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THURSDAY, AUGUST 27, 2020 ~ VOL. CCLXXVI NO. 49

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Hurricane Takes Aim at Gulf Coast What's

News

Business & Finance

Racebook 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 "unsurvivable" 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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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 "unsurvivable" flooding and widespread wind damage.

Laura was poised to strike the heart of the U.S.'s fuelmaking 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.

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 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-

Refineries, chemical plants 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

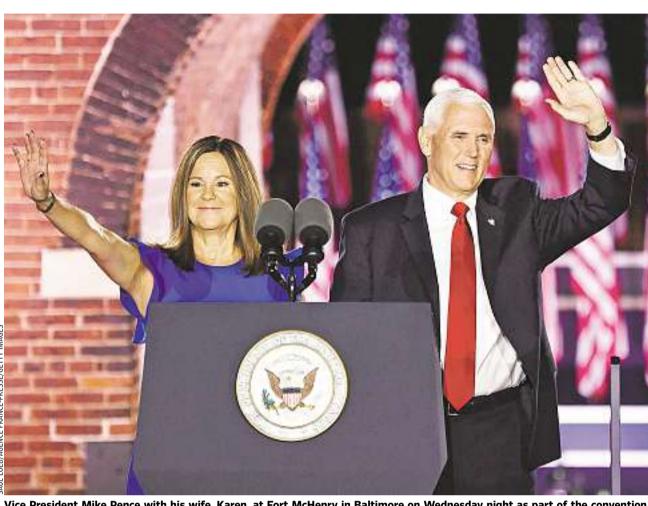
Katrina, Laura was expected to make landfall in the dead of night, complicating any lastminute evacuation or rescue efforts.

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.....

**Facebook** 

Accuses



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

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 po-

lice—not now, not ever." Since the killing of George

largely virtual GOP convention, Floyd in police custody in May opposes efforts to defund the 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 be-

ing sympathetic to protesters. The Democratic presidential nominee's campaign has said he

police, but would seek "transformative change" to the criminal justice system.

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

◆ Trump hotel is annex for

in voting by mail ....

GOP's A-listers...

◆ New citizens surprised to be

part of convention.. ◆ No foreign interference seen

# 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 vision, 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

# Apple of Hindering Ad Sales By Patience Haggin AND JEFF HORWITZ Facebook Inc. said privacy changes in Apple Inc.'s latest

operating system would cripple its ability to place personalized ads and deal a financial blow to app makers, highlighting a high-stakes clash between the tech titans over the rules of the road in the mobile-internet economy.

Under Apple's changes, which will go into effect this fall in its iOS14 operating system, Facebook and other companies that facilitate online advertising will no longer be able to collect a person's advertising identifier without the user's permission. Many apps will begin asking users whether or not they want their behavior on the web to be tracked for the purposes of personalized ads.

Facebook fears many users will reject tracking, if given the choice, affecting not only its business but also any app that uses its services to sell ads, from game makers to news publishers. Facebook told app developers Wednesday the changes will affect its "Audience Network" business, which facilitates ad sales in outside apps.

Apple's move also will hit Google's AdMob unit, which facilitates ad sales in apps, as well as several ad-technology companies that rely on tracking iPhone users. Apple's ad identifier, or IDFA, is a 32-Please turn to page A8

# **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....

**A2** | Thursday, August 27, 2020

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# Mission Creep at the Fed Presents Risks



anticipated speech this week, Federal

Chairman Jerome Powell is expected to lav out a new framework for meeting its often-elusive goal of 2% inflation

When he's done, he should keep his jacket on, because a proliferation of other missions await. Full employment and low inflation are no longer enough. In recent years the Fed has been asked to prevent financial crises. shrink the trade deficit, tackle climate change and, now, eliminate racial economic disparities.

Mission creep poses real risks. The Fed is being asked to meet goals for which its tools are poorly suited and often in conflict.

The killing of George Floyd, a Black man, in police custody earlier this year precipitated an intense examination of economic racial disparities. Last month Joe Biden, now the Democratic

presidential nominee, called for amendments to the Federal Reserve Act requiring it to "aggressively target persistent racial gaps in job, wages, and wealth." Congressional Democrats then unveiled a bill charging the Fed with eliminating "racial disparities in employment, wages, wealth, and access to affordable credit." The bill won't go anywhere while Republicans control the Senate, but that could change if Democrats take both chambers of Congress and the White House in November.

The Fed already influences racial disparities indirectly. Since the 1940s unemployment has always been higher for Black people than white people but the gap widens in recessions and narrows during expansions.

his was especially apparent in recent years, before the coronavirus pandemic. As labor markets became historically tight, employers began hiring people they may have previously overlooked because of criminal records, lack of experience, disability, or discrimination. Last year, as overall unemployment hit a 50-year low of 3.5%, the gap between Black and white joblessness dropped below 3 percentage points for the first time since records began in the

Had the pandemic not in-

Racial equality is one of the missions the Fed is being asked to assume.

truded, the gap could have narrowed even further as the Fed let unemployment drift lower in an effort to push inflation back to or above 2%. This means the more successful the Fed is at achieving full employment, the more racial gaps will narrow—without any explicit mandate to eliminate them.

The problem arises if prolonged low unemployment or some other shock threatens to send inflation too high. The Fed would then have to choose between targeting the racial unemployment gap or targeting inflation. Inflation looks like a remote risk today, but it hasn't always. History also shows that high inflation usually ends with recessions, which we now know do lasting damage to disadvantaged and minority

workers.

Targeting the wealth gap is even more problematic. The Fed has slashed interest rates to near zero, bought bonds and, with the authorization of Treasury and Congress, offered credit to corporate and municipal borrowers to combat the Covid-19 recession. That naturally buoys stock and bond markets, aggravating the yawning gap in wealth between Black and white households. But if the Fed were to reverse those actions, it would compromise the pursuit of full employment—and a narrower racial unemployment gap.

Racial equality is only one of several new missions the Fed is being asked to assume. Since the global financial crisis, central banks have been tasked with spotting and tamping down dangerous financial imbalances. But a reliable contributor to such imbalances is low interest rates, and the Fed plans to keep rates near zero for years to come to meet its inflation and employment goals.

eanwhile, Mr. Powell is being prodded to . join foreign central banks in formally incorporating into policy-making the risks a warming planet poses to the economy and the financial system.

'Central banks keep being given more and more things to do," Reserve Bank of New Zealand governor Adrian Orr told my colleague Nick Timiraos last year: "And those tools are less and less effective and less understood and less explained. Basically we have been given more oppor-

tunities to fail." To be sure, the Fed still has tools at its disposal. It can purchase almost any financial asset if Congress and Treasury ask it to, as they did this year. Cooperation between the Fed, Congress and the administration is vital in an emergency. But the more entangled they become, the more advocates of mission creep are emboldened-and the more responsibility shifts from the elected leaders and institutions that actually have the means to tackle complex problems like climate change and systemic racism.

During an exchange on Twitter about how racial disparities could be overcome if interest rates rise whenever inflation threatens, Raphael Bostic, president of the Federal Reserve Bank of Atlanta, said: "That involves changes in policies and practices by many, many institutions, people and businesses. This goes way beyond the Fed."

### U.S. WATCH

TRANSGENDER RIGHTS

### **Student Wins Ruling** On Bathroom Use

A federal appeals court ruled that school policies forbidding transgender students from using bathrooms aligned with their gender identity violate the law, a decision that builds on the Supreme Court's June opinion extending civil-rights protections to LGBT employees.

The public schools in Glouces- ₹ ter County, Va., violated both constitutional- equality principles and Title IX, the federal law requiring equality between the sexes in education, the Fourth U.S. Circuit Court of Appeals, in Richmond, Va., found.

Wednesday's 2-1 ruling was a victory for Gavin Grimm, who was born anatomically female but since age 12 has identified as male. Mr. Grimm, now 20 years old, sued the school board in 2015 after it reversed a Gloucester High School policy allowing him

to use the boys' room. Mr. Grimm has been diagnosed with gender dysphoria and undergone sex-reassignment procedures including a double mastectomy. The commonwealth of Virginia has reissued his birth certificate to list his sex as male.

The Fourth Circuit's opinion was a strong affirmation of LGBT rights.

Mr. Grimm was elated. "All transgender students should have what I was denied: the opportunity to be seen for who we are by our schools and our government. Today's decision is an incredible affirmation for not iust me, but for trans youth around the country," he said.

The school board said it was reviewing the decision.

–Jess Bravin



SUPREME COURT

### **U.S. Asks to Restore Abortion-Pill Rule**

The Trump administration asked the Supreme Court to reimpose regulations requiring women seeking medication abortions to obtain prescribed pills in-person from a medical facility rather than by mail.

The coronavirus pandemic prompted the Food and Drug Administration to relax similar requirements for other drugs beginning in March, along with encouraging telemedicine rather than office visits to reduce the spread of Covid-19. But the Trump administration, which opposes abortion rights, didn't suspend the

in-person pickup requirement for the abortion drug mifepristone.

The American College of Obstetricians and Gynecologists and other groups sued the FDA over its treatment of mifepristone.

The groups observed "of the more than 20,000 drugs regulated by the FDA, mifepristone is the only one that patients must receive in person at a hospital, clinic, or medical office, yet may self-administer, unsupervised, at a loca-

tion of their choosing." Last month, a U.S. District Court ordered the FDA to suspend the rule, finding that it was medically unnecessary and in the context of the coronavirus emergency, posed a "substantial obstacle for women seeking an abortion." The appeals court in Richmond, Va., rejected the government's request to set aside the order.

In his appeal to the Supreme Court, acting Solicitor General Jeffrey Wall argued that the requirement was necessary to protect women's health.

—Jess Bravin

**NEW YORK** 

### John Lennon's Killer **Denied Parole Again**

The man who gunned down John Lennon outside his Manhattan apartment in 1980 was denied parole for an 11th time. state corrections officials said Wednesday.

Mark David Chapman was denied after being interviewed by a parole board Aug. 19, according to corrections officials. Mr. Chapman, 65, is serving a 20-years-to-life sentence at Wende Correctional Facility, east

Mr. Chapman shot and killed the former Beatle on the night of Dec. 8, 1980, hours after Mr. Lennon autographed an album for him. He has said previously that he feels "more and more shame" every year for the crime

"I was too far in." Mr. Chapman told a parole board in 2018. "I do remember having the thought of, 'Hey, you have got the album now. Look at this, he signed it, just go home.' But there was no way I was just going to go home."

-Associated Press

# Central Bankers To Stream Meeting

By NICK TIMIRAOS

No need to pack bear spray this vear.

coronavirus scrapped the Federal Reserve Bank of Kansas City's annual retreat of global central bankers in the mountains of Jackson Hole, Wyo. Instead, the event will be conducted online, viewable by the public via live stream, for the first time since

the symposium began in 1978. Fed Chairman Jerome Powell's keynote address Thursday morning, at 9:10 a.m. Eastern time, is the main event. He is expected to reveal conclusions of the central bank's review of its monetary policy framework.

Officials have signaled they are ready to adopt a new approach of making up for periods of low inflation by seeking subsequent periods of higher inflation, and Mr. Powell's speech offers a natural venue to explain what the Fed is preparing to change and why. The practical effect is that it will be a long time before the Fed raises interest rates.

Mr. Powell announced the review in November 2018, animated by concerns that the inflation framework guiding the Fed's rate strategy for the past three decades needs to be updated for a world in which the biggest challenge isn't the runaway inflation of the 1970s but rather the difficulty of spurring faster growth when interest rates can't be cut. The problem of very low interest rates has bedeviled central bankers in Japan for the past two decades and in Europe for much of the past decade.

The primary vehicle for the Fed to formalize these changes will be to amend its statement of longer-run goals and policy strategy, which was first adopted in 2012 when the central bank established a 2% inflation goal. Inflation has generally run below the target, which has led officials to grow more concerned about periods of too little inflation.

The current shock is far more severe than any hypothetical downturn Fed officials had in mind when they initiated their review. Looming in the background of this year's conference is a troubling prospect. While the Fed and other

central banks have proven they can prevent financial panics by providing massive infusions of cash to keep markets from seizing up, their ability to spur a faster recovery is an open question. They face greater limits given the low level of interest rates, institutional constraints designed to limit explicit coordination with fiscal authorities and, in the U.S. for the moment, political disputes over the need and use for further government spending.

◆ Davos meeting postponed on fears over pandemic.....

# Durable-Goods Orders Gain for Third Straight Month

By Jeffrey Sparshott

Orders for long-lasting factory goods rose for a third straight month in July, as manufacturers boosted output and the economy continued its climb back from disruptions related to the coronavirus pandemic.

New orders for durable goods-products designed to last at least three years-increased 11.2% in July from the previous month, the Commerce Department reported on Wednesday.

Orders for military aircraft and motor vehicles led the gains, pushing new orders for transportation equipment up 35.6% from a month earlier.

THE WALL STREET JOURNAL

transportation category, orders rose a more moderate

A closely watched gauge of business investment—new orders for nondefense capital goods excluding aircraft—increased 1.9% from the prior month and was barely shy of February levels.

"The recovery in business equipment investment looks pretty V-shaped to us," said Michael Pearce, senior U.S. economist at Capital Econom-

U.S. factories were hit by health concerns, supply-chain disruptions and shutdowns early in the coronavirus crisis. But efforts to reopen the econ-

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Excluding the often-volatile omy have helped manufacturers regain much of the ground lost in March and April.

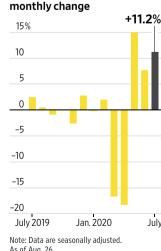
That has been reflected in a variety of measures. As of July, manufacturing employment was down less than 6% from its 2020 peak in February. Employment in serviceproviding industries, in comparison, was down almost 9%.

And momentum appears to be continuing. Data firm IHS Markit's survey of purchasing managers at U.S. factories showed August activity expanding at the fastest pace since the start of 2019.

Output growth has been especially strong in the auto sector as factories ramp up output and sales begin to recover from the worst stretch of the New orders for durable goods, pandemic. New orders for motor vehicles and parts increased 21.9% last month, surpassing pre-pandemic levels.

While investment has made up significant ground, some economists are cautious about the outlook.

"It is our hunch that...the trend of growth will be slower than it would have been otherwise," said Joshua Shapiro, chief U.S. economist at Maria Fiorini Ramirez Inc. "To be honest, though, it is still anyone's guess, and is largely going to depend on the path of the virus, the ability to distribute a safe and effective vaccine, and fiscal policy developments."



Source: U.S. Census Bureau

CORRECTIONS & AMPLIFICATIONS

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

The first name of Daniel Berlant, a spokesman for the California Department of Forestry and Fire Protection, was given incorrectly as David in a U.S. News article Saturday about the battle against wild-

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

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

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

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

fires in the state.

WSJ back issues and framed pages: wsjshop.com

P2JW240000-6-A00300-1-----XA

# U.S. NEWS

# **Arrest Made** After 2 Killed In Wisconsin

With protests racking Kenosha, authorities say Black man shot by police had knife in car

KENOSHA, Wis.—The state agency charged with investigating the police shooting of Jacob Blake said Wednesday that the 29-year-old Black man admitted

> By Erin Ailworth, Julie Wernau and Akane Otani

to having a knife in his possession. It also identified the white officer who shot him seven times in the back, an event that set off several nights of violent clashes, fires and looting.

Meanwhile, a 17-year-old was arrested in connection with a shooting that left two people dead and one injured during the unrest.

Gov. Tony Evers said he had authorized 500 Wisconsin National Guard members to assist Kenosha authorities in quelling the unrest.

By Wednesday evening, a diverse crowd of around 100 protesters marched through the streets of the city. Defying calls to stay home after the county's 7 p.m. curfew, the protesters chanted, "Silence is violence" and "Enough is enough.

Many said they had been out on the streets for multiple nights to protest the police shooting of Jacob Blake, who remains hospitalized.

"We're tired of this happening. We're ready for people to truly accept that Black lives matter," said Kimberly Williams, who live-streamed the march as she walked with the

Also Wednesday, the U.S. attorney for the Eastern District of Wisconsin confirmed that the Justice Department is conducting a civil-rights investigation into the shooting of Mr. Blake. The federal investigation will run parallel to an investigation by the state's justice department.

The 17-year-old shooting suspect, Kyle Rittenhouse, a resident of Antioch, Ill., is in custody of the Lake County (Ill.) Judicial System, according to the Antioch Police Department. Mr. Rittenhouse was charged with first-degree intentional homicide, Antioch police said. A complaint filed in Circuit Court in Lake County says Mr. Rittenhouse was labeled a fugitive from justice after he "fled the state of Wisconsin with the intent to avoid prosecution for the offense."

His arrest card lists his occupation as a lifeguard at a YMCA. He was assigned a public defender, ordered held without bond and remanded to the care of the Hulse Detention Center. Antioch is about 20 miles southwest of Keno-

The Lake County public defender's office declined to comment.

The Wisconsin Department of Justice said Kenosha police were summoned to Mr. Blake's home Sunday after a female caller said her boyfriend was present but that he wasn't supposed to be on the premises. Officers attempted to use a Taser to stop Mr. Blake, but it didn't work, the department said. Officers drew guns on him, but he then walked around his car to open the had asked the U.S. attorney's



Demonstrators angry over the police shooting of Jacob Blake marched through the streets of Kenosha, Wis., on Wednesday night.

front door and leaned forward, when Officer Rusten Sheskey shot him in the back seven times. Mr. Sheskey, a sevenyear veteran of the force, was the only officer who fired his weapon, the department said.

Investigators recovered a knife on the driver's side floorboard of the vehicle, the department said. The officers involved have been placed on administrative leave and are cooperating with investigators.

The agency said it has 30 days to conduct its investigation before turning the case over to prosecutors who will make a determination on any charges.

At a news conference Wednesday, Kenosha County District Attorney Michael Graveley said once the Department of Justice completes its investigation his office would have a very narrow task: to determine whether a police officer had committed any crime that could be proven beyond a reasonable doubt.

Mr. Graveley added that he

office to conduct a parallel civil-rights investigation.

Mr. Graveley said that Mr. Sheskey was a patrolman officer, not a detective or manager, and so wasn't known to his office. According to a report by the Kenosha News in August 2019, Mr. Sheskey was part of the Kenosha Police De-

The 17-year-old was arrested after two people were fatally shot.

partment's bike unit and was previously with the University of Wisconsin-Parkside Police Department for three years.

We're in a public service job, a customer service job, and the public is our customer," said Mr. Sheskey at the time. "I think that, especially with the officers that we have here, everybody strives

feels served and happy with the services they receive."

In a news conference Wednesday, Kenosha Police Chief Daniel Miskinis said the state's Department of Justice is leading the investigation of the shooting of Mr. Blake, with cooperation from local authorities, and so he had no new information to provide.

Kenosha authorities also said they didn't know what sparked the shooting near midnight Tuesday or whether Mr. Rittenhouse was affiliated with any specific group.

Police said the dead included a 26-year-old from nearby Silver Lake and a 36year-old Kenosha resident. A 26-year-old West Allis resident was wounded.

In a video of the unrest late Tuesday cleared by Storyful, a media vetting service, what sound like gunshots can be heard as people yell and a white male with an olive-green shirt and backward cap appears to shoot people after being chased by members of the to make sure that the public crowd. The male in the olive-

green shirt then walks with his hands up toward a police car, as people can be heard screaming in the background, "He just shot someone."

Police were pressed to answer why they didn't arrest the person as he approached police vehicles. They said they couldn't provide an answer and said they hadn't seen the

Kenosha County Sheriff David Beth said that police have limited information because Kenosha police are working with outside agencies—including the Federal Bureau of Investigation-in gathering information.

President Trump said he would send federal law enforcement and National Guard to Kenosha. A Justice Department spokeswoman said the agency has sent more than 200 federal agents, including from the FBI, U.S. marshals and Bureau of Alcohol, Tobacco, Firearms and Explosives to help with the unrest, and could send more as

# NBA Playoff Games Postponed to Protest Shooting

By Ben Cohen

The National Basketball Association postponed three playoff games on Wednesday after the Milwaukee Bucks staged a boycott in protest of the police shooting of a Black man in Kenosha, Wis., as other sports leagues followed their lead and stopped play amid social upheaval.

The Bucks remained in their locker room and refused to take the court in the NBA's Walt Disney World bubble. The Orlando Magic walked off the floor during warm-ups in a dramatic moment only minutes before their playoff game was scheduled to begin.

The unprecedented day in the NBA continued when the other playoff games scheduled for Wednesday—including one featuring LeBron James and the Los Angeles Lakers—were postponed by the league one hour after the Bucks made their defiant move not to take the floor.

The league said all three games would be rescheduled but didn't say when.

The protest quickly spread beyond the NBA. The Milwaukee Brewers chose not to play

their Wednesday night game

in Wisconsin; two more Major League Baseball games followed suit, as Black players removed themselves from lineups. WNBA players took the court in T-shirts with seven red marks on the back—for the seven times the police shot Jacob Blake—as the league's three games were called off. Major League Soccer teams said they, too, wouldn't play their matches. Naomi Osaka, a Black and Asian tennis player, pulled out of her Thursday match in a U.S. Open tuneup tournament. The basketball analyst Kenny Smith walked off the

television set of TNT's "Inside the NBA" in solidarity with the players.

The Bucks emerged from the locker room three hours after the game was supposed masks as Milwaukee players Sterling Brown and George Hill read a statement demanding justice, encouraging Americans to vote and take "peaceful and responsible action" and urging the Wisconsin state legislature to address police brutality.

"Despite the overwhelming plea for change, there has

Brown, who sued the city of lice killings of George Floyd Milwaukee after police stunned him over a parking violation. "So our focus today cannot be on basketball."

The decision from the to begin. The team stood in Bucks, which spurred a unified feelings of helplessness this show of force on social media from some of the NBA's stars, followed days of renewed conversations among players about whether they should play during a convulsive moment across the country.

The protest was the most significant action yet in a professional sports league that has embraced political statebeen no action," said Mr. ments in the wake of the po-

and Breonna Taylor that inspired a national reckoning on racial inequality.

NBA players were visibly distraught and frustrated by week after watching the police shooting of Jacob Blake on Sunday in Wisconsin. Kenosha is about 40 miles south of Milwaukee, the home of the Bucks, who are NBA title contenders and had the league's best record this season behind their star Giannis Antetokounmpo.

–Jared Diamond contributed to this article.

# Thousands of Students Could Be Without Laptops

By Euirim Choi

Tens of thousands of students across the U.S. are facing the prospect of starting school over the coming weeks without the computers needed for remote classes.

In districts across the country, including in Florida, Texas, New Jersey, Missouri, Nevada and Alabama, school leaders purchased scores of devices months ago to prepare for athome schooling after struggling to manage through closures during the early stages of the coronavirus pandemic.

Now many of those shipments have been delayed amid strong demand and other supply-chain disruptions, forcing schools to scramble for alternatives such as adapting educational tools for use on mobile phones or possibly handing devices only to those who don't have access to any device at home. In certain locations, school administrators say they are unsure whether they will be able to guarantee all students will have laptops or tablets by the start of the school year.

Some school districts prepared early or already had access to enough devices before the pandemic and say they will be able to meet student needs. But others that placed orders within the past few months are facing extended delays that could make remote learning more challenging for students who don't have devices in the home.

The situation is made worse



Supply disruptions have delayed computer shipments. A student carries a computer in Los Angeles.

by a growing shortage in the consumer market of Chromebooks. Chromebooks are popular low-cost laptops running software built by Alphabet Inc.'s Google. The tight supply is driven by demand some manufacturers say is historic because of increases in at-home work and parents who are choosing to buy laptops to ensure their children are prepared.

"It's been highly frustrating," said Matthew DeMarco, a 41-year-old father in Tallahassee, Fla., who found out a few weeks ago that his 12-year-old son, Anthony, might not have a laptop in time for the start of school next week.

The school offered a used desktop as a stopgap measure,

but it also hasn't arrived. "It's hard to believe that we're only five, six, or seven days away [and] we're still discussing, will we have this or that," the computer programmer said in an interview.

Supply-chain challenges due to the pandemic have hobbled device makers for months.

"Nobody could have planned for the incredible upside and demand between work from home and virtual students,' said Gregg Prendergast, the president of Acer Inc.'s operations in North and South America. "A combination of supplychain disruption, a lot of money from government stimulus, and schools all moving to distance learning" created a perfect storm for tight supply,

Only about 16% of the laptop models under \$500 are available at Best Buy Co., although availability is higher in some online marketplaces, according to Paniiva, a supply-chain analytics unit at S&P Global Market Intelligence.

The shortages will exacerbate inequality among well-off students and less advantaged ones, said Tammy Hershfield, founder and board chair of Computers 2 Kids, a San Diego nonprofit that provides refurbished computers free or at discounted prices to children and organizations in need.

A number of school districts have been told the delays are As imports surge, demand has outstripped supply. Monthly imports of computers into the U.S.

\$10 billion

′19

linked to U.S. sanctions brought last month against Chinese manufacturing companies with alleged human rights abuses. The Commerce Department imposed sanctions on 11 Chinese companies, some of which supply laptop components.

Shortly after, Hong Kongbased Lenovo Group Ltd. sent a letter to several school districts saying that one of its educational computer suppliers was among those companies, according to a copy of the letter seen by The Wall Street Journal, in which the device maker warned that shipments could be delayed by five to six weeks.

Commerce Department spokesman said Lenovo shipments weren't blocked.

# | Postal Service Overtime Is Questioned

By Paul Ziobro

Postmaster General Louis DeJoy has highlighted runaway overtime expenses to show inefficiencies at the U.S. Postal Service, which is on track to lose more than \$10 billion this year.

His watchdog agrees that changes need to be made. In a new report, the Office of

Inspector General for the Postal Service criticized the agency's handling of overtime expenses, which totaled more than \$5 billion last fiscal year. The report found about \$522 million in questionable overtime costs last year and 42% of postal workers logged unauthorized overtime. More than 4,000 employees made more in overtime than regular pay last year, according to the report, which was dated Aug. 25.

Mr. DeJoy, a former logistics executive and Republican fundraiser, faces scrutiny from Congress over operational changes he has made since starting his job in June. The inspector general's office said it began the overtime audit before Mr. De-Joy was appointed and its findings don't reflect the effects of Covid-19 on the Postal Service or recent operational changes.

The Postal Service paid more than \$25 billion in overtime during a six-year period ended last September, the report said.

**A4** | Thursday, August 27, 2020

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# Trump Hotel Is Annex For GOP's A-Listers

By Julie Bykowicz

WASHINGTON-The coronavirus pandemic prevented packed arena celebrations for this year's Republican and Democratic conventions, but the Trump International Hotel offers a throwback of sorts to the old days, serving as part speaker green room, part private event space.

Each day this week during the mostly virtual Republican National Convention, socialmedia posts show, the hotel's soaring atrium lobby bar has hosted Trump-era A-listers.

"Getting super excited for my speech tonight at the RNC," Donald Trump Jr., said in a Monday post to Instagram that showed him wearing a stars-and-stripes blazer and marked his location as inside the hotel.

Nicholas Sandmann, the former Kentucky high-school student who settled a media

lawsuit after an encounter a lot of opponents here." with a Native American activist at the Lincoln Memorial last year became a viral moment, posted a photo showing him there with former New York Mayor Rudy Giuliani and President Trump's middle son, Eric Trump. Republican National Committee Chairwoman Ronna McDaniel and conservative television personality Eric Bolling have also been spotted at the hotel this week.

Mr. Giuliani, who is set to speak Thursday, has been doing his radio show from the hotel. "I'm talking to you live from Washington, D.C., from the Trump International Hotel, where the Republican National Convention has now really been located," he said on his Tuesday program.

"This is sort of like a convention extension," Mr. Giuliani said in an interview. "There is a comfort level at the hotel because there aren't

Major Trump campaign donors also can spend their convention days attending politics and policy panels put on for them at the hotel by the Trump Victory Committee, according to a GOP official. The committee collects six-figure checks for the president's reelection effort, and the panels are a perk for those who have raised or given some of the biggest donations over the election cycle.

Neither the Trump campaign nor the Republican National Committee responded to questions about conventionrelated activities at the hotel.

Each night, the televisions above the marble bar play convention coverage while the president's supporters mingle among blue-velvet couches.

Mask usage is inconsistent, interviews with guests and photos show, though Mr. Giu-



The Trump International Hotel serves as part speaker green room, part private event space.

liani said people had been doing a good job of masking up when they walk around the

The scene evokes more traditional conventions, where the political parties typically house top donors and wellconnected supporters at highend hotels near the site where the main events are held. political Campaigns and groups rent space for fundraisers at restaurants, and lob-

byists and corporations host boozy gatherings.

Mr. Trump's real-estate business has a long-term lease for the hotel, which is housed in the federally owned Old Post Office building on Pennsylvania Avenue. It is just down the road from the White House and a four-minute walk from the Andrew W. Mellon auditorium, the two main settings for convention speeches.

The Trump Organization,

led by Eric Trump while his father serves as president, was in talks to sell the hotel until the pandemic hit. It opened right around the 2016 presidential election and had been a reliable moneymaker for the company at a time when some of its other holdings have seen revenues dip. It has also attracted lawsuits and criticism that Mr. Trump was inappropriately profiting from the

# Speakers Put Focus On Police

Continued from Page One between the two candidates. "We can choose four more years of fear, division and hate,"

he tweeted. "Or we can choose a different path—one of hope, unity, and light."

The focus on the president's support for law enforcement comes after several nights of violent clashes, fires and looting in Kenosha, Wis., after police there shot Jacob Blake, a 29year-old Black man, in the back on Sunday. The state agency charged with investigating the shooting said Wednesday that Mr. Blake admitted to having a knife in his possession. The officers involved have been placed on administrative leave and are cooperating with investigators.

On Wednesday, a 17-year-old suspect was arrested and charged with first-degree intentional homicide in connection with a shooting during the protests that left two people dead and one injured.

Mr. Trump tweeted: "We will NOT stand for looting, arson, violence, and lawlessness on American streets." White House secretary Kayleigh McEnany later said in a statement: "We have assisted Wisconsin in the deployment of almost 1,000 National Guard and over 200 federal law enforcement personnel, which include FBI and U.S. Marshals."

The Justice Department is investigating both the Floyd



Sen. Joni Ernst of Iowa addressed the Republican National Convention in a video from Des Moine on Wednesday night.

and Blake shootings.

Mr. Biden said the video of Mr. Blake's shooting "makes me sick" and expressed his support for protests against police brutality, but condemned the violent demonstrations in Kenosha.

"Protesting brutality is a right, and absolutely necessary," Mr. Biden said. "But burning down communities is not protest. It's needless violence—violence that endangers lives, violence that guts businesses and shutters businesses that serve the community."

But Mr. Biden's criticism of violent protests did little to stop Republicans from accusing him of not showing police enough support.

At the convention, Sen. Marsha Blackburn (R., Tenn.) ac-

cused Democrats of trying to "cancel" law-enforcement officers and veterans. "As hard as Democrats try, they can't cancel our heroes," she said.

South Dakota Gov. Kristi Noem compared Mr. Trump to Abraham Lincoln, quoting his criticism of "wild and furious passions...worse than savage mobs.'

Michael McHale, the president of the National Association of Police Organizations, called for greater support for law enforcement from politicians. 'Good officers need to know that their elected leaders and the department brass have their backs," he said.

His group has endorsed Mr. Trump's re-election bid.

The vice president, who starting in February oversaw the administration's response to coronavirus, on Wednesday delivered the most extensive endorsement of Mr. Trump's handling of the pandemic. The convention's first two days largely featured passing mentions of the virus, which some speakers described in the past tense even as it continues to kill more than 1,000 people a day in the U.S.

"President Trump marshaled the full resources of the federal government and directed us to forge seamless partnerships with governors across America in both parties," Mr. Pence said, speaking on an outdoor stage at the site of a War of 1812 battle that inspired the writing of "The Star-Spangled Banner."

"As the country seeks to reopen its economy and schools, he said, "I promise you we'll continue to put the health of America first."

Mr. Pence urged the nation to consider which candidate they want to steer the U.S. out of its current crises. "Some people think we're a little bit different," he said of the president, who he joked was his mother's favorite candidate on the ticket. "He's certainly kept things interesting, but more importantly, he's kept his word."

After Mr. Pence's speech concluded, Mr. Trump and the first lady came out to greet supporters, who were mostly not wearing masks. Mr. Pence was seen fist-bumping a few people in the crowd.

As in previous nights, several of the president's supporters sought to play up an empa-

### In the Spotlight **On Thursday**

President Trump will accept the nomination on the final night of the convention. Other scheduled speakers in-

- ◆ Secretary of Housing and Urban Development Ben Car-
- ◆ Senate Majority Leader
- Mitch McConnell (Ky.) Arkansas Sen. Tom Cotton
- House Republican Leader Kevin McCarthy (Calif.) ◆ Ivanka Trump, daughter of
- the president and one of his closest advisers Rudy Giuliani, former New York City mayor and the

president's personal attorney

thetic side to the president

they said most people don't see. Lara Trump, the president's daughter-in-law and a campaign adviser, described the "family environment" she encountered when she first visited the Trump Organization.

"They were warm and caring, they were hard workers and they were down to earth," she said.

On Thursday, Mr. Trump is set to deliver his speech accepting the nomination on the South Lawn of the White House. A senior campaign official said the speech would go forward even as Hurricane Laura is set to strike the Gulf Coast. —Alex Leary, Sabrina Siddiaui

and Catherine Lucey contributed to this article.

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# Immigrants Weren't Aware They Would Appear at RNC

AND MICHAEL C. BENDER

Sudha Narayanan and Neimat Awadelseid looked forward to Tuesday—the day, after a yearslong process, they would become U.S. citizens. They found out only minutes before the ceremony that President Trump would attend, and they didn't know it would be aired during the Republican convention that night.

Ms. Narayanan and Ms. Awadelseid said they didn't mind being featured in the convention. But the video, in which the two women and three others received citizenship, has been faulted by Democrats and other administration critics who say Mr. Trump's team politicized government functions by showing the naturalization ceremony, as well as another video in which he issued a pardon during the second night of the GOP convention.

Several critics said in interviews that it was inappropriate not to tell the participants that they would be part of a political event, and noted that the Trump administration had sought to curb illegal and legal immigration.

The White House directed inquiries related to the ceremony to Mr. Trump's campaign, which declined to comment.

Some Republicans praised the ceremony as showing a positive view of America. "From the naturalization ceremony to hearing the First Lady's story of coming to America, last night made it clear the United States is still the land of opportunity & freedom!" tweeted Rep. Kevin Brady (R., Texas).

"We were just happy it was happening in a special place," Ms. Naravanan said.

The other three participants in the ceremony couldn't be reached for comment. Tim Miller, the political di-

rector for Republican Voters Against Trump, said it was unethical for Mr. Trump to incorporate people without their consent for political purposes. "He's exploiting these people

at a ceremony that is sacred and fundamental to what makes this country great," said Mr. Miller, a Republican strategist who worked for Jeb Bush's 2016 presidential campaign. "He's using them in the most cynical and dishonest way. His own policies would cut refugee admissions and asylum status, making it hard for these naturalization ceremonies to happen."

Critics also have said that holding convention events on White House grounds could violate federal laws aimed at protecting taxpayer money from being used for campaign

The White House has said it was following those rules. An official said Tuesday that the naturalization ceremony was a public event, not a political one, and there was no violation in airing the footage later.

Both women said they weren't given details on why their ceremony was being held at the White House. Presidents have hosted naturalization ceremonies in the past.

Ms. Narayanan, who was described as a "phenomenal software engineer" by Mr. Trump during the ceremony, said her husband was the one guest she was allowed to bring, and she said they waited with the other four immigrants in the Eisenhower Executive Office Building. A few minutes before the ceremony, they were told Mr. Trump would be attending, but the convention wasn't discussed, she said.

Ms. Awadelseid, 66 years old, a Sudanese immigrant and a substitute teacher, said she remembers signing a mediarelease form, but doesn't remember being told about the Republican convention.

Ms. Awadelseid plans to vote in November, but said she is unsure whom she will support in the presidential race.

–Jim Oberman contributed to this article.

# Agencies See No Mail-In **Voting Issues**

By Alexa Corse AND DUSTIN VOLZ

WASHINGTON-The U.S. intelligence community hasn't seen evidence that foreign powers are attempting to sabotage voting by mail in the presidential election, a senior official said in remarks at odds with a claim advanced by President Trump.

Asked at a news briefing Wednesday about the risk of foreign countries printing mail-in ballots, a senior official with the Office of the Director of National Intelligence said: "We have no information or intelligence that any nation-state threat actor is engaging in any kind of activity to undermine any part of the mail-in vote" or ballots.

A historically large number of Americans are expected to vote by mail in the coming general election amid the pandemic. Mr. Trump has raised concerns that widespread mail-in voting could allow foreign governments to interfere in the election with counterfeit mail ballots—a claim widely disputed by election officials and independent experts.

Researchers have found only rare instances of vote-bymail fraud, and election officials have cited numerous safeguards.

# 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 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



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 Rutherford, 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 lo-

cal 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 healthcare 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 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 provid-

ers 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

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.

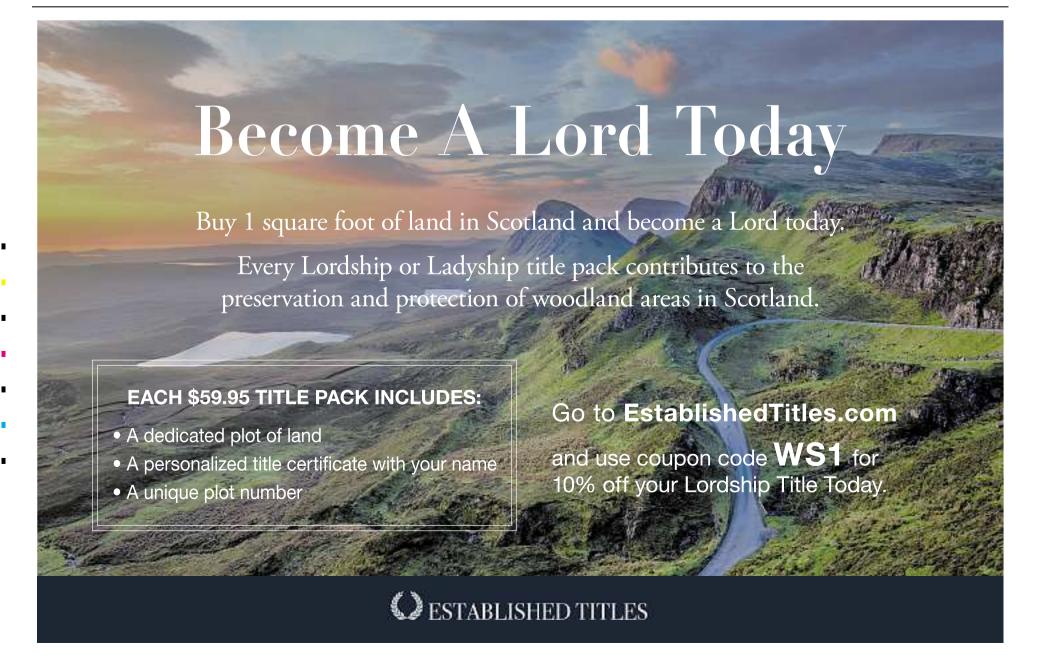
A spokesman for Becton Dickinson said it would begin if filling nursing homes' orders for refill test kits in mid-September, after it has completed the orders for testing machines and initial testing kit supplies. A Quidel spokeswoman said the company is "committed to prioritizing the HHS-allocated shipments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

"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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Hurricanes often drive up

prices at the pump, but some

analysts said they thought

Hurricane Laura's impact on

the gasoline market would be

relatively muted despite the

rash of refinery closures. The

U.S. has plenty of fuel on

hand because the coronavirus

pandemic has reduced de-

Regular gasoline prices in

the U.S. increased modestly on

Wednesday, averaging around

\$2.21 a gallon, up from \$2.19 a gallon a day earlier, according

to AAA. U.S. benchmark oil

Major tight

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Cushing •

Corpus Christi

# Fuel-Making Corridor Prepares for Hurricane

By Rebecca Elliott AND COLLIN EATON

Refineries, petrochemical facilities and ports along the Gulf Coast closed as Hurricane Laura barreled toward the Texas-Louisiana border.

The hurricane strengthened to a Category 4 storm Wednesday, with sustained winds of 145 miles an hour, according to an afternoon update from the National Hurricane Center. It is projected to unleash a storm surge as high as 20 feet along portions of the Louisiana coast with as much as 15 inches of rainfall.

That surge is expected to be highest near the energy hubs of Port Arthur, Texas, and Lake Charles, La., the Hurricane Center said, areas that are home to scores of refineries and chemicals facilities.

More than 20% of U.S. refining capacity, capable of processing roughly 4 million barrels of oil a day, is located within the storm's potential path, analytics firm IHS Markit said.

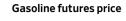
In the Port Arthur area, Gasoline futures price Saudi Arabian Oil Co.'s Motiva refinery, the nation's largest. was among those shutting down, as were fuel-making facilities operated by Total SA and Valero Energy Corp.

Phillips 66 said it closed its refinery near Lake Charles, as well as nearby terminals and pipelines. Farther west, Chevron Corp. said late Tuesday that it planned to close its refinery in Pasadena, Texas.

As of Wednesday, about 29% of the nation's capacity to produce ethylene, a building block in plastics manufacturing, was shut, according to an estimate by market intelligence firm S&P Global Platts.

Chemical maker Dow Inc. said on Wednesday that it was shutting several facilities and reducing staff to essential personnel in Beaumont, Deer Park and other Texas cities.

South Africa-based chemical company Sasol Ltd. also said that it is temporarily closing facilities in Lake Charles, and in Greens Bayou and Winnie, Texas.



\$1.34 a gallon



Most-active contract 24 25 Aug. 20 21

Sources: FactSet (futures price); RBN Energy (storage locations, pipelines); U.S. Energy Information Administration (refineries; oil and shale gas regions)

Major pipelines

Refineries

Workers at BASF's plants in Beaumont and Port Arthur, Texas, rushed to move equipment indoors and tie down scaffolding, trash cans and anything else that can be thrown by hurricane-force winds, said Chris Witte, a senior vice president. Both facilities were closing ahead of

Hurricane Laura's arrival.

"Many of us have been through it several times, unfortunately," Mr. Witte said.

The approaching storm has also shut much of the nation's exports of shale gas. In the Gulf Coast, home to 89% of U.S. liquefied natural-gas capacity, according to IHS

Markit, exporters Cheniere Energy Inc. and Cameron LNG in southwest Louisiana said they were shutting down operations.

Several ports also closed, including those of Houston, Port Arthur, Beaumont and Lake Charles, the U.S. Coast Guard said.

# Laura Heads for Gulf Coast

Continued from Page One far more than the 8 feet that constitute a major flood in the low-lying area.

President Trump said his administration was working with state and local governments to help the people of Texas and Louisiana, as well as those in Arkansas, where winds and rain are also expected to cause flooding, topple trees and down power lines.

"Listen to local officials," Mr. Trump wrote on Twitter. "We are with you!"

Forecasters warned of large and destructive waves that could cause catastrophic damage from Sea Rim State Park in Texas to Intracoastal City along the Gulf Intracoastal Waterway in Louisiana. The storm surge could reach as far as 30 miles inland, backing up rivers and producing dangerous flooding.

Officials in Texas and Louisiana issued mandatory evacuation orders in more than a dozen coastal cities and counties from Grand Isle, La., to Galveston, Texas, affecting hundreds of thousands of people. Voluntary evacuation orders were in place in numerous other jurisdictions.

In Beaumont, a Texas city of about 116,000 within Laura's projected cone, evacuation orders left a ghost town, with boarded-up businesses and empty streets. Some were still scrambling to leave Wednesday evening. Arthur Richardson, 63 years old, said he had planned to ride out the storm, as he had previous hurricanes, but its increasing intensity left him spooked. He decided to evacuate to Houston around 5 p.m.

When Ike was here, the whuppin' we took, it looked like it was gonna come in through the house," he said of the 2008 hurricane. "I don't want to go through that again."

But Mr. Richardson's neigh-

bor Joan Holmes, 73, who lives alone with her Chihuahua, Jody, said the previous storms hadn't scared her. She said she would stay for this one, too. She has nowhere else to go and is afraid to drive alone, she said.

Laura was moving at 15 miles an hour, far faster than storms like 2018's plodding Hurricane Florence, which allowed time for extensive plan-

Covid-19 pandemic complicated Wednesday's lastminute preparation. Officials adapted shelters with distancing measures and masks to accommodate those fleeing at a time when the coronavirus pandemic continues to grip both states.

In Austin, the Texas capital, evacuees were tested for Covid-19 as they checked into shelters. In Lake Charles, La., residents fleeing the city by bus were required to wear masks and maintain social distance.

Louisiana Gov. John Bel Edwards said the government booked hundreds of hotel rooms to house evacuees to avoid crowding traditional shelters.

Texas Gov. Greg Abbott warned residents of coastal Southeast Texas on Wednesday afternoon that they had only a few hours to evacuate before the onset of heavy winds.

"We urge everybody who may be in harm's way to take these few last hours to get out of harm's way," he said. "Because of the power of this storm, if you are unable, or do not get out of harm's way, the reality is for almost a 24-hour time period, there will be no ability for [rescuers] to get in and assist you in any way."

Hurricane Laura intensified rapidly early Wednesday, fueled by warm water in the Gulf of Mexico and unimpeded by winds that could disrupt it. The storm is fast-moving, large and well-defined, said Ken Graham, director of the National Hurricane Center, in a Wednesday video briefing.

At 8 p.m. ET Wednesday, the hurricane's center was a little over 100 miles southeast of Port Arthur, Texas.

More than 430,000 homes in Texas and Louisiana, with a reconstruction cost value of \$88.6 billion, are at risk of storm-surge damage, according to an analysis by CoreLogic Inc., a financial and property data firm.

Mr. Edwards said the impact of the storm's powerful winds would be stronger than officials initially believed, and that all of coastal Louisiana should brace for storm surge. He likened the storm to 2005's Hurricane Rita, which followed a similar path as Laura's projected one, damaging or destroying thousands of homes and inundating

coastal communities. The risk to the nation's oil industry is serious, experts said. Companies had shut down some 84% of oil production in the Gulf of Mexico as of Wednesday, according to the Bureau of Safety and Environ-

mental Enforcement, amounting to about 1.6 million barrels a day or about 15% of U.S. oil

Even facilities located outside of the hurricane's central path braced for possible impacts, sending nonessential personnel home and cleaning up campuses to prevent stray items from becoming projectiles in high winds.

Royal Dutch Shell PLC was continuing to make fuel and chemicals in the New Orleans area, where safety manager Martin Padilla was closely monitoring the hurricane's

"Any little shift in that track and that puts us potentially closer to tropical storm-force winds," Mr. Padilla said.

Laura comes fairly early in what has already been an active Atlantic hurricane season, which stretches from June through November. It is rare for a storm to make landfall in the Gulf Coast as a Category 4

### prices rose less than 1% Wednesday, settling around \$43 a barrel. In petrochemicals, likewise, oversupply has suppressed prices after several new facilities came online in recent years, so companies would benefit from a drop in inventories, said Carlo Barrasa, an IHS Markit analyst. early," Mr. Barrasa said.

"These chemical operators decided to take their medicine

—Dan Molinski contributed to this article.

# California Moves to Contain

By Jennifer Calfas

Firefighters made progress containing two historically large blazes in Northern California on Tuesday night and Wednesday as weather conditions shifted in their favor.

Cooler temperatures and higher humidity helped firefighters increase containment on each of these massive infernos-called the LNU Lightning Complex and SCU Lightning Complex fires—around California's Bay Area. The fastspreading fires were sparked by unusual lightning storms and historically high temperatures, prompting tens of thousands of residents to evacuate their homes.

The two blazes are the second- and third-largest wildfires recorded in the state's history. Twenty-four fires were burning across the state Wednesday, according to the National Interagency Fire Center, and 94 burned across the Western U.S. Fires have scorched more than 1.6 million acres in California so far this year, according to the California Department of Forestry and Fire Protection, or Cal Fire.

The marine layer in the Bay Area has helped increase relative humidity and improve morning firefighting efforts, according to a Wednesday forecast from the National Weather Service Bay Area.

Over the past three days about 500 more personnel have joined efforts to contain the LNU Lightning Complex fire in counties such as Napa, Sonoma and Solano, the heart of California wine country. With 2,200 firefighting personnel in place, the blaze is now 33% contained. Cal Fire Chief Sean Kavanaugh, incident commander for the fire, said about 250 California National Guard service members trained to work on fire lines were joining these efforts Wednesday.

"Having more resources coming in from other fires from Southern California is helping us make more progress," said Hector Vasquez, a public info officer with Cal Fire working on the incident. Emphasizing the scale of the

357,046-acre fire, Mr. Kavanaugh noted that for every one member of firefighting personnel, there were 162 acres of fire. "This is a very large incident with a lot of ground that has to be covered," he said at a news briefing Wednesday.

Five people have died and four others were injured as a result of the fast-moving fire, and 978 structures have been destroved.

East of San Jose, better weather conditions helped increase containment on the 365,772-acre SCU Lightning Complex fire to 25% Wednesday morning.

While limited resources hindered firefighting efforts, officials lifted some evacuation warnings Tuesday afternoon and have allowed some ranchers to return home to feed live-



Evacuees waited to board a bus Thursday as they fled Lake Charles, La., hours before Hurricane Laura was expected to hit the area.

# SEC Eases PrivateMarkets

Continued from Page One will likely continue to grow.

The SEC didn't provide an estimate of the number of people who would qualify under the new rule, but its decision to designate certain credentials as a measure of financial literacy is likely to prompt other groups-from chartered financial analysts to holders of law degrees and M.B.A.s-to seek accreditedinvestor status.

"Now that they've opened this door, there's going to be a lot of trucks trying to drive through," said Tyler Gellasch, executive director of Healthy Markets, an investor group focused on market structure. "It's really hard for them to credibly distinguish one qualification from another."

Wednesday's decision is the latest effort during the Trump administration to give managers of private-equity firms, hedge funds and aspiring tech unicorns access to new investors and deeper pools of capital. It follows a move in June by the Labor Department to allow employee 401(k) plans to incorporate private equity into diversified retirement funds.

The trend reflects years of intensive lobbying by privatemarket players whose influence in Washington has risen in tandem with their assets under management. The SEC estimates that \$2.7 trillion was raised on private markets last year, compared with \$1.2 trillion on public markets.

Since Wednesday's rule was proposed in December, SEC staff and representatives of Chairman Jay Clayton and Republican commissioners Elad Roisman and Hester Peirce have had 13 meetings or phone calls to discuss the proposal with lobbyists for angel investors, private-equity firms and hedge funds.

Those groups, which represent hedge funds such as Bridgewater Associates LP and buyout firms such as Blackstone Group Inc. and Carlyle Group LP, had sent letters praising the SEC for proposing the changes and urging it to expand the accredited-investor category further. Supporters of the change have said that private markets—where SEC's requirements for financial reporting and other disclosures generally don't apply—have grown too large to ignore and that wealth is a crude test of a person's ability to understand the risks involved.

### The commission estimates \$2.7 trillion was raised on private markets last year.

"Individual investors who do not meet the wealth tests, but who clearly are financially sophisticated enough to understand the risks of participating in unregistered offerings, are denied the opportunity to invest in our private markets,' Mr. Clayton said in a statement Wednesday.

He added that the existing

rules might also crimp the vestment funds from the laws ability of small or startup businesses to grow if their owners aren't well connected to networks of wealthy friends and family. Ms. Peirce, who voted for the proposal but said it didn't go

far enough, said the very con-

cept of accredited investors "assumes that individuals cannot be trusted to exercise proper due diligence before making an investment decision." Critics of the change point out that due diligence is im-

possible without adequate disclosure about an investment, a key principle in U.S. securities laws drawn up after the 1929 stock-market crash. They said the notion that

some investors can fend for themselves in the absence of mandatory disclosure by companies contradicts the SEC's own website, which says, "Only through the steady flow of timely, comprehensive, and accurate information can people make sound investment decisions.'

The rise of private markets has coincided with a steady opening of loopholes that exempt some companies and in-

governing publicly traded companies and mutual funds. Before the early 1980s, nearly all securities offerings were required to be registered. Since then, the number of

households that likely qualify as accredited investors has risen to around 16 million in 2019 from 1.3 million in 1983—in part because the wealth thresholds aren't adjusted for inflation. Under the proposal ad-

vanced on Wednesday, current income and wealth requirements would remain unadjusted for inflation, making it likely that more households would qualify as accredited investors over time. Both dissenting votes came

from the SEC's Democratic commissioners, Caroline Crenshaw and Allison Herren Lee.

With its actions today, the Commission continues steady expansion of the private market, affording issuers of unregistered securities access to more and more investors without due regard for the risks they face," Ms. Crenshaw and Ms. Lee said in a joint statement.

P2JW240000-4-A00700-1-----XA

# Chinese Firms Face U.S. Sanctions Pyongyang Hackers

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'Keeffe 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.

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 repre-

sentative in Washington said

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 reporters 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 oth-

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.

# 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 socalled 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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**A8** | Thursday, August 27, 2020

Portraits of Crown Prince Mohammed bin Salman, left, and his father, King Salman, at a construction site in the King Abdullah Financial District in Riyadh in May.

# Big Saudi Projects Still on Tap

Multibillion-dollar plans for new cities move ahead despite pandemic, recession

By Stephen Kalin

TABUK, Saudi Arabia—This desert kingdom is pushing ahead with multibillion-dollar plans to build a spate of new cities despite the pandemic and depressed oil prices, betting that projects closely associated with the crown prince will kickstart its economic recovery.

The developments include a futuristic city-state called Neom in the northwest Tabuk province, a sports and entertainment city outside Riyadh, luxury resorts spread across an archipelago of pristine Red Sea islands, and an ancient Arabian trading post turned wildlife reserve called al-Ula.

They are all part of Crown Prince Mohammed bin Salman's plan to diversify the economy away from oil by attracting foreign investment and boosting domestic consumption. The giant projects are designed to spawn industries such as tourism and entertainment that haven't existed in cloistered Saudi Arabia, even as those sectors suffer globally under guidelines imposed to curb the spread of the virus.

"It seems like that will be a real uphill battle," said Robert Mogielnicki, resident scholar at the Arab Gulf States Institute think tank in Washington, D.C. So far, he said, "The broader aim of attracting global multinational companies...hasn't panned out."

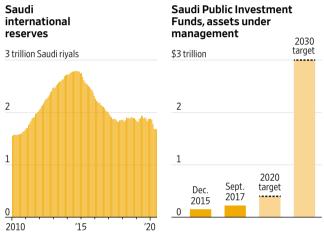
After introducing tourist visas in 2019 for the first time, the kingdom issued about half a million before the pandemic hit and it closed its borders. Despite the downturn, officials say they remain committed to attracting 100 million visitors a year by 2030, up from about 40 million last year.

Hosam Alqurashi, chief marketing officer at the Royal Commission for Riyadh City, which oversees \$800 billion in plans to double the capital's population in a decade, said the kingdom's leadership saw the quarantine period as an opportunity to accelerate some projects.

"Overall, the direction from the crown prince was to press on and move as fast as we can and as hard as we can with the projects," Mr. Alqurashi told a U.S. Chamber of Commerce event in remarks reviewed by The Wall Street Journal.

To that end, dozens of highly paid management staff—foreign citizens working on the projects in Saudi Arabia who were stranded abroad after the country barred international arrivals

Saudi Arabia's foreign reserves dropped sharply this year after the central bank transferred \$40 billion to PIF, which seeks to become the world's biggest sovereign wealth fund.



Notes: 1 trillion Saudi riyals = \$267 billion; assets data converted at \$1 = 3.75 Saudi riyals Sources: Saudi Arabian Monetary Authority; PIF

to combat the virus—were brought back on chartered jets. "They were told: 'You're either here or you're out of a job,' " said a former executive of one of the projects.

Prince Mohammed is in a rush. As the world pivots away from hydrocarbons, his isolated, oil-dependent kingdom risks deeper economic trouble unless it adapts. Saudi Arabia's gross domestic product shrank 1% in the first quarter, before the full impact of collapsing oil prices and the pandemic's hit to global demand was felt. The Interna-

tional Monetary Fund expects it to contract 6.8% overall this year.

Before the coronavirus, Saudi Arabia was struggling to attract the foreign investment needed to modernize its economy. The 2018 killing of dissident journalist Jamal Khashoggi by Saudi operatives sparked global outrage and led some potential investors to suspend talks with the kingdom.

Carrying a budget deficit expected to reach nearly 13% of output this year—above IMF benchmarks for emerging-mar-

ket economies—Saudi Arabia's finances are coming under

strain.

With nearly \$450 billion in foreign monetary reserves and the world's second-largest proven oil reserves, Saudi Arabia is unlikely to run out of money soon. The kingdom's roughly \$300 billion sovereign-wealth fund, the Public Investment Fund finances the biggest projects; it recently got a \$40 billion injection from the central bank.

A representative said PIF's commitment to the projects remains unchanged and that their timelines won't be significantly affected by economic conditions. Since the pandemic began, PIF has awarded a series of contracts, most recently to U.S. project-management firm, Bechtel, to develop infrastructure at Neom, which currently just has a few royal palaces and workers' camps.

The projects are so big PIF calls them gigaprojects. Neom, at an estimated cost of \$500 billion and using experimental technologies such as a solar dome for water desalination, is to be 33 times as large as New York City. The Red Sea resort, which aims to build hotels hovering above the water, will be the size of Belgium. And a sports and entertainment city called Qiddiya, will be 2½ times as big as Disney World.

# Iran to Let U.N. Check Nuclear Facilities

Iran agreed to allow United Nations inspectors access to two sites where it is suspected of carrying out illicit nuclear-weapons work in the past, bowing to months of pressure in a bid to salvage backing for the 2015 nuclear deal.

By Laurence Norman in Brussels and Sune Engel Rasmussen in Beirut

European powers and the U.S. have long pushed Iran to cooperate with a probe by the International Atomic Energy Agency, the U.N.'s nuclear watchdog, into undeclared nuclear material in the country. Granting access to the sites could help deflect pressure from Washington, whose attempt to reimpose multilateral sanctions on Tehran is facing international opposition.

Under Wednesday's agreement, Tehran said it would permit access to the sites, while the IAEA said it would take into consideration Iran's security concerns by protecting confidential information. One site is outside Tehran and the other is near the city of Isfahan.

IAEA Director General Rafael Grossi sealed the accord after a three-day visit to Iran that ended Wednesday.

Inspectors will take environmental samples to check for traces of undeclared nuclear material. They will likely take several months to process, making any reimposition of sanctions unlikely before the U.S. election in November.

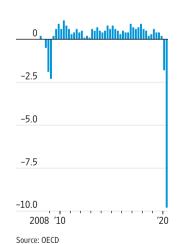
President Hassan Rouhani commended the agreement but sought to portray Iran as disproportionately subject to international scrutiny.

"The agency should pay attention to the important fact that Iran has sworn enemies who constantly seek to cause trouble for us. They are the ones who have atomic weapons and don't cooperate with the agency either," Mr. Rouhani said on state television.

The agreement comes as

the Trump administration faces widespread international opposition to its attempts to kill the 2015 nuclear deal between Iran and six nations, which imposed restrictions on Iran's nuclear activities in exchange for the lifting of international sanctions. The Trump administration withdrew from the deal in 2018 and reimposed sanctions on Iran.

### Quarterly change in the GDP of OECD members



# Rich Economies' Deep Fall Signals Long Recovery

By Paul Hannon

LONDON—The world's rich economies experienced the deepest contraction in at least six decades in the spring, according to fresh data published Wednesday, while continuing outbreaks of the novel coronavirus mean their path back to pre-pandemic levels of output likely will be fraught.

The Organization for Economic Cooperation and Development said the combined economic output of its 37 members—most of which are wealthy—was 9.8% lower in the second quarter than it was

in the first, the largest decline since records began in 1960. The previous largest fall in output during a single quarter was the 2.3% drop recorded in the first quarter of 2009, at the height of the global financial crisis.

Surveys and other data indicate that economic activity began to recover as early as May, when a number of countries lifted some restrictions designed to contain the virus.

Economists expect to see a strong rebound in the quarter that runs through September, with the snap back in activity largest in those economies that

saw the deepest declines in the second quarter, reasoning that the depth of those contractions reflected the severity and duration of lockdowns that mostly have ended.

But there already are signs that resurgent infection rates and the freshly imposed restrictions designed to contain them are weighing on growth, and will continue to do so until a vaccine becomes widely available.

"The global economy is turning around, and the worst is probably behind us," said Jerome Jean Haegeli, chief economist at Swiss Re. "But the situation is serious. Lost output is lost."

The U.K. saw the largest decline in gross domestic product during the period, a drop of 20.4% that was more than double the 9.5% decline recorded by the U.S.

Finland saw the smallest drop, a 3.2% decline in output that was slightly smaller than South Korea's 3.3%. By contrast, China—which isn't an OECD member—saw its economy expand by 11.5%, reflecting the fact that it was the first country to suffer a virus outbreak and the first to lock down its economy and then

ease those restrictions.

In June, the OECD said it expected the global economy to contract by 6% this year, if a second wave of infections and containment measures can be avoided. It warned, however, that a resurgence would lead to a deeper contraction of 7.6% and damp the partial recovery that it expects to occur in 2021.

In addition to the toll taken by new restrictions as some countries see a rise in infections, the speed of the recovery will depend on how many jobs are lost and how many businesses go bust as a result of weaker levels of activity.

### FROM PAGE ONE

# Facebook Says Apple Curbs Ads

Continued from Page One

character string of numbers widely used in the digital ad and data-broker industries to match up datasets that reveal where users go online, what they do and what they buy.

Apple said it welcomes inapp advertising and isn't prohibiting tracking, it is simply requiring each app to obtain users' explicit consent.

Facebook's announcement is another shot in the increasingly contentious relationship between the two companies, whose different business models have led to public sparring. Apple has said it is standing up for user privacy, and has criticized the data-collection operation that underlies Facebook's ad business. Facebook, meanwhile, prizes the free flow of data that underpins digital marketing and has faulted Apple for the exclusionary nature of its platform.

Apple's latest policy change adds momentum to a shift in the internet world, as moves to enhance privacy make it harder to track what users are doing online. Google plans to block the use of "cookies"—snippets of code that help track users' web behavior—in its Chrome browser by 2022, following in the footsteps of Apple's Safari. New privacy laws in the European Union and California give users more control over ad tracking.

"Apple's policy change is accelerating a paradigm shift—that was already well under way—towards consumers having rightful ownership and control over their data," said Matt Littin, CEO of gaming company Lootcakes.

Facebook doesn't disclose the size of the Audience Network business within its nearly \$70 billion digital-ad empire. Before the Covid-19 pandemic struck, ad-tech consulting firm Jounce Media estimated Facebook Audience Network would bring in \$3.4 billion in 2020. The Apple change could also affect Facebook's sale of ads on its own properties, since apps that use Facebook code—from food-delivery apps to games—send data back to the company.

"If advertising effectiveness suffers, it will limit the scale of ad spend on Facebook in the future, consequently limiting Facebook's growth," said digital-ad consultant Ratko Vidakovic. Still, Facebook is

far better positioned to weather such difficulties than other ad-industry players because of the vast quantities of data it collects directly from users.

Facebook expects the im-

pact from Apple's new consent requirements will be signifi-

Facebook prizes the free flow of data that underpins digital marketing.

cant enough that the company acknowledged the changes on its July 30 earnings call. Facebook said that it was continuing to ask Apple for guidance, and might revisit the way it handles the advertising identifier if Apple provides it. Face-

book said Audience Network will continue to operate on Apple devices using previous operating systems. Facebook said the changes

would likely result in reduced earnings for developers of apps "at an already difficult time for businesses." Ads that can be targeted based on data about users' interests and online habits generally bring in more revenue for publishers.

Some publishers have ex-

Some publishers have expressed concern that ad prices will fall for iPhone users who don't agree to tracking. Facebook said in preliminary testing it has seen a 50% drop in publisher revenue when personalization was removed from advertising.

One major digital publisher is weighing options to help cope with Apple's change, including requiring app users to provide their email addresses or showing users a second prompt asking them to opt into the tracking. Game publisher Activision Blizzard Inc. acknowledged in an earnings call that the change would affect its business, but didn't elaborate. In a survey by Tan Research

In a survey by Tap Research Inc. 85% of respondents said if given the choice they would ask apps not to track them.

Apple isn't a big player in online advertising, but it does have its own small business that personalizes ads shown in the App Store and on Apple News. To opt out, users must find an option in the iPhone's settings.

Apple CEO Tim Cook has made privacy one of the company's priorities in recent years, running advertisements based on its intent to protect user data and refusing to comply with some law-enforcement requests to unlock iPhones for high-profile investigations.

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# WORLD NEWS

# South Korea **Divided Over New Virus Rules**

By Dasl 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 publichealth 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

### Views on elevating social distancing in South Korea

Necessary Take cautious approach\*

Overall result 40.1 Among supporters of the ruling party (Liberal) Among supporters of the opposition party (Conservative)

\*Respondents who said the decision should be made carefully considering

the economic impact. Note: Survey conducted on Aug. 21 by phone with 500 adults; margin of error ±4.4%. Those answering 'don't know' not included.

say, is the potential damage to the nation's economy. South Korea has fared better than nearly every other wealthy country during the pandemic because it never resorted to mandatory lockdowns used in the U.S., China, Italy and else-

When South Korea was blindsided early by Covid-19, the strategy hinged on citizens voluntarily wearing masks and staying indoors, plus widespread testing and quick contact tracing. Most businesses staved open. But now, South Korea sits at a crossroad: Impose the closest thing to a lockdown the country has ever faced or miss a chance to nip a sustained outbreak in its bud.

Adopting the country's Level Three social-distancing-the highest of a threetier 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-ii 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-yearold 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 fourthgraders 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  $2\frac{1}{2}$  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

**Economy Hit by** 

**Record Contraction** 

MEXICO CITY-Mexico's

sharply in the second quarter

as measures to slow the coro-

navirus pandemic closed key in-

dustries and services such as

vehicle production and tourism.

measure of output in goods

and services, was down 17.1%

in seasonally adjusted terms

to revised data from the Na-

tional Statistics Institute pub-

The decline was slightly

smaller than the preliminary

lished Wednesday.

from the first quarter according

Gross domestic product, a

economic activity shrank



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



President Andrés Manuel López to a computer. 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

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

early 1930s. The Bank of Mex-

ico lowered its forecast and ex-

pects GDP to contract between

Mexico shut activities con-

8.8% and 12.8% in all of 2020.

sidered nonessential through-

schools and malls, bringing pro-

duction of cars and auto parts

to a halt, and causing tourism

from the previous quarter, ser-

vices were down 15.1% and ag-

Industrial output fell 23.4%

out April and May, closing

and air travel to dry up.

the Great Depression of the

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

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

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.

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.

The extent of the recovery

—Anthony Harrup

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 Cristobal 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.

# 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.

### 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 mineresistant, 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 flareup 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 semiautomatic 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, Tar-

rant 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-yearold 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 mv 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 "atrocity and hatred" didn't cause the kind of division the shooter apparently wanted. "Instead it has united our Christchurch community and strengthened our faith.'

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## 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," 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-



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-



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

spond only to true emotion, Dr. Matsumoto said.

Guillermo Martinez, a frontdesk 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

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

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 expressionsbrief 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-

evesque said. "We need to be able to determine who is fake smiling versus real smiling and whether someone is lifting the upper eyelids in fear or in surprise."

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

# Trump RemadeGOP

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

dissatisfaction

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 conserva-

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 them, Mr. Gruters estimated. 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 sec-

ond 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

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 99% vs. 69% among party Republi-

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-

# Makeup of the GOP

Republican registered voters are overwhelmingly white

Hispanic Black White Gender They are a majority male Age A majority are older than age 50

50-64

Two-thirds define themselves as conservative while one quarter

35-49 18-34

see themselves as moderate Libera Conservative Moderate

Education Most do not have a college degree College graduate Postgrad

Note: Unknown answers not charted

Source: merged WSJ/NBC News polls.

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.

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# 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 sys-tems, 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 Fove 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.

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

cause they faced multibillion- 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 Samuelsen, international president of the Trans-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. Samuelsen said.

Some MTA board members suggested the MTA look beyond 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 Lacewell, 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.

# 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, twothirds of officers who now have weekends off will be rescheduled 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



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 dur-

ing 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."

# 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

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 contacttracers 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.

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# **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 else-

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 to 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 Tmnit 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 30year-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-perperson 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-rela-

tions 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

"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



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THE WALL STREET JOURNAL.

Thursday, August 27, 2020 | **A11** 





THE MIDDLE SEAT SCOTT McCARTNEY

ravelers 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.

BILLION

The amount that

Americans spend

on travel insurance

annually according

**Insurance Association** 

to the U.S. Travel

After all, the pitch on the carrier's website for the Travel Guard by AIG insurance advises, "Don't ignore the unex-

pected." (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 re-

mained 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%.

USTIA spokeswoman Megan Cruz says the industry is trying to make changes. "Certainly the industry is looking at liberalizing policies in light of what's going on," she says. Companies have refunded premiums paid for policies on canceled trips or allowed customers to change the dates of travel—"things that were maybe not done in the past," she says.

Experts say the best way to protect yourself from unforeseen events is to purchase Cancel For Any Reason insurance, which typically costs 30% to 40% more and refunds only about 75% of trip costs but is far more useful. Cancel For Any Reason means you can cancel for fear, or cancel because you just don't want to go. You also don't have to worry about technicalities like whether a medical issue is related to a pre-existing condition or whether a hurricane makes your particular hotel uninhabitable.

Travel insurance seller Squaremouth says that since February, 20% of all policies it has sold have included a Cancel For Any Reason upgrade. That's a 210% increase in CFAR policies compared with the same time last year, says company spokeswoman Kasara Barto.

"There's always a big misconception, unfortunately, with travel insurance—that it covers anything that can go wrong," Ms. Barto says. "It's so important that travelers read their policy and that they know what is covered. Unfortunately, if it's not written in the policy as a covered reason, there's not going to be coverage for it."

The pandemic has created a host of refund problems for travel-

ers stuck with a year's worth of canceled trips or more. Some airlines have refused to refund tickets for canceled flights; some hotels have declared prepaid rooms nonrefundable. School groups have tickets for students who will graduate and move on before they can rebook a class trip. Seniors have vouchers for cruises they likely will never be able to take.

With that have come many battles with insurance companies, from customers who thought they bought insurance as a last-line-of-defense protection for their investments in expensive trips.

"It's still so raw. We're right in the middle of it and it just keeps coming," says Peter Evans, executive vice president at InsureMyTrip. "People might buy this for the first time, and it's not covered and they're pissed. The industry was taken aback by this. Now it's: How do we as an industry respond?"

His advice: "We suggest [customers] need to understand what they are buying. They do have to read the fine print. They do have to ask questions."

InsureMyTrip advocates on behalf of customers who want to appeal insurance company denials, and the company says it has seen a 50% to 60% increase in advocacy requests compared with last year.

Insurance sellers say the industry is now offering products that do include Covid-19 coverage. Policies are being rewritten to include coverage for travel shutdowns related to CDC warnings or government travel restrictions, for example. The added coverage will be more expensive, experts say.

# 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

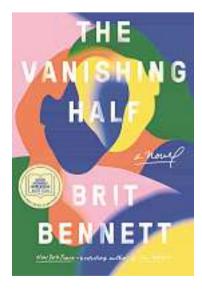
line in supermarkets.

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 massmarket 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 lightskinned 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."

**A12** | Thursday, August 27, 2020

P2JW240000-0-A01200-1-----NS

# PERSONAL JOURNAL. | TRAVEL & ENTERTAINMENT

### WHAT TO WATCH THIS WEEK



# 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.)



TOP RIGHT: FX; QUIBI; HULU; ORION PICTURES (2); ICONS BY ROB WILSON

CLOCKWISE FROM

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.

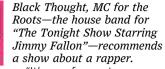
The characters grew out of an improv routine that writers Chris Matheson and Ed Solomon used to bat around in the late '80s: teenagers who knew nothing about history. talking about history. Messrs. Matheson and



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'



"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, '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 voung 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



Allman, Johnny Stachela, Duane Betts, Berry Oakley Jr. and John Lum..

Studios in Muscle Shoals, Ala., hallowed 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."



# 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

harlie 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 bluesdrenched 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," short-ened 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

> he best way to get over a guy isn't going to a thera-

pist, or crying about it, or talking to your friends over and over—it's "revenge," says Sabrina,

one of the many victims of "Love

Richard Scott Smith, the swindling Lothario at the center of the

married, fleeced and abandoned women across the Midwest over a

 $3\frac{1}{2}$  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-

Carla Campbell, who asks the

question that has to be asked:

"How'd you fall for this?"

smoking, gray-haired Kansas Citv.

There are a number of reasons, which is no doubt why the story

or someone, might be too good to

be true is less likely to affect one's

Mo.-based bounty hunter named

vengeance. And all against the

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

Parker's 1945-49 recordings such as "Klactoveedsedstene," "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).



**TELEVISION REVIEW | JOHN ANDERSON** 

# 'Love Fraud': A True Tale of **Avenging Exes**



articulated by a single mom from Kansas City named Tracy: "Dating in your 40s sucks." Fewer questions get asked; compromises are judgment. And Mr. Smith, as oily made. (But not always: "There's no as he may seem amid the recollecexcuse not to have teeth these tions of his victims, made a good days," Tracy says of one would-be suitor.) The idea that something,

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 investigatory 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



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

# **SPORTS**

By Jared Diamond

he 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

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-in-ning 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.

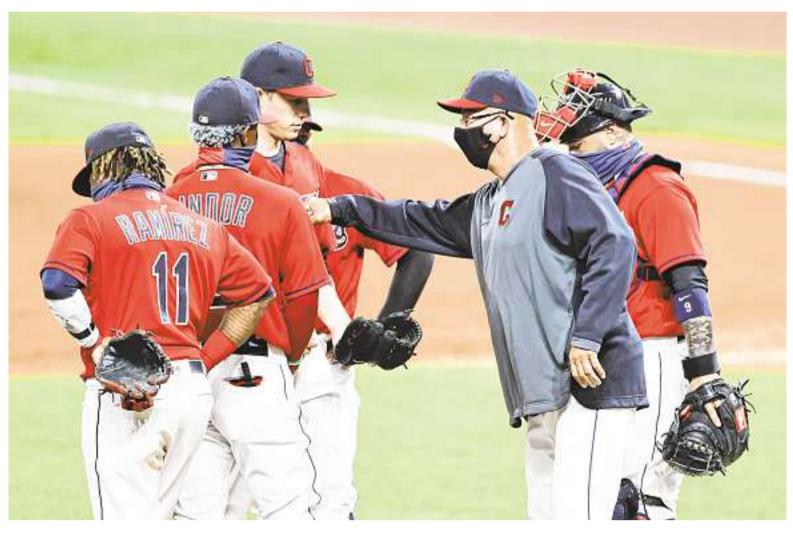
Despite a new rule put in place before the pandemic designed to limit the constant parade of relievers that has defined baseball in recent years, teams are still trotting out an average of 4.6 pitchers per game. MLB crossed the four-pitcher threshold in 2015, and that number has climbed ever since, still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

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 outingor 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.)

No Fans, New Rules, Still Slow

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





in a century, and only ahead of 1967 and 1968—the years before

baseball lowered the mound to

batters hit .252.

promote more offense. Last year,

out in 23.2% of their plate appear-

ances, which would establish a re-

cord for the 13th consecutive sea-

son. Two dozen pitchers who are

striking out at least nine batters

to heights not even seen during

per nine innings, led by Cleveland's

Home runs, which have surged

qualified for the ERA title are

Shane Bieber at 14.5.

Meanwhile, batters were striking

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.

the heart of the "steroid era" of the late 1990s and early 2000s, are down, but only slightly. Teams are sending 1.31 balls a game over the fence, just off last year's record pace of 1.39. Fernando Tatís Jr., the San Diego Padres' 21-year-old prodigy, has already hit 12 homers in just 31 games.

The marginal decrease in homers hasn't solved the problem of inaction.

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

Manfred has said that the new

The WSJ Daily Crossword | Edited by Mike Shenk

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.

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.

Even with competition from the

But when the pandemic ends and baseball settles into something resembling normalcy again, 2020 has given no indication that the is-  $\frac{8}{2}$ sues from before have gone away. If anything, they're only getting worse.

### Weather AccuWeather Plan your week | Get the NEW app Shown are today's noon positions of weather systems and precipitation. Temperature bands are highs for the day. 60s. 0s **30s** 10s 20s 70s 80s 30s 80s Portland 40s 60s 50s Albany Bostor 90s 60s 70s 80s 90s San Francisco 60s St. Louis 1004 70s 70s Los Angeles Charlotte • Santa Fe Columbi Warm Rain San Diego Little Rock Atlanta 100s El Paso Cold LAURA 1 805 Mobil 50s Snow 80s 60s 70s

Once the starters exit, the man-

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 re-

least three hitters or finish an in-

pitcher's mound is spinning harder

Not surprisingly, hitters are

struggling. They entered Wednes-

day with a collective batting aver-

age of .242, the third-worst mark

lievers this season must face at

ning, the revolving door on the

than it was before.

agers have an unprecedented

amount of relievers to choose

### Hi Lo W Hi Lo W City Anchorage 49 63 рс 75 77 75 Atlanta Baltimore 93 58 62 Boston Burlington 55 76 74 70 Charlotte Dallas 80 83 83 Detroit Honolulu 90 94 Houston Indianapolis 70 108 82 83 90

81 71

76 80

74

84

80

75 t 78 t

82 61

s...sunny; pc... partly cloudy; c...cloudy; sh...showers

**U.S. Forecasts** 

Los Angeles

Minneapolis

New Orleans

New York City

Omaha	97	75	S	93	61	t	Frankfurt	73	57	рс	75	55	sh
Orlando	93	76	рс	93	77	t	Geneva	81	59	t	70	56	t
Philadelphia	94	76	рс	91	75	t	Havana	88	74	t	92	75	t
Phoenix	112	89	S	110	87	рс	Hong Kong	88	81	t	92	81	t
Pittsburgh	84	70	t	81	68	t	Istanbul	86	70	pc	89	74	S
Portland, Maine	69	53	pc	76	60	рс	Jakarta	93	74	pc	93	75	pc
Portland, Ore.	81	57	S	84	57	S	Jerusalem	82	62	S	87	66	S
Sacramento	92	61	S	98	63	S	Johannesburg	71	49	S	75	51	pc
St. Louis	91	77	t	89	73	t	London	68	56	sh	67	52	sh
Salt Lake City	95	67	S	92	68	рс	Madrid	99	66	pc	93	59	S
San Francisco	72	56	pc	77	58	pc	Manila	91	79	C	90	80	t
Santa Fe	91	58	pc	92	58	pc	Melbourne	66	45	pc	61	47	S
Seattle	79	56	S	77	55	S	Mexico City	75	56	t	74	57	t
Sioux Falls	91	68	pc	85	55	S	Milan	87	70	S	80	67	t
Wash., D.C.	93	77	S	93	76	t	Moscow	67	56	C	66	53	sh
							Mumbai	86	76	t	84	78	t
Internati	ion	al					Paris	78	58	pc	74	55	sh
		rodav		т.	morr		Rio de Janeiro	75	67	S	79	67	S
City	Hi	Lo	w	Hi	Lo	W	Riyadh	108	79	pc	108	80	pc
City							Rome	86	69	S	86	72	pc
Amsterdam	68	57	pc	67	55	r	San Juan	90	81	sh	90	81	S
Athens	91	73	S	94	73	S	Seoul	86	78	t	87	76	t
Baghdad	110	78	pc	110	78	pc	Shanghai	92	80	C	86	80	t
Bangkok	97	79	pc	94	79	t	Singapore	86	79	t	87	78	t
Beijing	90	69	pc	90	69	pc	Sydney	71	54	S	65	46	S
Berlin	68	52	pc	74	58	sh	Taipei City	96	80	t	89	81	t
Brussels	72	57	sh	68	54	sh	Tokyo	90	78	t	90	80	pc
Buenos Aires	63	55	pc	64	54	pc	Toronto	86	62	t	76	64	C
Dubai	108	92	S	108	94	pc	Vancouver	69	52	S	69	53	S
Dublin	59	51	sh	57	46	sh	Warsaw	67	55	sh	71	59	pc
Edinburgh	58	48	sh	59	45	sh	Zurich	75	55	pc	75	55	t

Hi Lo W

City

FINANCIAL SECTORS By Michael Schlossberg

1 Hoard 6 Breezy send-off

Hi Lo W

10 Sable kin

14 Fire 15 Los Angeles

mayor Garcetti 16 Like some

antibiotics 17 Dig deeply

18 Watch over 19 Destination for yoga vacations

an edge at the 21 Celebrities often

20 They don't have

champion them

41 Channel with lots of pitchers 42 Sweater yarn

38 Monopolize,

and a hint to

this puzzle

four squares in

43 Bear overhead 44 Snaps

47 Found, e.g.

26 Sully 50 Permafrost locale 29 Cue ball cover 53 Movie with a 30 Stress or too killer set of much sun, maybe wheels?

23 Maj.'s superiors

25 Tuft of feathers

31 Roughly even 55 Many airport 35 Goes over a mushroom cap?

59 Minecraft blocks 60 Take down

61 Sly co-star of multiple films 62 A bunch

63 Lifeless 64 Severe suffering 65 It doesn't take a

heavy toll

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

28 "Charlotte's Web' 66 Sounds from pounds

67 Pangaea, notably 29 Musketeer's tool 32 Utmost 1 Wooden barrier

2 Cooking chore

9 Angus Young's

10 South Africa's

largest city,

12 They're related

to campfire

attendees

familiarly

11 Clear

3 Pointless

4 Pining

33 Indication of enlightenment

34 Louvre Pyramid designer 35 Cajun soup 5 1974 Mocedades

ingredient 36 Lucy's hubby

6 Playing concern 37 2016 U.S. Open

7 Undersea champ Wawrinka

39 Shoots off 8 Shades

> 40 Swede in Britain 44 Overly proper

46 Punishingly hard

47 Without even a slap on the

48 Fling 49 "Gladiator"

setting 13 Ban 50 Sparkly topper

22 MDX SUV, e.g. 51 Pull teeth? 24 Seller of Scentiva 52 Calls for

disinfecting wipes 54 Serving aid 26 Bourrée in E

56 SpaceX's Musk minor composer

57 Zest, e.g 27 Prima donnas are known for theirs 58 Do a priestly job



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By Daniel Henninger

Jr. described Joe Biden as the Loch Ness lifelong swamp crea-

ture. That was patty-cake compared with what Democrats

think of and won't stop saying about Donald J. Trump. Wash away the neurotic personal animus, and the Democratic case for Joe Biden is that by ending the nonstop Trump disruption, or "chaos," Mr. Biden will restore the country to normalcy. He won't.

Only the most sound-asleep voters can believe that with one day's voting in November they can melt the Wicked Witch of Trumpland and dance down the vellow-brick road to more temperate times. Returning to pre-2020 normality anytime soon, no matter which candidate wins, is impossible.

Most people aren't thinking about the next four years; they're thinking about the next 12 to 18 months. They are wondering each day when or whether the pandemic will end and what the post-coronavirus world will mean for them and their families.

The economic and personal disruption has been immeasurable. Within weeks, daily economic activity went from normal to nearly nothing—an event with no precedent in modern history.

What comes next for the daily work people took for granted isn't clear. At first, salaried workers were OK, but then the ranks of people on paychecks were thinned with furloughs and layoffs. American Airlines said this week it would unload 19,000 people. JPMorgan Chase says rotational work is likely to become permanent. will be because he confirmed culties posed to a Democratic want right now. Laving off unseen remote work-

Donald Trump ers will be easier in the next recession.

> A significant migration is occurring out of urban centers into the more predictable calm of suburban life. Younger people are choosing to live closer to where they grew

> Normalcy? Joe Biden is running in an election year when liberals are fleeing New York City, Los Angeles, San Francisco, Chicago and other cities overwhelmed with protests, homelessness and spreading disorder.

of life's basics—educating their children—is in flux. With public-school teachers and their unions refusing to go back to work under nearly any pandemic conditions, parents are spending evenings discussing immediate educational alternatives for their kids.

### The Democrats may now represent more disruption than weary voters want to hazard.

The annual fall ritual of going away to college is in disarray. Remote learning for higher-ed is looking more like the long-term normal. Joe Biden may lose the election if college-age voters, always hard to turnout, are in turmoil with their personal lives this fall.

More than any presidential election one can remember, this one will be determined by two overwhelming domestic events—the coronavirus pandemic and the protests that followed George Floyd's killing on May 25.



Joe Biden at a campaign event in July.

press briefings he ran in the early weeks of the health crisis. Disapproval of his handling the pandemic hit nearly 60%, while approval for governors was over 60%. Barring a big event, the election was all that event happened. George Floyd was killed.

While the case against Mr. Trump is that people can't take more disruption, the Democratic agenda itself has grown so disruptive that the idea of a Biden return to normalcy is nonsense.

The Floyd-related events have put unexpectedly complex political forces in motion for the Democrats. It was remarkable that no one at the Democratic convention mentioned the post-Floyd protests, looting or shootings, often in black neighborhoods. How hard would it have been for Chicago-born Michelle Obama to say something useful? Instead, Team Biden decided it was in their interest to pretend a major political event doesn't exist.

And maybe that calculation was right. Back during the prepandemic, pre-protest prima-If Donald Trump loses, it ries, the general-election diffivoters' negative opinions of presidential candidacy by Ber-

nie Sanders and the other progressives were already evident. Improvising a solution, the Democratic elders (literally) decided only Mr. Biden could soft-soap these "transformative" policies-now codified in the Biden-Sanders Unity Task Force-while purporting that the election is entirely about Mr. Trump's Twitter-sodden persona.

In normal circumstances, Mr. Biden and his convention might

have been able to get For nearly all families, one him with the self-inflating away with conjuring "10 million well-paying jobs" after his party has banned fossil fuels in 15 years. But in the threemonth George Floyd aftermath, the party has moved way past even this platform.

At the same moment the but over in early May. Then country is struggling through a pandemic of personal and economic uncertainty, the Democratic agenda stretched to include their intention to overturn a pervairredeemably American social structure. And without Joe Biden having to sav it, that party to-do list includes truly novel ideas such as defunding big-city police departments.

Add in the Pelosi multi-trillion virus-spending blowout. Surely some sense is growing among suburban swing voters that this Wizard-of-Oz spending can't go on.

This is the party running on making the U.S. normal again?

For many voters, this election is a choice between the devil and the deep blue sea. But the Democrats' blue sea has risen past embracing transformation to defending tumult. That may be more disruption than pandemic- and protest-fatigued Americans

Write henninger@wsj.com

**BOOKSHELF** | By Nathan Perl-Rosenthal

# An Opening For Haiti

### **Black Spartacus**

By Sudhir Hazareesingh (Farrar, Straus & Giroux, 427 pages, \$30)

round 1740, a boy was born into slavery on the Bréda plantation in French Saint-Domingue. As a child, he was quiet and reserved, scrupulous in his Catholic faith. By early adulthood, he had become a skilled horseman and the plantation manager's trusted right-hand man. In his mature years, re-baptizing himself Louverture ("The Opening"), he became the indispensable leader of the Haitian Revolution, the largest and most successful revolt of enslaved people in modern history. Sudhir Hazareesingh's engrossing new life tells the story of how the enigmatic, deeply religious boy from Bréda came to be one of the most celebrated, feared and consequential political leaders of his generation.

"Black Spartacus" is the story of an island as well as a man. Louverture was born and lived all but the last 10 months of his life in the French colony of Saint-Domingue, present-day Haiti. In the 18th century, it was among the richest agricultural lands in the world: The colony's annual sugar exports in the 1780s were worth billions of dollars in today's money. This productivity came at a horrifying cost in human life. Each year as many as 10% of the half million enslaved people who worked its fields died and slavers delivered some 30,000 new Africans to replace them. Most of the new arrivals did not survive their first few years in the colony.

Beginning in 1791, with a massive uprising in the northern part of the colony, enslaved people and their allies revolted against the century-old colonial order. Louverture played a key role at every stage in the decade-long military and social



struggle that followed. He became a general during the initial revolt. His military and political strategy over the next four years, including defecting to the Spanish and working closely with powerful planters, helped lead to the formal abolition of slavery in Saint-Domingue in 1793—a first in the Western world. By 1796, he had gained control of the colony's political affairs, sidelining the official representatives of the French government. In 1798 he opened negotiations with foreign powers, including the British and

Americans, as the island's de facto ruler.

Enemies and allies both noticed that Louverture took inconsistent positions as he navigated this turbulent political scene. The general intermingled royalist gestures with brash assertions of republican virtue. He declared himself a brother to ex-slaves while promoting white officers and administrators to positions of power over them. And in spite of professing loyalty to France, he continued to amass power in his own person and ignore orders from the French government.

"Black Spartacus" aims to make sense of these divergent stances by "painting a coherent picture of [Louverture's] political values." Mr. Hazareesingh, a distinguished historian of politics at Oxford, is not the first to try. Recent biographies by Philippe Girard and the novelist Madison Smartt Bell, both of which build on the foundational work of Trinidad-born author and activist C.L.R. James, explore the contradictions that riddled Louverture's life. Mr. Hazareesingh brings to the task a voracious appetite for original sources and a discerning ear for those which have the ring of truth. He also has a gift for tracing those threads that reveal a previously unrecognized pattern in the fabric of a life.

The contribution of "Black Spartacus" is to show how Louverture's political creed emerged from a compound of the Catholic, Enlightenment and African influences that surrounded the young Toussaint. Born to West African parents, he grew up under the tutelage of local priests and became familiar with the era's radical intellectual currents. Mr. Hazareesingh argues that Louverture combined these influences, by "creative adaptation," into an "original scheme" of thought.

### How a plantation worker in the French Caribbean became one of the most celebrated, feared and consequential political leaders of his time.

The core of Louverture's political creed was a profound humanism grounded in a "radical articulation of fraternity." It drew from all of his distinct intellectual wells: a bit of republican brotherhood. Catholic ideas about the unity of all flesh. and the extended community of his African kin. Louverture's fraternal ideal engendered his antipathy to slavery—the ultimate affront to human dignity and autonomy. But the same ideal committed him to treating enemies (even slaveowners) with forbearance: his reluctance to shed blood was well known.

Louverture's humanist faith faced its toughest challenge in 1801. Determined to restart the island's economy in order to protect its autonomous status, the general issued a new constitution that circumscribed the rights of freedpeople. The move, which effectively forced ex-slaves back to plantation labor, sparked revolts and has been a stain on Louverture's reputation. Mr. Hazareesingh argues that the constitution, in spite of its limits on liberty, was not a betrayal of the principle of "revolutionary fraternity": for Louverture, these restrictions offered the only hope for protecting the freedom of his formerly enslaved brothers and sisters.

The tightly focused camerawork in "Black Spartacus," which allows us to see Louverture so clearly, nonetheless has the disadvantage of leaving other important figures out of the frame. The book gives fairly cursory treatment to André Rigaud. Louverture's archrival in the south, and to Jean-Jacques Dessalines and Henri Christophe, Louverture's onetime lieutenants and the first leaders of independent Haiti. There is also a paucity of perspectives "from below": We learn little about the ordinary former slaves who powered Louverture's rise—and, at times, opposed it.

It was one of these off-stage characters, Dessalines, who wrote the final chapters of Louverture's life. In late 1801, France's new leader, Napoleon Bonaparte, dispatched an army to Saint-Domingue to reassert French control. Louverture soon found himself short of arms and men and sought terms. But Dessalines, having grown disillusioned with his commander, conspired with the French invaders to spring a trap: Louverture was arrested and sent as a prisoner to France. He died less than a year later, in an Alpine fortress. But the French victory proved short-lived. Dessalines soon took up arms again. In 1804, he declared Haiti independent, echoing his old general's dictum that autonomy was the only sure way to safeguard the hard-won "liberty" of the island's people.

Mr. Perl-Rosenthal is an associate professor of history at the University of Southern California and the author of "Citizen Sailors: Becoming American in the Age of Revolution."

# The Left's Covid Memory Hole

By Karl Rove

ast week's Democratic convention sought to make four points: Joe Biden is a decent man, Donald Trump is horrible, the president bungled the pandemic and Mr. Biden would have handled it better because he start.

Whatever you think of the detailed plan of action." first three, the last is a fabrication. But the former vice president likes to say it anyway. In June he claimed President Trump "did not listen to guvs like me back in January saying we have a problem, a pandemic is on the way." In May Mr. Biden said, "If he had listened to me and others and acted just one week earlier to deal with this virus, there'd be 36,000 fewer people dead." The early comments of Mr. Biden and his advisers, however, show little evidence he was on top of anything.

Take Mr. Biden's first statement on the pandemic. In a 773-word on-ed on Jan. 27 he spent 292 words defending the handling of the 2014 Ebola outbreak in Africa, 268 decrying Mr. Trump's leadership style and 74 suggesting America faced "the possibility of a pandemic." He devoted only 140 words to what he would do about it: ask Congress in 2021 to beef up the Public Health Emergency Fund, amend existing law to

fully fund the Global Health Security Agenda. Mr. Biden also said he'd renew funding this past spring for hospitals that "treat people with infectious diseases," a program Congress always reauthorizes.

Even the Washington Post later described the Biden opgrasped the threat from the ed as "more of an attack on President Trump . . . than a

president issued a China travel ban, Mr. Biden decried Mr. Trump's "hysterical xenophobia and fear-mongering." The Biden campaign now says he wasn't referring to the ban, but it sounds like he was. Campaigning the next day, Mr. Biden seemed to attack the ban again, saying, "Disease has no borders.'

It wasn't only Mr. Biden; it was also the people around him. Ron Klain, a longtime top adviser and former Biden chief of staff, opposed a travel ban on Jan. 28, a few days before it was announced, calling it "premature." Other Biden advisers were also dismissive. On Jan. 30, Biden confidant and coronavirus adviser Zeke Emanuel told CNBC viewers to "take a very big breath, slow down, and stop panicking and being hysterical." The virus will "go down as spring comes

Throughout February, Mr. Biden's lieutenants kept minimizing the threat. In a Feb. 6 allow presidents to declare op-ed, Biden coronavirus ad- go shopping."

pandemic emergencies, and viser Irwin Redlener wrote "not very likely" and predicted the chances of "getting a severe, potentially lethal form of the Wuhan virus is negligible." On Feb. 11 Mr. Klain again played down the become "a serious epidemic." On Jan. 31, the day the tweeted, "We don't have a virus." Mr. Biden also kept fear epidemic."

> Contrary to what Joe Biden says now, he and his team badly misjudged Covid-19.

Suggesting in a Feb. 20 interview that there'd been "an overreaction," Dr. Emanuel suggested weather is going to come and, iust like with the flu, the coronavirus is going to go down." Then on Feb. 24 House Speaker Nancy Pelosi urged tourists in San Francisco to "come to Chinatown." Mr. Klain echoed her three days later, saying people should not be dissuaded by "needless fears about coronavirus." He added that everyone "should tonight go down to Chinatown in their city and buy dinner or

On Feb. 29, with news of that a global pandemic was the first U.S. coronavirus death, Dr. Emanuel told CNN's Wolf Blitzer that "running out and getting a mask is not going to help." Then on March 12, coronavirus adviser Lisa Monaco and Mr. Biden doulikelihood that Covid would ble-teamed Mr. Trump's Europe travel ban: She went on "The evidence suggests it's CNN and played down its improbably not that," he said. portance while he tweeted, "A Two days later, Mr. Klain wall will not stop the corona-COVID-19 epidemic in the US holding large rallies until but we are starting to see a March 9 and talked up in-person voting as late as April 2. As the pandemic came on.

there was no mention of

masks, social distancing or

lockdowns from Mr. Biden-

and until mid-March, no calls

for more protective gear,

faster vaccine development or using the Defense Production Mr. Biden can fault the Trump administration for how it dealt with a once-ina-century pandemic. But he can't pretend he was right when he was wrong, that he knew better when he didn't. that his and his team's advice was good when it wasn't. Mr. Biden is politi-

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

cally vulnerable on Covid-19.

The president should prose-

cute that case.

# A Late Bloomer Learns to Forgive

By Mike Kerrigan

n his autobiographical "Confessions," St. Augus-**⊥** tine of Hippo, whose Feast Day is celebrated Friday, admits praying as a young man, "Lord, make me chaste, but not yet." By so doing, he became the spiritual role model of late bloomers everywhere.

The petition conveys a timeless truth about the human condition, where often the spirit is willing but the flesh is weak. Still. I've wondered: How could such an my mind at Mass recently, otherworldly saint have uttered so worldly a prayer?

Centuries after St. Augustine's time, Oscar Wilde answered the question well: The difference between saints and sinners is that every saint has a past and every sinner has a future. We can always be better tomorrow. Of tomorrow course, never comes for some. Or it comes but, when it does, choosing the hard right over the easy wrong has lost its appeal.

We Irish are said to forget everything but our grudges.

These thoughts crossed during the Lord's Prayer. Though I've recited it countless times, somehow I've never considered what "forgive us our trespasses as we forgive those who trespass against us" truly means. That

Sunday, I understood.

me for a simple reason. Deep down I know mine isn't the world has ever known. Yet here I've been, asking time and again to be forgiven just lasting kind, anyway. as I forgive others. I scoff at St. Augustine for seeking holiness later, while presently I seek the very justice that will be my undoing. Not too

Some of this is ethnic pride. I grew up hearing shibboleths of relatives with Irish Alzheimer's, where they forgot everything except their my mom urged me to forgive and forget, my dad would pull me aside and whisper "for-

give, never forget.' Grudges have been useful in Charlotte, N.C.

in my adult life as well, or so This inattention bothered I thought. I convinced myself life's wrongs—no slight too small—are kindling to fuel my most forgiving heart the competitive fire, and winning ultimately leads to joy. I see now that it doesn't. Not the

The more tomorrows become today, the more I realize it isn't firm justice I want, but tender mercy I need. The forgiveness I show is the only forgiveness I can hope to receive, no more and no less. I've got work to do.

Inspired this day by St. Augustine, and mindful that late bloomers must bloom somegrudges. In childhood, when time, I pray: Lord, make me merciful. Not tomorrow, to-

Mr. Kerrigan is an attorney

**A16** | Thursday, August 27, 2020

P2JW240000-0-A01600-1-----XA

### REVIEW & OUTLOOK

# The More Important Election

decide if change in 2021

is centrist or radical.

race for the White House, but there's precious little mention of what is arguably the more important con-Senate control will

test: The fight for the U.S. Senate. Whoever holds that majority will determine whether change next year is centrist or radical.

This assumes Democrats hold the House, which is likely short of a Republican comeback for the ages. Republicans now hold a 53-47 Senate majority, but their hold is precarious. They're defending as many as eight seats that are competitive, while they look set to gain back only the Alabama seat held by Democrat Doug Jones. A House, Senate and White House sweep would set Democrats up for the policy transformation that Joe Biden recently said he wants.

This would not be your father's Democratic Senate, or even Barack Obama's. A Democratic majority would elevate left-wing progressives like Elizabeth Warren, Bernie Sanders and Sheldon Whitehouse to positions of power. Normally they'd be constrained by the need to compromise with the minority to get 60 votes to pass legislation. This is what has frustrated both parties for decades, notably Republicans as recently as two years ago on entitlement, health-care and tort reform when they also held all of Congress and the White House.

Democrats have all but announced that, even with a narrow majority of 51 or 52, the 60-vote legislative filibuster is going the way of bourbon and branchwater. "The filibuster is gone," former Senate Majority Leader Harry Reid told Politico last week. "It's not a question of if, it's a question of when it's going to go.... Next year at this time, it will be gone."

Harry should know. In 2013 he killed the filibuster rule for judicial nominees on a partisan vote. Barack Obama recently called the filibuster a relic of Jim Crow, though he wanted to use it to stop Samuel Alito's Supreme Court confirmation. No less a former Senate Old Bull than Mr. Biden has signaled he'd be happy to see it go to grease the skids for his agenda.

The pressure from the left will be too intense to resist. Simply watch current Senate Minority

he party conventions are focused on the Leader Chuck Schumer, who for years has advertised himself as a moderate liberal. Last week he told the press that he's no longer an "angry cen-

> trist." He said he's moved left with the times and thus can't take anything "off the table" in the majority.

Mr. Schumer is anticipating a potential primary challenge in 2022 from progressive New

York Rep. Alexandria Ocasio-Cortez, who could raise all the money she needs to take him on. That threat means Mr. Schumer wouldn't dare buck his backbenchers who want to kill the filibuster. It also means that in the majority he'll be along for the ride of whatever Speaker Nancy Pelosi's Democrats want.

What would that be? Mr. Schumer said this includes addressing "income and wealth inequality, climate [change], racial justice, [and] health care" and "improving our democracy." Democrats can pass a tax increase with a mere 51 votes under current budget rules, but killing the filibuster opens the door to all sorts of long dormant progressive priorities.

That includes statehood, plus two Senate seats each, for Puerto Rico and the District of Columbia. House Democrats have passed the most far-reaching labor legislation in decades. Right-to-work laws could be banned in the states and secret union elections replaced with "card check" that allows open pressure on workers.

Election mandates imposing ballot harvesting and mail-in voting on states would be likely. Democrats could also expand the size of the federal appellate courts and even the Supreme Court with a mere 51 votes. The only restraint would be public opinion, but Democrats (unlike Republicans) would have a cheerleading press

All of this is more likely than many Republicans think. Senate races have become increasingly nationalized as ticket-splitting ebbs, so President Trump's undertow could sweep away even moderates like Susan Collins of Maine or Cory Gardner of Colorado. Oh, and in 2022 the GOP will have to defend at least 20 Senate seats—many in swing states like Wisconsin and Pennsylvania—while Democrats protect 12 mostly safe strongholds. Voters, take note.

# Accountability in the South China Sea

The U.S. imposes

sanctions on firms

militarizing islands.

t's been a whirlwind summer for American policy in the Western Pacific. Secretary of Defense Mark Esper this week is the sec-

ond U.S. cabinet member to travel to the region in a matter of weeks, visiting Hawaii, Guam and Palau shortly after Secretary of Health and Human Services Alex Azar made a politically significant visit

to Taiwan. In July the U.S. declared Beijing's maritime claims in the South China Sea unlawful for the first time, and on Wednesday it raise the profile of military-affiliated Chinese backed up this finding with sanctions aimed at firms so countries in Southeast Asia scrutinize

China began aggressively militarizing islands in the South China Sea during the Obama Administration, making vast claims to the waterway that it said overrode those of its neighbors like Vietnam, the Philippines and Indonesia. In 2016 the Permanent Court of Arbitration in The Hague said China was violating international law, but Beijing rejected the ruling. China has since grown more assertive, using militia boats to harass fishing and oil exploration vessels from smaller countries.

Wednesday's sanctions aim to make Beijing bear costs for this illegal behavior. Of the 24 companies targeted, the most significant is China Communications Construction Co. and its subsidiaries, which work closely with the People's Liberation Army to build artificial islands and bases in the South China Sea.

Unlike telecom giant Huawei, CCCC does not rely on U.S. technology, so its placement on the Commerce Department's "entity list" doesn't threaten the company's existence. Yet the State Department's new visa restrictions against top execu-

tives, many of whom travel to the U.S., are a real blow. The U.S. hopes the announcement will their activities

For a decade, the U.S. has protested China's slow-motion military dominance over one of the world's most important waterways. The Trump Administration is trying to move beyond protestations and orchestrate resistance, signaling to Beijing that the costs of its coercive regional policies outweigh the benefits. The goal isn't to create conflict but to deter China from reckless actions that could start one.

As the election approaches, debate is intensifying about how a Joe Biden administration would address the challenge from authoritarian China's increasing disregard of international law. These sanctions are the latest in a series of policies that will put the next President, no matter who he is, in a stronger position.

# The Fires of Kenosha

The mother of a black

man shot by police calls

for an end to the rioting.

s the streets of Kenosha, Wis., smolder, the pattern by now is depressingly familiar. The police shooting of a black

man inspires protests, which quickly become riots in which more people are hurt and property is destroyed. Violence begets more violence, and on Tuesday night two perished as someone fired a gun amid the chaos.

The facts surrounding the shooting Sunday of 29-year-old Jacob Blake aren't clear, but they are troubling. Video footage shows police following Mr. Blake to his car, grabbing him, and firing multiple shots toward his back and side. He was hit seven times, and at least one bullet hit his spine and may have paralyzed him. The Wisconsin Department of Justice is investigating, officers at the scene have been placed on administrative leave, and the local prosecutor will decide whether to press charges. This is the right way to proceed.

Rioters say they want justice for Mr. Blake. but instead of waiting on the judicial system they laid siege to the Kenosha County Courthouse, used fireworks as weapons, and attacked police. The Kenosha News reports that arsonists have damaged or destroyed some 30 buildings. As riots continued on Tuesday, gunshots killed two men and injured a third. A 17-year-old has been arrested.

This is what happens when people think they have a license to commit violence. It's also why deploying enough force, by police or the National Guard, is essential to restore order and prevent more death and destruction. Gov. Tony

Evers sent in some 125 Guardsmen on Monday but they were overwhelmed. The Democrat has since deployed more force, and on Wednesday

accepted President Trump's offer to send more federal law enforcement.

Mr. Evers, a Democrat, has to his credit condemned the violence. On Tuesday he tweeted that "there remains a

line between peaceful assembly and what we saw last night that put individuals, families, and businesses in danger. . . . We cannot allow the cycle of systemic racism and injustice to continue. We also cannot continue going down this path of damage and destruction."

Kenosha Mayor John Antaramian said: "There is a process to investigate the shooting. We have to allow that process to take place. The destruction of our city does nothing to assist with the investigation." The contrast with the indulgence of violence by mayors and governors in Portland and Seattle is laudable.

But the wisest counsel has come from Mr. Blake's mother, Julia Jackson. She said her son would be "very unpleased" by the "violence and the destruction" in Kenosha, which "doesn't reflect my son or my family." She said she has already forgiven those who wounded her son and that she is praying for police and people of color alike. She urged Americans to unite and "begin to pray for healing for our nation."

Public officials have three duties here: calming passions, restoring order to protect the innocent, and providing justice under the law for Mr. Blake and the police who shot him. But you cannot have justice without order.

### LETTERS TO THE EDITOR

# California Power Problems Are Self-Inflicted

"Millions in California Stand to Lose Power" (U.S. News, Aug. 18) reminds us that, after nearly two decades, rolling power blackouts have returned to California in the wake of an extended heat wave. In response to this crisis, the California Independent System Operator (Caiso) and the state's primary utility company, PG&E Corp., are notifying customers daily by text and email that blackouts will be necessary unless energy use is substantially curtailed.

Interestingly, the PG&E website at the same time encourages customers to convert to electric-powered vehicles, advising us to take advantage of government credits as well as PG&E discounted electric-rate plans available to EV owners. These incentives, along with the operating advantages of electric versus internal-combustion vehicles will surely propel EV ownership from the current level of less than 10% of registrations to a majority before the end of the decade. We should expect a commensurate increase in electricity demand.

How do Caiso and PG&E intend to fund and build the renewable energygenerating capacity necessary to meet this surging demand as they simultaneously decommission wellmaintained and efficient natural-gas and nuclear plants?

ALEX MICHKA Alamo, Calif.

Your editorial "California's Blackout Warning" (Aug. 17) misses the real cause and the solution to fix the problem. The main issue is California's aging, centralized grid and its inability to deliver adequate electricity, especially during a heat wave and global pandemic. Rooftop solar and batteries can relieve the strain on the

Hundreds of Californians were able to keep their lights on through the rolling blackouts because of the solar systems and batteries installed at their homes. These household systems can be networked and connected to the grid to help meet peak demand.

The technology to face this crisis

exists today with rooftop solar and battery storage. Let's use it to protect our most vulnerable and the energy security of all Americans.

LYNN JURICH Co-founder and CEO, Sunrun San Francisco

All of the well intentioned arm waving and green-policy proposals advanced by the Democrats under the Green New Deal cannot overcome the laws of physics. The rolling power blackouts experienced by Californians recently were in some significant part due to a lack of wind. Per Caiso, wind energy, which makes up some 7,000 MW of generating supply, was largely absent during this heat wave. In fact, when millions of customers were plunged into darkness to stave off grid collapse Aug. 14, just over 2% (instead of the usual 8%) of all power generated during this day came from wind. The significant wind-power deficit experienced in California over that weekend should come as no surprise to anyone with a basic understanding of weather. The same can be said for solar.

Caiso and its member utilities have spent billions in pursuit of a greener electric grid, which is now less reliable and still highly dependent on thermal energy to meet peak demand. Undeterred, true believers tell us not to worry about these nettlesome problems with the weather since it can all be addressed with batteries (but only for very short periods). Vice President Joe Biden and the progressive wing of his party should look carefully at California's green experiment and have that physics lessonno wind equals no power, and cloudy skies equals greatly diminished power. The jury is still out in California, but the rush to double down on wind and solar, while also abandoning thermal power sources, will only serve to increase costs, reduce reliability and diminish its electric grid to that like one found in the Third World.

FRED BRYLA CEO, Matrix Corporation Sugar Land, Texas

### Californians Dream That Only Rich Will Pay

Regarding your editorial "California's Next Tax Increase" (Aug. 15): Illinoisans should pay close attention to recently proposed income-tax increases in California's state legislature. California shows that not even the worst economic crisis since the Great Depression can persuade politicians addicted to spending and debt to think beyond asking struggling taxpayers to pay more. Progressive income-tax systems make it easier for them to do just that.

Illinois voters will be asked to decide on Nov. 3 whether to replace the state constitution's flat-tax guarantee with a graduated tax system like California's. Flat taxes force would-be tax hikers to face potential reprisal from all voters at once, rather than being empowered to segment opposition by income. Proponents for the "yes" campaign say it's about making the rich pay more, but if voters empower lawmakers with divide-and-conquer tax tactics, many will find themselves

defined as "rich" for the first time and subject to higher rates. An expected \$3.4 billion haul from the initial tax rates is a pittance compared with Illinois's nearly \$140 billion in pension debt and \$6 billion budget deficit. The middle class holds the majority of taxable income and would be next in the crosshairs for revenue-hungry politicians facing down Illinois's infamous financial woes.

Politicians grappling with rising debt and deficits have to find alternatives, such as structural spending reform. That won't happen as progressive tax systems offer a politically expedient path to avoiding tough decisions.

Virtually every economist agrees that raising taxes during or just after a recession impedes recovery. California shows that progressive tax powers turn bad economics into political reality.

ADAM SCHUSTER Illinois Policy Institute Chicago

### The National Anthem Used to Be Above Politics Carl Schroeder writes that play-

ing the national anthem before a sports event is a "political act" ("Why Is the National Anthem Played Before Sports Games?," Letters, Aug. 15). He confuses politics

### I Drove for Uber. California Labor Law Isn't Helping Me

Regarding "Uber, Lyft Win Reprieve on Drivers" (Business & Finance, Aug. 21): The appeal of driving for Uber Technologies Inc. and Lyft Inc. is derived from the fact that you can set your own hours and make as little or much money as you want. This works for single moms who drop off the kids in the morning, for people who squeeze in rides during their off-hour workday and others who want to supplement their income with a few dollars here and there. It also allows people to be full time if they want.

I'm retired, and I used to drive for Uber to the tune of about \$1,000 to \$1,200 a month for cash in my pocket and the varied people I got to meet. It was fun. Making drivers employees instead of part-time independent contractors who can set their own work schedules would kill all that.

> FRANK HOTCHKISS Savannah, Ga.

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with patriotism. We play the anthem to honor the country that gives us our freedoms, our just laws, our high standard of living and the best opportunity to work hard, invent, exercise initiative and succeed that exists on this earth.

FRED BEARDEN Laguna Niguel, Calif.

Mr. Schroeder argues that playing the national anthem is a political act. It used to be an American act. But that was before the national pastime became being offended.

GREGORY MARSHALL Marietta, Ga.

### Pepper ... **And Salt**

THE WALL STREET JOURNAL



"It has to shout privilege and prestige in a subtle way."

P2JW240000-0-A01700-1-----XA

### By George P. Shultz

eople are justifiably worried about China. It is wrecking Hong Kong and has lost international trust in the process, which makes it difficult to form future deals with its leadership. China's divide-and-conquer diplomacy abroad, particularly toward countries smaller than the U.S., is aggressive and immature. Xi Jinping's statist economic strategy has returned to the Maoist model, putting private enterprise under the thumb of the Communist Party at home and exploiting foreign trade relationships.

I support efforts to call out such outrageous behavior—and to work with partners and allies, who largely agree with us about this—to develop the most effective approach possible to deal with it.

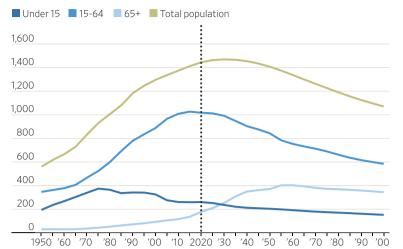
Americans long underestimated China's progress and its leaders' ambitions. I reluctantly accept that today's China is different from the one I once worked with constructively. But as we deal with the present, we should also consider future relations with a country that faces significant emerging internal structural problems. China's next 20 years are unlikely to repeat its past 20.

### Its economic growth is likely to slow dramatically as its population ages and labor force shrinks.

Take the labor force. Growth in gross domestic product is a factor of a country's labor-force and productivity growth. Deng Xiaoping once told me how the ingenuity and hard work of the Chinese people would power huge advances, given market liberalizations. That combined with an explosion in the pool of available workers—a youthful population bulge, plus migration from farms to

### A Shrinking Workforce

China's population by age, in millions, 1950-2100



Source: U.N. World Population Prospects, Adele Hayutin

cities. China's GDP grew from 11% of the U.S.'s in 1997 to 63% two decades later, in the process lifting hundreds of millions out of abject poverty. But the labor force of Mr. Xi's China is now declining-in contrast to the steady, immigration-driven growth of the U.S.—and is projected to lose 174 million workers by midcentury. To borrow a phrase from the political economist Nicholas Eberstadt, this will "bound the realm of the possible" in the Chinese economy.

Meanwhile, the Chinese population over 65 is set to double by 2050 to nearly 400 million. Many will need housing or other public assistance. A heretofore young, productive and risk-taking China budgets for essentially no social safety net. Successive generations of only children-as early as 1990, four-fifths of Shanghainese children had no siblings—have upended the traditional family model of caring for the elderly. And selection of boys during the era of the one-child policy means that now the country has a shortage of women. That doesn't amount to a no-child policy, but it may produce a no-child result.

China today is no Potemkin Soviet

Union—it has trillions of dollars in foreign currency reserves and is deeply integrated into global supply chains. But having consumed more cement in three years than the U.S. did in a century, excess capacity now plagues domestic industries and

drives China's global scramble for

outward infrastructure lending. Serious economic and equity tensions, for example in health and education outcomes, have grown up between urban and rural regions and will drive a need for cross-subsidy. Mr. Xi's turn toward lending to fill in for slowing growth means local governments and businesses are now swamped in contingent debts, often off-book. An example is high-speed rail. State-owned China Railway took on nearly \$1 trillion in debt to build that sprawling network; a few major lines are profitable, but most are not, and interest payments alone exceed operating revenues

As Americans again debate their own attitudes toward the role of government, we should recall that Ronald Reagan and Margaret Thatcher's calls for markets and personal freedom as engines of human prosperity were heard in Beijing,

too; their insights helped power Deng and Jiang Zemin's economic ascent. But Mr. Xi's campaign to stamp out intellectual discourse in China has threatened those reforms-and therefore the country's economic prospects.

Perhaps sensing the change in trend lines ahead, China has undertaken a slate of narrowly self-interested foreign policies. Having been secretary of state, I can attest to the diplomatic and military costs, expertise and experience that go into developing and maintaining an outward global posture. But with its current approach, I suspect China will struggle to win over durable partners in such efforts. In the process, there is a risk that our two countries stumble into confrontation due to missteps or mutual miscalculation.

China misunderstands us, too. To reduce the temptation for opportunism by anyone, including China, Americans must do better on our own challenges: government debt, stagnating and inequitable educational outcomes in disciplines that will define our future prosperity and security, and the demographic need for a reasonable and consistent immigration policy.

We should quietly develop specific off-ramps from conflict with China—e.g., rules of the road for military ships and aircraft with a communication mechanism to address any incidents; stockpiling of important traded goods such as pharmaceuticals, rare earths or agricultural products-that would improve mutual stability. It is important that leaders here—and leaders there-work from a realistic view of China's position, our own position, and our collective future.

Mr. Shultz is a distinguished fellow at the Hoover Institution. He was labor secretary, director of the Office of Management and Budget and Treasury secretary under President Nixon and secretary of state under President Reagan.

# **Political** Giving Should Be Private

By Bradley A. Smith

third of Americans fear being fired for their political beliefs. Unfortunately, for those who wish to support political campaigns, federal and state laws leave no place to hide.

"Cancel culture" has divided First Amendment advocates. Some argue that private actors must tolerate differing views for free speech to survive, while others say the only concern should be government intrusions on speech. But when private individuals target and harass other Americans for their political donations, the government can't say it plays no role.

Campaign contributions are public because the law requires it. Every American who gives more than \$200 to a candidate for president or Congress, or to a political party, has his name, address and employer published in an online, searchable database. Every state has similar laws for reporting contributions to state candidates, many with substantially lower donation thresholds.

### Americans of both parties worry they'll be canceled for making donations to a campaign or cause.

It wasn't always this way. The earliest laws mandating that donations be reported date only from the late 19th century, and weren't seriously enforced, by states or Congress, until the 1970s. Even then accessing reports required visiting a government office and digging through paper or microfiche records. Unless donors' contributions caught the attention of investigative journalists, few were widely exposed.

Today, the laws haven't changed, but the technological and cultural landscapes have shifted dramatically. Anyone can look up your donations in seconds. Most Americans still prefer to judge candidates through news coverage and campaign materials. But others regularly mine these databases not so much to inform their decisions but to gain information that can be used to harm candidates—and, more important, donors to candidates—that they oppose

In 2019 Rep. Joaquin Castro tweeted the names and employers of opposition party donors in his district. leading some to receive threatening phone calls. Allegations that companies like Olive Garden and SoulCycle were Trump donors—in fact, it is illegal for corporations to contribute to candidates—fueled boycotts and prompted enough fury that the companies had to respond. In Olive Garden's case, calls to boycott were based on the personal contributions of a handful of the nationwide chain's employees, totaling \$886. A veganfriendly breakfast chain in western Michigan was boycotted after someone posted on Facebook a screenshot of its owner's contributions to Trump's campaign.

Many Americans see all this and remain silent, leaving our political discourse deprived of important views. A recent Cato Institute poll found that a majority of Americans feel the current climate prevents them from saying things they believe. These respondents aren't paranoid: Half of strong liberals support firing business executives who donated to Mr. Trump, and 36% of strong conservatives support firing executives who donate to Joe Biden. It is hard to imagine anything more mainstream than supporting a major party nominee for president, but today it's enough to get you "canceled."

Lawmakers have historically played down the costs of making donations public. Search engines, social-media mobs, and a newfound willingness to punish those with opposing views mean the calculus in 2020 is vastly different than it was in the 1970s. Yet some politicians now want to force advocacy groups and nonprofits to expose their supporters, too. Want to see cancel culture on steroids? Follow their lead.

If, on the other hand, you think Americans have a right to support candidates without losing their livelihoods or their sense of security, then it's time to revisit compulsory disclosure laws. With billions of dollars spent each campaign cycle, those who give hundreds of dollars aren't corrupting anyone. They shouldn't be forced to disclose their contributions any more than they are forced to disclose their votes.

Lawmakers should substantially raise thresholds for donor disclosure, and end the requirement that campaigns report donors' employers. Doing so could take a big bite out of cancel culture.

Mr. Smith served as chairman of the Federal Election Commission, 2001-05, and is chairman of the Institute for Free Speech.

# Kansas Democrats' Covid Chart Masks the Truth

By Allysia Finley

n old cliché is that Democrats govern with their hearts and Republicans with their heads. But Democrats this year are appealing to voters' heads.

Our ability to work together to solve big problems like a pandemic depends on a fidelity to facts and science and logic and not just making stuff up," Barack Obama declared last week at the Democratic National Convention. The Bernie Sanders-Joe Biden unity platform asserts, "Democrats believe we must follow the informed advice of scientists and public health experts in addressing the coronavirus pandemic." Democrats are trying to draw a contrast with President Trump, who often plays fast and loose with the truth.

But Democrats and their public health experts often manipulate data, and their dishonesty is more insidious because it gets a pass in the press. A case in point is a chart created by Kansas Democratic Gov. Laura Kelly's Department of Health and Environment that purported to show her July 3 face-mask mandate has been a viral success.

The line graph includes two lines tracking the seven-day rolling average of cases per capita in the state an orange one for the 15 counties that enforced the governor's mandate and a blue one for the 90 counties that rejected it. The chart makes it appear as though cases in counties that followed the governor's mandate plunged below cases in the counties that didn't.

The group following the mask mandate "is winning the battle," KDHE Secretary Lee Norman said. "All of the improvement in the case development comes from those counties wearing masks." A reporter asked "if the no-mask counties would start masking," would cases in their counties drop below the mask mandate counties?

think it would," he replied.

For starters, the two lines on the chart were plotted on two separate Y axes. Cases for counties that followed the mandate are on the left axis, with a range of 15 to 25, while those for counties that did not are on the right axis with a scale of four to 14. Even a 10-year-old would know better than to draw a graph with separate axes that compares the same trend.

Daily cases on Aug. 3—the last date on the chart—were in fact about 77% higher per capita in counties that followed the mask mandate. The Kansas Policy Institute, which filed an Open Records Act request for the names of counties and calculations used to produce the chart, created a more honest presentation of the data going back to June 22.

What the data show is that cases in all counties increased in the nine days after the governor imposed her mandate. This isn't surprising since many people gathered with friends and family during the Fourth of July

But daily cases increased more in

counties that adopted the governor's mask mandate—from an average of 9 to 25 per 100,000—compared with those that did not-4 to 10 per 100,000. The percentage increase is similar in both groups, but counties that adopted the mask mandate should have experienced a smaller uptick if they were "winning the

The state's health secretary fudged the data to make the governor's mask mandate look successful.

What makes Dr. Norman's chart more duplicitous is it doesn't start until July 12—nine days after the governor imposed her mandate and only when cases started to fall in masked counties after having increased. The difference between masked and unmasked counties was actually larger in favor of the nomaskers one month after the governor imposed her mandate.

There are many plausible explanations for this, including that unmasked counties were more rural and had a lower risk of spread. Many of their residents may have been wearing masks in public settings. Perhaps compliance was spotty in the more dense counties that adopted the mandate.

After being called out by the Kansas Policy Institute about his chart's deceptions, Dr. Norman told reporters in Topeka: "I know that my graph was misunderstood and, in retrospect, I would redraw it different the next time" but "there's no question the data is solid."

McClatchy newspapers the Kansas City Star and Wichita Eagle on Aug. 16 ran a story with the headline: "Kansas began requiring masks, then virus cases dropped. Weeks later, 'the data is solid.' " The story repeats Dr. Norman's data distortions. Facts are stubborn things, but Democratic dogmatism is even more resolute.

Ms. Finley is a member of the Journal's editorial board.

# The NRA Has a Right to Exist

By David Cole

he American Civil Liberties Union rarely finds itself on the same side as the National Rifle Association in policy debates or political disputes. Still, we are disturbed by New York Attorney General Letitia James's recent effort to dissolve the

Ms. James's office charges that NRA Executive Vice President Wayne LaPierre and other officials misdirected millions of the organization's charitable funds for their personal use. But the attorney general's complaint doesn't stop there. It attempts to dissolve the NRA altogether, thereby penalizing the entire organization for the wrongs of some of its leaders.

The NRA isn't popular with New York's politicians. Ms. James has called it a "terrorist organization." Gov. Andrew Cuomo had his chief financial regulator urge New York banks and insurers to reconsider doing business with the NRA and other "gun promotion" groups, and proclaimed in a campaign mailer that "If the NRA goes bankrupt, I will remember them in my thoughts and prayers.'

You may have your own opinions about the NRA, but all Americans should be concerned about this sort of overreach. If the New York attorney general can do this to the NRA, why couldn't the attorney general of a red state take similar action against the ACLU, the AFL-CIO, Common Cause, or Everytown for Gun Safety?

Our democracy is premised on the right of association. The First Amendment protects not only the right to speak, but also to band together with others to advance one's views. Making or resisting change in a democracy requires collective action, and a healthy democracy therefore demands a robust "civil society." The right to associate can't survive if officials can shut down organizations with which they disagree. The Supreme Court has notably invoked that right to protect union members, Communist Party adherents, the Boy Scouts and the NAACP.

That's why two years ago, we supported the NRA's lawsuit charging Gov. Cuomo with violating its First Amendment rights. Mr. Cuomo moved to dismiss the case, but a federal judge ruled against him, holding

First Amendment rights.

James has also gone too far. Dissolution of a nonprofit is the most extreme remedy state regulators can seek. It has historically been reserved for organizations that are essentially false fronts for personal gain.

around for more than 150 years and has millions of members. It engages in a range of lawful and properly taxexempt pursuits, including teaching gun safety, operating shooting ranges, educating the public, and lobbying for laws that protect gun rights. If some of its leaders have become corrupt, they should be removed. If its board was incompetent in checking their abuses, it should be reformed.

Dissolution is proper only where a corporation is so subsumed by waste, misuse or fraud that it no longer fulfills a charitable purpose. There is simply no precedent for such extreme action against an organization like the NRA, which, whether you like it or not, has been serving charitable purposes very effectively (indeed, many of its opponents would say, too effectively) for a century and a half. And even if the threat of dissolution is meant only to gain leverage for a deal, threats of unconstitutional action ought not be a part of the attorney general's arsenal.

The right to associate is a right for all, not just for those whom government officials favor.

Rupert Murdoch Executive Chairman, News Corp. **Matt Murray** 

Karen Miller Pensiero **Neal Lipschutz** Deputy Editor in Chief Jason Anders, Chief News Editor; Louise Story, Chief

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PUBLISHED SINCE 1889 BY DOW JONES & COMPANY Robert Thomson Chief Executive Officer, News Corp Almar Latour

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that if he targeted the NRA for its gun-promoting views, he violated its

And that's why we believe Ms.

The NRA is different. It's been

Mr. Cole is national legal director of the ACLU.

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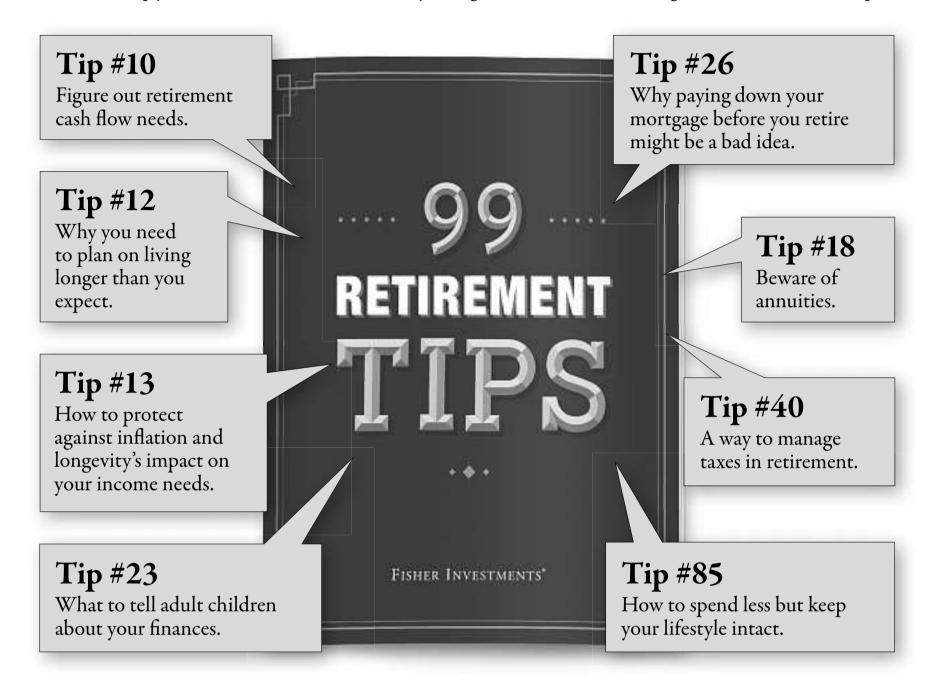
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# RISINESS & FINAN

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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

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

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

and international versions are used by more than 1.2 billion

app has become a vital busi-

ness tool.

people globally, is the most no clarity from the Trump adwidely used app in China. Bevond 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 ecommerce platform.

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

ministration about its scope.

Tencent didn't immediately respond to a request for com-

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

Please turn to page B4

# 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 Ama-Please turn to page B2

♦ Heard on the Street: Firm

# **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 exchairman, Klaus 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 pan-

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 elitescould 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

pany 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

existing investors to sell shares. a path pioneered by music-In a direct listing, a com-streaming giant Spotify Tech-listing, a company will be able nology 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.

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,"

Please turn to page B2

### flashes a green light...

### **INSIDE**



### **RETAIL**

Sales at sportinggoods 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

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.

lockdowns.

"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 onsite 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 Please turn to page B2 P2JW240000-6-B00200-1-----XA

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# 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

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

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 Tuesthat changes

"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 deemphasized," Salesforce Chief Financial Officer Mark Hawkins said on the call, without spelling out where the cuts

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.

# DavosMeeting 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

The annual meetings are a considerable cash cow for the WEF. According to its annual

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.

Bono.

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.

### 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 officefurniture 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 vear.

The new campus design, led firm Snøhetta, 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

Specifics of the new office setup are still being worked

out, and it will likely be many months before ees 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 twomonth 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

and scooters.

# **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 vears, and would lead to job

"Our future focus in Asia is on Mainland China and our primary office in Asia will be in Shanghai," a spokeswoman

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 indextracking 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

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 regula-

tory filing this week. In March, Vanguard named company veteran Scott Conking as head of Vanguard Asia, succeeding former Hong Kongbased executive Charles Lin.



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

# New IPO AlternativeApproved

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. 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

The council expressed worries

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 "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

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-

by Scandinavian architecture

work stations.

employ-

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

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# **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-toschool 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

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

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-

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 crimped 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.

justed earnings of \$1.26 a A shift to curbside services lifted sales at Dick's Sporting Goods giving its share price a boost.

# Same-store sales, change Share price from previous year Wednesday 2Q 2020 FY2016 '17 ′18

Note: Fiscal year ends in Jan./Feb. Sources: FactSet, the company (same-store sales); FactSet (share price)

# 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

Though big hotel chains from a year earlier, pointed to 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

The average daily rate at Marriott's limited-service hotels in North America was 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

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  $2\frac{1}{2}$ 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 namesuch 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

"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-

sake and lower-priced hotels 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 distanc-

> 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

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 bil-

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

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.





**B4** | Thursday, August 27, 2020

P2JW240000-6-B00400-1-----XA

# China's STAR Market Pushes Boundaries

Shares on Nasdaq-like board trade at huge premiums to near-twin Hong Kong stocks

By Xie Yu

Shares listed on a Nasdaqstyle technology board in China are trading at huge premiums to near-identical stocks in Hong Kong, as mainland investors pour money into a hot market.

The gap means investors are sometimes paying more than five times as much as buyers offshore for similar financial assets. That reflects heightened bullishness inside China and how onshore stocks remain somewhat insulated from global markets.

The discrepancy could mean Ant Group Co., the financial-technology giant backed by Alibaba Group Holding Ltd. that is planning huge listings in Shanghai and Hong Kong, finds itself with two markedly different valuations when it goes public.

Six companies have listed on Shanghai's year-old STAR board, in addition to having listings in Hong Kong.

All trade at large premiums onshore. The biggest gap is at Shanghai Fudan-Zhangjiang **Bio-Pharmaceutical** whose onshore stock was more than five times the price of the offshore as of Aug. 25. The premium for CanSino Biologics Inc., which is developing a Covid-19 vaccine, was around 75%

Michael Pettis, a professor of finance at Peking University, said the price gaps were fueled by speculation comparable to the U.S. dot-com bubble in the late 1990s. He said that when the Chinese market was flush with funds, all stocks rose, and hot sectors such as tech rose faster.

"When people look at this premium, they look for fundamental reasons to explain it, but there are no fundamental reasons," he said.

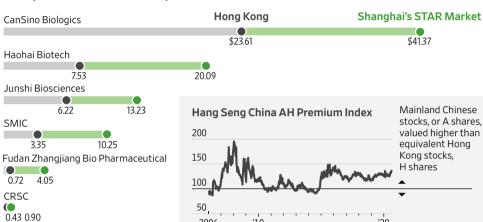
William Fong, head of Hong Kong China Equities at Barings, said Chinese investors' enthusiasm for high-tech



Six companies have listed on Shanghai's year-old STAR, in addition to having listings in Hong Kong. The board's launch last year.

Shares listed on Shanghai's STAR Market are pricier than their Hong Kong equivalents.

Stock price in U.S. dollars Tuesday\*



STAR Market stocks had exaggerated a longstanding phenomenon.

\*Currency conversions as of Tuesday close Sources: FactSet (share prices); Refinitiv (index)

Since 2006, the Hang Seng China AH Premium Index, which tracks premiums for dual-listed shares, has on average shown mainland shares as about 20% pricier than Hong Kong shares, Refinitiv data shows. This month the premium hit 37.5%, a 2½-year

high. In most markets, investors

can seek to profit from price discrepancies, and that arbitrage in turn helps bring the prices closer together.

For example, if an American depositary receipt is worth more than underlying ordinary shares trading abroad, an arbitrager can borrow ADRs and sell them in a process known as short selling. That investor would then buy the cheaper

the trade at a profit. That helps explain why, for example, there is usually little difference in value between Alibaba's Hong Kong shares and its U.S. depositary receipts.

underlying stock, swap it for

depositary receipts, and close

However, most mainland shares, known as A shares, aren't fungible with offshore equivalents in Hong Kong, called H shares. That means that one stock can't be exchanged for the other, even though both carry the same economic rights.

Mr. Fong, at Barings, partly blamed that lack of fungibility, and restrictions on Chinese investors trading abroad, for the gaps. He said mainland investors also behaved differently, paying more attention to news and policy moves, and said limits on short selling onshore

SYDNEY—A cyberattack

**NZX** Ltd., the locally listed

operator of the exchange, said

the cyberattack was carried

out from overseas but didn't

provide any information to

Trading in all cash markets

was suspended for more than three hours Wednesday as the

NZX tried to resolve what it

described as a connectivity is-

sue. The NZX said it was simi-

lar to the problem that forced

it to halt trading about an

on both days were caused by a

distributed denial of service,

or DDoS, attack that floods a

company's network with so

much information that its

More than 37 billion New

website and systems crash.

The NZX said the problems

hour early on Tuesday.

back up the finding.

brought New Zealand's stock

market to a standstill for a

second time in two days.

were another factor.

Ant flagged divergences between the two markets as a "risk factor" in its initial public offering prospectus issued on Tuesday, saying they differed in areas such as trading volumes and the participation of individual or institutional investors. That meant shareprice moves in Shanghai might not be indicative of what happens in Hong Kong, it said.

Links between China and global markets have deepened in recent years, with programs known as Stock Connect enabling international investors in Hong Kong to buy shares in Shanghai and Shenzhen, and vice versa.

However, mainland investors proved willing to buy shares in China's leading chip maker, Semiconductor Manufacturing International Corp., at a large premium on the STAR board, even though they buy considerably cheaper shares in Hong Kong because SMIC already had a Hong Kong stock listing and was included in the Stock Connect system.

No STAR market stocks have been added to the system. That means only international institutions qualified under programs such as China's Qualified Foreign Institutional Investor program can buy STAR shares.

### Links between China and global markets have deepened in recent years.

Market-watchers said that while prices should converge, that could take a long time. Prof. Pettis cited a maxim often attributed to the economist John Maynard Keynes but never confirmed as his.

"Keynes famously said the markets can be irrational longer than you can remain solvent. In other words, ultimately the markets are rational, but in the short term if you bet on it, you could go bankrupt," he said.

New Zealand Exchange Shut by a Cyberattack

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### **BANKRUPTCIES**

### IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

Inre: LIBBEY GLASS	Chapter 11
INC., et al.,	Case No. 20-11439 (LSS)
Debtors.	Jointly Administered

NOTICE OF (A) PLAN CONFIRMATION HEARING (B) OBJECTION AND VOTING DEADLINES AND (C) SOLICITATION AND VOTING PROCEDURES PLEASE TAKE NOTICE OF THE FOLLOWING:

PLEASE TAKE NOTICE OF THE FOLLOWING:
On August 21, 2020, Libbey Glass Inc. and its
affiliate debtors and debtors in possession in the
above-captioned chapter 11 cases (collectively, the
"Devetors") filed their (i) Joint Plan of Reorganization
for Libbey Glass Inc. and its Affiliate Debtors Under
Chapter 11 of the Bankruptcy Code (Docket No.
392) (as may be amended from time to time, the
"Plan") and (ii) Disclosure Statement for the Joint
Plan of Reorganization for Libbey Glass Inc. and
Its Affiliate Debtors Under Chapter 11 of the Bankruptcy Code (Docket No. 393) (as may be amended
from Limba to time, the "Disclosure Statement") 3 on ruptry Code [Docket No. 393] (as may be amended from time to time, the "Disclosure Statement"). On August 24, 2020, the Bankruptcy Court entered an order (i) approving the Disclosure Statement as containing "adequate information" pursuant to Bankruptcy Code Section 1125, (ii) establishing the Voting Record Date, Voting Deadline and other dates (iii) approving procedures for soliciting, receiving and tabulating votes on the Plan and for filling objections to the Plan and (iv) approving the manner, and forms of certain polices [Docket No. manner and forms of certain notices [Docket No. 397] (the "Disclosure Statement Order").

The Debtors are soliciting acceptances of the

397](tine "<u>Discover Statement Order</u>).

The Debtors are soliciting acceptances of the Plan from Holders of Claims who are entitled to vote on the Plan. The Bankruptcy Court can confirt the Plan and bind all Holders of Claims and Equity the Plan and bind all Holders of Claims and Equity Interests if it is accepted by the holders of at least two-thirds in amount and more than one-half in number of the Claims in each Impaired Class who vote on the Plan and if the Plan otherwise satisfies the applicable requirements of Bankruptcy Code Section 1129(a). If the requisite acceptances are not obtained, the Bankruptcy Court nonetheless may confirm the Plan if it finds that the Plan (a) provides fair and equitable treatment in and dose provides fair and equitable treatment to, and does not unfairly discriminate against, each Class reject-ing the Plan; (b) provides that at least one impaired class accepts the Plan without including the votes of insiders in accordance with Section 1129(a)(10) of the Bankruptcy Code; and (c) otherwise satis-fies the requirements of Bankruptcy Code Section 1129(b). If the Plan is confirmed by the Bankruptcy Court, it will be binding on all Holders of Claims and Equity Interests whether or not a particular Holder voted or affirmatively voted to reject the Plan. The Confirmation Hearing to consider confirma-

ice at 10:00 a.m. pre vailing Eastern Time on October 2, 2020, before vailing Eastern Time on October 2, 2020, before the Honorable Laurie Selber Silverstein, United States Bankruptcy Judge, in the United States Bankruptcy Court for the District of Delaware, located at 824 Market Street, 6th Floor, Court-room 2, Wilmington, Delaware 19801, which hearing shall be conducted either by teleconference or videoconference via CourtCall and/or Zoom. The Confirmation Hearing may be continued from time to time by the Bankruptcy Court or the Debtors without further notice other than by such adjournment being announced in open court or by a notice of adjournment filed with the Bankruptcy Court and served on such parties as the Bankruptcy Court and served on such parties as the Bankruptcy or adjournment filed with the Bankruptcy Coun and served on such parties as the Bankruptcy Court may order. Moreover, the Plan may be modified or amended, if necessary, pursuant to Bankruptcy Code Section 1127, prior to, during or as a result of the Confirmation Hearing, without further notice to naties in interest. CRITICAL INFORMATION REGARDING VOTING

No THE PLAN

Voting Record Date: The Voting Record Date is the August 20, 2020. The Voting Record Date is the PLAN date by which it will be determined which Holders of Claims in Classes 5 and 6 are entitled to vote on the Plan and which Holders of Equity Interests in Class 8 have the right to opt-out of the Third Party

IHUS, YOU ARE ADVISED TO REVIEW AND CONSIDER THE PLAN CAREFULLY BECAUSE YOUR
RIGHTS MIGHT BE AFFECTED THEREUNDER.
Plan Objection Deadline. The deadline for filing objections to the Plan is September 21, 2020
at 4:00 p.m. prevailing Eastern Time (the "Plan
Objection Deadline").
Objection to the Plan. Any objection to the Plan
must be filed and served in accordance with the
Disclosure Statement Order by no later than the
Plan Objection Deadline.

ADDITIONAL INFORMATION

Plan Objection Deadline.

ADDITIONAL INFORMATION

Obtaining Solicitation Materials. If you would like to obtain a Solicitation Package or if you have questions regarding the procedures and requirements for objecting to the Plan, you may contact the Debtors' Voting and Claims Agent, Prime Clerk LLC, by: (i) calling the Debtors' restructuring hotline at 877-429-7404 (US/Canada); 646-214-8836 (International); (ii) visiting the Debtors' restructuring website at https://cases.primeclerk.com/libbey/; and/or (iii) writing to (a) Libbey Glass Inc. Ballot Processing, c/o Prime Clerk LLC One Grand Central Place, 60 East 42° Street, Suite 1440, New York, NY 10165 or (b) libbeyinfoe primeclerk.com. You may also obtain copies of any pleadings filed in these chapter 11 cases for a fee via PACETA it http://www.deb.uscourts.gov or free of charge at https://cases.primeclerk.com/libbey/. Please be advised that the Voting and Claims Agent is authorized to answer questions and provide additional copies of solicitation materials but may not advise you as to whether you should vote to accept or reject the Plan.

LATHAM & WATKINS LLP, Attn: George A. Davis,

accept or reject the Plan.

LATHAM & WATKINS LLP, Attn: George A. Davis, Attn: Keith A. Simon, Attn: David Hammerman, Attn: Keith A. Simon, Attn: David Hammerman, Attn: Anu Yerramalli, Attn: Madeleine C. Parish, 885 Third Avenue, New York, New York 10022-4834, Telephone: (212) 906-1200, Fax: 212-751-4864, Telephone: (212) 906-1200, Fax: 212-751.

Attn: John H. Knight (No. 3848), Attn: Russeil C. Silbergied (No. 3462), Attn: Paul N. Heath (No. 3704), Attn: Zachary I. Shapiro (No. 5103), Attn: David T. Queroli (No. 6318), One Rodney Square, 920 North King Street, Willmington, Delaware 19801, Telephone: (302) 651-7700, Fax: 302-651-7701, Co-Counsel to the Debtors

1 The Debtors in these cases, along with the last

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Release under the Plan.

<u>Voting Deadline</u>. The deadline for voting on the Plan is 5:00 p.m. prevailing Eastern Time on September 21, 2020 (the "<u>Voting Deadline</u>"). If you hold a Claim or Equity Interest against one or more of the Debtors as of the Voting Record Date and are entitled to either (i) vote to accept or reject the Plan or (ii) opt-out of the Third Party Release provided unjer the Plan, ou should have received.

provided under the Plan, you should have received a Ballot and corresponding voting instructions. For your vote to be counted, you <u>must</u>: (a) follow such instructions carefully, (b) complete <u>all</u> the required information on the Ballot, <u>and</u> (c) sign, date and return your completed Ballot so that it is <u>actually</u> received by the Voting and Claims Agent according to and as set forth in detail in the voting instructions on or before the Voting Deadline. A failure to follow such instructions may disqualify your vote.

IOW SUCH INSTRUCTIONS MAY DISQUAITTY YOUR VOTE

CRITICAL INFORMATION REGARDING

OBJECTING TO THE PLAN

ARTICLE X OF THE PLAN CONTAINS RELEASE,

EXCULPATION AND INJUNCTION PROVISIONS.

The Debtors in these cases, along with the las <sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Libbey Glass Inc. (4107), Libbey Debtor LLC (6913). Syracuse China Company (1904), The Drummond Glass Company (0383), LGC Corp. (6034), LGAC LLC (0497), World Tableware Inc. (1231), LGFS Inc. (0975), LGAU Corp. (5531), LGA4 Corp. (5673), and LGA3 Corp. (1505). The Debtors' address is P.O. Box 10060, Toledo, Ohio 43699-0060. Capitalized terms used but not otherwise

defined herein will have the meanings set forth in the Plan or Disclosure Statement Order, as

**BUSINESS OPPORTUNITIES** 

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### **COMMERCIAL REAL ESTATE**

UCC PUBLIC SALE NOTICE

PLEASE TAKE NOTICE THAT Jones Lang LaSalle, on behalf of FORETHOUGHT LIFE INSURANCE COMPANY, an Indiana corporation, ("Secured Party") will offer for sale at public auction 100% for regular membership or limited partnership interests (the "Mombership Interests") held by the seventeen (17) Cooper Hotel Borrowers (specifically, PLD Hotel Partners, LLC, NHH Mezz LLC, ASH-C Mezz LLC, FMA-II Mezz LLC, Romlus Suites Mezz LLC, CDAH I Mezz LLC, CDAH II Mezz LLC, GP Memphis Partners LLC, GP Memphis Mezz LLC, GP Murfreesboro Partners LLC, GP Malf Mezz LLC, GP Jackson Mezz LLC, GP Jackson Partners LLC, GP Oak Ridge Mezz LLC, GP Johnson City Partners, LLC, and GP Johnson City Mezz LLC, in their respective Mortgage Borrower(s) or Managing Entit(ies) (collectively, the "Pledged Entitles"), as set forth in the Mezzanine Pledge and Security Agreement (the "Pledge Agreement"), together with certain rights and property representing, relating to, or arising from the Membership Interests (collectively, the "Collateral").

Based upon information provided by the Cooper Companies and their affiliates, it is the understanding of Secured Party (but without any recourse to, or representation or warranty of any wind by, Secured Party as to accuracy or completeness) that (i) the Membership Interests constitute the principal asset of the Cooper Hotel Borrowers, (ii) each Cooper Hotel Borrower owns the regular membership or illimited partnership interests in its respective Mortgage Borrower or Managing Entity; (iii) the Membership Interests on and Tennessee (the "Properties"), and (iv) the Cooper Hotel Borrower activation of \$11 hotels located Florida, Michigan, and Tennessee (the "Properties"), and (iv) the Cooper Hotel Borrowers are debtors under a mezzanine loan in the original principal amount of \$31.480,000.00 (the "Mezzanine Loan"), which loan is in default.

The Sale will take place on October 7, 2020 at 11:00 a.m. Eastern Time in compliance with New

The Collateral will be sold as a single unit and is offered AS IS, WHERE IS, WITH ALL FAULTS. Secured Party makes no guarantee, representation or warranty, express or implied, as to any matter pertaining to the Collateral, and the sale of the Collateral will be made without recourse to, and without representation or warranty by, Secured Party. The Collateral includes unregistered securities under the Securities Act of 1933, as amended (the "Securities Act"), and Secured Party reserves the right to restrict participation in the Sale to prospective bidders that represent that the Collateral will not be sold, assigned, pledged, disposed of, hypothecated or otherwise transferred without the prior registration in accordance with the Securities Act and the securities laws of all other applicable interdictions, unless an exemption from such sedistriction is available.

will not be sold, assigned, pleaged, disposed of, hypotnecated or otherwise transferred without the prior registration in accordance with the Securities Act and the securities laws of all other applicable jurisdictions, unless an exemption from such registration is available.

PLEASE TAKE NOTICE that there are specific requirements for any potential bidder in connection with obtaining information, bidding on the Collateral and purchasing the Collateral (collectively, the sale of the Collateral set forth in the Intercreditor Agreement dated as of September 6, 2017 (the "Requirements"), including, but not limited to, that such bidder must be a "Qualified Transferee," and the winning bidder must deliver replacement guarantees from a Supplemental Third Party Obligor (defined in the ICA), (2) complying with the pledged Entity's governing documents and the documents governing the Mezzanine Loan and the Senior Loan, and (3) complying with the other qualifications and requirements (including but not limited to the Terms of Sale relating to the sale of the Collateral (the "Terms of Sale").

An online datasite for the Sale (the "Datasite") is available at <a href="http://www.cooperhotelportfolioucoforeclosure.com">http://www.cooperhotelportfolioucoforeclosure.com</a> which will include certain relevant information that Secured Party possesses concerning the Cooper Hotel Borrowers, the Mortgage Borrowers, the Managing Entities, the Properties, the Mezzanine Loan, and the ICA (collectively, the "Disclosed Materials") as well as the Terms of Sale. Access to such information will be conditioned upon execution of a confidentiality agreement which can be found on the Datasite. To participate in the auction prospective bidders must confirm their ability to satisfy the Requirements in the manner described in the Terms of Sale, and following such confirmation, such qualified participants will be provided a URL and password enabling access to the video conference for the Sale. No information for wider of the sale in the Sale. Repr

and password enabling access to the video conference for the Sale. No information provided, whether in the Datasite or otherwise, shall constitute a representation or warranty of any kind with respect to such information, the Collateral or the Sale. Participants are encouraged to review all Disclosed Materials and perform such due diligence as they deem necessary in advance of the Sale. Secured Party reserves the right to credit bid, set a minimum reserve price, reject all bids and terminate or adjourn the sale to another time, without further notice. All bids (other than credit bids of Secured Party) must be for cash with no financing conditions and the successful bidder must deliver immediately available good funds (1) for the Required Deposit (as defined in the Terms of Sale) on the date of the Sale, and (2) for the balance of the purchase price for the Collateral on the closing date prescribed by the Terms of Sale. The winning bidder must pay all transfer taxes, stamp duties and similar taxes incurred in connection with the purchase of the Collateral.

Questions may be directed to Brett Rosenberg at +1 212-812-5926 or brett.rosenberg@am.ill.com.

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**AN AUCTION FOR THE ASSETS** of Prism Skylabs, a platform for intelligent security camera management. he platform transforms cameras into powerful business tools. The property will be auctioned on September 9, 2020 at 10:00 AM PDT

PRISM SKYLABS

Interested? Contact Molly Froschauer at Sherwood Partners by September 7, 2020 at mfroschauer@sherwoodpartners.com or at (310) 295-2130.

Count), which loan is in default.

The Sale will take place on October 7, 2020 at 11:00 a.m. Eastern Time in compliance with New York Uniform Commercial Code Section 9-610 (i) at the front steps of the New York County Supreme Court Building, located at 60 Centre Street, New York, New York 10007; and (ii) in recognition of the COVID-19 pandemic and related limitations on public assemblies, the Sale will also be conducted virtually via online video conference. The URL address and password will be provided to all registered

# WeChat

Pushback

ymous messaging app, Instagram and **Twitter** are blocked in China and Facebook-owned WhatsApp chat messenger is sporadically unusable. There is no comparable Chinese alter-

bers within China have also done member surveys, but AmCham Shanghai is the first to release poll findings publicly.

WeChat is seen as a necessity by the local government and Chinese authorities turn to the app when they seek to communicate with companies. the chamber said. It cited an example of how financial regulators often issued directives

lion) is traded annually on the NZX-run exchange, which provides an important source of capital for local businesses, especially agricultural groups such as Fonterra Co-operative Group Ltd., the world's largest dairy exporter. Many of Australia's largest financial institutions, including Westpac Banking Corp., are dual-listed in New Zealand. A spokesperson for Spark

Zealand dollars (US\$24.2 bil-

New Zealand Ltd., which is NZX's network operator, said it could see the internet traffic was coming through its global gateway, but the distributed nature of the attack meant it was almost impossible to determine the source.

Two New Zealand government agencies involved in cybersecurity declined to comment on the matter.

Trade on the NZX resumed at 3 p.m. local time Wednesday following the second incident.

# Ban Draws

Continued from page B1 banned. Facebook Inc.'s eponnative.

Other U.S. business cham-

or window guidance to U.S. banks using the app, and how the chat messenger was critical for arranging meetings, as well as hosting functions that enable companies to make appointments for their businesslicense application and registration process. U.S. logistics companies

could also be put at a greater compliance risk, AmCham Shanghai added. China's logistics regulator uses WeChat to mandate daily temperature reporting during the coronavirus crisis. Without WeChat, U.S. logistics companies would be unable to comply with regulations, the advocacy group said.

In an increasingly cashless society such as China, losing the ability to take mobile payments using WeChat could also put firms at a competitive disadvantage, said Ker Gibbs, the president of AmCham Shanghai. "Customers who use WeChat will be reluctant to switch platforms and likely abandon U.S. products for their Chinese, European and other competitors," he said.

# **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

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

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 inhouse 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 ap-

"Although it was customized for different users, it was still not very precise," said Carolina Barcenas, 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. Barcenas 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 biotechs 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 federalgovernment 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 Advanced Research and Devel- I received an email from Operashare 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 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 socalled CoronaWatch, a program run by the Biomedical

opment 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 Cyto-Dyn 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.

tion 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. CytoDvn 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 Cyto-Dyn. "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, Arian Colachis, CytoDyn's general counsel, pointed to the April filing. "The document speaks for itself, and we have no further comment," she said.



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The coronavirus pandemic has put realtime social media tools to the test. Go inside what has changed at Facebook, and join us for a wide-ranging conversation on tech's responsibilities and opportunities during this new normal.



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# MARKETS DIGEST

### **EQUITIES**

### **Dow Jones Industrial Average**

**28331.92 \( \)** 83.48, or 0.30% High, low, open and close for each trading day of the past three months.

Trailing P/E ratio 28.30 18.70 P/E estimate \* 25.34 16.98 Dividend vield 2.27 2.31 All-time high 29551.42, 02/12/20

S&P 500 Index

**3478.73 △** 35.11, or 1.02% Trailing P/E ratio \* P/E estimate \* High, low, open and close for each Dividend vield \* trading day of the past three months.

35.35 22.49 26.17 17.62 1.79 1.95 All-time high 3478.73, 08/26/20

## **Nasdaq Composite Index**

**11665.06 198.59**, or 1.73% High, low, open and close for each trading day of the past three months.

June

Trailing P/E ratio \*† 36.75 23.55 P/E estimate \*† 32.61 21.12 Dividend yield \*† 0.77 1.05 All-time high: 11665.06, 08/26/20





# 3550 3400 3250 3100 65-day moving average 2950 2800

2650 July June Aug.



### Major U.S. Stock-Market Indexes

			1 -44				,	-0.14/1-		0/	ala a
•	High	Low	Latest Close	Net chg	% chg	)	High	52-Week — Low	% chg		chg —— 3-yr. ann.
Dow Jones											
Industrial Average	28353.80	28153.91	28331.92	83.48		0.30	29551.42	18591.93	8.8	-0.7	9.1
Transportation Avg	11164.18	11057.36	11126.55	-0.46	-0.004		11304.97	6703.63	12.3	2.1	6.8
Utility Average	806.32	797.34	798.89	-11.91	-1.47		960.89	610.89	-4.9	-9.1	2.3
Total Stock Market	35434.17	35093.19	35403.50	325.33		0.93	35403.50	22462.76	19.7	7.2	11.9
Barron's 400	736.18	733.08	734.82	-0.99	-0.13		746.64	455.11	13.7	0.4	5.0
Nasdaq Stock Mark	et										
Nasdaq Composite	11672.05	11507.46	11665.06	198.59		1.73	11665.06	6860.67	48.5	30.0	23.0
Nasdaq 100	11979.65	11768.00	11971.94	250.13		2.13	11971.94	6994.29	<b>57.</b> 8	37.1	27.2
S&P											
500 Index	3481.07	3444.15	3478.73	35.11		1.02	3478.73	2237.40	20.5	7.7	12.5
MidCap 400	1936.38	1925.08	1928.63	-7.10	-0.37		2106.12	1218.55	4.3	-6.5	4.1
SmallCap 600	910.34	901.48	902.38	-7.97	-0.88		1041.03	595.67	-0.4	-11.6	2.9
Other Indexes											
Russell 2000	1572.57	1559.73	1560.19	-11.02	-0.70		1705.22	991.16	5.9	-6.5	4.2
NYSE Composite	13057.86	12975.96	13042.54	40.55		0.31	14183.20	8777.38	3.8	-6.3	3.4
Value Line	479.81	477.23	477.82	-1.77	-0.37		562.05	305.71	-3.7	-13.5	-2.1
NYSE Arca Biotech	5388.16	5339.24	5352.39	-34.68	-0.64		6142.96	3855.67	22.4	5.6	11.3
NYSE Arca Pharma	673.18	666.35	672.81	0.56		80.0	672.81	494.36	16.1	2.9	8.9
KBW Bank	77.16	76.06	76.07	-1.28	-1.65		114.12	56.19	-16.2	-32.9	-6.9
PHLX <sup>§</sup> Gold/Silver	150.52	144.23	150.50	4.54		3.11	161.14	70.12	48.7	40.8	20.6
PHLX <sup>§</sup> Oil Service	36.79	35.49	35.65	-1.11	-3.02		80.99	21.47	-42.3	-54.5	-33.6
PHLX <sup>§</sup> Semiconductor	2256.45	2237.45	2250.23	7.17		0.32	2250.23	1286.84	53.8	21.7	27.7
Cboe Volatility	23.27	20.92	23.27	1.24		5.63	82.69	11.54	20.3	68.9	27.3

Sources: FactSet; Dow Jones Market Data

### **Late Trading**

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6:30 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

### Most-active issues in late trading Volume

LCI

LI

SLGN

Company	Symbol	(000)	Last	Net chg	% chg	High	Low
SPDR S&P 500	SPY	5,101.2	347.56	-0.01	-0.003	348.37	346.83
NIO ADR	NIO	4,965.3	20.45	0.01	0.05	20.69	19.92
Microsoft	MSFT	3,614.2	220.92	-0.23	-0.10	221.48	214.79
Kinross Gold	KGC	3,361.8	8.72		unch.	8.74	8.71
Facebook CI A	FB	2,685.6	303.51	-0.40	-0.13	307.77	303.43
Altria Group	MO	2,499.0	43.35	0.15	0.35	43.40	42.95
iShares MSCI EAFE ET	<b>F</b> EFA	2,436.1	65.69		unch.	65.77	65.69
Box CI A	BOX	2,280.5	20.99	1.70	8.81	22.45	19.29
Percentage gai	ners						
NetApp	NTAP	1,565.1	46.70	4.49	10.64	48.59	41.96
Box CI A	BOX	2,280.5	20.99	1.70	8.81	22.45	19.29
Kirkland's	KIRK	58.4	8.17	0.35	4.48	8.48	7.82
Allison Transmission	ALSN	961.7	36.35	1.18	3.36	36.35	35.17
Vertiv Holdings	VRT	53.6	17.25	0.51	3.05	17.58	16.74
And losers							
Williams-Sonoma	WSM	753.2	93.03	-5.93	-5.99	101.12	87.50
VICI Properties	VICI	54.6	21.60	-1.18	-5.18	22.78	21.60

### 59.7 5.80 -0.25 -4.13 6.32 5.50 23.58 780.5 22.45 -0.93 -3.98 21.80 807.2 -1.29 -3.42 37.69

### **Trading Diary**

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	745,327,673	20,271,788
Adv. volume*	302,235,812	14,527,742
Decl. volume*	438,828,368	5,510,365
Issues traded	3,085	270
Advances	1,175	134
Declines	1,819	120
Unchanged	91	16
New highs	89	3
New lows	11	1
Closing Arms†	0.81	0.38
Block trades*	4,672	157
	Nasdaq	NYSE Arca
Total volume*3	3,427,478,245	192,365,867
Adv. volume*2	,058,062,406	109,404,754
Decl. volume*1	.,330,216,148	82,170,177
Issues traded	3,456	1.428

	Nasdaq	NYSE Arca					
Total volume*3,42	27,478,245	192,365,867					
Adv. volume*2,05	8,062,406	109,404,754					
Decl. volume*1,33	30,216,148	82,170,177					
ssues traded	3,456	1,428					
Advances	1,437	829					
Declines	1,924	572					
Jnchanged	95	27					
New highs	184	229					
New lows	10	29					
Closing Arms†	0.48	1.11					
Block trades*	17,083	1,082					
Primary market NYSE, NYSE American NYSE Arca only.							

issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1indicates selling pressure.

### **International Stock Indexes**

Region/Country	y Index	Close	Net chg	— Latest ——— % chg	<ul> <li>YTD</li> <li>% chg</li> </ul>
World	The Global Dow	3103.29	23.72	0.77	-4.6
	DJ Global Index	444.51	3.59	0.81	2.4
	DJ Global ex U.S.	254.12	1.47	0.58	-3.6
Americas	DJ Americas	807.91	7.97	1.00	6.2
Brazil	Sao Paulo Bovespa	100627.33	-1490.31	-1.46	-13.0
Canada	S&P/TSX Comp	16789.97	172.49	1.04	-1.6
Mexico	S&P/BMV IPC	37753.04	-496.86	-1.30	-13.3
Chile	Santiago IPSA	2661.04	-24.86	-0.93	-20.2
EMEA	Stoxx Europe 600	373.12	3.37	0.91	-10.3
Eurozone	Euro Stoxx	368.63	3.42	0.94	-8.7
Belgium	Bel-20	3400.38	30.86	0.92	-14.0
Denmark	OMX Copenhagen 20	1331.79	5.44	0.41	17.3
France	CAC 40	5048.43	40.16	0.80	-15.6
Germany	DAX	13190.15	128.53	0.98	-0.4
Israel	Tel Aviv	1425.58	11.95	0.85	-15.3
Italy	FTSE MIB	20137.29	107.24	0.54	-14.3
Netherlands	AEX	566.23	6.43	1.15	-6.3
Russia	RTS Index	1273.24	6.08	0.48	-17.8
South Africa	FTSE/JSE All-Share	56572.24	458.01	0.82	-0.9
Spain	IBEX 35	7123.00	14.60	0.21	-25.4
Sweden	OMX Stockholm	709.51	6.63	0.94	4.2
Switzerland	Swiss Market	10309.65	78.40	0.77	-2.9
Turkey	BIST 100	1099.02	6.85	0.63	-4.0
U.K.	FTSE 100	6045.60	8.60	0.14	-19.8
U.K.	FTSE 250	17753.57	175.68	1.00	-18.9
Asia-Pacific					
Australia	S&P/ASX 200	6116.40	-44.99	-0.73	-8.
China	Shanghai Composite	3329.74	-43.84		9.2
Hong Kong	Hang Seng	25491.79	5.57	0.02	-9.6
India	S&P BSE Sensex	39073.92	230.05	0.59	-5.3
Japan	Nikkei Stock Avg	23290.86	-5.91	-0.03	-1.5
Singapore	Straits Times	2542.08	-16.95	-0.66	-21.
South Korea	Kospi	2369.32	2.59	0.11	7.8
Taiwan	TAIEX	12833.29	75.04	0.59	7.0
Thailand	SET	1322.55	6.56	0.50	-16.3

### Percentage Gainers...

Company	Symbol	Close	Net chg	% chg	High	Low	% chg
BigCommerce Holdings	BIGC	139.00	34.91	33.54	151.99	63.77	
Fluent	FLNT	3.02	0.73	31.88	3.90	1.02	2.7
Fluidigm	FLDM	11.43	2.64	30.03	12.45	1.17	124.6
Li Auto ADR	LI	23.38	5.15	28.25	24.48	14.31	
Cryoport	CYRX	51.51	11.25	27.94	56.56	12.40	135.1
Salesforce.com	CRM	272.32	56.27	26.04	277.97	115.29	79.4
voxeljet ADR	VJET	7.40	1.46	<b>24.5</b> 8	11.85	2.92	-4.5
Comstock Hldg Cl A	CHCI	3.46	0.67	24.01	6.26	1.06	68.8
Anaplan	PLAN	58.15	10.33	21.60	63.71	26.04	8.8
Urban Outfitters	URBN	25.25	4.45	21.39	31.41	12.28	7.2
CNS Pharmaceuticals	CNSP	2.64	0.46	21.10	5.69	1.26	
Envision Solar Intl	EVSI	13.25	2.27	20.67	15.98	3.90	158.3
MICT	MICT	5.10	0.86	20.28	8.45	0.38	696.9
Valhi	VHI	12.65	1.96	18.33	27.84	9.02	-44.5
Ruhnn Holding ADR	RUHN	3.21	0.49	18.01	9.60	2.49	-36.4

Lannett Co

Li Auto ADR

Silgan Holdings

### **Most Active Stocks**

Company	Symbol	(000)	65-day avg	Close	% chg	High	Low			
NIO ADR	NIO	359,890	186.2	20.44	14.57	20.97	1.19			
Northern Dynasty Minerals	NAK	150,811	1127.7	0.88	44.70	2.49	0.35			
Fluidigm	FLDM	133,388	3959.3	11.43	30.03	12.45	1.17			
SCWorx	WORX	103,104	26240.1	2.12	29.75	14.88	1.36			
Facebook CI A	FB	68,534	173.8	303.91	8.22	304.67	137.10			
Salesforce.com	CRM	62,796	927.2	272.32	26.04	277.97	115.29			
General Electric	GE	56,882	-36.4	6.48	-1.67	13.26	5.48			
iShares Silver Trust	SLV	54,482	11.4	25.57	3.27	27.39	10.86			
Gevo	GEVO	53,453	100.9	1.24	-16.22	3.60	0.46			
SPDR S&P 500	SPY	50,439	-35.6	347.57	1.00	347.86	218.26			
* Volumes of 100,000 shares or more are rounded to the nearest thousand										

Volume %chafrom Tlatest Session --- 52-Week

**Forex Race** 

Yen, euro vs. dollar; dollar vs.

-8 | | | | | | | | | | | | |

2020

major U.S. trading partners

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**Percentage Losers** 

Company	Symbol	Close	Net chg	% chg	High	Low	% chg
Garrett Motion	GTX	3.84	-3.04	-44.19	12.64	2.50	-61.3
Sphere 3D	ANY	1.92	-0.78	-28.89	5.55	0.33	45.5
Innodata	INOD	1.80	-0.47	-20.70	2.68	0.75	40.6
Pioneer Power Solutions	PPSI	1.89	-0.46	-19.57	6.19	0.90	-65.9
XpresSpa Group	XSPA	2.68	-0.62	-18.79	8.82	0.15	-31.3
Rex American Resources	REX	63.36	-14.12	-18.22	98.79	33.81	-8.8
Pacific Ethanol	PEIX	3.32	-0.70	-17.41	5.33	0.22	526.4
Aemetis	AMTX	1.72	-0.36	-17.31	3.47	0.37	124.8
Orchard Therapeutics ADR	ORTX	5.13	-0.99	-16.18	17.48	4.44	-62.2
Farmer Bros.	FARM	6.50	-1.23	-15.91	17.38	4.70	-43.6
Edison Nation	EDNT	2.00	-0.37	-15.61	5.20	1.32	-16.7
Altimmune	ALT	18.42	-3.15	-14.60	35.10	1.51	830.3
iMedia Brands Cl A	IMBI	6.50	-1.06	-14.02	8.86	1.35	51.6
Keros Therapeutics	KROS	53.56	-8.65	-13.90	65.50	19.10	
Kirkland's	KIRK	7.82	-1.25	-13.78	13.58	0.56	470.8

### **Volume Movers** Ranked by change from 65-day average\*

Volume %chg from —Latest Session — 52-Week

Соттрату	Symbol	(000)	65-day avg	Close	% CHG	піgп	LOW
Trine Acquisition	TRNE	19,760	14848	11.23	10.75	11.69	9.40
Nuveen Enh Yd US Agg Bd	NUAG	4,694	6820	25.81	0.04	26.49	22.55
iSh Intl Dev Property	WPS	4,003	6047	32.24	0.31	40.22	23.31
Fluidigm	FLDM	133,388	3959	11.43	30.03	12.45	1.17
i MDB iHedgeStrategyETF	DBEH	102	1611	27.44	0.33	27.45	20.09
Stable Road Acquisition	SRAC	726	1318	9.91	0.20	10.15	9.20
Tuscan Holdings	THCB	1,843	1271	10.17	0.25	10.28	9.16
Cryoport	CYRX	7,581	1189	51.51	27.94	56.56	12.40
AGBA Acquisition	AGBA	66	<b>117</b> 8	10.30	0.00	10.71	9.86
Live Oak Acquisition	LOAK	621	1171	9.81	-0.41	10.22	9.60
* Common stocks priced at \$2 a sl			n average vo	lume ove	r 65 tradii	ng days of	at least

5,000 shares  $\,$  †Has traded fewer than 65 days

### **CURRENCIES & COMMODITIES**

### **Currencies**

LLS -dollar foreign-eychange rates in late New York trading

U.Sdollar forei	gn-excn	lange ra		nate new York t	rading		
			US\$ vs,				US\$ vs,
C		Ved —	YTD chg	C		/ed <del></del>	YTD chg
Country/currency	in US\$	per US\$	(%)	Country/currency	in US\$	per US\$	
Americas				<b>Vietnam</b> dong	.00004315	23175	0.01
Argentina peso	.0136	73.7914	23.2	Europe			
<b>Brazil</b> real	.1782	5.6103	39.6	Czech Rep. koruna	.04505	22.200	-2.1
Canada dollar	.7608	1.3145	1.2	Denmark krone	.1589	6.2913	-5.6
Chile peso	.001275	784.60	6.1	Euro area euro	1.1832	.8452	-5.2
Colombiapeso	.000261	3835.55	16.9	<b>Hungary</b> forint	.003325	300.71	1.8
Ecuador US dollar	1		unch	Iceland krona	.007249	137.95	13.9
Mexico peso		21.9418		Norway krone	.1125	8.8880	1.2
<b>Uruguay</b> peso	.02337	42.7950	15.2	Poland zloty	.2680	3.7314	
Asia-Pacific				Russia ruble	.01322	75.659	21.9
Australian dollar	.7234	1.3824	-2 N	Sweden krona	.1147	8.7185	-6.9
China yuan	.1452	6.8860		Switzerland franc	1.1008	.9084	-6.1
Hong Kong dollar	.1290			Turkey lira	.1357	7.3699	23.9
India rupee	.01347	74.222	4.0	<b>Ukraine</b> hryvnia		27.5500	16.4
<b>Indonesia</b> rupiah	.0000683	14649	5.5	<b>UK</b> pound	1.3210	.7570	0.4
Japan yen	.009435	105.99		Middle East/Afri	ca		
Kazakhstan tenge	.002379	420.35	10.1	Bahrain dinar	2.6546	.3767	-0.1
Macau pataca	.1253	7.9830	-0.4	Egypt pound	.0630	15.8728	-1.1
Malaysia ringgit	.2399	4.1685	1.9	<b>Israel</b> shekel	.2941	3.4000	-1.6
New Zealand dollar	.6621	1.5103	1.7	Kuwait dinar	3.2702	.3058	0.9
Pakistan rupee	.00593	168.500	8.7	Oman sul rial	2.5972	.3850	0.01
Philippines peso	.0206	48.572	-4.2	<b>Qatar</b> rial	.2746	3.642	-0.05
Singapore dollar	.7323	1.3656	1.5	Saudi Arabia riyal	.2666	3.7507	-0.02
South Korea won	.0008440	1184.79	2.6	South Africa rand	.0593	16.8745	20.6
Sri Lanka rupee	.0053709	186.19	2.7				
Taiwan dollar	.03406	29.363	-1.8		Close Net C	hg %Chg	YTD%Chg

.03199 31.260 **5.0 WSJ Dollar Index** 88.23 -0.16-0.19 **-1.49** es: Tullett Prebon, Dow Jones Market Data

# Total Return (%)

.40	5.26	Source
.94	11.38	Cor
.85	5.19	-
.79	3.68	DJC
366	3.902	TR/C
907	4.044	Crud

# mmodities

		vvedile	esuay		JZ-VVEEK		TIL
	Close	Net chg	% Chg	High	Low	% Chg	% cho
OJ Commodity	630.73	1.20	0.19	647.86	433.70	5.51	-1.8
TR/CC CRB Index	152.46	-0.19	-0.12	187.39	106.29	-10.95	-17.9
Crude oil, \$ per barrel	43.39	0.04	0.09	63.27	-37.63	-22.21	-28.9
Natural gas, \$/MMBtu	2.461	-0.028	-1.12	2.862	1.482	9.33	12.4
<b>Gold,</b> \$ per troy oz.	1940.70	28.90	1.51	2051.50	1452.10	26.20	27.7

### Sources: J.P. Morgan; S&P Dow Jones Indices; Bloomberg Barclays; ICE Data Services Get real-time U.S. stock quotes and track most-active stocks, new highs/lows and mutual funds. Plus, deeper money-flows data and email delivery of key stock-market data. Available free at WSJMarkets.com

### **Consumer Rates and Returns to Investor Selected rates U.S.** consumer rates 5-year CDs A consumer rate against its

benchmark over the past year Bankrate.com avg†: Federal-funds 2.00% target rate 1.50 1.00 Five-year CD yields

Washington Savings Bank 0.95% 978-458-7999 Lowell, MA Colorado Federal Savings Bank 1.00% 877-484-2372 Greenwood Village, CO **CFG Community Bank** 1.05% 888-205-8388 Baltimore, MD **TAB Bank** 1.10% 800-355-3063 Ogden, UT First Internet Bank of Indiana 1.16%  $\mathsf{SONDJFMAMJJA}$ Indianapolis, IN 888-873-3424 2020

−Yield/Rate (%)− Last (●) Week ago 52-Week Range (%) — 3-yr chg Low 0 2 4 6 8 High (pct pts) Interest rate 0.00 **0.00-0.25** 0.00-0.25 2.00 -1.00 Federal-funds rate target Prime rate\* 3.25 3.25 3.25 5.25 -1.00 0.25 0.23 2.16 -1.06 Libor, 3-month 0.26 Money market, annual yield 0.24 0.24 0.24 0.78 -0.05 -0.80 Five-year CD, annual yield 0.67 0.67 0.67 1.75 **30-year mortgage,** fixed<sup>†</sup> 3.12 3.06 3.03 4.22 -0.72 15-year mortgage, fixed<sup>†</sup> 3.57 -0.44 2.61 2.67 2.58 Jumbo mortgages, \$510,400-plus 3.15 3.10 3.06 4.71 -1.19 3.28 3.06 4.78 -0.10 Five-year adj mortgage (ARM)† 3.20 4.17 New-car loan, 48-month 4.25 4.26 4.65 1.36 Bankrate.com rates based on survey of over 4,800 online banks. Base rate posted by 70% of the nation's largest Sources: FactSet; Dow Jones Market Data; Bankrate.com

# Treasury yield curve

Yield to maturity of current bills, notes and bonds

**CREDIT MARKETS** 

0.67%



month(s)

2019 Sources: Tradeweb ICE U.S. Treasury Close; Tullett Prebon; Dow Jones Market Data Corporate Borrowing Rates and Yields

Close Bond total return index Last Weekago High Low 52-wk U.S. Treasury, Barclays 2479.180 0.500 0.490 1.910 0.400 U.S. Treasury Long, Barclays 4887.060 1.310 1.310 2.370 0.980 2277.980 **1.160** 1.140 2.460 1.020

**Aggregate**, Barclays **Fixed-Rate MBS**, Barclays 2226.100 **1.240** 1.140 2.690 0.930 **High Yield 100** ICE BofA 3173.195 **4.274** 4.541 10.740 4.268 Muni Master, ICE BofA 588.483 **0.976** 0.927 3.441 0.838 **EMBI Global**, J.P. Morgan 900.796 **4.697** 4.660 7.480 4.523 **4.033** 4.020

# **COMMODITIES**

wsj.com/market-data/commodities

### **Futures Contracts**

Futu	ires (	Contr	acts			
	M	etal & F	Petroleum	Future	S	
		Cor	ntract			Open
<b></b>	Open		hi lo Low	Settle	Chg	interest
Copper Aug	- <b>Hign (Ci</b> 2.9450	<b>MX)-</b> 25,00 2.9655	0 lbs.; \$ per lb. 2.9450	2.9595	0.0285	299
Dec	2.9595	2.9895	2.9510	2.9815	0.0280	117,993
		oy oz.;\$ pe				
Aug	1909.70	1926.60	1909.70	1940.70	28.90	161
Oct Dec	1930.50 1939.00	1949.90 1958.40	1901.40 1908.40	1944.10 1952.50	28.50 29.40	71,792 400,382
Feb'21	1945.90	1965.90	1916.80	1960.30	29.20	34,874
April	1949.60	1971.30	1922.40	1966.00	29.40	18,272
June	1953.20	1976.10	1930.60	1970.50	29.20	8,224
	ım (NYM	<b>)</b> - 50 troy (	oz.;\$ per troy o			
Aug Sept	2177.10	2199.80	2143.60	2188.20 2190.60	18.90 18.70	1 1,576
Dec	2177.10	2224.20	2143.60	2212.90	19.10	7,762
March'21				2215.30	23.20	102
June				2209.40	23.10	7
	m (NYM)	-50 troy oz	.;\$ per troy oz.			
Aug		04/ 10		936.40	5.80	15
Oct Silver (	937.90	946.10	915.50 \$ per troy oz.	939.80	5.80	49,767
Aug	26.995	27.020	26.955	27.430	1.176	16
Dec	26.760	27.670	26.310	27.604	1.178	131,844
Crude C	il, Light	Sweet (	<b>NYM)</b> -1,000 bl	bls.;\$perb	bl.	
Oct	43.39	43.78	43.00	43.39	0.04	378,145
Nov Dec	43.74	44.05	43.32	43.69 44.00	0.04	209,462
Dec March'21	43.98 44.78	44.33 45.07	43.63 44.54	44.00 44.81	0.06	266,620 128,111
June	45.41	45.59	45.03	45.35	0.03	180,789
Dec	45.99	46.13	45.66	45.87	-0.04	192,479
NY Har			42,000 gal.; \$ p			
Sept	1.2601	1.2645	1.2320	1.2447	0154	23,219
Oct Gasolin	1.2756 O-NV DE	1.2790	1.2475 <b>(1)</b> -42,000 gal.;	1.2602	0144	96,457
Sept	1.4000	1.4000	1.3264	ъ рег даі. <b>1.3606</b>	0353	31,717
Oct	1.2705	1.2734	1.2391	1.2634	0051	130,422
			) MMBtu.; \$ per			
Sept	2.480	2.557		2.461	028	18,008
Oct	2.579	2.654	2.519	2.574	022	230,572
Nov Dec	2.845 3.130	2.897 3.173	2.785 3.081	2.825 3.111	028 031	194,271 99,929
Jan'21	3.245	3.282	3.197	3.226	027	130,915
March	3.065	3.100	3.020	3.047	024	89,255
		Agric	ulture Fut	ures		
Corn (CI	<b>3T)</b> -5.000	bu.; cents p				
Sept	340.25	341.25	337.25	340.50	25	119,491
Dec	353.75	355.00	351.25	354.25	25	774,080
		bu.; cents p		263.25	0.00	147
Sept Dec	271.25 271.25	272.25 272.75	261.00 261.25	264.00	-9.00 -7.50	4,462
			cents per bu.	204.00	7.50	7,702
Sept	914.00	920.25	914.00	919.50	5.75	20,718
Nov	920.00	925.75	919.50	924.25	4.00	381,040
			tons; \$ per ton. 290.20	291.50	10	27 201
Sept Dec	292.00 300.30	293.00 301.30	290.20	291.50 299.30	10 70	27,296 172,438
			lbs.; cents per l			
Sept	31.99	32.45	31.98	32.24	.26	21,864
Dec	32.28	32.73	32.25	32.53	.25	181,555
			vt.;\$percwt.	100:		
Sept	12.06	12.28	12.05	12.26 12.32	.24 .24	975
Nov <b>Wheat</b>	12.17 (CRT)-5.0	12.34 00 bu.; cent	12.10	12.52	.24	8,707
Sept	527.00	532.75	523.25	532.00	4.75	20,021
Dec	535.25	540.50	531.50	539.75	4.25	205,789
		0 bu.; cents			,	
Sept	443.75	450.75	437.75	450.25	6.00	20,547
Dec Cattle-l	454.75 <b>Foodor</b> (	462.00	448.75 200 lbs.; cents p	461.25	5.75	155,867
Cattle-i Aug	142.650	142.800	142.025 (142.025	142.475	.225	1,966
Oct	143.000	143.975	141.150	141.925	-1.150	17,425
	Live (CM	<b>E)</b> -40,000	lbs.; cents per ll	Э.		
Aug	105.550	105.650	103.500	104.050	-1.450	1,571
Oct	108.800	108.900	106.575	107.000	-1.775	123,411
Hogs-Lo	ean (CME 55.950	<b>E)</b> -40,000   56.700	lbs.; cents per It 54.650	). <b>55.550</b>	400	99,118
Dec	56.225	56.975	55.675	56.325	400 350	54,411
	10.221	20.712	22.07	-0.00		> 1/477

	Open	Contra High hilo	ct Low	Settle	Cha	Ope interes
Dec	124.30	127.35	121.25	122.10	85	118,077
		E-US)-112,000			05	110,077
oct ⊃ugai - v	12.78	12.87	12.54	12.58	18	367,785
March'21	13.38	13.48	13.18	13.21	17	258,698
		C (ICE-US)-112				270,070
Nov	27.30	27.40	27.30	27.37	18	2,007
Jan'21	27.17	27.17	27.17	27.17	03	1,961
		50,000 lbs.; cen		_,,_,	.05	1,701
Oct	64.98	64.98	64.98	64.98		116
Dec	65.58	66.15	65.07	65.58		116,076
Orange		E-US)-15,000				
Sept	116.30	116.30	112.90	113.75	-2.55	1,961
Nov	118.40	118.80	116.15	116.75	-1.95	5,762
		Interest F	Rate Fu	tures		
Ultra Tr	easurv	Bonds (CBT)			s of 1009	6
Sept	219-190	219-250	217-260	219-040	-29.0	626,124
Dec	223-040	223-070	221-040	222-170	-31.0	544,805
		(CBT)-\$100,0				,
Sept	178-130	178-150	177-120	178-050	-12.0	587,350
Dec	176-250	176-250	175-230	176-160	-12.0	613,003
Treasu	y Notes	(CBT)-\$100,0	00; pts 32	nds of 1009	6	
Sept	139-085	139-110	139-005	139-100		1,942,460
Dec	139-040	139-060	138-275	139-055		1,627,795
5 Yr. Tre	easury N	lotes (CBT)-9	\$100,000;	pts 32nds o	of 100%	
Sept	125-235	125-245	125-197	125-240		1,936,554
Dec	125-277	125-282	125-237	125-277	5	1,561,048
2 Yr. Tro		lotes (CBT)-\$				
Sept	110-125	110-127	110-117	110-125		1,185,013
Dec	110-137	110-139	110-129	110-137	1	948,305
		Funds (CBT)				
Aug	99.9050	99.9075	99.9050	99.9025	0025	188,993
Oct	99.9300	99.9300	99.9250	99.9250	0050	233,252
		ate Swaps				
Sept	100-080	100-150	100-050	100-135	-4.0	76,023
		<b>)</b> -\$1,000,000; p				
Sept	99.7700	99.7725	99.7625	99.7700		1,441,870
Dec	99.7200	99.7250	99.7150	99.7200		1,040,647
March'21	99.7900	99.7950	99.7800	99.7850	0100	985,561
June	99.7950	99.8050	99.7900	99.7950	0100	922,804
		Curren	y Futu	ires		
		CME)-¥12,500,				
Sept	.9401	.9440	.9386	.9434	.0029	145,574
Dec	.9413	.9450	.9397	.9444	.0029	822
Canadia		r(CME)-CAD1	00,000;\$	per CAD		
Sept	.7592	.7616	.7573	.7601	.0016	122,882
Dec	.7594	.7617	.7575	.7602	.0016	5,617
		:ME)-£62,500;				
Sept	1.3147	1.3221	1 3119	1.3193	.0045	169,738

Sept	.7592	.7616		.7573	.7601	.0016	122,882
Dec	.7594			.7575	.7602	.0016	5,617
Britis	h Pound (		,500;\$p	er £			
Sept	1.3147	1.3221	1	.3119	1.3193	.0045	169,738
Dec	1.3160	1.3228	1	.3126	1.3199	.0045	3,872
Swiss	Franc (C	ME)-CHF1	25,000;	per C	HF.		
Sept	1.1025	1.1028	1	.0969	1.1010	0011	52,654
Dec	1.1034			.0999			313
Austr	alian Dol	lar (CME)	-AUD 10	0,000	\$ per AUD		
Sept	.7194	.7239		.7188	.7227	.0031	125,884
Dec	.7197	.7240		.7190	.7228	.0031	1,079
Mexic	an Peso (						
Sept	.04554	.04560		04538	.04541	00002	132,103
Dec	.04504	.04511		04490	.04492	00002	2,666
Euro (	CME)-€125	,000; \$ per	€				
Sept	1.1839	1.1845		.1777		0018	685,437
Dec	1.1862	1.1866	1	.1799	1.1842	0018	11,594
		ln	dex Fı	utur	es		
Mini F	) Indust	rial Avor	300 (C	<b>)T\</b> _¢¢	y indov		
Sept	28215			28095	28312	119	83,693
Dec	28070			27974			
	00 Index				20100	110	//0
Sept	3444.70			37.60	3480.30	37.40	30,166
Dec	5444.70	3402.70			2442.00	37.40	20,100
	&P 500 (	CME)-\$50	v indev		2407.00	37.40	
Sept		3483.50		36.75	3480.25	37 25	2,663,491
Dec	3434.00			26.75			
	&P Midc					31.23	00,041
Sept	1933.80			22.50		-7.40	58,066
Dec	1899.10			22.70			
	lasdaq 10				1723.20	7.00	,
Sept		12001.50		26.75	11991.25	265.00	231,892
Dec		11985.50		11.25			
	Russell 20				11///0	207.27	3,030
			<b>γ</b> Ψ>Ο Λ ι				
Sent			15	57 20	1562.40	-7 20	505.753
Sept	1570.00	1573.70		57.20 54.60			
Dec		1573.70 1569.90	15	54.60			

92.84 92.86

**Sept** 1917.30 1930.10 ▲ 1910.60 **U.S. Dollar Index (ICE-US)**-\$1,000 x index

-.02 28,845

Source: FactSet

93.00

### **Macro & Market Economics** Watching the Gauges: U.S. Supply and Demand

15.65

Dec 56.225 56.975 55.675 **56. Lumber (CME)**-110,000 bd. ft., \$per 1,000 bd. ft.

 Sept
 847.10
 858.30
 844.30

 Nov
 747.10
 765.80
 740.00

 Milk (CME)-200,000 lbs, cents per lb.
 19.60
 19.74
 19.58

Sept 16.80 16.80 15.65 Cocoa (ICE-US)-10 metric tons; \$ per ton.

 Cocoa (ICE-US)-10 INERCEORS/JED 2526

 Sept
 2,526
 2,526
 2,526

 Dec
 2,500
 2,509
 2,452

 Coffee (ICE-US)-37,500 lbs; cents per lb.

 125,50
 127.60
 122.00

858.30

765.80

19.59

15.83

2,526

2,476

122.80

29.00

29.00

-.72

-11

-.40

-11 101,282

1,709

1,936

6,050

4,193

904

772

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.

I	I	mport	<b>S,</b> 000s l	arrels	per da	у						
	Current	Expected change	Previous week	Year ago	4-week avg	5-year avg	Current	Expected change	Previous week	Year ago	4-week avg	5-year avg
Crude oil and							:					
petroleum prod	1,436,037		1,444	1,304	1,445	1,290	8,048		7,081	8,574	7,828	9,630
Crude oil												
excluding SPR	507,763	-3,000	512	428	513	436	5,916		5,730	5,928	5,819	7,585
Gasoline	239,179		244	232	244	225	539		557	965	694	564
Finished gasoline	23,036	-1,600	24	22	24	24	100		60	13	94	44
Reformulated	51		0	0	0	0	0		0	0	0	0
Conventional	22,985		24	22	24	24	100		60	13	94	44
Blend. components	216,143		220	210	221	201	439		496	952	600	521
Natural gas (bcf)	3,375		3	3	3	3						
Kerosene-type												
jet fuel	39,922		41	42	40	43	187		47	179	152	175
Distillates	179,195	-100	178	136	179	147	129		48	125	114	122
Heating oil	8,730		8	10	9	11	0		0	1	0	23
Diesel	170,466		169	126	170	135	129		48	122	114	98
Residual fuel oil	35,566		36	32	36	35	99		228	266	143	198
Other oils	323,169		323	318	323	296	1,051		403	1,009	798	865
Net crude, petroleum							:					
products incl SDD	2 025 502		2 005	1 0/10	2 007	1 06/	166		-700	2/12	-61	3 303

### Natural gas storage Weekly Demand, 000s barrels per day

ırrent	change	week	ago	avg	avg	Billions of cubic feet; weekly totals
		47.450	22.222	40.545	22.255	4250
,619		17,159	22,209	18,515	20,255	Natural gas,
						lower 48 states 3250
9,161		8,630	9,900	8,823	9,356	
						2250
L,142		980	1,850	1,030	1,728	
3,958		3,253	4,048	3,693	4,006	Five-year average 1250
263		180	270	288	285	for each week
1,215		1,106	820	1,057		250
3,880		3,011	5,320	3,625		S O N D J F M A M J J A 2019 2020
) L	,142 ,958 263 ,215	,161 ,142 ,958 263 ,215	,161 8,630 ,142 980 ,958 3,253 263 180 ,215 1,106	,161 8,630 9,900 ,142 980 1,850 ,958 3,253 4,048 263 180 270 ,215 1,106 820	,161 8,630 9,900 8,823 ,142 980 1,850 1,030 ,958 3,253 4,048 3,693 263 180 270 288 ,215 1,106 820 1,057	,161 8,630 9,900 8,823 9,356 ,142 980 1,850 1,030 1,728 ,958 3,253 4,048 3,693 4,006 263 180 270 288 285 ,215 1,106 820 1,057

Note: Expected changes are provided by Dow Jones Newswires' survey of analysts. Previous and average inventory data are in millions Sources: FactSet; Dow Jones Market Data; U.S. Energy Information Administration; Dow Jones Newswires

### **Exchange-Traded Portfolios** | wsj.com/ETFresearch

	Larç	gest 100	excha	ange-tra	aded funds, latest ses	sion				ETF	Symbo	Closing I Price	Chg (%)	YTD (%)
Wednesda	y, Augus	t 26, 202	20		l		Closing			SchwabUS SC Schwab US TIPs	SCHA SCHP	71.16 61.71	-0.27 0.23	-5.9 9.0
		Closing	Cha	YTD	ETF	Symbol	Price	(%)	(%)	SPDR DJIA Tr	DIA	283.43	0.29	-0.6
ETF	Symbol	l Price	(%)		iShMSCI ACWI	ACWI	82.47	0.82	4.1	SPDR S&PMdCpTr		351.86	-0.36	
CommSysSPDR	XLC	64.19	3,42	19.7	iShMSCI EAFE	EFA	65.69	0.58	-5.4	SPDR S&P 500	SPY	347.57	1.00	8.0
CnsmrDiscSelSector		150.36	0.99	19.9	iShMSCIEmgMarkets	EEM	45.34	0.27	1.0	SPDR S&P Div	SDY	96.07	-0.65	-10.7
CnsStapleSelSector	XLP	64.79	0.12	2.9	iShNasdaqBiotech	IBB	132.82	-0.17	10.2	TechSelectSector	XLK	121.99	2.03	
EnSelectSectorSPDR					iShNatlMuniBd		116.11	-0.11	1.9	UtilitiesSelSector	XLU	58.71	-1.11	
FinSelSectorSPDR	XLF	24.84			iShPfd&Incm	PFF	36.70	0.03	-2.4	VanEckGoldMiner	GDX	41.60	2.51	
FT DJ Internet		197.63	4.26	42.1	iShRussell1000Gwth	IWF	225.82	2.07	28.4	VangdInfoTech		324.22	2.07	
HealthCareSelSect	XLV	106.92	-0.12	5.0	iShRussell1000		193.52	1.02	8.5	VangdSC Val		115.34	-0.72	
IndSelSectorSPDR	XLI	77.77	0.05	-4.5	iShRussell1000Val		121.24	-0.20	-11.2	VangdSC Grwth		217.54	0.43	9.5
InvscQQQI		291.96	2.13	37.3	iShRussell2000		155.42	-0.63	-6.2	VangdDivApp	VIG	129.71	0.40	
InvscS&P500EW			-0.17	-4.2	iShRussellMid-Cap	IWR	58.45	0.12		VangdFTSEDevMk	VEA	42.30	0.74	
iSh3-7YTreasurvBd	IEI	133.48	0.17	6.1	iShRussellMCValue	IWS	82.80	-0.49	-12.6	VangdFTSE EM	vwo	44.86	0.09	0.9
iShCoreDivGrowth	DGRO		-0.02		iShS&P500Growth		241.95	1.89	24.9	VangdFTSE Europe	VGK	55.14	0.90	
iShCoreMSCIEAFE	IEFA	62.02	0.71	-4.9	iShS&P500Value		115.42	-0.29	-11.3	VangdFTSEAWxUS	VEU	52.25	0.54	
iShCoreMSCIEM	IEMG	54.17	0.17	0.8	iShShortCpBd	IGSB	55.00		2.6	VangdGrowth		237.30	2.08	
iShCoreMSCITotInt	IXUS	60.02	0.55		iShShortTreaBd		110.71		0.2	VangdHlthCr		204.69	-0.18	6.8
iShCoreS&P500	IVV	349.00	1.02	8.0	iShSilver	SLV	25.57	3.27	53.3	VangdHiDiv	VYM	83.37		
iShCoreS&P MC			-0.34	-6.4	iShTIPSBondETF		126.51	0.20	8.5	VangdIntermBd	BIV	93.51	-0.03	7.2
iShCoreS&P SC	IJR				iSh1-3YTreasuryBd	SHY	86.51		2.2	VangdIntrCorpBd	VCIT	96.16	0.07	5.3
iShS&PTotlUSStkMk		78.13	0.94	7.5	iSh7-10YTreasuryBd iSh20+YTreasuryBd		121.61	-0.04	10.3	VangdLC	۷V	161.73	1.10	9.4 0.3
iShCoreUSAggBd			-0.02	5.3	iShRussellMCGrowth		164.03 174.56	-0.38 1.15	21.1 14.4	VangdMC VangdMBS	VO VMBS	178.75 54.37	0.19 0.06	
iShSelectDividend	DVY				iShUSTreasuryBdETF		27.95	-0.07	7.7	VangdRealEst	VNQ	80.86		
iShEdgeMSCIMinEAF		69.64	0.36	-6.6	JPM Ult ShtIncm	JPST	50.85	0.02	0.8	VangdS&P500ETF		319.43	1.02	
iShEdgeMSCIMinUS/		64.66	0.26	-1.4	PIMCOEnhShMaturit		101.92	0.02	0.3	VangdST Bond	BSV	83.09	0.04	3.1
iShEdgeMSCIUSAMor			1.82	20.2	SPDR BlmBarcHYBd		105.86	-0.02	-3.4	VangdSTCpBd	VCSH	82.99	0.04	2.4
iShEdgeMSCIUSAQua			0.91	6.0	SPDRBloomBar1-3MTI		91.53	-0.02	0.1	VangdSC	VB	158.05	-0.20	-4.6
iShGoldTr	IAU	18.63	1.14	28.5	SPDR Gold		183.36	1.18	28.3	VangdTotalBd	BND	88.45	-0.06	5.5
iShiBoxx\$InvGrCpBd	LQD	135.67	0.04	6.0	SchwabIntEquity	SCHF	32.31	0.62	-3.9	VangdTottiBd	BNDX	57.89	0.03	2.3
iShiBoxx\$HYCpBd	HYG	85.21	-0.01	-3.1	SchwabUS BrdMkt	SCHB	82.64	0.90	7.5	VangdTotIntlStk	VXUS	54.08	0.52	
iShIntermCorpBd	IGIB	61.05	0.13	5.3	SchwabUS Div	SCHD	57.02	-0.35	-1.6	VangdTotalStk	VTI	176.03	0.91	7.6
iShJPMUSDEmgBd		113.07	-0.23	-1.3	SchwabUS LC	SCHX	83.62	1.06	8.9	VangdTotIWrld	VT	83.55	0.78	3.2
iShMBSETF		110.60	0.05	2.4	SchwabUS LC Grw	SCHG		1.95	28.3	VangdValue		106.83	-0.27	

### **Cash Prices**

Wednesday, August 26, 2020

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

	Wednesday		Wednesday		Wednesday
Energy		Aluminum, LME, \$ per metric ton Copper,Comex spot	*1733.0 2.9595	Wheat,No.1soft white,Portld,OR-u	5.2850
Coal,C.Aplc.,12500Btu,1.2SO2-r,w Coal,PwdrRvrBsn,8800Btu,0.8SO2-r,	55.500 w 11.600	Iron Ore, 62% Fe CFR China-s Shredded Scrap, US Midwest-s,m	123.3 235	<b>Food</b> Beef,carcass equiv. index	
Metals		Steel, HRC USA, FOB Midwest Mill-s		choice 1-3,600-900 lbsu select 1-3,600-900 lbsu	190.63 174.37
Gold, per troy oz Engelhard industrial Handy & Harman base Handy & Harman fabricated LBMA Gold Price AM LBMA Gold Price PM	1931.00 1932.95 2145.58 *1925.45 *1911.15	Fibers and Textiles Burlap,10-oz,40-inch NY yd-n,w Cotton,11/16 std lw-mdMphs-u Cotlook 'A' Index-t Hides,hvy native steers piece fob-u Wool,64s,staple,Terr del-u,w	0.6200 0.6048 *71.60 n.a. n.a.	Seiett 1-3,000-900 lbsu Broilers, National comp wtd. avg-u,w Butter,AA Chicago Cheddar cheese,bbl,Chicago Cheddar cheese,blk,Chicago Milk,Nonfat dry,Chicago lb. Coffee,Brazilian,Comp	174.37 0.6673 1.5000 143.75 187.25 102.00 1.1516
Krugerrand,wholesale-e Maple Leaf-e American Eagle-e Mexican peso-e Austria crown-e Austria phil-e Silver, troy oz. Engelhard industrial Handy & Harman base	2024.88 2044.35 2044.35 2355.50 1911.45 2044.35 26.9400 27.0130	Grains and Feeds Barley,top-quality Mnpls-u Bran,wheat middlings, KC-u Corn,No. 2 yellow,Cent IL-bp,u Corn gluten feed,Midwest-u,w Corn gluten meal,Midwest-u,w Cottonseed meal-u,w Hominy feed,Cent IL-u,w Meat-bonemeal,50% pro Mnpls-u,w	n.a. 83 3.2800 100.7 407.1 n.a. 95	Coffee,Colombian, NY Eggs,large white,Chicago-u Flour,hard winter KC Hams,17-20 lbs,Mid-US fob-u Hogs,lowa-So. Minnesota-u Pork bellies,12-14 lb MidUS-u Pork loins,13-19 lb MidUS-u Steers,TexOkla. Choice-u Steers,feeder,Okla. City-u,w	1.7020 0.7850 14.00 n.a. 56.34 1.0884 0.8569 105.00 152.88
Handy & Harman fabricated LBMA spot price (U.S.\$ equivalent) Coins, wholesale \$1,000 face-a <b>Other metals</b> LBMA Platinum Price PM Platinum, Engelhard industrial Palladium, Engelhard industrial	33.7660 *£20.1800 *26.4950 22541 *930.0 919.0 2186.0	Oats,No.2 milling,Mnpls-u Rice, Long Grain Milled, No. 2 AR-u,w Sorghum,(Milo) No.2 Gulf-u,k SoybeanMeal,Cent II_rail,ton48%-u Soybeans, No.1 yllw II-bp,u Wheat,Spring14%-pro Mnpls-u Wheat,No.2 soft red,St.Louis-u Wheat - Hard - KC (USDA) \$ per bu-u	2.9150 30.25 5.2925 292.30 9.0950 6.4225 5.5200	Fats and Oils  Corn oil,crude wet/dry mill wtd. avg-u,w Grease,choice white,Chicago-h Lard,Chicago-u Soybean oil,crude;Centl IL-u Tallow,bleach;Chicago-h Tallow,edible,Chicago-u	45.0000 0.2800 n.a. 0.3362 0.3150 n.a.

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=SNL 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

Source: Dow Jones Market Data

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

### **Tracking Bond Benchmarks**

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

Total

TOLAI							Total						
return close	YTD to return		Index			6) — High	return close	YTD to return		Index		rield (% t Low	
Broad N	larket B	lloombei	rg Barclays				Mortga	ge-Back	<b>ed</b> Bloo	mberg Barclays			
2277.98		6.9	U.S. Aggregate	1.160	1.020	2.460	2226.10		3.6	Mortgage-Backed	1.240	0.930	2.690
U.S. Cor	porate l	ndexes	Bloomberg Barclays				2168.18		3.2	Ginnie Mae (GNMA)	0.700	0.290	2.660
3367.22		7.0	U.S. Corporate	1.960	1.820	4.580	1315.74		3.8	Fannie mae (FNMA)	1.440	1.110	2.690
3058.73		5.6	Intermediate	1.330	1.230	4.400	2019.42		3.8	Freddie Mac (FHLMC)	1.420	1.080	2.710
4979.98		9.3	Long term	2.990	2.730	4.930	588.48		4.0	Muni Master	0.976	0.838	3.441
692.08		7.5	Double-A-rated	1.460	1.300	3.360	416.48		4.4	7-12 year	0.939	0.771	3.447
886.98		6.0	Triple-B-rated	2.340	2.210	5.350	473.70		4.6	12-22 year	1.408	1.224	3.690
High Yie	ld Bond	<b>Is</b> ICE Bo	ofA				456.24		3.5	22-plus year	2.182	1.765	4.123
469.12		0.5	High Yield Constraine	ed <b>5.399</b>	5.151	11.400	Global G	iovernn	nent J.P.	Morgan <sup>†</sup>			
403.98	-7.7		Triple-C-rated	12.239	10.735	19.071	611.96		5.0	Global Government	0.590	0.390	1.060
3173.20	-0.6		High Yield 100	4.274	4.268	10.740	864.71		7.6	Canada	0.770	0.590	1.740
423.50		0.5	Global High Yield Constrain	ed <b>5.456</b>	4.893	11.310	410.33		2.5	EMU§	0.302	0.109	0.794
321.94	-2.0		Europe High Yield Constrain	ed <b>3.968</b>	2.464	8.183	779.32		2.7	France	0.070	-0.160	0.430
U.S Age	ncy Bloo	omberg I	Barclays				544.82		1.7	Germany	-0.300	-0.740	-0.050
1862.44		5.2	U.S Agency	0.540	0.480	2.040	294.57	-1.2		Japan	0.310	-0.070	0.320
1622.43		3.8	10-20 years	0.420	0.350	1.950	607.55		1.9	Netherlands	-0.200	-0.540	0.080
4279.48		12.1	20-plus years	1.480	1.170	2.480	1071.59		6.6	U.K.	0.700	0.390	1.180
2884.04		5.5	Yankee	1.500	1.430	3.500	900.80		2.2	Emerging Markets **	4.697	4.523	7.480
*Constrair	ned index	es limit ind	dividual issuer concentra	tions to 2	2%; the	High Yi	eld 100 are th	ne 100 larç	gest bond	s † In local curren	cy § Eı	uro-zor	ne bonc
** EMBI GI	obal Inde	X						So	urces: ICE	Data Services; Bloomberg	Barcla	ays; J.P.	.Morga

### **Global Government Bonds: Mapping Yields**

Yields and spreads over or under U.S. Treasurys on benchmark two-year and 10-year government bonds in selected other countries; arrows indicate whether the yield rose(▲) or fell (▼) in the latest session

						-				
	Country/				Yield (%) ———			Spread Under/Over L	I.S. Treasurys, in basi	s points
Coupon (%)	Maturity, in year	s Latest(•)	-2 -1 0 1	2	3 4 Previous	Month ago	Year ago	Latest	Prev	Year ago
0.125	<b>U.S.</b> 2	0.152	•		0.152	0.145	1.539			
0.625	10	0.694	•		0.688	0.591	1.535			
5.750	<b>Australia</b> 2	0.262	•		0.258	0.272	0.716	11.0	10.5	-82.4
2.500	10	0.962	•		0.897	0.878	0.897	20	<b>5.8</b> 21.0	-63.9
0.000	France 2	-0.584 🔻	•		-0.582	-0.608	-0.794	-73.7	-73.4	-233.3
0.000	10	-0.124 🔺	•		-0.127	-0.140	-0.371	-81.8	-81.5	-190.6
0.000	Germany 2	-0.646 🔺	•		-0.651	-0.654	-0.885	-79.8	-80.3	-242.4
0.000	10	-0.414 🔺	•		-0.430	-0.446	-0.664	-110.8	-111.8	-219.9
1.000	Italy 2	-0.091 🔻	•		-0.073	-0.073	0.020	-24.3	-22.5	-151.9
0.950	10	1.020 🔻	•		1.033	1.009	1.331	3	<b>2.6</b> 34.6	-20.4
0.100	Japan 2	-0.110 <b>▼</b>	•		-0.110	-0.135	-0.322	-26.3	-26.2	-186.1
0.100	10	0.046	•		0.034	0.017	-0.275	-64.8	-65.4	-181.0
0.400	Spain 2	-0.461 <b>▼</b>	•		-0.443	-0.393	-0.543	-61.3	-59.5	-208.2
1.250	10	0.376 🔻	•		0.392	0.359	0.136	-31.8	-29.6	-139.9
0.500	<b>U.K.</b> 2	-0.010 🔺	•		-0.014	-0.083	0.451	-16.2	-16.6	-108.8
4.750	10	0.304	•		0.265	0.146	0.482	-39.0	-42.2	-105.4
									Source: T	ıllett Prebon

### **Corporate Debt**

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

### Investment-grade spreads that tightened the most... Maturity Current One-day change

Symbol	Coupon (%)	Maturity	Current	One-d	iay change	Last week	Close (\$)	% crig
LUV	4.750	May 4, '23	224	-20		n.a.	36.38	-1.83
XOM	1.571	April 15, '23	14	-11		22	40.01	-2.13
c	4.400	June 10, '25	110	-8		117	50.85	-1.55
CMCSA	3.600	March 1, '24	25	-8		34	44.20	1.82
	4.125	May 30, '23	107	-8		114		
AAPL	2.400	May 3, '23	15	-7		12	506.09	1.36
ALK	4.800	Aug. 15, '27	382	-7		391	36.69	-2.70
BLK	3.500	March 18, '24	23	-7		27	592.10	0.16
widen	ed the	most						
	3.250	March 3, '23	24		26	n.a.		
MFCCN	4.150	March 4, '26	49		11	38		
VZ	4.862	Aug. 21, '46	153		11	144	59.46	0.07
JPM	5.400	Jan. 6, '42	115		10	112	99.09	-1.40
MASSM	J 2.500	Oct. 17, '22	27		7	n.a.		
MTVD	6.850	Jan. 15, '40	368		7	374		
TELEFO	7.045	June 20, '36	186		7	n.a.		
ABBV	2.900	Nov. 6, '22	42		6	n.a.	94.35	0.31
	XOM C CMCSA AAPL ALK BLK WIGEN MFCCN VZ JPM MASSMI MTVD TELEFO	LUV 4.750 XOM 1.571 C 4.400 CMCSA 3.600	LUV 4.750 May 4, ′23 XOM 1.571 April 15, ′23 C 4.400 June 10, ′25 CMCsA 3.600 March 1, ′24 4.125 May 30, ′23 AAPL 4.800 Aug. 15, ′27 BLK 3.500 March 18, ′24 Widenet the most 3.250 March 3, ′23 MFCCN 4.150 March 4, ′26 YZ 4.862 Aug. 21, ′46 JPM 5.400 Jan. 6, ′42 MASSMU 2.500 Oct. 17, ′22 MTVD 6.850 Jan. 15, ′40 TELEFO 7.045 June 20, ′36	LUV 4.750 May 4, '23 224 XOM 1.571 April 15, '23 14 C 4.400 June 10, '25 110 CMCSA 3.600 March 1, '24 25 4.125 May 30, '23 15 AAPL 2.400 May 3, '23 15 ALK 4.800 Aug. 15, '27 382 BLK 3.500 March 18, '24 23 Widened the most 3.250 March 3, '23 24 MFCCN 4.150 March 4, '26 49 VZ 4.862 Aug. 21, '46 153 JPM 5.400 Jan. 6, '42 115 MASSMU 2.500 Oct. 17, '22 27 MTVD 6.850 Jan. 15, '40 368 TELEFO 7.045 June 20, '36 186	LUV 4.750 May 4, '23 224 -20 XOM 1.571 April 15, '23 14 -11 C 4.400 June 10, '25 110 -8 C 4.400 March 1, '24 25 -8 C 4.125 May 30, '23 107 -8 AAPL 2.400 May 3, '23 15 -7 ALK 4.800 Aug. 15, '27 382 -7 BLK 3.500 March 18, '24 23 -7 C Widened the most S 3.250 March 3, '23 4 MFCCN 4.150 March 4, '26 49 VZ 4.862 Aug. 21, '46 153 JPM 5.400 Jan. 6, '42 115 MASSMU 2.500 Oct. 17, '22 27 MTVD 6.850 Jan. 15, '40 368 TELEFO 7.045 June 20, '36 186	LUV 4.750 May 4, ′23 224 -20 XOM 1.571 April 15, ′23 14 -11 C 4.400 June 10, ′25 110 -8 C 4.400 June 10, ′25 110 -8 C 4.200 March 1, ′24 25 -8 C 4.200 May 30, ′23 107 -8 C 4.2400 May 3, ′23 15 -7 C 4.2400 May 3, ′23 15 -7 C 4.2400 May 3, ′23 32 -7 C 4.2400 March 18, ′24 23 -7 C 4.2500 March 18, ′24 23 -7 C 4.2500 March 18, ′24 23 -7 C 4.2500 March 2, ′2500 March 2	LUV 4.750 May 4, ′23 224 -20 n.a.  XOM 1.571 April 15, ′23 14 -11 22  C 4.400 June 10, ′25 110 -8 117  CMCSA 3.600 March 1, ′24 25 -8 34  4.125 May 30, ′23 107 -8 114  AAPL 2.400 May 3, ′23 15 -7 12  ALK 4.800 Aug. 15, ′27 382 -7 391  BLK 3.500 March 18, ′24 23 -7 27  Widened the most  3.250 March 3, ′23 24 26 n.a.  MFCCN 4.150 March 4, ′26 49 11 38  VZ 4.862 Aug. 21, ′46 153 11 144  JPM 5.400 Jan. 6, ′42 115 10 112  MASSMU 2.500 Oct. 17, ′22 27 7 n.a.  MTVD 6.850 Jan. 15, ′40 368 7 374  TELEFO 7.045 June 20, ′36 186 7 n.a.	LUV 4.750 May 4, ′23 224 -20 n.a. 36.38 XOM 1.571 April 15, ′23 14 -11 22 40.01 c 4.400 June 10, ′25 110 -8 117 50.85 cMcSa 3.600 March 1, ′24 25 -8 34 44.20 4.125 May 30, ′23 107 -8 114 4.125 May 30, ′23 15 -7 12 506.09 ALK 4.800 Aug. 15, ′27 382 -7 391 36.69 BLK 3.500 March 18, ′24 23 -7 27 592.10 widened the most 3.250 March 3, ′23 24 27 7 7 592.10 widened the most 4.150 March 4, ′26 49 11 38 4.50 March 4, ′26 49 11 1 144 59.46 Jpm 5.400 Jan. 6, ′42 115 10 112 99.09 MASSMU 2.500 Oct. 17, ′22 27 7 n.a 4.50 March 4, ′26 49 7 n.a 4.50 March 4, ′26 March 4, ′2

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

Issuer	Symbol	Coupon (%)	Maturity	Current	ond Price as % of face value One-day change	Last week	Stock Perfo Close (\$)	
Carnival	CCL	7.200	Oct. 1, '23	90.040	1.54	87.000	15.28	-3.84
American Airlines	AAL	3.750	March 1, '25	46.500	1.50	46.250	12.79	-2.70
Bombardier	BBDBCN	8.750	Dec. 1, '21	96.427	0.93	91.750		
Sprint		7.125	June 15, '24	116.250	0.70	115.563		
Liberty Media	LINTA	8.250	Feb. 1, '30	107.748	0.52	107.938		
Netflix	NFLX	5.875	Feb. 15, '25	115.500	0.50	114.808	547.53	11.61
Delphi Technologies	DLPH	5.000	Oct. 1, '25	115.250	0.47	114.125	17.72	1.66
Ford Motor Credit		3.087	Jan. 9, '23	99.845	0.47	98.500		

Š	And with the bigg	est pr	ice dec	reases					
2	Carnival	CCL	6.650	Jan. 15, '28	80.500	-3.50	n.a.	15.28	-3.84
3	Teva Pharmaceutical Finance Netherlands	i	4.100	Oct. 1, '46	86.000	-1.80	88.781		
3	Sealed Air	SEE	6.875	July 15, '33	126.001	-1.75	n.a.	40.68	-0.64
3	Royal Caribbean Cruises	RCL	5.250	Nov. 15, '22	88.000	-1.50	89.650	62.84	-1.92
)	United Airlines Holdings	UAL	4.250	Oct. 1, '22	91.250	-1.15	90.940	34.25	-2.75
4	Nokia Oyj	NOKIA	6.625	May 15, '39	128.375	-0.93	129.000		
5	Texas Capital Bank NA		5.250	Jan. 31, '26	102.250	-0.88	n.a.		
3	Occidental Petroleum	OXY	6.450	Sept. 15, '36	98.500	-0.85	100.000	12.96	-4.07

\*Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year hot-run Treasury; 100 basis points=one percentage pt; change in spread shown is for Z-spread.

Sources: MarketAxess Corporate BondTicker; Dow Jones Market Data

**B8** | Thursday, August 27, 2020

Net Sym Close Chg

Sym Close Chg

Sym Close Chg

# BIGGEST 1,000 STOCKS

Arca, NYSE	Ameri	can an	d Nas	oly to NYSE, NYS daq Stock Marko nposite quotation	et	I-Nev	√ 52-w	reek high. reek low. s loss in the most re	ecent fo	ou
that include	prima	ry mar	ket tra	ades as well as (formerly Bosto		quart	ers.	s loss in the most re ly of trading.	ecent ic	Ju
				NYSE National		<b>h</b> -Doo	es not lards	meet continued list	ing	
based on ma	arket	capitali	zation		S	<b>q</b> -Ter		y exemption from N	asdaq	
large change	s in v	olume	compa	ose stocks with ared with the		t-NYS		nkruptcy	ırkat	
	uotat	ions hi	ghligh	t those issues more if their		<b>vj</b> -ln	bankrı	ialted on primary ma uptcy or receivership I under the Bankrupt	or beir	
previous clos								s assumed by such (		
Wall	Stree			k tables reflect of the closing prices				rading as of 4 p.m. a revious day.	nd	
Wednesday,	Augus	t 26, 20	)20	l			Net			
Stock	Sym	Close	Net Chg	Stock  BancodeChile I		17.02		Stock Sym Chubb CB	125.59	
A	В	C		BancSanBrasil I BcoSantChile	BSBR	5.06	-0.21	ChunghwaTel CHT Church&Dwight CHD	37.32 95.91	
ABB AcadiaPharm	ABB ACAD	26.17 37.67	0.25	BancoSantander : BanColombia		2.24 28.19	0.01 0.30	ChurchillDowns CHDN Ciena CIEN		
ADT AECOM	ADT ACM	11.07 38.48	-0.19	BankofAmerica I BankofMontreal I		25.56 63.55	-0.44 1.90	Cigna CI CincinnatiFin CINF	174.10 78.50	
AES Aflac	AES AFL	17.73 36.45	-0.16	BankNY Mellon I BkNovaScotia I	BK	36.62 43.12			325.95	
AGNC Invt ANGI Homesvcs	AGNC	14.05		Barclays I	BCS	5.78 29.37	0.08	Citigroup C CitizensFin CFG	50.85 25.36	
Ansys	ANSS	331.48	4.99	BauschHealth I	внс	17.26	0.31	CitrixSystems CTXS Clarivate CCC		
ASETech ASML		4.23 385.92	0.05 5.09	BectonDicknsn I			-1.81	Clorox CLX	220.29	•
AT&T Azek		29.99 38.58		Berkley	WRB	249.26 61.54	-0.06	Cloudflare NET Coca-Cola KO	39.90 48.16	
AbbottLabs AbbVie	ABBV	103.19 94.35	0.72 0.29	BerkHathwy B I BerkHathwy A I	BRK.A	3223012		Coca-Cola Euro CCEP Coca-Cola Femsa KOF	43.02	
Abiomed Accenture		306.14 240.45	-4.98 2.24			51.55 112.31	-0.33	CognizantTech CTSH		
ActivisionBliz <b>Adobe</b>		84.48 <b>528.49</b>	0.86 <b>44.06</b>	BeyondMeat I BigCommerce	BIGC	139.00			78.65 44.20	
AdvanceAuto AdvMicroDevices	AAP	156.48	0.42		BILI BILL	48.72 <b>103.00</b>	1.72 <b>6.23</b>	CommerceBcshrs <b>CBSH</b> SABESP <b>SBS</b>	8.87	,
AgilentTechs	Α	99.33 80.76	0.99		TECH	252.77 513.21	1.85	ConagraBrands CAG ConchoRscs CXO	38.73 51.08	
AirProducts AkamaiTech	APD	293.96	4.54 1.38		BIIB	279.17	0.14	ConocoPhillips <b>COP</b> ConEd <b>ED</b>	37.56 70.78	
Albertsons	ALB ACI	91.90 14.70	0.81	BioNTech I		67.90 82.78		ConstBrands A STZ ConstBrands B STZ.	181.36 <b>3</b> 180.87	
Alcon AlexandriaRIEst	ALC	58.33	-0.98	BlackRock I		592.10 54.08		ContinentalRscs CLR Cooper COO	17.28 305.45	•
AlexionPharm Alibaba	ALXN				BA	171.90	-2.83		102.43 32.78	
AlignTech		300.70 542.79	4.02	BoozAllen I	BAH	87.48 41.53	1.06	Corteva CTVA	29.23	
Alleghany Allegion	ALLE	102.46	0.38	BostonBeer :	SAM	881.80	6.12	Costco COST	344.27	
AlliantEnergy Allstate	ALL	54.04 93.01	-0.76		BSX	39.35			129.63	
AllyFinancial AlnylamPharm	ALNY	133.05	-1.04	BrightHorizons I BristolMyers I	BMY	62.28	-0.43	CreditSuisse CS	11.20 62.68	
Alphabet C	G000	1644.13	44.16	Broadcom	AVGO	339.67	-0.35 3.53	CrowdStrike CRWD	160.97	•
AlticeUSA	AYX		0.44	BroadridgeFinl I BrookfieldMgt I	BAM	139.02 34.31	0.75	CrownCastle CCI CrownHoldings CCK CubeSmart CLIRE	76.95	
Altria AlumofChina		43.20 <b>6.30</b>	-0.35	BrookfieldInfr I BrookfieldPropREIT I	BPYU	45.19 12.05	0.09	Cummins CMI	30.96 209.15	,
Amazon.com Ambev	ABEV	2.29	-0.03	BrookfieldRenew I Brown&Brown I	BRO	45.66			<b>59.50</b> 82.33	
Amcor Amdocs	DOX	10.95 60.14		Brown-Forman B I Brown-Forman A I	BF.A	72.79 66.28	0.31 0.26	D E	F	
Amedisys Amerco	UHAL	243.35 350.64		Bunge	BG	41.99 46.65		DISH Network <b>DISH</b> DTE Energy <b>DTE</b>	34.56 115.74	
Ameren AmericaMovil		78.44 12.49	-0.06		CACI	232.43			208.19 82.73	
AmericaMovil A AmerAirlines	AAL	12.41 12.79	-0.36		CDW	111.17	-0.98		86.28 87.52	
AEP AmerExpress	AEP AXP	78.61 98.40	-0.65		GIB	33.49 70.52	0.06 1.78	DeckersOutdoor DECK Deere DE		
AmericanFin AmHomes4Rent	AFG	66.18 28.22			CME	175.26	0.73 0.34		62.13	
AIG AmerTowerREIT	AIG	29.06		CMS Energy CNA Fin	CMS CNA	59.40 32.43	-0.81	DentsplySirona XRAY DeutscheBank DB		
AmerWaterWorks AmericoldRealty	AWK	140.90	-2.63	CNH Indl	CNHI CEO	7.91 116.92	0.18 -1.79	DexCom <b>DXCM</b>	1425.69 135.73	
Ameriprise AmerisourceBrgn	AMP	155.74 97.66	-1.25		CRH	38.85	0.29	Diageo DEO DiamondbkEner FANG DigitalRealty DLR	39.39	
Ametek Amgen	AME	101.01 250.18	0.09	CSX	CSX	75.41 62.70	-0.42	DiscoverFinSvcs <b>DFS</b>	51.53 38.51	
Amphenol AnalogDevices	APH	109.05 120.51	0.14	CableOne		1802.49	-27.00	DiscoveryA DISCA	22.77	
Anaplan AngloGoldAsh	PLAN	29.21		CadenceDesign			1.41	Disney <b>DIS</b>	132.18	•
AB InBev	BUD NLY	59.33	1.24 -0.14	CamdenProperty CampbellSoup	CPT	86.73 53.48		DolbyLab <b>DLB</b>	70.59	
AnnalyCap Anthem	ANTM	270.21	-6.26	CIBC	CM	77.57	0.45 2.09 0.25	DollarTree <b>DLTR</b>	204.09	
ApolloGlbMgmt	APO	195.44 46.90	3.07 1.21	CanNaturalRes		19.96	-0.37		78.08 418.09	
Apple ApplMaterials	AMAT			Canon	CP CAJ	299.39 17.52			51.18 111.48	
Aptargroup Aptiv	APTV	118.60 85.44	0.47		COF	16.50 66.28	-0.63	Dow DOW DrReddy'sLab RDY	59.85	
Aramark ArcelorMittal	MT	24.87 12.22	0.41		CSL	50.95 128.85	0.39	Dropbox DBX	38.86 20.57	
ArchCapital ArcherDaniels	ADM		0.18	CarMax I		26.94 107.23	0.56	DukeEnergy <b>DUK</b> DukeRealty <b>DRE</b>	79.55 38.66	
AresMgmt arGEN-X	ARGX	40.14 233.94		Carnival	CCL CUK	15.28 12.93	-0.35		25.28 74.09	
AristaNetworks ArrowElec	ARW	76.66			CVNA	207.82	0.56 4.89	DuPont DD Dynatrace DT	56.91 <b>43.63</b>	
AscendisPharma AspenTech		139.47 127.87	-0.55 1.70		CTLT	88.71	-3.18 0.36	ENI <b>E</b> EOG Rscs <b>EOG</b>	19.07 43.26	
Assurant AstraZeneca	AIZ	121.71 57.00	-1.14	Caterpillar		141.83 102.79	0.68	EPAM Systems EPAM		
Athene Atlassian	ATH	36.93 <b>182.95</b>	-0.45	CenovusEnergy			-0.13	EastmanChem EMN		
AtmosEnergy Autodesk	ATO	99.30	-1.14	CenterPointEner	CNP	19.64 <b>6.46</b>		eBay <b>EBAY</b>	58.58 197.11	
Autohome Autoliv		84.31 75.69			CTL	11.23	0.02	Ecopetrol EC EdisonInt EIX	11.41 51.09	
ADP	ADP	75.69 139.61 1198.01	-1.45		CERN	71.39 218.60	-0.42 1.54	Edisonint EIX EdwardsLife EW ElancoAnimal ELAN	81.52	
AutoZone Avalara	AVLR	128.57	5.73	CharterComms	CHTR	614.56	4.81	Elastic ESTC	112.98	
Avalonbay Avangrid	AGR	153.85 48.74	-0.74	Chegg	CHGG	76.34	0.86	ElbitSystems <b>ESLT</b> ElectronicArts <b>EA</b>	143.63	
Avantor AveryDennison	AVY		-0.16	CheniereEnergy I	LNG		-1.61		70.27	
BCE BHP Group	BCE BHP	55.16	-0.03 0.44		cvx	36.14 84.78	-1.35	Enbridge <b>ENB</b> EncompassHealth <b>EHC</b>	32.15 61.80	
BHP Group BJ'sWholesale	BBL BJ	45.44 47.10	0.24 0.21	Chewy ChinaEastrnAir	CHWY CEA	20.23		EnelAmericas <b>ENIA</b> EnergyTransfer <b>ET</b>	7.36 6.46	
BP B2Gold	BP BTG		-0.24 0.29	ChinaLifeIns I ChinaMobile	LFC CHL		-0.07 0.28		75.24 69.85	
Baidu BakerHughes	BIDU	127.47	1.77		SNP	46.20 25.73	0.31	Entergy ETR EnterpriseProd EPD	96.25 17.45	
Ball BancoBilbaoViz	BLL	78.92 2.95	1.45 0.02	ChinaTelecom ( ChinaUnicom	СНА	34.70		Equifax <b>EFX</b>	161.27 782.00	
	BBDO				CMG		7.63		16.15	

Dividend announcements from August 26.

**Mutual Funds** 

Company	Symbol	Yld %	Amount New/Old	Frq	Payable / Record
Stocks					
Urban Tea	MYT		1:10		/Aug27
Foreign					
Bank of Montreal	вмо	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:

Data provided by **LIPPER** 

	<b>5</b> 11	_		Net	ا ما	_		Net	ا ما	_	<b>-</b> 1	Net	l
	Stock Equitable	EOH	21.16	-0.29	Stock I IllinoisToolWks		198.90	2.52	Stock Microsoft		221.15	4.68	-
	EquityLife	ELS	64.74 54.92	-0.85 -1.64		ILMN	353.56	2.61	MidAmApt MiratiTherap	MAA	113.65	-2.54 0.32	
	EquityResdntl Erielndemnity A	ERIE	205.50	-6.08	ImperialOil	IMO	16.81	-0.29	MitsubishiUF.	MUFG	4.16	0.01	
	EssentialUtil EssexProp		42.62 212.80	-0.66 -3.23		INCY INFY	93.75 12.88	-1.56 0.07	MizuhoFin MobileTeleSys	MFG	2.76 9.68	0.01	
	EsteeLauder Etsy	EL FTSV	216.68 126.91	1.25 1.43	IngersollRand		35.16 115.51	-0.08 -0.86	Moderna Mohawkinds		<b>70.50</b> 93.26	<b>4.25</b> -0.06	1
	EverestRe	RE	216.97	-1.87	Insulet	PODD	215.43	-2.33	MolinaHealthcare	МОН	181.21	-1.05	ľ
	Evergy EversourceEner	ES	50.52 84.01	-0.69 -0.92	InteractiveBrkrs		49.55 52.67	0.12 0.87	MolsonCoorsA MolsonCoorsE		52.47 37.50	-2.53 -0.12	
	ExactSciences Exelixis		76.18 21.47		ICE InterContinentI	ICE IHG	105.00 57.54	0.56 -0.82	MomentaPharm Mondelez	MNTA MDLZ		-0.07 0.47	
	Exelon Expedia	EXC EXPE	37.28 95.11	0.14		IBM IFF	124.17 124.90	-0.47 2.02	MongoDB MonolithicPowe		<b>228.84</b>	<b>12.51</b> -2.02	
	ExpeditorsIntl ExtraSpaceSt	EXPD	87.55	0.11	IntlPaper	IP IPG	36.17 17.91	-0.04 -0.22	MonsterBev	MNST	83.97		
ŧ	ExxonMobil	XOM	40.01	-0.87	I Intuit	INTU	342.34	5.92	Moody's MorganStanley	MS	291.95 51.71	6.57 -0.34	
<b>g</b> 32	F5Networks FMC	FMC	133.81 108.69	0.06 0.10	IntuitiveSurgical InvitatHomes		699.99 28.50	0.49 -0.44	Morningstar Mosaic	MORN MOS	161.93 18.47	3.01 0.13	
L8	Facebook FactSet	FB FDS	<b>303.91</b> 355.96	<b>23.09</b> -0.04		IONS IQ	52.31 19.56	-0.59 -0.07	MotorolaSol Mylan	MSI MYL	153.33 16.31	-1.45 0.28	
19 96	Fairlsaac Farfetch	FICO FTCH	425.38 28.23	1.96 0.34	iRhythmTechs IronMountain			-0.02 -0.12	NICE	NICE	236.02	14.10	
l6 31	Fastenal	FAST	48.09	0.20	ItauUnibanco		4.22	-0.12	NRG Energy	NIO NRG	<b>20.44</b> 33.94	<b>2.60</b> -0.62	
35	Fastly FederalRealty		89.69 79.77	-0.69 -1.99	J	ΚI	L		NVR NXP Semi		4220.00 127.53	-4.28 0.22	
29	FedEx Ferrari		215.77 199.29	1.46 1.98		JD YY	80.38	1.41	Nasdaq NationalGrid		132.54 56.85	2.44 -0.49	
30 L8	FiatChrysler FidNatlFin	FCAU FNF	11.29 32.80	0.07	JPMorganChase	JPM	92.04 99.09	-2.26 -1.41	NatlRetailProp	NNN	35.05	-0.87	
38 39	FidNatlInfo FifthThirdBncp	FIS	147.89 20.31	2.52		J YKHA	167.26 88.44	0.88 -0.04	Natura&Co NatWest	NTCO NWG	17.45 3.00	-0.59 0.03	
L2 37	58.com	WUBA	55.70	-0.04	JamesHardie JazzPharma		23.00 124.77	0.09 1.24	I nCino NetApp	NCNO NTAP	86.71 42.21	-2.52 0.44	
25	FirstRepBank I FirstSolar	FRC FSLR	113.43 78.19	-2.24 0.82	١&١	LNL	152.30	0.24	NetEase Netflix		514.01 <b>547.53</b>	1.33 56.95	
25 35	FirstEnergy Fiserv	FE FISV	28.01 97.94	0.07	JohnsonControls JuniperNetworks	JNPR		-0.13 0.27	Neurocrine	NBIX	111.79	-0.72	
52 31	FiveBelow Five9	FIVE	114.42 128.32	2.08 4.54	KE Holdings		31.36 49.77	-0.53 -1.43	NewOrientalEdu	NYT	43.15	-0.19 0.15	
)6 79	FleetCorTech	FLT	244.80	2.45		KKR KLAC	34.99 212.23	0.27 1.95	NewellBrands Newmont	NWL NEM	15.99 65.67	-0.16 0.81	
50	Floor&Decor FomentoEconMex		73.86 58.03	1.24 -1.02	KSCitySouthern			-0.80 0.89	NewsCorp B NewsCorp A	NWS NWSA	14.98	0.02	
15	FordMotor Fortinet	F FTNT	6.82 137.22	-0.12 3.94	KeurigDrPepper	KDP	29.80	0.50	NextEraEnergy	NEE	279.00	-2.31	
17 29	Fortis Fortive	FTS FTV	40.52 71.00	0.29	KeysightTechs		12.26 98.07	-0.25 0.49	Nike Nikola	NKLA		-0.36	
23 L8	FortBrandsHome	FBHS	85.67	0.15	KilroyRealty KimberlyClark	KRC KMB	57.96 156.00	-0.82 -0.05	NiSource Nokia	NI NOK	22.19 5.05	-0.55 0.01	
14	FoxA FoxB	FOXA FOX	27.15	0.25	KinderMorgan KingsoftCloud	KMI	13.73 35.67	-0.23 1.59	NomuraHolding: Nordson	NMR	5.17 192.41	0.04 3.75	
12	Franco-Nevada FranklinRscs	BEN	150.56 21.30	3.24 -0.16	KinrossGold	KGC	8.72 52.80	0.17	NorfolkSouthern NorthernTrus	NSC	213.08	-0.54 -1.26	
55 L1	FreeportMcM FreseniusMed		15.01 43.34	0.55 -0.13	KirklandLakeGold Knight-Swift	KNX	46.55	1.10 0.55	NorthropGrum	NOC	341.41	-1.59	
58 15	G	Н	1	0.13	KoninklijkePhil KoreaElcPwr		50.45 8.58	-0.76 -0.20	NortonLifeLock Novartis	NLOK NVS	24.21 87.03	0.72 0.58	
14	GCI LibertyA		81.39	0.14	KraftHeinz	KHC KR	35.31 36.37	-0.06 0.29	Novavax NovoNordisk		114.62 66.77	1.51 0.31	
37	GDS Holdings GFLEnvironmental	GDS	84.41 18.57	3.95 -0.13	L Brands	LB	30.76	0.14	Novocure	NVCR	79.97	-0.05	
14 LO	GSXTechedu	GSX	83.50	-4.45	Line	LHCG LN	206.65 51.22	3.19 0.21	NuanceComms Nucor	NUE	30.09 45.50	0.85 -0.07	,
)3 54	Galapagos Gallagher		134.19 104.47	2.43 0.20	LKQ LPL Financial	LKQ LPLA	31.86 81.05	0.12	Nutrien NVIDIA	NTR NVDA	38.07 510.92	0.04 0.92	
28	Gaming&Leisure Gap	GLPI		-0.08	L3HarrisTech LabCpAm	LHX LH	179.30 179.29	-1.72 -0.28	0	Р (	Q		
14	Garmin Gartner	GRMN IT	104.67 131.51	1.03 -0.55	LamResearch	LRCX	351.80	-0.70	OGE Energy	OGE	31.27	-0.90	
)1 <b>75</b>	Generac GeneralDynamics	GNRC	190.82 150.47	4.45 -1.00	LambWeston	LW	67.60 61.45	-1.13 -1.48	ONEOK OReillyAuto	OKE ORLY	26.56 462.70	-0.70 -3.24	,
8	GeneralElec	GE	6.48	-0.11		LEA	49.86 115.96	-0.10 0.71	OakStreetHealth OccidentalPetro		44.32 12.96	-0.24 -0.55	
	GeneralMills GeneralMotors	GIS	64.25 29.48	0.35 -0.21			90.54 60.99	-0.08 -1.09	Okta	OKTA	224.14	14.61	
36 26	Genmab Genpact	GMAB G	37.73 41.82	1.11	Lennar A	LEN LII	77.15 286.61	-0.83 2.61	OldDomFreight Ollie'sBargain	OLLI	110.71	1.33 1.51	ľ
52 12	Gentex GenuineParts		27.68 94.37	0.36	i LiAuto	LI	23.38	5.15	OmegaHealthcare Omnicom	OMC	30.34 53.66	-0.81 -0.14	
51 19	GileadSciences	GILD	65.60	-0.45	LibertyBroadbandA LibertyBroadbandC			0.09 0.46	ON Semi OneConnectFinTect	ON OCFT	21.68 22.98	0.09	
35	GSK GlobalPayments			0.07 1.29	LibertyGlobal C LibertyGlobal A			0.57 0.53	OpenText Oracle		45.27	0.93	
11 19	Globant GlobeLife	GLOB GL	178.92 84.16	3.17 -0.15	LibertyFormOne C LibertyFormOne A	FWONK	40.00	-0.17 -0.16	Orange	ORAN	11.60	-0.17	
L5 L6	GoDaddy GoldFields	GDDY GFI	83.64 12.84	0.62	LibertyBraves A	BATRA	19.77	-0.78	Orix OtisWorldwide	IX OTIS	61.82 64.18	0.03 -0.11	
17 88	GoldmanSachs	GS	207.22	1.22	LibertyBraves C LibertySirius A			-0.85 -0.27	OwensCorning PG&E	OC PCG	69.94 8.87	1.02	
19 57	Graco Grainger		58.62 361.49	0.22 6.81	LibertySirius C EliLilly	LSXMK LLY	35.88 149.26	-0.24 -0.42	PLDT PNC Fin	PHI	29.69 110.31	-0.08 -0.46	
79	Grifols Grubhub		16.29 75.00	-0.47 0.23	LincolnNational		35.99 252.88	-0.46 2.80	POSCO	PKX	40.69	-1.10	
59 38	GuardantHealth Guidewire	GH	95.23 111.29	0.64 0.97	LithiaMotors	LAD	253.84	-12.90	PPD PPG Ind		33.69 119.95	0.33 0.13	
)9 L2	HCA Healthcare HDFC Bank			-2.48	LiveNationEnt LivongoHealth	LVGO		-1.04 1.04	PPL PRA HealthSc	PPL PRAH	27.68 103.56	-0.24 3.07	
39	HD Supply	HDS	40.54	-0.40	LloydsBanking LockheedMartin		1.44 395.44	0.01 0.60	PTC Paccar	PTC	89.78 86.87	1.64 0.46	
12	HP HSBC		18.33	-0.11 -0.24		L LOGI	35.90 74.82	-0.58 0.93	PackagingCpAm	PKG	99.86	0.67	
13	HUYA Halliburton	HAL		0.75 -0.34	Lowe's	LOW	170.39 381.50	4.47	PagSeguroDig PaloAltoNtwks	PANW	263.44	2.45	
12 27	HartfordFinl Hasbro	HIG HAS	40.46 79.45	-1.06 0.07	Lumentum	LITE	86.33	2.33	PanAmerSilver ParkerHannifir	PH	209.78	1.44 0.25	
13 25	HealthpeakProp Heico			-0.42 -4.19	Lyft LyondellBasell	LYFT LYB	29.52 69.31	0.51 0.56	Paychex PaycomSoftware		75.84 295.84	-0.01 8.57	
75 14	Heico A	HEI.A	88.04	-1.87	M	N			Paylocity PayPal	PCTY	141.59 203.48	2.60	
20	HenrySchein Herbalife	HLF		0.18			103.74	-2.21	i Pegasystems	PEGA	129.95	5.67	
13	Hershey Hess	HES		0.48 -2.02	MGM Resorts MKS Instrum	MKSI	121.43	-0.85	Peloton PembinaPipeline		24.99	0.85 -0.89	
L2 L6	HewlettPackard Hill-Rom	HPE HRC	9.67 93.54	0.34			17.81 371.60	-0.80 6.07	PennNational Pentair	PENN PNR	55.18 45.97	-1.00 -0.09	
57 71	Hilton	HLT	86.80 65.91	-1.64	MagellanMid			-1.22 0.14	Penumbra PepsiCo	PEN	230.00 138.47		
<b>51</b>	Hologic I HomeDepot	HD	291.93	5.80	ManhattanAssoc	MANH	97.55	1.43	PerkinElmer	PKI	119.44	3.22	
L2	HondaMotor Honeywell	HON	25.72 165.31	0.25 0.78	MarathonPetrol			0.08	Perrigo PetroChina	PTR	52.19 35.17	-0.17	
71	HorizonTherap HormelFoods			-0.65 -0.56	MarketAxess	мктх		14.92	PetroleoBrasil PetroleoBrasil	PBR.A	7.92	-0.37 -0.37	
18 12	DR Horton HostHotels	DHI	74.07	-1.41 -0.29		MAR	97.38	-1.39 1.23	Pfizer PhilipMorris	PFE PM	38.05 79.98	-0.36 0.36	
3	HowmetAerospace	HWM	17.19	-0.25	MartinMarietta	MLM			Phillips66	PSX PDD		-1.60 2.01	
L9	HuanengPower Huazhu	HTHT	43.04	-0.44 0.87	Masco	MAS	59.10	-0.24	Pinduoduo PinnacleWest	PNW	72.82	-1.65	
)1  7	Hubbell HubSpot	HUBS	147.08 296.97		Mastercard	MA	218.23 351.02	-0.59 3.36	Pinterest PioneerNatRscs			0.24 -2.51	
72 <b>55</b>	Humana I JBHunt	HUM	403.73 142.20		MaximIntProducts McCormickVtg	MXIM	70.31	-0.03 3.74	PlainsAllAmPipe Polaris			-0.23 0.41	
31	HuntingtonBcshs	HBAN	9.41	-0.17	McCormick	MKC	205.50 213.76	2.72	Pool PostHoldings	POOL	335.85	0.45	
L4	IAA	IAA		-0.20	McKesson	мск	152.08	1.11	PrincipalFin	PFG	43.71	-0.61	
19	ICICI Bank IdexxLab	IBN IDXX	10.53 386.02	-0.15 2.09	Medtronic	MDT	104.08	-0.46 1.49	Procter&Gamble Progressive	PGR		-0.60	
10 08	IHS Markit ING Groep		80.31 8.27		MelcoResorts MercadoLibre	MLCO	19.55	0.02	Prologis Proofpoint		101.03 111.70		
11	IPG Photonics				Merck		85.54		PrudentialFin		68.29 31.87		
)3 57	IcahnEnterprises	IEP	49.41	-0.49	MettlerToledo	MTD	972.10	4.28	PublicServiceEn	PEG	52.45	-1.15	
10	Icon IDEX	ICLR IEX	186.01 180.00	0.69 0.30	MicrochipTech MicronTech	MCHP MU		-1.37 -0.14			208.51 46.29	1.75 -0.89	
)9 29													
8.	IPO Sco												
	Performa	nce c	ot IPC	s, m	ost-recent l	ıste	a tirs	τ					

Performance of IPOs, mo	st-re	cent li	sted first			
	% Chg				% Chg	
Company <b>SYMBOL</b> Wed's IPO date/Offer price close (\$)	Offer price	1st-day close	Company <b>SYMBOL</b> IPO date/Offer price	Wed's close (\$)	Offer price	1st-day close
FTAC Olympus Acquisition 9.93 <b>FTOCU</b> Aug. 26/\$10.00	-0.7		Nano-X Imaging NNOX Aug. 21/\$18.00	27.58	53.2	27.1
Colonnade Acquisition 9.87 <b>CLA.UT</b> Aug. 21/\$10.00	-1.3	-0.5	Foley Trasimene Acquisition I <b>BFT.UT</b> Aug. 19/\$10.00	10.07	0.7	0.7
FAST Acquisition 9.95 FST.UT Aug. 21/\$10.00	-0.5	0.2	Forum Merger III <b>FIIIU</b> Aug. 19/\$10.00	10.01	0.1	0.1
Horizon Acquisition 10.09 <b>HZAC.UT</b> Aug. 21/\$10.00	0.9	0.9	Harmony Biosciences Hldgs <b>HRMY</b> Aug. 19/\$24.00	34.00	41.7	-8.1
Kymera Thera 30.28 <b>KYMR</b> Aug. 21/\$20.00	51.4	-9.0	Inhibrx <b>INBX</b> Aug. 19/\$17.00	18.36	8.0	-11.0

Net YTD NAV Chg % Ret Fund

Chg	Stock	Sym	ı Close	Chg	Stock	Sym	Close	Chg	Stock	Sym	Close	Chg
4.68	Qiagen	QGEN	52.05	0.27	SoCopper	scco	47.18	0.90	UnionPacific	UNP	194.32	-0.58
2.54	Qorvo	QRVO	131.51	-0.46	SouthwestAir	LUV	36.38	-0.68	UnitedAirlines	UAL	34.25	-0.97
0.32	Qualcomm	QCOM	116.04	0.09	i Splunk	SPLK	216.74	13.12	UnitedMicro	UMC	3.76	0.03
0.01				0.29	Spotify		278.29	9.60	UPS B			-0.14
0.01	QuestDiag		118.33		Square	SQ	153.74		UnitedRentals		177.59	0.77
0.17	Quidel	QDEL	222.94	-9.96	StanleyBlackDck				US Bancorp UnitedHealth	USB	36.22	
<b>4.25</b> 0.06	R	S			Starbucks StateStreet	STT	82.41 67.98		UnivDisplay			0.25
1.05	RELX	DELV	22.84	0.01	SteelDynamics				UniversalHealthE			-1.40
2.53	RH	RH	324.62	5.56	Steris		154.27	0.08	VEREIT	VER	6.70	-0.14
0.12	RPM	RPM		0.16	STMicroelec	STM	30.91	0.72	VF	VFC	64.06	
0.07	RaymondJames	RJF	75.20		StoneCo		48.90		VICI Prop	VICI	22.78	
0.47	RaytheonTech	RTX	60.77		Stryker		189.01		VailResorts Vale		220.29 11.05	
<b>2.51</b> 2.02	RealPage	RP	62.74		SumitomoMits SunComms		146.76	-0.02 -1.56	ValeroEnergy		53.70	
2.02	RealtyIncome		61.68		SunLifeFinancial		42.71	0.25	VarianMed		172.25	-0.34
6.57	RegencyCtrs RegenPharm		40.10	1.50	SuncorEnergy		16.29		Vedanta	VEDL		0.02
0.34	RegionsFin	RF	11.38		SunRun	RUN	50.03		VeevaSystems			8.49
3.01	ReinsGrp	RGA	92.04		Suzano	SUZ		-0.09	Ventas VeriSign	VTR	40.52 208.51	-0.95 2.81
0.13	RelianceSteel	RS	105.26	0.41	SynchronyFin		24.45		VeriskAnalytics			0.44
1.45 0.28	RenaissanceRe			1.28	SyneosHealth Synnex		127.45	0.12	Verizon	VZ	59.46	0.04
0.20 <b>4.10</b>	Repligen		149.44	1.46	i Synopsys		219.77	3.60	VertxPharm		271.29	
2.60	RepublicSvcs ResMed		92.04 180.08	0.54	Sysco	SYY		-0.70	ViacomCBS B			0.32
0.62	RestaurantBrands		54.50		_		V		ViacomCBS A			0.13
4.28	RexfordIndlRealty			0.05	T	U '	<b>V</b>		Vipshop Visa	VIPS V	17.16 210.26	0.13
0.22	ReynoldsCnsmr	REYN	32.65	-0.06	TAL Education	TAL	76.78	0.16	Vistra	VST	18.76	
2.44	RingCentral		290.76	6.73	TC Energy	TRP	47.82		VMware		143.59	2.90
0.49 0.87	RioTinto	RIO	61.76	0.72	TD Ameritrade			-0.11	Vodafone	VOD	15.23	0.04
0.59	RitchieBros RobertHalf	RBA RHI	61.10 53.97	0.16	TE Connectivity Telus		95.80	0.89	VornadoRealty		35.76	
0.03	RocketCos.	RKT	27.32		TIM Part	TU TSU	18.47 12.96		VoyaFinancial			
2.52	Rockwell		232.39	1.55	TJX	TJX	53.26		Vroom VulcanMatls	VRM	65.66 122.89	0.30
0.44	RogersComm B	RCI	42.43	0.09	T-MobileUS	TMUS	116.19	0.78				1.02
1.33 <b>6.95</b>	Roku		164.28				136.19	0.44	W 2	K Y	Z	
0.72	Rollins	ROL	55.91	1.18		TSM	81.75	1.71	WEC Energy	WEC	92.04	-0.24
0.72	RoperTech RossStores		432.44 89.86	1.17	TakeTwoSoftware TakedaPharm		175.39	2.37 0.11	WEX		158.00	
0.15	RovalBkCanada		77.11	1.12	TandemDiabetes				W.P.Carey	WPC	70.30	
0.16	RoyalCaribbean			-1.23	Target		152.71		WPP	WPP	41.17	0.29
0.81	RoyalDutchA				TeckRscsB	TECK	11.51	0.35	Wabtec WalgreensBoots	WAB		1.12 -0.83
0.02	RoyalDutchB			0.01	TeladocHealth			2.56	Walmart		130.70	0.07
0.02 2.31	RoyalGold		136.79	1.52	TeledyneTech			2.16	WarnerMusic			
0.02	RoyaltyPharma Ryanair		84.38	0.16	Teleflex Ericsson	TFX ERIC	375.93 12.01	0.32	WasteConnections	WCN	101.73	0.11
0.36	i SAP		168.46	2.88	TelefonicaBras			-0.22	WasteMgt		113.90	0.71
0.55	S&P Global		364.41	5.91	Telefonica	TEF		-0.07	Waters		216.09	
0.01	SBA Comm		303.46		TelekmIndonesia	TLK	20.54	0.08	Watsco Wayfair	WSO	245.15 342.40	0.93 4.34
0.04 3.75	SEI Investments			-0.48				1.91	Weibo	WB	36.20	0.32
0.54	SK Telecom SS&C Tech	SKM	23.08	-0.03 0.37	Tenaris	TS	11.64		WellsFargo	WFC	24.04	
1.26			26.36		TencentMusic Teradyne	TER	15.96 89.87	0.29	Welltower		55.85	
1.59	SVB Fin		249.35		i Tesla		2153.171		WestPharmSvcs			
0.72	Salesforce.com	CRM	272.32	56.27	TevaPharm	TEVA	9.67	0.13	WesternDigita WesternUnior		34.30 23.90	-0.02
0.58	Sanofi	SNY		-0.08	TexasInstruments	TXN	142.45	0.79	WestlakeChem		59.85	-0.47
1.51 0.31	SareptaTherap			3.91	Textron	TXT	38.83	0.17	WestpacBanking			
0.05	Schlumberger SchwabC		18.67 35.42		ThermoFisherSci ThomsonReuters		425.65 77.16	3.36 0.79	WestRock	WRK		
0.85	ScottsMiracleGro				3M		163.90	0.80	Weyerhaeusei		29.36	0.21
0.07	Sea	SE	159.00	4.87	Tiffany	TIF	121.52		WheatonPrecMet Whirlpool		179.94	1.78
0.04	Seagate	STX	45.73	0.29	Toro	TTC	74.94	0.04	Williams		21.05	
0.92	SealedAir	SEE		-0.26	TorontoDomBk		50.46	1.49	Williams-Sonoma			3.60
	SeattleGenetics			-0.41	Total	тот	39.44	0.01	WillisTowers	WLTW	201.57	4.31
	SempraEnergy SensetaTechs		122.34		ToyotaMotor		134.89	0.10	Wipro	WIT	4.23	
0.90 0.70	SensataTechs ServiceCorp	SCI	41.38 45.57	0.10	TractorSupply TradeDesk		154.63 481.04	1.36 11.14	Wix.com		296.93	4.14
3.24	ServiceNow				Tradeweb	TW	56.95	2.29	Workday WynnResorts		213.62 84.80	
0.24	ShawComm B	SJR	18.92	-0.10	TraneTech	TT	120.08	1.62	XP	XP	47.77	0.60
0.55	SherwinWilliams			6.42			484.89		XPO Logistics		86.36	1.36
4.61	ShinhanFin	SHG	25.92			TRU	85.77	0.62	XcelEnergy	XEL	68.13	
1.33	A Shopify Sibanye-Stillwater		1089.33	0.17	Travelers Trex		113.54 148.11	0.90	Xilinx		104.98	1.59
1.51 0.81	SimonProperty			-2.34	1 Trimble		52.60	0.90	Xylem Yandex	XYL YNDX	80.70 65.51	0.02 -1.46
0.14	SiriusXM	SIRI		-0.03	Trip.com		28.60		YumBrands	YUM	95.33	
0.09	Skyworks	SWKS	142.71	0.18	TruistFinl	TFC	37.87	-0.95	YumChina		55.40	0.33
0.09	SlackTech		30.23	1.66	Twilio		265.02		ZTO Express		32.81	0.16
0.93	Smartsheet SmithAO	SMAR AOS	<b>52.47</b> 49.48	3.18 -0.02	Twitter		41.08 343.83	0.53	ZaiLab		83.37	1.43
1.40 0.17	Smith&Nephew		49.48		TylerTech TysonFoods	TSN	63.45	1.60	ZebraTech <b>Zendesk</b>	ZEN	284.74 <b>93.11</b>	6.88
0.17	Smucker		121.73	0.98	UBS Group	UBS	12.38	0.15	Zendesk Zillow C	ZEN	83.85	<b>5.56</b> 1.02
0.11	Snap		21.36	0.24	UDR	UDR		-0.83	Zillow A	ZG	83.55	0.92
1.02	SnapOn		147.21		UGI	UGI		-0.44	ZimmerBiomet	ZBH	136.83	-0.77
0.24	SOQUIMICH SolarEdgeTech				Uber		32.30		Zoetis		159.76	1.18
0.08 0.46	SolarEdgeTech SolarWinds	SEDG SWI	214.92	1.76 0.46	Ubiquiti UltaBeauty	UI ULTA	185.72 220.76	-2.54 0.98	ZoomVideo ZoomInfoTech	ZM ZI	295.27 38.05	4.83 1.25
0.46 $1.10$	Sony	SNE	81.12	1.75	Unilever	UN	58.80		Zoominfo recr Zscaler	ZS	140.00	4.37
0.33	Southern	SO		-0.69		UL	60.30	0.12		ZNGA		-0.03
0.13								- 1				
0.24				_								_
3.07	Borro	wii	ng I	Bei	าchmar	ks						
1.64 0.46			_				navle	at-d-	ata/bonds/	ham	chm-	rke
0.46					wsj.co	111/11	I COLI IX	er-de	ra/ Dollas/	nell	CHILIC	ıı KS
0.56	Mone	v D	ate	•					Διι	1116+	26, 20	<u> </u>
2.45	1410116	y N	ucc						Aul	Just	_0, _(	J20
1.44 0.25	Key annu	ıal in	teres	t rat	es paid to b	orro	wor	lend	money in I	J.S.a	nd	

Week - 52-Week

**2.00** 2.00 4.00 2.00

**0.13** n.a. 2.53 0.04

0.17088 2.11200 0.14925

0.30450 2.08525 0.28913 0.44488 2.07413 0.43913

-0.555 -0.360 -0.621

-0.515 -0.142 -0.539

-0.473 -0.052 -0.491

-0.353 0.008 -0.441

0.09 5.25 0.01

Value -52-Week-

Traded High Low

-52-WEEK-

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.

	Infl	lation				Lates	Week t ago	—52- High	WEEK Lo
	July i		Chg Fror		-		-		
	le	evel J	une '20	July '19	Othe	er short	-term	rates	
U.S. consu	•					Latest	Week	— 52-' high	Week lo
Allitems		9.101	0.51	1.0		Latest	ago	High	10
Core	26	7.703	0.53	1.6	Call money	,			
In	ternat	ional r	ates			2.00	2.00	4.00	2.0
	1 - 1 1	Week		-Week -	Commercia	al paper	(AA fin	ancia	l)
	Latest	ago	High	Low	90 days	0.13	<b>3</b> n.a.	2.53	0.0
Prime rate	s				Libor				
U.S.	3.25	3.25	5.25	3.25			0.47000	0.44000	0.4.40
Canada	2.45	2.45	3.95	2.45	One month	0.15638		2.11200	0.149
Japan	1.475	1.475	1.475	1.475	Three month Six month	0.25588 0.30725		2.16413 2.08525	0.233
Policy Rat	00				One year	0.30725		2.00525	0.439
Euro zone	es 0.00	0.00	0.00	0.00		V177/00	U.TTT00	2.V/T)	UJ7
Switzerland	0.00	0.00	0.50	0.00	Euro Libor				
Britain	0.10	0.10	0.75	0.10	One month	-0.545		-0.360	
Australia	0.25	0.25	1.00	0.25	Three month			-0.142	
					Six month	-0.465		-0.052	
Overnight					One year	-0.361	-0.353	0.008	-0.44
U.S.	0.10	0.10	3.40	-0.07	Secured O	vernight	Financ	ing R	ate
U <u>.S</u> .	gover	nme <u>n</u>	t rat <u>es</u>	;		80.0	0.09	5.25	0.0
Discount					1.	ataat	Value	- 52-	
Distraint	0.25	0.25	2.75	0.25	Li	atest	Traded	High	Lo
		0.25	2.75	0.25	DTCC GCF	Repo Inc	dex		
Federal fu	nds				Treasury	0.095	31.250	6.007	
Effective rate			2.3600	0.0600	MBS	0.118	72.450	6.699	0.01
High		0.1100							
Low		0.0500			Notes on data				
Bid		0.0800			U.S. prime rat		ise rate oi	corpor	ate
Offer	0.1100	0.1100	2.5000	0.0500	loans posted b	y at least 7	70% of the	e 10 İarg	est
Treasury b	oill auct	ion			U.S. banks, and Other prime r				
1 wooks	0.0	<b>90</b> 0 08	5 2 060	0 000	londing practic				

**0.100** 0.105 1.950 0.000

**0.120** 0.120 1.870 0.080

**1.878** 1.820 3.388 1.751

**1.933** 1.872 3.403 1.804

Net YTD NAV Chg % Ret Fund

13 weeks

26 weeks

60 days

Fannie Mae 30-year mortgage yields U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective March 16, 2020. Other prime rates aren't directly comparable; lending practices vary widely by location; Discount rate is effective March 16, 2020. 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 traded is in billions of U.S. dollars. Federal-funds rates are Tullett Prebon rates as of 5:30 p.m. ET.

Sources: Federal Reserve; Bureau of Labor Statistics; DTCC; FactSet; Tullett Prebon Information, Ltd.

Net YTD NAV Chg % Ret Fund

					Date	ta provided by L		•	Fund	NAV	Chg % Re	t Fund	NAV Ch	g %Ret	Fund	NAV (	Chg %Ret	Fund	NAV	Chg % R	et Fund	NAV	Chg % Re	et Fund	NAV Chg %
Tan 250 must	tual funda liatina	for Nasdag-publ	ام اممطما	ام معما		bu not noostu			USBdldxInstPrem		-0.01 7.		20.04 .0		MFS Funds Ins			PRIMECAP Od			STIGradeAdm				11.57 -0.01
						,			Fidelity Advisor			FPACres	32.06 +0.	23 -2.3			+0.22 0.1	AggGrowth r		+0.42 /				1 USGro	61.57 +1.76 4
		ay's quotation. g-						ls			+1.25 19.	3 Franklin A1	7.75 0		Northern Funds			Schwab Funds		. 0. 70 0	TotIntBdldxAdm			9 Wellsl	27.84 -0.04
		r, using updated							Fidelity Freedon			CA TF A1 p				39.97	+0.41 9.0	1000 Inv r			4 TotIntlAdmldx				44.60 +0.23
		y. <b>s</b> -Stock split or										1 IncomeA1 p 1 FrankTemp/F		5.9	Nuveen CI I			S&P Sel		+0.54 9 +0.55 8	.0 TotStAdml	85.68		5 Wndsrll 9 VANGUARD IN	36.13 +0.15
		z-Footnote x, e ar								14.68		1 IncomeAdv		_E 0	HYMunBd	16.92	-0.02 -2./	TSM Sel r TIAA/CREF Fu		+0.55 8	4 TxMCapAdml	180.68			17.37 +0.11 -
		ta. <b>NE</b> -Not release		ipper; c	data ur	nder review. N	<b>IN</b> -Fund n	not		18.18		1 FrankTemp/F		5.0	Old Westbury I			BdldxInst		-0.01 6	TxMIn r	13.59	+0.10 -3	0 Iuxiiiu	49.54 -0.36 -1
tracked. <b>NS</b> -F	Fund didn't exist	at start of period	l.						Freedom2020 K			1 Growth A p		60 19 7	LrgCpStr	15.85	+0.17 5.2	EgldxInst				159.58	+4.5/ 43	2 SmValAdml	11.57 -0.01
									Freedom2025 K			RisDv A p	72 /10 ±0	22 6.1	Parnassus Fds ParnEqFd	E4 04		VANGUARD A			.5 ValAdml			4 TotBd2 TotIntlinstidx r	
		Wednesday,	August	26 20	20				Freedom2030 K			FrankTemp/F	73.40 'U. Fanklin C	ر. کر 1.0.1			+0.48 10.7	500Adml		+3.25 9	WdsrllAdml	64.11	+0.2/	5 TotitilnstPlid r	116.17 +0.73 -
			_						Freedom2035 K			Income C t		6.1	PGIM Funds CI			BalAdml		+0.22 8	VVEIISIAUITII			2 TotSt	85.65 +0.79
· a	Net YT			Net		F4			Freedom2040 K	10.72	+0.0/ 4.	FrankTemp/T		0.1	TotalReturnBond	NA.	NA	CAITAdml	12.31				+0.39 4	VANGUARD IN:	
und	NAV Chg % Re			Cng %	6 Ret				Fidelity Invest			CIDand Adv.		02 -49	PIMCO Fds Inst			CapOpAdml r			WndsrAdml		-0.20 -10	Ballnst	42.10 +0.22
merican Cent		HiYBlk	7.52			US CoreEq1	26.48 +				+0.21 11.	Cuananhaim		02 1.7	AllAsset	NA	NA	DivAppldxAdm			VANGUARD F			o DevMktsIndInst	
Jltra	72.22 +1.92 38	.5 HiYldBd Inst	7.51			US CoreEq2	23.79 +	-0.08 1.3			+4.08 43.	TotDtoDdEdClin	st 29.75 -0.	02 11.6	HiYld	8.83 +		EMAdmr	37.34		DivdGro		+0.09 2	DevMktsInxInst	
merican Fund		BlackRock Fund				US Small	31.49 -	0.23 -9.5			+0.58 28.	Harbor Funds		02 2210	InvGrdCrBd	11.15		EglncAdml		-0.12 -7	INSTTRF2020				100.40 +0.44
mcpA p	36.61 +0.51 10			+0.14		US SmCpVal	27.93 -	0.29 -18.5			+0.58 28.	CapApInst	108.60 +3.	97 43.4	TotRt	10.94	-0.01 7.6	ExplrAdml	103.70		1NSTTRF2025				122.15 +2.49 3
MutlA p		3 BlackRock Fund				USLgVa	32.58 -	0.10 -14.6		10.06		Harding Loo		,, ,,,,,	PIMCO Funds A				100.41		INSTTRF2030			InPrSeIn	11.51 +0.03
alA p		.6 StratIncOpptyIns			2.8	Dodge & Cox					+0.34 8.		NA	NA	IncomeFd	NA	NA	GNMAAdml	10.75		3 INSTTRF2035	26.78	+0.16 5		311.06 +3.14
BondA p		3 Bridge Builder				Balanced		0.08 -4.3	GroCo	31.99	+0.74 49.	Invesco Fund			PIMCO Funds I	_				+2.50 30	INSTTRF2040				311.08 +3.14
apIBA p	59.82 +0.07 -3		10.99	-0.01		Income	14.78 -		GrowCoK	32.06	+0.74 49.	9 DevMktY	46.35 +0.	23 1.6	Income	NA	NA	HlthCareAdml r		-0.27 9	₁ INSTTRF2045			InstTStPlus	73.30 +0.67
apWGrA		.7 CorePlusBond				Intl Stk		0.30 -12.7	IIIVGI BU	12.20	0.	∪IJPMorgan I (			PIMCO Funds I			HYCorAdml r		.0.01 1	5 INSTTRF2050	27.45	+0.20 4	7 MidCpInst	48.92 +0.09
upacA p		.7 Intl Eq	12.03					0.05 -9.1	LowP r	46.76	-0.07 -6.	6 CoreBond	NA	NA	IncomeFd	NA	NA	InfDro A d	20 24	±0.06 0	INSTTRF2055	27.56	+0.20 4		241.26 +0.42
dlnvA p	63.15 +0.66 3								Magin	12.54	+0.23 22.	7 Ealne	NΙΛ	NA	Price Funds			IntlGrAdml	137.67	+2 07 33	o LifeCon	22.04	+0.0/ 5	7 SmCapInst	75.74 -0.16 -
GwthA p		.4 LargeCapValue	12.81	-0.01					IOTC	17.29	+0.36 35.	2 IDMorgan D	Class				+4.26 30.2	ITPond Admi	12 66	-0.01 8	9 LifeGro		+0.24 5	O STIGradeInst	10.99
ll TrA p	9.69 +0.02	ClearBridge				TotRetBdI	10.75		Puritn	25.80	+0.31 14.	2 CoreBond	NA	NA	DivGro	54.90 +	+0.20 3.6	ITIGradeAdml	10.64	8	4 LifeMod	30.19	+0.14 5		25.60 +0.04
CAA p		.1 LargeCapGrowthI				Edgewood Gro			SrsEmrgMkt	21.62	+0.05 4.	8 CorePlusBd	NA	NA	EqInc	27.42			12.04	-0.04 13	1 PrmcpCor	27.47	+0.11 -1	6 TotBdInst	11.65 -0.01
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Net YTD NAV Chg % Ret Fund

# **S&P** and Nasdaq **Extend Streak** Of Record Highs

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.

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

The Nasdaq Composite also extended its recent record streak, marking five straight with a gain of 198.59 points, or 1.7%, to 11665.06. 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 28331.92. The bluechip 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

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

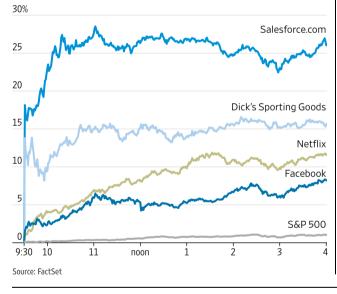
Investors watched the progress of Hurricane Laura as it gathered strength and churned toward the Gulf Coast. The energy and utility sectors in the S&P 500 both declined. Baker **Hughes** shares fell 60 cents, or 3.8%, to \$15.05 and **Hess** dropped \$2.02, or 4.2%, to

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





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 Jersev.

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 Analytics

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.



Triple Five, which owns the Mall of America, agreed to buy the New Jersey facility in 2010.

**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 Jersev allowed many mall retailers to reopen, but many stores at American Dream are under construction and some aren't likely to open until next vear. 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

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

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-hungry 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.

# 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 buvers into other cor-

ners

market.

of the

**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 Treasurys, 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 because 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

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

slower pace than expected.

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 highvield 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 million 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 negativevielding 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 10vear Treasury notes ticked up to 0.686% on Wednesday, from 0.680% on Tuesday.

# **AUCTION RESULTS**

auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the

**FIVE-YEAR NOTES** \$142,630,135,100 Accepted bids noncompetitively

99.761955 Auction price (rate) Bids at clearing yield accepted 91282CAJ0

The notes, dated Aug. 31, 2020, mature on Aug. 31, ONE-YEAR, 11-MONTH FRNs

Applications Accepted bids \$22,000,228,200 noncompetitively Bids at clearing yield accepted 91282CAA9

### New Highs and Lows | wsj.com/newhighs 52-Wk % Sym Hi/Lo Chg Stock Sym Hi/Lo Chg Stock Sym Hi/Lo Chg Stock Sym Hi/Lo Chg Sym Hi/Lo Chg Sym Hi/Lo Chg EPAM Systems EPAM 325.92 GrafIndustrial GRAF.U MTLS 40,94 anaceaAcqnA PANA PDCO 10.10 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. 10.10 Lows Wednesday, August 26, 2020 cebook rPointAcqnUn rPointAcqnA 52-Wk % Stock Sym Hi/Lo Chg Stock Sym Hi/Lo Chg PublicStoragePfM PSApN nariMedical engasco 1.01 p IIPR 124.53 2166.00 nnovSolSuprt Compugen irstCitizensPfdA FCNCI exasInstrum ConagraBrands CorbusPharm RekorSystems Bandwidth 160.41 38.85 FirstHorizonPfdC FHNpC FirstMidBncpPfdC FMBIO AT&T 5%PfdA BigLots Neonode rineAcqn ReneSola 151.99 33.5 CoupaSoftware COUP CVET 337.50 10.0 irstMidwestPfdA FMBIP NetEase NTES rineAcqnUn BlackKnight 83.33 27.23 0.7 0.6 25.21 119.94 irstRepBkPfd NexGenEnergy 1.93 rineAcqnWt BrighthousePfdB BHFAO CrowdStrike irstSolar NomadFoods NOMD NorthernTrPfdE NTRSO ruistFinlPfdR andstarSyst 341.51 loor&Decor JSCellularNts2069 UZD 137.03 BroadcomPfdA **AVGOP** 1233.47 luidigm oleyTrasimII nionPacific 195.34 ailPointTechs AgilentTechs CadenceDesign CDNS 113.97 CularTherapeutix OCUL 9.99 A Baba 28.83 31.24 59.42 13.80 1284.23 48.84 17.55 254.25 8.76 62.98 0.33 170.50 OPINI OLLI LPRO OC PPD PTC AllstatePfdI 27.31 Alphabet A GOOGL 1652.79 SenecaFoods B ServiceNow Shift4Paymts Alphabet C GOOG 1659.22 AMZN 3451.74 .ongevityAco

# HEARD ON 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

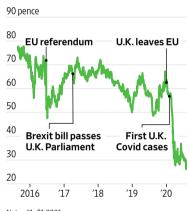
This year's pandemic has understandably overshadowed the risks associated with Britain's Brexit process. But that may change as a crucial year-end deadline approaches. Bellwether stocks like Lloyds Banking Group look exposed.

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 nodeal 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



Note: £1=\$1.3201

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.



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.

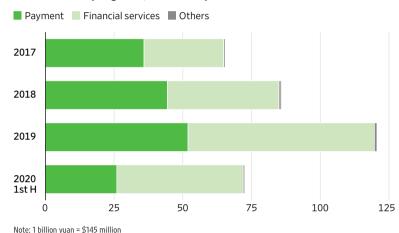
The company, controlled by Chinese billionaire Jack Ma, filed for concurrent initial public offerings in Shanghai and Hong Kong. Ant is expected to fetch a valuation above \$200 billion. With the company selling at least 10% of share capital, the IPOs could together amount to one of the largest listings 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 digi-*—Rochelle Toplensky* ∣ tal payment has become ubiquitous tized. That lets Ant earn higher

Ant's revenue by segment, in billion of yuans



in China. Alipay had 711 million monthly active users as of June. Instead, Ant's user base in pav-

ment 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 securimargins 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 priceearnings ratio of 44 while new fintech challengers like Square and Pay-Pal trade at even higher multiples.

The buoyant Chinese stock market will no doubt give further help. A cool \$200 billion may be just the be-

# 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. Secondquarter 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 cot-

tage 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 subscriptionbased cloud businesses, surged 34% to \$4.75 billion—well ahead of Wall Street's estimates.

Salesforce also projected betterthan-expected revenue for the fiscal

third quarter and nudged up its forecast for the full fiscal yearthree 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-fromanywhere 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