

What's News

Business & Finance

Powell, speaking at his Senate confirmation hearing for a second term as Fed chief, called high inflation a "severe threat" to a full economic recovery and said the central bank was preparing to raise rates because the economy no longer needed emergency support. **A1, A2**

◆ **U.S. stocks ended higher** after Powell's remarks, led by a rebound in tech shares, with the Nasdaq, S&P 500 and Dow gaining 1.4%, 0.9% and 0.5%, respectively. **B13**

◆ **With Covid-19 flaring up** across China, major manufacturers are shutting factories, ports are clogging up and workers are in short supply as officials impose city lockdowns and mass testing. **A1**

◆ **Citadel Securities is set** to receive its first outside investment in a deal valuing the electronic-trading firm majority-owned by hedge fund billionaire Ken Griffin at around \$22 billion. **B1**

◆ **Boeing sold more aircraft** than Airbus last year but delivered half as many passenger jets, in a sign of the changing landscape facing the plane makers. **B1**

◆ **Citigroup said** it would exit its consumer-banking business in Mexico, marking the latest strategic shift by CEO Fraser. **B12**

◆ **A judge ruled the FTC** can move forward with its revised antitrust case alleging that Meta's Facebook unit is abusing a monopoly position in social media. **A3**

◆ **Poet and activist Maya Angelou** became the first Black woman to be featured on the U.S. quarter. **A6**

World-Wide

◆ **Biden put** his weight behind congressional Democrats' push to pass long-stalled elections bills, even if it requires changing Senate rules, in a speech designed to build support for the imperiled legislation with votes just days away. **A1**

◆ **A North Carolina court** upheld the state's new Republican-drawn voting maps, rejecting claims that they were illegally gerrymandered for partisan advantage. **A4**

◆ **U.S. hospitals are** caring for the highest number of patients with Covid-19 reported during the pandemic, according to federal government data, as the Omicron variant worsens pressures on the already strained facilities. **A1**

◆ **The Covid-19 surge** fueled by Omicron is hitting nursing homes hard, with the highest number of cases ever documented among staff and a near-record tally of residents also testing positive, federal data show. **A8**

◆ **Medicare officials said** they would cover Biogen's controversial Alzheimer's drug on the condition that patients are in clinical trials and have early-stage symptoms. **A3**

◆ **Kazakhstan's leader said** the Russia-led forces sent to support his government following an eruption of protests would start withdrawing within two days. **A18**

◆ **A federal judge removed** himself from a nearly two-year-old Amazon.com case, citing a financial conflict, after a Wall Street Journal report about his family's Amazon stockholdings. **A7**

CONTENTS Personal Journal A11-12
Arts in Review... A13 Property Report... B6
Business News... B3 Sports... A14
Crossword... A14 Technology... B4
Heard on Street... B14 U.S. News... A2-8
Markets... B13 Weather... A14
Opinion... A15-17 World News A9-10,18



Djokovic Takes to the Court as Australia Weighs Next Volley



ACE: Novak Djokovic trained Wednesday in Melbourne ahead of the Australian Open. The government was weighing whether to take further action against the unvaccinated tennis star, after a court earlier overturned the cancellation of his visa. **A10**

China's Pandemic Measures Disrupt Business

Stringent lockdowns close factories, clog ports, create production hitches as cases climb

HONG KONG—With Covid-19 flaring up across China, major manufacturers are shutting factories, ports are clogging up and workers are in short supply as officials impose city lockdowns and mass testing on a scale unseen in nearly two years.

By Stella Yifan Xie, Yang Jie and Dan Strumpf

The prospect of continued disruptions in the world's second-largest economy, which has a zero-tolerance strategy for combating the pandemic, is heightening fears that the disruptions will ripple through the global economy. Already, companies including memory-chip maker Samsung Electronics Co., German auto maker Volkswagen AG and a textiles company that supplies Nike Inc. and Adidas AG are suffering production hitches.

Since late December, officials have taken measures to counter Covid-19 outbreaks in several Chinese cities, including the eastern port of Tianjin, Xi'an in central China, and the southern

◆ **Global growth expected to slow in 2022**..... **A2**

Powell Ready to Raise Rates, But Sees Supply Woes Easing

By Nick Timiraos

Federal Reserve Chairman Jerome Powell called high inflation a "severe threat" to a full economic recovery and said Tuesday the central bank was preparing to raise interest rates because the economy no longer needed emergency support.

Mr. Powell said he was optimistic that supply-chain bottlenecks would ease this year to help bring down inflation as

the Fed takes its foot off the gas pedal. But he told lawmakers at his Senate confirmation hearing that if inflation stayed elevated, the Fed was ready to step on the brakes. "If we have to raise interest rates more over time, we will," he said.

He said nothing to push back against expectations that have firmed in interest-rate futures markets over the past week that the central bank would begin a cycle of rate increases in March. At their meeting last

month, Fed officials penciled in three increases for this year.

U.S. stocks rose Tuesday, led by a rebound in tech companies. The S&P 500 added just under 1%, snapping a five-day losing streak.

President Biden, a Democrat, has nominated Mr. Powell, a Republican, to a second term leading the central bank after his current one expires next month.

Some lawmakers on the Senate Banking Committee expressed misgivings with recent

Fed forecasts and policy. "I'm concerned that the Fed missed the boat on addressing inflation sooner. A lot of us are," said Sen. Richard Shelby (R., Ala.). "And as a result of that, the Fed under your leadership has lost a lot of credibility." A few Democrats, including Sen.

◆ **Fed chief promises strong ethics rules**..... **A2**
◆ **Tech sector propels stocks as Powell stresses inflation**... **B13**

Covid-19 Hospitalizations In the U.S. Hit New High

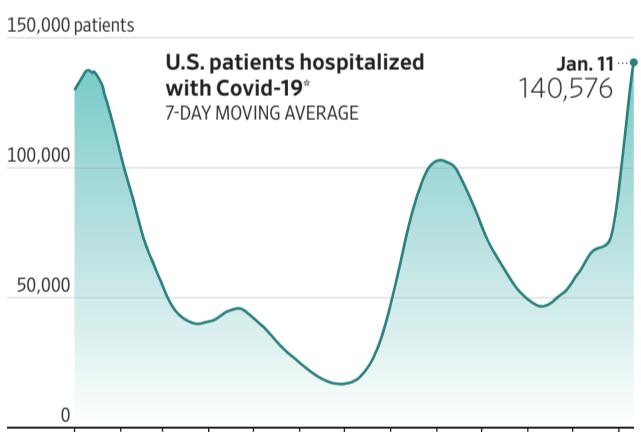
By Jon Kamp and Melanie Evans

U.S. hospitals are caring for the highest number of patients with Covid-19 reported during the pandemic, according to federal government data, as the Omicron variant worsens pressures on the already strained facilities.

The U.S. seven-day average reached 140,576 people hospitalized with confirmed and suspected Covid-19 cases on Tuesday, more than the previous high recorded during the surge last winter, according to a Wall Street Journal analysis of U.S. Department of Health and Human Services data.

Hospitalization numbers from early in the pandemic aren't comprehensive enough to show levels from the earliest waves.

The tallies suggest that a new onslaught of patients is



◆ **Nursing-home staff hit by Covid-19 surge**..... **A8**
◆ **Some nations now offering second booster shot**..... **A8**

Guests Are Back. Hotels Are Not.

Supply shortages make it harder to be hospitable

By Katherine Sayre

At the Bellmoor Inn & Spa in coastal Delaware, general manager Benjamin Gray planned to welcome back some longtime VIP guests for their 160th stay at the property since it opened 20 years ago. As a perk, the hotel provides a memory-foam mattress topper for the Virginia couple's visits and Mr. Gray ordered a new one last summer.

By the time the couple arrived for their New Year's Eve stay, nearly six months later, the mattress topper hadn't been delivered. As they waited in the lobby, Mr. Gray

Please turn to page A11

The Vatican Is Losing In Latin America

Brazil is poised to become minority Catholic as Pentecostals make big inroads in region

RIO DE JANEIRO—Tatiana Aparecida de Jesus used to walk the city's streets as a sex worker, high on crack cocaine. Last year, the mother

By Francis X. Rocca, Luciana Magalhaes and Samantha Pearson

of five joined a small Pentecostal congregation in downtown Rio called Sanctification in the Lord and left her old life behind.

"The pastor hugged me without asking anything," said Ms. de Jesus, 41, who was raised a Catholic and is one of more than a million Brazilians who have joined an evangelical or Pentecostal church since the beginning of the pandemic, according

to researchers. "When you are poor, it makes so much of a difference when someone just says 'good morning' to you, 'good afternoon,' or shakes your hand," she said.

For centuries, to be Latin American was to be Catholic; the religion faced virtually no competition. Today, Catholicism has lost adherents to other faiths in the region, especially Pentecostalism, and more recently to the ranks of the unchurched. The shift has continued under the first Latin American pope.

Seven countries in the region—Uruguay, the Dominican Republic and five in Central America—had a majority of non-Catholics in 2018, according to a survey by Lati-

Please turn to page A10

Biden Makes Case For Rules Change To Pass Voting Bills

By Alex Leary and Eliza Collins

ATLANTA—President Biden put his weight behind congressional Democrats' push to pass long-stalled elections bills, even if it requires changing Senate rules, in a speech Tuesday designed to build support for the imperiled legislation with votes just days away.

While House and Senate Democrats support the proposals, the bills need 60 votes to advance in the 50-50 Senate. Both are expected to fall well short of that mark due to opposition from GOP lawmakers, prompting a parallel effort by Democrats to change the filibuster procedure to ease their passage. But two Demo-

cratic senators, Joe Manchin of West Virginia and Kyrsten Sinema of Arizona, have resisted such an approach, leaving any progress uncertain.

Appearing at a consortium of historically Black schools, including Morehouse College and Clark Atlanta University, Mr. Biden argued Democrats' case that new federal laws are needed to counter recent Republican-backed state measures, which Democratic lawmakers have said are a threat to access to the polls, particularly for minority voters. Republicans characterize the proposals as federal overreach

◆ **North Carolina court upholds new voting maps**..... **A4**

Salesforce. #1 CRM.

Ranked #1 for CRM Applications based on IDC 2021 H1 Revenue Market Share Worldwide.

Source: IDC, Worldwide Semiannual Software Tracker, October 2021.

salesforce.com/number1CRM

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U.S. NEWS

Global Growth Expected to Slow in 2022

World Bank sees
Omicron-driven issues
cooling economy to
4.1% from 5.5%

By JOSH ZUMBRUN

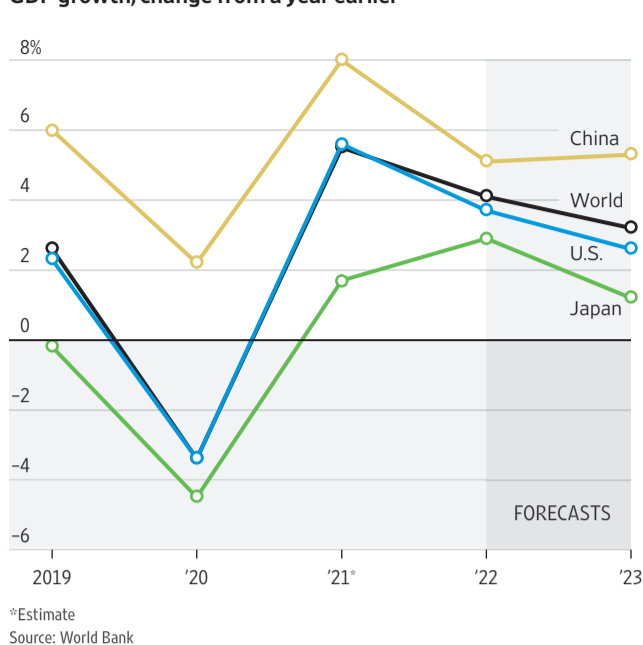
WASHINGTON—The global economy is poised to slow down in 2022, the World Bank forecast Tuesday, citing the effects of the Omicron variant, supply-chain disruptions, labor shortages and the winding down of government economic support.

The headwinds are expected to slow growth to 4.1% in 2022, down from 5.5% last year, which was the strongest postrecession pace in 80 years, according to the World Bank's semiannual Global Economic Prospects report. The report projects growth will slow further to 3.2% in 2023.

"At a time when governments in many developing economies lack the policy space to support activity if needed, new Covid-19 outbreaks, persistent supply-chain bottlenecks and inflationary pressures, and elevated financial vulnerabilities in large swaths of the world could increase the risk of a hard landing," the World Bank said.

The Omicron variant, first detected in South Africa in November, might cause less severe disease than earlier

GDP growth, change from a year earlier



strands of the virus, but its rapid spread could overwhelm exhausted health systems and prompt some governments to renew lockdowns, hindering growth, the forecast said.

In the U.S., more than 750,000 daily cases were reported on average in each of the seven days to Monday, close to triple the previous record set last winter, according to data collected by Johns Hopkins University. France, Italy, the Netherlands and Canada are other countries currently reporting record case

numbers, according to Our World in Data from the University of Oxford.

The Washington-based World Bank, the world's largest development bank which is focused on eliminating global poverty, also said the global economy remains at risk to new variants of the virus because vaccine coverage is far lower in emerging-market and low-income countries than in advanced economies.

Even so, the slowdown is likely to affect most major economies. U.S. growth is ex-

Risk Survey Shows Rising Pessimism

The World Economic Forum's annual risk report showed a significant increase in pessimism about global prospects, with executives and leaders worried about the longer-term fallout from the pandemic.

The report said 84% of the nearly 1,000 experts from business, technology and politics surveyed world-wide were concerned about the outlook, while less than 4% were optimistic. Many expected the next three years to be characterized by volatility and surprises.

The report's authors said the response to the pandemic, while uncoordinated, had averted the

worst—though the world economy is still expected to be 2.3% smaller in 2024 than it would have been without Covid-19.

The pandemic has eroded social cohesion in many nations, worsened mental health and widened the gap between rich and poor countries. The weak outlook, affected by rising commodity prices, inflation and growing debt problems, will increase the risk of disruption to efforts to cut carbon emissions, the report said.

A failure to deal with climate change remains the biggest medium- and long-term risk seen by respondents.

Over the next five years, the main economic risks were identified as the bursting of asset bubbles and debt crises.

—Stephen Fidler

pected to slow to 3.7% from 5.6%, according to the forecast, which projects China will slow to 5.1% from 8%.

Some economies may buck the trend, however, and grow more strongly in 2022, especially those that remained significantly weakened during the pandemic, such as a number of Southeast and East Asian economies.

Japan, Indonesia, Thailand, Malaysia and Vietnam are among countries expected to strengthen in 2022.

The global economy did

better in 2021 than the World Bank had forecast a year ago. A year ago, the World Bank had expected 4% growth for 2021, well shy of the 5.5% it now estimates.

But even as much of the world snapped back from the pandemic more quickly than expected, a new array of challenges emerged, including a malfunctioning supply chain and surging inflation. Owing in part to virus-related factory shutdowns in many countries, international trade and industrial production were held

back by severe disruptions in global supply chains.

The World Bank provided some estimates of the impact of the disruptions, saying that they have suppressed international trade by 8.4% and industrial production by 6.9%, compared with how much activity would have occurred in a normally functioning international system.

As of mid-2021, global trade was 5% higher than it was in December 2019, the World Bank said. But without the disruptions, trade would have grown by 13.4%, potentially allowing the world to enter 2022 on much stronger footing.

The World Bank said in its assessment the disruptions "seem to have originated mostly from factors that are likely to be temporary, including pandemic-related factory and port shutdowns, weather-induced logistics bottlenecks, and an acute shortage of semiconductors and shipping containers."

The World Bank said it estimated that supply bottlenecks and labor shortages gradually would dissipate throughout 2022 and that in the second half of the year, inflation and commodity prices also gradually would decline. The underlying demand for durable goods, one force placing so much strain on supply chains, will likely moderate along with the slowing global economy.

Powell Is Ready to Raise Rates

Continued from Page One

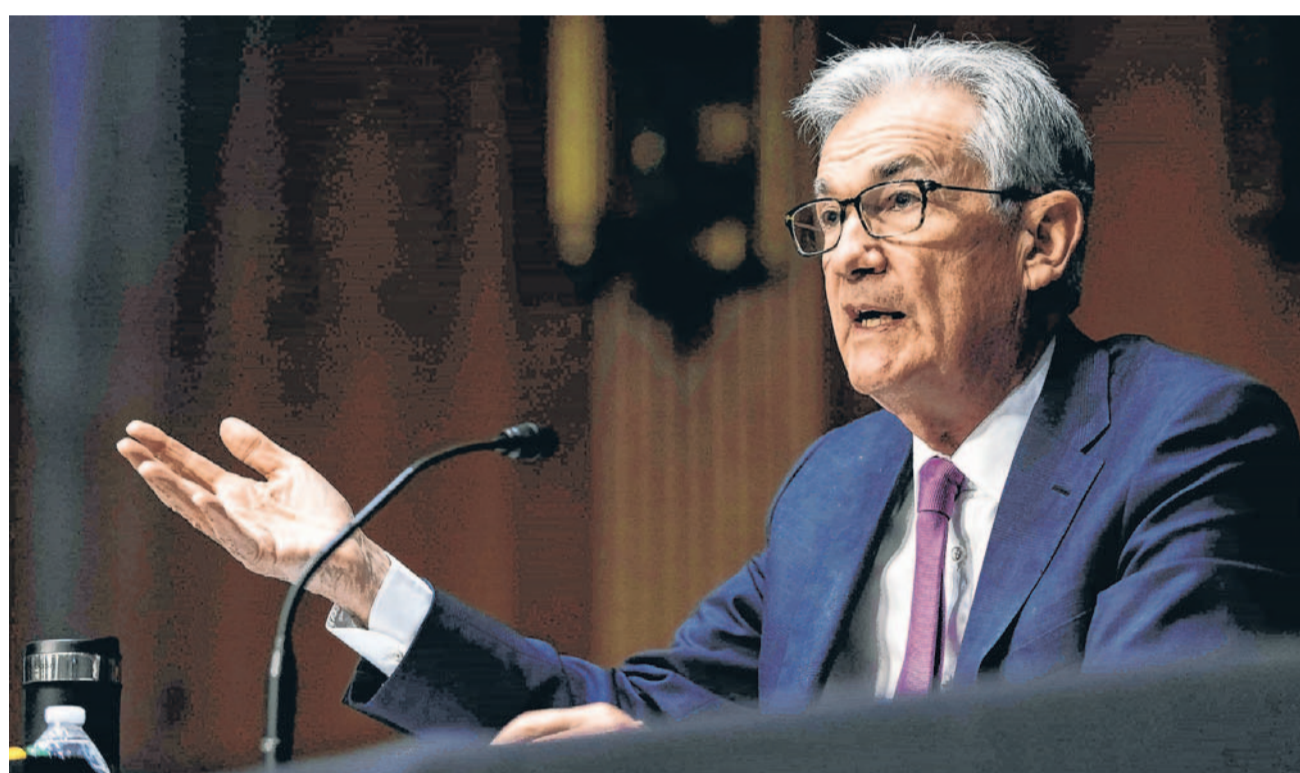
Elizabeth Warren of Massachusetts, had earlier said they would oppose Mr. Powell because they want someone to take a tougher position on bank regulation and climate change.

But most comments from lawmakers suggested Mr. Powell would win confirmation comfortably with support from both parties. "There's broad bipartisan backing for Chairman Powell's renomination because he has a record of acting thoughtfully and constructively, especially in some very difficult circumstances," Sen. Pat Toomey (R., Pa.) said.

While he offered few specifics, Mr. Powell said the central bank could begin to shrink its \$8.8 trillion portfolio of bonds and other assets later this year, which would be another tool for tightening financial conditions.

Compared with a prior experience shrinking the portfolio last decade, the process now could run "sooner and faster, that much is clear," he said. "We're going to have to be both humble and a bit nimble."

The Fed cut short-term interest rates to near zero and started buying bonds to lower long-term rates in 2020 as the coronavirus pandemic hit the U.S. economy, triggering finan-



Jerome Powell won expressions of support Tuesday from senators of both parties for his nomination to a second term as Fed chairman.

cial-market volatility and a deep, short recession.

"It is really time for us to begin to move away from those emergency pandemic settings to a more normal level," Mr. Powell said. "It's a long road to normal from where we are."

Other Fed officials who lead regional banks in Cleveland, Atlanta, and Richmond, Va., said in interviews or speeches on Monday and Tuesday that they would favor raising rates as soon as March.

The coming transition—in which the Fed uses both inter-

est rates and its asset portfolio to dial back stimulus—"could be a bumpy one," warned Kansas City Fed President Esther George in a speech Tuesday.

For months last year, Mr. Powell and his colleagues said they wouldn't need to raise rates to bring inflation down because they believed high readings stemmed primarily from supply-chain bottlenecks and other problems associated with reopening the economy.

Mr. Powell changed course at the end of last year and said the Fed was concerned infla-

tion might become entrenched, in an abrupt policy pivot.

The shift was particularly striking on Tuesday because "it's not just Powell's testimony, but the symphony of voices" from other Fed officials who aren't always on the same page, said Diane Swonk, chief economist at accounting firm Grant Thornton. "It's amazing how hard the Fed has pivoted from patience to panic."

Mr. Powell was first nominated for a Fed board seat 10 years ago by President Barack Obama. President Donald

Trump tapped him to serve as chairman four years ago.

The Fed leader dismissed worries that the Omicron variant of the coronavirus, which has sent the number of patients with Covid-19 in U.S. hospitals to new highs, would lead to a durable slowdown in growth. "What we're seeing is an economy that functions right through these waves of Covid," Mr. Powell said.

Brisk demand for goods and shortages for intermediate goods such as semiconductor chips have pushed 12-month in-

flation to its highest readings in decades. Core consumer prices, which exclude volatile food and energy categories, were up 4.7% in November from a year earlier, according to the Fed's preferred gauge. That is well above the Fed's 2% target.

But it has been developments in the labor market, not just high inflation readings, that have provided fuel for the Fed's shift toward tightening policy much faster than appeared likely last summer.

The unemployment rate, which fell to 3.9% in December from 5.9% in June, is now lower than it was four years ago, when Mr. Powell became Fed chairman. That is despite the upheaval wrought by the pandemic, which sent joblessness to a post-World War II record of 14.7% in April 2020.

Mr. Powell said Tuesday that officials had been surprised not only by the intensity of certain price pressures last year but also by a drop in the number of people seeking jobs despite a high number of openings. While that isn't a reason for current elevated inflation, a smaller labor force "can be an issue going forward for inflation, probably more so than these supply-chain issues," Mr. Powell said.

Achieving a strong rebound in hiring that draws people into the workforce who aren't actively seeking jobs "is going to take a long expansion," Mr. Powell said. "To get a long expansion, we are going to need price stability. And so in a way, high inflation is a severe threat to the achievement of maximum employment."

Fed Chief Promises Strong Ethics Rules

By MICHAEL S. DERBY

Federal Reserve Chairman Jerome Powell said Tuesday the central bank is close to finalizing a broad revamp of its ethics rules prompted by criticism of officials' financial transactions during the coronavirus pandemic.

Mr. Powell's comments came a day after Fed Vice Chairman Richard Clarida said he would resign this week, becoming the third central-bank policy maker to step down following questions raised over personal trades.

The Fed chief announced the new investment restrictions in October after news reports that two regional Fed bank presidents, Dallas's Robert Kaplan and Boston's Eric Rosengren, had been actively trading in markets while helping set the nation's monetary policy. After the reports, both men resigned. Mr. Kaplan said he didn't want his trading to be a distraction for the Fed, while Mr. Rosengren cited health reasons.

"We do take the need to protect our credibility with the public very seriously, and I think our new system is easily the toughest in government and the toughest I've seen

anywhere," Mr. Powell told Senate Banking Committee members Tuesday at a hearing to consider his nomination for a second term as Fed chief.

The new ethics code "effectively ends any ability to actively trade" if the individual is a Fed governor, bank president or a senior staffer, Mr. Powell said. The process of formalizing the new rules is "very far along" and "nearing completion," he said.

The new rules prohibit Fed officials and senior staff from buying individual company stocks and limit their trading to broad-based investment vehicles such as mutual funds. They also require any trades to be pre-approved by the Fed and pre-scheduled, removing the potential for any appearance that officials were benefiting from inside information to bolster their personal finances.

Mr. Powell said Tuesday the Fed was creating a new group to oversee the implementation of these new rules.

Critics of the officials' trades said the policy makers have privileged insight into the economy and likely actions by the central bank's interest-rate-setting Federal Open Market Committee, enabling them

to benefit personally from their policy decisions.

Mr. Powell said Tuesday those concerns have been addressed. He added, "I completely agree that the public's faith that we are working to their benefit is absolutely critical."

The Dallas and Boston Fed banks defended their former leaders' trading as consistent with voluntary Fed rules that

Three central bank officials have left after questions over personal trades.

prohibited senior leaders from holding bank stocks, limited when they could trade around monetary-policy meetings, and encouraged policy makers to avoid activities that would create conflict-of-interest perceptions. The Dallas Fed has yet to release a full accounting of Mr. Kaplan's trading and has declined requests to do so.

Mr. Clarida said he would resign this Friday, two weeks before his Fed board term is

CORRECTIONS & AMPLIFICATIONS

Ninety people played Worle on Nov. 1, 2021, compared with 1.8 million people who played on Friday, the game's inventor said. In some editions Tuesday, a Page One article about the online word game incorrectly said Nov. 1, 2020.

The exhibition "Cauleen Smith: Pandemic Diaries," at the Carnegie Museum of Art in Pittsburgh, features images printed as large murals in the

museum's lobby. The Icons column in Saturday's Review section incorrectly said the images were projected.

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U.S. NEWS

FTC Case Against Facebook To Proceed

BY BRENT KENDALL

WASHINGTON—A federal judge ruled the Federal Trade Commission can move forward with its revised antitrust case alleging Meta Platforms Inc.'s Facebook unit is abusing a monopoly position in social media, rejecting the company's request to dismiss the government's amended lawsuit.

"The court believes that it has now cleared the pleading bar and may proceed to discovery," U.S. District Judge James Boasberg in Washington, D.C., said in an opinion.

Judge Boasberg dealt the commission a legal blow in June, dismissing the lawsuit on the grounds that it didn't offer sufficient allegations that the social-media giant engaged in unlawful monopolization. The FTC responded with a new version of its complaint, which offered more detailed allegations.

The judge's Tuesday ruling said the FTC can proceed with its core allegation that Facebook unlawfully sought to suppress competition by buying up potential rivals such as the messaging platform WhatsApp and image-sharing app Instagram. The commission is seeking to unwind those deals.

The judge said the FTC's rewritten lawsuit did a better job of alleging that Facebook possessed monopoly power and willfully maintained it through anticompetitive conduct.

The judge also rejected Facebook's argument that new FTC Chairwoman Lina Khan should have recused herself from participating in the commission's decision to refile the lawsuit, which came on a party-line 3-2 vote. The company argued that Ms. Khan, a leading progressive critic of big tech firms, couldn't be impartial and had made up her mind before joining the FTC that the company violated the law.

The commission filed the first version of its lawsuit before Ms. Khan joined the commission, and the judge said there was no reason to think her later vote to reinstate it "was based on anything other than her belief in the validity of the allegations."

The judge, however, ruled that the FTC couldn't move forward with allegations that the company used strong-arm tactics to weaken competitors, such as preventing third-party app developers from accessing Facebook's platform.

A Meta spokesman said the ruling narrowed the scope of the FTC's case. "We're confident the evidence will reveal the fundamental weakness of the claims," the spokesman said. "Our investments in Instagram and WhatsApp transformed them into what they are today. They have been good for competition, and good for the people and businesses that choose to use our products."

Holly Vedova, director of the FTC's bureau of competition, said the agency's staff "presented a strong amended complaint, and we look forward to trial."

A timeline for the case remains unclear, but it could take years to litigate.

Parents Key in Chicago Schools Deal

BY JOE BARRETT
AND STEPHEN COUNCIL

CHICAGO—A standoff between the teachers union and Chicago Public Schools over Covid-19 safety ended with an agreement to resume in-person classes this week after an outpouring of pressure from parents helped push the two sides to reach an agreement.

"I want to make sure that parents understand, we heard you," Mayor Lori Lightfoot said at a news conference Monday night. "We're not standing here making this announcement without the parent activism, the parent voices, the parent demands," she said. "We need you at the table always."

Teachers voted Jan. 4 to switch to remote learning as Covid-19 cases surged in the city and they said they had lost faith in the district's mitigation plan. Teachers went back to work on Tuesday after the leadership of the teachers union on Monday night endorsed an agreement to end the impasse. In-person classes are scheduled to resume on Wednesday, after five days of missed classes for students.

Many parents say they had been fed up with the continued bickering from teachers and the administration, joining Facebook groups, signing petitions and calling their alderman to urge a resolution—and get children back in school.

"I think that's really been the big difference on this one. Parents have basically said we're no longer gonna be bystanders in this," said Joel Braunold, a member of the school council at Nettelhorst Elementary School in Chicago's Lakeview neighborhood, where his daughter attends prekindergarten.

When his daughter returned to school at the end of winter break and a two-week quarantine at the end of last semester, she told him it was the happiest day of her life. "And then to tell her on the Tuesday straight afterwards that she couldn't go back to her school was crushing," he said.

The Chicago Teachers Union voted Jan. 4 to switch to re-



A family demonstrated Monday against Chicago school closings. Many parents had pushed for teachers and the city to end their standoff.

moting learning for two weeks as new Covid-19 cases fueled by the Omicron variant soared to around 5,000 a day, a record level during the pandemic. Teachers demanded more testing, KN95 masks for everyone in school buildings, health screening at schools and other measures.

Ms. Lightfoot, who announced Tuesday she had tested positive for Covid-19, opposed a districtwide switch to remote learning, citing disruption to families and harm to students, particularly students of color.

In the end, the union's governing body on Monday night voted to accept a return to in-person instruction. Ms. Lightfoot said a key measure in resolving the conflict was a metric that under certain circumstances would shut down individual schools if 30% of teachers call out sick or 40% of students are told not to come

in either because of illness or exposure to the virus.

The city also agreed to provide KN95 masks to both staff and students and said health screenings would be up to individual schools. The union membership still has to ratify the agreement for it to fully go into effect. So far, the district hasn't agreed to pay the teachers for the four missed days. Union President Jesse Sharkey said he hoped that the days would be made up and that teachers would be paid that way.

"It's not a perfect agreement, but it's certainly something we can hold our heads up about, partly because it was so difficult to get," Mr. Sharkey said in a Zoom call with reporters Monday evening.

The teachers union has taken three job actions during Ms. Lightfoot's term: an 11-day strike in 2019; a weeklong delay in resuming in-person instruction last year; and this past

week's walkout, chipping into their support among parents.

"Parents mostly have been on the side of the CTU," said Dick Simpson, a political-science professor at the University of Illinois, Chicago, and a former Chicago alderman. "This time, I think it is true that the parents were really worried about how they would manage their lives if there was all this uncertainty and they didn't know from day to day whether their kids would be able to go back to school in person."

Some parents backed the teachers, viewing the risks of spreading the virus as too great as cases soared. "I fundamentally side with the teachers union, who I believe was making rational demands, asking for rational resources," said Tim Lacy, the father of fourth- and eighth-grade daughters at George B. Swift Specialty School in the Edgewater neighborhood, where he serves on

the local school council.

He said the mayor has "really dropped the ball in terms of hiring a CEO or CPS chief that could have been a better bridge builder."

But for many others, the frustrations were too much.

Mike Showalter, father of a second-grader at The Ogden International School of Chicago's East Campus, said he was eager to get his son back in school.

"He's 6. Having kids sit on Zoom calls all day is just not a satisfactory option," he said.

Mr. Showalter blames both the union and the Lightfoot administration for waiting so long to work together and figure out a plan for the variant. Instead, "you get the mayor and Jesse Sharkey playing chicken with each other and calling each other names," he said.

"I'm from a union family," he said. "My wife and I are passionate believers in public schools. But this is insane."

Medicare to Pay for Alzheimer's Drug in Trials

BY JOSEPH WALKER

Medicare officials said they would cover Biogen Inc.'s controversial Alzheimer's disease drug Aduhelm on the condition that patients are in clinical trials and have early-stage symptoms.

The trials are intended to gather evidence on the drug's safety and effectiveness, and would apply to similar drugs if they are approved, the Centers for Medicare and Medicaid Services said in a proposed policy issued Tuesday.

Patients enrolling in trials supported by the National Institutes of Health also would be eligible for coverage, according to CMS's draft policy.

CMS said the Aduhelm studies must limit enrollment to patients in the early-stages of disease and have lab tests confirming that their brains have accumulated amyloid, a sticky protein linked to Alzheimer's that Aduhelm is designed to clear. Medicare

would pay for a single brain-amyloid scan under the policy.

A final decision is expected in April following an additional 30-day comment period in which members of the public can weigh in on the proposed coverage policy.

Aduhelm has the potential to help patients with Alzheimer's, but also has the "potential for serious harm" because of its risk of side effects, which include headaches and small brain bleeds, said CMS Chief Medical Officer Lee A. Fleisher.

Biogen criticized the proposed coverage policy, saying it "denies the daily burden of people living with Alzheimer's disease" and "will exclude almost all patients who may benefit."

The company also said the policy would delay treatment for a progressive disease. "Hundreds of Alzheimer's patients—the majority of whom are Medicare beneficiaries—are progressing each day from mild to moderate disease stages,

where treatment may no longer be an option," Biogen said.

Medicare's requirement that patients receive treatment in clinical trials reflects the lingering uncertainty about Aduhelm's true benefit to patients. Biogen prematurely halted its studies of the drug in 2019. Company executives soon

A final decision is expected in April after an additional comment period.

after analyzed additional data and realized they made a mistake and began talks with the Food and Drug Administration to salvage the trial data and ultimately seek approval.

Of the two studies, only one showed patients taking Aduhelm had a slowing in cognitive decline compared with

patients receiving placebos. The conflicting results led to continuing debate about whether the drug really works. As part of the FDA approval, Biogen and its partner Eisai Co. are required to conduct an additional study.

Aduhelm has faced widespread criticism since its approval in June, in part because of concerns that its price would balloon Medicare-drug spending if millions of patients start taking it. This year, Medicare premiums for doctor benefits jumped nearly 15%, with about half of the increase caused by the need to pay for Aduhelm, according to CMS actuaries.

Biogen initially launched the drug at an average price per patient of \$56,000 annually, but recently cut the list price in half to \$28,200. Some lawmakers including Sens. Bernie Sanders (I., Vt.) and Ron Wyden (D., Ore.) have asked the Biden administration to reassess the Medicare premium increases following Biogen's price cut.

Medicare coverage is crucial for Aduhelm's future because most of the patients eligible to take it are covered under the federal-health program for people over 65 years and the disabled. Also, many private health insurers take their cues about whether to pay for medicines from Medicare's coverage policies.

The policy has important implications for other companies, such as Eli Lilly & Co., that are developing amyloid-clearing drugs that could come on the market in the years to come.

Aduhelm has had scant uptake since the FDA approved it in June 2021.

Without a national coverage decision, Aduhelm coverage requests are currently handled on a case-by-case basis by regional contractors that administer benefits on behalf of the government. That will remain the case until Medicare issues a final coverage policy, a Biogen spokeswoman said.

Christmas Tree Set Ablaze Caused Deadly Philadelphia Fire



A fire in a Philadelphia row house last week left 12 people dead, including eight children. The two-story unit had several smoke alarms, but only one was operating, according to the fire commissioner.

BY OMAR ABDEL-BAQUI

The fire in a Philadelphia row house that killed 12 people, including eight children, was started by a Christmas tree most likely set ablaze by a lighter, a preliminary investigation found.

Philadelphia Fire Commissioner Adam Thiel said investigators conducted an exhaustive review of last week's blaze in the Fairmount neighborhood, including X-ray analysis and examining other potential ignition sources, such as outlets near the tree.

"The investigators believe that lighter was the reason the tree ignited, with near certainty," Mr. Thiel said Tuesday.

The only survivor who was on the floor where the fire began early last Wednesday is a 5-year-old child, said Mr. Thiel.

"We are left with the words of that 5-year-old

child—that traumatized 5-year-old child—to help us understand how the lighter and the tree came together," he said.

The two-story unit had several smoke alarms, but only one—in a shared basement—was operating, according to the fire commissioner. The working smoke detector activated late, in part because smoke rises, Mr. Thiel said.

"Given the speed of the fire and spread of the smoke...I'm not sure there was much of an opportunity for evacuation," Mr. Thiel said.

Firefighters responded to the scene at 6:40 a.m., about four minutes after receiving the first 911 call. It took them nearly an hour to bring the blaze under control, officials previously said.

The three-story apartment building is owned by the Philadelphia Housing Authority. The authority inspected the building twice last year and

all smoke detectors were operational during the inspections, city officials have said.

There were 14 people living in the unit where the fire began, Mr. Thiel said. All 12 people who died in the fire lived in that unit. Two in the apartment survived, as did eight people living in another unit.

Officials have noted the high number of people living in the duplex.

Philadelphia Housing Authority President Kelvin Jeremiah said there are no PHA or U.S. Department of Housing and Urban Development policies that preclude intact families from living together as an intergenerational family.

On Sunday, days after the Philadelphia fire, New York City had its deadliest blaze in more than three decades. Seventeen people, including nine children, were killed when flames engulfed units in a Bronx apartment building.

U.S. NEWS

North Carolina Court Backs District Maps

Judges criticize partisan moves, but say intervening would usurp legislature's role

BY ALEXA CORSE AND BRENT KENDALL

A North Carolina court on Tuesday upheld the state's new Republican-drawn voting maps, rejecting claims that they were illegally gerrymandered for partisan advantage. A three-judge panel in Wake County Superior Court said while excessive partisanship in redistricting is incompatible with democratic principles and had subjected the state to many years of ridicule, the court had no basis for constraining the legislature. "Redistricting is a political process that has serious political consequences," the panel wrote. "It is one of the purest political questions which the legislature

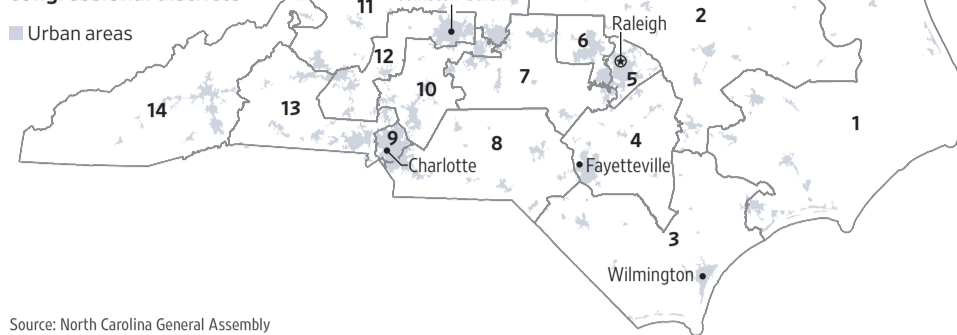
alone is allowed to answer. Were we as a court to insert ourselves in the manner requested, we would be usurping the political power and prerogatives of an equal branch of government."

The court also said plaintiffs challenging the voting maps hadn't proven their claims that the districts were discriminatory on the basis of race.

The ruling came in response to lawsuits from advocacy groups and voters who sued state lawmakers and other officials, alleging that the Republican-controlled state legislature adopted new congressional and state voting districts in November that unlawfully entrenched a partisan advantage for the GOP.

Republican state lawmakers have said they conducted the most transparent map-drawing process in the state's history, and didn't use partisan or racial data when drawing the new maps. They said their maps kept communities with

New North Carolina congressional districts



Source: North Carolina General Assembly

common interests together, and Democratic lawmakers had the opportunity to comment on the plans.

The challengers, which include advocacy groups Common Cause and the Southern Coalition for Social Justice, said they would appeal.

The North Carolina Supreme Court already has delayed the state's March primary until May to allow time to resolve the legal battle. That

court, where Democrats hold a 4-3 seat advantage, has indicated that it would consider an appeal on an expedited basis.

"The 2021 redistricting process was the most transparent in state history," said North Carolina state Rep. Destin Hall, one of the defendants, after Tuesday's ruling. "The Supreme Court should uphold the maps."

The litigation is at the forefront of a new chapter of legal

battles emerging in light of the nationwide redrawing of voting maps for the next decade after the 2020 census. The cases also come during a new legal era in which plaintiffs alleging partisan gerrymandering must bring their cases in state courts, under state law. A divided U.S. Supreme Court in 2019 ruled that federal judges have no authority to referee such claims under the federal Constitution.

The North Carolina challengers argued that state GOP map makers violated several state constitutional provisions, including one that guarantees free elections. Similar arguments were successful in 2019, when North Carolina judges blocked the use of an earlier set of Republican-drawn maps on the grounds that they were likely an unlawful partisan gerrymander.

North Carolina is considered a battleground state, and former President Donald Trump won the state in 2020 with 49.9% to President Biden's 48.6%. If the midterm elections are tight, the state's congressional map could play a role in who controls the U.S. House.

The nonpartisan Princeton Gerrymandering Project rated North Carolina's 2021 maps an "F" for partisan fairness.

The 2021 congressional map is likely to result in 10 safe Republican seats out of 14 total seats, the plaintiffs said.

President Pitches Voting Bills

Continued from Page One and said Democrats are giving a distorted picture of states' attempts to bolster election integrity.

The votes "will mark a turning point in this nation's history," Mr. Biden, a Democrat, said. "Will we choose democracy over autocracy, light over shadow, justice over injustice? I know where I stand....The question is where will the institution of the United States Senate stand?"

Mr. Biden, who reprised themes of his speech delivered on the anniversary of the Jan. 6 Capitol riot by supporters of former Republican President Donald Trump, said it was time to change Senate rules if needed to pass elections-related legislation. "We have no option," he said.

"To protect our democracy, I support changing the Senate rules whichever way they need to be changed to prevent a minority of senators from blocking action on voting rights," he said. "This is the moment to decide. To defend our elections. To defend our democracy."

Mr. Biden has turned to voting legislation during a rough stretch for his presidency, with his sweeping healthcare, education and climate-change agenda stalled, surging Covid-19 cases and lower public approval numbers. He has been under pressure from some progressives and Democratic activists to do more on election issues. Some in the party see voting legislation as a way to energize their base, as do Republicans, who say their changes will make elections more secure.

Mr. Biden focused much of his attention Tuesday on Republicans and didn't mention Sens. Manchin or Sinema by name. He said history would judge the way senators voted.

NAACP President Derrick Johnson said after the speech



President Biden and Vice President Kamala Harris paused with Martin Luther King III and other members of the King family after a wreath laying at the tomb of the Rev. Martin Luther King Jr. and his wife, Coretta Scott King, Tuesday in Atlanta.

relates to policy, but it does not have any place when it comes to constitutional issues," said Rep. James Clyburn of South Carolina, the No. 3 House Democrat and a top Biden ally. Mr. Clyburn started urging a carve-out for voting-rights legislation last summer.

Republicans, who have repeatedly blocked elections-related legislation, said Democrats were overplaying their hand.

"The Democrats' so-called election reform is not about protecting the right to vote," said Sen. Rick Scott of Florida, the leader of Senate Republicans' campaign arm. "It's about making sure that they win the election."

Georgia, where Mr. Biden narrowly defeated Mr. Trump in the 2020 election, is among a group of states where GOP lawmakers have pushed more-restrictive voting laws since the election. The laws include limits on mail ballots and drop boxes, following a rise in voting by mail during the pandemic. In Georgia, Texas and Florida, Republican lawmakers added new ID requirements to vote by mail, among other changes.

The new law in Georgia enables the State Election Board, under certain conditions, to remove and replace local election superintendents. Republicans said this would require clear wrongdoing or incompetence in a county. Opponents worry that such changes could make it easier for partisan officials to intervene.

Activists and Democratic leaders said they were encouraged by the tone and urgency Mr. Biden showed in his Jan. 6 speech, but some want the president to adopt a more combative style ahead of the midterm elections.

Some advocacy groups boycotted the Biden event, demanding action in Washington instead. Also missing was Stacey Abrams, a voting-rights activist and former Georgia Democratic minority leader now running for governor, whose aides cited a conflict. She tweeted thanks to Mr. Biden for "refusing to relent until the work is finished."

—Alexa Corse and Siobhan Hughes contributed to this article.

Filibuster Proposals Take Many Forms

President Biden, who served in the Senate for decades, has been reluctant to call for changes to the filibuster, frustrating progressives. But late last year, he said he was open to creating an exception to the 60-vote threshold for voting-rights bills. To change Senate rules, Democrats would need the support of 50 Democrats, with Vice President Kamala

Harris breaking any ties.

Other floated changes include putting more of the responsibility to block a bill on the minority party, by requiring 41 senators to be present and voting no, rather than 60 senators present and voting yes. Democrats are also considering eliminating the filibuster threshold for a motion to proceed to a bill, allowing debate and amendments, but leaving the second filibuster threshold in place.

To get to 50 votes, party leaders would need to get both

Sen. Joe Manchin and Sen. Kyrsten Sinema on board. Mr. Manchin says any changes should have Republican buy-in, an unlikely prospect. Ms. Sinema has said she would oppose any change to the 60-vote threshold.

Mr. Manchin was noncommittal when asked about changing the filibuster on Tuesday. "The filibuster is what we have, our rules. We need some good rule changes to make this place work better," he said. "Getting rid of the filibuster doesn't make it work better."

preme Court rulings weakened the 1965 Voting Rights Act.

Sen. Mitch McConnell of Kentucky, the chamber's GOP leader, has said that Democrats are using the elections bills as a pretext for weakening the filibuster, which has also held up other Democratic legislation.

"A group of politicians are trying to set aside election results, overrule American voters and break, break our institutions to get a political outcome they want," Mr. McConnell said on the Senate floor Tuesday.

The president's address came less than a week after his Jan. 6 speech in which he blamed Mr. Trump for creating a "web of lies" with his false claims of election fraud. Mr. Biden and other Democrats have tried to draw a direct line between the false claims of fraud, the Capitol riot, the new state laws and the need for new federal elections laws.

"I think he needs to let the American people know that the filibuster has its place as it

that voting needs to be the administration's top priority. "While President Biden delivered a stirring speech today, it's time for this administration to match their words with actions, and for Congress to do their job," he said in a statement.

Sen. Mitt Romney (R, Utah) said on the Senate floor after the speech that Mr. Biden was

casting doubt on U.S. elections. "This is a sad, sad day," he said, saying he expected more of the president.

Senate Majority Leader Chuck Schumer (D, N.Y.) has set a Jan. 17 deadline for the Senate to take action on the election legislation before turning to possible Senate rules changes. He has acknowledged the gambit faces

an uphill battle.

One bill, the Freedom to Vote Act, would make Election Day a national holiday, mandate 15 days of early voting and require all states to allow mail-in voting, among other changes. The other, named after the late Rep. John Lewis, would give the federal government more control over state voting procedures, after Su-

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U.S. NEWS

Scouts See All Abuse Claims Being Paid

By BECKY YERAK

The Boy Scouts of America said it now expected it will likely be able to pay in full on the sex-abuse claims that drove it to bankruptcy based on new and lower estimates of how much it owes abuse victims.

The youth group on Tuesday said it now projected the total value of claims eligible for payouts to be roughly \$3 billion, the midpoint in a range of \$2.4

billion to \$3.6 billion.

The Boy Scouts' trust for settling with 82,200 abuse victims grew recently to at least \$2.69 billion with contributions from the youth group, its insurers, local councils and others. The Boy Scouts said the trust could grow further and would cover all the eligible claims in full.

"Survivors of abuse will be paid in full" with the chapter 11 reorganization plan, the Boy

Scouts said in a filing Tuesday in the U.S. Bankruptcy Court in Wilmington, Del.

Facing many abuse lawsuits, the Boy Scouts filed for bankruptcy in February 2020. The group, which has apologized to the victims, says new calculations showed its liability wasn't as bad as it thought.

Critics were skeptical about the proposed reorganization, which will be debated at a hearing set to begin in February.

Preliminary results of voting on a compensation plan for victims fell shy of the level of support the youth group sought. Of the nearly 54,000 victims who cast ballots in December, 73.1% voted in favor of the settlement plan. The Boy Scouts had targeted 75% support, a level more likely to win approval from the judge hearing its chapter 11 case.

Local councils have signaled support for the settlement,

provided they are released from all liability for alleged sexual abuse. Bankruptcy courts can settle and release legal claims against parties not in chapter 11.

Richard Pachulski, a lawyer for a committee representing victims, disputed the statement that claims would be paid in full. He said the Scouts' calculations were based on a "flawed analysis that significantly undervalues claims."

Angelou Is First Black Woman on A Quarter

By ALLISON PRANG

Poet and civil-rights activist Maya Angelou became the first Black woman to be featured on a quarter, part of a new program under the Treasury Department to celebrate women's contributions to the U.S.

The U.S. Mint said this week that it started shipping the Maya Angelou quarters to banks. The American Women Quarters Program will see five quarters featuring other honorees shipped each year from 2022 to 2025.

Ms. Angelou, who died in 2014 at age 86, was known for works including "I Know Why the Caged Bird Sings," which details her earlier life and struggles with sexism, racial identity and rape.

She published 36 books over the course of her life, and President Barack Obama awarded her the 2010 Presidential Medal of Freedom.

Other women who will be featured on quarters this year include Sally Ride, the first woman astronaut; Wilma Mankiller, the first female principal chief of the Cherokee Nation; Anna May Wong, Hollywood's first Chinese-American film star; and Nina Otero-Warren, a New Mexico suffrage movement leader.



Maya Angelou is known for works including 'I Know Why the Caged Bird Sings.'

THE DEPARTMENT OF TREASURY/AP/GETTY IMAGES

U.S. WATCH

PENNSYLVANIA

Copter Crash-Lands, All 4 Aboard Survive

A pilot crash-landed a medical helicopter Tuesday without loss of life in suburban Philadelphia, avoiding a web of power lines and buildings as the aircraft flutted, hit the street and slid into bushes outside a church, authorities and witnesses said.

None of the four people aboard, including an infant patient, suffered life-threatening injuries, Upper Darby Police Superintendent Timothy M. Bernhardt said. "It's a miracle, it's an absolute miracle, here what you see behind me," he said.

Rescue crews rushed to the wreckage by Drexel Hill United Methodist Church in Upper Darby at about 1 p.m. and helped get the pilot, two crew members and the infant out of the aircraft, Mr. Bernhardt said. The infant was taken to a hospital.

The aircraft is believed to have encountered mechanical problems during the flight, said a Pennsylvania Emergency Management Agency spokesperson, citing reports from county officials.

A spokesman for Air Methods, the air medical emergency transport service that owns the helicopter, said it was part of the LifeNet program based in Hagerstown, Md. "Our team will cooperate fully with their efforts to assess the cause of this unfortunate accident," said the Air Methods spokesman.

—Associated Press



A medical helicopter was on its side next to Drexel Hill United Methodist Church in Upper Darby, Pa., after it crash-landed on Tuesday.

NORTHEAST

Some Schools Close As Bitter Cold Arrives

Freezing temperatures and subzero wind chills gripped parts of the Northeast on Tuesday, as some of the coldest weather this season ran through parts of the region.

Boston Public Schools closed on Tuesday, as the city faced wind chills as low as minus 11 de-

grees, according to the National Weather Service. Public schools in Worcester, Mass., also canceled in-person classes.

Burlington, Vt., had a high near 2 degrees and wind chills as low as minus 25 degrees.

New York City experienced highs in the teens and low 20s with wind chills below zero in some locations Tuesday morning, according to the National Weather Service.

—Omar Abdel-Baqui

ALASKA

Earthquakes Hit Off Aleutian Islands

A swarm of earthquakes was recorded Tuesday off Alaska's Aleutian Islands, including the largest with a magnitude of 6.8 followed by aftershocks.

There were few reports of the underwater quakes in the North Pacific being felt in nearby communities in a sparsely popu-

lated region of Alaska and no reports of damage, officials said.

Natalia Ruppert, a seismologist at the Alaska Earthquake Center, said it was a "very unusual, very energetic swarm of earthquakes."

The largest quake was preceded by a couple of foreshocks. The strong quake occurred about 40 miles southeast of Nikolski, a community of 39 residents on Alaska's Unmak Island.

—Associated Press

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U.S. NEWS

Officials Warn of Long-Term Fallout From Cyber Flaw

By DUSTIN VOLZ

WASHINGTON—Senior U.S. security officials said Monday they hadn't yet seen significant disruptive or destructive cyberattacks, such as ransomware attacks, linked to a massive internet flaw discovered one month ago, but warned that the bug could aid the nefarious activity of criminals and foreign governments for months or years to come.

The Biden administration hasn't identified any confirmed breaches of federal government agencies that relied on the flaw in the widely used software code known as Log4j, nor has it detected foreign governments developing attacks that exploit the bug to carry out a network intrusion, officials said at a briefing.

Still, officials said the dangers posed by Log4j—a free bit of code that logs activity in computer networks and applications—were severe and likely to be a long-lasting problem for organizations big and small because of the software's ubiquity.

"The scale and potential impact of this makes it incredibly serious," said Jen Easterly, the director of the Cybersecurity and Infrastructure Security Agency. Despite the lack of major attacks so far, Ms. Easterly said she considered the Log4j problem "the most serious vulnerability" she has seen in her decadeslong career, and she was concerned about long-term risks to networks that control U.S. critical infrastructure.

Ms. Easterly said the flaw had so far led to "widespread criminal activity" that mostly consisted of installing cryptocurrency mining software or botnet code on vulnerable devices. She added that some hackers may be waiting undetected after entering networks to do more damage and said there were limits to what CISA may know about because vic-

timized organizations often don't report intrusions to the government.

Researchers have said the Log4j flaw, publicly disclosed a month ago after being discovered by a Chinese security team, was particularly worrying because the free Java-based software is used in a range of products including security software, networking tools and videogame servers. The exact number of users of Log4j is impossible to know, but the software has been downloaded millions of times, according to the organization that builds it, the Apache Software Foundation.

A public catalog of products known to have the flaw that CISA set up in the wake of its discovery has received more than 2,800 submissions detailing Log4j-related problems in different commercial products that incorporate the code, Ms. Easterly said. Hundreds of millions of individual devices are likely at risk, she said.

The administration hadn't confirmed that hackers backed by foreign governments are exploiting the Log4j flaw, but "it is of course possible that that may change," said Eric Goldstein, executive assistant director for cybersecurity at CISA. Senior officials have separately said they expect such activity to be inevitable.

Multiple U.S.-based cybersecurity firms and Microsoft Corp. said in December that they had identified hackers linked to China, Iran and other governments exploiting the Log4j vulnerability. The U.S. government is often slower than private companies to formally attribute cyberattacks to foreign governments.

The Federal Trade Commission last week urged organizations to address the Log4j flaw in products with available patches to avoid exposure to possible legal action from the agency.

Judge in Amazon Case Steps Aside

By JOE PALAZZOLO

A federal judge removed himself from a nearly two-year-old Amazon.com Inc. case, citing a financial conflict, after a Wall Street Journal report about his family's Amazon stockholdings.

U.S. District Judge Liam O'Grady had ruled in Amazon's favor during the 20 months he oversaw the civil case, in which the online retailer accuses two former employees of taking kickbacks from a real-estate developer and violating Amazon's conflict-of-interest policies.

In December, Judge O'Grady notified parties in the case in a Virginia federal court that his wife had owned about \$22,000 in Amazon stock. Following the Journal's questions about the Amazon holdings, his wife's investment adviser sold the stock on Dec. 3. Judge O'Grady's conflict in the case was the subject of a Dec. 30 Journal article.

In an order Monday, Judge O'Grady said he was reluctant to step aside because his wife no longer owned the stock and the defendants in the case who had asked him to recuse offered no evidence that he was biased in Amazon's favor. Judge O'Grady previously told the Journal he didn't know his wife owned Amazon shares.

"However, perception of the fair administration of justice—both by the public and by the parties in the case—is of the highest importance to the Court," Judge O'Grady wrote.

The recusal by Judge O'Grady, who has been on the bench since 2007, means a new judge will take over a busy case with nearly 500 docket entries and more than 4,000 pages of legal filings, likely creating costly delays for the litigants. The case was reassigned on Monday to Judge Michael Nachmanoff, who took his seat on the U.S. District Court for the Eastern District of Virginia late last year.

The Amazon suit is one of 66 cases since 2010 that Judge O'Grady has heard in the Alexandria, Va., federal courthouse



Judge Liam O'Grady has heard 66 cases since 2010 in the Alexandria, Va., federal courthouse while his wife was invested in plaintiffs or defendants, a Journal review found.

while his wife was invested in plaintiffs or defendants, a Journal review found. Judge O'Grady said in an email that he was reviewing his case lists and disclosure forms and would notify parties of conflicts.

His participation in those cases violated a 1974 federal law that requires judges to disqualify themselves from cases involving parties in which they, their spouses or their minor children have a financial interest, such as individual stocks. Investments in mutual or index funds are exempted.

At a Jan. 6 hearing in response to the defendants' request for his recusal, Judge O'Grady said that he had mistakenly believed his wife's account was a mutual fund and had "no familiarity with it." A Georgia-based investment adviser handles all the trades for his wife, he said.

In the hearing, Judge O'Grady bemoaned an ethics regime in which "my docket is entirely dependent on some Atlanta broker's decision on what stock to buy and sell at any given time when I get no notice about it until the end of the year." He called it a "trap" for district judges.

Federal law mandates that

judges make a reasonable effort to inform themselves about their spouses' financial interests. They are required by the federal judiciary to maintain recusal lists of companies in which they or their families are invested and update it regularly.

"Up-to-date recusal lists are the most effective tool for conflict screening," Judge Roslynn Mauskopf, director of the Administrative Office of



The recusal by Judge O'Grady, on the bench since 2007, means a new judge will take over the case.

the U.S. Courts, said in an October memorandum sent to all judges.

Judge O'Grady, 71 years old, is among 136 judges for whom the Journal has identified stock conflicts as part of a yearlong investigation. The investigation and further reviews by judges who were contacted by the Journal have identified more than 950 cases since 2010 with recusal violations.

The Amazon case, filed in April 2020, centers on more

than \$400 million in development projects in northern Virginia, where Amazon has established huge data farms. They are the lifeblood of Amazon Web Services Inc., the retailer's cloud-computing arm.

The racketeering lawsuit alleges that two former employees steered contracts to a developer, Northstar Commercial Partners, in return for millions of dollars of kickbacks. The former employees and developer have denied the allegations.

At last week's hearing, Judge O'Grady said that the "idea that I would steer this case in Amazon's favor because I felt that my wife's \$22,000 investment in Amazon's stock would be at risk if I didn't is literally—is almost insane." He noted that he had ruled against Amazon in a counterfeiting case in May.

A spokesman for Amazon, which opposed the request for Judge O'Grady's recusal, didn't respond to a request to comment.

"We look forward to resolving this case on the merits," said Stanley Garnett, a lawyer for Northstar founder Brian Watson. The former employees declined to comment.

—James V. Grimaldi and Coulter Jones contributed to this article.

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U.S. NEWS

Nursing-Home Employees Hit By Covid Surge

By ANNA WILDE MATHEWS
AND JON KAMP

The Covid-19 surge fueled by the Omicron variant is hitting nursing homes hard, with the highest number of cases ever documented among staff and a near-record tally of residents also testing positive, according to new federal data.

The increase among staff is posing an operational challenge for facilities that have been struggling with worker shortages for months, while a surge in patient cases threatens a return of serious illness and death among residents.

In the week ended Jan. 9, there were 32,061 new confirmed Covid-19 cases among nursing-home residents, up from 18,186 a week earlier and 6,406 the week before that, according to Centers for Disease Control and Prevention data.

The recent week's total was close to the highest documented weekly level, which surpassed 34,000 in December 2020. The CDC data go back only to late May 2020.

Cases among staff are rising even more sharply. In the most recent week of CDC data, there were 57,243 Covid-19 cases among nursing-home

staff, 36% higher than the previous week's total and nearly double the peak the CDC documented in December 2020.

The staff situation "is really dire," said Vincent Mor, a professor at Brown University who specializes in long-term care.

Some of the biggest nursing-home operators, including Genesis Healthcare Inc., ProMedica Senior Care and the Evangelical Lutheran Good Samaritan Society, have had to pause admissions at some facilities due to staff shortages.

"It's hard to find staff right now," said Nathan Schema, chief executive of Good Samaritan, part of Sanford Health, a nonprofit that operates 155 nursing homes. "We don't have those people waiting in the wings to pick up those extra hours."

The nonprofit's staff cases of Covid-19 are at roughly five times the number they were before the holidays, he said, though numbers among residents have risen much less.

Redstone Presbyterian SeniorCare, a nonprofit based in Greensburg, Pa., that includes a nursing home and two assisted-living facilities, saw just two cases among staff in No-



A nursing home in Denton, Texas. A Covid-19 surge has caused a 36% increase in nationwide cases among nursing-home staff.

ember and then two more the week after Christmas, before a surge of 23 cases in the first week of 2022, said Vicki Loucks, chief operating officer.

Redstone had to pause admissions twice in recent weeks as a result. It had open positions even before the virus sidelined staff in recent days, she said, and has been trying to fill gaps with managers taking on front-line shifts. "It's been incredibly challenging."

When nursing homes stop taking new patients, the backlogs spread to hospitals that

are often already overwhelmed.

Northern Light Health, which operates 10 hospitals across Maine, has an average of about 100 patients daily who are ready to leave the hospital but unable to find an opening in long-term-care facilities, said Suzanne Spruce, a spokeswoman.

These patients remain in hospital beds. Emergency rooms must then hold on to patients until a bed opens up, frequently for days, she said. The backlog includes critical

patients who need intensive-care units.

"Unfortunately, people do die while on the waiting list for the next available critical-care bed," she said.

The swelling case numbers in nursing homes are also feeding worries that the facilities could see another wave of serious illness and mortality among their frail occupants, who routinely accounted for a third or more of Covid-19 deaths in the U.S. in the early days of the pandemic.

Resident deaths edged up

to 645 for the week ended Jan. 9 in the CDC data, but are far behind weekly totals that topped 6,000 in late 2020. In the past, increases in mortality have lagged behind spiking case counts by a few weeks.

Experts and nursing-home operators say widespread vaccination and the availability of treatments for Covid-19, along with the potentially somewhat milder course of the disease, could help mitigate the impact of the current surge.

—Melanie Evans
contributed to this article.

Hospitals Hit Record With Virus

Continued from Page One

arriving at many hospitals that have been struggling with staffing shortages and heavy caseloads, forcing doctors, nurses and responders to make even tougher decisions about who should get care.

"Somebody somewhere is calling 911, and they are waiting longer for an ambulance," said Gerald Maloney, chief medical officer for the Geisinger health system's hospitals in Pennsylvania.

The hospitalizations also reflect the fast pace of the current Covid-19 wave. Many people are showing up at hospitals for other reasons, some hospital and state data show, and then testing positive for Covid-19.

Omicron, which the Centers for Disease Control and Prevention estimated accounts for 98% of the country's Covid-19 cases, is likely to blame for most recent hospitalizations, though government data don't break down the variant responsible.

Signs suggest the new variant tends to cause milder disease and puts fewer patients in intensive care than earlier strains. The volume of hospitalizations, hospital officials and doctors said, reflects the variant's contagiousness.

"It's a numbers game," said Michelle Prickett, a pulmonary and critical-care specialist at Chicago's Northwestern Memorial Hospital.



Hospitalizations reflect the fast pace of the current Covid-19 wave. A patient suffering from the virus in intensive care in Ohio last week.

By last week, the 11 hospitals in the larger Northwestern Medicine system had 16% more Covid-19 patients than in the last peak, hit in November 2020, and the rate is expected to grow, a spokeswoman said.

Intensive-care patients in Dr. Prickett's hospital still need treatment for serious Covid-19 cases. "We are still seeing people struggling, we are still seeing the destruction of the lungs," she said.

The hospitalizations record comes as reported Covid-19 cases in nursing homes hit a high among staff, and a near record among residents.

The Journal analysis of hospitalization data looked at Covid-19 cases that were confirmed and suspected. Most of the reported hospitalizations are confirmed and averaged about 132,800 in the last seven days, which are in record territory, the federal data show.

The data don't distinguish

between people hospitalized for Covid-19, and those who are hospitalized for other reasons but test positive for the virus.

The high amount of Omicron circulating in communities is contributing to the number of people testing positive after routine screening, doctors said. It might also be a factor in the seriousness of their conditions.

Among a near-record 514 Covid-19 patients in the Jackson Health System's Miami-area hospitals Monday, an estimated 54% were admitted mainly for non-Covid-19 reasons, the system said. The rate hit 27% at the peak of the Delta surge in August, the system said.

In New York state, counts of new admissions from two weeks starting in mid-December show patients admitted for other reasons but who also had Covid-19 accounted for 38% and 47% of the totals, up from less than a quarter during the same period a year earlier.

U.S. Strikes Deal for Antibody Therapy

U.S. officials on Tuesday ordered 600,000 doses of Covid-19 treatment sotrovimab, the only monoclonal antibody therapy thought to work against the Omicron variant, as a record number of cases puts hospitals under pressure in parts of the U.S. and Europe.

Sotrovimab, made by GlaxoSmithKline PLC and Vir Biotechnology Inc., is now the only Covid-19 monoclonal antibody available for patients in the U.S. The government

paused distribution of two other treatments, made by Regeneron Pharmaceuticals Inc. and Eli Lilly & Co. in late December, after early tests suggested they lost effectiveness against the new strain.

The new doses, which Glaxo and Vir have promised to deliver throughout the first quarter, should significantly boost supplies of sotrovimab in the U.S.

The pricing for this order wasn't disclosed by the companies or government. A spokeswoman for Glaxo said the details of the deal are proprietary and that the pricing structure was agreed upon through multiple contracts and

contract modifications. The government in November agreed to buy 300,000 doses of the treatment, building on an earlier, smaller order.

Monoclonal antibodies mimic a part of the body's immune response to the virus and are typically used at an early stage of infection to lessen the risk of serious illness.

In a large clinical trial, conducted during an earlier wave of the pandemic, sotrovimab reduced the risk of hospitalization or death by 79% in people with mild or moderate Covid-19 at high risk of progressing to severe disease.

—Denise Roland

At the same time, the rate of pediatric patients recently admitted for non-Covid-19 reasons who test positive is down from a year ago, when far fewer children were hospitalized, New York data show.

The state health department advised against discounting as incidental or harmless Covid-19 infections found after people were hospitalized, saying the virus could be a contributing cause to the medical issue prompting hospitalization.

"People who are getting hospitalized right now because we are so short of staff and capacity to care for everyone, they're very sick or they've been in a significant trauma," said Nancy Foster, vice president for quality and patient safety policy at the American Hospital Association.

Hospitalizations have been fueled by record case numbers. By Monday, the U.S. seven-day average for new cases topped 750,000, according to Johns

Hopkins University, about tripling the prior peak reached a year ago. In the current wave, hospitals already under strain have faced an increase in admissions while growing numbers of nurses and other critical workers call out sick with Covid-19.

Hackensack Meridian Health in New Jersey, the state's largest system with 17 hospitals, recently had between 750 and 1,000 of its 35,000 employees out sick with Covid-19, said Daniel Varga, the chief physician executive there.

"The challenge has just been the sheer numbers of folks that have been affected, both patients who are coming in but also team members and physicians who are there to care for these folks," Dr. Varga said.

The good news, he said, is today's Covid-19 patients tend to be younger, less sick and have shorter hospital stays compared with patients Hackensack Meridian saw during its

high point for Covid-19 hospitalizations in spring 2020.

Omicron hasn't triggered a record for those who need critical care. The seven-day average for confirmed and suspected adult ICU cases reached 23,334 on Tuesday, about 5,900 off the record from a year ago.

Still, staffing shortages have led some hospitals to close beds to new patients, while others haven't been able to add capacity to keep up with demand, hospital officials and doctors said.

Covid-19 deaths, a lagging indicator, were recently averaging about 1,650 a day, according to Johns Hopkins University data, though holiday reporting disruptions have made the recent trend difficult to see. The U.S. topped 2,000 deaths a day in September during the Delta surge and 3,000 daily deaths early last year.

—Anthony DeBarros
contributed to this article.

Some Nations Are Now Offering Second Booster Shots

A handful of countries are administering a second booster shot against Covid-19 as governments grapple with a surge in coronavirus cases.

By Ryan Dube,
Dov Lieber
and Patricia Garip

The use of a second booster, or typically a fourth shot, is emerging for different reasons, health experts say. In Latin America, delivering a second booster allows Chile and Brazil to reinforce less-effective Chinese-made vaccines. Israel, meanwhile, is seeking higher levels of protection with a fourth dose of the Pfizer Inc.-BioNTech SE vaccine after those with a third began losing immunity within a few months.

A successful fourth shot could serve as a model for other countries this year, though some health experts have doubts about whether a fourth shot is needed at this point.

The latest nation to provide

a second booster was Chile, a country of 19 million that has administered more than 45 million vaccines, making its immunization campaign one of the world's most successful. More than half of those shots were from China's Sinovac Biotech Ltd., with about 12 million Chileans receiving the first two doses from that vaccine maker, Chile's government said. Authorities inoculated about 46% of Chileans with vaccines from Pfizer and AstraZeneca PLC.

On Monday, health officials delivered the Pfizer vaccine to people with a weakened immune system.

"I came right away when I was scheduled," Ana Pérez, 57 years old, who has stage 4 bone cancer, said moments before receiving the booster in Santiago, the capital.

Like many Chileans, she had been fully inoculated with the Sinovac vaccine. She, which now had two Pfizer boosters, which Chilean authorities say are necessary as the effectiveness of Chinese-made vaccines

wanes and more-contagious variants appear.

"I was so afraid of getting Covid," Ms. Pérez said. "I hope everyone in my situation comes [to get the booster]."

In Brazil, São Paulo and Rio de Janeiro states have been providing a second booster since late December to people with challenging health conditions, such as cancer and HIV/AIDS. Israeli health officials began in late December to deliver a fourth dose to immunocompromised people before last week starting to provide the second booster to people 60 years and older.

Israeli authorities based their decision to offer a fourth shot on the expectation that the Omicron variant would surge through the country and because of research that showed that protection provided from the initial booster would fade within three to four months.

"We started to see waning immunity in terms of antibodies, and we also see breakthroughs with the Omicron

variant," said Prof. Nadav Davidovitch, head of the Israeli Association of Public Health Physicians and member of an advisory panel to the Israeli government. He said the priority is to provide that fourth dose to people at high risk and healthcare workers.

Israeli Prime Minister Naf-

A successful fourth shot could serve as a model for other countries this year.

tali Bennett last week announced preliminary results from a trial at the Sheba Medical Center in central Israel that showed a fivefold increase in antibodies in people one week after receiving their fourth shot of Pfizer's vaccine.

Securing booster shots has been a priority for authorities in some developing nations

that relied on Chinese vaccines that have proven less effective than Western-made shots.

A study published at the end of December on the MedRxiv website before peer review found that people in the Dominican Republic who received two doses of the Sinovac vaccine had no detectable levels of neutralizing antibodies to Omicron, said Akiko Iwasaki, a professor of immunobiology at Yale University who co-wrote the study. "I see the benefit in giving the second booster," Dr. Iwasaki said.

Not all scientists agree. Paul Offit, an infectious-disease specialist and member of the U.S. Food and Drug Administration's advisory panel on vaccines, said the data show that two doses provide strong protection against serious illness from Covid-19. He said it was expected that vaccine protection against infection that causes milder cases would ease after a few months.

"If the goal of the vaccine is to try to prevent mild disease,

I don't see that as a reasonable goal, nor do I see that as a sustainable public-health strategy," he said.

Still, authorities in countries like Chile are racing ahead. With Omicron spreading, Chile is seeing a surge of new infections, reaching nearly 4,000 cases on Monday, and the government says daily cases could rise to 10,000 next week. The positivity rate is now at 7.24%, the highest since June.

Still, the seven-day average for deaths hasn't risen above 20 a day since the start of the year, reflecting clinical data and laboratory results that suggest Omicron is milder, if more transmissible, than other variants.

In February, Chile will begin offering a fourth dose to the general public, beginning with people 55 and older no matter their health status. And the government of departing President Sebastián Piñera says it is securing supplies for a fifth dose—or third booster—for the new administration that takes power in March.

WORLD NEWS

Omicron Tests Hong Kong Containment

Officials try to maintain zero-tolerance policy as cases rise, straining business community

By Frances Yoon

HONG KONG—The limits of Hong Kong’s zero-tolerance approach to Covid-19 are being tested as a cluster of community Omicron infections quickly fills up quarantine centers, prompting officials to move to shut many schools.

The financial center has some of the world’s strictest coronavirus-containment regimes, requiring up to 21 days of quarantine for incoming travelers and close contacts of locally infected people. That worked well when Hong Kong enjoyed a monthslong streak of no locally transmitted cases. Now, with 42 community infections detected in the past two weeks as the Omicron variant spreads across the city, officials are running out of ca-

capacity and some experts are questioning if the policy of zero infections is sustainable.

More than 4,000 people have been ordered into quarantine for coming into close contact with locally transmitted or imported cases since the end of December, Hong Kong Chief Executive Carrie Lam said Tuesday, as she announced the new measures. Nearly half of the units in five government quarantine centers were occupied, government figures showed.

On Monday, the government said it was shortening the quarantine period for close contacts to two weeks from three to help relieve the pressure. Arriving travelers, however, are still required to spend three weeks in quarantine.

Hong Kong will close schools and kindergartens by Friday, following stricter social-distancing measures announced last week that included shortening restaurant operating hours and closing swimming pools, gyms,



Children were escorted from school in Hong Kong on Tuesday amid a shutdown until early February.

adhere to its policy of zero infections, Fitch said.

“I don’t think we can keep doing zero-Covid, it’s going to be difficult to maintain,” said Ben Cowling, a professor of epidemiology at the University of Hong Kong.

Prof. Cowling, however, said he expects Hong Kong to consider stricter measures to quickly stem the outbreak.

Mrs. Lam on Tuesday said the city’s zero-tolerance policy helped control Covid-19 without locking down the city. Hong Kong has recorded almost 13,000 confirmed cases and 213 deaths since the start of the pandemic.

Asia Securities Industry & Financial Markets Association, an industry group in Hong Kong, said in an open letter to the government in October that 48% of companies they surveyed are contemplating moving staff or functions out of the city because of operational challenges caused by the uncertainty over when quarantine restrictions will be lifted.

amusement parks, bars and entertainment facilities.

The host of restrictions has heightened tension among the city’s business groups and expatriate communities, which have voiced concerns in recent months over Hong Kong’s

zero-Covid border policies and warned that it was chipping away at the city’s status as a regional financial center.

Fitch Ratings last week said Hong Kong’s travel restrictions would “create further obstacles to the territory’s ability to

serve as a regional headquarters for foreign multinationals.” The social and travel restrictions will compound risks to its growth prospects and public finances from subsequent waves of the Covid-19 virus, assuming the government continues to

Lockdowns Hit Plants In China

Continued from Page One

technology hub of Shenzhen. The world’s third-busiest container port of Ningbo-Zhoushan, south of Tianjin, risks worsening backlogs from restrictions on trucks and warehouse operations after more than two dozen Covid-19 cases were confirmed in the surrounding area.

Chinese authorities are adhering to the same playbook that curtailed initial outbreaks and caused intermittent disruptions to production and supply chains. The potential consequences are more severe this time, economists warn, because of the highly contagious

nature of Omicron. The variant is hitting the country ahead of the Winter Olympic Games, which are set to begin Feb. 4.

“The risk posed by the Omicron variant is that we could take a huge step back in terms of supply-chain bottlenecks,” said Frederic Neumann, co-head of Asian Economics Research at HSBC. “This time, the situation could be even more challenging than last year, given China’s increasingly significant role in global supply.”

Several economists said China might escalate its containment policy and some have touted the possibility of a nationwide lockdown. Goldman Sachs cut China’s 2022 growth forecast on Tuesday to 4.3% from 4.8% in light of the latest Covid-19 developments.

Toyota Motor Corp. said operations on Monday and Tuesday at its joint-venture factory in Tianjin came to a halt because of mass testing requirements imposed across

the city. About 14 million residents in Tianjin, an industrial hub in northeastern China that accounts for 1.7% of China’s exports, were tested after two Omicron cases were detected.

A Volkswagen plant based in the city was also closed, Stephan Wöllenstein, the auto

Goldman Sachs cut China’s 2022 growth forecast to 4.3% from 4.8%.

maker’s China chief executive, said Tuesday. The German car maker recently also closed a plant in Ningbo, a port city in eastern China, after another small Covid-19 outbreak, he said. He said that in many cases, Chinese authorities have brought local outbreaks under control in a few weeks.

“We are monitoring very carefully what’s happening over there because Omicron has the potential to significantly change the picture in China compared to 2020 and 2021,” Guillaume Faury, CEO of Airbus SE, the world’s largest plane manufacturer, said on Monday. He said there haven’t been any supply disruptions in the country.

Western consumers and retailers have become more dependent on China since the start of the pandemic for products, and China’s trade surplus is expected to have hit a record, by value, in 2021. The risk is that “over the coming months we’ll experience the ‘mother of all supply-chain’ stumbles: an Omicron-driven stall in factory Asia,” Mr. Neumann said.

Two of the world’s largest memory-chip makers have experienced problems in Xi’an, where the local government put in place strict pandemic restrictions starting Dec. 23. South Korea-based Samsung

Electronics is having trouble getting enough employees where they are needed because of the city’s restrictions on residents leaving home, people familiar with the matter said.

A Samsung spokeswoman referred to an earlier statement saying the company would take all necessary measures to ensure customers aren’t affected by what it described as an adjustment to its Xi’an operations.

U.S.-based Micron Technology Inc. said in late December the lockdown in Xi’an had reduced its workforce at its site in the city, affecting output of its DRAM memory-chip products.

In Ningbo, Shenzhou International Group, a supplier to global sports brands including Nike, Adidas and Fast Retailing Co.’s Uniqlo, said some production sites were locked down from Jan. 3 after 10 cases were detected in Ningbo’s Beilun district. As of Monday, part of the production has resumed

operations, it said.

If the Omicron variant spreads across Asia more widely, economists said it could add to rising inflation and potentially prompt central banks such as the Fed to accelerate tightening of monetary policy.

Within China, the economic risks of sticking with strict Covid-19-related restrictions are growing. In Nantong, a city in China’s eastern Jiangsu province, Mei Wenlong, owner of an electrical-equipment factory, said Omicron-related disruptions could spill over to his suppliers in coming weeks. His factory, with 40-plus employees, was among those in the region hit by a temporary power crunch last fall.

“Omicron hasn’t affected us much, but they could come sooner than expected,” Mr. Mei said. “There’s not much you can do. We’ll learn to deal with it when it comes.”

—Yoko Kubota contributed to this article.

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WORLD NEWS

Djokovic Says Agent Erred on Travel Document

By STUART CONDIE

SYDNEY—Novak Djokovic said his agent made an error on a travel document ahead of his trip to Australia, while also acknowledging he attended an event after receiving a positive Covid-19 test result last month.

On Wednesday, the No. 1 player in men's tennis said on Instagram that his agent mistakenly indicated that Mr. Djokovic wouldn't travel in the 14 days ahead of his Jan. 5 flight to Australia. Images on his Instagram account appear to show the Monte Carlo-based Mr. Djokovic in Belgrade, Serbia, on Dec. 25 and in Madrid on Dec. 31.

"My agent sincerely apolo-

gizes for the administrative mistake in ticking the incorrect box about my previous travel before coming to Australia," Mr. Djokovic said in the statement on Instagram. "This was a human error and certainly not deliberate."

Providing incorrect information on an Australian travel declaration can be punished by a fine or even prison. On Wednesday, Australia's immigration minister, Alex Hawke, was still considering whether to cancel Mr. Djokovic's visa using the discretionary power he has under the country's migration law.

Mr. Djokovic traveled to the country to compete in the Australian Open, which starts

Jan. 17. He is chasing a record 21st Grand Slam title.

Mr. Djokovic, who told authorities he wasn't vaccinated, had entered the country with a medical exemption to get

Australia's immigration was weighing whether to cancel his visa.

around rules requiring all travelers to Australia to be vaccinated. The exemption was based on Mr. Djokovic's catching and recovering from

Covid in mid-December, which he believed was enough to secure him a visa.

Authorities canceled Mr. Djokovic's visa once on the basis that he wasn't exempt from the vaccination rule. He spent four days in a hotel reserved for asylum seekers before being released on Monday when a judge overturned the cancellation on a technicality.

The saga has sparked a political debate about vaccination and anti-Covid measures in Australia. Mr. Hawke, the immigration minister, could still cancel Mr. Djokovic's visa for a second time over suggestions he may have incorrectly completed travel documents.

In his statement, Mr. Djok-

ovic also said he attended an interview and photo shoot with L'Equipe, a French sports newspaper, on Dec. 18 after receiving a positive PCR test result.

"On reflection, this was an error of judgment [and] I accept that I should have rescheduled this commitment," he said.

Mr. Djokovic said he canceled other events.

On Tuesday, Mr. Djokovic held his first official practice ahead of the Australian Open.

"Despite all that has happened in the past week, I want to stay and to try to compete at the Australian Open," Mr. Djokovic posted on social media. "I remain fo-

cused on that."

The governing body of men's tennis said Mr. Djokovic's case highlighted a need for clearer communication of Australia's strict travel rules.

"The series of events leading to Monday's court hearing have been damaging on all fronts, including for Novak's well-being and preparation for the Australian Open," the Association of Tennis Professionals said. "The ATP fully respects the sacrifices the people of Australia have made since the onset of Covid-19 and the stringent immigration policies that have been put in place."

—Joshua Robinson contributed to this article.

Catholics Face Latin Losses

Continued from Page One

nobarómetro, a Chilean-based pollster. In a symbolic milestone, Brazil, which has the most Catholics of any country in the world, is expected to become minority-Catholic as soon as this year, according to estimates by academics that track religious affiliation.

In Rio state, it has already happened. Catholics make up 46% of the population, according to the latest national census in 2010, and a little more than a third of some poverty-stricken favelas, or slums.

"The Vatican is losing the biggest Catholic country in the world—that's a huge loss, an irreversible one," said José Eustáquio Diniz Alves, a leading Brazilian demographer and former professor at the national statistics agency. At the current rate, he estimates Catholics will account for fewer than 50% of all Brazilians by early July.

Social media

The reasons for this shift are complex, including political changes that reduced the Catholic Church's advantages over other religions, as well as growing secularization in much of the world. During the pandemic, evangelical churches have been especially effective at using social media to keep people engaged, said Mr. Diniz Alves.

Critics inside and outside the Catholic Church also point to its failures to satisfy the religious and social demands of many people, especially among the poor. Latin Americans often describe the Catholic Church as out of touch with the everyday struggles of its congregation.

The rise of liberation theology in the 1960s and '70s, when the Catholic Church in Latin America increasingly stressed its mission as one of social justice, sometimes drawing on Marxist ideas, failed to counter the Protestant appeal. Or, in the words of a now-legendary quip, variously attributed to Catholic and Protestant sources: "The Catholic Church opted for the poor and the poor opted for the Pentecostals."

The declining influence of Catholicism in Latin America has far-reaching social and political consequences. In countries such as Brazil, conversions to Pentecostal Christianity have boosted socially conservative views from the favelas to the halls of Congress, helping to propel right-wing President Jair Bolsonaro to power in 2018.

While President Bolsonaro still identifies as Catholic, he got himself baptized by a Pentecostal pastor in the River Jordan in 2016 in the lead-up to his presidential campaign. Pentecostals and evangelicals are prominently represented in his cabinet and make up a third of Brazil's congress. His wife attends an evangelical church.

Pentecostalism is a tradition originating in the U.S. which emphasizes direct contact with the Holy Spirit through highly physical forms of worship such as speaking in tongues and faith healing. It is part of the larger evangelical Protestant movement, which stresses biblical authority, the experience of being "born again" and the mission to win converts. Mainline Protestant



Evangelicals worship in the Attitude Church in Barra da Tijuca, Rio de Janeiro.

TOMMASO PROTTI FOR THE WALL STREET JOURNAL

churches such as Anglicans and Lutherans have made relatively few inroads in Latin America.

In nations with growing numbers of people with no religious affiliation, more-liberal social practices are growing. Argentina, the pope's native country, legalized abortion last year and Chile's congress is taking the first steps on a bill to decriminalize the procedure. Even in Mexico, which still has a large Catholic majority, the church's hold on society is weakening, as seen in the Supreme Court's September vote to decriminalize abortion.

Latin America and the Caribbean is home to 41% of the world's Catholics, according to the Vatican. Estimates of how many Latin Americans remain Catholic vary, but all agree the percentages are falling. According to a survey by the Pew Research Center, 69% of Latin Americans were Catholic in 2014, though 84% had been raised in the church. Nineteen percent of Latin Americans identified themselves as Protestants. Of those, 65% identified with Pentecostalism.

Peaceful coexistence

Under Pope Francis, who met with Pentecostal and evangelical leaders when he was archbishop of Buenos Aires, the Vatican has sought to coexist peacefully with those of other beliefs rather than fight the rising tide of rival faiths.

Pope Francis has often inveighed against missionary efforts aimed at winning converts. At a 2019 Vatican synod on Latin America's Amazon region, there was scarcely any discussion of the church's losses of adherents, even though a recent report by a church agency showed that 46% of the Amazon region's 34 million inhabitants weren't Catholics. The gathering devoted more attention to the region's environmental challenges, a signature cause of the current pontificate.

Latin America's religious transformation began with independence from Spain and Portugal in the 19th century, after which Catholicism, which had come with colonization, ceased to be the state religion. The church retained a privileged legal position in many countries and it wasn't until the mid-20th century that competing faiths began to grow.

The most successful by far of these new faiths was Pentecostalism. Between 1970 and

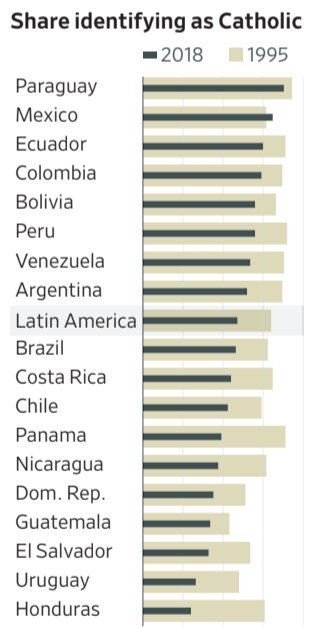
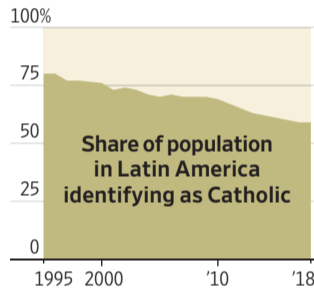
2020, the number of Pentecostals in Brazil grew to 46.7 million from 6.8 million, according to the World Christian Database. In Guatemala, they grew more than 10-fold, to 2.9 million from fewer than 196,000.

Pentecostalism's loose organizational structure has helped it make inroads into Latin America's poorest neighborhoods, where churches offer material as well as spiritual help. Lay-led churches with flocks as small as a few dozen families organize donations of rice and beans for hungry families, fund soccer clubs for young boys to lure them away from drug gangs and organize private health care as an alternative to Brazil's failing public hospitals.

According to the 2014 Pew survey, the most popular reason given by former Catholics in Latin America for embracing some form of Protestantism was to have a more personal connection with God, cited by 81% of respondents. Nearly six in 10 said they left Catholicism because they found "a church that helps members more."

For Jaime Martins, a 45-year-old lawyer from Rio de Janeiro, the turning point came in 2016, when Brazil's economic crash left him penniless, sending him into a spiral of depression and addiction. His wife left him, he got into trouble with the police, and he took to wandering across the city's highways at night. "I wanted to get run over."

A Pentecostal church in Rio funded his drug rehabilitation program, and another gave him accommodation and a job as an assistant in the church, said Mr. Martins. Unlike larger Catholic churches in the area,



Source: Latinobarómetro

the informal structure of the Pentecostal and evangelical churches allows for greater contact between church leaders and worshippers like Mr. Martins.

"The Catholic priests wouldn't even have coffee with us," he recalled.

Members of the clergy say they need to be more accessible to ordinary worshippers, much like Pope Francis, who focused on down-and-out neighborhoods when he was archbishop of Buenos Aires,

Today, priests and nuns can be found working in barrios and rural areas across the region.

"We should be much more approachable, we should be much more with the people," said the Rev. Gustavo Morello, a member of the pope's Jesuit order from Argentina and a professor of sociology at Boston College who has studied religious pluralism across Latin America.

More engaged

Evangelicals tend to be more engaged—60% of those interviewed in a 2007 study in Brazil said they go to church more than once a week, compared with only 16% among Catholics.

Tithes and the profits from a business empire run by Brazil's evangelical churches, which includes television networks and cruise companies, have given the movement a financial firepower that enables it to expand into poverty-stricken suburbs and fund political campaigns.

In downtown São Paulo, South America's largest megapolis, a \$300 million replica of Solomon's Temple stands as testimony to evangelism's meteoric rise. Built in 2014 by one of Brazil's biggest and wealthiest neo-Pentecostal churches, the Universal Church of the Kingdom of God, the temple can hold up to 10,000 worshippers.

Amid the pomp—builders imported enough marble from Israel to cover 10 soccer fields for its walls and floors—its pastors offer down-to-earth advice from a gold-plated altar. In group sessions of couples therapy every Thursday, pastors impart tips on issues such as how to encourage a



Tatiana Aparecida de Jesus joined a Pentecostal church and left behind her old life as a sex worker.

TOMMASO PROTTI FOR THE WALL STREET JOURNAL

husband to do the washing and forgiving a wife after an affair. Pentecostal pastors are typically married, which they say gives them an advantage on such topics over celibate Catholic priests.

Many Pentecostals preach the "theology of prosperity"—more commonly known in the U.S. as the Prosperity Gospel—which holds that God's grace is reflected in material wealth. At Solomon's Temple in São Paulo, suited men regularly line up at the altar with velvet red sacks and credit-card machines to receive offerings as the pastor promises his followers that they too will get rich if they donate generously.

"They're places where you're not a bad person for dreaming big, for wanting to earn more," said Josué Valandro Jr., pastor of the Rio de Janeiro-based Attitude Church, an evangelical Baptist congregation whose members include Brazil's first lady Michelle Bolsonaro.

Some social scientists believe that the growth of Pentecostalism in Latin America will reach a ceiling in the coming years, but there is a consensus that the religious market will remain a pluralistic and competitive one. Some Catholic movements in Latin America have sought to win back lost sheep, either by emulating important features of Pentecostalism, such as ecstatic worship, or by reviving a more traditional form of Catholicism, including the Latin Mass.

The Rev. Martín Lasarte, a Uruguayan priest appointed by Pope Francis to the 2019 Vatican synod on Latin America's Amazon region, believes the liberation theology movement has often placed political and social issues above the religious experience. In such cases, "it lacks the existential sense of the joy of living the Gospel, this personal encounter that so many Pentecostal churches give to the person," he said.

Faith healing

Since the 1970s, Charismatic Catholicism has been a way to keep many Catholics attracted to Pentecostalism inside the ranks, with faith healing and speaking in tongues, combined with distinctively Catholic features including devotion to the Virgin Mary. In 2020, 22.8% of Catholics in Latin America were charismatics, according to the World Christian Database, maintained by Gordon-Conwell Theological Seminary in Massachusetts.

A more recent movement is in militant conservative Catholicism which stresses apologetics, the defense of Catholic doctrine. A leader is the Brazilian Rev. Paulo Ricardo, a priest with 1.5 million followers on Facebook who has condemned liberation theology as heresy and enthusiastically supported elements of Mr. Bolsonaro's agenda such as relaxed laws on gun ownership.

Pope Francis, while embracing a different kind of politics, has hardly neglected Latin America in his ministry: He made the first international trip of his reign to Brazil, in July 2013, and has since traveled to nine other countries in the region. But he is clearly not leading a crusade to reclaim the region for Catholicism.

"The church certainly can't expect to turn back history, let alone impose some sort of centralized hegemony," said Pedro Morandé Court, a Chilean sociologist who sits on the Vatican's Pontifical Academy of Social Sciences, an international body of scholars that advises the pope.

By BETSY MORRIS

Do-It-Yourself Healthcare

Overburdened system spurs patients to monitor, test themselves

Two years into a pandemic that has strained health systems and made booking doctors' appointments next-to-impossible for some, patients are providing more of their own care at home.

Elizabeth Ditty says she struggled to get a doctor to pay attention when she felt lethargic and unable to lose weight. So a year ago she ordered do-it-yourself kits for medical tests to mea-

\$49

Cost of Everlywell's at-home tests for cholesterol, vitamin D and HIV

sure hormone and cholesterol levels and detect food sensitivities. Based on the results, the 39-year-old screenwriter in Kansas City, Mo., adjusted her diet, adding supplements and eliminating eggs. She says she feels better and has lost weight.

"I took matters into my own hands," she says.

Ms. Ditty is part of a do-it-yourself healthcare movement that has accelerated during the pandemic, doctors and industry analysts say.

Frustrated with an overburdened health system, more consumers are turning to gadgets, home kits, apps and monitors for tasks and tests previously handled by trained medical workers. They are monitoring their own blood pressure, conducting EKGs, tracking blood sugar and cholesterol levels, and pricking their own fingers for blood tests normally done at the doctor's.

First line of defense

Many doctors support patients taking more responsibility for their own care, but warn that too much DIY without expert guidance could miss important health problems. Despite those concerns, more physicians are recommending that patients shoulder at least some additional work, because staff shortages and worker burnout mean that patients often face long wait times for appointments and overloaded care providers.

"I tell my patients, 'You are your first line of defense. The system can't take care of you,'" says Wendy Wright, a nurse practitioner who owns Wright & Associates Family Healthcare, two clinics in southern New Hampshire. Her wait list has grown to more

than 100 people.

"We can diagnose and treat you. But it might not be in a timely manner," she adds.

Dr. Wright, who has a DNP or doctor of nursing practice, now asks patients to monitor blood pressure with devices they can buy at the pharmacy or on Amazon. She asks them to send her the electrocardiograms from their smartwatches and reviews the data at the end of each day.

The real-time data reduces the need for in-office appointments and speeds up her diagnoses and referrals to specialists.

For her migraine patients, she recommends apps like Migraine Buddy that help patients share with Dr. Wright data such as headache frequency and duration, along with food consumed or weather changes.

Previously, migraine patients would have their medications reviewed or adjusted every two to three months in in-person ap-

pointments. Now Dr. Wright can adjust medications in two to four weeks. Patients input the data into their apps and she can review the data and make changes to their medication via a patient portal, without having to get on a phone call.

Another home test some doctors are recommending more often: A first-line screening for colon cancer that can reduce the need for a colonoscopy.

Some of the tests allow users to collect their own stool sample at home then ship it to a lab for analysis. Unlike a colonoscopy, they don't require fasting for hours before the procedure, taking time off work to visit the doctor or undergoing sedation. The test still requires a doctor's prescription and is recommended only for people at average risk of colon cancer; certain results may

warrant a follow-up traditional colonoscopy. Whether the colon-cancer screenings and other home tests, apps and devices are covered by insurance depends on the specific product and on an individual's insurance coverage.

Downsides, caveats

Self-testing and monitoring have downsides, and many doctors are wary. Smartwatches, rings and other digital devices that measure, say, heart activity and sleep cycles, can be helpful but aren't always accurate, doctors say. Neither are all diagnostic tests.

"I would caution against patients trying to interpret their own labs [lab results]," says Carl Andersen, medical director of executive health at Mayo Clinic in Rochester, Minn. Patients often see minor variances in the results and assume they're doomed, he says, or they see results they

think are normal "when actually in the context of their own health profile it's more concerning."

Patchwork testing and self-directed care can miss larger problems, says Natasha Bhuyan, a family physician and West Coast regional medical director for One Medical, a provider of digital and in-person primary care. She recalled a new patient who came to her a few years ago with a sore throat that wouldn't go away after consultation with a virtual doctor and antibiotics from an urgent-care clinic. It turned out that he had HIV, which she ordered testing for after taking his personal history.

Patients should take some greater role in their own care, says Shantanu Nundy, chief medical officer of digital healthcare firm Accolade Inc., which owns PlushCare, a virtual primary and mental-health care provider.

Practice in pandemic

"Healthcare is complex," he says. "But so is buying a car or a computer. Patients are smart." Pandemic scrambles for vaccine appointments and Covid-19 tests have given people practice finding their own care.

Dr. Nundy points his patients to apps he thinks would be helpful—for weight loss, meditation and getting a prescription refill without having to make office appointments. He wants them to know when they are due for routine tests, such as mammograms and colon-cancer screenings, without having to depend on doctors to tell them. He

coaches patients on where to go online to find the best price on prescriptions or order do-it-yourself lab tests.

One of those places is Everlywell, a pioneer in at-home health testing founded in 2015 by Julia Cheek, now chief executive of parent company Everly Health Inc.

Everlywell, based in Austin, Texas, now sells more than 30 tests for a range of conditions including Lyme disease (\$109), fertility (\$149), thyroid function (\$99) and vitamin D levels, HIV and cholesterol each at \$49

apiece. Ms. Cheek says orders for many of the test kits more than doubled in 2021 compared with the prior year; orders for the women's health-test category, which includes fertility, perimenopause and postmenopause testing, more than tripled.

"What the pandemic did was show that, hey, this is a model that actually works," she says.



Hotels Find New Ways to Be Hospitable

Continued from Page One sent a staffer with a company credit-card to Walmart to purchase two pads for their guests to chose. "We're so sorry, but due to the supply-chain shortages that we have, your other one is not here yet, will one of these work?" Mr. Gray remembered saying.

"And sure enough, they tried them, they picked one, we sent the other one back that they didn't like, and we made it happen," he said.

People are going back to hotels. But with supply chain shortages holding up goods and workers quitting, the industry is having to figure out new ways to be hospitable.

Hotels have been searching for mini-bottles of shampoo, towels and sheets, cleaning supplies, appliances and furniture—even plastic cups to use for serving frozen pina colodas and Champagne flutes for celebrations.

Some hotels are getting creative, such as attempting to extend the life of towels by placing single-use packs of facial wipes in rooms for makeup removal. Other managers have sent staffers to nearby big-box retailers such as Target or Bed Bath & Beyond for last-minute purchases of sheets and feather pillows.

Despite the record number of Covid-19 cases in the U.S., fueled by the Omicron variant, people have been flocking to beach resorts, ski



The Bellmore Inn & Spa in Delaware has coped with shortages.

lodges and other leisure destinations. Christmas Day hotel occupancy reached a record for that day at 47.2%, just above the previous one in 2015 of 47%, according to hotel analytics firm STR. Demand continued through the week leading into New Year's Day.

Meanwhile, a record high of 4.5 million people quit their jobs in November, according to a Bureau of Labor Statistics report this month, with the largest increase coming from accommodation and food services. In other cases, workers calling out sick from Covid infection or exposure have left hotel executives scrambling even further to keep operations going.

In a recent survey, about 86% of hotels reported that supply-chain

disruptions were having a moderate or significant impact on operations, according to the American Hotel & Lodging Association.

In Southern California, Inn at the Mission San Juan Capistrano had planned a New Year's Eve event for up to 275 people, including 75 for an outdoor gathering with a live band and an 8:30 p.m. dinner for 200 in its restaurant. Given the spread of the Omicron variant, general manager Pam Ryan said she decided to shrink the size of the gathering. The outside standing-room event was canceled, and dinner ended up as 100 guests spread out over the evening, which started earlier at 6:30 p.m. and with outdoor seating.

"It's about the money, but it's not

always, right?" Ms. Ryan said. "It's a balance around that, certainly in these times, and that's what we've all had to learn."

Ms. Ryan said she's had trouble tracking down items, from branded pens to outdoor furniture, an essential in the pandemic. She hasn't been able to buy black towels for guests to remove makeup, which keep white towels from being stained. So she has placed single-use packs of disposable towelettes into bathrooms as a suggested alternative.

On the beaches of Fort Myers, Fla., the Lani Kai Island Resort, which offers eight bars to hotel guests and beachgoers, nearly ran out of plastic cups to serve up frozen pina colodas and rumrunners last year, said the resort's marketing director, Melissa Schneider. The hotel found a different cup that was available, and the drinks kept flowing.

In the ski haven of Jackson, Wyo., business at the Wort Hotel exceeded pre-pandemic levels over the holidays, even as staff was down 15% to 20%, according to Jim Waldrop, president and general manager of Silver Dollar Inc., which owns the hotel. Mr. Waldrop said he has focused on being supportive of the staff, both financially and emotionally, as they are asked to do more with less.

"We may not have three bellmen at the door, it may take a lit-

tle longer to get your room service, but most travelers have accepted this, at least for the time being," Mr. Waldrop said. Now, there is one bell-person, if everyone is healthy, he said.

In Rehoboth Beach, Del., Mr. Gray said he vacuuumed, drove a shuttle bus for guests and did other tasks during the busy summer season last year to pitch in. The hotel had relied on foreign college students to fill jobs during the summer, but travel restrictions prevented most from arriving last year, leaving the property short-staffed by about 50%. In the offseason, Mr. Gray said the hotel is down by only about five positions, but he's still searching for many items, including customized Champagne flutes that used to arrive in two weeks. He's now told he'll be lucky to get them by May.



PERSONAL JOURNAL.

Better Workouts Include Brain As Well as Body

By ELLEN GAMERMAN

Need help pushing yourself out the door for a run? Swish some Gatorade and spit it out in the sink. That is one taste of the unconventional advice in the year's new fitness books, which zero in on the brain's role in exercise and ways that movement can improve cognitive function and mental health. Several books explore not only how movement affects the brain, but also how the brain affects movement, offering ideas about mindfulness during workouts or tricks to short-circuit the brain's barriers to exercise. (The Gatorade swish, one book theorizes, misleads the brain into thinking the system is getting a jolt of energy from a sugary beverage, even if it isn't.)

'We can use our bodies as a tool to affect the way we think and feel, like a hotline to the mind.'

"We forget that the body is attached to the brain," says Caroline Williams, author of the just-released "Move: How the New Science of Body Movement Can Set Your Mind Free." "We can use our bodies as a tool to affect the way we think and feel, like a hotline to the mind."

In her new book "52 Ways to Walk: The Surprising Science of Walking for Wellness and Joy, One Week at a Time," Annabel Streets tackles the boredom that might creep into a well-worn fitness routine. Offbeat tips to keep things interesting include walking backward for a bit or inverting your head to see the world upside

down. To protect brain health, she cites a study calling for four minutes of brisk walking, then three minutes of easy walking throughout a longer walk. Ms. Streets adds in galloping, dancing or skipping to keep it fresh.

Her thesis: Movement is medicine. "A 12-minute walk alters 522 metabolites in our blood—molecules that affect the beating of our heart, the breath in our lungs, the neurons in our brain," she writes in the book out next month. "Oxygen rushes through us, affecting...our memory, creativity, mood, our capacity to think."

Many of these books already were under way as a mental-health crisis emerged alongside the pandemic. As these writers worked, they looked at ways for the body to address anxiety and depression. The authors believe there is an eager audience for this message, noting that Covid-19 has prompted millions to rethink their routines, including exercise habits.

"I want people to dust off their connection to their bodies so they can hear what their body wants and needs," says Dr. Ellen Vora, a psychiatrist. In her new book "The Anatomy of Anxiety: Understanding and Overcoming the Body's Fear Response," out in March, she argues that physical activity is ignored by experts who are too focused on mental-health from the neck up. "It's the low-hanging fruit," she says. "Brain chemistry, thoughts, behaviors might take years to address on the couch."

Jennifer Heisz examines the neuroscience of exercise in "Move the Body, Heal the Mind: Overcome Anxiety, Depression, and Dementia and Improve Focus, Creativity, and Sleep," slated for



release on March 8. She offers ways for redirecting the mind when it resists movement. One tip: Play music before a workout, which she says floods the brain with dopamine, the feel-good hormone that can make movement feel less effortful.

Dr. Heisz served as her own guinea pig, going from a sedentary academic to a triathlete, a transformation featured in the book (which ends with her completing a solo Ironman when the event was canceled because of the pandemic).

One of her more intriguing tricks involves swishing a sugary drink in her mouth without swallowing—even maple syrup would work, the Canadian researcher suggests, just not a sugar substitute. The act triggers the brain, which naturally wants to preserve energy for survival, into releasing dopamine to help jump-start exercise based on the false promise of

sugar, she explains.

"The brain is always working against you to not expend energy, but we can override it," says Dr. Heisz, who studies the effect of exercise on brain health as director of the NeuroFit Lab at McMaster University in Hamilton, Ontario.

In her new book "Make Every Move a Meditation: Mindful Movement for Mental Health, Well-Being, and Insight," out in August, Nita Sweeney argues that pickleball or a Zumba class can be turned into a powerful meditative practice whose benefits spill into other areas of life. Focusing the mind on a single thought, object or sensation during exercise can help bring clarity and peace of mind, she says.

"For running, I often use my left foot," she says. "I'm not sure why, but the sensation of my left foot hitting the ground is noticeable to me." She encourages people to use "a teensy bit of will-

power" to keep focusing on a single object when they exercise and bring their mind back when it wanders.

Dr. Robin Berzin, a functional-medicine physician, fills her prescription pad with directions for patients to exercise. In "State Change: End Anxiety, Beat Burnout, and Ignite a New Baseline of Energy and Flow," which will be released next week, she lays out a starter kit for readers using movement for mental health, a six-day weekly regimen of cardio, strength training and more meditative practices like yoga and tai chi.

The author, founder of the national holistic medical practice Parsley Health, outlines reasons why exercise is mandatory for those seeking mood stability and better mental health. She offers all manner of research-backed motivations, as well as the kind of tough love that requires no explanation. "Just do it," she writes, "now."

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YOUR HEALTH
SUMATHI REDDY

The Nose Or Throat? Swabbing Is Debated

A growing debate surrounds whether people should swab their throats.

Most people in the U.S. have been doing Covid-19 rapid tests with nasal swabs. That is what the Food and Drug Administration endorses and what rapid tests sold in the U.S. instruct.

But some scientists say a throat swab may be more effective at detecting Omicron. Some are calling on the FDA and test manufacturers to better study throat swabs, saying that the reliance on nasal swabs may be one reason why rapid tests seem to be less sensitive in detecting Omicron than previous variants.

Many consumers also are agitating, sometimes after finding that a throat swab yielded a positive test result when a nasal swab didn't. On social media, the #swabyourthroat hashtag is gaining popularity. Some people are swabbing both their nose and throat in hopes of increasing their chances of getting an accurate result.

The FDA warns that rapid antigen tests should be used in the nose as instructed, last week taking to social media to plead: "Please don't go sticking that #COVID19 testing swab down your throat. Use swabs as instructed: via the nose."

The FDA said it doesn't have any data to indicate that

throat swabs are an accurate or appropriate way to do home tests. The agency is also concerned that people might hurt themselves doing a throat swab because it's more complicated than a nose swab.

A spokesman for Abbott Laboratories, which makes the BinaxNow at-home rapid tests, said, "We continue to monitor and evaluate. Our test is currently indicated for nasal use only."

Throat swabbing isn't totally out of left field. The U.K. government has a how-to video showing people how to do a combination throat-nasal swab. Israel is also endorsing the throat-nose swabbing technique for rapid antigen tests. On Monday, its health ministry recommended that when people conduct antigen tests at home they

Don Milton, a professor of environmental and occupational health at the University of Maryland School of Public Health, whose lab's research has demonstrated that saliva tests may detect Covid-19 before nasal swabs do, says waiting for federal authorities to endorse the approach may risk missing infections. Dr. Milton says he thinks doing rapid tests in the throat makes sense but says more data is needed from the FDA and test manufacturers.

Other Covid variants also can show up earlier in saliva than in nasal swabs, he says. But with Omicron, the infection evolves so quickly that there is a greater imperative to catch it early to minimize the risk of transmission, he adds.



On social media, the #swabyourthroat hashtag is gaining popularity.

should first swab the back of the mouth and then a nostril.

"There's enough evidence that we should really try this swabbing technique like the U.K. is doing," says Katelyn Jetelina, an assistant professor of epidemiology at the University of Texas Health Science Center at Houston.

Research has suggested that the Omicron variant can be detected in saliva before it can be detected in the nose. Scientists theorize that the variant is replicating first and fastest in the throat; sore throats are a common first symptom for people infected with Omicron.

The potential downside of a throat swab, Dr. Milton notes, is that the approach may yield more false positives—telling people they are infected when they aren't.

"There's a known risk of false negatives with nasal swabs and an unknown risk of false positives with throat swabs. For now you need to decide for yourself which is a greater risk for you," says Dr. Milton.

Rapid antigen tests have very low false positive rates because the FDA requires that such tests have a 98% specificity, or 2% false-positive rate.

ARTS IN REVIEW



Isla Fisher, left, Josh Gad and Ms. Fisher, below left, and Ariel Donoghue, below right, in 'Wolf Like Me'

TELEVISION REVIEW | JOHN ANDERSON

Their Romance Starts With a Big Bang

Reviewers are often asked to avoid spoilers, aka plot points, plot twists and anything that might remotely disturb the experience of whatever masterwork is under consideration. Sometimes, the admonishments are at the level of “Don’t tell ‘em the boat sinks” in “Titanic.” But with “Wolf Like Me,” the impulse is to forge ahead and not reveal anything. The six-episode series is so charming, disarming and odd it’s almost a work of magic. And, as with any magic trick, the delight depends on not knowing how it’s going to work.

At the same time, what will viewers possibly think they’re in for with a show titled “Wolf Like Me”? It’s hard to imagine (especially with the echo of “Black Like Me”), but the sleight of hand begins with a literal bang: one car T-boning the other at an intersection in Adelaide, Australia, onlookers gasping amid a shower of glass and a shriek of metal. The drivers—Gary (Josh Gad) and Mary (Isla Fisher)—are miraculously unhurt, as is Gary’s 11-year-old passenger, his daughter, Emma (the wonderful Ariel Donoghue), whom we have already learned is prone to panic attacks and depression after the death of her mother. Flipping through the air several times after a potentially lethal collision hardly seems like the treatment she needs. But to Gary’s surprise, and



ours, Mary has the girl calm and smiling in no time. The Emma-Mary rapport is immediate. The Gary-Mary chemistry takes a few moments to develop. But the machinery of an extreme brand of rom-com seems to have been set in motion.

Love stories always have conflicts and, being a three-way love story, “Wolf Like Me” has an abundance. But they’re not about Emma’s objections to Gary dating—she cheers on the relation-

ship with Mary. They’re not about Gary’s inability to make an emotional connection—he and Mary click like a set of castanets. They’re not about Emma’s depression, which seems to evaporate when Mary’s around. No, any other obstacle to happiness is eclipsed by Mary’s big secret, which is kind of a howl, actually, but has dogged her all the way to Australia. That she and Gary are both recent arrivals there is seen as kismet, in a series with no shortage of other-



worldly coincidences.

Without actors as gifted and likable as Mr. Gad and Ms. Fisher, it’s difficult to see how “Wolf Like Me”—created, written and directed by Abe Forsythe (“Little Monsters”)—would have been much more than ludicrous fun, if that. They give it depth. So does the music by Piers Burbrook de Vere, which provides just enough weight to imply that the story we’re entering isn’t going to be all flowers and merriment; small animals will

be involved, as will the very matter-of-fact manner by which the central problem of the series is treated. (“It’s hard to get a goat in without the neighbors noticing,” Mary says of her house, as if all is perfectly normal.) The show proves to be a charmed match of writer and performers. Ms. Fisher can be dryly hilarious and is given abundant opportunity by Mr. Forsythe’s dialogue. Mr. Gad has to make Gary incredulous, infuriated, flummoxed and caring about both Mary and Emma. But he’s also often quite funny saying nothing.

With the exception of Mr. Gad, “Wolf Like Me” is an almost entirely Australian show—Ms. Fisher isn’t playing an Aussie, but she is one—and the setting and people aid and abet the story. It’s a place, after all, where people have long gone to be transformed, where there are the kind of vast spaces where one can bay at the open sky. Where expectations can be eviscerated. Where the wild is only a few miles, or half a bed, away at all times, something that makes Mr. Gad’s American all the more anxious in a show that begins, as all comedies should, with a quote from Groucho Marx. “Blessed are the cracked, for they shall let in the light.” Moonlight, as it happens.

Wolf Like Me
Thursday, Peacock

APPRECIATION

Sabine Weiss: She Made Paris Palpable

By WILLIAM MEYERS

Among all the enormously talented photographers with whom she is associated—Robert Doisneau, Willy Ronis, Brassai, Édouard Boubat, the “humanists,” who celebrated everyday moments of ordinary people—it is Sabine Weiss whose pictures make me nostalgic for post-World War II Paris. I was not there, but Weiss’s Paris is the most plausible, the one most easy to imagine inhabiting, and her affection for all those living in her adopted city is palpable. She was born Sabine Weber in Saint-Gingolph, Switzerland, in 1924 and died Dec. 28, 2021, age 97, in the apartment on Boulevard Murat in the 16th arrondissement that she and her husband, American artist Hugh Weiss, first moved into in 1950.

Weiss was a successful professional photographer and prided herself on her professionalism. She took fashion, editorial, travel and news photos for Vogue, Time and many, many other magazines; her portraits are a catalog of the important European artists, entertainers and cultural figures of midcentury. In 2017, when she donated her archive to the Musée de l’Élysée in Lausanne, Switzerland, it contained 200,000 negatives.



But she considered herself an “artisan,” not an “artist,” and her work, although well known, was underappreciated. New York gallery owner Howard Greenberg had talks with her in the 1980s and ‘90s, but never represented her because, he says, “she was overshadowed by the other French ‘humanists.’” In retrospect, he adds: “She had a tough side for sure. I believe this is a quality that many career 20th-century female photographers had to have in order to do their work and survive by it. In her case, I had the feeling this tough survival instinct may have contributed to her living as long as she did. I was never surprised that she kept going.”

That overshadowing changed over the past few decades when there has been a resurgence of interest in her work as well as several major exhibitions and books. Much of the newfound appreciation is for her personal work, and much of the personal work was taken at night when, after a long day attending to her assignments, she walked the Paris streets with her husband. “Paris Bus Stop” (1958) is one such picture, three silhouetted figures in a snow-covered kiosk in a snowy field lighted by lampposts. Two couples smooch on a park bench in “Couples



Photographer Sabine Weiss, left, and her ‘Giacometti’ (1954), above

Amoureux, Place République” (1955) with nighttime traffic visible behind them. “L’homme qui court, Paris” (1953), a man running down a dark cobblestone street toward a distant light source that casts his shadow a long way behind him, is deservedly renowned.

Weiss talked about “natural light as a source of emotion,” and she was adept at using it. In “Jardin du Luxembourg, Paris” (1956) the child leaping for his balloon is made more prominent by being backlit. Sculptor

Alberto Giacometti, a fellow émigré from Switzerland, had his studio across the street from hers; the light pouring in from a window gives her 1954 portrait of him and his working clutter authenticity. The face of the woman in “Marchande de frites, Paris” (1946-48) is outlined in light.

Alice Zimet, a photography collector, educator and adviser, who was with Weiss in November at this year’s Paris Photo art fair, talked to me about her. “As a person, her photography was who she was; she was

a good person, she was a humanist, she was the last living member of the French humanist movement.” When we got to specifics Ms. Zimet said, “What she was known for was kids on the street, everyday kids.” I asked her how she would compare Weiss’s pictures of street children with those of American photographer Helen Levitt. “Helen Levitt observed what was happening; Sabine Weiss lived what was happening. I think Sabine was more of an active player. You felt like she was part of the kids having fun on the street.” One slightly loopy example is “Children in a tree, Paris” (1951), which shows three boys clinging to the branches of a skinny tree while a fourth puts part of a metal bed frame against its trunk. In “Garçon sur Planchette à Roulettes” (1952) four boys are going downhill on a cockamamie device, a board with three sets of tiny wheels, while a fifth runs in the street alongside them. My personal favorite is “Petite Gitane et Manitas de Plata, Saint-Maries-de-la-Mer” (1960), a young Romani girl, maybe 9 or 10, dancing at the annual Roma encampment in the south of France. She is seen in left profile wearing a white dress, her left arm akimbo, and her right arm raised and out before her. Behind her sits a row of men playing guitars and behind them an audience of men, women and children. The extraordinary thing that Sabine Weiss captured was the girl’s poise, her intense concentration as she dances before her people, the sense of her intentionality. And the charm.

The 200,000 negatives in Lausanne contain material not even hinted at here. The death of Sabine Weiss was the end of an era.

Mr. Meyers writes on photography for the Journal. See his photographs on Instagram at @williammeyersphotography.

SPORTS

By LAINE HIGGINS

Georgia didn't play a single game in which it wasn't the favorite during the 2021 season. And yet its quarterback, Stetson Bennett IV, didn't play a single game in which he wasn't an underdog—none more important than Monday night's College Football Championship rematch against Alabama.

Bennett was a walk-on who never saw his relegation to the lower rungs of the depth chart as the final verdict on his potential. Four years ago, he bet on himself by leaving Georgia—his dream school—for a junior-college gig, where he put up statistics that might earn him an athletic scholarship. He later returned to Georgia, swapping out his smartphone for a flip phone to block out the noise as he jockeyed for playing time against five-star recruits.

And yet more often than not during this championship season, Georgia's title-hungry fans pointed to him as the Bulldogs' weak link.

But on Monday night, Bennett was also the player who delivered a championship to Georgia fans after 41 years of waiting. And so five years after it first began, the improbable legend of Stetson Bennett IV ended with the quarterback hosting a glittering football obelisk above his head, tears streaming down his cheeks.

The waterworks broke forth for Bennett well before the confetti started falling at Lucas Oil Stadium in Indianapolis. With a minute left in regulation and Alabama trailing by eight points, the Crimson Tide's Heisman Trophy-winning quarterback Bryce Young got the ball back with a chance to orchestrate a heroic tie. Once Alabama crossed midfield, Young launched a deep shot downfield that landed squarely in the hands of Georgia cornerback Kelee Ringo, who ran the football back for 79 yards and a touchdown that sealed the game.

"I didn't even see him score the touchdown. I just saw him catch the pick," Bennett recalled on Tuesday morning. "I can't see. I'm not that tall."

He was also too busy wiping away tears and hugging every teammate in sight on the sidelines to look to the end zone. "I hadn't cried in, I don't know, years, but that just came over me," Bennett said after the game. On Tuesday he added, "I tried not to put, you know, the Bulldog Nation on my shoulders because I can't carry that weight. But when Kelee caught that pick...it just lifted off my shoulders."

The tears weren't just because of the Bulldogs' tortured history with Alabama, a team that had beaten them seven times in a row. Nor were they about the weighty expectations of being the team anointed as best in the nation as soon as Week 2 of the season.

The tears were also about silencing critics—himself among them—who never seemed to believe that a former walk-on had a strong enough arm or a high enough football I.Q. to lead a team in the beastly Southeastern Conference to



On Monday night, Stetson Bennett IV was the quarterback who delivered a national championship to Georgia fans after 41 years of waiting.

The Underdog Quarterback Who Made Georgia's Title Run

Stetson Bennett IV, a former walk-on, capped his college career with a critic-silencing performance

a winning season, let alone a title.

As a walk-on, Bennett started his time in Athens on an academic scholarship, thanks to the strength of his SAT scores, with admittedly "zero shot" of playing. He didn't attract notice from the coaching staff until bowl game practices while impersonating Oklahoma's shifty quarterback for the scout team ahead of Georgia's date with the Sooners in the 2018 Rose Bowl.

"Five years ago he was delivering passes like Baker Mayfield against the scout team," Georgia coach Kirby Smart recalled on Monday night. "There's a lot of guys that saw him on that scout team make plays with his feet, his arm whip and decision making, and we were very impressed."

Bennett didn't play a lick that night, or in Georgia's eventual overtime loss to Alabama in the national championship. He transferred to Jones Junior College in Mississippi to get playing time and prove that he was worthy of an athletic scholarship. His gamble worked, even if he returned to a familiar spot backing up five-star prospects Jake Fromm and Justin Fields.

Fields left for greener pastures

at Ohio State after the 2018 season and Smart recruited more hotshot passers who jumped ahead of Bennett on the depth chart. Yet Bennett was always there to bail them out. He was a starter of last resort in four games during the 2020 season, then was promptly replaced by J.T. Daniels in October once the

As a walk-on, Bennett started his time in Athens on an academic scholarship.

highly ranked transfer from Southern California got up to speed with the Bulldogs' playbook.

Bennett had a fair shot to win back the starting gig in the offseason as the rare 23-year-old SEC quarterback—older than the top four passers selected in the 2021 NFL draft. Despite his experience, the Georgia faithful concluded the job was Daniels's to lose. That much was clear from how many local businesses that were salivating over the opportunity to sign an en-

dorsement deal with Daniels.

Bennett, on the other hand, announced he would donate most of his earnings from name, image and likeness to charity. He also decided to get rid of the distractions that came with it in an all-or-nothing bid for greatness.

"I thought, 'Let's try not to let anything get in the way of that focus and just go get a flip phone,'" he explained of his decision.

Daniels got the nod to start in the season opener against Clemson and Bennett did not attempt a pass until Week 2, when Georgia's coaches concluded that it was better to rest Daniels and let the backups bully the University of Alabama at Birmingham. And what a beat-down it was: of Bennett's 10 passes that Saturday, five were touchdowns. He played well enough to be benched by halftime.

Yet Smart wasn't ready to rule out Daniels, who started the Bulldogs' next two games against South Carolina and Vanderbilt. It would take another injury, this time to Daniels's core muscles, for Bennett to regain the starting role again. This time, he never gave it up.

"Sometimes opportunity leads to things that end up going in your di-

rection," explained offensive coordinator Todd Monken last month. "We've tried to elevate guys that have talent on our roster, and we do that at every position, and some guys just combat that and fight and scratch and continue to play well and try to prove you wrong. That's what Stetson Bennett did."

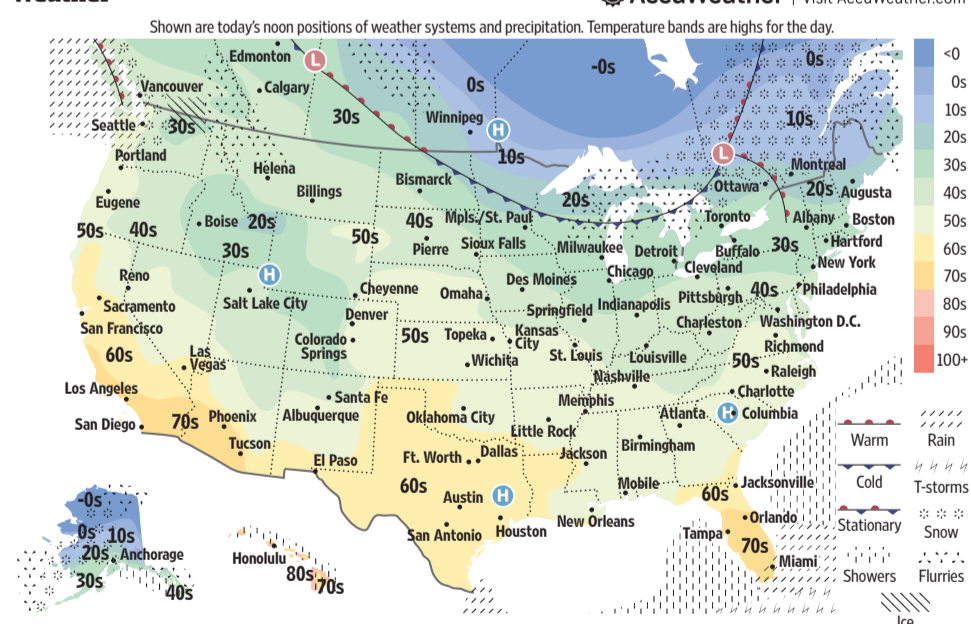
Bennett finished the year with 29 touchdowns against seven interceptions, having completed 64.6% of his 287 attempts.

As the 2021 season stretched on, Bennett grew more comfortable with improvising when plays broke down, learned to trust his speed and shake off adversity. That much was clear on Monday night in how Bennett responded after his fumble early in the fourth quarter erased Georgia's lead and seemed to shift momentum to Alabama.

"Once I fumbled the ball I was not going to be the reason we lost this game," Bennett said. "It's the thing that Coach Smart and the whole team has been preaching all year: resiliency, toughness."

He charged down the field with two touchdown drives. A few minutes later on the sidelines, his tear duct spigots turned on and the rest is history.

Weather



U.S. Forecasts

s...sunny; pc...partly cloudy; c...cloudy; sh...showers; t...tstorms; r...rain; sf...snow flurries; sn...snow; l...ice

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Anchorage	37	25	pc	37	30	sf
Atlanta	53	36	s	56	35	pc
Austin	63	37	s	72	37	s
Baltimore	44	30	pc	47	33	c
Boise	38	23	pc	37	25	pc
Boston	38	29	pc	40	28	c
Burlington	29	25	c	35	16	c
Charlotte	52	31	pc	55	36	pc
Chicago	38	28	c	36	25	sf
Cleveland	40	32	pc	35	24	sf
Dallas	63	38	s	68	41	s
Denver	54	33	pc	56	32	pc
Detroit	37	27	c	33	20	sf
Honolulu	80	67	sh	79	68	pc
Houston	61	44	pc	71	44	s
Indianapolis	43	27	pc	39	25	sf
Kansas City	52	32	s	51	29	pc
Las Vegas	65	45	s	63	49	pc
Little Rock	58	37	s	59	37	pc
Los Angeles	77	57	s	71	59	pc
Miami	73	64	pc	73	57	r
Milwaukee	37	27	sf	33	25	sf
Minneapolis	32	22	sf	28	17	c
Nashville	54	36	pc	50	34	pc
New Orleans	57	43	s	65	47	s
New York City	39	32	pc	41	33	c
Oklahoma City	59	34	s	61	37	s

International

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Amsterdam	46	39	pc	48	39	pc
Athens	47	38	sh	45	36	s
Baghdad	72	55	s	73	52	pc
Bangkok	91	74	s	92	73	pc
Beijing	39	18	pc	38	11	s
Berlin	37	34	c	44	38	c
Brussels	42	32	c	42	34	pc
Buenos Aires	84	75	s	92	79	s
Dubai	75	62	s	76	63	s
Dublin	47	36	pc	46	35	pc
Edinburgh	49	42	c	48	40	pc

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Frankfurt	38	30	c	39	30	pc
Geneva	38	28	pc	40	28	s
Havana	79	62	pc	77	61	pc
Hong Kong	66	61	pc	68	61	s
Istanbul	41	33	r	37	31	c
Jakarta	85	75	t	85	75	t
Jerusalem	57	44	c	55	42	pc
Johannesburg	74	61	t	76	61	r
London	45	34	s	44	35	pc
Madrid	54	27	s	50	26	s
Manila	85	74	pc	85	74	c
Melbourne	83	65	pc	88	67	c
Mexico City	69	43	pc	68	43	s
Milan	40	24	pc	38	25	s
Moscow	9	-3	c	16	15	sn
Mumbai	80	67	s	80	68	s
Paris	41	33	c	42	30	s
Rio de Janeiro	83	76	t	84	77	t
Riyadh	79	57	s	81	60	s
Rome	53	34	pc	52	32	s
San Juan	83	71	pc	84	72	pc
Seoul	29	14	pc	27	11	s
Shanghai	47	35	s	43	29	pc
Singapore	87	75	pc	87	75	c
Sydney	78	69	c	77	69	pc
Taipei City	61	57	c	64	55	c
Tokyo	47	37	s	50	37	pc
Toronto	35	25	c	32	10	c
Vancouver	49	42	r	46	36	pc
Warsaw	28	26	pc	38	37	c
Zurich	36	26	pc	40	27	s

The WSJ Daily Crossword | Edited by Mike Shenk

1	2	3	4	5	6	7	8	9	10	11	12	13
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70							71				72	

- 68 Quartet voice
- 69 River through Kazakhstan
- 70 Look of disdain
- 71 Persian greeting
- 72 Daly of "Judging Amy"
- 27 Patisserie employee
- 28 Pat on the back?
- 31 Winged archer
- 32 Frees of coarseness
- 36 Trade
- 38 Jamboree shelter
- 39 Implore
- 40 Proton's place
- 41 Characteristics
- 42 Like some tans
- 43 "Absolutely right, unfortunately"
- 45 Feed holder
- 46 "The Simpsons" character Hans
- 47 Skyline sight
- 49 Punk cousin
- 51 Whig's rival
- 54 Bygone airline
- 56 Edited some more
- 59 In fine fettle
- 60 Golden Rule preposition
- 63 Beehive State native
- 64 Ukr., once
- 66 Today

PENDING ACTION | By Gary Larson

- 23 Vardon Trophy org.
- 24 Presents itself
- 26 Mogul?
- 29 Sloth, e.g.
- 30 Flock faction
- 33 Legends on lots
- 34 Dress (up)
- 35 Bloom with a beard
- 37 Remove
- 38 Gravitational pull surrounding a black hole?
- 41 Member of the daisy family
- 44 ASAP, medically-speaking
- 45 Baseball VIPs
- 48 Mooch
- 50 Particular place
- 52 Balderdash
- 53 Substitute tennis instructor?
- 55 Coach's concern
- 57 Wolf down
- 58 It's between Kauai and Molokai
- 61 Zellweger of "Bridget Jones's Diary"
- 62 Singer Miley
- 65 Summer pasture bivouac for goatherds?
- 67 Track tipsters

► Solve this puzzle online and discuss it at [WSJ.com/Puzzles](https://www.wsj.com/puzzles).

Previous Puzzle's Solution

S	O	C	A	G	O	J	J	R	I	G			
L	U	T	E	L	L	U	S	E	A	N	O		
U	T	T	E	R	E	S	T	A	M	C	T	A	
D	R	I	T	O	A	I	S	T	L	E	T	S	
G	U	N	T	E	R	M	A	S	O	N	A	T	T
E	N	T	E	R	W	E	B	B	R	O	A	R	
A	R	I	D	T	O	O	A	T	T	A			
P	O	T	M	O	R	S	E	L	S	H	E	Y	
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F	E	Z	R	A	Y	R	O	O	S	T	E	R	
F	R	I	E	R	A	A	R	T	O	R	E		
S	A	P	A	T	M	S	E	A	M	O			

OPINION

Court's Supreme Covid Confusion



BUSINESS WORLD
By William W. Jenkins, Jr.

While not as awful as some said, the Supreme Court's performance during oral arguments over the Biden vaccine mandate for private workplaces was hardly the Court's finest hour. Half way around the world, Australia's big national newspaper took notice with the headline, "Top US judges slip up on facts of pandemic."

Some slams were unfair. Justice Gorsuch didn't say hundreds of thousands people die of the flu every year, but hundreds, thousands. Justice Breyer merely misspoke when he said 750 million Americans were testing positive each day. Justice Sotomayor didn't quite slur unvaccinated Americans as "virus spewing machines."

But the discussion was bad enough, confused by 24 months of incoherent government messaging about Covid. Justice Breyer declared it "unbelievable that it could be in the public interest to suddenly stop these vaccinations," as if he imagined the Biden mandate had already taken effect and was playing an important role in the vaccinating of America. Not true. A large majority of the U.S. population has already been vaccinated; the mandate targets only 25% of the population, the private workforce,

most of whom have already received the shot voluntarily or at their employer's behest. At least half have also likely been infected and acquired natural immunity. And given an average age of 42, this sub-population hardly represents a bullseye on the lingering unvaccinated older cohort most likely to end up in the hospital.

In other words, the Biden workplace mandate, even if approved, is destined to have a negligible, almost invisible, impact on either vaccination rates or the unfolding of the pandemic.

On the latter point, the well-advertised blunder of Justice Kagan, her statement that vaccination was the "best way to prevent spread," suggested she hadn't heard of Delta or Omicron, both of which the vaccinated can transmit. This alone guts the incoherent argument for re-quiring workers in private workplaces to be vaccinated so private workplaces can be safe for unvaccinated workers.

The worst moment was Justice Sotomayor's claim that Omicron was filling up the hospitals with kids, "many on ventilators." The Washington Post awarded her four Pinocchios, adding censoriously, "It's important for Supreme Court justices to make rulings based on correct data."

The last bit was perhaps unfair. Ms. Sotomayor wasn't offering legal reasoning but a "think of the children" soundbite to comfort liberals even as the administration's

workplace mandate likely doesn't stand a snowball's chance when the Court eventually rules.

When we have exhausted every other Covid mystery, we will get to the real mystery: Why was it necessary for so long to pretend Covid can be defeated and eradicated? Poor liberals on the court, they fell last week into a warp of bad political timing.

The liberal justices are as dizzy as the rest of us from the political spin.

The administration for which they feel such solicitude is engaged in a painfully deliberate waltz, with more trial balloons than you can count, as the president tries to finesse his way to acknowledging a truth that every American already knows in his or her bones.

As this newspaper's headline put it last Thursday, "Biden, in Shift, Prepares Americans to See Covid-19 as Part of Life," though as of Tuesday the water-testing still had not resulted in said shift. Instead, Team Biden ran off to Georgia to insist, at whatever cost to future peace and domestic tranquility, that the American voting booth is besieged by white supremacists. The only salvation is a convenient wish list of Democratic voting "reforms" unlikely to pass the

Senate except by finagling the rules in a way that will have the opposite effect of establishing more public confidence in our elections.

In Mr. Biden, we are not seeing one of our more Lincoln-esque presidents, we are seeing one whose approach to Covid and most other things is roughly similar to his approach to law school: almost get kicked out for plagiarism, finish near the bottom of his class, then pretend he finished at the top.

Understand: The change that is looming is not a change in mere policy, with actual consequences for the public, but a change in the administration's all-important, self-interested political messaging. And it will be painful for Mr. Biden. The administration will have to give up its fondest hope and only battle plan. "Biden defeats Covid" is not a headline it will be seeing to justify his presidency in time for either the 2022 or 2024 elections.

In the first weeks, I mistakenly suggested the new president faced a "heavy lift" in preparing Americans for Covid remaining a health threat for decades to come. The heavy lift he faces is different. It consists of shifting the federal healthcare establishment, including Dr. Fauci, to a new, more candid tune without prompting a flurry of headlines saying Mr. Biden, who promised to defeat the virus, has instead been defeated by it.

BOOKSHELF | By Sara Wheeler

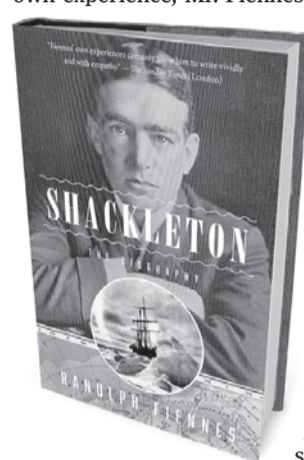
Hero On Ice

Shackleton

By Ranulph Fiennes
(Pegasus, 404 pages, \$32)

The so-called Heroic Age of Antarctic exploration ran from the 1890s to the early 1920s. Its stars still burn brightly—perhaps especially so in our own gruesomely unheroic times—with Ernest Shackleton considered by many to be the brightest star of them all. Admired for his courage, leadership and grace under pressure, he was called The Boss by his colleagues. In lower latitudes, he drank and dallied and made mistakes like the rest of us: That, of course, is why we love him. This year marks the centenary of his death.

Ranulph Fiennes is arguably the world's greatest living extreme adventurer. His many expeditions include the 1979 Trans Globe, during which his team became the first to circumnavigate the planet via both poles. Drawing on his own experience, Mr. Fiennes offers a rare perspective in



"Shackleton: The Biography." As he reminds us, "no previous Shackleton biographer has man-hauled a heavy sledge load through the great crevasse fields of the Beardmore Glacier, explored undiscovered icefields or walked a thousand miles on poisoned feet, hundreds of miles away from civilization."

Shackleton was born in Kilkea, Ireland, in 1874. His family moved to England when he was 10; six years later, he joined the merchant navy. This set him apart from the rigid

and deeply prejudiced British establishment, as exemplified by the Royal Geographical Society, whose walrus-whiskered denizens preferred fellows from the Royal Navy.

Mr. Fiennes's book focuses, naturally enough, on the expeditions. First, on the Discovery expedition of 1901-04, from which Robert Falcon Scott sent Shackleton home early, on a relief ship, after a 93-day, 960-mile Antarctic march. Scott had deemed the Irishman unfit and later called him an invalid.

Next, Shackleton took on his first role as leader, on the 1907-09 Nimrod expedition. This time he came within 97 nautical miles of the South Pole, but, with food supplies dwindling and his crew's lives at stake, he was forced to turn back. Mr. Fiennes considers the decision one of the explorer's greatest. Upon his return, Shackleton was knighted by Edward VII, and "his face appeared in almost every newspaper."

Then came the Imperial Trans-Antarctic Expedition, the first attempt at a land crossing of the continent, a march of some 1,800 miles. The team set sail on the *Endurance* in 1914 as World War I broke out; when the 40-year-old Shackleton offered his ship and crew to the War Office, First Lord of the Admiralty Winston Churchill replied with a one-word cable: "Proceed."

As the *Endurance* approached Antarctica, ice closed in around its hull, trapping and then crushing the ship. To seek help, Shackleton embarked on a mission that involved an 800-mile voyage across the uncharted Southern Ocean in a lifeboat caulked with seal blood. Mr. Fiennes calls it "a masterclass in disaster management." The scene when the blubber-blackened Boss reaches a South Georgia whaling station and says quietly to its manager, "My name is Shackleton," rivals anything Hollywood could confect.

Stranded in Antarctica, his ship crushed by ice, the explorer got help by traversing 800 miles of uncharted ocean in a boat caulked with seal blood.

Of the inner man the reader learns little, except refrains about dreams of fame and discontent with domesticity. Mr. Fiennes repeatedly praises the quiet heroism of Shackleton's wife, Emily, who married him in 1904 and raised three children in his absence. Between expeditions, he jumped from one failed business venture to the next, stood unsuccessfully for Parliament and lectured around the world. President Taft hosted him in the White House in 1910. He gave generously to charitable causes despite mounting debts because, according to the author, he "wanted to be loved."

Shackleton irresponsibly ignored his health problems, concerns over which ring like a knell throughout these pages. He died of heart failure in 1922, at the age of 47, more than 1,000 miles off the tip of South America in South Georgia. At the time he was aboard the *Quest*, its decks lashed with provisions for one last haul.

Mr. Fiennes hasn't discovered fresh material, but he brings the promised perspective of one who has been there, illuminating Shackleton's actions by comparing them with his own. On the vital issue of transport in the south—ponies, dogs, motor vehicles or plain old manhandling?—the author talks of the times when he himself had to "weigh up the pros and cons." He writes of the grinding search for sponsors. Among the images from the archives, he includes photographs of himself on the polar trail.

The author reveres his subject, but this is no hagiography. Mr. Fiennes acknowledges that Shackleton is "a man of many faults." The prose style is clear, notwithstanding a proliferation of clichés that slow an otherwise brisk narrative. Anachronistic language at times strikes the wrong tone. There are no notes on sources.

Like Mr. Fiennes's 2003 biography of Scott, this book should be read on its own terms. Beyond a few sentences about the horrors of World War I cutting public appetite for polar heroics, it doesn't tackle historical context or the complexities of Anglo-Irish identity. For that, and for depth of psychological analysis, readers should consult Roland Huntford's superb "Shackleton" (1986).

I was in the 33-by-19-foot Nimrod expedition hut at Antarctica's Cape Royds once, lying on Shackleton's bunk, listening to katabatic winds hurl rocks at the window. Readers of Mr. Fiennes's pages will imagine the mental anguish of those days and nights for themselves. Beginners to the Heroic Age will enjoy this volume, as will serious polar adventurers seeking advice. For all readers, it's a tremendous story. As Shackleton wrote in a rare moment of self-reflection: "I have hammered through life."

Ms. Wheeler is the author, most recently, of "Mud and Stars: Travels in Russia With Pushkin, Tolstoy, and Other Geniuses of the Golden Age."

A Left-Right Revolt Against the New Elites



POLITICS & IDEAS
By William W. Jenkins, Jr.

Over the past two generations, the share of Americans with four-year college degrees has more than doubled, and a new class of well-educated upper-middle-income professionals has emerged as a potent social and political force.

By and large, members of this new class have risen higher through education and mastered its rules. They do well on standardized tests, they get good grades, and they forge relationships with professors and other mentors that serve them well throughout their careers. Although some have taken advantage of family connections (through "legacy admissions" to universities, for example), many owe their advancement to their talents and skills. They insist they have achieved their position through their own efforts.

The rise of this new "meritocracy" is not uncontested, and criticism now crosses the political spectrum from the social-democratic left to the populist right. Writing in the *Claremont Review of Books*, conservative scholar Charles Murray marvels at the extent of his agreement with Harvard professor Michael Sandel, the favorite philosopher of Olaf Scholz, a socialist and Germany's new chancellor.

There are shades of disagreement. Mr. Sandel deplores how the focus on individual striving detaches the winners from concern for the common good. For Mr. Murray, the concern is the way in which the winners, who cluster in urban areas, are detached from the experiences of Americans in small towns and rural areas. Both worry that the sense of personal achievement leads members of the new class away from the belief in the moral equality of human beings and the political equality of citizens.

There is much to criticize about the current version of meritocracy. Winners often believe that they are wholly responsible for their success, forgetting that they did nothing to earn the capacities with which they were endowed at birth—or the family advantages that helped them develop these capacities. And yes, it can lead to contempt for those who have achieved less, a much-resented attitude that has contributed to political polarization.

But rather than reject meritocracy wholesale, we should work harder to distinguish its virtues from its vices. On the simplest level, meritocracy stands for the proposition that jobs should go to the people who can do them best. If I need surgery, I want a surgeon with the skills to perform it. Because I don't have the ability to judge this for myself, I must rely on the quality of the surgeon's education and training,

along with the judgment of peers and patients.

From a societal standpoint, it makes a difference whether the opportunity to develop surgical skills is available to all. And from a meritocratic standpoint, a society that excludes some from opportunities available to others is flawed. But as a potential patient, I must focus on finding a doctor with the right skills.

'Meritocracy' rewards achievement and talent. That isn't an unalloyed good.

A second tier of meritocracy is the material reward attached to acquiring valued skills. On average, professionals with college degrees and advanced training earn substantially more than others. Part of this differential reflects the costs of education and training, in both money and time. Many doctors don't complete their preparation until their mid-30s, and they often end this process with hundreds of thousands of dollars in debt. Few would choose this demanding path without the prospect of earning enough to compensate for it. In addition, many skills are relatively rare and command higher prices than those that are widely distributed.

Mr. Sandel worries that social status flows unequally to

individuals with economic and educational advantages. But every society has a hierarchy of status, and ours also values soldiers, first responders and nurses. Winners of the Medal of Honor are saluted for their courage, not their degrees.

It is at the third tier of meritocracy that problems arise. Being better educated doesn't make you a better person, nor does it qualify you to rule over those with less education. America's founding creed teaches that all are created equal, not in talent, but in dignity and worth.

Besides, the writ of expertise is limited. Medical researchers know more about disease than the rest of us, but the maxim "follow the science" doesn't tell us what to do. Experts can clarify the risks of catching Covid in public schools, but they can't tell us whether to keep the schools open or shut them down. This practical judgment requires policy makers to balance competing values, a process that requires good judgment, an understanding of human nature, and a keen awareness of public opinion.

It may well be that some people are better suited than others for positions of public trust in democratic societies. That's what the Founders thought elections were about. But the art of democratic government isn't the sort of thing you learn in college classes or in law and medical schools, no matter how prestigious the institution.

He Showed Me the Way Out of Hollywood

By Matthew Hennessey

In the mid-1990s, all of my friends in Los Angeles were searching for a way into the film business. Except Gary McCleery. He was searching for a way out.

Gary had a long résumé out of New York, but he'd relocated and was dating my friend Christine. They were in a play together. When the lights went down and the curtain came up, a lean, hungry shadow took the stage, prowling like a coyote. I glanced at the playbill to see if it was Gary.

"You ain't gonna find the answer in that program, green shirt!" he barked.

I sat bolt upright. Was this part of the play? Nope. He was speaking to me through the fourth wall. I closed the playbill and returned it to my lap. The show went on. I gave it my full attention.

Gary was, as actors like to say, in the moment. Impressively so.

Christine and Gary fell in

love. They moved in together and I started hanging around their house. They welcomed me as a third wheel. It wouldn't be quite right to call Gary the elder brother I never had, but male friendship comes in more varieties than is frequently acknowledged. It isn't all football, beer and crude talk. Sometimes it's competition, sometimes admiration, sometimes just a shared sense of humor.

Having made it as an actor himself, Gary McCleery helped me begin my second act.

By then I'd had a few small successes as an actor—a notable independent film, a lucrative TV pilot—but things were cooling off. I was beginning to realize Hollywood wasn't the place for me. I was only 24. Acting was all I'd ever wanted to do. Walking away was hard to imagine.

Christine urged Gary to take me out and lift my spirits. We went to see "Year of the Horse," a Neil Young concert film. It was long and loud. My interest waned in parts, but I woke up when the mostly empty theater started shaking. It felt like an earthquake, but it was only Gary. He was stomping his feet on the floor in time with the beat, totally rocking out, rattling the chairs in the row in front of us.

My mind was elsewhere. He was in the moment. Always.

When someone from the old circle reached out recently to tell me that Gary had died at 69, I wanted to believe it wasn't true. But then a GoFundMe popped up to confirm it. He'd fallen in the night, perhaps because of his heart, and hit his head. Christine tried to revive him, but he was gone.

After I'd left Los Angeles, they got married, had a daughter, and opened a yoga studio. In a note, she said that whenever their business hit a

rough patch, he'd always tell her, "We have to go on. It's important."

My brief friendship with Gary expanded my vocabulary. He introduced me to books and music I didn't know about. He had been where I wanted to go, or thought I did. He'd worked with Sean Penn and Jennifer Connelly. He'd been in a John Sayles movie. This was the height of the indie-film craze. Most of my friends would have committed contract murder to be in a John Sayles movie.

The most important thing I learned from Gary is that the world doesn't end if you don't make it as an actor. American lives do have second acts. Sometimes third and fourth ones, too. But when the lights go down and the curtain goes up you have to give it your full attention.

Stay in the moment. Always.

Mr. Hennessey is the *Journal's* deputy editorial features editor.

OPINION

REVIEW & OUTLOOK

LETTERS TO THE EDITOR

The Greening of the Federal Reserve

Jerome Powell faced the Senate Banking Committee at his confirmation hearing for a second term at the Federal Reserve on Tuesday, and it's a sign of the progressive times that a leading issue was the greening of the central bank. Not green as in money, but as in climate regulation.

Mr. Powell didn't break any news on monetary policy, which is his main job. He stuck to his recent talking points that inflation has run hotter than expected, though not because of any Fed mistake. It's all the result of a supply and demand mismatch caused by the pandemic, not from an excessive supply of money to the economy.

* * *

The wheels seem greased for Mr. Powell's confirmation if only because the alternatives are thought to be worse. We're not sure about that, and on that score one issue to watch is how the Powell Fed uses its regulatory power to drive lending and investment out of fossil fuels and into renewables.

Mr. Powell seems fired up for the job. The Chairman on Tuesday endeared himself to progressive Senators by agreeing that the Fed's role in climate change is "limited" but "important." He also said climate stress tests for banks will likely "be a very important priority" in supervision.

"I think it's very likely that climate stress scenarios, as we like to call them, will be a key tool going forward," he added.

But why? Climate policy isn't part of the Fed's dual mandate, which is to ensure stable prices and maximum employment. Having botched inflation in 2021, you'd think the Fed would focus on that.

But Mr. Powell is nothing if not political, and the left is pressing the Fed to adopt climate bank stress tests. Their concern isn't whether bank balance sheets can withstand extreme weather or warming temperatures. A New York Federal Reserve Bank staff study last fall found that banks benefit from extreme weather events because they spur increased lending.

Instead, the left wants the Fed to use stress tests to make banks reduce and eventually eliminate financing for coal, natural gas and oil development. Banks would have to adjust their balance sheets to take account of the risks from government climate policies like mandates, regulation or carbon taxes. To pass the climate

stress tests, banks would have to liquidate fossil-fuel assets.

This is political allocation of capital, which also isn't the Fed's job and brings its own risks of financial instability. Last week news broke that President Biden is considering former Treasury official Sarah Bloom Raskin to be Fed vice chair for financial supervision. Ms. Raskin in September wrote an op-ed titled "Changing the Climate of Financial Regulation" for the Project Syndicate endorsing bank stress tests, living wills and risk-based capital standards to advance the left's climate agenda.

Rhode Island's Sheldon Whitehouse, the Senate's leading wind producer, tweeted that her nomination would be "good news," since she "really gets it on climate. When that bubble bursts, it's going to be hell. We have to prepare, and she will try." Sen. Sherrod Brown, the Banking Chairman, said she would be "terrific" on climate regulation and also "I assume, will be good on monetary policy too."

For Democrats these days, an economist's credentials on monetary policy are now second to climate for a position on the Fed Board of Governors. One irony is that government anti-carbon policies are driving what some economists call "greenflation"—an increase in commodity and energy prices on everything from oil and gas to lithium and copper.

Investment in fossil fuels has fallen sharply even though consumer demand hasn't. Behold Europe's climate crack-up, which has resulted in soaring energy costs. Meantime, government policies have boosted demand for green energy, but the supply of minerals needed to make batteries for electric cars, solar panels and wind turbines is lagging, driving prices higher.

European Central Bank executive board member Isabel Schnabel last weekend warned: "The combination of insufficient production capacity of renewable energies in the short run, subdued investments in fossil fuels and rising carbon prices means that we risk facing a possibly protracted transition period during which the energy bill will be rising. Gas prices are a case in point."

Federal Reserve chairmen ought to stay out of the capital allocation game, but Mr. Powell seems to think this is now part of the Fed's job. This is how central banks get into political trouble, which leads to financial trouble.

Australia's Strategic Offensive

The last few months have been a whirlwind for Australia's defense diplomacy as the South Pacific nation of 26 million braces itself against Chinese advances in the region. The latest example is Canberra's new Reciprocal Access Agreement (RAA) with Tokyo, which makes it easier for Australia's military to conduct operations out of Japan, and vice versa.

The new pact sets the legal terms for visiting forces in each country, and is notable because Tokyo has been reluctant to coordinate closely on military matters with any nation except the U.S. The RAA will give Aussie forces more access to Japanese territory, facilitating joint operations in the Northern Pacific, including contested waters in the East and South China Seas. Japanese forces can exercise with Australia in the Indian Ocean and South Pacific.

China's behavior under President Xi Jinping has cratered its previously stable relationship with Australia. A rift over Canberra's decision not to use Huawei technology because of espionage and security risks accelerated amid the Covid-19 pandemic, when Beijing's diplomats bludgeoned Prime Minister Scott Morrison for calling for an inquiry into the coronavirus's origins. China began a campaign of economic sanc-

tions against the country's exports, demanded Australia's press and representatives cease criticism of Chinese policies, detained one Australian citizen and put a second on trial.

Australia has also had a front-row seat to China's naval buildup, which could be used to threaten Australia's trade further if it doesn't bend the knee politically. Australian defense planners are watching China's strategic inroads in Pacific island nations closer to Australia's borders like the Solomon Islands, Kiribati and Vanuatu.

The Morrison government has responded with creativity. It rejoined naval exercises with the so-called Quad of India, Japan and the U.S. in 2020. Then came the Aukus submarine technology sharing agreement with the U.S. and U.K. last September. That was followed by a major contract with South Korea to fortify Australian artillery, signed in December.

The U.S. remains the main Pacific military counterweight to China, whose military budget far exceeds Japan and Australia's combined. Yet in a conflict over Taiwan, Australia and Japan would be the two nations most likely to aid Taipei besides the U.S. This defense agreement strengthens that deterrence and contributes to a more stable Pacific.

A pact with Japan is the latest move to resist China's coercion.

The President's speech on voting rights is divorced from reality.

Are You With Biden, or Jefferson Davis?

Every official in America, President Biden said Tuesday, has a choice: "Do you want to be on the side of Dr. [Martin Luther] King or George Wallace? Do you want to be on the side of John Lewis or Bull Connor? Do you want to be on the side of Abraham Lincoln or Jefferson Davis?" Seriously, he said that grandiloquent nonsense.

Mr. Biden's speech in Georgia was a call to bulldoze the Senate's filibuster to pass a rebranded version of H.R.1, a bill that would impose a federal election code on all 50 states, including forcing them to count late mail ballots that lack postmarks. If you happen to think that's a bad idea, or that it's unconstitutional, or that nuking the filibuster would hurt the Senate, well, then apparently you're against Abraham Lincoln.

Mr. Biden's demagoguery is all the worse because he continues to distort state voting laws like the one in Georgia. "Voting by mail is a safe and convenient way to get more people to vote," he said, adding "they're limiting the number of dropboxes and the hours you can use them." Georgia had zero dropboxes before the pandemic election of 2020, and now they're enshrined in permanent law. This isn't "Jim Crow 2.0," no matter how many times Mr. Biden uses that incendiary phrase.

People disagree about the security of stand-alone dropboxes, but voters can also put absent

tee ballots in the mailbox. As for Georgia, all of its residents can request a mail ballot without giving an excuse, unlike in New York or Delaware. And here's a figure Mr. Biden should know: In 2020, the Census Bureau says, black voter turnout in Georgia was 64%, compared with Massachusetts's 36%.

Mr. Biden also sketched out how he thinks the GOP plans to steal the next election: "The Georgia Republican Party, the state Legislature, has now given itself the power to make it easier for partisan actors, their cronies, to remove local election officials." He said that passing the Democratic Party's latest version of H.R.1, now called the Freedom to Vote Act, would prevent this kind of "election subversion."

Yet if you read the Senate bill he supports, it has a provision saying that states could not suspend local election officials except for "gross negligence, neglect of duty, or malfeasance in office." The Georgia law that Mr. Biden is attacking features an almost identical standard. Before the state can oust a local election official, it must show, by clear and convincing evidence, "nonfeasance, malfeasance or gross negligence" over a period of "at least two elections."

Mr. Biden's filibuster foray is likely to fail amid bipartisan opposition, but the more he fails the more partisan and distorted his speeches get. It's a bad presidential look.

Trade Policy, Inflation and the Trump Tariffs

In "Joe Biden's Inflationary Trade Policy" (op-ed, Jan. 5), William Walker and Stanton Anderson attempt to blame President Trump's tariffs as the "real culprit" for President Biden's inflation. Yet there was virtually no inflation for nearly three years after the Trump tariffs on steel and Chinese goods first went into effect in 2018. What changed in 2021 was massive new government spending and a disastrous new energy policy. That toxic combination—along with excessively easy monetary policy and loads of new regulation—is what caused inflation, not tariffs.

Tariff revenue may reach \$100 billion this year, up threefold from 2016. That's important, but it's a rounding error in the context of a nearly \$21 trillion economy. The Progressive Policy Institute recently estimated based on studies published in 2019 that the tariffs on Chinese goods at most have added 0.1 to 0.4 percentage points to an inflation rate that was near 7% in November. I suspect even that low estimate is too high, given steps companies have taken to restructure supply chains and avoid tariffs. But even if it is anywhere near accurate, that's a small price to pay to lessen our dependence on China and protect U.S. jobs.

The authors are not simply wrong about inflation. They are equally wrongheaded in viewing trade policy solely through the lens of consumption. The consumption-first policy they advocate led to the loss of millions of jobs, the breakdown of families and communities, unprecedented income inequality and trillions in accumulated trade deficits. It left us wholly dependent on our chief adversary as our main supplier of pharma-

ceuticals, PPE, rare-earth minerals and other critical goods.

The consumption-first policy was a means of looking the other way as China stole our technology, manipulated its currency and used massive subsidies and other unfair practices to destroy entire U.S. industries. Messrs. Walker and Anderson seem to think that the cheap TVs and T-shirts we received in exchange meant this was a good bargain. I think not. If we are to have a great country and economy, we need to think of our citizens first and foremost as producers, not consumers. That's certainly how our competitors view themselves.

ROBERT E. LIGHTHIZER

Palm Beach, Fla.

Mr. Lighthizer was U.S. trade representative (2017-21).

Messrs. Walker and Anderson are wrong to blame inflation on the trade policy of Presidents Trump and Biden. The authors make the all-too-common mistake of confusing changes in the level of prices with changes in the growth rate of the level of prices. While tariffs make goods more expensive, this effect occurs only once. Tariff rates would need to be continually rising to explain the sustained increase in the level of prices.

Besides, the share of goods affected by tariffs represents too small a fraction of total U.S. output to account for the overall increase in the level of prices we experienced last year. There are legitimate reasons to oppose new U.S. trade policies, but inflation isn't one of them.

ASST. PROF. BRYAN CUTSINGER

Angelo State University
San Angelo, Texas

What Americans Did for the Solomon Islands

Regarding your editorial "Beijing Courts the Solomon Islands" (Dec. 30): The U.S. and Australia spent a great deal of blood and treasure, fighting in horrendous conditions, to remove the Japanese from the Solomons in 1942 and 1943. For us, it was a strategic goal, but for the people of the Solomons who helped us fight, it was an existential threat. China sent no contingent to the prolonged fight.

Our side fought with old weapons, planes and ships against state-of-the-art Japanese equivalents. The fast, heavily armored and powerful U.S. carriers and battleships, as well as supe-

rior fighters and dive bombers, didn't come out until after the Solomons campaign. All we had were good pilots and naval commanders, adequate equipment, good intelligence and radar. Yet by the end of the campaign, the cream of Japanese naval aviation was dead and the people of the Solomons were free of the Japanese.

I guess 80 years is enough for people to no longer be grateful for that kind of sacrifice. As one hears today: That was then and this is now; what have you done for me lately?

LT. COL. JAMES DANIEL, USA (RET.)
Fredericksburg, Va.

How Should Republicans Talk About Jan. 6?

Last year I lost a congressional primary race on a platform that explicitly criticized former President Trump's behavior after the 2020 election and implored my fellow Republicans to move on from that man's demagoguery. Referencing my loss, Karl Rove wrote: "Rather than turning off many conservative voters, GOP candidates who have problems with Mr. Trump should focus on the actions of congressional Democrats and the future, not the former president" ("Voters Can Spot Radical Left-Wing Policy," op-ed, May 6, 2021).

Now, Mr. Rove writes, "To move beyond Jan. 6, 2021, [Republicans] must put country ahead of party. . . . There can be no soft-pedaling what happened and no absolution for those who planned, encouraged and aided the attempt to overthrow our democracy. Love of country demands nothing less. That's true patriotism" ("Republicans' Jan. 6 Responsibility," op-ed, Jan. 6).

This may not rise to the level of hypocrisy, but it is still annoying: Minimize Mr. Trump's despicable postelection actions when we need

money or votes, but denounce those actions periodically when we want praise from the majority of Americans horrified by Jan. 6, 2021.

This tap dance may work. It might even be good politics for the Republican Party for now. But it is bad for the country and will look cowardly in the future if, God forbid, Jan. 6 was only a precursor to more violence and chaos.

MICHAEL A. WOOD
Fort Worth, Texas

I suppose it is unrealistic to expect Mr. Rove also to ask Democrats to apologize and take responsibility for the Oct. 4, 2018, anti-Kavanaugh protests, in which protesters took over the Hart Senate Office Building, or for the May 29, 2020, attack on the White House perimeter, that resulted in President Trump's evacuation to the White House bunker. Democrats and media cheered on these "mostly peaceful protests."

BOB SPEAR
Coronado, Calif.

Harvard Chooses Fossil Fuels

From Michael J. Lewis's "A Statement of Power at Harvard" (Arts in Review, Dec. 21) we learn that Harvard needs additional electric power for an expansion. Will it come from solar or wind, with batteries for nighttime? No, it is—gasp—burning fossil fuels. The message from Harvard is clear: Fossil fuels are OK for us, but not for you.

CRAIG BURTON JR.
Northport, Ala.

Prices Are Bad for Business

In "Many Hospitals Fail to Comply With Price-Disclosure Rules" (Page One, Dec. 31), administrators cite competitive reasons for defying federally mandated rules to make health-care prices public. Imagine if supermarket chains didn't post the prices of apples and oranges because they claimed it would be bad for business. Perhaps hospital administrators misunderstand Adam Smith's adage about the invisible hand.

KATY DELAY
La Quinta, Calif.

As long as the Centers for Medicare and Medicaid Services allow hospital systems to dictate how they will disclose prices, little will change. The suggestion that prices aren't posted online because "we are handling personally with individuals" is ridiculous. If we want to rein in the cost of healthcare, hospital systems and insurance companies must be transparent and accountable.

KITTY NARDI, R.N.
Havertown, Pa.

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Pepper ... And Salt

THE WALL STREET JOURNAL



"I know you've created 10,000 new jobs, but there are only 300 of us."

OPINION

A Deceptive Covid Study, Unmasked

By Jay Bhattacharya
And Tom Nicholson

‘Follow the science,’ we keep hearing, but sometimes scientists and the media present findings in a misleading way. Consider a new study by Duke University’s ABC Science Collaborative, conducted in partnership with the North Carolina Department of Health and Human Services. Researchers examined the effect of a “test to stay” approach to schoolchildren identified as “close contacts” of Covid-positive people. Test to stay excuses these children from quarantining if they test negative for the virus. The study’s primary conclusion was that test to stay is a good way to move away from lengthy quarantine.

Duke researchers look at transmission in schools and end up reinforcing their prior assumptions.

That’s reasonable and useful. But the researchers peppered their report with rhetorical sleights of hand aimed at misleading readers into other, less well-founded conclusions that were mostly inevitable products of their own study design. One of their primary conclusions is that “in schools with universal masking, test-to-stay is an effective strategy.” That invites readers to assume that test-to-stay doesn’t work without forced masking. But since they studied no unmasked schools, this conclusion is baseless. An honest report would either have said so or not mentioned masking at all.

Duke’s Press office amplified the unfounded conclusion in its Jan. 4 summary of the study: “Children and staff who repeatedly test negative for COVID-19 after contact with someone who has the illness can safely remain in school if universal masking programs are in place.” The media took this press release and added a further layer of falsehood. Raleigh’s WRAL characterized the study as a *defense* of forced masking while pitching the study as documenting the danger of youth sports: “Athletics were the source of 50% of all COVID-19 school transmission found in the study.”

True, the ABC researchers found a higher rate of transmission during sports. But that was entirely a product of how the researchers defined Covid “exposure.” Students were counted as exposed only if they were unmasked during the interaction with an infected person. In mask-mandatory schools, that happened only during lunch and sports. If a transmission occurred in a masked classroom, the definition didn’t count it as a close contact. And the study found only *three* sports-related positives out of 352 tests. When combined with the three lunch-related positives, the six total positives resulted in a mere 1.7% of maskless exposures ending up with a Covid-19-positive contact.

An honest summary of the study might have said: “There is a low transmission rate of the virus among students, even when unmasked at lunch or during sports.” But a summary like that wouldn’t have reinforced the politically acceptable message of public-health authorities today, and so unfounded points had to be fashioned to fit the narrative.

This isn’t a first for the ABC collaborative and the Duke press office. In July they made a series of bold claims about the efficacy of masking children in schools based on a study that didn’t include an unmasked control group. Scientific communication should limit itself to the communication of science, rather than to the manipulation of human behavior.

Mr. Bhattacharya is a professor of medicine at Stanford and a research associate at the National Bureau of Economic Research. Mr. Nicholson is director of Advance Access and Delivery, a global health nonprofit, and a former researcher at Duke.

By Douglas E. Schoen
And Andrew Stein

A perfect storm in the Democratic Party is making a once-unfathomable scenario plausible: a political comeback for Hillary Clinton in 2024.

Several circumstances—President Biden’s low approval rating, doubts over his capacity to run for re-election at 82, Vice President Kamala Harris’s unpopularity, and the absence of another strong Democrat to lead the ticket in 2024—have created a leadership vacuum in the party, which Mrs. Clinton viably could fill.

She is already in an advantageous position to become the 2024 Democratic nominee. She is an experienced national figure who is younger than Mr. Biden and can offer a different approach from the disorganized and unpopular one the party is currently taking.

If Democrats lose control of Congress in 2022, Mrs. Clinton can use the party’s loss as a basis to run for president again, enabling her to claim the title of “change candidate.”

Based on her latest public statements, it’s clear that Mrs. Clinton not only recognizes her position as a potential front-runner but also is setting up a process to help her decide whether or not to run for president again. She recently warned of the electoral consequences in the 2022 midterms if the Democratic Party continues to align itself with its progressive wing and urged Democrats to reject far-left positions that isolate key segments of the electorate.

In a recent MSNBC interview, Mrs. Clinton called on Democrats to engage in “careful thinking about what wins elections, and not just in deep-blue districts where a Democrat and a liberal Democrat, or so-called progressive Democrat, is going to win.” She also noted that



DAVID GRANNON/AP VIA GETTY IMAGES

party’s House majority “comes from people who win in much more difficult districts.”

Mrs. Clinton also took a veiled jab at the Biden administration and congressional Democrats in an effort to create distance: “It means nothing if we don’t have a Congress

Joe Biden and Kamala Harris have become unpopular. It may be time for a change candidate.

that will get things done, and we don’t have a White House that we can count on to be sane and sober and stable and productive.”

Even Bill Clinton recently set the stage for his wife’s potential 2024 candidacy, referring to her in an interview with *People* magazine as “the most qualified person to run for office in my lifetime, including me,” adding that not electing her in

2016 was “one of the most profound mistakes we ever made.”

We can infer from these recent remarks that Mrs. Clinton would seize the opportunity to run for president again if an opening presents itself. But what are the odds that an opportunity will arise?

The Democrats’ domestic agenda is in disarray given the failure of Mr. Biden’s Build Back Better plan in Congress. Senate Democrats’ latest desperate push to repeal the legislative filibuster to pass their secondary legislative priority, voting-rights reform, will likely weaken their agenda further.

Mr. Biden’s overall approval rating is low (40%), as is his rating on issues including the economy and jobs (38%) and taxes and government spending (33%), according to a recent *Economist/YouGov* poll. Nearly two-thirds of independent voters disapprove of the president.

Barring a major course correction, we can anticipate that some Democrats will lose important

The Message of Sidney Poitier’s Success



UPWARD MOBILITY
By Jason L. Riley

My late parents, whose rocky divorce occurred in the 1970s when their three children were still in grade school, didn’t agree on much. But they did agree on Sidney Poitier, who died last week at 94.

For mom, men didn’t come better-looking. To both of my parents the actor exuded charm, grace and decency. They were idealizing a celebrity they didn’t know personally. But for millions of black people of Poitier’s generation, when dignified depictions of blacks in motion pictures were still scarce, his most famous roles—the detective in “In the Heat of the Night,” the teacher in “To Sir, With Love,” the doctor in “Guess Who’s Coming to Dinner,” the handyman in “Lilies of the Field”—epitomized how a black man should carry himself.

Poitier’s heyday was the 1960s, and a case could be made that these positive portrayals of black men helped shift attitudes against Jim Crow almost as much as the sit-ins and marches led by civil-rights activists. Groups like the NAACP cared a great deal about how blacks were portrayed in the entertainment industry, which they

linked to how everyday blacks comported themselves. Describing someone as “a credit to his race” was still commonplace.

Poitier was well aware that he operated under a microscope and that his actions would reflect, fairly or unfairly, on other blacks. In his 1980 memoir, “This Life,” he said that he accepted an invitation to participate in the 1964 Academy Awards, where he became the first black performer to win the Oscar for best actor, because he “felt it would be good for black people to see themselves competing for the top honor.” He hadn’t expected to win, but he felt a heavy responsibility to say something that wouldn’t embarrass fellow blacks if he did. “I was not going to get up there and look dumb,” he wrote. “Whatever I say must be the truth . . . and it must be something intelligent and impressive that will leave the people in that room and the millions watching at home—leave them all duly and irrevocably impressed.”

He viewed his award as a victory for all blacks. “I was happy for me, but I was also happy for ‘the folks,’” he wrote. “We had done it. We black people had done it. We were capable. We forget sometimes, having to persevere against un-speakable odds, that we are capable of infinitely more than the culture is yet willing to credit to our account.”

Yet the culture changed as the decade wore on. The civil-rights movement became more militant, and black popular attitudes soured toward the types of roles that had made Poitier’s career. He was called an Uncle Tom and a lackey. The *New York Times* began publishing articles with snarky headlines such as “Why Does White America Love Sidney Poitier So?” A black culture critic called him a “million-dollar shoeshine boy.”

He improved America’s perceptions of its black countrymen at a time when it really mattered.

Poitier’s acting career never fully recovered. “Blaxploitation” films, which featured black protagonists beating up white criminals, came into vogue in the 1970s and were popular with black audiences. By the 1980s, Poitier was semiretired from acting and focused on directing. The civil-rights movement evolved as well. The old guard, personified by luminaries such as Martin Luther King Jr., Thurgood Marshall and Roy Wilkins, urged black people to adopt the middle-class habits and sensibilities associated

with the roles that made Poitier a star. In addition to garnering white support, the thinking was that black self-development was as important as the struggle for equal rights itself, if only so that blacks would be prepared to take advantage of new opportunities once equal rights had been secured.

To the detriment of the black underclass, a younger generation of black activists and intellectuals dismisses any focus on black behavior as “respectability politics,” which they hold in contempt. But hard work, respect for authority, and delayed gratification aren’t race-specific values. In a free-market democracy, they are the path to upward mobility for all groups. Today, the political left continues to ignore the role that antisocial behavior plays in perpetuating racial inequality. Elites talk about policing instead of criminality, standardized tests instead of study habits, poverty instead of family formation, wealth redistribution instead of the work ethic. In an earlier era, black leaders knew better.

Sidney Poitier is rightly being celebrated for his pioneering performances, but his legacy is larger than that. He attempted, with some success, to change how all blacks were perceived at a time when it mattered immensely. The nation owes him a debt of gratitude.

The Market Is Too Serene About Inflation

By Thomas J. Sargent
And William L. Silber

The interest rate on the 10-year U.S. Treasury note hovers around 1.75% while the annual rate of inflation nears 7%, suggesting that investors believe high inflation is temporary. Evidently the market expects the Federal Reserve will soon bring inflation back to within a narrow band centered on 2% a year, despite the surge in federal deficits and the central bank’s monetization of a

large fraction of those deficits. Today’s low interest rates “forecast” low inflation, a “rational expectations” idea that now comforts the Fed. But the central bank shouldn’t feel too complacent.

The Fed confronted a similar situation in the early 1980s, but in reverse. Chairman Paul Volcker convinced his colleagues on the Federal Open Market Committee to raise short-term interest rates to extinguish double-digit U.S. inflation and the associated double-digit long-term interest rates. Volcker and the FOMC had promised in public that measures to tighten money and credit weren’t one-time actions but part of a permanent strategy to arrest inflation. They reasoned that once the market understood the FOMC meant business, long-term interest rates would quickly fall to reflect the prospective decline in inflation implied by the FOMC’s strategy. They were in for a nasty surprise.

Long-term interest rates didn’t decline quickly. The 10-year Treasury note averaged 11.5% in 1980 and rose above that level in 1984, despite a decline in the rate of inflation from more than 12% in 1980 to less than 4% in 1984. The failure of interest rates to reflect the new monetary reality deeply troubled Volcker and the FOMC. One

member complained during internal discussions early on about long-term interest rates going “up instead of coming down.” The market seemed not to believe that the Fed would stick to its guns, and instead put its money on the view that the same forces that caused

As in the early 1980s, new realities test the idea that interest rates reflect ‘rational expectations.’

the 1970s Fed to fuel high inflation would make the Volcker-led FOMC do the same. Investors refused to believe that a new monetary regime had arrived with Volcker, betting that policy would revert back to past behavior.

Volcker’s imperfect credibility probably raised the cost of stamping out the 1970s inflation. If the market had more quickly understood Volcker’s persistence as an inflation fighter, the recessions of the early 1980s wouldn’t have been so deep. In addition, the “rational expectations” theory that long-term interest rates provide good forecasts of average inflation would have worked better. Instead,

interest rates remained too high for too long as predictors of inflation. It was 1986 before the 10-year note rate averaged in single digits.

We worry that today’s situation is the flip side of the Volcker experience. Forty years of price stability have given breathing room to today’s Federal Reserve, but U.S. interest rates could again provide erroneous forecasts of inflation. Most market participants have apparently played down the possibility that we are in a new monetary and fiscal regime, one in which policy makers don’t worry enough about large deficits and excessive money creation and new purposes like addressing climate change distract the Fed from inflation. We hope our fears are misplaced, but if they aren’t, the new reality of higher inflation will eventually take hold, and the 10-year rate will jump to reflect that regime. History teaches that central bank credibility usually moves slowly in both directions.

Mr. Sargent is a senior fellow at the Hoover Institution, New York University professor, and a winner of the 2011 Nobel Prize in Economics. Mr. Silber is a senior advisor at Cornerstone Research and author most recently of “The Power of Nothing to Lose.”

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WORLD NEWS

Russia to Leave, Kazakhstan Says

The Kremlin deployed more than 2,000 mostly Russian troops to quell protests

By ANN M. SIMMONS

MOSCOW—Russia-led forces that entered Kazakhstan to support the embattled government following an eruption of protests will start withdrawing within two days, the Kazakh president said Tuesday, as he named a loyalist as prime minister.

President Kassym-Jomart Tokayev said the mission had been fulfilled and a stage-by-stage pullout of contingents of the Collective Security Treaty Organization, a military alliance that includes several former Soviet states, would take no more than 10 days.

The Kremlin deployed more than 2,000 mostly Russian troops last week at Mr. Tokayev's request after sometimes-violent protests triggered by a sharp rise in fuel prices in the oil-rich Central Asian nation spurred deadly unrest over wider social and political discontent, most prominently in the country's largest city, Almaty.

The crisis, which Kazakh officials said was caused by outside forces who hijacked initially peaceful demonstrations, threatened to destabilize the country, an important ally of Russia with strategic significance in Central Asia.

On Monday, President Vladimir Putin defended the deployment of Russian troops as part of the security alliance, underscoring his assertion that his country has a privileged sphere of influence over the former Soviet Union, at a time when tensions between Moscow and



Troops from Russia and other former Soviet states were deployed in Kazakhstan following unrest in the Central Asian nation.

the West have reached boiling point over concerns that Russia intends to invade Ukraine.

On Tuesday, Kremlin spokesman Dmitry Peskov told reporters that it is up to Kazakhstan whether it needs the alliance troops to remain.

Mr. Peskov said he had no information about foreigners taking part in the unrest, but added that Russian security services were exchanging information with their Kazakh counterparts.

Russian Defense Minister Sergei Shoigu said the alliance's troops would continue to carry out tasks in Kazakh-

stan until the situation is stable "naturally, by decision of the leadership of the Republic of Kazakhstan."

Nearly 10,000 people have been detained in connection with the turmoil, said Kazakh law-enforcement officials. More than 160 people were killed, most of them in Almaty, health authorities said.

Mr. Tokayev told the Kazakh Parliament that a special group would investigate the unrest.

"It is critically important to discover why the state overlooked the presence of militants' sleeper cells and opera-

tions of their command center, why so many illegal weapons and specialized equipment ended up in the territory of our country, why no intelligence work was conducted to expose and neutralize agents of terrorism," he said.

A sense of normalcy started to return to the country Tuesday, as residents began to cautiously go about their everyday lives in Almaty, which will remain under an 11 p.m.-to-7 a.m. curfew until Jan. 19. Residents said shops were beginning to open during specific daytime hours, construction

sites were operating and some public transportation had resumed. The sound of machine gunfire and the smell of tear gas were gone, they said.

City police officers, who largely had disappeared when the troops arrived, were back on the streets, residents said. The city was dotted with armed checkpoints, and at night sirens and loudspeakers reminded residents of the curfew, they said.

On Tuesday, Mr. Tokayev, who accepted the government's resignation on Jan. 5, named Alikhan Smailov as prime minister.

Reports Of Parties Hang Over Johnson

By MAX COLCHESTER

LONDON—British Prime Minister Boris Johnson is under growing pressure from Conservative lawmakers as a string of allegations about parties in Downing Street during Covid-19 lockdowns contribute to the ruling party's sharp fall in the polls.

This week an email surfaced from a senior adviser to Mr. Johnson inviting about 100 people to a "bring your own booze" event at the garden outside the prime minister's Downing Street residence in May 2020. At the time, English rules permitted meeting with only one other person outdoors.

A spokesman for Mr. Johnson didn't comment on the email or allegations by a former government adviser that the prime minister attended the party. The spokesman cited a continuing internal investigation into the matter. The Metropolitan Police said it was in contact with the government concerning the matter, but hasn't announced an investigation into whether Covid-19 rules were broken.

An internal probe led by a senior civil servant is already under way after five other social gatherings were reported to have taken place in Downing Street between May 2020 and December 2021 during various lockdowns.

The debacle is greasing Mr. Johnson's sharp fall in the polls and leaving him increasingly at risk of being deposed by his own lawmakers, said Chris Curtis, the head of political polling at pollster Opinium. "He is in the danger zone," Mr. Curtis said.

Under Conservative Party rules, 55 of the party's lawmakers must submit letters to a special committee to trigger a confidence vote in their leader. The prime minister "is going nowhere," Conservative minister Michael Ellis told the House of Commons on Tuesday. A senior member of the Conservative Party played down the likelihood of Mr. Johnson's swift removal, saying that it takes time before lawmakers choose to oust their own leader.

Two-thirds of the British public think Mr. Johnson should resign over the allegation, according to a poll of 1,044 people published Tuesday by Savanta ComRes. Some 42% of Conservative voters believe the prime minister should step down, according to the poll.

Mr. Johnson, who only recently was feted by Conservatives for convincingly winning a general election in 2019, delivering Brexit and a rapid Covid-19 vaccine rollout, is now struggling to keep ground with the main opposition Labour Party. The Conservative Party currently trails the Labour Party by 4 percentage points in the polls, according to YouGov.

The government's approval ratings have dropped to 23%, according to a tracker poll published on Monday by YouGov, its lowest level since the start of the pandemic.

Moscow's Assertiveness Upends NATO Goals

By JAMES MARSON AND DANIEL MICHAELS

BRUSSELS—The U.S. and other NATO members have deployed thousands of troops and invested heavily in weaponry to rebuild the alliance's front line facing Russia. Moscow has parried that strategy by opening up new fronts just beyond NATO's reach.

Now, as Russian officials visit North Atlantic Treaty Organization headquarters in Brussels on Wednesday to address grievances raised by the Kremlin, the 30-country alliance is grappling with how to counter Russia's increasing assertiveness.

Rather than confront NATO head-on, Russian President Vladimir Putin is exerting pressure in other countries including Ukraine, Syria and Libya. He is testing alliance unity with natural-gas deals while probing its democratic defenses with cyberattacks and disinformation, Western officials say. The approach is testing both the alliance's military might and Western political will.

NATO is divided over how to respond. Allies such as Germany and France have long urged caution and negotiations with Moscow.

Germany blocked the sale of sniper rifles to Ukraine via

NATO last year, saying only defensive systems should be provided to help Kyiv, an alliance partner that has faced a simmering war against Russian-led separatists in its east since 2014. Hungary, led by a pro-Russian authoritarian, is preventing high-level NATO meetings with Ukraine.

Eastern members such as Poland and the Baltic states worry the Biden administration is leaning toward concessions to Mr. Putin in the hope of focusing instead on China. U.S. officials have said they won't accede to Moscow's demand that NATO commit to never accepting Ukraine and Georgia as members, but could consider other measures, such as mutual reductions to military exercises.

"If we give Putin concessions now, he'll come back for more," said a European diplomat at NATO. "Russia is a long-term threat with the political intent to weaken us."

Russian Foreign Minister Sergei Lavrov in December said NATO had become "a purely geopolitical project aimed at absorbing territories left ownerless after the disappearance of the Warsaw Pact and the collapse of the Soviet Union."

A decade ago, NATO was a solution looking for a problem. The West had won the Cold



NATO members conducted a military exercise in Latvia in September.

War and belatedly subdued fighting in former Yugoslavia. For ex-Soviet bloc countries such as Poland and Hungary, NATO membership came to be seen as a steppingstone to European Union membership because investors felt comfortable diving into frontier economies under Washington's security umbrella. Prospects of serious warfare appeared remote. Two rounds of enlargement in 1999 and 2004 brought in former Soviet bloc countries from Bulgaria to the Baltic states.

Russia, consumed by domestic economic and political strife, grumbled but could do little. NATO sought to placate Moscow by agreeing to a coop-

eration pact that committed to not permanently base forces in former Soviet domains, allowing Moscow to open a diplomatic mission at NATO headquarters and establishing a council to address concerns.

NATO cut military budgets and shrank forces in Europe. It invoked its mutual-defense pact for the first time—not against Russia, but following the Sept. 11 terrorist attacks—and it launched a mission in Afghanistan.

The dynamics began to shift in 2004, when Mr. Putin blamed the West for sponsoring a popular uprising in Ukraine that overturned the disputed election of his protégé. He be-

gan bolstering the Russian military, which had atrophied from its Soviet-era might.

In 2008, Germany and France blocked a U.S.-led effort to offer the former Soviet republics of Ukraine and Georgia a path toward NATO membership. The alliance came up with a workaround: Ukraine and Georgia could eventually become members, but no timeline was offered. "That was a big mistake," said Anders Fogh Rasmussen, NATO secretary-general at the time. "We sent the wrong signal, a signal of disunity, weakness."

Few military analysts foresee Mr. Putin attacking NATO directly. The stakes for him are much lower in weaker countries, which he sees as critical to Russia's security and part of its sphere of influence.

Meanwhile, the Russian military buildup continues, NATO Secretary-General Jens Stoltenberg said Friday, although diplomats say not at a pace that would suggest an imminent invasion. "The challenge," he said, "is that when you see this gradual military buildup combined with the threatening rhetoric—capabilities, the rhetoric and the track record—of course that sends a message that there is a real risk for a new armed conflict in Europe."

WORLD WATCH

SOUTH AFRICA

Man Is Charged In Fire at Parliament

South African authorities brought charges of terrorism and other crimes against a man in connection with the fire at the country's Parliament this month.

On Tuesday, South African prosecutors charged 49-year-old Zandile Christmas Mafe, whom police arrested on Jan. 2, the day a major fire devastated the Parliament. They charged him with terrorism, two counts of arson and possession of an explosive device, among others.

Eric Ntabazalla, spokesman for the prosecutors, said the terrorism charge emerged because police found that Mr. Mafe "detonated a device inside Parliament."

A court in Cape Town ruled Tuesday that Mr. Mafe, who is homeless, be admitted to a psychiatric facility for 30 days for observation, after the defense said Mr. Mafe suffered from paranoid schizophrenia. Until space is available for him at state psychiatric facility Valkenburg Hospital, he

will remain in custody in prison.

Dali Mpofo, Mr. Mafe's lawyer, said he would bring a bail application on behalf of Mr. Mafe as soon as possible. During a court appearance Tuesday, Mr. Mafe shook his head continuously and said he would go on hunger strike if he was held in custody any longer.

—Aaisha Dadi Patel

NORTH KOREA

Possible Missile Fired Into the Sea

North Korea fired what appeared to be a ballistic missile into its eastern sea Tuesday, its second launch in a week, following leader Kim Jong Un's calls to expand its nuclear-weapons program in defiance of global opposition.

The launches follow a series of weapons tests in 2021 that underscored how North Korea is continuing to expand its military capabilities during a self-imposed pandemic lockdown and deadlocked nuclear talks with the U.S.

South Korea's Joint Chiefs of Staff said North Korea fired what likely was a ballistic mis-



Zandile Christmas Mafe faces terrorism, arson and other charges in the Jan. 2 fire at South Africa's Parliament. A court ordered him sent to a psychiatric facility for 30 days for observation.

sile from the area of its northern Jagang province. It said the weapon flew 434 miles at a maximum speed of around Mach 10 before landing in waters off its eastern coast, demonstrating a more advanced capability than North Korea's launch last week.

The North's state media described the earlier launch as a suc-

cessful test of a hypersonic missile, a type of weaponry it claimed to have first tested in September.

South Korean officials didn't provide a specific assessment of the missile type, but some experts said North Korea may have tested its purported hypersonic missile again in response to the South Korean military

playing down its previous test.

The U.S. Indo-Pacific Command said the launch didn't pose an "immediate threat to U.S. personnel or territory, or to our allies." Still, the launch corresponded with an order issued to ground some flights on the U.S. West Coast.

—Associated Press

CANADA

Quebec Premier Says Tax Unvaccinated

The premier of the Canadian province of Quebec said his government would impose a tax on citizens who decline to get vaccinated for Covid-19.

Quebec Premier François Legault said Tuesday that the tax was necessary because the unvaccinated, who make up about 15% of the province's 8.6 million people, are taking up roughly half of the acute-care beds in provincial hospitals and have become a drain on the healthcare system.

The tax, which Mr. Legault said officials are now drafting, marks another sign of the impatience among government leaders and heads of state for citizens who won't get vaccinated.

The unvaccinated, Mr. Legault said, impose a burden on the province's healthcare network, "and I think it's normal that the majority of the population is asking that there be a consequence...We owe them this kind of measure."

—Paul Vieira

BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

Wednesday, January 12, 2022 | B1

S&P 4713.07 ▲ 0.92% S&PFIN ▲ 0.84% S&PIT ▲ 1.21% DJTRANS ▼ 0.17% WSJ\$IDX ▼ 0.34% 2-YR. TREAS. yield 0.897% NIKKEI (Midday) 28740.65 ▲ 1.84% See more at WSJ.com/Markets

Bank Stocks Feed Off Rate Hikes

Financial sector is star in new year's first week in expectation of profit increases

By HARDIKA SINGH

Bank investors are ready for higher Treasury yields.

The S&P 500 financials sector edged up 5.4% last week, the first five trading days of January. That marked its best start to a calendar year since 2010. The gain contrasts with the 1.9% pullback in the broader S&P 500 index.

Investors are betting that looming interest-rate increases will fuel profits in financials

and make the sector more attractive than tech, one of the main contributors to last year's rally.

The KBW Nasdaq Bank Index rose 10% last week, the largest percentage gain since November 2020. The tech-heavy Nasdaq Composite fell 4.5% last week, the most since March 2020. The S&P 500 financial sector gained 0.8% Tuesday.

Last week's surge came after the Federal Reserve signaled midweek that officials might raise rates as soon as March, faster than anticipated. By Monday, the yield on the 10-year Treasury note had jumped to 1.779%, its highest level since January 2020. On Tuesday, the yield on the 10-year Treasury

note settled at 1.745%, up from 1.666% a week ago.

Banks have still managed to notch recent blockbuster profits, thanks to big gains in trading and deal making. But higher interest rates would help with their bread-and-butter business.

Banks make money in part by charging higher rates on their loans compared with what they pay out on their deposits, and they tend to raise interest rates on loans before increasing them on deposits.

Rates on some types of loans, like mortgages, tend to move in tandem with the 10-year Treasury yield.

Banks also tend to raise rates on some corporate and

commercial real-estate loans when longer-term yields rise.

Those yields can be a proxy for market expectations for Fed rate increases. When the central bank raises its benchmark rate, banks tend to increase their rates on credit cards and some variable-rate loans.

"The spread between what you charge on loans relative to what you pay on deposits will begin to widen as rates rise," said Jason Goldberg, a banking analyst at Barclays, who is recommending investors position themselves in banks in 2022.

Some banks are already benefiting. **Regions Financial Corp.**, **M&T Bank Corp.** and **Citizens Financial Group Inc.** all rose about 15% last week.

M&T was up in the first two days of this week, while Regions was down and Citizens fell Monday and rose Tuesday. On Tuesday, M&T and Citizens added but Regions fell.

"The backdrop for financial stocks is very favorable: Rising interest rates can boost bank margins, and a strong economy can lead to increased borrowing," said Greg McBride, chief financial analyst at Bankrate.com.

For now, investors are looking forward to earnings later in the week for more clues about corporate profits.

JPMorgan Chase & Co., **Citigroup Inc.** and **Wells Fargo & Co.**, some of the largest

Trader Citadel Receives \$1 Billion Infusion

By CARA LOMBARDO AND ALEXANDER OSIPOVICH

Citadel Securities is set to receive its first outside investment in a deal valuing the electronic-trading firm majority-owned by hedge fund billionaire Ken Griffin at around \$22 billion.

Venture-capital firm **Sequoia Capital** and cryptocurrency investor **Paradigm** have agreed to invest \$1.15 billion in the Chicago-based firm, the company told The Wall Street Journal. Sequoia partner Alfred Lin will also join Citadel Securities' board.

Citadel Securities is managed separately from Citadel, the \$43 billion hedge fund on which Mr. Griffin built his fortune, estimated by Forbes at \$21.3 billion. Founded in 2002, Citadel Securities has grown into a global giant that trades equities, options, futures, bonds and other assets, handling about 27% of the shares that change hands in the U.S. stock market each day, according to its website. Much of that volume comes from processing trades for online brokerages such as Robinhood Markets Inc.

The deal will give Citadel Securities capital to continue expanding globally, the company said, and could be a precursor to an initial public offering for the business. There is no guarantee the firm will go ahead with a listing, and there are no plans to launch one imminently.

Sequoia, one of the country's largest venture firms with roughly \$80 billion under management, has backed companies including Airbnb Inc. and Google before they were publicly traded. Paradigm is focused on crypto and Web3, a reimagining of the internet, areas Citadel Securities is likely to incorporate in the future as they become more regulated.

To date, Mr. Griffin has been a crypto skeptic and avoided trading digital currencies in his businesses even as they have soared in price and popularity. In October, he said Citadel Securities didn't trade crypto because of a lack of

EVs Help China Snap 3-Year Car-Sales Fall

By YOKO KUBOTA

BELJING—China's car market snapped a three-year decline last year, helped by strong sales of electric vehicles, though the global chip shortage and Covid-19 outbreaks in the country disrupted some production.

Sales of passenger cars in 2021 rose 4.4% from a year earlier to 20.1 million vehicles, the China Passenger Car Association said Tuesday.

Helping drive growth in China were robust sales of electric and plug-in hybrid cars, which last year accounted for 15% of overall passenger-car sales.

Sales of these new-energy vehicles more than doubled to 2.99 million vehicles, the association said. Chinese brands such as **XPeng Inc.** and **NIO Inc.**, along with **Tesla Inc.**, showed record sales last year.

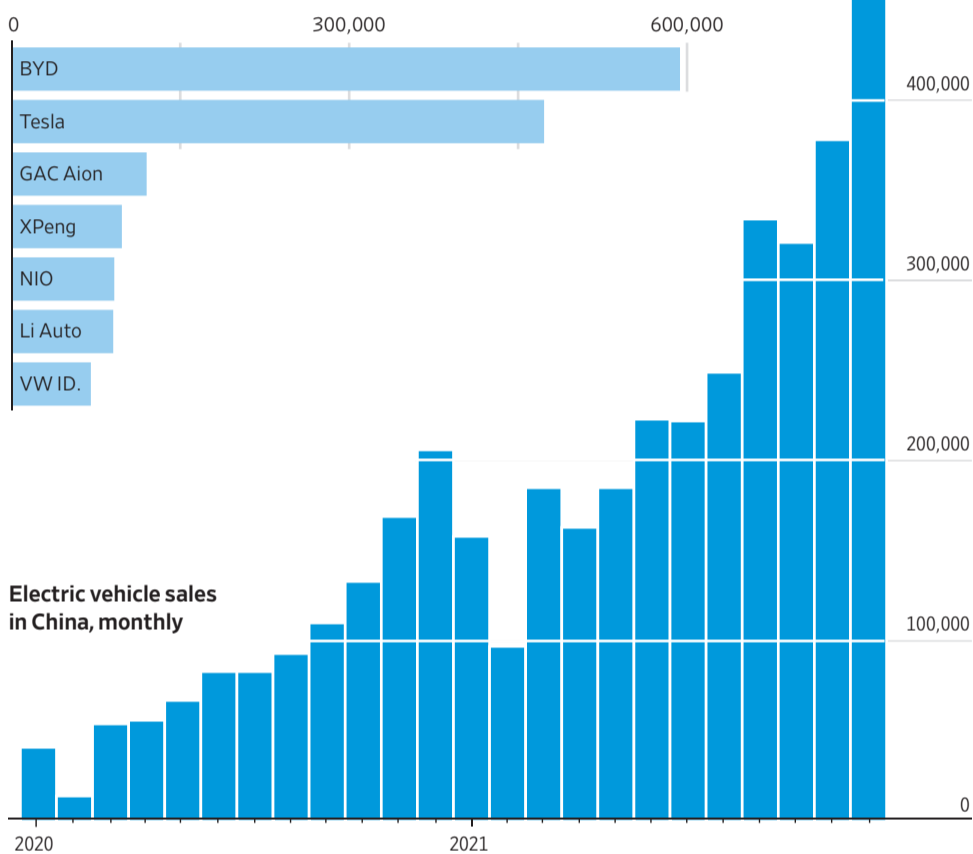
For 2022, China's passenger-car market is likely to grow by 5%, with new-energy cars accounting for a quarter of total sales, the association forecast.

Analysts also expect the market to expand, though some expect the pace to be slower.

Any growth is likely to come from electric-car sales, with analysts and industry executives expecting sales of internal-combustion-engine cars to remain flat or decline slightly this year.

Risks hanging over the market include an economic slowdown and the pandemic, analysts say. The world's second-biggest economy has been slowing in recent months amid a sluggish recovery in consumption and a prolonged

Top selling electric vehicle manufacturers in China, 2021



Sources: the companies (top manufacturers); China Passenger Car Association (EV sales, annual change, Tesla sales)

property slump. "A continuing contraction in demand caused by the overall economic slowdown and pandemic controls, coupled with the recovery of production as the chip shortage eases, would shift China's car market from an overdemand last year to an oversupply," said Paul Gong, head of China autos research at UBS.

The soaring cost of raw materials, especially those used in electric-vehicle batteries

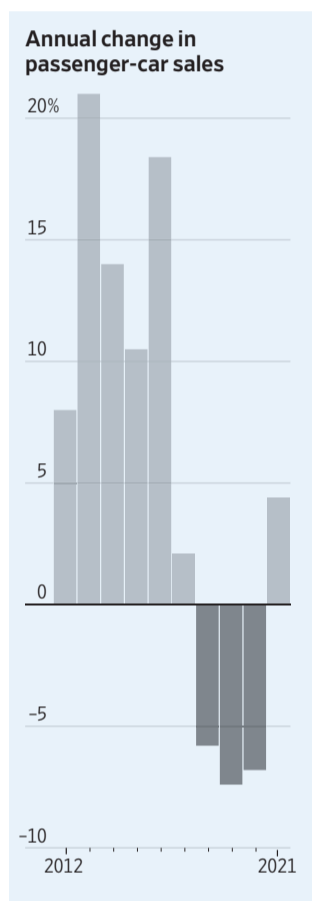
such as lithium and cobalt, is likely to loom over the industry, Mr. Gong added.

The car market has been feeling pain in recent months. October-December sales declined 11% compared with the same period last year, data from the association showed.

In 2021, some foreign auto makers suffered more than others, mainly due to the global semiconductor shortage and other component-supply problems.

Volkswagen AG, the biggest foreign brand in China, said its group sales in the country declined about 14% last year to 3.3 million vehicles, hit by the global chip shortage. **Nissan Motor Co.**'s sales fell 5.2%, and **Honda Motor Co.**'s dropped 4%.

"It is really a complex system of constraints which is changing more or less on a weekly basis," said Stephan Wöllenstein, Volkswagen's China chief executive, of the



auto maker's production plans. The German auto maker has also recently been struck by relatively small outbreaks of Covid-19 in China, shutting down plants in Tianjin and Ningbo, Mr. Wöllenstein said in a media briefing Tuesday. It aims to raise its China sales by around 15% in 2022 if component-supply conditions improve, Mr. Wöllenstein added. Meanwhile, **Toyota Motor**

INSIDE



BUSINESS NEWS
Albertsons and CVS benefit from demand for Covid-19 vaccines and tests. **B3**



FINANCE
Citigroup plans to shut down its consumer banking business in Mexico. **B12**

Boeing Wins on Jet Orders, Loses Ground on Deliveries

By DOUG CAMERON AND BENJAMIN KATZ

Boeing Co. sold more aircraft than **Airbus SE** last year but delivered half as many passenger jets, in a sign of the changing landscape facing the world's two dominant plane makers.

Boeing said Tuesday that it won orders for 909 planes in 2021 but delivered around 280 passenger jets, falling behind

Airbus and relying more on its cargo jets and military versions of commercial planes. Including cancellations, Boeing secured 535 net new orders, including older deals for 56 planes that it now considers more likely to be fulfilled.

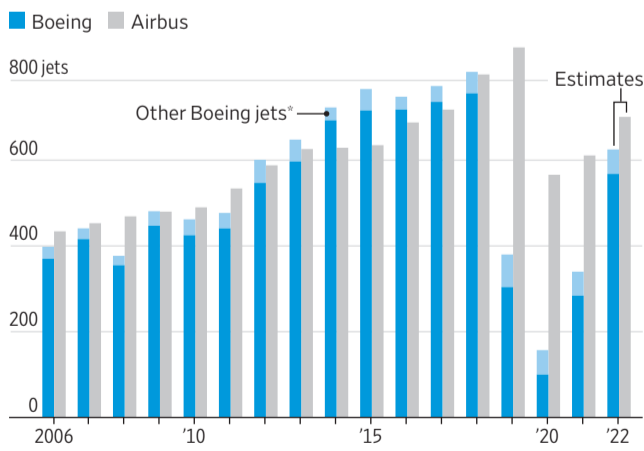
Airbus on Monday said it delivered 611 jets in 2021 and won orders for 771, or 507 net of cancellations.

Deliveries, when airlines and

other customers typically pay half or more of the purchase price, are closely watched by investors. Analysts expect Boeing to report sales of almost \$65 billion for 2021 when it reports results on Jan. 26, up from \$58.2 billion in 2020 when it delivered 157 jets.

Boeing and Airbus still have orders for thousands of planes that are planned for delivery

Passenger-jet deliveries



*Includes cargo, military and business jets Sources: the companies; Jefferies (2022 estimates)

Omicron Puts an End to Return-to-Office Forecasts

By PETER GRANT

If businesses have learned one thing from Covid-19, it is to stop trying to predict when their workers are going to be back in the office.

Companies across the U.S. said they were returning to the workplace in September, only to put off those plans when the spread of the Delta variant accelerated.

Many of those same firms were poised to dust off their office desks in January. Now major banks, technology com-

panies and other firms have scrapped those plans thanks to the Omicron variant, and a sense that Covid-19 is going to linger longer than most first imagined.

The postponements have unnerved office landlords and small businesses that are being stretched thin by a dearth of demand in office districts. An average of only 28% of the workforce last week returned to the office in the 10 major cities monitored by Kastle Systems, a nationwide security company that monitors build-

ing-access-card swipes. That compares with more than 40% the first week in December.

These reversals have persuaded many business leaders to avoid specific return dates. Instead, they are adopting more nuanced workplace strategies that recognize that Covid-19 will be around for the indefinite future.

Those plans, which are still being crafted at many companies, will mean adjusting the use of conventional office space depending on need and health conditions.

For example, rather than devising an officewide return date, companies are working on systems that would vary the number of employees in offices depending on the Covid-19 infection rate for the indefinite future, human-resources executives say.

Some businesses also are working on strategies that would base office returns on the needs of specific groups, these executives say. Under this system, managers would ask employees who are working on a sales or marketing

presentation to gather in offices to collaborate, and then return to mostly working at home when the presentation is finished.

The decision by companies to give up on the idea of companywide return dates amounts to more bad news for office landlords, because the change will likely prolong the length of time that people work from home. "The longer people have worked remotely, the harder it will be to get them back to the office," said

Please turn to page B6

INDEX TO BUSINESSES

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

A	E	Planet Fitness.....B6
Adidas.....A1,B6	Eldridge Industries...B12	PNC Financial Services
Aflac.....B12	Eli Lilly.....A8B12
Airbus.....A9,B1	F	Project44.....B11
Albertsons.....B3	Franklin Resources...B12	R
Ally Financial.....B12	G	Ralph Lauren.....B6
Amazon.com.....A7,B3	General Motors.....B4	Regeneron
American Tower.....B14	GlaxoSmithKline.....A8	Pharmaceuticals.....A8
Apollo Global	Global Infrastructure	Regions Financial.....B1
Management.....B12	Partners.....B14	S
AstraZeneca.....A8	Gopuff.....B14	Samsung Electronics..A1
B	Griffin Capital.....B12	Sequoia Capital.....B1
Bank of America.....B12	Guggenheim Partners	Sinovac Biotech.....A8
BevMo.....B14B12	Sunshine Fitness
Biogen.....A3	H	Growth.....B6
BioNTech.....A8	Home Depot.....B14	T
Blackstone.....B14	I	Tesla.....B1
Boeing.....B1	Intel.....B4	Thoma Bravo.....B11
BondCLIQ.....B12	J	Toyota Motor.....A9
Brookfield Asset	JPMorgan Chase..B1,B12	TPG Capital.....B11
Management.....B6	L	Tradeweb Markets...B12
Buyk.....B14	Liquor Barn.....B14	U
C	Lowe's.....B14	United Airlines.....B2
Capital One Financial	M	V
.....B12	MarketAxess.....B12	Vanguard.....B12
Carvana.....B4	Morgan Stanley.....B12	Vir Biotechnology.....A8
Citadel Securities.....B1	Motive Partners.....B12	Volkswagen.....A1
Citigroup.....B1,B12	M&T Bank.....B1	Vroom.....B4
Citizens Financial.....B1	N	W
Colliers International..B6	Nike.....A1	Walgreens.....B3
CoreSite.....B14	NIO.....B1	Wells Fargo.....B1,B12
CVS Health.....B3	P	X
CyrusOne.....B14	Pfizer.....A8	XPeng.....B1
D		
Dollar General.....B14		
DoorDash.....B14		

INDEX TO PEOPLE

B	Guertin, Shawn.....B3	Petrou, Karen.....B12
Barganski, John.....B6	Haeefle, Mark.....B13	R
Boehly, Todd.....B12	Hamers, Ralph.....B13	Rhodes, Bill.....B14
C	K	Rowan, Marc.....B12
Calhoun, Mike.....B12	Kassam, Altaf.....B13	S
Carlisle, Steve.....B4	Kirby, Scott.....B2	Sadana, Sumit.....B4
D	Kropp, Brian.....B6	Sankaran, Vivek.....B3
Davis, George.....B4	L	Sayle, Robert.....B11
Dimon, Jamie.....B12	Lin, Alfred.....B1	Scherer, Christian.....B2
F	M	Shvo, Michael.....B6
Faury, Guillaume.....B2	McBride, Greg.....B1	U
Fraser, Jane.....B12	McCandless, Jett.....B11	Usdin, Ken.....B12
G - H	McCollam, Sharon.....B3	W - Z
Gallagher, Maury.....B2	Mollins, Robert.....B14	White, Chris.....B12
Gelsinger, Pat.....B4	Moore, Vaughn.....B2	Wöllenstein, Stephan..B1
Goldberg, Jason.....B1	Morais, Diane.....B12	Wylde, Kathryn.....B6
Gong, Paul.....B1	P	Xu, Tony.....B4
Griffin, Ken.....B1	Persson, Henrik.....B4	Zinsner, David.....B4
		Zuckerberg, Mark.....B4

China Car Sales Increase

Continued from page B1
Corp., which has navigated the supply-chain constraints better than some rivals in China and the U.S., said its sales in China rose 8.2% in 2021. China's major homegrown EV makers sold a record number of cars last year. **BYD Co.** said it sold nearly 600,000 new-energy passenger cars in 2021. **XPeng**, **NIO** and **Li Auto Inc.** all delivered more than 90,000 vehicles each last year.

U.S. electric-vehicle maker Tesla sold more than 470,000

cars made at its Shanghai factory last year, around a third of which were exported, data from the association showed. Tesla said last week that it delivered more than 936,000 vehicles globally in 2021.

China's subsidy program for electric-car buyers is set to end before the start of 2023. This year, Beijing, which has already been cutting subsidies in recent years, has further reduced them by 30% from last year to around \$2,000 or less.

Analysts expect the end of the policy to have limited impact on electric-vehicle sales. "The new-energy vehicle market in China has evolved to be driven by demand from one that was driven by policies and subsidies," said Jing Yang, research director of Fitch Ratings.

—Raffaele Huang contributed to this article.



For 2022, China's passenger-car market is likely to grow by 5%, with new-energy cars accounting for a quarter of total sales.

Boeing Loses Ground

Continued from page B1
over the next several years, even as airlines continue to work through the Covid-19 pandemic that left global air capacity, measured by available seats, 35% lower last year than pre-pandemic 2019, according to data provider OAG.

The two companies for decades have vied for the title of the world's biggest plane maker by deliveries. Airbus has now held that title for the third year running as Boeing remains hampered with the crisis that engulfed its 737 MAX and production problems with its 787 Dreamliner. Boeing has built up an inventory of more than 100 undelivered Dreamliners as it addresses manufacturing issues and seeks regulatory approvals.

Airbus now commands 60% of the market for the bestselling workhorse jets such as the A321neo, which airlines use on

big domestic routes and, increasingly, for international service. That share is set to climb higher, said Richard Aboulafia, managing director at AeroDynamic Advisory, a consultant.

Boeing shelved plans for an all-new jet to focus on producing existing models and winning regulatory backing for ones already under development. Still, the largest version of the MAX has been outsold by the rival Airbus plane by almost six to one, based on year-end orders of planes still to be delivered.

Airbus has been faster to restore production trimmed early in the pandemic, while Boeing has taken longer to boost output, as it awaits regulators' approval for fixes to the 787.

Boeing's order total last year included carriers who couldn't get their hands on new Airbus jets. Las Vegas-based Allegiant Air last week agreed to buy up to 100 MAX jets, its first Boeing purchase. Maury Gallagher, chief executive of parent Allegiant Travel Co., said any new Airbus planes the airline ordered now wouldn't be received till near the end of the decade.

"What we have to accept is it was an opportunistic transaction driven largely by avail-

BUSINESS & FINANCE

Cascading Flight Cancellations Snarl Shipments of Airfreight

By LYDIA O'NEAL

Airfreight forwarders are off to a turbulent start to the New Year as flight cancellations have sharply reduced aircraft capacity and disrupted expedited shipping operations.

Though cancellations eased over the past few days, airlines have scrubbed thousands of flights in recent weeks because of winter storms and staffing shortages tied to surging Covid-19 cases.

That has forced the freight forwarders that serve as middlemen between air carriers and companies shipping goods to scramble for alternative flights and to reroute shipments, from clothing and pharmaceuticals to printer cartridges and electronics, that fly in the bellies of passenger planes.

The cancellations have delayed deliveries and added to transportation costs for retailers and manufacturers seeking to fly goods over clogged ocean ports around the world.

Itasca, Ill.-based AIT Worldwide Logistics Inc. recently had to switch airlines for a

100-ton shipment scheduled to fly from the U.S. to Hong Kong for a major technology customer because the first carrier didn't have enough ground handlers to unload the cargo at its destination, AIT Chief Executive Vaughn Moore said.

"We had to pivot very quickly," said Mr. Moore, adding that the past weeks "have been extremely taxing," with

Staffing shortages and bad weather disrupt shipping operations.

staff shortages and quarantine rules for crew members complicating air-cargo operations. In some cases, AIT has switched airports and even moved items by truck to their final destination.

U.S. airlines have canceled more than a thousand flights daily over the past two weeks. FedEx Corp. last week said the spread of the Omicron variant

is contributing to staff shortages and delays in shipments traveling by air.

The tumult has freight forwarders "literally playing whack-a-mole" as they try to rebook cargo, said Marc Schlossberg, executive vice president of airfreight at Unique Logistics International Inc., a New York-based freight forwarder.

On Dec. 30, a flight flying from Hanoi to the U.S. loaded with cargo for a Unique Logistics fashion retailer customer was canceled because there weren't enough crew members due to Omicron-related quarantines. It took several days for Unique Logistics to get the goods on another jet out of Vietnam, Mr. Schlossberg said.

The disruptions have delayed air cargo shipments by two to four days in recent weeks, said Brian Bourke, chief growth officer at Seko Logistics LLC, another freight forwarder based in Itasca, outside Chicago.

On Jan. 7, Seko warned customers that it was "experiencing challenges moving freight to and from many cities

throughout the Continental U.S. via domestic airfreight" because of weather and Covid-19-related labor shortages. The company plans to issue another alert this week warning of disruptions across all modes of freight transportation, Mr. Bourke said.

Airfreight demand has soared in recent months as companies have sought to fly goods around bottlenecks in supply chains.

Shippers are using airfreight for heavy items such as exercise bikes and lower-value goods like discount store merchandise that would usually ship by ocean, said Brandon Fried, executive director of the Airfreighters Association, a trade group. "Usually, it's electronics and high-value goods that have a definitive market shelf life" that would travel by air, he said.

Demand softened in December but it remains elevated compared with the same month in 2020, Mr. Fried said, "and that's probably a direct result of the congestion" at the ports.



Cancellations have forced freight forwarders that serve as middlemen between carriers and companies to find alternative flights.

United Reports 3,000 Positive Covid Tests

By JOSEPH DE AVILA AND ALISON SIDER

About 3,000 employees with **United Airlines Holdings Inc.** have tested positive for Covid-19, but no vaccinated staffer has died from the disease over the past eight weeks, the company's top executive said.

United, the first major airline to implement a Covid-19 vaccine requirement, was reporting about one Covid-19 death per week among staffers prior to the mandate's implementation, Scott Kirby, chief executive of United, wrote in a letter to employees on Tuesday.

The company's vaccine mandate, which was announced in August and went into effect this past fall, has

likely saved the lives of eight to 10 employees, he said.

"I know that some people still disagree with our policy," Mr. Kirby said, while adding: "United is proving that requiring the vaccine is the right thing to do because it saves lives."

The airline has said that the vast majority of its 67,000 U.S. employees are vaccinated, including all its customer-facing workers, while 2,000 have requested exemptions for medical or religious reasons.

United's hospitalization rate for Covid-19 has also dropped lower than that of the general U.S. population since the vaccine requirement went into effect, Mr. Kirby said.

None of the vaccinated

United workers currently testing positive for Covid-19 have been hospitalized, he added.

Still, the employee absences have contributed to flight disruptions at United and several other airlines for more than two weeks. At one point, nearly one-third of United's workforce at Newark Liberty International Airport had called out sick, Mr. Kirby said.

"The Omicron surge has put a strain on our operation, resulting in customer disruptions during a busy holiday season," he said.

The U.S. seven-day average of Covid-19 cases reached 674,406 on Monday, nearly a seven-fold increase since Dec. 1, according to the Centers for Disease Control and Prevention. The nation's limited

testing capacity may also be contributing to an undercount of cases.

Airline cancellations have slowed in recent days following a more than two-week streak where carriers canceled more than 1,000 flights a day.

Covid-related worker absences and a series of severe storms caused the worst stretch of travel disruptions since the start of the pandemic.

On Tuesday, airlines canceled about 700 flights, according to aviation-data tracker FlightAware.

Airlines have been trimming back their schedules through the rest of the month and into February and March to better manage the disruption going forward.

In Memoriam

For more information: wsj.com/inmemoriam

Robert W. Danforth
January 2, 2022



MATTAPOISETT, MASS. - Robert W. DANFORTH of Mattapoisett, MA passed away peacefully on January 2, 2022 surrounded by his beloved daughters and several of his eleven grandchildren. Born on February 16, 1931 in Quincy, MA, Bob was the son of the late Wallace and Ruth (Olson) Danforth.

A memorial celebration service will be held at the First Parish Church in Weston, MA on Saturday, June 4th at 2 pm. For online guestbook, please visit www.saundersdwyer.com

John D. Hawke, Jr
January 3, 2022

WASHINGTON, DISTRICT OF COLUMBIA - John Daniel Hawke, Jr. died at his home in Washington, D.C. on January 3, 2022, at the age of 88, surrounded by his family. He was preceded in death by his beloved wife Marie in 1991, and leaves four children, Daniel (Jessica Blake), Caitlin (John Kada), Anne and Patrick; three grandchildren, Spencer, Camerynn and Clare; and companion Beverly Baker. Educated at Yale University and Columbia Law School, Jerry was an accomplished lawyer at Arnold & Porter, a firm he chaired from 1987-1995. He served in all three branches of the U.S. government, including as Under Secretary of the Treasury for Domestic Finance and as the 28th Comptroller of the Currency. He had many passions and will be remembered for his excellence: as a nurturing father, an impeccable moral compass, a leader, a poetic writer, photographer and cook, and as a righteous smoker of bluefish. A celebration of his life will be held at a later date. Remembrances may be shared at www.josephgawlers.com. Memorial contributions in his name may be made to the Island Food Pantry of Martha's Vineyard (www.igimv.org).

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BUSINESS NEWS

Shots Boost Albertsons, CVS

The retailers raise their profit outlooks as Covid vaccines, test kits help fuel sales

By JAEWON KANG AND MATT GROSSMAN

Albertsons Cos. Inc. and **CVS Health Corp.** projected higher profits as Covid-19 worries drove more consumers to the chains' pharmacies for vaccinations and over-the-counter tests, executives said.

Supermarket operator Albertsons said its stores benefited from strong vaccine demand and higher pricing for groceries, lifting profits and sales for the company's latest quarter. Albertsons' results for the period, which ran through the first week of December, were stronger than analysts had forecast, and the chain raised its full-year guidance.

The roughly 11 million Covid-19 vaccinations that Albertsons said it has administered have helped create repeat customers, increasing pharmacy and grocery sales and lifting gross profits, executives said Tuesday.

"This has been a major initiative for us, not only from a business perspective, but also from a social perspective," Sharon McCollam, Albertsons' chief financial officer, said on a conference call.

CVS separately projected its 2021 profitability would be stronger than previously expected, as executives said surprisingly high demand for Covid-19 vaccines in November and December boosted the largest U.S. pharmacy chain. CVS finance chief Shawn Guertin said Tuesday at an investor conference that more people sought on-location tests, and sales of over-the-counter Covid tests "really took off."

Walgreens Boots Alliance Inc. last week said that demand for vaccines and at-home tests helped increase sales and profits in the drugstore giant's latest quarter, and led the company to boost its full-year profit forecast.



Albertsons said its stores benefited from strong vaccine demand and higher pricing for groceries

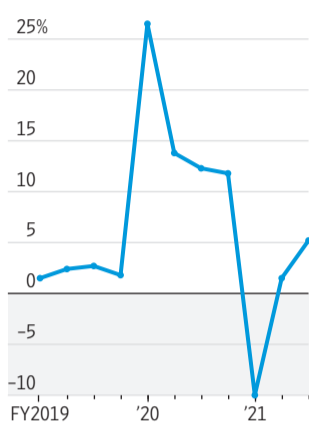
The Omicron variant's spread across the U.S. is also prompting consumers to eat more at home again, Albertsons executives said. The chain's identical sales—a metric that strips out the effects of store openings and closures—grew 5.2%, excluding fuel, for the quarter ended Dec. 4. Albertsons is passing through some increase in prices from food manufacturers, benefiting as people paid more for products.

Escalating Covid-19 infections are stressing Albertsons' supply chain, however, as executives said more workers are calling out sick. They said the chain expects to see more supply challenges in the next four to six weeks.

"As we get past Omicron, we expect to see more of that capacity," said Chief Executive Vivek Sankaran on a call with analysts.

Supermarket companies such as Albertsons benefited from surging sales early in the pandemic as restaurants closed dining rooms and consumers cooked more meals at home. Sales growth for Albertsons has leveled off compared with the frenzied early months of the crisis, but identical sales in the latest quarter remained about 18% higher than in the same stretch of 2019, the company said.

Albertson's same-store sales, change from a year earlier



Albertsons gained market share in the latest quarter, Mr. Sankaran said, and sales of fresh food are growing faster than in the rest of the store. The company has been automating production and simplifying tasks across stores so employees can spend more time on the floor, he added.

Like other grocers, Albertsons is spending more on overtime and raising wages to combat worker shortages, executives said. Albertsons' costs continue to rise in other areas like packaging, ingredients and transportation, executives said.

Mr. Sankaran said the company has been judicious about how it passes down such increases to consumers.

"We have a strong consumer. We haven't seen a dramatic change in their behavior," he said, adding that he doesn't yet know whether shoppers' behavior will change if inflation continues to take hold.

Albertsons' digital sales for the quarter grew 9% from a year earlier and more than tripled from two years ago. The company said it would continue to invest in e-commerce, including pickup and warehouses for online orders.

Albertsons lifted its outlook for the fiscal year that runs through February, projecting that identical sales will decline by less than the company's previous forecast. The company said it is now expecting adjusted earnings of \$2.90 a share to \$2.95 a share in the February-ending year, up from previous guidance of \$2.50 to \$2.60.

At Monday's closing price of \$31.90, Albertsons shares have more than doubled since the first trading day following the company's June 2020 initial public offering, when shares closed at \$15.45. The stock fell 9.75% Tuesday.

—Sharon Terlep contributed to this article.

Amazon Workers In Alabama to Hold Second Union Vote

By SEBASTIAN HERRERA

A federal labor board has scheduled a second union election at an **Amazon.com Inc.** facility in Bessemer, Ala., after a board representative found Amazon violated labor law during last year's vote in which workers sided against unionization.

The National Labor Relations Board said the new election will be held by mail, with ballots being mailed to employees on Feb. 4.

Voters will have almost two months to submit ballots, with the vote count scheduled to start March 28. While Amazon won the first vote by a large margin, the labor board's decision sets up another battle between Amazon and the Retail, Wholesale and Department Store Union, which is leading the campaign to organize workers in Bessemer.

An Amazon spokeswoman said employees have always had the choice of whether to join a union. "They overwhelmingly chose not to join the RWDSU last year," she said, adding that Amazon is looking forward to the vote.

A spokeswoman for the RWDSU said worker voices "can and must be heard fairly, unencumbered by Amazon's limitless power to control what must be a fair and free election, and we will continue to hold them accountable for their actions."

The two sides have been making their case to workers for more than a year. The union has campaigned almost daily in Bessemer during that time. Organizers have tried to connect with workers by using family ties and themes from the Black Lives Matter movement. Many of the workers at the Bessemer facility are Black.

Amazon, meanwhile, held regular meetings inside the facility to discourage workers

from voting for unionization. In the months since the first election, the company raised its pay nationally—now averaging more than \$18 an hour—and introduced perks such as paid college tuition.

As the sides prepare for a second vote, one of the most significant challenges the union faces is the possibility that many people now employed at the facility may not be there when the vote is held. With Amazon's turnover exceeding 100% across many of its facilities, it will be more difficult for the RWDSU to gain and keep support from employees, labor researchers have said.

In December, Amazon and the NLRB reached an agreement to make organizing easier for workers. Under the agreement, Amazon is notifying past and current warehouse staff of their rights to organize in its buildings via email and other internal communications, and the NLRB can more quickly hold Amazon accountable should it violate the terms of the agreement.

While the deal will allow workers to gather and advocate for unionization from within Amazon facilities, union organizers who don't work for the company still won't be allowed to enter. The company can still use meetings and various means of communicating to workers to push back on unionization efforts, said Rebecca Givan, a labor-studies professor at Rutgers University. "With sufficient resources, the odds are with them," Ms. Givan said of Amazon.

The number of eligible voters hasn't been made public. In the previous election, the facility housed roughly 6,000 eligible workers.

Roughly 71% of workers who cast ballots in the first election voted against joining the RWDSU.



The rise in infections extended a Port of Los Angeles worker shortage that began over the holidays.

Southern California Ports Strain to Trim Cargo Backlog

By PAUL BERGER

The Covid-19 Omicron variant is hampering efforts to clear a backlog of about 100 container ships at the nation's busiest port complex as infections rise among Southern California dockworkers.

About 800 dockworkers—roughly 1 in 10 of the daily workforce at the ports of Los Angeles and Long Beach—were unavailable for Covid-related reasons as of Monday, according to the Pacific Maritime Association. Absentees included workers who tested positive for the virus, were quarantining or awaiting test results, or who felt unwell. The association, which secures labor for terminal operators on the West Coast, said the number of daily worker infections rose rapidly in recent weeks, escalating from several cases a day to dozens and then hitting about 150 a day last week.

The shortfall meant that on Monday two container ships at the port complex received fewer dockworkers than requested and 13 ships didn't receive any requested workers to load or unload cargo, effectively halting operations. That same day, 102 container ships waited for a berth at the port

complex, according to the Marine Exchange of Southern California, which monitors ship movements in the area.

Dozens of vessels have waited weeks or months to unload cargo at the ports of Los Angeles and Long Beach as a crush of imports overwhelmed operations that deliver goods to U.S. markets. The backlog rose to 100 ships in late November and reached a record 106 vessels on New Year's Day.

Alan McCorkle, chief executive of Yusen Terminals LLC at the Port of Los Angeles, said the rise in coronavirus infections extended a worker shortage that began over the holidays, reducing productivity at his terminal by about 20%. "It's just going to prolong the catch-up," he said.

Dockworkers helped move record cargo volumes last year and are just as susceptible to Covid infections as other workers, said Frank Ponce De Leon, an official with the International Longshore and Warehouse Union, which represents West Coast port workers. Los Angeles County, where many port workers live, logged 200,000 positive coronavirus cases for the week that ended Jan. 8, a record.

The labor shortages in

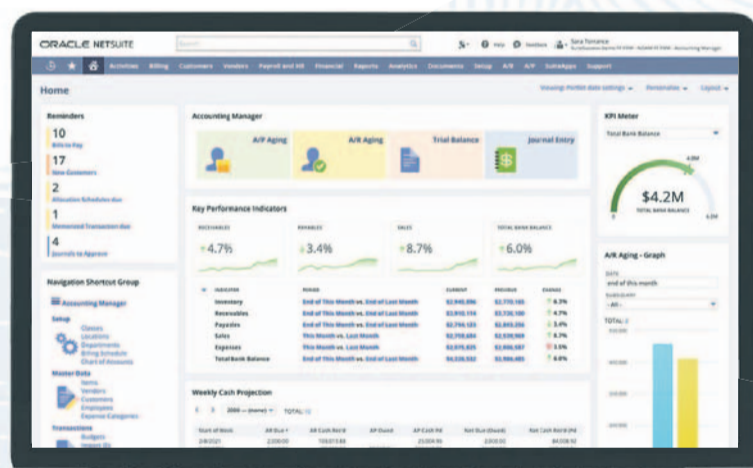
Southern California come as surging Covid-19 cases ripple through global supply chains. Denmark-based marine consulting firm Sea-Intelligence ApS said in a report Tuesday that congestion and bottlenecks are worsening at ports in the U.S. and Europe.

The Southern California port complex is the main ocean gateway for U.S. imports from Asia, handling about 40% of container cargo. The ports struggled last year to handle record import volumes that surged about 20% compared with pre-Covid levels in 2019 as businesses rushed to restock inventories and Americans switched their pandemic-era spending from services to goods. The Biden administration last year took measures aimed at reducing the backlog, including efforts to prod Southern California terminals to move toward 24-hour operations that had limited success.

Port of Long Beach Deputy Executive Director Noel Haccagaba said the port's terminals remain open and continue to offer some extended hours despite the increase in worker infections. The Port of Los Angeles referred questions about labor shortages to the Pacific Maritime Association.

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Back Market Is Valued at \$5.7 Billion

Fresh funding for the electronics reseller underscores heady market for startups

By Ben Dummert

Back Market, an online marketplace that sells refurbished iPhones and other electronic devices, has raised funding that boosts its valuation to \$5.7 billion, leapfrogging what it was worth less than a year ago, according to the company and its investors.

Founded in 2014, Back Market fixes and resells electronic goods, including Apple and Samsung smartphones and tablets, MacBook, Dell and Microsoft laptops, Krups coffee makers and Dyson hair dryers.

The company, which is based in Paris, raised \$510 million in its latest funding round. Leading the investment was Sprints Capital, a London-based investment firm that counts online payments company Revolut among its other technology-company holdings.

The new \$5.7 billion valuation is almost an 80% jump from the \$3.2 billion level Back Market achieved in May, when it raised \$335 million. The increase underscores the heady market for startups in Europe, which had previously been seen as an also-ran in the tech universe.

Also joining the investment round were the e-commerce operator's existing investors,

General Atlantic; Eurazeo, a Paris-based private-equity firm; Aglaé Ventures, the venture-capital arm of luxury titan Bernard Arnault; and London's Generation Investment Management LLP.

Back Market has earmarked the new funds to double the size of its staff in the U.S. to about 100 this year and to boost its total global employee count by 350 to 1,000.

It entered the U.S. in 2018 and expects to generate triple-digit annual revenue growth this year, said Thibaud Hug de Larauze, its co-founder and chief executive.

Refurbished devices represent about 6% of total global annual sales of electronics.

Refurbishers and brands sell directly to consumers through Backmarket.com and the company earns a commission on each sale. The company doesn't disclose financials.

The investment is a bet on growing consumer demand for products that reduce electronic waste and offer discounted prices, particularly at a time when inflationary pressures are increasing.

"The sales growth of new electronics and the mounting pressures to divert these devices from landfills creates a



The company raised \$510 million in its latest funding round. A worker at a Back Market contractor.

massive opportunity for Back Market to win more business," said Henrik Persson, Sprints' managing partner.

Electronic waste contains toxic additives and hazardous substances such as mercury, yet only 17.4% of 2019's e-waste was collected and recycled, according to a United Nations report published the following year.

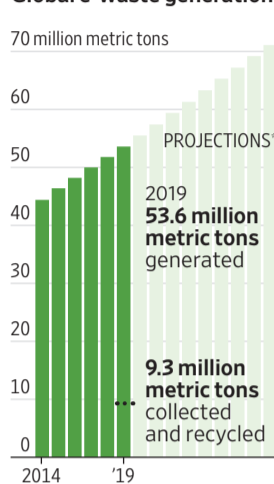
Back Market competes with U.S.-based platforms like Swappa and ecoATM International Ltd. But unlike some of its competitors, all of its items come directly from certified refurbishers, distributors and brands.

The defective rate of devices sold over Back Market's platform is about 4%, almost on par with the average unofficial rate of new devices, the company says. All purchases come with a contractual warranty that allows buyers to return faulty devices for a full refund.

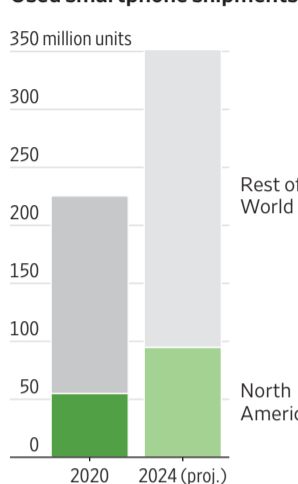
The company hopes refurbished electronics can replicate the secondhand car market.

Refurbished devices represent about 6% of total global annual sales of electronics. By comparison, about 70% of cars purchased are used, Mr. Hug de Larauze said.

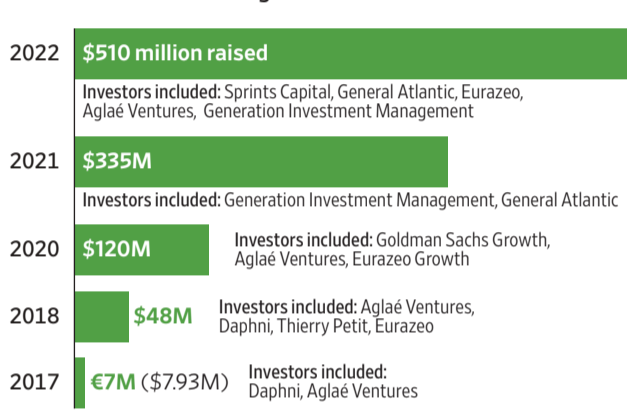
Global e-waste generation



Used smartphone shipments



Back Market's fundraising rounds



*Future projections do not take into account economic consequences related to the Covid-19 crisis. Sources: The Global E-waste Monitor, 2020 (e-waste); IDC (shipments); the company (fundraising)

GM Website Takes Aim at Carvana, Vroom

By Mike Colias

The market for selling used cars online has exploded during the pandemic. Now, General Motors Co. wants to help its dealers secure a bigger piece.

The Detroit auto maker is launching a new website called CarBravo that will help U.S.-based GM dealers market and sell used cars online, competing directly with Carvana Co. and other retailers that have embraced virtual sales in the past couple of years.

GM dealers would sell both GM and non-GM vehicles through the site.

The move injects fresh competition into the used-car industry, which already is undergoing rapid change from online-focused startups such as Carvana and Vroom Inc. It is also a shift in strategy for GM, which today owns and sells ve-

hicles from its leasing operations but isn't involved in marketing them directly to car shoppers.

Steve Carlisle, president of GM North America, said the new business would have more dealerships and used-car inventory than existing competitors. In service-department capacity, CarBravo is expected to exceed that of used-car retailer CarMax as well as Carvana, which sells vehicles online only, he added.

"Our customers will have the opportunity to choose from the largest number of used-car dealers," Mr. Carlisle said. "CarBravo will be more than competitive."

Carvana and CarMax didn't immediately respond to requests for comment.

GM began signing up dealers this week to participate in the service, which is expected to go live by the summer, the

company said. It expects most of its 3,800 Chevrolet, Buick and GMC dealers to sign on. GM's fourth brand, Cadillac, is developing its own used-vehicle-sales tool, the company said.

The used-car market was gaining momentum even before the pandemic and has continued to surge over the past few years as new vehicles have remained in short supply. The strengthening demand has benefited traditional dealerships along with newer startups, like Carvana, that let car buyers shop online with a broader selection than the local used-car lot. Auto retailers have also been shifting more of their business online and expanding service areas, shipping cars across state lines to grow their reach and offer more choice.

GM is responding to strong demand for used vehicles, which Mr. Carlisle said began

well before the pandemic but has intensified. Used-car prices have soared in the last 18 months amid disruptions to new-vehicle production linked to the continuing global chip shortage.

Mr. Carlisle said used cars represent a large and steady market opportunity. About 70% of all vehicles sold in the U.S. historically are used, and the market is less vulnerable to economic downturns, GM said.

Mr. Carlisle declined to discuss specifics around GM's financial arrangements with dealers. He said he expects CarBravo to generate revenue for GM by boosting demand for parts and services at GM dealers and through sales of subscriptions for OnStar, the auto maker's connected-car service.

Used vehicles are among the most important profit centers for dealers, who generally make more money from their

pre-owned-car operations than they do on new-car sales.

Todd Ingersoll, a Connecticut GM dealer who worked with the company to develop CarBravo, said he thinks the service would help some dealers who have lagged on moving their used-car sales online as well as expand their reach.

"Any time you can pool your inventory and increase the amount of organic [online] searches that you have, then that naturally is going to bring in more internet leads and drive more business to our channel," he said. GM said its U.S. network has about 400,000 used vehicles in inventory. Carvana said last month that it had about 55,000 vehicles for sale. GM already handles about 500,000 used vehicles annually, much of them from lease returns, that it then sells primarily through auctions or its dealer network.

New Intel CFO to Help Guide Transition

By Kristin Broughton

Intel Corp.'s new finance chief, David Zinsner, will play a critical role in steering the chip maker's finances and allocating capital as the company embarks on a multiyear turn around.

Santa Clara, Calif.-based Intel on Monday named Mr. Zinsner as its next chief financial officer. Mr. Zinsner's appointment takes effect Jan. 17. He succeeds George Davis, who announced his retirement in October and will remain with Intel as an adviser until May.

Mr. Zinsner had been CFO at chip maker Micron Technology Inc. for about four years. Micron said it has begun a search for a new CFO and named Chief Business Officer Sumit Sadana to the additional role of interim CFO.

Mr. Zinsner will join Intel in a period of transition, including in its executive ranks. Chief Executive Pat Gelsinger took over in February 2021, succeeding former CEO Bob Swan, who was ousted from the company. Additionally, Intel said Monday that Gregory Bryant, the head of its client computing group, is leaving at the end of the month for a new opportunity.

Intel's chip-making business has lost ground in recent years to rivals such as Taiwan Semiconductor Manufacturing Co. and South Korea's Samsung Electronics Co. due to delays in rolling out new chip technology. Mr. Gelsinger has committed to making the world's best chips within four years, including by introducing a new central processing unit every year between 2021 and 2025. He also has committed to spending heavily to build new facilities as part of a plan to manufacture chips for other companies.

As CFO, Mr. Zinsner will help Intel deliver on its goals by setting out a strategy for allocating capital, ensuring the company has the right re-



Intel's new CFO, David Zinsner

sources in place and communicating progress with investors, according to C.J. Muse, a senior managing director with investment firm Evercore Inc. "This is a major turnaround, and it's unclear whether it's going to work or not," Mr. Muse said.

In Mr. Zinsner, Intel has hired a finance chief with extensive experience in the semiconductor industry. He also previously served as chief financial officer at chip makers Analog Devices Inc. and Intersil Corp., which was acquired in 2017 by Japanese semiconductor company Renesas Electronics Corp.

Mr. Gelsinger praised Mr. Zinsner's knowledge of semiconductors, manufacturing and capital allocation in a press release. "I look forward to partnering with Dave as we continue to execute our strategy to usher in a new era of innovation," he said in the release.

Intel declined to make Mr. Zinsner available for an interview.

Intel in September said it plans to invest as much as \$95 billion in new chip-making facilities in Europe and is one of several semiconductor companies, including Micron, that recently announced expansion plans. As part of that announcement, Intel committed to adding manufacturing capacity specifically for the automobile chip sector.

Intel in October reported sales of \$19.2 billion, up 5% from a year earlier. The company, like others across industries, has struggled with component shortages that have weighed on computer sales.

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19 911 Speedster Manual w/ Heritage Pkg.	GT Silver/Cognac	15 mi	\$439,900	
19 911 Turbo S Coupe PDK	GT Silver/Espresso	27K mi CPO	\$192,900	
17 911 Targa 4S PDK	Black/Espresso	20K mi CPO	\$149,900	
17 911 Carrera Coupe PDK	Night Blue/Agate Grey	24K mi CPO	\$99,900	
16 911 Carrera 4 GTS Coupe Manual	Agate Grey/Black	9K mi	\$139,900	
12 911 Turbo S Cabriolet PDK	Black/Black	9K mi CPO	\$129,900	
12 911 '991' Carrera S Coupe PDK	Dark Blue/Beige	31K mi CPO	\$84,900	
10 911 Turbo Coupe PDK	Black/Black	16K mi CPO	\$129,900	
07 911 GT3 Manual	Black/Black	6K mi	\$199,900	
06 911 Carrera 4S Coupe Manual	Black/Beige	7K mi	\$99,900	
06 911 Carrera S Cabriolet Manual	Black/Black	12K mi	\$69,900	

Model	Year	Color	Mileage	Price
21 Taycan 4S	White/Beige & Black	6K mi	\$124,900	
19 Cayenne Turbo	Quartzite Grey/Black & Red	9K CPO	\$135,900	
18 Macan S	Black/Black	25K mi CPO	\$59,900	

Model	Year	Color	Mileage	Price
20 718 Cayman GT4 Manual, PCCBs	Racing Yellow/Black	794 mi CPO	\$144,900	
19 718 Boxster GTS PDK	Guards Red/Black	7K mi CPO	\$94,900	
12 Cayman R PDK, PCCBs, Bucket Seats	White/Black	8K mi	\$104,900	
11 Boxster S PDK	Black/Black	25K mi CPO	\$49,900	

Model	Year	Color	Mileage	Price
19 Mercedes-Benz G 550	Designo Night Black/Black	23K mi CPO	\$199,900	
13 Bentley Mulsanne - 1 Owner	Black/Black	4K mi	\$149,900	
13 Mercedes-Benz SL 550 w/ Sport Pkg.	Iridium Silver/Black	38K mi	\$52,900	

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Meta Names Doordash CEO Tony Xu to Board

By Salvador Rodriguez

Facebook company Meta Platforms Inc. on Tuesday appointed Doordash Inc. Chief Executive Tony Xu to its board of directors, adding outside executive experience to a group that has been criticized for its lack of independence.

Mr. Xu's appointment is the first change to the board since the company rebranded itself as Meta in October. It is also the first addition to the board since the departure of Jeffrey Zients, who chose not to seek re-election to the company's board in March 2020. Mr. Zients was succeeded by Robert Kimmitt, a lawyer and former deputy secretary to the

Department of the Treasury during the George W. Bush administration. Mr. Kimmitt is the lead independent director.

Mark Zuckerberg is Meta's chairman and CEO and controls the majority of the company's voting stock through supervoting shares. The majority of Meta's outside shareholders in recent years have voted to separate those roles, which the company has rejected, and some investors have said they believe the board is too beholden to Mr. Zuckerberg.

Several directors with significant executive experience, including Netflix CEO Reed Hastings and former American Express Inc. CEO Kenneth Chenault, have left the board in recent years.

Mr. Xu brings experience running one of Silicon Valley's fastest-growing companies. He co-founded DoorDash as a student at Stanford University in 2013. The 37-year-old worked as a dish washer in his mother's Chinese restaurant after emigrating to the U.S. as a child, and drew on some of those learnings during his early days at DoorDash.

—Preetika Rana contributed to this article.

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John M. Taylor, AMD	Maureen Bromwell, Northern Trust
Victor Gao, Arrow Electronics, Inc.	Ramon Soto, Northwell Health
Lori M. Lee, AT&T	Lee Hurley, Northwestern Mutual
Bank of America	Ariel Kelman, Oracle
Catherine Roche, BMO Financial Group	Scott Finlow, PepsiCo
Rod Manley, Burberry	Marian Salzman, Philip Morris International
Brendan McCarthy, Criteo	Kelly Starman, Philips
Suzanne Kounkel, Deloitte	Teresa Barreira, Publicis Sapient
Kari Janavitz, E2open	Jan X. Hanak, Regency Centers
Racquel Mason, Elanco	Dan Robbins, Roku
Toni Clayton-Hine, EY Americas	Julia White, SAP
John Rudaizky, EY Global Services Ltd.	Jeff Fochtman, Seagate Technology
Ellyn Raftery, FIS	Seth Morrison, SEI Investments
Stacy Simpson, Genpact Limited	Giunero Floro, Selective
Lorraine Twohill, Google	Kinjil Mathur, Squarespace
Grayscale Investments	Mike Bopp, Synchrony Financial
Ralph Santana, HARMAN International	Rajashree Ramakrishnan, Tata Consultancy Services
HCL Technologies	TE Connectivity
Carla Piñeyro, IBM Corporation	Harshvendra Soin, Tech Mahindra
Gayle Troberman, iHeartMedia	Marc Pritchard, The Procter & Gamble Company
Emily Pachuta, Invesco	The Trade Desk
Abby Klanecky, Kearney	Lisa M. Caputo, The Travelers Companies, Inc.
Spiros Fotinos, Lexus Europe	Johan Jervoe, UBS
Jennifer Halloran, MassMutual Financial	Deidre Smalls-Landau, UM (Universal McCann)
Henson Y. Gawliu, Medallia	Teresa Poggenpohl, Unisys
Roxanne Taylor, Memorial Sloan Kettering	Kevin Warren, UPS
Joseph Kelly, Mercy Health	Paul J. Gennaro, Voya Financial
Chris Capossela, Microsoft Corporation	WW International, Inc.

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THE PROPERTY REPORT

Pandemic Tests Shvo's Bet on Offices

Earlier buying spree in cities by developer, group of investors now faces a new landscape

By KONRAD PUTZIER AND PETER GRANT

The fate of a half-dozen office buildings owned by property developer Michael Shvo and a group of German investors will likely say a lot about the future of U.S. office properties.

The residential-broker-turned-commercial-developer and his backers acquired six major office and retail buildings in 2019 and 2020. The shopping spree included San Francisco's famous Transamerica Pyramid tower and 711 Fifth Ave. in Manhattan, which is known as the Coca-Cola building.

With a price tag of more than \$2 billion, it was a big bet on the primacy of city-center office buildings well into the future. Mr. Shvo said these iconic properties would stand the test of time. "These are 30-year investments," he told The Wall Street Journal in early 2020.

That was shortly before the pandemic cleared out office districts. Nearly two years later, high vacancy rates, the success of remote work and the expansion of e-commerce are raising questions about the future of office and retail space.

Some urban office towers are still succeeding, signing up new tenants and charging high rents. These tend to be high-price modern buildings. But most office buildings face challenges unforeseen a few years ago, including even well-located buildings with iconic status. Refitting these towers



Michael Shvo, below, and his backers bought San Francisco's Transamerica Pyramid tower, above.

with new ventilation systems and adding fitness centers, balconies and outdoor space or other modern features might require investments running to hundreds of millions of dollars.

"What we need from an office in a post-pandemic world is not the same as what we think of historically as a trophy or very recognizable asset," said Sam Chandan, dean of the Schack Institute of Real Estate at New York University.

Mr. Shvo said his properties would be among the winners. "There's no question there has been a decline in properties that are average properties," he said in November. "We do not buy property unless it's super prime real estate."

The Israeli-born developer



The 2008 financial crisis crushed the luxury condominium market and derailed his brokerage career. He re-emerged a few years later as a developer of luxury Manhattan apartments. Next, he moved on to commercial real estate after experiencing career and personal setbacks, with slow sales at some of his condominium projects and a 2018 guilty plea to state and local tax evasion.

rose to prominence in the early 2000s as a New York City luxury apartment broker. Known for courting publicity, he hired singer John Legend and burlesque dancers to perform at launch parties.

Mr. Shvo said both the Transamerica Pyramid and the Coca-Cola building are worth more than he paid for them, citing appraisals performed last year by real-estate firm Colliers International Group Inc.

Still, Mr. Shvo faces a number of headwinds. Manhattan



Last year, Ralph Lauren subleased most of its space in New York to fast-fashion chain Mango, which the developer sought to block.

and San Francisco have been two of the weakest office markets during the pandemic. Businesses including Oracle Corp. and Tesla Inc. have relocated their headquarters from the Bay Area to Austin, Texas, while 17.3% of Manhattan's office space was available at the end of the fourth quarter, the highest in many years, according to Colliers.

Mr. Shvo and his partners are opening their checkbooks to keep up with newer buildings. He said they are moving ahead with a plan to spend \$100 million over the next 18 months on "repositioning and upgrading" the Transamerica Pyramid, where many leases are maturing in the next five years.

Mr. Shvo said he has leased 100,000 square feet at the Transamerica Pyramid. He said one of the new tenants is the members-only Core Club; he declined to name other businesses that have signed new leases there. He said he has also signed a lease with the Core Club in New York.

The developer has also been

contending with an issue at the Coca-Cola building's retail space. Ralph Lauren Corp., the property's highest-paying retail tenant, last year subleased most of its space to fast-fashion chain Mango for \$5 million plus a performance-based fee linked to sales, according to a person familiar with the matter. Ralph Lauren is paying roughly \$27 million under a lease that expires in 2029, according to bond documents.

Mr. Shvo unsuccessfully sought to block the sublease. He was concerned that the more middle-market tenant and the lower rent would deflate the building's value, according to the person familiar with the matter.

Mr. Shvo said that wasn't the reason. He said he believed Ralph Lauren didn't have the right to sublease to Mango under the terms of its lease.

His financial backers—which include Deutsche Finance America, a unit of the Munich-based Deutsche Finance Group, and German institutional investors—said they remain bullish on the office properties.

Adidas Signs Office Lease In Downtown Los Angeles

By PETER GRANT

Adidas AG agreed to a major new office lease in downtown Los Angeles, a sign that recent redevelopment in this market is starting to attract major office tenants even during the pandemic.

The German athletic shoe and clothing maker has leased 107,000 square feet in a new Brookfield Asset Management redevelopment, the developer said. The deal—a major expansion of Adidas's Los Angeles operation for marketing, sales and design—is the largest lease signed in downtown Los Angeles in more than one year, according to Brookfield.

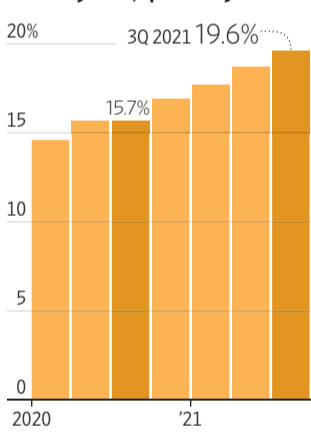
Brookfield in 2017 purchased a controlling stake in the 2.5 million-square-foot complex, known as California Market Center, in a deal that valued the property at \$440 million, according to

people familiar with the matter. It was a fashion-industry hub at the time. The developer has since spent about \$250 million to consolidate those firms in one of its three buildings and redesign the remaining space for a range of office tenants.

Adidas, which now has only a small office in downtown Los Angeles, will initially occupy the top floors of two of the interconnected buildings. The company was attracted to the property in part because of its proximity to the new hotels, apartments, bars, restaurants and cultural attractions that have mushroomed nearby, said John Barganski, a Brookfield senior vice president.

It didn't hurt that the location was also close to the Crypto.com Arena sports complex, formerly known as the Staples Center, where the Los Angeles Lakers, Clippers and Sparks play professional bas-

Downtown Los Angeles office vacancy rate, quarterly



Source: Downtown Center Business Improvement District

ketball and the Kings play hockey. "In our marketing material we identified the number of steps it was from our place to Staples," said Mr. Barganski.

Like most U.S. markets, downtown Los Angeles has



Brookfield in 2017 purchased a controlling stake in the complex, known as California Market Center.

been slammed by the pandemic, with office vacancies among the highest in the U.S. The vacancy rate downtown rose to 19.6% in the third quarter of last year, compared with 15.7% one year earlier, ac-

ording to the Downtown Center Business Improvement District.

The broader regional Los Angeles office market had a vacancy rate of 19.2% at the end of the third quarter,

higher than such cities as Chicago, New York, Boston and Washington, D.C., according to commercial real estate services firm JLL. Los Angeles's vacancy rate was 13% at the end of 2019, JLL said.

Predictions On Office Return End

Continued from page B1
Kathryn Wyld, chief executive of the Partnership for New York City, a business group.

Businesses are rethinking their return-to-office decisions as government policy makers are reconciling themselves to the realization that Covid-19 is here to stay for a long time. President Biden and his administration are preparing Americans to accept this in a break with a pledge one year ago to rein in the pandemic.

Some companies modified their workplace strategies even before Omicron hit in late November.

Earlier in the fall, law firm Akin Gump Strauss Hauer & Feld LLP told its employees that they would get three weeks notice before offices were reopened rather than a return date in the distant future. "Our flexible and adaptable approach continues to serve us well," a spokesman for the firm said last week.

Brian Kropp, chief of hu-



Goldman Sachs encouraged employees after the holidays to stay home, at least until Jan. 18.

man-resources research for the advisory and research firm Gartner, said he sees evidence of this new approach in the hundreds of conversations a

week his company has globally with business executives involved in pandemic planning.

"It's no longer, we've got a virus or we don't have a vi-

rus," Mr. Kropp said. "They're shifting their mind-set to say: We're going to create a set of conditions and those sets of conditions will determine how

many people are allowed in the office at any point in time."

About one-third of companies that responded to a Gartner survey in late December said they were either sending workers home, delaying reopenings or reducing the number of employees in their offices.

Building and deflating expectations can hurt employee morale and a company's reputation even though planners have no way of knowing the course of the pandemic, Mr. Kropp said. Companies that keep changing their minds "have egg on their faces," he said. "They don't want to keep making promises that they fail to deliver."

Even big banks that have been the most aggressive in returning to offices sent their workers home after the holidays.

Goldman Sachs Group Inc., which reopened its offices to employees in June, after the holidays encouraged them to stay home, at least until Jan. 18. Wells Fargo & Co., which delayed return dates in September and October, had planned to open its offices this past Monday, but canceled that as well. The company in December said it would announce new plans in the new year.

Planet Fitness To Acquire Franchisee

By COLIN KELLAHER

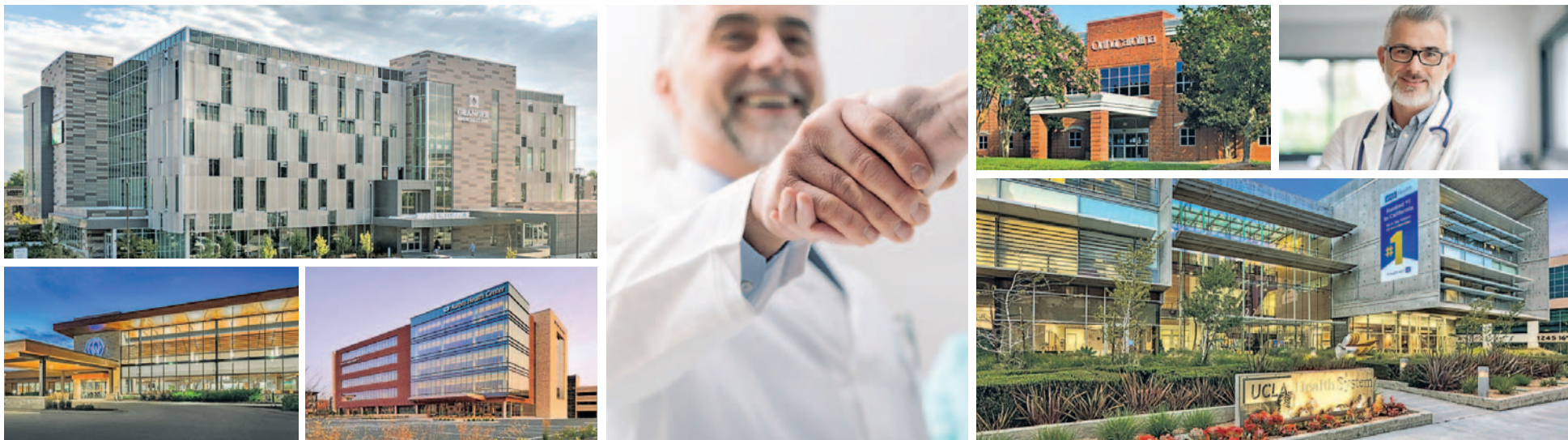
Planet Fitness Inc. said it agreed to buy Sunshine Fitness Growth Holdings LLC, one of its top franchisees, for \$800 million in cash and stock.

Planet Fitness said Sunshine Fitness, the first franchisee in its system, operates 114 locations in Alabama, Florida, Georgia, North Carolina and South Carolina.

Planet Fitness, a Hampton, N.H., operator and franchiser of fitness centers, ended 2021 with 2,254 locations worldwide. The company said it would own about 10% of its store base upon completion of the transaction, expected during the first quarter.

Planet Fitness said it plans to fund the \$425 million cash portion of the purchase price with cash on hand and proceeds from a new series of securitized equities.

Private-equity firm TSG Consumer Partners acquired a majority stake in Sunshine Fitness in 2017.



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Chip Conk, CEO, Montecito Medical
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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. Prices are composite quotations that include primary market trades as well as trades reported by Nasdaq BX (formerly Bicom), Chicago Stock Exchange, Cboe, NYSE National and Nasdaq ISE. The list comprises the 1,000 largest companies based on market capitalization.

Underlined 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.

Footnotes:

+New 52-week high. -New 52-week low. dd-Indicates loss in the most recent four quarters. FD-First day of trading. H-Does not meet continued listing standards. BK-Bankruptcy. IF-Late filing. q-Temporary exemption from Nasdaq requirements. N-Trading halted on primary market. vj-In bankruptcy or receivership or being reorganized under the Bankruptcy Code, or securities assumed by such companies.

Wall Street Journal stock tables reflect composite reporting 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. Lists various stocks like Allstate, Alphabet, Amazon, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists various stocks like Centene, CenterPoint, Cerberus, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists various stocks like Dentsply, DevonEnergy, DexCom, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists various stocks like Graco, Grainger, Gulfstream, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists various stocks like Lufax, Lumentum, Lytt, etc.

Dividend Changes

Dividend announcements from January 11.

Table with columns: Company, Symbol, Yld%, Amount, Frq, Payable/Record. Lists companies like Grupa Aeroportuaria, Suzano, etc.

New Highs and Lows

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. % CHG-Daily percentage change from the previous trading session.

Table with columns: Stock, Sym, 52-Wk % Chg, Stock, Sym, 52-Wk % Chg. Lists various stocks like Barclays, Bayer, etc.

DEF

Table with columns: Stock, Sym, 52-Wk % Chg, Stock, Sym, 52-Wk % Chg. Lists various stocks like DISH Network, DTE Energy, etc.

JKL

Table with columns: Stock, Sym, 52-Wk % Chg, Stock, Sym, 52-Wk % Chg. Lists various stocks like JD.com, Johnson & Johnson, etc.

MNO

Table with columns: Stock, Sym, 52-Wk % Chg, Stock, Sym, 52-Wk % Chg. Lists various stocks like M&T Bank, MGM Resorts, etc.

PQR

Table with columns: Stock, Sym, 52-Wk % Chg, Stock, Sym, 52-Wk % Chg. Lists various stocks like Pinduoduo, Pinterest, etc.

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SECURED PARTY TAKE NOTICE, that in accordance with applicable provisions of the Uniform Commercial Code as enacted in New York, Notice is hereby given that Gamma NY 555 Broadway LLC ("Secured Party") will sell all of the limited liability company interests of Collective 545 Broadway LLC ("Pledged Entity") held by Collective Holdco 545 Broadway LLC to the highest qualified bidder at a public sale in accordance with the provisions of the Uniform Commercial Code as in effect in the State of New York. The sale will take place beginning at 2:00 P.M. on Wednesday, February 2nd, 2022 via web-based video conferencing and/or telephonic conferencing program selected by Secured Party. Remote log in credentials will be provided to registered bidders. Secured Party's understanding is that the principal asset of the Pledged Entity is the parcels of real property commonly known as 555 Broadway, Brooklyn, New York and 24 Broward Street, Brooklyn, New York (Block 3076, lots 40, 22, 118, 18 and 101, respectively). The Collateral will be sold to the highest qualified bidder; provided, however, the Secured Party reserves the right to cancel the sale in its entirety, or to adjourn the sale to a future date. The sale will be conducted by a licensed auctioneer. Interested parties who intend to bid on the above Collateral must contact Daniel O'Brien of Cushman & Wakefield at (212) 698-5584 or dan.obrien@cushwake.com, to receive the Bidding Procedures. Upon execution of a standard confidentiality agreement, additional documentation and information will be available. Interested parties who do not contact the principal auctioneer and qualify prior to the sale will not be permitted to enter a bid.

Real estate advertisement for 779-781 110th St, Houston, TX. 232 Seigel Street, Brooklyn, NY 11206. Auction: Thursday, February 3, 2022. Includes contact info for AuctionWorks and JLL.

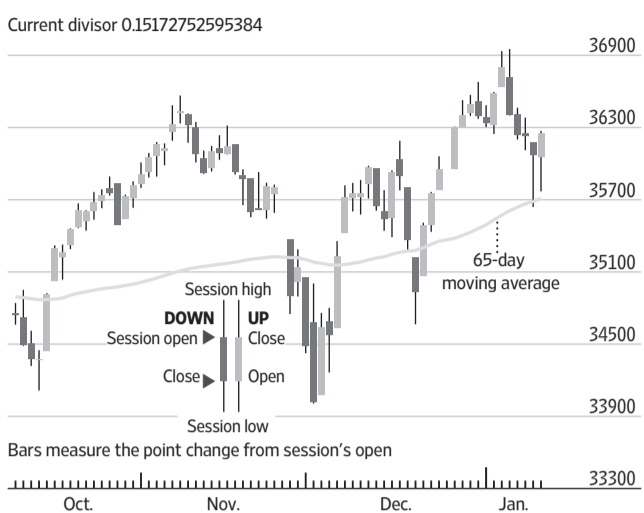
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MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

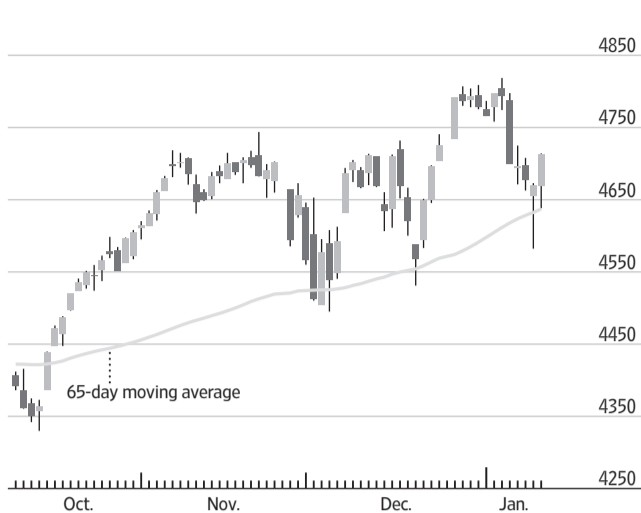
36252.02 ▲183.15, or 0.51%
 High, low, open and close for each trading day of the past three months.
 Last: 22.12, Year ago: 30.83
 Trailing P/E ratio: 18.71, P/E estimate*: 18.71, Dividend yield: 1.91, All-time high: 36799.65, 01/04/22



*Weekly P/E data based on as-reported earnings from Birming Associates Inc; *Based on Nasdaq-100 Index

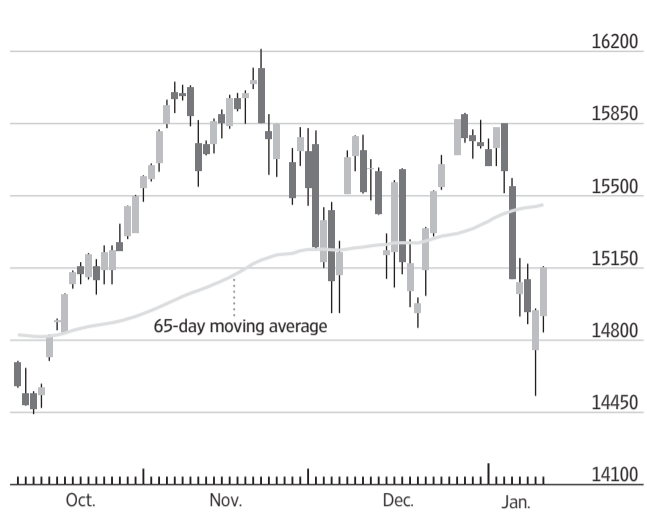
S&P 500 Index

4713.07 ▲42.78, or 0.92%
 High, low, open and close for each trading day of the past three months.
 Last: 28.76, Year ago: 41.17
 Trailing P/E ratio*: 21.25, P/E estimate*: 21.25, Dividend yield*: 1.29, All-time high: 4796.56, 01/03/22



Nasdaq Composite Index

15153.45 ▲210.62, or 1.41%
 High, low, open and close for each trading day of the past three months.
 Last: 38.37, Year ago: 40.01
 Trailing P/E ratio*: 27.98, P/E estimate*: 27.98, Dividend yield*: 0.64, All-time high: 16057.44, 11/19/21



Major U.S. Stock-Market Indexes

Index	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg YTD	% chg 3-yr. ann.
Dow Jones									
Industrial Average	36271.47	35769.38	36252.02	183.15	0.51	36799.65	29982.62	-0.2	14.7
Transportation Avg	16025.65	15753.81	15990.86	-27.72	-0.17	17039.38	12087.99	-3.0	18.4
Utility Average	965.08	945.96	952.74	-9.92	-1.03	980.78	795.61	-2.9	10.1
Total Stock Market	47942.89	47163.27	47933.95	478.61	1.01	48929.18	39056.49	-1.4	21.4
Barron's 400	1085.66	1066.72	1085.11	8.73	0.81	1127.20	866.20	-1.9	18.6

Index	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg YTD	% chg 3-yr. ann.
Nasdaq Stock Market									
Nasdaq Composite	15158.71	14837.63	15153.45	210.62	1.41	16057.44	12609.16	-3.1	29.5
Nasdaq-100	15848.56	15496.91	15844.12	229.69	1.47	16573.34	12299.08	-2.9	33.9

Index	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg YTD	% chg 3-yr. ann.
S&P									
500 Index	4714.13	4638.27	4713.07	42.78	0.92	4796.56	3714.24	-1.1	22.0
MidCap 400	2807.45	2757.49	2807.04	24.85	0.89	2910.70	2340.12	-1.2	16.8
SmallCap 600	1390.98	1365.63	1388.26	9.19	0.67	1466.02	1188.71	-1.0	15.5

Index	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg YTD	% chg 3-yr. ann.
Other Indexes									
Russell 2000	2196.65	2154.81	2194.00	22.85	1.05	2442.74	2073.64	-2.3	14.9
NYSE Composite	17298.01	17053.04	17294.54	174.98	1.02	17336.76	14397.20	0.8	13.4
Value Line	669.75	658.58	669.31	7.59	1.15	696.40	579.55	-1.2	9.9
NYSE Arca Biotech	5329.71	5242.44	5320.75	77.53	1.48	6319.77	5203.04	-11.4	3.8
NYSE Arca Pharma	818.37	811.01	818.19	0.49	0.06	828.58	667.24	-1.1	12.9
KBW Bank	146.60	144.42	146.54	1.28	0.88	146.54	97.78	10.8	17.4
PHLX ^S Gold/Silver	129.30	125.81	129.27	2.78	2.20	166.01	117.06	-10.7	-2.4
PHLX ^S Oil Service	63.06	60.28	62.83	2.59	4.29	69.77	46.63	16.9	19.2
PHLX ^S Semiconductor	3879.00	3767.82	3875.44	70.05	1.84	4039.51	2762.75	-2.9	-1.8
Cboe Volatility	21.00	18.20	18.41	-0.99	-5.10	37.21	15.01	-21.1	6.9

Source: FactSet; Dow Jones Market Data

Late Trading

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

Company	Symbol	Volume (000)	Last	Net chg	After-Hours % chg	High	Low
iShares 1-3Y Treasury Bd	SHY	8,313.7	85.27	...	unch.	85.27	85.23
iShares 20+Y Treasury Bd	TLT	6,150.8	143.50	-0.06	-0.04	143.67	143.35
SPDR S&P 500	SPY	4,064.4	469.70	-0.05	-0.01	469.97	469.14
iShares MSCI EAFE ETF	EFA	3,978.4	78.99	0.10	0.13	78.99	78.87
Ford Motor	F	3,846.8	24.26	-0.09	-0.37	24.38	24.20
Pfizer	PFE	3,524.4	56.55	-0.14	-0.25	56.75	56.35
iShares TIPS Bond ETF	TIP	3,093.2	127.58	0.31	0.24	127.58	127.16
Altria Group	MO	2,868.6	49.53	0.05	0.10	50.54	49.35

Percentage gainers...

Company	Symbol	Last	Net chg	% chg	52-Week High	52-Week Low
Chubb	CB	152.7	229.61	30.13	15.10	229.61
Bed Bath Beyond	BBBY	729.6	13.78	0.66	5.03	14.15
Array Technologies	ARRY	67.3	14.98	0.57	3.96	14.98
MaxLinear	MXL	98.8	68.50	2.58	3.91	68.89
Everi Holdings	EVRI	114.4	22.00	0.69	3.24	22.00

...And losers

Company	Symbol	Last	Net chg	% chg	52-Week High	52-Week Low
Biogen	BIIB	473.0	224.40	-17.12	-7.09	260.00
Cryolife	CRY	53.1	18.50	-1.08	-5.52	19.58
Relay Therapeutics	RLAY	62.6	26.50	-1.25	-4.50	27.75
Evergy	EVERG	199.1	64.03	-2.33	-3.51	66.36
Ready Capital	RC	80.6	15.71	-0.48	-2.96	16.20

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	852,624,837	16,638,913
Adv. volume*	688,827,985	13,615,776
Decl. volume*	156,703,958	2,819,582
Issues traded	3,494	283
Advances	2,461	195
Declines	892	74
Unchanged	141	14
New highs	96	6
New lows	57	6
Closing Arms*	0.53	0.55
Block trades*	3,761	149

*Primary market NYSE, NYSE American NYSE Arca only. *TRIN A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
World	MSCI ACWI	747.63	6.39	0.86	-1.0
	MSCI ACWI ex-USA	343.56	2.23	0.65	-0.2
	MSCI World	3193.39	27.25	0.86	-1.2
	MSCI Emerging Markets	1243.04	10.77	0.87	0.9
Americas	MSCI AC Americas	1803.48	18.39	1.03	-1.3
Canada	S&P/TSX Comp	21274.81	202.49	0.96	0.2
Latin Amer.	MSCI EM Latin America	2134.05	52.75	2.53	0.2
Brazil	BOVESPA	103778.88	1833.78	1.80	-1.0
Chile	S&P IPSA	2862.53	62.97	2.25	2.0
Mexico	S&P/BMV IPC	53061.92	226.16	0.43	-0.4
EMEA	STOXX Europe 600	483.08	4.04	0.84	-1.0
Eurozone	Euro STOXX	475.77	4.40	0.93	-0.6
Belgium	Bel-20	4271.23	20.44	0.48	-0.9
Denmark	OMX Copenhagen 20	1719.49	10.66	0.62	-7.8
France	CAC 40	7183.38	67.61	0.95	0.4
Germany	DAX	15941.81	173.54	1.10	0.4
Israel	Tel Aviv	2022.16	37.72	1.90	2.2
Italy	FTSE MIB	27535.48	181.77	0.66	0.7
Netherlands	AEX	782.35	9.22	1.19	-2.0
Russia	RTS Index	1595.45	30.14	1.93	-0.2
South Africa	FTSE/JSE All-Share	73971.43	140.96	0.19	0.4
Spain	IBEX 35	8755.90	49.00	0.56	0.5
Sweden	OMX Stockholm	989.19	8.51	0.87	-4.6
Switzerland	Swiss Market	12709.71	112.36	0.89	-1.3
Turkey	BIST 100	2046.03	0.87	0.04	10.1
U.K.	FTSE 100	7491.37	46.12	0.62	1.4
U.K.	FTSE 250	23028.18	26.37	0.11	-1.9
Asia-Pacific	MSCI AC Asia Pacific	193.12	-0.05	-0.02	0.002
Australia	S&P/ASX 200	7390.10	-56.97	-0.76	-0.7
China	Shanghai Composite	3567.44	-26.08	-0.73	-2.0
Hong Kong	Hang Seng	23739.06	-7.48	-0.03	1.5
India	S&P BSE Sensex	60616.89	221.26	0.37	4.1
Japan	NIKKEI 225	28222.48	-256.08	-0.90	-2.0
Singapore	Straits Times	3246.37	19.32	0.60	3.9
South Korea	KOSPI	2927.38	0.66	0.02	-1.7
Taiwan	TAIEX	18288.21	48.83	0.27	0.4
Thailand	SET	1667.12	10.06	0.61	0.6

Source: FactSet; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Close	Net chg	% chg	52-Week High	52-Week Low
Nutriband	NTRB	8.15	2.11	34.93	32.00	1.00
Virgin Orbit	VORB	10.57	2.52	31.30	11.28	5.88
Fresh Vine Wine	VINE	5.82	1.35	30.20	9.33	4.28
TSR	TSRI	11.15	2.49	28.75	18.73	6.20
Accolade	ACCD	24.44	5.30	27.69	59.93	18.72
Kidpik	PIK	6.05	1.30	27.37	10.49	4.30
BARK	BARK	4.58	0.98	27.22	17.25	3.37
BTC5	BTC5	5.63	0.97	20.82	32.40	2.91
Amylyx Pharmaceuticals	AMLX	20.08	3.36	20.10	21.37	16.00
Veru	VERU	6.41	1.07	20.04	24.57	5.11
Sonendo	SONX	6.75	1.11	19.68	12.24	5.30
LianBio ADR	LIAN	5.84	0.96	19.67	16.37	4.33
Butterfly Network	BFLY	7.55	1.23	19.46	29.13	5.77
Molecular Partners ADR	MOLN	25.68	4.18	19.44	26.96	9.57
Illumina	ILMN	423.80	61.52	16.98	555.77	341.03

Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	52-Week Low
ProSh UltraPro Shrt QQQ	SQQQ	246,594	71.5	6.43	-4.17	16.78	5.63
TDH Holdings	PETZ	147,631	1984.4	0.69	-7.01	14.52	0.55
Zynga	ZNGA	147,596	478.7	8.85	4.86	12.32	5.57
Ford Motor	F	105,571	4.9	24.35	2.10	24.95	9.29
Splash Beverage Group	SBEV	84,907	48280.6	1.80	70.62	8.94	0.99
Advanced Micro Devices	AMD	77,054	35.5	137.31	4.02	164.46	72.50
ProShares UltraPro QQQ	TQQQ	76,690	65.1	150.96	4.40	183.36	75.03
Apple	AAPL	75,996	-15.9	175.08	1.68	182.94	116.21
SPDR S&P 500	SPY	73,606	0.1	469.75	0.91	479.98	368.27

COMMODITIES

Futures Contracts

Table of Metal & Petroleum Futures, Copper-High (CMX), Gold (CMX), Platinum (NYM), Silver (CMX), Crude Oil, Natural Gas, NY Harbor ULS, Gasoline-NY RBBO, and Agriculture Futures like Corn, Oats, Soybeans, etc.

Table of Interest Rate Futures including Ultra Treasury Bonds (CBT), Treasury Bonds (CBT), Treasury Notes (CBT), and 10 Yr. Del. Int. Rate Swaps (CBT).

Table of Currency Futures including Eurodollar (CME), Japanese Yen (CME), Canadian Dollar (CME), British Franc (CME), Australian Dollar (CME), Mexican Peso (CME), and Euro (CME).

Table of Index Futures including Mini DJ Industrial Average (CBT), Mini S&P 500 (CME), Mini S&P Midcap 400 (CME), Mini Nasdaq 100 (CME), and Mini Russell 2000 (CME).

Table of Food and Fats and Oils futures including Beef, choice 1-3,600-900 lbs.-u, select 1-3,600-900 lbs.-u, Broilers, National comp wtd. avg.-u,w, Butter, AA Chicago, etc.

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

Tracking Bond Benchmarks

Table showing return on investment and spreads over Treasuries and/or yields paid to investors compared with 52-week highs and lows for different types of bonds like Broad Market, U.S. Corporate Indexes, High Yield Bonds, etc.

Global Government Bonds: Mapping Yields

Table mapping yields and spreads over U.S. Treasuries on benchmark two-year and 10-year government bonds in selected other countries, with arrows indicating yield rise or fall.

Corporate Debt

Table of Corporate Debt showing prices of firms' bonds reflecting factors including investors' economic, sectoral and company-specific expectations, listing issuers like Credit Suisse, Siemens, Morgan Stanley, etc.

...And spreads that widened the most

Table showing spreads that widened the most for various corporate debt issues, listing issuers like Lloyds Banking, Caterpillar, etc.

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

Table showing high-yield issues with the biggest price increases, listing issuers like Transocean, Telecom Italia Capital, etc.

...And with the biggest price decreases

Table showing issues with the biggest price decreases, listing issuers like Bath & Body Works, Brinker International, etc.

Cash Prices | wsj.com/market-data/commodities

Tuesday, January 11, 2022

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

Table of Cash Prices for various commodities like Energy (Coal, Oil, Gas), Metals (Gold, Silver, Copper), Fibers and Textiles, and Agriculture (Wheat, Corn, Soybeans).

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; E=Manfra, Tordella & Brooks; H=American Commodities Brokerage Co; K=bi-weekly; M=monthly; N=nominal; n.a.=not quoted or not available; R=RS&L Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Z=not quoted. *Data as of 1/10

Source: Dow Jones Market Data

Mutual Funds

Table of Mutual Funds showing top 250 mutual-funds listings for Nasdaq-published share classes by net assets, including American Century, Dimensional, Fidelity, etc.

Table of Mutual Funds showing Vanguard FDS, Schwab Funds, PIMCO Fds, and other fund categories with NAV, YTD, and %Ret.

BUSINESS & FINANCE

Supply-Chain Startup Draws Funding

By MARC VARTABEDIAN

Project44, which develops supply-chain analytics software for shipping and logistics companies, said it raised \$420 million in a funding round that values the company at \$2.2 billion.

The deal was the latest instance of investors placing big bets on technology startups that might smooth the supply-chain snarls that have racked companies.

Venture investors committed a record \$24 billion to supply-chain tech companies based in North America and Europe through the third quarter of last year, a nearly 60% jump from all of 2020, according to analytics firm PitchBook Data Inc. Meanwhile, valuations for these startups are rising. Median late-stage valuations, for instance, rose 41% to \$120 mil-

lion through the third quarter compared with 2020.

A crop of these startups, including Chicago-based Project44, offer software platforms from which logistics companies can oversee and manage their goods as they navigate supply chains around the world. Project44 collects information from data sources such as shipping providers using application programming interface technology, or APIs. Project44 says its product offers companies a detailed view of where their goods are, allowing them to optimize interconnected supply chains and reduce shipping times and costs.

The funding round for Project44 was led by tech-focused private-equity firms **Thoma Bravo**, **TPG Capital** and **Goldman Sachs Asset Management**. Firms including **Emergence Capital**, **Insight**

Partners, **Chicago Ventures**, **Generation Investment Management**, **Sapphire Ventures** and **Sozo Ventures** participated in the deal.

Shipping bottlenecks have wrenched companies ever since the pandemic closed factories, cut into the labor force and disrupted goods transport around the world. The snags led investors to jump into a legacy sector many say is ripe for a technological makeover. "Supply-chain visibility has become increasingly important as shortages, delays and bottlenecks ramp up," Thoma Bravo partner Robert Sayle said in a statement announcing the Project44 funding round.

In September, supply-chain software startup **Stord** tapped investors including venture firm **Kleiner Perkins** for a \$90 million Series D round, which valued the company at \$1.1 billion.

In addition, corporations that have been stalwarts in the logistics industry have invested in logistics technology. Shipping giant **A.P. Moller-Maersk AS** and **Koch Industries Inc.** have participated in deals in the sector from their venture-capital arms.

Project44 says it generates more than \$100 million in annual recurring revenue from customers including **Amazon.com Inc.**, **FedEx Corp.** and **Home Depot Inc.** **Jett McCandless**, founder and chief of Project44, said last summer that he was aiming to add more Chinese manufacturers as customers to draw on the shipping data they could provide when goods leave the factory floor.



Shipping giant A.P. Moller-Maersk is among the companies in the logistics industry to invest in supply-chain technology.

Exchange-Traded Portfolios

Largest 100 exchange-traded funds, latest session

Tuesday, January 11, 2022

ETF	Symbol	Closing Price	Chg (%)	YTD (%)
ARKInnovation	ARKK	86.98	2.76	-8.0
CnsmrDisctSector	XLY	200.17	0.96	-2.1
DimenUSCoreEq2	DFAC	28.79	1.05	-0.6
EnSlectSectorSPDR	XLE	65.23	3.05	13.9
FinSlectSectorSPDR	XLF	41.39	0.88	6.0
GSActiveBetaUSLC	GLD	93.45	0.86	-1.8
HealthCareSclSector	XLI	136.81	0.80	-2.9
IndSclSectorSPDR	XIS	105.92	0.60	0.1
InvsCQQQ	QQQ	385.82	1.50	-3.0
InvsS&P500EW	RSP	162.48	0.94	-0.2
ISHCOREDIV	DGRO	55.85	0.43	0.5
ISHCOREMSCIEAFE	IEFA	74.66	1.10	0.0
ISHCOREMSCIEM	IEMG	61.06	2.14	2.0
ISHCOREMCI TOTINT	IXUS	71.35	1.44	0.6
ISHCOREMCI S&P500	IIV	473.83	0.99	-1.1
ISHCOREMCI PMC	IJM	271.91	0.92	-1.2
ISHCOREMCI S&P SC	IJR	113.52	0.73	-0.9
ISH&SPTOTIUS5HkMkt	ITOT	105.55	1.01	-1.3
ISHCORTOTALUSD Bdt	IUSB	52.24	0.21	-1.3
ISHCORAUSAGG Bdt	AGG	116.60	0.19	-1.3
ISHSECTDIVIDEND	DYV	126.74	0.18	3.4
ISHESGAVAREUSA	ESGU	106.32	0.94	-1.5
ISHEDGEMSCIMINUSA	USMV	78.62	0.34	-2.8
ISHEDGEMSCIUSAOMOM	MTUM	177.07	1.13	-2.6
ISHEDGEMSCIUSAQUAL	QUAL	140.47	0.93	-3.1
ISHEDGEMSCIUSAVAL	VLUE	113.86	0.79	4.0
ISHGOLDTR	IAU	34.68	1.26	-0.4
ISHIBOX\$INVRGRCP Bdt	LQD	129.99	0.30	-1.9
ISHIBOX\$HYCP Bdt	HYG	86.34	0.47	-0.8
ISHIBOX\$EMD Bdt	EMB	106.44	0.21	-2.4
ISHIBOX\$SETF	MBB	106.37	0.22	-1.0
ISHMSCI ACWI	ACWI	105.22	1.19	-0.5
ISHMSCI EAFE	EFA	78.89	1.09	0.3
ISHMSCI EAFE SC	SCZ	72.28	1.28	-1.1
ISHMSCIEMG Markets	EEM	50.06	2.31	2.4
ISHMSCIEMGF Value	EFV	52.48	1.08	-4.1
ISHNATLUMIBED	MUB	115.50	-0.05	-0.7
ISH\$5YR Corp Bdt	IGSB	33.81	0.04	-0.5
ISHPRDGLNCL	PRF	38.01	0.52	-1.6
ISHRUSSELL1000GWRth	IWF	293.96	1.14	-3.8
ISHRUSSELL1000	IWB	260.94	0.99	-1.3
ISHRUSSELL1000VAL	IWO	170.37	0.81	1.5
ISHRUSSELL2000	IWM	216.61	1.06	-2.2
ISHRUSSELL2000VAL	IWN	167.62	0.73	0.3
ISHRUSSELLMID-CAP	IWR	81.31	1.25	-2.0
ISHRUSSELLMID-CAP	IWS	122.69	1.02	0.3
ISHS&P500Growth	IWG	80.86	1.09	-3.4
ISHS&P500Value	IVE	158.93	0.70	1.5
ISH1-3Y Treasury EFT	TIP	127.27	0.70	-1.5
ISH1-3Y Treasury Bdt	TYL	85.27	0.40	-0.3
ISH7-10Y Treasury Bdt	IEF	112.98	0.24	-1.8
ISH20+Y Treasury Bdt	TLT	143.56	0.67	-3.1
ISHRUSSELLMCGrowth	IWP	108.13	1.60	-6.2
ISHRUSSELLMCI BETF	GOVT	26.09	1.17	-2.2
JPMUS SHIRLNCL	JPSY	50.49	0.83	0.0
PROSHUPRQQQ	VOO	150.38	1.40	-9.2
SPDR Gold	GLD	170.29	1.21	-0.4
SPDRS&P500Growth	SPYG	70.03	1.04	-3.4
SchwabIntEquity	SCHF	39.07	1.19	0.5
SchwabUS BrdMkt	SCHB	111.47	1.00	-1.4
SchwabUS Div	SCHD	81.94	0.36	1.4
SchwabUS LC	SCHX	112.36	1.01	-1.3
SchwabUS LC Grw	SCHG	156.97	1.34	-4.1
SchwabUS SC	SCHA	100.61	1.19	-1.7
Schwab US TIPS	SCHP	61.96	0.70	-1.5
SPDR DJIA TR	DIA	362.54	0.49	-0.2
SPDR S&P MDR	MDY	511.36	0.95	-1.2
SPDR S&P 500	SPY	469.75	0.91	-1.1
SPDR S&P Div	SDY	130.35	0.24	1.0
TechSelectSector	XLK	167.95	1.20	-3.4
VangdInfoTech	VGT	461.07	1.15	-4.7
VangdSC Val	VBR	180.76	0.97	1.1
VangdExtMkt	VXF	177.28	1.41	-3.1
VangdSC Grwth	VBK	267.09	1.45	-5.2
VangdDivApp	VIG	168.71	0.41	-1.8
VangdFTSEDevMk	VEA	51.17	1.19	0.2
VangdFTSEM	VWV	50.46	1.94	2.0
VangdFTSE Europe	VGK	68.36	1.24	0.2
VangdFTSEAVXUS	VEU	61.88	1.54	1.0
VangdGrowth	VUG	307.52	1.29	-4.2
VangdHlthCr	VHT	257.29	0.82	-3.4
VangdHDiv	VYM	115.00	0.49	2.6
VangdIntCorpBdt	VCIT	91.37	0.13	-1.5
VangdLC	VV	217.31	0.97	-1.7
VangdMC	VO	247.96	1.13	-2.7
VangdMC Val	VOE	152.20	0.81	1.2
VangdMBS	VMBS	52.34	0.27	-0.9
VangdRealEst	VNQ	110.56	0.15	-4.7
VangdS&P500ETF	VOO	431.78	0.88	-1.1
VangdST Bond	BSV	80.03	0.02	-0.6
VangdSTCbd	VCSH	80.83	0.07	-0.5
VangdShtTmflnTn	VTIP	51.25	0.35	-0.3
VangdSC	VB	222.67	1.17	-1.5
VangdTaxExemptBdt	VTEB	54.50	-0.02	-0.7
VangdTotalBd	BND	83.66	0.20	-1.3
VangdTotalBd	BNDX	54.75	0.04	-0.7
VangdTotalStk	VXUS	63.95	1.43	0.6
VangdTotalStk	VTI	238.05	1.00	-1.4
VangdTotalWrld	VW	106.87	1.15	-0.5
VangdValue	VTV	150.31	0.68	2.2

BANKRATE.COM® MMA, Savings and CDs

Average Yields of Major Banks Tuesday, January 11, 2022

Type	MMA	1-MO	2-MO	3-MO	6-MO	1-YR	2-YR	2.5YR	5YR
National average									
Savings	0.06	0.05	0.05	0.07	0.08	0.12	0.17	0.16	0.25
Jumbos	0.11	0.05	0.06	0.07	0.09	0.14	0.19	0.17	0.27
Weekly change									
Savings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Jumbos	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00

Consumer Savings Rates

Below are the top federally insured offers available nationwide according to Bankrate.com's weekly survey of highest yields. For latest offers and reviews of these financial institutions, please visit bankrate.com/banking/reviews. Information is believed to be reliable, but not guaranteed.

High yield savings		Yield	
Bank	Phone number	Minimum	(%)
Money market and savings account			
Comenity Direct \$100 0.55			
(833) 755-4354			
BrioDirect \$100 0.55			
(877) 369-2746			
Colorado Federal Savings Bank \$1 0.51			
(877) 484-2372			
One-month CD			
Lone Star Bank \$1,000 0.20			
(713) 358-9400			
Colorado Federal Savings Bank \$5,000 0.20			
(877) 484-2372			
State Bank of India California \$1,000 0.15			
(877) 707-1995			
Two-year CD			
Lone Star Bank \$1,000 0.20			
(713) 358-9400			
Colorado Federal Savings Bank \$5,000 0.20			
(877) 484-2372			
State Bank of India California \$1,000 0.15			
(877) 707-1995			
Three-month CD			
Luana Savings Bank \$1,000 0.50			
(800) 666-2012			
Colorado Federal Savings Bank \$5,000 0.35			
(877) 484-2372			
BrioDirect \$500 0.25			
(877) 369-2746			

High yield jumbos - Minimum is \$100,000

Money market and savings account		Six-month CD	
Connexus Credit Union (800) 845-5025	0.85	Luana Savings Bank (800) 666-2012	0.75
CFG Community Bank (888) 205-8388	0.59	Live Oak Bank (866) 518-0286	0.50
BrioDirect (877) 369-2746	0.55	BankDirect (877) 839-2737	0.50
One-year CD			
Lone Star Bank (713) 358-9400	0.20	Live Oak Bank (866) 518-0286	0.75
Colorado Federal Savings Bank (877) 484-2372	0.20	Colorado Federal Savings Bank (877) 484-2372	0.73
State Bank of India California (877) 707-1995	0.15	CFG Community Bank (888) 205-8388	0.67
Two-year CD			
Lone Star Bank (713) 358-9400	0.20	Colorado Federal Savings Bank (877) 484-2372	0.87
Colorado Federal Savings Bank (877) 484-2372	0.20	Live Oak Bank (866) 518-0286	0.85
State Bank of India California (877) 707-1995	0.15	Merrick Bank (866) 638-6851	0.80
Five-year CD			
Luana Savings Bank (800) 666-2012	0.55	Connexus Credit Union (800) 845-5025	1.21
Colorado Federal Savings Bank (877) 484-2372	0.35	Luana Savings Bank (800) 666-2012	1.11
Lone Star Bank (713) 358-9400	0.25	Comenity Direct (833) 755-4354	1.10

Notes: Accounts are federally insured up to \$250,000 per person. Yields are based on method of compounding and rate stated for the lowest required opening deposit to earn interest. CD figures are for fixed rates only. MMA: Allows six (6) third-party transfers per month, three (3) of which may be checks. Rates are subject to change.

Source: Bankrate.com, a publication of Bankrate, Inc., Palm Beach Gardens, FL 33410 Internet: www.bankrate.com

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

Money Rates

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

Inflation			
Nov. index level	Chg From (%)	Week Latest	-52-WEEK-High Low
Nov. 2021	0.21	0.20	0.15 0.20
Oct. 2021	0.20	0.15	0.10 0.20
Nov. 2020	0.20	0.15	0.10 0.20
U.S. consumer price index			
All items	277.948	0.49	6.8
Core	282.754	0.40	4.9
International rates			
Latest	Week ago	-52-Week-High	Low
U.S.	3.25	3.25	3.25 3.25
Canada	2.45	2.45	2.45 2.45
Japan	1.475	1.475	1.475 1.475
Policy Rates			
Euro zone	0.00	0.00	0.00 0.00
Switzerland	0.00	0.00	0.00 0.00
Britain	0.25	0.25	0.25 0.10
Australia	0.10	0.10	0.10 0.10
Overnight repurchase			
U.S.	0.04	0.05	0.09 -0.04
U.S. government rates			
Discount			
0.25	0.25	0.25	0.25
Federal funds			
Effective rate	0.0800	0.0800	0.1000 0.0500
Treasury bill auction			
4 weeks	0.050	0.055	0.125 0.000
13 weeks	0.120	0.090	0.120 0.015
26 weeks	0.275	0.220	0.275 0.030
Secondary market			
Fannie Mae			
30-year mortgage yields			
30 days	2.973	2.760	2.973 1.922
60 days	3.017	2.823	3.017 1.948
Other short-term rates			
Call money			
2.00	2.00	2.00	2.00

BANKING & FINANCE

Bank of America Cuts Overdraft Fees

Several lenders, including JPMorgan and Wells, have made or plan similar moves

BY ORLA McCAFFREY AND WILL FEUER

Bank of America Corp. said Tuesday it would cut overdraft fees to \$10 from \$35 beginning in May, following other big banks that have rolled back or ditched such charges.

Overdraft fees, which are charged when customers don't have enough cash in their accounts to cover their purchases, are under scrutiny by regulators and politicians who say they unfairly exploit cash-strapped families.

Under the Biden administration, the Consumer Financial Protection Bureau and Office of the Comptroller of the Currency have pressed banks to scale them back. In a December report, the CFPB flagged Bank of America, JPMorgan Chase & Co. and Wells Fargo & Co. for their overdraft fees.

Wells Fargo said Tuesday that it was planning changes in the near future to minimize overdraft fees, including getting rid of nonsufficient funds fees. The bank also announced several changes it said would help customers avoid overdraft

fees. Wells Fargo will give customers 24 hours to cover an overdrafted amount and allow them earlier access to direct deposits, the bank said. By the end of 2022, Wells Fargo plans to offer short-term loans of up to \$500 to consumers, including some customers who might otherwise incur overdraft fees.

JPMorgan has recently made changes to limit the costs of overdrafting. Customers can now overdraw as much as \$50 before incurring a fee, instead of just \$5, and the bank said last month it would give customers who overdraw until the end of the next business day to replenish their bank accounts.

"It's an astute political risk-management strategy," said Karen Petrou, head of Federal Financial Analytics, a regulatory advisory firm. "It does pay to get out ahead of the reaper, and it does seem certain that the CFPB will turn to regulating overdraft fees."

Bank of America collected \$1.11 billion in overdraft charges in 2020, about 1.3% of its total revenue. Ken Usdin, a bank analyst at Jefferies, estimated in a report last month that overdraft fees and other related charges accounted for a median 1.4% of banks' revenue in the third quarter.

Black households and those with low-to-moderate incomes are almost twice as likely to in-



The lender collected \$1.11 billion in overdraft charges in 2020, about 1.3% of its total revenue.

cur overdraft fees as white households or those with higher incomes, according to a report from the Financial Health Network, a research firm partly funded by financial institutions.

"Bank of America's decision will provide much-needed relief for customers who least can afford the burden of overdraft fees and should lead other financial institutions to drop these fees that disproportion-

ately impact low-income, Black and Latino Americans," Mike Calhoun, president of the Center for Responsible Lending, said.

Bank of America also said that it would eliminate nonsuf-

ficient-funds fees beginning next month. It also plans to eliminate the transfer fee for its overdraft-protection service in May.

The bank said that these and other changes it has made in recent years will reduce its overdraft-fee revenue by 97% from 2009 levels.

Other big banks have already adjusted their policies. Capital One Financial Corp. is ditching its \$35 overdraft fee altogether. Ally Financial Inc. said last June it would get rid of its \$25 overdraft fee. Ally decided to eliminate the fees after positive customer feedback when it temporarily suspended the charges in the early months of the Covid-19 pandemic, Diane Morais, Ally Bank's president of consumer and commercial banking, said at the time.

Other banks have made it easier for customers to avoid the fees but haven't gotten rid of them altogether. PNC Financial Services Group Inc. last year gave customers the option of receiving an alert when their balance falls below \$50. Customers are notified again when their balance turns negative, after which they have 24 hours to make a deposit before being charged. Fifth Third Bancorp also said it would provide additional time to cover the overdraft with a deposit.

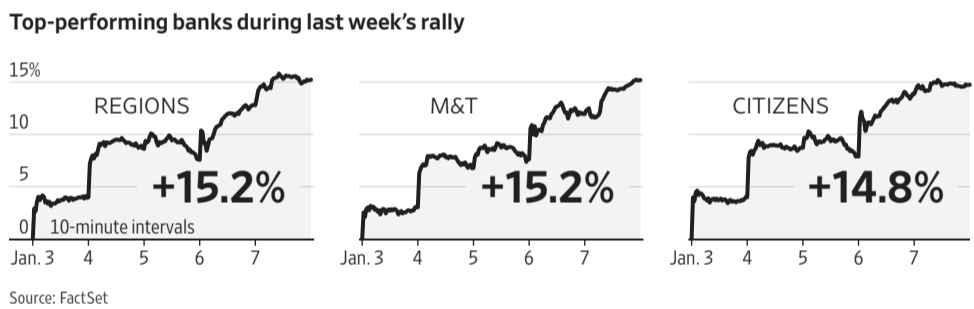
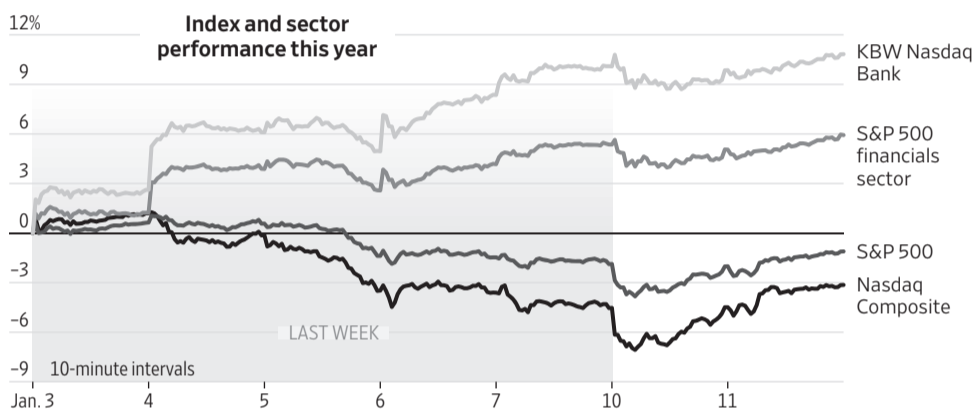
High Rates Benefit Financials

Continued from page B1
banks in the U.S., report fourth-quarter results Friday.

Many central-bank officials have penciled in at least three quarter-percentage-point rate increases this year, though some bankers are hoping for more.

"I'd personally be surprised if it's just four increases," JPMorgan Chief Executive Jamie Dimon said Monday on CNBC. "It's a very, very little amount and very easy for the economy to absorb."

—David Benoit contributed to this article.



Source: FactSet

Apollo Buys Into Alternatives Platform

BY MIRIAM GOTTFRIED

Apollo Global Management Inc. is investing in CAIS, a platform that gives independent financial advisers access to alternative investment products, the latest in a string of moves by the private-equity giant aimed at reaching wealthy individuals.

Apollo and fintech-focused private-equity firm Motive Partners are leading a \$225 million investment that values CAIS at more than \$1 billion, officials at the companies said. Franklin Templeton parent Franklin Resources Inc. is also participating in the round.

The three will join Eldridge Industries LLC, a private-investment firm run by Guggenheim Partners LLC veteran Todd Boehly, which invested \$50 million in CAIS in November 2020.

Unlike private-wealth powerhouses such as JPMorgan Chase & Co. and Morgan Stanley, independent financial advisers typically work for small firms that lack significant technology budgets.

New York-based CAIS, which was founded in 2009 and is formally known as Capital Integration Systems LLC, offers a tool that gives those advisers access to a broad selection of investment strategies that are less liquid than publicly traded stocks and bonds. Its offerings include hedge funds, private-equity funds, private credit and real estate, many managed by the likes of Apollo and its peers. Apollo invested in CAIS because it wants to learn from the company about strategies

for reaching independent investors.

For Apollo, which has become a \$481 billion behemoth primarily by catering to institutions, the deal is the latest in a series of transactions aimed at reaching the universe of individual investors known as the mass affluent. In October, the firm set a target of raising more than \$50 billion for its global wealth business over the next five years, one of the key growth initiatives laid out by new Chief Executive Marc Rowan.

"We think we know how to reach these retail high-net worth customers, but anyone who says they have it all figured out is not telling the truth," Mr. Rowan said.

Clients of independent advisers have 1% to 2% of their portfolios allocated to alternative assets, compared with 15% or greater for big banks' private-wealth clients and 30% to 40% for institutional investors such as pension funds, said CAIS Chief Executive Matt Brown, who founded the company after working in wealth management.

In July, Apollo agreed to take a stake of up to 24.9% in Motive and become an investor in its funds in exchange for help with beefing up its own technology. Last month Apollo agreed to buy the U.S. wealth-distribution and asset-management businesses of Griffin Capital Co., an investment firm focused on distributing private credit and real estate products to wealthy individuals. It also invested in iCapital Network Inc., a technology platform that caters to big wealth-management firms.

Citi Quits Mexican Consumer Business

BY DAVID BENOIT

Citigroup Inc. will exit from its Mexico consumer-banking business, the latest strategic shift by Chief Executive Jane Fraser.

The bank said Tuesday it would exit from consumer, small-business and middle-market banking in Mexico, a business best known as Banamex. Citigroup said the change was part of its continuing "strategic refresh."

Those businesses accounted for about \$3.5 billion in revenue in the first nine months of 2021, Citigroup said, or about 6% of the bank's total revenue in the period. Citigroup will be keeping its investment bank-

ing and institutional businesses in Mexico as well as the private-bank operations.

Ms. Fraser, who became CEO in March, had already been shutting down and selling consumer operations in Asia over the past year and now will be left with a consumer business serving a handful of U.S. cities and a few international hubs. Her goal has been to simplify the bank, concentrating on wealthy consumers and credit cards. The bulk of Citigroup's profit comes from serving global companies.

Ms. Fraser said the bank remained committed to Mexico and that it would continue to be an important market for Citigroup. "We expect Mexico



The bank will retain its investment-banking business in Mexico.

to be a major recipient of global investment and trade flows in the years ahead, and we are confident about the country's trajectory," she said.

Citi paid \$12.5 billion to buy Banamex in 2001, making it the only major U.S. bank with a sizeable presence in Mexico. It was part of the bank's goal to serve consumers globally, which few banks have succeeded in doing.

Banamex was dragged down by fraud allegations several years ago, and some investors and analysts have been pushing for Citigroup to get rid of it. Citigroup renamed the unit Citibanamex in 2016. Ms. Fraser had previously run the Latin American division of Citigroup, having been sent to help fix up Banamex following fraud allegations.



The market for digital bond pricing is crowded with small players such as BondCliQ and behemoths including IHS Markit.

LSE, Aflac Back Pricing Service BondCliQ

BY MATT WIRZ

London Stock Exchange Group PLC and the venture arm of Aflac Inc. are betting on demand for better real-time bond pricing.

The two companies invested in bond-market quoting system BondCliQ Inc.'s \$7.5 million Series A funding round, a BondCliQ spokesman said. The amount of the investments wasn't disclosed.

BondCliQ provides real-time price information to help traders calculate bond values. Unlike stocks, which trade on centralized exchanges, bonds trade over the counter, making it harder to determine the clearing price of the debt securities on the fly.

Asset-management giant Vanguard Group said its bond traders and data scientists have started using BondCliQ data in their models in a partnership with the startup.

Still, the market for digital bond pricing is crowded with

small players such as BondCliQ and behemoths including IHS Markit Ltd., which was recently purchased by S&P Global Inc. Most electronic trading platforms already provide users with algorithms to calculate corporate bond prices.

Corporate bond markets have accelerated their transition to digital trading amid the rise of electronic marketplaces operated by firms such as Bloomberg LP, Intercontinental Exchange Inc., MarketAxess Holdings Inc. and Tradeweb Markets Inc. The investment also comes ahead of potential new regulation of the industry that could require financial services companies to provide more bond pricing information.

The current system gives large fund managers and broker dealers an advantage over smaller investors because the larger firms see more and bigger trades. U.S. Securities and Exchange Commission Chair-

man Gary Gensler asked staff to consider potential overhauls of price transparency in corporate, mortgage and municipal bonds to level the playing field.

"Many professionals have access to some amount of pre-trade price information in the

\$7.5M

The amount of money raised in the BondCliQ funding round

corporate bond market," Mr. Gensler said during a speech at a November securities industry conference. "I wonder if broadening the dissemination of that type of information might make this market more accessible, competitive and liquid."

In times of market turmoil, such as March 2020, the frag-

mented nature of the bond market can cause investment funds to trade out of sync with the value of the assets they own. The mismatches expose institutions and retirees who actively invest in exchange-traded bond funds to potential losses.

The possibility of increased regulation could boost adoption of BondCliQ, Chris White, the startup's chief executive, said.

"What we've been saying to the marketplace is that you will either have transparency develop in the market architecture through us, or that transparency will be mandated," he said.

BondCliQ is marketing its price information to trading platforms as data that can be incorporated in their algorithms, Mr. White said. The firm's feed includes live pricing from 40 dealers but the five largest dealers on Wall Street have yet to sign on, he said.

MARKETS



illumina rose 17% after posting earnings that beat analysts' expectations. The company's technology is used in genetic testing.

Tech Sector Propels Stocks, As Powell Stresses Inflation

BY MICHAEL WURSTHORN AND WILL HORNER

The S&P 500 and Dow Jones Industrial Average rose for the first time in days, led by a rebound in shares of technology companies, as Federal Reserve Chairman Jerome Powell reiterated the central bank's efforts to corral inflation.

Stocks opened lower and fell further as senators peppered Mr. Powell with questions during his reconfirmation hearing for a second term as Fed chairman. Indexes later recovered.

TUESDAY'S MARKETS

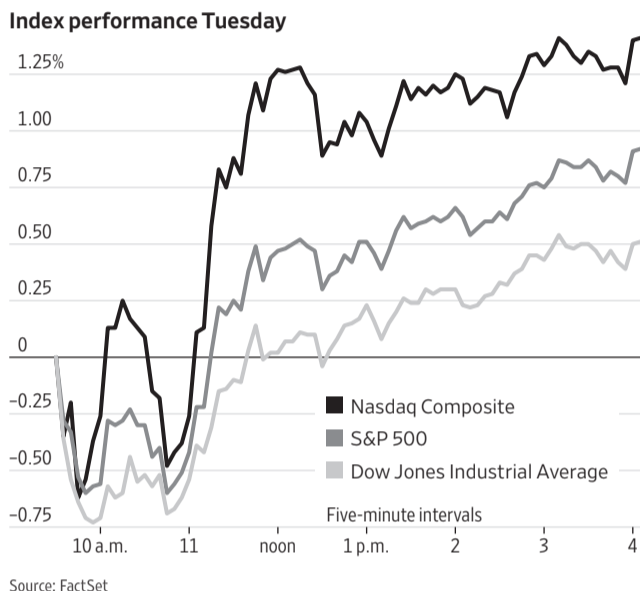
The S&P 500 added 42.78 points, or 0.9%, to 4713.07, snapping a five-day losing streak. The Nasdaq Composite added 210.62 points, or 1.4%, to 15153.45, building on Monday's midday turnaround. The Dow Jones Industrial Average advanced 183.15 points, or 0.5%, to 36252.02, its first gain in five days.

During the hearing, Mr. Powell said the central bank plans to move as aggressively as needed to cool inflation. "If we have to raise interest rates more over time, we will," he told lawmakers.

The bank has made no decisions about shrinking its balance sheet, he added, saying also that "it's a long road to normal" for monetary policy.

Stocks have been volatile as the prospect of imminent and faster-than-expected interest-rate rises has convulsed financial markets this month. Mr. Powell on Tuesday played up the central bank's role in taming inflation, while reiterating that interest rates are likely to remain historically low.

He added he was optimistic that supply-chain bottlenecks would ease this year to help bring down inflation. Analysts



Source: FactSet

said the comments gave investors their clearest indication yet of how the Fed plans to start normalizing monetary policy in the coming months, while cooling concerns around whether the central bank would aggressively raise rates.

For some investors, the comments signaled a buying opportunity for stocks that had been beaten down in recent sessions.

"We view the recent equity volatility as an adjustment to the Fed's incrementally more-hawkish stance, rather than a sign that the Fed is about to bring the recovery and the equity rally abruptly to an end," said Mark Haefele, chief investment officer of global wealth management at UBS Group, in a note to clients Tuesday.

He added that stocks historically perform well in the months leading up to the first rate increase of a cycle. Since 1983, Mr. Haefele said, the S&P 500 has risen an average of 5.3% in the three months before the first Fed rate increase, followed by an average of 5.3% over the next six months.

Still, some investors remained jittery as the rate increases will likely coincide with a slowdown in economic growth. "There is more of a risk now that rate rises are going to coincide with falling growth, and that is obviously a bad combination," said Altaf Kassam, head of investment strategy for State Street Global Advisors in Europe.

During the hearing, investors bought the dip on tech and other growth stocks. The tech and communication services sectors of the S&P 500 both rose at least 1% after trading in the red earlier in the session. Consumer discretionary stocks added 0.4%.

Amazon.com rose \$77.52, or 2.4%, to \$3,307.24. Facebook parent Meta Platforms and Apple added more than 1.5%.

Energy stocks climbed 3.4%, coinciding with Brent crude prices hitting their highest settlement value since early November.

illumina added \$61.52, or 17%, to \$423.80 after posting earnings late Monday that beat

analysts' expectations. Rivian Automotive added \$2.11, or 2.6%, to \$83.55, recouping some of the more-than-5% drop Monday when The Wall Street Journal reported that the electric-truck maker's chief operating officer had departed.

A rally in government bond yields halted a day after the 10-year Treasury yield settled at a 52-week high. The yield on the benchmark bond edged down to 1.745% from 1.779% Monday, its largest one-day decline since mid-December.

Investors also are gearing up for the start of earnings season this week. The reports will be particularly important for technology firms that will need to post strong growth to justify valuations, said Mr. Kassam.

Results more broadly will need to be robust to support U.S. stocks, which are increasingly looking less attractive than their European counterparts, he added.

Reports later in the week will be dominated by financial firms, with BlackRock, Citigroup, JPMorgan Chase and Wells Fargo to report Friday.

Overseas, the Stoxx Europe 600 rose 0.8%, led by gains for its tech sector.

Early Wednesday, Japan's Nikkei 225 was up 1.8%, Hong Kong's Hang Seng Index was also up 1.8% and South Korea's Kospi was up 1.2%. S&P 500 futures were up slightly.

AUCTION RESULTS

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

THREE-YEAR NOTES	
Applications	\$136,749,901,900
Accepted bids	\$60,343,434,900
* noncompetitively	\$98,417,600
* foreign noncompetitively	\$5,000,000
Auction price (rate)	99.671988 (1.237%)
Interest rate	1.125%
Bids at clearing yield accepted	5.37%
Cusip number	91282CDS7
The notes, dated Jan. 18, 2022, mature on Jan. 15, 2025.	

Kardashian, Pierce Mayweather Sued Over Crypto Losses

BY TALAL ANSARI

Kim Kardashian, Floyd Mayweather Jr., and Paul Pierce are among a number of celebrities being sued for allegedly leading investors into a cryptocurrency "pump and dump" scam.

The celebrities and other defendants are accused of making "false or misleading statements to investors about EthereumMax through social-media advertisements and other promotional activities," according to the class-action complaint filed last Friday in the U.S. District Court for the Central District of California. In addition to the three celebrities, defendants include the co-founders of the company and others.

The lawsuit alleges EthereumMax is a "speculative digital token created by a mysterious group of cryptocurrency developers." It says the celebrities told their millions of social-media followers to buy the cryptocurrency, only to sell when the price was inflated.

Ryan Huegerich, a New York resident, filed the complaint on behalf of himself and others who purchased EMAX tokens between May 14, 2021, and June 27, 2021, and lost money, according to the filing.

EthereumMax disputed the allegations. "The deceptive narrative associated with the recent allegations is riddled with misinformation," a company spokesman said.

Representatives for Ms. Kardashian and Messrs. Mayweather and Pierce didn't respond to requests for comment.

Mr. Mayweather promoted EthereumMax in 2021 when he was in a boxing match with YouTube celebrity Logan Paul. Mr. Pierce, a sports commentator and former pro basketball player, promoted EthereumMax on his Twitter account during an unrelated conflict he was having with ESPN at the time.

Ms. Kardashian promoted the cryptocurrency on Instagram, where she has 278 million followers.

The reality TV star and entrepreneur's 2021 post asking her followers on the platform to join "the Ethereum Max Community" prompted criticism from the U.K.'s financial watchdog.

A representative for EthereumMax said at the time that Ms. Kardashian's "post was simply intended to raise awareness of the project and its utility."

UBS Offers Advice To Less-Rich Clients

BY MARGOT PATRICK

UBS Group AG doubled profit in its U.S. wealth business over the past five years by wooing rich families with white-glove service. For its next act, it is going after the not-as-rich with cheaper digital advice.

The Swiss bank bills itself as one of the world's largest wealth managers, managing \$3.2 trillion invested assets. It was on track at the end of the third quarter to make \$2 billion in pretax profit in its Americas wealth unit for 2021.

Now, UBS is heading down the wealth curve to open up a bigger profit pool—people who have \$250,000 to \$2 million to invest but don't want to trade their own portfolios or hire a financial adviser. The target audience is the roughly two million people who have workplace stock and retirement programs managed by UBS but little other contact.

That strategy puts it in direct competition with mass-market rivals such as Fidelity Investments, Charles Schwab Corp., and Morgan Stanley. UBS wants to give these

customers digital advice through their devices. Advisers will be on hand by video to talk about big investments or planning for life events. The secret sauce, UBS says, will be streams of investment ideas from its chief investment office, a global team of 200 market forecasters.

The new platform is a test case for UBS's digital-savvy chief executive, Ralph Hamers. He joined in 2020 after three decades at ING Groep NV, a pioneer in scaling up through online-only banking.

An earlier digital-human channel UBS developed, called My Way, tripled invested assets last year to \$5.1 billion, Mr. Hamers told analysts in October. It lets customers in Switzerland and other parts of Europe and Asia build and maintain portfolios in online sessions with advisers and UBS research.

Consultants said the new U.S. push takes a cue from rival Morgan Stanley, which successfully brought on new customers by managing company stock-compensation programs, then getting those clients to pay for more lucrative services.

Citadel Securities Gets Cash

Continued from page B1

regulatory clarity. The explosion in trading volumes and volatility across financial markets during the coronavirus pandemic boosted Citadel Securities' revenue. In 2020, net trading revenue was \$6.7 billion, almost double the previous high in 2018. Net trading revenue in 2021 was even higher, according to a person familiar with the matter. Citadel Securities has been led by Chief Executive Peng Zhao since 2017.

Last year's Reddit-fueled trading frenzy in GameStop Corp. and other so-called meme stocks drew attention to Citadel Securities' relationship with online brokerages.

Some small investors active on social media have accused Citadel Securities of masterminding the Jan. 28, 2021, trading restrictions in which brokerages limited customers' ability to buy GameStop and a number of other stocks. Citadel Securities has denied any role in the trading restrictions,



Owner Ken Griffin has been a crypto skeptic. The deal involves digital-currency investor Paradigm.

which punctured a huge rally in meme stocks. Brokerages have said they imposed the curbs to address large margin calls from clearinghouse for U.S. stock trades. In November, a federal judge dismissed a lawsuit accusing Robinhood and Citadel Securities of colluding to stop investors from buying meme stocks, citing a lack of evidence.

Still, the episode fueled regulatory scrutiny of the firm and its business practices. Securities

and Exchange Commission Chairman Gary Gensler has floated the idea of banning payment for order flow, the practice in which trading firms pay brokerages such as Robinhood and TD Ameritrade for handling their customers' orders. Citadel Securities paid more than \$1.1 billion for order flow during the first nine months of 2021, making it the biggest source of such payments, Bloomberg Intelligence data shows.

Mr. Griffin has considered deal making previously. The Journal reported in 2015 that Citadel was considering going public, a move that the hedge-fund firm had also weighed before the financial crisis. The Journal in 2019 reported Blackstone had been in talks to buy a stake in both Citadel Securities and Citadel, with firm executives estimating at the time the hedge fund had a value of between \$5 billion and \$7 billion.

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HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Investors Like Fast Delivery

But bets on startups that deliver groceries quickly may not yield quick money

In business, one plus one should equal three. So why are venture capitalists pouring billions into rapid-food-delivery startups that yield negative numbers?

Like so many investors these days, they are after the pot of gold at the end of the rainbow. **DoorDash** pegs the addressable market in convenience at \$200 billion to \$250 billion and grocery at \$800 billion to \$1 trillion, according to a December report by Gordon Haskett. **Buyk**, a rapid-grocery-delivery startup, has said its addressable market is \$500 billion in just the U.S.

Coresight Research estimates the quick-commerce space generated roughly \$20 billion to \$25 billion in U.S. retail sales last year, including services from companies like DoorDash, Instacart and Uber Eats. **Gopuff**, the largest rapid-delivery startup, was valued at \$15 billion as of July, and is said to be considering a public offering as early as this year. Investors are betting the convenience of having goods delivered during the pandemic will stick even after we settle into a new normal. The question is whether the economics necessary to support the promise of rapid delivery will ever bring sustainable returns.

The history of rapid delivery has itself been fast and furious, accelerated by the pandemic. First we had platforms like Postmates (since bought by Uber Technologies) and Instacart delivering third-party food to your doorstep the same day. Soon after, Gopuff vertically integrated the concept, delivering goods through its own fulfillment centers. Having all orders coming from a central hub cut delivery times. DoorDash introduced DashMarts in 2020, enabling it to deliver convenience and food items from stores it owns, operates and curates. Most recently, it added one such location



Buyk says it already sells proprietary products and has more coming soon.

in New York City so that it can deliver hyper-locally in 10 to 15 minutes. The company says more such locations are expected.

In the “instant” delivery space, DoorDash and Gopuff are hardly alone. Recent platforms delivering in New York City also included JOKR, Getir, Buyk, Gorillas, Fridge No More and 1520 (which is already “no more” after exhausting its funding). Those companies have collectively raised nearly \$7.6 billion, according to PitchBook, with Gopuff getting more than half of it.

So far, the unit economics look underwhelming. JOKR was losing \$159 per order in the U.S. as of

last August, according to a recent report from The Information citing internal data sent to investors, though JOKR says its first cities have become “operationally profitable.” Even Gopuff, coming off a year of significant expansion, isn’t profitable on the basis of earnings before interest, taxes, depreciation or amortization, though it says it is “contribution profit positive.”

Ironically, JOKR is now weighing longer delivery times to reduce losses, according to The Information, while it and other companies like Gopuff are working toward introducing private-label products to boost margins. Buyk says it al-

ready sells proprietary products and has more coming soon.

Sustainable profits for some of these platforms could one day hinge upon opting for their private labels like Gopuff’s planned “Basically Amazing.” But that reduces costs by only so much. To ensure speed, most rapid-delivery platforms today use employees rather than contractors, including DoorDash at its Chelsea location in New York City. Most charge delivery fees under \$2—even zero—with no service fees, according to Gordon Haskett.

One of the big benefits of instant-delivery platforms is that they don’t initially need large infrastructure. As they expand, though, that might change. Gopuff recently acquired **BevMo** and **Liquor Barn**. Its website says it has “hundreds of facilities,” opening new ones “all the time.” The downside to small dark-store locations is limited inventory. Gordon Haskett’s December report shows an average of just over 2,000 products per dark store across select platforms versus 15,000 to 60,000 for traditional grocers. Low selection could limit the use case of such dark stores, according to analyst Robert Mollins.

Another question is whether any of these startups can compete in rapid delivery with a behemoth like DoorDash should it choose to expand. It won’t have to pay for customer acquisition, already having over nine million loyal DashPass members at its fingertips. On the other hand, its strategic advantage in suburban food delivery isn’t likely to translate well to rapid delivery, where dark stores must be localized.

Even with lengthier lead times and contracted workers, food delivery hasn’t lately proved to be a highly profitable business. Investors might be chasing a mirage.

—Laura Forman

Politics Is Limit on Europe’s Carbon Market

European Union carbon credits aren’t so much a commodity as a political tool. That has underpinned a stunning rally over the past year, but it also caps the market’s potential for financial speculation.

The EU’s emission-trading system, or ETS, is the world’s largest regulated market for carbon allowances. Annually, European polluters in selected industries, notably power production, must redeem a credit for each metric ton of carbon dioxide they emit. A diminishing number of allowances are granted with the rest being auctioned off. Initially market prices languished, but have been rising since a 2018 change. On Tuesday, they traded at €82, equivalent to roughly \$93, up from just €34 a year ago.

Designed to encourage industries to clean up, the total credit supply will shrink annually, yet demand is expected to grow, in the near term at least, with more electrification and the program’s extension. This sounds like a recipe for a one-way bet, and there have been whispers of something akin to a short squeeze,

as companies become forced buyers of a dwindling stock of credits.

What investors need to remember is that politics could push supply the other way too. Although they are traded like a commodity, carbon credits are conceptual, not physical. The market rules can be adjusted if its price isn’t meeting EU objectives.

Along with tighter regulation and “green deal” subsidies, carbon costs are a key tool for the EU to decarbonize its economy. Many expect the price of credits to rise above €100 a metric ton, eventually, generating extra cash to help fund the transition. Europe sees decarbonization as an opportunity to take the lead in the next industrial revolution, as well as an environmental necessity.

With this goal in mind, the ETS is functioning well enough that the EU is building on it. It recently proposed a “carbon border adjustment mechanism” to levy its carbon price on some imports from regions that don’t tax carbon. It is also expanding the market: Shipping is expected to be covered by the existing ETS, while a new one is being drawn up

EU carbon emissions allowance price



Note: €1=\$1.13
Source: FactSet

for buildings and transport to reflect their different costs and challenges.

Crucially, EU politicians also need businesses to remain competitive through the transition, so the ETS remains a work in progress. They will likely intervene if the trade-off between decarbonization and competitiveness becomes a problem.

Existing rules allow the injection of additional allowances, if for six months the price exceeds three times the average of the prior two years. But six months is a long time and if the carbon price rose enough to threaten its industrial base, the bloc might change the rules.

EU decision making usually takes years, but in some crises, the bloc has acted quickly. Sky-high emission prices would likely count as a crisis: Energy costs are a hot-button issue, particularly since the 2018 “gilet jaunes” protests in France. Officials used other tools to deal with this winter’s energy crisis, mostly because it is expected to be temporary and carbon emission prices weren’t the cause. Significantly higher carbon prices, particularly if due to speculation, would likely trigger a different response.

Investors are smart to use European ETS credits to hedge against rising carbon costs and bet on the green transition, but there are limits. If too many try to squeeze in, it might just ruin the party.

—Rochelle Toplensky

Retailers Face Taxing Start to the Year

The Grinch didn’t steal Americans’ Christmas, but he might make a late appearance.

Expanded child tax credits, which provided a reliable boost to Americans’ wallets on the 15th of every month, ended a month ago. Those payments, which expanded both the size and eligibility of child tax credits, provided up to \$300 per child a month, reviving retail sales that had slowed after Americans stopped receiving stimulus checks.

In total, those monthly child-tax-credit payments boosted consumers’ wallets by a collective \$16 billion a month on average, according to a research note from J.P. Morgan. That is roughly double what Americans spend on electronics and in appliances stores monthly.

At the moment, a revival of those payments hangs by a thin thread in Congress, meaning retailers should brace for a rocky start to the year.

Last year, there was a noticeable drop in retail sales between April, a month after consumers received their last federal stimulus checks, and July, when monthly child-tax-credit payments kicked in. It wasn’t a seasonal effect, ei-

Advance retail sales, seasonally adjusted

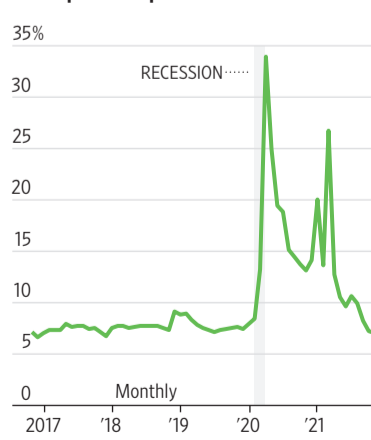


Note: Data are through November
Sources: U.S. Census Bureau (retail sales); U.S. Bureau of Economic Analysis (personal savings)

ther: Even in years preceding the pandemic, sales tended to rise during the April-July window.

Once those child-tax-credit payments kicked in starting mid-July, retail sales picked up. Spending on apparel and in department stores, in particular, saw a big uptick in the days immediately following the first distribution on July 15, accord-

Personal savings as a percentage of disposable personal income



ing to Mastercard SpendingPulse.

Tax-refund season typically gives retailers a separate uplift because consumers tend to spend the windfall on big-ticket items. AutoZone Chief Executive Officer Bill Rhodes said in an earnings call last month that any period with a tax refund resulted in a “big spike” in business. This year, that isn’t a sure thing.

The expanded child tax credits meant that families got half of the credits they would have otherwise claimed on their 2021 tax return in advance.

Meanwhile, Americans’ personal savings rate had dropped to pre-pandemic levels by November.

With that in mind, the interlude before major retailers report their results is a good time for investors to ponder just how hot retail stocks have been. The S&P 500 retailing index’s enterprise value as a multiple of forward revenue is 13% higher than its five-year average.

After outperforming the S&P 500 by roughly 30 percentage points last year, both **Home Depot** and **Lowe’s** sport enterprise values as multiples of their respective forward sales near 10-year highs. **Dollar General**, which has higher exposure to low-income consumers, is trading at a multiple that is 28% above its five-year average.

Investors in U.S. retail stocks are primed for optimism after a string of pleasant surprises last year, but caution is warranted now. Shoppers might have a lot less to spend as 2022 kicks off.

—Jinjo Lee

Property Funds Shift To Data Centers

Real-estate investors are pulling cash out of offices and putting it into data centers as a hedge against the impact of remote working. But data centers have their own problems with oversupply and demanding tenants.

Interest in data centers has been growing for years, but took a big leap forward as the pandemic pushed more daily life online. One measure is acquisitions: Global data-center deals hit a record \$47.1 billion in 2021, according to Synergy Research Group, more than three times 2019’s tally and up from \$34.5 billion in 2020.

Blackstone bought **QTS Realty Trust** for \$10 billion including debt in June. Private-equity firm KKR and fund manager **Global Infrastructure Partners** are taking New York-listed **CyrusOne** private in a \$15 billion deal. **American Tower** bought **CoreSite** in November in another multi-billion-dollar deal.

Growth in digital activity underpins Wall Street’s appetite for the asset class. Global internet traffic increased by 48% in 2020 as office workers were forced to do their jobs from home, e-commerce boomed and millions turned to video streaming services such as Netflix and online gaming. In 2021, growth in global internet traffic returned to more normal levels of 23%, according to the TeleGeography Global Internet Geography Research Service.

The extra online activity has translated into strong demand for data storage. In the U.S., leasing in multitenant data centers in 2020 was more than three times higher than in 2019 by megawatt, according to North American Data Centers, with Microsoft taking up the most capacity. In 2021, take-up in Europe’s four major data-center hubs—Frankfurt, London, Amsterdam and Paris—is expected to have reached 355 megawatts, up from 201 megawatts in 2020, based on CBRE estimates.

The performance of data-center stocks has been middling, despite all this growth. From February 2020 through Jan. 6, U.S.-listed data-center real-estate investment trusts delivered total shareholder returns of 30%, according to real-estate analytics firm Green Street. This lagged behind gains made by REITs specializing in single-family homes, self-storage facilities and industrial properties—not to mention the S&P 500’s 48% returns, which have been led by the top tech names that are big data-center tenants.

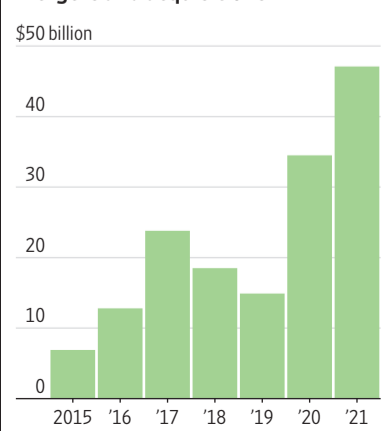
One reason may be that although tech companies are attractive customers, their size helps them to negotiate hard. Rents have been falling in key markets. Since 2013, market revenue per available foot—a measure that factors in both occupancy and effective rents—is down 8% for U.S. data centers, compared with the 18% gains made by commercial real estate on average, Green Street data show.

Oversupply could become an issue in some cities. Equinix and Digital Realty, the biggest listed data-center stocks by market value, face tougher competition now that smaller rivals have been taken over by deep-pocketed buyout firms. Pension funds, sovereign-wealth funds and family offices also are pouring cash into building data centers, increasing competition for tenants. In the third quarter of 2021, vacancy rates in Amsterdam, London and Paris were relatively high, at 24%, 20% and 13%, respectively.

Global demand for data storage should remain strong as more of the world’s consumer and corporate data moves to cloud storage. But investors also need to beware the glitches in the latest hot property.

—Carol Ryan

Value of data center mergers and acquisitions



Source: Synergy Research Group