

What's News

Business & Finance

- ◆ **Pay for new hires** is starting to shrivel after years of hefty salary bumps, requiring workers to reset what financial gains to expect from switching to a new job. **A1**
- ◆ **Retailers** are on track to open 1,000 net new stores in the U.S. this year as retail availability hits record lows, in fresh signs of the sector's resilience despite turmoil in commercial real estate. **A1**
- ◆ **Arm, whose** circuit designs lie inside billions of mobile phones, said quarterly profit fell by more than 50% in filings that kicked off what is expected to be the biggest IPO of the year. **B1**
- ◆ **Teva agreed** to pay \$225 million to settle charges over drug price-fixing allegations, in what U.S. prosecutors said would be the highest fine ever levied for domestic antitrust crimes. **A3**
- ◆ **Private-equity firm** Roark Capital is nearing a deal to buy the Subway sandwich-restaurant chain for about \$9.6 billion after a long, heated auction. **B1**
- ◆ **Surging prices** of new and used cars have become a burden on many consumers, with rates of severe delinquency for auto loans at a 17-year high. **B1**
- ◆ **A sharp drop** in FedEx package volume and a move to combine its Express and Ground delivery units has created a glut of pilots, leaving many of them worried about their jobs. **B1**
- ◆ **The popularity** of Ozempic and similar weight-loss drugs is driving big business for some pharmaceutical distributors, but logistics costs are cutting into their bottom line. **B3**
- ◆ **American Airlines** pilots ratified a contract that would boost wages by more than 40% over four years after the carrier sweetened terms. **B2**

World-Wide

- ◆ **China is playing** a key role in propping up Russia's economy and helping boost its war effort, with trade data showing Beijing providing a range of goods, including some with potential military applications such as chips and trench-digging excavators. **A1**
- ◆ **Russia and China** are pushing to expand membership in the Brics bloc of emerging economies to counterbalance Western influence, as the group's summit is set to begin. **A7**
- ◆ **A vaccine** that the Food and Drug Administration approved could help make the most severe cases of a dangerous respiratory illness in infants into a thing of the past. **A3**
- ◆ **Trump's bond** was set at \$200,000 on criminal election-interference charges in Georgia, and he agreed to surrender in the case Thursday. **A4**
- ◆ **Iowa's most** closely watched poll shows that 42% of likely GOP caucus-goers say Trump is their first choice for president, while 19% pick DeSantis. **A4**
- ◆ **Russian ally** Belarus has brought in over 2,000 Ukrainian children in an effort that underscores Minsk's support for Moscow's war in Ukraine. **A6**
- ◆ **Hilary was** downgraded to a posttropical storm as it traveled over Nevada, leaving floods in its wake but no reported deaths in the U.S. **A3**
- ◆ **Japan said** it planned to begin the discharge of slightly radioactive wastewater from the Fukushima Daiichi nuclear plant this week, rejecting calls for a delay. **A16**
- ◆ **A pediatric nurse** for the UK's state-run health system was sentenced to life in prison after she was found guilty of murdering seven babies. **A16**

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Biden Tours Damage Left by Deadly Hawaii Fire



ON THE SCENE: President Biden, with first lady Jill Biden and Hawaii Gov. Josh Green and his wife, Jaime Green, on Monday walked through the burned out streets of Lahaina and pledged support for Maui 'for as long as it takes' to recover. **A3**

Companies Cut Pay for New Hires As Shortage of Workers Eases

BY TE-PING CHEN

Pay for new hires is starting to shrivel after years of hefty salary bumps, requiring workers to reset what financial gains to expect from switching to a new job. Wages, especially for people who changed jobs, climbed in recent years as companies competed for workers to fill pandemic-induced labor shortages. Now, as the job market cools and businesses become more cautious in their hiring, many companies are paying

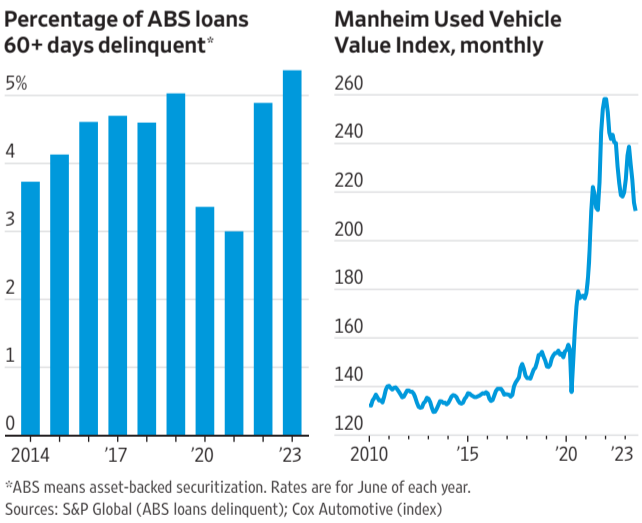
new recruits less than they did just months ago—in some cases, much less. Among postings for more than 20,000 job titles on ZipRecruiter's site this year, the average pay for a majority of roles has declined from last year. Some of the steepest drops have been in technology, transportation and other sectors that experienced frenzied hiring sprees in 2021 and early 2022. Chanteal Brayboy, 25 years old, has been seeking user-experience design roles since

last summer, ever since finishing a design boot camp. At the time, layoffs had just begun to churn through the tech economy. She has since applied for more than 2,000 roles, and only gotten calls for a couple interviews. The posted salaries for the jobs she is interested in, she said, have fallen around \$10,000 from those advertised a year ago. "The market is completely different now, companies know they can pay less," said Brayboy, who lives in Kalamazoo, Mich.

The declines mark a stark turnaround from 2022, when compensation for three-quarters of advertised job titles rose from the year before, according to ZipRecruiter. In a July survey of about 2,000 employers conducted by the online hiring platform, nearly half said they had reduced pay for recent job openings. Overall wage growth continues and it surpassed inflation in June for the first time in two years as consumer price increases slowed. Still, *Please turn to page A2*

Car Prices Pressure Buyers

Surging loan delinquencies signal that many consumers can't afford their auto loans, as prices and interest rates have climbed and bargains at the car lot are hard to come by. **B1**



The Booming Business Of American Anxiety

Companies aim to fill demand for mental-health help, but the science behind much of the industry is unclear

BY JULIE WERNAU AND ANDREA PETERSEN

A search for "anxiety relief" on Google pulls up links for supplements in the form of pills, patches, gummies and mouth sprays. There are vibrating devices that hang around your neck and "tone your vagus nerve," weighted stuffed animals, bead-filled stress balls and coloring books that claim to bring calm. Ads for online talk therapy apps pop up on social-media sites. Americans are anxious—and a flurry of old-line companies, upstarts and opportunis-

tic entrepreneurs aim to fill the demand for relief. Anxiety has come into focus across the country in part due to the stress of the pandemic, increased awareness about mental health and more screening in schools and at doctors' offices. In a recent federal survey, 27% of respondents reported they had symptoms of an anxiety disorder. That's up from 8% in 2019, according to the National Center for Health Statistics. Americans looking for help have found that *Please turn to page A8*

Who Needs an Entree? Diners Call Salad and Fries a Meal

Traditional guidelines on combinations are flung aside for menu mayhem

BY WENDY GUZMAN

The New York City cabaret club 54 Below used to see a steady stream of orders for burgers and heartier entrees, such as their chili-rubbed skirt steak with bliss potatoes, or their rib-sticking pasta dish, the Cavatelli Pomodoro with spinach and zucchini. These days, the venue is seeing orders simpler, yet stranger. Restaurant manager Mandisa Boxill says many patrons are ordering salad and a serving of fries—as a complete meal. Yes, something leafy and heart-healthy paired with an order of salted fried starch. If dinner was music,

this is a string quartet and a side order of death metal. Do these things really go together? Boxill added extra manpower to the salad station to keep up and said the salad-and-fries trend is the biggest she's seen in her 11 years in the industry. "This is definitely a little peculiar," she says. "Usually you can tell what people are going to order, but now the mixture is definitely different." American diners have long adhered to basic unwritten rules about what goes with what. Meat and potatoes. Eggs and bacon. Or a dinner that starts with soup, then salad, entree and dessert. *Please turn to page A8*



Main course

INSIDE



JASON GAY
Coco Gauff enters the U.S. Open amid a breakthrough month of winning. **A12**



PERSONAL JOURNAL
Families with a net worth over \$10 million race to beat a jump in estate taxes. **A10**

Commercial Property's Bright Spot: Shops

BY KATE KING

Retailers are on track to open 1,000 net new stores in the U.S. this year as retail availability hits record lows, in fresh signs of the sector's resilience despite turmoil in commercial real estate. Landlords said demand for retail space has remained robust this year, defying inflation pressures, high interest rates and liquidations including Bed Bath & Beyond and Christmas Tree Shops. Retail's strength is largely the result of a sharp drop in retail construction since the 2008-09 financial crisis, which allowed the oversupplied sector to digest its existing real estate. Retailers, meanwhile, started using online sales data and analytics technology to pinpoint locations for successful stores. Also, predictions that internet sales would wipe out physical retail failed to materialize. Digitally native companies are

Growing Trade With China Aids Russia's War Effort

Some exchanges appear to be directly connected to Putin's invasion of Ukraine

BY AUSTIN RAMZY AND JASON DOUGLAS

China is playing an increasingly important role in propping up Russia's economy and helping boost its war effort, with recent trade data showing Beijing providing a range of goods, including some with potential military applications such as microchips and trench-digging excavators. China has become the principal source of many of the goods and components Russia's sanctions-hit economy needs, while also giving Moscow a buyer for its oil and gas. The growing economic relationship is a central piece of the efforts by the two countries to unite against what their leaders describe as Western efforts to contain them. China's total trade with Russia in the first seven months of this year jumped 36% from the same period a year earlier, to \$134 billion, putting Moscow just behind Australia and Taiwan on the list of China's biggest trading partners, according to trade data released last week. A breakdown of the data released Sunday showed that rising trade in energy, automobiles and electronics equipment has been driving the deepening economic ties. China is now the source for between 45% and 50% of Russia's war effort. *Please turn to page A6*

◆ **U.A.E. cashes in on Moscow's woes.....** A6

U.S. NEWS

More Hourly Jobs Boast Fertility Benefits

Perk is extended to even part-timers, offering a wider path to parenthood

By HARRIET TORRY

When Courtney Lorenz found out she needed fertility treatments to have a shot at motherhood, the 37-year old software program manager took a second job.

Not for the money, but for the benefits.

Lorenz worked 10 hours a week over six months as a cashier at home-improvement retailer Tractor Supply for \$16 an hour, for which she received insurance that paid for four rounds of egg retrieval, a procedure that wasn't covered by her primary health insurance.

"It was a little surreal sometimes, to come off an intense project meeting with executives and head off to Tractor Supply and listen to country music and fold jeans," she said.

Tractor Supply is part of a swelling share of employers offering fertility benefits, in part to help recruit workers in a hot labor market. And while the trend started years ago as a perk for highly compensated tech staff, a handful of companies now provide the coverage to lower-paid, hourly and even part-time employees—such as cashiers, warehouse workers and baristas.

Apple and Facebook, now known as Meta Platforms, began offering to help female employees pay for freezing their eggs nearly a decade ago. Now, 25% of employers in the U.S. offer in vitro fertilization coverage, up from 20% in 2019, according to a survey by the Society for Human Resource Management, a trade



LOUISE JOHNS FOR THE WALL STREET JOURNAL (2)



Jessica Porta, left, with her ultrasound photos, used her Starbucks benefits for IVF treatment. Maria Mendivel, right, worked at Starbucks, Amazon and Tractor Supply to get fertility coverage.



BRITTANY GREESON FOR THE WALL STREET JOURNAL

association. The companies include Amazon, a de facto wage-and-benefit setter for low-wage workers, Starbucks and Target.

Employers are weighing the high costs of covering treatments such as IVF, egg freezing and artificial insemination against their need to attract workers to relatively low-wage jobs. Tractor Supply said that starting June 1, its fertility benefits would kick in after employees complete a year of service. When Lorenz worked there, her coverage took effect after 30 days, and she quit shortly after her fourth egg retrieval.

"This is a huge corporation, I don't necessarily feel guilty, but I probably didn't deserve \$60,000 of benefits for the amount of work I did," said Lorenz, who lives in Orange County, Calif., and is hoping to have a baby with her frozen eggs some day.

Tractor Supply said that it "is continually benchmarking

and assessing value on benefit investments and adjusting as needed to continue providing these and other valuable benefits to our team members."

In 2021, 97% of employers surveyed said that offering fertility benefits hadn't resulted in a significant increase in medical plan costs, according to national infertility association Resolve and benefits-advisory firm Mercer.

The employers extending fertility benefits, plus paid parental leave, to lower-income employees are hungry for such workers. U.S. unemployment dipped to a low 3.5% in July, and wages increased more quickly for rank-and-file workers than employees overall, rising 4.8% and 4.4% respectively from a year earlier.

The out-of-pocket cost for one round of IVF runs to an estimated \$15,000 to \$30,000. Some workers toil for just the fertility benefits, with no additional pay.

Jessica Porta said she rises

before dawn to serve coffee three to four days a week at her local Starbucks in Billings, Mont., and hasn't taken home a paycheck in over a year.

After suffering two miscarriages, the 31-year old was diagnosed with diminished ovarian reserve, and health insurance through her husband's job didn't cover fertility treatments such as IVF. But Starbucks provides workers up to \$40,000 in fertility benefits, as well as health insurance, after five months on the job, working 20 hours a week.

Porta said she took the Starbucks job because she "saw it as an opportunity to get [IVF] done fast. Saving \$25,000 to \$30,000 would have taken much longer than five months." All of her pay—\$15.45 an hour—goes to covering the cost of her insurance.

After two rounds of IVF, Porta, who is pregnant and due in November, says she doesn't mind working for just the insurance. "I remember

how thankful I am to have the opportunity to have IVF and have a baby, it doesn't feel so menial to be working without a paycheck."

Starbucks said it offers benefits such as family-expansion assistance based on feedback from workers, and because "when we deliver for our partners, they're better able to deliver" for customers.

Infertility affects 1 in 6 people across the globe, according to the World Health Organization.

Would-be parents taking part-time jobs solely for the fertility benefits "is an artifact of the patchwork insurance situation right now for fertility treatment," said Eliza Brown, assistant professor of sociology at the University of California, Berkeley.

Some people travel to different states or countries for more affordable treatment, transfer several embryos during IVF treatment, or forgo certain testing during fertility treat-

ment to save money, she said.

Maria Mendivel, age 35, said that over the past three years she has worked in succession at Starbucks, Amazon and Tractor Supply to get fertility coverage.

She said her stint at each lasted less than a year because her benefits at each company covered up to a certain number of IVF rounds. Mendivel's insurance at Tractor Supply would have covered another IVF cycle, "but I didn't have it in me to keep going—it's been five embryos, three years and no baby."

Mendivel and her husband, who live in Toledo, Ohio, now plan to become foster parents, and she earns around \$80 a day delivering Instacart orders. If it hadn't been for employer-provided fertility benefits, IVF would have been financially impossible, she said.

"I don't think I would have done it as many times, even one time, it just seems unreachable," Mendivel said.

Pay Is Cut As Labor Market Cools

Continued from Page One wage growth peaked last summer and has since declined to 5.7%, according to Labor Department figures.

Because new hires account for less than 4% of all employed workers each month, said Julia Pollak, chief economist at ZipRecruiter, it can take a while for adjustments in their pay to show up in the federal data. The mass layoffs many large companies have conducted lately, particularly in tech, have helped push salaries for new hires downward, Pollak said.

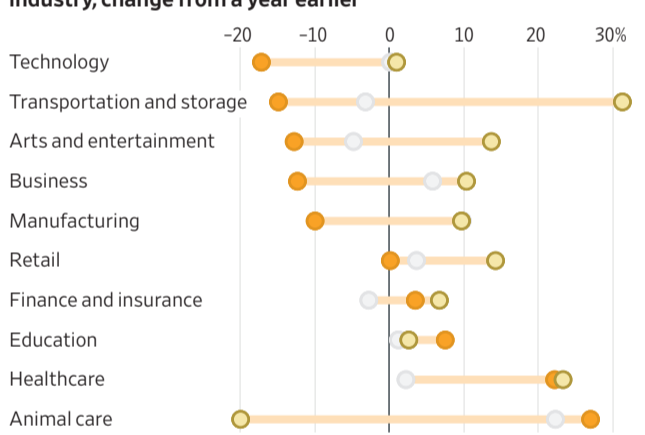
"Other companies no longer face pressure to match these Meta-sized offers," she said, referring to Facebook's parent company, Meta Platforms.

It isn't just white-collar roles that are feeling the crimp. During the pandemic, the Unionville, Tenn., pizza restaurant where Valerie Breshears works as a delivery driver boosted wages to \$13 an hour to draw new workers. More recently, Breshears discovered from newly hired staff that the restaurant's starting pay had been lowered to \$11 an hour. She didn't tell them she and other workers who had been hired earlier were making more money.

"I felt bad for them," Breshears, 38, said.

In Denver, where retail company Appliance Factory & Mattress Kingdom is based, the company has recently

Pay offered for new openings by industry, change from a year earlier



Source: ZipRecruiter

been hiring administrative workers for around \$18 an hour. A year ago, the company was paying \$20 an hour, Chief Executive Chuck Ewing said.

"There are more people looking for work now, it's just not as competitive," he said.

Data from Gusto, a payroll and benefits software company serving more than 300,000 small and midsize businesses, shows pay rates for new hires are 5% lower than they were for new recruits for the same roles at this time last year. While professional-service roles have been most affected—pay rates for engineers and developers dropped 18% in the past year—workers in other industries were also hit.

More in-demand workers in certain industries continue to get pay bumps, Gusto economist Luke Pardue said. The company's data show pay in tourism and construction has continued to rise.

During the pandemic, the supply chain for workers was "horribly broken," said Laurie Chamberlin, the North

America head of LHH Recruitment Solutions. Many workers sat on the job-market sidelines, and companies competed furiously to get them through the door.

"There was kind of an auction mentality," she said. "People were paying extraordinary amounts without a whole lot of negotiating power or long-term view."

That is now over, Chamberlin said: "They're saying 'Holy cow, I'm paying this person a lot, and they're not worth what I paid for them.'" In addition to laying off workers, she said, businesses have become cautious about what they're willing to pay for new recruits.

Back when Jennifer O'Halloran, 40, was looking for advertising roles in late 2021, she racked up 21 interviews in a matter of weeks. She quickly secured multiple competing job offers, including one from ad agency Dentsu for a media-buying supervisor role that would have paid \$95,000 with a \$5,000 signing bonus.

"It was insane, everyone

wanted to talk to me," said O'Halloran, who is based in San Francisco.

She ended up choosing another company that offered her more money, a role she quit last summer. When job-hunting again earlier this year, she reached back out to Dentsu. She learned roles comparable to the one she was offered were now paying between \$85,000 and \$90,000, and with no signing bonus.

Dentsu declined to comment.

In Tampa, Fla., Meg Reilly, president at placement firm National Mortgage Staffing, said salaries have dropped for a range of roles as the real-estate industry has slowed.

For mortgage closers and underwriters, the drop has been as much as 30%. The fall has been precipitous, though many veteran candidates were primed to expect it.

"They knew it wasn't a forever thing," she said, referring to elevated salaries.

While employers have more leverage now on pay, they should tread carefully, said Marc Goldberg, CEO of Stages Collective, which specializes in recruiting for the ad tech industry.

"I advise my clients not to go down too far, because you'll have a temporary employee," he said.

To control costs without alienating applicants, he said, companies are doing things like increasing performance incentives while reducing base salaries for certain roles, such as sales.

In Boston, Sherri Carpineto, 46, has been job-hunting since February, when she was laid off from her director role at a medical-device startup. Companies are conducting more drawn-out vetting processes, she said, including asking applicants to complete numerous sample work projects. Sometimes, they request test assignments even before she has made it to the interview stage.

Carpineto, who has 20 years of experience in strategy and operations and is currently doing independent consulting, said the jobs she is interested in, which are director-level or above, are paying around 20% less than what she was making at her old position. She has noticed prospective employers are tending to combine more responsibilities and roles under one title.

"They're paying less and asking more," she said.

U.S. WATCH

ARMY Women Face Bias In Special Ops Units

Female soldiers face rampant sexism, harassment and other gender-related challenges in male-dominated Army special operations units, according to a report Monday, eight years after the Pentagon opened all combat jobs to women.

U.S. Army Special Operations Command, in a lengthy study, reported a wide range of "overtly sexist" comments from male soldiers, including a broad aversion to females serving in commando units. The comments, it said, are "not outliers" but represent a common sentiment that women don't belong on special operations teams.

"Although disappointed by some of the findings and comments in the study, we are committed to addressing these issues with candor and transparency," said Lt. Gen. Jonathan Braga, USASOC commander.

The responses in the new report echo sharp opposition voiced by special operations troops across the services in 2015, when surveyed on whether women should serve in the dangerous commando jobs. Later that year, in a landmark decision, then-Defense Secretary Ash Carter ordered all combat jobs open to women.

There are roughly 2,200 female soldiers in USASOC, nearly 8% of the 29,000 active-duty soldiers. There also are 427 female civilians.

—Associated Press

INDIANA Near-Total Abortion Ban to Take Effect

Indiana's near-total abortion ban is set to take effect within days after the Indiana Supreme Court on Monday denied a rehearing in the case brought by the American Civil Liberties Union of Indiana.

The denial of the rehearing means the ban will take effect once a June 30 ruling upholding the ban is certified, a procedural step expected to take just days, court spokesperson Kathryn Dolan said.

The state's highest court ruled June 30 that the abortion ban doesn't violate the Indiana Constitution. That removed a major hurdle to enforcing the ban Republicans approved last summer ahead of a wave of restrictions by conservative states in response to the overturning of Roe v. Wade.

In a 4-1 decision Monday, the Supreme Court reaffirmed its order that Planned Parenthood and other health-care providers "cannot show a reasonable likelihood of success" with their challenge to the abortion restrictions.

The ACLU of Indiana's executive director, Jane Henegar, released a statement saying Monday was "a dark day in Indiana's history."

Attorney General Todd Rokita said, "This is great news for Hoosier life and liberty. We defeated the pro-death advocates."

The ban ends most abortions in the state, even in the earliest stages of a pregnancy.

—Associated Press



RON RITTENHOUSE FOR THE DOMINION-POST/ASSOCIATED PRESS

SPEAKING UP: Students held a walkout at West Virginia University on Monday to protest proposed cuts to academic programs and faculty amid a \$45 million budget shortfall.

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CORRECTIONS & AMPLIFICATIONS

In a joint exercise in April, the U.S., U.K. and Australia used artificial-intelligence-enabled drones to track ground vehicles such as tanks, self-propelled guns and armored vehicles. A World News article on Monday about military uses for drones said that the exercise simulated attacks on those vehicles, incorrectly implying that the drones fired on them.

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

U.S. NEWS

New RSV Vaccine Bolsters Infants' Protection

By JARED S. HOPKINS

A vaccine that federal regulators approved on Monday could help make the most severe cases of a dangerous respiratory illness in infants a thing of the past.

The Food and Drug Administration approved the first vaccine for pregnant women to protect their babies against respiratory syncytial virus during their first six months. RSV is the leading cause of infant hospitalization in the U.S. and kills as many as 300 children under 5 each year.

Pfizer's vaccine, called Abrysvo, gives parents another way to protect their newborns, after Sanofi's drug Beyfortus won approval in July. The FDA this year also cleared a pair of RSV shots from Pfizer and GSK to protect older adults from RSV. Until now, most children had to fight off infections on their own. Only babies at high risk for severe disease are eligible for a drug from the company Sobi.

"We're sort of going from famine to feast," said Dr. Kristin Moffitt, an infectious-disease specialist at Boston Children's Hospital. "These are huge game changers for what has typically been the most common cause of hospitalization for young infants in the U.S."

The new drug and shots could slash the number of RSV cases and hospitalizations in coming years if enough people use them, doctors said.

RSV causes mild, cold-like symptoms for most people but can be dangerous for infants and older adults.

Pfizer plans to make the vaccine available in time for this year's RSV season.

Teva Settles U.S. Case On Fixing Drug Prices

By DAVE MICHAELS

WASHINGTON—Generic drugmaker Teva agreed to pay \$225 million to settle criminal charges over price-fixing allegations related to cholesterol medication and other drugs, in what prosecutors said would be the highest fine ever levied for domestic antitrust crimes.

Prosecutors imposed an additional unique remedy on the Israel-based company, requiring its U.S. subsidiary to sell its product line for pravastatin, a cholesterol drug. Under the agreement with the Justice Department, which needs court approval, Teva must also donate \$50 million worth of other drugs to organizations that treat needy patients.

Monday's settlement is structured as a deferred prosecution agreement, which means Teva wouldn't face prosecution as long as it stays out of trouble for three years.

Teva said it was pleased to resolve the case and believed it could defend itself against civil lawsuits based on the same allegations.

Both Teva and the U.S. division of India-based Glenmark Pharmaceuticals were charged in 2020 with conspiring to raise prices for pravastatin and other generic drugs from 2013 to 2015. Glenmark also agreed Monday to enter a deferred prosecution agreement and pay \$30 million to resolve the charges against it.

Like Teva, Glenmark agreed to divest its product line for pravastatin. Under the settlement announced Monday, prosecutors would have to approve the buyers and the terms of the sale.

Glenmark USA President Sanjeev Krishan said the company "has devoted considerable resources to strengthen our compliance practices, ensuring the highest ethical operating standards."

Biden Pledges Aid for Devastated Maui

By JENNIFER CALFAS

President Biden visited wildfire-ravaged Lahaina in Hawaii on Monday and pledged that the effort to rebuild would be guided by local wishes.

"The country grieves with you, stands with you," Biden said in brief remarks near the iconic Lahaina Banyan Tree.

The president and first lady Jill Biden met with first responders, emergency personnel and state and local officials during their visit. They walked through some of the burned-out streets, seeing blackened remains of homes, with the air still smelling of ash.

Speaking to residents at the Lahaina Civic Center, Biden pledged federal aid. "We're going to get it done for you. We're going to get it done the way you want it done," he said, as the audience applauded.

Ahead of the visit, the White House said that Robert Fenton, a regional administrator for the Federal Emergency Management Agency, would serve as the chief federal response coordinator for Maui.

"He's going to make sure that he is coordinating all the long-term recovery efforts on the ground but also ensuring that every federal asset is available to Maui to help this community rebuild," said FEMA Administrator Deanne



A home destroyed by the fire along the Honoapiilani Highway in Lahaina, Hawaii. At least 114 people died in the blaze in Lahaina, the deadliest U.S. wildfire in more than a century.

Criswell, speaking to reporters traveling to Hawaii aboard Air Force One.

Nearly two weeks after a devastating fire tore through Lahaina, 850 people remain missing, Maui County Mayor Richard Bissen said in a video posted late Sunday night.

Of the more than 2,000 people missing at the beginning of disaster-response efforts, more than 1,280 have since been located and are considered safe, Bissen said.

At least 114 people died in the fire in Lahaina, the deadliest U.S. wildfire in more than

a century. The fire left behind a landscape of more than 2,200 destroyed buildings and burned-out vehicles in the former capital of the Hawaiian kingdom that became a popular tourist destination. Officials have estimated rebuilding will cost nearly \$6 billion.

About 85% of the disaster site had been searched as of Sunday, according to Maui County officials.

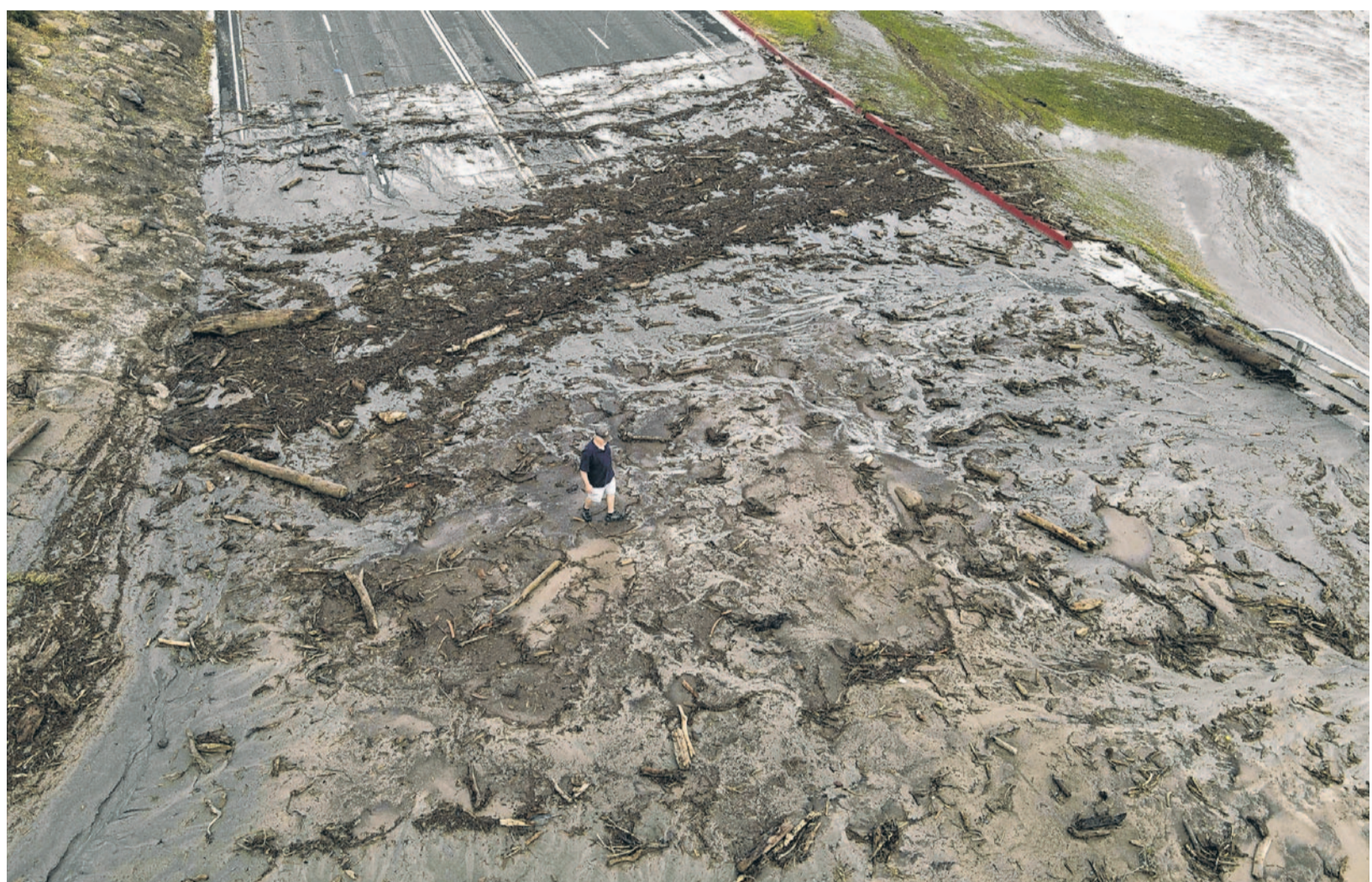
Some survivors of the fire have said they believe the official death toll will grow. Many fear a large number of children may be among the victims. So far, the majority of the victims publicly named by the county and Maui Police Department have been over the age of 70.

Twenty-seven of those who died in the fire have been identified, and 11 families have been notified, Bissen said. Immediate family members of missing persons can provide DNA samples to help identify those lost.

"We are both saddened and relieved about these numbers as we continue the recovery process," Bissen said. "The number identified will rise, and the number of missing may decrease, but there will be daily fluctuations in the numbers as family members are added and removed from the list."

More than 1,800 displaced people remained in hotels on Maui, Hawaii Gov. Josh Green said Sunday. The Lahaina fire, which has scorched more than 2,100 acres, was 90% contained Sunday.

—Annie Linskey and Ken Thomas contributed to this article.



A man surveyed debris, above, at Thunderbird Country Club in Rancho Mirage, Calif., Monday following heavy rains from Tropical Storm Hilary. Below, in nearby Cathedral City, members of the fire department rescued residents in a bulldozer after the heavy rains.

Hilary Leaves Floods, Debris In Nevada and California

By ALYSSA LUKPAT AND ALICIA A. CALDWELL

Hilary was downgraded to a posttropical storm Monday as it traveled over Nevada, leaving floods and debris flows in its wake but no reported deaths or major property damage in the U.S.

The National Weather Service said Monday that just over half an inch of rain from Hilary was recorded at the Las Vegas airport. But rain gauges in Spring Mountains, about an hour's drive to the west, recorded 5 to 6 inches of rain in about 36 hours.

Further to the west, California's Death Valley, the national park, remained closed after significant flooding was reported.

Flooding remained a possibility in western Nevada and the Sierra in eastern California through early Tuesday, according to NWS.

Hilary traveled north into Nevada and eastern California after causing less damage than feared in Southern California, where it dropped record amounts of rain in areas including Palm Springs and Downtown Los Angeles. Parts of Los Angeles County got as much as 7 inches of rain over the weekend.

Hilary weakened after making landfall, leaving some of the worst damage in Baja Cali-



fornia. The mayor of the city of Mulegé in Mexico said on Facebook Saturday that one person died in a creek and four people were rescued from the waters. Officials in Ventura County, between Los Angeles and Santa Barbara, said on social media Sunday night that one person was missing after getting trapped in a river.

The summer rain brought an unfamiliar scene to Southern California, which rarely experiences tropical storms. Schools across the region were closed Monday, and some businesses were closed as crews began to clear flooded roads and downed power lines.

Power had mostly been restored in Southern California except for about 12,000 cus-

tomers, according to Southern California Edison, the region's main utility provider.

While Hilary was overhead, a series of short earthquakes between 2.8 and 5.1-magnitude rattled the ground on Sunday afternoon near Ojai, outside Los Angeles.

California Gov. Gavin Newsom declared a state of emergency for multiple counties before Hilary made landfall. The state deployed thousands of National Guard troops to help with storm relief efforts, Newsom's office said.

California was slammed last winter with a relentless series of storms. The rain saturated the once-dry state, causing floods, dozens of deaths and billions of dollars in damage.

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U.S. NEWS

Trump Leads by 23 Points in Iowa Poll

Ex-president is first choice of 42% of likely GOP caucus-goers; DeSantis next at 19%

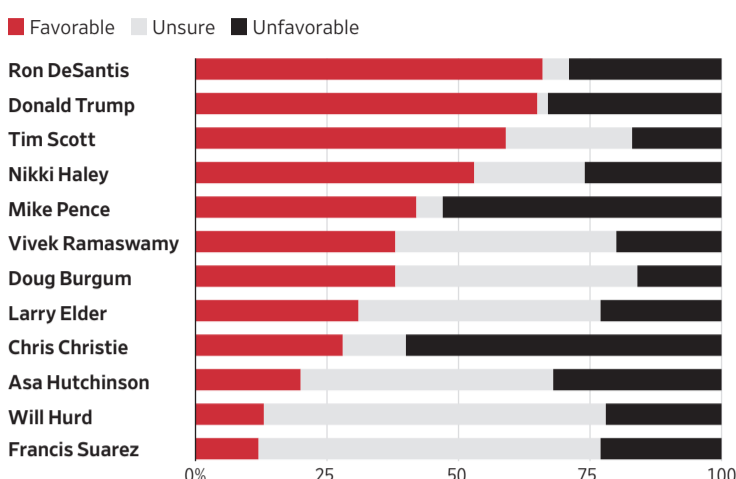
By JOHN MCCORMICK

Former President Donald Trump holds a 23-percentage-point lead over his nearest rival, Florida Gov. Ron DeSantis, in the first state that will hold a Republican presidential nominating contest, according to an Iowa Poll released Monday. The survey shows that 42% of likely Republican caucus-goers say Trump is their first choice out of 14 different GOP presidential candidates tested, while 19% pick DeSantis.

They are followed by Sen. Tim Scott of South Carolina at 9%, former South Carolina Gov. Nikki Haley and former Vice President Mike Pence, both at 6%, former New Jersey Gov. Chris Christie at 5%, and entrepreneur Vivek Ramaswamy at 4%. All others received either 2% or less.

The survey, the most closely watched poll in the state, is led by the Des Moines Register newspaper. NBC News and Mediacom, Iowa's largest cable

View of the candidates among likely Republican Iowa caucus-goers



*Among likely Republican Iowa caucus-goers
Source: The Iowa Poll, conducted Aug. 13-17 of 406 registered voters in Iowa who say they will definitely or probably attend the 2024 Republican caucuses; margin of error +/-4.9 pct. pts.

provider, are also sponsors of the poll ahead of the Jan. 15 caucuses.

The poll's findings were released two days before the majority of the field will assemble in Milwaukee for their first primary debate. Trump has said he won't attend. He is expected to offer his own counterprogramming.

The survey, done Aug. 13-17, was conducted as virtually all the GOP candidates visited the

Iowa State Fair and while Trump was indicted a fourth time on criminal charges. The poll included 406 registered voters in Iowa who say they will definitely or probably attend the 2024 Republican caucuses and has a margin of error of plus or minus 4.9 percentage points.

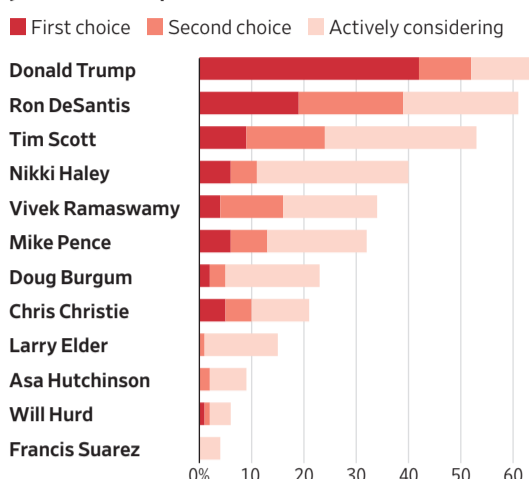
Sixty-three percent of likely GOP caucus-goers say they support Trump as their first or second choice or are ac-

tively considering him. That is on par with the 61% who say the same for DeSantis.

Suggesting some possible future fluidity in the Iowa race, 52% say that their minds aren't made up and that they could be persuaded to support another candidate.

Two-thirds of likely GOP caucus-goers said they don't believe Trump has committed serious crimes. His lead in the poll also increased over De-

'Which one of the following Republicans would be your choice for president?'



Santis during the days immediately after he was charged in his most recent case in Georgia.

Trump leads DeSantis among self-identified Republicans (51% to 20%), among first-time caucus-goers (47% to 18%) and among evangelical Christians (47% to 20%). But the two men are essentially tied among those planning to attend the GOP caucuses who identify as independents, with Trump at

21% and DeSantis at 19%.

Poll participants were more likely to say it is more important for a candidate to come close to matching their views on issues than it is for the candidate to have the best chance of beating President Biden in November 2024, 65% to 29%.

Trump is viewed favorably by 65% of likely GOP caucus attendees, while 33% hold an unfavorable view. DeSantis is at 66% favorable and 29% unfavorable, Scott is at 59% favorable and 17% unfavorable, and Haley is at 53% favorable and 26% unfavorable.

Pence, who angered many Trump supporters for defying Trump's wishes to block the certification of the 2020 presidential election, is viewed favorably by 42% and unfavorably by 53%.

Christie, who has been the most vocal Trump critic in the field and is primarily campaigning in New Hampshire, where the second nominating contest will be held among a larger proportion of independent voters, is viewed favorably by just 28% and unfavorably by 60%.

◆ Carlson's X tie-up gets a test with Trump..... B5

Tennessee Legislators Meet on Public Safety



SOLEMN GATHERING: People joined hands in prayer around the Tennessee Capitol in Nashville on Monday ahead of a special session of the legislature. The session stems from the March shooting at an elementary school that left six people dead.

Georgia Surrender, \$200,000 Bond Set

By JAN WOLFE AND ARUNA VISWANATHA

Donald Trump said he would surrender in Atlanta on Thursday in the criminal election-interference case against him, after bond for the former president was set at \$200,000.

In a social-media post on his Truth Social platform Monday, Trump said he was going to Atlanta on Thursday to be arrested by the district attorney who brought the case, Fani Willis.

"Can you believe it?" Trump said, adding: "She campaigned, and is continuing to campaign, and raise money on, this WITCH HUNT."

Willis, the Fulton County district attorney, has defended her investigation and the charges in the indictment she brought last week as fair.

Earlier on Monday, Fulton County Superior Court Judge Scott McAfee set the bond amount in a filing, known as a bond consent order, that also imposed limits on Trump's public statements.

The surrender is largely procedural, and many of the defendants have negotiated or are expected to negotiate their release on bond. But it is expected to provide a striking moment in which, for the fourth time this year, the former president had to present

himself to authorities to face criminal charges.

Unlike some of his 18 co-defendants in the racketeering case, Trump was explicitly prohibited in the new order from using social media to target co-defendants, potential witnesses and the 30 unindicted co-conspirators in the case.

"The Defendant shall perform no act to intimidate any person known to him or her to be a co-defendant or witness in this case or to otherwise obstruct the administration of justice," the order stated.

Acts of intimidation could include social-media posts, the order said.

Willis consented to the order. So did three of Trump's defense lawyers, who were photographed at the Fulton County Courthouse Monday.

Trump and his co-defendants in the case are required to surrender to authorities in Atlanta by noon on Friday.

In the three other criminal cases against Trump, no mug shot was taken. But experts said that would be a departure from standard practice in Georgia, where he will also be fingerprinted.

The Georgia indictment charged Trump with 13 felonies, alleging he pushed false claims of voter fraud and pressured officials to help him secure the state's electoral votes.

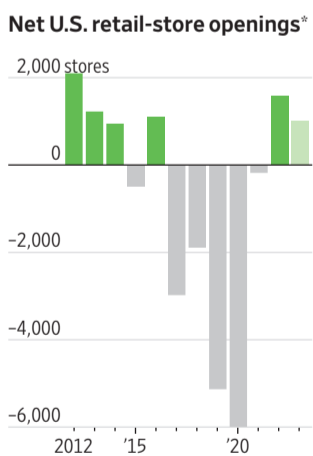
Demand for Retail Space Is Robust

Continued from Page One

"But retail is outperforming." Shopping-center owners, particularly in the suburbs, have benefited from the rise of remote work since the onset of Covid-19 in 2020, as consumers visit local grocery stores and other shops more often during the workweek. In response, some fast-casual restaurants and other retailers have shifted from urban business districts to the suburbs.

"Suburbanization, work from home, all these things happened at the same time that there was no new supply," said John Kite, CEO of shopping-center real-estate investment trust Kite Realty Group Trust. "That gives us better pricing power."

While retail landlords in some areas, including large cities, have been forced to lower rents since the start of the pandemic, the overall av-



*2023 figure as of Aug. 18
Sources: Coresight Research (openings); CBRE (availability)

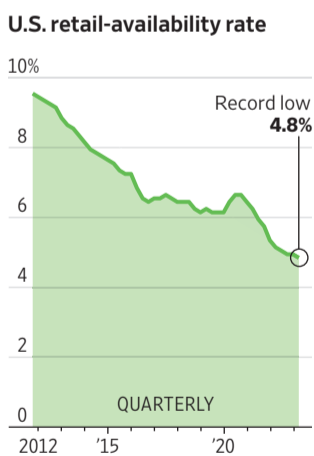
erage asking rent for retail space in the U.S. has increased 6.3% since the second quarter of 2020. Asking rents now average more than \$23 a square foot, according to CBRE, the highest level in at least a decade.

Kimco increased rents more than 30% last quarter from backfilling spaces vacated by Bed Bath & Beyond, Flynn said. The landlord has been fielding calls from discount retailers, grocers, home-goods stores, bookstores and apparel companies interested in the bankrupt retailer's former real estate.

Retail sales rose a seasonally adjusted 0.7% in July compared with the prior month, according to Commerce Department data released last week. Americans' spending has now increased for four consecutive months and appears to be outpacing inflation.

"I think the consumer is actually healthier than people anticipate," Flynn said.

Not all retail is thriving.



Low-end, enclosed malls are in crisis as department stores contract and other tenants move to open-air locations. Of the \$942 million in sales of distressed retail properties so far this year, two-thirds involved mall properties, according to data provider MSCI Real Assets. Older malls have fallen out of favor in areas that have lost population, said Jim Costello, chief economist for MSCI Real Assets.

"The malls built in the '60s and '70s to sell polyester plants to manufacturing workers—when those manufacturing jobs go away, there's no sales to support the malls," Costello said.

But some high-end malls are reporting strong recoveries in leasing and foot traffic. Real-estate investment trust Macerich, which owns malls including Scottsdale Fashion Square in Arizona and Tysons Corner Center in Virginia, notched its strongest leasing volume since the 2008-09 financial crisis last year. Leasing so far this year is exceed-

ing last year's pace.

"On the A-mall operator side, rumors of our demise have been greatly exaggerated," Macerich CEO Tom O'Hern said. "We're actually doing quite well."

In some respects, the resurgence in retail real estate is moderating after 2022's boom in retailer expansion and investor activity. Announced retail closings have accelerated a bit from this time last year, according to Coresight.

Retail investment has cooled, MSCI data show, with total deal volume down 48% in the first half of the year compared with the same period in 2022. Costello said the slowdown reflects rising interest rates and a natural adjustment from last year's surge in sales.

Nationwide, dollar stores are signing the most leases again this year, according to Coresight. Dollar General alone plans to open about 1,000 stores this year. Other retailers are also adding locations, ranging from 12 new stores at pool-supplies company Leslie's to plans for more than 200 openings this year at discount chain Five Below.

Crunch Fitness expects to add more than five dozen gyms this year, up from 40 openings in 2022, according to Ben Midgley, CEO of Crunch Franchising. The company's real-estate team has been surprised by the stiff competition for available space coming out of the pandemic.

"We thought it was going to be a massive opportunity to sign leases," Midgley said. "The landlords were surprisingly resilient in maintaining the rents they wanted or even pushing them up a bit."

Abortion Animates GOP In Early-Voting State

By CATHERINE LUCEY AND LAURA KUSISTO

CAMBRIDGE, Iowa—Iowa Republicans are pressing candidates to hold firm on their anti-abortion stands, despite recent election losses.

Laura Carlson, 60 years old, of Story City, said "no abortions would be preferable for me."

"I'm OK with a six-week or heartbeat ban," said Carlson, who serves for the Iowa Federation of Republican Women and volunteers for a support group for women with unplanned pregnancies. "No weakening, no."

The GOP presidential candidates have taken differing approaches on abortion as they contend with a party base that is more conservative on the issue than many Americans. Some have backed a 15-week national ban; others have said abortion should be left to the states. Florida Gov. Ron DeSantis and former President Donald Trump have avoided committing to a national ban, and Trump has warned that extreme abortion positions could hinder Republicans.

Sheryl Soden, a retiree in her 70s from Ames, said she understood the former president's caution. "I think he's walking a fine line," she said. "There are a lot of people out there that are against the six-

week ban. I know he's pro-life, but he's trying to reach as many people as he can."

Democrats see abortion rights as a potent issue in the 2024 election that could boost them in swing states. Recent polling indicates most Americans favor some abortion access. A May Gallup poll showed that 34% say it should be legal under any circumstances, 51% say it should be legal under "certain circumstances" and 13% say it should be illegal in all circumstances.

The divide between the political parties was clear in the survey. Among Republicans, 66% thought the Dobbs decision overturning Roe v. Wade was a good thing, compared with 33% of independents and 12% of Democrats.

Abortion-rights groups have won on six ballot measures since the overturning of Roe and are looking to put the issue on the ballot in more states next year. This month, Ohio voters rejected a ballot measure that would have made it harder to add abortion rights to the state's constitution.

The issue doesn't always cut the Democrats' way. Several GOP governors handily won reelection last year after backing strict abortion limits, including Govs. Brian Kemp of Georgia and Greg Abbott of Texas.

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WORLD NEWS

Ukrainian Children Are Taken to Belarus

More than 2,000 have been sent from occupied territory to Russian ally

By KAROLINA JEZNACH AND THOMAS GROVE

WARSAW—Belarus, a staunch ally of Russia, has transported thousands of Ukrainian children—some of them orphans—to the country, where they were exposed to pro-Kremlin propaganda, an effort that underscores the former Soviet nation's support for Moscow's war in Ukraine.

More than 2,000 children have been brought by rail from Russian-occupied areas in Ukraine to Belarus's capital, Minsk, and transported to camps on buses owned by soccer team Shakhtyor Soligorsk, according to a publicly available document from the Belarusian government, as well as leaked documents from Russian Railways and Belaruskali, a Belarus company funding the effort. The team is owned by Belaruskali Chief Executive Ivan Golovaty.

Belaruskali didn't respond to requests for comment. The government of Belarusian President Alexander Lukashenko, which has direct control over much of the state machinery, didn't respond to a request for comment. The soccer team also didn't respond to a request for comment.

Belaruskali, a state-owned

miner of the potassium-based fertilizer potash that is the country's biggest taxpayer, has been sanctioned by the U.S. and the European Union. According to the leaked documents, the company spent millions of dollars to bring seven groups of 310 children each from Ukraine since spring 2022 to the company's sanatorium at Dubrava, a children's camp it owns in southern Belarus, where they stayed between two and three weeks at a time.

The Warsaw-based National Anti-Crisis Management Group, a Belarusian opposition think tank led by Pavel Latushka, deputy head of Belarus's political opposition in exile, got some of the details of the program from Russian Railways documents that were obtained by a hacker. The opposition group also got information from an internal document from Belaruskali and from an official inside the firm. The Wall Street Journal has viewed those documents.

Photos of the camp circulating on the social-media accounts of Belaruskali and the facilities hosting the children show that they were given basic arms training, met with Russian Orthodox priests and were regaled with flashy shows that glorified Russian President Vladimir Putin. In one video recorded in October and posted on the same social-media channels, two women entertain children gathered in a theater, praising Putin, while



A boy sits in front of a destroyed building in the city of Donetsk in eastern Ukraine.

they are health facilities for children, but according to internal company documents seen by the Journal, the amount of money spent for each child for health needs was \$0.20.

Last September, Belaruskali's website said the camp took 1,050 children under the age of 15 from eastern Ukraine's Donbas area. In April, the website announced that more than 1,000 children from Donbas would come to the camps in Dubrava for sports, arts and "the tastiest Belarusian cuisine."

One group, numbering 307 children, was accompanied by 40 adults, according to the website. A document obtained by the opposition group shows an order bearing an electronic signature of Golovaty, who is also a member of Belarus's parliament, to bring three groups of children from eastern Ukraine to the camp between April 3 and May 30. The document ordered the company's financial director, Sergey Pinchuk, to find the money in the corporate budget to pay for the expenditures.

The opposition group says the children were taken from 15 cities and towns throughout occupied Ukraine, including the regions of Kherson and Zaporizhzhia. The group identified individual children in videos of the camps and compared them with publicly available names of children in orphanages. The National Anti-Crisis Management Group says the Belarusian government also directly funds part of the effort.

calling for the deaths of President Biden and Ukrainian President Volodymyr Zelensky.

The National Anti-Crisis Management Group established the identities of the children in the video using leaked information from officials inside the sanatorium, and Ukrainian orphanages identified some of the children as orphans from Ukraine. "So that Putin prospers and takes control of all of Ukraine," one of the two women, holding a microphone under stage lights, said to the applause of the children.

The transfer of orphans across borders without the permission of their home country's government is illegal under international law. Moscow administers the occupied territories and has declared them part of Russia, but its claims aren't recognized internationally. In the case of children who aren't orphans, it couldn't be determined whether their families consented to their transfer to Belarus.

Ukraine says nearly 20,000 children have been taken from its territory by Russia

since the war began, sometimes to camps in Russia. In some cases, children are returned to their families. The Ukrainian government says the camps in Russia seek to instill pro-Moscow sentiment in the children.

The Kremlin didn't respond to a request for comment. Neither did the Ukrainian ombudsman for human rights.

Lithuania, which together with Poland has become a hub for the Belarusian opposition, is investigating the situation.

Belaruskali has promoted the camps on its website and said

Trade Ties Aid China, Russia

Continued from Page One
China's imports, up from one quarter before its invasion of Ukraine, according to estimates from the Bank of Finland's Institute for Emerging Economies.

The relationship has benefited China, too, particularly as its economy faces a host of challenges. Russia has notably helped China become the world's largest vehicle exporter this year. The country is, however, still only a small, if growing, fraction of China's overall global trade.

Over the first seven months of the year, Chinese exports to Russia soared 73% even as its overall exports declined 5%, highlighting how Russia has become one of the few markets for Chinese goods still showing growth amid the global increase in interest rates and geopolitical tensions.

The surge in trade with Russia has been propelled by sanctions that have strangled Russia's access to a multitude of Western-made goods. Chinese companies have stepped into the breach with products of their own, including cars, electronics, food, tobacco, metals, smartphones and other consumer goods.

Some of the increasing trade between the two countries appears to be directly connected to Russia's invasion of Ukraine.

Secretary of State Antony Blinken said in June that his counterparts told him that China wouldn't provide weapons to Russia and affirmed that the U.S. hadn't seen evidence it had. But Blinken raised concerns about China providing other goods that help Russia's invasion.

Chinese companies have supplied computer chips, jet-fighter parts and navigation and jamming technology to Russia, The Wall Street Journal has reported. A report last month from the U.S. Office of the Director of National Intelligence said China was helping Russia evade sanctions and acquire technology with military applications, while becoming an "even more critical economic partner for Russia since its invasion of Ukraine."

One year ago, as it became increasingly clear that President Vladimir Putin of Russia would be unable to achieve the sort of swift victory some had predicted, Russian im-

ports of Chinese earth-moving equipment began to rise sharply. China sold Russia nearly twice as many front-end shovel loaders and more than three times as many excavators in the first seven months of 2023 as it did over the same period a year prior.

The sharp increase suggests Russia put some of them to use building barriers to resist Ukrainian counterattacks, said Joseph Webster, a senior fellow at the Atlantic Council.

He points to official data showing a notable increase in Chinese exports of excavators to Russia in August and September last year. "That's not a coincidence," he said. "That's when Russian forces really started to entrench themselves, when they started retreating."

Valery Limarenko, governor of the Russian region of Sakhalin, delivered new Chinese-made excavators to troops in the Donbas area of eastern Ukraine on Russia's national day in June, according to a video posted on his official Telegram account. The excavators, which were manufactured by Lonking, a Chinese construction equipment maker, were intended for "operational earthworks," the account said. Lonking didn't reply to a request for comment.

Chinese imports from Russia rose 17% over the first seven months of the year compared with the same period in 2022, to \$71.1 billion. That accounted for about 4.8% of China's total imports this year, up only modestly from a

3% share on the eve of Russia's invasion of Ukraine.

China has ramped up its imports of Russian commodities, providing a stream of foreign earnings for Russia's battered economy.

China's imports of Russian anthracite coal rose 55% year over year in the first seven months of 2023, to \$2 billion.

The benefit is clearest with autos, where Russian demand for Chinese-made cars has helped push China ahead of Japan as the world's top vehicle exporter. Chinese exports to Russia of motor vehicles have skyrocketed since shipments from Europe all but stopped early last year. China exported more than 341,000 motor vehicles to Russia in the first six months of the year, almost six times the number shipped in the first half of 2022, according to customs figures compiled by data provider CEIC.

Watch the Video

Chinese car makers profit from Western exodus from Russia.



Russian President Vladimir Putin, right, and Sheikh Mohammed bin Zayed al Nahyan, U.A.E. leader, met in June.

U.A.E. Cashes In on Moscow's Woes

By BENOIT FAUCON AND RORY JONES

DUBAI—A year and a half into the Ukraine conflict, few countries have capitalized on the economic opportunities quite like the United Arab Emirates, giving Russian President Vladimir Putin's war effort a lift while boosting this Persian Gulf state.

Banks here are poaching talent from Moscow to manage a gusher of Russian money. Dubai traders are moving more Russian oil and gold than ever before. And Russian buyers fuel this city's real-estate boom, often dealing in cash.

The warming ties have disturbed the U.A.E.'s closest security partner, the U.S., but Russian money has become too important to the Emirati economy to turn down.

"They have no serious moral qualms about Putin's authoritarianism, corruption, or violations of international legal norms and are therefore quite willing to take advantage of the opportunities created by sanctions...to increase their economic ties with Russia," said Stephen Zunes, a professor specializing in Middle East politics at the University of San Francisco.

The U.A.E. has condemned the invasion of Ukraine at the United Nations several times, but it is among countries that openly don't enforce many of the U.S. and European sanctions imposed on Moscow's companies and elite. The sanctions have taken a toll on the Russian economy, with the U.A.E. helping Russians trying to get their money out, get their goods to global markets or just flee.

The U.S. could decide to impose what are called second-

Dubai Banks Court Rich Russians

Long a gold hub, Dubai is trading Russian gold in greater quantities. The U.A.E. imported \$4 billion worth of Russian gold between Feb. 24, 2022, and March 3 this year, up from \$61 million during 2021, according to customs data collected by U.S. trade data aggregator ImportGenius.

The influx of Russians has caught the eye of banks. Emirates NBD, Dubai's main government-owned bank, poached bankers from Russian fi-

ancial institutions to set up a unit dedicated to managing money from wealthy Russians, said people familiar with the matter and profiles on LinkedIn.

Another big U.A.E. lender, First Abu Dhabi Bank, also is launching a department focused on wealthy Russians, these people said.

Emirates NBD and First Abu Dhabi Bank didn't respond to requests for comment.

ary sanctions, limiting the emirates' ability to do business with the U.S. or in the dollar. Washington has rarely done that, though.

In response to The Wall Street Journal, a U.A.E. official said the country has a robust process to deal with sanctioned people and companies, and is in close contact with the U.S. and EU about the Ukraine conflict's implications for the global economy. U.A.E. banks monitor compliance with sanctions imposed on Russia to prevent violations of international law, the official said.

Tens of thousands of Russians have moved here in the past year, turning the Russian-speaking community into one of the most visible in a country of roughly nine million people. Most Russians settling here aren't sanctioned.

Russians can find their favorite pizza brand, croon songs in Russian karaoke bars

and send their children to Russian-speaking schools. A cottage industry of traders is sourcing Western electronics, cars and other luxury goods to export to Russia, which can't access them directly.

U.S. and European bans on Russian oil have redirected Moscow's biggest export to the U.A.E., which buys it at discounted prices and either resells it or refines it into products sold at market rates—a trade that generally doesn't conflict with Western sanctions. That has shifted the oil-trading industry's center of gravity to Dubai from its previous home in Geneva. U.A.E. imports of Russian crude oil tripled in 2022 to a record 60 million barrels, according to commodity-data provider Kpler.

Traders congregate in Irish pub McGettigan's to swap gossip or they organize boozy lunches at French restaurant

Couqley, both near the Dubai Multi Commodities Centre, an area of the city where trading firms are registered, said Matt Stanley, a former broker who now works in Dubai for Kpler.

"The circus moves where liquidity is," Stanley said. "You can do business here, that's what's benefiting Dubai."

Foreign currency flooded into the U.A.E. after Russia's invasion, increasing about 20% each month since May 2022 compared with the year before, according to London-based Capital Economics.

U.A.E. President Sheikh Mohamed bin Zayed al Nahyan is trying to remain friends with both Ukraine and Russia since Moscow's invasion. Washington has warned the Emiratis about helping Moscow evade sanctions but sees a benefit in having an ally with visibility over Russian trades.

Russian cash has driven a real-estate boom.

In the second quarter of 2023, Russians became the third-largest property buyers in Dubai, compared with the ninth biggest in 2021, according to data from real-estate agent Betterhomes.

This spring, villas and apartments tied to a casino project in the emirate of Ras al-Khaimah were largely snapped up by Russians, said real-estate professionals. The villas, owned by a developer connected to the Dubai government, sold for \$5.5 million, with Russians paying 20% upfront in cash, they said.

Russians view Dubai "as a safe hub where nobody is trying to kick them out or give them hard times," said Maria Gallabov, a sales manager at developer Sobha Realty.

WORLD NEWS

The New Race to Reach the Moon—and Find Water

By MICAHA MAIDENBERG
AND AYLIN WOODWARD

Nations and private companies are racing to send devices to the surface of the moon. Sticking the landing is another story.

A surge in missions planned for the lunar surface is unfolding worldwide, driven by renewed ambitions for scientific research and deep-space exploration. Many aim for the moon's south pole, where scientists first detected hints of water ice in 2008 and 2009.

Water is a critical resource for a future lunar base—it could one day be used for drinking and cooling equipment, or even to make rocket fuel to power missions to places farther away in the solar system, said the National Aeronautics and Space Administration. Tapping natural lunar resources could mean future spaceships wouldn't have to lug fuel from Earth.

"Water is the key for many aspects of living on the moon," said Csaba Palotai, an associate professor of planetary sciences at the Florida Institute of Technology. "And the suspicion is that there's lots of it—that's why we're going through these missions to verify how much, exactly, there is."

The presence of water at the lunar south pole is also raising concerns about how such resources could be claimed. NASA Administrator Bill Nelson recently said he doesn't want to see China land crews on the south pole first

and claim water resources there. Beijing has said that space exploration should benefit all humankind.

Researchers have confirmed water exists on other parts of the moon, including both the sunlit and shadowed surfaces.

Humans first successfully landed hardware on the moon in 1966, when the Soviet Union's Luna-9 device touched down. Three years later, U.S. astronauts walked on the moon.

National and private-sector efforts, with improved technology, now aim to put more rovers, landers and astronauts on the moon to conduct experiments and explore. The lunar south pole's shadowy surface adds to the challenge of landing there.

Russia sought to become the first country to land a device on the lunar south pole. But on Sunday, Russian space agency officials said its Luna-25 vehicle crashed into the moon.

The Indian Space Research Organization, as India's space agency is called, is expected on Wednesday to attempt to touch down a lander as part of its Chandrayaan-3 mission to a location in the south polar region. There, the agency intends to use a rover called Pragyan and carry out experiments.

The U.S. has its own plans to deploy landers to that area of the moon, partly through a NASA program that hires private companies to transport agency devices on landers the companies develop and have launched.

One of those companies, Houston-based Intuitive Ma-

chines, last week said it reserved a six-day period starting Nov. 15 where SpaceX would blast off its Nova-C lander on a flight to the moon. The device would carry several NASA and commercial payloads.

Steve Altemus, Intuitive's chief executive, said the company has worked to learn from failed landing attempts.

Astrobotic Technology, a Pittsburgh-based space company also involved in NASA's lander program, is planning next year to deliver an agency rover to the south pole, where it would measure lunar water resources.

Russian space agency Roscosmos said Sunday's failure came after the agency couldn't get Luna-25 into its pre-landing orbit. Yury Borisov, the top leader at Roscosmos, said thrusters on the craft fired too long during the maneuver, leading to the crash, according to a report Monday from Russia's state news agency TASS.

Lunar landings are no easy feat, primarily because the moon's thin atmosphere doesn't hold enough air to slow a descending craft, the way parachutes have slowed spacecraft returning to Earth.

Instead, a lunar landing mission involves slowing down a spacecraft from thousands of miles an hour to a complete stop using engines that keep the craft from descending too fast as it is pulled in by the moon's gravity. The fuel required to control that descent—and any necessary trajectory adjustments—is limited, Palotai said.

"You have to build a propulsion system that can carefully, with one-sixth the gravity, touch down softly," said Dan Hendrickson, a vice president at Astrobotic. "It's an enormously challenging task."

Water is key for living on the moon. 'And the suspicion is that there's lots of it.'



Brazil's president, Luiz Inácio Lula da Silva, arrives in Johannesburg ahead of the Brics summit.

Brics Countries Are Divided Over Expanding Membership

By ALEXANDRA WEXLER

JOHANNESBURG—China and Russia are pushing to expand membership in the Brics bloc of emerging economies to counterbalance Western influence, while others in the group are reluctant to admit new entrants, such as Iran and Cuba, for fear of alienating Washington.

The debate among the Brics nations—Brazil, Russia, India, China and South Africa—about whether and how to expand will likely feature prominently during the group's first in-person leaders' summit since the pandemic.

The presidents of Brazil, China and South Africa, as well as the Indian prime minister, are set to attend the gathering here starting Tuesday. Russian President Vladimir Putin was originally slated to attend, but a warrant for his arrest by the International Criminal Court for alleged war crimes in Ukraine would have obliged South Africa, an ICC member, to arrest him had he shown up.

Bracketed together originally by the clip of their economic growth, the Brics nations now account for more than a quarter of the global economy and some 42% of the world's population.

But the group's size is matched by the scale of its disunity on political and secu-

rity issues—including relations with the U.S. The five countries also comprise vastly different governing systems and ideologies.

Widening the membership would likely give China another mechanism for exercising leadership of the developing world, especially if the group trends more authoritarian.

Russia is also supportive of growing the club, in particular to include African nations as it develops new markets and allies on the continent to lessen the impact of Western sanctions.

"China and Russia view this as an alternative pole in the world order," said Priyal Singh, a senior researcher at the Institute for Security Studies.

Other members, including Brazil and India, are taking a more hesitant approach to adding to the Brics number.

Analysts say New Delhi and Brasilia would prefer careful deliberations before the induction of new members, and share concerns that an expanded group could become too antagonistic toward the West and destabilize the bloc.

South Africa publicly supports an expansion of Brics, but as the group's smallest member by far, analysts expect it to drag its feet over adding more members.

More than 20 nations formally have expressed interest

in joining Brics, while another 20 or so have done so informally, according to Anil Sooklal, South Africa's ambassador to the bloc. Aspirants include the United Arab Emirates, Saudi Arabia, Argentina, Iran, Nigeria and Cuba, Naledi Pandor, South Africa's minister of international relations, said.

Analysts say prospective members are largely interested in the group's political influence and economic clout, including access to the New Development Bank, a multilateral-development bank established by the Brics countries in 2014 as an alternative to traditional Western finance institutions. The New Development Bank has approved more than \$30 billion in loans for development and infrastructure projects in Brics countries and other emerging-market nations.

Chinese President Xi Jinping has been promoting the expansion of Brics to enlarge the bloc since 2017. Ahead of the Johannesburg summit, Beijing has continued to promote that cause.

India doesn't want "a China-driven opening of floodgates that creates a numerical majority under Chinese influence and ends up hijacking Brics," said Sreeram Chaulia, professor and dean at India's Jindal School of International Affairs.

—Rajesh Roy and Austin Ramzy contributed to this article.



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FROM PAGE ONE

Anxiety Business Is Booming

Continued from Page One
The supply of available and qualified therapists hasn't kept up with demand. Some can't afford the fees. That has left a growing industry geared toward anxiety outside the medical and traditional mental-health professions, including supplements, products and mental-health coaches.

The science behind much of the industry is unclear and in some cases questioned by scientists and researchers. The antianxiety claims of most products have no federal or regulatory oversight. The role of the Food and Drug Administration is to ensure that supplements meet safety standards, are well manufactured and accurately labeled, but the agency doesn't need to approve supplements before they can be sold or marketed.

Wearable devices aren't regulated if they are intended for general wellness. Some scientists say there haven't been enough large-scale, peer-reviewed studies to determine whether such products work. There's also limited research on mental-health coaching.

Some in the industry say the science will catch up, and their goal is to fill the gap in a shortage of options for treatment.

Growing sales

Sales of a range of supplements that say they offer anxiety support spiked after the pandemic hit, according to data from research firm NIQ. One of the more popular supplements that claim to help manage anxiety is ashwagandha, a plant that's been used in traditional Ayurvedic medicine for thousands of years. The number of packaged ashwagandha products sold over the past year has grown fourfold since the same period ending mid-2019, according to NIQ.

Jessica Terry was first diagnosed with anxiety years ago. It grew worse when the pandemic hit, she said, and she would go to her car to cry so that her children wouldn't see her. She was able to start seeing a therapist online for free during the pandemic through her insurance company, but soon the therapist said she needed to start charging her. Terry couldn't afford it.

"I don't think about Covid anymore, but I'm stuck in the same place," the autism specialist in Northampton, Mass., said.

Terry, 42, takes a low dose of the antidepressant Lexapro daily, and has found that meditation helps. She has turned to a host of other products to help tame her anxiety. She breathes in and out each morning and falls asleep to stories about the ocean on the Headspace app, which costs about \$70 a year. She puts low-dose cannabis honey in her tea.

On bad days, she uses a \$9 patch that smells of lavender and eucalyptus or a heavy heating pad that aims to feel like a comforting hand.

Anxiety is a normal human emotion that can spur people

to action. It becomes a disorder when it causes prolonged distress and interferes with a person's work and relationships.

In the three years since the start of the pandemic in the U.S., nearly three patients in 100 who entered a healthcare facility left with a newly diagnosed anxiety disorder. That rate is higher than cancer or diabetes, according to healthcare and analytics company Truvena.

Established treatments for anxiety disorders include cognitive behavioral therapy, where people learn to approach the situations that make them anxious and to tolerate uncomfortable feelings. Antidepressant medications such as Prozac and Lexapro are commonly prescribed. Benzodiazepines like Xanax and Klonopin can ease anxiety symptoms immediately, but many doctors don't recommend them because of the risk of addiction and abuse.

These treatments have limitations. After a course of CBT, only about half of people with anxiety disorders see clinically significant improvement, according to scientific studies. About 40% of people who take the most popular antidepressants for anxiety disorders receive little benefit.

Research suggests some of the benefits of antidepressants may be related to the placebo effect, where people believe a treatment is working and feel better. In studies of drugs such as Zoloft and Lexapro for anxiety disorders, people taking those medications improved—as did control groups of people taking placebos, though to a lesser extent.

The placebo effect is likely a factor when people say they feel relief after taking supplements or using some of the other products marketed for anxiety, said Jill Ehrenreich-May, a psychology professor at the University of Miami and president of the Association for Behavioral and Cognitive Therapies. "If somebody believes they are going to be effective, that is such a powerful thing," she said.

Sherry Frey, vice president of total wellness at NIQ, said surveys have found that consumers listed vitamins and supplements above things like diet and exercise in how they managed their mental health.

Sales have been helped along by social-media influencers, some of whom are therapists or doctors themselves and sell products.

Dr. Daniel G. Amen, a psychiatrist who has 1.9 million followers on his TikTok page, suggests his followers take theanine, magnesium, ashwagandha and a supplement called GABA for anxiety. "Before you reach for a benzo like Xanax, try those first," he said in one recent video. He also owns a supplement company, with anxiety-related pills and gummies that go for around \$20 to \$50 a bottle.

In an email, Amen said he prescribes medications when necessary, but he is opposed to them being the first and only solution. He said he developed his supplement company to provide an alternative to medications.

Ashwagandha contains a group of naturally occurring steroids that have shown to have some anti-inflammatory and antioxidant effects in the human body, according to the



A growing industry outside the traditional mental-health professions is geared toward anxiety, including supplements and products such as stress balls and weighted stuffed animals.

National Institutes of Health.

The NIH says studies on ashwagandha have been small. Some studies have found it to be effective for insomnia and stress, but more research is needed to determine its helpfulness for anxiety, the Institutes said. The plant may also increase testosterone levels and interact with certain medications, according to studies.

People searching for anxiety remedies are bound to come across products containing cannabidiol, or CBD. CBD is derived from cannabis, usually from hemp plants. Pure CBD is not intoxicating.

There's some evidence that CBD may relieve anxiety symptoms, but the science is limited. Many of the CBD products on the market aren't accurately labeled, and may contain much lower or higher levels of CBD than indicated. They may also contain detectable levels of THC, the substance largely responsible for marijuana's high, according to a study published in 2017 in the journal JAMA.

An array of wearable devices and apps that claim to

tame anxiety led the American Psychiatric Association to recently create a tool to help members evaluate their usefulness.

Products include the \$325 Apollo Neuro, a small, wearable device that uses waves of vibrations in an attempt to mimic the body's natural, calming response to touch. Dr. Dave Rabin, co-founder and chief medical officer of Apollo Neuroscience, said the concept behind wearable products is grounded in decades of research that shows physical touch can help people restore a sense of safety and control.

Sensate is a \$299 device that people can place on their chests. The company said that the product's humming vibrations signal the vagus nerve—which runs from the brain to the digestive system—to relax, and that its own initial studies have been promising. The \$250 Muse meditation headband says it can monitor brain waves and act as a kind of meditation coach. Muse said research institutions including the Mayo Clinic and Harvard

University have used its products in more than 200 published, peer-reviewed studies related to stress reduction.

Weighted blankets, which have been shown to reduce anxiety in certain situations in a few small studies, are now being transformed and marketed as \$25 weighted stuffed animals, \$160 hoodies and \$100 pajamas. And the range of fidget toys, used to relieve excess energy and ground people in the moment, has exploded into things that can be popped, chewed, squished and sucked.

Online help

Growing demand for telehealth has led to the rise of mental-health coaches who work with clients online, including at Headspace, which operates a popular meditation app and sells mental-health telehealth services to employers and health insurance plans under its Ginger brand.

"Not every pain in your knee requires a surgeon. Not every anxious feeling requires a therapist," said Russell Glass, Headspace's chief executive officer.

Headspace started its own training program accredited by the National Board for Health & Wellness Coaching, which began offering a certification exam in 2017. The organization

Clinicians warn that anyone can call themselves a mental-health coach.

has certified more than 9,000 health coaches, who receive at least 75 hours of schooling—compared with years of training for psychologists and social workers.

Headspace contracts with more than 4,000 companies including Adobe, Mattel and Starbucks to offer mental-health services to their workers. Users on its Ginger app can immediately connect via text-based chat with a mental-health coach. The app encourages users to take assessments that measure anxiety, depression and stress levels.

Users begin with a coach, but people who have high scores on the anxiety or depression assessments work with a therapist and/or a psychiatrist, too, the company said. Other users can see therapists and psychiatrists, who conduct sessions via video, but fewer than 30% of members overall do.

In January, UnitedHealthcare launched a coaching program for people dealing with generalized anxiety, social anxiety and depression that is available to five million of its members. Lyra Health, a telehealth company that provides mental-health services to employers like Lululemon and Salesforce, has more than 430 coaches, up from 10 in 2018.

Coaches aren't supposed to diagnose and treat illnesses, said Nicole Pope, director of operations at the National Board for Health & Wellness Coaching. Instead, their role is to help clients adopt behaviors that support their health, such as getting enough sleep, exercising and investing in healthy relationships, she said.

Health coaches charge between \$50 and \$150 for an hour-long session. The going rate for experienced clinical psychologists can be as much as \$300 for a 45-minute session.

The line between a mental-health coach and a therapist can be fuzzy.

At Lyra, coaches work with some clients to reframe thoughts that can fuel anxiety, using elements of what's known as acceptance and commitment therapy—commonly used by therapists, too.

Shane O'Neil-Hart, Lyra's clinical director for mental-health coaching, said a coach's approach to sessions is slightly different than a therapist's. "We're going to focus on how we can enhance your well-being, more than how we can fix your problems," he said.

There is limited independent research on the efficacy of mental-health coaching for anxiety. Headspace and Lyra have both funded studies showing that their coaching approaches led to reductions in anxiety and depression symptoms.

There's a more robust body of research on peer counseling, where non-therapists are trained to actively listen and provide support, but studies have yielded mixed results.

Anxiety researchers and clinicians say that non-therapists can help address the rising demand for mental-health care. Still, they warn that anyone can call themselves a mental-health coach and start seeing clients.

"You want to make sure protocols are in place if somebody is in crisis or a higher level of care is needed," said Vaile Wright, senior director for healthcare innovation at the American Psychological Association.

Diners Mix Up The Menu

Continued from Page One

Diners and restaurant workers say that more and more, those guidelines are flung aside for menu mayhem. Fries, traditionally paired with burgers, have become salad's best friend. A "starter" can be had anytime, while a "main" may be skipped altogether.

Food-industry consulting firm Technomic has observed an increase in customers ordering sides over the last year and estimated that 15% of diners order sides as their entree.

Skipping larger entrees may also save money at a time when restaurant prices have climbed. According to market-research firm Datassential, the median price of a beef entree at casual and fine-dining restaurants is \$22.95. A non-fried veggie side costs about \$4.50. Other appetizers, such as sliders, are \$10.

"We've gone to a space of



Boston restaurant owner Nia Grace says diners are getting creative when ordering.

more liberated dining," says Nia Grace, who owns three Boston restaurants, including Darryl's Corner Bar & Kitchen. Some patrons make a reservation for dessert only, or "swap and choose" from around the menu. "They'll say, 'I'll do this and that, and listen, give me one of those, give me that, I'll pair it with this and we'll share that.'" She recalls one customer

ordered chili, a side of cheese, and Cajun fries, and then proceeded to make chili-cheese-fries right at the table.

Younger diners won't be pigeonholed into one page of the menu, says Lindsey Kelso, 26, who works in digital communications and lives in Savoy, Ill. She's a salad-and-fries regular. "We were raised in a society where it was so 'eat healthy

food' with the older generations," says Kelso. Supplementing salad with fries, she said, "it's like, 'I am, but I'm getting a little treat with it.'"

The salad-and-fries craze speaks to an emerging connection between indulgence and mental health, says Diana Kelter, associate director of consumer trends at market-research firm Mintel. Although

indulgence is typically regarded as bad for physical health, Gen Z sees it as helpful for mental health. More Gen Z adults, aged 18 to 26, rank taking care of their mental health as a top-three health priority, according to a Mintel report from May.

Cobbling together sides also helps with portion control.

India Davis, 32, a Nashville, Tenn., financial coordinator, says she's noticed herself struggling to finish a full restaurant meal. On a recent trip to Cheesecake Factory, Davis barely finished half a cheeseburger, and preferred to munch her sides of Brussels sprouts and fries. "I don't know if it's just me getting older or what," she says. "But I was like, 'this is ridiculous.'" Davis took home the leftover cheeseburger and later made it into its own meal.

"Is ordering only apps/sides as an entree at a fine dining restaurant frowned upon?" asked a recent poster on a Reddit forum for food servers. It drew nearly 2,000 views and more than 300 comments, with most saying to order what you want. "In most cases, ordering side dishes as appetizers is lame," says Adam Reiner, author of food blog the Restau-

rant Manifesto. Reiner, who has worked at fine-dining restaurants, says diners hack the menu to find cheaper apps, but the savings aren't worth having a boring meal. He's seen people order sides of sautéed escarole or steamed broccoli rabe as appetizers that wound up unfinished.

Pairing greens with greasy sticks of starch isn't entirely new. The famed Pittsburgh salad has fries on top. The current craze often involves a Caesar salad and side of fries, perhaps with a Diet Coke or wine. Some fans top salads with chicken or salmon, or spring for truffle fries when the opportunity presents.

In January, Haley Schuster, a 23-year-old in Austin, Texas, posted a TikTok video captioned "the feminine urge to order a Caesar salad with a side of fries," to the tune of "This Will Be (An Everlasting Love)" which has since reached eight million views.

Houston high-school student Maite Chacon says she doesn't usually order salad, but tried the salad-fries combo after seeing buzz about it. "Five minutes passed by, and the fries were halfway done," she says, "and the salad was still there."



PERSONAL TECHNOLOGY
NICOLE NGUYEN

I have a bone to pick with TVs. Their empty black rectangles loom over living rooms with temptation. Turn me on and mindlessly flip through channels, they whisper to passersby.

Portable projectors don't whisper. They're much more intentional, hiding in the background until they're needed to transform a blank wall into a giant display.

I spent many hours evaluating them as an alternative to watch the World Cup. Now, I'm anti-TV, pro-projector—specifically, portable projector. I share my top picks below.

Until recently, projectors came with a lot of fuss. There were costly bulb replacements, complex wall mounts and streaming media accessories to consider. High-end living room projectors can also cost up to \$5,000. They might have better picture quality than portable models, but those smaller projectors come with many benefits that make them good options for many people.

You can now get a decent portable model for under \$1,000. Newer models come with long-lasting LED lamps and smart TV software, and can run off their own batteries for a couple of hours before charging up again. They're space-saving and light enough to take almost anywhere, no generators or extension cords needed.

While I was testing devices for this column, one of my review units went missing. I found it in the bedroom, where my husband had set it up to watch the Tour de France while folding laundry.

Elements of a great projector

For this column, I tested four portable projectors:

- ▶ **Xgimi's Halo+** (\$849)
- ▶ **BenQ's GS50** (\$799)
- ▶ **Anker's Nebula Capsule 3 Laser** (\$794)
- ▶ **Samsung's Freestyle** (\$800)

In selecting this lineup, I looked at what any projector shopper should consider: resolution, brightness, apps and ports.

I wanted at least 1080p resolution for a crisp image. Another important factor is brightness, measured by the industry-standard ANSI lumens (it's named after the American National Standards Institute).

Portable models aren't as bright as plug-in versions, and in battery mode, the image's brightness automatically dims to save power. If you're primarily watching movies in a dark



Projectors for Great Outdoors

Devices for camping or backyard movies allow for streaming and run off their own batteries

room or at night, look for at least 300 ANSI lumens, though the higher the better. For daytime viewing, you need a much brighter rating, at least 1,500 ANSI lumens.

Next up: content. All of the models have smart TV software—a must in 2023. You can also wirelessly stream from mobile devices to these projectors using Chromecast. The BenQ and Samsung models also support Apple's AirPlay.

There's a caveat. Most streaming services work without needing

a separate streaming stick—except for Netflix because of rights issues. Samsung's Freestyle is the only portable projector I tested with a built-in Netflix app. BenQ and Anker have slightly complicated workarounds to watch Netflix. Otherwise, you will need to connect a tablet, laptop or other media player that can stream Netflix via an HDMI port.

Speaking of HDMI, the port is an essential feature of a good projector. All of the test fleet has

it. Others include an audio port for external speakers and USB-A or USB-C.

Best portable models

On Amazon, a search for "outdoor projector" yields many inexpensive results from no-name brands. I would avoid them. The \$50 projector I tried made grandiose claims about image quality. The picture was barely watchable, and the sound was bad. For a true home—or backyard—

theater experience, you're better off going with a known manufacturer with a warranty. **My favorite:** Xgimi's \$849 Halo+ was the brightest of the bunch, with a 900 ANSI lumens rating. It was actually watchable during the day. The image looked great at 65 inches and 100 inches. Software automatically adjusts the image size and angle, making it

easy to set up the projector in different environments.

I got a low battery warning after 1.5 hours, and it died just shy of two hours, on par with the others I tested. Some of the other models had better sound. (If you plan to keep your projector

plugged in, check out Xgimi's similarly featured \$599 MoGo 2 Pro.) **For campers:** BenQ's \$799 GS50 is splash-proof and can survive a 2-foot fall. This projector is heavier than the others, at 5 pounds, but comes with a convenient travel case and a handle. It isn't as bright as the Halo+ with just a 500 ANSI lumens rating. When on battery mode (up to 2.5 hours), the image is even dimmer. But the GS50 produced the fullest, most dynamic sound of the bunch. It also has the most ports: HDMI, USB Type-A (for regular USB sticks), USB-C and an audio jack.

For portability: You might mistake Anker's \$794 Capsule 3 Laser for a Bluetooth speaker. The device easily fits in one hand and weighs just 2 pounds. That compact size comes with trade-offs. The max brightness is 300 ANSI lumens, and the sound won't fill a big space. The performance can be a little laggy when switching apps. **For a vibe:** I wasn't sure what to make of Samsung's \$800 Freestyle. The image is bright, comparable to the GS50, and the sound is surprisingly good. You can swivel it toward the ceiling to create celestial shapes on the wall. An optional accessory allows you to power the projector by screwing it into a lightbulb socket.

But it has a less common mini-HDMI port, no audio jack for speakers and requires an additional \$200 battery base to be portable. You might want to hold off for a bit: A second-generation version with moderately improved performance and gaming features is on the way.



Our columnist tested four models, clockwise from upper left, Xgimi's Halo+, BenQ's GS50, Anker's Nebula Capsule 3 Laser and Samsung's Freestyle.

Dressing for Yachts And the Paparazzi



OFF BRAND
RORY SATRAN

Oh, to be a fly on the wall of the yacht Christina O...First launched in 1943 as a Canadian warship, she was present at the Normandy landings before being purchased by Greek shipping magnate Aristotle Onassis and beginning her life as a pleasure cruiser. Elizabeth Taylor and Frank Sinatra sipped cocktails on the boat's whale-foreskin bar stools; Grace Kelly celebrated her 1956 wedding to Prince Rainier on-board. When Jackie Kennedy first started spending time on the boat in the 1960s in her silk headscarves, Valentino shift dresses and tailored capri pants, she burnished it as an epicenter of elegance.

Today, the Christina O is available to rent—for about \$800,000 a week—to global businesspeople, stars and royalty in tracksuits and sneakers, and their bikini-clad entourages. It was also the location for the over-the-top vomitorium

scene in the 2022 Swedish satirical film "Triangle of Sadness," which skewered the nouveau riche.

In her near-century floating on the high seas, the Christina O has seen the evolution from modest one-pieces to thong swimsuits on deck, and from white slacks to crop tops for lunch.

The yacht vacation has become an in-your-face fashion show, complete with designer party duds and performative swimwear. When Kourtney Kardashian Barker and Travis Barker got married in Portofino last year, the guests wore mostly dark, sultry Dolce & Gabbana looks on and around the superyachts they stayed on.

Beyoncé, a frequent yachter, has made an art out of brightly colored maillots and mini-outfits, like the lime-green Balmain get-up she wore to celebrate her 40th birthday. Whether they're celebrities or more run-of-the-mill yachting enthusiasts, the styles skew skimpy and loud—all the better to be spotted by the circling paparazzi.

"When a client comes to the boat, they bring their closet," said Captain Sandy Yawn, a superyacht captain who appeared on the reality show "Below Deck Mediterranean."



Lauren Sanchez and Jeff Bezos have been making fashion waves among the yacht crowd.

"They want to shine in front of their friends."

Jeff Bezos and Lauren Sanchez have been in prime entertaining mode this summer on Koru, their new \$500 million superyacht. Sanchez has been flaunting some aggressively revealing looks to shine for friends including Oprah Winfrey. She and Bezos have been extensively photographed frolicking in swimsuits, showering and working out aboard their boat.

To her engagement party onboard this month, Sanchez wore a silver crop top and miniskirt from Annie's Ibiza, the vacation-wear stalwart founded by Annie Doble. She favors body-baring resort looks from the kind of port-town boutiques that cater to visitors arriving by boat.

Shopping at yacht destinations is

a booming industry, with main drags in Monaco and Cannes currently undergoing major renovations to accommodate clients. Many of these towns have branches of luxury boutiques from Balenciaga to Chanel, as well as branded luxury beach-club pop-ups like Gucci's in St. Tropez and Dior's in Portofino. But for shoppers like Sanchez, the real draw is finding smaller boutiques that specialize in yacht-y looks from independent designers like Clio Peppiat and Silvia Tcherassi.

"The yacht clients are very demanding," said Valentina Arcucci, a buyer for boutique Blu in Capri. She said that these shoppers, who often expect delivery by boat or shipping to their homes, have increasingly asked for vibrant colors and prints, and long dresses from

thinks there's a newfound focus on the vacation lifestyle postpandemic.

Tajer, who noted that Kendall Jenner and P. Diddy have also worn patterned Casablanca shirts on yachts, said, "Our silk particularly is really fitting for the yacht life and the party life, because people can really just be themselves, and wear something that is lighter than a T-shirt. At the same time, it's very dressed up and elegant."

Not everyone who wants to take part in yacht fashion has access to an actual yacht. Pertti Leppälä, a captain and yacht manager in Monaco, said that intruders were constantly posing in the gangways to his yachts, pretending they're about to board. This way, he said, yacht or no yacht, "They can still make beautiful content."

PERSONAL JOURNAL.

PERSONAL TECHNOLOGY

Prepare Tech For Disasters

Having your phone, gadgets ready could save lives during floods, hurricanes and wildfires

By CORDILIA JAMES

Is tech useless during a natural disaster? Far from it—if you prepare correctly.

Hurricanes and floods wreak havoc on the Southern and Eastern coasts in the summer and fall, wildfire season ramps up in the West and heat waves stretch from one side of the country to the other. The devastating fire on the Hawaiian island of Maui earlier this month became the country's deadliest wildfire in more than a century. And Hurricane Hilary posed a rare threat to Southern California.

Scientists believe climate change will make extreme weather events occur more often. When they do, power and cellphone service often fail. But that doesn't mean your tech won't be important or useful.

Here are steps you can take to make sure your tech is ready before an extreme weather event—including ways to get in touch with emergency services when you don't have a wireless signal.

Juice up your devices

The basics are important during a disaster. Include spare batteries, flashlights and hand-cranked radios in your emergency kit, says the Federal Emergency Management Agency.

Keep your devices plugged in during bad weather so they will be fully charged if the electricity fails. Top up any power banks you own as a backup. Some newer products from companies such as Anker can juice up your smartphone and laptop at the same time.

If you want to go bigger than the pocketable battery packs, WSJ personal tech columnist Nicole Nguyen recommends buying a portable power station. They are typically the size of a boombox, are cheaper than generators and can be safely operated indoors. They likely won't power your refrigerator for days but can keep your smartphone charged.

Solar-powered batteries can be helpful backups, but clouds and thick smoke can block the rays needed to charge them. They also tend to drain quickly when out of

direct sunlight, which means they shouldn't be the primary batteries you use, said Tim Frazier, faculty director of the emergency and disaster management program at Georgetown University.

To extend the battery life of your devices themselves, turn on the low power modes offered on iPhones and Android phones. That typically dims the screen and limits other functions to consume less energy. And keep your devices away from heat as much as possible, as WSJ senior personal tech columnist Joanna Stern reported.

Stay connected

If cellphone service and power are down during or after a storm, there is a chance you could still access your home Wi-Fi to text and call others. Just make sure your modem and router are plugged into an external backup battery.

The type of internet you have can make a difference, too. Fiber-optic internet can be more reliable than cable internet during storms since it is less vulnerable to outages, said Dane Jasper, chief executive of Sonic, a fiber-optic internet-service provider based in Santa Rosa, Calif.

An ISP that has its system running on backup power from generators could also give you internet access, but it isn't guaranteed, he added. Last week, Comcast launched a storm-ready device designed to keep Xfinity customers online by using backup power and cellular connectivity during network and power outages.

iPhone 14 users can take advantage



of Apple's Emergency SOS via Satellite service to contact emergency services when out of cellular range in supported countries. (Older iPhones don't have the necessary hardware, and mainstream Android phones don't yet have satellite connectivity.) You need to be outdoors with a clear view of the sky to connect with the satellites.

Prepare to use this service by updating your Medical ID—a page in the Health app with your allergies, medications and other information—and by assigning your emergency contacts ahead of time. (You should set those up even if you don't have an iPhone 14. More on that below.)

Run a test of the satellite emergency service to familiarize yourself with the process. Open Settings on your iPhone 14 and select Emergency SOS. Under Emergency SOS via satellite, tap Try Demo and follow the instructions.

If you are in a real emergency, first try calling 911. If it won't connect, tap the button that says Emergency Text via Satellite. Then fill out a multiple-choice questionnaire about the emergency and who needs help. It can send an alert to your emergency contacts.

▲ **Apple's Emergency SOS via Satellite service connects iPhone 14 owners with emergency personnel when cellphone service is down.**

People who spend a lot of time in remote locations or want to always have backup satellite communication abilities can consider a specialized satellite-messaging device. Garmin and Motorola make such devices, which typically cost \$400 or less, plus monthly service fees.

Keep tabs on your surroundings

Even if you are stuck indoors while the world is raging outside, it is important to stay informed about what is happening around you—especially when circumstances can change quickly. Maui officials said the fire was 100% contained in the morning, only for it to flare up and spread rapidly by the afternoon.

The National Weather Service and FEMA send wireless emergency alerts directly to smartphones over cellular networks. These alerts are turned on by default, but you can check in your phone's settings to see if you have turned them off accidentally. You can also sign up for power-outage text alerts by following setup instructions from your electric company.

You may miss alerts if you don't have cell service, so it is important to have a hand-cranked or

battery-powered emergency radio just in case.

You can notify friends and family when you call emergency services by setting them as emergency contacts. On iPhones, open the Health app, tap your profile picture, then tap Medical ID. Tap Edit, then scroll to where it says Emergency Contacts and tap the green plus button to add someone new. Choose who you want to add from your Contacts, specify the person's relationship to you, then tap Done to save your changes.

Android users can set this up using Google's Personal Safety app, though it might not be available on all Android devices.

There are several free tools available to check the air quality in your neighborhood, including Google Maps and Apple's built-in Weather app.

If smoke from a wildfire seeps into a home, an air-quality monitor that measures pollution can tell you just how bad the air is inside, while an air purifier can help you get rid of it. Look for an air purifier with a faster fan speed and a high-efficiency particulate air, or HEPA, filter to clean larger rooms thoroughly. WSJ reviewers like air purifiers from companies such as Coway.

And remember: The most expensive tools aren't always essential to survive a disaster. Test your devices regularly, make sure your personal information is up-to-date and get a head start on charging to make sure they are ready to go when needed.



▲ **Rubble littered around Maui included burned cellphones after wildfires devastated the island.**

Ultrarich Race to Skirt 2026 Jump in Estate Taxes

By ASHLEA EBELING

An unprecedented rush to relinquish wealth is under way, and it isn't just for billionaires.

The Trump tax cuts of 2017 temporarily doubled the base amount individuals could give away without paying estate taxes to \$10 million. These cuts are due to expire in 2026, pushing wealthy Americans to move fast.

They gave away \$182.6 billion in 2021, more than double the \$75.2 billion the year before, according to recently published Internal Revenue Service statistics. Almost \$100 billion of those gifts were made via trusts, some of which can last for generations. Another \$14.8 billion went to charity.

For American families with a net worth over \$10 million, there is an urgency to consider a range of moves before the tax cuts expire, financial advisers said. The options range from straightforward gifts to heirs to setting up a complicated trust to protect wealth over generations. Otherwise, the only surefire way to avoid higher taxes is to die before the tax cuts expire.

"We're looking at a golden opportunity to make tax-free transfers," said Shamisa Zvoma, a certified public accountant with Wiss in Florham Park, N.J.

The \$10 million figure in the Trump tax cuts of 2017 was indexed for inflation. For 2023, the

combined gift- and estate-tax exemption is \$12.92 million per individual, or \$25.84 million per married couple. That is the amount you can give away during your life or at death tax-free.

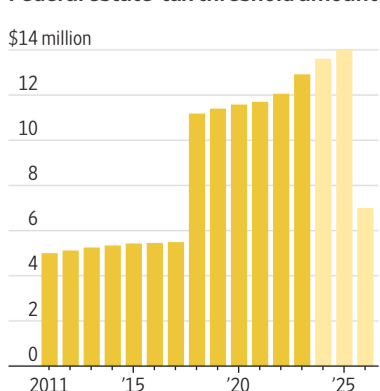
Next year the exemption amount will likely be adjusted to \$13.61 million, estimates Peter Tucci, an estate lawyer at Proskauer. For 2025, it could be \$14 million per person, before dropping by half in 2026 to about \$7 million.

That would mark the last year to make gifts to take advantage of the historically high amount before the cuts expire after Dec. 31, 2025, estate planners said.

If a couple transfers their full exemption amount of \$28 million by 2025, before the law's sunset, they would get \$5.6 million in tax savings if they die in 2026, Tucci said. If they make the gifts to grandchildren, skipping a generation, there would be nearly \$9 million in tax savings, he said.

The tax savings could be significantly larger over time. When money grows in these trusts, the appreciation

Federal estate-tax threshold amount



Note: 2024-26 are estimates. Sources: Internal Revenue Service (2011-23); Proskauer (2024-26)



is exempt from the transfer-tax system. So if the trust value goes up \$100 million by the time of death, the family would save \$40 million in estate taxes, at the current 40% rate. That is just the federal tax savings. There is also state estate-tax savings in states like New York that levy their own estate tax.

There are about 1.5 million Americans with \$10 million to \$50 million net worth and nearly 125,000 worth more, according to UBS and Credit Suisse economists' global wealth report.

How to make gifts to reduce my estate

Direct gifts of cash or securities are the simplest. The limit on annual tax-free gifts is \$17,000 for 2023, and it is likely to rise to \$18,000 in 2024. That means anyone can give tax-free gifts of up to \$17,000 to an unlimited number of people. These gifts don't count against the larger \$12.92 million combined gift- and estate-tax exemption.

If you make gifts over \$17,000, you generally must report them on IRS Form 709.

Caroline McKay, a senior wealth

strategist at CIBC Private Wealth in Boston, said she has clients who make these gifts to such a large pool of relatives, including grandchildren, nieces and nephews, and spouses, they are getting hundreds of thousands of dollars out of their estate each year.

In the case of long-held stocks that have appreciated in value, the issue is particularly complicated. Gift recipients get your original cost basis and owe capital-gains taxes when they sell. If the recipient is in a lower tax bracket, that can work, or it may be better to hold those shares until your death when they would get a stepped-up basis to their value at that time.

When to use a trust

For individuals facing estate taxes, making gifts to a dynasty trust can preserve more wealth for your children. The trust removes the assets from both your estate and your children's estates, McKay said. These trusts typically benefit children but also grandchildren and future generations.

Trusts also offer asset protection. If you give assets to your chil-

dren directly and they get sued or divorced, they could lose some or all of those assets. By contrast, if you make the gifts to a trust, it is harder for a creditor to go after the trust principal, Tucci said.

One downside is that the trust is still subject to capital gains and other income taxes, and the assets won't get a new stepped-up value on the donor's death.

Impact of the tax-cuts expiration

It is possible that the higher estate-tax exemption amount could be extended or made permanent. Even when Democrats controlled Congress under the Biden presidency, they didn't reduce the estate-tax threshold, said William Gale, a senior fellow at Brookings Institution.

Republicans have long favored abolishing the estate tax. Democrats have called for it to be toughened: dropping the exemption amount to \$3.5 million, raising the top tax rate to 77% and taxing capital gains at death. They have also called for curbing dynasty trusts.

"You have to assume the exemption amount is going down," Tucci said. If you're banking on the exemption staying at \$14 million in 2026, that is a gamble, and you're potentially leaving a lot of tax savings on the table, he said.

How much should I give?

Do an analysis to ensure that you are keeping enough to maintain your lifestyle, said McKay. She has seen instances in which people don't hold on to enough assets to maintain their lifestyle after the effects of inflation and volatile markets.

ARTS IN REVIEW

In 2013, a young Irishman born Andrew Hozier-Byrne released a gospel-drenched rock song called “Take Me to Church” that also appeared on an EP of the same name. It was a heartsick confession of the singer’s powerlessness while in the throes of new love, and it became a massive global hit, landing at No. 2 on the Hot 100 and eventually clocking over two billion streams on Spotify. The song’s popularity is not a complete surprise given its memorable chorus hook. What’s a little harder to parse is why Hozier—the name the singer uses for his music—has had almost no presence on the U.S. singles chart since, despite the fact that “Take Me to Church” is perfectly emblematic of his overall sound. His albums have done well—his self-titled LP from 2014, which featured “Take Me to Church,” went platinum, and his second album, “Wasteland, Baby!”, debuted at No. 1 and went gold. But Hozier has returned to the Hot 100 only once since, for “Eat Your Young,” which hit No. 67 earlier this year.

Perhaps it’s a matter of where Hozier’s ambitions ultimately lie: While his music has something in common with hitmakers like Ed Sheeran, with broad, overpowering climaxes seemingly designed for stadium singalongs, he has an artier bearing, and infuses his music with heady concepts. Though his own religious background is complicated—he attended Catholic school, but his parents had adopted the Quaker faith—his music is steeped in spirituality. This trend continues on “Unreal Unearth” (Columbia/Island/Rubyworks), the third Hozier LP, out now. The Covid-19 pandemic served as its direct inspiration, and the album is loosely structured around the nine circles of hell in Dante’s *Inferno*. If you hear that description and imagine an impenetrable progressive rock opus, you should know that the record, which contains the aforementioned “Eat Your Young,” is very much an accessible and ra-



MUSIC REVIEW | MARK RICHARDSON

All Smoke and No Fire

Hozier’s new album draws on Dante but is disappointingly disengaged

dio-ready pop offering.

The first two Hozier albums drew heavily on the American music the singer grew up listening to, courtesy of his father’s record collection: Blues, gospel, and R&B served as the foundation while his soaring voice, which is very much in the mold of Mr. Sheeran or Coldplay’s Chris Martin and sometimes slips into a half-spoken brogue, communicates clearly that we’re in the pop-rock idiom. Rock and soul touches are in generally shorter supply on “Unreal Unearth,” a more piano-based record

that often incorporates strings from the Budapest Scoring Symphonic Orchestra.

After a remarkably subtle opening on “De Selby (Part 1)” — an acoustic guitar strummed aimlessly, as if warming up before the musicians knew the tape was rolling—the orchestra enters and Hozier begins to sing. “No closer could I be to God / Or why he would do what he’s done,” he offers, before concluding the track with phrases in Gaelic. Despite the spiritual anguish and shift in language, the high-gloss production

brings to mind adult contemporary radio above all else, and the following “De Selby (Part 2),” which folds in a drum break, is slick electronic pop in the vein of Sam Smith.

This album is a smoother, more ethereal record than Hozier’s previous two LPs. In softer moments, when Hozier piles on the vocal layers, it recalls the shimmering vibe of Irish singer-songwriter Enya, though without her grace or air of transcendence. The fifth track, “I, Carrion (Icarian),” which opens a cappella, is one of several

Hozier’s new record, his third LP, is ‘Unreal Unearth.’

tracks where the whispery softness smothers the melody and renders it inert.

“Butchered Tongue,” found later in the record, is another slice of pure ambiance. It begins with just vocal and piano, with Hozier’s voice reverberating in a setting that sounds like a stone cathedral. The atmosphere is meant to convey heaviness and import as he sings about traveling the world and feeling like a stranger, evoking the damage of colonialism while describing what he sees outside his tour-bus window.

The faster tracks are generally the highlights here, where one can set aside the concept and revel in a well-executed groove. “Francesca” is a song about love amid emotional tumult, and it’s an impressive production, with huge sheets of layered voices and psychedelic guitars that, when heard together, bring to mind the wide-screen Southern rock of the band My Morning Jacket. “Eat Your Young” is sunny and upbeat, with a beat redolent of Motown.

But these simple pleasures are harder to find as the album wears on. The Dante references are there if you look for them, but they don’t add much to lyrics that are by turns hopelessly obvious and opaque. “Abstract (Psychopomp)” is both exhausting in its over-the-top, puffed-up production and curiously empty, like an inflatable castle that dominates the landscape from afar but reveals itself as a cheap toy upon closer inspection. “Darling, there’s a part of me / I’m afraid will always be / Trapped within an abstract from a moment of my life,” he sings, in a line that seems like it’s supposed to be an epiphany. If you love craft, love hearing how albums are put together, there’s much to admire on “Unreal Unearth,” which is assembled with great care and high production values. But there’s something frustrating about its bloodlessness, the fact that its songs never seem to carry you emotionally the way they’re meant to.

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

ARTS CALENDAR

HAPPENINGS FOR THE WEEK OF AUGUST 22

By WSJ Arts in Review Staff

Film

“Bottoms” (Aug. 25)

A pair of sexually and socially frustrated high-schoolers come up with a novel plan to lose their virginity and gain a few friends by starting their own version of Fight Club. That plan takes a beating through a series of mishaps in this Elizabeth Banks-produced teen comedy starring Ayo Edebiri and Rachel Sennott and directed by Emma Seligman (“Shiva Baby”).

“Golda” (Aug. 25)

Helen Mirren stars as Golda Meir in Guy Nattiv’s biopic about Israel’s first and only female prime minister.

“The Hill” (Aug. 25)

Angelo Pizzo, who wrote “Hoosiers” and “Rudy,” teams with Scott Marshall Smith on the screenplay for this baseball biopic about Rickey Hill, who overcame a physical disability and tried out for the majors. Colin Ford stars as Rickey, with Dennis Quaid and Joelle Carter playing his parents.

TV

“Ahsoka” (Disney+, Aug. 23)

The “Star Wars” universe continues to expand with this spinoff of the hit “Mandalorian” series. Rosario Dawson returns to the franchise as the titular character, a former Jedi and onetime apprentice to Anakin Skywalker who is now looking into a new disturbance in the galaxy after the fall of the Empire. Other stars include Lars Mikkelsen, David Tennant and Mary Elizabeth Winstead.

“Who Is Erin Carter?” (Netflix, Aug. 24)

Evin Ahmad stars as a British teacher whose idyllic life in Barcelona is shattered when she’s trapped in an armed robbery and one of the perpetrators claims to know her—and the past she’s been hiding.

Theater

“A New Brain” (Boyd-Quinson Stage, Pittsfield, Mass., through Sept. 10)

Barrington Stage Company, in association with the Williamstown Theatre Festival, presents William Finn’s musical (with a book by him and James Lapine) about a children’s TV-show composer who has a sudden medical episode that lands him in the hospital, where he reflects on life and music all while being dogged by a fictional frog from the show for which he works.



▲ Nashville punk band Be Your Own Pet

Music

Be Your Own Pet, “Mommy” (Aug. 25)

Garage outfit Be Your Own Pet returns with its first studio release after a 15-year hiatus. Three founding members—Jemina Pearl Abegg (vocals), Jonas Stein (guitar), and Nathan Vasquez (bass)—team with longtime drummer John Eatherly for the comeback album out on Third Man Records, the label headed by Jack White, Ben Blackwell and Ben Swank.

Opera “The Barber of Seville” (The Ford, Los Angeles, Aug. 25)

Pacific Opera Project stages a time-shifted version of Rossini’s classic, moving the drama to modern-day Hollywood where a

pop star just out of rehab grapples with her power-hungry manager while others among the glitterati clamor for her heart.

Art

“Eternal Medium: Seeing the World in Stone” (Los Angeles County Museum of Art, through Feb. 11, 2024)

Looking at the special role stone has played in artists’ imaginations, this show collects 125 objects from as far back as c. 2200-1800 B.C. to the present, juxtaposing works in stone with

similar pieces in other media to reveal how the unique characteristics of the material—its natural beauty, permanence and availability—have led creators to approach it in an incredible variety of ways.

Last Call

“Orfeo” (Crosby Theatre, Santa Fe, N.M., closes Aug. 24)

Santa Fe Opera presents Claudio Monteverdi’s opera of the classic love story between Orfeo and Euridice in a new production by Yuval Sharon and orchestration by Nico Muhly that in the words of our critic “retained its 17th-century impulse in a new guise.”

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

The WSJ Daily Crossword | Edited by Mike Shenk

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- 27 Made of a sturdy wood
- 30 Suvari of “American Pie”
- 32 Not quite straight downward, on a map: Abbr.
- 33 Brother, in Bretagne
- 34 Animation frame
- 35 Small stream
- 36 Athol Fugard’s “A Lesson From ___”
- 37 Really dazzle
- 38 Its last chapter begins “Reader, I married him.”
- 39 Art workshops

FOOL ME ONCE | By Grant Conley

Across	31 Desert havens	54 Not just implied	6 Classic autos	43 CD follower
1 Like a famous office	33 A prankster’s tools to get an explosive reaction	56 Camping goods retailer	7 Parts of hearts	44 Dominating
5 In-your-face	37 Slightly open	57 Sizable snakes	8 Sleepy start	47 Duds
10 2021 Pixar film set on the Italian coast	40 Buck of baseball’s Negro Leagues	59 Made a choice	9 Doofus, in Canadian slang	48 Playground place for two
14 Evening, in ads	41 Natural manner	60 Looked over	10 Lucy of “Kill Bill”	49 Number after a +
15 “Likewise”	42 A prankster’s tool to make a splash	62 See 50-Across	11 Like Nemo’s travels	51 Shelf space saver, in a way
16 Privy to, as a joke	45 Start of el Año Nuevo	64 Flubs	12 Joint proprietors	52 A real drag
17 A prankster’s tools to make you squirm	46 Cariou of “Blue Bloods”	65 Concluding bit of music	13 “Green Gables” girl	53 Stylistic sense
19 Thick Japanese noodles	47 Simile center	66 Turkmenistan neighbor	18 Asian capital	55 Prankster’s favorite month
20 Addis ___	50 With 62-Across, a key component of any good prank, and a hint to the beginnings of the prankster’s tools herein	67 For fear that	24 Beat	56 Stagger
21 Wave shape		68 Weak—(timid)	26 Ad ___	58 Completely convinced
22 Female in a flock		69 Salacious		61 Summer hrs.
23 Agency customer				63 Piston connector
25 A prankster’s tool to elicit a scream				
28 Tally of toes				
29 Resistance unit				

Previous Puzzle’s Solution

B	A	M	A	T	A	Z	I	C	I	C	L	E
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► Solve this puzzle online and discuss it at WSJ.com/Puzzles.

SPORTS

JASON GAY

Coco Gauff Is Crushing It

Still just 19, the American phenom enters the U.S. Open amid a breakthrough month of winning



The Next Big Thing in Tennis is a heavy title. Sure, it seems enviable: endless youth and potential, but charging hard in the rear view mirror is expectation, accompanied by its annoying cousin, impatience. Everyone knows this ruthless sport is cruel to developing talent—if we want to get into all the tennis coulda-shoulda-didn't, we can be here for two days.

I'd rather discuss Coco Gauff, who is really crushing it right now.

You know Coco Gauff. Who doesn't know Coco Gauff? She's 19 years old, but it still feels like the day before yesterday that a 15-year-old Gauff dazzled her way into the fourth round at Wimbledon in 2019. This comet from Florida via Georgia was instantly fixed as the Next Big Thing, whether she wanted it or not. Gauff followed it with a nifty run at the U.S. Open, where she grew emotional after a third round loss to Naomi Osaka, only to have Osaka console her and assure Gauff she was "amazing."

It was hard to disagree. More amazing was surely going to come from Coco Gauff.

Except it takes time, even for the Next Big Things. Tennis careers are mountain climbs without maps, and only a handful ever reach a summit. There are breakthroughs and setbacks, and probably more setbacks, and then maybe—maybe—you get going, it all comes together, and you have the sort of thrilling tennis month that Gauff's currently having.

With the U.S. Open here in a week, Coco couldn't be in a better place. In early August she won the Mubadala Citi D.C. Open in Washington, D.C., then her biggest win she had to date. On Sunday she topped it by winning the Western & Southern Open in Cincinnati—a



Coco Gauff's backhand is among the best in tennis.

high-level WTA 1000 tournament which also saw her topple the World No. 1, Iga Swiatek, in the semifinals.

It's the best stretch of her still-nascent career, coming after a blah Wimbledon which saw her exit in the first round. Earlier this summer, Gauff added the voices of Pere Riba and Brad Gilbert—yes, that Brad Gilbert, the ESPN analyst and former Obi-Wan to Andre Agassi—to her coaching team. She talked cautiously about being in a "rebuilding" period.

Fast job. Is she rebuilt?

"Yes and no," Gauff told me early Sunday evening, a couple of hours after dispatching Karolina Muchová 6-3, 6-4 in the Cincy fi-

nal. "I still have a lot to improve and work on, but I do think the rebuilding is successful so far. I'm trying to build blocks."

The 7-6(2), 3-6, 6-4 victory over Swiatek felt like a milestone. Here was a No. 1, fearsome on hard courts, who had beaten Gauff all seven times they played. Gauff could have folded in the first set tiebreak, but didn't. She could have folded after Swiatek roared back to win the second set, but didn't. Gauff could have folded when she started biffing her first serve in the deciding set, but she dug into all of her tools, held firm, and knocked off the celebrated champion for the first time.

"It means a lot," Gauff said of

beating Swiatek. "I never wanted an easy win against her. I knew she was going to be tough, I knew I was going to be pushed to the limits. I was just trying to push her, too, and I was able to execute."

Now ranked No. 6 in the world, her serve and backhand among the sport's best, Gauff has been homing in on the endless mental aspects of tennis, the intangibles that often make the difference in late rounds. She has been doing this in person a lot: sitting court-side, watching other top players, noting behavior between points, trying to pick up an edge.

"One player who was really in my head was Carlos Alcaraz," said Gauff, referring to the 20-year-old

men's World No. 1, who wound up losing a sweaty, three-set epic to Novak Djokovic later Sunday. "This week, he [wasn't] playing well in his first sets, but the mentality was still there."

"I watched his [semi] against [Hubert] Hurkacz and he was smiling, even though he was down a set," she continued. "I can try to replicate that. I'm not going to ever be Carlos, but I'll try my best to learn from it." (Gilbert, reached via text, praised Gauff as "humble" and "extremely hardworking," and said she has been open to in-game coaching and adjustments.)

Now comes the U.S. Open, and all the attendant hype, especially for American hopes like Gauff and World No. 3 Jessica Pegula. I asked Gauff if she believed in tennis momentum, the "hot hand," the idea that success can transfer from tournament to tournament, and she was, well...skeptical.

"Not really, to be honest," she said, laughing.

Of course, winning was preferable. "I would much rather be going into the U.S. Open in the position that I am in now," she said. "At the same time, I'm not gonna let this add more pressure to my run."

Gauff has a knack for elevating at major tournaments. That dreamy 2019 Wimbledon showed an early ability to tune out the craziness, as did Gauff's run to the finals at the 2022 French Open. She will have a noisy crowd, wound up on Honey Deuces, throughout her time in New York City. Fans are aware of what a first major title would mean.

"It's just my dream," Gauff said. "You just try your best and your hardest to fight for that dream."

She should be ready. She's still just 19. But this late summer brilliance has shown: Coco Gauff Isn't the Next Big Thing in Tennis anymore.

She's here.

The Women's World Cup Was a Wake-Up Call For the U.S. Soccer Team

BY RACHEL BACHMAN

Sydney

Four years ago, the U.S. women's soccer team had just won its second consecutive World Cup title. The top scorer on the U.S. pro circuit, the National Women's Soccer League, was Australia native Sam Kerr. And two soccer hotbeds of Europe, Spain and England, had never hoisted a major trophy.

After the 2023 Women's World Cup, all of that has been turned upside down.

The U.S. is hunting for a coach after Vlatko Andonovski resigned following his team's Round-of-16 exit from the World Cup, its earliest ever. Kerr led co-host Australia to the World Cup semifinal—and now stars for Chelsea in England's Women's Super League, rather than play in the U.S. England won last year's European Championship, and on Sunday, Spain beat the Lionesses to win the World Cup.

The tournament unearthed a few stark truths. The U.S.'s decades-long advantage in women's soccer has vanished. Teams stocked with NWSL players underperformed. And the sleeping giants of European women's soccer have roared to life.

American soccer leaders have several problems to address to keep pace, and they have a destination and deadline: Paris for next summer's Olympics, where the U.S. hasn't won gold since 2012.

"I know people are saying, 'Don't hit the panic button,' but this is kind of a big deal," retired U.S. forward Carli Lloyd said. "I just think that there's been things that have kind of been going on for too long and now it just got revealed on the biggest stage."

One problem is that the pool of viable teams that can compete at this level has grown rapidly while the U.S. treads water.

The U.S. and Germany, ranked No. 1 and No. 2 in the world, were

knocked out before the quarterfinals. Women's World Cup debutante Morocco reached the knockout stage. Colombia, which a decade ago went nearly 600 days with no scheduled games due to a lack of support, reached the final eight and gave England a fight before losing, 2-1.

Meanwhile the technical skill of top teams took a leap. Spain completed 86% of its passes in the final, a showcase of precision. Shooting accuracy was nearly 44%, the highest since Stats Perform started keeping detailed figures in 2011.

Goalkeepers, formerly a weak point of the women's game, were spectacular. They allowed just 2.56 goals total per match compared with 3.84 in 1999, and prevented nearly 14 more goals than what was anticipated under Stats Perform's expected-goals-on-target model. In 2015, Women's World Cup goalkeepers allowed nearly three more goals than expected.

That was all despite a 33% expansion of the World Cup field to 32 teams, which some thought would lead to more blowouts.

Spain and England showed that strategic investment and expert training can build great national teams—and overcome the U.S.'s numbers advantage. The 1970s federal Title IX law banning gender discrimination in schools that spurred the creation of thousands of girls' and women's teams gave the U.S. a huge head start in soccer.

But instead of re-creating that sprawling foundation, the best teams at the World Cup have sharpened the top of their soccer pyramids into dangerous weapons. The result: Spain and England, which scared but couldn't topple the U.S. in the 2019 Women's World Cup, this time beat it at its own games: scoring and depth. Nine different players scored for La Roja—the same number as the U.S. in its 2019 title run. Spain, England and the U.S. all absorbed



Spain's Salma Paralluelo, left, won the Best Young Player award at this year's Women's World Cup.

key player losses in the past year but only the first two marched on.

Spain has 85,000 registered women's soccer players, 1/20th of the U.S. total. But lately, the increased investments in the women's game by powerhouse men's clubs Barcelona and Real Madrid has created top training environments—including by attracting some top players from England, Sweden and elsewhere.

England, too, has about one-seventh of the U.S.'s 1.7 million registered female players. No matter. The WSL, funded in part by the riches of the men's Premier League, trained 20 of England's 23 World Cup-rostered players.

Among women's professional leagues, the U.S. used to be a talent importer, as players like Kerr and England's Rachel Daly migrated to the NWSL. While the league still attracts a few top players from overseas, Kerr, Daly and others have decamped to the WSL, which pays top players more than the NWSL does.

Of the four teams that made the World Cup semifinals, just two players came from the NWSL: Sweden forward Sofia Jakobsson and Australia midfielder Alex Chidiac, neither of whom played sig-

nificant minutes. World Cup teams with the most NWSL players on their rosters—the U.S., Canada and Brazil—all finished lower than their top-10 FIFA rankings.

"We've got to make ourselves so attractive, people don't want to go anywhere else," said Jill Ellis, president of the NWSL's San Diego Wave FC and a two-time Women's World Cup-winning coach for the U.S. The NWSL's recent move to allow talented teenagers to sign with teams was a good start, Ellis said, but she added that more can be done.

In response to emailed questions, NWSL commissioner Jessica Berman said the league is the most competitive in the world. The gap in points between the top and bottom teams last year was 27, compared with 47 in England and 64 in Spain.

"Our owners have spent much of the last year evaluating strategic options available to ensure we retain and recruit the best players in the world, and I have no doubt we will take the necessary steps to continue to level up the game," Berman said.

There is more trouble one step below the pro level in the female pipeline, on the U.S.'s youth na-

tional teams. The U.S. has never won a U-17 Women's World Cup, which launched in 2008. After winning three of the first six U-20 Women's World Cups, the U.S. hasn't won one since 2012.

In 2019, with the U.S. in the midst of that slump, U.S. Soccer asserted that youth national team coaches had to live in the federation's headquarters city of Chicago despite the fact that there is no training center there. Some coaches left, and for a time, a majority of the U.S.'s male and female youth national teams lacked head coaches.

At the time, a U.S. Soccer spokesperson said, "While this may not be ideal or desired for certain individuals, we felt strongly that it was the best decision for improving our collective performance and the long-term benefit for the Federation."

One country has dominated recent editions of female youth tournaments: Spain. As he celebrated winning the World Cup after Sunday's final, senior national team coach Jorge Vilda said that women's soccer in the country was already growing quickly.

"I'm sure that now it's going to explode," he said.

OPINION

David Weiss Should Resign



MAIN STREET
By William McGurn

In a better world, there would be no special counsels. Though not as constitutionally pernicious as independent counsels, special counsels come with some of the same conceits—namely the idea they enjoy some magical independence from the president. But if a special counsel must be inflicted, David Weiss is uniquely unfit for the job.

Mr. Weiss, the Delaware U.S. attorney, has been investigating Hunter Biden's overseas business dealings. While there have been calls for a special prosecutor for years, Attorney General Merrick Garland

The Delaware U.S. attorney should never have been named special counsel.

named Mr. Weiss special counsel only this month, shortly after Mr. Weiss was publicly humiliated in a federal courtroom by the implosion of the plea deal he reached with Hunter Biden. The deal collapsed because prosecutors were unable to defend it when the judge asked some basic questions.

Here's the dilemma: The plea deal is only the latest favor to Hunter. Arguably bigger was allowing the statute of limitations to lapse on offenses from 2014 and 2015 (think Burisma). If Mr. Weiss

now comes back and charges Hunter with more-serious offenses, the obvious question will be: Why was he willing to go along with a sweetheart plea deal in the first place?

By the Justice Department's own measures, moreover, Mr. Weiss is a brazen pick. "The Special Counsel," the rules state, "shall be selected from outside the United States Government." An outside prosecutor is needed because the whole grounds for a special counsel is that Justice has a "conflict of interest"—in this case, prosecuting the son of the attorney general's boss, the president. Mr. Weiss's own conflict is even more glaring.

"The real problem is the conflict Weiss has in investigating himself," says David Rivkin, a constitutional lawyer who has served in the Justice Department and White House counsel's office.

"He must investigate whether there was an earlier effort to obstruct the Hunter investigation, and he cannot do so because he was either involved in this obstructive activity or at least was a material witness to it."

This includes questions about Weiss deputy Lesley Wolf. Two Internal Revenue Service agents testified how she undercut their investigation, once by tipping off Hunter's team about a storage locker they planned to search. The New York Times just reported, without irony, that Ms. Wolf enjoyed a "rapport" with Hunter's top defense lawyer. I'm sure she did.

The attorney general can waive the requirement that the special counsel come from outside the government, as Mr. Garland did here. But the



U.S. Attorney David Weiss

choice of Mr. Weiss undermines rather than restores public confidence. Whenever he's been asked about powers he had or sought, Mr. Weiss has given carefully parsed statements that raise more questions than they answer.

Count Andrew C. McCarthy among the skeptical. The former assistant U.S. attorney again points to Mr. Weiss's failure to indict Hunter on charges dating from when Joe Biden was vice president. The appointment, he says, is a "joke"—but makes sense if you think it's just the latest effort to make any substantive charges go away.

"Weiss has all along complacently acted as the vehicle by which the Biden Justice Department protects the president, and thus the president's son, from a credible investigation," Mr. McCarthy writes in National Review.

In the most charitable interpretation of the obstruction to which the whistleblowers testified, Mr. Weiss was a decent guy who tried to do his job but ran into political interference at every turn.

But if Mr. Weiss believed his

Justice Department superiors were making it impossible to do his job, the honorable response wasn't to stand aside and let them have their way. It was to resign, and explain publicly why he did so. It would still be his most honorable course.

On Friday at Camp David, President Biden was asked for his reaction to the special counsel appointment. Right on cue he said, "I have no comment on any investigation that's going on." As many predicted, the special counsel gives Joe Biden cover to refuse to answer any questions.

The Republicans who've been calling for a special counsel have themselves to blame. But holding Hunter criminally liable for his actions isn't the real challenge. It's bringing political accountability by letting the public know whether the Justice Department was tipping the scales for the president's son, and by exposing the full extent of Joe Biden's involvement as vice president with his son's business partners.

Rep. James Comer, notably, wasn't among the Republicans calling for a special counsel. Instead, he has used his Oversight Committee to force into the open material the Biden White House would prefer remain buried. A proper use of congressional powers—subpoenas, contempt resolutions, impeachment inquiry—is still the best path to the transparency necessary to restore public trust.

No one should look to Mr. Weiss for a political resolution. But we still might get it from Congress, as frustrating and tedious as the oversight process can be.

Write to mcgurn@wsj.com.

BOOKSHELF | By Belinda Lanks

It All Adds Up

Empire of the Sum

By Keith Houston

(Norton, 374 pages, \$32.50)

In 1976, Steve Wozniak sold his HP-65 programmable calculator for \$500 to start a computer company with Steve Jobs. It wasn't a huge sacrifice. As a calculator engineer at Hewlett-Packard, he knew that the HP-67 was on its way and, with his employee discount, he could buy one for \$370. His more highly prized gadget was the HP-35—the world's premier scientific calculator and his inspiration for going to work at HP in the first place.

The HP-35 was a technological wonder. Until its appearance in 1972, pocket calculators performed only addition, subtraction, multiplication and division. The \$395 HP-35 packed advanced functions like logarithms, sines and cosines into a relatively affordable, user-friendly package. Suddenly a computer's worth of power could fit into anyone's pocket. In "Empire of the Sum: The Rise and Reign of the Pocket Calculator," Keith Houston surveys the engineering advances that led to that moment and the human drive to solve equations faster and smarter.

Mr. Houston, whose previous books explored punctuation and symbols ("Shady Characters," 2013) and the history of books ("The Book," 2016), begins by looking back to when humans started counting using the tools at our immediate disposal: our fingers.

The earliest archaeological evidence of counting is a baboon fibula incised with notches indicating the number of whatever its owner wanted to track. That 42,000-year-old tally stick, discovered in 1973 in a cave near South Africa's border with Swaziland, "marks the point at which we began to delegate our memories to external devices," Mr. Houston writes.

As civilizations progressed, they moved on from anatomical calculators, conferring numerical values to objects. The Sumerians, for instance, developed tokens whose varied shapes and sizes corresponded to smaller or larger quantities. But the biggest leap forward was the abacus, the first purpose-built calculator, invented in Mesopotamia or Greece between three and five millennia ago. The abacus made solving complicated equations possible, but getting results still required mental gymnastics.

Some shortcuts finally arrived in the 17th century courtesy of John Napier, a Scottish landowner, astrologer and mathematician. His invention: logarithms, a quick means of multiplying or dividing numbers through addition and subtraction. Not long after he published his revelation in 1614, logarithms became the basis for at least two important physical tools. Edmund Gunter placed them on a wooden rule to help seafarers with navigational calculations. Then William Oughtred produced his easier-to-use linear sliding rules, which, with a few later modifications, became the trusty and enduring slide rule.

As some mathematicians sought to simplify equations, others tried to automate them. Blaise Pascal was the first, in 1645, to build and sell a mechanical adding machine. Using gears similar to those of a clock, his Pascaline was an elegant metal box featuring windows for displaying a running total. Unfortunately, it didn't do much more than add whole numbers, and its cost made it inaccessible to most. Over the next 200 years, more machines with greater functionality were introduced, the most important of which was Charles Xavier Thomas's mid-19th-century arithmometer. None, however, would be as convenient or portable as a slide rule—until the Curta, a pepper mill-like mechanical gadget designed by the Austrian engineer Curt Herzstark during World War II.

The 1970s launched the era of calculator mania. Today pocket calculators are everywhere and nowhere at once.

In a book that's long on technical details and short on compelling anecdotes, Mr. Houston's profile of Herzstark is a notable highlight. As a salesman for his family's factory manufacturing unwieldy calculators, Herzstark heard his customers' calls for a truly portable machine. Not long after Herzstark hatched the idea for one, however, German troops annexed Austria. As the son of a Jewish father and Christian mother, Herzstark was sent to Buchenwald. There he supervised a factory of inmates fabricating rocket parts and repairing looted calculating machines. As Herzstark later recounted, his manager urged him to pursue his Curta side project, promising: "If it is really worth something, then we will give it to the Fuhrer as a present after we win the war. Then, surely, you will be made an Aryan." When Buchenwald was liberated in April 1945, Herzstark took his blueprints with him and eventually produced the Curta. It was a palm-size engineering marvel but a commercial failure.

The rest of Mr. Houston's intermittently fascinating account is a creation story of tech breakthroughs begetting first-of-their-kind digital calculators. For a moment, relays made their way into calculators. The less finicky vacuum tube enjoyed an even briefer moment. Transistors then hit the scene, as showcased in Olivetti's 1965 flagship Programma 101. The Italian typewriter manufacturer was already renowned for its design excellence, and the P101 programmable megacalculator was no exception. It was the first user-centric desktop PC, and were it not for a series of business missteps, Olivetti might have beat Apple to the punch.

The year the P101 launched, Texas Instruments decided to enter the calculator market with its big innovation, the microchip. The company had industrial and military customers for its chips, but to expand demand it needed to sell them to consumers. The idea: an electronic calculator that could fit in one's pocket. The resulting prototype didn't quite live up to expectations—it was the size of a paperback and weighed 3 pounds—but it laid the groundwork for the smaller, lighter gadgets to come, notably Basicom's first truly pocketable calculator in 1971 and Hewlett-Packard's HP-35 in 1972. The era of calculator mania had begun, and throughout the late '70s and '80s calculators were everywhere, as standalones and as combinations with other electronics, including clock radios, digital watches and even synthesizers.

The pocket calculator's heyday would be brief compared with that of the slide rule it replaced. Even scientific calculators grew cheaper and profit margins waned. HP, despite Mr. Wozniak's pleas to build a personal computer, refused to take the risk, only to see calculators absorbed into PCs, palmtops and, finally, smartphones. The pocket calculator sublimed, becoming "everywhere and nowhere at once," Mr. Houston writes. "The calculator is dead; long live the calculator."

Ms. Lanks is a New York-based editor and writer.

Power Matters More Than Diplomacy



GLOBAL VIEW
By Walter Russell Mead

Are we in a new Cold War, and if so, who is winning? As policy makers wrestle with the consequences of the sharpening geopolitical rivalry between the U.S. and its allies and partners on the one hand and the Sino-Russian-Iranian axis on the other, there is not a lot of consensus about the nature of the conflict. For some, we are engaged in a new Cold War. Others warn that the current situation is so different from the long struggle with the Soviet Union that the Cold War label doesn't fit.

This is a tempest in a teapot. Call it Cold War II, call it a global Game of Thrones, call it a new era of geopolitical competition. Whatever we call this thing, our goal must be the same that we had in the Cold War: to preserve the American way of life and the security of our allies without triggering nuclear war. But the world situation is more complicated today than it was in 1948, and the U.S. and China have economic ties that we never had with the Soviet Union. Our approach to the contest will have to take these complexities into account. Competition over resources like rare-earth metals, competition in cutting-edge technologies, competition in space, al-

liance building, military power projection—these are all part of the larger struggle.

It's harder to see who is winning. In the realm of diplomacy, the U.S. for the moment seems to be running rings around its opponents. Last week's trilateral leaders' summit among the U.S., Japan and South Korea was an unqualified success. Driven by mutual concerns about China's growing military might and diplomatic assertiveness, the two most important technological and economic powerhouses of Northeast Asia have, at least for now, buried the hatchet to work more closely with the U.S.

China responded to the summit with fury. Promoting hostility between Japan and South Korea has long been a Chinese priority. That looks increasingly difficult as South Korean public opinion reacts to Beijing's aggressive diplomacy—and its support for North Korea. According to the Pew Research Center, 77% of South Koreans in a recent survey expressed unfavorable attitudes toward China and 79% had favorable views of the U.S. Attitudes toward Japan are changing, with South Koreans under 30 significantly more open than their elders to deepening relations. With China and Russia backing North Korea, Seoul seems likely to continue looking to the U.S. and Japan for defense in its dangerous neighborhood.

There was other bad news for China last week as its economic outlook worsened. With the real-estate bubble seemingly imploding, local governments awash in debt, and sky-high youth unemployment, analysts are ratcheting down their expectations of Chinese growth, and some believe that the size of China's economy will never surpass that of the U.S.

It is time to inject some realism into the post-Cold War era of geopolitical rivalry.

Yet Beijing continues to advance. It is building an airstrip on an island it seized from Vietnam. Work on a naval base in Cambodia that could accommodate one of China's new aircraft carriers moves steadily forward. China's grip on the oceans and skies around Taiwan is tightening as Beijing steps up military exercises in response to Taiwanese Vice President Lai Ching-te's recent "transit stops" in the U.S.

We can see something similar in Ukraine. The Biden administration has triumphed in the salons but fumbled on the field. It has built an extraordinary diplomatic coalition to support Ukraine, but the clinking of champagne glasses and the cascade of communiqués

can't conceal the reality of stagnation on the ground. Russia has not only, for the time being, frustrated Ukraine's much-anticipated counteroffensive. The Wagner Group, beleaguered at home though it may be, has successfully extended Russian influence across Africa even as it helps Bashar al-Assad consolidate his position in Syria.

This is all too reminiscent of American policy in Afghanistan, where for years American diplomats dotted all the i's and crossed all the t's, coordinated a complex international coalition, pursued a political and military agenda ranging from counterinsurgency to women's empowerment, and outclassed the Taliban's feeble efforts at tasks like economic development—only to suffer humiliating defeat at the end.

During the post-Cold War decades when American power was largely uncontested around the world, too many American policy makers forgot that our adversaries are impressed by our will and power rather than our virtue or diplomatic dexterity. Franklin D. Roosevelt understood that it didn't matter how many inspiring ideas went into the Atlantic Charter or how brilliant the design of the Bretton Woods monetary system was if the U.S. and its allies couldn't defeat Germany and Japan on the ground.

We need to recover that realism today. Diplomacy matters, but power matters more.

Biden Could Learn From Bush After Katrina

By Tevi Troy

President Biden plans to visit Maui after an unusual bout of media criticism. Usually friendly journalists chastised him for five days of silence on the recent wildfires, which have killed at least 114; more than 1,000 are missing. The Washington Post noted a "rare period of public dispassion from Biden."

The scenario is reminiscent of the one George W. Bush faced 18 years ago during Hurricane Katrina, which devastated New Orleans and the Gulf region. Mr. Bush was vacationing at his Crawford, Texas, ranch. He initially didn't go to New Orleans, citing the legitimate excuse, also used by Biden officials, that presidential visits require first responders to divert resources from rescue efforts to presidential logistics and security.

Mr. Bush did, however, return from Crawford to Washington. On that trip, he flew over the affected area for 35 minutes. The resulting picture of him looking down on New Orleans but not stopping there was one of the worst images of his presidency.

His predecessor shows that the work doesn't end with one visit.

Mr. Bush clearly botched the initial response to the disaster. A president gets one shot to show compassion, and Mr. Bush missed it.

Less remembered is the care Mr. Bush showed the area after his initial flight. He visited the area repeatedly. When he went to commemorate the first anniversary of Katrina, it was his 13th visit

to the region since the hurricane struck. First Lady Laura Bush joined her husband, her 14th trip to the area.

The administration directed significant resources to the region as well—\$140 billion on recovery. In the aftermath of the hurricane and the institution of a charter-school program and other school reforms in New Orleans—Mr. Bush had insisted that the system not only be rebuilt but improved—city graduation rates grew to 78% in 2021 from 56% in 2005. Mrs. Bush's foundation also created a Gulf Coast School Library Initiative that gave nearly \$6.5 million in grants to 124 Gulf Coast schools, which used them to rebuild libraries affected by hurricanes Katrina and Rita.

This was in some sense a penance. In his memoir, Mr. Bush lamented that the "legacy of fall 2005 lingered for the rest of my time in office."

OPINION

REVIEW & OUTLOOK

The EV Bubble Starts to Deflate

It's ironic, to say the least, that the U.S. is seeking to imitate China's economic model at the moment that its industrial policy fractures. Look no further than its collapsing electric-vehicle bubble, which is a lesson in how industries built by government often also fail because of government.

Tesla last week slashed its prices in China to boost sales in an oversaturated EV market. In July Tesla and other auto makers in China agreed to stop their EV price war, only to scrap the cease-fire days later owing to government antitrust concerns. While lower prices may benefit consumers, auto makers in China are bleeding red ink and going bust.

A plethora of Chinese EV start-ups launched in the past decade, fueled by government support, including consumer incentives and direct financing. Auto makers churned out EVs to suck up subsidies. Giant property developer Evergrande Group launched an EV unit as its real-estate empire began to implode, but now the EV unit is foundering too.

About 400 Chinese electric-car makers have failed in the past several years as Beijing reduced industry subsidies while ramping up production mandates. Scrap-yards around China are littered with EVs whose technology has become outdated, redolent of its unoccupied housing developments created by government-driven investment.

Beijing recently extended an EV sales-tax exemption to soften the industry's problems. Auto makers are nonetheless having to slash prices to sell cars they are required to make, which is eroding margins. China's EV mandate is similar to those imposed by California and the Biden Administration and especially punishes the West's traditional fossil-fuel auto makers.

Volkswagen's joint-venture in China this month announced up to \$8,200 in incentives for its electric ID.6 X model. GM Chevrolet dealers in China are discounting EVs by more than 25%. Although EVs now make up a third of auto sales

in China, supply still far exceeds demand. This gap will likely grow as Chinese consumption weakens.

Biden is imitating China just as its industrial policy starts to crack.

As with real estate, Chinese government support inflated EV investment and misallocated capital that could have been put to more productive uses. Now comes the destruction that invariably follows the government creation, which may be a harbinger for the U.S. as the Biden Administration emulates China's EV industrial policy.

Cox Automotive reported this month that EV inventory had swelled to 103 days of supply in the U.S., about double that of gas-powered cars. Auto makers and dealers are discounting EVs to sell their growing supply. The average EV price paid by consumers has fallen 20% compared with a year ago to \$53,438, driven by Tesla's price cuts and dealer incentives.

Ford recently reduced its EV production targets as its losses and unsold inventory grow. At the end of June, it had 116 days of unsold Mustang Mach-Es, and GM's electric Hummer had more than 100 days of supply. And this is in a growing economy.

Traditional auto makers will have to raise prices on gas-powered cars to compensate for their EV losses. A United Auto Workers executive said Sunday that Stellantis is threatening to move production of its Ram 1500 trucks to Mexico from suburban Detroit, no doubt to reduce costs. The EV jobs President Biden touts will come at the cost of union jobs building gas-powered vehicles.

Meantime, EV start-ups are floundering as interest rates climb, and they struggle to scale up manufacturing. Lordstown Motors filed for bankruptcy in June. Nikola Corp. warned this year that it had "substantial doubts" about its ability to stay in business.

Business failures are inevitable in a dynamic economy, but government will be mainly responsible for the destruction that results from its force-fed EV transition—and the damage may only just be starting.

The Threat to Make Joe Biden Testify

Hunter Biden made big money abroad by dropping the name of his powerful father, and the same tactic seems to have nearly helped him to evade tax and gun charges. Correspondence between federal prosecutors and Mr. Biden's lawyer has been leaked to the press, and it shows the depth of the case's political taint.

After news reports last fall suggested federal agents had enough evidence to prosecute, Mr. Biden's lawyer, Chris Clark, decided to bring up the big guy. "President Biden now unquestionably would be a fact witness for the defense in any criminal trial," he wrote to David Weiss, the U.S. attorney for Delaware, according to Politico. "This of all cases justifies neither the spectacle of a sitting President testifying at a criminal trial nor the potential for a resulting Constitutional crisis."

This is clarifying about the kind of pressure that Mr. Weiss was under not to bring a serious case. That isn't all: Through last fall and this spring, Politico adds, Mr. Clark "sought meetings with people at the highest levels of the Justice Department," including "the head of the Criminal Division, the head of the Tax Division, the Of-

ice of Legal Counsel, the Office of the Solicitor General, Deputy Attorney General Lisa Monaco and the attorney general himself."

Most such entreaties failed, but Mr. Clark finally secured an April 26 meeting with Mr. Weiss and Associate Deputy Attorney General Bradley Weinsheimer. "Please advise," Mr. Clark had written to Mr. Weinsheimer, "whether you would be the appropriate person to hear our client's appeal, in the event that the U.S. Attorney's Office decides to charge Mr. Biden."

Emails the next month show Mr. Biden's attorneys working with Mr. Weiss's staff on a deal that would have required no guilty plea by Hunter. That appears to have changed days after IRS agent Gary Shapley went public saying the investigation into Mr. Biden had been hampered by politics. Then Mr. Biden agreed to plead guilty to tax misdemeanors, but with a broad provision for future immunity that eventually fell apart under questioning by the judge.

Mr. Weiss is still on the case, now as a special counsel, but how does Attorney General Merrick Garland possibly think that the public can trust his judgment after this fiasco?

Hunter's attorney said he'd turn any trial into a constitutional crisis.

The EEOC's Abortion Stretch

The Biden Administration has been rewriting decades-old laws to advance its agenda when Congress won't. Now the Equal Employment Opportunity Commission (EEOC) is stretching a new law that Congress passed to protect pregnant workers in a way that will underwrite abortion.

The EEOC recently proposed a rule to clarify employer obligations under the Pregnant Workers Fairness Act, which Congress enacted in December's omnibus spending bill. The law requires employers to provide "reasonable accommodations" for pregnant workers as they must for employees with disabilities.

In *Young v. UPS* (2015), the Supreme Court ruled that Title VII of the 1964 Civil Rights Act protects pregnant workers from discrimination. But the Court's balancing test for determining whether employers intentionally discriminate against pregnant workers by not making accommodations has created confusion for employers and lower courts.

Enter Republican Sen. Bill Cassidy of Louisiana and Pennsylvania Democrat Bob Casey, who sought to clear up the mess with legislation requiring employers to make temporary "reasonable accommodations" for "pregnancy, childbirth, or related medical conditions" as long as they don't impose an "undue hardship" on employers.

Some Republicans worried that the Administration would stretch the law to require employers to make accommodations for women seeking abortions. But Mr. Casey assured them on the Senate floor last December that the EEOC under the law "could not issue any regulation that requires abortion leave." The EEOC now says it can.

Its proposed rule deems abortion a "medical condition" related to pregnancy and child-

birth—ostensibly no different than gestational diabetes and pre-eclampsia. This means employers could be required to provide women time off to get abortions and possibly even pay for travel if their states restrict abortion.

The EEOC doesn't deny this. It merely offers the fig leaf that the law doesn't require employer-sponsored health plans to pay for any treatment or procedure. But that's because employer health plans are separately regulated under the Employee Retirement Income Security Act (ERISA).

After the Supreme Court's *Dobbs* decision, some employers adopted policies providing leave and travel expenses for abortions. That's their choice. Yet the EEOC is rewriting the Pregnant Workers Fairness Act to impose new and potentially costly obligations on all employers with 15 or more workers that Congress never intended. The EEOC also says employers will be required to provide accommodations for menstruation, endometriosis and fertility treatment. Regardless of the merits of such policies, the law Congress passed doesn't require them.

As always, the regulatory burdens will fall harder on smaller businesses. The EEOC says employers that don't provide accommodations may incur legal damages if their undue hardship defense "is based solely on cost or convenience." Employers might not be able to cite costs and scheduling snafus to reject time off for abortions.

The High Court this autumn plans to reconsider its *Chevron* doctrine, which requires judges to defer to regulators when the statutory text is ambiguous. These days, agencies invoke *Chevron* to defend revisions of laws whose text is clear. The EEOC's rewrite of the Pregnant Workers Fairness Act gives the Court another reason to toss *Chevron*.

LETTERS TO THE EDITOR

What if the Slope Really Has Become Slippery?

Now that the Massachusetts bureaucracy has determined that otherwise highly qualified people who are devout Catholics might not be sufficiently "affirming" to LGBTQIA children and are therefore unfit to adopt ("No Catholics Need Adopt" by William McGurn, Main Street, Aug. 15), what is next? Should we prohibit such people from working in child care? In teaching? As social workers? Should merely expressing reservations about immediate medical and surgical transition for children self-identifying as trans be disqualifying?

If you accept the logic of what happened to the Burkes, these are reasonable next questions. I was once inclined to scoff at all slippery-slope arguments, but the recent period of woke ascendancy has given me cause to reconsider.

JOHN NINOMIYA
Sedona, Ariz.

Evidence of one overzealous local official in the eight years since *Obergefell v. Hodges* was decided does not a national crisis make. The Burke family's case has nothing to do with an adult's federal constitutional right to gay marriage in any event. (Recall that same sex marriage was legal in the Burkes's home state of Massachusetts more than 10 years before *Obergefell* was decided.) It seems more about the nuances of how a straight family with traditional religious views would care for an ad-

opted child who turns out to be gay.

That isn't an unreasonable question, with or without *Obergefell*. Presumably, the Burkes would follow their church's teaching that the gay child should be loved and welcomed—and that should be that, as the courts in this unfortunate case no doubt will determine. Meanwhile, there is no need to stoke the culture wars.

PROF. DAVID W. OPPERBECK
Seton Hall University Law School
Newark, N.J.

Kudos to the Massachusetts Department of Children and Families for denying Michael and Kitty Burke the ability to adopt. Studies have repeatedly shown that unsupportive parents to LGBTQ children cause significant, lifelong mental duress that can lead to suicide. That 21% of Generation Z identify as LGBTQ, a considerable minority that is likely underreported, implies a greater than 1 in 5 chance that the Burkes would welcome an LGBTQ child into an inhospitable home.

More than 70% of Americans believe gay or lesbian relationships are morally acceptable. Why risk an adoption by the minority who don't support LGBTQ rights? Thank you, Massachusetts, for again setting a precedent against LGBTQ discrimination under the guise of morality.

STEPHEN O. KOVACS, M.D.
Brighton, Mass.

Making Life Easier for Bad, Costly Regulations

James Broughel is correct to argue that a new White House guidance is trying to weaken economic assessments of regulations ("Biden Knocks Opportunity Cost," op-ed, Aug. 11). I saw up close how the sausage is made for such assessments and strongly recommend an overhaul by Congress of the process.

The Office of Information and Regulatory Affairs within the White House oversees cost-benefit assessments of new regulations. The Biden administration is proposing changes that will make it easier for OIRA to clear bad regulations for which costs exceed benefits. The guidance continues a history of enabling bad regulations to sail through cost-benefit tests by ignoring past executive orders that spell out appropriate procedures.

The nonenforcement of these existing executive orders allows misguided politics to drive new regulations with confirmatory cost-benefit assessments added as an afterthought to rubber-stamp the bad rules. The costs

counted in these assessments are often only those mandated by the Paperwork Reduction Act of 1980. But these paperwork costs are often ignorable compared with the total economic harm imposed by regulations such as Covid rules, energy mandates or price controls. It's like counting the costs of your taxes only by the time it takes to file them, ignoring the money you send in.

The House Oversight Committee should enforce adherence to the existing executive orders, and Congress can institute better evaluations of its own mandates. The budget office scores only budget effects of regulations, not their full economic effects. For example, the harm from reduced innovation caused by recent price controls on drugs are magnitudes larger than the CBO-scored budget savings.

TOMAS J. PHILIPSON
Chicago

Mr. Philipson was acting chairman of the White House Council of Economic Advisers, 2019-20.

Don't Let Biden Make 2024 All About Trump

Regarding your editorial "Indictment Four: Trump as Racketeer" (Aug. 16): I voted for Donald Trump twice. I liked his policies. I didn't like his demeanor, and still don't. Would he make a better president than Joe Biden? Of course. If it is Trump vs. Biden, I will vote for Mr. Trump. But I am hoping and praying that Mr. Trump will rise

to the level of a true statesman and withdraw from the Republican primary to let another candidate bring an end to the Biden presidency.

Making this election all about Mr. Trump is bad for Republicans and the country. We could easily end up with four more years of the incompetence, senility and influence scandals of the Biden administration, or a country even more divided.

Mr. Trump, go fight and win your legal battles and let the other fine Republican candidates put Mr. Biden out to pasture. Your country needs you to be a statesman. Can you do it, or is it all about you?

JIM RUSHFORD
Sacramento, Calif.

Weiss Decided He Needed Special-Counsel Status

Both your editorial "A Not-So-Special Counsel for Hunter" (Aug. 12) and the responses from readers (Aug. 17) seem to miss the essential element of Attorney General Merrick Garland appointing U.S. Attorney David Weiss as special counsel: Mr. Weiss asked for it. On multiple occasions, Mr. Garland publicly stated that should Mr. Weiss request special-counsel status, it would be granted. Then, in announcing the special-counsel appointment, Mr. Garland said that Mr. Weiss had decided he needed special-counsel status after reaching an impasse in the investigation because of the failed plea agreement, and therefore he got it. Mr. Garland, right, wrong or indifferent, was simply following through on his publicly stated commitment.

MATT ELBERT
Houston

All the Books I'd Never Read

Regarding Robert Frazer's "My Experiment With Audio" (Letters, Aug. 16): I take a long walk every day, during which I've listened to audiobooks of Shelby Foote's massive Civil War trilogy, Rick Atkinson's trilogy on World War II in Europe and North Africa and Ian Toll's trilogy on the Pacific front. I doubt I'd have had the patience to get through them all in print. Without audiobooks to keep me from getting bored, I doubt I'd even take those daily walks.

TED KLEIN
New York

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

Indictments Change Nothing

It makes little difference to me how many charges are filed against the former president ("The Trump Indictments' Price" by Daniel Henninger, Wonder Land, Aug. 17). I can neither forget nor forgive the haphazard withdrawal from Afghanistan, the unnecessary sacrifice of 13 military service members and President Biden's reading his wristwatch as the coffins were ceremoniously removed from the transport plane. I will vote for the Republican whether the candidate is under indictment or not.

JACK KENESEY
Palatine, Ill.

Pepper ... And Salt

THE WALL STREET JOURNAL



"For the younger officers we use stickers."

OPINION

GOP Candidates Need to Talk About China

By Mike Gallagher

During the final debate of the 2012 presidential campaign, President Barack Obama mocked Mitt Romney for calling Russia, not al Qaeda, the greatest geopolitical threat to the U.S. The media swooned after Mr. Obama quipped: “The 1980s are now calling to ask for their foreign policy back because, you know, the Cold War’s been over for 20 years.” As war rages in Ukraine, Mr. Romney’s answer looks prescient and Mr. Obama’s critique petty. Yet in truth, both men were wrong.

America’s greatest geopolitical threat, then and now, is the Chinese Communist Party. Under Hu Jintao the party had already launched a new cold war against the West in 2012, initiating the Scarborough Shoal crisis as part of its systematic militarization of the South China Sea. The Chinese were also stealing hundreds of billions of dollars in American intellectual property and trade secrets in what National Security Agency Director Keith Alexander called “the greatest transfer of wealth in human history.” If you had asked Mr. Hu or his predecessors to name the biggest geopolitical threat

facing China, they wouldn’t have hesitated to say the U.S. Since 2012, the Communist Party threat has grown more acute, as has the risk of war with China over Taiwan, a war that has the potential to make previous world wars look restrained.

Yet how the U.S. deters war with China in the short term and wins the new cold war in the long term has received little attention as a 2024 campaign issue, in part because of publicity surrounding the endless stream of indictments against Donald Trump. The country needs a real, substantive presidential debate on China policy. The Republican candidates who show up in Milwaukee this week have an opportunity to differentiate themselves on the threat from China.

Americans need to know where they stand on at least three pressing issues. First, TikTok, which is controlled by the Chinese Communist Party, is close to becoming the dominant media company in the U.S. This is untenable. Imagine if in 1961, right before the Cuban Missile Crisis, we had allowed Pravda and the KGB to purchase the New York Times, the Washington Post, ABC and NBC. The Biden administration withdrew Mr. Trump’s August 2020 executive order banning TikTok.

Legislative action has stalled in part because the company has spent millions lobbying Congress. The debate moderators should ask candidates whether they would ban TikTok, and how exactly they intend to succeed where prior efforts failed.

Second, as a recently launched investigation by the House Select Committee on Strategic Competition between the U.S. and the Chinese Communist Party has revealed, Wall Street is funneling U.S. capital into Chinese companies on at least six

The 2020s are now calling for a new foreign policy to deal with a cold war that’s been going on for a decade.

different U.S. government blacklists. Americans’ retirement plans may well be funding Chinese stealth jet fighters, aircraft carriers, artillery shells and even advanced nuclear technology. The Republican Party is divided on how to regulate outbound capital flows, with some favoring few restrictions or simple transparency measures and others arguing to force state and local pension funds and

university endowments to stop investing in China. The presidential candidates should be asked: How can we stop Wall Street from putting American service members in danger, subsidizing our own destruction, and funding the Communist Party’s genocide in Xinjiang?

Third, how can we prevent World War III? Congress has made building a 355-battleship Navy “as soon as practicable” official U.S. policy. Yet the Biden administration’s plan would cut the Navy to 280 ships by 2027, the date Xi Jinping has told his military to be ready to take Taiwan. The American military is also now dealing with an unprecedented recruiting crisis. Meanwhile, Beijing has embarked on the largest peacetime naval buildup in history. China now boasts the largest fleet in the world and is on track to field a 400-ship navy by 2025. Mr. Xi has repeatedly stated his desire to take Taiwan “by force if necessary.” Perhaps the most important question any debate moderator can ask: What will the candidates do to deter Mr. Xi from invading Taiwan in the near term and to rebuild the U.S. military in the long term?

The best policies to address the Chinese Communist Party’s threat to the U.S. and promote peace in the

Indo-Pacific will determine who passes the commander-in-chief test. For Republican candidates struggling in Mr. Trump’s shadow, this is their best opportunity to differentiate themselves. Mr. Biden remains blinded by his party’s belief that climate change, not China, is the biggest geopolitical threat facing the U.S. As a result, his administration is reviving diplomatic and economic engagement with China as a core pillar of American grand strategy. This approach has a decadeslong record of failure.

Republicans on the debate stage should state an alternative grounded in the lessons of recent history as well as a realistic assessment of how Marxist-Leninist regimes respond to appeasement. The Republican presidential nominee should understand the threat the Chinese Communist Party poses to America and be able to articulate it. The nominee must tout the superiority of the American system and why, after we get our act together, freedom will be the victor.

Mr. Gallagher, a Republican, represents Wisconsin’s Eighth Congressional District and is chairman of the House Select Committee on Strategic Competition between the U.S. and the Chinese Communist Party.

PredictIt Triumphs Over Regulatory Arrogance

By Donald L. Luskin

PredictIt, a small online political-futures market operated by an Australian university, has won an important court ruling against the Commodity Futures Trading Commission, which seeks to shut it down. The case could eventually shake the foundations of the regulatory state.

I wrote about the case, *Clarke v. CFTC*, on these pages in November. PredictIt is a web site that allows traders to buy and sell real-money futures contracts on politics. As of Monday, for instance, you could buy a contract that Joe Biden will be re-elected in 2024 for 45 cents. If he wins, the contract will pay \$1, and

An appeals court rejects the CFTC’s arbitrary order to shut down the political futures market.

you’ll earn a profit of 55 cents. The site was established as an experimental laboratory by the University of Victoria to explore whether such markets could produce predictive information that might be better than conventional polling.

PredictIt began operating in 2014, after the university received a “no-action letter” from the CFTC’s Division of Market Oversight. The letter exempted the exchange from onerous regulations that apply to regular futures markets, provided it constrain customer positions to \$850 in

any one contract, operate as a non-profit, and limit the contracts it offered to those directly pertaining to politics and political decisions.

No-action letters like PredictIt’s and similar vehicles such as “guidance letters” and “dear colleague letters” pervade the modern regulatory state. As a class they are known as “subregulation”—that is, rules that bypass the normal statutory rule-making processes called for by each agency’s own establishing legislation and overall by the Administrative Procedure Act of 1946. No-action letters are a green light to proceed with an activity that may run afoul of regulation. They are granted at the unaccountable discretion of the regulators.

They are rescinded in the same manner, as PredictIt learned in August 2022. After almost eight years in operation—during which it successfully served more than 175,000 traders, listed more than 29,000 contracts, provided a living research laboratory for political scientists, and gave citizens a new way to express their political views—the CFTC without warning yanked the 2014 no-action letter and ordered the online exchange to shut down. No specific reasons were given, and there was no process for appeal.

The following month a group of PredictIt traders and service providers sued in federal court in Texas, seeking an injunction against the CFTC’s shutdown order. They asked for a finding that the no-action letter constituted a license that under the APA couldn’t be revoked arbitrarily or capriciously.



After the district court sat on the petition for months, the plaintiffs appealed to the Fifth U.S. Circuit Court of Appeals.

The CFTC’s arguments before the appellate court were a case study in regulatory arrogance. The commission said it owed PredictIt no explanation because the no-action letter was originally granted by staff at their discretion. Because it wasn’t a “final action,” the CFTC claimed, it wasn’t subject to review of any kind, including by the courts.

According to the CFTC, the plaintiffs also had no standing to sue, because the no-action letter was granted not to them but to Victoria University. Never mind that the traders faced unpredictable potential losses in a hurried shutdown, or that service providers would see their investments in infrastructure

wiped out. The CFTC said they could obtain financial relief by suing each other.

During oral arguments in February, Judge James Ho said the CFTC was treating the no-action letter “like a license to bully.” In its July 21 ruling written by Judge Stuart Kyle Duncan, the court treated the letter instead as a license to operate. For the first time, a no-action letter was held to be a license on which the recipient relied, because a license can’t be rescinded without cause and without due process, including judicial review.

Such accountability promotes good regulation. When a regulator has to state the cause, the regulated party has an opportunity to repair deficiencies—and if it does, the cause goes away. The causes become a road map for regulators and for

courts, to which regulated parties have the right to appeal. Because the Fifth Circuit recognized the reliance interest of third parties—in this case, the traders and service providers that were harmed—there is a broad new platform for anyone harmed by the arbitrary and capricious application of subregulation to seek judicial review.

No-action letters, the Fifth Circuit ruled, are “final actions.” In other words, subregulation is regulation. The PredictIt decision in *Clarke* may be cited to constrain other subregulatory prohibitions or commands such as those promulgated in “dear colleague letters.” The Fifth Circuit has instructed the district court to grant the injunction and hear the case on the merits. The CFTC is unlikely to appeal to the Supreme Court at this stage, but the issue seems likely to work its way to the justices, either in this case or another.

We can’t be sure why the CFTC decided to put a thriving political futures market out of business. After the PredictIt decision, six Democratic senators, led by Oregon’s Jeff Merkley and including Massachusetts’ Elizabeth Warren and Rhode Island’s Sheldon Whitehouse, wrote to CFTC Chairman Rostan Behnam urging the commission not to permit any new political markets.

But that’s a rearguard action. Thanks to arrogant regulatory overreach, the attack on political markets backfired in the Fifth Circuit. PredictIt will stay in business, and regulators will face new accountability.

Mr. Luskin is CEO of TrendMacro.

Expect the Absent Trump to Dominate Wednesday’s GOP Debate



FREE EXPRESSION
By Gerard Baker

As the first Republican primary debate kicks off, the stakes are high. As many as eight candidates will vie for the enviable role of second banana to Donald Trump and the right to be pummeled into submission by the former president, at least for the next month or so.

Some people are disappointed Mr. Trump isn’t showing up Wednesday at the Fiserv Forum, where the usual top talent on display is that of Giannis Antetokounmpo, the “Greek Freak” who plays power forward for the Milwaukee Bucks. Some even suggest it’s a mistake, but it seems to me perfectly apt that the leading candidate won’t dignify the event with his presence.

When you have a 40-point lead in the opinion polls and 100% name recognition, why would you risk

taking to a stage to exchange unpleasanties with people most viewers wouldn’t recognize if they lived in their basement, and who, if you add together their numbers in the latest Fox News poll, would still trail Mr. Trump by double digits?

This would be like expecting Mr. Antetokounmpo to show up for an exhibition game against a team of high-school sophomores. He’d have nothing to gain, but if some nimble point guard should somehow manage to land a low blow, it could seriously spoil his night—and beyond. I know that imagining Chris Christie as a nimble point guard takes some effort, but you get the point.

It makes more sense for Mr. Trump to grant an audience to his voice coach, Tucker Carlson, with whom he can keep the conversation safe by talking about how the Jan. 6 riot was—let me see if I have this straight—a massive display of popular outrage at a stolen election, a peaceful day out for patriotic tourists enjoying a tour of the Capitol, and the most audacious inside job

ever mounted by the deep state to discredit its enemies. All at the same time.

There’s a wider sense in which “Trumpless in Milwaukee” is a fitting script for our times. The debate that will be a nondebate is completely appropriate for a contest that has become a noncontest in a party that is rapidly becoming a nonparty.

Other than the brooding presence of Mr. Trump and his supporting cast of federal and state prosecutors, the Republican nomination contest has been dominated, if that’s the word, by the unexpected ascent of a 38-year-old who’s never been elected to anything and the unexpected collapse of a 44-year-old who’s won every election he’s ever contested.

Until recently Vivek Ramaswamy was the future. He was a super-smart, successful entrepreneur who had made a pile of money and bore no taint of politics. After less than a year of campaigning, he may still have his smarts and his pile, but I fear the taint of politics now covers

him like a proliferating rash.

He has demonstrated conclusively that he can grovel and pander as effectively as any old pol, indulging some of the most cravenly cynical of political expedients to appeal to an audience.

When you have a 40-point lead in the polls and 100% name recognition, why risk getting on the stage?

His recent forays into foreign policy give you a flavor of the odd combination of cynicism and ingenueness that fill the populist politician’s playbook. He says he will end the war in Ukraine by rewarding Vladimir Putin for his invasion twice over—first, allowing him to keep the parts of the country on which he has feasted, and then being warmly welcomed into the U.S. embrace, where apparently he’s going to become our

Notable & Quotable: Harris

Eugene Daniels reporting for POLITICO, Aug. 21:

[Vice President Kamala] Harris’ term has largely been marked by stilted performances at public events, at odds with the uninhibited interrogator she was known as in the Senate. . . . Now her political future . . . hinges on a simple question: Is it possible for Kamala Harris to make a second impression?

For Harris, it’s a question that fundamentally misunderstands the point. In her mind, she’s the same person she was when the prevailing

narrative of her was that of a star prosecutor, ascendant political talent and even the future of the Democratic Party.

“You could have followed me around in Iowa [ahead of 2020],” Harris told POLITICO in one of two exclusive interviews. “You would have seen the same thing four years ago. It’s always who I’ve been. So I can’t get into people’s heads about why they characterize things as being one way or another. It’s not as though I’ve just found myself. I’ve always been here and never went away.”

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WORLD NEWS

British Nurse Gets Life for Killing Babies

Case raises questions about oversight in the U.K.'s state-run healthcare system

By DAVID LUHNOW
AND HUMZA JILANI

LONDON—Lucy Letby, a pediatric nurse for the U.K.'s state-run health system, was sentenced to life in prison Monday after she was found guilty of murdering seven babies and attempting to kill six more.

The grisly case has garnered widespread media coverage in Britain and raised questions about the crisis-hit National Health Service. During the trial, doctors who worked on the same ward as Letby said their warnings about the killer nurse were repeatedly ignored by management. The hospital in central England where Letby

worked called the police nearly two years after the killings began and doctors had raised the alarm, allowing Letby to kill more babies, prosecutors said.

Letby, 33 years old, was found guilty by a jury in Manchester last week after a 10-month trial. She was cleared of two other murders and the jury was unable to reach a verdict in the case of four more babies. All the deaths occurred in the neonatal unit for premature babies.

"There was a deep malevolence, bordering on sadism in your actions," Judge James Goss told the court in sentencing Letby to prison without parole, a sentence that is reserved for only the most heinous crimes in Britain. Goss said Letby's intelligence, qualifications and outward behavior as a conscientious nurse allowed her to repeatedly harm babies in the neonatal unit.



Lucy Letby, in picture on screen, didn't attend her sentencing.

On Monday, families of the victims told the court how their lives were torn apart by the attacks. "A part of us died with her," the mother of one baby killed in October 2015 told the court, according to the BBC. Other parents described fighting chronic depression

and suicidal thoughts. Parents of babies who survived said the babies were left severely disabled and needed constant care, the BBC reported.

The case has been another blow to Britain's NHS, which provides free medical care and has long been a point of pride

among most Britons. Budget restrictions, an aging population and the pandemic have sparked its biggest crisis since its founding shortly after World War II. A record 7.5 million people are waiting for routine treatment, emergency rooms are overwhelmed, and doctors and nurses have repeatedly gone on strike for higher wages.

The U.K. government has said it would carry out an independent probe into the Letby case. The NHS said it would cooperate fully.

The Countess of Chester Hospital, where the killings occurred, has said it has made significant changes to its services, and told users they could have confidence in the care they would receive.

Letby didn't attend her sentencing, meaning she didn't have to hear from the victims' families. Prime Minister Rishi Sunak said Monday that his

government would propose changing the law to make it mandatory for convicted killers to attend their sentencing.

Letby kept her job for a year after she started killing babies in 2015, despite warnings from several doctors who had raised the alarm with hospital management, which sided with the nurse and forced the doctors to apologize to her, according to proceedings from the two-month-long trial. She eventually was moved from night shifts to day shifts, and the pattern of deaths also changed from nighttime to daytime, police said.

Prosecutors said they found handwritten notes by Letby that included phrases like "I killed them on purpose because I'm not good enough to care for them," and "I am evil, I did this."

—Joanna Sugden
contributed to this article.

Kim Tries to Mask Pyongyang's Struggles

By DASL YOON

SEOUL—With North Korea suffering from starvation and a down economy, Kim Jong Un increasingly has shone a light on the few areas worth touting: His weapons and himself.

Kim, the 39-year-old dictator, inspected a navy unit and oversaw a drill launching strategic cruise missiles from aboard a nearby vessel, state media reported Monday. It was the latest in a string of recent prominent visits meant to highlight military prowess and new hardware advances.

Kim has used his public appearances to urge North Korea to step up efforts to prepare for war, escalate his nuclear rhetoric and call for an increase in weapons production.

Because of economic failures, North Korea's sole accomplishments are in weapons advancement, which Kim emphasizes to his people to boost morale, while sending an external message that the regime has no intention of engaging in denuclearization talks with the U.S., said Go Myong-hyun, a senior fellow at the Asan Institute for Policy Studies, a think tank in Seoul.



North Korean leader Kim Jong Un, right, visited a navy unit, state media reported Monday.

"The frequent military-related inspections reflect a sense of crisis," Go said.

Pyongyang's evolving nuclear and missile threat has raised concern for the U.S. and its allies. Last week, President Biden hosted South Korean President Yoon Suk Yeol and Japanese Prime Minister Fu-

mio Kishida at Camp David, where the three leaders committed to consulting on threats to each other's security and agreed to conduct annual joint military exercises.

After returning from the trilateral summit, Yoon said increased threats from Pyongyang only would result in

strengthened security cooperation among the U.S., South Korea and Japan.

On-the-spot guidance visits have been a fixture of the ruling Kim dynasty for decades. But Kim Jong Un had shifted more responsibilities to subordinates and made fewer public appearances in recent years.

Now, the third-generation leader is pressing himself back in action as the country faces hardships aggravated during the Covid-19 pandemic by global sanctions and border closures.

North Korea didn't specify when Kim made the naval-unit visit in Monday's report. State media photos showed Kim watching a missile soaring from a ship. Kim vowed to bolster efforts to modernize warships and underwater weapons systems.

On Monday, South Korea's Joint Chiefs of Staff said Washington and Seoul's assets had detected the drill ahead of time and monitored it in real time. Pyongyang's reports of its cruise-missile tests are an exaggeration and not factual, Seoul's military said, without elaborating.

News of Kim's naval visit came as the U.S. and South Korea kicked off annual joint military exercises on Monday, which include training for scenarios to swiftly transition into war and ways to respond to false information that could be spread by North Korea during a contingency. The exercises run through Aug. 31.

Japan to Release Water From Nuclear Plant Soon

By MIHO INADA

TOKYO—The Japanese government said it planned to begin the discharge of slightly radioactive wastewater from the Fukushima Daiichi nuclear plant on Thursday, rejecting calls for a delay from some people in neighboring countries.

The announcement on Tuesday came after the International Atomic Energy Agency, a United Nations body, gave the green light to the plan to release more than 1.3 million tons of water with small quantities of radioactive tritium over three to four decades. The agency said in early July that Japan's plan was in line with international nuclear safety standards and that its impact on people and the environment would be negligible.

An earthquake and tsunami knocked out power at the Fukushima nuclear plant on March 11, 2011, causing meltdowns at three reactors.

Water used to cool reactor cores as well as rainwater and groundwater that flowed into or near the plant have been contaminated with radioactive substances. Plant operator Tokyo Electric Power, or Tepco, has stored the water in more than 1,000 tanks at the facility but says it is running out of room.

Tepco says it will reduce the concentration of nearly all radioactive substances in the wastewater to a safe level with the exception of tritium, an isotope of hydrogen. The water will then get diluted with seawater so the concentration of tritium is reduced to a safe level before the discharge, according to Tepco. As the water is diluted further in the ocean, the concentration of tritium will be indistinguishable from the natural level by 6 miles from the discharge point, which is at the end of an undersea tunnel about six-tenths of a mile from the shoreline, a Tepco official said.

Prime Minister Fumio Kishida said the water release was "an issue that absolutely cannot be put off" to "achieve the recovery of Fukushima and decommissioning" of the nuclear plant. He said the first discharge was planned for Thursday, assuming weather and ocean conditions permit.

Chinese foreign ministry spokesman Wang Wenbin said: "This will pose unnecessary risks to neighboring countries and the rest of the world."

—Peter Landers
contributed to this article.



Prime Minister Kishida said the release can't be put off.

WORLDWATCH

INDIA

Export Tax of 40% Imposed on Onions

India has imposed a 40% tax on onion exports, the latest move by the government to control food prices buffeted by erratic weather as elections approach.

The levy, imposed late Saturday, will remain until the end of the year. A consumer-affairs official said India has also started releasing the staple vegetable from its buffer stocks. The government maintains a stockpile of onions to release when prices go up significantly.

Traders said the move to limit exports of onions shows urgency building in the Indian government's efforts to tame inflation ahead of crucial state elections this year and a general election next year.

"India is a country where the price of onions can knock down governments," said J. Holkar, an onion and potato trader in Nashik city. "It can make governments cry."

—Vibhuti Agarwal

WEST BANK

Israeli Woman Dies As Violence Flares

A suspected Palestinian gunman killed an Israeli woman and seriously wounded a man in the south of the occupied West Bank on Monday, Israeli authorities said, as violence flared in the restive territory two days after a shooting that killed two Israelis.

Elsewhere in the West Bank, an Israeli military raid triggered fighting with Palestinians south of Nablus, Palestinian health officials said, leaving eight Palestinians wounded. Footage captured by witnesses from nearby buildings showed that an apparently unarmed Palestinian man was walking away from Israeli troops when he was shot in the back of the head. Israel's paramilitary border police said they were investigating the incident.

—Associated Press

THAILAND

Ex-Prime Minister Returns From Exile

Divisive ex-Prime Minister Thaksin Shinawatra returned to Thailand on Tuesday after years of self-imposed exile to face criminal charges on the same day that a party affiliated with him plans to start forming a new government.

Thaksin has said his decision to return has nothing to do with an expected vote in Parliament later Tuesday on a candidate from the Pheu Thai Party for prime minister. But many believe his arrival is connected to the party's pursuit of power.

The billionaire used his telecommunications fortune to build his own Thai Rak Thai party and be elected prime minister in 2001 and re-elected in 2005, before being ousted in a military coup in 2006 and fleeing into exile.

Thaksin was convicted in absentia in several criminal cases that he said were politically motivated.

—Associated Press

SAUDI ARABIA

Border Guards Accused in Report

Border guards in Saudi Arabia have fired machine guns and launched mortars at Ethiopians trying to cross into the kingdom from Yemen, likely killing hundreds of the unarmed migrants in recent years, Human Rights Watch said in a report released Monday.

The group cited witnesses' reports of attacks by troops and images that showed dead bodies and burial sites on migrant routes, saying the death toll could even be "possibly thousands."

A Saudi government official called the Human Rights Watch report "not based on reliable sources," without offering evidence to support the assertion. Yemen's Houthi rebels didn't respond to requests to comment.

—Associated Press



ALL HANDS ON DECK: Twenty-one hearing-impaired dancers from the China Disabled Persons Art Troupe perform in Huai'an city in Jiangsu province, China.

Subway Nears \$9.6 Billion Deal

Private-equity firm Roark Capital is poised to acquire sandwich chain

Roark Capital is nearing a deal to buy the Subway sandwich-shop chain for about \$9.6 billion.

After a long, heated auction, a deal for the closely held company could be finalized this week, people familiar with the

matter said. Roark has been battling it out with a group of rival private-equity firms including TDR and Sycamore, and in recent days pulled ahead.

It is still possible the other group could come back with a higher offer and prevail.

Milford, Conn.-based Subway, known for its foot-long sandwiches and quick-service restaurants, has been owned by its two founding families for more than five decades. The Wall Street Journal reported in

By Laura Cooper, Dana Cimilluca, Ben Dummett and Lauren Thomas

January that the company was exploring a sale. In February, Subway announced it had retained advisers to help run the process.

Subway is the eighth-largest U.S. restaurant chain, with \$9.8 billion in domestic sales across 20,810 locations last year, ac-

ording to market-research firm Technomic. It has around 37,000 restaurants globally.

Subway became one of the world's largest restaurant chains by aggressively building new locations but stumbled in the last decade. The chain's global sales peaked at \$18 billion in 2012, Technomic said. Stores closed and franchisees exited from the system, while new sandwich-shop rivals expanded.

Late co-founder Fred DeLuca

ran the chain for decades before he was diagnosed with leukemia, and his sister Suzanne Greco took the reins of the company. (She retired in 2018.) Peter Buck—who lent DeLuca \$1,000 to open a sandwich shop in Bridgeport, Conn., in 1965 and helped co-found the chain—died in 2021. The DeLuca and Buck families still have interests in Subway.

John Chidsey, the chain's first CEO from outside of Subway. Please turn to page B2

SoftBank Unit Says Profit Fell In IPO Filings

BY ASA FITCH AND BEN DUMMETT

Arm Ltd., the British company whose circuit designs lie inside billions of electronic devices, said profit fell more than 50% in the most recent quarter in filings that kicked off what is expected to be the biggest initial public offering of the year.

Arm raised lofty expectations for its business overall but faces near-term market challenges. Sales of smartphones—a core market for Arm's circuit designs—have slowed in recent quarters, including a 7.8% decline in the second quarter, according to International Data. The company reported \$675 million of revenue for its latest quarter, ended in June, down from \$692 million the year prior. It reported that net income more than halved to \$105 million in the quarter.

Arm, a unit of Japan's SoftBank, is one of the world's most important semiconductor businesses, serving companies such as Apple, Qualcomm and Advanced Micro Devices, which rely on it for some of their chips. Arm has served as a neutral party to the chip industry—offering its designs to everyone without favoring any one company.

The market Arm is targeting—chips that contain processors and go into smartphones, personal computers, televisions, servers, cars and networking equipment—should grow by nearly 7% a year to around \$247 billion by the end of 2025, the company said in a filing with the Securities and Exchange Commission. Please turn to page B5

FedEx's Pilots Register Concern About Job Future

BY ESTHER FUNG

FedEx's highfliers have been grounded.

A sharp drop in package volume and a move to combine FedEx's Express and Ground delivery units created a glut of pilots, leaving what was long the company's most revered class of workers in a state of angst.

"There are many concerns about FedEx flying and what the future holds," Pat Dimento, the company's vice president of flight operations, wrote in a July letter to Express crew members viewed by The Wall Street Journal. The Memphis, Tenn., delivery company has an excess of about 700 pilots, according to the letter. FedEx has a total of roughly 5,800 pilots after a pandemic-fueled hiring spree.

FedEx union pilots last month voted against a new labor contract, protesting what they describe as insufficient wage increases and operational changes that could lead

to declines in work hours. The rejection comes as other transportation workers have had standoffs with their employers in recent months over wages and labor practices.

Under the existing contract, FedEx pilots are paid between \$69 and \$336 an hour based on factors such as the type of plane they fly and their seniority. Pilots typically have a minimum guaranteed 68 hours of work a month.

The pilots said they are flying fewer hours in recent months, and some are concerned about furloughs. In previous economic downturns, FedEx held on to these high-skilled workers. The company hasn't furloughed pilots during its 50-year history.

FedEx declined to comment on whether it would consider furloughs. It said the agreement rejected by the pilots provided substantial increases to compensation and retirement benefits and addressed some quality-of-life issues that the union had identified. FedEx said the agreement had



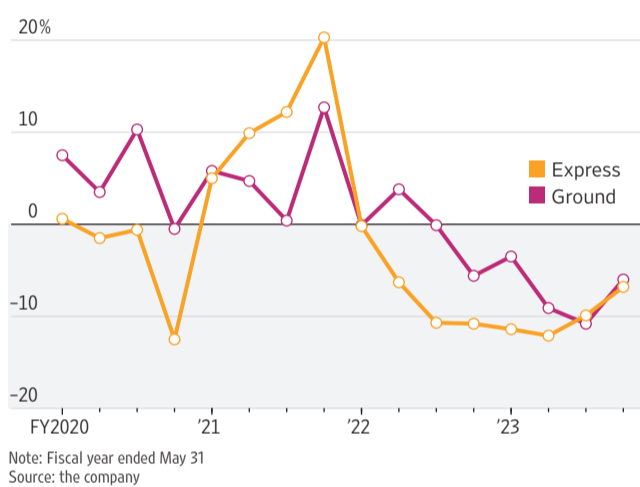
The pilots say they are flying fewer hours, and some are concerned about furloughs.

increased protections for pilots, including making it harder for the company to furlough pilots.

If FedEx decides to furlough pilots, it could save money, but also leave it vulnerable to a labor shortage over a longer period. Some railroads faced similar issues after using furloughs to cut costs but ended up not having enough trained conductors and locomotive engineers when demand recovered.

Some FedEx pilots said they believe changes in the agreement would give the company more flexibility to sign contracts with aircraft. Please turn to page B2

FedEx's average daily package volume, change from a year earlier



YouTube Recruits Artists to Influence How It Uses AI



YouTube has recruited Rosanne Cash and Frank Sinatra's estate to help with the project.

BY MILES KRUPPA

YouTube has recruited Frank Sinatra's estate and other Universal Music Group acts to influence how artists are paid when their work is used by artificial-intelligence tools.

Universal artists including country singer Rosanne Cash, composer Max Richter and rapper Yo Gotti will work with Google's YouTube to explore the future of music royalties and creative expression as generative AI tools make it easier than ever for internet users to manipulate art.

The partnership is an attempt by Universal to ensure its artists are compensated appropriately as the technology develops, after the music industry found itself at a disadvantage during the rise of streaming and other new services.

Creative professionals in fields ranging from film and music to book publishing have begun advocating for compensation from AI-generated content providers such as Alphabet's Google, setting up oft-tense discussions between their representatives and tech companies.

Universal and YouTube plan to collaborate on product development, principles guiding the use of music in AI programs and new ways to pay artists whose work is used in AI-generated content. Artists in the YouTube program will get early access to AI products under development and provide feedback to the video service.

"This is about having the option to design how their music is actually used," said Universal Chief Executive Lucian Grainge. "Artists have never had that before, to this extent, leaning into a new technology." Please turn to page B2

Soaring Auto Prices Are Too High for Many As Loan Woes Worsen

BY BEN FOLDY

Five years ago, there were a dozen models of new cars that sold for less than \$20,000. In 2023, there was only one: the spartan Mitsubishi Mirage hatchback, which accounted for about 5,300 of the 7.7 million new vehicles sold in the U.S. in the first half of the year.

If you are willing to spend more than \$100,000, you can choose from 32 models. For the average American, paying off a new car at current prices demands 42 weeks of income, according to data from Cox Automotive, up from around 33 before the pandemic.

Bargains have been hard to come by on the used-car lot as well, where the average vehicle listed for about \$27,000—up more than 30% from pre-pandemic levels, according to Cox's data.

Higher interest rates have made the situation more difficult for buyers. Today's aver-

age new-car loan has a monthly payment north of \$750, with an interest rate of 9.5%. For used cars, the average rate is above 13.7%, according to Cox. The average term for loans issued over the past three years is nearly six years, according to data from Experian.

These numbers could explain a mystery bedeviling auto lending. Seasonalized rates of severe delinquency for auto loans are the highest since at least 2006, but the jobs market is strong.

"Usually you get the default spikes when unemployment spikes—it's the biggest correlation in consumer credit," said Clayton Triick, a fund manager at fixed-income investor Angel Oak Advisors. "To see them go up that much while unemployment is still low is not typical."

Automakers leaned into their pricing power during the pandemic. Please turn to page B5

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Weight-loss drugs carry costly and complicated logistics. B3



HEARD ON THE STREET
Don't buy a timeshare, buy a timeshare seller. B12

Solar Boom Spreads to Malls, Pinelands, Other Unusual Sites

BY RYAN DEZEMBER

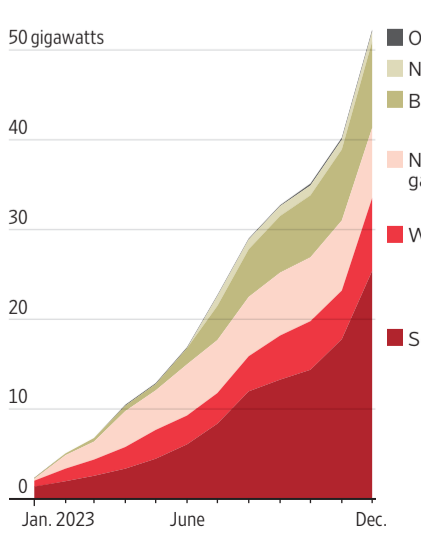
The U.S. solar boom has electricity producers popping up in unusual places: self-storage buildings, southern pinelands, even outlet malls.

Solar development has

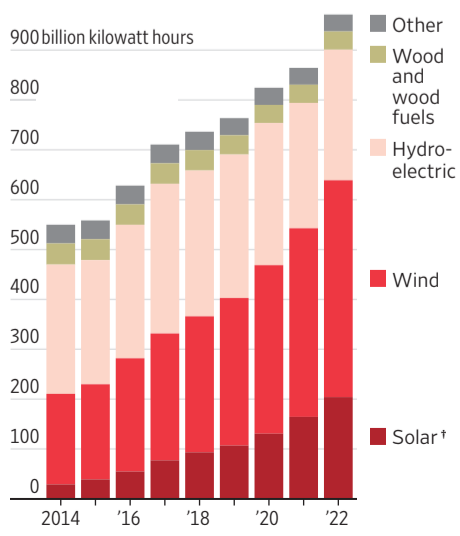
surged since last year's climate and healthcare bill, which boosted tax breaks for renewable-energy projects. In the year since the bill became a law known as the Inflation Reduction Act, U.S. companies have announced plans for more

than \$100 billion of domestic projects, including solar installations, energy storage systems and panel factories, according to a report by the Solar Energy Industries Association and research firm Wood Mackenzie. Please turn to page B2

Cumulative new U.S. generating capacity*



U.S. renewable power generation



*Utility-scale; July through December is planned. †Includes small- and utility-scale

Source: U.S. Energy Information Administration

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YouTube Recruits Artists

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The Financial Times reported earlier that Universal and YouTube were discussing ways to collaborate on generative AI products.

OpenAI's ChatGPT bot became wildly popular when it was made available to the public last year, giving consumers access to systems that can produce passages of text in response to human prompting. Companies such as Google and Facebook owner Meta Platforms have developed other generative AI tools that help users create sounds and images from brief written descriptions.

In February, the day YouTube promoted Neal Mohan to CEO, Grainge called him, asking to talk about his approach to generative AI. They spent the following months developing guidelines for how the video service would work with artists on content and products using generative AI.

As part of principles released Monday, YouTube said it would embrace AI responsibly

together with music partners, include appropriate protections when designing products, and invest in systems to fight misuse of the technology.

Any agreement between Universal and YouTube, the largest online video-hosting provider, has the potential to create standards for the rest of the music industry and other creative fields dealing with the spread of generative AI products.

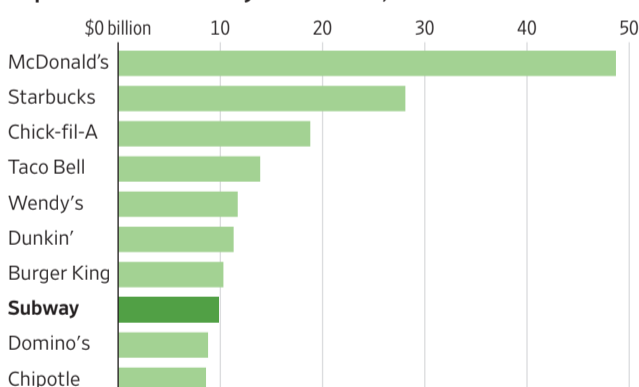
YouTube has a mixed history working with music labels, which for years accused the video service of unfairly profiting from artists when their music was included in user-generated content. The Google unit said last year it paid the industry more than \$6 billion from advertising and subscription fees during a recent 12-month period.

Universal in April lodged a copyright-infringement complaint with YouTube and other streaming platforms for hosting a song that replicated Drake and The Weeknd's vocals.

The incident highlighted how AI-powered tools have made it easier for consumers to create credible songs and videos drawn from artists' work. A YouTube spokesman said the company removed the video in question after receiving a valid takedown notice.

—Anne Steele contributed to this article.

Top chain restaurants by U.S. revenue, 2022



Subway Nears A Deal

Continued from page B1

way's founding families, has worked to turn around the chain since taking the helm in 2019.

Subway has steadily closed U.S. locations but is expanding abroad. It has signed 15 deals with international franchisees since 2021 and aims to open around 9,000 restaurants through the agreements. Sub-

way said its deals include one to open nearly 4,000 locations in China in the next 20 years.

Subway has also updated its U.S. menus to try to appeal to new customers. The chain said in July that it installed deli slicers in all of its U.S. restaurants to offer freshly sliced meats for the first time. The company said it spent \$80 million to provide the slicers to franchisees.

Roark, based in Atlanta, is no stranger to restaurant and food investing. Its portfolio has included pretzel purveyor Auntie Anne's, sandwich chains Arby's and Jimmy John's, as well as ice-cream brands Baskin-Robbins and Carvel.

—Heather Haddon contributed to this article.



Subway has been owned by its founding families for decades.

BUSINESS & FINANCE

American Airlines Pilots Ratify Pact

By ALISON SIDER

American Airlines pilots ratified a new contract that would boost wages by more than 40% over its four-year term after the carrier agreed to sweeten terms to match a rival's deal.

American's pilots are the latest to win big wage increases and other improvements as the industry grapples with a shortage of aviators and a strong recovery in travel demand. Carriers have been under pressure to offer pilots at least as much as competitors, and talks often hit snags in recent months as pi-

lots held out for better deals that offered improvements in schedules and vacation policies as well as pay.

Combined with boosted 401(k) contributions and expected pay increases to match rivals, American pilots' compensation will increase by more than 46% during the contract's duration. The pilots will get an immediate raise of 21% in addition to improvements to sick leave and other terms.

American Chief Executive Robert Isom said Monday that the deal, worth over \$9 billion, will help expand training capacity and provide more oppor-

tunities for pilots. The Allied Pilots Association, which represents American pilots, said nearly 73% voted to approve the agreement.

Delta Air Lines set a new benchmark for pilot pay and benefits in March when its pilots ratified a contract that included raises of 34% over its four-year term. **United Airlines** pilots struck a preliminary agreement last month that would boost pay by 34.5% to 40%. Pilots have yet to vote to finalize that deal.

American and its pilots first came to an agreement in principle in May, but United's more

lucrative deal threw a wrench in the process. American subsequently agreed to boost wages and back pay to match what United offered. Pilots at major airlines often make six-figure salaries. Pay rates under American's new contract range from about \$108 an hour for a new hire to over \$417 an hour for an experienced wide-body captain, and are due to rise to match rivals' pay once United's agreement is ratified.

The deals leave **Southwest Airlines** as the last of the four major U.S. carriers not to have reached at least a preliminary agreement with pilots.

FedEx Fliers Concerned

Continued from page B1

lessors, which could reduce the volume of parcels that go on the company's own planes. The tentative agreement lowered the compensation FedEx has to give union members in certain cases when the company leases aircraft.

The Air Line Pilots Association, International, the union that represents FedEx pilots, said some pilots' concerns about leasing are unfounded. Union leader Chris Norman said it is more costly for the company to lease planes than use its own, so FedEx only contracts with aircraft lessors when it has more business than it can handle. That doesn't mean that the pilots' underlying worries about job protections and career delays aren't justified, he added.

A spokesman for FedEx said it is committed to reaching a new agreement with its pilots and optimistic about such an outcome.

In April, FedEx Chief Executive Raj Subramaniam said that the company was com-

binning its Express and Ground units to drive more efficiency and lower costs. The restructuring includes having just one truck serve a neighborhood rather than separate Express and Ground trucks coming to the same address in a day, and closing stations to remove the overlap.

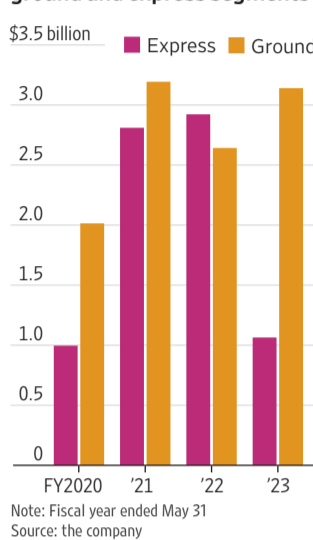
Another change is diverting freight from planes to trucks—which cost less—whenever it would still arrive on time for customers. During a video presentation to analysts and investors, the company said it is “changing the fly-fly-fly model for a lot of this traffic to a much more economical truck-fly-truck model.”

FedEx expects to save \$4 billion in costs by the end of fiscal 2025.

FedEx's roots are as an airline, and it didn't enter the trucking business until 1997 when it acquired a trucking company. “It has always been an airline-dominant culture under Fred Smith,” said Jeffrey Kauffman, an analyst at Vertical Research Partners, referring to FedEx's founder and former CEO who was also a pilot. Longtime executives said privately that Smith always had a soft spot for the pilots.

Though having the biggest fleet of cargo aircraft has always been a source of pride

Operating income for FedEx's ground and express segments



Note: Fiscal year ended May 31
Source: the company

for FedEx, Kauffman said, it made less sense financially. Plane profit margins are in the single digits, he said, while truck margins are in the midteens. FedEx had 700 aircraft as of the end of May. Unionized pilots fly about 400 of them, said Norman, the union leader. UPS had 291 aircraft as of the end of last year and around 3,400 pilots.

As FedEx Ground became more efficient and profitable over the years, analysts and investors pressed the company to rein in costs. In 2022, FedEx added three directors in an agreement with activist



Solar developers are finding receptive hosts at self-storage giants like Extra Space Storage.

Solar Boom Spreads

Continued from page B1

Solar installations made up 35% of all new utility-scale generation capacity in the first half of the year, according to the Energy Information Administration. It expects the U.S. to add 25.2 gigawatts of solar capacity in 2023, enough to power upwards of five million homes and more than from new wind, natural gas and nuclear generation combined.

That doesn't count small-scale installations, often on rooftops, which account for about a third of U.S. solar output, the EIA estimates. Those are proliferating, too.

Greater solar-generating capacity has helped keep prices for natural gas and coal down this summer and power bills in check despite all the electricity needed for air conditioning. When triple-digit temperatures baked Texas last month, record solar production in the state kept its least efficient natural-gas plants offline and held local

fuel prices below the national benchmark.

Development plans could be scuttled by the difficulty of adding long-haul transmission lines, legislators who favor fossil fuels, rising prices for renewable power and supply-chain problems.

But tax breaks that can add up to 70% of development costs and market share left by retiring coal plants and inefficient gas-burners have solar developers looking for places to tilt photovoltaic panels toward the sun.

They are finding receptive hosts among the country's biggest property owners, such as timber companies **Potlatch-Deltic** and **Weyerhaeuser** and self-storage giants **Extra Space Storage** and **Public Storage**, which have thousands of acres of rooftops.

A solar developer paid PotlatchDeltic about \$7,500 an acre, a \$14 million total, last year in the forest-product company's first deal. The price was roughly 10 times greater than what the land was worth growing trees.

Plus, the trees had to go, so PotlatchDeltic made its usual money on the logs.

The company now has about \$200 million of land sales and leases lined up with solar developers on roughly 20,000 acres and is searching its 1.6 million acres in the southern U.S. for additional sites near transformers and high-voltage lines, Chief Executive Eric Creemers said.

Those deals will take roughly 1% of the company's land out of wood growing, but the \$200 million amounts to

about 4% of the value of its stock and debt, Creemers told investors on a call earlier this month. “That's a pretty good trade,” he said.

Weyerhaeuser, America's largest private landowner, expects its first utility-scale solar project to go online at year-end and is scouting locations for more, a spokesman said.

Rayonier, another big timber owner, has long-term leases and options with solar developers on about 26,000 acres in six southern states, including Texas, where workers

are installing an array on 583 acres, said CEO David Nunes. Before striking deals, Rayonier studies the financial and environmental trade-offs of replacing its pine plantations with solar farms.

“The efficiency from an emissions-reduction standpoint is so high because you're basically replacing coal-fired or natural-gas-fired electric generation,” Nunes said. “It's many times more beneficial than the lost carbon sequestration you would otherwise be getting growing timber.”

In towns and cities, where there is much less room than in the rural south, solar developers are covering the roofs of self-storage buildings.

Extra Space started the year with solar systems at 55% of its wholly owned properties and many more on the drawing board. Public Storage has about 150 million square feet of vacant rooftop space—more than 3,400 acres—and needs only about 15% of it to generate enough electricity for its own needs.

Watch a Video



Scan this code for video on how solar energy affects the power grid.

BUSINESS NEWS

Weight-Loss Drugs Carry Costly Logistics

Distributors say the specialized handling requirements eat into profit margins

By LIZ YOUNG

The soaring popularity of Ozempic and similar weight-loss drugs is driving big business for some of the largest pharmaceutical distributors in the U.S. But the benefits aren't necessarily flowing to companies' bottom lines, partly because of the complicated and costly logistics involved in shipping the refrigerated medications, industry experts say.

AmerisourceBergen, Cardinal Health and **McKesson** each reported revenue rose in the latest quarter amid skyrocketing demand for the class of diabetes and weight-loss medications known as GLP-1s.

Drugs such as Wegovy and Ozempic cost around \$1,000 for a month's supply and are in hot demand despite being in short supply, generating billions of dollars in revenue for their manufacturer, Denmark-based **Novo Nordisk**, and bringing in a big payday for their distributors.

"GLP-1s really are a driver of top-line revenue growth, but



Wegovy and Ozempic generate billions of dollars in revenue for Novo Nordisk. A company facility.

from an operating income standpoint, they are minimally profitable," said James Cleary, chief financial officer of AmerisourceBergen, which is based in Conshohocken, Pa., on an earnings call Aug. 2.

"The gross profit margins on them are low, and then the operating expenses are a little higher because of the cold-chain nature of the product," he said.

AmerisourceBergen, which is

changing its name to Cencora next week, reported its revenue rose to \$66.9 billion for the quarter ended June 30, up 11.5% from the prior year, boosted by sales of GLP-1 drugs. Cleary said revenue grew about 8% without those medications.

The medications help patients lose weight by mimicking a gut hormone called GLP-1. They are designed as once-weekly injections that patients administer to themselves using

a penlike needle, similar to using an EpiPen, that must be stored between 36 and 46 degrees Fahrenheit to prevent the medication from losing its effectiveness.

That raises the stakes for patients and drug distributors to keep the medications' temperature stable. For patients, that means sticking the pens in the fridge. But for wholesalers, it means arranging industrial-scale logistics designed to keep

the medications cold throughout transport and storage, including protecting the injections from unpredictable events such as a truck breaking down in a heat wave.

That makes handling Wegovy and similar drugs harder than a typical bottle of prescription pills, industry experts say.

"You need to have the product in refrigerated trucks going from your point A to point B and then when it gets into a location, you have a period of time from a material handling standpoint that you would need to collect the product and then store it in a refrigerator," said Maria Nieradka, an analyst with research firm Gartner.

Shipping refrigerated products such as medicine and food is more expensive than moving dry goods like apparel or appliances. The spot rate for refrigerated trucks was \$2.44 a mile in July compared with \$2.07 a mile for dry vans, according to the most recent data from online freight marketplace DAT Solutions.

The high price tag of the drugs drives up the costs to transport them beyond that of typical refrigerated products, said Jeff Tucker, chief executive of Haddonfield, N.J.-based freight broker Tucker Company

Worldwide.

Trucking companies handle the drugs on specific trucks that keep the shipments in a tightly controlled environment, ensuring temperatures are stable and the goods are also protected from odors that can affect them. The trucks also carry a higher level of insurance and are outfitted to keep the products secure to prevent theft, a particular risk with expensive drugs like Wegovy and Ozempic that are in big demand and have a high street value.

"Thieves know where these drugs are created, so it is very commonplace for thieves to follow these loads," Tucker said. Trucking companies often require two drivers to move pharmaceutical loads to help make sure at least one person is always with the cargo, he said, doubling the labor costs.

The challenges highlight the complications drug wholesalers face in building out supply chains for medications in high demand.

Jason Hollar, CEO of Cardinal Health, said the weight-loss drugs aren't as complicated to store as ultracold or frozen products. He said the Dublin, Ohio-based company plans to expand its cold-storage space to accommodate growth in specialty drugs such as GLP-1s.

Andreessen Horowitz Backs Biotech Startup Genesis

By BRIAN GORMLEY

Venture firm **Andreessen Horowitz** has co-led a \$200 million investment in Genesis Therapeutics, a biotechnology startup that uses artificial intelligence to discover medicines against molecular targets that have thwarted drugmakers.

Genesis is one of several companies applying AI in an effort to uncover novel medicines and make drug discovery more successful. It says this financing will enable it to launch its

first clinical trials.

Drugs typically work by targeting specific proteins. Most proteins have been considered "undruggable" because scientists haven't been able to identify a compound that engages with them effectively. Genesis aims to overcome that obstacle through its technology.

The approach involves identifying potential drug compounds on a computer, or *in silico*, that can be synthesized physically and tested in clinical trials.

"We're not trying to replace rigorous experimental science with what we're doing," co-founder and Chief Executive Evan Feinberg said.

Genesis produces *in silico* compounds that are possible to synthesize in a reasonable amount of time, he said. The company also ranks the compounds according to parameters such as how potent and selective they are, Feinberg said. This is important because chemists can only synthesize so many compounds, he added.

Vijay Pande, who became a general partner of Andreessen Horowitz in 2015, previously was a professor at Stanford University, where Feinberg earned a Ph.D. in biophysics in Pande's lab.

Their research led to the creation of Genesis, which Feinberg co-founded in 2019.

Genesis' technology has attracted attention from drugmakers Eli Lilly and Genentech, which have formed collaborations with the startup. Genesis hasn't yet disclosed specifics

about its internal drug pipeline, but Feinberg said cancer is one of the diseases it is targeting.

Genesis said this funding round brings its total backing to more than \$280 million. It didn't disclose the investor that co-led this round of financing.

Genesis' team includes Dr. Leonard Bell, its chairman, who previously founded Alexion Pharmaceuticals, a rare-disease drug developer that was acquired in 2021 by drugmaker AstraZeneca. Another is Peppi Pra-

sit, Genesis' acting chief scientific officer, who previously co-founded biotech startup Amira Pharmaceuticals, which was acquired by Bristol-Myers Squibb in 2011. He also was a medicinal chemist with drugmaker Merck.

The interest of pharmaceutical-industry veterans in Genesis suggests AI is increasingly accepted as an important tool for drug discovery, said Pande, founding general partner of Andreessen Horowitz's Bio + Health group.

U.S. Due-Diligence Firm Mintz Penalized Over Work in China

By CHUN HAN WONG

SINGAPORE—China imposed roughly \$1.5 million in financial penalties on the Beijing arm of Mintz Group for allegedly conducting unapproved statistical work, months after local authorities detained the New York-based due-diligence firm's staff members.

In a ruling dated July 5, the Beijing Municipal Bureau of Statistics said Mintz's Beijing office had carried out "foreign-related statistical investigations" without seeking and obtaining approvals for such work, and that such unlicensed activities were in violation of Chinese regulations.

As a due-diligence firm, Mintz offers services such as background checks and investigations on potential business partners, rivals and new hires.

Mintz allegedly engaged in unapproved foreign-related statistical investigations across 37 projects conducted from March 2019 to July 2022, according to the ruling, which didn't give details on the nature of such investigations. The ruling was published by the Beijing statistics bureau as an attachment to a notice—dated July 14—on its website.

While the notice has been posted on the bureau's website for a few weeks, a Wall Street Journal reporter was alerted to it on Monday. The notice doesn't appear to have been reported by other news outlets, and Mintz hasn't publicized the penalties it received. The bureau had published the notice under a vague title without explicitly mentioning Mintz.

The notice said the bureau hadn't been able to reach Mintz's legal representative, nor was it able to deliver the ruling to the company in person or through the mail.

Mintz didn't immediately respond to queries. The company previously said that it is licensed to do business in China and operates transparently and within the law.

The penalties came after Chinese authorities raided Mintz's Beijing offices in March and detained all five Chinese

nationals working there. News of the raid, as well as law-enforcement scrutiny of other foreign companies in China, spurred concern among the international business community over the growing risks of operating in the world's second-largest economy.

It wasn't clear whether the financial penalties marked a resolution to the government probe against Mintz. In March, China's Foreign Ministry said the company was suspected of conducting "illegal business operations."

While Beijing has in the past tolerated the corporate investigations business, authorities have put the industry under greater scrutiny in the decade since Chinese leader Xi Jinping took power. China has increasingly limited access to business data in recent years, often invoking concerns over threats to national security.

Business executives who have consulted with Chinese authorities say a central tenet of the effort is the desire to more tightly control the narrative about China's governance and development, and limit the information collected by foreign companies such as auditors, management consultants and law firms that could influence how the outside world views China.

China has ratcheted up regulatory scrutiny on foreign companies this year. Apart from the Mintz raid, authorities have questioned staff at consulting firm Bain & Co.'s Shanghai office in a surprise visit, launched a cybersecurity review of imports from chip maker Micron Technology, and detained an employee of Japanese drugmaker Astellas Pharma.

Chinese state media have also publicized a law-enforcement probe against Capvision, an expert network consulting firm founded in China that counts foreign businesses as

clients. Capvision's offices in several Chinese cities were raided by police probing activity that allegedly contravened national security regulations.

In July, China started enforcing an updated anti-espionage law that tightened state control over a wider swath of data and digital activities, also adding to the concerns of foreign businesses.

The Beijing statistics bureau has released a number of documents on the Mintz case, as part of attempts to try to reach the due-diligence firm. It first issued a ruling in April that stated its intention to punish Mintz, and indicated that the company had the right to provide statements and request a hearing to plead its case. The bureau then published a notice in May saying it wasn't able to deliver the April ruling to Mintz, and requesting the company to come forward to pick up a copy.

In its July 5 ruling, the bureau ordered Mintz to cease its "foreign-related investigations" and imposed about 10.7 million yuan, or about \$1.5 million, in administrative penalties on the company—half in confiscated illegal proceeds and the other half in fines. The case originated from evidence provided by a "public-security department," according to the ruling.

The ruling said Mintz violated provisions in two sets of Chinese government regulations, related to statistical work and "foreign-related investigations," respectively. These provisions require any foreign groups and individuals that wish to conduct statistical investigations in China to engage organizations with the necessary qualifications to carry out such "foreign-related" investigative work.

It wasn't clear if Mintz had received the ruling, or whether it intends to accept the penalties or appeal against them.

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How Uber CEO Avoids His ‘Evil’ Alter Ego

Head of the ride-hailing company talks about his strict morning routine, self-driving cars and lessons he’s learned from Barry Diller

By LANE FLORSHEIM

Uber CEO Dara Khosrowshahi has a strict 5:15 wake-up time and rarely misses a morning workout.

“If I don’t exercise, my wife tells me I become Evil Dara,” said Khosrowshahi, 54 years old, who added that his runs and Peloton classes are like meditation for him. “I just beat the crap out of myself. If I’m thinking about my next gasp of breath, it makes me forget for a second about any worries that I have.”

Since becoming the ride-hailing company’s chief executive in 2017, Khosrowshahi has taken Uber public and helped to introduce new safety features for riders and drivers. During an earnings release call earlier this month, the company announced its first-ever operating profit.

Born in Tehran, Khosrowshahi lives in San Francisco with his wife, Sydney Shapiro, and their twin boys. He has two children from his previous marriage. Before joining Uber, he was the CEO of Expedia Group. Here, he talks about the future of self-driving cars and shares the most important thing his mentor Barry Diller taught him. This interview has been edited and condensed for clarity.

What’s the first thing you do after waking up?

I sprint to the coffee machine to turn it on. I still haven’t figured out that timer thing, so I physically push the

button to get as much coffee as quickly as possible. I have it with a ton of Cremora, which probably is not good for me but I don’t care, and Splenda, so my coffee is very sweet. It’s almost like a meal. I skip breakfast usually.

How do you get organized for the week ahead?

Wake up and check emails first and foremost. We’re a global company, so lots is happening constantly. I’ll check out how Europe is doing. Usually there’s a report on how the business did over the weekend. Then I’ll also read the news—the Journal, the New York Times and the FT—to get set on what’s going on around the world.

What do you look for in a new team member when you’re hiring?

What I look for above all is followership. I want to know who they’ve hired, who they’ve developed, because ultimately, you get exponential benefit, not just based on the individual, but everyone they’ve hired and developed.

Earlier this year, you spent time driving for Uber. What are you doing next to improve conditions for drivers?

I think it’s more employees using our products and getting in the shoes of a driver. Anyone who comes to Uber, they’ve used Uber, they’re passionate about the product, but as an eater or rider. I want that same passion and familiarity as a driver, as a



‘If I don’t exercise, my wife tells me I become Evil Dara,’ said the 54-year-old chief executive.

courier, as a merchant, because ultimately we are a marketplace and we’re helping over five million people a year earn part-time or full-time. That’s an important responsibility, and we’ve got to take it seriously.

What was the most nightmare rider experience you had while driving?

It actually wasn’t a rider experience. It was when I was a courier. I was trying to deliver food and I couldn’t find where to drop it off. Trying to figure out the maze of apartment com-

plexes was a challenge. The most fun was delivering food to a touch football game. I was like, “Where’s the building I’m supposed to be delivering to?” It was a field. There was a bunch of dudes.

What’s your preferred mode of transportation? If you’re going somewhere four hours away, would you rather drive, take the train, or fly?

Train, because it’s the most relaxing. You can look at the landscape, you don’t need to worry about anything. Flying’s still stressful with all the security and all that.

Uber piloted an autonomous vehicle service in Las Vegas at the end of last year and is testing autonomous delivery in other cities—what do you think the self-driving landscape will look like in one year? Five?

I think self-driving is a really promising technology, but the self-driving robots right now are student drivers. In a year, they’ll be in learning mode and experimentation mode. We’re working actively with players in trucking and delivery. I think in five years, you’re going to have small commercial applications happening and it will become more real. I think in 10 to 15 years, self-driving is going to have a much larger impact in our business, and we want to partner with every self-driving player out there. But we’ve got to make sure we build the business in a safe way.

What are the most important factors there?

Making sure that the self-driving car can handle all of the situations that are demanded of it.

The advantage we have is, we can call on a human driver or a robot driver depending on the circumstances. If there’s a weather situation or certain time of night or certain destinations, it’s safer to hail a human driver. We can make that determination, and it requires close partnership with technology players.

How do you think about mentorship?

I’ve been mentored by incredible people. [Former Allen & Company president] Herbert Allen. Barry Diller has been a great mentor of mine. I wouldn’t have my job without them. One of the areas that I’m really focused on is mentoring young women and people of color to help them succeed in corporate life. Driving diversity at all levels at Uber is a big part of our talent strategy.

What’s the most important thing you’ve learned from Barry Diller?

Listening. He really values learning even though he’s an incredibly accomplished person. He listens, he’ll push back against you, and ultimately you both leave the meeting having learned something.

What was your biggest takeaway from running Uber during the pandemic?

For us to pivot fast. Eighty percent of our rides business disappeared almost overnight. Our delivery business exploded in a great way. We didn’t have time to consider what was next, we just had to move.

What’s one piece of advice you’ve gotten that’s been important to you?

Bet on people. Herbert Allen very early on advised me to bet on people. I didn’t understand for 30 years but I do now.

The R-Rated Sex Comedy Is Back

By JOHN JURGENSEN

What was the first raunchy movie you saw—or sneaked into—in a theater?

If you came of age in the 1970s, maybe it was “Animal House.” Or “Porky’s” in the ’80s, “American Pie” in the ’90s, “The 40-Year-Old Virgin” in the ’00s, or “Girls Trip” in the 2010s. In all those eras, there were simply more R-rated comedies peppered with sex. Then, in recent years, the flow of risqué jokes at the multiplex dried up. The genre known for flashes of nudity and wildly uneven quality had a double bringdown.

One: Comedies became more of a streaming commodity as studios devoted theatrical resources to superheroes and other spectacles that seemed more likely to assure opening-weekend crowds. Two: The basic ingredients for crass comedy became more volatile to work with. Generational and cultural shifts led

more people to bristle at the genre’s cringey tendencies of the past (ogling women, reinforcing stereotypes) while stalwart fans called that criticism a buzzkill. The debate hit fever pitch four

In recent years, the flow of risqué jokes at the multiplex dried up.

August brings cute dogs with foul mouths (“Strays”), middle-aged male strippers mounting a second act (“Back on the Strip”) and lesbian high-school losers forming a fight club to score with girls (“Bottoms”).

“No Hard Feelings,” directed by Gene Stupnitsky, launched the summer wave of raunch in late June and tops it with \$83 million in worldwide ticket sales, according to Comscore. Jennifer Lawrence stars as a Montauk, N.Y., resident drowning in debt. She gets hired secretly by a pair of wealthy and overprotective parents to deflower their son (Andrew Barth Feldman) before he leaves for Princeton.

In one scene she storms through a Gen-Z house party searching for him, barging into rooms where she finds only young people huddling over their phones. Exasperated, she says, “Doesn’t anyone f— anymore?”

It’s a generation-gap joke that hits at the waning of a Hollywood genre. “That line is also a comment about comedies. What’s wrong with us? Why are we so afraid of doing that kind of movie anymore?” said Naomi Odenkirk, one of the film’s producers.

One reason: Delivering on the promise of transgressive humor without turning off too many people is a trick shot with a moving target. “If no one in the theater is at least a little offended, you’re not doing your job with an R comedy,” said “No Hard Feelings” producer Marc Provisiero, Odenkirk’s business partner.

Consider the age gap be-



Above, ‘No Hard Feelings,’ with Jennifer Lawrence as a woman hired to bring an awkward teen, played by Andrew Barth Feldman, out of his shell. Right, ‘Strays’ follows four foul-mouthed dogs.

tween Lawrence’s 32-year-old character and the boyish 19-year-old she clumsily attempts to seduce for a used car that his parents promised her as payment. It fuels jokes about everything from partying to sexual consent. (When she first makes a move on him, he zaps her with pepper spray.) Yet the age divide makes some viewers squirm.

“Over the 3½-year incubation of this project and until it was fully shot, that always returned as a question: Should we do that or not?” Provisiero said.

The makers of these new comedies say they aren’t trying to reinvent the formula—they’re just turning the dials for changing norms and renewed relevance. That often involves different kinds of protagonists than the whiter, straighter, male-er characters at the center of bawdy comedy hits of the past. And when characters flash skin, it’s less likely to titillate than induce gasps of surprise in the audience. Like when a very intimate tattoo gets revealed in “Joy Ride.”

Released last month, “Joy Ride” remixes a familiar set up: a group of friends stumbling into sex, drugs and trouble on a road trip. Instead of an ensemble of dudes at a Las Vegas bachelor party like in “The Hangover,” the film follows four Asian-American women through China. At the



center is Audrey, a lawyer played by Ashley Park, whose identity issues (adopted from China into a white family, hesitant to find her birth mother) form the heart of the story.

But when it comes to Audrey’s exploits with her friends, “Joy Ride” is a throwback (from producers including Seth Rogen). There’s some projectile vomiting, a cocaine-related crisis with police and a threesome that causes injuries.

“Joy Ride” stalled at \$14.4 million in worldwide ticket sales, reinforcing the industry knock on comedies for lacking the event status needed to drive people to the box office. The movie appeared on video-on-demand services three weeks after its theatrical debut.

“Bottoms,” set for release Aug. 25 from Orion Pictures, flips a typical premise—teens trying to get laid—by queering it. Ayo Edebiri (best known from “The Bear”) and Rachel Sennott (who co-wrote the script with director Emma Seligman) star as Josie and PJ, misfit friends with the hot

for two cheerleaders.

Playing a nerd with no game, Edebiri joins an archetype associated with Anthony Michael Hall and Michael Cera. She rants about a sad hypothetical future in which she has to marry a closeted male pastor. Sennott’s PJ follows adolescent logic when she talks her friend into forming a fight club to get closer to their crushes: “We’re punching each other, adrenaline is flowing, next thing you know, Isabel and Brittany are kissing us on the mouth!”

Campy influences like 2001’s “Wet Hot American Summer” shaped the heightened reality of “Bottoms”—announcements on the loudspeaker like, “Could the ugly, untalented gays report to the principal’s office?”

Working in a genre once notorious for gratuitous female nudity, the filmmakers had to reckon with one of its staples: the sex scene. They initially planned to end one on-screen hookup with a kiss, then decided it should go further. But

they made it clear in the script: When a character takes off her shirt in that scene, her bra would remain on.

“We wanted to pay homage to the sex comedies that came before but not fall into the traps they created or to objectify female characters,” said Seligman, the director. “However, our characters are horny and shallow, so it also felt like we needed to honor that.”

“Strays,” from Universal Pictures, isn’t a sex comedy per se, but its talking dogs are way more carnal than any from Disney movies.

“I remember being on set, shooting at 4 a.m., while one of our trainers was saying, ‘humpity, humpity, humpity,’” said director Josh Greenbaum, recalling a skill that his canine cast learned to perform (with garden gnomes and other inanimate objects) on command.

Still, “Strays” has struggled to find its audience so far, taking in about \$8.3 million at the domestic box office on opening weekend.

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BUSINESS & FINANCE

Some New Consultants Receive an Unplanned Gap Year

By LINDSAY ELLIS

Steven Jiang had a clear road map after landing a consulting job offer last year: He'd graduate the following May, move to New York, then start work at KPMG by the fall.

His plans have since evaporated as the consulting industry confronts slower business while trying to absorb the thousands of college graduates it recruits every year. This spring, KPMG told Jiang he wouldn't start until December, he said. Then in July, his start date was pushed to June 2024. "That's when I started freaking out," said Jiang.

Welcome to the gap year no one planned—or particularly wanted. Many recent consulting hires got lucrative offers during last fall's college-recruiting season and were eager to start this summer. Now with too little work to spread around, firms are delaying start dates to an extent not seen in years. Firms including Deloitte, KPMG, Boston Consulting Group and McKinsey aren't bringing on some recent recruits until 2024. Some are paying new graduate-hires thousands of dollars to spend during their unanticipated gap year.

Many of these young professionals are trying to tread water productively. Some are moving in with family and scrounging for part-time work or internships to pay the bills.

Jiang lives with his parents in Richmond, Va., as he figures out how to spend the next 10 months. Many of his friends started their careers this summer. "If I start in June 2024, I'm essentially a year behind them in promotions and work experience," he said.

He got a \$10,000 stipend from KPMG to bide his time, and says he plans to spend some of it traveling in Europe. Meanwhile, he says he is open to part-time positions in hospitality and may try to monetize content on TikTok and YouTube.

KPMG said about two-thirds of the consulting campus hires it recruited over the past academic year will now start in 2024. Roughly half of that cohort won't start until April or later. Like Jiang, many are getting \$10,000 to compensate for the later-than-anticipated start, KPMG said.

Deloitte, which has pushed starts for some consulting recruits to early 2024, is paying affected graduates \$2,000 or more a month meanwhile. One interim option it suggests is to serve with AmeriCorps through a partnership between the firm and agency. Bain has also offered stipends to new graduates with 2024 start dates.

Many consulting firms hired extensively as business boomed through the pandemic, recruiting leaders and campus career advisers said. Now, as businesses cut costs, most U.S. consulting clients have paused or canceled projects, according to a survey this year by market-research firm Source Global Research. McKinsey announced plans earlier this year to cut as many as 2,000 roles, focusing on support jobs, while firms such as Deloitte, Ernst & Young and KPMG have also trimmed ranks. Still, some firms say they are reluctant to cut jobs because they need to ensure they'll have sufficient staff when business rebounds.

Mya Richards, 22, says she got a consulting offer from a large firm last fall but won't start until next January. After graduating from the University of Michigan in April, she is living with her parents in suburban Maryland and working part time in retail. She said she plans to start looking for New York City housing in the fall, but said finding roommates has been difficult because her peers have different start dates.

Some graduates worry a delayed start means a company may rescind an offer, though that's unlikely, said Zeynep Tölon, a career coach for Carnegie Mellon University master's students. Firms including Deloitte, PricewaterhouseCoopers and KPMG told The Wall Street Journal they are committed to honoring offers.

Carlson's X Tie-Up Gets a Test

Ex-Fox News host to stream pretaped Trump interview during GOP debate

Tucker Carlson's interview with Donald Trump is shaping up as a well-timed branding exercise for the new company the former Fox News host is launching.

By Keach Hagey, Amol Sharma and Alexa Corse

Carlson taped an interview with Trump several days ago and plans to stream it on X, formerly known as Twitter, without ads, people familiar with the situation said. Its release is expected to coincide with Wednesday's first Republican presidential debate on Fox News.

Trump plans to skip Wednesday's event and has hinted he may not participate in any future Republican debates, citing his leading poll numbers among the GOP field and his record as president as reasons not to attend.

"I WILL THEREFORE NOT BE DOING THE DEBATES!" Trump posted on his social-media platform on Sunday.

Carlson's interview with Trump is similar to the content he has been posting on Twitter for the past several months, including monologues and interviews with newsmakers such as Robert F. Kennedy Jr., one of the people said.

Carlson and former White House adviser Neil Patel are working on starting a new, subscription-driven media company, in partnership with Carlson's former executive



The Trump interview gives Tucker Carlson a high-profile opportunity to show his potential.

producer at Fox, Justin Wells, The Wall Street Journal reported last month. They are in the process of raising money and have talked to X about using the platform as its backbone.

The Trump interview gives Carlson a high-profile opportunity to show Elon Musk's team the potential for a deeper partnership.

Carlson's team has planned to offer free, shorter versions of his shows, interviews and documentaries, but users would need to subscribe to watch them in their entirety, the Journal reported.

One issue that has emerged in the talks is who would have ownership of subscriber infor-

mation, people familiar with the situation said. Controlling that data would make it easier for the new venture to move its subscribers off X to a different platform.

Carlson's team and X employees have discussed the readiness of various features for watching video on the platform, including how to make it easier to watch X videos on a television set, the Journal previously reported. The new venture also is seeking more pricing options, one of the people said.

Musk has said that expanding X's video features is part of his vision for the platform. Carlson and Patel's team has also explored other homes be-

yond X for the venture's content.

Carlson launched a free show on X shortly after Fox News ousted him in April, following its agreement to pay \$787.5 million to settle its legal fight with Dominion Voting Systems over defamation allegations. He had occupied the 8 p.m. slot since 2017 and averaged more than three million viewers a night. Fox remains the top-rated cable-news network.

In May, technical issues delayed the launch of Republican Ron DeSantis's presidential campaign on Musk's platform, raising questions about the company's ability to handle high-profile events.

Profit Falls At SoftBank Chip Unit

Continued from page B1

Arm's revenue represents a sliver of that total today, but the company said it expected the cost and complexity of chip design would increase, "resulting in our royalties comprising a greater proportion of each chip's total value."

The listing, set to take place next month on Nasdaq after meetings with investors, will test a nascent rebound in appetite for IPOs following many quiet months fueled by concern about inflation, stock prices and economic growth.

SoftBank confirmed in the filing that in August it acquired a 25% stake in Arm that was held by the Japanese technology investor's Vision Fund unit for \$16.1 billion. That deal, previously reported by The Wall Street Journal, implied a total valuation for Arm of around \$64 billion. But SoftBank cautioned investors in the filing that the purchase price "may not be indicative of, and is not intended to reflect, expectations" of the value of Arm following the IPO.

Demand for personal computers and smartphones that

skyrocketed during the pandemic has tailed off in recent quarters, putting pressure on the chip industry.

Nonetheless, executives and analysts expect a long-term surge in demand for data and computing power to lift chip sales to new heights in the coming decade.

SoftBank plans to list a minority stake in Arm, roughly 10% of it, people familiar with the matter have said, with SoftBank retaining the rest. All of the proceeds from the IPO will go to SoftBank, Arm's filing said.

Arm's circuit designs and basic chip architecture, which the company sells to chip makers to incorporate into finished chips, have become ubiquitous in smartphones over the past two decades.

The company has extended its footprint into other, more powerful chips in recent years and is getting an added boost from recent excitement about artificial intelligence, which could bring new sales opportunities.

More than 30 billion Arm-based chips were shipped in the company's last fiscal year, up 70% from seven years ago, the company said in its SEC filing.

Chip maker Nvidia became one of a handful of companies

valued at more than \$1 trillion earlier this year on the strength of its chips' use in creating powerful generative AI tools such as OpenAI's ChatGPT. Nvidia, which tried to acquire Arm for \$40 billion three years ago, is using Arm's circuits in some of its most powerful coming AI chips.

Arm said in its SEC filing that chips based on its technology were already doing AI work on billions of devices, including smartphones, cameras and cars. There will be a heightened focus in the future on doing that work faster and using lower power.

The Arm offering, because of its large size, will be closely watched by investors as further proof of whether the recent revival in the IPO market is sustainable.

It will follow the successful but smaller issues in June by restaurant chain Cava Group and in July by Oddity Tech, a direct-to-consumer seller of makeup brands.

Other big IPOs expected before year's end include grocery-delivery company Instacart and shoe maker Birkenstock.

Arm's heavy exposure to the Chinese market risks drawing investor scrutiny to the IPO because of the mistrust between the U.S. and its rival superpower.

The company said in its SEC filing that about 25% of its revenue came from China in its latest fiscal year, which made it "particularly susceptible to economic and political risks" affecting that country. Arm expects declining royalty revenue from China, it said, adding that such revenue already has been slowing because of economic issues and export controls imposed on the country.

China demonstrated its ability to intervene in the development of the U.S. chip industry last week, after Chinese regulators failed to approve Intel's more-than-\$5 billion offer to buy Israeli contract chip maker Tower Semiconductor. That inaction led the two companies to abandon their deal.

Arm also said its top five customers accounted for about 57% of revenue in its last fiscal year, which made it "particularly susceptible" to any industry slowdown, changes in trade protection and other government policies, or adverse developments that might hurt demand for the company's designs.

The IPO will mark the second time Arm has gone public. The company listed shares in New York and London in 1998, as its circuitry gained a foothold in the burgeoning cell-phone-chip market. It stayed publicly traded until SoftBank bought it in 2016.

—Corrie Driebusch and Eliot Brown contributed to this article.

The listing will test a nascent rebound in appetite for IPOs.

Prices of New Cars Surging

Continued from page B1

pandemic, giving priority to selling more expensive vehicles and features as supply-chain issues constrained inventories and shoppers had more savings from pandemic stimulus packages. They have continued to boost prices. General Motors said last month that the average price paid by its buyers rose 3% quarter over quarter, to \$52,000.

So far, higher prices have been a positive for automakers and dealers.

Share prices for public dealership groups have surged this year. Automakers have generated profits that they can put toward their expensive transition to electric vehi-



Today's average new-car loan has a monthly payment north of \$750, with a rate of 9.5%.

cles. The large dealerships have made big profits from their parts and service businesses as drivers hold on to cars for longer.

But there are signs that the market might already be struggling to sustain itself. If consumers rebel against the

higher prices, sales—which so far have been stronger than expected—could slow, particularly among the pricey vehicles that have been generating most of the industry's profits.

And consumers who want to trade in their vehicles might be disappointed with the

prices they get.

Among those who braved the market at its highest prices last year, many are already struggling to keep up with their payments.

The performance of loans issued in the first half of last year at the peak of the price

Since Musk took control of Twitter in October, the company has seen sweeping layoffs and cost-cutting measures. Musk said in April that Twitter had about 1,500 employees, down from just under 8,000 when he took over.

While DeSantis's event was livestreamed on the audio platform Twitter Spaces, the Carlson interview was pretaped and isn't expected to pose as much of a technological challenge, some of the people familiar with the situation said.

The expected release of the Trump interview on X comes as the platform's chief executive, Linda Yaccarino, has been working to reverse an advertiser exodus that began after Musk took control of the company last year.

Some ad buyers have said that Carlson's brand of programming will make it even harder for the platform to lure back advertisers, the Journal previously reported.

Many brands pulled back from the platform after Musk's acquisition in part because of concerns about Musk's approach to management and content moderation. While some brands have resumed spending on the site since then, others have remained on the sidelines, the Journal reported earlier in August.

As part of her efforts to reassure advertisers, Yaccarino has been promising more robust brand-safety tools to give brands more control over what kind of content near which their ads appear.

Asked about Carlson's show, X said that if advertisers want to avoid having their ads appear next to certain content, they are given options and tools to do that.

McKinsey Faces Suit Over Court Disclosures

By ALEXANDER GLADSTONE

McKinsey and several of its executives must face a critic's lawsuit alleging the consulting firm concealed conflicts of interest from bankruptcy courts to win business advising on major corporate restructurings.

Judge Jesse Furman of the U.S. District Court in New York declined on Monday to dismiss the bulk of claims filed against McKinsey by the founder of a competing firm accusing it of submitting false disclosures to bankruptcy courts that omitted potentially disqualifying financial conflicts.

The judge's ruling allows Jay Alix, the retired founder of turnaround consulting firm AlixPartners, to advance his claims that McKinsey's disclosures were part of a racketeering conspiracy to boost its restructuring advisory practice at the expense of competing firms.

Judge Furman granted McKinsey's motion to dismiss one of the four racketeering counts.

McKinsey declined to comment Monday.

Defaults and missed payments on pools of auto loans made in the first half of last year to people with subpar credit are matching or outpacing those issued in 2008, according to an analysis published last week by S&P Global that called the data "ominous."

The squeeze faced by borrowers might soon ratchet tighter, with a payment holiday for student loans set to expire at the end of the month.

According to credit-reporting agency TransUnion, more than a third of consumers with student loans took on new auto loans during the pandemic.

Prices for used cars are slowly coming back to earth and inventories are slowly going up.

But cars remain expensive. Used-car dealers nationwide had 32 days of sales worth of cars on hand with a price of \$10,000 or less, compared with 55 days of used cars listed at \$35,000 and up.

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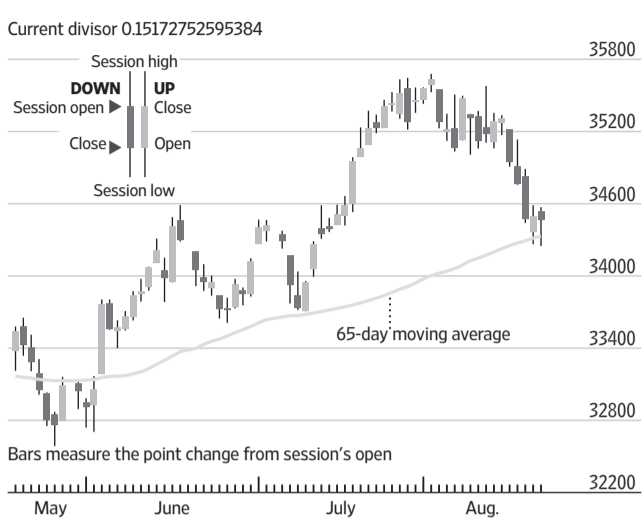


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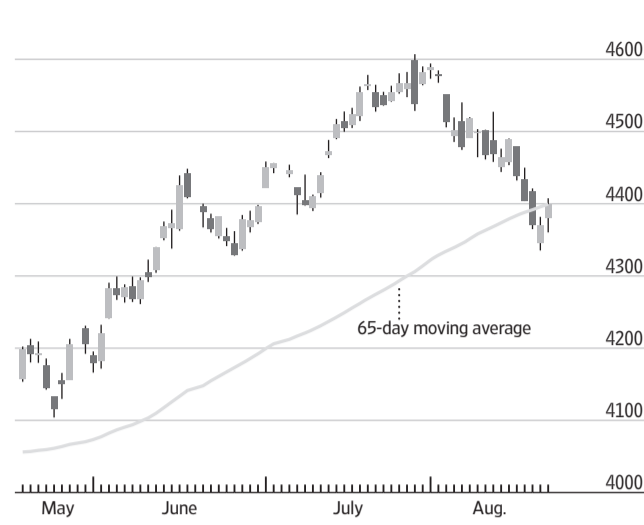
34463.69 ▼36.97, or 0.11%
 High, low, open and close for each trading day of the past three months.
 Trailing P/E ratio 25.10 19.43
 P/E estimate * 19.04 18.05
 Dividend yield 2.10 2.16
 All-time high 36799.65, 01/04/22



*Weekly P/E data based on as-reported earnings from Birmly Associates Inc; †Based on Nasdaq-100 Index

S&P 500 Index

4399.77 ▲30.06, or 0.69%
 High, low, open and close for each trading day of the past three months.
 Trailing P/E ratio * 22.43 23.18
 P/E estimate * 20.15 18.38
 Dividend yield * 1.56 1.54
 All-time high 4796.56, 01/03/22



Nasdaq Composite Index

13497.59 ▲206.81, or 1.56%
 High, low, open and close for each trading day of the past three months.
 Trailing P/E ratio †† 30.07 27.21
 P/E estimate †† 27.15 24.36
 Dividend yield †† 0.85 0.82
 All-time high: 16057.44, 11/19/21



Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg	YTD	3-yr. ann.
Dow Jones										
Industrial Average	34570.96	34248.46	34463.69	-36.97	-0.11	35630.68	28725.51	4.2	4.0	7.3
Transportation Avg	15816.69	15605.39	15705.01	4.41	0.03	16695.32	11999.40	8.0	17.3	12.8
Utility Average	878.37	865.88	873.10	-4.92	-0.56	1061.77	838.99	-16.1	-9.7	2.5
Total Stock Market	43954.95	43495.57	43873.30	266.49	0.61	45969.67	36056.21	5.4	13.9	8.2
Barron's 400	986.58	976.08	982.30	-1.32	-0.13	1036.97	825.73	2.1	6.7	10.5
Nasdaq Stock Market										
Nasdaq Composite	13516.86	13325.59	13497.59	206.81	1.56	14358.02	10213.29	9.0	29.0	6.1
Nasdaq-100	14958.87	14739.37	14936.69	241.85	1.65	15841.35	10679.34	15.9	36.5	8.9
S&P										
S&P Index	4407.55	4360.30	4399.77	30.06	0.69	4588.96	3577.03	6.3	14.6	9.0
MidCap 400	2587.16	2561.75	2581.33	2.47	0.10	2728.44	2203.53	2.3	6.2	10.6
SmallCap 600	1205.15	1191.23	1196.21	-5.17	-0.43	1315.82	1064.45	-3.5	3.3	10.2
Other Indexes										
Russell 2000	1863.71	1846.30	1856.01	-3.41	-0.18	2003.18	1655.88	-3.1	5.4	6.1
NYSE Composite	15799.94	15658.59	15746.21	-3.96	-0.03	16427.29	13472.18	2.6	3.7	7.1
Value Line	560.99	555.94	558.90	-0.70	-0.13	606.49	491.56	-2.1	4.2	5.8
NYSE Arca Biotech	5252.03	5157.62	5241.95	84.34	1.64	5644.50	4390.11	8.7	-0.7	-0.9
NYSE Arca Pharma	917.26	910.35	914.71	1.49	0.16	916.50	737.84	14.6	5.4	10.9
KBW Bank	82.17	80.77	81.56	-0.22	-0.27	115.10	71.96	-25.6	-19.1	3.2
PHLX [§] Gold/Silver	112.24	110.60	111.97	0.29	0.26	144.37	91.40	7.7	-7.4	-8.8
PHLX [§] Oil Service	92.98	90.70	91.39	-0.68	-0.74	94.51	56.38	33.9	9.0	36.9
PHLX [§] Semiconductor	3565.76	3475.58	3560.74	98.00	2.83	3861.63	2162.32	25.2	40.6	17.4
Cboe Volatility	18.11	16.88	17.13	-0.17	-0.98	33.63	12.91	-28.0	-21.0	-8.7

§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.

Company	Symbol	Volume (000)	Last	Net chg	After-Hours % chg	High	Low
Johnson & Johnson	JNJ	28,124.6	167.33	-0.02	-0.01	172.49	167.05
Kenvue	KVUE	8,644.2	23.14	0.24	1.05	23.34	22.89
SPDR S&P 500 ETF Trust	SPY	5,344.3	439.09	-0.25	-0.06	439.54	411.24
Staar Surgical	STAA	5,038.2	42.21	...	unch.	42.89	42.00
iSh MSCI Emerging Mkts	EEM	4,804.9	38.63	0.14	0.36	38.68	38.40
Bank of America	BAC	4,793.6	29.11	-0.05	-0.15	29.15	29.08
Invesco QQQ Trust I	QQQ	4,373.3	363.80	-0.10	-0.03	427.10	315.10
Zoom Video Comms	ZM	4,041.5	69.86	2.59	3.85	74.50	67.10

Percentage gainers...

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
Fabrinet	FN	99.1	137.50	20.72	17.74	138.76	116.78
SPDR S&P 500 ESG ETF	EFIV	75.1	44.68	1.93	4.51	44.68	42.23
Zoom Video Comms	ZM	4,041.5	69.86	2.59	3.85	74.50	67.10
INVESCO	IVZ	62.7	15.33	0.34	2.27	15.33	14.99
Sabra Healthcare REIT	SBRA	56.0	12.22	0.24	2.00	12.22	11.88

...And losers

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
SOS ADR	SOS	750.2	8.10	-0.85	-9.50	9.00	7.60
Emergent Biosoltns	EBS	289.8	4.53	-0.23	-4.83	4.87	4.49
Phtronics	PLAB	57.8	21.65	-1.02	-4.50	22.67	21.65
NexTier Oilfield Solns	NEX	120.2	10.42	-0.46	-4.23	10.88	10.42
Timber Pharmaceuticals	TMBR	103.0	2.88	-0.11	-3.68	2.99	2.87

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	805,236,928	8,866,681
Adv. volume*	369,863,789	5,855,079
Decl. volume*	426,626,740	2,846,495
Issues traded	3,023	320
Advances	1,113	134
Declines	1,804	162
Unchanged	106	24
New highs	31	2
New lows	87	19
Closing Arms*	0.66	0.26
Block trades*	4,074	106

*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	Net chg	Latest % chg	YTD % chg
World	MSCI ACWI	669.11	2.34	0.35	10.5
	MSCI ACWI ex-USA	292.42	-0.62	-0.21	4.0
	MSCI World	2910.52	13.02	0.45	11.8
	MSCI Emerging Markets	959.79	-4.65	-0.48	0.8
Americas	MSCI AC Americas	1664.06	10.51	0.64	14.2
Canada	S&P/TSX Comp	19784.87	-33.52	-0.17	2.1
Latin Amer.	MSCI EM Latin America	2333.54	-19.79	-0.84	9.6
Brazil	BOVESPA	114429.35	-979.17	-0.85	4.3
Chile	S&P IPSA	3453.70	-6.99	-0.20	8.9
Mexico	S&P/BMV IPC	53109.76	-84.63	-0.16	9.6
EMEA	STOXX Europe 600	448.66	0.22	0.05	5.6
Eurozone	Euro STOXX	446.21	0.94	0.21	8.8
Belgium	Bel-20	3596.34	17.31	0.48	-2.8
Denmark	OMX Copenhagen 20	2135.30	11.61	0.55	16.3
France	CAC 40	7198.06	33.95	0.47	11.2
Germany	DAX	15603.28	29.02	0.19	12.1
Israel	Tel Aviv	1842.53	8.45	0.46	2.5
Italy	FTSE MIB	27986.92	224.94	0.81	18.1
Netherlands	AEX	733.59	-1.45	-0.20	6.5
Norway	Oslo Bors All-Share	1432.18	8.77	0.62	5.1
South Africa	FTSE/JSE All-Share	73760.21	679.34	0.93	1.0
Spain	IBEX 35	9262.80	-4.90	-0.05	12.6
Sweden	OMX Stockholm	792.45	-5.92	-0.74	1.4
Switzerland	Swiss Market	10848.34	9.28	0.09	1.1
Turkey	BIST 100	7796.65	283.36	3.77	41.5
U.K.	FTSE 100	7257.82	-4.61	-0.06	-2.6
U.K.	FTSE 250	17898.99	-197.61	-1.09	-5.1
Asia-Pacific	MSCI AC Asia Pacific	156.66	-1.05	-0.66	0.6
Australia	S&P/ASX 200	7115.50	-32.56	-0.46	1.1
China	Shanghai Composite	3092.98	-38.98	-1.24	0.1
Hong Kong	Hang Seng	17623.29	-327.56	-1.82	-10.9
India	S&P BSE Sensex	65216.09	267.42	0.41	7.2
Japan	NIKKEI 225	31565.64	114.88	0.37	21.0
Singapore	Straits Times	3154.03	-19.89	-0.63	-3.0
South Korea	KOSPI	2508.80	4.30	0.17	12.2
Taiwan	TAIEX	16381.49	0.18	0.001	15.9
Thailand	SET	1525.85	6.73	0.44	-8.6

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Close	Net chg	% chg	High	52-Week High	Low	% chg
SOS ADR	SOS	8.95	4.46	99.33	9.50	2.54	36.9	25.4
MicroCloud Hologram	HOLO	4.49	1.04	30.14	35.00	1.33	-56.1	20.3
CVD Equipment	CVV	7.10	1.61	29.33	15.82	4.49	38.7	18.5
Waldencast	WALD	7.96	1.78	28.80	12.10	5.00	-41.1	23.2
Orchestra BioMed Holdings	OBIO	6.84	1.51	28.33	23.39	4.87	-30.7	18.4
AlloVir	ALVR	3.64	0.80	28.17	10.29	2.42	-49.4	20.0
Telesat CI A	TSAT	18.73	4.05	27.59	19.13	6.00	58.9	15.2
Growth for Good Acq'n A	GFGD	10.53	2.08	24.62	10.76	8.02	7.4	30.0
AN2 Therapeutics	ANTX	13.75	2.60	23.32	21.04	4.87	-21.5	18.8
Vapotherm	VAPO	4.00	0.70	21.21	23.65	2.62	-67.7	11.5
Applied Optoelectronics	AAOI	15.44	2.64	20.63	15.90	1.60	525.1	13.3
Natural Alternatives	NAII	6.52	1.07	19.63	12.60	5.06	-42.4	23.2
Tupperware Brands	TUP	2.91	0.45	18.29	12.24	0.61	-75.1	11.8
Renalytix ADR	RNLX	2.83	0.41	16.94	4.04	1.05	1.8	19.8
Earthstone Energy CI A	ESTE	18.94	2.71	16.70	19.19	10.65	31.1	13.6

Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	Low
EBET	EBET	194,989	249.0	0.07	-10.27	2.66	0.03
Novo Integrated Sciences	NVOGS	178,495	955.2	0.18	33.61	1.79	0.07
Kenvue	KVUE	177,076	1109.7	22.90	0.13	27.80	22.36
Johnson Johnson	JNJ	145,817	823.4	167.35	-2.98	181.04	150.11
T2 Biosystems	TTOO	141,931	38.9	0.53	-6.13	6.80	0.05
Tesla	TSLA	134,645	1.4	231.28	7.33	313.80	101.81
ProSh UltraPro Shrt QQQ	SQQQ	132,323	7.0	19.87	-4.84	69.55	16.38
China SXT Pharm	SXTC	128,941	29049.9	0.24	61.62	2.17	0.14
AMC Entertainment	AMC	112,205	285.7	3.12	-23.72	13.05	3.05
Nikola	NKLA	102,131	25.0</				

COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Metal & Petroleum Futures						
	Open	High	Low	Settle	Chg	Open interest
Copper-High (CMX) -25,000 lbs.; \$ per lb.						
Aug	3.7190	3.7190	3.7015	3.7120	0.0130	478
Dec	3.7525	3.7645	3.7215	3.7545	0.0140	100,202
Gold (CMX) -100 troy oz.; \$ per troy oz.						
Aug	1893.60	1893.60	1893.60	1893.30	7.20	46
Sept	1890.60	1899.90	1886.30	1895.70	7.00	3,144
Oct	1900.10	1909.50	1895.30	1905.10	7.00	33,331
Dec	1918.40	1927.90	1913.60	1923.00	6.50	369,490
Feb'24	1939.70	1947.40	1933.80	1942.90	6.50	14,842
April	1958.40	1966.50	1954.20	1961.90	6.50	7,386
Palladium (NYM) -50 troy oz.; \$ per troy oz.						
Aug				1228.20	-20.90	
Sept	1262.00	1272.00	1229.00	1239.10	-20.90	12,421
Platinum (NYM) -50 troy oz.; \$ per troy oz.						
Aug				908.00	-1.20	4
Oct	916.70	919.70	905.20	913.50	-1.50	76,245
Silver (CMX) -5,000 troy oz.; \$ per troy oz.						
Aug	22.785	22.850	22.700	23.304	0.609	1
Dec	23.130	23.700	23.040	23.659	0.599	77,385
Crude Oil, Light Sweet (NYM) -1,000 bbls.; \$ per bbl.						
Sept	81.43	82.47	80.61	80.72	-0.53	64,871
Oct	80.76	81.75	79.97	80.12	-0.54	337,864
Nov	80.27	81.24	79.62	79.76	-0.44	175,586
Dec	79.82	80.77	79.25	79.38	-0.37	221,924
June'24	77.32	78.29	77.10	77.20	-0.17	132,923
Dec	75.05	75.98	74.99	75.09	-0.05	122,125
NY Harbor ULSD (NYM) -42,000 gal.; \$ per gal.						
Sept	3.1713	3.1963	3.1100	3.1162	-0.435	44,668
Oct	3.1366	3.1641	3.0850	3.0912	-0.367	81,804
Gasoline-NY RBOW (NYM) -42,000 gal.; \$ per gal.						
Sept	2.8161	2.8638	2.7460	2.7726	-0.506	55,108
Oct	2.5903	2.6403	2.5364	2.5539	-0.462	109,893
Natural Gas (NYM) -10,000 MMBtu.; \$ per MMBtu.						
Sept	2.560	2.660	2.555	2.632	0.081	83,820
Oct	2.710	2.797	2.685	2.743	0.027	174,516
Nov	3.163	3.249	3.145	3.193	0.027	199,500
Dec	3.678	3.747	3.660	3.703	0.025	74,570
Jan'24	3.887	3.965	3.879	3.929	0.031	91,989
March	3.486	3.558	3.486	3.533	0.031	77,482

Agriculture Futures

Corn (CBT)						
	Open	High	Low	Settle	Chg	Open interest
5,000 bu.; cents per bu.						
Sept	486.00	493.00	468.00	469.25	-10.25	214,865
Dec	500.50	506.25	481.25	482.50	-10.50	661,511
Oats (CBT)						
5,000 bu.; cents per bu.						
Sept	436.50	444.25	435.75	441.00	2.50	807
Dec	458.25	468.75	458.25	465.00	3.75	3,005
Soybeans (CBT)						
5,000 bu.; cents per bu.						
Sept	1369.00	1386.75	1364.50	1370.00	7.25	26,973
Nov	1362.25	1381.00	1355.50	1361.75	8.50	312,316
Soybean Meal (CBT)						
100 tons; \$ per ton.						
Sept	405.00	412.40	403.20	409.80	5.90	56,051
Dec	391.40	399.30	389.70	396.50	7.50	204,787
Soybean Oil (CBT)						
60,000 lbs.; cents per lb.						
Sept	68.50	69.48	67.43	67.99	-3.0	59,355
Dec	64.41	65.39	63.27	63.78	-3.1	195,223
Rough Rice (CBT)						
2,000 cwt.; \$ per cwt.						
Sept	15.56	15.65	15.50	15.52	-0.3	4,806
Nov	15.85	15.94	15.80	15.83	-0.1	4,781
Wheat (CBT)						
5,000 bu.; cents per bu.						
Sept	618.00	620.75	595.75	599.25	-14.00	66,284
Dec	644.00	646.25	622.75	625.50	-13.50	194,662
Wheat (K0)						
5,000 bu.; cents per bu.						
Sept	756.50	761.50	734.50	741.00	-12.50	27,472
Dec	765.00	770.00	741.75	748.25	-12.50	100,768

Cash Prices | wsj.com/market-data/commodities

Monday, August 21, 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		Monday		Monday
Energy					
Coal,C.Aplc,12500Btu,1.2502-r,w	70.000	Iron Ore,62% Fe CFR China-s	n.a.	Wheat,Spring14%-pro Mnpls-u	8.8475
Coal,PwdrRvrBsn,8800Btu,0.8502-r,w	14.300	Shredded Scrap, US Midwest-s,m	n.a.	Wheat,No.2 soft red,St.Louis-u	5.5425
Metals					
		Steel,HRC USA, FOB Midwest Mill-s	n.a.	Wheat - Hard - KC (USDA) \$ per bu	7.8100
Gold, per troy oz					
Engelhard industrial	1897.00	Battery/EV metals		Wheat,No.1soft white,Portld,OR-u	7.0000
Handy & Harman base	1889.85	BMI Lithium Carbonate, EXW China >99.2%-vw	33075	Food	
Handy & Harman fabricated	2097.73	BMI Lithium Hydroxide, EXW China >56.5%-vw	32325	Beef,carcass equiv. index	
LBMA Gold Price AM	*1891.75	BMI Cobalt sulphate, EXW China >20.5%-vm	6090	choice 1-3,600-900 lbs.-u	291.09
Kruggerand,wholesale-e	1979.75	BMI Nickel Sulphate, EXW China >22%-vm	4638	select 1-3,600-900 lbs.-u	264.86
Maple Leaf-e	2027.12	BMI Flake Graphite, FOB China, -100 Mesh, 94-95%-vm	620	Broilers, National comp wtd. avg.-uw	1.1104
American Eagle-e	2027.12	Fibers and Textiles		Butter,AA Chicago-d	2.7400
Mexican peso-e	2444.09	Burlap,10-oz,40-inch NY yd-n,w	0.7200	Cheddar cheese,bbk,Chicago-d	180.50
Austria crown-e	1859.99	Cotton,11/16 std lw-mdMphs-u	0.8146	Cheddar cheese,blk,Chicago-d	200.75
Austria phil-e	1989.23	Cotlook 'A' Index-t	*94.10	Milk,Nonfat dry,Chicago-lb-d	110.25
Other metals					
LBMA Platinum Price PM	*904.0	Hides,hvy native steers piece fob-u	n.a.	Coffee,Brazilian,Comp-y	1.5084
Palladium,Engelhard industrial	915.0	Wool,64s, staple, Terr del-u,w	n.a.	Coffee,Columbian, NY-y	1.8211
Platinum,Engelhard industrial	1255.0	Grains and Feeds		Eggs,large white,Chicago-u	1.3150
Aluminum,LME, \$ per metric ton	*2096.0	Barley,top-quality Mnpls-u	n.a.	Flour,hard winter KC-p	18.80
Copper,Comez spot	3.7120	Bran,wheat middlings, KC-u,w	148	Hams,17-20 lbs,Mid-US fob-u	1.05
		Corn,No.2 yellow,Cent IL-lb-pu	4.0900	Hogs,Lowa-So. Minnesota-u	93.62
		Corn gluten feed,Midwest-u,w	152.0	Pork bellies,12-14 lb MidUS-u	n.a.
		Corn gluten meal,Midwest-u,w	540.9	Pork loins,13-19 lb MidUS-u	1.1764
		Cottonseed meal-u,w	350	Steers, Tex.-Okla. Choice-u	178.00
		Hominy feed,Cent IL-u,w	145	Steers feeder,Okla. City-u,w	280.00
		Meat-bone meal,50% pro Mnpls-u,w	438	Fats and Oils	
		Oats,No.2 milling,Mnpls-u	4.5100	Degummed corn oil, crude wtd. avg.-uw	n.a.
		Rice, Long Grain Milled, No. 2 AR-u,w	37.25	Grease,choice white,Chicago-h	0.6600
		Sorghum,(Milo) No.2 Gulf-u,w	n.a.	Lard,Chicago-u	n.a.
		Soybean Meal,Cent IL,rail,ton48%-u,w	427.90	Soybean oil, crude,Cent IL-u,w	0.7214
		Soybeans,No.1 yllw IL-lb-pu	14.0700	Tallow,bleach,Chicago-h	0.6950
				Tallow,edible,Chicago-u	n.a.

KEY TO CODES: A=ask; B=bid; BP=company 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=S&NLE 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 8/18

Source: Dow Jones Market Data

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

Money Rates

August 21, 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				Policy Rates			
	July index level	Chg From (%) June '23	July '22	Latest	Week ago	-52-Week- High	-52-Week- Low
U.S. consumer price index	305.691	0.19	3.2				
All items	305.691	0.19	3.2				
Core	309.402	0.16	4.7				
International rates							
	Latest	Week ago	-52-Week- High	-52-Week- Low		Latest	Week ago
Prime rates							
U.S.	8.50	8.50	8.50	5.50			
Canada	7.20	7.20	7.20	4.70			
U.S. government rates							
Discount							
5.50 5.50 5.50 2.50							

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.

Federal funds (effective)					Commercial paper (AA financial)				
	Week Ended	-52-Week- High	-52-Week- Low		Week Ended	-52-Week- High	-52-Week- Low		
	Aug 18	Aug 11	High	Low		Aug 18	Aug 11	High	
Federal funds (effective)	5.33	5.33	5.33	2.33	6-month	5.54	5.53	5.55	
Commercial paper					1-year	5.36	5.34	5.42	
Nonfinancial					2-year	4.94	4.80	4.95	
1-month	5.31	5.31	5.31	2.31	3-year	4.65	4.45	4.65	
2-month	5.33	5.33	5.33	2.39	5-year	4.39	4.18	4.39	
3-month	5.32	5.34	5.34	2.60	7-year	4.34	4.14	4.34	
Financial					10-year	4.25	4.07	4.25	
1-month	5.36	5.37	5.38	2.36	20-year	4.53	4.39	4.53	
2-month	n.a.	5.46	5.46	2.53	Treasury yields (secondary market)				
3-month	5.42	5.46	5.53	2.75	1-month	5.27	5.27	5.62	
Discount window primary credit	5.50	5.50	5.50	2.50	3-month	5.29	5.29	2.62	
Treasury yields at constant maturities					6-month	5.28	5.27	3.02	
1-month	5.54	5.54	5.81	2.24	TIPS				
3-month	5.56	5.55	5.56	2.71	5-year	2.14	1.92	2.14	
					7-year	2.01	1.80	2.01	
					10-year	1.92	1.71	1.92	
					20-year	1.96	1.79	1.96	
					Long-term avg	2.10	1.97	2.10	

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/data/download/Build.aspx?rel=H15>

	Open	High	Low	Settle	Chg	Open interest
Dec	1.1482	1.1534	1.1473	1.1530	0.0046	839
Australian Dollar (CME) -AUD 100,000; \$ per AUD						
Sept	.6412	.6427	.6393	.6422	.0010	215,250
Dec	.6435	.6447	.6415	.6443	.0010	3,325
Mexican Peso (CME) -MXN 500,000; \$ per MXN						
Sept	.05836	.05855	.05824	.05851	.00013	224,787
Dec	.05743	.05755	.05729	.05753	.00013	3,033
Euro (CME) -€125,000; \$ per €						
Sept	1.0889	1.0929	1.0884	1.0913	.0020	741,460
Dec	1.0937	1.0976	1.0932	1.0961	.0020	10,661

Index Futures

	Open	High	Low	Settle	Chg	Open interest
Mini DJ Industrial Average (CBT) -55 x index						
Sept	34565	34709	34308	34524	-41	98,974
Dec	34914	35032	34643	34860	-35	870
Mini S&P 500 (CME) -550 x index						
Sept	4382.50	4421.00	4372.25	4412.50	29.75	2,210,258

Source: FactSet

BANKING & FINANCE

AI Funds Are Missing Out on the AI Boom

ETFs powered by artificial intelligence are lagging behind gains in tech stocks

By Bob Henderson

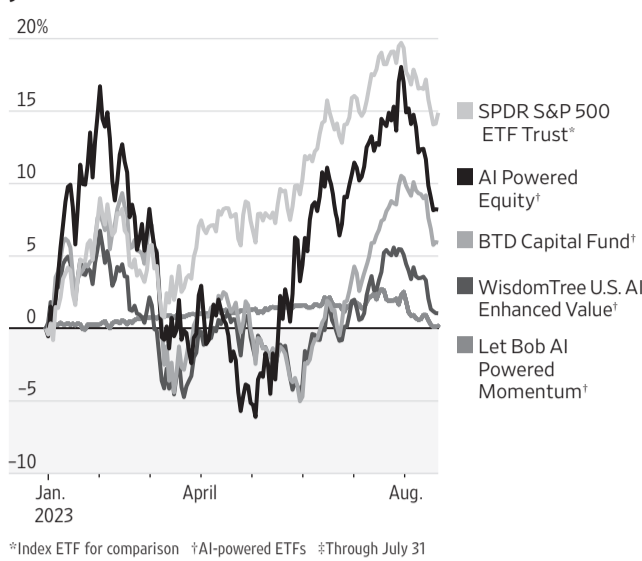
It is early yet, but so far artificial intelligence doesn't make much of a portfolio manager.

At least 13 exchange-traded funds have put artificial-intelligence applications in charge of managing their portfolios. Almost all have missed out on this year's tech-led market rally and are lagging behind benchmark indexes such as the S&P 500—an irony given the investor enthusiasm regarding AI subjects and likely a sign of the technology's limitations in the ultracompetitive world of stock picking.

Take the WisdomTree U.S. AI Enhanced Value Fund, ticker AIVL, which has \$385 million in assets. The fund has generated a total return of 2.2% this year, while an ETF tracking the Russell 1000 Value index, AIVL's benchmark, has risen 4.5%.

The biggest reason for AIVL's underperformance? Its AI's refusal to buy Facebook parent and AI stalwart Meta Platforms—whose shares have soared more than 140% since December, in part driven by

Exchange-traded fund performance, year to date



the firm's investment in AI-related technologies.

"There was a really, really, really sharp price increase, and it's just viewing it as overvalued," said Chrissy Barger, client portfolio manager for equities at Voya Investment Management, which developed the WisdomTree fund's algorithm.

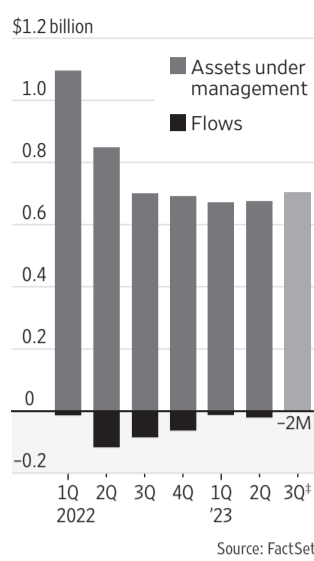
AI-powered ETFs, much like chatbots such as ChatGPT, make predictions by exploiting AI's aptitude for finding patterns in mountains of data. A portfolio manager chooses a trading strategy. The AI is

then trained on a vast quantity of historical information and directed to trade within that strategy by using the tactics that would have worked best in the past.

Poor performance might be why parallel waves of enthusiasm for both AI-themed stocks and actively managed ETFs haven't won investors over to the AI-powered club.

The 13 members identified in a Wall Street Journal analysis have about \$670 million under management—a minuscule sliver of the \$7 trillion ETF market—and have seen

AI-powered ETF assets under management and fund flows



outflows this year and last of more than \$300 million.

AI-powered funds promise to skirt the costs of human behavior and to bring hedge-fund-like technology to the masses. And AI can, in some cases, time stock trades better than individual investors, according to research by Eric Ghysels, a professor of economics and finance at the University of North Carolina, Chapel Hill.

But AI doesn't adapt quickly enough to paradigm-shifting events such as 9/11 or Russia's invasion of Ukraine to

outperform professional portfolio managers reliably over time, said Ghysels.

"Maybe one day it will, but for now AI is limited to plagiarizing history," said Ghysels.

The human brains behind the bot-powered funds tend to blame their underperformance on the strategies with which they have saddled their AIs. AIVL is seeking value opportunities in a challenging environment for value stocks, said Voya's Barger.

Fans say performance will improve over time because the AIs are continuously retrained with incoming data, though the evidence on that score isn't entirely consistent with that idea.

The oldest exchange-traded fund driven by artificial intelligence—known as the AI Powered Equity ETF, ticker AIEQ—was launched in 2017. It runs on International Business Machines' Watson super-computer and bases its bets on an analysis of millions of news articles, social-media posts, analyst reports and financial statements. It is up 9% this year, trailing the broader market largely because it spread its bullish bets across too many stocks. It missed out on the surge in the "Magnificent Seven," a group of big tech stocks that powered markets in the first five

months of 2023.

AIEQ beat the major indexes for its first few years, but then got clobbered in 2022 by the stock rout triggered by the Federal Reserve's aggressive interest-rate hikes. AIEQ's total return since inception is now about 44%, compared with 93% for the SPY ETF, which tracks the S&P 500 index, over the same period.

"This is machine learning, not machine knowing," said Art Amador, chief operating officer and co-founder of EquiBot, the AI fintech firm that developed AIEQ's technology in partnership with IBM. The next time the Fed does what it did last year, Amador said, AIEQ's AI will say, "Boom! I recognize this!"

That learning curve presents a dilemma for investors, said Jack Butler, 60 years old, who runs an irrigation-products business in Encinitas, Calif. On the one hand, Butler said, it might make sense to get into AI-powered funds early, before they evolve enough to eliminate the market's opportunities. On the other hand, the hallucinations and other errors made by programs such as ChatGPT are part of what is holding him back.

"I think mistakes are going to be made early on, and I don't really want to be part of those mistakes," he said.

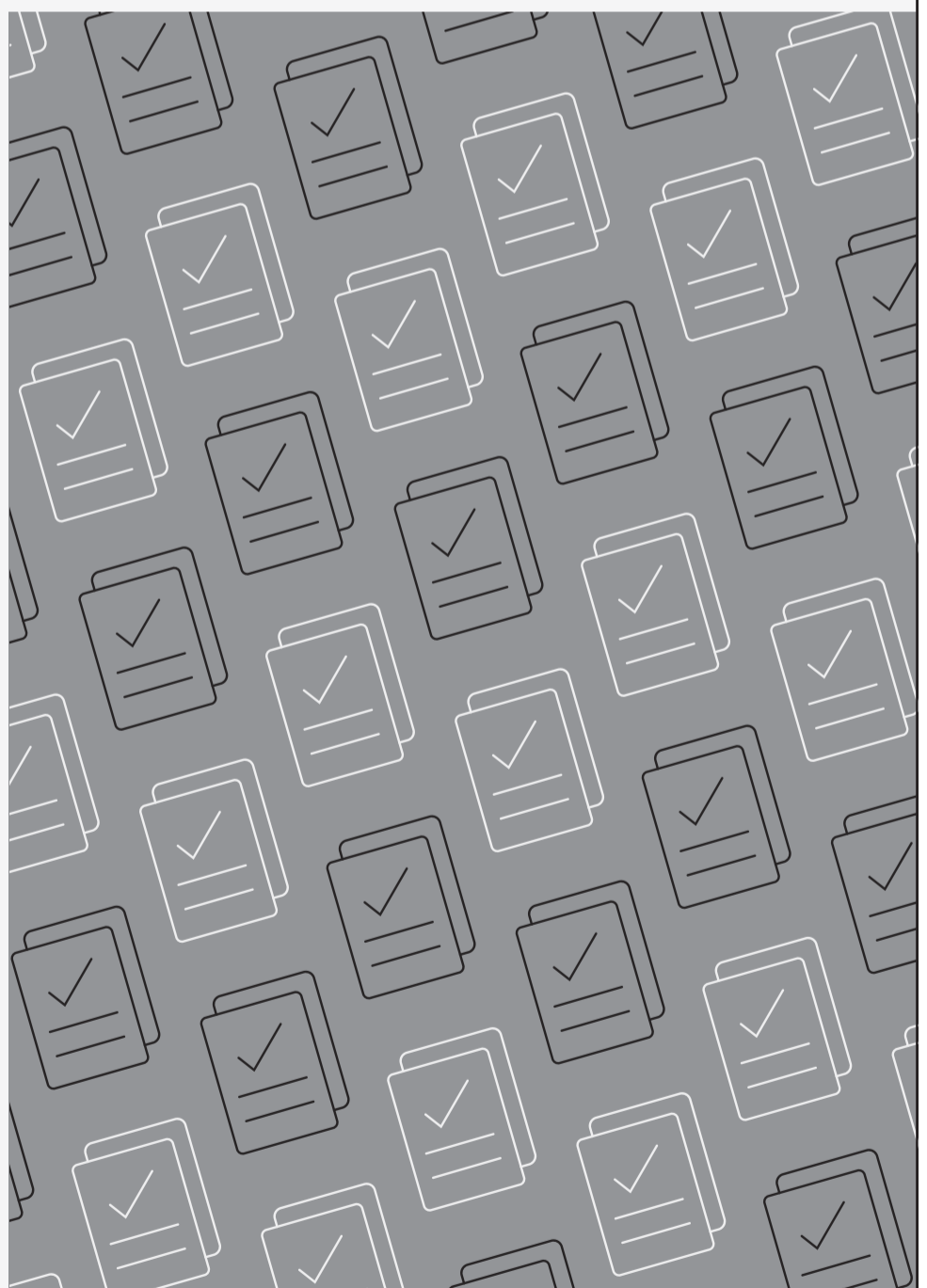
New Highs and Lows

Table with columns for Stock, 52-Wk % (Sym, Hi/Lo, Chg), and % Chg. Lists various stocks and their performance metrics.

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MARKETS



Nvidia's shares rose 8.5%, putting their year-to-date gain at 221% and fully erasing their month-to-date losses.

Tech Stocks Spark Rally Despite Rise in Bond Yields

Nvidia leads, while 10-year Treasury rates reach 16-year high point

BY SAM GOLDFARB

A good day for tech shares helped support stock indexes even while Treasury yields climbed to new decade-plus highs.

Fresh off its third straight week of declines, the tech-heavy Nasdaq Composite was the top-performing major index, rising 1.6%. The S&P 500 climbed 0.7%, while the Dow Jones Industrial Average slipped roughly 37 points, or 0.1%.

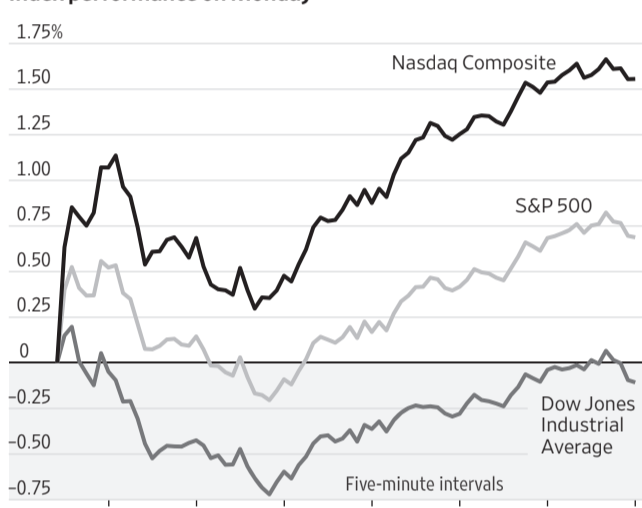
Stocks have been pressured by rising bond yields but were largely able to withstand a further jump in yields—waving a bit in early trading and ultimately finding their footing again.

The yield on the benchmark 10-year U.S. Treasury note settled at 4.339%, up from 4.251% Friday. That surpassed its nearly 16-year high set last Thursday to again mark its highest close since late 2007.

As has been the case all month, the rise in yields appeared to be driven by optimism about the economic outlook, which has caused investors to scale back bets on future Federal Reserve interest-rate cuts.

Higher yields reflect falling bond prices and can weigh on

Index performance on Monday



Source: FactSet

stocks by forcing them to compete with an alternative in Treasuries that are essentially risk-free if held to maturity.

“There’s a point that we’re probably already in right now, this zone where interest rates provide some competition for stocks,” said George Mateyo, chief investment officer at Key Private Bank.

Still, investors were mostly willing to look past that on Monday, venturing back into some of the year’s most popular stocks.

Chief among those was Nvidia, the chip making giant that will report earnings on Wednesday. Its shares rose 8.5%, putting their year-to-date gain at 221% and fully erasing their month-to-date losses.

Also bouncing back from tough weeks were Tesla, which

jumped 7.3% and Meta Platforms, which rose 2.3%.

Some analysts have said that the importance of Nvidia’s earnings will stretch beyond its own stock. The company’s blockbuster earnings report three months ago has since been seen as a turning point for the market, having sparked a surge in investor optimism about demand for artificial-intelligence technology and its potential to transform the economy.

This time around, the company is less likely to surprise.

“Expectations now compared to then are much higher for Nvidia, and, of course, the stock is up a lot so they better give us a good number,” said Bob Doll, chief investment officer at Crossmark Global Investments.

Investors are also looking at

this week’s gathering of central-bank officials and economists for the Federal Reserve Bank of Kansas City’s annual symposium at Jackson Hole, Wyo., as another event that could affect markets.

Since the theme of the meeting will be “structural shifts in the global economy,” investors are prepared for discussion about the neutral interest rate that officials think is sufficient to neither slow nor speed up the economy.

Any hint that officials think that rate is higher than it used to be could provide further cause for longer-term Treasury yields to rise, investors say, while suggestions to the contrary could lead to a rally in bond prices. The meeting will start on Thursday, but investors will be particularly focused on Fed Chair Jerome Powell’s remarks that are scheduled for Friday morning.

Overseas, Europe’s Stoxx 600 rose 0.1%. Early Tuesday, Japan’s Nikkei 225 and Hong Kong’s Hang Seng Index were each up 0.7%. S&P 500 futures fell 0.1%.

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	\$209,926,626,700	\$187,693,315,000
Accepted bids	\$74,657,209,700	\$67,083,043,500
* noncomp.	\$2,405,940,700	\$2,804,273,200
** foreign noncomp.	\$0	\$0
Auction price (rate)	98.645556 (5.300%)	97.323083 (5.295%)
	5.462%	5.531%
Bids at clearing yield accepted	82.10%	55.99%
	91279716	912796228

Both issues are dated Aug. 24, 2023. The 13-week bills mature on Nov. 24, 2023; the 26-week bills mature on Feb. 22, 2024.

RB Global CEO’s Abrupt Departure Upsets Holders

BY LAUREN THOMAS

A number of RB Global’s largest shareholders have taken the vehicle-marketplace company to task over the abrupt departure of its chief executive.

In recent days, major shareholders in RB Global, including Independent Franchise Partners and Beutel, Goodman & Co. have privately written to RB Global’s board about their disappointment with recent management changes.

“We are disappointed with the board’s actions that have fallen far short of acceptable governance practice,” a spokesperson for Independent Franchise Partners said. “We look forward to engaging with the board to address these shortcomings so they can start to rebuild their shareholders’ full confidence and trust.”

Shares of the company, formerly known as Ritchie Bros. Auctioneers, have fallen about 13% since news of the departure of Ann Fandozzi as CEO, which RB Global disclosed in early August—along with that of Eric Jacobs as chief financial officer.

It marks the latest drama for a company that fought for months to pull off a big merger that left shareholders divided. Fandozzi was ultimately able to see the transaction through, in large part thanks to a deal she struck with Starboard Value CEO Jeff Smith, who now sits on RB Global’s board.

In a twist, the investor—alongside the other board members—and the former executive are now seemingly pitted against each other over her exit.

The company said earlier this month that Fandozzi was going to require directors to approve a compensation program that would accelerate five years of equity compensation, which the board ultimately wouldn’t approve. It said Fandozzi was unwilling to

accept any pay package that wasn’t front-loaded and informed the board of her decision to resign.

“After not receiving the compensation package she desired, Ann Fandozzi informed the board that she was resigning, the board accepted her resignation and interpreted her subsequent conduct as affirmation of her resignation,” an RB Global spokesperson said.

Fandozzi wrote her own letter addressed to RB Global shareholders, which was seen by The Wall Street Journal, in which she said her exit was “abruptly sought and a press release was issued to announce a successor,” despite her willingness to continue “good faith negotiations” with board members.

“Despite what the company has stated publicly, I did not resign,” the letter said.

The auto-industry veteran was seen as playing a key role in helping RB Global narrowly win shareholder approval for its \$7 billion acquisition of U.S. auto retailer IAA earlier this year. The company ended up reaching a deal with Starboard, which made a \$500 million investment.

This type of agreement is rare for Starboard, a fund known for taking activist positions in companies, most recently at Outback Steakhouse parent Bloomin’ Brands.

Fandozzi said in her letter that she still hopes to reach an equitable separation arrangement with RB Global. She said she repeatedly asked board members including Smith to take her compensation proposal—for herself and other senior managers—to shareholders for feedback, to no avail.

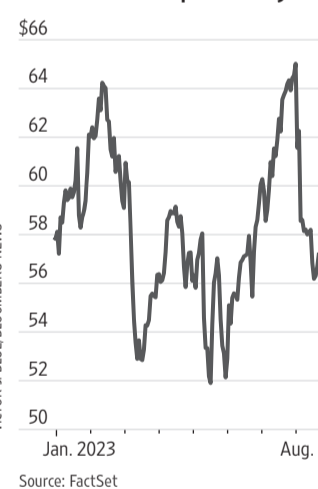
RB Global has since named Jim Kessler, formerly its chief operating officer and president, as CEO. It is still searching for Jacobs’s replacement.

—Alex Frangos contributed to this article.



Shares have fallen since Ann Fandozzi stepped down.

RB Global share price this year



Source: FactSet

Companies With Venture Arms Scale Back Their Ambitions

BY ROD JAMES

Companies with in-house venture-capital arms such as French energy company Total are retrenching by selling assets after collapsing startup values led them to rethink how to invest.

In June, for instance, Total’s climate-focused TotalEnergies Ventures sold 20 minority stakes in startups to venture investment manager Aster Capital Partners. The sale came a year after Total shut its venture business and replaced it with a startup accelerator. Total didn’t respond to a request for comment on the ac-

tion, but in announcing the asset sale, Aster partner Fabio Lancellotti suggested economic conditions and the cyclicality of venture capital is prompting companies to sell assets and “reposition themselves” toward core businesses.

In the decade following the financial crisis, corporations moved away from backing venture vehicles and toward investing directly in startups. By 2021, funds invested through in-house corporate venture teams, sometimes referred to as CVCs, accounted for 21% of all venture investments, up from 11% a decade earlier, according to industry consulting

firm Bain & Co.

For most corporations, investing directly in startups helps them stay on top of technological developments that could define, disrupt or even destroy their industries. It also helps them get to know management teams, which could provide an edge should they look to acquire their startups.

But as asset values collapsed and securities markets tanked last year, some corporate venture units began rethinking their approach, opening new secondary investment opportunities for specialists focused on privately held assets.

At the end of last year, soft-

ware giant Microsoft’s M12 venture arm came to market with what one prospective buyer described as a “multi-nine-digit portfolio” of holdings. Shortly after, corporate vice president and M12 global head Michelle Gonzalez said the unit would adopt an investment strategy “more tightly aligned” with Microsoft’s core business.

“Our closer connection to Microsoft focuses our work and positions our portfolio companies to accelerate their growth, two things that are proving to be even more critical as we navigate the volatile macroeconomy,” Gonzalez said

in a January blog post.

Her plans called for M12 to focus on artificial intelligence, cloud computing infrastructure, cybersecurity, software development tools and certain types of software as a service. A spokeswoman said that to align with the new strategy, M12 sold fewer than 10 of its more than 100 portfolio companies in the fiscal year ended in June. While the companies went for prices below 2021 valuations, M12 still sold them for “significantly more” than its initial investment, she added.

This sort of retrenchment has happened before, secondary market participants said.

“We have seen it play out time and time again,” said Scott Barrington, chief executive of sustainability-focused secondary investment firm North Sky Capital. “A few years down the road, the CFO of a company says, ‘Why are we doing this? We’ve invested in private assets and I can’t close the books until these valuations roll in...’ We’ve seen a lot of corporate sellers here in the U.S., especially recently.”

Verizon Ventures is also selling corporate venture assets, according to people familiar with the market. A Verizon spokesman declined to comment.

Trading in One-Day Options Bolts Ahead

BY GUNJAN BANERJI

It has been a rough month for stocks. Traders are turning to some of the riskiest bets to play the volatility.

Trading in one-day options, which has only taken off in the past couple of years, is hitting a fever pitch during the August tumult in stocks. Four out of the top 10 trading days for one-day options have

been in August, according to Nomura.

Such trades have surged in popularity, helping send broader activity in the options markets to records this year, according to Options Clearing Corp. data going back to 1973.

On Monday, eight of the 10 most actively traded contracts in the market expired the same day, Cboe Global Markets data show.

Cboe Volatility Index over the past month



Source: FactSet

Goldman Tests Waters for Advisory Unit

BY CHELSEY DULANEY

Goldman Sachs said it is considering options for its \$29 billion investment-adviser business, in what could mark the latest step back from its ambitions to be a bigger Main Street player.

The bank said the investment-adviser business, which it refers to as personal financial management, was a very small component of its overall wealth-management operations.

“We are currently evaluating alternatives for that business,” Goldman said. “We expect to find an outcome that benefits both our clients and our advisors.”

Goldman began building up the division back in 2019 with the purchase of California wealth-management firm United Capital. The deal was part of Goldman’s effort to diversify beyond its traditional powerhouse businesses of trading and investment banking into managing money for non-

billionaires. Goldman had kicked off its push in Main Street banking in 2016, when it unveiled its Marcus high-yield savings account.

The effort has proved costly and Goldman announced last year that it would step away from the consumer business, which never turned a profit. This April, it announced a sale of a portfolio of personal loans from Marcus. It is also exploring the sale of GreenSky, a home-improvement lender it bought last year.

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Don't Buy a Timeshare—Buy a Timeshare Seller

Marriott Vacations Worldwide has sold off as consumers grow cautious, but it has other ways to make money

Peruse the annual report of one of the world's largest timeshare operators and the word "timeshare" appears only 25 times. "Resort" and "vacation" show up 373 and 1,026 times, respectively.

Marriott Vacations Worldwide is an odd bird. Despite sharing a name, it hasn't been part of the Marriott hotel chain since 2011. Back then, the unit was sagging financially and its industry had a decidedly mixed reputation, often courtesy of small operators whose customers were left paying fees on worthless vacation weeks.

But investors who held on to the stock received through a tax-free dividend made a 1,000% return in the first 10 years. A change Marriott Vacations was implementing at the time has made that possible and left customers mostly satisfied too.

Its shares are in the doldrums now, though, flirting with a 52-week low at a price the stock first hit in 2017. It is getting harder to sign up new vacation owners: Volume per guest—the amount it takes in per tour—slipped to \$3,968 in the second quarter, down 14% year on year.

Just like in the old days, guests are given discounted resort stays or other inducements to hear a presentation—but salespeople now try to sell points, not weeks. The points give members an interest in a land trust good for stays of various lengths and quality at its 120-plus resorts. The minimum number that one can buy directly from Marriott costs about \$25,500. The company does about 400,000 fairly costly tours a year and—unsurprisingly, with inflation and interest rates rising—fewer fish are biting.

What investors might not appreciate, though, is how much sturdier the company's business is today than during the 2007-2009 recession.

"I would argue the product we're selling now should be more



Marriott doesn't own the resorts, but it receives fees for managing them that don't depend on occupancy.

resilient," said Chief Executive John Geller.

Marriott doesn't own the resorts, but it receives fees for managing them that don't depend on occupancy. And failure by owners to pay the maintenance fees that keep the resorts running results in either the owners' association or the parent company getting the legacy week or points that back it. Other customers voluntarily sell their weeks or points back to Marriott, though frequently for less than they paid. Those weeks create more supply of vacation days for current and future point owners.

Marriott therefore can sell points a lot faster than it has to grow its physical footprint through construction or buying other resorts. A surprising amount

of what it sells is "recycled" from existing customers at extremely favorable rates. Every year, Marriott spends \$80 million to \$90 million on weeks or points that it then resells for about \$1 billion, according to Geller.

That doesn't include people who defaulted on loans originated by Marriott—a separate profit center for the company. It periodically sells packages of loans to investors and then buys back defaulted notes at par, effectively paying about 55 cents or 60 cents on the dollar for their vacation purchases. In 2022, 54% of its timeshare buyers used financing with an average loan of \$28,400, an average term of 12 years and an average interest rate of 13.4%.

A serious economic slowdown

would hurt its middle-class customers, but it also would stimulate supply without the need to build anything.

In the temporary absence of enough buyers, those units can be rented out as extra-spacious hotel rooms, often through the former hotel parent company's reservation system. The sale of new units makes up only about half of Marriott's earnings before interest, taxes, depreciation and amortization. In addition to financing, rental and management, it makes money when customers use its system to exchange weeks for vacations outside its brands.

A downturn would hurt, but it would pinch weaker competitors' ability to offer inducements more than it would Marriott Vacations.



Source: FactSet

"Marriott's a different animal," says Joseph Takacs, a broker for timeshare exchange site RedWeek. "They have the ability to pay for those dinners."

The company also might face less competition from its own customers under the points system than under deeded weeks because it retains more control, artificially buoying the price and earning money from the secondary market. A recent inquiry to purchase 1,000 points on RedWeek for \$3 apiece looks much cheaper than Marriott's price at a sales presentation. But Marriott charges an additional \$3 per point transfer fee, a \$95 right of first refusal waiver fee and a \$300 education fee, unless the buyer is already in the system.

Analysts have chopped their earnings-per-share forecasts for 2023 and 2024 following the recent sales weakness. At 10.6 times forward consensus earnings, though, the stock is now at more than a 40% discount to where it traded on average before the pandemic. And while volume per guest has sagged, it shows Marriott is about as efficient at converting sales as before the pandemic.

Listen closely to this presentation. —Spencer Jakab

Debt-Addicted Landlord Seeks Shelter

The founder of **SBB** once said the property company could withstand interest rates of 10%. In reality, less dramatic increases have turned the stock into a bonanza for short sellers.

The Swedish landlord was set up in 2016 and borrowed heavily over the next few years to pay for its growing property empire. SBB was "hooked on the crack of cheap debt," according to Viceroy Research founder Fraser Perring, whose hedge fund published a critical report about the company last year and questioned whether it was valuing its assets properly. Sweden's financial regulator has since launched an investigation into the company.

SBB has been struggling to refinance its debts since Sweden's central bank began raising its policy rate, which has gone from 0.75% a year ago to 3.75% today. On the company's latest earnings call, SBB's new chief executive officer said debt was equivalent to 52% of the value of its assets. But Edoardo Gili, analyst at real-estate research firm Green Street, estimates the number is 74% once hybrid bonds and recent falls in property values are factored in.

SBB is in a tight spot as its market value has fallen to 6.6 billion Swedish kronor, equivalent to around \$600 million, after a 77% plunge in its share price since January. This is dwarfed by its debts, which add up to \$74 billion. Of these loans, \$2.5 billion mature over the next two years. SBB only has enough money to pay back three-quarters of that based on the cash it has on hand and the operating cash flow the company is expected to generate between now and then.

Refinancing is proving very difficult. In May, ratings agency S&P Global Downgraded SBB to junk, which led to an immediate 1.25-percentage-point jump in interest margins on some of its outstanding bonds. In a sign of the level of distress at SBB, its €700 million—equivalent to about \$760 million—

note maturing in five years trades at a 12% yield to maturity.

The company managed to raise some funds in July by selling preference shares to a Morgan Stanley real-estate fund, but had to guarantee a 13% return for five years to get the deal done. This annoyed some bondholders who complained the new pact undermined SBB's existing creditors. Another group of bondholders say the company breached debt covenants for its interest coverage ratio.

SBB is racing to sell properties to raise cash, but progress has been slow. Talks with Canadian real-estate investor Brookfield Asset Management about selling a stake in its portfolio of education buildings fell apart last month.

Management may try to spin off SBB's residential portfolio this year. But it is a bad time to drum up interest in a new property listing, especially as Sweden has one of the weakest housing markets in Europe. SBB will need to offer big discounts to its current book values to tempt shareholders. The company values its residential portfolio at a low 3.5% investment yield on average, while yields implied by the share prices of Swedish residential landlords are over 4.5%, according to Green Street's calculations.

The rest of SBB's portfolio contains community-service buildings like care homes for the elderly and hospitals. Although rents on these properties are usually linked to inflation, which makes them appealing, SBB may struggle to sell some assets such as nursery schools and police stations to foreign buyers due to political sensitivities.

Viceroy's founder cashed out of his short bet on SBB a while ago, but the company remains the most heavily shorted property stock in Europe, with a fifth of the shares out on loan according to UBS estimates. Unless SBB can quickly find a way to pay back its mountain of debt, the slide in its share price may continue. —Carol Ryan

Europe's Gas-Guzzling Days Are Fading

Last year's hottest gas market has cooled, and some of the change will stick.

Demand for natural gas in Europe hasn't bounced back despite lower prices. The region's TTF benchmark price is down 85% compared with a year ago, when Europe was rushing to fill its gas-storage facilities for winter after Russia cut off supply. Prices have fallen partly because Europe's gas storage is full. It hit a 90% capacity target last week, more than two months ahead of a schedule set last year by the European Union.

But underlying demand is weak. According to think tank Bruegel's European natural-gas demand tracker, use of gas in the first quarter of this year was 18% lower than the 2019-2021 average, and 19% below in the second quarter. The declines have accelerated from the 12% fall last year.

Weaker economic growth is one reason why gas use hasn't recovered. Another may be that lower wholesale prices haven't been passed on to end users yet, according to Ben McWilliams, author of the Bruegel tracker.

Other factors will be more permanent, notably new technologies. The European Heat Pump Association said sales of heat pumps rose 39% in 2022. They are now installed in 16% of Europe's residential and commercial buildings, often replacing gas boilers. Heat pumps require electricity, which is often produced using gas, but this too is changing. Installations of new solar capacity rose a record 47% in 2022, and last year was the first time that renewable power generated more of Europe's electricity than natural gas.

One uncertainty for future gas demand is whether European industries such as chemicals and fertilizer manufacturing will return to normal. The International Energy Agency thinks that up to half the decline in Europe's industrial gas demand last year was a result of production shutdowns. Certain companies whose business model traditionally relied on cheap Russian gas moved manufacturing to lower-cost regions such as the U.S., where gas costs roughly a quarter of the European spot price.

European gas prices will be volatile until more global liquefied natural-gas supply arrives in 2025.



European prices will be volatile until more liquefied-natural-gas supply arrives.

Dutch TTF Natural Gas, monthly continuous contract



Source: FactSet

The TTF jumped 5% on Monday because of worries about strikes at an Australian LNG terminal. Companies may be reluctant to restart their European factories until the region's energy costs are more predictable.

Before the Ukraine war, global demand for natural gas was expected to increase 18% between 2021 and 2030, according to estimates from the Oxford Institute for Energy Studies. This forecast has since been cut to 10%. Lower growth expectations reflect the sharp cutbacks in Europe as well as the U.S. Inflation Reduction Act, which will supercharge Amer-

ica's shift to renewable energy. None of this is ideal for the U.S. LNG players who are pouring billions of dollars into new production. Based on projects that have secured funding, and those in the pipeline, U.S. LNG export capacity could double by the end of this decade, according to Wood Mackenzie estimates.

True, Europe needs plenty of LNG over the next few years to replace the shortfall left by Russian pipeline gas. But the faster the region weans itself off gas, the sooner exporters will need to find a new home for at least some of their cargoes.

The expectation is that countries using a lot of coal in power generation, such as India and Pakistan, will switch to natural gas to cut their carbon emissions—assuming prices come down enough to make that transition affordable. "The window of opportunity for natural gas is tightening all around the world, although coal-reliant markets in Asia provide growth prospects over the medium-term," says Gergely Molnar, energy analyst at IEA.

Buyers and sellers of natural gas took different lessons from last year's record prices, and the fuel's reputation as a cheap, reliable form of energy took a hit. The pace of change in Europe's gas market raises the risk of a glut. —Carol Ryan