

What's News Business & Finance

◆ **Stubborn inflation** pressures persisted in March, derauling the case for the Fed to begin reducing interest rates in June and raising questions over whether it can deliver cuts this year without signs of an economic slowdown. **A1, A2**

◆ **The fresh inflation shock** drove major U.S. stock indexes lower, depressing the S&P 500, Dow and Nasdaq by 0.9%, 1.1% and 0.8%, respectively. **A1**

◆ **Inflation in China** retreated sharply, reigniting concerns over deflation even as its economy starts to feel the benefit of a manufacturing-led revival. **A9**

◆ **Macy's averted** a fight for control of its board but added new directors who will help the company decide whether to accept a takeover bid it had previously resisted. **B1**

◆ **KPMG's Netherlands unit** agreed to pay a \$25 million fine over claims of training-course examination cheating and misinforming investigators. **B1**

◆ **Four Paramount Global** directors are expected to leave the board soon, as the Shari Redstone-controlled entertainment company discusses a merger with Skydance Media. **B1**

◆ **Philips said it reached** a final agreement with the Justice Department and FDA on terms of a settlement related to its Respiroics ventilators, and backed its medium-term guidance. **B3**

◆ **Delta said it expects** strong summer travel demand as the airline posted a better-than-expected profit for the first three months of the year. **B5**

◆ **Lands' End is on track** to make an annual profit for the first time in three years, following a pandemic slump. **B3**

World-Wide

◆ **Most small drones** made by U.S. startups have failed to perform in combat in Ukraine, dashing companies' hopes for sales and positive attention and diminishing the Pentagon's sources of reliable supplies of thousands of unmanned aircraft. **A1**

◆ **South Korean President Yoon's** ruling conservatives stumbled badly in legislative elections, an outcome that raises new foreign-policy questions for allies and foes. **A8**

◆ **U.S. intelligence reports** show that an attack on Israeli assets by Iran or its proxies could be imminent, U.S. officials said, as the top American military commander for the Middle East headed to Israel to coordinate a response. **A6**

◆ **Israeli airstrikes** killed three adult sons of the head of Hamas's political leadership on the first day of the Muslim holiday of Eid al-Fitr, an attack that could complicate a U.S.-led plan for a Gaza truce. **A6**

◆ **Richneck Elementary** School administrators dismissed or ignored security risks before a 6-year-old shot his teacher in Newport News, Va., last year, a special grand jury found. **A5**

◆ **House Speaker Johnson's** tenuous grip on the gavel was dealt another blow after holdout Republicans egged on by Trump derailed passage of a critical but controversial national-security spying law. **A5**

◆ **Allen Weisselberg**, the former finance chief of Trump's family business, was sentenced to five months in jail for lying during a civil-fraud investigation into the former president. **A3**

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Inflation Upsets Rate-Cut Plans

Consumer-price index rose 3.5% in March, a touch higher than expected

By SAM GOLDFARB AND NICK TIMIRAOS

Stubborn inflation pressures persisted in March, derauling the case for the Federal Reserve to begin reducing interest rates in June and raising questions over whether it can deliver cuts this year without signs of an economic slowdown. The consumer-price index,

a measure of goods and services prices across the economy, rose 3.5% in March from a year earlier, the Labor Department said Wednesday. That was a touch higher than economists had forecast and a pickup from February's 3.2%. Core prices, which exclude volatile food and energy categories, also rose more than expected on a monthly and annual basis.

Stocks fell, with the Dow Jones Industrial Average down more than 400 points to its lowest close in nearly two months. Yields climbed on U.S. government bonds, reflecting bets that the data could help

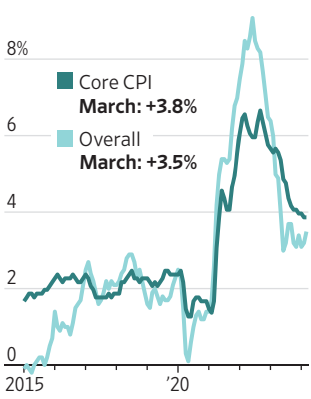
delay and diminish future interest-rate reductions.

The yield on the benchmark 10-year Treasury note settled at 4.559%, marking its highest close since November and its largest single-day increase since September 2022. An auction of 10-year Treasury notes on Wednesday afternoon was met by soft demand, with the weakest participation from investors since November 2022, according to BMO Capital Markets.

Futures contracts tied to the federal-funds rate show traders see rates ending the year around 5%, according to

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Consumer-price index, change from a year earlier



Note: Core excludes food and energy prices. Source: Labor Department

Around the World, Muslims Mark End of Ramadan



ON HAND: A girl attends Eid al-Fitr prayers in Nairobi, Kenya, on Wednesday, as Muslims around the world celebrated the end of the holy month of Ramadan. For many, the holiday was overshadowed by the fighting in Gaza. **A6, A8**

The Real Estate Nightmare in St. Louis

Downtown has empty office towers, copper thieves and failing retail—even the Panera left

By KONRAD PUTZIER

The Railway Exchange Building was the heart of downtown St. Louis for a century. Every day, locals crowded into the sprawling, ornate 21-story office building to go to work, shop at the department store that filled its lower floors or dine on the famous French onion soup at its restaurant.

Today, the building sits empty, with many of its windows boarded up. A fire broke out last year, which authorities suspect was the work of copper thieves.

Police and firefighters send in occasional raids to search for missing people or to roust squatters. A search dog died during one of the raids last year when it fell through an open window.

"It's a very dangerous place," said Dennis Jenkerson, the St. Louis Fire Department chief.

It anchors a neighborhood with deserted sidewalks sprinkled with broken glass and tiny pieces of copper pipes left behind by scavengers. Signs suggest visitors should "park in well-lit areas." Nearby, the city's largest office build-

ing—the 44-story AT&T Tower, now empty—recently sold for around \$3.5 million.

Cities such as San Francisco and Chicago are trying to save their downtown office districts from spiraling into a doom loop. St. Louis is already trapped in one.

As offices sit empty, shops and restaurants close and abandoned buildings become voids that suck the life out of the streets around them. Locals often find boarded-up buildings depressing and empty sidewalks scary. So even fewer

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For Most Teachers, Parental Leave Is Still Absent

By SARA RANDAZZO

Elementary art teacher Kathryn Vaughn wasn't nearly ready to return to her rural Tennessee classroom three weeks after giving birth to her son in 2021.

But Vaughn's school district, like most in the U.S., offered no paid maternity leave. As her family's sole wage earner, she felt she had little choice but to go back to work, where she sneaked glances midday of a video feed of her son at home with her husband.

"It's the sad reality," she said of the parental-leave policies of her profession, one largely dominated by women and tasked with caring for other people's children.

Some 18% of the nation's largest school districts offer some form of paid parental leave, according to the National Council on Teacher

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INSIDE



PERSONAL JOURNAL Intervening during middle age can help you stay sharp as you grow older. **A11**



SPORTS Stewart Hagestad will play in the Masters, then go back to work on Wall Street. **A14**

American Households Are Divided Over How to Load the Dishwasher

The divisive appliance keeps causing sudsy showdowns; 'control freak in the kitchen'

By NATASHA KHAN

Nina and Stephen Edwards have been on the same page for most things in their 25-year marriage: what to have for dinner, where to vacation, where to set the thermostat in their New York City home. But there is one thing they can't agree on: how best to load the

dishwasher.

Nina, an illustrator and adjunct lecturer at Pratt Institute, has a more freewheeling approach. Just make sure everything fits. "It might look random and messy," she says. "But I know where it all is."

Stephen, a professor of computer science at Columbia

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U.S.-Made Drones Have Largely Failed In Ukraine Combat

By HEATHER SOMERVILLE AND BRETT FORREST

The Silicon Valley company Skydio sent hundreds of its best drones to Ukraine to help fight the Russians. Things didn't go well.

Skydio's drones flew off course and were lost, victims of Russia's electronic warfare. The company has since gone back to the drawing board to build a new fleet.

Most small drones from U.S. startups have failed to perform in combat, dashing companies' hopes that a badge of being battle-tested would bring the startups sales and attention. It is also bad news for the Pentagon, which needs a reliable supply of thousands of small, unmanned aircraft.

In the first war to feature small drones prominently, U.S. companies still have no meaningful presence. Made-in-America drones tend to be expensive, glitchy and hard to repair, said drone-company executives, Ukrainians on the front lines, Ukrainian govern-

ment officials and former U.S. defense officials.

Instead, Ukraine has turned to cheaper Chinese products.

"The general reputation for every class of U.S. drone in Ukraine is that they don't work as well as other systems," Skydio Chief Executive Adam Bry said, calling his own drone "not a very successful platform on the front lines."

There has been a deluge of venture capital invested in startups trying to build small, AI-powered aircraft, hoping to sell them to the U.S. government. Startups have focused on commercial drones that can be built faster and cheaper than the large military drones made by traditional defense contractors. Nearly 300 U.S.-based drone-technology companies raised a total of around \$2.5 billion in venture-capital funding in the past two years, according to the data firm PitchBook.

Ukrainian officials have found U.S.-made drones fragile and unable to overcome Rus-

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Stocks Drop as Price Data Rattle Markets

Doubts grow among investors about the Fed's plans, driving up Treasury yields

By KAREN LANGLEY

A fresh inflation shock drove major stock indexes lower Wednesday, heightening investors' worries that the Federal Reserve won't cut interest rates anytime soon.

Stocks dropped broadly, with 10 of the S&P 500's 11 sectors falling and the Dow Jones Industrial Average losing more than 400 points. Shares of smaller companies, banks and real-estate firms slid. The yield on the benchmark 10-year U.S. Treasury note, which rises when bond prices fall, posted its biggest one-day climb in more than 18 months.

Wednesday's moves came after data showed the consumer-price index rose more than Wall Street expected on both a monthly and annual basis. So-called core prices, which exclude the volatile categories of food and energy, also topped investors' estimates.

That marked the latest in a series of readings showing persistent growth and lingering inflation that has forced investors to reconsider when the Fed will shift from raising interest rates to cutting them. The prospect of rate cuts had sparked a rally that helped send major indexes to records, but now investors are doubting central bank officials will cut rates many times in 2024. Some are even beginning to question whether any cuts are in store.

"If you travel 1,000 miles to go fishing, the most important aspect is the last 30 feet where you're presenting the fly to the fish," said Richard Saperstein, chief investment officer at Treasury Partners. "Inflation has come down, yet the final stage in moving it towards their anticipated goal of 2% is not occurring."

The S&P 500 dropped 0.9%, paring its 2024 advance to 8.2%. The tech-heavy Nasdaq Composite lost 0.8%.

The Dow industrials re-

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◆ **Fed prepares to slow pace of asset runoff.....** **A2**

◆ **Heard on the Street: Buy on the freakouts.....** **B10**

U.S. NEWS

Fed Prepares to Slow Pace of Asset Runoff

It has let \$60 billion in Treasurys mature each month but could lower that amount

By Nick Timiraos

Federal Reserve officials neared agreement last month on a plan to slow the runoff of their \$7.4 trillion in asset holdings, according to minutes of their meeting released Wednesday.

At issue is a program the central bank initiated two years ago to passively reduce those holdings by allowing bonds to “run off” its balance sheet without buying new ones. It acquired trillions in Treasurys and mortgage bonds to stabilize financial markets in 2020 and to provide additional stimulus in 2021.

Officials have been allowing up to \$60 billion in Treasury securities to run off every month and up to \$35 billion in mortgage-backed securities to mature every month. The process is designed to shrink the Fed’s balance sheet, which topped out at nearly \$9 trillion two years ago.

In theory, runoff can put upward pressure on interest rates because private investors must absorb the increased supply of debt that isn’t being rolled over by the Fed. Slowing the pace of runoff could ease that pressure.

Minutes from the Fed’s March 19-20 meeting indicated most officials favored plans to reduce the pace of runoff “by roughly half” of the current overall pace. Because high interest rates have kept mortgage bond runoff at a subdued level, officials would leave that

part of their program unchanged and instead slow runoff by allowing fewer Treasury securities to mature every month, the minutes said.

“The vast majority of participants...judged that it would be prudent to begin slowing the pace of runoff fairly soon,” the minutes said. A few others said they preferred to continue with the existing program and wait for evidence that short-term money market rates were rising before adjusting the dials.

Five years ago, balance-sheet runoff sparked upheaval in overnight lending markets, forcing a messy U-turn. The current deliberations indicate most officials are determined not to do that again.

When the Fed buys a bond from a bank or a bank’s customer, it pays for it through the electronic equivalent of

printing money: crediting the bank’s account at the Fed. As its bondholdings grew, so did this electronic cash, called reserves. When the Fed shrinks its holdings, it drains those reserve deposits.

A bank uses reserves to manage transactions between itself, its customers, other banks and the central bank. The Fed and private-sector forecasters thought banks had far more than needed for this. But in September 2019, a sharp, unexpected spike in a key overnight lending rate suggested reserves had dwindled to the point they were either too scarce or difficult to redistribute across the financial system. The Fed began buying Treasury bills to add reserves back to the system and avoid further instability.

Polymakers are weighing a slower pace of runoff be-

cause the Fed is shrinking its Treasury holdings twice as fast as it did five years ago. Continuing to run at this rate raises the risk that the Fed drains reserves so quickly that money-market rates jump as banks struggle to redistribute a dwindling supply of reserves.

Officials said at last month’s meeting they favored an approach that allowed them to reduce more of those holdings if they slow the process down and give the financial system more time to adjust to lower levels of reserves.

They have been motivated to consider changes this spring because of signs that a cash surplus in money markets is diminishing. The Fed allows money-market firms and others to park extra cash that would otherwise end up in reserves in an overnight reverse repurchase facility. The

facility has shrunk to around \$440 billion in recent weeks from \$2.3 trillion a year ago.

Once that facility is nearly drained of cash, forecasting demand for bank reserves could be more uncertain, raising the risk that the Fed goes too far.

Market participants say the Fed needs to manage runoff carefully because banks may need more reserves than it realizes. That is because of regulations that require banks to hold higher-quality assets to meet unexpected demands for cash. Moreover, for 15 years banks have had so much cash as a result of the Fed’s operations that the interbank market where banks lent reserves to each other has atrophied. Market participants and Fed officials are less confident reserves can quickly go from banks with extra to those in need.

CPI Throws Rate Cuts Into Doubt

Continued from Page One

FactSet, implying just one or two quarter-point cuts this year. Entering January, traders had expected the Fed to cut interest rates six or seven times.

“Inflationary pressures remain firm across the board,” said Blerina Uruçi, chief U.S. economist at T. Rowe Price’s fixed-income division. Inflation overall is “firmer than the Fed needs it to be to initiate a series of interest-rate cuts anytime soon.”

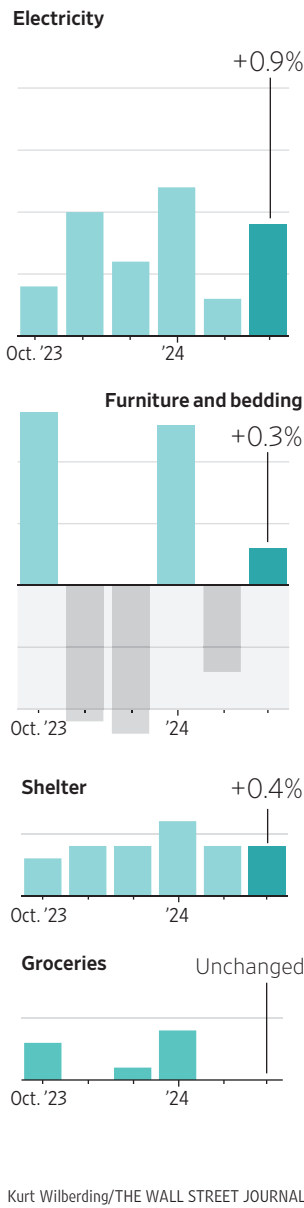
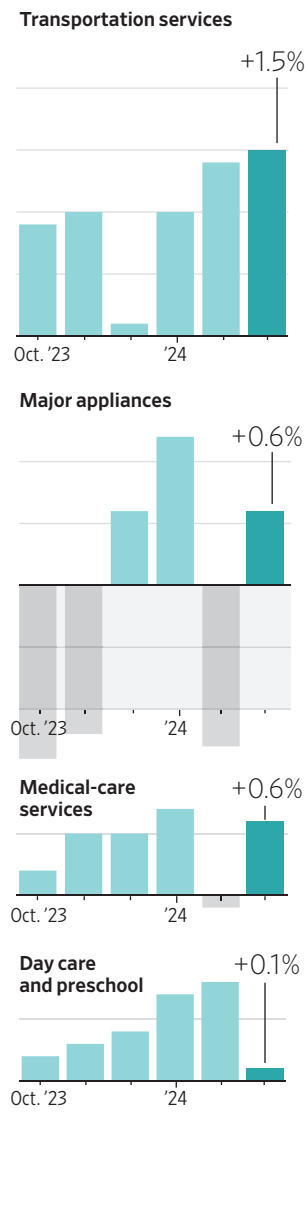
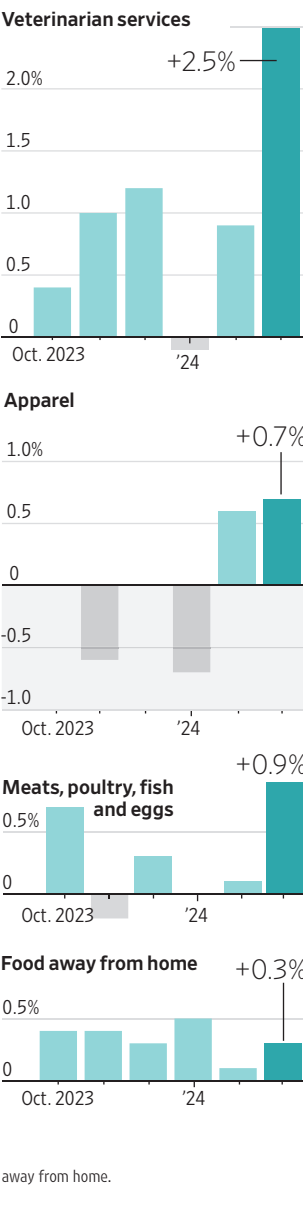
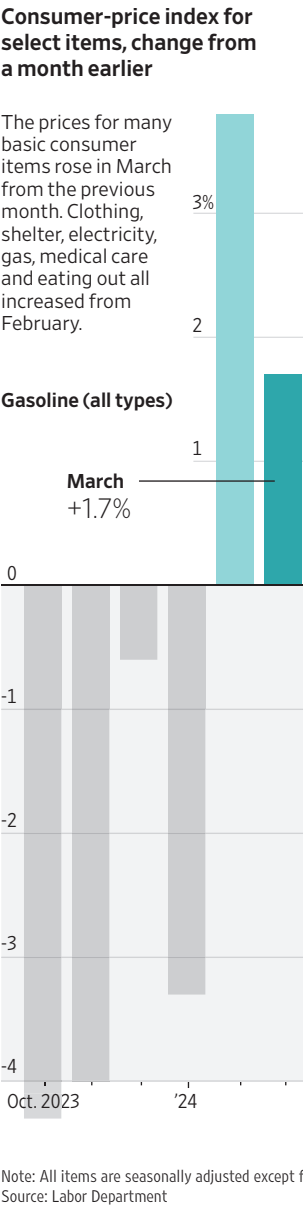
President Biden, a Democrat who last month said he thought the Fed would cut interest rates later this year, said he stood by that prediction Wednesday but said the latest inflation numbers might delay the cut by a month or so.

“We don’t know what the Fed is going to do for certain,” said Biden, who is running for re-election this year.

Underlying pressure

Wednesday’s report had been hotly anticipated because Fed leaders had been willing to play down stronger-than-anticipated inflation readings in January and February as reflecting potential seasonal quirks. But a third straight month of above-expectations inflation data erodes that story and could lead Fed officials to postpone anticipated rate cuts until July or later.

Fed officials have been optimistic about achieving a soft landing in which inflation slows without a sharp downturn in economic activity. To do that, some officials wanted to cut rates pre-emptively before the economy weakens notably. The latest report sets back that effort by depriving them of a credible justification for cutting rates, and it could prompt them to hold rates at their current



Officials Signaled Caution on Policy

Federal Reserve officials last month agreed they were prepared to hold interest rates at their current level for longer than anticipated should recent declines in inflation subside.

Officials thought their interest-rate stance “remained well positioned to respond to evolving economic conditions, including the possibility of maintaining the current restrictive policy stance for longer should the disinflation process slow,” said the minutes of their March 19-20 meeting.

The account was released with a customary three-week delay. Hotter-than-expected inflation data is likely to shift the outlook for some who had anticipated steadier declines in price growth beginning last month.

The minutes showed officials had been split over how to judge firm inflation readings in January and February. Some thought they had been “relatively broad based and therefore should not be discounted as merely statistical aberrations,” the minutes said. A few others thought turn-of-the-year pricing decisions might explain the larger-than-expected price rises.

The minutes didn’t offer any clues on when officials had been prepared to start lowering rates. And those clues would likely have been rendered moot by the March consumer-price index inflation report.

That report could derail the case to begin cutting rates in June and raise questions over whether the Fed will be able to deliver any cuts this year without signs of an economic slowdown.

—Nick Timiraos

CORRECTIONS & AMPLIFICATIONS

The Pratt & Whitney GTF engine was incorrectly called the Pratt & GTF engine in a Business News article on Tuesday about Spirit Airlines.

An article in Saturday’s U.S. Watch about a weather system in California incorrectly referred to U.S. Route 50 as an interstate.

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THE WALL STREET JOURNAL
(USPS 664-880) (Eastern Edition ISSN 0099-9660)
(Central Edition ISSN 1092-0935) (Western Edition ISSN 0193-2241)

Editorial and publication headquarters: 1211 Avenue of the Americas, New York, N.Y. 10036

Published daily except Sundays and general legal holidays.
Periodicals postage paid at New York, N.Y., and other mailing offices.

Postmaster: Send address changes to The Wall Street Journal, 200 Burnett Rd., Chicopee, MA 01020.

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Stocks Drop Broadly on Price Data

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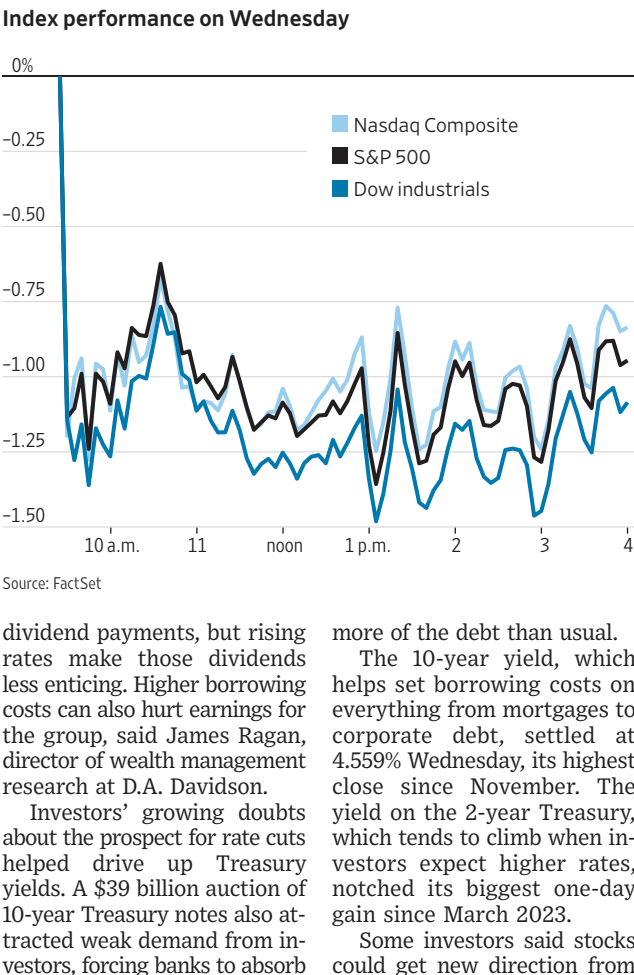
treated 1.1%, or about 422 points. Home Depot fell 3%, UnitedHealth lost 2.1% and Microsoft declined 0.7%.

Shares of smaller companies fell even more, hit by the prospect of higher borrowing costs. The Russell 2000 slumped 2.5%, its worst day since Feb. 13, when January’s CPI reading also topped Wall Street’s expectations.

Bank stocks also took a blow, with the KBW Nasdaq Regional Banking Index dropping 5%. Banks have struggled under the weight of higher interest rates, particularly small and midsize lenders.

Within the S&P 500, the real-estate sector declined 4.1% in its worst day since June 2022. Public Storage and American Tower shares retreated 6% and 5.6%, respectively.

Investors often turn to real-estate stocks for their hefty



the coming earnings season, which kicks off in earnest this week when JPMorgan Chase, Citigroup and Wells Fargo open their books Friday. Analysts expect companies in the S&P 500 to report a third consecutive quarter of earnings growth, with profits for the first quarter rising 3.1% from a year earlier, according to FactSet.

Oil prices rose, with Brent crude gaining 1.2% to \$90.48 per barrel. That helped the energy sector rise 0.4%, the only S&P 500 sector to advance for the day. Exxon Mobil shares gained 0.8%, while Chevron shares added 0.4%.

Overseas, stocks were mixed. The Stoxx Europe 600 added 0.2%, while Japan’s Nikkei 225 fell 0.5% and the Shanghai Composite dropped 0.7%.

Gold lost 0.6% after a streak of three consecutive record closes. Silver rose for a 10th consecutive session.

Overseas, the Stoxx Europe 600 rose 0.15%. At midday Thursday, Japan’s Nikkei 225 was down 0.5% and Hong Kong’s Hang Seng Index was down 1%. S&P 500 futures were down 0.1%.

—Gina Heeb and Eric Wallerstein contributed to this article.

U.S. NEWS

Ex-Trump CFO Gets Five Months For Perjury

By CORINNE RAMEY

Allen Weisselberg, the former finance chief of Donald Trump's family business, was sentenced Wednesday to five months in jail for lying during a civil-fraud investigation into the former president.

Weisselberg, 76 years old, pleaded guilty to two counts of perjury last month. He admitted to lying to investigators at the New York attorney general's office and later on the stand while testifying at Trump's civil-fraud trial.

"The promise is five months of incarceration," Justice Laurie Peterson said before handing down the sentence, which both sides had agreed upon as part of the plea deal. After Weisselberg, wearing a windbreaker, declined to speak, court officers cuffed his hands behind his back and led him out of the courtroom.

Weisselberg is expected to serve his sentence at New York City's Rikers Island. It will be his second stint in jail. Weisselberg, a longtime confidant to the former president, pleaded guilty to 15 felonies and admitted receiving perks including an apartment and leased cars as part of a tax-fraud scheme at the Trump Organization. Justice Juan Merchan, who presided over that case, sentenced Weisselberg to five months in jail. He was released after three.

In Weisselberg's plea to the perjury charges, he admitted to lies relating to Trump's financial statements, which were the subject of the New York attorney general's investigation. A Manhattan judge earlier this year found Trump and other defendants, including Weisselberg, fraudulently valued Trump's properties for financial benefits, including low-interest loans. The defendants have appealed.

Weisselberg isn't expected to be called to testify at Trump's criminal trial that begins next week despite playing a role in the payment of hush-money to porn star Stormy Daniels, who alleged she had a sexual encounter with Trump. Trump denies the sexual encounter and has pleaded not guilty. Former Trump lawyer Michael Cohen, who is expected to be a key witness at trial, has said he met with Trump and Weisselberg to discuss the payoff.

Seth Rosenberg, a lawyer for Weisselberg, said the former CFO had accepted responsibility for his conduct and looked forward to returning to his family and his retirement.

Tulips, Tulips Everywhere Adorn the Dutch Envoy's Residence



FLOWER POWER: Tulips and other native flowers decorated the Dutch ambassador's residence in Washington for the start of a two-day event Wednesday. At right, the ambassador, Birgitta Tazelaar, admired a replica of the Netherlands Carillon in Arlington, Va., that was 3D-printed using recycled materials.

Abortion Fight Erupts in Arizona

Court ruling, likely ballot measure will highlight a perilous issue for the GOP

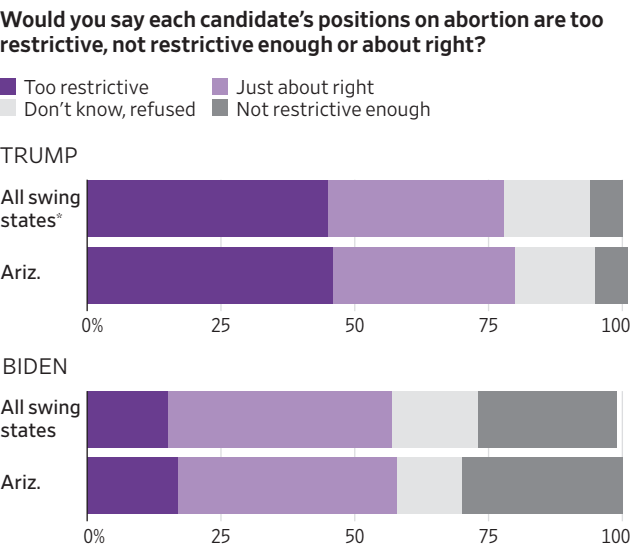
By ELIZA COLLINS

PHOENIX—Meagan Quattlebaum of Tucson said she was so horrified by the Arizona Supreme Court's decision to ban nearly all abortions in her state that she now plans to volunteer to help Democrats win in November.

"I think it's a really selfish and ridiculous ruling," said Quattlebaum, 28, a registered independent who works in the healthcare industry. "It definitely influences the way I will be voting."

The Arizona Supreme Court's decision Tuesday to bring back a 160-year-old near total ban on the procedure inflamed the politics in one of the nation's biggest electoral battlegrounds, which is now effectively ground zero for abortion politics. With a tossup Senate race, a pair of close congressional seats and its 11 Electoral College votes on the line, the state will be one of the most closely watched in the country.

Arizona voters were most likely to say that they wouldn't support a candidate they disagreed with on abortion, according to a Wall Street Journal poll conducted in March of seven swing states. In the poll, which was conducted before the Arizona ruling, the majority of voters there said they



*Arizona, Georgia, North Carolina, Nevada, Michigan, Pennsylvania and Wisconsin
Note: Totals may not equal 100 due to rounding.
Source: Wall Street Journal polls conducted March 17-24, 2024; margin of error of +/- 2.1 pct. pts. for 2,100 registered voters in all swing states and +/- 5.6 pct. pts. for 300 registered voters in Ariz.

supported access to the procedure—and more voters said they backed President Biden's approach than that of the presumptive GOP presidential candidate, Donald Trump.

Biden won Arizona narrowly in 2020. This year, the president lags behind Trump in most battleground and national polls, including the Journal poll of Arizona, in which he trailed the former president by 5 percentage points.

While Democrats fretted about the practical and health consequences of the new ban, the decision was a political gift to a party eager to paint Republicans as extreme on abortion and responsible for the chaos that has followed the fall of Roe v. Wade, the Supreme Court decision that had established the constitutional right to an abortion.

And the ruling quickly put Republicans on defense.

"If past is prologue, this is going to have an immediate and lasting impact on politics in Arizona, and they bit off more than they can chew," said Kris Mayes, the Democratic attorney general. She credited her razor-thin victory in 2022—by 280 votes—to the fall of Roe earlier that year.

Arizona Democrats also said the ban could help them finally wrest control of the state Legislature, where Republicans hold narrow majorities in both chambers.

Abortion was a key issue in

the 2022 midterm elections and helped Democrats to victory in races in Arizona and across the country.

Mayes and other Democrats have won the state in recent years by engaging Democratic voters and outperforming with independents and moderate Republicans. The Journal poll of Arizona voters showed that 9 out of 10 Democrats, two-thirds of independents and one-third of Republicans support access to the procedure.

A ballot measure that would legalize abortion until viability—or more than halfway through a typical pregnancy—is expected to be put before voters in Arizona in November, giving Democrats hope they can bring out their coalition.

"I think we're going to see moderate Republican women and independents respond to this very sternly," said Jen Cox, senior adviser to the Biden campaign in Arizona. Biden has promised to restore access to abortion rights and has criticized Trump for appointing the Supreme Court justices who were part of the majority that overturned the right to an abortion. The Biden campaign is running two abortion-focused ads in Arizona, both of which blame Trump for restrictions.

Trump spokeswoman Karoline Leavitt said after the ruling: "President Trump could not have been more clear. These are decisions for people of each state to make." Trump on Monday declined to take a national stance.

Arizona Republicans sought distance from the decision Tuesday as Democrats amped up their offensive efforts.

Kari Lake, the expected GOP candidate in the state's highly competitive Senate race, was among the Republicans on Tuesday who said they opposed the new ruling. During her unsuccessful bid for governor in 2022, Lake praised the 1864 ban but later softened her stance and told the Journal in the fall that she supported a 15-week ban and opposed a national ban.

Trump on Wednesday said the Arizona decision goes too far. "That'll be straightened out," he told reporters as he campaigned in Georgia.

Arizona Gov. Katie Hobbs, a Democrat, called on the Legislature to repeal the 1864 ban, which would take the state back to the 15-week ban that had previously been in place. While Democrats say that law is still too restrictive, it would give some breathing room before voters can cast ballots in November on even-looser restrictions. After Arizona Republicans squashed an effort Wednesday to move forward with a repeal of the law, the House speaker issued a statement saying the legislature was reviewing options but didn't commit to holding a vote.

Watch a video

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U.S. NEWS

Teachers See Parental Leave Gap

Continued from Page One

Quality. Those that do typically offer less than six weeks—often only partially paid—or require teachers to exhaust their sick time first. Many teachers are forced to use workarounds such as stockpiling sick leave and trying to time pregnancies for summer births.

Some states are trying to change that.

Tennessee, Oklahoma and South Carolina enacted laws last year giving teachers six weeks paid maternity leave, joining around half a dozen other states with policies.

A proposed California law would require school districts and community colleges to provide 14 weeks of paid maternity leave.

At a legislative hearing this month on the California bill, state Assemblywoman Cecilia Aguiar-Curry, a Democrat, cited data showing female teachers in the state earn \$100,000 less on average in retirement than male teachers because they have much less sick time to cash out.

“That is shocking and unacceptable,” Aguiar-Curry told state lawmakers.

In many California districts, she said, teachers who take time off beyond their stored sick days have their paycheck docked by the price of a substitute teacher.

The California bill advanced to an appropriations committee, over the objections of two school administration associations that argued paying maternity leave from the current pot of school finance money would force education cuts elsewhere.

“It means that existing resources from a finite pot of money will be drained,” Dorothy Johnson, legislative advocate with the Association of California School Administrators, told legislators. “And that means that students will



Kathryn Vaughn, a teacher in Tennessee, with husband, Lance Vaughn, and son Wyn. When she had Wyn, Tennessee didn't offer paid maternity leave to teachers. It now does.

see this impact.”

California Gov. Gavin Newsom, a Democrat, vetoed a maternity-leave bill for teachers in 2019, saying the tens of millions of dollars it would cost should be considered through the annual budget process and local collective bargaining.

Proponents of teacher parental leave said it is a crucial recruiting tool as many teachers are leaving the profession and districts struggle with vacancies.

Research shows that paid-parental-leave policies support the physical and mental well-being of mothers and children, including by lowering the risk of postpartum depression and making it more likely babies get check-

ups and vaccinations.

“Women leave the workforce when they have babies, and they’re not coming back,” said Erika Jones, a Los Angeles kindergarten teacher and officer with the California Teachers Association, who testified in support of the California bill.

Jenna Hopkins, a third-grade teacher in southeastern Kentucky, was recently disappointed to learn that a bill to give Kentucky teachers 20 days of paid parental leave hasn’t advanced in the state Legislature. Hopkins considers herself among the lucky ones who succeeded in timing her pregnancy to give birth as the 2023 school year wound down. She only needed to use 10 sick days before summer

break.

She said teachers often only realize once they become pregnant that they won’t receive full pay under disability insurance or district policies.

“It’s not spoken about,” Hopkins said. “It’s not something they advertise when you’re applying.”

The Cleveland Teachers Union, which represents 4,300 teachers and school staff, is fighting in contract negotiations for 12 weeks paid parental leave to mirror a new benefit for all city and county government employees. “We are not walking away from the table without this,” said Shari Obrenski, the union’s president.

Chicago Public Schools began offering district employ-

ees 12 weeks paid leave this school year after the city offered it to other government employees.

Kimberly Papa became a music teacher in Cleveland three years ago because neither she nor her husband, a videographer, had a job with medical benefits. Once pregnant, she was shocked to learn she had to rely on saved-up sick days.

After her daughter was born last year, Papa ended up taking 12 weeks off fully paid, thanks to another workaround available in many school districts: using sick days that other employees offer as a gift. Papa said human resources puts out a call for sick-day donations and “you just kind of hope and pray.”

She never found out which colleagues helped get her extra time off.

In Tennessee, Vaughn’s anger toward the leave policies grew in 2022 after she made the decision to work while having a miscarriage so she wouldn’t have to use up sick days for a future pregnancy.

Now five months pregnant, she will benefit this fall from the new state law guaranteeing six weeks of paid leave, separate from her sick days.

“It’s taken off so much pressure that I was feeling before,” said Vaughn, who struggled with infertility for a decade. “I can focus more on having this healthy pregnancy and having my own child and taking time to bond with her when she gets here.”

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U.S. NEWS

Surveillance Vote Fails, In Setback to Speaker

GOP holdouts sink measure in House after statement from Trump to ‘kill FISA’

BY DUSTIN VOLZ
AND LINDSAY WISE

WASHINGTON—House Speaker Mike Johnson’s tenuous grip on the gavel was dealt another blow Wednesday, after holdout Republicans egged on by former President Donald Trump derailed passage of a critical but controversial national-security spying law.

The procedural vote related to renewing the law, known as Section 702 of the Foreign Intelligence Surveillance Act, failed with 193 in favor and 228 opposed. The failed vote plunges the fate of the surveillance power into uncertainty a week before it is due to expire.

Democratic and Republican administrations have said the Section 702 program is vital to protecting Americans from terrorists, hackers and other foreign threats. But the law has animated critics on the left and right for years for how it allows the collection of some American communications without a warrant.

Johnson (R., La.) has urged passage of the legislation, saying that changes to the law would prevent certain abuses. But the morning of the vote, Trump inveighed against the proposal. “KILL FISA, IT WAS ILLEGALLY USED AGAINST ME, AND MANY OTHERS. THEY SPIED ON MY CAMPAIGN!!!” Trump said on Truth Social.

FISA grants spy agencies broad authority to collect communications from U.S. technology firms to hunt for national-security threats living overseas. There is no evidence that the specific law at issue, Section 702, has been used to spy on Trump or any of his campaigns. Trump signed an extension of Section 702 into law in 2018.

A different section of the law that isn’t due to lapse was used to obtain wiretaps on Trump’s 2016 campaign staffer Carter Page, a move that a Justice Department inspector general later sharply criticized after a litany of errors regarding the surveillance application were uncovered.

The Trump statement was seen as helping to tip sentiment against the proposal.

“When Trump puts out a statement like that, people get scared,” said Rep. Max Miller (R., Ohio) of House Republicans.

House Republicans emerged from a heated closed-door meeting Wednesday evening without clarity about the path forward. For some it felt similar to the infighting and paralysis that led to the ouster of former Speaker Kevin McCarthy (R., Calif.) six months ago.

“I’m having déjà vu about the déjà vu,” said Rep. Mario Diaz-Balart (R., Fla.).

The majority party is responsible for passing a rule, a procedural step that allows the speaker to set up a simple-majority vote on the House floor. The minority party typically votes against the rule, regardless of the underlying legislation.

On Wednesday, 19 Republicans joined Democrats to tank the rule. The opponents included a crew aligned with the House Freedom Caucus, including Rep. Bob Good (R., Va.), the group’s chairman, and Rep. Chip Roy (R., Texas). Until last year, no rule vote had failed for two decades.

After the failed vote, Johnson said Republicans would regroup and formulate another plan. “We cannot allow Section 702 of FISA to expire. It’s too important to national security. I think most of the members understand that,” the speaker said.



House Speaker Mike Johnson plans to appear with Donald Trump in Florida on Friday.



FROM LEFT: ROD LAMKEY/CNP/UMA PRESS; REBECCA COOK/REUTERS

Rep. Thomas Massie (R., Ky.) said House Republican leaders were trying to frighten people into voting against the warrant requirement in private conversations and at classified briefings in secure facilities called SCIFs.

Trump and Johnson are planning to appear together at Trump’s Mar-a-Lago club in Florida on Friday for a joint announcement on election integrity, according to the speaker’s political team.

The setback for GOP leadership comes as Johnson now faces an effort from within his own party to remove him.

Ahead of the vote, Johnson met with top critic Rep. Marjorie Taylor Greene (R., Ga.), who filed a motion to remove Johnson last month but has yet to take the next step of forcing a vote. Greene and other dissi-

dents have soured on Johnson over federal spending and efforts to provide more funding to Ukraine. With a 218-213 majority, Johnson can only afford to lose a handful of votes on any legislation, assuming no Democratic backing.

“He does not have my support, and I’m watching what happens with FISA and Ukraine,” said Greene following the meeting.

In a meeting with House Republicans Wednesday morning, Johnson argued for renewing and reforming FISA, calling the spying program vital to understanding the threats against the U.S. Johnson told members that he had spoken with Trump on Tuesday night, according to a lawmaker in the room. Johnson didn’t specify the topic, but the lawmaker took Johnson’s

comments as designed to show that the speaker wasn’t on the outs with Trump.

Absent congressional action, the law will expire in April. But Johnson may have an out, as some experts say the law could potentially continue for another year due to how and when the secretive court that oversees the program grants annual approval for the categories of intelligence collection it allows.

Section 702 of FISA allows the U.S. to track the electronic communications of terrorists, spies and hackers overseas that route through U.S. technology firms. Though intended to collect conversations from suspected national security threats located overseas, the program ensnares an unknown volume of private communications that belong to Americans.

Jury Finds School Ignored Warnings Child Had a Gun

BY TALAL ANSARI

Richneck Elementary School administrators dismissed or ignored security risks before a 6-year-old shot his teacher in Newport News, Va., last year, a special grand jury found.

The grand jury’s report criticized the administration for “several missed opportuni-

ties and baffling decisions” in the years leading up to the incident. The report also said school staff received several warnings from other children that the boy had a gun on the day of the shooting.

Neither the school nor the district responded to a request for comment.

The grand jury indicted the former assistant principal, Eb-

ony Parker, on eight counts of felony child neglect, alleging she was told the child may have had a gun by multiple staffers that day and didn’t take action.

“Dr. Parker’s lack of response and initiative given the seriousness of the information she had received on January 6, 2023 is shocking,” the grand jury wrote in its report. A law-

yer for Parker didn’t respond to requests for comment.

The report said the gun jammed after the boy fired the first shot, with seven bullets remaining. The eight counts of felony child neglect correspond with the eight bullets, the Newport News Commonwealth Attorney’s Office said. Parker was arrested Tuesday.

Each count carries a sen-

tence of up to five years.

The grand jury’s report was issued last month but released Wednesday by the Commonwealth’s Attorney’s Office.

Abby Zwerner, the Virginia teacher who was shot, filed a \$40 million lawsuit last year against school-district officials, saying administrators failed to take action despite repeated warnings that the

boy had a gun.

The boy, whom officials haven’t named, fired one shot at Zwerner on Jan. 6, 2023, officials have said. Zwerner was seated at a reading table when the bullet went through her hand and upper chest, the lawsuit said. She evacuated children out of the classroom despite her injuries and was the last one to leave.

U.S. WATCH



DESTRUCTION: A furniture store in Katy, Texas, was heavily damaged by a tornado. High winds tore through the South and caused flooding and road closures in some places.

ELECTION 2024

Cornel West Picks Professor for Ticket

Independent presidential candidate Cornel West picked Melina Abdullah as his vice presidential running mate in his long-shot bid.

Abdullah is a professor of Pan-African studies at California State University, Los Angeles, and a co-founder of the Black Lives Matter Los Angeles chapter. Her university website says she is a “womanist scholar-activist” who sees “the role that she plays in the academy as intrinsically linked to broader struggles for the liberation of oppressed people.”

West made the announcement Wednesday in an interview with radio host Tavis Smiley. “Both of us want to disrupt the narrative that you have only two choices,” Abdullah said during the program.

Abdullah said their campaign would be able to sway young people unhappy with the choices of President Biden and former President Donald Trump.

—Joseph De Avila

WASHINGTON, D.C.

Limits Set on Some ‘Forever Chemicals’

The Biden administration on Wednesday finalized strict limits on certain “forever chemicals” in drinking water that will require utilities to reduce them to the lowest level that they can be reliably measured.

Officials say this will reduce exposure for 100 million people and help prevent thousands of illnesses, including cancers.

The rule is the first national drinking-water limit on toxic PFAS, or perfluoroalkyl and polyfluoroalkyl substances, which are widespread and long-lasting in the environment.

Health advocates praised the Environmental Protection Agency for not backing away from tough limits the agency proposed last year. Water utilities took issue with the rule, saying treatment systems are expensive to install and that customers will end up paying more for water.

—Associated Press

PHILADELPHIA

Several People Shot At Eid al-Fitr Event

A celebration of the end of Ramadan devolved into panic Wednesday as rival groups exchanged gunfire, leaving at least three people injured.

The Eid al-Fitr event, held outside a mosque in Philadelphia’s Parkside neighborhood, came to a sudden end when some 30 shots rang out at about 2:30 p.m., police said.

Five people were later taken into custody, including a 15-year-old boy who sustained leg and shoulder wounds when he was shot by police and was taken to the hospital by an officer, authorities said. Police said he was carrying a gun. Additionally, a man was shot in the stomach and a juvenile victim had a wound to the hand, police said.

Philadelphia Police Commissioner Kevin Bethel said a police vehicle responding to 911 calls for help struck a young child who was fleeing the park. He said the child suffered a leg injury.

—Associated Press

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WORLD NEWS

Airstrikes Kill Three Sons of Hamas Chief

Israel says it targeted members of military wing, in a possible complication for talks

Israeli airstrikes killed three adult sons of the head of Hamas’s political leadership on Wednesday, the first day of the Muslim holiday of Eid al-Fitr, an attack that could complicate a U.S.-led plan for a Gaza truce.

By Summer Said, Dov Lieber and Rory Jones

Israel said its planes hit Ismail Haniyeh’s sons in Gaza because they were members of Hamas’s military wing. Hamas said seven people died in the strike, including four of Haniyeh’s grandchildren. The group said the strikes hit a car making social visits for Eid, the holiday marking the end of the holy month of Ramadan. “I thank God for this honor that he bestowed upon us with the martyrdom of my three sons and some grandchildren,” Haniyeh said in a video statement posted on X. Israel and Hamas named the three men as Hazem Ismail Haniyeh, Amir Ismail Haniyeh

and Muhammad Ismail Haniyeh. Hamas officials denied they were members of the group. Haniyeh has 10 other children, these officials said. The killing of Haniyeh’s sons on a Muslim holiday could increase diplomatic pressure on Israel, which is negotiating the terms of a temporary cease-fire with Hamas. The group has largely rejected the U.S. plan, mediators said earlier Wednesday. Hamas said it would offer its own road map for a permanent end to the war. The dismissal illustrates the wide gap between the two parties on the contours of a deal and reflects Hamas’s growing confidence that diplomatic and domestic pressure on Israel to end the war gives the U.S.-designated terror group the upper hand in talks. Hamas is seeking a permanent cease-fire and the full withdrawal of Israeli soldiers in return for the release of hostages held in the Gaza Strip. Israel has expressed openness to negotiating on the U.S. plan for a temporary truce but wants the option of continuing its military campaign afterward. It is unclear whether the deaths would significantly change the dynamics of talks because decision-making over



The Israeli strike killed a total of seven people on the Muslim holiday Eid in Gaza, Hamas said.

the war has been more narrowly focused on the Hamas leader in Gaza, Yahya Sinwar, and the group’s military wing. Haniyeh heads Hamas’s Doha-based political leadership, a group that is normally made up of roughly 15 people at any one time and determines Hamas’s military and political direction via consensus.

Haniyeh said the deaths of his sons wouldn’t affect the group’s negotiating stance. “The enemy is delusional if it thinks that by killing my sons, we will change our positions,” he said on Hamas’s Telegram account. The Israeli military’s decision to kill Haniyeh’s sons despite the possibility of destabilizing the talks reflects

Israel’s modus operandi in this war of killing high-value targets at the risk of damaging its other strategic aims. Iran blamed Israel for an airstrike in Damascus, Syria, at the start of the month that killed senior Iranian military officials in what Iran said was a diplomatic facility. The strike threatened to spark direct con-

flict between Israel and Iran when the U.S. is pushing for de-escalation in the region. Israeli strikes have killed the relatives of other senior Hamas leaders in this war and in previous conflicts. In December, an Israeli strike killed the son of Marwan Issa, the No. 3 official in Gaza. Last month, Israeli officials said Issa was killed in an airstrike that hit a central Gaza Strip refugee camp in its military campaign to kill anyone involved in the Oct. 7 attack on Israel. Some Middle Eastern leaders sent condolences to Haniyeh, including Turkish President Recep Tayyip Erdogan, Iranian President Ebrahim Raisi and Mahmoud Abbas, the leader of the Palestinian Authority and one of Haniyeh’s political rivals. A senior Israeli official familiar with the negotiations said Wednesday that Israel was open to using a U.S. plan for a cease-fire as a basis for talks, but that it is seen as favoring Hamas. Israeli officials view the return of Palestinian civilians to northern Gaza and the ratio of prisoners to hostages as big concessions. Hamas officials told mediators their main issue is there is no reference to ending the war.

U.S. Warns of Iranian Attack on Israeli Assets

WASHINGTON—U.S. intelligence reports show that an attack on Israeli assets by Iran or its proxies could be imminent, U.S. officials said Wednesday, as the top American military commander for the Middle East headed to Israel to coordinate a response.

By Warren P. Strobel, Gordon Lubold and Nancy A. Youssef

Iran has publicly threatened to retaliate for a strike in Syria on an Iranian diplomatic building last week, presumed to be the work of Israel, that killed top Iranian military officials, including a senior member of the Islamic Revolutionary

Guard Corps’ elite Quds Force. Syria and Iran accused Israel of carrying out the Damascus attack, which killed Gen. Mohammad Reza Zahedi, who managed Iranian paramilitary operations in Syria and Lebanon, according to Iranian state media and U.S. officials. Zahedi was the highest-ranking Iranian military official to be killed since the January 2020 U.S. assassination of Gen. Qassem Soleimani in Baghdad. The U.S. has said it wasn’t involved in the strike in Syria and received no previous warning from Israel that it planned to conduct the attack. It is unclear whether Iran is planning to conduct a direct

strike on Israeli targets or use one of its Middle East proxies. In the past, Tehran has appeared eager to avoid a direct confrontation with Israel or the U.S. and worked via proxies such as Hezbollah in Lebanon, the Houthis in Yemen and Iran-backed groups in Iraq. But U.S. defense officials warned that Iran could use its own military forces this time to demonstrate a forceful response to Zahedi’s death. President Biden said on Wednesday that Iran is “threatening to launch a significant attack on Israel.” “As I told [Israeli] Prime Minister Netanyahu, our commitment to Israel’s security against these threats from

Iran and its proxies is ironclad,” Biden said. “Let me say it again: ironclad. We’re going to do all we can to protect Israel’s security.” The Biden administration has passed messages to Iran saying that it wasn’t involved in the Israeli strike in Damascus and would hold Iran accountable if it attacked U.S. assets, U.S. officials say. Iran has sent its own messages to the U.S., Iranian officials have said. The U.S. reached out Wednesday to countries in the region to ask them to encourage Iran to avoid escalation, a U.S. official said. Israeli officials have vowed to strike back if the country is attacked by Iran. The rhetoric

on both sides has raised concerns about a wider Middle East war six months after Hamas attacked Israel, prompting an Israeli invasion of the Gaza Strip. Gen. Michael Erik Kurilla, commander of U.S. Central Command, which is responsible for U.S. military operations in the Middle East, had planned to travel to Israel before the strike in Damascus, U.S. defense officials said, primarily to iron out logistics for a U.S. temporary pier set to be placed in Gaza to expand humanitarian aid deliveries. He now is expected to leave for Israel this week to also discuss a possible Iranian attack and how the U.S. could re-

spond, the officials said. Kurilla is expected to meet with Israeli Defense Minister Yoav Gallant. While the Pentagon doesn’t discuss whether it is currently adjusting forces in response to potential threats, U.S. military forces in the region had already been at a heightened state since Hamas’s Oct. 7 attacks on Israel. Iran’s Supreme Leader Ayatollah Ali Khamenei said Wednesday on X that the strikes in Syria constituted an attack on Iranian soil and that Israel “should be punished, and it will be punished.” Israeli Foreign Minister Israel Katz responded that if Iran attacks Israel from Iranian soil, Israel would retaliate inside Iran.

Palestinians Return to Find Khan Younis Destroyed



Khan Younis, which had been a Hamas stronghold, was in ruins after Israeli troops pulled out.

After hearing that Israeli ground troops were leaving Khan Younis on Sunday, Walid Abu Amro traveled north from the tent in which he was sheltering in southern Gaza to check his home. He said it was

By Omar Abdel-Baqi, Fatima AbdulKarim and Abeer Ayyoub

tough to navigate the neighborhood he once called home because many landmarks were obliterated. Crushed, too, were his hopes that his family could return to their apartment. “There’s nothing there, it’s all gone,” Abu Amro said. “It’s like a meteor struck it.” Khan Younis is the first major city to which Palestinians have returned since the worst of the fighting subsided, and reflects what likely will lie ahead for the 1.7 million Palestinians displaced by the war. Widespread destruction throughout northern and central Gaza means those hoping to go home soon will be returning to unlivable conditions. It also indicates the challenges Israel will face in Gaza after the war. Israel has said it doesn’t intend to govern the enclave—which would involve fixing shattered public services, rebuilding vast areas and restoring order—but it hasn’t articulated a plan for making the strip habitable again. Talks continued in Cairo on Tuesday between the warring parties’ mediators. The question of how many Palestinians could return north and under what circumstances was a point of contention. Hamas wants all civilians to be allowed to go back to their homes. Israel has resisted a mass return for what it says is the potential of Hamas militants mixing in with civilians and keeping their power in the enclave. Khan Younis, a Hamas stronghold during the war, was the site of fierce fighting. Israel’s military pulled out of Khan Younis after saying it

battered Hamas’s four battalions there. Israel said its forces ended their mission and they need to recuperate and prepare for future operations. As Khan Younis residents sheltering elsewhere heard about the Israeli exit, many returned to assess their properties and those of their friends and relatives unable to make the trip. What they found, they said in interviews, was utter destruction: The remains of what were once lively, tightknit communities marked by flattened buildings, rubble, torn roads traced with tank marks, and few signs of life. Khan Younis, with a prewar population of about 400,000, was one of the largest cities in prewar Gaza and known for its once-sprawling open-air market and a historic castle. The city almost doubled in population as Gazans fled there earlier in the war to escape fighting in Gaza City. Many later fled Khan Younis to Rafah as Israel’s operations moved south. Ami Ayalon, a former naval chief who also served as head of Israel’s domestic-intelligence agency, said the Gaza Strip’s density is the main reason for the high levels of destruction. “We call it a battlefield when in actuality, it’s a series of very crowded cities,” she said. Thaer Majayda, a Palestinian who is sheltering in the nearby town of Al-Mawasi, said there is a marked difference in the level of destruction in Khan Younis between one month ago, when he was last there, and on Monday, when he went back to check on his home and clothing shop, both of which were destroyed. “Khan Younis is not a place to live anymore,” he said. “I lost my home, my shop, my livelihood, everything. I don’t

know what we will do when the war ends.” Staff from the Palestine Red Crescent Society returned to Al-Amal Hospital in Khan Younis this week after they said they were forced to evacuate in March. “Even now, with the Israeli military withdrawal, we still can’t operate the hospital because of the scale of damage,” said Nebal Farsakh, spokeswoman for the Red Crescent, which operates the facility. The Israeli military didn’t respond to a request for comment. Israel’s military achieved some of its aims in Khan Younis. It dismantled Hamas battalions, but didn’t kill or capture the senior leadership, said Guy Aviad, a Hamas researcher and former Israeli military officer. For Khan Younis residents, the war upended life. Mohammed Abu Watfa has a home in Rafah, where he says he has allowed dozens of friends and family to shelter. He traveled north to evaluate the home of his in-laws in Khan Younis. He returned with bad news: “They lost everything.” Instead of moving back into their Khan Younis homes, many Palestinians returned to their tents in Rafah. Even if people found an intact home, seeing the wreckage made many realize there is no point in moving back, Abu Watfa said. “At least in Rafah there is some water, some services, some electricity with solar panels,” he said. “There is none of that in Khan Younis.” More than 33,000 Palestinians have been killed in Gaza since Oct. 7, mostly women and children, according to health authorities, whose numbers don’t distinguish between militants and civilians.

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WORLD NEWS

U.S. Drones Fall Short For Ukraine

Continued from Page One

sian jamming and GPS black-out technology. At times, they couldn't take off, complete missions or return home. U.S. drones often fail to fly at the distances advertised or carry substantial payloads.

Small U.S. battlefield drones "have been underdeveloped," said Mykola Bielieskov, a senior analyst at Ukraine's Come Back Alive, a charity that has supplied more than 30,000 drones to the military.

U.S. drone-company executives said they didn't anticipate the electronic warfare in Ukraine. In Skydio's case, its drone was designed in 2019 to meet communications standards set by the U.S. military. Several startup executives said U.S. restrictions on drone parts and testing limit what they can build and how fast they can build it.

Those restrictions have proven a problem in the drone battles, said Georgii Dubynskyi, Ukraine's deputy minister of digital transformation, the agency that oversees the country's drone program.

"What is flying today won't be able to fly tomorrow," he said. "We have to adapt to the emerging technologies quickly. The innovation cycle in this war is very short."

Ukraine has found ways to get tens of thousands of drones as well as drone parts from China. The military is using off-the-shelf Chinese drones, primarily from SZ DJI Technology.

Ukraine has also developed a domestic drone industry that relies on Chinese components. Ukrainian factories are churning out hundreds of thousands of small, cheap drones that can carry explosives. It also produces larger drones that can strike deep into enemy territory and reach Russian ships on the Black Sea.

Dubynskyi said Ukraine wants to test and use more



Employees at the Skydio manufacturing plant in Hayward, Calif., work on the X10 drone.

U.S. drones. "Nevertheless, we are looking for cost-effective solutions," he said.

Ukrainian forces are burning through about 10,000 drones a month, which they couldn't afford if they had to buy expensive U.S. drones.

Less than a month after Russia's expanded invasion of Ukraine in 2022, the Pentagon approved the supply of Switchblade 300 drones from the Virginia-based defense contractor AeroVironment. The Switchblades faced initial challenges with Russia's electronic-warfare systems, a former U.S. soldier who worked with the drones in Ukraine said. An AeroVironment spokeswoman said Russian jamming has affected everyone and the company's drones are updated to deal with it.

The U.S.-Greek startup Velos Rotors said its V3 twin-engine helicopter drone experienced a test failure in a December demonstration outside Kyiv, a company spokeswoman said.

China's DJI has become the go-to drone brand for Ukraine.

She said Ukrainian forces are using the V3 and that the company hopes to ship more models this year if it can get orders from the U.S. government.

Joining AeroVironment as one of the few U.S. drone manufacturers to win a Defense Department contract for Ukraine is Cyberlux, a North Carolina-based maker of movie-production drones modified to carry explosives.

In a briefing to stakeholders, Cyberlux said it had failed to meet production and delivery goals for the drones. Chief Executive Mark Schmidt said the company hasn't breached its Defense Department contract, worth up to \$79 million.

There have been successes. Skydio drone footage has assisted the Ukrainian investigations of alleged Russian war crimes, including attacks on civilians and a nuclear facility, according to Ukraine's Office of the Prosecutor General.

About 60 drones from Seattle-based Brinc have been de-

ployed for search and rescue and scouting for Russians inside buildings. But the drone startup isn't certain it wants to be in the business of fighting wars.

"Is this a huge opportunity for American drone companies in general?" asked Brinc Chief Executive Blake Resnick. "I'm not sure."

China's DJI has proven to be the go-to drone brand for Ukraine's military. DJI said it tries to restrict the use of its drones in the war but can't control how the drones are used after they are purchased.

"DJI absolutely deplores and condemns the use of its products to cause harm anywhere in the world," it said.

The U.S. has called DJI a Chinese military company and a surveillance tool for Beijing, which DJI denies. The Pentagon has banned DJI drones in the U.S. military, and congressional legislation would ban new DJI products in the U.S.

DJI called the proposed ban politically motivated and the product of lobbying by U.S. drone companies that are trying to eliminate competition.

The shortcomings of U.S. drone makers are partly the result of the U.S. government's

policy response to China, according to drone executives and former defense officials. The Defense Department has imposed strict requirements on drone manufacturers, including a ban on Chinese components, which has made it more expensive and harder to build small drones, the executives and former officials said.

A Defense Department spokesman said it is paramount to ensure drones have a secure supply chain and meet military standards.

A Defense Department program launched in 2020 to help startup companies sell drones to the U.S. military doesn't allow drone makers to update their software without government approval. This requirement can leave the drones made according to U.S. regulations vulnerable to evolving methods of cyberattacks and electronic warfare.

The Defense Innovation Unit, Silicon Valley's outpost of the Defense Department, runs the drone startup program that supports Skydio and other startups. A spokeswoman for the unit said software changes on drones must be assessed for security. She said the unit is trying to improve the process to provide software approval within a few days.

Skydio employees went back to Ukraine 17 times to get feedback, Bry said. Its new drone is built around Ukraine's military needs and feedback from public-safety agencies and other customers, he said, rather than U.S. Defense Department requirements that are sometimes divorced from battlefield realities.

Ukraine has requested thousands of the new Skydio X10, which has a radio that can switch frequencies on its own as soon as its signal is jammed by electronic interference. It also has better navigation capabilities so it can fly at high altitudes without GPS, Skydio said.

"It is critical for Skydio, and I think the U.S. drone industry at large, that we make X10 succeed at scale on the battlefield in Ukraine," Bry said. "There's no alternative. As a country, we can't miss on this."

—Alistair MacDonald contributed to this article.

Russian Billionaire Wins Case Against EU

By Laurence Norman and Max Colchester

Russian businessman Mikhail Fridman won a legal challenge over the European Union's decision to impose sanctions on him—the highest-profile defeat so far for the bloc's sanctions regime against Russia in response to its war in Ukraine.

The EU's General Court ruled on Wednesday that the EU had provided insufficient evidence to show Fridman and his business partner, Petr Aven, provided material support to the Kremlin or supported actions undermining Ukraine's sovereignty and independence.

The EU can appeal the decision and the two businessmen remain under EU sanctions for now. They have also had assets frozen in the U.K. and U.S.

The ruling, however, could set a precedent for other challenges by Russian oligarchs who have had their companies, luxury properties and other assets frozen for being part of the Kremlin's elite.

There have been around 90 appeals against sanctions lodged with EU courts by Russian individuals and companies.

Fridman, who has Russian and Israeli citizenship but who resided in London when the war started in February 2022, was one of the wealthiest and best-known business executives targeted by EU and U.K. sanctions. He was the founder and controlling shareholder in Alfa Bank, Russia's largest private bank.

A spokeswoman for the European Commission, the EU's executive body, said officials are "carefully analyzing the judgment and its legal implications." There isn't a decision yet on whether they will appeal the court decision.

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WORLD NEWS

British Study
Casts Doubt on
Puberty Blockers

Four-year review
finds no good
evidence for giving
transitioning drugs

By Max Colchester
and Stephanie Armour

LONDON—The underlying medical evidence for gender treatments for adolescents is “remarkably weak,” according to a landmark review commissioned by the U.K.’s National Health Service that questioned why drugs suppressing puberty had been allowed to be prescribed so widely.

The findings, released on Wednesday, are the latest example of members of the European medical community casting doubt on the practice of prescribing drugs for transgender minors that suppress or alter the physical changes of adolescence. The report, by pediatrician Dr. Hilary Cass, president of the Royal College of Pediatrics and Child Health from 2012 to 2015, was commissioned by the NHS after demand for treatment for gender dysphoria shot up exponentially in the past decade.

“The rationale for early puberty suppression remains unclear, with weak evidence regarding the impact on gender dysphoria, mental or psychosocial health,” said the review. It recommended that children wanting to transition gender should be given a more holistic treatment including screening for autism and a wider mental-health assessment.

Several European countries—including the U.K., Sweden, Finland, Norway and France—have urged caution in using drugs to help minors with gender dysphoria, stressing a lack of evidence that the benefits outweigh risks. The U.K.’s NHS, the world’s largest state-run health system, said it has stopped offering puberty blockers except for patients in clinical trials.

In the U.S., major U.S. medical associations such as the American Medical Association back gender-affirming care for minors, including puberty blockers. But about two dozen states have passed legislation or policies that ban access to puberty blockers, surgeries and other types of gender-affirming care for youth.

“The Cass report was important because it was very slow and very deliberate,” said Jay Richards, a senior research fellow at the conservative Heritage Foundation. “It points out that the evidence

base on long-term benefits for minors is lacking. It’s important to the U.S. because it’s essentially the Wild West for gender medicine for kids.”

Mermaids, a British charity that advocates for transgender youth, said it welcomed the Cass report but added “we are concerned that some of the language in the report is open to misinterpretation and could be used to justify additional barriers to accessing care for some trans young people.”

The Cass review was commissioned in 2020 after the number of adolescents presenting to the NHS Gender Identity Development Service began to rise fast. The number of patients seeking treatment was about 50 a year in 2009 before shooting up to nearly 1,800 in 2016. It also changed during that time from a treatment sought by a handful of predominantly prepubescent males who identified as girls to one overwhelmingly accessed by hundreds of pubescent teenagers born as girls who identified as boys.

U.K. adolescents can still access the treatment from private providers. Two new regional NHS hubs in England will offer advice to trans children and will undertake further data collection on treatments.

The Cass report said the boom in adolescents looking to change sex couldn’t be explained alone by the fact that trans identities generally are more accepted by the population. It argued that the surge must be viewed in the context of a boom in mental-health problems among younger British people in the past decade.

The European Academy of Paediatrics said in a paper this year that the use of biomedical treatments for dysphoria is “contested,” and pointed to research showing no robust evidence that puberty blockers reduce suicide rates. It added that their use could be “ethically justifiable on compassionate grounds.”

The American Psychological Association last year said it was reviewing the evidence for gender-affirming medical care and could potentially amend its policies that help guide doctors and clinicians providing the treatment.

States with laws or policies limiting minor access have risen from four in June 2022 to 23 as of January, said KFF, a health-policy research provider. Many of the restrictions have faced legal challenges. Transgender advocates say the restrictions are part of a right-wing attack on transgender rights.

Opposition Gains in South Korea

By Timothy W. Martin
and Dasl Yoon

SEOUL—South Korean President Yoon Suk Yeol’s ruling conservatives stumbled badly in legislative elections held Wednesday, an outcome that spawns new foreign-policy questions for allies and foes.

All 300 seats of the country’s unicameral National Assembly were up for grabs. With the vote fully counted, the opposition Democratic Party and an affiliated group comfortably retained their majority control of the legislature, picking up more than 180 seats.

Meanwhile, Yoon’s People Power Party, plus other conservative coalitions, secured just under 110 seats.

Not all legislators represent specific locales. Forty-six are elected as proportional representatives based on the total vote by party. Turnout had been the highest in more than three decades, with roughly two-thirds of South Korea’s 44.3 million voters casting a ballot.

The outcome hands a major victory to South Korea’s opposition party, and its leader Lee Jae-myung, the man who lost by a razor-thin margin to Yoon in the 2022 presidential election.

Two years ago, Kim Sun-woo, a 36-year-old office worker in Seoul, had supported Yoon, a political outsider and career prosecutor, in a historically close presidential race. Now, he is disappointed that many of Yoon’s election promises have failed to materialize. He backed the left-leaning party instead.

“Like many people, I voted based on the urge to send a message to the current administration,” Kim said.

The race also featured, for the first time, a bigger swath of eligible older voters than younger ones, prompting



Opposition leader Lee Jae-myung and his wife, Kim Hye-kyung, on Thursday in South Korea.

some South Koreans like 28-year-old Lee Jin-seo, who generally doesn’t have much interest in politics, to turn out. “I think more of us need to be at voting booths if we want politicians to care about us,” Lee said of younger voters.

By law, the 63-year-old Yoon can’t run for re-election. His five-year term ends in 2027.

On Thursday, Yoon said he would humbly accept the election defeat, vowing to reform state affairs and stabilize the economy, according to South Korea’s presidential office. The ruling party chairman, Han Dong-hoon, said he would resign.

Yoon’s approval ratings have largely remained in the

mid-30s over the past year. About a year ago, he traveled to Washington for a state visit at the White House, meeting President Biden and belting out parts of Don McLean’s “American Pie.” Back home, it was a less momentous story:

South Korea’s economy grew last year at a far lower rate than other wealthy democracies, and inflation that had been tamed locally over the decades began to spiral upward.

As a presidential candidate, Yoon favored throwing uppercuts at rallies and touted justice as a prosecutor who rooted out corruption. But in office, Yoon’s legal scrutiny of opposition-party figures came off as politically motivated,

while he blocked parliamentary attempts to investigate his wife, first lady Kim Keon-hee, who had accepted a \$2,200 Dior bag as a gift.

Wednesday’s results suggest Yoon—who strengthened ties with the U.S. and Japan and took a tougher line with North Korea—will face major difficulties in his final three years of office. At home, Yoon faces hurdles to pursue a domestic agenda, with the National Assembly controlled again by the opposition Democratic Party.

Outside the country, the voter rejection of Yoon creates questions as to whether South Korea’s conservatives will be able to hold on to power during the next presidential election. If those doubts persist, friends—and even foes—of Seoul might operate with the assumption that Yoon’s foreign-policy direction could have an expiration date.

The ruling conservatives face setbacks in legislative elections.

WORLD WATCH



SALVAGE OPERATION: A man pulled his belongings Wednesday in an inflatable dinghy in the settlement of Ivanovskoye, in the Orenburg region in southwest Russia. A dam collapse on Saturday has forced thousands to evacuate.

CANADA

Central Bank Keeps Key Rate at 5%

The Bank of Canada left its benchmark interest rate unchanged for a sixth consecutive time at 5%, and said a cut in June is possible as long as incoming data assures officials that downward momentum in inflation is sustainable.

A June rate cut is “within the realm of possibilities,” Gov. Tiff Macklem said Wednesday following the central bank’s decision. He said senior officials, in deliberations ahead of the policy announcement, discussed the timing of rate cuts, although “there was a clear consensus to hold the policy rate at 5%.”

Decelerating inflation and tepid private-sector activity has put Canada in a position to cut rates before the U.S., a move that underscores the divergence between the two trading partners.

Higher rates in Canada have squeezed businesses and households, as they already were carrying elevated levels of debt before the Bank of Canada’s rapid-fire rate-rising campaign that ended in June of last year.

—Paul Vieira

ISLAMIC HOLIDAY

Muslims Celebrate End of Ramadan

Muslims around the world celebrated the Eid al-Fitr holiday marking the end of the holy month of Ramadan. But events were overshadowed by the worsening crisis in Gaza and Israel’s expected military offensive in Rafah city after six months of war.

“We should not forget our brothers and sisters in Palestine,” one imam said in Kenya’s capital, Nairobi. “They have been subjected to unjustified aggression and a lot of violence [as] the world is watching in silence.”

In a holiday message, Turkish President Recep Tayyip Erdogan sent support to Gaza, which he called a “bleeding wound on the conscience of humanity.”

In Indonesia, the world’s most populous Muslim nation, nearly three-quarters of the population were traveling for the annual homecoming known locally as “mudik.”

“This is a right moment to reconnect, like recharging energy that has been drained almost a year away from home,” said a civil servant.

—Associated Press

EUROPEAN UNION

Parliament Adopts Migration Changes

European Union lawmakers approved a major revamp of the bloc’s migration laws, hoping to end years of division about how to manage the entry of thousands of people without authorization and deprive the far right of a vote-winning campaign issue ahead of June elections.

In a series of 10 votes, members of the European Parliament endorsed the regulations and policies that make up the Pact on Migration and Asylum.

The changes address the thorny issue of who should take responsibility for migrants when they arrive and whether other EU countries should be obliged to help.

The proceedings were briefly interrupted by a small group of demonstrators who shouted, “Vote no!”

The 27 EU member countries must endorse the package before it can take effect.

The plan was drawn up after 1.3 million people, mostly those fleeing war in Syria and Iraq, sought refuge in Europe in 2015.

—Associated Press

HONG KONG

Watchdog Reporter Is Denied Entry

Reporters Without Borders said Wednesday that one of its representatives was denied entry into Hong Kong, calling it a “new decline” in the city’s press freedoms.

According to the group, its Taipei-based staffer Aleksandra Bielakowska was stopped at the Hong Kong airport by immigration officers. She was detained, questioned and had her belongings searched three times before she was denied entry to Hong Kong, said the group, also known by its French acronym RSF.

“This action by the Hong Kong authorities, unprecedented for RSF, marks a new decline in the already poor press freedom climate in the territory,” RSF said.

Bielakowska was to meet journalists and attend a hearing at the trial of Jimmy Lai, the media tycoon and founder of the now-defunct Apple Daily newspaper who is facing national security charges.

The Immigration Department didn’t immediately comment. A crackdown on dissent is under way in Hong Kong.

—Associated Press

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photo by Roger Winstead

WORLD NEWS

China Faces Deflation Concerns

Weak price growth shows consumption lags at home amid manufacturing boom

By Jason Douglas

SINGAPORE—Inflation in China retreated sharply, reigniting concerns over deflation even as its economy starts to feel the benefit of a manufacturing-led revival that is fueling trade tensions overseas.

Consumer prices rose just 0.1% in March compared with a year earlier, according to official data released Thursday, a weaker-than-expected reading that highlights strains in China's economy from a drawn-out property crunch and restrained consumer spending.

Beijing's response to the economy's weaknesses has been to double down on its strength as the world's factory floor. Investment is pouring into manufacturing, especially in sectors such as electric vehi-

cles and green energy equipment. As a result, industrial production is picking up.

Economists at Goldman Sachs, Morgan Stanley and the Asian Development Bank this week nudged up their forecasts for economic growth in China this year in response. All three now expect growth to be close to the government's official target of around 5% for the full year.

Still, Thursday's inflation data point to the lopsided nature of China's recovery. While Beijing is having some success in driving growth by supporting manufacturing, many economists say officials need to do more to boost consumer spending, too.

China's preference for stimulating the supply side of its economy is already causing ripples overseas. Thursday's data showed the prices for goods leaving Chinese factories fell for a 18th straight month in March, tumbling 2.8% in year-over-year terms, as ballooning capacity outstripped demand.

While falling prices for Chinese-made products such as cars and electronics are a potential boon for consumers after years of high inflation, governments worry that generous support from Beijing is allowing Chinese competitors to undercut homegrown rivals, threatening jobs and industries.

Treasury Secretary Janet Yellen, in meetings with senior officials in China this week, urged Beijing to stop relying on exports and instead take steps to boost consumer spending to achieve more balanced economic growth. She warned that plowing investment into hot sectors such electric vehicles, battery technology and solar power was creating gluts in global markets.

"China is now simply too large for the rest of the world

to absorb this enormous capacity," Yellen said Monday in Beijing. "When the global market is flooded by artificially cheap Chinese products, the viability of American and other foreign firms is put into question."

The retreat in consumer-price inflation in China contrasts with the U.S., where price growth last month was more than expected, upsetting expectations for interest-rate cuts from the Federal Reserve. U.S. consumer prices advanced 3.5% in March from a year earlier, according to figures published Wednesday.

Weakness in inflation in China was broad based in March. Price growth for services, food and consumer goods all slowed, data showed. Core consumer-price inflation,

which strips out more volatile prices such as food and energy, slowed to 0.6% from 1.2% previously.

The world's second-largest economy expanded 5.2% last year after notching just 3% growth in 2022, when activity was hit by lockdowns in major cities to contain the Covid-19 pandemic.

Forecasters including the International Monetary Fund expect growth in China to hover around 4% in the next few years, down from 6% to 7% in the years before the pandemic. The economy is grappling with difficult challenges such as a deflating property bubble and an aging and shrinking workforce.

"The Chinese economy's ongoing flirtation with deflation highlights both short-term weaknesses and structural fragilities," said Eswar Prasad, a professor at Cornell University and former head of the IMF's China division.

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

Fitch Cuts China's Credit Outlook

By Matthew Thomas

China's public finances are being strained by a shaky economy, a prolonged property slump and a rising fiscal deficit.

That is the verdict of global credit-rating company Fitch, which on Wednesday revised its outlook for China's A-plus credit rating to negative from stable, while also affirming the rating.

Fitch said the change to China's rating outlook reflected rising risks to the country's public finances, a result of the uncertain economic outlook. China's economy is being weighed down by a yearslong property slump, which has pushed dozens of companies to the brink of collapse, led to a sharp drop in home prices and dealt serious damage to consumer confidence.

China's Finance Ministry said it was "disappointed" by Fitch's decision, arguing that it didn't reflect the fiscal benefits of Beijing's attempts to spur economic growth.

The move followed a similar change by Moody's Investors Service in December. The New York-based firm kept China's long-term rating of A1 intact but changed the outlook to negative from stable. That led to criticism in China.

The decisions by Fitch and Moody's are public examples of a conundrum facing economists across financial markets: How to contend with China's sputtering economy?

The Chinese economy officially grew 5.2% last year, beating many economists' expectations and hitting Beijing's target. It has also shown signs of improvement this year in manufacturing activity, inflation and exports after a rocky 2023.

But it is also facing deep problems, some of which economists say could require more concerted stimulus efforts from Beijing.

The real-estate slump has shown few signs of improving this year, despite years of declining sales and falling home prices. New-home sales from China's largest 100 developers are now around their lowest levels on record. The price of existing homes in China's most developed cities fell 6.3% year-over-year in February, the worst decline since the government started releasing data in 2011.

China's local governments are facing a mountain of liabilities, with some analysts putting their hidden debt as high as \$11 trillion. They were squeezed by the real-estate slowdown.

The debt problems in the country's local governments have forced Beijing to take a bigger role in financing economic growth.

Biden, Japan's Kishida Push for Closer Ties

President Biden huddled with Japanese Prime Minister Fumio Kishida on Wednesday as the two leaders sought to strengthen their security ties in the Pacific as a counterweight to China.

By Ken Thomas, Peter Landers and Chieko Tsuneoka

Biden welcomed Kishida to the White House as the two countries outlined plans to upgrade U.S.-Japanese military cooperation in the Pacific, amid concerns about North Korea's nuclear program and China's effort to extend its influence across the Pacific.

In a joint news conference, Biden said the two nations were "taking significant steps to strengthen defense security cooperation, are modernizing command and control structures and we're increasing the interoperability and planning of our militaries so they can work together in a seamless and effective way."

Meeting Kishida in the Oval Office earlier, Biden said they would discuss "how we can continue to enhance and ensure the Indo-Pacific remains a free, open and prosperous region in the world by standing together."

Kishida said the two leaders had "nurtured a friendship and a trust," and the nations were "at the forefront in maintaining and strengthening a free and open international order based on the rule of law."

Biden ended the day with a state dinner for Kishida—fea-



President Biden and Japanese Prime Minister Fumio Kishida at a White House state dinner on Wednesday.

turing a musical performance by Paul Simon—in a nod to their burgeoning partnership. Guests included former President Bill Clinton and former Secretary of State Hillary Clinton, actor Robert De Niro, Amazon Executive Chairman Jeff Bezos, Apple Chief Executive Tim Cook and JPMorgan Chase CEO Jamie Dimon.

U.S. officials said ahead of the meeting that the U.S. and Japan would bolster their mil-

itary ties—changing the military force structure the U.S. has in Japan and working more closely with a new joint Japanese command. The two countries also will look for ways in which they can co-produce weapons and tap in to Japan's industrial strength.

The moves are designed to provide synergies between the countries' militaries in the case of a regional conflict.

The most likely scenarios

would be a Chinese invasion of Taiwan, the self-governing island that Beijing claims as part of its territory, or an aggressive act by North Korea, which this year declared South Korea its No. 1 enemy and tightened relations with Russia.

However, any Japanese involvement is complicated by Japan's constitution, which the government interprets as restricting the country's ability to fight overseas except in rare

and limited circumstances.

Japan has been a stalwart ally of the U.S., joining with Western partners to impose tough sanctions on Russia after Russian leader Vladimir Putin's invasion of Ukraine.

The U.S. maintains about 54,000 troops in Japan from all the service branches. U.S. Forces Japan, led by a three-star general, handles some coordinating tasks. But its operational role is limited.

Xi Uses Former Taiwanese President to Send Signal to U.S.

By Joyu Wang

TAIPEI—Xi Jinping welcomed former Taiwanese President Ma Ying-jeou to Beijing on Wednesday, underscoring the Chinese leader's preoccupation with Taiwan as Washington hosts a summit with the two Asian allies most likely to be pulled into a conflict around the island.

Reports and images of the meeting in Beijing were carried by state broadcaster China Central Television and by Taiwanese media on Wednesday, showing Xi and Ma shaking hands and exchanging remarks touting the prospects for improved relations across the 100-mile-wide Taiwan Strait that separates Taiwan from mainland China.

"Both sides of the Taiwan Strait are Chinese people," Xi noted, according to the footage, saying he "highly appraises" Ma's efforts in promoting cross-strait ties. "There is no force that can separate us."

In 2015, a historic meeting between Xi and then-President Ma in Singapore—the first between leaders of the two rival regimes since the Communist victory in the Chinese Civil War in 1949—marked a high point in cross-strait relations.

This time, with Ma out of office for eight years and his party in the political wilderness, the handshake between

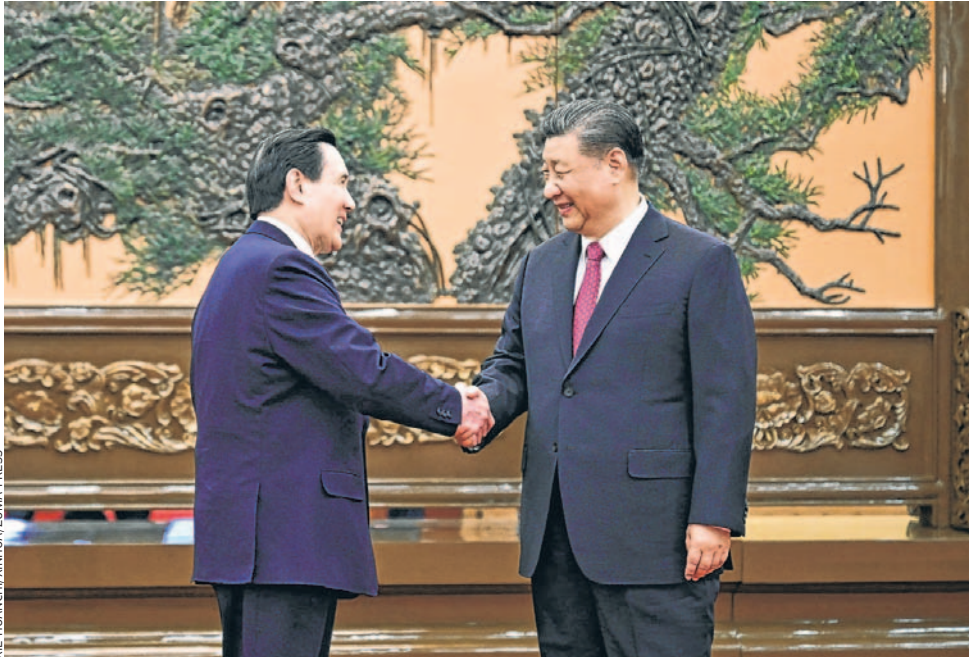
the two men is being watched more closely as a symbolic maneuver by Xi in the run-up to the inauguration in May of a new administration in Taipei that is inimical to Beijing.

Remarks that Ma made in the lead-up to Taiwan's presidential election in January, in which he argued that Taiwan should trust Xi to maintain peace, caused an uproar on the democratically self-governed island, and was regarded as having helped his Nationalist Party, or Kuomintang, lose its third straight presidential election.

Geopolitical analysts don't think Wednesday's meeting between Xi and Ma will do much to alter the trajectory of cross-strait relations, citing Ma's diminished influence in Taiwanese politics. Still, they said Beijing could use the visit to signal to its people that its Taiwan policy is working.

"What they're saying is, 'We have not lost the hearts and minds of the Taiwanese people. There remains cultural and historical connections that bind us,'" said Amanda Hsiao, a Taipei-based analyst at International Crisis Group. "This is Beijing telling its people, 'We remain in control of the Taiwan situation, and unification is still possible.'"

Taiwan occupies a crucial place in Xi's vision for what he calls the rejuvenation of the Chinese nation, and sits at



Ex-Taiwan President Ma Ying-jeou, left, met Chinese leader Xi Jinping in Beijing on Wednesday.

the heart of growing tensions between Beijing and Washington. Communist Party leaders in Beijing view Taiwan as part of its own, despite having never ruled there, and have vowed to take control of it, by force if necessary.

Beijing has increased its threats around Taiwan, part of a more aggressive foreign policy that has rankled abroad while feeding a nationalist fervor at home. But lately, with China's economy still struggling

to shake its Covid hangover, its leadership is pulling back from diplomatic conflicts as it focuses on reviving growth.

On Wednesday, Taiwan's Mainland Affairs Office, which handles relations with Beijing, objected to Xi's remarks to Ma, saying: "The difference across the strait does not lie in language or culture, but in political system and ways of life." The statement called it "regrettable" that Ma didn't convey Taiwan's commitment

to democracy despite increasing Chinese pressure.

The Xi-Ma meeting comes a day before President Biden hosts a trilateral meeting with Japanese Prime Minister Fumio Kishida and Philippine President Ferdinand Marcos Jr. at the White House, a first of its kind involving the U.S. and two key strategic partners in China's immediate neighborhood. The Taiwan issue is expected to be high on the agenda.

The Xi-Ma meeting also

came on the 45th anniversary of the U.S.'s enactment of the Taiwan Relations Act, which has governed ties between Washington and Taipei since the U.S. formally switched its diplomatic recognition to Beijing in 1979.

Ma's visit marked the only time that a former Taiwanese leader has met a current Chinese leader on Chinese soil. Wednesday's handshake with Xi marked the high point of an 11-day journey that included stops in the southern Chinese metropolis of Shenzhen; the hometown of party founder Sun Yat-sen in Zhongshan; and the historic Chinese capital of Xi'an.

Although Ma is seen as a marginal figure in Taiwanese politics as his calls for closer ties with China fall on deaf ears, he is still seen by many as Beijing's best bet for peaceful unification.

"Ma Ying-jeou has established a certain degree of mutual trust with mainland China," said Chang Wu-ueh, who teaches international relations at Taiwan's Tamkang University. "Beijing still regards him as a so-called leading figure who can express Beijing's policy toward Taiwan."

"Beijing is trying to show for an international audience that they are open to dialogue with Taiwan—open to peaceful unification," said Hsiao of International Crisis Group. "All of which is an attempt to try to make China appear more reasonable."

WORLD NEWS

Brazil Judge Taking On Musk Has a Reputation

By Samantha Pearson

SÃO PAULO—Before his weekend showdown with tech billionaire Elon Musk, Brazil’s Supreme Court judge Alexandre de Moraes had already earned a reputation as a lightning rod in Brazil’s battles over free speech.

In recent years, de Moraes has slapped fines and bans on social-media companies and ordered police to investigate—and even arrest—some of the country’s most powerful conservative bloggers, businessmen and politicians over what he deemed offensive online posts.

Now the court’s order to block a swath of X accounts has sparked fresh debate, with critics on the right, including many legal experts, saying de Moraes has gone too far. They argue his crusade to clean up the internet in the name of safeguarding democracy is arbitrary and repressive, and that the biggest risk to democracy in Brazil could be the Supreme Court.

Musk appears to think so. On Monday, he said de Moraes had given X two hours to suspend a series of high-profile accounts from the platform, which the tech magnate ac-

quired in 2022.

“We were being given demands to suspend sitting members of the parliament and major journalists, and moreover we could not tell them that this was at the behest of Alexandre de Moraes and we had to pretend that it was due to our rules of service,” said Musk during a podcast. “That was the final straw and we said no,” he said, describing the order in another post as “the most draconian demands of any country on Earth.”

Musk has called for de Moraes’s removal and has goaded him online in recent days, re-

ferring to the judge as “Brazil’s Darth Vader.”

Supporters of former right-wing President Jair Bolsonaro, who gave Musk a medal during his visit in 2022 to announce plans to install satellites over the Amazon rainforest, have revealed in Musk’s defiance, declaring him a “hero,” as the dividing lines in Brazil’s culture wars deepen.

Brazil’s Supreme Court, which hasn’t made the original court order public, didn’t respond to requests for comment, either on behalf of the court or de Moraes himself.

But de Moraes has shown

no signs of backing down. “We Supreme Court judges are not cowards,” the 55-year-old justice said recently.

Members of President Luiz Inácio Lula da Silva’s leftist Workers’ Party jumped to his defense over recent days, calling Musk’s failure to comply with the court order an attack on Brazilian sovereignty.

“Social media is not a no man’s land!” de Moraes wrote in a follow-up decision Sunday to include Musk in his sweeping investigation into disinformation campaigns online.

He also ordered an investigation into Musk for the

crimes of obstruction of justice, being a member of a criminal organization and incitement—crimes that can carry jail sentences of more than 10 years in Brazil, according to a court document.

Recent probes by de Moraes into Bolsonaro and his role in the storming of Congress by his supporters in January 2023 have concluded that he not only plotted a military takeover before the 2022 presidential elections but also encouraged his supporters to unseat da Silva.

Bolsonaro has denied wrongdoing in all the cases.

FROM PAGE ONE

St. Louis’s Real Estate Nightmare

Continued from Page One

This self-reinforcing cycle accelerated in recent years as the pandemic emptied offices. St. Louis’s central business district had the steepest drop in foot traffic of 66 major North American cities between the start of the pandemic and last summer, according to the University of Toronto’s School of Cities. Traffic has improved some in the past 12 months, but at a slower rate than many Midwestern cities.

Now, it stands as a warning to others: This is the future for America’s downtowns if they can’t reinvent themselves and halt the downward spiral.

On a recent Tuesday morning, few people are on the streets on a 15-block stretch that makes up much of the southern portion of the St. Louis office district. Two empty storefronts exist for each open one. The office district’s northern half is a bit more lively, but not by much. Good luck finding a clothing store. There isn’t even a McDonald’s. Violent crime is rare, but car break-ins are common.

The price for the AT&T Tower, three blocks from the Railway Exchange, was a sliver of the \$205 million it sold for in 2006. Its value has been falling for years. In 2022, it changed hands for just \$4 million.

Jack O’Connor, who tends bar downtown at Hayden’s Irish Pub, looks out on the Railway Exchange Building across the street. Last year the city demolished a bridge connecting the building to the parking garage across the road because people kept using it to break in to the Exchange building. After intruders kicked and sawed through the plywood covering ground-floor windows, a security firm recently installed steel plates. But people keep breaking in.

“I once saw like six teenagers with skateboards and Go-Pros get in there,” O’Connor said. A police officer showed up and berated the kids. “They just kind of sauntered off,” he said. “But they’ve been back.”

When the pandemic broke out in 2020 and millions of employees got used to working from home, pundits predicted the demise of big coastal cities. But office districts in New York, Miami and Boston have bounced back better than skeptics feared. The nascent boom in the artificial intelligence industry is even starting to attract some businesses back to San Francisco.

It’s the cities far from the coasts that are suffering most. Six of the 10 U.S. office districts with the steepest drop in foot traffic between 2019 and mid-2023 are in the Midwest, according to the University of Toronto.

As in other Midwestern cities, the St. Louis office district has suffered a slow demise for decades. Population loss, competition from newer offices in the suburbs and failed urban planning left behind a glut of dreary, empty buildings and wide, dangerous roads. The business district has few apartments. There are some tourists, but not enough to make up for

missing office workers.

“It’s a classic chicken and egg kind of deal,” said Glenn MacDonald, a professor of economics at Washington University in St. Louis’s Olin Business School. “People don’t go there because there’s nothing to do. There’s nothing to do because people don’t go there.”

The St. Louis office district’s downward spiral picked up steam when the department store—by then a Macy’s—shut down at the Railway Exchange Building in 2013 amid a wave of department-store closures in downtowns across the country. Not long after, offices in the building—the city’s second biggest after the AT&T Tower—emptied out.

Four years later, AT&T moved out of the building that carried its name.

Losing a Panera

Nearby shops and restaurants suddenly had fewer customers, so they closed or moved. Next came the parking garage across the street from the Railway Exchange.

“That building fell apart,” said Syeeda Aziz-Morris, owner of Pharaoh’s Donuts on the garage’s ground floor.

With the garage’s ceilings crumbling and propped up by makeshift poles, Pharaoh’s moved out and into a new space two blocks away in late 2019. An Indian restaurant, a convenience store, a Quiznos and a karaoke bar closed. The city condemned the garage building.

From there, desolation spread south. Across the street from the garage, a St. Louis Bread sandwich shop—part of the Panera chain—shut-

tered. That left the attorneys at law firm Brown & Crouppen without a lunch spot.

“It’s pathetic that a Panera was the thing holding this area together, but it really did,” said the firm’s managing partner Andy Crouppen. “It brought people from five, six blocks away, it created a little bit of activity.”

“When that left, it created a noticeable void in the area,” Crouppen said. “People started walking in another direction.”

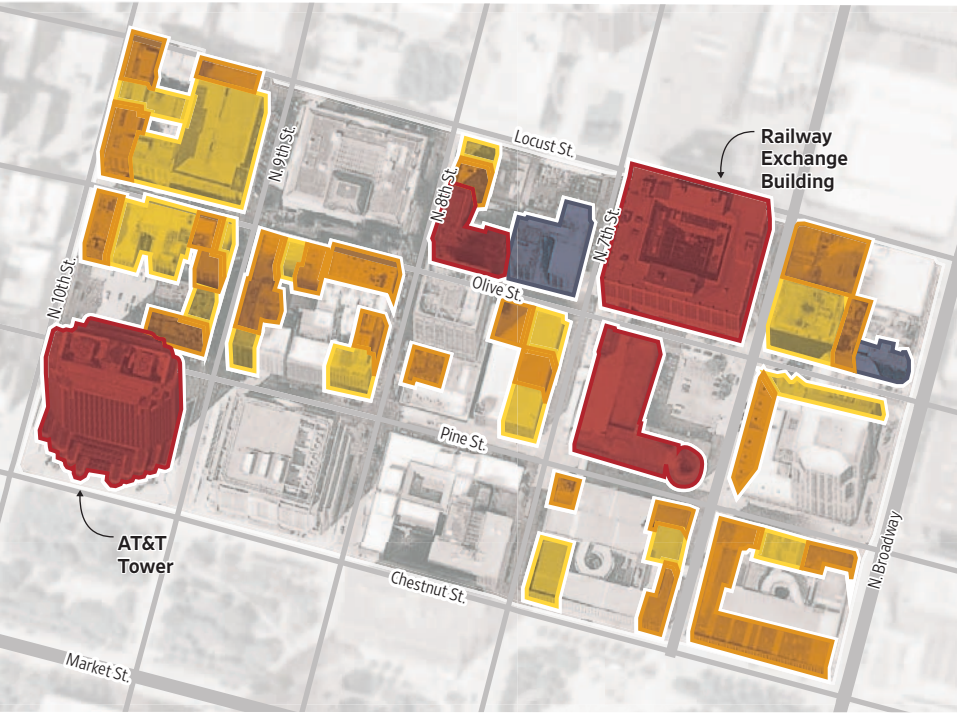
Brown & Crouppen closed its downtown office during the pandemic and never reopened it. The firm is now headquartered in a converted factory in a residential neighborhood in western St. Louis. Several other firms also left, and those that stayed behind now often let employees work remotely. That kicked off another wave of restaurant closures.

Standing behind the counter

Decay in the Heart of Downtown

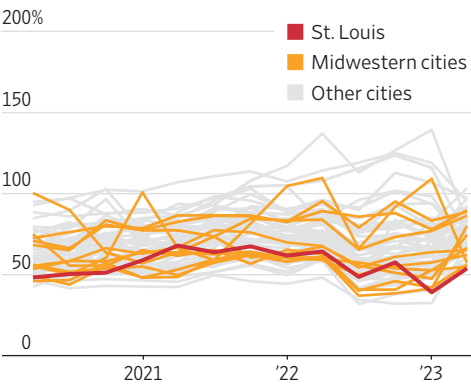
Fifteen blocks in downtown St. Louis sit largely quiet as office buildings have emptied out in recent years and nearby retail stores have closed.*

■ Vacant buildings ■ Vacant or boarded up storefronts ■ Occupied retail space ■ Hotels



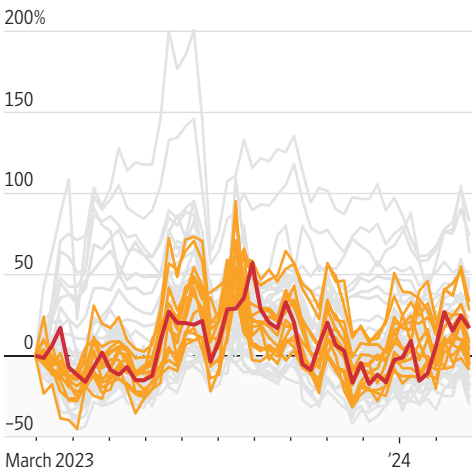
St. Louis had the biggest drop in foot traffic among 66 cities in recent years. As recoveries picked up in the past 12 months, St. Louis has been middling.

Downtown visits, relative to 2019 traffic†



*As of March 12 †Compares each season to the same season before the pandemic ‡Weekly average of daily traffic Sources: WSJ reporting (locations); Google Earth (satellite images); University of Toronto School of Cities (downtown visits)

Change in downtown visits from March 2023‡



at Chili Mac’s Diner next door to the shuttered Panera, Charlotte Herling rattles through the names of five departed restaurants within a two-block radius. “A lot of them couldn’t hang on,” she said. The only saving grace is that less competition means the diner does fine.

“We’re blessed only because there’s no businesses left,” Herling said.

Empty streets have made the office district more dangerous. Drivers speeding on wide, mostly empty roads are a menace. In early 2023, a 17-year-old volleyball player from Tennessee lost both her legs after a car smashed into her. A barbecue joint’s smoker has a bullet hole. Local shops and restaurants pay for private security guards to walk the streets and some have installed security cameras flashing warning lights.

Pharaoh’s Donuts, now in its new space, had its windows

broken twice, Aziz-Morris said. Standing in her shop in early March, she pointed outside at her graffiti-covered delivery truck. “Last week somebody drew on the window itself,” she said.

Cash for pop-ups

In a campaign to revive its office district, the city is trying to get more people on the streets. It is adding landscaping, bike lanes and traffic barriers. Greater St. Louis Inc., a business and civic organization, pays buskers to play on street corners.

The goal “is to put more people on the street doing positive things,” said Kurt Weigle, the group’s chief downtown officer.

His organization and the St. Louis Development Corporation this month launched a program that hands out up to \$50,000 to retailers that move downtown

to help pay for construction work. The program also plans to hand out cash for sidewalk cafes and pop-up shops.

Discounted rents and other incentives have helped fill some empty storefronts and boosted foot traffic in cities including Minneapolis, but aren’t seen to be enough to offer true revitalization.

Reversing the doom loop spiral isn’t easy once decay has set in. To boost local businesses, the city wants to encourage developers to add hundreds of apartments by converting empty office buildings. But these projects are expensive. Rents in St. Louis are low, and high interest rates haven’t made things any easier.

When investors can’t make a residential conversion work, they often choose to wait for years until funding or a buyer materializes—a pitfall of relying on private developers to revive an office district.

Take the Chemical Building, a 128-year-old redbrick former office building a block from the Railway Exchange. Three times between 2006 and 2017 investors bought the building with plans to turn it into apartments. Each failed. One of the buyers put up a banner advertising “perfectly centered living with 1,2,3 & 4 bedroom residences starting at \$170,000.”

That’s about all they did. The banner is still there today. The windows above the banner are boarded up. Others are broken or covered in graffiti. The building now has a new owner who wants to turn it into a hotel.

The Railway Exchange building’s owner, a Florida investment firm, bought the building in 2017 and announced grand plans to redevelop it into apartments and retail. The firm eventually stopped paying for security and defaulted on the

mortgage. The city condemned the building last year.

A decade of rot has also made a conversion harder. Few shops and restaurants are left to attract future tenants. A 2016 water leak flooded the building’s basement. The mortgage lender still wants to get paid.

“It’s a mess. They’ve ripped through the walls trying to find copper,” said developer Amos Harris, who is eyeing a conversion of the property and was recently inside. The building is much too big, the downtown apartment market too weak and construction too expensive to convert it without subsidies, he said.

Harris is now considering a plan to redevelop the ground-floor retail space and turn only half the building above into apartments, leaving the other half vacant. But even that would cost more than \$200 million, he estimated. “We’re beating our heads against the wall,” he said.

New soccer stadium

Some cause for hope is a short walk away. To the office district’s immediate west, the Downtown West neighborhood boasts loft apartments, a new soccer stadium and a train station-turned-amusement park. These developments have revived a once-abandoned industrial area, proving that people want to be in downtown St. Louis if it’s pleasant.

To the south, a cluster of bars and restaurants around the Cardinals’ ballpark is often crowded, especially on game days. Visits to the Gateway Arch east of downtown are up. These neighborhoods show how big developments and apartment conversions can attract residents, which in turn attract bars and restaurants, slowing or even reversing the doom loop.

“Outside of that office zone, it’s never been better,” said Denis Beganovic, a military planner who lives in Downtown West.

The reinvention of Downtown West, full of beautiful old buildings, was made possible in part by massive investments by the Taylor family—owners of Enterprise Rent-A-Car—which spent big to build the soccer stadium and bring a Major League Soccer team to the area.

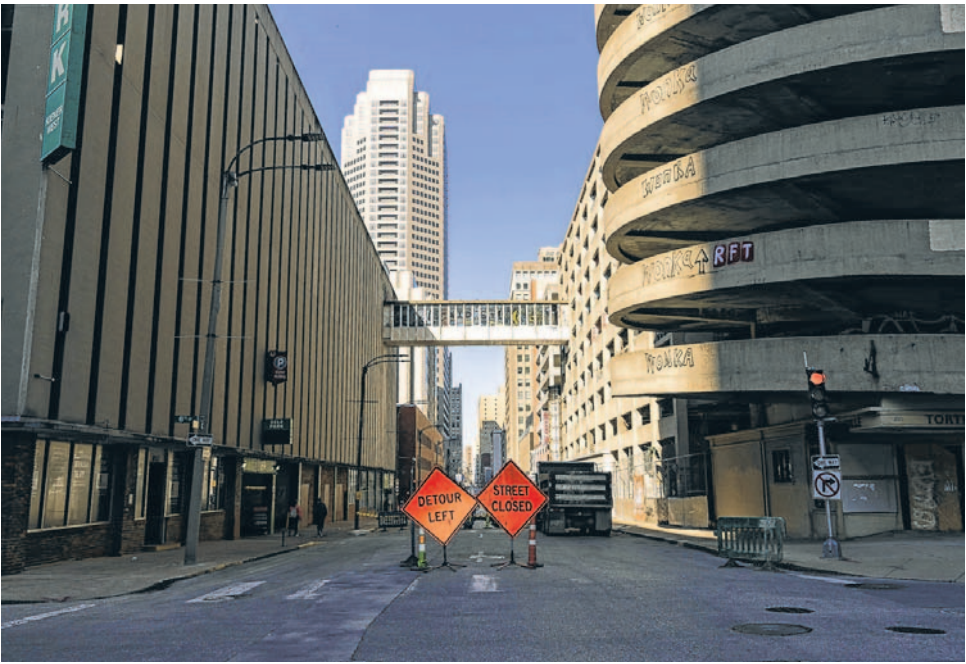
“That is becoming a huge anchor,” said Weigle, of Greater St. Louis. State and federal tax credits helped pay for the redevelopment of the former train station and adjacent land, which now includes a Ferris wheel and an aquarium, among other attractions. As more fans and visitors came to Downtown West, the area became more appealing to developers. Last year, a high-end hotel opened in a former YMCA and an old industrial building reopened as apartments.

Even within the business district, the central location has attracted a few newcomers. Quentin Eddings, a 26-year-old architectural designer, moved into a converted apartment in the office district last year. His upper-floor unit has views, the rent is reasonable, hotel bars and a sculpture garden are nearby and his office is a five-minute walk away.

“It’s a nice area to be in,” he said.

Yet that’s still a distinctly minority view. O’Connor, the bartender, said his establishment has devoted happy-hour patrons but tends to empty out by 7 p.m.

“It’s awkward pointing people to bars from here,” he said. “Like, yeah, you’re in the heart of downtown. You got six blocks to get to the next open establishment.”



A parking garage across from the Railway Exchange is one of many empty buildings in the area.



Start in Middle Age to Help Prevent Elderly Dementia

Intervening earlier to improve brain health might help you stay sharper as you get older

By SUMATHI REDDY

The fight against dementia actually starts in your 40s. Midlife, not your 70s or 80s, is when brain changes start to occur that can pave the way toward dementia, Alzheimer’s disease and cognitive decline later, according to a growing body of research. Intervening earlier to improve brain health—and studying the midlife brain more closely—might help people stay sharper in their later years, researchers say. Regular exercise, getting enough sleep and doing activities that keep your brain stimulated are all steps that can help you combat dementia later in life. “Middle age is an opportune time to make lifestyle choices and obtain treatment that will bring

an enormous return on investment in old age,” says Terrie Moffitt, a professor of psychology and neuroscience at Duke University. More scientists are looking for clues in the midlife brain because efforts to target dementia in older people have largely failed, says Ahmad Hariri, a professor of psychology and neuroscience also at Duke. Nearly seven million Americans have Alzheimer’s disease, the most common type of dementia, according to the Alzheimer’s Association. The figure is expected to rise to nearly 13 million by 2050. “A very reasonable interpretation of those failures is that interventions were attempted too late after too much damage had accrued in the brains,” Hariri says. As the number of people projected to get dementia increases, many of

us are worried about our risks later in life. Doctors and scientists are closely focusing on it too. **Brain changes** Parts of the brain start to change faster during middle age, especially the hippocampus, which is important for remembering everyday events, says Sebastian Dohm-Hansen, a doctoral student at University College Cork in Ireland and first author of a March review study on brain aging published in the journal Trends in Neurosciences. In your 40s and 50s, the white matter in your brain—the connections between brain areas—decreases in volume, says Dohm-Hansen. That likely results in slower processing speed, which could have further effects on cognition, he says. In addition, proteins can build

up in your blood, resulting in low-grade inflammation that can affect the hippocampus’s ability to encode and store new information, he says. People keep their verbal language-based skills their whole life, says Moffitt. But the speed at which you process information and your capacity to solve new problems of logic and reasoning gradually diminishes with age. Her research has found that certain groups of people lose cognitive function faster during midlife. That includes people who began using cannabis or tobacco as teenagers and continued to use in their 40s, and people with high levels of toxic lead in their blood from childhood. But even outside of those groups, some people are aging faster in their 40s and 50s, which research has suggested can be linked with developing dement-

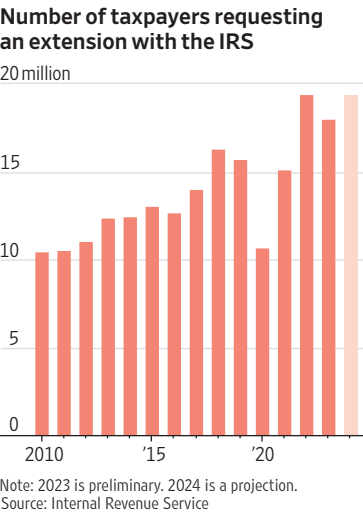
tia later in life. Women in midlife are grappling with the added complications of the menopause transition, during which abrupt changes in hormone levels can affect the brain, says Jessica Caldwell, director of the Cleveland Clinic’s Women’s Alzheimer’s Movement Prevention Center in Las Vegas. A woman’s brain can adapt to these changes by reorganizing itself, but scientists are still studying how that happens and what the ultimate impact is. Not everyone believes midlife is a sharp turning point in brain health. Processing speed is the cognitive function that declines most as people age, but that slide happens gradually and varies from person to person, says Dr. David Knopman, a professor of neurology at Mayo Clinic in Rochester, Minn.

So what can you do? Keeping your heart healthy in midlife is the best way to stave off cognitive decline, says Knopman. Brain and heart health are closely connected. The same things that can lead to a blockage of arteries to the heart can affect arteries to the brain, impeding blood flow and oxygen delivery. There are no guaranteed ways to prevent dementia. But steps that help both your brain and your heart include exercising regularly, eating a healthy diet, and not smoking, as well as trying to avoid getting or managing conditions such as diabetes, high blood pressure and cholesterol, and obesity, and treating obstructive sleep apnea. For middle-aged patients, doctors often focus on emphasizing lifestyle changes such as diet and exercise to manage blood pressure and diabetes risk, says Caldwell. But those steps are equally important for brain health down the line.

“Eating a more nutritious diet, getting exercise, and sleeping sufficiently are all associated with better brain health outcomes,” says Caldwell. Also important is staying socially and mentally active and engaged, Knopman says. “There are benefits of working in a challenging environment—it stimulates the brain—and it seems to be associated with better outcomes,” he says. There’s no reason to wait till midlife to start making these health improvements, either, notes Kristine Beate Walhovd, a psychology researcher in the Center for Lifespan Changes in Brain and Cognition at the University of Oslo in Norway. Many of the lifestyle changes that will set you on a better path in old age can begin before midlife, she notes.

By ASHLEA EBELING

More than 20 million Americans are likely hitting the tax snooze button this year, with most asking the government for at least six more months to file their returns. This isn’t just procrastination. People living in areas affected by natural disasters were granted extra time. Taxpayers also tend to ask for more time when they have a bigger balance due than expected, or if records and documentation aren’t ready. An estimated 19.4 million out of 146 million taxpayers are expected to request an extension by the deadline—nearly a record, according to the Internal Revenue Service. A decade ago, 12.5 million requested extensions. But even with more time to get forms sent to the IRS, most taxpayers who owe money are still expected to make a payment by April 15. The consequences of not doing so are high, as taxpayers owe interest on their unpaid balance even if they get an extension. Those who blow off the deadline completely face the biggest penalties, because interest and late fees can add up.



“They’re delaying something that’s eventually inevitable,” said Richard Pon, a certified public accountant in San Francisco. There are ways to minimize cost and manage the deadlines, tax advisers say.

The penalty for not filing Those who miss the tax-filing deadline without requesting an extension face a failure-to-file penalty and a failure-to-pay penalty. There is also interest, compounded daily, on the tax and the penalties. The current interest rate is 8%. The failure-to-file penalty is stiff and adds up quickly. For individual taxpayers, the IRS typically assesses a failure-to-file penalty at 5% of the unpaid taxes for each month or partial month, capped at 25% of the total. That could be a \$2,500 penalty on top of a \$10,000 tax bill, assuming four months and a day have gone by without filing and paying, said Jim Buttonow, a CPA in Sumnerfield, N.C. One day is considered a month. If you are one day late and owe \$10,000, the late-filing penalty would be \$500.

The failure-to-file penalty can be even harsher for taxpayers with lower balances due. If your return is more than 60 days late, there is a minimum penalty for late filing: the lesser of \$485 or 100% of the taxes owed. A taxpayer who owes \$1,000 and files late on June 16 would face a failure-to-file penalty of \$485. The penalty for failure to pay also maxes out at 25% but kicks in much more gradually at 0.5% of the unpaid balance each month or 6% a year. For taxpayers who enter into an IRS payment plan, the penalty gets reduced to 0.25% a month or 3% a year. The consequences can become more severe with time. The IRS can garnish your wages or levy one of your bank accounts in as little as



nine months after filing, Pon said. The best way to avoid that is to establish a payment plan with the IRS, Buttonow said. Taxpayers can try to get penalties waived by calling the IRS to ask for a first-time penalty abatement or by sending in Form 843 and a letter citing reasonable cause, according to the IRS. **Request for an extension** The simple way to avoid a drastic late filing penalty is to file a request for an extension. Taxpayers can ask their tax preparer to put in the re-

quest, do this with their tax software, or use Form 4868, at IRS Free File online. This provides an automatic extension until Oct. 15 to file. Alternatively, your payment can count as the extension, Pon said. You can skip the form, and pay part or all of what you owe, even just a dollar, using an online payment option. Make sure to check the box that you are paying as part of filing for an extension. Because of holidays, taxpayers in Maine and Massachusetts have an April 17 due date to file and pay, or to request an extension.

Advantages of extensions Taxpayers with self-employment income who file an extension request get extra time to make contributions to special retirement accounts known as SEP-IRAs, up until the Oct. 15 extension deadline, said Pon. Contributions to traditional IRAs and Roth IRAs typically must be made by the April deadline. Also, you will have more time to get everything right on your return, reporting all your income, including items you might miss, such as interest from I bond redemptions, and claiming all the tax deductions and credits you are entitled to, such as those for electric-vehicle and EV-charger purchases. A bulletproof return can keep the IRS at bay. **If you are due a refund** There is no penalty for failing to file if you are due a refund. But you can’t get the refund until you file. Taxpayers have three years to file before losing out on the money. The IRS recently said taxpayers have until May 17 to claim nearly \$1 billion in tax refunds for tax year 2020.

Disaster delays Those who live in portions of 10 states were given automatic extensions because of natural disasters. The deadline is now June 17 for parts of California, Connecticut, Michigan, Tennessee, Washington and West Virginia. It is July 15 for parts of Alaska, Maine and Rhode Island and Aug. 7 for parts of Hawaii. There is one catch. If you live in one of these areas and need until Oct. 15, the deadline for e-filing an extension request is still the usual April date, the IRS said. Otherwise, the extension request must be made on paper.

PERSONAL JOURNAL.

By Karen Kreider Yoder
And Stephen Kreider Yoder

The first couple of years in retirement are often the most difficult. But they also can set the stage for how you'll fill the years ahead—both financially and psychologically. Stephen Kreider Yoder, 66, a longtime Wall Street Journal editor, joined his wife, Karen Kreider Yoder, 67, in retirement in late 2022. In this essay, they chronicle some of the issues they are dealing with early in retirement.

KAREN: It was a June afternoon in the Rockies just after I retired when we agreed that we must be turning into ghosts.

We had been cycling in the mountains since breaking camp before dawn, and we decided to splurge on a private room in a hotel. We checked in and headed through to the bike-storage area, walking our rig by young hostellers congregated in the common spaces.

We must have been a sight: two bedraggled 60-somethings pushing a tandem bicycle laden like a pack mule.

Except no one seemed to see us.

We crossed the living room, where 20-something hikers with ruddy faces studied their computer screens. No one looked up. We inched through the kitchen, where others were sautéing onions for a group meal.

"Excuse us. Sorry to interrupt," one of us said as we squeezed through. "That sure smells good."

They turned a bit, giving us space. But not a word. Not a "How's it going?" nor "Where'd you come from?" nor "Cool rig." Nor eye contact.

"We're invisible," Steve whispered in the hallway. In our room, we plopped on the bed and laughed. "Nobody even acknowledged our existence," I said. "We're too old to see."

We had noticed a growing feeling of being unseen before, but nothing like this. The episode inspired our secret code words for similar incidents. "We're invisible," one of us whispers, and we smile wryly as we recall our hostel encounter.

It's a code we're using more often these days as we move deeper into retirement and more often sense that younger people in the same room are looking right through us.

We stepped into a bustling reception at an art gallery a few months ago and instantly saw we were the oldest by decades. The chatting, laughing young crowd parted for us as we headed for the wine table—averting their eyes, it seemed, after giving that quick look that says, "What are these

The hardest thing to admit: Maybe not everything is about us.



old people doing here?"

At an open meeting at a local nonprofit to which we contribute, we got the same feeling. The staff's youthful energy was inspiring, but no one approached us.

Sometimes the feeling isn't so much invisibility as irrelevance. I was with some younger gal pals recently, standing in a tight circle drinking coffee at an event. My friends chattered about their insanely busy workweeks, asking each other how they balance their professional lives with raising children and volunteer work.

Nobody turned to me. I had decades of that frenetic pace. I did it; I survived. Perhaps I might have had a few tips to share? Nope, I thought silently. I'm retired. Too

old to be relevant. Unseen.

I'm thinking more often of how my 90-year-old mother must have felt when I pushed her wheelchair into a restaurant. She was sharp mentally but had suffered a bad fall. A restaurant employee turned to me and asked. "Where would she like to sit?"

I turned to my mom, asking her, "Where would you like to sit, Mother?" She wasn't invisible to me.

To be fair to young people everywhere, not *all* of them ignore us. At a Montana hostel last year, several geology students about to head into the mountains saw us and eagerly chatted us up in the common room. We asked about their studies and they grilled us on how we managed logistics during the bike trip we were on.

Back in San Francisco, we seem quite visible to many good friends young enough to be our children or grandchildren. We have some

over at our house nearly every week. A group in their early 20s had us over for their Super Bowl party this year.

Maybe we're at a stage where we need to take more initiative with people much younger than we. When I do reach out to younger people and pick their brains, I find they have so much to offer. How about asking their opinions and seeking their advice instead of waiting for them?

We're certainly going to need younger people more as we navigate retirement. My dad, who lived to nearly 97, increasingly made friends with younger people as he aged. "My friends die off," he would say, "so I need to make new, younger friends."

STEVE: It happened again at an upscale restaurant near our house recently. "Are we just imagining this?" I asked Karen.

It was a rare evening of dining

The Topic That Has Us All Dishing

Continued from Page One

University, has a plan.

"I make a mental map of how the water moves around the dishwasher before I put the dishes in," he explains. "If we're going to wash it, we should make sure it's as clean as it can be."

It's the household conundrum that keeps giving us loads of headaches.

To pre-rinse or not to pre-rinse? Is playing Tetris with your dishes the superior loading technique? Which side should the cutlery face?

The global debate recently swirled anew after remarks from British Prime Minister Rishi Sunak. In an interview with fashion magazine Grazia, he and his wife, Akshata Murty, were asked who was better at loading the dishwasher.

"Definitely Rishi, but I am 'A' for enthusiasm," Murty replied quickly. "But then it requires redoing after you've been very enthusiastic," Sunak quipped.

Their exchange lit up social media and the growing world of dishwasher-technique aficionados (yes there is one).

The Facebook group "Extreme Dishwasher Loading" saw a jump in interest, topping 31,000 members.

A majority of Americans (65%) agree there's a "right and a wrong way" to load a dishwasher, according to data from YouGov Omnibus. Another poll said the average American household has 18 arguments a month over dishes, from leaving them in the sink to who should empty the dishwasher.



From top, clockwise: Britain's Prime Minister Rishi Sunak and his wife, Akshata Murty; Stephen and Nina Edwards; Brian Louie and Erin Bailey.

In New York, Stephen Edwards says he "accidentally" conducted an experiment when Nina was out-of-town: He used only bowls and plates of the same size.

"I am a big fan of dish uniformity," he says. "It was so easy to empty, I didn't have to make so many decisions." That changed as soon as she was back.

"She has a collection of 100 spoons, no two are the same," he sighs. "When there are 15 sizes of bowls, none of which stack in the dishwasher, that drives me nuts."

For Nina's part, as an artist, she says, "I use my right brain. I am very casual." She points to Stephen's socks collection—"black or white so he never has to think about it...for me, it's the opposite, all the sameness is so boring." (Stephen's view: "they are all the same brand so I never have to look for pairs. Life is too short.")

For Brian Louie and Erin Bailey, moving from California to New York and into a smaller apartment with an open kitchen has sparked more



dishwashing tussles than ever in their 20 years together.

"I have always been a control freak in the kitchen," admits Louie, a marketing executive. "I have my way of doing it right, so sometimes I can be a kitchen general."

Putting a mixing bowl in the bottom rack and therefore blocking anything above the bowl from get-



ting water drives him crazy. He might offer his wife what he imagines are helpful comments when it's her turn to load.

Bailey, a photo producer, mostly entertains his tips, but sometimes rolls her eyes.

"I think I have a great method, and don't really need the feedback."

When Brian isn't around, she can go wild—even unloading from the top to the bottom, and who cares if the water drips down?

Is there a right way? The conundrum is on minds at Procter & Gamble, the maker of products such as Cascade pods. "Washing dishes is the most hated chore after cleaning the toilet, so we think a lot about how to make that task less painful," says Morgan Eberhard, a dish scientist at the consumer-products giant.

At P & G's dish-science center on the outskirts of Cincinnati, the work begins at the facility's spa, or "soil preparation area," where scientists attempt to recreate and banish the

out, and by evening I mean 5:30 p.m. There were still many empty tables, yet we were having a heck of a time getting our server's attention—to order drinks, to order food, to request water refills.

We could see him over there, tarrying cheerfully among young diners at other tables. But my hand gestures had no effect.

"How can he not see us?" I said. Karen grinned and uttered the code: "We're invisible."

We later couldn't flag our server down for even the bill, so we vowed to enjoy the restaurant's ambience until he saw fit to free up our table for prime time. It took him about a half-hour.

That was plenty of time for us to debate the invisibility theory. Perhaps our server was busy with tables we couldn't see or had duties other than waiting tables? Maybe the younger tables had tipped him ahead? Had he pegged us as cheapskates when we didn't order an entire bottle of wine?

We've added such debates to our protocol. After invoking the invisibility code, we ask: Are we imagining it? Is this, in fact, happening to everyone here and not just us? Have we been experiencing this kind of unseen-ness all our lives and are just now discovering it?

And the hardest thing to admit: Maybe not everything is about us.

"OK, boomer," I can just hear it when we lament our newfound invisibility. We've gone through life thinking we're special, and are only now discovering we're not so different after all.

We may be oversensitive because our visibility is part of our continuing quest to find a new post-workplace identity, an existential task many retirees wrestle with after leaving the work world.

If we're only imagining invisibility, we're in good company. We polled some retired friends our age and they quickly vouched for the sense of often being unseen. One observed that the panhandlers downtown often don't seem to bother approaching seniors.

And it isn't just us baby boomers who feel an encroaching irrelevance. A long-retired minister I know talks sadly of how church leaders no longer listen to his ideas about the ministry. Several professors emeritus have lamented to me that their college successors didn't seek their advice. Retired editors know very well that they're yesterday's news, but that doesn't stop them from bemoaning their untapped expertise.

I heard the no-one-listens-any-more refrain so often in the past few decades that I began calling it "The Old Man's Lament."

That would never be my lamentation, I vowed at the time.

The Yoders live in San Francisco. They can be reached at reports@wsj.com. You can read previous columns at wsj.com/retirementrookies.

PAUL BLOW

messes of nightmares, such as scorched-on mac and cheese.

(Sometimes, kitchen items themselves are considered hard-to-clean because of the size, shape or nooks and-crannies. "The Stanley cups of the world would fall into this category," says Eberhard.)

Eberhard says she never pre-rinses. Dishes that are *too* clean will confuse the dishwasher's sensors, which are trained to detect food remnants, and make them work less efficiently.

Other tips: Put burnt-on pans and pots on the bottom shelf. Plastic items such as baby bottles go on the top shelf, where the temperature is slightly cooler, helping to prevent melting. Don't let the spoons spoon.

How much do we care about dishwashing methods? Texas-based couple Megan Ewoldsen and Joel Freeman made a clip that was viewed more than 21 million times last year. It's about loading the dishwasher.

It shows Freeman, a fitness trainer, loading the dishwasher to classical waltz music, using a tape measure to perfectly space items. Then comes Ewoldsen, a fitness influencer, tossing things in with abandon—to AC/DC's "Highway to Hell." In "every partnership, there is a person who stacks the dishwasher like a Scandinavian architect and a person who stacks the dishwasher like a raccoon on meth," says Ewoldsen. "Well, I'm the raccoon."

Since the two moved in together about a year ago, she's ceded dishwasher control to Freeman.

"I have zero preferred methods and he very much has his preferred method, so it's just better if he does it," she says. "Also, there is a sweetness to it. He's taking care of us."

CLOCKWISE FROM TOP LEFT: REUTERS/EDWARDS FAMILY; BRIAN LOUIE/ERIN BAILEY

ARTS IN REVIEW



ART REVIEW

Currents of Inspiration

By Karen Wilkin

St. Louis
“I HAVE ALWAYS adored the sea,” Henri Matisse (1869-1954) wrote. Born in a charmless, inland town in Northern France, he sojourned in seaside locations from the beginning of his life as a painter, becoming, along the way, an enthusiastic swimmer and oarsman. He made extended trips to Belle-Île, in Brittany; to Corsica, early in his marriage; to Collioure, the fishing port near the Spanish border, where Fauvism was born; to Nice, on the French Riviera, where he settled after about 1918; and to French Polynesia. The effect of these encounters with large bodies of water on the artist is traced by “Matisse and the Sea,” a wide-ranging, informative exhibition at the Saint Louis Art Museum that takes into account, as well, the other influences reflected in the resulting work.

Organized by Simon Kelly, curator and head of the museum’s Department of Modern and Contemporary Art, the show assembles Matisse’s paintings, sculptures, works on paper, and *gouaches découpées*—cutouts—along with instructive comparative material, sometimes by his colleagues, sometimes from other cultures. The centerpiece is SLAM’s masterwork, Matisse’s “Bathers With a Turtle”

(1907-08), the haunting image of three voluptuously modeled nude women—standing, crouching and seated—against bands of intense green and blue suggesting grass, sea and sky, their attention focused on a brown turtle, at their feet, in the center of the canvas.

The evolution of this enigmatic, unforgettable work is suggested by the small Paul Cézanne, “Three Bathers” (1879-82), that Matisse owned and described as having “sustained me morally in the critical moments of my venture as an artist.” A smaller, more anecdotal version of SLAM’s painting reveals the setting as once being identifiable as Collioure, simplified and abstracted in the large version. African sculptures, some owned by Matisse, hint at the origins of the formal characteristics of “Bathers With a Turtle,” while related paintings and sculptures of bathers attest to the artist’s fascination with this time-honored Arcadian theme.

Paintings done in Belle-Île and Corsica in the 1890s, plus others made in Collioure in 1905, reveal Matisse translating seaside landscapes into zones of increasingly intense color. “The Red Beach” (1905) is constructed with triangles of bright sand, dazzling sea and mountains. A slightly later large canvas reduces Collioure to staccato patches of red tile roofs,

caught between tawny hills and slices of sea and sky.

Matisse’s move to the South of France is documented by views of the sunlit Mediterranean through the windows of Nice hotel rooms, framed by rosy tile floors and tall shutters. A downright eccentric composition of a pile of (identifiable) fish on a pebble-strewn Atlantic beach speaks to visits to the North.

Matisse’s trip to Tahiti, in 1930, provokes an inevitable discussion of French colonialism, soon—fortunately—overwhelmed by works made in response to the visit, including two small bronze versions of “Venus in a Shell” (both 1932), tautly upright, legs tightly folded, arms tucked behind her head, as well as elegant linocuts of swimmers pared down to sweeping arabesques amid shorthand waves.

‘Composition Green Background’ (1947), by Matisse.



Mr. Kelly makes a persuasive case for the long-lasting artistic repercussions of Matisse’s stay in the South Seas, where, according to an amusingly illustrated letter, he swam happily in a tropical lagoon. The tapestry versions of “Oceania, the Sea” and “Oceania, the Sky” (designed 1946) combine shapes evocative of undersea creatures, birds, sinuous foliage and seaweed. Pages titled “Lagoon” (designed 1944), from the album “Jazz,” are filled with fronds of algae, which reappear at various scales even in plates based on nonaquatic motifs. Seaweed dominates large, vertical *gouaches découpées*, floating against backgrounds of radiant green and red. A film clip allows us to watch Matisse “carve”—his word—these curvaceous shapes, deftly manipulating an enormous pair of shears.

“Matisse and the Sea” ends with some of the cutout nudes made in 1952: large, audacious images that dissect the body into emblematic blue shapes and then reassemble it so that the spaces between are as el-

loquent as—or more eloquent than—the inventive references to anatomy. The fragmented “Blue Nude I” crouches. The seductive “Venus” is a gap between two planes of blue paper, sliced to imply a swelling hip and slender torso. “Blue Nude, the Frog” confronts us against her yellow background, open legs angled, a declarative arrangement of floating shapes that reassembles itself to allow reading as an unabashedly full-frontal female body. The saturated, dusty blue of the series makes us think about “Bathers With a Turtle.” Have the bathers become the sea itself?

A copiously illustrated, illuminating catalog accompanies the show. The rich context for “Bathers With a Turtle” provided by the exhibition is enlarged by technical studies that reveal the history of that work, making it plain that the painting’s aura of inevitability, spontaneity and unexpectedness was the hard-won result of careful adjustment. It’s fascinating information, but it doesn’t make “Bathers With a Turtle” seem less inevitable, spontaneous or unexpected. Or any less wonderful.

Matisse and the Sea
Saint Louis Art Museum, through May 12

Ms. Wilkin is an independent curator and critic.

CULTURAL COMMENTARY

Derailing a Station’s Grandeur and Grace

By Michael J. Lewis

It would be strange if the medieval stonemasons who created Notre-Dame had set down their tools at its completion to declare that there would be no more Gothic cathedrals. Yet that is more or less what happened to the great American railroad terminal. The Depression put an abrupt end to a century-long process of development during which the building type had grown in comfort, efficiency and beauty. Philadelphia’s 30th Street Station is at once a model of the type and the end of the line.

The station, which opened in 1933 and is listed on the National Register of Historic Places, suffered the usual indignities of unsympathetic alterations. These were removed in the course of a bold restoration campaign in the late 1980s that gave the building back its original personality, its blend of neoclassical dignity and Art Deco vibrancy. That good work is now being undone, spectacularly, as Skidmore, Owings & Merrill undertakes a \$550 million redevelopment, the most visible element of which will be the insertion of a fashionable restaurant in the station’s concourse.

That this could happen sheds revealing light on the world of historic preservation today.

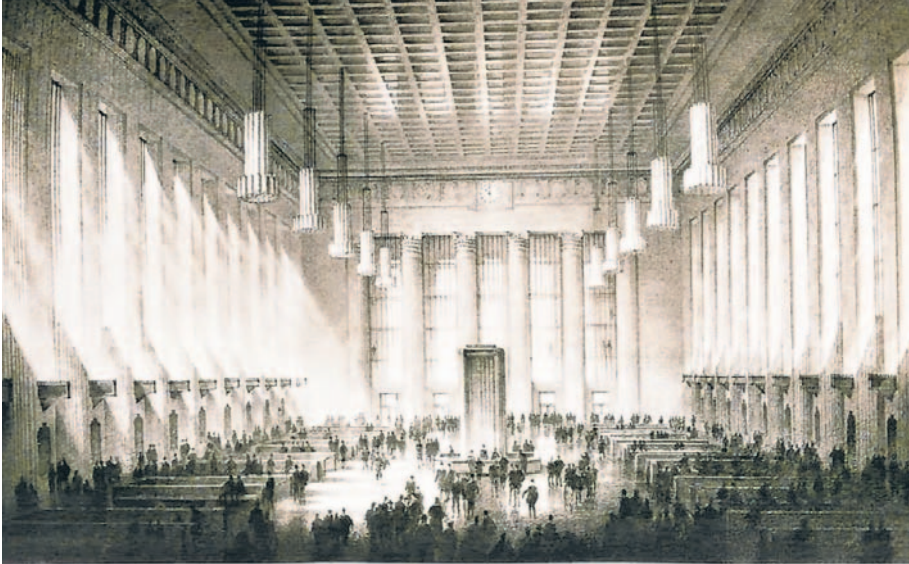
There is no disputing the superb

quality of 30th Street Station. It was designed by Graham, Anderson, Probst and White—the successors to Daniel Burnham, the principal architect of the City Beautiful Movement. In good City Beautiful fashion, the station had a monumental urban presence, forming an ensemble with Philadelphia’s main post office, its tracks running underground to serve both buildings.

As in all well-designed public buildings, everything is subordinated to the place where the people gather. This is the main concourse, which is entered through a tall colonnaded portico at either side and is expressed on the exterior by its taller volume. Measuring 290 by 135 feet, the lofty space surpasses even the square footage of New York’s late lamented Penn Station. It is easily the best big room in Philadelphia.

By the 1980s the concourse had become disgracefully dingy. When local architect Dan Peter Kopple was commissioned to renovate the station, there was a general consensus that it needed spicing up, hopefully with colorful, contemporary additions. He disagreed, telling Amtrak “that the building has its own grand design and that you don’t help it by trying to tuck a lot of stuff inside it.”

Having convinced them, Kopple set about removing the glitzy shop-



fronts that projected into the main space, so that “the mighty piers will have their full sculptural force and the concourse can be experienced as a single room.” And a room that needed no makeup, for, as the renovation revealed, the coffered ceiling already had its own gorgeous colors, a vibrant Art Deco palette of tan, red and orange.

Only one addition was not removed, Walker Hancock’s sublime “Pennsylvania Railroad War Memorial” (1952), a bronze of a fallen soldier cradled in the arms of an angel with upswept wings.

Public spaces acquire clutter over time: That is where the people are, and where those who sell to them want to be. Where you might see a grand and noble sweep of space, someone else will see so much unexploited real estate. The most egregious of the changes now occurring is the annexation of part of the concourse for a restaurant in the northwest corner, right at the foot of Hancock’s bronze angel. In the com-

A rendering of 30th Street Station (c. 1933), where a \$550 million redevelopment is now under way.

puter renderings it looks marvelously convivial. Yet that the most moving of war memorials anywhere should be enlisted as background décor for dining shows an almost depraved indifference to the nature of great art and great spaces.

The greatness of the space is that it expresses one single thought in monumental terms—that a concourse ought to be a grand court of human movement and nothing else. To achieve that, the original architects pushed the shops and services to the periphery, opening up the space as one vast passageway. And so they depicted it in their spectacular rendering, its moody shadows reminding us that the ancients revered the gate to a city as a mysterious and sacred thing. The 1980s campaign restored that quality, and even enhanced it—especially when 20 comfortable walnut benches were

moved from an adjoining waiting room and placed between the train platforms, where they look as if they had always been there.

Those benches are now being relocated, in part to make room for the new restaurant, which will decidedly not look as if it was always there. It was to prevent such disfigurement of significant monuments that the National Historic Preservation Act was passed in 1966. It prescribes a lengthy review process to determine if a designated historic property would be compromised by changes. As it happens, the plans for 30th Street Station passed this review. Amtrak’s representative informed me that the Pennsylvania State Historic Preservation Office, the Philadelphia Historic Commission and numerous other bodies determined that the renovations “would have no adverse effect” on the building.

In a literal sense, this is true. The architects will leave the marble floors and travertine walls, the bronze fixtures and pendant ceiling lamps untouched. But such is the materialist approach of institutional historic preservation as it is practiced today, when every physical item is duly inventoried and properly cared for, even as the character of the space they create is transformed beyond recognition, and yet another grand public space—dignified, humane—is turned into a mall.

Mr. Lewis teaches architectural history at Williams and reviews architecture for the Journal.

SPORTS

By Andrew Beaton

Augusta, Ga.
Stewart Hagestad had a compelling reason to ask the merchant bank where he works for some time off this week: He was going to the Masters.
What separates him from everyone else on Wall Street jetting down to Augusta National is that he's not there to take in the action at the first major of the season. Hagestad is actually playing in it.

In the 89-man field at golf's most prestigious tournament, Hagestad is a player unlike any other. He has a business degree and works a full-time job as an associate at BDT & MSD Partners, an investment and advisory firm that has more than \$60 billion of assets under management. But once he shuts down his computer at the end of the day, he finds time to play golf.
And the 33-year-old defies every shred of conventional thinking about athletic achievement because he's playing perhaps the best he ever has even as he spends just a fraction of the time his competitors do on sharpening his game.
As it turns out, that's exactly how he likes it. Unlike almost every other amateur who finds his way into the Masters, Hagestad has no ambition to play the game professionally. He has known for over a decade that the life of a pro golfer wasn't for him.
Instead, he has reverse-engineered the system. There are athletes who dream of making it in the business world. Then there's Hagestad, who has managed to do the opposite. He has a career outside of the sport but still gets to play in the biggest events and on the most hallowed courses on the planet.
"Part of the reason I love amateur golf is simply because it gives you the opportunity to miss it," Hagestad says. "If you don't play for a while, after a couple of months, you begin to kind of get the itch."
Hagestad, who recently moved to his firm's Florida office, got here by winning last year's U.S. Mid-Amateur, a competition for players 25 or older where he has established himself as the dominant performer of his generation. That was the third time he has won the event, a feat that has helped him rack up six major appearances before this

Banker Has a Shot at the Masters

Stewart Hagestad will compete at Augusta and then head back to his day job on Wall Street.



In the 89-man field at this year's Masters at Augusta National, Stewart Hagestad is a player unlike any other.

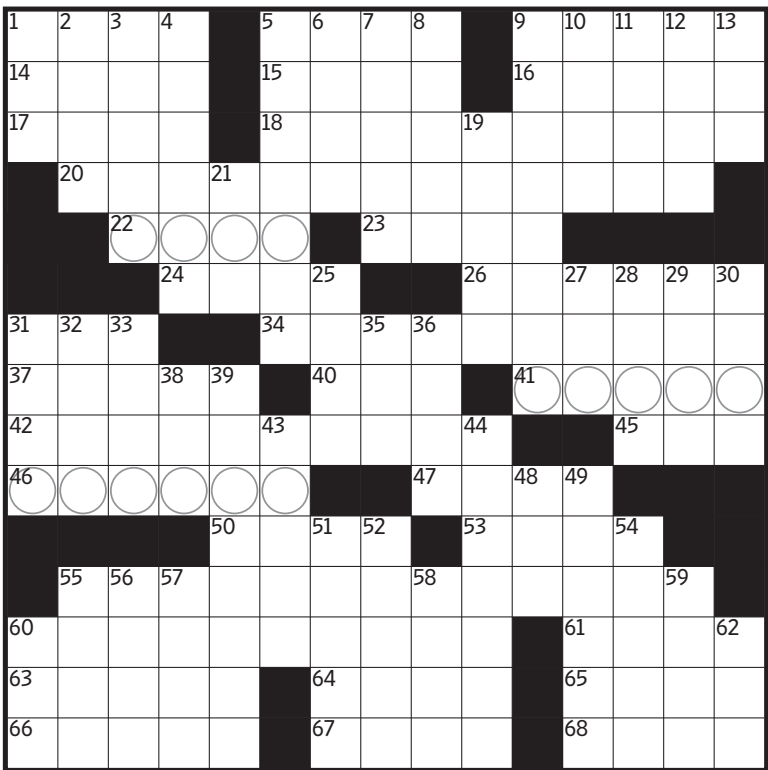
week's Masters. The first time he competed here in 2017, he finished tied for 36th as the low amateur.
Hagestad has also competed four times in the Walker Cup, the biennial amateur team competition that pits the U.S. against Great Britain and Ireland. He's won all four times, including last year at the Old Course at St Andrews. But that's not what makes Hagestad such an outlier. All nine of his U.S. teammates from the 2017 match have turned pro. Two of them—world No. 1 Scottie Scheffler and Collin Morikawa—have won majors.
Hagestad, meanwhile, has built a career in finance. At the same time, he's the 11th-ranked amateur in the world. Everyone else in the top-15 is at least a decade younger than him.
Those close to Hagestad say his game hasn't improved *despite* working a day job. It's improved *because* of it. He has an uncanny capacity to be intentional about ev-

erything he does—whether that's personally, professionally or his obsessive pursuit to hone his golf skills during his off-hours.
"I think him doing this while he's working is part of his superpower," says his friend AJ Ferraro, who's caddying for him this week. "There's something beneficial about having a fulfilling workday and being excited to hit golf balls when you get out of the office at night—he's forced to be more focused in both arenas."
On a typical day, Hagestad wakes up and gets in a 40-minute putting session, often inside his living room where he rearranges mats to practice on. After he leaves the office around 6:30 p.m., he'll hit balls, often on a simulator. Then he gets ready to do the same thing the next day.
His relationship with golf also fluctuates with the calendar. He throws himself into his work even more when there isn't a big tournament coming up. But for the Mas-

ters, he began training more intensely around January. Since March, he's asked the teams he works on to let him sneak out closer to 5:30 p.m.
"They've been incredibly supportive," Hagestad says. "Obviously, it's a unique situation."
Unlike other golfers who established themselves as surefire pros in college, a future in golf looked far beyond Hagestad when he played at Southern California. As a senior, he finished tied for 116th in the NCAAs, 18 strokes behind winner and current world No. 11 Max Homa. (A Spanish kid who finished third will also be at the Masters this week. His name is Jon Rahm, and he's the defending champion.)
Once Hagestad left school, he was the rare graduate who knew exactly what he wanted to do for work. And it wasn't golf.
"I wasn't good enough," he says. "Coming out of school, I had very much reached the conclusion that I was going to go on a different

path."
Hagestad moved to New York, where he confronted a phenomenon he'd never experienced in his native California. For long stretches, playing golf wasn't viable because of the weather.
If he couldn't always be on the course, Hagestad did find he had time to work out and access to a launch monitor. He got stronger and smashed balls into a screen over and over.
During the warmer months, Ferraro remembers times they'd head out to golf courses on weekends. He would play as many as 36 holes, but Hagestad trained the entire time. While his buddies were on the course, Hagestad would do a morning on the driving range and an afternoon around the green. He simply loved to practice.
"He's found a way to get the most out of every second he spends practicing," Ferraro says. "An hour or two a day for Stew might be a few days or a week's worth of practice for the next person."
His breakthrough came in 2016, when he was competing in the Mid-Am for the first time. Hagestad left with a victory—and a berth into the next Masters. When he arrived at Augusta National, he didn't show up merely to savor the experience. He walked away with the silver cup given to the lowest-scoring amateur who makes the cut.
That award reflects how golf's celebration of amateurs is unlike that of any other major sport. It's also why Hagestad feels no need to go pro. If he were obsessed with football, he couldn't play in the Super Bowl. But as a golf nut, he plays in the U.S. Open, the Masters and other events that lovers of the game fantasize about.
There are still occasions when Hagestad has to pinch himself. He was at the Masters a couple of years ago when he found himself hitting putts next to another player. When he looked up, it was none other than Tiger Woods.
That's when he truly felt like an amateur.
"He said my name," Hagestad says, "and I was kind of like, 'Oh my gosh, how do I talk?'"

The WSJ Daily Crossword | Edited by Mike Shenk



- 31 "___ I doin'?" (slogan for Mayor Koch)
- 32 Spaghetti aglio e ___
- 33 Member of the common people
- 35 Where Simone Biles won four gold medals
- 36 Pushing the envelope
- 38 Darth Vader's childhood nickname
- 39 Altruistic
- 43 Don't discard, perhaps
- 44 Reacts to with audible boredom
- 48 "The Oval Portrait" author
- 49 Vehicle famous for its around-the-world journey
- 51 "Jealous" singer Nick
- 52 First class, perhaps
- 54 Botanist's expertise
- 55 Sorvino of Hollywood
- 56 Serial dater's many
- 57 Sitting on
- 58 Machinery sound
- 59 Moved at a crawl?
- 60 Plant
- 62 Spotify Free interruptions

PASS THE DINNER ROLLS | By Geoffrey Schorkopf & Jeff Chen

- | | | | |
|--|--|-------------------------|--|
| Across | 34 Mexican treat small enough to eat while walking | 61 "State Fair" setting | 10 2023 Google AI chatbot |
| 1 "Let's shake on it!" | | 63 Two-tone treats | 11 Wound soother |
| 5 Alternatives to zins...or Ubers | 37 Pamplona pots | 64 Met delivery | 12 Tie up |
| 9 His Secret Service code name is Renegade | 40 Vicious with a bass | 65 Reunion attendee | 13 Shot site |
| 14 French twist, e.g. | 41 Axle unit on a skateboard | 66 Fig pollinators | 19 Beatrice, to Leonato, in "Much Ado About Nothing" |
| 15 Pop song feature | 42 Short-but-long canines, cutesily | 67 Kind | 21 Style for Colin Kaepernick |
| 16 Knight's quality | 45 Spike with an Oscar | 68 Deli stock | 25 Common VA diagnosis |
| 17 Slangy greeting | 46 Home of the USS Alabama museum ship | | 27 Orch. section |
| 18 Scotty's workplace | 47 Putt-ruining nerves | | 28 Heist take |
| 20 Conversation interrupter at Starbucks | 50 Apple variety | | 29 "Behold!" of old |
| 22 Schlep (around) | 53 Letter after Foxtrot | | 30 What a drag! |
| 23 Bouquet bit | 55 Program for homebound seniors, found literally three times in this puzzle | | |
| 24 Prop for a magic act | | | |
| 26 Like some LGBTQ allies | | | |
| 31 Sack race move | 60 Many notes in "Flight of the Bumblebee" | | |

Previous Puzzle's Solution

P	A	S	T	A	A	F	R	O	P	E	S	T
A	C	M	E	S	P	L	E	A	R	A	T	E
C	H	E	A	P	T	R	U	C	K	I	R	A
T	O	L	L	O	O	N	A	I	N	T	R	O
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L	U	G	E	I	F	I	W	E	R	E	Y	O
E	R	A	S	D	I	C	E	A	T	O	N	E
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After Early NCAA Exit, Calipari Leaves Kentucky for Arkansas

By Laine Higgins and Robert O'Connell

NOT LONG AGO, John Calipari was so beloved by the University of Kentucky that the athletic department extended him a de facto lifetime contract. Now, after a run of promising seasons ended in early flameouts in the NCAA tournament—and mounting pressure from a fan base with astronomic expectations—Calipari is leaving the Wildcats.
"The last few weeks, we've come to realize that this program probably needs to hear another voice," Calipari said Tuesday of a decision made with his wife. "We've loved it here, but we think it's time to step away."
Calipari is not stepping away from coaching altogether, however. Instead, he's taking over fellow Southeastern Conference team Arkansas.
"As I visited with Coach Calipari during this process, he acknowledged the tremendous opportunity we have at the University of Arkansas to attract and retain top players and compete for championships," Arkansas athletic director Hunter Yurachek said in a statement on Wednesday.
Calipari's new contract runs through the 2028-29 season with two years of possible extensions. He will receive a \$1 million signing bonus on top of his base salary that starts at \$7 million. The new deal also incentivizes him to stay with the Razorbacks: He gets \$500,000 every season he returns to the program.
For Arkansas, that marks a high-priced bet that Calipari can return to the serial winner he was when he arrived in Lexington in 2009 and turned Kentucky into a perennial fixture in the Final Four. For all that early success, Calipari's tenure ended not with a bang, but a whimper—his final game was a loss to Oakland, a No. 14 seed, in the Round of 64.
That will require Calipari

to adjust to the larger trends reshaping college basketball, in which rosters are older and more experienced than ever and the DNA of championship-caliber teams no longer resembles the freshmen-lead squads upon which he staked much of his career.
It's a shift that even Calipari couldn't deny. Following his latest NCAA tournament loss, he bemoaned the fact that college hoops in 2024 is "a different animal" than it

2012 season, which ended with the Wildcats beating Kansas to win his only national title. That championship roster was proof of concept for the Calipari philosophy of recruiting. The starting lineup featured three freshmen—including future NBA All-Star Anthony Davis. Shortly thereafter, in 2015, Calipari was inducted to the Naismith Memorial Basketball Hall of Fame.
In recent seasons, how-



John Calipari will be the men's basketball coach at Arkansas.

was in the 2010s, when the Wildcats dominated March Madness.
"We've been able to help so many kids and win so many games and Final Fours, national titles and all this stuff, win league championships with young guys," he said. "It's changed on us."
For much of his coaching career, Calipari has been synonymous with the so-called "one-and-done" rule. The NBA doesn't allow American players to enter the draft until a year after their high-school graduation, which diverts a number of promising prospects to a season of college basketball. Calipari recruited those players enthusiastically, promising to refine their games for a few months and send them on their way.
"I want it, some day, that we get 8, 9, 10, 11, 12 guys in the [NBA] All-Star game," Calipari said last year.
Calipari's Kentucky tenure reached its pinnacle in the

ever, Calipari has had difficulty adapting to college basketball's new reality, where loosened transfer rules and name, image and likeness branding opportunities have kept some players in college longer, meaning that the top teams skew older and more experienced.
It might seem like madness for anyone to leave a program as rich in tradition and resources as Kentucky for a place like Arkansas. The Wildcats have claimed eight NCAA Tournament titles; Arkansas just one.
But Calipari has a longstanding friendship with John Tyson, heir to Tyson Foods and an avid Arkansas supporter, and is inheriting a program that has increasingly embraced the sort of one-and-done players he has always coveted. No Razorback freshman had been selected in the NBA draft until 2021; three freshmen were drafted in 2023.

OPINION

The Tax Revolt Returns



WONDERLAND
By Daniel Henninger

One state that Joe Biden can put under the heading of “lock and forget” is California. It’s been sky blue politically for years and would go all in if the Democrats nominated the bluebird of happiness (and they have). Still, California has its uses as a harbinger of things to come, and a big one has surfaced—another tax revolt.

A large group of California’s businesses and taxpayer associations has assembled enough signatures to put a significant antitax measure on the November ballot. Forget the Biden California vote. This is the one that will count.

Called the Taxpayer Protection and Government Accountability Act, the measure would define all levies, charges and fees as taxes and require a two-thirds public vote to raise local taxes. It would even nullify some post-2022 tax increases that didn’t meet the new two-thirds threshold.

Sound familiar? This is the second coming of Proposition 13, the California antitax initiative that passed in 1978 and became the basis of the national Republican Party’s commitment to lower taxes—or “antitax gospel” in the media’s derisive phrase. Two years later, former Gov. Ronald Reagan, a proponent of Proposition 13, became president. Reagan cut taxes in 1981 and 1986, and Republican governors have done so ever since.

Needless to say, California’s

current governor, Democrat Gavin Newsom, is appalled. Along with state political officials and union leaders, he has taken out newspaper ads calling the two-thirds tax hurdle “dangerous, an overreach and irresponsible.” Opponents also filed a lawsuit to remove the measure from the ballot.

Call me irresponsible, but this sounds like the best thing since political activists Howard Jarvis and Paul Gann kick-started California’s tax revolt in the 1970s. The Howard Jarvis Taxpayers Association is a co-sponsor of the new ballot measure.

To the extent the Democratic Party has its own political gospel, one of its evangelists was FDR adviser Harry Hopkins. Hopkins is credited with summarizing the party’s reason for being: “We will spend and spend, and tax and tax, and elect and elect.”

Proposition 13 was primarily about property taxes. In the years since, California’s Democrats have raised personal and business taxes, imposed fees, spent lavishly, and gained overwhelming control of the Legislature. The Golden State is home to Hopkins’s truest believers.

The original Proposition 13 came to life not because its advocates opposed taxes for public services but because the state’s liberal political class, including public unions, was incapable of restraint.

Liberals and progressives of the sort populating blue states purport that their purpose is merely to support obvious social needs. But today that big heart looks like an infinitely expandable hot-air balloon.

Notwithstanding the property-tax measure, California’s Democrats for the past four decades have taxed and regulated the state into unaffordability for much of the state’s population. They’ve blown through the roof on costs for housing, healthcare, utilities and insurance.

Unstoppable, California just raised the minimum wage to \$20 at fast-food restaurants, though its legislators did back off a plan to link utility bills to individual income. They’ll be back.

From California to New York, people who pay for government are pushing back.

In short, the politics and compulsions of social welfare and climate control have siphoned revenue away from basic services.

Shift cross country to New York, which is bumping into the same limits to government growth. Other than crime, New York City’s most contentious issue is so-called congestion pricing. The city desperately needs money to rebuild its subways and other disintegrating transportation infrastructure. Solution: Charge drivers entering Midtown Manhattan a \$15 fee, which the transportation authority would use to leverage billions in new borrowing.

There is overwhelming opposition to congestion pricing, most from working-class commuters—truckers, cops, fire-

men, teachers, taxi drivers, plumbers, electricians.

One reason New York resorted to congestion pricing is it had squeezed the tax turnip dry. All in—federal, state, city, payroll-tax surcharges—New York City’s top marginal rate exceeds 50%. The unfazed progressive New York Legislature’s current budget proposes raising taxes on the “wealthiest,” but Democratic Gov. Kathy Hochul is resisting in the face of flight from the state, as in California.

Across the Hudson River in New Jersey, Democratic Gov. Phil Murphy’s solution to the state’s crumbling transportation system is a proposed Corporate Transit Fee on big companies.

There was a time, long ago, when the proud party of Franklin D. Roosevelt did deliver basic local services. Today, it has become the party of nickel and dime.

Some in the current generation of congressional Republicans think the tax-cut issue is a Reagan-era relic, preferring instead, like Arizona Senate candidate Kari Lake, to relieve the burden on middle incomes with tax credits, meaning public payouts. But that effectively abandons the potent issue of who gets taxed and how to Joe Biden and the insatiable Democratic left.

To nationalize the tax revolt emerging from California: We all need ways to make sense of the November election. Monday is Tax Day. Whose tax advisers would you rather have shaping the next four Tax Days—Joe Biden’s or Donald Trump’s?

Write henninger@wsj.com.

GOP May Not Manage to Lose the House

By Karl Rove

Conventional wisdom is that Republicans will lose the U.S. House this fall. That may be right.

Republicans captured a 222-213 majority in 2022, then took 15 ballots to elect Kevin McCarthy as speaker in January. Nine months later, eight Republicans joined 208 Democrats to oust him. Three weeks of chaos followed as 14 hopefuls jockeyed for the office. Republicans finally elected a virtually unknown, four-term Louisiana Rep. Mike Johnson.

Republicans have some things going for them. Majority Leader Steve Scalise (R., La.) says they passed significant legislation to “confront rising crime, unleash American energy, lower costs for families, secure President Biden’s wide-open border, combat executive overreach and burdensome agency rules, and refocus our military on its core mission of national security.” But the Democratic Senate ignored most of these bills, and their value as GOP talking points gets lost in the circus Republicans have created.

It became easier for journalists to cover the latest antics of Rep. Matt Gaetz (R., Fla.) or to highlight demands from Rep. Chip Roy (R., Texas) that his Republican colleagues give him “one thing” to “campaign on” than to report on the substance of GOP measures. Now Rep. Marjorie Taylor Greene (R., Ga.) has paused her crusade to stop the Rothschilds from setting fires in California using “space solar generators” so she can concentrate on removing Mr. Johnson from office if he allows a Ukrainian aid vote. Republicans look even nuttier.

Yet the conventional wisdom that Republicans will lose the House may be wrong.

One reason is retirements. Much has been made of how many Republicans are leaving, including talented members such as Wisconsin’s Mike Gallagher, North Carolina’s Patrick McHenry and Washington’s Cathy McMorris Rodgers. But more Democrats (24) than Republicans (19) have announced their retirements. Moreover, all the Republican retirements are in overwhelmingly red districts. The only open GOP seat considered competitive—the Cook Political Report calls it “lean Republican”—is Colorado’s Third District. Cook’s partisan vote index—which estimates a district’s leaning relative to the country based on the two most recent presidential elections—labels it an R+7 seat.

Retiring Democrats represent more-competitive seats. Cook rates the open Michigan Seventh and Eighth districts as “toss-ups.” They are R+2 and R+1 respectively. Cook classifies the California 47th (D+3) and Virginia Seventh (D+1) as “lean Democrat.” The Maryland Sixth and New Hampshire Second (both D+2) are “likely Democrat.”

The Cook Report says there are 193 “solid Republican” seats and only 173 “solid Democratic” ones. There are

22 toss-up seats, half of which are currently represented by members of each party. But Cook rates more Democrat-held seats at risk today than Republican ones: There are 12 “lean” and 16 “likely” Democratic seats, for a total of 28. By contrast, there are eight Republican “lean” and nine “likely” seats, for a total of 17—although Republican seats in Alabama and Louisiana may turn Democratic due to redistricting.

They’ve done a lot to put voters off, but they also have some advantages this year.

Republicans will also benefit from improved candidate recruitment this year. The GOP has fielded better candidates in two Ohio districts—which Mr. Trump carried in 2020—than it did in the 2022 election, when Democrats won both seats. Recent Republican redistricting successes have also helped. In New York, GOP legal efforts forced Democrats to minimize legislative changes to the state’s congressional map. The redistricting put only one Republican seat at marginally greater risk while strengthening others. The newly liberal Wisconsin Supreme Court rejected a Democratic attempt to put two GOP districts at risk. The Republican-dominated North Carolina Legislature approved

a new 2024 map that’s likely to add three GOP seats.

Republican chances to hold the House will depend on its Republican seats in New York and California. Although these states vote reliably blue in presidential elections, their purple pockets might vote for Republican representatives if GOP candidates are adequately financed and run strong campaigns.

The key may be the GOP’s down-ballot strength. Pennsylvania Republican congressional candidates combined got more than 54,000 more votes in 2020 than Mr. Trump did statewide, though nearly 146,000 fewer people voted in House races. Wisconsin Republican congressional candidates received over 51,000 more votes in 2020 than Mr. Trump, though about 62,000 fewer people voted in House races. The situation is similar in Arizona, Georgia, Michigan and North Carolina.

This all suggests it’s too early to conclude that Democrats will flip the House. Money will matter (an advantage for Democrats), as will incumbency (a slight advantage for the GOP). The quality of candidates, messages and campaigns will decide the outcome this fall. Both parties should be ready to govern with a narrow majority.

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

The Forgotten ‘I Beat Ben Hogan’ Medals

By Bob Greene

You can’t blame children in the 21st century for being puzzled when the bronze medals pop up unexpectedly—maybe in a box in a family attic, or on a cluttered shelf in a seldom-opened closet.

On the front of the medals is a likeness of a handsome man in a golf cap, swinging a club. On the back are the baffling words: “I Beat Ben Hogan.”

More than 15,000 of those medals were given out in 1952 and 1954, in one of the cleverest marketing ploys any sport ever dreamed up. Those prizes were excitedly talked about, even lusted after, across the U.S. But today, whenever one of them is found, it is destined to draw perplexed stares. What the heck is this thing?

In 1952 golf was still considered a mainly elitist game. To widen its appeal, the Professional Golfers’ Association of

America, in conjunction with Life magazine, approached Ben Hogan, the greatest, most celebrated golfer of his era.

Here was the pitch: Life and the PGA would advertise that at 4,970 public courses and country clubs any recreational golfer, regardless of skill, was invited to shoot a round. The entry fee was \$1, to go to charity.

The golf competition was one of the best marketing ploys ever.

On the same day, Hogan would shoot a round at the Northwood Club in Dallas. The amateurs around the country would turn in their scorecards to a course pro, and their handicaps would be subtracted from their actual scores. If the adjusted score was better than what Hogan shot—which

turned out to be 71—they would soon receive their medal in the mail. “I Beat Ben Hogan.” Magical words.

The country was full of World War II veterans raising families and looking for something to do on the weekends. The promotion was a sensation and a boon for the sport. The 14,667 golfers whose adjusted scores were better than Hogan’s were the envy of their neighborhoods. Children proudly showed friends their fathers’ medals.

The next year the PGA and Life tried it again, with another talented golfer. But “I Beat Julius Boros” didn’t have quite the same ring. There was only one Hogan. In ’54 he was back, and so were his medals.

Hogan was ill on the given day, so 147,000 golfers teed off knowing he was absent. The next week Hogan showed up at Baltusrol Golf Club in Springfield, N.J. His far-flung com-

petitors had reason to hope that in his weakened state their already-carded scores would easily beat his.

Fat chance. Hogan fired a sizzling 64. That year only 2,500 or so golfers, even with handicaps applied, did better. Five hundred pounds of medals that had been manufactured in advance went to waste. Hogan never participated in the event again.

His future fill-ins couldn’t match his allure. Dow Finsterwald, Ed Furgol and Bob Rosburg were fine golfers, but without Hogan the fantasy deflated and the promotion petered out.

But to all those children who may come across a certain finely crafted circle of bronze: It’s really true. Great-grandpa beat Ben Hogan. Fair and square.

Mr. Greene’s books include “American Beat.”

BOOKSHELF | By Brandy Schillace

Shared Traumas

My Beloved Monster

By Caleb Carr
Little, Brown, 352 pages, \$32

The demon struck at night. Long, thin and low to the ground, it lurked with unsheathed claws and fur that dissolved easily into the night. A carnivore. A predator. A fisher—large and carnivorous mammals resembling oversize badgers or martens, stalking North American forests from Alaska to Nova Scotia, eating hares and porcupines . . . and cats. This one sought its prey at the foot of Misery Mountain, in upstate New York. Its razor teeth clamped down upon soft flesh and ripped backward. Its victim, a gold-blond Siberian forest cat, escaped—but her flayed tail hung lifeless.

“I looked into her eternal kitten face,” writes the author, historian and journalist Caleb Carr, “as ageless, wide-eyed, and imploring as it’d been the day we’d met.” He whispered to her: “The doctor will make the hurt stop.” But within 24 hours, necrosis set in and was spreading. There were no guarantees that Masha would make it. And Mr. Carr needed her to make it.

Mr. Carr, famous for his bestseller “The Alienist,” has spent most of his life largely alone—in spirit if not in fact. After years of difficult human interactions, in 2006 he retreated at last to the wilderness of Cherry Plain, N.Y. Longing for companionship in that solitude, he visited a shelter where he meant to choose a feline friend. Instead, with palpable charisma and earnest intent, a supposedly half-wild stray chose him. She seemed to sense what it would take years for Mr. Carr to understand: that they were meant for each other. In time they would be diagnosed with the same illness, share the same pains, the same joy and the same desperate desire never to leave the other alone.

The night of the fisher attack, Mr. Carr was driven to his knees. He knelt and prayed that some power—any power—would save Masha. He had been pleading to the god of mercy, he tells us; he now appealed to the god of wrath. He offered “whatever chance at success” his next work might have. “Go ahead, take the book,” he prayed. “Just let her live and be all right.” Masha survived. Mr. Carr’s book, upon which future paychecks depended, did not. (It was published, had some good reviews, then was panned and largely forgotten.) As a writer myself, I cannot underestimate the gravity of such a trade: Long nights of toil turned to naught; a blow like that can wreck a career. But as a human loved by formerly feral cats, I would have made the same bargain.

Mr. Carr’s “My Beloved Monster” has a bargain for the reader, too. Devastating and beautiful, by turns a fascinating book of animal psychology and a personal memoir of unrelenting trauma, it dares us to take a journey into love and pain. “My sense of time became *her* sense of time,” Mr. Carr explains, “governed by sunlight and darkness, the sounds of the prevailing winds shifting from mild to roaring over the chimney, and the changing shape of the glowing, arcing disc in the night sky.” This is a tale of time and mortality and the link we share with the constant flux of the natural world. We see it through the eyes of Masha, a cat, and Mr. Carr, who—tantalized by the possibility of past lives, has always considered himself part feline, even in childhood when he drew pictures of himself as a “cat boy.” Perhaps, he suggests, we retain something of each incarnation in the next.

Masha’s past trauma is revealed bit by bit, like a paw uncurling. Her damaged pelvic bone offered silent testimony of past abuse, her claustrophobia stood as evidence of her time locked in an apartment without food or water. She did not trust easy. When she chose Mr. Carr, she offered herself as a guide. Through her, he navigates his own troubled past.

When the predator tore at Masha, leaving her mangled and maimed, it added to her many scars accumulated from a life of damage and abuse.

Mr. Carr grew up in a household ruled by alcoholism and turmoil, where an inquisitive child would not be tolerated. He was thrown down stairs, knocked about, forced to collide with sharp edges. “I began to understand that he was trying to kill me,” he writes of his father. Abuse damaged his spine, leading in adulthood to debilitating neuropathy—a chronically painful, degenerative nerve disease without cure. Mr. Carr carries these childhood “secrets” in his body, just as Masha does. Man and cat learn to trust each other after the world has failed them. They help each other to heal.

Despite their reputation for being distant and unfriendly, cats are animals of deep intelligence and fellow-feeling. Here is a creature, less than domesticated, that chooses to spend its hours with us—even when it has little reason to trust our kindness. We “rescue” them in name only; it is they who rescue us.

Masha patrols Mr. Carr’s property, taking it as her duty to protect and guard her companion, while her love and trust serve as solace for old griefs and new ones. Masha’s “generosity made the house not only *her* indoor empire but a living, breathing space for me,” Mr. Carr writes, “in a way that I simply hadn’t yet been willing or able to make happen for myself.” Her needs and hurts wrestled Mr. Carr from his own darkness. “I won’t die if you won’t,” became both pact and bond. Even if neither could ultimately uphold it.

“Since falling onto this Earth, it seems, I have proved as difficult for my fellow human beings . . . as they have often proved for me,” Mr. Carr reflects. But for Masha, “I was enough.” Two travelers on the same journey, even if—ever the swiftest of the pair—Masha arrived at the destination first. “The day will come: I have not so many months left that it will seem long to her.”

Written in poetic, mournful, and delicate prose, “My Beloved Monster” is a love story and a requiem. Masha—queen of domains, survivor of monsters and always herself a wild-yearning enigma—lived as only few can hope or dare. She knew her time was short, knew better than we who take it so much for granted, and made the most of everything—inviting us to do the same.

Ms. Schillace, the editor in chief of the journal Medical Humanities, is the host of the online “Peculiar Book Club” and the author of “Mr. Humble and Dr. Butcher.”

OPINION

REVIEW & OUTLOOK

The Inflation Thief Rises Again

So much for the triumph over inflation. The consumer-price index came in hot for the third straight month in March, confirming what most Americans understand even if Washington and the press prefer to obsess over abortion law in Arizona.

The CPI rose 0.4% in March for the second month in a row after a 0.3% increase in January. Three months is more than a blip in the data, and the price index for the last 12 months has now climbed back to 3.5%. Shelter and gasoline contributed more than half of the increase in March, which causes some analysts to dismiss the CPI rebound. But rent increases and gas prices are costs that consumers feel acutely.

There was also no relief in the “core” CPI, sans food and energy, which rose 0.4% in March for the third consecutive month. Core inflation for the last 12 months was 3.8% and has remained stubbornly persistent for several months. This is still well above the Federal Reserve’s 2% inflation target.

Yes, we know. A separate inflation measure favored by the Fed—“core” personal consumption expenditures—has been coming in lower than the CPI at 2.8% recently. But the Fed can’t ignore that the CPI numbers suggest its inflation fight is far from over.

Fed Chairman Jerome Powell has warned repeatedly that the central bank doesn’t want to make the same mistake it did in the 1970s and let inflation rebound in a way that would require even tighter monetary policy to defeat. That’s the right instinct.

The CPI rebound is one more data point that the Fed’s monetary policy isn’t as tight as it claims. It certainly hasn’t restrained the job market or consumer spending, which remain strong. Financial conditions are loose, as stock and commodity prices show. Gold has hit new recent heights and the dollar has been weaker. Oil is north of \$85 a barrel.

Markets no longer expect the Fed to cut interest rates in June, and Mr. Powell would be wise at his next press conference on May 1 to signal caution about future rate cuts. The Fed’s inflation-fighting credibility is on the line as it works to recover from its pandemic-era mistake

of dismissing inflation as “transitory.”

The return of the inflation thief is bad news for workers who have only recently been getting a real raise. Average real hourly earnings were flat in March after falling 0.3% in February. This has political implications, as the White House was quick to recognize.

President Biden claimed in a statement that “wages are rising faster than prices,” which is barely true over the last year though not over the last two months. The real average hourly wage in constant 1982-1984 dollars was \$11.11 in March, up from \$11.04 a year earlier. Seven lousy cents. Since Mr. Biden took office in January 2021, average hourly earnings after inflation are down 2.54%

“Fighting inflation remains my top economic priority,” Mr. Biden declared. Who is he kidding? His real priority is to keep the government and consumer spending spigot wide open with subsidies galore for electronic vehicles, student-loan write-offs and social welfare. His other main priority is using regulation to put government in control of more of the economy. None of this restrains prices.

Mr. Biden also took his usual turn blaming inflation on companies for raising prices, as if they don’t have to cover their own rising costs to stay in business. And he blamed Republicans in Congress for wanting to “slash taxes,” as if that has anything to do with the price increases of the last four years.

* * *

The White House has persuaded some in the media to buy its line that the only problem in the economy is consumer psychology. Like reverse George Costanzas from “Seinfeld,” they write that the problem isn’t the result of White House policies, it’s you.

But if voters are downbeat about the economy, persistent inflation is a good reason. Price increases across the Biden Presidency are unlike anything Americans have seen in recent decades. They have been a particular shock for low-income and younger workers who haven’t accumulated a wealth cushion in the stock market or housing values.

Mr. Biden is the main architect of his inflation problem—and ours.

California’s Homeless Folly

California has spent \$24 billion to combat homelessness over the last five years—and what did it get for its money? More homelessness, according to a new state audit that should embarrass Sacramento and infuriate taxpayers.

The Legislature charged state auditor Grant Parks with reviewing the state’s homeless spending as the numbers camping on streets rise. Alas, his report this week concludes that the state “lacks current information on the ongoing costs and outcomes of its homelessness programs.”

The agency in charge “has not consistently tracked and evaluated the State’s efforts to prevent and end homelessness,” he adds. Translation: California has been wasting billions of dollars to no good effect.

According to the audit, 181,399 people were homeless at some point in 2023, up from 118,552 in 2013 and 151,278 in 2019. “To address this ongoing crisis, nine state agencies have collectively spent billions of dollars in state funding over the past five years administering at least 30 programs dedicated to preventing and ending homelessness,” Mr. Parks writes.

Yet he found that only two programs “ap-

pear” to be “cost-effective.” Emphasize “appear.” One program converted existing buildings such as hotels into homeless housing at a \$144,000 cost per unit. This was less expensive than the \$380,000 to \$570,000 per unit it cost to build new affordable housing in 2019. But there’s little evidence that the program kept people off the

streets. Another program provided financial assistance to people who were deemed at risk of homelessness, which cost about \$12,000 to \$20,000 per household. The auditor found this was less expensive than the \$30,000 to \$50,000 a year that each homeless person costs taxpayers, including public safety and healthcare.

But getting the mentally ill and drug-addicted homeless into treatment and jobs is surely the most cost-effective solution. Progressives oppose the tough love required of both. They prefer pushing more money into housing that doesn’t address the dysfunction of the homeless.

Progressives always measure success by how much they spend, never by results. Don’t expect Gov. Gavin Newsom’s \$6.4 billion bond for homelessness that voters barely approved last month to change anything.

Trump Blows Up Anti-Terror Surveillance

Donald Trump has a special talent for creating chaos that benefits no one except Donald Trump, and doesn’t even do that in the end. That’s the only way to understand his destructive intervention Wednesday on the reauthorization of the Foreign Intelligence Surveillance Act in Congress. “Kill FISA,” he wrote on Truth Social, and the House Republican dunces obliged.

On Tuesday evening the House Rules Committee voted out a rule that would have allowed lawmakers to vote on renewing FISA along with substantive reforms. The proposed bill, a consensus project between the House Intelligence and Judiciary committees, was written to improve safeguards for Americans in Section 702’s surveillance database, which lets intelligence agencies eavesdrop on the communications of foreigners overseas.

The bill was headed for a vote on the House floor where members would have voted up or down on amendments, including the requirement for a warrant for queries of American names within the FISA database. Instead, the rule lost, 193-228, with 19 Republicans voting no. The minority party typically doesn’t support the majority’s procedural votes, so Democrats also voted no.

Mr. Trump instructed Republicans to kill FISA because “IT WAS ILLEGALLY USED AGAINST ME, AND MANY OTHERS. THEY SPIED ON MY CAMPAIGN!!!!” Nice to know that the man who wants to become Commander in Chief again has his eye on his own revenge, rather than public safety.

Mr. Trump misses the main point of the FISA reform bill, which is to add new protections so surveillance can’t target Americans for political reasons. The bill includes stiff new criminal penalties for abuses by law enforcement agents and prohibits political appointees from approving FBI queries of the 702 database. It requires agents to get prior approval from the deputy FBI director to query for U.S. government officials or political or media organizations.

Mr. Trump’s claim that the FBI spied on his campaign refers to the bureau’s improper surveillance of 2016 adviser Carter Page, but that had nothing to do with Section 702 surveillance, which is a critical tool to protect U.S. national security from terrorists as threats are rising. The Page episode involved lying to the FISA court, and the current bill includes penalties for such false declarations.

Mr. Trump wants to “kill FISA,” and what does he think a second Trump Administration would do without it? Will it Make America Great Again if the country no longer has the ability to surveil terrorist communications in Yemen or Pakistan? A FISA failure would let President Biden blame Mr. Trump if there’s a terror attack, and it would leave a Trump Administration less able to protect Americans.

House Republicans were meeting Wednesday evening to find a way forward to renew some version of Section 702, which expires on April 19. But meantime the former President is reminding the country, in case anyone forgot, that on every policy decision his priority is always to put Donald J. Trump first.

LETTERS TO THE EDITOR

American Voters Want a Truly Centrist Party

With all due respect for Sen. Mitt Romney (“No Labels Should Pick a Team,” op-ed, April 6), No Labels picked a side a long time ago. If President Biden represented a sure win against the prospect of a second Trump term, No Labels would never have contemplated running an opposing ticket.

I never heard any serious concern that No Labels would be a spoiler that helps Mr. Biden defeat Donald Trump. No Labels came about because Washington insiders looked at the acrid, billowing dumpster fire that is the Biden administration and realized that President Obama’s caution—“Never underestimate Joe’s ability to f— things up”—should be taken seriously. Mr. Romney is asking No Labels to admit publicly to its original purpose, which it should do. I doubt, however, such a confession will constitute front-page news.

JAMES KIRK
Bonny Doon, Calif.

Mr. Romney’s article is the best idea I’ve heard in a long time: A plan to get to governing from the center rather than from the extreme left or right. This is what the majority of Americans want. Please, No Labels, make this happen.

STEVE STILLMAN
Redondo Beach, Calif.

Pick a team? Oh the irony of that statement by Sen. Romney.

MICHAEL O’BRIEN
Leland, N.C.

Mr. Biden won the nomination and the presidency in 2020 on the backs of voters who wanted a centrist candidate removed from the extreme of the party. How did that work out for them?

NICK IVES
Chesapeake, Va.

Mr. Romney is a breath of fresh air in a political world that has seemingly forgotten the terms “compromise” or “middle ground.” The only way to make America great again or build it back better is to start making Congress effective in passing legislation.

Instead, we have extremists on both sides insisting on the “my way or the highway” approach, resulting in nothing getting done. The future of our country depends on both sides being able to work together. We can’t build walls between divergent opinions.

Perhaps any kind of unity is only a dream, but for the sake of our country, it’s one that I hope comes true.

GARY FRANCIS
Boynton Beach, Fla.

Maybe Phones in Schools Aren’t a Good Idea

Peggy Noonan suggests that Jonathan Haidt’s most recent book clears the way for parents and others to address the rampant cellphone use by our nation’s children, especially concerning nefarious aspects of the internet and social media. (“Can We Save Our Children From Smartphones?” Declarations, April 6).

One of Mr. Haidt’s suggested reforms is that K-12 schools be phone free. Listen for the collective “duh” emitted by teachers across the nation. We knew this to be critical for classroom management, teaching and learning years ago, but administrators, principals and unions failed to listen.

Teachers remained deaf to our pleadings as cellphones became ubiquitous among children. But in recent years, as the furor for equity in education reached a crescendo, teachers realized that allowing distracting cellphones in schools was the most inequitable thing we do.

Shame on those in education whose cowardice allowed such damage to our children. Thank you, Mr. Haidt. I hope your book clears the way for future generations.

MARIE ZANGS
St. Paul, Minn.

Ms. Noonan says the smartphone problem is one we have understood for a long time but haven’t wanted to face. In truth, we haven’t had the courage to upset our kids or go against the grain of popular culture.

We parents need to grow a backbone, remember what our job is, and accept responsibility for it. We have 18 years during which we have unparalleled influence on our children’s lives. The strategy should begin long before our kids are asking for phones.

We can’t determine the future for our children, but we can use that time to prepare them for it: cultivating habits of responsibility and respect, even in the face of resistance, rather than letting technology shape them into self-focused, emotionally fragile adults who have trouble functioning. Parents won’t regret it, and someday those children will thank us.

KAYE WILSON
Bethany, Okla.

When Ms. Noonan writes about anything other than politics, she’s as good as it gets.

GERALD JUDE
Pacific Palisades, Calif.

There Is No Democratic Collusion on Trump

It may be that what Gerard Baker describes as a “lawfare campaign” is “unprecedented,” but it is also unprecedented for a former U.S. president and current presidential candidate to be suspected of so many legal transgressions in his political, professional and personal life (“Trump’s Trials Are a Political Gift to His Campaign,” Free Expression, March 26). To say this is a “lawfare campaign” could imply that there are some Democratic Party actors coordinating or overtly influencing these prosecutions. I haven’t seen any evidence of this. It appears these cases have been brought by independent prosecutors.

There is hardly unanimity among Democrats about the wisdom and timing of these multiple cases. While none of the cases seem merit-

less, prosecutorial discretion may have kept some from coming to trial with a less prominent and political defendant. There are fair arguments that the New York state civil judgment against President Trump is excessive and without precedent.

Many, myself included, would have preferred legal attention to focus on cases relevant to allegations that Mr. Trump interfered in the electoral process and the postelection transfer of power.

ERIC D. TUCKER
Bethel, Conn.

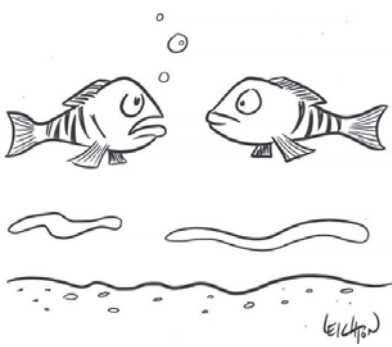
Which Israelis Are Happy?

According to Gil Troy’s “Why Israelis Are So Happy” (op-ed, April 8), Israelis “feel part of a bigger story, Jews’ historical saga reaching back 3,500 years.” This overlooks that over one-fifth of Israelis are Arabs. How happy can they be in a nation that leaves them out from its “bigger story” and “historical saga”? If I were an Israeli Arab, I’d be happiest in a country that neither excluded me from its bigger story nor was as repressive as Israel’s Arab neighbors—a country like America.

PROF. FELICIA NIMUE ACKERMAN
*Brown University
Providence, R.I.*

Pepper ... And Salt

THE WALL STREET JOURNAL



“Last night I had an awful dream that we were lying on a secluded beach under a cloudless sky.”

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.

Macy’s Avoids Board Proxy Fight

Retail chain adds two of investor’s picks as members, will weigh offer for buyout

By SUZANNE KAPNER
AND DENNY JACOB

Macy’s averted a fight for control of its board, adding new directors who will help decide whether to accept a takeover bid it had previously resisted.

Macy’s appointed two new independent directors, a move that ended a proxy fight with Arkhouse Management that was seeking to oust most of the 15-person board and to buy the company.

The directors had previously been nominated by Arkhouse, which had launched a campaign for nine board seats earlier this year after the department-store chain rejected its takeover offer. Arkhouse along with its partner Brigade Capital Management later raised their bid to \$24 a share, or \$6.6 billion.

Shares of Macy’s closed up 2.5% on Wednesday to around \$20.19. The stock is trading at a discount to the proposed takeover but is nearly double where it was in November.

On Wednesday, Macy’s said its board was engaging with Arkhouse and Brigade on their buyout proposal and had pro-



The store chain said it was engaging with Arkhouse Management on a buyout proposal. Dior scents at Macy’s New York flagship.

vided them with confidential information so that they could conduct due diligence. Macy’s said its board is open-minded about creating shareholder value.

The new directors are Rich-

ard Clark, co-founder and managing partner of WatermanClark, a real-estate investment and operating company, and Richard Markee, who is on the board of Five Below and previously held positions

at the Vitamin Shoppe and Toys “R” Us.

Clark and Markee will join the board’s finance committee, which will evaluate the buyout proposal.

Arkhouse Managing Part-

ners Gavriel Kahane and Jonathan Blackwell said that the appointments will ensure that discussions continue to be constructive and that the proposal is treated seriously.

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KPMG Will Pay Record Fine Over Cheating

By MARK MAURER

KPMG’s Netherlands unit agreed to pay a \$25 million fine over claims of exam cheating and misinforming investigators, the largest monetary penalty imposed on an auditing firm by the Public Company Accounting Oversight Board.

KPMG Accountants NV failed to take adequate steps to identify and investigate misconduct in which employees provided answers or access to questions on exams, in violation of the PCAOB’s quality-control rules, the U.S. audit regulator said Wednesday. The tests for the firm’s mandatory training courses, which cover topics such as U.S. audit standards, professional ethics and independence, are aimed at helping auditors maintain their professional certifications to perform certain types of audits.

The answer-sharing occurred from 2017 to 2022 and involved hundreds of professionals, including partners and senior leaders such as the now former head of assurance, Marc Hogeboom, the PCAOB said. The firm repeatedly misrepresented its knowledge of the misconduct to the PCAOB, the regulator said.

Hogeboom agreed to pay \$150,000 and is permanently barred from associating with a registered accounting firm. Neither KPMG nor Hogeboom admitted to or denied the PCAOB’s claims, the regulator said. KPMG declined to comment on the circumstances of Hogeboom’s exit from the firm in July.

“The PCAOB will not tolerate exam cheating nor any other unethical behavior, period,” Erica Williams, chair of the audit overseer, said. “Impaired ethics erode trust and threaten the investor confidence our system relies on.”

The regulator said that, during the probe, the firm submitted inaccurate representations of its awareness of the issue to investigators and failed to correct them.

The firm claimed it had no knowledge of answer-sharing before a 2022 whistleblower report, even though members of the firm’s management and supervisory boards who signed off on that submission to the PCAOB cheated themselves, the regulator said. KPMG Netherlands’ CEO, Stephanie Hottenhuis, learned the submissions were inaccurate but didn’t inform anyone until months later, when a

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Roblox Ramps Up Push to Attract Ad Dollars

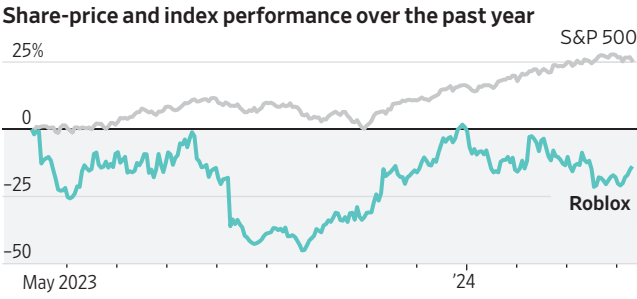
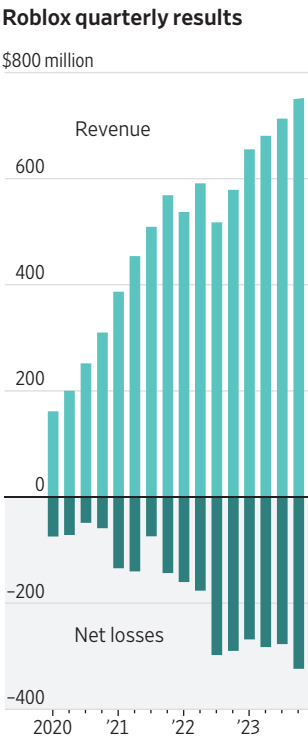
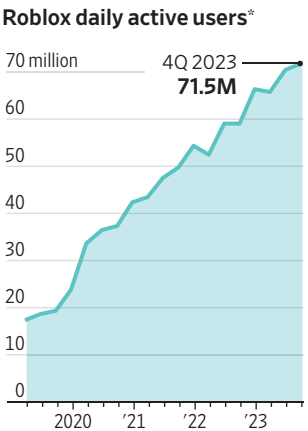
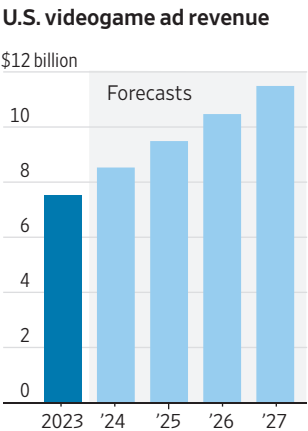
By SUZANNE VRANICA
AND SARAH E. NEEDLEMAN

Roblox users are accustomed to seeing games and concerts while roaming the platform, but not ads. That is about to change.

The online-entertainment company is ramping up its push to attract ad dollars, a move that comes as many of its tech-industry peers are leaning more on Madison Avenue to generate revenue. It has tapped ad-technology firm **PubMatic** to help juice sales of video ads on its platform, which averages more than 71 million daily users.

Roblox comprises millions of animated, three-dimensional realms that its own users create and hang out in. Most feature games. The company last year began testing a small number of video ads, which appear on virtual billboards only for certain users.

Soon, PubMatic will enable brands to purchase video-ad inventory through a traditional online-bidding process, to be seen by users who are 13 years or older. Realm creators that opt to show the ads



Sources: Emarketer (ad revenue); the company (users); S&P Capital IQ (results); FactSet (performance)

will get a cut of the ad revenue that Roblox makes.

The goal is to “remove friction and make it seamless to buy Roblox ads at scale,” said

Stephanie Latham, vice president of global partnerships at Roblox. “We are very intentionally looking for ways to bring our audience thought-

fully to all brands.”

Launched in 2006, Roblox went public in 2021 after undergoing a pandemic-fueled growth spurt in users and en-

Four Directors Plan To Leave Paramount

By JESSICA TOONKEL

Four **Paramount Global** directors are expected to leave the board soon, as the Shari Redstone-controlled entertainment company discusses a merger with **Skydance Media**.

Dawn Ostroff, a former Spotify executive; Nicole Seligman, an attorney and former president of Sony Entertainment; Frederick Terrell, a veteran investment banking executive; and Rob Klieger, Redstone’s longtime attorney, are expected to step down from the board in coming weeks, according to people familiar with the situation.

The directors’ expected departures come at a sensitive time for Paramount Global, as the company is in exclusive talks to merge with Skydance. Seligman, Ostroff and Terrell are on a special committee of independent board directors that is tasked with pursuing the best possible deal for the company, whether that is with Skydance or another suitor.

Eight of the company’s 11 directors are on that committee.

At least one of the directors who is leaving the board expressed concerns about the potential Skydance deal, some of the people familiar with the situation said.

The planned departures could be disclosed in a Paramount securities filing as soon as this week.

Skydance Media, the production company that has partnered with Paramount on such movies as Tom Cruise’s “Top Gun: Maverick” and “Mission: Impossible—Dead Reckoning Part One,” has agreed in principle to acquire Redstone’s National Amusements, the privately held company that owns almost 80% of the voting shares of Paramount Global, for around \$2 billion in cash, The Wall Street Journal reported last week.

In a second step of that proposed deal, Paramount Global—owner of broadcaster CBS, cable brands like Nickel-

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Blizzard videogames are set to return to China in new deal with NetEase. **B2**

TRANSPORTATION
Delta Air Lines anticipates strong demand this summer. **B5**

Musk, Dimon Are Hyped on AI, But Not Everyone Is On Board

By JOSEPH DE AVILA

Elon Musk and Jamie Dimon say artificial intelligence will be smarter than humans and transform society.

The question now is whether the prognostications of one of the world’s richest people and the head of the nation’s largest bank will come to fruition, or turn out to be overstated.

In remarks this week, Musk and Dimon joined a chorus of business executives making bold predictions about AI’s potential for dramatic change.

“My guess is that we’ll have AI that is smarter than any one human probably around the end of next year,” Musk said in an interview Monday with Nicolai Tangen, CEO of Norges Bank Investment Management, Norway’s \$1.6 trillion sovereign fund and one of the largest investors in **Tesla**. The interview was broadcast on Musk’s social-media platform X.

Musk, who is chief executive of Tesla and also runs his own



AI’s transformative potential has brought bold predictions.

AI company, said AI was the fastest-advancing technology he’s ever seen. He predicted it will probably surpass the collective intelligence of humans in five years.

Dimon, chief executive of **JPMorgan Chase**, told investors Monday that AI could be as transformative as some of the major technological inventions over the past several

hundred years.

“Think the printing press, the steam engine, electricity, computing and the Internet, among others,” Dimon wrote in his annual letter to shareholders Monday. Dimon’s letter to shareholders is highly anticipated every year and read widely in the financial-service industry. He has said AI might

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Roblox Targets Ad Dollars

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League, have invested in one or more of these options, in most cases by hiring a developer studio. Building a brand-specific realm is typically the most expensive, costing anywhere from \$100,000 to several million dollars, according to ad buyers.

Brands can draw attention to their creations by purchasing static billboard ads from Roblox and what the company calls Portal Ads, both of

which launched last year. Portals are glowing virtual gates that instantly transport users from one Roblox experience to another.

Now, Roblox is pushing video ads, ripping a page from other digital-ad sellers by making advertising on the platform easier and potentially less expensive. It also has hired ad-industry veterans from companies including **Meta Platforms**, **X**, **Alphabet** and **Yahoo** to help grow its ad business.

With PubMatic's automated ad-buying tools, brands will be able to purchase video ads that promote their products and services, and not necessarily a Roblox-specific experience. Roblox said it would review the ads before they post in its platform.

PubMatic also will create so-called private exchanges to pool Roblox's ad inventory, giving the company more control over ad prices and which brands are allowed to buy ads. At some point in the future, Roblox said it plans to move to open exchanges.

The video ads are due to launch fully later this year. Brands can use their existing video-ad inventory rather than having to create new ads that mirror the platform's animated aesthetic.

Last year, Roblox started giving advertisers the ability to target users who are ages 18 and up, which some ad buyers said could help attract brands that have avoided the platform because its user base skews young.

The company has already

faced some blowback from its work with brands. Last year, an ad-industry watchdog said Roblox violated its guidelines for marketing to children younger than 13. At the time, a Roblox spokeswoman said that branded virtual worlds on its platform don't constitute advertising and that it doesn't let users under 13 see ads it serves directly.

Bringing easy-to-use video advertising to Roblox is critical if the company wants a shot at competing against other digital-ad players, according to ad buyers. Plat-

forms such as Instagram and YouTube have succeeded in part by streamlining the buying and targeting of ads with the help of sophisticated technology that largely automates the process.

Further, supporting video ads in particular—as opposed to just sticking with the static kind—is essential for Roblox to have a successful ad business, ad buyers say. Brands are drawn to how video ads use sight, sound and motion, plus they command higher ad rates than static ads.

Tech companies from **Uber Technologies** and **Instacart** to **Netflix** and **Reddit** have also been putting a greater emphasis on growing revenue through ad sales in recent years. Still, introducing ads or showing more of them poses risks, as they can turn off users, raise privacy concerns and draw regulatory scrutiny.

Amazon.com's recent move to bring ads to its Prime Video service drew a harsh reaction from subscribers, some of whom canceled their memberships.

"You don't want to pull back from the enjoyment of the experience, and ads have a way of doing that," said Benchmark entertainment and digital-media analyst Mike Hickey. "They can be a distraction."

Blizzard Videogames Set to Return To China in New Deal With NetEase

By JIAHUI HUANG

Blizzard Entertainment will collaborate with China's **NetEase** to bring its blockbuster game titles back to the mainland Chinese market this summer, renewing a partnership that ended more than a year ago.

The renewed deal includes Blizzard games "World of Warcraft," "Heathstone," and other titles in the "Warcraft," "Overwatch," "Diablo" and "StarCraft" universes, according to a

statement by **Microsoft** Gaming and NetEase on Wednesday.

The detailed relaunch plans will be shared at a later date, the companies said.

Blizzard has been collaborating with NetEase since 2009, bringing its blockbuster titles to the world's largest videogaming market by revenue. The 14-year partnership ended in January 2023 and NetEase rejected a proposed extension of six months, calling the terms unequal and unfair.

"Returning Blizzard's leg-

endary games to players in China while exploring ways to bring more new titles to Xbox demonstrates our commitment to bringing more games to more players around the world," said Phil Spencer, chief executive of Microsoft Gaming.

Chinese regulators have increased scrutiny of the domestic gaming sector and have required foreign titles to only be published via local distributors. The National Press and Publication Administration said Monday that it has approved 46 im-

ported game titles so far for this year, compared with 98 in 2023.

Separately, Microsoft Gaming and NetEase also have agreed to look into putting NetEase's game titles on Xbox consoles and other platforms.

The Chinese videogame publisher has developed some flagship titles such as the "Justice" mobile game and "Eggy Party" in recent years.

Blizzard is a division of Activision Blizzard, which was acquired by Microsoft.



The partnership ended in 2023 and NetEase rejected a six-month extension. A scene from Blizzard's 'World of Warcraft.'

ACTIVISION BLIZZARD



The studio parent behind the 'Mission: Impossible' movies is expected to part with Dawn Ostroff, below, and three others.



Four to Exit Board of Paramount

Continued from page B1

odeon and MTV, and the Paramount film studio—would acquire Skydance in an all-stock deal valued at around \$5 billion.

The structure of that proposed deal has faced criticism from some investors, who have voiced concerns in

letters to the board that the deal would be good for Redstone but would dilute Paramount's nonvoting shares, people familiar with the situation said.

Skydance Media is a production company run by David Ellison and backed by his father, Oracle co-founder Larry Ellison, as well as investors such as Red Bird Capital Partners, KKR and Chinese tech-investment giant Tencent.

Private-equity firm **Apollo Global Management** submitted a competing offer to buy Paramount for \$26 billion just before the company's exclusive talks with Skydance be-

gan. Paramount directors decided not to engage with the offer because it wasn't clear that Apollo had financing lined up and the company had not yet done due diligence, the people said.

Any deal is subject to approval by Paramount's independent committee of directors.

Ostroff, who most recently ran content and advertising at Spotify, is leaving Paramount's board after a year. Seligman, who is also on the board of OpenAI, is departing the board after eight years. Klieger joined the CBS board in 2017 and stayed on following the merger with Viacom.

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BUSINESS NEWS

Philips Reaches Deal Over Ventilator Issue

The machines were recalled in 2021 on concerns they could be harmful to users

By IAN WALKER

Philips said it reached a final agreement with the U.S. Justice Department and Food and Drug Administration on terms of a settlement related to its Respironics ventilators,

and backed its medium-term guidance.

The Dutch health-technology group said Wednesday that under the consent decree, Philips Respironics will continue to prioritize completing the remediation of the sleep and respiratory care devices under Respironics' voluntary June 2021 recall.

It said the agreement mainly focuses on Philips Respironics' business operations in the U.S., including its manufacturing fa-

cilities in Murrysville and New Kensington, its service center in Mount Pleasant and its Respironics headquarters in Pittsburgh in Pennsylvania.

In 2021, Philips issued a recall of its breathing-aid machines following reports that an internal sound-dampening foam could degrade, spurring concerns that it could release harmful gases or particles into the lungs of users.

Philips on Wednesday said its 2023-25 guidance for mid-

single-digit comparable sales growth and low-teens adjusted earnings before interest, taxes and amortization margin is unchanged, while its forecast of 1.4 billion to 1.6 billion euros (\$1.52 billion to \$1.74 billion) in free cash flow takes the consent decree into account.

The company had said in January that it booked a €363 million provision in the fourth quarter of 2023 for remediation activities, inventory write-downs and contract provisions

related to the Respironics consent decree. For 2024, costs from this are expected to represent 1% of total sales, which is estimated to amount to between €180 million and €200 million from remediation work and disgorgement payments, it added at the time.

"With the agreement on a consent decree for Philips Respironics in place, we now have a clear path forward to gradually restore the business, serving patients around the

world," Chief Executive Roy Jakobs said.

Philips chief patient safety and quality officer Steve C de Baca added that Philips Respironics has been working with the FDA, and is already making significant changes in its organization, quality management systems and operations. "This includes strengthening the quality management processes and deepening the competencies of the relevant teams," he said.

Lands' End Fashions a Plan To Get Back in the Black

By KRISTIN BROUGHTON

Lands' End is on track to swing to an annual profit for the first time in three years, following a pandemic slump, by nudging customers who love a good discount to pay full price.

The casual clothing retailer, known for items such as quarter-zip sweaters and khaki pants, benefited from a pandemic surge in spending on comfortable clothing—and then took a hit when consumer preferences quickly changed. The company reported net losses for two consecutive years, following strong profit in 2021. During the fiscal year ended Feb. 2, its net loss widened to \$130.7 million, mostly from a one-time charge, compared with \$12.5 million a year earlier.

Lands' End, established 61 years ago as a catalog company, expects to get back into the black this year. A key reason why: It is carrying less stock and updating its offerings frequently with new fabrics and fits. That means it can charge full price, or close to it, for popular items such as tummy-shaping swimwear or lightweight jackets. It previously introduced new items at

the beginning of a season, charging full price initially and discounting items later on that didn't sell. The company sells most of its goods online, though it also operates 26 stores.

But customers can no longer assume that the items they want will be available if they wait for a better price, said Bernie McCracken, the company's chief financial officer. "We've increased the profitability of everything we sell," he said. Lands' End expects to earn between \$1 million and \$10 million during the current fiscal year.

Lands' End has had a tumultuous run since its spinoff from Sears a decade ago. The company in 2016 tried unsuccessfully to move into high fashion to attract new customers. To win back its core customers—who tend to be a little older and more affluent—the company relied on discounts, McCracken said.

McCracken and Chief Executive Andrew McLean both stepped into their roles in 2023. McCracken, who took over last September, previously served as Lands' End's controller and chief accounting officer, while McLean, who took over last January,

was president of the international division at American Eagle Outfitters before taking over as CEO.

"New management came in, and basically they changed the business model," said Eric Beder, chief executive at the investment research firm Small Cap Consumer Research. Lands' End's previous approach to pricing and merchandising reflected its roots as a traditional catalog company, Beder said. Its new approach is more in line with online retailers, giving customers a reason to buy early or pay a higher price, he said.

The retailer's plan to swing to a profit comes with a notable wrinkle: It is projecting lower revenue for the coming year. That is due in part to agreements reached last year to produce shoes, children's clothing and items sold at club stores such as Costco under a licensed model, meaning a third party will manufacture the goods. The move also shifts less profitable inventory off of the company's books, reducing clearance sales. Lands' End this year expects to begin generating royalty fees on sales of its licensed goods.

During the current fiscal year, Lands' End expects to



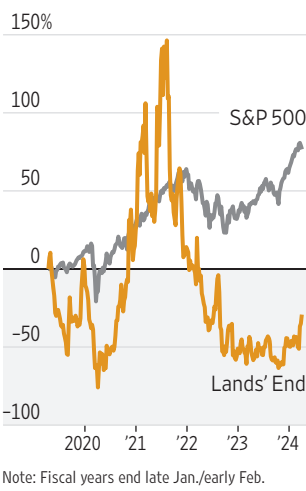
The company sells most of its goods online but operates 26 stores.

generate net revenue of between \$1.33 billion and \$1.45 billion; that figure stood at \$1.47 billion during the most recent fiscal year.

During the fiscal year ended Feb. 2, Lands' End's gross margin expanded by 4.3 percentage points from a year earlier, to 42.5%. The company had \$301.7 million in inventory on its balance sheet, down 29% from the prior year.

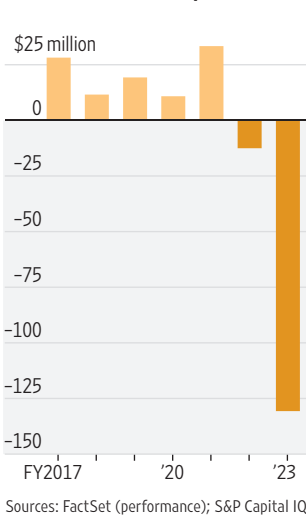
Lands' End is leaning more heavily on what it calls dynamic promotions, meaning it adjusts discounts based on how items are selling. It's also selling more goods through third parties, such as Target and Macy's.

Share-price and index performance, past five years



Note: Fiscal years end late Jan./early Feb.

Lands' End annual profit/loss



Sources: FactSet (performance); S&P Capital IQ

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TECHNOLOGY

Ma Praises Alibaba’s Leadership, Restructuring

By Tracy Qu

Alibaba co-founder Jack Ma praised the company’s top leadership and the ongoing restructuring exercise in a memo to employees, a rare move for the billionaire since stepping away from the spotlight in recent years.

“Not only must we have the courage to admit and correct yesterday’s mistakes in a timely manner, but we must also reform for future. This is why we keep moving forward,” according to a copy of the internal letter seen by The Wall Street Journal and verified by two sources who viewed it on Alibaba’s internal portal.

Ma praised Chairman Joe Tsai and Chief Executive Eddie Wu for their leadership and said in the letter posted Wednesday morning that this year’s core focus wasn’t to chase performance indicators but to “know ourselves and go back to the track focusing on consumers.”

In March of last year, Alibaba announced a restructuring that would split the group into six independently run companies, effectively dismantling a business empire built by Ma over two decades.

The businesses were split into cloud computing; Chinese e-commerce; global e-commerce; digital mapping and food delivery; logistics; and media and entertainment.

Alibaba has stepped back some of its restructuring plans, including abandoning plans in March to list logistics arm Cainiao. The company also shelved a cloud-computing spinoff.

“This path of reform and innovation has never been accompanied by applause, because what we are changing are the bad habits we love the most and what we are reforming is our vested interest,” according to Ma’s post.

Once a darling of Wall Street, Alibaba has been grappling with sluggish growth as it faces a cooling Chinese economy and rising competition from homegrown upstarts.

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CLASS ACTION

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF PENNSYLVANIA

DELAWARE COUNTY EMPLOYEES RETIREMENT SYSTEM and BUCKS COUNTY EMPLOYEES' RETIREMENT SYSTEM, Individually and on Behalf of All Others Similarly Situated,

Plaintiffs,

vs.

ADAPTHealth Corp. f/k/a DFB Healthcare Acquisitions Corp., Luke McGee, Stephen P. Griggs, Jason Clemens, Frank J. Mullen, Richard Barasch, Joshua Parnes, Alan Quasha, Terence Connors, Dr. Susan Weaver, Dale Wolf, Bradley Coppens, and David S. Williams III,

Defendants.

TO: ALL PERSONS WHO PURCHASED OR OTHERWISE ACQUIRED ADAPTHealth Corp. ("ADAPTHealth" OR THE "COMPANY") COMMON STOCK OR CALL OPTIONS ON ADAPTHealth COMMON STOCK OR SOLD PUT OPTIONS ON ADAPTHealth COMMON STOCK ("ADAPTHealth SECURITIES") BETWEEN NOVEMBER 8, 2019 AND JULY 16, 2021, INCLUSIVE ("SETTLEMENT CLASS" OR "SETTLEMENT CLASS MEMBERS")

THIS NOTICE WAS AUTHORIZED BY THE COURT. IT IS NOT A LAWYER SOLICITATION. PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.

YOU ARE HEREBY NOTIFIED that a hearing will be held on June 20, 2024, at 1:30 p.m., before the Honorable Harvey Bartle III at the United States District Court, Eastern District of Pennsylvania, James A. Byrne U.S. Courthouse, 601 Market Street, Philadelphia, PA 19106 to determine whether: (1) the proposed settlement (the "Settlement") of the above-captioned Action as set forth in the Stipulation and Agreement of Settlement ("Stipulation") for \$51,000,000 in cash, one million shares of AdaptHealth common stock, and corporate governance reforms to be adopted by AdaptHealth, should be approved by the Court as fair, reasonable and adequate; (2) the Judgment as provided under the Stipulation should be entered dismissing the Action with prejudice; (3) to award Lead Plaintiffs' Counsel attorneys' fees and expenses out of the Settlement Fund (as defined in the Notice of Pendency and Proposed Settlement of Class Action ("Notice"), which is discussed below) and, if so, in what amounts; (4) to award Lead Plaintiffs for their costs and expenses in representing the Settlement Class pursuant to 15 U.S.C. §78u-4(a)(4) out of the Settlement Fund and, if so, in what amount; and (5) the Plan of Allocation should be approved by the Court as fair, reasonable and adequate.

The Court may decide to conduct the Final Approval Hearing by video or telephonic conference, or otherwise allow Settlement Class Members to appear at the hearing by phone, without further written notice to the Settlement Class. In order to determine whether the date and time of the Final Approval Hearing have changed, or whether Settlement Class Members must or may participate by phone or video, it is important that you monitor the Court's docket and the Settlement website, www.AdaptHealthSecuritiesSettlement.com, before making any plans to attend the Final Approval Hearing. Any updates regarding the Final Approval Hearing, including any changes to the date or time of the hearing or updates regarding in-person or telephonic appearances at the hearing, will also be posted to the Settlement website, www.AdaptHealthSecuritiesSettlement.com. Also, if the Court requires or allows Settlement Class Members to participate in the Final Approval Hearing by telephone, the phone number for accessing the telephonic conference will be posted to the Settlement website, www.AdaptHealthSecuritiesSettlement.com.

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To share in the distribution of the Net Settlement Fund, you must establish your rights by submitting a Proof of Claim and Release form ("Proof of Claim") by mail (postmarked no later than July 15, 2024) or electronically (no later than July 15, 2024). Your failure to submit your Proof of Claim by July 15, 2024, will subject your claim to rejection and preclude your receiving any of the recovery in connection with the Settlement of this Action. If you purchased or acquired AdaptHealth Securities between November 8, 2019 and July 16, 2021, inclusive, and do not request exclusion from the Settlement Class, you will be bound by the Settlement and any judgment and release entered in the Action, including, but not limited to, the Judgment, whether or not you submit a Proof of Claim.

If you have not received a copy of the Notice, which more completely describes the Settlement and your rights thereunder (including your right to object to the Settlement), and a Proof of Claim, you may obtain these documents, as well as a copy of the Stipulation (which, among other things, contains definitions for the defined terms used in this Summary Notice) and other settlement documents, online at www.AdaptHealthSecuritiesSettlement.com, or by writing to:

AdaptHealth Securities Settlement
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c/o Gilardi & Co. LLC
P.O. Box 301135
Los Angeles, CA 90030-1135

Inquiries should NOT be directed to Defendants, the Court, or the Clerk of the Court.

Inquiries, other than requests for the Notice or for a Proof of Claim, may be made to Lead Counsel:

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655 West Broadway, Suite 1900
San Diego, CA 92101
Telephone: 1-800-449-4900
settlementinfo@rgrdlaw.com

IF YOU DESIRE TO BE EXCLUDED FROM THE SETTLEMENT CLASS, YOU MUST SUBMIT A REQUEST FOR EXCLUSION SUCH THAT IT IS POSTMARKED BY MAY 29, 2024, IN THE MANNER AND FORM EXPLAINED IN THE NOTICE. ALL SETTLEMENT CLASS MEMBERS WILL BE BOUND BY THE SETTLEMENT EVEN IF THEY DO NOT SUBMIT A TIMELY PROOF OF CLAIM.

IF YOU ARE A SETTLEMENT CLASS MEMBER, YOU HAVE THE RIGHT TO OBJECT TO THE SETTLEMENT, THE PLAN OF ALLOCATION, THE REQUEST BY LEAD PLAINTIFFS' COUNSEL FOR AN AWARD OF ATTORNEYS' FEES NOT TO EXCEED 25% OF THE SETTLEMENT AMOUNT, WHICH IS COMPRISED OF \$51,000,000 IN CASH AND ONE MILLION SHARES OF ADAPTHealth COMMON STOCK, AND EXPENSES NOT TO EXCEED \$800,000, PLUS INTEREST, AND/OR THE AWARD TO LEAD PLAINTIFFS PURSUANT TO 15 U.S.C. §78u-4(a)(4) FOR THEIR COSTS AND EXPENSES NOT TO EXCEED \$60,000 IN THE AGGREGATE. ANY OBJECTIONS MUST BE FILED WITH THE COURT AND SENT TO LEAD COUNSEL AND DEFENDANTS' COUNSEL BY MAY 29, 2024, IN THE MANNER AND FORM EXPLAINED IN THE NOTICE.

DATED: March 5, 2024

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF PENNSYLVANIA

¹ The Stipulation can be viewed and/or obtained at www.AdaptHealthSecuritiesSettlement.com.



XPeng's latest electric SUV, the G6, will be among the models offered in Hong Kong and Macau

China EV Maker XPeng Makes Inroads in Hong Kong, Macau

By Jiahui Huang

Chinese electric-vehicle maker **XPeng** is gearing up to sell its cars in Hong Kong and Macau, part of efforts to expand beyond the overcrowded market in mainland China.

The Guangzhou-based company, which competes with heavyweights such as **BYD** and **Tesla**, said in a statement Wednesday that it is entering the Hong Kong market via a dealer partnership with Malaysia's Sime Darby Motors.

XPeng's shares closed 7.7% higher at 32.15 Hong Kong dollars, or \$4.11, after the announcement.

"Entry into Hong Kong is a strategic next step for XPeng's business expansion," the company said.

XPeng will make its Hong Kong debut in mid-May with its latest electric sport-utility vehicle, the G6, and its flagship seven-seater, the X9 multipurpose vehicle. Delivery of both models is due to start from the third quarter.

The company also is partnering with motor group **Xin Kang Heng Holding** to enter Macau, preparing to offer four of its models—the G9, X9, G6 and P7i—there. Delivery of left-hand-drive models will start in May, XPeng said.

Xin Kang Heng distributes Honda, Nissan, Infiniti and other brands in Macau, with a share of over 22% of the local automotive market, according to the statement. Sime Darby Motors is the automotive arm of conglomerate **Sime Darby Bhd**.

"Due to competition dynamics in China, trying to go overseas is always a good choice for" original equipment manufacturers, Nomura equity analyst Joel Ying told Dow Jones Newswires, adding that the company's business in mainland China could get a boost from recognition in the global market.

The Chinese EV maker didn't provide a price tag for the G6 and X9 in Hong Kong.

Daiwa equity analyst Kelvin Lau says XPeng's ability to get a slice of the market in Hong Kong and Macau would depend on pricing.

Other Chinese EV makers that are already in Hong Kong include BYD, **Great Wall Motor** and state-owned **SAIC Motor**, among others.

XPeng's G6 competes against Tesla's Model Y in China's EV market. The G6 is priced between 209,900 yuan and 276,900 yuan, or about \$29,000 to \$38,300, while the Model Y has a price tag of 263,900 yuan to 368,900 yuan.

AI Draws Some Bold Predictions

Continued from page B1
lead future generations to work only 3½ days a week.

A talent war

The AI race to build the next big thing has sparked a talent war in Silicon Valley. Tech companies have poured cash into AI at a breakneck pace, with investors and analysts increasingly believing the boom is sustainable. And the technology has supercharged the stock performances of many tech and chip companies aiming to cash in on it.

Google Chief Executive Sundar Pichai has said AI could be more profound than the invention of fire or electricity. Vinod Khosla, founder of venture-capital firm Khosla Ventures, declared last year that within 10 years, AI will take on "80% of 80% of the jobs that exist today."

"The need to work in society will disappear within 25 years for those countries that adapt these technologies," Khosla said in an interview with The Wall Street Journal.

And yet, the technology also has led to stark warnings about the future of humanity. Earlier this week, Japan's largest telecommunications company and the country's biggest newspaper cautioned in a manifesto that unless AI is restrained, "in the worst-case scenario, democracy and social order could collapse, resulting in wars."

They called on Japanese lawmakers to pass legislation to restrain AI, pointing to rising concern about the AI programs U.S.-based companies have been developing.

In the U.S., the Biden administration last year invoked emergency federal powers to compel major AI companies to notify the government when developing systems that pose a serious risk to national security.

Still, some experts say predictions of AI's transformative powers have been overblown. Gary Marcus, a cognitive scientist who sold an AI startup to Uber in 2016, said generative AI may one day approach a level that it can transform society. But there has to be vast improvements to approach the level of change produced by the internet or even smartphones, he said.

"It's possible as we make new discoveries and build better AI, much better than we have right now, that eventually AI could be transformative for the good," Marcus said in an interview.

Generative AI programs currently make too many mistakes, are unreliable and have a superficial understanding of the world, Marcus said.

In the short term, he said it is implausible that AI will approach human intelligence by the end of next year, like Musk predicted. Surpassing all of human intelligence in the next five years is also far-fetched,



Google Chief Executive Sundar Pichai has said AI could be more profound than the invention of fire or electricity.

Is it all overblown?

he said.

Marcus offered to wager \$1 million with Musk that his prediction of AI becoming smarter than a human by next year turns out to be wrong. A representative for Musk didn't respond to a request for a comment about the wager.

"There's a lot of hype in AI right now," says Angel Vossough, the co-founder and chief executive of BetterAI, which is working on an AI wine-recommendation tool.

She says AI systems are good at analyzing large data sets, and can make predictions or speed up productivity. But they are nowhere near being as intelligent as humans, she said, as a big part of human intelligence is emotional intelligence.

"It needs to connect, understand and respond to human emotions in a way that actually feels authentic and meaningful," she said. "I don't think we're anywhere close."

Another issue with the AI boom: It is straining resources like electricity. Chip-design company **Arm** is funding efforts studying how to make AI applications more energy efficient.

—Joseph Pisani contributed to this article.

BANKRUPTCIES

IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

In re: BVJU'S ALPHA, INC.,) Case No. 24-10140 (TDT)
Debtor.)

NOTICE OF FINAL ORDER (I) AUTHORIZING THE USE OF CASH COLLATERAL, (II) AUTHORIZING THE DEBTOR TO OBTAIN POSTPETITION FINANCING, (III) GRANTING SENIOR POSTPETITION SECURITY INTERESTS, AND ACCORDING SUPERPRIORITY ADMINISTRATIVE EXPENSE STATUS PURSUANT TO SECTIONS 364(C) AND 364(D) OF THE BANKRUPTCY CODE, (IV) GRANTING ADEQUATE PROTECTION, (V) MODIFYING THE AUTOMATIC STAY, AND (VI) GRANTING RELATED RELIEF

PLEASE TAKE NOTICE that, on April 8, 2024, the United States Bankruptcy Court for the District of Delaware (the "Court") entered its Final Order (i) Authorizing the Use of Cash Collateral, (ii) Authorizing the Debtor to Obtain Postpetition Financing, (iii) Granting Senior Postpetition Security Interests, and According Superpriority Administrative Expense Status Pursuant to Sections 364(C) and 364(D) of the Bankruptcy Code, (iv) Granting Adequate Protection, (v) Modifying the Automatic Stay, and (vi) Granting Related Relief (Docket No. 160) (the "Final DIP Order").²

PLEASE TAKE FURTHER NOTICE, that the Final DIP Order contains certain stipulations, admissions, waivers, and releases that were binding on the Debtor, its estate, and any of its respective successors in all circumstances and for all purposes, and the Debtor was deemed to have irrevocably waived and relinquished all Challenges (as defined below) as of the Petition Date; provided, however, that the Debtor's stipulations, admissions, agreements, releases, and waivers contained in the Final DIP Order shall not apply to a chapter 7 or chapter 11 trustee until the Known Creditor Challenge Period Termination Date (defined below). The stipulations, admissions, and waivers contained in the Final DIP Order, including the Debtor's Stipulations, shall be binding upon all other parties in interest, including any Committee and any other person acting on behalf of the Debtor's estate, unless and to the extent that a party in interest with proper standing granted by order of the Court, has timely and properly filed an adversary proceeding or contested matter under the Bankruptcy Rules (a) seeking to avoid, object to, or otherwise challenge the findings or the Debtor's Stipulations, including regarding: (i) the validity, enforceability, extent, priority, or perfection of the mortgages, security interests, and liens of any of the Prepetition Secured Parties; (ii) the validity, enforceability, allowability, priority, secured status, or amount of the Obligations; (iii) asserting or prosecuting any so-called "lender liability" claims, avoidance actions, or any other claim, counter claim, cause of action, objection, contest or defense, of any kind or nature whatsoever, whether arising under the Bankruptcy Code, applicable law, or otherwise, against any of the Prepetition Secured Parties or their respective representatives (any such claim, a "Challenge") and (b) in which the Court enters a final non-appealable order in favor of the plaintiff sustaining any such Challenge in any such timely filed Challenge.

With respect to parties that were previously served with a copy of the Final DIP Order, and any Committee, a Challenge must be filed on or prior to 75 days following entry of the Interim Order (the "Known Creditor Challenge Period" and the date of expiration of the Known Creditor Challenge Period, the "Known Creditor Challenge Period Termination Date"). With respect to parties that were not served with a copy of the Final DIP Order, a Challenge must be filed on or prior to 75 days following entry of the Interim Order (the "Unknown Creditor Challenge Period" and the date of expiration of the Unknown Creditor Challenge Period, the "Unknown Creditor Challenge Period Termination Date").³

Upon the occurrence of the Challenge Period Termination Dates without the filing of a Challenge (or if any such Challenge is withdrawn or filed and overruled): (w) any and all such Challenges by any party (including the Committee, any chapter 11 trustee, and/or any examiner or other estate representative appointed or elected in the Chapter 11 Case, and any chapter 7 trustee and/or examiner or other estate representative appointed or elected in any Successor Case) shall be deemed to be forever barred; (x) the Obligations shall constitute allowed claims, not subject to counterclaim, setoff, recoupment, reduction, subordination, recharacterization, defense, or avoidance for all purposes in the Chapter 11 Case and any Successor Case; (y) the Prepetition Liens shall be deemed to have been, as of the Petition Date, legal, valid, binding, and perfected liens and security interests, not subject to recharacterization, subordination, or avoidance; and (z) all of the Debtor's stipulations and admissions contained in the Final DIP Order, including the Debtor's Stipulations, and all other waivers, releases, affirmations, and other stipulations as to the priority, extent, and validity as to the Prepetition Secured Parties' claims, liens, and interests contained in the Final DIP Order shall be of full force and effect and forever binding upon the Debtor, the Debtor's estate, and all creditors, interest holders, and other parties in interest in the Chapter 11 Case and any Successor Case. Furthermore, if any such Challenge is timely and properly filed under the Bankruptcy Rules then (a) any claim or action that is not brought shall forever be barred and (b) the stipulations and admissions contained in the Final DIP Order, including the Debtor's Stipulations, shall nonetheless remain binding and preclusive on any Committee and any other person or entity except to the extent that such stipulations and admissions were expressly challenged in such Challenge prior to the Challenge Period Termination Dates (and solely as to the plaintiff party that timely filed such Challenge and not, for the avoidance of doubt, any other party in interest). Nothing in the Final DIP Order vests or confers on any person (as defined in section 101 of the Bankruptcy Code), including any Committee appointed in the Chapter 11 Case, standing or authority to pursue any cause of action belonging to the Debtor or its estates, including any challenges (including a Challenge) with respect to the Prepetition Liens and the Obligations, and a separate order of the Court conferring such standing on any Committee or other party in interest shall be a prerequisite for the prosecution of a Challenge by such Committee or such other party in interest; provided, however, that nothing herein prohibits the Prepetition Secured Parties from contesting any request to obtain standing on any other grounds permitted by applicable law. For the avoidance of doubt, the roll up under the DIP Credit Agreement is subject in its entirety to the Challenge. A copy of the Final DIP Order is may be downloaded from the Court's website at <http://www.dbs.uscourts.gov/>. A login and password to the Bankruptcy Court's Public Access to Electronic Records ("PACER") are required to access this information and can be obtained through the PACER Service Center at <http://www.pacer.gov>.

Dated: April 9, 2024, Wilmington, Delaware, **YOUNG CONAWAY STARGATT & TAYLOR, LLP**, */s/ Kenneth J. Enos*, Robert S. Brady (Del. No. 2847), Kenneth J. Enos (Del. No. 4544), Jared W. Kochenash (Del. No. 6557), Timothy R. Powell (Del. No. 6894), 1000 North King Street, Wilmington, Delaware 19801, Telephone: (302) 571-6600, Facsimile: (302) 571-1253, brady@ycst.com, kenos@ycst.com, jkochenash@ycst.com, tpowell@ycst.com -and- **QUINN EMANUEL URQUHART & SULLIVAN, LLP**, Susheel Kipralani (admitted pro hac vice), Benjamin Finestone (admitted pro hac vice), Daniel Holzman (admitted pro hac vice), Jianjian Ye (admitted pro hac vice), 51 Madison Avenue, 22nd Floor, New York, New York 10010, Tel.: (212) 849-7000, susheelkipralani@quinnemanuel.com, quinnemanuel.com, danielholzman@quinnemanuel.com, jianjianye@quinnemanuel.com, *Counsel for the Debtor*

¹ The Debtor in this chapter 11 case, along with the last four digits of the Debtor's federal tax identification number, is: BVJU's Alpha, Inc. (4260). The location of the Debtor's service address for purposes of this chapter 11 case is: 1007 N. Market St. Ste. G20-452, Wilmington, DE 19801.

² Capitalized terms not otherwise defined herein shall be given the meanings ascribed to them in the Final DIP Order.

³ The Known Creditor Challenge Period, together with the Unknown Creditor Challenge Period, shall collectively be referred to as the "Challenge Periods." The Known Creditor Challenge Period Termination Date, together with the Unknown Creditor Challenge Period Termination Date, shall collectively be referred to as the "Challenge Period Termination Dates."

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BUSINESS & FINANCE

Delta Expects Strong Summer Demand

Airline posts better-than-expected profit, says Boeing delays aren't affecting it yet

By ALISON SIDER

Delta Air Lines said it expects strong summer travel demand as the carrier posted a better-than-expected profit for the first three months of the year.

Delta shares initially rose nearly 3% following the results, while stock in **United Airlines** and **American Airlines** also rose. All three later fell during a marketwide sell-

off after hotter-than-expected inflation data.

While other airlines are being stymied by delayed deliveries from **Boeing**, Delta hadn't been planning to receive any of the manufacturer's jets this year.

Delta Chief Executive Ed Bastian said that while the arrival of new 737 MAX 10 jets that the airline ordered in 2022 is likely "shifting," deliveries from rival plane maker **Airbus** have been reliable—something Bastian said has given Delta an advantage.

Bastian said he wasn't among the cadre of airline CEOs who sought to meet with Boeing's board last

month, an unusual move that expressed their dissatisfaction with the company and its CEO. Bastian hadn't attended a trade group meeting where it was discussed, he said.

"We're not sitting waiting for Boeing. I think the other airlines are without a doubt a lot more impacted by the issues Boeing has had," he said.

Bastian praised Steve Mollenkopf, who became Boeing's chairman in the company's recent leadership shake-up and will lead the search for its next chief. "He'll bring a fresh set of eyes," Bastian said.

Delta reported profits of \$37 million, compared with a \$363 million loss a year ago.

On an adjusted basis, Delta's profit of 45 cents per share beat the 36 cents per share analysts were anticipating.

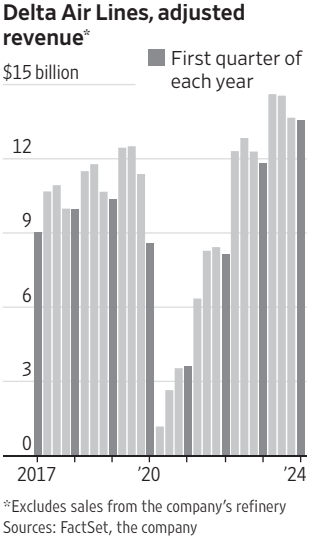
The airline reported record revenue for the first quarter, typically a slower time for travel. Revenue excluding sales from the company's refinery was about \$12.6 billion, 6% above the same period a year earlier. The carrier expects adjusted revenue to be up 5% to 7% in the second quarter.

Domestic travel demand was robust after hiccups last year. Delta said domestic unit revenue—the price per seat flown a mile—hit a first-quarter record as planes were fuller.

The carrier said corporate

travel demand also gained steam with a 14% on-the-year boost in sales, led by big corporate accounts. Those big businesses in finance and technology had been slower to resume trips. Bastian said corporate travel revenue is back to prepandemic levels.

Delta reaffirmed its full-year earnings guidance of \$6 to \$7 a share. Its shares tumbled in January when the airline set that profit target, which was lower than the \$7 it had previously anticipated. At the time, Bastian said Delta was still aiming for the higher figure but felt it was "prudent" to adjust given factors like supply-chain constraints.



PE Fundraising Is Showing Signs of a Small Rebound

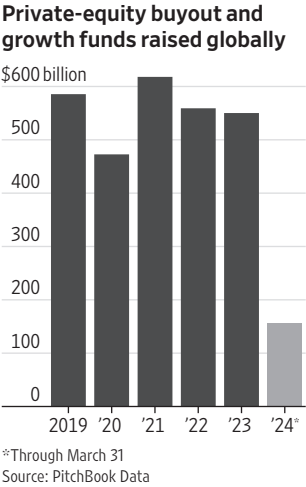
By CHRIS CUMMING

The pace of private-equity fundraising picked up slightly as the year began, though people in the market cautioned that it is still too early to declare a recovery after two difficult years.

Globally, private-equity buyout and growth funds raised \$155.7 billion in the three months through March, while U.S.-based funds gathered \$76.8 billion, research firm PitchBook Data said in a report released Wednesday.

The global total is modestly ahead of the fundraising pace of the past two years. Capital raising has been sluggish since the Federal Reserve began increasing interest rates in early 2022, which crimped dealmaking and left investors with less cash on hand to put into new funds.

People involved in private-equity fundraising say investor sentiment seems better than last year. The S&P 500 stock index has risen more than 25% over the past year, freeing many institutional investors from a phenomenon



called the denominator effect. The term describes a situation in which falling public-asset values curtail institutional investors from putting more money into private markets.

While investors have more cash on hand than they did last year, they are still hamstrung by a lack of investment exits, which limits what they can commit to new funds, said Fraser van Rensburg, managing partner of Asante Capital, an advisory firm that helps



Home Depot plans to acquire SRS Distribution.

private-equity shops raise money. Exit deal value for 2022 and 2023 combined was about \$992 billion, about 34% less than the sum for 2021 alone, PitchBook data show.

"Most indicators have improved," van Rensburg said. "Public markets and fixed-income have stabilized. People

can finance deals, and inflation has stabilized."

But for fundraising to fully get back on track, "exits must pick up—that's the one remaining variable," he said. This year should be marginally better than last year for fundraising, though he doesn't expect a full recovery until

2025, he said.

PitchBook estimates that the distribution rate, or the annual cash return from a private-equity investment, declined to about 15% last year—the lowest level since 2009—from about 17% in 2022 and 34% in 2021. This decline "threatens to undermine the recycling of capital," or investors putting profits from past investments into new funds, said Tim Clarke, PitchBook's lead private-equity analyst.

There was one bright spot for exits last quarter: **Home Depot's** planned acquisition of building materials company **SRS Distribution** from **Leonard Green & Partners** in a deal valued at \$18.25 billion, which would be the fourth-largest private-equity exit of all time, PitchBook said. Still, it is too early to tell whether the sale is a sign markets are opening up, Clarke said.

The largest private-equity funds continued to gather capital at a good rate in the first quarter. The biggest pools to wrap up during the quarter were BDT & Co.'s \$14 billion fourth fund, TPG's \$12

billion ninth flagship vehicle, and TJC's Resolute Fund VI, which raised nearly \$7 billion, PitchBook data show. More than 82% of funds closed through March saw a step-up in size from the firm's prior fund, the data show.

A closer look at the data, however, reveals signs of a lukewarm market. It still takes firms longer to close their funds, reflecting the difficulty of securing investors. The median time it takes to close a fund increased from 11 months in 2022 to 14.5 months in 2023 and 16.8 months through the first three months of this year, PitchBook data show.

Investors also are turning away from growth-equity funds, which tend to thrive in a hot economy, and turning toward buyout funds, which are seen as a better fit for challenging times. Buyout funds represented about 90% of all private-equity money raised in the first quarter, a record proportion, up from 76% in 2022, PitchBook said, while growth funds' share fell from almost 25% to less than 10% over the same period.

Deal for Alpine Increases Vertex's Portfolio of Kidney-Disease Drugs

By BEN GLICKMAN
AND JENNIFER CALFAS

Vertex Pharmaceuticals has agreed to acquire **Alpine Immune Sciences** for \$4.9 billion, bolstering its portfolio on kidney diseases as deals in biotechnology continue to heat up.

The companies said Wednesday that Vertex would pay \$65 a share for Alpine.

Alpine's lead candidate is being evaluated as a potential treatment for IgA nephropathy, a chronic kidney condition that can lead to end-stage renal disease, and affects about 130,000 people in the U.S., the companies said. The molecule, called povetacicept, is expected to enter Phase 3 development in the second half of this year.

The acquisition is expected to close in the second quarter of 2024, the companies said.

The deal represents a pre-

mium of about 67% on Alpine's Tuesday closing price. Shares gained 21% on Wednesday after earlier reports of the deal and a further 36% in after-hours trading.

Vertex is a Boston-based biotechnology company best known for its blockbuster cystic-fibrosis drugs. The company reported \$9.87 billion in product revenue last year, fueled largely by its cystic-fibrosis treatments.

An acquisition of Alpine would further Vertex's push into kidney-disease treatments.

In March, the company received clearance from the Food and Drug Administration to study its VX-407 drug candidate in certain patients with the most commonly inherited kidney disease, called autosomal dominant polycystic kidney disease.

Reshma Kewalramani, chief executive and president of

Vertex, said the acquisition aligns with the company's goal of developing treatments for serious diseases without many treatments. She also said Vertex would benefit from "adding Alpine's protein engineering and immunotherapy capabilities to Vertex's toolbox."

The Boston-based company's drug Casgevy, a treatment for sickle-cell disease, was approved by regulators in December. Casgevy is the first medicine using Crispr gene-editing technology to receive approval and could drive a boom in sales for Vertex as it is approved in new areas.

The company also is developing a nonopioid painkiller. Vertex plans to file for approval with the FDA during the first half of the year.

Vertex's acquisition of Alpine is the latest sign that deals for biotechnology companies are heating up.

New Highs and Lows

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. % **CHG**—Daily percentage change from the previous trading session.

Wednesday, April 10, 2024														
		52-Wk %					52-Wk %					52-Wk %		
Stock	Sym	Hi/Lo	Chg		Stock	Sym	Hi/Lo	Chg		Stock	Sym	Hi/Lo	Chg	
Highs														
AP Acqn A	APCA	11.35	..		NeoGames	NGMS	29.31	0.1		AllarityTherap	ALLR	3.22	1.0	
Agri&NatSolnsA	ANSC	10.20	..		OCA Acqn A	OCAX	10.94	0.1		Albireo	ALBR	0.60	..	
AlpineImmune	ALPN	47.84	20.8		OCA Acqn Wt	OCAX	10.10	0.30		AltGlobal	MMA	2.95	7.7	
AudioEye	AEYE	13.34	8.2		Ovinty	OVV	55.95	-0.1		AltsourcePortf	ASPS	1.38	0.3	
BJ'sWholesale	BJ	79.60	2.0		PermianRscs	PR	18.27	0.1		AmericanLithium	AMLI	0.66	-0.2	
BayviewAcqnA	BAYA	10.17	..		PioneerNatRscs	PNR	275.83	1.1		AmerStWater	AWR	68.08	..	
BlockchainCoinWt	BCSAW	0.25	5.4		PriceSmart	PSMT	86.90	-31.1		AmericanWell	AMWL	0.65	-7.7	
BlueWorldA	BWAQ	11.25	0.2		PyrophyteAcqn	PHYT	11.25	1.0		AmeriServFin	ASRV	2.25	0.9	
BrookfieldBPP725N	BEPI	25.14	0.1		QifuTechnology	QFIN	20.44	-0.5		AmprusTech	AMPX	1.79	-0.1	
CNX Resources	CNXT	24.74	0.3		RevolutionMed	RVMID	37.50	0.16		AmylyxPharm	AMLY	2.45	-4.7	
CaesarsStone	CSTE	6.36	8.5		RigelResourceWt	RIGWS	0.35	28.0		AnavexLifeSci	AVXL	4.17	-2.7	
CanadianNatRscs	CND	82.51	0.6		SpringValleyA	SVII	11.11	..		AppliedDigital	APLD	2.71	-4.2	
ConovusEnergy	CVE	21.88	1.1		SuncorEnergy	SU	39.32	1.5		AppliedUV	AUVI	0.72	-0.1	
CorpusEnergyWt	CWEWS	17.00	0.7		TechniqFMC	FTI	27.26	2.9		AptevoTherap	APVO	221.26	..	
CheetahMobile	CMCN	4.04	0.1		TechResourcesB	TECK	59.30	0.5		AresCommRealEst	ACRE	6.81	-4.6	
ChordEnergy	CHRD	187.71	1.4		Technoglass	TGLS	59.03	1.0		Asana	ASAN	14.37	-3.7	
CuriosityStream	CURI	1.53	107.0		TencentMusic	TME	11.99	0.1		AscendSolar	ASTI	0.13	-51.1	
DianaShippingPfd	DSXP	26.99	1.4		ThirdHarmonic	THRD	12.04	0.7		AtlasGlobal	ATLC	26.26	-1.1	
EOG Rscs	EOG	138.41	0.6		TraillblazerA	TBMC	10.67	0.4		Atricle	ATRC	25.76	..	
EcoWavePower	WAVE	4.94	216.5		Tripcom	TCOM	49.92	-0.5		AuburnNatlBncp	AUBN	18.20	-3.3	
ElementSolns	ESI	25.81	0.1		TSakosEnergyPfd	TNCP	27.25	0.1		Auna	AUNA	7.13	6.6	
Ennerplus	ERF	20.72	0.1		USComdtyIndxfnd	USCI	63.33	0.9		BarkWt	BARKW	0.03	10.0	
EnteraBio	ENTX	2.69	-0.9		ViperEnergy	VNM	40.81	1.3		BeamGlobalWt	BEHW	0.05	-56.7	
EquitransMktsSt	ETRN	12.98	-0.2		WKKellogg	KLNG	21.13	0.1		BeamCommerce	BICC	6.16	-4.6	
ExxonMobil	XOM	122.47	0.8		XBiotech	XBIT	9.96	0.7		BinaCapital	BGC	7.50	-1.9	
FinnovateAcqn	FNVTU	12.80	7.8		ZalatorisAcqn	TCOA	10.95	6.1		Biopath	BPTH	3.40	-1.1	
FirstHorizonPfd	FHNP	25.70	..							Biogen	BIIB	200.65	-2.2	
FirstCash	FCFS	130.66	2.8		AcadiaPharm	ACAD	17.55	-2.3		BiolineRx	BLRX	0.66	4.4	
GalectinTherap	GALT	4.10	-1.0		ACELRN	ALRN	5.61	-4.2		BoneBio	BBG	1.63	-3.3	
IC200MA	ICZI	40.97	3.7		Adtran	ADTN	4.86	-3.7		Brightcove	BOLD	11.72	-1.1	
IXAcqnWt	IXAW	0.10	0.50		AMC Entic	AMC	2.77	-4.4		BroadBio	BCOV	1.78	-1.2	
ImperialOil	IMO	74.28	1.8		Arko	ARKO	8.0	-5.3		BroadwayFin	BYFC	4.91	-4.9	
Imovio	CTV	2.55	-2.8		AroWt	AROW	0.28	-13.6		Brucella	BRUC	1.12	..	
InsightAcqna	INO	10.93	-1.6		AroWt	AROW	0.28	-13.6		BrownForman	BFE	49.72	-1.1	
IronHorseAcqnRt	IHRSH	0.24	1.2		ATI ThysTherap	ATIP	4.5	-4.3		BrownForman A	BFA	51.19	-1.1	
JVSPAC Acqn A	JUSA	10.07	0.1		ATN Intl	ATNI	26.68	-4.1		BukitJailGblWt	BUJAW	0.03	-29.2	
Karooooo	KARO	26.85	1.2		ATRS	ATRS	31.43	-4.0		C&F Fin	CFI	42.18	-7.7	
LegatoMergerIll	LEGTJ	10.19	-0.1		Ayro	AYRO	1.30	-4.9		CBD Pao	CBD	0.50	-1.1	
Lipocine	LPNC	6.70	12.8		Ayur	AYR	2.33	-1.7		CableOne	CABO	376.20	-5.5	
MachNaturalRscs	MNR	20.41	2.8		AccordTherap	ACOR	0.81	-13.8		CadrenalTherap	CVKD	0.36	8.8	
MainStreetCap	MAIN	47.82	-0.2		Adntc	ADNT	29.30	-4.8		CaliberCos	CWD	0.77	-3.3	
MobileHealth	MHDR	8.79	6.5		AgapeATP	AGAT	0.26	-1.1		CapitalCityBank	CCBG	25.90	-2.2	
NI Industries	NIL	8.43	0.6		Agfry	AGFY	0.34	-1.6		CareMax	CNAX	3.09	10.5	
					AkariTherap	AKTX	1.19	-1.1		CarPartscom	PKTS	1.49	-5.8	
Lows														

52-Wk %				52-Wk %			
Stock	Sym	Hi/Lo	Chg	Stock	Sym	Hi/Lo	Chg
Cato	CATO	5.08	-2.3	InteractStrength	TRNR	0.20	-1.6
Cerence	CRUC	12.99	-8.8	IsisTechnology	ISPR	5.43	-4.6
CharterComms	CHTR	258.56	-3.2	J&JSnackFoods	JJSF	133.73	-2.5
ChimeranIvt	CIM	4.06	-6.2	J-Longo	JL	0.80	-2.0
ChromocellTherap	CHRO	1.83	-5.8	Juzi	JZXN	0.46	-5.0
Chuy's	CHUY	31.01	-2.3	KearnyFinancial	KRNY	5.44	-7.7
ClarosMtg	CMTG	8.37	-10.6	Kineta	KA	0.35	-14.0
CollectiveAudience	CAUD	0.48	-5.5	LeadRealEstate	LRE	3.33	-10.0
Comstock	LODE	0.31	-2.7	LibertyBroadbandA	LBROA	49.35	-5.1
ComtechTel	CTLT	2.56	-8.2	LibertyBroadbandC	LBROD	49.16	-5.3
CrackerBarrel	CBRL	61.79	-4.4	LiqTechIntl	LQIT	2.72	-3.5
DigitalTurbine	DTB	2.01	-5.5	LivePerson	LPSN	0.71	-7.8
EZGO	EZGO	0.04	-27.8	Lulu'sFashion	LVLU	1.25	-7.2
Emecta	EMBC	11.19	-3.6	LunaInnov	LUNA	2.70	-2.1
Endore	EMKR	2.80	-7.7	LuxUrban	LUXH	1.16	-7.8
Enviva	DAVA	31.82	-2.9	MainStreetBchs	MNSB	17.06	-2.4
EnergyVault	NRGV	1.27	-14.6	MammothEnergy	TUSK	3.14	-5.3
EnterpriseBncp	EBTC	23.31	-6.3	MartenTransport	MRTN	17.08	-3.8
EuropeanWax	EWXZ	11.60	-5.1	MatthewsIntl	MATW	27.15	-3.6
Expensify	EXFY	1.49	-9.1	MaxeonSolar	MAXN	2.33	-9.2
Expion360	XPON	2.00	-4.7	MDxHealth	MDXH	2.32	-3.6
ExtremeNetworks	EXTR	10.85	-4.8	Medfast	MED	31.61	-6.3
Eyenovia	EVEN	0.50	-11.6	Metagenomi	MGX	9.28	-9.8
FLJ	FLJ	0.51	-11.2	MicroAlgo	MLGO	2.93	-3.4
FNCB Bancorp	FNCB	5.26	-3.6	Microvast	MVST	0.45	-2.5
FND Pharma	FUNH	0.56	...	MicroVision	MVIS	1.60	-4.7
Fanhua	FANH	4.12	-1.4	MiddlesexWater	MSEX	47.60	-4.3
FidelityBio	FBL	22.07	-3.7	MustangBio	MBIO	0.51	-23.1
FiverrIntl	FVRR	18.83	-4.1	NatlResearch	NRC	35.04	-4.1
FoxFactory	FOXF	42.69	-6.8	Neogen	NEOG	12.18	-4.1
GD Culture	GDC	0.75	-3.2	NetScout	NTCT	19.73	-3.4
Galapagos	GLPG	30.93	-1.7	NY Mortgage	NYMT	6.88	-5.2
Gaming&Leisure	GLPI	43.23	-5.9	Noodles	NODL	1.50	-3.2
Genelux	GNLX	4.13	-5.4	NorthfieldBanc	NFBK	8.24	-8.9
GileadSciences	GILD	68.06	-2.6	NutexHealth	NUTX	0.93	-16.6
GladstoneLand	LAND	12.72	-4.4	NuveveHolding	NVVE	0.69	-1.4
GlobalNetLease	GLO	6.74	-6.7	Nxu	NXU	0.58	-1.6
GoPro	GPRO	1.91	-5.4	OceanPwrTech	OPTT	0.24	-1.6
Graphex	GRFX	0.23	-3.2	OneConnectFin	OCTF	2.05	-0.9
Gristone	GRTS	0.93	-3.3	Ooma	OOMA	7.42	-3.3
HainCelestial	HAIN	6.22	-7.1	OportunFin	OPRT	2.09	7.5
HamiltonIns	HG	12.44	-4.1	OrionOffice	ONL	3.12	-7.1
HanoverBancorp	HVBR	14.10	-1.7	PAM Transport	PTSI	14.76	-2.1
HealthCatalyst	HCAT	6.06	-6.7	POS Biotech	PDSB	3.07	-3.7
HealthTriangle	HCTI	1.38	-9.7	P3HealthPartners	PHI	0.58	-10.9
HeartlandExp	HTLD	10.47	-0.9	PainReform	PRFX	1.13	-3.3
Hempacco	HTCO	1.12	-15.2	PallsadeBio	PALI	40.7	-24.9
HowardHughes	HHH	64.13	-6.2	ParamountBt	PARA	10.12	-4.3
InfoSvcs	III	3.85	-2.5	ParanovEntTech	PAVS	1.39	-9.7
InfuSystems	INFU	7.91	-0.4	Peloton	PTON	3.56	-7.6
InglisMarkets	INKTA	72.77	...	PennsWoodsBncp	PWOD	17.95	-2.2
InMode	INMD	17.74	2.5	Perficient	PRFT	50.97	-5.2
ImovioAge	IMOV	3.88	-2.7	PetcoHealth	WOOF	1.73	-2.1
InnovativeEywew	LUCY	0.25	-6.2				

Continued on Page 2

Continued on Page B8

dog•ged

/ˈdôgəd/

adjective

Despite spending my early life in a shelter, there's no dog more determined than me. Thanks to the National Disaster Search Dog Foundation, if you're ever trapped under rubble after a disaster, I'll find you. That's my job, and what I was born to do. You'll never find a dog more *dogged*.

THE NATIONAL DISASTER SEARCH DOG FOUNDATION

Strengthening disaster response in America by rescuing dogs and partnering them with first responders to save lives. Be Part of the Search™ today. Call (888) 4K9-HERO, visit SearchDogFoundation.org, or write to SDF, 6800 Wheeler Canyon Road, Santa Paula, CA 93060.

Victor

Active Search Dog
Rescued from Redding, CA.
Photographed by Shaina Fishman
at SDF's National Training Center.

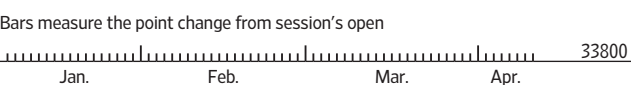
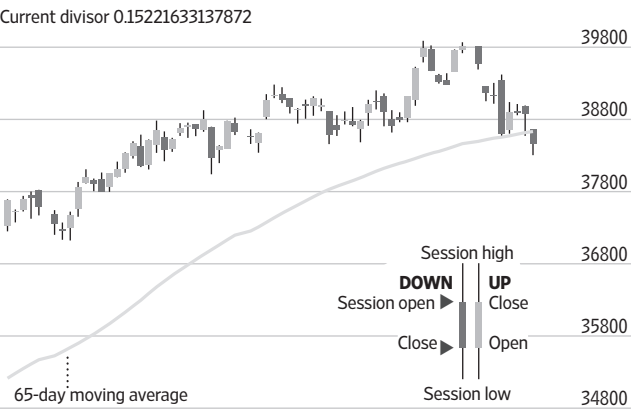
NATIONAL DISASTER
SEARCH DOG FOUNDATION
SDF
Est. 1996

MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

38461.51 ▼422.16, or 1.09%	Last	Year ago
High, low, open and close for each trading day of the past three months.	Trailing P/E ratio	26.69 22.36
	P/E estimate *	18.73 17.81
	Dividend yield	2.18 2.08
	All-time high	39807.37, 03/28/24



*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; †Based on Nasdaq-100 Index

Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg YTD	% chg 3-yr. ann.
Dow Jones									
Industrial Average	38662.28	38304.66	38461.51	-422.16	-1.09	39807.37	32417.59	14.3	2.0
Transportation Avg	15846.85	15555.68	15603.86	-366.40	-2.29	16695.32	13444.01	9.7	-1.9
Utility Average	869.47	857.01	864.42	-17.45	-1.98	975.39	783.08	-10.8	-2.0
Total Stock Market	51563.32	51146.51	51360.56	-560.55	-1.08	52402.86	40414.80	25.7	7.5
Barron's 400	1149.61	1126.55	1129.96	-19.65	-1.71	1166.53	881.58	22.6	5.4

Nasdaq Stock Market									
Nasdaq Composite	16200.10	16092.02	16170.36	-136.28	-0.84	16428.82	11799.16	35.6	7.7
Nasdaq-100	18040.83	17932.42	18011.65	-158.25	-0.87	18339.44	12725.11	40.2	7.0

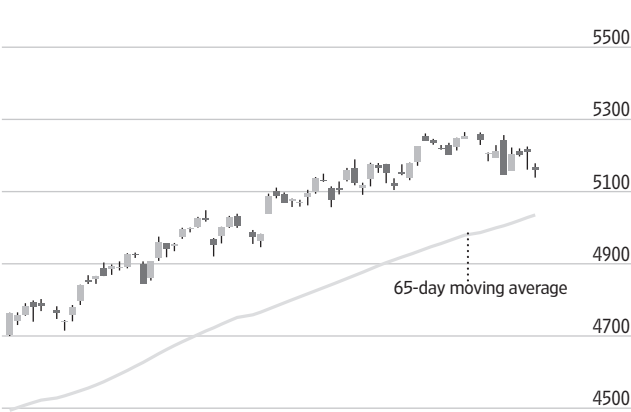
S&P									
500 Index	5178.43	5138.70	5160.64	-49.27	-0.95	5254.35	4055.99	26.1	8.2
MidCap 400	2971.17	2935.04	2945.15	-59.97	-2.00	3046.36	2326.82	18.5	5.9
SmallCap 600	1304.43	1277.61	1284.79	-38.91	-2.94	1344.66	1068.80	10.4	-2.5

Other Indexes									
Russell 2000	2044.27	2016.55	2028.39	-52.41	-2.52	2124.55	1636.94	14.4	0.1
NYSE Composite	18171.20	17878.38	17947.30	-223.90	-1.23	18312.67	14675.78	15.8	6.5
Value Line	608.34	593.25	595.82	-12.52	-2.06	615.81	498.09	7.7	0.3
NYSE Arca Biotech	5267.78	5154.50	5183.56	-84.22	-1.60	5511.46	4544.40	-2.9	-4.3
NYSE Arca Pharma	995.05	984.33	990.06	-4.99	-0.50	1029.37	837.32	12.9	8.8
KBW Bank	101.78	99.80	100.30	-3.11	-3.01	104.85	71.71	23.1	4.5
PHLX ^S Gold/Silver	138.10	134.46	136.79	-1.83	-1.32	144.37	102.94	-2.5	8.8
PHLX ^S Oil Service	94.28	92.69	93.80	0.20		98.76	69.29	13.4	11.8
PHLX ^S Semiconductor	4847.52	4761.11	4790.35	-80.46	-1.65	5165.83	2906.29	56.9	14.7
Cboe Volatility	16.62	14.59	15.80	0.82	5.47	21.71	12.07	-17.2	26.9

^SNasdaq PHLX

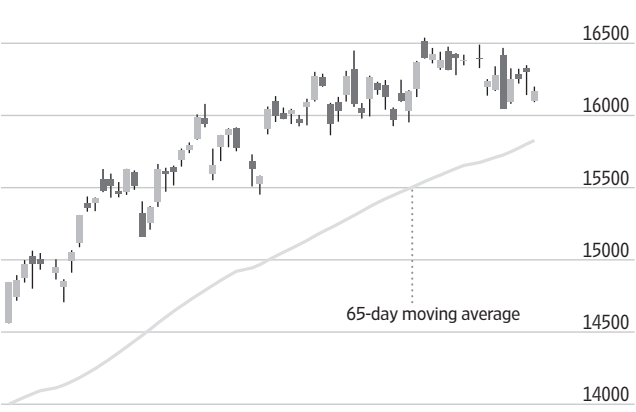
S&P 500 Index

5160.64 ▼49.27, or 0.95%	Last	Year ago
High, low, open and close for each trading day of the past three months.	Trailing P/E ratio *	24.36 18.12
	P/E estimate *	21.10 18.54
	Dividend yield *	1.40 1.69
	All-time high	5254.35, 03/28/24



Nasdaq Composite Index

16170.36 ▼136.28, or 0.84%	Last	Year ago
High, low, open and close for each trading day of the past three months.	Trailing P/E ratio **	30.15 26.34
	P/E estimate **	26.81 25.72
	Dividend yield **	0.85 0.85
	All-time high:	16428.82, 03/22/24



Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
Alpine Immune Sciences	ALPN	4,434.5	64.25	17.21	36.59	64.35	47.04
SPDR S&P 500 ETF Trust	SPY	3,993.7	513.83	-0.29	-0.06	514.30	513.16
Endeavor Group Holdings	EDR	2,910.3	26.39	...	unch.	26.45	26.37
Intel	INTC	2,698.0	37.20	...	unch.	37.22	37.13
Direxion Dly Semi 3 Bear	SOXS	2,096.5	3.44	0.01	0.29	3.46	3.42
Hewlett Packard Ent	HPE	2,084.1	17.97	-0.03	-0.17	18.22	17.90
ProSh UltraPro Shrt QQQ	SQQQ	2,080.2	10.92	0.02	0.18	10.98	10.90
Invesco QQQ Trust I	QQQ	2,057.8	438.06	-0.32	-0.07	438.45	424.92

Percentage gainers...

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
Rallybio Holdings	RLYB	1,496.8	2.26	0.63	38.65	2.40	1.63
Alpine Immune Sciences	ALPN	4,434.5	64.25	17.21	36.59	64.35	47.04
Vera Therapeutics	VERA	307.7	45.00	3.38	8.12	51.00	40.99
Easterly Govt Properties	DEA	53.8	11.88	0.56	4.95	11.88	11.32
Caribou Biosciences	CRBU	64.9	4.56	0.21	4.83	4.56	4.35

...And losers

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
Topgolf Callaway Brands	MODG	60.8	15.45	-0.78	-4.81	16.23	15.45
Patterson-UTI Energy	PTEN	87.0	11.66	-0.45	-3.72	12.13	11.66
Melco Resorts & Ent ADR	MLCO	461.1	7.00	-0.23	-3.18	7.23	7.00
LifeStance Health Group	LFST	53.5	5.95	-0.19	-3.09	6.14	5.95
CytomX Therapeutics	CTMX	115.8	2.04	-0.06	-2.86	2.10	1.95

Percentage Gainers...

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
Mobile-health Ntwk Solns	MNDR	6.70	2.70	67.50	8.79	4.00	...
Rent the Runway	RENT	7.40	1.97	36.28	69.20	4.46	-88.3
Infobird	IFBD	5.45	1.32	31.96	516.32	3.44	-98.7
Eco Wave Power Global ADR	WAVE	3.66	0.65	21.59	4.94	1.01	33.1
Alpine Immune Sciences	ALPN	47.04	8.10	20.80	47.84	6.71	548.8
Kuke Music Holding ADR	KUKE	2.50	0.42	20.19	2.79	0.42	129.4
DigiAsia	FAAS	8.73	1.45	19.92	13.99	4.76	-17.3
ICZOOM Group CI A	IZM	39.01	5.73	17.22	40.97	1.90	1596.1
Cartesian Therapeutics	RNAC	16.32	2.33	16.65	42.60	11.67	-53.1
GCT Semiconductor Holding	GCTS	7.40	1.03	16.17	56.00	5.00	-28.9

Etao International	ETAO	4.35	0.53	13.87	24.80	2.40	-73.2
Lipicine	LPNC	6.51	0.74	12.82	6.70	2.31	25.3
Prairie Operating	PROP	12.82	1.43	12.55	18.50	2.00	482.0
NioCorp Developments	NB	3.62	0.40	12.42	7.18	2.22	-47.5
Telomir Pharmaceuticals	TELO	7.69	0.84	12.26	20.72	4.76	...

Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	Low
Marin Software	MRIN	229,368	70003.5	0.65	126.30	0.94	0.24
ProSh UltraPro Shrt QQQ	SQQQ	177,840	34.0	10.90	2.73	32.73	10.05
Direxion Dly Semi 3 Bear	SOXS	173,425	23.8	3.43	4.89	23.22	2.76
Jaguar Health	JAGX	172,343	324.0	0.12	28.89	1.22	0.05
Nikola	NKLA	129,633	39.0	0.98	-2.14	3.71	0.52
Selina Hospitality	SLNA	127,740	1211.0	0.08	-2.93	1.65	0.04
Adial Pharmaceuticals	ADIL	105,034	2645.0	2.33	106.19	14.00	0.77
ProShares UltraPro QQQ	TQQQ	100,521	40.3	58.93	-2.63	64.13	25.17
C3is	CISS	100,065	175.2	0.03	-21.67	20.00	0.02
Tesla	TSLA	84,056	-18.3	171.76	-2.89	299.29	152.37

* Volumes of 100,000 shares or more are rounded to the nearest thousand

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Percentage Losers

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
Processa Pharmaceuticals	PCSA	1.84	-1.07	-36.77	18.00	1.45	-79.1
Aptevo Therapeutics	APVO	2.40	-0.86	-26.38	91.96	2.21	-97.0
Palisade Bio	PALI	4.07	-1.35	-24.91	36.60	4.07	-86.4
SMART Global Holdings	SGH	19.68	-6.24	-24.07	29.99	12.66	25.7
Ryde Group CI A	RYDE	2.15	-0.59	-21.53	8.12	2.02	...
Gyre Therapeutics	GYRE	13.88	-3.12	-18.35	30.40	3.00	338.8
Veritone	VERI	5.24	-1.15	-18.00	7.76	1.48	5.9
CareMax	CMAX	3.19	-6.24	-19.83	126.00	3.09	-96.2
Aterian	ATER	2.58	-0.47	-15.41	11.40	1.94	-73.1
Direxion Rg Banks BI 3X	DPST	63.91	-10.74	-14.39	107.86	34.60	-8.7
Direxion Homebldr BI 3X	NAIL	116.02	-18.74	-13.91	153.40	40.04	162.9
Golden Matrix Group	GMGI	2.48	-0.38	-13.29	3.75	1.95	14.8
Tourmaline Bio	TRML	19.91	-2.98	-13.02	48.31	9.18	9.4
DocGo	DCGO	3.35	-0.50	-12.99	10.82	2.78	-58.9
Leslie's	LESL	4.72	-0.70	-12.92	11.68	4.39	-55.7

Volume Movers

Ranked by change from 65-day average*

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	Low
Rent the Runway	RENT	3,339	7176	7.40	36.28	69.20	4.46
BlackRock AAA CLO ETF	CLOA	1,790	5911	51.60	0.06	51.79	50.31
NeoGames	NGMS	1,665	2803	29.29	0.97	29.31	12.51
Invesco HY Bd Factor	IHYF	482	2664	22.11	-0.58	22.42	20.78
Enerflex	EFXT	4,692	2576	6.10	0.66	8.36	3.94
TortoiseEcofin III CI A	TRTL	1,568	2183	10.77	...	11.21	10.21
WT US AI Enh Value Fd	AIVL	108	1843	99.60	-1.35	101.81	83.41
First Trust TCM EM Debt	EFIX	98	1808	16.25	-0.32	16.92	14.35
USCB Financial Holdings	USCB	283	1602	10.86	-2.95	12.97	8.56
ZEGA Buy & Hedge ETF	ZHGD	180	1393	18.52	-0.68	18.91	16.25

* Common stocks priced at \$2 a share or more with an average volume over 65 trading days of at least 5,000 shares *Has traded fewer than 65 days

CURRENCIES & COMMODITIES

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

US\$/vs			US\$/vs		
Country/currency	— Wed — in US\$	per US\$ YTD chg (%)	Country/currency	— Wed — in US\$	per US\$ YTD chg (%)
Americas			Vietnam dong		
Argentina peso	.0012865	1898	7.0	.00004009	24945
Brazil real	.1971	5.0743	4.6		2.8
Canada dollar	.7308	1.3684	3.3	Europe	
Chile peso	.001055	948.00	8.3	Czech Rep. koruna	.04223 23.678
Colombiapeso	.000263	3807.35	-1.8	Denmark krone	.1440 6.9443
Ecuador US dollar	1	1	unch	Euro area euro	1.0745 .9307
Mexico peso	.0608	16.4412	-3.1	Hungary forint	.002746 364.21
Uruguay peso	.02597	38.5100	-1.4	Iceland krona	.007147 139.91
Asia-Pacific			Norway krona	.0923	10.8354
Australiadollar	.6513	1.5354	4.6	Poland zloty	.2518 3.9711
China yuan	.1382	7.2339	1.7	Sweden krona	.0933 10.7190
Hong Kong dollar	.1276	7.8367	0.3	Switzerland franc	1.0953 .9130
India rupee	.01199	83.402	0.3	Turkey lira	.0310 32.3051
Indonesia rupiah	.0000626	15980	3.8	Ukraine hryvnia	.0257 38.9500
Japan yen	.006529	153.17	8.6	UK pound	1.2540 .7974
Kazakhstan tenge	.002232	447.96	-1.1	Middle East/Africa	
Macau pataca	.1238	8.0750	0.3	Bahrain dinar	2.6532 .3769
Malaysia ringgit	.2106	4.7480	3.3	Egypt pound	.0210 47.5388
New Zealand dollar	.5975	1.6736	5.8	Israel shekel	.2673 3.7413
Pakistan rupee	.003602	277.950	-1.1	Kuwait rial	3.2520 .3075
Philippines peso	.0177	56.552	2.1	Oman sul rial	2.5978 .3849
Singapore dollar	.7387	1.3538	2.6	Qatar rial	.2746 3.641
South Korea won	.0007331	1364.04	5.4	Saudi Arabia riyal	.2666 3.7513
Sri Lanka rupee	.0033506	298.45	-7.9	South Africa rand	.0533 18.7764
Taiwan dollar	.03106	32.196	4.9		
Thailand baht	.02728	36.660	6.6		
				Close	Net Chg
				% Chg	YTD % Chg
			WSJ Dollar Index	99.65	0.90 0.92
					3.98
Sources: Tullett Prebon, Dow Jones Market Data					

Futures Contracts

Metal & Petroleum Futures						
	Open	Contract High	Low	Settle	Chg	Open interest
Copper-High (CMX) -25,000 lbs.; \$ per lb.						
April	4.2745	4.2745	4.2645	4.2820	-0.0040	1,108
May	4.3000	4.3350	▲ 4.2410	4.2820	-0.0035	139,379
Gold (COMX) -100 troy oz.; \$ per troy oz.						
April	2346.60	2358.10	2327.70	2329.60	-13.90	441
May	2358.90	2365.90	2325.60	2336.60	-14.00	1,728
June	2372.40	2378.10	2337.10	2348.40	-14.00	424,133
Aug	2393.00	2399.30	2359.20	2370.10	-13.80	41,835
Oct	2415.30	2421.00	2382.40	2392.10	-13.30	10,441
Dec	2436.30	2442.40	2403.40	2414.60	-12.30	20,426
Palladium (NYM) -50 troy oz.; \$ per troy oz.						
April				1051.70	-22.40	3
June	1101.50	1110.00	1046.00	1058.40	-27.70	20,095
Platinum (NYM) -50 troy oz.; \$ per troy oz.						
April	966.00	966.00	958.70	964.60	-7.80	7
July	991.90	997.40	971.30	976.40	-7.70	72,151
Silver (COMX) -5,000 troy oz.; \$ per troy oz.						
April	27.765	27.995	27.765	27.961	0.070	228
May	28.270	28.655	▲ 27.640	28.052	0.068	102,256
Crude Oil, Light Sweet (NYM) -1,000 bbls.; \$ per bbl.						
May	85.34	86.38	84.55	86.21	0.98	224,922
June	84.57	85.60	83.86	85.44	0.98	297,635
July	83.79	84.80	83.16	84.63	0.95	173,102
Sept	82.11	83.04	81.61	82.87	0.85	115,612
Dec	79.62	80.48	79.19	80.28	0.75	183,365
June'25	75.64	76.49	75.43	76.27	0.64	97,461
NY Harbor ULSD (NYM) -42,000 gal.; \$ per gal.						
May	2.6743	2.7179	2.6555	2.7076	-0.036	68,897
June	2.6748	2.7135	2.6542	2.7038	-0.029	72,812
Gasoline-NY RB08 (NYM) -42,000 gal.; \$ per gal.						
May	2.7538	2.7902	2.7276	2.7816	-0.026	117,186
June	2.7257	2.7655	2.7073	2.7569	-0.027	93,773
Natural Gas (NYM) -10,000 MMBtu.; \$ per MMBtu.						
May	1.888	1.943	1.867	1.885	-0.013	250,048
June	2.085	2.118	2.054	2.074	-0.010	170,042
July	2.397	2.416	2.355	2.376	-0.001	206,610
Sept	2.487	2.509	2.457	2.475	-0.006	142,283
Oct	2.576	2.600	2.549	2.566	-0.007	105,404
March'25	3.223	3.246	3.206	3.227	-0.020	79,814

Agriculture Futures						
Corn (CBT) -5,000 bu.; cents per bu.						
May	431.00	435.75	430.75	434.25	3.00	448,890
July	442.00	446.75	442.00	445.75	3.25	470,248
Oats (CBT) -5,000 bu.; cents per bu.						
May	330.00	340.25	328.50	337.75	8.00	3,143
July	325.00	337.75	325.00	335.50	11.25	1,652
Soybeans (CBT) -5,000 bu.; cents per bu.						
May	1174.75	1180.75	1163.00	1164.75	-9.75	272,287
July	1186.75	1193.25	1176.25	1178.00	-9.75	277,453
Soybean Meal (CBT) -100 tons; \$ per ton.						
May	335.60	336.90	330.60	330.90	-4.70	154,064
July	338.50	339.70	334.10	334.50	-4.10	169,690
Soybean Oil (CBT) -60,000 lbs.; cents per lb.						
May	47.61	48.03	46.92	47.60	.08	159,315
July	48.11	48.55	47.47	48.12	.08	191,198
Rough Rice (CBT) -2,000 cwt.; \$ per cwt.						
May	16.68	17.48	16.62	17.15	.54	4,982
Sept	14.79	14.85	14.75	14.81	.19	2,326
Wheat (CBT) -5,000 bu.; cents per bu.						
May	558.50	567.25	555.75	558.50	.75	131,608
July	572.50	581.50	570.50	573.50	1.50	151,309
Wheat (KO) -5,000 bu.; cents per bu.						
May	577.00	596.75	576.25	594.50	17.25	73,000
July	573.25	589.75	573.25	587.75	13.50	112,623
Cattle-Feeder (CME) -50,000 lbs.; cents per lb.						
April	240.300	240.750	237.100	238.275	-2.425	4,213
Aug	249.700	250.775	▼ 246.350	247.600	-2.500	16,354
Cattle-Live (CME) -40,000 lbs.; cents per lb.						
April	180.450	180.950	178.525	179.075	-1.625	16,124
July	174.675	175.275	172.175	172.850	-2.000	120,647
Hogs-Lean (CME) -40,000 lbs.; cents per lb.						
April	91.425	91.800	▲ 91.150	91.750	1.150	18,191
June	109.150	109.650	▲ 104.825	105.550	-3.025	110,197
Lumber (CME) -27,500 bd ft. \$, per 1,000 bd ft.						
May	555.50	557.50	▼ 551.00	552.50	-3.00	5,952
July	578.00	579.00	574.00	578.50	...	1,975
Milk (CME) -200,000 lbs.; cents per lb.						
April	15.53	15.59	15.46	15.56	...	4,974
May	16.69	16.93	16.59	16.66	-0.04	7,149
Cocoa (ICE-US) -10 metric tons; \$ per ton.						
May	10,300	10,629	▲ 10,148	10,411	207	23,807

Macro & Market Economics

Watching the Gauges: U.S. Supply and Demand

Inventories, imports and demand for the week ended April 5. Current figures are in thousands of barrels or thousands of gallons per day, except natural-gas figures, which are in billions of cubic feet. Natural-gas import and demand data are available monthly only.

Inventories, 000s barrels						
	Current	Expected change	Previous week	Year ago	4-week avg	5-year avg
Crude oil and petroleum prod						
Crude oil	1,227,499	...	1,215	1,235	1,218	1,254
excluding SPR	457,258	800	451	471	450	470
Gasoline	228,531	...	228	222	230	236
Finished gasoline	13,774	-1,400	13	16	14	20
Reformulated	22	...	0	0	0	0
Conventional	13,752	...	13	16	14	20
Blend, components	214,756	...	215	207	216	216
Natural gas (bcf)						
	2,259	...	2	2	2	2
Kerosene-type						
jet fuel	41,189	...	41	39	41	39
Distillates	117,728	-600	116	112	117	125
Heating oil	7,027	...	7	7	7	9
Diesel	110,701	...	110	105	110	58
Residual fuel oil	29,360	...	30	31	30	32
Other oils	275,521	...	271	278	271	279
Net crude, petroleum products, incl. SPR						
	1,591,735	...	1,579	1,604	1,581	1,823

Imports, 000s barrels per day						
	Current	Expected change	Previous week	Year ago	4-week avg	5-year avg
	8,801	...	8,283	8,468	8,292	8,111
	6,434	...	6,618	6,193	6,508	5,924
	730	...	488	813	559	738
	221	...	109	149	114	180
	0	...	0	0	0	0
	221	...	109	149	114	180
	529	...	379	664	445	558
	...	...	...	...	...	...
	135	...	137	137	133	179
	163	...	104	233	151	146
	2	...	1	0	1	0
	161	...	103	233	150	145
	161	...	157	90	118	198
	1,070	...	656	897	706	804
	-760	...	-1,677	-203	-2,240	-1,081

Weekly Demand, 000s barrels per day

	Current	Expected change	Previous week	Year ago	4-week avg	5-year avg
Total petroleum product						
	19,236	...	21,292	19,055	19,950	18,327
Finished						
motor gasoline	8,612	...	9,236	8,936	8,843	8,242
Kerosene-type						
jet fuel	1,608	...	1,735	1,524	1,622	1,351
Distillates	2,985	...	3,495	3,763	3,574	3,673
Residual fuel oil	551	...	517	87	341	183
Propane/propylene	1,305	...	1,429	975	1,099	...
Other oils	4,176	...	4,882	3,770	4,473	...

Note: Expected changes are provided by Dow Jones Newswires' survey of analysts. Previous and average inventory data are in millions. Sources: FactSet; Dow Jones Market Data; U.S. Energy Information Administration; Dow Jones Newswires

Exchange-Traded Portfolios | wsj.com/market-data/mutualfunds-etfs

Largest 100 exchange-traded funds. Preliminary close data as of 4:30 p.m. ET						ETF								
Wednesday, April 10, 2024						ETF								
ETF	Symbol	Closing Price	Chg (%)	YTD (%)	ETF	Symbol	Closing Price	Chg (%)	YTD (%)	SPDR S&P MidCap Tr	SDY	537.60	-1.20	6.0
CommSvsSPDR	XLC	81.97	-0.79	12.8	iSh1-5YIGCpBd	IGSB	50.72	-0.57	-1.1	SPDR S&P Div	MDY	127.89	-1.55	2.3
CnsmrDiscSel	XLV	178.59	-1.54	-0.1	iSh1-3YTreabD	SHY	81.06	-0.41	-1.2	TechSelectSector	XLK	204.71	-1.23	6.4
DimenUSCoreEq2	DFAC	31.20	-1.33	6.7	iShRussMIC	IWR	81.91	-1.63	5.4	VanEckSemicon	SMH	222.15	-0.87	27.0
EnSelSectorSPDR	XLE	97.79	-0.31	16.6	iShRuss1000	IWB	283.06	-1.02	7.9	VangdSclVal	VBR	184.52	-2.34	2.5
FinSelSectorSPDR	XLF	40.89	-1.49	8.8	iShRuss1000Grw	IWF	332.64	-0.73	9.7	VangdExtMkt	VFX	169.38	-2.40	3.0
GrayscaleBitcoin	GBTC	62.47	1.66	80.4	iShRuss1000Val	IWD	174.77	-1.43	5.8	VangdSCL Grwth	VBS	252.28	-1.94	4.3
HealthCRetSelect	XLV	141.59	-1.17	3.8	iShRuss2000	IWM	200.93	-2.64	0.1	VangdDivApp	VTV	177.58	-1.20	4.2
IndSelSectorSPDR	XLI	124.09	-0.85	8.9	iShSP500Grw	IWS	83.69	-0.66	11.4	VangdTSEAXXVus	VEU	57.92	-1.36	3.2
InvsNasd100	QQQM	180.38	-0.86	7.0	iShSP500Value	IWE	181.71	-1.37	4.5	VangdTSEEWkMk	VEA	49.21	-1.50	2.7
InvsQQQ	QQQ	436.37	-0.87	7.0	iShSelectDiv	IYV	119.39	-2.33	1.9	VangdTSEEM	VWO	42.28	-1.10	2.9
InvsSP500EW	RSP	164.71	-1.70	4.4	iSh7-10YTreabD	DIV	92.06	-1.33	-4.5	VangdTSE Europe	VGD	66.17	-1.18	2.6
iSBtcoin	IBIT	40.00	1.70	...	iShShortTreaBd	SHV	110.18	-0.01	0.0	VangdGrowth	VUG	340.85	-0.88	9.6
iShCoreDivGrowth	DEFA	56.61	-1.19	5.2	iShTIPSBond	TIP	105.84	-0.96	-1.5	VangdHDiv	VHM	118.05	-1.22	3.6
iShCoreMSCIEAFE	IEFA	72.84	-1.33	3.5	iSh20+YTreabD	TLT	90.22	-2.18	-8.8	VangdIntfTrea	VIT	514.08	-0.91	6.2
iShCoreMSCIEM	IEMG	52.83	-1.37	2.5	iShUSTreasuryBd	GOVT	22.25	-1.07	-3.4	VangdIntrCorpBd	VCIT	78.74	-1.18	-3.1
iShCoreMSCITotInt	IXUS	67.10	-1.40	3.3	iSh3MTreabD	SEPI	100.43	0.02	0.2	VangdInternTrea	VPI	57.34	-1.09	-3.3
iShCoreSP500	IUV	516.72	-0.97	8.2	JPM EqPrem	JEP	56.68	-0.93	3.1	VangdGLC	VY	236.02	-0.89	8.2
iShCoreS&P MC	IVH	58.78	-2.03	6.0	JPM USStnrm	JPST	50.27	-0.08	0.1	VangdMegaGrwth	MKG	283.66	-0.56	9.3
iShCoreS&P SC	IJR	113.14	-2.88	-2.4	PacerUSCashCos	COWZ	57.03	-1.25	9.7	VangdMCD	MDY	243.71	-1.49	4.8
iShCoreS&P SC	IJR	113.14	-2.88	-2.4	ProShUltPrQQQ	TOQQ	58.93	-2.63	16.2	VangdRealEst	VNQ	82.41	-1.41	-6.7
iShCoreS&P TotsB	ITOT	113.14	-1.11	7.5	SPDRBIB3-MTBT	BIL	91.54	0.02	0.2	VangdRuss1000Grw	VGR	85.61	-0.72	9.7
iShCoreTotUSDiv	IUSB	44.63	-1.15	-3.1	SPDRDJIA Tr	DIA	384.51	-1.11	2.0	VangdS&P500ETF	VO	472.65	-0.97	8.2
iShCoreUSAggBd	AGG	95.76	-1.20	-3.5	SPDR Gold	GLD	215.61	-0.98	3.4	VangdTST Bond	BSV	75.89	-0.56	-1.5
iShEdgeMSCIMUNIA	USMV	81.51	-0.97	4.5	SPDR Vexxus	VXX	35.89	-1.28	3.4	VangdTSCPBr	VCSH	76.51	-0.57	-1.1
iShEdgeMSCIASQUAA	QUAL	160.88	-0.97	9.3	SPDRSP500Value	SPYV	321.82	-1.36	3.2	VangdShortBd	VESH	77.58	-0.42	-1.3
iShGoldTr	IAU	106.40	-0.97	12.8	SPDRSP500Value	SPYV	321.82	-1.36	3.2	VangdT208	VBT	22.88	-0.87	-2.4
iShBoxxSP500CpBd	IBOX	106.40	-1.42	-4.2	SPDRSP500+P500	SPPLG	64.48	-0.98	8.2	VangdTActExemptBd	VTEB	49.83	-0.62	-2.4
iShMBB	MBB	90.14	-1.49	-4.2	SPDRSP500Grw	SPYG	72.52	-0.66	11.5	VangdTTotalBd	BND	71.04	-1.17	-3.4
iShMSCIACWI	ACWI	108.37	-1.14	6.5	SPDRSP500	SPY	514.12	-1.00	8.2	VangdTTotalBdStk	BNDX	48.73	-0.55	-1.3
iShMSCIEAFE	EFA	78.30	-1.32	3.9	SchwabIntlEquity	SCH	38.27	-1.47	3.5	VangdTTotalStk	VXUS	59.62	-1.41	2.9
iShMSCIEM	EEM	41.23	-1.36	2.5	SchwabUS BrdMkt	SCHB	59.88	-1.12	7.6	VangdTTotalStk	VTI	254.97	-1.12	5.7
iShNatlMunibd	MUB	106.16	-0.68	-2.1	SchwabUS Div	SCHD	78.13	-1.79	2.6	VangdTotWrldStk	VW	108.76	-1.15	7.5
					SchwabUSLC	SCHX	61.01	-1.02	8.2	VangdValue	VTV	158.77	-1.26	6.2
					SchwabUSLC Grw	SCHG	91.89	-0.64	10.8	WTRTREA	USFR	50.39	0.02	0.3

BIGGEST 1,000 STOCKS

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities and are color-coded by trades reported from various market centers, including securities exchanges, Finra, electronic communications networks and other broker-dealers. The list comprises the 1,000 largest companies based on market capitalization.

Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume.

Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher.

Footnotes:
F-New 52-week high; I-New 52-week low; **dd**-Indicates loss in the most recent four quarters.

Stock tables reflect composite regular trading as of 4 p.m. ET and changes in the official closing prices from 4 p.m. ET the previous day.

Stock	Sym	Close	Net Chg
AEOM	ACM	94.97	-1.17
AES	AES	17.68	-0.61
Aflac	AFS	82.92	-0.25
AGCO	AGCO	125.37	1.45
Ansys	ANSS	339.49	-5.01
APA	APA	35.05	0.16
ASE Tech	ASA	10.95	-0.16
ASML	ASML	94.61	-15.22
AT&T	T	16.73	-0.17
Abbott Labs	ABT	117.11	-1.27
AbbVie	ABBV	169.03	-1.11
AirProducts	APD	235.21	-3.71
AcuityBrands	AVY	26.01	-0.24
Adobe	ADBE	482.27	-5.33
AdvDrainageSys	WMS	165.21	-4.34
AdvMedical	AMD	167.14	-3.64
Aegion	AEG	6.19	-0.07
AerCap	AEC	85.04	-0.99
AffirmHldgs	AFRM	33.77	-1.80
AgilentTechs	A	144.16	-2.34
AgilentProducts	AEM	61.26	-0.95
Airbus	ADP	235.21	-3.71
Airbnb	ABNB	160.28	-2.38
Alkermes	AKAM	104.38	-3.19
Albermarle	ALB	127.65	-1.51
Albertsons	ACI	20.86	-0.07
Alcon	ALC	82.19	-0.49
AlexandriaRest	ARE	122.76	-6.84
Alibaba	BABA	74.59	1.60
AllogTech	ALGN	327.82	-4.33
Allegation	ALLE	129.13	-4.75
Ally Bancorp	LYT	48.68	-1.31
Ally	ACI	124.95	-1.42
AllyFinancial	ALLY	37.89	-1.26
AlynnPharm	ALNY	152.41	-3.49
Alphabet A	GOOG	156.14	-0.46
Alphabet C	GOOGL	157.66	-0.48
Altria	MO	41.68	-0.43
Amazon.com	AMZN	185.95	0.28
Ambev	ABEV	23.8	-0.07
Amarco	AMR	9.11	-0.27
Amcinos	AMC	87.21	-1.38
Amercan	AEE	72.88	-1.71
AmericaHomes	AMH	18.50	-0.44
Amer	AAL	13.41	-0.54
AEP	AEP	83.29	-1.79
AmerExpress	AXP	217.65	-2.19
AmericanFin	AFG	129.27	-1.71
AmericanRent	ARM	36.06	-0.50
AIG	AIG	75.32	-0.20
AmerTowerREIT	AMT	181.96	-0.85
AmerWater	AWK	118.31	-3.54
Ameriprise	AMP	129.95	-1.43
Amgen	AMGN	266.45	-3.91
AmgenTech	ACT	32.14	-1.34
Amphenol	APH	114.76	-0.22
AnalogueDevices	ADI	196.33	-7.79
AngloGoldAsh	ANG	23.04	-0.43
AB InBev	BUD	59.57	-1.03
AnnalyCap	NLY	18.59	-0.85
AntaresResources	AR	30.49	0.26
Aon	AON	316.00	-2.40
API Group	APG	38.89	-0.67
ApolloGblMgmt	APOL	114.22	-3.35
AppFolio	APF	225.40	-7.08
Apple	AAPL	167.78	-1.89
AppliedIntTechs	AIT	192.32	-4.33
ApplMaterials	AMAT	209.25	-1.16
AppLovin	APP	76.34	-0.18
Apptogen	APT	139.40	-0.91
Apiv	APT	74.95	-3.98
Arm	ARMK	31.90	-0.31
Armark	ARM	27.62	-0.36
ArchMittal	MT	92.19	-0.97
ArchCapital	ACM	92.19	-0.97
ADCM	ADCM	63.89	-0.01
AresMgmt	ARES	134.04	-0.24
argenx	ARGX	382.78	-1.36
AristaNetworks	ANET	288.22	-6.53
Arm	ARM	125.18	-1.63
AscendisPharma	ASND	152.58	-1.09
AscentisPharm	AZPN	209.97	-3.39
AZ	AZ	127.11	-1.31
AsterasLabs	ALAB	71.31	2.94
AstraZeneca	AZ	68.11	-0.30
Atlassian	TEAM	204.74	1.82
AtomisEnergy	ATO	115.08	-1.56
Autodesk	ADSK	239.01	-8.92
Autoliv	ALV	117.93	-6.23
ADP	ADP	245.79	-4.22
AutoZone	AZ	205.75	-17.87
Avanobay	AVB	186.10	-2.76
Avantor	AVTR	25.56	-0.20
AveryDennison	AVY	215.52	-4.00
AxonEnterprise	AXON	318.26	6.99
BCE	BCE	32.77	-0.40
BCHP Group	BCH	59.68	-0.81
BJ'sWholesale	BJ	79.40	2.21
BP	BP	39.42	-0.13
Baidu	BIDU	96.50	-0.53
Baxter	BX	34.15	-0.04
BerkHathaway	BK	66.77	-0.59
BBVA	BBVA	11.13	-0.27
BancoBradesco	BBD	2.56	-0.12
BancoBdi	BK	22.80	-0.20
BancoSanBrasil	BSBR	54.1	-0.29
BcoSanChile	BSAC	19.68	-0.61
BancoSantander	BAN	4.87	-0.05
BancoNacional	CIB	35.81	-0.73
BankofAmerica	BAC	36.65	-1.08
BankMontreal	BMO	95.57	-1.29
BankNydMelon	BK	35.81	-1.52
BankNovaScotia	BNS	49.02	-1.44
Barclays	BCS	9.59	-0.14
BarrickGold	GOLD	17.90	-0.11
Bath&BodyWorks	BBWI	45.37	-0.77
BaxterIntl	BAX	42.00	-0.83
BectonDickson	BDX	240.99	-4.82
Beigene	BGR	149.76	-4.26
BelRing	BRNE	56.22	-1.00
BentleySystems	BSY	49.63	-0.90
Berkley	WRB	83.93	0.19
BerkHathaway	BK	66.77	-0.59
BerkHathaway	BK	66.77	-0.59
BestBuy	BBY	89.99	-2.66
Bio-Techne	TECH	69.51	-1.72
Bio-RadLabs	BIO	331.09	-8.39
Biogen	BIIB	201.55	-9.27
BiopharmMarin	MRN	90.21	1.23
BionTech	BTX	88.65	-1.40
Birkenstock	BIRK	43.42	-1.79
BlackRock	BLK	783.65	-12.05
Blackstone	BX	126.08	-5.92
Block	SQ	78.51	-1.47
BlueOwlCapital	OWL	18.93	-0.41
Boeing	B	174.63	-3.49
Booking	BKNG	358.13	4.65
BoozAllen	BAL	127.41	-0.79
BorgWarner	BWA	34.83	-0.78

Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg		
HCA Healthcare	HCA	327.76	-1.13	LyondellBasell	LYB	103.53	-1.23	PayPal	PYPL	65.88	-1.12	SunComms	SUI	123.77	-4.43	ToyotaMotor	TM	244.79	-2.14		
HDPC Bank	HDB	58.48	-0.59	M N				Pearson	PSO	12.57	-0.10	UnileFinancial	SUI	52.46	-0.72	TractorSupply	TSC	253.30	0.11		
HF Sinclair	DINO	60.81	-0.26		PembinaPeltro	PBA	35.18	-0.33	SuncorEnergy	SU	39.31	0.58	TradeDesk	TTD	86.44	-0.40	W X Y Z				
HDR	HPQ	29.95	-1.02		PenskeAuto	PAG	150.14	-0.28	SuperMicro	SMCI	90.84	0.34	Tradeweb	TW	103.18	0.15		WEC Energy	WEC	79.72	-0.19
HSCB	HTHT	41.81	0.65		Pentair	PNR	92.46	-1.27	Suzano	SUZ	12.14	-0.21	TransTech	TT	29.54	-2.68		WEX	WEX	24.58	2.71
H World	HLTH	39.82	-0.17		Penumbra	PEN	22.10	-1.81	SynchronyFin	SFY	41.44	-0.89	TransDigm	TDG	121.91	3.98		WPCarey	WPC	55.66	-0.20
Haleon	HLN	81.17	-0.12	PepsiCo	PEP	168.95	-1.66	Synopsys	SNPS	561.23	-7.76	TransUnion	TRU	76.36	-3.35	WPP		WPP	47.53	-0.40	
Halliburton	HAL	41.11	0.13	PerformanceFood	PFRC	71.21	-0.27	Sysco	SYV	76.96	-0.55	Travelers	TRV	224.38	0.54	Wabtec	WAB	147.52	-0.14		
HartfordFinl	HFC	99.31	0.44	1PermianRscs	PR	18.04	-0.04	T U V								WalgreensBoots	WBA	180.04	-1.16		
Hasbro	HAS	56.78	-0.55	PetroleBrasil	PBR	16.16	0.28		TC Energy	TRP	37.16	-1.18	TripCom	TCOM	40.48	-0.25	Walmart	WMT	60.62	0.83	
HealthPeakProP	DOC	18.68	-0.66	PetroleBrasil	PBR	16.16	0.28		TD Synnex	SNX	114.92	-1.39	TrustFruit	TF	37.50	-1.47	WarnerBroks	WBT	8.32	-0.37	
Heico	HEI	190.73	2.97	Pfizer	PFE	26.32	-0.46		TE Connectivity	TEL	144.94	-2.93	Twilio	TWLO	61.85	0.24	WarnerMusic	WMG	34.96	-0.24	
Heico A	HEIA	154.65	2.20	PhilipMorris	PM	89.72	-1.35		Telus	TU	16.20	-0.22	TylerTech	TYL	411.85	-11.35	West	W	20.80	1.72	
HenrySchein	HSC	71.86	-1.31	Phillips66	PSX	165.16	-0.25	Tier1	TX	44.18	-0.18	UbsGroup	UBS	29.17	-1.24	WasteMgt	WM	29.26	0.20		
Hershey	HSY	192.03	-2.55	PilgrimSPride	PPG	35.19	-0.32	Time	TIMB	17.55	-0.61	Uhaul	UHAL	64.82	-3.29	Waters	WAT	337.15	-0.88		
Hess	HES	157.99	0.15	PinnacleWest	PNW	72.20	-2.42	TFI Intl	TFI	159.07	-3.02	U-Haul N	UHAL	62.69	-4.35	Watcos	WCO	43.24	-13.75		
HessMidstream	HESM	35.74	-0.32	Pinterest	PINS	33.50	-1.16	Tim	TIMB	17.55	-0.61	UbsGroup	UBS	29.17	-1.24	Wayfair	W	121.73	0.89		
HewlettPackard	HPE	18.00	-0.02	PioneerHatch	PXD	275.32	0.04	TJM	TJM	96.28	-0.82	Uhaul	UHAL	64.82	-3.29	WestfieldInd	WFRD	121.83	0.52		
Hilton	HIL	209.59	-3.82	PlainsAllAmppc	PAA	18.13	-0.40	TKO	TKO	97.55	0.05	U-Haul N	UHAL	62.69	-4.35	WebsterFin	WBS	46.91	-1.70		
Hologic	HOLX	77.61	-0.80	PlainsGP	PAGP	19.10	-0.21	T-MobileUS	TMO	160.38	-0.62	Us Foods	USFD	51.64	-0.14	WellsFargo	WFC	56.94	-0.64		
HomeDepot	HD	350.56	-10.86	Poal	POOL	38.15	-18.73	TPG	TPG	74.47	-0.30	Uwm	UWMG	6.26	-0.50	Welltower	WELL	90.20	-1.80		
HondaMotor	HMC	36.58	-0.46	Primerica	PR	243.23	0.29	Truist	TRU	116.58	-3.07	Uber	UBER	74.35	-0.39	Westcott	WCC	167.02	-0.76		
Honeywell	HON	195.65	-2.76	PrincipalFinl	PFG	81.27	-1.54	Twain	TW	146.22	0.82	Upath	PATH	21.41	-0.39	WestPharmSci	WST	39.77	-2.61		
HomeFoods	HRL	34.77	-0.54	ProcoreTech	PCOR	75.52	-3.71	TakeTwoSoftw	TWO	152.12	-2.58	UltraBeauty	ULTA	459.05	-3.85	WesternDigital	WDC	72.25	-0.40		
DR Horton	HLI	148.52	-10.12	Procter&Gambl	PG	152.24	0.58	TakedaPharm	TAK	135.7	-0.08	Unilever	UL	47.74	-0.66	WesternMidstn	WMS	35.47	-0.02		
HostHots	HST	14.54	-0.58	Progressive	PGR	206.15	1.34	Tapestry	TPR	41.44	-1.25	UnitedPacific	UNP	23.65	-3.94	Westlake	WLK	157.49	-0.57		
HoulihanLokey	HLI	129.21	-1.94	Prologis	PLD	120.62	-0.56	TargareStores	TRGP	114.68	-0.27	UnitedAirlines	UAL	36.27	-1.07	WestRock	WRK	40.10	-0.05		
HuaweiKong	HWM	65.25	-0.60	PrudentialFinl	PRU	112.72	-1.58	Target	TGT	171.62	-0.01	UnitedMicro	UMC	1.88	-0.31	Weyerhaeuser	WY	33.60	-1.43		
Humble	HUM	406.91	-2.26	Prudential	PRU	112.72	-1.58	TechnipFMC	FTI	26.95	0.76	UPS B	UPS	147.26	-0.39	WheatonPrtSci	WPM	51.31	0.31		
HubbSpot	HUBS	65.71	-1.42	PublicServiceE	PEG	65.57	-0.49	TeckResources	TECK	49.48	13.28	UnitedRentals	UR	682.13	-14.63	Williams	WMB	38.88	-0.26		
Humana	HUM	319.17	-0.45	PublicStorage	PSA	27.85	-17.49	TeleDeaneTech	TDY	40.28	24.58	Us Bancorp	USB	42.03	0.91	Williams-Sonoma	WSM	29.24	-15.75		
Huntington	HUN	131.17	-2.40	PutnamGroup	PSTG	199.40	-5.99	Teleflex	TFX	218.24	-5.55	Us Steel X	X	42.61	0.68	WillisTowers	WTC	263.83	-1.27		
HuntingtonBchs	HBT	13.58	-0.46	PutnamGroup	PSTG	199.40	-5.99	Ericsson	ERIC	5.09	-1.13	Us Steel X	X	42.61	0.68	WillisTowr	WTC	42.02	-1.17		
Huntington	HUN	131.17	-2.40	Qagen	QGEN	41.18	-0.79	EvolutionBras	VBV	9.88	-0.27	UnitedHealth	UNH	450.05	-9.67	WintScotMobile	WSC	121.47	-1.27		
Huntington	HUN	131.17	-2.40	Qorvo	QO	119.38	-3.11	Telefonica	TEF	42.7	-0.04	UnitySoftware U	U	25.92	-1.16	Wingstop	WING	56.05	5.73		
HyattHotels	H	15.89	-1.48	Qualcomm	QCOM	170.86	-4.71	TelekomIndonesia	TLK	20.19	-0.38	UnityDisplay	ALD	163.64	-3.72	Wipro	WIP	35.01	-0.71		
ICI Bank	IBN	26.43	-0.19	QuantasFees	PWR	254.20	-2.10	TempuSearly	TPX	50.22	-1.57	UniversalHealth	UHS	170.23	-1.27	Wixcom	WIX	131.23	-4.86		
IdexLab	IDXX	504.14	-15.67	QuestDiatg	QDG	13.62	-1.13	Tenaris	TS	39.98	0.40	UnumGroup	UNM	51.09	-0.54	WoodsideEnergy	WDS	19.48	-0.40		
ING Group	ING	16.84	-0.19	R S				TencentMusic	TME	11.85	0.01	Upro	UPRO	28.11	-1.69	Woodward	WWD	149.93	-2.66		
Invesco	IVZ	15.87	-1.07		RBC Bearings	RBC	263.42	-3.73	TenetHealthcare	THC	101.10	-0.71	Vail Resorts	MTN	231.93	-0.33	WoofinFl	WFO	30.32	-1.15	
IQVIA	IQV	239.41	-5.92		RGL Global	RGL	73.81	-0.49	Teradyne	TER	106.46	-5.12	Vale	VALE	11.2	-0.35	Workday	WDAY	266.86	-0.24	
ITT	ITT	129.73	-2.32		RELX	RELX	41.54	-0.69	Tesla	TSLA	171.70	-4.79	Vale	VALE	11.2	-0.35	WynnResort	WYNN	42.44	-2.25	
ITT	ITT	129.73	-2.32		RELX	RELX	41.54	-0.69	TetraTech	TET	192.11	-2.40	ValeroEnergy	VLO	175.70	-0.56	XP	XP	24.19	-1.14	
ixentEnterprises	IEP	17.38	-0.13	RELM	RELM	110.64	-2.43	TevaPharm	TEVA	13.85	-1.12	VeranoSystems	VMS	210.92	-5.62	XPO	XPO	125.71	-1.63		
Icon	ICLR	312.51	-6.63	RPTX	RPTX	101.36	-2.24	TexasInstrmnts	TXI	168.92	-4.54	Verato	VLTO	88.20	-1.61	XcelEnergy	XEL	55.73	-0.62		
IDEX	IDEX	236.39	-5.19	RTX	RTX	101.36	-2.24	TexasPaadAnd	TPA	59.22	4.81	VeriSign	VRSN	188.31	-1.38	Xylem	XYF	128.19	-0.74		
IdexLab	IDXX	504.14	-15.67	RTX	RTX	101.36	-2.24	TexasRoads	TXRH	49.41	0.15	VerisAnalytics	VRSK	225.92	-3.44	YPF	YPF	21.64	-0.29		
ING Group	ING	16.84	-0.19	RTX	RTX	101.36	-2.24	Textron	TX	95.64	-0.67	Verizon	VZ	40.52	-3.32	Yum!Brands	YUM	137.95	0.93		
Invesco	IVZ	15.87	-1.07	RaymondJames	RJF	127.13	-0.94	ThermoFisher	TMO	573.71	-15.49	VertexPharm	VRTX	397.58	-6.90	YumChina	YUMC	38.61	-0.53		
IQVIA	IQV	239.41	-5.92	RegencyReims	REG	58.35	-1.85	ThomsonReuters	TRI	153.17	-1.37	Verit	VRT	84.77	2.97	Zato Express	ZTO	20.92	-0.26		
ITT	ITT	129.73	-2.32	RegenFarm	REG	58.35	-1.85	ThomsonReuters	TRI	153.17	-1.37	Verit	VRTS	11.71	-0.91	ZebraTech	ZBRA	29.41	-6.06		
ixentEnterprises	IEP	17.38	-0.13	ReigenPharm	REG	58.35	-1.85	Toast	TOST	22.98	-0.72	VikingKings	VKTX	71.16	-1.18	Zillow C	ZG	45.13	-2.86		
Icon	ICLR	312.51	-6.63	ReinsGrp	REG	58.35	-1.85	TollBros	TOL	118.58	-0.74	VinFastAuto	VFA	3.95	-1.15	Zillow A	ZG	44.40	-2.79		
IDEX	IDEX	236.39	-5.19	Reliance	RS	332.01	-0.94	TollBuld	BLD	41.60	-14.67	Vishop	VIPS	17.04	-0.05	ZimmerBiomet	ZIM	127.72	-1.68		
IdexLab	IDXX	504.14	-15.67	RenaissanceRe	RNR	222.37	1.91	TevaPharm	TEVA	13.85	-1.12	Vista	VSTA	276.6	-3.94	Zions	ZION	26.22	-1.32		
ING Group	ING	16.84	-0.19	RentokilInt	RTI	28.66	-0.62	TexasInstrmnts	TXI	168.92	-4.54	Vistra	VS	70.76	-0.23	ZoomVideo	ZM	62.22	-1.63		
Invesco	IVZ	15.87	-1.07	Repligen	REG	176.09	-0.59	TotalEnergies	TTE	73.36	0.33	Vodafone	VOD	8.41	-0.22	Zscaler	ZS	183.95	-4.55		
IQVIA	IQV	239.41	-5.92	RepublicSvcs	RS	189.69	-0.82														
ITT	ITT	129.73	-2.32	ResMed	RMD	193.80	-0.47														
ixentEnterprises	IEP	17.38	-0.13	RestaurantBrs	QSR	74.28	-1.76														
Icon	ICLR	312.51	-6.63	Reivity	RVTY	107.99	-2.82														
IDEX	IDEX	236.39	-5.19	RevoxIndustRealty	REX	17.49	-1.48														
IdexLab	IDXX	504.14	-15.67	RioTinto	RIO	66.51	-0.75														
ING Group	ING	16.84	-0.19	Rivian	RIVN	102.7	-0.36														
Invesco	IVZ	15.87	-1.07	Road&Hf	RH	19.17	-0.17														
IQVIA	IQV	239.41	-5.92																		
ITT	ITT	129.73	-2.32																		
ixentEnterprises	IEP	17.38	-0.13																		
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IdexLab	IDXX	504.14	-15.67																		
ING Group	ING	16.84	-0.19																		
Invesco	IVZ	15.87	-1.07																		
IQVIA	IQV	239.41	-5.92																		
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IDEX	IDEX	236.39	-5.19																		
IdexLab	IDXX	504.14	-15.67																		
ING Group	ING	16.84	-0.19																		
Invesco	IVZ	15.87	-1.0																		

BUSINESS & FINANCE

Swiss Increase UBS’s Capital Load

Government proposes rules aimed at preventing another bank crisis

By MARGOT PATRICK

Switzerland said **UBS** will have to substantially raise its capital levels to comply with new rules aimed at preventing a repeat of Credit Suisse’s near-collapse last year. The country’s federal council on Wednesday proposed new powers over banks and their senior executives, and better backstop measures for banks running low on cash. The changes would let supervisors intervene sooner at troubled banks and hold senior executives to account for excessive risk-taking, including by clawing back compensation. The council is also examining letting the regulator, Finma, apply fines for the first time. The council, Switzerland’s cabinet, said UBS and other banks should hold bigger buffers against their financial stakes in large overseas subsidiaries, and that the capital

effects for UBS will be significant. The proposals didn’t say exactly how much extra capital UBS would need. Under existing rules, UBS would already have to hold about 10% more capital by 2030 if its size stayed the same, the federal council said. UBS stock sank more than 3% in Zurich. A bank spokesman declined to comment. Switzerland risked its haven status last year when it helped UBS buy Credit Suisse. Authorities wrote off some riskier bonds that Credit Suisse had sold to investors, blasting through their own framework to deal with failing banks. The collapse put a spotlight on the unusual way that the country applies international capital rules. Critics, and a government review, said the setup exacerbated problems at Credit Suisse and made it difficult for the bank to restructure. The issue centers on the buffers banks hold reflecting their ownership of overseas subsidiaries. The specific rules that caused problems will be reworked to require far more capital, the federal council



Switzerland risked its haven status last year when it helped UBS, above, buy Credit Suisse.

said. The falling value of Credit Suisse’s subsidiaries snowballed in its final years and it couldn’t sell units without taking a huge capital hit. It said capital requirements also could be raised on some balance sheet assets such as software and tax claims. The proposals are earmarked for implementation next year. Some measures will require Swiss lawmakers to pass new legislation. Credit Suisse’s demise has been blamed on weak governance that allowed risks to

build up over years, culminating in a botched restructuring and rich customers pulling their money. Finma has said it tried to stop the rot but lacked sufficient powers. The country’s plans for big banks are being closely watched since UBS is now much larger and even more intertwined with Switzerland’s comparatively small economy and its global reputation. UBS, with assets of more than \$1.7 trillion as of year-end, is one of the world’s largest and most systemically

important banks. In February, the Financial Stability Board recommended ways Switzerland could improve bank supervision. Other authorities also weighed in on the faulty capital rules relating to subsidiaries, which meant Credit Suisse looked safe at the group level while it wasn’t beneath the surface. Switzerland and other countries sought to make banks safer and less likely to harm the wider economy should they fail following multibillion-dollar bailouts after the 2008 financial crisis. The country hiked capital requirements then but gave banks years to meet them and allowed a series of loopholes. It also continued supervising banks with a shoestring staff compared with other countries. Switzerland reviews the rules regularly but said Credit Suisse’s collapse highlighted weak points and the need for action. It said big banks aren’t bad per se but must be assessed by the risks they take. It stopped short of any structural changes that would limit banks’ activities, saying that would interfere too much with economic freedom.

KPMG Fined Over Cheating

Continued from page B1 second whistleblower came forward, the PCAOB said. The PCAOB and the Dutch Authority for the Financial Markets, the Netherlands’ financial-markets regulator, conducted parallel investigations. The AFM said it separately placed KPMG Netherlands under enhanced supervision. Both regulators ordered the firm to evaluate and strengthen its policies around preventing improper answer-sharing. KPMG Netherlands has reviewed its approach to mandatory testing, made meaningful changes to its learning and development programs, and implemented controls to monitor whether training tests are being completed appropriately, Hottenhuis said. Senior people who participated in answer-sharing have been sanctioned and some of them have left the firm, she added. “The conclusions are damning, and the penalty is a reflection of that,” she said. “I deeply regret that this misconduct happened in our firm.” The previous largest PCAOB penalty against an auditing firm was an \$8 million levy against Deloitte’s Brazil unit in 2016 for alleged wrongdoing, including issuing false audit reports. Hogeboom didn’t respond to a request for comment. A \$25 million fine is too small for a Big Four accounting firm to serve as a significant deterrent, but the permanent barring of an executive is a sign of progress, said Roy Van Brunt, a former assistant chief accountant at the Securities and Exchange Commission. KPMG reported \$36 billion in global revenue for the year ended last September. “It’s a defect in the executives who let answer-sharing go on that needs to be addressed,” Van Brunt said.

AUCTION RESULTS

Here are the results of Wednesday’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.

17-WEEK BILLS	
Applications	\$187,383,296,000
Accepted bids	\$60,235,121,000
* noncompetitively	\$603,400,800
* foreign noncompetitively	\$0
Auction price (rate)	98.271194 (5.230%)
Coupon equivalent	5.396%
Bids at clearing yield accepted	85.94%
Cusip number	912797KX4
The bills, dated April 16, 2024, mature on Aug. 13, 2024.	

NINE-YEAR, 10-MONTH NOTES	
Applications	\$91,748,378,400
Accepted bids	\$39,643,278,400
* noncompetitively	\$83,129,500
* foreign noncompetitively	\$0
Auction price (rate)	95.590932 (4.560%)
Interest rate	4.000%
Bids at clearing yield accepted	54.10%
Cusip number	91282CJ5
The notes, dated April 15, 2024, mature on Feb. 15, 2034.	

Crypto Exchanges Look to Move On

By MENGQI SUN

Chief compliance officers from three top cryptocurrency exchanges said they continue to make additional investments in compliance controls and staffing as they look to move on from settlements with U.S. regulators over various compliance failures. Compliance chiefs at **Binance**, **Coinbase** and Kraken said at a conference Wednesday that they also hope lessons from these settlement agreements could help improve compliance programs within the wider industry.

“In a sense, our settlement, with a massive fine and the requirements coming from that, probably is a model for others in the industry and will be an opportunity for us to continue to uplift the [compliance] program,” Noah Perlman, Binance’s chief compliance officer, said during a panel at blockchain analytics provider Chainalysis’s annual Links conference in New York. The three exchanges, which together process tens of billions of dollars in daily trading volume, according to crypto price-tracking website CoinMarketCap, all reached settle-

ments with U.S. regulators over the past two years. Binance in November pleaded guilty and agreed to pay record fines totaling \$4.3 billion to settle claims from multiple agencies that it violated U.S. anti-money-laundering laws and sanctions rules. Coinbase in January 2023 agreed to a \$100 million settlement with the New York State Department of Financial Services over violations of anti-money-laundering law, which included \$50 million intended to improve its compliance programs. Kraken in late 2022 agreed

to pay more than \$362,000 to settle allegations it violated U.S. sanctions against Iran. Kraken Chief Compliance Officer CJ Rinaldi said that one lesson his crypto exchange has gained from the experience is to build trust with regulators by quickly identifying problems and then going directly to them with the issues found. Coinbase for the past few years has been focusing on clearing a substantial amount of compliance-related backlogs, according to Valerie-Leila Jaber, Coinbase’s global head of financial-crime compliance.

THE WALL STREET JOURNAL.

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LISTEN ON APPLE



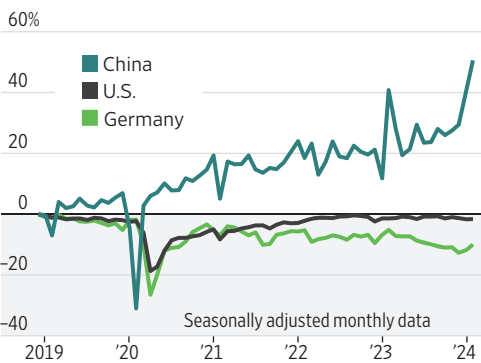
LISTEN ON SPOTIFY



HEARD ON THE STREET

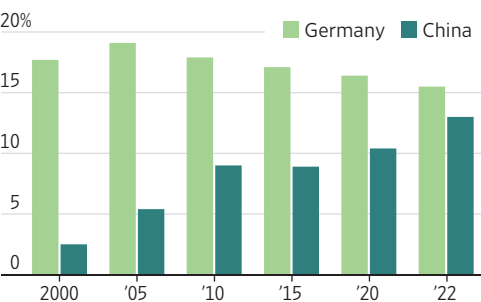
FINANCIAL ANALYSIS & COMMENTARY

Industrial production, cumulative change since the end of 2018



China is now competing with Germany in its key markets

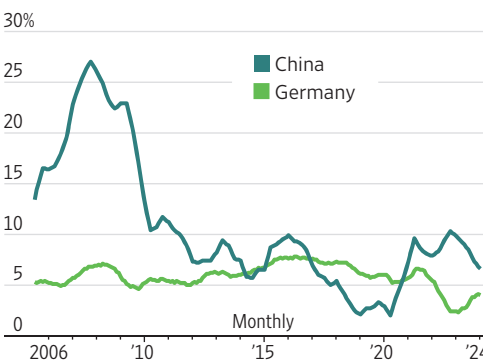
European Union imports of sophisticated manufacturing goods, percentage sourced from each country¹



¹Includes goods and services ²Includes chemicals, pharmaceutical products, fabricated metal products, computer, electronic and optical products, electrical equipment, machinery, motor vehicles and other transport equipment

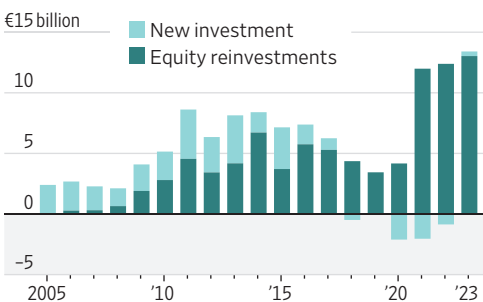
Sources: FactSet (industrial production, trade balance, total return); WSJ calculations (Chinese seasonal adjustment); Institut der Deutschen Wirtschaft (EU imports); Deutsche Bundesbank (German direct investments); National Bureau of Statistics of China (China total foreign direct investment)

Trade balance as a percentage of GDP*



German direct investments in China keep surging...

Germany, foreign direct investment into China

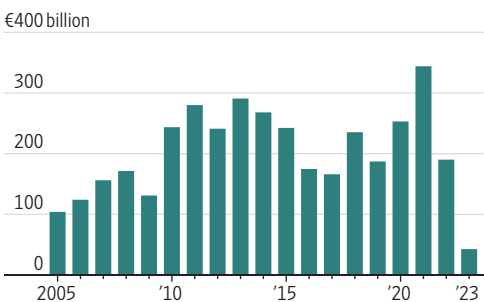


Stock-market total return, past five years



...even as most other countries are pulling capital away from China

China, total foreign direct investment liabilities



Note: €1=\$1.09

Germany Faces Test on China

Beijing's drive to flood global markets with exports is the latest threat to the German model

Remember the previous “China shock” when “comparative advantage” was all the rage? This time, it is all about industrial policy. The question is whether Europe’s industrial powerhouse, Germany, is in with the new trend.

Germany actually emerged as a winner during the initial export flood in the early 2000s, when cheap Chinese goods decimated manufacturing employment in most rich countries. China couldn’t compete in advanced manufacturing with **Bosch**, **BMW** and **Siemens**, which instead made big inroads there.

Now that economic model is all but spent: Whereas China has managed to turn on the export taps again to escape its woes, Germany’s trade surplus has gone from 6% of annual output before the pandemic to less than 4%. Industrial production is 10% below December 2018 levels, despite figures published Monday showing a big rebound in February.

Even if the cyclical downturn is over, long-term woes remain. Although it has had a great 2024, the DAX stock-market index has severely lagged behind broader eurozone equities for the past three years.

While German automakers were late to embrace electrification, Chinese firms learned much from Western companies and are now en-

croaching on Germany’s core markets. In January, the industry-sponsored German Economic Institute, or IW, issued a warning: 13% of the European Union’s imports of sophisticated manufactures—including pharmaceuticals, machinery and autos—came from China in 2022, up from 2.5% in 2000.

The EU has toughened its stance against China and is mobilizing capital into its own green and semiconductor sectors. But its efforts pale in comparison with Beijing’s subsidies, and even the Biden administration’s industrial policies, which could end up costing more than \$1 trillion over a decade. Crucially, Germany keeps lobbying to stop short of “decoupling” from the Asian giant. Its foreign direct investment there hit a record in 2023, even as other countries exited.

If industrial policy is the new trend, Germany should be in a position to outpace its peers. It has low debt and a deep industrial base. Its sway over EU institutions should allow it to waive prohibitions against state aid when convenient, strengthen trade barriers and, if Beijing retaliates, engineer greater demand for its products in Europe.

Some of this has played out. For one thing, Germany’s trade surplus with the eurozone has actually widened. Or take its Chinese invest-

ments: Since 2017, all of it has, in fact, been retained earnings by established firms, not “new” money. As Helena Gräf and Salome Topuria at the Institute for International Political Economy Berlin argued in a recent paper, German officials embraced industrial policy even before the pandemic—the so-called Industrial Strategy 2030, triggered by the megamerger between Siemens and **Alstom** getting blocked in 2019—and took it to the EU level. Ever since, they have aided specific firms in a more explicit way than many of their European counterparts.

Germany also is overcoming disagreements with France about joint defense projects, including a next-generation tank that could give the shares of firms like **Rheinmetall** another boost.

Still, the shift has been inconsistent. University of Vienna researcher Etienne Schneider points out that political unity was galvanized by Donald Trump’s presidency but “has gone into the background during the Biden administration.” Also, the “debt brake” that Germany wrote into its constitution in 2009, while popular, is a painful straitjacket.

Ultimately, though, the paralysis in Germany’s corporatist politics is explained by differing corporate constituencies.

The multinationals that bid for the “national champion” label and are more aligned with the IW, such as Siemens, have become open to breaking with the past. Meanwhile, domestically oriented firms and the “hidden champions”—a term coined by businessman Hermann Simon to describe medium-size companies that dominate specialized global markets—mistrust the big players. They aren’t as fearful of Chinese competition and care less if Germany loses ground in consumer industries. Their interests are a wedge issue for the Free Democratic Party, which has taken a hit in the polls and is trying to distance itself from its government partners by calling for an end to state subsidies.

But deindustrialization would damage the entire German ecosystem—even hidden champions. The latter’s ability to meet clear export and investment goals is precisely what makes them ideal recipients of well-designed industrial policies. Free-market reforms alone can’t offset the end of cheap Russian gas, nor China’s policy of slowly supplanting Western producers. And, as the U.K. example highlights, a shift toward services comes with big costs in terms of inequality.

Maybe Germany’s leaders will eventually get there. But the clock is ticking.

—Jon Sindreu

Gas Pipelines Are a Safe Bet on Green Shift

Companies in the business of storing and transporting natural gas don’t sound “growth-y” or exciting, but they are businesses with a deepening competitive moat and growing need.

During the past decade, U.S. dry natural gas production has grown 57% and demand (including for exports) has risen 45%, according to the U.S. Energy Information Administration. In that period, interstate pipeline capacity for natural gas has expanded just 25%, according to **Williams Cos.**, citing data from EIA. Meanwhile, natural-gas storage capacity has barely changed.

The bottleneck is allowing so-called midstream companies to charge higher fees when they negotiate new contracts. **Kinder Morgan** earlier this year said the average utilization rate rose to 87% in 2023 from 73% in 2016 for

five of its largest pipelines. The company said the scarcity factor is helping it sign longer contracts with increased rates.

In its latest earnings call, **Oneok** said its natural-gas pipelines segment “significantly exceeded” its 2023 financial guidance due to higher earnings from its long-term storage services and higher rates from negotiated fee-based contracts.

The EIA forecasts U.S. natural-gas production and liquefied-natural-gas exports will likely grow through 2050. But the pipelines’ scarcity value seems likely to persist given the permitting and political roadblocks to getting them built. Moreover, like oil-and-gas producers, midstream companies themselves switched from capital spending mode to capital returns mode during the past few years,

according to Spiro Dounis, equity analyst at Citi Research.

The path to growth will likely be volatile for natural-gas prices—something that should make midstream companies’ storage assets even more valuable. The U.S. energy system is shifting in ways that can make those swings even bigger. For one, the ability of the electric grid to switch to coal in times of shortage is diminishing as coal-fired power capacity shuts down. Secondly, U.S. natural-gas prices are getting more linked to international demand as LNG export capacity keeps growing.

Natural-gas storage is “severely lacking,” according to Eugene Kim, research director at energy research firm Wood Mackenzie. Storage capacity grew about 20% between 2005 and 2015, during the fracking boom, but hasn’t ex-

panded at all post-2015, when natural-gas production itself grew another 40%, Kim noted. Companies that own natural-gas storage capacity include Kinder Morgan, Williams and **DT Midstream**.

A basket of midstream companies in the S&P 500 has gained about 14% year to date, outpacing the broader index. Even so, their valuation looks reasonable, with enterprise value at about 10 times forward-12-month earnings before interest, taxes, depreciation and amortization, 28% lower than the overall index. Historically, midstream companies had traded at a more modest 5.5% discount to the S&P 500.

Investing in natural-gas infrastructure could be a relatively cheap, dividend-rich way to hitch your wagon to the energy transition.

—Jinjo Lee

Banks Fight Private Credit

When it comes to financing deals, don’t count out the big Wall Street banks quite yet.

A big narrative in recent years has been that America’s biggest deposit-taking investment banks are losing ground to their nonbank rivals, the likes of **Blackstone** and **Apollo Global**. One worry for banks was that private credit—meaning, in this context, lending directly to businesses by alternative-asset fund managers, insurers and others—was going to eat into investment banks’ business originating loans and distributing them to investors.

But so far this year, a lot of financing deals are coming back to banks from private credit. In the first quarter, almost \$12 billion of debt previously from direct lenders was refinanced via the broadly syndicated loan market, according to PitchBook LCD, a channel dominated by banks. This was a sharp reversal of the pattern in the prior two quarters.

So as **Bank of America**, **Citi-group**, **Goldman Sachs**, **JPMorgan Chase** and **Morgan Stanley** report their results in the coming days, it is worth keeping an eye on the revenue generated by capital markets and dealmaking.

Revenue from initial public offerings and mergers-and-acquisitions closings might still be slower than a year ago. But things are cooking on the credit side of the house, with big year-over-year jumps in loan syndication and debt underwriting fees across the street, according to figures compiled by Autonomous Research. M&A fees might also pick up later this year, if big deals recently struck actually make it to the finish line.

Trading desks, however, may continue to see relatively subdued activity. Volatility in the bond market, as measured by the ICE BofAML MOVE index, recently fell to levels not seen since before the Fed began raising rates. Morgan Stanley analysts are forecasting a 10% year-over-year decline in fixed income, currency and commodities trading revenue for the quarter.

Washington could be a swing factor this year, too. One of the big drivers of the expected shift toward nonbanks has been potentially tighter regulation on banks leading to higher capital requirements. Anticipating this, banks have amassed capital well beyond their current requirements. Morgan Stanley analysts say the big banks they cover have a record \$180 billion of “excess” key equity capital.

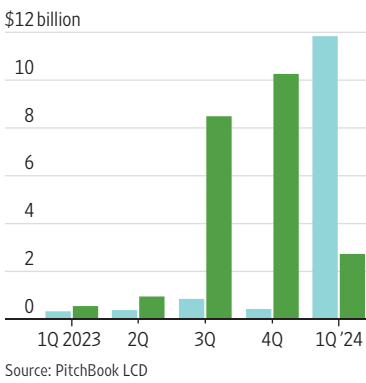
So if the Federal Reserve does indeed dial back some of the proposed new requirements, with officials indicating changes are coming, banks could emerge from the process with plentiful ammunition. That capital could fund buybacks and expanded dividends—and could be deployed to clients.

The bottom line is that megabanks with fee streams from investment banking and trading are likely to continue to outperform regional banks, whose interest-income prospects are uncertain at a time of shifting expectations on rates. Among S&P 500 banks, the top performers this year are Citigroup, **Wells Fargo**, **JPMorgan** and Bank of America.

Shares of Goldman Sachs and Morgan Stanley for now are lagging behind that quartet. But if dealmaking really does have momentum, this could be the quarter when they start to catch up.

—Telis Demos

Loan refinancing volume by market



Source: PitchBook LCD

Buy the Stock Market’s High-Inflation Freakouts

Inflation failed to come down in March, dealing a blow to stocks. But taking a step back, what is remarkable is actually how resilient equities have been to a changing inflation story.

At the start of this year, inflation appeared to be fading fast. The core consumer price excluding food and energy was up 3.9% from a year earlier in December, but that was down from a 5.7% pace in December 2022. Markets were

pricing in six interest-rate cuts by the Federal Reserve in 2024.

Now it is clear that the pace of disinflation has slowed, with the core consumer-price index still up 3.8% on-year in March, unchanged from February’s pace. Expectations have moved to perhaps just two rate cuts this year. The yield on the 10-year U.S. Treasury note has risen to 4.56% from 3.86% at the beginning of February.

Stocks fell on Wednesday’s

news. And yet the S&P 500 remains up 8.2% so far this year, with the tech-heavy Nasdaq Composite up 7.7%. That is an encouraging sign that the market is being driven by strong economic fundamentals.

Expectations for loosening have been dialed back due to warmer-than-expected inflation readings, but also by surprisingly strong economic data, including last month’s creation of 303,000 jobs.

Economic optimism is also reflected in rallying commodities, with crude oil and copper prices both up double digits this year.

Investors are also still betting on transformative changes in the U.S. economy, most notably the rise of artificial intelligence but also surging electricity demand and new advances in biotechnology. Of the 10 biggest gainers in the S&P 500 this year, five are tech companies—not something nor-

mally seen when interest-rate expectations are being reset higher. **Super Micro Computer** and **Nvidia** top the list with increases of 220% and 76%, respectively.

Evidently, higher-for-longer rates aren’t a barrier to these trends. It is enough to remind one of the time before ultralow rates and quantitative easing, when economic optimism alone was enough to propel bull markets, even when rates were high.

—Aaron Back