

THE WALL STREET JOURNAL.

What's News

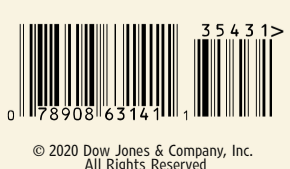
Business & Finance

- Facebook said** privacy changes in Apple's latest operating system would cripple its ability to place personalized ads and deal a financial blow to app makers. **A1**
- ◆ **The SEC deemed** more investors capable of navigating the opaque world of leveraged buyouts, hedge funds and startups. **A1**
- ◆ **The agency approved** an NYSE proposal to let firms raise capital through direct listings, a cheaper alternative to the traditional IPO. **B1**
- ◆ **The Fed's Powell** is expected to reveal conclusions of the central bank's review of its monetary policy framework at the virtual Jackson Hole symposium. **A2**
- ◆ **U.S. businesses** in China are pushing back against a looming Trump administration prohibition on Tencent's WeChat app. **B1**
- ◆ **The U.S. unveiled** sanctions on Chinese state-owned firms involved in advancing Beijing's territorial claims in the South China Sea. **A7**
- ◆ **Salesforce began** notifying some staff that they could lose their jobs, a day after the software provider reported record sales. **B1**
- ◆ **The S&P 500 and Nasdaq** again closed at records, rising 1% and 1.7%, respectively. The Dow added 0.3%. **B9**
- ◆ **World Economic Forum** meetings have been moved to next summer from January because of the Covid-19 crisis, the Davos organizer said. **B1**
- ◆ **Fund giant Vanguard** is scaling back in Asia, with plans to close its operations in Hong Kong and Japan. **B2**

World-Wide

- ◆ **Hurricane Laura** barreled toward the Texas and Louisiana coasts late Wednesday as a Category 4 storm—nearing Category 5—threatening what forecasters described as “un-survivable” flooding and widespread wind damage. **A1, A6**
- ◆ **Pence hailed** Trump's support for law enforcement during what he called a “time of testing” spurred by recent protests against police and the coronavirus pandemic, as he accepted the GOP's vice-presidential nomination. **A1, A4**
- ◆ **A 17-year-old was arrested** in connection with a shooting that left two dead and one injured during unrest in Kenosha, Wis. Meanwhile, a state agency investigating the police shooting of Jacob Blake said he admitted to having a knife in his possession and it identified the white officer who shot him. **A3**
- ◆ **The NBA postponed** three playoff games after the Milwaukee Bucks staged a boycott in protest of the Blake shooting. Other sports leagues followed suit. **A3**
- ◆ **The CDC has dialed back** its guidelines about who should get tested for Covid-19, prompting pushback from public-health and infectious-disease experts. **A5**
- ◆ **Iran agreed** to allow U.N. inspectors access to two sites where it is suspected of carrying out illicit nuclear-weapons work in the past, bowing to months of pressure. **A8**
- ◆ **The man who murdered** 51 people in attacks on two New Zealand mosques was sentenced to life imprisonment without parole. **A9**

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Hurricane Takes Aim at Gulf Coast

Category 4 Laura is on track to surpass Katrina; hundreds of thousands flee area

BEAUMONT, Texas—Hurricane Laura barreled toward the Texas and Louisiana coasts late Wednesday as a vicious Category 4 storm—nearing a Category 5—threatening what forecasters described as “un-survivable” flooding and widespread wind damage.

Laura was poised to strike the heart of the U.S.'s fuel-making and chemicals production, much of which is located in low-lying areas along the

By *Valerie Bauerlein, Rebecca Elliott and Elizabeth Findell*

Gulf Coast. Nearly half of the nation's refining capacity is on the Gulf Coast, federal data show, with about half of that within Laura's potential path, analytics firm IHS Markit said.

Refineries, chemical plants and ports closed in preparation for the hurricane's arrival, including Saudi Arabian Oil Co.'s Motiva refinery, the nation's largest fuel-making facility.

The fast-moving hurricane continued to gain strength Wednesday night, with sustained winds of 150 miles an hour, according to the National Hurricane Center, and could still strengthen before it makes landfall. It was close to the 157-mile-an-hour threshold of a Category 5 storm. Hurricane-

force winds extended outward 60 miles, the center said.

Tropical storm-force winds were beginning to hit parts of Louisiana Wednesday evening. Laura is projected to make landfall early Thursday.

Laura is a storm of historic proportions, with wind speed at landfall on track to surpass Hurricane Katrina in 2005, which made landfall near New Orleans as a Category 3 storm. The western Gulf Coast is less densely populated than the New Orleans area, though like

Katrina, Laura was expected to make landfall in the dead of night, complicating any last-minute evacuation or rescue efforts.

Laura is expected to produce waves as high as 20 feet along portions of the Louisiana coast with as much as 15 inches of rainfall. The city of Lake Charles, La., braced for as much as 15 feet of flooding. *Please turn to page A6*

◆ **Fuel-making corridor prepares for hurricane.....** A6



Vice President Mike Pence with his wife, Karen, at Fort McHenry in Baltimore on Wednesday night as part of the convention.

Pence Accepts Renomination As GOP Puts Focus on Police

By *REBECCA BALLHAUS*

Vice President Mike Pence hailed President Trump's support for law enforcement during what he called a “time of testing” spurred by recent protests against police and the coronavirus pandemic, as he accepted the Republican Party's nomination Wednesday.

Mr. Pence, speaking to a crowd at Fort McHenry in Baltimore on the third day of the

largely virtual GOP convention, sought to tie Democratic presidential nominee Joe Biden to efforts among some Democrats and liberal groups to defund police departments in response to cases of police brutality and racial inequity.

“You won't be safe in Joe Biden's America,” Mr. Pence said. “Under President Trump...we're not going to defund the police—not now, not ever.”

Since the killing of George

Floyd in police custody in May sparked nationwide protests, Mr. Trump has made clear he is more aligned with law enforcement than the protesters. Speakers at the Republican convention threw that alignment into sharper relief by casting the president as the champion of law enforcement and attacking Mr. Biden for being sympathetic to protesters. The Democratic presidential nominee's campaign has said he

opposes efforts to defund the police, but would seek “transformative change” to the criminal justice system.

Mr. Biden said the convention highlighted the contrast *Please turn to page A4*

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- ◆ **New citizens surprised to be part of convention.....** A4
- ◆ **No foreign interference seen in voting by mail.....** A4

Trump Remade Party in His Image

Republicans have largely united behind the president, his vision and his style

By *CATHERINE LUCEY AND ALEX LEARY*

WASHINGTON—Four years after an unorthodox presidential bid that laid bare deep divisions among Republicans, President Trump is accepting the nomination for a second term before a party that has largely united behind him, embracing his America-first foreign and economic policies and unorthodox, sometimes chaotic style.

Mr. Trump has taken command of the GOP through a combination of persuasion and purges. He has brought

rank-and-file Republican voters around to his views on economic, social and foreign-policy issues.

He has supported loyalists to help take control of state and local party infrastructure around the country and has jumped into primaries for House, Senate and governor to reward allies and punish apostates.

“The Trump approach has to be Trump-centric,” said Kevin Madden, a GOP strategist and former adviser to 2012 Republican presidential nominee Mitt Romney, a critic of the president. “Party unity is defined by Trump's vi-

sion, message and style. Either you celebrate those and run on it or you stand aside.”

Mr. Trump's convention lineup this week is packed with speakers from his administration, elected Republicans who have been supportive of his agenda, conservative media stars and his family.

Republicans not on the schedule: President George W. Bush and former Vice President Dick Cheney. Neither is Mr. Romney nor past vice presidential nominees Paul Ryan and Sarah Palin. *Please turn to page A10*

Stylish Mask, but You're Never Fully Dressed Without a 'Smize'

Smile with your eyes, a term coined by model Tyra Banks, becomes popular move

By *JEN MURPHY*

Restaurant servers typically prepare for shifts by polishing silverware and memorizing the day's specials. Since the coronavirus pandemic, the staff at Local Jones in the Halcyon Hotel in Denver have embraced an additional ritual: making faces.

Teams gather in a circle with their masks on and run through a series of facial-ex-

pression drills that involve arching their eyebrows, crinkling their noses and, most important—smizing.

A neologism coined by supermodel Tyra Banks in 2009 on the television show “America's Next Top Model,” smizing means smiling with your eyes. It involves bringing life to your eyes while keeping the rest of the face neutral. *Please turn to page A10*

INSIDE



THE MIDDLE SEAT
Travel insurance faces questions over rejected claims for canceled trips. **A11**



SPORTS
Halfway through the season, nine-inning games are taking longer than ever. **A14**

SEC Eases Access To Private Markets

By *PAUL KIERNAN*

WASHINGTON—The Securities and Exchange Commission decided more investors are capable of navigating the opaque world of leveraged buyouts, hedge funds and startups, a move likely to fuel further growth in loosely regulated private markets.

Commissioners voted 3-2 on Wednesday to approve a proposal expanding its definition of so-called accredited investors to include holders of an entry-level stockbroker's license, “knowledgeable employees” of nonpublic firms and others. It also opened the door to further broadening the category to holders of other credentials.

Until now, investors could be considered accredited if they had \$1 million in net assets, not counting their primary residence, or at least \$200,000 in annual income.

The thresholds aren't indexed for inflation, so the ranks of people who meet them *Please turn to page A6*

◆ **NYSE's new alternative to IPO gets green light.....** B1

U.S. NEWS

Vaccine Shows Sign Of Working In Seniors

By PETER LOFTUS

Moderna Inc. said its experimental coronavirus vaccine induced immune responses in people aged 56 years and older that were comparable to those seen in younger adults in a small study, a promising sign for a vulnerable age group.

Older adults are at higher risk of hospitalization and death from Covid-19 than younger people. While Moderna and other companies are racing to develop vaccines to protect people from the new coronavirus, some experts have been concerned that vaccines won't offer as much protection in older adults.

The immune system generally weakens with age, which can make it harder for a vaccine to induce a sufficient immune response against disease.

Moderna had released results from its first human study of its vaccine showing it induced immune responses and was generally safe and well-tolerated in adults ages 18 to 55. The study, led by the National Institutes of Health, was expanded to include people over the age of 55.

In Moderna's Phase 1 study, volunteers received two doses of the vaccine, four weeks apart. Moderna added to the trial subjects who were 56 years and older to evaluate the vaccine's safety and effectiveness in the older age groups.

About four weeks after the second shot, the 20 subjects in the trial who were 56 years and older developed what are called neutralizing antibodies—agents of the immune system that fight the virus—in ranges overlapping with those between the ages 18 to 55, according to interim data Moderna presented Wednesday to a committee of outside experts to advise the U.S. Centers for Disease Control and Prevention on vaccine policy.

The 20 subjects received the dose level of the Moderna vaccine that has been advanced to a late-stage, Phase 3 study. Some other older-adult subjects in the first study received different dose levels that aren't being advanced in testing.

The median antibody levels in all age groups were above those found in the blood of people who had recovered from Covid-19, Moderna said. Researchers view antibody levels in recovered patients as a potential clue to the kind of immune response needed for someone to beat back infection.

The study wasn't designed to track whether the vaccine prevented infection or disease in study subjects.

Critics Push Back at Guidelines Change

By BRIANNA ABBOTT

The U.S. Centers for Disease Control and Prevention has dialed back its guidelines about who should get tested for Covid-19, a move that has prompted pushback from public-health and infectious-disease experts.

The agency now says close contacts of confirmed Covid-19 cases don't necessarily need to get tested if they don't have symptoms. Earlier, it had advised that all people exposed to an infected person get tested.

The CDC is leaving the ultimate decision on whether close contacts should get tested to local public-health departments and doctors.

Adm. Brett Giroir, the assistant secretary of health who has overseen testing efforts, said Wednesday that the CDC drafted an update, and then he circulated it among medical experts on the White House's coronavirus task force, who edited the recommendation.

"We worked on this all together to make sure that there was absolute consensus," Adm. Giroir said in a call with reporters.

The CDC referred questions about the guidance change to the Department of Health and Human Services. The CDC in the past has faced criticism for bowing to Trump administration pressure to, for instance, relax guidelines for reopening schools.

Many public-health and infectious-disease experts criticized the latest change, saying testing all close contacts before they show any symptoms is vital to curbing the virus's



The CDC now says that close contacts of confirmed Covid-19 cases don't necessarily need to get tested if they don't have symptoms.

spread. Testing close contacts, especially those without symptoms, helps public-health authorities find cases and then stop potential chains of transmission, the critics said.

The critics said there isn't new evidence to support relaxing the recommendations for who should get tested for Covid-19.

"In order to control this, especially in the context of contact tracing, you absolutely have to test people without any symptoms," George Ruthford, an epidemiologist at

the University of California, San Francisco, and principal investigator of California's contract-tracing program, said in a call with reporters.

Adm. Giroir said that the change was meant to give more responsibility and power to public-health officials, as the state of the pandemic varies significantly across the U.S.

The health experts said local public-health authorities typically rely on the CDC for direction.

"We look to the CDC for uniformity, especially in a pan-

demic," Joshua Barocas, an infectious-disease physician at Boston Medical Center and member of the Infectious Diseases Society of America's public-health committee, said in an interview.

The Washington State Department of Health issued a news release Wednesday saying its guidance hadn't changed. "If you have symptoms, you need to get tested. If you're a close contact of a confirmed case, you need to get tested," it said.

The CDC's guidelines for who

should get tested for Covid-19, and when, have evolved throughout the pandemic, largely dependent on testing capacity and incoming evidence. The CDC had recommended that all close contacts get tested for infection, due to the potential for those without symptoms to still spread the virus.

Under the change, the agency said an exposed person without symptoms doesn't necessarily need to get tested unless they are a "vulnerable individual" or a local health-care authority recommends it.

U.S. Effort on Nursing-Home Testing Hits Snags

By ANNA WILDE MATHEWS

A federal effort to supply rapid-result Covid-19 testing equipment to nursing homes is running into snarls, with some facilities not using the machines they have received.

Nursing homes say they are struggling to obtain refill test kits, and are getting contradictory guidance from some state and federal agencies about how to use the equipment.

The Department of Health and Human Services said in July that it would ship antigen testing machines and a limited supply of test kits to approximately 14,000 nursing homes nationwide.

The equipment, made by Quidel Corp. and Becton Dickinson & Co., is used to perform point-of-care tests that don't have to be sent to labs for processing, the way molecular tests typically are. Antigen tests focus on virus proteins, while molecular tests look for the virus's genetic material.

The equipment, made by Quidel Corp. and Becton Dickinson & Co., is used to perform point-of-care tests that don't have to be sent to labs for processing, the way molecular tests typically are. Antigen tests focus on virus proteins, while molecular tests look for the virus's genetic material.

The coronavirus has had a deadly impact in nursing homes. There have been more than 70,000 deaths from Covid-19 tied to senior-care facilities, according to a Wall Street Journal tally of state and federal data.

Nursing homes have been calling for access to testing, with fast results, so they can check staff and residents and quickly isolate those who are infected. But some nursing homes are holding off on deploying the new equipment from HHS, according to a small, informal survey of executives at facilities designated to receive early shipments, which was performed by LeadingAge, a group representing nonprofit providers of aging-care services.

Among 37 nursing-home executives who had received the equipment, only nine said in the survey that they were using it to run Covid-19 tests.

Many nursing homes that weren't using the equipment said they wanted to be sure



Seema Verma said the test can be used for surveillance testing.

they could easily obtain refill test kits and that they wouldn't have to retest every person who got a negative result. A LeadingAge spokeswoman said the survey responses were received between Friday and Monday night.

Genesis Healthcare Inc., the biggest U.S. nursing-home

company, which includes about 350 facilities, hasn't been able to preorder supplies of test kits for either the Quidel or Becton Dickinson machines, said Richard Feifer, chief medical officer. "We are very concerned about supply availability going forward," he said.

A spokesman for Becton Dickinson said it would begin filling nursing homes' orders for refill test kits in mid-September, after it has completed the orders for testing machines and initial testing kit supplies. A Quidel spokeswoman said the company is "committed to prioritizing the HHS-allocated shipments to the nursing-home sector."

Nursing homes also say they are being whipsawed by different guidelines on when to use the antigen tests—particularly whether they are appropriate for screening people without symptoms, and when results would need to be confirmed with other types of tests.

"There just seems to be confusion around this, with a lot of unanswered questions," said Randy Bury, chief executive of Evangelical Lutheran Good Samaritan Society, which operates 147 nursing homes and is part of Sanford Health. The nonprofit is holding off on using the federally supplied testing equipment until it gets more clarity, he said.

Centers for Medicare and Medicaid Services Administrator Seema Verma said the rapid antigen tests can be used to meet a new federal testing requirement released Tuesday. "From where we sit, using the point-of-care test would be appropriate" for surveillance testing, she said, though if there is a major outbreak, a negative result should be confirmed with a more sensitive test.

Adm. Brett Giroir, the HHS official who has overseen U.S. testing efforts, said Tuesday that nursing homes would be prioritized for refill test kits.

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WORLD NEWS

Chinese Firms Face U.S. Sanctions

Companies active in expanding Beijing's South China Sea claims were named

The U.S. unveiled a set of visa and export restrictions targeting Chinese state-owned companies and their execu-

By *Kate O'Keefe*
in Washington
and *Chun Han Wong*
in Hong Kong

tives involved in advancing Beijing's territorial claims in the contested South China Sea, a new challenge to China involving the strategic waters.

Wednesday's actions by the State and Commerce departments apply to a range of state-owned enterprises, including units of **China Communications Construction Co.**, a leading contractor for Chinese leader Xi Jinping's Belt and Road initiative to develop infrastructure and trade links across Asia, Africa and beyond.

The U.S. added 24 Chinese companies active in the South China Sea—including five CCCC subsidiaries—to a Commerce Department list that restricts American companies from supplying U.S.-origin technology to them without a license. The State Department said it is rendering ineligible for U.S. visas a group of unspecified executives whom Washington alleges have been involved in malign activities in the South China Sea.

The moves follow a formal U.S. declaration last month that Washington opposes a swath of Chinese claims in the South China Sea. Secretary of State Mike Pompeo said the policy change was part of an effort to uphold international law against what he called a "might makes right" campaign by China to coerce and intimidate its Southeast Asian neighbors into ceding their interests in the region.

Beijing asserts sovereignty



China has built air-defense and antiship missile systems in seven contested South China Sea locations, the U.S. Commerce Department said.

FRANCIS MALASIG/PRESS POOL

over most of the South China Sea, and its claims overlap with those of six governments, including five Southeast Asian countries.

Under Mr. Xi, China has built artificial islands on Chinese-controlled features in the area and fortified them with weaponry—a program that has continued despite Mr. Xi's promise in a 2015 news conference at the White House not to "militarize" the islands. Since 2013, China has constructed more than 3,000 acres across seven features in the South China Sea, which include air defense and antiship missile technology, the Commerce Department said Wednesday. The companies targeted in the new actions "played a significant role in China's provocative construction of these artificial islands and must be held accountable," Commerce Secretary Wilbur Ross said.

The U.S. doesn't have

claims in the South China Sea but has said it wants to ensure freedom of navigation in the resource-rich waters that host vital shipping lanes.

CCCC didn't respond to a request for comment.

A Chinese Embassy representative in Washington said

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Businesses added to a restricted list for U.S. technology

in a statement: "The U.S. sanctions on relevant Chinese companies and personnel are completely unreasonable. It is an act of hegemony in serious violation of international law and basic norms governing international relations."

State and Commerce department officials told report-

ers Wednesday that the visa restrictions would affect dozens of executives and their families, and that applicants for licenses to send U.S. goods to the 24 blacklisted firms would face a presumption of denial. The officials expressed hope that other countries would join the U.S. in taking action to curb China's activities in the South China Sea.

A Commerce Department official said the firms facing export restrictions have received only about \$5 million worth of controlled U.S. goods during the past five years and that these products generally are available from other countries. Many companies proactively choose to stop doing business with firms on the department's export blacklist for reputational reasons, he added.

Listed in Hong Kong and Shanghai, CCCC is one of China's largest infrastructure companies, employing more

than 124,000 people across businesses that span transportation infrastructure and heavy machinery, among others.

CCCC is a major contractor in Mr. Xi's Belt and Road initiative, through which Beijing envisions developing a global network of ports, roads, railways, pipelines and industrial parks, largely built by Chinese companies and funded with credit from Chinese lenders. U.S. and other Western officials have blamed the initiative for advancing opaque financial deals that give Beijing political leverage by burdening countries with Chinese loans.

The U.S. official said another factor prompting Wednesday's actions is CCCC's role in Beijing's military-civil fusion program, which encourages Chinese civilian entities to work with the People's Liberation Army in a common goal of bolstering defense.

Pyongyang Hackers Said to Hit Banks

By *DUSTIN VOLZ*
AND *IAN TALLEY*

WASHINGTON—Hackers tied to the North Korean government are trying to rob banks across the globe by draining ATMs and initiating fraudulent money transfers, in an effort by the cash-strapped Pyongyang regime to fund its nuclear-weapons program, multiple federal government agencies warned Wednesday.

The campaign includes so-called spearphishing attacks—which use fraudulent email to infect a computer or persuade the victim to reveal a password or other information—and social engineering schemes. It has been under way since at least February and represents a resurgence of operations after an apparent lull in bank robberies by North Korea last year, the Federal Bureau of Investigation, Department of Homeland Security, U.S. Treasury Department and U.S. Cyber Command said in a joint statement.

The hackers also have targeted retail-payment infrastructures and interbank payment processors, the agencies said.

U.S. and U.N. officials say North Korea's cyber thefts are overseen by nation's intelligence agency and reap billions of dollars used by the Kim Jong Un regime to preserve its grip on power.

The agencies attributed the campaign to a North Korean hacking team the U.S. government has named BeagleBoyz that specializes in robbing banks through remote internet access. The group has targeted financial institutions in India, Brazil, Indonesia, Spain, Turkey and other countries, the agencies said.

North Korea's mission to the U.N. didn't respond to a request to comment, but officials have denied the claims.

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WORLD NEWS

South Korea Divided Over New Virus Rules

By DASH YOON

SEOUL—With Covid-19 cases rising for nearly two weeks straight, the majority of South Koreans want the nation's maximum social-distancing measures imposed. So, too, do the country's opposition conservative lawmakers and some medical associations.

The holdouts are South Korea's left-leaning President Moon Jae-in and the public-health architects of one of the world's successful virus responses. Backing them are small businesses and government economic advisers.

Under debate is whether South Korea should trigger its most stringent restrictions to bat down rising infections totaling about 3,600 cases since Aug. 12—a tally that nearly exceeds the previous three months of infections combined. The virus has spread to all of the country's 17 provinces and municipalities. Investigators can't trace the origins of about one in every five cases, a rarity just weeks ago.

The reason for restraint, Moon administration officials

ing—the highest of a three-tier system—means a level of intervention the South Korean government has never used. It would bar any gathering above 10 people, the suspension of professional sports and the closure of movie theaters, wedding halls and gyms. Companies would be instructed to tell all but essential staff to work from home.

“Our daily lives will come to a stop, employment will collapse and we will have to endure immense economic damage,” Mr. Moon said about the ramifications of triggering the top-level restrictions.

On Sunday, health officials elevated the social-distancing measures nationally to the second of three tiers, closing high-risk venues such as nightclubs, and with no gatherings above 100 people. According to a policy set in June, the government can consider the maximum restrictions if cases average triple digits for 14 straight days—a time frame that will be met on Thursday.

The political dynamics of South Korea's debate contrasts with the U.S., where President Trump has prioritized the economy during the pandemic and praised states that reopened quickly after the country's six-week lockdown this spring. Meanwhile, Democratic presidential nominee Joe Biden said he would shut down the economy if scientists deemed it necessary to prevent the virus from spreading.

Most South Koreans want Mr. Moon to take action. Some 56% of South Koreans view enacting the tightest restrictions as a “necessary measure” to thwart the virus, while 40% urged caution due to the economic impact, according to a survey conducted last week by Realmeter, a Seoul-based research firm.

The United Future Party, South Korea's main opposition conservative group, has criticized the Moon administration over moving too slowly. Earlier this month before the outbreak emerged, the national government issued “consumption coupons” providing discounts on movie tickets and tourist attractions to stoke the economy.

“It was the government who signaled to the citizens that there was room for carelessness,” opposition lawmaker Kim Ye-ji said during a Tuesday legislative hearing.

The Korean Society of Infectious Diseases, citing a strain on staff and hospital beds, on Sunday urged immediate implementation of the tightest measures.

Mexico Tries to Teach Classes on TV

By JOSÉ DE CÓRDOBA AND JUAN MONTES

MEXICO CITY—Hanibal Yesbel, an energetic, athletic actor, looks into the camera and goes into an intense, soulful rap about triangles. He isn't talking romance, but geometry.

“Did you know not all angles are equal?” says the 36-year-old actor, reading from a teleprompter as he stands in front of a desk on a set made up to look like a classroom.

His lines are for an unseen audience of millions of fourth-graders watching him on television starting this week. It is part of an experiment in Mexico to hold all public school classes via television during the coronavirus pandemic.

In much of the world, schools are debating whether to have in-person classes or let children stay at home and take classes via the internet.

In Mexico, where more than 60,000 people have died from Covid-19, the government has decided it is too dangerous to send children back to school. It has also decided, because of spotty internet access in much of the country, that its only choice is to offer education by television to its more than 30 million public school students, at least until the end of this year. The classes will also be available on the internet, which will play a secondary role to television, education ministry officials said.

A consortium of public and private TV networks will broadcast lessons from pre-K through high school for 18 commercial-free hours a day, on unused digital channels. To squeeze in all the grades levels, each child's school day will last 2½ hours.

The alliance is made up of the government channel and the four main private TV networks. It includes Grupo Televisa, the world's largest Spanish-language media company, famous for its steamy soap operas, and TV Azteca, which is owned by Ricardo Salinas Pliego, whom many count as



Classrooms are too risky and internet access is unreliable. Actors Hanibal Yesbel, above, and Alejandra Tribbiani, performed as teachers for recordings of a class on public television.



President Andrés Manuel López Obrador's closest ally among Mexico's business elite.

The decision to rely on television highlights the low internet penetration and vast social inequality, which make it impossible to have online classes in large parts of the country. While 93% of households have access to television, according to a 2019 survey by Mexico's national statistics agency, only 56% have access to the internet, which is often slow and suffers frequent interruptions. Just 44% of households have access

to a computer.

Other Latin American countries such as Brazil, Colombia and Chile have also made television part of a mix of teaching methods during the Covid-19 emergency, but Mexico's effort appears to be the most reliant on television.

Mexicans already spend more than five hours a day watching TV, according to the telecommunications agency, one of the highest rates in the world. The decision to go to television for education during the pandemic could increase

those sedentary hours, which experts say is one reason for high rates of obesity, diabetes and cardiovascular disease.

Mexican officials acknowledge that education via television is far from ideal.

Television “is a ‘cold medium’ without interaction,” said Jose Luis Gutierrez, a Mexican education ministry official, on a Unesco Zoom seminar explaining Mexico's decision to Latin American education officials. “It's tough to hold students' attention.”

Mr. Gutierrez said programs would have to be short—they are about 20 minutes long—to not bore students.

Other Latin American countries are watching Mexico's experiment closely, said Cristóbal Cobo, a senior education and technology specialist at the World Bank.

Some parents worry that not being in class means their children will fall farther behind in a country that ranks in the bottom third of 79 countries in standardized test scores for reading, math and science skills, among nations surveyed by the Organization for Economic Cooperation and Development. Just 1% of Mexican students were top performers in at least one subject; the OECD average is 16%.

Elizabeth Figueroa, a school director in the southern state of Chiapas, has doubts the model will work. Poverty is endemic in much of rural Mexico. For instance, she said, 30% of her 150 students have no TV set at home because their parents were forced to sell them amid the economic crisis triggered by the coronavirus pandemic. Because many parents live paycheck to paycheck, they will have to leave their children alone at home, which will make it difficult to monitor that the children follow the classes.

“If the TV content is not attractive enough, I think the kids will just change the channel,” she said.

Economy Hit by Record Contraction

MEXICO CITY—Mexico's economic activity shrank sharply in the second quarter as measures to slow the coronavirus pandemic closed key industries and services such as vehicle production and tourism.

Gross domestic product, a measure of output in goods and services, was down 17.1% in seasonally adjusted terms from the first quarter, according to revised data from the National Statistics Institute published Wednesday.

The decline was slightly smaller than the preliminary

17.3% drop reported last month, with data for June showing a pickup toward the end of the period. It was still the biggest quarterly decline on record and the economy is seen on track for its deepest recession since the Great Depression of the early 1930s. The Bank of Mexico lowered its forecast and expects GDP to contract between 8.8% and 12.8% in all of 2020.

Mexico shut activities considered nonessential throughout April and May, closing schools and malls, bringing production of cars and auto parts to a halt, and causing tourism and air travel to dry up.

Industrial output fell 23.4% from the previous quarter, services were down 15.1% and ag-

ricultural production fell 2%.

Mexico is among the countries most affected by Covid-19, with 568,621 confirmed cases since the end of February and 61,450 related deaths, numbers some say underestimate the toll.

The 8.9% rebound in June from May was a direct result of businesses reopening after lockdowns, said Alonso Cervera, chief Latin America economist at Credit Suisse.

The extent of the recovery in Mexico is likely to depend on the U.S., Mexico's chief export market and main source of investment, tourists and remittances that support local consumption.

—Anthony Harrup

WORLD WATCH



DESTRUCTION: Afghan villagers gathered Wednesday among the debris of their houses at Sayrah-e-Hopiyan in Charikar, Parwan province. Officials said Flooding killed at least 100 people after heavy seasonal rains drenched northern and eastern Afghanistan.

SYRIA

Americans Hurt in Crash With Russians

Several American troops operating in northeast Syria were injured when their vehicle collided with a Russian military vehicle in what appeared to be a reckless act on the part of the Russians, according to U.S. officials.

The Americans in the incident Monday suffered injuries including concussions after their mine-resistant, ambush-protected vehicle, or MRAP, was struck by a

Russian military vehicle as Russian helicopters flew overhead. Officials faulted the Russians, but it remained unclear what caused the accident. A video taken on the scene appears to show that the American vehicle was attempting to block the Russian vehicle from traveling through an open field when the two collided.

U.S. Central Command officials declined to comment, and Pentagon officials didn't respond to questions. The Russian Embassy in Washington didn't respond to a request to comment.

—Gordon Lubold

MIDDLE EAST

Israel Attacks Hezbollah Posts

Israel's military said it struck Hezbollah observation posts along the Lebanese frontier in response to overnight cross-border fire, adding to a recent flare-up of tensions between the two sides as Israel attempts to curb the activities of Iran and its allies in the region.

Israel's military said on Wednesday it suffered no casualties from the overnight fire on

its troops operating in the area.

“These posts provide intelligence for Hezbollah operations and attacks,” said Lt. Col. Jonathan Conricus, a military spokesman.

Hassan Nasrallah, the leader of Hezbollah, an Iran-backed military and political group in Lebanon, said he wouldn't comment for now.

The caretaker Lebanese government said it would instruct its foreign minister to file a complaint to the United Nations Security Council. The Lebanese military said the posts belonged to an environmental group.

—Felicia Schwartz

New Zealand Mosque Killer Gets Life Term

By STEPHEN WRIGHT

CHRISTCHURCH, New Zealand—The man who murdered 51 people in live-streamed attacks on two New Zealand mosques was sentenced to life imprisonment without parole, the first time the country has imposed a punishment that denies any chance of release.

The March 15, 2019, massacre in the southern city of Christchurch, which brought about a national ban on semi-automatic weapons, was the deadliest peacetime shooting in New Zealand.

Dozens of victims provided statements to a Christchurch court over three days that, in wrenching detail, showed how the actions of Australian national Brenton Tarrant continue to take emotional, physical and financial tolls.

Tarrant was described by some survivors as a monster and a coward who could never be forgiven. Many said the shootings at the Al Noor and Linwood mosques strengthened their Islamic faith and united New Zealand behind ideals of tolerance and in support of its Muslim minority.

The 29-year-old was found guilty of 51 charges of murder, 40 charges of attempted murder and one charge of engaging in a terrorist act.

Judge Cameron Mander, who named each murdered and injured person during

Thursday's sentencing, said it was the duty of the court to “decisively reject” Tarrant's crimes and his malevolent ideology that were an attack on New Zealand's way of life.

Tarrant was “empty of empathy” and his actions were so wicked that a lesser sentence wouldn't have fulfilled the requirements of proportionate justice, the judge said.

During the hearings, Tarrant reacted on a few occasions with a nod or smile but mostly looked on impassively even as victims addressed him directly and condemned him in visceral terms. Via a court-appointed lawyer, Tarrant said before the sentencing that he didn't oppose a sentence of life imprisonment without parole.

Aden Dirye, whose 3-year-old son Mucaad Ibrahim was killed, stood in the court as a relative read a statement on his behalf. Prosecutors said Tarrant killed the boy with two precisely aimed shots as the child clung to his father's legs.

“You have killed my son and to me it is as if you killed the whole of New Zealand,” Mr. Dirye's statement said. “He was adored by all and loved by any who gazed upon him.”

Mr. Dirye said Tarrant's “atrocious and hatred” didn't cause the kind of division the shooter apparently wanted. “Instead it has united our Christchurch community and strengthened our faith.”

FROM PAGE ONE

Workers Strive for The 'Smize'

Continued from Page One

Hospitality teams are adopting the trick as they attempt service with a smile while the smile is out of service.

"The safety mask has truly transformed smizing," Ms. Banks said in an interview. It is less about penetrating the camera lens with intensity and strength than it is about saying things like "How can I help you?" or "You can go first."

When the coronavirus hit, Michelin-starred chef Akira Back said he could figure out social distancing and sanitation. "My biggest concern was how we were going to communicate to the customers through masks," he said.

Boram Kang, general manager at Mr. Back's namesake restaurant at the Four Seasons Hotel Seoul, approached the owner and shared that she used to be a model. "I was like, 'yeah, yeah, so what?,'" he recalls. "Then she explained how she could teach our staff how to smile with their eyes."

As a model, Ms. Kang was taught to keep her mouth in a neutral expression while relaying an inner sense of joy through her eyes. She spends five minutes before each shift practicing smizing with the staff, who of course can move their mouths as much as they need to achieve the desired ef-



Bartender Kimberly Cunningham, left, and bellman Nick Lucas, perfect the smize.

your mouth is covered by a mask, that person on the receiving end will truly feel your kindness through your eyes...and they just might smize right back at you. The synchrosimize."

The Grand Hotel Tremezzo, a five-star stay on Lake Como in Italy, hired Alessandra Fertitta, a body-language instructor, to teach its 120 staff members how to effectively communicate with their eyes.

"People are scared right now so it's more important than ever for hotel staff to convey a sense of safety and welcome with their gaze," she said. Ms. Fertitta, who teaches at the Catholic University of the Sacred Heart in Milan, held workshops where she had staff do facial exercises to activate the muscles around the eyes.

"I'd make them try to convey hunger, happiness, sadness, fear," she said.

The staff at the Halcyon have to practice making and interpreting micro expressions—brief and subtle facial movements that last a fraction of a second—to be able to express a welcoming nature as well as detect guests' needs and emotions, said Chelsea Lee L'Archevesque, director of people and culture at the Denver hotel.

Her team used online training tools based on the research of Dr. Paul Ekman, a pioneer in the study of facial expressions who has developed workshops for the CIA focused on detecting deception through micro expressions.

"Now more than ever we have to be self-aware of every expression on our face and our guests' faces," Ms. L'Arch-

fect above the mask.

"The positive impact is felt by guests daily," said Mr. Back. He said he was so impressed by the power of the smize that he traveled to the U.S. the week before the June 23 opening of Lumi by Akira Back, his new Japanese-Peruvian restaurant in San Diego, to lead a smize training.

In normal times, humans can get by with what psychologist David Matsumoto calls a social smile, or when the lip corners turn up but the rest of the face stays put. "This is the smile that greases the wheels of society and keeps us connected," said Dr. Matsumoto, director of Humintell LLC, a research and training company that specializes in the science of body language and nonverbal behavior.

Before masks, the social smile could be used to acknowledge the arrival of hotel guests or to greet restaurant diners. Now, he said, we must compensate by waving our hands, or by perfecting the smize.

The smize is actually the upper half of the Duchenne Smile, the facial expression that relays genuine happiness, said Dr. Matsumoto. Named for a 19th-century French scientist who studied face muscles, it involves the voluntary contraction of the muscle that pulls up the lip corners and the involuntary contraction of the muscle that pulls the skin around the eye toward the eyeball and the cheekbones up.

It isn't as simple as smiling extra hard. Studies show the muscles around the eye re-

spond only to true emotion, Dr. Matsumoto said.

Guillermo Martinez, a front-desk agent at the Halcyon, said he struggled to smize on demand and had to practice. "At first I just looked like I was squinting really hard," he said. "I looked pained. Now, I pretend I'm trying out for a Colgate commercial and try to flash an extra big smile so my cheekbones raise up against my mask. That usually makes me laugh to myself so my eyes naturally light up."

Ms. Banks broke down the masked smize like this: "Think of someone you love...someone that fills your heart with joy. Now imagine they are standing in front of you. Begin to smile, and not a blank smile that only involves the mouth. Smile with your entire soul. Even though

Trump Remade GOP

Continued from Page One

The party's 2008 nominee, John McCain, died in 2018, and his widow, Cindy McCain, recorded a message for last week's Democratic National Convention.

The former presidential nominees weren't featured in the 2016 convention either. In contrast, the latest Democratic convention featured all three living former Democratic presidents as well as 2016 nominee Hillary Clinton and 2004 nominee John Kerry.

"We're emphasizing regular people whose lives have been improved by the president's policies," said Trump campaign spokesman Tim Murtaugh. "The Democrats relied very heavily on Washington insiders, and that is not the direction Donald Trump has taken the Republican Party."

Mr. Trump's supporters say he tapped into widespread anger among working-class white voters who thought they had been getting the short end of policies that shifted jobs abroad and cut wages and pensions. They were drawn to Mr. Trump's attacks against illegal immigration, his free-wheeling rallies and combative Twitter feed.

"Just like Ronald Reagan, Donald Trump is going to have a lasting impact on the party," said Florida GOP chairman Joe Gruters. "He obviously has the pulse of the people, and the party coalesced around him. It's as simple as that. He's delivered."

Mr. Trump does have a small coterie of vocal opponents within his own party. "It's not a party I recognize," said former Ohio Gov. John Kasich, a Trump critic who spoke at the Democratic convention, arguing that the GOP had been negligent on issues such as deficits, the environment and health care. "Our party is going to have to change, or it's going to cease to appeal to a lot of people."

Former New Jersey Gov. Christine Todd Whitman, who also spoke at the DNC, said she wasn't proud to be a member of the current party. "I want to go back to the kind of party it was when Eisenhower was president," she said.

Shift in party

The speakers at the Republican convention have praised the president's record and offered a dark vision of Democratic leadership. There has been limited emphasis on the toll of the coronavirus pandemic, which has left nearly 180,000 Americans dead and millions out of work, or the



The Republican Party has united behind President Trump, his policies and personality. Above, he addressed the convention on Monday.

widespread dissatisfaction about racial injustice, though first lady Melania Trump addressed both topics directly in her Tuesday night remarks.

When Mr. Trump gives his acceptance speech from the White House Thursday night, he will offer voters the same restrictive immigration policy, "America First" trade deals and us-against-them language that he employed in 2016, reinforcing a shift of the party's philosophical core away from free traders, foreign-policy hawks and fiscal conservatives.

The GOP dispensed with writing a new policy platform for 2020 amid the rule-book complications that arose when Mr. Trump sought to move much of the RNC action from North Carolina to Florida. Instead the party chose to keep the 2016 platform in place and adopted a resolution declaring "That the Republican Party has and will continue to enthusiastically support the President's America-first agenda."

Loyalists eliminated any possibility of a repeat of the messy 2016 GOP convention in Cleveland, where animosity to Mr. Trump was still visible in some pockets and Sen. Ted Cruz of Texas gave a speech in which he declined to endorse the nominee.

To head off a primary challenge this time, a small Trump team began working with state parties to tighten rules and to ensure Mr. Trump's delegates would be selected.

In all, changes were made to rules in 41 states or territories

that significantly reduced a primary threat. In Massachusetts, home to former Gov. Bill Weld, who eventually did mount a challenge to Mr. Trump, rules were changed so that the overall primary winner would take all delegates instead of a proportional share.

To drive rule changes, the campaign worked to install loyalists as state party chairs, moving to oust anyone who wavered on backing Mr. Trump. In January 2019, a senior campaign official flew to Bangor, Maine, where three candidates were vying for the party chair, and persuaded the state GOP committee to go with the preferred candidate, Demi Kouzounas. In Massachusetts, the campaign helped defeat the candidate aligned with moderate Gov. Charlie Baker.

Mr. Trump himself weighed in on the contest for party chair in Ohio in 2016, backing Jane Timken, who won by a single vote over a candidate favored by Mr. Kasich in January 2017. Ms. Timken was unanimously elected to a second term in 2019.

In Florida, the Trump team helped lift Mr. Gruters, a state lawmaker who was co-chairman of the 2016 campaign in the state, to the head of the party. He said that has led to cohesion in working with the Trump campaign and the Republican National Committee. "Everything we do is in lockstep with each other," he said.

Even lower in the party structure are local GOP committees. In Florida, Trump backers control about 95% of

them, Mr. Gruters estimated.

A decisive win for Mr. Trump in November would cement his power over the party for now. If he loses, especially by a large margin, "there will be a jump ball in the GOP," said Peter Wehner, a Trump critic who served in the Reagan and both Bush administrations. "The infighting will be intense and even vicious. The party will be more ideologically fractured than it's been in living memory."

Even if the party is hit with losses, Mr. Trump's policies are unlikely to be abandoned

Party unity is defined by Mr. Trump's vision, message and style.

wholesale, because they reflect the changing base of the Republican Party.

Mr. Trump has accelerated the movement of middle- and lower-income Americans into the GOP. Today, working-class, white voters make up 59% of the party, up from 50% in 2010, Wall Street Journal/NBC News polling shows.

"We became a little staid," said Sen. Lindsey Graham of South Carolina. "We looked like the banker next door, who may foreclose on your house. Mitt Romney is a fine fellow, but he epitomized that."

Mr. Graham was a 2016 presidential rival and critic

who became a golfing buddy and close ally of the president after he was elected. He wasn't alone. Many Republicans who objected to Trump during the primary got on board, recognizing his sway over voters who would decide their own elections.

Mr. Trump's supporters remain overwhelmingly loyal to him personally. In the latest Wall Street Journal/NBC News poll, taken Aug. 9-12, 49% of Republicans identified themselves as supporters of Mr. Trump vs. 37% who identified as supporters of the party. His approval rating among those Trump Republicans was 92% vs. 69% among party Republicans.

Mr. Trump reveled in the idea that he wasn't a standard party figure during an appearance in Old Forge, Pa., last week, saying that a "typical Republican" wouldn't be able to win in the state, which prior to 2016 had voted for Democrats in presidential elections since 1992.

"This has always been a Democrat area and yet the votes for Trump here are through the roof," Mr. Trump said.

An average of polls by Real Clear Politics shows the Democratic candidate, Joe Biden, ahead by 5.5 points in Pennsylvania.

The White House said Mr. Trump's popularity within the party was a product of his record. While he has shifted the party's focus on key issues, he has also delivered on some traditional GOP priorities, in-

cluding tax cuts, deregulation and installing conservative judges.

Trade and economic policy, which were key to his 2016 victory in Pennsylvania and Midwestern states, may be the area where Mr. Trump has the most enduring effect on the party, Republicans say. Though his use of tariffs remains unpopular with Republican lawmakers and business groups, a focus on American jobs and manufacturing rather than corporate profit and inexpensive imports is resonating with Republican voters, particularly as the party base has evolved.

Richard Delany implemented mandatory eye-expression training at the Relais & Châteaux hotel in Highlands, N.C., after a longtime staff member asked if he was upset with her. "I was shocked when she said I seemed unfriendly lately," said Mr. Delany, president and director of Old Edwards Hospitality Group, which also runs the Old Edwards Inn and Spa in Highlands. "Usually I walk through the kitchen beaming a smile and high-fiving employees. I can't do that anymore. If I came off as unfriendly and dismissive to staff who have known me for years, imagine what guests who don't know me must think."

Mr. Delany has departments line up every morning and do a touch-up course on smizing, as well as practice using an upbeat tone and exaggerated hand and arm gestures to relay respect and welcome.

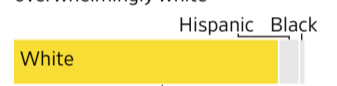
"We're in the heart of the South where Southern hospitality reigns," he said. "It's hard to say welcome to my home with three-quarters of your face covered up but we're figuring it out."

Mr. Delany took photos of all of his employees smiling and has them wear the photo on a lanyard around their neck.

"Guests can see the smize," he said, "but there's still nothing like looking down and seeing what the employee really looks like smiling without a mask."

Makeup of the GOP

Republican registered voters are overwhelmingly white



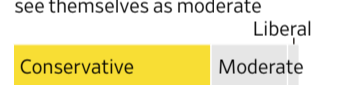
Gender: They are a majority male



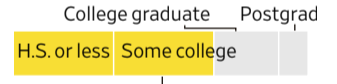
Age: A majority are older than age 50



Ideology: Two-thirds define themselves as conservative while one quarter see themselves as moderate



Education: Most do not have a college degree



Note: Unknown answers not charted. Source: merged WSJ/NBC News polls, Jan.-July 2020

cluding tax cuts, deregulation and installing conservative judges.

Trade and economic policy, which were key to his 2016 victory in Pennsylvania and Midwestern states, may be the area where Mr. Trump has the most enduring effect on the party, Republicans say. Though his use of tariffs remains unpopular with Republican lawmakers and business groups, a focus on American jobs and manufacturing rather than corporate profit and inexpensive imports is resonating with Republican voters, particularly as the party base has evolved.

China stance

Mr. Trump may have also succeeded in cementing a tougher stance toward China, casting it not only as a killer of American factories but a threat to national security, as his recent moves to restrict the popular social-media platforms TikTok and WeChat have shown.

At home, Mr. Trump abandoned much of the fiscal restraint that had been a Republican focus in the years before 2016, overseeing massive tax cuts—and during the coronavirus pandemic, huge spending increases—that contributed to soaring deficits.

Mr. Trump's major point of weakness has been his management of the pandemic, which has disrupted school and work across the country. The unemployment rate was 10.2% in July.

The August Wall Street Journal/NBC News poll found that 37% of Republicans, and 61% of all voters, believe America's response to the coronavirus has been unsuccessful. The poll found that 40% of voters approve of President Trump's handling of the virus and 58% disapproved.

GREATER NEW YORK

MTA Is Considering a 40% Service Cut

The agency faces a \$12 billion shortfall by the end of 2021 as the pandemic hits revenue

By PAUL BERGER

The operator of the nation's largest transit system could be forced to slash New York City's subway and bus service by 40% if it doesn't receive \$12 billion in relief from the federal government through the end of 2021.

The service reductions were among many options presented Wednesday at an emergency board meeting of New York's Metropolitan Transportation Authority held to discuss the authority's perilous finances caused in large part by the pandemic.

None of the options was voted on by board members. But they illustrated the magnitude of the cost-cutting measures that officials expect to weigh as the state-controlled authority faces its biggest fiscal crisis.

In addition to New York City's subway and bus systems, the MTA operates two commuter rail lines—the Long Island Rail Road and the Metro-North Railroad—and nine bridges and tunnels.

Other options presented Wednesday included raising fares and tolls above the biennial target of 4%, cutting commuter rail service by 50% and implementing peak-period pricing at crossings.

The MTA forecasts cash shortfalls of \$12 billion through the end of 2021, mostly because of a precipitous decline in revenues from fares, tolls and dedicated taxes since the pandemic hit New York in March.

Weekday subway ridership is down 75% compared with pre-pandemic levels of about 5.5 million riders.

Authority officials estimate that they are losing about \$200 million a week.

MTA Chairman and Chief Executive Patrick Foye told his colleagues Wednesday that state and city governments are unable to help the MTA be-



Weekday subway ridership is down 75% compared with pre-crisis levels.

cause they faced multibillion-dollar deficits of their own and that only the federal government could step in. "The survival of the MTA lies in the balance," he said.

MTA officials project annual savings of more than \$1 billion this year and next year by reducing overtime, cutting consultant contracts and scaling back or deferring projects to modernize trains, buses and

stations. But that isn't nearly enough to balance the budget of the authority, which is statutorily precluded from filing for bankruptcy.

Officials say they could save almost \$900 million annually by reducing subway and bus service by 40%, but that would translate into up to eight minutes of additional wait time for subway riders and up to 15 minutes of additional wait

time for bus passengers.

The MTA previously has said that it must run the fullest service possible to reduce the risk of crowding during the pandemic.

The MTA faced a fiscal crisis before the pandemic. At the start of this year, the authority expected to cut up to 2,700 of its 74,000 workforce as part of a streamlining effort.

On Wednesday, officials said subway and bus-service reductions alone could allow the authority to cut 7,200 jobs.

MTA board members representing labor unions threatened worker unrest if the MTA tried to lay off transit employees. John Samuelson, international president of the Transport Workers Union of America, said that the fiscal crisis had been years in the making and that the cost wouldn't be borne by MTA workers—131 of whom have died of Covid-19-related causes. "We've paid with blood," Mr. Samuelson said.

Some MTA board members suggested the MTA look be-

yond asking the federal government alone for help.

Neal Zuckerman, who was appointed to the MTA by the Putnam County executive, said businesses, unions and banks that have benefited from the transit system for decades should collaborate to save the MTA the way business leaders rescued New York City during its fiscal crisis in the 1970s.

Linda Laceywell, the superintendent of the New York State Department of Financial Services and a board member appointed by Gov. Andrew Cuomo, said the federal government created the MTA's crisis by mismanaging the pandemic and has a responsibility to bail out the authority.

The MTA has exhausted the nearly \$4 billion it received in the spring as part of a \$2 trillion federal coronavirus-relief package.

Officials have been hoping for an additional \$3.9 billion as part of an aid package that was being negotiated earlier this year. That package has stalled in Congress.

Pioneers of Women's Rights Are Honored With a Monument in Central Park



MAKING HISTORY: A woman takes a selfie in front of a statue featuring Sojourner Truth, Elizabeth Cady Stanton and Susan B. Anthony. The park's first monument honoring historical heroines, as opposed to fictional female characters, marks the 100th anniversary of the ratification of the 19th Amendment giving women the right to vote.

Gyms in New Jersey Prepare To Reopen

By JOSEPH DE AVILA

New Jersey Gov. Phil Murphy allowed gyms to reopen as the rate of coronavirus transmission remained low in the state.

The governor said gyms can reopen Tuesday, but must keep their capacity capped at 25%. Clients will be required to wear a mask when exercising and employees have to wear facial coverings.

"Gyms are among the most challenging of indoor environments as noted by multiple epidemiologists and experts," Mr. Murphy, a Democrat, said Wednesday at a news conference. "But given where we are in this fight, we believe we are ready to take this step forward."

The state recorded 288 new cases of Covid-19 on Wednesday with a positivity rate of 1.99%, the governor said.

The state also reported 11 deaths from the disease.

New Jersey's rate of transmission—the average number of people infected by each person with the virus—was 0.8. Health experts say the virus spreads more rapidly the higher it goes beyond 1.0.

Earlier this month, the rate of transmission in the state ticked up above 1.0 but has since fallen.

Under the gym-reopening guidelines, fitness classes will be restricted to one person per 200 square feet. There also must be 6 feet of space between the workout equipment.

Gyms need to keep logs of

'Given where we are in this fight, we believe we are ready to take this step.'

when members and staff are in the building to help contact-tracers find those people if they came into contact with someone who was sick while working out. Showers will remain closed.

The coronavirus shutdown became a flashpoint for some gym owners who questioned whether it was legal. One south Jersey gym repeatedly defied the governor's orders to close and was fined \$130,000.

"I know there had been more than a few knuckleheads who had been more interested in their own celebrity, frankly, than working with us to defeat the virus," Mr. Murphy said. "But they are thankfully outnumbered by the good guys and gals."

Gyms have reopened at limited capacity in parts of New York state, which has kept its infection rates low in recent months. But they can't resume operations in New York City until Wednesday. Gyms reopened with limited capacity in Connecticut in June.

NYPD Will Increase Patrols on Weekends

By BEN CHAPMAN

The New York City Police Department is boosting weekend patrols citywide in response to a rise in violent crime and other factors, officials said.

All uniformed officers below the rank of captain who now have weekends off will be subject to the new policy, which begins Monday, according to an internal memo sent last Friday to NYPD supervisors that has been reviewed by The Wall Street Journal.

Under the change, two-thirds of officers who now have weekends off will be re-scheduled to work on weekends and will receive off days during the week. One-third of officers will maintain their current schedules.

The staffing change was made due "to the combination of increased violence, ongoing protests, Covid-19 restrictions and reduction to overtime funding" at the NYPD and will remain in effect until further notice, the memo said.

NYPD officials wouldn't say how many additional officers would be working weekends under the new arrangement. Many officers already work weekends., they noted.

New York has seen a rise in shootings and other violent crime during the pandemic. The trend has intensified during the summer, with many incidents taking place on weekends.

The number of shooting victims was up 162% and shooting incidents rose 166% during the four-week period ending Aug. 23 compared with the same period in 2019, according to NYPD figures. The



Police officers searched for evidence in a Brooklyn playground where two people were injured by gunshots last month.

number of shooting victims increased 95%, and shooting incidents rose 87% from Jan. 1 through Aug. 23, compared with the same period in 2019.

The city recorded 48 homicides during the four-week period ending Aug. 23, a 50% increase from 32 homicides recorded during the same period in 2019. The city saw 280 homicides between Jan. 1 and Aug. 23, a 35% increase from 208 homicides recorded during the same period in 2019.

From last Friday through Sunday, the city recorded eight homicides, up from one homicide during the same period in 2019.

There were 35 shooting incidents from Friday through Sunday, according to the NYPD, up from nine such incidents during the same period in 2019.

NYPD Commissioner Dermot Shea said in a TV appearance Monday that the new staffing policy would give the department flexibility to place more officers on street patrols when they were most needed.

"We're doing what we can with the resources we have and making sure that it's all hands on deck," he said.

Mr. Shea said officer attrition and a reduction in the NYPD overtime budget also

motivated the change.

The NYPD saw funding cuts in the city budget approved earlier this summer and didn't hire 1,000 officers as it had planned to do in July as a cost-saving measure, NYPD officials said.

NYPD officials have said that many of the violent crimes this summer have been related to gang activity and the drug trade. Arrests in the city have fallen, and some criminologists have said that drop has led to more crime. Police officials have disputed the theory.

Patrick Lynch, president of the Police Benevolent Associa-

tion, said the NYPD's new weekend deployment illustrates the seriousness of the city's crime increase. "We're at the breaking point," Mr. Lynch said.

New York City Public Advocate Jumaane Williams said in an interview Wednesday that the increased patrols might be helpful, but that a police response alone wouldn't address rising violence.

"I don't think that anyone can argue with agencies putting out more resources," Mr. Williams said. "But additional officers are not replacing a method of trying to deal with the root causes of crime."

GREATER NEW YORK

Many Enjoy Perks of Less Crowded NYC

By STEPHANIE YANG

Chaiwen Chou used to carefully map out her running routes around New York City to avoid particularly crowded neighborhoods such as Times Square and Koreatown, but that was before the pandemic.

Now, Manhattan has far fewer tourists and commuters. And some residents have left the city looking for more space and cheaper living elsewhere.

The emptying of streets has opened up new possibilities for Ms. Chou.

"It's suddenly just all runnable," said the 37-year-old, who lives in Manhattan's Chelsea neighborhood. "Normally, the streets are so crowded that you often have to just stop because people are just packed on the sidewalk."

Earlier this month, she ran across the Brooklyn Bridge for the first time. She also is considering a trip to the Statue of Liberty, which she has yet to see during her 16 years of living in New York.

"I wouldn't go as far as say that we're a suburb now, but it's just a really nice city," Ms. Chou said.

New York City has been hard-hit by the coronavirus.

More than 19,000 people have died and more than 670,000 jobs have been lost. Since June, the city has eased lockdowns and reopened its economy, but it is struggling to recover, leading some to wonder whether it will fully return to its glory.

Some of the city's staples, including theater and nightlife, are largely absent. The resumption of indoor activities, such as dining in restaurants and shopping in some large retail venues, also has been pushed off without a clear

timeline for reopening.

But some residents who have remained have continued to enjoy the nation's largest city and found new pleasures that were once the province of tourists and those who had the wherewithal to arrive early or book a reservation months in advance. Popular destinations and restaurants that are available also have become more accessible.

"You can really take time to get to know the city again," said Tmmit Nur, who grew up in Queens.

Last week, she visited the High Line in Manhattan for the first time since the shutdown. The former rail line turned park winds up the west side of the city for about 20 blocks, forming a popular walkway with greenery, public art and crowds of people during the warmer months.

In July, the park reopened with timed-ticket entry, distancing markers and one-way traffic. But Ms. Nur noticed something else unique about the experience.

"This is the only time I've actually enjoyed this," the 30-year-old said. "Without the timed entry, it feels like you're just marching in a line to get to the end of it."

The lines also have shortened at some of the city's most beloved eateries.

In June, Sebastian Mayr says he was taken aback when the man behind the counter at Dominique Ansel Bakery suggested he buy more "Cronuts," a croissant-donut hybrid pastry for which the bakery is known. The popularity of the item has led to long lines at the SoHo shop and a two-person limit on walk-in orders.

The 26-year-old software engineer ended up leaving with four Cronuts and eight



People enjoy the view of lower Manhattan from Governors Island. At the newly reopened High Line park, below, there is timed-ticket entry.



"DKAs," short for Dominique's Kouign Amann, a type of Breton cake, at the worker's suggestion.

"That was the day that I got upsold twice at Dominique Ansel," said Mr. Mayr, a Brooklyn resident who visits the bakery

every time he is in Manhattan.

Jessica Cheng, public-relations director at Dominique Ansel, said business has been picking up and there is still a two-limit policy on Cronuts, though they can be more accommodating during calmer

periods.

Earlier this summer, John Chung, 33, says he was amazed to discover that Peter Luger Steakhouse had reservations as early as two weeks out. Last year, Mr. Chung tried to reserve a table for his

steak-loving brother's birthday, but the restaurant was booked for the next three months.

"I was like, yeah this is awesome, we finally, finally get to do this," said Mr. Chung, who was able to book a table for outdoor dining for mid-September.

Molly O'Connell, who has been out of work as a model during the pandemic, has taken to riding around town on her scooter, looking for abandoned furniture.

As more people have left New York City, that has led to some great deals for those still living in the city.

Ms. O'Connell said she has furnished her own apartment with several hundred dollars worth of finds.

She frequently sends pictures to an Instagram account called stoopingnyc, that aggregates free items left out on the street.

"I found a \$1,000 love seat last week in almost perfect condition just hanging out on the curb," she said.

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TRAVEL & ENTERTAINMENT

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Is Travel Insurance Still Worth It?

The impact of Covid-19 isn't a covered peril in most policies and insurers often deny cancellation claims



ILLUSTRATION BY MARK SMITH; ISTOCK



THE MIDDLE SEAT
SCOTT MCCARTNEY

Travelers buy travel insurance to protect against the unforeseen—medical issues, job losses, family deaths, storms, terrorist attacks or other reasons they need to cancel and might not be able to get a refund.

Yet many have seen claims denied for trips canceled by the coronavirus pandemic because, well, the pandemic was unforeseen in policies.

Basic travel insurance policies either have exclusions for a pandemic or don't list that as a "covered reason," insurance companies say. The policies typically do cover you if you contract the virus, get sick and can't travel. But short of that, there is little or no coverage for many. Insurers say the impact of the pandemic isn't a covered peril in most policies; neither is fear of the virus.

"This kind of event seemed to be the perfect kind of event that travel insurance should cover, but it wasn't designed to handle that," says Stan Sandberg, co-founder of TravelInsurance.com, a comparison site that sells travel-insurance plans. It is a cautionary reminder that travel insurance covers you for a specific set of unforeseen events, he says.

"These plans have, in some cases, two dozen reasons why it would provide trip-cancellation or trip-interruption coverage, but un-

fortunately the pandemic was not one of them," Mr. Sandberg says.

Travelers say several other gotchas rendered policies unusable. In some cases, if you purchased the insurance after Jan. 21—the date the Centers for Disease Control and Prevention confirmed the first Covid-19 case in the U.S.—policies didn't cover the virus since the peril was "known." Some policies used March 11 as the cutoff date for known perils because that was the day that the World Health Organization officially declared the outbreak a pandemic.

Ben Sousa, a software test engineer from Tempe, Ariz., bought tickets March 12 on United Airlines to go home to New York for his mother's Passover Seder in April. The tickets cost about \$800 and because he was concerned the Seder might be canceled by the outbreak, he bought the insurance offered on United's website.

After all, the pitch on the carrier's website for the Travel Guard by AIG insurance advises, "Don't ignore the unexpected." (It now includes a warning that the pandemic is a "foreseen event and certain coverages will not apply.")

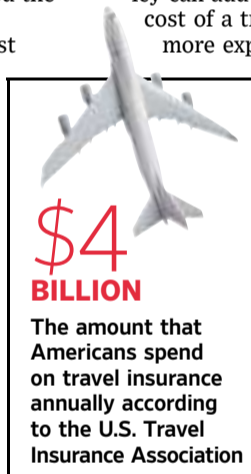
Mr. Sousa, who has purchased travel insurance in the past but never submitted a claim, canceled his trip and filed a claim with AIG. It was denied because he bought the insurance one day after the pandemic declaration.

"They said I should have known, except I didn't actually know at the time and I didn't know what that meant or that it could change everything," he says. "I don't think I would ever purchase insurance again. The one time I needed to use it they denied the claim." A spokesman for AIG declined to comment.

Another issue that has grated travelers: insurance companies keeping the premiums on canceled trips. A solid travel-insurance policy can add 8% or more to the cost of a trip; it is typically more expensive for older

travelers perhaps more likely to cancel for health reasons. Consumers say even when they are getting refunds on cruises, fancy vacations and airline tickets, their travel insurance won't return the cost of the policy. Companies argue the policies remained in effect, so in a sense, the buyer got the coverage even though the trip was canceled.

Americans spend \$4 billion on travel insurance annually, according to the U.S. Travel Insurance Association, and sales were growing before the pandemic. The industry group says that between 2016 and 2018, the latest year for its data, the number of plans sold in the U.S. increased 36%.



New Novel Finds Voice Amid the Turbulence

BY ELLEN GAMERMAN

"**THE VANISHING HALF**," a critically acclaimed novel about identity and race, is on track to become not just one of the bestselling books of the year, but a 352-page cultural phenomenon.

Initial print sales of the book by Brit Bennett suggest it will be a blockbuster with staying power. More than 164,700 print copies have sold since the novel came out in early June, nearly three times the sales of Delia Owens's "Where the Crawdads Sing" after its first 11 weeks on the market in 2018 and roughly 17,000 more copies than Celeste Ng's "Little Fires Everywhere" in the same period after its launch in 2017, according to NPD BookScan.

"It's the kind of sales pattern you would expect to see from a major brand-name author," said Jaci Updike, president of sales at Penguin Random House, whose imprint Riverhead Books published the novel. She added that if the book were in paperback right now she probably would be putting it at the checkout

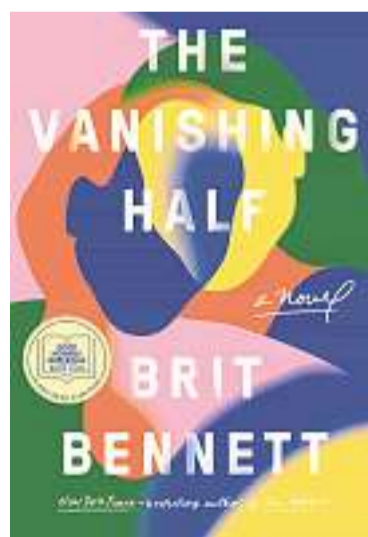
line in supermarkets.

Walmart and Target have sold the book online from the start. Both just picked it up to sell in stores, and Costco and Sam's Club will soon—notable moves by mass-market retailers whose limited shelf space often goes to writers who are already famous.

"The Vanishing Half" opens in a 1950s Louisiana town that has cultivated a population of light-skinned Black children. Twin sisters flee for New Orleans and see their paths diverge as adults, one holding onto her African-American identity and returning to the town with a dark-skinned baby, the other passing as white and marrying a rich man who thinks her family is dead. Their daughters, strangers to each other, land in southern California, where they are joined by a cast of characters with split identities, including a drag queen and a trans man.

The book is cinematic in its storytelling, a work of literary fiction that has made multiple "best of" lists, attracted celebrity fans and become a book-club favorite. It arrived as the pandemic was fueling sales of fiction. And it emerged as a touchstone during a national reckoning with racism and white privilege, when people were putting books front and center as a source of greater understanding.

Ms. Bennett has yet to see her novel in a bookstore—she hasn't



set foot in one since the coronavirus lockdowns began. Given the pandemic, the 30-year-old author who lives in Brooklyn, N.Y., at first worried no one would notice the book. Then the Black Lives Matter protests hit—her book was released on June 2, the same day people posted black squares on Instagram in solidarity against racial injustice and police brutality—and the thought of promoting it felt grotesque to her.

At the same time, readers were hungering for a voice like Ms. Bennett's. The novel, her second, debuted at the top of the New York Times hardcover fiction bestseller



Brit Bennett's bestselling book is heading to mass-market retailers.

list, one of the few works of adult fiction by a Black woman to do so in recent years. HBO paid seven figures for the screen rights in a 17-bidder auction, with Ms. Bennett signed on to executive produce a limited series.

"I don't think anyone could have imagined this level of fervor and enthusiasm," said Ms. Bennett. "I did not think the conversation in the U.S. and the world would have turned so squarely on this subject of race and racism and racial violence really the week that my book came out."

In his review for The Wall Street Journal, critic Sam Sacks wrote:

"My hope is that the warranted praise Ms. Bennett receives for this novel will have less to do with her efficient handling of timely, or 'relevant,' subject matter than for her insights into the mysterious compound of what we call truth: a mixture of the identities we're born with and those we create."

Even with foot traffic down in bookstores, consumers have turned to fiction in these times of crisis. During the pandemic, adult-fiction sales were up 7% compared with the first three months of the year, according to NPD BookScan.

Riverhead estimates more than 400,000 copies of "The Vanishing Half" have sold to date in all formats, including ebooks and audiobooks.

Ms. Bennett got the idea for the book just before the release of "The Mothers," her 2016 debut novel. Her mother mentioned that as a child in Louisiana she had heard about a rural town where residents deliberately sought lighter skin generations through intermarriage.

The author, a graduate of Stanford University who grew up in Oceanside, Calif., balks at the idea of framing her book as a teaching device that answers, rather than asks, how people become who they are. "One of the things I feel most internally resistant to is the idea this book will solve anything for anybody," she says. "What I'm interested in is the question itself."

PERSONAL JOURNAL. | TRAVEL & ENTERTAINMENT

WHAT TO WATCH THIS WEEK



CLOCKWISE FROM TOP RIGHT: FX; QUIBI; HULU; ORION PICTURES (2); ICONS BY ROBB WILSON

Bill and Ted Write a Song, Comics Vie on 'Nice One!'

THE FINAL WEEKS of summer in a year like no other usher in a range of entertainment options on streaming services. From the third installment of

a buddy comedy to a game show that challenges comedians to say nice things about bad situations, these are among the offerings. —Chris Kornelis

Escapism: 'Bill & Ted Face the Music' (Theaters, Amazon, others.)

In a pair of movies from 1989 and 1991, buddies Bill and Ted traveled through history, heaven and hell in a phone booth to save the world. Now, as they re-emerge in "Bill & Ted Face the Music"—in theaters and available to rent and buy Friday—they have been tasked with writing and performing a song that will "save reality as we know it." Alex Winter and Keanu Reeves reprise their roles as the title bros who travel to the future to try and steal the song from their future selves. The characters grew out of an improv routine that writers Chris Matheson and Ed Solomon used to bat around in the late '80s: teenagers who knew nothing about history, talking about history. Messrs. Matheson and



Solomon wrote the screenplays for all three films. They say there may be room for a movie based on Bill and Ted's equally righteous daughters, who are introduced in "Face the Music," but this is probably the final word for their dads. "We go to Bill and Ted's deathbed in this movie," Mr. Solomon says. "If we ever decided at some point in our life that there's a good Bill and Ted story to tell, maybe we would go into it. But at the moment, I think we feel like Bill and Ted's story is done."

An Expert Recommends: 'Dave' (FX, Hulu)

Black Thought, MC for the Roots—the house band for "The Tonight Show Starring Jimmy Fallon"—recommends a show about a rapper. "It's rare for me to see a rapper portrayed in a dramatic setting that feels authentic and that doesn't make me cringe. I don't know why it's difficult. But in most shows, I change the channel when the rap scene kicks in. That's one of the reasons why I like the show 'Dave,' a comedy that feels like a reality show. It offers a glimpse into the life of a real-life white rapper from the Philadelphia suburbs named Lil Dicky, whose real name is Dave, and who stars as



himself. He's actually a very good rapper who I've followed for some time. The show is about his journey from the underground to more mainstream popularity. Even if you're not familiar with hip-hop, it's just a really funny show. It's brutally honest, the sort of comedy that's funny because it's real."

Escapism: 'Nice One!' (Quibi)

"Nice One!" a game show on the video-streaming service Quibi, is hosted by Ron Funches, a standup comedian and actor. The show pits comics against each other to see who can say the funniest things about bad situations—and each other. "Nice One!" is premised on the idea that there's something nice to say about every situation, Mr. Funches says. For example, he got engaged before the pandemic, but wasn't sure he wanted to get married until he had endured lockdown with his fiancée. "You don't necessarily need a soulmate," he says. "You need a cellmate: Somebody you could be locked down with, giving each other tattoos, teaching each other how to make toilet wine." "Nice One!" was originally scheduled for a



June premiere, which was postponed after the death of George Floyd. Mr. Funches says that although he wouldn't joke about a person's death at the hands of a police officer, the moment we are living through "proves my point more than anything." "One of the positives that came out of this was that people had to be forced to look at themselves and say: Is this the type of America I stand for? Is this what I believe in when we say 'the land of the free?'"

New This Week: 'The Binge' (Hulu)

Dexter Darden and Skyler Gisondo never finished high school properly. Mr. Darden left after his sophomore year to work as an actor and Mr. Gisondo missed most of his senior year shooting "Night at the Museum: Secret of the Tomb." Now the two 20-somethings go back to high school as Hags and Griffin, a pair of 18-year-olds in "The Binge." Hulu's new buddy comedy, out Friday, is about a time in which alcohol and drugs are prohibited—except for one day each year, in an annual event known as "The Binge." The movie focuses on teens eligible for their first binge, and is punctuated by the adult supervision of Vince Vaughn as Principal Carlsen. Some scenes were filmed in a real high school, and Messrs. Darden and Gisondo say it was fun to live vicariously through their characters. They spent their hours off-duty



not bingeing on booze, they say, but enjoying typical teen things. "Every minute we weren't working...we were playing basketball or we were driving to Walmart at midnight to get dodge balls to go play dodge ball in the hotel, and we're picking up Nerf guns to go have a Nerf war," Mr. Gisondo says. "It was really important to the movie that Hags and Griffin have a chemistry and you can't really fake that." For Mr. Darden, "The Binge" is a prelude to his next role. In Peacock's coming "Saved By the Bell" reboot, the 29-year-old actor plays a 16-year-old high school student.

The Allman Betts Band Forges Its Own Identity

By ALAN PAUL

IT'S NOT USUAL for the children of feuding rock musicians to put the past aside and form a band together. But that is exactly what the Allman Betts Band did. Three years ago, the sons of Allman Brothers founding members Gregg Allman, Dickey Betts and Berry Oakley were part of a tribute concert to celebrate their fathers' musical legacy. Both the fans and the players were so moved by the performance, that the Allman Brothers' offspring decided to stick together. The Allman Betts Band quickly established itself in the roots rock and jam band worlds, relentlessly touring and selling out large clubs while also putting out a well-received first album. On Aug. 28, the group is releasing its second album, "Bless Your Heart," a more mature, diverse set of songs that better establishes its own Americana-rooted sound. Though Devon Allman, Duane Betts and Berry Oakley Jr. say they had an immediate chemistry due to their shared history, extended time together on the road has helped them better understand

one another and grow together. This is a crucial step toward establishing their own identity, which they all recognize will be the key factor in growing beyond the immediate devotion of Allman Brothers fans drawn to their names. "We're very fortunate to have that fan base behind us because it takes a village to keep an art form alive," says Mr. Allman, 48 years old, referring to blues-based improvisational rock. "The music of the Allman Brothers is where we come from, but we have to march forward and continue our own body of work, just like they did back then. We really have to make our own mark while honoring our fathers' legacy, which is the balance we carry all the time, being who we are." The material includes a soaring instrumental that echoes Allman Brothers classics like "In Memory of Elizabeth Reed," a Rolling Stones style rocker, a Pink Floyd-esque rock ballad, country and pop influences and added layers of acoustic guitar and keyboard textures. Guest musicians add horns, harmonica, harmony vocals and a gospel-y choir. "We felt comfortable going in different directions," says Mr. Oakley, 47. "It's a more experimental album." The three met in 1989 when the Allman Brothers reunited, before

each pursuing their own musical careers. Among many gigs, Mr. Betts, 42, toured with his father and Los Angeles rock band Dawes; Mr. Oakley played with Doors guitarist Robby Krieger and put out records with Bloodline, featuring a young Joe Bonamassa; and Mr. Allman fronted his own group and toured as a member of the Royal Southern Brotherhood, featuring Cyril Neville. But they never worked together. "We all started out as kids riding the bus to big venues with our dads, then put in years touring in vans, living on tacos and sleeping on fans' floors," says Mr. Allman. "We could have done something together any time in the previous 10 years, but we weren't ready." In 2017, the trio were part of a tribute concert to the then recently deceased Allman Brothers members Gregg Allman and Butch Trucks. The throng of grieving fans were particularly buoyed by the sight of Devon Allman and Duane Betts on stage, because their fathers never performed together after Dickey Betts' acrimonious 2000 split with the band. (They did reconcile in a phone call shortly before Mr. Allman's death.) The Allman Betts Band recorded its first album "Down To The River" playing live at the Fame



The Allman Betts Band, from left: John Ginty, R. Scott Bryan, Devon Allman, Johnny Stachela, Duane Betts, Berry Oakley Jr. and John Lum.

Studios in Muscle Shoals, Ala., hal- lowed ground in American musical history where Aretha Franklin, Otis Redding and Wilson Pickett recorded essential music. It is also where Devon's uncle Duane Allman earned his first national acclaim working as a session guitarist. The band's second and latest, "Bless Your Heart," was also recorded there. While Mr. Allman describes the return as a "homecoming," he and his partners also agree that the growth they had experienced in a year-plus of playing together made it a different experience, a key step in their development. "We walked in with a lot more seasoning and an earned confidence, with a few hundred gigs

under our belt and a new batch of songs," says Mr. Allman. While the band would usually hit the road in support of "Bless Your Heart" the pandemic has interrupted all that. The group hopes to do monthly live streams in lieu of touring. "We're a touring band so in a perfect world we'd be out there behind the album," says Mr. Betts. "It's unorthodox to watch from home, but you just accept what the universe seems to be offering at the moment." "We considered putting off the record until next year," says Mr. Allman. "But then we thought that this may be the time that people need music the most."



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ARTS IN REVIEW

CULTURAL COMMENTARY

Charlie Parker's Innovations

Born 100 years ago this week, the saxophonist pushed bebop to jazz's fore

By JOHN EDWARD HASSE

Charlie Parker blazed through American music like a meteor, burning out in his early 30s. Yet the alto saxophonist ranks high in the pantheon of American genius for his artistry, innovations and impact. A larger-than-life figure, he changed jazz forever.

Born in Kansas City, Kan., on Aug. 29, 1920, Parker evoked more passion, pro and con, than any of his jazz predecessors or contemporaries. Many of the negatives reflected his behavior as a societal outsider. His alcohol and drug dependency, instability, and periodic hospitalizations promoted a stereotype of jazz musicians as misfits and social deviants. But Parker's prodigious positives are why he matters and why we still remember him.

While a teenager, Parker jumped into jazz, listening with open ears. He absorbed the blues-drenched swing of Bennie Moten, Jay McShann, Count Basie and

Nicknamed 'Bird,' he set a lasting benchmark for virtuosity and improvisational style

other Kansas City notables, but sought his own musical way. He later claimed that for three or four years he practiced for 11 to 15 hours a day. Parker picked up the nickname "Yardbird," shortened to "Bird."

After permanently moving to New York in 1942, Parker joined late-night Harlem jam sessions, where players exchanged ideas, honed skills, and tested themselves against talented contemporaries. He bonded with the brash trumpeter Dizzy Gillespie, just three years older. Like research scientists, Parker, Gillespie and a few colleagues experimented in their jamming lab. They didn't invent a new style—bits of it were in the air—but their efforts made it whole.

Parker and Gillespie promulgated a complex new approach to improvising jazz melody and rhythm. Before them, the fundamental pulse of jazz was the quarter-note: a bar divided into four parts. The young musicians subdivided the bar into eight parts: The basic unit became an eighth-note, dramatically changing the feel of the music. In addition, they added

triplets (dividing each beat into three parts) and a heavy dose of syncopation.

Parker's 1945-49 recordings such as "Klacc-toveedsedstene," "A Night in Tunisia" and "Parker's Mood" reveal a musical innovator of the first rank, one who helped create a paradigm shift for jazz music, a fresh language for improvisation, and a new genre, dubbed "bebop" or simply "bop." Though their sound reimagined rather than denied the past, listeners used to swing music found it startling and radical.

Parker could spew hot ideas like a geyser: fluid but knotty and asymmetrical melodies with unusual, often dissonant harmonies. He became the greatest exponent of formulaic improvisation, manipulating what jazz players call their "licks"—a repertory of motifs internalized so deeply that they can be seamlessly inserted into a solo at will. Parker wondrously employed over 100 such patterns in his playing—for example, in his milestone "Koko" of 1945. The challenges of this approach? To select and apply the formulas at the speed of thought but avoid turning them into clichés. Parker did all that.

In different iterations of the same song, the solos of more than a few jazz musicians reveal similar shapes and patterns, more habit than pure spontaneity. But listen to Parker's two successive October 1947 takes on Gershwin's "Embraceable You" and you marvel at how completely different they are. Seven decades later, his imagination still dazzles.

Capable of jaw-dropping speed, he could push the envelope of tempo, taking "Shaw Nuff" (1945) at a blistering 280 beats per minute—more than four beats per second! He raised instrumental wizardry, as epitomized by pianist Art Tatum, to a new level. Parker created a touchstone of virtuosity and velocity for succeeding generations of players. But he never used his chops just

to show off—they always served the music.

Like other Black musicians, Parker faced deep, dogged systemic racism and discrimination, a white-controlled music industry that often took advantage of musicians of color, and gigs where entertainment met the underworld. That he was able to make such enduring art despite crushing constraints and personal demons is cause for veneration and gratitude.

Parker pointed the way for countless musicians, among them pianist Bud Powell, trombonist J.J. Johnson, and saxophonists Sonny Stitt, Cannonball Adderley and Phil Woods. By creating a new benchmark of excellence, Parker gave later musicians

something to respond to and build on.

If the prevailing swing sound had been a dancer's music, Parker and fellow boppers struck a blow for modern jazz as a listener's music. Their changes furthered the growth of jazz nightclubs for listening and benefited scrappy, independent record labels such as Savoy and Dial that couldn't muster the money to record big bands, but could memorialize quintets such as Parker's. The boppers considered themselves artists more than entertainers.

When Parker died in 1955 at age 34, the attending physician thought he was 53. Defiant graffiti popped up all over New York and in jazz nightclubs across the country: "Bird Lives." Parker was

immortalized in sculpture, paintings, fiction, films, postage stamps in 11 countries, and an opera, "Charlie Parker's Yardbird."

In the cultural memory of Kansas City and Harlem, in his enduring new approach, in the standards he heightened, in dozens of compositions, in more than 1,500 recordings, in the playing of countless acolytes, and in the current centennial commemorations, truly Bird lives...and thrives.

Mr. Hasse is curator emeritus of American music at the Smithsonian Institution. His books include "Beyond Category: The Life and Genius of Duke Ellington" (Da Capo) and "Discover Jazz" (Pearson).



Charlie Parker was born on Aug. 29, 1920, in Kansas City, Kan., where he first learned jazz.

ELIOT ELSOROV/THE LIFE PICTURE COLLECTION/GETTY IMAGES

TELEVISION REVIEW | JOHN ANDERSON

'Love Fraud': A True Tale of Avenging Exes



The best way to get over a guy isn't going to a therapist, or crying about it, or talking to your friends over and over—it's "revenge," says Sabrina, one of the many victims of "Love Fraud." All of them are looking for vengeance. And all against the same guy.

Richard Scott Smith, the swindling Lothario at the center of the four-part Showtime series, wooed, married, fleeced and abandoned women across the Midwest over a 20-odd-year period and is pursued in real time over the show's nearly 3½ hours not only by a posse of those women but by filmmakers Heidi Ewing and Rachel Grady themselves. Helping them in the hunt is a tough-talking, chain-smoking, gray-haired Kansas City, Mo.-based bounty hunter named Carla Campbell, who asks the question that has to be asked: "How'd you fall for this?"

There are a number of reasons, which is no doubt why the story attracted the veteran documentary duo ("Jesus Camp," "12th and Delaware," "One of Us"). One answer is articulated by a single mom from Kansas City named Tracy: "Dating in your 40s sucks." Fewer questions get asked; compromises are made. (But not always: "There's no excuse not to have teeth these days," Tracy says of one would-be suitor.) The idea that something, or someone, might be too good to be true is less likely to affect one's

judgment. And Mr. Smith, as oily as he may seem amid the recollections of his victims, made a good case for himself.

"Love Fraud" is umbilically attached to the internet—Mr. Smith

would never have been able to victimize as many women as he did without online dating; the women, brought together by a blog, would never have been able to track him as carefully without the investiga-

tory tools of the World Wide Web. It presents a problem for the filmmakers, however, who have little effective storytelling footage at their disposal other than the many interviews they did with the many



Stills from Showtime's documentary miniseries, left and above

Mrs. Smiths. (How many there really are is probably impossible to know.) The work of collage artist Martin O'Neill and the animation by Andrew Griffin help to create an atmosphere of surrealistic fantasy around the hard facts of the case. For their part, Ms. Ewing and Ms. Grady create what is often a studied-bordering-on-languid pace and a running visual commentary on the down-market Midwest: desolate factories, empty asphalt, payday loan outposts, and a 60-ish guy in a sweatshirt singing "Ice Ice Baby" at a Wichita karaoke bar. It's not exactly a garden of earthly delights. But it does help explain the desperation at the root of Mr. Smith's success.

Love Fraud
Begins Sunday, 9 p.m., Showtime

SHOWTIME (2)

SPORTS

No Fans, New Rules, Still Slow

Halfway through the MLB season, nine-inning games are taking longer than ever

By JARED DIAMOND

The first half of the pandemic-shortened Major League Baseball season has given fans plenty of time to digest all of the wacky, experimental rules reflective of this endlessly bizarre year.

The universal designated hitter could be here to stay, to the dismay of longtime National League purists. Beginning extra innings with a man automatically on second base has led to some seemingly impossible achievements—like a leadoff sacrifice fly and an inning that consisted of two batters making three outs. Seven-inning double-headers have been...shorter than nine-inning double-headers, if that counts for anything.

But for all of the weirdness these changes have introduced, none of them have had any positive effect at all on what really matters for the future of the sport: making games faster. And that is an issue that has plagued baseball for far longer than the coronavirus.

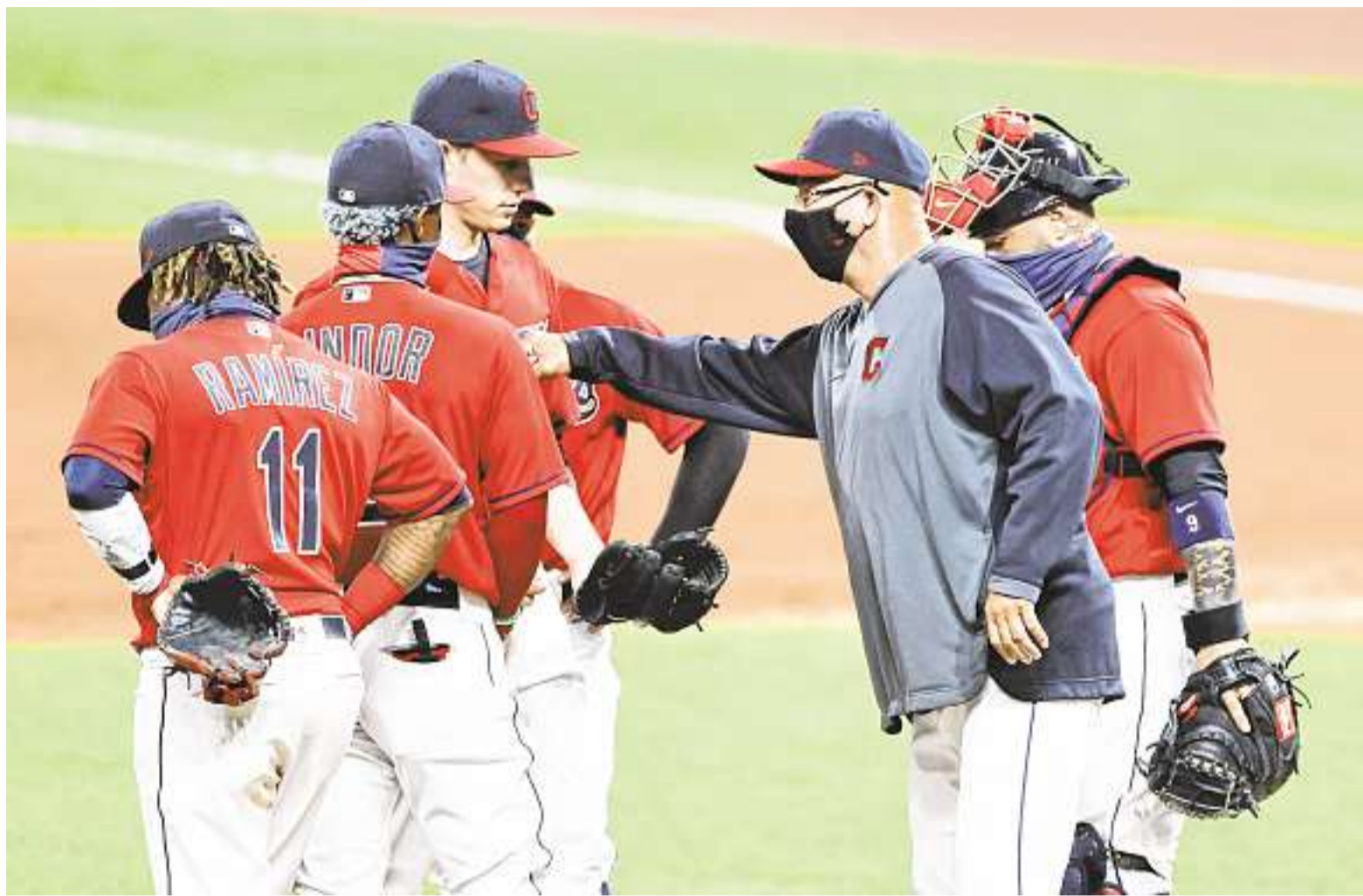
Baseball is once again slower than it has ever been at any point in history. Even without spectators in attendance, the average nine-inning game is lasting 3 hours, 7 minutes. That's two minutes longer than the record-setting 2019 season and seven minutes longer than 2018. It's another step backward for Rob Manfred, who has long seen speeding up games as perhaps the single most important objective of his tenure as MLB's commissioner.

The primary reasons for the slowdown have little to do with perpetual suspects such as commercial breaks and hitters dawdling in the batter's box—but rather a fundamental shift in how modern baseball is played.

Despite a new rule put in place before the pandemic designed to limit the constant parade of relievers that has defined baseball in recent years, teams are still trotting out an average of 4.6 pitchers per game. MLB crossed the four-pitcher threshold in 2015, and that number has climbed ever since, still with no end in sight.

The four-month hiatus caused by the pandemic no doubt has played a role. The abbreviated "summer camp" training period consisted of just three weeks, ensuring that starting pitchers wouldn't have their stamina built up anywhere close to their typical opening-day levels.

The result is that starters are recording just 14 outs an outing—or 4 2/3 innings, less than what's required to qualify for a win. The average length of starts has set a new low in each of the past four seasons, but never before has it dipped under five innings. (A disturbing number of pitcher injuries across the league—including significant ones to stars like Houston's Justin Verlander, Washington's Stephen Strasburg and Atlanta's Mike Soroka—hasn't helped matters.)



Cleveland manager Terry Francona, above, makes a pitching change. Tampa Bay players, left, during a break in action. Teams are trotting out an average of 4.6 pitchers per game.



Once the starters exit, the managers have an unprecedented amount of relievers to choose from. Rosters began at 30 players, before dropping down to 28, where they will stay for the remainder of the season. So even though all relievers this season must face at least three hitters or finish an inning, the revolving door on the pitcher's mound is spinning harder than it was before.

Not surprisingly, hitters are struggling. They entered Wednesday with a collective batting average of .242, the third-worst mark

in a century, and only ahead of 1967 and 1968—the years before baseball lowered the mound to promote more offense. Last year, batters hit .252.

Meanwhile, batters were striking out in 23.2% of their plate appearances, which would establish a record for the 13th consecutive season. Two dozen pitchers who are qualified for the ERA title are striking out at least nine batters per nine innings, led by Cleveland's Shane Bieber at 14.5.

Home runs, which have surged to heights not even seen during

Batters are seeing 3.95 pitches per plate appearance, which would break the record of 3.92 from a season ago. When those increasingly long plate appearances finally end, there's a 36% chance the outcome will be a home run, a strikeout or a walk, also breaking the record of 35.1% from 2019. That means not only are games longer, but also less is happening to fill that time besides the pitcher and catcher playing a game of catch, only interrupted by the occasional homer.

Manfred has said that the new

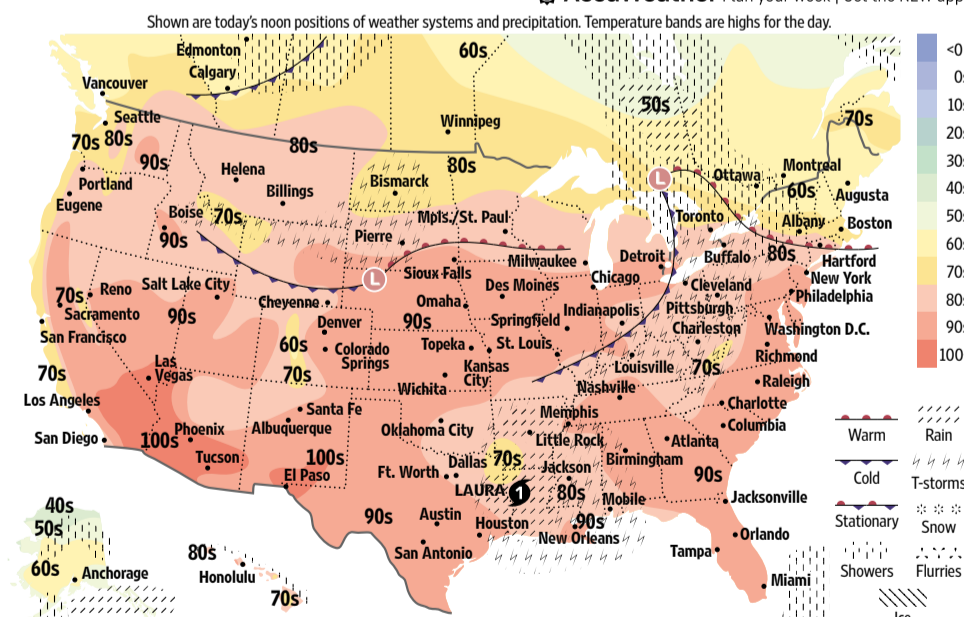
rules for this season were put in place for the purpose of health and safety, not to reverse the larger trends. And without a doubt, a portion of all this can be attributed to the nature of the season and the tiny sample size compared with a full 162-game slate. Given the bitter labor dispute over how to resume play and the coronavirus outbreaks that consumed the Miami Marlins and St. Louis Cardinals, it feels like a miracle that any baseball is being played at all.

Even with competition from the NBA and NHL playoffs, television ratings have seen a sizable increase, especially among the younger demographics that have moved away from baseball in recent years. And story lines abound: Tatis has a chance to blossom into the face of the sport. Bryce Harper is a dominant force again. The Los Angeles Dodgers look like a superteam speeding toward a long-awaited coronation, with Mookie Betts performing as advertised. Mike Trout is still Mike Trout.

But when the pandemic ends and baseball settles into something resembling normalcy again, 2020 has given no indication that the issues from before have gone away. If anything, they're only getting worse.

Weather

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U.S. Forecasts

s., sunny; pc., partly cloudy; c., cloudy; sh., showers; t., storms; r., rain; sf., snow flurries; sn., snow; L, lake

Table with 3 columns: City, Today (Hi, Lo, W), Tomorrow (Hi, Lo, W). Lists major cities and their weather forecasts.

International

Today (Hi, Lo, W), Tomorrow (Hi, Lo, W)

Table with 3 columns: City, Today (Hi, Lo, W), Tomorrow (Hi, Lo, W). Lists international cities and their weather forecasts.

FINANCIAL SECTORS

By Michael Schlossberg

Table with 3 columns: Sector, Today (Hi, Lo, W), Tomorrow (Hi, Lo, W). Lists financial sectors and their performance.

The WSJ Daily Crossword | Edited by Mike Shenk

Crossword puzzle grid with numbers 1-67 indicating starting positions for clues.

- 66 Sounds from pounds
28 "Charlotte's Web" girl
67 Pangaea, notably
29 Musketeer's tool
Down
32 Utmost
33 Indication of enlightenment
34 Louvre Pyramid designer
35 Cajun soup ingredient
36 Lucy's hubby
37 2016 U.S. Open champ Wawrinka
39 Shoots off
40 Swede in Britain
44 Overly proper
46 Punishingly hard
47 Without even a slap on the wrist
48 Fling
49 "Gladiator" setting
50 Sparkly topper
51 Pull teeth?
52 Calls for
54 Serving aid
56 SpaceX's Musk
57 Zest, e.g.
58 Do a priestly job

Previous Puzzle's Solution

Grid showing the solution to the previous crossword puzzle.

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

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Tip #23

What to tell adult children about your finances.

Tip #26

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Tip #18

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BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

Thursday, August 27, 2020 | B1

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U.S. Firms Object to WeChat Ban

Popular app, used for messaging, payments, called vital for doing business in China

By Liza Lin

SINGAPORE—U.S. businesses in China are pushing back against a looming Trump administration ban on Tencent Holdings' WeChat app, with a report Wednesday shedding light on just how vital the tool is to companies doing business in the world's second-largest economy.

The American Chamber of Commerce in Shanghai warned of an "enormous negative impact" on U.S. companies with international businesses if the order, whose scope has yet to be revealed, was enacted too broadly.

The Chinese app, a ubiquitous chat messaging and commercial platform, has come under the spotlight as technology increasingly takes center stage in a confrontation between the world's two major economies. On Aug. 6, President Trump issued an executive order banning U.S. individuals and companies from transactions involving WeChat, effective from late September, citing concerns over national security. The order has rattled American companies, concerned that the ban could be applied beyond the U.S. and in China.

AmCham Shanghai, which includes names such as Coca-Cola Co. and JP Morgan Chase & Co. among its 1,400 members, surveyed more than 140 companies this month.



The Chinese app is widely used in everyday transactions. A construction worker pays for a takeout meal with a WeChat QR code in Beijing.

Should the ban extend to China and U.S. companies and citizens there, almost nine in 10 companies said the ban would hurt operations in China by hindering their ability to effectively communicate with staff and local authorities. More than half of those polled said it would result in a loss of competitiveness in the market, and 42% of the respondents say extending the WeChat ban to China would result in revenue loss.

More than a dozen companies, including Apple Inc., Walmart Inc. and Ford Motor Co., have approached the White House in recent weeks to voice their concerns that the order, typically used in emergency situations to protect national security, could extend into China, where the app has become a vital business tool.

WeChat, whose domestic and international versions are used by more than 1.2 billion

people globally, is the most widely used app in China. Beyond interpersonal communication, consumers in China use the app to pay for goods and services, while companies including Starbucks Corp. and McDonald's Corp. use WeChat as a key marketing tool and e-commerce platform.

Tencent executives said on Aug. 12 that based on its analysis, the order would be limited to WeChat's international operations, but there has been

no clarity from the Trump administration about its scope.

Tencent didn't immediately respond to a request for comment.

The AmCham Shanghai survey showed that the app is often used by U.S. businesses in China to communicate with staff, Chinese consumers and local government officials. Replies showed there was no good alternative to WeChat in China, should the platform be

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Salesforce Notifies Some Staff Of Layoffs

By Aaron Tilley

Salesforce.com Inc. has started to notify some of its staff they could lose their jobs a day after the business-software provider reported record sales, sending its stock surging.

Salesforce Chief Executive Marc Benioff in March pledged on Twitter that the company would avoid any significant layoffs for 90 days during the pandemic even as the company shifted to remote working. He called on other CEOs to follow him in a "no layoff" pledge.

"We're reallocating resources to position the company for continued growth," Salesforce said in a statement to The Wall Street Journal. "This includes continuing to hire and redirecting some employees to fuel our strategic areas, and eliminating some positions that no longer map to our business priorities."

Around 1,000 of Salesforce's 54,000 employees are affected, a person familiar with the plan said. Employees who were notified their job was being eliminated have 60 days to find a new role in the company, the person said.

For Mr. Benioff, who has made social causes a big part of his public persona, the layoffs come at an awkward time. On Tuesday, Salesforce lifted its full-year earnings outlook and posted a record \$5.15 billion in sales for the most recent quarter. Salesforce said it expects to top that figure in the current quarter in which the layoffs are unfolding.

Starting next week, Salesforce's stock will be one of the 30 making up the Dow Jones Industrial Average. The stock is being added in part to help offset the effects of Apple Inc.'s planned four-to-one stock split that would have given the information-technology sector a smaller representation in blue-chip index.

The pandemic caused companies to shift more of their work online, with staff working remotely and individuals consuming internet content.

The demand has helped lift shares of the biggest cloud infrastructure providers that enable those services. Shares in e-commerce giant Amazon.com Inc. have risen 10% since last month.

◆ Heard on the Street: Firm flashes a green light..... B10

Davos Forum Is Pushed to Summer

By James Hookway

There will be no World Economic Forum meetings in Davos next January, after the organizer said the coronavirus crisis had forced it to postpone the event in the Swiss alpine town, a highlight on the international business calendar, to next summer.

The WEF's founder and executive chairman, Klaus Schwab, had pitched the planned meeting as a way to bring together government and business leaders to chart a way out of the economic disruption caused by the pandemic.

The forum still plans online discussions beginning Jan. 25 where panelists are expected to discuss the global outlook for 2021. But the usual, in-person discussions that have made Davos a key stop for many business leaders won't be going ahead, providing another sign that the world's biggest and most influential companies are resigning themselves to the likelihood that global travel—even for the world's elites—could remain on hold for months to come.

"The decision was not taken easily, since the need for global leaders to come together to design a common recovery path and shape the 'Great Reset' in the post-Covid-19 era is so urgent," Adrian Monck, director for public engagement at the WEF, said Wednesday. "However, the advice from experts is that we cannot do so safely in January."

The forum previously said it was awaiting guidance from Swiss authorities before deciding a course of action, given the number of people who usually flock to the annual event. Mr. Schwab also said in June that it was considering a dual format of both

Please turn to page B2

NYSE's New Alternative to an IPO Wins a Green Light From SEC

By Alexander Osipovich

Regulators have approved a proposal from the New York Stock Exchange to let companies raise capital through direct listings, a decision that creates a less expensive alternative to the traditional initial public offering.

In an order posted online Wednesday, the Securities and Exchange Commission approved the plan for the NYSE to create a new type of direct listing, in which companies can issue new shares. Previously, companies had only been permitted to use the process for

existing investors to sell shares.

In a direct listing, a company floats its shares on a stock exchange, but without hiring banks to underwrite the transaction as in an IPO. In addition to saving on bank fees, the process allows companies to avoid some customary restrictions of IPOs, such as lockup periods that prevent insiders from selling their stock for a set period.

Palantir Technologies Inc., a data-analytics company cofounded by investor Peter Thiel, said this week that it would use the unconventional process to go public, following

a path pioneered by music-streaming giant Spotify Technology SA in 2018.

The primary benefit of the previous format was to let a startup's founders and early investors cash out of their stakes, but companies couldn't use the process to raise capital. Effectively, that made direct listings viable for only a small number of cash-rich startups, since most companies go public with the goal of raising fresh capital.

Wednesday's decision by the SEC could make direct listings a more popular alternative to the traditional IPO.

With the new type of direct listing, a company will be able to issue new shares and sell them to public investors in a single, large transaction on the first day of trading, much like the first trade in an IPO.

Potentially, a company could do both the old and new kind of direct listing together, allowing existing investors to sell their shares while selling newly issued shares to the public.

"This is not intended to displace the IPO, but to provide a new pathway to the public markets that might be better suited to some companies,"

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INSIDE



RETAIL

Sales at sporting-goods chain surge on increased demand for fitness equipment. **B3**



MARKETS

Shares on China's Nasdaq-like STAR trade at big premiums to Hong Kong. **B4**

Ford Grabs Chance to Rethink Offices

By Mike Colias

Thousands of office employees at Ford Motor Co. have come back to work in recent weeks to retrieve their things. All of their things.

With its white-collar employees working remotely at least until January because of the coronavirus pandemic, Ford is taking advantage of its empty buildings to reconfigure the workplace for a new era in which employees will have more options to do their jobs remotely, a company real-estate director said in an interview this week.

Most of the roughly 30,000 employees who work at or near Ford's Dearborn, Mich., headquarters have returned to the office this summer to clean out their desks and workspaces, all while donning face masks.

Ford has emphasized to workers the collect-and-clear exercise that began in July has nothing to do with layoffs.

Rather, the No. 2 U.S. auto maker is trying to prep for a future in which many, if not most, employees won't come into the office every day, said Jackie Shuk, a global director at Ford's real-estate arm. Many workers are visiting



The pandemic has pulled ahead some of the redesign efforts at Ford headquarters in Dearborn, Mich.

the office for the first time since March, when Ford closed its corporate campuses because of pandemic-related lockdowns.

Some employees say they have worked in the same space for many years, requiring them to dig through stuffed filing cabinets and troves of personal items with little sense of when or where they will be back in the office.

"For a lot of people this has been surreal," said a marketing employee at Ford's headquarters. "I think most people like the idea of more flexibility. But we haven't been told where we're returning to."

Ford's Ms. Shuk said an on-site care team has been helping workers move boxes and load chairs and computer equipment into their cars. "It was definitely emotional for

some," she said. "The biggest thing we've heard is, 'I miss my co-workers.'"

The reshuffling at Ford is among the more assertive moves being taken by companies rethinking office life longer-term, as the pandemic has shown remote work to be more productive and feasible than initially thought.

With Covid-19 cases still

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INDEX TO BUSINESSES

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

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INDEX TO PEOPLE

Table listing names of individuals and their corresponding page numbers, organized into columns with lettered headers (B, C, E, F-G, H, L, M, N).

BUSINESS & FINANCE

Vanguard to Pull Back in Asia, Closing Hong Kong, Japan Offices

By Stella Yifan Xie

HONG KONG—Vanguard Group, the index-tracking giant, is scaling back in Asia, as it plans to close its operations in Hong Kong and Japan. The closures will leave Vanguard, which managed more than \$5.9 trillion in assets at the end of May, with regional offices in mainland China and in Australia. It closed its Singapore office in 2018. The company said Wednesday it would wind down its Hong Kong operation, "which primarily serves institutional clients, and not the individual investors that are our primary strategic focus." It said this would take six months to two years, and would lead to job cuts.



Vanguard said its Hong Kong operations don't fit with its strategic focus on individual investors.

"Our future focus in Asia is on Mainland China and our primary office in Asia will be in Shanghai," a spokeswoman said. Vanguard said it would make an orderly exit from its investment platforms in Hong Kong, which include six locally listed exchange-traded funds. It also operates retirement funds, known as mandatory provident funds, and index-tracking collective investment plans. "This is not to suggest that we don't see growth potential in Hong Kong—quite the contrary," Vanguard said. It said it would keep using Hong Kong's Connect programs, which provide access to stock and bond markets in mainland China, and the local stock market would remain a key component

of its global diversified funds. Vanguard established a presence in Hong Kong in 2011. Vanguard, based in Malvern, Pa., also plans to end its onshore presence and operation in Japan, it added, without giving a reason. The planned closures were earlier reported by Ignites Asia. In Asia, passive investing of the kind pioneered by Vanguard remains relatively novel and many individual investors in China and elsewhere prefer stock picking, in the hope of securing higher returns. As a result, ETFs are often much smaller than equivalents in the U.S. Vanguard's Hong Kong-listed S&P 500 ETF had net assets of 1.548 billion Hong Kong dollars (US\$199.7 million), according to a July 31 fact sheet—tiny compared

with the size of its U.S. S&P 500 ETF, which had \$154.7 billion in net assets. In 2017, Vanguard was among the first foreign asset managers to set up independent onshore operations in Shanghai. While other large global money managers including BlackRock Inc. and Neuberger Berman have set up private investment funds and applied to manage mutual funds in China, Vanguard has gone down a different path. The company formed a joint venture with China's largest financial technology startup, Ant Group Co., and rolled out a robo-advisory service targeted at hundreds of millions of individual investors on Ant's popular mobile-payments platform earlier this year. A spokeswoman for Van-

guard said the closure of Hong Kong operations would have no impact on the company's partnership with Ant. "It is business as usual and we are pleased with the early success of the venture," she said. For a small fee, it helps users build investment portfolios by selecting from thousands of domestic mutual funds managed by various asset managers and sold on Ant's platform. Around 200,000 users had invested a total of 2.2 billion yuan (\$319 million) within a hundred days of its April launch, Ant said in a regulatory filing this week. In March, Vanguard named company veteran Scott Conking as head of Vanguard Asia, succeeding former Hong Kong-based executive Charles Lin.

Salesforce Tells Staff About Cuts

Continued from page B1
zon.com Inc., the No. 1 cloud infrastructure provider, are up 86% this year, and shares in rival Microsoft Corp. are up 40%. The shifts also have fueled investor sentiment in Salesforce. "As the data points around accelerating digital transformation continue to pile up, there are few better positioned to help with customer-facing efforts than Salesforce," Canaccord Genuity analyst David Hynes Jr. said in a note. Salesforce's stock advanced 26% Wednesday and has risen 67% this year. Generating higher sales during the pandemic hasn't been entirely easy. While revenue grew 29% year-over-year,

the costs to generate that revenue jumped around 35%. Although tech companies in general have fared far better than other sectors during the pandemic, Silicon Valley hasn't been able to completely avoid layoffs. Uber Technologies Inc., Lyft Inc. and Airbnb have slashed thousands of jobs as their businesses have struggled from the effects of the Covid-19 outbreak. Salesforce signaled to analysts on an earnings call Tuesday that changes were planned. "We'll be redirecting some of our resources to fuel growth, and areas that are no longer as aligned with the business priority will be de-emphasized," Salesforce Chief Financial Officer Mark Hawkins said on the call, without spelling out where the cuts may fall. Mr. Benioff, on the analysts call, said the pandemic has been a trying time for his company's employees, with a third suffering mental-health challenges.

Davos Meeting Is Postponed

Continued from page B1
in-person meetings and online sessions that could attract a wider range of participants to discuss green financing and other topics. About 3,000 people have attended recent annual meetings in Davos, but at times up to 10,000 people have squeezed into the resort, nearly doubling its population. The average price for a

ticket in past years was around \$26,000, and prominent speakers have ranged from President Trump and Chinese President Xi Jinping to investor and philanthropist George Soros and U2 singer Bono. The annual meetings are a considerable cash cow for the WEF. According to its annual report, the Davos sessions generated some 13% of the forum's 344 million Swiss francs (\$379 million) in revenue in 2019, the 50th year the meetings have been held. The security operation is extensive. The 32 million Swiss francs bill to secure land and air defense of the area is covered by the Swiss government.

New IPO Alternative Approved

Continued from page B1
NYSE vice chairman and chief commercial officer John Tuttle said. The NYSE is owned by Intercontinental Exchange Inc. The new type of direct listing could appeal to Silicon Valley venture capitalists who have long complained about underwriting fees and other costs associated with IPOs. Palantir's debut, which could happen on the NYSE as

soon as next month, would be the highest-profile direct listing since Slack Technologies Inc. went public in June 2019. Interest in direct listings has cooled this year as fallout from the pandemic has forced many firms to struggle for capital. Palantir, which was valued at \$20 billion in a 2015 funding round, doesn't plan to raise capital with its listing. The SEC approved the NYSE's plan despite objections from some groups that warned it could harm investors by letting companies circumvent the protections of the IPO process. The Council of Institutional Investors, a group of pension funds and other big money managers, asked the SEC to reject the plan in a July letter.

The council expressed worries that companies going public via direct listings would be able to dodge shareholder lawsuits, due to quirks in U.S. securities laws. Other critics warned that investors could get burned by price volatility after direct listings. Unlike in an IPO, in a direct listing there is no bank acting as a "stabilization agent" to prop up the stock if it falls sharply after its debut. "Direct listings without the appropriate protections could provide a strong incentive and an easier path for company insiders to cash out at inflated valuations, leaving 'Mr. and Mrs. 401(k)' holding the bag," the American Securities Association, a brokerage group,

told the SEC in a March letter. The SEC said in Wednesday's order that the NYSE's direct-listing plan had sufficient investor protections. It also said direct listings offered investors some advantages over IPOs, such as giving a broader array of investors the opportunity to get in on a stock's debut at the initial price. Earlier this week, Nasdaq Inc., released its own proposal to let companies raise capital through direct listings. Its plan is similar to the NYSE's, but its rules would allow a company's shares to start trading within a wider price range than a direct listing on the NYSE. Nasdaq's plan must be approved by the SEC to take effect.

Ford Motor Rethinks Its Offices

Continued from page B1
rising in the U.S. this summer, many companies have pushed back their timelines for returning workers to offices. That is allowing more time for businesses to not only hang plexiglass and space out desks, but devise long-range strategies for their office layouts and personnel schedules, said Laurie Ruettimann, a human-resources consultant who works with large companies. "It affords them an opportunity to think about how work gets done and who does

it and when," Ms. Ruettimann said. "The organizations I work with haven't made any decisions. They're not ready to say what 2021 or 2022 is going to look like." Still, Ford and some other companies are moving ahead with longer-range plans. Twitter has told employees they can work from home indefinitely, even after the pandemic passes. Outdoor retailer Recreational Equipment Inc. is shopping its new Seattle-area headquarters in favor of smaller offices and remote work. Amazon.com Inc. is moving in the opposite direction, this month saying it will expand offices in six U.S. cities to house thousands of workers. Across town from Ford, General Motors Co. expects most employees to continue remote work through year-

end, a spokesman said. Ford, under Chief Executive Jim Hackett, was already moving to more flexible office setups before the pandemic hit. Mr. Hackett, a former office-furniture executive credited with helping to dispense with cubicles and modernize the workspace, had initiated plans

On the drawing board: fewer work stations, more collaborative space.

to overhaul the company's 1950s-era campus in Dearborn last year. The new campus design, led by Scandinavian architecture firm Snohetta, calls for com-

mon workspaces and more freedom to choose where to work, including providing areas where employees can plop down with their laptops for the day. The centerpiece of the plan is Ford's sprawling engineering hub, just a few miles from its headquarters. Renovation work recently began on the facility, which opened in 1953. It now houses about 11,000 engineers and designers. Ms. Shuk said the employee clear-out effort is separate from the campus renovation, which is a longer-term project. The pandemic has pulled ahead some elements of the overhaul, such as the need for more joint spaces where employees can meet and collaborate, and fewer individual work stations. Specifics of the new office setup are still being worked

out, and it will likely be many months before employees are told their future work locations, she said. "We are using this to accelerate some of those co-location efforts," she said. "How do I redesign these footprints now, so that when a team has to come in...it's more set up for collaboration in a safe manner?" She also said offices will be arranged with the expectation that many or most employees will be working remotely at least one or two days a week. A survey of 30,000 North American employees this summer found about 70% of workers weren't interested in returning to the office soon. Most others preferred a schedule that would allow them flexibility to come into the office on some days and work remotely others.

This spring, Ford had targeted a July return for office workers, but like most companies it has since pushed the timeline back until at least the end of the year. Its U.S. factories reopened in May after a nearly two-month shutdown and so far have avoided Covid-19 outbreaks or significant production disruptions, a spokeswoman said. Ford and GM have long had trouble attracting talent to Detroit, analysts and executives say, and both have moved in recent years to overhaul their technical campuses with a more Silicon Valley vibe. Ford's broader campus renovation is aimed at creating a more walkable campus, with easier access to restaurants and cafes, and allow workers to zip around on electric bikes and scooters.



Slack Technologies Inc. went public in a high-profile NYSE direct listing in June 2019. Traders waiting for its shares to trade.

ANTHONY WALLACE/AGENCE FRANCE PRESSE/GETTY IMAGES

RICHARD BREW/ASSOCIATED PRESS

BUSINESS NEWS

Home Fitness Fuels Dick's Profit Surge

Chain triples online sales as gym closures drive more customers to buy own equipment

By Dave Sebastian

With many gyms closed by the coronavirus pandemic, homebound Americans spent the summer buying new bicycles, golf clubs and treadmills—boosting sales at one of the few chains that sells them all, Dick's Sporting Goods Inc. The sporting-goods retailer said its e-commerce sales nearly tripled in the quarter ended Aug. 1, offsetting temporary store closures and more than doubling Dick's profit from a year ago. But executives said uncertainty around the return to school and fall team sports is weighing on its sales in the current quarter. Shares of Dick's jumped 16% in Wednesday trading.

The company is facing inventory constraints in some categories, Chief Executive Ed Stack said. "If you're going to walk in our store, it's still going to look like our fitness business is really depleted," Mr. Stack said. "But the flow product we have coming in is kind of going out as fast as it's coming in."

Like other big-box retailers, Dick's used digital orders to drive sales amid the pandemic, with online and curbside orders making up about 30% of second-quarter sales. Dick's had roughly 12% in e-commerce penetration for the year-earlier period. Executives said they expect the curbside service to stay for the long term, especially since they don't see customers feeling comfortable walking into crowded stores during busy shopping periods such as Christmas.

"It's been a fundamental shift in consumer behavior," President Lauren Hobart said. "We anticipated originally that we would see a large drop-off [in curbside orders] when the stores reopened, but that is not the case." Same-store sales, which include those at stores that were temporarily closed due to Covid-19, rose 20.7% for the quarter. All stores reopened by the end of June.

For the first three weeks of August, Dick's same-store sales rose 11%. The company expects those gains to offset declines in its team-sports and back-to-school businesses, Mr. Stack said on a conference call to discuss quarterly results. "The team-sports business is not very good right now,



Dick's Sporting Goods warned it is constrained by supply-chain issues and uncertainty about school reopenings in the fall.

with the exception of baseball," Mr. Stack said, adding that he expects the category to remain soft for all of the third quarter.

"The back-to-school business and the team sports business will become less important as we go forward," he said.

For the winter season, the company is counting on the weather in Southern and Western states to sustain demand in its golf business, Mr. Stack added.

The Pittsburgh company posted record second-quarter profit of \$276.8 million, or \$3.12 a share, on sales of \$2.71 billion.

Adjusted earnings were \$3.21 a share. Analysts polled by FactSet were expecting ad-

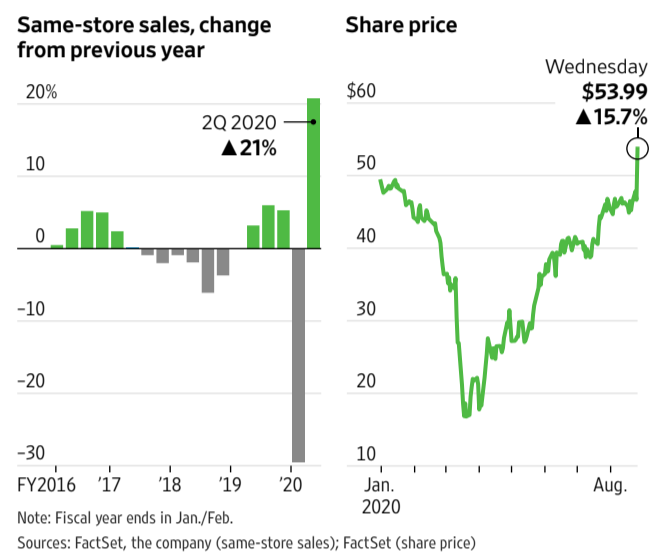
justed earnings of \$1.26 a share on sales of \$2.46 billion.

Other big-box retailers such as Target Corp. and Lowe's Cos. have also reported surging demand in goods that help people work, learn and cook from home.

Best Buy Co. on Tuesday said its online sales more than tripled, though product shortages cramped the gains. Walmart Inc. executives said last week out-of-stock products hampered food sales.

Chains that mostly carry apparel, however, have struggled with pandemic store closures and consumers spending less on clothing. On Tuesday, Nordstrom Inc. said revenue declined by 53% from a year earlier in the quarter ended Aug. 1.

A shift to curbside services lifted sales at Dick's Sporting Goods — giving its share price a boost.



Road Trippers, Essential Workers Lift Midrange Hotels

By Dave Sebastian

Roadside inns are faring better than Ritz-Carltons as Americans start to travel again with loosened Covid-19 restrictions.

Though the pandemic has severely hurt the lodging industry overall, budget and midlevel hotels—the kind often found just off the highway—have taken a milder hit than many luxury hotels and resorts. Road trippers aren't the only ones checking in: Midrange and budget hotels are also housing more essential workers on the go.

A key measure of hotel performance, revenue per available room, plunged 80.6% for the second quarter at luxury hotels in the U.S., after a 21.3% decline in the first quarter, according to data analytics firm STR, owned by CoStar Group Inc. Budget hotels, by contrast, saw a 44.4% decline in the second quarter, after falling 13.3% in the first quarter, STR data show.

Though big hotel chains have seen steep declines this year due to the pandemic, their lower-priced hotels have generally fared better. Marriott International Inc., which recorded its largest loss ever for the June quarter, posted a 75.6% decline in revenue per available room at its North American limited-service hotels, which include Courtyard and Residence Inn. That was slightly better than the 93.3% decline at its North American luxury hotels, which include JW Marriott, Ritz-Carlton and W Hotels.

The average daily rate at Marriott's limited-service hotels in North America was \$99.63, compared with \$293.47 at luxury hotels. Much of Marriott, Hilton Worldwide Holdings Inc. and Hyatt Hotels Corp.'s occupancy before the pandemic came from business and group travel, including at luxury hotels in big cities.

Hyatt, which saw an 89.4% drop in revenue per available room for the second quarter

from a year earlier, pointed to more spontaneous travel. Three-quarters of bookings at its select-service hotels are being made just four days out from the stay.

"This is the shortest transient booking window we have seen," Chief Executive Mark Hoplamazian said on a call with analysts.

Tony Rojas was FaceTiming one Friday night in August with four friends who were en route from Massachusetts to New Jersey for their annual Six Flags trip, which Mr. Rojas had never missed in the years before the pandemic.

Afraid of missing out, Mr. Rojas hopped in his car at 11 p.m. that night and drove 2½ hours from Lancaster, Pa., to a Holiday Inn where he shared a room with his friends for about \$130 altogether.

"I basically didn't sleep because we were all excited," said Mr. Rojas, 27 years old.

InterContinental Hotels Group PLC, which oversees luxury hotels under its name-

sake and lower-priced hotels such as Holiday Inn, cited a positive impact from road travelers like Mr. Rojas as it reported an overall 75% decline in revenue per available room during the second quarter. The company expects business travel to pick up, thanks

Budget and midlevel chains are faring better than luxury hotels.

to meeting-dependent corporate sectors such as banking, Chief Executive Keith Barr said.

"I think you'll see a slight resurgence of [business travel] coming into the fall," Mr. Barr said in an interview.

Choice Hotels International Inc., whose brands include Econo Lodge and Cambria Hotels, has more than 4,000 ho-

tels within a mile of an interstate exit and 2,000 hotels near beaches and national parks in the U.S., making it suitable for outdoor activities that allow for social distancing.

It is attracting leisure travelers who "just want to get out of the house while staying closer to home," Chief Executive Patrick Pacious told analysts. The hotel franchiser sourced a quarter of its June revenue from customers who traveled less than 25 miles to a hotel, he said.

While much of corporate travel hasn't resumed, budget and midscale properties cater to a different kind of business travelers: essential workers.

Wyndham Hotels & Resorts Inc., which estimates that 90% of its U.S. hotels are in suburban, interstate or small metro markets, got 30% of its second-quarter bookings from those workers, Chief Executive Geoffrey Ballotti told analysts.

They include medical personnel, government employees,

construction and utility workers and truck drivers.

"We are also seeing increasing demand from the military, from the government, medical and small social segments like family reunions, birthdays, anniversaries and small weddings," Mr. Ballotti said.

While budget-friendly properties are performing better than others, there are some resorts and higher-end places that also benefited from road trips.

After Melody Van Ess's European cruise got canceled, she decided to road trip from Scottsdale, Ariz., to Yellowstone National Park and other sights. She and her husband paid about \$5,000 to stay at five hotels from late July to early August, including a Hyatt in Salt Lake City, a Four Seasons in Jackson Hole, Wyo., and a lodge in Keystone, S.D., under Ascend Hotel Collection, a Choice Hotels brand.

"I'm going to carry my Clorox, and I'm going to carry my wipes," said Ms. Van Ess.

Building-Materials Suppliers Near All-Stock Deal to Merge

By Cara Lombardo

Builders FirstSource Inc. and BMC Stock Holdings Inc. are planning to combine in an all-stock deal that would join two of the largest suppliers of residential building materials, according to people familiar with the matter.

The impending agreement calls for BMC shareholders to receive 1.3125 shares of Builders FirstSource stock for each BMC share, the people said. The transaction could be announced as soon as Thursday.

The companies, which manufacture products used in residential construction including roof and floor trusses, stairs and millwork and provide related services, would have a combined market value of about \$5.5 billion and revenue of over \$11 billion a year.

Builders FirstSource has a market value of about \$3.2 billion, while BMC's is \$2.2 billion.

Demand for building materials has rebounded after the coronavirus pandemic brought construction to a near halt earlier this year, helped by low mortgage rates and increased demand for suburban homes. Helping spur the deal, Builders FirstSource and BMC shares are up about 10% and 12% so far this year, respectively, compared with the S&P 500's



Demand for building materials has been on the rebound.

roughly 8% rise.

Both companies have been active consolidators and have done almost two dozen smaller acquisitions between them over the past decade.

The combined company is expected to retain the name Builders FirstSource and its headquarters in Dallas as well as significant operations in Raleigh, N.C., where BMC is based, and Denver, the people said.

A combination could yield annual cost savings of around \$140 million, they said.

Builders FirstSource said in January that its chief executive, Chad Crow, planned to retire in 2020 after 20 years with the company once a successor is named. BMC CEO Dave Flitman is expected to lead the combined company, with Mr. Crow staying on for a transition period following the deal's close, the people said.

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BUSINESS NEWS

Visa Unveils AI to Backstop Banks in Purchase Approvals

By SARA CASTELLANOS

Visa Inc. said Wednesday it has developed a more advanced artificial intelligence system that can approve or decline credit and debit transactions on behalf of banks whose own networks are down.

The decision to approve or deny a transaction typically is made by the bank. But bank networks can crash because of natural disasters, buggy software or other reasons.

Visa said its backup system will be available to banks who sign up for the service starting in October. The technology is “an incredible first step in helping us reduce the impact of an outage,” said Rajat Taneja, president of technology for Visa.

The financial services company is the largest U.S. card network, as measured both by the number of cards in circulation and by transactions.

The new service reflects the growing use of AI in banking. Banks are expected to spend \$7.1 billion on AI in 2020, growing to \$14.5 billion by 2024, on initiatives such as fraud analysis and investigation, according to market research firm International Data Corp.

The service, Smarter Stand-In Processing, uses a branch of AI called deep learning that roughly mimics neurons in the human brain and is an underlying technology powering self-driving cars, voice-enabled digital assistants and facial recognition.

It was built with Visa’s in-house data scientists and software engineers and the company has three patents related to the technology, two of which are pending.

Network disruptions and outages affect several million credit and debit card transactions annually, often causing

transactions to be unnecessarily declined, Mr. Taneja said. When that happens, cardholders may have to call their bank for assistance. Merchants and banks could lose revenue if sales aren’t completed.

“There’s a business impact because of the transactions flowing through, but our motivating driver was consumer experience,” Mr. Taneja said.

Smarter STIP kicks in automatically if Visa’s network detects that the bank’s network is offline or unavailable.

The older version of STIP uses a rules-based machine learning model as the backup method to manage transactions for banks in the event of a network disruption.

In this approach, Visa’s product team and the financial institution define the rules for the model to be able to determine whether a particular transaction should be approved.

“Although it was customized for different users, it was still not very precise,” said Carolina Barcenás, senior vice president and head of Visa Research.

Technologists don’t define rules for the Smarter STIP AI model. The new deep-learning model is more advanced because it is trained to sift through billions of data points of cardholder activity to define correlations on its own.

For example, it could automatically learn that a particular cardholder transaction was normal and should be approved based on historical data about that person, such as the location of the merchant in relation to the cardholder and the time of day they are shopping.

“The model finds a lot of those relationships, and it’s creating that intelligence that in the past, the analysts had to do,” Ms. Barcenás said. “It also outperforms.”



A video clip of Bruce Patterson, a former adviser to CytoDyn, went viral on social media. Dr. Patterson at a lab of his company, IncellDx.

Small Biotech Stock Soars On ‘Warp Speed’ Comment

By MICHAEL WURSTHORN

The market for small biotech working on coronavirus treatments is so hot that sometimes all it takes is a whisper to send a stock soaring.

So it was with **CytoDyn** Inc., which climbed more than 20% after a former adviser told television host Dr. Drew Pinsky on Thursday that he thought the company would move forward with a federal-government program aimed at fast-tracking virus treatments.

CytoDyn isn’t being considered for the program, known as Operation Warp Speed, according to a senior administration official.

Yet in the quick-punch world of retail investing, the video clip of the former adviser, Bruce Patterson, went viral. Investors who closely follow the company shared it on social media and message boards, including Investors Hub, a forum popular with penny-stock traders. Shares of

CytoDyn rallied 13% to \$3.43 a share on Friday, notching the company’s biggest daily gain in about a month, before rising another 12% on Monday.

Late Wednesday morning, CytoDyn shares were down around 1%. They fell further in afternoon trading, closing down nearly 9%.

Operation Warp Speed is a federal initiative to accelerate the development and manufacturing of drugs and vaccines for Covid-19, which has claimed more than 175,000 lives in the U.S. Through the program, the government has given funding to companies such as Moderna Inc., Novavax Inc. and Regeneron Pharmaceuticals Inc.

The senior administration official said CytoDyn had only completed a preliminary qualification for being included in the initiative. The Vancouver, Wash., company had submitted information through a so-called CoronaWatch, a program run by the Biomedical

Advanced Research and Development Authority, or BarDA, to assess the viability of drugs and therapeutics that might be effective against Covid-19, the official said. Technical experts reviewed the submission and opted not to proceed further at this time, the official added.

The team responsible for reviewing the materials makes clear to companies that submissions are for informational purposes only and don’t lead to funding on their own, the official added. Companies must apply to specific grant programs to receive funding, the official said, which CytoDyn hasn’t done at this time.

Dr. Patterson told The Wall Street Journal he helped arrange an initial exchange of information between CytoDyn and BarDA. He hadn’t been involved in further discussions, he said.

CytoDyn declined to comment on the exchange or on any communication with Operation Warp Speed.

“CytoDyn received an email. I received an email from Operation Warp Speed. So yes they are aware of it,” Dr. Patterson said in the video. “And I think we’ll move forward with them.”

The company hired Dr. Patterson as an adviser, in addition to hiring his company, IncellDx, to provide diagnostic services. CytoDyn and Dr. Patterson said his tenure as a consultant ended in May. CytoDyn no longer uses IncellDx for diagnostic services.

An April securities filing disclosed that Dr. Patterson was a CytoDyn shareholder.

In the interview with the Journal, Dr. Patterson said he never received paperwork regarding his ownership in CytoDyn. “I’ve gotten little to no paperwork regarding that,” he said. “I don’t think of it as real.”

On the question of Dr. Patterson’s share ownership, Arrian Colachis, CytoDyn’s general counsel, pointed to the April filing. “The document speaks for itself, and we have no further comment,” she said.



ONLINE SERIES: THE FUTURE OF SOCIAL MEDIA

Andrew Bosworth

VP of AR/VR, Facebook

Fidji Simo

Head of the Facebook App

Andrew Frame

Founder and CEO, Citizen

THE WALL STREET JOURNAL.

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Futures Contracts

Table of Metal & Petroleum Futures including Copper-High, Gold, Palladium, Platinum, Silver, Crude Oil, Light Sweet, NY Harbor ULS, Gasoline, and Natural Gas.

Table of Interest Rate Futures including Ultra Treasury Bonds, Treasury Bonds, Treasury Notes, 5 Yr. Treasury Notes, 2 Yr. Treasury Notes, 30 Day Federal Funds, 10 Yr. Del. Int. Rate Swaps, and Eurodollar.

Table of Currency Futures including Japanese Yen, Canadian Dollar, British Pound, Swiss Franc, Australian Dollar, Mexican Peso, Euro, and Index Futures.

Table of Agriculture Futures including Corn, Oats, Soybeans, Soybean Meal, Soybean Oil, Rough Rice, Wheat, Wheat (KC), Cattle-Feeder, Cattle-Live, Hogs-Lean, Lumber, Milk, Cocoa, and Coffee.

Cash Prices

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

Table of Cash Prices for Energy, Metals, Fibers and Textiles, Food, Grains and Feeds, Silver, Other metals, and Fats and Oils.

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; E=Manfra, Tordella & Brooks; G=ICE; H=American Commodities Brokerage Co; M=monthly; N=nominal; n.a.=not quoted or not available; R=S&L Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; W=weekly, Z=not quoted. K=Prices are now in \$ per bushel *Data as of 8/25

Sources: Dow Jones Market Data

Bonds | wsj.com/market-data/bonds/benchmarks

Tracking Bond Benchmarks

Return on investment and spreads over Treasuries and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Table of Bond Benchmarks including Broad Market Bloomberg Barclays, U.S. Corporate Indexes, High Yield Bonds, and Global Government Bonds.

*Constrained indexes limit individual issuer concentrations to 2%; the High Yield 100 are the 100 largest bonds. †In local currency. ‡Euro-zone bonds. **EMBI Global Index. Sources: ICE Data Services; Bloomberg Barclays; J.P.Morgan

Macro & Market Economics

Watching the Gauges: U.S. Supply and Demand

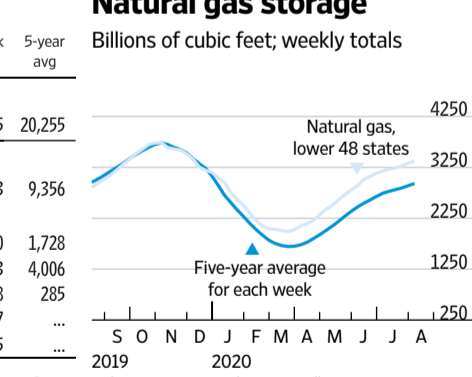
Inventories, imports and demand for the week ended August 21. Current figures are in thousands of barrels or thousands of gallons per day, except natural-gas figures, which are in billions of cubic feet. Natural-gas import and demand data are available monthly only.

Table of Inventories and Imports in thousands of barrels and gallons per day for various petroleum products.

Weekly Demand, 000s barrels per day

Table of Weekly Demand for Total petroleum product, Finished motor gasoline, and Kerosene-type jet fuel.

Natural gas storage



Exchange-Traded Products | WSJ.com/ETFResearch

Table of Exchange-Traded Funds (ETFs) listing Symbol, Closing Price, Chg YTD, and YTD (%) for various sectors.

Corporate Debt

Price moves by a company's share in the credit markets sometimes mirror and sometimes anticipate, moves in that same company's debt price.

Investment-grade spreads that tightened the most...

Table of Corporate Debt spreads showing Issuer, Symbol, Coupon, Maturity, Current, Spread, Last week, and Stock Performance.

...And spreads that widened the most

Table of Corporate Debt spreads showing Issuer, Symbol, Coupon, Maturity, Current, Spread, Last week, and Stock Performance.

High-yield issues with the biggest price increases...

Table of High-yield issues showing Issuer, Symbol, Coupon, Maturity, Current, Spread, Last week, and Stock Performance.

...And with the biggest price decreases

Table of High-yield issues showing Issuer, Symbol, Coupon, Maturity, Current, Spread, Last week, and Stock Performance.

*Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year hot-run Treasury; 100 basis points=one percentage pt.; change in spread shown is for 2-spread. Note: Data are for the most active issue of bonds with maturities of two years or more. Sources: MarketAxess Corporate Bond Ticker; Dow Jones Market Data

BIGGEST 1,000 STOCKS

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are composite quotations that include primary market trades as well as trades reported by Nasdaq BX (formerly Boston), Chicago Stock Exchange, Cboe, NYSE National and Nasdaq ISE.

Footnotes:
+New 52-week high.
-NNew 52-week low.
F-Footnotes in the most recent four quarters.
FD-First day of trading.
H-Does not meet continued listing standards.
I-Late filing.
Q-Temporary exemption from Nasdaq requirements.
N-NYSE bankruptcy.
V-Trading halted on primary market.
VJ-in bankruptcy or receivership or being reorganized under the Bankruptcy Code, or securities assumed by such companies.

Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume.
Bulleted quotations highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher.

Wall Street Journal stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices from 4 p.m. the previous day.

Table with columns: Stock, Sym, Close, Net Chg. Includes sub-sections for Wednesday, August 26, 2020 and various stock categories like ABB, ABB, ABB, etc.

Table with columns: Stock, Sym, Close, Net Chg. Includes sub-sections for J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

Table with columns: Stock, Sym, Close, Net Chg. Includes sub-sections for G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

Table with columns: Stock, Sym, Close, Net Chg. Includes sub-sections for D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

Table with columns: Stock, Sym, Close, Net Chg. Includes sub-sections for M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

Table with columns: Stock, Sym, Close, Net Chg. Includes sub-sections for R, S, T, U, V, W, X, Y, Z.

Table with columns: Stock, Sym, Close, Net Chg. Includes sub-sections for T, U, V, W, X, Y, Z.

Table with columns: Stock, Sym, Close, Net Chg. Includes sub-sections for W, X, Y, Z.

Table with columns: Stock, Sym, Close, Net Chg. Includes sub-sections for X, Y, Z.

Dividend Changes

Dividend announcements from August 26.

Table with columns: Company, Symbol, Yld%, Amount New/Old, Frq, Payable/Record.

Stocks

Table with columns: Urban Tea, MYT, 110, /Aug27

Foreign

Table with columns: Bank of Montreal, BMO, 5.1, 80266, Q, Nov26/Nov02, Bank Of Nova Scotia, BNS, 6.3, 6814, Q, Oct28/Oct06

KEY: A: annual; M: monthly; Q: quarterly; r: revised; SA: semiannual; S2:1: stock split and ratio; SO: spin-off.

Mutual Funds

Table with columns: Fund, NAV, Chg, % YTD, Net YTD % Ret. Includes sub-sections for Fidelity, American Century, American Funds, etc.

IPO Scorecard

Performance of IPOs, most-recent listed first.

Table with columns: Company, SYMBOL, IPO date/offer price, Wed's % Chg, Offer 1st-day price, % Chg From IPO date/offer price.

Borrowing Benchmarks

wsj.com/market-data/bonds/benchmarks

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Table with columns: Inflation, U.S. consumer price index, International rates, Prime rates, Policy Rates, Euro Zone, Britain, Australia, Overnight repurchase, U.S. government rates, Discount, Federal funds, Treasury bill auction, Secondary market, Fannie Mae.

Commercial paper (AA financial)

Table with columns: 90 days, 2.00, n.a., 2.53, 0.04

Libor

Table with columns: One month, 0.15638, 0.17088, 2.12000, 0.14925, Three month, 0.25588, 0.24688, 2.16413, 0.23775, Six month, 0.30725, 0.30450, 2.08523, 0.28913, One year, 0.44588, 0.44488, 2.07413, 0.29313

Euro Libor

Table with columns: One month, -0.545, -0.555, -0.360, -0.621, Three month, -0.513, -0.515, -0.142, -0.539, Six month, -0.465, -0.473, -0.052, -0.491, One year, -0.361, -0.353, 0.008, -0.441

Secured Overnight Financing Rate

Table with columns: 0.08, 0.09, 5.25, 0.01

DTCC GCF Repo Index

Table with columns: Treasury, 0.095, 31.250, 6.007, 0.002, MBS, 0.118, 72.450, 6.699, 0.011

Notes on data:

U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, as of effective March 16, 2020. 3.4 Other prime rates are not directly comparable; lending practices vary widely by location; Discount rate is effective March 16, 2020. Secured Overnight Financing Rate is as of August 25, 2020. DTCC GCF Repo Index is Depository Trust & Clearing Corp.'s weighted average for overnight trades in applicable CUSIPs. Value traced is in billions of U.S. dollars. Federal funds rates are Tullett Prebon rates as of 5:30 p.m. ET. Sources: Federal Reserve; Bureau of Labor Statistics; DTCC; FactSet; Tullett Prebon Information, Ltd.

Mutual Funds

Top 250 mutual-funds listings for Nasdaq-published share classes by net assets.

e-E-X distribution; F-Previous day's quotation; F-Footnotes x and s apply; F-Footnotes e and s apply; K-Recalculated by Lipper, using updated data; P-Distribution costs apply; 12b-1-R-Restatement charge; may apply; S-Stock split or dividend; F-Footnotes x and e apply; W-Footnotes x and e apply; X-Ex-dividend; F-Footnote x, e and s apply; N/A-Not available due to incomplete price, performance or cost data; NE-Not released by Lipper; data under review; NN-Fund not tracked; NS-Fund didn't exist at start of period.

Mutual Funds

Table with columns: Fund, NAV, Chg, % YTD, Net YTD % Ret. Includes sub-sections for Fidelity, FPA Funds, FMS Funds, etc.

Mutual Funds

Table with columns: Fund, NAV, Chg, % YTD, Net YTD % Ret. Includes sub-sections for STI, STI, STI, etc.

MARKETS

S&P and Nasdaq Extend Streak Of Record Highs

By Anna Isaac and David Benoit

U.S. stocks set records again Wednesday, buoyed by more data pointing to an economic recovery and a continued rally in technology shares.

The S&P 500 index climbed 35.11 points, or 1%, to 3478.73, notching a fourth straight record close after bouncing back from its March lows.

The Nasdaq Composite also extended its recent record streak, marking five straight with a gain of 198.59 points, or 1.7%, to 11,665.06. The technology stocks that dominate the index followed soon-to-be Dow component Salesforce.com higher.

The Dow Jones Industrial Average climbed 83.48 points, or 0.3%, to 28,331.92. The blue-chip index is still more than 4% below February's high.

The market is benefiting from reduced volatility, improving economic data and the belief central banks will keep taking steps that ultimately make buying stocks more appealing.

Volatility in U.S. stocks has been muted through much of August, with many investors and traders taking summer vacations in the U.S. and Europe. Still, markets have continued churning higher.

Investors have grown confident that the Federal Reserve and other central banks will continue to bolster the economy by holding short-term interest rates low and buying government bonds and other forms of debt. On Thursday, Fed Chairman Jerome Powell is speaking at the annual Jackson Hole Economic Policy Symposium and investors are betting he will signal that will continue.

Data on Wednesday showed orders for durable goods in the U.S. surged 11.2% in July, more

than double the expected gain. Orders for defense aircraft and motor vehicles drove the spending higher.

Statistics like that will likely feed investors who are confident the recovery is continuing, said Tobias Levkovich, the head U.S. equity strategist at Citigroup.

Earlier in the week, he bumped higher his dour target for the S&P 500 for the year, saying central bank support and investor appetite made it more likely stocks would remain elevated, even if there are questions about the health of the economy. He cautioned the data is still coming off lows, but said investors are paying closer attention to acceleration.

"The markets are following momentum right now because it is a sign of progress," he said. "But at some point we have to look at the absolute levels."

The central bank activity and investor belief is pushing yields on sovereign debt, considered among the safest assets to own, below expected inflation levels.

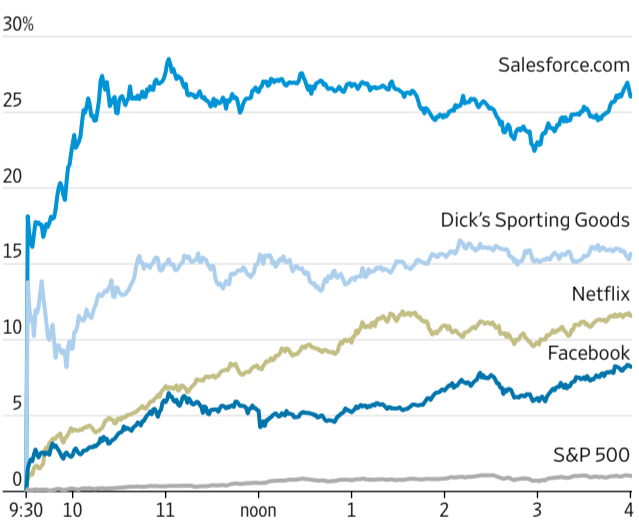
Investors watched the progress of Hurricane Laura as it gathered strength and churned toward the Gulf Coast. The energy and utility sectors in the S&P 500 both declined. Baker Hughes shares fell 60 cents, or 3.8%, to \$15.05 and Hess dropped \$2.02, or 4.2%, to \$46.30.

Tech stocks were once again driving the market higher.

Shares of Salesforce.com jumped \$56.27, or 26%, to \$272.32. The business-software provider posted record quarterly sales and raised its guidance after the closing bell on Tuesday. The company will be added to the Dow Jones Industrial Average Monday.

The stocks that have led the way for much of the year were rallying again as well. Netflix climbed \$56.95, or 12%, its biggest gain in three years, while Facebook rose \$23.09, or 8.2%.

Share-price and index performance Wednesday



Source: FactSet



Investors expected the attractions to help the American Dream Mall survive the rise of online shopping better than other malls.

Shutdown Stings Mall's Bondholders

By Matt Wirz

This summer's markets rally hasn't helped banks and investors who lent about \$2.7 billion to build the country's second-largest mall, near the Meadowlands Sports Complex in New Jersey.

The American Dream Mall has been shut since March, and mutual funds that bought municipal bonds backing its construction have since taken hundreds of millions of dollars in paper losses. The troubles highlight the growing disconnect between ailing segments of the U.S. economy and the surge on Wall Street.

American Dream remains closed because of a state order aimed at reducing the spread of the new coronavirus. The longer the hybrid mall and amusement park goes without paying customers, the harder it will be for its owner, Triple Five Group, to repay the money it borrowed from banks and mutual funds in 2017.

"I think the situation for payment on the bonds has gotten more tenuous," said Lisa Washburn, managing director at bond research firm Municipal Market Access.

The price of some of American Dream's roughly \$1 billion of municipal bonds fell to about 87 cents on the dollar in July after Triple Five disclosed that the mall was losing tenants. The bonds traded around 120 cents before the coronavirus struck the U.S., according to data from Electronic Municipal Market Access.

Municipal-bond mutual funds operated by Nuveen, which owned about \$600 million face value of American Dream debt this spring, took paper losses of about \$196 million on the investment from March through June, according to a Wall Street Journal analysis of fund reports published by Nuveen. Interest payments over the period reduced the net paper loss to \$183 million, according to a Nuveen spokeswoman.

JPMorgan Chase & Co. arranged a \$1.67 billion construction loan for American Dream in 2017 that was distributed to other lenders. It is unclear at what price the bank now values the debt.

The pandemic marks the latest hit to the project, which struggled through years of delays before partly opening last autumn. This was meant to be a mashup of European luxury stores, such as Hermès and Louis Vuitton, with an indoor water park, an ice-skating rink and a roller coaster.

Investors, including Nuveen portfolio manager John Miller, expected the attractions to help American Dream survive the rise of online shopping better than other malls. Now, the rides, skating rinks and waterslides don't have clearance from state regulators to reopen.

"The health and safety of our guests and team members is, and always will be, our No. 1 priority and we are not rushing to open," a spokeswoman for Triple Five said.

New Jersey allowed many mall retailers to reopen, but many stores at American Dream are under construction and some aren't likely to open until next year. Executives at Hermès plan to open their

boutique in September 2021, a person familiar with the matter said.

"We will not open retail without our entertainment components because we are not a traditional shopping center or mall," the Triple Five spokeswoman said.

The push to open a mall near the Meadowlands Sports Complex started in 2003 under a different name and different management, but it bogged down in an accounting

scandal until new owners stepped in in 2006. The project was partially built with money from banks and hedge funds by 2008 when the financial crisis struck, stalling the development again.

Triple Five, which owns the Mall of America in Bloomington, Minn., agreed to buy the New Jersey facility in 2010 but it remained half-built for years. But by 2017, yield-hun-

gry investors were eagerly buying high-risk debt again, and Triple Five raised at least \$268 million of municipal bonds backed by sales-tax revenue and \$800 million tied to real-estate tax assessments.

Every day the mall remains closed, it falls further behind on the financial targets it needs to repay bondholders. Documents circulated to investors when the bonds were sold projected the attractions at American Dream would bring in about four million visitors annually and generate about \$50 million of annual net income in its first two years.

The amusement park partially opened in October before shutting in March, making the targets hard to reach. American Dream can draw on cash reserves to make about \$70 million in annual interest payments through early 2022, but that would leave it without a buffer if revenue slumps again.

When the mall reopens it will be poised for a surge of visitors who will have been cooped up for months, said Nuveen's Mr. Miller. "There could be tremendous pent-up demand for this project when we are on the other side of the pandemic," he said.

The pandemic marks the latest hit to the project, which saw years of delays.

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Investor Appetite Grows for Europe's Junk Debt After Stimulus

By Anna Hirtenstein

Investors are more at ease with holding Europe's riskiest debt, as the European Central Bank's vast bond-buying program reduces the supply of safer assets, pushing buyers into other corners of the market.

CREDIT MARKETS

The cost of insuring against default for European high-yield bonds has fallen to the lowest point since March 5, according to the iTraxx Crossover index. The annual cost of a credit default swap that insures €10 million (\$11.8 million) of high-yield bonds for five years is at

€326,000, nearly half of the price at the peak of the market turmoil.

Meanwhile, the extra yield that investors demand to hold European junk-rated bonds has also recently dropped. European high-yield debt was recently 4.56 percentage points above Treasuries, the ICE BofA Euro High-Yield index showed. That is about 1.5 points higher than at the start of the year, but the difference has more than halved since mid-March.

"Policy is the main driver of credit spreads driving tighter," said Stephen Caprio, a global credit strategist at UBS. The market isn't pricing in risk, it is "trading where it is largely be-

cause you have policy, and you have just enough growth to keep the default rate from spiking."

Many European companies have been recipients of monetary and fiscal stimulus designed to support the economy through the coronavirus-induced downturn. Germany, France and Italy reported record contractions as commerce ground to a halt due to the lockdowns. A modest recovery has been under way since restrictions were eased, but the latest purchasing managers index figures Friday missed economists' estimates, pointing to a slower pace than expected.

The European Central Bank kicked off a €750 billion bond-buying program in March, ex-

tending it to €1.35 trillion in June. It is currently buying between €9 billion and €10 billion of investment-grade corporate bonds a month as part of this program, according to research from UBS.

But because the central bank buys only debt that is rated investment-grade, other buyers have been left to consider riskier corners of the market. This has raised demand for high-yield debt and pushed down issuers' cost of borrowing. Firms in Europe issued close to €16 billion of speculative-grade bonds in June and €9 billion in July, up from €56 billion in March, according to data from Dealogic. Recent issuers include

Thyssenkrupp Elevator to partially finance a leveraged buyout and Stonegate Pub Co., which owns a chain of U.K. pubs.

Also boosting demand for junk debt has been the combination of ultralow or negative-yielding government debt and many companies cutting dividends, according to Fraser Lundie, head of credit at Federated Hermes. "There will continue to be money coming from both directions to high yield," Mr. Lundie said. "Money that needs income won't be getting this from either avenue anymore."

In the U.S., the yield on 10-year Treasury notes ticked up to 0.686% on Wednesday, from 0.680% on Tuesday.

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.

Table with columns for Applications, Accepted bids, noncompetitively, foreign noncompetitively, Auction price (rate), Interest rate, Bids at clearing yield accepted, Cusip number, and dates for 5-year and 11-month FRNs.

New Highs and Lows | WSJ.com/newhighs

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.

Table listing stock symbols, 52-week high/low, and percentage change. Includes categories like Highs and Lows.

Large table listing various stock symbols, 52-week high/low, and percentage change across multiple columns.

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Brexit Comes Back As a Threat To U.K. Bellwethers

Shares in lender Lloyds Banking Group could be hit as the deadline for a new EU-U.K. trade deal looms

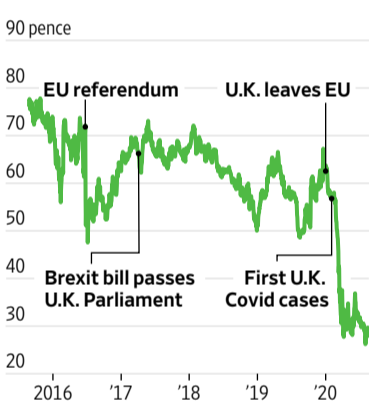
This year's pandemic has understandably overshadowed the risks associated with Britain's Brexit process. But that may change as a crucial year-end deadline approaches. Bellwether stocks like **Lloyds Banking Group** look exposed.

The U.K. left the European Union in January, but will only feel the economic impact when a transitional trade agreement expires on Dec. 31. Negotiations for a new deal have stalled over fishing rights and competition rules, though there will undoubtedly be last-minute compromises. The bottom line is that U.K. Prime Minister Boris Johnson wants a much looser relationship than the current one.

The economic stakes are high because the EU is Britain's most important trading partner. Last year, the bloc received 43% of the U.K.'s exports and accounted for 51% of its imports, according to the country's Office for National Statistics. That trade won't stop, but depending on the deal it will probably have to contend with new processes, rules and even tariffs. JPMorgan estimates that a no-deal outcome would cost the U.K. economy 5.5% of output.

London is working on other trade deals. However, even the

Lloyds Banking Group's daily share price



government estimates that new agreements with big economies such as the U.S. or Japan will add only about 0.07% each to output over the long term, and nothing is expected to be concluded before January.

This likely Brexit hit hardly seems priced in. In their recent results, U.K. banks on average expected the country's economy to grow by 5.9% next year, while official government estimates average 8%. The sterling-euro exchange rate is more or less where it was a year ago. That creates a trading opportunity before the risks filter back into the news.

Shorting Lloyds—Britain's leading provider of current accounts, savings, personal loans, credit cards and mortgages—may be the best option. Nearly all its customers are in the U.K., and unlike rival Barclays it doesn't have an investment bank to cushion the hit with trading profit.

Lloyds seems well run, with an efficient 52.3% cost-to-income ratio, a solid 14.6% core capital ratio and a loan book that is 85% secured. However, it bulked up its credit-card business in 2017 by buying Bank of America's MNBA and expects a loan-loss allowance of around \$5 billion this year, based on conservative assumptions. The bank will also face the reality of Brexit with a new chairman from January and a new chief executive from July, when António Horta-Osório steps down.

Lloyds is strong, but its fortunes are tightly linked to the U.K. economy's. And British policy makers will have only limited scope to mitigate the Brexit fallout, with interest rates already very low and public finances stretched following Covid-related support measures.

Most plausible is an adjustment over the coming months as the market reawakens to Brexit risk. Lloyds is well placed to weather the storm, but that won't stop its investors from getting wet.

—*Rochelle Toplensky*



At \$200 billion, the fintech company will be valued at 37 times its earnings for the 12 months ended June.

Ant Builds Up a Hill of Cash

IPO looks enormous but less so in the context of pricier competitors

Chinese financial-technology company Ant Group may sound small, but it could ride China's technology-investment wave to grow into a market behemoth.

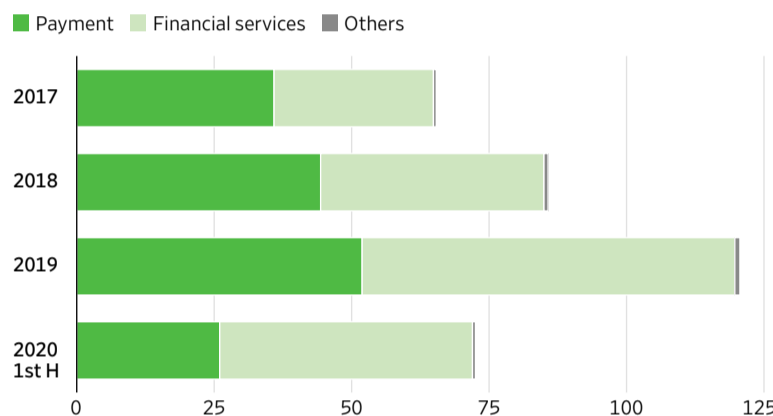
The company, controlled by Chinese billionaire Jack Ma, filed for concurrent initial public offerings in Shanghai and Hong Kong. Ant is expected to fetch a valuation above \$200 billion. With the company selling at least 10% of share capital, the IPOs could together amount to one of the largest listings ever.

Ant, a third owned by **Alibaba**, is perhaps best-known for its Alipay app, one of the two dominant mobile-payment systems in China. For the 12 months ended June, Ant recorded 118 trillion yuan (\$17 trillion) of payment transactions. That includes Venmo-like personal transfers between users and payments to online and bricks-and-mortar shops.

Yet while Ant is part of an effective duopoly in China's mobile-payment market, that probably isn't what investors are most interested in. Ant's revenue from payment accounted for about a third of the total in the first half of this year, but that is equal to 0.05% of Ant's transaction volume. A big part of those transactions are personal transfers, which are mostly free, and Ant charges very low take rates for merchants.

Ant likely isn't making much profit from this segment but such cheap cost is one reason why digital payment has become ubiquitous

Ant's revenue by segment, in billion of yuan



in China. Alipay had 711 million monthly active users as of June.

Instead, Ant's user base in payment allows it to act as a platform to sell financial services including loans. Such businesses are growing extremely fast: They accounted for 63% of Ant's total revenue in the first half, compared with 44% in 2017. It has a total outstanding consumer credit balance of \$250 billion.

In the past few years, Ant has switched from being a provider of such services to acting merely as a platform in most of these transactions. Of the loans originated on the platform, 98% are either underwritten by partner banks or securitized. That lets Ant earn higher

margins and makes it easier to grow its business. The biggest risk remains tougher regulations should Beijing act more decisively to control the pace of debt growth at households and small businesses, which are Ant's key customers.

At \$200 billion, Ant will be valued at 37 times its earnings for the 12 months ended June. There will be plenty of investor appetite. Visa and Mastercard have an average price-earnings ratio of 44 while new fintech challengers like Square and PayPal trade at even higher multiples.

The buoyant Chinese stock market will no doubt give further help. A cool \$200 billion may be just the beginning of Ant's hill. —*Jacky Wong*

Biogen's Shares Are A Big Risk Worth Taking

Biogen will find out in early 2021 whether it will have the largest sales opportunity for the drug industry in at least a decade. Meanwhile, the company's stock is a worthy risk for investors who can stomach a roller-coaster ride.

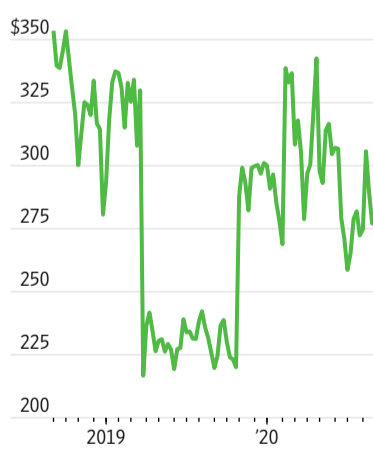
At first look, Biogen seems more like a plodding drugmaker than a pending highflier: The neurology specialist boasts a market cap of about \$46 billion. Second-quarter sales of \$3.7 billion grew 2% from a year earlier. The shares trade at just 8 times this year's adjusted earnings forecasts due to growth concerns. Generic-drugs giant **Mylan** launched a version of Biogen's blockbuster multiple sclerosis drug Tecfidera this month, and competition is heating up for Biogen's spinal muscular atrophy treatment Spinraza.

Instead, the action rests on the prospects for Biogen's experimental Alzheimer's disease treatment, aducanumab. The Food and Drug Administration will decide whether to approve the drug by March 7. A green light means years of blockbuster sales ahead, while a setback will mean a lengthy product delay and, in all likelihood, a sharp selloff.

Bears point to flaws in the aducanumab clinical data and there is evidence from the drug's recent history to back that view: Biogen and partner **Eisai** Co. terminated two late-stage studies in March 2019 after an analysis determined there was less than a 20% chance the drug would succeed in slowing study patients' cognitive decline. Later that year, the company said subsequent analyses showed one of the studies was successful and the other likely failed because of changes made to the study design halfway through the trial.

But regulators in recent years have shown more flexibility in

Biogen's weekly share price



granting approval to drugs that address unmet medical needs. And until Covid-19 emerged, it was hard to imagine a larger unmet need than Alzheimer's disease.

Existing treatments don't slow the progression of Alzheimer's. There are five million Americans currently living with the disease, according to the Alzheimer's Association. That number is projected to increase rapidly as the population ages. What's more, caring for patients is expensive, which assures high demand for even marginal therapeutic options.

Biogen stock, trading at around \$275 a share, reached \$500 back in 2015, when it unveiled earlier stage aducanumab data. Back then, shares traded as high as 26 times forward earnings. In an ebullient market, shares may well drift higher before the FDA's decision, though a return to that lofty multiple seems unrealistic. Real growth prospects at a sane valuation are hard to find in 2020. Opportunities like Biogen are worth stomaching some risk.

—*Charley Grant*

OVERHEARD

This year has proven a challenging one for the footloose and fancy free.

For well-off nomads stuck in China, however, opportunities to roam are plentiful. The country, which has a similar surface area to the U.S., largely has the virus under control and domestic travel is bouncing back. One option: luxury Mongolian yurts.

The traditional Central Asian yurt consists of felt coverings stretched over a wooden latticework. But a recent article in China Daily highlighted the opportunity to stay in an "experimental yurt

field" in the grasslands of Inner Mongolia, a region of Northern China. The new yurts include options such as glass domes for star-watch-



ing and keycard access.

Glamping on the grassy highlands where the Khans once roamed is becoming a sizable cottage industry. The 39-year-old owner of the yurt business interviewed by the newspaper said his company generates 4.6 million yuan (\$665,000) of revenue a year and employs 80 herders. The company has also sold yurts for use in Beijing.

When you want to get away from people, there is nothing like the wide open steppe. And now the nomadic way of life is available with all the modern conveniences.

Salesforce Flashes a Green Light

The Curse of the Dow apparently takes some time to catch on.

Salesforce.com, named Monday as one of the blue-chip index's latest entrants, posted surprisingly strong results for its fiscal second quarter on Tuesday afternoon. Surprising because—as one of the largest sellers of software to businesses—Salesforce was seemingly well exposed to reports of corporate customers cutting back their tech budgets as they cope with the coronavirus pandemic.

But those cuts seemed to have spared the San Francisco-based cloud pioneer. Revenue in the period ended July 31 jumped 29% year over year to \$5.15 billion. Billings, a measure of business transacted during the quarter that serves as a leading indicator for subscription-based cloud businesses, surged 34% to \$4.75 billion—well ahead of Wall Street's estimates.

Salesforce also projected better-than-expected revenue for the fiscal

third quarter and nudged up its forecast for the full fiscal year—three months after trimming it back on worries about the pandemic's impact. Salesforce shares surged 26% Wednesday, for a record single-day gain for the stock in its 16-

The company's strong performance in a crippling pandemic will quiet a lot of critics.

year history.

Per its name, the company has long been a sales machine. In fact, it has missed Wall Street's revenue targets only once in the past five years, according to FactSet. But its inclusion in the Dow puts the company in a different light. With trailing 12-month revenue of just

under \$20 billion, Salesforce is the largest pure-play provider of cloud-based software. It will also be one of the smallest companies on the blue-chip index by trailing revenue—ranking only above McDonald's. And it replaces oil titan Exxon Mobil.

Salesforce doesn't plan to be at that sales level for long. The company already speaks of hitting \$30 billion in annual revenue, which Wall Street expects to happen by 2024. Salesforce also spoke Tuesday of the need to make a strategic shift to better position the company "in this new all-digital work-from-anywhere environment," which suggests the hyperacquisitive company may soon be shopping again. That could prove to be controversial for those who think Salesforce is becoming too addicted to big deals. But for now, the company's strong performance in a crippling pandemic will quiet a lot of critics.

—*Dan Gallagher*