

U.S. NEWS

Court Asked To Allow Suit On Texas Law

Abortion clinics in the state want the Supreme Court to help their case proceed

By JESS BRAVIN

WASHINGTON—Abortion providers in Texas asked the Supreme Court Monday to clear the way for the lawsuit they filed in July against the state law forbidding women from ending unwanted pregnancies after six weeks.

In legal papers, the abortion providers argued that a federal appeals court overseeing the case is obstructing their challenge with superfluous proceedings.

The Texas law, known as SB 8, violates existing Supreme Court precedent that allows women to end pregnancies before fetal viability. However, the high court, by a 5-4 vote, didn't act to stop the law from going into effect on Sept. 1. It was designed to avoid federal court review by authorizing private parties to sue abortion providers or those who assist them instead of directing state officials to enforce the law.

In October, the court agreed to decide whether the challenge to SB 8 could move for-

ward and expedited the case. It was argued Nov. 1 and decided six weeks later, a rapid pace for the high court.

In last month's decision, by an 8-1 vote, the Supreme Court found that the Texas Medical Board and other state licensing officials play some part in SB 8's enforcement and therefore can be sued. By a 5-4 vote, the court held that other state officials, including court clerks who would docket the private lawsuits, couldn't be sued in a pre-enforcement challenge.

The clinics say that Supreme Court decision requires the case be returned to federal district court in Austin for proceedings against the licensing officials; Texas says it isn't clear whether those officials play an enforcement role. At the state's request, the Fifth U.S. Circuit Court of Appeals, in New Orleans, scheduled a Jan. 7 hearing on whether the Texas Supreme Court should be asked to clarify the matter.

The clinics argue that the Supreme Court had already settled that question. Citing "the urgency of the situation," the clinics asked the court to order the state to respond by Wednesday, allowing the justices to act ahead of Friday's Fifth Circuit hearing, should they so choose.

In Colorado, Residents View the Ruins Left After Wildfire



NOTHING LEFT: Ron Damaro peered into what remained of his charred safe Monday in Louisville, Colo. His home was one of nearly 1,000 buildings destroyed last week when a wind-driven fire swept through several neighborhoods. Teams were sifting through debris, searching for two people still missing. Investigators trying to determine what sparked the blaze are focusing on an area near Boulder where a passerby captured video of a burning shed on the day the fire began, Boulder County Sheriff Joe Pelle said.

BRITANNY PETERSON/ASSOCIATED PRESS

Some Families Brace for End of Tax Break

By RACHEL LOUISE ENSIGN AND RICHARD RUBIN

Families are bracing for bank balances to suffer when the middle of January comes and the monthly child-tax-credit payment doesn't.

More than 30 million households started getting up to \$300 per child in July after Congress temporarily transformed an annual tax break into a near-universal monthly benefit. The full expanded credit went to households with incomes up to \$75,000 for individuals, \$112,500 for many single parents and \$150,000 for married couples. Families spent the money on essentials like groceries and stashed it as emergency savings, researchers found.

Democrats hailed the expansion as a simple yet groundbreaking policy that sharply cut child poverty and confidently proclaimed the credit would prove so popular and beneficial that Congress wouldn't let it lapse.

It just lapsed. The House-passed version of Democrats' \$2 trillion education, healthcare and climate bill would have extended payments through 2022, but Sen. Joe Manchin (D., W.Va.) effectively killed that proposal last month. Though some Republicans support some child tax-credit expansion, they oppose the broader bill.

Now, in the closely divided Congress, there is no clear political path to reinstating the expanded tax break, leaving parents facing the prospect of balancing family budgets without the extra assistance at a



The Herringtons are preparing to dial back discretionary spending with the end of the payment.

time when consumer prices are rising at their fastest pace in decades.

Mr. Manchin's objections included the budgetary strategy of counting just one year of costs for the child-credit expansion when Democrats intend it as a prelude to permanent policy. Many Democrats preferred a multiyear extension but chose one year to keep the bill's total cost inside Mr. Manchin's target range.

If the credit returns soon, Democrats could consider a February double payment to make up for a missed January payment.

Veronica Moreno, 30 years old, leaned on the credit to cover basics after her temporary, \$15-an-hour job signing people up for Covid-19 vaccines ended in August. The Ellicott City, Md., resident put

the \$750 monthly payment toward bills including utilities and internet service. Her children, ages 15, 14 and 10, need to go online for homework and remote classes if schools halt in-person learning again.

Ms. Moreno is leaving fliers around her neighborhood advertising her notary services and seeking a new job. She hopes to work remotely because she has Type 1 diabetes and worries about Covid-19 complications.

But the potential financial consequences of the payments' ending loom large. "I try to keep a smile on for my children and just to let them know everything is OK," Ms. Moreno said in December. "But I've been having panic attacks thinking about next month."

The child credit existed before 2021 in a much different

form, and that is the version in place for 2022. Families can get as much as \$2,000 per child on their tax returns; low-income families don't get the full benefit or any money during the year.

In 2021, the expanded credit boosted the annual value to \$3,000 for most households; created a \$600 bonus for children under 6; added the monthly payments; and made the lowest-income families eligible for the full credit. Upper-income households that weren't eligible for more money also got part of their regular \$2,000-per-child credits in the monthly payments.

Families used the credit to pay for necessities, researchers found.

The top items households spent on were food, essential bills and clothing, according to

an analysis of Census Bureau data from the Social Policy Institute at Washington University in St. Louis. More than 70% of families primarily spent the payments or used them to pay down debt, the analysis found. Just less than 30% mostly saved it.

The share of families with children who reported not having enough to eat sometimes or often dropped to 8.4% from 11% after the expanded credit took effect, according to census data.

Jamie and Stephanie Herrington's spending dropped in the pandemic's early months, and they cut their mortgage payments by refinancing. With stimulus checks and the \$300-a-month payment for their 4-year-old daughter, the Lebanon, Ore., family built a sizable emergency savings fund for the first time.

The couple also spent money on clothes, Christmas gifts and meals out. Mr. Herrington, a laboratory technician who earns \$62,000 a year, said he felt confident that their budget could handle higher inflation. "It gave us breathing room, just being able to just go to the supermarket and not worry when you see the prices," he said.

Now, the family is preparing to dial back discretionary spending and dip into their \$17,000 in savings. Mr. Herrington, 39, is considering replacing his car, which has more than 200,000 miles on it. He needs dental work. The family's home requires repairs.

"It was nice, not living paycheck to paycheck," Mr. Herrington said.

Testimony Of Trump's Children Is Sought

By CORINNE RAMEY

The New York attorney general's office is seeking to interview two of Donald Trump's adult children under oath as part of its investigation into the former president and his company, according to a court filing Monday.

The office recently subpoenaed Donald Trump Jr. and Ivanka Trump, in addition to Donald Trump, for testimony and documents connected to its civil fraud investigation into valuation of properties owned or controlled by the former president or the Trump Organization, the filing says.

The filing, which is an agreement between the lawyers that was signed by the judge, said a dispute had arisen between the attorney general and the Trumps' lawyers.

Copies of the subpoenas, which were filed publicly, showed that the Trumps were each called to appear for a deposition on a specific date this month. One subpoena ordered Donald Trump to provide documents related to his statements of financial condition, a collection of financial information compiled but not audited by his accountants that contained values for properties and assets.

In a separate filing Monday, lawyers for the Trumps asked a judge to block the subpoenas or delay them until a parallel criminal investigation had concluded. Lawyers for the Trumps argued that New York Attorney General Letitia James's office, which is involved in the Manhattan district attorney's criminal probe, would improperly use information gained through civil depositions in the criminal grand-jury investigation.

A lawyer for Donald Jr. and Ivanka Trump and a lawyer for Donald Trump declined to comment.

Ms. James said the Trumps had continually delayed the investigation. "These delay tactics will not stop us from following the facts or the law, which is why we will be asking the court to compel Donald Trump, Donald Trump Jr., and Ivanka Trump to testify with our office under oath" she said.

The Trump Organization and the former president have repeatedly called the investigation by Ms. James, a Democrat, politically motivated.

Cuomo Nursing-Home Probe Closed, Lawyer Says

By JIMMY VIELKIND AND CORINNE RAMEY

The Manhattan district attorney's office has closed its investigation into how the administration of former New York Gov. Andrew Cuomo handled Covid-19 in nursing homes, a lawyer who represented the administration said Monday.

Defense attorney Elkan Abramowitz, who served as outside counsel for Mr. Cuomo's executive chamber, said he was contacted Monday by the head of the Manhattan district attorney's elder-care unit. "I was told that after a thorough investigation—as we have said all along—there was no evidence to suggest that any laws were broken," Mr. Abramowitz said in a statement.

A spokesman for the Manhattan district attorney's of-

fice declined to comment.

Mr. Cuomo, a Democrat, resigned from office in August amid an impeachment inquiry and after a report substantiated multiple allegations of sexual harassment. Mr. Cuomo has said that he never touched anybody inappropriately and that the investigations into his conduct were politically motivated.

The Manhattan investigation was one of several probes into the Cuomo administration's handling of nursing homes during the pandemic.

Investigators in the U.S. Department of Justice's Civil Rights bureau first requested death data from state-run nursing homes in August 2020, and another DOJ division expanded the probe to private nursing homes. In February of 2021, federal prosecutors based in Brooklyn sought nursing-home death data as



RICHARD DREW/ASSOCIATED PRESS

State officials then withheld data on the full number of Covid-19 deaths among nursing-home residents, and aides to Mr. Cuomo successfully pushed to use a lower tally in

The inquiry was one of several into former Gov. Cuomo's pandemic policies.

a Health Department report on the matter. Republican and Democratic lawmakers criticized Mr. Cuomo for suppressing the death toll while negotiating a \$5.1 million contract to write a memoir about his experience during the pandemic.

Prosecutors subsequently sought material related to the

part of a criminal probe.

At the root of New York's nursing-home crisis was a March 25, 2020, state Health Department directive that said nursing homes couldn't refuse to admit a resident who tested positive for Covid-19. Nursing-home officials warned that the move could endanger residents.

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U.S. NEWS

Booster Eligibility Widens

Continued from Page One
 403,385 on Sunday, according to a Wall Street Journal analysis of Johns Hopkins University data. The fresh peak arrived even as most states paused reporting during the New Year's holiday weekend, meaning this week is likely to see a surge in reports of cases as states catch up.

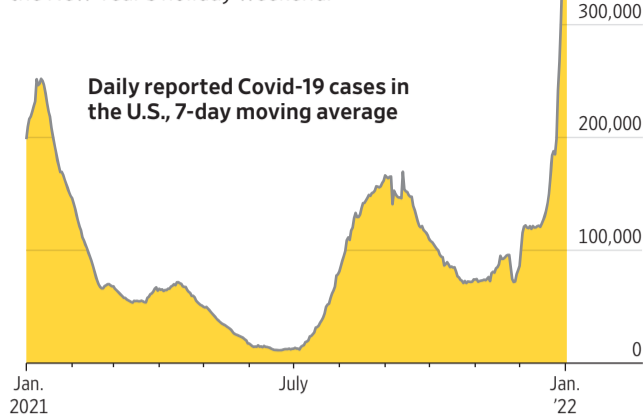
Hospitalizations driven by the Omicron surge remain far below earlier peaks of the virus. Confirmed or suspected hospitalized Covid-19 cases reached a seven-day average of 97,855 on Monday, according to the Department of Health and Human Services, up 41% in the past two weeks but below both the pandemic peak of 137,510 on Jan. 10, 2021, and the smaller peak of 102,967 on Sept. 4, 2021, during the Delta surge.

Hospitalizations in New York state rose but remain less than half of their peak level in 2020. Gov. Kathy Hochul, a Democrat, said that based on a review of recent data, "we can say with certainty, that the cases are not presenting themselves as severely as they could have or as we had feared. That is the silver lining."

Meanwhile, in Washington, the top doctor for Congress and the Supreme Court sent a letter Monday to members and staff warning of a surge of cases in the Capitol. Brian P. Monahan wrote that the Capitol testing center had seen a rise in the seven-day rate of positives from less than 1% to more than 13%, amid a surge of cases in the D.C. metropolitan area.

The Omicron surge comes as schools returning from holiday break tried to figure out how to stay open while reducing the spread of the highly contagious variant. Health authorities have been urging people to get a booster shot, citing early research indicating it is needed

The 7-day average of daily reported Covid-19 cases in the U.S. reached a pandemic record on Jan. 2 even as most states paused reporting during the New Year's holiday weekend.



to maintain strong protection against Omicron.

"With the current wave of the Omicron variant, it's critical that we continue to take effective, lifesaving preventative measures such as primary vaccination and boosters, mask wearing and social distancing," acting FDA Commissioner Janet Woodcock said.

A panel of vaccine experts advising the federal Centers for Disease Control and Prevention is expected to meet Wednesday to discuss the FDA's authorization. Many doctor's offices, schools and other vaccination sites could start providing the shots to adolescents if the panel and then the CDC director sign off.

There should be sufficient supply because the adolescents get the same dose already in use.

The FDA had authorized the Pfizer-BioNTech booster for people as young as 16 but not younger adolescents, who have been able to get vaccinated for more than six months, the time when some studies indicate people's antibody levels drop.

The additional dose is the same as the previous two doses, 30 micrograms.

"We continue to believe that broad use of boosters is essential to preserving a high level of protection against this disease and reducing the rate of hospitalizations," Pfizer Chief Executive Albert Bourla said.

Children and adolescents are less likely than adults to become infected with Covid-19, and when they do, they tend to experience milder symptoms. Yet some have become hospitalized and in rare instances have died.

Some hospitals and health authorities have reported that pediatric hospitalizations have risen as Omicron has spread.

About 1.9 million children 12 to 15 have tested positive for Covid-19 since the start of the pandemic, according to the

The FDA cleared Pfizer's extra Covid-19 vaccine dose for ages 12 to 15.

CDC.

The Pfizer-BioNTech shot is cleared for use in the U.S. in children as young as 5.

At least 16 million children 12 to 17 have received the Pfizer-BioNTech vaccine since its authorization in May, the CDC said.

While some parents rushed to get their children vaccinated, others have held back, partly because of concerns about the safety of Covid-19 vaccines.

One concern among some parents is the risk of heart-related conditions, including

myocarditis, especially in young men.

Health experts have said the myocarditis risk is low in children who are vaccinated and less than the risk if a child got Covid-19.

The FDA said its decision to expand boosters to 12- to 15-year-olds followed a review of real-world data from Israel, including safety data from about 6,300 adolescents who received an additional dose five months after their second shot. The data didn't show any new safety concerns or detect new cases of myocarditis, the agency said.

The risk of teens contracting myocarditis after the third dose has been found to be about one-third lower than the risk after a second dose, said Peter Marks, who heads the FDA's vaccines center. And even when people who received messenger-RNA vaccines such as Pfizer-BioNTech's developed the heart condition, he said, the inflammation has been found to be mild and the median hospital stay was one day.

"We're not seeing long-lasting effects," he said, noting that the benefits of vaccination outweigh the risks.

Under the FDA's action, children with compromised immune systems age 5 to 11 can get the third dose as soon as four weeks after the second.

The additional dose should allow for "maximum protection" in certain immunocompromised children, including those who have received organ transplants, according to the FDA.

The FDA has also authorized boosters from Moderna Inc. and Johnson & Johnson. The agency didn't change the time that should lapse before getting an extra dose of one of those shots.

The time between a primary vaccination series and booster for people who initially received Moderna's vaccine remains six months, while it remains two months for people whose primary series was from J&J. Both vaccines are cleared for use in people 18 years and older.

—Felicia Schwartz contributed to this article.

Variant Surge Stymies Public Transportation

BY OMAR ABDEL-BAQUI

Public-transit services in New York and other cities are being interrupted as the Omicron variant continues to drive staffing shortages.

Service on several New York City subway and bus lines was partially suspended Monday. An MTA spokesman said hundreds of employees have been out sick in recent days. He declined to give an exact number or say how many workers have tested positive for Covid-19, adding that the agency doesn't track specific illnesses.

MTA ridership is down about 50% compared with pre-pandemic levels, said New York City Transit Interim President Craig Cipriano.

Mr. Cipriano said the MTA has contingency plans that outline service tweaks in case of staff shortages on any given day.

New York Gov. Kathy Hochul said last week she decided against a vaccine mandate for public-transit workers, as 80% were inoculated, close contact with passengers is limited and a mandate would worsen staffing shortages.

Other metropolitan-transportation agencies said they are facing staffing shortages too, resulting in service changes.

Taulby Roach, president of Bi-State Development, which operates St. Louis Metro Transit, said managers who usually work

in offices operated buses and trains last week because of Omicron-related staffing shortages.

Metro Transit has a roughly 150-employee deficit, Mr. Roach said. More than 60 employees at Bi-State Development, which also operates the St. Louis Downtown Airport and other transit enterprises, tested positive for Covid-19 in December—a monthly record, he said.

The Massachusetts Bay Transportation Authority, which is responsible for Boston-area transit, said in a mid-December report that it "faces a significant workforce shortage," which has led to delays and crowded buses.

The MBTA had more than 40 active Covid-19 cases Friday, a spokesman said. The MBTA said it has run reduced service and plans to hire over 300 bus and 100 streetcar operators.

Amtrak last week canceled some scheduled service on its Northeast Corridor route. Cancellations on some of its long-distance routes stretched into this week. Staffing shortages have squeezed Amtrak for months, leading to service changes and the suspension in December of its Covid-19 vaccine mandate for employees.

The surge in cases has led to airline and Federal Aviation Administration staffing shortages, resulting in thousands of canceled and delayed flights during the busy travel period.



Service on several New York City subway and bus lines was partially suspended Monday as Omicron cases led to staffing shortages.

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WORLD NEWS

U.S. Allies Targeted in Mideast Attacks

Series of assaults occur on second anniversary of the killing of Iran general

By JARED MALSIN

Yemen's Houthi rebels seized an Emirati-flagged ship, explosive-laden drones targeted the Iraqi capital's airport and hackers hit two Israeli newspapers on Monday, raising tensions in the Middle East as Iran-aligned militias attacked U.S. allies on the second anniversary of America's killing of one of Tehran's top generals.

Iran held a massive memorial for Maj. Gen. Qassem Soleimani in the country's capital to mark the anniversary of the American drone strike in Iraq that killed the military leader and an Iraqi militia commander at Baghdad's airport on Jan. 3, 2020.

It wasn't immediately clear if Monday's attacks were coordinated or backed by Iran. They came a day after Iranian Supreme Leader Ali Khamenei tweeted: "Martyr Soleimani is more dangerous for his enemies than General Soleimani." They also followed protests by Iran-allied paramilitary groups in Iraq over the weekend. Crowds in Baghdad chanted "death to America" and vowed to avenge Gen. Soleimani's killing.

The attacks on Monday were less severe than previous assaults by Iran-aligned paramilitary groups during the past two years. They come as Iran negotiates with the U.S. and other world powers in Vienna to revive the 2015 nuclear deal, which lifted most international sanctions on Tehran in exchange for strict but temporary restrictions on its nuclear program.

"Iran is trying to show that they are taking revenge and that they are strong," said Hamdi Malik, an associate fellow at the Washington Institute for Near East Policy and an expert on Iraq's Shiite militias. "But at the same time they



A Tehran ceremony on Monday marked the anniversary of Maj. Gen. Qassem Soleimani's death. Below, the debris of drones that targeted Baghdad's airport.

don't really want to start a war because they desperately need the sanctions to be lifted."

Houthi militants seized the Rwabee early Monday as the ship sailed in the Red Sea off Yemen's western coast. The Iran-aligned group, which controls most of northern Yemen, said the ship was transporting military equipment without permission and later aired images that appeared to show armored vehicles and military patrol boats on board the vessel.

The Saudi-led coalition, which intervened in Yemen's civil war against the Houthis in 2015, said the ship was carrying ambulances and other medical supplies from the Yemeni island of Socotra, where they had been used in a field hospital run by Saudi Arabia and the United Arab Emirates. It said



the vessel was heading to the Saudi port city of Jizan, just north of Yemen.

Coalition spokesman Gen. Turki al-Malki called the ship's seizure "piracy [that] represents a real threat to the freedom of maritime navigation

and global trade in the Bab el-Mandeb strait and the southern Red Sea." Yemen's information minister said the attack "carries the fingerprints of the [Iranian] Revolutionary Guard."

The seizure of the ship comes after the U.S. Navy

seized a cache of assault rifles and ammunition on a fishing vessel from Iran that was likely headed to Yemen on Dec. 20.

The killing of Gen. Soleimani pushed the Middle East to the brink of war, threatening to draw Iran, the U.S. and their al-

lies throughout the region into direct conflict after decades of geopolitical tensions—heightened after then-President Donald Trump pulled the U.S. out of the nuclear accord in 2018 and reimposed sanctions on Iran.

Gen. Soleimani was the architect of Iran's shadow wars abroad and the man who helped expand Iranian influence in the region despite an American pressure campaign led by the Trump administration.

Iran continues to maintain lines of military and political influence throughout the region, having deepened its ties with key government and militia allies in Lebanon, Syria, Yemen, Iraq and elsewhere.

But Iran and its allies in the region are now under pressure to de-escalate hostilities.

Separately on Monday, two small armed drones targeted Baghdad's airport complex, where the U.S.-led military coalition has a presence, the coalition and an Iraqi security official said. Air defenses shot down the drones, which fell in a nearby open area, causing no casualties, the coalition said.

No one claimed responsibility for the drone attack near the Baghdad airport. Sabreen, a news agency that is supportive of Iranian-backed militias in Iraq, published images of what it said was a downed drone used in the attack, with the words "Soleimani's revenge" written on one of the wings.

Also on Monday, two Israeli newspapers said hackers targeted them to mark the anniversary of the Soleimani killing. The Jerusalem Post said hackers posted an image on its website showing a model of Israel's Dimona nuclear facility blowing up, paired with the text, "We are close to you where you do not think about it," in English and Hebrew. The same image was published from the hacked Twitter account of the newspaper Maariv, the newspapers said. No one claimed responsibility for the hack.

—Ghassan Adnan, Stephen Kalin and Aresu Egbali contributed to this article.

Turkey's Inflation Nears 20-Year High

By JARED MALSIN

ISTANBUL—Turkey's inflation climbed to a nearly two-decade high in December on the back of a weakening lira that is driving up the cost of food and other basic goods and destabilizing the wider economy.

Annual inflation rose to 36.08% last month, up from 21.3% in November, the Turkish Statistical Institute said Monday—the highest inflation rate since 2002, according to economists.

The rampant inflation raises new concerns that it could overwhelm a government rescue plan unveiled last month to stabilize the battered local currency. The lira was down less than 1% against the dollar on Monday. The currency mounted a significant comeback after the government announced the rescue plan but was still down more than 40%

against the U.S. dollar last year.

The inflation figures show how the crisis continues to heap economic pressure on ordinary Turkish people. It has forced some to line up for subsidized bread, cut back on meat and flee to Europe in search of a better life.

Turkey's economy has been in turmoil since last year when President Recep Tayyip Erdogan pressured the central bank to slash interest rates despite rising inflation. Mr. Erdogan has fired several central-bank governors and other top officials who opposed his unorthodox vision for the economy.

The Turkish central bank cut interest rates for the fourth time in as many months in December, bucking a global trend. Central banks have been raising rates to contain inflation that is surging worldwide due to high energy prices and global supply-chain issues.

Washington Urges End to Sudan Strife

By NICHOLAS BARIYO

The U.S. urged Sudanese leaders to end violence against protesters and ensure continued civilian rule, a day after Prime Minister Abdalla Hamdok resigned amid a growing political and economic crisis.

"Sudan's next prime minister and cabinet should be appointed in line with the constitutional declaration to meet the people's goals of freedom, peace and justice," the U.S. State Department's Bureau of African Affairs said Monday.

Washington suspended some \$700 million in aid to the country after Mr. Hamdok, who was head of Sudan's fragile transitional government following the ouster of long-serving leader Omar al-Bashir in 2019, was toppled and detained in an October coup.

Following a deal with military leader Gen. Abdel Fattah al-Burhan, Mr. Hamdok was reinstated in November, but pro-



Abdalla Hamdok resigned after failing to form a government.

test leaders rejected the agreement and have been demanding a full restoration of civilian rule, plunging the country into weeks of protests as inflation soared and food shortages spread.

"Despite all that was done to bring about the desired and necessary consensus, this did

not happen," Mr. Hamdok said. "I tried as far as I was able."

His resignation marks the abandonment of a weekslong effort to form a new technocratic government and worsens a political standoff.

Mr. Hamdok, a former United Nations economist, cited political fragmentation and conflicts between civilians and the military over power sharing as the reasons for his resignation. It marked the latest disruption to the strategically located nation—it sits at a crossroads between sub-Saharan Africa and the Middle East—as it attempts to transition to democracy following the end of Mr. Bashir's three-decade reign.

It wasn't clear whether Mr. Hamdok's resignation will end the standoff with protest leaders, who are demanding the end of military rule. More than 50 people have been killed in clashes since they began.

There was no immediate reaction from Sudan's military

leaders. Gen. Burhan has previously defended the October coup, saying the military acted to prevent the country from plunging into civil war.

The U.S. and other Western governments have intensified pressure on Sudan's military in recent weeks to speed up the transition to democracy.

Under the November deal with the military, Mr. Hamdok would form a technocratic government to lead the transition to civilian leadership, with elections scheduled for July 2023. But protesters, angered by the military's tight grip on power, continued to take to the streets, accusing Mr. Hamdok of treachery in a standoff that has unsettled the country.

Mr. Hamdok's resignation came hours after Sudan's security forces fired tear gas and rubber bullets to disperse protesters. At least three people were killed in Sunday's clashes, said the Central Committee of Sudanese Doctors.

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WORLD WATCH

WORLD NEWS



DAMAGED GOODS: Israeli Agriculture Ministry workers dispose of chicken eggs on Monday at a quarantined farm in Margalioth, Israel, where authorities are trying to contain the spread of bird flu. The disease has killed thousands of wild migratory cranes in northern Israel in what officials call the deadliest wildlife disaster in the nation's history.

North Korean Previously Defected

BY DASL YOON

SEOUL—A man who evaded South Korea's border controls and entered North Korea late last week had used virtually the same route just more than a year ago to defect from the Kim Jong Un regime.

There was no evidence that the North Korean defector, a man in his late 20s, had been a Pyongyang spy, Seoul's military said Monday. He worked as a cleaner and likely was struggling financially, it added.

Late Saturday, the man climbed a tall barbed-wire fence along the inter-Korean eastern border, navigated the heavily fortified Korean demilitarized zone and entered North Korea at 10:40 p.m., Seoul's military said.

Based on surveillance footage, Seoul officials said Monday that they believe the man was the same person who had leapt over a 10-foot-high fence in the same border area and entered South Korea in November 2020. At the time, the man testified to South Korea's military that he had been a gymnast in North Korea, which the defense ministry couldn't confirm.

A series of high-profile border breaches in recent years have raised criticism in South Korea about the penetrability of the shared border.

Seoul had sent a weekend message to Pyongyang seeking to ensure the safety of the border-crossing man. On Monday, North Korea acknowledged having received the message, but didn't give a response on the status of the defector, Seoul's military said.

Life in South Korea presents many challenges. The unemployment rate for defectors stood at 9.4% in 2020, or about triple that of the general population, according to South Korea's unification ministry. About a quarter live below the poverty line.

TURKEY

Erdogan Plans Visit To Saudi Arabia

Turkish President Recep Tayyip Erdogan said he would visit Saudi Arabia next month as the rival Middle Eastern powers look to overcome years of tensions that peaked after the 2018 killing of a prominent Saudi journalist in Istanbul. There was no immediate confirmation of Mr. Erdogan's planned visit by Saudi Arabia.

A once unimaginable encounter between the leaders would signal a detente in a rift that has divided the Middle East for years. The meeting offers a chance to put behind them problems that have poisoned the relationship between two of the region's biggest economies, foremost among them the killing and dismemberment of writer Jamal Khashoggi by a team of Saudi government operatives inside the kingdom's Istanbul consulate.

For Mr. Erdogan, the calculus may be more about money than geopolitics: With Turkey gripped by a currency crisis, he has been looking for economic lifelines.

—Stephen Kalin

BRAZIL

President Bolsonaro Is Taken to Hospital

Brazilian President Jair Bolsonaro, who was stabbed in the abdomen by a deranged attacker while campaigning for the presidency in 2018, was taken to a hospital Monday morning after complaining of abdominal discomfort, according to Brazil's presidential palace.

Mr. Bolsonaro was taken to the Vila Nova Star hospital in São Paulo for examination, the palace said.

Mr. Bolsonaro showed symptoms of a possible abdominal obstruction, is in stable condition, and is undergoing treatment, according to the Vila Nova Star Hospital.

It isn't known when he might be released, the hospital said.

The president has undergone multiple surgeries related to the stabbing, and in July of last year he was admitted to the same hospital for an abdominal obstruction. In that instance, he was released four days later without undergoing surgery.

—Jeffrey T. Lewis

NIGERIA

Abducted Students Rescued, Police Say

At least 21 schoolchildren in Nigeria were rescued hours after they were abducted by armed groups in the West African country's troubled northwestern region, police said.

The schoolchildren were abducted Friday while traveling with their teacher from the Bakura area to an Islamic school in neighboring Katsina state, police spokesman Mohammed Shehu said over the weekend.

Security forces rescued the 21 students and are "currently working to rescue the remaining victims and apprehend the perpetrators," he said. He didn't say how many hostages are still being held but said the assailants seized travelers from as many as five vehicles.

Children have often been targeted in northwestern Nigeria in attacks by armed groups on rural communities far from the protection of security forces who are often outgunned and outnumbered.

—Associated Press

SOUTH AFRICA

Parliament Complex Fire Flares Again

The fire that has already destroyed South Africa's main Parliament chamber flared up again Monday about 36 hours after it started in the 130-year-old complex of historic buildings, authorities said.

Firefighters were sent back to the Parliament precinct in the center of Cape Town after flames reappeared on the roof of the main Parliament building in the late afternoon. Before the blaze reignited, authorities had said it had been contained and had begun to assess the damage.

A man has been arrested and is being questioned by police in connection with the fire. The man is due to appear in court on Tuesday and authorities weren't commenting further on his involvement or any possible motives, other than to say he would likely be charged with breaking and entering, theft and arson.

The man, who has not been identified, was arrested Sunday at the scene, authorities said.

—Associated Press

COLOMBIA

At Least 16 Killed as Rebel Groups Battle

At least 16 people were killed in Colombia this weekend and dozens had to flee their homes, as fighting between rebel groups intensified in the eastern state of Arauca, Colombia's Human Rights Ombudsman said Monday.

The killings mark a setback for Colombia's government, which was able to bring down homicide rates in much of the country following a 2016 peace deal with the Revolutionary Armed Forces of Colombia, or FARC. But it is now struggling to control violence in rural pockets where smaller rebel groups and drug trafficking organizations are fighting over smuggling routes, coca fields, illegal mines and other assets.

Colombia's army said the latest violence was caused by fighting between the National Liberation Army guerrilla group, and former FARC members who refused to join the peace deal. The army said that both groups are fighting for dominance over the area's drug trade.

—Associated Press

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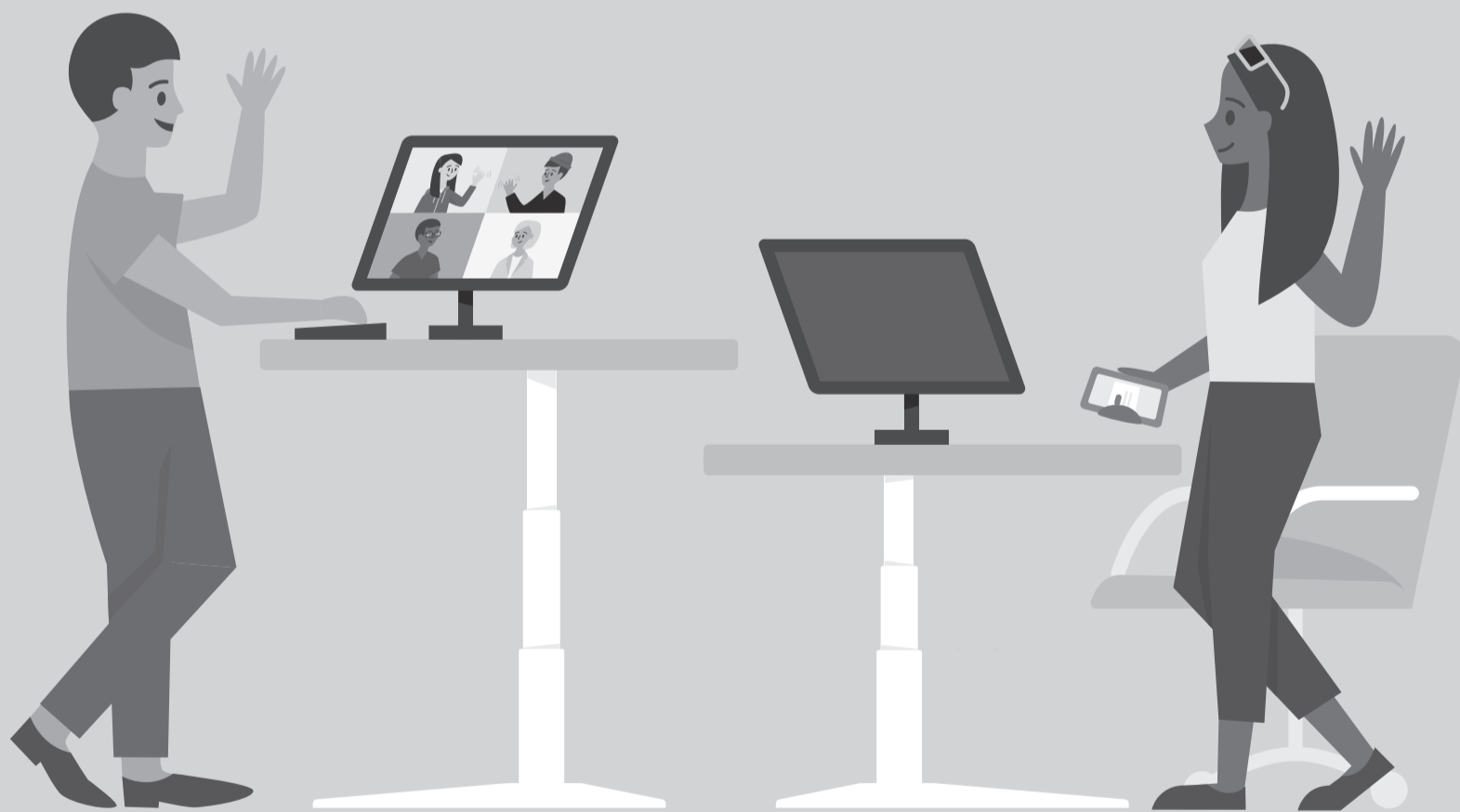
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BONDS
ELIZABETH BERNSTEIN

How Some Relationships Flourish in a Tough Time

Many relationships have thrived during the pandemic, surprisingly. According to recent research from the Kinsey Institute at Indiana University, 74% of married couples surveyed felt the pandemic strengthened their marriages, and 82% said it made them feel more committed. Researchers are still unpacking why this is. Some think that being outdoors in nature or planning for the future has boosted relationships; or maybe being able to blame their stress on the pandemic has helped.

I asked readers of this column how they've kept their relationships healthy and have been inspired by the responses. One reader says he asks his loved ones to share their emotional challenges, such as isolation or loss, to foster closeness. Another says she tries to pause when things get heated, asking her partner for a short break from talking to calm down. A third says she and her husband hug three times a day for 20 seconds.

"That damn hug put bodies and brains in sync," prompting them to assume the best about each other, she says.

A retired nonprofit manager in Brooklyn says that whenever he is angry with his wife, he looks for something to compliment her on instead of arguing. ("Oxytocin works!") The creative director of a winery in Sonoma County is careful not to nitpick. A publicist in Scarsdale, N.Y., makes a habit of thanking her husband for the little things he does for her. A retired physician in Wichita, Kan., works hard to talk less and listen more. "I am 85 years old, and I have found that if you listen hard, rather than interjecting your own opinion, you will be successful (as long as you're not dealing with a sociopath)," he says.

Several other pieces of advice stood out.

Give Space

Perhaps unsurprisingly after nearly two years of being cooped up together, quite a few readers said that time apart is crucial to their relationship health.

Glenn Rushworth, 63, a retired



nuclear-power-plant operator in Shellsburg, Iowa, says he and his wife of 36 years learned the importance of giving each other space during the first year of their marriage, when they spent much of their time together. The closeness caused strain: Mr. Rushworth sometimes wanted a little alone time; his wife, Clara, worried he wasn't interested in her.

So Mr. Rushworth reassured his wife, telling her: "I'm not mad at you. I love you. But I need time by myself." And the couple became comfortable spending time apart, with Mr. Rushworth going to movies and ballgames or meeting buddies to talk about sports, while Ms. Rushworth met friends for lunch or attended dog shows. During the pandemic, Mr. Rushworth sometimes watched a Miami Dolphins game in the basement while his

74%

of couples surveyed said the pandemic strengthened their marriages

wife watched a Cleveland Browns game upstairs.

The Rushworths say that time apart keeps them happier and less bored by allowing them to pursue their own interests, process their thoughts and relax without responsibilities to each other. It also gives them something new to talk about.

"Spending time apart helps us better value the time we spend together," Mr. Rushworth says. "Absence really does make the heart grow fonder."

Assume Positive Intent

Often we're quick to assume the worst about a situation or a person's intentions, a tendency that has worsened with pandemic stress.

Ric Sorbo, 68, a retired engineering executive in Cary, N.C., says he learned this tip from an article he read years ago about former PepsiCo CEO Indra Nooyi, in which she explained how her father taught her to assume positive intentions in other people. (She said that assuming negative intent makes you angry.)

Mr. Sorbo began trying to assume the best about the intentions of loved ones or co-workers. "If someone would screw up, I'd remind myself that they didn't do it on purpose," Mr. Sorbo says.

The strategy has served him well lately, he says. Mr. Sorbo and his wife, Joy, have been married 45 years. He is very neat and likes

everything to run on time. She doesn't put as high a priority on these things, she says. More time together meant more clashes over whether the kitchen was clean enough or the closets were too cluttered. When Mr. Sorbo found himself rankled, he reminded himself that his wife wasn't irritating him on purpose, they just had different ways of doing things.

"In relationships, you can get really comfortable speaking your mind and sometimes what comes out of your mouth shouldn't," he says. "Assuming positive intent has helped me stay out of trouble."

Make Time to Be Positive

When everyone's stressed, it is easy to focus on negatives. Ruth Middleton House, 75, a professor of leadership in Kennesaw, Ga., has a counter-strategy: "Block out a specific time of day to be positive together, then stick with it no matter what."

Years ago, when her son was young, Ms. House declared the family dinner table a stress-free zone. She aimed for at least five sit-down dinners a week where her family would celebrate the day and talk about only positive things. What was the most interesting thing you experienced today? The funniest? The most positive?

Those dinners were so successful that she extended the positive zone to the predinner hour, too, calling it the "Conversation Hour."

Staying positive got harder after losing her husband to cancer eight years ago. Ms. House adjusted, blocking time on her calendar each day to write in her journal about positive experiences.

Each morning, Ms. House, who lives alone now, takes an hour to "order up a good day." She puts on classical music, opens a document on her computer and answers five questions: What am I grateful for? What are three of my recent victories and who benefited from them? (One recent success: She got a snake out of her house by herself.) What are three of my strengths and how will I use them today? What am I looking forward to in the next 12 hours? And what three relationships can I strengthen today?

Ms. House schedules time with loved ones for sharing thoughts, either in person or on a phone or Zoom call. "I look for opportunities to give thanks, to leverage strengths, to share laughter or good news," Ms. House says. "It enriches every exchange I have with people."

Time to Upgrade Your Face Masks

By CLARE ANSBERRY AND NIDHI SUBBARAMAN

Doctors and healthcare systems say it might be time to change your face masks.

With infections surging due to the fast-spreading Omicron variant, including among the vaccinated, physicians are now urging people to ditch cloth face masks, which they say may not provide enough protection against the virus. Instead, they recommend pairing cloth masks with surgical models or moving on to stronger respirator masks.

The Mayo Clinic began on Thursday requiring all patients and visitors to wear surgical masks or N95 or KN95 masks. Anyone wearing a single-layer, homemade cloth mask, gaiter or bandanna, or a mask with a vent, will be provided a medical-grade mask to wear over it.

Single-layer cloth masks, which many people prefer for comfort and style, can block larger droplets carrying the virus, but aren't as effective in blocking smaller aerosols or particles carrying the virus, according to infectious-disease specialists.

The Centers for Disease Control and Prevention's most recent guidance recommends that people wear masks, including cloth ones that are multilayered and tightly woven, that fit snugly and have an adjustable wire nose bridge. It also suggests layering masks, using a disposable mask underneath a cloth mask and reserving N95 masks for healthcare workers.

But many professionals in the field say certain masks are more effective than others in protecting people from the Omicron variant and that cloth masks alone aren't.

"If you really want no exposure, you have to wear the right type of mask," says Monica Gandhi, an infectious

disease specialist at the University of California, San Francisco. Dr. Gandhi recommends N95 masks, which are certified in the U.S., or the KN95, KF94 and FFP2 masks, which are certified in China, South Korea and Europe respectively. If those aren't available, she recommends double masking—a multilayered cloth mask tightly on top of a surgical mask. Surgical masks are made of polypropylene, which has electrostatic charge characteristics that block the virus.

"If everyone is just wearing a cloth mask or just a surgical mask, it won't make any difference" with this highly-transmissible variant, she says.

from being inhaled.

Properly fitted, certified N95 masks can filter up to 95% of particles in the air.

Megan Srinivas, a clinician and infectious disease specialist at the University of North Carolina at Chapel Hill, says she and other family members wear KN95 masks, which have five layers of overlapping material and a tighter fit to reduce droplets from escaping or entering. She would recommend those same masks, which come in children's sizes, to parents getting ready to send their children to school in the new year. If those aren't available, she suggests disposable authorized surgical masks.



As Omicron spreads, doctors advise shifting from single-layer cloth masks to N95 or KN95 masks, among others.

Others in the field say high-quality surgical masks, worn properly, offer protection, but they would also like more data and research on how they stand up against Omicron.

N95 masks, which are certified by the U.S. National Institute of Occupational Safety and Health, have a denser network of fibers than surgical or cloth masks. That tighter mesh, together with an electrostatic charge in the material, generally makes such masks the most efficient at trapping larger droplets and aerosols exhaled by the wearer. They also better block such particles

Graham Snyder, medical director of infection prevention and hospital epidemiology at the University of Pittsburgh Medical Center, says any quality mask that offers an effective seal and is worn correctly—covering the nose and mouth—offers protection.

Dr. Snyder says he would like data from the CDC on how Omicron spreads and whether the transmission is related to the types of masks. He is concerned about the number of people who don't wear masks of any type.

"Masking works. Period," he says.

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SPORTS

JASON GAY

Aaron Rodgers Has Green Bay Rocking

A quarterback who marches to his own beat has the Packers atop the NFL, as the playoffs near

Remember: There was a time, barely six months ago, when it was considered at least a remote possibility that a disgruntled Aaron Rodgers would retire from playing football and wander off to something else, like hosting "Jeopardy!"

Instead of strapping on a cheddar-yellow helmet as the quarterback of the Green Bay Packers, Rodgers, who impressed in a brief tryout as a guest host, would opt for a suit and tie, querying tweedy literates on topics like Roman history, Tasmanian fauna, and Items that Rhyme with Yam.

It didn't happen. Rodgers wound up returning to football, somewhat begrudgingly, turning up in Wisconsin, airing his grievances with the franchise (condensed version: they don't ask me enough about stuff), reluctantly strapping on that cheddar-yellow helmet for a 17th season and doing nothing but...furthering his case as one of the best players in the history of the sport.

Rodgers has been dynamite. So has his team. After a 37-10 shellacking of the frigid Minnesota Vikings at Lambeau Field Sunday night, the Packers are 13-3, and have sealed home field for the playoffs. Rodgers, who turned 38 in early December, is the current favorite to repeat as NFL MVP, ahead of luminaries like 97-year-old Tom Brady and Indianapolis running back Jonathan Taylor.

His numbers are gaudy. Rodgers has thrown 35 touchdown passes against only four interceptions. His completion rate is a shade under 70%, and his 111.1 quarterback rating leads all NFL starters, a nudge ahead of the cigar-chomping, AFC North-clinching Bengals wunderkind Joe Burrow.

Pretty great for a guy who was allegedly on the fence about coming back, right?

Yes. But still quite a ride.

As always, Rodgers operates to his own, idiosyncratic drumbeat, which was apparent during his off-season estrangement with Green Bay, and then in early November, when the California native missed a start with a Covid-19 positive after telling reporters during the preseason he'd been "immunized"—and used his quarantine to launch a loquacious salon about remedies, pandemic management and the perniciousness of "cancel culture."

He's his own deal. And yet it hasn't impacted the performance. On the field, Rodgers doesn't look aloof—he's Green Bay's engine. He's playing close to the peak of his powers, despite a fractured toe. His team can and probably should rest him in what is now a meaningless Week 18, but Rodgers



MATT LUDTKE/ASSOCIATED PRESS; AARON GASH/ASSOCIATED PRESS



said he intends to play. He's done more than enough to prove he's still got it, and then some.

And yet...the Packer faithful still don't know if he'll be back next year. "A beautiful mystery," is the term Rodgers has used in the past to describe his future in Titledown, and it still applies, as the quarterback, who has a year left on his contract, hasn't made his 2022 season intentions known. Rodgers

has promised to not "drag it out for months and months," a pledge for which we should all be grateful.

He does seem happy. "This has been one of my favorite years of football," he said the other day, offering praise for Packers coach Matt LaFleur and his staff and even team GM Brian Gutekunst, an alleged offseason bête noire. He expressed gratitude that Gutekunst

Green Bay quarterback Aaron Rodgers led the Packers to a 37-10 shellacking of the Minnesota Vikings at Lambeau Field on Sunday night.

looped him into decisions—honestly, the whole thing is starting to sound ooey-goey and borderline reconciled. "I do appreciate the way our relationship has grown," Rodgers said.

From a football standpoint, it makes no sense to bolt elsewhere. The Packers are a far better, more complete outfit than anything that potentially looms for Rodgers. The Packers are loaded with weapons, and lack a rival in the meager NFC North. With Sunday's win, any NFC team's route to the Super Bowl will have to pass through the tundra of Lambeau.

Of course, that was also the case last season—the road to the Super Bowl had to pass through Lambeau, and in the NFC Championship, Brady and the visiting Tampa Bay Buccaneers passed right through. It was a maddening loss, one that simmered over the spring and early summer.

Rodgers has put himself in position to make that right this time. A rare knock on his résumé is that, despite an All-World career, he's collected only a single Super Bowl ring, but his Packers are surging at the right time, winning five in a row. The Buccaneers, meanwhile, are struggling to find receivers that won't get hurt, or remove their clothing midgame, and the rest of the NFC field feels fallible. You really love Matthew Stafford and the L.A. Rams at Lambeau? The Cowboys? The

Kyler Murray Cardinals? It would be some story for Rodgers to get this done, now—the prodigal quarterback, a foot out the door, coming back, withstanding a 38-3 opening day loss, enduring quarantine, then adding another Lombardi to the Land of Lombardi. It would be a delicious twist, and only add to the eccentric legend. Aaron Rodgers did it his way. As ever.

13-3
Record of the Packers heading into Week 18. Green Bay are the No. 1 seed in the NFC playoffs.

Athletes' Olympian Task: Secure a Beijing Berth, Don't Get Covid

By LOUISE RADNOFSKY

ATHLETES HEADING FOR THE winter Olympic Games must attempt an extraordinary maneuver in the next month: lock in their spots on the national team, train and travel for their event and dodge the fast-spreading Omicron variant of the coronavirus.

It's a complex gantlet that is likely to sideline at least some contenders and could even wipe out whole countries' medal hopes in some events.

The Winter Olympic Games are set to open in 31 days. Anyone who contracts the virus from this point on will absorb a dent to their competitive hopes, and not just because of the training disruption. The prospect of persistent positive tests could still prevent them from traveling to Beijing at all under China's "Covid-zero" approach.

The problem for athletes is that there's very little they can do about it.

The Omicron variant has proved capable of spreading quickly and evading vaccines. Sheltering in place to avoid it is not an option. Many winter sports stars are about to face the busiest month of their competitive lives.

For U.S. and Canadian figure skaters, as well as U.S. long-track speed skaters, that includes national events to select team members this week.

Some training centers are al-

ready battling outbreaks, and positive tests have bumped out figure skating participants before the competitions have even begun.

The risk for both countries now is that by bringing every one of their possible contenders for the Olympic team together in one place, they decimate their medal hopes. Earlier in the pandemic, the U.S. and Canada both conducted virtual competitions.

Now, they're diverging in how to reduce the likelihood of an outbreak among skaters in indoor venues similar to the ones used by the National Hockey League, which had to pause in December because so many players were out with positive tests.

U.S. Figure Skating is holding championships in Nashville, using them as the final criteria in picking the Olympic team. About 750 athletes, coaches, officials and media, and thousands of spectators are all invited to come in person. Junior events, which are not for Olympic qualification, start Tuesday. Senior events start Thursday.

In a late December pivot, the organization dusted off the playbook that it had used earlier in the year—before Omicron—and said it would seek proof of vaccination or a negative test taken within the previous three days for ticket holders. Fans do not need to have had a booster shot. Vaccinated reporters do need to show a negative test result as well.



Madison Hubbell and Zachary Donohue said they are aware that a positive test could knock them out of the Games.

Masks will be required in most circumstances, but skaters do not have to wear them on the ice, and there are exceptions to allow eating and drinking in the Bridgestone Arena. Officials said they have placed limits on contact between athletes and fans "by canceling autograph sessions, reorganizing in-person functions and implementing other precautions to help mitigate risk for athletes, including restricting access to the secondary practice rink."

U.S. Figure Skating said in a statement announcing the changes Dec. 27 that they were made after studying transmission data for Nashville and the rest of the U.S., and were intended to "create the safest possible environment for athletes, coaches, spectators and vol-

unteers."

Skate Canada has locked down its championships, refunding tickets, diverting media to virtual interviews and canceling the adjacent novice competition and gala.

"Our priority is to preserve the competitions necessary for the selection of teams for the Olympic Winter Games and ISU Championship events," said Skate Canada's president Karen Butcher and chief executive Debra Armstrong in a joint statement.

U.S. Speedskating also announced Monday that it would hold long-track team trials in Milwaukee without spectators. The event starts Wednesday.

American figure skaters said ahead of the competition that they were doing the best they could to

manage the situation, some by getting booster shots and keeping to themselves as much as possible.

Ice dancers Madison Hubbell and Zachary Donohue, who wore masks at January events long before the pandemic in order to avoid getting winter colds, said they were again planning on renting accommodation through Airbnb rather than staying in the official hotel for the event.

Hubbell said they were also prepared not to return to their training base in Montreal after the competition if that became impossible. Still, Donohue said, they were fully aware of the prospect of a positive test that knocked them out of the Games.

"The Olympic journey is signing up for everything that comes with it," he said.

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BIGGEST 1,000 STOCKS

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

Footnotes:
H-New 52-week high.
L-New 52-week low.

Undervalued 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.

Table with columns: Stock, Sym, Close, Net Chg. Includes sub-tables for Monday, January 3, 2022 and sections A, B, C.

Table with columns: Stock, Sym, Close, Net Chg. Includes sections D, E, F.

Table with columns: Stock, Sym, Close, Net Chg. Includes sections G, H, I.

Table with columns: Stock, Sym, Close, Net Chg. Includes sections J, K, L.

Table with columns: Stock, Sym, Close, Net Chg. Includes sections M, N, O.

Table with columns: Stock, Sym, Close, Net Chg. Includes sections P, Q, R.

Table with columns: Stock, Sym, Close, Net Chg. Includes sections S, T, U.

Table with columns: Stock, Sym, Close, Net Chg. Includes sections V, W, X.

Table with columns: Stock, Sym, Close, Net Chg. Includes sections Y, Z, AA.

Table with columns: Stock, Sym, Close, Net Chg. Includes sections AB, AC, AD.

Table with columns: Stock, Sym, Close, Net Chg. Includes sections AE, AF, AG.

Table with columns: Stock, Sym, Close, Net Chg. Includes sections AH, AI, AJ.

Table with columns: Stock, Sym, Close, Net Chg. Includes sections AK, AL, AM.

Table with columns: Stock, Sym, Close, Net Chg. Includes sections AN, AO, AP.

Table with columns: Stock, Sym, Close, Net Chg. Includes sections AQ, AR, AS.

Table with columns: Stock, Sym, Close, Net Chg. Includes sections AT, AU, AV.

Table with columns: Stock, Sym, Close, Net Chg. Includes sections AW, AX, AY.

Table with columns: Stock, Sym, Close, Net Chg. Includes sections AZ, BA, BB.

Table with columns: Stock, Sym, Close, Net Chg. Includes sections BC, BD, BE.

Table with columns: Stock, Sym, Close, Net Chg. Includes sections BF, BG, BH.

Table with columns: Stock, Sym, Close, Net Chg. Includes sections BI, BJ, BK.

Table with columns: Stock, Sym, Close, Net Chg. Includes sections BL, BM, BN.

Table with columns: Stock, Sym, Close, Net Chg. Includes sections BO, BP, BQ.

Table with columns: Stock, Sym, Close, Net Chg. Includes sections BR, BS, BT.

Table with columns: Stock, Sym, Close, Net Chg. Includes sections BU, BV, BW.

Table with columns: Stock, Sym, Close, Net Chg. Includes sections BX, BY, BZ.

Table with columns: Stock, Sym, Close, Net Chg. Includes sections CA, CB, CC.

Table with columns: Stock, Sym, Close, Net Chg. Includes sections CD, CE, CF.

Table with columns: Stock, Sym, Close, Net Chg. Includes sections CG, CH, CI.

Table with columns: Stock, Sym, Close, Net Chg. Includes sections CJ, CK, CL.

Table with columns: Stock, Sym, Close, Net Chg. Includes sections CM, CN, CO.

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, 52-Wk % Chg, % Hi/Low. Lists stocks with new highs and lows.

Dividend Changes

Dividend announcements with January 3 spin-off.

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

Exchange-Traded Portfolios

Largeest 100 exchange-traded funds, latest session

Table with columns: ETF, Symbol, Closing Price, Chg YTD (%), YTD (%).

Exchange-Traded Portfolios

Largeest 100 exchange-traded funds, latest session

Table with columns: ETF, Symbol, Closing Price, Chg YTD (%), YTD (%).

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BANKING & FINANCE

EV Battery Maker to Sell Shares

Deal for as much as \$10.8 billion could be largest-ever listing in South Korea

By KWANWOO JUN

LG Energy Solution Ltd., one of the world's largest makers of batteries for electric vehicles, started taking investor orders for a share sale that could raise as much as \$10.8 billion.

The offering is on course to be comfortably the largest-ever listing in South Korea, highlighting how investors have embraced suppliers to the EV industry as well as electric-car makers themselves, such as Tesla Inc. and China's NIO Inc.

LG Energy Solution, an EV battery supplier for Tesla, General Motors Co. and Hyundai Motor Co., is raising capital to expand its business amid growing demand.

The initial public offering is set to raise a total of roughly 10.9 trillion to 12.8 trillion Korean won, the term sheet



The company plans to use the proceeds it raises to boost capital expenditures, repay debt and meet working-capital needs

showed, or the equivalent of about \$9.2 billion to \$10.8 billion. The company's shares will start trading on the South Korean stock exchange on Jan. 27. Even at the low end of the price range, the deal would eclipse the record 4.9 trillion won that Samsung Life Insurance Co. raised in its IPO in 2010.

Amid a series of regulatory

crackdowns in China, South Korea has recently emerged as one of several alternative sources in Asia for alluring, big-ticket IPOs. The country's exchange operator said recently that companies raised a record 20.8 trillion won through IPOs in South Korea last year. That was more than double the previous record set in 2010.

LG Energy Solution's implied market capitalization after the offer will be as much as \$59 billion, the term sheet showed. Investors are being offered 42.5 million shares at 257,000 to 300,000 won apiece.

The planned listing comes after Chinese peer Contemporary Amperex Technology Co. has surged in value, with its

stock jumping 67% in the past year, according to FactSet. That gives the company, also known as CATL, a market capitalization of some \$213 billion, making it one of the most valuable companies listed in mainland China.

Morgan Stanley, BofA Securities and Citigroup are among those advising LG Energy Solution on the planned share sale.

Fund Picks Two to Share Job Of CEO

By JULIET CHUNG

Bridgewater Associates named two co-chief executives to head the world's largest hedge fund, after CEO David McCormick told staff he would be stepping down to consider running for the U.S. Senate in Pennsylvania.

Bridgewater elevated to co-CEO Deputy Chief Executive Nir Bar Dea, 40 years old, along with former Aetna Chief Executive Mark Bertolini, 65, who has been a member of Bridgewater's board for three years, according to a memo to Bridgewater employees that was released publicly.

The announcement formalizes a transition many were expecting given Mr. McCormick's political ambitions. In December, he put out an ad touting his military record and family Christmas-tree farm that all but declared his candidacy in the Republican primary.

Founded by Ray Dalio, who is known for an unorthodox management style known as radical transparency, Bridgewater manages about \$150 billion. It has been plagued in recent years by poor performance, with its flagship Pure Alpha macro fund posting its worst monthly loss in Bridgewater's history for March 2020.

In a letter to investors at the time, Mr. Dalio wrote that the coronavirus hit the firm "at the worst possible moment" because it was positioned for market gains.

Pure Alpha recovered somewhat to end 2020 down 7.6% but still lost the ability to charge performance fees to clients invested at the start of the year. A more leveraged version lost 12.6%.

Pure Alpha, which bets on and against asset classes world-wide, including interest rates, commodities and equities, gained 8.1% for 2021 through Dec. 29, with nearly all of that coming in December, according to people familiar with Bridgewater.

The gain is well short of increases last year in some commodities and stocks.



Nir Bar Dea

Private-Equity Firms Flock to Tech Deals

By LAURA COOPER AND PREETI SINGH

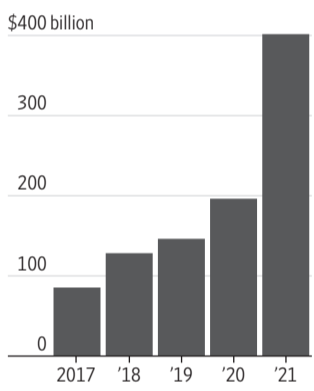
Private-equity firms had a blockbuster year for deal making, largely driven by technology investments.

As of mid-December, private-equity firms announced backing U.S. technology deals totaling \$401.71 billion, including new purchases, asset sales and add-on deals, according to data provider Dealogic. That accounted for 41% of a record \$990.25 billion in overall private-equity deals through mid-December, Dealogic said.

The tech-deal value for 2021, which more than doubled from the 2020 level of \$196.34 billion, was the highest since Dealogic began tracking the data in 1995. In 2020, tech transactions represented 41% of overall private-equity deals, which totaled \$474.06 billion.

Investors say they expect more tech deals in 2022. Private-equity fund managers have long found software-as-a-service businesses particularly attractive, as these companies offer reliable recurring-revenue models and yield strong and consistent returns. The pandemic drove greater digital adoption across all aspects of

Private-equity backed technology-sector deals



Notes: 2021 data is as of Dec. 17. All figures include new deals, exits and add-on acquisitions. Source: Dealogic

life, making tech-enabled businesses all the more alluring to investors and whipping up competition for tech companies.

Pent-up investor demand and sellers eager to strike deals ahead of anticipated tax changes helped drive activity, said David Humphrey, co-head of Bain Capital's North American private-equity business. The tech sector's strong performance throughout the pandemic also buoyed deal volume, according to Mr. Humphrey, who worked on the

pending \$17 billion acquisition of healthcare-technology company Athenahealth Inc. by Bain Capital and private-equity firm Hellman & Friedman LLC.

Other large tech deals in 2021 included the roughly \$12 billion pending acquisition, excluding debt, of Nasdaq-listed cybersecurity provider McAfee Corp. by a consortium including investors Advent International and Permira Advisers as well as Clearlake Capital's agreement to buy Quest Software Inc. from Francisco Partners for about \$5.4 billion, including debt.

However, private-equity firms often must pay up to win these deals.

Richard Hardegree, a vice chairman at Barclays PLC who leads tech mergers and acquisitions at the investment bank, said he routinely sees companies sell for roughly 20 times or even 30 times their annual earnings before interest, taxes, depreciation and amortization, while years ago a purchase price of 15 times Ebitda was the norm.

"This has been a tale for the last decade-plus of increasing Ebitda multiples, particularly in the software space, where most of the activity has oc-

curred," he said. "We'll see how it ends. I think there are a lot of people—including myself—who were skeptical at 15 [times], and now we're at 30 [times] Ebitda."

As firms spend more to win deals, many have returned to raise new funds relatively quickly, a testament to the volume of cash in the market.

41%

Portion of deals involving tech companies as of mid-December

Private-equity firms specializing in technology investments, such as Vista Equity Partners, Thoma Bravo, Silver Lake and Francisco Partners, have started or are in the midst of fundraising for what would be their largest vehicles yet, in some cases returning less than a year after securing their previous funds.

Though many investors remain bullish about prospects for tech investing in 2022, some are raising concerns that elevated valuations could make

it tougher to generate strong returns on certain technology investments.

"We expect to continue investing in 2022 but taking a bit more nuanced approach with sectors we like and staying away from sectors that we think could get hit hard in the down cycle," said Mirza Baig, a managing partner at growth-equity firm Aldrich Capital Partners. Mr. Baig said valuations looked frothy in sectors such as European financial technology, wealth technology and real-estate technology.

"On the healthcare side, given the context of a global pandemic, we have seen a spurge by investors in parts of biotech, revenue cycle management, payer facing risk adjustment, and [the] perioperative space," Mr. Baig said, adding his firm had passed on a number of deals in these areas.

Andrew Olinick, a partner at private-equity firm 3i Group PLC, said he has seen the market taking a harder look at potential deals.

"As [interest] rates go up there will be a bit more discernment," he added. "I think businesses that are strongly performing will still command very full valuations."

OPEC Taps Kuwaiti for Key Post

Continued from page B1

Petroleum Corp., where he currently serves as deputy managing director for international marketing.

The appointment of the Kuwaiti—who was the sole candidate for the job—is in line with OPEC's tradition of appointing representatives from smaller producers and shunning Saudi Arabia and Iran, two Middle East foes that have

been battling for decades for influence both within the cartel and in regional politics.

In a letter to Mr. al-Ghais, Mr. Barkindo praised the incoming secretary-general as "a committed, knowledgeable and extremely able technocrat who can lead the Organization in the years to come."

While Saudi Arabia holds de facto leadership on OPEC as the world's biggest oil exporter, the secretary-general plays a key role in brokering production deals and in articulating the group's positions publicly.

During his tenure, Mr. Barkindo helped steer the organization through two oil-price crashes. In 2016, he responded to rising U.S. production by

engineering an alliance between OPEC and Russia, one of the world's largest oil producers, and a group of smaller non-OPEC producers.

Then last year, after Saudi Arabia launched an oil-price war with Russia as they disagreed over their response to the Covid-19 pandemic, he helped the group mend fences and agree to jointly curb output to revive collapsing oil prices.

His successor will also have to navigate pressure from governments, companies and public opinion to reduce oil consumption and adopt alternative forms of energy in an effort officials and scientists hope will mitigate climate change.



Haitham al-Ghais will take over as secretary-general in August.

Mutual Funds

Data provided by LIPPER

Table with columns for Fund, NAV, YTD Chg, %Ret, and various fund categories like American Century, BlackRock, Fidelity, etc.

MARKETS

Dow, S&P Start Year by Hitting Records

Apple briefly touches \$3 trillion in market capitalization as Nasdaq rises 1.2%

By CAITLIN OSTROFF AND PAUL VIGNA

Stocks rose in the first session of 2022, and Apple briefly touched a \$3 trillion market capitalization, which was enough to push the Dow Jones Industrial Average and S&P 500 to records.

The S&P 500 added 30.38 points, losing 0.6%, to 4796.56, after a year where it rose 27% and notched 70 highs

along the way. The Dow gained 246.76 points, or 0.7%, to 36585.06.

The Nasdaq Composite rose 187.83 points, or 1.2%, to 15832.80 but remains 1.4% off its November record of 16057.44.

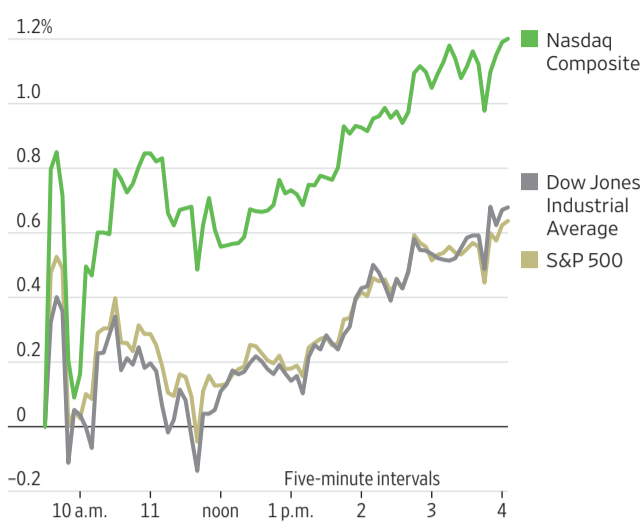
Stocks tend to rise at the start of new calendar periods because of “new money” like pension funds that invest when a new period starts.

“Today looks like a classic reopening,” said LPL Financial market strategist Scott Brown. He noted that the gains were driven by stocks in the energy, consumer discretionary and financial sectors. Shares in sectors that are less tied to prospects for growth, like consumer staples and healthcare, were down.

The most notable gainer was Apple, whose market capitalization briefly crossed the \$3 trillion mark in the afternoon, the first U.S. company on record to be so richly valued. The stock finished the session up \$4.44, or 2.5%, at \$182.01. It would have needed to finish at about \$182.86 or higher to close above \$3 trillion.

Apple aside, investors are still treading cautiously, as most see a rockier path ahead for stocks this year. The initial

Index performance Monday



Source: FactSet

rollout of Covid-19 vaccines and easing of restrictions to contain the spread of the coronavirus, along with easy-money policies from central banks, helped support markets last year. The unwinding of the Federal Reserve’s bond-buying program and likely interest-rate increases could weigh on markets in 2022. Stocks have benefited from low rates, which have fueled riskier investments.

While some investors expect that inflation, which reached a

39-year high in November, has peaked, others are worried that Omicron could prolong supply-chain disruptions, adding further pressure on prices.

“It’s going to be a little bit bumpier than 2021. The three big questions that we ended the year with are still here: Omicron, inflation and supply chains, and the Fed,” said Esty Dwek, chief investment officer at FlowBank. “There’s definitely potential for outperformance for equity markets. I

don’t think we’ll see 20% plus, but we could see double-digits.”

Signs that the Omicron variant may cause significantly milder effects than earlier strains also supported sentiment heading into the start of the year. Money managers say they hope this will limit mobility restrictions that weigh on economic growth.

“The wave we are seeing now, you see a lot of cases but you see less people in the hospitals and less deaths. That will give reassurance to markets,” said Geir Lode, head of global equities at Federated Hermes.

Despite the uncertainty, investors have history on their side. Since 1980, the S&P 500 has risen at least 10% in a quarter 24 times—including the most recent quarter, when it rose 10.6%. It has added to those gains in 20 of the next 23 quarters, said Frank Cappelleri, executive director at brokerage firm Instinet.

Moreover, the index has gained over 10% annually for the last three years, a long stretch of gains that has happened only four other times, Mr. Cappelleri said.

In corporate news, tech shares were again in focus. The annual Consumer Electron-

ics Show begins this week in Las Vegas, live as opposed to last year’s virtual conference. Companies that are even tangentially related to technology, from car makers to education to healthcare, will be there in one form or another.

The S&P 500’s tech sector gained 1%. Amazon, Meta Platforms and Verizon rose. Microsoft fell \$1.57, or 0.5%, to \$334.75.

Shares of Tesla jumped \$143, or 14%, to \$1,199.78 after Elon Musk’s electric-vehicle maker said annual vehicle deliveries surged 87% in 2021, growing at their fastest pace in years.

In commodities, U.S. crude oil shook off early selling, settling up 1.2% at \$76.08 a barrel. That helped energy companies like Exxon Mobil, which rose \$2.35, or 3.8%, to \$63.54. The oil-and-gas producer also released an update that suggests a likely earnings beat when it reports on Feb. 1.

Overseas, the Stoxx Europe 600 gained 0.4%. Markets in China, Japan and Australia were closed for a holiday. Early Tuesday, Japan’s Nikkei was up 1.4%, Hong Kong’s Hang Seng was down 0.4% and Australia’s S&P ASX 200 was up 1.7%. U.S. stock futures were up 0.1%.

AUCTION RESULTS

Here are the results of Monday’s Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

	13-Week	26-Week
Applications	\$179,230,792,300	\$170,065,777,100
Accepted bids	\$67,465,952,300	\$57,345,989,100
* noncomp	\$530,636,100	\$389,235,800
* foreign noncomp	\$0	\$1,000,000,000
Auction price (rate)	99.977250 (0.090%)	99.888778 (0.220%)
Bids at clearing yield accepted	0.091%	0.223%
	17.36%	45.98%
	912796947	912796968

Both issues are dated Jan. 6, 2022. The 13-week bills mature on April 7, 2022; the 26-week bills mature on July 7, 2022.

Treasury Yields Rise to November Heights

By SEBASTIAN PELLEJERO

U.S. government bond yields rose to their highest levels since November to start 2022, with returning traders betting the Omicron Covid-19 variant won’t shift central-bank policy in the months ahead.

CREDIT MARKETS

The yield on the benchmark 10-year Treasury note finished at 1.628%, according to Tradeweb. That is up from 1.496% at Friday’s close and the highest closing yield since Nov. 24.

The 30-year bond yield rose to 2.016% from 1.888% Friday—the highest closing yield since

Nov. 23.

Yields, which rise when bond prices fall, jumped at the start of U.S. trading, with London and Japan still on break. Many traders are returning to work this week after the holidays, and some firms tend to wait until after they have filed their yearly performance reports to sell safer assets like Treasuries and put on riskier trades.

Signs that the Omicron variant may cause significantly less serious illness than earlier Covid-19 strains have also encouraged investors to sell bonds and pursue riskier bets. Money managers are hopeful

the data will help limit mobility restrictions that weigh on economic growth.

Other factors, including higher-than-anticipated inflation and a tightening labor market, are expected to keep pressure on the Federal Reserve to raise interest rates this year, analysts say. Many central-bank officials, in projections released in December, penciled in at least three quarter-percentage-point rate increases this year.

“There’s still a lot of uncertainty but it seems as if investors are looking through the Omicron variant and thinking about Fed rate hikes,” said Gen-

nadiy Goldberg, senior U.S. rates strategist at TD Securities.

The yield on the two-year Treasury note, which tends to move up and down with investors’ rate expectations, rose to 0.784%, up from 0.730% Friday and the highest closing yield since early March 2020.

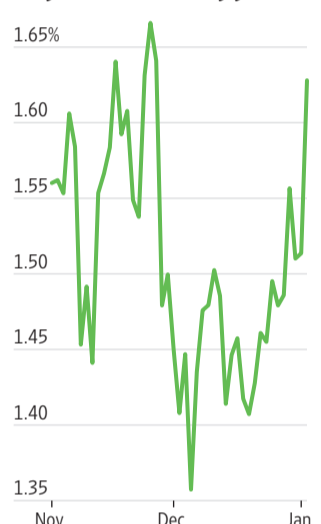
Roughly 58% of traders are betting that Fed officials will start raising rates at their March meeting, according to federal-funds futures data, up from around 27% one month ago. While Fed officials have indicated they believe the fed-funds rate will reach 2.5% over the longer run, bond yields

have suggested recently that investors think rates won’t get that high.

While the prospect of low rates has helped power gains in riskier assets such as stocks, it also suggests the U.S. economy has weaknesses that will make it hard for the Fed to tighten without causing a recession, some analysts said.

Traders project rate rises to peak at around 1.5%, said Mr. Goldberg, and investors will only get a clearer picture later as the Fed begins to lift rates and decides what to do with its balance sheet. “The market can very quickly reprice the terminal rate,” he said.

10-year U.S. Treasury yield



Source: Tullett Prebon

The Wall Street Journal CFO Network Summit

January 12, 2022, 11:00 a.m.–3:30 p.m. ET | Online Event

SPEAKERS

Mandy Fields
SVP and CFO
e.l.f. Beauty

Richard Jones
Chair
Financial Accounting Standards Board

Elad Roisman
Commissioner
SEC

Jason Warnick
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Robinhood Markets

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The Covid-19 pandemic changed the way that we work, live, spend, save and consume. As the U.S. takes cautious steps to emerge from the pandemic in 2022, new challenges will emerge for CFOs. Democratic leaders within the SEC and the FTC will impose new rules on the nature of climate-related risk and M&A activity respectively. Creaking supply chains will struggle through the holiday season, forcing companies to consider creative—and often expensive—alternatives. World leaders will continue to push a global corporate tax rate that will transform revenue recognition, accounting and audit. Institutional investors—facing pressure from their own clients—will intensify pressure on companies to disclose meaningful, consistent and comparable net zero emissions goals. Cryptocurrencies will continue to attract interest, enthusiasm and bemusement. All amid concerns over rising inflation rates and close scrutiny of the Federal Reserve.

Join The Wall Street Journal on January 12 to hear from leading CFOs and market participants about how they’re responding to increased expectations on ESG materiality, rising inflation, a more hostile regulatory environment for M&A, and supply chain disruption.

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HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Forget About Trying to Forecast 2022

At best, economic predictions can be as elaborate as a Rube Goldberg contraption—and this year could be trickier than usual

In a contraption for emptying ashtrays dreamed up by the late cartoonist Rube Goldberg, the bright full moon (A) causes two lovebirds to become romantic, (B) causing their perch to tip (C) and pull a string, (D) upsetting a can, (E) which sprinkles water on a woolen shirt, (F) which after several more steps eventually leads to a fuse (M) getting lit, causing a rocket to shoot out the window disposing of ashes.

As anybody who has tinkered with building even a rudimentary version of a Goldberg machine knows, getting to the point where the perch actually tips would be a minor miracle. But year-ahead forecasts often look a bit like Goldberg machines—and when it comes to 2022, the forecasts might be even more complex.

For example: Perhaps Covid-19 worries will ease enough that (A) global supply-chain problems are ironed out, (B) leading to an increased availability of goods, (C) a shifting of consumer demand toward services, (D) and greater labor availability, (E) all of which ease inflationary pressures, (F) allowing the Federal Reserve to raise rates only marginally (G) while the economy strengthens (H) and stocks rally (I). It is a plausible-seeming scenario—one that, if it came true, people might say, “Of course, that’s how it worked out.”



With so many steps in economic forecasting, many things could go wrong.

But with so many steps, so many things could go wrong.

A bad Omicron outcome, or yet another worrisome coronavirus variant, could worsen bottlenecks. Older people who left the workforce might not return, leaving labor tight. And so on.

Other scenarios also seem Goldberg-esque, such as one where persistent bottlenecks (A) leave inflation elevated, (B) ratcheting consumer inflation expectations higher, (C) which, in combination with a continued tight

labor market, (D) leads to inflation-adjusted wages rising significantly faster than productivity, (E) and companies pushing through price increases (F) to offset rising labor costs.

For a look at how poorly forecasts can turn out during the uncertainty of a pandemic, one need only look at what people said 2021 would look like. Federal Reserve policy makers, for example, projected that the unemployment rate would average 5% in the fourth quarter and that their preferred

Index of Federal Reserve policy makers’ uncertainty over their inflation projections



Note: Higher numbers indicate that more Fed policy makers are more uncertain about their forecast than usual. Source: Federal Reserve

measure of inflation would be up by 1.8% in the fourth quarter from a year earlier. It turns out that the unemployment rate is nearing 4%, and inflation is over 5%. Private economists’ forecasts were, if anything, even further off.

So the odds of the Fed’s latest projections—showing that unemployment will average 3.5% in the fourth quarter of 2021 and inflation will slip to 2.6%—coming true might not be so hot. The Fed has acknowledged as much. Indexes of forecast uncertainty created by the central

bank show policy makers are highly doubtful of their own estimates.

The point here isn’t just to poke fun at year-ahead forecasts, but to recognize that while it is useful to think about what things might look like in a year, it is more important to have a good idea of what is happening now and what could happen next—especially considering how much uncertainty the pandemic has created.

At the moment, the economy is growing strongly; strained supply chains and heavy demand for goods are pushing prices higher; the labor market is tight and Covid-19 cases are rising rapidly.

Some important questions to ask are the degree to which goods demand might be sated; whether recent indications that supply chains are easing portend a shift; how much reduced government support for households might pull people back into the labor force; how much Covid-19 concerns might keep them away and, finally, what Omicron will look like over the course of the winter.

Policy makers, investors, businesses and ordinary Americans who can come up with reasonable estimates for what the next few months might look like could be much better prepared for 2022 than those who try to guess what might happen over the entire 365 days.

—Justin Lahart

Ocean Energy Needs A Lift to Get It Going

Oceans contain energy that is both renewable and predictable—an appealing combination given the challenges posed by fluctuating wind and solar power. But the technologies for harvesting marine energy will need a boost if they are to go mainstream.

Water is more than 800 times as dense as air, so it carries a lot of energy when moving. Waves off the U.S. coasts have theoretical energy potential equivalent to two-thirds of the nation’s 2020 electricity generation, according to the U.S. Energy Information Administration. Better still, water is complementary to wind and sunshine, today’s established but volatile sources of renewable energy. Tides are known decades ahead of time, while waves are persistent, storing up wind energy and arriving for days after the winds stop.

is cost. Building reliable machines that can survive the extremely harsh ocean environment created by saltwater and big storms makes it many times more expensive than wind or solar energy. That will change only with government backing.

Capturing marine energy was a hot prospect in Britain in the mid-2000s, with the likes of Rolls-Royce, General Electric and Siemens getting involved. Technology was improving, but then government funding was cut. While the big guys eventually shelved their plans, many small companies persisted, often helped by European Union grants.

A number of marine energy machines have now proven they work at Scotland’s European Marine Energy Centre and at the Wave Energy Test Site in Hawaii. “All the pieces are here now. We’ve got this working,” says Neil Kermod, chief executive of EMEC, highlighting technical factors such as subsea experience and new digital-control technologies.

Some small ocean-energy machines are already cost-competitive in locations where power is expensive or challenging to obtain, such as remote communities and distant offshore platforms, says Brian Polagye, engineering professor and director of the Pacific Marine Energy Center. So far the environmental impact of marine energy machines—noise, behavioral effects or possible collisions—hasn’t been significant, but larger deployments would warrant further study and designs may need to be adapted.

For wider applications, marine energy would need to be cheaper.



The MeyGen tidal energy project is located near the island of Stroma in the U.K.

Government support is likely required to take the industry through the classic technology development process of improving designs and processes, developing supply chains, scaling up production and getting cheaper funding. Financing can be up to half of a project’s cost, so obtaining interest rates in line with the offshore wind industry could immediately cut a marine project’s cost by 30% to 40%, says Rémi Gruet, chief executive of Ocean Energy Europe.

In November, Britain ringfenced £20 million, equivalent to \$271 million, a year for tidal-stream energy in its next low-carbon electricity auction. The EU has an ocean energy strategy targeting cost-competitive tidal stream energy by 2030 and wave energy by 2035.

Technologies to capture energy from tidal streams are most advanced, benefiting from some wind-turbine developments. Most designs look like underwater wind turbines, either secured to the sea-

bed or inverted so that they project from the bottom of a floating platform. Seabed machines leave the surface clear for other vessels, while floating ones provide easier access for maintenance and harvest near the higher-energy top of the water column. There are tidal projects operating in New York City’s East River, Canada’s Bay of Fundy as well as in China, France, Japan, the Netherlands and the U.K.

Wave technology is earlier-stage. Designs vary widely because wave energy can be captured in a number of ways: from underwater pressure changes, the vertical or horizontal movement or even the circular motion of water molecules. A number of machines have been proven to work at EMEC or at Hawaii’s facility, but utility-scale projects are likely years off.

At such an early stage, it can be hard for investors to access the marine energy theme, let alone pick winners. There are relatively few pure-play public companies.

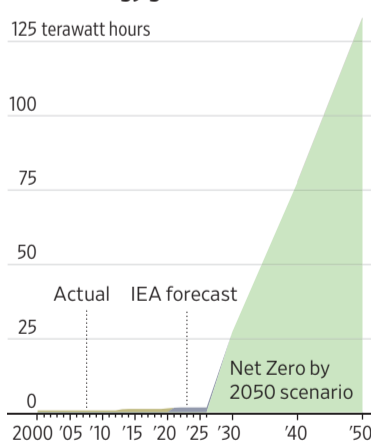
New York-listed **Ocean Power Technologies** sells buoys that harvest and store wave energy. **SIMEC Atlantis**, which is listed in London, has tidal energy plans in multiple countries, including a majority share of MeyGen, Europe’s largest planned tidal project.

Most other companies with proven technologies remain private, including **Verdant Power**, **Sustainable Marine Energy**, **Sabella**, **Orbital Marine Power** and **Magallanes Renovables**. For many, test-center performance data is a crucial precursor to seeking private investment to fund projects or development steps. Institutional investors could get early signals by watching who is testing equipment.

Ocean energy has come a long way, but has more to prove. Unlike the tides it harvests, how the market develops from here may still be too unpredictable for most private investors.

—Rochelle Toplensky

Ocean energy generation



Note: 2021-2026 from IEA’s Renewables forecast, and beyond from its Net Zero by 2050 scenario. Source: International Energy Agency

Apple at \$3 Trillion Isn’t All About Apple

Apple is valued at \$1 trillion more than it was nine months ago, yet the tech company’s prospects haven’t changed that much in that time.

The company behind the iPhone, AirPods and “Ted Lasso” also became the first to hit a market value of \$3 trillion on Monday though it closed slightly below that level. And while it remains an exclusive group, Apple isn’t alone in the 13-digit club: **Microsoft**, Google parent **Alphabet Inc.**, **Amazon.com**, **Tesla** and **Saudi Aramco** all trade above that level, with Facebook parent **Meta Platforms** on the cusp of joining them.

That alone says a lot about the dynamics driving Apple’s shares as well as many of its other big tech peers these days. In a market of meme stocks, NFTs and electric-ve-

hicle makers valued at more than \$80 billion before shipping their first car, trillion-dollar values for companies whose goods and services now sit at the center of modern life—while reliably generating billions in operating earnings—don’t seem so remarkable. Investors have taken on more risk overall; the S&P 500 and Nasdaq Composite are now trading 17% and 23%, respectively, above their respective five-year average multiples of forward earnings.

But Apple’s sharp rise can’t be fully attributed to market froth. At its current multiple of more than 31 times forward earnings, Apple is now at a 42% premium to the S&P 500 compared with its five-year average premium of only 4%. Investors banking on the company developing the next big thing cheer rumors of

future products like augmented-reality glasses and even an electric car. The latter especially seems a long way off, though, if it arrives at all. Much of Apple’s elevated research-and-development spending over the

31

The company’s current multiple of forward earnings

past several years has gone to more internal efforts such as developing proprietary chips for its devices. Such efforts can certainly lead to more appealing products—Apple’s

newest Macs powered with its own chips have been a bona fide hit—but they won’t radically alter the company’s fortunes.

Meanwhile, Apple faces the near-term challenge inherent in a cyclical business for which product cycles are getting longer. The fiscal year ended last September was Apple’s biggest ever, with revenue jumping 33% to a record \$365.8 billion and operating income surging 64% to \$108.9 billion. That was impressive for such a massive enterprise, but it was the company’s first double-digit growth in three years. And while Apple’s products and services logged strong sales across the board, the iPhone still makes up more than half of its revenue. Furthermore, sales of its latest smartphone were helped tremendously by

generous price subsidies from wireless carriers anxious to get more 5G devices into customers’ hands.

Those dynamics won’t continue. Analysts expect iPhone unit sales to rise by only 1% this fiscal year compared with 24% last year, according to consensus estimates by Visible Alpha. And analysts polled by FactSet expect Apple’s sales to grow by an average of only 5% annually over the next three years. That is the lowest projected pace among the five big U.S. tech giants; Amazon, which now generates 25% more revenue than Apple while being valued about \$1.3 trillion less, is projected to average 16% annual growth over the next three years.

Unfortunately, \$3 trillion just doesn’t buy what it used to.

—Dan Gallagher