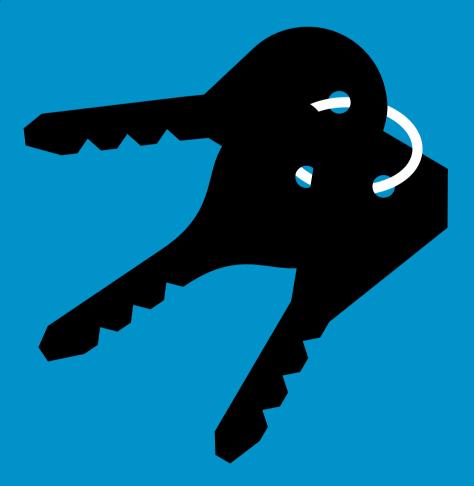
Heard on the Street: Buffett wannabees lose luster..... B10

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Panasonic describes challenges on path to profits as subsidies Panasonic describes challenges on path to profits as subsidies Panasonic describes challenges on path to profits as subsidies Panasonic describes challenges on path to profits as subsidies.

profits as subsidies attract newcomers

By RIVER DAVIS

SPARKS, Nev.—A pioneer in making electric-vehicle batteries in the U.S. has a message for newcomers: It takes time to

Japan's Panasonic Holdings Corp. started building what would become America's first large-scale EV-battery plant in 2015, at a site owned by **Tesla** Inc. in the rolling hills outside of Reno, Nev.

After years of training workers and adapting machinery, Panasonic's battery production lines now run around the clock churning out some two billion finger-size battery cells a year.

Many battery and auto makers would like to follow. Enticed by federal subsidies, those companies have outlined plans for tens of billions of dollars in factory investments in the U.S. General Motors Co., Honda Motor Co., Samsung SDI Co. were among those announcing big plants last year.

"The word 'gigafactory' has often been thrown around recently, but just how big one of these is and how many resources it requires is hard to imagine," said Yasuaki Takamoto, the head of Panasonic's EV-battery business.

People at Panasonic and industry consultants say the early efforts at building EV batteries in the U.S. have shown the ways companies can go astray. One of the biggest issues is training workers in the finicky art of battery making, in which the slightest exposure to moisture might mean a whole batch has to be thrown out.

Also, equipment can't necessarily be shipped from Asia and plopped onto an American assembly line, given U.S. safety regulations and different operating conditions, while equip-



Tesla's 'gigafactory' outside Reno, Nev., uses batteries produced by its partner Panasonic Holdings at the U.S.'s first large-scale electric-vehicle battery plant on the same site.

ment customized for the U.S. is in short supply. Consultants say when auto makers and battery makers try to build batteries jointly, careful planning at the outset is needed to prevent squabbling and missed deadlines.

GM Chief Executive Mary Barra last October told Wall Street analysts that a slowerthan-expected start at an Ohio battery plant that GM operates with South Korea's **LG Energy Solution** would cause the auto maker to miss its EV sales target for North America through

David Verner, an executive vice president at Gresham Smith, which designs battery facilities for clients in the U.S.. said it isn't unusual to encounter a company that hasn't worked on a major factorybuilding project in the past 15

"For a long time with the kind of outsourcing that was going on in the U.S., you were not building as many large manufacturing plants. And the skill set got smaller and smaller and older and older,"

Panasonic experienced both first-mover advantages and headaches when it set up shop in Nevada. In its early years operating at what Tesla calls its gigafactory—a term now often used generally for big EVbattery factories—the Japanese company struggled to boost production volumes.

Tesla Chief Executive Elon Musk handed Panasonic tough deadlines and at times blamed it for holding back Tesla's vehicle output. The companies' joint battery business was in the red for years before eking out a quarterly profit for the first time in late 2019.

Panasonic's Mr. Takamoto said the company underestimated the difficulty of shifting lithium ion-battery production outside of East Asia, the industry's traditional center.

The company was surprised to find that American workers' hands were sometimes too big to efficiently operate machinery made in Asia, he said. "It sounds like a joke, but these kinds of issues were frequently encountered in the early stages," he said.

Boosting production took a year or two longer than expected because of issues such as training workers without battery experience and adapting equipment and production processes to them, he said.

Panasonic's battery operations take up more than half of Tesla's Nevada gigafactory site outside of Reno.

Panasonic says the factory is currently capable of producing 38 gigawatt-hours of battery capacity annually, enough to power about 600,000 standard-range Tesla Model 3s.

Panasonic is looking to raise output in Nevada, said Mr. Takamoto, without giving spe-

The shortage of workers in the state has led Panasonic to develop its biggest expansion plans elsewhere, according to Mr. Takamoto. Last year, the company said it would build a \$4 billion plant in De Soto, Kan., which isn't far from Kansas City and potentially has a larger labor pool to draw from than northern Nevada. Kansas officials offered Panasonic help with educating and recruiting workers, Mr. Takamoto said.

Aided by subsidies included in the U.S. law known as the Inflation Reduction Act. Panasonic is also drawing up plans for an additional plant roughly the size of the one slated for De Soto, with Kansas and Oklahoma studied as potential locations, The Wall Street Journal has reported.

Mr. Takamoto said the decision on a location for a potential additional plant would depend on factors including tax incentives and the prospects for attracting workers.

Continued from page B1 of carbon dioxide removed to Microsoft and others. The extra revenue let Mr. Hunt cut prices and sales grew. Pacific Biochar's sales are expected to hit a few million dollars this year. Companies are willing to pay

many times more for removal credits like these than traditional offsets because there is more certainty they are removing carbon. Many offsets linked to projects such as keeping trees standing have been shown to have limited environmental benefits. The potential to remove large amounts of carbon and additional soil benefits make biochar credits attractive, said Brian DiMarino, JPMorgan's head of operational sustainability.

Biochar was used by farmers in South America thousands of vears ago. They found that it helped soil retain water and nutrients. Most biochar is made using a process called pyrolysis that heats up organic matter while restricting levels of oxygen. Analysts estimate the U.S. currently produces roughly 100,000 tons of biochar a year, a fraction of what would be needed to make a dent against climate change. The U.S. emits about 6 billion tons of greenhouse gases a year.

One of the sector's biggest

obstacles is making sure the carbon stays sequestered for hundreds or thousands of years. The length of time carbon stays sequestered through biochar can vary based on soil and microbial conditions. That uncertainty and some studies showing that the time could be shorter than expected have led to calls for the creation of an independent standards body to oversee the new market.

Governments and nonprofits are attempting to grow the nascent industry. The U.S. Agriculture Department recently said funding is available for farmers who apply biochar and meet certain conditions. The International Biochar Initiative is spreading the word to farmers and project developers in poor countries.

Tom and Tony Marrero, 50year-old twin brothers, started Wakefield Biochar in 2014 with their father. Sales took off recently when the company signed contracts with big companies such as Koch Industries Inc.'s Georgia-Pacific LLC to dispose of their wood waste by turning it into biochar.

Wakefield Biochar has removed roughly 15,000 tons of carbon, the most in the industry, according to CDR.fyi, and generated a few million dollars in sales last year. Selling carbon credits to companies including JPMorgan and reinsurance firm Swiss Re AG has allowed the company to continue expanding its operations.

"All these things are happening partly because of our ability to be in the carbon market," said Tom Marrero, the company's president.



Biochar helps soil retain water and nutrients, sequestering carbon.

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BUSINESS & FINANCE

Amazon Expands Same-Day Delivery

Tech giant invests in ultrafast service as it tries to trim expenses and boost growth

By Sebastian Herrera

Amazon.com Inc. is expanding ultrafast delivery options, a sign that it remains committed to pushing its logistics system for speed as it scales back plans in other areas.

The technology giant is continuing to devote resources to facilities and services structured to deliver packages to customers in less than a day. The expansions are happening at a crucial point for Amazon. which faces competition for fast-delivery options while Chief Executive Officer Andy Jassy puts a renewed focus on profits.

A central part of Amazon's ultrafast-delivery strategy is its network of warehouses that the company calls sameday sites. The facilities are a fraction of the size of Amazon's large fulfillment warehouses and are designed to prepare products for immediate delivery. In contrast, the larger Amazon warehouses typically rely on delivery stations closer to customers for the final stage of shipping.

Amazon has opened about 45 of the smaller sites since 2019 and could expand to at least 150 centers in the next several years, according to MWPVL International Inc.,

which tracks Amazon warehouse operations. The sites have primarily opened near large cities and deliver the most popular 100,000 items in Amazon's catalog, MWPVL said. New locations recently opened in Los Angeles, San Francisco and Phoenix, according to Amazon, which declined to provide information on how many same-day sites it has.

With ultrafast delivery, the tech company is seeking new ways to use its broad logistics apparatus to compete with the likes of Walmart Inc. and Instacart, which provide quick shipping options to customers. Walmart has used its thousands of stores to help fulfill fast online orders.

Analysts say Amazon's service can help the company retain users of its \$139-a-year Amazon Prime subscription, which also provides streaming. discounts at Whole Foods Market and other perks. Amazon's fast-shipping service can add fees for small orders.

'We're always exploring ways to bring our customers new levels of convenience and delivery options that work best for them. Same-Day Delivery is one of the latest innovations," an Amazon spokeswoman said, adding that more than 1.5 million customers a month are trying same-day delivery for the first time.

The costly nature of fast shipping is a challenge. Amazon uses contractors to make deliveries from the same-day sites. "Last mile" costs to de-



Amazon is seeking new ways to use its broad logistics apparatus. An Illinois warehouse.

liver items from the locations can be around \$3.30 a package, compared with \$1.75 for packages at its traditional fulfillment sites, according to MWPVL. Using same-day sites can eliminate other costs that apply to the company's stanfulfillment system, MWPVL said.

Ultrafast deliveries can arrive in a matter of hours, although Amazon charges members of its Prime subscription service a fee of \$2.99 per order if customers don't meet a \$25 threshold.

"They need volume to make it work," said Marc Wulfraat,

president of MWPVL.

As Amazon expands ultrafast shipping across the country, some customers are experiencing the option for the first time.

Kristin Whitehair, a customer in the Kansas City area, first saw the option earlier this month when shopping for electric-toothbrush heads. which she wanted as soon as possible. She ordered the heads in the morning and received them in the evening.

"If I have a same-day need, I will now look at Amazon's app, where in the past I may have to go to Target or an-

other store," Ms. Whitehair

She said she doesn't mind paying the extra fee if needed because she sees it as a premium service.

Amazon executives recently reiterated their commitment to quick shipping. Chief Financial Officer Brian Olsavsky this month said the company aims to expand its fast-shipping services and Amazon Prime subscribers respond well to

Amazon remains in one of its toughest stretches in its history. Mr. Jassy, the CEO, has focused on costs as sales

have slowed from a recordbreaking period during the pandemic.

The company also has seen sales weaken at two of its main earnings drivers, the cloud-computing unit Amazon Web Services and its advertising business.

"They're being squeezed in a way they have not been before." said Andrew Lipsman. an e-commerce researcher at market-research company Insider Intelligence. "Andy Jassy has to thread the needle for the next four quarters."

Amazon's first-party e-commerce growth was essentially flat in 2022. Analysts estimate the company's share of e-commerce sales has flattened after years of growing rapidly, and that growth for Prime subscriptions has stalled.

Amazon recently laid off more than 18,000 employees and has sunset a number of projects including its Amazon-Smile charitable program.

While businesses have slowed, Amazon has made efforts to become more of a services provider. Independent merchants make up most of its sales, and the company is expanding its Buy with Prime program, which offers merchants the ability to offer Prime shipping outside of Amazon's website.

Investment firm Morgan Stanley in January estimated Buy with Prime could eventually add \$3.5 billion in yearly profit, not accounting for interest and taxes.

Railway To Replace Its CÉO

Continued from page B1

worst in key operating metrics, including safety, volume growth and total shareholder return during Mr. Fritz's eightyear tenure, despite the strength of its network.

The Omaha, Neb., railroad's returns to shareholders, including dividends, are the worst on a percentage basis among Class 1 freight railroad operators in that period, according to FactSet.

'We want UNP to prosper," Soroban founder Eric Mandelblatt wrote. "Unlike typical shareholder engagements which come with numerous demands, Soroban has only one ask: install new leadership who can get the trains to operate safely and on time."

Soroban is a longtime Union Pacific investor and one of the company's biggest shareholders, with a 1%-plus stake valued at about \$1.6 billion.

Union Pacific said it decided to disclose its expected timing for the leadership change after Soroban advised the company recently that it intended to make its concerns public.

The railroad operator said it first engaged with an outside consultant and formed a task force among its directors last year to help identify successors for Mr. Fritz, 60 years old, following conversations between him and the board.

Soroban is pushing for railroad veteran Jim Vena, 64, Union Pacific's chief operating officer from 2019 to 2020, to take the top post. Soroban believes the company's stock price could double in two years under Mr. Vena given his operational experience in the industry, said the letter.

Contacted by the Journal, Mr. Vena said he would be open to a conversation with Union Pacific about taking the CEO role and expressed admiration for the company. "Union Pacific has a chance to be the best in the industry," he said.

Soroban's letter said the fund for years, including most recently in August, had privately expressed its unhappiness with the company's performance.

Soroban has told the board that quick action must be taken so Union Pacific can take advantage of trends the investor believes are converging to benefit railroads, including renewed investment in domestic manufacturing and efforts to reduce emissions.

In January, Union Pacific reported fourth-quarter profit and revenue that fell short of Wall Street's expectations, with labor shortages, inflation and winter weather weighing on growth.



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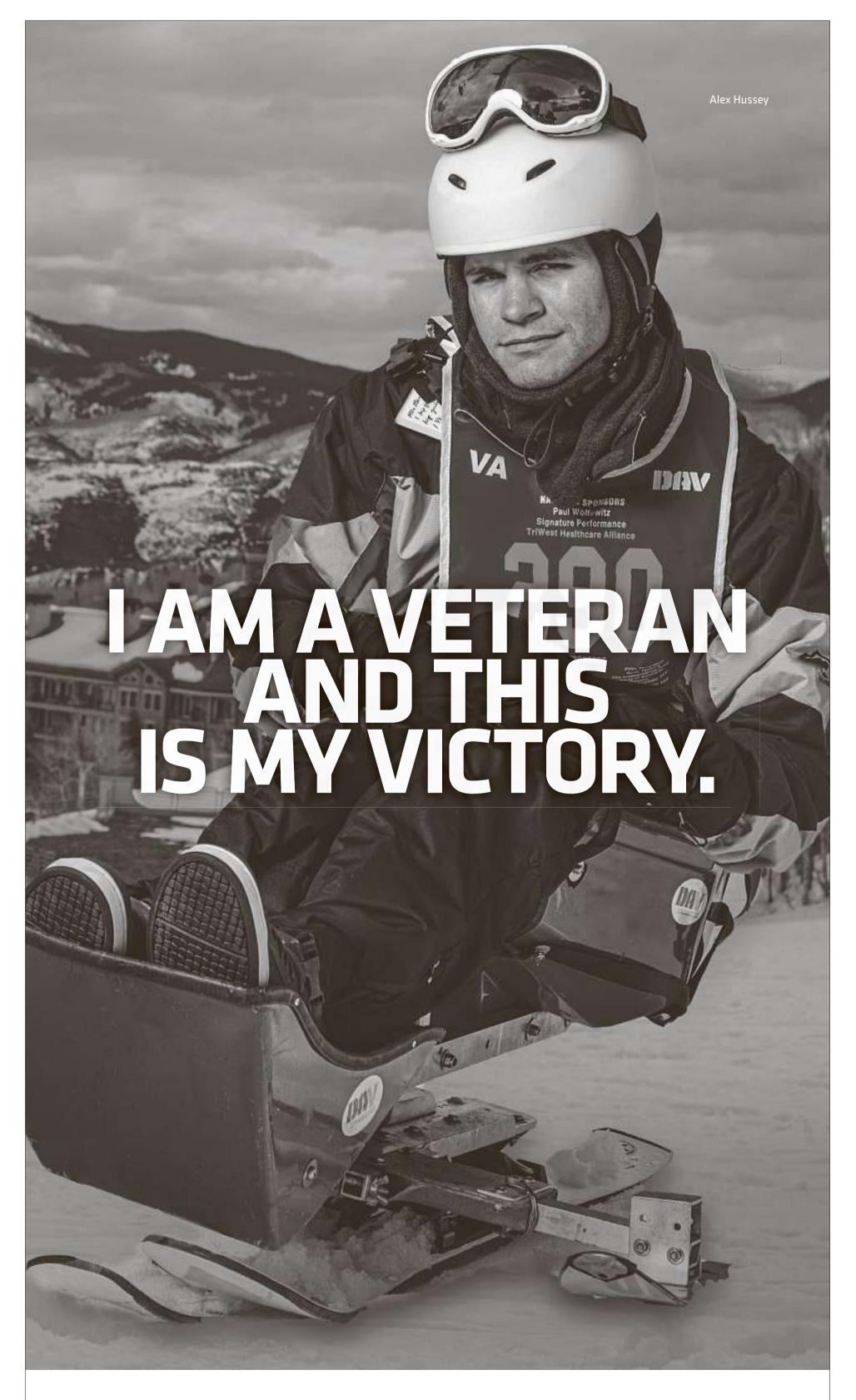
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THE WALL STREET JOURNAL. **B6** | Monday, February 27, 2023



"My victory is removing 'can't' from my vocabulary." Alex was hit by an IED in Afghanistan. He lost both legs, his left hand and has a traumatic brain injury. With support from DAV, Alex is taking on mountains. DAV helps veterans of all generations get the benefits they've earned-helping more than a million veterans each year. Support more victories for veterans® **Go to DAV.org.**



MARKETS & FINANCE



Kroger is expected to post per-share earnings of 90 cents.

THE TICKER

MARKET EVENTS COMING THIS WEEK

М	one	day
	VIII	auy

Short-selling reports Nasdag

Earnings expected BioMarin Pharma **(0.06)**/(0.32) Heico **0.69**/0.63

Occidental Petroleum **1.81**/1.48 ONEOK **1.02**/0.85 **0.89**/0.78 Workday Zoom Video **0.81**/1.29

Tuesday

Chicago PMI Jan., previous Feb., expected 45.0 **Consumer Confidence** Jan., previous Feb., expected Earnings expected

Agilent Technologies **1.31**/1.21 AutoZone 21.96/22.30 **0.63**/0.60

Monster Beverage Ross Stores **1.24**/1.04 **2.05**/2.16

1.40/3.19 Target Wednesday **Construction spending** Dec., prev. down 0.4%

Jan., expected up 0.3% EIA status report millions of barrels up 7.6 Crude oil Gasoline down 1.9 Distillates up 2.7

ISM mfg. index Jan., previous Feb., expected Mort. bankers indexes Purch., previous down 18.0%

Refinan., previous Earnings expected Dollar Tree **2.02**/2.01

Horizon Therapeutics **1.09**/1.41 **0.10**/(0.63)

2.21/1.78 Salesforce **1.36**/0.84 Snowflake **0.05**/0.12

Thursday

EIA report: natural gas Previous change in stocks in billions of cubic feet down 71

Initial jobless claims Previous 192,000

Expected 197.000 **Productivity** 3rd qtr., prev. up 3.0%

exp. up 2.5% **Unit labor costs** 3rd qtr., prev. up 1.1%

4th qtr. prelim.

4th qtr. prelim., exp. up 1.4%

Earnings expected Broadcom **10.18**/8.39 Costco **3.21**/2.92 **Hewlett Packard**

0.46/0.44 Kroger **0.90**/0.91

Friday

No major events scheduled

* FactSet Estimates earnings-per-share estimates don't include extraordinary items (Losses in

down 2.0%

Enterprise **0.54**/0.53 Hormel Foods

VMware 1.92/2.02

* FactSet Estimates earnings-per-annel estimates parentheses) • Adjusted for stock split

Note: Forecasts are from Dow Jones weekly survey of economists

Frackers' Outlays to

Increase

Continued from page B1 sion of Ukraine to record profits in 2022, but suggests their

ability to grow is limited. EOG reported this week that its yearly profit jumped \$3 billion to \$7.7 billion. Pioneer said it netted \$7.8 billion last year, almost four times what it made in 2021. Diamondback Energy Inc. said its net income more than doubled from 2021 to \$4.5 billion. These three companies churned out more than \$20 billion in free cash flow last year, compared with \$11.1 billion in 2021.

Those profits may be difficult to replicate. The industry is dealing with inflation, which sent the price of equipment, labor and materials to new heights, analysts said. Drillers are warning they will have to splurge more to extract the same volumes of hydrocarbons, in part because shale fields from North Dakota to Texas, the oil basket of America, are maturing.

Shale companies in the past decade capitalized on low-cost debt to fuel explosive growth in the oil patch, which contributed to a glut of supply and a collapse in oil prices in 2014 to 2016. The free spending led to multibillion-dollar losses and angered investors.

Drillers pledged to rein in spending and focus on capital returns and showered their investors with cash last year. According to energy research firm Wood Mackenzie, through the third quarter of 2022, a group of 38 shale companies distributed \$42 billion to stockholders through dividends and buybacks—slightly more than what these companies spent on production over the same period.

The fact that companies have moved to funnel most of their cash back to shareholders, and not into squeezing out new molecules, has become a source of pride for oil bosses. Marathon Oil Chief Executive Lee Tillman told investors earlier this month that his company had "the lowest reinvestment rate in our peer group, a full 10 percentage points below the S&P 500 average."

The companies' frugality has attracted investors: In the past year, the S&P 500 Energy stocks increased by over 26%, even as the broader index fell 5%.

The industry is now reversing its austerity measures. Investment bank Evercore ISI estimated in December that shale companies' budgets would increase by 46% in 2023, putting U.S. spending on par with levels last seen in 2009—about half its historical peak. That rise follows a 30% increase in spending last year from 2021, according to Wood Mackenzie. In 2022, the 51 largest U.S. shale companies spent \$52.6 billion on oil fields, the firm said.

Drillers say they are spending more to keep production roughly flat. Their budget increases in 2022 resulted in a 4% increase in oil production for the group, according to Wood Mackenzie's models. Companies largely attributed their ballooning budgets in 2022 and this year to inflation, which raised the cost of labor and materials by around 20%. as well as to one-time items. such as well maintenance.

In 2022, 51 U.S. shale companies spent \$52.6 billion on oil fields.

But some frackers, such as Pioneer, said they have been dealing with capricious wells. The driller last year said its Permian Basin wells had disappointed, and that it would reshuffle its drilling portfolio to generate higher returns in

In addition to productivity troubles, frackers face an existential predicament: fewer sweet spots to drill, analysts said. Shale executives privately concede the problem and in earnings calls this month tried to reassure investors they had ample running room, pointing to recent acquisitions that added to their inventories of drilling locations.

Marathon's Mr. Tillman, for instance, said the company bought Ensign Natural Resources, in the Eagle Ford region of Texas, last year as it looked for "assets or opportunities that would also have a net positive effect on inven-

Private-Equity Rebound Seen

Slowdowns in deals, fundraising may reverse sooner than expected, a new report suggests

By Chris Cumming

Private equity's recent challenges in fundraising, deal making and exits don't dim the long-term outlook for the asset class, a new report from Bain & Co. says.

While interest rates have risen and many investors are worried about the future, a long-expected recession hasn't arrived, and many private-equity deal makers are ready to get back to work, said Hugh MacArthur, chairman of private equity for the Boston consulting firm. "Fundamentally, nothing is broken in the global economy." he said.

As such, Mr. MacArthur

said the buyout industry could recover later this year from the slump in activity that set in around the middle of 2022.

He said he has seen an uptick in private-equity mergers and acquisitions in recent months and that deal making could rebound by the summer. However, he doesn't expect a return to the record pace of 2021 and the start of last year. but rather the typical healthy level of activity in the years

Bain's annual private-equity report, expected to be released Monday, shows how abruptly private equity's slowdown set in last year. Global buyout deal value fell 35% last year, to \$654 billion, as strong momentum in the beginning of the year halted in the second half. Alternative-asset managers raised \$1.3 trillion last vear, 10% less than in the previous year.

Despite the slowdown, the Bain report said, deal making and fundraising last year were strong by long-term standards and appear unimpressive only by contrast with the recordsetting levels of 2021. Excluding 2021, last year's buyout deal value was the highest since 2007.

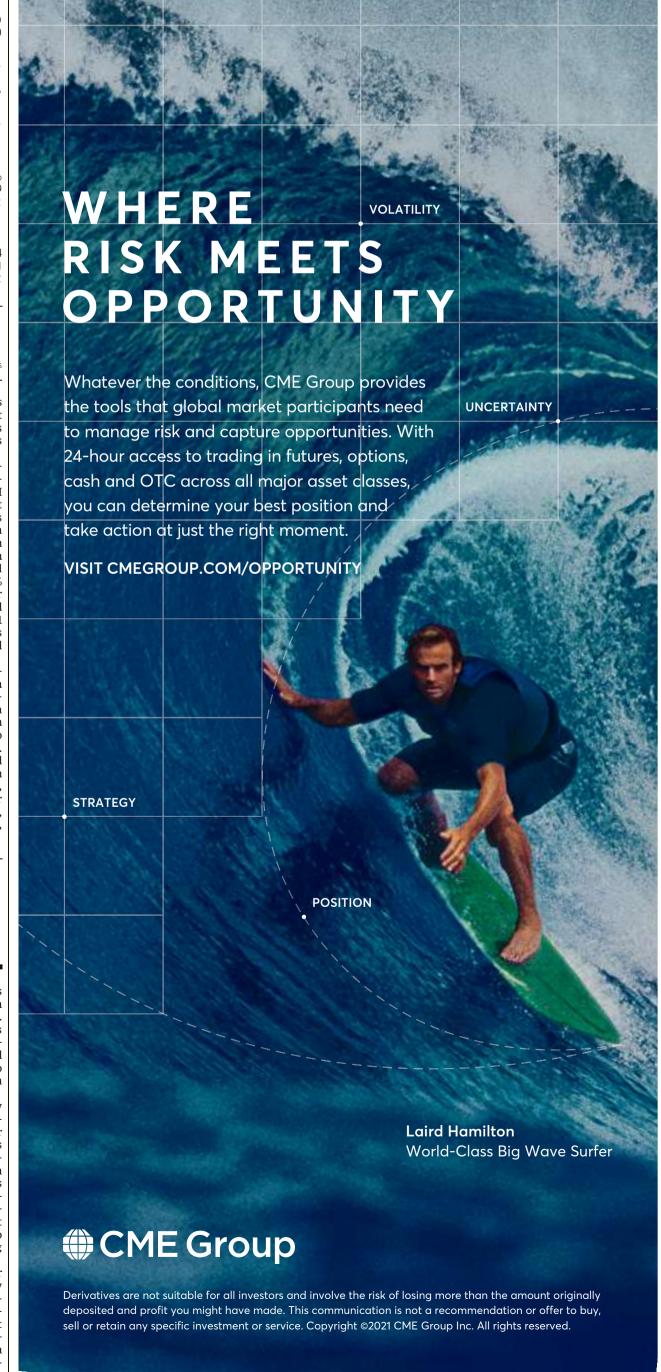
The fundraising sum was the second-highest ever, and came at the end of a multiyear fundraising boom that has brought the industry's dry powder-money raised but not yet invested—to a record \$3.7 trillion. Private-equity firms have plenty to invest even if fundraising continues to slow, said Mr. MacArthur.

The bigger problem for the industry is the exit environment, he said. Buyout exits fell 42% last year, to \$565 billion. All types of exits fell, with sales to strategic buyers down 21%, sales to other private-equity sponsors down 58% and initial public offerings down 94% by deal value.

Mr. MacArthur said he exsponsor-to-sponsor transactions to pick up, due in part to the industry's large amount of dry powder, while firms wait and hope that the IPO market recovers.

Higher interest rates are perhaps the biggest obstacle to an industry recovery. The Bain report shows that since 2011, the industry increased the value of the companies firms own by multiple expansion—that is, the increase in sale-price multiples over time-more than by any other means, such as growth in profitability.

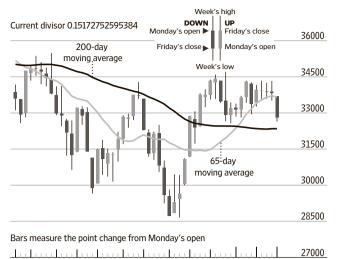
Rising rates will likely slow multiple expansion, forcing firms to engineer real profitability growth to achieve the returns their investors expect. the Bain report said.

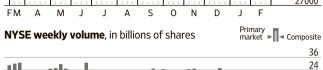


B8 | Monday, February 27, 2023

MARKETS DIGEST

S&P 500 Index **Dow Jones Industrial Average** Last Year ago Last Year ago **32816.92** ▼1009.77, or 2.99% last week Trailing P/E ratio 21.78 18.89 **3970.04** ▼109.05, or 2.67% last week Trailing P/E ratio * 17.82 23.83 P/E estimate * 17.60 17.90 P/E estimate * 17.92 19.49 High, low, open and close for each of High, low, open and close for each of Dividend yield 2.13 2.06 Dividend yield * 1.71 1.41 the past 52 weeks the past 52 weeks All-time high 36799.65, 01/04/22 All-time high 4796.56, 01/03/22





*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; †Based on Nasdaq-100 Index

4400 200-day moving average 4200 4000 3800 65-day moving average 3600

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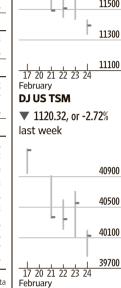
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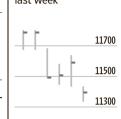
Major U.S. Stock-Market Indexes

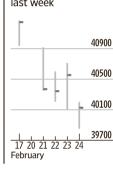
Latest Week				52-Week -			— % chg —				
Dow Jones	High	Low	Close	Net chg	% chg	Low	Close (●)	High	%chg		3-yr. anı
	22/00/0	22/42 40	22017 02	1000 77	-2.99■	20725 51		25204.10	2.	1.0	5.5
Industrial Average			32816.92		_	28725.51		35294.19	-3.6	-1.0	
Transportation Avg					-3.35	11999.40		16718.54	-3.8	9.2	11.7
Utility Average	950.55	916.91	928.44	-25.17	-2.64	838.99	•	1071.75	-1.0	-4.0	-0.3
Total Stock Market	40917.84	39851.06	40126.40		-2.72	36056.21	•	46941.2	-9.9	4.2	6.7
Barron's 400	1001.07	966.78	978.12	-22.94	-2.29	825.73	•	1051.05	-3.6	6.3	11.4
Nasdaq Stock Mark	et										
Nasdaq Composite	11803.22	11334.47	11394.94	-392.33	-3.33	10213.29	•	14619.64	-16.8	8.9	7.3
Nasdaq-100	12257.06	11900.84	11969.65	-388.53	-3.14	10679.34	•	15239.32	-15.6	9.4	9.6
S&P											
500 Index	4052.35	3943.08	3970.04	-109.05	-2.67	3577.03	•	4631.6	-9.5	3.4	7.2
MidCap 400	2666.12	2575.98	2600.68	-65.44	-2.45	2200.75	•	2773.72	-2.3	7.0	8.7
SmallCap 600	1275.72	1236.17	1247.72	-34.80	-2.71	1064.45	•	1357.33	-4.8	7.8	8.4
Other Indexes											
Russell 2000	1937.05	1875.81	1890.49	-55.87	-2.87	1649.84	•	2133.1	-7.4	7.3	5.1
NYSE Composite	15840.16	15347.28	15464.46	-375.70	-2.37	13472.18	•	17014.76	-5.9	1.8	4.5
Value Line	590.43	568.51	572.99	-17.44	-2.95	491.56	•	653.15	-9.1	6.8	2.9
NYSE Arca Biotech	5526.35	5216.31	5223.35	-302.99	-5.48	4208.43	•	5644.5	4.9	-1.1	0.5
NYSE Arca Pharma	831.96	812.03	816.06	-15.55	-1.87	737.84	•	887.27	3.1	-6.0	8.6
KBW Bank	110.83	107.45	109.07	-2.79	-2.49	94.66	•	135.94	-19.8	8.1	1.5
PHLX§ Gold/Silver	118.06	110.36	111.84	-5.81	-4.93	91.40	•	167.76	-21.8	-7.5	0.1
PHLX§ Oil Service	88.22	82.82	86.85	-0.536	-0.61	56.08	•	93.94	28.5	3.6	14.4
PHLX§ Semiconducto	r 3002.97	2875.56	2935.11	-70.75	-2.35	2162.32	•	3625.58	-15.0	15.9	17.7
Cboe Volatility	23.63	20.89	21.67	1.65		8.24 17.87	•	36.45	-21.5	unch.	-4.7



▼ 392.33, or -3.33% last week

Nasdaq Composite





Last Week
Close Net chg

-8.37

998.74

%Chg %chg

-0.83 -4.76

International Stock Indexes

Region/Country	/ Index	Close	Latest Week ————— % chg	Low	— 52-Week Range Close	High	YTD % chg
World	MSCIACWI	628.00	-2.64	550.37	•	723.16	3.7
	MSCI ACWI ex-USA	291.85	-2.56	244.35	•	326.65	3.7
	MSCI World	2706.91	-2.62	2367.69	•	3110.81	4.0
	MSCI Emerging Markets	971.87	-2.76	842.76	•	1176.43	1.6
Americas	MSCI AC Americas	1511.43	-2.68	1363.36	•	1779.00	3.7
Canada	S&P/TSX Comp	20219.19	-1.44	18206.28	•	22087.22	4.3
Latin Amer.	MSCI EM Latin America	2194.53	-2.63	1912.59		2761.97	3.1
Brazil	BOVESPA	105798.43	-3.09	96120.85	•	121570.15	-3.6
Chile	S&P IPSA	3212.52	0.05	2886.06	•	3546.47	1.3
Mexico	S&P/BMV IPC	52686.24	-2.05	44626.80	•	56609.54	8.7
EMEA	STOXX Europe 600	457.70	-1.42	382.89	•	465.24	7.7
	STOXX Europe 50	3879.17	-1.48	3310.09	•	3947.97	6.2
Eurozone	Euro STOXX	450.53	-1.98	359.45	•	461.46	9.9
	Euro STOXX 50	4178.82	-2.25	3279.04	•	4297.24	10.2
Austria	ATX	3455.75	-1.15	2647.43	•	3506.14	10.5
Belgium	Bel-20	3859.50	-1.52	3313.82	•	4266.01	4.3
France	CAC 40	7187.27	-2.18	5676.87	•	7366.16	11.0
Germany	DAX	15209.74	-1.76	11975.55	•	15533.64	9.2
Greece	Athex Composite	1113.36	0.96	779.20	•	1123.23	19.7
Israel	Tel Aviv	1747.43	-3.05	1746.82	•	2067.23	-2.8
Italy	FTSE MIB	26986.35	-2.76	20353	•	27854	13.8
Netherlands	AEX	746.41	-2.44	630.58	•	771.69	8.3
Norway	Oslo Bors All-Share	1398.42	-0.30	1247.07	•	1476.42	2.6
Portugal	PSI 20	5984.49	-0.63	5190.28	•	6349.21	4.5
South Africa	FTSE/JSE All-Share	76937.77	-2.94	63263.94	•	80791.36	5.3
Spain	IBEX 35	9201.50	-1.41	7261.1	•	9333.0	11.8
Sweden	OMX Stockholm	840.73	-2.64	690.07	•	906.59	7.5
Switzerland	Swiss Market	11181.77	-0.66	10072.62	•	12528.61	4.2
U.K.	FTSE 100	7878.66	-1.57	6826.15	•	8014.31	5.7
Asia-Pacific	MSCI AC Asia Pacific	158.75	-2.40	134.3	•	183.3	1.9
Australia	S&P/ASX 200	7307.00	-0.54	6433.4	•	7592.8	3.8
China	Shanghai Composite	3267.16	1.34	2886.43	•	3488.83	5.8
Hong Kong	Hang Seng	20010.04	-3.43	14687.02	•	22767.18	1.2
India	S&P BSE Sensex	59463.93	-2.52	51360.42	•	63284.19	-2.3
Japan	NIKKEI 225	27453.48	-0.22	24717.53	•	29222.77	5.2
Malaysia	FTSE Bursa Malaysia KLCI	1456.80	-1.36	1373.36	•	1618.54	-2.6
Singapore	Straits Times	3282.30	-1.38	2969.95	•	3445.01	1.0
South Korea	KOSPI	2423.61	-1.13	2155.49	•	2759.20	8.4

Commodities and Currencies

DJ Commodity

Refinitiv/CC CRB Index	267.15	-0.42	-0.16	-3.82
Crude oil, \$ per barrel	76.32	-0.23	-0.30	-4.91
Natural gas, \$/MMBtu	2.451	0.176	7.74	-45.23
Gold, \$ per troy oz.	1808.80	-31.60	-1.72	-0.60
U.S. Dollar Index	105.26	1.40	1.35	1.68
WSJ Dollar Index	98.17	1.30	1.34	1.67
Euro, per dollar	0.9482	0.013	1.41	1.48
Yen, per dollar	136.46	2.36	1.76	4.07
U.K. pound, in dollars	1.19	-0.0101	-0. 84	-1.29
	Low	52-V	Veek — High	% Cha
		C103C(-)	111911	
DJ Commodity	990.27		1264.48	-6.55
DJ Commodity Refinitiv/CC CRB Index				
•		•	1264.48	-6.55
Refinitiv/CC CRB Index	263.69 71.02	•	1264.48 329.59	-6.55 1.02
Refinitiv/CC CRB Index Crude oil, \$ per barrel	263.69 71.02	•	1264.48 329.59 123.70	-6.55 1.02 -16.67
Refinitiv/CC CRB Index Crude oil, \$ per barrel Natural gas, \$/MMBtu	263.69 71.02 2.073	•	1264.48 329.59 123.70 9.680	-6.55 1.02 -16.67 -45.17
Refinitiv/CC CRB Index Crude oil, \$ per barrel Natural gas, \$/MMBtu Gold, \$ per troy oz.	263.69 71.02 2.073 1623.30	•	1264.48 329.59 123.70 9.680 2040.10	-6.55 1.02 -16.67 -45.17 -4.12
Refinitiv/CC CRB Index Crude oil, \$ per barrel Natural gas, \$/MMBtu Gold, \$ per troy oz. U.S. Dollar Index	71.02 2.073 1623.30 96.62	•	1264.48 329.59 123.70 9.680 2040.10 114.10	-6.55 1.02 -16.67 -45.17 -4.12



Taiwan	TAIEX	15503.79	0.16	1266
Source: Fact:	Set; Dow Jones Mar	ket Data		
Consu	ımer Rate	es and Returns	to Inves	stor

Selected rates U.S. consumer rates A consumer rate against its

15503.79

benchmark over the past year Prime rate 1 5.00 4.00 $\mathsf{M} \; \mathsf{A} \; \mathsf{M} \; \mathsf{J} \; \mathsf{J} \; \mathsf{A} \; \mathsf{S} \; \mathsf{O} \; \mathsf{N} \; \mathsf{D} \; \mathsf{J} \; \mathsf{F}$

New car loan Bankrate.com avg†:

First Savings Bank of Hegewisch	3.80%
Chicago, IL	773-646-4200
Colonial Savings, FA	5.49%
Garland, TX	972-495-4032
First Command Bank	5.49%
Fort Worth, TX	888-763-7600
Frost Bank	5.49%
Houston, TX	800-513-7678
Third Coast Bank, SSB	5.50%
Humble, TX	281-446-7000

2022 2	023	Hum	ble, TX		281-4	146-7000
Interestrate		ate (%) -) Week ago		Veek Range (%) 2 4 6 8	High	3-yr chg (pct pts)
Federal-funds rate target	4.50-4.75	4.50-4.75	0.00	•	4.75	3.00
Prime rate*	7.75	7.75	3.25	•	7.75	3.00
Libor, 3-month	4.95	4.92	0.50	•	4.96	3.31
Money market, annual yield	0.46	0.39	0.07		0.46	-0.04
Five-year CD, annual yield	2.75	2.74	0.43	•	2.79	1.37
30-year mortgage, fixed [†]	7.01	6.88	4.12	•	7.41	3.32
15-year mortgage, fixed [†]	6.27	6.16	3.38		6.53	3.12
Jumbo mortgages, \$726,200-	olus† 7.03	6.90	4.12	•	7.44	3.33
Five-year adj mortgage (AR	M)† 5.63	5.50	2.92		5.63	2.00
New-car loan, 48-month	6.69	6.68	3.55	•	6.69	2.20
Bankrate.com rates based on survey of banks.† Excludes closing costs.	of over 4,800 on			osted by 70% of the		-

Benchmark Yields and Rates

Treasury yield curve **Forex Race** Yen, euro vs. dollar; dollar vs.

Yield to maturity of current bills, notes and bonds

17934.40

12666.12

6.69%

	5.00%
	4.00
Tradeweb ICE Friday Close	3.00
_	2.00
One year ago	1.00
	0.00
1 3 6 1 2 3 5 7 10 20 3	30
month(s) years	
maturity	

28% WSJ Dollar Index -28 2022

major U.S. trading partners

Sources: Tradeweb ICE U.S. Treasury Close; Tullett Prebon; Dow Jones Market Data Corporate Borrowing Rates and Yields

Spread +/- Treasurys, in basis pts, 52-wk Range Yield (%) Total Return Bond total return index Last Wkago 52-wk Last Low High 3-yr U.S. Treasury, Bloomberg -9.61 4.410 4.230 -3.80 U.S. Treasury Long, Bloomberg 4.080 3.980 -22.97 -10.22 4.810 4.660 -9.13 -3.56 Aggregate, Bloomberg 38 69 n.a. -8.63 -3.49 Fixed-Rate MBS. Bloomberd 4.600 21 88 4.690 n.a. -5.043 -0.207 High Yield 100, ICE BofA 7.825 7.866 350 269 552 Muni Master, ICE BofA 3.412 3.305 -1 -17 11 -4.539 -1.330 EMBI Global, J.P. Morgan 7.746 367 336 496 -9.644 -5.137 7.779

 $Sources: J.P.\,Morgan; S\&P\,Dow\,Jones\,Indices; Bloomberg\,Fixed\,Income\,Indices; ICE\,BofA$

New to the Market

Continued on page B9

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

Symbol/

Expected pricing date	e Filed	Issuer/business	primary exchange		Range(\$) Low/High	Bookrunner(s)
Week of 2/2	76/22 2022	Intchains Group Ltd Provider of integrated solutions consisting of high-performance ASIC chips and ancillary software and hardware for blockchain applications.	ICG Nq	2.5	7.00/ 9.00	Maxim Grp
3/2	8/31 2022	Opti-Harvest Inc Agriculture technology business providing advanced equipment and precision agriculture software and solution	OPHV Nq	2.0	3.50/ 4.50	WestPark Capital Inc
Week of 2/2	79/16 2022	Solar Juice Co Ltd Provider of solar photovolf solar photovolf solar solutions for residential and small commercial building markets in Australia and the United States.	SJA Nq	3.0	5.00/ 6.00	Maxim Grp
3/3	9/23 2022	Ultimax Digital Inc Company engaged in solving some of the most significant problems facing video game developers desiring to implement the capability to offer in-game purchases in their video game.	NFTX Nq	1.9	4.00/ 5.00	WestPark Capital Inc
2/28	10/26 2022	Nava Health MD LLC Vertically integrated, tech- enabled health care practice that provides traditional, functional, holistic, and regenerative medicine services to clients through an integrative health care model.	NAVA Nq	1.4	6.00/ 6.00	WestPark Capital Inc
3/1	11/16 2022	SYLA Technologies Co Ltd Asset management company.	SYT Nq		8.00/ 8.00	Boustead & Co Ltd

Lockup Expirations

None expected this week

IPO Scorecard Performance of IPOs, most-recent listed first

		% Chg	From			% Chg	From
Company SYMBOL IPO date/Offer price	Friday's close (\$)	Offer price	1st-day close	Company SYMBOL IPO date/Offer price	Friday's close (\$)	Offer price	1st-day close
Distoken Acquisition DISTU Feb. 15/\$10.00	10.21	2.1	0.2	Lichen China LICN Feb. 4/\$4.00	2.01	-49.8	-41.2
The NFT Gaming Company NFTG Feb. 15/\$4.15	2.32	-44.1	-42.7	Asset Entities ASST Feb. 3/\$5.00	1.55	-69.0	-56.3
BullFrog AI BFRG Feb. 14/\$6.50	3.24	-50.2	-31.9	Cetus Captial Acquisition CETUU Feb. 1/\$10.00	10.23	2.3	0.5
Mars Acquisition MARXU Feb. 14/\$10.00	10.17	1.7		Brera Hldgs BREA Jan. 27/\$5.00	2.85	-43.0	-40.9
Belleveue Life Sciences Acquisition BLACU Feb. 10/\$10.00	10.20	2.0	0.4	TXO Energy Ptnrs TXO Jan. 27/\$20.00	23.83	19.2	8.3
Enlight Renewable Energy ENLT Feb. 10/\$18.00	/ 16.44	-8.7	-7.4	Genelux GNLX Jan. 26/\$6.00	10.86	81.0	76.6
Mineralys Thera MLYS Feb. 10/\$16.00	17.90	11.9	-2.9	Cadrenal Thera CVKD Jan. 20/\$5.00	2.11	-57.9	-48.9
Pono Capital Three PTHRU Feb. 10/\$10.00	10.19	1.9	0.4	Israel Acquisitions ISRLU Jan. 13/\$10.00	10.18	1.8	0.5
Lucy Scientific Discovery LSDI Feb. 9/\$4.00	/ 2.05	-48.8	-31.4	MGO Global MGOL Jan. 13/\$5.00	1.86	-62.8	-60.0
Nextracker NXT Feb. 9/\$24.00	30.21	25.9	-0.8	Skyward Spcl Insurance SKWD Jan. 13/\$15.00	19.11	27.4	0.1

Sources: Dow Jones Market Data; FactSet

A Week in the Life of the DJIA

A look at how the Dow Jones Industrial Average component stocks did in the past week and how much each moved the index. The DJIA lost 1,009.77 points, or 2.99%, on the week. A \$1 change in the price of any DJIA stock = 6.59-point change in the average. To date, a \$1,000 investment on Dec. 31 in each current DJIA stock component would have returned \$30,208, or a gain of 0.69%, on the \$30,000 investment, including reinvested dividends.

		Action — Point cha			¢	51.000 Invested(year-	end (22)
	change		Company	Symbol		\$1,000	end ZZ)
0.34	0.37	2.44	Merck	MRK	\$109.89		\$990
-0.23	-0.42	-2.77	Travelers	TRV	185.33		988
-0.27	-0.44	-2.90	Chevron	CVX	162.41		913
-0.47	-0.28	-1.85	Coca-Cola	KO	59.84		941
-0.54	-0.75	-4.94	Procter & Gamble	PG	139.26		925
-0.58	-0.34	-2.24	Dow	DOW	57.79		1,147
-0.92	-1.31	-8.63	JPMorgan Chase	JPM	140.93		1,059
-1.26	-4.65	-30.65	Goldman Sachs	GS	363.85		1,060
-1.72	-3.05	-20.10	American Express	AXP	174.25		1,184
-1.79	-4.01	-26.43	Visa	V	219.55		1,059
-1.80	-2.97	-19.57	salesforce.com	CRM	162.20		1,223
-2.34	-6.31	-41.59	McDonald's	MCD	263.68		1,001
-2.61	-0.96	-6.33	Walgreens	WBA	35.80		971
-2.71	-3.97	-26.17	Walmart	WMT	142.47		1,005
-2.76	-4.42	-29.13	Johnson & Johnson	TNT	155.97		889
-2.86	-6.87	-45.28	Amgen	AMGN	233.66		898
-2.96	-14.75	-97.21	UnitedHealth Group	UNH	484.33		914
-3.30	-4.45	-29.33	IBM	IBM	130.57		938
-3.43	-8.84	-58.26	Microsoft	MSFT	249.22		1,042
-3.68	-1.48	-9.75	Verizon	VZ	38.74		999
-3.83	-5.84	-38.49	Apple	AAPL	146.71		1,131
-4.51	-2.29	-15.09	Cisco	CSCO	48.48		1,026
-4.59	-5.19	-34.21	3M	MMM	107.80		911
-4.66	-9.38	-61.82	Honeywell	HON	192.04		901
-4.68	-4.92	-32.43	Walt Disney	DIS	100.30		1,154
-4.69	-11.62	-76.58	Caterpillar	CAT	236.17		991
-5.45	-6.80	-44.82	Nike	NKE	118.04		1,009
-6.38	-13.51	-89.04	Boeing	BA	198.15		1,040
-6.70	-21.29	-140.32	Home Depot	HD	296.66		939
-8.95	-2.47	-16.28	Intel	INTC	25.14		963

*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

			US\$vs,				US\$
Country/currency	in US\$	Fri per US\$	YTD chg (%)	Country/currency	in US\$	Fri —— per US\$	YTD c
	IIIUJĄ	pei US\$	(70)				
Americas				Vietnam dong	.00004203	23795	0.
Argentina peso	.00513	195.7100	10.7	Europe			
Brazil real	.1919	5.2105	-1.4	Czech Rep. koruna	.04459	22.427	-0.
Canada dollar	.7351	1.3605	0.4	Denmark krone	.1417	7.0589	1.
Chile peso	.001215	823.03	-3.0	Euro area euro	1.0547	.9482	1.
Colombiapeso	.000207	4841.58	-0.1	Hungary forint	.002774	360.53	-3.
Ecuador US dollar	1	1	unch	Iceland krona	.006907	144.78	2.
Mexico peso	.0544	18.3936	-5.6	Norway krone	.0962	10.3903	5.
Uruguay peso	.02571	38.8986	-2.7	Poland zloty	.2234	4.4761	2
Asia-Pacific				Russia ruble	.01316	76.015	3
Australiadollar	.6722	1.4877	1.4	Sweden krona	.0952	10.5086	0
China vuan	.0722		0.8	Switzerland franc	1.0629	.9408	1
Hong Kong dollar	.1436		0.5	Turkey lira	.0530	18.8731	1
India rupee	.01206	82.934	0.5	Ukraine hryvnia	.0271	36.8500	und
	.0000655	15265		UK pound	1.1942	.8374	1
Japan yen	.0000033		4.1	Middle East/Afri	ca		
Kazakhstan tenge	.007326			Bahrain dinar	2.6529	.3770	_0 (
Macau pataca	.1236		0.5	Egypt pound		30.6311	
Malaysia ringgit	.2255		0.7	Israel shekel		3.6663	4
New Zealand dollar	.6173	1.6200	2.9	Kuwait dinar	3.2571	.3070	0
Pakistan rupee		260.175		Oman sul rial	2.5973	.3850	0
Philippines peso	.00384	55.233		Oatar rial	.2747	3.640	-0
Singapore dollar	.7408	1.3499	0.7	Saudi Arabia riyal	.2667		_
	.0007606		4.2	South Africa rand		18.4240	8
	.0027388	365.13		Journal Incu I dillu	.0747	10.7240	0,
Taiwan dollar	.03260	30.672	0.1		Close Net C	hg %Chg	YTD%
Thailand baht	.02863	34.930	0.9	WSJ Dollar Index	98.17 0.	70 0.72	1.6

Sources: FactSet; Dow Jones Market Data; Bankrate.com

CLOSED-END FUNDS

Fund (SYM)

Listed are the 300 largest closed-end funds as measured by assets. Glosed-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 available of not applicable. As a signifies trains not re-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 nth-end market price adjusted for capital

Friday, February 24, 2023 Prem Fund (SYM) NAV Close/Disc Ret General Equity Funds

Adams Diversified Eq Inc ADX 17.92 15.24 -15.0 -8.5 Central Secs CET 41.99 35.04 -16.6 CohenStrsCEOppFd FOF 10.85 11.20 +3.2 EVTxAdvDivlncm EVT NA 23.27 NA GabelliDiv&IncTr GDV 24.55 21.27 -13.4 -5.2 -5.4 Gabelli Equity Tr **GAB** 5.32 5.76 +8.3 GeneralAmer **GAM** 45.21 37.91 -16.1 JHancockTaxAdvDiv HTD 23.15 23.29 Liberty All-Star Equity **USA** 6.08 6.16 +1.3 Liberty All-Star Growth **ASG** NA 5.19 NA -6.3 Royce Micro-Cap Tr RMT 10.35 9.34 -9.8 -0.3 Royce Value Trust **RVT 15.75 14.28** -9.3 -10.2 Source Capital **SOR** 41.35 38.04 -8.0 -2.4 Sprott Focus Trust **FUND** 8.94 8.51 -4.8 5.9 SRH Total Return **STEW 15.19 12.49 -17.8** Tri-Continental **TY** 30.20 26.84 -11.1 -4.9

Specialized Equity Funds abrdn Glb Prem Prop AWP 4.42 4.16 -5.9 -25.5 abrdn Global Infra Inc **ASGI 20.52 17.58 -14.3 -4.0** Adams Natural Resources DEO 25 24 21 27 -15 7 19 5 ASA Gold & Prec Met Ltd **ASA 16.19 14.00 -13.5 -35.**4 BR Enh C&I **CII** 18.23 17.98 -1.4 0.1 BlackRock Energy & Res **BGR** 14.08 12.54 -10.9 20.9 BlackRock Eq Enh Div **BDJ** 8.94 8.99 +0.6 BlackRock Enh Glbl Div **BOE** 11.39 10.01 -12.1 -6.3 BlackRock Enh Intl Div **BGY** 6.10 5.32 -12.8 BlackRock ESG Cap Alloc ECAT 17.15 14.35 -16.3 -4.2 BlackRock Hlth Sci Tr II BMEZ 18.73 15.77 -15.8 BlackRock Hith Sciences BME 41.76 43.15 +3.3 BlackRock Innov and Grow BIGZ 9.40 7.35 -21.8 -32.9 BlackRock Res & Comm **BCX** 11.27 9.92 -12.0 2.5 BlackRock Sci&TechT II **BSTZ** 20.55 17.34 -15.6 -30.3 BlackRock Sci&Tech Trust BST 31.11 31.21 BlackRock Utl Inf & Pwr BUI 22.49 22.41 +0.3 -20.6 -0.4 1.0 CLEARBRIDGEENGYMDSOPP **EMO** NA 29.54 NA CLEARBRIDGE MLP&MDSTMTR CTR NA 29.95 NA 24.8 ClearBridge MLP & Midstm CEM NA 34.49 24.00 24.47 ChnStrInfr UTF +2.0 0.0 Cohen&SteersQualInc RQI NA 12.52 CohenStrs Real Est and I RLTY 16.44 14.57 -11.4 -21.5 Cohen&Steers TotRet RFI 11.99 12.59 -8.8 +5.0 CohenStrsREITPrefinc **RNP** 21.24 21.31 +0.3 Columbia Sel Prm Tech Gr **STK** 24.70 26.65 +7.9 -2.5 -4.1 DNP Select Income **DNP** 8.76 11.52 +31.5 11.6

Duff&PhUti&InfraIncFd **DPG** NA 13.87 NA 6.0 EtnVncEqtyInc **EOI** NA

EtnVncEatvIncoll **EOS**

Treasurys

Date(s)

Company

Monday, February 27

Auction of 13 and 26 week bills;

New to the Market

Fund (SYM) NAV Close/Disc Ret ETnVncTxMqdBuyWrtInc ETB NA 13.20 NA -10.0 EtnVncTxMgdBuyWrtOpp **ETV** NA 12.80 -8.1 -6.4 EvTxMnDvsEgInc ETY NA 11.66 NA NA -15.2 EVTxMnGblDvEaInc EXG NA 7.59 NA -10.8 Ecofin S&S Impact Term **TEAF** First Trust Energy Inc G FEN 15.36 13.84 -9.9 -3.8 First Tr Enhanced Eq **FFA 17.36 16.51** FirstTrEnergyInfra **FIF** 17.13 14.78 -13.7 13.3 FirstTrMLPEner&Inc **FEI** 9.23 8.04 -12.9 12.2 Gabelli Healthcare **GRX** 12.09 10.21 -15.6 -13.4 Gab Utility **GUT** 3.52 6.92 +96.6 -0.2 GAMCOGIGold&NatRes GGN 3.77 3.54 -6.1 1.5 +5.2 -13.6 J Han Finl Opptys BTO 34.04 35.80 Neuberger Brmn MLP & EI NML 8.09 7.06 -12.7 31.9 Neuberger Nxt Gen Conn **NBXG** 12.28 9.90 -19.4 -21.5 NA NA -0.1 -1.0 Nuv Dow 30 Dyn Overwrite **DIAX** NA **15.19** NuvCorEgAlpha JCE NA 12.68 Nuveen Nasdaq 100 Dyn Ov QQQX Nuv Real Est JRS NA 22.93 NANA 8.38 NA -19.3 Nuveen RI Asst Inc & Gro JRI NA 12.07 NA -10.1 NuvS&P500DvnOvFd SPXX NA 15.77 NA -0.4 NuvSP500BuyIncFd BXMX NA ReavesUtilityIncome UTG 27.97 28.45 +1.7 -4.1 Tortoise Enrgy Infra Crp **TYG** Tortoise Midstream Enroy NTG NA 35.36 VDivInt&PremStr **NFJ** V Art Int&Tech Opps AIO NA 17.08 Income & Preferred Stock Funds CalamosStratTot CSQ 13.56 13.97 CohenStrsLtdDurPref&Inc LDP 21.79 19.87 CohenStrsSelPref&Income PSF 21.68 20.52 -5.4 CohenStrsTaxAvPreSecs&l PTA 21.34 18.93 -11.3

NA 14.5 NA -12.2 +3.0 -9.3 Dividend and Income **DNI** 17.89 NA NA NA FirstTrIntDurPref&Inc **FPF** 19.91 17.74 -10.9 -10.9 JHanPrefinc **HPI** 16.60 16.63 +0.2 JHPrefincil HPF +2.4 -1.3 16.46 16.86 HnckJPfdInco III **HPS** 14.77 14.95 J Han Prm **PDT** 12.94 12.97 +1.2 +0.2 -10.0 LMP Caplnco **SCD** NA 12.30 Nuveen Multi-Asset Inc NMAI NA -11.9 NA 12.09 Nuveen Pref & Inc Opp **JPC** Nuveen Ed JPS NA 7.10 NA -10.5 Nuveen Pref & Inc Term JPI NA 19.33 Nuveen Var Rate P&I NPFD NA 17.89 NA -11.2 TCW Strat Income **TSI** 5.03 4.97 -1.2 2.0

Convertible Sec's. Funds AdvntCnvrtbl&IncFd AVK 12.52 12.21 CalamosConvHi **CHY** 10.75 12.35 +14.9 -0.7 CalmosConvOp **CHI** 10.18 11.84 +16.3 1.3 Ellsworth G&l Fund Ltd **ECF** 9.72 8.41 -13.5 -14.0 V Conv & Inc **NCV** 3.87 3.71 -4.1 -14.7 V Conv & Inc II NCZ 3.44 3.11 -9.6 -18.4 V Div Inc & Conv ACV 20.28 20.83 +2.7 -10.7 V Eqty & Conv Inc **NIE** 21.85 19.62 -10.2 -9.8 **World Equity Funds** abrdn Emg Mkts Eq Inc **AEF** 5.87 5.12 -12.8 -26.0

abrdn Tot Dvn Div AOD 9.24 8.07 -12.7 -8.4 Allspring GI Div Oppty **EOD** 4.75 4.65 -2.1 -2.0 BlackRock Capital Alloc **BCAT** 17.25 14.70 -14.8 -7.2 Calamos GloDynInc **CHW** 6.42 6.06 NA -12.0 EV TxAdvGlbDivInc **ETG** NA 15.81 EtnVncTxAdvOpp **ETO** NA 21.78

Public and Private Borrowing Thursday, March 2 Auction of 4 and 8 week bills; announced on February 23; settles on March 2 announced on February 28; settles on March 7

Trading by 'insiders' of a corporation, such as a company's CEO, vice president or director, potentially conveys

within two business days. Here's a look at the biggest individual trades by insiders, based on data received by

KEY: B: beneficial owner of more than 10% of a security class CB: chairman CEO: chief executive officer CFO: chief financial officer

Symbol Insider

CO: chief operating officer D: director DO: director and beneficial owner GC: general counsel H: officer, director and beneficial owner

new information about the prospects of a company. Insiders are required to report large trades to the SEC

Refinitiv on February 24, and year-to-date stock performance of the company

Auction of 17 week bill; announced on February 28; settles on March 7

Insider-Trading Spotlight

NA 16.21

NA -13.7

Prem NAV Close/Disc Fund (SYM) Ret FirstTr Dyn Euro Eq Inc **FDEU** 13.27 11.82 -10.9 -2.7 Gabelli Multimedia **GGT** 4.33 5.78 +33.5 -19.3 GDL Fund GDL 10.17 7.95 -21.8 0.1 Highland Global Alloc HGLB 12.13 9.81 -19.1 10.8 India Fund IFN 15.40 15.20 -1.3 -8.0 Japan Smaller Cap **JOF** 8.07 6.70 -17.0 -11.6 LazardGlbTotRetInc **LGI** 16.39 15.30 -6.7 -9.1 Mexico **MXF** NA 16.55 NA 14.5 Mexico MXF Miller/Howard High Inc E HIE 11.54 10.59 -8.2 3.7 MS ChinaShrFd CAF 17.25 14.51 -15.9 -20.2 MS India **IIF** 24.02 19.84 -17.4 -5.4 MS CBRE Glin Mg **MEGI** NA 14.20 NA -14.3 Templeton Dragon **TDF 12.04 10.62 -11.8 -22.5** Templeton Em Mkt **EMF 13.00 11.43 -12.1 -16.5** Prem12 Mo

NAV Close/Disc Yld Fund (SYM) U.S. Mortgage Bond Funds BlckRk Income BKT 13.09 12.55 -4.1 Invesco HI 2023 Tgt Term IHIT 8.39 8.17 -2.6 Investment Grade Bond Funds Angel Oak FS Inc Trm **FINS 14.62 13.00 -11.1**

BIRck Core Bond BHK 11.07 10.76 7.8 -2.8 BR Credit Alloc Inc BTZ 11.37 10.54 -7.3 8.8 5.2 J Han Income JHS 11.78 10.97 -6.9 2.98 2.80 NA 8.52 -6.0 NA MFS Intmdt MIN 0.0 Western Asset Inf-Lk Inc WIA 14.5 Western Asset Inf-Lk O&I WIW NA 9.09 Westn Asst IG Def Opp Tr IGI NA 16.59 NA 4.6 Loan Participation Funds Apollo Senior Floating AFT NA 13.25 8.5

BR Debt Strategy **DSU** 10.66 9.80 BR F/R Inc Str **FRA** 13.10 11.90 7.8 7.1 -9.2 BlackRockFloatng Rt Inc BGT 12.72 11.52 Blackstone Strat Cr BGB NA 11.04 7.1 7.7 EtnVncFltRteInc **EFT** 13.02 12.00 EV SenFlRtTr **EFR** 12.81 11.90 -7.8 -7.1 7.9 8.2 FT/Sr Fltg Rte Inc 2 FCT 11.18 9.96 -10.9 Highland Income HFRO 14.03 9.74 -30.6 8.4 8.6 InvDYCrOpp:AX VTA 11.23 NA InvSnrIncTr VVR 4.10 3.97 NA -3.2 NA 11.3 Nuveen Credit Strat Inc JQC 5.90 5.30 NuvFloatRateIncFd JFR 9.23 8.51 5.30 -10.2 9.2 9.1 -7.8 9.1 9.2 NuvFloatRteIncOppty JRO 9.13 8.34 Nuveen Senior Income NSL 5.39 4.84 -10.2 High Yield Bond Funds

AllianceBernGlHilncm AWF 10.62 10.00 -5.8

Allspring Income Oppty **EAD** 7.07 6.56
Barings Glb SD HY Bd **BGH** 14.76 13.50 -7.2 10.0 -8.5 9.2 BR Corporate HY **HYT** 9.34 8.83 BlackRock Ltd Dur Inc **BLW** 13.63 13.31 10.0 -2.3 8.4 Brookfield Real Asst Inc **RA** 15.49 17.72 +14.4 13.6 CrSuisHighYld **DHY** 2.06 1.88 -8.7 9.6 DELAWAREIVYHIGHINCOPP IVH NA 11.77
DoubleLine Inc Sol DSL NA 11.93 NA NA 12.0 -9.1 9.5 -9.0 10.4 DoubleLine Yld Opps **DLY 15.34 13.94** First Tr Hi Inc Lna/Shrt FSD 12.60 11.47 First Trust HY Opp:2027 **FTHY 15.66 14.32** 10.8 Franklin Univ FT 7.52 7.07 6.9 -6.0 NA NA KKR Income Opportunities **KIO** NA 11.46 10.6 Nuveen Global High Inc JGH NA 11.86 10.8 PGIM Global High Yield **GHY** NA 11.47 10.6 NA 9.6 PGIM High Yield Bond ISD NA 12.47 PGIM Sh Dur Hi Yld Opp **SDHY** NA 15.10 NA -9.6 8.1 PioneerHilncm **PHT** 7.64 6.91 10.4 WstAstHIF II **HIX** NA 5.31 NA 4.01 NA10.6 Western Asset Hi Inc Opp HIO 8.8 Western Asset Hi Yld D O HYI NA 12.28 9.0

Other Domestic Taxable Bond Funds Allspring Multi-Sector **ERC** 9.65 9.63
Apollo Tactical Income **AIF** NA 12.72 10.0 Apollo Tactical Income AIF 9.3 Ares Dynamic Crdt Alloc **ARDC** NA 12.56 9.5 9.8 BlackRock Mlt-Sctr Inc BIT 14.79 14.89 +0.7 BlackRock Tax Muni Bd BBN 17.95 17.36 7.9 8.5 DoubleLine:Oppor Crdt Fd **DBL 14.66 14.88** +1.5 EVLmtDurlncm **EVV** 10.50 10.03 -4.5 Franklin Ltd Dur Income FTF 7.12 6.32 -11.2 11.8 J Han Investors JHI 13.86 13.01 6.81 6.49 -4.7 NuvCorePlusImpact **NPCT 12.53 10.73 -14.4 10.7** Nuveen Taxable Muni Inc NBB 16.81 16.08 -4.3

MFS Charter **MCR** PIMCO Corp & Inc Oppty **PTY 11.19 13.21 +18.1 11.4**

No. of shrs in Price range (\$) \$ Value Title trans (000s) in transaction (000s) Close (\$) Ytd (%)

PIMCO Corp & Inc Strat **PCN 11.41 13.24 +16.0 11.2** PIMCOHilnco **PHK** 4.67 5.01 PIMCO IncmStrFd **PFL** 8.12 8.47 4.67 5.01 +7.3 11.1 +4.3 11.1 PIMCO IncmStrFd II **PFN** 7.15 7.38 +3.2 11.2 Putnam Prem Inc **PPT** 3.89 3.65 -6.2 Western Asset Dysfd Inc WDI NA 13.80 NA 10.3 World Income Funds 3.16 2.68 -15.2 11.4 MS EmMktDomDebt EDD 5.26 4.44 -15.6 6.4 PIMCO Access Income PAXS 15.85 15.36 PIMCO Dynamic Income PDI 17.92 19.53 +9.0 16.0 PIMCO Dynamic Inc Opp **PDO** 13.36 13.70 PIMCO Stratg Inc RCS 4.46 5.59 +25.3 10.8 Templeton Em Inc **TEI** 5.60 5.26 Templtn Glbl Inc GIM 4.52 4.25 -6.0 8.8 WstAstEmergDebt **EMD** Western Asset GICr D Op GDO NA 12.85 NA National Muni Bond Funds AllBerNatlMuninc AFB 12.08 10.40 -13.9 BlckRk Inv Q Mun **BKN 12.89 11.86** BlackRock Muni 2030 Tgt BTT 23.30 21.15 -9.2 BlackRock Muni BFK 11.34 9.95 BlackRock Muni II BLE 11.76 10.45 -11.1 BlckRk Muni Inc Qly **BYM** 12.51 11.11 -11.2 BR MuniAssets Fd MUA 11.19 10.68 BR MH Qly 2 MUE 11.25 9.82 BR MuniHoldngs **MHD** 13.27 11.56 -12.9 BR MuniVest Fd **MVF** 7.73 6.79 -12.2 BR MuniVest 2 **MVT** 12.01 10.77 -10.3 BR MuniYield Fd MYD 11.85 10.40 -12.2 BR MuniYield Qlty **MQY 12.94 11.61 -10.3** BR MuniYld Qlty2 MQT 11.47 10.13 -11.7 BR MuniYld Qly 3 MYI 12.28 10.80 -12.1 BNY Mellon Muni Bd Infra DMB 11.69 10.85 -7.2 BNY Mellon Str Muni Bond DSM 6.51 5.69 -12.6 BNY Mellon Strat Muni **LEO** 6.78 6.09 -10.2 Del Inv Natl Muni Income VFL NA 10.41 9.92 8.59 -13.4 DWS Muni Inc KTF EVMuniBd **EIM** EVMunilncm **EVN** 11.17 10.00 -10.5 EVNatMuniOpp **EOT** 17.95 17.73 InvAdvMuIncTrll VKI 9.47 8.45 -10.8 Invesco MuniOp **OIA** InvescoMuOppTr VMO 10.59 9.37 -11.5 10 70 9 42 -12 0 InvescoQual Inc IQI InvTrInvGrMu **VGM** InvescoValMuninc IIM 13.12 12.20 -7.0 MAINSTAY:MKDEFTRMUNOP MMD 16.79 17.13 +2.0

NeubrgrBrm NBH 11.76 10.36 -11.9 Nuveen AMT-Fr Mu Val **NUW 14.91 13.71** Nuveen AMT-Fr Olty Mun I NEA 12.39 10.79 -12.9 Nuveen AMT-Fr Mu CI NVG 13.22 11.70 -11.5 Nuveen Dyn Muni Opp **NDMO 10.88 11.26 +3.5** Nuveen Int Dur Mun Term NID 13.56 12.82 Nuveen Mu Crdt Opps NMCO 11.80 11.16 Nuv Muni Credit Income NZF 13.28 11.60 -12.7 -4.8 -4.8 NuvMuniHilncOpp **NMZ** 10.88 10.36 Nuveen Muni Val NUV 9.17 8.73 Nuveen Quality Muni Inc NAD 12.79 11.13 -13.0 Nuveen Sel TF NXP 14.28 14.56 +2.0 PIMCO Munilnc **PMF** 9.49 10.08 +6.2 PIMCOMunilncll PML 8.73 9.11 +4.4 Pimco Muni III **PMX** 8.00 7.94 -0.8 PioneerHilncAdv **MAV** 9.14 7.91 -13.5 PionrMuniHilncOppty MIO 12.36 10.74 PioneerMunHilcm MHI 9.89 8.50 -14.1 Putnam Mgd Inc **PMM** Putnam Muni Opp **PMO** 10.93 11.32 +3.6 RiverNorth Mad Dur Mun I RMM 16.24 15.33 Western Asset Mgd Muni MMU NA 10.12 Single State Muni Bond BlackRock CA Mun **BFZ 12.70 11.13 -12.4** BR MH CA Qly Fd Inc MUC 12.43 10.81 -13.0 BR MH NJ Qly **MUJ** 12.78 11.15 -12.8 BR MH NY QIV MHN 11.80 10.19 -13.6 BR MuniYld MI Qly MIY 12.64 11.17 -11.6 BR MuniYld NY Qly **MYN** 11.39 9.85 -13.5 BlackRock NY Mun **BNY** 11.68 10.39 -11.0 EVCAMuniBd **EVM** 10.15 8.76 -13.7 Eaton Vance NY Muni Bd **ENX** 10.47 9.13 -12.8 InvCaValMuIncTr **VCV** 10.84 9.62 -11.3 InvPAValMuIncTr **VPV** 11.48 9.90 -13.8

Prem12 Mo NAV Close /Disc Yld

Prem 12 Mo NAV Close /Disc Yld Fund (SYM) Nuveen PA Qual Muni Inc NQP 13.07 11.15 -14.7 Nuveen VA Qity Mun Inc NPV 12.15 11.58 PIMCO CA PCQ 10.23 10.23 0.0 PIMCOCAMunill **PCK** 6.48 6.04 -6.8 5.7 52 wk NAV Close/Disc Ret Fund (SYM)

General Equity Funds Alternative Strategies: 5.23 NA NA -14.5 Specialized Equity Funds
ArrowMarkFinancial Corp BANX NA 18.79 6.66 6.41 NA NA 9.39 NA CBRE GlbRIEst IGR First Tr Real Assets;I NA NA NA NA NA NA Forum RE Income;I 9.39 NexPointRIEstStrat;A 20.23 NexPointRIEstStrat:C 20.45 NA NA NA NA NA NA PIMCO Flexible REI;Inst 10.27 PREDEX;I PREDEX;T 29,90 NA

NA NA NA NA NA PREDEX;W 29.89 NA Principal Dvs Sel RA A 25.29 NA NA NA Principal Dvs Sel RA Ins 25.37
Principal Dvs Sel RA Y 25.57 SS Priv Venture & Gr:D NA NA NA SS Priv Venture & Gr:I NA SS Priv Venture & Gr:S NA NA NA NA SS Priv Venture & Gr;T 41.76 The Private Shares; A NA NA NA NA NA The Private Shares;I The Private Shares;L 42.35 41.20 NA NA NA NA Thirdline Real Estatel 10.06 USQ Core Real Estatel 28.33 USO Core Real Estate: IS 28.38 NA Versus Cap MMgr RE Inc:l 28.45 Versus Capital Real Asst 27.40 NA NA NA NA Wildermuth:C 11.22 NA NA -10.5

12.04 NA NA Income & Preferred Stock Funds Alpha Alternative Assets 6.45 NA Calamos L/S Eqty and DI CPZ 18.51 16.17 NA -8.4 -12.6 -7.6 Carlyle AlpInv Pvt Mkt:I Constitution Cap Acs A NA NA NA NA NS NΑ Constitution Cap Acs D NA NA NA NA NS Flat Rock Opportunity 19.51 Lord Abbett Spec Sit I:A 8.93 NA NA -4.2 Lord Abbett Spec Sit I:I 8.93 NA NA NA -2.5 Variant Altrntv Inc:Inst 29.00 NA 8.8 Variant Impact;Instl 26.80 NA NA 12.0 Convertible Sec's. Funds

Calmos Dyn Conv and Inc CCD 19.91 22.79 +14.4 -16.9 World Equity Funds ACAP Strategic:A 15.50 NA
ACAP Strategic:W 11.54 NA
CalamosGlbTotRet CGO 9.87 9.65 NA -20.6 -2.2 -19.6 NA NA Cantor Fitzgerald SI:A 10.34 Primark Priv Eq Inv: 11.24 NA -6.4 Sweater Cashmere 20.38 NA NA Thornburg Inc Bldr Opps **TBLD.0** 16.95 14.94 -11.9 NS VirtusTotalRetFd ZTR NA 6.55 NA NA Prem12 Mo

NAV Close/Disc

NE

Fund (SYM)

Arca US Treasury

U.S. Mortgage Bond Funds

8.52 8.42 NA NA NA NA 6.6 7.3 Ellington Inc Opp:A Ellington Inc Opp:M Loan Participation Funds NA NA 1WS Credit Income;A2 NA NA NA NA NA NA 1WS Credit Income;Inst 14.8 9.5 7.4 7.6 7.1 8.44 NA AlphCntrc Prime Merid In Axonic Alternative Inc Blackstone FR EI D Blackstone FR EI I NA NA NA 21.39 NA Blackstone FR EIT 21.33 Blackstone FR EI T-I 7.1 7.1 Blackstone FR EI U 22.27 Bluerock HI Inst Crd:A 24.32 Bluerock HI Inst Crd:C 24.32 NA NA NA NA NA NA NA NA NS NS NS Bluerock HI Inst Crd:F 24.32 Bluerock HI Inst Crd:I 24.33 BNYM Alcntr Glb MS CrFd 87.57 NA NA NA NA NA NA NA CliffwaterClFd;I 10.61 CliffwaterElFd;A NA 9.3 10.75 CNR Strategic Credit Eagle Point Instl Income 20.5 NS 7.89 NA NA NA Equalize Community Dev 9.29 NA NA NA NA NA NA 3.1 5.6 6.7 FedProj&TrFinanceTendr Flat Rock Core Income

11.24 NA NA NA NA

11.24

11.23 5.87 5.88

NA NA NA

NA NA NA

NAV Close / Disc Yld Fund (SYM) 4.3 Invesco Sr Loan IB Invesco Sr Loan IC 5.87 nvesco Sr Loan Y Lord Abbett FR Hi Inc: A 10.06 ord Abbett FR Hi Inc:l 10.06 Monachil Credit Income: 10.06 OFS Credit Company **OCCI** Yieldstreet Prism NA NA **High Yield Bond Funds** Apollo Diversified Cd:A Apollo Diversified Cd:C NA NA NA Apollo Diversified Cd:F NA NA -3.8 -19.4 Apollo Diversified Cd:I NS Apollo Diversified Cd:L NS Apollo Diversified Cd:M Opprtnstc Crdt Intrvl;I 11.81 Peak Income Plus 10.00 -2.3 -1.2 NS PIMCO Flexible Cr I:A-1 7.11 7.11 NA NA PIMCO Flexible Cr I;A-2 PIMCO Flexible Cr I:A-3 7.11 NA 14.8 3.3 PIMCO Flexible Cr I;A-4 3.3 -0.7 PIMCO Flexible Cr I;Inst 7.11 NA NA 15.7 Other Domestic Taxable Bo AFA MMC;Inst 9.44 -0.4 -0.2 AFA MMC;Inv 9.40 Alternative Credit Inc:A 10.07 9.4 6.9 6.1 7.2 6.7 6.5 7.5 6.5 6.5 8.8 8.7 5.8 6.1 6.0 5.8 5.9 0.0 NS Alternative Credit Inc:C 10.17
Alternative Credit Inc:I 10.09 NS NS Alternative Credit Inc:L 10.06 Alternative Credit Inc:W 10.06 Angel Oak Str Crdt:FI 20.59 -1.7 Angel Oak Str Crdt:Inst 20.58 BR Credit Strat;A 8.68 -1.9 5.8 1.5 1.5 BR Credit Strat;Inst 8.65 BR Credit Strat;U BR Credit Strat:W 8.68 NA 4.3 -9.9 BlackRock Mlt-Sctr Oppty 68.22 BlackRock Mlt-Sec Opp II 71.33 CION Ares Dvsfd Crdt;A CION Ares Dvsfd Crdt;C CION Ares Dysfd Crdt:I CION Ares Dvsfd Crdt;L CION Ares Dvsfd Crdt;U CION Ares Dvsfd Crdt:U2 CION Ares Dysfd Crdt:W NA NA CNR Select Strategies 12.44 First Eagle Crdt Opps A 23.83 8.1 NS 8.6 NS NS NS 6.0 6.22 5.7 5.5 6.1 NE 8.8 9.0 8.2 8.3 7.3 0.2 3.3

First Eagle Crdt Opps A2 23.79 First Eagle Crdt Opps I 23.75 First Trust Private Cr;l 10.11 Franklin BSP Pvt Cr:A 10.22 Franklin BSP Pvt Cr:Adv 10.22 NA NA NA NA NA NA FS Credit Income:I S Credit Income;T FS Credit Income;U FS Credit Income;U-2 GL Beyond Income KKR CREDIT OPPTY:D NA NA KKR CREDIT OPPTY;I KKR CREDIT OPPTY:T NA NA KKR CREDIT OPPTY;U NA Palmer Square Opp Inc 17.02 NA NA NA NA 9.05 The Finite Solar Finance Thrivent Church Ln&Inc:S

World Income Funds
BlueBay Destra Itl E:A 23.17 NA 18.4 NA 17.9 NA 17.8 NA NA NA BlueBay Destra Itl E:I 23.19 BlueBay Destra Itl E:L BlueBay Destra Itl E:T 23.05 Carlyle Tact Pvt Cred:A Carlyle Tact Pvt Cred:I Carlyle Tact Pvt Cred:L Carlyle Tact Pvt Cred:M Carlyle Tact Pvt Cred:N Carlyle Tact Pvt Cred:U NA NA NA Carlyle Tact Pvt Cred:Y Lord Abbett Cred Opps Fd NA Lord Abbett Cred Opps Fd 8,93 8.94 8.84 Lord Abbett Crd Op:U Oaktree Dvsfd Income;D PIMCO Flexible EM I;Inst 8.19 NA **National Muni Bond Funds**

Ecofin Tax-Exempt Prv Cr 8.90 Lind Cap Pt Mun Cred Inc 8.76 5.0 NS 4.8 NS 5.7 2.9 3.2 3.2 3.7 Nuveen En HY Muni Bd:A1 7.12 NA NA Nuveen En HY Muni Bd:A2 Nuveen En HY Muni Bd:l 7.12 PIMCO Flex Mun Inc;A-3 PIMCO Flex Mun Inc:A1 9.80 NA PIMCO Flex Mun Inc;A2 PIMCO Flex Mun Inc;Inst 8.1 8.4 9.80 NA NA 9.80 Single State Muni Bond PIMCO CA FMI;A-1 8.4 8.9 8.1

PIMCO CA FMI;Inst

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

InvDYCrOpp:R6

4.8

4.8 3.5

InvDYCrOpp:Y Invesco Sr Loan A

Invesco Sr Loan C

Money Rates

Policy Rates

Euro zone

Britain

U.S.

Australia

Switzerland

Notes on data:

InvTrInvGrNYMu **VTN** 11.64 9.96 -14.4 Nuveen CA AMT-F Qual MI **NKX** 12.98 11.71 -9.8

Nuveen CA Val **NCA** 9.21 8.71 -5.4 Nuveen CAQtyMulnc **NAC** 12.51 10.83 -13.4

NuvNJ Qual Muni Inc **NXJ** 13.34 11.29 -15.4

Nuveen NY AMT/Fr Qual MI NRK 11.75 10.23 -12.9

Nuveen OH Qual Muni Inc NUO 14.27 12.38 -13.2

Nuveen NY Qual Muni Inc NAN 12.24 10.54

February 24, 2023

9.87 NA NA

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 do	n't alw	ays represe	ent act	ual tra	nsacti	ons.
	Infl	ation				Lat	Week est ago	—52 Higl	-WEEK— n Low
	Jan. In le		Chg Fror Dec. '22	n (%) Jan. '22	U.S.	gover	nmen	t rates	;
U.S. consumer price index					Discount				
Allitems	299	.170	0.80	6.4		4.75	4.75	4.75	0.25
Core	301	.962	0.62	5.6	Federal fu	nds			
In	ternati	onal r	ates		Effective rate	4.5900	4.5900	4.6000	0.0800
					High	4.9000	4.9000	4.9090	0.1000
		Week		-Week -	Low	4.5500	4.5500	4.5900	0.0500
	Latest	ago	High	Low	Bid	4.5700	4.5700	4.5800	0.0700
Prime rate	es				Offer	4.5900	4.5800	4.6200	0.0900
U.S.	7.75	7.75	7.75	3.25	Treasury b	ill auct	ion		
Canada	6.70	6.70	6.70	2.45	4 weeks	4.5	15 4.51	0 4.520	0.050
Japan	1.475	1.475	1.475	1.475	13 weeks		20 4.68		

4.915 4.840 4.915 0.670 0.00 0.00 0.50 Fannie Mae 0.10

Secondary market 30-year mortgage yields **6.167** 6.129 6.812 3.225 30 days **6.191** 6.148 6.988 3.277 60 days

Latest ago **Call money 6.50** 6.50 6.50 2.00 Commercial paper (AA financial) **n.a.** 4.70 4.79 0.42 90 days Libor 4.59129 4.63486 0.23057 One month 4.91529 4.95786 0.50429 5.24300 5.27700 0.76386 4.95343 Three month 5.23514 Six month One year 5.64286 5.66643 1.17671 **Secured Overnight Financing Rate** 4.55 4.55 4.56 0.05

Latest ago Other short-term rates

Week

Value –52-Week – Traded High Low Latest DTCC GCF Repo Index **4.560** 28.450 4.597 0.030 Treasury

4.564 22.750 4.644 0.042

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 February 2, 2023. Other prime rates aren't directly comparable, lending practices vary widely by location; **Discount rate** is effective February 2, 2023. **Secured Overnight Financing Rate** is as of February 23, 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.

Cash Prices | wsj.com/market-data/commodities

3.00

1.50

3.35

4.57 4.59

4.00 4.00

Overnight repurchase

3.00

1.50

4.00

3.35

4.59 0.01

Friday, February 24, 2023

10.6250

7.1075 8.9575

8.5000

247.35

1.2212

2.4300

154.00

121.50

2.0207 2.4520

2.2550

0.77

79.58

1.0032 164.00

213.88

n.a.

0.5600

0.6311

n.a.

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplaceseparate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

	Friday		Friday	
Energy Coal,C.Aplc.,12500Btu,1.2S02-r,w Coal,PwdrRvrBsn,8800Btu,0.8S02-r,	135.700 w 15.500	Iron Ore, 62% Fe CFR China-s Shredded Scrap, US Midwest-s,m Steel, HRC USA, FOB Midwest Mill-s Battery/EV metals	126.7 n.a. 1000	Wheat,Spring14%-pro Mnpls-u Wheat,No.2 soft red,St.Louis-u Wheat - Hard - KC (USDA) \$ per bu-u Wheat,No.1soft white,Portld,OR-u
Metals Gold, per troy oz Engelhard industrial Handy & Harman base	1815.00 1810.95	BMI Lithium Carbonate, EXW China, =99.2%-v,w BMI Lithium Hydroxide, EXW China, =56.5%-v,w BMI Cobalt sulphate, EXW China, >20.5%-v,m BMI Nickel Sulphate, EXW China, >22%-v,m BMI Flake Graphite, FOB China, -100 Mesh, 94-95%-v,m	62925 66700 6290 5217 813	Food Beef,carcass equiv. index choice 1-3,600-900 lbsu select 1-3,600-900 lbsu
Handy & Harman fabricated LBMA Gold Price AM LBMA Gold Price PM	2010.16 *1826.95 *1826.05	Fibers and Textiles Burlap,10-oz,40-inch NY yd-n,w	0.7125	Broilers, National comp wtd. avgu,w Butter,AA Chicago-d Cheddar cheese,bbl,Chicago-d
Krugerrand,wholesale-e Maple Leaf-e American Eagle-e Mexican peso-e	1891.71 1936.97 1936.97 2335.40	Cotton,11/16 std lw-mdMphs-u Cotlook 'A' Index-t Hides,hvy native steers piece fob-u Wool,64s,staple,Terr del-u,w	0.8440 *97.10 n.a. n.a.	Cheddar cheese,blk,Chicago-d Milk,Nonfat dry,Chicago lbd Coffee,Brazilian,Comp-y Coffee,Colombian, NY-y Eggs,large white,Chicago-u
Austria crown-e Austria phil-e Silver, troy oz.	1777.41 1900.76	Grains and Feeds		Flour,hard winter KC-p Hams,17-20 lbs,Mid-US fob-u
Engelhard industrial Handy & Harman base Handy & Harman fabricated LBMA spot price (U.S.\$ equivalent)	21.1000 20.8990 26.1240 *£17.8900 *21.5200	Barley,top-quality Mnpls-u Barn,wheat middlings, KC-u,w Corn,No. 2 yellow,Cent IL-bp,u Corn gluten feed,Midwest-u,w Corn gluten meal,Midwest-u,w Cottonseed meal-u,w	n.a. 175 6.4000 209.0 669.9	Hogs,lowa-So. Minnesota-u Pork bellies,12-14 lb MidUS-u Pork loins,13-19 lb MidUS-u Steers, TexOkla. Choice-u Steers,feeder,Okla. City-u,w
Coins, wholesale \$1,000 face-a	18639	Hominy feed, Cent IL-u, w	393 218	Fats and Oils
Other metals LBMA Platinum Price PM Platinum,Engelhard industrial Palladium,Engelhard industrial Aluminum,LME, \$ per metric ton Copper,Comex spot	*957.0 935.0 1410.0 *2368.5 3.9550	Meat-bonemeal,50% pro Mnpls-u,w Oats,No.2 milling,Mnpls-u Rice, Long Grain Milled, No. 2 AR-u,w Sorghum,(Milo) No.2 Gulf-u SoybeanMeal,Cent IL,rail,ton48%-u,w Soybeans,No.1 yllw IL-bp,u	418 4.3400 37.00 n.a. 503.10 15.1300	Degummed corn oil, crude wtd. avgu,w Grease,choice white,Chicago-h Lard,Chicago-u Soybean oil,crude;Centl IL-u,w Tallow,bleach;Chicago-h Tallow,edible,Chicago-u

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 2/23

Source: Dow Jones Market Data

l. indirect transaction filed through a trust, insider spouse, minor child or other 0: officer 0D: 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

Buyers	5								
Feb. 22	Energy Transfer	ET	K. Warren	OD	1,339	12.99	17,399	12.86	8.3
Feb. 14	Mineralys Therapeutics	MLYS	S. Akkaraju	DOI	938	16.00	15,000	17.90	n.a.
Feb. 14			B. Slingsby	DOI	250	16.00	4,000		
Feb. 21	LINKBANCORP	LNKB	G. Parmer	DI	962	7.80	7,500	8.02	-14.2
Feb. 21			D. Koppenhaver	D	103	7.80	800		
Feb. 15	Disc Medicine	IRON	M. Ashiya	DOI	109	23.00	2,500	24.47	23.0
Feb. 14-16	Bluerock Homes Trust	ВНМ	P. Sanda	ВІ	113	19.81-20.45	2,316	21.00	-1.5
Feb. 16	Golub Capital BDC	GBDC	D. Golub	CEOI	133	15.00	2,000	13.89	5.5
Feb. 23	Impinj	PI	S. Sanghi	DI	17	119.70	1,999	125.56	15.0
Feb. 17	PayPal Holdings	PYPL	D. Schulman	CEO	26	76.17	1,985	73.55	3.3
Feb. 16	Byline Bancorp	ВУ	A. Del Valle Perocher	a DOI	45	24.99	1,125	24.73	7.7
Feb. 21	Vishay Precision Group	VPG	W. Cummins	DI	25	41.96-42.51	1,062	43.67	13.0
Feb. 17			W. Cummins	DI	25	41.30-42.37	1,057		
Feb. 21	R1 RCM	RCM	L. Rivas	CEO	72	13.93	1,000	14.10	28.8
Feb. 17	Newell Brands	NWL	M. Erceg	CFO	67	14.99	1,000	14.55	11.2
Feb. 21	NextEra Energy	NEE	A. Pimentel	os	13	75.44	996	72.92	-12.8
Feb. 21	Insight Enterprises	NSIT	S. Cowley	GC	7	128.38	853	132.11	31.8
Feb. 17	ConocoPhillips	СОР	R. Walker	D	6*	104.50	627	105.25	-10.8

Feb. 17	ConocoPhillips	СОР	R. Walker	D	6*	104.50	627	105.25	-10.8
Sellers	5								
Feb. 10	Xponential Fitness	XPOF	M. Grabowski	DOI	4,000	24.50	98,000	25.93	13.1
Feb. 10			A. Geisler	CEOI	1,000	24.50	24,500		
Feb. 17			M. Grabowski	DOI	750	24.50	18,375		
Feb. 15-16	Airbnb	ABNB	J. Gebbia	DOI	500	129.94-142.22	68,389	122.78	43.6
Feb. 22	Roivant Sciences	ROIV	V. Ramaswamy	D	4,000	7.95	31,800	7.73	-3.3
Feb. 17-21	Aon	AON	C. Davies	CFO	72	304.15-310.78	22,156	302.97	0.9
Feb. 21	Textron	ТХТ	S. Donnelly	CEO	222	73.26-74.08	16,307	73.56	3.9
Feb. 14	Mettler-Toledo International	MTD	O. Filliol	D	10 1	535.89-1554.59	15,455	1428.09	-1.2
Feb. 21	Deckers Outdoor	DECK	D. Powers	CEO	36	400.87	14,414	400.20	0.3
Feb. 15-16	Moderna	MRNA	S. Bancel	CEO	80	172.14-176.73	13,921	139.26	-22.5
Feb. 16	Kraft Heinz	кнс	F. Torres	0	251	39.53-39.62	9,918	39.61	-2.7
Feb. 21-22	Reliance Steel Aluminum	RS	J. Hoffman	DI	40	241.76-247.83	9,782	245.10	21.1
Feb. 14	AutoNation	AN	E. Lampert	В	68	140.40	9,553	139.25	29.8
Feb. 21-22	Service Corp. International	SCI	T. Ryan	CEO	132	70.86-70.87	9,333	68.68	-0.7
Feb. 16	TransDigm Group	TDG	M. Lisman	CFO	12	748.58-752.99	9,298	741.85	17.8
Feb. 16	Chipotle Mexican Grill	СМС	B. Niccol	CEO	61	637.00-1652.21	9,281	1476.73	6.4
Feb. 16-17	Newell Brands	NWL	B. Icahn	D	600*	14.95-15.37	9,026	14.55	11.2
Feb. 17	HubSpot	HUBS	D. Shah	СТ	22	400.43-413.99	8,907	386.13	33.5
	ransactions were indirect **Two day to		D. SHdH	CI		400.45-415.99	0,907	200.13	_

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	69,322	20,777,338	Finance	16,470,382	71,182,118
Capital Goods	3,111,957	69,070,191	Health care	8,049,866	143,867,011
Consumer durables	1,297,233	45,488,023	Public Utilities	996,808	1,946,523
Consumer non-durables	180,552	58,240,259	Technology	5,446,306	234,580,589
Consumer services	303,995	148,000,725	Transportation	407,880	21,100,692
Energy	2,580,428	31,118,518			

Sources: Refinitiv; Dow Jones Market Data

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HEARD ON STREET

FINANCIAL ANALYSIS & COMMENTARY

Chips Find Their Way To Russia Via China

Beijing has refused to join Western sanctions

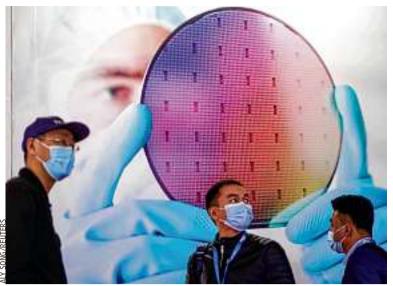
The U.S. invented microchips and it has threatened sanctions on anyone who sells many, if not most, varieties to Russia. Still, recent leaks—and some publicly available data—make clear that they keep showing up on Russian shores. At the center of the trade is China and, allegedly, a few other intermediary countries such as Turkey.

The adaptability of global trade networks in response to sanctions and tariffs isn't a new story: For another recent example, look no further than global energy markets, which have adapted with remarkable speed to the West's decision to wean itself off Russian energy. But stemming the flow of semiconductors—which power both everyday appliances and military equipment—into Russia presents a particularly tough problem.

One key reason is that China, which has refused to join Western sanctions on Russia, sits at the center of the global chip trade. It is the world's electronics factory floor and the largest global importer of chips, as well as a significant manufacturer of low-end chips itself. Its publicly available export statistics also omit comprehensive information on overseas business partners.

Public data does show a certain number of semiconductor devices, for example, continuing to flow to Russia—but not who sold them or whether they were in fact sanctioned items.

That makes curbing the flow of semiconductors from China to Russia—directly or via third countries "repackaged" as new goods—ex-



China sits at the center of the global chip trade. A Shanghai tradeshow.

tremely difficult without completely halting chip exports to China and bringing the world's electronics industry to a crashing

What is clear is that after a dip in early 2022 following the U.S.'s initial sanctions, Russia's semiconductor imports have rebounded strongly, and that Chinese companies play a key role. Leaked Russian customs records show Russia's imports of chip and chip components were nearing their prewar monthly average by late 2022, more than half of which came from China. And publicly available Chinese customs data show that integrated-circuit shipments to Russia were valued at \$179 million in 2022—against just \$74 million in

Chips and chip components from China are showing up in some other interesting places, too. Chinese customs data shows that exports of certain semiconductors to Turkey—including basic building blocks of electronics such as diodes and transistors—also more than doubled in 2022. China's total exports of such semiconductors only grew 36%

Turkish exports of similar semiconductors to Russia, meanwhile, rose from \$79,000 in 2021 to \$3.2 million in 2022, United Nations data shows. And Turkey, which also has declined to endorse U.S. and European sanctions on Russia, has become a major exporter of overall electronic equipment to Russia. Turkey's total electrical machinery and electronics exports to Russia more than doubled in 2022 to \$559 million, U.N. data shows.

U.S. Treasury officials visited Turkey and several other Middle Eastern nations including Oman and the United Arab Emirates in early February to try to clamp down on Russian procurement networks. Turkey's foreign minister said on Feb. 20 that Turkey doesn't export electronics used in the defense industry to Russia.

Curtailing sales and shipments of the most advanced chips to China and Russia is one thing but, as Western nations are once again discovering to their chagrin, trying to stifle trade flows of more-commoditized items like basic semiconductors is a different matter. That is particularly true when the world's largest trading nation is directly involved and large portions of the developing world are openly skeptical of the West's sanctions regime.

As in the 2018 and 2019 Sino-U.S. trade war—when tariff-laden Chinese goods made their way to third countries and overall Chinese exports held up well—Washington is finding that trade flows, like life, tend to find a way.

—Nathaniel Taplin

Buffett Wannabes Lose Luster

Warren Buffett, who has earned **Berkshire Hathaway**'s investors close to 4 million percent, once said "the stock market is designed to transfer money from the active to the patient." Now many younger investors are coming around to his way of thinking.

In 2008, as the seeds of the recent tech boom were being sown during the financial crisis, Tim Ferriss, bestselling author of "4-Hour Workweek," which told readers how to "join the new rich," snagged a coveted microphone at Berkshire's annual meeting. He asked Mr. Buffett and his business partner Charlie Munger how a 30-year-old with his first million dollars should invest.

"I'd probably have it all in a very low cost index fund," Mr. Buffett said. "I'd recognize the fact that I'm an amateur investor...forget it and go back to work."

Mr. Ferriss ignored those pearls of wisdom. He invested early in Facebook, Shopify, Uber Technologies, Twitter and others, penned more bestsellers and launched a popular podcast. An older, wiser Mr. Ferriss said he largely stepped back from angel investing, calling many of his wins "lucky." His words of wisdom for a 30-year-old insta-millionaire today? "Follow Buffett's advice."

Not every wunderkind saw the light. Some tempted fate by comparing themselves to Mr. Buffett. But the ranks of acolytes hungry for investing secrets are thinning as the tide goes out on the tech stocks and cryptocurrencies they touted.

Booming alternative asset classes like crypto and meme stocks made big scores seem deceptively easy, while social media amplified gurus' voices. Barstool Sports founder David Portnoy declared himself "the new generation" in investing to his millions of Twitter followers. Mr. Buffett, he said, was "old" and "washed up."

Venture capitalist Chamath Palihapitiya became so optimistic about tech's stock potential that in 2020, he reserved ticker symbols IPOA through IPOZ as placeholders for his firm's sponsorship of what he hoped would be dozens of special-purpose-acquisition-company mergers. "My ambition is to be our generation's Berkshire Hathaway," he told Fortune that year, adding his version would focus on platforms. After its listing in late 2020, Mr. Palihapitiya's "IPOB"now known as real-estate platform Opendoor—lost 97% of its value in just over 12 months.

The ultimate danger sign might have been when Cathie Wood of ARK Invest was touted as "the next Buffett." Her main fund had returns of almost 160% in 2020 through concentrated bets in stocks like Tesla. It is down by 75% since peaking two years ago while Berkshire is up 25%.

The younger generation's interest in investing wasn't matched by acumen, making influencers' job easier. A recent Gen Z survey from Intuit found nearly three-quarters know it is important to invest but don't know how. Roughly half of respondents bought crypto without fully understanding the blockchain.

Messrs. Buffett and Munger probably won't be around to dole out advice during the next bubble. Their slow-and-steady approach seems to be ascendant at the moment. Last month, trading activity among individual investors hit its lowest level since January 2020, according to Vanda Research. Monthly active users at brokerage app Robinhood recently fell to their lowest level since it went public and index funds are newly popular on the platform.

Many paid a steep tuition to realize neither they nor their favorite pundits were investing geniuses. They could have listened to Mr. Buffett's tough-love advice to Mr. Ferriss back in 2008. —Laura Forman

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