

What's News

Business & Finance

Facebook parent Meta startled investors with a sharper-than-expected drop in profit and a gloomy outlook in its first earnings report since Zuckerberg outlined a pivot to the metaverse. Shares fell more than 20% in after-hours trading. **A1**

◆ **CNN President Zucker** resigned from the TV news organization, citing his failure to disclose a consensual relationship with a close colleague. **A1**

◆ **The eurozone's inflation** rate rose to a record in January, an unwelcome surprise for policy makers at the ECB who have said they don't expect to raise their key interest rate this year. **A18**

◆ **U.S. stocks rose**, extending their winning streak to four sessions. The S&P 500, Dow and Nasdaq gained 0.9%, 0.6% and 0.5%, respectively. **B11**

◆ **OPEC and its allies** agreed to a small increase in crude production amid soaring oil prices, with concerns over supply heightened due to a possible Russian invasion of Ukraine. **B11**

◆ **Sarah Bloom Raskin**, Biden's pick to become the Fed's top banking regulator, could face a contentious hearing Thursday when she testifies before Senate lawmakers. **A2**

◆ **Qualcomm posted** strong quarterly earnings and gave an upbeat sales outlook, underscoring that demand for chips remains elevated. **B4**

◆ **Spotify added** users and saw a surge in advertising revenue in its recently completed quarter. **B1**

World-Wide

◆ **Biden is directing** the Pentagon to deploy more than 3,000 troops to bolster the defense of European allies in the first major movement of U.S. forces in Russia's military standoff with Ukraine, U.S. officials said. **A1, A8**

◆ **The Biden administration** is moving to revise federal rules to address potential security risks from TikTok and other foreign-owned apps, months after opting not to pursue a forced shutdown of the Chinese-owned platform. **A1**

◆ **Some incidents** of Havana Syndrome are most likely caused by directed-energy or acoustic devices and can't be explained by other factors, a panel of U.S. intelligence analysts and outside experts reported. **A4**

◆ **The U.S. is sending** advanced jet fighters and a guided-missile destroyer to the U.A.E. to help it counter an escalating threat from Yemen's Houthi rebels. **A18**

◆ **Alexander Vindman** sued Donald Trump Jr., Rudy Giuliani and others, alleging they conspired to intimidate him from testifying against former President Trump during his first impeachment hearing. **A6**

◆ **The FBI has identified** at least six people of interest in a rash of bomb threats directed at places of worship and historically Black colleges and universities. **A7**

◆ **Officials across** the U.S. are trying to stay ahead of a proliferation of Covid-19 test sites they say offer fraudulent services to the public. **A7**

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Somber Salute for New York Officer Killed in Line of Duty



GRIEVING: New York Police salute as a hearse passes carrying the casket of Officer Wilbert Mora on Wednesday. Officer Mora and Officer Jason Rivera were fatally shot last month after responding to a domestic dispute call in Harlem. **A2**

Biden to Deploy 3,000 Troops In Response to Russia Moves

BY GORDON LUBOLD AND NANCY A. YOUSSEF

WASHINGTON—President Biden is directing the Pentagon to deploy more than 3,000 troops to bolster the defense of European allies in the first major movement of U.S. forces in Russia's military standoff with Ukraine, U.S. officials said.

Mr. Biden is sending about 2,000 troops from Fort Bragg, N.C., to Poland and Germany this week and repositioning about 1,000 troops that are

part of a Germany-based infantry Stryker squadron to Romania, on the North Atlantic Treaty Organization's eastern flank closest to Russia, the officials said.

In addition, the Pentagon expects to make other moves of forces inside Europe and has ordered several thousand more troops to be on standby to deploy, beyond the 8,500 troops given similar orders last week, the officials said.

In all, the moves are intended to try to deter Russia

from attacking Ukraine and avert war in Eastern Europe, the officials said. Along with these moves, the Biden administration is trying to find a diplomatic solution, readying a barrage of economic sanctions should Russia attack and authorizing the transfer of some weapons and other equipment to Ukraine.

There is no intelligence that indicates that President Vladimir Putin of Russia could invade Eastern European countries like Romania or Poland,

but as a NATO member, the U.S. has a treaty obligation to provide collective defense to those countries and is using those deployments to send a signal to allies and Mr. Putin. There is no such provision for Ukraine, which isn't a member of NATO.

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- ◆ Letters show gap between Moscow and U.S. A8
- ◆ Kyiv, Washington read Putin's intent differently..... A8
- ◆ Record influx of gas in Europe eases crisis fears.... B1

PayPal Declines On Shift In Outlook

PayPal shares fell 25% Wednesday, the stock's worst selloff on record, after the company lowered its 2022 profit outlook and scrapped an ambitious growth strategy it put in place last year. B1



Source: FactSet

CNN President Zucker Resigns, Citing Romance With Colleague

BY BENJAMIN MULLIN

CNN President Jeff Zucker resigned from the TV news organization, citing his failure to disclose a consensual relationship with a close colleague, and cutting short a nine-year tenure during which he helped transform the network's role in the cable-news landscape.

Mr. Zucker's abrupt departure comes as CNN is grappling with declining ratings and preparing to jump into the

streaming wars with a new subscription service, CNN+, under future owner Warner Bros. Discovery.

"As part of the investigation into Chris Cuomo's tenure at CNN, I was asked about a consensual relationship with my closest colleague, someone I have worked with for more than 20 years," Mr. Zucker wrote in an email he sent to staff on Wednesday. "I acknowledged the relationship evolved in recent years. I was required

to disclose it when it began but I didn't. I was wrong."

During a web call on Wednesday afternoon, WarnerMedia Chief Executive Jason Kilar told a group of CNN brass still reeling from news of Mr. Zucker's departure that three CNN executives would lead the network on an interim basis, according to people familiar with the situation. Michael Bass, executive vice president of programming, Amy Entelis,

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U.S. Pitches New Rules for TikTok

BY JOHN D. MCKINNON AND ALEX LEARY

WASHINGTON—The Biden administration is moving to revise federal rules to address potential security risks from TikTok and other foreign-owned apps, eight months after opting not to pursue a forced shutdown of the Chinese-owned video-sharing platform.

The Commerce Department recently concluded a public-comment period on the pro-

posed rule change, which would expand federal oversight to explicitly include apps that could be used by "foreign adversaries to steal or otherwise obtain data," according to a filing in the Federal Register.

Under the rule, the commerce secretary could effectively bar foreign apps deemed unacceptable security risks. That could force social-media platforms such as TikTok and other software applications connected to the internet to submit to third-party auditing,

source-code examination and monitoring of the logs that show user data, according to the proposed rule.

"That rule is going to be significant, and will be a tool in the way that we deal with the threat," Commerce Secretary Gina Raimondo said in an interview.

The U.S. military has already banned its members from using the app on government-issued devices. Some lawmakers including Republi-

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INSIDE



U.S. NEWS
Melinda French Gates is spreading her wealth beyond the Gates Foundation. **A3**



BUSINESS & FINANCE
Stocks' selloff in January dealt big losses to a range of hedge funds. **B1**

Hanging NFTs IRL Takes Many Screens and a 'Bucket of Wires'

Keeping images on a cellphone isn't doing it anymore for some collectors

BY KELLY CROW

Art collectors and cryptocurrency investors went wild last year buying art that exists only in the digital world. Now, Desiree Casoni, a collector in Key Biscayne, Fla., is trying to figure out how to hang all her new purchases on the wall.

Ms. Casoni owns more than 500 digital artworks with her

investor husband, Pablo Rodriguez-Fraile. Bored of swiping through their collection on a cellphone or laptop, the couple initially retooled a few television sets throughout their home, but that meant downloading files onto thumb drives and plugging them in. Ms. Casoni said they next dabbled with digital picture

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China Fortifies Its Borders, Citing the Threat of Covid-19

Barbed-wire fences alter life for locals and make trade cumbersome

BY LIYAN QI, KEITH ZHAI AND LAM LE

An extensive buildup of barriers along China's 3,000-mile southern border is under way, according to public documents, official statements and interviews with residents, ostensibly to battle Covid-19 but with likely long-lasting ramifications on trade and travel.

The small Chinese city of Ruili, in the far south next to Myanmar, has seen a major construction project in the past two years. It

is a border fence equipped with barbed wire, surveillance cameras and sensors.

Farther east, along China's border with Vietnam, a 12-foot-high fence went up abruptly last year. It stops Vietnamese locals from heading to Chinese villages to harvest corn or sell medicinal herbs, and it looks like a prison, said Sung A Ho, a hotelier in Vietnam's mountainous Lao Cai province.

The avowed purpose is to fight the spread of Covid-19 by limiting the entry of traders,

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Facebook Parent's Results Rattle Investors

Meta shares plummet after sharper-than-expected profit decline and revenue forecast

BY DEEPA SEETHARAMAN AND SALVADOR RODRIGUEZ

Facebook parent Meta Platforms Inc. startled investors with a sharper-than-expected decline in profit and a gloomy outlook in its first earnings report since Chief Executive Mark Zuckerberg outlined a pivot to the metaverse.

Meta Platforms shares plunged after the results were announced after the market closed, dropping more than 20%. If shares dropped that much when trading opens on Thursday, it would wipe more than \$175 billion from the tech giant's market capitalization.

The company said it expected revenue growth to slow because users were spending less time on its more lucrative services. It cited inflation as a weight on advertiser spending and estimated that ad-tracking changes introduced by Apple Inc. last year would cost Meta some \$10 billion this year.

Meta also lost about a million daily users globally and user growth stagnated in the U.S. and Canada, two of the company's most profitable markets, the results show.

The earnings report shows Facebook's business is under pressure on a number of

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◆ **Heard on the Street:** Reality check for Meta investors. **B12**

U.S. NEWS

U.S. Consumers Begin to Pivot to Services

Economists expect the shift to accelerate, reducing pressure on supply chain, inflation

BY HARRIET TORRY

Americans responded to the pandemic with a dramatic shift in spending to goods from services. That now appears to be reversing and should gather steam as the Omicron wave of Covid-19 ebbs, economists say.

Consumers shopped more online in the pandemic, and changed what they bought. Unable to eat out or travel, and with both school and work going remote, they splurged more on things for the home such as furniture and computers. Several rounds of federal stimulus amplified that spending spree.

Goods—including nondurable goods such as food and clothing, and durable goods such as cars and appliances—averaged 31% of total personal consumption in the two years before the pandemic. That soared to 36% in March and April 2021, shortly before Covid-19 vaccines became

widely available. The share has been dropping since, to 34% in December. Consumer spending on goods fell that month for the second month in a row, according to the Commerce Department, while spending on services increased slightly.

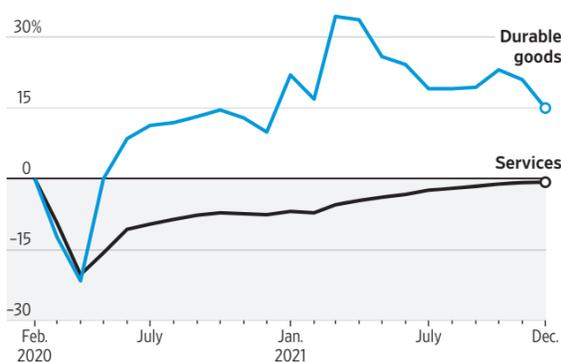
James Knightley, chief international economist at ING, said consumers are starting this year with “a combination of general fatigue of buying physical things and Omicron reducing the ability to spend on services.”

After bingeing on goods earlier in the pandemic, consumers are taking a breather. What’s more, spending on goods has been hit by supply-chain constraints, rising prices and dwindling government stimulus funds. As warmer springtime weather comes and falling infection rates help people feel more comfortable socializing in-person, pent-up demand for services such as travel and dining should recover, said Robert Frick, corporate economist with Navy Federal Credit Union.

“If the Omicron wave continues to decline and there’s no

After bingeing on goods earlier in the pandemic, consumers have pared back since March of last year. Meanwhile spending on services continues to inch up.

Consumer spending, change from February 2020



Note: Adjusted for inflation and seasonality
Source: Commerce Department

follow-up strain, I do think we’re going to see a shift to a more normal breakdown in spending on goods and services,” he said.

That could be important for the inflation outlook. Strong demand for goods coupled with disruptions to their supply have fueled inflation, sending it to a 39-year high of 7% in December. Prices for goods

such as furniture and appliances rose 10.7% in December from a year earlier, while services inflation for costs such as rent and airline fares was up a more moderate 3.7%. If consumer spending rotates back to services from goods, some of that upward pressure on goods prices should dissipate.

Economists caution that 2022 is off to a weak start.

The Omicron wave hurt consumer spending and job growth in December, trends that likely continued through January as cases of the Covid-19 variant peaked. Real-time data show that restaurant bookings and travel remained depressed in January, suggesting the shift toward services away from goods may have paused in January.

But looking ahead, a strong labor market and rising wages mean many U.S. consumers are starting 2022 with robust income prospects that are likely to help fuel the services recovery this year.

“All the indications are that it will be a big year for travel,” said Visa Inc. Chief Financial Officer Vasant Prabhu. “We see the shift to services continuing to gather momentum.”

Travel, restaurants and entertainment services all stand to benefit, he said, adding the economic impact of Omicron is more short-lived than earlier Covid-19 waves as people learn to live with the variant.

Airlines were hit hard by the Omicron variant, with travelers scrapping holiday trips and staff absenteeism

prompting flight cancellations over the holidays. Still, executives are optimistic about a speedy recovery.

“The GDP growth we’re seeing now, the excess customer savings, customer spend in other categories and even things like New York City rents snapping back pretty quickly, all seem to indicate real strength for the customer and pent-up demand that wasn’t there in the past,” David Fintzen, an executive at New York-based JetBlue Airways Corp., said during an earnings call last week.

One potential roadblock to higher spending in 2022 is inflation, as shortages of supplies and workers are pushing up prices and wages at levels that may become unaffordable to some households.

Some consumers are forgoing purchases because of sticker shock. “We will not buy a used car at the prices we’re seeing now, it’s ridiculous,” said Cory Randall, controller at a cattle company in Amarillo, Texas, who had been considering a secondhand compact-car purchase as his son recently turned 16.

U.S. WATCH



WINTER WINS: Punxsutawney Phil saw his shadow in small-town Pennsylvania on Wednesday, dooming hopes for an early spring.

NEW YORK CITY

Four Men Charged in ‘Wire’ Actor’s Death

Four men were charged in the overdose death of “The Wire” actor Michael K. Williams, the U.S. attorney for the Southern District of New York said Wednesday.

The men are accused of being part of a drug-trafficking organization. The ring has been operating in Brooklyn’s Williamsburg neighborhood and selling heroin laced with fentanyl, a powerful synthetic opioid, said Damian Williams, U.S. attorney for the Southern District of New York.

Michael K. Williams was found dead on Sept. 6. The

drugs that the 54-year-old actor ingested were sold to him a day earlier by the organization, the U.S. attorney said.

One of the accused, Irvin Cartagena, was caught on video allegedly handing the drugs to Mr. Williams, according to a still shot from surveillance video provided by the U.S. attorney’s office.

Mr. Cartagena has been charged with causing Mr. Williams’s death in connection to his alleged role in the narcotics ring, according to authorities. He has also been charged with narcotics conspiracy.

He was arrested in Puerto Rico on Tuesday and will appear in court there Thursday, authorities said.

—Ginger Adams Otis

NEW YORK CITY

Latest Officer Killed On Duty Mourned

Officers massed by the thousands on Fifth Avenue for New York City’s second police funeral in less than a week, saluting Officer Wilbert Mora hours after yet another colleague was shot and wounded elsewhere in the city.

Once again, city leaders stood in St. Patrick’s Cathedral to hail a fallen officer’s selflessness and try to both reassure and rouse a city worried about violence, and a grieving family pressed officials to crack down on crime.

Officer Mora and Officer Jason Rivera, were shot Jan. 21 while responding to a call about a domestic ar-

gument in a Harlem apartment.

“How many Wilberts and how many Jasons, how many more police officers, will have to lose their lives so that the system changes?” Officer Mora’s sister Karina Mora said at the gathering. “New York police officers protect us, but who protects them?”

Officer Mora’s funeral came shortly after the sixth shooting this year of a NYPD officer. Two men approached and shot an off-duty police officer at a Queens traffic light as he drove to work Tuesday night, police said. Wounded in the shoulder, the officer was hospitalized in stable condition Wednesday, and two men were arrested.

—Associated Press

Investors Are Rattled By Meta

Continued from Page One

fronts, at a moment when Mr. Zuckerberg is betting the company’s future on virtual-reality headsets, augmented-reality glasses and virtual worlds, known as the metaverse, in which users can live and work.

“Although our direction is clear, it seems that our path ahead is not quite perfectly defined,” Mr. Zuckerberg told investors during a conference call on Wednesday.

Meta executives said they expected first-quarter revenue between \$27 billion and \$29 billion, representing year-over-year growth between 3% and 11%. Anything below 11% would mark the slowest period of quarterly growth in the company’s history.

Mr. Zuckerberg said the company is investing heavily in its TikTok rival, called Reels, and focused on attracting young-adult users, although those segments aren’t currently as profitable as older features like the news feed and

Stories, which allows people to post videos and images that disappear after 24 hours.

“I’m confident that leaning harder into these trends is the right short-term trade off,” he said, noting Reels is the company’s fastest-growing product.

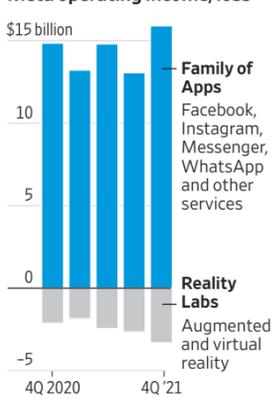
Executives likened the shift to Reels to prior strategic transitions, including the company’s shift to mobile about a decade ago.

Meta faces several antitrust investigations around the world, for what some government officials describe as its pattern of using its clout to squeeze out smaller rivals. During the call, Mr. Zuckerberg and other executives emphasized that Meta faces stiff competition from TikTok for users’ time, particularly the younger demographic.

Meta reported a \$10.3 billion profit for the fourth quarter, below analyst expectations of \$10.9 billion, and a small decline compared with a year earlier. This marked Meta’s first decline in net-income growth since the second quarter of 2019.

Meta also for the first time broke out results for its Reality Labs segment, which offered investors insight into the health of the virtual- and augmented-reality consumer business unit that is at the heart of the metaverse efforts. The Reality Labs unit posted a \$3.3 billion loss,

Meta operating income/loss



Source: the company

an amount that has grown consistently in recent quarters.

Upon announcing the name change in October, Mr. Zuckerberg said the company expected “to invest many billions of dollars for years to come before the metaverse reaches scale.”

Investors said the pairing of slower revenue growth with higher spending on initiatives like the metaverse is a troubling combination. “I’m going to spend a lot of time creating this new thing and I’m getting less revenue: It’s not a match made in heaven,” said Kim Forrest, chief investment officer of investment firm Bokeh Capital. Meta’s results were a con-

trast to fellow digital-ad giant Alphabet Inc.’s Google, which on Tuesday reported blockbuster results that sent shares up more than 7% Wednesday.

Meta executives said the company is working at a disadvantage due to Apple’s changes that require apps to ask users for permission to track their activity and share it with other apps or websites. The move has been at the center of an intensifying fight between the iPhone maker and companies such as Meta that use such tracking technology to sell digital ads.

“It’s not really apples to apples for us. And as a result, we believe Google’s search ads business could have benefited relative to ours,” Chief Financial Officer David Wehner said.

Mr. Wehner pointed to Apple’s business relationship with Google, adding “the incentive clearly exists for this policy discrepancy to continue.”

Meta continues to face criticism over revelations in The Wall Street Journal’s “Facebook Files” series, which showed the company knows its platforms are riddled with flaws that cause harm. Those articles spurred congressional hearings, prompted a rebuke from Facebook’s oversight board and led the company to halt work on a version of its Instagram app focused on children.

Raskin’s Climate Views To Be Focus at Hearing

BY ANDREW ACKERMAN

WASHINGTON—Sarah Bloom Raskin, President Biden’s pick to become the government’s most influential bank regulator, could face a contentious hearing on Thursday when she testifies before Senate lawmakers, a key hurdle for confirmation.

Ms. Raskin, who was nominated to serve as the Federal Reserve’s vice chairwoman for supervision, will likely face questions on her calls for regulators to speed up the transition from fossil fuels and her support for tougher banking rules.

The U.S. Chamber of Commerce last week urged Senate lawmakers to scrutinize Ms. Raskin’s views on climate and other matters, while 41 oil-and-gas trade groups pressed lawmakers to oppose her, citing her climate stances.

In prepared testimony released by the Senate Banking Committee on Wednesday, Ms. Raskin said that her role at the Fed would entail working closely with other central bank officials and banks to identify, analyze and manage their risks. “The role does not involve directing banks to make loans only to specific sectors, or to avoid making loans to particular sectors,” she said.

Ms. Raskin hasn’t encountered opposition from banks that helped torpedo the nomina-

tion of Saule Omarova, whom Mr. Biden tapped for a separate post overseeing national banks. That fight was led by community banks, which have a more favorable view of Ms. Raskin from her former stints in government.

Ms. Raskin is set to appear before the committee along with two economists tapped for other Fed board seats: Lisa Cook, a professor of economics and international relations at Michigan State University, and Philip Jefferson, a professor and administrator at Davidson College in North Carolina.

Ms. Raskin previously served as a Fed governor and as a top Treasury Department official during the Obama administration. In recent years, she has been outspoken about how the Fed should tackle climate-related financial risks.

Critics say Ms. Raskin’s calls for regulators to motivate a more rapid transition away from loans to high-emission industries go beyond the scope of the Fed’s authority.

An administration official said Ms. Raskin is opposed to the Fed allocating credit by sector or choking off sectors from access to credit. While Ms. Raskin believes the pacing to address and adjust to climate change is important, it is not set by the Fed but rather by Congress and market forces, the official also said.

CORRECTIONS & AMPLIFICATIONS

The last name of reporter Jennifer Calfas was misspelled as Calfa in some editions Wednesday in the byline of a U.S. News article about drug companies’ settlement of opioid lawsuits with Native Americans.

The S&P 500 on Monday ended its worst month since March 2020. The headline with a Business & Finance article on Tuesday about the markets incorrectly said it was its worst month in years.

A chart with an Exchange article on Saturday about Apple Inc. showed the market share of smartphone brands in China for the fourth quarter of 2021 compared with the fourth quarter of 2020. The labels for those time periods were incor-

rectly reversed. Also the names of Huawei Technologies Co. and Honor Device Co. were misspelled in the chart as Huawei and Honot, respectively.

James Bond drove an Aston Martin in the film “GoldenEye,” but it wasn’t the Vantage model. The Jan. 25 “My Ride” column about a 2013 Aston Martin V8 Vantage S incorrectly said there wasn’t an Aston Martin in the film.

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U.S. NEWS

Melinda Gates Will Spread Wealth Beyond Foundation

By Emily Glazer

Melinda French Gates is no longer pledging to give the bulk of her wealth to the Bill & Melinda Gates Foundation and instead plans to spread it among philanthropic endeavors, according to people familiar with the matter.

The billionaire made the change official in late 2021 following her divorce from Microsoft Corp. co-founder Bill Gates, the people said, when she published her first individual Giving Pledge letter. In 2010, the couple had committed in a joint Giving Pledge letter to give most of their fortune to the Gates Foundation.

"I recognize the absurdity of so much wealth being concentrated in the hands of one person, and I believe the only responsible thing to do with a fortune this size is give it away—as thoughtfully and impactfully as possible," Ms. French Gates wrote in her new letter.

The Gates Foundation is one of the world's largest philanthropies with an endowment topping \$50 billion. In July, Mr. Gates and Ms. French Gates said they would commit a further \$15 billion to the endowment. It is possible that Ms. French Gates makes additional donations to the foundation even as she gives to other charities, one of the people familiar with the matter said.

A foundation spokeswoman declined to comment beyond prior foundation news releases and the Giving Pledge letters. She said foundation chief executive Mark Suzman had no comment.

The foundation recently



Melinda French Gates, shown in November, said 'philanthropy is most effective when it prioritizes flexibility over ideology.'

added four members to its board of trustees in an effort to boost governance following its co-founders' divorce. Ms. French Gates and Mr. Gates are the foundation's co-chairs, though she has agreed to resign in 2023 if either of them decides they can no longer work together. Billionaire Warren Buffett, another major donor, was a trustee until he resigned in June 2021.

In a Gates Foundation video call on Wednesday, Mr. Suzman said Ms. French Gates and Mr. Gates are fully committed to being the long-term co-chairs of the foundation. He said the co-founders regularly lead the foundation's Covid-19 response meetings and jointly approved recent expanded investments in areas like gender equality and climate adaptation.

Ms. French Gates, Mr. Gates and Mr. Buffett started the

Giving Pledge in 2010 to try to kick-start a new era of philanthropy. The campaign encourages the world's richest individuals and couples to give more than half of their wealth to philanthropy or charitable causes, either during their lifetime or in their wills. Participants typically share their philanthropic intentions in a letter published online.

In late November, Mr. Gates and Ms. French Gates posted new, individual Giving Pledge letters.

In her letter, Ms. French Gates recommitted to giving away the majority of her wealth but didn't specify that it would go to the Gates Foundation. "I think philanthropy is most effective when it prioritizes flexibility over ideology—and why in my work at the foundation and Pivotal Ventures I'll continue to seek

out new partners, ideas, and perspectives," she wrote.

Ms. French Gates launched Pivotal Ventures in 2015 to focus on issues affecting women and families in the U.S., including paid-leave policies, and getting more women in technology and to run for public office. Ms. French Gates said in 2019 she would commit \$1 billion over a 10-year period through Pivotal to promote gender equality.

Mr. Gates, in his most recent letter, reiterated that most of his wealth will go toward philanthropy, specifying that it will be through the Gates Foundation. "The foundation is my top philanthropic priority, even as my giving in other areas has grown over the years—primarily in mitigation of climate change and tackling Alzheimer's disease," he wrote.

On Wednesday, Mr. Suzman said that the foundation's new board will have its first meeting next week. The new members are: Mr. Suzman; businessman and philanthropist Strive Masiyiwa; economist Baroness Nemat "Minouche" Shafik; and philanthropic consultant Thomas J. Tierney.

In response to a question about whether board members will challenge the way the foundation works, Mr. Suzman said it remains a family foundation. "We've been clear and they've been clear with the incoming board members that we are not looking to change our mission or change our priorities," he said.

Mr. Suzman said, however, that given the resources the foundation has it can be difficult to get honest feedback so that will be a key role for board members.

Powerful Winter Storm Triggers Warnings Across Swath of U.S.



A winter storm brought snow, freezing rain and sleet to much of the central and northern U.S. Wednesday.

With parts of more than a dozen states from New Mexico to Vermont under storm warnings, state leaders activated emergency protocols and urged residents to stay off roads. In Chicago, at left, motorists coped with snowy conditions Wednesday morning.

Heavy snow was expected from the Rocky Mountains to New England and significant ice buildups were likely on the storm's southern edge, from Texas to central Pennsylvania, the National Weather Service said. More than 100 million people were under some kind of winter-weather warning or advisory, as the powerful cold front was forecast to move eastward overnight.

—Jennifer Calfas

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U.S. NEWS

Biden Pledge to Ease Student Debt Stalls

By Andrew Restuccia and Gabriel T. Rubin

Joe Biden said during his presidential campaign that he would reduce student debt for millions of Americans, but his allies remain divided on the issue, and some of his supporters are losing hope he will deliver. Melanie Kelley, a 38-year-old of Denver, has \$125,000 in student loans. When the Biden administration's pandemic-related pause on student-loan payments ends in May, she will owe \$1,000 a month.

"It's become this unmanageable beast for me," she said. "May isn't that far away. How am I going to figure this out?" A management consultant, she said she has worked as a DoorDash driver to supplement her income, but her debt has kept her from starting a family or buying a house.

"A lot of people are not going to vote again because they feel like they're not being heard," said Ms. Kelley, who voted for Mr. Biden in 2020.

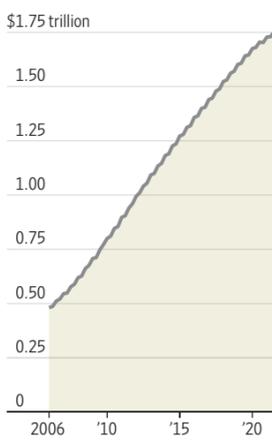
Ms. Kelley is one of around 43 million Americans with student debt. As a candidate, Mr. Biden endorsed canceling \$10,000 in student debt per borrower through legislation and proposed forgiving tuition-related federal debt for people who earned undergraduate degrees at public colleges and universities, as well as schools that historically serve Black and minority students.

All told, Americans owe around \$1.6 trillion in federal student loans and more than \$130 billion in private student loans, according to the data firm MeasureOne.

Legislative efforts to forgive student debt have sputtered in Congress, and progressive lawmakers are ratcheting up pressure on Mr. Biden to take executive action, calling on him to cancel up to \$50,000 in debt per borrower.

"He must do this," Sen. Elizabeth Warren (D., Mass.) said.

Student loans owned and securitized, quarterly



Source: Federal Reserve via the St. Louis Fed

"It's the right thing for generational equality; it's the right thing for racial equality; and it's the right thing for strengthening our economic future."

Many Republicans oppose debt cancellation. House Republican lawmakers argued in a letter last year that doing so would be "an affront to the millions of borrowers who responsibly repaid their loan balances."

Lew Gardner, 58, of Las Vegas, joined the Army nearly 38 years ago in part because of the promise that the government would help him repay his student loans. But he also took out private loans that weren't eligible, and his balance peaked around \$45,000 before he finished paying them off in 2005. He bristles at suggestions from elected officials that taxpayer money should be spent to forgive debt.

"What looks good is 'Let's just wipe the debt clean and then you'll vote for me again,'" said Mr. Gardner, who supported Donald Trump in the 2020 election. "That's really unfair for the taxpayers."

Since taking office, Mr. Biden has extended a pandemic-related pause on student-loan

payments initiated under the Trump administration and overhauled student-debt forgiveness programs for people with disabilities and people who work in public-service jobs, discharging the debt of roughly 675,000 borrowers, according to the Education Department.

Mr. Biden has revealed little publicly about whether he plans to take additional action to forgive student debt.

During a nearly two-hour news conference last month, the president avoided answering a question when asked about his campaign promises on the subject. White House officials said he continues to support legislation to eliminate \$10,000 in student debt per borrower, despite its lack of a path forward in Congress. The officials said the administration is weighing additional executive branch actions to relieve debt, but declined to detail them or provide a timeline for their rollout.

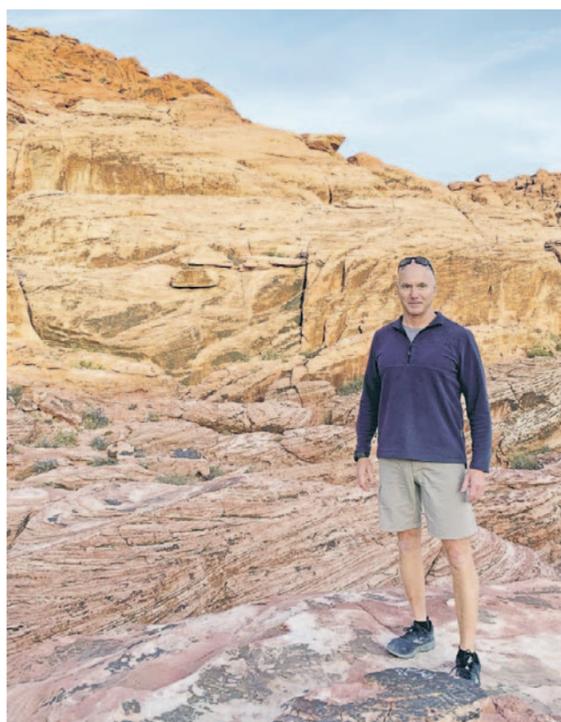
The debate over whether Mr. Biden can wipe away billions in federal student debt with the stroke of his pen has divided some of his allies, according to people familiar with the discussions. Some have argued that such a move would energize young voters. Others have urged caution and encouraged him to defer to Congress, while raising concerns about whether the administration has the legal authority to act on its own.

Mr. Biden has expressed skepticism about universal debt forgiveness, arguing against canceling debt for people who attend elite private universities. He has said he opposes forgiving up to \$50,000 in student debt for all borrowers and has suggested his executive authority is limited.

A January poll found that 49% of the public—including 70% of Democrats, 44% of independents, and 25% of Republicans—supports forgiving student-loan debt from public



Melanie Kelley, above, has \$125,000 in student loans. Lew Gardner, below, doesn't favor government debt forgiveness.



colleges and universities. Thirty-five percent of respondents said they were opposed; 17% said they weren't sure.

Biden supporters with student debt said in interviews that they are growing impatient. Though they praised Mr.

Biden's temporary extension of the pause on student-loan payments, many said they are left worrying about what will happen when that program lapses.

"I have no faith in Biden at all on this issue," said Ryan Velez, 36, of Louisville, Ky., who

voted for Mr. Biden in 2020. Mr. Velez said he has more than \$150,000 in student debt, a burden that has affected every part of his life—from his relationships to his job prospects.

Mr. Velez criticized Mr. Biden for supporting a sweeping 2005 bankruptcy overhaul that, except in rare circumstances, prohibits discharging private student loans through bankruptcy. "Taking away bankruptcy protections has obliterated any person's hope who gets in this debt trap of getting out," Mr. Velez said.

During his presidential campaign, Mr. Biden distanced himself from the bill, saying he had backed it because it was going to pass anyway and worked to improve it.

Legal scholars and advocates differ on whether the administration could broadly cancel student debt without Congress. The debate centers on how courts would interpret the Education secretary's powers under the 1965 Higher Education Act, which allows the secretary to "consent to modification" of loans, and "compromise, waive, or release" unspecified amounts of student debt.

Electromagnetic-Wave Link to Havana Syndrome Cited

By Warren P. Strobel

WASHINGTON—Some incidents of the debilitating medical condition known as Havana Syndrome are most likely caused by directed energy or acoustic devices and can't be explained by other factors, a panel of U.S. intelligence analysts and outside experts reported on Wednesday.

The signs and symptoms of suspected Havana Syndrome are "genuine and compelling," the executive summary of the panel's report states.

"Pulsed electromagnetic energy, particularly in the radio-frequency range, plausibly explains the core characteristics" of the reported symptoms," it says, while adding that "information gaps exist."

The report by a group convened last year by Director of National Intelligence Avril Haines and Central Intelligence Agency Director William Burns adds to a growing body of evidence suggesting that while many of the roughly 1,000 reported cases of Havana Syndrome can be explained by stress, existing medical conditions or other issues, others cannot.

The new report differs—at least in tone and emphasis—from an interim CIA report released two weeks ago that deemed it unlikely that Havana Syndrome was the result of a sustained campaign of attacks on U.S. personnel by a foreign adversary such as Russia. That report angered victims of the syndrome.

The group convened by Ms. Haines and Mr. Burns didn't single out a specific cause behind the reported attacks, and wasn't mandated to examine who might be conducting them.

Havana Syndrome is a set of unexplained medical symptoms including headaches, dizziness, fatigue, nausea, anxiety and cognitive difficulties. Known in the U.S. government as "anomalous health incidents," they were first experienced by State Department personnel stationed in Cuba in late 2016. Since then, cases have been reported among U.S. diplomats and intelligence officers globally, including in

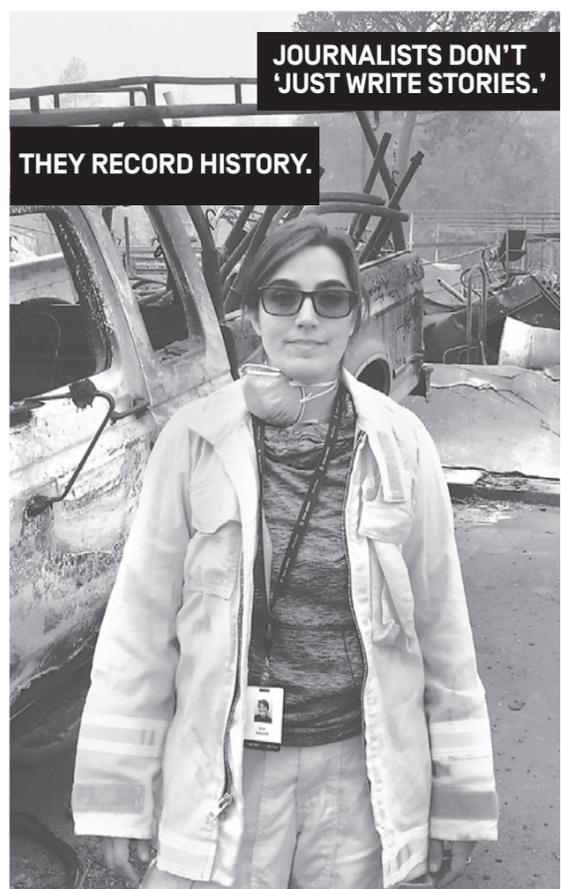
major European cities, Colombia and Vietnam.

When the conclusions of the interim CIA report were made public last month, a senior CIA official said that while the majority of reported cases could be explained by pre-existing medical conditions or other factors, a few dozen couldn't be and would be investigated further.

While the CIA task force was charged with examining who might be attacking U.S. personnel and why, the intelligence community experts

panel focused on possible mechanisms or devices that would explain the symptoms victims have reported. Its finding that electromagnetic or acoustic devices could be responsible for some of the cases, however, suggest that someone is deliberately harming U.S. personnel overseas.

Members of a group representing individuals who say they have been afflicted with Havana Syndrome and who had harshly criticized the CIA conclusions welcomed the latest report's release.



U.S. Plans New Rules For TikTok

Continued from Page One can Sen. Marco Rubio of Florida, said the Democratic White House is moving too slowly to come up with a comprehensive plan.

"TikTok remains a serious threat to U.S. national security and Americans'—especially children's—personal privacy," Mr. Rubio said. "The Biden administration undid critical measures that President Trump took against the app, and the timid steps it has taken on data security are not nearly enough."

Biden administration officials said a Trump executive order that sought to block TikTok in the U.S., as part of an administration effort to put it under control of U.S. owners, was effectively unenforceable. Executive actions implementing the Trump order were ultimately blocked by two separate federal court rulings, and the Biden administration decided not to pursue appeals.

Now, U.S. officials said they are moving carefully to ensure that their actions withstand legal challenges.

In addition to the proposed rule change, the Commerce Department has submitted recommendations to the White House to further address the

risk that data collected on U.S. users by Chinese apps could be shared with Beijing.

"We take incredibly seriously the national security risks presented by these connected software applications," Ms. Raimondo said. "These are complex issues we take very seriously."

TikTok, which is owned by Beijing-based ByteDance Ltd., declined to comment.

In a statement, the Chinese Embassy in Washington said the U.S. shouldn't "overstretch the concept of national security and politicize economic issues."

"Efforts should be made to provide an open, fair, just and nondiscriminatory business environment for market players from other countries to invest and operate in the U.S.," the embassy said.

TikTok has said repeatedly that it doesn't share information on U.S. users with the Chinese government, and that its data are held on servers in the U.S. with backup servers in Singapore.

National-security officials said TikTok would have no choice but to comply with a demand by China's Communist government for data. They said TikTok's user data could be used to track federal employees and contractors, conduct corporate espionage and compile dossiers for blackmail.

In his final months as president, Donald Trump, a Republican, issued the executive orders on TikTok's ownership and blessed a plan for Oracle Corp. and Walmart Inc. to be

major investors in the new company.

That deal would have required Chinese approval, which was far from ensured. Rather than pursue appeals of the blocked Trump executive orders, President Biden, a Democrat, ordered a broad review of apps controlled by foreign adversaries to determine whether they pose a security threat to the U.S.

In addition to the Commerce Department's actions, the Committee on Foreign Investment in the U.S. has restarted negotiations with TikTok, seeking changes in TikTok's systems to address

TikTok has said it doesn't share information on U.S. users with Beijing.

Washington's concerns about the Chinese government's ability to obtain U.S. users' personal data, administration officials said.

Cfius could potentially demand that TikTok locate its data exclusively in the U.S. and that the data be subject to oversight by trusted U.S. national-security officials, according to people familiar with its dealings.

Given TikTok's popularity, however, any attempt to outright block the social-media platform carries political risk for the Biden administration,

according to analysts.

"There's a bit of a third rail—people like TikTok," said James Lewis, director of the technology and public-policy program at the Center for Strategic and International Studies, a think tank.

An added hurdle is that most people in the U.S. don't see TikTok as a security risk, said Patrick Jackson, chief technology officer for the security firm Disconnect Inc.

"There would be outrage," Mr. Jackson said. "Regular Americans don't recognize the harm the U.S. government is alleging. They may see it similar to Instagram or Snapchat. The onus is on the government to connect the dots"

In a Jan. 11 comment letter, the U.S. Chamber of Commerce said the proposal "complicates the U.S. business community's efforts to identify problematic [information-technology] transactions while navigating a potentially uncertain regulatory environment where the Department may apply multiple standards in reviewing [information-technology] transactions."

CTIA, a wireless-communications trade group, warned in its comment that requiring trusted third-party audits could lead to unintended consequences, and urged flexibility in compliance.

"Mandating auditing that includes third-party access to the logs and data the connected software application collects could create privacy and data-protection issues," the group said.



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FROM TOP: RACHEL WOOLIF FOR THE WALL STREET JOURNAL; LEW GARDNER



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U.S. NEWS

Trump Jr., Giuliani
Are Sued by Vindman

BY JOSEPH DE AVILA

Retired Lt. Col. Alexander Vindman sued Donald Trump Jr., Rudy Giuliani and other associates, alleging they conspired to intimidate him from testifying against former President Donald Trump during his first impeachment hearing.

Lt. Col. Vindman alleges that the younger Mr. Trump and Mr. Giuliani along with other White House staffers carried out their intimidation and retaliation campaign through social media and right-wing news sources, and that they purposely harmed his ability to continue a career in national security and foreign affairs.

These alleged efforts violated the Ku Klux Klan Act of 1871, according to the lawsuit filed Wednesday in U.S. District Court in Washington. The act makes it unlawful to interfere with federal officials' ability to carry out duties or interfere with any witness's ability to testify.

The defendants "waged a targeted campaign against Lt. Col. Vindman for upholding his oath of office and telling the truth," the lawsuit said.

In retaliation for Lt. Col. Vindman's willingness to testify, Mr. Trump Jr. and Mr. Giuliani allegedly pushed false claims that he was a spy for Ukraine, questioned his loyalty to the U.S. and falsely accused him of lying under oath, ac-

ording to the lawsuit.

Attorneys for the younger Mr. Trump and Mr. Giuliani didn't respond to requests to comment.

Lt. Col. Vindman, former director for Eastern European, Caucasus, and Russian Affairs at the National Security Council, testified in House impeachment hearings that a call in July 2019 by Mr. Trump to the Ukrainian president was "inappropriate and improper." In that call, Mr. Trump pressured the Ukrainian president to investigate then-Democratic presidential candidate Joe Biden.

The House approved two articles of impeachment against Mr. Trump in 2020. He was acquitted by the Senate.

The coordinated retaliation campaign also led to a barrage of personal attacks on social media directed at Lt. Col. Vindman, according to the complaint. He and his wife also received threatening email and social-media messages from other members of the military, according to the lawsuit.

The defendants and White House officials also derailed Lt. Col. Vindman's promotion to full colonel in the Army, and it became clear to him that he could no longer work in the fields of national security or foreign affairs due to the political retaliation coming from the White House, the lawsuit said.

Lt. Col. Vindman retired from the Army in July 2020.



Michael Avenatti, speaking in closing arguments on Wednesday, faces charges of wire fraud and aggravated identity theft.

Michael Avenatti Case Goes to
Jury After Closing ArgumentsBY JAMES FANELLI
AND CORINNE RAMEY

A federal jury began deliberations in the fraud trial of Michael Avenatti Wednesday after the disgraced celebrity lawyer and prosecutors clashed over whether he fleeced his former client Stormy Daniels out of money from a book deal.

Mr. Avenatti, who is serving as his own lawyer, said during closing arguments he was an advocate and champion for Ms. Daniels in her legal fights with then-President Donald Trump in 2018. He told jurors in Manhattan that his work entitled him to a percentage of her \$800,000 book advance, saying her claims that he stole from her weren't credible.

As he had done earlier in the trial, Mr. Avenatti highlighted the paranormal beliefs of Ms.

Daniels, an adult-film actress who is the government's lead witness. Ms. Daniels, whose given name is Stephanie Clifford, previously testified at the trial that she can talk to the dead and to a doll named Susan.

"Does this sound like someone the government should be using as their star witness?" he asked the jury.

Prosecutors say Mr. Avenatti stole nearly \$300,000 from Ms. Daniels and for months lied to cover up his actions. Assistant U.S. Attorney Robert Sobelman said Wednesday that Mr. Avenatti attacked Ms. Daniels's credibility to distract from the "mountain of evidence" showing he committed a crime.

"Does she have some unusual beliefs? Sure," Mr. Sobelman said of Ms. Daniels. "But she's the victim in this case."

Mr. Avenatti, 50 years old, faces charges of wire fraud and aggravated identity theft. He has portrayed the case as a fee dispute. The jury deliberated for about two hours Wednesday. They are expected to resume deliberations Thursday morning.

In 2020 Mr. Avenatti was convicted of attempting to extort more than \$20 million from Nike Inc. He was sentenced to 2½ years in prison and has appealed the conviction. He is expected to start his sentence later this month.

His latest trial, which began last week, has taken several unusual turns. A day into the trial, Mr. Avenatti chose to represent himself rather than have his public defenders do so. He didn't call any witnesses as part of his defense and decided not to testify after previously

indicating that he likely would do so.

Mr. Avenatti on Wednesday said that when he agreed to represent Ms. Daniels in 2018, many lawyers wouldn't take her case or wanted to charge her large sums of money upfront. Ms. Daniels has alleged a sexual encounter with Mr. Trump, which the former president has denied. Mr. Avenatti said he helped her in her legal work and in obtaining a book deal.

But Mr. Sobelman said Mr. Avenatti was desperate for money in 2018. Text messages and documents showed he lied to Ms. Daniels about her book publisher sending payments, Mr. Sobelman said. In reality, Mr. Avenatti had received some of the money from the publisher and spent it on his personal expenses, according to the prosecutor.



Lt. Col. Alexander Vindman on Capitol Hill on Nov. 19, 2019, during an impeachment inquiry into former President Donald Trump.

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U.S. NEWS

Juveniles Eyed As Suspects In Bomb Threats

By SADIE GURMAN

WASHINGTON—The FBI has identified at least six people of interest in a rash of bomb threats directed at places of worship and historically Black colleges and universities, law-enforcement officials said Wednesday.

The incidents are being investigated as racially motivated extremism and hate crimes, authorities said.

Dozens of campuses, churches and Jewish institutions have reported receiving bomb threats since Jan. 4, the officials said, though no explosives have been found at any of the locations. More than 20 HBCUs have received threats since Saturday alone.

The people of interest, all juveniles, are thought to have used a disguised phone number to make the threatening calls, the officials said. Investigators were searching homes and conducting interviews, but

it couldn't be determined whether any arrests had been made.

The bomb scares put colleges on edge. Federal law-enforcement officials have recently warned of a rise in domestic violent extremism, a threat the Federal Bureau of Investigation says stems in large measure from extremists who advocate the superiority of the white race. The bureau said it was examining the bomb threats as “racially or ethnically motivated extremism or hate crimes” but declined to say more about the investigation.

“This investigation is of the highest priority for the Bureau and involves more than 20 FBI field offices across the country,” the FBI said, adding that terrorism investigators across the country were leading the probe.

The first threat was reported Jan. 4 at Xavier University in Louisiana, where a



Howard University in Washington, D.C., was one of the historically Black colleges and universities that reported bomb threats.

caller said a bomb was planted and warned of a mass shooting, according to law-enforcement officials. Authorities swept the campus and found no bombs.

Other universities that have

reported threats include Howard University in Washington, D.C.; Spelman College in Atlanta; the University of Arkansas at Pine Bluff; Edward Waters University in Jacksonville, Fla.; and Morgan State Univer-

sity in Baltimore.

Law-enforcement officials said there were also bomb threats at several places of worship, which were already on heightened alert after a man took four hostages at a

synagogue in Texas last month.

Federal authorities have warned of the increased chance of such threats since then and say they have been working closely with faith-based institutions.

Authorities Move to Shut Down Fake Covid Test Sites

By JENNIFER LEVITZ

Officials nationwide are trying to stay ahead of a proliferation of Covid-19 test sites they say are offering fraudulent services to the public.

Attorneys general in states including New Mexico, Oregon, Florida, Minnesota, New York and Illinois have shut down pop-up test locations, or issued warnings, citing late or false test results and theft of people's personal information. The Consumer Financial Protection Bureau has warned that “scammers are preying on people looking for Covid tests.”

Authorities have alleged that the operators of these sites are

making money by sending bills to people whose insurance is supposed to cover Covid-19 tests or falsely claiming consumers are uninsured as a way to seek reimbursement from the federal government.

Though access has been increasing, pharmacies, health systems and government agencies have since December felt the strain of demand for Covid-19 tests in the midst of the Omicron surge. That has created an opening for independent providers, some of which are fly-by-night operations, according to law-enforcement officials.

Public-health authorities often tightly regulate labs that

analyze Covid-19 tests, but don't closely monitor sites that administer the tests, creating regulatory gaps.

“You want to make testing available,” said Gigi Gronvall, a senior scholar at the Johns Hopkins Center for Health Security. “At the same time, when you don't have as many barriers, you open up the potential for fraud.”

James Jackson, a retired geologist in Portland, Ore., said Covid-19 tests were in short supply near his home in November, so he went to a pop-up testing booth in the parking lot of a convenience store. Mr. Jackson, 73 years old, wanted to make sure he wasn't carrying

the virus before visiting an immunocompromised friend.

After presenting his insurance information, he took a PCR test and was told to expect results by email in three days. When that didn't happen, he said he returned to the site and was assured results were coming soon. “I never did hear from them,” Mr. Jackson said, adding that the pop-up site is now closed. “I thought, ‘God, this looks like fraud.’”

In Los Angeles, County Supervisor Janice Hahn last month asked officials to monitor pop-up testing spots, with her office saying in a statement that “some sites are charging people for tests they never re-

ceive results for and others are asking people to give them their Social Security number.” Officials had already shut down six fraudulent sites there, her office said.

Minnesota Attorney General Keith Ellison filed on Jan. 19 a lawsuit against Center for Covid Control LLC and an associated independent lab, alleging they “failed to deliver test results, or delivered test results that were falsified or inaccurate.” The lab allegedly billed the federal government more than \$113 million for testing purportedly uninsured patients across the country.

Former employees told investigators they were “in-

structed to lie to consumers about their tests being inconclusive or negative when, in fact, the sample had not been tested,” Mr. Ellison's office said in a statement.

The Center for Covid Control says on its website that it runs some 300 testing sites nationwide and that it is currently pausing operations to train additional staff on procedures and compliance with regulatory guidelines. The website says the company “remains committed to providing the highest level of customer service and diagnostic quality.” A person answering a phone at a number linked to the owner declined to answer questions about the lawsuit.

CNN's Zucker Resigns

Continued from Page One executive vice president for talent, and Ken Jautz, executive vice president, will be in charge of CNN until a new executive is named, the people said.

The colleague Mr. Zucker referred to in his email is Allison Gollust, an executive vice president and chief marketing officer at CNN. In a statement, Ms. Gollust, who will continue in her job, said that she and Mr. Zucker have been friends for more than 20 years and said that their relationship changed during the Covid-19 pandemic.

“I regret that we didn't disclose it at the right time,” Ms. Gollust said. “I'm incredibly proud of my time at CNN and look forward to continuing the great work we do everyday.”

Both Ms. Gollust and Mr. Zucker, 56 years old, are divorced.

WarnerMedia, the AT&T Inc. unit that is CNN's parent, said it has a policy that prevents employees from supervising co-workers with whom they have a personal relationship. The policy states that employees must inform the company if they are in a position to influence the advancement of an employee they have a relationship with before taking any action.

Mr. Zucker disclosed the relationship with Ms. Gollust to WarnerMedia in recent days during an investigation into former CNN host Chris Cuomo, people familiar with the matter said. Mr. Cuomo was fired by CNN in December after the investigation found he improperly helped his brother, former New York Gov. Andrew Cuomo, respond to accusations of sexual misconduct.

In the past week, Mr. Kilar learned that Mr. Zucker disclosed the relationship as part of the investigation and quickly decided Mr. Zucker should step down, some of the people said. Mr. Zucker then submitted his resignation, they said.

Mr. Kilar, who traveled to Washington, D.C., Wednesday to address CNN staff, faced many questions from employees who



Jeff Zucker's departure leaves a hole at the network, which is preparing to launch CNN+, a direct-to-consumer streaming service.

felt Mr. Zucker didn't get a second chance after disclosing the relationship. Mr. Kilar declined to answer questions about the timeline of Mr. Zucker's departure, though he said he followed a process “with an appropriate sense of urgency.”

“I wasn't focused on the business of it all,” Mr. Kilar said. “My focus, first and foremost, are on the values that we stand for as a company.”

Mr. Kilar said there are no plans to issue additional information about the investigation, which he said is complete.

Some senior executives at

The executive's successor will steer a network that has seen ratings fall.

CNN didn't see Mr. Zucker's abrupt departure coming, a person familiar with the matter said.

In the immediate aftermath of Mr. Zucker's resignation, Mr. Kilar called anchors at CNN, including Jake Tapper and Don Lemon, to reassure them, according to people familiar with the calls.

AT&T is preparing to spin off CNN parent WarnerMedia and merge it with Discovery Inc. to form a new company, Warner Bros. Discovery.

Mr. Zucker had indicated he planned to stay at CNN at least through the closing of the deal.

A former wunderkind producer of NBC's “Today” show, Mr. Zucker rose through the

media industry's ranks over a three-decade-plus career. He became CEO of NBCUniversal before leaving after Comcast Corp. took control in 2011.

Mr. Zucker and Ms. Gollust have worked closely together at different companies for years. Ms. Gollust was a communications executive at NBC News when Mr. Zucker was CEO of NBCUniversal, and she joined CNN after Mr. Zucker was named president of that network in 2013.

Ms. Gollust has also worked for former Gov. Cuomo.

After joining CNN, Mr. Zucker quickly put his stamp on the network, shuffling the anchor lineup and hiring journalists such as Jake Tapper, Alisyn Camerota, Chris Cuomo and Brian Stelter.

During the run-up to the 2016 election, Mr. Zucker was criticized for giving then-candidate Donald Trump too much airtime. The network enjoyed a ratings surge during the Trump years, as Mr. Zucker steered coverage that was critical of the former president.

In 2019, Mr. Zucker was promoted to take on oversight of WarnerMedia's sports properties, in addition to his role at CNN. More recently, CNN's viewership has fallen off amid a wider decline in cable ratings.

As CNN's business head and de facto programmer-in-chief, Mr. Zucker has been a hands-on leader, running daily news calls and spearheading contract negotiations with anchors.

His departure leaves a hole at the network as it prepares to launch CNN+, an ambitious direct-to-consumer streaming service he championed.



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WORLD NEWS

Letters Show Gap Between Moscow, U.S.

Diplomacy stalls after D.C. rejects Kremlin's demand that NATO not expand to the east

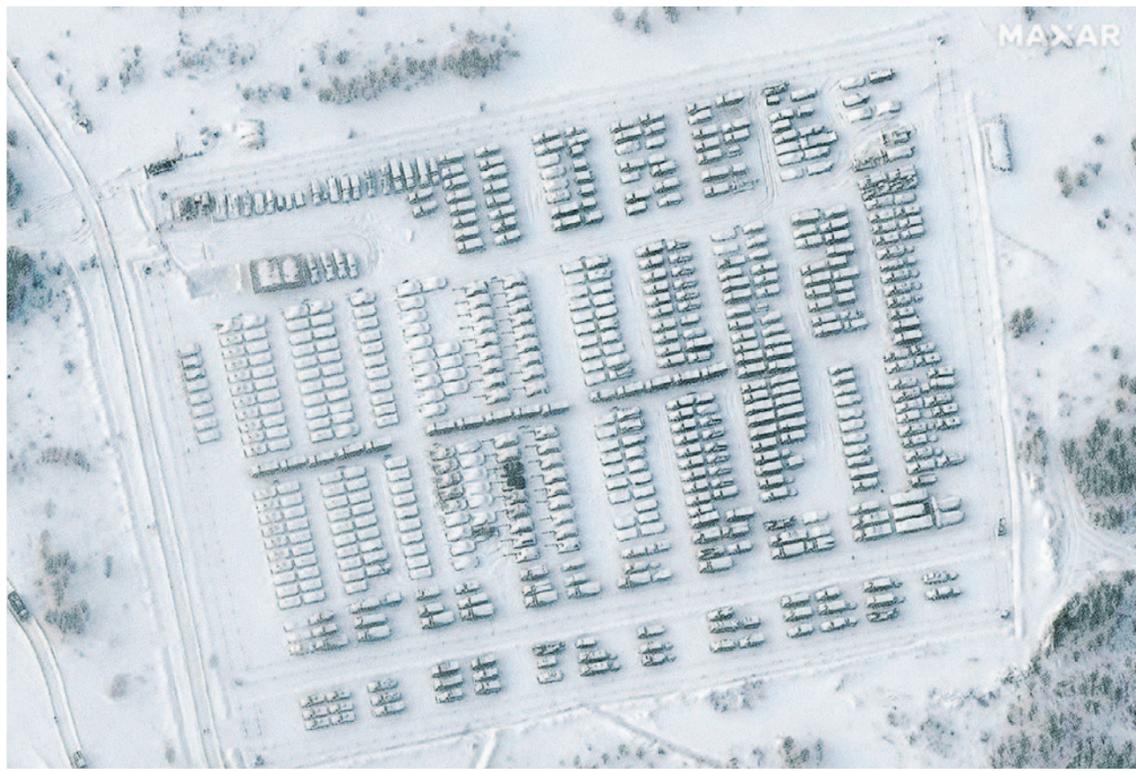
By ANN M. SIMMONS

MOSCOW—The gap between Russia and the West over the future of Ukraine and security in Europe was laid bare as details of two bluntly worded responses delivered to Moscow last week were made public, showing the U.S. and NATO rejected the Kremlin's demands and instead blamed the tension on Russian President Vladimir Putin.

With tens of thousands of Russian troops massed on Ukraine's borders, Mr. Putin had demanded written guarantees that the North Atlantic Treaty Organization wouldn't expand east to include the country and that it halt the deployment of additional forces to other former Soviet states. He has described his demands as core security concerns for Russia as the monthslong standoff continues.

The U.S. and NATO firmly rejected the Russian leader's position, infuriating Mr. Putin, in a pair of letters hand-delivered to the Kremlin on Jan. 26 and published by a Spanish newspaper.

"We firmly believe that tensions and disagreements be resolved through dialogue and diplomacy, and not through the threat of the use of force," according to copies of responses and accompanying attachments published in El País and confirmed by a European Union official as authentic. "Considering the substan-



A satellite image of dozens of military vehicles parked in Yelnya, Russia, which is north of the Ukraine border, in January.

tial, unprovoked, unjustified and ongoing Russian military buildup in and around Ukraine and in Belarus, we call on Russia to immediately de-escalate the situation in a verifiable, timely, and lasting manner."

The U.S. also said it continues to "firmly support NATO's Open Door Policy," though added that it is willing to continue negotiations with Russia "in good faith and with the goal of improving Euro-Atlantic security."

Washington has been warning for weeks that the mobiliz-

ing of Russian forces along the border with Ukraine is likely a prelude to an invasion, eight years on from its last incursion in 2014, when Moscow annexed Crimea and ignited a separatist revolt in eastern Ukraine. Russia has denied that it intends to overrun Ukraine, instead insisting that the buildup of forces is a response to what it says is the threat posed by NATO forces gathered in countries near Russia's western borders.

In its letter to Russia, the U.S. said that NATO poses no

threat to Russia and accused Moscow of breaking "the trust at the core of our cooperation" and of challenging "the fundamental principles of the global and Euro-Atlantic security architecture." Washington has also outlined a series of punitive sanctions it would impose if Russia encroaches on Ukraine, stepped-up shipments of military assistance to Kyiv and put thousands of soldiers on alert to defend NATO's eastern flank in the event of a conflict.

Mr. Putin on Tuesday said

the U.S. and its European allies had "basically ignored" Moscow's demands.

In their letters, the U.S. and NATO said that in consultation with its allies and partners, Washington would be willing to discuss measures to increase mutual trust regarding significant ground exercises in Europe, and remained open to negotiations over meaningful arms control, raising the prospect of new limits on missiles.

"Our aim is to achieve concrete and reciprocally beneficial outcomes," the letter said, but

it warned that "the reversal of Russia's military buildup in and around Ukraine will be essential for substantive progress."

Neither the Kremlin nor Russia's Ministry of Foreign Affairs would comment on the authenticity of the document.

Moscow hasn't sent a written reply to the U.S.'s response to its demands. Presidential spokesman Dmitry Peskov told reporters Wednesday that the Kremlin leader had spoken the previous day "with very restrained optimism and hope about the possibility of resolving the problem of security guarantees for Russia through diplomatic negotiation."

In a letter to his counterparts in the U.S., Canada and a number of European countries, Russia's Foreign Minister Sergei Lavrov said the responses from the U.S. and NATO to Russia "testify to significant differences in the understanding of the principle of equal and indivisible security fundamental to the entire European security architecture." A copy of his letter was posted on the foreign ministry's website.

Mr. Lavrov said that for there to be a prospect of continued dialogue, Russia felt it was necessary to clarify the Charter for European Security, signed at the Organization for Security and Cooperation in Europe summit in Istanbul in November 1999.

He said that the agreement underscored the "right of each participating state to freely choose or change the way of ensuring its security, including union treaties, as they evolve."

—Laurence Norman in Brussels and Max Colchester in London contributed to this article.

Kyiv, Washington Read Putin's Intent Differently

By MICHAEL R. GORDON AND JAMES MARSON

KYIV, Ukraine—American and Ukrainian officials continue to differ over how immediate a threat Russian forces arrayed around Ukraine could pose, even as Western military supplies flow into the embattled country.

Ukrainian President Volodymyr Zelensky and his top security advisers say the main danger is Moscow's effort to destabilize the country, not an all-out Russian attack, and they want to avoid frightening the public and disrupting the economy.

The clashing assessments turn more on a divergent reading of Russian President Vladimir Putin's intentions than on an evaluation of Russia's military capabilities.

"I am convinced that the president is not confused about the seriousness of the threat. I think that the difference is probably in the assessment of intentions," said Ben Hodges, the former commander of U.S. Army forces in Europe who met this week with Mr. Zelensky in Kyiv.

"It is a difference between a massive assault in which the Russians take over a big swath of territory, versus continued pressure in a gradual process that stays below the threshold of when our allies agree to in-

voke sanctions the Russians have never seen before," said Mr. Hodges, a retired Army lieutenant general.

But some Western analysts, and even some Ukrainian reservists and veterans, are worried that the absence of larger-scale preparations could leave Ukraine more vulnerable if Mr. Zelensky's assessment turns out to be wrong.

The country hasn't yet called up reservists to fill out its units or made obvious defensive preparations along potential Russian attack routes

Zelensky says the main danger is Moscow's effort to destabilize Ukraine.

from the north,

Ukrainian officials also worry that calling up reservists too soon could be counterproductive because the troops would have to be housed and fed and the Russians might see the move as a provocation, a person familiar with the government's thinking said. Ukraine passed a law last year that allows Mr. Zelensky to muster reservists without parliamentary approval, facilitating faster deployment.

In comments on Friday, Mr. Zelensky said that the U.S. and other Western nations had overstated the imminence of the Russian threat and that exaggerating the danger could hurt his country. "They are saying tomorrow is the war," Mr. Zelensky said. "That means panic."

While military planning is proceeding and the Ukrainian government is receiving arms shipments from North Atlantic Treaty Organization nations, some Ukrainian veterans and reservists are worried by their government's attempts to play down the danger.

They have been arranging unofficial meetings to coordinate plans for scenarios ranging from a full-blown Russian invasion to a cyberattack that takes down electricity and communications in Kyiv.

One man involved in the effort says that he and his fellow reservists are paying more heed to the U.S. and other Western embassies that have ordered the departure of diplomats' families than to their own government's statements.

"We follow the embassies' decisions, which seem to be much more serious than our comedian's," he said, referring to Mr. Zelensky's earlier career as a comic.

Though Mr. Putin hasn't shut the door on diplomacy, some Western experts have



A Ukrainian guard patrolling the border with Russia in the Kharkiv region on Wednesday.

begun to question whether Ukraine would be sufficiently prepared if Mr. Zelensky's reading of the Kremlin's strategy turns out to be wrong.

"They are overly worried about the economy and not causing panic, not realizing that a few weeks from now that might be the least of their problems," said one U.S.-based analyst who is closely monitoring the Russian buildup.

The Pentagon isn't taking any chances and plans to move some 3,000 troops to bolster NATO's eastern flank.

Ukraine's best forces have been positioned in the eastern Donbas region, where they are confronting Moscow-led separatists in two territories carved out by covert Russian operations in 2014. The Russian mili-

tary, however, has substantial combat forces in Belarus, on Russian territory northeast of Ukraine and in Crimea.

Ukraine's forces would be stretched thin, analysts say, if Russia carried out attacks on multiple axes.

Defense Secretary Lloyd Austin and Gen. Mark Milley, the chairman of the Joint Chiefs, spoke bluntly on Friday about the dangers posed by the Russian force. Mr. Austin said it provided Russia with the capability to seize "cities and significant territories," recognize "breakaway" republics and engage in coercion.

On Saturday, Gen. Milley spoke by phone to "exchange assessments" of the Russian military threat with Lt. Gen. Valery Zaluzhny, the com-

mander of Ukraine's armed forces, a spokesman for Gen. Milley said. The spokesman declined to provide details of the discussion.

Ukraine hasn't been standing still. The U.S. and its allies have also been sending Ukraine arms, including Stinger anti-aircraft missiles, ammunition that had been slated for Afghanistan, and additional Javelin antitank missiles.

To be sure, military analysts say it wouldn't be surprising for Ukraine to keep military maneuvers from public view. In 2014, Russia used knowledge of Ukrainian military positions, often gleaned from local sympathizers or agents, to launch rocket attacks from the Russian side of the border, decimating forces.

Biden To Deploy Troops

Continued from Page One

"This is not troops who will go to Ukraine, they are not fighting in Ukraine, this is the United States abiding by our commitments under Article 5 to support and reassure our partners in the region," said White House press secretary Jen Psaki, referring to the NATO provision that provides for collective defense of NATO allies.

Mr. Biden, a Democrat, signed off on the military proposals after meeting Tuesday with Defense Secretary Lloyd Austin and Chairman of the Joint Chiefs of Staff Army Gen. Mark Milley, the officials said. Mr. Austin discussed the deployments with his counter-

parts in Romania, Germany and Poland in the past week.

While a few hundred U.S. military trainers and special-operations forces are inside Ukraine, none of the new forces have been authorized to enter the country, and all of the deployments are expected to be temporary, the officials said.

The forces are expected to deploy in the next few days, the officials said, declining to provide details on their specific missions.

There are about 900 U.S. troops already in Romania, which has agreed in recent days to host French troops as well.

"They are trained and equipped for a variety of missions during this period of elevated risk," said a senior defense official. The deployments also are "meant to deter the threat against the alliance. We are literally willing to put skin in the game."

While there is no evidence that Russia poses an immedi-

ate threat to Poland, its increased troop presence in Belarus, near the Polish border, warns of potential threats, said William Courtney, a former U.S. ambassador to Kazakhstan and a senior fellow at the Rand Corporation.

Of the 2,000 troops deploying, about 1,700 are headed to Poland while the remaining 300 are going to Germany, the defense officials said. The German-bound forces likely are there to support U.S. movements since there are no permanent U.S. bases in Eastern Europe, Mr. Courtney said.

"The deployment provides more political reassurance to allies on the eastern flank and in the event of hostilities could help link local troops with U.S. and other NATO forces," Mr. Courtney said.

Some of the new forces could also be used in the event the U.S. military were called upon to help evacuate the roughly 30,000 U.S. citizens now living in Ukraine, the offi-

cial said. Should that be needed, the official said, the troops are unlikely to be sent inside Ukraine to do so and instead would facilitate an evacuation operation by land along the Ukrainian border.

On Tuesday, Mr. Putin ac-

The personnel will be shifted to Poland and Romania, on NATO's east flank.

gued the U.S. of trying to coax Moscow into war even as he hoped "dialogue will be continued."

In a phone call with U.K. Prime Minister Boris Johnson on Wednesday, Mr. Putin pointed to what he described as Kyiv's "chronic sabotage of the Minsk agreements," a 2015 peace agreement between Russia and Ukraine, and

NATO's unwillingness to adequately respond to Russian concerns, according to a Kremlin readout of their conversation. Biden administration officials have said they don't think Mr. Putin has made a decision whether to invade, though he could do so in the next few weeks.

Ms. Psaki, who last week indicated a Russian invasion was imminent, said the administration is intentionally no longer using that term because it sends the wrong signal about what Mr. Putin might do. Moscow, she said, could still invade Ukraine "at any time."

Last week, Mr. Austin placed at least 8,500 U.S. troops on "prepare-to-deploy orders," which requires troops to be ready to deploy quickly, in some instances, within hours after being activated.

Since then, that figure has increased to more than 12,000, the officials said. Some of the troops that are being activated to Europe this week are being

drawn from that larger number of troops already identified on standby, the officials said.

The preponderance of those forces on standby would contribute to a NATO response force that is being assembled in case Mr. Putin moves ahead with plans to attack Ukraine.

Other U.S. forces, already stationed in Eastern Europe, could be repositioned to NATO nations as part of the overall response to the crisis, which U.S. officials said Mr. Putin has created by conducting a military buildup on three sides of Ukraine.

Russia has denied that it plans to invade, though it said it might have to resort to military measures if its demands that Ukraine not be permitted to join NATO and that the alliance pull back from Eastern Europe aren't heeded.

Mr. Biden said over the weekend that some U.S. forces could be put on alert to deploy within Eastern Europe.

WORLD NEWS

Putin, Xi to Display Budding Partnership

When Russian President Vladimir Putin and Chinese leader Xi Jinping hold a summit alongside the opening of the Beijing Winter Olympics, on

By Ann M. Simmons in Moscow and Chao Deng in Taipei

display will be a flourishing partnership that is already complicating U.S. foreign policy and influence around the world.

Mr. Putin is going to Beijing at a time of high tension with the West over Russia's military buildup near Ukraine and his demands that the U.S. and its allies retreat from Eastern Europe. China, while calling for diplomacy, has offered backing for Moscow, urging the U.S. and Europe to address Russia's security concerns and stop using military alliances to threaten others.

For Messrs. Putin and Xi,

Friday will be their first in-person summit in two years after the Chinese leader stopped seeing foreign dignitaries because of the coronavirus pandemic. Mr. Putin will be the most prominent foreign leader at the Olympics after the U.S. and several allies declined to send high-level officials, to protest China's human-rights abuses.

After their talks, the leaders plan to release a joint statement laying out their common views on international and security issues, a Kremlin aide said. Both governments have billed the summit as a landmark in a partnership that has seen Russia and China cooperate on a widening array of matters: trade, energy, counterintelligence, diplomacy, defense, security, and regional hot spots.

Closer coordination between China and Russia, after

decades of estrangement, complicates Biden administration strategies to isolate Mr. Putin and punish him and Russia with economic sanctions should Russian forces attack Ukraine. Over the longer term, the Beijing-Moscow entente could tie down U.S. military resources in Europe and East Asia, foiling a Biden administration plan to focus on China as the signal global security threat.

"What's driving them together is their common interest in undercutting the U.S.," said Daniel Russel, a former senior official on Asian issues in the Obama administration. If the Ukraine crisis drives a wedge between the U.S. and its European allies, he said, it benefits Moscow and Beijing since "raising doubts about whether the U.S. can defend democracies helps them both."

Cooperation between Rus-



Russian President Vladimir Putin holding a meeting with China's Xi Jinping via a video link Dec. 15.

sia and China appears to have limits. While both sides collaborate on defense, they have no formal alliance, and U.S. officials and military specialists said that, aside from joint exercises by their armed forces, the level of military partnership is difficult to determine.

Some Russians are concerned about China's growing economic sway. Beijing is wary of a full-blown military conflict in Ukraine, Chinese security specialists said, given China's business interests in

Russia and Europe and an economy well-entwined with global trade and investment.

Mr. Putin and Mr. Xi, who have cultivated domestic images as strong rulers, have built a partnership over the past decade animated by concerns the U.S. uses its pre-eminent global power to suppress Russia and China.

"Moscow and Beijing have a common understanding of the need to create a more just world order," Kremlin aide Yury Ushakov told reporters

Wednesday. "We have similar and coinciding views on a significant part of international problems. China shares the position that the security of one state cannot be ensured by compromising the security of another country."

Chinese state news agency Xinhua on Wednesday described the China-Russia relationship as "a big ship featuring the highest degree of mutual trust, the highest level of coordination and the highest strategic value."



Phun Thi Ha, far left, can no longer walk from Vietnam into China to cut grass for broom-making, owing to high fences like this one that China has built along the border. Bottom photo: China's anti-Covid efforts ended easy crossings between the Chinese city of Ruili and the city of Muse in Myanmar.

China Fortifies Its Borders

Continued from Page One
workers and smugglers. The Southern Great Wall, people on social media are calling it. State media have dubbed it the Anti-Covid Great Wall.

While some other countries try to transition toward living with Covid-19, China determinedly maintains a zero-Covid strategy, especially with the Beijing Winter Olympics starting this week. It does so not only through lockdowns and mass testing but also, increasingly, by walling off its neighbors.

The strategy means that along China's southern border, life is changing in ways likely to last long beyond the pandemic, with trade getting cumbersome and with control of people's movements tightened.

The efforts are part of a wider drive by China to secure its borders, facilitate infrastructure projects and prevent refugees from crossing into China, said Karin Dean of Tallinn University in Estonia, who studies the border dynamics between China and Myanmar.

China's calls to guard against a Covid-19 spread via the border are emphatic. In an August letter to villagers in border areas of Yunnan province, Chinese leader Xi Jinping urged locals to "safeguard the sacred land."

In Guangxi, a region bordering Vietnam, party officials urged cadres to "race against time, go all out, resolutely win the battle against the pandemic and defend the 'south gate'" of China.

Yunnan, which borders Myanmar, Vietnam and Laos, earmarked a half-billion-dollar fund last year to fortify security barriers at the border. The province's governor said in January that 100,000 officials, police officers, soldiers and civilians have been patrolling the border.

A Journal review of public records shows that in the past two years, China has built or strengthened at least 285 miles of fencing along its borders, most of it in the south. The actual figures are likely

higher, as not all local governments disclose this type of spending. At a wire-making center in Hebei province, some firms bill their wares as "border Covid-prevention wire."

In the Vietnamese coastal province of Quang Ninh, home to small farming communities belonging to the Dao ethnic group, a sturdy fence with pillars, sharp-edged metal grills and coiled barbed wire runs across hilltops along the Chinese border as far as the eye can see.

Cameras and lights appear at intervals atop the recently built blue-painted structure, with a narrow paved path on the Chinese side.

The lights come on at night, said 31-year-old Duong On, a Vietnamese farmer who lives in a settlement at the base of the hill. People from the Vietnam side can no longer venture across to cut trees, Mr. Duong said, and Chinese farmers are no longer seen grazing their water buffaloes on the Vietnam side.

On a visit to villages along that stretch, long fences were visible at different points. Some appeared rudimentary—a few layers of stacked barbed wire—while others were more elaborate, like the one near Mr. Duong's home. Residents said the Chinese are continuing to build fences every day.

Blocking the way

Phun Thi Ha, 65, used to cross into China to source star anise spices from the fruit of evergreen trees and cut grass for making brooms. A fence now blocks her path. A few miles from a trail, where locals say cross-border travel was once common for work or to smuggle chicken feet, pork intestines and other frozen food, a fence now snakes along the border.

"The fence came up as a Covid-19 barrier and also so that goods can't cross," said Doong A Tai, a resident.

China put barriers on some parts of its borders long before Covid-19, not only near North Korea in the northeast and Xinjiang in the far west, but also in the south, where smuggling is a headcase. But the extent to which the country has expanded fortifications all along the southern border during the pandemic has gone largely unnoticed outside the region.



In some spots, it includes the kind of surveillance common in China's big cities. Xi-aoguangong, a tiny village of only 260 people close to Myanmar, has a facial-recognition system to distinguish locals from outsiders, according to state media.

Besides the southern border, several northern Chinese regions adjoining Mongolia and Russia have been fortifying border fences over the past two years, public records show. The efforts there often focus on strengthening existing fences rather than building new ones.

China's Ministry of Foreign Affairs said in response to questions that fortifying borders is a widely accepted international practice, and that the fencing is helping to prevent cross-border transmission of Covid-19.

Vietnam's government didn't respond to requests for comment, nor did that of Myanmar.

The southern Chinese city of Ruili, a jewelry-trading hub, has taken a heavy hit in China's fight against Covid-19. The local party secretary was stripped of his duties last April for failure to keep the disease suppressed.

Ruili officials said in October that just since July, 716

people who entered from neighboring Myanmar, both Chinese and non-Chinese, had tested positive for Covid-19. The city has imposed lockdown after lockdown, lifting the most recent one late last year. In the first nine months of 2021, Ruili's economy contracted 8.4% from a year earlier. Many residents have left.

Ruili has spent much of the past two years building a strong border fence and a buf-

Changes the border fences bring are likely to last beyond the pandemic.

fer zone. An elaborate system now allows cross-border trade to take place with little or no human contact, according to local people and to state media reports.

Trucks from Myanmar must stop at the Chinese border. Their cargoes have to be sanitized and remain on the Myanmar side for 48 hours. Then, robots and cranes move the cargo onto Chinese trucks. Chinese drivers take the goods across the border, where they are sanitized again and held

for 24 more hours before they can be cleared for distribution.

"At least now we can restart our business," said Chen Yunzhong, a 56-year-old businessman who imports fruits to China from Myanmar. "There was a period of time that I thought I had to do something else to make a living."

Ruili's government has put thousands of police and ordinary citizens on duty to watch the border 24 hours a day, according to local official media.

A farmer in his 30s said he was among those placed on night duty to watch for illegal crossings—work that isn't paid. He said he hasn't been able to sell his garden trees and other products because so many people have left the city. The farmer said he received Covid-19 subsidies totaling \$470 last year, but without a steady income, he has taken to digging up taro root and boiling it with vegetables to eat.

For China, keeping trade flowing at border points is crucial, both to ensure livelihoods and to bring in needed materials. A railway linking Kunming in Yunnan province to Vientiane, Laos—a project of China's Belt and Road trade initiative—carries cargo but won't take passengers across the border until after the pandemic, according to state me-

dia.

The new barriers and other controls appear likely to forever change the relationships among many communities along the border. Ruili's restrictions cut off formerly easy crossings from the Myanmar city of Muse, said Sai Khin Maung, an executive of a trade-focused chamber of commerce in Muse.

Fading fruit

Because all trade in watermelons, mangoes, corn and other produce must now flow through official border gates, taking much longer, the produce often rots, Mr. Maung said. "We cannot express the impact on us," he said.

China has been trying to control its border with Myanmar for years to curb activities such as smuggling and drug trafficking, said David Brenner, a University of Sussex lecturer and author of a book on Myanmar's borderlands.

"Covid-19 might be the official justification that China is giving for building the buffer zone now," he said. "But that intention started long before and will govern things long after the pandemic ends."

—Natasha Khan contributed to this article.



By Andrea Petersen

How Parents Can Guard Kids From Suicide

Suicidal thoughts are increasingly common among teens, and cause for alarm among parents. Most kids don't act on those thoughts, scientists say, but researchers are learning to better understand which youngsters are most at risk—and what parents can do to keep them safe.

New research links certain behaviors to an imminent risk of a child's suicide attempt, including a dramatic increase in the time spent at home and a sharp rise in the use of negative words in texts and social-media posts.

These findings are important as families, schools and therapists contend with a yearslong rise in suicidal thoughts and behaviors among teens and young adults, a trend that has grown during the pandemic.

In a June 2020 survey, 25.5% of 18- to 24-year-olds said they had seriously considered suicide during the last 30 days, according to the Centers for Disease Control and Prevention. Mean weekly emergency-department visits for suspected suicide attempts rose 50.6% among 12- to 17-year-old girls in the month ended March 20, 2021, compared with the same period in 2019, according to CDC data. Among boys, those visits increased by 3.7%.

In 2019, 18.8% of high-school students said they seriously considered attempting suicide, while 15.7% made a suicide plan and 8.9% made an attempt, according to a separate CDC survey. By comparison, 13.8% of high-schoolers reported considering suicide attempts in 2009.

Parents can reduce their teens'

risk of acting on suicidal thoughts, first by asking them openly about their feelings, psychologists say. There are strategies to make it more likely that a young person will answer honestly and guidance on what to do if your child says they are having suicidal thoughts.

Warning signs

Researchers say factors that increase a teen's risk of suicide include mental-health issues, self-harm behaviors, a family history of suicide and especially a history of past suicidal behavior.

Depression, in particular, is linked to suicidal thinking. People with depression in combination with anxiety disorders, substance abuse and poor impulse control or aggressive behavior are more at risk of acting on those thoughts, says Matthew K. Nock, a professor of psychology at Harvard University.

About one-third of people who think about suicide will make an attempt, Dr. Nock says. The highest risk, he says, is within the first year of the onset of suicidal thoughts: More than 60% of first suicide at-

tempts happen during this time.

Dr. Nock and colleagues are conducting a study following adolescents seen in emergency departments and psychiatric hospital units for suicidal thinking or suicide attempts. The teens rate the severity of their suicidal thoughts several times a day on a smartphone app. Those with persistently strong thoughts of suicide have the highest risk of suicide attempts, according to preliminary data.

Warning signs to take seriously include increased alcohol or drug use, withdrawing from usual activities, changes in sleep patterns and other behavior shifts, says Christine Moutier, chief medical officer for the American Foundation for Suicide Prevention.

Preliminary results of another smartphone study with high-risk adolescents conducted by researchers from Columbia University, the University of Pittsburgh and the University of Oregon have found an increase in the amount of time teens spend at home in the days and weeks before a suicide attempt, says Randy P. Auerbach, an

associate professor in the division of child and adolescent psychiatry at Columbia University and a principal investigator of the study. Such changes could indicate that kids are pulling away from peers and socially isolating themselves because they feel they are a burden to others, he says. The study found more use of negative emotional language in texts and social-media posts in the days and weeks before an attempt, too, Dr. Auerbach says.

Suicidal thoughts occur on a spectrum of severity, psychiatrists and psychologists say. At the low end are passive thoughts about death, "wishing you were not there, thinking that it would have been better off if you hadn't been born," says Adam Bryant Miller, a research clinical psychologist at the University of North Carolina at Chapel Hill.

18.8%

High-school students who seriously considered suicide, in a 2019 survey

More severe are active thoughts of suicide, considering a method and formulating a plan, says Jeffrey A. Bridge, director of the Center for Suicide Prevention and Research at Nationwide Children's Hospital in Columbus, Ohio.

For teens, problems in relationships can trigger suicidal thoughts and attempts, says Regina Miranda, a Hunter College psychology professor studying patterns of suicidal thinking in high-risk adolescents.

"You don't have the long view, the understanding that this will pass and tomorrow I might feel better," says Kathryn R. Cullen, associate professor and division director of child and adolescent mental health at the University of Minnesota.

What parents can do

Having open conversations with teens about mental health and suicidal thoughts is among the most important things a parent can do, says Lisa Horowitz, a pediatric psychologist and senior associate scientist at the federal National Institute of Mental Health.

Parents can share some of their own struggles and how they worked through them, Dr. Moutier says. Keep checking in with your child about mental health and potential suicidal thoughts.

If your child admits to having thoughts about death or suicide, parents shouldn't respond with panic, disappointment or dismissiveness, Dr. Miller says. Instead, he recommends validating a child's feelings and assuring them that you're there to help.

Families need to scan their homes and secure anything that could be potentially lethal, NIMH's Dr. Horowitz says.

"In the same way you tell parents of toddlers to baby-proof their house, when you have a teen that is having thoughts of suicide, you have to think in that mode," Dr. Horowitz says. "Kids in an impulsive moment can take a bottle of Tylenol and die."

Do you need help? The contact number for the National Suicide Prevention Lifeline is 1-800-273-8255.

NFT Art Shown Off At Home

Continued from Page One frames designed to run looping slideshows of family photographs, but said some of these models didn't allow them to resize or crop images.

"I don't want to look like we live in Best Buy, with chunky black screens all over," said Ms. Casoni.

The couple even experimented by setting a projector on a plinth in a corner of their living room and pointing it at a blank canvas hanging on a facing wall. When they turn the projector off, digital pieces such as "Elephant Dreams II," a surrealist pink landscape by Andrés Reisinger and RAC, disappear. When it does, the white canvas alone "looks minimalist," she said.

Collectors spent \$21 billion trading digital art and collectibles last year, up from \$67 million in 2020, according to digital-analytics firm DappRadar. Most of these digital artworks were attached to NFTs, or nonfungible tokens, which act as vouchers of authenticity on the blockchain for virtual goods, such as digital art.

As it turns out, those adventurous digital media still crave some kind of real-world way to show it off at home. Collectors say they want their physical frames and displays to match the "wow" factor of their digital art. Stephen Zautke, an investor building a house in Puerto Rico, said he plans to blanket a wall in the entry of his new home with a 6-foot-square, micro-LED screen. It is spe-



Above, Pablo Rodriguez-Fraile and Desiree Casoni. Below, the digital piece 'synth#boi.'

cifically designed to show highly detailed images—in his case, Refik Anadol's digital 3-D tank of sloshing colors, "Quantum Memories Probability." Art adviser Yvonne Force Villareal recently advocated the same wall-size screen idea on her Instagram account, posting a video extolling the vast screen in the studio of her artist husband Leo Villareal, who just released a series of NFTs.

Steven Sacks, who runs New York's bitforms gallery, said he has been inundated with calls from collectors seeking to frame digital works. Mr. Sacks said he tells them it is possible to get an 8-foot-wide television screen for around \$14,000, though custom jobs by digital signage companies can top \$150,000. He said he doesn't recommend converting ordinary TVs that might cost a couple hundred bucks into art displays because it diminishes how the

artwork is perceived.

"You shouldn't want to turn on the football game after you click off your \$100,000 artwork," he said. "That does a disservice to the art."

So is keeping your NFT collection locked on your cellphone, says Aaron Cunningham, a Berlin-based developer who is selling framed spots within his digital museum, Musee Dezentral, where people can exhibit their digital art. "It's one thing to look at it on your phone, but great art needs to be elevated beyond the swipe and like," Mr. Cunningham said.

One startup, Framed, is selling NFTs that mimic ornate picture frames. They are formatted to attach to other digital artworks so that the pair can be posted together. Token-frame, meanwhile, lets collectors upload their NFTs directly to its physical frames. "At this point, the world is so inundated with NFTs—how can you

differentiate yours to signal its worth?" said Sven Palys, Framed's founder.

In another area of Ms. Casoni's Florida living room sits a blue device by Swedish designer Love Hulthen that evokes a vintage arcade game, only the screen shows a video-sound piece called "I Miss You" by the artists Vini Naso and Yambo. The image depicts a floating couple in an embrace, and people can turn the device's knobs to zoom in or out.

Mr. Hulthen and artist Lirona collaborated on "synth#boi," a limestone piece whose round screen is attached to a synthesizer keyboard. Press the keys, and portions of a cheery robot face illuminate the screen. Mr. Hulthen said he designed his display "in symbiosis with her art piece." The edition of 10 quickly sold out at roughly \$65,000 apiece.

Mike Winkelmann, who goes by Beeple, is another artist known for teaming with a partner to build displays for his tokenized art. In the past, he enlisted New York-based Infinite Objects to encase his work permanently within sheets of clear acrylic, objects the company calls video prints. Infinite Objects said it has shipped more than 50,000 units by him

and other artists since it launched two years ago.

Recently, when Mr. Winkelmann wanted to go bigger to create his first sculpture, "HUMAN ONE," the artist used mahogany to build a box-like structure around a quartet of LG TV screens, which he positioned vertically. The revolving result ended up looking something similar to a phone booth, but with screens projecting a video of a man in a space suit walking in a loop. (Infinite Objects said it recently launched its own line of larger screens.)

Ryan Zurrer, a digital-art collector based in Zug, Switzerland, has some 80 NFT artworks but displays only a handful at home.

Mr. Zurrer keeps eight pieces by Mad Dog Jones, Mr. Anadol and Beeple lined up on a shelf behind his desk in his home office. To be able to turn them all on with the flip of a light switch, he had to sync them using a hidden "bucket of wires." The rest of his home? It remains NFT-free, he says, "until my wife finds one she likes enough to live with."



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PERSONAL JOURNAL.

By JULIA CARPENTER

Pressured Renters Flock Into Tight Home Market

Rising rents are one of the main drivers in the recent bout of inflation. They are also spurring many renters to try to buy a home as quickly as possible.

Average monthly rents listed in the U.S. jumped more than 14% year over year in December, climbing to \$1,877, according to data from Redfin. In many major cities, including Austin, Texas, and Miami, rents increased by more than 30%.

Economists still recommend buying a home as a way to stave off inflation and build wealth, though it is hardly easy. Buyers are already contending with rising home prices, decreased inventory, bidding wars and the prospect of higher mortgage rates.

Many renters are staying on the hunt nevertheless. They are redoing the math on renting after seeing their monthly payments go up and rushing to get a home—any home—to outrun coming rises in mortgage rates and future rent increases.

Financial advisers and economists generally agree with this plan. But they are concerned that some clients are panicking and could harm their finances in the long term.

“Come late December, we started worrying,” said Katie Quinn, of her search for a home in the Sacramento, Calif., area. “Like, ‘OK, we have to find something quick and lock in a good interest rate before it starts to increase.’”

The pressure on renters is coming from many directions. Higher rents are eating into buyers’ down-payment savings, while rising home prices mean they need to come up with a bigger down payment to compete with other buyers.

As of January 2022, the median home price increased to \$357,300, up 14% year over year, according to Redfin.

“A lot of people couldn’t find a way to get into a home last year,” said Daryl Fairweather, chief economist at Redfin. “A lot of people were thinking ‘I’ll rent instead,’ and that got rents up.”

Mortgages are getting more expensive as well.

Last week, the Federal Reserve signaled it would begin raising interest rates in March as part of its



plan to bring down inflation. The average rate on a 30-year fixed-rate mortgage is now about 3.55%, still low by historical standards but up nearly 0.8 percentage point year over year, according to Freddie Mac.

Brooke Baenen, a Green Bay, Wis., area real-estate agent, said one of her clients—a first-time buyer in her 40s—felt moved to action by the rent increases. This client had been a lifelong renter, but when her rent increased—first

by \$50 a month, then by \$200 a month—she grew interested in buying a home.

Ms. Baenen said she has talked with many people in similar positions. In her area, which has historically been affordable, she is seeing people living in small-city apartments but paying big-city prices.

Financial advisers worry that the prospect of rising home prices and mortgage rates may lead some renters to panic and overpay for properties, said

Malik Lee, founder and managing principal at Felton & Peel Wealth Management.

When purchasing a home, a home buyer must put down a down payment—which can fall anywhere from zero, for loans guaranteed by the Department of Veterans Affairs, to at least 20% for many standard mortgages. Closing costs typically average 2% to 5% of the loan amount, according to Redfin.

From there, a buyer has to cal-

culate the monthly total.

Mr. Lee points to mortgage calculators that allow people to see the impact private mortgage insurance, homeowner association fees and other costs will have on their monthly payment. He says a buyer should be wary of spending more than 25% of income on these monthly items.

The impact of rising mortgage rates depends on a buyer’s total mortgage. For example, a buyer who purchases a \$1 million home and puts down 20% is left with an \$800,000 mortgage.

If the 30-year rate on that mortgage is 2.75%, they would pay roughly \$3,200 every month. If the rate increased to 3.5%, their payments would be closer to \$3,600.

“I’m a big stickler on making sure when you get into the home, you don’t deplete reserves just to get into the home,” Mr. Lee said.

Once a buyer has done that math, next is comparing a potential mortgage payment with current rent payments.

Some people may find mortgage payments may cost them as much—or less—than increased rent, said Audrey Chaney, a real-estate agent at Realty ONE Group Complete and ACRE & CO in Sacramento.

“If you’re spending \$2,400 a month in rent, that could be equity in a home. If you do that for two years, it’s almost \$50,000,” she said.

Ms. Baenen cautions her clients against rushing into something they can’t afford or don’t love. Most homeowners typically need to stay for three to five years to recoup closing and moving costs.

“People are freaking out” about mortgage rates, she said. “But I tell them, ‘It’s still going to be under 4%. We need a little perspective. In the 2000s, it was over 6%.’ So it’s still really low, still historically low interest rates.”

Ms. Quinn in Sacramento and her fiancé closed on a townhouse in January and are planning to move in this month.

She said they found a place that fit their budget and location specifications, and—most importantly for her—the mortgage payments clocked in at around what she and her fiancé had been paying in rent for their apartments.

“When you think about it, a mortgage that was the same as you were paying rent, that’s kind of a no-brainer,” she said.

PHOTO ILLUSTRATION BY SAM KELLY/THE WALL STREET JOURNAL. GETTY IMAGES (2)

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WHAT TO STREAM 'Pam & Tommy' & That Tape

By CHRIS KORNELIS

Pamela Anderson and Tommy Lee’s sex tape saga is a Hulu series, and Jack Reacher is a lot bigger than Tom Cruise in Prime Video’s “Reacher.” Plus, Peacock may have figured out how to make it easy for you to watch the Winter Olympics. Here’s where to stream it all:

New Release: 'Pam & Tommy'
(Hulu)

Hulu’s new limited series about a ‘90s sex tape paints “Baywatch” star Pamela Anderson, Mötley Crüe drummer Tommy Lee and a contractor named Rand Gauthier as unwitting players in a drama that revealed the technological opportunities and dangers of the internet age.

“It’s a big, fun, sleazy, trashy, coke-y sort of world that underneath has all these really rich and relevant themes of privacy, celebrity culture, the #MeToo movement and the dawn of the internet,” says co-showrunner Robert Siegel, “and, if you wanna be pretentious, what you call, maybe, the ravages of capitalism.”

“Pam & Tommy” stars Lily James and Sebastian Stan as the title characters. Seth Ro-

gen portrays Mr. Gauthier, a contractor working on the couple’s home who feels slighted and attempts to exact revenge and compensation by stealing their safe. In addition to expensive guns and other treasure, he finds a tape the pair made on their honeymoon. Trying to monetize it, he turns to a friend in the porn industry (Nick Offerman) and the emerging medium that is the internet.

“Pam & Tommy” is now streaming on Hulu.

New Release: 'Reacher'
(Prime Video)

Tom Cruise may have become the face of Jack Reacher, but when author Lee Child originally envisioned the character, he was supposed to be so physically imposing that nobody would dare mess with him.

Prime Video’s new series, “Reacher,” takes to heart the oversize articulation of the character in Mr. Child’s books. Played by Alan Ritchson, the former military police officer turned drifter is a massive specimen.

The first season of “Reacher” is based on Mr. Child’s debut novel, “Killing Floor,” and begins when his hero shows up in a Georgia town on the trail of the late bluesman Blind Blake. He finds himself in a diner with guns pointed at his head be-

Lily James and Sebastian Stan, above, star in ‘Pam & Tommy,’ while Alan Ritchson is the newest ‘Reacher.’

fore he is able to take a bite of his peach pie. Bodies turn up and Reacher is pulled into the mix. When the case takes a personal turn, Reacher goes from being the primary suspect to rogue investigator.

This, Mr. Child says, is just what he had in mind. “Reacher’s huge physical invulnerability had to be obvious. And Alan fits that really well,” he says. “He steps onto the screen impregnable, implacable—nobody is gonna mess with him.”

“Reacher” premieres Friday on Amazon’s Prime Video.

The 2022 Winter Olympics
(Peacock)

NBCUniversal is parking all of its coverage of the 2022 Winter Olympics in Beijing in one place: the streaming platform Peacock. Viewers have the opportunity to watch the Games as they happen or as it is convenient.

The company plans to live-stream every event at the Olympics on Peacock and archive them for on-demand viewing later. This will be in addition to broadcasting the Games on NBC, USA Network and elsewhere.

FROM TOP: HULU; AMAZON PRIME VIDEO

ARTS IN REVIEW



Installation view of 'Charles Ray: Figure Ground,' left; Mr. Ray's '81 x 83 x 85 = 86 x 83 x 85' (1989), above; and 'Tractor' (2005), below

ART REVIEW

A Mercurial Artist's Mini Retrospective

At the Met, a selection of just 19 works invites us to take the measure of Charles Ray's entire career

By RICHARD B. WOODWARD

New York

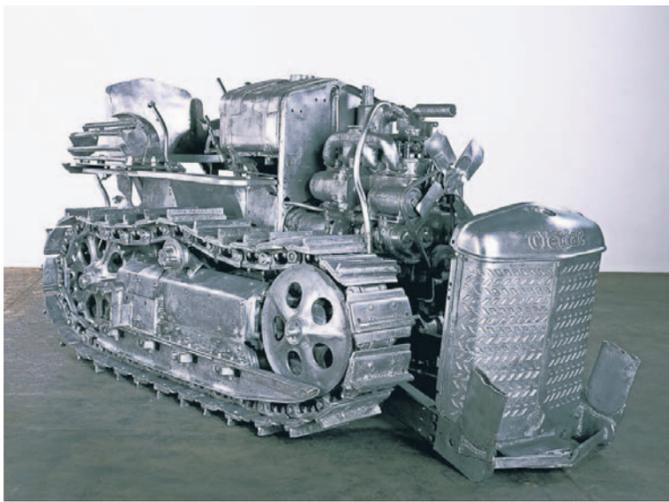
Charles Ray is an artist easy to embrace but slippery to hold close and categorize.

Is he a populist? His realistic sculptures of human figures and farm machinery might lead one to think so.

Or is he a neo-traditionalist? The recent references in his art to the standing and relief sculpture of classical Greece and Rome, and to canonic 19th-century American literature, summon up the formerly venerated past without historical indictment—a rarity in today's art world.

Or should the 69-year-old, California-based artist be seen as essentially a provocateur, content to unsettle but not confront his audience, similar to his contemporaries Robert Gober and Jeff Koons?

These questions filled my head while walking through "Charles Ray: Figure Ground" at the Metropolitan Museum of Art. In this unusual retrospective, neither chronological nor thematic, the curator Kelly Baum and associate curator Brinda Kumar, both in the department of modern and contemporary art, have distilled his life's work down to only 19 objects. Arranged



in two cavernous galleries on the second floor, each knotty piece is presented as a product of his obsessive, capricious mind. (Missing, alas, are his smashed-up metal trucks and automobiles.)

There are examples of his performance art from the 1970s, when he would document his actions in photographs—propping himself against a wall with a board ("Plank piece I and II," 1973) or wrapping himself up like a cocoon in the branches of a

tree ("Untitled," 1973).

Conceptual puzzles abound. "No" (1992) is a photographic self-portrait of his fiberglass-sculpted likeness, while "81 x 83 x 85 = 86 x 83 x 85" (1989) is ostensibly a parody of a Donald Judd metal box. The title gives its exterior measurements on the left side of the equation, its interior on the right. The seeming contradiction between the two is only resolved upon learning that the sculpture is sunk below the

surface of the floor.

"Family Romance" marked a breakthrough for Mr. Ray when it was featured in the 1993 Whitney Biennial. A painted fiberglass sculpture of a naked father, mother, son and daughter holding hands, it's hard to say why it's so disturbing: Is it the nudity of parents with children? The fact that the adults have mature genitals and pubic hair and the kids do not? Or because everyone is the same height (a little over four feet)?

Mr. Ray's sculpture can be monumental or fit in the palm of one's hand. "Chicken" (2007) is one of three tiny white pieces fastidiously crafted out of painted stainless steel and/or porcelain. It depicts an egg with a hole in the shell from which a chick is about to emerge. In a catalog interview, he describes the work as the meeting of "two energies" on the egg's surface—"a chicken coming out and a viewer looking in."

Towering above the entrance to the second gallery is "Archangel" (2021). Carved in Japan out of cypress, and unpainted, it's a statue more than 13 feet tall of a buff, half-naked male youth, with rolled up jeans, flip-flops and a man bun. Although he appears to be balanced precariously on his base—he holds his arms stretched out—the figure

is intended to be confident in his movements. Drawing on images from religious art, Mr. Ray has said he had in mind the moment of Gabriel's alighting from heaven.

Two sculptures refer to "Adventures of Huckleberry Finn." In "Huck and Jim" (2014), both characters are nude, cast out of gleaming stainless steel. Although both are the same height (9-foot-3), Huck is bent at the waist, his arms hanging down, while Jim stands upright, his right hand about to press on (but not yet touching) Huck's lower back—an ambiguous gesture of dominance as well as tenderness.

In the more recent "Sarah Williams" (2021), Mr. Ray has selected a scene from chapter 10 of the novel when Huck disguises himself as a girl before going to town. He faces grimly forward, costumed in a bonnet and dress, while Jim kneels behind him. Again, they are cast in stainless steel.

Both pieces touch on the racial and sexual dynamics of a white boy and an older Black runaway slave. Mr. Ray has stripped any comedy from the cross-dressing and imparted a sad gravity to the pair's friendship, one based on leg-islated inequality.

Is the sculptor a populist? A neo-traditionalist? A provocateur?

Even though I sometimes leave a show by Mr. Ray wondering if, say, a sculpture of a naked boy holding a frog by its leg plays off an insider art-historical joke that I am too ill-informed to grasp, the head-scratching enigma is seldom annoying.

Maybe that's because he doesn't declaim his meaning or talk down to the viewer. One reason his art may endure is that he never seems quite sure himself about the connotations emanating from his work, and that with each new piece he is still trying to figure out what he wants it to do or say.

Charles Ray: Figure Ground
The Met Fifth Avenue, through June 5

Mr. Woodward is an arts critic in New York.

OPERA REVIEW

'Svadba': Recorded Rites

By HEIDI WALESON

One of the most interesting creative developments resulting from the Covid-19 shutdown of live performance is the recognition that operas can work as films.

Rather than the familiar video representations of staged performances, these projects are conceived for the screen, expanding the visual environments of the stories and even divorcing the physical process of singing from the characters on the screen. Boston Lyric Opera and Opera Philadelphia have pioneered individually in filmed opera; their collaboration on a film of Ana Sokolović's "Svadba" (2011) is now available to subscribers on the digital channels of both companies at operabox.tv and operaphila.tv; on-demand viewing is \$15.

"Svadba" is a good candidate for film treatment. A riveting, 54-minute a cappella piece for six female voices and incidental percussion, it is about ritual and community rather than plot: Five women prepare their friend, Milica, for her wedding the next day. Alternately fierce, tender, playful and ecstatic, the friends coalesce around this monumental life transition. Ms. Sokolović's libretto

draws from Serbian poetry and folk tales, but much of the text is an invented, onomatopoeic, syllabic language. Carried by the tight harmonies and complex rhythms of the music, it makes its impact viscerally, rather than committing to literal meaning.

The film, directed by Shura Baryshnikov, takes the idea a few steps further. Six singers recorded their parts in a studio, while five dancers and an actor (Jackie Davis as Lena, here called the Elder) performed on location—a rustic beach house and its environs on Cape Cod. The camera cuts back and forth between the two, which is occasionally disconcerting until you figure out which of the singers is playing the bride (I watched it twice). Four bridesmaids wear diaphanous, sparkly tulle; the fifth, Lena, wears a plain dress with an apron—it's her house. (Costumes are by Lena Borovci.) The attendants gather flowers and grasses for bouquets and beach fruits for jam; they undress and dress the bride; they play games. In Hannah Shepard's screenplay, the natural world is infused into these rites of passage.

Opening the piece up into the stunning landscape adds texture—Ana Novačić was the production designer and Katherine Castro the director of photography—though it also sometimes detracts from the almost claustrophobic intensity and intimacy of the vocal writing. In an early scene, Lena dyes Milica's hair while the other bridesmaids dash outside, take off their dresses, and dance on the beach in their underwear; it seems odd that the six women are not all together. Other scenes cohere better. In one, the



Victoria L. Awkward as Milica with bridesmaids in the Boston Lyric Opera and Opera Philadelphia collaboration

singers recite the Serbian alphabet and layer nursery rhymes as the dancers face off in a playful contest. And in the most magical sequence, the sun sets, and the bride goes out to the beach alone as the ensemble, with a bit of reverberation, sings (in Serbian), "Wet your hair with stars." Here, the physical separation on screen seems right—it is a nocturne and an incantation, fading into the sound of a rain stick, as Milica falls asleep on the beach beside the waves. At dawn, she is awakened, also magically, with the wispy sound of an ocarina, and the final preparations begin.

The film's casting also gives the piece new dimensions. The camera celebrates Victoria L. Awkward's

beautifully complicated Black hairstyle, with its multihued extensions, giving Milica's hair-dyeing sequence extra resonance. It also interpolates a cameo appearance by a nonsinging Betrothed—who is a woman (Olivia Moon). There was an all-female production team as well as cast. The folk-based rhythms and harmonies, nonsense syllables, and vocal noises like lip trills and tongue clicks can make "Svadba" seem like a mysterious anthropic ritual from some exotic ethnic group. In the film, the identifiable location and the diverse cast make it feel both contemporary and timeless.

The splendid vocal ensemble, conducted by Daniela Candillari, featured Chabrelle D. Williams, who

brought anticipatory ecstasy to Milica's big solo; Brianna J. Robinson, Maggie Finnegan, Mack Wolz, Hannah Ludwig and Vera Savage created a vibrant, varied tonal palette with wonderfully precise articulation of the syllabic material. In addition to Ms. Awkward and Ms. Davis, the dynamic onscreen performers included dancers Jay Breen, Sarah Pacheco, Sasha Peterson and Emily Jerant-Hendrickson.

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).

SPORTS

Women's Hockey Pipeline Is Fractured

Team USA heads to Beijing as defending champions. But the sport is still failing female players.

By LAINE HIGGINS AND RACHEL BACHMAN

Four years ago, the U.S. women's hockey team won its first Olympic gold medal since 1998 in the most dramatic fashion possible, beating archrival Canada in an overtime shootout. With the game concluding in the wee hours of the morning stateside, Hilary Knight, Kendall Coyne-Schofield and company were literally overnight sensations.

Yet even as Team USA's stars were feted like the queens of hockey they had become—in parades, ad campaigns and on the talk-show circuit—the pipeline that feeds new players to the U.S. national team displayed cracks at every level.

Bodies that are supposed to develop and promote the sport—such as the National Collegiate Athletic Association and the International Ice Hockey Federation—were neglecting women's hockey even as participation rose. Professional women's hockey leagues, still in their infancy, were starved for funding and unstable.

Today, things are changing. A critical report last year detailing stark inequities in women's college hockey quantified longstanding problems and spurred corrective action. A cash infusion into the top professional league will help stabilize its operations for the next three years and increase player salaries.

Even as the 2022 U.S. Olympic women's team began its preparations for a second straight gold at the Beijing Olympics, however, the girls and women who aspired to follow in their footsteps were feeling a familiar frustration.

The IIHF, whose mission is in part to “govern, develop and promote men and women's ice hockey, in all forms and at all ages,” has twice canceled the women's junior world championships during the pandemic while the men's events went on longer before cancellation or were played as scheduled.

“It's heartbreaking, because you see how much time and the effort that the girls put in—just as much, just as equal, early morning weight lifting, staying late for shooting,” said Gina Peschel of Edina, Minn.

Her 18-year-old daughter, Emma, was set to play in the



U.S. Olympic hockey gold medalist Meghan Duggan was recently elected president of the Women's Sports Foundation.

women's U18 World Championships in Sweden before they were canceled in December. The men's junior tournament was later scrapped, too, but only after outbreaks forced several forfeits in early rounds.

“People misunderstand that this is because we favor men's hockey over women's, which is completely false,” IIHF President Luc Tardif said. He promised to reschedule both men's and women's junior tournaments.

Tardif added that there was a greater economic incentive to stage the men's tournament because of the revenue it generates for the organization compared with the women's event.

The push for advancements in women's sports has always been

met with resistance, and the tradition-bound world of hockey is no different.

“There are parts of the game that I love that have history and old-school culture,” said Meghan Duggan, a 2018 Team USA gold medalist and recently elected president of the Women's Sports Foundation. “But there's a lot of it that needs to change and needs to evolve.”

The 2018 Olympics showed how better promotion could help: The women's hockey Olympic final drew 3.7 million viewers across all platforms, more than most NHL games, even though it aired after 11 p.m. ET on a Wednesday on the secondary NBC Sports Network.

The women's gold medal drove the sport. Participation in girls' and women's hockey grow 6.0% from

2017 to 2019, according to USA Hockey.

Although NCAA women's hockey is a crucial part of the player pipeline—all 23 women on the 2022 U.S. Olympic team played college hockey—a 2021 report found NCAA ice hockey to be among the most inequitable sports for women.

The NCAA spent nearly three times as much per athlete on the men's hockey tournament than the women's tournament as of 2019, according to an NCAA-commissioned gender-equity review of all sports championships by the law firm Kaplan Hecker & Fink.

The NCAA spends far more promoting the men's tournament—about \$193,000 each year compared with \$11,000 for the women. The Division I women's hockey

championship started in 2001, 53 years after the men's championship debuted in 1948.

“It never really felt like a true national tournament,” said Brad Frost, head coach of the University of Minnesota women's hockey team. The NCAA set matchups for the top four seeds based on driving distance to their opponent rather than their ranking to save money.

This year, in a change spurred by the Kaplan report, the women's hockey selection committee won't have to prioritize cheap travel over building the best bracket. The women's hockey tournament also will expand to 11 teams from eight, allowing a similar share of female players to advance to the postseason as in the men's tournament, which has 16 teams.

Investment also has lagged in the women's professional game. The top women's Canadian league operated for nearly a decade without paying salaries, then folded in 2019 after two seasons of paying stipends of \$2,000-\$10,000 a season. Salaries and benefits were similarly skimpy in the surviving National Women's Hockey League.

Last year, that league rebranded itself the Premier Hockey Federation after adding a franchise, lengthening the season and raising the salary cap. The PHF recently announced its board of governors is investing \$25 million in player salaries and benefits over the next three years. The league says it's the largest one-time independent investment in the history of professional women's hockey.

Many of the world's best players remain skeptical. About 200 of them, with the backing of tennis legend Billie Jean King, have boycotted the league since 2019 over pay and benefits. They signed sponsors including Secret Deodorant and Adidas to fund barnstorming tournaments in North America. They're planning to play four games in Ottawa later this month.

Meanwhile, the PHF will keep trying to win them over.

Washington Football Has a New Name: Commanders

By ANDREW BEATON

WASHINGTON'S NFL TEAM finally has a new name: the Commanders.

The decision was unveiled after two seasons of playing as the Washington Football Team and 87 years as the Redskins, a moniker the team dropped in 2020 after amplified backlash over the name widely seen as a racial slur.

The team, which is keeping its burgundy and gold colors, said the new name pays tribute to the cul-

ture of leadership in the Washington area.

Now the newly minted Washington Commanders face the uphill climb of engaging with a fan base that was once one of football's most fervent, but has seen the club struggle on the field and found itself at the center of numerous controversies off of it.

In the past two years, Washington has been the subject of three crises: an investigation for widespread sexual and verbal harassment inside the workplace; a con-



Burgundy and gold remain the colors.

tentious and public dispute between owner Dan Snyder and his limited partners; and public pressure that finally forced the franchise to adopt a new name.

Snyder, the controversial boss at the center of all of these issues, had long vowed to never change

the name.

Public pressure to change the name, though, wasn't new to the franchise. What changed was when some of the biggest financial partners of the team and the league took a stance on the matter.

FedEx—the namesake of Washington's stadium and run by Fred Smith, one of the club's then-minority owners, who had been at odds with Snyder—asked for a name change on July 2, 2020. Nike, the official apparel partner of the NFL, took the club's gear off its website. Other team sponsors, such as PepsiCo and Bank of America, joined the calls.

On July 3, 2020, Washington said it was launching a review of

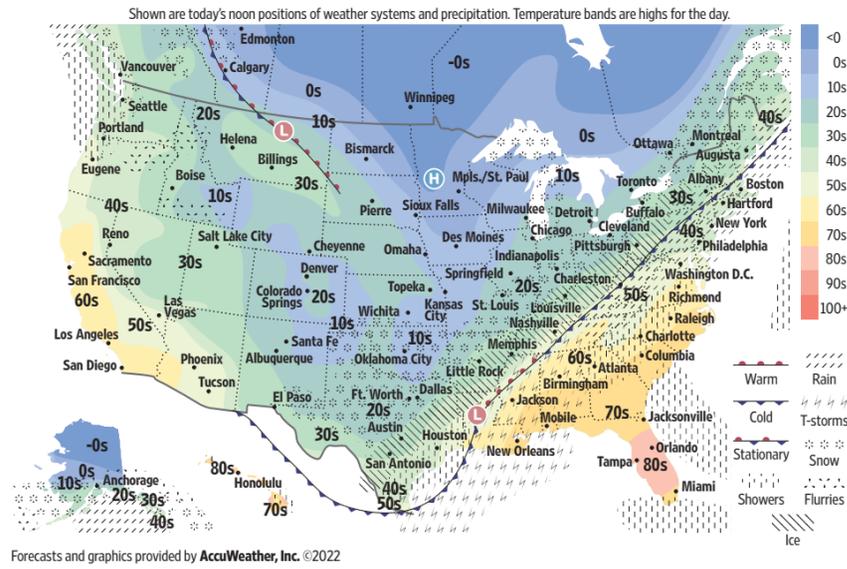
the name. Ten days later, it was officially dropped.

Before the 2020 season, the club decided to play as the Washington Football Team—a moniker that became a placeholder and eventually a permanent option.

Other contenders had included the Armada, Presidents, Brigade, Red Hogs, Red Wolves and Defenders.

Then, after two seasons playing under the type of generic name that is more common in European soccer, the club chose Commanders. The club, in its release, said that the identity is “personified by mission-driven players who take command, forge success and break barriers on and off the field.”

Weather



U.S. Forecasts

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Anchorage	22	21	sn	28	22	sn
Atlanta	69	56	sh	57	32	sh
Austin	30	19	i	36	18	c
Baltimore	51	41	r	42	20	r
Boston	34	20	c	36	20	s
Boise	44	34	r	35	18	sn
Burlington	36	12	sn	14	1	sn
Charlotte	65	61	sh	65	37	r
Chicago	24	13	sn	24	8	pc
Cleveland	27	17	sn	18	9	c
Dallas	26	17	sn	34	12	pc
Denver	20	4	s	35	19	s
Detroit	23	11	sn	20	3	pc
Honolulu	80	64	s	81	66	pc
Houston	47	28	r	42	28	c
Indianapolis	23	12	sn	19	2	c
Kansas City	19	4	pc	31	15	s
Las Vegas	52	34	s	56	35	s
Little Rock	32	26	sn	38	20	pc
Los Angeles	65	47	s	69	43	s
Miami	79	71	pc	80	67	s
Minneapolis	22	12	pc	25	10	c
Milwaukee	3	-5	s	11	-2	c
Nashville	51	29	r	35	19	c
New Orleans	73	41	t	46	34	sh
New York City	46	35	r	38	15	i
Oklahoma City	19	11	sn	28	7	pc

International

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Amsterdam	48	44	c	48	38	r
Athens	50	42	pc	53	42	s
Baghdad	67	51	pc	70	44	pc
Bangkok	91	76	s	91	75	t
Beijing	35	16	s	32	16	s
Berlin	43	39	r	46	35	c
Brussels	47	44	c	49	36	r
Buenos Aires	78	70	t	80	66	t
Dubai	78	62	s	76	62	s
Dublin	52	35	r	43	36	sh
Edinburgh	51	36	r	43	35	c

City

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Frankfurt	48	41	c	47	34	sh
Geneva	48	35	c	46	36	c
Havana	86	65	s	85	62	s
Hong Kong	59	53	r	62	53	c
Istanbul	42	37	r	43	36	pc
Jakarta	88	76	t	87	76	t
Jerusalem	56	38	s	44	41	c
Johannesburg	85	66	s	75	60	t
London	53	44	c	48	36	r
Madrid	64	36	pc	59	41	pc
Manila	88	76	t	92	78	s
Melbourne	65	55	pc	75	56	pc
Mexico City	73	47	s	73	44	s
Milan	53	40	pc	51	37	c
Moscow	23	18	c	24	12	c
Mumbai	83	71	pc	82	66	pc
Paris	48	44	c	50	37	r
Rio de Janeiro	81	74	sh	84	76	t
Riyadh	76	60	s	82	57	s
Rome	60	46	pc	60	46	c
San Juan	80	71	sh	79	71	r
Seoul	34	14	s	33	13	pc
Shanghai	47	36	r	49	32	s
Singapore	89	76	pc	88	76	t
Sydney	73	64	t	73	67	sh
Taipei City	64	59	r	63	57	r
Tokyo	51	37	c	47	38	pc
Toronto	20	10	sn	16	4	c
Vancouver	41	39	r	44	38	r
Warsaw	35	33	cf	40	36	c
Zurich	48	35	c	46	33	sh

The WSJ Daily Crossword | Edited by Mike Shenk

STRIP TEASE | By Lynn Lempel

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| Across | 1 Stuff | 5 Company whose founder's murder Roger Rabbit is framed for | 9 Part of a parcel | 13 Corporate image | 14 Ease | 15 Coarse tobacco | 16 "___ True" (Brenda Lee song) | 17 Restroom graffiti? | 19 Ventimiglia of "This Is Us" | 20 Cozy overnight stop | 21 Glorifies | 22 Financial backer of toga parties? | 25 Objective | 26 Counterpart of saturation and lightness, in computer graphics | 27 Throw in | 29 Pro with a balancing act | 32 Fort Knox block | 35 "Diana" crooner | 37 Can opener, of a sort | 38 Surge in keg sales? | 41 Teeny household allergen | 42 Creatures for whom Anguilla was named | 43 Not completely trusting | 44 Latecomer's fate, briefly | 45 Paternity determiner | 46 Wimbledon group | 47 Preferred pronoun, perhaps | 49 Splitting of subatomic particles? | 55 Sub stratum | 58 Company that had Ambassadors Clubs | 59 Georgette, to Georges | 60 The three little pigs, say? | 62 Rhapsodic review |
|---------------|---------|---|--------------------|--------------------|---------|-------------------|---------------------------------|-----------------------|--------------------------------|------------------------|--------------|--------------------------------------|--------------|--|-------------|-----------------------------|--------------------|--------------------|--------------------------|------------------------|-----------------------------|--|----------------------------|------------------------------|-------------------------|--------------------|-------------------------------|--------------------------------------|----------------|---------------------------------------|--------------------------|--------------------------------|---------------------|

63 Author who won a posthumous Pulitzer	31 Fellow combatant
64 Far from safe	32 Some mainframes
65 God with a goat-driven chariot	33 Film genre
66 Baldies' envy	34 Parent's bedtime plea
67 Time for a revolution?	35 Elite Special Forces unit
68 Puts away	36 Senators compete in it
Down	37 "An Heiress of Red Dog" writer
1 Tackle K2	39 Marsh
2 Riveting woman of WWII	40 Guinness who won an Oscar and a Tony
3 Spray	45 Singer Lovato
4 Hotel alternative	46 Sinuous
5 In tow	48 President who banned alcohol at the White House
6 Exact copy	50 Seat of Oneida County
7 Sore	51 Title name
8 Rochester bride	52 D-Day beach code name
9 Aga Khan Mausoleum site	53 Basketball maneuver
10 Working parents' need	54 Prophets
11 Harangue	55 Inundate with offers
12 Fabergé handiwork	56 Ship protected by Hera
14 Fashion with a flare	57 May race, for short
18 Dismissed	61 Diner dessert

Previous Puzzle's Solution

A	L	T	A	M	A	D	A	M	E	B	I	C
L	I	A	M	U	N	I	S	E	X	R	O	E
A	P	R	O	S	C	A	P	L	E	G	S	
S	T	A	R	T	L	E	D	S	I	C	O	N
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A	R	T	S	A	C	O	N					
M	A	A	S									
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► Solve this puzzle online and discuss it at WSJ.com/Puzzles.

OPINION

End the Covid Panic Now



WONDERLAND
By Daniel Henninger

It is manifestly clear that the panic phase of the Covid-19 pandemic has to end. The costs are too high.

I don't mean end as a state of mind. The pandemic has to end officially, as a matter of stated public policy by the U.S. government.

President Biden needs to declare publicly that the pandemic phase of Covid is over so people can resume living in a reality not dominated by masks, tests or vaccines.

Daily life has been suspended since March 2020. It won't be the same for years, as the virus and its mutations circulate indefinitely. But the daily routines of life need the freedom to reassemble as what they were pre-pandemic, rather than what people are putting up with now.

Biden should declare the pandemic is over, so Americans can return to normal lives.

From the pandemic's start, the relevant argument for the restrictions was to reduce the virus's terrible lethality and its long-term physical effects and to protect the hospital system's ability to manage the caseload.

Because the Omicron variant is so transmissible, the total number of deaths remains high. Meanwhile, hospital admissions and case numbers are falling at a rapid rate.

Those deaths are a tragedy, and the pressure on the hospital system and its employees is real. But neither is

sufficient reason to grind on with the Covid status quo. The share of the population who are not vaccinated is a sociological issue that won't be resolved with a forced march into a third year of pandemic panic.

The Covid status quo is that the virus is in our heads *all the time*—among family, in our schools, at work, in travel, in White House briefings, in lawsuits and beneath a waterfall of media coverage. We live in a state of low-grade anxiety.

School systems in many cities and towns are essentially in a state of ruin, with it impossible to deny that many children have learned little for two years as they bounced between classrooms and stared at small screens.

This newspaper just reported that teachers are abandoning the schools and taking permanent jobs elsewhere. One middle school teacher, Nicole Routon, who taught science for 13 years, summed up living inside the Covid panic: "Nothing is changing and everything is a problem. It's a hard state to live in all the time."

The seemingly unto-eternity extension of the Covid crisis is now doing more non-medical damage to the country than the virus itself. Masking and testing have turned life into a Rubik's Cube of detail and wheel-spinning decisions. What matters more, a negative or positive rapid-test result? When is the ideal time to test yourself? How long before you retest? The Centers for Disease Control and Prevention explains in arcane detail how test to stay works in its "K-12 Transmission Science Brief."



Cleaning a senior care facility in April 2020.

Paxlovid, and come back to work when you feel better.

How do we get there? I'd go so far as saying we should let Joe Biden off the pandemic hook he hoisted himself onto by claiming he would "shut down the virus." So long as the Biden administration's numbers fall over Covid, they are going to keep running the clock with more patches like the Covid test-kit website. An

unmistakable sign of policy exhaustion is that they've begun blame-shifting onto officials who are already trapped inside the administration's own Covid "messaging" labyrinth. Mr. Biden's approval ratings likely would rise, perhaps five points, if he did the following:

State from the Oval Office that the Covid pandemic in the U.S. is over.

Announce that the White House Covid-19 Response Team will transition from daily response to long-term virus management.

Declare that mandated policies related to masks, testing and vaccinations are no longer necessary. Restate his point that policy setting for virus mitigation should reside with the states.

As a needed political grace note, acknowledge the contribution of every appointed and elected federal officer who fought the pandemic the past two years.

Thank Anthony Fauci for his career of service to the nation and accept his retirement.

The pandemic has to stop. Mr. Biden knows that. He could fulfill his biggest promise to the American people by saying it's over.

Write henninger@wsj.com.

Requiescat in Pace, Alma

By Karl Rove

Tuesday morning, the hospital wouldn't let me say goodbye to my sister. Covid restrictions, they said. Only Alma's two daughters, masked and gowned, were allowed in with their mother as she lay in a hospital bed, sedated and intubated. Then doctors and nurses removed her life-maintaining support. A short time later she died, holding her daughters' hands.

Her siblings and grandchildren watched the end from the hospital chapel via Zoom on a borrowed laptop, praying it was a peaceful, painless passing.

My sister is among the latest nearly 900,000 American Covid casualties. Our family participated in a wrenching drama that far too many families have suffered these past two years.

Alma Louise Rove, 65, had a hard life. Her parents divorced when she was in her early teens. She had her first child at 17, her second at 19, and she endured two unhappy marriages. She never attended college and spent decades toiling in paint and home-decorating stores filling orders, matching fabrics and wall colors, and managing the shop.

My sister was tough and resilient but a hot mess, too. She was plagued by recurring health challenges—those

"pre-existing conditions" that forecast rough sledding for any Covid patient—including breast cancer, rheumatoid arthritis, Sjogren's syndrome, thyroid and heart problems, and other ailments too numerous to catalog and for vaccinations to overcome.

Alma was a kind, compassionate soul who took care of everyone else before herself. In her guest bedroom, there was often a pal down on her luck or friends who needed a place to stay while they got back on their feet. A tall, attractive brunette, she became stooped with the years, but her smile—the bright, open, comfortable, almost ever-present smile—remained.

Her pride and joy were her two daughters. They've grown into remarkable women. The elder is a technician in a Denver medical lab, the younger a teacher in a small town on Colorado's Eastern Plains. Their mother endowed both with a stoic acceptance of life's curves and dips and an ability to endure.

That strength has been sorely tested. The youngest lost her 15-year-old son in a car crash last September, and the sisters convened a call Sunday night with their mother's four siblings to explain a tough decision. Alma did not want to be kept alive by machinery. Her daughters had made the hardest choice a child must make: to let a parent go.

My nieces and their three children have lost a mother and grandmother who loomed large in their lives for many wonderful years. They—and the rest of our family—have now experienced a death at the hands of a virus that has taken half again as many of our countrymen as were killed in World War I, World War II, Korea, Vietnam, both Gulf wars and Afghanistan combined.

Covid took my sister, a compassionate, tough soul who always put others first.

I suspect my family is reacting like others who've faced this great loss. As we grieve, we're also grateful for healthcare professionals who've fought Covid for over two years. What they've done, day in and day out, in confronting this lethal virus is truly heroic. More than anyone else, they have fought this relentless enemy with all their skill and energy and witnessed seemingly endless grief. If they are more exhausted than the rest of America, there's a reason why.

We're also grateful for scientists and pharmaceutical companies that in record time produced lifesaving vaccines and therapeutics that have

kept so many families from suffering what mine went through this week.

Don't expect political re-imaginings in this space, or a spate of if-onlys or should-have-dones. I heard in too many White House briefings about SARS in 2002 and 2003 all the unknowns our best medical minds acknowledged about viral pandemics. When this one began, I knew there was no playbook on the shelf that guaranteed a quick, easy victory. And none was found.

The last two long years will leave deep marks on our souls. Lives ended way too early, often alone. Others remain alive but badly damaged. Young people were forced to postpone college, careers, marriages and families. Children have been dealt learning setbacks that could put them behind where they would have been for the rest of their lives. These are only a few of the prices the world has and will pay.

We know this pandemic will subside—we fervently pray it will and soon—but until then, too many families will see a loved one leave this life as mine did this week.

Requiescat in pace, sweet Alma. We'll miss you.

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

We're All Whoopi Goldberg Now

By Rebecca Sugar

It was a bad moment when Whoopi Goldberg asserted on "The View" that the Holocaust wasn't about race but about "man's inhumanity to man." Her comment, limited by her understanding of the American black-white binary of race, was historically uninformed. Hitler identified Jews as an inferior race and specifically targeted them for extermination. Nazi ideas were deeply influenced by Joseph Arthur de Gobineau (1816-82), who believed Germanic "Aryans" were superior to all other whites and nonwhites alike.

Adding to Ms. Goldberg's confusion, and to the anger her words have generated, was her assertion that Jews were and are "white." In fact, Jews

aren't a race as the term is commonly understood today. The majority of Jews in Israel are of Middle Eastern origin. Minorities are Indian, Ethiopian and Chinese as well as European. Ms. Goldberg mislabels Jews as racially homogeneous, unconsciously echoing

Who sounds off in ignorance? These days, who doesn't?

the poisonous anti-Semitic rhetoric that seeks to vilify Jews as white oppressors.

Ms. Goldberg's offense isn't that she is an anti-Semite, it is that she is a self-important celebrity with a platform. Like many others in her position,

she takes that not as a responsibility but as an opportunity. She speaks because she can, not because she has something informed to say. What she has read or understands about the Holocaust, about racial ideas in 19th- and 20th-century Europe, or about the Jews in general is likely not much. Yet somehow she was enthusiastically ready to educate her co-hosts and her audience about a subject on which she couldn't write a serious two-page essay.

Who does this? Who speaks with presumed authority and moral superiority but next to no knowledge? In our culture, that would be everyone with a Twitter account, an iPhone, a classroom full of students, an election coming up, or a TV show. Our entire culture is marinated in people mindlessly

mouthed off simply because they have an audience. Everyone is Whoopi Goldberg in his own small way.

Viewers who tune in are to blame too. No one mistakes Ms. Goldberg for Bernard Lewis. But they tune in for her history lessons anyway, and she is all too happy to provide them.

Hitler might have destroyed the great Yiddish-speaking Jewish civilization of Europe, but its wisdom has survived. Perhaps Ms. Goldberg, and all of us, can learn something from this Yiddish proverb: The wise man, even when he holds his tongue, says more than the fool when he speaks.

Ms. Sugar is a writer and philanthropic consultant in New York.

BOOKSHELF | By Daniel Rasmussen

Chasing Unicorns

The Power Law

By Sebastian Mallaby
(Penguin Press, 482 pages, \$30)

The average venture-capital fund launched in 2011 outperformed the S&P 500 by 7% per year. But that statistic understates the astronomical returns earned by a few top performers—and the mediocre returns earned by the rest. Between 1979 and 2018, the median fund *underperformed* the S&P 500, while the top 5% of funds nearly tripled the index's performance.

The investor Bill Gurley, of Benchmark, describes venture capital as a "grand-slam business." In "The Power Law," business journalist Sebastian Mallaby argues that venture is defined by its most extravagant successes. A few deals explain the majority of returns, a few funds drive the majority of asset-class performance, a few wild ideas change the world.

Venture's contribution to innovation and entrepreneurship is massive. Mr. Mallaby notes that between 1995 and 2019 venture-backed companies accounted for nearly half of U.S. nonfinancial IPOs. These firms are orders of magnitude more likely to launch an IPO than startups that don't receive venture backing. The U.S. economy's dynamism depends in large part on the Silicon Valley ecosystem.

Mr. Mallaby believes this success is the result of a unique mind-set: "the patina of the counterculture" combined with "a frank lust for riches." Venture capitalists will fund almost any idea, no matter how seemingly crazy or unreasonable. But the checks stop coming if measurable results are not forthcoming, forcing every company to constantly confront the harsh realities of a competitive marketplace.

Boston was once the leader in venture capital. The legendary Georges Doriot, who taught at Harvard Business School, is considered the father of venture capital for his role in founding American Research and Development in 1946. But Doriot couldn't bear to see the companies he invested in fail, and his focus was more on people and patriotism than profits. "Capital gains are a reward, not a goal," he told his underpaid employees.

Silicon Valley, by contrast, developed into a ruthless ecosystem that accelerated corporate evolution by killing off the weak while helping the strong to pursue technological and market dominance. Mr. Mallaby tells a gripping fly-on-the-wall story of the rise of this unique and important industry based on extensive interviews with some of the most successful venture capitalists.

Arthur Patterson, the "self-consciously cerebral" co-founder of Accel, devised a systematic approach centered on the idea of the "prepared mind." In an off-site meeting in 2003, the firm's partners identified social networking as one of the most promising new innovations and a focus for the firm's deal makers. Months later, a young partner named Kevin Efrusy persuaded Mr. Patterson to visit a new company called Facebook. The firm would invest about \$13 million—and earn a profit of \$12 billion when Facebook went public.

In contrast with Accel's patrician intellectualism, Sequoia Capital built its reputation on immigrant grit. Three of the firm's top deal makers hail from abroad: Michael Moritz from Wales, Douglas Leone from Italy and Roelof Botha from South Africa. Sequoia's partners first connected with Arash Ferdowsi, the co-founder of Dropbox, through a Persian rug merchant whom the firm had hired to network with the Bay Area's Iranian-American community. Patrick and John Collison, two brothers from a small town in Ireland, founded Stripe, the fast-growing payments company. They partnered with Sequoia, John told Mr. Mallaby, because of the firm's reputation for backing "young immigrant founders with pluck."

Venture capital is defined by its most brilliant successes. A few deals explain the majority of returns, a few wild ideas change the world.

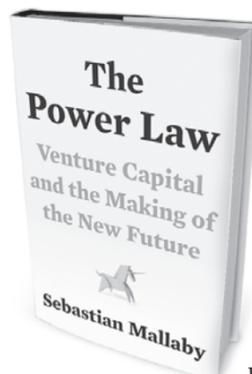
Though the book focuses on the winners, Mr. Mallaby doesn't shy away from criticism, especially in his description of the decline of Kleiner Perkins. The firm was successful in the 1990s, but lead partner John Doerr became more interested in virtue signaling than in profit making. He started a cleantech fund, based on a conversation with his teenage daughter about saving the planet, that put a significant dent in the firm's long-term track record. And he embarked on a highly publicized gender-equity campaign to hire female partners, only to see some of the most talented women quit and then see the firm be sued by a disgruntled employee for gender discrimination.

Telling stories of rich investors betting on young visionaries and earning insane profits could become tediously repetitive, but Mr. Mallaby writes a fast-paced narrative. He also has a journalist's eye for revealing details: Mr. Patterson, of Accel, serves a new recruit a dinner consisting of nothing but 12 ears of grilled corn and a bottle of Bordeaux; an executive assistant at Sequoia scrambles a replacement Porsche for a chief executive when his car breaks down at 3 a.m.; one big-wig uses a silver bell to summon his waiter at his San Francisco mansion.

Mr. Mallaby's "More Money Than God," published in 2010, was a narrative history of the hedge-fund industry based on extensive insider interviews. "The Power Law" can feel, in part, like a spinoff of the earlier book, substituting venture funds, which have profited from the rise of smartphones and cloud computing, for hedge funds, which have struggled to keep up with a soaring S&P 500.

In his closing words in "The Power Law," Mr. Mallaby warns that it's "unwise" to bet against venture. But public markets have recently turned against IPOs and other venture-backed companies, sending venture-style portfolios like Cathie Wood's ETF into steep losses. With the IPO window closing and tech stocks selling off, some venture investors might well be thinking: "There but by the grace of God go I." Only time will tell if Mr. Mallaby has timed the publication of his book with the peak performance of the venture-capital asset class.

Mr. Rasmussen is the founding partner of the hedge fund *Verdad Advisers*.



OPINION

REVIEW & OUTLOOK

The Be More Like China Act

If imitation is the sincerest form of flattery, Chinese President Xi Jinping should feel honored by the 2,900-page bill House Democrats claim will make the U.S. more competitive. To counter China, Democrats think America must copy Beijing's industrial policy.

Last summer the Senate passed a \$250 billion bill with \$54 billion in handouts for the U.S. semiconductor industry and much more for government science bureaucracies. Now with Build Back Better stalled, House Democrats are rushing through their own version that leaves no liberal special interest behind.

Democrats say the \$52 billion for chip makers will ease supply-chain problems. Sorry, but building a foundry takes years. Chip makers expect shortages for years no matter how much governments subsidize them. The White House laments that the U.S. manufactures only 12% of the world's chips, down from 37% in 1990. But most chips are commodities, so manufacturing has naturally shifted to lower-cost Asia. The U.S. still leads in chip design (52%) and chip-making equipment (50%). China is years behind the U.S. in both.

Some rightly worry that China could invade Taiwan and seize its foundries, which have a near monopoly on advanced chips, including for U.S. military weapons. But the Pentagon is already providing incentives to make advanced chips in the U.S., and Taiwan's TSMC is building a \$12 billion plant in Arizona.

The \$52 billion in handouts will trigger a global race to the subsidy bottom—ironic given the White House's complaints about international tax competition. The European Union's internal markets commissioner, Thierry Breton, said last week that it's planning a "commensurate" subsidy package.

Then cometh lobbying by politicians and businesses. Senate Majority Leader Chuck Schumer is pressing the House to pass the bill so chip makers can get subsidies to build in upstate New York. The Commerce Department would get \$45 billion to make and procure "critical goods," which isn't defined but no doubt will include lithium ion batteries and other green technologies. Every trade association will want its products designated "critical."

When government allocates capital, it creates

The House competition bill is industrial policy mixed with welfare.

economic inefficiencies and market distortions. See how Beijing directed investment toward real estate to boost GDP. Now it's trying to keep its tumbling property market from collapsing the economy, even as it subsidizes inefficient state-owned companies as well as new technology.

As much as cheap capital, businesses need regulatory certainty and skilled workers. Yet the Biden Administration is mounting a regulatory assault on business, while progressives dumb down math and science with a woke curriculum. In 2019 only 22% of 12th graders rate proficient in science. The House bill would exempt foreign recipients of doctoral STEM degrees from the visa cap, creates new visas for entrepreneurs and provides "temporary protected status" for Hong Kong residents. That about ends the list of useful provisions.

Congress could counter China by granting trade promotion authority to negotiate new trade deals. Donald Trump's biggest strategic blunder vis-a-vis China was pulling out of the Trans-Pacific Partnership, but new trade authority isn't in the bill.

It does include a huge expansion of trade adjustment assistance (TAA). Workers putatively harmed by trade receive government assistance while they are "retrained," often by unions. TAA recipients would get higher benefits plus a \$2,000 per-child allowance. And TAA would be expanded to public employees. Are government jobs outsourced? This is Build Back Better for unions.

The bill would also create a diplomatic climate corp within the Foreign Service to promote the left's green agenda, plus give \$8 billion to the United Nation's Green Climate Fund. There's plenty more green pork, including \$3 billion for domestic solar manufacturing and grants for promoting "well-managed but less known" seafood species.

Plaintiff attorneys also get a special perk: Platforms like Amazon and eBay could be held liable for selling counterfeit products, many of which come from China. The House bill is even longer than Build Back Better, so these are merely some of the lowlights.

House Democrats hope to pass the bill this week, and then go to conference with the Senate. That's where Republicans will have more leverage if they also aren't beguiled by Chinese industrial policy and more green subsidies.

\$30 Trillion in Debt and Counting

News Tuesday that gross U.S. government debt had surpassed \$30 trillion for the first time caused a flutter of headlines but merely yawns from the political class. That might have something to do with the arsonist not wanting to hang out at the scene of his fire. But it's worth a moment to explain how to think about that gargantuan debt number.

The first point is that the debt really isn't \$30 trillion. About \$6 trillion of that is debt the government owes to itself in Social Security and other IOUs. Social Security is a promise made by politicians to workers. It isn't a contractual debt like a Treasury bill that must be repaid or risk default. Future politicians can refuse to pay workers what they owe, and eventually they will.

The debt held by the public is some \$24

trillion, which is bad enough. That's more than 100% of GDP, a level the U.S. has previously reached only during wartime. Much of this debt is held by Japanese or Chinese, who won't take kindly to not being repaid. But they'll keep lending that money as long as they assume they will be repaid.

The real issue is interest on all that debt, and what it means for the federal fisc. The debt costs very little when interest rates are near-zero. But when they rise, as they soon will, the burden of interest costs on the debt rises too. By one measure every percentage point increase in rates adds \$100 billion a year or more to debt costs. That must be financed either with higher taxes or more debt.

In Washington's fantasy world, spending is a free lunch. It isn't, as eventually Americans, if not politicians, will learn the hard way.

Why Ukraine Matters to the U.S.

The Biden Administration announced Wednesday that it will soon deploy thousands of U.S. troops to shore up NATO's eastern flank. It's the right decision with more than 100,000 Russian troops along Ukraine's borders.

A Pentagon spokesman said Wednesday that some 1,000 American troops based in Germany will soon shift to Romania and about 2,000 will leave the U.S. for Poland and Germany. "These are not permanent moves," a Pentagon spokesman stressed Wednesday. "These forces are not going to fight in Ukraine."

The move has aroused fears of a U.S. war with Russia, but the goal here is deterrence to prevent a war. A show of conventional force—combined with the threat of sanctions—is intended to reassure front-line NATO allies and avoid a broader conflict with Russia. This is necessary given that Vladimir Putin wants control over far more than Ukraine.

On this score it's worth addressing the arguments by Sen. Josh Hawley, who is typical of some on the right who want the U.S. to appease Mr. Putin. In a Feb. 1 letter to Secretary of State Antony Blinken, the Republican calls on the White House to withdraw support for Ukraine's accession to NATO. There are reasonable disagreements about the merits of Kyiv joining the alliance—which wouldn't happen for years anyway—but now would be an especially bad time to rule it out.

Mr. Putin is demanding that NATO halt expansion and roll back deployments in Central and Eastern Europe, which he believes Russia should dominate. But the alliance and its aspiring members have always decided who joins, not the Kremlin. Giving Mr. Putin veto power would show revanchist regimes that the mere threat of war can get the West to bend.

The Senator rightly calls out Europe for not spending enough on its own defense. We've

been making that point for years, and Germany is a particular embarrassment. But President Trump made progress in coaxing Europe to do more, and Europe and Canada increased overall defense spending six years in a row through 2020.

Much of Europe has also taken the current crisis seriously. France has said it will send several hundred soldiers to Romania. Denmark, Spain and the Netherlands announced last month that they would send ships and fighter jets eastward. The U.K. and other NATO members have provided weapons to Ukraine, which Mr. Hawley says he supports.

But Mr. Hawley writes that deploying more American forces to Europe "can only detract from the U.S. military's ability to ready and modernize forces to deter China in the Indo-Pacific." China does pose a greater long-term threat than Russia and will require rebalancing American resources. But the Russian military remains formidable and its nuclear arsenal more so. Beijing isn't ready to invade Taiwan within days as Russia now is with Ukraine.

Russia and China have been deepening cooperation, as the world saw at the United Nations Security Council on Monday. The idea that Mr. Putin can somehow be coaxed into helping the West contain China is a fantasy. He would pocket concessions on Ukraine and continue to threaten American interests in Europe while working with China to undermine U.S. interests around the world. After swallowing Ukraine, Russia would also be that much more powerful and closer to NATO's eastern front.

Supporters of Mr. Biden's retreat from Afghanistan adopted the mantra "good strategy, bad execution" when chaos followed. In reality, abandoning a modest commitment was bad strategy and an awful precedent that has encouraged bad actors like Mr. Putin. Doing the same in Europe would be even greater folly.

LETTERS TO THE EDITOR

Is This Racial Injustice at the Supreme Court?

Regarding Jonathan Turley's op-ed "A College Couldn't Get Away With Biden's High-Court Criteria" (Jan. 27): President Biden's criteria for the Supreme Court is blatantly discriminatory toward the qualified noncandidates—the white females and the black and white males who will not even be considered for this vacancy.

It is also demeaning to the black women who compose this select group of candidates, by the inference that Mr. Biden needs to eliminate almost all the competition for them to be considered. Who wants to win a race that way?

BARBARA FOTINE ATKINS
North Las Vegas, Nev.

Imagine the firestorm if I posted a national ad for a new CEO offering huge lifetime pay, extensive benefits and a chance to be famous, but said that I'd only consider candidates from one sex and one race, no others need apply. I would be sued by regulators and agencies at every level for my unlawful discrimination, be denounced by the public and shareholders as a racist and misogynist, be boycotted by consumers and be fair game for every lawyer in America. Of course, my name is not Joe Biden and I am not choosing for the Supreme Court.

FRANK LOUIS BLAIR KOUCKY III
Carmel Valley, Calif.

Prof. Turley is right that "a college couldn't get away with Biden's high-court criteria." Neither could a trial judge let a prosecutor get away with such announced racial criteria even for selecting a jury in a criminal case. Race may be in the prosecutor's mind, but other reasons must be given.

DARREN MCKINNEY
Washington

The Role of Zuckerberg's Money in Wisconsin

Regarding your editorial "The Best Summary of the 2020 Election" (Jan. 26): The Wisconsin Institute for Law and Liberty (WILL) report includes a flawed estimate of the quantitative impact of the Mark Zuckerberg-funded Center for Tech and Civic Life (CTCL) injection of around \$10.3 million into Wisconsin election offices, about 90% of which went to a handful of Wisconsin's most heavily Democratic cities.

WILL's estimate is based on the assumption that any CTCL-related "anomalies" in Wisconsin are randomly distributed. But we know that any such anomalies were limited to the very small set of heavily Democratic cities that received large grants. This causes WILL to seriously underestimate the impact of CTCL spending on President Biden's Wisconsin vote totals.

WILL's "best guess" of the impact of CTCL's \$4.79 million spending on

President Franklin D. Roosevelt appointed Justice Felix Frankfurter to replace Justice Benjamin Cardozo, as President John F. Kennedy appointed Justice Arthur Goldberg to replace Frankfurter. Neither president announced they were filling the "Jewish seat" on the Supreme Court. President Biden could have made his point as effectively but less demeaningly to the ultimate nominee and the court, by simply selecting a black woman.

BRIAN R. MERRICK
West Barnstable, Mass.

Mr. Merrick is a retired justice of the Massachusetts District Court.

Here's hoping Republican senators are smart enough to prove wrong Prof. Turley's prediction of "blood sport" at the eventual confirmation hearings. For the president's appointment won't change the court's basic ideological balance, nor will it swing any case outcomes in the foreseeable future. Were a new justice to fall in with Sonia Sotomayor, it would not only exasperate compromise-seekers John Roberts and Brett Kavanaugh, and make them more likely to side with the court's stauncher conservatives, but it could also make moderate voters more likely to notice the Democrats' broader embrace of lawlessness.

With midterm elections fast approaching, there will be no better path for Republicans than to treat a black female nominee politely and confirm her 100-0. This would also make it harder for Senate Democrats to subject the next Republican nominee to preposterous gang-rape allegations or scrutiny of high-school yearbooks and calendars.

DARREN MCKINNEY
Washington

The Role of Zuckerberg's Money in Wisconsin

Mr. Biden's vote totals in Madison and Milwaukee, for example, is "41 votes on average (which would amount to 82 votes in total)." This is not even remotely plausible when, between Madison and Milwaukee, Mr. Biden's excess votes over Hillary Clinton's sum to about 22,000, at least 18,000 of which cannot be explained by population growth or statewide increases in turnout.

Without CTCL involvement, our study shows that Wisconsin would have been a solidly red state in 2020. Using a simpler but more robust methodology, we estimate that CTCL's investment in the handful of Wisconsin counties that were critical to Mr. Biden in 2020 resulted in 65,222 Biden votes that would not have occurred in CTCL's absence.

WILLIAM DOYLE, PH.D.
Caesar Rodney Election Research
Institute
Irving, Texas

Selfishness Starts With Littering in the Park

Regarding Daniel Henninger's column "America's Mindlessness Epidemic" (Wonder Land, Jan. 27): This ignorant selfishness is so revealed in New York's Central Park, where I work as a volunteer. I see lawns used as garbage bins for doggy-poop bags; debris tossed into bushes and under benches; paper napkins rolled into bits small enough to wedge between the slats of the park benches; bikers who ride, often at high speeds, on paths reserved for walkers, and are ready to use the f-word if you ask them not to; and beer and soda cans thrown into the Harlem Meer and

other pools in the park.

These "sins" are minor compared with actual crimes elsewhere in the city, but they indicate a society in crisis. It was a truly sad day for me when a close, aged friend told me that she no longer cared what might happen because she would be dead soon anyway. That's my nightmare—that no one really cares anymore.

LILLIAN MARSANO
New York

The Price of a Dairy Cartel

Niaz Dorry of the National Family Farm Coalition tells only half the story on Canada's national milk-production cartel (Letters, Jan. 24). As a Canadian consumer, I can see that the missing piece is the dramatic difference in dairy-product prices between our nation and yours. The price fixing by our version of Big Dairy costs the Canadian consumer hundreds of millions of dollars, if not billions, every year due to its government-sanctioned monopolistic practices. Do not even think about going down that road.

STEVE LORNIE
Summerland, British Columbia

For Our Own Sake, Help Poorer Nations Fight Covid

As a global community in our third year of the Covid pandemic, we need to focus on the effect of this virus on low-income countries ("Global Crunch Hits U.S. Particularly Hard." U.S. News, Jan. 25). The economic impact of the Omicron variant has led to lost livelihoods all around the world.

Our success in the U.S. is inextricably linked to the health of the world. To continue growing our economy at home, we need to double our efforts to provide for nations that cannot develop, distribute or afford the vaccines or antiviral pills available in the U.S. It is in our best interest to provide Covid-19 assistance to lower-income countries and stop the next variant in its tracks.

At our current rate, many countries won't receive vaccines for years to come. The World Bank estimated that only 4% of people in low-income countries are vaccinated. Senators can do more to help by supporting the Global Health Security Act, which passed the House last year.

MAXWELL JAMES ASKER
Cambridge, Mass.

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Pepper ... And Salt

THE WALL STREET JOURNAL



"Just because I'm superman doesn't mean I know how to use the damn remote."

OPINION

‘No’ on Sarah Bloom Raskin

By Tim Stewart
And Kathleen Sgamma

These are precarious times for the American economy. Inflation has reached generational highs while the stock market is experiencing its most significant pullback since March 2020. As it responds, the Federal Reserve is walking a financial tightrope: Raise interest rates too little and inflation gets worse; raise interest rates too much and the economy crashes. But while central bankers are trying to maintain their balance, President Biden is cutting the rope.

Last month the president nominated Sarah Bloom Raskin, a former Obama financial regulator, to serve as the Fed’s new vice chairman for supervision. The Federal Reserve’s mission, as outlined by Congress, is explicitly nonpolitical. Good monetary policy requires the Fed’s leaders to set partisanship and personal preferences aside. But judging by her past public statements, Ms. Raskin would have a hard time doing that.

Biden’s appointee for Fed vice chairman is intent on destroying fossil fuels, no matter the economic cost.

A hallmark of Ms. Raskin’s career has been her vendetta against U.S. energy producers—a vendetta she likely plans to take with her to the Fed. Last summer she advocated using the Fed’s stress tests to penalize banks that serve fossil-fuel companies. She has also urged the Fed to use its risk-based capital standards



Biden’s nominee for Federal Reserve vice chairman in September.

to drive capital away from oil and natural-gas firms toward “sustainable investments.” She has even gone so far as to suggest that the Fed should de-bank energy companies by establishing portfolio or concentration limits for banks on “high-emission assets.”

Why so much disdain for oil and natural gas? Because, in Ms. Raskin’s opinion, it’s a “dying” industry that poses climate-change-related risks to the economy. Never mind that there is currently no renewable energy that could feasibly replace oil and natural gas, which produce 70% of the nation’s energy, so punishing investment in them would only raise the already inflated American cost of living. Never mind that U.S. oil and gas companies contribute nearly 8% of U.S. gross domestic product and employ more than 10 million Americans, many of them blue-collar workers. Never mind that oil and gas companies are a principal source of

green-energy innovation, producing one of the largest volumes of green patents as well as some of the highest quality of any industry in the world.

Ms. Raskin has been nominated to be a vice chairman at the Federal Reserve, not the head of an environmental, social and governance fund. The Fed’s only mandates are stable prices and low unemployment. That’s why it’s endowed with such independence and power—it isn’t meant to be political. Whether the government limits fossil fuels is the purview of elected representatives in Congress, not insulated bureaucrats.

Ms. Raskin’s public statements make clear that she would use this position to reshape our financial system in ways Congress never intended. Her activist approach is both undemocratic and highly inappropriate for such an influential position. The vice chairman for supervision

has primary say in the central bank’s lending decisions. And it’s almost certain Ms. Raskin would use her station to punish industries she deems unfavorable by simply withholding capital.

In this regard, Ms. Raskin’s confirmation would harm not only the wider U.S. economy but the Fed’s reputation. That is why 41 industry trade associations joined in a letter Friday opposing her nomination. In question is not only a single nomination but the independence of the Fed itself. If her nomination succeeds and Ms. Raskin is allowed to use the levers of monetary policy to advance her own activism, then the Fed—one of the last institutions of American life that have yet to be politicized—will have become another partisan weapon, distrusted by voters.

This is the last thing the economy needs. Mr. Biden said he is serious about curbing inflation and lowering energy prices. But appointing a financial regulator keen on kneecapping the oil-and-gas industry will only make things worse for the everyday Americans who already find themselves paying 40% more at the pump today than they were a year ago.

If the president wants to ease Americans’ financial burdens, then he will withdraw Ms. Raskin’s nomination. Should he fail to do so, then the Senate must do what’s right by the American people by voting against her confirmation.

Mr. Stewart is president of the U.S. Oil and Gas Association and a former chief of staff for the House Natural Resources Committee. Ms. Sgamma is the president of Western Energy Alliance, which represents oil and natural-gas producers in the Rocky Mountain West.

A Risky Time For Venture Funds

By Hunter Lewis

Venture and buyout funds are hugely popular—and also imperiled by ethical and other problems. I have a long history with such funds. As an adviser to Yale in the 1970s, I recommended that it make its first venture-capital investment. I gave similar advice to Harvard and other universities.

In 1985, David Swensen began his 36-year career as Yale’s chief investment officer and became the most successful institutional investor of his era. He greatly increased Yale’s allocation to venture funds and buyout funds. He also expressed to me his view that venture funds and buyout funds generally raised too much money and charged excessive fees.

Potential conflicts of interest, ties with China, and excessive leverage are among the challenges.

In recent months, investors around the world have asked me how to get into the top American venture funds. I tell them they are unlikely to be able to do so because of the volume of money wanting in, and that they should be wary of consultants or advisers who claim otherwise. I also say that they should disregard self-serving comments that it doesn’t matter when one starts a venture or buyout investment program so long as one invests for the long run. It always matters when you start.

This isn’t the moment to begin investing in these funds. Why? There is a tsunami of money pouring in from institutional investors because of recent sizzling returns, deal quality is lower, and funds are paying much higher prices for the deals. Additional red flags include still sky-high fees for investors and returns that are calculated by fund managers. Add to that some funds’ ersatz claims that their operations have a low correlation with public markets, when the opposite is true. Another concern is excessive leverage in buyouts. The use of leverage in today’s buyout funds reminds me of the holding companies that flourished before the crash of 1929. At Yale, Mr. Swensen was averse to the use of leverage in buyouts—preferring no leverage—but didn’t find that an option.

I have two more concerns about venture funds and buyout funds. One is that some members of endowment investment committees at universities and other institutions are themselves hedge-fund, venture-fund or private-equity managers. The high fees they earned have in many cases enabled them to become major donors to the institution. Their investment expertise is valued, as it should be. But they’re unlikely to recommend allocating less money to those very worlds.

A more serious concern is the conflict of putting money into the fund of a friend, who is expected to reciprocate by directing money to your fund. This is hard to avoid, given the interlocking relationships of fund managers and boards. The chairman of an institutional fund’s investment committee may even signal to a consultant that he expects other consultant clients to be directed to his venture firm. The world of investing is still enough of a club that it isn’t easy to speak openly of such serious ethical lapses.

Early in my career, I didn’t see that these conflicts would emerge. Nor did I see that building large investor staffs at institutions dedicated to hedge, venture and private-equity investment might also create a subtle conflict because staff members are unlikely to recommend directing less money to their own area, much less cutting it off altogether. Consultants and advisers who earn their living recommending “alternative” investments are subject to the same pressures to keep clients in “alternatives.” Another ethical challenge for U.S. venture funds arises from their growing and profitable ties to China. The Journal has reported that the industry is funding Chinese semiconductor and other high-tech industries that support the Chinese military at a time when China is testing hypersonic missiles designed to thwart U.S. missile defenses. Some U.S. tech companies, including semiconductor companies, appear to be doing the same.

Adam Smith pointed out in the 18th century that sustainable business success requires ethics. Let’s hope the venture industry rediscovers this insight.

Mr. Lewis is CEO of Hunter Lewis LLC and a co-founder and former CEO of Cambridge Associates. He has advised major universities on their investment strategies.

Eric Adams Seems Serious About Crime. Is Biden?

By Heather Mac Donald

President Biden will meet with New York City Mayor Eric Adams Thursday, in a belated acknowledgment of the violent crime surge that began with the George Floyd riots of 2020. Mr. Biden arrives in New York following the second funeral for a policeman in less than a week. Officers Jason Rivera and Wilbert Mora were responding to a domestic-violence call at a Harlem apartment on Jan. 21. A man emerged from a bedroom, shooting, and continued to shoot Rivera and Mora as they lay on the ground, in what a police source calls an “execution.” Rivera, 22, died at the scene; Mora, 27, a bullet lodged in his brain, was taken off life support four days later.

Such ambush attacks on officers were up 115% nationwide in 2021, the National Fraternal Order of Police reported. All told, 73 officers were intentionally killed in 2021, the highest number since 1995 (apart from the 9/11 attacks) and at least a 56% increase over 2020. This January’s casualties included a Houston-area corporal gunned down during a car stop before he even got out of his cruiser; a St. Louis officer who had been following a car connected to a homicide

and who was critically shot in the abdomen; a Milwaukee County deputy shot seven times by a suspect fleeing a car stop; and three Houston officers shot during a vehicle pursuit. On Dec. 16 in Baltimore, Officer Keona Holley was assassinated with two bullets to the head while sitting alone in her patrol car at 1.30 a.m.

The president meets the new mayor in New York as the city buries its second police officer in a week.

Mr. Biden will want to talk about gun control and federal funding for social services and police hiring. Expect him to ignore the root cause of record-breaking violence—the demonization of law enforcement, to which he has contributed. During his presidential campaign, Mr. Biden asserted that black parents were right to fear for their children’s lives at the hands of the police. On April 12, 2021, the president tweeted about the need to address the “trauma that Black America experiences every day” from police shootings. On Oct. 16, during the National Peace Officers’

Memorial Service in Washington, he lamented that the promise of “equal and impartial justice” was denied in “too many communities—black and brown” and that too many families “are grieving unnecessary losses of their sons, their daughters, their fathers, their brothers” from police violence.

Police departments are down in manpower not because of a lack of money for hiring, but because officers are leaving law enforcement and telling family and friends to avoid it. Pedestrian and car stops dropped in many cities after the George Floyd riots as officers disengaged from the proactive policing that the media and the Democratic establishment call biased. Police chiefs have ordered officers to ignore traffic and quality-of-life offenses for fear of disparate impact on black offenders. And progressive prosecutors refuse to enforce many laws as written in service of the narrative that the criminal justice system is racist. District Attorneys George Gascón of Los Angeles and Alvin Bragg of Manhattan have said they won’t even prosecute many cases of resisting arrest, an invitation to defy the police’s lawful authority.

Washington’s role in fighting urban street crime is limited. Joint task forces and federal prosecution

of gun offenses can be useful, but the current crime surge will be turned around only if local officers go back to assertive, and fully constitutional, policing. Mr. Biden can contribute to that turnaround if he uses his New York visit to broadcast the truth about policing: It is the best hope residents of crime-ridden neighborhoods have to lead lives free of fear. The real threat to black lives is criminals, not the police. Four black civilians deemed “unarmed” in the Washington Post’s database of fatal police shootings were killed by a police officer in 2021. The number of black civilians, including children, killed by criminals will likely exceed 10,000 once the data are in.

Mr. Biden should urge all components of the criminal-justice system, from police to prosecutors and judges, to go back to upholding the law in a color-blind fashion. Resisting arrest, as well as looting, illegal gun possession, trespassing and other crimes, cannot be given a free pass without undermining the basis of a civilized society. New York has a mayor who seems to understand that. Let’s hope he persuades the president.

Ms. Mac Donald is a fellow at the Manhattan Institute and author of “The War on Cops.”

Revolt of the Canadian Truckers

By Michael Taube

Prime Minister Justin Trudeau probably didn’t expect much opposition when he imposed a Covid-19 vaccine mandate for cross-border truckers on Jan. 15. The Canadian Trucking Alliance had estimated that 85% of Canada’s 120,000 truckers were vaccinated, and a recent poll found two-thirds of Canadians favor mandatory Covid shots for everyone, including children. Yet it was a significant policy shift. Truck drivers and other “essential” workers had been exempt from Canada’s two-week quarantine for unvaccinated travelers crossing by land from the U.S.

But for people fed up with the federal government’s Covid-19 restrictions, this was the last straw. In a

very un-Canadian fashion, they pushed back. Which brings us to the Freedom Convoy.

It was originally organized to protest mandatory vaccines for the trucking industry. The first small convoy was spotted in Prince Rupert, British Columbia, on Jan. 22. This was followed by convoys in Delta, British Columbia; Regina, Saskatchewan; Kenora, Ontario, and elsewhere. The smaller convoys traveled on the Trans-Canada Highway, which stretches across all 10 Canadian provinces, and formed a massive one headed last week toward Ottawa, Canada’s capital.

Estimates of the convoy’s size ranged from 551 to 1,155 vehicles, most of them cars and not trucks. A significant amount of money was raised, too. A GoFundMe campaign,

relying particularly on small donations, raked in more than five million Canadian dollars (around U.S. \$4 million) by Jan. 25. Three days later, it was at C\$7.5 million. The goal was increased to C\$9 million, which was surpassed on Jan. 30—and has now been pushed to C\$10 million.

A convoy protesting Covid restrictions has galvanized the country and drawn millions in donations.

The convoy reached Parliament Hill on Jan. 29. Roads were clogged, and truck horns could be heard from one end of downtown Ottawa to the other. Thousands showed up. Most protesters were peaceful, and seemed to be there simply to let the Trudeau Liberals know why they oppose mandatory vaccination.

Mr. Trudeau attempted to paint the Freedom Convoy as a “fringe minority” with “unacceptable views.” He and several other members of the Liberal Party noted that the protest included members of small right-leaning political outfits like the western separatist Maverick Party and populist/nationalist People’s Party of Canada. A Nazi swastika and a Confederate flag were seen in the crowd. A statue of runner Terry Fox, a Canadian national hero, was desecrated, as were the National War Monument and the Tomb of the Unknown Soldier.

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WORLD NEWS

Eurozone Inflation Hits a Record

January's annual pace of 5.1% pressures ECB interest-rate policy; energy costs blamed

By PAUL HANNON

The eurozone's inflation rate rose to a fresh record high in January, an unwelcome surprise for policy makers at the European Central Bank who have said they don't expect to raise their key interest rate this year.

As in the U.S., consumer-price inflation in the eurozone rose much more sharply in 2021 than policy makers had expected. The eurozone's annual rate of consumer-price inflation ended 2021 at 5%, then the highest on record and more than twice the ECB's target.

However, ECB officials and most economists were confident that the first inflation reading of the year would show a significant drop as earlier changes in Germany's sales tax dropped out of annual comparisons.

Instead, figures released by the European Union's statistics agency on Wednesday showed the annual rate of inflation picked up to 5.1% on a fresh surge in energy prices. Economists surveyed by The Wall Street Journal last week had expected to see a deceleration to 4.3%.

The ECB will announce its latest policy decisions Thurs-



The current inflation rate is more than twice the ECB's target.

day, although little is expected to change ahead of its March meeting, when policy makers will discuss the implications of new forecasts for inflation and growth.

At its last meeting in December, the central bank raised its inflation forecast for this year, but said it expected the rise in consumer prices to slow as 2022 advances. It expected inflation to fall back below its target in 2023, and said that under those circumstances it was unlikely to raise its key interest rate this year.

By contrast, the Federal Reserve has indicated it is likely to raise interest rates a number of times this year, likely starting in March.

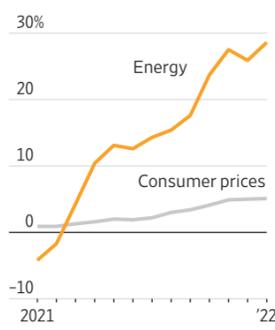
But with every inflation reading that is higher than anticipated, the ECB's stance becomes more challenging to explain to households and businesses.

Investors are starting to have doubts about the ECB's guidance, and began to sell eurozone government bonds when national inflation figures from Spain and Germany first hinted at the January inflation surprise on Monday. The 10-year German bund yield closed in positive territory for the first time since May 2019, maintaining this on Tuesday as well. According to analysts, bond prices now suggest that investors expect a small rise in the ECB's key rate this year.

Escalating Energy

Eurozone consumer-price inflation continued to accelerate in January as energy charges surged.

Change from a year earlier



Source: Eurostat

"The market is also clearly in the mood for challenging the prevailing ECB narrative," wrote HSBC economist Fabio Balboni in a note to clients.

While the pickup in inflation during January was relatively modest, it counts as a surprise. That is because economists had long expected to see a big step down in inflation during January as a result of what are known as "base effects" connected to changes in Germany's sales taxes.

In July 2020, the government of the eurozone's largest member cut its value-added tax rates for six months. That meant consumer prices from July 2021 onward were being compared with artificially low

prices from a year earlier, exaggerating measured inflation. January was the first month in which that base effect was absent from the inflation figures, since the tax rates reverted back to their pre-pandemic levels at the start of 2021.

The removal of that distorting factor was apparent in the January eurozone inflation figures, with the annual rate of inflation for prices of manufactured goods slowing to 2.3% from 2.9% in December. However, that was offset by resurgent energy prices, which rose 28.6% in the 12 months through January, compared with 25.9% in the 12 months through December.

Frederik Ducrozet, an economist and noted ECB watcher at Pictet Wealth Management, tweeted that it was the "largest upside surprise in the history of euro area flash...inflation releases."

ECB policy makers are reluctant to raise their key interest rate in response to interruptions in supply that they can do little to affect. However, they do worry that the longer inflation remains above their target, the greater the risk that households and businesses will grow accustomed to prices rising more quickly than its target rate, opening the way for a self-reinforcing series of higher pay deals and price rises by employers to cover their increased costs.

—Anna Hirtenstein contributed to this article.

EU Backs Nuclear Power, Gas As Green

By KIM MACKRAEL AND DANIEL MICHAELS

BRUSSELS—Brushing aside charges of greenwashing, the European Union will press ahead with a controversial proposal to label certain nuclear energy and natural-gas investments as sustainable over the coming years despite opposition from some of the bloc's member states, environmental groups and investors.

The proposal to expand what can qualify as a sustainable source of energy has exposed deep rifts between countries that rely on different technologies and comes amid surging electricity prices. Nuclear energy and natural gas are just two high-profile components of a plan that will affect a range of industries—from forestry to manufacturing and transportation—and is meant to shift the ways companies and investment funds approach sustainable investment.

The European Commission, the EU's executive arm, published a revised version of its proposal on Wednesday, which includes tweaks to the criteria for labeling nuclear energy and natural gas as sustainable and changes that are meant to strengthen companies' disclosure requirements.

"Today is a means to an end," EU Financial Services Commissioner Mairead McGuinness said at a news conference announcing the plan. She said the proposal that lays out conditions for including nuclear power and natural gas as sustainable investments "may be imperfect but it is a real solution. It moves us further towards our ultimate goal of carbon neutrality."

The proposal, which was first released on New Year's Eve, is part of the EU's "green taxonomy," a detailed breakdown of what regulators believe should count as a sus-

'It moves us further towards our ultimate goal of carbon neutrality.'

tainable investment. The goal is to funnel more capital into projects and activities that have been vetted for their sustainability and avoid greenwashing, where companies exaggerate their sustainability credentials.

"People need a benchmark, to say 'I can hang my hat on something,' and I think that's where the taxonomy comes in," said Shashank Krishna, a partner at law firm Baker Botts who specializes in sustainable energy investments. "Depending on how this whole debate on gas and nuclear plays out, this might actually become, by default, the global benchmark."

The proposal adopted by the European Commission on Wednesday stands a good chance of becoming law. Member countries and the European Parliament have up to six months to review the plan, during which time they could vote against it, but the threshold for blocking it is high. Austria and Luxembourg have also recently threatened to sue the commission if the plan were adopted in its draft form. Whether such a suit will proceed is unclear.

Bas Eickhout, a Green member of the European Parliament from the Netherlands, said the plan to include nuclear and natural gas in the taxonomy is "tantamount to greenwashing" and undermines the EU's credibility in addressing climate change. The proposed conditions for including those energy sources are too weak, he said, and don't do enough to address concerns about the safe storage of nuclear waste.

Currently, the cornerstone of the EU's efforts to funnel capital away from polluting companies and toward cleaner sources of energy is its marketplace for carbon allowances. Utilities, steelmakers, oil refiners and other industries are required to own the permits to cover their greenhouse-gas emissions.

—Joe Wallace contributed to this article.

U.S. to Send Jet Fighters, Warship to U.A.E.

By DION NISSENBAUM

The U.S. is sending advanced jet fighters and a guided-missile destroyer to the United Arab Emirates to help it counter an escalating threat from Yemen's Houthi rebels after the Iran-backed group launched a series of missiles and drones at the Persian Gulf nation.

Defense Secretary Lloyd Austin told Abu Dhabi Crown Prince Mohammed bin Zayed Al Nahyan, the de facto ruler of the Gulf nation, that the U.S. is beefing up its military support "as a clear signal that the U.S. stands with the U.A.E. as a longstanding strategic partner."

Along with the jet fighters, the Pentagon said it was sending the warship USS Cole to work with the U.A.E. navy. The U.S. is also providing the U.A.E. with early-warning intelligence to identify Houthi launch sites and operating Patriot missile defense systems that have been used to protect Abu Dhabi during recent attacks.

The U.S. military moves come as Houthi forces are vowing to continue their attacks on the U.A.E., which is part of a Saudi-led military



A Houthi military spokesman delivering a Jan. 31 statement about a Houthi attack on the U.A.E.

coalition that has tried for seven years to dislodge the Iran-backed fighters from power in Yemen. The Houthis control a large part of the country's north, including the nation's capital.

The war in Yemen created what the United Nations described as the world's largest humanitarian crisis and dragged Saudi Arabia and the U.A.E. into an unpopular conflict that tarnished their repu-

tations in Washington. Under bipartisan pressure from Congress in 2018, the Trump administration scaled back direct military support for the Gulf nations' operations in Yemen.

When he took office last year, President Biden quickly suspended U.S. support for the Saudi-led coalition's offensive operations in Yemen, saying "the war in Yemen must end." Mr. Biden removed the Houthis from America's offi-

cial list of terrorist organizations—a last-minute designation by the Trump administration that was criticized by aid groups that said it could imperil efforts to help civilians in Houthi-controlled areas of Yemen.

But peace talks brokered by the U.S. and U.N. stalled and Houthi forces seized more ground, prompting the Saudi-led coalition to step up its military campaign in Yemen. The

U.A.E., which withdrew most of its forces from Yemen in 2019, stepped up its help to the Saudi-led coalition.

In response to the escalating fighting, the Houthis have carried out three attacks aimed at the U.A.E. in recent weeks, including one in mid-January that killed three people in Abu Dhabi.

The Houthi strikes also pose a threat to U.S. forces stationed at Al Dhafra Air Base in Abu Dhabi, where Americans were forced to take shelter on Jan. 24 when the U.S. used Patriot missile air defenses during one missile attack.

The most recent Houthi attack—which was thwarted on Monday by air defenses in the U.A.E.—occurred while Israel's President Isaac Herzog was visiting Abu Dhabi.

The State Department issued a new advisory that urged Americans to avoid travel to the U.A.E. because of the increasing Houthi drone and missile attacks.

The expanding Houthi threat is forcing the Biden administration to recalculate its strategy. The U.A.E. is pushing Mr. Biden to put the Houthis back on the U.S. list of terrorist groups.

WORLD WATCH

AFGHANISTAN

Women Can Return To Some Colleges

The Taliban on Wednesday said they have reopened public universities for female students in six of Afghanistan's 34 provinces, a move marking a major concession to international demands by the country's new rulers.

Since the Taliban swept into power in mid-August, the international community has watched to see whether they would impose the same harsh measures as during their 1990s rule of Afghanistan, including banning girls from education and women from the workplace and public life.

The Taliban have imposed several restrictions, many of them on women, since their takeover. The Taliban demand women wear headscarves but have stopped short of imposing the burqa, the head-to-covering that was compulsory under their previous rule.

Men will attend classes in the morning and women in the afternoon, aligning with a gender-segregated system under the Taliban.

—Associated Press

MALI

France Is Weighing Military Withdrawal

France's government will decide in the coming days whether to maintain its long-running mili-



Women wearing burqas walk toward the main gate of Laghman University in Mihtarlam, Afghanistan, on Wednesday. The Taliban are allowing female students to return to colleges in six provinces. Men will attend classes in the morning and women in the afternoon.

tary involvement in Mali, the foreign minister said Wednesday amid growing tensions in the West African country.

French Foreign Minister Jean-Yves Le Drian pledged to keep France's antiterrorism operations in the broader Sahel region, but didn't rule out withdrawing all of France's troops from junta-led Mali. He suggested that a complete military pullout from the country could be part of discussions with African partners in the region.

—Associated Press

TURKEY

Twelve Migrants Freeze to Death

The bodies of 12 migrants who froze to death were found near Turkey's border with Greece, the Turkish interior minister said Wednesday, accusing Greek border guards of pushing them back over the frontier.

Interior Minister Suleyman Soylu tweeted that the 12 were among 22 migrants who were al-

legedly pushed back into Turkey by Greek border guards. He said they were found near the Ipsala border crossing between Turkey and Greece "without shoes and stripped of their clothes."

The minister didn't provide details, but shared blurred photographs of eight of the recovered bodies, including three in shorts and T-shirts. He accused Greek border units of acting as "thugs" toward migrants while showing sympathy toward members of a network—which Turkey says is be-

hind a 2016 failed military coup—who have escaped to Greece.

In Greece, Migration Minister Notis Mitarachi said the deaths were a "tragedy" but strongly denied the claim that Greek forces had pushed back the migrants. He said the migrants never made it to the border.

Mr. Mitarachi accused Turkey of failing to prevent migrants from approaching the border area and undertaking "these dangerous journeys."

—Associated Press



TECHNOLOGY: QUALCOMM PROFIT BEATS EXPECTATIONS B4

BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

Thursday, February 3, 2022 | B1

S&P 4589.38 ▲ 0.94% S&PFIN ▲ 0.66% S&PIT ▲ 0.81% DJTRANS ▲ 0.83% WSJ\$IDX ▼ 0.20% 2-YR. TREAS. yield 1.154% NIKKEI (Midday) 27227.94 ▼ 1.11% See more at WSJ.com/Markets

PayPal Shares Sink by a Quarter

Payments company tempers outlook, abruptly gives up plan to increase users

By PETER RUDEGEAIR AND CAITLIN OSTROFF

PayPal Holdings Inc. shares suffered their worst selloff on record Wednesday after the company lowered its 2022 profit outlook and scrapped an ambitious growth strategy it put in place last year.

Shares in the payments company fell 25% to \$132.57, erasing about \$50 billion in market value.

For much of 2020 and 2021, PayPal was an investor favor-

ite. The migration to online shopping over the pandemic boosted its transaction volumes and profit, sending its market capitalization higher than all U.S. banks except JP Morgan Chase & Co.

Investor sentiment started to sour after coronavirus lockdowns eased and in-store sales recovered. In October, news of a potential deal to buy social-media company Pinterest Inc. sent PayPal shares even lower. The stock is trading at its lowest level since May 2020. PayPal's market value, which topped out at \$362 billion on July 23, stood at about \$156 billion Wednesday.

Executives said several forces will pressure its business in 2022. Some are unique to PayPal: The company ex-

pects to pay a higher effective tax rate this year, and it is losing business from onetime corporate parent eBay Inc. faster than expected. But executives also said macroeconomic factors—the runoff in government stimulus, labor shortages, the Omicron variant, inflation and supply-chain issues—are putting pressure on its growth.

But the gloomy tone of PayPal's macroeconomic outlook stood in contrast to the upbeat projections from other payments companies in recent weeks. Visa Inc. raised its earnings guidance and cited only a modest impact on domestic payments due to the Omicron variant.

In a surprise to analysts and investors, PayPal aban-

doned a target it established last year of roughly doubling its active user base to 750 million accounts. Chief Executive Dan Schulman said the focus now is on getting frequent PayPal users to use its services more often and not on pursuing customers that are unlikely to transact with PayPal regularly.

As recently as November, PayPal reaffirmed the long-term target and said it expected to add 55 million accounts during 2021. On Tuesday, it said it only added about 49 million accounts last year.

A review of PayPal's marketing effectiveness found that spending on incentives to attract new users had a lower return on investment than

campaigns that tried to get existing users to use PayPal more often, Chief Financial Officer John Rainey said on an earnings call. The company also uncovered that about 4.5 million accounts were "illegitimately created" only to take advantage of incentives.

"The abruptness of this change in user strategy gives us the biggest cause for concern," wrote Bernstein analyst Harshita Rawat. "While it is prudent to not continue to spend money on low-value users, we were surprised that this was not evaluated exhaustively before."

"You can officially add Pay-

◆ Heard on the Street: Other payment stocks rally..... B12

Hedge Funds Piled Up Losses in January

By JULIET CHUNG

Stock markets' selloff in January dealt double-digit losses to a range of hedge funds investing in technology and other fast-growing companies, sparking questions about whether a popular and lucrative strategy for these firms is running out of steam.

Whale Rock Capital Management's hedge fund lost 15.9% for the month in the share class that invests in public and private companies, following a 9% loss last year, according to a person familiar with the firm. Tiger Global Management's hedge fund, which also lost money last year, lost 14.8% for the month, another person said. Melvin Capital Management and Light Street Capital Management both lost 15% following double-digit losses in 2021, clients said.

Other hedge funds that similarly have bet markets will continue to reward fast-growing companies, including London-based Pelham Capital and Atika Capital Management in New York, also lost in double digits in January, investors said.

Some funds investing in biotech, another strategy that has been a bright spot in the hedge-fund industry the past several years, also had losses in January. Joseph Edelman's biotech hedge fund Perceptive Advisors lost 18%, said people familiar with the firm.

RTW Investments, in New York, lost 17.7% for the month in its flagship fund, said people familiar with that firm.

The carnage marks one of the worst starts to a year for fundamental stock pickers in recent memory. It adds to rare losses many growth and technology hedge funds suffered last year, as expectations of

Record Influx Of Gas in Europe Eases Crisis Fear

By JOE WALLACE

Hopes are rising that Europe will avoid a winter energy crisis that some feared would play to Russian President Vladimir Putin's advantage as Moscow prepares for a possible invasion of Ukraine.

A record influx of liquefied natural gas combined with mild and windy weather have slowed withdrawals from the region's heavily depleted underground gas-storage caverns. A boost to flows of gas from Russia via Ukraine is helping, too.

Supplies are still slim, filling just 38% of Europe's storage capacity, according to Gas Infrastructure Europe. But the shortfall compared with previous winters is narrowing and prices are retreating from records.

A dearth of gas in Europe has hampered the region's ability to respond to the stationing of more than 100,000 troops on the border with Ukraine. Germany, in particu-

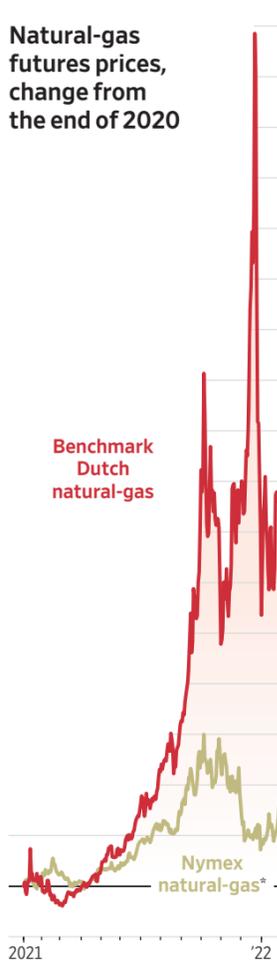
lar, has been hesitant to advocate the strictest sanctions. Its economy would be acutely vulnerable if Moscow retaliated by cutting energy exports in midwinter.

But natural-gas futures in the Netherlands, the benchmark in northwest Europe, have dropped 16% over the past week, a decline that accelerated after more Russian gas began to flow into Slovakia from Ukraine. They are 59% below the record of €180.27, equivalent to \$203.86, a megawatt-hour set on Dec. 21, though still four times as high as a year ago.

Fear that storage sites would come close to running out over winter gripped energy markets in Europe late last year. Windy and unseasonably warm weather came to the region's aid, raising renewable-power generation and reducing the call on gas-fired power stations. Medium-term forecasts suggest a cold snap that could send prices spiral-

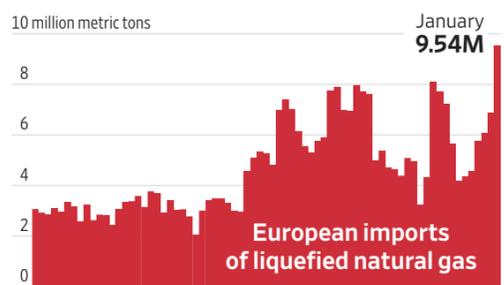
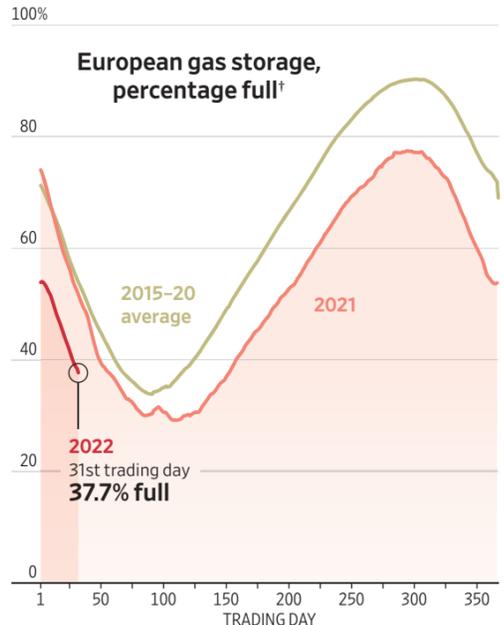
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Natural-gas futures prices, change from the end of 2020



*Continuous contract shown †Excludes Ukraine and Turkey Sources: FactSet (futures); Gas Infrastructure Europe (storage); ICIS LNG Edge (imports)

European gas storage, percentage full†



INSIDE



ENERGY

New company makes a bet on nuclear power in the U.S. B3



BUSINESS

Amazon workers are set for a union revote in Alabama B5

Spotify's Ad Revenue, Paying Subscribers Surge

By ANNE STEELE

Spotify Technology SA added users and saw a surge in advertising revenue in its recently completed quarter as its podcast strategy takes hold despite backlash to its star host.

Neil Young last week removed his music from Spotify to protest to what he says is vaccine misinformation spread

by podcaster Joe Rogan on the streaming service. The company has since made public its content policy and said it would begin to tag Covid-19-related content with an advisory prompting users to check out the service's new hub for data-driven facts and up-to-date information from the health and scientific communities.

On Spotify's earnings call

Wednesday, Chief Executive Daniel Ek called it a very complicated issue and said Mr. Rogan, like other creators on the company's platform, has to abide by its content policies. He added that it was too early to tell if the controversy was having an impact on subscribers.

"There's no doubt that the last several weeks have presented a number of learning

opportunities," Mr. Ek said on the call. "We believe we have a critical role to play in supporting creator expression while balancing it with the safety of our users."

For the fourth quarter, Spotify reported 406 million monthly active users, up 18% from a year earlier and at the high end of the company's guidance. Paying subscribers,

its most lucrative type of customer, rose 16% to 180 million, also at the top of the company's expectations.

Spotify shares—down 44% over the past year to \$191.92—fell an additional 10% in after-hours trading as the company

◆ David Crosby and Stephen Stills join podcast protest.. B2

Coke Plays Up Olympics in China, Lowers Profile as a Sponsor in U.S.

By JENNIFER MALONEY AND RACHEL LIANG

Coca-Cola Co. has been an Olympics supporter for nearly a century. It counts China as its third-largest market after the U.S. and Mexico. Coke's challenges heading into the Winter Games are in some ways representative of those of other Western sponsors, and in some ways distinct. Here is a look at the company's business dealings in

China and its Olympic plans as the 2022 Winter Olympics are set to begin in Beijing this week.

Coke Deepens China Ties

Coca-Cola in 2019 struck a deal with China Mengniu Dairy Co. to share the designation of official nonalcoholic beverage sponsors of the Olympic Games through 2032. Chief Executive James Quincey hailed the marriage as a "pro-

found partnership" as he stood beside the Chinese company's CEO at a news conference in Switzerland. The Beijing Games kicking off Friday mark the first Olympiad in which the joint sponsorship takes effect.

The 12-year pact links Coca-Cola to a Chinese business whose largest shareholder is a state-owned food giant. The deal cost the two companies more than \$2 billion com-

Please turn to page B2



A Walmart display in Beijing advertises Coca-Cola and the Winter Games. Such store promotions aren't being done in the U.S.

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Coke Faces Olympics Challenge

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 bined, including rights fees, marketing and other commitments, according to people familiar with the matter.
 Coke previously had held the Olympic sponsorship rights for soft drinks, juices, sports drinks and drinkable dairy products. In partnership with Mengniu (pronounced mung-neo), Coke expanded its reach across the entire dairy category, including ice cream and yogurt. The opportunity to share the cost of the sponsorship was also a motivation for Coke to do the deal, some of the people familiar with the matter said.

Tensions Rise

The partnership is coming to fruition at a moment of escalating tensions between the U.S. and China. U.S. officials, along with some lawmakers from other Western countries and some human-rights activists, have said Beijing's treatment of mostly Muslim minorities in China's Xinjiang region amounts to genocide. Beijing has rejected criticism of its record and has protested what it calls attempts to politicize the Games. It has also punished companies it determines have waded into the issue.

Coke's Business Dealings in Xinjiang

The Mengniu deal strengthened Coke's ties with Cofco Corp., the state-owned foods group that is the dairy company's largest shareholder. Cofco has worked with Coke for decades to make and distribute the beverage company's products across northern China, including a bottling plant and sugar supplier in Xinjiang.

When the Mengniu deal was announced in June 2019, Coke was already under pressure from human-rights groups asking questions about alleged abuses at its Xinjiang sugar supplier. The processor, owned by Cofco, denied the allegations. The attention on China's human-rights record increased as the 2022 Beijing Olympics approached. So did criticism of Olympic sponsors.

What Coke Says

In a tense exchange at a July hearing of the U.S. Congressional-Executive Commission on China, Rep. Tom Malinowski (D, N.J.), pressed Coca-Cola's global head of hu-

man rights, Paul Lalli, to condemn the Chinese government's internment of large numbers of people in camps.

Mr. Lalli declined to do so, replying more generally: "We respect all human rights and condemn any abuses. Our role as a sponsor is to embed those fundamental principles in these mega-sporting events."

Coke said independent audits of its operations in Xinjiang last year found no evidence of forced labor or other human-rights abuses. China has denied using forced labor and portrays its internment campaign in Xinjiang as part of an effort to fight religious extremism and terrorism.

Coke Pulls Back in U.S.

The geopolitical environment has prompted American companies such as Visa Inc. and Procter & Gamble Co. to lower their profile around the Games. Coke, like other sponsors, is all but silent on the Olympics in the U.S. this year. Last year, as U.S. officials called on Coke and other sponsors to encourage the International Olympic Committee to pull out of Beijing, Coke opted not to offer Olympics-themed displays to U.S. stores. The decision was made because of the risk they could pose to Coke's reputation, according to a person familiar with the matter. Gone, too, are the special-edition Olympic Coke cans, the TV commercials and the Times Square billboard celebrating a U.S. athlete.

Coke isn't sending its CEO or other top company officials to Beijing, citing Covid-19 restrictions and the timing of its quarterly earnings report. It declined a Wall Street Journal request to make an executive available to discuss the Mengniu deal. Mengniu and the IOC also declined to comment.

Coke Forges Ahead in China

In China, Coke is celebrating the Games through some online and bricks-and-mortar campaigns. It has released Coke cans there that bear the Olympic Games logo and the Olympic rings, and say "Olympic global partner." A red minibus with the Coca-Cola and Beijing Olympics logos is appearing at pop-up events in Beijing, carrying a vending machine that offers gifts. Also in the capital, the company has decked some convenience stores with banners, offering Olympics-themed folders and pins to shoppers. On Chinese social media, it is encouraging people to collect its commemorative Olympic pins.

—Yoko Kubota and James T. Areddy contributed to this article.

BY OMAR ABDEL-BAQUI

Musicians David Crosby and Stephen Stills are joining their former bandmate Neil Young in his protest against Spotify Technology SA, saying they want to pull their music from the platform over their opposition to what they say is misinformation about Covid-19 spread by podcaster Joe Rogan.

Mr. Young demanded Spotify remove his music last week, leading to a string of musicians and podcasters who have also said they want to pull their content from the platform.

The actions come as Mr. Rogan has apologized and pledged to be more balanced and informed about controversial topics and guests. The podcast star has used his popular Spotify show to discuss Covid-19 vaccines and restrictions, speaking against vaccine mandates for indoor events and suggesting that young, healthy people shouldn't be vaccinated.

Spotify, meanwhile, has

made public its content policies and created a Covid-19 information hub in response to the criticism.

"We support Neil and we agree with him that there is dangerous disinformation being aired on Spotify's Joe Rogan podcast," Messrs. Crosby and Stills said in a statement Wednesday that was also signed by Graham Nash, another former bandmate. Mr. Nash earlier announced plans to pull his music from Spotify.

"While we always value alternate points of view, knowingly spreading disinformation during this global pandemic has deadly consequences," their statement said. "Until real action is taken to show that a concern for humanity must be balanced with commerce, we don't want our music—or the music we made together—to be on the same platform."

Crosby, Stills, Nash and Young was one of the Woodstock generation's most enduring rock groups. The musicians had previously played with Buffalo Springfield, the

Byrds and the Hollies.

Crosby, Stills, Nash and Young broke up and reformed multiple times over the years, both with and without Mr. Young. In an interview with The Wall Street Journal in 2019, Mr. Crosby said he no longer spoke with Messrs. Nash, Stills or Young and that they hadn't been friends "for a long time."

Their boycott of Spotify comes as musicians India Arie, Joni Mitchell and Nils Lofgren have also sought to remove their music from the platform in the past week.

Representatives for Spotify didn't respond to a request for comment Wednesday. The company has said it would add advisory warnings on episodes regarding Covid-19.

White House press secretary Jen Psaki said Tuesday that Spotify's move to insert the warnings is a positive step but that there is more that can be done.

"Our hope is that all major tech platforms—and all major news sources, for that mat-

ter—be responsible and be vigilant to ensure the American people have access to accurate information on something as significant as Covid-19," Ms. Psaki said. "And that certainly includes [Spotify]."

News Corp's Dow Jones & Co., publisher of The Wall Street Journal, has a content partnership with Spotify's Gimlet Media unit.

"The Joe Rogan Experience" is currently Spotify's most popular podcast. In 2020, Mr. Rogan signed an exclusive podcasting deal with Spotify, worth more than \$100 million, according to people familiar with the matter.

Mr. Rogan on Sunday said his show has grown "out of control" and said, "If I pissed you off, I'm sorry," referring to the growing backlash against him and Spotify.

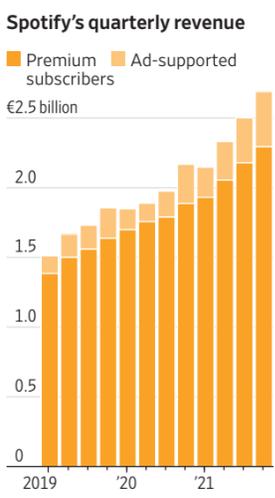
"It's a strange responsibility to have this many viewers and listeners," Mr. Rogan said in a 0-minute video posted on Instagram over the weekend. "It's nothing that I've prepared for."

BUSINESS & FINANCE



Stephen Stills, Graham Nash and David Crosby have all joined their former bandmate Neil Young in asking to pull their music from Spotify.

Crosby, Stills and Nash Join Protest



Spotify's Ad Sales Surge

Continued from page B1
 said it wouldn't provide annual guidance. On the company's earnings call, Spotify financial chief Paul Vogel said that while the company wasn't providing such guidance, it didn't anticipate material change this year in its user-growth trajectory.

Spotify's outlook for the current quarter was roughly in line with analysts' views.

Average revenue per user for the subscription business in the recently completed quarter climbed 3%. The increase marks the second quarter of a turnaround for the metric, which had been pressured downward for years as the company attracted new subscribers through discounted plans and lower prices in newer markets. A little over a year ago, Spotify began raising the price of its family plan in dozens of markets, including the U.S., which has helped increase revenue on a per-user basis.

Revenue from subscriptions climbed 22% to €2.295 billion, equivalent to roughly \$2.6 billion. Advertising revenue shot up 40% to €394 million. Advertising, which typically has accounted for around 10% of overall revenue, has become a growth area as Spotify expands its podcast business.

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BUSINESS NEWS

Nuclear Power Spinoff Looks For U.S. Aid

By KATHERINE BLUNT

Exelon Corp. on Wednesday spun off its power-generation business into a stand-alone company. The spinoff's future might hinge on whether the government increases its financial support for nuclear energy in response to climate change.

The stand-alone company, called Constellation, operates the nation's largest fleet of nuclear-power plants and has plans for further growth by acquisition. But the nuclear plants, which have struggled to compete in recent years with cheaper natural-gas plants, as well as solar and wind farms, face uncertainty. Many now rely on state subsidies to survive.

Joseph Dominguez, Constellation's chief executive, sees a brighter future as state and federal policy makers increasingly view nuclear energy as critical to achieving ambitious goals to decarbonize the power grid in the coming decades. The Biden administration has targeted a carbon-free grid by 2035.

Unlike wind and solar farms, whose output depends on weather and time of day, nuclear plants produce carbon-free electricity around the clock and could help bolster power supplies as more intermittent resources come online.

"The conversation now in the energy space is transitioning to being able to match your consumption of energy with power that is produced at that time," Mr. Dominguez said. "When you pull nuclear out of the mix, that becomes a very difficult problem to solve."

The bipartisan infrastructure bill passed by Congress last year includes \$6 billion to

support existing nuclear plants. The legislation followed efforts by several states, including New York, Illinois and New Jersey, to extend subsidies for nuclear plants that risked closing ahead of schedule in the face of cheaper competition. Constellation, then owned by Exelon, had planned to shut down two of its plants in Illinois absent state support.

"What we're seeing now is an increasingly favorable policy environment for nuclear power, given the significance of carbon-free generation in a carbon-concerned economy," said Timothy Fox, vice president at ClearView Energy Partners LLC, a research firm based in Washington, D.C.

But analysts agree that Constellation's most substantial growth prospects might depend on whether Congress moves to further expand support for the industry by establishing tax credits for nuclear-power production, which have been proposed as part of the roughly \$2 trillion education,

10M

Number of customers Exelon delivers power to

healthcare and climate bill known as Build Back Better. The bill has stalled in Congress, though energy-tax credits so far haven't been among the sticking points for lawmakers and would likely remain in play as Democrats work to pare it down.

"The infrastructure bill was an incredibly important start, but it is about 5% of what we needed to accomplish," Mr.



The Calvert Cliffs control room at the nuclear plant in Lusby, Md. Below, the turbine deck on Exelon's nuclear power plant in Lusby.

Dominguez said. "I think everyone in our business is looking to Washington to see some clarity."

Exelon, a utility company that delivers electricity and natural gas to approximately 10 million customers in five states and Washington, D.C., became one of the nation's largest competitive power producers after merging with Constellation in 2012. Last year, it announced its plan to spin off the generation business and focus more on its regulated utilities, following similar moves by other utility companies including FirstEnergy Corp. and Public Service Enterprise Group Inc.

Exelon shareholders received one share of Constellation common stock for every three shares of Exelon common stock held as of Jan. 20.

Constellation operates some gas-fired power plants and renewable-energy projects but is largely dependent on its nuclear fleet, which accounts for about 86% of its generating capacity. Mr. Dominguez said the company could grow by acquiring more nuclear plants from other companies looking to exit from the competitive

power business.

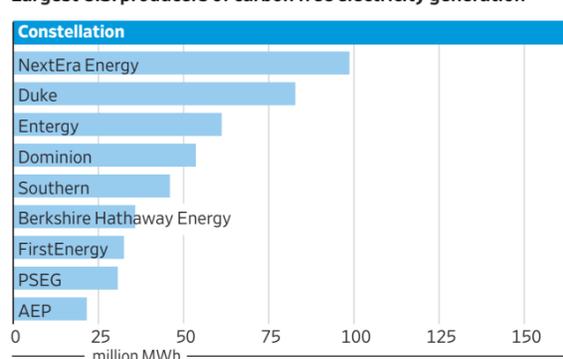
"There's a real synergy that can happen to the extent that Constellation can be a continued buyer of these assets," said John Bartlett, president of Reaves Asset Management and co-portfolio manager of the Reaves Utility Income Fund.

In a presentation to investors last month, Constellation outlined a plan to manage costs and boost output from its nuclear operations, which span Illinois, Pennsylvania, Maryland, New Jersey and New York, and expand its retail electricity business serving commercial and industrial power users. It also highlighted its potential to invest in emerging technologies.

Mr. Dominguez said the company plans to focus on ways to use nuclear power to produce green hydrogen, which is made using carbon-free energy to strip hydrogen atoms from water molecules through a process called electrolysis. Because hydrogen doesn't emit carbon when burned, it has long been touted as a fuel with the potential to help eliminate emissions from vehicles, power plants and heavy industry.



Largest U.S. producers of carbon free electricity generation*



*2019 regulated and non-regulated generation Sources: M.J. Bradley & Associates Benchmarking Air Emissions via Constellation

Activist Investors Take Aim at U.K. Companies

By BEN DUMMETT

U.S. and European activist investors are targeting some of the U.K.'s biggest publicly traded companies, taking advantage of slumping stock prices to push for company breakups and other changes.

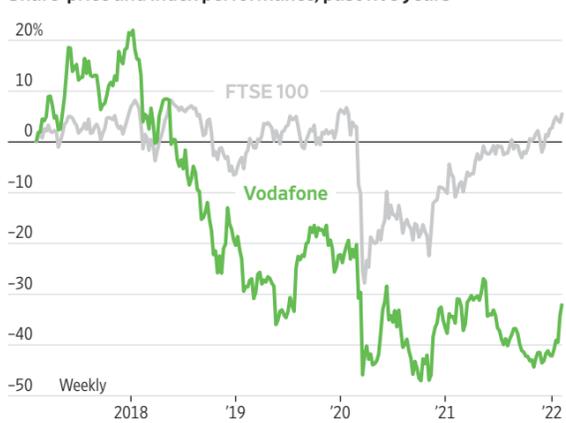
Florida-based hedge fund Elliott Management Corp. is making waves at U.K. pharmaceutical giant GlaxoSmith-Kline PLC and SSE PLC, an electricity network and alternative energy provider. Daniel Loeb's Third Point LLC is calling for a breakup of Shell PLC. And Trian Fund Management LP, another well-known U.S. activist hedge fund, headed by Nelson Peltz, owns a stake in Unilever PLC, The Wall Street Journal reported last month.

In the latest example, Europe's Cevian Capital has taken an undisclosed stake in Vodafone Group PLC, according to a person familiar with the matter. The activist investor wants the \$47.6 billion U.K.-based telecom operator to consider refreshing its board with new directors who have telecom experience. It is also pushing the company to consider acquisitions to consolidate the mobile sector in the U.K. and elsewhere in Europe.

The flurry of activity shows how the U.K. market is particularly ripe for activist campaigns. With a total market value of around \$2.7 trillion, the London Stock Exchange's blue-chip FTSE 100 benchmark is among Europe's biggest indexes, offering investors a pool of big-cap candidates. At the same time, the market has become cheap due to individual company missteps, a relative lack of high-growth technology companies that thrived during the pandemic and the economic fallout from Britain's divorce from the European Union.

The FTSE 100 trades at a discount to some major markets in Europe and the U.S. It has a forward price/earnings ratio—which measures stock prices as a multiple of expected future profits—of 12.5

Share-price and index performance, past five years



Source: FactSet

times, according to FactSet. Germany's DAX index is valued at almost 14 times, France's CAC 40 is at 15 times and the S&P 500 around 20 times.

"The opportunity to restructure businesses, improve returns that have been low in recent years makes the U.K. attractive to activist investors, private equity or other global investors," said Sharon Bell, European equity strategist at Goldman Sachs Group Inc.

Vodafone has already taken steps to boost its share price, selling a minority stake of its German-based cell tower business last year at a valuation of €12.1 billion, equivalent to \$13.6 billion. In November, Vodafone Chief Executive Nick Read also signaled his interest in consolidation in markets in southern Europe to help offset price wars.

Still, the company's stock has underperformed the overall market over the past five years and been an industry laggard over the same period, underscoring Cevian's bet that moves such as board changes could reignite the stock price.

Including dividends the stock is down almost 7% compared with a 27% gain in the FTSE 100, according to FactSet.

"The market is getting impatient" with Vodafone, said Mandeep Singh, a technology,

media and telecom sales specialist at Redburn Ltd., an equity research provider.

Any attempt by Cevian to influence Vodafone, however, is no guarantee of success, as Elliott's ongoing battle with SSE shows.

In November, SSE decided against spinning off its renewable power-generation business in an initial public offering to boost value—a plan Elliott had been discussing with the company for months. SSE's stock is down about 3.1% and has underperformed the Euro Stoxx Utilities index since the company's decision.

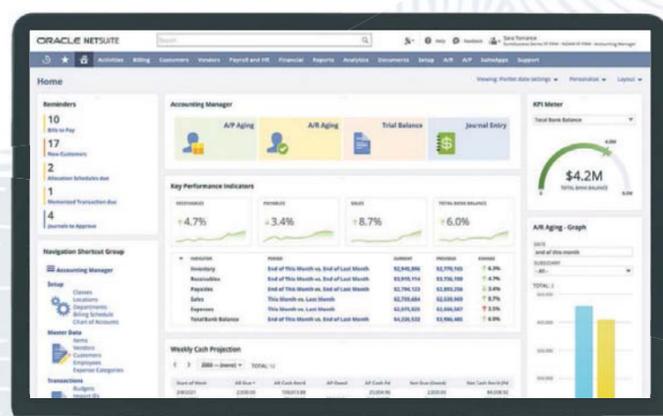
SSE favored selling a stake of its networks business and cutting the dividend to boost investments in the renewables business. That sets the stage for a possible proxy fight over board seats if the two sides can't reach a compromise.

Elliott declined to comment.

A study by Alvarez and Marsal Holdings LLC, a New York-based professional services firm, shows activism against U.K. companies pays off. Based on the share-price performances of 245 companies targeted by activist campaigns between Jan. 1, 2017, and Feb. 28, 2020, U.K. firms outperformed the S&P 500 index by 3.6% in the 24 months after the campaign's start.

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A Shell electric-vehicle charging hub replaced gasoline pumps at a station as part of a pilot program in London.

EV Charging Stations Start To Get a Bigger Presence

By KATIE DEIGHTON

Public charging stations for electric vehicles once tended to be confined to the dark corners of parking lots and highway rest stops. Now they are getting more obvious.

Companies are opening brightly lit, canopied lots and converting gas stations into charging destinations, as well as investing in better signage. The upgrades and expansion will satisfy new demand and make it clear to non-EV drivers that charging stations would be available to them if they went electric. Drivers who don't see public chargers in and around their local areas are less likely to make the switch to electric, said Joel Levin, executive director of Plug In America, a nonprofit that advocates for EVs.

"All EV drivers have had the experience of driving aimlessly around a big parking lot because they know there's chargers somewhere but they can't find them," said Mr. Levin. "And for non-EV drivers, better signage disabuses them of the idea that charging stations don't exist."

The new formats come as the automotive industry begins a second chapter in EV adoption, moving out of the "innovator" phase reserved for early experimenters—usually with a high disposable income. Electric vehicles made up 7.2% of global car sales in the first half of 2021, up from 4.3% in 2020 and 2.6% in 2019, according to data from research provider Bloomberg New Energy Finance.

President Biden last year

set a target to make half of all new vehicles sold in 2030 zero-emissions vehicles, introducing a \$7.5 billion plan to build a network of 500,000 chargers to accommodate them.

Many among the new group of drivers are less likely to have access to charging at home, which requires a private garage or dedicated parking spot set up with the necessary equipment.

Access to and visibility of on-the-go charging facilities will therefore be key to supporting the growth of electric-vehicle adoption, even though at-home charging will remain the most popular way to charge, said Akshay Singh, a

The new formats come as a second chapter in EV adoption begins.

partner specializing in the electric automotive industry at consulting firm PricewaterhouseCoopers LLP.

Shell PLC in January opened a pilot EV charging hub in the Fulham neighborhood of London, replacing the gas pumps at an existing station with rapid charge points. The station has been refitted with a wood canopy and includes a seating area, free Wi-Fi, a cafe and a Waitrose supermarket.

"We want to use EV charging hubs like the one in Fulham to signal to the community that

fast, reliable EV charging is readily available in their communities, but also that these stations are engaging gathering spots as well," said Tannaz Banisadre, general manager of integration, EV charging solutions at Shell, and chief operating officer of Greenlots, a charging stations provider acquired by Shell in 2019.

Volkswagen Group of America Inc. charging subsidiary Electrify America said visibility is built into each of its charging stations, with green neon lighting and noticeable locations along highways.

The company last November opened one of its largest stations at the Westfield Valley Fair shopping center in Santa Clara, Calif., where it operates 14 fast chargers covered by a solar-powered canopy.

Drivers can order meals from mall restaurants for curbside eating while they wait, an offer that the mall's owner, Unibail-Rodamco-Westfield SE, plans to roll out across other locations.

Electrify America's biggest strategy to increase visibility, however, is to place well-marked chargers in as many places as possible, including spots where EV adoption is still fairly low, such as lower income and rural areas, said Rob Barrosa, the company's senior director of sales, business development and marketing.

Volta Inc., another charging provider, also places some charging stations in low-EV adoption areas knowing they won't be fully used for a while, according to the company's

chief executive, Scott Mercer. Its charging stations are placed near the entrances of popular commercial properties, and deliberately angled so that their large digital screens catch the eye of passersby, he added.

"The stations are designed to start out as that kind of totem of inspiration for a community," Mr. Mercer said. "Then, as we see that people are using it, we'll go back and invest capital in faster chargers and more chargers, based on actual demand."

But that tactic isn't prudent for the business model of all charging providers.

"As a company, we need to be focused on where we're going to get utilization on the investments that we make," said Michael Farkas, the founder, executive chairman and CEO of Blink Charging Co.

EVGo Inc., another charging point provider, often hosts a ribbon-cutting ceremony to drum up local interest in new stations, planting flags and handing out flyers and doughnuts, said Jonathan Levy, the company's chief commercial officer.

EVGo has been working with some of its partner property owners to install neon signs and with state governments to place signs advertising its locations on the side of the highway.

EV drivers have "range confidence," meaning they know how far their cars can go and how to find charging stations, Mr. Levy said. "But the non-EV driver has range anxiety—they need to have their eye brought to stations."

Qualcomm Profit Beats Expectations Amid Chip Crunch

By MEGHAN BOBROWSKY

Qualcomm Inc. posted strong quarterly earnings and gave an upbeat sales outlook, underscoring that demand for chips for everything from smartphones to cars remains elevated.

"Demand remains strong across all of our technologies and continues to exceed supply," Qualcomm Chief Executive Cristiano Amon said on an analysts call. Supply shortages are improving, he said, but bottlenecks are expected to persist.

The company on Wednesday said it generated \$10.7 billion in sales and \$3.4 billion in net income in the most recent quarter, surpassing Wall Street expectations.

Qualcomm, which projects revenue of up to \$11 billion for the current quarter, joins other chip companies to report strong results over the past 10 days, as semiconductor demand outpaces supply. Advanced Micro Devices Inc. CEO Lisa Su said Tuesday that revenue from chips that go into servers would be the main driver of about 31% top-line growth this year, though all its businesses are projected to see higher sales. Intel Corp. and Samsung Electronics Co. gave a bullish outlook this year.

Chip companies also are seeing prices rise from a combination of inflationary pressures across the global economy and heated semiconductor demand.

"I have a very firm view

that this is really a reset of the industry," Kurt Sievers, CEO of NXP Semiconductors NV, this week said on an earnings call. "I do not think that things will go backward," he said, "neither the input costs nor our pricing to our customers."

Qualcomm shares, which rose 6.25% in regular trading after AMD's results excited investor sentiment in chip companies, retreated in after-hours trading following its own results.

Mr. Amon has set ambitious growth targets for the company and laid out plans to expand beyond supplying mobile-phone makers for which the company is best known.

Handsets, though, remain core to Qualcomm's results. Sales in that segment advanced 42% in the most recent quarter from the year-ago period amid strong demand for 5G devices. Qualcomm estimates more than 750 million total 5G handset shipments this year.

The global smartphone market grew by nearly 6% in 2021 with 1.35 billion smartphones shipped, according to the International Data Corporation's Worldwide Quarterly Mobile Phone Tracker.

Apple Inc. which regained its title as the world's No. 1 seller of smartphones per IDC data, last week logged record quarterly results as CEO Tim Cook said supply bottlenecks should ease.

Qualcomm also is betting heavily on the growing use of chips in cars.



Cellphones remain at the core of company results. Its 5G chips.

AI Touted as a Means To Reduce Hiring Bias

By RICHARD VANDERFORD

The use of artificial intelligence to aid in companies' sensitive decision making has long made U.S. regulators wary, particularly for its potential to supercharge human bias.

But as worker shortages prompt widespread recruitment pushes, AI proponents say the technology, far from being risky, could help companies make hiring decisions fairer—not just faster.

A recent jump in resignations, a mass restructuring of the workforce that coincided with the coronavirus pandemic, continues to loom large for companies, with surveys of corporate leadership showing staffing issues remain among the most pressing near-term risks. Many have turned to AI to bulk up their recruitment muscle, despite perennial warnings from regulators and experts of the potential for algorithms to effectively learn from and then magnify human biases.

Proponents, though, argue that removing the human element can actually help. Output from AI can be readily audited, and computers stripped of some of the hidden biases that can lurk in a person's mind. A computer doesn't have a hometown, didn't go to college and doesn't have hobbies, so won't unconsciously warm to a friendly candidate the way a real recruiter might.

"One candidate might talk about their varsity lacrosse team, and when they were a captain of the team, and another candidate, 'I watched the football game last night,'" said Kevin Parker, who is transitioning into an executive advisory role at hiring technology company HireVue Inc. after serving as chief executive.

HireVue offers software that can automate interviews.

"When you can ask the candidates exactly the same question about the skills associated with their job, you get a much fairer outcome...and diversity improves as a result of that," Mr. Parker said.

Many conversations about AI intervening in important decisions have focused on their potential to amplify biases, an outcome that can occur when a data set used to teach an AI system was itself the product of bias.

"There's a growing realization that these tools can exacerbate bias," Matisa Hollister, a McGill University assistant professor of organizational behavior. "I don't know how many times I've heard, 'Keep the humans in human resources.'"

"Even tools that are not super sketchy can create significant backlash," said Dr. Hollister, who recently collaborated with the World Economic Forum on a "tool kit" for AI in HR.

Some companies have had notable AI missteps. Amazon.com Inc., for example, reportedly scrapped an algorithm meant to aid the hiring of top talent when it learned that its tool would pan candidates who listed on their résumé that they went to women's colleges or participated in women's clubs.

The tool, according to a Reuters report, learned what Amazon sought in a candidate by looking at the backgrounds of candidates who submitted résumés in the last decade, a group that heavily skewed male. Amazon told The Wall Street Journal that the project was only explored on a trial basis and scrapped because the algorithms were too primitive.

PayPal Shares Sink 25%

Continued from page B1

Pal to your list of pandemic high-fliers that are experiencing a quite bumpy landing," wrote MoffettNathanson analyst Lisa Ellis in a research note.

PayPal's earnings report dragged down the stock prices of other e-commerce and digital-payments companies that got a boost during the pandemic. Shares in Shopify Inc., Block Inc., formerly known as Square, and buy-now-pay-later

company Affirm Holdings Inc. each closed down around 10%.

For 2022, PayPal expects to generate adjusted earnings per share of roughly \$4.67, well below the \$5.21 consensus estimate of analysts polled by FactSet. PayPal also forecast revenue growth of 15% to 17%, less than the 18% growth figure the company released a few months ago, which investors then viewed as a disappointment.

"Our medium-term targets simply did not contemplate inflation at a 40-year high and supply-chain issues not seen in my lifetime," Mr. Rainey said on the earnings conference call. "As such, 2022 is now off to a slower start than we previously anticipated and we are taking a more conservative stance on the year."



The company was an investor favorite for much of 2020 and 2021.

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BUSINESS NEWS

Amazon Workers Ready for Union Revote

Labor board to start sending ballots Friday to warehouse employees in Alabama

By Sebastian Herrera

Amazon.com Inc. workers at a company warehouse in Alabama are set to begin voting for the second time in the past year on whether to unionize. The National Labor Relations Board on Friday will start to send ballots to roughly 6,100 workers at the facility in Bessemer, Ala. In recent weeks, organizers and managers at the facility clashed over election procedures and company policies. The ballots must reach the NLRB regional office by March 25.

Last year about 71% of Amazon workers who voted decided against unionization, an overwhelming victory for the company. The NLRB found Amazon violated labor law during the vote and late last year ordered a new election.

Amazon has said it didn't violate labor law and it has worked hard to listen to its employees and offer "great pay and benefits in a safe and inclusive workplace." The company said this week that it recognizes the right of employees to vote to join a union and aims to provide information to workers on the potential impact of unionization. In the past, Amazon told workers that such a step is unnecessary.

As the second vote nears, organizers say the primary difference this time is the high vaccination rate among the U.S. public, which they said made it easier to meet with workers. During the previous



Supporters of an Amazon union demonstrated in Bessemer, Ala., on Tuesday as workers are set to begin voting again.

Union supporters and Amazon have disputed actions the company has taken as the vote approaches. The union has again raised concern about the mailbox, which was moved from the front of the building but is still present at the Bessemer campus. It recently filed a complaint against Amazon after the company allegedly gave a written warning to a worker who organized inside the Bessemer facility.

An Amazon spokeswoman said the company's letter acknowledged the worker's right to organize while pointing out the company's policy of not doing so while interrupting other people's work.

Amazon recently agreed to notify past and current warehouse staff by email and other internal communications of their rights to organize in its buildings under a deal with the NLRB. The agreement suggests that workers organize when they aren't working.

Workers might have their best leverage in years, labor researchers have said. A national labor shortage has given employees across industries bargaining advantages to push for higher pay and benefits. This trend contributed to a unionization push at Starbucks Corp. and strikes at Deere & Co., the snack producer Mondelez International Inc. and Kellogg Co.

Amazon said it has focused on worker flexibility while introducing such perks as paid college tuition.

Amazon has shown signs of feeling the labor crunch. The company said it would spend roughly \$4 billion in the three months ended in December to address costs associated with getting products to customers.

election, the union communicated largely through mail brochures and phone calls.

Kristina Bell, a Bessemer worker and organizer, said employees are now generally more knowledgeable about unions and their goals because of the first vote's publicity, making it easier to talk to voters about the potential of joining a union.

So far the group hasn't had as much star-studded pizzazz as in 2021. Last year's vote attracted support from Democratic leaders such as Stacey Abrams, National Football League players, and actors that included Danny Glover, who visited the Bessemer facility. President Biden weighed

in, calling the election a "vital important choice" in a video last February.

The union embraced the publicity as a way to help connect with workers during the outbreak, said Stuart Appelbaum, president of Retail, Wholesale and Department Store Union, which has led the campaign in Bessemer. Organizers advocated for higher pay, more breaks and eased performance quotas for workers.

Outside support "is not as necessary this time to be able to communicate with workers," Mr. Appelbaum said. "We can do it more directly now."

Amazon has said it opposes unions because it prefers to negotiate with workers directly.

The company held meetings at the Bessemer center to discourage workers from unionizing. Since the last election Amazon raised wages and introduced bonuses of up to \$3,000. Amazon's starting wage averages \$18 an hour, and the company recently said it eased some of its requirements for the pace at which workers must sort or prepare packages.

Among the challenges facing the RWDSU is convincing workers about the benefits provided by unions. After the first election, Amazon workers who voted against unionization said they didn't believe it would substantially improve their jobs.

Amazon's employee turnover

presents a hurdle. The RWDSU estimates that nearly half of the 6,143 eligible voters for this year's election weren't employees at the Bessemer facility when the first vote took place. The company has had turnover that exceeds 100% in many of its facilities, according to an analysis by The Wall Street Journal.

The revote is happening after the NLRB determined in November that Amazon broke the law during the first election, which was also held by mail, primarily because of a mailbox the company had installed in front of the facility. A labor-board official said the box could have made voters believe the company played a role in counting the votes.

New York Times Opposes Tech Staff Push to Organize

By Alexandra Bruell and Allison Prang

New York Times Co. is resisting a unionization effort by its technology workers and is battling the newsroom's main union over the creation of new holidays as labor strife at the publisher intensifies.

Roughly 600 tech workers at the Times—including employees in engineering, product management, project management, design and data analysis—are currently voting on whether to unionize in an election held by the National Labor Relations Board. Ballots are due in mid-February, with results expected in March.

The Times's management has declined to voluntarily recognize the new union, which is seeking to organize as part of the NewsGuild of New York.

The company has recently sent pamphlets to tech staffers that say it has made progress on "career growth and development, company culture and [diversity, equity and inclusion] and compensation and benefits," according to a copy of the document viewed by The Wall Street Journal. It has encouraged them to vote against the union.

Danielle Rhoades Ha, a spokeswoman for the Times, said the company didn't voluntarily recognize a technology union because it would be "an unproven experiment with lasting implications."

"The success of digital product development relies on collaboration, speed and constant

experimentation, all of which a collective bargaining arrangement could stifle," Ms. Rhoades Ha said in a statement.

The conflict with tech workers highlights technology's growing importance in newsrooms as publishers experiment with new digital products. "In a way, it just reflects the transformation of journalism from a print, old-fashioned medium to what it is now, where there's a huge amount of tech involved," said Ruth Milkman, a labor sociologist at the City University of New York.

Digital experimentation has helped fuel the Times's growth. Of the 375,000 digital subscriptions the company added in the fourth quarter, 204,000 were for non-news products such as its games, cooking app and product-recommendation website Wirecutter.

Staffers at Wirecutter went on strike in late November before their union reached a deal on its first collective bargaining agreement with the company.

Labor-organizing efforts across U.S. media have ramped up in the past few years, and other publishers have faced similar pressures.

In 2021, 1,542 U.S. media employees won union recognition with the NewsGuild, which is part of the Communications Workers of America union, a 52% increase compared with the previous year, according to data from the organization that helps media workers form and operate unions. Unionized staffers at the Journal are affiliated with the NewsGuild.

Ad Revenue Drives Increase in Profit

New York Times Co. said it surpassed its goal of 10 million subscriptions years ahead of schedule, partly thanks to its recent acquisition of sports-media company the Athletic, while profit rose on the back of strong ad-revenue growth.

Net profit jumped to \$69.9 million, or 41 cents a share, from \$10 million, or 6 cents a share, a year earlier. Revenue rose 17% to \$594.2 million.

The news organization, which had aimed to reach its subscription goal by 2025, set a

—Alexandra Bruell

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CLASS ACTION

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

IN RE JPMORGAN PRECIOUS METALS SPOOFING LITIGATION Case No.: 1:18-cv-10356 (GHW)

SUMMARY NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

If you purchased or sold any Precious Metals Futures or Options on Precious Metals Futures on the Commodity Exchange Inc. ("COMEX") or the New York Mercantile Exchange ("NYMEX") from March 1, 2008 through August 31, 2016, your rights may be affected by a pending class action settlement, and you may be entitled to a portion of the settlement fund.

This Summary Notice is to alert you to a proposed Settlement totaling **\$60,000,000** (the "Settlement Amount") reached with JPMorgan Chase & Co. ("JPMorgan") in a pending class action (the "Action").

The United States District Court for the Southern District of New York (the "Court") authorized this Summary Notice and has appointed the lawyers listed below to represent the Settlement Class in this Action:

Vincent Briganti
LOWEY DANNENBERG, P.C.
44 South Broadway, Suite 1100
White Plains, NY 10601
Telephone: (914) 733-7221
Email: vbriganti@lowey.com

Who is a member of the Settlement Class?

The proposed Settlement Class consists of all Persons and entities that purchased or sold any Precious Metals Futures or Options on Precious Metals Futures on the COMEX or NYMEX from March 1, 2008 through August 31, 2016 (the "Class Period"). Excluded from the Settlement Class are: (i) JPMorgan and any parent, subsidiary, affiliate or agent of JPMorgan, provided, that any Investment Vehicle shall not be excluded from the Settlement Class, but under no circumstances may JPMorgan (or any of its direct or indirect parents, subsidiaries, affiliates, or divisions) receive a distribution for its own account from the Settlement Fund through an Investment Vehicle; and (ii) the United States Government.

"Precious Metals Futures" means Gold Futures contract(s), Silver Futures contract(s), Platinum Futures contract(s) or Palladium Futures contract(s), and "Options on Precious Metals Futures" means any option on Precious Metals Futures.

The other capitalized terms used in this Summary Notice are defined in the detailed Notice of Proposed Class Action Settlement, **July 7, 2022** Fairness Hearing Thereon and Class Members' Rights ("Notice") and in the Settlement Agreement, which are available at www.preciousmetalsfuturesclassactionsettlement.com.

If you are not sure if you are included in the Settlement Class, you can get more information, including the detailed Notice, at www.preciousmetalsfuturesclassactionsettlement.com or by calling toll-free 1-877-999-4333 (if calling from outside the United States or Canada, call 1-414-921-0344).

What is this lawsuit about and what does the Settlement provide?

Class Plaintiffs allege that Defendants JPMorgan and three of JPMorgan's former futures traders (John Edmonds, Robert Gottlieb, and Michael Thomas Nowak) unlawfully and intentionally manipulated the prices of gold and silver futures and options contracts traded on the COMEX and platinum and palladium futures and options traded on the NYMEX during the Class Period in violation of the Commodity Exchange Act, 7 U.S.C. §§ 1, et seq. and the common law.

JPMorgan maintains that it has good and meritorious defenses to Class Plaintiffs' claims and would prevail if the case were to proceed. Nevertheless, to settle the claims in this lawsuit, and thereby avoid the expense and uncertainty of further litigation, JPMorgan has agreed to pay a total of \$60,000,000 in cash for the benefit of the proposed Settlement Class. If the Settlement is approved, the Settlement Amount, plus interest earned from the date it was established (the "Settlement Fund"), less any Taxes, the reasonable costs of Class Notice and administration, any Court-awarded attorneys' fees, litigation expenses and costs, Incentive Awards for Class Plaintiffs, and any other costs or fees approved by the Court (the "Net Settlement Fund") will be divided among all Class Members who file valid Proof of Claim and Release Forms ("Claim Form").

If the Settlement is approved, the Action will be resolved against all Defendants. If the Settlement is not approved, JPMorgan and the other Defendants will remain as defendants in the Action, and Class Plaintiffs will continue to pursue their claims against Defendants.

Will I get a payment?

If you are a member of the Settlement Class and do not opt out, you will be eligible for a payment under the Settlement if you file a Claim Form. You may obtain more information at www.preciousmetalsfuturesclassactionsettlement.com or by calling toll-free 1-877-999-4333 (if calling from outside the United States or Canada, call 1-414-921-0344).

Claim Forms must be postmarked by **August 8, 2022** or submitted online at www.preciousmetalsfuturesclassactionsettlement.com on or before 11:59 p.m. Eastern time on **August 8, 2022**.

What are my rights?

If you are a member of the Settlement Class and do not opt out, you will release certain legal rights against JPMorgan, the other Defendants, and Released Parties as explained in the detailed Notice and Settlement Agreement, which are available at www.preciousmetalsfuturesclassactionsettlement.com. If you do not want to take part in the proposed Settlement, you must opt out by **May 23, 2022**. You may object to the proposed Settlement, the Distribution Plan, and/or Lead Counsel's request for attorneys' fees, payment of litigation costs and expenses, and any Incentive Awards to Class Plaintiffs. If you want to object, you must do so by **May 23, 2022**. Information on how to opt out or object is contained in the detailed Notice, which is available at www.preciousmetalsfuturesclassactionsettlement.com.

When is the Fairness Hearing?

The Court will hold a hearing via audio teleconference from the United States District Court for the Southern District of New York, at the Daniel Patrick Moynihan U.S. Courthouse, located at 500 Pearl Street, New York, NY 10007, on **July 7, 2022 at 3:00 p.m.** Eastern time to consider whether to finally approve the proposed Settlement, Distribution Plan, the application for an award of attorneys' fees and payment of litigation costs and expenses, and the application for Incentive Awards for the Class Plaintiffs. Any Class Member who wants to participate at the Fairness Hearing can do so remotely by calling the following toll-free number: 1-888-567-1602 (if calling from outside the United States or Canada, call 1-862-298-0702) on the date and time of the Fairness Hearing. You or your lawyer may ask to participate and speak at the hearing, but you do not have to. Any changes to the time and place of the Fairness Hearing, or other deadlines, will be posted to www.preciousmetalsfuturesclassactionsettlement.com as soon as is practicable.

For more information, call toll-free 1-877-999-4333 (if calling from outside the United States or Canada, call 1-414-921-0344) or visit www.preciousmetalsfuturesclassactionsettlement.com.

**** Please do not call the Court or the Clerk of the Court for information about the Settlement. ****

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How to Read the Stock Tables
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Unlimited quotations are those stocks with large changes in volume compared with the issue's average trading volume.

Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher.

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

Wednesday, February 2, 2022

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Table with columns: Stock, Sym, Close, Chg, Net Chg. Includes sub-sections G, H, I.

Table with columns: Stock, Sym, Close, Chg, Net Chg. Includes sub-sections J, K, L.

Table with columns: Stock, Sym, Close, Chg, Net Chg. Includes sub-sections M, N, O.

Table with columns: Stock, Sym, Close, Chg, Net Chg. Includes sub-sections P, Q, R.

Table with columns: Stock, Sym, Close, Chg, Net Chg. Includes sub-sections S, T, U.

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Table with columns: Stock, Sym, Close, Chg, Net Chg. Includes sub-sections G, H, I.

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.

Table with columns: Stock, Sym, Hi/Low, Chg, % Chg.

Table with columns: Stock, Sym, Hi/Low, Chg, % Chg.

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Table with columns: Stock, Sym, Hi/Low, Chg, % Chg.

IPO Scorecard

Performance of IPOs, most-recent listed first

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

Sources: Dow Jones Market Data; FactSet

Dividend Changes

Dividend announcements from Feb. 2

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

Initial

Table with columns: DTG, DTG, 4.4, 2947, Mar01/Febl4

Stocks

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

Audio Codes

Table with columns: AUDC, IEO, IEO, 19, 157135, SA, Mar01/Febl5.

Special

Table with columns: Meridian, MRBK, 21, 100, Feb21/Febl4

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

Exchange-Traded Portfolios

WSJ.com/ETFResearch

Largest 100 exchange-traded funds, latest session

Table with columns: EFTF, Symbol, Closing Price, Chg YTD, % Chg YTD.

Table with columns: EFTF, Symbol, Closing Price, Chg YTD, % Chg YTD.

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MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

35629.33 ▲224.09, or 0.63%
 High, low, open and close for each trading day of the past three months.



Current divisor 0.15172752595384
 *Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; †Based on Nasdaq-100 Index

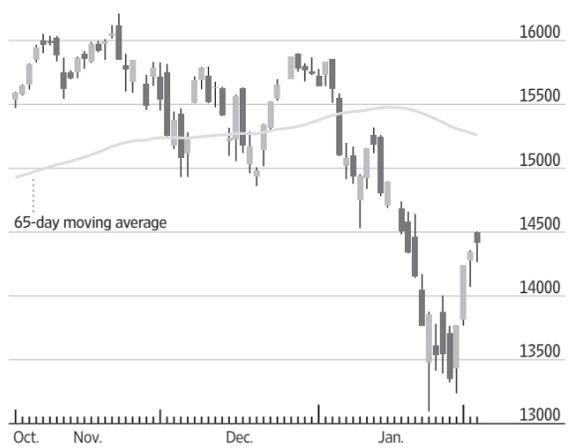
S&P 500 Index

4589.38 ▲42.84, or 0.94%
 High, low, open and close for each trading day of the past three months.



Nasdaq Composite Index

14417.55 ▲71.54, or 0.50%
 High, low, open and close for each trading day of the past three months.



Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg YTD	% chg 3-yr. ann.
Dow Jones									
Industrial Average	35679.20	35290.12	35629.33	224.09	0.63	36799.65	30723.60	-2.0	12.4
Transportation Avg	15757.32	15457.97	15739.82	129.34	0.83	17039.38	12527.57	-4.5	15.8
Utility Average	955.95	938.79	955.23	12.62	1.34	980.78	795.61	-2.6	9.6
Total Stock Market	46380.92	45891.79	46321.49	284.03	0.62	48929.18	39614.97	-4.8	18.3
Barron's 400	1033.04	1020.07	1030.39	1.82	0.18	1127.20	893.07	-6.9	14.9
Nasdaq Stock Market									
Nasdaq Composite	14504.82	14264.65	14417.55	71.54	0.50	16057.44	12609.16	-7.8	25.7
Nasdaq-100	15196.40	14960.85	15139.74	120.06	0.80	16573.34	12299.08	-7.2	30.1
S&P									
S&P 500 Index	4595.31	4544.32	4589.38	42.84	0.94	4796.56	3768.47	-3.7	19.2
MidCap 400	2672.04	2642.87	2662.38	-0.11	-0.004	2910.70	2418.89	-6.3	13.1
SmallCap 600	1313.43	1290.22	1302.37	-6.66	-0.51	1466.02	1217.59	-7.1	11.7
Other Indexes									
Russell 2000	2054.72	2013.59	2029.52	-21.22	-1.03	2442.74	1931.29	-6.0	-9.6
NYSE Composite	16926.19	16763.05	16904.52	74.80	0.44	17353.76	14839.06	13.9	-1.5
Value Line	640.77	633.15	637.98	-1.53	-0.24	696.40	600.47	6.2	-5.1
NYSE Arca Biotech	5174.13	5090.04	5126.17	-47.96	-0.93	6319.77	4790.85	-15.8	-7.1
NYSE Arca Pharma	810.35	795.76	808.82	8.40	1.05	828.58	667.24	16.6	-2.2
KBW Bank	138.95	136.70	138.74	0.55	0.40	147.56	103.12	34.6	4.9
PHLX ^S Gold/Silver	128.20	125.07	126.24	-0.22	-0.17	166.01	117.06	-9.6	-4.7
PHLX ^S Oil Service	67.01	65.50	66.30	-0.73	-1.09	69.77	48.31	33.0	25.8
PHLX ^S Semiconductor	3601.22	3526.96	3597.17	86.31	2.46	4039.51	2762.75	20.6	-8.8
Cboe Volatility	22.73	20.46	22.09	0.13	0.59	31.96	15.01	-3.6	28.3

†Nasdaq PHLX Sources: FactSet; Dow Jones Market Data

Late Trading

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

Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	After-Hours % chg	High	Low
Gap Inc	GPS	25,407.5	17.65	-0.03	-0.17	18.16	17.65
Meta Platforms	FB	20,935.0	250.81	-72.19	-22.35	326.87	244.00
SPDR S&P 500	SPY	14,523.4	454.14	-3.21	-0.70	457.54	453.50
Apple	AAPL	12,660.4	174.42	-1.42	-0.81	175.84	136.73
Petroleo Brasileiro ADR	PBR	9,006.2	12.26	-0.04	-0.33	12.35	12.26
Invesco QQQ Trust I	QQQ	8,789.6	361.80	-6.69	-1.82	368.74	345.99
Snap	SNAP	7,802.0	26.30	-5.77	-17.99	32.45	25.11
Energy Transfer	ET	6,431.1	9.95	-0.01	-0.10	10.00	9.90

Percentage gainers...

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
Flex Ltd	FLEX	438.6	18.52	1.77	10.57	19.10	16.75
T-Mobile US	TMUS	895.7	119.44	9.86	9.00	120.01	108.70
Syros Pharmaceuticals	SYRS	881.6	2.08	0.15	7.77	2.24	1.96
Humana Inc	HUM	168.8	426.12	24.90	6.21	434.55	401.22
McKesson	MCK	129.3	273.80	15.34	5.94	273.80	254.46

...And losers

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
Meta Platforms	FB	20,935.0	250.81	-72.19	-22.35	326.87	244.00
Snap	SNAP	7,802.0	26.30	-5.77	-17.99	32.45	25.11
Spotify Technology	SPOT	2,316.9	169.98	-21.94	-11.43	199.00	147.90
MicroSectors FANG+ 3X	FNGU	314.0	25.90	-3.17	-10.90	29.29	25.76
MicroSectors FANG 3x Lvgd	BULZ	164.1	16.38	-1.78	-9.80	18.31	16.22

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	986,090,260	13,776,863
Adv. volume*	488,210,132	4,503,845
Decl. volume*	482,690,919	9,233,342
Issues traded	3,478	288
Advances	1,490	111
Declines	1,871	166
Unchanged	117	11
New highs	76	6
New lows	55	5
Closing Arms [†]	0.91	1.23
Block trades*	4,411	133

*Primary market NYSE, NYSE American, NYSE Arca only. †(TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
World	MSCI ACWI	729.08	5.59	0.77	-3.4
	MSCI ACWI ex-USA	337.41	2.48	0.74	-2.0
	MSCI World	3113.84	27.22	0.88	-3.6
	MSCI Emerging Markets	1213.23	-0.78	-0.06	-1.5
Americas	MSCI AC Americas	1755.41	13.00	0.75	-3.9
Canada	S&P/TSX Comp	21362.36	42.44	0.20	0.7
Latin Amer.	MSCI EM Latin America	2295.62	-22.65	-0.98	7.8
Brazil	BOVESPA	111894.36	-1333.95	-1.18	6.7
Chile	S&P IPSA	2964.28	-28.20	-0.94	5.6
Mexico	S&P/BMV IPC	52034.80	252.13	0.49	-2.3
EMEA	STOXX Europe 600	477.01	2.15	0.45	-2.2
Eurozone	Euro STOXX	467.06	0.77	0.17	-2.5
Belgium	Bel-20	4123.02	12.55	0.31	-4.3
Denmark	OMX Copenhagen 20	1736.41	47.40	2.81	-6.8
France	CAC 40	7115.27	15.78	0.22	-0.5
Germany	DAX	15613.77	-5.62	-0.04	-1.7
Israel	Tel Aviv	1935.85	20.06	1.05	-2.1
Italy	FTSE MIB	27388.73	163.84	0.60	0.2
Netherlands	AEX	765.56	0.34	0.04	-4.1
Russia	RTS Index	1463.90	6.26	0.43	-8.3
South Africa	FTSE/JSE All-Share	75190.74	301.57	0.40	2.0
Spain	IBEX 35	8713.20	-13.50	-0.15	-0.1
Sweden	OMX Stockholm	955.87	7.58	0.80	-7.8
Switzerland	Swiss Market	12360.37	0.57	0.005	-4.0
Turkey	BIST 100	2002.24	-13.19	-0.65	7.8
U.K.	FTSE 100	7583.00	47.22	0.63	2.7
U.K.	FTSE 250	22249.40	81.46	0.37	-5.2
Asia-Pacific	MSCI AC Asia Pacific	187.22	1.72	0.93	-3.1
Australia	S&P/ASX 200	7087.70	81.67	1.17	-4.8
China	Shanghai Composite	3361.44	...	Closed	-7.6
Hong Kong	Hang Seng	23802.26	...	Closed	1.7
India	S&P BSE Sensex	59558.33	695.75	1.18	2.2
Japan	NIKKEI 225	27533.60	455.12	1.68	-4.4
Singapore	Straits Times	3249.59	...	Closed	4.0
South Korea	KOSPI	2663.34	...	Closed	-10.6
Taiwan	TAIEX	17674.40	...	Closed	-3.0
Thailand	SET	1667.75	6.00	0.36	0.6

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Close	Net chg	% chg	High	Low	% chg
GWG Holdings	GWGH	4.50	1.08	31.58	10.90	2.36	-36.2
Helbiz	HLBZ	3.82	0.76	24.84	41.88	2.80	-62.8
ProSh Ult Bloombg Nat Gas	BOIL	56.02	9.77	21.12	97.82	18.79	100.4
Allegheny Technologies	ATI	22.02	3.21	17.07	25.04	13.85	21.5
Ikena Oncology	IKNA	11.45	1.66	16.96	37.61	8.62	...
Shineco	SISI	4.19	0.53	14.48	19.40	2.81	4.8
Pharming Group ADR	PHAR	10.05	1.23	13.98	14.68	7.58	-31.4
iStar	STAR	24.94	2.85	12.90	27.75	15.18	57.7
Optical Cable	OCC	5.61	0.64	12.88	6.85	3.15	61.2
AZZ Smart Technologies	AZ	6.46	0.71	12.35	12.36	3.93	49.5
System1	SST	10.34	1.02	10.94	11.54	7.70	-7.0
iPath B Bloomberg Nat Gas	GAZ	28.51	2.74	10.62	33.93	14.25	66.3
iMedia Brands Cl A	IMBI	6.05	0.56	10.20	10.48	4.60	1.7
Intrepid Potash	IPI	45.92	4.19	10.04	52.91	22.82	68.2
Direxion S&P Biotech Bear	LABD	40.71	3.71	10.03	55.46	12.30	155.1

Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session % chg	52-Week High	52-Week Low
Advanced Micro Devices	AMD	179,356	167.8	122.76	5.12	164.46
Exela Technologies	XELA	163,086	454.9	0.79	-8.12	7.82
PayPal Holdings	PYPL	135,712	753.8	132.57	-24.59	310.16
SPDR S&P 500	SPY	116,364	27.3	457.35	0.97	479.98
ProShares UltraPro QQQ	TQQQ	99,304	-9.6	64.50	2.36	91.68
Ford Motor	F	93,962	-15.9	20.63	-0.15	25.87
Direxion Dly SCOND 3 Bear	SOXS	81,972	148.8	4.05	-7.32	15.75
OLB Group	OLB	81,329</				

COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Metal & Petroleum Futures						
	Open	Contract High/low	Settle	Chg	Open interest	
Copper-High (CMX) -25,000 lbs.; \$ per lb.	4.4340	4.4850	4.4315			
Feb	4.4340	4.4850	4.4315			
March	4.4335	4.5090	4.4300	4.4960	0.0620	99,001
Gold (CMX) -100 troy oz.; \$ per troy oz.	1797.80	1810.20	1795.10	1809.20	8.90	7,580
Feb	1797.80	1810.20	1795.10	1809.50	8.70	5,450
March	1800.30	1812.40	1794.60	1810.30	8.80	397,226
June	1803.00	1814.40	1797.60	1813.20	8.90	61,122
Aug	1807.40	1817.20	1801.80	1816.10	8.90	19,890
Oct	1816.40	1820.80	1805.40	1819.60	8.90	5,408
Palladium (NYM) -50 troy oz.; \$ per troy oz.	2366.20	2300			1	
Feb	2366.20	2300				
March	2347.50	2424.00	2338.50	2369.50	23.00	6,202
Platinum (NYM) -50 troy oz.; \$ per troy oz.	1042.30	20.50			39	
Feb	1042.30	20.50				
April	1030.00	1047.60	1025.80	1043.70	20.50	49,834
Silver (CMX) -5,000 troy oz.; \$ per troy oz.	22.810	22.825	22.610	22.711	0.115	435
Feb	22.810	22.825	22.610	22.707	0.112	106,414
March	22.640	22.875	22.465			
Crude Oil, Light Sweet (NYM) -100 bbls.; \$ per bbl.	88.35	89.72	▲	87.10	88.26	0.06
Feb	88.35	89.72	▲	87.10	88.26	0.06
March	86.64	87.93	▲	85.56	86.69	0.23
April	85.15	86.44	▲	84.25	85.32	0.30
May	83.89	85.11	▲	83.05	84.07	0.35
June	78.35	79.42	▲	77.79	78.63	0.44
Dec'23	71.90	72.80	▲	71.61	72.10	0.37
NY Harbor ULSD (NYM) -42,000 gal.; \$ per gal.	2.7495	2.7848	▲	2.7294	2.7689	0.277
March	2.7495	2.7848	▲	2.7294	2.7689	0.277
April	2.6605	2.6897	▲	2.6386	2.6727	0.193

Contract						
	Open	High/low	Low	Settle	Chg	Open interest
Gasoline-NY RBOB (NYM) -42,000 gal.; \$ per gal.	2.5746	2.6173	▲	2.5645	2.6070	0.0318
March	2.5746	2.6173	▲	2.5645	2.6070	0.0318
April	2.6758	2.7157	▲	2.6657	2.7039	0.0276
Natural Gas (NYM) -10,000 MMBtu.; \$ per MMBtu.	4.893	5.572	▲	4.857	5.501	0.750
March	4.893	5.572	▲	4.857	5.501	0.750
April	4.681	5.053	▲	4.664	5.044	0.471
May	4.675	5.048	▲	4.665	5.038	0.460
June	4.720	5.079	▲	4.677	5.069	0.455
July	4.752	5.121	▲	4.716	5.112	0.451
Oct	4.776	5.121	▲	4.722	5.113	0.441

Agriculture Futures						
	Open	High/low	Low	Settle	Chg	Open interest
Corn (CBT) -5,000 bu.; cents per bu.	634.50	640.75	▲	616.75	622.50	-12.25
March	634.50	640.75	▲	616.75	622.50	-12.25
May	633.50	639.75	▲	616.75	622.25	-11.50
Oats (CBT) -5,000 bu.; cents per bu.	719.00	730.00	▲	709.50	725.00	10.00
March	719.00	730.00	▲	709.50	725.00	10.00
May	688.00	698.00	▲	674.75	691.00	7.50
Soybeans (CBT) -5,000 bu.; cents per bu.	1528.00	1564.00	▲	1526.00	1545.25	16.75
March	1528.00	1564.00	▲	1526.00	1545.25	16.75
May	1533.25	1568.25	▲	1531.75	1549.50	15.25
Soybean Meal (CBT) -100 tons; \$ per ton.	436.10	447.60	▲	431.00	435.10	-0.90
March	436.10	447.60	▲	431.00	435.10	-0.90
May	437.00	444.60	▲	429.30	433.50	-0.90
Soybean Oil (CBT) -60,000 lbs.; cents per lb.	65.89	66.92	▲	65.58	65.98	0.15
March	65.89	66.92	▲	65.58	65.98	0.15
May	65.89	66.78	▲	65.57	65.95	0.20
Rough Rice (CBT) -2,000 cwt.; \$ per cwt.	15.16	15.58	▲	15.14	15.44	0.27
March	15.16	15.58	▲	15.14	15.44	0.27
May	15.36	15.78	▲	15.35	15.67	0.27
Wheat (CBT) -5,000 bu.; cents per bu.	770.00	778.50	▲	749.25	755.00	-14.00
March	770.00	778.50	▲	749.25	755.00	-14.00

Cash Prices

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

Wednesday		Wednesday		Wednesday	
Energy		Iron Ore, 62% Fe CFR China-s	n.a.	Wheat, Spring 14% -pro Mnpls-u	10.980
Coal, C.Apic, 12500Btu, 1.25O2-r,w	89.700	Shredded Scrap, US Midwest-s,m	n.a.	Wheat, No.2 soft red, St.Louis-u	7.750
Coal, Pwdr/HvBsn, 8800Btu, 0.85O2-r,w	23.900	Steel, HRC USA, FOB Midwest Mill-s	1240	Wheat - Hard - KC (USDA) \$ per bu-u	7.910
		Battery/EV metals		Wheat, No.1 soft white, Portld, OR-u	10.750
		BMI Lithium Carbonate, EXW China, >99.2%-vk	54725		
		BMI Lithium Hydroxide, EXW China, >56.5%-vk	45450		
		BMI Cobalt sulphate, EXW China, >20.5%-v,m	16250		
		BMI Nickel Sulphate, EXW China, >22%-v,m	5888		
		BMI Flake Graphite, FOB China, >100 Mesh, 94.95%-v,m	665		
		Fibers and Textiles			
		Burlap, 10-oz, 40-inch NY yd-n,w	0.8300		
		Cotton, 1 1/16 std lw-mdMphs-u	1.2608		
		Cotlook 'A' Index-t	*141.10		
		Hides, hvy native steers piece fob-u	n.a.		
		Wool, 64s, staple, Terr del-u,w	n.a.		
		Grains and Feeds			
		Barley, top-quality Mnpls-u	n.a.		
		Bran, wheat middlings, KC-u	173		
		Corn, No. 2 yellow, Cent IL-bp,u	6.1000		
		Corn gluten feed, Midwest-u,w	192.6		
		Corn gluten meal, Midwest-u,w	603.4		
		Cottonseed meal-u,w	318		
		Hominy feed, Cent IL-u,w	160		
		Meat-bonemeal, 50% pro Mnpls-u,w	275		
		Oats, No.2 milling, Mnpls-u	7.4250		
		Rice, Long Grain Milled, No. 2 AR-u,w	27.75		
		Sorghum, (Milo), No.2 Gulf-u	n.a.		
		Soybean Meal, Cent IL, rail, ton 48%-u,w	451.00		
		Soybeans, No.1 yllw IL-bp,u	15.2400		
		Fats and Oils			
		Beef, carcass equiv. index			
		choice 1-3,600-900 lbs-u	235.92		
		select 1-3,600-900 lbs-u	228.61		
		Broilers, National comp wtd avg-u,w	1.2587		
		Butter, AA Chicago	2.4525		
		Cheddar cheese, bbl, Chicago	184.00		
		Cheddar cheese, blk, Chicago	188.00		
		Milk, Nonfat dry, Chicago lb.	179.75		
		Coffee, Brazilian, Comp	2.3639		
		Coffee, Colombian, NY	2.9345		
		Eggs, large white, Chicago-u	1.5950		
		Flour, hard winter KC	22.10		
		Hams, 17-20 lbs, Mid-u,S fob-u	0.48		
		Hogs, Iowa-So. Minnesota-u	82.21		
		Pork bellies, 12-14 lb MidUS-u	1.8308		
		Pork loins, 13-19 lb MidUS-u	1.1783		
		Steers, Tex.-Okla. Choice-u	174.25		
		Steers, feeder, Okla. City-u,w			
		Fats and Oils			
		Degummed corn oil, crude wtd. avg-u,w	57.0000		
		Grease, choice white, Chicago-h	0.6600		
		Lard, Chicago-u	n.a.		
		Soybean oil, crude, Cent IL-u,w	0.6833		
		Tallow, bleach, Chicago-h	0.7000		
		Tallow, edible, Chicago-u	0.7950		

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; E=Manfra, Tordella & Brookes; H=American Commodities Brokerage Co; K=bi-weekly; M=monthly; N=nominal; n.a.=not quoted or not available; R=SNL Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Z=not quoted. *Data as of 2/1

Source: Dow Jones Market Data

Borrowing Benchmarks

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

Inflation				U.S. consumer price index				International rates				Prime rates				Policy Rates				Overnight repurchase				U.S. government rates				Discount				Federal funds			
Dec. index	Chg From (%)	Nov. '21	Dec. '20	All items	Core	Latest	Week ago	52-Week High	Low	Latest	Week ago	52-Week High	Low	U.S.	Canada	Japan	Euro zone	Switzerland	Britain	Australia	U.S.	0.03	0.03	0.09	-0.04	0.25	0.25	0.25	0.25						
2.87	0.31	7.0	278.802	0.31	7.0	283.908	0.41	5.5						3.25	2.45	1.475	0.00	0.00	0.25	0.10	0.03	0.03	0.09	-0.04	0.25	0.25	0.25	0.25							

Macro & Market Economics

Watching the Gauges: U.S. Supply and Demand

Inventories, imports and demand for the week ended January 28. Current figures are in thousands of barrels or thousands of gallons per day, except natural-gas figures, which are in billions of cubic feet. Natural-gas import and demand data are available monthly only.

Inventories, 000s barrels						Imports, 000s barrels per day							
	Current	Expected change	Previous week	Year ago	4-week avg	5-year avg		Current	Expected change	Previous week	Year ago	4-week avg	5-year avg
Crude oil and petroleum prod	1,178,901	...	1,185	1,325	1,186	1,284	8,813	...	8,056	8,958	8,345	9,047	
Crude oil	415,143	1,100	416	476	415	461	7,085	...	6,236	6,507	6,534	7,085	
Gasoline	250,037	...	248	252	246	257	433	...	314	568	432	552	
Finished gasoline	18,979	1,700	20	23	19	26	99	...	8	67	72	66	
Reformulated	24	...	0	0	0	0	99	...	0	0	0	0	
Conventional	18,955	...	20	23	19	26	99	...	8	67	72	66	
Blend components	231,058	...	228	229	227	231	334	...	305	501	360	486	
Natural gas (bcf)	2,591	...	3	3	3	2
Kerosene-type													
jet fuel	37,288	...	37	42	36	43	128	...	198	9	145	111	
Distillates	122,744	-1,600	125	163	126	151	250	...	226	518	250	270	
Heating oil	6,716	...	7	9	7	11	1	...	1	0	1	14	
Diesel	116,028	...	118	154	119	70	250	...	225	518	249	256	
Residual fuel oil	25,123	...	26	32	26	33	153	...	175	164	172	209	
Other oils	252,960	...	254	279	256	264	581	...	740	1,038	654	602	
Net crude, petroleum products, incl. SPR	1,767,813	...	1,775	1,963	1,777	1,941	2,093	...	1,327	56	1,725	2,018	

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

Contract						
	Open	High/low	Low	Settle	Chg	Open interest

BUSINESS & FINANCE

Death Payments Hurt Insurers' Profit

By LESLIE SCISM

High levels of Covid-19 deaths hurt fourth-quarter results in MetLife Inc.'s business of providing employer-sponsored life insurance as the Delta variant persisted in the U.S., but the outside payouts were more than offset by unusually strong investment gains.

The New York company's net income soared to \$1.18 billion, compared with a year-earlier period that had been hurt by mark-to-market losses on financial hedges that aim to protect against falling interest rates. MetLife's adjusted earnings, which analysts track as a measure of recurring profitability, were flat at \$1.84 billion.

Another household-name insurer, Allstate Corp., reported a 70% drop in net income to \$790 million, and a 50% decline in adjusted net income to \$796 million, primarily driven by worsened car-insurance underwriting income. Accident volume increased on more-crowded roads, and inflation pushed repair costs higher.

Catastrophe costs were also higher. U.S. property insurers ended the year with two high-profile catastrophes: deadly tornadoes in and around Kentucky, and devastating wildfire between Denver and Boulder, Colo.

Allstate, one of the nation's biggest car and home insurers

by market share, faced a tough comparison with the year-earlier quarter, when pandemic-related business shutdowns and work-from-home arrangements contributed to a steep drop in miles driven. That, in turn, led to a steep drop in traffic accidents and plumper profit margins.

Drivers began returning to U.S. roads in large numbers in early 2021, and by year had rebounded "toward pre-pandemic levels," Allstate said. As wrecks have grown in frequency, the cost of repairing them has emerged as a worry. U.S. inflation hit its fastest pace in nearly four decades in December.

Allstate cited higher costs for used cars, vehicle parts and labor as factors pressuring its car-insurance profit margins, along with medical inflation and greater attorney representation in claims. It also noted higher costs for materials and labor on the homeowners side of the company.

It all amounted to a 92% decline in fourth-quarter underwriting income for the core property-liability unit, to \$113 million from \$1.42 billion a year earlier, even as premiums written surged 20% to \$10.3 billion. That growth came from market-share expansion and an acquisition last year.

"Obviously, we're not pleased" with the most recent results, Allstate Chief Executive Tom Wilson said. "So



MetLife's adjusted earnings were flat at \$1.84 billion.

we've begun to raise prices pretty aggressively, starting in the third quarter. And I would expect that to continue into next year. We don't think the inflationary impacts are temporary."

At MetLife, adjusted earnings in its big U.S. group-benefits unit plummeted 95% to \$20 million, from \$383 million, the carrier said. The year-earlier quarter reflected favorable results for its dental policies, as lockdowns and people's fear of the pandemic led to postponed appointments.

MetLife said the Delta variant, which also cut into its third-quarter group-benefits results, was claiming more

younger people—defined as those under age 65—than earlier variants had, but "a lower percentage of Covid-19 deaths under age 65" occurred in the fourth quarter relative to the third quarter.

Younger victims are more likely to still be in the workforce and hold employer-sponsored policies. These typically pay a death benefit equivalent to an employee's annual pay.

In the fourth quarter, MetLife paid out \$1.06 for each \$1 of premium it collected in its group-life-insurance business. In contrast, it paid out 96.3 cents in the fourth quarter of 2020.

The higher payouts were more than offset by another

quarter of heady gains in the company's big investment portfolio, thanks to a tiny slice held in private-equity funds. Investment income was roughly flat at \$5.23 billion compared with the year-earlier period, which also enjoyed robust private-equity returns, as have some other recent quarters.

Life insurers invest customers' premiums until needed to pay claims, often for decades, and they hold the majority of money in high-quality bonds. MetLife and some others invest relatively small amounts in private-equity funds for extra yield.

MetLife Chief Executive Michel Khalaf said the company's 2021 results benefited from "strategic decisions and consistent execution," including investing in private-equity funds and reducing expenses.

The earnings reports from Allstate and MetLife came on the heels of Chubb Ltd.'s earnings on Tuesday afternoon. In an earnings call Wednesday, Chubb Chief Executive Evan Greenberg ticked off double-digit-percentage premium growth across many product lines at the global property-casualty insurer, reflecting market-share gains and premium-rate increases.

Mr. Greenberg cited an 11% increase in costs to repair and rebuild homes in Chubb's high-net-worth homeowners business. Chubb's shares rose 3.8% on Wednesday.

Great Hill Closes Its Latest Tech Fund

By PREETI SINGH

Great Hill Partners has closed its latest fund with \$4.65 billion to invest in mid-market technology-enabled companies.

The Boston firm had a target of \$3.5 billion and an upper limit of \$4 billion for its Great Hill Equity Partners VIII LP fund when it began pitching it to investors, according to Chris Gaffney, a co-founder and managing director of the firm.

With the fund oversubscribed by investors, Great Hill received approval from its limited partners to raise the vehicle's upper limit to \$4.25 billion and closed it with that amount plus a \$400 million general partner commitment, Mr. Gaffney said.

The latest fund is about 86% larger than its predecessor, Great Hill Equity Partners VII LP which closed on \$2.5 billion of investor commitments in 2019.

By the end of last year, the firm had fully invested that vehicle across 19 deals, Mr. Gaffney said.

Mr. Gaffney spoke with WSJ Pro Private Equity about volatility in technology stocks and how that affects Great Hill's investment thesis of backing businesses in the software, digital commerce, financial technology, healthcare, and digital infrastructure sectors.

Asked about stock-market volatility, particularly around technology shares, was a concern, Mr. Gaffney said that the median growth rate of investments in the last fund is almost 35% and that "we are seeing no diminution in the growth rate."

"I really think what's going on in the market today is a rotation out of tech and that rotation will come back into tech over time, based on growth and fundamentals," he said. "It's hard to believe that if you have a company that's growing strongly and delivering good profits in the future that they won't be loved by the stock market over time."

The latest fund is significantly larger than the previous fund. Mr. Gaffney noted that "I would expect to see the average ticket sizes for investments to go up a little bit in the latest fund."

He said that the firm tries to "manage our risk by limiting the amount of capital in any deal to roughly 6% [of the fund] and if we have excess, we offer that to our limited partners as co-investments."

With a bigger fund, he said, the 6% number might go higher, but added that "we will continue to focus on investing in companies with less than \$1 billion in enterprise value."

To handle the increased fund size, the firm has added resources.

Mr. Gaffney said Great Hill has brought on additional "growth partners"—what the firm calls its operating partners—and now has more of them than it had before.

He added that, looking at the total number of portfolio companies versus the firm's total investment staff, "we are actually in the best position ever because we haven't had a ballooning in the number of portfolio companies."



The company said it has received commitments from investors for a new \$950 million bond deal and will use the proceeds to pay off higher-interest loans.

AMC Entertainment Refinances Debt Load

By ALEXANDER GLADSTONE

AMC Entertainment Holdings Inc. struck a deal to refinance expensive debt it took on in the early days of the pandemic, as it vies to revive the investor enthusiasm that made the company a centerpiece of the meme-stock phenomenon.

On Wednesday, AMC received investor commitments for a new \$950 million bond deal and will use the proceeds to pay off higher-interest debt borrowed in April 2020 as an emergency measure after closing the company's nearly 1,000 theaters world-wide, people familiar with the matter said.

The new bond will carry an interest rate in the range of

7.5%, compared with the 10.5% AMC has been paying, and extends the maturity by four years, to 2029, they said. The Wall Street Journal reported last month that AMC was in advanced talks to refinance some of its debt.

Wednesday's deal is expected to be the first in a series of refinancing transactions designed to reduce AMC's interest burden. The company's debt load stands at roughly \$5.5 billion, and includes a number of other expensive loans and bonds taken on during the pandemic.

In early 2021, AMC became a favorite of individual investors, many of whom refer to themselves as "apes," who helped

push the stock price to eye-popping heights while posting on social-media memes of their love for AMC and commitment to "hodding" on to their shares.

The ape movement took on a life of its own, and AMC even acknowledged in a June 2021 stock offering that it believed the price at that time reflected "market and trading dynamics unrelated to our underlying business, or macro or industry fundamentals."

But AMC's stock has tanked over the past several months, as the Delta and Omicron variants of Covid-19 put a damper on theater attendance and the ape movement lost some of its momentum. The stock was trading around \$16 on Wednes-

day, down 78% from its all-time high in June, and almost 40% year-to-date.

On Monday, the shares rallied back slightly after the company posted preliminary fourth-quarter results that showed revenue topping analyst expectations. In part buoyed by hit film "Spider-Man: No Way Home," AMC said it expects to post revenues of \$1.17 billion for the quarter, up substantially from 2020, but still shy of the \$1.46 billion it generated in the fourth quarter of 2019.

Some analysts have issued bearish calls on AMC, noting the company still lost almost \$150 million in 2019, the last year before the pandemic hit.

AMC will be hard-pressed to surpass its 2019 performance even if Covid-19 subsides, they say, particularly due to growing competition from streaming services like Netflix and Disney Plus.

AMC Chief Executive Adam Aron has argued the company is transforming itself into something different. AMC is now also in the popcorn business and has touted plans to start accepting cryptocurrencies like Dogecoin and Shiba Inu for ticket sales. The company has also rolled out a program to offer nonfungible tokens to its shareholders. Last year, AMC began screening some UFC mixed-martial arts fights at its theaters.

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. j-Footnotes e and s apply. k-Recalculated by Lipper, using updated data. p-Distribution costs apply. l2b-1. r-Redemption charge may apply. s-Stock split or dividend. t-Footnotes p and r apply. v-Footnotes x and e apply. x-Ex-dividend. z-Footnote x, e and s apply. NA-Not available due to incomplete price, performance or cost data. NE-Not released by Lipper; data under review. NN-Fund not tracked. NS-Fund didn't exist at start of period.

Table with columns: Fund, NAV, Net Chg, YTD % Ret. Includes sections for Wednesday, February 2, 2022 and various fund categories like American Century Inv, BlackRock Funds, Calamos Funds, Columbia Class I, Dimensional Funds, Fidelity, Invesco Funds Y, JPMorgan R Class, Lord Abbett A, MFS Funds, and Schwab Funds.

Table with columns: Fund, NAV, Net Chg, YTD % Ret. Includes sections for Fidelity Advisor I, Fidelity Freedom, Fidelity Selects, First Eagle Funds, Franklin A1, Guggenheim Funds Tru, Harvard Funds, Invesco Funds Y, JPMorgan R Class, Lord Abbett A, MFS Funds, and Schwab Funds.

Table with columns: Fund, NAV, Net Chg, YTD % Ret. Includes sections for MFS Funds Class I, Northern Funds, Nuveen CI I, Old Westbury Fds, Parnassus Fds, PGIM Funds CI Z, PIMCO Fds Instl, PIMCO Funds A, PIMCO Funds B, PIMCO Funds Instl, Price Funds, and Vanguard Admiral.

MARKETS

Stocks Extend Win Streak to Four Days

BY ANNA HIRTENSTEIN
AND PAUL VIGNA

Stocks rose, extending their winning streak, as a strong earnings report from Google parent Alphabet outweighed weak economic reports.

The three major indexes rose for a fourth straight session. The Dow Jones Industrial Average climbed 224.09 points, or 0.6%, to 35629.33. The S&P 500 added

42.84 points, or 0.9%, to 4589.38. The index has gained 6.1% in recent days, its largest four-day percentage gain since November 2020.

The Nasdaq Composite gained 71.54 points, or 0.5%, to 14417.55. The index rose more than 1% early in the session, buoyed by Alphabet's surge in profit, but struggled to maintain that early strength. At various points during the day, all three indexes were in the red.

Stocks have rebounded in recent days after suffering their worst month since the pandemic began. Signals from Federal Re-

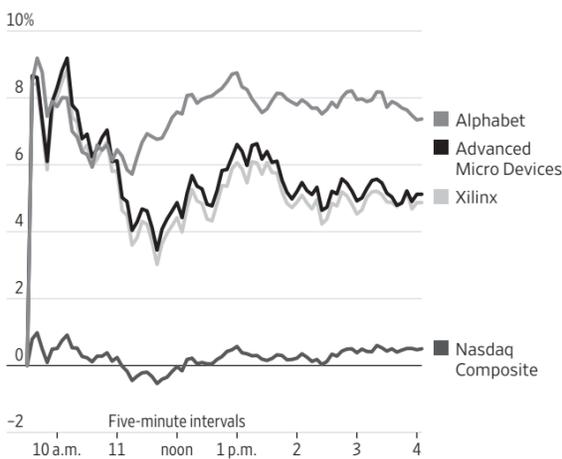
serve officials about plans to tighten monetary policy faster than previously expected to fight inflation weighed on sentiment and prompted a selloff in growth stocks.

"The focus has clearly turned to earnings," said Luc Filip, head of investments at SYZ Private Banking. "We've seen strong results from big tech companies. But at some point, we might have sentiment turning back to macro data and the Fed—we think we will oscillate between these two points. For financial markets, this means more volatility."

With earnings season about halfway through, the number of companies that have beaten Wall Street's expectations on sales and profit is above average, although lower than earlier in the recovery, according to an analysis from Deutsche Bank.

Corporate earnings have been good enough, but that is being weighed against not only the Fed's change in monetary policy but also that the central bank is tightening in an economy that looks soft, said Barclays Capital Managing Director Maneesh

Share-price and index performance Wednesday



Source: FactSet

Deshpande. "Both those things are a problem right now," he said. "Earnings may not save the day this time."

The nonfarm private sector in the U.S. lost about 301,000 jobs in January, according to a release from ADP. Economists were expecting an increase. Data on the

labor market have been mixed in recent days, with a report on Tuesday showing that job openings rose and the quit rate remained high in December. That has raised some concerns about Friday's nonfarm payrolls report.

Shares of Alphabet rose \$207.12, or 7.5% to \$2,960, after

profit rose by a third in the latest quarter. The search company also unveiled plans for a 20-for-1 stock split. Alphabet gained over \$135 billion in market cap. Because Alphabet is in the S&P 500's communication-services sector, its gains made that sector the index's strongest on the day.

Chip maker Advanced Micro Devices gained \$5.98, or 5.1% to \$122.76 after it reported revenue and a sales outlook above analysts' forecasts.

"This has helped turn things around. It reminds people that earnings growth isn't just about the future and tomorrow's gravy. Some of these companies are delivering today," said John Roe, head of multiasset funds at Legal & General Investment Management. Investors are buying the dip after the Nasdaq entered correction territory last month, falling more than 10% from its recent high, he added.

PayPal tumbled \$43.23, or 25%, to \$132.57, its worst one-day performance on record, after the company posted lower earnings and higher expenses and scrapped an ambitious strategy.

Investors punished two high-profile names after the markets closed. Meta Platforms, formerly known as Facebook, fell 22% after it posted rising revenue but a sharper-than-expected decline in profit as it ramped up spending to execute the pivot to the metaverse.

Spotify, already embroiled in controversy, lost 12% in the after-market after the company said it wouldn't provide annual guidance, despite adding more users and reporting a surge in advertising revenue in its recently completed quarter.

The yield on the benchmark 10-year Treasury note fell to 1.765% from 1.799% on Tuesday. Oil prices fell after Wednesday's OPEC meeting, where producers stuck to their planned moderate output increases.

Overseas, the pan-continental Stoxx Europe 600 climbed 0.5%. Early Thursday, Japan's Nikkei was down 1.1% and Australia's S&P ASX 200 was down 0.6%. Chinese markets were closed for the Lunar New Year. S&P 500 futures were down 1% and Nasdaq 100 futures were down 2.2%.

OPEC, Allies Set To Pump More Oil

BY SUMMER SAID
AND BENOIT FAUCON

OPEC and its allies agreed to a small increase in crude production amid soaring oil prices, with concerns over supply heightened due to a possible Russian invasion of Ukraine.

The Organization of the Petroleum Exporting Countries and a coalition of Russia-led oil producers said they agreed to raise their collective production by another 400,000 barrels a day in March. The boost is in line with what the cartel, called OPEC+, agreed to last year as part of a plan to raise output to pre-pandemic levels.

Oil prices surged in recent months to the highest levels in about seven years, fueling inflation around the world, in part because several OPEC+ members have been unable to meet their share of production as global demand picked up.

In midafternoon trading in London, Brent crude, the international benchmark, was up 1.1% at \$90.16 a barrel, while U.S. crude was up 1.2% at \$89.28.

If Russia invades Ukraine, it faces the prospect of Western sanctions that could affect its oil exports, fueling fears of more supply constraints. The cartel has played down the threat that sanctions could disrupt oil-and-gas shipments from Russia, one of the world's biggest producers. Some delegates said the issue wasn't even discussed at Wednesday's virtual meeting.

Meanwhile, the Biden administration pleaded for months with Saudi Arabia and other OPEC members to open the taps wider to tame fast-rising U.S. gasoline prices that have become a political liability. Yet members with spare capacity, chiefly Saudi Arabia, are reluctant to increase output faster.

Some delegates said Russia is unlikely to approve any additional supplies as it benefits politically from higher oil prices, which could deter the U.S. from imposing sanctions that would hit Moscow's energy sector. Saudi Arabia fears such a move could jeopardize its alliance with Russia, a cornerstone of the OPEC+ grouping, they noted. The two producers fought a price war

during the early stages of the pandemic before reaching a pact to reduce output.

"The big players here would not want to upset the Russians by stepping in, and the West has not asked them yet for more oil [after the Ukraine crisis]," said a senior OPEC delegate. "So why risk it?"

Still, experts expect the Saudis to step in if the Ukrainian crisis were to spiral out of control. The shutdown of the main Russian pipeline to Europe could cut 700,000 barrels a day of oil supply, said shipping broker Braemar ACM. Moscow's limited seaborne export capacity means it wouldn't be able to compensate with extra exports to Asia, forcing Middle Eastern producers to step in, the broker said in a note Monday.

Goldman Sachs predicts Saudi Arabia could decide to unilaterally boost production by half a million barrels a day for three months. Some OPEC officials say they are looking at the option of further increases. "Some scenarios of high oil prices are being considered. One solution would be to adjust supplies," an official said.

Another OPEC delegate said some Russian supplies disrupted in Europe could be rerouted to Asia while the Middle Eastern suppliers would redirect their own cargoes to the continent. It would be like "musical chairs," he said.

An internal OPEC report that was prepared for a technical meeting on Tuesday pointed to a global supply surplus of 1.4 million barrels a day in the first quarter, rising to 1.7 million barrels a day in the second if the group continued to add 400,000 barrels a day and crude consumption rises as planned. But OPEC+ in December pumped 824,000 barrels a day below its publicly stated targets, according to the report.

Several members, including top African producers Nigeria and Angola, are struggling to add back their share of the group's pre-pandemic output following years of underinvestment, the OPEC report shows. Even Russia in December pumped below its OPEC+ quota for the first time since the group cut output, due to slower-than-expected development of some fields, according to the cartel's data.



U.S. exporters are delivering cargo after cargo of liquefied natural gas, lured by prices that shot above those in Asia late last year.

Fears Ease On Gas Shortage

Continued from page B1
ing back up is unlikely to arrive, said Natasha Fielding, a gas analyst at Argus Media.

Also easing Europe's predicament: U.S. exporters are delivering cargo after cargo of liquefied natural gas, lured by prices that shot above those in Asia late last year. Europe imported a record 9.5 million metric tons of LNG last month, almost three times the haul from January 2021, according to commodity-data firm ICIS.

Almost half the LNG arrived from the U.S. And there is little letup: Thirty vessels carrying gas from the U.S. are lining up to arrive in February, said Tom Marzec-Manser, head of gas analytics at ICIS. The figures exclude Turkey, which is battling a gas shortage following a fault on a pipeline carrying Iranian gas into the country.

The arrival of so much LNG allowed Europe to be parsimonious in dipping into the gas it had hoarded in the run-up to winter. The benefits spread across the continent instead of accruing in coastal countries with gas-import terminals. That is because pipeline connections have sprung up between national gas markets in recent years.

"The light is at the end of the tunnel," said Mr. Marzec-Manser.

Russia has started to send more gas to Europe in recent days, too. The country accounts for about 43% of the European Union's gas imports and throttled deliveries last year, helping push prices to highs.

Russia continued to drip-feed gas to Europe at the start of 2022, but flows have picked up in February, pushing prices down. On Tuesday and Wednesday, a combined 146 million cubic meters are expected to enter Slovakia at Velké Kapušany, near the border with Ukraine.

That is a noticeable increase. In the final week of January, 47.5 million cubic

meters flowed through the checkpoint on average each day, according to the Slovak pipeline operator. From Slovakia, Russian gas can hurtle into the Czech Republic, Hungary and Baumgarten, an Austrian gas turntable with connections to Germany, France and Italy.

When Gazprom PJSC cut exports to Europe last year, EU parliamentarians said Moscow was weaponizing its dominance of the energy market, an

Thirty vessels carrying gas from the U.S. are lining up to arrive.

accusation denied by the company and the Kremlin. A more prosaic factor explains the drop in exports in January and the subsequent pickup.

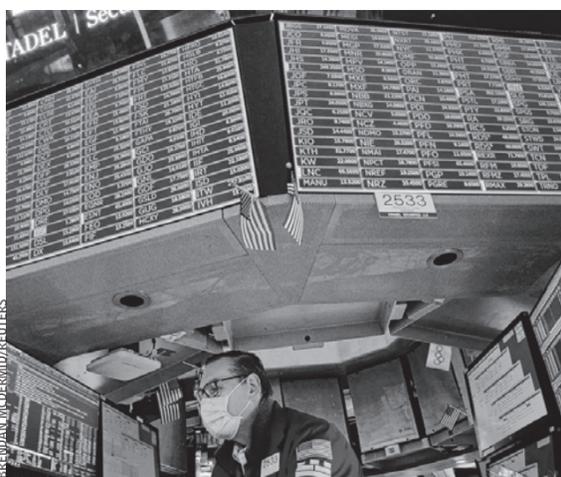
Under their deals with Gazprom, European customers typically pay a price tied to front-month gas contracts. So utilities and other buyers cut

purchases when the contracts rocketed in December. Gazprom's customers came back into the market for February deliveries when front-month prices eased in early 2022.

Europe still has little room for maneuver, and an escalation in tensions with Russia remains a wild card. European and U.S. officials are taking no chances, racing in recent weeks to lock down energy supplies in the event the standoff imperils supplies from Gazprom.

For now, though, falling prices will offer relief to aluminum, zinc and fertilizer producers that responded to rocketing energy bills by cutting output. Gas prices have also tumbled in the U.K., the region's other gas-trading hub. Electricity prices, which have close ties to the gas market in Europe, are falling in Germany and France, the EU's two biggest economies.

In countries including the U.K. and France, consumers are yet to feel the full blast of last year's leap in wholesale prices, and the recent decline will take even longer to feed through.



The carnage is one of the worst starts to a year for stock pickers.

Hedge Funds See Losses

Continued from page B1
higher interest rates hit many of the stocks they favor.

The S&P 500 and Nasdaq Composite lost 5.3% and 9% in January in their worst month since March 2020. Funds got a reprieve as those indexes recorded gains starting Friday, with those double-digit declines partially reversing.

Funds' recent losses mark

the biggest test in years for growth investing.

Hedge funds that piled into shares of fast-growing public and private companies in recent years have been richly rewarded against a backdrop of easy money and low interest rates.

Many of the stocks they gravitate toward benefit as investors venture further out on the risk spectrum in search of returns—and into assets such as tech companies that promise big earnings gains. Covid-19 supercharged these funds' returns by juicing demand for many technology businesses.

But the strategy has begun to backfire as the Federal Reserve pulls back on pandemic-era stimulus. Higher rates take

a bite out of investors' perception of the value of potential future earnings, which tends to hit growth stocks like Rivian Automotive Inc. and DocuSign Inc. particularly hard.

The performance updates shared with clients generally offered little context for individual funds' performance, but managers said that some of the same dynamics in place late last year have intensified.

Some growth funds fared better than others. Coatue Management and Viking Global Investors lost 4.2% and 4.5% respectively in their flagship funds in January, according to people familiar with the firms.

Maplelane Capital, which suffered large losses during the

meme-stock rally in January 2021, eked out a 0.40% gain in the month after ending 2021 with a 35% loss.

Some see opportunity amid the wreckage. Tiger in late December told clients they could put more money into its hedge and long-only funds "because the opportunity set seems asymmetric."

Tiger, whose hedge fund had roughly \$25 billion at the start of 2021, wrote, "The companies in our portfolio generally continue to perform well and grow at rapid rates. At the same time, many of their stock prices have declined considerably, resulting in lower valuations today than we have observed in recent history."

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

GM Signals Better Inventory

Auto maker expects to increase production as chip supplies improve but profit growth may not follow

Getting your hands on a new car should become easier this year. The big question for both consumers and investors is at what price.

The most surprising projection made by **General Motors** when it reported fourth-quarter results after the bell on Tuesday was for growth of 25% to 30% this year in the number of vehicles it ships to dealers globally. In 2021, the semiconductor shortage held back GM's deliveries in the second half, so the expected jump would mostly make up for lost ground. It is still aggressive relative to the current industry consensus.

Toyota, which outsold GM in the U.S. market for the first time last year, recently cut its production target for February due to persistent bottlenecks. Forecaster IHS expects only 8.5% growth in vehicle production globally this year as supply constraints drag into 2023. GM's contrasting message was that its own car production should return to something like pre-pandemic norms in the second half.

Normalization is a double-edge sword for Detroit. GM reported record profit for 2021 because its limited output forced consumers to compete for vehicles at dealers, and because it gave priority to the production of higher-margin models such as pickup trucks and big sport-utility vehicles. The company expects this second effect to unwind this year as it restores production



In 2021, the chip shortage held back GM's deliveries in the second half.

of smaller SUVs and sedans, implying a less profitable mix of sales. Yet it is still banking on high prices given the continuing strength of consumer demand and the dearth of new vehicles available today.

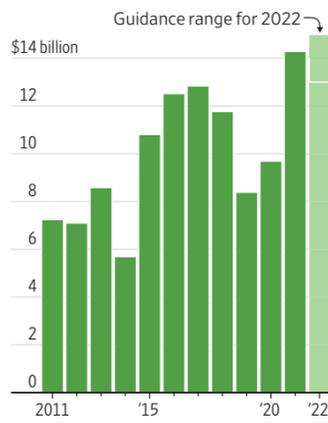
In short, GM expects the best of both worlds—normalization in last year's unusually weak supply of cars but not in its unusually strong demand for cars. This is a glass-half-full vision, but it broadly makes sense.

The real problem GM investors face is that even with these punchy assumptions, the company doesn't expect much if any profit growth

this year: Its forecast range for earnings per share implied at best a 2.5% increase over last year's number. The benefits of production growth and consumer confidence will be offset by commodity-price inflation, lower financing profit, and investments in electric vehicles and car software. As for 2023, it will become harder for GM to keep squeezing vehicle prices higher after this year's production surge.

Auto stocks have historically depended on earnings momentum: They have performed strongly only when analysts have been raising profit estimates—as happened for

GM's adjusted operating profit



Sources: FactSet; the company

much of 2020 and 2021. So signs that GM's profit doesn't have much near-term room to grow are bad news. GM has a longer-term vision of doubling revenue and increasing margins by 2030, but much of this relies on still unproven business models and technologies around EV software and driverless taxis that may emerge later in the decade.

The past two years gave investors a thrilling ride as auto makers like GM accelerated hard out of the pandemic lockdowns. Now that they have reached cruising speed, things could get less interesting.

—Stephen Wilmot

PayPal Slip Shows Dual Spending Outlook

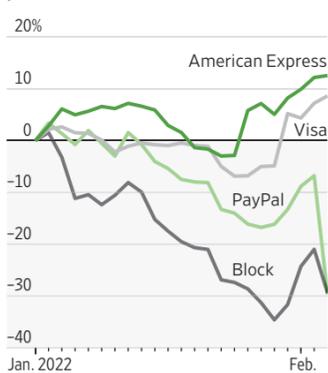
The question of who is likely to spend even faster in the near future—and who might not be—is roiling payments stocks.

Shares of **PayPal** plunged 25% after the company lowered its expected pace of revenue growth in 2022, as well as its aspiration for user growth. It cited things such as the effects of supply-chain disruption on cross-border spending, and inflation on personal consumption—particularly among its lower-income users. It noted that some of the newly added customers during the pandemic weren't contributing much in the way of revenue, just making one transaction when encouraged to do so and then going dormant.

PayPal is expecting 15%-to-17% revenue growth for this year, alongside 19%-to-22% total payment-volume growth. These are big numbers—but also a deceleration from 33% payment-volume growth in 2021. It is the second time in as many quarterly reports that the company lowered a crucial part of its forecast. On Wednesday, PayPal shares skidded more than 25% at times.

Contrast this with what happened to stocks of other compa-

Share-price performance, year to date



Source: FactSet

nies in the payments ecosystem after earlier reports. Shares of **American Express** and **Visa** rallied more than 10% last week, and are up so far this week too. Those companies gave optimistic views on an important high-value segment of volume for them, which is cross-border travel spending on credit cards. Through the rise of the Covid-19 Omicron variant, travel spending remained depressed versus 2019 levels but also

didn't fall off a cliff as some feared. And indicators such as future travel bookings at AmEx continued to show a ton of intention to spend there.

Just about all digital-payments companies benefited from a shift to e-commerce and consumers being flush from stimulus payments, mortgage refinancing and debt moratoriums. But it seems that while higher-income big spenders might be poised to pick up speed, particularly via traveling abroad, the wider population's more day-to-day digital spending might not be able to keep up this pace. It also might be the case that even if supply-chain snarls continue to slow the movement of goods for a while longer, people might sooner be able to move about more freely.

It isn't a surprise that the end of stimulus, as well as the higher costs for essentials, would affect some consumers more than others. What's notable is that overall payment behavior—such as shifting away from cash, or from in-store to online, or from traditional cards to digital wallets—isn't continuing to change fast enough after nearly two years of upheaval to sustain the same overall momentum for some players.

Amid all of this, PayPal also has a unique challenge from onetime corporate sibling **eBay's** transition to managing its own payments, which is putting pressure on volume and revenue growth. To help stay on track for its medium-term goal of 20% revenue growth, PayPal described a pivot to focusing on user engagement, such as the average revenue per user. This can happen via a bevy of services on top of its digital wallets used to make a purchase, such as bill payments, basic financial services, cryptocurrencies and shopping offers.

The pandemic's boom in digital spending was initially an enormous lift to shares of PayPal, **Block** and others. Then those shares dropped in 2021, on fears that a lot of momentum had been spent, and that is so far carrying over to 2022. Investors should start to focus on what might have once seemed secondary about some of these companies, which is their ability to reel in users and sustain their loyalty beyond payments and to become banking or activity hubs.

The pandemic changed the game in payments. Now investors and companies will have to get used to the new rules.

—Telis Demos

Supersonic Flying Is Up Against Green Turbulence

Supersonic jets may not be quick enough to outpace the Green Movement.

Faster-than-sound travel seems closer to making a comeback than at any point since the demise of the Anglo-French Concorde 19 years ago. Last week, startup Boom Supersonic said the Piedmont Triad International Airport in Greensboro, North Carolina, would be the site of its first full-scale manufacturing facility for the Overture, a jet designed to fly at twice the speed of today's airliners and enter service at the end of the decade.

United Airlines has ordered 15 Overture planes. According to Boom Chief Executive Blake Scholl, "they've already put cash in that they can't get back under any circumstances," implying a serious commitment.

Boom's pitch is that the technology to update supersonic travel already exists in the form of composite fuselages and geared turbofans, making new ventures less risky. The Overture's 75 seats will be easier to fill with corporate travelers than the Concorde's 100. And to defuse environmental objections, Boom promises to use only sustainable aviation fuel, or SAF.

For big airlines to run profitable operations, however, they need sizable demand on more than a few



Boom's XB-1 is a precursor to Overture, a proposed 75-seat supersonic jet.

select routes, and green fuel that is cheap and available. This is where the numbers get contentious.

Boom aims to bring down unit costs to those of a regular business cabin, which sells for around \$5,000 round trip. Using expected travel volumes where the Overture would provide substantial time savings—mostly trans-Atlantic and trans-Pacific routes—and estimating that people would pay an average premium of 35% to fly faster, the company believes there will be a market for 699 jets in 2035. This is taking into account the noise-related ban on supersonic flights

over land in the U.S. and other key domestic markets.

By contrast, UBS analyst Myles Walton puts the figure at 171. And the latest report by the International Council on Clean Transportation, published a few days ago and based on Massachusetts Institute of Technology estimates, finds potential demand for no more than 30 aircraft using jet fuel, and only five using SAF.

The ICCT analysis seems too harsh. It assumes supersonic planes burn seven times as much fuel than regular ones, whereas Mr. Scholl claims that with Boom's

technology "it's two times or less." Also, even the ICCT's best-case scenario assumes SAF will cost more than twice as much as jet fuel, whereas it stands to reason that 13 years of scaling up production and improving "power-to-liquid" processes will drive costs closer to those of kerosene.

Yet it is impossible to forecast how much. Indeed, the wide range of supersonic-demand estimates shows that the business case is much more uncertain than Boom likes to admit. SAF won't make up more than 15% of aviation fuel by 2035, the International Energy Agency thinks, so the firm could struggle to find enough of it to keep its green pledge. At the very least, it might be seen as an unnecessary use for a limited resource.

Even if SAF can neutralize the carbon impact of supersonic flying, emissions of nitrogen oxides, water vapor and aerosols at the higher altitudes flown by these planes could become controversial. There is inconclusive evidence on whether their net impact is negative or positive, but the question only underscores the challenge facing anyone looking to bring back supersonic travel at a time of outsize pressure to reduce aviation emissions.

It isn't easy to fly against the wind, even at Mach 1.7.

—Jon Sindreu

Meta's Investors Get Reality Check

Just a few months ago, Mark Zuckerberg was bobbing around in the metaverse as a legless avatar. Today in the real world, his company is staring at a roughly \$200 billion loss in market value.

It is admittedly not a good look. But as **Meta**—formerly Facebook—posted its first earnings report as a "metaverse" company, Mr. Zuckerberg's modus operandi became a lot more clear: His social-media dynasty is beginning to look quite aged.

For the first time since the company started reporting the metric as a public company, Facebook's daily active users declined on a sequential basis in the fourth quarter.

Further, Meta warned its first-quarter revenue would be more than \$2 billion below Wall Street's forecast at the midpoint of its guidance, noting impacts to both impression and price growth, specifically citing increased competition from video-first platforms like ByteDance's TikTok.

Meta said these impacts would also be compounded by macroeconomic factors like inflation and supply-chain disruptions damping advertisers' budgets. The result was a stunning 23% selloff for Meta's stock in after-hours trading.

Perhaps also for the first time in its life, Meta can't just throw money at this problem. It will invest tens of billions in the coming years toward its next phase in building the metaverse, but little of that will be of near-term help. Meta may have a new reporting segment in Reality Labs, but 97% of its revenue was still coming from advertising in the fourth quarter. This won't change overnight: JP Morgan analyst Doug Anmuth predicts non-advertising revenue will likely remain a low-single-digits percentage of total revenue over the next few years.

For that reason, Meta is scrambling to get bigger in what today's users clearly want on social media: video. Over the past month, Instagram head Adam Mosseri has been very clear about his app's intentions to focus on its short-form video product, Reels, as well as to increasingly target young adults. And on Wednesday, Mr. Zuckerberg listed Reels as his company's first priority for this year. The downside of this focus: Mr. Zuckerberg said Reels would monetize at lower rates versus Feed and Stories ads, weighing on advertising-revenue growth in the near term.

Here is the good news: If everyone sees Meta as just a company that has lost its edge in social media, there may be opportunity for a long-term investor. Meta's massive stock move Wednesday shows investors consider the metaverse to be merely a place where Mr. Zuckerberg is floating around trying to sell you new things.

To be fair, Mr. Zuckerberg isn't doing himself many favors. On Wednesday's conference call, he described Meta's path ahead as "not perfectly defined." That followed a third-quarter conference call in which he led with the assertion that "if you're in the metaverse every day, then you'll need digital clothes and digital tools and different experiences," probably causing a good portion of disbelievers to immediately close the web browser.

The metaverse may not be for you, but that is OK. Mr. Zuckerberg also said back in October that Meta's goal was "to help the metaverse reach a billion people...this decade."

Mathematically, this is likely achievable, whether you believe in the next-generation Internet or not. Stifel's Mark Kelley estimates there will be 2.5 billion gamers globally, excluding China, by the end of this year. If true, Meta would only have to reach 40% of them over the next eight years to reach its goal. Factor in Mr. Kelley's 5% estimated compounded annual growth rate for gamers, and the target becomes even more achievable.

Meta's apps may not be as cool as they once were, but they have collectively managed to reach nearly half the world's population monthly—a record unmatched in social media.

Meanwhile, almost 10% of Facebook's users were visiting Shops within a year of their 2020 launch, according to company disclosures.

Meta never needed anything to work as badly as it needs the 'verse now. But if the selloff persists, betting on its future just might be in your favor.

—Laura Forman