THE WALL STREET JOURNAL.

DOW JONES | News Corp * * * * TUESDAY, MAY 23, 2023 ~ VOL. CCLXXXI NO. 119 WSJ.com ★★★★ $5.00

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What's News

Business & Finance

Facebook owner Meta Platforms was fined $1.3 billion by European Union regulators for sending user information to the U.S., a record privacy penalty for the bloc. **A1**

◆ **Share prices** for some of the largest office landlords have dropped to near historic lows, reflecting a sluggish return-to-office rate and a rise in the number of short sellers. **A1**

◆ **U.S. stocks ended** mixed, with the S&P 500 and Nasdaq gaining 0.02% and 0.5%, respectively, while the Dow fell 0.4%. **B11**

◆ **Chevron deepened** its commitment to oil-and-gas drilling in the U.S., spending $6.3 billion to acquire PDC, a rival with sizable operations in Texas and Colorado. **B1**

◆ **Activist investor** TCS Capital has built a stake in Yelp and is calling on the service-recommendation site to explore strategic alternatives, according to people familiar with the matter. **B1**

◆ **TikTok sued Montana** over the state's new ban of the social-media platform, challenging the law's constitutionality. **A3**

◆ **Applied Materials said** it would invest as much as $4 billion in a new California facility to conduct research on tools for making semiconductors. **B4**

◆ **Exploiting China's ban** on Micron products won't be easy for South Korea or memory-chip rivals Samsung and SK Hynix, as geopolitics complicate what could be a welcome opportunity to boost sales. **B4**

World-Wide

◆ **U.S. and NATO leaders** are coalescing around a vision for shoring up Ukrainian defenses and seeking to guarantee the country's sovereign future as Kyiv enters a pivotal stage in its war with Russia. **A1**

◆ **Russia said** its military and security forces were fighting against Ukrainian units that had crossed into its southern Belgorod region. **A8**

◆ **McCarthy and Biden** failed to reach a deal to raise the debt ceiling following a high-stakes meeting at the White House but planned to press ahead with talks as the U.S. nears a deadline to prevent a first-ever default. **A4**

◆ **Beijing responded** to the G-7 leaders' firm language toward China by rejecting Biden's suggestion that a thaw in U.S.-China relations was imminent. **A9**

◆ **The U.S. signed deals** that will deepen security ties with Papua New Guinea, representing a success for Washington as it seeks to counter China's influence in the Pacific. **A9**

◆ **Republican Sen.** Tim Scott of South Carolina formally announced his bid for the presidency. **A4**

◆ **A district judge** in Idaho entered a not guilty plea for Bryan Kohberger, who is accused of killing four University of Idaho students last year. **A3**

◆ **Foreign-born** workers' share of the U.S. labor force rose last year to the highest level in 27 years of records, as labor demand surged and the pandemic faded. **A2**

CONTENTS

Pilgrims to Pope Francis: Take the Cannoli

ALBERTO PIZZOLI/AGENCE FRANCE-PRESSE/GETTY IMAGES

BLESSINGS: The pope received a gift of pastries from members of the Society of Divine Vocations, which promotes religious vocations. The audience marked the first anniversary of the canonization of St. Justin Russolillo, the Vocationists' founder.

Office Stocks Are Pummeled As Vacancies Rise, Rents Fall

By Peter Grant

Share prices for some of the largest office landlords have dropped to near historic lows, reflecting a sluggish return-to-office rate and a rise in the number of investors betting that these stocks will keep falling.

SL Green Realty's share price closed at $23.36 on Monday. That is barely above the New York office firm's 1997 initial-public-offering price and a fraction of its peak after the global financial-crisis of more than $140 in 2015. Vornado Realty Trust, which owns marquee office buildings in San Francisco, Chicago and New York, closed at $13.68 on Monday. Vornado's share price topped $67 as recently as 2020.

Both Vornado and SL Green shares are down more than 30% so far this year, while the broader stock market is higher.

"We've all seen office stocks being crushed and great concern about the future viability of office," said Vornado Chief Executive Steven Roth on the company's first-quarter earnings call in April.

Although he expressed confidence that more employees are returning to the office, the company also said it was suspending dividends for the rest of 2023.

Most other office real-estate investment trusts are under selling pressure from soaring vacancies and declining rents. The return of employees to offices showed signs of a rebound earlier this year. But it has stalled at roughly 50% of prepandemic usage levels. Leasing activity for office REITs fell 20% on average in the first quarter compared with a year earlier, according to real-estate analytics firm Green Street.

Even when they do sign new leases, many companies are taking less space than before because many employees are working from home part of the week. Other firms are flooding the sublease market with unwanted workspace as they brace for a slowing economy and the prospect of laying off workers.

Before the pandemic, one of the strongest sources of growth in the office market were technology companies

Please turn to page A6

◆ Heard on the Street: Even top owners can default..... B12

Meta Hit With EU Record Privacy Penalty

The $1.3 billion fine puts pressure on U.S. to make deal allowing for data transfers

By Sam Schechner

Facebook owner Meta Platforms was fined $1.3 billion by European Union regulators for sending user information to the U.S., a record privacy penalty for the bloc.

The ruling raises pressure on the U.S. government to complete a deal that would allow Meta and thousands of multinational companies to keep sending such information stateside. The size of the fine underscores the increasing risks of running afoul of the European Union's privacy rules as its enforcement tightens.

Technology companies have been especially vulnerable to European regulatory scrutiny over privacy concerns. That has increased since European courts overturned in 2020 a previous, data-sharing deal between the U.S. and EU.

Most large international companies—not just tech companies—rely on a relatively free flow of data across the Atlantic, and the steep fine punctuates the risks companies of all stripes are taking without a new deal in place.

Meta's top privacy regulator in the EU said in its decision on Monday that Facebook has for years illegally stored data about European users on its servers in the U.S., where it contends the information could be accessed by American spy agencies without sufficient means for users to appeal.

Please turn to page A2

Employers Hesitate To Begin Paying for Ozempic

By Anna Wilde Mathews And Ray A. Smith

Many people in the U.S. seeking out drugs like Ozempic to shed pounds are hitting a barrier: Their employers' health plans won't pay for them.

The issue is an emerging fault line in U.S. workplaces, driven by the social-media and celebrity buzz around Ozempic and its sister drug, Wegovy. Prescriptions for the treatments have soared so much that the drugs' maker has often struggled to keep pace with demand. Yet companies, already facing rising health-care costs, are wary of footing the bill for medicines that list for $900 or more a month.

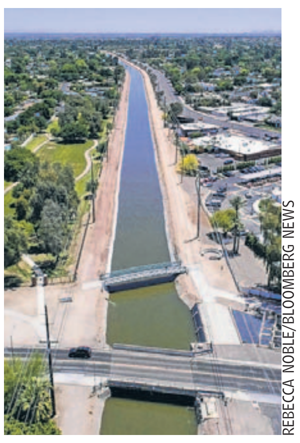
The drugs' rising popularity is pushing companies to revisit their healthcare policies and, in many cases, add extra requirements to qualify for approval. And while many employer plans cover Ozempic as a diabetes treatment, fewer than a quarter cover any drug specifically for losing weight, according to a survey by the International Foundation of Employee Benefit Plans.

Those that do cover weight-loss drugs tend to be big companies, which typically fund their own health plans. Among employers with fewer than 5,000 workers, about 18% do, the survey found.

"We certainly are kind of at the beginning of the curve in terms of how insurance companies and healthcare plans are going to tackle this," said Jennifer Chang, knowledge adviser at the Society for Human

Please turn to page A11

INSIDE



REBECCA NOBLE/BLOOMBERG NEWS

U.S. NEWS
California, Arizona and Nevada agree to cut use of water from the Colorado River. **A3**

GETTY IMAGES

BUSINESS & FINANCE
Efforts to tighten age restrictions on social media gain momentum. **B1**

Kyiv Allies Weigh Israeli-Style Pact To Bolster Security

WARSAW—U.S. and NATO leaders are coalescing around a vision for shoring up Ukrainian defenses and seeking to guarantee the country's sovereign future as Kyiv enters a pivotal stage in its war with Russia. It is a security model that Western leaders, including President Biden, have compared with what Israel has now.

By Sharon Weinberger, Thomas Grove, Drew Hinshaw and Bojan Pancevski

Over the past several months of the war, the grinding fight for Bakhmut has taken center stage. But after the largely obliterated Ukrainian city fell into the hands of the Russian mercenary group Wagner over the weekend, a broader challenge is coming into focus: how to transform the country into a bulwark

Please turn to page A8

◆ Russia says Ukraine attacked its territory............................ A8

Tea Party Tempest Divides Rural New Hampshire Town

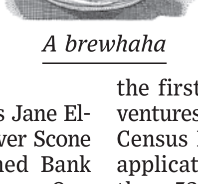
* * *

A businesswoman's afternoon socials have neighbors stirred up; 'Peyton Place'

By E.B. Solomont

NEW IPSWICH, N.H.—More than 200 years after the Boston Tea Party, a tempest over tea is brewing in another New England town.

In Bank Village, a rural enclave in southern New Hampshire dating back to the 1750s, roughly a dozen homeowners are protesting a neighbor's tea-party business that they say "offends our sensibilities." The clash has reached a state judicial board.



A brewhaha

"It's tea-gate," says Jane Elwell, the owner of Silver Scone Teas, who has likened Bank Village to Peyton Place. One May morning, Elwell stood in her kitchen, where freshly baked scones sat on the counter and shelves of Mason jars held a cornucopia of flours and spices.

Tea-party supporters are rallying behind her and say the upset neighbors should bag their anti-tea complaints and find something better to do. "Take up knitting!" urged one Silver Scone supporter on Facebook.

Elwell is among the entrepreneurs who dove into new businesses around the Covid-19 pandemic, a time when a surge of Americans took the first steps to launch new ventures. According to the U.S. Census Bureau, new business applications jumped more than 53% between 2019 and 2021. Anecdotally, the number of home-based businesses also

Please turn to page A10

Hyundai EV Push Remakes Its Image

Korean carmaker known for budget brands begins turning heads as an innovator

By Sean McLain

Hyundai Motor was dreaming up an answer to Tesla when the company's top executive sent its lead designer a photo of a bizarre-looking car that last rolled off assembly lines more than 70 years ago.

The Stout Scarab, manufactured in Michigan in the 1930s and 1940s, looked like an outlandish cross between a bus and a pontoon.

"Let's face it, 10 years ago, our design strategy was all about the fast follower," said SangYup Lee, the Hyundai designer. He said Euisun Chung, executive chair of Hyundai and its affiliate Kia, who sent the photo, wanted to stop imitating and get ahead of rivals.

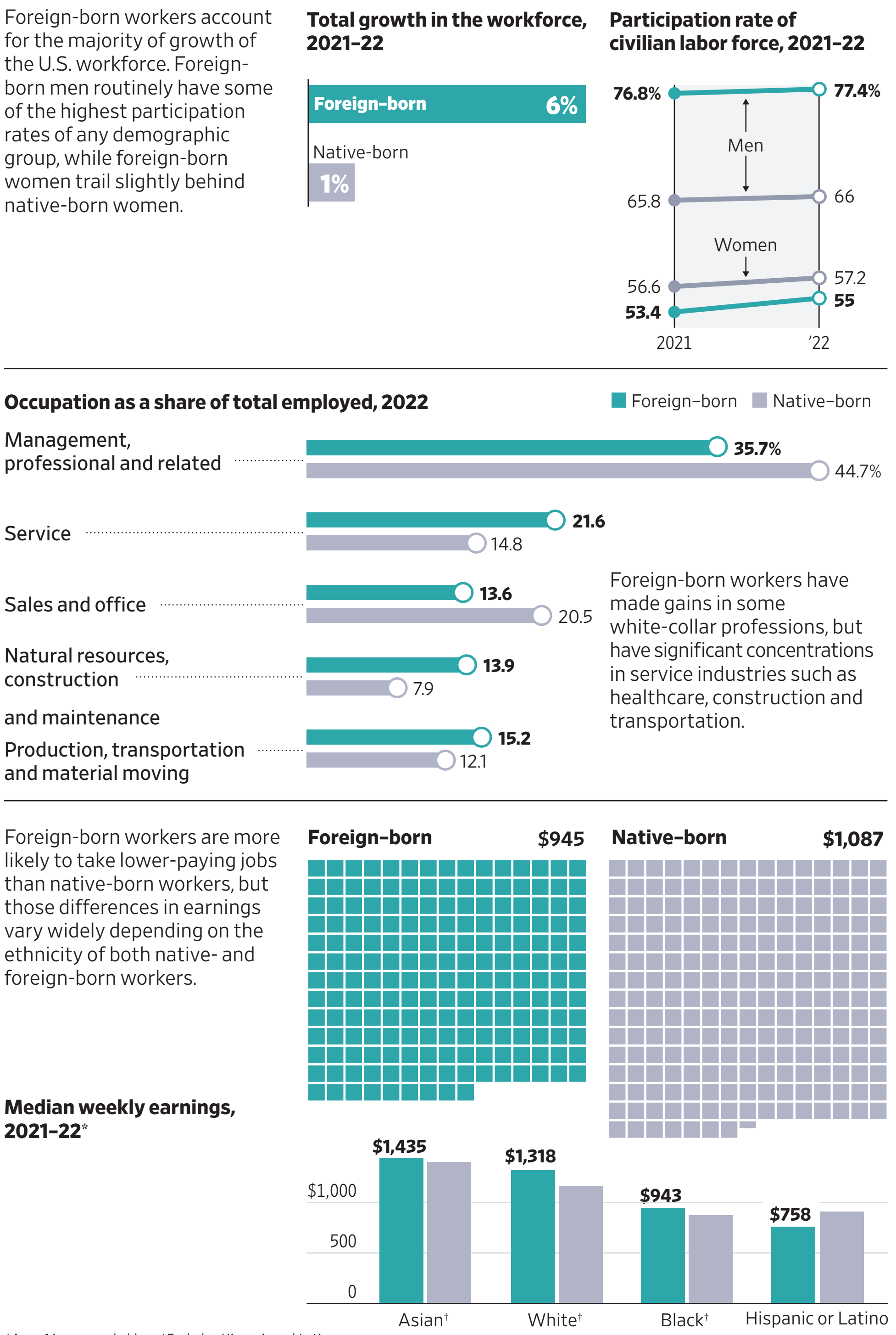
"The message was: Inspiration can come from anywhere," said Lee.

The Hyundai electric car that drew inspiration from the Scarab's eye-catching streamline design, the Ioniq 6, has been a hit with critics. At the New York auto show in April, it was voted World Car of the Year.

Hyundai and Kia, the sibling Korean carmakers, have long had a reputation for making inexpensive, uninspiring cars. Over the past few years, though, they have become one of the leaders in the electric-vehicle race, with models that are turning

Please turn to page A10

U.S. NEWS



*Ages 16 years and older †Excludes Hispanic and Latino
Source: Labor Department
Rosie Ettenheim/THE WALL STREET JOURNAL

Immigrants' Share Of Labor Hits High

Native-born workers' slice is shrinking as retirements rise and newcomers fill the gap

By Gabriel T. Rubin And Rosie Ettenheim

Foreign-born workers' share of the U.S. labor force rose last year to the highest level in 27 years of records, as labor demand surged and the pandemic faded.

People born outside the U.S. made up 18.1% of the overall labor force, up from 17.4% the prior year and the highest level in data back to 1996, the Labor Department said in its annual report on foreign-born workers. The number of immigrants in the labor force—those working or actively looking for jobs—rose by 1.8 million, or 6.3%, to 29.8 million in 2022.

More foreign-born people joined the labor force than native-born Americans, accounting for more than half of the 3.1 million overall gain last year, the report said. There were roughly 164 million workers age 16 or older in the U.S. labor force last year.

'They're a buoy'

Sluggish U.S. population growth and accelerating baby-boomer retirements during the pandemic created labor shortages in many industries, increasing job opportunities for foreign-born workers.

Overall labor-force participation—the share of people over 16 who are working or seeking work—has recently increased but remains below prepandemic levels. "Any real gains we're seeing in the labor force are coming from immigrants—they're a buoy," said Elizabeth Crofoot, senior economist at Lightcast, a labor-market data firm.

The Labor Department's report was based on a monthly survey of 60,000 households and doesn't break down foreign-born workers by country of origin or legal status. The figures include legally admitted immigrants, refugees, temporary residents such as students and temporary workers, and immigrants lacking permanent legal status.

More foreign-born people joined labor force than native-born Americans.

The immigrant labor force increased 5% from 2019 to 2022, while the number of native-born people in the labor force declined 0.5%, the data show.

Employers pressed

That has put a strain on employers trying to hire across the economy, but particularly for in-person jobs such as restaurant and construction workers, truck drivers and home-health aides—roles that immigrants are helping fill. The jobless rate for foreign-born workers was 3.4% last year, below 3.7% unemployment for native-born Americans.

"Immigrants go where there are plenty of jobs, not where jobs are scarce," Crofoot said. "They're very much complements to native-born workers."

Lower-paying jobs

Foreign-born people increased their share of the workforce despite a pandemic slowdown in immigration that left the U.S. with fewer immigrants than if prepandemic trends had continued.

By the end of 2021, the U.S. population had around two million fewer people than it would have had if not for the pandemic, according to a 2022 Goldman Sachs analysis, and the labor force had around 1.6 million fewer. Immigration has rebounded since then.

Foreign-born workers are often concentrated in lower-paying industries because of skills, education or language barriers, with notable exceptions in fields such as tech and medicine.

"Foreign-born workers often don't have the time or the wealth to enter a costly training process" for a better-paying job, said Ryan Nunn, a researcher at the Minneapolis Federal Reserve.

Inflation Strained Finances Last Year, Fed Survey Shows

By Gwynn Guilford

Americans reported a sharp decline in their financial well-being last fall as high inflation eroded earnings and savings, according to a Federal Reserve survey released Monday.

The survey, conducted in October 2022, found that rising prices left more families in an economically precarious place, though households continued to benefit from a strong labor market.

The share of adults who reported being worse off financially in 2022 than a year earlier climbed to 35%, the highest on record going back to 2014, when the question was first asked. Overall, 73% of adults said they were either doing OK or living comfortably, down from 78% in 2021 and 75% in 2020.

Inflation was the most common financial burden cited by people in the survey, Fed officials said. Some 54% of adults said their budgets had been affected "a lot" by higher prices.

Black adults, parents living with children, and those with disabilities were more likely to report such financial strain. Almost two-thirds of adults said inflation caused them to pull back on using a product or stop using it altogether. Some 18% said they responded to higher prices by working more or getting another job, while 8% of adults reacted by asking for a raise.

Price increases have eased since the survey was conducted last fall, though inflation remains historically high. The consumer-price index rose 4.9% in April from a year earlier, down from a recent peak of 9.1% in June 2022 and 7.7% last October.

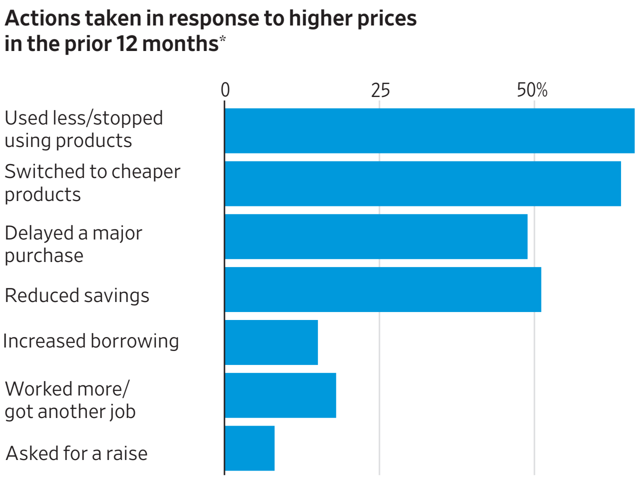
The Fed has aggressively raised interest rates for more than a year to try to tame inflation by slowing economic activity. It lifted short-term interest rates for the 10th consecutive time this month, bringing its benchmark federal-funds rate to a 16-year high.

The overall economy also has weakened since the survey was conducted, rising at an inflation and seasonally adjusted 1.1% annual rate from January to March, compared with 2.6% growth in the fourth quarter. The labor market remains strong, with employers adding 253,000 jobs last month and unemployment falling to 3.4%.

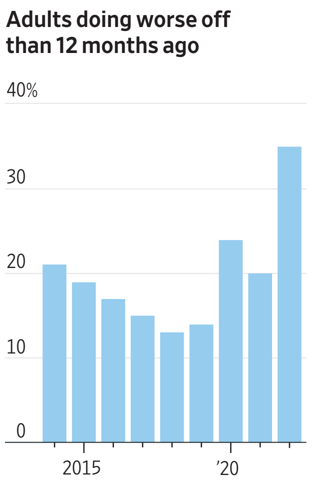
One-third of adults got a promotion or a raise last year, up from 30% in 2021, the Fed survey said. Some 13% of adults asked for a raise or a promotion last year, compared with 9% in 2021.

Adults with more education were more likely to have asked for or received a raise, and were more likely to have started a new job or voluntarily left a job in the prior year. Just 5% of adults lost a job during the previous year, down from 7% in 2021.

"For households to experience a worsening of their finances at a time when unemployment is at record lows and job vacancies at record highs is remarkable," said James Knightley, chief international economist at ING.



Survey conducted in October 2022 *Respondents could select multiple answers.



Source: Federal Reserve

Inflation made it harder for people to save, the survey found. Some 51% cut their savings because of price increases. And 31% of adults who haven't retired reported that their retirement savings plan was on track, down from 40% in 2021.

Weaker family finances have made it harder for people to afford an unexpected expense, the survey said. About 63% of adults said they would be able to cover a hypothetical $400 expense using cash or putting the expense on a credit card, down from a high of 68% in 2021 and the same share as in 2019.

The reversal was sharper among parents. Fed officials said that could be because of the end of enhanced federal child tax credits last year that were put in place during the pandemic.

Meta Fined $1.3 Billion By EU

Continued from Page One

The €1.2 billion fine surpasses the previous record of €746 million, or $806 million, levied under the General Data Protection Regulation, against Amazon in Luxembourg in 2021 for privacy violations related to its advertising business. Amazon has appealed that decision in Luxembourg courts.

The fine represents a step change from EU privacy regulators, who are increasing their enforcement of the GDPR, the bloc's privacy law, some five years after it came into effect. A board of EU regulators has taken more control over cross-border decisions—and has insisted on bigger fines, people familiar with the deliberations say.

Ahead of Monday's decision, the EU board insisted Ireland issue a fine of between 20% and 100% of the maximum allowable penalty, the decision said. The GDPR allows for a fine of up to 4% of worldwide annual revenue, or nearly $4.7 billion in Meta's case. Ireland's Data Protection Commission issued the fine and order because it leads the enforcement of the GDPR for Meta, which has its European headquarters in Dublin.

"Facebook has millions of users in Europe, so the volume of personal data transferred is massive," said Andrea Jelinek, chair of the board of EU privacy regulators. "The unprecedented fine is a strong signal to organizations that serious infringements have far-reaching consequences."

Monday's decision orders Meta to stop sending information about Facebook's European users to the U.S., and delete data already sent, within about six months. Meta said it could avoid that order if Washington completes a new trans-Atlantic agreement with the EU to allow data transfers before then.

Meta said it would appeal the ruling and seek a stay to delay its suspension orders. "This decision is flawed, unjustified and sets a dangerous precedent for the countless other companies transferring data between the EU and U.S.," Meta said in a blog post responding to the decision.

Meta, alongside many other U.S.-based tech companies, moves data from Europe to the U.S., where the company operates its main data centers to offer its services. Meta has said in securities filings that if ordered to suspend transfers, it may have to stop offering services in the EU, where it says it has more than 255 million Facebook users. The European region accounts for nearly a quarter of Meta's revenue.

The fine and suspension order are the biggest step that EU regulators have taken thus far to enforce a 2020 ruling about data transfers from the bloc's top court. That ruling restricted how companies such as Meta can send personal information about Europeans to U.S. soil, because it found that Europeans have no effective legal way to challenge American government surveillance.

The U.S. has said its surveillance practices include safeguards for privacy and civil liberties, but has moved to give Europeans more ability to challenge them.

While Monday's decision covers only Facebook, the issues underlying it affect Meta's other units—as well as thousands of other multinational companies that store or access data about Europeans from computers inside the U.S.

The size of the fine shows the risks of running afoul of the bloc's privacy rules.

Without a U.S.-EU deal, big tech companies as well as other companies that use their services, could find themselves the targets of EU privacy investigations of their own, aimed at ordering them to suspend data flows to the U.S. Hanging in the balance are tens if not hundreds of billions of dollars in trade in industries such as advertising, artificial intelligence, human resources and cloud services.

Tech companies are particularly affected because the 2020 EU court ruling is focused in part on surveillance powers in Section 702 of the U.S.'s Foreign Intelligence Surveillance Act, which can compel electronic-communications providers to turn over information on their users. Under a newly proposed U.S.-EU data deal, the EU would lift many of the restrictions on companies sending data to the U.S., provided the U.S. addressed the concerns raised by the EU court—for instance by giving Europeans new rights to appeal surveillance.

The replacement deal hasn't been officially completed by EU officials because they say the U.S. government hasn't fully implemented its end of the bargain. Some European politicians have said they think the deal should be further renegotiated.

"After almost three years of failed negotiations, it's possible we're underestimating the EU's willingness to withhold a deal and dare Meta to actually turn off service there," said Paul Gallant, an analyst with investment bank TD Cowen.

A spokesman for the European Commission, the EU's executive body, said the bloc was completing its framework for data protection between the U.S. and EU and expected it to be in place by the summer.

—Kim Mackrael and Ryan Tracy contributed to this article.

CORRECTIONS & AMPLIFICATIONS

The musician Kid Rock posted a video on Twitter in which he shot cases of Bud Light with a submachine gun. A Page One article on Monday about Bud Light incorrectly said he used a rifle. An April 24 Technology & Media article, an April 25 Business & Finance article and a May 3 Business News article in some editions also incorrectly called the weapon a rifle.

Real-estate investor Sam Zell died in 2023. Display text with his obituary in Friday's Business & Finance section incorrectly gave the date of death as 1923.

Thermolon, a nonstick coating used by the cookware company GreenPan, is made using silicon dioxide. A Table Talk column May 13's Review section incorrectly identified the material as silicone dioxide.

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

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TikTok Sues Over Ban by Montana

By Meghan Bobrowsky

TikTok is suing Montana over the state's new ban of the social-media platform, challenging the law's constitutionality.

The suit, filed Monday in the U.S. District Court of Montana, alleges the ban violates the First Amendment and several other laws. The case was brought against the state's attorney general, who is tasked with enforcing the ban.

The ban is scheduled to go into effect Jan. 1. It is unclear how it will be enforced.

"We are challenging Montana's unconstitutional TikTok ban to protect our business and the hundreds of thousands of TikTok users in Montana," TikTok said Monday.

A spokeswoman for the Montana governor's office said that the governor has been clear about his intentions to protect Montanans' privacy rights.

A spokeswoman for Montana's Attorney General Austin Knudsen said, "We expected legal challenges and are fully prepared to defend the law that helps protect Montanans' privacy and security."

The law, which was signed by the governor of Montana last week, prohibits TikTok, which is owned by Chinese parent ByteDance, from operating in the state and app stores such as Google's and Apple's from offering the app. Any entity violating the law will be fined $10,000 a day. Individual TikTok users won't be punished.

A group of TikTok creators last week sued Montana's state attorney general over the state's new ban. The creators also alleged it was unconstitutional and violates the First Amendment and other laws.

In addition to First Amendment concerns, TikTok also alleges that it isn't within Montana's state rights to enact such a ban. The company argues that it is exclusively the federal government's right to deal with foreign entities.

TikTok also says the ban violates a law that bars governments from declaring a person or entity guilty of a crime and punishing them without a trial, and rules governing interstate commerce.

"The first amendment argument is a very strong one," says Carl Tobias, a law professor at the University of Richmond who is not affiliated with the case. So is federal pre-emption, the claim that the ban isn't within the state's scope to make.

"The claim from Montana is that they're protecting national security and that is something squarely within the domain of the federal government, not left to the state," he said.

Lawmakers, both at the state and federal levels, have voiced concerns about the Chinese Communist Party's access to data that TikTok collects.

TikTok says it has never been directed by the Chinese government to share data and that it would refuse to do so if asked.

China said it would not ask the company for that data.

◆ Governments push social-media age restrictions........... B1

ETIENNE LAURENT/EPA/SHUTTERSTOCK

The Colorado River, shown flowing from the Lake Mead Reservoir toward the Hoover Dam near Boulder City, Nev., has suffered steady decline over the past two decades.

States Agree to Colorado River Cuts

By Jim Carlton

States that use Colorado River water agreed to cuts requested by the federal government to help keep two of the main reservoirs, Lake Mead and Lake Powell, from falling to critically low levels.

California, Arizona and Nevada would voluntarily cut their use of water from the West's most important river by at least three million acre-feet by 2026, including 1.5 million next year. An acre-foot is the amount a typical family of four uses in a year.

The proposed cuts aren't expected to have severe impacts on farms or cities but would add incrementally to voluntary reductions in place.

The Interior Department will be asked to sign off on the deal, which came after California dropped some previous objections, people involved with the negotiations said.

Interior officials praised the agreement. "I commend our partners in the seven Basin states who have demonstrated leadership and unity of purpose in developing this consensus-based approach," said Deputy Secretary Tommy Beaudreau.

Under the terms, federal officials would compensate users of the water for most of their reductions. That was a request made by farmers in California, who had balked at a previous proposed deal crafted by the other states.

An impasse had created friction between California and the other states, particularly Arizona, which already has lost more than a fifth of its Colorado River supply under previous mandated cuts.

The cuts were triggered last year after the nation's largest reservoir, Lake Mead, fell below a federal threshold. Lake Mead and Lake Powell have shrunk dramatically over a more than two-decade drought in the Southwest.

The 1,450-mile Colorado River is a lifeblood for the Southwest, supplying drinking water to 40 million people, irrigating 5.5 million acres of farmland and accounting for an estimated 16 million jobs. However, its flow has steadily declined over the past two decades amid the worst drought to hit the region in 1,200 years, according to a University of California, Los Angeles-led study this year.

As a result, states that rely on the water have had to undergo steadily increasing conservation, which has reduced farm acreage and started to put pressure on cities. Arizona, because it has the lowest seniority rights on the Colorado, has been hit the most with some farm areas losing as much as half their growing area after cuts last year.

The latest cuts would largely come from farms, cities and tribes in the river's lower basin, some of which have agreed not to use water in Lake Mead they were entitled to, given the record amounts of water that accumulated throughout the West this winter, state officials said.

Arizona officials called the cuts more equitable than under a past proposal by California that would have allocated the water largely in keeping with the priority system.

"I think this is a great day for the West, this is a great day for Arizona," said Brenda Burman, general manager of the Central Arizona Project.

The amount of water allocated to California would shrink more than under earlier proposals. Southern California's Imperial Irrigation District, the largest user of water on the river, said it plans to increase the amount it is already conserving contingent on reimbursements from the federal government.

Nevada, meanwhile, agreed to bank more of its Colorado River water in Lake Mead through 2026, setting aside a total of 285,000 acre feet—roughly a year of its total usage, said John Entsminger, general manager of the Southern Nevada Water Authority.

Not Guilty Plea Entered in Idaho Murders Case

By Suryatapa Bhattacharya And Joseph Pisani

A district judge in Idaho entered a not guilty plea for Bryan Kohberger, who is accused of killing four University of Idaho students last year.

Kohberger was indicted by a grand jury last week on state felony charges of first-degree murder and burglary for the stabbing deaths of Xana Kernodle, 20 years old, Ethan Chapin, 20, Madison Mogen, 21, and Kaylee Goncalves, 21.

At an arraignment hearing Monday, Kohberger's lawyer said he was standing silent when asked to enter a plea. Because he elected not to enter a plea, District Judge John C. Judge entered a not guilty plea on Kohberger's behalf. A trial is scheduled for Oct. 2 and is expected to last six weeks.

Earlier, when Kohberger was asked if he understood the charges against him, he replied several times with a "yes."

Anne Taylor, a lawyer for Kohberger, didn't respond to a request for comment. At a January court hearing in Idaho, she said Kohberger "has a good family that stands behind him." A public defender who represented Kohberger in Pennsylvania previously said he was eager to be exonerated.

The prosecutor's office said it was unable to comment because of a gag order that remains in effect.

Kohberger is being held without bond. If convicted, he could face life in prison or the death penalty.

The 28-year-old graduate student at Washington State University was arrested in December after a weekslong search for a suspect in the killings, which shook the college town of Moscow, Idaho.

ZACH WILKINSON/THE MOSCOW-PULLMAN DAILY NEWS/ASSOCIATED PRESS

Bryan Kohberger, accused of killing four University of Idaho students last year, in court Monday.

Kernodle, Chapin, Mogen and Goncalves were found stabbed to death in November in an off-campus house. Police linked Kohberger to the house through security video and DNA found on a knife sheath, according to documents unsealed in January. The Idaho university is about 7 miles from Washington State, where Kohberger was getting his Ph.D. in criminal justice and criminology.

Kohberger was arrested at his parents' house in Albrightsville, Pa., and was later extradited to Idaho. Police collected more than 60 items from the home, including a knife, a cutlery knife with leather sheath, a pocketknife, a .40-caliber Glock pistol and three empty gun magazines, according to documents.

Kohberger's car, a white Hyundai sedan, was also seized by authorities. The car played a key role in finding Kohberger, charging documents said. Authorities confiscated a shovel, goggles and more medical-style gloves from his car, the documents showed.

Authorities have declined to comment on certain aspects of the case, including a possible motive, citing the ongoing investigation and coming criminal prosecution.

Soon after Kohberger's arrest, a judge in Idaho imposed a gag order on officials and victims' families, citing safety reasons as well as wanting to ensure a fair trial.

Abortion Opponents Invoke 19th-Century Law in Legal Strategy

By Liz Essley Whyte And Laura Kusisto

Abortion opponents have mapped out a multipronged legal strategy for combating use of the abortion pill mifepristone by invoking an obscure 1873 law called the Comstock Act that made it illegal to send "obscene" or "immoral" materials through the mail.

The act outlawed shipping abortion drugs across state lines, punishable by a fine or up to five years in prison. Local leaders in New Mexico have relied on the law in passing ordinances heavily restricting abortion, and Republican elected officials have warned pharmacies and drug distributors that they could one day be prosecuted under the act.

Antiabortion doctors and medical groups are also citing the law as part of their fast-moving legal challenge to the U.S. Food and Drug Administration's approval of mifepristone two decades ago and the expansion of pill access in more recent years. The Fifth U.S. Circuit Court of Appeals heard arguments in that case last week, though Comstock wasn't a central topic in the proceedings.

The law was named for 19th-century anti-vice crusader Anthony Comstock. Appalled by pornography and prostitution in New York City, he drafted the law and lobbied Congress to pass it, then later enforced it in his role as a special agent of the U.S. Postal Service.

By the 1940s there was a widespread consensus among judges that the Comstock Act could be enforced only if the seller intended the materials to be used for an illegal abortion, according to legal academics. In 1973 the U.S. Supreme Court in Roe v. Wade recognized a constitutional right to abortion, leading to widespread legalization of the procedure, and Comstock fell further out of use.

"I teach reproductive rights and I always teach Comstock early in the course as this historical thing that nobody knows about and to not forget about, but not that I thought it was going to be relevant again," said Joanna Grossman, a visiting law professor at Stanford University.

> The law was named for 19th-century anti-vice crusader Anthony Comstock.

Since the Supreme Court ended federal constitutional protections for abortion nearly a year ago, Comstock has become grist for abortion opponents.

In New Mexico, a handful of cities and counties have passed ordinances imposing civil penalties for mailing abortion pills or other implements into their jurisdictions, citing the Comstock Act. This has set up a legal battle with the state attorney general, who has asked New Mexico's highest court to invalidate the ordinances because they conflict with state law, which allows abortion. The court has temporarily blocked enforcement of the local laws.

Attorney General Raúl Torrez, a Democrat, in an interview said the antiabortion movement is using the act "as a way to implement their goal to institute a national abortion ban."

The municipalities have responded that New Mexico law doesn't trump a federal law, which they say bans mailing abortion pills. "This Court does not have the authority to rewrite federal law," attorneys for Roosevelt County, which passed one of the ordinances, wrote in a legal brief.

Federal courts recently have issued conflicting rulings on the relevance of Comstock today. This month, a federal judge in West Virginia rejected arguments that the Comstock Act's restrictions apply to legal abortion, in a case involving GenBioPro, which makes the generic version of mifepristone.

But a federal district judge in Amarillo, Texas, adopted a contrary holding in April, saying the act was unambiguous and still in effect. "The Comstock Act plainly forecloses mail-order abortion in the present," wrote Judge Matthew Kacsmaryk.

Twenty Republican state attorneys general, nine U.S. senators and 38 congressmen in recent months sent letters to pharmacies warning them that they could face liability under the Comstock Act—either from a future Republican administration or state attorneys general under racketeering law—for shipping abortion drugs.

Even if people are unfamiliar with the statute, "the text could not be clearer," the attorneys general said in one letter.

Democratic senators, in turn, wrote to the same companies, urging them to do everything they can to widen access for abortion drugs.

The Justice Department's position is that the act doesn't prohibit the shipping of abortion materials if the sender doesn't intend for them to be used illegally. Some abortion-rights supporters worry, however, that the department's interpretation is tenuous and think Congress should change the law.

"The cleanest remedy is to repeal the Comstock Act," said Larry Gostin, a Georgetown Law professor and director of the O'Neill Institute for National and Global Health Law. "It doesn't represent the values of Americans today."

RANDALL HILL/REUTERS

Sen. Tim Scott hugged his mother, Frances, as he announced his presidential bid Monday in North Charleston, S.C.

Scott Hopes Personal Story Will Boost Bid

By Eliza Collins

NORTH CHARLESTON, S.C.—Tim Scott's effort to secure the 2024 Republican presidential nomination will test whether a campaign centered on his own rise from poverty and the need for better economic opportunities can garner support in a field dominated by former President Donald Trump.

The 57-year-old South Carolina senator officially announced his presidential bid Monday after he filed his statement of candidacy Friday with the Federal Election Commission and spent months building his campaign infrastructure.

To prepare for his long-shot run, he has visited states that will be key to deciding the GOP nominee as part of a "Faith in America" tour, a reference to his evangelical Christian faith. Scott is the only Black Republican in the U.S. Senate and says his ascent to Congress makes him the candidate most equipped to speak on the American dream.

"For those of you who wonder if it's possible for a broken kid from a broken home to rise beyond their circumstances the answer is yes. For those of you who wonder if America is a racist country take a look," he said, gesturing to his Black mother and the white wife of his late mentor who stood beside him hugging as he spoke.

Scott so far has negligible support with GOP primary voters. When he is included in polls, he registers in the low-single digits compared with Trump. Scott started his campaign with $22 million cash on hand, according to aides.

Scott is a reliably conservative vote, and also has not shied away from conversations around race, including sharing his experiences being racially profiled by police.

There are no major policy differences between Scott and the former president. Aides say his agenda will include tax cuts, expansion of school choice and strengthening the country's ability to compete against China. He aims to avoid the type of grievances that Trump recites on the stump and will focus more on how his own life experiences serve as an uplifting example.

Scott was raised in poverty in South Carolina by a single mother. He struggled in school and credits his mother and a mentor, the late John Moniz, for turning his life around. Moniz, a Chick-fil-A franchise owner, taught Scott conservative principles and shared the importance of faith. Scott went on to graduate from Charleston Southern University, a Christian college.

His opportunity-zone initiative, which passed as part of the 2017 GOP tax overhaul signed into law by Trump, is one of his most significant legislative achievements. Scott was the key Republican in police reform negotiations that ended in 2021 with no deal.

Trump praised Scott on Monday. The race "is rapidly loading up with lots of people, and Tim is a big step up from Ron DeSanctimonious, who is totally unelectable. I got Opportunity Zones done with Tim, a big deal that has been highly successful," he wrote on Truth Social.

Taylor Budowich, chief executive of Make America Great Again Inc., said Scott decided to enter the race because he and other candidates "smell Ron DeSantis' blood in the water and no longer see him as an obstacle." Democratic National Committee Chairman Jaime Harrison said that Scott was extreme, and criticized his alignment with Trump on policy.

Biden, McCarthy Try to Get Debt Deal Finished

WASHINGTON—House Speaker Kevin McCarthy and President Biden failed to reach a deal to raise the debt ceiling following a high-stakes meeting at the White House on Monday but planned to press ahead with talks, as the U.S. nears a deadline to prevent a first-ever default.

By Natalie Andrews, Andrew Restuccia and Siobhan Hughes

Biden called the meeting productive and said he "reiterated once again that default is off the table and the only way to move forward is in good faith toward a bipartisan agreement."

McCarthy (R., Calif.) said the tone of the roughly 90-minute meeting was "better than any other time we've had discussions." He too said the meeting was productive and offered both leaders an opportunity to dig into the details of their positions.

"I believe we can get it done," he said, adding that negotiators would continue their discussions and he expects to talk to Biden every day until an agreement is reached.

Central to the talks is setting a top-line spending level for the next year and deciding how long to lift the debt ceiling until having to raise it again. The two sides are aiming to reach a deal by June 1, when the Treasury Department estimates the U.S. could run out of money to pay all of its bills, leading to a default. Treasury Secretary Janet Yellen repeated that estimate Monday.

Ahead of the meeting, Biden and McCarthy's negotiating teams huddled on Capitol Hill. The two sides remained at odds on the central issue of spending, but are nearing agreement on secondary matters such as clawing back unused coronavirus-response funding, according to people familiar with the matter.

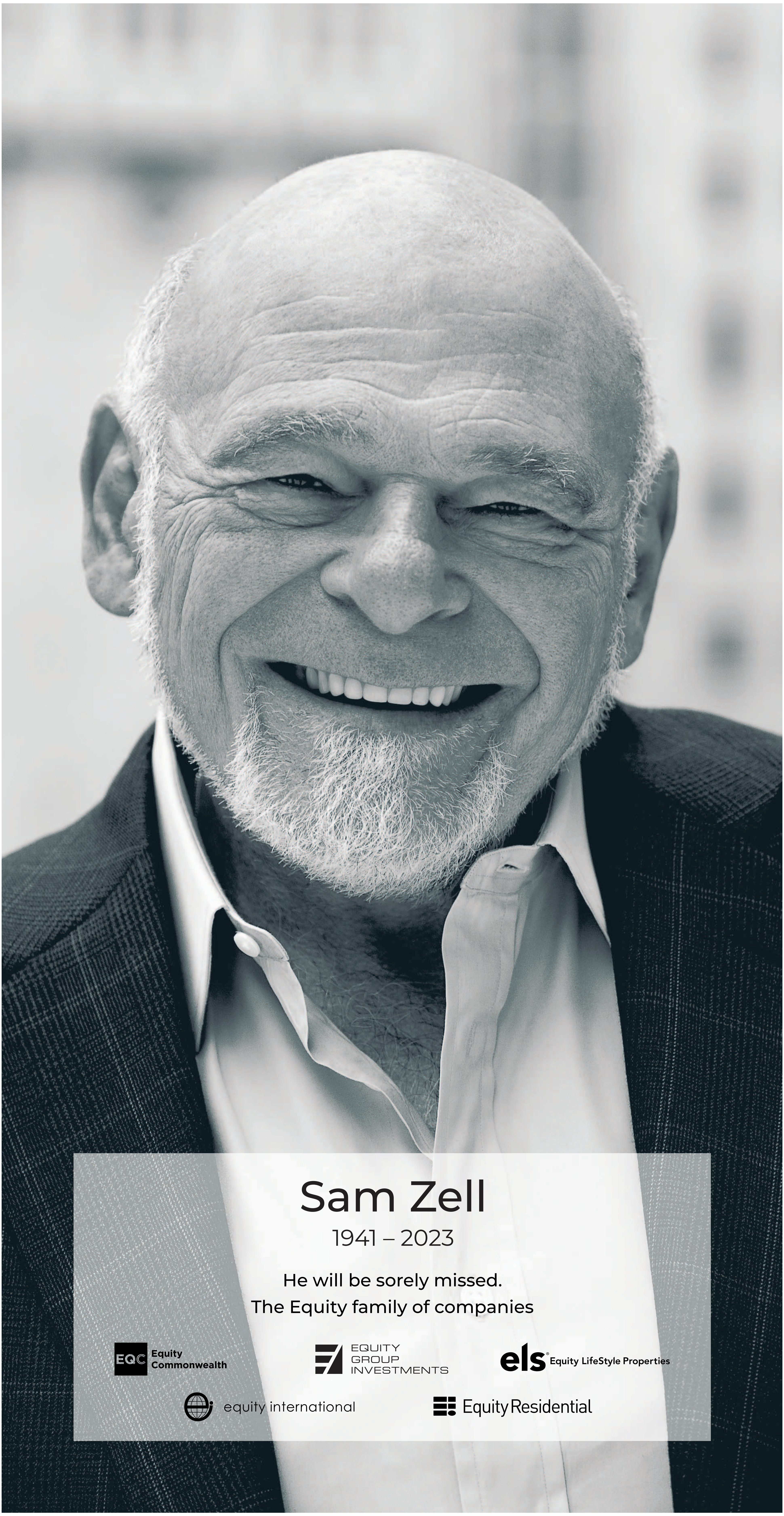
McCarthy said a deal must be reached this week to have time for the legislation to pass Congress. He said he would consider canceling a planned House recess next week if there was no deal.

Once a deal is reached, it would likely take at least several days for the agreement to wind its way through Congress. McCarthy said he plans to give House lawmakers 72 hours to read the bill, a rule that was put in place at the beginning of this Congress.

Monday's meeting came after several stops and starts in the negotiations.

On Sunday, Biden said House Republicans have taken extreme positions and he called the GOP's current proposal unacceptable. White House officials have accused Republicans of being unreasonable and pushing partisan proposals that have little chance of winning approval by both chambers of Congress. Meanwhile, Republicans have criticized Biden for waiting until May to engage in the talks, and they say the White House isn't doing enough to cut spending.

Republicans have called for spending cuts as a condition for any debt-ceiling increase and they passed a bill in April to do so, saying that was their starting point on talks. They also want to cap spending in future years. Democrats for months had declined to negotiate, saying the debt ceiling should be raised with no strings attached, but began engaging seriously in talks this month.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U.S. WATCH


NASA TV/ASSOCIATED PRESS

International Space Station residents welcomed four visitors Monday, from top left, Ali al-Qarni, John Shoffner, Rayyanah Barnawi and Peggy Whitson. Ms. Barnawi, a stem-cell researcher, is Saudi Arabia's first woman astronaut. The visitors are staying just over a week.

INTERNATIONAL SPACE STATION

Four Guests Join Crew Orbiting Earth

The International Space Station on Monday took in four visitors, including Saudi Arabia's first woman astronaut.

SpaceX's chartered flight arrived at the orbiting lab less than 16 hours after blasting off from Florida. The guests will spend just over a week there.

"This shows how space brings everyone together," said Rayyanah Barnawi, a Saudi stem-cell researcher. Saudi Ali al-Qarni is a fighter pilot.

John Shoffner, a Knoxville, Tenn., businessman who started a sports car racing team, is paying his own way.

Retired NASA astronaut Peggy Whitson is their chaperone. She now works for Axiom Space, the Houston company that organized the 10-day trip, its second to the space station.

—Associated Press

DELAWARE

Sen. Carper Won't Run for Re-Election

Democratic Sen. Tom Carper of Delaware said he wouldn't seek re-election to a fifth term.

His announcement paves the way for a wide-open contest for the seat he has held since 2001 in the heavily blue state. It also ensures his record of never having lost an election in more than four decades in politics stays intact.

Carper is one of several senators who have announced that they wouldn't seek re-election next year. The others are Democrats Ben Cardin of Maryland, Dianne Feinstein of California and Debbie Stabenow of Michigan, and Republican Mike Braun of Indiana.

Carper said his focus over the next year and a half will be helping ensure implementation of environmental provisions in the 2021 infrastructure law and the Inflation Reduction Act.

—Associated Press

MICHIGAN

Governor Signs Red Flag Measure

Michigan Gov. Gretchen Whitmer gave final approval Monday to a red flag law that aims to keep firearms away from those at risk of harming themselves or others.

Michigan joined Minnesota as the second state in under a week to implement a red flag law after Democrats in both states won control of both chambers and the governor's office in November. New Mexico previously was the last state to pass a red flag law in 2020.

The new law, also known as extreme risk protection orders, is expected to go into effect next spring. It will allow family members, police, mental-health professionals, roommates and former dating partners to petition a judge to remove firearms from those they believe pose an imminent threat to themselves or others.

—Associated Press

FROM PAGE ONE

Office Stocks Get Pummeled

Continued from Page One

that took more space than they needed in anticipation of growth. But those kinds of deals "are off the table," said John Kim, a real-estate analyst at BMO Capital Markets.

High interest rates also pose a problem. Many office owners have billions of dollars of floating- and low-interest-rate mortgages that will likely need to be refinanced at much higher rates in the coming years. Regional banks have been among the biggest commercial property lenders, but they have pulled back sharply as these smaller banks have come under pressure themselves.

The result is the one of the worst stretches for the office market since World War II, with few signs of hope for a turnaround even if a recession is averted.

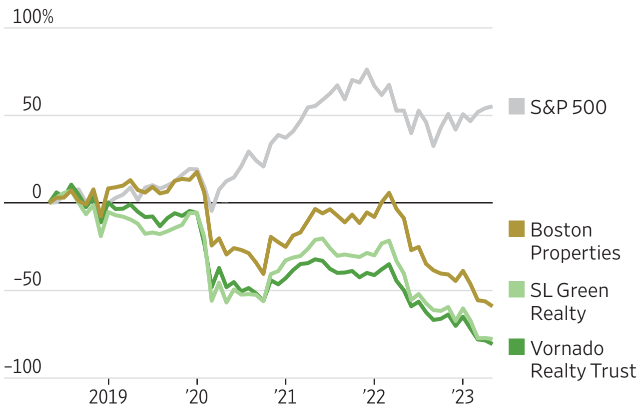
More office owners have started to capitulate and are selling their properties at large discounts to their pre-pandemic values. About 84% of the $7.8 billion of commercial mortgage-backed securities office loans maturing in 2023 will face refinancing difficulties, according to a May report by Moody's Analytics.

"Until we see some resolution to those [balance-sheet] problems, it's hard to become more positive about the sector," said Ji Zhang, a real-estate portfolio manager for Cohen & Steers, an asset manager that is active in the REIT industry.

Cohen & Steers, which has $79.9 billion in global assets under management, has been whittling down its office exposure to about 2% of its U.S. REIT holdings, down from as much as 8% in 2019.

More stock-market investors are selling office stocks short, which is a wager that their share prices will fall. At the end of April, office REITs were the most-shorted REIT sector, with average short interest at 6.4% of shares outstanding, up 0.28 percentage point from March, according to S&P Global Market Intelligence.

Share and index performance



Source: FactSet

The turmoil in the office sector risks spilling into the economy because small and regional banks have tens of billions of dollars in office loans to private landlords on their balance sheets. Concern about the value of the buildings backing those loans has been growing this year with the failure of Silicon Valley Bank and the rise of delinquencies and defaults by office landlords.

The pummeling of the office sector has been financially devastating for senior managers, who often take much of their compensation in company stock.

The growth prospects for the office sector look so limited that a few firms that own primarily office buildings have started to diversify by acquiring or expanding portfolios of other types of commercial property.

Empire State Realty Trust, owner of the Empire State Building and other office towers, late in 2021 started adding multifamily properties to its portfolio for the first time. Boston Properties, which owns more U.S. office space than any other publicly traded company, is planning to develop 2,000 residential units.

Office shares started falling from their post-financial-crisis heights in the years before the pandemic. Investors began to sour on the sector as tenants used co-working spaces to become more efficient.

The decline in office REIT shares accelerated during the pandemic, when employees came to prefer working from home at least part of the time.

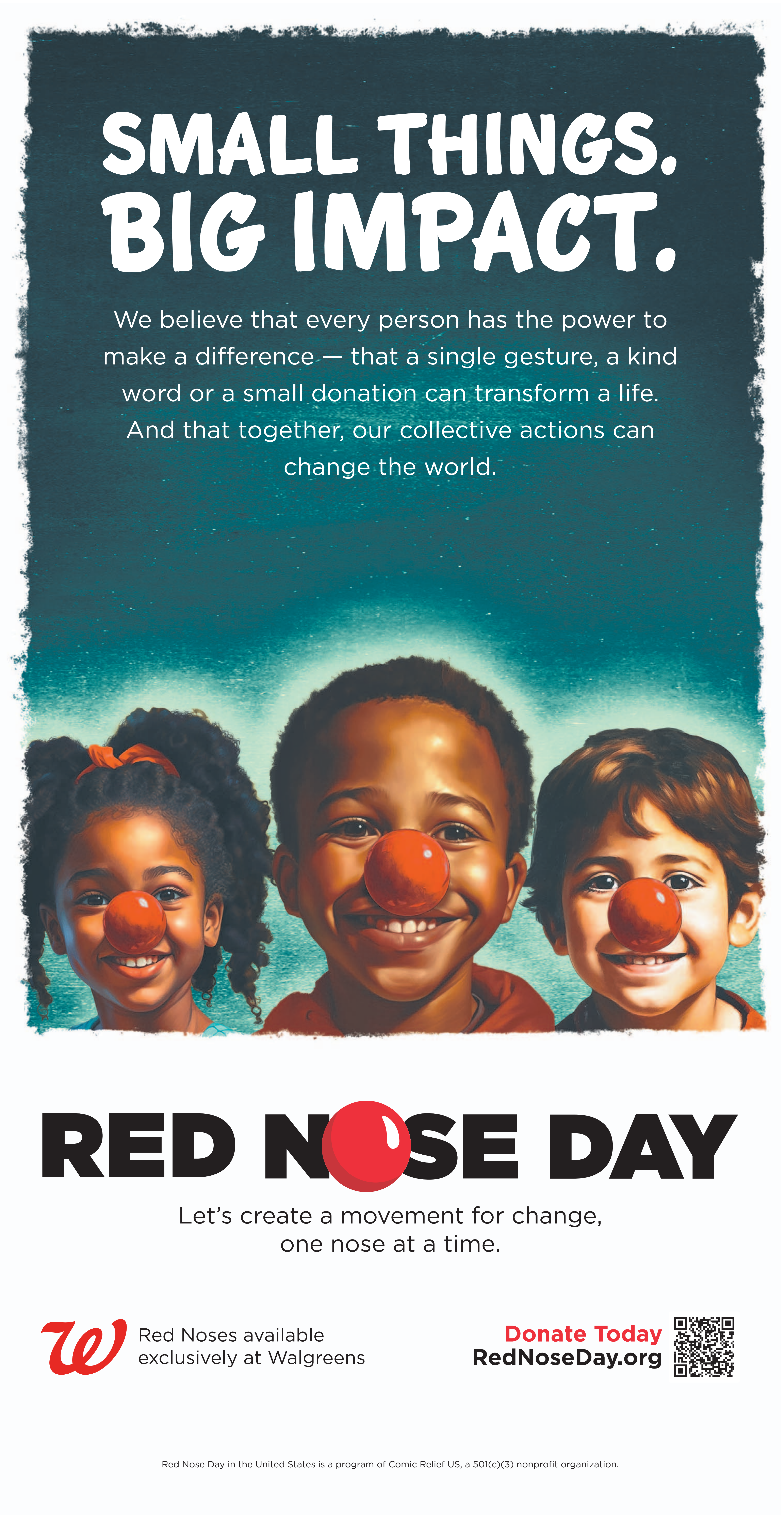
Since the start of 2020, as of last week, shares of office REITs have declined 48% compared with a 0.1% increase for the FTSE Nareit Equity Index, a broader commercial-property index, according to Kim. Over that same period, the S&P 500 index was up 37%.

Not all the news is bad. In April, new searches for office space by businesses in major cities were 23% higher than in December, though such searches were still down 44% from what they were in 2018 and 2019, according to data firm VTS.

Most landlords that focus on office buildings in Sunbelt states, which are benefiting from inflows of population and businesses, reported better performance in the first quarter than those with high concentrations in cities such as San Francisco and New York.

Alexander Goldfarb, senior analyst with Piper Sandler, said he recently upgraded Douglas Emmett, a REIT with a high concentration of office buildings focused on smaller tenants on the west side of Los Angeles. "The people living in Bel-Air, Brentwood and Beverly Hills are not moving to Texas," Goldfarb said.

On the other hand, Vornado shares are suffering in part because it has made an enormous capital commitment to new development in the area around Penn Station in Manhattan. The area's office-availability rate rose to 23.2% in the first quarter of 2023 from 19.9% a year earlier, the highest increase in Midtown Manhattan, according to CBRE Group.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WORLD NEWS

Russia Says Ukraine Attacked Its Territory

Zelensky's military intelligence identifies fighters as volunteer Russian citizens

BY MATTHEW LUXMOORE AND GEORGI KANTCHEV

Bakhmut is in ruins, leaving only several dozen residents in a city that once was home to more than 70,000 people, Russian media says.

ARMED FORCES OF UKRAINE/AGENCE FRANCE-PRESSE/GETTY IMAGES

KYIV, Ukraine—Russia said its military and security forces are fighting Ukrainian units who crossed into its southern Belgorod region, the largest such incursion into Russian territory since the war began.

Russian President Vladimir Putin was briefed, according to Kremlin spokesman Dmitry Peskov, as Moscow appeared to be caught off guard.

Peskov said Russia has sufficient forces to eject what he described as a commando unit. Regional authorities said they were evacuating civilians from border villages, and announced emergency security measures.

Ukraine's military intelligence directorate, known as HUR, identified the troops as two volunteer groups of Russian citizens who work closely with HUR and said the incident was a consequence of the Kremlin's invasion of Ukraine.

The extent of the incursion couldn't immediately be established, but videos of armed men and armored vehicles online appear to indicate that the troops had taken control of several villages along the border.

The incursion is a stunning reversal for Russia, which launched a full-scale invasion of Ukraine in 2022 with the aim of seizing control of the country in days. The events on Monday echoed Russia's covert invasion of Ukraine in 2014 when Russian troops without insignia appeared on Ukraine's Crimean Peninsula. Putin denied they were Russians, and said at the time that all the equipment they had could easily be bought in a military hardware store.

Mykhailo Podolyak, an adviser to Ukrainian President Volodymyr Zelensky, appeared to mock that statement on Twitter in a post denying Ukrainian government involvement in the Belgorod incursion. "As you know, tanks are sold at any Russian military store, and underground guerrilla groups are composed of Russian citizens," he tweeted.

A spokesman for HUR, Andriy Chernyak, said the aim of the operation was to create a buffer zone to protect Ukrainian civilians. "We expect that such actions will become more frequent," he said.

Belgorod announced emergency measures including restrictions on free movement aimed at ensuring the safety of residents, said the region's governor, Vyacheslav Gladkov.

Peskov said the purpose of the incursion was to divert attention from the situation in the city of Bakhmut in eastern Ukraine, which Moscow claims to have fully captured over the weekend. It comes as Kyiv gears up for an offensive aimed at taking back some of its territory. Military strategists say Ukraine is likely to pursue operations that would knock Russia off balance and force it to divert forces that would otherwise be used to man defensive lines in Ukraine.

As Russian forces sought on Monday to consolidate control of Bakhmut, Ukraine's troops mounted new offensives to the north and south aimed at encircling the city's new occupiers.

Moscow announced the capture of Bakhmut on Sunday, with state TV channels in Russia hailing it as "an event of historic proportions." But the city has been turned into ruins, leaving Russian troops taking up positions in bombed-out apartment blocks exposed to Ukrainian forces that have retreated to higher ground in and around the town of Chasiv Yar to the west.

State newswire TASS reported that only several dozen residents remained in Bakhmut, once home to more than 70,000.

Kyiv Allies Weigh Plan For Security

Continued from Page One

against Russian aggression.

An Israeli-style security agreement for Ukraine would give priority to arms transfers and advanced technology, President Andrzej Duda of Poland said in an interview with The Wall Street Journal. This security agreement would be linked to a process of moving toward future membership in the North Atlantic Treaty Organization for Ukraine but stop short of actually making NATO a party to any conflict with Russia, Western officials familiar with the talks said.

"The discussions on this one are going on right now," said Duda, who has been one of the staunchest supporters of Ukraine in its efforts to repel the Russian invasion.

Duda didn't detail what weapons or technology might be transferred to Ukraine, but Poland has supplied Kyiv with Soviet MiG-29 aircraft, among other defense equipment.

Last week, Biden told Group of Seven counterparts that the U.S. would support training Ukrainian pilots to fly F-16 jets, an essential step to supplying the U.S.-made fighters.

Deputy Foreign Minister Alexander Grushko of Russia warned on Saturday that sending F-16s to Ukraine would escalate the conflict. "We can see that Western countries continue to stick to an escalation scenario, which carries enormous risks for them," he said, Russian state news agency TASS reported.

With NATO membership for Kyiv possibly years away, a set of binding security arrangements would be a way of helping the Ukrainian military immediately as it gears up for an expected counteroffensive aimed at pushing Russia back from the territory it claimed after storming the country.

The push for a security agreement comes as the West has moved to increase its support for Kyiv, including providing tanks, high-end U.S. and German-made air-defense systems, and increasing production of shells and ammunition needed on the front lines—all part of billions of dollars in Western military aid intended to ensure Ukraine, not Russia, determines its future.

Biden, who visited Poland in February, discussed the Israeli-model concept, Duda said. It is now gaining traction among Western allies as part of the agenda for the NATO summit in July in Vilnius, Lithuania's capital. The security agreement is expected to be signed following the NATO summit, officials familiar with the talks said.

A U.S. administration official said discussion of an Israeli model emerged as a way to address the core of Ukraine's security issues, recognizing that it wouldn't achieve NATO membership soon. But even if based loosely on Israel's security model, the official said, the contours of Ukraine's defense agreement remain fluid.

LESZEK SZYMANSKI/EPA/SHUTTERSTOCK

Polish President Andrzej Duda

Israel isn't a member of NATO, and the U.S. isn't treaty-bound to come to the country's aid. But for decades, Israel has enjoyed a special relationship with the U.S. as Washington's most stalwart partner in the Middle East, and it is also the largest cumulative recipient of U.S. foreign assistance since World War II.

U.S. assistance to Israel is outlined in 10-year agreements, and the most recent one commits Washington to providing $38 billion in military aid between 2019 and 2028.

A similar arrangement for Ukraine could change the calculus of its current conflict with Russia, Western officials said.

It would aim to discourage President Vladimir Putin of Russia from drawing out the war in the hopes of eroding political support for Ukraine in the U.S. as well as in some European capitals, where the economic costs have been hotly debated.

"Russia needs to understand today that Ukraine has got those security guarantees and that they're not going to lapse with time or with fatigue of the West," Duda said.

President Volodymyr Zelensky of Ukraine has stated repeatedly that his country's goal is to retake all the land Russia has captured since 2014, including Crimea. He has dismissed the idea of a ceasefire with Russia, arguing that any pause in fighting would allow Moscow's exhausted military to regroup and launch more attacks down the line.

The concept for an Israeli model was first drafted in September by Andriy Yermak, a top aide to Zelensky, and Anders Fogh Rasmussen, former NATO chief, people familiar with its origins said.

Since Russia's invasion, the Ukrainian government has pushed for a path to NATO membership. Zelensky submitted a formal application to the alliance last year, but the U.S. and other NATO members have made clear that any membership process will take time.

—Gordon Lubold, Daniel Michaels, Max Colchester and Matthew Luxmoore contributed to this article.

Rise in Nuclear Arms Threatens Curbs

BY ALASTAIR GALE

HIROSHIMA, Japan—The specter of the world's first nuclear attack hung over the weekend's Group of Seven summit in Hiroshima. World leaders laid wreaths at the memorial in the city, where a plaque reads: "Let all the souls here rest in peace, for we shall not repeat the evil."

The G-7 leaders pledged to work toward the elimination of nuclear weapons, but the challenges have only grown recently. Russia is engaging in nuclear brinkmanship over Ukraine, while China and North Korea are building up their stocks and developing new types of weapons.

The G-7 leaders called for dialogue and transparency over nuclear arsenals, as well as talks aimed at banning the production of fissile material. The aims, contained in a statement called the "Hiroshima Vision on Nuclear Disarmament," are mostly pre-existing proposals that have failed to gain traction with countries outside the club of rich democracies.

"The world is facing a set of nuclear dangers the likes of which we have not seen in three decades or so, but the G-7 produced nothing new to break the impasse," said Daryl Kimball, executive director of the Arms Control Association, a Washington, D.C., nonprofit group.

In February, Russian President Vladimir Putin said he would suspend an agreement with the U.S. over mutual limits on nuclear weapons. The Strategic Arms Reduction Treaty, or Start, has underpinned relative stability between the world's two major nuclear weapons powers since it came into force in 1994. These weapons consist of nuclear warheads mounted on intercontinental-range missiles, submarine-launched missiles or heavy bombers.

Earlier this month, the U.S. said it had 1,419 nuclear warheads deployed and ready for immediate use on strategic weapons and called for Russia

RICHARD A. BROOKS/AGENCE FRANCE-PRESSE/GETTY IMAGES

People visit the Peace Memorial Park and the Atomic Bomb Dome in Hiroshima, Japan.

to release similar data under the current Start agreement, which limits both countries to 1,550 deployed nuclear warheads. Moscow didn't respond.

The U.S. and Russia together possess about 90% of the world's nuclear weapons. With similar deployed stocks, they have sustained a stabilizing principle known as mutually assured destruction—a near-guarantee that any party launching a major attack would itself be destroyed. But Putin has threatened to use tactical nuclear weapons—smaller warheads on shorter-range missiles—in the war in Ukraine, throwing into question Russia's commitment not to initiate a nuclear conflict.

China, meanwhile, has declined to disclose the size of its nuclear arsenal or talk to the U.S. about limits. The Pentagon predicted last year that China's nuclear-warheads stockpile would roughly triple to an estimated level of about 1,500 by 2035. It isn't known how many are actually deployed on strategic weapons, but the U.S. military said this year that Beijing has more launchers for intercontinental ballistic missiles than the U.S.

The U.S. and Russia each have total stockpiles of about 4,000 nuclear warheads, say arms-control analysts. China has said it doesn't need to talk about nuclear-arms control with the U.S. because it has far fewer weapons and has pledged not to use them first. However, it is developing new missiles that can carry tactical nuclear warheads, the Pentagon said.

There are six other nuclear-armed states: France, the U.K., Israel, India, Pakistan and North Korea. Iran has made progress in enriching uranium at close to weapons-grade levels.

An unprecedented spree of weapons testing by North Korea in recent years and its development of tactical nuclear weapons have raised concern that it might break the taboo on nuclear-weapons use.

Japanese Prime Minister Fumio Kishida, who represents Hiroshima in parliament, made nuclear disarmament a major theme of the G-7 meeting. However, Japan partly depends on nuclear weapons for its defense under a mutual-security treaty with the U.S. President Biden told Kishida on Saturday that the U.S. commitment to defend Japan is "backed by the full range of capabilities, including nuclear," according to the official Japanese account.

The U.S. has a similar commitment to South Korea and recently agreed to give Seoul a greater voice in consultations on a potential American nuclear response to a North Korean attack, in return for Seoul agreeing not to develop its own nuclear weapons.

A recent report by the Lawrence Livermore National Laboratory said the situation in China and Russia "raises basic questions about whether the U.S. has the right number and types of nuclear forces."

Arms-control advocates say more can be done to bring Russia, China and others into talks. Rather than having the U.S. face off against its adversaries, a multilateral forum including countries such as the U.K. and France might make such discussions easier, Kimball said.

Belarus Dissident Pulled From Flight Pardoned

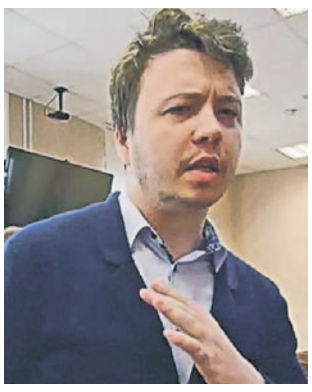
BY GEORGI KANTCHEV

Weeks after being sentenced to eight years in a penal colony, a Belarusian opposition activist who was arrested after the government forced his **Ryanair** flight to land has been pardoned, state media reported.

The latest twist in Roman Protasevich's case on Monday came after a court in Belarus this month found him guilty of organizing riots, inciting acts of terrorism and insulting Belarusian President Alexander Lukashenko, among other crimes.

In a video published by Belarus's state news agency Belta, Protasevich, 28 years old, said he got a pardon and thanked Lukashenko. "This, of course, is just great news," he said.

After his arrest in 2021,



NATALYA TALANOVA/TASS/ZUMA PRESS

Belarusian authorities detained Roman Protasevich in 2021.

Protasevich appeared to admit his guilt and said he was turning away from the opposition movement, comments that Belarus opposition figures and members of his family said were made under duress.

Belarus's exiled opposition leader, Svetlana Tikhanovskaya, described Protasevich's pardon as a "smoke screen" in a Twitter post on Monday. She said it was being used by authorities to divert attention from the plight of political prisoners.

Belarusian authorities didn't respond to a request for comment. Minsk has previously denied allegations about its handling of his case and those of other dissidents.

From his base in Poland, Protasevich became one of the Belarusian president's fiercest detractors after a widely disputed election in 2020 in which Lukashenko claimed victory.

Protasevich ran the opposition social-media news channel Nexta, which became one of the most widely read news sources in Belarus after a crackdown on independent media. Minsk listed Protasevich and other Nexta journalists as being involved in what it considered terrorist activities.

In May 2021, while Protasevich was traveling from Greece on a Ryanair flight bound for Lithuania, the Belarusian government scrambled a jet fighter to divert the plane, forcing it to land in the capital Minsk. Authorities detained Protasevich after hauling him off the flight, a move Ryanair's chief executive, Michael O'Leary, called state-sponsored hijacking.

Franak Viacorka, a senior adviser to Tikhanovskaya, said Protasevich "was forced to collaborate" with the Belarusian KGB security service.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Amazing is being a warrior on the ice while having half a heart.
When Jack is on the ice, you'd never know he was born with half a heart—a life-threatening condition called hypoplastic left heart syndrome. It meant the left side of his heart failed to develop. During the first three years of Jack's life, Dr. Bacha and the team at NewYork-Presbyterian reengineered his heart to allow the right side to do all the pumping. So now, Jack can put his whole heart into everything he does, with no limitations.
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Beijing Slams G-7, Rejects Biden on Potential Thaw

By Austin Ramzy

HONG KONG—Beijing responded to the Group of Seven leaders' firm language toward China by pouring cold water on President Biden's suggestion that a thaw in U.S.-China relations was imminent.

China also on Monday summoned the ambassador of Japan, which hosted the G-7 summit in Hiroshima, to complain about what a senior Chinese diplomat described as the meeting's "bloc confrontation and Cold War mentality."

Biden's meeting with the leaders of six other democracies produced a stern communiqué on China that called for countering its "malign practices" such as illegal technology transfers and economic coercion. China's Foreign Ministry responded by calling the U.S. the biggest culprit in using its economic power to pressure other nations.

China also rejected the G-7 leaders' expressions of concern about repression in the Xinjiang and Tibet regions, the erosion of freedoms in Hong Kong and the potential for conflict over Taiwan, the self-ruled island Beijing claims as its own.

The G-7 was "persisting in manipulating China-related issues, smearing and attacking China, and violently interfering in China's internal affairs," Sun Weidong, a Chinese vice foreign minister, told the Japanese ambassador to China on Sunday, the ministry said.

"The time when individual Western countries arbitrarily interfere in the internal affairs of other countries and manipulate global affairs is gone," Sun said.

At a news conference to close the G-7 meeting, Biden blamed the suspected Chinese surveillance balloon that the U.S. shot down in February for damaging communications between the two countries.

"I think you're going to see that begin to thaw very shortly," he said.

Biden on Sunday said the U.S. was discussing easing sanctions on China's defense minister, Gen. Li Shangfu, which could pave the way for talks between military officials on both sides. Li was placed under sanctions by the U.S. in 2018 for Chinese purchases of Russian arms.

Chinese officials have said those sanctions are an obstacle to discussions, a point repeated Monday by Mao Ning, a Foreign Ministry spokeswoman.

"China and the United States maintain necessary communication, but what is the sincerity and significance of such communication if the United States says it wants to communicate while resorting to any means to suppress and contain China and impose sanctions on Chinese officials, institutions and enterprises?" Mao said.

China's response to the G-7 communiqué follows active diplomacy by China's leader, Xi Jinping, and other top officials. Since emerging from the relative isolation of China's Covid-19 prevention measures last fall, Xi has met with leaders from around the world and helped push for a detente between Saudi Arabia and Iran. Some analysts say one of Beijing's broader goals is to limit the ability of the U.S. to enlist its allies to isolate China.

"The focus was to target the U.S. and Japan," said Manoj Kewalramani, a China studies fellow at the Takshashila Institution, an Indian think tank. "With the Europeans, the language has been, 'Hey, we support your strategic autonomy.' Their argument is to essentially mobilize middle powers who they see as potentially vacillating in terms of support."

Chinese and American officials have held some talks in recent weeks, including a meeting this month in Beijing during which Chinese Foreign Minister Qin Gang scolded U.S. Ambassador Nicholas Burns over American support for Taiwan.

Burns also met with Chinese Commerce Minister Wang Wentao, and the Biden administration wants to reschedule a trip to China by Secretary of State Antony Blinken that was postponed over the balloon incident.

Wang is expected to travel to Detroit for a meeting of Asia-Pacific Economic Cooperation trade ministers, but senior Chinese leaders are still pondering whether he should meet his counterpart in Washington as well, The Wall Street Journal has reported.

There have also been signs Chinese officials are attempting to respond to concerns from foreign companies about a deteriorating business environment.

Wang hosted a meeting in Shanghai on Monday to listen to the views of U.S. businesses operating in the country—a rare effort to calm foreign investors.

KENNY HOLSTON/PRESS POOL

President Biden and other Western leaders produced a stern communiqué at the Group of Seven summit in Hiroshima, Japan, over the weekend that criticized China's 'malign practices.'

U.S., Papua New Guinea Sign Pacific Security Accord

By Mike Cherney

SYDNEY—The U.S. signed deals that will deepen security ties with the biggest island nation in the Pacific, representing a success for Washington as it seeks to counter China's influence in the strategically important region.

During a visit by Secretary of State Antony Blinken, agreements on defense cooperation and maritime security were signed with Papua New Guinea, which is located just north of major U.S. ally Australia and straddles important shipping lanes. The U.S.'s top diplomat traveled to the country, where **Exxon Mobil** runs a multibillion-dollar gas-export development, after President Biden canceled a planned visit so he could be in Washington for debt talks with Republicans.

Full details of the defense-cooperation deal weren't immediately disclosed, but such deals typically pave the way for things like military training and information sharing, while establishing a framework for U.S. personnel to access facilities in the host nation. The State Department said the agreement would facilitate exercises and enable the U.S. to be more responsive in providing humanitarian assistance and disaster relief.

The deal "reflects the U.S. commitment to reinvigorate and modernize our democratic partnerships around the world," the State Department said.

The maritime-security agreement, meanwhile, will allow for U.S. Coast Guard vessels to help Papua New Guinea patrol its coastal waters and stop illicit activity such as illegal fishing.

The agreements represent the latest push by the U.S. and allies such as Australia to respond to growing Chinese influence in the Pacific, which has military bases that could play an important role in any future conflict over Taiwan. Biden hosted a summit for Pacific leaders at the White House for the first time last year, where he unveiled a wide-ranging strategy for the region and a large aid package, and he has invited them again for another summit this year.

China in recent years has expanded its diplomatic presence and poured money into airports, telecommunications, resorts and other businesses and infrastructure across the Pacific. Early last year, Beijing struck a security pact of its own with the Solomon Islands—a country east of Papua New Guinea—that allowed access for Chinese security personnel. That deal sparked calls from foreign-policy analysts and some island-nation officials themselves for Washington to increase its engagement.

Blinken on Monday met with other Pacific island leaders who also traveled to Papua New Guinea, home to more than nine million people. The U.S. also signed an economic-assistance deal with Palau related to that nation's compact of free association with Washington. The compact gives Palau access to many federal services and programs in exchange for Washington exercising military authority over the area.

In Papua New Guinea, where the economy is highly dependent on commodities and which has struggled with high crime and gender-based violence, Chinese companies have built airports and roads, and trade with Beijing has grown significantly in recent years.

Some analysts said the defense deal with the U.S. will help bolster Papua New Guinea's military.

ADEK BERRY/AGENCE FRANCE-PRESSE/GETTY IMAGES

Secretary of State Antony Blinken and Papua New Guinea Defense Minister Win Bakri Daki completed the deal on Monday.

China Struggles With High Youth Joblessness

By Stella Yifan Xie

HONG KONG—China's failure to reverse a sharp rise in youth unemployment is becoming a bigger headache for Beijing, with many economists saying the problem reflects a jobs mismatch that could defy government solutions for years.

Joblessness among young people aged 16 to 24 rose to a record of 20.4% in April, significantly higher than a few months ago and above the prepandemic rate of 13% or lower in most of 2019. The rise was all the more surprising given that urban unemployment overall fell to 5.2% in China as of April, compared with 6.1% a year earlier.

Some economists believe the job market for young people will get worse before it gets better, with a record 11.6 million college students set to graduate this summer. A central problem, economists say, is that China isn't creating enough of the high-wage, high-skill jobs that are sought by its expanding base of educated young people, many of whom have loftier expectations than previous generations.

Rather than trade down for lower-wage jobs, many young people are opting to wait for more opportunities, even though such opportunities might not be available.

"China's high youth unemployment rate is not transitory but structural," said David Wang, chief China economist at Credit Suisse. "There is a mismatch in the skills the youth are trained to provide and the skills that existing jobs require."

Chinese officials are trying several tactics to address the problem, including mandating that state-owned companies hire more graduates, while urging more young people to take up blue-collar work or move to the countryside.

Many young people, however, are uninterested in blue-collar jobs. And opportunities at state-owned enterprises remain in short supply, despite the government's prodding.

Sun Yuexing, who is set to graduate from Beijing Foreign Studies University, spent hours handing out résumés at a job fair. "The competition is so fierce," said the English major.

If China fails to supply a generation of young people with work, it could put pressure on wage growth and slow Beijing's desire to build an economy driven more by consumption. It also could undermine social stability, if more young people become dissatisfied.

Some economists still believe the problem is a passing phenomenon, and that many more youths will find work as China's broader economic recovery continues.

WORLD WATCH

XINHUA/ZUMA PRESS

A fire tore through Manila's nearly 100-year-old post-office building, severely damaging the landmark structure and slightly injuring seven people in the Philippine capital.

GUYANA

Fire at School Dorm Kills 19 Children

A nighttime fire raced through a dormitory in Guyana early Monday, killing at least 19 students at a boarding school catering to remote, mostly indigenous villages, authorities said.

"This is a horrific incident. It's tragic. It's painful," President Irfaan Ali said, adding that his government was mobilizing all possible resources to care for the children.

The fire broke out in the dormitory building of a secondary school in the southwestern border town of Mahdia, a gold and diamond mining community about 200 miles south of the capital, Georgetown, the government said.

—Associated Press

MEXICO

Car-Rally Shootout Leaves 10 Dead

Authorities say they are investigating an apparent gunfight at an off-road vehicle rally in Mexico's Baja California state that left 10 people dead and another 10 wounded.

The shooting, which took place early Saturday afternoon, provoked an intense mobilization of units of the army, navy, and state and local police.

Baja California officials say gunmen in one vehicle opened fire on people and vehicles at the rally. State prosecutor Ricardo Iván Carpio said that vehicle was found to have "perforations from gunshots and traces of blood inside."

—Associated Press

COLOMBIA

Cease-Fire With Rebel Group Halted

The government said it was suspending a cease-fire with rebels accused of recently killing four indigenous people—at least three of them minors—who tried to avoid forced recruitment in the south of the country.

President Gustavo Petro's administration said the military would resume attacks on FARC-EMC factions operating in the provinces of Caqueta, Putumayo, Guaviare and Meta, because of the group's lack of commitment to the cease-fire. The government said it would continue to maintain a cease-fire with FARC-EMC in other parts of the country.

—Associated Press

PORTUGAL

Search to Restart In Missing-Child Case

Portuguese police have said they would resume searching for Madeleine McCann, the British 3-year-old who disappeared in the country's Algarve region in May 2007, in the next few days.

Police were seen erecting tents and cordons in an area by the Arade dam, about 30 miles from Praia da Luz, where the 3-year-old was last seen alive.

The toddler disappeared from her bed in the southern Portuguese resort. She was in the same room as her 2-year-old twin brother and sister while her parents had dinner with friends at a nearby restaurant.

—Associated Press

PHILIPPINES

Massive Fire Razes Historic Post Office

A massive fire tore through Manila's historic post-office building, slightly injuring seven people and razing the nearly 100-year-old landmark in the Philippine capital, police and postal officials said on Monday.

The fire started before midnight in the basement of the neoclassical, five-story building and was brought under control Monday morning more than seven hours after it began, firefighters said.

An investigation was under way to determine the cause of the fire and what was damaged, officials said.

—Associated Press

Hyundai Gains in EV Race

Continued from Page One

heads at rival car companies—and among car buyers.

Asked last year about competition in the EV sector, Ford Motor Chief Executive Jim Farley said: "The ones I'm paying the most attention to are Hyundai/Kia, the Chinese and Tesla. That's my list."

Behind the push has been Chung, 52 years old, who has pressed for investment in EVs and moonshot technologies such as flying cars and robots. In 2020, he took control of the Hyundai Motor Group, one of Korea's largest family-run conglomerates, from his father, Chung Mong-Koo.

Last year, Hyundai became the world's third-largest automaking group, with 6.85 million vehicles sold, behind only Toyota Motor and Volkswagen. Now, the company, currently the third-largest seller of EVs in the U.S., is setting its sights on Tesla.

Tesla's enormous success with its Model 3 showed the industry that the EV market was much bigger than many people thought, spurring Hyundai and Kia to move faster, said Michael O'Brien, a former vice president at Hyundai. "Hyundai leadership realizes that the EV market is a jump ball," he said.

Chung, whose grandfather founded the business 76 years ago, has told employees repeatedly that the company needs to be more forward-leaning. "We will not fear risks and only be reactive," he told workers in January.

Hyundai and Kia have gone on a hiring spree, luring high-profile designers from other carmakers, including from German luxury brands. Their aim is to make their vehicles look and feel more luxurious.

Euisun Chung, above left, executive chair of Hyundai and its affiliate Kia, at an April ceremony to mark the start of construction on a new Kia EV plant. Hyundai lead designer SangYup Lee, below left, and José Muñoz, president and chief operating officer, at the New York auto show in April. Hyundai's Genesis GV80 concept car.

CLOCKWISE FROM TOP: ZUMA PRESS; ANTHONY BEHAR/SIPA/REUTERS; ANDREW KELLY/REUTERS

Praise from rivals

Ford's Farley lauded Hyundai's Ioniq 5, which came out 2021, noting that some software features were better than Ford's own. "That company has really found their stride with electric vehicles," he said.

Tesla's Elon Musk said last summer in a tweet about the EV market: "Hyundai is doing pretty good."

Hyundai and Kia are a part of a conglomerate that also owns steel mills, shipyards and construction firms. It is largely controlled by Chung's family through their shareholdings in the motor company and other affiliates.

The company got started in the auto business in 1967, when the country was still recovering from the Korean War, at first doing contract work for Ford. Its first in-house vehicles, the Pony and Excel, were inexpensive and so prone to quality problems that they became fodder for comedians on late-night TV.

Kia began in 1944 as a manufacturer of metal parts and bicycles, and a decade later, licensed versions of Honda motorcycles and Mazda trucks and cars. After it declared bankruptcy in 1997, Hyundai purchased a controlling stake. It now owns nearly 34%.

Hyundai entered the U.S. car market in 1986, followed by Kia in 1993. Both were budget brands. When Chung's father took over in 1996, he made solving quality woes a priority, overhauling manufacturing operations.

Decisions were made mostly by executives in Seoul, far from the U.S. market that was driving the bulk of profits, former executives said. "Hyundai was always known in Korea as the most conservative and the most militarylike," said Frank Ahrens, Hyundai's former head of communications.

Both Hyundai and Kia were slow to react to the SUV boom in the U.S., despite pleas from stateside executives, the former executives said. For years, they didn't do much to expand their U.S. factories, leaving them struggling to build enough vehicles when demand surged for popular models such as the Hyundai Santa Fe and Tucson.

Another embarrassment was a surge in auto thefts following a social-media challenge that targeted certain Hyundai and Kia models as easy to steal. Several states and insurers have sued the companies over the thefts. On Thursday, Hyundai and Kia agreed to pay up to $200 million to owners of stolen cars to settle a class-action lawsuit.

When the Korean leadership takes notice, though, decisions are fast-tracked and change can come swiftly, former executives said.

At the New York auto show in April, Hyundai's luxury brand, Genesis, showed off a sportier version of its new GV80 SUV. The vehicle was a concept car—not one Genesis intended to make.

Streamlined Ioniq 6 shows how company uses design to set it apart from rivals.

It was such a hit that the bosses in Korea decided that night to put it into production, said José Muñoz, Hyundai's president and chief operating officer, whom Chung hired from Nissan Motor in 2019. "There are no arguments," Muñoz said. "Once the decision is made, execution is very fast."

Chung has installed overseas executives in key management positions. He hired designer Peter Schreyer from Volkswagen, where he had helped redesign the iconic Beetle, then promoted him to president, the first non-Korean to reach that level in Hyundai's history.

"The chairman wanted something new, and the focus was on good styling," said Ray Ng, a former Kia designer who worked closely with Schreyer.

Chung's biggest push has been with EVs, a sector Hyundai and Kia entered in 2010 when Hyundai released the Blueon in Korea. Kia followed with the Ray EV in 2011. A second model, an electric Kia Soul, went on sale in the U.S., Europe and South Korea in 2014, two years before General Motors released its rival Chevy Bolt.

The EV market presents unique challenges. Nearly all Hyundai and Kia EVs are built outside the U.S. Recent revisions to the $7,500 federal tax credit in the U.S. for EV purchases have made foreign-built EVs ineligible for the subsidy. Sales in the U.S. of Hyundai and Kia EVs have been declining since the tax revisions.

A new $5.5 billion factory complex is in the works for both Hyundai and Kia to build EVs in Georgia, but it won't open until the end of next year, at the earliest.

Tesla's success with the Model 3, which came to market in 2017, opened eyes at Hyundai, said O'Brien, the former vice president. "Everyone saw they went from a niche player to a core player in one model," he said. "People in Korea, and Hyundai, saw Tesla as a tech company rather than a car company. Rather than focusing on four wheels, oil and brakes, they were focused on technology, and that was very appealing in Korea."

While other automakers dithered about whether the batteries were too expensive and short on range, Chung was undeterred, O'Brien said.

After Chung became executive chairman in 2020, Hyundai and Kia announced plans to introduce 31 battery-powered models. The companies aim to become the third-largest seller of EVs globally by 2030. Tesla and China's BYD are the current global leaders.

Design focus

That the Hyundai Ioniq 6 took inspiration from the Stout Scarab is one example of how the company is leaning on design to set it apart from rivals. Lee, the designer, said the streamlined shape recalls the period in the 1930s and 1940s when car design borrowed from the aerospace industry.

The design has the added benefit of tacking on miles to the car's range, giving it one of the lowest drag coefficients in the industry—a measure of how aerodynamic a shape is.

When interest in EVs surged during the pandemic, Hyundai and Kia were among the few car companies that had a selection of electric and hybrid models on dealership lots. On top of that, the companies had stockpiled semiconductors, allowing them to avoid the worst of the supply-chain related shutdowns in recent years, giving them more stock to sell, dealers said.

Hyundai and Kia have said that most of their EV customers are coming to the brand for the first time. They also tend to be wealthier than customers of the companies' other models. Last year, the biggest cohort of Hyundai Ioniq 5 and Kia EV6 buyers earned more than $250,000 a year, compared with between $50,000 and $75,000 for all models, according to data from S&P Global Mobility.

Andrew Mancall, a doctor from Portland, Maine, is among the Hyundai converts. A former Audi owner, he wanted to buy an EV for his next car and put himself on a number of waiting lists, including for the Ford Mustang Mach-E.

When his number came up for the Mach-E, he passed on it and bought the Hyundai Ioniq 5. He said he was sold on the driving dynamics and what he described as better technology than on the Ford. After a nine-month wait, he took delivery of his Hyundai.

"Am I a Hyundai person? A couple years ago, I probably would have said no," he said. "I guess the answer now is, yes."

—Mike Colias contributed to this article.

'Tea-Gate' Stirs Rural Village

Continued from Page One

shot up—as did not-so-neighborly disputes.

Elwell lives in Millbrick House, a two-story red brick Greek Revival built in 1830 and set on more than 30 acres bursting with gardens. She and her ex-husband bought it in 2014 and Elwell, raised in England, enjoyed hosting afternoon teas for her friends and the occasional fundraiser at her home. She decided to start a business, touting "authentic English afternoon tea parties with your London born host, Jane."

She offered "ParTea" boxes to-go, and in 2021, launched teas in earnest. For $45 a head, guests can enjoy Bridgerton, Alice in Wonderland and other themed tea parties in her historic home, where the library has a vast collection of bone china—sets of gold-rimmed Royal Dalton and Noritake with pink roses. In the dining room, she commissioned wallpaper made from vintage embroidery and painted the ceiling with Benjamin Moore's "Galaxy," a deep violet hue.

The business drew glowing attention, with a June 2021 review in the local paper touting "Tea Time at a Hidden Gem."

"In the middle of New Ipswich, there sits a slice of the English countryside," said the piece in the Monadnock-Ledger Transcript, which described customers as "ladies and gentlemen, dressed in their tea-time best."

Silver Scone's popularity swelled during Covid, and frustration boiled over on Mother's Day weekend of 2022 when Elwell hosted 126 people for tea, and neighbors complained parking crowded the street. The town of New Ipswich issued cease-and-desists orders saying she was operating without proper business approval.

"She's not a renegade," says Robert Fasanella, her friend and pro bono lawyer. He says Elwell didn't realize she needed local permitting.

Elwell applied for a variance to continue hosting tea parties, and agreed to limit tea parties to four days a month with no more than 50 people a day. She also sought a permit to expand her driveway and create an 18-car parking lot in a cleared area on her roughly 35-acre property.

JANE ELWELL

In Ipswich, N.H., Silver Scone Teas hosts events such as 'A Jolly Good Tea!' in a historic house. Some neighbors aren't happy.

"An event venue of this scope and size will scar the land forever," neighbor Sharin Smeeth warned town officials in a letter.

Residents lined up to speak at New Ipswich Zoning Board of Adjustment meetings, minutes show. Neighbor Robert Fournier said it wasn't the tea, but the growth he worried about. He feared headlights would shine on his house as customers left. His wife Annmarie Fournier fretted about increased traffic and the safety of her dog. Another opponent said Bank Village hadn't had a business in years and didn't need one now.

Supporters including Robert Mason said the taxes the business brings in would help New Ipswich, and he'd like to see more merchants come into the once-thriving mill town. Bentti Hoiska said the meticulously kept Silver Scone enhanced the village, while another speaker described neighbors as petty and noted that one walked around the street with a clipboard and scolded a guest for parking in front of Elwell's home.

The New Ipswich Zoning Board voted 3-0 to side with Elwell, and grant her the variance. They said local rules do permit certain businesses, such as bed-and-breakfast inns or daycares, in that neighborhood after proper reviews, and that a tea-party venue seemed even less disruptive than those operations.

The neighbors, after fruitless appeals at the town level, filed suit against the town with the New Hampshire Housing Appeals Board, a judicial body, in February.

In a letter to the editor of the local paper soon after, neighbor Stanley Zabierek compared the fight against the tea-party venue with other local battles "fought both for, but mostly against, businesses and corporations wanting to come to or through this town," including a dollar store and gravel company. "The opposition to the business by the residents of Bank Village is to try to maintain the strictly residential character and no other reason," he wrote.

The tea-party dispute has consumed so much of the local government's time that ahead of the May 16 hearing at the New Hampshire Housing Appeals Board, the town shared an 823-page certified record of documents related to Silver Scone, and the myriad local agencies that have dealt with the matter. The state tribunal has 60 days to issue an opinion.

Among arguments neighbors are making is that Elwell, in designing her proposed parking lot, illegally removed stones from a wall that runs along her property line.

A town attorney said Elwell acted within the law.

Fasanella, Elwell's friend and lawyer, pointed out that Elwell's neighbor has three rusted-out cars on the lawn in violation of New Hampshire's "junk yard" statute. "One would think that's more of an impact on a scenic road than moving one stone in a stone wall," he says.

The opponents also argue her land is home to endangered spotted turtles that could be at risk given the changes. Elwell says she has never seen a turtle on her property, though she did place a concrete turtle outside to "stick it" to her neighbors.

"It doesn't matter what I do to appease them; they come up with something else they're against," she said. "They won't be happy until I sell up and move."

ISTOCK

American retirees living abroad still need to file U.S. tax returns. A street in Palermo, Sicily.

Retirement in Paradise Isn't Without Financial Headaches

Moving abroad can complicate your taxes, banking, medical bills and even estate planning

By Anne Tergesen

Retiring abroad requires a lot of planning and often a good accountant.

When people dream of jetting off to the French countryside or a tropical island to begin a new chapter in retirement, tax and banking policies don't usually feature prominently in the fantasy. But pulling off a move overseas in retirement requires navigating financial rules in both the U.S. and one's new home. Mistakes are easy to make and can be costly, financial advisers with international clients say.

Some Americans living abroad inadvertently run afoul of the Internal Revenue Service and get hit with penalties and interest. Others are cut off by their U.S. banks and brokerage firms. Retirees also can run into trouble accessing or paying for healthcare.

"Expats have to be motivated and persistent problem solvers," said Jonathan Lachowitz, chairman of American Citizens Abroad, a nonprofit focused on tax and other issues that Americans living abroad face.

He recommends joining expat groups and online forums to find people who have already made the move. Banking, immigration and tax policies can change frequently, so double check everything you hear, said Lachowitz, who also is the founder of White Lighthouse Investment Management of Lexington, Mass., and Lausanne, Switzerland.

Here's what to research before retiring abroad.

Bank and retirement accounts

Americans who retire abroad should generally keep most of their money in the U.S., advisers said.

That way they can continue to take advantage of individual retirement accounts and 401(k)s, which offer tax advantages, Lachowitz said.

Some U.S. banks and brokerage firms drop customers with foreign addresses, so call your financial institutions and ask about their policies. If you have to move your money, do so before leaving the U.S.

When opening a bank account in the country you are relocating to, compare fees for wire transfers and ATM transactions.

Before leaving the U.S., shop for credit cards without foreign transaction fees, which can amount to about 2% of a transaction's value.

Make sure you are getting competitive currency-conversion rates. Services including Wise and Moneycorp currently have low markups, Lachowitz said. When abroad, he often uses a debit card from Charles Schwab, which offers competitive exchange rates and refunds his ATM fees.

Taxes

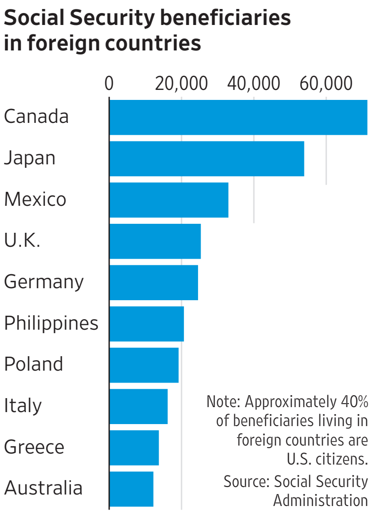
Your income is subject to U.S. income tax regardless of where you live. If you don't file a U.S. tax return, you could face penalties and interest, and even criminal prosecution.

Expats may owe tax to both the U.S. and the country they live in.

Consider a retired couple who sells stock for a $100,000 profit. Assuming the couple's new home country has a 10% capital-gains tax rate, they would pay $10,000 to that government.

They can then claim a $10,000 tax credit on their U.S. tax return. But since the U.S. has a top statutory long-term capital-gains tax rate of 20%, even with the credit they could still owe the IRS another $10,000.

Tax treaties the U.S. has with more than 60 countries might not completely protect expats from taxes that can arise as a result of differences between their new home country's tax system and that of the U.S. For example, some treaties protect the tax-free status of Roth retirement accounts while other treaties don't, said David Kuenzi, an adviser at Creative Planning International.



Most expats also have to submit a report of Foreign Bank and Financial Accounts, or FBAR, to the Treasury Department. This is required in years in which the cumulative balance of your foreign financial accounts exceeds $10,000 at any time during the year. The penalties for willfully failing to do so can be the greater of $100,000 or half of the account value for every year you failed to file.

Individuals with more than $200,000 and couples with more than $400,000 in foreign financial assets on the last day of the year—or with more than a respective $300,000 or $600,000 at any time during the year—must report them to the IRS with Form 8938.

Some U.S. banks and brokerage firms drop customers with foreign addresses.

To owe no state income tax, you must "break your domicile," said Kuenzi, which means showing you have no intention to return to that state. Clients often sell their homes and cancel their driver's licenses and voter registrations to satisfy the requirement, he said.

You may need to rewrite your will

Make plans to have a new will and estate plan that conforms to laws of your new home, Kuenzi said.

Under U.S. tax laws, U.S. citizens with an estate that exceeds $12.92 million (or $25.84 million for couples) are liable for U.S. estate tax above those thresholds, even if they live in another country.

But most other countries impose an inheritance tax instead, often at far lower levels.

In France, for example, each child can receive from a parent about $108,000 tax-free. Above that, they pay an inheritance tax of up to 45%, depending on the amount.

Inheritance tax is due even if your money is held in U.S.-based accounts and your heirs live in the U.S., said Kuenzi. Many European countries don't recognize U.S. trusts.

Cost of healthcare

Medicare doesn't generally cover services outside the U.S., so those moving abroad must secure health insurance elsewhere.

Many countries with public healthcare systems let expatriates join after a waiting period for little to no cost.

Some countries with public healthcare systems also have private hospitals. To help cover private services, Adam Bates, an insurance broker who specializes in international policies, recommends an international health insurance policy.

He often advises clients aged 65 and older who move overseas to pay premiums for Medicare, too. Otherwise, they may get hit with hefty penalties and face months-long coverage gaps if they return to the U.S. and want to enroll.

Employers Resist Paying For Ozempic

Continued from Page One

Resource Management, who has said she expects requests for coverage guidance from human-resource managers in the coming months, as employers gear up for open enrollment.

'Unsustainable' expenses

The rub for both employers and employees is the price tag. Wegovy, approved for weight loss, lists at more than $1,300 for a 28-day supply. The drugs need to be taken on a continuing basis, potentially for years. Ozempic—approved for diabetes but often used off-label to lose weight—carries a list price of about $900 a month. Mounjaro, a similar diabetes drug that is expected to gain regulatory approval for weight loss this year, lists at more than $1,000.

A typical employer's drug spending could increase by more than 50% if half of employees who were eligible for Wegovy were to take it, Willis Towers Watson estimated.

"It would be unsustainable for many employers," said Cody Midlam, a director in the benefits-consulting firm's pharmacy practice.

Obesity is a significant contributor to health costs, and many employers already offer programs designed to encourage weight loss through healthy eating or more physical activity. In a 2021 analysis, Harvard and George Washington University researchers estimated that obesity was tied to excess annual medical costs of $1,861 per person.

As a social-services worker in Dallas, Melissa Davis said paying for such drugs on her own is beyond her budget, too. She got an Ozempic prescription from her doctor after reading up on it earlier this year.

F. MARTIN RAMIN/THE WALL STREET JOURNAL

Ozempic—often used off-label for weight loss—costs about $900 a month.

"I wasn't looking for a magic solution. I just thought it would help," said Davis, who is prediabetic and has hypothyroidism and other conditions that she said make it hard for her to lose weight.

Her employer's insurance plan denied her coverage for Ozempic, though, and told her she would have to exhaust other weight-loss means before being considered for approval. She is now trying to lose 80 pounds by dieting, exercising and tracking calories with a fitness app. Progress has been slow, she said.

"If I run into any kind of plateau that I can't get over, then I might look into it again and see if they changed their minds on coverage," she said.

Hoops to jump through

Many employer health plans are trying to limit off-label use of Ozempic by requiring a diabetes diagnosis and, in some cases, a pharmacy-claims history that shows the patient has taken metformin or another diabetes treatment, said Sherry Welliver, a partner at benefits-advisory firm Mercer.

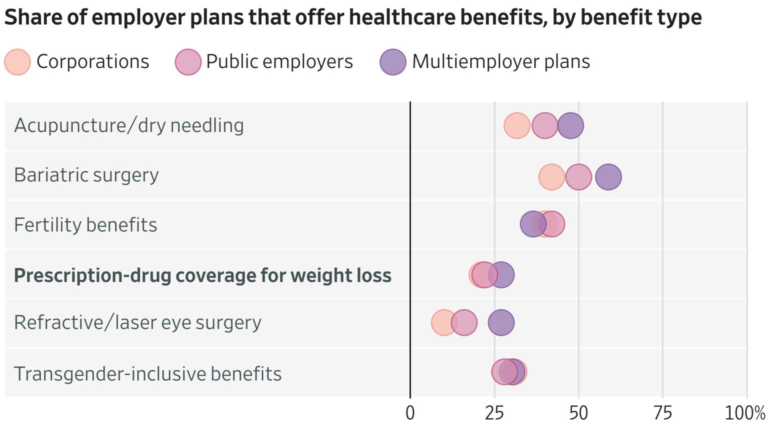
Employer plans that cover Wegovy for weight loss often have a list of requirements to qualify for approval, including special authorization from the insurer administering the plan, according to benefits consultants and doctors. At a minimum, patients typically must match the characteristics spelled out on the drug's label. That includes a body-mass index of at least 30, or 27 if the patient also has a weight-related health condition such as high blood pressure.

Some employers also require participation in a structured weight-loss program to get Wegovy approval, or trying other weight-loss drugs first. "Employers are looking for the guardrails," said Tracy Spencer, national pharmacy practice leader at Aon, a benefits consultant.

Tara Moreland, a 32-year-old attorney in Kansas City, Mo., has been going back and forth with her employer's insurance provider after being approved for one month of Ozempic, then denied for any more, she said. "They said basically it was like a freebie month while we determined whether we were going to cover it for you," she said.

Moreland, who said she has struggled to lose weight, has since submitted documentation showing she is prediabetic, resistant to insulin and has a family history of diabetes. Her pharmacy notified her that her employer's insurance company wouldn't cover the drug. It makes her feel she needs to get Type 2 diabetes before she has any shot at the treatment, she said.

"I know that right now, it's really popular and that people who don't need a medication to lose weight are being prescribed that medication. But for me, it's a need," she said. "It's a health issue."



Source: International Foundation of Employee Benefit Plans

Watch a Video

Scan this code to watch a video on the new weight-loss drugs like Ozempic.

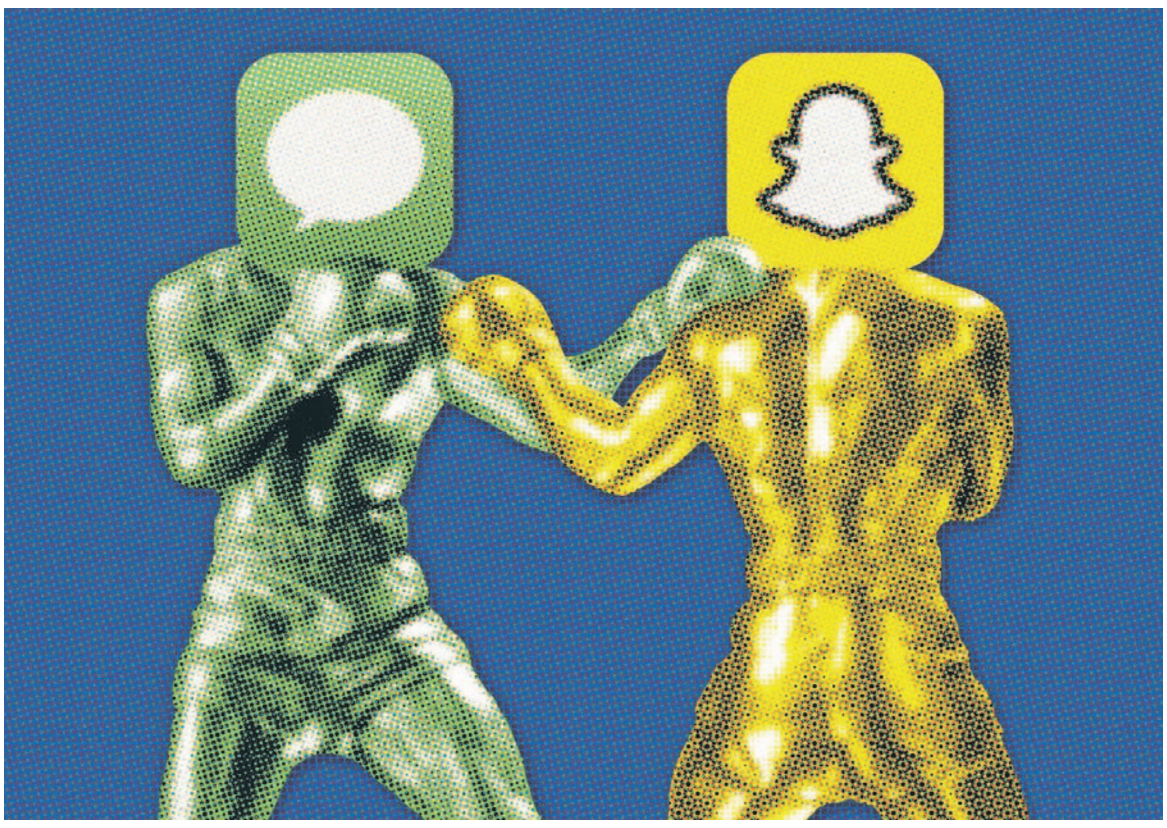


PHOTO ILLUSTRATION BY RACHEL MENDELSON/THE WALL STREET JOURNAL; ISTOCK

iMessage vs. Snapchat: A Battle for Gen Z's Texts

Teens use one service for family interactions, the other for their friends

BY DALVIN BROWN

For many growing up on social media, texting and Snapchat are synonymous.

Like most Americans her age, 22-year-old college senior Zoe Carlow owns an iPhone. But she said she uses Apple's Messages app only for urgent situations. If she's planning hangouts or vacations, sharing photos and just catching up, she's on Snapchat.

She started using it in middle school. When she began dating in high school, she customarily gave dates her Snapchat username rather than her phone number.

Carlow boasts a six-year "Snapstreak" badge, showing how many consecutive days she and a friend have exchanged images on the app. "It's the first thing I do when I wake up, and before bed," she said about opening Snapchat. "It has become a routine."

Apple's Messages—the app powered by the company's iMessage platform—is the most-used communication app for teens in the U.S., according to consumer data-analytics company Measure Protocol. The app comes preinstalled on iPhones and has contributed to the popularity of Apple's devices among teens. But they mainly use it for contacting family members.

Snapchat is No. 2, used by nearly three-fourths of people ages 16 to 24, according to Measure Protocol. And for interaction among their peers, they tend to prefer it. Snap said its hallmark app had more than 750 million monthly active users worldwide in April, up from 600 million a year ago.

Despite its popularity with a young, advertiser-coveted demographic, Snap has struggled to find a model that capitalizes on it. The company's revenue, hurt by cutbacks in online ad sales and Apple's iOS privacy restrictions, dropped 7% in the first quarter.

At its peak in September 2021, Snap's market cap was $113 billion. It's now valued at $15 billion.

Disappearing messages

The real question is what happens now as Snap's users start to reach their 30s. Will they stick with each other on the platform or migrate to Apple's Messages, where their parents and co-workers are?

"For this generation, it's probably Snap 90% of the time, text message 10% of the time," said Nabila Popal, research director at IDC Worldwide, a market-intelligence firm. "I've got three kids, and a ton of nieces and nephews. If I make a family group chat using iMessage, they won't respond."

Snapchat lets a generation heavily exposed to the virality of social media connect more intimately in private. When the app launched in 2011, its controversial innovation was that, by default, messages disappeared. Teens feel more relaxed knowing that these messages won't stick around forever, analysts say.

And because people hear only from approved friends, there's no outright spam. "There's still a lot of junk that flows into your text messages," Popal said.

The socially geared app also makes it easy to find people you might know and shows how many friends you have in common with other users.

"My friends and I don't all have each other's numbers," said Jada Hunt, an 18-year-old high-school senior in Clarksville, Tenn. "But if you look somebody's name up, you can usually tell if it's them."

100 closest friends

When planning events on Snapchat, group messages can include up to 100 people. (Apple Messages caps groups at 32.) And the prized Snap Map lets users broadcast their location to all their friends. On Apple's Find My app, users must give each person permission.

Kids who grew up with their parents plastering their childhood photos all over Facebook and Instagram might prefer the more private Snapchat, said Kate Muhl, a consumer-behavior analyst at research firm Gartner. She also said people tend to keep apps that took off early in their social lives. Snapchat is on iOS and Android.

> Teens feel more relaxed knowing that these messages won't stick around forever.

And unlike with Apple Messages, the interaction is seamless across the two platforms. But chances are that any young Snapchat user in the U.S. has an iPhone.

The company's smartphones are used by 88% of 18- to 24-year-olds in the U.S., according to IDC. And data from Measure Protocol shows Apple's native apps are often ten top competitors in their respective categories.

When using the Messages app, they prefer the blue chat bubbles to green ones, which indicate someone in the group has an Android phone and not all app features will work. That can include animations and stickers but also mobile payments and even games.

Teens have a strong predilection for the Cash App payment app and streaming-music apps with a free tier, including Spotify and Musi, but they also use the iPhone-integrated Apple versions of both, according to Measure Protocol.

Apple declined to comment on its strategies to attract and retain young customers.

Brand loyalty

"Teens are the most important users because if you can get them to use your service, adopt and embrace it, that'll pay off down the road as they start working and making money," said Scott Kessler, a telecommunications analyst at investment-research company Third Bridge.

And Snap executives say Snapchat's popularity among teens can draw other family members in. "As we activate more pockets of people communicating with each other, they tend to pull in the people closest to them," said Jack Brody, vice president of product at Snap.

He said the Snapchat audience has aged over time, and now half of users are over 25.

A large, active audience doesn't mean the business will see the success it did during the pandemic. Users were stuck at home on their devices, and brands spent more on digital ads. Three million people have signed up for the app's relatively new $3.99-a-month subscription service, Snapchat+, which gives users more social and customization features.

But analysts say those disappearing photos and videos cause complications for targeted ads, which are relegated to less personal sections of the app.

And competing apps, including the real-time photo-sharing app BeReal and the male-skewing, gaming-centered Discord, are picking up steam among teens, analysts say.

Brain Study Sheds Light on Chronic Pain

BY NIDHI SUBBARAMAN

Electrodes embedded in the brains of four people have captured a detailed and precise portrait of chronic pain.

The new work, published Monday in Nature Neuroscience, points to brain regions that could be targets for future treatments, neuroscientists say, while adding to our understanding of why some people develop persistent, unyielding chronic pain.

Scientists surgically implanted electrodes in the brains of four study participants who had struggled with mysterious searing pain in parts of their body for years. The researchers collected data for months, and used machine-learning models to sift through the data, ultimately pinpointing electric signals in the brain that corresponded to moments of high and low chronic pain in their study participants.

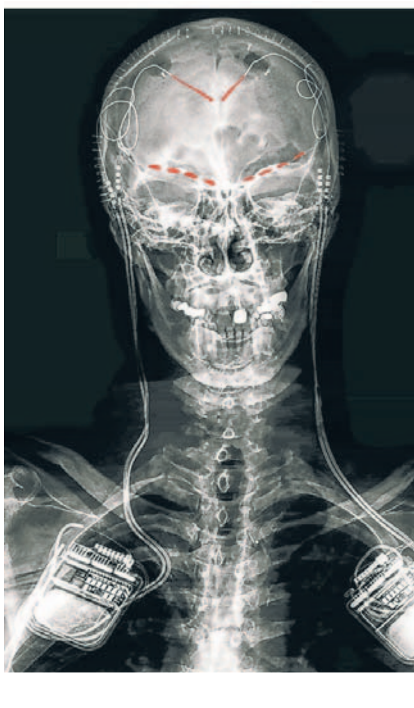
The findings are a rare view of brain activity linked to chronic pain, a puzzling condition that afflicts millions of Americans.

The team found that a section of the brain just behind the forehead lighted up with a low hum of electrical activity when the study participants were feeling chronic pain. But when participants touched a hot probe, another region of the brain was active, indicating that fleeting pain from an injury operates differently from chronic pain.

"Chronic pain is actually its own separate disease that is not simply an extension of pain in general," said study author Dr. Prasad Shirvalkar, a pain physician and neurologist at University of California San Francisco Medical Center.

The study is a step toward an objective, universal measure of pain in a patient, Shirvalkar said, to augment the current method available to doctors: asking patients to rank their discomfort on a scale.

A fifth of U.S. adults experience chronic pain, according to the Centers for Disease Control and Prevention, defined as pain felt most days or more for the past three months. These could be migraines or back pain, pains linked to cancer or arthritis, or a lingering ache from an injury that has long healed. For about 19 million people, intense chronic pain restricts the ability to work or disrupts daily life.



PRASAD SHIRVALKAR

X-ray of a participant shows implanted electrodes, in red, connected to implants for recording brain activity.

Between 2019 and 2020, there were more new cases of chronic pain than other chronic conditions, a study published this month in JAMA Network Open found.

There are no effective cures for chronic pain, in part because its biology is poorly understood. "Most treatments don't work for most people most of the time," said Tor Wager, a neuroscientist and psychologist at Dartmouth College who wasn't involved with the work.

Arthritis or inflammation is responsible for the dull aching of some chronic pain. Misfiring neurons in the brain or nervous system are thought to drive the stabbing and burning of another type of chronic pain, including the phantom-limb pain and post-stroke pain that study participants experienced.

The orbitofrontal cortex, in which the study captured signals during periods of intense chronic pain, is among the regions that are most altered by cognitive behavioral therapy, Wager said. The new data makes the case for further developing psychological and behavioral approaches for chronic pain.

Deep-brain stimulation, in which electrodes deliver electric current to precise targets in the brain, has shown some promise as a treatment for Parkinson's and depression. The method is also being explored as a chronic-pain therapy, and the study suggests brain regions at which a current could be aimed, said Flavio Frohlich, a neuroscientist who studies brain stimulation at the University of North Carolina School of Medicine and wasn't involved with the study.

"Out of that beautiful symphony of rhythmic electrical activity patterns, we need to be honing in on that one player in the orchestra that has not tuned their instrument," said Frohlich. "This paper really provides some fundamental insights of where in the orchestra to look and what specific notes aren't played properly."

MUSIC REVIEW | MARK RICHARDSON

A Suite of Divine Songs

Paul Simon has been putting out records for over 65 years, ever since he and his high-school friend Art Garfunkel, besotted with the buoyant harmonies of the Everly Brothers, issued the single "Hey, Schoolgirl" under the name Tom & Jerry in 1957. Whether working with his friend or solo later in his career Mr. Simon was a commercial force throughout the '60s and '70s, writing songs that became standards and regularly landing singles in the Top 10. Starting with his 1986 album "Graceland" and continuing through 1990's "The Rhythm of the Saints," he became known as a restless tinkerer who fused global sounds with Western songwriting forms.

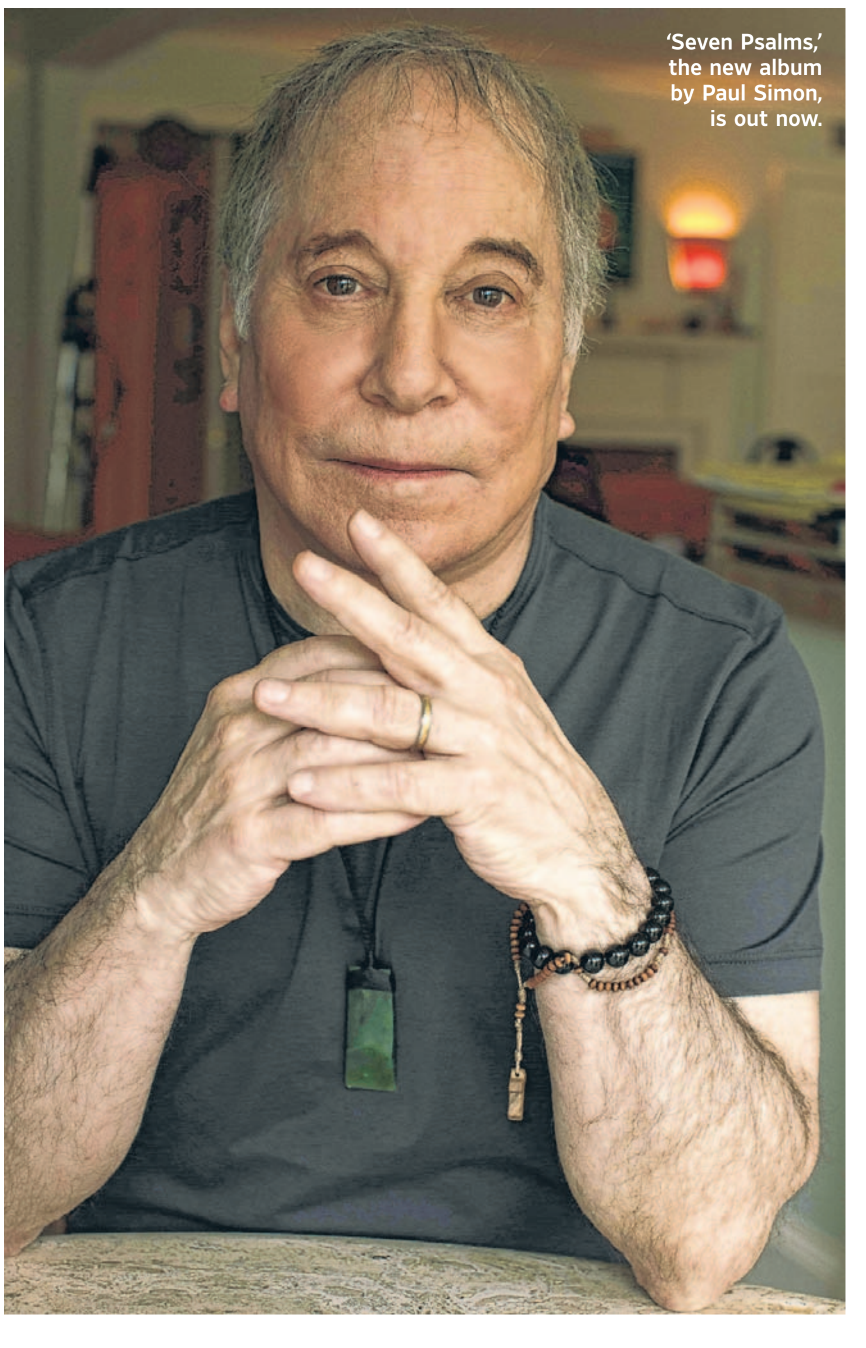
After that, while his hit singles were by then mostly behind him, his albums still sold well, and Mr. Simon, always aware of his position in the pop firmament, was still a competitor prone to experimentation. His 2006 album, "Surprise," with contributions from British producer Brian Eno, incorporated modern electronics and sequenced rhythms, and 2016's "Stranger to Stranger," which reunited him with Simon & Garfunkel producer Roy Halee, incorporated exotic instrumentation invented by avant-garde composer Harry Partch. But these records, despite the varied textures, were tethered to pop form, and were rich with the indelible melodies that Mr. Simon has become known for. On the singer-songwriter's striking new album, "Seven Psalms" (Owl/Legacy), out now, he's left the pop world behind completely.

Paul Simon reflects on life, death and what comes after on an expressive, elliptical new record.

This is Mr. Simon's 15th studio album. He's always worked slowly and methodically—his peer Bob Dylan, also born in 1941, released his 15th album in 1975—and he said that the basic idea for this LP came to him in a dream in early 2019, when he heard a voice saying that he needed to make a record with this title. The result is a song cycle about life, death and what comes after, a suite comprising seven parts stitched together to flow as one 33-minute piece (on streaming services and CD, it constitutes one long track).

Like so much of Mr. Simon's work, "Seven Psalms" is steeped in religious imagery and has characters who take comfort in God, but Mr. Simon's own perspective on the divine remains ambiguous. On the opening number, he sings from the perspective of a believer who offers a litany of metaphors for how his religion steers him. "The Lord is my engineer," he sings over a descending chord progression that will appear repeatedly over the course of the album. But there's more to this deity than just hope and guidance—"The Covid virus is the Lord / The Lord is the ocean rising," Mr. Simon offers toward the section's conclusion.

At times, it appears Mr. Simon, this late in life, wants nothing more than to believe, to be assured that the universe has order and that heaven awaits, but then he can't quite get there. This tension between meaning and the void runs through "Seven Psalms" and animates it, lending the record a sense of urgency. It's as if Mr. Simon—seemingly healthy but in his 80s, after all—sensed that the end is coming and he needed to get his thoughts down. On "Love Is Like a Braid," a spare song with an unsteady rhythm that expands and contracts like inhaled and exhaled breaths, Mr. Simon is alternately grave and wistful. "I lived a life of pleasant sorrows / Until the real deal came," he sings ominously, as bits of synthesizer bleed into the empty space.



'Seven Psalms,' the new album by Paul Simon, is out now.

MYRNA SUAREZ

Much of the record is just Mr. Simon's voice—sounding a little wearier and less supple than we last heard from him, though no less expressive—and his acoustic guitar and vocal melodies are unusually winding and elliptical. While Mr. Simon is one of the great tunesmiths in pop history, it takes a few listens to connect fully to the structures here. He's not singing verses, bridges and choruses—instead, his melodies seems to be based on his rangy guitar work.

At times, as the pieces move from drone sections to sprightly fingerpicking, his playing recalls the wide-ranging folk style of steel-string master John Fahey, who was also prone to multipart, sidelong compositions. But Mr. Simon returns to identifiable genres here and there. "My Professional Opinion," a song about the limitations of human knowledge, touches on blues and gospel, and its last section returns to the chord progression and "The Lord is my engineer" refrain from the opening track.

Memorable lines that touch on death and regret are sprinkled throughout. "And I, the last in the line / Hoping the gates won't be closed / Before your forgiveness" is an especially moving passage in the part titled "Your Forgiveness." Conventional songwriting imagery that in another context would seem clichéd—rivers flow endlessly, roads are to be walked alone—here sounds revelatory.

"The Sacred Harp" is a kind of fable about picking up two hitchhikers, a mother and son, who were cast out of their hometown and now wander the world. It's one of a couple of sections on the LP where it's hard not to think about Mr. Simon's earliest music—the travelogues "America" or "Cloudy" from his days with Mr. Garfunkel, say—and that he's come full circle, seeing rootlessness from another perspective. On this song and on the closing "Wait," his wife, singer Edie Brickell, joins him in a duet, and her presence underscores another of the record's themes. Mr. Simon realizes that he's not ready to leave life behind, that "My hand's steady / My mind is still clear" even if the universe might have other plans, and as Ms. Brickell sings "Heaven is beautiful / It's almost like home," the album's persistent harmonic tension is finally resolved. There's a suggestion that for all the talk about cosmic spiritual matters, love may be the only way through, and is perhaps all that counts in the end.

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

ARTS CALENDAR

HAPPENINGS FOR THE WEEK OF MAY 23

By WSJ Arts in Review Staff

The Wall Street Journal's Arts Calendar is a regular series of listings highlighting some of the most important and engaging cultural events each week, curated by the editors of the Arts in Review section.

Film

"You Hurt My Feelings"
(May 26)

Co-dependency. Marital hang-ups. Betrayal. All in a day's work for a therapist. But when the doc in question is one half of the struggling couple things are less by-the-DSM-book. This dramedy from Nicole Holofcener ("Enough Said") stars Julia Louis-Dreyfus, Tobias Menzies, Michaela Watkins and Arian Moayed.

"The Little Mermaid"
(May 26)

Things might be better down where it's wetter, but what about where they're real-er? With a load of stars (Daveed Diggs, Awkwafina, Javier Bardem, Melissa McCarthy), Disney's latest live-action remake—much discussed online—will find out when it dives into theaters.

THE METROPOLITAN MUSEUM OF ART

Vincent van Gogh's 'Wheat Field With Cypresses' (June 1889)

TV

"Clone High" *(Max, May 23)*

HBO Max—or just Max, as of Tuesday—revives the cult animated comedy about a high school for high-profile clones including it-girl Cleopatra, jock JFK, angsty Joan (d'Arc), and awkward Abe, who probably needs to gain a little confidence before he debates anyone, let alone Stephen Douglas.

"American Born Chinese"
(Disney+, May 24)

High school is hard: classes, crushes, combat with mythological Chinese gods. Based on Gene Luen Yang's graphic novel and with Michelle Yeoh in a starring role, Disney's new series follows a teen who befriends a very special exchange student and has his academic year upended.

"Platonic"
(Apple TV+, May 24)

Friends have fun. Friends drift apart. Friends reconnect. Friends have their relationship begin to consume every aspect of their lives. Seth Rogen and Rose Byrne star as the spiraling platonic pair in the show from Nicholas Stoller ("Forgetting Sarah Marshall") and Francesca Delbanco ("Friends From College").

Theater

"Mughal-e-Azam" *(Various Locations, begins May 26)*

This stage adaptation of K. Asif's classic Indian film tells a timeless love story through dance and music and kicks off a 13-city tour with its North American premiere in Atlanta before traveling to New York, Chicago, Toronto and other locales.

Music

Arlo Parks, "My Soft Machine" *(May 26)*

Mixing indie, folk and R&B, the British singer-songwriter is back with her sophomore effort, a 12-track LP focused on the ups and downs of life in your 20s.

Exhibitions

"Alexis Rockman: Oceanus" *(Mystic Seaport Museum, Mystic, Conn., opens May 27)*

Ten large-scale watercolors and a massive panoramic painting commissioned by this underknown institution anchor a museum-wide project aimed at educating visitors about invasive species. The staggering centerpiece of the show, from which it draws its name, tells the story of the ocean from ecological, political and historical perspectives.

Art

"Van Gogh's Cypresses"
(The Met Fifth Avenue, New York, through Aug. 27)

Van Gogh returned to certain flora over and over again, making him synonymous with sunflowers and irises. So it's surprising that this is the first exhibition to focus on his trees, which are just as identifiable with the famed Dutchman. "Starry Night" has made the trip across town from MoMA to join some 40 of his other works, tracing his enduring interest in these majestic plants.

Other

Spoleto Festival USA
(Various Locations, Charleston, S.C., May 26-June 11)

The crown jewel of the lowcountry buzzes even more than usual during this annual 17-day performing arts festival. Highlights this year include the U.S. premieres of Philip Glass's Symphony No. 14 and "The Book of Life," a theatrical production based on letters from survivors and perpetrators of the Rwandan genocide; a staging of Samuel Barber's "Vanessa" (for which Spoleto founder Gian Carlo Menotti wrote the libretto); and a variety of dance and jazz programs.

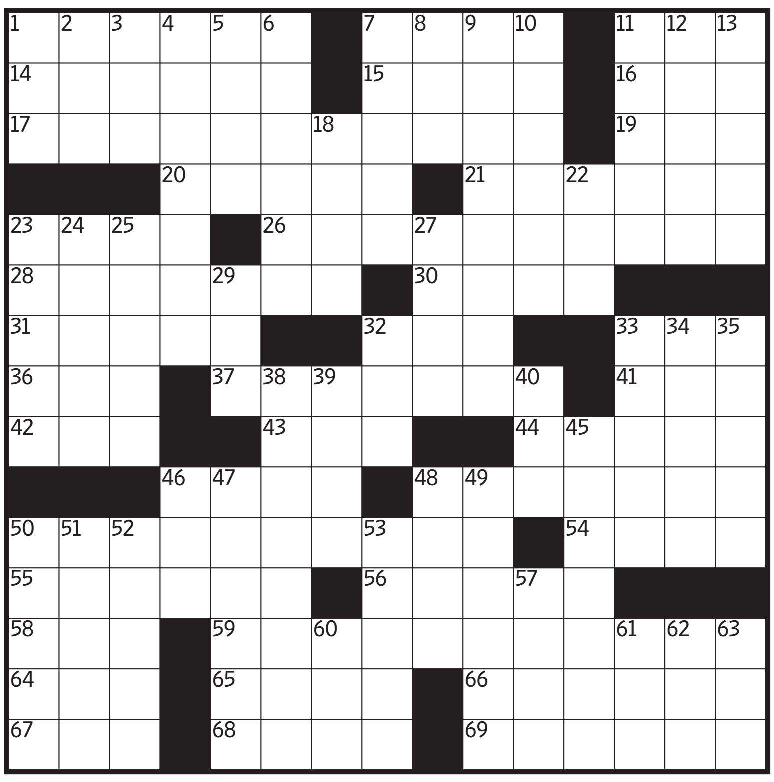
Last Call

"shadow/land" *(Public Theater, New York, closes May 28)*

A mother and her adult daughter ride out Hurricane Katrina in a New Orleans bar in this powerfully affecting drama by Erika Dickerson-Despenza.

For additional Arts Calendar listings visit wsj.com. Write to brian.kelly@wsj.com.

The WSJ Daily Crossword | Edited by Mike Shenk



LINE 'EM UP | By Stella Zawistowski

Across

1 Set up a tent, perhaps
7 Cool kid's antithesis
11 Make a pick
14 Wood-protecting spray
15 Nabisco creation of 1912
16 Gaping mouth
17 Assembly line?
19 In the style of
20 "Brush Your Teeth" singer
21 2013 bestseller subtitled "Women, Work, and the Will to Lead"
23 Hand or foot, but not wrist or ankle
26 Hot line?
28 Frank quality
30 Tracy's mom, in "Hairspray"
31 Language spoken by 600 million
32 Swim-bike-run race, for short
33 Unruly mass
36 Take advantage of
37 Beyond old
41 Mendes of movies
42 2013 film that won a screenplay Oscar
43 Physicist Georg
44 Gave a leg up
46 "I feel exactly that way!"
48 Pulling down
50 Finish line?
54 Relaxation
55 Most valuable to collectors, maybe
56 Extra, e.g.
58 Melber of MSNBC
59 Straight line?
64 Canine treater's deg.
65 Sum of deux plus cinq
66 "Cut that out!"
67 Survey
68 Handy item for those who wait
69 Labour foes

Down

1 Key for getting out
2 "The Matrix" protagonist
3 TikTok star's device, informally
4 Put on watch
5 Puzzle within a puzzle
6 Market gain
7 Nobel-winning novelist Lessing
8 Chi-town airport code
9 Successfully enticed, as customers
10 Language spoken by 80 million
11 Muscat native
12 Michael of Monty Python
13 Feature of banjo music
18 "To the best ___ knowledge..."
22 Words with premium or minimum
23 Casual agreement
24 Meaningless data, in statistics
25 Private
27 Aren't anymore, maybe
29 She was featured on Flo Rida's "Wild Ones"
32 Cook of Apple
33 Paint and pastels, e.g.
34 Pizzeria fixtures
35 Girl Scout collectible
38 "It isn't a big deal"
39 Dog treat
40 Roadwork goo
45 Mistakenly
46 Sault ___ Marie
47 Statistic for a point guard
48 A pop
49 One way to get coll. credit
50 Commerce
51 Unfazed by tough conditions
52 Stand
53 In poor condition
57 Quattro doubled
60 Place for pampering
61 News agcy. since 1958
62 Draw
63 Abbr. in elevated addresses

Previous Puzzle's Solution

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

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

SPORTS

JASON GAY

Golf Needed a Moment Like This

Club pro Michael Block didn't win the PGA Championship but it was a performance of a lifetime

Club pro Michael Block finished tied for 15th in the PGA Championship. It was good enough for a $288,333 payout and an entry into next year's tournament.

ANDREW REDINGTON/GETTY IMAGES

Golf has spent the better part of a year locked in an exasperating, out-of-touch bicker over what it needs: a fancy new tour, competing events, better promotion, swankier perks, richer guarantees, bigger paychecks...

Turns out what golf needs is Michael Block.

I'm a Blockhead for life, and I know I'm not alone. You can have all of the PGA and LIV superstars with their flawless swings and private jet lifestyles.

I'll take the low-key 46-year-old father of two teenagers who—at least as of last week—was giving 45-minute lessons at the Arroyo Trabuco public course in Mission Viejo, Calif., for $150.

"As normal as it gets," he called himself.

That's Block, who captivated the PGA Championship this past weekend in Rochester, N.Y., entering Sunday in the top 10 with the entire sports world talking. He finished the tournament a career-best 15th, good enough for a $288,333 payout, plus a sponsor's invite to this week's Charles Schwab Challenge at Colonial, and an automatic entry into next year's PGA Championship.

To top off the fairy tale, Block sank an astonishing hole-in-one—ker-plunk, beer pong style—on the par-3 15th Sunday while playing with a delighted Rory McIlroy, who knew it was an ace before Block did.

Brooks Koepka won the PGA Championship, we should point out, and he reminded Block that, per hole-in-one tradition, the drinks were on Block.

But it was Block, a hardly-overnight sensation from St. Louis and college golfer at Mississippi State and the University of Missouri-St Louis—who stole one of golf's signature weekends.

"A dream," Block said. "I didn't know it was going to happen, but I knew if I just played my darned game right, I could do this. I always knew it."

You can almost hear the cheers—and probably a few tears—from every club pro in the country. Block, who had put his playing career on hold for years, cried a bit when the tournament was over, too.

"If you love golf, you know," he said. "I cry about golf."

Fans went crazy all weekend. It was a useful reminder that the soul of this seductive but heart-stomping game isn't found in the rare air atop the major tournament leaderboards—but around the 19th holes and fire pits of everyday tracks with everyday hackers.

People who take lessons from teachers like Michael Block.

After all, to watch professional golf is to be reminded that it is largely played by extraterrestrials who do magical things with clubs that few of us could re-create. But the sport is supported by people who go out there on weekends and summer weeknights and try to hit just one shot that feels good.

That's the world Block is from. Sunday night at Arroyo Trabuco, they sounded stunned.

"It's been chaos here," said Roman Aragon, 26, who picked up the phone late Sunday afternoon in the pro shop. "What transpired over the past week...you couldn't have written a better script."

Block remains a constant presence at the club, once starring in a goofy commercial promoting the course and its restaurant, O'Neill's.

It turned out he was Aragon's teacher when he began to take the sport seriously at age 10.

"He built me to the point I am now," Aragon said, before pausing briefly to collect himself.

This is pro golf's great edge: It is a sport where the audience is largely participatory. Most of us have long since stopped playing organized sports like baseball or basketball. Send me the name of your physician if you're somehow still playing tackle football.

But golf? Most of us can still play golf. Or at least something resembling golf, with our bad habits, epic delusions, peculiar swings, and buckets of lost balls. Some are lucky to play at dreamy places like Oak Hill, the site of this year's PGA. But a lot more play on humbler tracks where the vibe is casual and the cherished feature is a noisy old beer cart.

This is a blessing. And it's something that's getting lost in this protracted PGA Tour versus LIV dispute.

Everyday golf fans don't really care about revenue sharing, astronomical guarantees and making sure the world's best feel indulged like the world's best. This was a business shake-up that was probably overdue, and the fallout is important, but a lot of the time, it sounds like a Gulfstream race between millionaires and billionaires.

It's something professional golf needs to keep in mind. It's something those golf-chronicling Netflix producers should keep in mind, too. We want to see the best from the best in the world, absolutely.

But we also want to see the Michael Blocks. If you love golf, you know.

By Andrew Beaton And Joshua Robinson

The New NFL Schedule Proposal That Risks Fan Backlash

Fans greet Kansas City quarterback Patrick Mahomes after a Chiefs game in Las Vegas against the Raiders.

GARY A. VASQUEZ/USA TODAY SPORTS

The NFL's matchups on Thursday night football are frequently criticized by fans for their lack of quality. The league has now approved a remedy for that—and it comes with the potential for a different type of fan backlash.

At league meetings this week, owners voted through a proposal that allows games later in the season to be moved from Sunday to Thursday. The idea is to nix unappealing matchups in a primetime slot and replace them with something tastier with higher stakes.

But in its quest to satisfy the millions who watch these games, the NFL also risks upsetting the tens of thousands of people who had bought a ticket (and possibly flights and hotel rooms) to attend a game on a certain date—only to have it moved by several days on short notice. It's a lesson football can learn from *fútbol.*

Fans of European soccer have been aware of this problem for decades, ever since subscription-based TV channels became the sport's lifeblood. In Spain, for instance, years of flexing games into slots as late as 10 p.m. badly damaged the culture of fans traveling to road games.

The English Premier League typically announces which games are moved out of the traditional Saturday 3 p.m. slot around seven weeks ahead of time. But the notice period rarely helps away fans who rely on the neurotic British rail network. Should a fixture shift from a Saturday afternoon to, say, a Sunday evening, trains can be nonexistent for anyone hoping to go home after a late final whistle.

Supporters of Manchester United and Manchester City were set to run into this issue again on June 3 after the F.A. Cup final at London's Wembley Stadium. The original kickoff time at 5:30 p.m. on a Saturday would have likely left anyone who made the two-hour train journey from Manchester stranded in London for the night. Only after talks with broadcasters and the Metropolitan Police did the national soccer federation agree to shift kickoff to 3 p.m.

NFL fans are less reliant on the whims of train schedules, but that doesn't mean flexing games to different days won't upend their plans. In fact, it could be even more cumbersome than the rail-based woes across the pond.

While Europeans have the luxury of relatively short journeys between cities, NFL teams are spread from coast to coast and face much more significant travel. It isn't unusual for NFL fans to book flights and hotel rooms to go see their favorite team play. That means they could shell out significant sums of money—only for the league to move its date by several days.

Since 2006, the NFL has featured flex scheduling on Sundays late in the season, but that simply moves games in and out of the prime-time slot on the same day. Earlier this year, the league also approved flexing to move games into the marquee Monday night tilt and even that one-day switch raised eyebrows.

The possibility of even more dramatic movement, from Sunday to Thursday, is assuredly unpopular among players, who have never been thrilled with playing in midweek. When the league approved a proposal in March that would allow teams to play two short-week games a year—on a Sunday then Thursday—the now retired defensive end J.J. Watt laid the criticism heading the NFL's way. He wrote on Twitter that it was a "terrible idea" for two reasons. The first was player safety, as players say the quick turnaround increases the strain on their bodies. The second was fans.

"People spending hard earned money to see their team play," Watt wrote. "Who's paying to change their plans?"

At the March meetings, NFL commissioner Roger Goodell disagreed with the notion that the league was putting Amazon, which streams the Thursday night games, over players' interests, saying the data doesn't show a higher rate of injuries in those games.

Owners approved a plan that allows games to be moved from Sunday to Thursday.

Goodell also pushed back against the idea that flexing games to Thursday would be anti-fan.

"Listen, there isn't anybody in that room, anybody in any of our organizations who don't put our fans first. That's really important," Goodell said in March. "Obviously, providing the best matchups for our fans is part of what we do. That's part of what I think our scheduling has always focused on and flex has been a part of that."

The new policy will only be implemented on a trial basis for the 2023 season to start, and requires at least 28 days advance notice for a game to be moved. No more than two games this year will be flexed into Thursday.

The proposal passed despite public opposition from some owners. Back in March, Giants owner John Mara had already made his position clear. The idea, he said, was "abusive" to fans.

OPINION

Who's Extreme on Abortion?

MAIN STREET
By William McGurn

In the months since the Supreme Court returned abortion to the democratic process, politics has broken out across America. That was as the Supreme Court expected. Most interesting is the clash over the issue between the two Floridians who are the leading contenders to head the 2024 Republican ticket—former Donald Trump and Gov. Ron DeSantis.

Mr. Trump, who likes to tout himself as "the most pro-life president in American history," recently attacked Mr. DeSantis for signing a heartbeat bill that bans abortion in Florida after six weeks (with exceptions for rape, incest, etc.). Mr. Trump claimed that "many people within the pro-life movement feel that that was too harsh," though he neither named those alleged pro-lifers nor spelled out his preferred alternative.

The governor fired back. "The legislature put it in, I signed the bill, I was proud to do it. He [Trump] won't answer whether he would sign it or not."

It's not Mr. Trump's first go-round with pro-lifers. Last month he was rebuked by Susan B. Anthony Pro-Life America for taking the line that abortion is solely a state issue. Before that, he blamed pro-lifers for the GOP's disappointing results in November's midterms—in answer to those who said it was his fault for backing candidates who could win Republican primaries but not general elections.

But as a candidate for the 2024 Republican nomination, Mr. Trump goes into the race with two signal pro-life achievements. The first is that the three justices he appointed to the Supreme Court provided the majority in the landmark *Dobbs v. Jackson Women's Health Organization* decision, which found no constitutional right to abortion.

The second came in the final presidential debate of 2016. When asked how far she'd take abortion rights, Hillary Clinton defended her vote against a ban on partial-birth abortion by arguing that the government should have no say on the "most personal" of decisions. When asked to respond, Mr. Trump violated every liberal convention about how abortion should be discussed in polite society.

"Well, I think it's terrible," he said. "If you go with what Hillary is saying, in the ninth month, you can take the baby and rip the baby out of the womb of the mother just prior to the birth of the baby." In so speaking, Mr. Trump turned the tables on Mrs. Clinton, making the case that she was way out of sync with the American people.

For 2024, it's no secret that Democrats plan to use abortion to paint Republicans as extremists. According to the New York Times, the Democratic Party commissioned several surveys post-*Dobbs* in search of the best messaging on the issue. It found the answer: avoid all details, and characterize Republicans as supporting a national ban.

"Debating weeks is not where we want to be," Celinda Lake, a Democratic pollster who conducted some of these surveys, told the Times. "People are terrible at math and terrible at biology."

Republicans need to make the point that Democrats favor no restrictions whatever.

The Trump-DeSantis spat over abortion must be viewed in this light. If Mr. Trump wins the nomination partly by maintaining that Mr. DeSantis is too extreme on abortion, pro-lifers may not be as keen to come out for him—especially with *Roe v. Wade* now overturned. Whatever restrictions Mr. Trump does ends up supporting, moreover, will also be attacked as extreme by Joe Biden's campaign.

If, by contrast, Mr. DeSantis wins the nomination, Mr. Trump just handed the Biden campaign an attack ad: "Even Donald Trump agrees that Ron DeSantis is too extreme on abortion."

Now, Mr. DeSantis wouldn't have signed the law unless he believed he could defend it publicly. That doesn't mean he will advocate making it national. He is likelier to say: I am a pro-lifer who believes we should be ambitious, but a 12-week ban is where the American people are.

That would help put the focus on Democrat extremism. Democrats argue that the Republican targeting of late-term abortions is misleading, because only 1% of abortions occur in the third trimester.

So why not flip the script and ask Mr. Biden why he can't agree to a restriction that leaves 99% of abortions untouched? The answer is because no Democratic Party leader can name any abortion he would restrict.

There are other things pro-lifers can do. A friend of mine with a child who has Down syndrome suggests a pro-life ad featuring families like his and asking why their children's lives should be treated as having no worth. It's an uncomfortable question to ask—and impossible to imagine the press ever asking it of Joe Biden—but putting it out there would be clarifying.

For the moment, the clash between Mr. DeSantis and Mr. Trump has been reduced to the precise number of weeks abortion should be allowed. But the Republican challenge in 2024 is much larger.

Constantly we are told—rightly—that Americans want to keep abortion legal but also support limits. Mr. Biden is not for any limits. For Republicans to prevail, they need to break through the protective media barrier and drive that home to the American people.

Write to mcgurn@wsj.com.

As G-7 Host, Japan Schools the World

GLOBAL VIEW
By Walter Russell Mead

The Group of Seven summit in Hiroshima, Japan, over the weekend was unusual. It mattered.

Most of these annual summits are vacuous affairs that are quickly forgotten. Their communiqués, endlessly negotiated by diplomats and advisers, rarely have much effect on national policy or world events. Their most important function, besides providing taxpayer subsidized photo-ops where politicians strut their stuff as "world leaders," is to let heads of government chat informally and size each other up.

The declining relevance of the group reflects important changes in the global pecking order. When Canada joined in 1976, member countries were responsible for 62% of global gross domestic product, according to the World Bank. Today, the combined G-7 share has fallen to 44%, and it continues to shrink.

In years past, Japan's turn at the rotating presidency of the G-7 would have ensured a smoothly run, utterly forgettable summit. Reflecting the risk-averse, inward-looking and stability-seeking nature of Japanese society, Tokyo has historically preferred quiet and harmonious gatherings to dramatic events.

But as world tensions have risen, Japan has woken to a new sense of urgency. Prime Minister Fumio Kishida was determined to use Japan's presidency of the club of rich democratic countries to drive home some important truths. He achieved his goal, and the success of the Hiroshima summit was both a personal triumph for Mr. Kishida and a milestone in the development of an allied response to the world crisis.

There were two points Mr. Kishida wanted to impress on his fellow leaders. The first is that the world faces a challenge from China and Russia that is both unified and urgent. This is a reality that Japan can't ignore. As hoteliers and security teams scrambled to prepare for the G-7 summit, one Chinese Surface Action Group circumnavigated Japan while another transited the Ryukyu chain of islands, including Okinawa—Japanese territory stretching toward Taiwan. China and Russia are neighbors of Japan. Japan has territorial disputes with both countries dating back to World War II. Russia and China have stepped up their naval cooperation in the Sea of Japan.

Most European leaders are less than enthusiastic about the Japanese approach. With conspicuous exceptions such as Britain and Lithuania, European countries have tried to avoid framing disputes with Russia and China as part of a single unified world crisis requiring a united and coordinated response. Germany wants to sell cars in China, and France wants to hawk luxury goods; both countries would like to insulate their commercial relations with China from geopolitical tension as far as possible.

Mr. Kishida's invitation to Volodymyr Zelensky to attend the G-7 summit was the latest step in an uncharacteristically high profile and dramatic Japanese campaign to demonstrate the importance of an integrated approach to the Sino-Russian challenge to the world order. A day after Xi Jinping visited Moscow last March to affirm his partnership with Vladimir Putin, Mr. Kishida flew to Kyiv in a surprise trip to underline Japan's solidarity with Ukraine. This month, Japan and the North Atlantic Treaty Organization said they would open liaison offices in Brussels and Tokyo to facilitate closer coordination.

The Indo-Pacific has replaced Europe as the central theater of global politics.

Whether by meeting cordially with Indian Prime Minister Narendra Modi or by snubbing Brazil's President Luiz Inácio Lula da Silva, Mr. Zelensky as usual made headlines in Hiroshima. That suited his hosts. Mr. Zelensky's high profile at a conference with an official agenda dominated by concerns about China underlined the connection between the Chinese and Russian challenges.

But Japan had another point to make. Mr. Zelensky was the only European head of government from a nonmember state invited to Hiroshima. The guest list from the Indo-Pacific was much longer. Vietnam, Australia, South Korea, India and (in its capacity as chair of the Pacific Islands Forum) the Cook Islands all got coveted invitations. (Brazil, scheduled to succeed India in the G20 presidency Dec. 1, and Comoros, current chair of the African Union, were also invited.)

The message couldn't be more pointed. While Japan cares about Ukraine and sees a deep connection between Russian action in Europe and Chinese moves in its neighborhood, the Indo-Pacific has replaced Europe as the central theater of global politics.

The country that comes closest to sharing Japan's worldview is another island nation, on the western rim of Eurasia. At a series of off-the-record meetings in London and Cambridge last week sponsored by the Reagan Institute in Washington and the Henry Jackson Society in the U.K., a procession of senior British officials and parliamentarians made similar arguments to a visiting bipartisan congressional delegation led by Mike Gallagher (R., Wis.).

"This is no time to go wobbly," Margaret Thatcher once said to George H.W. Bush. That appears to be the advice that both Japan and Britain are offering Americans today.

The 1967 Film That Foretold Daniel Penny

By Gregg Opelka

Opinions of what constitutes justice for Daniel Penny run the gamut. Mr. Penny, a former Marine, is charged with second-degree manslaughter for putting Jordan Neely in a chokehold in a New York subway car on May 1. Lennon Edwards, an attorney for the Neely family, asserted that the only "full cup of justice" would be a murder conviction. Mr. Penny's lawyers predict their client will be fully exonerated, arguing that he merely "stepped in to protect himself and his fellow New Yorkers."

A 56-year-old black-and-white film might shine a clarifying light. "The Incident" (1967) depicts the sheer terror inflicted on 14 riders on a late-night New York subway car by two thugs, played with frightening relish by Martin Sheen and Tony Musante.

After a 10-minute prologue in which the punks rob and severely wound an elderly man in an alley, the film turns more calmly to the subway riders. The next 40 minutes of the screenplay introduce, "Ship of Fools"-style, the various passengers (most of them couples) and their pedestrian and contentious relationships.

In 'The Incident,' two thugs torment subway riders until a young soldier intervenes.

The thugs are the last to board, at which point the film becomes an uninterrupted 50-minute nightmare of relentless psychological torment as they work their way through the car, taunting and threatening riders. When the train makes its occasional stops, the passengers aren't permitted to leave. The young perpetrators periodically flash knives to ensure compliance.

Because films nowadays are known for the brevity of their scenes, it is remarkable to see an extended 50-minute scene set in a confined space that not only retains but heightens the suspense. The similarity to the Penny-Neely case is even more compelling when you realize that—spoiler alert—it is an army private first class, played by a young Beau Bridges, who finally stands up to one of the thugs, incapacitating and possibly killing him.

Neely had a history of mental illness and arrests for violence. He served more than a year at Rikers Island for assaulting and seriously injuring a 67-year-old woman in November 2021. There was an outstanding warrant for his arrest at the time of his death.

The riders on the subway on May 1 didn't know that—much like the riders in "The Incident" didn't know about the innocent stranger the thugs had attacked before boarding the train. Neither group could fully comprehend the exact danger their tormenters presented at that moment. But the passengers in Neely's car certainly knew how dangerous the city has become and that—according to Mr. Penny, reported police sources and a reported witness—Neely was erratically threatening them. In assessing Mr. Penny's culpability, it is imperative to understand the psychological torment New York's subway riders are forced to endure.

Watch "The Incident" and you'll be scared out of your wits. More important, seeing the unfortunate Penny-Neely incident with fresh eyes, you'll have a better framework for understanding why Mr. Penny felt compelled to act. New York jurors probably won't have seen the film, but most will have ridden the subway.

Mr. Opelka is a musical-theater composer-lyricist.

BOOKSHELF | By Barbara Spindel

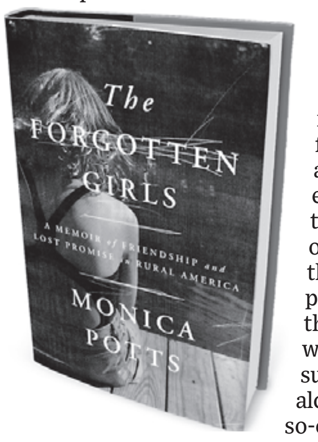
The Friend Who Was Left Behind

The Forgotten Girls

By Monica Potts
(Random House, 254 pages, $28)

When journalist Monica Potts came across research detailing a striking drop in life expectancy among the least-educated white Americans, she returned to her depressed rural hometown of Clinton, Ark., to investigate. She was especially interested in understanding the rise in midlife deaths among white women, but her focus promptly narrowed to one woman in particular: her childhood best friend, Darci Brawner.

In the years after high school, Ms. Potts had attended Bryn Mawr College, earned a master's degree in journalism from Columbia University, and established a successful career as a reporter. (She currently covers politics for the website FiveThirtyEight.) Ms. Brawner, on the other hand, had failed to complete high school and developed addictions to methamphetamines and methadone, cycling in and out of prison and rehab while her mother and stepfather raised her two children.



The question driving Ms. Potts's clear-eyed and tender debut, "The Forgotten Girls," is why, given that she and her friend were both smart and ambitious and hell-bent on escaping their blighted hometown, did one succeed and the other fail? The author hopes that determining how their paths diverged will illuminate the drop in life expectancy, which is widely attributed to suicide, drug overdoses and alcohol-related fatalities—the so-called "deaths of despair" identified by economists Anne Case and Angus Deaton after their 2015 study of rising mortality. While Ms. Brawner does not belong to that sad demographic—hers is rather a life of despair—Ms. Potts wonders whether her repeated attempts to turn her life around are "just delaying the inevitable."

Ms. Potts is well-positioned to explain her insular birthplace to outsiders. She retains strong ties to the community in the foothills of the Ozarks, and she didn't merely helicopter in to report the book: She left the Washington, D.C., suburbs to move back permanently in 2017. People there trust her and speak to her candidly. They include not only Ms. Brawner, but other friends from the '80s and '90s, along with their parents and former teachers.

As its subtitle, "A Memoir of Friendship and Lost Promise in Rural America," suggests, this book is as much the author's story as a piece of reportage. Ms. Potts reconstructs events with the help of her teenage journals (she's granted access to Ms. Brawner's as well), and she considers ways she might have failed her friend. "When I began my investigation into what was happening to women like Darci," she writes, "I didn't realize how personal and emotional this journey would become."

While "The Forgotten Girls" glancingly addresses larger forces like the disappearance of solid blue-collar jobs in Clinton and the desertion of the downtown business district, the narrative is rooted in the two women's experiences. Readers might feel that the solution to the riddle of why one girl grew up to succeed and one to fail is hiding in plain sight: Ms. Potts, though poor like Ms. Brawner, came from a relatively stable family that prioritized education.

Though the author hesitates to assign blame to Ms. Brawner's mother and stepfather, their parenting appears lax by any definition. Ms. Brawner's home had a den with its own entrance to the street, and she and her older brother turned it into, in the author's words, "a twenty-four-hour teenage clubhouse, complete with alcohol and, later, drugs." Meth, in fact, was more easily accessible than alcohol.

Why, given that the author and her friend were both smart, ambitious and hell-bent on escaping rural Arkansas, did one succeed and one fail?

In a town without much to do, and where smart kids were unlikely to be challenged by their schoolwork, Ms. Brawner began drinking and taking drugs in her early teens; she became sexually active at 14 and essentially had a live-in boyfriend by 16. Ms. Potts is critical of the town's dominant evangelical churches, which stressed trust in God's plan above all else. This, she argues, encouraged people to surrender control of their own lives. Ms. Brawner's mother seemed to be a mere spectator to her daughter's slow derailment. When Ms. Potts asks her how she handles problems, she replies, "Oh you know, I just give it up to God."

Ms. Potts's strict parents, on the other hand, subscribed to a thoroughly hands-on parenting ethic, working hard to keep their children on the right track. As the two friends began to grow apart, and Ms. Brawner continued to engage in risky behavior, Ms. Potts recalls thinking: "Why didn't she understand that leaving our hometown would demand the entire force of our beings, that she couldn't waste energy on things that didn't propel her outward?"

The author also acknowledges benefiting from a series of happy accidents. Receiving a brochure for a high-school summer program at Barnard College in New York City set her on the unusual path of attending college out of state. "I didn't find out that wealthy, private, elite schools often handed out enormous financial aid packages to low-income students until I applied to those schools and received them myself," she points out. Meanwhile, as if she were living in an earlier century, Ms. Brawner was under the impression that if she went to college, her only option would be to attend a nearby school, return to Clinton, and become a teacher. Ms. Potts talks to current students at her former high school and concludes, to her dismay, that a lack of information about the possibilities for adult life remains an obstacle for the next generation.

While people at home thought it was scary that she lived in New York and Washington, the author notes, "the worst things that had ever happened to me or to Darci had happened here, just a few miles from where we were born." Her book doesn't offer solutions to what she calls rural America's "cycle of despair," but one can imagine Ms. Potts staying in Arkansas, which she calls "a challenging, confounding, and beautiful muse," and making some small difference by spreading the word: There are scholarships to all kinds of colleges. There's a wide world to see. You can even go home again.

Ms. Spindel's book reviews appear in the Christian Science Monitor, the San Francisco Chronicle and elsewhere.

OPINION

REVIEW & OUTLOOK

Why Cancer Drugs Are Being Rationed

Politicians like to grouse about high drug prices. Well, now we're seeing what happens when drug prices are too low: Shortages of essential medicines, which are a portent of what's to come with the Inflation Reduction Act's price controls.

The government squeeze on generic profits is leading to shortages.

Drug shortages aren't new, but the number in short supply has grown as generic prices have fallen. The American Society of Health-System Pharmacists lists 301 drugs in short supply, up from 202 five years ago. These include many local anesthetics, basic hospital drugs, chemotherapy drugs and liquid albuterol for lung ailments.

The American Cancer Society warned this month that "first-line treatments for a number of cancers, including triple-negative breast cancer, ovarian cancer and leukemia often experienced by pediatric cancer patients," are facing shortages that "could lead to delays in treatment that could result in worse outcomes." Healthcare providers say they're having to limit access to some drugs to the sickest patients. They can substitute therapeutic alternatives when possible, but this increases risk of medication errors and inferior results. What's going on?

Headlines have focused on shortages of the ADHD drug Adderall and new weight-loss treatments, which owe to increased demand. But most drugs in short supply are older generics that are off-patent and complicated to make. Manufacturers have stopped producing them because profit margins are too thin, resulting in one or two suppliers.

Generic manufacturers typically operate at full capacity and often use one production line to produce multiple drugs. If a plant experiences a quality or cross-contamination problem, an entire production line must shut down, which can affect multiple drugs for months. Other generic manufacturers can't easily ramp up production.

Fewer branded drugs are in short supply because their manufacturers build more slack and resilience into supply chains. Higher profits give them more capital and a financial incentive to do so. And therein lies the underlying problem: Generic profits have shriveled owing to government efforts to reduce drug spending.

Progressives blame "group purchasing organizations," which negotiate drug discounts for healthcare providers. As these middle-men have consolidated, they've gained more leverage over manufacturers. But they've grown in large part because low Medicare and Medicaid reimbursement rates have increased pressure on providers to lower costs.

Mandatory Medicaid rebates have also squeezed generic drug margins. Medicaid is the top payer for many generic drugs. But low reimbursements by government health systems are a global problem, and manufacturers with plants in Europe cut production amid last year's energy price spike.

The Food and Drug Administration recently flagged problems at a major Indian plant and halted exports. Politicians criticize generic companies for shifting production to India and China to reduce costs, but the alternative for many would be to go out of business, as Illinois-based Akorn Pharmaceuticals did this winter.

The White House is mulling tax breaks for manufacturers to produce drugs domestically, an idea backed by some Republicans such as Florida Sen. Marco Rubio. But this won't alleviate the immediate drug shortages. And as we saw with baby formula last year, relying too heavily on domestic production can also cause shortages.

It would be impossible to "on-shore" entire supply chains, including production of raw chemicals, key starting materials, active pharmaceutical ingredients, as well as quality testing, formulation, and product packaging and labeling. Manufacturers already perform some finished production domestically, but the U.S. lacks skilled workers to do the rest.

The solution is for government to pay more for drugs, which politicians oppose because it will increase healthcare spending. Instead, they want to squeeze more money out of the pharmaceutical industry, which will exacerbate shortages.

The Inflation Reduction Act requires manufacturers of single-source generics and branded drugs to pay Medicare rebates if prices rise faster than inflation. This limits manufacturers' ability to pass on rising costs and invest in supply resilience and quality control. Medicare "negotiations"—i.e., price controls—will also shrink brand drug margins.

The unfortunate economic reality is that low drug prices have a cost, and one is that you can't get cancer treatment when you need it.

The NAACP Expels Florida From the Union

The NAACP is now an organization that's focused on the advancement of calumny politics, apparently. On Saturday the national group issued a "travel advisory" for Florida, warning potential nonwhite visitors to "be aware of the open hostility towards African Americans and people of color."

The group distorts the state's record to take a shot at Ron DeSantis.

The NAACP said the advisory was a response to the policies of Gov. Ron DeSantis, specifically his "aggressive attempts to erase Black history and to restrict diversity, equity, and inclusion programs in Florida schools." Mr. DeSantis's agenda is not off-limits for debate, but the people pushing this progressive narrative don't seem to have done even five minutes of research.

Florida's public schools are required by law to teach students about "the enslavement experience," "abolition," "the civil rights movement," and "the history and contributions of Americans of the African diaspora," the state Education Department explains. "Students shall develop an understanding of the ramifications of prejudice, racism, and stereotyping on individual freedoms." Mr. DeSantis signed a bill to add to the curriculum the 1920 Ocoee massacre, in which black Floridians were killed by a mob.

Recently Florida rejected the College Board's new AP class in African-American Studies, but it was full of nonhistorical topics, such as "Black Queer Studies" and "the case for reparations." These politicized topics were subsequently watered down. But when the College Board's faculty advisers complained, it privately promised them a chance to re-edit the course to make it "authentic" again.

Debates on what to teach in K-12 schools can get heated, but the NAACP's statement is absurd. "Florida public schools will not teach your children accurate African-American history, which includes a history of enslavement, segregation, racial injustice and systemic racism," the travel advisory claims. "The State of Florida does not welcome the contributions of African Americans and people of color."

Mr. DeSantis picked Dr. Joseph Ladapo, a Nigerian immigrant, as his Surgeon General, and Lt. Gov. Jeanette Nuñez is the first Hispanic woman in that job. On national aptitude tests in 2022, black eighth-graders in Florida scored 255 in math and 247 in reading, on average. That's better than the national figures (252 and 243), and it's better than the NAACP's headquarters of Maryland (250 and 244).

The NAACP advisory shows that, even in today's polarized environment, it's still possible to lower the bar. After all the huffing about political norms in recent years, it will be fascinating to see if anybody on the left calls this claptrap out for what it really is.

Tim Scott's Pitch for American Revival

Republican Tim Scott jumped into the 2024 presidential race on Monday, and the South Carolina Senator is betting Americans want more than today's grievance politics. Mr. Scott's message of "freedom and hope and opportunity" would be formidable in a general election if he can break through the GOP primaries.

"For those of you who wonder if it's possible for a broken kid in a broken home to rise beyond their circumstances, the answer is yes," Mr. Scott said Monday. His single mother worked 16-hour days while he was growing up, and a local Chick-fil-A franchisee took an interest in him. The 57-year-old Senator presented his mother and the wife of his mentor with flowers on stage. "I chose personal responsibility over resentment," he said.

Mr. Scott is connecting his story of upward mobility with an optimism that the right policies can make this possible for everyone: "I will be the President who destroys the liberal lie that America is an evil country."

He says America is "in a Biden retreat" but "the good news is, all we need to do is turn around." He says he'll "stop retreating from our own southern border" and "rebuild a military so lethal and powerful that our adversaries will fear us and our allies will respect us." He called for "a revolution for excellence in our schools," including "less CRT and more ABCs." Sen. Scott is right that America is weathering a flight from the dignity of work. His mother's work ethic taught him that "if you're able-bodied, you work. Period."

These are good policy themes, though still missing are the details that make an agenda. He'll have to map out what he thinks on taxes and economic growth beyond touting the "opportunity zones" for disadvantaged areas he helped craft as part of tax reform.

Republican Sen. John Thune endorsed Sen. Scott, and the press is sniping that the South Dakotan's imprimatur won't mean much in a GOP primary. Yet Sen. Thune deserves credit for wading in even as so many others in his party worry about offending Donald Trump by endorsing someone else.

Sooner or later Mr. Scott will have to take on Mr. Trump if he wants the nomination, and his vision of a "new American sunrise" is a long way from Mr. Trump's "American carnage." On Monday Mr. Trump called Sen. Scott "a big step up" from Ron DeSantis in a statement, but expect Trumpian good will to evaporate if Sen. Scott catches a primary following.

Sen. Scott has a point that he may be "the candidate the far left fears the most"—a successful and inspiring black Republican, whose life refutes the notion that America is a country of bigotry and hatred. Credit to Sen. Scott for offering American voters something more than a politics of "retribution."

LETTERS TO THE EDITOR

Gen Z Would Rather Be 'Funemployed' Now

As the owner of two small businesses, I estimate that more than 10% of my staff calls out from work on a daily basis—with Generation Z leading the way ("For Gen Z, Unemployment Can Be a Blast" by Suzy Welch, op-ed, May 18). Despite not having children or mortgages or other major obligations, many of these employees don't show up to work, want fewer hours or quit, citing burnout and self-care. The rest of us are left picking up the pieces. Wages have increased significantly, so why do we have a smaller proportion of Americans working today than before the pandemic? Some Americans simply don't want to work anymore.

Indra Sen
Ridgefield, Conn.

While discussing with my daughter the modern attitude of trying to do less work for more money, of course I was thinking, "These kids just don't get it!" But then I thought: What was so great about working my butt off for more than five decades? It seems to me that the younger folks might be on to something with their emphasis on enjoying their lives rather than toiling at the millstone—if they can pull it off.

Douglas W. Peterson
Naperville, Ill.

As a retired tool and die maker, I am grateful never to have been unemployed. My advice to my own children was to appreciate any job opportunities at any age. Those of us not born to real wealth will most likely have to work hard. With a family to support, and even when it was only me, my greatest fear was having no opportunity to earn a living. Gen Zers have grown up assuming that financial security will be provided by some sort of providence—family, government, even a GoFundMe. If common sense ever returns to the U.S., and the socialism advocates are defeated, this generation will be in trouble.

Robert Kuschel
Warren, Mich.

The term "funemployment," and the concept behind it, are alien and disturbing to me. I graduated into a weak economy and have spent more than a decade now going between unemployment and underemployment. There is nothing fun about expecting every job application you send in to be rejected summarily not for a lack of qualifications, but because of the circular logic of "if he's been unemployed, it must be for a reason."

There is nothing fun about seeing friends move on with their lives while you, standing still, are left behind. A more accurate word is "frustrating." Another I could use is "confusing," but these members of Gen Z may not find that as applicable for themselves. They will know exactly the choice they made and the reason they can't get their lives moving, while their more industrious friends get ahead in work and life.

Jim Pitchford
Lakewood, Ohio

The Middlemen Who Pay No Price for ESG

Marlo Oaks and Todd Russ argue that investment firms casting proxy votes in favor of environmental, social and governance initiatives are committing "A Historic Breach of Fiduciary Duty" (op-ed, May 16). Even if the legal matter remains fuzzy, Messrs. Oaks and Russ deserve credit for shining light on the stealth undermining of shareholder value.

The problem starts with an army of agents who stand between owners of shares (participants in pension and savings plans and investors in taxable funds) and corporate managers. The agents include pension- and savings-plan sponsors in corporations and governments, the consultants they hire, the money managers they use and the duopoly of woke proxy advisers they retain. There has been little downside for any of those agents who pursue "nakedly ideological goals."

The early stage of ESG investing involved excluding stocks of companies that failed to meet certain hurdles. That strategy morphed into a broader goal of changing the behavior of all companies via proxy votes. Today's "inclusive" ESG approach means that, for index-fund managers, there is no simple way to isolate a performance decrement due to ESG policies. All index-fund managers produce about the same return as their benchmark indexes, so no manager is penalized if the index performance is, say, 6.8% instead of 7%.

Philip Grant
Palm Coast, Fla.

Causes of Anorexia and Effects of Mistreatment

Hadley Freeman's "Good Girls" (Bookshelf, May 1) is the most insightful book I have ever read as to the causes of anorexia. Most anorexics aren't part of the prison system that a psychiatrist references in his assumption that sexual abuse and PTSD are behind anorexia "until proven otherwise" (Letters, May 9 and 18).

Ms. Freeman cites Gerome Breen on the point that sexual abuse or trauma isn't a factor correlated with anorexia. Not believing the patient, who in many cases not only denies that abuse happened but also explains what really caused it, and then treating based on assumed theories that ignore the patient's experience, can be harmful.

As for PTSD, I am now, unfortunately, very aware of its correlation with abuse. My daughter didn't have PTSD before hospitalization in connection with anorexia, nor did a similar patient at the time she was there who committed suicide a few days after leaving. The experience, however, of being held down and forced to eat with a feeding tube or other things done to control the patient's eating is, as Ms. Freeman quotes a patient, "the nearest thing I've experienced to being raped"; "how you're treated in hospital really matters, because it affects how you see yourself."

Margaret Kelly
Naples, Fla.

The FDIC Has Transferred The Cost of Bank Failures

Dan Katz and Stephen Miran are right to note that recent government actions have heightened risk ("The FDIC Guarantees Instability," op-ed, May 11), but they fail to note the fundamental problem: Transferring the cost of failure from the risk-takers to others increases overall market risk.

Investors try to get the highest return on investments by maximizing the difference between the expected return from success and the expected cost of failure. When the government steps in and transfers the cost of failure to taxpayers, present and future, or others, such as well-managed banks, the expected cost of failure decreases and risk-taking increases. This is what the government has been doing since 2007 in a misguided attempt to stabilize financial markets. It hasn't worked. It never will.

Dan Thornton
Des Peres, Mo.

Mr. Thornton was vice president of the Federal Reserve Bank of St. Louis.

They Charged the Wrong Guy

Several letters (May 18) lean in the direction of arguing that Daniel Penny should be charged in the death of Jordan Neely on the New York subway. Was Mr. Penny supposed to make a psychiatric assessment on the spot or wait until a qualified psychiatrist arrived on the scene? He acted in good faith to protect his fellow passengers and himself. Considering Neely's record, Manhattan District Attorney Alvin Bragg should be considering filing charges against those who set Neely free on the streets to menace others rather than see to it he was placed in an institution that would ensure he received the care he obviously needed.

Larry Dorr
Troy, Mich.

Imagine the Possibilities . . .

Regarding your editorial "Progressive Crime and Punishment" (May 16) on the cities suing carmakers for the rise in auto thefts: Eureka! Finally, a great idea from the far left. I will be calling my attorney tomorrow and filing suit against the Bic Corp. Pens are constantly stolen from my desk.

Brian Thielen
Peshtigo, Wis.

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

Pepper ... And Salt

THE WALL STREET JOURNAL

"Your resume looks good, but I'm not seeing any DNA data."

The Phony Debt-Ceiling 'Calamity'

By Conor J. Clarke
And Kristin A. Shapiro

With the U.S. Treasury predicted to run out of cash (the "X date") as early as June 1, Treasury Secretary Janet Yellen has started warning of an "economic calamity" if Congress doesn't raise the statutory debt limit. According to Ms. Yellen, "whether it's defaulting on interest payments that are due on the debt or payments due for Social Security recipients or to Medicare providers, we would simply not have enough cash to meet all of our obligations." These claims are dangerously misleading.

Hitting the X date won't cause a default on the national debt. Debt-service payments have a feature that most other government payments lack: When the government pays off maturing debt, the amount of debt subject to the statutory limit declines. This means that the government can "roll over" such obligations—that is, issue new debt to pay off old debt—without violating the debt limit.

The Treasury made a plan to pay bondholders in 2011. It could do the same with Social Security.

A plan to roll over debt after the X date—and thereby ensure that the debt is honored—is more than theoretical. It is a matter of public record that the Treasury made such a plan during a 2011 showdown over the debt limit, when one official explained that "the principal on Treasury securities that are maturing would be funded by having auctions that would roll over those maturing securities into new issues, so the new issues would be able to fund the redemption of the maturing securities."

For a similar reason, hitting the X date need not stop Social Security and other payments that come from federal trust funds. The payroll taxes that are used to fund such benefits are invested in special Treasury securities that count toward the debt limit. The Treasury has the authority to redeem these securities to pay benefits; when it does so, debt subject to the statutory limit declines.


BRENDAN SMIALOWSKI/AFP VIA GETTY IMAGES
Treasury Secretary Janet Yellen.

Thus paying Social Security benefits—like paying maturing principal on the public debt—can create headroom under the limit, making rollover strategies possible. In both 1985 and 1996, following similar debt-limit conflicts, the comptroller general concluded that such strategies would be lawful because they wouldn't "increase the total amount of outstanding debt subject to the statutory limit," and thus wouldn't "usurp the congressional power under the Constitution to borrow."

Paying Social Security benefits and servicing the national debt are not only lawful; they are legally obligatory. Because the Biden administration can continue making such payments regardless of the statutory debt limit, and because such payments wouldn't come at the cost of any other federal payments, it must do so. Otherwise, the administration would fail its constitutional duty to execute those statutes faithfully—an argument that would apply even without the support of the 14th Amendment's Public Debt Clause.

Most government payments don't involve rolling over debt. That includes interest payments on the public debt, because only the "face amount" of the debt counts toward the statutory debt limit. But on a monthly basis, interest is a relatively small fraction of incoming tax revenue, and the government has broad lawful authority to prioritize payments after the X date. With advance planning, such as what the Treasury undertook in 2011, interest payments can continue.

More broadly, the government regularly faces situations in which Congress hasn't appropriated enough money to fulfill the mandate of a spending statute, or in which external circumstances render spending infeasible. In *Morton v. Ruiz* (1974), the Supreme Court held that such circumstances don't deprive the executive branch of the "power to create reasonable classifications . . . to allocate the limited funds available." In 1985 the comptroller general confirmed that such discretion would extend to the debt limit, opining that after the X date, "Treasury is free to liquidate obligations in any order it finds will best serve the interests of the United States."

The X date still presents uncertainty, and we don't want to appear pollyannaish. But the executive branch has both the power and the obligation to make debt-service and Social Security payments, and it has broad authority to prioritize the most pressing of the government's remaining obligations. For those reasons, it may well be that hitting the X date—and a short lapse in the government's ability to raise revenue—looks like a temporary government shutdown that follows an appropriations lapse.

When the government temporarily shuts down (as it did repeatedly during the Clinton, Obama and Trump presidencies), some federal obligations go temporarily unmet. When the shutdown ends, the obligations are paid. Shutdowns happen because the government runs out of lawful authority to spend; the X date would happen because the government runs out of lawful authority to raise revenue.

In one respect, hitting the X date could be less disruptive than a government shutdown. The Antideficiency Act requires that many federal functions cease during a shutdown, and most federal employees are prohibited from working. But there is no analogous limit on federal functions after the X date—so many such functions could continue even if payments are delayed.

Congress can take several steps to correct misleading claims about the debt limit, which threaten to spook markets as the X date approaches. First, the House should subpoena Treasury officials to confirm the executive branch's broad legal authority to satisfy the government's most pressing obligations after the X date. The House should also confirm the Treasury's practical ability to prioritize certain key obligations. Although officials in 2011 explained how a limited prioritization plan could be implemented using Treasury's systems, Ms. Yellen warned recently that those "systems are built to pay all of our bills on time and not to pick and choose which bills to pay."

Second, the Bipartisan Legal Advisory Group should issue a statement confirming the Treasury's legal authority to roll debt over to make debt-service and Social Security payments after the X date. The group is composed of the speaker and other House leaders of both parties and "speaks for, and articulates the institutional position of, the House in all litigation matters." With the executive branch and the House united, markets could rest assured that such payments will continue and that no credible legal challenge to them will arise.

Ms. Yellen recently stated that if Congress fails to raise the debt limit, "we will have an economic and financial catastrophe that will be of our own making." But if a catastrophe arises, it may be because the markets take the worst debt-limit scaremongering seriously rather than appropriately discount it as another negotiation tactic.

Mr. Clarke is an incoming associate professor at the Washington University in St. Louis School of Law. Ms. Shapiro practices appellate and constitutional law in Washington and is a senior fellow at the Independent Women's Forum. Both served as attorney-advisers at the Justice Department's Office of Legal Counsel during the Trump and Biden administrations.

Will Biden Cross a Line On Poverty?

By Kevin Corinth

A new report from the National Academy of Sciences seeks to redefine poverty. The NAS presents the effort as a matter of science: "An accurate measure of poverty is necessary to fully understand how the economy is performing across all segments of the population and to assess the effects of government policies on communities and families."

But the report's real purpose could be to expand the welfare state. If the Census Bureau adopts the new poverty definition, millions more Americans could automatically be made eligible for benefits—leading to at least $124 billion in additional government spending over the next decade, all accomplished by administrative fiat.

There is no scientific basis for any particular poverty line. Advocates of redistribution push for a higher poverty line because they want more people to count as poor and qualify for government assistance. But scientists aren't supposed to be advocates. The 13 authors of the recent NAS paper appear to have been selected along partisan lines: 12 of them have contributed to Democratic causes or worked for Democratic administrations.

The administration may attempt to expand the welfare state via a definitional trick.

The NAS authors recommend that the Census Bureau adopt its Supplemental Poverty Measure as the nation's headline poverty statistic. This measure relies on an extremely complex formula, but the end result is clear: The new poverty line would be significantly higher. It would also break with more than 50 years of precedent by establishing a *relative* standard. People could become better off and still be classified as "poor"; poverty would decline only if income at the bottom of the distribution increases *more quickly* than in the middle class.

Over the years, Congress has tied eligibility for dozens of programs to multiples of the poverty line. To qualify for the Supplemental Nutrition Assistance Program, a family's income can't exceed 130% of the official poverty line. For ObamaCare subsidies, the limit is 400%. The Biden administration could raise the poverty line, and thereby expand these benefits as soon as September, when the Census Bureau releases its annual report on poverty. The new poverty line would affect programs starting in 2024, all without any input from Congress.

In a new paper, I estimate the effects of such a change. I project that the poverty line for a family of four would rise to almost $38,000 in 2024, over $6,000 higher than it would be using the current approach that updates the poverty line with inflation each year. The gap would grow over time, and by 2033 the poverty line would be more than $13,000 higher than it would be using the current approach.

Raising the poverty line would increase government spending on entitlements by more than $124 billion over the next decade—$47 billion for SNAP and $78 billion for Medicaid. ObamaCare subsidies, Medicare Part D low-income subsidies and the school-lunch program would grow as well, not to mention the effects on dozens of nonentitlement programs.

As consequential is the potential reallocation of government assistance across states. The poverty line under the Supplemental Poverty Measure is higher in states like California and New York, where housing is more expensive, and lower in states like West Virginia and Mississippi, where housing is cheaper. If state-specific poverty lines were used to determine program eligibility, residents of states with cheaper housing would receive a smaller share of assistance. Yet poor people in low-cost states tend to be more deprived than poor people in high-cost states.

Redrawing the official poverty line would be a nakedly political move without any scientific basis that could alter the scope of the safety net overnight. It is up to Congress to prevent the administration from unilaterally expanding program eligibility and increasing government spending by over $124 billion.

Mr. Corinth is deputy director of the America Enterprise Institute's Center on Opportunity and Social Mobility. He served as chief economist for the White House's Council of Economic Advisers (2020-21) and Republican staff director of the U.S. Congressional Joint Economic Committee (2022-23).

'Unelectability' Won't Defeat Donald Trump

FREE EXPRESSION
By Gerard Baker

As the Republican primary contest gets going in earnest we are going to hear a lot about "electability."

With spring turning to summer, the field is abloom with challengers to Donald Trump: Tim Scott, Ron DeSantis, Mike Pence, Chris Christie, Nikki Haley, Vivek Ramaswamy and others. All will doubtless try to make convincing cases for their candidacies, but expect them also to argue in one way or another that the current runaway leader of the pack is simply unable to win a general election.

Mr. DeSantis put it most directly last week. According to the New York Times, in a phone call with donors to a super PAC supporting him, he said: "You have basically three people at this point that are credible in this whole thing. . . . Biden, Trump and me. And I think of those three, two have a chance to get elected president—Biden and me."

Given recent electoral history this pragmatic case against Mr. Trump has a superficial plausibility, but I'm skeptical about the wisdom of the strategy.

First, persuading people to vote for you on the grounds that you're more acceptable to a wider electorate is a tricky proposition. It asks voters to suspend their own judgment about who is best to lead the country in favor of some parallel assessment of the judgment of their fellow Americans, whose views and intentions are unknowable. It invites them to say, "I think the country needs X, but I also know that my views are so far outside the mainstream that I'd better vote for Y." Who thinks like that?

Historically the approach has had mixed results, to say the least. It might have worked for Democrats last time, when primary voters chose Joe Biden over Bernie Sanders. But it often doesn't fly.

For one thing, he won in 2016. And his opponents look weak for not simply calling him unfit.

Was Ronald Reagan less electable than George H.W. Bush in 1980? Many at the time thought so—including much of the media and the Democratic leadership who jumped for joy when the former California governor won the nomination that year. They looked less happy and much less smart when he won the presidency. Mr. Trump himself was deemed by almost everyone less electable than Marco Rubio or Jeb Bush in 2016. Voters in the general election had other ideas.

William F. Buckley's famous standard—to pick the "rightwardmost viable" candidate—might once have made sense. But it doesn't fit the ideological tenor (or lack of it) of the Trump age. Mr. Trump's intellectual plasticity muddies the picture. As we are starting to see on issues such as abortion, Mr. Trump may be carving out a more centrist position than his main rivals.

His appeal is both sui generis and ad hominem. There's no easy way to transfer it to another candidate. It may be better simply to let voters go with their druthers rather than get them to participate in some kind of prisoner's-dilemma exercise that requires them to anticipate the putative choices of others.

Another problem with the argument is that it isn't at all obvious in any case that Mr. Trump is less electable than Mr. DeSantis, Mr. Scott, Mr. Pence or anyone else.

True, he lost in 2020. He also failed to win a plurality of the popular vote in 2016 and arguably cost the Republicans dearly in both the 2018 and 2022 midterm elections.

But most of these were very close elections. In 2020 a few tens of thousands of votes in three states would have made him two-for-two in presidential contests. It takes more than a little chutzpah for someone who hasn't registered a single vote in a presidential primary contest to dismiss someone who has already been elected as "unelectable."

The current polling doesn't even support the contention that Mr. Trump is unelectable. The latest RealClearPolitics average puts him narrowly ahead of Mr. Biden in nationwide polls, while it has Mr. DeSantis and Mr. Biden in a tie. A Harvard-Harris poll last week gave Mr. Trump a 7-point lead over Mr. Biden, with Mr. DeSantis again tied with the president.

Yet the biggest problem with the electability argument is that it's a dissembling euphemism that betrays the weakness and pusillanimity of the candidates arrayed against Mr. Trump.

By calling him "unelectable," Mr. DeSantis and others are drawing attention to Mr. Trump's core weakness without actually calling it out. What they really mean is Mr. Trump is "unelectable" in the way that Lizzie Borden and Al Capone would have been unelectable—morally unfit, characterologically so flawed that his election would represent a threat to the stability of the republic.

If that's what you mean, say it: Mr. Trump may or may not be electable. He has proved himself unfit.

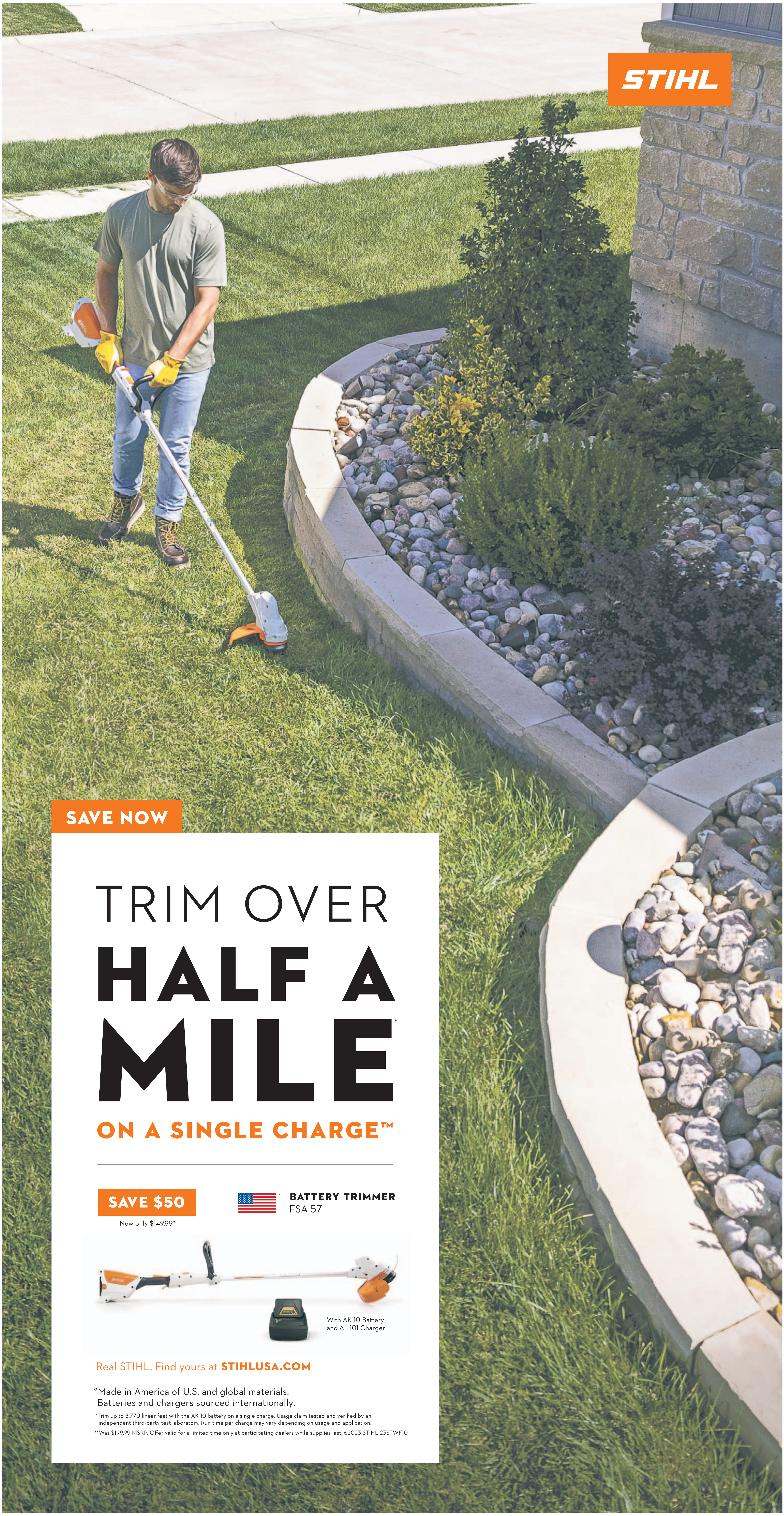
Notable & Quotable: Gorsuch

A statement from Justice Neil Gorsuch accompanying the Supreme Court's unanimous May 18 order that halted a lawsuit challenging the end of Title 42 Covid emergency deportation authority:

Since March 2020, we may have experienced the greatest intrusions on civil liberties in the peacetime history of this country. Executive officials across the country issued emergency decrees on a breathtaking scale. Governors and local leaders imposed lockdown orders forcing people to remain in their homes. They shuttered businesses and schools, public and private. They closed churches even as they allowed casinos and other favored businesses to carry on. They threatened violators not just with civil penalties but with criminal sanctions too. They surveilled church parking lots, recorded license plates, and issued notices warning that attendance at even outdoor services satisfying all state social-distancing and hygiene requirements could amount to criminal conduct. They divided cities and neighborhoods into color-coded zones, forced individuals to fight for their freedoms in court on emergency timetables, and then changed their color-coded schemes when defeat in court seemed imminent.

Federal executive officials entered the act too. Not just with emergency immigration decrees. They deployed a public-health agency to regulate landlord-tenant relations nationwide. They used a workplace-safety agency to issue a vaccination mandate for most working Americans. They threatened to fire noncompliant employees, and warned that service members who refused to vaccinate might face dishonorable discharge and confinement. Along the way, it seems federal officials may have pressured social-media companies to suppress information about pandemic policies with which they disagreed. . . .

At the very least, one can hope that the Judiciary will not soon again allow itself to be part of the problem by permitting litigants to manipulate our docket to perpetuate a decree designed for one emergency to address another.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TECHNOLOGY: CHINA'S NEW CHIP BAN ON MICRON PRESSURES SOUTH KOREA B4

BUSINESS & FINANCE

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Chevron Doubles Down on Shale

BY COLLIN EATON AND COLIN KELLAHER

Chevron deepened its commitment to oil-and-gas drilling in the U.S., spending more than $6 billion to acquire a rival with sizable operations in Texas and Colorado.

In buying **PDC Energy** in a $6.3 billion all-stock deal, the U.S. oil company aims to build a bigger foothold in two prolific oil patches, particularly the Denver-Julesburg Basin that straddles Colorado and Wyoming, a region where Chevron already has a large stake.

The transaction also boosts Chevron's position in its major U.S. onshore play, the Permian Basin of West Texas and New Mexico, the most prolific American oil patch but one where Chevron and many other companies have seen well-productivity issues over the past year.

Chevron said it would issue 0.4638 share, valued at $72 based on Friday's closing price of $155.23, for each share of Denver-based PDC. It equates to a nearly 11% premium to Friday's closing price of $65.12.

Chevron, based in San Ramon, Calif., said the deal has a total enterprise value of $7.6 billion, including PDC's debt.

"It delivers stronger financials, and it's a hand-in-glove fit with our portfolio," Chevron Chief Executive Mike Wirth said, adding that Chevron is buying a company that was trading at relatively low multiples compared with the large amounts of cash it has been generating.

Wirth expects the acquisition to spin off $1 billion annually in extra cash while adding 1 billion barrels of proven reserves to its portfolio.

The deal comes as big oil companies are working out how to spend a giant influx of cash that sluiced into their coffers last year as oil and gas prices hit multiyear highs fol-

Please turn to page B10

◆ Heard on the Street: Big oil likes small deals.................... B12

Investor Urges Yelp to Explore A Sale

BY LAUREN THOMAS

Activist investor **TCS Capital Management** has built a stake in **Yelp** and is calling on the service-recommendation site to explore strategic alternatives including a sale, according to people familiar with the matter.

TCS Capital owns more than 4% of the shares outstanding of Yelp's common stock, making it one of the company's five-biggest shareholders, the people said. TCS Capital has been an investor in Yelp for most of the past five years, but the stake hasn't been disclosed publicly before.

TCS Capital said it believes that Yelp could be sold to another technology or media company or private-equity buyer for at least $70 a share—or more than double the current stock price, according to a letter the fund's founder and president, Eric Semler, plans to deliver to Yelp's board Tuesday.

Please turn to page B2

Disney Pressed By Weakness in Traditional TV

BY ROBBIE WHELAN

Disney's traditional television business has gone from superhero to weak link in just a few short quarters.

Income from its TV networks has dropped faster than expected as the world's largest entertainment company struggles to boost its share price and get its streaming-video business to profitability.

The situation presents a quandary for Disney. For the past 3½ years, the company has been subsidizing the losses that its streaming division has incurred by using cash earned from two other businesses: theme parks and so-called linear TV, which makes money from ad-sales revenue and cable subscription fees paid to networks such as ESPN, the Disney Channel and Freeform.

Disney in recent months has been trying to reduce its streaming losses by slashing costs, laying off workers and evaluating moves such as selling its flagship ESPN channel directly to cable cord-cutters.

In Disney's most recent financial quarter, operating income from the linear TV segment fell by 35% to $1.8 billion, its sharpest year-over-year decline in at least three years. Operating income from Disney's parks, experiences and products unit has exceeded that of the linear-TV business for two consecutive quarters for the first time since Disney launched its streaming business.

Disney Chief Financial Officer Christine McCarthy has said the downturn in the linear-TV business isn't permanent and has affected rivals too, and that when the advertising market improves, so will Disney's finances.

"Advertising is cyclical. I think everyone is pretty much down on advertising," she said at an investor conference earlier this month. "But the fact of the matter is, advertising will come back. When the ad market does become more robust, we are very, very well positioned."

The rapid deterioration of the linear-TV business points to more fundamental change in the kind of business Disney is, analysts say.

"We would joke 10 years ago that the company could be called ESPN instead of Disney—that's how good the sports broadcasting business was," analyst Michael Nathanson said.

"Now that the parks business is the majority of the company's profitability, and it's growing very strongly, people are going to realize that this is first and foremost a leisure company that just happens to have a call option on streaming and linear media," he said.

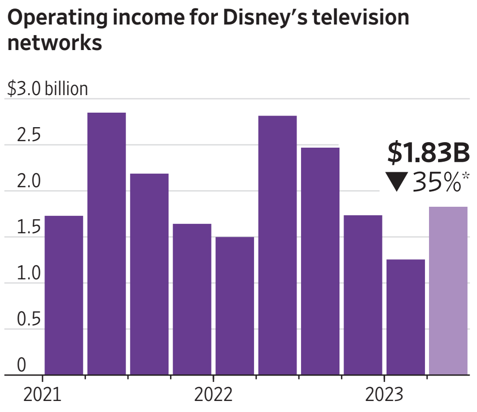
Since returning for a second stint as chief executive in November, Robert Iger has said he is focused on fixing streaming and hitting the goal of getting the business to break even by September 2024.

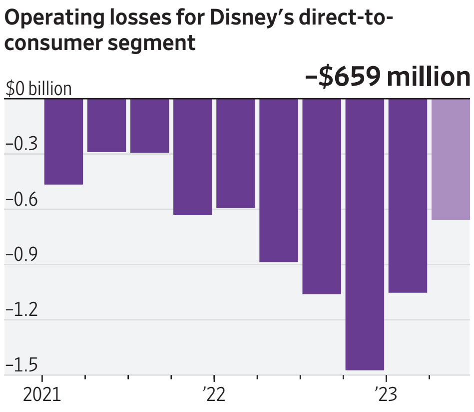
He has made some progress. In the quarter ended April 1, streaming losses narrowed to $659 million, nearly $200 million less than what Wall Street analysts had projected. Since the company's flagship Disney+ service launched in late 2019, the streaming division has accumulated losses of $10.3 billion.

Please turn to page B4


ERIC MCCANDLESS/ABC

The company's income from linear TV is falling faster than expected. ABC's 'American Idol.'





*Change from previous year Note: Latest fiscal quarter ended April 1

Source: the company

Age Curbs On Social Media Pushed

BY SAM SCHECHNER AND JEFF HORWITZ

Governments across the U.S. and Europe are moving to tighten online age restrictions following evidence that companies aren't effectively enforcing limits on what children see and do on social media.

State and national lawmakers from Salt Lake City to Paris are looking to make services such as **Meta Platforms**' Instagram and **ByteDance**'s TikTok take steps to verify ages when users sign up.

Please turn to page B2

At Bitcoin 2023 Convention, No Bears Were Allowed

BY CAITLIN OSTROFF AND DEBORAH ACOSTA

MIAMI BEACH, Fla.—This year's annual bitcoin conference was for the die-hards. At the entrance, a sign proclaimed, "No bears allowed."

It seems the bears stayed home. Organizers expected only half as many people to attend compared with last year when attendance hit a record 26,000.

"The conference is a physical manifestation of the industry," said Christian Keroles, the general manager of Bitcoin Magazine, which puts on the conference.

Last year's conference came after a run-up in the value of digital assets that left big and small investors flush with cash, drawing new people into the world of crypto. Celebrities like Serena Williams spoke at the conference. Parties featured synchronized swimmers.

Thirteen months changed a lot. Celsius Network, a sponsor in 2022 and notable presence, went bankrupt. Bitcoin has shed more than a third of its dollar value. The collapse of FTX dried up funding for some side events around the conference. And now U.S. regulators are circling several big crypto companies.

This year's conference remained upbeat. Dark lighting and techno music gave the main stage the feeling of being in a Miami nightclub. A speech from presidential hopeful Robert F. Kennedy Jr. drew a standing-room-only crowd. People donned bitcoin swag, played cornhole in front of a giant inflatable bitcoin and bid on a bitcoin-themed DeLorean.

On Thursday, the first day of the conference that is reserved for high-access ticket holders, people broke conversations when pallbearers and gospel choristers approached, belting out "When the Saints Go Marching In."

The pallbearers struggled to lift an open casket over security scanners as they made their way into the convention center. Inside was a slew of dollar bills and a label reading "#FiatFuneral." One chorister carried a sign reading "Hallelujah Bitcoin."

Parties and satellite events were smaller and calmer though. Crypto firm Paxos last year held a party at the Versace Mansion featuring synchronized swimmers and live music. This year, the company opted not to do any of that because many clients said they wouldn't attend.

Please turn to page B11


MARCO BELLO/REUTERS

An attendee at the Bitcoin Conference 2023 in Miami Beach. Parties this year were smaller.

INSIDE

BUSINESS NEWS

Small businesses are hit hardest by the Fed's campaign to raise interest rates. **B2**

SHIPPING

A slump in container-freight orders has brought prices crashing down. **B3**

INDEX TO BUSINESSES

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

INDEX TO PEOPLE

Activist Pressures Yelp on Sale

Continued from page B1

The letter was seen by The Wall Street Journal.

"Yelp maintains an active dialogue with our shareholders and values constructive feedback on our business and ways to create value," a Yelp spokesman said.

Shares of Yelp, which has a market capitalization of about \$2.2 billion, closed Monday at \$32.52, off about 17% from a 52-week high of \$39.26. The shares are down from a high of nearly \$100 in 2014.

Semler also plans to tell Yelp's board that his investment firm is prepared to make its own bid to acquire Yelp, with a group that includes an executive who has served as chief executive officer of a public company in the same business, the letter says, without naming the executive.

Alternatively, Yelp could explore a tax-free merger with online-services company **Angi**, formerly known as Angie's List, Semler plans to say in the letter.

Semler, who founded TCS Capital in 2001, won a board seat at Angie's List in 2016 after his firm called on the business-review platform to explore strategic alternatives, including a sale to IAC's consumer-review site HomeAdvisor. IAC in 2015 had made an unsolicited buyout offer for Angie's List, but the proposal was rebuffed.

IAC ultimately acquired Angie's List and combined it with HomeAdvisor to form a new publicly traded company, Angi, in 2017.

Angi went on to acquire Handy Technologies, an on-demand platform that helps match people looking for household services with professionals, in 2018. Angi has a market capitalization of about \$1.6 billion as of Monday.

Semler said he believes a combination of Yelp and Angi would yield "enormous revenue synergies and cost savings that could ultimately double the value of Yelp's shares" and create a powerhouse player in what he describes as a booming market for home services.

Yelp's longstanding chief executive, Jeremy Stoppelman, co-founded the business in 2004 and has served as CEO for nearly two decades.

Semler believes that Stoppelman has received "unconscionable compensation packages" and that Yelp's board lacks industry experience, according to the letter.

The company reported first-quarter revenue of \$312 million, up 13% from the same period a year earlier.

BUSINESS & FINANCE

Small Businesses Hit Hardest By Fed's Rate-Rise Campaign

Companies with smaller payrolls and valuations are facing higher funding costs

By Dion Rabouin

Tim McConnehey's Izzard Ink has had to shift plans since credit has gotten more expensive.

WENDY MCCONNEHEY

For companies that need to borrow money these days, it pays to be big.

The Federal Reserve's rate-raising campaign has put a notable crimp in financing for companies with smaller payrolls and valuations. The average rate for a loan from the U.S. Small Business Administration, which historically costs less than a bank loan, has reached double digits, driving many small firms to borrow less.

Those include Tim McConnehey's **Izzard Ink** publishing company in Salt Lake City. McConnehey had previously planned to beef up Izzard's technology platforms and increase the company's offerings for business-to-business sales, in part by tripling the number of employees and bringing on more freelance editors, designers and coders this year.

Instead, he has focused on eliminating his company's debt and scaling back growth, as the interest rate on the line of credit he holds at his bank increased to 10.62% from 5.62% over the past year.

"I'm leery of making any kind of business investment right now," McConnehey said.

For companies with big balance sheets and lots of employees, it is a different story. **Meta Platforms**, the parent of Facebook and Instagram, issued bonds for the second time in its history this month, raising \$8.5 billion at rates ranging from 4.6% on bonds to be paid back in five years to 5.75% for bonds to be repaid in 30 years. Those rates are around 1 percentage point higher than comparable bonds issued in the company's inaugural bond sale in August 2022.

Large companies are adding to the pandemic's historic borrowing rush, mostly by issuing bonds in public markets. That has helped many to pay workers, continue mergers and acquisitions and buy back their own stock in the tumultuous times since. Issuance has climbed recently, and ratings firm S&P Global expects that nonfinancial U.S. companies will sell more bonds in 2023 than they did last year.

T-Mobile US, **Apple** and **Merck** & Co. also sold bonds this month, issuing \$3.5 billion, \$5.3 billion and \$6 billion, respectively. Apple's decision to issue new debt is "due more to its confidence in expanding cash flow than operational needs," Robert Schiffman, senior credit analyst at Bloomberg Intelligence, wrote in a note.

During the second week of May, bonds issued by companies with top credit ratings paid an average of 5.3% in interest, according to data provider Leveraged Commentary & Data. That is higher than the 5.0% rate for April but still down from 6% in October.

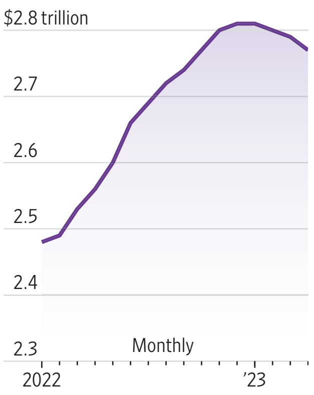
Interest rates on corporate bonds have fallen since October because of fears about the economy and the expectation that yields on government bonds will fall. Federal-funds futures markets show traders are betting the Fed will lower rates in the second half of the year by at least 0.75 percentage point, with many predicting a recession.

Small businesses had been the source of all the net job growth in the U.S. from February 2020 to the end of 2022, defying the Fed's efforts to cool the economy. This year, smaller companies are accounting for an increasing share of layoffs.

> Small companies' eroding cash position has weighed on their confidence.

U.S. companies with between one and nine employees laid off or fired 341,000 workers in March, more than twice as many as in February, according to data from the government's Job Openings and Labor Turnover Survey. That was the highest number of layoffs and discharges since May 2020 and four times as many as these companies reported in March 2022.

Commercial and industrial lending at U.S. banks



Note: Seasonally adjusted
Source: Federal Reserve via St. Louis Fed

Large companies raise most of their funds from capital markets by issuing bonds. Smaller companies rely predominantly on lending from banks. And commercial and industrial lending by banks to businesses has fallen every month this year.

Commercial bank lending dropped by a record \$105 billion in the first two weeks of March, according to the Fed. Nearly half of U.S. banks said they are raising their standards for lending money to small companies, with 56% of lenders reporting falling demand.

A recent survey of small-business owners from Goldman Sachs 10,000 Small Businesses Voices found 77% reporting they are concerned about their ability to access capital. The investment bank called it a "stunning shift" from one year ago, when 77% of respondents said they were confident in their ability to access capital.

This owes largely to the Fed's actions and recent regional bank stress, said Joe Wall, national director of Goldman Sachs 10,000 Small Businesses Voices. "The net effect is that lending is just tightening across the board for small businesses," he said.

This difference is becoming evident on balance sheets. Companies with more than 250 full-time employees saw their cash positions rise by \$61 billion between the second quarter of 2022 and the first quarter of 2023 to \$2.38 trillion, according to data from S&P Global. Companies with fewer than 250 employees have seen their cash balances shrink by \$7 billion, to \$169 billion.

In the first quarter, small companies held about 13% less cash and cash equivalents on their books than they did in the first quarter of 2022. That compared with a 7.8% decline at large companies during the same period.

The eroding cash position has weighed on small companies' confidence.

A survey of small businesses last month showed optimism at the lowest level in 10 years, with the percentage of small companies saying it was difficult to get credit holding near its highest since 2012, according to the National Federation of Independent Business.

The higher funding costs are adding even more pressure to small-business owners because they are also facing higher costs for supplies, labor and rent, said Holly Wade, executive director of the NFIB Research Center. "Those who are receiving financing, it's costing more," Wade said. "It's all part of having to manage increased costs all around."

Online Age Restrictions Are Pushed

Continued from page B1

Some legislatures also are requiring companies to collect parental consent for users under a certain age.

The momentum portends a sea change in how children and adults access the internet and could end the days when one needed only to click a button or fill in a birth date to avoid online age restrictions.

The new rules also are sparking debate between child-protection advocates concerned about social media's impact on mental health and digital-rights groups arguing that verifying ages creates privacy risks and could discourage access to useful information.

Many of the new rules target pornography websites. But another major driver is evidence of rising preteen use of social media despite the fact that most such platforms say they don't allow users under at least 13, in part to comply with U.S. federal law.

Up to a third or more of children ages 8 to 12 say they use social-media and video sites including YouTube, TikTok and Instagram, according to surveys in recent years in the U.S., U.K., France and Ireland conducted for child-protection advocates and regulators.

TikTok's building in Culver City, Calif.

DAMIAN DOVARGANES/ASSOCIATED PRESS

Those advocates say social-media use opens children up to content and social pressures that are difficult for adults to handle, with surveys showing significant rates of children being bullied and communicating with strangers online.

Instagram says it requires everyone to be at least 13 years old before they can create an account. YouTube and TikTok also require users to be at least 13 before creating profiles on their main services, though both offer alternatives for children.

On Instagram, The Wall Street Journal found dozens of accounts that self-identified as being younger than 13 and remained active until the Journal flagged them to Meta's communications team.

"Hey guyz I'm kaira welcome to my world I'm 12," stated one Instagram account.

Instagram makes it hard to report underage accounts, requiring a user flagging such an account to fill out a webpage that requires the child's birth date and full name.

"This is a very high burden for reporting," said Jennifer King, a researcher at the Stanford Institute for Human-Centered Artificial Intelligence who studies how design choices alter user behaviors.

Meta says it invests in AI to detect underage users and trains its moderators to remove them manually in response to user reports.

"We don't allow people under 13 to use Instagram, and we have numerous methods to remove underage accounts," spokesman Andy Stone said, adding that the company is "evaluating new ways to improve reporting to remove underage accounts faster while improving accuracy."

Social-media companies say they take measures to bar children under 13 in the U.S. and have protections including limited ad tracking and content restrictions for users under 18 years old. But they also express concerns about laws mandating age verification, saying more work is needed to address privacy dangers from existing techniques.

Some companies, such as Snapchat owner **Snap**, also argue that the makers of operating systems and app stores, primarily Apple and Google, should be responsible for verifying ages. A Snap spokeswoman said it is working with companies and regulators on possible solutions.

Evan Greer, deputy director of tech policy organization Fight for the Future, said that efforts to age-gate social media would make far more sense when done at the device level. "At the platform level it almost certainly involves invasive data collection," Greer said.

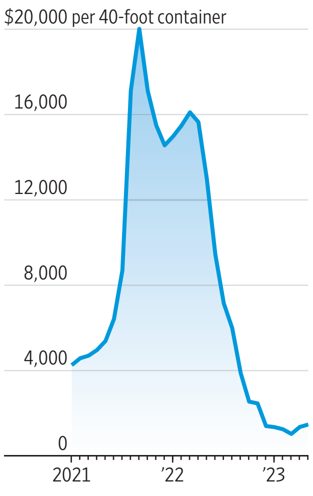
Apple's iOS and Google's Android let parents set devices to not allow apps and content rated above a certain age, but they don't verify users' ages.

On TikTok's main service for teens and adults, accounts run by users who appeared under 13 flagged by the Journal were reviewed within half an hour, with TikTok often restricting them.

Container Shipping Has Cratered

Slowdown in orders from big importers has brought prices to 'unsustainable' levels

By Costas Paris



Source: Freightos Baltic Index/Braemar


BRENDAN MCDERMID/REUTERS

Box-ship operators are looking for a rise in spending by U.S. consumers. Above, a container ship enters New York Harbor.

Boxship owners are incurring losses on once-lucrative trans-Pacific routes from Asia as weaker demand for apparel, furniture and electronics cuts into ocean carriers' earnings.

It is an ominous sign as the shipping industry approaches its peak season. Demand normally rises during the summer and early autumn as retailers bring in higher levels of merchandise for crucial selling periods, such as the year-end holidays.

Ship operators including **A.P. Moller-Maersk** and **Hapag-Lloyd** say they need freight rates to increase to cover their operating costs. For now, there are too many ships in the water bidding for cargo, resulting in heavy competition on prices.

Average daily freight rates from Asia to the U.S. West Coast across the Pacific are at roughly $1,500 per 40-foot container, compared with more than $14,000 a year ago, according to the Freightos Baltic Index. The cost to send a box from Asia to Europe is at roughly $1,400, compared with nearly $11,000.

The rates for both trade lanes are hovering around 2019 levels, but fuel and labor expenses are higher now than before the pandemic.

"Spot rates are at a level that in the long run are not sustainable, with costs up by 25% to 30% since 2019," Rolf Habben Jansen, chief executive of Hapag-Lloyd, said on the German box-ship company's earnings call this month. In some cases, certain voyages don't make sense "because you simply lose too much money," he said.

Box-ship operators were among the biggest pandemic winners. Orders for imported goods began to climb in 2020 as consumer spending surged on demand for products as diverse as electronics and chairs. Supply-chain delays made slots on ships harder to get, helping push freight rates up to about $20,000 a box on some routes.

Several companies posted record profit, largely because of higher prices and elevated demand. Demand began to taper last year as orders to move cargo dried up, prompting carriers to cancel sailings along some of the world's busiest trade routes.

Pricing power for ship operators has diminished, but some publicly listed operators still produced hefty profit early this year. A recovery in prices during the peak season is doubtful, said Peter Sand, chief analyst at shipping-data provider Xeneta. "The shippers are in the driving seat to set freight rates," he said.

Shipping companies now face the same uncertainty that surrounds some of their biggest customers, such as Amazon.com, Walmart and Home Depot. A number of retailers have said in recent weeks that they remain cautious about the financial health of consumers, but also pointed to progress in reducing bloated inventories. Target, the Minneapolis-based retail chain, said Wednesday that shoppers are pulling back on discretionary purchases and shifting spending to essentials such as food and household goods.

Cargo volumes into the U.S. slumped this year amid the broad decline in orders from retailers and manufacturers. The nation's busiest container-port complex, at Los Angeles and Long Beach, Calif., handled the equivalent of about 1.74 million import containers in the first quarter of 2023, a 32% decline from last year's record volumes.

Box-ship operators are looking for a rise in spending by U.S. consumers on items such as appliances and electronics, which could draw down swollen inventories and increase demand for container ships.

"What I don't know is when it will happen, and the data is not convincing at this point," Maersk CEO Vincent Clerc said in an interview.

For now, the market remains subdued. Several ocean-freight carriers pushed for a general rate increase in April of $600 per container on average, but it was "a dead-cat bounce that's fading fast," Sand said, referring to a term used to describe a brief rally.

The International Monetary Fund forecast in April that global economic growth will fall to 2.8% this year from 3.4% in 2022.

It said the slowdown is expected to be more pronounced in advanced economies such as the U.S.

To deal with lower demand, shipowners are expected to continue canceling sailings in addition to scrapping vessels or idling them for extended maintenance.

—Paul Berger contributed to this article.

Bank Runs Rebut Long-Held Assumption on Deposits

By Jonathan Weil And Peter Rudegeair

The recent spate of bank failures is upending a long-held theory among banking executives and regulators—that the value of a lender's deposit business goes up when interest rates move higher.

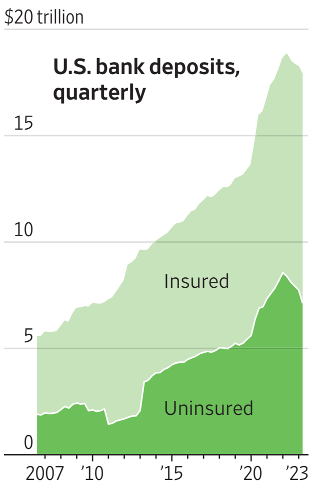
The theory rests on an assumption: That banks don't have to pay depositors much to keep their money around, even as rates rise. The deposits would be a stable source of low-cost funding while the bank earned more money lending at higher rates.

The more rates rose, the bigger the franchise value of those deposits would become—a natural hedge against the declining market values of a portfolio of fixed-rate loans and bonds.

But if rising rates or plunging asset values cause a bank's depositors to flee en masse, the franchise value is zero—and, worse, it could beget other bank runs. That is what happened with **Silicon Valley Bank**.

"The current environment of declining deposits and runs on banks raises questions about whether most deposit amounts are sustainable, especially uninsured deposits, reducing deposit-franchise value," said Tom Linsmeier, an accounting professor at the University of Wisconsin and a former Financial Accounting Standards Board member.

The franchise value of deposits doesn't appear on banks' financial statements. Banks use complex models to estimate the value, and they include it in an alternative measure of net worth called "economic value of equity." that lenders and regulators cite frequently. That number is often higher than a bank's total equity, or assets minus liabilities, due to the franchise value of deposits.



Source: FDIC Consolidated Reports of Condition and Income

The Federal Reserve, which both regulates banks and sets interest-rate policy, in a November report pointed to large unrealized losses on banks' bondholdings due to rising rates. Things weren't so bad, the Fed said, because "the value of banks' deposit franchise increases and provides a buffer against these unrealized losses."

At Silicon Valley Bank, the decline in its assets' market value was so severe that it spurred a run on the bank, accelerating deposit flight at other regional banks, including **Signature Bank** and **First Republic Bank**, which both failed. Since then, the Fed has said "SVB's failure demonstrates that there are weaknesses in regulation and supervision that must be addressed."

PacWest Shares Jump Over 19%

PacWest Bancorp shares rose more than 19% after the beleaguered regional lender said it would sell a $2.6 billion property-loan portfolio to **Kennedy-Wilson Holdings**.

The portfolio includes 74 construction loans. It will sell another $363 million in real-estate loans once the bank gets the required consents, according to a regulatory filing. The multipart deal is expected to close in the second and third quarter.

PacWest shares have been under pressure since the collapse of **Silicon Valley Bank** and **Signature Bank** in March.

The stock has lost some 70% of its value this year despite attempts by executives to reassure investors and customers about the health of its business. PacWest has said it would explore asset sales to boost liquidity and slashed its quarterly dividend to a penny a share. *—Chelsey Dulaney*

Silicon Valley Bank in its 2021 annual report said its economic value of equity was $20.7 billion, which was $4.1 billion higher than total equity. The lender also predicted, correctly, that its EVE would drop sharply if rates jumped. By the time it failed, Silicon Valley Bank had stopped reporting EVE altogether.

> The Fed pointed to large unrealized losses on banks' bondholdings.

Banks have tried to promote EVE to get investors to focus less on their losses. **Zions Bancorp**, a Salt Lake City-based lender, reported $5.2 billion of total equity as of March 31. Investors might question that number because a footnote in the bank's financial statements showed $2.2 billion of unrealized losses on its assets that didn't count on its balance sheet. Zions countered that it should get credit for an additional $5.1 billion of equity because of the estimated value of its deposit franchise, according to a presentation last month. Including the markup related to its deposits, Zions said its EVE was $8.1 billion as of March 31, almost $3 billion more than total equity under normal accounting rules.

Banks are telling investors to focus on the whole bank, not just the bad parts. Zions said in its presentation that focusing only on negatives results in a "Picasso-like portrait view of equity." Investors aren't convinced. Zions' stock-market value today is $4 billion. Zions spokesman James Abbott said the bank was highlighting the value of its low-cost, high-quality deposits. "The purpose of the entire disclosure was to try to help educate investors about how we think about interest-rate risk," he said.

EVE offers banks another advantage—there is no standard way to calculate the metric. In general, EVE is calculated by estimating the present value of future cash flows from all of a bank's assets and liabilities, as well as off-balance sheet items such as deposit-franchise value.

PNC Financial Services in a presentation last month said "improvement in the market value of PNC's deposit base significantly outpaced unrealized losses on assets," without providing a number for EVE. On a call with analysts, PNC's chief executive, William Demchak, said investors should "have a more holistic look" at interest-rate risk, rather than focusing on declining market values for fixed-rate assets alone.

Phoenix-based **Western Alliance Bancorp** reported an EVE of $8 billion as of March 31, much higher than its $5.5 billion of total equity. Its stock-market value, meanwhile, is $3.8 billion. The difference between total equity and EVE mainly was due to deposit-franchise value, Western Alliance's chief financial officer, Dale Gibbons, said.

Estimating the average life of demand deposits can be challenging since "you're basically trying to anticipate human behavior," he said. "There are a lot of assumptions in there that are hard, and they change all the time."

During the first nine months of 2022, Western Alliance said its EVE rose to $11.1 billion from $8.9 billion, before dropping to $7.5 billion during the fourth quarter, when deposits fell.

SoftBank Set to Sell Most of Fortress To Abu Dhabi Fund in $2 Billion Deal

By Gregory Zuckerman

SoftBank Group agreed to sell its 90% stake in U.S. investment manager **Fortress Investment Group** to Abu Dhabi-based sovereign-wealth fund **Mubadala Investment** and Fortress's management, the companies announced.

After the deal closes, Mubadala Capital will own 70% of Fortress, while the firm's management team will own 30%. An arm of Mubadala currently owns nearly 10% of Fortress.

People close to the matter have said the deal would be valued at more than $2 billion, representing a disappointing investment for SoftBank.

The Japanese technology company, which has struggled due to its investment in hundreds of tech startups through its $100 billion Vision Fund and a successor fund, purchased Fortress in 2017 for $3.3 billion.

The original deal was part of an effort by SoftBank to transform itself into a major investment firm.

Last quarter, SoftBank posted a $5.9 billion quarterly loss, almost all of it from the Vision Fund.

After the deal closes, Fortress, which manages $46 billion, will be led by Drew McKnight and Joshua Pack as co-CEOs. Peter Briger, a veteran credit investor who is the firm's current co-CEO, will be the firm's chairman. Wesley Edens, the current co-CEO and a co-owner of the Milwaukee Bucks basketball team, will help oversee Fortress's private-equity and other businesses. The firm will continue to operate as an independent investment manager after the deal, the firms said in an announcement.

Micron Ban Pressures South Korea

Cashing in on chip maker's woes in China won't be easy for rivals Samsung and SK Hynix

By Jiyoung Sohn And Yang Jie

A new Chinese clampdown on American chip giant **Micron Technology** has put South Korea in an uncomfortable position.

Amid a series of tit-for-tat trade moves between Beijing and Washington, China, citing national-security risks, banned certain local firms in key information-infrastructure industries from buying memory chips from Micron. The clampdown affects parts of Micron's roughly $3 billion in annual sales from China.

South Korea, a U.S. ally, is home to Micron's two largest rivals in the memory-chip business, **Samsung Electronics** and **SK Hynix**. But cashing in on Micron's woes in China won't be easy for South Korea, Samsung or SK Hynix. Geopolitics complicate what could be a welcome opportunity to boost sales during a major downturn in the memory market.

How South Korea's chip industry reacts will largely determine to what extent China's ban on Micron proves a success for Beijing—or widens the supply-chain gulf with the U.S. and its allies. China's memory-chip makers can't currently match the technology and production capacity of Micron, Samsung and SK Hynix, industry analysts say.

Mark Murphy, Micron's chief financial officer, on Monday said the company derives about a quarter of its revenue from Chinese companies by selling chips directly and through distributors. The Chinese curbs, Murphy said, could have an impact between a low-single-digit to a high-single-digit percentage of its total revenue.

Micron stock fell 2.9% on Monday.

The two South Korean firms and Micron last year represented about 95% of the market for DRAM and roughly 64% for NAND flash, the two major types of memory, according to TrendForce, a tech-market research firm.

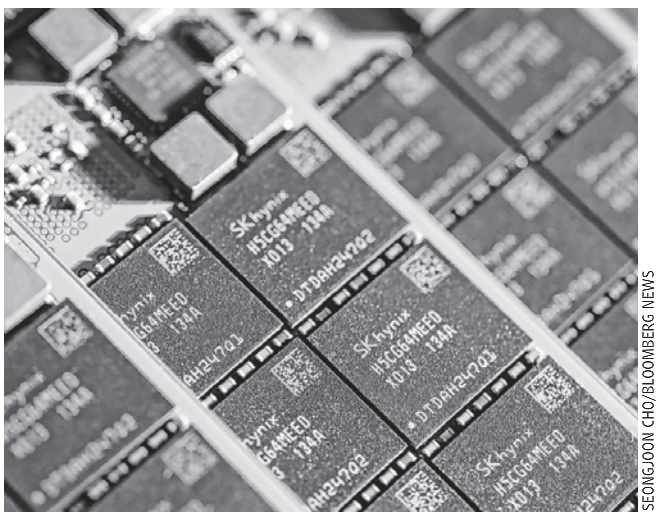
Any American pressure campaign could prove painful to South Korea, Samsung and SK Hynix, as they have deep exposure to China.

China, by far, is South Korea's largest trade partner. Samsung and SK Hynix both operate semiconductor facilities inside China, which is a key market for the two companies and the global supply chain. The two firms together produce about 22% of the world's NAND flash memory supply from China, while SK Hynix provides about 12% of global DRAM production from the country, according to TrendForce.

South Korea has drawn even closer to Washington under conservative leader Yoon Suk Yeol, who took office a year ago and just got back from a successful visit to Washington.

Despite protests from Beijing, Seoul joined Washington-led efforts to build up tech supply chains and economic initiatives that exclude China, including the "Chip 4" semiconductor alliance and the Indo-Pacific Economic Framework.

After Beijing's Micron ban, the U.S. Commerce Department on Sunday said it would engage with key allies and partners to address "distortions of the memory chip market caused by China's actions."



SEONGJOON CHO/BLOOMBERG NEWS

South Korea is home to Micron's two largest competitors.

But South Korean support has its limits. Unlike fellow American allies Japan and the Netherlands, Seoul hasn't put forth its own chip-industry restrictions that would compliment the Biden administration's efforts to curb China's access to high-end semiconductors. Samsung and SK Hynix have been sensitive about Washington's ban on advanced chip-making equipment exports to China and have had to obtain exemptions from the U.S. to keep operating their China-based factories.

China's Micron ban wouldn't bring harm to South Korea's chip makers, said South Korea's vice minister for the Ministry of Trade, Industry and Energy on Monday. Last week, in a meeting with foreign media, South Korean trade minister Ahn Duk-geun said he hadn't received a request from the U.S. on moves in response to a potential Chinese ban of Micron. Even if the South Korean government was asked to engage, Ahn said any decision would be left to the individual companies.

"It's hard for the government to dictate what a company should or should not do," Ahn said.

Samsung Electronics said it didn't have a comment. An SK Hynix spokeswoman said it hadn't received a request from the South Korean government on the matter.

Not all of Micron's $3.3 billion in revenue in China will be blocked. Roughly a fifth of the U.S. chip maker's sales in the country are expected to be affected by the ban, according to a Bernstein Research note to investors. Other parts of Micron's China business, such as semiconductors that go inside consumer tech products that get sold outside of the country, aren't legally bound to the ban, according to Bernstein Research.

In addition to Samsung and SK Hynix, Japanese memory makers **Kioxia** and **Western Digital** could serve as alternative vendors for Chinese firms. But the odds that the South Korean and Japanese firms ignore U.S. requests—given other American limits on chip business in China—are "very low," the Bernstein Research analysts wrote.

The Micron ban, an apparent political gesture aimed at responding to Washington's curbs on advanced chip making technology to China, came from China's Cyberspace Administration. The regulator didn't provide a specific definition for "operators of critical information infrastructure," though the term is typically associated with government agencies, state-owned enterprises and sectors including finance, telecom operators and cloud-service providers.

Any pickup by Micron's rivals for the affected business would "not be significant" to any one company, assuming the business would be distributed among competitors, said TrendForce analyst Avril Wu.

The U.S. has been seeking its allies' cooperation in the areas of advanced semiconductors, which are viewed increasingly as a centerpiece of national security and a technology that it has sought to prevent China from advancing on.

Last week, government and business leaders from the U.S., Japan, South Korea and Taiwan—part of a coalition of chip powerhouses—met and said they would seek ways to "counter malign practices" by China and "foster resilience to economic coercion." The meeting came on the eve of the Group of Seven summit held in Hiroshima, Japan, where Beijing's perceived economic intimidation was a central theme.

◆ Heard on the Street: Japan bets big on Micron.............. B12

Applied Materials to Invest $4 Billion in Plant

By Ryan Tracy and Asa Fitch

Applied Materials said it would invest as much as $4 billion in a new California facility to conduct research on tools for making semiconductors, adding to a wave of chip-industry projects in the U.S. spurred on by federal government subsidies.

The Santa Clara, Calif.-based company, a leading maker of machines used to make advanced chips increasingly seen as crucial to modern economies and geopolitical power, will invite chip makers and universities to collaborate and experiment with its equipment at the facility, which is expected to be complete by 2026.

That model could cut the time it takes to develop chips by 30% in an era when manufacturing is becoming increasingly complex, the company said. As the drive to make faster-calculating chips by shrinking transistors and packing more of them on chips runs up against physical barriers, chip makers are turning to new materials and creative engineering to advance the industry.

"Inclusive innovation is how the most successful companies in the industry work," Applied Materials Chief Executive Gary Dickerson said.

The company, he added, plans to build the facility no matter what government support it gets, but its size and pace hinge on how much Washington kicks in.

So far, around 300 companies have indicated to the Commerce Department that they are interested in federal incentives for chip manufacturing and the chip-making supply chain, the Biden administration said last week. The companies are beginning to apply for the money under the 2022 Chips and Science Act, which provided $53 billion to strengthen the U.S. semiconductor industry.

A raft of large chip makers announced new projects in the U.S. ahead of the act's passage. **Intel**, **Taiwan Semiconductor Manufacturing** and **Samsung Electronics**—three of the largest chip makers in the world—are building chip factories in Ohio, Arizona and Texas and are expected to angle for federal subsidies.

Vice President Kamala Harris visited an Applied Materials facility in Sunnyvale, Calif., on Monday to mark the company's investment, senior administration officials said.

The officials touted the news as evidence that the Chips Act incentives are working to attract industry investments, and said they are moving to allocate the funds as quickly as possible. On a call with reporters, the officials declined to comment on which companies and projects would receive support.

Disney Feels TV Weakness

Continued from page B1

according to financial filings.

And ESPN, home to shows such as "Monday Night Football" that are hugely valuable to advertisers and cable companies, is laying the groundwork for a shift to a fully streaming-focused model at some point in the future, The Wall Street Journal has reported, a change that would allow Disney to sell sports entertainment including live events directly to consumers and offer advertisers the chance to target subscribers more precisely.

But none of that has been enough to cheer investors, who have traded shares of Disney for under $100 each for much of the year. Since the start of 2023, Disney's stock price has risen 5.7%, closing at $91.82 on Monday, compared with the S&P 500 index, which is up 9.2% on the year.

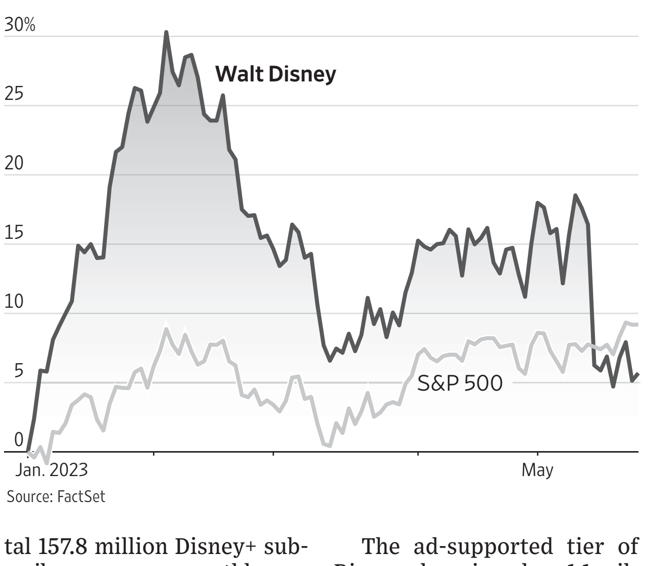
In December, Disney raised prices for Disney+ and some of its streaming bundles at the same time that it launched a lower-priced, ad-supported tier, in a bid to increase the average revenue it gets each month from streaming users.

The move worked for subscribers in North America and Europe, pushing average revenue up by 70 cents from the previous quarter to $6.47, according to Disney's financial filings. But at the same time, in India, where the Disney+ Hotstar service accounts for more than one-third of the total 157.8 million Disney+ subscribers, average monthly revenue per user fell to 59 cents, from 74 cents the previous quarter.

XAVI LOPEZ/SOPA IMAGES/ZUMA PRESS

Prices have been raised for Disney+ and other streaming bundles. A promotion in Madrid.

Share and index performance, year to date



Source: FactSet

The ad-supported tier of Disney+ has signed up 1.1 million subscribers in just over four months of existence, according to new statistics published by media analytics firm Antenna, but Disney watchers say it will be a while before the impact of those new users is visible in financial results.

McCarthy said at the conference earlier this month that the company plans to raise prices for its streaming services again.

Meanwhile, a soft TV advertising market and a writers' strike that threatens to delay production of new series for both streaming and broadcast have limited enthusiasm for media companies more broadly.

All this adds up to more pressure on companies such as Disney to get streaming to profitability and fewer sources of income to rely on going forward to subsidize big spending on content.

"Cable is dead, let's all be honest," said Evan Shapiro, a former TV producer and executive who teaches media management at New York University.

Shapiro said large media companies need to lessen their dependence on the profit generated by linear TV, given how quickly cord-cutters are unsubscribing from cable TV packages.

"Big media companies like Disney really should create a certain date for when they're going to abandon the horse-and-buggy model," he said. "It would create a lot of clarity."

Iger said last year, before retaking the helm at Disney, that traditional TV "is marching to a distinct precipice, and it's going to be pushed off." This year, at Disney's upfront presentation in New York—the annual gathering where media companies pitch their most promising programs to Madison Avenue buyers—Disney focused heavily on sports, bringing onstage pro athletes and commentators to sing the praises of ESPN and coverage of events such as the NBA playoffs.

Analysts at MoffettNathanson in New York recently reported an annual rate of cord-cutting of 6.9% in the first quarter of 2023, the steepest decline on record. More than two million households canceled their traditional TV plans—or those that are delivered via cable, satellite or a telecom service—in the quarter.

"Sports ratings are holding pretty well, but you're seeing an acceleration in cord-cutting, and that's why linear TV profits are in free fall," Nathanson said. "For Disney, it's really about self-help on the cost side. Other companies have been more aggressive about quickly shutting down program spending and cutting administrative costs."

Startup Chiefs Take Pay Cuts To Protect Capital

By Angus Loten

Startup leaders are taking a pay cut to help their companies weather a prolonged slump in venture-capital investing, including fewer funding deals, falling valuations and unfavorable conditions for public-market debuts.

The downturn even has some of these chief executives dropping their paychecks to zero, in an effort to preserve cash during wider gaps between funding rounds, financial managers and investors say.

This year, the average annual salary for CEOs at U.S. startups has fallen to $142,000, down from an average of $150,000 in 2022, and the lowest since 2020, according to Kruze Consulting, an accounting firm for venture-backed companies. The salary figures are based on an analysis of financial data from more than 400 of the firm's private venture-backed startup clients, Kruze said.

Most chief executives at early-stage startups—who often are also a founder or co-founder of the business—set their own salaries based on prevailing market rates. As startups mature, salaries for CEOs and other executives are more likely to be decided by the company's corporate board.

"When these companies start getting low on funding, founders will do whatever they can to extend runway," said Healy Jones, Kruze's vice president of financial strategy. "But some founders are clearly in a tougher spot than others."

Jones said this year's average salary is being weighed down by a number of CEOs who are drawing no salary at all. At the same time, he said, a handful of outliers have raised their salaries, as indicated by a rising median salary. That suggests a smaller pool of healthy businesses are getting the bulk of available capital, limited as it is, while others are struggling, Jones said.

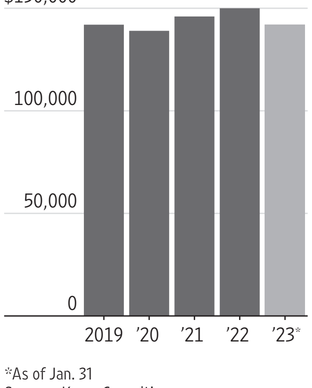
Total funding for startups worldwide in the first quarter dropped to $58.6 billion, a 61% decline from the same period last year, according to market analytics firm CB Insights. The total number of first-quarter deals fell 37% from the year-earlier period to 7,024, the firm said.

Mark Leahy, co-chair of startup and venture capital at law firm Fenwick & West, said to cope with the drop-off in deal making, executives are agreeing to cut their salaries to lower their company's burn rate—the amount of capital a business spends over a given period. "Given the challenging current fundraising environment, many companies are seeking to extend their cash runway and to push towards cash flow break-even in their business," Leahy said.

Steven Rosenblatt, co-founder of seed-stage investing firm Oceans, said most first-time startup CEOs—despite the popular image of highflying tech-sector millionaires—are no different than anybody else when it comes to compensation and will feel the pain of lower salaries.

"You have a small few who can sacrifice taking a salary for an extended period of time, but for most they need some salary to live and pay their bills," Rosenblatt said.

Average annual salary for CEOs from more than 400 VC-backed startups



*As of Jan. 31
Sources: Kruze Consulting

Security Chiefs Move to Trim the Fat

Cyber teams are looking to do more with less in an uncertain economy

By James Rundle
And Kim S. Nash

DAVID PAUL MORRIS/BLOOMBERG NEWS

Security chiefs say they are looking to downsize the number of vendors they use as they confront slimmer budgets. The RSA Conference in San Francisco of cybersecurity providers in April.

CYBERSECURITY

Security chiefs are looking for ways to cut costs and run operations more efficiently as economic difficulties cut into budgets and resources.

High-profile hacks, new regulations focused on digital defenses and a greater understanding of the damage that attacks can cause have elevated cybersecurity to a core business risk. As a result, chief information security officers and chief information officers have spent big on cyber tools and services.

That is starting to change.

Analysts sometimes claim that cybersecurity is immune to wider budget cuts facing companies in light of a troubled economic climate, but the reality on the ground is different, security chiefs say. While many CISOs haven't experienced the degree of belt-tightening seen by other corporate departments, such as sales and marketing or even technology units, they are often being asked to do more with the resources they have.

A sour economy can erode the security budget even without an order to curb spending, said John Scrimsher, CISO at **Kontoor Brands**, the company that makes Wrangler and Lee jeans.

Cybersecurity is typically a portion of the overall technology budget, which itself is a percentage of revenue, Scrimsher said. "If the economy is down and revenue is down, then IT and cyber budgets are down," he said.

This, in turn, has invited greater scrutiny of how security money is being spent, and in some ways forced security chiefs to reckon with uncomfortable truths.

"Even in a good economy, people are trying to grow the business, that's what they want to put their funds into. Security may be important, but security doesn't make revenue," said William Lidster, CISO at automotive insurer **AAA Washington**.

Security providers say conversations around contract renewals and selling products are becoming difficult, and they must be flexible with customers. Chief financial officers and board members are now more involved, and projects that might have been approved easily in past years face rockier prospects.

David Obstler, chief financial officer of **Datadog**, which provides cloud-security monitoring, said on an earnings call this month the company renegotiated a subscription contract with a large customer in the cryptocurrency business. What was a $65 million upfront payment is now several smaller installments, Obstler said.

CIOs and CISOs are taking longer to make buying decisions, say big cybersecurity players **Palo Alto Networks** and **CrowdStrike**.

Annual recurring revenue for CrowdStrike's fiscal year is expected to be "flat to very modestly up," CFO Burt Podbere told financial analysts in March, "given increased budget scrutiny and elongated sales cycles."

"We've seen some projects get delayed or descoped, none canceled, while most continue on track," Nikesh Arora, chief executive of Palo Alto Networks, said on a February earnings call. Economic uncertainties, he said, are "creating more conversations around payment terms, discounts and scope of the deal with purchasing teams."

The scrutiny on budgets is extending to suppliers, some of which are experiencing funding challenges and consolidation, said Barry Mainz, chief executive of cybersecurity company **Forescout Technologies**. He said clients have requested information on his company's financial health, and some want to speak with his CFO.

"I haven't heard that for a while—maybe back in 2008 to 2009 we had that," he said, referring to the financial crisis. "Companies that are looking to invest heavily want to make sure that there's some sort of financial stability."

For security chiefs, who may have dozens of vendors handling everything from firewalls to email security, cutting the number of expensive services they use is a key consideration. Some are also looking at how automated technologies can be implemented to free up human resources.

AAA Washington's Lidster said his company used to have three or four specialists engaged full-time in threat hunting, or combing through network logs to look for suspicious activity. Often, he said, these highly skilled employees wouldn't even know what they were looking for until they found it.

The company has deployed machine-learning programs to take on that work, freeing up staff for more complex tasks, such as analyzing the efficacy of the company's security program and where they need to make changes.

Security chiefs looking to make do should also cull cyber tools that have fallen into disuse or aren't as valuable as they once were, said Scrimsher of Kontoor Brands.

"Make cuts in the least risky way possible," he said. "If there's a great tool that gives you visibility into something but you haven't used that visibility for five years, do you really need to spend $20,000 a year on it?"

Specialist Investor Raises $700 Million For Clean-Energy Fund

By Luis Garcia

Specialist investment firm **NGP Energy Capital Management** has raised $1.23 billion across two funds to make new bets in both the traditional and clean-energy sectors.

The Dallas firm wrapped up its latest energy-transition fund, NGP ETP IV LP, with $700 million in commitments. NGP also said it recently closed on $527 million for its second fund to invest in mineral rights and royalties in oil and gas, NGP Royalty Partners II LP. The effort collected 65% more than the $320 million the firm banked for a predecessor fund in 2021.

More than 30 investors backed the clean-energy fund, said NGP Managing Partner Chris Carter. One participant, the Kentucky Teachers' Retirement System, pledged as much as $30 million, according to the WSJ Pro Private Equity LP Commitments database.

The private-equity firm, which originally focused on oil and gas, began also investing in clean-energy businesses more than 15 years ago through its NGP Energy Technology Partners strategy. The new ETP fund is the firm's latest for a growth strategy that backs equipment and services providers in the clean-energy industry as well as developers of sustainable infrastructure, Carter said.

So far, NGP has invested roughly one-fifth of the new fund across six deals, including backing battery-technology company **Form Energy**, fleet-charging infrastructure developer **EV Realty** and geothermal systems company **Dandelion Energy**, Carter said. The firm focuses on four clean-energy segments: renewable power sources, electrification, energy efficiency and carbon management, he said.

"The fund strategy is a combination of growth-equity investments in existing companies as well as a back-and-build model in the sustainable real assets category," Carter said. He added that a decline in asset prices during the past year or so has made new investment opportunities more attractive.

"We're seeing more reasonable valuations and the ability to negotiate attractive terms," he said. "At the same time, the companies that we have invested in are benefiting from the tailwinds of" the Inflation Reduction Act. The law enacted last year extended tax incentives for solar and wind power while creating new financial support for other clean-energy technologies.

A rising number of investment firms focused on the sector target supply-chain businesses as an abundance of capital depresses returns from backing power-generating operations, fund managers said. Private-capital firms raised $28.76 billion for clean-energy technology funds during this year's first quarter, nearly 26% more than the $22.85 billion collected in the year-earlier period, according to research provider Preqin.

"There are so many new entrants to this space—it's so popular," said Philip Deutch, an NGP partner who leads the firm's clean-energy growth strategy. He added, however, that relatively few firms make growth investments in the sector, which typically involve minority stakes. "It's an underserved area," he said.

While clean energy draws a lot of interest, traditional energy still attracts investors as well. NGP's royalty and mineral rights investments give participants a share of well revenue without the burden of production costs.

"It's an example of investors' desire to find opportunities with lower risk [and] cash-yielding attributes," Carter said.

BUSINESS NEWS

TRENT BOZEMAN FOR THE WALL STREET JOURNAL

Walmart has reduced its inventories in its U.S. store operations by 9% over the past year.

Retailers Indicate U-Turn On Paring Back Inventory

By Paul Page

Big retailers are signaling they are nearly done paring back their excess inventories and are preparing to fill their shelves with new merchandise this fall, potentially brightening prospects for freight carriers looking for revived restocking to drive a shipping rebound.

Target's inventories at the end of the latest quarter were 16% lower than the same period a year ago and **Walmart** cut inventories in its U.S. store operations by 9% over the past year, slashing hundreds of millions of dollars of goods from their balance sheets and suggesting space is opening up in their jammed supply chains.

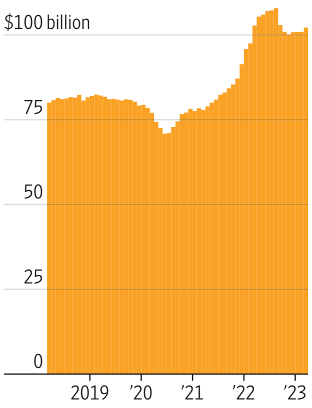
Target Chief Operating Officer John Mulligan said on an earnings conference call Wednesday that the overstocking that weighed on the company last year was "in the rearview mirror" and that the retailer was turning toward getting fresh merchandise into stores for the fall.

"In terms of inventory, we're in good shape," Walmart Chief Executive Doug McMillon said on a Thursday earnings conference call. "In-stock is improving, and excess inventory keeps coming down. We see it in the numbers, and I'm seeing it on store and [Sam's Club] visits."

Inventories at U.S. general merchandise stores expanded 1.2% in March, according to Census Bureau figures, after pulling back over several months from a record last August.

Walmart and Target were among scores of merchants that rushed goods into U.S. distribution networks in early 2022, with some even chartering their own ships to get around port backups and get goods to consumers. McMillon said at one point last year Walmart had 100,000 shipping containers backed up at ports.

Inventories at U.S. general merchandise retail stores



Note: Seasonally adjusted
Source: U.S. Census Bureau via Federal Reserve Bank of St. Louis

U.S. consumers had boosted their purchases of goods during the Covid-19 pandemic as restrictions on many activities limited services spending. But a sharp pivot back toward services began last spring as those restrictions ended, leaving merchants' warehouses overstuffed, and retailers pulled back on orders from overseas suppliers while they burned off excess inventory.

Container imports into U.S. West Coast ports, the main gateways for trade with Asia and the array of suppliers producing consumer goods for American retailers, declined nearly 23% in the first quarter from a year earlier, according to Descartes Datamyne, a data analysis group owned by supply-chain software company Descartes Systems Group.

Drew Wilkerson, CEO of Charlotte, N.C.-based logistics services company **RXO**, said the company's customers that were focused at the start of the year on destocking are starting to push more goods to distribution centers and stores even as uncertainty hangs over the broader economy.

"We're seeing that the retailers are in a much better position than they were a year ago," Wilkerson said. "Now the question is around the consumer. With everything going on with the macro economy, we still have to make sure the demand is there from the consumer."

Germany's **Hapag-Lloyd** said this month that its first-quarter revenue plunged 33% to just over $6 billion on a 4.9% drop in cargo volume. But the world's fifth-largest container carrier by capacity said shipment trends picked up toward the end of the quarter.

"I don't think that means that we're now going to see a very quick recovery," CEO Rolf Habben Jansen said on a May 12 earnings conference call. "But I do think that underlines the point that destocking is slowly but steadily coming to an end, and at some point in time we quite likely will see a bit of pickup in demand."

Lowell, Ark.-based **J.B. Hunt Transportation Services**, a bellwether for the U.S. freight market, said its customers are talking about restocking but so far haven't turned that into bigger shipping volumes.

"Many of them are reporting or sharing with us that they feel like, by and large, their inventory issues are or have been mostly corrected. But we're not yet seeing that inbound flow" increase into distribution centers, Brad Hicks, the carrier's president of highway services, told a BofA Securities conference Thursday.

Judge Targets Secret Funding Of Intellectual-Property Suits

By Jacob Gershman

A federal judge in Delaware is on a campaign to eliminate hidden funding of intellectual-property lawsuits against companies, a crackdown that is roiling the patent-law industry.

U.S. Chief District Judge Colm Connolly in Wilmington, whose court is one of the busiest venues for patent litigation, issued an order a year ago requiring litigants in his court to disclose details of any financial arrangements in which third parties are funding their lawsuits.

Lawyers defending companies against infringement claims have cheered him on, crediting the judge with exposing tactics that have shielded filers of frivolous lawsuits from scrutiny and liability. Attorneys representing plaintiffs in the judge's cross hairs have accused Connolly of unjustly prying into their clients' finances and privileged communications.

In the months since, lawyers representing plaintiffs have sought to pull out of cases investigated by the judge.

The drama is playing out amid a debate over whether the financing of lawsuits by outside parties should be disclosed to courts and defendants. Commercial litigation funding, in which investors essentially make bets on the outcome of civil cases, has become a booming industry, with billions of dollars poured into patent cases in particular.

Outside funding can give smaller litigants access to courts, but critics say the lack of transparency around who is bankrolling infringement lawsuits has helped fuel a growth in nuisance litigation that is often cheaper to settle than to defend.

About one-quarter of federal district courts have rules that require disclosure of the identity of litigation funders in some circumstances, according to the U.S. Chamber of Commerce Institute for Legal Reform, which has been urging the federal judiciary and Congress to mandate a uniform federal disclosure requirement for litigation-funding arrangements.

Critics say a lack of transparency has helped fuel growth in nuisance litigation.

The largest fallout from Connolly's campaign involves **IP Edge**, a Houston-based company that makes money acquiring vast bundles of patents and litigating them in court.

Last summer, **Amazon.com**, facing a lawsuit alleging its streaming and web services infringed on patented technology, accused the plaintiff, **Longbeam Technologies**, of concealing its connections to IP Edge. Connolly allowed discovery into IP Edge's interest in the litigation, which both parties later agreed to dismiss.

The case, though, raised the judge's suspicions that other plaintiffs connected to IP Edge might have disobeyed his financial disclosure order and other transparency requirements. Last summer, he summoned several Texas residents identified as sole owners of plaintiff companies to testify at evidentiary hearings he convened in November.

The witnesses, a paralegal from Fort Worth, a software salesman from Houston and a food-truck owner from Waco, testified that they came to own the rights to patents through a consulting firm called **Mavexar** that approached them.

Public records show that Mavexar's three principal members are the same patent attorneys that founded IP Edge. A lawyer for IP Edge declined to comment.

The witnesses all testified that Mavexar created limited liability companies—naming them as managing members—and transferred patent rights to the companies. Mavexar retained attorneys for the LLCs, handled communications with the lawyers and controlled decisions about wielding the patents in litigation, they said. The witnesses said they didn't pay anything for the rights to the patents but Mavexar was entitled to 90% to 95% of any litigation and settlement proceeds.

MARKETS DIGEST

EQUITIES

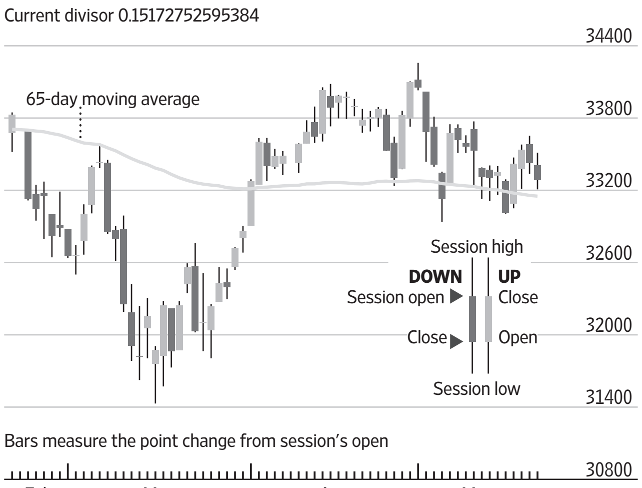
Dow Jones Industrial Average

33286.58 ▼140.05, or 0.42%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio	22.18	18.13
P/E estimate *	17.71	16.53
Dividend yield	2.11	2.23
All-time high	36799.65, 01/04/22	

Current divisor 0.15172752595384

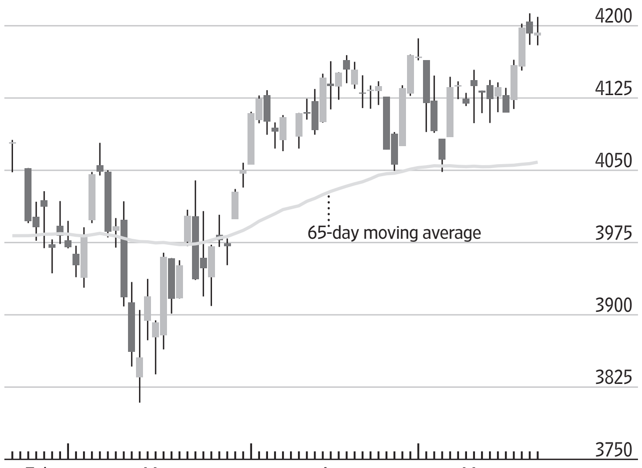


S&P 500 Index

4192.63 ▲0.65, or 0.02%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio *	18.57	20.31
P/E estimate *	18.82	17.15
Dividend yield *	1.67	1.58
All-time high	4796.56, 01/03/22	

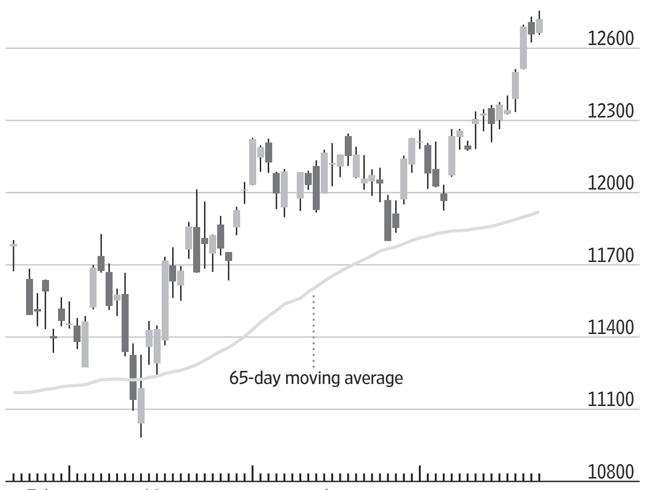


Nasdaq Composite Index

12720.78 ▲ 62.88, or 0.50%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio *†	28.12	25.17
P/E estimate *†	26.62	21.37
Dividend yield *†	0.82	0.90
All-time high:	16057.44, 11/19/21	



*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; †Based on Nasdaq-100 Index

Major U.S. Stock-Market Indexes

	Latest High	Low	Close	Net chg	% chg	52-Week High	Low	% chg	% chg YTD	3-yr. ann.
Dow Jones										
Industrial Average	33512.30	33207.85	33286.58	-140.05	-0.42	34589.77	28725.51	4.4	0.4	10.8
Transportation Avg	14035.18	13797.45	13940.80	31.26	0.22	15640.70	11999.40	1.3	4.1	18.1
Utility Average	921.78	911.71	915.93	1.10	0.12	1061.77	838.99	-8.9	-5.3	6.2
Total Stock Market	41964.23	41649.19	41817.35	71.93	0.17	43441.80	36056.21	4.7	8.6	11.7
Barron's 400	923.30	914.56	919.79	4.23	0.46	1023.20	825.73	-0.5	-0.1	13.2
Nasdaq Stock Market										
Nasdaq Composite	12756.22	12655.26	12720.78	62.88	0.50	13128.05	10213.29	10.3	21.5	10.9
Nasdaq-100	13893.71	13792.97	13849.74	46.25	0.34	13849.74	10679.34	15.1	26.6	13.7
S&P										
500 Index	4209.22	4179.68	4192.63	0.65	0.02	4305.20	3577.03	5.5	9.2	12.4
MidCap 400	2478.00	2449.88	2468.68	12.79	0.52	2726.61	2200.75	2.4	1.6	13.3
SmallCap 600	1158.42	1142.21	1153.27	8.48	0.74	1315.82	1064.45	-2.6	-0.4	14.2
Other Indexes										
Russell 2000	1801.39	1776.96	1795.38	21.67	1.22	2021.35	1649.84	0.1	1.9	9.8
NYSE Composite	15387.76	15271.22	15318.85	-5.47	-0.04	16122.58	13472.18	-0.2	0.9	10.6
Value Line	547.00	541.61	545.04	2.70	0.50	606.49	491.56	-2.8	1.6	9.4
NYSE Arca Biotech	5460.89	5417.07	5448.42	31.34	0.58	5644.50	4208.43	19.0	3.2	-1.0
NYSE Arca Pharma	885.03	873.87	875.23	-2.48	-0.28	892.45	737.84	3.9	0.8	10.9
KBW Bank	78.33	76.85	78.21	1.34	1.75	116.53	71.96	-29.4	-22.5	4.8
PHLX§ Gold/Silver	128.44	127.48	127.49	-0.35	-0.27	144.37	91.40	-2.3	5.5	0.9
PHLX§ Oil Service	75.15	73.52	74.49	1.06	1.44	93.94	56.08	-4.5	-11.2	34.9
PHLX§ Semiconductor	3223.53	3173.87	3215.04	11.55	0.36	3230.86	2162.32	10.9	27.0	21.3
Cboe Volatility	18.13	16.82	17.21	0.40	2.38	34.02	15.78	-39.6	-20.6	-15.1

§Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of $2 and minimum after-hours volume of 50,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	After Hours Last	Net chg	% chg	High	Low
Nu Holdings A	NU	5,498.7	6.62	-0.02	-0.30	6.65	6.61
SPDR S&P 500 ETF Trust	SPY	4,681.6	419.00	0.21	0.05	419.03	403.11
iShares MSCI Brazil ETF	EWZ	4,473.9	29.80	-0.07	-0.23	29.91	29.80
iSh MSCI Emerging Mkts	EEM	3,933.7	39.30	...	unch.	39.32	39.25
PDD Holdings ADR	PDD	3,923.3	62.95	-0.09	-0.14	63.04	62.68
NiSource	NI	3,454.2	27.36	-0.03	-0.11	28.03	27.11
Pfizer	PFE	3,441.1	39.00	0.25	0.65	39.08	36.77
Invesco QQQ Trust I	QQQ	3,010.6	337.84	0.20	0.06	337.99	337.52
Percentage gainers...							
Movella Holdings	MVLA	693.7	2.17	0.25	13.02	2.24	1.92
Galera Therapeutics	GRTX	81.6	3.28	0.20	6.49	3.38	3.08
Bird Global	BRDS	54.2	2.65	0.12	4.74	2.74	2.52
WISeKey Intl Hldg ADR	WKEY	96.2	4.15	0.16	4.01	4.24	3.83
Capri Holdings	CPRI	62.6	41.00	1.53	3.88	41.00	38.90
...And losers							
Guardant Health	GH	62.9	28.62	-2.18	-7.08	30.80	28.25
Valley National Bancorp	VLY	72.7	7.16	-0.39	-5.17	7.55	7.16
Triumph Group	TGI	329.9	11.80	-0.51	-4.14	12.31	11.80
Community Bank Sys	CBU	66.6	47.79	-1.87	-3.77	49.66	47.79
Cadence Bank	CADE	93.8	18.72	-0.67	-3.46	19.39	18.72

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	796,578,521	8,013,445
Adv. volume*	507,889,383	5,692,483
Decl. volume*	278,573,612	1,898,822
Issues traded	3,095	312
Advances	1,790	165
Declines	1,192	131
Unchanged	113	16
New highs	49	2
New lows	35	11
Closing Arms†	0.78	0.53
Block trades*	3,860	80

	Nasdaq	NYSE Arca
Total volume*	4,278,924,432	227,909,462
Adv. volume*	3,004,630,251	142,078,300
Decl. volume*	1,231,493,121	79,819,414
Issues traded	4,611	1,736
Advances	2,805	1,077
Declines	1,623	622
Unchanged	183	37
New highs	112	53
New lows	97	14
Closing Arms†	0.71	1.16
Block trades*	20,643	1,068

* Primary market NYSE, NYSE American NYSE Arca only.
†(TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

International Stock Indexes

Region/Country	Index	Close	Latest Net chg	% chg	YTD % chg
World	MSCI ACWI	657.46	1.04	0.16	8.6
	MSCI ACWI ex-USA	302.43	0.87	0.29	7.5
	MSCI World	2845.71	2.95	0.10	9.3
	MSCI Emerging Markets	983.27	6.03	0.62	2.8
Americas	MSCI AC Americas	1589.84	0.88	0.06	9.1
Canada	S&P/TSX Comp	20351.06	...	Closed	5.0
Latin Amer.	MSCI EM Latin America	2280.36	–19.48	–0.85	7.1
Brazil	BOVESPA	110213.12	–531.39	–0.48	0.4
Chile	S&P IPSA	3217.16	–46.22	–1.42	1.4
Mexico	S&P/BMV IPC	53466.32	–829.73	–1.53	10.3
EMEA	STOXX Europe 600	468.91	0.06	0.01	10.4
Eurozone	Euro STOXX	462.76	–0.39	–0.08	12.9
Belgium	Bel-20	3736.57	–0.21	–0.01	1.0
Denmark	OMX Copenhagen 20	2148.56	42.05	2.00	17.1
France	CAC 40	7478.16	–13.80	–0.18	15.5
Germany	DAX	16223.99	–51.39	–0.32	16.5
Israel	Tel Aviv	1804.27	–10.29	–0.57	0.4
Italy	FTSE MIB	27310.70	–209.63	–0.76	15.2
Netherlands	AEX	767.61	0.51	0.07	11.4
Norway	Oslo Bors All-Share	1386.67	–6.26	–0.45	1.8
South Africa	FTSE/JSE All-Share	77962.73	–213.09	–0.27	6.7
Spain	IBEX 35	9305.00	53.50	0.58	13.1
Sweden	OMX Stockholm	855.01	–1.15	–0.13	9.4
Switzerland	Swiss Market	11553.23	–17.93	–0.15	7.7
Turkey	BIST 100	4466.19	–35.54	–0.79	–18.9
U.K.	FTSE 100	7770.99	14.12	0.18	4.3
U.K.	FTSE 250	19273.34	–15.76	–0.08	2.2
Asia-Pacific	MSCI AC Asia Pacific	162.98	0.93	0.58	4.7
Australia	S&P/ASX 200	7263.30	–16.22	–0.22	3.2
China	Shanghai Composite	3296.47	12.93	0.39	6.7
Hong Kong	Hang Seng	19678.17	227.60	1.17	–0.5
India	S&P BSE Sensex	61963.68	234.00	0.38	1.8
Japan	NIKKEI 225	31086.82	278.47	0.90	19.1
Singapore	Straits Times	3211.09	8.50	0.27	–1.2
South Korea	KOSPI	2557.08	19.29	0.76	14.3
Taiwan	TAIEX	16180.89	5.97	0.04	14.5
Thailand	SET	1529.24	14.35	0.95	–8.4

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	Low	% chg
Hepion Pharmaceuticals	HEPA	19.38	10.51	118.40	23.85	5.20	33.9
Greenhill	GHL	14.66	7.88	116.22	14.85	5.65	30.4
Verde Clean Fuels Cl A	VGAS	7.09	2.44	52.47	21.00	4.31	-29.2
Atea Pharmaceuticals	AVIR	5.06	1.36	36.76	9.79	2.94	-30.7
VectivBio Holding	VECT	16.21	4.31	36.22	16.45	4.25	161.0
Arrival	ARVL	3.45	0.91	35.83	96.50	1.62	-96.3
Aemetis	AMTX	4.35	1.13	35.09	11.50	1.16	-41.1
Biora Therapeutics	BIOR	4.85	1.15	31.08	28.75	1.95	-76.9
Cricut Cl A	CRCT	9.27	2.08	28.93	12.20	5.88	10.2
Exscientia ADR	EXAI	7.69	1.65	27.32	16.45	4.09	-24.5
Recursion Pharm	RXRX	8.12	1.69	26.28	14.18	4.54	40.0
Diamedica Therapeutics	DMAC	2.80	0.55	24.44	2.88	1.12	19.1
Ouster Cl A	OUST	6.32	1.21	23.68	25.00	3.21	-72.8
Krystal Biotech	KRYS	117.53	21.47	22.35	120.00	49.17	103.5
IonQ	IONQ	10.86	1.98	22.30	11.32	3.04	88.5

Percentage Losers

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	Low	% chg
Rain Oncology	RAIN	1.22	-8.71	-87.71	14.48	1.11	-53.1
Mallinckrodt	MNK	3.36	-2.94	-46.67	31.00	0.10	...
Monogram Orthopaedics	MGRM	8.61	-4.89	-36.22	48.99	8.25	...
Intercept Pharm	ICPT	9.53	-4.03	-29.72	21.86	9.21	-47.0
Biocept	BIOC	4.94	-1.71	-25.71	48.60	4.72	-88.9
Daxor	DXR	9.51	-2.73	-22.30	14.55	7.81	-24.0
Citizens Cl A	CIA	1.96	-0.45	-18.67	4.52	1.67	-41.3
Interactive Strength	TRNR	5.81	-1.27	-17.94	8.50	3.21	...
ClearOne	CLRO	2.11	-0.44	-17.25	2.65	0.50	264.5
Enveric Biosciences	ENVB	2.96	-0.58	-16.38	18.50	1.30	-73.1
Elevation Oncology	ELEV	3.19	-0.62	-16.27	5.10	0.72	0.9
ZIM Integrated Shipping	ZIM	14.68	-2.83	-16.16	71.40	14.50	-78.9
IN8bio	INAB	2.72	-0.52	-16.05	3.95	1.02	20.1
United Homes Group	UHG	13.97	-2.63	-15.84	29.00	8.07	42.8
SunCar Tech Cl A	SDA	6.59	-1.21	-15.51	11.50	3.80	-34.7

Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	Low
Microbot Medical	MBOT	192,973	381202.9	3.19	159.35	6.33	1.00
Tesla	TSLA	131,356	-4.6	188.87	4.85	314.67	101.81
AVROBIO	AVRO	85,307	13803.8	1.31	69.01	1.93	0.56
Pfizer	PFE	85,083	291.0	38.75	5.38	54.93	36.17
ProShares UltraPro QQQ	TQQQ	82,435	-43.7	32.07	1.04	39.38	16.10
ProSh UltraPro Shrt QQQ	SQQQ	78,975	-40.0	25.30	-1.02	69.55	25.06
Palantir Technologies	PLTR	75,996	72.7	11.84	1.11	12.41	5.92
NIO ADR	NIO	73,228	69.6	8.79	8.92	24.43	7.33
Amazon.com	AMZN	70,491	16.5	115.01	-1.07	146.57	81.43
Advanced Micro Devices	AMD	65,293	2.6	108.00	2.06	109.57	54.57

* Volumes of 100,000 shares or more are rounded to the nearest thousand

Volume Movers

Ranked by change from 65-day average*

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	Low
Hepion Pharmaceuticals	HEPA	16,231	89812	19.38	118.40	23.85	5.20
VectivBio Holding	VECT	23,491	53907	16.21	36.22	16.45	4.25
Rain Oncology	RAIN	31,755	16545	1.22	-87.71	14.48	1.11
Franklin FTSE India	FLIN	1,921	6480	28.90	1.01	31.24	26.82
Greenhill	GHL	3,358	4088	14.66	116.22	14.85	5.65
WT U.S. Qual Growth Fd	QGRW	523	4015	29.98	0.25	30.07	22.93
Daxor	DXR	208	2668	9.51	-22.30	14.55	7.81
AxonPrime Infr Acqn Cl A	APMI	747	2002	10.19	0.10	11.15	9.63
Tastemaker Acqn Cl A	TMKR	116	1906	10.56	-0.19	10.68	9.89
Growth for Good Acqn A	GFGD	1,830	1790	10.35	0.19	10.76	9.69

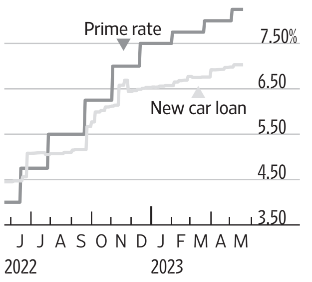
* Common stocks priced at $2 a share or more with an average volume over 65 trading days of at least 5,000 shares †Has traded fewer than 65 days

CREDIT MARKETS

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



Selected rates

New car loan

Bankrate.com avg†:	7.03%
Colonial Savings, FA	5.49%
Garland, TX	972-495-4032
First Command Bank	5.74%
Fort Worth, TX	888-763-7600
First Savings Bank of Hegewisch	5.75%
Chicago, IL	773-646-4200
Firstrust Bank	5.99%
Philadelphia, PA	800-220-2265
Frost Bank	5.99%
Houston, TX	800-513-7678

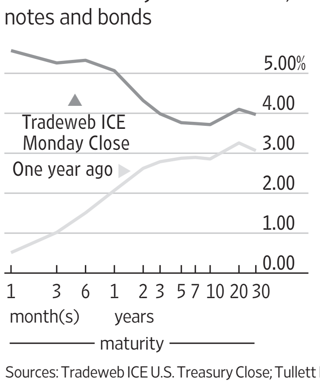
Interest rate	Yield/Rate (%) Last (●)	Week ago	52-Week Range (%) Low	High	3-yr chg (pct pts)
Federal-funds rate target	5.00-5.25	5.00-5.25	0.75	5.25	5.00
Prime rate*	8.25	8.25	4.00	8.25	5.00
Libor, 3-month	5.37	5.33	1.52	5.39	5.01
Money market, annual yield	0.54	0.53	0.08	0.54	0.24
Five-year CD, annual yield	2.83	2.81	0.94	2.83	2.02
30-year mortgage, fixed†	7.17	7.00	5.26	7.41	3.61
15-year mortgage, fixed†	6.43	6.30	4.60	6.53	3.47
Jumbo mortgages, $726,200-plus†	7.26	7.08	5.19	7.44	3.62
Five-year adj mortgage (ARM)†	5.81	5.73	3.86	5.82	2.57
New-car loan, 48-month	7.03	7.03	4.44	7.03	2.76

Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks.† Excludes closing costs.

Sources: FactSet; Dow Jones Market Data; Bankrate.com

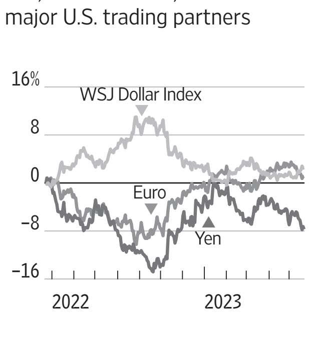
Treasury yield curve

Yield to maturity of current bills, notes and bonds



Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Sources: Tradeweb ICE U.S. Treasury Close; Tullett Prebon; Dow Jones Market Data

Corporate Borrowing Rates and Yields

Bond total return index	Close	Yield (%) Last	Week ago	52-Week High	Low	Total Return (%) 52-wk	3-yr
U.S. Treasury, Bloomberg	2130.010	4.060	3.780	4.560	2.700	–2.946	–4.692
U.S. Treasury Long, Bloomberg	3212.130	4.060	3.900	4.570	3.060	–11.237	–12.811
Aggregate, Bloomberg	1986.170	4.630	4.400	5.210	3.300	–2.470	–3.774
Fixed-Rate MBS, Bloomberg	1964.710	4.710	4.520	5.380	3.300	–3.226	–3.850
High Yield 100, ICE BofA	3246.025	8.056	8.007	8.753	6.441	4.459	3.393
Muni Master, ICE BofA	562.699	3.439	3.136	3.936	2.419	2.498	–0.852
EMBI Global, J.P. Morgan	778.274	7.945	7.796	9.159	6.775	0.273	–2.472

Sources: J.P. Morgan; Bloomberg Fixed Income Indices; ICE Data Services

CURRENCIES & COMMODITIES

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Country/currency	Mon in US$	per US$	US$ vs, YTD chg (%)
Americas			
Argentina peso	.0043	234.3659	32.6
Brazil real	.2014	4.9662	–6.0
Canada dollar	.7404	1.3507	–0.3
Chile peso	.001253	797.88	–5.9
Colombia peso	.000221	4528.44	–6.6
Ecuador US dollar	1	1	unch
Mexico peso	.0559	17.8959	–8.2
Uruguay peso	.02572	38.8750	–2.8
Asia-Pacific			
Australia dollar	.6651	1.5035	2.5
China yuan	.1421	7.0358	2.0
Hong Kong dollar	.1277	7.8283	0.3
India rupee	.01207	82.829	0.1
Indonesia rupiah	.0000672	14885	–4.4
Japan yen	.007215	138.60	5.7
Kazakhstan tenge	.002253	443.85	–4.1
Macau pataca	.1239	8.0690	0.3
Malaysia ringgit	.2199	4.5480	3.2
New Zealand dollar	.6287	1.5906	1.0
Pakistan rupee	.00349	286.575	26.4
Philippines peso	.0180	55.693	0.02
Singapore dollar	.7429	1.3461	0.4
South Korea won	.0007609	1314.16	4.1
Sri Lanka rupee	.0032666	306.13	–16.7
Taiwan dollar	.03262	30.660	0.1
Thailand baht	.02903	34.450	–0.5
Vietnam dong	.00004266	23443	–0.8
Europe			
Czech Rep. koruna	.04563	21.914	–2.9
Denmark krone	.1452	6.8873	–0.9
Euro area euro	1.0813	.9249	–1.0
Hungary forint	.002891	345.85	–7.4
Iceland krona	.007146	139.94	–1.1
Norway krone	.0917	10.9018	11.1
Poland zloty	.2402	4.1634	–4.9
Russia ruble	.01242	80.500	9.2
Sweden krona	.0947	10.5615	1.2
Switzerland franc	1.1137	.8979	–2.9
Turkey lira	.0504	19.8361	6.1
Ukraine hryvnia	.0271	36.9500	0.3
UK pound	1.2438	.8040	–2.7
Middle East/Africa			
Bahrain dinar	2.6525	.3770	–0.01
Egypt pound	.0324	30.9017	24.8
Israel shekel	.2733	3.6592	3.8
Kuwait dinar	3.2538	.3073	0.4
Oman sul rial	2.5975	.3850	–0.01
Qatar rial	.2746	3.641	–0.7
Saudi Arabia riyal	.2667	3.7501	–0.2
South Africa rand	.0520	19.2300	12.9

	Close	Net Chg	% Chg	YTD % Chg
WSJ Dollar Index	97.15	0.09	0.09	0.62

Sources: Tullett Prebon, Dow Jones Market Data

Commodities

	Close	Monday Net chg	% Chg	52-Week High	Low	% Chg	YTD % chg
DJ Commodity	959.88	-1.29	-0.13	1251.61	956.11	-21.18	-8.47
Refinitiv/CC CRB Index	261.58	-0.55	-0.21	329.59	254.03	-17.01	-5.82
Crude oil, $ per barrel	71.99	0.44	0.61	122.11	66.74	-34.73	-10.30
Natural gas, $/MMBtu	2.400	-0.185	-7.16	9.680	1.991	-72.55	-46.37
Gold, $ per troy oz.	1974.80	-3.90	-0.20	2048.00	1623.30	6.87	8.52

COMMODITIES

Futures Contracts

Metal & Petroleum Futures

	Open	Contract High	hi lo	Low	Settle	Chg	Open interest
Copper-High (CMX)-25,000 lbs.; $ per lb.							
May	3.7180	3.7185		3.6600	**3.6740**	–0.0485	928
July	3.7275	3.7375		3.6675	**3.6850**	–0.0470	127,918
Gold (CMX)-100 troy oz.; $ per troy oz.							
May	1980.50	1980.50		1980.50	**1974.80**	–3.90	207
June	1979.40	1984.80		1970.70	**1977.20**	–4.40	177,472
July	1991.00	1992.90		1981.60	**1986.70**	–4.50	2,247
Aug	1998.40	2003.50		1989.30	**1995.70**	–4.60	251,996
Oct	2020.40	2021.30		2008.80	**2014.90**	–4.30	11,345
Dec	2039.30	2039.40		2026.80	**2033.20**	–4.10	34,240
Palladium (NYM) - 50 troy oz.; $ per troy oz.							
May					**1500.20**	–31.60	1
June	1514.00	1526.00		1485.50	**1492.20**	–31.60	6,782
Platinum (NYM)-50 troy oz.; $ per troy oz.							
May					**1080.40**	1.60	1
July	1070.00	1087.90		1065.80	**1077.30**	1.60	66,920
Silver (CMX)-5,000 troy oz.; $ per troy oz.							
May	23.675	23.705		23.675	**23.715**	–0.205	220
July	24.020	24.085		23.760	**23.861**	–0.199	112,391
Crude Oil, Light Sweet (NYM)-1,000 bbls.; $ per bbl.							
June	71.70	72.36		70.55	**71.99**	0.44	20,121
July	71.87	72.53		70.67	**72.05**	0.36	378,970
Aug	71.76	72.42		70.57	**71.97**	0.38	205,842
Sept	71.45	72.11		70.29	**71.68**	0.37	170,254
Oct	71.07	71.70		69.95	**71.28**	0.34	176,147
Dec	70.42	70.87		69.20	**70.46**	0.29	223,638
NY Harbor ULSD (NYM)-42,000 gal.; $ per gal.							
June	2.3669	2.3814		2.3303	**2.3664**	.0042	39,054
July	2.3559	2.3700		2.3191	**2.3558**	.0034	75,448
Gasoline-NY RBOB (NYM)-42,000 gal.; $ per gal.							
June	2.5779	2.6768		2.5492	**2.6489**	.0728	50,613
July	2.5012	2.5640		2.4698	**2.5389**	.0412	93,481
Natural Gas (NYM)-10,000 MMBtu.; $ per MMBtu.							
June	2.568	2.569		2.367	**2.400**	–.185	50,219
July	2.697	2.707		2.512	**2.551**	–.156	361,532
Aug	2.763	2.771		2.588	**2.623**	–.149	95,403
Sept	2.727	2.744		2.571	**2.609**	–.138	168,910
Oct	2.783	2.827		2.660	**2.698**	–.129	114,864
Jan'24	3.896	3.929		3.808	**3.841**	–.084	76,904

Agriculture Futures

	Open	Contract High	hi lo	Low	Settle	Chg	Open interest
Corn (CBT)-5,000 bu.; cents per bu.							
July	554.75	575.50		553.25	**571.00**	16.50	501,144
Dec	499.00	510.00		496.75	**509.00**	9.25	380,222
Oats (CBT)-5,000 bu.; cents per bu.							
July	321.75	331.25		313.25	**314.50**	–7.75	2,915
Dec	333.25	346.00		332.00	**332.75**	–2.25	1,049
Soybeans (CBT)-5,000 bu.; cents per bu.							
July	1308.25	1344.25	▼	1304.75	**1341.25**	34.00	270,240
Nov	1176.50	1199.75	▼	1172.00	**1197.00**	21.50	207,423
Soybean Meal (CBT)-100 tons; $ per ton.							
July	409.10	416.90	▼	407.50	**412.20**	3.10	181,257
Dec	377.60	383.10	▼	375.80	**381.20**	3.80	110,022
Soybean Oil (CBT)-60,000 lbs.; cents per lb.							
July	47.35	49.08		46.65	**48.77**	1.50	185,058
Dec	47.10	48.61		46.51	**48.32**	1.27	133,763
Rough Rice (CBT)-2,000 cwt.; $ per cwt.							
July	17.10	17.27		16.71	**16.84**	–.23	3,078
Sept	15.05	15.10		14.84	**14.95**	–.10	4,301
Wheat (CBT)-5,000 bu.; cents per bu.							
July	607.75	613.75	▼	596.25	**606.25**	1.25	213,197
Sept	619.00	625.25	▼	608.25	**618.75**	1.75	68,584
Wheat (KC)-5,000 bu.; cents per bu.							
July	827.00	830.50		807.25	**825.75**	1.50	86,517
Sept	817.25	822.00		799.25	**817.75**	2.25	42,052
Cattle-Feeder (CME)-50,000 lbs.; cents per lb.							
May	206.425	206.825		205.850	**206.575**	.300	3,531
Aug	234.675	235.100		232.550	**234.900**	–.200	34,246
Cattle-Live (CME)-40,000 lbs.; cents per lb.							
June	165.650	165.650		164.500	**165.050**	–.675	51,709
Aug	164.200	164.250		162.775	**163.600**	–.700	149,882
Hogs-Lean (CME)-40,000 lbs.; cents per lb.							
June	83.450	83.825	▼	81.675	**81.825**	–1.200	39,618
July	83.575	84.275	▼	81.925	**82.150**	–.975	69,739
Lumber (CME)-27,500 bd. ft., $ per 1,000 bd. ft.							
July	502.50	504.50		502.00	**502.00**	.50	4,900
Sept					**525.00**	2.50	1,131
Milk (CME)-200,000 lbs., cents per lb.							
May	16.18	16.21		16.18	**16.21**	.02	4,586
June	16.22	16.39		16.06	**16.32**	.26	6,627
Cocoa (ICE-US)-10 metric tons; $ per ton.							
July	3,074	3,079	▲	3,019	**3,023**	–45	129,086
Sept	3,077	3,085	▲	3,029	**3,036**	–38	78,240
Coffee (ICE-US)-37,500 lbs.; cents per lb.							
July	191.00	193.75		186.55	**189.20**	–2.80	76,001
Sept	188.30	191.05		184.30	**186.90**	–2.40	51,718
Sugar-World (ICE-US)-112,000 lbs.; cents per lb.							
July	25.75	26.05		25.58	**25.99**	.21	386,093
Oct	25.45	25.70		25.29	**25.65**	.16	252,046
Sugar-Domestic (ICE-US)-112,000 lbs.; cents per lb.							
July	42.50	42.50		42.50	**42.50**	...	449
Nov	42.00	42.00		42.00	**41.99**	...	1,534
Cotton (ICE-US)-50,000 lbs.; cents per lb.							
July	86.72	87.25		84.61	**85.32**	–1.40	82,669
Dec	83.90	84.00		82.57	**83.38**	–.51	78,794
Orange Juice (ICE-US)-15,000 lbs.; cents per lb.							
July	256.45	268.20		256.40	**268.20**	10.00	6,931
Sept	251.50	262.00		250.00	**262.00**	10.00	893

Interest Rate Futures

	Open	Contract High	hi lo	Low	Settle	Chg	Open interest
Ultra Treasury Bonds (CBT) - $100,000; pts 32nds of 100%							
June	135-060	135-200		134-010	**134-070**	–18.0	1,391,341
Sept	135-210	136-030		134-170	**134-210**	–19.0	99,405
Treasury Bonds (CBT)-$100,000; pts 32nds of 100%							
June	127-140	127-240		126-200	**126-250**	–12.0	1,109,371
Sept	127-170	127-300		126-270	**127-000**	–11.0	140,236
Treasury Notes (CBT)-$100,000; pts 32nds of 100%							
June	113-230	113-300		113-105	**113-150**	–3.0	4,271,970
Sept	114-160	114-235		114-035	**114-080**	–3.0	493,593
5 Yr. Treasury Notes (CBT)-$100,000; pts 32nds of 100%							
June	108-257	108-312		108-165	**108-195**	–2.5	4,397,844
Sept	109-125	109-182		109-032	**109-067**	–2.0	669,800
2 Yr. Treasury Notes (CBT)-$200,000; pts 32nds of 100%							
June	102-207	102-231		102-156	**102-171**	–1.9	2,881,839
Sept	103-088	103-115		103-033	**103-052**	–1.5	360,020
30 Day Federal Funds (CBT)-$5,000,000; 100 - daily avg.							
May	94.9450	94.9450		94.9425	**94.9425**		445,323
July	94.8850	94.9000		94.8450	**94.8500**	–.0250	293,787
10 Yr. Del. Int. Rate Swaps (CBT)-$100,000; pts 32nds of 100%							
June	96-100	96-195		96-025	**96-055**	–8.5	7,309
Three-Month SOFR (CME)-$1,000,000; 100 - daily avg.							
March	95.0550	95.0550		95.0500	**95.0500**	–.0050	1,013,310
June	94.8500	94.8675		94.7900	**94.8025**	–.0400	1,257,216
Eurodollar (CME)-$1,000,000; pts of 100%							
June	94.5300	94.5325		94.4775	**94.4875**	–.0175	544,549

Currency Futures

	Open	Contract High	hi lo	Low	Settle	Chg	Open interest
Japanese Yen (CME)-¥12,500,000; $ per 100¥							
June	.7278	.7304		.7241	**.7247**	–.0027	211,119
Sept	.7381	.7406		.7345	**.7350**	–.0027	3,512
Canadian Dollar (CME)-CAD 100,000; $ per CAD							
June	.7412	.7420		.7402	**.7408**	...	154,161
Sept	.7427	.7434		.7417	**.7422**	...	3,578
British Pound (CME)-£62,500; $ per £							
June	1.2455	1.2479		1.2421	**1.2450**	–.0007	226,535
Dec					**1.2474**	–.0007	8,799
Swiss Franc (CME)-CHF 125,000; $ per CHF							
June	1.1158	1.1219		1.1149	**1.1180**	.0029	43,602
Sept	1.1270	1.1328		1.1259	**1.1290**	.0029	588
Australian Dollar (CME)-AUD 100,000; $ per AUD							
June	.6658	.6674		.6634	**.6659**	...	174,914
Sept	.6684	.6695		.6656	**.6681**	...	1,111
Mexican Peso (CME)-MXN 500,000; $ per MXN							
June	.05596	.05600		.05532	**.05551**	–.00046	237,770
Sept	.05487	.05498		.05435	**.05451**	–.00046	777
Euro (CME)-€125,000; $ per €							
June	1.0827	1.0849		1.0813	**1.0836**	.0010	761,803
Sept	1.0882	1.0900		1.0864	**1.0888**	.0011	15,210

Index Futures

	Open	Contract High	hi lo	Low	Settle	Chg	Open interest
Mini DJ Industrial Average (CBT)-$5 x index							
June	33412	33587		33273	**33360**	–136	95,205
Sept	33688	33850		33557	**33634**	–132	1,596
Mini S&P 500 (CME)-$50 x index							
June	4189.00	4221.75		4186.50	**4205.00**	0.25	2,359,584
Sept	4224.50	4262.00		4223.25	**4245.50**	0.75	32,207
Mini S&P Midcap 400 (CME)-$100 x index							
June	2455.60	2485.00		2454.00	**2475.00**	13.30	37,962
Sept					**2492.10**	11.70	n.a.
Mini Nasdaq 100 (CME)-$20 x index							
June	13805.50	13946.75		13794.25	**13902.50**	44.50	270,487
Sept	13960.00	14104.50		13957.50	**14061.75**	47.25	4,842
Mini Russell 2000 (CME)-$50 x index							
June	1771.60	1808.60		1769.40	**1800.90**	21.70	523,556
Sept	1789.50	1824.50		1786.90	**1817.50**	22.60	3,815
Mini Russell 1000 (CME)-$50 x index							
June	2301.90	2308.90		2293.30	**2300.80**	1.70	7,499
U.S. Dollar Index (ICE-US)-$1,000 x index							
June	103.02	103.26		102.85	**103.08**	...	28,968
Sept	102.67	102.88		102.48	**102.72**	...	1,468

Source: FactSet

Cash Prices | wsj.com/market-data/commodities

Monday, May 22, 2023

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

	Monday
Energy	
Coal,C.Aplc.,12500Btu,1.2SO2-r,w	**75.750**
Coal,PwdrRvrBsn,8800Btu,0.8SO2-r,w	**15.250**
Metals	
Gold, per troy oz	
Engelhard industrial	**1975.00**
Handy & Harman base	**1970.30**
Handy & Harman fabricated	**2187.03**
LBMA Gold Price AM	*1965.55
LBMA Gold Price PM	*1961.60
Krugerrand,wholesale-e	**2054.00**
Maple Leaf-e	**2073.75**
American Eagle-e	**2073.75**
Mexican peso-e	**2389.26**
Austria crown-e	**1938.90**
Austria phil-e	**2073.75**
Silver, troy oz.	
Engelhard industrial	**23.8500**
Handy & Harman base	**23.6730**
Handy & Harman fabricated	**29.5910**
LBMA spot price	*£19.0300
(U.S.$ equivalent)	*23.6600
Coins,wholesale $1,000 face-a	**22058**
Other metals	
LBMA Platinum Price PM	*1071.0
Platinum,Engelhard industrial	**1080.0**
Palladium,Engelhard industrial	**1525.0**
Aluminum, LME, $ per metric ton	*2300.0
Copper,Comex spot	**3.6740**

	Monday
Iron Ore, 62% Fe CFR China-s	n.a.
Shredded Scrap, US Midwest-s,m	n.a.
Steel, HRC USA, FOB Midwest Mill-s	n.a.
Battery/EV metals	
BMI Lithium Carbonate, EXW China, =99.2%-v,w	**33600**
BMI Lithium Hydroxide, EXW China, =56.5% -v,w	**32950**
BMI Cobalt sulphate, EXW China, >20.5% -v,m	**5148**
BMI Nickel Sulphate, EXW China, >22%-v,m	**4966**
BMI Flake Graphite, FOB China, -100 Mesh, 94-95% -v,m	**705**
Fibers and Textiles	
Burlap,10-oz,40-inch NY yd-n,w	**0.7400**
Cotton,1 1/16 std lw-mdMphs-u	**0.8357**
Cotlook 'A' Index-t	*97.50
Hides,hvy native steers piece fob-u	n.a.
Wool,64s,staple,Terr del-u,w	n.a.
Grains and Feeds	
Barley,top-quality Mnpls-u	n.a.
Bran,wheat middlings, KC-u,w	**133**
Corn,No. 2 yellow,Cent IL-bp,u	**5.8900**
Corn gluten feed,Midwest-u,w	**172.6**
Corn gluten meal,Midwest-u,w	**551.9**
Cottonseed meal-u,w	**378**
Hominy feed,Cent IL-u,w	**192**
Meat-bonemeal,50% pro Mnpls-u,w	**455**
Oats,No.2 milling,Mnpls-u	**3.6450**
Rice, Long Grain Milled, No. 2 AR-u,w	**37.25**
Sorghum,(Milo) No.2 Gulf-u	n.a.
SoybeanMeal,Cent IL,rail,ton48%-u,w	**415.10**
Soybeans,No.1 yllw IL-bp,u	**13.5000**

	Monday
Wheat,Spring14%-pro Mnpls-u	**10.0950**
Wheat,No.2 soft red,St.Louis-u	**6.0475**
Wheat - Hard - KC (USDA) $ per bu-u	**8.9075**
Wheat,No.1soft white,Portld,OR-u	**7.2250**
Food	
Beef,carcass equiv. index	
choice 1-3,600-900 lbs.-u	**278.86**
select 1-3,600-900 lbs.-u	**259.58**
Broilers, National comp wtd. avg.-u,w	**1.4269**
Butter,AA Chicago-d	**2.4500**
Cheddar cheese,bbl,Chicago-d	**151.50**
Cheddar cheese,blk,Chicago-d	**160.00**
Milk,Nonfat dry,Chicago lb.-d	**116.00**
Coffee,Brazilian,Comp-y	**1.9104**
Coffee,Colombian, NY-y	**2.3060**
Eggs,large white,Chicago-u	**0.8850**
Flour,hard winter KC-p	n.a.
Hams,17-20 lbs,Mid-US fob-u	n.a.
Hogs,Iowa-So. Minnesota-u	**82.73**
Pork bellies,12-14 lb MidUS-u	n.a.
Pork loins,13-19 lb MidUS-u	**1.0866**
Steers,Tex.-Okla. Choice-u	**170.00**
Steers,feeder,Okla. City-u,w	**244.25**
Fats and Oils	
Degummed corn oil, crude wtd. avg.-u,w	**52.0000**
Grease,choice white,Chicago-h	**0.5500**
Lard,Chicago-u	n.a.
Soybean oil,crude;Centl IL-u,w	**0.5002**
Tallow,bleach;Chicago-h	**0.5675**
Tallow,edible,Chicago-u	n.a.

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; D=CME; E=Manfra,Tordella & Brookes; H=American Commodities Brokerage Co; K=bi-weekly; M=monthly; N=nominal; n.a.=not quoted or not available; P=Sosland Publishing; R=SNL Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. *Data as of 5/21

Source: Dow Jones Market Data

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

Money Rates

May 22, 2023

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Inflation

	April index level	Chg From (%) March '23	April '22
U.S. consumer price index			
All items	**303.363**	0.51	4.9
Core	**306.899**	0.47	5.5

International rates

	Latest	Week ago	52-Week High	52-Week Low
Prime rates				
U.S.	**8.25**	8.25	8.25	4.00
Canada	**6.70**	6.70	6.70	3.20
Japan	**1.475**	1.475	1.475	1.475

	Latest	Week ago	52-WEEK High	52-WEEK Low
Policy Rates				
Euro zone	**3.75**	3.75	3.75	0.00
Switzerland	**2.00**	2.00	2.00	0.00
Britain	**4.50**	4.50	4.50	1.00
Australia	**3.85**	3.85	3.85	0.35
Overnight repurchase				
U.S.	**5.07**	5.10	5.10	0.71
U.S. government rates				
Discount				
	5.25	5.25	5.25	1.00
Federal funds				
Effective rate	**5.0900**	5.0900	5.1000	0.8300

	Latest	Week ago	52-WEEK High	52-WEEK Low
High	**5.4000**	5.4000	5.4000	0.9500
Low	**5.0600**	5.0600	5.0800	0.8000
Bid	**5.0800**	5.0800	5.0800	0.8200
Offer	**5.1100**	5.1000	5.1200	0.8400
Treasury bill auction				
4 weeks	**5.370**	5.605	5.840	0.640
13 weeks	**5.250**	5.060	5.250	1.060
26 weeks	**5.170**	4.980	5.170	1.530
Secondary market				
Fannie Mae				
30-year mortgage yields				
30 days	**6.211**	6.029	6.812	4.321
60 days	**6.226**	6.035	6.988	4.390

Other short-term rates

	Latest	Week ago	52-Week high	52-Week low
Call money				
	7.00	7.00	7.00	2.75
Commercial paper (AA financial)				
90 days	**5.23**	5.04	5.23	1.25
Libor				
One month	**5.12686**	5.10771	5.14843	1.00571
Three month	**5.37471**	5.33043	5.39271	1.52386
Six month	**5.45486**	5.38314	5.49986	2.05429
One year	**5.43100**	5.30343	5.88071	2.68157
Secured Overnight Financing Rate				
	5.05	5.05	5.06	0.69

	Latest	Value Traded	52-Week High	52-Week Low
DTCC GCF Repo Index				
Treasury	**5.078**	14.550	5.128	0.700
MBS	**5.090**	37.800	5.147	0.770

Notes on data:

U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective May 4, 2023. **Other prime rates** aren't directly comparable; lending practices vary widely by location; **Discount rate** is effective May 4, 2023. **Secured Overnight Financing Rate** is as of May 19, 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.

Key Interest Rates

Data are annualized on a 360-day basis. Treasury yields are per annum, on actively traded noninflation and inflation-indexed issues that are adjusted to constant maturities. Data are from weekly Federal Reserve release H.15.

	Week Ended May 19	May 12	52-Week High	52-Week Low
Federal funds (effective)				
	5.08	5.08	5.08	0.83
Commercial paper				
Nonfinancial				
1-month	**5.07**	5.04	5.07	0.83
2-month	**5.07**	5.07	5.07	0.91
3-month	**5.07**	5.08	5.10	1.04
Financial				
1-month	**5.09**	5.05	5.09	0.92
2-month	**5.11**	5.05	5.18	1.14
3-month	**5.16**	5.04	5.19	1.38
Discount window primary credit				
	5.25	5.25	5.25	1.00
Treasury yields at constant maturities				
1-month	**5.59**	5.63	5.63	0.62
3-month	**5.26**	5.26	5.26	1.05

	Week Ended May 19	May 12	52-Week High	52-Week Low
6-month	**5.31**	5.15	5.31	1.54
1-year	**4.91**	4.75	5.12	2.02
2-year	**4.14**	3.96	4.89	2.51
3-year	**3.83**	3.63	4.57	2.67
5-year	**3.60**	3.44	4.32	2.75
7-year	**3.60**	3.45	4.23	2.78
10-year	**3.59**	3.47	4.12	2.72
20-year	**3.99**	3.89	4.44	3.18
Treasury yields (secondary market)				
1-month	**5.42**	5.46	5.46	0.59
3-month	**5.10**	5.10	5.10	1.04
6-month	**5.06**	4.91	5.06	1.49
TIPS				
5-year	**1.45**	1.28	1.81	-0.16
7-year	**1.41**	1.27	1.70	0.01
10-year	**1.38**	1.27	1.66	0.18
20-year	**1.50**	1.44	1.70	0.47
Long-term avg	**1.66**	1.62	1.94	0.72

Notes on data:
Federal-funds rate is an average for the seven days ended Wednesday, weighted according to rates on broker trades; **Commercial paper rates** are discounted offer rates interpolated from sales by discounted averages of dealer bid rates on nationally traded certificates of deposit; **Discount window primary credit rate** is charged for discounts made and advances extended under the Federal Reserve's primary credit discount window program; **rate** is average for seven days ended Wednesday; **Inflation-indexed long-term TIPS** average is indexed and is based on the unweighted average bid yields for all TIPS with remaining terms to maturity of 10 years or more;

Sources: Federal Reserve; for additional information on these rate data and their derivation, please see, https://www.federalreserve.gov/datadownload/Build.aspx?rel=H15

Bonds | wsj.com/market-data/bonds/benchmarks

Tracking Bond Benchmarks

Return on investment and spreads over Treasurys and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Total return close	YTD total return (%)	Index	Yield (%) Latest	Low	High
Broad Market Bloomberg Fixed Income Indices					
1986.17	1.8	U.S. Aggregate	4.630	3.300	5.210
U.S. Corporate Indexes Bloomberg Fixed Income Indices					
2926.83	2.0	U.S. Corporate	5.440	4.150	6.130
2844.31	2.1	Intermediate	5.340	3.850	6.050
3855.27	1.6	Long term	5.630	4.690	6.370
567.97	2.0	Double-A-rated	4.740	3.610	5.320
776.21	2.1	Triple-B-rated	5.740	4.480	6.440
High Yield Bonds ICE BofA					
482.05	4.0	High Yield Constrained	8.688	7.022	9.623
449.36	6.9	Triple-C-rated	14.697	12.585	16.916
3246.03	4.3	High Yield 100	8.056	6.441	8.753
419.46	3.4	Global High Yield Constrained	8.816	7.184	9.945
320.82	3.9	Europe High Yield Constrained	7.330	5.546	8.508
U.S Agency Bloomberg Fixed Income Indices					
1725.08	2.0	U.S Agency	4.580	2.780	5.080
1525.87	1.9	10-20 years	4.580	2.710	5.100
3304.89	3.6	20-plus years	4.650	3.560	5.240
2598.39	2.5	Yankee	5.110	3.780	5.840

Total return close	YTD total return (%)	Index	Yield (%) Latest	Low	High
Mortgage-Backed Bloomberg Fixed Income Indices					
1964.71	1.5	Mortgage-Backed	4.710	3.300	5.380
1937.33	1.7	Ginnie Mae (GNMA)	4.750	3.320	5.370
1155.50	1.4	Fannie mae (FNMA)	4.690	3.300	5.390
1772.46	1.5	Freddie Mac (FHLMC)	4.750	3.300	5.370
562.70	1.1	Muni Master	3.439	2.419	3.936
402.96	1.2	7-12 year	3.044	2.325	3.794
451.46	2.0	12-22 year	3.743	2.991	4.428
422.50	2.5	22-plus year	4.442	3.674	5.131
Global Government J.P. Morgan†					
531.19	1.8	Global Government	3.010	1.990	3.250
778.91	2.0	Canada	3.270	2.720	3.780
337.53	1.4	EMU§	3.293	1.594	3.490
625.97	1.0	France	3.130	1.410	3.310
447.78	1.0	Germany	2.530	0.770	2.760
285.83	2.9	Japan	0.740	0.530	1.060
483.14	0.7	Netherlands	2.830	1.080	3.000
763.98	-2.4	U.K.	4.250	1.970	4.680
778.27	1.3	Emerging Markets **	7.945	6.775	9.159

*Constrained indexes limit individual issuer concentrations to 2%; the High Yield 100 are the 100 largest bonds † In local currency § Euro-zone bonds

** EMBI Global Index

Sources: ICE Data Services; Bloomberg Fixed Income Indices; J.P.Morgan

Global Government Bonds: Mapping Yields

Yields and spreads over or under U.S. Treasurys on benchmark two-year and 10-year government bonds in selected other countries; arrows indicate whether the yield rose(▲) or fell (▼) in the latest session

Coupon (%)	Country/ Maturity, in years	Yield (%) Latest	Previous	Month ago	Year ago	Spread Under/Over U.S. Treasurys, in basis points Latest	Prev	Year ago
3.875	**U.S.** 2	4.318 ▲	4.287	4.188	2.581			
3.375	10	3.717 ▲	3.690	3.570	2.785			
3.250	**Australia** 2	3.490 ▼	3.505	3.163	2.501	-84.7	-76.3	-11.1
4.500	10	3.595 ▼	3.603	3.469	3.309	-12.0	-8.0	45.5
0.000	**France** 2	2.970 ▲	2.962	3.055	0.247	-136.7	-130.6	-236.4
3.000	10	3.025 ▲	3.008	3.050	1.471	-69.0	-67.5	-138.3
2.800	**Germany** 2	2.796 ▲	2.762	2.927	0.345	-154.1	-150.6	-226.7
2.300	10	2.459 ▲	2.425	2.484	0.941	-125.5	-125.9	-191.3
2.500	**Italy** 2	3.444 ▲	3.437	3.494	0.959	-89.3	-83.1	-165.3
4.400	10	4.300 ▲	4.251	4.364	2.979	58.5	56.8	12.5
0.005	**Japan** 2	-0.065 ▼	-0.058	-0.039	-0.054	-440.2	-432.6	-266.6
0.500	10	0.387 ▼	0.407	0.462	0.240	-332.7	-327.6	-261.4
0.000	**Spain** 2	3.126 ▲	3.107	3.174	0.630	-121.1	-116.1	-198.2
3.150	10	3.501 ▼	3.513	3.524	2.081	-21.4	-17.0	-77.3
0.625	**U.K.** 2	4.065 ▲	3.943	3.747	1.503	-27.2	-32.6	-110.9
4.250	10	4.066 ▲	3.988	3.759	1.894	35.1	30.5	-96.0

Source: Tullett Prebon, Tradeweb ICE U.S. Treasury Close

Corporate Debt

Prices of firms' bonds reflect factors including investors' economic, sectoral and company-specific expectations

Investment-grade spreads that tightened the most...

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Spread*, in basis points Current	One-day change	Last week
HSBC Holdings	HSBC	3.900	5.29	May 25, '26	129	–19	145
Nomura Holdings	NOMURA	2.172	5.79	July 14, '28	203	–13	223
Sumitomo Mitsui Financial	SUMIBK	3.010	5.13	Oct. 19, '26	122	–12	133
Jefferies Financial	JEF	4.850	5.27	Jan. 15, '27	149	–11	n.a.
Honeywell International	HON	6.625	4.63	June 15, '28	87	–10	90
Goldman Sachs	GS	6.450	6.04	May 1, '36	235	–9	n.a.
Verizon Communications	VZ	4.125	4.63	March 16, '27	88	–9	96
Bank of America	BAC	3.500	4.90	April 19, '26	92	–7	95

...And spreads that widened the most

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Current	One-day change	Last week
Barclays	BACR	4.375	5.80	Jan. 12, '26	180	11	197
Citigroup	C	4.450	5.56	Sept. 29, '27	179	9	166
Commonwealth Bank of Australia	CBAAU	5.316	4.75	March 13, '26	75	9	88
Amphenol	APH	4.750	4.89	March 30, '26	90	6	84
TransCanada PipeLines	TRPCN	7.625	6.26	Jan. 15, '39	216	6	n.a.
Metropolitan Life Global Funding I	...	3.000	5.05	Sept. 19, '27	129	5	n.a.
Mizuho Financial	MIZUHO	3.170	5.19	Sept. 11, '27	142	4	n.a.
BHP Billiton Finance	BHP	4.875	4.75	Feb. 27, '26	76	3	n.a.

High-yield issues with the biggest price increases...

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Bond Price as % of face value Current	One-day change	Last week
Nordstrom	JWN	6.950	7.85	March 15, '28	96.450	1.55	n.a.
Sealed Air	SEE	6.875	6.30	July 15, '33	104.250	1.25	n.a.
Prime Security Services Borrower	PRSESE	5.750	6.31	April 15, '26	98.536	0.54	98.748
Deutsche Bank	DB	4.500	7.80	April 1, '25	94.398	0.51	n.a.
American Airlines	AAL	3.750	6.71	March 1, '25	95.134	0.51	95.000
Pactiv	...	8.375	8.14	April 15, '27	100.750	0.50	n.a.
QVC	QVCN	4.850	11.97	April 1, '24	94.375	0.50	93.250
Venture Global Calcasieu Pass	VENTGL	4.125	6.40	Aug. 15, '31	85.625	0.50	87.375

...And with the biggest price decreases

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Current	One-day change	Last week
Hughes Satellite Systems	SATS	6.625	9.49	Aug. 1, '26	92.250	–0.72	92.250
United States Cellular	USM	6.700	9.35	Dec. 15, '33	82.450	–0.49	83.690
Dish DBS	...	5.875	19.22	Nov. 15, '24	83.530	–0.45	83.500
Occidental Petroleum	OXY	6.450	6.30	Sept. 15, '36	101.375	–0.38	104.000
Bath & Body Works	BBWI	6.950	8.57	March 1, '33	89.438	–0.36	86.520
Navient	NAVI	6.125	8.64	March 25, '24	98.000	–0.29	n.a.
Bausch Health	BHCCN	11.000	17.66	Sept. 30, '28	77.500	–0.25	74.000
Ford Motor Credit	...	3.664	6.67	Sept. 8, '24	96.342	–0.20	96.750

*Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year hot-run Treasury; 100 basis points=one percentage pt.; change in spread shown is for Z-spread.
Note: Data are for the most active issue of bonds with maturities of two years or more

Source: MarketAxess

Dividend Changes

KEY: A: annual; M: monthly; Q: quarterly; r: revised; SA: semiannual; S2:1: stock split and ratio; SO: spin-off.

Company	Symbol	Yld %	Amount New/Old	Frq	Payable / Record
Increased					
AMMO 8.75% Pfd. A	POWWP	9.2	.559 /.54688	Q	Jun15 /May31
Oxford Lane Capital	OXLC	18.8	.08 /.075	M	Jul31 /Jul17
Permian Basin Royalty Tr	PBT	4.7	.0444 /.02685	M	Jun14 /May31
Reduced					
Cross Timbers Royalty Tr	CRT	10.6	.1851 /.24467	M	Jun14 /May31
Marine Petroleum Tr Un	MARPS	11.9	.1102 /.15931	Q	Jun28 /May31
PermRock Royalty Trust	PRT	19.5	.03 /.03089	M	Jun14 /May31
San Juan Basin Royalty	SJT	27.4	.0527 /.10381	M	Jun14 /May31

Company	Symbol	Yld %	Amount New/Old	Frq	Payable / Record
Stocks					
Adamis Pharmaceuticals	ADMP		1:70		/May22
Foreign					
LyondellBasell Inds	LYB	5.5	1.25	Q	Jun06 /May30
Willis Towers Watson	WTW	1.5	.84	Q	Jul17 /Jun30
Special					
Ohio Valley Banc	OVBC	3.6	.15		Jun10 /May30

Sources: FactSet; Dow Jones Market Data

BIGGEST 1,000 STOCKS

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are composite quotations that include primary market trades as well as trades reported by Nasdaq BX (formerly Boston), Chicago Stock Exchange, Cboe, NYSE National and Nasdaq ISE.

The list comprises the 1,000 largest companies based on market capitalization.

Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume.

Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was $2 or higher.

Footnotes:
i-New 52-week high.
l-New 52-week low.
dd-Indicates loss in the most recent four quarters.
FD-First day of trading.
h-Does not meet continued listing standards
lf-Late filing
q-Temporary exemption from Nasdaq requirements.
t-NYSE bankruptcy
v-Trading halted on primary market.
vj-In bankruptcy or receivership or being reorganized under the Bankruptcy Code, or securities assumed by such companies.

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

Monday, May 22, 2023

Stock	Sym	Close	Net Chg
A B C			
ABB	ABB	37.13	-0.43
AECOM	ACM	79.40	0.12
AES	AES	21.16	0.35
Aflac	AFL	66.58	-0.30
AGCO	AGCO	114.77	0.44
AMC Ent	AMC	5.12	0.09
Ansys	ANSS	306.35	0.79
APA	APA	33.47	0.06
ASE Tech	ASX	7.46	0.09
ASML	ASML	698.64	4.64
AT&T	T	16.38	0.07
AbbottLabs	ABT	108.25	-0.68
AbbVie	ABBV	144.90	-0.21
AcadiaHealthcare	ACHC	72.58	0.04
Accenture	ACN	290.95	1.04
ActivisionBlizz	ATVI	79.06	0.47
Adobe	ADBE	372.05	0.80
AdvanceAuto	AAP	119.44	2.03
AdvDrainageSys	WMS	96.51	-0.04
AdvMicroDevices	AMD	108.00	2.18
Aegon	AEG	4.66	0.03
AerCap	AER	58.64	0.01
AgilentTechs	A	129.09	0.22
agilon health	AGL	21.04	-0.81
AgnicoEagleMines	AEM	53.47	-0.56
AirProducts	APD	275.00	-3.91
Airbnb	ABNB	109.93	2.55
AkamaiTech	AKAM	87.95	0.68
Albemarle	ALB	206.50	2.35
Albertsons	ACI	20.18	-0.08
Alcoa	AA	36.40	0.30
Alcon	ALC	81.72	-0.07
AlexandriaRlEst	ARE	117.69	1.87
Alibaba	BABA	86.10	2.12
AlignTech	ALGN	300.83	9.84
Allegion	ALLE	109.76	0.46
AllegroMicro	ALGM	39.33	0.37
AlliantEnergy	LNT	52.59	-0.02
Allstate	ALL	118.09	0.31
AllyFinancial	ALLY	26.88	0.45
AlnylamPharm	ALNY	193.06	2.32
Alphabet C	GOOG	125.87	2.62
Alphabet A	GOOGL	125.05	2.29
Altria	MO	44.93	-0.37
Amazon.com	AMZN	115.01	-1.24
Ambev	ABEV	2.89	0.01
Amcor	AMCR	10.27	0.04
Amdocs	DOX	94.55	-0.48
Ameren	AEE	83.62	-0.50
AmericaMovil	AMX	21.28	-0.41
AmerAirlines	AAL	14.38	-0.44
AEP	AEP	86.41	-0.15
AmerExpress	AXP	155.51	2.56
AmericanFin	AFG	116.63	-0.54
AmHomes4Rent	AMH	33.83	0.08
AIG	AIG	53.96	0.11
AmerTowerREIT	AMT	193.47	2.74
AmerWaterWorks	AWK	143.57	2.12
AmericoldRealty	COLD	29.74	0.07
Ameriprise	AMP	304.01	0.14
AmerisourceBrgn	ABC	172.25	-1.14
Ametek	AME	147.93	0.36
Amgen	AMGN	223.99	0.57
Amphenol	APH	76.29	0.49
AnalogDevices	ADI	191.31	0.78
AngloGoldAsh	AU	24.27	0.03
AB InBev	BUD	58.83	-0.55
AnnalyCap	NLY	19.10	-0.06
AnteroResources	AR	23.80	0.10
Aon	AON	325.67	-1.45
ApellisPharm	APLS	87.48	-1.38
ApolloGlbMgmt	APO	66.00	2.15
Apple	AAPL	174.20	-0.96
ApplMaterials	AMAT	126.55	-0.40
Applovin	APP	25.09	-0.03
Aptargroup	ATR	118.13	-0.96
Aptiv	APTV	94.43	0.06
Aramark	ARMK	39.59	0.05
ArcelorMittal	MT	26.72	0.11
ArchCapital	ACGL	73.50	-2.52
ADM	ADM	73.44	0.21
AresMgmt	ARES	85.13	1.49
argenx	ARGX	419.70	-2.88
AristaNetworks	ANET	145.37	1.46
ArrowElec	ARW	123.58	0.36
AspenTech	AZPN	171.03	1.92
Assurant	AIZ	129.17	0.19
AstraZeneca	AZN	74.45	-0.34
Atlassian	TEAM	158.38	11.39
AtmosEnergy	ATO	116.37	-0.19
Autodesk	ADSK	203.49	2.60
Autoliv	ALV	86.35	-0.63
ADP	ADP	216.53	0.35
AutoZone	AZO	2619.80	-33.38
Avalonbay	AVB	176.72	0.48
Avangrid	AGR	38.75	0.20
Avantor	AVTR	20.83	-0.12
AveryDennison	AVY	170.77	-0.03
AvisBudget	CAR	165.25	4.93
AxaltaCoating	AXTA	30.55	-0.09
AxonEnterprise	AXON	201.75	4.89
BCE	BCE	46.94	-0.01
BHP Group	BHP	58.62	0.09
BILL	BILL	99.66	5.00
BJ'sWholesale	BJ	69.60	-0.53
BP	BP	35.89	-0.14
Baidu	BIDU	125.95	1.67
BakerHughes	BKR	28.37	0.21
Ball	BALL	54.24	-0.36
BancoBilbaoViz	BBVA	7.06	0.04
BancoBradesco	BBDO	2.72	0.01
BancodeChile	BCH	21.57	-0.14
BancSanBrasil	BSBR	6.02	0.02
BcoSantChile	BSAC	18.79	-0.05
BancoSantander	SAN	3.47	0.05
BanColombia	CIB	26.94	0.20
BankofAmerica	BAC	28.34	0.23
BankofMontreal	BMO	87.67	0.31
BankNY Mellon	BK	41.25	0.36
BankNovaScotia	BNS	49.53	0.27
Barclays	BCS	8.01	0.02
BarrickGold	GOLD	17.79	-0.07
Bath&BodyWks	BBWI	38.12	1.09
Bausch+Lomb	BLCO	19.46	0.01
BaxterIntl	BAX	42.58	-0.41
BectonDickinsn	BDX	251.04	-0.84
BeiGene	BGNE	242.06	9.46
BentleySystems	BSY	46.90	0.84
Berkley	WRB	56.82	-2.58
BerkHathwy A	BRK.A	501148	-6012.55
BerkHathwy B	BRK.B	329.13	-1.26
BerryGlobal	BERY	59.01	0.90
BestBuy	BBY	70.32	-0.21
Bilibili	BILI	18.80	0.60
Bio-Techne	TECH	84.21	0.33
Bio-RadLab A	BIO	387.15	5.01
Biogen	BIIB	306.87	-1.61
BioMarinPharm	BMRN	92.77	0.87
BioNTech	BNTX	107.50	1.01
BlackKnight	BKI	55.69	0.07
BlackRock	BLK	671.39	4.69
Blackstone	BX	85.01	1.93
Block	SQ	60.62	1.97
BlueOwlCapital	OWL	10.22	0.15
Boeing	BA	205.91	0.42
Booking	BKNG	2695.62	-69.64
BoozAllen	BAH	93.17	0.51
BorgWarner	BWA	47.64	1.49
BostonProps	BXP	50.06	0.98
BostonSci	BSX	53.68	0.04
BoydGaming	BYD	66.09	-0.70
BristolMyers	BMY	65.81	-0.03
BritishAmTob	BTI	33.15	-0.01
Broadcom	AVGO	678.37	-3.88
BroadridgeFinl	BR	153.72	0.45
BrookfieldAsset	BAM	31.60	0.40
Brookfield	BN	31.30	0.48
BrookfieldInfr	BIP	36.99	-0.08
BrookfieldRenew	BEPC	35.06	0.14
Brown&Brown	BRO	65.71	-0.65
Brown-Forman A	BF.A	65.21	0.64
Brown-Forman B	BF.B	64.34	0.64
Bruker	BRKR	75.14	-0.68
BuildersFirst	BLDR	120.17	-0.07
Bunge	BG	90.47	0.02
BurlingtonStrs	BURL	167.27	-0.61
CACI Intl	CACI	302.27	0.73
CBRE Group	CBRE	78.06	0.78
CDW	CDW	175.71	3.12
CF Industries	CF	67.04	0.82
CGI A	GIB	104.36	-0.44
CH Robinson	CHRW	101.09	0.66
CME Group	CME	181.93	0.11
CMS Energy	CMS	58.90	0.27
CNA Fin	CNA	38.88	-0.39
CNH Indl	CNHI	13.99	-0.01
CRH	CRH	50.11	-0.12
CSX	CSX	31.90	-0.41
CVS Health	CVS	69.42	0.04
CadenceDesign	CDNS	211.63	-5.08
CAE	CAE	22.51	0.21
CaesarsEnt	CZR	44.64	0.85
CamdenProperty	CPT	106.27	-0.23
Cameco	CCJ	27.95	1.03
CampbellSoup	CPB	51.59	-1.08
CIBC	CM	41.91	0.34
CanNtlRlwy	CNI	117.76	-1.74
CanadianNatRscs	CNQ	57.56	0.52
CdnPacKC	CP	81.34	-1.26
CapitalOne	COF	99.45	1.52
CardinalHealth	CAH	85.98	0.05
Carlisle	CSL	213.39	1.08
Carlyle	CG	27.89	0.59
CarMax	KMX	72.21	0.46
Carnival	CCL	11.22	0.28
Carnival	CUK	9.98	0.23
CarrierGlobal	CARR	42.43	-0.36
CaseysGenStores	CASY	229.52	0.36
Catalent	CTLT	37.51	0.34
Caterpillar	CAT	214.26	-0.52
Celanese	CE	108.50	1.12
CelsiusHldg	CELH	131.22	-0.45
Cemex	CX	6.34	-0.16
CenovusEnergy	CVE	16.59	0.08
Centene	CNC	65.20	-0.20
CenterPointEner	CNP	28.55	-0.04
CentraisElBras	EBR	7.18	0.18
CeridianHCM	CDAY	63.40	1.85
CharlesRiverLabs	CRL	201.34	3.01
CharterComms	CHTR	341.49	1.09
CheckPoint	CHKP	122.62	1.20
Chemed	CHE	540.07	1.38
CheniereEnergy	LNG	143.93	2.75
CheniereEnerPtrs	CQP	46.85	0.60
ChesapeakeEner	CHK	81.82	0.60
Chevron	CVX	152.44	-2.79
ChewyA	CHWY	32.50	0.86
Chipotle	CMG	2101.94	-4.28
Chubb	CB	198.20	-2.98
ChunghwaTel	CHT	40.61	-0.63
Church&Dwight	CHD	94.79	-0.24
ChurchillDowns	CHDN	141.68	-2.05
Ciena	CIEN	45.58	0.66
Cigna	CI	255.52	0.39
CincinnatiFinl	CINF	104.43	-0.53
Cintas	CTAS	471.62	1.14
CiscoSystems	CSCO	48.82	-0.31
Citigroup	C	45.79	0.08
CitizensFin	CFG	27.19	1.01
CleanHarbors	CLH	145.62	6.97
Cleveland-Cliffs	CLF	14.87	-0.06
Clorox	CLX	162.82	-3.54
Cloudflare	NET	56.80	-1.19
Coca-Cola	KO	61.51	-1.32
Coca-ColaEuro	CCEP	64.73	-1.03
Cognex	CGNX	52.74	-0.26
CognizantTech	CTSH	64.01	1.00
CoinbaseGlbl	COIN	61.07	4.29
ColgatePalm	CL	78.41	-1.52
Comcast A	CMCSA	41.24	0.06
SABESP	SBS	10.24	...
EngGr-Cmg	CIG	2.39	-0.01
EngGr-Cmg	CIG.C	3.79	-0.09
ConagraBrands	CAG	35.39	-0.45
Confluent	CFLT	28.47	1.09
ConocoPhillips	COP	103.73	1.13
ConEd	ED	94.65	-0.54
ConstBrands A	STZ	235.46	0.17
ConstellationEner	CEG	83.55	1.23
Cooper	COO	390.14	4.04
Copart	CPRT	89.16	0.92
Core&Main	CNM	27.29	-0.03
CorebridgeFin	CRBG	17.24	0.25
Corning	GLW	31.50	0.18
Corteva	CTVA	56.86	-0.11
CoStar	CSGP	79.85	1.35
Costco	COST	491.87	-4.65
CoterraEnergy	CTRA	25.89	0.26
Coty	COTY	11.12	-0.12
Coupang	CPNG	16.01	-0.28
Credicorp	BAP	132.72	-0.03
Crocs	CROX	107.11	-1.89
CrowdStrike	CRWD	147.41	2.69
CrownCastle	CCI	115.06	1.98
CrownHoldings	CCK	80.51	-1.04
CubeSmart	CUBE	44.92	0.01
CullenFrost	CFR	103.99	2.64
Cummins	CMI	218.03	1.35
CyberArkSoftware	CYBR	152.55	-0.41
D E F			
DCP Midstream	DCP	41.57	0.09
DTE Energy	DTE	108.91	0.35
Danaher	DHR	231.28	2.95
Darden	DRI	161.23	-0.18
DarlingIngred	DAR	64.66	-0.16
Datadog	DDOG	93.87	1.78
DaVita	DVA	99.80	-0.53
DeckersOutdoor	DECK	456.20	1.41
Deere	DE	360.50	-3.05
DellTechC	DELL	47.54	-0.21
DeltaAir	DAL	35.46	-0.13
DentsplySirona	XRAY	39.41	-0.78
DescartesSystems	DSGX	78.38	0.32
DeutscheBank	DB	10.68	0.08
DevonEnergy	DVN	49.32	0.12
DexCom	DXCM	119.29	2.16
Diageo	DEO	178.45	-0.36
DiamondbkEner	FANG	132.45	2.23
Dick's	DKS	126.40	-0.27
DigitalRealty	DLR	91.51	0.76
DiscoverFinSvcs	DFS	101.06	0.32
Disney	DIS	91.82	0.47
DocuSign	DOCU	55.45	2.33
DolbyLab	DLB	83.38	-0.22
DollarGeneral	DG	211.87	-3.21
DollarTree	DLTR	160.00	-0.08
DominionEner	D	52.16	0.04
Domino's	DPZ	308.91	-3.55
Donaldson	DCI	64.23	0.34
DoorDash	DASH	65.63	-1.35
Dover	DOV	140.20	0.73
Dow	DOW	51.77	-0.18
DrReddy'sLab	RDY	54.13	0.64
DraftKings	DKNG	25.22	1.11
Dropbox	DBX	22.48	-0.21
DukeEnergy	DUK	91.97	-0.54
Duolingo	DUOL	155.79	5.44
DuPont	DD	67.08	0.33
Dynatrace	DT	49.17	0.14
EMCOR	EME	164.91	-0.04
ENI	E	28.87	0.11
EOG Rscs	EOG	113.55	-1.04
EPAM Systems	EPAM	263.67	16.17
EQT	EQT	36.31	0.08
EastWestBncp	EWBC	49.91	1.41
EastGroup	EGP	162.86	0.10
EastmanChem	EMN	82.85	0.40
Eaton	ETN	174.18	0.03
eBay	EBAY	44.12	0.64
Ecolab	ECL	172.99	-2.28
Ecopetrol	EC	9.42	0.03
EdisonIntl	EIX	67.68	-0.60
EdwardsLife	EW	89.16	1.23
ElbitSystems	ESLT	203.60	-3.52
ElectronicArts	EA	125.12	-0.54
ElevanceHealth	ELV	457.04	-0.79
EmersonElec	EMR	81.71	-0.78
Enbridge	ENB	36.87	-0.22
Endeavor	EDR	23.01	-0.12
EnergyTransfer	ET	12.73	-0.03
EnphaseEnergy	ENPH	164.65	2.28
Entegris	ENTG	96.77	0.06
Entergy	ETR	100.42	-0.13
EnterpriseProd	EPD	26.03	-0.17
Equifax	EFX	215.31	5.19
Equinix	EQIX	726.72	3.14
Equinor	EQNR	27.50	-0.12
Equitable	EQH	25.20	0.70
EquityLife	ELS	65.27	0.17
EquityResdntl	EQR	61.80	0.35
ErieIndemnity A	ERIE	228.98	0.61
EssentialUtil	WTRG	40.52	0.27
EssexProp	ESS	211.00	1.22
EsteeLauder	EL	197.97	-1.91
Etsy	ETSY	90.02	0.92
EverestRe	RE	361.49	-14.98
Evergy	EVRG	59.07	-0.21
EversourceEner	ES	72.75	-0.42
ExactSciences	EXAS	83.61	0.43
Exelixis	EXEL	19.77	-0.02
Exelon	EXC	40.12	0.25
Expedia	EXPE	96.82	0.19
ExpeditorsIntl	EXPD	114.43	-0.14
ExtraSpaceSt	EXR	148.65	0.55
ExxonMobil	XOM	104.97	-1.29
F5	FFIV	144.75	2.22
FMC	FMC	107.83	-1.08
FactSet	FDS	398.25	2.06
FairIsaac	FICO	776.73	20.94
Fastenal	FAST	55.39	0.39
FederalRealty	FRT	90.20	1.46
FedEx	FDX	228.68	-0.40
Ferguson	FERG	150.50	1.95
Ferrari	RACE	301.53	3.29
FidNatlFin	FNF	34.81	0.06
FidNatlInfo	FIS	57.47	0.63
FifthThirdBncp	FITB	25.45	0.35
FirstCitizBcshA	FCNCA	1306.87	0.84
FirstIndRlty	FR	52.33	0.25
FirstSolar	FSLR	201.69	-1.84
FirstEnergy	FE	37.89	0.13
FirstService	FSV	147.17	-0.49
Fiserv	FISV	119.54	...
FiveBelow	FIVE	186.00	-4.21
FleetCorTech	FLT	237.70	4.05
Flex	FLEX	24.51	0.21
Floor&Decor	FND	90.57	2.12
FomentoEconMex	FMX	98.48	-1.51
FordMotor	F	11.63	-0.02
Fortinet	FTNT	69.52	-0.11
Fortis	FTS	43.18	-0.24
Fortive	FTV	66.42	0.72
FortuneBrands	FBIN	64.58	-0.81
FoxB	FOX	28.96	0.04
FoxA	FOXA	31.31	-0.03
Franco-Nevada	FNV	152.54	-0.54
FranklinRscs	BEN	24.61	0.12
FreeportMcM	FCX	35.62	-0.11
FreseniusMed	FMS	23.12	-0.15
G H I			
GE HealthCare	GEHC	79.08	-0.23
GFLEnvironmental	GFL	37.10	-0.15
GSK	GSK	35.35	-0.26
GXO Logistics	GXO	59.36	0.77
Gallagher	AJG	214.59	-1.48
GameStop	GME	24.21	2.15
Gaming&Leisure	GLPI	48.45	-0.17
Garmin	GRMN	104.82	0.82
Gartner	IT	331.40	0.63
GenDigital	GEN	17.06	0.86
Generac	GNRC	118.28	4.49
GeneralDynamics	GD	212.52	1.87
GeneralElec	GE	104.55	0.29
GeneralMills	GIS	85.70	-1.93
GeneralMotors	GM	32.86	0.20
Genmab	GMAB	42.37	0.73
Genpact	G	38.00	...
Gentex	GNTX	27.64	-0.36
GenuineParts	GPC	163.17	-1.60
Gerdau	GGB	5.01	0.23
GileadSciences	GILD	78.62	-0.22
GlobalPayments	GPN	103.66	1.70
GlobalFoundries	GFS	57.40	0.43
Globant	GLOB	173.26	5.86
GlobeLife	GL	108.38	0.10
GoDaddy	GDDY	72.58	1.04
GoldFields	GFI	15.20	-0.09
GoldmanSachs	GS	324.92	-1.23
Grab	GRAB	3.06	0.31
Graco	GGG	78.94	0.89
Grainger	GWW	671.30	-10.48
GraphicPkg	GPK	25.65	-0.11
Grifols	GRFS	9.01	...
GpoAeroportuar	PAC	177.69	-1.77
GpoAeroportSur	ASR	282.32	-2.37
Guidewire	GWRE	81.72	1.36
HCA Healthcare	HCA	277.04	-5.43
HDFC Bank	HDB	66.56	0.07
HF Sinclair	DINO	42.30	0.95
HP	HPQ	30.71	0.17
HSBC	HSBC	38.53	0.21
H World	HTHT	41.98	0.36
Haleon	HLN	8.55	-0.10
Halliburton	HAL	30.22	0.05
HartfordFinl	HIG	70.92	-0.31
Hasbro	HAS	60.41	0.09
HealthcareRealty	HR	19.13	0.18
HealthpeakProp	PEAK	20.10	0.20
Heico	HEI	178.94	1.96
Heico A	HEI.A	142.46	2.58
HenrySchein	HSIC	77.46	0.54
Hershey	HSY	262.88	-3.16
Hess	HES	133.08	-0.47
HessMidstream	HESM	27.52	-0.29
HewlettPackard	HPE	14.45	0.12
Hilton	HLT	143.55	-0.63
Hologic	HOLX	81.63	0.20
HomeDepot	HD	290.66	-0.22
HondaMotor	HMC	28.56	0.36
Honeywell	HON	196.93	-0.42
HorizonTherap	HZNP	100.57	-0.18
HormelFoods	HRL	38.89	-0.45
DR Horton	DHI	108.08	-2.11
HostHotels	HST	17.12	0.05
HowmetAerospace	HWM	44.82	-0.14
Hubbell	HUBB	282.49	2.48
HubSpot	HUBS	494.43	13.92
Humana	HUM	513.98	0.46
JBHunt	JBHT	168.85	0.48
HuntingtonBcshs	HBAN	10.53	0.36
HuntingIngalls	HII	203.29	2.65
HyattHotels	H	111.16	-2.42
ICICI Bank	IBN	22.92	-0.07
ICL Group	ICL	6.56	0.09
IdexxLab	IDXX	486.25	-1.85
ING Groep	ING	13.03	0.02
Invesco	IVZ	15.19	-0.05
IQVIA	IQV	201.77	2.33
ITT	ITT	82.61	0.50
IcahnEnterprises	IEP	28.71	-3.51
Icon	ICLR	215.91	3.13
IDEX	IEX	208.68	3.69
IllinoisToolWks	ITW	227.33	-0.71
Illumina	ILMN	208.85	3.99
ImperialOil	IMO	46.92	0.06
Incyte	INCY	64.39	0.82
Infosys	INFY	15.65	0.40
IngersollRand	IR	59.74	-0.02
Ingredion	INGR	111.47	-1.03
InspireMedical	INSP	311.39	3.16
Insulet	PODD	306.55	5.52
Intel	INTC	30.28	0.35
InteractiveBrkrs	IBKR	75.70	0.28
ICE	ICE	109.18	1.15
InterContinentl	IHG	68.14	0.30
IBM	IBM	127.50	0.24
IntlFlavors	IFF	83.40	-0.28
IntlPaper	IP	31.73	-0.23
Interpublic	IPG	38.60	0.02
Intuit	INTU	454.11	8.08
IntuitiveSurgical	ISRG	313.62	0.01
InvitatHomes	INVH	33.64	0.11
IridiumComm	IRDM	61.80	1.80
IronMountain	IRM	55.04	-0.32
ItauUnibanco	ITUB	5.26	-0.08
J K L			
JD.com	JD	35.99	0.93
JPMorganChase	JPM	138.03	-1.15
Jabil	JBL	84.58	0.58
JackHenry	JKHY	150.78	1.98
JacobsSolns	J	117.06	0.13
JamesHardie	JHX	25.00	0.35
JazzPharm	JAZZ	132.93	-1.34
JefferiesFinl	JEF	30.75	0.36
J&J	JNJ	156.87	-0.85
JohnsonControls	JCI	63.00	-0.22
JonesLang	JLL	146.08	2.01
JuniperNetworks	JNPR	29.76	0.22
KB Financial	KB	37.75	0.46
KBR	KBR	58.92	0.05
KE Holdings	BEKE	15.25	0.43
KKR	KKR	51.19	1.16
KLA	KLAC	420.81	-2.83
Kanzhun	BZ	17.47	0.07
KarunaTherap	KRTX	225.85	1.92
Kellogg	K	68.34	-0.99
Kenvue	KVUE	26.07	-1.16
KeurigDrPepper	KDP	31.91	0.08
KeyCorp	KEY	10.28	0.46
KeysightTech	KEYS	158.72	1.53
KimberlyClark	KMB	140.70	-4.33
KimcoRealty	KIM	18.78	0.46
KinderMorgan	KMI	16.53	0.01
KinrossGold	KGC	5.12	-0.03
KinsaleCapital	KNSL	324.19	3.02
Knight-Swift	KNX	54.87	0.28
Philips	PHG	20.19	-0.12
KoreaElecPwr	KEP	7.03	0.08
KraftHeinz	KHC	38.74	-0.33
Kroger	KR	49.98	0.34
LKQ	LKQ	55.16	-0.60
LPL Financial	LPLA	198.04	0.06
L3HarrisTech	LHX	186.20	1.80
LabCorp.ofAmerica	LH	218.62	1.80
LamResearch	LRCX	585.07	-3.79
LamarAdv	LAMR	93.77	-0.76
LambWeston	LW	111.75	-2.73
LandstarSystem	LSTR	175.03	-2.36
Lantheus	LNTH	98.32	1.08
LasVegasSands	LVS	59.49	-1.00
LatticeSemi	LSCC	83.99	0.62
Lear	LEA	126.13	1.07
LegendBiotech	LEGN	68.96	-0.77
Leidos	LDOS	80.01	1.61
Lennar A	LEN	110.50	-3.09
Lennar B	LEN.B	97.45	-2.73
LennoxIntl	LII	280.91	-7.14
LiAuto	LI	29.45	0.35
LibertyBroadbandC	LBRDK	77.97	0.43
LibertyBroadbandA	LBRDA	77.59	0.38
LibertyGlobal A	LBTYA	17.00	...
LibertyGlobal C	LBTYK	17.84	0.03
LibertyFormOne C	FWONK	72.40	-0.91
LibertyFormOne A	FWONA	64.97	-0.78
LibertyBraves A	BATRA	38.47	0.14
LibertyBraves C	BATRK	37.65	0.06
LibertySirius C	LSXMK	28.19	0.12
LibertySirius A	LSXMA	28.28	0.12
LifeStorage	LSI	131.27	0.62
EliLilly	LLY	433.99	-8.39
LincolnElectric	LECO	171.28	1.08
Linde	LIN	366.39	-5.10
Littelfuse	LFUS	269.92	1.81
LiveNationEnt	LYV	84.75	0.02
LloydsBanking	LYG	2.32	...
LockheedMartin	LMT	454.72	0.23
Loews	L	58.68	-0.12
LogitechIntl	LOGI	65.82	0.43
Lowe's	LOW	203.15	-3.12
Lucid	LCID	7.65	0.47
lululemon	LULU	363.12	-5.41
LyondellBasell	LYB	90.68	-0.21
M N			
M&T Bank	MTB	123.27	1.66
MGM Resorts	MGM	42.33	-0.15
MPLX	MPLX	34.20	-0.05
MSCI	MSCI	472.42	2.58
MagellanMid	MMP	62.19	-0.45
MagnaIntl	MGA	52.69	-0.04
ManhattanAssoc	MANH	177.89	0.80
ManulifeFinl	MFC	19.34	...
MarathonOil	MRO	23.43	0.36
MarathonPetrol	MPC	110.63	0.32
Markel	MKL	1359.04	-0.33
MarketAxess	MKTX	286.60	2.01
Marriott	MAR	174.68	-3.75
Marsh&McLen	MMC	179.72	-0.82
MartinMarietta	MLM	405.99	-2.41
MarvellTech	MRVL	46.44	0.98
Masco	MAS	52.05	-0.50
Masimo	MASI	162.87	-0.59
MasTec	MTZ	97.94	1.09
Mastercard	MA	384.53	-1.04
MatchGroup	MTCH	33.98	2.14
Mattel	MAT	18.40	-0.15
McCormickVtg	MKC.V	87.86	-1.09
McCormick	MKC	87.72	-1.20
McDonald's	MCD	289.35	-6.20
McKesson	MCK	396.43	-1.24
Medpace	MEDP	209.56	-1.32
Medtronic	MDT	89.50	0.17
MercadoLibre	MELI	1339.62	28.74
Merck	MRK	114.49	-1.00
MetaData	AIU	1.01	-0.04
MetaPlatforms	META	248.32	2.68
MetLife	MET	52.37	0.79
Mettler-Toledo	MTD	1398.70	12.23
MichrochipTech	MCHP	79.19	1.32
MicronTech	MU	66.23	-1.94
Microsoft	MSFT	321.18	2.84
MidAmApt	MAA	147.22	-0.96
Middleby	MIDD	141.67	0.97
MitsubishiUFJ	MUFG	6.72	0.08
MizuhoFin	MFG	2.93	-0.02
Mobileye	MBLY	41.07	0.24
Moderna	MRNA	126.74	0.50
MolinaHealthcare	MOH	287.99	2.82
MolsonCoorsB	TAP	62.45	-0.16
monday.com	MNDY	150.75	0.97
Mondelez	MDLZ	75.87	-1.19
MongoDB	MDB	283.29	8.11
MonolithicPower	MPWR	448.40	16.38
MonsterBev	MNST	59.12	-0.56
Moody's	MCO	321.38	6.35
MorganStanley	MS	82.27	0.03
Morningstar	MORN	200.78	3.35
Mosaic	MOS	35.98	0.22
MotorolaSol	MSI	293.76	-3.69
NICE	NICE	194.52	3.29
NIO	NIO	8.79	0.72
NNN REIT	NNN	42.92	0.06
NRG Energy	NRG	34.03	0.54
NVR	NVR	5705.32	-141.20
NXP Semi	NXPI	177.37	2.41
Nasdaq	NDAQ	55.46	0.14
NationalGrid	NGG	69.42	0.10
NatlInstruments	NATI	57.97	-0.01
NatWest	NWG	6.78	0.06
NetApp	NTAP	67.13	1.31
NetEase	NTES	88.53	1.10
Netflix	NFLX	363.01	-2.35
Neurocrine	NBIX	93.50	-0.56
NewOrientalEduc	EDU	38.06	0.40
NY CmntyBcp	NYCB	10.90	-0.02
Newmont	NEM	43.33	-0.33
NewsCorp B	NWS	18.64	-0.06
NewsCorp A	NWSA	18.53	-0.05
NextEraEnergy	NEE	74.58	0.10
Nike	NKE	110.18	-4.58
NiSource	NI	27.39	0.03
Nokia	NOK	4.08	0.03
Nomura	NMR	3.61	0.07
Nordson	NDSN	216.24	-0.28
NorfolkSouthern	NSC	218.24	0.50
NorthernTrust	NTRS	73.03	0.83
NorthropGrum	NOC	443.07	-0.24
Novartis	NVS	100.74	-0.07
NovoNordisk	NVO	170.52	-0.02
Novocure	NVCR	80.84	1.39
NuHoldings	NU	6.64	0.12
Nucor	NUE	139.96	1.29
Nutrien	NTR	60.96	-0.99
nVentElectric	NVT	43.02	0.74
NVIDIA	NVDA	311.76	-0.88
O P Q			
OGE Energy	OGE	36.20	0.08
ONEOK	OKE	58.09	-0.43
ON Semi	ON	85.24	0.88
OReillyAuto	ORLY	928.14	-26.16
OccidentalPetrol	OXY	59.04	-0.09
Okta	OKTA	85.44	3.29
OldDomFreight	ODFL	302.15	0.74
OldRepublic	ORI	25.17	-0.27
Olin	OLN	54.09	-0.03
OmegaHealthcare	OHI	29.02	-0.20
Omnicom	OMC	92.80	-0.50
OnHolding	ONON	27.48	0.79
OpenText	OTEX	41.98	0.39
Oracle	ORCL	101.77	-1.07
Orange	ORAN	12.38	0.20
Orix	IX	86.46	-0.88
OtisWorldwide	OTIS	84.08	-0.48
Ovintiv	OVV	35.20	0.68
OwensCorning	OC	109.74	-0.39
PDD	PDD	63.04	2.51
PG&E	PCG	16.51	-0.10
PNC Finl	PNC	120.42	1.94
POSCO	PKX	70.00	1.58
PPG Ind	PPG	140.68	-1.72
PPL	PPL	27.03	-0.03
PTC	PTC	134.74	0.53
Paccar	PCAR	71.39	-0.36
PackagingCpAm	PKG	129.07	-0.38
PalantirTech	PLTR	11.84	0.13
PaloAltoNtwks	PANW	192.11	3.45
ParamountA	PARAA	17.16	-0.31
ParamountB	PARA	14.99	-0.18
ParkerHannifin	PH	334.14	1.30
Paychex	PAYX	109.99	1.88
PaycomSoftware	PAYC	289.20	3.84
Paylocity	PCTY	174.06	0.29
PayPal	PYPL	63.03	2.11
Pearson	PSO	10.22	-0.05
PembinaPipeline	PBA	31.14	0.02
PenskeAuto	PAG	141.10	1.55
Pentair	PNR	59.18	0.02
Penumbra	PEN	318.65	1.05
PepsiCo	PEP	186.64	-5.20
PerformanceFood	PFGC	57.43	0.23
PetroleoBrasil	PBR	11.55	-0.16
PetroleoBrasilA	PBR.A	10.31	-0.07
Pfizer	PFE	38.75	1.98
PhilipMorris	PM	93.07	-0.12
Phillips66	PSX	95.56	0.62
PinnacleWest	PNW	77.69	0.17
Pinterest	PINS	23.26	0.56
PioneerNatRscs	PXD	211.04	2.10
PlainsAllAmPipe	PAA	13.59	0.10
PlainsGP	PAGP	14.10	0.04
PolestarAuto	PSNY	3.43	0.16
Pool	POOL	342.70	-2.35
Primerica	PRI	185.69	1.88
PrincipalFinl	PFG	70.18	0.76
ProcoreTech	PCOR	58.50	0.87
Procter&Gamble	PG	149.16	-4.01
Progressive	PGR	135.63	0.57
Prologis	PLD	124.23	1.17
PrometheusBio	RXDX	193.45	0.95
PrudentialFinl	PRU	82.00	1.21
Prudential	PUK	29.54	0.06
PublicServiceEnt	PEG	62.23	0.65
PublicStorage	PSA	284.51	-0.39
PulteGroup	PHM	67.42	-1.76
PureStorage	PSTG	24.84	0.60
Qiagen	QGEN	44.94	-0.21
Qorvo	QRVO	96.12	1.08
Qualcomm	QCOM	105.28	-0.58
QualtricsIntl	XM	17.96	0.01
QuantaServices	PWR	170.99	-0.72
QuestDiag	DGX	131.62	0.13
R S			
RELX	RELX	30.94	-0.18
R1 RCM	RCM	16.91	0.05
RPM	RPM	79.75	-0.33
RalphLauren	RL	108.82	-0.30
Rambus	RMBS	58.70	-0.77
RangeResources	RRC	29.62	0.29
RaymondJames	RJF	90.63	0.40
RaytheonTech	RTX	95.66	-0.47
RealtyIncome	O	60.34	0.37
RegalRexnord	RRX	133.10	2.77
RegencyCtrs	REG	58.44	0.81
RegenPharm	REGN	751.50	-7.55
RegionsFin	RF	17.51	0.65
ReinsGrp	RGA	149.14	-1.05
RelianceSteel	RS	245.43	1.40
RenaissanceRe	RNR	189.03	-9.83
RentokilInit	RTO	40.00	0.04
Repligen	RGEN	166.74	7.49
RepublicSvcs	RSG	143.96	-1.13
ResMed	RMD	225.46	0.95
RestaurantBrands	QSR	73.04	-0.22
Revvity	RVTY	120.24	1.15
RexfordIndlRealty	REXR	54.33	0.06
RioTinto	RIO	61.91	-0.31
RitchieBros	RBA	56.35	0.38
Rivian	RIVN	14.23	0.76
RobertHalf	RHI	68.51	0.15
Robinhood	HOOD	8.76	0.29
Roblox	RBLX	39.49	-0.52
RocketCos.	RKT	8.29	0.13
Rockwell	ROK	282.47	1.16
RogersComm B	RCI	48.95	0.14
RoivantSciences	ROIV	9.66	0.34
Roku	ROKU	56.62	4.01
Rollins	ROL	40.69	-0.36
RoperTech	ROP	457.28	-0.44
RossStores	ROST	104.62	-0.14
RoyalBkCanada	RY	94.16	-0.04
RoyalCaribbean	RCL	80.33	0.73
RoyalGold	RGLD	128.91	-0.59
RoyaltyPharma	RPRX	33.38	-0.33
RyanSpecialty	RYAN	44.21	-0.11
Ryanair	RYAAY	99.90	-0.39
SAP	SAP	133.29	-0.99
S&P Global	SPGI	372.35	6.93
SBA Comm	SBAC	236.46	3.08
SEI Investments	SEIC	57.88	-0.04
SK Telecom	SKM	20.85	0.21
SS&C Tech	SSNC	56.12	-0.08
STAG Indl	STAG	34.58	0.16
Saia	SAIA	274.08	-3.64
Salesforce	CRM	210.26	-0.10
Samsara	IOT	20.25	0.06
Sanofi	SNY	53.98	-1.05
SareptaTherap	SRPT	149.07	-0.03
Sasol	SSL	12.31	0.29
Schlumberger	SLB	46.00	0.73
SchwabC	SCHW	51.97	0.30
Sea	SE	67.97	-1.47
Seagate	STX	62.95	0.69
Seagen	SGEN	193.36	0.06
Sempra	SRE	146.08	0.26
SensataTech	ST	41.91	0.45
ServiceCorp	SCI	64.84	-0.66
ServiceNow	NOW	511.39	1.09
Shell	SHEL	60.03	-0.39
SherwinWilliams	SHW	230.64	-2.13
ShinhanFin	SHG	26.84	0.44
ShockwaveMed	SWAV	282.65	7.50
Shopify	SHOP	62.06	1.86
SimonProperty	SPG	105.98	0.62
SiriusXM	SIRI	3.55	0.02
SiteOneLandscape	SITE	148.84	-0.38
SkechersUSA	SKX	51.22	-0.72
Skyworks	SWKS	102.50	0.84
SmithAO	AOS	68.19	-0.23
Smith&Nephew	SNN	31.67	-0.20
Smucker	SJM	149.67	-2.22
Snap	SNAP	9.76	0.04
Snap-On	SNA	261.30	0.44
Snowflake	SNOW	178.47	1.65
SOQUIMICH	SQM	71.15	0.07
SolarEdgeTech	SEDG	298.87	2.95
Sony	SONY	97.60	-0.41
Southern	SO	70.95	-0.46
SoCopper	SCCO	69.39	0.51
SouthwestAir	LUV	29.32	-0.16
Splunk	SPLK	98.12	1.89
Spotify	SPOT	148.60	-0.83
StanleyBlackDck	SWK	81.75	0.14
Stantec	STN	58.60	-0.19
Starbucks	SBUX	102.90	-2.61
StateStreet	STT	68.50	0.50
SteelDynamics	STLD	97.19	0.13
Stellantis	STLA	16.54	-0.24
Steris	STE	206.92	1.22
Stevanato	STVN	27.04	0.06
STMicroelec	STM	45.41	0.37
Stryker	SYK	286.17	0.80
SumitomoMits	SMFG	8.16	0.05
SunComms	SUI	130.70	1.57
SunLifeFinancial	SLF	49.90	0.16
SuncorEnergy	SU	28.83	0.10
SuperMicroComp	SMCI	164.81	0.62
Suzano	SUZ	9.09	0.02
Symbotic	SYM	31.13	2.10
SynchronyFinl	SYF	30.35	0.33
Synopsys	SNPS	401.68	-6.82
Sysco	SYY	71.80	-1.33
T U V			
TC Energy	TRP	40.27	0.01
TD Synnex	SNX	90.98	1.14
TE Connectivity	TEL	124.53	0.45
Telus	TU	20.24	-0.04
Ternium	TX	39.41	-0.34
TFI Intl	TFII	110.53	1.52
TIM	TIMB	14.21	0.20
TJX	TJX	78.43	-0.92
T-MobileUS	TMUS	141.60	2.57
TPG	TPG	26.60	-0.14
T.RowePrice	TROW	106.84	0.23
TaiwanSemi	TSM	91.72	-0.86
TakeTwoSoftware	TTWO	137.25	-0.18
TakedaPharm	TAK	16.42	0.24
Tapestry	TPR	42.18	-0.82
TargaResources	TRGP	71.24	1.02
Target	TGT	151.91	-0.37
TeckResourcesB	TECK	42.29	-0.13
TeledyneTech	TDY	420.91	4.65
Teleflex	TFX	245.34	1.56
Ericsson	ERIC	5.30	0.03
TelefonicaBras	VIV	8.31	0.02
Telefonica	TEF	4.23	0.03
TelekmIndonesia	TLK	27.11	0.51
TempurSealy	TPX	37.96	0.23
10xGenomics	TXG	57.10	1.75
Tenaris	TS	26.33	0.18
TencentMusic	TME	7.64	-0.17
TenetHealthcare	THC	72.69	-0.19
Teradyne	TER	97.81	0.71
Tesla	TSLA	188.87	8.73
TetraTech	TTEK	143.21	-0.84
TevaPharm	TEVA	7.95	0.04
TexasInstruments	TXN	170.86	0.75
TexasPacLand	TPL	1365.42	19.40
TexasRoadhouse	TXRH	112.09	-1.53
Textron	TXT	64.77	0.30
ThermoFisher	TMO	529.02	1.64
ThomsonReuters	TRI	126.11	0.21
3M	MMM	101.71	2.68
Toast	TOST	21.30	0.49
Toll Bros	TOL	64.70	-1.66
TopBuild	BLD	209.72	-0.99
Toro	TTC	105.42	0.18
TorontoDomBk	TD	61.12	0.20
TotalEnergies	TTE	60.46	0.03
ToyotaMotor	TM	141.19	-1.03
TractorSupply	TSCO	222.78	-1.45
TradeDesk	TTD	68.52	1.70
Tradeweb	TW	71.48	1.59
TraneTech	TT	171.23	-2.05
TransDigm	TDG	807.90	-14.61
TransUnion	TRU	72.31	1.66
Travelers	TRV	181.10	-2.62
Trimble	TRMB	48.62	0.76
Trip.com	TCOM	33.91	0.66
TruistFinl	TFC	30.58	0.88
Twilio	TWLO	57.71	6.50
TylerTech	TYL	397.97	3.93
TysonFoods	TSN	50.11	0.15
UBS Group	UBS	20.19	0.10
UDR	UDR	40.65	0.31
U-Haul	UHAL	64.05	1.22
U-Haul N	UHAL/B	59.05	3.01
US Foods	USFD	41.42	0.14
UWM	UWMC	4.95	-0.06
Uber	UBER	39.17	-0.01
Ubiquiti	UI	171.51	-0.29
UiPath	PATH	16.63	1.14
UltaBeauty	ULTA	480.68	-10.37
Unilever	UL	52.34	-0.92
UnionPacific	UNP	198.29	-0.68
UnitedAirlines	UAL	47.41	-0.13
UnitedMicro	UMC	7.89	-0.19
UPS B	UPS	171.51	0.58
UnitedRentals	URI	346.21	-2.81
US Bancorp	USB	30.91	0.80
UnitedTherap	UTHR	218.59	-0.97
UnitedHealth	UNH	480.62	1.80
UnitySoftware	U	30.16	1.06
UnivDisplay	OLED	151.91	1.42
UniversalHealthB	UHS	135.24	0.61
UnumGroup	UNM	46.49	0.14
VF	VFC	19.56	0.49
VICI Prop	VICI	31.61	0.01
VailResorts	MTN	241.04	-1.80
Vale	VALE	13.69	-0.17
ValeroEnergy	VLO	112.79	2.54
Valvoline	VVV	38.74	0.01
VeevaSystems	VEEV	165.33	-0.02
Ventas	VTR	44.41	-0.36
VeriSign	VRSN	228.54	1.13
VeriskAnalytics	VRSK	218.25	-3.87
Verizon	VZ	35.96	-0.09
VertexPharm	VRTX	339.97	-1.73
Viatris	VTRS	9.47	0.14
Vipshop	VIPS	14.83	-0.05
Visa	V	231.28	-2.03
Vistra	VST	24.51	...
VMware	VMW	124.72	-1.02
Vodafone	VOD	10.13	-0.22
VoyaFinancial	VOYA	70.84	0.35
VulcanMatls	VMC	197.26	0.04
W X Y Z			
WEC Energy	WEC	89.88	-0.04
WEX	WEX	179.34	1.51
W.P.Carey	WPC	69.26	0.53
WPP	WPP	56.03	0.35
Wabtec	WAB	98.27	0.86
WalgreensBoots	WBA	31.19	-0.09
Walmart	WMT	148.59	-1.32
WarnerBrosA	WBD	12.16	-0.04
WarnerMusic	WMG	26.25	0.79
WasteConnections	WCN	139.29	-1.01
WasteMgt	WM	164.30	-1.06
Waters	WAT	267.81	0.33
Watsco	WSO	327.62	-8.94
Watsco B	WSOB	330.59	-10.00
WebsterFin	WBS	37.40	1.46
WellsFargo	WFC	40.98	0.95
Welltower	WELL	76.49	-0.05
WescoIntl	WCC	134.21	...
WestFraserTimber	WFG	74.99	-0.52
WestPharmSvcs	WST	350.92	-0.47
WesternDigital	WDC	38.37	0.05
WesternMidstrm	WES	26.31	-0.50
Westlake	WLK	116.17	0.23
WestRock	WRK	28.02	0.24
Weyerhaeuser	WY	29.31	-0.28
WheatonPrecMet	WPM	47.79	-0.29
Whirlpool	WHR	131.45	0.02
Williams	WMB	29.23	-0.01
Williams-Sonoma	WSM	112.16	-2.63
WillisTowers	WTW	229.95	0.28
WillScotMobile	WSC	45.22	0.03
Wipro	WIT	4.78	0.12
WoodsideEnergy	WDS	23.21	0.41
Woodward	WWD	109.59	0.03
WooriFin	WF	27.70	0.43
Workday	WDAY	196.41	0.70
WW Ent	WWE	101.94	0.30
WynnResorts	WYNN	108.41	-1.62
XP	XP	17.69	0.42
XcelEnergy	XEL	65.88	-0.05
XPeng	XPEV	9.41	0.39
Xylem	XYL	104.34	-0.65
YPF	YPF	10.80	-0.01
Yum!Brands	YUM	134.91	-3.37
YumChina	YUMC	61.44	0.29
ZTO Express	ZTO	29.04	0.29
ZebraTech	ZBRA	280.13	-0.67
Zillow C	Z	45.41	0.02
Zillow A	ZG	44.59	0.07
ZimmerBiomet	ZBH	135.27	0.27
Zoetis	ZTS	179.52	-0.03
ZoomVideo	ZM	71.41	2.04
ZoomInfoTech	ZI	25.25	1.26
Zscaler	ZS	128.86	3.59

New Highs and Lows

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. **% CHG**-Daily percentage change from the previous trading session.

Monday, May 22, 2023

Highs

Stock	Sym	52-Wk Hi/Lo	% Chg
AcadiaPharm	ACAD	24.85	2.0
ACV Auctions	ACVA	17.97	1.6
Accuray	ARAY	3.80	2.4
AkebiaTherap	AKBA	1.63	21.6
AlchemyInv1	ALCYU	10.34	-0.1
Alcon	ALC	82.08	-0.1
AlphaStarAcqn	ALSAU	10.67	0.9
AlphaStarAcqn	ALSA	10.61	0.3
Alphabet A	GOOGL	126.43	1.9
Alphabet C	GOOG	127.05	2.1
AlpineImmune	ALPN	10.65	10.6
AntelopeEnterprise	AEHL	1.60	8.5
AppliedDigital	APLD	8.99	-1.9
AresAcqnA	AAC	10.49	0.4
argenx	ARGX	423.99	-0.7
AriszAcqnA	ARIZ	11.12	5.5
ArrayTech	ARRY	24.68	5.4
Astronics	ATRO	17.58	1.3
AstroNova	ALOT	15.70	1.3
AthenaTechII A	ATEK	10.36	...
BelFuse B	BELFB	48.19	5.1
BentleySystems	BSY	47.21	1.8
BetterWorld	BWAC	10.85	-0.4
BiglariB	BH	197.06	-1.2
BiglariA	BH.A	947.90	1.0
BioPlusAcqnA	BIOS	10.52	0.1
BioRestorativeTher	BRTX	5.85	4.3
BitDigital	BTBT	2.59	9.0
BlueBird	BLBD	28.43	4.1
BostonSci	BSX	54.17	0.1
BurkeHerbert	BHRB	84.99	10.9
CarrolsRestr	TAST	5.83	12.8
Chase	CCF	120.50	2.1
Chipotle	CMG	2139.88	-0.2
ChurchillVII A	CCVI	10.26	0.6
CodaOctopus	CODA	9.20	-0.1
CommVehicle	CVGI	10.77	4.0
Copart	CPRT	89.79	1.0
CraneNXT	CXT	54.24	-0.8
DHC Acqn	DHCAU	11.19	4.8
Darden	DRI	163.42	-0.1
DelcathSystems	DCTH	7.20	-0.4
DiamedicaTherap	DMAC	2.88	24.4
Digimarc	DMRC	32.59	4.0
DiscMedicine	IRON	37.48	-0.8
DorianLPG	LPG	24.42	1.3
DraftKings	DKNG	26.41	4.6
Duolingo	DUOL	156.11	3.6
Eltek	ELTK	7.82	16.7
EverestConsolA	MNTN	10.59	0.3
EvolvTech	EVLV	6.04	7.8
ExactSciences	EXAS	84.99	0.5
FastAcqnII A	FZT	11.12	0.3
FastAcqnII	FZT.U	10.71	2.5
FTAI Aviation	FTAI	30.26	0.8
FairIsaac	FICO	794.02	2.8
Ferguson	FERG	151.00	1.3
Ferrari	RACE	302.86	1.1
FinStrategiesA	FXCO	10.76	0.2
Flywire	FLYW	31.56	1.0
ForbionEuroWt	FRBNW	0.60	43.6
Fortinet	FTNT	71.29	-0.2
FreedomI A	FACT	10.48	...
GXO Logistics	GXO	59.66	1.3
GalataAcqn	GLTA	10.55	...
GeneralElec	GE	105.94	0.3
GibraltarInds	ROCK	57.73	...
GoGreenInvtsWt	GOGN.WS	0.84	5.1
Greenhill	GHL	14.85	116.2
HeritageGlobal	HGBL	3.55	7.6
HondaMotor	HMC	28.71	1.3
Hovnanian	HOV	92.62	-0.3
Hubbell	HUBB	286.17	0.9
HubSpot	HUBS	497.21	2.9
IDEAYA Bio	IDYA	23.08	2.2
IES Holdings	IESC	51.24	-0.8
Immunovant	IMVT	24.18	12.0
Ingredion	INGR	113.46	-0.9
InspireMedical	INSP	314.36	1.0
IntegralAd	IAS	17.78	4.1
IntegratedRailWt	IRRX.WS	0.49	7.2
IntlGeneralIns	IGIC	9.00	3.0
IntuitiveSurgical	ISRG	317.81	...
IonQWt	IONQ.WS	3.66	27.5
IonQ	IONQ	11.32	22.3
JacksonAcqn	RJAC.U	10.82	0.7
KhoslaVentures	KVSA	10.27	0.2
KrystalBiotech	KRYS	120.00	22.4
LFCapAcqnIIA	LFAC	10.61	...
LIVCapAcqnII A	LIVB	10.57	-0.1
LambWeston	LW	115.31	-2.4
EliLilly	LLY	454.95	-1.9
MSC Industrial	MSM	94.07	0.9
MSG Ent	MSGE	39.19	11.6
ManhattanAssoc	MANH	179.73	0.5
MarineProducts	MPX	15.00	3.5
MercadoLibre	MELI	1365.64	2.2
MeridianLink	MLNK	19.40	4.4
MetaPlatforms	META	253.57	1.1
Microsoft	MSFT	322.59	0.9
MinorityEqualityA	MEOA	11.49	1.2
MorphoSys	MOR	6.32	0.3
MountainCrestVRt	MCAGR	0.37	23.3
MuellerIndustries	MLI	80.10	1.1
N-able	NABL	15.35	1.3
NavitasSemi	NVTS	9.21	7.8
NexGel	NXGL	2.14	4.8
OakWoodsAcqnA	OAKU	10.16	0.3
OculisWt	OCSAW	1.38	40.0
Opera	OPRA	15.68	7.1
Oracle	ORCL	103.10	-1.0
PTC Therap	PTCT	59.84	1.3
PlainsAllAmPipe	PAA	13.70	0.7
PlainsGP	PAGP	14.23	0.3
PreformedLine	PLPC	159.45	6.3
ProspectorCapA	PRSR	10.50	0.5
Qomolangma	QOMO	11.39	0.3
RoyalCaribbean	RCL	81.16	0.9
RxSight	RXST	26.77	2.0
SPS Commerce	SPSC	163.53	1.9
Schrodinger	SDGR	39.31	17.6
SignalHillA	SGHL	10.49	0.4
SolenoTherap	SLNO	5.37	8.9
SpokHoldings	SPOK	13.46	1.8
SterlingInfr	STRL	44.64	0.6
TMT Acqn	TMTC	10.21	...
10xGenomics	TXG	58.30	3.2
Textainer	TGH	37.17	-1.0
Tingo	TIO	5.69	-1.7
TrajectoryAlpha	TCOA.U	10.84	4.8
UFP Tech	UFPT	155.52	1.5
US Foods	USFD	41.76	0.3
Uber	UBER	40.50	...
UnitedInsurance	UIHC	6.57	9.4
UnivStainless	USAP	11.25	5.4
VectivBio	VECT	16.45	36.2
VeriSign	VRSN	229.72	0.5
ViaSat	VSAT	44.98	11.1
VirTra	VTSI	7.90	6.5
VitesseEnergy	VTS	22.74	5.3
VoyagerTherap	VYGR	14.34	5.2
WeaveComms	WEAV	7.84	8.5

Lows

Stock	Sym	52-Wk Hi/Lo	% Chg
AMC Networks	AMCX	13.10	-1.2
ATI PhysTherapy	ATIP	0.20	-5.3
Adamis	ADMP	3.09	-8.9
AgileTherap	AGRX	3.36	-6.5
AgileThoughtWt	AGILW	0.03	-19.1
Agriforce	AGRI	0.45	-2.1
AirIndustries	AIRI	3.44	-2.9
Alexander's	ALX	160.00	-0.4
AlexandriaRlEst	ARE	114.92	1.6
AmesNational	ATLO	17.67	-0.1
AscentSolar	ASTI	0.15	-6.1
Assure	IONM	0.94	-6.4
Athenex	ATNX	0.26	...
AultAlliance	AULT	11.90	-15.0
BassettFurniture	BSET	13.65	0.1
BaudaxBio	BXRX	0.54	-11.7
Biocept	BIOC	4.72	-25.7
BirdGlobal	BRDS	2.33	5.4
BitOrigin	BTOG	0.12	-19.7
BlockHR	HRB	29.02	-1.6
BlueStarFoods	BSFC	0.11	-4.5
BluejayDiag	BJDX	0.21	-16.9
BogotaFinl	BSBK	7.85	-1.9
BridgewaterPfdA	BWBBP	14.48	-2.9
BrightScholar	BEDU	1.70	-1.2
BrilliantEarthA	BRLT	3.38	-3.0
BristolMyers	BMY	65.14	...
BullpenParlayWt	BPACW	0.01	-30.0
Curo	CURO	1.03	-4.5
CaraTherap	CARA	3.67	-2.1
ChemungFinl	CHMG	33.98	0.1
ClarosMtg	CMTG	10.20	-4.1
Cohen	COHN	5.18	-8.6
CoherusBioSci	CHRS	4.37	-1.8
ContainerStore	TCS	2.15	-0.4
CrossAmerPtrs	CAPL	17.91	-2.2
CyxteraTech	CYXT	0.14	7.3
DeltaApparel	DLA	9.06	-2.8
DieboldNixdorf	DBD	0.30	-9.1
DigitalMediaWt	DMS.WS	0.01	-52.0
DominionEner	D	51.69	0.1
E-HomeHousehold	EJH	0.16	-12.9
EducDev	EDUC	1.28	-1.5
Emeren	SOL	3.47	3.7
EnsysceBio	ENSC	2.56	-2.6
EnteraBioWt	ENTXW	0.00	-53.7
EtaoInternational	ETAO	0.55	-10.0
EternaTherap	ERNA	2.43	-2.9
EVgoWt	EVGOW	0.46	1.2
FirstWaveBio	FWBI	2.07	9.2
FrontierComms	FYBR	16.14	-3.4
GSE Systems	GVP	0.40	-9.9
GreenLightBioWt	GRNAW	0.02	-11.5
GreenLightBio	GRNA	0.18	-3.3
GreystoneHousing	GHI	15.28	-0.1
GrindrodShipping	GRIN	8.78	-3.2
HealthpeakProp	PEAK	19.68	1.0
HudsonGlobal	HSON	18.53	0.2
IcahnEnterprises	IEP	27.56	-10.9
InovioPharm	INO	0.64	0.4
InterceptPharm	ICPT	9.21	-29.7
iSun	ISUN	0.47	-2.6
JianpuTech	JT	0.94	-2.0
KeurigDrPepper	KDP	31.62	0.3
LINKBANCORP	LNKB	5.00	0.2
Largo	LGO	3.83	...
LexariaBioscience	LEXX	0.65	-8.3
LexariaBioWt	LEXXW	0.08	-9.0
LixteBiotechWt	LIXTW	0.04	-1.9
LogisticsInnovWt	LITTW	0.01	-48.0
LumentFinPfdA	LFTpA	17.17	...
Lyft	LYFT	7.97	-0.1
micromobility.com	MCOM	0.46	...
MonogramOrtho	MGRM	8.25	-36.2
MullenAuto	MULN	0.93	-11.2
NearIntelligence	NIR	1.82	-6.4
NewellBrands	NWL	8.52	2.8
ON24	ONTF	6.87	2.2
180LifeSciWt	ATNFW	0.01	-2.2
OneConnectFin	OCFT	4.48	-5.2
Optinose	OPTN	1.24	-9.0
PacGE pfE	PCGpE	16.50	-1.6
PalisadeBio	PALI	1.41	-1.3
ParamountA	PARAA	17.01	-1.8
ParamountB	PARA	14.76	-1.2
ParamountPfdA	PARAP	22.60	-1.0
PartnersBancorp	PTRS	5.59	-1.4
PeoplesBncpNC	PEBK	16.35	-9.3
PerimeterSolns	PRM	6.10	0.3
PresidioPropWtA	SQFTW	0.03	12.2
ProvidentFin	PROV	11.65	0.3
RainOncology	RAIN	1.11	-87.7
ReToEcoSol	RETO	1.81	-11.2
Revolve	RVLV	15.55	1.0
SES AI Wt	SES.WS	0.12	23.2
ST Ener I Wt	STET.WS	0.02	-81.3
SachemCapital	SACH	3.04	-1.9
SagaComm	SGA	19.34	-3.6
SCWorx	WORX	0.26	...
SeaStarMedical	ICU	0.55	2.9
SelinaHosp	SLNA	0.95	-5.7
ShuttlePharm	SHPH	1.02	...
SiliconMotion	SIMO	51.72	-1.9
Sohu.com	SOHU	11.83	-3.1
SolGelTech	SLGL	3.10	1.2
Sono	SEV	0.16	0.6
SportsmansWrhs	SPWH	5.75	-0.7
Staffing360	STAF	1.11	-2.2
Surgalign	SRGA	0.85	-3.3
TraconPharm	TCON	0.57	-2.2
TandemDiabetes	TNDM	28.02	5.4
ThermoGenesis	THMO	1.49	-11.8
TivicHealth	TIVC	0.12	-9.2
TopgolfCallaway	MODG	16.13	-0.3
TransCodeTherap	RNAZ	0.22	-5.4
TrioPetroleum	TPET	1.41	-9.4
USD Partners	USDP	1.48	-3.9
UnitedFire	UFCS	22.98	-0.9
VF	VFC	18.54	2.6
Victoria'sSecret	VSCO	24.71	-1.6
ViewWt	VIEWW	0.02	-10.3
VincoVentures	BBIG	2.02	21.0
Volcon	VLCN	0.70	-33.2
voxeljet	VJET	1.80	-2.6
WalgreensBoots	WBA	30.15	-0.3
WheelerREITPfdB	WHLRP	1.18	-3.1
WilliamsIndlSvcs	WLMS	0.49	10.1
YoshiharuGlbl	YOSH	0.77	...
ZimIntShipping	ZIM	14.50	-16.2
ZappEV	ZAPP	2.59	-0.2
ZimmerEnerWt	ZTAQW	0.01	-33.3

Exchange-Traded Portfolios | WSJ.com/ETFresearch

Largest 100 exchange-traded funds, latest session

Monday, May 22, 2023

ETF	Symbol	Closing Price	Chg (%)	YTD (%)
CnsmrDiscSelSector	XLY	151.08	–0.31	17.0
CnsStapleSelSector	XLP	74.77	–1.51	0.3
DimenUSCoreEq2	DFAC	25.67	0.23	5.7
EnSelSectorSPDR	XLE	79.31	–0.41	–9.3
FinSelSectorSPDR	XLF	32.66	0.18	–4.5
HealthCareSelSect	XLV	131.44	0.10	–3.2
InvscQQQI	QQQ	337.64	0.34	26.8
InvscS&P500EW	RSP	143.08	0.15	1.3
iShCoreDivGrowth	DGRO	49.89	–0.30	–0.2
iShCoreMSCIEAFE	IEFA	68.82	0.01	11.6
iShCoreMSCIEM	IEMG	48.79	0.78	4.5
iShCoreMSCITotInt	IXUS	63.20	0.30	9.2
iShCoreS&P500	IVV	420.56	0.03	9.5
iShCoreS&P MC	IJH	246.35	0.54	1.8
iShCoreS&P SC	IJR	94.66	0.77	0.0
iShCoreS&PTotUS	ITOT	92.26	0.18	8.8
iShCoreTotalUSDBd	IUSB	45.39	...	1.0
iShCoreUSAggBd	AGG	97.99	–0.09	1.0
iShESGAwareUSA	ESGU	92.14	0.08	8.7
iShEdgeMSCIMinUSA	USMV	72.96	–0.23	1.2
iShEdgeMSCIUSAQual	QUAL	126.88	0.13	11.3
iShGoldTr	IAU	37.39	–0.16	8.1
iShiBoxx$HYCpBd	HYG	74.53	0.44	1.2
iShiBoxx$InvGrCpBd	LQD	106.57	–0.04	1.1
iShJPMUSDEmBd	EMB	84.16	–0.01	–0.5
iShMBS	MBB	93.26	0.05	0.5
iShMSCIACWI	ACWI	93.11	0.15	9.7
iShMSCI EAFE	EFA	73.68	0.03	12.2
iSh MSCI EM	EEM	39.30	0.82	3.7
iShMSCIEAFEValue	EFV	49.76	0.02	8.5
iShNatlMuniBd	MUB	105.57	–0.17	0.0
iSh1-5YIGCorpBd	IGSB	50.31	...	1.0
iSh1-3YTreaBd	SHY	81.75	–0.04	0.7
iShRussMC	IWR	69.22	0.42	2.6
iShRuss1000	IWB	229.80	0.10	9.2
iShRuss1000Grw	IWF	254.98	0.11	19.0
iShRuss1000Val	IWD	151.79	0.10	0.1
iShRussell2000	IWM	178.26	1.22	2.2
iShS&P500Grw	IVW	66.08	–0.03	13.0
iShS&P500Value	IVE	153.23	0.05	5.6
iShSelectDiv	DVY	111.63	0.21	–7.4
iSh7-10YTreaBd	IEF	97.45	–0.18	1.7
iShShortTreaBd	SHV	110.29	...	0.3
iShTIPSBondETF	TIP	108.10	–0.18	1.6
iSh20+YTreaBd	TLT	100.74	–0.36	1.2
iShUSTreasuryBd	GOVT	23.03	–0.09	1.4
JPMEquityPrem	JEPI	54.77	–0.20	0.5
JPM UltShIncm	JPST	50.21	0.02	0.2
ProShUltPrQQQ	TQQQ	32.07	1.04	85.4
SPDRBbg1-3MTB	BIL	91.66	0.01	0.2
SPDR DJIA Tr	DIA	332.90	–0.39	0.5
SPDR Gold	GLD	183.21	–0.23	8.0
SPDRPtfDevxUS	SPDW	32.96	0.12	11.0
SPDRS&P500Value	SPYV	41.10	...	5.7
SPDRPtfS&P500	SPLG	49.25	0.02	9.5
SPDRS&P500Growth	SPYG	57.25	–0.02	13.0
SPDR S&P 500	SPY	418.79	0.04	9.5
SchwabIntEquity	SCHF	35.86	0.11	11.3
SchwabUS BrdMkt	SCHB	48.79	0.16	8.9
SchwabUS Div	SCHD	70.60	0.01	–6.5
SchwabUS LC	SCHX	49.42	0.10	9.5
SchwabUS LC Grw	SCHG	68.90	0.36	24.0
SPDR S&PMdCpTr	MDY	451.25	0.55	1.9
SPDR S&P Div	SDY	121.06	–0.03	–3.2
TechSelectSector	XLK	157.78	0.19	26.8
UtilitiesSelSector	XLU	66.13	0.03	–6.2
VanEckGoldMin	GDX	31.87	–0.90	11.2
VangdInfoTech	VGT	402.27	0.26	25.9
VangdSC Val	VBR	155.90	0.64	–1.8
VangdExtMkt	VXF	139.83	1.13	5.2
VangdDivApp	VIG	155.68	–0.47	2.5
VangdFTSEAWxUS	VEU	54.55	0.22	8.8
VangdFTSEDevMk	VEA	46.44	0.09	10.7
VangdFTSE EM	VWO	40.15	0.65	3.0
VangdFTSE Europe	VGK	62.89	–0.13	13.4
VangdGrowth	VUG	261.44	0.27	22.7
VangdHlthCr	VHT	242.99	0.26	–2.0
VangdHiDiv	VYM	103.49	–0.18	–4.4
VangdIntermBd	BIV	75.63	–0.07	1.8
VangdIntrCorpBd	VCIT	78.77	0.04	1.6
VangdIntermTrea	VGIT	59.38	–0.07	1.5
VangdLC	VV	191.20	0.08	9.8
VangdMC	VO	208.22	0.48	2.2
VangdMC Val	VOE	131.61	0.13	–2.7
VangdMBS	VMBS	45.87	...	0.8
VangdRealEst	VNQ	80.89	0.61	–1.9
VangdS&P500ETF	VOO	384.78	0.05	9.5
VangdST Bond	BSV	76.14	...	1.1
VangdSTCpBd	VCSH	75.85	–0.01	0.9
VangdShtTmInfltn	VTIP	47.60	...	1.9
VangdShortTrea	VGSH	58.22	–0.03	0.7
VangdSC	VB	188.27	0.87	2.6
VangdTaxExemptBd	VTEB	49.64	–0.26	0.3
VangdTotalBd	BND	72.65	–0.03	1.1
VangdTotIntlBd	BNDX	48.58	0.02	2.4
VangdTotIntlStk	VXUS	56.30	0.30	8.9
VangdTotalStk	VTI	208.05	0.17	8.8
VangdTotWrldStk	VT	93.90	0.16	8.9
VangdValue	VTV	137.41	–0.17	–2.1
WisdTrFRTrea	USFR	50.47	0.04	0.4

Mutual Funds

Data provided by LIPPER

Top 250 mutual-funds listings for Nasdaq-published share classes by net assets.

e-Ex-distribution. **f**-Previous day's quotation. **g**-Footnotes x and s apply. **j**-Footnotes e and s apply. **k**-Recalculated by Lipper, using updated data. **p**-Distribution costs apply, 12b-1. **r**-Redemption charge may apply. **s**-Stock split or dividend. **t**-Footnotes p and r apply. **v**-Footnotes x and e apply. **x**-Ex-dividend. **z**-Footnote x, e and s apply. **NA**-Not available due to incomplete price, performance or cost data. **NE**-Not released by Lipper; data under review. **NN**-Fund not tracked. **NS**-Fund didn't exist at start of period.

Monday, May 22, 2023

Fund	NAV	Net Chg	YTD %Ret
AB Funds			
MunilncmShares	10.88	-0.03	2.2
AB Funds - ADV			
LgCpGrAdv	81.19	+0.09	16.1
American Century Inv			
Ultra	67.56	+0.17	22.5
American Funds Cl A			
AmcpA	34.06	+0.06	13.2
AMutlA	48.75	-0.08	1.1
BalA	29.73	+0.01	3.7
BondA	11.41	-0.01	1.5
CapIBA	63.58	-0.04	1.6
CapWGrA	55.70	+0.04	8.4
EupacA	54.81	+0.20	11.8
FdInvA	65.20	+0.06	8.5
GwthA	56.79	+0.17	14.8
HI TrA	9.11	+0.02	3.0
ICAA	45.07	+0.02	9.6
IncoA	22.57	+0.01	0.5
N PerA	53.36	+0.18	12.8
NEcoA	49.03	+0.13	12.7
NwWrldA	72.13	+0.32	8.5
SmCpA	60.44	+0.31	7.7
TxExA	12.10	-0.01	1.5
WshA	53.29	+0.01	2.9
Artisan Funds			
IntlVal Inst	43.45	+0.03	12.6
Baird Funds			
AggBdInst	9.69	-0.01	2.0
CorBdInst	9.97	...	2.1
BlackRock Funds			
HiYldBd Inst	6.74	+0.01	4.1
BlackRock Funds III			
iShS&P500IdxK	492.54	+0.13	9.9
BlackRock Funds Inst			
EqtyDivd	18.88	+0.02	3.8
StratIncOpptyIns	9.19	...	1.6
Bridge Builder Trust			
CoreBond	8.90	...	1.8
CorePlusBond	8.78	...	1.9
Intl Eq	12.01	+0.04	12.0
LargeCapGrowth	19.47	+0.03	13.9
LargeCapValue	15.18	...	1.6
MunicipalBond	9.73	-0.01	1.1
Calamos Funds			
MktNeutI	14.30	-0.01	4.1
Columbia Class I			
DivIncom I	28.70	-0.10	-0.2
Dimensional Fds			
5GlbFxdInc	10.02	...	1.9
EmgMktVa	27.99	+0.13	6.1
EmMktCorEq	21.31	+0.12	5.9
IntlCoreEq	14.76	+0.01	9.4
IntSmCo	18.69	...	7.4
IntSmVa	20.24	...	7.7
LgCo	28.64	+0.01	9.9
US CoreEq1	31.70	+0.05	6.8
US CoreEq2	28.67	+0.05	6.0
US Small	39.09	+0.32	1.3
US SmCpVal	38.00	+0.29	-2.9
US TgdVal	26.90	+0.24	-1.4
USLgVa	41.01	+0.05	-0.6
Dodge & Cox			
Balanced	94.81	+0.22	2.6
GblStock	13.49	+0.06	7.0
Income	12.36	...	2.3
Intl Stk	46.77	+0.10	8.5
Stock	218.40	+0.76	2.4
DoubleLine Funds			
TotRetBdI	8.87	...	2.5
Edgewood Growth Instituti			
EdgewoodGrInst	36.77	+0.11	17.5
Fidelity			
500IdxInstPrem	145.79	+0.04	9.9
Contrafund K6	19.50	-0.01	16.0
ExtMktIdxInstPre	66.44	+0.73	5.6
FidSerToMarket	13.77	+0.03	9.3
GrowthCompanyK6	18.74	+0.05	21.8
InflPrBdIndInsPr	9.22	-0.01	2.2
IntlIdxInstPrem	46.03	+0.04	11.8
LgCpGwId InstPre	24.84	+0.02	19.3
MidCpInxInstPrem	26.70	+0.10	3.0
SAIUSLgCpIndxFd	18.47	...	9.9
SeriesBondFd	8.94	-0.01	1.9
SeriesOverseas	12.48	+0.03	14.9
SerLTTreBdIdx	5.93	-0.01	2.4
SmCpIdxInstPrem	22.27	+0.27	2.6
TMktIdxInstPrem	115.60	+0.22	9.3
TotalMarketIndex	14.59	+0.02	9.3
TtlIntIdxInstPr	12.73	+0.02	8.7
USBdIdxInstPrem	10.27	...	2.0
Fidelity Freedom			
FF2020	13.46	+0.02	5.6
FF2025	12.43	+0.01	6.1
FF2030	15.61	+0.02	6.7
FF2035	13.52	+0.03	7.7
FF2040	9.64	+0.02	8.8
Freedom2030 K	15.61	+0.02	6.8
Idx2030InsPre	17.86	+0.02	6.5
Idx2035InsPre	20.08	+0.03	7.4
Idx2040InsPre	20.53	+0.04	8.3
Fidelity Invest			
Balanc	24.99	+0.01	9.4
BluCh	141.36	+0.40	25.7
Contra	13.95	-0.01	17.0
CpInc	9.19	+0.02	3.9
GroCo	27.78	+0.07	23.4
InvGrBd	9.94	...	2.4
LowP	46.98	+0.14	1.7
Magin	10.69	-0.01	11.9
NASDAQ	160.92	+0.79	22.0
OTC	15.62	+0.03	21.7
Puritn	21.96	...	7.6
SAIUSQtyIdx	17.26	+0.01	12.7
SrsEmrgMkt	16.58	+0.13	6.1
SrsGlobal	13.48	+0.04	9.1
SrsGroCoRetail	16.77	+0.05	21.8
SrsIntlGrw	16.33	...	14.5
SrsIntlVal	10.85	+0.01	8.2
TotalBond	9.40	-0.01	2.3
Fidelity SAI			
TotalBd	8.90	...	2.4
U.S.TreBdIdx	8.77	-0.01	2.2
First Eagle Funds			
GlbA	62.09	...	7.1
Franklin A1			
IncomeA1	2.26	...	1.9
FrankTemp/Frank Adv			
IncomeAdv	2.24	...	2.0
FrankTemp/Franklin A			
Growth A	113.71	+0.21	11.3
RisDv A	86.06	-0.31	4.5
Guggenheim Funds Tru			
TotRtnBdFdClInst	23.47	-0.02	2.8
Harbor Funds			
CapApInst	78.78	+0.26	25.5
Harding Loevner			
IntlEq	25.79	+0.06	NA
Invesco Funds A			
EqIncA	9.81	+0.01	0.4
Invesco Funds Y			
DevMktY	38.93	+0.15	11.4
JHF III DispVal			
DispValMCI	24.70	+0.02	1.1
John Hancock			
BondR6	13.41	-0.01	NA
JPMorgan I Class			
CoreBond	10.23	-0.01	2.5
EqInc	21.69	-0.02	-3.3
LgCpGwth	50.86	+0.09	13.7
JPMorgan R Class			
CoreBond	10.24	-0.01	2.5
CorePlusBd	7.21	...	2.6
Lord Abbett I			
BdDebentr	6.87	+0.01	1.0
ShtDurInc p	3.84	...	2.0
Metropolitan West			
TotRetBdI	9.11	-0.01	2.3
TRBdPlan	8.55	...	2.3
MFS Funds			
IIE	31.99	+0.04	NA
MFS Funds Class I			
GrowthI	154.81	+0.05	NA
ValueI	47.13	-0.03	-1.0
Neuberger Berman Fds			
LCVal Inst	42.06	-0.10	NA
Northern Funds			
StkIdx	44.68	+0.01	9.9
Old Westbury Fds			
LrgCpStr	15.77	...	8.2
Parnassus Fds			
ParnEqFd	51.72	-0.13	10.4
PGIM Funds Cl Z			
TotalReturnBond	11.80	-0.01	NA
PIMCO Fds Instl			
AllAsset	10.70	+0.02	NA
TotRt	8.51	-0.01	NA
PIMCO Funds A			
IncomeFd	10.38	...	NA
PIMCO Funds I2			
Income	10.38	...	NA
PIMCO Funds Instl			
IncomeFd	10.38	...	NA
Price Funds			
BlChip	129.24	+0.41	24.9
DivGro	65.84	-0.16	3.0
Growth	76.23	+0.23	23.7
HelSci	91.62	+0.29	2.0
LgCapGow I	56.00	+0.14	22.0
MidCap	95.50	+0.41	7.7
NHoriz	50.45	+0.58	8.9
R2025	15.45	...	NA
R2030	23.27	+0.01	NA
R2040	26.35	+0.03	NA
Schwab Funds			
1000 Inv r	90.03	+0.10	NA
S&P Sel	64.59	+0.01	NA
TSM Sel r	71.22	+0.13	NA
TIAA/CREF Funds			
BdIdxInst	9.53	...	2.1
EqIdxInst	29.65	+0.05	9.2
IntlEqIdxInst	21.34	+0.02	11.7
VANGUARD ADMIRAL			
500Adml	387.66	+0.11	9.9
BalAdml	41.79	+0.03	6.3
CAITAdml	11.15	-0.02	1.2
CapOpAdml r	159.24	+0.50	9.0
DivAppIdxAdm	42.25	-0.18	3.0
EMAdmr	33.32	+0.19	2.9
EqIncAdml	82.07	+0.02	-2.4
ExplrAdml	92.83	+0.89	6.8
ExtndAdml	106.11	+1.16	5.6
GNMAAdml	9.25	...	1.9
GrwthAdml	134.55	+0.36	22.8
HlthCareAdml r	90.60	+0.22	4.2
HYCorAdml r	5.20	+0.01	3.3
InfProAd	23.60	-0.02	2.2
IntlGrAdml	101.94	+0.78	12.8
ITBondAdml	10.23	-0.01	2.6
ITIGradeAdml	8.43	...	2.8
LarCapAd	96.56	+0.07	10.2
LTGradeAdml	7.82	-0.01	2.1
MidCpAdml	257.79	+1.16	2.5
MuHYAdml	10.34	-0.02	2.3
MuIntAdml	13.39	-0.02	1.3
MuLTAdml	10.61	-0.02	1.7
MuLtdAdml	10.66	-0.01	0.8
MuShtAdml	15.56	-0.01	0.8
PrmcpAdml r	144.85	+0.01	10.7
RealEstatAdml	114.65	+0.72	-0.9
SmCapAdml	90.20	+0.78	3.0
SmGthAdml	76.77	+0.88	9.1
STBondAdml	9.97	-0.01	1.8
STIGradeAdml	10.04	...	2.0
STIPSIxAdm	23.86	...	1.9
TotBdAdml	9.56	-0.01	2.0
TotIntBdIdxAdm	19.43	-0.02	3.1
TotIntlAdmIdx r	30.20	+0.08	8.6
TotStAdml	101.28	+0.18	9.2
TxMCapAdml	216.65	+0.16	9.9
TxMIn r	14.91	+0.03	10.7
USGroAdml	123.09	+0.79	21.5
ValAdml	53.61	-0.08	-1.5
WdsrllAdml	70.47	+0.08	6.5
WellsIAdml	59.06	...	0.5
WelltnAdml	69.26	-0.01	5.0
WndsrAdml	70.09	+0.30	2.6
VANGUARD FDS			
DivdGro	35.29	-0.18	0.3
IntlVal	39.36	+0.08	10.1
LifeCon	19.95	+0.01	5.0
LifeGro	38.78	+0.06	7.6
LifeMod	29.17	+0.02	NA
PrmcpCor	29.25	...	7.6
STAR	25.95	+0.07	7.4
TgtRe2020	26.66	+0.02	5.1
TgtRe2025	17.68	+0.02	6.0
TgtRe2030	33.43	+0.03	6.6
TgtRe2035	20.72	+0.03	7.1
TgtRe2040	36.57	+0.06	7.6
TgtRe2045	24.66	+0.04	8.1
TgtRe2050	40.95	+0.08	8.3
TgtRe2060	42.08	+0.08	8.4
TgtRet2055	45.69	+0.09	8.3
TgtRetInc	12.72	...	4.3
WellsI	24.38	...	0.5
Welltn	40.11	...	4.9
WndsrII	39.72	+0.05	6.5
VANGUARD INDEX FDS			
ExtndIstPl	261.85	+2.87	5.6
IdxIntl	18.05	+0.05	8.6
MdCpGrAdml	83.24	+0.62	7.8
MdCpVlAdml	68.20	+0.12	-2.2
SmValAdml	67.00	+0.42	-1.3
TotBd2	9.45	-0.01	2.0
TotIntlInstIdx r	120.75	+0.31	8.6
TotItlInstPlId r	120.78	+0.31	8.6
TotSt	101.25	+0.18	9.2
VANGUARD INSTL FDS			
DevMktsIndInst	14.93	+0.03	10.8
DevMktsInxInst	23.33	+0.04	10.7
ExtndInst	106.11	+1.17	5.6
GrwthInst	134.55	+0.35	22.9
InPrSeIn	9.61	-0.01	2.2
InstIdx	350.73	+0.09	9.9
InstPlus	350.73	+0.09	9.9
InstTStPlus	72.81	+0.13	9.2
MidCpInst	56.95	+0.26	2.5
MidCpIstPl	280.86	+1.27	2.5
RealEstaInstl	17.74	+0.11	-0.9
SmCapInst	90.19	+0.77	3.0
SmCapIstPl	260.33	+2.24	3.0
STIGradeInst	10.04	...	2.0
STIPSIxins	23.87	...	1.9
TotBdInst	9.56	-0.01	2.0
TotBdInst2	9.45	-0.01	2.0
TotBdInstPl	9.56	-0.01	2.0
TotIntBdIdxInst	29.16	-0.03	3.2
TotStInst	101.29	+0.17	9.2
ValueInst	53.61	-0.08	-1.5
WCM Focus Funds			
WCMFocIntlGrwIns	22.32	+0.15	13.5
Western Asset			
CoreBondI	NA	...	NA
CorePlusBdI	NA	...	NA

Biden's Billion-Dollar Oil Trade Is Tested

Bids to refill strategic reserve use modified proposal that reflects market risk, volatility

By David Uberti

The U.S. government's attempt to refill the skyscraper-sized caverns that hold the country's emergency oil reserves is coming with a crash course in energy markets: How to think more like a trader.

President Biden last year authorized an emergency sale of more than 180 million barrels from the U.S. Strategic Petroleum Reserve to ease gasoline prices that skyrocketed after Russia's invasion of Ukraine. The Energy Department sold high, averaging roughly $95 a barrel.

Now the agency is learning that replenishing those stockpiles at the lower rate it wants—between $67 to $72—is more difficult, despite prices sliding near those levels at various points this year. On Monday, benchmark U.S. crude closed at $71.99 a barrel, within Washington's window to buy.

Biden has deployed the SPR more aggressively than his predecessors, forcing Wall Street to pay attention to moves that could affect oil markets. As crude sputtered in recent months amid a cooling U.S. economy and a gusher of global supplies, some investors have looked to Washington's proposed purchases as a potential support for prices.

The Energy Department's first attempt at buying oil this year—and the beginning of a potential billion-dollar trade—failed. That prompted the agency to revamp its approach to bids in a way some analysts say is more reflective of how crude is traded. The tweaked pricing approach underscores the government's steep learning curve on how oil companies weigh volatility and risk in a market that can unexpectedly turn on natural disasters, geopolitical tensions or production changes by the Organization of the Petroleum Exporting Countries.

The four reserve sites near the Gulf Coast have about 358 million barrels of crude, down from about 593 million at the beginning of last year, according to the Energy Information Administration. Many analysts say the stockpile is more than enough to weather supply shocks, particularly since drilling output in fast-growing shale regions of Texas and New Mexico has propelled near-record domestic production.

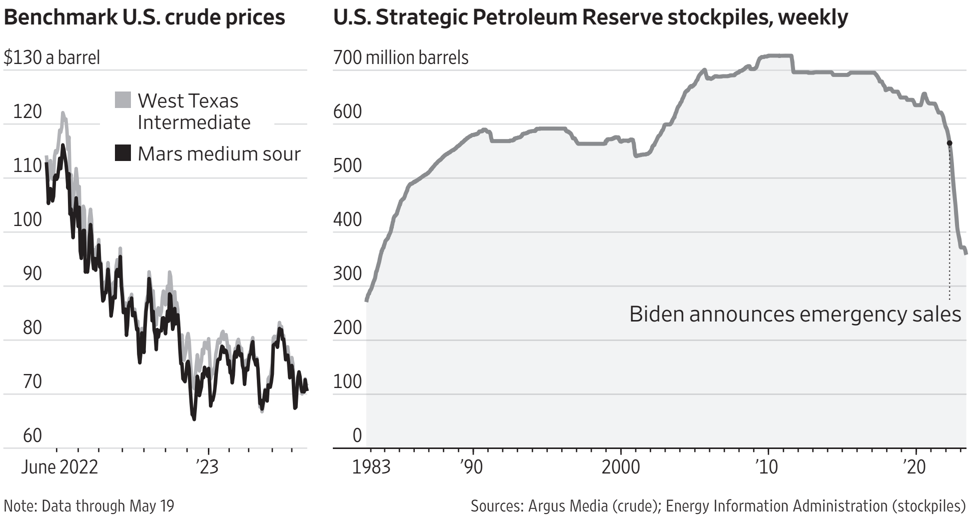
The SPR periodically loans oil to refiners and receives additional supplies in return. But outright purchases have been rare in recent decades.

The Biden administration, which previously said it aims to buy 60 million barrels, has suggested it is in no hurry to refill the SPR without maximizing taxpayer returns. If successful, the new request for proposals could offer a blueprint for additional purchases.

The Energy Department's attempt to buy domestically produced sour crude earlier this year sought fixed-price proposals for up to 3 million barrels. But bids came in with higher prices than the agency expected or otherwise missed its specifications.

The fixed price meant companies would have to swallow the risk of the market sliding over a 13-day window as the agency evaluated proposals, said Ilia Bouchouev, managing partner at Pentathlon Investments. Producers likely bumped up their prices to account for the costs of hedging against the risk of oil prices swinging by several dollars a barrel.

The U.S. is seeking to refill its Strategic Petroleum Reserve. A storage site in Freeport, Texas.



"That's a lot of risk to hold a fixed price for two weeks," Bouchouev said. "Nobody trades [on a] flat price."

Instead, the market moves based largely on price differentials between types of crude or locations where they are produced, bought and sold. Those spreads allow traders to account for costs such as transportation and give producers the opportunity to limit the threat of volatility by buying financial instruments such as futures or options contracts.

The Energy Department's second try at buying up to 3 million barrels of sour crude, with proposals due May 31 and contracts expected to be awarded June 9, swaps its previous pricing approach for one based on differentials. That could help suppliers more accurately forecast costs and help limit potential losses.

Government officials asked companies to propose offers on sour-crude differentials. That figure factors in the average spread between West Texas Intermediate, the U.S. crude benchmark, and an American sour crude gauge known as Mars in the three days after notice of the award.

Those benchmarks were separated by 98 cents as of Friday, according to price-reporting agency Argus Media, meaning companies' financial risk in the event of market choppiness could be in cents, rather than dollars, per barrel.

"In theory, the same problem still remains because dealers have to hold this differential for two weeks while waiting for the decision," said Bouchouev, a longtime trader. "However, the differential is significantly less volatile than the oil price."

For now, the more pressing question for Biden's potential oil trade may be whether prices stay within the Energy Department's target range.

Wall Street was bullish on oil late last year, but many analysts more recently slashed forecasts as Western economies slowed, Russia continued pumping out crude and China's appetite for energy failed to push prices higher.

Adani Gets Boost From Ruling by India Panel

By Weilun Soon

The shares of companies in India's **Adani Group** surged on Monday, after a panel appointed by the country's Supreme Court didn't find support for some of the claims made by a short seller earlier this year.

The market value of the seven companies bearing the Adani name rose 9.2% to hit $108.5 billion on Monday, according to FactSet data. That was their best day since Hindenburg Research released a report on Jan. 24 alleging market manipulation, among other things. Adani Group has denied the allegations.

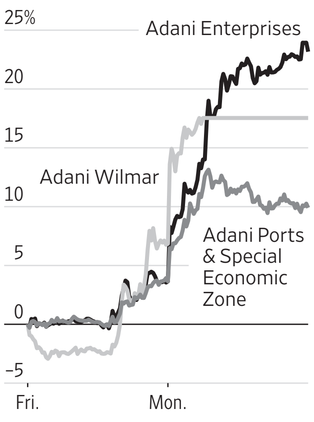
Adani Enterprises, the flagship, was by far the best performer among the group. Its shares closed the day almost 19% higher.

The panel produced a 173-page report, seen by The Wall Street Journal, which relied in part on input from the Securities and Exchange Board of India, the market regulator. SEBI couldn't find clear evidence of market manipulation, the report shows.

However, the panel also noted that SEBI has "hit a wall" in trying to find out the ultimate ownership of 13 overseas entities that hold Adani shares. The Supreme Court has given SEBI until Aug. 14 to wrap up its own probe.

Adani didn't immediately respond to a request for comment.

Two-day share-price performance



Source: FactSet

Chevron Bets on Shale

Continued from page B1

lowing Russia's invasion of Ukraine. There has been an uptick in deal chatter throughout the industry in recent months as a result.

Larger oil companies have seen their shares trade relatively high compared with the lows of the pandemic, and compared with smaller rivals, enabling some companies to avoid touching their war chests.

Chevron had $15.7 billion in cash at the end of the first quarter, according to FactSet, and the company has said it would give priority to returning money to shareholders via share buybacks and dividends.

Compared with the headier days of America's shale boom this past decade, the premium for PDC represents a more conservative purchase, much as Chevron's single-digit premium deal for Noble Energy did in mid-2020, following the onset of the pandemic and a historic crunch in oil demand.

Noble also was a major player in the DJ Basin. For years, the DJ Basin has been seen by some companies as a potentially lucrative oil patch but difficult to master because of more stringent state-level regulations around oil-and-gas activity in Colorado.

"It's a demanding regulatory environment but both companies have proven they can operate in that environment," Wirth said.

Even major oil companies have been searching for smaller rivals to scoop up as they run into challenges with well productivity, a signal that the industry has drilled many of its best wells already, analysts and investors have said.

Last year, for example, the 10% of wells Chevron brought online in the Delaware basin, part of the broader Permian Basin, were about 25% less productive than its wells the year before, The Wall Street Journal reported earlier this year, citing Novi Labs data.

Chevron said the PDC deal would add 10% to its oil-equivalent proved reserves for under $7 a barrel and add 275,000 net acres adjacent to its position in the DJ Basin, along with 25,000 net acres in the prolific Permian Basin, the largest U.S. oil field.

Chevron's transaction shows that companies' hunts for merger-and-acquisitions are beginning to culminate in deals. Last week, pipeline operator **Oneok** said it had agreed to buy smaller rival **Magellan Midstream Partners** for about $14 billion, forming one of the largest U.S. energy transportation and storage firms.

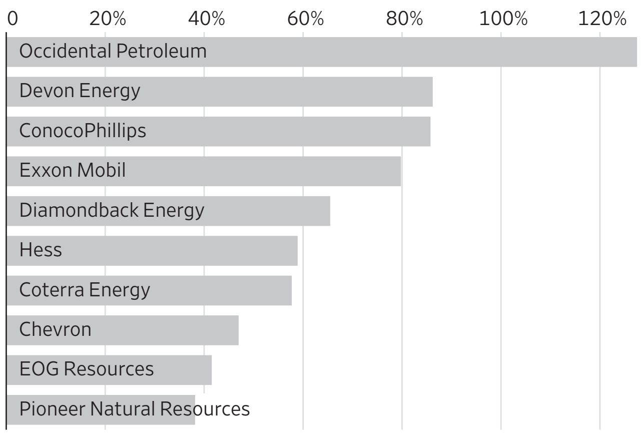
Exxon Mobil, Chevron's chief rival, also struck a far smaller deal Monday, agreeing to a $375 million cash sale of assets in the Bakken Shale of North Dakota to **Chord Energy**, the shale company that had emerged from the tie-up of Whiting Petroleum and Oasis Petroleum.

Exxon has held on to other assets in the Bakken worth billions, in large part because they have generated a lot of cash over this past year.

Chevron said it would issue roughly 41 million shares in the deal, slated to close by the end of the year.

An electric drilling operation at a Chevron site in Kersey, Colo.

Share performance of large U.S. oil and gas companies over the past two years



Source: FactSet

Private-Equity Giants Stress Credit Role

By Chris Cumming

Private-equity firms are rushing to adapt to an economy in which their longtime cash cow—big leveraged buyouts—has grown a little tired.

Recent first-quarter results reported by large private-equity managers showed firms trying to adjust to a new economy. Financing is tight, so big buyouts are scarce. Valuations are low, so asset sales are out.

Instead, firms are rapidly trying to expand in private-credit, an investment strategy expected to thrive as interest rates rise and traditional lenders retreat.

Here are some takeaways from the largest firms' first-quarter reports and investor calls.

Old-Style Buyouts Are Out

Fundraising has become tougher for all strategies, but most of all large buyout funds. **KKR** Chief Financial Officer Robert Lewin recently called traditional private equity "the most challenged part of the fundraising market."

Blackstone's credit and insurance group raised $16.6 billion during the quarter, compared with $4.6 billion for its private-equity funds. **Apollo Global Management** raised a total of $31 billion in the quarter, but only about $1.4 billion for its PE strategies.

So firms are working overtime to promote their credit businesses. **TPG** Chief Executive Jon Winkelried called private credit a "multitrillion-dollar opportunity." Through the $2.7 billion acquisition of debt manager Angelo Gordon unveiled recently, TPG aims to grow in credit and expand beyond its private-equity wheelhouse.

Winkelried's comments paralleled the bullish pronouncements on the market segment by other industry executives, including Blackstone President Jon Gray, who called this "a golden moment for private credit."

Whether the results of credit deals signed today prove golden over the long term, these comments show firms stand eager to expand in one of the few areas where fundraising remains strong.

Replacing Regional Banks?

The last banking crisis, from 2007 to 2009, turned out to be perhaps the best thing that ever happened to private equity. It let firms buy valuable assets cheaply and move into territory abandoned by traditional banks, setting the stage for more than a decade of rapid industry growth.

The sector sees an opportunity in the crisis that hit regional banks.

The bump from the current regional-banking turmoil could be more modest, executives suggested. But nearly all took the view that the crisis set off by the failure of Silicon Valley Bank would help their credit businesses expand. Once again, the industry sees an opportunity to step in as banks fade out.

KKR co-CEO Scott Nuttall said he sees "a real opportunity to continue to scale [the firm's credit] businesses, especially in this environment where the traditional banks are pulling back." Apollo CEO Marc Rowan said that "given what's happening in regional banking," he expects the business of providing commercial credit to shift further toward private investors and away from banks.

These statements seem to reinforce the view that private-equity firms are following a different crisis playbook than in 2008, when many invested directly in the banking sector.

This time around, leaders of private-equity firms say they aim to replace banks rather than back them with investments.

Valuations Stabilize

First-quarter results may have reduced suspicions about asset-valuation inflation.

Private equity's results over the past year have inspired skepticism about how firms value what they own. As securities markets fell last year, private-equity asset valuations typically fell less, or even rose.

Some institutional investors questioned whether firms were putting a thumb on the scale, giving overly rosy valuations to impress clients and maintain paper returns. Regulators and even members of Congress have raised concerns.

The results of publicly traded firms for the first three months of the year may quiet these concerns. Private-equity asset valuations generally lagged prices reflected in securities markets in the first quarter, rising less than stock indexes.

The MSCI World index—a decent comparison for a globe-spanning buyout shop's portfolio—rose about 7% in the first quarter. Blackstone's private-equity portfolio appreciated 2.8%, TPG's 3%, and KKR's and **Carlyle Group**'s each rose about 2%.

These results show that private-equity valuations, whatever their level of accuracy, don't always flatter firm performance. If asset prices set by public firms reflect those in the broader industry, recent worries about valuations could subside.

Dow Falls as Traders Await Talks on Debt

Regional bank stocks strengthen, led by PacWest, Zions, KeyCorp, Comerica

BY RYAN DEZEMBER

Stocks traded mixed in a tight range and bond yields rose while traders awaited news from the debt-ceiling negotiations and chewed over the latest remarks from Federal Reserve officials, including from one who said he favored additional interest-rate increases.

MONDAY'S MARKETS

The tech-heavy Nasdaq Composite rose 0.5% to a 2023 high, while the S&P 500 ticked less than 0.1% higher. The indexes are up on the year 22% and 9.2%, respectively. The Dow Jones Industrial Average shed 0.4%, or about 140 points, to leave it up just 0.4% this year.

President Biden and House Speaker Kevin McCarthy (R., Calif.) were due to meet Monday evening in pursuit of a deal to raise the government's debt ceiling by June 1, when Treasury Secretary Janet Yellen has said the U.S. could run out of money to pay all its bills.

Trading that has pushed stocks to their highest level in months since last summer suggests investors are beginning to look past a potential default and toward future interest-rate decisions and the likelihood of recession.

Regional banks continued to rebound after **PacWest** said it sold a bundle of real-estate loans for $2.6 billion. Shares of the Los Angeles bank jumped 20%. Several lenders gained at least 3%, including **KeyCorp**, **Regions** and **Comerica**. **Zions Bancorp**'s hard-hit stock gained 4.9%.

Shares of Facebook owner **Meta Platforms** continued to bounce back from last year's swoon, rising 1.1% after being fined $1.3 billion by European Union regulators for sending user information to the U.S. The stock has more than doubled so far in 2023.

Chevron said it would acquire smaller energy producer **PDC Energy** in an all-stock deal valued at $6.3 billion, boosting Chevron's position in Colorado's Denver-Julesburg Basin and the Permian Basin in West Texas.

Investors have expected consolidation in the oil patch given the mountain of money oil producers' piled up with last year's high energy prices. The deal was met with a ho-hum reaction from traders. Chevron's shares fell 1.8%.

Micron Technology declined 2.8% after China said it is banning major firms from buying products from the semiconductor maker. Other semiconductor companies also slipped.

The yield on the 10-year U.S. Treasury note rose to 3.717% from 3.690% on Friday. The yield on one-month Treasury bills climbed to 5.570%.

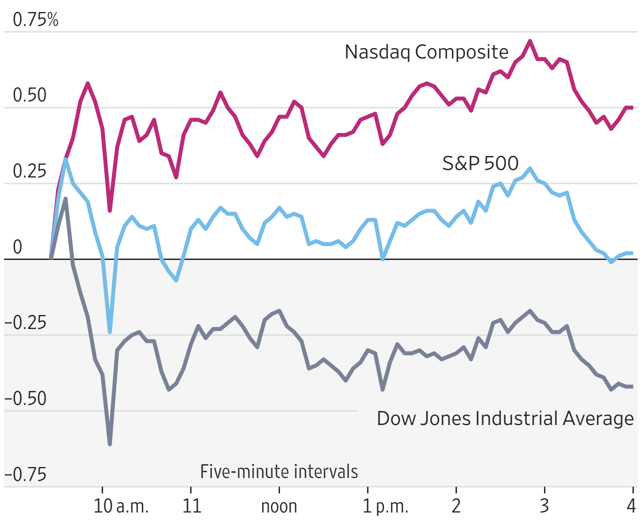
High yields on short-term Treasurys are giving investors an attractive place to wait out the resolution of macro issues, such as the debt-ceiling standoff and the Fed's next rate decision, said Christian Chan, chief investment officer at AssetMark.

"You are getting paid to be defensive today at rates that you're typically not getting paid when you're being defensive," Chan said. "The opportunity cost of being in cash today is not nearly as high as it typically is."

Federal Reserve Bank of St. Louis President James Bullard said at an American Gas Association gathering in Florida that he favors two more quarter-point rate increases. "I think we're going to have to grind higher with the policy rate in order to put downward pressure on inflation," he said.

Overseas, Europe's Stoxx 600 was flat. Early Tuesday, Japan's Nikkei 225 and South Korea's Kospi were up 0.6%, but the Shanghai Composite was down 0.9%. S&P 500 futures rose 0.3%.

Index performance Monday



Source: FactSet

Watch a Video

Scan this code for a video on what to watch for this week in the markets.

Bitcoin has shed more than a third of its dollar value since last year's bitcoin convention.

JAMES JACKMAN FOR THE WALL STREET JOURNAL

'No Bears Allowed' at Conference

Continued from page B1

"Our customers are not here in the same volume as they were last year," said Michael Coscetta, head of revenue at Paxos.

Last year, crypto custody firm BitGo held a party where it served two sushi-grade tuna that chefs cut and carved up for guests, one of which clocked in at 200 pounds. This year, there was just one tuna, a 115-pounder, though the company made a joke of it, handing out stickers reading "#TunaWinter."

A satellite event called Sh*tcoin Conference, which celebrates nonbitcoin cryptocurrencies viewed as worthless by some bitcoin believers, ended up smaller after crypto exchange FTX imploded late last year. FTX was supposed to sponsor it before its bankruptcy, forcing the organizers to scale the schedule back considerably. Last year, the event was a two-day conference at the nightclub Mad Club Wynwood. This year, it was one evening at a co-working space in Wynwood called the LAB Miami.

Still, an eclectic group of people gathered there to debate all things crypto, including Canadian Prime Minister Justin Trudeau's half-brother, Kyle Kemper, who years ago made headlines for boosting joke crypto dogecoin; and Vít Jedlička, a Czech politician who was promoting his crypto-libertarian micronation, Liberland, located in a contested region between Croatia and Serbia.

"It's really a pep rally. It's really what this is," said Kurt Wuckert Jr., a crypto historian at CoinGeek.

At the main conference, artists displayed crypto-themed creations, hoping to sell them off. Artist Hitomi Matsui created a bitcoin-themed McDonald's restaurant, selling handmade creations she put together the last six months of Big Macs, Happy Meal Toys and drinks.

The display mocked a meme that often circulates online when bitcoin crashes insinuating that everyone who held the digital asset is going to have to go work for McDonald's. Prices ran higher than at a traditional McDonald's though. A ketchup packet ran at $15, or 0.00055 bitcoin, the cheapest item on the menu. A full bitcoin-branded Happy Meal cost $350, or 0.013 bitcoin.

An artist who goes by the pseudonym FractalEncrypt displayed a bitcoin codex he spent seven months crafting. The book, made from wood and mirrors, was on display Thursday and Friday. After that, the artist said he was bringing it to bitcoin enthusiast Michael Saylor's South Florida home for a VIP dinner.

He was hoping Saylor would decide to buy it.

AUCTION RESULTS

Here are the results of Monday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

	13-Week	26-Week
Applications	$151,649,754,600	$165,132,414,300
Accepted bids	$62,835,029,600	$59,528,059,300
" noncomp	$2,006,280,100	$1,815,261,100
" foreign noncomp	$10,000,000	$0
Auction price (rate)	98.672917	97.371917
	(5.250%)	(5.170%)
	5.409%	5.398%
Bids at clearing yield accepted	36.59%	75.83%
	912796Z44	912797FL6

Both issues are dated May 25, 2023. The 13-week bills mature on Aug. 24, 2023; the 26-week bills mature on Nov. 24, 2023.

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Even Top Property Owners Can Default

Powerful investors such as Brookfield are starting to cut losing real-estate bets to protect returns

Even if the property world gets rockier, landlords with deep pockets should be able to service their debts. That doesn't mean they will.

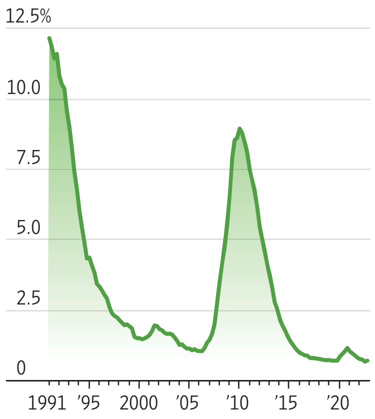
Optimists point out today's real-estate troubles aren't as serious as in the 2008 crash. For one, property investors are more creditworthy than the overly indebted and flighty homeowners who got banks into hot water during the global financial crisis. Of all the loans that Fannie Mae issued on single-family homes in 2007, around 16% wound up in default. Delinquency rates for commercial property are close to record lows today, although they are rising. And loan-to-value ratios are lower than they were 15 years ago, so owners with more equity in their properties will find it painful to walk away. But recent high-profile defaults show creditors face risks even from star borrowers.

Brookfield Asset Management, with $825 billion in assets, skipped payment on a property, and not the first one in this cycle: This time it was a $275 million loan on the EY Plaza office building in Los Angeles, according to Trepp. The delinquent loan is in the same portfolio as a pair of offices tied to more than $750 million of debt that Brookfield defaulted on earlier this year. It also missed payments on a smaller loan on offices in Washington, D.C.

Pimco-owned Columbia Property Trust defaulted on a $1.7 billion office loan earlier this year. **Blackstone** sent two loans on a Manhattan office block and residential building to special servicing, where a third party steps in to manage debts at risk of not being paid off. Among a Trepp list of office loans valued at $7.7 billion that have been sent to special servicing, more than one-quarter is owed by big names.

In some situations, powerful owners will be less willing to support a property through a rough patch than a small landlord. Family owners may tolerate being out of pocket for a time if they plan to hang on to a building long term. The consequences of a foreclosure can be more severe for small borrowers. Heavyweights should be able to get another loan at a good price, even after a default. If a property is no longer hitting the return hurdle that the likes of Brookfield needs to satisfy its limited partners, they may decide to cut their losses.

Delinquency rate on U.S. commercial real-estate loans



Source: Board of Governors of the Federal Reserve System (US)

"The thinking was that the institutions would be the last to give the keys back, but it may be the other way around in some cases," says Rachel Vinson, president of debt & structured finance in the U.S. at CBRE. She adds institutional investors that have a responsibility to act in their investors' best interest will be laser-focused on the numbers.

An analysis of the delinquent EY Plaza loan by CRED iQ senior managing director Marc McDevitt shows that the Brookfield-owned building was 76% full at the end of last year. Net operating income rose 2.4% in 2022, but mortgage payments jumped 47%. It looks like Brookfield hit the brakes quickly—perhaps as soon as the debt-service-coverage ratio slipped below 1 and repayments on its mortgage would have to come from its own pocket.

The cost of interest-rate hedges is another major problem to watch. Around one-third of all commercial real-estate lending in the U.S. is floating rate, according to CRED iQ. Most lenders of variable-rate debt require borrowers to buy an interest-rate cap that limits their exposure to rising rates. A borrower with a 2% cap will receive a payout when a rate benchmark such as the Secured Overnight Financing Rate goes above this level to cover its higher debt costs.

Replacing these hedges once they expire is now very expensive. A three-year cap at 3% for a $100 million loan cost $23,000 in 2020. A one-year extension now costs $2.3 million, according to data from risk adviser Derivative Logic. Property investors that can't or won't shell out these eye-watering amounts might opt to default.

—Carol Ryan

Netflix Could Use Some Freeloaders

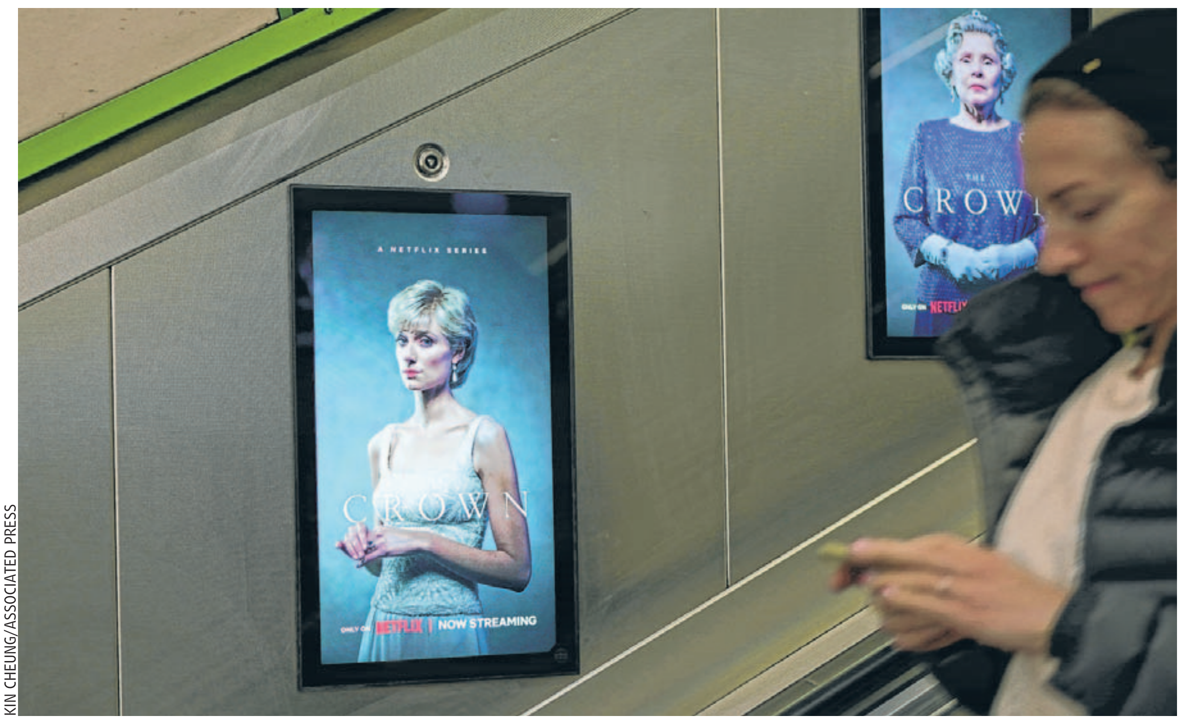
Netflix wants to build up an advertising business while cracking down on those who use the service free. It will be a delicate dance.

Just how delicate was on display last week when Netflix made its first showing at the annual TV ad confab known as the Upfronts. The strike by the Writers Guild of America compelled Netflix to keep the event virtual, but the company managed to make a splash. The ad-supported tier, which launched late last year, has nearly five million monthly active users, while more than a quarter of new Netflix sign-ups are choosing the ad plan, the company said.

That sent Netflix shares up more than 9% the day after the presentation. Wall Street has been watching for signs of traction in the ad tier, especially since Netflix disclosed in its first-quarter earnings call a month ago that ad-supported subscribers in the U.S. bring in a higher average revenue per user than its standard ad-free plan costing more than twice as much.

Netflix has been trying to tamp down expectations even before launching the ad-supported service. Executives frequently deployed the "crawl, walk, run" analogy to describe its approach to a business the streamer avoided for its first 15 years of existence.

Still, analysts expect Netflix to generate nearly $1.3 billion in ad-supported revenue this year, which would be a little less than 4% of the company's projected total revenue, according to consensus forecasts from Visible Alpha. That contribution is expected to rise to about 20% by 2027.



KIN CHEUNG/ASSOCIATED PRESS

Analysts expect Netflix to generate nearly $1.3 billion in ad-supported revenue this year.

Getting there might require more than those paying for an ad-supported service. The company's disclosure last year that more than 100 million global households were sharing the accounts of its 222 million paid subscribers strongly suggests that a good portion of those five million monthly active users for the ad tier aren't paying for the privilege either. But exactly how many requires guesswork. In a note to clients, analyst Mark Mahaney of Evercore ISI said five million MAUs likely equates to about two million to three million actual subscribers. Market-research firm Antenna estimates a little over one million U.S. subscribers signed up for Netflix's ad plan by the end of April.

Keeping as many ad-supported viewers as it can will be crucial as Netflix tries to crack down on password sharing. It expects to roll out new account-sharing plans widely before the end of June. Those would allow subscribers to share accounts with others outside their households for a charge.

Those plans' pricing could have the effect of driving more into the ad-supported option. In Canada—an early test market for the account-sharing option—adding another user boosts the monthly cost of the Netflix standard plan by 52%. The Canadian ad tier has no account-sharing option but allows for two devices to be viewing simultaneously at less than half the monthly cost of the standard plan. Netflix might be tired of entertaining 100 million homes free, but, in the ad world, all eyes have value.

—Dan Gallagher

Japan Bets Big on Micron—and Own Chip Ambitions

The U.S. and China's war for chip supremacy continued apace this weekend. Japan—an old hand in the chip industry—could benefit. But probably only if it solves other structural problems that are also bedeviling America's own chip plans: scarce chip-making engineering talent and high labor costs among them.

Two big pieces of news on U.S. memory-chip maker **Micron Technology** highlight both the opportunity and some of the roadblocks.

On Sunday, China said Micron's products pose a major national security risk—and banned them from key information infrastructure. China began a cybersecurity probe into the company two months ago, in a move that was widely viewed as a response to escalating U.S. restrictions on China's chip sector. And after leaders of the G-7 industrialized countries took a tough stance against China in Japan this weekend, a poor outcome for Micron in China looked all but guaranteed.

Meanwhile in an interesting counterpoint, Micron last week said it would invest about $3.6 billion in advanced memory-chip making in Japan. Executives from other semiconductor companies like **Intel**, **Taiwan Semiconductor Manufacturing** and **Samsung** were also in Japan last week to meet with Prime Minister Fumio Kishida.

The trend of diversifying semiconductor supply chains keeps gathering steam. But it also comes as semiconductor prices themselves are in a weak patch.

STEVE HELBER/ASSOCIATED PRESS

Micron is investing in advanced memory-chip making in Japan; a Virginia plant.

And that is before a big coming wave of new capacity as the U.S., Europe, China and other Asian competitors all wade in to further subsidize their own industries.

The U.S., for example, will hand out $53 billion under the Chips Act. Japan is also courting global chip makers, and subsidizing a new semiconductor company called Rapidus, backed by some of the country's leading companies like **Sony** and **Toyota Motor**, to design and build next-generation chips. Although it was a dominant force in chip making in the 1980s, Japan has fallen behind its neighbors Taiwan and South Korea in the most advanced semiconductor manufacturing nodes. Japan had just a 9% share of the global semiconductor market in 2021, according to the Semiconductor Industry Association.

But the country still boasts many important companies along the semiconductor supply chain: Sony for image sensors and **Kioxia** for memory chips, for example. That could make it an attractive destination for companies looking to diversify away from China.

Semiconductor equipment is a particular stronghold. Japanese companies accounted for 27% of value added in the global semiconductor equipment market in 2021, according to the Semiconductor Industry Association. **Tokyo Electron** is the dominant player in equipment for coating and developing photoresist, a type of light-sensitive material, on silicon wafers. Other equipment makers like Disco and **Nikon** are also crucial suppliers of chip-making equipment.

Japan is also a dominant player in the materials used to make semiconductors. Companies like Tokyo Ohka Kogyo and JSR are the leading manufacturers of photoresist. **Sumco** and **Shin-Etsu Chemical** are the top makers of silicon wafers.

A shortage of skilled engineers—combined with an aging population and higher wages than nearby countries—are significant roadblocks to rapidly ramping up Japan's chip-making sector. Clever use of automation, another area where Japan is a leader, could also help.

Nothing is guaranteed, and competition in the high-end chip-making sector is likely to get even more intense. But if it can solve its labor problems with immigration reform or other means, Japan probably has a fighting chance to re-establish itself as a chip-making competitor.

—Jacky Wong

Why Big Oil Likes Small Deals

Chevron has plenty of financial firepower, but it prefers not to use it all in one place.

The oil major on Monday said it would acquire **PDC Energy**, an oil-and-gas producer in Colorado and Texas, in an all-stock transaction valued at $6.3 billion, or $72 a share. The deal further bolsters Chevron's presence in the DJ Basin in Colorado.

The price is right: Chevron is paying a 14% premium to PDC Energy's 10-day average price ended May 19. What the deal terms highlight is the potential value that energy companies might find in smaller operators.

PDC's valuation had been trailing historical multiples and those of the broader energy industry. Its enterprise value was roughly 2.8 times forward earnings before interest, taxes, depreciation and amortization—29% cheaper than a broad basket of exploration and production companies and about half of Chevron's valuation on the same measure.

On a call discussing the transaction Monday, Chevron Chief Executive Officer Mike Wirth said the market seems to be assigning a discount to companies with concentration risk. PDC Energy CEO Bart Brookman said on the call that the discount is a "chronic problem," adding that there has been a "compression" in multiples for pretty much all PDC's small-to-mid-cap energy peers.

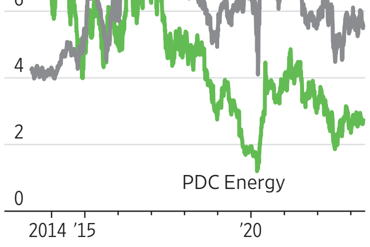
They got a lift Monday: **SM Energy**, a Texas-based company with a roughly $3.4 billion market capitalization, saw its share price surge 5.5%. Shares of DJ Basin-based **Civitas Resources** and Delaware Basin-focused **Matador Resources** climbed 2.8% and 3.6%, respectively. Notably, the valuation gap for smaller energy companies relative to the overall industry has broadened recently.

The EV/forward Ebitda multiple on a small-cap index of energy stocks, which includes U.S. producers and energy service firms, is about 13% lower than a broader index of U.S. energy stocks. Over the past decade, the small-cap index has on average commanded a slight premium.

Energy giants might continue helping themselves to value that stock-market investors have left on the table.

—Jinjoo Lee

Enterprise value as a multiple of forward earnings*



*Before interest, taxes, depreciation and amortization
Source: FactSet