

THE WALL STREET JOURNAL.

What's News

Business & Finance

- ◆ **A federal jury found** the National Association of Realtors and large residential brokerages liable for about \$1.8 billion in damages after determining they conspired to keep commissions for home sales artificially high. **A1**
- ◆ **Home prices rose** in August to a record as a shortage of homes for sale kept the market competitive. **A2**
- ◆ **Investors have boosted** their holdings of money-market funds to a near-record \$5.6 trillion, but many advisers caution that fees, taxes and inflation undermine the funds' returns. **A1**
- ◆ **Stellantis said the strike** by U.S. auto workers had cost it more than \$3 billion in lost revenue as it reported a rise in quarterly sales. **B1**
- ◆ **Major stock indexes** ended higher on Tuesday. The S&P 500, Nasdaq and Dow climbed 0.6%, 0.5% and 0.4%, respectively. **B11**
- ◆ **WeWork is planning** to file for bankruptcy as early as next week. **B1**
- ◆ **Tesla has prevailed** in one of the first U.S. trials over the involvement of its Autopilot system in a fatal crash. **B2**
- ◆ **Shares of JetBlue hit** a nearly 12-year low after the airline forecast a wider-than-expected loss in the current quarter and said it was cutting back on some flights. **B3**
- ◆ **Toyota said it is more than doubling** its investment in a battery plant under construction in North Carolina. **B2**
- ◆ **Shares of AB InBev rose** 5% after the Budweiser owner reported better-than-expected third-quarter organic sales growth. **B3**

World-Wide

- ◆ **Israel said it hit** a Hamas command and tunnel network in northern Gaza, flattening entire apartment blocks and causing widespread damage in a crowded Palestinian refugee camp. **A1**
- ◆ **Hunger is spreading** in Gaza as Palestinians grow desperate in their search for bread and other essential foods after Israel imposed a blockade. **A8**
- ◆ **Senators voted** 53-43, largely along party lines, to confirm Jack Lew as the next U.S. ambassador to Israel. **A8**
- ◆ **In the months before** Robert Card carried out Maine's deadliest mass shooting, those around him feared he was sinking into a dangerous mental health crisis. **A3**
- ◆ **The infant mortality rate** in the U.S. increased significantly for the first time in two decades, climbing 3%. **A2**
- ◆ **House Speaker Johnson** is on a collision course with the Senate over a plan to immediately fund aid for Israel but not Ukraine with funds previously allocated for the IRS. **A4**
- ◆ **Sen. Tuberville**, who has held up hundreds of military promotions for months, moved to force a vote to confirm the Marine Corps' second-in-command after its top officer fell ill and was taken to the hospital. **A6**
- ◆ **New research has revealed** evidence that a Vatican aide played a role in Pope Pius XII's silence on the Nazi Holocaust. **A9**
- ◆ **Tensions between** the U.S. and Chinese militaries continue to simmer even as Biden and Xi prepare for a likely summit in San Francisco in November. **A7**

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Halloween Brings Respite to Hurting Maine City



KIND SMILES: Children went trick-or-treating in Lewiston, Maine, on Tuesday as the community tried to return to normal following a mass shooting last week and as authorities faced questions about how early warnings failed to stop the rampage. **A3**

Israeli Airstrike Hits Crowded Refugee Camp in North Gaza

Israel said Tuesday it hit a Hamas command and tunnel network in northern Gaza, flattening entire apartment blocks and causing widespread damage in a crowded Palestinian refugee camp.

By Dov Lieber, Margherita Stancati and Omar Abdel-Baqi

Israel said it killed dozens of militants, including a commander who it said led the

Oct. 7 attacks in Israel. Hamas said hundreds were dead or wounded but didn't say how many were militants, while hospital officials in Gaza reported receiving scores of bodies.

The Israeli strike flattened entire apartment blocks, leaving deep craters. Video footage aired by Palestinian television networks and Al Jazeera showed hundreds of people digging through the rubble

with their hands to extract bodies and survivors, many of them children.

Israel's military said the assault targeted "terrorists and terror infrastructure belonging to the Central Jabaliya Battalion," saying militants had taken control over civilian buildings in Jabalia refugee camp north of Gaza City. It said the strike had killed large numbers of militants. Israeli ground troops, backed by

tanks and jet fighters, are expanding their invasion against Hamas in Gaza.

Israeli military spokesman Jonathan Conricus said the military had struck an underground bunker where a senior Hamas commander who played a pivotal role in the Oct. 7 attacks on Israel was

Please turn to page A8

◆ **Hunger spreads in Gaza as Israel's grip tightens..... A8**

Democrats' Fractures On Israel Laid Bare By War

By MOLLY BALL

To many on the left, the Israel-Hamas war is spurring what feels like a permanent rupture, when previously sublimated differences become impossible to ignore and everyone must choose sides.

The weeks since the Hamas attacks have riven the liberal coalition, pitting erstwhile allies against each other as ugly accusations fly in both directions. From the halls of power in Washington to street protests and social media, progressives find themselves at odds with those they once saw as kindred spirits.

Both pro-Israel and pro-Palestinian advocates have described a feeling of disillusionment as relationships fracture and harsh words are exchanged. The result, many predict, could be a breach that splits Democrats for a generation with untold political consequences.

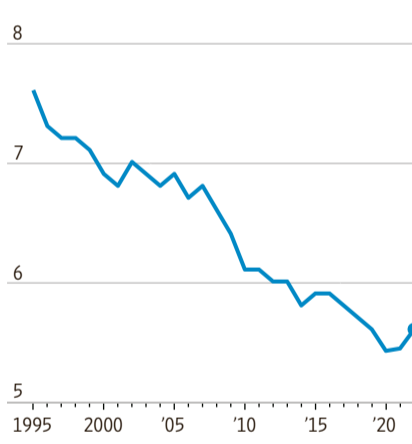
To liberal Jews devastated by scenes of the deadliest attack on Jews since the Holocaust, the ensuing weeks have shattered illusions of solidarity, said Jonathan Greenblatt, CEO and director of the Anti-Defamation League. College students and faculty, as well as local chapters of Black Lives Matter and the Democratic Socialists of America, have justified or even celebrated Hamas's actions, while many others have emphasized the Palestinians' plight and criticism of Israel over sympathy for the victims of the terrorist attacks.

"It has been an incredibly clarifying and terrifying moment at the same time for many progressive Jews,"

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◆ **House and Senate brace for showdown on aid..... A4**

U.S. infant deaths per 1,000 live births



Note: In the first year of life. Source: U.S. Centers for Disease Control and Prevention

Infant Deaths On Rise

The U.S. infant mortality rate rose 3% from 2021 to 2022, the first statistically significant increase in two decades. The rate increased from 5.44 infant deaths for every 1,000 births in 2021 to 5.6 in 2022. **A2**

Activists Helped Get Huge UAW Win

New hires who never worked in an auto factory transformed union's strategy

By NORA ECKERT AND MIKE COLIAS

In hard-nosed negotiations, the United Auto Workers in recent weeks shocked Detroit automakers with public swipes at CEO pay, a renewed focus on the rank-and-file and a bold plan for sudden strikes.

The aggressive strategy was driven by a band of young outsiders—who have never clocked in a day of work at an

auto factory.

The three 30-something labor activists were brought in by new UAW President Shawn Fain to remake the union into a more independent, media savvy and creative challenger to car companies.

They included a communications specialist who helped

Please turn to page A10

◆ **Stellantis lost \$3.2 billion in revenue due to strike..... B1**

The 'Yips' Can Strike Golfers At Any Time—Even in a Shoe Store

With a coveted pair of Air Jordan cleats on the line, lots of duffers muffed their drives

By STU WOO AND INTI PACHECO

LONDON—Pete Thomas can easily hit a golf ball beyond 200 yards. But this time, the ball ticked off the end of the club and dribbled 27 yards to the right.

A paralyzing feeling overtook him: He was choking.

As part of a recent marketing stunt, a British golf store gave customers two chances to hit the ball 200 yards in order to buy limited-edition Nike golf shoes. It turned into a two-

Please turn to page A10

Cash Is King Now But Investors Face Risk of Being Stung

By ERIC WALLERSTEIN

Cash has rarely been this hot on Wall Street. Financial advisers warn holding too much can burn a hole in your portfolio.

With markets rocky and cash earning 5% or more, investors have boosted their holdings of money-market funds to a near-record \$5.6 trillion, according to the Investment Company Institute. Both individuals and institutional investors are piling in—asset managers now have about one-fifth of their portfolios in money-market funds, State Street data show.

Cash was trash for years on Wall Street, where low interest rates left investors buying every dip, saying there was no al-

ternative to stocks. The prospect of a prolonged period of higher rates has upended that thinking, buffeting both stocks and bonds while increasing the returns offered by some of the safest, shortest-term investments such as money markets.

Yet many advisers caution that fees, taxes and inflation all undermine those returns. And one of the biggest costs is opportunity: By pouring money into cash, investors miss out on potential gains from holding a broad portfolio of stocks, bonds and other riskier investments.

"Money-market funds are a

Please turn to page A6

◆ **Stocks end October on a high note..... B11**

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U.S. NEWS

Jump in Infant Mortality Rate Reverses Long Decline

By LIZ ESSLEY WHYTE

The rate of babies dying in the U.S. increased significantly for the first time in two decades, raising new alarms about maternal-infant health in America.

The nation's infant mortality rate rose 3% from 2021 to 2022, reversing a decades-long overall decline, the Centers for Disease Control and Prevention said Wednesday. The rate increased from 5.44 infant deaths for every 1,000 births to 5.6 in 2022, a statistically significant uptick.

The American rate is double that of many developed countries. Globally baby death rates have fallen for decades, though five nations that have reported their rates this year recorded increases for last year.

The death rate for women who give birth has also been rising in the U.S. Researchers who study the issues said the pair of trends indicate more women giving birth are facing issues getting proper care.

"The U.S. is falling behind on a basic indicator of how well societies treat people," said Arjumand Siddiqi, a University of Toronto professor who studies population health. "In a country as well-resourced as the U.S., with as much medical technology and

so on, we shouldn't have babies dying in the first year of life. That should be super rare, and it's not."

The health of the mother is closely linked to the risks to tiny infants. Complications during pregnancy was one of the fastest-rising causes of infant death, the CDC said, along with dangerous bacterial infections called sepsis. Sepsis in newborns can occur when babies contract infections from their mothers during birth, or when a bacteria infects an infant at home who isn't immediately treated for it.

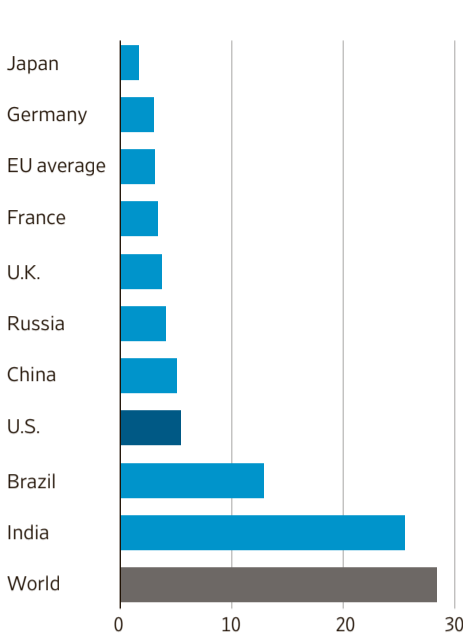
The increased complications and infections, especially among women giving birth prematurely, could be related to stresses like the opioid epidemic and the lingering effects of the pandemic, researchers said.

Higher prices for staples like gas and groceries could also add to the stresses on expectant mothers.

"If you're worrying about putting food on the table for the rest of your family, getting to your prenatal care appointment is probably not going to be your top priority," said Dr. Rebecca Carlin, assistant professor of pediatrics at Columbia University Irving Medical Center.

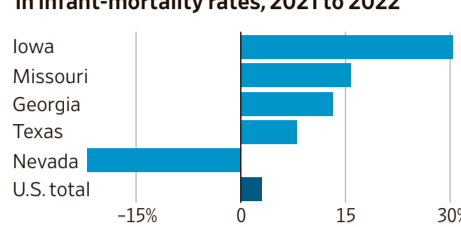
Health economists and public-health researchers

Infant deaths per 1,000 live births, 2021

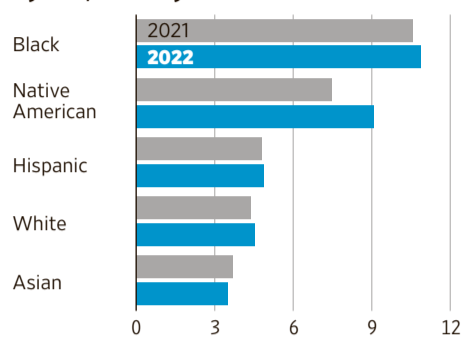


Sources: World Bank (country comparisons); U.S. Centers for Disease Control and Prevention

States with statistically significant changes in infant-mortality rates, 2021 to 2022



U.S. infant deaths per 1,000 live births, by race/ethnicity



have said the U.S. could improve its infant-mortality rate by following the examples of other developed countries with comparatively low infant-mortality rates, where public health authorities devote more attention to mothers and babies.

In many European countries, for example, nurses or other health professionals visit parents and their babies at home.

Such visits ensure that parents hear simple yet important advice, like counseling parents to place babies to sleep on their backs and to seek immediate emergency treatment if a newborn's temperature climbs to 100.4 degrees Fahrenheit or higher.

"We, as a developed country, should be doing some of the basics better," said Dr. Elizabeth Cherot, chief executive of the infant and mater-

nal health nonprofit March of Dimes. "Too many babies are dying in the United States."

The CDC, the nation's public-health agency, reports infant-mortality rates every three months. Its latest report compared birth and death certificate data from 2021 to provisional data from 2022. The report didn't give reasons why the rate was increasing, and researchers said they would have to do

more study to determine the root causes.

U.S. death rates increased significantly for both infants in their first 28 days of life as well as infants in their first year of life, the CDC said.

The overall increase was the first that was statistically significant since 2001 to 2002. Over the past half-century the U.S. rate has generally fallen, down from 26 deaths per 1,000 live births in 1960. The rate had increased in some previous years, but not to a degree that was statistically significant.

From 2021 to 2022, the infant-mortality rate increased significantly in four states—Georgia, Iowa, Missouri and Texas—while falling in Nevada.

The death rate increased significantly for babies born to American Indian and Alaska Native women, babies born to white women, babies born to women ages 25 to 29 years, male babies and pre-term babies.

Changes in the rates for other groups weren't significant, though the agency's data showed that mortality rates among racial groups in the U.S. remain wide. The rate for babies born to Black mothers was more than double that of white mothers.

Santa Ana Winds Fuel California Wildfire

Hundreds of firefighters battled a wind-driven wildfire that damaged or destroyed at least nine buildings in rural Southern California and prompted authorities to order 4,000 residents to evacuate.

Santa Ana winds spread the Highland Fire across 3.5 square miles of brushy hills near the Riverside County hamlet of Aguanga after it broke out Monday afternoon.

Three structures were destroyed and six others were damaged, said Jeff LaRusso, spokesman for the Riverside County Fire Department, on Tuesday. No injuries were reported. —Associated Press



MIKE BLANCHARD/GETTY IMAGES

Realtors Lose Suit Over Fees

Continued from Page One

Midwestern states. Their lawyers huffed and shook hands as the verdict was announced. "It's a wake-up call for real-estate agents," said Sissy Lappin, owner of Lappin Properties, a real-estate brokerage in Houston. The verdict, she said, could change the industry, leading more buyers and sellers to forego hiring agents.

Under antitrust rules, the presiding judge could triple the damages verdict, which would total more than \$5 billion. The plaintiffs also have asked the judge to order changes to how the industry operates.

For several years NAR, one of the biggest lobbying

groups in the country, has been fending off accusations by U.S. antitrust officials and private litigants that it has conspired to keep home-sale costs high amid major technological upheavals.

This verdict is by far the group's biggest setback yet. There are nearly 1.6 million Realtors in the U.S.

An NAR spokesman said, "This matter is not close to being final as we will appeal the jury's verdict."

Two brokerages, HomeServices of America and Keller Williams Realty, were also defendants in the case. Two others, Anywhere Real Estate and Re/Max Holdings, settled before trial and agreed to pay almost \$140 million combined.

HomeServices of America, a subsidiary of Warren Buffett's Berkshire Hathaway, said it intends to appeal. "Today's decision means that buyers will face even more obstacles in an already challenging real-estate market and sellers will

have a harder time realizing the value of their homes," a company spokeswoman said. Keller Williams said it was considering an appeal.

Under the current system, sellers pay their own agent's commission—typically 5% to 6% of a home's selling price—which is in turn shared with the buyer's agent.

Over the course of the trial, plaintiffs' attorneys argued this model has suppressed competition by making it difficult for buyers and sellers to negotiate for lower rates.

"NAR and corporate real-estate companies have had a stranglehold on real-estate commissions for too long," plaintiffs' lawyer Michael Ketchmark said outside of the courtroom.

Home-buying affordability is at the worst level in decades because of the combination of rising mortgage rates and record-high home prices. Commissions are typically baked into listing prices, so a broad decline in

commission rates could slightly reduce home prices.

"It's a great victory for consumers," said Stephen Brobeck, a senior fellow at the Consumer Federation of America. Under the current system, he said, "Sellers are overcharged, buyers are unable to negotiate commissions and as a result home costs are higher."

In most markets, making an offer of compensation to a buyer's agent is a condition for advertising a home on a multiple-listing service—a vital tool for marketing a home. NAR has said those commission offers are negotiable. Without the current structure, the group argued, buyers from more modest backgrounds would have to redirect funds away from their down payments toward paying an agent—or go without their own representation.

Brokerage stocks slid Tuesday, with eXp World Holdings down 8.7%, Compass down 6.2% and Redfin down 5.7%.

NAR is playing defense on a growing number of legal fronts.

A much larger suit against the Realtors association and brokerages, involving 20 marketers from Philadelphia to Miami, could go to trial next year in a federal court in Illinois. The damages in that trial could top \$40 billion, according to an analyst estimate.

Shortly after Tuesday's verdict, the same plaintiffs' lawyers in the Missouri case said they had filed a new nationwide lawsuit against NAR and other large brokerage companies, including Redfin and Compass.

Redfin CEO Glenn Kelman said, "As a company that exists to give real estate consumers a better deal, Redfin is proud of our unwavering consumer advocacy." Compass declined to comment.

Separate from NAR's antitrust problems, its then-president resigned in late August after multiple women accused him of sexual harassment.

Home Prices Hit Record as Sales Fall

By NICOLE FRIEDMAN

Home prices rose in August to a record as a shortage of homes for sale kept the market competitive.

The S&P CoreLogic Case-Shiller National Home Price Index, which measures home prices across the nation, rose 2.6% from a year earlier in August, compared with a 1.0% annual increase the prior month. The August level was the highest since the index began in 1987.

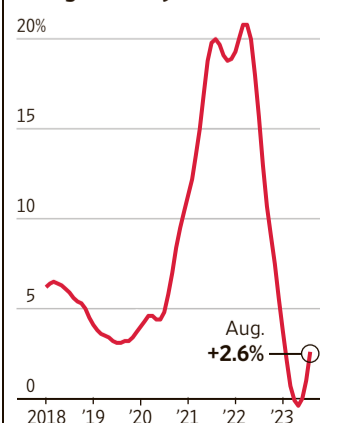
On a month-over-month basis, the index rose a seasonally adjusted 0.9% in August.

While prices have risen, the number of home sales has fallen. Rising mortgage rates help explain both trends. Higher rates have kept buyers on the sidelines, reducing demand to buy homes. But higher rates have also kept potential sellers from listing their homes, because they don't want to trade in their current low mortgage rates for higher ones. The low inventory of homes on the market is pushing prices higher in many parts of the country, even while demand is subdued.

The median existing-home sale price rose 2.8% in September from a year earlier to \$394,300, according to the National Association of Realtors. Homes sold in September received an average of 2.6 offers, and about one-fourth of properties sold above their list price, according to NAR.

Mortgage rates have recently risen to new two-decade highs. A home buyer needed an income of nearly \$115,000 to afford the median-priced U.S. home in August, assuming a 20% down payment, according to real-estate brokerage Redfin. That is up from about \$99,000 a year earlier.

S&P CoreLogic Case-Shiller National Home Price Index, change from a year earlier



Source: S&P Dow Jones Indices

CORRECTIONS & AMPLIFICATIONS

A Page One article on Tuesday about the Israel-Hamas war quoted Maj. Nir Dinar, a spokesman for the Israeli military, who on Monday said in response to reports that an Israeli tank had fired on a taxi: "The [Israel Defense Forces] was not shown any proof that this is a civilian car and there's no information on who is inside... Terrorists use civilian infrastructure like cars." However, on Tuesday, the Israeli military said that Dinar misspoke. In a statement, the military said it "does not operate under the assumption that anyone who approaches is a combatant and have [sic] clear orders to verify, by all means available in the field, that a potential threat or combatant is not a

civilian prior to opening fire." In regard to the shots fired at the car, the statement said, "The circumstances are unclear and the video footage does not give a full picture of the tactical environment nor the circumstances preceding the incident."

The Transportation Department's inspector general's office in July issued a report that examined how the Federal Aviation Administration handles pilots who report mental-health conditions. A U.S. News article in some editions Thursday about pilots' mental health incorrectly attributed the report to the FAA.

First reference to Maria

Corina Machado, the Venezuelan opposition presidential candidate who won more than 92% of a recent primary vote, was omitted from a World Watch article on Tuesday about the Supreme Court's suspension of the election results.

Mondoweiss, which describes itself as "an independent website devoted to informing readers about developments in Israel/Palestine," published an opinion piece by Jeff Halper calling the Oct. 7 Hamas attack on Israel "part of the Palestinians' century-long struggle for liberation" from "Zionist/Israeli settler colonialism." A Review article on Saturday about the political theory of settler colo-

onialism described Mondoweiss as an anti-Israel online publication, and it incorrectly attributed Halper's statements to Mondoweiss.

A photo of the Beatles at a launch party for their "Sgt. Pepper's Lonely Hearts Club Band" album in 1967 accompanied a Review article on Saturday about the Beatles. The caption incorrectly said the photo was from a 1967 recording session.

Marquess Alfonso de Portago, a Ferrari driver who was involved in a fatal accident during the 1957 Mille Miglia, was incorrectly called Count Alfonso de Portago in the Oct. 21 Rumble Seat column about the film "Ferrari."

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U.S. NEWS

Dire Warnings Failed to Stop Rampage

Massacre illustrates blind spots remain in legal and mental health systems

BATH, Maine—In the months before Robert Card carried out Maine's deadliest mass shooting, those around him feared he was sinking deeper into a dangerous mental health crisis.

By Jimmy Vielkind, Dan Frosch, Zusha Elinson and Joe Palazzolo

He told his family he had been hearing voices, prompting them to contact police about the many guns he had access to. His Army Reserve commanders ordered him to spend time in a New York hospital after having a paranoid episode during a training trip. A firearms dealer refused to sell Card a silencer after he disclosed his psychiatric troubles.

When Card threatened to shoot up an Army facility in recent weeks, worried military officials asked a local sheriff to check on his whereabouts.

But the cascade of warnings still didn't stop Card from legally possessing firearms and carrying out a massacre that killed 18 people in Lewiston, Maine, on Oct. 25. After a two-day manhunt, Card was found dead of what authorities said was a self-inflicted gunshot wound. A state investigation is ongoing.

Last week's massacre illustrates how, despite years of legal efforts to make it easier to separate someone in crisis from their guns, law enforcement still struggles to do it. Communication across a patchwork of jurisdictions—including local, state, federal and military—is often haphazard, which can lead to situations where there is no clear chain of responsibility for a troubled person.

"There are many red flags that the public would perceive as disqualifying for purchasing or possessing a firearm but actually legally are not," said James Densley, a professor at Metro State University in Minnesota who co-founded the Violence Project. "On the state level, where there seems to be a disconnect is often with communication or information sharing."

Several shooting sprees in recent years—including ones at a Buffalo supermarket, Indianapolis Fed-Ex facility and July 4 parade in Highland Park, Ill.—involved gunmen with histories of psychiatric troubles and violent threats who were still able to legally purchase and possess firearms.

Fewer than 5% of violent acts are linked to mental illness, research shows, and pre-



A memorial is seen outside a bowling alley in Lewiston, Maine, one of two locations where Robert Card carried out the deadliest mass shooting in the state's history.

dicting who might act violently is all but impossible.

About half of all mass shooters who killed four people or more in a public place since 1966 leaked their intent to others beforehand, according to the Violence Project. More than three-quarters purchased some or all of their weapons legally.

In interviews with Card's family, police learned after the shooting that his hearing voices started after a bad breakup, according to a warrant application released by state authorities Tuesday.

But even before the shooting, warnings about Card's deteriorating mental condition and easy access to guns were plentiful, according to police reports and interviews with officials and the shooter's family. His son, ex-wife, brother, sister, sister-in-law and military commander thought that he needed help, and they opened a dialogue with law enforcement officers about the best way to push him into treatment.

In the end, it wasn't enough.

Hearing voices

Card started hearing voices around the time he got hearing aids in February, according to interviews and the accounts of family members contained in reports released by Sagadahoc County Sheriff Joel Merry's office. Card was convinced people around him were calling him a pedophile or sex offender. In May, Card's ex-wife and teenage son met with a deputy to express their concerns.

The result was a chain of phone calls between the deputy, the first sergeant in Card's Army Reserve unit, his brother, Ryan, and sister, Nicole. When the siblings knocked on Robert's trailer on May 3, he answered the door holding a gun. But he agreed to see a doctor, according to a police report.

Card's ex-wife told police in May that he had 10 to 15 firearms. In early July, Card pur-

Questions Over 'Yellow Flag' Law

Maine authorities apparently didn't seek to invoke the state's "yellow flag" law, a narrower version of "red flag" laws on the books in 21 other states. Those allow authorities to temporarily seize guns from people who pose a danger to themselves or others even if they are not

barred from owning guns under federal law.

Under Maine's law, police can determine that a person is a danger, bring them into protective custody, and have them evaluated by a mental health practitioner. The police then must take that written evaluation to a judge, who has to sign off

on seizing the person's firearms, Maine's GOP U.S. Sen. Susan Collins said last week that authorities should have used the yellow flag law to take Robert Card's guns. But Mike Sauschuck, Maine's public safety commissioner, said the next day that the answer wasn't so clear and that the matter was still under investigation.

chased a semiautomatic weapon made by Ruger called the Small-Frame Autoloading Rifle, or SFAR for short, according to law-enforcement officials.

West Point incident

Card's Reserve unit supports troop training and traveled to New York in July to help instruct West Point cadets.

On July 15, witnesses said Card became agitated in the parking lot near the military academy, accusing his fellow soldiers of calling him a pedophile. "Several times during the ride back Card said he would take care of it," one of Card's commanders wrote in a note that was later shared with police.

He locked himself in his room at the Camp Smith base hotel for at least one night, according to the report and a military official familiar with the incident. Soldiers obtained a key and confronted Card on July 17, then took him to a West Point hospital for psychological evaluation as a New York State Police vehicle followed along.

Card was then transferred to a nearby psychiatric hospital and admitted for 14 days, according to police records. His admission was directed by his commanders, according to a law-enforcement official.

Under federal law, only those people adjudicated as "mentally



Rick LaChapelle owns Coastal Defense, a Maine gun shop that declined to give Robert Card a silencer after Card disclosed his mental problems in an additional form.

defective" or who have been committed to a mental health institution are barred from possessing or buying guns. The law says someone must be formally committed to a mental health institution by a court, board or commission to be prohibited.

The order that Card got from his commander wouldn't qualify as an involuntary commitment, said Eric Carpenter, a law professor at Florida International University and former Army judge advocate and prosecutor.

Card returned to Maine and tried in early August to pick up

a silencer. Buying a silencer requires an extensive background check under federal law. Card had passed that check, a law-enforcement official said.

When he went to pick the silencer up at Coastal Defense, a gun store in Auburn, Maine, he was required to fill out an additional form. It was then that Card disclosed his mental problems, according to Rick LaChapelle, a Lewiston city council member who owns the shop. Card marked a box indicating "yes," in answering the question: "Have you ever been adjudicated as mentally defective or have you ever been committed to a mental institution?"

When Coastal Defense declined to hand over the suppressor, according to LaChapelle, Card said he would check with his lawyer and return to pick it up. He never did.

'Shoot up' the base

Card in September was driving home with a friend from his Reserve company when he again brought up people calling him a pedophile.

According to a letter from the Reserve unit, Card threatened to "shoot up the drill center at Saco," and he would "get" the commanders who had ordered him to the mental hospital. Card punched his friend, who told commanders he was "concerned that Card is going to

snap and commit a mass shooting."

An Army spokeswoman said the unit requested a wellness check out of an abundance of caution after becoming concerned for Card's safety. The Reserve unit sent the letter about the threat incident to the Sagadahoc County Sheriff's Office, which sent Sgt. Aaron Skolfield to Card's residence in rural Bowdoin on Sept. 15.

Nobody was home, and Skolfield sent out a missing person's bulletin.

The sergeant tried again the following morning, requesting backup from a patrol officer in a neighboring county.

They heard movement in the trailer, but he didn't answer the door. They contacted Captain Jeremy Reamer, commander of the Card's Reserve unit. "He thought it was best to let Card have time to himself for a bit," Skolfield wrote. Reamer didn't return emails seeking comment.

On Sept. 17, Skolfield contacted Ryan Card, who said his brother Robert Card's guns were in a family gun safe. Ryan Card assured deputies he would work with his father to secure Robert Card's guns.

Ryan Card didn't answer phone calls on Tuesday. Sheriff Merry said in a Monday statement that his department would evaluate its procedures for wellness checks, but believed his office acted appropriately. The missing person's bulletin that Skolfield sent on Sept. 15 was canceled on Oct. 18.

Around 7 p.m. on Oct. 25, authorities said Card entered the Just-In-Time bowling alley in Lewiston and opened fire with what authorities believe was the .308 caliber rifle. He then drove roughly 4 miles south to Schemengees and shot patrons—including a group of deaf people—who had gathered to play cornhole. Card fled the scene before officers arrived.

—Sadie Gurman and Ben Kesling contributed to this article.

Pay Raises Complicate Inflation Fight

By Gwynn Guilford and Nick Timiraos

American workers are still commanding big pay raises, though not quite as beefy as last year. That is good news for workers but a potential complication for the Federal Reserve's fight to lower inflation.

Employers spent 1.1% more on wages and benefits in July through September than in the prior three months, according to the Labor Department's employment-cost index, released Tuesday. That was slightly better than the 1% gain in the second quarter and a sign that wage pressures remained strong as economic growth accelerated.

Fed officials are likely to hold interest rates steady at a 22-year high at their policy meeting Tuesday and Wednesday as they study the effects of their past hikes. They also are likely to keep the door open to a future rate increase absent signs of more convincing slowdowns in wage growth and inflation. The compensation report offers little to change officials' view that rates will need to stay at high levels well into next year.

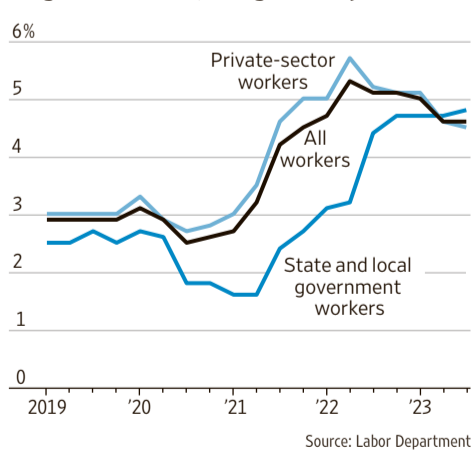
"What we're dealing with here is a wage-price slinky," said David Kelly, chief global strategist at J.P. Morgan Asset Management. "Wages and prices are both coming down the stairs. They're just doing it slowly."

Employment-cost index

Wages and benefits



Wages and salaries, change from a year earlier



Tuesday's compensation report pointed to mixed results. From a year earlier, private employers spent 4.3% more on wages and benefits in the third quarter, down from a 4.5% increase in the prior quarter and 5.2% rise in the year-earlier period.

But state and local government workers commanded heftier raises in the third quarter, boosting overall compensation growth. Their pay increased 4.8% in the third quarter from a year earlier, the fastest pace since records began in 2001.

Fed officials think wage growth needs to slow to about 3% to 3.5% a year for inflation to fall to their 2% target. For them, the big question is what

it will take for that to happen, particularly given brisk consumer spending and hiring in recent months.

"There's still lingering strength in demand that's putting upward pressure on wages," said Jonathan Millar, senior U.S. economist at Barclays.

A separate measure of private-sector pay that excludes volatile incentive compensation rose more slowly in the third quarter, at around a 3.9% annual rate, according to calculations by Jason Furman, a Harvard University economist.

Private-sector wage growth of around 4% would still be high, but would be well below the recent 5.6% peak recorded in mid-2022.

Compensation increases differ depending on where workers live. Gains in wages and benefits have cooled in the Phoenix and Miami metro areas as pandemic-driven population growth subsided there.

Workers in the New York area have seen fairly steady gains so far this year, though their compensation rose less than during the initial pandemic rebound.

Compensation trends vary by industry as well. Gains at restaurants, bars and retailers have slowed after peaking in early 2022. Nursing compensation jumped, as many nurses left the profession or retired during the pandemic, and growth remains strong.

The Ultimate Hoop

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U.S. NEWS

U.S. WATCH



Anti-war protesters raise their 'bloody' hands behind Secretary of State Antony Blinken at a Senate panel hearing on funding for Israel, Ukraine and the U.S. border.

House, Senate Brace for Showdown on Aid

By SIOBHAN HUGHES

WASHINGTON—House Speaker Mike Johnson (R., La.) is on a collision course with the Senate over a plan to immediately fund aid for Israel but not Ukraine, with a proposed House bill drawing rebukes from Democrats and a cool reception from some Republicans who favor a broader foreign-policy package. The newly elected leader is moving to hold a vote on a bill Thursday giving Israel \$14.3 billion in aid and taking previously allocated funding for the Internal Revenue Service to offset the expense. The package would be far smaller than the \$106 billion requested by the White House to fund not only Israel but also Ukraine, Taiwan and border security. Johnson said on Fox News that most Americans are “going to say standing with Israel

and protecting the innocent over there is in our national interest and is a more immediate need than IRS agents.” He has said he is open to looking at Ukraine aid but that Israel funds were more urgent and a slimmer package would ensure its quick passage, due to growing skepticism of funding Kyiv among Republican lawmakers. Senate Majority Leader Chuck Schumer (D., N.Y.) on Tuesday said the package was unserious. He called it “partisan and woefully inadequate” due to the lack of aid to Ukraine, no humanitarian assistance for Gaza and what he termed “poison pills” that increase the deficit and help tax cheats. Schumer said he would continue working with Senate Minority Leader Mitch McConnell (R., Ky.), a fierce backer of Ukraine, to craft a broader proposal. “Conceptually, I think

Schumer and I are in the same place,” McConnell said, while adding he and other Republicans wanted policy changes to stem the number of migrants crossing the border, not just more money. “We need to address all four of those areas in a credible way,” he said, referring to Israel, Ukraine, Taiwan and the border. Some Senate Republicans have challenged McConnell’s approach. Sen. Ron Johnson (R., Wis.) said that at a closed-door lunch last week he had the impression that rank-and-file Republicans would have the votes to deny Senate leaders the 60 votes needed to advance the broader spending package. Democrats have a 51-49 majority in the chamber. “I just had the sense and I still have that sense,” Ron Johnson said. If the House acts first and passes a narrow bill to support Israel, particu-

larly if Republicans pick up any Democratic support, then “it will be overwhelming to pass here in the Senate.” The Biden administration’s \$106 billion supplemental spending bill would cover military aid to both Ukraine and Israel, as well as humanitarian assistance for civilians harmed by the war in Ukraine, the hostilities in Israel and Gaza and by natural disasters. It would also provide security assistance to allies in the Indo-Pacific. It would also appropriate funds to address the continuing surge of migrants at the border and would provide funding for child care and high-speed internet service. The House GOP showed no signs of backing down on its approach to a supplemental spending bill, with the House Rules Committee set to meet Wednesday to approve the

rule needed to put the Israel funding bill on the House floor. Taken together, the back-and-forth between the House and the Senate sets the stage for a stalemate that senators said put Ukraine at risk and threatened to push the fight over aid to Israel into another coming fight over avoiding a government shutdown. On Tuesday, Secretary of State Antony Blinken met behind closed doors with Mike Johnson. “Very good meeting. I really appreciate the opportunity,” Blinken said without elaborating. “The issues are winners for Republicans,” said Sen. Chuck Grassley (R., Iowa), saying that his party supports aid to Israel and opposes the \$80 billion that Biden secured for the IRS over a decade as part of a major climate, tax and health-care law that the president signed in 2022.

ARIZONA

University Ordered To Pay Record Fine

The Biden administration accused Grand Canyon University of misleading doctoral students about tuition costs, imposing its first significant punishment to a college. The Education Department on Tuesday ordered the Phoenix-based Christian school to pay a fine of \$37.7 million, the largest ever of its kind. The school, which has an enrollment of more than 100,000 on-campus and online, will also need to comply with a series of special disclosure requirements for the next few years. The department said that the institution lied to more than 7,500 former and current students about the cost of its doctoral programs over several years and falsely advertised a lower cost than what nearly all students ended up paying to complete certain doctoral programs. “Grand Canyon University categorically denies every accusation in the Department of Education’s statement and will take all measures necessary to defend itself from these false accusations,” the school said. Grand Canyon University is also involved in litigation against the Education Department, which hasn’t recognized its 2018 conversion to nonprofit status for the purposes of federal student-aid eligibility. A judge sided with the Education Department late last year, and the school has appealed the ruling. —Gabriel T. Rubin

MARYLAND

Man With Pig Heart Transplant Dies

The second person to receive a transplanted heart from a pig has died, nearly six weeks after the highly experimental surgery, his doctors said Tuesday. Lawrence Faucette, 58, was dying from heart failure and ineligible for a traditional heart transplant when he received the genetically modified pig heart on Sept. 20. According to the University of Maryland School of Medicine, the heart had seemed healthy for the first month but began showing signs of rejection in recent days. Faucette died Monday. In a statement released by the hospital, Faucette’s wife, Ann, said her husband “knew his time with us was short and this was his last chance to do for others. He never imagined he would survive as long as he did.” The Maryland team last year performed the world’s first transplant of a heart from a genetically altered pig into another dying man. David Bennett survived two months before that heart failed, for reasons that aren’t completely clear although signs of a pig virus later were found inside the organ. Lessons from that first experiment led to changes, including better virus testing, before the second attempt. —Associated Press

NEW YORK

Hate-Crime Charge After Fatal Dispute

A man who beat a 66-year-old Sikh man to death while calling him “turban man” after a fender bender in New York City has been charged with manslaughter as a hate crime, prosecutors said Tuesday. Gilbert Augustin, 30, also faces charges including assault as a hate crime and unlicensed driving in the Oct. 19 death of Jasmer Singh, Queens District Attorney Melinda Katz said. Prosecutors said Augustin called Singh “turban man” during an argument that followed their crash on the Van Wyck Expressway in Queens. The altercation began after Singh’s Toyota collided with Augustin’s Ford Mustang. Both men pulled over and Augustin got out of his car and confronted Singh, prosecutors said. Augustin punched Singh three times in the head and face, prosecutors said. One of the punches knocked the turban off his head, they said. Singh fell backward and the back of his head hit the pavement. He suffered a brain injury and died the next day in a hospital. —Associated Press

Democrats’ Fractures Laid Bare

Continued from Page One Greenblatt said. “They’re calling me, tweeting, messaging, expressing shock and sadness that the people they marched with, the causes they marched for, have abandoned them in their hour of need.”

The feeling is mutual for many activists on the left who have said President Biden and other Democratic officeholders have blindly sided with a right-aligned Israeli government bent on retribution that disproportionately harms innocent civilians. “If you are Arab-American, Muslim-American or Palestinian, you feel like you don’t matter, you feel invisible,” said Waleed Shahid, a progressive strategist and former spokesman for the Justice Democrats, which has supported the progressive Congress members known as the squad in primaries against more centrist Democrats. “If you are advocating at all that Palestinian and Israeli lives should be treated equally, there’s a feeling that the party doesn’t care about you at all.”

The result, Shahid warned, might be that a president already struggling to ignite the enthusiasm of young and minority voters loses them completely—a recent Gallup poll found Biden losing 7 percentage points of support with voters under 35 in the past month, he noted—or that the party splinters as it did in the Vietnam War era. Others have drawn parallels to the left’s split over Soviet communism in the 1950s.

In a Wall Street Journal/Ipsos poll conducted Oct. 18-20, 48% of Democrats said the U.S. has a responsibility to support Israel in the conflict, versus 53% of independents and 64% of Republicans. The split comes as Biden has expressed strong support for Israel and called on Congress to approve billions of dollars in



Rep. Rashida Tlaib is a progressive in the Democratic caucus; Rep. Josh Gottheimer is a centrist.



new military assistance to the American-allied government. Israel on Monday sent tanks and infantry toward Gaza City in an intensification of its ground operation in the territory. Authorities said thousands have been killed in the fighting since Hamas’s Oct. 7 terrorist attack. The conflict has spilled into the White House, where Biden on Thursday met with Muslim leaders who chided him for not showing more empathy for Palestinians in his remarks on the conflict. A top State Department official resigned Oct. 18 in protest of the administration’s approach, and Secretary of State Antony Blinken on Oct. 19 sent a letter to diplomatic staff seeking to quell internal dissent. In Congress, a resolution condemning Hamas passed the House overwhelmingly with 412 votes, with nine left-wing Democrats voting against it and six voting “present.” Rep. Pramila Jayapal of Washington, who heads the Congressional Progressive Caucus, explained her “present” vote in a statement that said, “While I still condemn Hamas’s attacks and the pain and suffering of the Jewish people everywhere, I also condemn the violations of international humanitarian law by Israel and the pain and suffering of Palestinian people everywhere that are not recognized anywhere in this resolution.”

On Thursday, Rep. Josh Gottheimer, a New Jersey centrist, wrote on X, formerly Twitter, that the 15 Democrats who didn’t vote for the resolution

were “despicable and do not speak for our party.” In response, one of the 15, Rep. Andre Carson of Indiana, called Gottheimer a “coward” and a “punk,” and invited him to settle their differences physically. Even progressive stalwarts such as Sen. John Fetterman (D., Pa.) and Sen. Bernie Sanders (I., Vt.) have drawn protests from the left for backing Israel. Jewish Democrats have reportedly complained to Rep. Hakeem Jeffries of New York, the chamber’s Democratic leader, about comments made by Reps. Ilhan Omar (D., Minn.) and Rashida Tlaib (D., Mich.), both of the squad, in the aftermath of the attacks. Squad members have received increased protection from Capitol Police because of a sharp escalation in threats against them in recent weeks.

Rep. Brad Schneider (D., Ill.) said that while Democrats have been mostly unified, he has been “incredibly disappointed” to see some people “who not only haven’t been able to condemn the horrific terror attack on Israel, but have celebrated it and called it resistance.” He singled out Tlaib for refusing to retract her statement blaming Israel for an explosion at a Gaza hospital that Israel and the U.S. say was caused by an errant rocket fired from Gaza (a Wall Street Journal video analysis supports that claim).

“She spread a claim by Hamas that is not true, that has led to threats to American military personnel and diplomats around the world, and continues to throw gasoline on that fire,” Schneider said in an interview. Tlaib’s office didn’t respond to a request for comment. Though the current conflict has brought it to the fore, the discord in the Democratic ranks has deep roots. In 2019, House Democrats struggled to pass a resolution disapproving of remarks by Omar that many saw as antisemitic, eventually uniting around a statement that condemned both antisemitism and anti-Muslim sentiment. Democratic Majority for Israel, an advocacy group with ties to the American Israel Public Affairs Committee, sprung up in 2020 to oppose progressive Democrats in primaries. The group’s political-action committee spent large amounts to counter Sanders’s 2020 presidential campaign and to stymie a further expansion of the squad, with mixed results.

The discord in the Democratic Party’s ranks has deep roots.

While some progressives decry the machinations of the big-money Israel lobby, centrists see grim vindication in the ugly expressions from the illiberal left. Center-left thinkers have warned for years about the climate on many campuses, where an “anticolonialist” posture has become a litmus test for faculty

hiring, and students embrace a radical chic that rationalizes or valorizes violence if it is committed by groups regarded as oppressed. “I do worry that young people are increasingly indoctrinated with an ideology, an anti-Israel hatred, that is so virulent that it renders them indifferent to the coldblooded murder of Israeli civilians and children,” said Rep. Ritchie Torres, a New York Democrat.

Many New York progressives, including Rep. Alexandria Ocasio-Cortez, distanced themselves from the city’s Democratic Socialists of America chapter after it promoted an Oct. 8 pro-Palestinian rally that blamed Israel for Hamas’s attacks and included antisemitic displays.

Progressive activists said the focus on what they characterize as a few nutty college kids is misguided and disproportionate at a time when some Republican politicians, including Sen. Lindsey Graham of South Carolina, have called for leveling Gaza. “I’ve been heartbroken and disturbed by the lack of empathy altogether around the plight of Palestinians,” said Maurice Mitchell, national director of the leftist Working Families Party, which is pressuring the White House to back a cease-fire.

To others, however, the lack of sympathy for the suffering of Jews reflects a deeper split. “It really is, I think, a battle for the soul of our party,” said Joe Vogel, a Maryland state delegate who is seeking the open congressional seat to be vacated by Democratic Rep. David Trone.

As an undergraduate at George Washington University, Vogel was expelled from student government by activists for the Boycott, Divestment and Sanctions movement. The same group came under fire this week for projecting antisemitic messages including “Glory to our martyrs” on the outer walls of a campus library. “It shouldn’t be that hard to condemn the murder of innocent women and children and seniors, yet many have either said nothing or equivocated,” Vogel said. “We have a serious problem in our party right now.”



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U.S. NEWS

Tuberville Pushes to Confirm Marines' No. 2 Commander

WASHINGTON—Sen. Tommy Tuberville (R., Ala.), who has held up hundreds of military promotions for months, moved Tuesday to force a vote to confirm the U.S. Marine Corps' second-in-command after its top officer fell ill and was taken to the hospital.

By Katy Stech Ferek, Lindsay Wise and Gordon Lubold

Lt. Gen. Christopher Mahoney was nominated by the White House in July but had yet to be confirmed by the Senate along with hundreds of other senior officers' promotions who remain frozen by Tuberville in a political battle over the Pentagon's abortion policy.

Tuberville took the action after Marine Corps Commandant Gen. Eric Smith collapsed on Sunday while jogging in Washington's Capitol Hill neighborhood about a block from the Marine Barracks. The Marine Corps hasn't provided more details about Smith's condition, but said he fell ill Sunday evening and has been hospitalized since. Officials said he has been under sedation since the incident around 5 p.m. Sunday.

On Tuesday, Tuberville secured enough signatures to force the Senate to consider the nomination of Mahoney using a chamber procedure that requires support from at least 16 senators, said Steven Stafford, his spokesman.

Tuberville began blocking promotions for hundreds of military leaders earlier this year, vowing not to let the Senate expedite their confirmations until the Pentagon agreed to end its policy of allowing troops leave and travel funds for reproductive healthcare, including abortion.

Senate Majority Leader Chuck Schumer (D., N.Y.) on Tuesday night moved to set up votes to advance the promotion for Mahoney, along with two



Sen. Tommy Tuberville has held up military promotions.

other high-level military officials: Adm. Lisa Franchetti as the chief of naval operations and Gen. David Allvin as the chief of staff of the U.S. Air Force.

Schumer said Tuberville "should drop his blanket holds at once, and in the meantime the Senate will proceed to confirm these nominations that should have been swiftly approved long ago."

Sen. Dan Sullivan (R., Alaska) had gathered signatures to force a vote to advance the promotions of Franchetti and Allvin as well. "It's a dangerous world," Sullivan told reporters. "Let's move. Come on."

The maneuver is the same one that lawmakers used in September to vote to install Gen. CQ Brown Jr. as the chairman of the Joint Chiefs of Staff along with several other military leaders, including Smith. Democrats have resisted efforts to confirm the military leaders one by one, saying that doing so would take hundreds of hours of required debate and voting under current Senate rules.

Tuberville has said he won't lift his hold on the promotions until the military changes its abortion policy or Congress passes a measure codifying the policy. He reiterated that stance on Tuesday.

"Oh no," said Tuberville when asked if he intended to change his strategy of holding up military promotions in light of Smith's health incident. "If they're worried about readiness, they can move the policy back the way it was," he said. As of Tuesday, 379 nominations are on hold, including some that concern the Middle East, Pentagon officials said.

Tuberville has repeatedly said that he didn't believe the holds were affecting military readiness and that the government shouldn't be paying for anything related to abortion. Democrats say the lack of options for women on reproductive services would hurt readiness and be unfair for service members who don't choose where they are deployed.

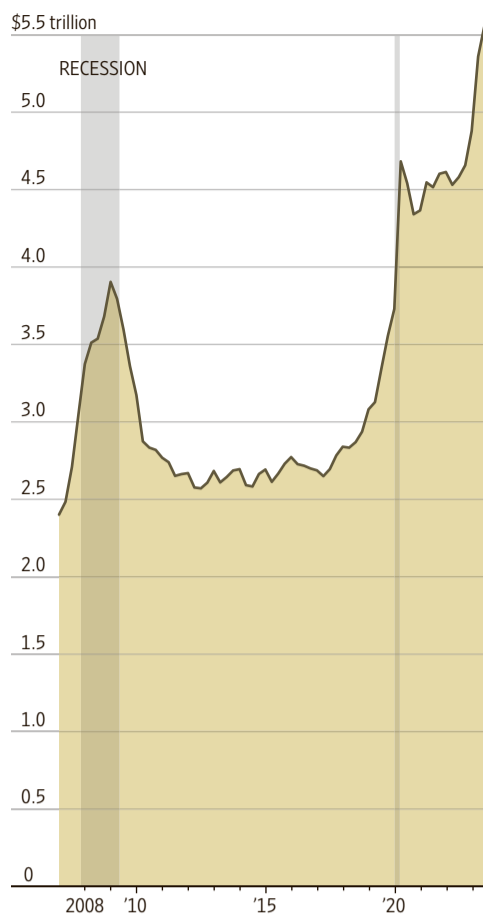
Defense officials have said the holds could affect retention and recruiting and were forcing some generals to put off retirement and causing junior officers to reconsider their military careers. Some service members are in temporary housing because they sold their homes anticipating moves, and others don't know where to enroll their children for school, officials have said. Even those not promoted were affected, the Pentagon has said, because they often had to do two jobs, as generals and admirals retired and the positions had no successors in place.

Smith has been doing two jobs since he was confirmed, since the hold on other nominations meant the Corps' No. 2 hadn't been approved.

The Alabama Democratic Party blamed Tuberville for Smith's health condition. "This is on your shoulders. Resign," the group said on social media.

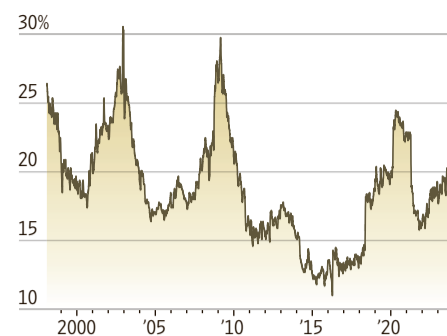
Smith was confirmed to lead the Marine Corps in late September. In lieu of a senate-confirmed assistant commandant, while Smith is in the hospital, his duties are being performed by the most senior Marine after Smith, Lt. Gen. Karsten Heckl.

Money-market fund assets*

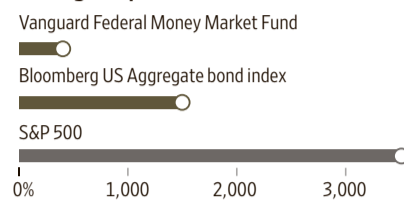


*Weekly data, as of Oct. 25 †As of Oct. 23
Sources: Investment Company Institute (assets); State Street (allocation); Dow Jones Market Data, Vanguard (returns)

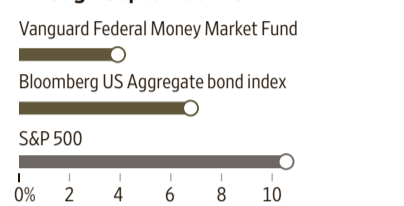
Institutional investor cash allocation†



Cumulative returns from July 1981 through September 2023



Average annual returns from July 1981 through September 2023



Cash Assets May Sting Investors

Continued from Page One

rational place to be for the next six months. But over the long term, taking risks pays you more," said Wylie Tollette, chief investment officer for Franklin Templeton Investment Solutions. "Keeping any more than a small allocation to cash in your portfolio, for any longer than the short term, will ultimately cost you thousands or millions of dollars."

Though often treated as akin to a bank account, the funds differ from normal savings accounts and other cash-like investments, such as certificates of deposit. They typically lend cash to banks overnight (backed by Treasuries), park it at the Federal Reserve or invest in Treasury bills maturing in a few months. Still, they are considered equivalent to cash because investors generally expect to get their money back whenever they ask. To that end, the funds try to maintain a net asset value of \$1 a share.

Yields fluctuate with benchmark rates set by the Fed. Right now, the \$265 billion Vanguard Federal Money Market Fund yields 5.3%, earnings that are distributed via dividends. The popular Fidelity Government Money Market Fund yields 4.99%, though requires no minimum amount to invest in the fund. Vanguard asks for at least \$3,000.

Though considered to be among the safest of all investments, deposits in the funds aren't insured and they have occasionally gone haywire in times of stress. Shares of one fund fell below \$1 a piece when Lehman Brothers failed in 2008, prompting a federal backstop. Regulators also stepped in to backstop the funds during the market turmoil of the pandemic's early days. That episode prompted a rewriting of the rules guiding money-market funds for the

third time in 15 years.

Those considerations haven't driven away investors. The Fed's most aggressive interest-rate campaign in decades has lifted rates near the returns many investors would expect from their portfolio on an average year. With the central bank expected to hold rates near this level for some time, money-market funds are now considered a viable investment rather than just a place to stuff cash. The influx into money markets also accelerated this year after the failure of Silicon Valley Bank left depositors worried about how protected their money was in banks.

"The fed-funds rate is likely to be between 3% to 4% for the long run, stock valuations are lofty and bond volatility doesn't look like it's abating anytime soon," said John Tobin, chief investment officer for Dreyfus, one of the world's largest money-market fund managers. "If we are delivering 4% returns in a world of two-and-change percent inflation, I think cash becomes a real asset class and we hold on to a lot of the assets under management we've accumulated."

But advisers warn that investors should carefully consider how much of their portfolio to park in cash. Since its 1981 inception, the Vanguard fund has returned an average of 3.9% a year, or a cumulative 402% through the end of September.

The S&P 500 has returned nearly 11% a year and about 3,500% through the same period. The Bloomberg U.S. Aggregate bond index returned 6.8% annually, or 1,500% in total.

The S&P 500 is still up 9.2% this year despite rising rates. Meanwhile, the benchmark bond index has lost 2.7% as longer-term bond prices have fallen due to climbing yields.

Fees are also relatively high. Investors pay annual expenses based on how much they have invested in a fund. Many large money-market funds charge

0.5% a year in fees, if not more, to support upkeep including administration, trading costs and employee salaries. Some stock funds, such as the SPDR S&P 500 ETF, charge less than one-tenth of a percentage point annually.

Those fees drag on returns over time. Investing \$10,000 into a Bank of New York Mellon fund at the 0.33% rate charged to wealth-management clients would cost \$418 in fees over a 10-year period. The same amount at the outside investors' rate of 0.58% would cost \$726.

"There's a psychological component to seeing 5.5% in a money-market fund after stocks and bonds got slapped in the face over the past couple years," said Alex McGrath, chief investment officer for Greenville, S.C.-based NorthEnd Private Wealth. "But if you take all your chips off the table, that'll hurt you when the market recovers."

Taxes are another consideration, and often a big one. Interest payments on money-market funds are generally taxed as ordinary income, not at dividend or capital-gains rates. How the income is taxed at the federal or state level will depend on the investments a fund holds.

Interest from U.S. Treasury debt, for example, is taxable at the federal level, but not for states. However, many government money-market funds now hold repurchase agreements, which are generally taxable at the state level. In other words, it is complicated. Taxes can lower headline yields for those who aren't careful.

Simon Hamilton, managing director at the Wise Investor Group of Raymond James, said he tells clients that having a large cash position is a bet on rates going higher down the road. That might happen, but they should be considering locking in some of bonds' relatively high yields today.

"There's an old expression: you date cash, you don't marry it," he said.

Advisers caution that fees, taxes and inflation all hurt cash returns.

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WORLD NEWS

China Economy Shows New Signs of Slowing

Surveys of factory orders, construction activity amplify concerns on growth

By JASON DOUGLAS

SINGAPORE—China's economy suffered a setback as surveys showed factory orders shrank and construction activity slowed, reigniting growth concerns just as activity appeared to be stabilizing.

The surveys show the world's second-largest economy isn't out of the woods as it contends with challenges including a slowdown in growth overseas and a drawn-out property bust at home.

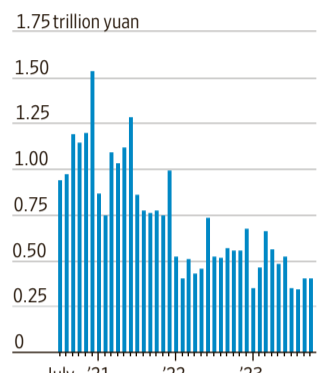
Chinese leaders have stepped up stimulus measures in recent weeks, but many economists now say authorities will need to do more in the final stretch of the year to ensure growth doesn't fizzle out.

China's official purchasing managers index for the manufacturing sector fell to 49.5 in October from 50.2 in Septem-

ber, the National Bureau of Statistics said on Tuesday. A reading above 50 indicates an expansion in activity while a reading below 50 signals a contraction.

Manufacturers faced weakening orders from both domestic and overseas customers in October, as the eruption of war between Israel and Hamas cast a new shadow over the global economy. The International

New home sales at China's top 100 property developers, monthly



Note: 1 trillion yuan=\$136.7 billion
Source: China Real Estate Information Corp.

Monetary Fund expects global growth to slow to 3% this year, from 3.5% in 2022, as efforts by central banks to rein in inflation with higher interest rates weigh on consumer and business spending.

Gauges of activity in China's services and construction sectors also weakened, pushing a composite gauge of economywide activity to 50.7—its lowest reading this year.

The weak results contrasted with economists' more-optimistic forecasts after an improvement in growth in the third quarter. Manufacturing activity recorded its first expansion in September after five months of contraction, according to the index.

The readings were "a slight shock," said Robert Carnell, head of research for Asia Pacific at ING. "This suggests that the economy is still struggling."

Still, some economists cautioned against overdoing the gloom. They pointed out that many businesses were shut for an eight-day holiday in October and said growth might



A worker assembles an electric forklift truck at a workshop in Qingzhou, Shandong province.

pick up.

China's economy is experiencing a rough 2023. The abandonment of draconian Covid-19 controls around the turn of the year triggered a burst of consumer-led growth. But that impulse waned as households began to dial back spending, their caution reflecting a bleak outlook for real estate and other factors such as rising youth unemployment.

A private gauge of monthly

new-home sales in China has been improving sequentially since hitting a multiyear low in August, but the property sector is still in a deep slump.

Tuesday's survey results suggest officials in government and the central bank can't take their foot off the gas, economists said. "More will need to be done to ensure the recovery doesn't slide backwards," Julian Evans-Pritchard, head of China econom-

ics at Capital Economics, said in a research note after the figures were released.

Economists expect measures including more interest-rate cuts and higher spending on infrastructure, especially in light of recent floods in some parts of the country. Some advocate tax cuts or other direct financial help for households, though Beijing has so far shown little enthusiasm for such policies.

Japan to End Experiment in Extreme Rate Control

By MEGUMI FUJIKAWA

TOKYO—The Bank of Japan edged closer to a new era in which it ends the unconventional monetary easing it has long pursued, although Gov. Kazuo Ueda wasn't ready to declare the old era over.

The central bank on Tuesday said its 1% cap on the 10-year government-bond yield would now be considered a reference rather than a hard limit. It sharply raised its price forecast, saying the inflation rate likely would stay

near 3% until early 2025.

In 2016, the BOJ started controlling the yield on 10-year government bonds, an interest rate that is normally determined by market forces in the U.S. and most other advanced nations. This move, known as yield-curve control, was one of many extraordinary monetary-easing measures the central bank has taken over the past quarter-century to tackle chronically flat or falling prices.

Now, with inflation firmly in positive territory, the BOJ is beginning to reverse those

measures. Loosening its grip on government-bond yields is one example. Another, which analysts expect by early next year, would be ending the policy of negative short-term interest rates.

"The Bank of Japan today de facto abolished yield-curve control," said Marcel Thieblant, an economist at Capital Economics.

Still, Ueda said he wasn't ready to declare an end to the Bank of Japan's campaign to bring stable 2% inflation.

"At this point, we have yet to

reach a situation where we can foresee sustainable and stable achievement of the price target with enough confidence," Ueda said. He said he was willing to let monetary easing continue for a while because "the risk of falling behind the curve is still not so high."

The BOJ governor said he wanted the yield-control policy to operate more flexibly and take into account side effects including foreign-exchange volatility.

In July, the central bank raised the cap on the 10-year

government-bond yield to 1% from 0.5%. Ueda acknowledged that Japanese government-bond yields rose at a faster pace than he initially expected, quickly nearing the 1% cap, because of a sharp rise in U.S. Treasury yields.

The 10-year yield settled at 0.95% late Tuesday in Tokyo, a decadelong high. Ueda said the yield was unlikely to significantly exceed 1% because the bank intended to contain speculative rises.

While Japan is letting rates rise more flexibly, other major

global central banks are getting closer to the end of rate increases aimed at fighting inflation. Last week, the European Central Bank held interest rates steady after 10 consecutive rate increases. The Federal Reserve is widely expected to hold rates steady this week, although recent strong economic data suggest more rate increases may be needed.

—Chieko Tsuneoka
contributed to this article.

◆ **Heard on the Street: Yield-curve control's demise... B12**



An image from a U.S. Air Force video shows a Chinese jet fighter over the South China Sea.

U.S., Beijing Smooth Relations, But Military Frictions Still Chafe

By CHUN HAN WONG

SINGAPORE—Tensions between the U.S. and Chinese militaries continue to simmer even as their leaders prepare for a likely summit in the coming weeks, a sign of the difficulties in managing one of the most sensitive aspects of their relationship.

The discord occupied center stage this week at a security conference in Beijing, where a top Chinese general took veiled swipes at Washington's foreign policy and military posture, characterizing them as grave threats to peace and stability around the world as wars rage in Ukraine and Gaza.

"Certain countries want to see chaos in the world," advancing their own interests by sowing turmoil and interfering in other countries' internal affairs, said Gen. Zhang Youxia, a vice chairman of the Communist Party's Central Military Commission, which commands the People's Liberation Army.

"Wherever their hands extend to, that is where peace and quiet isn't possible," Zhang said in a Monday speech at the Xiangshan Forum, an international gathering of top defense officials.

Russian Defense Minister Sergei Shoigu chimed in, using his remarks at the forum to accuse the U.S. and its Western allies of undermining Moscow's security interests in

a way that could spark a major conflagration.

"The Western line of steady escalation of the conflict with Russia carries the threat of a direct military clash between nuclear powers, which is fraught with catastrophic consequences," Shoigu said, Russia's TASS news agency reported.

The testy remarks came despite U.S. and Chinese officials reaching "an agreement in principle" for a meeting between President Biden and Chinese leader Xi Jinping in San Francisco in November. White House press secretary Karine Jean-Pierre, in response to questions on Tuesday, confirmed the summit. The Chinese Foreign Ministry has been less definite, with a spokesman on Monday saying "It won't be plain sailing to San Francisco."

A summit would offer the two powers a platform for repairing a fractious relationship that had gone into free fall this year amid a spat over an alleged Chinese spy balloon that flew over the U.S.

But the tentative thaw in U.S.-China ties, underpinned by a series of high-level meetings between diplomats and economic officials from both sides over recent months, has yet to extend into defense affairs.

While the U.S. wants to restore military ties at multiple levels, "we've seen the PLA unfortunately largely denying, canceling or ignoring most of

our requests for everything from routine annual dialogues to senior leader engagements," Michael Chase, deputy assistant secretary of defense for China, Taiwan and Mongolia, told an Atlantic Council conference last week.

U.S. officials have lamented their limited military contacts with China, which all but severed these channels in response to then-U.S. House Speaker Nancy Pelosi's August 2022 visit to Taiwan, which Beijing claims as its territory.

Washington has also accused the PLA of adopting a more confrontational posture. While U.S. officials say better communication is needed to keep such encounters from sparking a confrontation, Chinese military scholars say Beijing wants Washington to feel the danger of sending planes and ships near territory China controls or claims.

U.S. Defense Secretary Lloyd Austin most recently held a formal meeting with a Chinese counterpart late last year. He subsequently tried to arrange talks with China's then-defense minister, Gen. Li Shangfu, at an annual security conference hosted by Singapore in June, but Beijing rebuffed the invitation. Austin declined Beijing's invitation to attend the Xiangshan Forum.

—Andrew Restuccia
in Washington, D.C.,
contributed to this article.

STAR'S STRIPES FRANK SINATRA

American legend. Rare painting. Abstract inspiration.

Frank Sinatra was a talented painter, spending his leisure time creating colorful canvases. Inspired by American abstraction, this original oil on canvas entitled *Rancho Mirage* recalls the paintings of Mark Rothko. Monumental in scale, the composition features bold swathes of blue and red. Dated 1989. Signed "Sinatra '89" (lower right). Canvas: 61½" h x 51¼" w. Frame: 62½" h x 52¼" w x 1½" d. #31-7943

Scan to learn more about this painting

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WORLD NEWS

Hunger Spreads in Gaza as Grip Tightens

Bakeries are closing and essential food supplies are running out; 'We eat little'

By JARED MALVIN
AND ANAS BABA

RAFAH, Gaza Strip—Hunger is spreading in Gaza as Palestinians grow desperate in their search for bread and other essential foods after Israel imposed a blockade in response to Hamas's deadly Oct. 7 attack.

The bakeries that supply Gaza with bread are closing because of a lack of flour and fuel for their ovens. Those that remain open are serving hundreds of people waiting for hours. The price of what food remains in shops—mostly dry goods and vegetables—is soaring to levels many can't afford.

"We eat little amounts to save the rest for later and for the children," said Maree Abdul Kareem, a 43-year-old civil servant living with her family in the city of Deir al-Balah in central Gaza. "I expect the worst yet to happen."

The World Food Program estimates that Gaza's supplies of essential foods will last another seven days, according to an update late Monday from the United Nations Office for the



Trucks waited to bring aid into Gaza near Egypt's northern Rafah border crossing on Tuesday.

Coordination of Humanitarian Affairs.

Israel cut off all supplies of food, water, fuel and electricity to the Gaza Strip in response to the Oct. 7 attacks by militant group Hamas that killed more than 1,400 people in Israel. Israel has allowed the delivery of small amounts of humanitarian aid to Gaza since Oct. 21, but has opposed the delivery of fuel to the strip out of concerns that Hamas—which the U.S. designates as a terrorist organiza-

tion—would use it for military purposes.

According to Hamas-controlled health authorities in Gaza, Israel's military operation has killed more than 8,000 Palestinians in the enclave, the majority of whom are women and children, since Oct. 7. The figure doesn't distinguish between civilians and combatants.

Israel says it will allow more aid to flow into southern Gaza, but the deliveries have been limited.

"These deliveries are a drop in the ocean compared to the vast scale of needs," said Martin Griffiths, chief of the U.N. humanitarian and emergency relief office, in remarks delivered by one of his deputies to the Security Council on Tuesday. "The scale of the horror people are experiencing in Gaza is really hard to convey," he added. "We have very real fears about what lies ahead. The current situation in Gaza may pale in compari-

son with what is to come."

Gaza largely depends on food from Israel and Egypt. Before the war, more than half of Gazans lived under the poverty line, largely because of an economic implosion that followed Israel's decision to seal off the strip after Hamas won a Palestinian legislative election in 2006 and then seized control in 2007. That ended decades in which many Palestinians living in the enclave worked inside Israel and moved freely throughout the country. Israel increased the number of work permits for Gazans in recent years, but those permits applied to a fraction of the territory's workforce.

Some humanitarian aid has entered via Egypt after difficult negotiations among Israel, Hamas and the Egyptian government. Roughly 58 of the 143 trucks that have entered since Oct. 21 carried food that is being distributed to the nearly 700,000 people sheltering in U.N. installations, out of a total of 1.4 million internally displaced people.

Oxfam International, a humanitarian group, estimates that only about 2% of the food required to feed Gaza's population has been delivered since Oct. 7, citing an analysis of U.N. data on aid deliveries. Nearly everyone in Gaza is now food

insecure, meaning they don't know for sure where their next meal is coming from, the group says.

"The situation that we're seeing right now cannot last for much longer. We're about to witness a humanitarian catastrophe unless the border is opened and more food is allowed in," said Ruth James, the Jerusalem-based regional humanitarian coordinator for Oxfam International.

For ordinary people in Gaza, the search for food has become an exhausting chore that involves waiting in line for hours for bread and braving airstrikes to venture to shops.

Kareem, the civil servant, said her family was mainly eating vegetables, potatoes, onions and tomatoes she buys at a premium at local shops. Two cousins that fled Gaza City are sheltering in her house, raising her grocery bill even further, she said. Twice, she left the house to buy food and then airstrikes took place in the area, sending her running home.

"I was here in the previous wars. This is very different. We always had water even for two hours a day, electricity even two hours every 2-3 days," she said.

—Abu Bakr Bashir
and Omar Abdel-Baqi
contributed to this article.

Airstrike Hits Refugee Camp

Continued from Page One

hiding. He said dozens of militants had been killed along with the commander. He also said the strike hit between buildings, but that the collapse of tunnels used by Hamas militants in the area led to significant structural damage.

"This was an important military strike to us," Conricus said.

The strike highlighted the risks for Israel's military of carrying out a ground invasion in a dense urban environment. For more than three weeks, Israel has been asking residents of northern Gaza to move to the southern end of the enclave, warning it intended to fight a destructive battle with Hamas in its northern stronghold. Many Gazans have been unable to flee due to ongoing Israeli airstrikes and some have decided to stay in their homes, fearful they won't be able to return.

Israeli Defense Minister Yoav Gallant said the military had made achievements in its invasion of Gaza, but that "in war there is also a price, and the price over the past day has been high." Two Israeli soldiers were killed Tuesday, according to the military.

Israel is coming under increasing international pressure as casualties in Gaza mount, and Tuesday's strike is likely to add to the challenges that the U.S. and other Western countries face in maintaining public support for the military operation.

The Hamas-controlled health authorities in Gaza say more than 8,520 people have been killed in the enclave since Israel began its bombing campaign, most of them women and children. More than 1,400 people were killed in Israel in the Oct. 7 attacks, and about 240 were taken hostage, Israel says.

In Washington, protesters interrupted Senate testimony Tuesday from Secretary of State Antony Blinken with chants of "Save the children of Gaza," and "Cease-fire now."

Blinken will travel to Israel



Palestinians searched for casualties Tuesday at the site of an Israeli strike on Jabalia refugee camp in northern Gaza. 'It was like an earthquake,' one woman said.



The bodies of people killed in the Jabalia refugee camp.

on Friday for meetings with members of the Israeli government, the State Department said on Tuesday.

U.S. officials have been pressing their Israeli counterparts to avoid civilian casualties, including asking what a senior defense official described as "tough questions" about potential Israeli strikes on population centers and civilian infrastructure in Gaza. On Monday, U.S. Defense Secretary Lloyd Austin spoke to

Gallant and "stressed the imperative to protect innocent civilians," the Pentagon said.

The Pentagon has emphasized that it is advising and guiding Israeli forces, rather than issuing directives or putting restrictions on their use of U.S.-provided weapons, which includes artillery, ammunition, precision-guided munitions and air defense.

"We've made it both clear publicly and privately about our concern for the protection of innocent life and the respect for the law of war," Pentagon spokesman Brig. Gen. Pat Ryder told reporters.

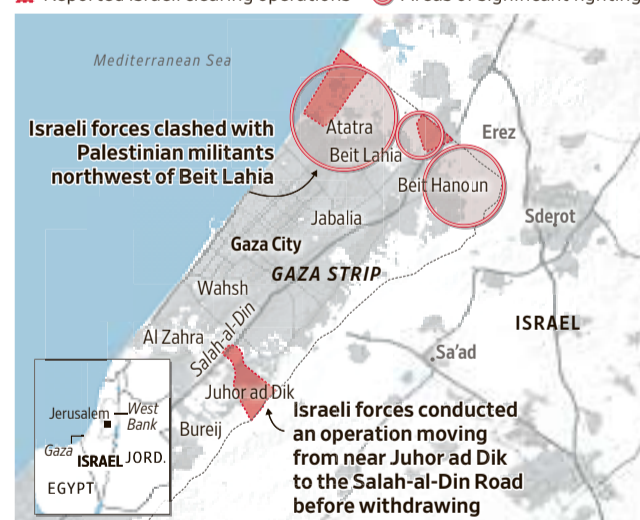
Ryder declined to comment on Tuesday's airstrike, but said Hamas had "willfully and deliberately integrated their operations, their command-and-control nodes, armories, rockets targeting Israel among the innocent Gazan population, thus, in effect employing them as human shields."

The Israeli military said Tuesday's strike in Jabalia caused underground tunnels used by militants to collapse, and as a result adjacent buildings also collapsed.

The Israeli strike killed the

Israeli incursions in Gaza

■ Reported Israeli clearing operations ● Areas of significant fighting



Sources: Institute for the Study of War (Israeli Operations); staff reports (tank incident)

Hamas commander, Ibrahim Biari, as well as "a large number of terrorists who were with Biari," the Israeli military said. Biari was leading Hamas's forces in northern Gaza, played a lead role in commanding Hamas's forces that attacked Israel on Oct. 7, and also planned a 2004 terrorist attack in which 13 Israelis were killed, the Israeli military said.

Miri Eisin, a former deputy head of the combat intelligence corps and assistant to the director of military intelligence, said the Israeli assault on Jabalia had tactical and symbolic significance.

"The significance lies not in the exposure of a battalion, of which there are many, but in attacking them in one of their strongholds," she said. Jabalia is one of the main tunnel hot spots in Gaza, and a large portion of buildings serve as entry and exit points for Hamas's extensive underground network, Eisin said.

In conjunction with the

strike in northern Gaza, the Israeli military said ground troops from the Givati Brigade took over a Hamas compound in western Jabalia, killing approximately 50 militants during the battle over the past 24 hours.

A Hamas official didn't respond to a request for comment.

The Israeli military said the area contained rocket-firing positions, tunnels by Hamas militants to reach the coast from which they have staged attacks against Israel, and a large cache of weapons. Israeli troops retained control of the compound after their assault, the Israeli military said.

The casualties from the Israeli strike were taken to Kamal Adwan Hospital and Indonesian Hospital, one of the biggest hospitals in Gaza. Before Tuesday's strike, the hospitals were already struggling to function, with a shortage of medicines and fuel, and a large number of injured patients.

Marwan Al-Qasem, a doctor at the Indonesian Hospital, said he had watched dozens of corpses and hundreds of injuries arrive since the blast, which happened around 3:30 p.m. local time. "We are still working on the injuries that are coming in every minute, still incoming."

"We are running out of fuel and soon lifesaving procedures will stop," he added.

Jabalia is the largest of the Gaza Strip's eight refugee camps—which over decades have become dense, permanent communities—with around 116,000 registered Palestinians living there, according to the United Nations.

Zahra Abu Oun, a 52-year-old kindergarten director, was at a relative's home in Jabalia when the blast hit the neighborhood. "It was like an earthquake," she said. "I lost dozens of my neighbors, friends and their relatives."

Hamas, a U.S.-designated terrorist organization, on Tuesday continued its indiscriminate rocket fire into Israeli communities and cities near Gaza and in central Israel. Since the war began, it has fired more than 8,500 rockets at Israeli population centers where millions live, according to Israeli officials. Rockets fired from Gaza have killed 13 people in Israel, according to Israeli paramedics.

—Fatima AbdulKarim,
Suha Ma'ayah, Menna Farouk, Daniel Nasaw
and Stephen Kalin
contributed to this article.

Watch a Video



Scan this code for a video on the blasts that hit the Jabalia refugee camp.

Senate Confirms Lew as Envoy

Senators voted 53-43, largely along party lines, to confirm Jack Lew as the next U.S. ambassador to Israel. Lew, who served as Treasury secretary during the Obama administration, was nominated to the position by President Biden in September, weeks before the Oct. 7 attacks on Israel.

Sen. Mark Warner (D., Va.) said the confirmation marked "an important step

towards supporting our ally Israel by installing key diplomatic leadership." Republicans opposing Lew's confirmation cited his role in President Barack Obama's Iran nuclear deal.

"Our ambassador to Israel must stand firmly with our ally and push back against Iran's malign influence. That is not Jack Lew," said Sen. Deb Fischer (R., Neb.).

—Katy Stech Ferek

WORLD NEWS

Vatican's Holocaust Silence Is Detailed in Fresh Research

Antisemitic aide played a role in Pope Pius's actions, archives reveal

By FRANCIS X. ROCCA

ROME—For decades, controversy over why Pope Pius XII didn't speak out against the Nazi Holocaust has troubled the Catholic Church.

New research has revealed evidence that a Vatican aide played a role in the wartime pope's silence, as did fear of provoking violence against Catholics under Nazi rule and against the Vatican.

The pope's belief in the first years of World War II that Germany would emerge victorious also gave him a motive to keep silent, scholars say.

Vatican officials continue to defend Pius's record, saying he was the leader of a Catholic resistance to the Nazis that also protected Jews. The Vatican's archives on Pius's reign, opened by Pope Francis in 2020, confirm that church institutions helped Jews, but focused their efforts on Jews who were baptized Catholics.

Pius, who led the Catholic Church from 1939 until 1958, never went beyond allusions to the Nazi genocide in his public statements. The closest he came to a denunciation was an oblique reference in a 1943 speech to "exterminating constraints" suffered by innocent people "because of their nationality or descent," according to Giovanni Coco, a Vatican archivist and historian.

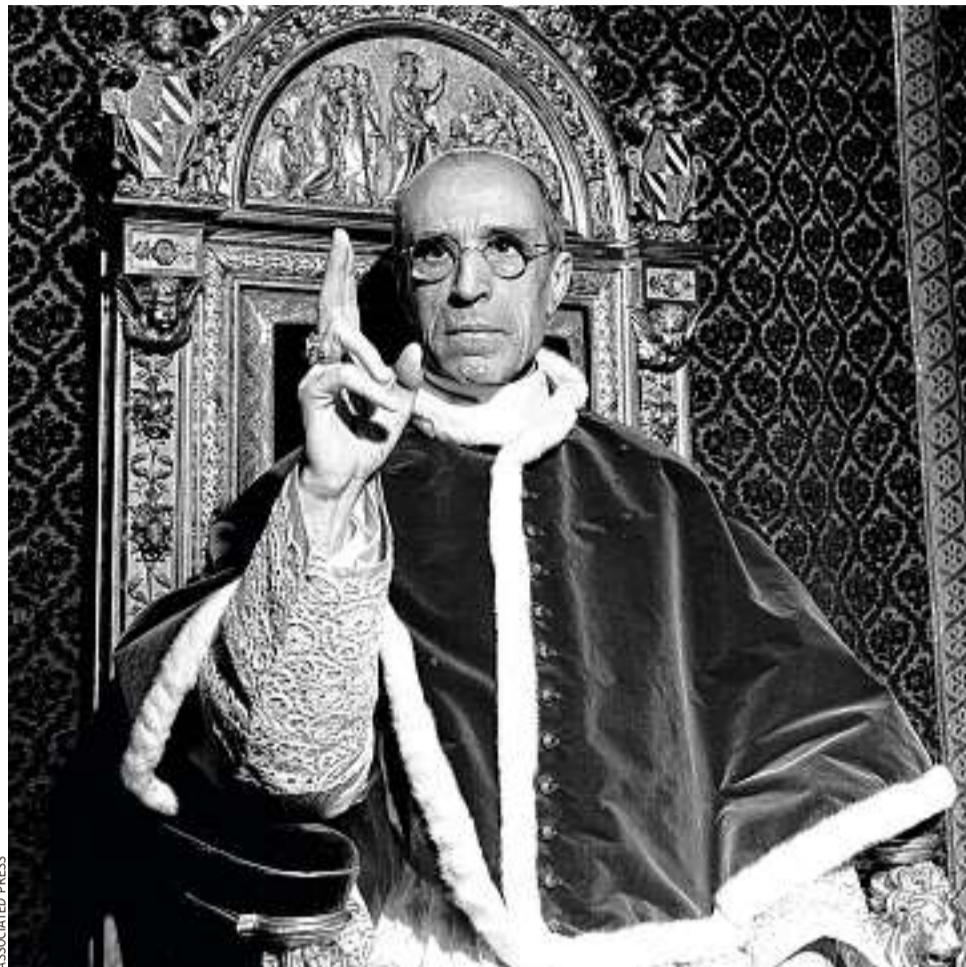
Debate about Pius's silence has raged since Rolf Hochhuth's 1963 play "The Deputy" portrayed the pope as indifferent to the fate of the Jews.

Dozens of scholars, including critics and defenders of Pius, gathered in Rome recently for a Vatican-sponsored conference on what researchers are finding in the newly opened archives. Participants stressed that they are still early in the process of studying the roughly 16 million pages of Vatican documents from Pius's reign.

"It's like a big puzzle of which we have scattered pieces. The more pieces we find and manage to put in order, the more we can understand," Coco said.

The conference opened two days after the Oct. 7 attacks by Hamas militants on Israel, which kept away one of the event's organizers, Iael Nidam-Orvieto of Jerusalem's Yad Vashem Holocaust remembrance center.

Deborah Lipstadt, an American historian of the Holocaust who attended the conference, praised Francis for his decision to open the archives, even



Pope Pius XII never went beyond allusions to the Nazi genocide in his public statements.

though "he had to know...that the story they were going to tell would not be a pretty one."

Francis' decision ultimately will benefit Catholic-Jewish dialogue, even if some revelations from the wartime documents are painful, said Lipstadt, who currently serves as U.S. special envoy to monitor and combat antisemitism.

Fear of retribution

Several scholars said the archives show the influential role of a senior papal adviser who played down reports of the Nazis' persecution of Jews. "Exaggeration is easy...among the Jews," said one memorandum by the aide, Msgr. Angelo Dell'Acqua, in 1942. In another document, cited at the conference by American scholar David Kertzer, Dell'Acqua wrote in 1943 that "to be wary of the Jews' influence...can be quite opportune." The monsignor repeatedly discouraged church leaders from speaking out.

Dell'Acqua, who later became cardinal vicar of Rome, effectively the city's acting bishop, was specifically assigned to matters involving Jews and was considered a Vatican expert on the matter, giving his opinion considerable weight, said Coco.

"The least suitable man was found in the wrong place at the wrong time," he said.

Pius's silence also reflected a fear of making things worse

for Catholics in German-occupied Europe, including those who were informing the Vatican about Nazi war crimes, Coco said.

In a December 1942 letter, an anti-Nazi German priest wrote to Pius's private secretary, referring to the death camps and crematoria in German-occupied Poland, but pleaded that the Vatican say nothing to betray the sources of the information.

"Not only is my head at risk but also the heads of others if [the information is] not used with the utmost prudence and care," the priest wrote.

Coco said that, among the Vatican's leadership at the time, "the fear is certainly that if they speak out, first of all the Poles who are under Nazi occupation, and the German Catholics who are already under the regime, will pay the consequences, and that nothing material will be able to be done to help the Jews."

The Catholic Church had an uneasy relationship with Nazi Germany. Although the Vatican signed a treaty with the regime meant to protect the church's rights, some clergy openly criticized the Nazis. According to historian Ian Kershaw, about 400 German Catholic priests were imprisoned in the so-called Priests' Block at Dachau concentration camp alone.

In the early years of the war, Pius's expectation of a German victory weighed heav-

ily on his decision not to speak out, scholars said.

Until late 1942, Pius had reason to believe that the Axis would prevail, according to Kertzer, who drew extensively on the newly available Vatican archives for his 2022 book "The Pope at War." During that period, he writes, the pope "felt he needed to plan for a future in which Germany would dominate continental Europe. His first and foremost duty, as he saw it, was to protect the institutional church."

Protecting church art

After the German army occupied Rome in September 1943, the pope had an incentive to avoid offending Hitler to protect the Vatican and other church institutions in Rome, Kertzer's book argues. This helps explain why Pius didn't protest the following month when the Nazis rounded up more than a thousand of Rome's Jews and transported them to Auschwitz, he suggests.

The Vatican had a particular fear that the German occupiers would destroy its artistic treasures, and after the war sought clemency for an indicted Nazi war criminal on the grounds that he protected them, said Suzanne Brown-Fleming, director of international academic programs for the United States Holocaust Memorial Museum and an organizer of the Rome conference.

Economies in U.S., Europe Are Taking Divergent Paths

By PAUL HANNON

The gap between the U.S. and European economies is widening, with growth and inflation on different trajectories as the fallout from the war in Ukraine weighs on Europe's prospects.

The European Union's statistics agency on Tuesday said the combined gross domestic product of the eurozone's 20 members fell by an annualized 0.4% in the three months through September, having increased by 0.6% in the previous quarter.

This is a stark contrast with the 4.9% rate the U.S. recorded during the same period, more than double the pace of growth in the previous quarter.

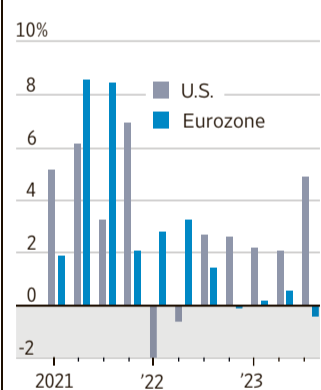
Added to this are signs that consumer-price inflation is easing in Europe's single-currency area while it has increased recently in the U.S. Figures also released by Eurostat showed prices were 2.9% higher in October than a year earlier, the lowest rate of inflation since July 2021. The core rate of inflation, which excludes energy and food prices, fell to 4.2% from 4.5% in September.

Economic growth in the eurozone has lagged behind the U.S. since the global financial crisis that struck in 2008, and that gap has widened since the onset of the Covid-19 pandemic in 2020.

This divergence accelerated markedly after Russia's invasion of Ukraine pushed energy and food prices sharply higher, weakening household spending in the eurozone. As a region that imports most of its energy, Europe has been harder hit by an increase in gas and electricity prices while the U.S., an energy exporter, has benefited to some extent.

And globally, a switch in spending to services from goods and a slump in international trade amid mounting geopolitical tensions hit large manufacturers and exporters

GDP, change from previous quarter



Note: Seasonally and inflation adjusted at annualized rates. Sources: Commerce Department (U.S.); Eurostat (Eurozone)

such as Germany particularly hard. Eurozone governments have also spent less freely than their U.S. counterparts in supporting demand.

"The German economy is currently stagnating; the obstacles of interest rates, high energy prices and weak foreign demand are simply too great at the moment," said Geraldine Dany-Knedlik, co-head of economic policy at DIW Berlin, an economic-research institute.

The widening growth gap and the narrowing inflation gap between the eurozone and the U.S. suggest the European Central Bank's rate rises are having a greater impact on an economy that faced stronger headwinds.

"Our past interest-rate increases continue to be transmitted forcefully into financing conditions," ECB President Christine Lagarde said last week. "This is increasingly dampening demand."

Some critics of the ECB argue that by almost matching the Federal Reserve's rate rises while confronting stronger headwinds to growth from other sources, eurozone policy makers will make the growth gap even wider.

"Having fallen behind the U.S. for the past 15 years, my worry is that we may now suffer another widening of the difference in per-capita income due to a policy mistake," wrote Erik F. Nielsen, economic adviser to Italy's UniCredit Bank, in a note to clients.

Meanwhile, the eurozone's weakness is holding back other parts of the world economy. The EU's imports from China in the first eight months of this year were down 15.4% from the same period of 2022, while imports from the U.K. were down 13.7%. Imports from the U.S. were little changed as Europe looked to the world's largest economy to replace natural gas it no longer buys from Russia.

Energy and food prices have risen more sharply in Europe than in the U.S. since the invasion, reducing the ability of households to spend on other goods and services.

Households around the world have cut back on their spending on goods after splurging during the pandemic and instead have focused on the services they were denied during lockdowns. But that swing has been particularly pronounced in Europe: By August, retail sales in the eurozone were 7.5% lower than in January 2022, compared with a 1.8% drop in the U.S.

The second blow for Europe has come from higher costs for energy-intensive factories.

There are few signs that economic growth in the eurozone is set to pick up over the coming months.

Apple Notifies Indian Users of 'State-Sponsored' Hack

By RAJESH ROY AND TRIPTI LAHARI

Apple notified several Indian opposition lawmakers this week that their phones likely were targets of state-sponsored attackers, prompting several of the individuals to express concern about the possible use of surveillance by Prime Minister Narendra Modi's government.

"Apple believes you are being targeted by state-sponsored attackers who are trying to remotely compromise the iPhone

and party spokesman Pawan Khera, as well as lawmaker Mahua Moitra of the regional Trinamool Congress, a vocal government critic.

Several of the politicians belong to parties that recently formed a bloc that aims to wage a united campaign against the ruling Bharatiya Janata Party in national elections next year. Moitra said in a social-media post that she would call on the speaker of India's lower house of Parliament to summon home-minis-

try officials on this issue.

Khera, who was one of the Indian politicians to have received the warning email, said he wasn't aware of what might have been compromised.

India's technology minister, Ashwini Vaishnaw, said: "We have already ordered an investigation into the matter."

In a social-media post on X, formerly Twitter, he alluded to speculation about the notifications and said that "we have also asked Apple to join the investigation with real, accu-

rate information on the alleged state sponsored attacks."

The office of the prime minister didn't respond to a request for comment.

Some journalists, including Siddharth Varadarajan of the independent news portal The Wire, and the head of a think tank that often hosts events with government figures, also reported receiving the notifications. It is unclear how many individuals Apple notified.

"This is clearly a sign of panic," said Rahul Gandhi, the

face of the Congress party, at a Tuesday news conference at which he waved a copy of the email and alleged the government was snooping on opposition leaders.

The government says it upholds democratic values.

Jaiveer Shergill, a spokesman for the ruling Bharatiya Janata Party, dismissed the suspicions raised by the politicians who received the Apple alerts and said the opposition was in the habit of "seeing ghosts out of political frustration."

JAPAN

Gunman Arrested In Hostage Drama

Police in Japan ended an eight-hour standoff with a gunman at a post office Tuesday by arresting the suspect after two hostages were freed safely. Authorities said the attack could be related to an earlier shooting at a hospital.

The man had entered the post office with a gun in Warabi, north of Tokyo, about an hour after the hospital shooting in which two people were wounded in the nearby city of Toda. Police identified the suspect as Tsuneo Suzuki, an 86-year-old resident of Toda. Police said they were also looking into a fire at a building near the hospital.

—Associated Press

BELARUS

Musicians Jailed Over Protest

Members of a pop music group were sentenced Tuesday to prison terms of up to nine years in Belarus's relentless crackdown on dissent.

The Tor Band became widely known in Belarus during a wave of protests that arose in August 2020 following a disputed presidential election in which Alexander Lukashenko was declared the winner, giving him a sixth term in office. A court in Homel found three musicians guilty of inciting hatred, creating an extremist group, discrediting Belarus and insulting the president, human-rights group Viasna reported.

—Associated Press

KENYA

Charles Regrets Colonial Violence

King Charles III has expressed "greatest sorrow and the deepest regret" for the "abhorrent and unjustifiable acts of violence" committed against Kenyans as they sought independence, during a speech on his first day of a four-day visit. But he didn't explicitly apologize for Britain's actions in its former colony, as many Kenyans wanted.

Charles at the state banquet said there "can be no excuse" for the "wrongdoings of the past." Kenya is celebrating the 60th anniversary of its independence. Thousands of Kenyans died in the struggle against colonial rule.

—Associated Press

WORLD WATCH



WATER SPORT: A cyclist navigated flooded streets in Milan on Tuesday.

FROM PAGE ONE

Activists Helped Get UAW Deal

Continued from Page One

craft campaigns for Sen. Bernie Sanders and Rep. Alexandria Ocasio-Cortez, a New York labor attorney who once wrote on progressive labor issues and a former reporter who later would help win major concessions from the New York Times for the NewsGuild of New York.

At the UAW, one of the country's largest unions, they were given a platform during one of the most active years for strikes in nearly a generation. The result was a sharper and more bitter collective-bargaining battle with Detroit—and one of the biggest wins in decades.

After a more than six-week strike that put 45,000 workers on the picket lines, the UAW came to tentative deals with Ford, Chrysler-parent Stellantis and General Motors that increase wages 25% over 4½ years—more than the total increase in the past 22 years—plus the return of cost-of-living adjustments. The contracts are the most lucrative since the 1960s, union leaders said.

Fain, a former electrician who made an unexpected ascent to the top role this spring, and his team deployed a pugnacious strategy that hit directly at criticism that the UAW has long been too chummy with carmakers. “I thought it was important to bring in people that weren’t ingrained in the system,” Fain told *The Wall Street Journal* in August.

The group includes Chris Brooks, a 39-year-old labor activist recruited early this year to manage the new president’s transition team who then became a top aide. He helped overhaul the 88-year-old union, bringing a renewed militancy and empowering rank-and-file workers by pushing for frequent rallies and events where Fain heard them out.

New communications director Jonah Furman, 33, coordinated a publicity campaign to make Fain and coverage of the strike ubiquitous in the media. Fain shared details of contract talks on weekly livestream updates, a tactic that stunned auto executives accustomed to behind-closed-doors discussions.

New York labor attorney Ben Dictor, 36, was heavily involved in the union’s biggest break from the past: holding talks with the three big automakers simultaneously. For decades, the UAW had picked one company to negotiate a new contract, and then used those terms as a template for the other two automakers. This time, the union combined talks to pit the companies against one another and accelerate deals with all three.

Longtime UAW members also worked with the new leader to shape strategy. Members must vote to approve the deals in coming weeks.

Adversarial talks

Contract talks with the three Detroit automakers, which happen every four years, are always contentious. But auto executives say these have been the most adversarial they can remember.

“The UAW’s leaders have called us the enemy in these negotiations,” Ford Executive Chair Bill Ford said in an October speech before the agreement with the union was solidified. “I will never consider our employees as enemies.”

He signaled that the union’s demands could hurt the com-



Right, new UAW President Shawn Fain, shown with union members at a rally in Chicago on Oct. 7, brought in young labor activists to remake the union’s bargaining strategy with the auto companies, including Chris Brooks, left, shown in 2016, and attorney Ben Dictor, below, shown in 2021.

pany. “Ford’s ability to invest in the future is not just a talking point. It’s the absolute lifeblood of our company,” he said.

Higher labor costs in the past prodded carmakers to open factories in Mexico and elsewhere, part of the reason the UAW’s ranks are down more than 70% from their peak in the 1970s.

In the wake of GM and Chrysler’s government-led restructurings in 2009, priority was put on bringing their labor costs more in line with foreign rivals.

Wall Street and politicians, including President Biden and former President Donald Trump, closely monitored the UAW strike. Also paying attention were executives at foreign automakers in the U.S., who worried that the spillover effect from big contracts in Detroit could put upward pressure on their own wages.

Fain, an Indiana native, emerged from a reform faction of the union for a surprise win in March. UAW leadership had long been regarded as insular, predictable and guarded, composed of union lifers who rose up from the auto-factory floor and spent years on negotiation teams before taking the lead.

Fain, 55, won after a change in rules let members, instead of chapter officials, vote directly for their leadership. The voting revision came after a corruption scandal that led to convictions of more than a dozen UAW officials, and sent two former presidents to prison.

The new president and the reform slate, called Unite All Workers for Democracy, or UAWD, vowed to return the UAW to its powerhouse stature when it set the wages and benefits for the auto industry.

Brooks, a former labor journalist from Tennessee, has been described as the nucleus of Fain’s team. He previously led the contract campaign during the NewsGuild of New York’s battle with the New York Times that ended in May with an at least 10.6% wage increase.

In the past, he had criticized the UAW as overly cooperative with the automakers and too quick to give concessions.

Brooks was central to Fain’s chaos-inducing strike strategy, in which select facilities at each of the Detroit automakers were taken down with little notice. Fain said the approach, which he escalated during the strike by adding more and more facilities, allowed the union to be nimble and apply pressure at profit centers that hurt automakers. It was a change from the all-company walkouts that were previously typical—and had never been tried by the UAW at all three companies.

Brooks also encouraged pop-up events across the country where Fain met with members

and spoke alongside Sanders and union leaders. The rallies were new for many longtime UAW workers.

Often at Brooks’s side was Dictor, who has worked with the NewsGuild and local chapters of the International Brotherhood of Teamsters.

As the union’s top attorney on the labor negotiations, he advised about working under an expired contract, a byproduct of the union’s strike strategy that had some workers on strike while others at the same company remained on the job. “You are the union’s eyes and ears in your facility. We are asking you to be on alert for any changes the company may be making now that the contract has expired,” Dictor advised members in September.

Furman, who had worked for Sanders and Ocasio-Cortez and was the lead singer and bassist in a Boston indie-rock band named Krill, spearheaded the union’s bare-knuckle social-media strategy, where it updated members on negotiations and frequently posted videos taunting company executives about their pay.

In September, automakers seized on leaked messages purported to be from Furman’s account on X, formerly Twitter, where he referenced keeping the companies “wounded for months” and damaging their reputations. His remarks incensed company executives and fed their view that union leaders were more interested in spotlighting their ideology than reaching agreements.

Election mandate

For more than 70 years, the UAW had been ruled by one dominant caucus, started by



Strikers outside the Stellantis assembly plant in Sterling Heights, Mich., on Oct. 23.

The ‘Yips’ Can Strike Any Time

Continued from Page One

hour study of the yips, or the sudden inability of experienced athletes to perform.

More than 70 men, most of them regulars on the links, showed up to a golf simulator to take their swings. One by one, they stepped up in front of their peers. A surprising number muffed their first try.

Thomas, a wiry 60-year-old retired civil servant, felt his heart thump and arms shake. “I never expected to be so nervous and fluff it completely,” he said. Now he had one shot left.

Saying that athletes have the yips is a polite way of saying they’re choking. Some researchers attribute it to performance anxiety, though it could also stem from a neurological condition that causes involuntary muscle spasms.

Pro sports is full of case studies. Simone Biles, perhaps the greatest gymnast ever, dived out of Olympic events in 2021 because a mental block prevented her from twisting in midair. In the 1990s, Yankees second baseman Chuck Knoblauch suddenly stopped being able to make routine throws.

But perhaps no sport is more prone to the yips than golf. Scottish great Tommy Armour is credited for popularizing the term, which he defined as a brain spasm that impairs putting.

“The ball’s just sitting there, so you can easily get

too much in your head in golf,” said Dr. Deborah Graham, a Texas-based golf psychologist with clients on the PGA and LPGA tours.

The yips can get worse when there’s something on the line, as there was in central London. A retailer, Trendy Golf, had a shipment of Nike’s new Air Jordan golf shoes, designed in collaboration with rapper Travis Scott. The retail price was £155, or about \$190, but some collectors are willing to pay about \$1,000 on the secondary market.

While golfers and sneakerheads aren’t typically the same demographic, Jordans are Jordans.

“Even though it’s a golf Jordan, it doesn’t matter,” said Keith Adam, a sneaker reseller in New York. “If you hit these, you’re going to make really good money.”

Trendy Golf’s stunt was a

way to combat the practice of resellers snapping up limited-edition sneakers and flipping them for a profit. Some resellers game online raffles by paying thousands of dollars for bots, or automated software, to push them ahead of other buyers and increase their chances of getting more than one pair. But bots can’t swing a real golf club—even in an indoor simulator.

Chris Collick, Trendy Golf’s marketing head, set up a raffle that would give 72 people a chance to buy the new Jordans—after demonstrating they can drive the ball 200 yards. The distance was arbitrarily chosen, but most average golfers can meet that threshold.

On a drizzly morning, the men—there were no female participants—lined up outside an indoor golf venue in central London. They filed downstairs

and then surrounded the simulation area.

The first golfer in line, a tattooed man in his 30s or 40s, was called up. The crowd of 100 golfers and employees went silent, the only sound the rap music on speakers. The man swung, yanking the ball to the left.

“Oh no! I cocked it, mate,” the man said. On the screen, the ball settled into the rough 47 yards away. The crowd shouted encouragement.

The second shot was straighter, but only 169 yards. He put his left hand on his forehead. “The nerves got to me. My arms were shaking.”

Of the roughly 70 men who took swings, around 25% muffed their first shot. Four failed both attempts. Two guys, presumably sneakerheads who didn’t want to face embarrassment, signed in but left without swinging.

Fain convinced committee members he was serious about moving the union past its corruption-scarred past to elevate the voices of rank-and-file workers—who had made concessions in past negotiations as a result of what Fain called weak leadership.

In March, he edged out incumbent Ray Curry by less than 500 votes in a runoff election. All seven candidates for union leadership posts endorsed by the reform caucus won, a sign members wanted change.

Brooks was top of mind for many within UAWD, some of whom he worked with previously. He had helped workers at Volkswagen’s Chattanooga, Tenn., plant who tried unsuccessfully to unionize in 2014.

Five years later, he covered a UAW organizing drive at the VW factory as a reporter for *Labor Notes*, an online publication that describes itself as a voice for union activists. He also closely covered the UAW’s corruption scandal.

At the NewsGuild of New York, Brooks led the union’s contract campaign and had a knack for channeling the sentiment of the rank-and-file workers, said Jon Schless, president of the main NewsGuild-CWA union. Brooks works with a regimented intensity—at the NewsGuild he kept detailed online spreadsheets for workers to plan activities, including a rare one-day strike in December of more than 1,100 New York Times journalists and other union members.

Some early members of the Fain team left in part due to concerns Brooks was too inexperienced and was espousing strategies that were too aggressive, people familiar with the matter said.

Other newcomers joined the staff, including a contingent in the organizing and communications departments who had worked with the Service Employees International Union, a big healthcare union.

The newly assembled group prioritized swift decision-making and responses to the companies, which required cutting through bureaucracy, people familiar with the union’s inner workings said. The UAW pumped out pamphlets and videos to communicate with members—key to ensuring buy-in amid a strike that affected workers unevenly.

“What has moved the needle is our willingness to take action, to be flexible, to be aggressive when we have to,” Fain said in an early October livestream.

Fain also recruited union longtimers to join his team, including people in research and organizing who were knowledgeable about the group’s history and had relationships with local chapters. They were key to identifying strike targets that would both cause pain to companies and be supported by workers.

Bold opening

The union began contract negotiations this summer with leverage from a tight labor market, inflationary pressures and an especially profitable recent run for the companies. It made clear things were different by opening with demands that included a 40% wage increase over the four-year contract.

The union further stunned the automakers a few weeks later when Fain appeared on a livestream address to outline a detailed list of the union’s demands, a rare public airing of the state of play.

On another livestream in August, Fain threw Stellantis’ first contract offer in a trash can.

In September, the union made one of its biggest departures from past practices by walking out on all three companies at once for the first time. Leaders didn’t call a full strike but instead started small by hitting select facilities, and expanded walkouts when they perceived little progress.

On social media, Fain’s team seemed to relish the disarray the pop-up strikes caused the car companies. One meme posted in advance of a Fain video to declare fresh walkouts referenced reality TV show “The Bachelorette,” saying stay tuned to find out which company would get the rose.

Not all UAW members have liked the tactics, indicating the stances were too extreme or flippant—some union leaders got complaints from workers after Fain wore an “Eat the Rich” shirt on a livestream.

Thomas, the retiree, knew why he shanked his first shot. He made the rookie mistake of swinging harder than normal. “I just wanted to get it over with because I was so nervous,” he said.

Thomas switched his strategy. He blanked his mind. In the back of his head was something his motorcycle instructor said years ago, which is that smart people do poorly on motorcycles because they overthink.

“Don’t think now,” he thought. “Just swing the club and hit it.” The crowd held its breath, and then cheered as the ball surpassed 200 yards on the bounce.

Thomas said he wouldn’t have signed up for this event had he known the pressure he would face.

“It’s not joy,” he said. “The joy is constrained by the fear of failure. It’s relief.”

PERSONAL JOURNAL.

By Allison Pohle

The new hot section on the plane isn't at the very front. Not quite business class and definitely not coach, premium-economy cabins are hooking travelers willing to treat themselves to extra comfort for about double the price of a coach seat on some flights.

With offerings labeled Premium Plus, Premium Select or Premium Economy, airlines are expanding these sections, which typically come with roomy seats, early boarding, free alcohol and better meals. Airlines say they appeal to travelers with more disposable income, especially on long-haul flights where business-class seats can run thousands of dollars more.

"I refer to it as an upper-middle cabin for the upper-middle class," says Jay Sorensen, an industry consultant and president of IdeaWorksCompany. These sections appeal to travelers on work trips with budget-conscious employers, and vacationers who want some comforts without shelling out for business class.

Unlike with Delta Air Lines' Comfort Plus or other sections with extra legroom, major U.S. carriers don't give their loyalty members complimentary upgrades into these cabins on trans-Atlantic routes. Travelers upgrade with cash or miles, use upgrade certificates or buy the tickets outright.

For flights to Europe from the U.S., round-trip tickets in the premium-economy cabin average about double the cost of main-cabin tickets, according to a fare analysis conducted by IdeaWorksCompany. Business-class seats on those routes are roughly double the cost of premium-economy seats, the analysis found.

Premium-economy cabins are part of airlines' broader push toward deluxe offerings. They also play into carriers' loyalty strategies: Higher-tiered members get special upgrade points or certificates they can apply toward the seats.

Travelers who do the math on upgrades say the decision depends on the costs, which can vary based on demand and time of purchase. Customers also factor in flight length, whom they are traveling with and how much legroom they need. (Taller travelers who spoke to The Wall Street Journal say they are more likely to pony up for the extra space.)

Scott Jameson, a 68-year-old retiree from the Houston area, takes three to four international trips a year with his wife. They recently flew in United Airlines' Premium Plus seats to Europe. Jameson says his wife managed to sleep in Premium Plus, which she typically can't do in coach.

Because upgrades are now harder to come by and depend on status, Jameson says he pays for the seats on overnight trans-At-



Fliers Treat Themselves To Premium Seating

Airlines expand their cabin sections between business class and coach

▲ United's Premium Plus seats are similar to domestic first-class seats in terms of seat size and pitch.

an eight out of 10, somewhat less than the treatment she expected for the extra money spent.

A Delta spokesman says about 70% of customers who book premium seats with the airline repurchase them on future flights. Delta plans to increase the number of Premium Select cabins on future routes.

Class competition

The deals and upgrades that leisure travelers scored on first, business and premium seats during the pandemic business-travel drought are harder to get as work-related travel picks up.

United's Premium Plus seats are similar to domestic first-class seats in terms of seat size and pitch, Nocella, the United executive, said. The distance between seats, or pitch, of Premium Plus is between 38 and 40 inches long, compared with 31 inches in the main cabin on wide-body planes.

One of the most popular markets for those seats is on routes to and from London's Heathrow Airport, Nocella says.

Some travelers complain that airlines have no incentive to improve the main-cabin experience as long as they continue to introduce new classes of better seats.

Emre Orbay, a 29-year-old software engineer who lives in San Francisco, says he regularly pays to upgrade to premium economy on trans-Atlantic flights so he can avoid rubbing shoulders with the person next to him.

It doesn't hurt that the food is also better, he says. To him, premium economy is the difference between feeling like part of a herd of cattle and what he considers to be a tolerable experience.

"It's the little dignities," he says.



▲ American Airlines started offering customers long-haul premium-economy seats in 2016.

lantic flights.

"Once you've had a taste of it, there's typically no going back," he says.

Premium growth

U.S.-based airlines are equipping more planes with premium cabins to compete with international carriers' longstanding premium-economy service, analysts say.

American Airlines introduced long-haul premium-economy seating in 2016, the first domestic carrier to do so. It plans to increase the number across its fleet in the coming years, says Kimberly Cisek, the company's vice president of customer experience.

Andrew Nocella, United's chief commercial officer, said in the airline's recent earnings call that the Premium Plus cabin, which averages 21 seats on long-haul international flights, is the carrier's most profitable.

German carrier Lufthansa,

which introduced premium economy nearly a decade ago, now has 52 premium-economy seats on its Airbus A380-800 wide-body airliners. Qantas Airways plans to add 40-seat premium-economy cabins to its A350s arriving in the 2026 fiscal year. The planes will fly direct to New York from Australia's east coast.

With ever more sections and options on planes, travelers say it can be hard to figure out whether upgrading is worth it. One way: dividing the cost of the upgrade by the number of hours in flight.

Hannah Norcini took this approach on a recent Delta flight from Atlanta to Tokyo. The 32-year-old, who works for the state of Florida, is a self-described "normal Joe Schmo" who spends cautiously. She considered an upgrade to treat herself on the birthday trip. After consulting forums on Reddit, she learned that \$50 an hour is considered a standard rate for an upgrade.

An upgrade from economy to Premium Select cost \$800 in the days before her flight. But when she checked in at the airport, she saw an upgrade offer for \$375—roughly \$29 for an hour of flying.

"I didn't even think twice," she says. "I just said to myself, 'Sold.'"

The flight attendants served her food with dishware, but it seemed to be the same food as the main cabin. She received noise-canceling headphones, a blanket and pillow. As a bonus, the seat beside her was empty. She rates the service

Parents Are Left Behind In Biden's New Student Loan Plan

By Julia Carpenter

Millions of parents who took out student loans on behalf of their children were left out of the Biden administration's new repayment plans.

Parent Plus loans, which account for more than \$111 billion in outstanding student debt, aren't eligible for the lower monthly payments and shorter paths to forgiveness offered under the new Saving on a Valuable Education (SAVE) program announced in January. Neither were they part of the one-time adjustment in July to other income-driven repayment programs that awarded borrowers nearly \$40 billion dollars in debt relief. There is a way to convert Parent Plus loans into one that is eligible, but it is complicated.

"We are committed to continuing to explore options for parent

borrowers," the Education Department said.

Many of the 3.7 million parents who hold this debt are low-income borrowers, leaving them especially vulnerable to the toll such debt can take, said Awilda Rodriguez, associate professor of education at the University of Maryland.

People often choose Parent Plus loans when standard federal loans and grants from schools don't cover their child's tuition and expenses.

"It is so much more emotional. When parents are trying to decide whether or not they're going to sign on the dotted line, they want to realize their children's dreams," said Rodriguez.

Parent Plus loans allow parents to borrow as much money as needed to cover all costs of school attendance, minus any financial aid the child receives as a student.

The interest rate on Parent Plus loans is often higher than those of other federal student loans. As of July 2023, the interest rate for parent borrowers was 8.05%, according to the Education Department. The interest rate for direct unsubsidized loans is 5.5% for undergraduate students and 7.05% for graduate and professional students.

Howard Fulton, a 71-year-old re-



tired technology and risk professional and father of seven from Monmouth County, N.J., is carrying nearly \$100,000 in Parent Plus loans.

"It's hanging over me," he said of the payments, which total more than \$1,000 a month. "It's an extra mortgage."

Fulton learned that being behind on his Parent Plus loans can mean part of his Social Security benefits would be withheld to pay the loans. He and his wife eventually worked

Parent Plus loans account for \$111 billion in outstanding student debt.

with their servicer on a reduced payment plan, but he said the experience woke him up to the reality of the loans' ballooning balances.

"No one explains anything," he said.

Parent Plus borrowers can take advantage of some alternative repayment options, such as income-contingent repayment plans and the Public Service Loan Forgiveness Program, or PSLF. They first have to consolidate their debt into a new loan.

For families with multiple Parent Plus loans, there is also a loophole that lets borrowers convert their debt to loans that are eligible for lower monthly payments under the new plans, said Andrew Paulson, co-founder and lead consultant of StudentLoanAdvice.com.

Completing this arduous process allows borrowers to take advantage without taking their loans private or losing out on those benefits. The Massachusetts Office of the Attorney General published instructions on how to complete the steps for this double consolidation.

Borrowers interested in this option must move swiftly, as the Education Department is expected to close the loophole for these double consolidations by July 2025.

Essentially, the borrower consolidates their loans twice. First, each loan is consolidated separately with a different servicer. Then they consolidate the new loans again with yet another servicer.

After that loan is approved, the debt is no longer a Parent Plus loan and the borrower can then enroll in SAVE or another existing repayment plan.

"Once you've done it, you can't undo that," Paulson said of the time-consuming process.

PERSONAL JOURNAL.

Fingers Crossed: Flu Season Might Not Be So Bad This Year

Cases are ticking up in parts of the country. Here's what to expect.



YOUR HEALTH
SUMATHI REDDY

There's some good news about flu season this year. Doctors and scientists don't expect the worst.

The flu season in the Southern Hemisphere, where the cold-weather illness period wraps up as we head into ours, often serves as a harbinger of what's to come for us. There, cases picked up a little earlier than usual in some countries but didn't result in an especially large number of hospitalizations and deaths, say public health experts and doctors.

Also encouraging news: The components in this year's flu vaccine are a good match to the pre-

dominant strain so far.

One study found that the current version of the flu vaccine reduced the risk for flu-related hospitalizations by 52% in the Southern Hemisphere, a pretty strong indicator of effectiveness, says Alicia Budd, head of the Centers for Disease Control and Prevention's domestic influenza surveillance team.

It's impossible to predict the overall outlook for respiratory illnesses this winter, but a mild flu season would be a welcome breather after last year's "triple-demic" of flu, Covid-19 and RSV hit hard. Many employers are less forgiving about working from home, taking away some flexibility that workers had when they got sick or their family members got sick. And families are preparing to gather for Thanksgiving and other holidays soon.

The flu vaccine protects against

four varieties of flu, two which are known as "type A" viruses and two "type B" viruses. Type A viruses typically produce more serious illness, particularly one known as H3N2, but type B viruses can hit children hard.

The predominant strain in the Southern Hemisphere this year was a type A virus known as H1N1. Some countries like South Africa also had significant levels of H3N2.

When to get your flu shot

The CDC recommends that people 6 months and older get vaccinated for flu. The agency recommends the majority of people who need only one dose being inoculated by the end of October. But it's still helpful to get the flu vaccine as long as influenza is circulating, which can continue

into the spring.

When you get the flu shot, it takes your body a week or two to develop enough antibodies to protect you, says Rick Zimmerman, a professor of family medicine and flu epidemiology at the University of Pittsburgh. Your antibody levels peak three to four weeks after receiving the vaccine and then start to go down, but doctors say you're still protected for four to six months.

Early on, your antibody levels are high enough that you may be protected from a nose infection as well as a chest or lung infection. Several months later when your antibody levels start declining, you're not as protected above the throat but should still have enough antibodies to protect your chest.

"So you likely have protection for your lungs, which will keep you out of the hospital and keep you

from getting really sick," says Zimmerman. "The vaccine may not prevent nose colds but it prevents a lot of hospitalizations and deaths due to heart and lung issues."

When will flu cases pick up?

Now that the summer bump in Covid-19 cases is receding, expect to see flu cases start rising, says Seema Lakdawala, an associate professor of microbiology and immunology at Emory School of Medicine.

Peaks of different viruses tend not to overlap, says Lakdawala. Once you recover from one respiratory virus you're less likely to get infected with a different one for a month or two, says Lakdawala, because your innate immune response increases the barrier to another infection.

Covid has thrown off the normal timing of many viruses' seasonal patterns for the past few years. Lockdown measures suppressed the circulation of other viruses for a while, and then some came back at unusual times as people resumed their normal activities.

Last year's flu season was unusually early in the U.S., taking off in October and peaking in late November/early December. So far this year flu activity remains low but is starting to pick up a little in some of the Southeast and south-central states.

While epidemiologists and other scientists look to the Southern Hemisphere to predict what we might see, the U.S. doesn't always follow the same patterns, notes Zimmerman.

"Sometimes you get a new variant that arises that they did not experience in the Southern Hemisphere," he says. At other times, the main strain circulating in the Southern Hemisphere varies, making predictions for the U.S. difficult.

Flu symptoms and what to do

Besides getting the relevant vaccines, Lakdawala recommends wearing a mask if you're in crowded, indoor areas, like airports and airplanes, and staying home if you have flu symptoms, which can include fever, cough and a runny nose.

If you do get sick—and especially if your age or health conditions put you at risk for more serious complications—see a doctor to determine what virus you have. Identifying early whether you have flu or Covid, for instance, can help get you started on an antiviral medication, which can reduce the severity and length of your illness.

"The sooner you take it, the more effective it will be," says Budd.

WHAT'S YOUR WORKOUT | JEN MURPHY

A Late-Blooming Ping-Pong Champion

Rachel Williams has a master plan for staying healthy and spry at 89 that revolves around a ping-pong-playing robot.

She bought the Zxmoto ping-pong machine for \$200 in 2020 to help maintain her mental and physical fitness after the pandemic shut down the gym at her senior living community in Lancaster, Pa. She carries it from her apartment to what is called the Pong Zone in her complex to train for regional and national competitions.

"It was pricey, but I thought I was worth it," she says. Williams had never even held a paddle but had heard that table tennis was good for brain health.

Her mother-in-law had Alzheimer's. After witnessing the disease's devastating effects firsthand, Williams enrolled in an Alzheimer's research study in 2007. The program, conducted by Johns Hopkins University, introduced her to activities believed to keep the mind sharp as we age. She took up tap dancing in 2008. Ping pong requires a similar focus, coordination and

agility, Williams says.

Studies show that playing ping pong with a robot forces the brain to work harder because a machine doesn't offer body-language cues like a human opponent might. Williams's machine can deliver 36 kinds of serves, with backspin or sidespin.

Williams says she could barely hit a ball when she started. Now, she holds her own on the competition circuit.

This summer, she earned a gold medal in her age group in singles table tennis at the Lancaster Senior Games and finished seventh in her age group at the National Senior Games in Pittsburgh.

"It was thrilling to play my heart out for hours on end with such terrific players," Williams says.

The next National Senior Games won't be held until 2025, when Williams will be in a new age group. Bitten by the competitive bug, she says she will prepare by playing ping pong with her robot, along with friends.

"The robot was a patient coach, but it's nice to be able to shake



hands and say, 'Good game,'" she says.

The workout

Williams walks for 30 to 45 minutes daily. She exercises at her community center's gym three days a week. She warms up on the rowing machine for 15 minutes and uses 5-pound dumbbells to perform exercises such as biceps curls and

lun- ges. Balance drills include standing on the flat side of a BOSU ball and performing squats.

Williams practices table tennis at least four times a week, and ping pong with her robot twice a week. She says practicing with the machine helps build endurance and focus. When she plays with friends, she works on skill-building. "I'm always trying to improve my ball placement," she says.

She takes tap classes five mornings a week. Her group performs three times a year. "We do one act where we

pretend to be old folks and hobble on stage with canes, then break into lively dance," she says.

The diet

► **Philosophy:** Williams follows a vegetarian diet and gets her protein fix from eggs, legumes and grains such as kamut and quinoa.

► **Breakfast:** One scrambled egg spiked with broccoli, spinach, red peppers, onions, mushrooms and tomatoes.

► **No sweet talk:** "I'm very focused on what I put in my body," she says. "When friends push their candies and cookies, I tell them, 'I don't put sugar in my gas tank.'"

► **Splurge:** Fresh figs and mangoes.

The gear

► **Tap shoes:** Bloch Tap Flex leather ladies tap shoes (\$110).

The playlist

She loves to tap to "Boogie Shoes" by KC and the Sunshine Band and Michael Bubl 's take on the classic "Save the Last Dance for Me" by the Drifters.



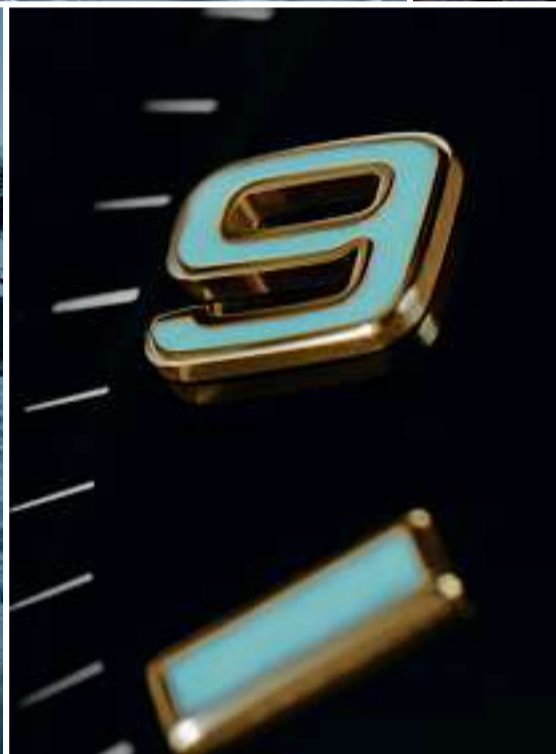
◀ Williams exercises three times a week at the gym, and she takes tap dancing classes five days a week.



SIR EDMUND HILLARY AND TENZING NORGAY, 1953
FIRST SUCCESSFUL ASCENT OF MT EVEREST



NATIONAL GEOGRAPHIC
AND ROLEX PERPETUAL
PLANET MOUNTAIN
EXPEDITIONS, 2019



CHRISTINE JANIN, 1990
MOUNTAINEER AND
POLAR EXPLORER

COME WIND, HAIL OR TEMPESTS

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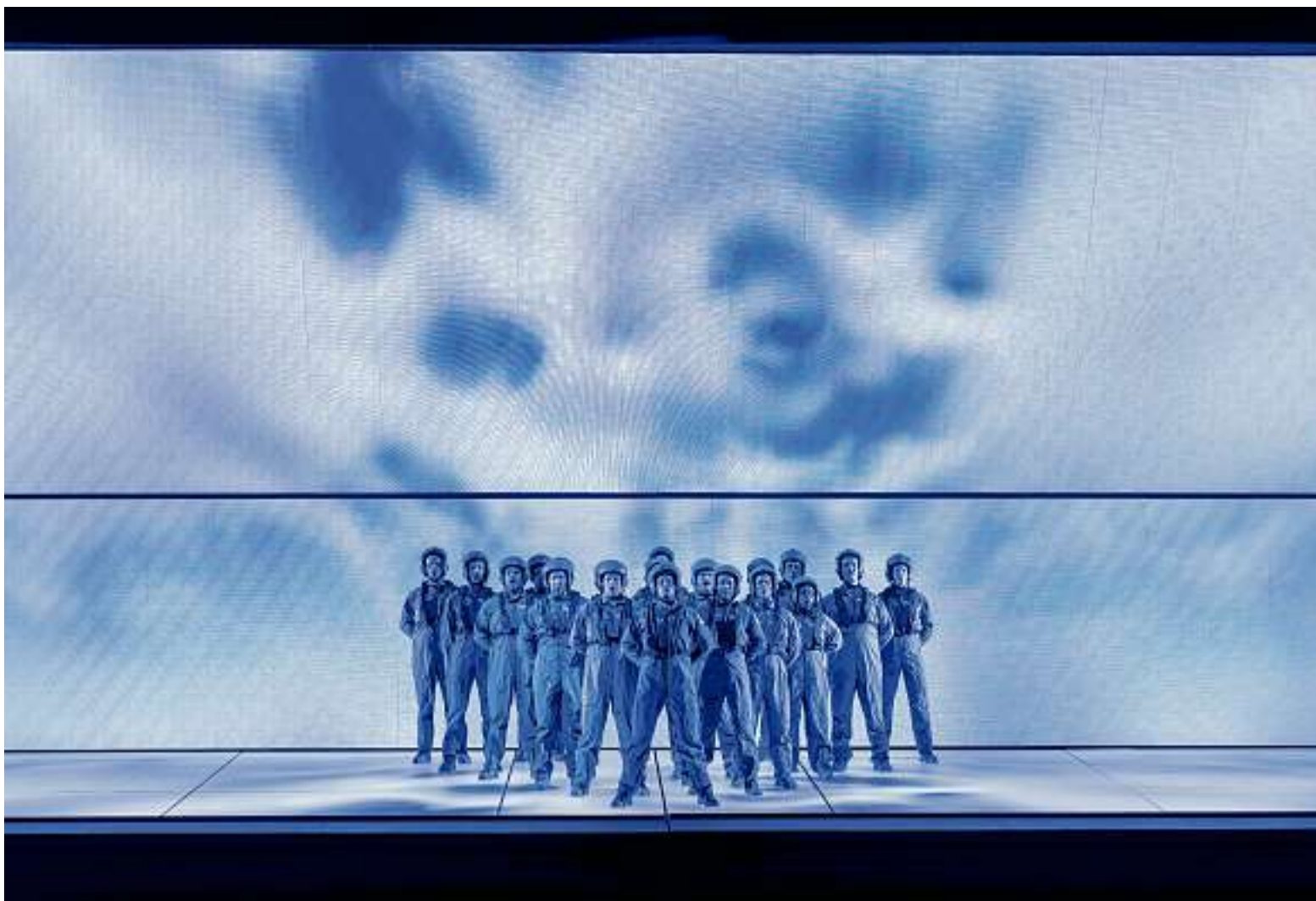
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ARTS IN REVIEW



OPERA REVIEW

Waging War at a Distance

Jeanine Tesori and George Brant's 'Grounded' follows a pilot who is reassigned to flying drones

By HEIDI WALESON

Washington
'GROUNDED,' a two-act opera by Jeanine Tesori and George Brant, which had its world premiere at the Washington National Opera on Saturday, is based on a 2013 monodrama by Mr. Brant in which an Air Force fighter pilot recounts her mental and emotional disintegration after she is reassigned to flying drones. The new version had to be bigger—it was commissioned by the Metropolitan Opera, which will present it next season—so Mr. Brant expanded his text for the libretto, skillfully fleshing out the characters and context in the pilot's narrative. But the transformation of the pilot—called Jess in the opera—is what matters, and with the backstory adding extra weight, especially in Act 1, the drama takes too long to catch fire. It's a surprising lapse from Ms. Tesori, composer of such wholly gripping theater pieces as the opera "Blue" and the musicals "Fun Home," "Kimberly Akimbo" and "Caroline, or Change."

We first meet Jess (the intense, passionate mezzo Emily D'Angelo) standing at the apex of a triangle of fighter pilots. An ecstatic chorus and aria demonstrate their camaraderie, Jess's triumphant success in a male world, and her joy in flying in "the Blue"; the military atmosphere is intensified with drum rolls and trumpet calls. Ensuing scenes detail the events that remove her from that fellowship:

While on leave in Wyoming, she meets Eric; gets pregnant and is grounded due to regulations barring pregnant women from flying; joins Eric on his family ranch, where she marries him, gives birth to a baby girl, Sam, and spends eight years before deciding she wants to fly again. But war is now different: Jess is assigned to fly a \$17 million Reaper drone from a trailer in Las Vegas. She will stare at a screen for 12 hours a day, seven days a week, and go home to her family at night. As her Commander puts it, "War with all the benefits of home."

We're now two-thirds of the way into Act 1, and things finally get interesting. The pilot fellowship is replaced by the Sensor, a jaunty, 19-year-old ex-gamer in a sweatshirt assigned to monitor the drone's "thousand eyes"; the disembodied, processed voices of the Kill Chain supervisors that come through Jess's headset; and the Drone Squadron, a new male chorus that represents the increasingly disturbing echoes of her own thoughts. The bright musical evocation of the thrill of flying in "the Blue" is replaced by hisses and an ominous, repeated brass motif, in keeping with Jess's gray screen that shows convoys crawling through a desert 8,000 miles away. The creepy Kill Chain voices tell Jess to "linger" above them; the Drone Squadron declares "Everything is witnessed" and proclaims the targets "Guilty Jeeps, guilty camels, guilty convoys, guilty sand."

In Act 2, we burrow deeper into Jess's head and her growing inability to differentiate between work and home as the idea of surveillance takes over her life. A trip to the mall has her looking for cameras; she confuses her nightly drive through the Nevada desert with the vehicles she tracks on screen; her dissociated self, called Also Jess, watches her as she obsessively watches her new target, No. 2 on the war hit list, waiting for him to leave his car so she can positively identify and kill him. The voices of the Drone Squadron become more insistent, encouraging her delusions and shutting out the last vestiges of her real life. The technicolor, Copland-esque lyricism of Jess's earlier life with her family gives way to more unstable harmonies as Ms. Tesori steadily builds the musical tension toward Jess's climactic act and its consequences.

Ms. D'Angelo commanded the stage even

► **Morris Robinson (above) and Emily D'Angelo, Willa Cook and Joseph Dennis**

as her character disintegrated. As Also Jess, the only other adult woman in the show, soprano Teresa Perrotta floated in a higher tessitura; their duet after Jess and Eric make love in Act 2 was a particularly striking moment, as were the



◀ A scene from 'Grounded,' which had its world premiere at the Washington National Opera

scenes that layered Jess's line into the various male choruses. Tenor Joseph Dennis was affecting as Eric, especially in his efforts to bring Jess back to reality, but his arias and the extended scenes of their budding relationship in Act 1 went on too long. Bass Morris Robinson brought gruff authority to the Commander; tenor Frederick Ballentine exuded enthusiasm as the Trainer who introduces the grounded pilots to the drone; baritone Kyle Miller was refreshingly irreverent as the Sensor. Willa Cook was poignant as Jess's beloved daughter, Sam, the root of her emotional confusion between work and life. Conductor Daniela Candillari expertly rendered Ms. Tesori's colorful orchestration, which never covered the singers and sometimes stopped altogether, and the all-male choruses ably delineated their different roles, whether they were drunken pilots in a bar, mall denizens, or the sinister Drone Squadron.

The production cleverly established Jess's two worlds and their gradual melding. In Mimi Lien's set, the military side was created by LED screens—floor, back wall and ceiling—seeming to float in midair, with Jess and Eric's suburban house and other locations on solid ground below. Vivid LED projections by Kaitlyn Pietras and Jason H. Thompson took us from the rolling clouds and blue sky of the opening scene to images of the drone and a blown-up image of Jess's trailer screen, depicting the gray landscape with its topographical contours, the drone's positioning charts and numerical data, and the white explosions of the missiles she launches.

Sometimes the eye of the camera turned to the people on the stage, projecting multiple images of them in the same gray tones, suggesting the omnipresence of surveillance. Jess took the Sensor's seat in the trailer when she drove her car through the desert and the

background projections changed, but we felt her impression of the similarity of the two locations. Lighting designer Kevin Adams helped to evoke Jess's dislocation; Tom Broecker's apt costumes included the flight suit that symbolizes Jess's identity plus Eric's rancher outfit and his gaudy red vest, the uniform of the casino blackjack dealer that he becomes. Michael Mayer was the precise director, building a clear narrative about the personal consequences of war, especially when the waging of it is outsourced to technology.

Ms. Waleson writes on opera for the *Journal* and is the author of "Mad Scenes and Exit Arias: The Death of the New York City Opera and the Future of Opera in America" (Metropolitan).

TELEVISION REVIEW | JOHN ANDERSON

Netflix's History Lesson on Holy Relics

One needn't be a true believer to be fascinated by the holy relics of the Catholic Church, objects credited with the ability to facilitate miracles and even provide access to the divine. Considering how frequently the cinema has co-opted the iconography of the Church—often enough for ghoulish purposes—something like "Mysteries of the Faith" suggests an opportunity for clarity, inspiration and, God knows, maybe a little debunking.

As our breathless narrator David Harewood says, "Belief in the power of relics is as old as faith itself" and, similarly, facts have had little to do with belief in the relics covered in this four-part series—which include the Crown of Thorns at the Cathedral of Notre Dame in Paris, the Holy Face of Jesus in Manoppello, Italy, and the fragments of the True Cross at the Cathedral of Rio de Janeiro. All have been associated with purported miracles, and even received the imprimatur of the Vatican. But if one is seeking a peek into secret Church history, or the Almighty's intervention on



Earth, one's prayers may go unanswered.

At the same time, "Mysteries of the Faith" is a delicate thing, given the high-wire act it has to perform—conceding concrete truths while respecting belief. The academics interviewed, including Anthea Butler of the University of Pennsylvania and Robert Cargill of the University of Iowa, are ex-

The show travels from France to Brazil as it poses questions of fact and faith.

cessively politic in how they address the authenticity of the objects in question. "Faith means more to some people than facts," says Prof. Cargill, which is about as extreme a comment as any expert offers up.

The most exciting episode is probably the first, which addresses the near-cataclysmic 2019 conflagration at Notre Dame, during

herring; the crown was not in the location specified, but elsewhere, in a vault, the combination of which was entrusted to a cleric who, in the chaos, couldn't remember it. The outcome is no secret, and yet the pursuit still has its thrills.

As recounted by Emily Davenport Guerry of the University of Kent, the last known record of the crown being venerated in Jerusalem dates back to about 870, after which "the record goes dark." The next reference appears in Constantinople (now Istanbul), in the private chapel

◀ A still from the four-part documentary series 'Mysteries of the Faith'

of the Emperor Baldwin, whose city was so broke that he sold the crown to a Venetian trader, who was subsequently pursued by land and sea by friars in the service of King Louis IX of France. They bought the relic back from the trader and transported it to the Sainte-Chapelle, where it remained until the French Revolution, when it was hidden by the doomed Louis XVI and protected from the irreligious revolutionaries of 1789.

There are great stories attached to some of the sacred objects, which range from the Holy Grail, or chalice of Christ, to the bloody shirt of Rosario Livatino, a Sicilian judge assassinated by the Mafia in 1990 and declared a martyr by Pope John Paul II. Unlike most of the relics—the Holy Face, for instance, which like the similar Shroud of Turin has been subject to scientific dismissal—the Livatino story is recent and its history fresh. What one looks for in "Mysteries of the Faith" is what the art world would call "provenance"—and what a court of law would deem "chain of custody." But, as with the uncertain tale of the crown, a line of succession simply isn't there to be accessed. Which may be just as well. As Prof. Cargill suggested, and the series proves, fact is an inconvenient thing when one is talking about belief.

Mysteries of the Faith
 Wednesday, Netflix

Mr. Anderson is the *Journal's* TV critic.

SPORTS

World Series Star Rebuilds His Swing

Rangers shortstop Corey Seager has a pregame ritual that is unlike any other player in baseball

By LINDSEY ADLER

On Josh Jung's first day in the big leagues last year, he noticed that Corey Seager was nowhere to be found. As the Texas Rangers took the field together that evening, Jung at third base and Seager at short, the rookie looked over at his star teammate and realized it was the first time he'd seen him all day.

By that point, Seager would have been at the ballpark for six or seven hours. He habitually arrives well before his teammates. Yet as Jung learned, no one knows much about what he does. He hides, even in the corners of his ballpark undergoing a routine that's as mysterious as it is meticulous.

"I was like, 'Dude, I haven't seen you all day!'" Jung recalled recently. "That's when I learned about his routine."

What does Corey Seager do for seven hours before a baseball game? The answer is a daily ritual unlike anything in baseball—and it's helping carry Texas closer to its first World Series title. In 15 games this postseason entering Tuesday's play, Seager has hit for a .298 average with five home runs, including a 421-footer on Monday night in Arizona to give the Rangers a 2-1 lead over the Diamondbacks in the World Series.

Seager's results are the bounty of a work day that he spends rebuilding his swing from the ground-up, every single day. It involves a lot of exercises, video, FaceTime with a private coach and shockingly little swinging of a bat, either in the cage or on the field.

"It's almost fear-driven," said Donnie Ecker, the Rangers bench coach and offensive coordinator. "If I don't start from scratch, I don't think I'm going to be at my best tonight."

Seager was certainly at his best this regular season, hitting .327—significantly higher than his career average of .292. Some of this can be attributed to a new MLB rule that limits the use of infield defensive shifts, but Ecker said he was surprised by how much of Seager's success in 2023 had relatively little to do with the way the defenses



Texas shortstop Corey Seager hit a two-run home run in the Rangers' 3-1 win in Game 3 of the World Series.

lined up against him.

"It's the best offensive season that I've seen with my own eyes," Ecker said.

Seager's first move is to isolate the movements that eventually add up to the mechanics of his swing. Using video, and video chatting with his private coach, he prepares his stance, begins rotating his body in the way he wants to in the heat of the moment, and hardly touches a bat for hours. Ecker estimates he spends two to three hours on this part of the process.

"I'm just a big believer in, if I get into the right positions. I'll be able to swing how I want to," Seager said.

The philosophy at the core of Seager's daily routine is that feelings are fickle. Seager doesn't trust that whatever he feels in his swing or mechanics from one night to the next will be replicable or lead to

consistent results. To Seager, it doesn't matter how it feels to take his swing. It matters how he moves, what he does.

"Feelings lie to you," Seager said. "That's why we videotape."

Seager's results are the bounty of a work day that he spends rebuilding his swing.

Once Seager does move on to facing a pitching machine and taking swings, he reviews video of every swing he takes. He can use high-speed cameras in the batting cage, and the Rangers can provide further kinetic feedback from the swings he takes in games.

Using the ballpark sensors that generate MLB's Statcast data, the Rangers can create a video of Seager's swing that shows just his skeletal movements. The Rangers can then overlay the stripped-down biomechanical videos over one another and find minute differences between one swing and the next. If Seager's wrist angle was off target by 3 degrees, the team can identify that and inform him so that he can pay particular attention to that issue as he once again rebuilds his swing before the next day's game.

"I'm just trying to find alignment and positions," Seager said. "That's really all it is."

Seager isn't just reluctant to talk about his pregame routine, he would strongly prefer not to. His teammates find his program fascinating, but the star shortstop speaks of it as if his meticulous daily work is wholly unremarkable.

"I get to see it more on the road because there are not as many places where he can hide out and do his thing," Jung said. "Every time I watch it I'm like, 'Wow, how can I get more disciplined in my process?'"

"It's tedious," said Rangers catcher Austin Hedges. "It's methodical and so much more about what it looks like over what it feels like. It's really hard to do, so most people just rely on feel. But you have different feelings at the plate every day."

Seager attempts to take the inconsistency out of perhaps the most difficult athletic skill on the planet. In the process, he has become his own biggest skeptic. Past results don't mean anything when it comes to future success. He has a plan for what type of movements will produce good results for him. Intention and feeling is not enough. He needs to fact-check his own mechanics for hours on end, every single day.

"He wants to absolutely know that his body is in the exact numerical positions that are going to produce the outcomes he wants," said Ecker. "Theoretically, you could move the same way four times and feel four different ways in the process of that. If you respond to one of them, then you change your movements."

This is what Seager fears. If he reacts to one swing or one outcome, the small changes that result can become an avalanche of mechanical changes. "If I do the same thing consistently, no matter how I feel, I'm probably going to produce a consistent result," Seager said.

By the time Seager sets foot in the batting cage each afternoon, he has already meticulously assembled the swing of his dreams without a bat in his hand.

"I saw him in spring training this year when I was on the minor league side," said Rangers rookie outfielder Eavan Carter. "I'd just see him in a completely random spot outside, standing in front of his phone and building up to his swing. He doesn't swing that much. It's a lot of working on his setup."

Seager puts his trust in what he considers to be an objective approach to his own movement patterns. He trusts neither his own perception or the results it produces from one swing to the next. Baseball is an art, but a swing is a science. Seager treats it as such.

The WSJ Daily Crossword | Edited by Mike Shenk

1 2 3 4 5 6 7 8 9 10 11 12 13
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- 25 Troupe member
27 Barely legible handwriting
30 Myrrh and amber, e.g.
31 Onetime cracker rival of Ritz
33 Some nest eggs, for short
34 El ___ (Spanish hero)
36 Pale wood
38 Choppers deployed in Nam
40 Minor argument
41 Love handle supports
43 Hotel room feature
45 Assist after a tumble
46 Fire up
48 Stowe villain Simon
52 Door word
53 Venomous snake
55 Disburdens
56 "___ Perpetua" (Idaho motto)
58 Plucked instrument
60 Sweetie
62 Furious feeling
63 "The Greatest" singer
64 Fashion line

KINDA SORTA | By Gary Larson & Amy Ens

- Across
1 Palette colors
5 Commotion
8 Represent
14 Beagle biter
15 Head of England?
16 Bella of "Midnight Sun"
17 Kinda like milled grain?
19 Sorta like a fish part?
20 Comes to
22 Katniss's love in "The Hunger Games"
23 Floor it
26 Ladies' legs, in old noir movies
28 Bit of makeup
29 Thither
30 Outmoded object
31 ___ d'oeuvres
32 Something that may be served or taken
35 Subway of song
37 Kinda like the vocal stylings on "If I Could Turn Back Time"?
39 Sorta like a corned beef dish?
42 Curie discovery
44 One of Joy's co-hosts
45 Roles, in metaphor
47 Sam of "Jurassic Park"
49 Afternoon break
50 Stat for an ace
51 New Year's Eve song ending
52 They're rigged
54 River through Orléans
57 Showed relief
59 Kinda like a bit of wordplay?
61 Sorta like Coke or Pepsi, e.g.?
65 Familiar with
66 ___ Lingus
67 Pennsylvania city with a lakefront
68 Individual
69 Workout unit
70 Paper package
Down
1 Not running
2 Feeling poorly
3 Constellation cat
4 Cook on a cooktop, perhaps
5 Touched down
6 Pill bottle info
7 "C'est magnifique!"
8 Org. with a ballistics identification database
9 China problem
10 Distinctive quality
11 Liver topping
12 GM navigation system
13 Gets clean
18 Piston connector
21 Forger
23 Harmonize
24 Pal of Piglet

Previous Puzzle's Solution
BESAME BAT UFOS
IRONED USO NEWT
GUNGHO STRADDLE
OPAL THRONE
TROUGH OSTRICH
SNOWS GLEE
NOM ITALS GOING
EMU THROUGH ATE
WALLS TEMPO DSL
THAI SMASH
VANGOGH OSTEAL
HIREON ILLIE
RATTILING HOSTEL
AGEE ERR INTOTO
MOAN FIE PASSON



Saudi Arabia's Lavish Sports Push Earns It the 2034 World Cup

By JOSHUA ROBINSON

LESS THAN A DECADE after Saudi Arabia decided to make a push into global sports, the Kingdom is set to claim the prize it covets most: the soccer World Cup.

The country learned on Tuesday that it was the only bidder left standing to host the 2034 edition of the tournament, after Australia formally withdrew from the process earlier in the day. Once the decision is formally ratified, likely without a vote or debate next fall at a meeting of the FIFA Congress, Saudi Arabia will reach the pinnacle of a multibillion-dollar process that is reshaping the world's most popular sport and using it to remake the Kingdom's image.

"We are talking 11 years from now. It's a long journey," Ibrahim Alkassim, the general secretary of the Saudi soccer federation, said when the country formally launched its bid last month. "Imagine what could happen in the next 11 years."

The unique situation arose from FIFA's stipulation that only countries from Asia or Oceania would be allowed to bid for the 2034 tournament in order to keep the World Cup rotating through different continents. North and Central America were out because the U.S., Canada, and Mexico are co-hosting in 2026. And the peculiar set up of 2030—co-hosted by Spain

and Morocco with opening games in Argentina, Uruguay, and Paraguay to mark the World Cup's centennial—ruled out Europe, Africa, and South America. That opened the door for an Australian bid for 2034 after the country's successful hosting of the 2023 Women's World Cup. But as Tuesday's deadline neared, Football Australia said it would shift its attention to the 2026 Women's Asian Cup and the 2029 Club World Cup.

That left only Saudi Arabia for the biggest sporting event in the world. The Kingdom has never been shy about its intentions. Saudi first laid out a plan for across-the-board development in 2016 with a document known as "Vision 2030"—and sports were a key instrument. Much the way its Gulf neighbors Qatar and the United Arab Emirates have used soccer to grow their influence and, critics say, whitewash their human rights records, Saudi hoped to turn itself from one of the world's most closed off societies into a global player in tourism and entertainment. Overseeing all of it was Saudi Arabia's millennial Crown Prince Mohammed bin Salman.

The country began by hosting a few events in the desert—prize fights, a tennis tournament, and some motor racing. But it soon reached beyond its borders through the financial might of the sovereign Public Investment Fund. In 2021, PIF acquired a con-

trolling stake in the English soccer club Newcastle United by assuring the Premier League that it would be free of Saudi government influence. That same year, PIF launched LIV Golf to rival the PGA Tour by throwing hundreds of millions of dollars at top players. (The schism in the sport appeared headed for a resolution this year when LIV's backers and the PGA agreed to a joint tenure, which still hasn't been finalized.)

Perhaps Saudi's splashiest play came in the soccer transfer market. In January, it made Cristiano Ronaldo the biggest superstar ever to join the Saudi Pro League by promising more than \$100 million to play for Al Nassr. A legion of other top players from major European teams soon followed, including former Real Madrid striker Karim Benzema, former Liverpool forwards Roberto Firmino and Sadio Mane, and, last summer, the Brazilian playmaker Neymar. What they found after accepting their huge paychecks was a huge drop in the standard of play—even if Saudi Arabia's national team has qualified for the World Cup six times and beat Argentina in the group stage last year.

The Kingdom hasn't released any details of how the 2034 tournament might look. By then, the men's World Cup will have expanded to 48 teams.

MATT KARTOZIAN/REUTERS

SAUDI PRESS AGENCY/AGENCE FRANCE PRESSE/GETTY IMAGES

Our friend and colleague, **Evan Gershkovich**, was detained by Russia on March 29 during a reporting trip and accused of espionage. The Wall Street Journal and the U.S. government vehemently deny the allegation and continue to call for his immediate release.

Evan's colleagues, friends and family will be sharing stories about him each week.

To show support for Evan, please follow the latest updates at [WSJ.com/Evan](https://www.wsj.com/Evan) and add the hashtag **#IStandWithEvan** across social media.



In late December, I received a text from Evan. "I'm back in the game my friend." When most of us were taking a well-deserved rest at the end of a weary year of war coverage, Evan was raring to go. His text let me know that after completing a series of deeply reported assignments that documented Vladimir Putin's inner circle, he was eager to turn his attention to another huge topic: Russia's economy.

Not many reporters are able to pivot from one weighty subject to another so easily. But Evan has an insatiable interest in the world. Evan is hungry. Hungry to work, hungry for the truth, hungry to tell his readers what's really going on in whatever he's covering.

That's what makes him a great reporter. Evan spent weeks at the start of the year reporting on the changes coursing through Russia's wartime economy, especially how the country adjusted to Western sanctions. He checked in with his teammates and editors on our weekly calls, excitedly recounting the colorful on-the-ground anecdotes that served as the core of our articles.

The world needs people like Evan to keep asking questions. Please help us get Evan home. I can't wait for him to be back in the game again.



Alex Frangos
Europe Finance Editor

#IStandWithEvan

THE WALL STREET JOURNAL.

BUSINESS NEWS

Sales Results Lift AB InBev Shares

Budweiser owner says it will buy back stock after revenue beats expectations

By SAABIRA CHAUDHURI

Shares of **Anheuser-Busch InBev** rose 5% after the Budweiser owner reported better-than-expected third-quarter organic sales growth and said it would buy back stock, even as it continues to reel from the Bud Light marketing debacle.

The world's biggest brewer reported a 3.4% fall in organic volumes Tuesday as a 17% fall in sales volumes in North America offset gains elsewhere. The company did say, though, that its U.S. market share had remained stable since the last week of April through the end of September.

More broadly, AB InBev's results indicated that a long-running trend in the U.S. that has seen liquor take market share from beer may be starting to soften.

AB InBev said revenue in the beer industry grew 3.3% in the quarter, and that the industry had gained share of total alcohol in liquor and grocery stores. Many spirits makers, by contrast, have flagged a slowing environment in the U.S. as consumers pull back on buying pricey liquor as pandemic-era savings wind down.

The company announced a \$1 billion share buyback, which some analysts said indicates the pressure caused by its enormous debt pile—accrued through a string of big acquisitions—is receding.

AB InBev's Belgium-listed shares rose nearly 5%. Its American depository receipts gained about the same and



Revenue in the U.S., AB InBev's largest market, fell 13.5% as Bud Light continued to struggle after a marketing debacle.

were on track for their largest percentage rise in almost a year.

AB InBev said organic sales growth came in at 5%, above the 4.7% analysts had expected. Overall organic volumes fell 3.4%, missing forecasts of a 2.7% fall.

Revenue in the U.S., AB InBev's largest market, fell 13.5% as Bud Light continued to struggle.

The company said it is continuing to stick to uncontroversial marketing campaigns in the U.S. like offering scholarships to military families.

Analysts expressed disappointment that AB InBev maintained its broad 4% to 8% Ebitda growth guidance for the full year rather than saying this would fall toward the top end of that range.

3.3%

Growth of revenue in the beer industry in the third quarter, AB InBev said

California Vineyard Sells for Up to \$1 Billion

SYDNEY—A Californian vineyard set up by two Lebanese migrants who got their first break making wine in a garage in rural San Diego has been acquired by Australia's Treasury Wine Estates, one of the world's largest vintners.

DAOU Vineyards, owned by Georges and Daniel Daou, has agreed to be bought by Treasury Wine Estates for up to \$1 billion in a move the Australian company said provides it with scale to potentially launch a luxury-wine division covering the Americas. Treasury is among major producers seeking to generate more revenue from premium wines.

DAOU was set up by the two brothers, who fled Lebanon with their family during the country's civil war,

which began in the 1970s. According to the company's history, a missile struck the sidewalk in front of the Daous' home in 1973, sending shrapnel tearing through the house.

The family first settled in France, where Georges and Daniel Daou developed an interest in wine that they then pursued in earnest around a decade after moving to California in the early 1980s. Daniel Daou had experimented for years with winemaking in his garage in San Diego, tending to a one-acre vineyard of Cabernet Sauvignon.

Now, the company sells wines under the DAOU brand, including the Malbec, Semillon and Cabernet Sauvignon varietals, from its vineyard at Paso Robles

at prices up to \$275 a bottle.

Treasury Wine, which has a market value of \$5.56 billion, on Tuesday said the acquisition of DAOU would accelerate its so-called premiumization strategy amid a crowded market for bulk wine. "We continue to see strong long-term growth trends for luxury wine in Treasury Wine's key global markets, with a significant value-creation opportunity," Chief Executive Tim Ford said.

Treasury said it has agreed to pay \$900 million up front for what it called the fastest-growing luxury wine brand in U.S. trade over the 12 months through Oct. 8. It could pay up to \$100 million in additional earn-outs linked to growth targets over the three years through 2027.

—Stuart Condie

JetBlue Says Loss for This Quarter Worse Than Forecast

By WILL FEUER

Shares of **JetBlue** touched a nearly 12-year low Tuesday after the airline forecast a wider-than-expected loss in the current quarter and said it was cutting back on some flights.

The weak outlook comes after JetBlue's third-quarter results missed Wall Street expectations because of significant delays during the summer travel season.

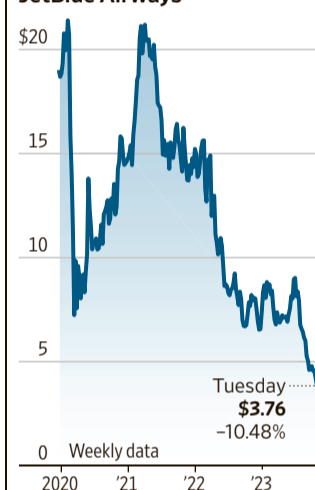
"The sheer magnitude of the air traffic control and weather-related delays has been staggering," Chief Financial Officer Ursula Hurley said.

The company said U.S. flying capacity is outstripping demand during off-peak periods. This trend has prompted JetBlue to reduce some schedules during slower periods, while adding to its international itineraries.

Analysts have said airlines may have overdone it in adding U.S. flights this year.

JetBlue shares fell 10.5% to \$3.76. The stock earlier touched a low of \$3.42, its worst intraday price since November 2011.

JetBlue Airways



Non-Covid Vaccines Boost Pfizer

By JARED S. HOPKINS
AND WILL FEUER

Pfizer Chief Executive Albert Bourla is betting on one area for new growth: Non-Covid vaccines.

The executive said on Tuesday that after revising Pfizer's sales outlook on its Covid-19 products, the rest of the company's business is in position to help drive growth.

Among the bright spots in Tuesday's third-quarter earnings report were sales of the pneumonia vaccine Prevnar, which totaled roughly \$1.9 billion. The company's new Abrysvo vaccine to prevent respiratory syncytial virus generated \$375 million, the company said.

Pfizer this year won two regulatory approvals for the RSV shot, one for pregnant women to protect their newborns, and one for older adults.

Sales were driven by people getting the shots, although stocking of orders by providers helped with sales as well, said Angela Hwang, Pfizer's chief commercial officer. She said retail pharmacies are driving the vaccinations, while some people are getting shots in health systems and doctor's offices.

The company sees even more opportunity in the vaccine space with combination vaccines. Pfizer is committed to developing combination shots, such as flu-Covid-19 and RSV-flu, because patients and doctors will embrace their convenience and because the availability of combo shots will increase vaccination rates, Bourla said.

The company's third-quarter sales slipped on declining demand for its pandemic products, falling 42% from a year ago to \$13.2 billion. Sales of Pfizer's Covid-19 vaccine

sank roughly 70% from a year ago to \$1.3 billion.

Sales from new products helped cushion the blow, with Pfizer saying non-Covid product sales were up 10% from a year ago. Bourla said in the interview this part of Pfizer, the result of internal innovation and deal making, is poised to grow on its own.

Pfizer swung to a loss and posted a sharp drop in quarterly sales, weighed down by soft demand for its Covid-related products. The pharmaceutical giant posted a 70% drop in operational sales, adjusted for currency fluctuations, of its Covid-19 vaccine, as reformulated doses roll out. Operational sales of the company's Paxlovid treatment tumbled 97% ahead of the commercial transition of that drug.

◆ **Heard on the Street: An obesity pill sought..... B12**

Shares of Apparel Company VF Fall



VF shares tumbled after the apparel company pulled its annual guidance, slashed its dividend and said it would replace the president of its Vans brand.

The Denver-based company said the only brand in its portfolio to post higher sales last quarter was North Face. "We are not making suffi-

cient progress at Vans or in the U.S.," said Chief Financial Officer Matt Puckett.

VF shares fell over 13% on Tuesday. The company has come under pressure from activist investors.

Sales for the three months ended Sept. 30 fell 2% to \$3 billion, nearly matching ana-

lysts' expectations for sales of \$2.99 billion. Losses came in at \$450.7 million, or a loss of \$1.16 a share.

VF withdrew its guidance for the year and cut its dividend to 9 cents, a 70% decrease from the previous quarter's dividend.

—Sabela Ojea

Photo: WFP/Gabriella Vivacqua/2023/South Sudan

BUSINESS & FINANCE

Wind-Power Projects Hit by Rising Costs

Higher rates in New York are expected, challenging the shift to renewable energy

By DAVID UBERTI

Soaring costs are pushing up the price of big wind-power projects, challenging the country's shift to renewable energy and potentially leading to larger-than-expected bills for residents.

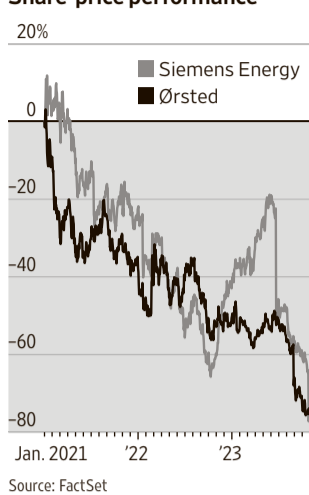
New York state officials in recent days unveiled a slate of wind-farm proposals that would result in higher electricity rates for residents than previously approved plans. That has companies behind older bids rushing to see if they can resubmit their plans at or near the new rate.

The projects are among the country's biggest and are being closely watched because they show how a nascent industry that is key to the U.S. energy transition will work through the upheaval of escalating costs. The struggles are threatening delays in the current pipeline of projects, which analysts say could hamper the Biden administration's offshore wind ambitions.

"It's going to be a tricky 12 to 18 months for the sector," said Harry Boyle, a portfolio manager at **Impax Asset Management**, which invests in companies including clean-energy firms.

Some companies have already eaten multimillion-dollar termination fees to pull out of East Coast projects or written down investments because of rising costs, battering clean-energy stocks. Analysts say New York's attempt to find new price points acceptable to developers, regulators and investors suggests the broader market's adjustment

Share-price performance



Source: FactSet

won't be easy.

"Does the market have the courage to kind of pay these higher prices for clean energy?" David Hardy, chief executive of energy company **Ørsted Americas**, said at a conference in New York recently.

He added that ratepayers would ultimately be the ones ponying up. "But the question is, like: What's the alternative?" he said.

In New York, which has pledged to obtain 70% of its power from renewable sources by 2030, negotiations in Albany will dictate how quickly developers put steel in the water off Long Island or elsewhere, and signal how expensive future offshore development might be.

Last month, state regulators nixed requests by developers including the Danish firm Ørsted and Norwegian energy giant **Equinor** to renegotiate contracts from as early as 2019, before their supply chains snarled and financing costs jumped. Separately, officials last week greenlighted new planned wind farms that would sell electricity at a higher price than their older



New York unveiled proposals that would result in higher rates than previously approved. An Ørsted turbine off Rhode Island.

counterparts.

The new group of projects comes with a projected strike price—a cost index that helps decide residents' bills—of \$145.07 per megawatt hour of electricity over their yet-to-be-finalized 25-year contracts. According to the state, that is about 28% higher than the older proposals' average but 13% less than the rate developers collectively requested from regulators.

A spokeswoman for the New York State Energy Research and Development Authority said the strike prices could change based on federal support or additional costs, such as connections to the power grid.

New York's new proposals

will boost ratepayers' bills by about 2.7%, or more than \$35 a year, for the lifespan of the projects, according to state projections. The expected sum is four times more than what officials estimated when the first round of contracts was struck in 2019.

Some analysts and advocates warn that bigger bills could hurt low-income people who have faced higher energy costs from gasoline to heating fuel in recent years, dinging public support for offshore projects.

Ørsted and Equinor officials say they are weighing options ranging from starting construction at their initially agreed-upon rates to walking away.

A New York official said that neither developer has termi-

nated their contracts yet. Last week, the state requested information about launching an expedited bidding process as early as late November to backfill potentially canceled deals.

Firms such as Equinor and Ørsted would have to pull out of existing deals to participate in any new bidding process, the state official said.

"Those developers have a pretty fundamental decision to make: Do we abandon ship here?" said Eamon Nolan, a partner at the law firm Vinson & Elkins, who has worked on financing offshore wind projects.

Equinor last week told investors it wrote down about \$300 million from its New York project, or roughly half of its value. Shares in Ørsted,

which has projects off the East Coast, Europe and Taiwan, have plunged nearly 80% since early 2021.

Other developers and suppliers have also taken hits. Shares in **Siemens Energy**, a key producer of turbines and other equipment, crashed to record lows last week after the company said it was in talks with the German government and banks about guarantees to back long-term projects.

General Electric, meanwhile, said in its earnings results last week that it expects to book about \$1 billion in losses from its offshore operations this year and next.

"We know the industry is ready for a reset," said Chief Executive H. Lawrence Culp Jr.

Strike Cripples Small Firms

Continued from page B1

reached as early as this week, people familiar with the discussions said.

The production halt has taken a toll on the people and businesses that power every aspect of Hollywood—from grips to makeup artists, costume designers to caterers and production assistants.

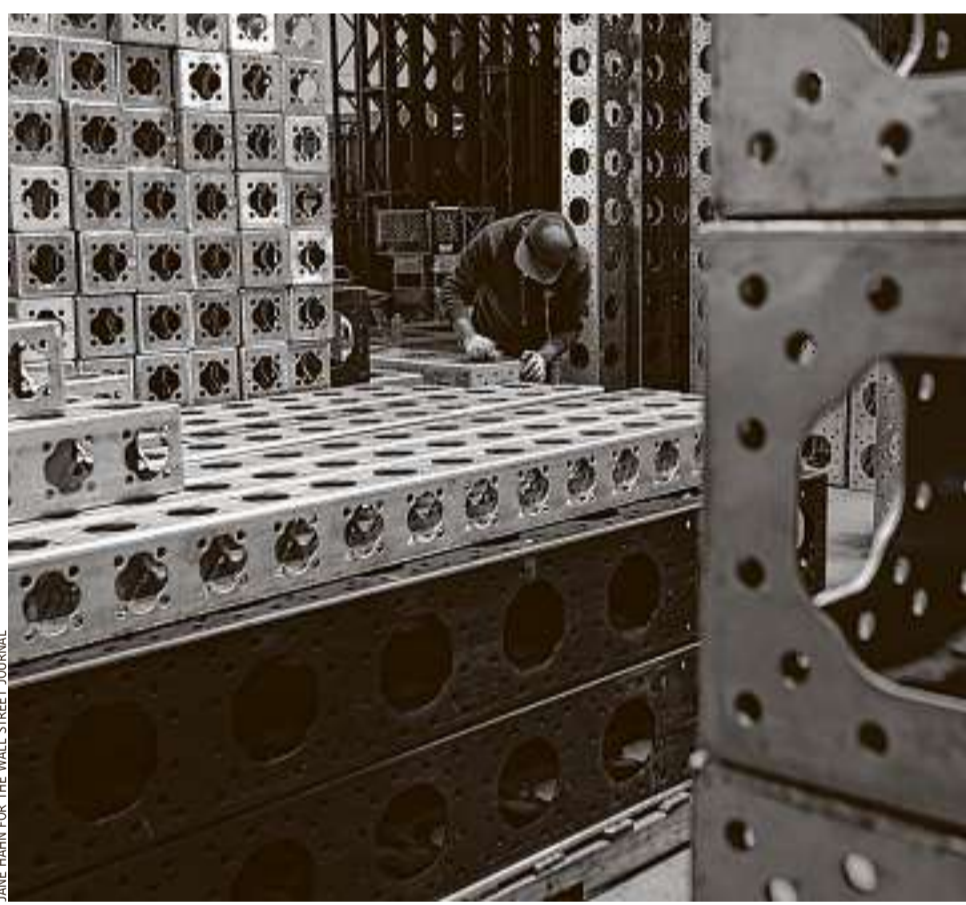
Among them: Jennifer Janiak-Ross and her husband, who run a specialty-costume-jewelry-design business that crafts niche props, such as the Romanov Black Diamond necklace featured on a recent episode of ABC's "The Company You Keep." If production work doesn't resume in earnest by the end of the year, the couple has decided to pivot their Long Beach, Calif., business to consumer-focused online sales.

"It's not the way I want to go, but at least it would be survival," she said.

Janiak-Ross said the couple received a family inheritance in May, which has helped them get by. "We have no business, zero business," said Janiak-Ross. "The phone doesn't ring."

With less income, some families have remortgaged their assets or otherwise added to their household debt. The average credit-card balance in the Los Angeles metro area rose nearly 9% to \$7,300 between April—the month before the writer's strike began—and October, according to Intuit Credit Karma. The average balance nationally climbed about 8% during that period.

Of the open credit cards in the metro area, 2.44% were 30



C&C is among the Los Angeles-area small businesses hurt by the six-month-long strike.

to 120 days delinquent in October, according to Intuit Credit Karma, up from 2.17% in April.

Gilleran started C&C Studio Services in October of last year after more than three decades in the industry rigging key grip in charge of supporting, positioning and mounting the camera and lights. His work included credits in films such as "Minority Report," "Iron Man," and, most recently, Paramount+'s TV series "Tulsa King." The business, which has warehouses in Atlanta and Valencia, Calif., makes elaborate rigs that bring action sequences, futuristic worlds and war zones to the big screen.

When the strikes hit, Gilleran said the company went

into "assess and triage mode," scaling back on employee hours and cutting spending. There might be no annual bonus for his employees this year, he said.

Hollywood's last major labor dispute with the Writers Guild of America, which lasted about three months and ended in February 2008, rocked California's economy and Los Angeles county in particular, according to a report published by Milken Institute in June of that year. That work stoppage coincided with a downturn in the state's housing market and tipped California into an early recession, according to Kevin Klowden, a co-author of the 2008 report and chief global strategist at Milken Institute.

This year's strikes are ex-

pected to have a broader national effect of an estimated \$6 billion, Klownden said, although the largest impact will still be felt in California. The state is home to nearly half of the country's film and TV production.

Nowhere in California is the pain more acute than the Los Angeles area. A 30-mile radius around Los Angeles has typically benefited from tax credits meant to encourage productions, and there is a concentration of businesses that serve the industry, Klownden said.

The true toll of the strikes is unlikely to come into focus until months after actors reach a deal: Even some shows that were renewed after the 2008 strike lost their audience, important writers

or workers, which ultimately affected product quality.

Paige Simmons, owner of Dine With 9 Catering, with locations in Los Angeles and Sherman Oaks, noticed a slowdown in requests for bids earlier this year ahead of the strikes that was made worse by the subsequent production freezes.

About 90% of her income has typically come from production sets that order box lunches and snacks such as chips and vegetables for crew and fare ranging from appetizers to alcohol for stars.

"Right now, production is pretty dry," Simmons said. Private catering has also slowed in the Los Angeles area as households scale back spending during the strikes, she said.

Rising prices were squeezing her business even before the strike. Covid protocols, for one, require her to serve food in individual boxes that cost \$80 for 150, while the same number of plates that were previously used for buffet stations cost \$10.

She is trying to book more big corporate events, but those jobs have become harder to come by because of hybrid work models and fewer office parties.

The last time Hollywood was forced to shut down in 2020, it started to bounce back roughly three months later with Covid-19 safety protocols. Some small businesses were buoyed by the federal Paycheck Protection Program.

If C&C survives the strike, Gilleran expects it will be expensive to start back up again. A piece of truss equipment that once cost \$600 to manufacture or buy now costs \$1,000. C&C will likely have to charge studios more for their work.

"People have taken drastic measures to keep their businesses afloat," he said. "And somebody's gotta pay for it."

—Joe Flint contributed to this article.

BP Profit Gains on Higher Production

By CHRISTIAN MOESS LAURSEN

BP said its third-quarter profit rose, benefiting from higher realized refining margins and oil and gas production, although it missed expectations.

The British oil-and-gas major said Tuesday that it made an underlying replacement cost profit—a metric similar to net income that U.S. oil companies report—of \$3.29 billion in the three months to the end of September, up from \$2.59 billion in the preceding quarter.

This missed an averaged analysts' forecast compiled by the company of \$4.01 billion.

Boosted by a surplus cash flow of \$3.11 billion, the FTSE 100-listed energy group plans to launch an additional \$1.5 billion share buyback before its fourth-quarter results, while its dividend payout was increased to 7.27 cents from 6.006 cents a year prior.

The bulk of the trading haul came from the London-based company's gains in its oil production and operations segment, totaling \$3.14 billion in the quarter before interest and taxes, up from \$2.78 billion in the second quarter.

Higher realized refining margins, a strong oil trading result and higher oil and gas production also drove the gains, albeit not enough to match the prior year's result of \$8.15 billion when high natural-gas prices in Europe drove record profits for the world's major energy companies.

"This has been a solid quarter supported by strong underlying operational performance demonstrating our continued focus on delivery," interim Chief Executive Murray Auchincloss said.

BP's net income rose on quarter to \$4.89 billion from \$1.79 billion.

Looking ahead, the company expects fourth-quarter oil, gas and low-carbon energy production to be broadly flat sequentially, with significantly lower realized refining margins.

Caterpillar Shares Slip After Dimmer Sales Outlook

By DEAN SEAL

Shares of **Caterpillar** declined after the construction-equipment maker issued an underwhelming sales outlook for the current fourth quarter.

The view came after Caterpillar posted higher earnings and revenue in the third quar-

ter, driven by higher prices and volumes, although machinery and engine sales in Latin America fell 13%.

Chief Executive Jim Umpleby said that the declining order backlogs arose from shorter lead times for filling orders, and that they didn't indicate slowing machinery

demand. "We do expect another good year in 2024," Umpleby said at a conference call.

Caterpillar's shares slid 6.7% to close at \$226.05 on Tuesday, dragging on the blue-chip Dow industrial average.

Third-quarter sales rose

12% to \$16.81 billion, the company said. That figure topped the \$16.57 billion that was expected by analysts, according to FactSet.

Higher equipment prices helped the Texas-based company post a profit of \$2.79 billion, or \$5.45 a share, up from \$2.04 billion, or \$3.87 a share,

a year earlier. Stripping out one-time items, adjusted earnings were \$5.52 a share, above the market consensus for \$4.80 a share.

The company said it expects fourth-quarter sales to be slightly higher on the year. Analysts are looking for growth of at least 5%.

THE PROPERTY REPORT

Miami's Nice for Ex-New York Developer

After years on the sidelines, Naftali is launching his first South Florida project

By DEBORAH ACOSTA

New York developer Miki Naftali moved to Miami a decade ago. He was in the right place to buy or build at the start of that property market's huge run-up.

Instead, he chose not to develop in his new hometown. Other New Yorkers followed him to Florida, where they developed and sold out luxury condo buildings, built hotels that filled with tourists, and even leased up office towers despite a nationwide office market slump.

Naftali watched from the sidelines as peers made a fortune. Eventually, he made an effort to acquire some Miami properties, but his bids kept coming up short.

"We were very busy in New York," he said. "We probably missed some interesting opportunities."

Now, after years of inactivity, the chief executive of Naftali Group is launching his first project in South Florida.

He is developing a 1-acre site inside the 27-acre Miami Worldcenter, the largest commercial real-estate development under way in the region.

His project, known as JEM Private Residences, will feature a 67-story condo and apartment building. The \$580 million project launched sales recently, with prices starting at around \$540,000.

The condo residences will occupy the top half of the tower, with a separate lobby and amenities.

"Miami and South Florida matured to a point that it's not just like a secondary place to spend time," said Naftali. "The city is competing head-to-head with any major city around the world."

The list of developers al-



"We were very busy in New York," said Miki Naftali, who is developing a 1-acre site inside the Miami Worldcenter, the largest commercial real-estate development under way in the region.

ready active in the region reads like a Who's Who of New York City real estate. Starwood Capital Group's Barry Sternlicht and Steve Witkoff moved their firms to South Florida.

New York real-estate veterans such as Steve Ross and developer Richard LeFrak are spending more time in the Sunshine State, and have stepped up their investment in the region.

Aby Rosen, owner of iconic New York properties such as the Chrysler Building and the Seagram Building, is planning a more-than-100-story residential and hotel tower in Miami.

New York expats and others who developed in Miami over the past decade have done well, especially in residential. The average transaction price per apartment unit in South Florida has risen more than

180% over the past 10 years, compared with a 28% rise for New York City over the same period, according to CoStar Group.

"Most of the pricing out-performance has been driven by a rise in values since 2019 and throughout the pandemic, while pricing in New York contracted in 2020 and 2021," said Juan Arias, director of Market Analytics for CoStar in South Florida.

Naftali, 61 years old, was born in Israel and came to the U.S. to study engineering at the University of Southern California. He joined the Israeli developer Elad Group in 2000, and as chief executive launched the firm's New York office and global expansion.

He is best remembered for steering Elad through its acquisition of New York City's landmark Plaza Hotel, and for converting hundreds of guest

rooms into condominiums.

In 2011, Naftali launched his own company, which is now known for developing luxury condos with high-end design. Sales of units at two of his Manhattan projects, the Benson and the Bellemont, were among the highest during the depths of the pandemic.

One penthouse sold for about \$66 million while another went for \$35 million.

Naftali has a strong following in New York City, said Donna Olshan, head of her New York City brokerage firm that focuses on the luxury market. "He builds a very robust amenity package and beautiful lobbies," she said. "He always gets financing. He's very sharp, he knows what the luxury consumer wants."

When others were fleeing New York City, Naftali was so

committed that in November 2020, he placed a giant billboard up on the facade of one of his condos with an op-ed from comedian Jerry Seinfeld making an impassioned case for why New York City wasn't dead.

As the pandemic wore on, clients who had bought Naftali's properties in New York began calling, texting and emailing him, asking if he had any product to offer in South Florida.

"No, actually, we don't," he recalled telling them.

Today in South Florida, the surge in mortgage rates, higher construction costs, and more challenging financing has made building more expensive.

And with dozens of cranes visible on the horizon, he faces a lot of competition. South Florida is seeing more apartment construction by share of inventory than anywhere else in the country, much of it luxury, according to data firm CoStar.

Still, Naftali argues this is a good time to build. Construction costs have already started to come down, and he predicts they will continue to soften as fewer projects are able to get off the ground because of the difficult financing.

Nitin Motwani, the master plan developer for Miami Worldcenter, is confident in Naftali's ability to develop and sell during a tricky time because he did so during the pandemic in New York City.

"When other projects aren't selling or aren't getting built, Naftali is able to find a niche and to execute," Motwani said.

Naftali hopes that by the time he finishes his project, which is expected to take about four years, he will face less competition than today. And if it doesn't work out, he added, he has no regrets about building in Miami.

"I actually feel more comfortable developing now," he said.

WeWork Prepares for Chapter 11

Continued from page B1
pany's strategic direction, according to a securities filing. WeWork appointed four new directors with expertise in large, complex financial restructurings. Those directors have been negotiating with WeWork's creditors over the past several months about a restructuring plan as they prepare for the bankruptcy.

The flexible-workspace provider has been aiming to renegotiate leases with landlords after signaling that it has substantial doubt about its prospects for survival. Chief Executive David Tolley said during a September conference call with landlords that WeWork's lease commitments must be "right-sized" to accommodate its operations in the current market because the office real-estate market has fundamentally changed.

As of June, WeWork maintained 777 locations across 39 countries, including 229 locations in the U.S., according to securities filings. WeWork has an estimated \$10 billion in lease obligations due starting from the second half of this year through the end of 2027 and an additional \$15 billion starting in 2028, according to public filings.

The company burned through \$530 million during the first six months of 2023 and had around \$205 million of cash on hand as of June, according to securities filings.

WeWork was once a darling of the venture-capital world, but its performance has fallen short of the lofty expectations investors once ascribed to it. The company's co-founder Adam Neumann was ousted in 2019 after investors raised concerns about his unorthodox management style and related-party transactions with the company.

—Eliot Brown and Alexander Saeedy contributed to this article.



WHAT'S NEXT IN FLEX

Step into a new era of flexibility with our brand new pre-built suites, meticulously designed for corporate excellence.

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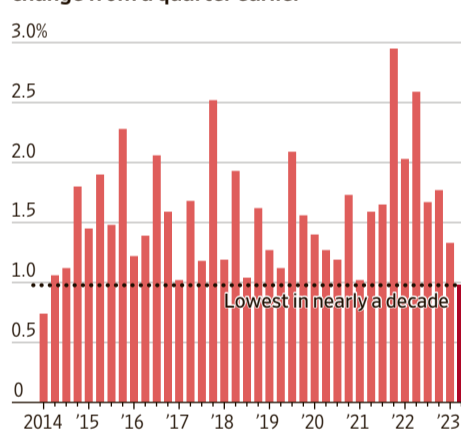
Mike Tranfalia
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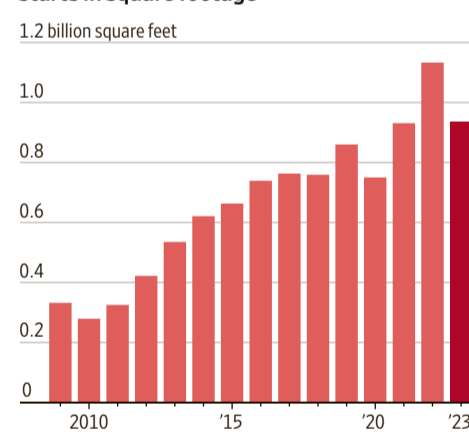


Commercial real-estate debt outstanding, change from a quarter earlier



*Full-year forecast

U.S. commercial real-estate construction starts in square footage



Sources: Trepp (debt outstanding); Dodge Construction Network (construction starts)

Commercial Real Estate Loans Drop

Continued from page B1
refinance expiring loans at much higher rates. But the dearth of financing is also infecting other commercial borrowers like those for apartment buildings and warehouses, which have been favored by investors for years.

The recent run-up in 10-year interest rates "spooked the marketplace," said Michael Levy, chief executive of Crow Holdings, one of the country's largest developers of rental apartments and industrial space. "Capital market malaise is crushing everybody."

Many private debt funds are struggling to raise capital and are spending much of their time dealing with existing borrowers, which are having difficulty refinancing low-interest-rate loans.

"If you're an alternative lender and you don't have new capital, you're not making many new loans until you see more pay offs," said Richard Mack, CEO of Mack Real Estate Credit Strategies.

Bankers and mortgage brokers say conditions aren't as bad as during the global financial crisis when lenders had almost completely vanished and buyers disappeared. Loans are still available today but from fewer players and at a higher price.

"There is liquidity avail-

able," said James Muhlfeld, managing director at Eastdil Secured. "But it's likely going to be more expensive, with lower leverage and with a different lender."

The decline in lending is partly due to a falling demand for debt from would-be investors who have little interest in buying or developing property with interest rates so high. Only \$89.2 billion in U.S. commercial property was purchased in the third quarter, a decline of 53% from the same period last year, according to data provider MSCI Real Assets.

But many lenders also have lost their appetite for new deal making. This is particularly true for small and regional banks that have been wary of commercial property ever since the failures of Silicon Valley Bank, Signature Bank and First Republic.

Many regional banks also are facing an increase in problem loans. PNC Financial Group reported this month that its nonperforming commercial real-estate loans increased to \$723 million in the third quarter, more than doubling from \$350 million in the second quarter.

"The pressures we anticipated within the commercial real-estate office sector have begun to materialize," the company said.

The decline in construction loans has been particularly se-

vere. Dodge Construction Network, a data and analytics firm, is forecasting that commercial-property construction starts will fall to 935 million square feet this year, a 17% decline from last year. That would be the largest annual decline since 2009, Dodge said.

The Dream Las Vegas, a \$650 million hotel and casino that broke ground last year is among the projects being delayed or altered. Developer Shopoff Realty stopped work earlier this year, partly because of financing issues, according to CEO Bill Shopoff. He is working on new financ-

ing and predicted construction would resume early next year.

"But it has been beyond challenging," he said.

Mark Thigpen, the head of global real estate for law firm King & Spalding, said when he looks out of the window of his office on the 17th floor of a Charlotte, N.C., office tower he sees "cranes everywhere" on ongoing developments.

But when he looks down at his desk, he sees a list of 46 of his commercial projects throughout the country that were supposed to close or be under development by the first quarter of next year.

"All of those are on hold or being pushed out" due to financing challenges, he said. "There's no market that's insulated from this."

Many private debt funds are struggling to raise capital in the sector.

BIGGEST 1,000 STOCKS

How to Read the Stock Tables
The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities.

Table with columns: Stock, Sym, Close, Net Chg. Lists top 1,000 stocks including Copart, Core&Main, CorebridgeFin, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists top 1,000 stocks including DTE Energy, Danaher, Darden, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists top 1,000 stocks including GE Healthcare, DollarGeneral, DoorDash, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists top 1,000 stocks including JPMorgan Chase, Johnson & Johnson, Jabil, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists top 1,000 stocks including Amazon.com, Ambev, Amcor, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists top 1,000 stocks including Liberty Sirius XM, Liberty Sirius, Light&Wonder, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists top 1,000 stocks including M&T Bank, MGM Resorts, Minnesota, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists top 1,000 stocks including Inflation, U.S. consumer price index, International rates, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists top 1,000 stocks including Prime rates, Call money, Commercial paper, Secured Overnight Financing Rate, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists top 1,000 stocks including AspenTech, Assurant, AstraZeneca, etc.

BANKRATE.COM MMA, Savings and CDs

Table showing Average Yields of Major Banks for National average, Weekly change, and Savings rates.

Consumer Savings Rates

Below are the top federally insured offers available nationwide according to Bankrate.com's weekly survey of highest yields.

High yield savings

Table listing high yield savings accounts from various banks like Popular Direct, Merrick Bank, etc.

High yield jumbos

Table listing high yield jumbo certificates of deposit from various banks like Merrick Bank, etc.

Notes: Accounts are federally insured up to \$250,000 per person. Yields are based on method of compounding and rate stated for the lowest required opening deposit to earn interest.

DESPERATE/MUST SELL

Real Estate Auction advertisement for Bath, Maine, featuring a waterfront development and a 1/2 mile from BIW GATE.

INDIANA

FOR SALE 100% OCCUPIED OFFICE BLDG advertisement in Evansville, IN.

FOR RENT advertisement for a 5.2 million Gallon Stainless Steel Tanks.

FOR SALE advertisement for a 109 nicely renovated units in Oakland CA.

FOR SALE advertisement for a 5.2 million Gallon Stainless Steel Tanks.

FOR SALE advertisement for a 109 nicely renovated units in Oakland CA.

FOR SALE advertisement for a 5.2 million Gallon Stainless Steel Tanks.

FOR SALE advertisement for a 109 nicely renovated units in Oakland CA.

NOTABLE COMMERCIAL PROPERTIES advertisement with contact information.

INVESTMENT PROPERTIES

Real Estate advertisement for a waterfront development in Bath, Maine.

MISSISSIPPI advertisement for a sports advisory group.

MISSISSIPPI advertisement for a sports advisory group.

MISSISSIPPI advertisement for a sports advisory group.

MISSISSIPPI advertisement for a sports advisory group.

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FLORIDA advertisement for a sports advisory group.

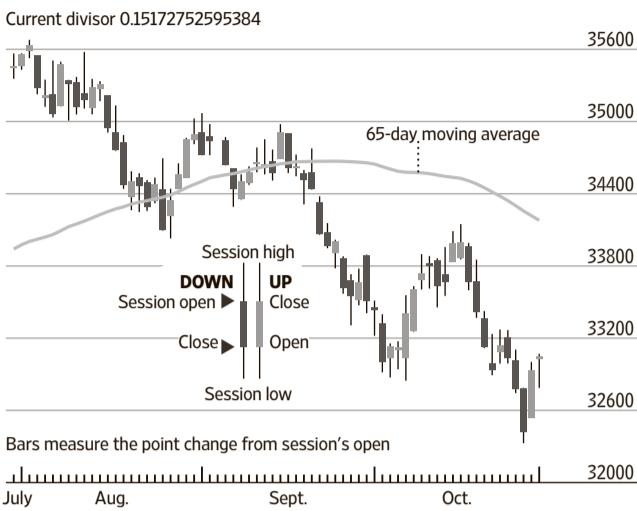
MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

33052.87 ▲123.91, or 0.38%
 High, low, open and close for each trading day of the past three months.

Last Year ago
 Trailing P/E ratio 24.13 20.22
 P/E estimate * 18.08 17.47
 Dividend yield 2.19 2.18
 All-time high 36799.65, 01/04/22

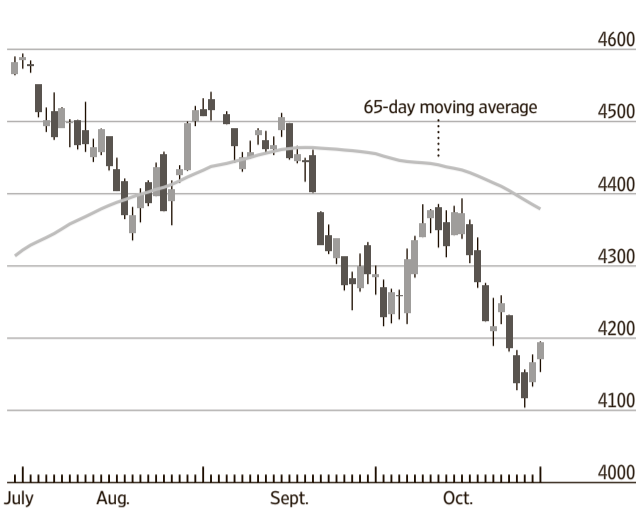


Current divisor 0.15172752595384

S&P 500 Index

4193.80 ▲26.98, or 0.65%
 High, low, open and close for each trading day of the past three months.

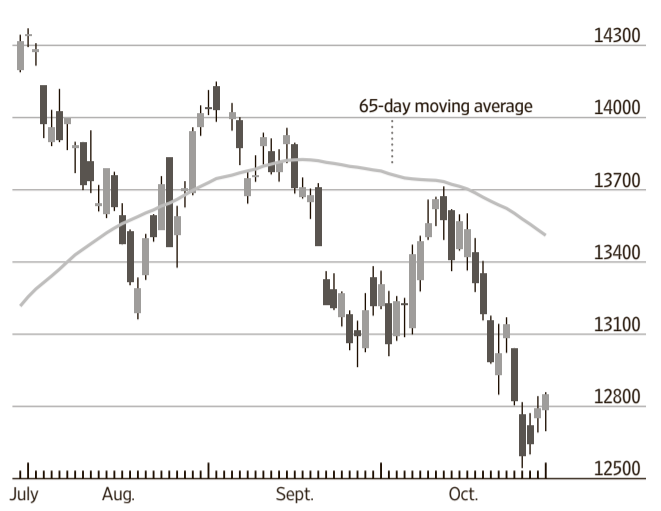
Last Year ago
 Trailing P/E ratio * 20.14 18.68
 P/E estimate * 18.55 17.03
 Dividend yield * 1.68 1.75
 All-time high 4796.56, 01/03/22



Nasdaq Composite Index

12851.24 ▲61.75, or 0.48%
 High, low, open and close for each trading day of the past three months.

Last Year ago
 Trailing P/E ratio ** 28.92 23.35
 P/E estimate ** 25.15 21.14
 Dividend yield ** 0.93 0.99
 All-time high: 16057.44, 11/19/21



Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	High	Low	% chg	52-Week	YTD	% chg	3-yr. ann.
Dow Jones												
Industrial Average	33070.28	32787.12	33052.87	123.91	0.38	35630.68	31819.14	1.2	-0.3	7.6		
Transportation Avg	13961.93	13762.05	13895.77	69.08	0.50	16695.32	13094.43	2.8	3.8	7.8		
Utility Average	824.52	815.35	823.92	7.58	0.93	1002.11	783.08	-9.8	-14.8	-1.3		
Total Stock Market	41619.35	41191.54	41597.35	283.31	0.69	45969.67	37494.26	7.0	8.0	7.4		
Barron's 400	919.61	912.03	919.00	5.97	0.65	1036.97	881.58	-2.0	-0.2	8.5		
Nasdaq Stock Market												
Nasdaq Composite	12859.40	12697.04	12851.24	61.75	0.48	14358.02	10213.29	18.0	22.8	5.6		
Nasdaq-100	14420.44	14232.40	14409.78	74.27	0.52	15841.35	10679.34	27.6	31.7	9.2		
S&P												
500 Index	4195.55	4153.12	4193.80	26.98	0.65	4588.96	3719.89	8.8	9.2	8.6		
MidCap 400	2370.26	2346.88	2366.40	21.32	0.91	2728.44	2326.82	-3.1	-2.6	7.6		
SmallCap 600	1085.64	1074.60	1084.10	8.54	0.79	1315.82	1068.80	-9.7	-6.3	7.3		
Other Indexes												
Russell 2000	1663.50	1644.99	1662.28	14.99	0.91	2003.18	1636.94	-10.2	-5.6	2.6		
NYSE Composite	14923.19	14804.65	14919.20	93.31	0.63	16427.29	14455.67	0.9	-1.7	6.3		
Value Line	505.54	500.70	505.00	3.58	0.71	606.49	498.09	-6.9	-5.8	3.1		
NYSE Arca Biotech	4559.91	4470.11	4556.42	8.66	0.19	5644.50	4544.40	-8.3	-13.7	-4.4		
NYSE Arca Pharma	859.67	847.77	856.05	-1.55	-0.18	925.61	791.91	6.6	-1.4	11.8		
KBW Bank	73.95	72.81	73.90	0.82	1.12	115.10	71.71	-29.5	-26.7	-1.3		
PHLX ^S Gold/Silver	113.98	110.33	111.25	-2.45	-2.15	144.37	96.97	5.5	-7.9	-7.4		
PHLX ^S Oil Service	88.22	86.33	86.99	-0.26	-0.29	98.76	69.29	5.8	3.7	46.4		
PHLX ^S Semiconductor	3223.37	3151.00	3215.89	30.71	0.96	3861.63	2292.85	33.8	27.0	12.7		
Cboe Volatility	19.86	17.97	18.14	-1.61	-8.15	26.52	12.82	-29.7	-16.3	-21.9		

^SNasdaq PHLX

Sources: FactSet; Dow Jones Market Data

Late Trading

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

Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
Kenvue	KVUE	29,552.5	18.45	-0.15	-0.81	18.65	18.45
Advanced Micro Devices	AMD	12,869.9	98.24	-0.26	-0.26	99.56	93.47
Rivian Automotive	RIVN	8,273.8	16.17	-0.05	-0.31	16.23	16.12
Permian Resources	PR	8,123.5	14.74	0.17	1.18	14.78	14.30
SPDR S&P 500 ETF Trust	SPY	7,853.8	417.47	-0.73	-0.17	445.22	415.69
Warner Bros. Discovery A	WBD	6,737.1	9.94	...	unch.	9.94	9.92
Energy Transfer	ET	5,413.0	13.14	-0.01	-0.08	13.15	13.13
Amazon.com	AMZN	4,252.3	132.95	-0.14	-0.11	133.20	132.68

Percentage gainers...

Company	Symbol	Last	Net chg	After Hours % chg	High	Low
BrightSpire Capital	BRSP	227.2	5.93	0.27	4.77	5.93
Caesars Entertainment	CZR	715.2	41.60	1.71	4.29	41.96
Harmony Gold Mining ADR	HMY	314.4	4.68	0.19	4.25	4.68
First Solar	FSLR	515.0	147.75	5.30	3.72	150.98
Grupo Televisa ADR	TV	70.8	2.39	0.08	3.46	2.40

...And losers

Company	Symbol	Last	Net chg	After Hours % chg	High	Low
Paycom Software	PAYC	589.3	172.02	-72.95	-29.78	244.97
Big 5 Sporting Goods	BGFV	83.5	5.99	-1.07	-15.16	7.06
Yum China Holdings	YUMC	109.3	48.28	-4.28	-8.14	52.56
Paylocity Holding	PCTY	50.3	166.00	-13.40	-7.47	179.40
Match Group	MTCH	1,008.8	32.20	-2.40	-6.94	35.50

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	1,103,603,671	11,641,876
Adv. volume*	774,141,611	6,396,779
Decl. volume*	319,310,470	5,152,153
Issues traded	2,976	318
Advances	2,069	156
Declines	834	147
Unchanged	73	15
New highs	15	3
New lows	119	25
Closing Arms ¹	1.12	0.68
Block trades ²	4,224	104

Nasdaq NYSE Arca

Total volume* 4,315,639,438 337,879,376

Adv. volume* 2,809,047,186 189,937,039

Decl. volume* 1,440,744,372 144,708,270

Issues traded 4,453 1,814

Advances 2,647 1,280

Declines 1,599 511

Unchanged 207 23

New highs 18 10

New lows 302 47

Closing Arms¹ 0.85 1.81

Block trades² 26,470 1,725

*Primary market NYSE American NYSE Arca only.

¹(TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
World					
	MSCI ACWI	636.65	1.77	0.28	5.2
	MSCI ACWI ex-USA	277.36	-1.01	-0.36	-1.4
	MSCI World	2768.62	11.03	0.40	6.4
	MSCI Emerging Markets	915.20	-6.70	-0.73	-4.3
Americas					
	MSCI AC Americas	1584.71	9.69	0.62	8.7
Canada	S&P/TSX Comp	18873.47	16.71	0.09	-2.6
Latin Amer.	MSCI EM Latin America	2187.32	-0.38	-0.02	2.8
Brazil	BOVESPA	113143.67	612.15	0.54	3.1
Chile	S&P IPSA	3048.00	-14.57	-0.48	-3.9
Mexico	S&P/BMV IPC	49061.88	-215.48	-0.44	1.2
EMEA					
	STOXX Europe 600	433.66	2.54	0.59	2.1
Eurozone	Euro STOXX	425.91	3.80	0.90	3.9
Belgium	Bel-20	3356.76	51.62	1.56	-9.3
Denmark	OMX Copenhagen 20	2132.51	9.09	0.43	16.2
France	CAC 40	6885.65	60.58	0.89	6.4
Germany	DAX	14810.34	93.80	0.64	6.4
Israel	Tel Aviv	1646.85	-6.16	-0.37	-8.4
Italy	FTSE MIB	27741.91	402.00	1.47	17.0
Netherlands	AEX	718.60	4.55	0.64	4.3
Norway	Oslo Bors All-Share	1506.48	13.25	0.89	10.6
South Africa	FTSE/JSE All-Share	69653.44	-217.72	-0.31	-4.6
Spain	IBEX 35	9017.30	3.40	0.04	9.6
Sweden	OMX Stockholm	766.04	9.27	1.23	-2.0
Switzerland	Swiss Market	10391.16	8.97	0.09	-3.2
Turkey	BIST 100	7514.10	-198.75	-2.58	36.4
U.K.	FTSE 100	7321.72	-5.67	-0.08	-1.7
U.K.	FTSE 250	17083.05	65.46	0.38	-9.4
Asia-Pacific					
	MSCI AC Asia Pacific	150.66	-1.34	-0.88	-3.3
Australia	S&P/ASX 200	6780.70	7.77	0.11	-3.7
China	Shanghai Composite	3018.77	-2.78	-0.09	-2.3
Hong Kong	Hang Seng	17112.48	-293.88	-1.69	-13.5
India	S&P BSE Sensex	63874.93	-237.72	-0.37	5.0
Japan	NIKKEI 225	30858.85	161.89	0.53	18.3
Singapore	Straits Times	3067.74	3.45	0.11	-5.6
South Korea	KOSPI	2277.99	-32.56	-1.41	1.9
Taiwan	TAIEX	16001.27	-148.41	-0.92	13.2
Thailand	SET	1381.83	-14.02	-1.00	-17.2

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Close	Net chg	% chg	High	Low	% chg
SciSparc	SPRC	5.62	2.21	64.81	41.34	2.80	-80.0
Turnstone Biologics	TSBX	3.56	1.09	44.13	13.20	1.83	...
Verve Therapeutics	VERV	12.04	2.63	27.95	38.87	8.52	-67.0
EverQuote	EVER	8.59	1.82	26.88	18.86	5.36	46.3
NewAmsterdam Pharma	NAMS	9.00	1.83	25.52	32.88	5.63	-10.4
Biofrontera	BFRI	4.70	0.90	23.68	22.39	2.73	-78.0
YanGuFang Intl	YGF	2.90	0.55	23.42	4.56	2.33	...
Wolfspeed	WOLF	33.84	6.12	22.08	95.63	27.35	-55.9
Minerva Neurosciences	NERV	4.82	0.79	19.60	13.22	1.26	74.6
LendingTree	TREE	13.23	2.16	19.51	47.82	10.12	-46.7
Harmony Biosciences	HRMY	23.54	3.83	19.43	62.09	18.61	-60.3
Pinterest	PINS	29.88	4.78	19.04	30.86	20.60	23.5
Arena Group Holdings	AREN	4.23	0.67	18.82	16.50	2.70	-69.7
Shutterstock	SSTK	40.68	6.37	18.57	81.23	33.80	-18.6
AdvisorShares MSOS 2x Dly	MSOX	2.60	0.40	18.18	31.00	2.02	-85.0

Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session % chg	52-Week High	Low
Cardio Diagnostics Hldgs	CDIO	147,894	20636.2	0.30	41.46	8.50
Avalo Therapeutics	AVTX	117,748				

COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Table with columns: Open, High, Low, Settle, Chg, Open Interest. Sub-sections: Metal & Petroleum Futures, Crude Oil, Light Sweet (NYM), NY Harbor ULS, Gasoline-NY RB, Natural Gas (NYM), Platinum (NYM), Silver (COMX).

Table with columns: Open, High, Low, Settle, Chg, Open Interest. Sub-sections: Agriculture Futures, Corn (CBT), Oats (CBT), Soybeans (CBT), Soybean Meal (CBT), Soybean Oil (CBT), Rough Rice (CBT), Wheat (CBT), Wheat (KC), Cattle-Feeder (CME), Cattle-Live (CME), Hogs (CME), Hogs-Lean (CME), Lumber (CME), Milk (CME), Cocoa (ICE-US), Coffee (ICE-US), Sugar-Domestic (ICE-US), Cotton (ICE-US), Orange Juice (ICE-US), Ultra Treasury Bonds (CBT), Treasury Bonds (CBT).

Cash Prices

wsj.com/market-data/commodities Tuesday, October 31, 2023

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

Table with columns: Tuesday, Commodity Name, Price, Change. Sub-sections: Energy, Metals, Fibers and Textiles, Grains and Feeds, Fats and Oils.

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; D=CME; E=Manfra,Tordella & Brooks; F=American Commodities Brokerage Co; K=bi-weekly; M=monthly; N=nominal; n.a.=not quoted or not available; P=Sealand Publishing; R=SNL Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. *Data as of 10/30

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

Tracking Bond Benchmarks

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

Table with columns: Total return close, YTD total return (%), Index, Yield (%), Latest, Low, High. Sub-sections: Broad Market, U.S. Corporate Indexes, High Yield Bonds, U.S. Agency, Mortgage-Backed, Global Government.

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

Global Government Bonds: Mapping Yields

Yields and spreads over or under U.S. Treasuries 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

Table with columns: Country/Coupon, Maturity, Latest Yield, Previous, Month ago, Year ago, Spread Under/Over U.S. Treasuries, Prev, Year ago. Sub-sections: U.S., Australia, France, Germany, Italy, Japan, Spain, U.K.

Source: Tullett Prebon, Tradeweb ICE U.S. Treasury Close

Mutual Funds

Data provided by LIPPER

Top 250 mutual-funds listings for Nasdaq-published share classes by net assets. e-Ex-distribution; f-Previous day's quotation; g-Footnotes x and s apply; f-Footnotes e and s apply; k-Recalculated by Lipper, using updated data; p-Distribution class apply; 12b-1; r-Redemption charge may apply; s-Stock split or dividend; x-Footnotes p and r apply; y-Footnotes x and e apply; z-Ex-dividend; z-Footnote x, e and s apply. NA=Not released by Lipper; data under review. NN-Fund not tracked. NS-Fund didn't exist at start of period.

Table with columns: Fund, NAV, Net YTD Chg % Ret, Fund, NAV, Net YTD Chg % Ret, Fund, NAV, Net YTD Chg % Ret, Fund, NAV, Net YTD Chg % Ret, Fund, NAV, Net YTD Chg % Ret. Sub-sections: AB Funds, American Century Inv, American Funds CI A, CapWGrA, Eupaa, FdlnvA, GwThA, ICA, IncoA, N PerA, NecoA, NwVrldA, SncCpA, TExEA, WshA.

Corporate Debt

Prices of firms' bonds reflect factors including investors' economic, sectoral and company-specific expectations

Investment-grade spreads that tightened the most...

Table with columns: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Spread, Current, One-day change, Last week. Sub-sections: Toronto-Dominion Bank, ING Groep, Mercedes-Benz Finance North America, Walt Disney, Citigroup, Barclays, National Australia Bank, John Deere Capital.

...And spreads that widened the most

Table with columns: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Spread, Current, One-day change, Last week. Sub-sections: KeyCorp, Lloyds Banking, Goldman Sachs, Morgan Stanley, Mitsubishi UFJ Financial, Sumitomo Mitsui Financial, Banco Santander, Wells Fargo.

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

Table with columns: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Bond Price as % of face value, Current, One-day change, Last week. Sub-sections: Bombardier, Royal Caribbean, Bath & Body Works, Howmet Aerospace, Telecom Italia, United States Cellular, OneMain Finance, Prime Security Services Borrower.

...And with the biggest price decreases

Table with columns: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Bond Price as % of face value, Current, One-day change, Last week. Sub-sections: Bausch Health, Dish DBS, CSC Holdings, Occidental Petroleum, Wells Fargo, Prime Security Services Borrower, Regal Rexnord, Marks and Spencer.

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

NEW HIGHS AND LOWS

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. % CHG-Daily percentage change from the previous trading session.

Table with columns: Stock, 52-Wk % Chg, Stock, 52-Wk % Chg, Stock, 52-Wk % Chg. Includes sections for 'Highs' and 'Lows'.

Table with columns: Stock, 52-Wk % Chg, Stock, 52-Wk % Chg, Stock, 52-Wk % Chg. Lists various stocks and their percentage changes.

Table with columns: Stock, 52-Wk % Chg, Stock, 52-Wk % Chg, Stock, 52-Wk % Chg. Lists various stocks and their percentage changes.

Biggest 1,000 Stocks | WSJ.com/stocks

Large table listing the top 1,000 stocks by market cap, with columns for Stock, Sym, Close, Net Chg, and various other metrics.

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Business Opportunities advertisement for Next-Gen in 2024. Includes text about 17% more cash and save up to an additional \$9 million in taxes. Contact: Mitch Levin, MD, CWPP, CAPP.

Business Opportunities advertisement for Innovative Branded Footwear Company. Seeking buyer for two flagship brands, e-commerce platform, extensive retail network, inventory. Contact: Debbie Beall.

Auctioneers & Appraisers advertisement for Paul E. Saperstein Co., Inc. Secured Party Sale @ Auction. Re: Greencare Collective LLC MJ OPERATING GROW/PROCESSING FACILITY.

Business Opportunities advertisement for 1st Trust Deed. 40% L.T.V. • 2 YEARS NEWPORT COAST RESIDENTIAL QLT. 866-700-0600.

CAREERS

Quantitative Analyst/Dvlp - Hudson Bay Capital Management LP seeks Quantitative Analyst/Dvlp in NY, NY to perform Systems Dvlpmt & risk monitoring. Req'mts: Bachelor's or foreign equiv in Fin/Eng, Math, or rel. field & 5 yrs of progressively responsible exp in job offered or rel. occupation.

LEGAL NOTICE

DEA NOTICE OF FORFEITURE SOUTHERN DISTRICT OF TEXAS \$7,490,000 U.S. Currency, Seized from Carmen Angelica Pena Pena, on 10/27/2022, at Interstate Highway 35, Mile Marker 21, Laredo, TX. Any person desiring to claim the above Currency has 30 days from the date of first publication to file a claim with DEA at 109 Shiloh Drive, Suite A00, Laredo, Texas 78045. Attn: DEA/SARG.

NOTICE OF SALE

PLEASE TAKE NOTICE, that in accordance with applicable provisions of the Uniform Commercial Code as enacted in New York, by virtue of certain ETC(s) of Default under that certain Pledge and Security Agreement dated as of June 30, 2021 (the "Pledge Agreement"), executed and assigned by Greywater (the "Pledgor"), and in accordance with the terms of the Pledge Agreement, the State of New York (the "Secured Party"), as assignee, by virtue of possession of that certain Share Certificate held in accordance with Article 8 of the Uniform Commercial Code of the State of New York (the "Code") and by virtue of those certain UCC-1 Filing Statement made in favor of Secured Party, all in accordance with Article 9 of the Code, Secured Party, its successors and assigns, as holder of the Pledge, right, title, and interest in and to the following: Mansani Holding Company Corp. (the "Pledged Entity"), and (ii) certain related rights and property relating thereto in and to the Pledged Entity, including but not limited to the Pledged Entity's understanding that the principal asset of the Pledged Entity is that certain fee interest in real property commonly known as (i) 883-885 Bryant Avenue, Bronx, New York 10461 (the "Property") and (ii) 1926-1927 146th Street, Manhattan, New York 10032 (the "Mansion") under the direction of Michael Mannion (the "Auctioneer"), will conduct a public sale consisting of the Collateral (as set forth in Schedule A, below), Microsoft Teams bidding in November 2023, at 2:00 pm in satellite format of an indebtedness in the approximate amount of \$4,020,319.69 principal, plus interest, protective advances, reasonable fees and costs, plus default interest through November 29, 2022, subject to open charges and all additional costs, fees and disbursements permitted by law.

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MARKETS

Bankman-Fried's Legal Team Aims for Rebound

By CORINNE RAMEY AND JAMES FANELLI

Sam Bankman-Fried's lawyers rested their case Tuesday after seeking to rehabilitate the FTX founder's credibility from the prosecutors' two-day grilling.

Bankman-Fried, dressed in a gray suit, floundered through the end of Assistant U.S. Attorney Danielle Sassoon's cross-examination. Bankman-Fried repeatedly told jurors he couldn't recall many of his past statements.

Defense attorney Mark Cohen sought to elicit testimony to explain his client's evasiveness. He asked about reasons for his foggy memory and his use of a private jet and his contempt for regulation.

"You used the phrase 'f-regulators,'" Cohen said, referring to a series of messages between Bankman-Fried and a Vox reporter. "Was that the full extent of the chain?"

It wasn't, said Bankman-Fried, adding that he felt that his efforts to work with regulators might have only led to more bad regulation. "I was somewhat frustrated," he said.

Cohen asked about the huge amount of evidence in the case—suggesting his client couldn't possibly remember every document—and his many media interviews.

Bankman-Fried told the jury he talked to about 50 reporters during the time between FTX's collapse and his arrest, typically preparing between 30 seconds and an hour for each interview. When he testified before Congress, others helped him prepare his testimony, he said.

Bankman-Fried's testimony, which formed the bulk of his defense team's presentation, is likely crucial to jurors' determination of whether to find him guilty of fraud and other charges. Closing arguments are scheduled for Wednesday, clearing the way for the jury to likely get the case on Thursday.

Bankman-Fried again answered some of the prosecutor's questions by quibbling with their premise. When asked about an \$8 billion hole in the balance sheet of Alameda Research, FTX's sister hedge fund, he said that "hole" wasn't the word he would use. He said he couldn't speak with exact confidence about whether some FTX customers, outside of its sister hedge fund, had special privileges.

Sassoon asked if it was Bankman-Fried's practice to maximize making money even with the risk of going bust. "It depends on the context," he replied. He later added, "With respect to some of them, yes."

Sassoon concluded her cross-examination by playing a recording of a Nov. 9, 2022, all-hands meeting in which Caroline Ellison, the former chief executive of Alameda Research and Bankman-Fried's former girlfriend, spoke with Alameda staff. Ellison, her voice halting, said she had talked about Alameda's use of customer funds with Bankman-Fried and two of his top deputies, Nishad Singh and Gary Wang.

"Ms. Ellison identified you, Gary and Nishad as her co-conspirators, correct?" Sassoon asked.

Sassoon showed jurors a document, from Dec. 25, 2022, in which Bankman-Fried appeared to be analyzing his own potential legal jeopardy and assessing how the government viewed the alleged conspiracy. While it was public that Ellison and Wang were cooperating with prosecutors, Bankman-Fried wasn't sure if Singh, a former FTX executive, would be charged.

"They don't seem to be keeping a seat warm for him as a defendant," the document said.

"You wrote that, Mr. Bankman-Fried?" asked Sassoon. "I think so," he said.

—Vicky Ge Huang contributed to this article.

Stocks End October on High Note

Major indexes advance but not enough to prevent monthly losses

By RYAN DEZEMBER

A busy day for corporate earnings reports ended with major stock indexes higher, though not enough to prevent them from a third-straight monthly decline.

The S&P 500 climbed 0.6% on Tuesday to end October 2.2% lower. Every industry segment in the benchmark index rose, with real-estate companies, banks and utilities leading the way.

TUESDAY'S MARKETS **Networks** paced the index, gaining 14% after the networking-equipment company beat quarterly sales and profit expectations.

But the broader index was weighed down by big earnings-related selloffs, including in heavy-equipment manufacturer **Caterpillar**, down 6.7%, and contract drug maker **Catalent**, which lost about 14%. Vans shoe owner **VF Corp.** dropped 14% in its worst day since 1987's Black Monday stock-market crash.

The tech-heavy Nasdaq Composite climbed 0.5% and the Dow Jones Industrial Av-

erage added 0.4%, or about 124 points. For the month, they lost 2.8% and 1.4%, respectively.

The slide in stocks has coincided with a three-month pause in interest-rate increases, the longest since the Federal Reserve began boosting borrowing costs in March 2022 to slow inflation.

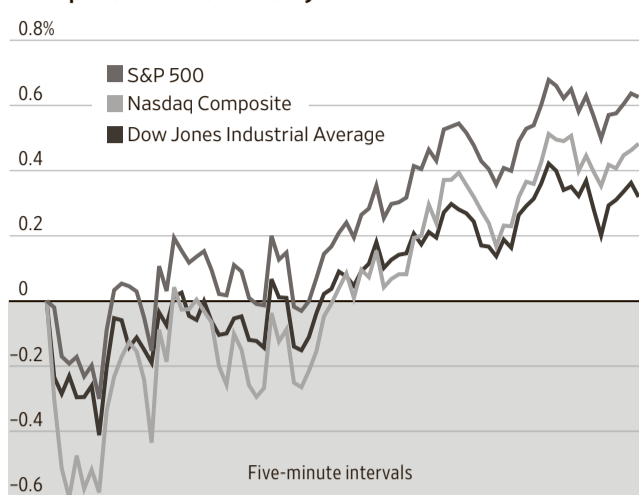
Fed officials are likely to hold interest rates steady at this week's policy meeting, which concludes Wednesday. Still, they have left the door open to further increases in the coming months if progress stalls in slowing wage and price growth.

"The higher rate environment has not fully seeped into stock valuations. Hopefully we're almost there," said Nicholas Galluccio, portfolio manager of the Teton Westwood SmallCap Equity Fund.

Galluccio has been positioning for a rebound by buying shares of smaller tech businesses that supply the giant firms that have led the rally earlier this year as well as industrial companies with order backlogs, like **Flowerserve**, which sells pumps and valves to energy and chemical producers. "I haven't seen stocks this cheap since before Covid," he said.

He is counting on a lot of the roughly \$5.6 trillion that is parked in money-market

Index performance on Tuesday



Source: FactSet

funds—and earning around 5% or more—moving back into the stock market as rates ease.

Yields on longer-dated Treasuries ticked lower. The benchmark 10-year yield declined to 4.874% from as high as 5.021% last week.

Other investors are sticking with big allocations to cash. Christian Chan, chief investment officer at AssetMark, said the firm has been trimming its stock exposure, content to earn the highest yields in years on safe investments.

"We see a fair bit of stress on the consumer side of things

and that makes us more cautious than we were this summer," Chan said. He pointed to data showing that all but the wealthiest Americans have spent their pandemic stimulus money while credit-card spending has surged.

The Conference Board on Tuesday said consumer confidence fell in October for a third straight month.

In commodities markets, benchmark U.S. oil futures shed \$1.29 a barrel to end at \$81.02, down 11% in October. December natural-gas futures jumped 6.7% on forecasts for

cooler weather.

Gold prices dropped back below \$2,000 a troy ounce, having Monday settled above that mark for the first time since July. Gold still had its best month since March, when bank failures drove up the precious metal to near records. Bitcoin held near its highest level in a year Tuesday.

Overseas, European indexes ended October lower, despite gains on Tuesday.

The Bank of Japan said Tuesday it would now consider its 1% cap on Japanese 10-year government bond yields a reference point, rather than a hard limit. At midday Wednesday, the Nikkei 225 was up 2%.

Chinese economic surveys showed factory orders there shrank and construction activity slowed. Early Wednesday, mainland China's CSI 300 was up 0.2%.

S&P 500 futures fell 0.2%.

AUCTION RESULTS

Here are the results of Tuesday's Treasury auction. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

Table with 2 columns: Applications, Accepted bids, etc. Total applications: \$132,156,356,200

The bills, dated Nov. 2, 2023, mature on Oct. 31, 2024.

Correction In Stocks Is Confusing

Continued from page B1

Lots of economic indicators are flashing warning signals, and the surprisingly strong third-quarter growth was driven by a lower savings rate, so not sustainable.

Why it is an exaggeration: Even if recession is on the way, it is a poor explanation for market moves. True, junk and investment-grade spreads are up. But spreads are only back to where they were at the start of June, hardly a sign that credit investors are prepping for disaster.

In the stock market, cyclical S&P sectors that are the most economically sensitive have fallen even more than defensive sectors, often a sign of economic concerns. But if the sectors are equal-weighted, cyclicals have beaten defensives, suggesting it has been driven by other things.

Simplification 3: There is a war in the Middle East, of course stocks are down.

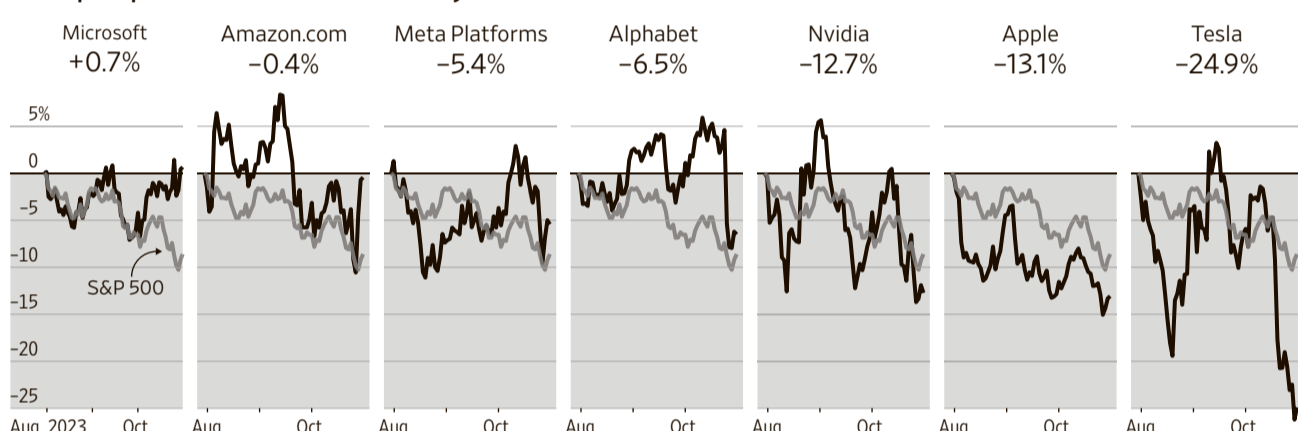
Why it is an exaggeration: War can only explain the moves since Hamas militants launched their brutal assault on Israel on Oct. 7, which is less than half the 10% drop in the S&P from its July peak. The big military contractors, **Northrop Grumman**, **Lockheed Martin** and **RTX**, are up more than 10% as a result, but the oil price is actually lower than before the war. If investors were focused on war

spreading across the region then oil ought to be up, not down. **Simplification 4:** Stocks were expensive, this is just a natural correction. Stocks have fallen because valuations have fallen back. That is even though the earnings season so far has produced better results than expected.

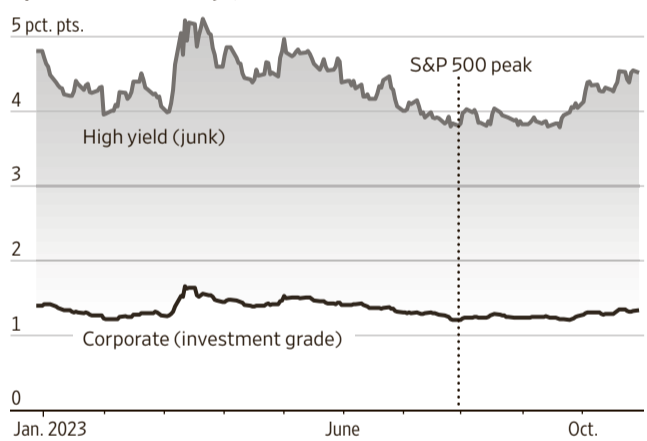
Why it is an exaggeration: Stocks were expensive compared with history, but there has been no link between how highly a stock was valued and how much it fell.

If higher bond yields caused the falling market, Big Tech stocks ought to have fallen more. They were all over the place.

Share-price performance since the end of July

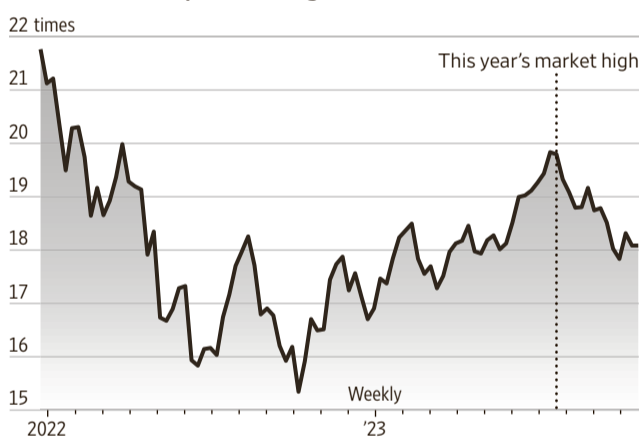


Spread over Treasuries, ICE BofA indexes*



*Data through Oct. 30

S&P 500 forward price/earnings ratio



Sources: FactSet (performance); Refinitiv (spread, P/E ratio)

Beleaguered Fund Odey Winds Down

By CAITLIN McCABE

Beleaguered London hedge-fund firm **Odey Asset Management** is winding down, months after its founder Crispin Odey was accused of years of sexual misconduct toward women.

"Odey Asset Management, including Brook Asset Management and Odey Wealth, will be closing," the firm said on its website Tuesday. Funds and portfolio managers have been transferred to external asset-management companies, the firm said.

The downfall of Odey Asset Management follows a Financial Times article in June, which said 13 women had accused the hedge-fund founder of abusing or harassing them between 1998 and 2021. Crispin Odey told the FT at the time that the allegations

were "rubbish." He left the firm shortly thereafter.

Odey and his eponymous hedge fund once ranked as prominent figures in the London finance scene, with the firm managing some \$12 billion a decade ago. Odey himself was a longtime supporter of the Conservative Party and was in favor of Britain's decision to leave the European Union.

The firm had been rocked in recent years by accusations surrounding Odey. In 2021, the hedge-fund founder pleaded not guilty in a London court of assaulting a junior banker more than two decades ago. He was acquitted in March that year.

Following the FT's story this summer, several more women contacted the news outlet with claims of sexual misconduct against Odey.

Morgan Stanley Is Backing Plant-Based Food Maker Huel

By LUIS GARCIA

Morgan Stanley is backing Huel, a supplier of plant-based food powders and meal-replacement drinks, marking the second deal made by the bank's investment-management arm from its IGT carbon-reduction strategy.

Huel provides consumers with nutritional products such as powdered shakes and protein bars, as well as instant meals and beverages. The Tring, England-based business serves more than 900,000 active online customers across about 100 countries, said Chief Executive James McMaster.

The company generated more than £144 million, about \$175.2 million, in revenue for the year ended in July 2022, up 41% from fiscal 2021, McMaster said. The U.K. accounts for roughly half of the com-

pany's revenue, while a third comes from the U.S., he said.

Morgan Stanley's investment-management arm invests from the IGT fund in businesses that will help the firm reach its 2050 goal of reducing greenhouse-gas emissions by a gigaton—or about 10% of the carbon-dioxide gas the world's forests absorb annually. The growth strategy focuses on areas such as mobility, power, sustainable food and agriculture, as well as recycling.

By last May, Morgan Stanley raised \$500 million for the IGT fund, or about halfway toward a \$1 billion target for the vehicle. Overall, the bank's investment-management arm oversees around \$1.4 trillion.

In the only other investment so far through the IGT strategy, the asset manager co-led a \$50 million commitment to supply chain-focused Everstream Ana-

lytics this year. The German company uses artificial-intelligence technology to help clients improve the efficiency of their suppliers and make their operations more sustainable.

Vikram Raju, head of climate private-equity investing for Morgan Stanley's investment-management arm, said Huel attracted the firm with its large and growing active customer base, which the company said expanded by 22% in fiscal 2022. The bank also noted rising demand for alternative meals, he said.

Raju, who leads the IGT strategy, said his team saw people drinking Huel products in the bank's London office, prompting them to check out the business. They liked what they found. "It was an opportunity to partner with what was already a compelling brand in Europe," he said of Huel.

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

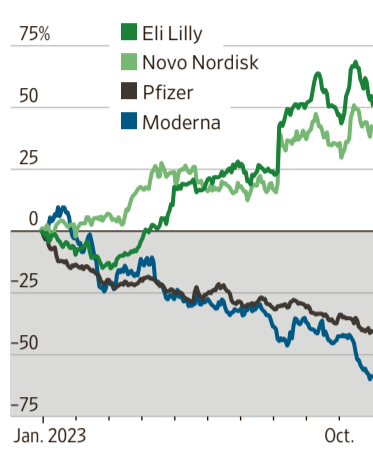
Investors Want a Pfizer Obesity Pill

The pharmaceutical company's silence on subject worries market

Some of this year's best performers in the healthcare sector are companies expected to profit from the obesity-drug craze, with **Eli Lilly** and **Novo Nordisk** shares both up more than 40% each. Much of the rest of the industry is underwater, with some of the biggest decliners being pandemic winners such as **Pfizer** and **Moderna**.

It is little wonder, then, that investors were hoping Pfizer could jump to the winning camp with an obesity pill. But the company's silence on its experimental oral medication, danuglipron, during its earnings release Tuesday, is worrying Wall Street. "Not one mention [of danuglipron] in the prepared remarks from Pfizer," noted Will Sevush, a healthcare strategist for Jefferies. Before today's earnings, David Risinger, a Leerink Partners analyst, had written that Pfizer might even release data from its midstage study alongside the earnings results as soon as Tuesday. During the call, analysts repeatedly pressed Chief Executive Officer Albert Bourla about the medication, but he urged them to wait, noting the company hadn't seen the data, which are expected before year-

Share-price performance, year to date



Source: FactSet

end. "I know the interest is very high right now, but I want to be very prudent in not saying things without the data," he said. TD Cowen analyst Steva Scala noted he wasn't hearing "confidence-building statements" from management.

Investor interest in an obesity pill is understandable. A pill could change things for obesity and diabetes patients by making it easier

for doctors to prescribe the medications and for patients to adhere to them. Currently, GLP-1s such as Ozempic, Wegovy and Mounjaro are taken via injection.

Bourla's tight-lipped responses on Tuesday were notable, given that back in January, at the JPMorgan healthcare conference, he was anything but terse. Back then, he said the overall market for GLP-1 class drugs would grow to \$90 billion, with Pfizer potentially capturing \$10 billion of that. "We think there will be very few players that will play in the oral GLP-1," he said. "Clearly, we are going to be one of them."

Pfizer on Tuesday reported a loss of \$2.38 billion for the third quarter while revenue fell 42% to \$13.23 billion. The loss was driven by a \$5.6 billion charge tied to the write-off of Covid-related inventory.

Pfizer isn't the only pharmaceutical company trying to grab a piece of the obesity market. **Amgen** is expected to publish results from two obesity drug studies next year, and its stock had recently gained on bets it could squeeze its way into what is now a duopoly. Pfizer's

stock has gotten no such credit thus far, partly because it recently abandoned a once-daily pill because of liver-toxicity issues, leaving it with a twice-daily pill that Wall Street isn't as excited about.

Still, if danuglipron delivers positive results, the potential could be big. Pfizer's current midstage study is assessing whether danuglipron can significantly reduce patients' weight. Results from danuglipron published in May showed that at 16 weeks, the pill helped patients shed an average of 9.19 pounds. But the medication also leads to significant gastrointestinal side effects, with many patients dropping out.

The Pfizer pill would face competition. Eli Lilly is developing a non-peptide GLP-1 pill called orforglipron that, taken once-daily for 36 weeks, helped volunteers lose as much as 14.7% of their body weight in a midstage clinical trial. A Novo Nordisk pill helped people lose an average of 15.1% of their body weight.

It is still possible that Pfizer surprises investors later this year with positive data. For now, though, investors are right not to count on it.

—David Wainer

Exxon and Chevron's Deals Leave Investors Cold

Exxon Mobil and **Chevron** are good at squeezing hydrocarbons out of the ground. Digging for extra Brownie points from investors has been tougher.

The companies have tried hard to be attractive, first by continuously demonstrating spending discipline and consistently doling out generous shareholder returns. Most recently, both announced mega acquisitions at reasonable prices.

Exxon just acquired some of the best acreage in the prolific Permian Basin, paying a 9% premium on **Pioneer Natural Resources'** 30-day volume-weighted average price as of Oct. 5. Chevron, meanwhile, added some valuable Guyana exposure, paying a 10.3% premium on **Hess's** 20-day average price on Oct. 20. With these acquisitions, research firm Wood Mackenzie estimates that the two U.S. oil companies combined will generate more than half of the total free cash flow of the seven major oil companies by the mid-2030s in its base case oil-price scenario.

On Friday, Exxon announced a 4% dividend increase—more generous than last year's hike of 3%. Both are still generating a lot of free cash flow and returning a good amount of it to shareholders: Exxon and Chevron have paid out \$24 billion and \$20 billion, respectively, in dividends and buybacks year to date.

But both companies saw their share prices slip since announcing their megadeals. On Friday after both released quarterly results, their shares took a further leg down—Chevron by 6.7% and Exxon by 1.9%.

Lukewarm results deserve some of the blame. Exxon's net income in the third quarter fell 54% from a year earlier to \$9.1 billion, a slightly worse result than Wall Street expectations of a 52% decline. Chevron's net profit was 42% lower, worse than the 38% decline that analysts had estimated.

Exxon said its energy-products segment was negatively affected by unfavorable timing of its hedges, which will unwind over time. Its chemicals segment, meanwhile, succumbed to compressed industry margins. Chevron reported worse-than-expected international downstream results, which were affected by lower margins on refined-product sales and lower refinery runs because of planned shutdowns.

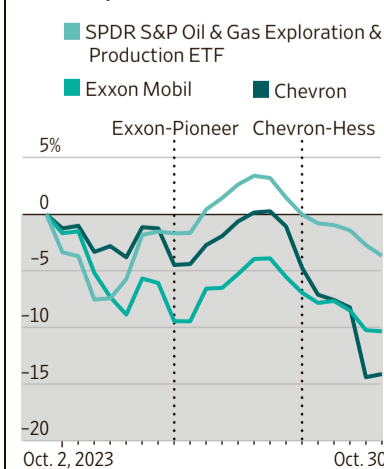
The two companies might have unwittingly signaled less confidence to the market by using their stock as currency for their deals. For one, it demonstrates that they believe their shares are fully valued. Furthermore, growth by acquisition telegraphs slightly less confidence in oil's longevity—a truly bullish move would be to devote resources to entirely new production.

One read of the reaction so far could be that investors fundamentally aren't willing to assign much more value to energy companies, even the largest ones with huge cash-flow potential. Another explanation is that investors simply need to see more evidence of synergy and cash-flow potential before getting excited about the announced deals.

Negotiating a megadeal is one thing. Convincing investors of its value is another matter.

—Jinjo Lee

Share-price and index performance after Exxon and Chevron announced their respective deals



Source: FactSet

Apple's Dark Cloud Might Linger

Winter has come early for **Apple**, and it might last a while.

The world's largest company by market value has become worth considerably less over the past three months. Apple's share price has slid about 11% since the company reported its fiscal third-quarter results on Aug. 3, erasing nearly \$400 billion in market value. It is hardly a typical swing given the fact that the company has long used the fall season to launch its biggest products for every year, including new iPhones.

This is the first year since 2015 that Apple shares have lost ground between the company's key Worldwide Developers Conference in June and its fiscal fourth-quarter earnings report that typically takes place in late October.

That report is expected Thursday and it will be the first to reflect sales of the iPhone 15 family that was launched in late September.

Investors are worried that Apple's largest business is facing new and potentially long-term threats. The growing geopolitical rift between the U.S. and China has finally caught Apple in its vortex, spurring reports of Chinese authorities considering a ban on the use of iPhones and other Apple devices by government employees.

To make matters worse, Apple's old China-based rival Huawei appears to have made a comeback. The company launched a new smartphone called the Mate 60 Pro in September that reportedly is capable of 5G speeds, even though U.S. sanctions were supposed to deny the company the chips necessary for such an accomplishment.

Market-research firm Counterpoint reported last week that Huawei picked up nearly 4 percentage points of market share in China in the September quarter, while Apple lost a point in the same period as "the iPhone 15's launch sales volume



Apple's earnings report on Thursday will be first to reflect sales of the iPhone 15 family.

was lower than that of the iPhone 14 series."

Apple isn't taking the matter lying down; Chief Executive Officer Tim Cook even made a surprise trip to China a couple of weeks ago to visit stores and factories and meet with government officials. Cook claimed the trip was going "exceptionally well," according to video footage of the meeting posted online by state media. But that was also just days before reports surfaced indicating that Foxconn, Apple's top manufacturing partner in China, has become the target of tax and land-use investigations by government authorities.

Apple's fiscal fourth-quarter report could turn some of the tide. That will depend, though, on how much insight Apple shares about how iPhone sales are trending in the

company's fiscal first quarter that ends in December. The recently ended period included only a week of iPhone 15 sales. Apple stopped giving actual financial forecasts early in the pandemic, and it has yet to resume, though it does typically offer some qualitative comments about the ongoing quarter.

Wall Street is counting on a notable pickup, with iPhone revenue in the December quarter expected to rise 6.4% year over year compared with a 2.7% gain in the September quarter, according to current FactSet estimates. "Apple's Q1 results typically dictate the strength of an iPhone cycle," analyst Toni Sacconghi of Bernstein wrote in a note to clients last week.

But even positive comments about the December quarter won't

fully settle the question of Apple's longer-term outlook in China, which is still its main manufacturing hub and the bulk of a geographic segment that accounts for 19% of the company's revenue.

Apple also will be hard-pressed to address worries that its lucrative payments from Google could be in danger. The U.S. government has continued to press its case that payments to make Google the default search engine on Apple's devices give the search and advertising giant an unfair advantage.

Apple might still have a long way to go before that revenue stream is threatened, but it is yet another significant issue over which the world's most valuable company has little actual control.

—Dan Gallagher

Yield-Curve Control Joins the Living Dead

Japan's Halloween tweak to its monetary policy didn't go as far as some yen bulls had hoped. But a stronger yen could still eventually spook global markets—especially if rising U.S. rates keep forcing the **Bank of Japan's** hand.

The Bank of Japan effectively abandoned its policy of capping 10-year government bond yields at 1% on Tuesday, saying that level will now be a reference only. But the central bank also said it would conduct "nimble market operations" in response to developments in economic and financial conditions.

What this probably means is more flexibility—possibly including allowing 10-year bond yields to go above 1% on a sustained basis—but muscular intervention if the market moves too fast. Since 2016, the BOJ has been buying bonds to keep long yields suppressed, as part of its so-called yield-curve control policy. It has gradually adjusted the specific yield targets over time.

Markets, however, still don't seem to believe that the BOJ is do-

ing enough to keep pace with the Fed.

The yen weakened past 150 to the dollar Tuesday, after briefly spiking in the morning following a Nikkei report of the central bank's looming policy change. Yields on Japan's 10-year government bonds also fell a bit after the BOJ's official announcement, though at 0.95% they remain noticeably higher than Monday's level of 0.89%.

More decisive moves to weaken yield-curve control have long seemed inevitable. But rapidly rising global rates probably forced the BOJ to act now. Stubbornly strong U.S. growth this year—so far defying widespread expectations of a recession—means that U.S. rates could stay higher for longer, and has pushed up already-high long-term bond yields.

Yields on 10-year U.S. Treasury bonds have risen 0.9 percentage points since late July, when the BOJ last tweaked its policy. That has widened the gap between U.S. and Japan 10-year government

bonds to nearly 4 percentage points—and punished the yen. Japan's currency has dropped 12% against the dollar so far this year.

That in turn has pushed up imported inflation, especially from energy. Japan's core inflation rate, which excludes fresh food, slowed to 2.8% in September, but has been

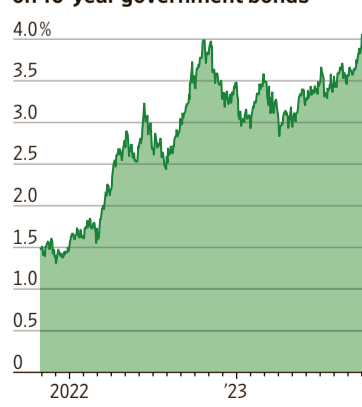
above the central bank's 2% target for 18 months. Raising Japanese rates to be more in line with the U.S. and other developed economies could bolster the yen—but given the country's long struggle with low and negative inflation, policy makers are likely to remain quite cautious about tightening too far, too fast. Fast growth in wages, which is what BOJ really needs to see to conclude deflation has been permanently banished, has remained elusive.

The BOJ therefore probably won't move as far as many speculators hope. But step by step, it will likely bring interest rates higher.

The Japanese yen plays an important role as a funding currency in global markets, while Japanese households and companies are big investors abroad. Higher Japanese rates therefore inject new uncertainty into U.S. markets too—at a time when U.S. equity markets, in particular, already have plenty of monsters they need to slay.

—Jacky Wong

Yield difference for U.S. over Japan on 10-year government bonds



Source: FactSet