# THE WALL STREET JOURNAL.

FRIDAY, MARCH 25, 2022 ~ VOL. CCLXXIX NO. 69

DOW JONES | News Corp \* \* \* \* \*

**NASDAQ** 14191.84 **A** 1.9% **DJIA** 34707.94 **A** 349.44 1.0%

**STOXX 600** 453.07 **V** 0.2%

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WSJ.com **GOLD** \$1,961.60 **▲** \$25.00  $\star \star \star \star$  \$5.00

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### What's News

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European lawmakers reached an agreement on the main points of a new digital-competition law focused on the world's biggest tech companies, setting the stage for one of the most sweeping pieces of technology-regulation legislation to go into effect next year. A1

 Uber reached an agreement to list all New York City taxis on its app, an alliance that could ease the ride-hailing giant's driver shortage and temper high fares while directing more business to cabdrivers. A1

• Europe's economic recovery slowed in the first weeks of March after Russia's invasion of Ukraine while U.S. business activity picked up, business surveys showed. A2

◆ U.S. stocks rose, with major indexes recouping most of Wednesday's losses. The S&P 500, Dow and Nasdaq gained 1.4%, 1% and 1.9%, respectively. B10

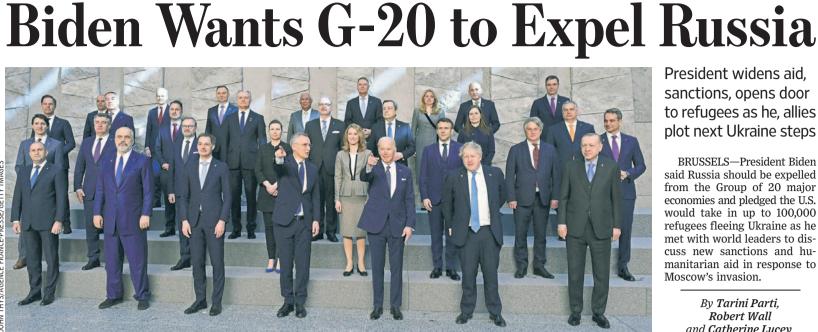
European stock indexes have largely clawed back losses suffered since Putin sent Russian troops into Ukraine, but that doesn't necessarily mean traders are feeling optimistic. B1

 Fewer Americans are leasing new vehicles because of higher prices and scarcity on dealer lots, a pullback that could crimp the supply of used vehicles and interested buyers in the coming years. B1

◆ Credit Suisse is expected to pay around \$500 million after losing a lawsuit brought by a billionaire who claimed the bank mismanaged his money. B3

#### World-Wide

• Biden said Russia should be expelled from the Group of 20 major economies and pledged the U.S. would take in up to 100,000 refugees fleeing Ukraine as he met with world leaders to discuss new sanctions and humanitarian aid in response to Moscow's invasion. A1, A8-11 Ukraine said it struck the Russian-occupied port in the city of Berdyansk, igniting a large fire and hitting a warship at the site, which has become a major logistics hub for the invasion forces. A1



President Biden met in Brussels on Thursday with North Atlantic Treaty Organization leaders, as well as with those of the G-7 and the European Union. Mr. Biden stressed that NATO and European allies are united in their support for Ukraine.

## Ukraine Strikes Port, Enemy Ship

#### BY YAROSLAV TROFIMOV

Ukraine said it struck the Russian-occupied port in the Azov Sea city of Berdyansk on Thursday, igniting a large fire and hitting a Russian warship at the site, which has become a major logistics hub for Moscow's invasion forces.

Footage from the area showed smoke billowing from a ship and secondary explosions from detonating ammunition. Footage also showed two smaller Russian ships fleeing the port after the explosions, one of the ships on fire.

The attack in Berdyansk-50 miles west of the besieged port of Mariupol and nearly 100 miles from the main front line in southern Ukraine—is a sign Kyiv has retained significant military capabilities in its fight against larger Russian forces that are struggling to maintain supply lines in the country.

Russian officials didn't confirm the attack. Kyiv initially said the strike destroyed the Russian navy landing ship, Orsk. Ukrainian news reports named the targeted ship as Saratov, the same class of large landing ship as Orsk. The Ukrainian military said in a later statement that it had hit Russian landing ships in Berdyansk, and that one of



A screen grab from a video shows a Russian ship gutted by flames in the Ukrainian port of Berdyansk.

them was engulfed in fire. It didn't provide the name.

Berdyansk, where pro-Ukrainian protests erupt regularly, is one of a handful of Ukrainian cities captured by Moscow in the month since President Vladimir Putin of Russia invaded Ukraine on Feb. 24.

Ukrainian officials haven't disclosed how Ukraine carried out the attack. Ukraine's new Neptune antiship missiles have a range of about 200 miles and haven't been used in the conflict so far. Ukraine also has ballistic missiles with a known range of some 75 miles, though there may be modifications with a longer range.

Andrii Ryzhenko, a former Ukrainian navy captain now with the Center for Defense Strategies, a Kyiv think tank

with close ties to the military, said he believed Ukraine used one or more Tochka-U ballistic missiles to dent Russia's supply chain along the Azov Sea coast.

"For the Russians, this is the easiest way to bring and feed their contingent," Mr. Ryzhenko said. "These ships, they can carry a significant Please turn to page A10 President widens aid. sanctions, opens door to refugees as he, allies plot next Ukraine steps

BRUSSELS—President Biden said Russia should be expelled from the Group of 20 major economies and pledged the U.S. would take in up to 100,000 refugees fleeing Ukraine as he met with world leaders to discuss new sanctions and humanitarian aid in response to Moscow's invasion.

> By Tarini Parti, Robert Wall and Catherine Lucey

Thursday's gatherings in Brussels came amid concerns that President Vladimir Putin of Russia could order the use of chemical or other unconventional weapons in Ukraine, a move Mr. Biden said would trigger a response.

Mr. Biden stressed that NATO and European allies are united in their efforts. The U.S. outlined a new round of sanctions against political figures, oligarchs and defense companies and \$1 billion in humanitarian funding.

"The single-most-important thing is for us to stay unified and the world to continue to focus on what a brute this guy is," said Mr. Biden, referring to Mr. Putin. "And all the inno-cent people's lives that will be lost and ruined."

Mr. Biden also said he thought Russia should be removed from the G-20, adding that the decision was up to the group. He said that issue was discussed on Thursday among leaders. He said if it wasn't possible to remove Russia, he had raised the idea that Ukraine should be allowed to attend the meetings and observe. A G-20 summit is scheduled to be held in Bali,

Please turn to page A8

#### Biden, stepping back

from a campaign vow, has embraced a longstanding U.S. approach of using the threat of a potential nuclear response to deter conventional and other nonnuclear dangers in addition to nuclear ones, U.S. officials said. A9

• North Korea said it had successfully tested a new intercontinental ballistic missile at the direct order and supervision of leader Kim. A20

Republican senators indicated that they don't plan to take steps to significantly delay or block the confirmation of Supreme Court nominee Jackson. A4

Arizona lawmakers passed a bill banning most abortions after 15 weeks of pregnancy. The measure now goes to Gov. Ducey. A3

• **Trump filed** a lawsuit against Hillary Clinton, the DNC and others, alleging that they conspired before the 2016 election to tarnish the image of the then-Republican presidential candidate and his campaign. A4

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### Uber to Add Taxis In NYC to Its App To Help Fuel Growth

#### By PREETIKA RANA

Uber Technologies Inc. is becoming friends with a former foe.

The company reached an agreement to list all New York City taxis on its app, an alliance that could ease the ride-hailing giant's driver shortage and temper high fares while directing more business to cabdrivers, whose livelihoods were affected by the emergence of carsharing apps and the pandemic.

While Uber has formed partnerships with some taxi operators overseas, and riders

in several U.S. cities can use its app to book taxis if cabdrivers choose to be listed there, the New York City alliance is its first citywide partnership in the U.S. New York, one of Uber's most lucrative markets, has been a battlefield for the company and the city's iconic yellow taxis for years.

"It's bigger and bolder than anything we've done," said Andrew Macdonald, Uber's global mobility chief. The company expects to launch the offering to riders later this spring.

As part of the deal, the New Please turn to page A2

### EU Reaches a Deal on Law **To Curb Tech Firms' Power**

#### BY KIM MACKRAEL AND SAM SCHECHNER

BRUSSELS-European lawmakers reached an agreement late Thursday on the main points of a new digital-competition law focused on the world's biggest tech companies, setting the stage for one of the most sweeping pieces of technology-regulation legislation to go into effect next year.

The new law, known as the Digital Markets Act, is part of the biggest proposed expansion of global-tech regulation in decades. It seeks to impose new obligations and prohibitions on a small cadre of digital giants

the European Union defines as gatekeepers-backed by fines for noncompliance that, based on early drafts of the legislation. could rise into the tens of billions of dollars.

The legislation could affect many corners of the tech world. It is aimed broadly at limiting the ability of the biggest tech firms from taking advantage of their powerful presence in digital markets—including the app ecosystem, online shopping and online advertising.

Provisions in the text, if they get final approval, would allow developers to make their apps available to iPhone users without going through

Apple Inc.'s App Store and could limit how sites such as Google and Amazon.com can rank their own products and services ahead of those offered by smaller competitors in search results.

It also could have global reach. The EU has for years been at the forefront of creating regulation for a number of major tech markets. Brussels' moves have often been mirrored by other countries. At the same time, many big tech firms-forced to change practices by European rules-have made those changes global.

Tech-industry lobbyists Please turn to page A12

### In U.K. Version of the Jersey Shore, Rebranding Plan Strikes a Nerve

Essex, next to London, is a party scene; it doesn't need culture too, devotees say

#### By JAMES HOOKWAY

BRENTWOOD, England—A lot of people in England make fun of Essex the same way some New Yorkers do with parts of New Jersev.

Set just to the east of London, the county is filled with commuter towns, pockets of industrial blight and cheapand-cheerful resorts, where big-city salaries combine with lower property prices to create a world where 20- and 30somethings can afford to flaunt expensive high heels and sharp suits, and frequently do.

Before Covid-19, busloads of visitors would flock to the

town of Brentwood, made famous by "The Only Way Is Essex," a glitzy reality show recreating the spray-on tans and loosely scripted dramas of "Jersey Shore."

Now the county council has launched a half-million-dollar campaign to shift perceptions of Essex. It wants to bring a wider range of visitors, the kind of people who might be more interested in some of its Roman ruins, say, or the rural landscapes that inspired John Constable, the 19th-century English painter.

The stars of Towie-that's how "The Only Way Is Essex" is known here-aren't im-Please turn to page A13



**OBITUARY** 

Edward Johnson III, 91, transformed Fidelity Investments into a financial behemoth. B1

#### **ARTS IN REVIEW**

A look ahead at the Oscars, Hollywood's big night. A14-15

Voters Are Restive Sentiment in Phoenix is sour for Democrats

In Inflation Hot Spot,

with midterm elections on the horizon

#### By JOHN McCormick

SCOTTSDALE, Ariz.-This year, with Democrats seeking to defend a narrow Washington majority, will see the first national election since Ronald Reagan defeated Jimmy Carter in 1980 where inflation will be a major issue.

Its prominence is clear in the southern half of Scottsdale's McCormick Ranch neighborhood in the Phoenix metropolitan area, which has seen the biggest inflation surge in the U.S. since President Biden took office. Nationwide, the inflation rate is 7.9%.

Jillian Birnbaum, a 37-yearold nurse and mother of two, says she is frustrated by the rising cost of groceries and diapers in her suburban neighborhood. It is one reason the politically independent voter says she is leaning toward Republicans in this fall's midterm elections.

"There must be some reason for why it's happening with this administration and not the last one," said Ms. Birnbaum, who blames increased federal spending in part for fueling inflation and favors divided government.

Please turn to page A13

## **U.S. NEWS**

## **Global Economy Shows Mixed Signals**

U.S. business activity strengthened in March, but Europe's recovery slowed as war took toll

#### BY PAUL HANNON

Europe's economic recovery slowed in the first weeks of March after Russia's invasion of Ukraine while U.S. business activity picked up, business surveys showed.

The war's impact rippled quickly through Europe by disrupting already strained supply chains, weakening confidence and sending rawmaterial and energy prices soaring.

The lifting of pandemic restrictions on Europe's services sector is softening the blow for now. But economists expect this positive effect to fade and for the war to take a heavier toll on growth as higher energy costs push consumer prices up.

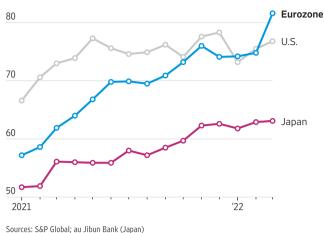
The United Nations Conference on Trade and Development on Thursday lowered its forecasts for economic growth this year, in response to the invasion. It now expects the global economy to grow 2.6% having previously expected an expansion of 3.6%. Much of the slowdown will occur in the eurozone, where Unctad now projects growth of 1.7%, half of what it had previously expected. It lowered its forecast for U.S. growth to 2.4% from 3%

Data firm S&P Global on Thursday said its composite Purchasing Managers Index for the eurozone—a measure of activity in the manufacturing and services sectors-fell to 54.5 in March from 55.5 in February. This was a smaller fall than predicted by economists surveyed by The Wall Street Journal last week. A reading above 50 points to an increase in activity.

U.S. firms separately reported an upswing in March activity, buoyed by a bounceback in demand as case counts fell from the Omicron variant of Covid-19. An improvement in supply bottlenecks and hiring allowed firms to increase production, though they also flagged that the war in

Russia's invasion of Ukraine has pushed costs for eurozone businesses sharply higher.

#### Input prices index, monthly



Ukraine and China's lockdowns are increasingly straining supply chains, the S&P Global survey said.

The purchasing managers index for U.S. service providers rose to an eight-month high of 58.9 so far in March, from 56.5 in February. Manufacturers reported an upswing in March activity, with the PMI coming in at 58.5, the highest in six months and up from 57.3 in February.

Many European countries rely heavily on Russia for energy supplies, including oil and natural gas that is transported through pipelines. Energy prices had been rising in the months leading up to Russia's invasion of its neighbor on Feb. 24, and have continued to increase since then on worries that supplies will be inter- can't fix those problems by rupted over coming months.

As a result, eurozone businesses reported the sharpest rise in costs since the survey began to collect records in 1998. The subindex that measures costs rose to 81.6 in March from 74.8 in February, well above the previous record high of 76.0 in November 2021. In response, businesses raised their own prices.

Unctad warned that an overly rapid tightening of monetary policy in rich countries could lead to an even sharper slowdown in global growth than it has forecast, and threaten the ability of some developing countries to meet their debt payments.

The Geneva-based body said there were few signs that the pickup in inflation is pushing wages sharply higher, and said increased borrowing costs wouldn't resolve the supplychain problems that were partly responsible for rising prices.

"We're not convinced it will work," said Richard Kozul-Wright, director of Unctad's globalization division.

raising interest rates."

In the U.S., services and manufacturing businesses reported broad-based inflationary pressures. U.S. services continued to raise prices as firms passed on higher costs to customers. Factory purchasing activity leapt at the fastest pace since September 2021 as businesses raced to avoid future price rises by locking down materials. However, the index showed a slight softening in the increase in manufacturer selling prices.

Confidence in the outlook for output over the next year slipped in March to a fivemonth low, driven mainly by service providers concerned about a pullback in spending as inflation bites consumer incomes.

A separate report from the U.S. Commerce Department on Thursday said orders for longlasting goods such as appliances, computers and cars fell 2.2% in February from the previous month.

-Gwynn Guilford and William Boston contributed to this article.

## California Plans Cash Cards to Offset Gas Prices | Jobless

#### BY OMAR ABDEL-BAQUI

California Gov. Gavin Newsom proposed a new plan to help ease the burden of higher gasoline prices on his state's drivers, including giving car owners cash, temporarily providing free public transportation and reducing fuel taxes.

Mr. Newsom's \$11 billion relief package, unveiled Wednesday, includes \$400 direct payments to Californians per vehicle they own, capped at two vehicles. The proposal doesn't have an income cap.

His plan comes as the average price of regular gasoline in California is \$5.88 a gallon, according to AAA data, with some  $\overline{\underline{\widehat{\mu}}}$ neighborhoods charging more than \$6 a gallon. That compares with the national average 💈 of \$4.24 a gallon.

Gasoline prices hit record highs after Russia invaded Ukraine, as traders, shippers and financiers rejected Russian oil, omitting much of it from the daily global supply.

Lawmakers in other states are also pushing to pause or reduce the collection of gasoline taxes. Some members of Congress are calling on the Biden administration to suspend fed-

eral taxes on fuel.



California drivers, like these in Long Beach this month, are paying on average \$5.88 a gallon for regular gasoline, according to AAA.

about \$300 in gasoline excise tax in a year, according to the governor's office.

Mr. Newsom's proposed tax refund would take the form of \$400 debit cards for registered vehicle owners, including electric-vehicle owners, with indi-

package calls for \$750 million to provide Californians free transit for three months, roughly \$1.1 billion to reduce fuel taxes and \$500 million toward projects that promote biking and walking. "That direct relief will address the issue that the coming days to negotiate the details of the proposal. If approved, the first payments could begin as soon as July.

Republican James Gallagher, minority leader of the California State Assembly, said Mr. Newsom's plan to help

suspend the state's 51-centper-gallon gasoline tax.

Suspending gasoline taxes at the state level also means officials would have less money at their disposal to spend on mass transit and road and highway maintenance unless it is offset in some way. State officials that back gasoline-tax suspensions say this is one of the few tools they can use to give drivers some relief.

### **Claims Fall** To Lowest In 52 Years By DAVID HARRISON

New applications for unemployment benefits in the U.S. fell last week to a fresh halfcentury low as employers held on to their workers in the midst of a labor shortage.

Initial jobless claims, proxy for layoffs, decreased by 28,000 to a seasonally adjusted 187,000 last week, the Labor Department said Thursday. That was slightly below a level last seen in December, and the lowest level for initial claims in over 52 years, since September 1969. The fourweek average, which smooths out volatility in the numbers, decreased by 11,500 to 211,750. Continuing claims, a mea-

sure of the total number of people on the unemployment rolls through regular state programs, moved down to 1.35 million for the week ended March 12 from 1.42 million the previous week. That was the lowest level since January 1970, a time when the labor

Gasoline prices in California are often higher than in other states due to higher fuel taxes and stricter regulations. An average California driver spends

### Uber to Add New York Cabs to App

Continued from Page One York City Taxi and Limousine Commission's licensed technology partners will integrate their taxi-hailing apps' software with Uber's. Those apps—run by Creative Mobile Technologies and Curb Mobilitv—are used by the citv's roughly 14,000 taxis, according to Uber. The two companies enable credit-card payments in taxis and run the screens that display the weather, news and ads to riders.

Passengers will pay about the same fare for taxi rides as for Uber X rides, according to the company. Uber drivers in New York City receive a minimum time and distance rate set by the TLC. Uber said its drivers typically earn more than that rate. Cabdrivers who agree to take Uber passengers will be paid the same way.

The yellow cab metered rate is based on a different calculus, meaning taxi drivers can make less, the same or more on an Uber ride depending on the nature of the trip. Unlike Uber drivers in New York, taxi drivers will see expected earnings before a trip and will be able to decline rides they don't think are worth their while, Uber said.

Uber and its taxi partners will receive a cut of the fare. The companies declined to specify terms. Uber's average global take rate for rides in the viduals eligible to receive up to two payments. The rebates would cost the state about \$9 billion.

Mr. Newsom's proposed

dress," Mr. Newsom said.

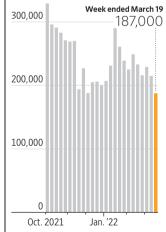
The Newsom administration said it plans to meet with the California state legislature in

we all are struggling to ad-

ease the impact of higher gasoline prices would take too long. "July? Really?" he said in a tweet. California Republi-

force was roughly half as large as it is today. Continuing claims are reported with a one-week lag.

#### New filings for jobless benefits



Note: Seasonally adjusted Source: Labor Department via the St. Louis Fed

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vice, she said.

'22

Taxi groups fought Uber for years. In many countries, unions and lobbvists for major taxi companies were behind court cases that banned the app. Regulators took action against the company's gigworker model. Taxi drivers in European cities like London, Paris and Rome at times snarled traffic in protest against Uber.

The company initially forged alliances with taxis to salvage its business in some overseas markets but doubled down on that strategy when it became an engine for growth. Uber's attempts to woo taxis got a boost during the pandemic when drivers' mainstay street-hailing business dried up. The company listed more than 122.000 new taxi drivers on its app last year, four times as many as in 2020.

In Barcelona, for instance, Uber suspended operations after the local government imposed a rule requiring that ride-share drivers wait 15 minutes before picking up passengers. After a two-year hiatus, Uber returned last year to the city with several hundred taxis on its app, following the use of that model in Madrid.

In Hong Kong, where taxis are a cheaper and more convenient option for commuters, Uber acquired last year a popular taxi-hailing app, bringing thousands of taxis into its fold.

Uber stands to gain beyond its rides business. Mr. Macdonald said that 35% of people who started using the app to hail taxis went on to use other Uber products, such as its food-delivery service.

The pandemic dealt a blow to the taxi industry, and drivers want to maximize their earncans are instead pushing to ings to make up for those losses, said Ron Sherman, the

chief executive of Creative Mobile Technologies, one of Uber's partners in New York City.

The Uber alliance gives drivers a chance to secure a return passenger on trips outside Manhattan, when they frequently come back empty. he said—particularly painful as gas prices soar. Mr. Sherman's company has a taxi-hailing app called Arro. but its user base is no match for Uber's, he said.

Meanwhile, Uber lacks enough gig drivers in the U.S. During the health crisis, they took to other jobs like food and grocery delivery, and the resulting shortage pushed ride prices to records last year. Drivers are gradually returning but riders are returning faster. Uber and rival Lyft Inc. said. Their ride prices slid from last year's highs, but last month were still 17% higher on average than in January 2021, according to market-research firm YipitData.

They have the demand and we have the supply," Mr. Sherman said. Uber "needed more supply so it made sense for us to start talking about a partnership," he said.

Sheik Jalloh, who has been driving a New York City taxi for more than a decade, said the deal would help his industry keep up with the changing times. "This is the technology that the new generation is relying on. Nobody wants to wait for a cab when it's raining or snowing. They just want to call it," he said.

Some Uber drivers are concerned that the alliance will discourage the company from paying them the bonuses that it has been offering during the la-

bor shortage. Many drivers returned to ride-share jobs because of those incentives. "You're going to have a

whole bunch of drivers standing by," said Edison Morcelo, who drives full-time for Uber and Lyft in New York City. Listing thousands of new drivers might mean longer wait times to get rides and fewer bonuses for Uber drivers like him.

Analysts said Thursday that Uber will have an early-mover advantage with the partnership over Lyft in one of the most lucrative ride-share markets. Lyft said it wasn't immediately looking at taxi deals.

CORRECTIONS ビ AMPLIFICATIONS

has offered to pay employees of Apple Inc. and other companies for access to internal systems and confidential data. In some editions Thursday, a Business & Finance article about a January data breach at Okta Inc. incorrectly said Lapsus\$ claimed responsibility for an attack on

nominee Ketanji Brown Jackson at her Senate confirmation hearing on Wednesday accompanied a U.S. News article on Thursday about the hearing. In some editions, the caption incorrectly said the photo was taken on Thursday.

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

### –Sam Schechner contributed to this article.

Hacking collective Lapsus\$

Apple.

A photo of Supreme Court

Average Uber and Lyft price per ride in the U.S. Feb: \$19 \$20 per ride 15 10 5

2019 '20 '21 Source: YipitData

fourth quarter was 20%. Uber's shares rose 5% to \$34.70 on Thursday.

For Uber, the alliance marks departure. Having once vowed to disrupt the U.S. taxi industry, it is now betting that traditional taxis will fuel its next wave of growth. By 2025, Uber wants to list every taxi in the world on its app. "It's certainly ambitious," said Mr. Macdonald, but "I certainly think it's possible."

Meera Joshi, a deputy mayor of New York City who oversees the TLC. said the alliance creates economic opportunities for taxi drivers "without adding more and more cars.'

"The word 'disruption' was almost in some way a superficial word," said Ms. Joshi, who previously served as a TLC commissioner. Uber modernized the taxi industry, lowered the barriers to entry and made riders accustomed to service at the touch of a button. But it didn't kill taxis or alter the fundamental nature of the ser-

### U.S. NEWS

### FDA Says No to Drug Evaluated In China

THE WALL STREET JOURNAL.

#### BY PETER LOFTUS

The U.S. Food and Drug Administration rejected an application by **Eli Lilly** & Co. and a China-based partner to sell a new lung-cancer drug in the U.S., after agency officials raised concerns about the medicine's testing in China.

The FDA was unable to approve the application, and recommended that an additional clinical trial of the drug be conducted in multiple regions, Lilly said Thursday. Lilly said it is assessing next steps for the immunotherapy, named Tyvyt, in the U.S.

Morgan Stanley analysts said in a research note they don't expect Lilly to continue developing the drug for the U.S. because of the high cost and long timeline for the additional study the FDA requested.

The rejection underscores new FDA concerns about a wave of drugs that are being tested only or predominantly in China, which Chinese companies, sometimes in collaboration with Western drugmakers, hope to sell in the U.S.

Regulators have questioned the quality of studies conducted in China, and whether the results of such testing can apply to patients in the U.S.

FDA officials have said they plan to scrutinize such drugs, and have urged companies to conduct drug trials in several countries rather than just in China. FDA officials have said there may be differences between countries in medical care and population that affect how a drug performs.

In February, a panel advising the FDA voted 14-1 to recommend additional studies be conducted for Tyvyt, a drug that Indianapolis-based Lilly has co-developed with Chinabased Innovent Biologics Inc., which discovered it.

At the February hearing, FDA officials said there were significant shortcomings in how Tyvyt was tested in a Chinese study, and said the results on benefits and risks weren't applicable to U.S. patients.

Lilly had been planning to introduce Tyvyt as a treatment for non-small-cell lung cancer at a lower price than comparable treatments in the U.S., such as Merck & Co.'s Keytruda and Bristol-Myers Squibb Co.'s Opdivo.

Lilly said the FDA recom-

### FDA Says No to Drug Policy Aims to Speed Asylum Rulings

#### By MICHELLE HACKMAN

WASHINGTON—The Department of Homeland Security is planning to overhaul the process migrants at the southern border would follow to apply for asylum, a change aimed at delivering quicker decisions, the agency said Thursday.

The policy could amount to one of the most consequential changes to border processing in recent years if implemented as intended.

Under the new system, migrants crossing the border illegally who ask for asylum would be interviewed about their claim, rather than having a full court hearing as they do now. The entire process is intended to take about six months, rather than the years asylum seekers currently wait, and is designed to relieve the immigration-court backlog, which currently stands at 1.6 million cases, administration officials said.

For migrants who don't receive asylum, the new system would also result in quicker deportations, administration officials said.

The policy will be formally published in the Federal Register early next week and should take effect by late May. It would initially be applied to a subsection of migrants at the border, though exactly which group will enter the new process hasn't yet been decided, they said. As with many of the Biden administration's other immigration policies, the new asylum process is also likely to become the subject of lawsuits from conservative states or groups.

Long a goal for officials in the administration, the policy,



Border patrol agents and members of the Texas Army National Guard light the path as Central and South Americans seeking asylum in the U.S. wade through the Rio Grande this month.

which was first proposed in August, gained new urgency as border agents made a record 1.9 million arrests for illegal border crossings in the first year of President Biden's presidency. The pace of illegal crossings has slowed some but remains historically high.

White House officials view the process change as one of the key policies they want in place as they weigh ending Title 42, a pandemic-era border policy first introduced by the Trump administration that allows border agents to immediately turn away asylum seekers at the border without considering their claims, according to people familiar with their thinking. Biden administration officials have projected a further increase in border crossings should Title 42 be lifted, and already in March, border detention facilities have become strained, the people said.

The new policy is meant to address one of the reasons officials believe so many migrants from Central and South America seek asylum: While they wait, they are permitted to live and work in the U.S.

"The current system for handling asylum claims at our borders has long needed repair," Homeland Security Secretary Alejandro Mayorkas said.

The Trump administration sought to address the same issue by requiring asylum seekers to wait in Mexico instead, a policy known as Remain in Mexico. The Biden administration is now once again implementing that policy, albeit on a more limited scale, under a federal court order that followed a lawsuit brought by the state of Texas.

Under U.S. law, migrants can qualify for asylum, regardless of how they entered the country, if they are fleeing persecution based on their political opinion, religion, race, nationality or membership in a particular social group.

Under the new procedure, asylum seekers would first have their cases heard by an asylum officer, a process that is considered friendlier than court because it isn't a full trial with government lawyers arguing against the applicant. Officers would be given roughly 90 days to consider a case and reach a decision.

If a migrant is denied asylum under that process, their case would then move to an immigration court, where a judge would review the material from the asylum officer, along with any new evidence, and offer another decision within about 90 additional days. Migrants would be allowed to appeal an immigration court decision, as they are now.

The new approach is likely to have detractors on the right and the left. Former Trump administration officials have argued the proposed policy essentially gives migrants two chances to win asylum. More liberal immigration advocates, meanwhile, say the new process doesn't give migrants enough time to find a lawyer and put together a proper case.

Officials have estimated that in order for the overhauled system to work they would need to hire 800 additional asylum officers and receive tens of millions of dollars in funding.

## Arizona House Passes 15-Week Abortion Ban

#### By Jennifer Calfas

Arizona lawmakers passed a bill banning most abortions after 15 weeks of pregnancy, becoming the second state legislature to push through this restriction ahead of a pivotal Supreme Court decision that could alter the abortion rights landscape nationwide.

The Arizona House of Representatives passed the bill in a 31-26 vote Thursday. It now heads to the desk of Arizona Gov. Doug Ducey, a Republican who has signed restrictions on abortion since becoming governor in 2015.

A spokesman for Mr. Ducey

the Mississippi law at the center of a Supreme Court case that challenges the high court's 1973 Roe v. Wade decision, which established a constitutional right to end a pregnancy. Similar bills in West Virginia and Kentucky passed one chamber in those state legislatures.

The Arizona law, known as SB 1164, bars abortions in the state after 15 weeks of pregnancy, weeks earlier than current precedent established by the Supreme Court. The law allows for exceptions in medical emergencies. It doesn't include exceptions for instances of rape or incest.

Lawmakers who supported

ticipate the court could either uphold this law or overturn Roe v. Wade. A decision is expected no later than the summer.

Arizona Rep. John Kavanagh, one of the Republican lawmakers who introduced the 15-week ban and voted in favor of the bill Thursday, told

The Supreme Court is expected to issue a pivotal decision on abortion rights.

The Wall Street Journal earlier this year he wished to prepare the state for either of those outcomes. Arizona is one of several states with pre-existing laws banning abortion that were passed before Roe v. Wade. If the high court's precedent is overturned, the law could be resurrected.

Abortion rights advocates say the 15-week ban is unconstitutional and would be harmful to people who can get pregnant and abortion access. Advocates also say they worry this law would open the door for harsher restrictions in the future.

"Make no mistake—the legislators who voted in favor of this law in the House and Senate will not stop at a 15-week ban," said Brittany Fonteno, president of Planned Parenthood Advocates of Arizona, in a statement. "They will continue to chip away at abortion care until abortion is illegal in Arizona."

Data from the Arizona De-

is currently allowed under Supreme Court precedent. The high court has previously established the right to an abortion until a fetus is able to sustain meaningful life outside of the womb, which falls around 24 weeks of pregnancy. Courts have blocked these more restrictive laws from being enforced.

The Texas Heartbeat Act, which bans abortions after six weeks of pregnancy in the Lone Star State, is an exception. The law, which took effect in September 2021, created a new enforcement structure that allows private citizens to bring civil lawsuits against abortion providers as well as anyone who aids or abets an abortion after six weeks of pregnancy. Idaho Gov. Brad Little, a Republican, signed a similar bill on Wednesday banning abortions after about six weeks of pregnancy

mended an additional clinical study, specifically one conducted in multiple regions, and which compares Tyvyt with standard treatment and tracks overall survival of patients.

Shares of Lilly were up about 1% in Thursday trading.

didn't respond to a request to comment Thursday.

The legislative efforts in Arizona follow similar moves in Florida, where Republican lawmakers this month approved a ban on most abortions after 15 weeks of pregnancy. These bills are similar to

these bills say, if passed, the laws would allow states to more quickly and easily enforce abortion restrictions similar to Mississippi's should the Supreme Court uphold the 15week ban. Some Republican state lawmakers said they anpartment of Health Services showed about 5% of the state's abortions in 2020 happened after 15 weeks of pregnancy.

States aiming to restrict abortion access in recent years have tried to enact bans earlier into pregnancy than what

### Cuomo Probe Opens Rift Over Legal Fees

#### BY CORINNE RAMEY AND JIMMY VIELKIND

When former New York Gov. Andrew Cuomo was under investigation last year for sexual harassment, his administration pledged to cover legal expenses for employees who testified in the probe. But the current administration has concluded the former governor's promise was legally invalid, leaving a trail of unpaid legal bills hanging over state workers and their lawyers.

In the weeks after New York Attorney General Letitia James's investigators opened the harassment probe of Mr. Cuomo about a year ago, the governor's administration told employees in the Executive Chamber—which encompasses Mr. Cuomo's closest aides and advisers—that their legal bills would be covered, including in an email to these employees, according to people familiar with the matter.

While the number of lawyers seeking payment couldn't be determined, investigators said they interviewed 179 people, 41 of whom testified under oath. Officials in the Executive Chamber estimate lawyers representing around 30 current and former employees could submit invoices totaling up to \$5 million, some of the people said. In June, Mr. Cuomo proposed legislation that amended the state budget in a way that would make legal fees for individuals reimbursable under a pot of money normally used to pay legal settlements. The legislation, approved by state lawmakers, also funded the Assembly's impeachment inquiry. But lawyers said their bills still weren't paid.

Mr. Cuomo resigned in August after the attorney general's investigators concluded he harassed multiple women. He denied touching anyone inappropriately.

In September, Gov. Kathy Hochul's counsel informed outside law firms that their contracts and requests for payments would be re-evaluated, according to an email reviewed by The Wall Street Journal. This review "determined there was no legal basis" to make payments, said Hazel Crampton-Hays, a spokeswoman for Ms. Hochul.

Still, Ms. Hochul is trying to find an "equitable solution," Ms. Crampton-Hays said. "We believe that well-meaning public servants who cooperated with an investigation related to their official duties should not face financial liability," she said.

Under state law, New York is obligated to provide for the defense of employees sued for alleged acts related to their employment.



### **U.S. NEWS**



Ketanji Brown Jackson arrived Thursday for a meeting on Capitol Hill. Her nomination is on track for a vote early in April.

## **GOP Won't Delay Jackson Vote**

WASHINGTON-Republican senators indicated Thursday that they don't plan to take steps to significantly delay or block the confirmation of Supreme Court nominee Ketanji Brown Jackson, who wrapped up her testimonv a day earlier and is on track for a vote early next month.

#### By Lindsay Wise, Siobhan Hughes and Laura Kusisto

Democrats remained hopeful that they could pick up some GOP support for her confirmation, after increasingly bitter and partisan confirmation battles in recent years.

Ten of 11 Republicans on the Judiciary Committee signed a letter Wednesday that requested confirmation hearings be adjourned until they obtained certain legal documents, including some presentencing records in childpornography cases Judge Jackson had handled. Senate Judiciary Committee Chairman Dick Durbin (D., Ill.) rejected the request, saying information in the records could pose a risk to innocent third parties and children.

The back-and-forth had raised the prospect that Republicans could move to hold up the nominee, as GOP members of the Banking Committee did earlier this year with sev-

eral Federal Reserve picks, by refusing to attend a panel vote.

But on Thursday, several of the Republicans who signed the letter said they wouldn't hold up the process with any such boycott. A boycott by all the panel's Republicans could thwart or slow Judge Jackson's confirmation by denying a quorum in the evenly divided committee and preventing her nomination from being advanced to the full Senate, where she is expected to be narrowly confirmed.

Sen. Thom Tillis of North Carolina, a Republican who sits on the Judiciary Committee and signed the letter, was emphatic that he wouldn't participate in any boycott. "Never even seriously considered ever, never gonna happen," Mr. Tillis said. Sens. John Cornyn of Texas and Lindsey Graham of South Carolina, both committee members, also said they opposed a boycott.

Sen. Josh Hawley (R., Mo.), the first senator to criticize Judge Jackson's sentencing record in child-pornography cases, said he would consider a boycott if Democrats don't produce presentencing reports Republicans have demanded. But he said if other Republicans don't agree to a boycott, he will show up and vote.

Mr. Durbin said Wednesday that the committee would meet March 28 to consider Judge

Jackson's nomination. That likely would set up an April 4 committee vote, because rules allow the vote to be "held over" one week. Democrats have said they hope the full Senate will approve her nomination by the time the chamber leaves for Easter recess, scheduled to begin April 11.

Democrats are still holding out some hope for bipartisan support. Sen. John Thune (R., S.D.), the No. 2 Senate Republican, predicted a few GOP

**Democrats hope to** get some Republican support for her confirmation.

senators will vote for Judge Jackson on the Senate floor.

"I think she'll get some and when I say some, I mean a few," said Mr. Thune, the Senate Republican whip.

Senate Minority Leader Mitch McConnell (R., Ky.) said on the Senate floor Thursday that he won't vote to confirm Judge Jackson, pointing to her refusal to weigh in on expanding the court and what he saw as insufficient explanations of her judicial philosophy.

Republicans seen as potential votes for Judge Jackson

U.S. WATCH

include Sens. Lisa Murkowski of Alaska and Susan Collins of Maine. Sens. Murkowski and Collins voted last year with all 50 senators who caucus with Democrats to confirm Judge Jackson to the U.S. Court of Appeals for the District of Columbia Circuit, along with Mr. Graham. Ms. Murkowski said Thursday she is undecided. Ms. Collins's office said she is undecided, and is reviewing the hearings.

One additional wild card is absences because of illnesses. Sens. Bob Casey (D., Pa.) and Jeanne Shaheen (D., N.H.) are currently out after they contracted Covid-19.

Republicans have focused much of their criticism on Judge Jackson's record in childpornography cases, saying she has repeatedly sentenced offenders to prison terms shorter than what federal sentencing guidelines recommend. National sentencing statistics show that judges around the country regularly issue belowguideline prison terms.

On the fourth day of hearings held Thursday, senators heard testimony from about a dozen witnesses who testified about the judge's professional qualifications and personal characteristics.

An American Bar Association committee gave Judge Jackson a rating of well-qualified, its highest rating.

## **Top Court Upholds Religious Rights of Death-Row Inmate**

#### BY JESS BRAVIN

WASHINGTON—The Supreme Court blocked Texas from executing an inmate after the state refused to let his minister pray and lay hands on him in the death chamber.

\* \* \* \* \*

The execution case was the court's latest opinion on the religious rights condemned prisoners retain in the death chamber, an issue that sharply divided the justices when it arose three years ago but has found broad consensus in favor of the inmates.

The decision was 8-1, with Justice Clarence Thomas alone in dissent. The prisoner, John H. Ramirez, was sentenced to die for the 2004 murder of a convenience-store clerk, Pablo Castro, during a robbery in Corpus Christi, Texas. Officials rejected his request to have his pastor, Dana Moore, accompany him to the death chamber where he could pray and lay hands on Mr. Ramirez as he was executed. The state argued that allowing Mr. Moore to pray audibly or touch the inmate risked disrupting the procedure.

A 2000 federal law, the Religious Land Use and Institutionalized Persons Act, prohibits authorities from placing substantial burdens on inmates' religious exercise, unless officials can show their rules are the least restrictive way to further a "compelling governmental interest."

Writing for the court, Chief Justice John Roberts said the state had a compelling interest in the security and solemnity of an execution. The chief justice observed that for centuries, English and American executions have seen spiritual advisers comforting the condemned at their final moments; even Nazi war criminals were permitted a minister who prayed as they were hanged, he wrote.

The ruling issued Thursday in Ramirez v. Collier allows Texas to proceed with Mr. Ramirez's execution if it accommodates his pastor.

"The Supreme Court clarified that the rule of law is as ubiquitous as God," said Mr. Ramirez's attorney, Seth Kretzer.

The Texas attorney general's office didn't respond to a request for comment.

**Rep.** Fortenberry Guilty In Campaign Probe

#### By Deanna Paul

A federal jury in Los Angeles on Thursday found Nebraska Rep. Jeff Fortenberry guilty of lying to federal investigators in a bid to conceal illegal campaign contributions he received during a 2016 California fundraiser.

Jurors convicted the Republican congressman on three felony counts after about two hours of deliberations. U.S. District Judge Stanley Blumenfeld set sentencing for June 28.

Prosecutors alleged Mr. Fortenberry learned that Lebanese-Nigerian billionaire Gilbert Chagoury illegally funneled \$30,000 in contributions to his 2016 re-election campaign through straw donors at a Los Angeles fundraiser. But during interviews with federal agents, Mr. Fortenberry repeatedly denied knowledge of Mr. Chagoury's involvement, prosecutors alleged.

Foreign nationals are barred from donating to candidates in U.S. elections and it is illegal to disguise a donor's identity through third-party contributions.

The proceedings marked a rare instance of a sitting member of Congress standing trial.

Following the verdict, Mr. Fortenberry called into question the fairness of the proceeding. "This appeal starts immediately," he said.

Prosecutors had cited a surreptitiously recorded phone call in which a co-host of the Los Angeles fundraiser told Mr. Fortenberry that some of the contributions were probably funded by Mr. Chagoury.

Mr. Fortenberry's lawyers told jurors that the call was an unmemorable one for the congressman, who may have been distracted or unable to hearand didn't recall details of the conversation when interviewed by federal authorities.

#### LOS ANGELES

#### **U.S. Muslims Face Bias** At Border, Suit Says

Three U.S. citizens accused federal immigration authorities of stopping them nearly every time they returned to the country from overseas and questioning them about their Muslim faith, making the allegations in a lawsuit filed by the American Civil Liberties Union on Thursday

The three men live in different parts of the country. One works in commercial real estate, one works in financial services and one is the imam of a local mosque.

All three claim that, when returning from international travel, they were stopped by border officers and brought into secondary screening, where officers asked them questions such as whether they were Sunni or Shia, how often they pray and what aspects of Islam they have studied.

In each case, the men said they were led to believe they wouldn't be free to leave government custody unless they cooperated, the lawsuit states.

The ACLU said in its suit, filed in the U.S. District Court in Los

Angeles, that this practice amounts to religious discrimination and a violation of the citizens' First Amendment rights, because citizens of other faiths aren't routinely subjected to the same coercive religious questioning.

The suit asks U.S. Customs and Border Protection, the agency that oversees air and land ports. to cease religion-based questioning and expunge the records of the three plaintiffs, which the ACLU said are recorded in a database for up to 75 years and accessible to law-enforcement agencies around the country.

"As a matter of policy, CBP does not comment on pending litigation," a CBP spokesman said. "Lack of comment should not be construed as agreement or stipulation with any of the allegations." *—Michelle Hackman* 

#### NEW YORK CITY

#### Mayor Won't Rehire **Unvaccinated Staff**

On the same day that New York City Mayor Eric Adams lifted the Covid-19 vaccine requirement for athletes and performers, he said he isn't considering rehiring



MAJOR LOSS: Part of a kitchen of a home left in ruins remained standing Thursday in the aftermath of a tornado this week that struck Arabi, in the New Orleans area

the roughly 1,400 city workers who were fired earlier this year for not getting vaccinated.

Mr. Adams on Thursday paved the way for Brooklyn Nets star Kyrie Irving, who is unvaccinated, to return to his home court as

the NBA playoffs approach. The mayor's move also allows unvaccinated Mets and Yankees players to suit up before the start of the Major League Baseball season.

But Mr. Adams's current stance doesn't help the city em-

plovees who were let go earlier this year due to their vaccination status, a stance Mr. Adams said he won't budge on. "Not at this time." Mr. Adams said, when asked if he would rehire unvaccinated city employees who were

let go. "We are not reviewing if we are going to bring [them] back," he said.

He thanked the more than 340,000 city employees who have gotten vaccinated. "I want to take my hat off to those countless number of New Yorkers, municipal employees, that understood what we were going through as a city," he said. "They stood up and did the right thing." -Allison Prang

#### TEXAS

#### **Rep. Vela to Leave Before Term Is Up**

Democratic Rep. Filemon Vela said he would soon leave office for a job in the private sector rather than finish what was already his final term in Congress

The five-term South Texas congressman confirmed Thursday that he was taking a job with Akin Gump, a law and lobbying firm. Mr. Vela, who was among the first House Democrats to announce he wouldn't seek re-election in 2022, said he hasn't yet determined the date of his final day in office.

-Associated Press

### Trump Files Lawsuit Against Hillary Clinton, Dozens of Others

#### BY TALAL ANSARI

Former President Donald Trump has filed a lawsuit against Hillary Clinton and more than two dozen other defendants, including the Democratic National Committee, alleging that they conspired before the 2016 election to tarnish the image of the then-Republican presidential candidate and his campaign.

"In the run-up to the 2016 Presidential Election, Hillary Clinton and her cohorts orchestrated an unthinkable plot—one that shocks the conscience and is an affront to this nation's democracy," says the 108-page lawsuit filed in the U.S. District Court for the Southern District of Florida.

The lawsuit alleges the defendants fabricated ties between the Trump campaign and Russia, to "trigger an unfounded federal investigation and ignite a media frenzy."

In addition to Mrs. Clinton and the DNC, the lawsuit names 26 other defendants, including former DNC Chairwoman Debbie Wasserman

Schultz, Mrs. Clinton's 2016 campaign chairman John Podesta, former FBI Director James Comey along with former FBI officials Lisa Page, Peter Strzok, and Andrew Mc-Cabe, and the research firm Fusion GPS, among others. It also lists 20 unnamed "fictious [sic] and unknown" defendants.

"Under the guise of 'opposition research,' 'data analytics,' and other political stratagems, the Defendants nefariously sought to sway the public's trust," the lawsuit states. "They worked together with a single, self-serving purpose: to vilify Donald J. Trump."

In the lawsuit, Mr. Trump said he was "forced to incur expenses" in excess of \$24 million, in addition to the loss of current and future business opportunities.

Special counsel Robert Mueller's investigation into Russian interference in the 2016 presidential campaign found several links between that effort and the Trump campaign but no conspiracy between the two.

A number of Trump associates were convicted as the result of the Mueller probe, including one-time campaign chairman Paul Manafort of financial crimes. Longtime political adviser Roger Stone was convicted of obstruction. witness tampering and lying to Congress. Both were later pardoned by Mr. Trump.

Special counsel John Durham, appointed during the Trump administration, has been investigating the origins of the FBI's 2016 Russia probe. Mr. Durham has been inves-

Danchenko. Both have pleaded not guilty and are fighting the charges. Both Messrs. Sussmann and Danchenko are named defendants in Mr. Trump's suit. Mrs. Clinton and other de-

tigating, and in recent months

indicted, people who provided

some information to the FBI

early in the investigation, ac-

cusing them of lying about

what they knew or who they

were working for, including

Michael Sussmann and Igor

fendants couldn't be immediately reached for comment.

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**Prevalence of Covid-19** 

variants: In the U.S.

100%

**BA.2** 

#### **A6** | Friday, March 25, 2022

### **U.S. NEWS**

OMICRON

50

50

200

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## **U.S.** Closely **Tracks BA.2 Rise in U.K.**

Outbreaks of Delta, Omicron have tended to strike Europe before reaching America

The recent rise in Covid-19 cases in the U.K. has U.S. health experts watching closely, as the Delta and Omicron variant trends in Europe have tended to presage those in the U.S.

#### By Andrew Barnett, Taylor Umlauf and Jon Kamp

The rapid spread of the highly transmissible BA.2 Omicron variant and an easing of measures aimed at slowing transmission, such as mask requirements, are causing problems in Europe, according to epidemiologists and physicians. The U.S. has also broadly dropped mitigation measures, and federal authorities estimate BA.2 represents about 35% of U.S. cases. Those factors are raising concern that the U.S. could experience another Covid-19 surge.

"Our experience with Delta and Omicron is that what happens with Europe doesn't stay in Europe. It hits us," said Jay Varma, a physician and epidemiologist who directs Weill Cornell Medicine's Center for Pandemic Prevention and Response.

The seven-day average for cases in the U.S. is currently hovering around 31,000, the lowest level since last July, according to Johns Hopkins University data.

Case counts in both the U.S. and U.K. don't reflect the true number of infections, and testing levels have historically been higher in the U.K., health experts say. The U.S. has faced

a significant challenge tracking cases because of the rise in at-home testing, which generally isn't captured in state counts, and some states have dialed back on the frequency of their reporting.

Whether U.S. cases will start climbing, once again following the U.K. trends, remains to be seen, public-health experts say. Some factors could help the U.S. avoid widespread surges, including BA.2's acceleration in the early spring, when people in cold-weather areas such as the Northeast are starting to spend more time outdoors. Built-up immunity from a severe Omicron hit this winter could also provide some protection for the U.S., health experts say.

Centers for Disease Control and Prevention Director Rochelle Walensky said Wednesday that reported Covid-19 cases have declined sharply on the national level, but infections have edged slightly higher in New York state-including in New York City-in the past week. Some places in New England have recorded more people in the hospital with Covid-19, she said, specifically in areas where the CDC estimates that BA.2 now accounts for over half of all cases.

"This small increase in cases in the Northeast is something that we are closely watching as we look for any indication of an increase in severe disease," she said during a White House briefing.

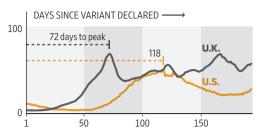
The less-vaccinated population in the U.S. is a potential risk factor. This includes people who are eligible for booster shots, which have shown to help protect against severe illness and death. The U.S. experienced higher rates of Covid-19 deaths per 100,000 people compared with the U.K. during

#### Looking for Covid clues in Europe's outbreaks

#### Covid-19 cases per 100,000

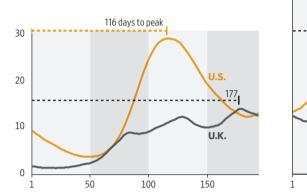
since each variant was declared 'a variant of concern' by the WHO, seven-day rolling average







since each variant was declared 'a variant of concern' by the WHO, seven-day rolling average



Sources: Our World in Data (cases); U.S. Census Bureau, Office for National Statistics (population 2020); Centers for Disease Control and Prevention

(prevalence in U.S.); U.K. Health Security Agency (prevalence in U.K.) Vote: BA.2's start date is based on Feb. 22, 2022, when the WHO reinforced that the strain should continue to be considered a variant of concern

classified as Omicron. Data through March 22

the Delta and Omicron surges. Hospitalizations in the two countries haven't followed the same trajectories.

While hospitalizations have risen in the U.K. recently, the number of patients requiring ventilators hasn't increased at the same pace, according to U.K. health data.

Counts of newly admitted Covid-19 patients in U.S. hospitals are at their lowest recorded level after any prior surge. The seven-day average for newly admitted confirmed cases slid to 1,836 on Wednesday, down from a record that reached 22,000 in January, a Wall Street Journal analysis of federal data shows. The number of hospitalized Covid-19 patients is also nearing a postsurge low.

The prevalence of BA.2 in the U.K. reached 69% for sequenced samples from Feb. 27 to March 6. While BA.2 hasn't been found in a majority of cases in the U.S., the CDC on Tuesday estimated that the variant has accounted for more than 50% of cases in parts of the Northeast, including a region that includes New York and New Jersey. Those states are among many that recently lifted masking mandates as the winter Covid-19 surge retreated.

20

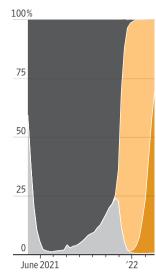
At least 40 countries have detected the BA.2 variant, including the U.K., Denmark, India, Sweden, Singapore and the Philippines.

Research has suggested BA.2 is similar to an earlier Omicron version when it comes to the risk of hospitalizations and developing severe disease. But research also indicates BA.2 spreads more easily.

The fact that BA.2 hasn't set off a new Covid-19 surge in

75 Delta Omicro 50 25 BA.2 Othe 0 June 2021





Erik Brynildsen/THE WALL STREET JOURNAL

the U.S. thus far, even as the share of BA.2 cases increases, could be a positive sign, some public-health experts said. Some regional BA.2 hits might occur, but the U.K. might be a poor guide for the U.S. at large, said William Hanage, associate professor of epidemiology at the Harvard T.H. Chan School of Public Health.

"It's going to come here, it's going to do stuff," he said. But, he added, "It's not going to be as uniform as it has been in Europe."

—Brianna Abbott contributed to this article.



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## U.S. Plans to Admit 100,000 Refugees

**Biden administration** officials say they are looking at a range of legal paths to entry

The U.S. will accept up to 100,000 refugees fleeing the fighting in Ukraine as the humanitarian crisis from Russia's attack on its neighbor worsens, Biden administration officials said Thursday.

> By Catherine Lucey, Laurence Norman and Michelle Hackman

More than 10 million people in Ukraine have been uprooted by the fighting, the United Nations estimates. More than 3.6 million of them have fled the country, the U.N. says, most bound for Poland.

The announcement came while President Biden was in Brussels for a series of meetings with NATO leaders and allies over how to respond to Russia's aggression.

Beyond the top-line number, the administration offered few specific details. Officials haven't decided how to structure refugee programs for Ukrainians, a senior administration official said on a call with reporters Thursday morning. Officials are reviewing multiple paths to bring people to the U.S. quickly, the official said. The administration also

hasn't offered a timeline over which resettlements would occur, though two people familiar with their discussions say the government is preparing for arrivals through 2023.

A senior official said the administration is "working in particular to expand and develop new programs with a focus on welcoming Ukrainians who have family members in the United States." The official added that the U.S. is "committed to protecting the most vulnerable among the refugee populations that have already fled," such as gay and transgender individuals, those with medical needs, and dissidents.

Iryna Mazur, an immigration attorney in Philadelphia and the honorary consul representing Ukraine in the city,



Refugees from war-torn Ukraine, mostly women and children, boarded buses in Przemysl, Poland, on Wednesday as they continued their journey to find new homes.

said she was grateful to the White House but hoped details would be made public soon because she knows many Ukrainians who are desperate for help. She also said accepting 100,000 Ukrainian refugees ultimately wouldn't be enough, though she added many people would be happy to return to Ukraine if the situation in their country improves.

"I truly hope this is just the first number, because at this point we are more than three million Ukrainians dispersed throughout Europe," she said.

An undetermined number of the 100,000 could formally come to the U.S. through its **Refugee Admissions Program**, meaning they would be granted green cards and reset-

tlement assistance. The U.S. has a special refugee pathway known as the Lautenberg program to help Ukrainian religious minorities and others from countries that make up the former Soviet Union that would likely see a boost under the administration's plans.

The official said others would likely come on expedited visas, such as those designed for Americans to sponsor their family members abroad, or via a temporary immigration program known as humanitarian parole.

The U.S. similarly brought more than 76,000 Afghan evacuees to the country using humanitarian parole following the fall of Kabul to the Taliban. While the program offers a quicker alternative to most other immigration programs, which involve more paperwork and vetting, it also strands those in the U.S. without a permanent legal status. That could work for Ukrainians who need temporary shelter but who would want to return home if it becomes safe.

Hundreds or more Ukrainians with family or other ties to the U.S. have also flown to Mexico in recent weeks to ask for protection at border crossings into the U.S. Border officials are granting Ukrainians one year of humanitarian parole. Russian or Belarusian migrants asking for similar protections on the U.S. southern border are being denied them.

The announcement came

along with an additional \$1 billion in assistance to European nations and nongovernmental groups caring for Ukrainian refugees in Europe displaced by the conflict, the White House said.

The European Union has admitted around 3.5 million Ukrainian refugees since the war began, with the bloc permitting people fleeing the war to come without a visa and with the right to work for two years.

The bloc has also rolled out core services for the people arriving, providing them with food, shelter and education. Ireland, which is outside the bloc's visa-free travel zone, is waiving visas for Ukrainians. Britain, which is no longer in the EU, is now permitting

Ukrainians to come, provided they have a sponsor.

The government in Poland, where 2.2 million people have arrived, has been appealing for international help, particularly from the U.S. and U.K. Unlike the 2015 refugee crisis—when people escaping wars in Syria and Libya mainly went to the continent's wealthiest nations, like Germany–Ukrainians have been generally settling in Central European states like Poland and Slovakia. Both nations speak a language that is similar to Ukrainian, share cultural ties and centuries of history, and their labor markets have been tight.

Tarini Parti and Drew Hinshaw contributed to this article.

### Biden Adds Aid, **Sanctions**



Russian Group Aims To Kill Zelensky,

Continued from Page One Indonesia, in the fall.

Russia has been excluded from the Group of Seven economically developed nationspreviously the G-8—since the 2014 annexation of Crimea.

Mr. Biden met on Thursday with NATO leaders, as well as with those of the G-7 and the European Union. Prime Minister Fumio Kishida of Japan and Prime Minister Justin Trudeau of Canada flew to Brussels for the meetings.

Other countries also used the gathering to announce increased spending for humanitarian relief and other efforts. Chancellor Olaf Scholz of Germany, who led the G-7 meeting, called for a global response to the humanitarian crisis and warned of food-supply disruptions beyond Ukraine because of the fighting.

Before the NATO gathering, Mr. Biden emphasized the need to strengthen the alliance's eastern flank and said he welcomed pledges of increased military spending from various countries, officials said.

NATO leaders agreed to deploy more battle groups-collections of combat-ready forces-to the eastern flank, doubling their number to eight.

President Volodymyr Zelensky of Ukraine addressed NATO leaders and asked them for further support, lamenting that answers haven't always been forthcoming. "You have at least 20,000 tanks. Ukraine asked for a percent, one percent of all your tanks to be given or sold to us. But we do not have a clear answer yet. The worst thing during the war is not having clear answers to requests for help," he said.

He didn't revive his appeal for NATO membership or for a no-fly zone, senior Biden administration officials said.

With Russian forces facing unexpectedly strong and lethal opposition from Ukrainian forces, Western leaders said they are worried Mr. Putin might resort to using weapons of mass destruction. NATO officials are grappling with the question of what actions by Russia would count as red lines that could prompt moredirect involvement by the alliance. Officials said Russia's potential use of chemical weapons was part of the discussion among NATO leaders.

"Allies agreed to supply equipment to help Ukraine protect against chemical, biological, radiological and nuclear threats," NATO Secre-tary-General Jens Stoltenberg said after the summit. That includes equipment to detect such weapons and protect against them, as well as medical support and decontamination equipment, he said.

NATO, he said, also has activated chemical, biological, radiological and nuclear defense forces. "We are taking measures both to support Ukraine but also to defend ourselves," he said.

Accidental release of chemical agents is also worrying some members. "We are concerned when Russian aggression forces are shelling chemical plants and similar facilities," Prime Minister Janez Jansa of Slovenia said ahead of the NATO summit. "This could trigger a disaster of large scale."

Mr. Biden and others have been careful not to telegraph exactly what the U.S. and allies would do if Mr. Putin used chemical weapons. "The nature of the response would depend on the nature of the use," he said Thursday.

Mr. Stoltenberg, whose

The president stressed the need to strengthen NATO's eastern flank.

mandate was extended into 2023 amid the crisis, also affirmed the alliance's opendoor policy to welcome new members. Moscow has long bristled at the prospect of countries close to its borders joining the Western alliance.

Allies also brought up the need to call on China to not support Russia in its war against Ukraine, officials said. Mr. Biden said he had a straightforward conversation last week with President Xi Jinping of China.

"I made no threats, but I pointed out the number of American and foreign corporations that have left Russia as a consequence of their barbaric behavior," Mr. Biden said.

He said he reminded Mr. Xi of China's interest in economic growth with Europe and the U.S. and said Mr. Xi would be "putting himself at significant jeopardy in those aims" if he were to back Russia.

The U.S. said Thursday it was imposing a new round of sanctions on more than 400 political figures, oligarchs and defense companies. U.S. officials said Mr. Biden's new sanctions will cover more than 300 members of the Russian State Duma, the lower house of parliament, as well as 17 board members of Russian financial institution Sovcombank; Herman Gref, a longtime Putin adviser who leads Sberbank; and Russian businessman Gennady Timchenko. The White House said 48 large Russian state-owned defense entities would be part of the

new round of sanctions.

The G-7 and EU also made public a new initiative aimed at preventing Russia from evading sanctions already in place.

President Gitanas Nauseda of Lithuania said Thursday that sanctions should also target Russia's middle class amid signs popular support for Mr. Putin may be growing.

Mr. Biden promised more than \$1 billion in new funding to address humanitarian needs. The U.S. will also open its borders to 100,000 Ukrainians and others fleeing Russia's attack, administration officials said. More than 3.6 million people have fled the fighting in Ukraine since the conflict began, most bound for Poland.

Mr. Biden is scheduled to travel to Warsaw on Friday. He plans to hold a bilateral meeting on Saturday with President Andrzej Duda of Poland.

The U.S. is expected to make an announcement on Friday about enhancing European energy security and reducing the Continent's dependence on Russian natural gas, U.S. national security adviser Jake Sullivan said.

### U.K. Says

#### BY MAX COLCHESTER

LONDON-Russian mercenary company Wagner Group is being used by Moscow to try to assassinate Ukrainian President Volodvmvr Zelensky. the U.K. government said.

The group of hired soldiers was "reportedly tasked" with killing Mr. Zelensky, the U.K. government said, announcing sanctions against Wagner Group. It didn't provide evidence or details.

Wagner emerged from Russia's covert interventions in eastern Ukraine in 2014, where the Kremlin worked with armed groups funded by politically connected Russian businessmen. Wagner was financed in part by multimillion-dollar catering and construction contracts for the Russian armed forces awarded to companies linked with Yevgeny Prigozhin, a former restaurateur, according to European officials.

A representative of Mr. Prigozhin called into question the existence of Wagner Group and said queries about the U.K.'s claim represents "a severe psychosis of Western media," without commenting on the claim itself. The company couldn't be reached for comment.

The Wagner Group has been sanctioned by the European Union, which accuses it of being a proxy force for Russia's Defense Ministry. The Kremlin has denied any formal connections with the group.

U.K. officials recently have said they are concerned about Mr. Zelensky's safety and reports of attempts on his life.

The U.K., EU and the U.S. have imposed sanctions on Mr. Prigozhin. The U.K. has also sanctioned his mother and daughter.

-Thomas Grove contributed to this article.

President Biden listened to NATO Secretary-General Jens Stoltenberg speak during Thursday's summit of bloc members in Brussels.

## **Poland Steps Into Pivotal Role in Crisis**

WARSAW—When President Biden lands in Poland on Friday, he will arrive in a country that has become a central player in Europe's conflict with Russia.

#### By Ian Lovett, Drew Hinshaw and Natalia Ojewska

More than two million Ukrainians have fled to Poland since the Russian invasion began a month ago. Arms shipments from the West are largely sent into Ukraine through Poland. Injured Ukrainian soldiers are evacuated to Polish hospitals.

And after warning about Russian imperial ambitions for more than a decade, Poland is now in a position to play a pivotal role in shaping the NATO defense policy and the West's response to Russian President Vladimir Putin.

Already, a number of allies—including those that previously waved away Poland's security concerns—are taking steps that the country has been pushing for years: imposing tougher sanctions against Russia, increasing military spending and advocating a larger military presence at the eastern edge of the North Atlantic Treaty Organization.

"Poland's role is absolutely critical," said Pawel Szrot, head of the chancellery of Polish President Andrzej Duda. "It is very sad that the war and Russian aggression was necessary for Europe and the world to admit that Poland was right."

Messrs. Duda and Biden are expected to discuss strengthening NATO defenses, as well as help for Poland in dealing with the refugee crisis.

"Real strengthening of the eastern NATO flank," Mr. Szrot said. "New forces. New equipment."

Until the invasion of Ukraine began, Mr. Szrot's nationalist party, Law and Justice—which has taken steps to undermine the independence of the country's courts—was seen by some Western allies as an unreliable partner.

On the campaign trail, Mr. Biden listed Poland alongside Belarus and Hungary in "the rise of totalitarian regimes in the world."

But the war has led Poland to recalibrate its relationship with the West. Now, there is wide agreement within NATO to send the reinforcements that Poland is requesting. Concerns about the country's court system and its rule of law, which had roiled Poland's relationship with other European Union countries, haven't been an obstacle.

been humbling for Western Europeans, who have been forced to acknowledge that their view of Russia was misguided, while the former Soviet bloc countries saw the situation more clearly, said Elisabeth Braw, a senior fellow at the American Enterprise Institute.

In particular, Germany pursued a policy of "change through trade," hoping that new energy deals with Moscow would help export liberal values into Russia, brushing off complaints from Poland that Europe was becoming too dependent on gas from a hos-

'Now we can see that these people we've looked down on for so long actually know a thing or two," Ms. Braw said.

During Russia's invasion of Georgia in 2008, the president of Poland traveled with the leaders of Ukraine, Lithuania and Latvia to the country's capital, where he warned Western allies about Russian aggression.

Today Georgia, tomorrow Ukraine, the day after tomorrow-the Baltic States and later, perhaps, time will come for my country, Poland," Lech Kaczyński, then the Polish president, said in his speech. "We are here to make sure the world makes an even more powerful response, including, in particular, the European Union and NATO."

waved his concerns away as outdated Cold War thinking.

canceled a planned missile

The past few weeks have

tile government.

At the time, many allies

President Barack Obama

For Poland and other Cenvaded the country during World tral European nations, wariness War II and imposed Communist is born of a history of fighting rule after 1945. Poland was Eu-Russian incursions that goes rope's first country to leave, after it held democratic elections Czarist Russia annexed parts in 1989, accelerating a wave of of Poland in the 1790s. Poland social movements that led to only regained full independence after World War I, then swiftly

shield in Poland the next year during his effort to reset relations with Mr. Putin.

**Central Europe Has** 

back hundreds of years.

**History of Incursions** 

The Russian president managed to turn Central European leaders who had once been anti-Communist dissidents-Hungarian Prime Minister Viktor Orban and Czech President Milos Zeman-into political al-

Germany opened a pipeline to bring in Russian gas in 2011,

the fall of the Soviet Union. At the time, Poland was and agreed to build a second pipeline, over Polish and Ukrainian objections, in 2015. Former Chancellor Angela Merkel crafted sanctions, following the annexation of Cri-

faced an invading Bolshevik

army it managed to repulse,

halting the westward spread of

the revolution. The Soviet Union.

working with Nazi Germany, in-

criticized as too soft. Though NATO's posture began to shift after the invasion of Crimea in 2014, Polish officials have continued to complain that there aren't suffi-

mea, that eastern countries

per capita gross domestic product terms. But while Ukraine languished in Russia's orbit. Poland jolted westward, let stateowned companies fail, joined NATO in 1999 and the EU in 2004, earning the freedom to trade and travel across the continent. Its per capita GDP is now four times as large as Ukraine's. Poland has become the model for what Ukraine's pro-European majority believe

roughly as poor as Ukraine, in

cient NATO troops in the country.

"I participated in so many meetings where the Polish side was telling German politicians, 'You cannot be so naive....Russia is a threat you have to watch out for,' " said Adam Traczyk, an associate fellow at the German Council on Foreign Relations, who studies the German-Polish relationship.

As a result, Mr. Traczyk said, Polish leaders now believe they have the high ground in their relationship with Western Europe: "Poland was right and Germany was wrong.'

Germany is doing an aboutface on Russia, pledging \$100 billion in new military spending and beginning to look at how to wean itself off Russian

Poland, meanwhile, is trying to establish itself as a leader in the defense of Eastern Europe. Dissidents from the neighboring dictatorship of Belarus are welcomed. Immigrants from Georgia, after Russia's 2008 invasion, built a large community in Warsaw. Last week, Polish officials visited Kyiv, where they called for a NATO peacekeeping mission to Ukraine—a step most of the alliance isn't prepared to take.

their country could achieve if welcomed into the EU.

Once inside the bloc, Poland became the loudest voice arguing that postcommunist Russia continued to pose a threat to Eastern European nations-especially to Ukraine, whose NATO membership aspirations Poland backed. The way to confront Russia, successive Polish governments argued, was with U.S.-backed military strength, not with economic engagement.

nian refugees is a reversal from 2015, when Poland refused to take in evacuees from Syria, while Germany absorbed more than a million.

Since 2015, when the Law and Justice party won a majority in parliament, Poland has embraced a number of policies that much of the West views as illiberal and undemocratic.

The party has drawn criticism from the West for attempts to cement control over the country's media and for its stance against LGBT rights. The government also has moved to limit judicial independence, and the country's top court has since ruled that some EU laws might not apply in Poland.

In response, Brussels has linked disbursement of EU funds to the rule of law.

"This is a pivotal moment for Poland," said Max Bergmann, a senior fellow at the Center for American Progress. "Poland can say, 'We need to focus on Russia. because it's a threat to democracy in Ukraine.' But they can't stand up to Russia and then undermine democracy at home. I think that will be a big part of President Biden's message when he comes."



U.S. Army MIM-104 Patriots, surface-to-air missile system launchers, seen at Rzeszów-Jasionka Airport in southeastern Poland.



A man waves the Ukrainian and Polish flags outside a building housing Russian diplomats in Poland.

The attitude toward Ukrai-

-Daniel Michaels contributed to this article.

### **Biden Sticks With Longstanding U.S. Policy on Nuclear-Weapons Use**

#### BY MICHAEL R. GORDON

President Biden, stepping back from a campaign vow, has embraced a longstanding U.S. approach of using the threat of a potential nuclear response to deter conventional and other nonnuclear dangers in addition to nuclear ones, U.S. officials said Thursday.

During the 2020 campaign, Mr. Biden promised to work toward a policy in which the sole purpose of the U.S. nuclear arsenal would be to deter an enemy nuclear attack.

Mr. Biden's new decision, made earlier this week under pressure from allies, holds that the "fundamental role" of the U.S. nuclear arsenal will be to deter nuclear attacks.

That carefully worded formulation, however, leaves open the possibility that nuclear weapons could also be used in extreme circumstances to deter enemy conventional, biological, chemical and possibly cyberattacks, said the officials.

The decision comes as Mr. Biden is meeting with allies in Europe in an effort to maintain a unified Western stance against Russia President Vladimir Putin's invasion of Ukraine and allied concerns that the Kremlin might resort to nuclear or chemical weapons.

A spokeswoman for the president's National Security Council declined to comment.

Mr. Biden's nuclear policy follows an extensive Nuclear Posture Review, in which administration officials examined U.S. nuclear strategy and programs.

U.S. officials said the administration's review is also expected to lead to cuts in two nuclear systems that were embraced by the Trump adminis-

**President steps back** from vow that 'sole purpose' would be to deter nuclear attacks.

tration. If Congress agrees, this would mean canceling the program to develop a nuclear sea-launched cruise missile and retiring the B83 thermonuclear bomb.

The review, however, supports the extensive modernization of the U.S. nuclear triad of land-based missiles, submarine-based missiles and bombers, which is projected to cost over \$1 trillion.

**Congressional Republicans** had criticized Mr. Biden for

considering a "sole purpose" doctrine.

In January, Sen. James Inhofe of Oklahoma and Rep. Mike Rogers of Alabama, the ranking Republican members on the Senate and House Armed Services Committees, urged Mr. Biden to stay with the U.S. nuclear doctrine that they said had deterred major wars and the use of nuclear weapons for more than 70 years.

In contrast, a number of Democratic arms-control supporters had urged Mr. Biden to minimize the role of nuclear weapons in the Pentagon's strategy and stipulate that the U.S. would never make the first use of nuclear weapons in a conflict.

"Allies were concerned that moving too far away from current posture would leave them vulnerable--in theory or in practice-to Russian threats." said Jon Wolfstahl, who served as the senior arms control and nonproliferation official on President Obama's National Security Council.

Mr. Wolfstahl, who served as an adviser to Mr. Biden when he was vice president, said it would be disappointing but not surprising if the president shelved his "sole purpose" initiative.

Some Biden administration

officials say, however, that his decision doesn't diminish his long-term goal to reduce the U.S. dependence on nuclear weapons and reflects the need to consolidate allied support in the face of Russian threats and a rising China.

Mr. Biden, these officials also note, has supported other arms-control moves, including prolonging the New Start treaty limiting U.S. and Russian long-range arms, which he extended for five years.

During the 2020 campaign. Mr. Biden wrote in Foreign Affairs magazine that he believed "the sole purpose of the U.S. nuclear arsenal should be deterring-and, if necessary, retaliating against—a nuclear attack."

Mr. Biden added that as president he would move "to put that belief into practice, in consultation with the U.S. military and U.S. allies." Mr. Biden had also staked out a similar position before leaving his post of vice president in 2017.

Mr. Biden's plan to overhaul U.S. doctrine and strategy, however, ran into firm opposition from allied nations, which were concerned that it might weaken the U.S.'s and allies ability to deter a conventional Russian or Chinese military offensive, according to foreign diplomats and U.S. officials.

### **Central Bank Governor** Tried to Quit Over War

Russian Central Bank Gov. Elvira Nabiullina tried to resign after the invasion of Ukraine, people familiar with the matter said. Her effort was rejected by Russian President Vladimir Putin, who instead nominated her for a third term.

#### By Thomas Grove, Evan Gershkovich and Alexander Osipovich

Over nearly a decade, Ms. Nabiullina has been one of Mr. Putin's most stalwart allies in buttressing the Russian economy against volatile oil prices and U.S. sanctions in a growing face-off with the West, while remaining one of the few liberals who hold senior positions in the Russian government.

News of Ms. Nabiullina's desire to resign was reported earlier by Bloomberg. A spokeswoman for the central bank said Thursday: "Bloomberg's information does not correspond to reality."

Ms. Nabiullina has led Russia's central bank since 2013. Last Friday, just hours before she was due to give a speech on the struggles of the Russian economy, Mr. Putin reappointed her to a third term. Her second term was due to expire in June.

One of the people familiar with Ms. Nabiullina's thinking said she had been blindsided by

the invasion of Ukraine and felt deeply conflicted. Mr. Putin ordered Russian forces into the neighboring country on Feb. 24, unleashing a conflict that has displaced more than 10 million people and reduced some Ukrainian cities to rubble.

Russian government officials and lawmakers have generally marched in lockstep behind Mr. Putin's decision to invade Ukraine. even as it has caused deep unease among the country's educated urban elite.

A Kremlin spokesman confirmed Wednesday that Anatoly Chubais had resigned as Mr. Putin's climate envoy. One of the architects of Russia's free-market reforms in the 1990s, Mr. Chubais had held senior roles at state-owned companies or within the government under Mr. Putin's rule, even as other liberals broke with the president.

A person familiar with the matter described Mr. Chubais as distraught over the war and said that he left the country for Istanbul. Mr. Chubais didn't respond to a request for comment.

But Mr. Chubais was a marginal figure compared with Ms. Nabiullina, who remained kev to Russia's macroeconomic stability and was said to be highly regarded by Mr. Putin. -Matthew Luxmoore

contributed to this article.

## **Telecom Teams Keep Lines Open**

Services have shown resilience a month into war, helped by daring repairs, foreign firms

#### By DREW FITZGERALD

As Russian artillery fire rained on Mariupol, the largest mobile-network operator in Ukraine said repair crews worked to keep its last working cellular tower in the city from going offline for a few extra davs.

"Our team was regularly repairing that base station to give people who were staying there some chance to call their families." said Volodymyr Lutchenko, Kyivstar's chief technology officer. The service kept operating on backup generators for days until a direct hit silenced the tower in early March.

Ukraine's telecommunications services—especially its cellphone links-have shown resilience a month into the invasion, according to public data. executives from telecom companies and industry analysts. Broadband connections and wireless signals are largely being maintained despite attacks.

Telecom experts cite a combination of daring repair work, private-sector cooperation and more reliable technology among the factors helping keep the connections alive.

Consistent internet access has helped Ukraine's war defenses, government officials said. Wireless service has allowed locals to feed the military with intelligence on invading troops' positions and helped spread images and videos of attacks on apartments, hospitals and other civilian targets.

'This is one of the factors that probably can explain the success of the Ukrainian resistance," Victor Zhora, deputy chairman of the country's State Service of Special Communications and Information

Consistent internet and phone access has helped Ukraine's war defenses, government officials said.

Protection, said on Wednesday. Ukraine had about 38 million cellular connections before the war started, according to GSMA Intelligence, the mobile trade association's research unit.

The volume of visible internet data flowing out of Ukraine has sagged about 20% below preinvasion levels, according to San Francisco-based networkmonitoring service Kentik Inc. That figure is relatively high in a country where front-line cities are under heavy bombardment and other districts are emptying out. More than three million people have fled the country.

Years of war on Ukraine's eastern flank prepared the telecommunications sector for handling a full-scale invasion, current and former employees of companies serving the country said. All wireless operators started letting their customers roam on each other's networks, making service more reliable.

Companies have also expanded coverage to reach users pinned down in other cities. Kvivstar last week said it had brought Wi-Fi service to more than 200 bomb shelters. Rival operator Lifecell said its crews spent about two months before the invasion moving some equipment out of eastern areas to stiffen wireless coverage in the west, where millions have since relocated.

Internet providers have added other protections under government supervision. Ukrainian carriers ended service to all phone numbers registered in Belarus and Russia within a day of the February invasion, for instance. That decision made it harder to send malicious network commands that might disrupt those networks, said Cathal Mc Daid, technology chief for Dublinbased cybersecurity company AdaptiveMobile Security.

While the concept is simple, the execution can take time," Mr. Mc Daid said. The fact that three major Ukrainian operators made the change simultaneously reflects coordination "and was seen to be important enough to implement as soon as possible."

Ukraine's civilian communications networks aren't invincible. Internet service in hardhit cities like Kharkiv, Kherson and Mariupol has degraded or disappeared.

But industry analysts said the telecommunications infrastructure could have fared worse. Russian forces don't appear to have seized control of cell towers in recently captured areas, a contrast with towers captured years ago in Russia-allied breakaway regions to the east.

Other telecom executives say Russia's mounting military presence over the years gave them time to add backup fiber-optic lines and develop contingency plans. They said Russia's forcible annexation of Crimea in 2014, its support for breakaway republics in the east and a 2018 naval attack all informed their thinking.

"We learned the lessons of 2014," Lifecell digital-technology manager Yuriy Zadoya said. 'All new developments in the last eight years were made with such a 'scenario' in our heads."

The company moved some network gear west over the winter for instance, shifting equipment during nightly maintenance windows. About 10% of Lifecell's roughly 8,500 cellular base stations have been knocked offline since the invasion, Mr. Zadoya said.

Other groups offer backup service. Télécoms Sans Frontières, a French-based nongovernmental organization that provides communication services in conflict zones, said it sent satellite phones to hardhit areas in Ukraine. Starlink, the satellite-internet service provided by SpaceX, sent broadband receivers that Ukrainian officials said are being put to use.

Foreign owners control much of Ukraine's telecom sector. Russian operator MTS in 2019 sold its interest in Vodafone Ukraine to Neqsol Holding, the investment company of Azerbaijani mogul Nasib Hasanov. The company still uses British telecom giant Vodafone's brand under a licensing agreement.

Turkey's Turkcell Iletisim Hizmetleri AS owns Lifecell. Netherlands-based Veon Ltd. owns Kyivstar, while its Beeline brand serves nearly 50 million wireless customers in Russia.

The investment company of Russian businessman Mikhail Fridman controls about 48% of Veon. Mr. Fridman in February resigned from the boards of both Veon and the investment company, called LetterOne, following sanctions by the Council of Europe.

Veon said in a recent press release that it isn't subject to Western sanctions.

-Stu Woo contributed to this article.

## Google News Is Restricted In Russia

#### BY SAM SCHECHNER

Google News is largely offline in Russia, in what appears to be the latest escalation of the Kremlin's crackdown on sources of independent reporting on its invasion of Ukraine.

Alphabet Inc.'s Google said Thursday that people are having trouble accessing its Google News aggregator website and app, adding that the problems weren't related to technical problems on Google's end.

A monitoring service called GlobalCheck that says it checks the availability of internet services by using a network of sensors in Russia also showed limited or no access to Google News' website from inside the country on Thursday. But Google's main search engine and video site YouTube remain accessible, GlobalCheck showed.

"We've worked hard to keep information services like News accessible to people in Russia for as long as possible," Google said.

Russian state news agency RIA reported Wednesday that Russia's telecommunications regulator said it would block Google News because it provided access to what regulators said was false information about the situation in Ukraine. Russia's government has criminalized descriptions of the war as anything other than a "special military operation."

The restriction of Google News comes as Russian regulators have blocked many independent Russian media outlets and Western technology platforms, such as Meta Platforms Inc.'s Instagram.

### U.S. Files Hacking Charges Against Russians BY DUSTIN VOLZ

AND ARUNA VISWANATHA





WASHINGTON—The Justice Department on Thursday unsealed charges against four Russian nationals it accused of carrying out a yearslong hacking campaign that targeted thousands of computers in the U.S. and around the world in a bid to gain access to systems that could disrupt or physically damage vital energy facilities.

The defendants all worked for the Russian government and targeted hundreds of companies in 135 countries, U.S. authorities said.

The indictments cover alleged activity that took place between 2012 and 2018, officials said. In recent weeks the Biden administration has repeatedly warned U.S. businesses that they should be on high alert for the potential of debilitating Russian cyberattacks that could occur as a form of retaliation for the punishing economic sanctions put in place against Russia over its invasion of Ukraine.

Russia has historically denied targeting the U.S. or others with cyberattacks. A spokesman at the Russian Embassy in Washington didn't respond to a request for comment.

One case, filed in 2021 but unsealed Thursday, accused an alleged employee of a Russian Ministry of Defense research institute of targeting and damaging a foreign refinery with malware known as Triton that could shut down its safety system. The malware caused the refinery's safety systems to initiate two automatic emergency shutdowns of operations, prosecutors said, without naming the refinery.

A second case, from August, accuses three alleged officers of Russia's intelligence agency, the FSB, of compromising computers at hundreds of companies in the energy sector in a way that would give the Kremlin access to the systems to disrupt them in the future should they choose to.

People lined up to receive humanitarian aid in besieged Mariupol, Ukraine, on Thursday. The largely destroyed port city continued to hold out against a Russian siege. Ukrainians Hit Targets

Continued from Page One amount of cargo. Our specialists say that at least for a few weeks, Berdyansk is closed for them for resupply because of damage to the port."

At Port

Ukrainian forces have previously sought to capitalize on Russia's struggle to supply its forces deep inside Ukraine, attacking Russian convoys and hitting supplies of fuel and ammunition.

Mariupol, another Azov Sea port city, has been surrounded by Russian forces and pummeled with artillery and airstrikes for weeks. Thousands of civilians there have been killed. and most of the city has been destroyed, according to local officials. While Russian troops have entered the eastern side of Mariupol in recent days, Ukrainian forces continue to keep most of the city from falling into Russian hands.

Before Thursday's strike, Ukraine managed to inflict severe damage on the Russian navy personnel in the Azov area. Moscow has acknowl-

edged that Ukrainian troops killed the deputy commander of Russia's Black Sea Fleet. Navy Capt. Andrey Paliy, and the commander of the fleet's 810th Marine Infantry Brigade, Col. Aleksey Sharov, both of whom were recently operating in the Mariupol area.

Thursday's attack came as President Biden and leaders from the North Atlantic Treaty Organization, the European Union and the Group of Seven major economies met in Brussels to discuss new measures to help Ukraine.

The U.S. outlined a new round of sanctions against Russian individuals and companies, \$1 billion in humanitarian funding and a plan for the U.S. to accept up to 100,000 refugees fleeing Ukraine.

President Volodymyr Zelensky of Ukraine, addressing NATO leaders, asked the alliance to do more.

"Ukraine needs military assistance-without limitations. Just as Russia is using all of its arsenal against us without limitations," he said.

The combat performance of the Ukrainian army and the failure of Russian forces to make significant advances have caught U.S. and allied officials by surprise. Weapons supplied to Ukraine before the invasion were tailored to fuel an insurgency campaign, with

U.S. officials expecting Russia to seize the capital Kyiv in as little as three days.

However, Ukraine has managed to push Russia's much bigger and better equipped military to a standstill, at least for now. Western nations are rushing to get more military supplies across Ukraine's western borders as Kyiv said it risks running short of ammunition.

Russia, which committed some 190,000 troops to the invasion of Ukraine last month,

Russia has lost up to 40,000 troops as casualties or POWs, by NATO estimates.

has lost as many as 40,000 of these troops between those killed in action, injured, captured or deserted, according to NATO estimates, a level of casualties that would render a large part of the Russian force incapable of offensive operations.

Russia hasn't released its casualty statistics since saying on March 2 that 498 service members had been killed in Ukraine. Ukraine isn't releasing any information on its ca-

sualties.

In the vicinity of Kyiv, Ukrainian forces have been able to mount a limited counteroffensive, clearing some areas to the west and northwest of the capital, according to the Ukrainian military and footage from retaken towns.

Ukraine's presidential adviser Oleksiy Arestovych said in a TV interview that only some 12,000 Russian soldiers remain active on the Kviv front, and that 3,000 of them have been encircled, with an additional 4,000 nearly surrounded. Russian officials didn't confirm those figures.

The Kremlin said that Mr. Putin discussed Russia's military operation in Ukraine and the status of negotiations with Kviv with members of Russia's Security Council, including top security and government officials.

"A detailed conversation was had on the negotiation process with Ukraine. Regret was expressed in connection with the slowness of the Ukrainian side," said Kremlin spokesman Dmitry Peskov, quoted by state news service ASS.

Asked about contacts between Russian and U.S. military officials, Mr. Peskov said that "contacts at the military level are always important, especially in such hot periods."

Russia and Ukraine exchanged 10 military personnel each, Russia's human-rights commissioner Tatvana Moskalkova told TASS. In addition, the two sides exchanged civilian sailors, Ms. Moskalkova said.

Foreign Minister Sergei Lavrov of Russia met in Moscow on Thursday with International Committee of the Red **Cross President Peter Maurer**, the foreign ministry said.

The ICRC said Mr. Maurer planned to continue the agency's discussions with Russian authorities about the humanitarian situation related to the war in Ukraine.

"The devastation caused by the conflict in recent weeks, as well as eight years of conflict in Donbas, has been vast," Mr. Maurer said in a statement published Wednesday. "There are practical steps guided by international humanitarian law that the parties must take to limit the suffering."

–Brett Forrest, Georgi Kantchev and Ann M. Simmons contributed to this article.

#### Watch a Video

Scan this code for a video on Ukraine's strike on a Russiaoccupied port.

## **Fertilizer Prices** Surge as War **Limits Supplies**

Farmers around world struggle as shortages, rising prices take toll on crop production

In his nine years selling fertilizer to corn and rice farmers in West Africa, Malick Niang says he has never seen such a severe supply crunch—or such high prices.

#### By Jon Emont in Singapore and Silvina Frydlewsky in Buenos Aires

Since Russia invaded Ukraine, shipping companies have avoided docking at St. Petersburg, Russia, to collect goods, Mr. Niang said.

That, together with the impact of the West's financial sanctions against Moscow, means fertilizer exports from Russia—the world's largest producer—have fallen sharply.

Mr. Niang contacted sellers elsewhere, such as in Senegal and Morocco, but was told their order books are full until the end of the year. "Maybe we will find one or two options different from Russia, but it's going to be very expensive," he said.

Fertilizer prices were high before the war. They have now reached record levels amid a precipitous drop in Russian supply, according to CRU Group, which analyzes com-modity markets.

At the same time, more-expensive natural gas, another Russian export and a crucial ingredient in fertilizer-making, has led European fertilizer factories to scale back production.

The result is that fertilizer is about three to four times costlier now than in 2020, with far-reaching consequences for farmer incomes, agricultural yields and food prices.

province, corn farmer Nurhadi. who goes by one name, has bought half his usual fertilizer stock, relying instead on animal dung, which isn't as effective and will result, he said, in a substantially reduced yield.

In Colombia, which depends on Russia for one-fifth of its fertilizer imports, potato farmer Ana Elvira Sanabria has switched to raising cattle and growing a local fruit called uchuva, which needs less fertilizer. "Last year at this time, most of us had land ready to plant," she said. "This year much of it is fallow."

Farmers' struggles began before the war. Higher energy costs last year pushed up fertilizer prices, as did new curbs and export-licensing requirements by China, Turkey, Egypt and Russia.

Faustin Lohouri Bi Tra, a farmer who grows seeds for other planters in Ivory Coast, said he watched with horror as the price of urea fertilizer quadrupled over the past nine months. "It's like a scary movie," he said.

Smaller harvests will hit developing countries the hardforcing their cashest, strapped governments to import large quantities of staples such as wheat at high prices, agricultural experts say.

Global food prices in February touched their highest point since the United Nations Food and Agriculture Organization began collecting monthly data three decades ago.

Food insecurity is likely to worsen. The Global Network Against Food Crises, an alliance of humanitarian and development groups, estimates that by last September, 161 million people across 42 nations in 2021 faced acute malnutrition or were forced to sell assets or take other desperate measures to procure food—up In Indonesia's East Java 19% from the start of the year.





"I am deeply concerned that the violent conflict in Ukraine, already a catastrophe for those directly involved, will also be a tragedy for the world's poorest people living in rural areas who cannot absorb the price hikes of staple foods and farming inputs that will result from disruptions to global trade," said Gilbert

Houngbo, president of the U.N.'s International Fund for Agricultural Development, last week.

The disruption in wheat supply from Ukraine could have been a boon for some of the world's major food exporters, among them Argentina, and farmers such as Gabriel Pellizzon. Instead, Mr. Pellizzon,

who grows wheat, corn and soybeans on about 3,700 acres in Argentina's central Córdoba province, said he is likely to slash production about 30%.

Fertilizer producers are warning of continuing shortages. After Russia's invasion sent European natural-gas prices to record levels, many

#### Imported fertilizer is inspected in China's Shandong province. Below, a worker loads a tractor with fertilizer in Brazil.

companies reduced production of ammonia, which is used to make nitrogen fertilizers.

Although prices of European natural-gas futures have fallen since early March, they remain roughly 40% higher than they were before the invasion of Ukraine.

Borealis AG, a large European fertilizer maker, said it is running its ammonia plants at reduced capacity. Nitrogénművek Zrt., a Hungarian producer, said it is temporarily halting ammonia production. Norway-based **Yara Inter-**

national, one of the world's largest fertilizer producers, said it would limit production at plants in France and Italy, bringing down its European ammonia and urea production to around 45% of capacity.

"Our concern over the coming season is that nations already in a vulnerable position will face deteriorating conditions," Yara spokeswoman Kristin Nordal said.

### **Russia E-Commerce Venture** Puts Alibaba in Awkward Spot

#### BY JING YANG

On a business trip to Russia in 2016, **Alibaba** founder Jack Ma was having lunch and lis-

#### Alibaba ADR price

\$300 250

panies, such as smartphone maker Xiaomi Corp. and PC company Lenovo Group.

On Sunday, China's ambassador to Russia, Zhang Han-



tening to his executives extol the success the company was enjoying in the country.

Skeptical, he pulled aside a waitress and asked what she knew about AliExpress, the Chinese e-commerce giant's international shopping site, a person who was there said. She said she used it almost everv week. Pleasantly surprised. Mr. Ma signed off on plowing more resources into Russia, including dozens of employees from Alibaba's headquarters in Hangzhou and, later, investing \$100 million to form a joint venture with three Russian corporate titans.

Russia proved to be a rare bright spot for AliExpress, which accounts for only a small part of Alibaba's revenue but is crucial to efforts to expand overseas. The value of goods sold on the Russian venture's platform ioint jumped 46% last year.

Now, Russia joins the headaches that have hit Alibaba over the past year, including a regulatory crackdown by Beijing, rising competition and the halving of its share price.

Russia's invasion of Ukraine puts New York-listed Alibaba in an awkward spot. All of its local partners or their leaders in the joint venture with



Thursday

Source: FactSet

AliExpress have been placed under Western sanctions—but Beijing opposes those measures. Unlike many of its Western peers, Alibaba hasn't taken a public stance on the war.

'Choosing to continue doing business in Russia runs a growing reputational risk for Alibaba in most European markets as well as in the U.S.," said Xiaomeng Lu, director of geo technology at Eurasia Group. "This risk will only heighten as NATO countries ramp up sanctions on Moscow and Western brands cut their ties with Russia and Russian stakeholders."

Some analysts have suggested the Western pullback from Russia is creating opportunities for Chinese tech com-



An AliExpress store in Moscow weeks before the Ukraine invasion.

hui, urged a group of Chinese business-chamber representatives to seize the opportunity and "fill the void" in the Russian market, according to an article released by the Russia **Confucius Culture Promotion** Association.

AliExpress Russia, the joint venture, has been trying to maintain a level of normalcy at its operations, and there is no plan to halt business, people familiar with the matter said. In early March, the platform, AliExpress.ru, stopped receiving orders from Ukraine, one of the former Soviet states it services, according to one of the people. Ukraine contributed 8% of the 86 million visits to the site in February, according to a report by yStats.com.

Orders from Russia have dropped since the war started. mainly because of shipping delays and the ruble's depreciation, people familiar with the matter said.

Together with Lazada, the Southeast Asian online retailer Alibaba acquired in 2016, AliExpress underpins the ecommerce giant's global expansion, one of its "three core strategies."

Although international ecommerce accounts for only around 5% of Alibaba's total revenue, analysts say Europe holds great potential-especially with Lazada losing ground in Southeast Asia.

Before the invasion, AliExpress Russia was the country's second-largest e-commerce company, with about a 10% market share, VK Group said.

Europe is the biggest market for AliExpress: Russia. Spain, France and Poland were its top four countries by gross merchandise value in 2019, the most recent data.

"Bad EU-China relations are bad for Chinese companies' expansion in Europe," said Linghao Bao, an analyst at Trivium China.



The exchange on Thursday. Trading had been suspended following Russia's invasion of Ukraine.

### **Moscow Stock Market Reopens, Foreigners Barred From Selling**

#### By CAITLIN OSTROFF AND CAITLIN MCCABE

Russia's stock market jumped in its first, limited trading session since the West unveiled punishing sanctions nearly a month ago, but the rally was overshadowed by government moves to prevent foreign investors from selling shares.

The benchmark MOEX index rose around 4%. Only 33 shares out of 50 on the index were allowed to trade in the shortened session. Russian energy giant Gazprom PJSC rose 13%, while its peer Lukoil PJSC was up 12%.

Energy prices have surged since the last time they traded. Russian bank stocks were mixed despite being the target of sanctions. VTB Bank PJSC fell 5.5%. Sberbank Russia PJSC rose 3.9%

The resumption of trading is unlikely to be interpreted as a sign that all is well with the Russian economy. To prevent a steep selloff, Russia's central bank banned short selling, where investors bet that a stock's value will decline, and blocked foreigners, who make up a huge chunk of the market. from selling their shares. The Kremlin also directed a Russian sovereign-wealth fund to buy around \$10 billion in shares.

Russia's benchmark stock index, the MOEX



The government's measures cloak underlying selling pressure. If foreigners could sell, they probably would. Russian shares listed in London and New York plunged after the start of the war, and many have been delisted or suspended because of the sanctions.

Before the war, foreigners owned about three-quarters of the freely traded shares in Russia, known as the free float, and were responsible for around half of the trading volume each day. Without them, Russian share trading provides limited information about the true value of companies.

'We don't know what the market is saying at all," said Charlie Robertson, global chief economist at Renaissance Capital, an emerging and frontier markets investment bank.

The reopening is meant to showcase Russia getting back on its financial feet following sanctions aimed at isolating the economy. It also highlighted how the war in Ukraine is being fought on two fronts, military and financial.

"Russia has made clear they are going to pour government resources into artificially propping up the shares of companies that are trading," said Daleep Singh, the White House's deputy national security adviser for international economics.

"This is not a real market and not a sustainable modelwhich only underscores Russia's isolation from the global financial system," he said.

Limiting foreigners from selling shares helps safeguard the ruble. If foreign stockholders sold their ruble-denominated shares, they would move that money into euros or dollars. This could weaken the ruble's value.

### FROM PAGE ONE

### EU Poised To Rein In Tech Firms

Continued from Page One have said the law is discriminatory because it focuses largely on big U.S. companies, and unworkable because of its breadth—something they said will hobble tech innovation in Europe. Apple has previously said the legislation's "one-size-fits all" approach could undermine consumer protections and choice, while Meta Platforms Inc., the parent company of Facebook, has warned about unintended consequences, such as stifling European innovation.

Which companies count as so-called gatekeepers has been the subject of much debate. In early drafts of the legislation, criteria based on the number of consumer and business users, as well as market capitalization and revenue thresholds, suggested services from Apple, Alphabet Inc.'s Google, Amazon.com Inc., Meta and Microsoft Corp. would all be affected, possibly among several others.

Apple said it remains concerned that some of the DMA's provisions "will create unnecessary privacy and security vulnerabilities for our users, while others will prohibit us from charging for intellectual property in which we invest a great deal." It said it would work with others to mitigate those vulnerabilities.

Google said it supports many of the DMA's ambitions on consumer choice and interoperability, but worries that the new rules could reduce innovation and the choice available to Europeans. The company said it would review the final text and work out what it needs to do to comply.

Representatives from Amazon, Meta and Microsoft didn't respond to requests to comment.

The goal of the legislation, according to the European Commission, the EU's executive body, is to create a clear



Global tech giants 'will need to prove that their conduct is fair,' said Andreas Schwab, below, a member of the European Parliament.

set of rules that would prohibit the world's biggest tech companies from engaging in certain behaviors that officials view as harmful to competition. Proponents hope it can cut down on the need to open lengthy investigations into a company's alleged anticompetitive behaviors, a process that often goes to the courts and can in some cases take years to resolve. Rivals have complained that EU antitrust cases have so far had limited impact on big tech companies' revenue and market share.

"What this law is about is changing the burden of proof so that these companies will need to prove that their conduct is fair," and not regulators who until now have needed to prove violations of antitrust laws, said Andreas Schwab, a member of the European Parliament from Germany who has been the body's lead negotiator for the DMA.

Mr. Schwab issued a statement late Thursday confirming that an agreement on the legislation had been reached.

Tech giants' smaller rivals and other tech-company critics said they hope the legislation could become a global standard as lawmakers in other countries, including the



U.S., look for ways to rein in the power of global tech giants and make it easier for smaller players to compete. The U.K. government is working on a code of conduct that could be applied to tech companies with substantial and entrenched market power, and U.S. lawmakers have proposed legislation aimed at curbing dominant tech companies' market power.

"This will be the first comprehensive attempt at making digital markets more competitive," said Zach Meyers, a senior research fellow with the Centre for European Reform think tank. "And when you look at what the U.K. and the U.S. and other countries are doing, even if they're not replicating the DMA, they're certainly inspired and influenced by it."

Negotiators held discussions on Thursday to iron out remaining disagreements on the main points of the legislation. Now that a political agreement on the text has been reached, it is unlikely to undergo further substantial changes, though it will still need final approval from parliamentarians and representatives from EU countries.

The DMA is part of a pipe-

line of recent EU regulations aimed at tech companies. Legislators also are negotiating over the final text of another piece of legislation aimed at forcing tech platforms and social-media companies to do more to prevent the spread of a range of illegal or potentially harmful material, or face similarly big fines. Another bill governing the way companies share industrial data was proposed last month.

Elements of the DMA have been strongly opposed by Apple, Google, Amazon and Facebook, and could lead to court challenges. Penalties for failing to comply with the rules can go up to 10% of a company's global annual revenue, but repeated infringements raise the ceiling to 20%, and open the way to other penalties such as a ban on some acquisitions, Mr. Schwab said.

Based on recent drafts of the legislation, gatekeeper companies would be limited in how they can privilege their own products or services in rankings compared with those offered by third parties. That could limit the possibilities for Google to push its services, such as its internet browser, flight search or email, to the top of a user's search results. It could also make it more difficult for Amazon to prioritize its products to the detriment of a third-party seller.

The rules could also block gatekeeper companies from tying access to some of their services to the purchase or use of another service, and require companies to make it easier for users to move their data from one service to another. In practice, the rules could prevent Meta Platforms from requiring a user to get a Facebook account in order to use its Messenger app, for example.

Another provision could require Apple to allow software makers access to the iPhone without having to go through the company's App Store. That rule could have a significant impact on the company, which charges up to a 30% commission on in-app purchases, a major source of revenue.

Apple has defended its practices, saying it is giving consumers a choice of a digital platform that has proven popular, and that changes would create security and privacy risks.

One point of contention in the negotiations was over which companies, specifically, would be defined as gatekeepers and need to comply with the new rules.

The initial proposal defined gatekeepers as companies whose European revenue was at least €6.5 billion, equivalent to about \$7.2 billion, or those with a market capitalization of at least €65 billion. Gatekeepers also had to serve more than 10,000 active business consumers and 45 million active end users in the European Union. The original proposal said the threshold needed to be met over the past three years. The final text increased those thresholds to €7.5 billion in revenue and a market capitalization of at least €75 billion.

Experts have cautioned that there are still questions about how the European Commission would implement the new rules and ensure compliance. "The adoption of the text is the easy part," said Alexandre de Streel, academic director at the Centre on Regulation in Europe. "The difficult part will be the enforcement of that text."





### FROM PAGE ONE

## Essex Fans Spurn Plan To Rebrand

Continued from Page One pressed. They say they're being mugged off, an Essexism for not being shown enough respect.

"We put Essex on the map and we're not embarrassed about our success," said Amy Childs, a beautician who was one of the show's breakout stars and is credited with popularizing the vajazzle here (if you have to google it, we suggest you don't).

"People talk about the white stilettos and all the rest of it, but we work hard and have contributed so much money to Essex," she said. "I'd like to sit down with the council and see what it is they think they're rebranding." Gemma Collins, a former star of the ITV show known to

her fans as "The GC," wrote an angry op-ed in the Sun newspaper. "To say we need to change our 'reputation' is an affront to every hard-working person from Essex," she said. 'I couldn't be prouder of where I come from."

So goes the latest skirmish between those who trace their roots back to the great migration out of London in the 1960s and '70s and those who have been in Essex much lon-

The journalist Simon Heffer defined the tension in 1990 when, after noticing an influx of young men wearing West Ham United soccer shirts around his village, he penned a column for the Daily Telegraph where he excoriated the rise of what he called "Essex Man," whom he described as "young, industrious, mildly

brutish and culturally barren." Some had bought their own homes on public housing estates, one of the late Prime Minister Margaret Thatcher's most popular policies. Others bagged high-paying jobs in the City of London, which had undergone its "big bang" deregulation a few years earlier, opening up the industry for traders who might previously have hustled for business in east London street markets.

"Essex Girl," meanwhile, made it into the Oxford English Dictionary, defined as "a type of young woman, supposedly to be found in and around Essex, and variously characterized as unintelligent, promiscuous and materialistic." Campaigners have been trying for years to get the entry removed.

The older money generally lives farther out in old market towns like Colchester, and they talk about how close they are to Suffolk, the county to

the north, rather than London. Bob Russell, a former lawmaker, speaks for many when he says he is pleased with the efforts to recast Essex as a place of culture and history.

"It's for discerning visitors, not the kiss-me-quick, candyfloss day-trippers, or those who wrongly think the whole

Says a star of a show set in Essex: 'We're not embarrassed about our success,

of Essex is like that awful TV series," he said, echoing how Chris Christie used to complain about the way "Jersey Shore" portrayed New Jersey when he was governor there.

The popular impressions are proving hard to shift, though.

Michael Landy, a Londonborn artist whose family moved out to the border between London and Essex when he was a child, held an exhibition in Colchester last year where he gathered newspaper headlines along with artifacts and representations of the way Essex has been portrayed over the decades. He included some of Ms. Childs's hair rollers and other paraphernalia from the Towie show. He discovered they were second cousins while researching the project. Towering over it all was a

28-foot-high rendering of the bull-necked "Essex Man" sketch that accompanied Mr. Heffer's column, complete with double-breasted suit and clutching a can of lager.

"The media created the stereotype, and of course once you create a stereotype you can just keep going back to it and refer to it," Mr. Landy said. "It creates this archive of great headlines, like 'You Can't Be in Harry Potter if You're From Essex' and 'There Are No Virgins in Essex.'

Like many stereotypes, there might be an element of truth to it. Brentwood's High Street is dotted with small businesses coming out of hibernation after months of pandemic restrictions. Along the cobbled road are tanning parlors and nail spas, teeth-whitening clinics and nightclubs, including the Sugar Hut, where many of the early scenes from Towie were shot.

It can be busy, even on a chilly Monday evening in March. Outside O'Neill's bar a large group was whooping and laughing.

"We know what people think of us, but we don't care. We just know how to have a good time," said one of them, Stephen Harris, before turning away to call his partner. "Linda, where's your cardigan? It's bleedin' freezing."

#### metal hangers they use each month at a cost of about \$1,150.

Adding to pricing pressure, Phoenix was the nation's fastestgrowing big city between 2010 and 2020, moving ahead of Philadelphia to become the fifth largest. It saw one of the nation's largest influxes of new residents at the start of the pandemic.

Scottsdale Mayor David Ortega, who switched his party registration to independent from Democrat roughly three years ago, said the area's realestate market is exhibiting "panic buying" because housing prices are moving up so quickly. For those who own property, he said, inflation offers good and bad news: "The paper equity jumps, but your other costs are up, too."

The mayor said he thinks Democrats nationally will pay a price in November if inflation doesn't ease before then because "high inflation definitely gets blamed on the incumbent."

#### Price pressure

McCormick Ranch residents Joshua and Nicole Perilstein are frustrated by rising prices and said it could influence their feelings when it comes to picking candidates in the November election. They said they think assistance tied to the pandemic resulted in some people dropping out of the workforce and thus creating inflation pressure on wages for those still in the workforce.

"It has had a ripple effect on things that aren't temporary," Ms. Perilstein said. The price increases Ms. Perilstein said she is feeling most are for housing and child care. A 33-year-old actuary, she said her preschool bill for one child recently rose to \$1,335 a month, up 12% from two years earlier. The couple would like to have a third child but worry about the cost of daycare and the larger house they might need. "It almost doesn't matter how much your house is worth," she said, "because you can't afford the next house."

## Inflation Politics Turn Sour

Continued from Page One "We are giving out money like it's growing on trees."

Ms. Birnbaum's McCormick Ranch neighborhood is part of a political battleground that will help determine whether Republicans can gain power in November given the problems facing Democrats, including the highest price increases recorded in four decades

Interviews with residents and local business owners in the neighborhood on Scottsdale's eastern edge suggest any patience for higher inflation could reach a breaking point by November if prices keep rising or stay high.

A cheeseburger at the Vig restaurant in the Paseo Village shopping center costs \$19, up four dollars over the past two years. Gas at the Shell station is hovering close to \$5. Prestige Cleaners says the price of metal clothes hangers it uses is up 42% from a year ago, a cost it passes on to consumers.

Economists attribute the surge in inflation to several factors: disruptions to supply chains and shifts in consumption patterns caused by the pandemic, soaring oil prices driven in part by Russia's invasion of Ukraine, a decline in the labor force due to early retirements, concerns about Covid and other factors, and strong demand fueled by repeated rounds of fiscal stimulus and the ultralow in-



The Perilsteins, top, are looking for ways to save because of rising prices. Scottsdale Mayor David Ortega, left, thinks Democrats could pay a price in November. At the Vig tavern, right, line cooks earn between \$19 and \$22 an hour, up from \$15 to \$18.

getting prices under control.

collision of strong consumer de- it. That's why my top priority is a newly mapped congressional confronted him at Costco, upset

terest rates maintained by the Federal Reserve.

Since Mr. Biden took office, Phoenix and its suburbs have recorded the highest inflation jump among the nation's 21 largest metropolitan areas, U.S. Bureau of Labor Statistics data shows. The area's Consumer Price Index rose 10.9% from February 2021 through February 2022. the most recent month available, compared with the national average of 7.9%.

The southern half of McCormick Ranch. a development that began its transition from horse breeding grounds to suburban housing five decades ago, is filled with middle-class and upper-middle-class families, and retirees on fixed incomes vulnerable to inflation. It is territory both parties will compete for in this year's races for an open governor's seat and a U.S. Senate seat incumbent Democrat Mark Kelly wants to keep.

The Atlanta area, where there will also be key races in determining control of Congress. comes in a close second for inflation during this 12-month period, at 10.6%. The metros of Miami and Tampa, which include competitive districts in the battleground state of Florida, rank third and fourth.

Nationwide, the Wharton School of the University of Pennsylvania estimates that last year's inflation required the avhousehold to spend erage around \$3,500 more to achieve the same level of consumption of goods and services as in 2019 or 2020.

Debate over inflation's causes and how to address the situation have become a political wedge issue. Republicans blame Mr. Biden and other Democrats' injection of trillions of federal dollars into the economy for surging prices and are using the topic as part of their political advertising.

Democrats counter that there is more at work than just government policies, pointing to a mand as the pandemic eased. labor shortages, snarled supply chains and an invasion of Ukraine that have combined to trigger higher prices.

Today's round of price increases comes when jobs are plentiful, wages are rising, but below the inflation rate, home values are up and stocks are above where they were when Mr. Biden took office. Rising prices damp all that and are unsettling voters nationally. A Journal poll conducted March 2-7 showed 58% said inflation is causing them financial strain, while 65% said the economy is headed in the wrong direction. Close to half of voters-47%said they think Republicans can best tame inflation, compared with 30% who listed Democrats.

#### Unsettled voters

"I blame the Biden administration," said Vanessa Weeks, a 54-year-old interior designer who has lived in the neighborhood for more than three years. "There is no other way to look at it."

Ms. Weeks, an infrequent voter who considers herself an independent, said she's cooking at home much more than usual because of restaurant-price increases. She has tried to use as little heat as possible this winter because of high natural-gas prices and cut down on her driving and use of ride-shares because of their higher costs. She blames Mr. Biden for rising gas prices and for offering too much Covid assistance, which she thinks has boosted wages and inflation. "People don't want to work," she said.

Mr. Biden has at times said inflation will be temporary. He addressed it in a more robust way in his State of the Union address on March 1. "Too many families are struggling to keep up with the bills," he said. "Inflation is robbing them of the gains they thought otherwise they would be able to feel. I get

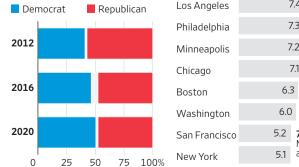
For the Phoenix metropolitan area, the most recently available year-ago monthly comparisons show gasoline costs were up 44%, natural gas jumped 17% and prices for meats, poultry, fish and eggs collectively rose 16%. Housing prices climbed 12%

Arizona recorded the nation's second-narrowest margin in the 2020 presidential election after Georgia, and the southern half of McCormick Ranch sits inside

#### Arizona's new 1st **Congressional District**



McCormick Ranch precinct presidential vote



\*New congressional boundaries approved by the Arizona Independent Redistricting Commission in December *†*Except for New York, Los Angeles and Chicago, inflation data is released every other month for the largest metro areas. For each area, a 12-month period was used, either from February 2021 to February 2022, or January 2021 to January 2022. Not seasonally adjusted Sources: Arizona Independent Redistricting Commission, AZ Geo Hub (district); Maricopa County Elections Department (voting); U.S. Bureau of Labor Statistics (inflation)

district that is also nearly evenly divided. Former President Donald Trump won the precinct that covers the southern half of the ranch by 1.4 percentage points in 2016. before Mr. Biden recorded a 2.7-percentage-point edge in 2020. In 2018, Democrat Kyrsten Sinema collected 50.98% of the precinct's vote in her first election to the Senate.

Rep. David Schweikert, a sixterm Republican who represents the neighborhood in Washington, said a constituent recently

#### Inflation rates<sup>†</sup> during Biden presidency

		:
Phoenix	10.9%	
Atlanta	10.6	•
Miami	9.8	
Tampa	9.6	
Baltimore	9.3	:
Riverside	8.6	
San Diego	8.2	
St. Louis	8.2	
Seattle	8.1	
Denver	7.9	
Dallas	7.8	
Houston	7.8	
Detroit	7.5	
Los Angeles	7.4	i
Philadelphia	7.3	
Minneapolis	7.2	
Chicago	7.1	
Boston	6.3	:
Washington	6.0	:
San Francisco		<b>9%</b> ationa
New York		erage

about the price of a roast she was about to buy. "People don't feel as safe or stable," he said. "At the end of the month, they just don't feel like they have the same amount of money in the bank.'

Following redistricting, the new 1st District where Mr. Schweikert plans to run for re-election is territory Mr. Biden carried by less than 2 percentage points.

Adam Metzendorf, a former executive with the Phoenix Suns professional basketball team and one of the Democrats seeking the party's nomination for the congressional seat that covers the neighborhood, said his party needed to make the case for more U.S. manufacturing.

"We need to try to produce more things here, so we aren't hampered as much by supply chain shortages," he said. "You also have to show empathy."

**Residents and local business** owners say they are feeling inflation's pain and will weigh the issue among others as they consider candidates this year. Bruce Johnson, 71, a registered Democrat who leans independent, attributes inflation mostly to the pandemic and suspects he'll vote for some Democrats in November.

"I don't much care for where the country is heading," he said, "and I tend to blame Republicans for that because of their obstructionist tactics."

A retired information-technology worker who has lived in the neighborhood since 2018. Mr. Johnson voted for Mr. Biden but hasn't been very impressed with the administration. "I think he's doing just OK," he said. "He got hit with so many tough nuts to crack, so there is no way for him to look good."

At Prestige Cleaners, owner Donn Frye says "we're getting hammered" by rising costs for cleaning supplies, labor and hangers. His Paseo Village location goes through close to 10,000 of the least expensive

Even with a household income of roughly \$200,000, the couple said they were looking for ways to save because of rising prices.

After voting for Mr. Trump in 2016, Mr. Perilstein, 38, said he backed Mr. Biden in 2020. While he doesn't want to see Mr. Trump in the White House again, he also isn't happy with his 2020 vote. "I want to see more done," he said. "It felt like Trump was doing more."

Ms. Perilstein, a self-described libertarian who mostly backs Democrats, said she has also been disappointed with the president after voting for him. "I don't think Biden is doing a good job. but I also think Congress is dysfunctional," she said. All that has left the couple unsure of which party they will back when they vote in the midterm elections.

At the Vig, a Southwesternthemed tavern, prices have moved higher on most items in recent months. Tucker Woodbury, a 63-year-old part owner. said prices have increased for almost all his ingredients.

The Vig raised line cooks' pay to between \$19 and \$22 an hour, up from \$15 to \$18 before the pandemic, he said, and dishwashers make \$18 an hour, up from \$12.50, and top managers have received 20% pay increases over the period.

Raw chicken wings sell for up to \$6 a pound, roughly triple the price before the pandemic, prompting the Vig to raise an order of wings to \$16 from \$12. "There's a certain point," he said, "where I'm almost embarrassed to price chicken wings where I have to."

## ARTS IN REVIEW | THE ACADEMY AWARDS



## The Popularity of This Year's Oscars **Best-Picture Nominees, Ranked**

BY ELLEN GAMERMAN, HARRY CARR, AND BRIAN WHITTON

hen the Oscars ceremony airs Sunday night, the films Hollywood deems awardsworthy and the films America deems popular will clash as awkwardly as exes on the red

carpet. Consider two top 10 lists. On one. the 10 movies from 2021 that were nominated for this year's best-picture Oscar. On the other, the 10 movies from 2021 that led the U.S. box office. The overlap between the two: Zero.

So what do Americans make of the best-picture nominees? The Wall Street Journal commissioned data-intelligence company Morning Consult to poll more than 4.400 adults nationwide this month to better understand which movies people actually watched. The Journal tracked additional results from Google

The highest quality, low-enjoyment nominee: People appear to have complex feelings about Oscar movies, calling a film high-quality and not fun in the same breaththe movie-watching equivalent of "it's not you, it's me." Here, "The Power of the Dog" reported the biggest gap between perceived quality and actual enjoyment. The

cowboy drama set in 1925 Montana directed by acclaimed filmmaker Jane Campion received 12 Oscar nominations, more than any other film. In the poll, the

Netflix movie ranked fifth in quality but ninth in enjoyment.

The movie that Oscars watchers think should win: Americans who plan to watch the Oscars are most likely to say that either "West Side Story" or "King Richard" should win best picture. "West Side Story," directed by 19-time Oscar nominee and three-time Oscar winner Steven Spielberg, mixes familiar storytelling and modern choreography in a retelling of an American classic. "King Richard," the story of Richard Williams-father of tennis greats Venus and Serena Williams—stars Will Smith. Hollywood royalty and the anticipated winner for best actor.

Captions from left: 'West Side Story,' 'Dune' and 'CODA.'

The movie that Oscar watchers think will win: Adults overall are most likely to say "West Side Story" will win best picture, with "King Richard" the second-most likely pick, according to the poll.

The most popular best-picture nominee overall: The one title evervone could agree on: "Dune." The science-fiction epic, a windswept story of spice currency and sand worms, nabbed the top slot for most popular film when polling data, social-media mentions and Google searches

were combined for an overall WSJ popular-

ity score. By other measures, the movie also stands apart, beating out every best-picture nominee in grosses last year. The movie, which made more than \$400 million, was the

The other nominees on the WSJ rankings, in descending order of popularity: "Don't Look Up," "West Side Story, "King Rich-ard," "The Power of the Dog," "CODA," "Nightmare Alley," "Belfast," "Licorice Pizza" and "Drive My Car."

The disgualified front-runner in nearly every category: "Spider-Man: No Way Home" was included in the research to serve as a benchmark for popularity, from Oscar worthiness to enjoyment. But the results don't apply

because the movie wasn't nominated for best picture. It nabbed just one Oscar nomination, for visual effects, a category where "Dune" is favored to win. "Spider-Man" was the biggest hit of 2021, with a pandemic-era global box office haul of nearly \$1.9 billion.

The most deserving nominee ac-

"West Side Story" in a tie, and "King Richard" in fourth.

The biggest movie on Twitter:

Oscar watchers put "CODA" and "The Power of the Dog" in a tight race for best picture. But when it comes to mentions on Twitter between March 16 and March 22, "CODA" is the clear winner. The movie, about a hearing young woman among deaf family members in a New England fishing community, recently won the top prize in film at the Producers Guild Awards. It racked up roughly twice the Twitter mentions as "The Power of the Dog," according to the Journal's analysis of socialmedia data.

The most-watched movie ac-

cording to polling data: Want viewer data? Don't look up "Don't Look Up" because the numbers aren't there. Popularity of the film from Netflix, which like other streaming platforms keeps detailed audience statistics private, has been tough to quantify. But in the poll, more people reported watching "Don't Look Up" than any other best-picture nominee. What's more, among best-picture nominees "Don't Look Up' pleased the largest proportion of its viewers, with 86 percent saying they enjoyed it, according to the poll. The global-warming allegory—a darkly comic take on the end of the world—featured one of last year's starriest casts with Meryl Streep, Jennifer Lawrence and Leonardo DiCaprio.

The busiest nominee on social

media: "Dune" was the most talked about on Reddit and the most searched on Google among the nominees, according to Journal research. The film's cast includes Zendaya, the "Spider-Man" love interest and a star of the edgy HBO cult hit show "Euphoria." Along-

side her in the cast are Timothée Chalamet and Oscar Isaac, heartthrobs to Gen Zs and their moms, respectively. Gen Z has thrown its weight behind "Dune," breaking with

older adults by predicting that the space opera will win best picture.

The least popular films, according to polling, search and socialmedia data: "Belfast" had Oscar watchers predicting a best-picture win earlier in awards season. Those prognosticators now see its victory as a longer shot, a status reflected in the rankings. Director Kenneth Branagh's mostly blackand-white film based on his childhood in violence-torn Northern Ireland ranked on the bottom half of the scale. Keeping it company on the lower end of the popularity spectrum: "Nightmare Alley," a noirish story of a 1940s con man; "Licorice Pizza," a coming-of-age love story set in California's San Fernando Valley in the 1970s; and "Drive My Car," a subtitled Japanese drama about a grieving widower that was two hours and 59 minutes long.

searches and mentions on Twitter and Reddit. The paper measured films using these

metrics and created separate popularity scores by combining all the data.

10 highlights from the WSJ Oscar Rankings:

13th-biggest film at the domestic box office in 2021 and the 11th-biggest globally, according to Box Office Mojo. This, even though it premiered simultaneously on the streaming platform HBO Max-to the chagrin of "Dune" director Denis Villeneuve.

cording to "Spider-Man" viewers: "Spider-Man" viewers who saw at least one best-picture nominee-a subset of people who might be more likely to go to the moviescalled "Spider-Man" the most deserving of a best-picture nomination, followed by "Dune" and

## Looking Past the Oscars

#### By JOE MORGENSTERN

ere's how the Oscars work, at least according to the account on the official Oscars website. "Each January, the entertainment community and film fans around the world turn their attention to the Academy Awards. Interest and anticipation builds to a fevered [sic] pitch leading up to the Oscar telecast, when hundreds of millions of movie lovers tune in to watch the glamorous ceremony and learn who will receive the highest honors in filmmaking."

Oh, for the days when such prose didn't seem to describe a fever dream of global dominance. Everyone knows the best days of the Oscars telecasts are behind us. Yet on Sunday, viewers will once again be tuning in to see how this year's edition of the show, a work in perennially fitful progress, measures up to the shining ideal of the motion picture medium and its lustrous trappings.

The Golden Age of Hollywood started in the 1930s-much earlier, if you include the Silent Era-and extended at least through the 1940s,, but you don't have to go back that far for great Oscar nights when the nominees for best picture would include a resplendent example of popular entertainment and one or more features that were much smaller in Seatures that were inden small. Scale but loomed large for their artistry. In 1978 the excitement focused on "Star Wars" and "Annie Hall." In 1998, when U.S. viewership reached a peak in excess of 55 million, two of the main attractions were "Titanic" and "L.A. Confidential," and Billy Crystal was back on stage for the sixth time as host of the proceedings.

Now, after three years of no-host shows, a concept less welcoming

than a no-host bar, we'll have three hosts but eight fewer categories of awards bestowed during the broadcast, rather than pre-taped and pasted in: maybe the Academy of Motion Picture Arts and Sciences assumes that viewers won't miss the arts that aren't part of betting pools. However wrong-headed that decision may be-one of the banished eight, production design, is fundamental to the distinction of best-picture nominees "Dune" and "The Power of the Dog"the need for some sort of change has been as clear as the show's chronic probon regular attendance. (It's not a good sign that AMC, the world's largest theater chain, recently bought a substantial stake in a gold-mining venture. The prospect of Oscar gold is one thing, but the value of gold gold is another.) And, breaking news, there are still too many awards shows, even after the demise, or forced recess, of the Golden Globes.

to the Academy Awards, just as the Academy website says. For decades, in fact, the payment has started in early autumn, when the awards season gets under way. And the annual obsession with who'll win what-the horse race so beloved by publicists and entertainment journalists, and so distracting or destructive for artistscan make people forget what an in-



Hidetoshi Nishijima and Toko Miura in 'Drive My Car'

lems: fatuous hosts, windy speeches, bloated running times, shrinking audiences, declining ratings.

Other challenges lie beyond the control of the show's producers. The on-again-off-again, what-are-the-latest-rules-again pandemic keeps inflicting collateral damage on movie theaters, whose bottom lines depend not only on pictures and popcorn but

As if all of this weren't sufficiently heavy baggage for a once-a-year celebration of excellence (with plenty of time-outs for ardent self-congratulation), the Oscars are increasingly seen in the context of the motion picture medium's future, which is cloudy at best, and its current situation, which is, to put it generously, fluid.

Yes, attention is paid each January

constant source of enjoyment the theatrical medium has become. Once upon a time interesting new movies arrived in neighborhood theaters every week. Now, each January, after the awards season has run its exhausting course, the movie business takes a long winter's nap and there's little worth seeing for months to come.

This dearth of worthy mainstream

movies is attributable only in part to the pandemic. Exhibitors have worried for years about where they'd find enough good movies to fill their screens. Now they're terrified by a new normal in which features from Pixar, not so long ago the platinum standard of big-screen storytelling, go directly to Disney+, and "Dune," a theatrical experience if ever there was one, opens simultaneously on HBO Max and in physical theaters. Meanwhile, the streaming revolution proceeds not just as a stream but a ceaseless torrent of bad, good and wonderful product that slakes an ever-growing thirst for home viewing

Still, movie love continues to burn bright, remarkable movies continue to be made, and many get the nominations they deserve. Rather than dwell on the omissions or snubs, I'll point to one film that received four nominations in what amounts to a singular feat, considering what it is, and an expression of Academy voters' respect for exceptional achievement at a time when it's in short supply, of their yearning to do good work themselves, and of their belief that audiences will continue to welcome new and immersive experiences.

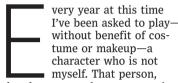
What's the film? "Drive My Car," which. no matter what you may have heard, is not this year's version of "Ford v Ferrari." What is it, then? Well, it's one minute shy of three hours long; spoken and/or signed in Japanese plus eight other languages that few Americans understand; steeped in the theater arts; mysteriously poetic; and, against the longest odds in Academy Awards memory, nominated for Directing, Adapted Screenplay, International Feature and Best Picture. That's entertainment redefined.

### ARTS IN REVIEW | THE ACADEMY AWARDS

## Who Should Win Oscars? **Our Movie Critic's Top Picks**



#### By JOE MORGENSTERN



character who is not myself. That person, who also goes under my name, is supposed to be a cinema clairvoyant who can predict the winners of six main Oscar categories several days before they are revealed on TV. And every year the previous errors of that person's ways have either been forgiven or forgotten; otherwise why would he be invited

to offer new prognostications? Here we go again, then, with statements of blithe certitude about who will win, along with assertions, by my actual self, about who, in a better world of entertainment than this one may be, should go home after the show in the company of a small gold statue.

#### **Best Picture**

Should win: "Licorice Pizza" Will win: "The Power of the Dog"

Enjoyment is the operative word here. In "Licorice Pizza," Paul Thomas Anderson, a filmmaker who usually takes a darker view of American life, has gone back to the San Fernando Valley in the early 1970s, when he was growing up there, to give us a hugely enjoyable tale of eccentric young love, proto-capitalism and seductive prospects. I can't say I en-

scale but popular "CODA" has been winning lots of other awards lately and may profit from the Academy's preferential voting

system.

Cooper Hoffman and Alana Haim in 'Licorice Pizza.'

#### **Best Director**

Should win: Paul Thomas Anderson Will win: Jane Campion

If ever there was a sure-ish thing in Oscar competition, it is that this is Jane Campion's moment to win what she didn't win almost 30 years ago for "The Piano." It is a fascinating category this year. I'm all for Paul Thomas Anderson, for reasons stated above, but you could make a strong case for any of the other nominees: Steven Spielberg, who brought a veteran's assurance and a young man's energy to his renovation of "West Side Story"; Ryûsuke Hamaguchi, the visionary behind "Drive My Car," and Kenneth Branagh, whose "Belfast" has been getting plenty of respect but, given its warmth and urgency, insufficient love.

**Best Actor** Should win: Will Smith Will win: Will Smith

Here, too, almost any of the nomi-

nees would be

an unassailable

choice—Andrew

Garfield as Jona-

than Larson in

tick...BOOM!",

Denzel Washing-

Cumberbatch as

Phil Burbank,

the tormented

and tormenting

rancher in "The

Power Of the

Dog." But Will

ther of the ten-

Smith's Richard

Williams, the fa-

ton as Macbeth

or Benedict

"tick,



nis prodigies Venus and Serena Williams, is an irresistible combination of passion, contradiction and magisterial zest. The mystery is why "King Richard" has been seen mainly as a crowd-pleaserhardly an insult, to be sure-rather than the ambitious, complex and deeply affecting drama that it is.

#### **Best Actress**

Should win: Penélope Cruz Will win: Jessica Chastain

When you've followed a movie star's career over the decades, you come to feel a familiarity that can be confused with predictability. Penelope Cruz is never less than mesmerizing, especially as the muse of the great Spanish filmmaker Pedro Almodóvar. Another word that is often used to evoke

her screen persona is radiant. New words are frequently needed, though, to describe her growth from one film to the next. Let's just say that Mr. Almodóvar's "Parallel Mothers," in which she plays a radiant single mother-to-be with a war-scarred past, finds Ms. Cruz at the very height of her powers.

#### **Best Supporting Actor**

Should win: Kodi Smit-McPhee Will win: Troy Kotsur

Whether or not "CODA" pulls off an upset and wins as best picture, Academy voters may well reward Troy Kotsur for his stirring performance as the deaf father and Gloucester, Mass. fisherman. But Kodi Smit-McPhee manages to be at one and the same time the powerfully animating spirit of "The Power Of the Dog"—his character, Peter Gordon, foreshadows the whole story in a brief voice over that precedes the first images-and a self-effacing, almost spectral

presence. Mr. Smit-McPhee plays implacable strength behind a façade of apparent fragility.

#### **Best Supporting Actress** Should win: Ariana DeBose Will win: Ariana DeBose

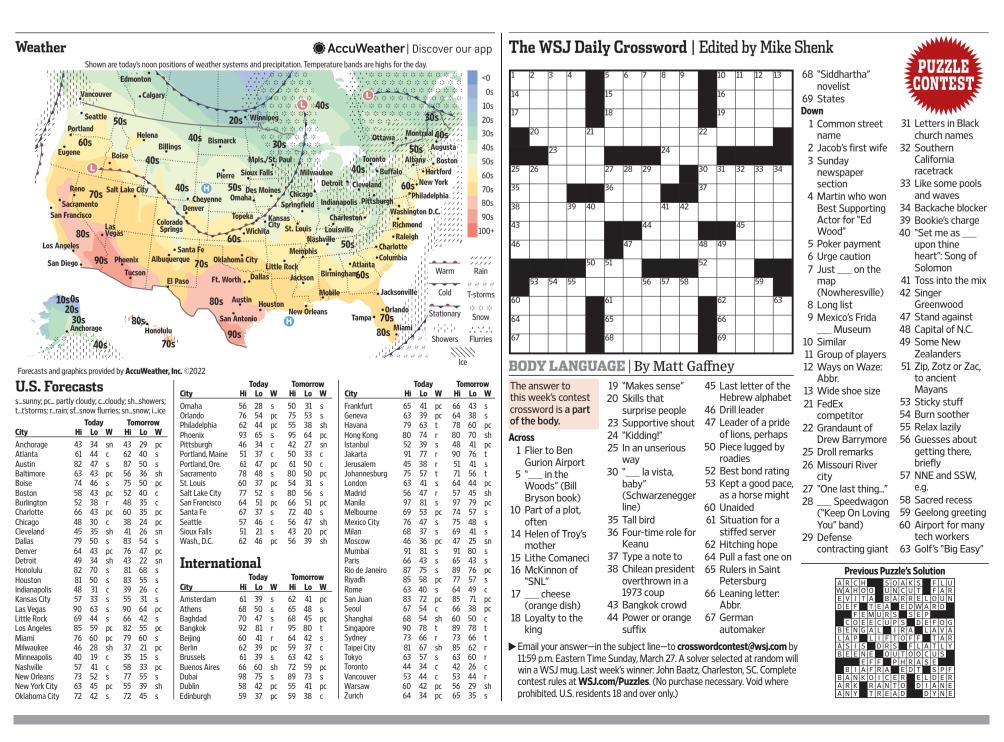
Never mind, at least for a moment, "The Power Of the Dog." Ariana DeBose, as Anita in "West :(2) Side Story," is the dynamo who powers the whole production. It is the role that Rita Moreno originated in the 1961 film version of the Broadway musical. Ms. De-Bose makes it her own, dominating every scene she appears in. She also dominates a category full of splendid contenders, most notably Aunjanue Ellis as Óracene "Brandy" Williams, the formidable wife and mother in "King Richard," and Judi Dench, in "Belfast," as the grandmother who stays tuned to everyone in the house without looking up from her knitting



loved "The Power of the Dog though I certainly admired the power of its images and themes. Jane Campion's Western will still prevail, even though the small-



Ariana DeBose, center, is nominated for her role in 'West Side Story.'



## **SPORTS**

#### BY LAINE HIGGINS

San Francisco

For the second straight year, Gonzaga was the No. 1 seed in the men's NCAA basketball tournament. And for the second straight year, Gonzaga has come up short in its bid to land the school's first national title.

Title hopes are still alive for legendary Duke coach Mike Krzyzewski, whose young squad overcame a four-point halftime deficit to beat No. 3-seed Texas Tech 78-73 in the West region. Thursday's win extends Coach K's final season by at least one more game, as the Blue Devils will face 4-seed Arkansas in the Elite Eight on Saturday.

With Texas Tech leading 68-66, Duke freshman Paolo Banchero hit a 3-pointer to put the Blue Devils up by one with just under three minutes left. Duke then held on to win the game.

Elsewhere in the bracket in the South region, No. 2 Villanova ended an unlikely Cinderella bid from Michigan, an 11-seed, by beating the Wolverines 63-55.

Arkansas withstood the Bulldogs' frantic pace of play and its twin menacing big men to beat Gonzaga 74-68, behind 21 points from point guard JD Notae and a double-double from forward Jaylin Williams.

The result knocked out the team many saw as the prohibitive favorite in the tournament. Gonzaga was equally popular with the experts and the fans-in addition to being named the top seed by the NCAA's selection committee, nearly a third of the brackets filled out with ESPN picked Gonzaga to win it all.

It was the kind of advance notoriety that made Arkansas a prototype underdog—underappreciated and underestimated.

"Gonzaga just presents a lot of problems, and that's why they're being talked about, as far as being a team that's going to advance beyond this," Arkansas coach Eric Musselman said before the game. "There's not been much talk about Arkansas."

That changed on Thursday night. The Razorbacks came into the Sweet 16 as fourth-seeded underdogs in the West region. But it was the last team standing from the Southeastern Conference, which had seen higher-seeded teams like Kentucky, Auburn and Tennessee fall on the first weekend.

Arkansas advances to the Elite Eight, where it will play the winner of Thursday night's late game between No. 2 Duke and No. 3 Texas Tech.

Gonzaga was initially in control against Arkansas The Zags, one of the fastest teams in the NCAA, sprinted down the court so fast in transition that every offensive possession felt like a fast break or a chance to shoot an uncontested 3-pointer.

But Arkansas's transition defense came prepared to seize on Gonzaga's mistakes. With every shot the Zags launched, Arkansas was there to snap up the defensive rebound and deny their opponent a second-chance shot. It allowed

## Arkansas Knocks Out No. 1 Gonzaga, While Duke Edges Texas Tech

The Razorbacks will take on the Blue Devils for a berth in the Final Four



#### Above, Arkansas forward Kamani Johnson celebrates during the win. Right, **Duke and Mike** Krzyzewski advanced to the Elite Eight.

Arkansas to muscle back into contention when Gonzaga's shots stopped falling and grab a lead, 17-16, just under 10 minutes in. Arkansas finished the half on top, 32-29.

"Their defense was tough to get a rhythm against," Zags coach Mark Few said after the loss. "To me that was the difference in the game."

Chet Holmgren-Gonzaga's lanky 7-foot center, expected to be a lottery pick in the 2022 NBA draft—was not much of a factor early on. He didn't score a single point in the first half, but still managed to affect the game on de-



yawning deficit forced Gonzaga into taking three-point shots—a seemingly comfortable proposition for a team with one of the nation's highest percentage of made 3point field goals. But the shots from beyond the arc weren't falling for the Zags, who finished 5 for 21 from deep. An additional blow came with 3:29 left, when Holmgren left the game after picking up his fifth personal foul. Then, Arkansas delivered the knockout punch. Guard Au'Diese Toney blocked a shot that would

have put Gonzaga within one possession of tying it up with 10 seconds left. After the Bulldogs airballed a 3-pointer and fouled Gonzaga's point guard, Toney stomped down the floor to

On paper, this Gonzaga team was a shade less dominant than last year's Zags, which lost in the title game to Bayor. Its offense was not quite as devastatingly efficient but Few's squad was still viewed as the best of the 68 tournament teams. Yet Arkansas's upset was just

the latest chapter in an uncharacteristically shaky NCAA Tournament run for Gonzaga in 2022. Pitted against the No. 16-seeded Georgia State, the Zags struggled before settling into a groove in the second half and winning, 93-72.

Then, No. 9-seed Memphis, outhustled a listless Bulldogs squad and forced Gonzaga to claw its way into the Sweet 16 with a hardfought 82-78 win.

Gonzaga has been steadily crafting itself into a powerhouse since its surprise run to the Sweet 16 in 1999. In the decades since, the Zags played in two Final Fours. Prior to have made nine more regionals and Thursday, Gonzaga had not trailed at the halfway mark of consecutive  $\geq$ NCAA Tournament games since 2009, according to Stats LLC.

It was a trajectory similar to what Krzyzewski did over his four decades at Duke, where he turned the Blue Devils into bonafide blue bloods by winning five national championships and 15 Atlantic Coast Conference tournament titles.

But the Zags also have a history  $\exists$ of early NCAA tournament exits. They have lost in the second round "

tense.

But Holmgren awakened for nine points in the opening minutes of the second half, briefly putting the Zags back on top, 33-32, in the first two minutes.

The lead wouldn't last, and the

eight times and twice more in the opening game of the Big Dance un-  $\frac{3}{2}$ der Few. Things have been trending upwards for Gonzaga since 2015, but they have still never won a it all.

### The Nets Will Have Kyrie Irving In the Playoffs—If They Get There

#### By BEN COHEN

#### THE NBA'S TRADE DEADLINE

has passed and free agency is still months away, but what might be the most consequential move of the season came on Thursday in a baseball stadium, where a mayor introduced a policy carveout that applies to one person in the league

After his refusal to get vaccinated cost him millions of dollars and months of games, Nets star Kyrie Irving was cleared to play at home by New York City Mayor Eric Adams, who exempted professional athletes from the vaccine mandate for private employers that had vexed one Brooklyn workplace for most of this NBA season.

The mayor announcing his decision on a rainy morning at Citi Field, surrounded by New York Yankees and Mets officials, was a sudden end to the paralyzing uncertainty and months of vaccine drama that hung over the Nets. But the saga of Irving's vaccination status is far from over.

The special permission for New York's sports teams, which one influential public-health adviser who opposes the exception called "the Kyrie carveout," comes weeks before the start of the NBA playoffs. Until Thursday, the Nets had faced the prospect of chasing a title without one of their best players, and the city's politicians feared the dissonant image of a maskless Irving sitting courtside to watch



Memphis's Steven Adams, left, defends against the Brooklyn Nets' Kyrie Irving.

home games instead of being on the court.

Those issues have been resolved, but the Nets are still reeling from the fallout of Irving's vaccine denial and mandate defiance.

The Nets began this season as the overwhelming title favorites with a frighteningly talented roster, and they still have the best odds of winning the Eastern Conference-but that's far more remarkable now than it was six months ago. Instead of cruising toward the playoffs, they're fighting their way in. With a disappointing 38-35 record, they're currently the No. 8 seed in the East, and they will almost certainly have to win at least one game in the NBA's play-in tournament to qualify for the postseason.

While they no longer have to worry about Irving's availability in the playoffs, there remains a possibility that he won't be cleared for the play-in.

The most likely No. 7 vs. No. 8 matchup would find the Nets heading to Toronto to play the Raptors, which presents another problem for Irving: The league's unvaccinated players are not even allowed to enter Canada. If they were to

lose in Toronto, the Nets would return to Brooklyn with one last chance to make the playoffs. Thursday's exemption would allow Irving to play in that game with the season on the line.

If the Nets do make the playoffs, they will be the Great Danes of underdogs, a No. 7 or No. 8 seed with Kevin Durant, Irving and possibly Ben Simmons. They are the one team the Miami Heat, Philadelphia 76ers, Milwaukee Bucks and Boston Celtics don't want to see in the first round. But the Nets wouldn't exactly be thrilled with any of those series, either, especially since they might have to get past three of those four teams just to make the NBA Finals.

An unexpected battle for the last playoff spots and a potentially brutal path through April, May and June are only the latest aftershocks from Irving's unwillingness to roll up his sleeves for a Covid shot. His resistance made him an outlier in a league with a 97% vaccination and 75% booster rate and placed him alongside tennis star Novak Djokovic as the world's most prominent athletes who refused to get vaccinated and risked the consequences.

Those consequences were severe. Irving has missed 53 of his team's 73 games this season and lost a significant chunk of his \$35 million salary. He was effectively shunned by the Nets in October, when they said he couldn't be a part-time NBA player who played only on the road. He returned from his banishment in December, when their roster was so depleted by the Omicron variant they welcomed back their unvaccinated exile. Then he promptly entered the league's Covid protocols and missed two more weeks.

The foundation of a superteam the Nets constructed last season by uniting Durant, Irving and James Harden was already crumbling by then. Then it cracked. In the hours before the NBA's trade deadline in February, under mounting pressure to make a deal, the Nets sent Harden to the Philadelphia 76ers.

What happened in the year since they mortgaged their future to acquire him was unimaginable. Torn apart by injuries and indifference, Brooklyn's three superstars managed to play a total of 16 games together, as the Nets' dynasty on paper was shredded by reality.

Meanwhile, as they plotted for playoff series against Giannis Antetokounmpo and Joel Embiid, the Nets were privately negotiating and publicly bickering with Adams, the former Brooklyn borough president who became New York City mayor in January. The ordinance that sidelined Irving but allowed the unvaccinated from other teams to play the Nets took blistering criticism from Durant, NBA commissioner Adam Silver and Adams himself, who urged Irving to get the shot while acknowledging the rule that he continued to enforce was ridiculous and "makes no sense."

The mayor said repeatedly that "it would send the wrong message" to create a sports loophole, insisting as recently as last week there wouldn't be a carveout for Irving. But he often tempered his defense of City Hall policy with reminders of his own personal rooting interests.

"Listen, I want Kyrie on the court," he said in late February. "I "Listen, I want Kyrie on the would do anything to get that ring."

## **OPINION**

## Judge Jackson and 'Dark Money'



POTOMAC WATCH By Kimberley A. Strassel

Sheldon Whitehouse's glass house shattering. The Rhode Island Democrat

anji

noise:

has spent a decade hucking boulders at his favorite bogevman, "dark money." When not threatening judges, Mr. Whitehouse papers the Capitol with reports that claim to expose the shady links between covert right-wing "front groups" funded with dirty "multimil-lion-dollar checks" and secretly giving orders to conservative Supreme Court justices. Mr. Whitehouse hasn't yet accused the Federalist Society of inventing dark money in a Wuhan lab—but give him time.

So with no small delight, Republicans spent the week highlighting the extent to which Judge Jackson's nomination was driven by covert left-wing front groups funded by much bigger checks with the aim of influencing the high court. The reason Mr. Whitehouse is such an expert on "dark money" is that his side has used it longer, and does so far bigger and better. With the Jackson nomination exposing this truth, maybe Washington can finally have a more honest debate about what's really at stake: free speech.

The term "dark money"

In the backcame into existence only 12 ground of this years ago, when the left-leaning Sunlight Foundation used week's nomination hearit in the wake of the Supreme ings for Su-Court's ruling in Citizens preme Court United v. Federal Election nominee Ket-Commission. Both sides had long had nonprofits, and both Brown Jackson, one had long understood the imcould hear a portance of applying First welcome Amendment protections to do-Sen. nors. Yet the left resented that Citizens United opened a path for a growing conservative nonprofit movement to compete more directly in the political arena, President Obama launched a campaign against "shadowy" right-wing groups and donors, inspiring the Internal Revenue Service's scan-

dalous targeting and intimidation of conservative nonprofits. The slurs against conserva-

tives deflected from the left's own "dark money" operation—which dwarfs anything on the right, including in Supreme Court fights. The left pioneered this activism in 1987, when a "dark money" outfit known as People for the American Way spent \$1.5 million on attack ads against Robert Bork.

The left's new high-court power player is Demand Justice, whose mark on the Jackson nomination is anything but secret. Demand Justice spearheaded campaigns against Donald Trump's judicial nominees, including vicious attacks on Justice Brett Kavanaugh. It issued "grades' of Senate Democrats, rating their efforts to halt Trump appointments, and is a leading advocate of court-packing. It led the pressure campaign on dark-money sister nonprofit

Justice Stephen Breyer to retire, even hiring a billboard truck reading "Breyer, retire" to circle the Supreme Court.

Demand Justice in 2019 issued a "shortlist" of acceptable liberal picks to the Supreme Court, and this month it invested \$1 million in an ad campaign for Judge Jackson. Not that Demand Justice needed ads to exercise sway.

Her hearings expose the hypocrisy of Sen. Sheldon Whitehouse's crusade against it.

White House press secretary Jen Psaki is a former communications consultant to the group. Senior White House counsel Paige Herwig-assigned to shepherd the Biden pick-was deputy counsel at Demand Justice. And the group's executive director, Brian Fallon, is a former communications director for Senate Majority Leader Chuck Schumer.

Demand Justice was a project of the Sixteen Thirty Fund, which the Atlantic calls the "indisputable heavyweight of Democratic dark money." Mr. Whitehouse loves to accuse the Federalist Society of collecting \$400 million in "dark" donations over four years. The Sixteen Thirty Fund doled out \$410 million in "dark" funding in 2020 alone.

The fund was itself seeded by an array of dark-money outfits; operates alongside a

(New Venture Fund) that makes grants to dark-money left-wing causes; and is managed by Arabella Advisers, which oversees a network of dark-money liberal nonprofits. Mr. Whitehouse would need the rest of his life to untangle this web if he honestly cared about revealing dark money.

He doesn't, as this week amusingly exposed. The senator furiously tried and failed to revert attention back to "right wing" dollars, at one point contorting himself into a defense of liberal dark money. The Jackson hearings made clear the only thing Mr. Whitehouse and his media partisans care about is winning. Their goal is to muzzle the right, using "disclosure" to unleash liberal mobs that will intimidate conservative donors into submission. Barring new disclosure rules (which liberal nonprofits oppose). he'll use the dark-money issue to paint opponents as sneaky and corrupt. That gets harder now, even as the media spent the week portraying GOP senators as hypocrites.

Republicans would have been smarter this week to have done more than just point out the "dark money" reality. This was a chance to stand up for free speech. Both sides exercised it during the Trump nominations: both sides are exercising it now. It can be ugly, but it is fundamental to American political debate, and neither side has a monopoly. Or at least not so long as Mr. Whitehouse fails sell his partisan to "dark money" agenda.

Write to kim@wsj.com.

### A Vicious Circle of Cultural Erasure

HOUSES OF "One WORSHIP doesn't make By Simon you Maghakyan another war," François-Xa-

vier Bellamy. a French member of the European Parliament, said on March 10. While the world's eyes are on Ukraine, the European Parliament still found time this month to condemn Azerbaijan's war against Armenia's sacred past. This solidarity is encouraging but insufficient.

On Feb. 3 the Azerbaijani government announced that it would target hundreds of sacred sites that bear witness to Armenian Christian history in the disputed Nagorno-Karabakh region. "A working group of specialists," pro-government media quoted culture minister Anar Karimov as sav ing, "has been set up to remove the fictitious traces written by Armenians." Fictitious traces? Armenian presence in the area goes back thousands of years and can be seen in innumerable monuments. Some churches have roots in the early fourth century, and no serious scholar disputes their authenticity. But Azerbaijan, a majority-Muslim country that conquered much of the region in a 2020 war, is deploying a government-promoted conspiracy theory that casts Armenian cultural monuments as fake. As the Cornell University-based Caucasus Heritage Watch shows in its satellite research, even Armenian cemeteries haven't been safe from Azerbaijan's wrath since 2020. Tombstones, new and old alike, are bulldozed in the name of construction. Azerbaijan proclaims that Armenians did not exist in Nagorno-Karabakh until the 19th This conspiracy centurv. theory references Caucasian

war Albania, a kingdom northeast Azerbaijan is taking advantage of Nagorno-Karabakh that forget ceased existence in the ninth century. During the Soviet era, to compete with Armenian and Georgian narratives, Azerbaijani scholars claimed Caucasian Albanians as their ancestors, eventually extending the discredited theory to proclaim that Armenian heritage is stolen Caucasian Albanian heritage. In 2020, Azerbaijan introduced a new conspiracy theory, claiming that Armenian khachkar monuments are "artificially aged."

Between 1997 and 2006, Azerbaijan covertly flattened every trace of Armenian Christianity in historically disputed areas it controlled already. Azerbaijan now says that the thousands of destroyed monuments, including the prominent churches of Agulis and the celebrated necropolis of Djulfa, never existed. That Baku would extend this project to its new dominions is brazen but unsurprising. In December, the International Court of Justice ordered Azerbaijan to "take all necessarv measures to prevent and punish acts of vandalism and desecration." The organization was particularly concerned with Azerbaijan's practice of relabeling Armenian monuments as Caucasian Albanian. After some backlash, Azerbaijan's Culture Ministry walked back part of the Feb. 3 announcement in a new text that was less threatening, but the milder language should fool no one. A 2005 commission created by the Azerbaijani authorities in Nakhichevan identified a list of surviving Armenian monuments for erasure but didn't explicitly mention destroying them. The monuments were swiftly flattened. As a natural-gas producer,

of the war in Ukraine: European countries looking to reduce dependence on Moscow are turning to Baku. Some of the isolation it faced from Brussels and Washington after the 2020 war is ending. As the world is distracted with the bloodshed in Ukraine, Baku projects power over newly conquered territory by destroying cultural artifacts.

Can Azerbaijani leaders step up and end the conflict with Armenia?

The goal is to push Arme-

gious leaders promoted mutual pilgrimages after the first Nagorno-Karabakh war ended in 1994, perhaps more monuments would have survived. Ideas for practical confidence-building measures, like installing public video monitors at churches and mosques, remain ideas.

As a researcher of cultural politics who wishes to prevent more erasure, I try to encourage dialogue. In February, I sent an email to Azerbaijan's Sheikh-ul-Islam Allahshukur Pashazade. "Your Virtue," I asked the religious leader of Azerbaijan, "did you approve the building of a mosque in your honor on the site of a destroyed church?" Caucasus Heritage Watch satellite images showed that a mosque built a few years ago in Nakhichevan in his honor replaced a medieval Armenian church that once stood there. Earlier, he attended the opening of at least one other mosque built in place of an Armenian church in Abrakunis.

**BOOKSHELF** | By Lettie Teague

## Ticket To Ride

#### A Man Walks Into a Barn

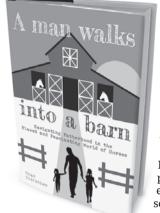
By Chad Oldfather

(Trafalgar Square, 325 pages, \$24.95)

ooks about fathers and sons are fairly common, books about fathers and their daughters somewhat less so. A book about a father, three daughters, several horses, social demographics, and the teaching and practice of both law and riding must surely belong to a genre of one.

Chad Oldfather is a professor at Marquette University Law School in Milwaukee and the father of three horse-crazy girls (now grown). "A Man Walks Into a Barn" is his witty, often wistful take on parenting, pedagogy, and life lessons learned while navigating the insular and expensive world of horses and "horse people."

Although Mr. Oldfather grew up on a farm in the "unfortunately named" town of Kiester, Minn., it was his then-5year-old daughter Ada who brought horses into his life



some 16 years ago. A visit to Appy Orse Acres in Fredonia, Wis., a riding stable 30 minutes from their home, was his and his daughter's introduction to equestrian sports. (Mr. Oldfather explored these early years with Ada in his blog, 'Horse Show Dad," on the website of the Chronicle of the Horse magazine.)

As his education progressed Mr. Oldfather discovered many parallels between the legal and equestrian worlds. "As a law school professor, I've come to understand that the activity we

might call 'doing law' is something that at a fundamental level is like riding," he writes. "True mastery of either requires a nuanced understanding, a feel that can be developed only through repetition over time."

That understanding was to be increased twice over when Ada's younger sisters, twins Audrey and Laura, decided they too wanted to ride-and to compete in horse shows. And soon enough, the girls were petitioning for a horse of their own. That their first horse should be named Cash seems apt: Mr. Oldfather makes frequent note of the money required to compete in the Hunter/Jumper and equitation divisions of this new world that his daughters had chosen. They'd entered the most privileged realms of a most privileged sport.

Mr. Oldfather's discursive treatise on this kind of riding is subtle and detailed, but here it is in a nutshell. Hunter/ Jumper classes involve riding horses over a series of fences sometimes timed (jumpers), sometimes not (hunters). The focus is, in the end, on the ability of the horse. When the rider's form is judged-when poise, control and sheer horsemanship are the focus-those classes are called "equitation."

It's a world where six-figure horses are remarkably commonplace and the children of billionaires like Bill Gates are among the top riders. While the Oldfather girls were financially far from, say, the Springsteens and the Bloombergs, Mr. Oldfather acknowledges their relative privilege: "We knew plenty of kids from the Appy Orse who had all the passion, talent, and discipline to succeed in the 'A'-show world but not the resources to make that happen, and so we understood we were among the lucky ones." And yet, Mr. Oldfather notes, there was a yearning for more: "The human tendency is to gaze upward, and to focus on what others have that you don't." Family finances were stretched and retirement plans rejiggered so that the girls might have the opportunity to excel.

One lawyer's witty, often wistful take on

nians out entirely. As their sacred sites are targeted—and their secular infrastructure is deliberately damaged-many will become demoralized and voluntarily leave. In this part of the world, if you don't have a place of memory, you have nothing

Azerbaijan's government might cast the destruction of Armenian monuments as revenge for damage caused to Islamic monuments that were under Armenian control in Nagorno-Karabakh until 2020. But this is a false equivalence. Many sites sustained damage, but there is no evidence of systematic, let alone state-sponsored. erasure. That's why the International Court of Justice rejected Azerbaijan's counteraccusation against Armenians last year.

Not that Armenians are blameless. Before the war, Azerbaijanis couldn't access their sacred sites in the area controlled by Armenians. Now the roles are flipped. Had Armenian and Azerbaijani reli-

I didn't receive a response, but I still pray that the sheikh will use his voice to advocate for resuming Armenian pilgrimages to Dadivank, one of the most sacred Armenian sites to come under Azerbaijan's control in 2020.

The practice of erasing a culture only feeds conflict. Azerbaijan's religious leader, despite effectively serving at the pleasure of the president, has more power than global institutions like the European Parliament to stop cultural erasure in Nagorno-Karabakh. He has an opportunity to end this vicious circle—if he has the courage to act.

Mr. Maghakyan is a visiting scholar at Tufts University and executive director of Save Armenian Monuments.

### Why Won't We Call Putin a Colonialist?

#### By Melik Kaylan

hy are so few in the West calling Russia's invasion of Ukraine a colonial war? Colonialism is the clearest, most accurate framing of Moscow's aggression. The self-justifying sense of mission, the dehumanization of the other, the violent imposition of dependency-all are central attributes of the colonial impulse.

On the flip side, far too few Russians recognize their country's behavior as imperialist. Self-flagellating postcolonial studies might have paralyzed Western cultural discourse, but in Russia such self-scrutiny is virtually nonexistent.

Only in the West is the colo-

original sin of civilization, not least because the Soviet propaganda machine codified and packaged the idea for easy consumption. American and European intellectuals have done little to share the guilt with

#### The West repudiates its imperial history. Russia doesn't.

non-Western or anti-Western imperialists, while Vladimir Putin has insulated Russia's population from such subversive ideas. His position is clear: Ukraine and like nations were "orphaned" by the Soviet col-

nial era considered the great lapse, and retaking them The Georgian government has merely resets history back on its legitimate course. The losers are Moscow's ex-colonies: the Baltics and other former Soviet constituents, not to mention such repressed internal groups as the Tatars and Bashkirs and Chechens.

> The pivotal moment came in 2008, when Mr. Putin invaded Georgia because of the "provocative" anticolonial posture Mikheil then-President of Saakashvili. I covered the 2008 invasion and was astonished to from solidly patriotic hear Georgians that, much as they hated the Kremlin. they loved their country too much to provoke the Russians into obliterating it. Georgia has fallen inexorably back into Moscow's lap.

refused to impose sanctions against Russia or let Ukrainian President Volodvmvr Zelensky address Parliament.

The West's passive reaction opened a direct path to the horrors of Ukraine. Those horrors witnessed by the world offer a chance to restart the process of history in a reverse, anti-Kremlin direction, back to the color-revolution days and before that to fall of the Berlin Wall. We can help Ukraine with sanctions, materiel and in the language we use. We can start by calling Mr. Putin an imperialist and his war in Ukraine a war of colonial conquest.

Mr. Kaylan writes about culture and the arts for the Journal. fatherhood, family finances and the tony, insular world of horses and 'horse people.'

As a man grown accustomed to standing at the rail watching his daughters be coached day after day (and often night after night) by equine experts, Mr. Oldfather applied what he observed to his work as a law-school professor. "Horse and rider training, like lawyering, is ultimately a service profession." he writes, one grounded in focused, individualized feedback. "The most knowledgeable horse person in the world will not be a good trainer if she cannot effectively communicate her knowledge to others." He muses deeply on what makes an effective teacher—not just a good horse trainer but a coach or educator of any sort.

While Mr. Oldfather clearly admires many of the trainers he meets, he is distressed by the conflicts of interest, the clubby connections, the gossip among trainers and judgesanathema to a man trained in the impartiality of the law. He recounts overhearing judges openly discuss the relative talents of riders before they even enter the ring, criticizing their current form or a past performance. Invariably, Mr. Oldfather notes, the riders who do best have trainers who are well-connected or famous-and who charge their clients princely sums. There is little hope that a rider of modest means might rise to the top in the equestrian world.

And yet Mr. Oldfather clearly prizes the time that he and his daughters had together thanks to the sport. He recalls, perhaps most vividly, the hours spent in the car-driving to a horse show or barn. "If you ran into me on a late afternoon in those years, I'd have told you I was driving my daughters to a riding lesson. That's what it seemed to me I was doing That's probably what it seemed to anyone else I was doing. And now that all my daughters are adults and my services are less in demand, it's all that time together in the car that I miss. We were focused on the destination. It was the journey that mattered."

By the end of the book, his daughters have grown up and left for college. One has stopped riding altogether and the other two have joined their college equestrian teams. Mr. Oldfather travels to watch both of them compete when he can but there are no more long car rides together, no shared songs. ("Wagon Wheel," by Old Crow Medicine Show, was a family favorite.) His daughters are out in the world—their father is no longer the essential, indispensable companion and driver. A colleague asks Mr. Oldfather if he would do it all again—all the time, all the money, all the work on his laptop in cars and in barns. "In a heartbeat," he replies.

Ms. Teague is the Journal's wine columnist.

#### Coming in BOOKS this weekend

The 'Progressive Project,' from Reconstruction to the New Deal • Robert A.M. Stern: A life in architecture • Milovan Djilas and the West • An unromantic view of Keats • World War II and the hunger for empire • Sam Sacks on fiction • & more

#### **REVIEW & OUTLOOK**

### Ketanji Brown Jackson and Antonin Scalia

e're all originalists now, apparently. "I believe that the Constitution is fixed in its meaning," Judge Ketanji propriately, that she plans to recuse herself from

Brown Jackson told the Senate during her Supreme Court confirmation hearings this week. "I believe that it's appropriate to look at the original intent, original public meaning of the words." She

called it "a limitation on my authority to import my own policy views."

Somewhere Justice Antonin Scalia must be singing, as he was known to do before he ascended. The great Scalia, who brought originalism to the fore before his death in 2016, might furrow his brow at the word "intent," since his judicial philosophy was to examine the plain meaning of words, not to divine what James Madison was really thinking.

Yet Judge Jackson's comment is a mark of Scalia's influence. He once joked that originalism was viewed as a "weird affliction that seizes some people—'When did you first start eating human flesh?" Now even Judge Jackson, whom President Biden expects to be a reliable liberal vote, wants to be seen as a believer.

That doesn't mean Mr. Biden will regret this nomination. "We're all textualists now," Justice Elena Kagan said in 2015, which hasn't stopped her from flying with the Court's left wing. Originalism doesn't mean that even conservative Justices always agree. Other factors come in play. such as when to overrule a decaying precedent. A Justice who starts with the text can always finish with something else.

To that point, it's no credit that Judge Jackson insists she has no judicial philosophy, merely a "methodology" with three steps: She says that she clears her mind of personal views, evaluates all the facts and arguments, and then applies the law. That's a fine answer for a nominee to be a trial judge, but not for a Justice. If originalism is only one tool in Judge Jackson's toolbox, she might also have a buzz saw in there.

In other hearing news, Judge Jackson said, ap-

She professes—at least for now—his philosophy of original meaning.

the looming case on Harvard's racial-preference policies, since she sits on the college's board of overseers. But she refused to take a position on progressive calls to pack the Court. Would she be happy serving as one of

28 Justices? "If that's Congress's determination, yes," she replied. "The Congress makes political decisions like that."

We hope she changes her mind about the institutional interests of the Court if she's confirmed. Precisely because it is a political decision, packing the Court is not a justiciable case that the Justices must refrain from prejudging. Justices Stephen Breyer and Ruth Bader Ginsburg both publicly opposed the idea, and it's healthy to have that message sent by at least one Democratic appointee.

Republican Senators tried to portray Judge Jackson as soft on crime, in particular on sentences for child pornography offenders. The effort wasn't persuasive, though the claim that Republicans were harder on the Judge than Democrats were on Brett Kavanaugh is ludicrous. Democrats demanded that Justice Kavanaugh withdraw his nomination based on uncorroborated claims that he was a sexual harasser and alcoholic.

Judge Jackson is likely to be confirmed as the 116th Justice of the Supreme Court. Although this wouldn't change today's 6-3 Court majority, the game is long, and two of the conservatives are in their 70s. It doesn't take much imagination to see a Justice Jackson writing for a liberal Court within a decade, certainly two.

That's a setback for conservative legal principles, but it's the reality of a Senate run by Democrats. President Trump's election-fraud self-indulgence cost the GOP two Georgia Senate seats, and the price of that defeat keeps going up.

### Mugged by Energy Reality

ederal regulators rarely backtrack, especially as quickly as the Federal Energy

day Democratic commissioners hit pause on a new policy requiring a greenhouse-gas analysis for natural gas pipelines and export projects. Good for them.

The commission last month

voted 3-2 with Republicans in dissent to revise its policy for approving gas pipelines and export terminals. FERC by law must certify that projects are in the public interest and won't have a significant environmental impact, but Democratic commissioners added greenhouse-gas emissions to their permission analyses. Their excuse was a court ruling that they claimed required the change, though it really doesn't.

Indirect emissions from upstream production and downstream consumption could also have to be tabulated under the rule, even though these are impossible to quantify reliably. Who knows how much more gas will be produced if a pipeline is built? Rest assured, progressives will claim every new pipeline massively increases emissions. On one point, they are right: Pipelines encourage more energy production. A dearth of U.S. pipeline capacity, especially in Appalachia, has suppressed investment in supply. Crude can be transported by rail or truck. Natural gas can't. The U.S. also can't send more liquefied gas to Europe without more pipelines and export terminals. FERC's climate pol-

icy was a gift to Vladimir Putin. His bloody war on Ukraine and weaponiza-

Regulatory Commission. Yet on Thurs- tion of Russian gas against Europe illuminate the stakes. Perhaps Demo-

cratic commissioners were mugged by energy reality like the Europeans. We're told Democratic commissioners were also stunned by the backlash in Congress, especially

from Joe Manchin.

The West Virginia Senator blasted the commissioners from his own party at a hearing this month: "I believe you all took the direction from the court and applied it far more broadly than you needed to, setting in motion a process that will serve to further shut down the infrastructure we desperately need as a country and further politicize energy development in our country.'

Chairman Richard Glick on Thursday did a soft retreat by recasting last month's policy statements as "drafts" on which FERC will seek public comment. "In light of concerns that the policy statements created further confusion about the Commission's approach to the siting of natural gas projects, the Commission decided it would be helpful to gather additional comments from all interested stakeholders, including suggestions for creating greater certainty, before implementing the new policy statements," he said. We'll take the reprieve. But the better way to eliminate investment uncertainty would be for FERC to rescind the proposal in toto.

#### LETTERS TO THE EDITOR

#### Hunter Biden Finally Makes the Gray Lady

Regarding Gerard Baker's "Hunter Biden's Laptop and America's Crisis of Accountability" (Free Expression, March 22): The media excuse that it ignored the laptop because of "uncertainty about its provenance" is hogwash. We all know that if a similar story had emerged about the Trump family, even with no credible source, the mainstream media would have run it nonstop.

There was no question about the validity of the story, which was verified by Tony Bobulinski. The coverage by the New York Post was extensive and believable. The Biden family never even denied the story-it merely refused to discuss it and the press allowed it to dodge the issue. **ROBERT M. SUSSMAN** 

Paradise Valley, Ariz.

The "revelations" from the New York Times that Hunter Biden's laptop is real is all the more remarkable in highlighting the media's lack of introspection ("All the News That's Finally Fit to Print," Review & Outlook, March 19)

The media piously condemns Vladimir Putin's propaganda machine, and justifiably so, yet it seems blind to how it has blocked reporting on Biden Inc. The quarantining of valid, important news stories by the media here borders on propaganda.

I predict the media will seriously examine the Biden family influencepeddling schemes late next year-if the president's poll numbers haven't budged and he's showing a determination to run for re-election. The powers that be will then rediscover this scandal to get the president to re-examine his decision.

FRED VAN BENNEKOM Bolton, Mass.

Some Republicans are arguing that this scandal, finally acknowledged by the New York Times, proves the 2020 election was "rigged." It would be unfortunate if this idea were used to support the dangerous view pushed by former President Donald Trump that he won the 2020 election.

There's no doubt that the failure to pursue the disclosures in Mr. Biden's laptop was the most egregious example of media bias in our history. It very likely tilted the 2020 election to President Biden. The information on the laptop suggests he was profiting from his son's business dealings.

Still, this is only another example of the media's alignment with the Democratic Party-a flaw in our democracy, to be sure, but not different in kind from the obstacles Republicans face in every election.

PETER J. WALLISON American Enterprise Institute Snowmass, Colo.

Joseph Pulitzer wrote: "Our Republic and its press will rise or fall together. An able, disinterested, publicspirited press, with trained intelligence to know the right and courage to do it, can preserve that public virtue without which popular government is a sham and a mockery. A cynical, mercenary, demagogic press will produce in time a people as base as itself." Mr. Pulitzer was frighteningly prescient.

> JULIA LUTCH Davis. Calif.

If I were a subscriber to the New York Times, would I get a "late breaking news" notification from the paper about this story?

a new one, easier to lay off an em-

ployee than search for, hire and train

a new one, and so forth. The underly-

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leads to the asymmetry in adjusting

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speeds cost pass-through. But pres-

hurts consumers in the long run by

deterring investment to expand out-

put, which means there will be less

supply and higher prices later on.

sure to artificially lower prices today

seem to help if political pressure

producer and consumer goods.

price that's found in markets for both

In the short run, asymmetric pric-

**RICHARD LARUE** Orlando, Fla.

SHELDON KIMMEL

Washington

#### Why Prices Rise More Quickly Than They Fall

Your editorial "Biden's Vast Oil Conspiracy" (March 17) notes the Federal Reserve's finding that "when oil prices rise after being steady for some time-gasoline prices shoot up quickly," but "when oil prices fall after being steady for some time, gasoline prices retreat slowly." The editorial explains that asymmetry as firms' response to the knowledge that oilprice declines may be temporary fluctuations. This explanation works only because of the more fundamental fact of adjustment costs.

Throughout the production chain, it is easier to cut back production than it is to increase it. It is easier to mothball an existing plant than build

#### Montessori Schools Have a Record of Success

In reviewing "The Child is the Teacher" (Bookshelf, March 17), Barbara Spindel asks how those "unpinned butterflies," the children free in well being among Montessori grads. Montessori classrooms, turned out. Two lottery-control studies in public Montessori schools showed that Montessori 5-year-olds had better math and reading performance, better social skills and knowledge, more advanced moral reasoning and higher executive function. Findings with lower-income 5-year-olds are particularly impressive. Montessori 12-year-olds wrote more complex and creative stories, were

more socially adept and had a stronger sense of their schools as communities. Another study showed higher adult

Former Montessori students recall liking school at higher rates, and learning is what they recall liking most about it. Black children in Montessori are significantly more proficient on states' third-grade math exams, and all groups were more proficient on reading and language exams in third and eighth grades. They performed worse on math exams in third grade but slightly better in eighth. Several studies find Montessori children less creative before age 6, and more creative in elementary school. The research base is growing, and results suggest that unpinning the butterflies in carefully prepared environments might be a very good way to help human flourishing.

**FERC reverses itself** on a climate rule for approving gas pipelines.

### Meanwhile, in the Pacific . . .

he world is rightly focused on Russia's invasion of Ukraine, but don't sit on the Indo-Pacific. A spate of bad news outside

Europe this week is a reminder that the U.S. and its allies face challenges from authoritarian regimes on multiple fronts.

North Korea on Thursday fired an intercontinental ballistic missile, its 12th missile

test this year. The first ICBM launched since November 2017, it flew higher than any North Korean missile has. The missile landed in waters off Japan's western coast, but the test demonstrates again that Pyongyang could threaten the U.S. mainland.

The missile launch violated United Nations Security Council resolutions, but that doesn't seem to trouble China or Russia these days. The Russian foreign ministry said this week it hopes to expand bilateral relations with the North, and China seems to like the idea that dictator Kim Jong Un torments the West.

South Korean President Moon Jae-in's conciliatory policy toward the North has clearly been a failure. The good news is that South Korean President-elect Yoon Suk-yeol, who takes office in May, ran on a platform of improving air and missile defenses and deepening cooperation with Washington.

Meanwhile, China keeps expanding its military reach in the Pacific. Beijing has "fully militarized" at least three islands it built in the South China Sea, the Associated Press reported this week. "The function of those islands is to expand the offensive capability of the PRC beyond their continental shores," U.S. Indo-Pacific com-mander Adm. John C. Aquilino said. "They can fly fighters, bombers plus all those offensive ca-

pabilities of missile systems."

China may also be negotiating a security deal with the Solomon Islands, according to docu-

With the world watching Ukraine, bad actors in Asia are on the march.

ments that appear to have been leaked from the island government. The deal could eventually lead to Chinese forces deployed to the South Pacific nation a few hours of flight time from Australia.

A Chinese military base with offensive capabilities could follow. Canberra has long guaranteed the Solomon Islands's security but China has gained ground as it assisted the government after opposition protests last year. China's assistance always come with a fee.

By the way, remember Afghanistan? President Biden would like to forget, but Chinese Foreign Minister Wang Yi dropped by Kabul on Thursday to meet with Taliban officials. China, which has been growing its footprint in Central Asia for years, has no qualms about dealing with unsavory regimes and will look to cut favorable deals on mining or infrastructure.

This is the way the world usually works. Trouble in one theater provides incentive for other rogues to create trouble while the U.S. and other democracies are preoccupied.

Our advice to the Solomons and other smaller nations is to think twice before getting in bed with Beijing or Moscow. Russia's invasion of Ukraine and China's support for Russia are helping to clarify who are friends of the free world and who isn't. China stands with North Korea and Russia with Syria.

America's closest allies are success stories like Japan, Germany, Poland and South Korea. The West isn't perfect, but who would you rather have on your side?

#### Medicine in Ukraine and the Humanitarian Impulse

Companies say they are dutybound to continue to supply drugs to Russia ("Healthcare Suppliers Keep Selling to Russia," The Ukraine Crisis, March 14). I spent my career in the pharmaceutical industry. In light of its humanitarian responsibility, the industry must take a stand against Vladimir Putin. Russia has invaded an independent country. Ukrainian civilians are stranded with little water. food or medicine. The industry should do all it can to ensure drugs and devices reach them.

It also needs to consider cutting off Russia from deliveries of drugs and devices until Mr. Putin stops the atrocities in Ukraine. As innocent Russian citizens and military personnel feel the pain he is imposing on Ukraine. the hope is that they will protest the war and revolt against the regime. RONALD DARNOWSKI

Chatham, N.J.

#### **Republicans Buy Votes, Too**

Your editorial "Buying Votes With Gas Tax Rebates" (March 18) should have also pointed out that Florida's Republican legislature voted to lift the state's gasoline tax for the month of October-right before Gov. Ron De-Santis is on the ballot for re-election. JAY PELLIS

Coral Springs, Fla.

Letters intended for publication should be emailed to wsj.ltrs@wsj.com. Please include your city, state and telephone number. All letters are subject to editing, and unpublished letters cannot be acknowledged.

PROF. ANGELINE LILLARD University of Virginia Charlottesville, Va.

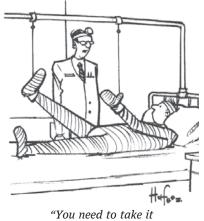
#### There's a Time to Be Devious

"What to Do With Those Polish MiGs"? (op-ed by Kate Bachelder Odell, March 21). Take a page from the Putin playbook: Deny that the jets will ever go to Ukraine. Tell Ukraine's pilots where by the border they're all parked, and wish them Godspeed. **ROBIN COOPER** 

Eastpoint, Fla.

#### Pepper ... And Salt

THE WALL STREET JOURNAL



easy for a while."

## The Naval Response to Putin's War

#### By Arthur Herman

ost proposals for military aid to Ukraine involve help from the air, such as establishing a Berlin-style airlift, flying in warplanes from Poland, and creating a no-fly zone over Ukrainian territory. But it would be a serious blunder to neglect the naval aspect of the conflict. Russia certainly hasn't. According to the Times of London, recent intelligence indicates that Russia has a fleet of warships ready to launch an amphibious assault on Odessa. the last major Ukrainian seaport not in Russian hands or under Russian siege.

The U.S. and NATO could send a flotilla to the Black Sea region and also set up a humanitarian sealift.

It is vital to Europe's peace and security that Ukraine not lose what remains of its Black Sea coastline. and that Russia not consider that international body of water its private naval and maritime preserve. The U.S. and the North Atlantic Treaty Organization can protect this strategic flank of Europe and NATO while also relieving Russian pressure on Ukraine short of risking war.

The Black Sea's importance to Russia's economy and sovereignty

Leaders

North

Treaty

countries

to discuss how to

strengthen the mil-

itary alliance in the

face of Vladimir

Putin's aggression.

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dates from the 19th century. But then the Black Sea and the Turkish Straits, which allowed access to the Mediterranean and beyond, took on growing importance for Russia.

That was thanks to Russia's export trade in grain and industrial goods-and its imperial designs in Southern Europe, including on the Turkish capital. The issue became so important that nations negotiated international agreements aiming to restrict the Russian navy's presence in the Black Sea and access to the Turkish Straits, the most recent being the Montreux Convention, which was signed in 1936 by the Soviet Union and nine other countries and is still in effect.

The Black Sea remains vital to Russia's national interest. One reason Vladimir Putin invaded Crimea in 2014 was to secure the former Soviet naval base at Sevastopol. It is crucial to confront Russia in this region as part of a broader strategy to help Ukraine-and also as the centerpiece of a new NATO maritime strategy. Here are five steps the U.S. and NATO can take:

First, keep Ukrainian forces supplied with antiship missiles that can deter Russian naval forces and amphibious landings. The Norwegianmade Naval Strike Missile can be launched from either ship or shore. Poland and Romania have bought them from Norway's Kongsberg Defence and Aerospace. All three countries are NATO members; all three should be working together to build Ukraine's antiship-missile arsenal,



A Russian naval vessel during a 2021 drill in the Black Sea.

especially after Ukraine's claim that it was able to destroy a Russian naval vessel near Mariupol using similar weaponry.

Second, make sure Turkey bans passage of Russian warships under Article 19 of the Montreux Convention, which governs access to the Black Sea through the straits, while allowing free passage of U.S. and NATO vessels. Under Article 19. Turkey can deny access to warships of war belligerents as long as Turkey isn't a party to the conflict. On Feb. 27, three days after Mr. Putin invaded, Ukraine asked Ankara to close the straits to Russian warships. Turkish Foreign Minister Mevlut Cavusoglu acknowledged Mr. Putin's invasion as an act of war-a major step toward invoking Article 19. A day later, however, Turkey seemed to back away, with words suggesting it would close the straits to all warships, not only those from Russia and Ukraine. Under Article 19, however. Turkey isn't authorized to close the straits to neutral warships. Adherence to the article requires blocking passage only to Russian and Ukrainian vessels. Turkey's NATO partners should insist that Ankara carry out Article 19 to the letter.

This will come too late to interfere with the 30 or more Russian warships already blockading the Ukraine coastline. But closing the straits would hamper attempts to reinforce future large naval operations, and signal that the Russian navy can no longer act as if the Black Sea is its private lake.

Third, send a U.S.-led NATO flotilla to show the flag at ports of friendly countries on the Black Sea. Last July NATO conducted an important Black Sea exercise with some 30 vessels from 32 NATO members and other countries, including Ukraine. The NATO presence has since nearly vanished. It's time to revive a robust Western naval presence.

Fourth, organize a humanitarian sealift with a convoy of ships under NATO escort bringing food and medical supplies to Russian-occupied Kherson. This convoy can show Moscow that although Kherson is currently occupied by Russian troops, it is still Ukrainian sovereign territory.

Fifth, devise a naval strategy for the Black Sea region. A single French frigate visited the region in December 2021 and left the day after the New Year. No major NATO warship has made an appearance since, even as Russia ravages Ukraine. The war is "like a boa constrictor around Ukraine's neck," retired Adm. James Foggo, who commanded U.S. and NATO fleets in Europe for almost a decade until 2020, told Reuters. 'NATO needs a maritime strategy."

The fate of NATO's southern flank may depend on how quickly its leaders, including President Biden, respond to this challenge-at sea as well as on land and in the air.

Mr. Herman is senior fellow at the Hudson Institute and author, most recently, of "The Viking Heart: How Scandinavians Conquered the World."

### Can the West Unite Against the Inflation Threat?



POLITICAL **ECONOMICS** By Joseph C. Sternberg

For the sake of the alliance, the next step should be a summit of finance ministers and central bankers to address the economic problems that increasingly threaten to undermine Western cooperation. They should start with inflation.

Two points are relevant. First, although NATO is a military alliance. its members also de facto constitute one of the world's largest trading blocs, and a complex one. The European Union has knit together a continental free-trade area encompassing its 27 member states plus assorted neighbors. The U.S. remains by far the most important single external trading partner for the EU.

Add to that American economic engagement with the U.K. and Turkey, as well as the special trading re-

of the Canada, along with Mexico. And Atlantic don't forget the relationships between these countries and nonmember NATO partners such as Japan and Australia. gathered this week

Second, many of these countries are experiencing economic distress that can mostly be traced to inflation. Americans have seen prices rise 7.9% over the past 12 months, while Britons expect similar inflation to wash up on their shores this spring. Inflation is running at 5.9% for the eurozone, including 5.5% in Germany, 5.1% in Italy and 7.3% in the Netherlands. In Japan the yen's uncontrolled descent below lows last seen in 2016 raises new concerns about price instability.

Inflation usually is understood as a domestic problem. Witness President Biden's cratering approval rating, British Prime Minister Boris Johnson's tenuous hold on power, and cracks in Germany's ruling coalition concerning fuel-price relief for consumers. Inflation is also often thought to have a domestic solution, as the Federal Reserve. Bank of England, European Central Bank and others chart their own courses.

But there's a global dimension, too. The last time the West experiin the 1970s, the problems didn't stay "local." There's no reason to think this time will be different.

Then the inflationary threat to the Western alliance arose from Washington's refusal to sustain the postwar monetary order. Fiscal profligacy in the 1960s leading to the closing of the Bretton Woods gold window in 1971 forced America and

#### NATO seems to be passing Putin's test, but economic woes pose a different kind of mounting challenge.

its allies to find some new price-andexchange-rate arrangement for mediating trade and investment, or at least to learn to live without one.

Chaos ensued. Trade policy was an early victim. As much as some politicians intuited that freer trade might ease price pressures, that proved a difficult case to make to voters in acute economic distress.

The Tokyo Round of global trade negotiations dragged on for six years, the longest series of such talks up to that time. Most countries leading central banks is rolling ex-

experienced agita over the trade deficits or surpluses of some partner or other, creating economic irritants in important strategic relationships such as between the U.S. and Japan, and the U.S. and West Germany.

Then there were the consequences for investment. Gyrations in relative price levels brought about by different inflation rates, coupled with exchange-rate instability, wreak havoc on international business investment. It becomes impossible to make any sort of educated guess about how the value of a foreign asset or its expected return might fluctuate over time.

On this score, it's suggestive that a long boom in foreign direct investment in the U.S. didn't begin in earnest until the mid-1980s, once the Plaza and Louvre accords of 1985 and 1987, respectively, finally introduced policy coordination to cure the exchange-rate hangovers of 1970s inflation and the early-'80s suppression of it.

Such investment is an engine of job creation, economic growth and strategic partnership. The spirit of monetary cooperation that makes it possible is in short supply today. Instead, growing divergence between

change rates, primarily via a sustained and not fully explicable appreciation of the dollar.

The global economy is very different now from the '70s, but in ways that make the problems of that period more acute today. Trade has exploded, multiplying and complicating the channels through which today's monetary instability can spread around the world. Ditto for investment, flows of which dwarf the movement of tradable goods. Major central banks have become dominant participants in their local asset markets. Government debts have exploded.

So it's safe to say, based on historical experience, that without a dramatic change in course something is likely to go awry in economic relations between Western allies. But it's more or less impossible to guess what, or how.

Mr. Putin has tested the credibility of Western security institutions such as NATO. For the most part they're trying to rise to the challenge, at least in Europe. The next credibility test for the West may come in the form of deepening economic woes, and whether leaders can respond with a commitment similar to their belated awakening

### Ketanji Brown Jackson and the Triumph of Originalism

#### By Randy E. Barnett

udge Ketanji Brown Jackson may not be an originalist, but she sounded like one in her confirmation hearings this week. "I believe that the Constitution is fixed in its meaning," she said on Tuesday. "I believe that it's appropriate to look at the original intent, original public meaning, of the words when one is trying to assess because, again, that's a limitation on my authority to import my own policy."

Even a nominee chosen by a Democratic president and facing a Democratic Senate felt it was necessary to say that she would adhere to the original public meaning of the text. To appreciate the significance of this development requires a bit of history.

Robert Bork described himself explicitly as an "originalist" when President Reagan nominated him to the high court in 1987. Democratic senators characterized originalism as a dangerously reactionary philosophy that would "turn back the clock" on civil rights and liberties. After the Senate rejected Bork, no Republican nominee adopted the la-

bel "originalist" until Neil Gorsuch, 30 years later. Since 2017, however, Brett Kavanaugh and Amy Coney Barrett also explicitly identified as originalists.

What accounts for that change? Scholars have worked hard to develop and refine a method that in 1987 was highly undertheorized. Perhaps the most important change was

#### **Biden's nominee comes** close to endorsing the philosophy that sank Robert Bork in 1987.

to move away from inquiring into "the intention of the framers" and toward identifying the "original public meaning" of the text-defined as the meaning that a competent speaker of English would attribute to the words of the Constitution, in context, when they were adopted.

A second development was the recognition that while judges are always obliged to follow the words of the text, those words alone sometimes aren't enough to resolve a case. That raises the need for a supplementary method, sometimes called "constitutional construction." The difference between these two modes of analysis-interpretation and construction—is captured by the metaphor "the letter and the spirit" of the text.

The letter of the text is its original public meaning. The spirit of the text is its original ends, functions or purposes. Crucially, for an originalist, the ends of the text should never be invoked to supersede, supplant or contradict its original meaning. Also crucially, both inquiries are historical. Judges are constrained to follow not their own purposes or preferences. nor those they discern from contemporary society, but the original meaning of the text and the original purposes for which it was adopted by the people, whether in 1789 or 1868.

In her testimony, Judge Jackson said that "adherence to text" requires a judge "to figure out what those words mean as they were intended by the people who wrote them. So, at this point, I'm looking at original documents. I am focusing on the original public meaning because I'm constrained to interpret the text." This is an apt description of originalist interpretation.

"But there are times," she went on, when "looking at those words [is] not enough to tell you what they actually mean. You look at them in the context of history. You look at the structure of the Constitution. You look at the circumstances that vou're dealing with in comparison to what those words meant at the time that they were adopted." This describes originalist construction, if somewhat imprecisely.

Moreover, Judge Jackson ex-pressly disclaimed "living constitutionalism," which "infuses" the document "with my own policy perspective or . . . the policy perspective of the day."

Why does this matter? First and foremost, it legitimates originalism. "The prevailing interpretive frame for interpreting the Constitution is now very clearly looking back through history," Judge Jackson testified. That is now the way in which constitutional interpretation is done." As Ed Whelan of the Ethics and Public Policy Center observed: "When the next Republican president nominates the next conservative nominee, it's going to be very difficult for Dems to object that the nominee is an originalist."

"We are all originalists," Elena Kagan said during her 2010 confirmation hearings. Many discounted that pronouncement because she seemed to limit originalism to the "very specific rules" in the Constitution. Judge Jackson's pronouncement was less conditional; her description of originalism was more specific and sweeping. Whether or not Judge Jackson adheres to originalism on the high court, she has affirmed that it is the norm.

Mr. Barnett is a law professor at Georgetown and a co-author of "The Original Meaning of the Fourteenth Amendment: Its Letter and Spirit."

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### Notable ヴ Quotable: 'I'm Not a Biologist'

From "Why Republicans Keep Telling Everyone They're Not Scientists" by Coral Davenport for the New York Times, Oct. 30, 2014:

"I'm not a scientist," or a close variation, has become the go-to talking point for Republicans questioned about climate change in the 2014 campaigns. In the past, many Republican candidates questioned or denied the science of climate change, but polls show that a majority of Americans accept it-and support government policies to mitigate itmaking the Republican position increasingly challenging ahead of the 2016 presidential elections.

"It's got to be the dumbest answer I've ever heard," said Michael McKenna, a Republican energy lobbyist. . . . "Using that logic would disqualify politicians from voting on anything. Most politicians aren't scientists, but they vote on science policv. They have opinions on Ebola, but they're not epidemiologists. They shape highway and infrastructure laws, but they're not engineers."

From "A demand to define *'woman' injects gender politics into* Jackson's confirmation hearings" by Jonathan Weisman for the Times, March 23, 2022:

Transgender rights are dominating outrage on the right, after . . . a transgender swimmer, Lia Thomas, won a collegiate swimming championship.

[Sen. Marsha] Blackburn brought that swimmer up late Tuesday as Judge [Ketanji Brown] Jackson's first day of questioning was coming to a close, then asked, "Can you provide a definition for the word 'woman'?"

As she and other judicial nominees before her have done regularly, Judge Jackson dodged the question as outside of her role on the bench. saying, "I'm not a biologist." .

Ms. Blackburn's insertion of gender into the hearings was not connected to any particular case coming before the Supreme Court, or decided by the high court in recent years, as is tradition at such hearings. A discussion of stare decisis this was not.

## **North Korea Test-Launches ICBM**

Seoul says weapon traveled farther than 2017 test that showed missile could hit U.S.

North Korea said it had successfully tested a new intercontinental ballistic missile, at the direct order and supervision of Kim Jong Un, who called it a new strategic weapon that

F전

By Timothy W. Martin in Seoul and Chieko Tsuneoka in Tokyo

makes the whole world clearly aware of the country's military power once again.

Known as the Hwasong-17, the North Korean ICBM was launched Thursday from near the country's international airport on the outskirts of Pyongyang. North Korea's state media reported that it met all the test parameters and that the missile's use "can be guaranteed scientifically, technically and practically under wartime."

Mr. Kim, sporting dark sunglasses and a black leather jacket, boasted of his regime's advancing nuclear deterrence and warned any forces attempting to infringe on his country's security "will have to pay a very dear price," state media quoted him as saying.

The North's strategic forces stand "fully ready to thoroughly curb and contain any dangerous military attempts of



People in South Korea watch a TV news report on North Korea's intercontinental ballistic missile test.

the U.S. imperialists," Mr. Kim said. The country should keep bolstering its nuclear war deterrence to "cope with all kinds of potential crises in the future," he added.

Initial flight data, provided by South Korea and Japan, suggested the missile soared higher and longer than North Korea's previous ICBM test in November 2017—a launch that demonstrated the regime, for the first time, had the capability to strike the U.S. mainland. The Thursday ICBM launch

essentially brings to a close a historic, though ultimately fa-

miliar, chapter of North Korean nuclear diplomacy. For a while, the major provocations stopped and high-level talks occurred. But North Korea is no closer than before to surrendering its nuclear arsenal. Now Pyongyang is back on a missile-testing spree.

The U.S. and North Korea haven't held formal negotiations in more than two years. The Biden administration, which strongly condemned the latest launch, faces greater challenges today to punish the Kim regime. In 2017, China and Russia agreed to additional United Nations Security Council sanctions following North Korean ICBM and nuclear tests. Support from Beijing or Moscow looks far less certain now.

North Korea's ICBM launch, given the current state of global affairs, is unlikely to create a huge difference in practical terms for the prospect of talks with the U.S. or South Korea, said Ramon Pacheco Pardo, the KF-VUB Korea chair at the Brussels School of Governance.

The missile was launched at 2:34 p.m. local time from the Sunan area, hitting an altitude of more than 3.700 miles and traveling more than 680 miles. Seoul's military said.

Japan, which provided similar flight data, said the missile had flown for about 71 minutes based on an initial assessment. North Korea state media later reported similar flight data of the launch.

In response to the ICBM launch, South Korea said it had test-fired five missiles from the ground, sea and air, demonstrating it could strike a North Korean launch site and other support facilities at any time, Seoul's military said.

Based on the improved flight data, North Korea dema onstrated a new capability: an ability to carry several tons of payload over an intercontinental range—enough for a single, heavy warhead or multiple, smaller ones, said Markus Schiller, a rocket scientist at ST Analytics, a research and consulting firm in Munich.

In an emergency meeting with National Security Council officials, South Korean President Moon Jae-in condemned the launch and said Mr. Kim had broken his promise with the international community to suspend ICBM tests.

White House press secretary Jen Psaki on Thursday said the new launch "needlessly raises tensions."

> Jiyoung Sohn in Seoul and Catherine Lucey in Washington contributed to this article.

### Engine Parts From Crashed Jet Found BY ELAINE YU

HONG KONG-Search-andrescue teams on Thursday discovered engine parts from the plane carrying 132 people that rammed into the mountains of southern China, as the hunt continued for the second black box

With no signs of survivors three days after the crash, all aboard the Boeing 737 operated by China Eastern Airlines-nine aircrew and 123 passengers-are feared dead in what would be China's worst air disaster in nearly three decades.

The first recovered black box was believed to be the cockpit voice recorder. Made by Honeywell International Inc., the devices-the second being the flight-data recorder-might provide vital evidence for investigators trying to understand what caused the plane to nosedive into a terraced field in China's Guangxi region on Monday.

The positioning signal of the second black box-actually an orange-colored devicecouldn't be detected at the scene, and its signal transmitter might have been damaged, China's state broadcaster CCTV reported Thursday, citing experts.

Zhu Tao, a spokesman for the Civil Aviation Administration of China, on Thursday said basic information about the incident had been submitted to the International Civil Aviation Organization and the **U.S.'s National Transportation** Safety Board. Relevant parties would be invited to take part in the investigation after it begins, Mr. Zhu told a press conference. Currently, authorities were focused on search-andrescue efforts and were in the early evidence-gathering stage, he said.

The NTSB, which would serve as the lead U.S. representative for the accident investigation into the U.S.-manufactured plane, was still trying to secure Chinese approval on Wednesday to expedite entry into the country, U.S. officials said.

Shu Ping, director of the Aviation Safety Institute at the China Academy of Civil Aviation Science and Technology. told the People's Daily that if a black box is in good condition, it would typically be sent to a government-designated laboratory, but if it sustained more-serious damage, it would need to be sent to Honeywell, its manufacturer, for recovery processing. The People's Daily is the Chinese Communist Party's flagship outlet. Speaking at the Thursday press briefing, Liu Xiaodong, a publicity director at China Eastern, rebuffed rumors that the airline had reduced maintenance costs. He said that even though the number of flights was down during the pandemic, such expenses have increased recently compared with 2019. More than 50 psychologists have arrived to provide counseling to the relatives of passengers who had rushed to the crash scene, and dozens of psychiatrists organized by Guangxi's Wuzhou city are standing by, CCTV reported Thursday.





SYDNEY—Australia pressed alarm at the prospect of one of its closest neighbors falling more under Beijing's sway after a document circulated online suggesting China and the Solomon Islands are crafting a new security pact.

The draft document, titled as a framework agreement on security cooperation, said the Solomon Islands could ask China to send armed police and military personnel to quell unrest, among other missions, including disaster response. It also said the Solomon Islands could allow Chinese naval ships to dock in the country and protect the safety of Chinese citizens and major projects.

Australia, which sent a peacekeeping force to the Solomon Islands in November to help restore order after violent protests, said Thursday that Pacific countries don't need security assistance from outside a region that is becoming more crucial for U.S. and allied military planners as they sharpen their focus on Asia. "We would be concerned by any actions that destabilize the security of our region," a spokesperson for Australia's Department of Foreign Affairs and Trade said. The Solomon Islands High Commission in Australia and China's Ministry of Foreign Affairs didn't respond to requests to comment. News that the Solomon Islands is considering a broad security deal with China was earlier reported by Reuters, citing comments by Karen Galokale, the country's permanent secretary for the Ministry of Police, National Security and Correctional Services.



Ms. Galokale told The Wall Street Journal that she wasn't authorized to make any statement about a draft security pact or the status of any continuing discussions. "If ever

A woman in Honiara's Chinatown thanked Australian soldiers patrolling the neighborhood after violent demonstrations in December.

there is any...such agreement, it will just be the same as what we have with countries like Australia," she said.

Security experts said Australia has invested heavily in security in the Solomon Islands, as well as law and justice, so it would be alarmed at the prospect of China playing a military role in a country only around a three-hour flight time from its northeast coast.

"It's a pretty expansive security agreement that would be far greater than any agreement that China has made with any Pacific Island nation." said Jonathan Pryke, director of the Pacific Islands program at the Lowy Institute, a think tank.

China's growing presence in the Pacific has increasingly alarmed Australia and the U.S., which have long considered

the region to be part of their sphere of influence. In February, the White House released its formal Indo-Pacific strategy, which called out Beijing for using economic, diplomatic, military and technological might to expand its clout.

The release of Washington's Indo-Pacific strategy coincided with Secretary of State Antony Blinken attending a summit with counterparts from Australia. India and Japan—collectively known as the Quad to discuss regional security. Mr. Blinken then visited Fiji in an effort to signal Washington's commitment to the Indo-Pacific region, which he said would shape the trajectory of the 21st century.

The U.S. is striving to retain a focus on China as a primary security concern despite the distraction of the war in Ukraine, which has prompted Washington to plan for an increase in defense spending and expand its military presence near Russia. Australia in February accused the Chinese navy of shining a militarygrade laser at a surveillance plane flying over its territorial waters, in the latest escalation of tensions that have seen the two countries clash over issues including trade.

The Solomon Islands, home to around 690.000 people and with a land area slightly smaller than the state of Maryland, illustrates the challenge that the U.S. and allies including Australia have in pushing back against China and building alliances across the Pacific.

In 2019, the Solomon Islands switched diplomatic ties to Beijing, from Taiwan. Many of the stores lining the main street of the country's capital,

Honiara, are owned by recent Chinese migrants.

"The Solomons are strategically located and has deep water anchorages and a ton of natural resources," said Grant Newsham, a former U.S. Marine colonel who studies security in East Asia.

Mr. Newsham said a new security agreement, if approved by the Solomon Islands' parliament, would be a major political success for China because it demonstrated the inability of the U.S. and its allies to limit Beijing's reach. "This is basically a treaty for a protectorate," he said.

The draft security pact circulating on Thursday "looks like China pushing as far as it can in response to the unrest that targeted Chinese people so directly," Mr. Pryke said. Josh Chin

contributed to this article.

China Eastern's Mr. Liu told reporters Thursday that the airline had created a task force to gather the demands of passengers' family members.

SHIELDS UP: Guards protected former South Korean President Park Geun-hye, who was pardoned for a government-corruption scandal in December, after a bottle was thrown at her Thursday.

#### AFGHANISTAN

#### **Top Beijing Diplomat** Visits Taliban Rulers

China's foreign minister made a surprise visit Thursday in Afghanistan's capital, meeting with the country's new Taliban rulers—even as the international community fumes over the former insurgents' broken promise to reopen schools to girls beyond the sixth grade.

According to the official Bakhtar News Agency, Wang Yi was to meet with Taliban leaders "to discuss various issues, including the extension of political relations, economic, and transit cooperation."

The Taliban, who seized power last August after 20 vears of war, have been seeking international recognition to open up Afghanistan's economy, which has been in free fall since their takeover.

-Associated Press

SOUTH SUDAN

WORLD WATCH

#### Peace Deal at Risk As Rival Forces Clash

Fresh fighting broke out between rival soldiers in South Sudan, threatening a fragile peace agreement forged with the help of outsiders including the U.S.

Sporadic fighting was reported Thursday in Upper Nile state, according to spokesmen for the rival groups.

Army Maj. Gen. Lul Ruai Koana. spokesman for South Sudanese government troops, charged that rival forces-known officially as the Sudan People's Liberation Army In Opposition-had "declared war" in attacking their positions in Longechuk County

Col. Lam Paul Gabriel, a spokesman for the rival forces, said government troops attacked first. His group's political bureau on Tuesday had approved the suspension of its participation in meetings of the security mechanisms holding together the peace deal between President Salva Kiir and his rival Vice President Riek Machar.

#### —Associated Press

#### SOMALIA

#### Lawmaker Among **Bombing Victims**

A prominent Somali female lawmaker is among at least 48 people killed in a suicide bombing that hit a polling station in rural central Somalia, police and a local official said Thursday.

The attack took place late Wednesday in the town of Beledweyne, the capital of Somalia's Hiran region. Among its victims was opposition lawmaker Amina Mohamed Abdi, an outspoken government critic who was campaigning to retain her seat in the National Assembly.

—Associated Press

# BUSINESS & FINANCE

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**Car Buyers Lease Fewer Vehicles** 

**DJ TRANS (**0.71%)

Pullback could crimp supply of used autos and demand in the coming years

#### BY NORA ECKERT

Fewer Americans are leasing new vehicles because of higher prices and scarcity on dealer lots, a pullback that could crimp the supply of used vehicles and interested buyers in the coming years.

The percentage of new cars and trucks leased during the Covid-19 pandemic has declined, dropping to 19% of overall retail sales this year through March 13, the lowest since 2009, according to research firm J.D. Power. Leasing accounted for about 30% of the broader retail market in the

**STREETWISE** | By James Mackintosh

Predicting

recessions in-

volves a lot of

years leading up to the health the vehicle, according to data from car-buying site Edmunds.

**S&PIT** ▲ 2.71%

The car shortage has prompted many auto makers to drop the discounts and other types of promotions they typically offer to make leasing attractive.

"Buyers face sticker shock when they come out of one lease into another," said Mike Maroone, chief executive of Maroone USA, which owns six dealerships in Colorado and Florida.

In some cases, leasing a luxury model costs about the same in monthly payments as financing one, spurring more consumers to buy out their existing leases or put their next vehicle lease on pause.

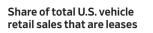
For instance, a 2022 Volvo XC90 is leasing for an average of about \$951 a month, \$8 more a month than to finance

the vehicle, according to data from car-buying site Edmunds. In 2019, it was about \$216 cheaper to lease than finance the same model.

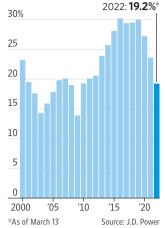
The drop-off in leasing is yet another way the U.S. car market's recovery from the early days of the pandemic is being hampered by a mismatch in supply and demand.

The higher lease rates are also adding to concerns about affordability, as leasing has long been a popular option for consumers looking to get into a new vehicle but at a lower monthly payment than if they were to buy the car outright.

Leasing is typically offered by an auto maker's financing arm, the entity that owns the vehicle and essentially rents it to the customer for a fixed period, often two to three years. At the end of the term, the cus-



2-YR. TREAS. yield 2.122%



tomer can either buy out the lease at a preset price or return it to the dealership. If returned, the car company usually resells the vehicle at auction.

Leasing has been particularly important for the luxurycar market, where for brands like BMW, Mercedes-Benz and Volvo it has historically accounted for nearly half of their sales, according to J.D. Power.

While leasing is still generally cheaper, the monthly payments are rising at a faster clip than those on financed vehicles. In February, the average monthly lease payment was \$560, about 19% higher than it was in the same month two years ago, according to Edmunds. The average monthly cost of financing a car was \$637 in the same month, a 12% increase from February 2020, the car-shopping website's data show.

To make a lease more attractive, car companies often contribute money to the deal. In *Please turn to page B2* 



#### By CAITLIN MCCABE

European stock indexes have largely clawed back losses suffered since President Vladimir Putin sent Russian troops into Ukraine. That doesn't necessarily mean traders are feeling optimistic.

Investors around the world say they are still looking skeptically at investing within the European continent, even though the pan-continental Stoxx Europe 600 is hovering almost exactly where it closed the day before the invasion. The euro, meanwhile, has rebounded slightly from the nearly two-year low the currency reached this month.

The recent rise in European stocks has come alongside a broader rally that has lifted U.S. and Asian stocks alike, sending the S&P 500 5.5% higher since the war began. Many investors and analysts have chalked the global recovery up to bargain hunting. Some strategists have also suggested shifting into stocks as a hedge against inflation.

Yet many investors are stopping short of putting full faith in European markets. With the European Union dependent on Russia for 40% of its gas, many investors have decided that the potential for surging inflation, new supply-chain snarls and even a recession presents too much of a risk. Instead, they are shifting into regions they perceive to be more insulated from the war, including the U.S. and some emerging markets.

Many investors had expected Europe to produce outsize gains in 2022 after two years of U.S. dominance in global stock markets. Compared with the U.S., where indexes are swayed by technology behemoths, Europe's markets are more dominated by energy companies and bank stocks that do well when inflation is rising. The war has scrambled those bets. Investors vanked \$23.4 billion from Western European stock-focused mutual and exchange-traded funds in the three weeks between Russia's invasion and March 16. data from fund-flow tracker EPFR show. That is more than Please turn to page B10

## Yield Curve Flashes Near-Recession, Maybe



what many believe is the best predictor is from the Treasury market, and it is back in focus: an inverted yield curve, or higher yields on short-dated bonds than

on long-dated bonds. The correlation is what convinces many that we are close to a flashing warning sign. The yield curve has inverted before every recession, and one widely used version is close to inverting again. The gap between the two-year yield and the 10year yield fell below 0.2 percentage point in the past week for the first time since the 2020 recession.

There are issues with the correlation I will come back to shortly, but first think about the causation. Economic history has some pretty compelling explanations for many recessions, and it strains credulity to think the yield curve predicted at least two of them in advance. The 1973-1974 recession was clearly caused by the Arab oil embargo that began in October 1973, after the U.S. gave aid to Israel to defend itself. The yield curve had inverted in March that vear (data on two-vear Treasurys don't go back that far, but one-year yields

The gap between short- and long-dated bonds is often used as a recession indicator. But right now the three-month and two-year are sending different messages.

#### U.S. Treasury yield curve spread\*



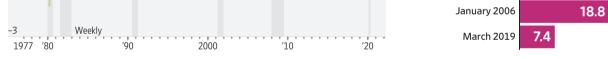
Germany is widely believed to be more at risk of recession than the U.S., but its yield curve suggests otherwise.

#### 10-year minus two-year government-bond yield<sup>†</sup>



S&P 500 total return from date of curve<sup>‡</sup> inversion to start of recession

March 1989	2	<b>3.3</b> %
September 1998**	22.2	
-22.6%	April 2000	



\*As of Wednesday †As of Tuesday ‡Day three-month yield rose above 10-year \*\*False alarm Sources: Federal Reserve Bank of St. Louis (U.S. Treasury yield curve spread); Refinitiv (10-year minus two-year government-bond yield); Refinitiv, National Bureau of Economic Research (return)

rose above the 10-year), supposedly predicting a recession. Treasury traders hadn't predicted the war or embargo, however, so how could they have predicted the recession? The brief 2020 recession was equally clearly caused by the pandemic, and we all remember why. The yield curve had inverted in 2019, but even the most extreme Covid-19 conspiracy theorist would struggle to believe that bond traders had advance warning that Covid-19 was on the way. The current yield-curve focus is on the U.S., but Europe, and especially Russian-energy-reliant Germany, is regarded by *Please turn to page B5* 

### Wall Street Pours Millions of Dollars Into Gym Franchises

#### BY MATT WIRZ

Gym chains are back in favor on Wall Street for the same reason Peloton Interactive Inc. is on the outs: Americans are tired of working out at home.

Budget operator **Planet Fitness** Inc. and its franchises attracted hundreds of millions of dollars from private fund managers in recent months, according to people familiar with the deals. Higher-end clubs like **Life Time Group Holdings** and Bay Club Co. have also seen fresh investor interest in their stock and debt. respectively.

Oaktree Capital Management LP, MidOcean Partners and Soroban Capital Partners LP are among the investors buying debt and equity of the gyms that made it through the worst of the pandemic. They are betting that the survivors, many of which lagged behind the broader markets last year, are poised to grow. Prices of stock and loans of several chains have rebounded over the past nine

#### months.

"The smart money is figuring out how to take advantage of the dislocation," said Milwood Hobbs, the head of Oaktree's North American sourcing and origination. "The urban higher-end gym is still struggling, but the...mainstream chains are doing quite well."

Oaktree in December lent roughly \$120 million to a large Planet Fitness franchisee with 70 locations primarily in New York and California, Oaktree executives said on a conference call with Wall Street analysts. The Carlyle Group with Goldman Sachs Asset Management made a similar loan in November, backing private-equity firm HGGC LLC's purchase of another Planet Fitness franchisee with 42 locations.

Oaktree's loan will help the franchisee pay for its recovery and growth, the Oaktree executives said. Oaktree negotiated a roughly 7.5% interest rate on the financing, well above the 6% average for *Please turn to page B2* 

### INSIDE



**AIRLINES** Southwest introduces a new type of ticket with perks as it seeks to expand revenue. **B2** 



BUSINESS NEWS Olive Garden's parent company cuts its yearly forecast and sees inflation as worse. **B3** 

### Former CEO Made Fidelity Into Investing Powerhouse

#### By Justin Baer

Edward "Ned" Johnson III, who transformed Fidelity Investments into a financial behemoth and opened Wall Street to millions of Americans, died on Wednesday. Mr. Johnson was 91 years old.

"He passed away peacefully \_\_\_\_\_\_ at home in Flor-

OBITUARY EDWARD JOHNSON 1930-2022 her father as Fi-

delity's chief executive in 2014 and chairman in 2016, wrote Thursday in a LinkedIn post.

Mr. Johnson died of natural causes in Wellington, Fla., where he lived in recent years, a Fidelity spokeswoman said.

Mr. Johnson inherited the Boston company from his father in the 1970s, as investors were grinding through a bear market. While many of Fidelity's competitors foundered, Mr. Johnson pushed the firm to remake itself through new ventures.

Fidelity was the first to offer a money-market fund that let investors write checks on their holdings. The firm created a toll-free number and



Mr. Johnson and his daughter Abigail Johnson in 2004.

advertised. (Mr. Johnson helped write the ad copy.) Fidelity opened its own discount brokerage, furthering its reach among individual investors, and expanded overseas. Under Mr. Johnson's watch, Fidelity built the nation's biggest 401(k) business.

His enthusiasm for stocks and talent for marketing star managers such as Peter Lynch—helped rekindle many Americans' love affair with the market. "Fidelity would have stagnated had Ned not come in and created a brand new company," said Joshua Berman, a longtime legal adviser to Mr. Johnson.

Many of the initiatives represent what may be Mr. Johnson's most-enduring legacy, according to the executives who worked with him: "He wanted to take investment tools available to his social class and spread them across the middle class," said Robert Pozen, a *Please turn to page B5* 

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### **BUSINESS & FINANCE**



Southwest said in December that it expected a new type of fare and other initiatives to add \$1.5 billion to pretax earnings next year.

## Southwest Ticket Adds New Perks

#### BY ALISON SIDER

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Southwest Airlines Co. is launching a new type of ticket with some additional perks as it looks to boost revenue and its appeal to business travelers.

The new fare will rank above Southwest's cheapest option and be positioned below two pricier tiers. It includes additional features the airline hopes travelers will pay up to get: the option to cancel flights and give the credit to a friend, family member, coworker or anyone else who is a member of Southwest's frequent flier program; and same-day flight changes without paying any price difference.

Airlines have worked in recent years to carve their offerings into ever narrower niches, embracing an a-lacarte pricing model to get customers to spend more for ex-

tra leg room, better seat locations and other benefits that were once bundled into the cost of a ticket.

They have bet that this strategy will help them appeal both to bargain hunters and big spenders and to compete with discount carriers that offer cheap base prices with layers of added fees. Southwest has pursued a delicate balance in finding ways to bring in more revenue without taking away the perks that have made it popular with customers in the first place.

The airline allows people to check up to two bags free and doesn't charge change fees—a policy several major carriers emulated for the first time during the pandemic as they looked for ways to spur booking among anxious travelers.

Southwest said in December that it was planning to start offering a new type of fare that, along with other initiatives like a modernized revenue-management system, would bring in an additional \$1.5 billion in pretax earnings next year.

The new fare will likely go on sale in the coming months, and Southwest hasn't said how much more it will cost. Execu-

#### The airline's new offering is its first new fare type since 2007.

tives said the airline's new offering, its first new fare type since 2007, won't take any benefits away from its lowesttier tickets.

Right now, customers who buy the cheapest Southwest tickets get a flight credit they must use within 12 months if they cancel the trip, while only those who buy pricier tiers of fares can get a refund. Southwest fliers buying the cheapest fares don't pay a fee to change or cancel flights, but they can end up paying for an increased fare to fly on another flight the same day.

Southwest found in its research that customers possess credits they don't have the time or ability to use and would like to transfer them to someone else, said Jonathan Clarkson, Southwest's vice president of marketing, loyalty and products. "That is a pain point that a lot of our customers relay," he said.

Executives said they believe the new offering and other upgrades to Southwest's business-focused fares will appeal to both corporate and leisure travelers, and they come as Southwest is trying to grab a bigger share of corporate travel budgets.

DAVID

The same trend of people tiring of home workouts-which hurt Peloton Interactive—is boosting workout club chains.

Wall Street Wagers on

month. The company added more than 100 new locations and revised its earnings guidance upward last year.

Leasing Business **Declines** 

Continued from page B1 the first quarter of 2020, auto makers spent on average \$7,000 a vehicle to discount leases, compared with around \$4,200 a vehicle on financing according to J.D. Power. But such spending can also cut into profits. Lately, with inventories tight, car companies have had less incentive to offer such promotions, executives and analysts say. The average industry spending on leasing has dropped 44% in the past two years to around \$4.000 a vehicle in early 2022. Scott Keogh, chief executive of Volkswagen Group of America, said he doesn't see a rebound soon for leasing to its previous levels, because car companies are trying to put priority on more lucrative sales. "But don't get me wrong, we're not walking away from it," Mr. Keogh said. "I think it's still a smart thing." For now, consumers such as 36-year-old Los Angeles resident Schuvler Hunt are looking for workarounds to the higher leasing costs. Mr. Hunt, who works in advertising, was about to turn in his leased Audi A3, planning to replace it with a hybrid or electric car. He said he knew he would likely have to pay more but was stunned to find most



THE WALL STREET JOURNAL.

## Gym Clubs

Continued from page B1 most loans to midsize businesses at the time, according to data from LevFin Insights.

The coronavirus pandemic drove companies like 24 Hour Fitness Worldwide Inc., Gold's Gym International Inc. and **Town Sports International** Holdings Inc. to file for bankruptcy-court protection. Consumers turned to at-home workout companies like Peloton, with investors pumping the stationary-bike company's stock up more than 500% at its peak.

Last year, as home workouts grew tiresome and the release of Covid-19 vaccines reduced infection risk, more consumers began signing up for gyms again. Planet Fitness customers rejoined at a rate of 30% in 2021 compared with 20% pre-pandemic, Chief Executive Christopher Rondeau told analysts on a February conference call.

Sam Rimland, a 30-year-old television commercial director in Brooklyn, N.Y., quit Planet Fitness in March 2020. He went back about seven months ago after getting a second vaccine dose.

"I was doing exercises in my living room purely to make sure I kept some kind of toning and muscle mass. but I didn't particularly get the satisfaction that one gets at the gym," Mr. Rimland said. "It's been nice to go back to that routine.'

Planet Fitness, the public holding company for about 2,200 gyms under its brand, weathered the pandemic in part because most of its locations are franchises, keeping costs low. Membership also rebounded quickly thanks to low fees starting at \$10 a since lost about 25%.

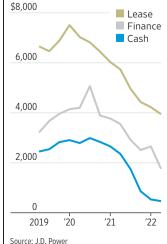
Hedge-fund managers like Soroban and Artemis Investment Management began buying more Planet Fitness stock last summer, according to data from S&P Global Market Intelligence. The shares have gained about 12% since the end of June. Peloton's stock has fallen about 77% over the same period; the company earlier this year replaced its chief executive and cut 2,800 jobs. Soroban and Artemis declined to comment.

Some fund managers are wagering on luxury chains that operate mostly in the suburbs and target affluent families with country-clubstyle amenities like golf courses, tennis courts, pools and restaurants. The outdoor options and spending power of the clientele helped tide such companies over.

Last summer, alternative asset manager MidOcean started buying the debt of Bay Club, a West Coast company catering to the media and technology elite living around Los Angeles and San Francisco. Some of Bay Club's approximately \$700 million of loans traded as low as 90 cents on the dollar at the time, while MidOcean believes the value of the company's real estate alone exceeds \$800 million, said Dana Carey, chief investment officer of MidOcean's \$7 billion credit arm. The loans now trade sporadically around 95 cents on the dollar, he said.

Some luxury gym owners have taken advantage of investor appetite to take money off the table. Private-equity firms Leonard Green & Partners and TPG purchased Life Time Fitness Inc. in 2015 for more than \$2.8 billion and listed it on the New York Stock Exchange last October. The partial stock offering raised about \$700 million. The company's shares have

#### Amount spent on incentives from auto makers by type of deal



A Volkswagen America executive says car makers are putting priority on more lucrative sales.

dealers quoting him double his current lease payment of \$360 a month.

"I laughed, and I think I said something inappropriate," Mr. Hunt said, referring to one lease offer with a payment of more than \$700 a month. Instead, he said he bought out his lease on the Audi because he determined it would be cheaper to finance the car than enter into a new lease.

The impact of such decisions is likely to have longer-term implications for auto makers and dealers, who rely on leasing to drive repeat business and help replenish preowned inventories. Already, the leasing drop-off is taking its toll on the number of vehicles returning to dealerships.

In the fourth quarter of 2021, GM Financial, the financing arm of General Motors Co., reported its U.S. lease returns had dropped to 1%, down from 62% a year earlier.

Auto executives and dealers sav many customers are holding on to their leases longer or buying them out at the end of their terms, in part because they can't find a replacement on the lot. "Leases do create this wonderful steady stream of customers who have to come back to market," said Thomas King, an analyst for J.D. Power.

Vehicles coming off lease help ensure the used-car market has a consistent supply of low-mileage models that are only a few years old. With fewer people leasing, the pipeline is also being disrupted, compounding an existing shortage of used cars on dealership lots, dealers say.





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### **BUSINESS NEWS**

### Credit Suisse Sees \$500 Million Hit From Lawsuit

#### By Margot Patrick

**Credit Suisse** Group AG is expected to pay around \$500 million after losing a lawsuit brought by a Georgian billionaire who claimed the bank mismanaged his money.

Credit Suisse has spent years fending off claims from Bidzina Ivanishvili, a former prime minister of Georgia. He sued the bank in Bermuda and Singapore for breach of trust, alleging he lost \$800 million on forged trades made by his Geneva-based private banker, Patrice Lescaudron. Mr. Ivanishvili sought \$400 million damages in Bermuda's Supreme Court, where a fiveweek trial ended in December.

#### Credit Suisse said it had taken reserves previously, without saying for how much.

In a statement Wednesday, Credit Suisse said a judgment against the bank was expected shortly in Bermuda for potentially more than \$500 million. A person familiar with the matter said the judgment stems from Mr. Ivanishvili's lawsuit.

Mr. Lescaudron was sentenced in Switzerland to five years in prison in 2018 for fraud and forgery. He admitted cutting and pasting client signatures to divert money and buy stocks without their knowledge, causing more than \$150 million in losses, according to the Geneva criminal court.

At his trial, Mr. Lescaudron said his aim was always to make big returns for his clients, and some money for himself, too. He apologized to Credit Suisse, former colleagues and his clients for his actions. Mr. Lescaudron served a two-year pretrial detention and was released in 2019. He killed himself in 2020.

Credit Suisse contested Mr. Ivanishvili's claims, and has said it was also a victim of a rogue employee breaking the rules. But evidence in the Bermuda trial included a report for Switzerland's financial regulator in 2017 that found around a dozen executives or managers in Credit Suisse's private bank knew Mr. Lescaudron was repeatedly breaking rules but turned a blind eye, proposed lenient punishment for his misconduct or otherwise glossed over the issues because he brought in around \$25 million in revenue a year.

Credit Suisse tried to block the report, whose contents were first reported by The Wall Street Journal in February 2021, from being shared with Mr. Ivanishvili in the Bermuda proceedings.

The regulator, Finma, publicly censured Credit Suisse in 2018 for inadequately supervising and disciplining Mr. Lescaudron, and said he had repeatedly broken internal rules. Credit Suisse has said it discovered Mr. Lescaudron's fraud in September 2015, when a stock he bought for clients crashed.

The Finma-commissioned report found Mr. Lescaudron's activities triggered hundreds of alerts in the bank that weren't fully probed in the 2009-2015 period studied.

A business-risk manager who tried to escalate the issues told the report's investigators he feared losing his job if he raised the alarm further, according to the report.

Credit Suisse said it had taken reserves previously, without saying for how much, and that it intends to pursue all available legal actions.



## Darden Restaurants Cuts Outlook And Raises Forecast for Inflation

#### BY WILL FEUER

The parent company of Olive Garden cut its financial guidance for fiscal 2022 and raised its inflation expectations, saying the spread of the Omicron variant in January further disrupted supply chains and is driving costs higher.

**Darden Restaurants** Inc., which also operates LongHorn Steakhouse, said Thursday that sales jumped more than 41% to \$2.45 billion in the quarter ended Feb. 27. That fell short of analysts' expectations of \$2.51 billion after the Omicron variant surge hurt demand, limited staffing and drove a surge in operating expenses.

Roughly 8%, or 13,000, of the company's employees missed days in January as a result of the surge in Covid-19 cases, Darden Chief Operating Officer Ricardo Cardenas said. At the same time, he added, warehouse staffing issues, driver shortages, higher meat prices and back-to-back winter storms drove costs higher.

Those challenges among others prompted the company to raise its inflation expectations for the fiscal year to 6% from 5.5%, Mr. Cardenas said. It expects commodity inflation of 9%, with hourly wage inflation approaching 9%. The company's current quarter is its last of the fiscal year.

In response to higher costs, Darden raised prices last quarter, though at a slower pace than its costs, finance chief Rajesh Vennam said. For the full fiscal year, the company said its prices will be about 3% higher.

Mr. Vennam added that the company is weighing whether

to raise prices further while looking for cost-saving opportunities.

Darden also narrowed its guidance on sales and lowered its view on earnings for the year. It now expects annual sales of \$9.55 billion to \$9.62 billion. It previously issued sales guidance of \$9.55 billion to \$9.70 billion.

The company now expects net earnings from continuing operations of \$7.30 a share to \$7.45 a share, down from its December guidance of \$7.35 a share to \$7.60 a share.

Despite the downward revision to guidance, the departing Chief Executive Gene Lee said that consumer demand remains robust and that wages across the U.S., especially among lower-income workers, are rising faster than costs such as higher gasoline prices.

"We believe that wage in-

flation throughout the country is rising at a pretty rapid rate, and so we believe that the consumer can handle that right now based on where things are today," he said, referring to higher costs.

"The environment can shift pretty quickly on us here, but what we're seeing today is that consumer demand remains fairly strong."

Shares of Darden rose more than 1% to \$132.40 a share.

In the fiscal third quarter, the company posted a profit of \$247 million, or \$1.93 a share, compared with \$128.7 million, or 98 cents a share, a year earlier. Analysts polled by FactSet had been expecting adjusted earnings of \$2.10 a share.

Mr. Vennam said the sales slowdown tied to the surge in Covid-19 cases negatively affected earnings by about 30 cents a share.

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Freight technology company Einride is providing the shipper with electric trucks under an agreement. An artist's rendering of a vehicle.

## Maersk Line to Electrify North American Operations

#### BY DENNY JACOB

Danish container shipping giant **A.P. Moller-Maersk** A/S is electrifying its North American businesses through a fiveyear agreement with Swedish freight technology company **Einride** AB that includes the use of 300 electric heavy-duty trucks.

Einride will provide digital and electric freight shipping support and the use of its operating system for the trucks to electrify Maersk's North American warehousing, distribution and transportation

business. The agreement will launch in Los Angeles, Chicago, Newark, N.J., and Savannah, Ga.

Maersk Growth, the company's venture arm, is an investor in Einride, having participated in a \$110 million funding round last year.

The deal comes as Maersk is promising to bring carbon emissions across its global business to net zero by 2040. The work with Einride will help increase capacity and drive the company's sustainability strategy, said Narin Phol, regional managing director at Maersk North America. The 300 electric trucks,

which both companies claim to be the largest heavy-duty electric truck deployment so far, will be delivered between 2023 and 2025. Maersk isn't buying the trucks outright but will use the capacity.

Maersk declined to disclose the total cost of the deal.

Maersk Line is the world's second-largest container line by capacity, according to maritime research group Alphaliner, but it has been resetting its strategy to go beyond ocean freight into inland logistics through a series of acquisitions.

The company in February bought U.S. logistics operator Pilot Freight Services in a \$1.68 billion deal in a purchase aimed at bolstering its ability to move big and bulky freight in North America.

Maersk said its long-term goal in North America is to move toward a fully electric trucking fleet.

"If this is a success, there is no reason why we don't have the same operation across all port cities in the U.S.," Mr. Phol said.

### Apple Makes Case With Appeals Court On Epic's Lawsuit

#### BY TIM HIGGINS

**Apple** Inc. on Thursday said a judge's ruling that it was violating California's unfair competition law should be overturned because she had already found the iPhone maker's inapp payment system was competitive.

It is the first full-throated filing by Apple laying out the Cupertino, Calif., company's argument in the appeals fight over the high-profile legal battle between it and "Fortnite" maker **Epic Games** Inc.

Apple's filing Thursday with the Ninth U.S. Circuit Court of Appeals comes weeks after Epic gave its own reasons for its appeal in the case that mostly swung in Apple's favor. U.S. District Judge Yvonne Gonzalez Rogers had previously ruled against nine of Epic's 10 claims. A hearing before the Ninth U.S. Circuit Court of Appeals is expected later this year with a decision unlikely for several months afterward.

Apple said the earliest it expects a decision is the summer of 2023. Meanwhile, it has already won a reprieve from the appeals court in rolling out changes to the App Store ordered by Judge Gonzalez Rog-

While she found that Apple wasn't violating antitrust laws in mobile games transactions, the judge ruled that its conduct enforcing antisteering restrictions was anticompetitive under California law. She had instructed Apple to allow developers to communicate with users inside of their apps about alternative payment methods outside of Apple's App Store.

"This Court already recognized that Apple is likely to succeed on the principal issue—whether conduct that does not violate the antitrust statutes can be enjoined as `unfair' under California law in staying the injunction pending appeal," Apple said in its filing Thursday.

At this phase of the fight, as the two sides argue over Judge Gonzalez Rogers's ruling, they are trying to prove legal errors in the decision. It is is a less dramatic battle than last May, when the companies' lawyers faced off in an Oakland, Calif., courtroom for 16 days, a drama that saw the chief executives of both companies take the witness stand.

At the core of Epic's original argument were the claims that Apple held an improper monopoly over the distribution of third-party software on its iPhones and forced apps to use its own in-app payment system that takes as much as a 30% commission.

In January, Epic filed its own argument with the appeals court, saying the judge erred in her interpretations of the law and should be reversed.

## Inflation Boosts SpaceX Prices

#### By MICAH MAIDENBERG

Prices are going up at **SpaceX**, with the company citing inflationary pressures as the reason.

The Elon Musk-led space company's Starlink unit, which uses satellites to provide broadband internet connections, recently said the price of its user kit for clients with deposits already in is increasing to \$549 from \$499, while new customers will pay \$599, according to a message viewed by The Wall Street Journal. The monthly charge for the service will increase to \$110 from \$99, the

message said. "The sole purpose of these

adjustments is to keep pace with rising inflation," Starlink said.

The message didn't specify what input costs drove the change, but said that Starlink has quickly added new infrastructure since October 2020, including tripling the number of satellites in orbit, and made improvements to its network.

The company didn't respond to a request for comment. Earlier this month, Mr. Musk said in a tweet that SpaceX, as well as **Tesla** Inc., the electric-vehicle manufacturer he leads, are "seeing significant recent inflation pressure in raw materials & logistics." Users tap into Star-



The standard price to reserve the company's workhorse Falcon 9 rocket for certain launches is listed at \$67 million, up from \$62 million.

#### Watch a Video



Scan this code for a video on SpaceX's Starship rocket. link via a terminal that SpaceX ships to them.

The company has been adding ground infrastructure for the service and now has 250,000 subscribers, an executive for **Space Exploration Technologies** Corp., the formal name for SpaceX, said at a re-

d- cent industry conference.

Hawthorne, Calif.-based SpaceX also raised prices it charges to get customers' assets to orbit. SpaceX's rideshare program, in which satellite operators reserve space on a rocket with unrelated operators, now lists costs as low as \$1.1 million for certain launches on its website, up from a previous price of \$1 million. SpaceX said on its website it made the change in March "to account for excessive levels of inflation."

Meanwhile, a document on the company's website now lists the standard price to reserve the company's workhorse Falcon 9 rocket for certain launches at \$67 million, compared with an older guide that showed that cost at \$62 million.

SpaceX also boosted prices for Falcon Heavy, a bigger rocket than the Falcon 9, to \$97 million from \$90 million, the documents show.



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### Mayo Clinic Tests Google AI Tool

#### By Isabelle Bousquette

The Mayo Clinic said it is testing a product from Google Cloud that uses artificial intelligence to better track and analyze language-based information in patients' electronic health records, such as doctor's notes.

This technology, known as natural language processing, has made strides in recent years, say experts, although it remains in its early days. **Alphabet** Inc.'s cloud unit is one of many technology companies pouring investment and research into the area.

Vish Anantraman, chief technology officer of the Mayo Clinic, said Google's Healthcare Natural Language API could help clinicians search and access patient data a lot more easily, although he said Mayo is still in early trial phases.

Some 80% of patient data in electronic medical records is unstructured, including transcribed reports and doctor's notes, Dr. Anantraman said. Natural-language processing allows the hospital system to turn the data that aren't organized into discrete fields into structured data, meaning clinicians will have an easier time searching and analyzing it, he said.

Once patient data are structured, the hospital will be able to find ideal patients for clinical trials and run various types of prediction tools that look for indicators that certain patients might be at higher risk for certain diseases early on, said Dr. Anantraman. This type of work was possible in the past but required a lot of human involvement, he said.

The Mayo Clinic has used natural-language processing tools to index unstructured information from medical records in the past, but Dr. Anantraman said the Google technology is more scalable and would allow Mayo to do so more accurately and efficiently.

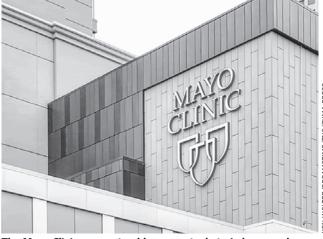
"We just have a lot of data that is not accessible and locked down because they're in an unstructured format," said Dr. Anantraman, adding that the data are now much more accessible.

The application of AI to

healthcare has met with varying degrees of success, complicated by factors such as access to patient datasets reflective of the population, lack of healthcare expertise on the part of tech vendors and hype.

International Business Machine Corp.'s decision to sell assets from its Watson Health business, which heralded itself as a way to help doctors diagnose and cure cancer, highlighted the challenges various AI healthcare tools have faced trying to make an impact.

Still, the trillion-dollar healthcare industry remains a target. Tech companies point to investments in AI products, advances in the technology and natural-language processing in particular, as well as partnerships with hospitals to collaborate on tools.



types of prediction tools that The Mayo Clinic uses natural-language tools to index records.

### **BUSINESS NEWS**

### Former Fidelity CEO Dies

*Continued from page B1* former Fidelity president.

Fidelity ended 2021 with \$11.78 trillion in assets under administration, or what is in Fidelity accounts as well as Fidelity funds held by rivals' clients. The firm's assets under management, or the amount overseen by Fidelity's funds, totaled \$4.48 trillion, up from \$3.8 trillion a year earlier.

Fidelity grew into a financial giant but remained, like Mr. Johnson, fiercely private. The Johnsons control 49% of **FMR Corp.**, Fidelity's parent.

Mr. Johnson is survived by his wife, Elizabeth, his three children, Abigail, Elizabeth and Edward, and seven grandchildren.

"He loved his family, his coworkers, work, the stock market, art and antiquities, tennis, skiing, sailing, history, and a good debate," Abigail Johnson wrote. "He could be counted on to have the contrarian view on just about anything."

Edward Crosby Johnson III was born in 1930. He grew up in the Brahmin enclave of Milton, Mass.

The Johnsons, who can trace their Boston roots to the 17th century, had wealth and prestige long before Mr. Johnson's father, a lawyer by training, founded Fidelity in 1946. But Edward Johnson II loved the stock market and all of its imperfections, and he imbued his son with the same lifelong fascination.

Associates and colleagues said the younger Mr. Johnson struggled with dyslexia, bouncing through several prep schools before he headed to Harvard College. "Reading was very hard for him," said James Curvey, a former Fidelity president. "But he was very visual."

Years later, when he struggled to explain how he wanted Fidelity's first website to look, he cleared his calendar and spent six weeks working alongside the firm's software engineers, Mr. Curvey said.

Mr. Johnson spent two years in the Army before re-

Yield Curve At Issue turning to Boston for a brief stint at **State Street** Corp. Mr. Johnson joined his father's firm in 1957 as an analyst working with Gerald Tsai, then Fidelity's top manager.

\* \* \* \*

By the 1960s, Mr. Johnson's investments began to outperform other growth-stock funds—including Mr. Tsai's. When Fidelity launched its future flagship fund, Fidelity Magellan, in 1963, Mr. Johnson was its first manager.

In 1972, when Mr. Johnson became president of the firm, Fidelity managed \$3.9 billion in assets—most of it in stock funds that would bleed money until the market began to rally a decade later.

Fidelity made its first direct contact with Main Street in 1974 with its new money-market fund offering. The firm launched its brokerage in 1978, and in 1982 started selling retirement accounts to U.S. companies. In 1995, Fidelity became the first major investment firm with a website.

#### 'He could be counted on to have the contrarian view on just about anything.'

For Mr. Johnson, the ideas flowed with a staccato rhythm; some worked, others failed. Fidelity was a family business—there were no public shareholders or quarterly reports to limit his horizon or imagination, and there were fewer critics to condemn the firm's missteps.

"I don't think there was ever a strategic plan," said Mr. Lynch, Fidelity's onetime star manager.

In retirement, Mr. Johnson stayed out of the spotlight. "I'm proud of what we built, and equally proud of what Fidelity has become," Mr. Johnson said in a January 2022 statement to The Wall Street Journal. "The focus has been on our customers from day one, and that holds true today."

At a 2012 dinner honoring the Johnsons, Mr. Johnson watched as his daughter recounted the family dinners interrupted by Fidelity customers. Her father, she said, would always take those calls.

approach so much it built a probability model from it based on the idea that the more inverted the curve, the more likely recession is. At the moment, the answer is: It isn't very likely at all. In February it put the chance of a recession in the next 12 months at 6%. This announcement is neither an offer to purchase nor a solicitation of an offer to sell Shares (as defined below). The Offer (as defined below) is made only by the Offer to Purchase (as defined below), dated March 25, 2022, and the related Letter of Transmittal (as defined below) and any amendments or supplements thereto, and is being made to all holders of Shares. The Offer is not being made to (nor will tenders be acceptance thereof would not be in compliance with the securities, "blue sky" or other laws of such jurisdictions. In jurisdictions where applicable laws require the Offer to be made by a licensed broker or dealer, the Offer int. In fursifications where applicable laws require the Offer to be made by a licensed broker or dealer, the Offer and the demed to be made on behalf of the Offeror (as defined below) by one or more registered brokers or dealers licensed under the laws of such jurisdiction to be designated by the Offeror.

Notice of Offer to Purchase for Cash All Outstanding Shares of Common Stock of **Volt Information Sciences, Inc.** at

\$6.00 Per Share, Net In Cash

Pursuant to the Offer to Purchase dated March 25, 2022

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### Vega MergerCo, Inc.

a wholly owned subsidiary of

Vega Consulting, Inc.

Vega MergerCo, Inc., a New York corporation (the "Offeror") and a wholly owned subsidiary of Vega Consulting, Inc., a Delaware corporation ("Parent"), is offering to purchase all of the issued and outstanding shares (the "Shares") of common stock, par value \$0.10 per share (the "Common Stock"), of Volt Information Sciences, Inc., a New York corporation ("Volt" or the "Company"), at a purchase price of \$6.00 per Share (the "Offer Price") in cash, net of applicable withholding taxes and without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated March 25, 2022 (the "Offer to Purchase"), and in the related Letter of Transmittal (the "Letter of Transmittal" which, together with the Offer to Purchase, as each may be amended or supplemented from time to time, in accordance with the Merger Agreement described below, collectively constitute the "Offer"). Following the consummation of the Offer, and subject to the conditions described below.

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT MIDNIGHT, NEW YORK TIME (I.E., ONE MINUTE AFTER 11:59 P.M., NEW YORK TIME), ON APRIL 21, 2022, UNLESS THE OFFER IS EXTENDED OR EARLIER TERMINATED.

The purpose of the Offer is for Parent to acquire control of, and all of the outstanding equity interests in, Volt.

The Offer is being made pursuant to the Agreement and Plan of Merger, dated as of March 12, 2022, by and among Parent, the Offeror and Volt (as it may be amended and supplemented from time to time, the "Merger Agreement"). The Merger Agreement provides, among other things, that following the consummation of the Offer, and subject to the satisfaction or waiver of certain conditions, the Offeror will merge with and into Volt (the "Merger"), with Volt being the surviving corporation (the "Surviving Corporation") in the Merger as a wholly owned subsidiary of Parent in accordance with applicable provisions of the Business Corporation Law of the State of New York (the "NYBCL"). At the effective time of the Merger, each issued and outstanding Share (other than (i) Shares owned by Parent, the Offeror, Volt or any of their direct or indirect subsidiaries and (ii) Shares owned by any shareholders who are entitled to and properly demand and exercise their statutory appraisal rights, if applicable, and who comply in all respects with Sections 910 and 623 of the NYBCL) will be cancelled and converted automatically into and will thereafter represent only the right to receive an amount in cash equal to the Offer Price (the "Merger Consideration"), net of applicable withholding taxes and without interest. As a result of the Merger, are wholly owned subsidiary of Parent. The Offer, the Merger and the other transactions contemplated by the Merger are collectively referred to as the "Transactions."

Under the Merger Agreement, Volt has granted the Offeror an irrevocable option (the "Top-Up Option") for so long as the Merger Agreement has not been terminated pursuant to the provisions therein, which the Offeror may exercise in certain circumstances following the consummation of the Offer, to purchase from Volt such number of authorized and unissued shares of Common Stock (the "Top-Up Shares") equal to the lesser of (i) the lowest number of Common Stock that, when added to the number of Common Stock owned by Parent, Offeror and any of their respective subsidiaries at the time of exercise of the Top-Up Option, shall constitute one share more than 90% of the outstanding Shares immediately after the issuance of the Top-Up Shares on a fully-diluted basis (which assumes conversion or exercise of all derivative securities regardless of the conversion or exercise price, the vesting schedule or other terms and conditions thereof) and (ii) the aggregate number of authorized but unissued and unreserved Common Stock (including as authorized and unissued Common Stock, for purposes hereof, any Common Stock held in the treasury of the Company). If the Offeror acquires at least 90% of the Shares in the Offer (including pursuant to the Top-Up Option), the Offeror will consummate the Merger under Section 905(a) of the NYBCL without a shareholders' meeting and without action by the Company's shareholders.

Section 905(a) of the NYBCL without a shareholders' meeting and without action by the Company's shareholders. The Offer is not subject to any financing condition. The obligation of the Offeror to purchase the Shares validly tendered pursuant to the Offer is conditioned upon, among other things: (a) the number of Shares validly tendered and not validly withdrawn prior to the expiration of the Offer, when added to the Shares owned by Parent and its affiliates, would represent at least two-thirds (%) of the Shares then outstanding determined on a fully-diluted basis; (b) if exercise of the Top-Up Option is necessary to ensure that Offeror and Parent own one share more than 90% of the total Shares on a fully diluted basis; then outstanding, the number of Top-Up Shares issuable on the Top-Up Option, together with Shares validly tendered in the Offer and not withdrawn, must be sufficient to ensure that the Offeror and Parent collectively own one share more than 90% of the total Shares on a fully diluted basis; (c) the expiration or termination of any waiting period (and any extensions thereof) applicable to the Offer or the Merger under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"); (d) any court or governmental authority having jurisdiction over Parent, the Offeror or Volt not enacting, issuing, promulgating, enforcing or entering any restraint that would prohibit, render illegal or enjoin the consummation of the Offer or the Merger; (e) the accuracy of Volt's representations and warranties contained in the Merger Agreement (subject to certain qualifications); (f) since the date of the Merger Agreement, there has not been any Company Material Adverse Effect (as defined in the Offer to Purchase); (g) Volt's performance or compliance, in all material respects, with its covenants and agreements required to be performed or complied with by it under the Merger Agreement at or prior to the expiration of the Offer; (h) the receipt by Parent of a certificate of a senior exe

(g) above; (i) the No-Shop Period Start Date (as defined in the Offer to Purchase) having occurred; and (j) the Merger Agreement not having been terminated in accordance with its terms (the conditions in clauses (a) through (j), the "Offer Conditions"). The term "Initial Offer Expiration Time" means Midnight, New York time (i.e., one minute after 11:59 p.m., New York time), on April 21, 2022, unless the Offeror has extended the Offer, in which event the term "Offer Expiration Time" means the latest time and date at which the offering period of the Offer, as so extended by the Offeror, will expire.

The board of directors of Volt (the "Company Board") has (i) determined that the terms of the Merger and the Transactions are advisable, fair to and in the best interests of Volt and its stockholders, (ii) approved the execution, delivery and performance of, and adopted and declared advisable the Merger Agreement and the Transactions, including the Offer, the Top-Up Option and the Merger, on the terms and subject to the conditions set forth in the Merger Agreement, and (iii) resolved to recommend that the shareholders of Volt tender their Shares in response to the Offer, and, if required by applicable law, approve the Merger Agreement and the Merger, in each case subject to the terms and conditions set forth in the Merger Agreement.

in each case subject to the terms and conditions set forth in the Merger Agreement. Subject to the terms and conditions of the Merger Agreement, unless the Merger Agreement is terminated in accordance with its terms, the Offer may be extended from time to time as follows: (a) if at any then-scheduled expiration of the Offer, any Offer Condition is not then satisfied or, to the extent permitted by the Merger Agreement and applicable law, waived, then the Offeror may, in its sole discretion, extend the Offer on one or more occasions for any period, until such time as all Offer Conditions are satisfied or waived; provided, that if, as of any then-scheduled Offer Expiration Time, all of the Offer Conditions other than the occurrence of the No-Shop Period Start Date (and other than those conditions that by their nature are to be satisfied at the Offer Expiration Time) have been satisfied or waived in accordance with the terms of the Merger Agreement, Offeror will extend the Offer until one minute after 11:59 p.m. (New York City time) on the day prior to the No-Shop Period Start Date or, if such date is not a business day, the first business day thereafter; and (b) if the Offeror is required to extend the Offer on one or more occasions for the minimum period required by any rule, regulation, interpretation or position of the U.S. Securities and Exchange Commission ("SEC") or the staff thereof or of the NYSE American stock exchange ("NYSE American") applicable to the Offer, provided that such extension is subject to the parties' respective rights to terminate the Merger Agreement 12, 2022 (the "End Date"). Any extension of the Offer, waiver, amendment of the Offer, delay in acceptance for payment or payment or termination of the Offer will be followed, as promptly

Any extension of the Offer, waiver, amendment of the Offer, delay in acceptance for payment or payment or termination of the Offer will be followed, as promptly as practicable, by public announcement thereof, the announcement in the case of an extension to be issued not later than 9:00 a.m., Eastern Time, on the next business day after the previously scheduled Offer Expiration Time in accordance with the public announcement requirements of Rules 14d-4(d), 14d-6(c) and 14e-1(d) under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Subject to the applicable rules and regulations of the SEC and the provisions of the Merger Agreement, the Offeror expressly reserve the right to waive, any Offer Condition (other than the Specified Offer Conditions, as defined in the Offer) or modify the terms of the Offer. However, pursuant to the Merger Agreement, Parent and the Offeror have each agreed that it will not, without the prior written consent of Volt: (i) reduce the number of Shares subject to the Offer, (ii) reduce the Offer Price, (iii) modify or waive any Specified Offer Conditions, (iv) add to the Offer Conditions or otherwise modify or waive any term of the Offer in a manner adverse to any holders of Shares or that makes such Offer Conditions more difficult to satisfy, (v) change the form of consideration payable in the Offer or (vi) provide for a "subsequent offering period" (or any extension thereof) in accordance with Rule 14d-11 under the Exchange Act. In order to tender all or any portion of your Shares to the Offeror in the Offer, you must (a) follow the procedures described in the Offer to Purchase or (b) if your Shares are held through a broker, dealer, commercial bank, trust company or other nominee, contact such nominee and request that they effect the transaction for you and tender your Shares. **Beneficial owners of Shares holding their Shares through nominees should be aware that their broker, dealer, commercial bank, trust company or other nominee may establish its own earlier dealline for participation in the Offer should contact such nominee as soon as possible in order to dealer, commercial bank, trust company or other nominee and who wish to participate in the Offer should contact such nominee as soon as possible in order to determine the times by which such owner must take action in order to participate in the Offer should contact such nominee as soon as possible in order to determine the times by which such owner must take action in order to participate in the Offer.** 

*Continued from page B1* economists as more at risk of an imminent recession. If the yield curve is a good indicator, Germany will be fine, since the curve has steepened, not inverted, since the Ukraine invasion.

Whisper it quietly, but maybe the yield curve isn't quite as useful as many think as a recession alert.

Here we come back to the correlation question. It is true that before every recession the curve inverted. But a warning that comes between a year and three years before a recession—even ignoring the 1965 and 1998 false alarms—is hard for an investor to act on. It is hard to stick to bearish convictions if stocks keep going up for years, and you are missing out.

After the yield curve inverted in 1989, for example, stocks rose more than a third before the recession started in mid-1990. Similarly, those who switched from stocks to safer assets when the curve inverted at the end of 2005 had to endure a rise of more than a quarter in the S&P 500 and wait two years before the bet worked out.

Rather than warn of recession, an inverted yield curve is better read as a sign to investors that the economy is late in its cycle. That is, the Fed is tightening policy to slow the economy. The deeper the inversion of the curve, the closer the cycle is to its end, and, barring a soft landing, recession.

Yield-curve pioneer Prof. Campbell Harvey of Duke University's Fuqua School of Business prefers to compare the three-month yield to the 10-year. The Federal Reserve Bank of New York likes this

rustratingly for those trying to drum up recession concerns, using the three-month yield curve is actually further away from inversion now than it was before the Russian invasion, as the 10-year yield has risen more than the shortest vields. The Fed might cause a recession by jacking up rates too far, too fast—but so far it has only raised rates once, so this remains an issue for 2023 or 2024, not today.

The response of doommongers—of whom I am usually one!—is to say that the vield-curve warning is often dismissed: This time is always different. Deutsche Bank strategist Jim Reid highlights former Fed Chairman Ben Bernanke's March 2006 comments explaining why it would be fine that time and Chairman Jerome Powell joined in the dismissals on Monday. He pointed to Fed research that concluded that what really matters is the gap between three-month yields now and the implied three-month vield in 18 months' time. If traders are betting on lots of rate cuts in the next 18 months, they are expecting a recession. Right now, they aren't.

he yield curve will be talked about a lot more as the increasingly hawkish Fed means it is likely to be flatter and inverted on more measures over the next couple of vears. The correlation doesn't mechanically mean recession is on the way and especially not soon. But investors should be closely watching the causation. The higher rates go, the more likely the Fed overdoes it and slows the economy too much.

If you desire to tender Shares to the Offeror pursuant to the Offer and the certificates representing your Shares are not immediately available, or if you cannot comply in a timely manner with the procedures for tendering your Shares by book-entry transfer, or cannot deliver all required documents to Computershare Trust Company, N.A. (the "Depositary and Paying Agent") by the expiration of the Offer, you may tender your Shares by following the procedures for guaranteed delivery set forth in the Offer to Purchase.

For purposes of the Offer, the Offeror will be deemed to have accepted for payment and thereby purchased Shares validly tendered and not properly withdrawn if and when the Offeror gives oral or written notice to the Depositary and Paying Agent of its acceptance for payment of those Shares pursuant to the Offer. Payment for Shares accepted for payment pursuant to the Offer will be made by deposit of the purchase price therefor with the Depositary and Paying Agent, which will act as agent for the tendering shareholders for purposes of receiving payments from the Offeror and transmitting those payments to tendering shareholders. If the Offeror extends the Offer, is delayed in its acceptance for payment of Shares or is unable to accept for payment Shares pursuant to the Offer for any reason, then, without prejudice to the Offeror's rights under this Offer, the Depositary and Paying Agent may nevertheless, on behalf of the Offeror, retain tendered Shares, and those Shares may not be withdrawn except to the extent that tendering shareholders are entitled to withdrawal rights as described in the Offer to Purchase. **Under no circumstances will interest be paid on the Offer Price for Shares, regardless of any extension of the Offer or any delay in payment for Shares.** 

on the Offer Price for Shares, regardless of any extension of the Offer or any delay in payment for Shares. Shares tendered pursuant to the Offer may be withdrawn at any time on or prior to the Offer Expiration Time, and, if not previously accepted for payment at any time, after May 24, 2022, the date that is 60 days after the date of the commencement of the Offer, pursuant to SEC regulations. For a withdrawal of Shares to be effective, a written or, with respect to "eligible institutions," facsimile transmission, notice of withdrawal with respect to the Shares be timely received by the Depositary and Paying Agent at the address set forth on the back cover of the Offer to Purchase. Any notice of withdrawal must specify the name of the person having tendered the Shares to be withdrawn, the number of Shares to be withdrawal must be guaranteed by an eligible institution, unless those Shares have been tendered pursuant to the procedures for book-entry transfer, any notice of withdrawal must specify the name and number of the account of any eligible institution. If Shares have been tendered pursuant to the precedures for book-entry transfer, any notice of withdrawal must specify the name and number of the account at The Depository Trust Company to be credited with the withdrawn Shares. If certificates representing the Shares to be withdrawn have been delivered or otherwise identified to the Depositary and Paying Agent, the name of the registered onwer and the serial numbers shown on such certificates. If a shareholder tenders Shares by giving instructions to a broker, dealer, commercial bank, trust company or other nominee, the shareholder must instruct such broker, dealer, commercial bank, trust company or other nominee to arrange for the withdrawal of those Shares.

All questions as to the validity, form, eligibility (including time of receipt) and acceptance of any tender of Shares will be determined by the Offeror (which may delegate such power in whole or in part to the Depositary and Paying Agent) in its sole and absolute discretion, which determination will be final and binding absent a finding to the contrary by a court of competent jurisdiction. The Offeror reserves the absolute right to reject any and all tenders determined by it not to be in proper form or the acceptance for payment for which may, in the opinion of the Offeror, be unlawful. The Offeror also reserves the absolute right to avive any defect or irregularity in the tender of any Shares of any particular shareholder whether or not similar defects or irregularities are waived in the case of any other shareholder. No tender of Shares will be deemed to have been validly made until all defects and irregularities relating thereto have been cured or waived. None of Parent, the Offeror or any of their respective affiliates or assigns, the Depositary and Paying Agent and Georgeson LLC (the "Information Agent"), or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification. The Offeror's interpretation of the terms and conditions of the Offer (including the Letter of Transmittal and the Instructions thereto and any other documents related to the Offer) will be final and binding. Withdrawals of tenders of Shares may be retendered by following one of the procedures for tendering Shares described in the Offeror purposes of the Offer. However, withdrawn Shares may be retendered by following one of the procedures for tendering Shares described in the Offer Purchase at any time prior to the Offer Expiration Time.

The information required to be disclosed by paragraph (d)(1) of Rule 14d-6 of the General Rules and Regulations under the Exchange Act is contained in the Offer to Purchase and is incorporated herein by reference.

The Offer to Purchase and the related Letter of Transmittal are being mailed to record holders of Shares whose names appear on Volt's shareholder list and will be furnished to brokers, dealers, commercial banks, trust companies or other nominees whose names, or the names of whose nominees, appear on the shareholder list or, if applicable, who are listed as participants in a clearing agency's security position listing, for subsequent transmittal to beneficial owners of Shares.

The Offer to Purchase, the related Letter of Transmittal and Volc's Solicitation/Recommendation Statement on Schedule 14D-9 and the other documents to which such documents refer contain important information that should be read carefully before any decision is made with respect to the Offer.

Questions and requests for assistance and copies of the Offer to Purchase, the Letter of Transmittal and all other tender offer materials may be directed to the Information Agent at its address and telephone number set forth below and will be furnished promptly at the Offeror's expense. Neither Parent nor the Offeror will pay any fees or commissions to any broker, dealer, commercial bank, trust company or other nominee (other than to the Depositary and Paying Agent and the Information Agent) in connection with the solicitation of tenders of Shares pursuant to the Offer.

The Information Agent for the Offer is:

Georgeson

Georgeson LLC 1290 Avenue of the Americas, 9th Floor New York, New York 10104 Shareholders, Banks and Brokers Call Toll Free: (888) 613-9988

March 25, 2022

### **BUSINESS NEWS**

## For Nestlé, Nature and Climate Are Tied

Executive who developed disclosure framework says identifying the right metrics is a key challenge

#### BY ED BALLARD

A Nestlé SA executive who helped put together a new framework for biodiversity reporting said companies should release integrated disclosures related to climate change and nature, because the two things are so interconnected.

Alison Bewick, head of risk management at Nestlé, was one of the executives involved in cre-

**BOSS TALK** ating the initial framework

from the Taskforce on Nature-related Financial Disclosures that was published last week.

The framework, devised by businesses working in collaboration with scientific organizations and nonprofit sustainability standard-setters, is meant to serve as a guide for companies about reporting on nature-related risks and opportunities. It follows the model of the climate-risk framework devised by the Task Force on Climate-Related Financial Disclosures.

Ms. Bewick said signing up to work on the framework was a natural step for the Swiss packaged-food company. Nestlé says protecting the ecosystems it depends on for food ingredients is a key part of its plan to achieve net-zero carbon dioxide emissions by 2050. In December 2020, the company started a five-year plan to spend 3.2 billion Swiss francs, equivalent to about \$3.43 billion. on climate-related initiatives including efforts to encourage farming practices that restore soil.

Ms. Bewick discussed with The Wall Street Journal the challenges of measuring companies' impact on nature, how nature-related data will fit in with climate-change disclosures, and how biodiversity affects Nestlé's supply chain. The interview was edited for length and clarity.



Coffee beans being unloaded from a container at Nestle SA's Nescafe plant in Orbe, Switzerland.

#### WSJ: How did you get involved with the TNFD?

MS. BEWICK: The TNFD asked Nestlé to join as a task-force member last year. I very much welcome the pragmatism of the TCFD framework, so I said that that would be great. It also tied in very nicely with the fact that we were on the first year of the implementation of our net-zero road map. It focused on carbon reduction, but as we go on this journey of understanding the different levers we can use to reduce a carbon footprint, you start to realize it's much broader than just carbon, it's about the soil fertility, the soil health, the land use.

#### WSJ: How do you see the two frameworks working together? MS. BEWICK: The way I see

it developing is that companies would have integrated climate and nature disclosures. When we think about how we can address our carbon footprint, a lot of it's through nature-based solutions. It's beyond just the greenhouse-gas measurement, it's around the avail-



ability of water, it could be the soil profile, how you approach land-use in terms of rotation of crops, that type of thing. I think the underlying principle is that this should be ultimately an integrated disclosure, because there's a very strong interconnectivity and dependency between nature and climate.

WSJ: How should metrics and targets for nature be defined? MS. BEWICK: We've had quite a lot of conversations within the TNFD as to how do you start to define measurable units of nature, the way the Greenhouse Gas Pro-

tocol has done [for emissions]. And we've actually got that as a sort of gray area, but we're looking for feedback from the market around what's the best way to evolve that. The thing for me is, and this is the feedback I gave to TNFD: We need support here from science-based organizations. We need some help to say, "OK, how would you scope that out?" Maybe there's more than one-maybe there's one for water, soil health, atmospheric health, because it's more than greenhouse gases, it's pollutants as well. So I think there's more work to be done in the metrics and targets, and a lot of it is a challenge around the scope of nature. When you say nature, it's just so broad. Technology is going to help

massively in the ability to collect data as well. We're improving our data availability, and accuracy on the greenhouse gas, and we have to do the same thing for things like soil health-how do you track that on a consistent basis. and what would be the metric you would report on?

#### WSJ: What gives you confidence that the TNFD can be a success?

MS. BEWICK: What I'd say is, take a look at the partnerships they have in place, a lot of them around the science.

I think that's what we need to help us develop the scenarios, as well as the data and the metrics. So that needs to start in earnest. I think there's a lot of work ahead, but I'm very encouraged about the level of participation with the companies. I think having standardsetters helps as well, to drive some discipline.

This all ultimately has to be able to be disclosed so we've got to keep it as simple as possible and as pragmatic as possible even though nature is very, very complicated. So I'm positive that the momentum is good.

#### WSJ: What are the challenges when it comes to understanding how your supply chain affects nature and is affected by it?

MS. BEWICK: This maybe goes back to the Scope 3 for greenhouse gas. For nature, it's very challenging. The TNFD could help set out those standard methodologies, those standard scopes—I would say that'd be incredibly useful.

Also, our suppliers and our farmers are going to be impacted by climate, impacted by changing ecosystems. So the other thing is understanding their needs, and the challenges they're going to meet. So we've got a coffee plan, we've got a co coa plan, and I think that's actually really helped to inform our net-zero road map in terms of understanding how we can better adapt to physical changes—actually adapting to say, hotter weather, or more variability when it comes to water availability.

## Drives Plant's Chapter 11

By ANDREW SCURRIA AND AKIKO MATSUDA

A Salem Harbor, Mass., power plant backed by **Oaktree** Capital Management LP filed for bankruptcy protection to weather a \$236 million arbitration award to its former contractor and pursue a dual-track restructuring to either sell itself or hand control to lenders.

Footprint Power Salem Harbor Development LP has proposed handing over 100% of its equity interests to lenders owed \$290 million or selling itself out of chapter 11 if a suitable buyer emerges, court papers said.

The company owns a 674megawatt natural-gas-fired plant located along Salem Harbor that was embroiled in lawsuits and arbitration proceedings since 2018 with its engineering and construction contractor, Iberdrola Energy Projects Inc.

Construction delays pushed back the project's opening by 11 months and caused the plant to terminate its contract with IEP in 2018, according to papers filed late Wednesday in the U.S. Bankruptcy Court in Wilmington, Del., by chief restructuring officer John Castellano. A different contractor finished the construction.

IEP filed an arbitration claim over the termination and last year was awarded more than \$236 million, damages that were confirmed by a New York state court in January. Combined with the amounts owed to secured lenders, the IEP award put the plant at "significant risk of an inability to satisfy its debts," Mr. Castellano said in court papers.

A few months before the state court's confirmation of the arbitration award, the company formed two special committees to evaluate its restructuring options.

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Member Voices | Four of our members respond to the below question:

#### What do you foresee as the biggest opportunities or threats to CEOs and their organizations in the year ahead?



#### Jo Ann Jenkins CEO AARP

"This year as we begin to look beyond Covid-19, one of the biggest challenges that CEOs face is figuring out how to best structure their workforce. Working through COVID has not only heightened the need to create more flexible work environments, it has also opened the door to new possibilities for building a multigenerational workforce. We know that multigenerational teams are more productive and create better results. Employers who seize this opportunity can leverage the multigenerational workforce as a key to success and a competitive advantage for years to come."



#### Wayne Berson CEO, BDO USA, LLP.

"As leaders, we have the opportunity to create a more equitable and sustainable form of capitalism that considers all stakeholders and ensures that everyone benefits when business does well. Businesses that transform operations to reduce negative impacts on future generations can reap very real rewards, but it will require a considerable mindset shift to address these issues directly. Very simply-beyond the clear business benefits-it's the right thing to do."



#### Carmine Di Sibio Global Chairman & CEO, EY

"In 2022, organizations understand that they need to focus on updated supply chains, net-zero planning, digital transformation and increased agility. However, in a changed geopolitical environment, now is also the time to examine and map global dependencies. It is important for CEOs and their organizations to remain global-and continue to be a connector of people-but it's equally important to plan for both near and long-term risks to their strategy, operations, supply chain and workforce."



#### Brian Tyler CEO, McKesson

"One of the biggest opportunities we have as leaders is to create an environment that maximizes our talent and their capabilities. At McKesson, the foundation of our strategy is focusing on people and culture, because a healthy culture improves teamwork and productivity, creating value for our customers, employees and partners. Whether adopting flexible working models, celebrating different perspectives or recognizing performance - our efforts to develop our team's capabilities unlock innovation and speed while creating a meaningful sense of belonging and purpose."

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### **BIGGEST 1,000 STOCKS**

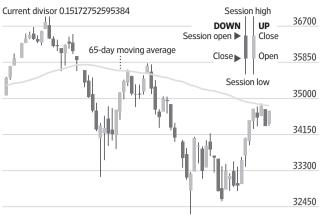
	Stock         Sym Close         Net         Stock         Sym           Fidhattindo         FIS         6.40         0.98         Fidhattindo         Fist           Fidhattindo         FIS         6.40         0.98         Fidhattindo         Fist           FistCarels         FIR         5.98         0.00         Kirrokeatly         Kirrokeatly	Net         Stock         Sym         Lose         Nut-           37.26         0.39         Nut-olinings         NU         8.15         0.47           37.80         0.08         Nut-loinings         NU         15.25         2.38           0.09         0.52         0.81         0.81         0.81         2.49           1.00         0.52         Nut-loining         NUE         15.32         2.91           1.00         0.44         0.0160         ORL         7.97         2.00           3.63         0.35         0.024         0.0129         7.57         2.00           3.64         0.31         0.0160/mom Freight OPL         TOTX         7.57         0.30           3.63         0.35         0.0160/mom Freight OPL         TOTX         1.56         0.30           2.63         3.61         0.31         0.31         0.31         0.31         0.31           3.74         0.32         Ornicom OR         3.53         0.04         0.33         0.40           3.74         0.32         Ornicom OR         3.53         0.04         0.33         0.40           3.74         0.32         Ornicom OR         3.53	SherwinVilliams SHW 249.93         2.29         Telekmindonesia TLK         32.07         0.13         Viatris         VTRS         10.95         0.07           Shniphy         Shapofy         Stage         Viatris         VTRS         10.95         0.07           Shapofy         Stage         Viatris         VTRS         10.95         Viatris         VTRS         10.95         0.07           SignatureBank         SBN 305.33         Teraymer         TER 164.61         107         10.72         0.15           SimonProperty SPG         S10.13         0.12         Terasinstruments TVR         14.01         Viatris         VMC 464.1         107           SimutoKapete SNN         25.26         Terasinstruments TVR         14.01         11.37         Viatris         VMC 240         Viatris         VMC 48.41         10.07           SimutoKapete SNN         25.26         Ottomaliters TM         Tractor TX         14.06         1.01         Viatris         VMC 240         VMC 240         VMC 48.41.0         10.02         1.02         Viatris         VMC 240         VMC 48.41.00         1.02         VMC 48.41.00         1.02         VMC 48.41.00         1.02         VMC 48.41.00         1.01         VMC 48.41.00         1.02         VMC 48.41.00
AtmosEnergy         ATTO         115.67         1.36         ChinaEstrnAir         CEA         17.22         -0.52         Equifax         FFX         236.53         -0.09           Autodesk         ADP         ADP         216.95         5.71         Chinal/Felns         LFC         7.75         -0.15         Equinor         EQN         77.16.3         3.81           ADP         ADP         216.95         4.33         ChinaSoAirlines         ZMH         29.90         0.02         Equitable         EQM         3.77         0.50           Avalara         AVLR         10.09         7.12         Chipotle         CMB         156.594         24.27         EquityLife         ELS         7.69         0.23           Avalaria         AVR         10.09         7.21         Chipotle         CMB         17.27         0.10         EssentialUtii         WRG         8.01         0.60           Avangrid         AGR         44.91         0.42         Church&Downs CHD         22.81         0.10         EssentialUtii         WRG         8.01         0.42           Avangrid         AGR         42.91         0.42         Church&Downs CHD         22.81         0.10         EssentialUtii         WRG	InterContinenti IHG         69.42         0.60         NIO         NIO           IBM         IBM         129.25         0.95         NRG Energy         NRG           IntliFlavors         IFF         127.98         2.64         NKR         NKR         NKR           IntliPaper         IP         45.24         0.61         NXP         Semi         NXP           Interpublic         IPG         35.97         0.84         NAtionalGrid         NGG           IntuitiveSurgical ISRG 281.08         5.88         NationalGrid         NGG         NetAge           InvitatHomes         INVH         40.09         0.43         NetEase         NTES           InvitatHomes         INVH         5.64         0.06         NetEase         NTES           JDcom         JD         61.52         -2.77         Newmort NEM         NewEOrp B         NWS           Jabil         JBL         62.11         1.06         NewsCorp B         NWS           JackHenry         JKHY         189.33         1.19         NetEraEnergy NEB         NestEraEnergy NES           Jackbarding         JNJ         175.24         0.90         Notia         NOK           Jackbarding         JNJ	5.93         0.13         SBA Comm         SBA 225.41         4.93           86.30         -0.92         SEI Investments         SEC         60.39         -0.17           92.16         -3.1         SK Telecom         SKM 25.93         -0.17           375.71         1.22         SS&C Tech         SKW 76.80         0.12           94.05         1.35         StoreCapital         STOR 29.15         0.08           21.8         -0.11         SVB Fin         SIVB 576.91         7.67           78.23         -0.66         Salesfore.com <crw 213.98<="" td="">         2.87         0.38           22.55         0.60         Sansofa         SNY 576.91         7.64         0.32           22.55         0.63         Sanofa         SNY 51.19         -0.40           83.70         1.13         Sasol         SL         2.56.0         0.31           30.54         0.63         Schumberger SLB         4.26.4         0.23         1.31           30.54         0.29         Sea         SE         1.22         2.54           5.34         0.06         Seageen         SE 6         6.72         2.51           27.79         1.26         Sempra         SE 6</crw>	IshRusselII000Gvth       IWF       276.25       1.87       -9.6       VangdSch500ETF       VNQ       104.92       0.63       -9.6         IshRusselII000Gvtal       IWD       165.81       1.01       -1.3       VangdSch500ETF       VOQ       144.02       1.49       -5.2         IshRusselI2000       IWM       205.84       1.15       -7.5       VangdSch50DETF       VOQ       414.02       1.49       -5.2         IshRusselIACOVal       IWN       161.54       0.89       -2.7       VangdSch7CpB       VCKH       78.07       0.01       -3.9         IshRusselIMol-Cap       IWR       77.78       1.31       -6.3       VangdSch7CpB       VCKH       78.07       0.01       -3.9         IshRusselIMol-Cap       IWR       77.78       1.31       -6.3       VangdTotHTB       VangdTotHTB       51.67       -0.31       -5.9         IshSAP500Growth       IVW       76.26       1.92       -8.9       VangdTotHtBd       BND       79.42       -0.13       -6.3         IshSAP500Value       IVE       155.14       1.09       -1.0       VangdTotHtBd       BND       52.43       -0.57       -5.9         IshTiPSBondETF       TIP       125.84       -0.0
Barclays         BCS         9.07         0.03         CommerceBcshrs CBSH         71.54         0.70         FidNatiFin         FNF         49.61         0.41           New Highs and Lows         The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE Armerican and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session.         Stock         Styme Hi/Lo         Chi gamma           Stock         Sym Hi/Lo         Chi gamma         Stock         Sym Hi/Lo         Chi gamma         Stock         Sym Hi/Lo         Chi gamma         Stock         Sym Hi/Lo         Chi gamma         Stock         Sym Hi/Lo         Chi gamma         Stock         Sym Hi/Lo         Chi gamma         Stock         Sym Hi/Lo         Chi gamma         Stock         Sym Hi/Lo         Chi gamma         Stock         Sym Hi/Lo         Chi gamma         Stock         Sym Hi/Lo         Chi gamma         Stock         Sym Hi/Lo         Chi gamma         Stock         Sym Hi/Lo         Chi gamma         Stock         Sym Hi/Lo         Chi gamma         Stock         Sym Hi/Lo         Chi gamma         Stock         Sym Hi/Lo         Chi gamma         Stock         Sym Hi/Lo         Chi gamma         Stock         Sym Hi/Lo         Chi gamma         Stock         Sym Hi/Lo         Chi gamma         Stock	Kellogg K 61.79 0.21 NovoNordisk NVO	108.98         -0.39         Shell         SHEL         55.02         0.28           52-Wik         %         Stock         Sym         Hi/Lo         Chg           1.90         -4.0         MINDTech9%PfdA         MINDP         15.32         -2.2           .4.67         -2.7         MasonindTech         MITU         9.75         -2.4           .4.67         -2.7         MasonindTech         MITU         9.75         -2.4           .4.52         -5.0         MillerKnoll         MLKN         31.38         -1.6           3         9.91         2.5         NatlierKnoll         MLKN         31.38         -1.6           7.60         1.0         Neogen         NEGG         2.72         -2.4         5.7         NY CrntyBc         NYCB         1.76         5.6           5.94         2.7         NextPlat         NXPL         2.38         0.4         5.42         0.33         1.45          0.44         5.7         NY CrntyBc         NYCB         1.716         5.6         2.27         NextPlat         NXPL         2.38         0.4         5.00         1.37.19         2.7           1.030         -2.3         NorthfiedBanc	ADVERTISEMENT The Marketplace To advertise: 800-366-3975 or WSJ.com/classifieds To advertise: 800-366-3975 or WSJ.com/classifieds To advertise: 800-366-3975 or WSJ.com/classifieds BUSINESS OPPORTUNITIES BUSINESS OPPORTUNITIES \$26K PER EMPLOYEE COVID TAX REFUND NOW! Revenues Down 50% in '20 or 20% in '21? To4-576-0477 Visit http://whyerc.com/jgalles
BaryanAcqnA         BYN         9,94         0.2         GalataAcqn         GLTA         10.42         0.2         PrecisionDrilling         PDS         70.27         -0.1           BatteryFutureA         BFAC         10.01         0.2         GenAsia I A         GAQ         9,78         0.2         PrecisionDrilling         PDS         70.27         -0.1         V           BrasilAgro         LND         7.15         -4.0         GigCapital3         GAQ         9,78         0.2         ProfessionalHildg         PHD         22.94         0.9           BristolMyers         BMY         72.60         1.4         GiobalPtnrs         GLP         28.91         3.8         PureStorage         PSTG         35.9         3.5           Bunge         BG         114.20         1.8         GlobalFourdries         GFS         7.47         8.7         Quant2Services         PWR         132.86         2.6         Golat1NG         Gelat1NG         Gelat2NG         Ge	InivestAcqn     Wilvy     9.93        amanaGold     AUY     5.79     1.6       Herbalife     Herbalife     HLF       Lowss     Herbalife     HLF       CcelerateDiag     AXDX     1.57     -4.8       Icosavax     KCVX     InfuSystems     INFU       Biedfornerap     ADGI     4.05     0.5     InfuSystems       DiphaTeknova     TKNO     13.00     16     InstalledBidg     IBP       mercGarMart     CRMT     85.10     -0.7     JaustHurricaneWt HCKEI       mertiBancorp     ABGI     4.350     0.7     JaustHurricaneWt HCKEI       merisBancorp     AGL     2.92     0.1     Kimballinti B     KBAL       nthemisDigi Wt     ADALW     0.24      LGI Homes     LGIH       RiepFiniNt2026     RLYS     0.40     -0.7     LibertyRscsWt     LRW       RileyFiniNt2026     RLYS     0.40     -0.7     LibertyRscsWt     LIQT       RileyFiniNt2026     RLYS     0.40     -0.7     LibertyRscsWt     LIQT	30.22         -2.9         Theratechnologies         THTX         -3.0         -0.4           1.57         -4.1         TioTechA Wt         TIOAW         0.35         -30.0           18.44         -0.5         Torrid         CURV         7.13         -2.2           12.09         -3.9         Traeger         COOK         6.82         -11.8           10.13         -3.6         TransActTechs         TACT         6.65         1.3           7.88         -8.1         TScanTherap         TCRX         3.05         -5.6           87.34         -4.5         TuscanIIVt         THAW         -0.0         1.04         -3.2           8         0.5         TuscanIIVt         THAW         -7.03         0.3         0.3         -7.63         -2.5           3.50         -4.6         Viahnewables         VIA         -7.63         -2.5         -2.5         -2.5         -2.5         -2.5         -2.5         -2.5         -2.5         -2.5         -2.5         -2.5         -2.5         -2.5         -2.5         -1.1         Workow         VEV         2.1.4         -2.1           0.53          Vianty/Motor         VEV         2.1.4         <	Business Park For Sale Southern CA > 61 acres Zoned Indus.; 300MSF buildings; outdoor trailer/container parking. Call 618-654-2161 x427 wweder@highlandsupply.com       ChapMAN ASSOCIATES* Nationwide Market Companies Since 1954 Over 2.400 Successful Transactions         THE WALL STREET JOURNAL THE MARKEY PLACE (800) 366-3975   wsj.com/classifieds       Will pay commission for a phone call with America's foremost Corporate Raider to pitch my plan.         © 2022 Dow Jones & Company. Inc.       Jim Carr - 916 214 9460

### **MARKETS DIGEST**

EQUITIES

### **Dow Jones Industrial Average**

#### **34707.94 ▲** 349.44, or 1.02% High, low, open and close for each trading day of the past three months.



Bars measure the point change from session's open

\_\_\_\_\_\_ 31600 Dec. Mar. Jan. Feb.

\*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; †Based on Nasdag-100 Index

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

			Latest				52-Week —		0/	cha —
	High	Low	Latest Close	Net chg	% chg	High	Low	% chg		3-yr. anı
Dow Jones										
Industrial Average	34713.56	34355.42	34707.94	349.44	1.02	36799.65	32619.48	6.4	-4.5	10.8
Transportation Avg	16350.07	16219.15	16329.40	115.27	0.71	17039.38	14000.78	14.4	-0.9	17.6
Utility Average	1001.66	991.02	1000.82	9.29	0.94	1000.82	869.27	15.1	2.0	8.5
Total Stock Market	45774.22	45216.20	45771.94	635.87	1.41	48929.18	40934.15	11.8	-5.9	16.7
Barron's 400	1030.98	1019.91	1030.94	11.03	1.08	1127.20	944.59	9.1	-6.8	15.4
Nasdaq Stock Marke	et									
Nasdaq Composite	14193.55	13897.20	14191.84	269.23	1.93	16057.44	12581.22	9.4	-9.3	22.9
Nasdaq-100	14767.73	14440.67	14765.69	318.14	2.20	16573.34	12780.51	15.5	-9.5	26.3
S&P										
500 Index	4520.58	4465.17	4520.16	63.92	1.43	4796.56	3909.52	15.6	-5.2	17.3
MidCap 400	2693.82	2662.50	2693.66	29.29	1.10	2910.70	2517.18	4.9	-5.2	13.2
SmallCap 600	1322.76	1311.07	1322.67	10.72	0.82	1466.02	1252.49	1.7	-5.6	12.9
Other Indexes										
Russell 2000	2075.49	2047.26	2075.44	23.24	1.13	2442.74	1931.29	-4.9	-7.6	11.3
NYSE Composite	16702.23	16558.53	16701.82	143.30	0.87	17353.76	15410.38	8.4	-2.7	10.0
Value Line	637.38	630.96	637.38	6.42	1.02	696.40	596.67	1.1	-5.1	6.7
NYSE Arca Biotech	5083.77	5002.79	<b>5081.2</b> 4	68.02	1.36	6022.37	4677.66	-6.3	-7.9	0.9
NYSE Arca Pharma	830.10	823.16	830.07	6.91	0.84	832.71	687.11	20.8	0.3	11.7
KBW Bank	129.88	128.30	129.36	0.83	0.65	147.56	116.87	8.4	-2.2	12.1
PHLX <sup>§</sup> Gold/Silver	164.22	160.06	160.60	0.05	0.03	166.01	117.06	20.9	21.3	27.6
PHLX <sup>§</sup> Oil Service	80.01	78.48	78.85	0.21	0.27	82.17	48.31	46.9	49.6	-5.6
PHLX <sup>§</sup> Semiconductor	3533.58	3384.30	3532.72	172.40	5.13	4039.51	2851.15	19.4	-10.5	36.1
Cboe Volatility	23.79	21.49	21.67	-1.90	-8.06	36.45	15.01	9.4	25.8	9.6
§ <sub>Nasdaq</sub> PHLX						5	Sources: Facts	Set; Dow J	lones Ma	rket Dat

#### **International Stock Indexes**

Region/Countr	y Index	Close	Net chg	— Latest — 6 % chg	— YTD % chg
World	MSCIACWI	708.82	5.68	0.81	-6.1
	MSCI ACWI ex-USA	321.41	-0.64	-0.20	-6.7
	MSCI World	3041.48	28.69	0.95	-5.9
	<b>MSCI Emerging Markets</b>	1136.95	-3.77	-0.33	-7.7
Americas	MSCI AC Americas	1736.79	23.88	1.39	-5.0
Canada	S&P/TSX Comp	21937.89	5.71	0.03	3.4
Latin Amer.	<b>MSCI EM Latin America</b>	2637.88	45.09	1.74	23.9
Brazil	BOVESPA	119052.91	1595.57	1.36	13.6
Chile	S&P IPSA	3221.56	73.50	2.33	14.8
Mexico	S&P/BMV IPC	<b>55829.86</b>	675.18	1.22	4.8
EMEA	STOXX Europe 600	453.07	-0.96	-0.21	-7.1
Eurozone	Euro STOXX	430.03	-1.07	-0.25	-10.2
Belgium	Bel-20	4114.12	-15.07	-0.36	-4.5
Denmark	OMX Copenhagen 20	1708.22	-31.43	-1.81	-8.4
France	CAC 40	6555.77	-25.66	-0.39	-8.3
Germany	DAX	14273.79	-9.86	-0.07	-10.1
Israel	Tel Aviv	2036.49	8.92	0.44	3.0
Italy	FTSE MIB	24401.48	102.82	0.42	-10.8
Netherlands	AEX	720.85	-0.96	-0.13	-9.7
Russia	RTS Index	8 <b>52.6</b> 4	-84.30	-9.00	-46.6
South Africa	FTSE/JSE All-Share	74349.94	-488.15	-0.65	0.9
Spain	IBEX 35	8305.10	-23.30	-0.28	-4.7
Sweden	OMX Stockholm	877.02	-12.78	-1.44	-15.4
Switzerland	Swiss Market	12131.45	31.95	0.26	-5.8
Turkey	BIST 100	2176.20	-6.90	-0.32	17.1
U.K.	FTSE 100	7467.38	6.75	0.09	1.1
U.K.	FTSE 250	20893.19	-108.43	-0.52	-11.0
Asia-Pacific	MSCI AC Asia Pacific	180.68	-0.91	-0.50	-6.4
Australia	S&P/ASX 200	7387.10	9.23	0.13	-0.8
China	Shanghai Composite	3250.26	-20.77	-0.63	-10.7
Hong Kong	Hang Seng	21945.95	-208.13	-0.94	-6.2
India	S&P BSE Sensex	57595.68	-89.15	-0.15	-1.1
Japan	NIKKEI 225	28110.39	70.23	0.25	-2.4
Singapore	Straits Times	3399.70	35.44	1.05	8.8
South Korea	KOSPI	2729.66	-5.39	-0.20	-8.3
Taiwan	TAIEX	17699.06	-32.31	-0.18	-2.9
Thailand	SET	1680.89	2.94	0.18	1.4

#### S&P 500 Index

#### **4520.16 (**63.92, or 1.43%) High, low, open and close for each trading day of the past three months.

Last Year ago Trailing P/E ratio 24.53 44.63 P/E estimate \* 16.52 22.42 Dividend vield 1.42 1.49 All-time high 4796.56, 01/03/22

#### **Nasdaq Composite Index**

**14191.84 (a)** 269.23, or 1.93% High, low, open and close for each trading day of the past three months.

Last Year ago Trailing P/E ratio \*\* 32.75 37.27 P/E estimate \*\* 27.97 24.97 Dividend yield \*\* 0.71 0.78 All-time high: 16057.44, 11/19/21



 ${\sf Most-active} \ {\sf and} \ {\sf biggest} \ {\sf movers} \ {\sf among} \ {\sf NYSE}, {\sf NYSE} \ {\sf Arca}, {\sf NYSE} \ {\sf Amer}.$ and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum

Most-active issues in late trading									
Company	Symbol	Volume (000)	Last	Net chg	After Hour % chg	s High	Low		
Tilray Brands Cl 2	TLRY	19,212.8	8.02	1.05	15.06	8.12	6.85		
SPDR S&P 500	SPY	4,810.6	450.55	0.06	0.01	450.79	429.22		
NIO ADR	NIO	4,808.5	22.48	0.50	2.27	22.97	21.80		
KE Holdings ADR	BEKE	4,748.4	13.14	-0.05	-0.38	13.19	13.11		
iShares MSCI Emg Markets	EEM	4,345.2	45.50	0.09	0.20	45.70	45.40		
Cenovus Energy	CVE	3,983.1	16.06	-0.01	-0.06	16.10	16.06		
StoneCo Cl A	STNE	3,463.9	14.37	0.02	0.14	14.39	14.25		
Apple	AAPL	3,383.0	173.82	-0.25	-0.14	174.20	166.63		
Percentage gair	iers.								
Tilray Brands Cl 2	TLRY	19,212.8	8.02	1.05	15.06	8.12	6.85		
Aurora Cannabis	ACB	1,697.9	4.62	0.58	14.36	4.67	4.01		
Canopy Growth	CGC	1,404.6	8.93	1.03	13.04	8.94	7.85		
Cronos Group	CRON	564.0	4.36	0.37	9.27	4.40	3.97		
ETFMG Alt Harvest ETF	MJ	161.5	11.15	0.59	5.59	11.19	10.56		
And losers									
Honest	HNST	1,176.1	4.77	-1.27	-21.03	6.07	4.70		
SmartRent	SMRT	113.1	5.50	-0.80	-12.70	6.32	5.00		
Orion Office REIT	ONL	200.1	16.00	-1.98	-11.01	17.98	14.93		
Purple Innovation	PRPL	63.3	6.32	-0.53	-7.74	6.86	6.20		
Cytokinetics	CYTK	92.0	35.12	-2.55	-6.77	37.67	35.12		

#### **Trading Diary**

#### Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	836,258,058	21,135,336
Adv. volume*	619,013,850	13,216,832
Decl. volume*	207,700,306	7,787,107
Issues traded	3,460	283
Advances	2,183	158
Declines	1,145	110
Unchanged	132	15
New highs	95	3
New lows	98	8
Closing Arms <sup>†</sup>	0.73	0.66
Block trades*	4,173	207
	Nasdaq	NYSE Arca
Total volume*5	,001,200,706	257,984,401
Adv. volume*3	,681,132,205	181,720,848
Decl. volume*1	,241,524,337	75,950,422
Issues traded	4,941	1,690
Advances	3,129	1,299
Declines	1,548	368
Unchanged	264	23
New highs	77	53
New lows	103	66
Closing Arms <sup>†</sup>	0.68	1.79
Block trades*	32,837	1,183

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

		— La	itest Sess	ion —		- 52-Wee	ek ——
Company	Symbol	Close	Net chg	% chg	High	Low	% chg
ETFMG 2X Dly Alt Harvest	MJXL	3.05	0.87	39.95	10.15	1.67	
AgriFORCE Growing Systems	AGRI	4.91	1.27	34.89	8.45	1.12	
Aptevo Therapeutics	APVO	6.96	1.72	32.82	31.76	4.40	-76.9
Emclaire Financial	EMCF	38.17	9.17	31.62	38.50	25.23	41.8
NexImmune	NEXI	3.46	0.82	31.06	26.50	1.72	-81.9
Mercurity Fintech ADR	MFH	2.74	0.64	30.48	8.00	1.62	-58.5
Applied Therapeutics	APLT	2.60	0.58	28.71	25.59	1.45	-87.1
JX Luxventure	LLL	4.30	0.92	27.22	7.16	1.55	-9.3
Alpha Tau Medical	DRTS	14.90	3.12	26.49	20.65	8.20	54.6
Evelo Biosciences	EVLO	4.12	0.85	25.99	17.13	2.55	-63.8
Yoshitsu ADR	TKLF	3.20	0.65	25.49	43.00	1.84	
GreenBox POS	GBOX	3.99	0.73	22.39	20.78	2.24	-70.1
Tilray Brands Cl 2	TLRY	6.97	1.25	21.85	24.13	4.78	-69.5
Singularity Future Tech	SGLY	11.03	1.88	20.55	11.15	2.09	60.3
SES AI	SES	10.01	1.70	20.46	11.47	4.30	1.4

#### **Percentage Losers**

		— La	itest Sess			52-Wee	
Company	Symbol	Close	Net chg	% chg	High	Low	% chg
LiqTech International	LIQT	2.98	-1.70	-36.32	8.80	2.90	-62.4
Vicinity Motor	VEV	2.45	-0.91	-27.08	8.32	2.14	-57.5
Volcon	VLCN	2.16	-0.47	-17.87	17.96	1.72	
Novo Integrated Sciences	NVOS	2.52	-0.49	-16.28	3.99	1.02	-32.8
Sonendo	SONX	4.61	-0.87	-15.88	12.24	3.08	
Aligos Therapeutics	ALGS	2.36	-0.43	-15.41	34.31	2.11	-88.3
Advent Technologies Hldgs	ADN	2.41	-0.43	-15.14	16.00	2.06	-84.4
Imperial Petroleum	IMPP	1.79	-0.31	-14.76	9.70	0.40	
Direxion Dly SCOND 3 Bear	SOXS	3.50	-0.60	-14.63	12.73	3.12	-70.2
Kandi Technologies Group	KNDI	3.04	-0.52	-14.61	6.68	2.52	-49.2
Enservco	ENSV	3.65	-0.61	-14.32	8.76	0.55	102.8
ETFMG 2X Inv Alt Harvest	MJIN	11.35	-1.89	-14.25	21.72	7.87	
SPIEnergy	SPI	2.93	-0.47	-13.82	8.59	2.43	-57.3
Allego	ALLG	15.39	-2.34	-13.20	23.91	5.66	
Forge Global	FRGE	12.45	-1.79	-12.57	26.90	9.10	26.5

Last Year ago

18.00

2.03

All-time high 36799.65, 01/04/22

33.11

21.38

1.83

Trailing P/E ratio 19.27

P/E estimate \*

Dividend vield

Dec. Jan. Feb. Mar.

65-day moving average

### Late Trading

share price of \$2 and minimum after-hours volume of 50,000 shares.

Most-active	issues	in late	trading
		Malumaa	

#### Percentage Gainers...

**Most Active Stocks** 

Company	Symbol	Volume (000)	%chg from 65-day avg	Latest S Close	ession % chg	52-W High	eek Low
Sundial Growers	SNDL	294,254	288.8	0.75	23.10	1.49	0.40
Mullen Automotive	MULN	123,879	37.9	3.00	-3.54	15.90	0.52
Advanced Micro Devices	AMD	121,682	27.8	120.53	5.80	164.46	72.50
Zosano Pharma	ZSAN	97,001	845.1	0.25	8.93	1.31	0.11
Imperial Petroleum	IMPP	95,735	193.2	1.79	-14.76	9.70	0.40
NIO ADR	NIO	93,802	43.8	21.98	0.50	55.13	13.01
Tilray Brands Cl 2	TLRY	92,827	332.7	6.97	21.85	24.13	4.78
Apple	AAPL	89,793	-3.7	174.07	2.27	182.94	118.86
NVIDIA	NVDA	87,480	71.9	281.50	9.82	346.47	122.72
ProShares UltraPro QQQ	TQQQ	85,159	-26.2	57.02	<b>6.</b> 48	91.68	39.56

\* Volumes of 100.000 shares or more are rounded to the nearest thousand

Scan this code to get realtime U.S. stock auotes and track most-active stocks, new highs/lows and mutual funds.



Forex Race

Euro

2021

14%

Yen, euro vs. dollar; dollar vs.

major U.S. trading partners

-14 . . . . . . . . .

Track the

wsj.com/graphics/track-the-markets

#### Sources: FactSet; Dow Jones Market Data

#### CREDIT MARKETS

#### **Consumer Rates and Returns to Investor**

#### **U.S. consumer rates**

A consumer rate against its benchmark over the past year



Bankrate.com rates based on survey of over 4,800 on banks.† Excludes closing costs. ine banks Base rate posted by 70% of the nation's larges

#### Selected rates

Money Market/Savings Accts

Rank	rate co	m	ava,.			0.07%
			ivg.			0.40%
			877-998-2265			
			0// /	0.50%		
		877-8	39-2737			
	,		ouinee D	ank	0// 0	0.51%
			-		077 /	
			5,		8//-4	
			y Bank		000 0	0.60%
		D			888-2	205-8388
						0.65%
Ogde	en, UT				800-3	355-3063
					High	3-yr chg (pct pts)
0.25-0.50	0.00	•			0.50	-2.00
3.50	3.25		۲		3.50	-2.00
0.93	0.11				0.97	-1.64
0.07	0.07				0.10	-0.52
0.46	0.41				0.50	-1.54
4.48	3.00				4.59	0.48
3.65	2.28				3.82	0.23
	Virtu Mian Richa Colora Gree CFG Balti TAB Ogde ate (%)- Week ago 0.25-0.50 3.50 0.93 0.07 0.46 4.48	VirtualBank           Miami, FL           BankDirect           Richardson, "           Colorado Feder           Greenwood N           CFG Commu           Baltimore, M           TAB Bank           Ogden, UT           ate (%)	VirtualBank Miami, FL BankDirect Richardson, TX Colorado Federal S Greenwood Villa CFG Communit Baltimore, MD TAB Bank Ogden, UT ate (%)	Miami, FL         BankDirect         Richardson, TX         Colorado Federal Savings E         Greenwood Village, CO         CFG Community Bank         Baltimore, MD         TAB Bank         Ogden, UT         ate (%)       52-Week Rank         0.25-0.50       0.00         3.50       3.25         0.93       0.11         0.07       0.07         0.46       0.41         4.48       3.00	VirtualBank Miami, FL BankDirect Richardson, TX Colorado Federal Savings Bank Greenwood Village, CO CFG Community Bank Baltimore, MD TAB Bank Ogden, UT ate (%)- S2-Week Range (%) Week ago 1.50 0.00 0.07 0.07 0.07 0.46 0.41 0 0.00 0.00 0.07 0.46 0.41 0 0 0 0 0 0 0 0 0 0 0 0 0	VirtualBank         877-9           BankDirect         Richardson, TX         877-9           Richardson, TX         877-9           Colorado Federal Savings Bank         Greenwood Village, CO         877-4           CFG Community Bank         Baltimore, MD         888-2           TAB Bank         0gden, UT         800-3           ate (%)         52-Week Range (%)         High           025-050         0.00         0.50           3.50         3.25         3.50           0.93         0.11         0.97           0.07         0.07         0.10           0.48         3.00         4.59

#### **Treasury yield curve** Yield to maturity of current bills,

notes and bonds



Sources: Tradeweb ICE U.S. Treasury Close; Tullett Prebon; Dow Jones Market Data

#### **Corporate Borrowing Rates and Yields**

		— Yield	1(%) —	— 52-V	Veek —	Total Re	turn (%)
Bond total return index	Close	Last	Week ago	High	Low	52-wk	3-yr
U.S. Treasury, Bloomberg	2258.590	2.360	2.180	2.390	0.780	-4.347	1.489
U.S. Treasury Long, Bloomber	rg <b>3968.280</b>	2.610	2.550	2.680	1.720	-4.222	3.303
Aggregate, Bloomberg	2109.580	2.890	2.750	2.920	1.340	-4.758	1.711
Fixed-Rate MBS, Bloomber	g 2091.270	2.910	2.840	2.980	1.590	-5.178	0.592
High Yield 100, ICE BofA	3301.024	5.633	5.642	6.055	3.162	-0.820	3.338
Muni Master, ICE BofA	568.698	2.239	2.052	2.239	0.687	-4.004	1.701
EMBI Global, J.P. Morgan	n.a.	n.a.	6.288	n.a.	n.a.	n.a.	n.a.
c	Sources: LP M	Aorgan <sup>.</sup> B	loombera F	ixed Inco	ome Indice	s: ICE Data	a Service

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

Company	Symbol	Volume (000)	% chg from = 65-day avg	Latest S Close	ession % chg	52-We High	eek Low
Avista Public II Cl A	AHPA	4,748	18214	10.09	0.80	10.50	9.75
Crawford Co A	CRD.A	1,509	4401	7.30	-0.82	11.06	6.96
Aptevo Therapeutics	APVO	6,613	4311	6.96	32.82	31.76	4.40
Art's Way Mfg	ARTW	2,837	4205	7.31	16.77	7.58	2.83
Moringa Acquisition CI A	MACA	346	3058	9.76	-0.10	10.18	9.60
Helix Acquisition CI A	HLXA	1,100	2637	9.97	0.00	11.99	9.81
Alpha Tau Medical	DRTS	10,851	2605	14.90	26.49	20.65	8.20
Battery Future Acqn Cl A	BFAC	714	2182	9.92	0.15	10.01	9.75
VectolQ Acqn II Cl A	VTIQ	864	1969	9.81	0.10	10.17	9.61
Mason Indl Tech Cl A	MIT	784	1931	9.74	-0.10	9.90	9.41

\* Common stocks priced at \$2 a share or more with an average volume over 65 trading days of at least 5,000 shares *t*Has traded fewer than 65 days

#### **CURRENCIES & COMMODITIES**

#### Currencies

WSJ Dollar Index

1 1 1

2022

Yen

U.S.-dollar foreign-exchange rates in late New York trading

			US\$ vs,		_		US\$ vs
Country/currency	in US\$	per US\$		Country/currency	in US\$	hurs — per US\$	YTD chi (%)
Americas				Vietnam dong	.00004372	22872	0.1
Argentina peso	.0091	L10.1400	7.3	Europe			
Brazil real	.2072	4.8269	-13.4	Czech Rep. koruna	.04451	22.468	2.7
Canada dollar	.7982	1.2528	-0.9	Denmark krone	.1478	6.7652	3.4
Chile peso	.001267	789.11	-7.4	Euro area euro	1.0997	.9094	3.4
<b>Colombia</b> peso	.000264	3787.67	-6.8	Hungary forint	.002931	341.23	5.1
Ecuador US dollar	1	1	unch	Iceland krona	.007734	129.30	-0.4
Mexico peso	.0498	20.0888	-2.0	Norway krone	.1153	8.6742	-1.5
Uruguay peso	.02393	41.7850	-6.6	Poland zloty	.2304	4.3395	7.7
Asia-Pacific				Russia ruble	.00978	102.250	36.7
Australian dollar	.7514	1.3308	22	Sweden krona	.1062	9.4154	4.0
China vuan	.1570	6.3678	0.2	Switzerland franc	1.0750	.9302	2.0
Hong Kong dollar	.1278	7.8232	0.2	Turkey lira	.0675	14.8242	11.3
India rupee	.01310	76.313	2.4	Ukraine hryvnia	.0340	29.4500	7.7
Indonesia rupiah	.0000697	14349	0.7	<b>UK</b> pound	1.3187	.7583	2.6
Japan yen	.008172	122.37	6.3	Middle East/Afri	ica		
Kazakhstan tenge	.002023	494.34	13.6	Bahrain dinar	2.6518	3771	0.04
Macau pataca	.1240	8.0620	0.3	Egypt pound	210720	18.3308	
Malaysia ringgit	.2366		1.4	Israel shekel	.3106		3.5
New Zealand dollar	.6965	1.4358		Kuwait dinar	3.2884		0.5
Pakistan rupee		182.150	3.4	Oman sul rial	2,5968		
Philippines peso	.0191	52.250	2.5	Oatar rial	.2746		
Singapore dollar	.7367	1.3574	0.7	Saudi Arabia riyal	.2665		
South Korea won	.0008190		2.7	South Africa rand		14.5230	
Sri Lanka rupee	.0034783	287.50	41.7			> 0	
Taiwan dollar	.03487	28.678	3.5		Close Net C	hg %Chg	YTD % Ch
Thailand baht	.02982	33.540	0.9	WSJ Dollar Index	91.48 0.	16 0.17	2.15

#### **Commodities**

		- Thurs	sday —	-	• 52-Week •		YTD
	Close	Net chg	% Chg	High	Low	% Chg	% chg
DJ Commodity	1223.19	-2.48	-0.20	1264.48	794.01	53.82	29.27
Refinitiv/CC CRB Index	304.85	-1.47	<b>-0.</b> 48	309.12	184.08	65.37	31.19
Crude oil, \$ per barrel	112.34	-2.59	-2.25	123.70	58.56	<b>91.</b> 84	49.37
Natural gas, \$/MMBtu	5.401	0.169	3.23	6.312	2.456	110.16	44.80
Gold, \$ per troy oz.	1961.60	25.00	1.29	2040.10	1683.90	13.72	7.34

Sources: FactSet; Dow Jones Market Data; Bankrate.com

÷.

3.03

2.82

3.41

0.30

-0.94

4.65

3.43

4.12 -0.89

### **COMMODITIES**

Oper

733

4,981

5,203

70,679

interest

#### Friday, March 25, 2022 | **B9**

wsj.com/market-data/commodities

#### **Futures Contracts**

	М	etal &	Pet	troleum	Future	s	
			ontra			-	Open
	Open	High			Settle	Chq	interest
Connor				os.; \$ per lb.	Dettie	eng	meeres
			001		4 7200	0.0225	0.20
March	4.7685	4.8000		4.7060		-0.0335	829
May	4.7760	4.7910		4.7095	4.7425	-0.0340	118,524
	<b>MX)</b> -100 ti		er tr		10/1 /0	05.00	
March	1963.60	1964.00		1954.00	1961.60	25.00	209
April	1944.10	1967.20		1937.40	1962.20	24.90	155,722
May	1947.40	1969.50		1941.40	1964.90	24.70	4,71
June	1948.90	1972.50		1942.90	1967.70	25.10	375,24
Aug	1953.20	1977.20		1948.40	1972.60	25.50	35,210
Oct	1959.00	1981.60		1954.80	1978.40	26.00	10,51
	um (NYM	<b>)</b> - 50 troy	0Z.;	\$ per troy o			
March					2526.70	11.30	(
June	2534.00	2563.00		2483.00	2530.60	11.30	6,79
Platinu	m (NYM)	-50 troy o	z.;\$	per troy oz.			
March					1030.50	9.80	
July	1028.80	1041.90		1017.00	1033.70	10.40	40,03
Silver (	<b>CMX)</b> -5,00	00 troy oz	.;\$p	er troy oz.			
March	25.455	25.905		25.455	25.900	0.730	72
May	25.285	26.160		25.170	25.920	0.731	116,270
Crude (	Dil, Light	Sweet	(NY	<b>M)</b> -1,000 b	bls.;\$pert	bl.	
May	114.47	116.64		110.61	112.34	-2.59	292,21
June	111.41	113.51		107.79	109.43	-2.56	184,70
July	108.00	110.07		104.67	106.19	-2.46	103,876
Dec	95.16	96.85		92.47	93.48	-2.24	252,70
June'23	87.83	88.98		85.33	86.10	-2.16	109,800
Dec	83.27	84.16		80.97	81.65	-2.01	125,07
NY Har				000 gal.; \$ p			,
April	4.0800	4.1818		4.0148	4.1534	.0386	28,36
Mav	3.7826	3.8570		3.7183	3.8030	0143	59,11
				42,000 gal.;		0145	<i>J</i> 7,11
April	3.4075	3.5000		3.3410	<b>3.3897</b>	0490	33,93
May	3.3951	3.4727		3.3208	3.3689	0490	103,44
			0.04	MBtu.; \$ pe		0500	105,44.
April	5.115	5.464		мыц., э ре 5.063	5.401	.169	28,764
May	5.158	5.508		5.065	5.401	.109	28,764
	5.221	5.508		5.114	5.440 5.487	.172	71,762
June July	5.221	5.546 5.600		5.167	5.487	.171	71,76. 91,54
Sept	5.239	5.579		5.200	5.520	.170	76,461
Oct	5.256	5.590		5.213	5.529	.167	79,642
		Agri	culi	ture Fut	ures		
Corn	<b>BT)</b> -5,000	bu: cents	per	bu.			
May	757.00	762.50		745.00	748.25	-9.50	547,62
July	734.50	739.50		725.25	728.50	-6.25	396,26
	<b>BT)</b> -5,000		nor		/20.90	-0.29	270,200
May	719.50	720.75	per	693.50	703.25	-18.75	1,720
-							,
July	662.75	665.00		653.00	663.50	-12.75	535

Soybeans (CBT)-5,000 bu.; cents per bu.

1697.50

1491.50

; \$ per ton.

482.40

474.90

ents per lb.

74.15

71.20

15.86

1080.50

1090.50

156.225

165.825

136.125

102.050

120.675

139.150 139.675

1722.25 1730.00

1508.00 1514.00

489.00

481.10

76.63

73.59

16.05

Rough Rice (CBT)-2,000 cwt.; \$ per cwt.

Wheat (CBT)-5,000 bu.; cents per bu.

1105.75 1115.00

1091.25 1100.50

1111.00 1121.00

1105.50 1115.00

156.525 157.075

165.825 167.725

139.625 140.000

136.125 137.075

102.550 103.525

122.975 123.725

1022.40 1059.90

Cattle-Live (CME)-40,000 lbs.; cents per lb.

Hogs-Lean (CME)-40,000 lbs.; cents per lb.

Lumber (CME)-110,000 bd. ft., \$ per 1,000 bd. ft.

Cattle-Feeder (CME)-50,000 lbs.; cents per lb.

Wheat (KC)-5,000 bu.; cents per bu.

Soybean Meal (CBT)-100 to

485.10

477.80

Soybean Oil (CBT)-60,000 lbs

75.91

73.04

15.92

May

Nov

May

July

May

July

May

Sept

May

July

May

July

March

May

April

June

April

June

May

Hiah

Effective rate **0.3400** 0.3400 0.3400 0.0500

**0.4000** 0.4000 0.4000 0.0700

**1700.75** -18.00 278,677

**1493.00** -15.00 179,789

.80 170.169

-.40 115,427

-1.68 140,412

80,905

7,532

1,463

98,411

77,989

50,120

2,487

18,079

26,222

86,360

1,609

-.85

.02

.06

1085.75 -20.00 130,956

.675

.700

.250 38,366

.225

-.900

.975 129,550

485.90

477.20

74.29

72.11

16.01

16.00

1067.00 **1074.50** -16.75

1085.00 **1090.25** -15.25

156.775

166.500

136.950

102.775

122.075

1003.40 **1020.00** -34.30

**1095.00** -16.50

May	(ICE-US)-	27 500 lbc	cont	c por lb	2,010		
	225.70	227.10		220.55	221.85	-3.45	91,179
July	225.90	226.85		220.50	221.70		
	World (I		2.000			2110	>0/202
May	19.21	19.50		19.20	19.26	.02	295,975
July	19.17	19.37		19.15	19.19	.01	179,765
Sugar-	Domesti	ic (ICE-US	<b>5)</b> -112	,000 lbs.; (	cents per lt	).	
May					36.30	.05	1,920
July					36.25		1,939
	(ICE-US)-		s.; cen				
May	130.04	131.61		129.36	130.90	.87	95,940
	e Juice (Id					0.05	10.000
May	145.70	149.70		145.25	149.20	2.85	
July	147.00	148.80		145.00	148.60	2.70	1,379
		Intere	st R	late Fu	tures		
	reasury						
June		176-080			175-130		1,276,463
	iry Bond						
June		150-010		148-070	149-110		1,122,436
	iry Notes						
June		123-100			122-295		3,776,701
Sept	123-150			122-075		-7.0	70
	reasury l	Notes (C	<b>BT)</b> -\$	100,000;			
March					115-135	-4.7	3,206
June		115-077		114-237			3,746,128
2 Yr. Tı	reasury l	Notes (C	<b>BT)</b> -\$	200,000;	pts 32nds	of 100%	
March					106-228	-1.5	20,697
June	106-071	106-073		106-025	106-051	-1.5	2,276,377
30 Day	Federal	Funds (	(CBT)	-\$5,000,0	00; 100 - d	aily avg.	
March	99.8000	99.8000		99.7975	99.7975		156,025
April	99.6550	99.6600		99.6550	99.6550		502,777
10 Yr. I	Del. Int. R	late Sw	aps (	<b>CBT)</b> -\$10	0,000; pts	32nds o	f100%
June					91-070	-3.0	10,687
Eurodo	ollar (CME	)-\$1,000,	000; p	ots of 100	%		
April	98.9175	98.9250		98.9075	98.9150	.0025	246,228
June							
June	98.4650	98.4650	$\blacksquare$	98.4150	98.4350	0250	1,060,348
		98.4650 97.4900			98.4350 97.4150		
Dec	97.4900		▼			0600	1,299,142
Dec Dec'23	97.4900	97.4900 97.1650		97.3950 97.0750	97.4150 97.1350	0600	1,299,142
Dec	97.4900	97.4900 97.1650		97.3950	97.4150 97.1350	0600	1,060,348 1,299,142 1,252,547
Dec Dec'23	97.4900	97.4900 97.1650 <b>Cur</b>	rend	97.3950 97.0750 <b>y Futu</b>	97.4150 97.1350 I <b>res</b>	0600	1,299,142
Dec Dec'23	97.4900 97.1650	97.4900 97.1650 <b>Cur</b>	<b>renc</b> 2,500,0	97.3950 97.0750 <b>y Futu</b>	97.4150 97.1350 I <b>res</b>	0600 0150	1,299,142 1,252,547
Dec Dec'23 <b>Japane</b>	97.4900 97.1650	97.4900 97.1650 <b>Cur</b> CME)-¥12	<b>renc</b> 2,500,0	97.3950 97.0750 <b>Cy Futu</b> 000; \$ per	97.4150 97.1350 Ires 100¥ .8183	0600 0150	1,299,142 1,252,547 1,560
Dec Dec'23 <b>Japane</b> April June	97.4900 97.1650 ese Yen ( .8256 .8271	97.4900 97.1650 Cur CME)-¥12 .8271 .8284	renc 2,500,4	97.3950 97.0750 <b>Cy Futu</b> 2000; \$ per .8174 .8186	97.4150 97.1350 ITES 100¥ .8183 .8196	0600 0150	1,299,142 1,252,547 1,560
Dec Dec'23 <b>Japane</b> April June <b>Canad</b> i	97.4900 97.1650 ese Yen ( .8256 .8271 ian Dolla	97.4900 97.1650 <b>Cur</b> <b>Cme)-</b> ¥12 .8271 .8284 <b>r (CME)-</b> (	<b>renc</b> 2,500,4 V CAD 10	97.3950 97.0750 <b>cy Futu</b> 000; \$ per .8174 .8186 00,000; \$	97.4150 97.1350 ITCS 100¥ .8183 .8196 per CAD	0600 0150 0077 0077	1,299,142 1,252,547 1,560 238,516
Dec Dec'23 Japane April June <b>Canad</b> i April	97.4900 97.1650 ese Yen ( .8256 .8271 ian Dolla .7960	97.4900 97.1650 <b>Cur</b> <b>CME)-</b> ¥12 .8271 .8284 <b>r (CME)-</b> 0 .7994	<b>renc</b> 2,500,0 <b>V</b> CAD 10	97.3950 97.0750 <b>cy Futu</b> 000; \$ per .8174 .8186 00,000; \$ .7946	97.4150 97.1350 ITES 100¥ .8183 .8196 per CAD .7971	0600 0150 0077 0077 .0013	1,299,142 1,252,547 1,560 238,516 779
Dec Dec'23 Japane April June Canadi April June	97.4900 97.1650 ese Yen ( .8256 .8271 ian Dolla .7960 .7960	97.4900 97.1650 Cur cme)-¥12 .8271 .8284 r (cme)-( .7994 .7993	<b>renc</b> 2,500,0 <b>V</b> CAD 10	97.3950 97.0750 <b>59 Futu</b> 000; \$ per .8174 .8186 00,000; \$ .7946 .7944	97.4150 97.1350 ITCS 100¥ .8183 .8196 per CAD	0600 0150 0077 0077	1,299,142 1,252,547 1,560 238,516 779
Dec Dec'23 Japane April June Canadi April June British	97.4900 97.1650 ese Yen ( .8256 .8271 ian Dolla .7960 .7960 Pound (	97.4900 97.1650 Cur CME)-¥12 .8271 .8284 r (CME)-( .7994 .7993 CME)-£62	2,500,0 CAD 10 2,500;	97.3950 97.0750 <b>cy Futu</b> 2000; \$ per .8174 .8186 200,000; \$ .7946 .7944 \$ per £	97.4150 97.1350 ITCS 100¥ .8183 .8196 per CAD .7971 .7971	0600 0150 0077 0077 .0013 .0013	1,299,142 1,252,547 1,560 238,516 779 119,192
Dec Dec'23 Japane April June Canadi June British April	97.4900 97.1650 ese Yen ( .8256 .8271 ian Dolla .7960 .7960 Pound ( 1.3182	97.4900 97.1650 Cur CME)-¥12 .8271 .8284 r (CME)-( .7994 .7993 CME)-£62 1.3211	2,500; 2,500; CAD 10	97.3950 97.0750 <b>:y Futu</b> 2000; \$ per .8174 .8186 20,000; \$ .7946 .7944 \$ per £ 1.3156	97.4150 97.1350 ITCS 100¥ .8183 .8196 per CAD .7971 .7971 1.3181	0600 0150 0077 0077 .0013 .0013 0022	1,299,142 1,252,547 1,560 238,516 779 119,192 1,250
Dec Dec'23 Japane April June Canadi June British April June	97.4900 97.1650 ese Yen ( .8256 .8271 ian Dolla .7960 .7960 Pound ( 1.3182 1.3203	97.4900 97.1650 Cur 2008-)-¥12 .8271 .8284 r (CME)-(2 .7994 .7993 CME)-£62 1.3211 1.3211	2,500; 2,500;	97.3950 97.0750 <b>cy Futu</b> 000; \$ per .8174 .8186 00,000; \$ .7946 .7944 \$ per £ 1.3156 1.3153	97.4150 97.1350 Ires 100¥ .8183 .8196 per CAD .7971 .7971 1.3181 1.3179	0600 0150 0077 0077 .0013 .0013 0022	1,299,142 1,252,547 1,560 238,516 779 119,192 1,250
Dec Dec'23 Japane April June Canadi April June British April June Swiss	97.4900 97.1650 ese Yen ( .8256 .8271 ian Dolla .7960 .7960 Pound ( 1.3182 1.3203 Franc (CM	97.4900 97.1650 <b>Cur</b> <b>CME)-</b> ¥12 .8271 .8284 <b>r (CME)-</b> ( .7994 .7993 <b>CME)-</b> £62 1.3211 1.3211 <b>ME)-</b> CHF 1	2,500,0 CAD 10 2,500;	97.3950 97.0750 <b>cy Futu</b> 000; \$ per .8174 .8186 00,000; \$ .7946 .7944 \$per £ 1.3156 1.3153 0; \$ per C	97.4150 97.1350 IPCS 100¥ .8183 .8196 per CAD .7971 .7971 1.3181 1.3179 HF	0600 0150 0077 0077 .0013 .0013 0022 0021	1,299,142 1,252,547 1,560 238,516 779 119,192 1,250 195,698
Dec Dec'23 Japane April June <b>Canadi</b> April June <b>British</b> April June <b>Swiss</b> June	97.4900 97.1650 ese Yen ( .8256 .8271 ian Dolla .7960 Pound ( 1.3182 1.3203 Franc (CM 1.0781	97.4900 97.1650 <b>Cur</b> <b>CME)-</b> ¥12 .8271 .8284 <b>r (CME)-</b> ( .7994 .7993 <b>CME)-</b> £62 1.3211 1.3211 <b>ME)-</b> CHF 1 1.0787	<b>rend</b> 2,500,1 <b>v</b> <b>v</b> <b>v</b> <b>v</b> <b>v</b> <b>v</b> <b>v</b> <b>v</b> <b>v</b> <b>v</b>	97.3950 97.0750 <b>:y Futu</b> 2000; \$ per .8174 .8186 20,000; \$ .7946 .7944 \$ per £ 1.3156 1.3153 10; \$ per CU 1.0736	97.4150 97.1350 100¥ .8183 .8196 per CAD .7971 1.3181 1.3179 HF 1.0783	0600 0150 0077 0077 .0013 .0013 0022 0021 .0003	1,299,142 1,252,547 1,560 238,516 779 119,192 1,250 195,698 44,452
Dec Dec'23 Japane April June Canadi April June British April June Swiss June Sept	97.4900 97.1650 ese Yen ( .8256 .8271 ian Dolla .7960 .7960 Pound ( 1.3182 1.3203 Franc (CM 1.0809	97.4900 97.1650 CULT .8271 .8284 r (CME)-412 .8284 r (CME)-62 1.3211 1.3211 1.3211 ME)-CHF 1 1.0787 1.0851	<b>rend</b> 2,500,0 ( 2,500; 2,500; 225,000	97.3950 97.0750 <b>cy Futu</b> 000; \$ per .8174 .8186 00,000; \$ .7946 .7944 \$ per £ 1.3156 1.3153 0; \$ per CI 1.0736 1.0803	97.4150 97.1350 100¥ .8183 .8196 per CAD .7971 .7971 1.3181 1.3179 HF 1.0783 1.0849	0600 0150 0077 0077 .0013 .0013 0022 0021 .0003 .0005	1,299,142 1,252,547 1,560 238,516 779 119,192 1,250 195,698
Dec Dec'23 Japane April June Canadi April June Swiss June Sept Austra	97.4900 97.1650 ese Yen ( .8256 .8271 ian Dolla .7960 .7960 Pound ( 1.3182 1.3203 Franc (CM 1.0781 1.0809	97.4900 97.1650 Curr 8284 r (CME)-412 .8284 r (CME)-62 1.3211 1.3211 ME)-CHF 1 1.0787 1.0851 ar (CME)	<b>rend</b> 2,500,1 (CAD 10 2,500; 225,00 AUD	97.3950 97.0750 <b>cy Futu</b> 2000; \$ per .8174 .8186 20,000; \$ .7946 .7944 \$ per £ 1.3156 1.3153 0; \$ per Cl 1.0736 1.0803 100,000;	97.4150 97.1350 IPCS 100¥ .8183 .8196 per CAD .7971 .7971 1.3181 1.3181 1.3179 HF 1.0783 1.0849 \$ per AUD	0600 0150 0077 0077 .0013 .0013 0022 0021 .0003 .0005	1,299,142 1,252,547 1,560 238,516 779 119,192 1,250 195,698 44,452 120
Dec Dec'23 Japane April June Canadi April June British April June Swiss June Sept Austra April	97.4900 97.1650 256 Yen ( .8256 .8271 1an Dolla .7960 .7960 Pound ( 1.3182 1.3203 Franc (CN 1.0781 1.0809 Jlian Doll .7497	97.4900 97.1650 CME)-¥12 .8271 .8284 r (CME)-42 .7993 CME)-£62 1.3211 1.3211 ME)-CHF1 1.0787 1.0871 1.0787	<b>rend</b> 2,500, CAD 10 2,500; 225,000	97.3950 97.0750 <b>cy Futu</b> 000; \$ per .8174 .8186 00,000; \$ .7946 .7944 \$ per £ 1.3156 1.3153 10; \$ per CU 1.0736 1.07363 100,000; .7470	97.4150 97.1350 IOO¥ .8183 .8183 .8180 per CAD .7971 1.3181 1.3179 HF 1.0783 1.0849 \$ per AUD .7515	0600 0150 0077 0077 .0013 .0013 0022 0021 .0003 .0005 .0006	1,299,142 1,252,547 1,560 238,516 779 119,192 1,250 195,698 44,452 120 277
Dec Dec'23 Japane April June <b>Canadi</b> June <b>British</b> April June <b>Swiss</b> June Sept <b>Austra</b> April June	97.4900 97.1650 ese Yen (c .8256 .8271 ian Dolla .7960 Pound (c 1.3182 1.3203 Franc (CM 1.0781 1.0781 1.0781 1.0781 1.0781 1.0781	97.4900 97.1650 CME)-¥12 .8271 .8284 r (CME)- (C .7994 .7993 CME)-£62 1.3211 1.3211 ME)-CHF1 1.0787 1.0787 1.0787 1.0787 1.07530 .7530	<b>rend</b> 2,500,00, CAD 10 2,500; 225,000	97.3950 97.0750 <b>y Futu</b> 2000; \$ per .8174 .8186 0.0000; \$ .7944 \$ per £ 1.3156 1.3153 10; \$ per Cl 1.0736 1.0803 100,000; .7470 .7476	97.4150 97.1350 IPCS IOO¥ .8183 .8196 per CAD .7971 1.3181 1.3179 HF 1.0783 1.0783 1.0783 1.0783 1.0783 1.0783 1.0783 1.0783 1.0784 5.7515 .7522	0600 0150 0077 0077 .0013 .0013 0022 0021 .0003 .0005	1,299,142 1,252,547 1,560 238,516 779 119,192 1,250 195,698 44,452
Dec Dec'23 Japane April June <b>Canadi</b> June <b>British</b> April June <b>Swiss</b> June Sept <b>Austra</b> April June Mexica	97.4900 97.1650 256 Yen ( .8256 .8271 1an Dolla .7960 .7960 Pound ( 1.3182 1.3203 Franc (CN 1.0781 1.0809 Jlian Doll .7497	97.4900 97.1650 CME)-¥12 .8271 .8284 r (CME)- (c .7994 .7993 CME)-£62 1.3211 1.3211 ME)-CHF1 1.0787 1.0787 1.0787 1.0787 1.07530 .7530	<b>rend</b> 2,500,00, CAD 10 2,500; 225,000	97.3950 97.0750 <b>y Futu</b> 2000; \$ per .8174 .8186 0.0000; \$ .7944 \$ per £ 1.3156 1.3153 10; \$ per Cl 1.0736 1.0803 100,000; .7470 .7476	97.4150 97.1350 100¥ .8183 .8196 per CAD .7971 1.3181 1.3179 HF 1.0783 1.0849 \$ per AUD .7515 .7522 er MXN	0600 0150 0077 0077 .0013 .0013 0022 0021 .0003 .0005 .0006 .0006	1,299,142 1,252,547 1,560 238,516 779 119,192 1,250 195,698 44,452 120 277 126,610
Dec Dec'23 Japane April June <b>Canadi</b> June <b>British</b> April June <b>Swiss</b> June Sept <b>Austra</b> April June	97.4900 97.1650 ese Yen (c .8256 .8271 ian Dolla .7960 Pound (c 1.3182 1.3203 Franc (CM 1.0781 1.0781 1.0781 1.0781 1.0781 1.0781	97.4900 97.1650 CME)-¥12 .8271 .8284 r (CME)- (c .7994 .7993 CME)-£62 1.3211 1.3211 ME)-CHF1 1.0787 1.0787 1.0787 1.0787 1.07530 .7530	<b>rend</b> 2,500,00, CAD 10 2,500; 225,000	97.3950 97.0750 <b>y Futu</b> 2000; \$ per .8174 .8186 0.0000; \$ .7944 \$ per £ 1.3156 1.3153 10; \$ per Cl 1.0736 1.0803 100,000; .7470 .7476	97.4150 97.1350 IPCS IOO¥ .8183 .8196 per CAD .7971 1.3181 1.3179 HF 1.0783 1.0783 1.0783 1.0783 1.0783 1.0783 1.0783 1.0783 1.0784 5.7515 .7522	0600 0150 0077 0077 .0013 .0013 0022 0021 .0003 .0005 .0006	1,299,142 1,252,547 1,560 238,516 779 119,192 1,250 195,698 44,452 120 277
Dec Dec'23 Japane April June <b>Canadi</b> June <b>British</b> April June <b>Swiss</b> June Sept <b>Austra</b> April June Mexica	97.4900 97.1650 ese Yen (c .8256 .8271 ian Dolla .7960 Pound (c 1.3182 1.3203 Franc (CM 1.0781 1.0781 1.0781 1.0781 1.0781 1.0781	97.4900 97.1650 CME)-¥12 .8271 .8284 r (CME)- (c .7994 .7993 CME)-£62 1.3211 1.3211 ME)-CHF1 1.0787 1.0787 1.0787 1.0787 1.07530 .7530	Prence 2,500,0 (2,500,0)) (2,500,0) (2,500,0)) (2,500,0) (2,500,0)) (2,500,0)) (2,500,0)) (2,500,0)) (2,500,0)) (2,500,0)) (2,500,0))	97.3950 97.0750 <b>y Futu</b> 2000; \$ per .8174 .8186 0.0000; \$ .7944 \$ per £ 1.3156 1.3153 10; \$ per Cl 1.0736 1.0803 100,000; .7470 .7476	97.4150 97.1350 100¥ .8183 .8196 per CAD .7971 1.3181 1.3179 HF 1.0783 1.0849 \$ per AUD .7515 .7522 er MXN	0600 0150 0077 0077 .0013 .0013 0022 0021 .0003 .0005 .0006 .0006	1,299,142 1,252,547 1,560 238,516 779 119,192 1,250 195,698 44,452 120 277 126,610 43
Dec 23 Japane April June Canadi April June British April June Swiss I June Swiss I June Swiss J June Austra April June April June	97.4900 97.1650 ese Yen ( 8256 8271 ian Dolla .7960 .7960 Pound ( 1.3182 1.3203 Franc (CM 1.0781 1.0809 Ilian Doll .7497 .7508 an Peso (	97.4900 97.1650 CME)-¥12 .8284 r (CME)-( .7994 .7993 CME)-£62 1.3211 1.3211 1.3211 1.3211 1.3211 AE)-CHF 1 1.0787 1.0851 ar (CME) .7530 .7537 CME)-MX	Prence 2,500,0 (2,500,0)) (2,500,0) (2,500,0)) (2,500,0) (2,500,0)) (2,500,0)) (2,500,0)) (2,500,0)) (2,500,0)) (2,500,0)) (2,500,0))	97.3950 97.0750 <b>cy Futu</b> 3000; \$ per .8174 .8186 00,000; \$ .7946 .7944 \$ per £ 1.3156 1.3153 10; \$ per Cl 1.0736 1.0803 100,000; .7470 .7476 0,000; \$ pr	97.4150 97.1350 100¥ .8183 .8196 per CAD .7971 .7971 1.3181 1.3179 HF 1.0783 1.0849 \$ per AUD .7515 .7522 er MXN .04950	0600 0150 0077 0077 .0013 .0013 0022 0021 .0003 .0006 .0006	1,299,142 1,252,547 1,560 238,516 779 119,192 1,250 195,698 44,452 120 277 126,610 43
Dec 23 Japane April June Canadi April June British April June Swiss I June Swiss I June Swiss J June Austra April June April June	97.4900 97.1650 ese Yen ( .8256 .8271 ian Dolla .7960 .7960 Pound ( 1.3182 1.3203 Franc (CA 1.0781 1.0809 Ilian Doll .7497 .7508 an Peso ( .04873	97.4900 97.1650 CME)-¥12 .8284 r (CME)-( .7994 .7993 CME)-£62 1.3211 1.3211 1.3211 1.3211 1.3211 AE)-CHF 1 1.0787 1.0851 ar (CME) .7530 .7537 CME)-MX	Prence 2,500,0 (2,500,0)) (2,500,0) (2,500,0)) (2,500,0) (2,500,0)) (2,500,0)) (2,500,0)) (2,500,0)) (2,500,0)) (2,500,0)) (2,500,0))	97.3950 97.0750 <b>cy Futu</b> 3000; \$ per .8174 .8186 00,000; \$ .7946 .7944 \$ per £ 1.3156 1.3153 10; \$ per Cl 1.0736 1.0803 100,000; .7470 .7476 0,000; \$ pr	97.4150 97.1350 100¥ .8183 .8196 per CAD .7971 .7971 1.3181 1.3179 HF 1.0783 1.0849 \$ per AUD .7515 .7522 er MXN .04950	0600 0150 0077 0077 .0013 .0013 0022 0021 .0003 .0006 .0006	1,299,142 1,252,547 1,560 238,516 779 119,192 1,250 195,698 44,452 120 277 126,610 43
Dec 23 Japane April June <b>Canadi</b> April June <b>British</b> April June <b>Swiss</b> Sept <b>Austra</b> April June <b>Euro</b> (C	97.4900 97.1650 ese Yen ( .8256 .8271 ian Dolla .7960 .7960 Pound ( 1.3182 1.3203 Franc (CA 1.0781 1.0809 .1080 .7497 .7508 an Peso ( .04873 	97.4900 97.1650 CUI CME)-¥12 .8271 .8284 r (CME)-(7994 .7993 CME)-662 1.3211 1.3211 ME)-CHF 1 1.0787 1.0851 ar (CME) .7530 .7537 CME)-MX .04911 000; \$ per	Prence 2,500,0 (2,500,0)) (2,500,0) (2,500,0)) (2,500,0) (2,500,0)) (2,500,0)) (2,500,0)) (2,500,0)) (2,500,0)) (2,500,0)) (2,500,0))	97.3950 97.0750 <b>Cy Futtu</b> 000; \$ pert 1.3156 1.3153 100,000; 5 per Cl 1.0736 1.0736 1.0803 100,000; .7470 .7476 0,000; \$ per .04871	97.4150 97.1350 IOO¥ .8183 .8196 per CAD .7971 1.3181 1.3179 HF 1.0783 1.0849 \$ per AUD .7515 .7522 er MXN .04950 .04899	0600 0150 0077 0077 .0013 .0013 .0013 .0013 .0003 .0005 .0006 .00015	1,299,142 1,252,547 1,560 238,516 779 119,192 1,250 195,698 44,452 120 277 126,610 43 147,158 6,587
Dec 23 Japane April June Canadi April June British April June Austra April June Mexica April June Euro (C April	97.4900 97.1650 256 Yen ( .8256 .8271 1an Dolla .7960 Pound ( 1.3182 1.3203 Franc (CN 1.0781 1.0809 Ilian Doll .7497 .7508 an Peso ( .04873 :ME)-€125, 1.1014	97.4900 97.1650 CUIT .8284 r (CME)-¥12 .8271 .8284 r (CME)-€62 1.3211 1.3211 ME)-CHF1 1.0787 1.0787 1.0787 1.0781 ar (CME)- .7530 .7537 CME)-MX .04911 000; \$ per 1.1022	Prence 2,500,0 (2,500,0)) (2,500,0) (2,500,0)) (2,500,0) (2,500,0)) (2,500,0)) (2,500,0)) (2,500,0)) (2,500,0)) (2,500,0)) (2,500,0))	97.3950 97.0750 <b>Cy Futtu</b> 000; \$ pert .8174 .8186 00,000; \$ .7944 \$ per £ 1.3156 1.3153 10; \$ per Cl 1.0736 1.00,000; \$ pr .04871 1.0975	97.4150 97.1350 100¥ .8183 .8196 per CAD .7971 1.3181 1.3179 HF 1.0783 1.0849 \$ per AUD .7515 .7522 er MXN .04950 .04899 1.1007	0600 0150 0077 0077 0077 0073 0013 .0013 .0013 .0003 .0006 .00015 .00016 0010	1,299,142 1,252,547 1,560 238,516 779 119,192 1,250 195,698 44,452 120 277 126,610 43 147,158 6,587
Dec 23 Japane April June Canadi April June British April June Austra April June Mexica April June Euro (C April	97.4900 97.1650 256 Yen ( .8256 .8271 1an Dolla .7960 Pound ( 1.3182 1.3203 Franc (CN 1.0781 1.0809 Ilian Doll .7497 .7508 an Peso ( .04873 :ME)-€125, 1.1014	97.4900 97.1650 <b>CULI</b> <b>CME</b> )-¥12 .8271 .8284 <b>r (CME</b> )-¢12 .7994 .7993 <b>CME</b> )- <i>6</i> C2 1.3211 1.3211 1.3211 <b>ME</b> )-CHF 1 1.0787 1.0851 <b>ar (CME</b> ) .7537 <b>CME</b> )-MX .04911 000; \$ per 1.1022 1.1027	▼ rend 2,500, CAD10 2,500; 225,000; 225,000; A A A A A A A	97.3950 97.0750 <b>Cy Futtu</b> 000; \$ pert .8174 .8186 00,000; \$ .7944 \$ per £ 1.3156 1.3153 10; \$ per Cl 1.0736 1.00,000; \$ pr .04871 1.0975	97.4150 97.1350 100¥ .8183 .8196 per CAD .7971 .7971 1.3181 1.3179 HF 1.0783 1.0849 \$ per AUD .7515 .7522 er MXN .04950 .04899 1.1007 1.1007	0600 0150 0077 0077 0077 0073 0013 .0013 .0013 .0003 .0006 .00015 .00016 0010	1,299,142 1,252,547 1,560 238,516 779 119,192 1,250 195,698 44,452 120 277 126,610 43 147,158
Dec 23 Japane April June Canadi April June British April June Swiss I June Swiss I June Mexica April June Mexica April June	97.4900 97.1650 ese Yen ( .8256 .8271 ian Dolla .7960 .7960 Pound ( 1.3182 1.3203 Franc (CM 1.0781 1.0809 dilan Doll .7497 .7508 an Peso ( .04873 :ME)-€125, 1.1014 1.1041	97.4900 97.1650 CUIT .8274 .8271 .8284 r (CME)-412 .8271 .8284 r (CME)-402 .7993 CME)-622 1.3211 1.3211 1.3211 1.3211 1.3251 1.3251 CME)-MX .7530 .7537 CME)-MX .04911 000(\$ per 1.1022 1.1047	▼ Trence 2,500, ▼ 2,500; 2,500; 2,500; 2,500; 2,500; 1,-AUD A A A A A A A A A A A A A	97.3950 97.0750 <b>:y Futu</b> .8174 .8186 0000; \$ per .8174 .8186 00,000; \$ .7946 .7944 \$ per £ 1.3156 1.3153 100,000; \$ per 1.0736 1.0803 100,000; \$ per .7476 0,0000; \$ pr .4476 0,0000; \$ pr .4476 1.0975 1.0998 <b>Future</b>	97.4150 97.1350 100¥ .8183 .8196 per CAD .7971 .7971 1.3181 1.3179 HF 1.0783 1.0849 \$ per AUD .7515 .7522 er MXN .04950 .04899 1.1007 1.1032	0600 0150 0077 0077 0077 0073 0013 .0013 .0013 .0003 .0006 .00015 .00016 0010	1,299,142 1,252,547 1,560 238,516 779 119,192 1,250 195,698 44,452 120 277 126,610 43 147,158 6,587
Dec 23 Japane April June Canadi April June British April June Sept ta Austra April June Mexica April June Euro (C April June	97.4900 97.1650 ese Yen (° .8256 .8271 ian Dolla .7960 .7960 Pound (° 1.3182 1.3203 Franc (CM 1.0781 1.0809 .10781 1.0809 .10781 0.04873 CME9-€125, 1.1014 1.1041	97.4900 97.1650 CME-¥12 .8271 .8284 r (CME)-¢12 .7994 .7993 CME-fc2 1.3211 1.3211 1.3211 1.3211 1.3211 AE)-CHF1 1.0787 1.0851 1.0787 1.0851 .7537 CME)-MX .04911 000; \$ per 1.1022 1.1047 In tial Aven	▼ Trence 2,500, ▼ 2,500; 2,500; 2,500; 2,500; 2,500; 1,-AUD A A A A A A A A A A A A A	97.3950 97.0750 <b>:y Futu</b> 2000; \$ per .8174 .8186 20,000; \$ .7944 \$ per £ 1.3156 1.3153 100,000; \$ per 1.0736 1.0803 100,000; \$ per .04871 1.0975 1.0998 <b>Future</b> (CBT)-\$5	97.4150 97.1350 100¥ .8183 .8196 per CAD .7971 .7971 1.3181 1.3179 HF 1.0783 1.0849 \$ per AUD .7515 .7522 er MXN .04950 .04899 1.1007 1.1032 25 xindex	0600 0150 0077 0077 0013 .0013 0022 0021 .0003 .0006 .0006 0010 0010	1,299,142 1,252,547 1,560 238,516 779 119,192 1,250 195,698 44,452 120 277 126,610 43 147,158 6,587 635,838
Dec 23 Japane  April June Canadi April June British April June Swiss i Sept Austra April June Euro (c April June Euro (c April June Euro (c April June June June June Mexicas	97.4900 97.1650 256 Yen ( .8256 .8271 ian Dolla .7960 .7960 Pound ( 1.3182 1.3203 Franc (CN 1.0781 1.0809 Jilan Doll .7497 .7508 an Peso ( .04873 37ME)-€125, 1.1014 1.1041	97.4900 97.1650 CUI 2.8271 .8284 r (CME)-412 .8284 r (CME)-662 1.3211 1.3211 ME)-64F 1 1.087 1.087 1.087 2.7530 .7537 CME)-MX .04911 000; \$ per 1.1022 1.1047 In rial Aven 34655	▼ Trence 2,500, ▼ 2,500; 2,500; 2,500; 2,500; 2,500; 1,-AUD A A A A A A A A A A A A A	97.3950 97.0750 <b>:y Futu</b> 000; \$ per .8174 .8186 00,000; \$ .7944 \$per £ 1.3156 1.3153 100,5 per Cl 1.0736 1.0736 1.0803 100,000; .7470 .7476 0,000; \$ pe .04871 1.0975 1.0998 <b>Future</b> (CBT)-\$55 34214	97.4150 97.1350 IOO¥ .8183 .8196 per CAD .7971 1.3181 1.3179 HF 1.0783 1.0849 \$ per AUD .7515 .7522 er MXN .04899 1.1007 1.1032 25 × index 34604	0600 0150 0077 0077 .0013 .0013 .0013 .0003 .0003 .0006 .00015 .00016 0010 0010	1,299,142 1,252,547 1,560 238,516 779 119,192 1,250 195,698 44,452 120 277 126,610 43 147,158 6,587 635,838
Dec 23 Dec 23 Japane April June Canadi April June British April June Sept Austraa April June Euro (c April June Sume Sept Mini D. June Sept Sept	97.4900 97.1650 ese Yen ( .8256 .8271 ian Dolla .7960 .7960 Pound (C 1.3182 1.3203 Franc (CM 1.0781 1.0782 1.0781	97.4900 97.1650 CUI 2.8271 .8284 r (CME)-412 .8271 .8284 r (CME)-602 1.3211 1.3211 ME)-CHF1 1.0787 1.0281 ar (CME)- .7530 .7537 CME)-MX .04911 000; \$ per 1.1022 1.1047 ind rial Aven 34655 34611	rend     z,500,0     v	97.3950 97.0750 <b>cy Futu</b> 000; \$ per .8174 .8186 00,000; \$ .7944 \$ per £ 1.3156 1.3153 10; \$ per Cl 1.0736 1.0736 1.0736 1.00,000; \$ pr .04871 1.0975 1.0998 <b>Future</b> (CBT)-\$5 34214 34189	97.4150 97.1350 100¥ .8183 .8196 per CAD .7971 .7971 1.3181 1.3179 HF 1.0783 1.0849 \$ per AUD .7515 .7522 er MXN .04950 .04899 1.1007 1.1032 25 xindex	0600 0150 0077 0077 0013 .0013 0022 0021 .0003 .0006 .0006 0010 0010	1,299,142 1,252,547 1,560 238,516 779 119,192 1,250 195,698 44,452 120 277 126,610 43 147,158 6,587 635,838
Dec 23 Dec 23 Japane April June Canadi April June British April June Swits Austra April June Mexica April June Mexica April June Mexica Sept Mini D.June Sept Mini Sé	97.4900 97.1650 ese Yen ( .8256 .8271 ian Dolla .7960 Pound ( 1.3182 1.3203 Franc (CM 1.0781 1.0809 Jian Doll .7497 .7508 an Peso ( .04873 	97.4900 97.1650 CUIT .8271 .8284 r (CME)-412 .8271 .8284 r (CME)-412 .7993 CME)-62 1.3211 1.3211 ME)-CHF1 1.0787 1.0851 ar (CME) .7530 .7537 CME)-MX .04911 000; \$per 1.1022 1.1047 i.10	rend z,500,0 CAD 10 CAD 10 2,500; 225,000 CAD 10 CAD 10	97.3950 97.0750 <b>cy Futu</b> .8174 .8186 0000; \$ per .8174 .8186 00,000; \$ .7944 \$ per £ 1.3155 1.3153 100,000; \$ per .04871 1.0975 1.0998 <b>Future</b> (CBT)-\$5 34214 34189 ex	97.4150 97.1350 100¥ .8183 .8196 per CAD .7971 1.3181 1.3179 1.0783 1.0783 1.0783 1.0783 1.07950 .7522 er MXN .04950 .04899 1.1007 1.1032 25 × index 34604 34573	0600 0150 0077 0077 0073 0013 .0013 0022 0021 .0003 .0006 .0006 .00016 0010 0010 0010	1,299,142 1,252,547 1,560 238,516 779 119,192 1,250 195,698 44,452 120 277 126,610 43 147,158 6,587 635,838
Dec 23 Dec 23 Japane April June Canadi April June British April June Sept Austraa April June Euro (c April June Sume Sept Mini D. June Sept Sept	97.4900 97.1650 ese Yen ( .8256 .8271 ian Dolla .7960 .7960 Pound (C 1.3182 1.3203 Franc (CM 1.0781 1.0782 1.0781	97.4900 97.1650 CUI 2.8271 .8284 r (CME)-412 .8271 .8284 r (CME)-602 1.3211 1.3211 ME)-CHF1 1.0787 1.0281 ar (CME)- .7530 .7537 CME)-MX .04911 000; \$ per 1.1022 1.1047 ind rial Aven 34655 34611	rend     2,500,0     √     √     2,500;     √     225,000     √     √     225,000     √	97.3950 97.0750 <b>cy Futu</b> 000; \$ per .8174 .8186 00,000; \$ .7944 \$ per £ 1.3156 1.3153 10; \$ per Cl 1.0736 1.0736 1.0736 1.00,000; \$ pr .04871 1.0975 1.0998 <b>Future</b> (CBT)-\$5 34214 34189	97.4150 97.1350 IOO¥ .8183 .8196 per CAD .7971 1.3181 1.3179 HF 1.0783 1.0849 \$ per AUD .7515 .7522 er MXN .04899 1.1007 1.1032 25 × index 34604	0600 0150 0077 0077 0073 0013 .0013 0022 0021 .0003 .0006 .0006 .00016 0010 0010 0010	1,299,142 1,252,547 1,560 238,516 779 119,192 1,250 195,698 44,452 120 277 126,610 43 147,158 6,587 635,838

Contract

Low

856.00

22.41

24.10

2,559

2,593

Settle

875.00

22.42

24.50

2,583

2,616

Cho

-8.00

.03

.29

-48

-40 59,138

High hilo

22.43

2,653

2,679

Open

22.43

2,641

2,664

July

March

May

July

883.00 900.00

 April
 24.23
 24.70
 24.10

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

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

#### Cash Prices | wsj.com/market-data/commodities

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplaceseparate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

	Thursday		Thursday		Thursday
Energy		Iron Ore, 62% Fe CFR China-s	146.4	Wheat,No.2 soft red,St.Louis-u	10.4925
		Shredded Scrap, US Midwest-s,m	n.a.	Wheat - Hard - KC (USDA) \$ per bu-u	10.8525
Coal,C.Aplc.,12500Btu,1.2S02-r,w	97.300	Steel, HRC USA, FOB Midwest Mill-s	1380	Wheat,No.1soft white,Portld,OR-u	11.6500
Coal,PwdrRvrBsn,8800Btu,0.8SO2-r,w	/ <b>16.750</b>	Battery/EV metals		Food	
Metals		BMI Lithium Carbonate, EXW China, =99.2%-v,k	76700	Food	
		BMI Lithium Hydroxide, EXW China, =56.5% -v,k	71825	Beef.carcass equiv. index	
Gold, per troy oz		BMI Cobalt sulphate, EXW China, >20.5% -v,m	17729	choice 1-3.600-900 lbsu	226.89
Engelhard industrial	1957.00	BMI Nickel Sulphate, EXW China, >22%-v,m	6479	select 1-3.600-900 lbsu	217.49
Handy & Harman base	1965.20	BMI Flake Graphite, FOB China, -100 Mesh, 94-95% -v,m	685	Broilers, National comp wtd. avgu.w	1.4892
Handy & Harman fabricated	2181.37	Fibers and Textiles		Butter, AA Chicago-d	2.8025
BMA Gold Price AM	*1932.15			Cheddar cheese,bbl,Chicago-d	221.00
BMA Gold Price PM	*1931.75	Burlap,10-oz,40-inch NY yd-n,w	0.8600	Cheddar cheese, blk, Chicago-d	224.00
Krugerrand,wholesale-e	2039.75	Cotton,11/16 std lw-mdMphs-u	1.3190	Milk,Nonfat dry,Chicago lbd	188.00
Naple Leaf-e	2059.37	Cotlook 'A' Index-t	*146.75	Coffee,Brazilian,Comp-y	2.2394
American Eagle-e	2059.37	Hides,hvy native steers piece fob-u	n.a.	Coffee,Colombian, NY-y	2.8880
Mexican peso-e	2372.74	Wool,64s,staple,Terr del-u,w	n.a.	Eggs, large white, Chicago-u	1.5350
Austria crown-e	1925.47	Grains and Feeds		Flour,hard winter KC-p	29.45
Austria phil-e	2059.37			Hams,17-20 lbs,Mid-US fob-u	0.58
Silver, troy oz.		Barley,top-quality Mnpls-u	n.a.	Hogs,Iowa-So. Minnesota-u	99.71
Engelhard industrial	25.6500	Bran,wheat middlings, KC-u	185	Pork bellies.12-14 lb MidUS-u	n.a.
Handy & Harman base	25.6500	Corn,No. 2 yellow,Cent IL-bp,u	7.2700	Pork loins,13-19 lb MidUS-u	1.0813
Handy & Harman fabricated	32.0630	Corn gluten feed,Midwest-u,w	225.6	Steers.TexOkla. Choice-u	138.00
.BMA spot price	*£18.9400	Corn gluten meal,Midwest-u,w	658.2	Steers,feeder,Okla. City-u,w	185.50
U.S.\$ equivalent)	*25.0150	Cottonseed meal-u,w	343		
Coins,wholesale \$1,000 face-a	20296	Hominy feed,Cent IL-u,w	172	Fats and Oils	
Other metals	20270	Meat-bonemeal,50% pro Mnpls-u,w	368		(0.0000
BMA Platinum Price PM	*1025.0	Oats,No.2 milling,Mnpls-u	6.9225	Degummed corn oil, crude wtd. avgu,w	69.0000
	1025.0	Rice, Long Grain Milled, No. 2 AR-u,w	29.25	Grease, choice white, Chicago-h	0.7100
Platinum,Engelhard industrial		Sorghum,(Milo) No.2 Gulf-u	n.a.	Lard,Chicago-u	n.a.
Palladium,Engelhard industrial	2550.0	SoybeanMeal,Cent IL,rail,ton48%-u,w	496.50	Soybean oil,crude;Centl IL-u,w	0.7479
Aluminum, LME, \$ per metric ton	*3560.0	Soybeans,No.1 yllw IL-bp,u	16.7300	Tallow,bleach;Chicago-h	0.7375
Copper,Comex spot	4.7290	Wheat,Spring14%-pro Mnpls-u	12.3925	Tallow,edible,Chicago-u	n.a.

	Open	High	Contract hilo Low	Settle	Chg	Open interest		Open	Contra High hilo	act Low	Settle	Chg	Open interest
Mini S	&P Midca	ap 400	(CME)-\$100 x ii	ndex			Sept	2055.70	2074.60	2041.80	2072.20	23.70	102
June	2655.00	2691.9	2653.70	2688.10	30.80	48,432	Mini R	lussell 10	00 (CME)-\$5	0 x index			
Sept	2679.80	2680.0	2665.60	2696.60	30.30	n.a.	June	2469.10	2491.70	2459.10	2491.60	34.80	12,277
Mini M	lasdaq 10	0 (СМЕ	<b>)</b> -\$20 x index				U.S. D	ollar Inde	x (ICE-US)-\$1	,000 x inde	X		
June	14462.75	14769.7	5 14433.50	14763.75	316.75	213,226	June	98.63	98.97	98.60	98.80	.19	50,660
Sept	14500.50	14804.0	) 14470.50	14798.00	318.25	1,003	Sept	98.67	98.67	98.55	98.57	.19	488
Mini F	Russell 20	00 (CN	I <b>E)</b> -\$50 x index										
June	2047.10	2074.4	2039.80	2070.80	23.40	477,950						Source	: FactSet

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

#### **Tracking Bond Benchmarks**

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

Total return close	YTD total return (%)	Index	— Yield (%) — Latest Low High	Total return close	YTD total return (%)	Index		/ield (% t Low	6) <u> </u>
Broad	Market Bloor	nberg Fixed Income Indic	es	Mortg	age-Backed	Bloomberg Fixed Income I	ndices		
2109.58	-6.2	U.S. Aggregate	<b>2.890</b> 1.340 2.920	2091.27	-5.0	Mortgage-Backed	2.910	1.590	2.980
U.S. Co	orporate Inde	<b>xes</b> Bloomberg Fixed Inco	ome Indices	2052.16	-4.2	Ginnie Mae (GNMA)	2.890	1.580	2.960
3126.24	-8.4	U.S. Corporate	<b>3.660</b> 1.910 3.670	1232.26	-5.2	Fannie mae (FNMA)	2.920	1.580	2.990
2907.23	-5.5	Intermediate	<b>3.360</b> 1.260 3.370	1890.36	-5.4	Freddie Mac (FHLMC)	2.910	1.570	2.980
4455.70	-13.0	Long term	<b>4.150</b> 2.900 4.290	568.70	-5.6	Muni Master	2.239	0.687	2.239
623.46	-8.6	Double-A-rated	<b>3.160</b> 1.650 3.180	399.73	-6.0	7-12 year	2.267	0.687	2.267
831.93	-8.7	Triple-B-rated	<b>3.930</b> 2.110 3.940	459.28	-6.6	12-22 year	2.532	1.000	2.532
High Y	ield Bonds IC	EBofA		446.78	-8.0	22-plus year	3.017	1.443	3.017
494.24	-5.3	High Yield Constraine	d <b>6.184</b> 3.796 6.447	Global	Government	: J.P. Morgan <sup>†</sup>			_
481.33	-4.4	Triple-C-rated	<b>10.129</b> 6.304 10.490	571.00	-4.8	Global Government	1.630	0.720	1.640
3301.02	-5.0	High Yield 100	<b>5.633</b> 3.162 6.055	794.54	-5.3	Canada	2.380	1.230	2.420
431.56	-6.2	Global High Yield Constraine	d <b>6.461</b> 3.968 6.731	385.78	-4.9	EMU§	1.125	0.163	1.125
330.91	-5.2	Europe High Yield Constraine	d <b>4.448</b> 2.304 4.733	720.72	-5.2	France	1.000	0.080	1.000
U.S Ag	jency Bloomb	erg Fixed Income Indices		512.31	-4.6	Germany	0.430	-0.410	0.430
1763.53	-4.0	U.S Agency	<b>2.410</b> 0.640 2.430	289.23	-1.8	Japan	0.540	0.260	0.550
1546.71	-3.5	10-20 years	<b>2.360</b> 0.520 2.370	562.48	-5.6	Netherlands	0.660	-0.290	0.660
3788.85	-9.8	20-plus years	<b>3.050</b> 1.890 3.090	956.67	-7.8	U.K.	1.720	0.720	1.790
2698.75	-6.6	Yankee	<b>3.330</b> 1.510 3.360	n.a.	n.a.	Emerging Markets **	n.a.	n.a.	n.a.
*Constra	ained indexes lin	nit individual issuer concentra	tions to 2%; the High Yi	eld 100 are	the 100 largest	bonds † In local curre	– ncy§Ei	uro-zor	ne bond

\*\* EMBI Global Index Sources: ICE Data Services; Bloomberg Fixed Income Indices; J.P.Morgan

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

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

	Country/				Yield		-		Spread Under/Over U.S. T		
Coupon (%)	Maturity, in years	s Latest(●)-2	-1 0	1 2	3 4	4 Previous	Month ago	Year ago	Latest	Prev	Year ago
1.500	<b>U.S.</b> 2	2.122 🔺		٠		2.113	1.544	0.143			
1.875	10	2.340 🔺		•		2.320	1.969	1.613			
2.750	Australia 2	1.502 🔻		•		1.607	1.179	0.094	-62.8	-50.2	-5.8
1.000	10	2.756 🔻				2.772	2.171	1.666	41.4	47.6	4.9
0.000	France 2	-0.153 🔺	٠			-0.200	-0.323	-0.650	-228.4	-230.8	-80.2
0.000	10	0.983 🛦		•		0.940	0.665	-0.109	-135.9	-135.6	-172.7
0.000	Germany 2	-0.210 🔺	٠			-0.256	-0.423	-0.708	-234.0	-236.5	-86.0
0.000	10	0.534 🔺				0.466	0.172	-0.350	-180.8	-182.9	-196.7
0.000	Italy 2	0.190 🔺	۲			0.144	0.071	-0.416	-194.0	-196.5	-56.9
0.950	10	2.058 🔺		٠		1.996	1.815	0.595	-28.4	-29.9	-102.2
0.005	Japan 2	-0.017 🔺	٠			-0.024	-0.030	-0.141	-214.7	-213.3	-29.3
0.100	10	0.240 🔺	•			0.226	0.187	0.068	-210.2	-207.0	-154.9
0.000	Spain 2	0.104 🔺	٠			0.085	0.043	-0.525	-202.6	-202.4	-67.7
0.700	10	1.401 🔺		•		1.396	1.173	0.274	-94.1	-89.9	-134.4
0.125	<b>U.K.</b> 2	1.355 🔺		•		1.355	1.258	0.067	-77.5	-75.4	-8.5
4.250	10	1.649 🔺		•		1.628	1.449	0.759	-69.3	-66.8	-85.8

Source: Tullett Prebon, Tradeweb ICE U.S. Treasury Close

#### **Corporate Debt**

Prices of firms' bonds reflect factors including investors' economic, sectoral and company-specific expectations

#### Investment-grade spreads that tightened the most...

Symbol	Coupon (%)	Yield (%)	Maturity	Current	One-day change	Last week	
ммм	3.000	2.72	Aug. 7, '25	38	-15	n.a.	
MASSMU	2.800	2.86	March 21, ′25	50	-11	n.a.	
STANLN	4.300	4.28	Feb. 19, '27	190	-11	n.a.	
DIS	3.350	2.79	March 24, ′25	43	-8	n.a.	
RABOBK	4.375	3.75	Aug. 4, '25	141	-8	n.a.	
cs	3.750	3.80	March 26, ′25	146	-7	170	
HSBC	3.900	3.60	May 25, '26	122	-7	136	
NRUC	1.875	2.85	Feb. 7, '25	50	-7	60	
And spreads that widened the most							
MS	3.625	3.48	Jan. 20, ′27	110	13	104	
тоуота	3.375	3.40	April 1, '30	106	12	113	
GS	6.250	4.24	Feb.1,'41	158	9	144	
	2.500	3.42	Jan. 14, ′25	107	8	106	
JPM	4.250	3.59	Oct. 1, '27	122	8	121	
STT	3.550	2.99	Aug. 18, '25	63	8	86	
CNO	1.750	3.57	Oct. 7, '26	118	7	112	
HON	6.625	3.31	June 15, ′28	92	7	n.a.	
	MMM MASSMU STANLN DIS RABOBK CS HSBC SNRUC CS MS TOYOTA GS  JPM STT CNO	MMM         3.000           MASSMU         2.800           STANLN         4.300           DIS         3.350           RABOBK         4.375           CS         3.750           HSBC         3.900           NRUC         1.875           CHTHE MODELT         3.625           TOYOTA         3.375           GS         6.2500            2.5000           JPM         4.250           STT         3.550           CNO         1.750	MMM         3.000         2.72           MASSMU         2.800         2.86           STANLN         4.300         4.28           DIS         3.350         2.79           RABOBK         4.375         3.75           CS         3.750         3.80           HSBC         3.900         3.60           NRUC         1.875         2.85           Ed the most         3.42         3.42           TOYOTA         3.375         3.40           GS         6.250         4.24            2.500         3.42           JPM         4.250         3.59           STT         3.550         2.99           CNO         1.750         3.57	MMM         3.000         2.72         Aug. 7, '25           MASSMU         2.800         2.86         March 21, '25           STANLN         4.300         4.28         Feb. 19, '27           DIS         3.350         2.79         March 24, '25           RABOBK         4.375         3.75         Aug. 4, '25           CS         3.750         3.80         March 26, '25           HSBC         3.900         3.60         May 25, '26           MS         3.625         2.85         Feb. 7, '25           CH         3.875         3.40         April 1, '30           GS         6.250         3.40         April 1, '30           GS         6.250         4.24         Feb. 1, '41            2.500         3.40         April 1, '30           GS         6.250         4.24         Feb. 1, '41            2.500         3.42         Jan. 14, '25           JPM         4.250         3.59         Oct. 1, '27           STT         3.550         2.99         Aug.18, '25           CNO         1.750         3.57         Oct. 7, '26	Symbol         Coupon (%)         Yield (%)         Maturity         Current           MMMM         3.000         2.72         Aug.7,25         3.8           MASSMU         2.800         2.86         March 21,25         50           STANLN         4.300         4.28         Feb.19,27         190           DIS         3.350         2.79         March 24,25         43           RABOBK         4.375         3.75         Aug.4,25         141           CS         3.750         3.80         March 26,25         146           HSBC         3.900         3.60         May 25,26         146           HSBC         3.900         3.60         May 25,26         122           MMM         3.625         3.48         Jan.20,27         100           TOYOTA         3.375         3.40         April1,30         106           GS         6.250         4.24         Feb.1,41         158            2.500         3.42         Jan.14,25         107           JPM         4.250         3.59         Oct.1,27         122           STT         3.550         2.99         Aug.18,25         63	MMM         3.000         2.72         Aug. 7, '25         38         -15           MASSMU         2.800         2.86         March 21, '25         50         -11           STANLN         4.300         4.28         Feb. 19, '27         190         -11           DIS         3.350         2.79         March 24, '25         43         -8           RABOBK         4.375         3.75         Aug. 4, '25         141         -8           CS         3.750         3.80         March 26, '25         146         -7           HSBC         3.900         3.60         May 25, '26         122         -7           PNUC         1.875         2.85         Feb. 7, '25         50         -7           Ed the most         1.875         3.40         April 1, '30         106         12           GS         6.250         4.24         Feb. 1, '41         158         9            2.500         3.42         Jan. 14, '25         107         8           JPM         4.250         3.59         Oct. 1, '27         122         8           STT         3.550         2.99         Aug. 18, '25         63         8	

KEY TO CODES: A=ask: B=bid: BP=country elevator bids to producers: C=corrected: D=CME: E=Manfra, Tordella & Brookes: H=American Commodities Brokerage Co: K=bi-weekly; M=monthly; N=nominal; n.a.=not quoted or not available; P=Sosland Publishing; R=SNL Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. \*Data as of 3/23

Source: Dow Jones Market Data

Thursday, March 24, 2022

#### 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.

		ation				Latest	Week ago	—52-1 High	WEEK— Low
	Feb. in		Chg From		Low	<b>0.3000</b> 0.3	3000 0	3000	0 0100
	lev	vel .	Jan. '22	Feb.'21	Bid	0.3200 0.1			
U.S. consu	mer prie	ce inde	x		Offer	0.3400 0.1			0.0500
All items	283	.716	0.91	7.9	-		_		
Core	288	.059	0.72	6.4		bill auction			
In	ternati	onalr	ates		4 weeks	0.135 0.480	0.190	0.195	0.000
	cernaci	onarr	aces		13 weeks 26 weeks	0.480	0.450	0.480	0.015
		Week		Week –	20 WCCK3	0.070	0.020	0.070	0.050
	Latest	ago	High	Low	S	econdary	marl	ket	
Prime rate	s				Fannie M	20			
U.S.	3,50	3.50	3.50	3.25		rtgage yields			
Canada	2.70	2.70	2.70	2.45	30 days		3.807	1 021	2.216
Japan	1.475	1.475	1.475	1.475	60 days		3.877		2.210
Policy Rat	es				0+1	er short-	hower	vatas	
Euro zone	0.00	0.00	0.00	0.00	Uli	ier snort-	term	rates	
Switzerland	0.00	0.00	0.00	0.00		١	Neek	-52-\	Neek –
Britain	0.75	0.75	0.75	0.10		Latest	ago	high	low
Australia	0.10	0.10	0.10	0.10	Call mone	w			
Overnight	repurch	nase			Call mone	2.25	2.25	2.25	2.00
U.S.	0.27	0.28	0.30	-0.02		2.27	2.2)	2.2)	2.00
115	goveri	mont	ratos		Commerc	ial paper (	AA fin	ancial	)
	goven	imen	lates		90 days	0.71	0.90	1.12	0.04
Discount					Libor				
	0.50	0.50	0.50	0.25	Onemonth	0.44714	0.44857	0.46757	0.07263
Federal fu	nds				Threemonth	0.96557	0111027	0.96571	0.11413

Six month

One year

60 days	4.100	3.877	4.102	2.261
Oth	er short-	term	rates	
	۱ Latest	Veek ago	— 52-\ high	Neek – low
Call money		2 25	2.25	2 00
Commerci				
90 days	0.71	0.90	1.12	0.04

1.42586

2.05786

2.25	2.25	2.25	2.00							
rcial paper (AA financial)										
0.71	0.90	1.12	0.04							
0.44714	0.44857	0.46757	0.07263							
0.96557	0.92786	0.96571	0.11413							

1.27443 1.42586 0.14663

1.77571 2.05786 0.21950

#### March 24, 2022

—52-WEEK—

	Latest	ago	High	Low			
Secured Overnight Financing Rate							
	0.27	0.05	0.30	0.01			
	Latest	Value Traded	— 52-\ High				
DTCC G	CF Repo Ind	ex					
Treasury MBS	0.267 0.288	24.800 15.250		-0.006 0.004			

Week

#### Weekly survey Latest Week ago Year ago

4.42	4.16	3.17
3.63	3.39	2.45
3.36	3.19	2.84
	3.63	<b>3.63</b> 3.39

#### Notes on data:

U.S. prime rate is the base rate on corporate U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective March 17, 2022. Other prime rates aren't directly comparable; lending practices vary widely by location; Discount rate is effective March 17, 2022. Secured Overnight Financing Rate is as of March 23, 2022. DTCC GCF Repo Index is Depository Turk & Clearing Corn's weighted Depository Trust & Clearing Corp.'s weighted average for overnight trades in applicable CUSIPs. Value traded is in billions of U.S. dollars Federal-funds rates are Tullett Prebon rates as of 5:30 p.m. ET. Sources: Federal Reserve; Bureau of Labor Statistics; DTCC; FactSet; Tullett Prebon Information, Ltd.

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

					Bond Price	e as % of face v	alue ——
lssuer	Symbol	Coupon (%)	Yield (%)	Maturity	Current	One-day change	Last week
Transocean	RIG	6.800	11.50	March 15, ′38	66.000	1.40	59.000
НСА	НСА	5.375	3.79	Feb. 1, '25	104.230	1.13	105.160
Navient	NAVI	6.125	4.80	March 25, ′24	102.497	0.50	102.747
ADT Security	ADT	4.125	3.40	June 15, '23	100.850	0.48	101.230
Howmet Aerospace	нwм	6.750	5.04	Jan. 15, ′28	108.500	0.46	108.625
OneMain Finance	OMF	5.625	3.39	March 15, ′23	102.097	0.46	101.875
Teva Pharmaceutical Finance Netherlands	5	2.800	3.68	July 21, ′23	98.877	0.36	98.000
QVC	QVCN	4.375	3.31	March 15, '23	101.000	0.35	99.938

#### ...And with the biggest price decreases

	-						
Intesa Sanpaolo	ISPIM	5.017	4.86	June 26, '24	100.323	-0.74	101.277
Ford Motor	F	4.750	5.76	Jan. 15, ′43	87.870	-0.53	90.250
Sensata Technologies	ST	4.875	4.14	Oct. 15, '23	101.101	-0.43	102.150
FirstEnergy	FE	7.375	4.47	Nov.15,′31	122.500	-0.33	124.020
Teva Pharmaceutical Finance Netherlands 3.150			5.70	Oct. 1, '26	90.000	-0.31	89.250

\*Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year hot-run Treasury; 100 basis points=one percentage pt; change in spread shown is for Z-spread. Note: Data are for the most active issue of bonds with maturities of two years or more

### **MARKETS**

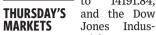
## **Chip, Materials Stocks Spark Rebound**

S&P 500 jumps 1.4%, with all 11 sectors of benchmark index moving higher

#### BY CAITLIN OSTROFF AND PAUL VIGNA

Wall Street stock indexes recouped most of Wednesday's losses, led by gains among semiconductor and materials shares

The S&P 500 rose 63.92 points, or 1.4%, to 4520.16, the Composite Index Nasdaq climbed 269.23 points, or 1.9%, 14191.84, to



Average trial gained 349.44 points, or 1%, to 34707.94. All three declined in the previous session as concerns about rising energy prices and supply shortages again rattled investors.

Indus-

All 11 sectors in the S&P 500 rose. The tech segment climbed 2.7%, followed by materials with a 2% gain. Energy, by far 2022's best-performing sector, was the worst performing group but still managed to eke out a 0.1% gain.

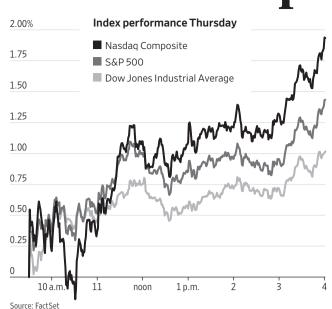
Stocks have come under pressure this year amid rising inflation, mixed economic signals, the war in Ukraine and disruptions from the pandemic. The S&P 500 is down 5.2% in 2022, while the Nasdaq, off 9.3%, is in its longest bear market since 2008.

That slump, however, comes on the back of a long rally. Wednesday marked the second anniversary of the stock market's pandemic lows. Since then, the S&P 500 and Nasdaq have doubled, while the Dow is up nearly 90%.

The market looks like the February lows won't be breached and equities are entering a more temperate period where investors will try to digest everything that has happened so far, said JMP Securities analyst Mark Lehmann. We've had a lot in a very short time," he said. "The market's trying to figure itself out."

Thursday's market gains followed a bag of mixed economic data.

The number of Americans applying for first-time unemployment benefits fell to 187,000 in the week ended March 19, the lowest level since September 1969, down from



215,000 a week prior.

But new orders for durable goods-products designed to last at least three years-fell 2.2% in February from the month prior after auto production was again held back by supply-chain bottlenecks and Boeing had a weak month for aircraft orders.

Investors have grappled with how Russia's war with Ukraine will put additional pressure on

supply chains that are already disrupted from Covid-19. A climb in oil prices, which remain above \$100 a barrel, have added to concerns that consumers could see higher prices for energy and even products like plastic wrap or lawn fertilizer. Federal Reserve officials have penciled in a series of additional interest-rate increases to limit inflation this year.

U.S. crude fell 2.3% to \$112.34 a barrel.

\* \* \* \* \*

"Through mid-February, it was all about rising rates, and then it was all about the war, and what's concerning now is that they've combined," said Daniel Morris, chief market strategist at BNP Paribas Asset Management. "The challenge in this environment is what do you buy. You can't sit in cash. It is a 'least-bad option' type of market."

Among individual stocks, Nikola rose 52 cents, or 5.7%, to \$9.66 after the company confirmed that production has begun on its electric commercial truck, the Tre. Uber gained \$1.64, or 5%, to \$34.70 after saying it would list all New York City taxis on its app.

In the semiconductor industry, Nvidia rose \$25.16, or 9.8%, to \$281.50, and Intel rose \$3.35, or 6.9%, to \$51.62, its biggest one-day gain since January 2021, as investors bet booming demand for chips would overwhelm short-term logistics issues.

The yield on the benchmark 10-year Treasury note ticked up 2.340%from 2.320% to Wednesday. Yields and prices move inversely.

0.2%. Early Friday, Japan's Nikkei was down 0.2%, Hong Kong's Hang Seng Index was down 0.6% and South Korea's Kospi was down 0.3%. S&P 500 futures were up 0.1%.

#### **AUCTION RESULTS**

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

NINE-YEAR, 10-MONTH TIPS							
Applications	\$36,582,857,800						
Accepted bids	\$16,606,322,800						
" noncompetitively	\$27,352,100						
Auction price (rate)	108.705125						
	-(0.589%)						
Interest rate	0.125%						
Bids at clearing yield accepted	0.94%						
Cusip number	91282CDX6						
The Treasury inflation-protected sector March 31, 2022, mature on Jan. 15, 202							
EIGHT-WEEK BILLS							
Applications	\$92,283,036,800						
Accepted bids	\$32,629,928,300						
	4404 040 000						

Accepted bids	\$32,629,928,300
" noncompetitively	\$184,340,800
" foreign noncompetitively	\$50,000,000
Auction price (rate)	99.953333
	(0.300%)
Coupon equivalent	0.304%
Bids at clearing yield accepted	16.97%
Cusip number	912796V22
The bills, dated March 29, 2022, ma	ature on May 24,

FOUR-WEEK BILLS

Applications	\$105,739,011,300
Accepted bids	\$38,068,181,300
" noncompetitively	\$655,563,300
" foreign noncompetitively	\$0
Auction price (rate)	99.989500
	(0.135%)
Coupon equivalent	0.137%
Bids at clearing yield accepted	98.24%
Cusip number	912796U23
The bills dated March 20 2022	maturo on April 26

The Stoxx Europe 600 fell

Offshore investors have been net sellers of mainland Chinese shares this month via the Stock Connect trading link with Hong Kong. If the pattern holds, this would be one of the biggest monthly drawdowns in the program's history.

#### Monthly flows into or out of onshore stocks

Daily flows in March 2022



#### BY REBECCA FENG

Foreign investors unloaded \$9.5 billion of mainland Chinese stocks this month, reflecting a reassessment of geopolitical risk following the financial isolation of Russia.

The outflow as of March 24, via a trading link with Hong Kong known as Stock Connect, is on pace to be the secondlargest monthly drawdown since the program began in 2014. The biggest occurred in March 2020 when Covid-19 rattled markets and offshore investors sold a net \$10.6 billion of onshore stocks.

Foreign investors have poured huge sums into China in recent years. As onshore markets ballooned in size, Beijing made them easier to trade and these securities have joined influential indexes run by providers such as MSCI Inc. In December, foreigners held more than \$600 billion each of onshore shares and bonds. central bank data shows.

Analysts and investors say it is too early to call a turning point in that gradual embrace of China. But they say something could have changed amid

the recent market turmoil. which was also fueled by U.S. delisting concerns and China's worsening Covid-19 outbreaks.

Foreign investors got a wake-up call when Russia invaded Ukraine, said Robin Brooks, chief economist at the Institute of International Finance. The questions they are now asking about China are different from a few weeks ago, he said.

'Questions are being asked about why did we get Russia so wrong, and what else might we be getting wrong. I think that's where China could potentially be coming in," said Mr. Brooks, who tracks international capital flows.

China's ambiguous stance on the war is part of the problem, said Qi Wang, chief executive of MegaTrust Investment (HK). a Hong Kong fund manager that focuses on onshore stocks, or A shares.

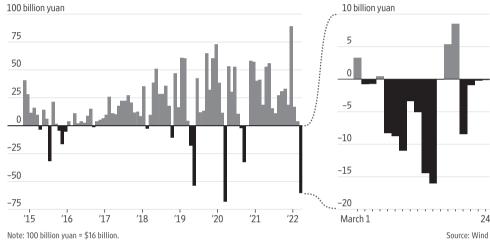
"There is much misunderstanding, confusion and speculation surrounding China's position, which seems a big risk factor for global investors," said Mr. Wang. The exodus was at its worst on March 14 and 15, as Chinese

shares onshore and offshore plunged. After Chinese policy makers stepped in on March 16 to reassure investors, there were two days of robust inflows, after which more moderate outflows resumed.

Jim McCafferty, the joint head of Asia-Pacific equity research at Nomura. said many money managers focused on emerging markets had been told by end-investors to exit Russia. He said some of those asset owners had also decided to exit China, given some political similarities between the two countries.

"Some global investors just want nothing to do with it," Mr. McCafferty said.

The selldown is modest compared with the overall scale of the Shanghai and Shenzhen markets, which are valued at roughly \$13 trillion in total. Some international banks and asset managers have said some Chinese stocks have sold off more than is justified based on their financial prospects and these shares remain attractive despite the



on China, meaning they recommend investors have a greater proportion of their holdings in Chinese stocks than the benchmarks they track, and said the demand for Chinese equities is intact. Citigroup argued in an online "Wealth Insights" post that cheaply valued Chinese stocks presented a tactical opportunity. Many investors pushed back on the idea that Chinese stocks, listed at home or abroad, are uninvestible.

Still, the pullback this month is rare. Foreign investors have been net buyers in roughly five of every six months since the Stock Connect program began and outflows in other months have rarely topped \$3 billion, Wind data shows. The wave of buying continued during last year's technology crackdown, which primarily targeted companies listed abroad.

Stock Connect data doesn't capture all foreign trading, since some buying and selling is done under another system known as the "qualified foreign institutional investor" program.

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eign financial investment dries up or starts to trickle out of China, that would remove one plank of support for the yuan, which has been buoyed by capital inflows and the country's surging exports.

Foreigners sold the equivalent of \$5.6 billion of Chinese government bonds in yuan last month, a record monthly outflow. In January, the extra yield that Chinese sovereign debt offers over U.S. Treasury bonds dropped below 1 percentage point for the first time in nearly three years, reducing its relative appeal to investors.

risks of short-term volatility. Analysts at Goldman Sachs said they remained overweight

The outflows come as a long surge of money into Chinese bonds has abated. If for-



Continued from page B1 twice as large as the outflows seen during the first three weeks of the pandemic selloff of early 2020.

meanwhile, Investors. poured \$40.5 billion into U.S. stock funds during the three weeks ending March 16, EPFR data show.

James Beaumont, head of multiasset portfolio management at Natixis Investment Managers Solutions, said his team has been forced to reshuffle their model portfolios.

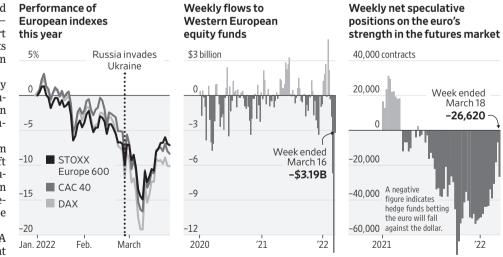
Last year, his team allocated portfolios in line with expecta-

tions that the U.S. market—and particularly growth stockswould outperform. At the start of 2022, they shifted their bets to be more bullish on European and value stocks.

We thought we were nicely positioned coming into January and February. Then Putin put a stop to that," Mr. Beaumont said.

Recently, he said, his team has made the switch to shift back to a neutral stance on Europe. "We don't feel you can trade in this environment because there could be a peace deal tomorrow," he said.

Recent surveys from BofA Global Research show that global fund managers have been unwinding similar wagers. In January, for example, a net 35% of respondents said they were overweight European Union equities, while a net 5% were overweight U.S. stocks.



Sources: FactSet (indexes); EPFR (flows); Commodity Futures Trading Commission via FactSet (positions)

By March, the trend had flipped: A net 18% of fund managers were underweight European equities, the survey showed, while a net 12% were overweight U.S. stocks.

"There are all these different anecdotes that are not instilling a lot of confidence," said Chris Montagu, head of global quantitative research at Citi Research. Among the wor-

risome signs, he said: downgrades to gross domestic product forecasts for the region.

This month. Citi economists reduced their global and eurozone GDP forecasts. Economists now expect GDP growth of 2.3% for the eurozone in 2022, down from 3.3% in February. They also raised inflation expectations, forecasting consumer prices would rise 6.5% in the eurozone for the year, versus 4.6% last month.

Data suggest there is little conviction in the recent global stock-market rally, Mr. Montagu said, with index futures showing that investors are expecting more pain ahead for the Stoxx Europe 600 and Germany's DAX index. Short bets against both indexes-meaning wagers that they will fallhave remained firmly in place, he said. "We're not seeing new long positions established," he said.

Data from the Commodity **Futures Trading Commission** show that hedge funds on a net basis continue to bet that the euro will weaken against the dollar.

Mutual Funds	Data provided by LIPPER 🚺	Net YTD Fund NAV Chg %Ret		et YTD g %Ret Fund N/	Net YTD V Chg %Ret Fund	Net YTD NAV Chg %Ret Fund	Net YTD NAV Chg %Ret Fu	Net YTD Net YTD nd NAV Chg %Ret Fund NAV Chg %Ret
Top 250 mutual-funds listings for Nasdaq-publish e-Ex-distribution, f-Previous day's quotation. g-Foc and s apply. k-Recalculated by Lipper, using updat 12b-1. r-Redemption charge may apply. s-Ex-dividend. z- apply. v-Footnotes x and e apply. k-Ex-dividend. z- available due to incomplete price, performance or data under review. NN-Fund not tracked. NS-Fund	thotes x and s apply. <b>j</b> -Foothotes e ed data. <b>p</b> -Distribution costs apply, lit or dividend. <b>t</b> -Foothotes p and r Foothote x, e and s apply. <b>NA</b> -Not cost data. <b>NE</b> -Not released by Lipper;	Intl         Stk         47.24 + 0.11         -0.11	BluCh         161.37+36.           Contra         16.76+0.2           ContraK         16.82+0.2           CpInc r         10.56+0.2           GrocCo         32.49+0.7           GrowCoK         32.61+0.7           InvGrBd         10.88+0.0           LowP r         52.90+0.4           Magin         13.51+0.2	Comparison         TotRtnBdFdClinst         26           27         -9.5         Harbor Funds         27           27         -9.5         CapApinst         86           27         -9.5         CapApinst         86           27         -9.5         CapApinst         86           26         -9.5         CapApinst         86           27         -9.5         CapApinst         86           26         -9.5         CapApinst         86           26         -9.5         CapApinst         86           27         -10.9         Intleq         26           28         -10.9         Invesco         Funds         Y           04         -5.9         DevMktY         39         -1.7         John Hancock		Str         17.29 +0.22         -8.2         VANGUA           sus Fds         500 Adm         500 Adm           Fd 59,60 +0.77         -6.0         BalAdmi           Sunds CI Z         CAITAdn         CAITAdn           eld         5.15 +0.01         -5.2         CapOpAd           Fds Instl         MamBand         MA         MA           et         12.30 +0.02         -2.5         EqincAdd           9.66          -1.0         ExpirAdr	RD         ADMIRAL         To           417.13 + 5.93 - 4.8         Tx:         45.79 + 0.32 - 5.8         Tx:           45.79 + 0.32 - 5.8         Tx:         11.50 - 0.02 - 5.3         US           ml r181.27 + 2.82 - 6.4         va.         43.73 + 0.48 - 5.8         W           Adm 43.73 + 0.48 - 5.8         W         3.54 + 0.19 - 5.7         W           nl 92.87 + 0.80 - 1.3         W         9.287 + 0.80 - 1.3         W	Kitadmi         110.57 + 1.53         -5.7         MdCpVIAdmi         77.03 + 0.77         -0.6           McapAdml233.74 + 3.27         -5.5         SmVaIAdmi         75.69 + 0.67         -1.1           Min r         15.44 + 0.09         -5.9         TotBd2         10.32         -0.03         6.2           GroAdml         142.94 + 2.60 - 15.1         TotIntlinstitix r128.54 + 0.68         -5.9         IAdmi         57.71 + 0.56         1.1         TotIntlinstitix r128.54 + 0.68         -5.9           IAdmi         57.71 + 0.56         1.1         TotIntlinstitix r128.57 + 0.68         -5.9           Iadilladmi         69.92 + 0.87         -6.6         TotS         110.56 + 1.54         -5.7           elilsAdmi         66.95 + 0.02         -3.9         VAMGUARD INSTL FDS         elindami         75.04 + 0.54         -5.7           elinAdmi         76.04 + 0.54         -6.5         Balinst         45.80 + 0.33         -5.8           ndsrAdmi         33.84 + 0.84         -2.2         DevMktsIndinst         15.46 + 0.08         -5.9
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## HEARD ON STREET

FINANCIAL ANALYSIS & COMMENTARY

## **Rising Rates Shift Housing Foundations**

Some people may be forced to keep homes; others opt for small ones in cheap places

Rising interest rates will stagger the housing market. Don't expect it to go down for the count, though.

Mortgage rates have been very low for a very long time. Even though they rose significantly over the past year as the pandemic loosened its grip and inflation picked up, the average rate on a 30-year mortgage rose to 4.4% from 3.2% over the past year, according to Freddie Mac. That compares with what had been a historically low average of 4.1% during the decade before the pandemic struck and 6.7% in the decade before the 2008-09 financial crisis.

The persistence of low mortgage rates reshaped people's perceptions of what is a reasonable price to pay for a house. Consider: The monthly payment on a 30-year mortgage for \$500,000 carrying a 6.7% rate is \$3,226, but it is \$2,176 at 3.25%, which CoreLogic estimates that as of January was the median rate on outstanding mortgages. The difference helps explain why home prices have been able to rise so much without killing demand. As of December, U.S. home prices were 31% higher than two years earlier, according to the Federal Housing Finance Agency.

The decline in mortgage rates during the pandemic set off a refi-



nancing surge that dramatically lowered payments for many homeowners. A significant increase in mortgage rates would lead to two big problems for the housing market: First, it would make it harder for people hoping to buy their first homes at current prices; and second, it would make it difficult for existing homeowners now paving low rates to move because moving would mean giving up a lower interest rate for a higher one. Some will keep their homes much longer than planned, denting businesses that rely on housing turnover. The faster rates go up, the more it will hurt.

Economic conditions are less than ideal for home buying. The Fannie Mae Home Purchase Sentiment Index fell in January to its lowest level since May 2020. Mortgage rates aren't the only factor at play right now in housing, though. Many members of the millennial generation were slow to step into homeownership, in part as a result of the setbacks they experienced after the 2008-09 financial crisis.

Despite the high and increasing financial hurdles, they are taking the plunge. The pandemic reshaped attitudes about owning a home, while high savings and a strong job market are giving people the wherewithal to buy. It isn't as if the housing market hasn't weathered a significant increase in rates before. In the 1970s, mortgage rates doubled. And yet, over the decade ended in 1979, the number of total homes rose by 25%—then the result of a boomer push for homeownership.

But with higher rates, the prices people are willing to pay for homes could come under pressure. While it is rare for prices to fall nationallythe housing bust that helped precipitate the 2008-09 financial crisis was a rare exception—there have been periods when prices haven't kept up with inflation, which in effect made homes more affordable

#### over time.

The search for affordability could create shifts in what types of homes people buy and where they buy them. Some of these shifts are under way. Existinghome sales in February were down 8.3% in the West from a year earlier, according to the National Association of Realtors, but up 3% in the South. where the median home price was nearly \$200,000 less. Demand for homes in the more-affordable exurbs was picking up even before the pandemic hit and has continued to swell given moreflexible work arrangements.

The low number of available homes for sale—in February there were only enough existing homes on the market for 1.7 months of sales compared with 3.1 months two years earlier-should continue to provide a good backdrop for builders. But they might benefit from focusing their efforts on building smaller homes in more-affordable areas—especially if more people who already own their homes are forced to ditch the low mortgage rates they have locked in. After decades of growth, the average square footage of new single-family homes sold in the U.S. started easing in 2015, according to the Commerce Department.

Higher interest rates might not lead people to give up on their dreams of owning a home, but they could lower expectations on what kind of home that is.

–Justin Lahart and Laura Forman

### **Management Battle** At Toshiba Will Go On

Toshiba remains in limbo after management faced another setback in its battle with activist investors.

Acquiescence to its turnaround plan would probably have been a negative signal for the stock and corporate-governance reform in Japan. But there is no clear path for what activist investors appear to really want: a sale to private equity. Shareholders voted down Toshiba's proposal to split into two on Thursday. Curiously, the resolution proposed by Singapore's 3D Investment Partners requesting Toshiba to consider all alternatives, including going private, was rejected.

Activists including Effissimo Capital Management and Farallon Capital Management, came out publicly against Toshiba's proposal. Recommendations from proxy advisory firms to vote against the plan probably helped convince some undecided institutional investors. The proxy

firms were divided on 3D's proposal: Glass Lewis suggested investors vote in favor, while Institutional Shareholder Services was against. That means the saga, which saw Toshiba's chairman ousted last year at a shareholders meeting, will continue.

Voting down 3D's proposal doesn't necessarily mean shareholders are against going private. The language of the resolution may be too strong, as it asked the company to regularly report in detail to shareholders all efforts and proposals received, which might not necessarily be conducive to finding the best bid.

Even though the vote is nonbinding, Toshiba will face pressure to placate its investors. Activists may try to put their own representatives on the board. Selling the company to private-equity funds might take time and will face opposition within the company and probably the government. Toshiba's nuclear-power and defense businesses could bring up national-security concerns. "So it is worthwhile trying to figure out what would constitute a win for activists so they could sell," says Travis Lundy, an independent analyst who publishes on investment-research platform Smartkarma. He suggests returning capital and conducting the initial public offering of chip maker Kioxia, of which Toshiba owns 40%, as fast as possible. Toshiba said last month that it would increase shareholder payouts over the next two years to the equivalent of \$2.5 billion and sell its noncore assets. Toshiba's corporate drama will go on. Although there is no firm resolution, one thing is clear: Toshiba can't avoid dealing with its shareholders' demands any-–Jacky Wong more.

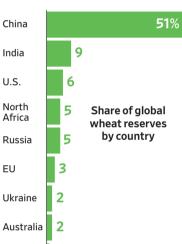
### Food Hoards Can Ease Inflation

Reserves offer a shield from rising prices, but only some countries are prepared

Food stockpiles might look comfortable at the global level. In reality, only a handful of governments have provisions to cope with grain shortages caused by the war in Ukraine.

For important cereals such as wheat and corn, the world-wide stock-to-use ratio-a measure of inventories as a proportion of annual demand—will finish the year at 29%, according to forecasts by the Food and Agriculture Organization of the United Nations. This is lower than before the pandemic, although not worryingly so.

But the headline number is deceptive as a small number of countries control the biggest share. The U.S. Department of Agriculture estimates that China holds half of the world's wheat reserves and 70% of its corn. After five consecutive record crops. India has almost one-tenth of global wheat stockpiles. The U.S. has 6% and 12% of global wheat and corn reserves, respectively. Combined, countries in North Africa that are especially reliant on grain imports from the Black Sea region have a roughly 5% share of global wheat reserves. With the largest grain inventories in the world. China is best prepared for a global crunch. Beijing has given priority to food security for its 1.4 billion-strong population for several years and began steadily building the country's strategic reserves after the 2008 food-price crisis. China significantly ramped up imports at the beginning of the Covid-19 outbreak. In 2020, the country brought in 26% more



Countries with plentiful reserves can avoid paying these elevated prices by dipping into their existing grain silos. This could help to shield citizens from food price inflation. Egypt, which was the breadbasket of the Roman empire but now imports around 70% of its wheat needs from Russia and Ukraine, has reserves to keep its subsidized food program going for around 41/2 months. Other countries such as Benin and Somalia have few reserves at all. China's stockpile is formidable by comparison: Late last year, officials said that they had enough wheat to meet 18 months of the

#### Toshiba's share price, past five years



Source: FactSet



grains and oilseeds than the year before, according to agricultural market data provider AgFlow. Import volumes rose a further 11% in 2021 and continued to show yearover-year growth in January and February of this year.

As Ukraine and Russia are major international grain exporters, tensions between the two countries began to push up the cost of commodities well before Russian troops first crossed the Ukrainian border on Feb. 24. Since December last year, cash prices for Argentine wheat and corn—a likely substitute for Ukrainian crops for a number of importing nations, especially in Africa—are up 27% and 38%, respectively, according to AgFlow.

country's needs.

Food inflation is high even before the impacts of the war really kick in. In February, prices in the U.S. rose 7.9% compared with the same month a vear earlier. Many emerging markets are experiencing double-digit food-price increases. Turkey's latest official inflation statistics show a 64.5% vear-over-vear increase. Chinese consumers are actually paying less at the supermarket—February food prices fell 3.9% compared with a year earlier.

In Aesop's fable, the grasshopper played in summer and went hungry in winter, while the ant that stored food away was comfortable. After consecutive shocks from the pandemic and now a war. more governments may follow the ant's example. As they give priority to building stockpiles, inflation in important food commodities may have further to go.

–Carol Ryan

### Rapid Grocery Delivery Gets Some Insta-Validation

Instacart fears it's running late. The company said Wednesday it will be getting into ultrafast delivery, beginning with grocery store Publix's customers in Atlanta and Miami. The news came in conjunction with a push to enhance its partner retailers' ability to transact online with tools like ads.

Rapid delivery hasn't been kind to all platforms. Intense competition meant heavy losses as platforms dole out discounts to vie for business. Compared with typical food-delivery models that use contract workers, some platforms favored a more expensive employment model to ensure workers can quickly source and deliver goods from small warehouses that the companies must pay to operate called "darkstores."

Last year, New York rapid-delivery service 1520 shut down after burning through its funding. And startup Fridge No More is no more as of a few weeks ago after deal talks with DoorDash reportedly fell through. That isn't to say its service wasn't popular with consumers: From early August 2021 through late February of this year, YipitData research shows Fridge No More's New York City transaction volume grew fourfold.

But even Gopuff—rapid delivery's largest pure play platform, valued at \$15 billion as of last July—didn't turn a profit last year on the basis of earnings before interest, taxes, depreciation and amortization. (It said this year it was "contribution profit positive.")

The losses led many investors to question the viability of the rapid-delivery model for smaller players, especially since some established platforms that typically have longer delivery times such as Uber Technologies' Uber Eats only just started to turn profitable on an adjusted Ebitda basis.

Instacart's move into quicker delivery seems to offer validation of the Gopuff-like model, at least in terms of customer demand. Instacart's chief financial officer, Nick Giovanni, said Wednesday he thinks the rapid-delivery trend has legs, noting consumers will absolutely still be demanding rapid delivery of groceries in 10 years because the customer will have become accustomed to the speed.

But there are a few notable distinctions to be made between what most instant-delivery startups are offering and what Instacart is trying to build. First. Instacart appears to be joining with retailers rather than becoming one. This could help from an economic perspective since its partners have many bricks-and-mortar locations. Instacart says it is the largest grocery marketplace in North America, helping facilitate online delivery and pickup services from more

than 70,000 stores.

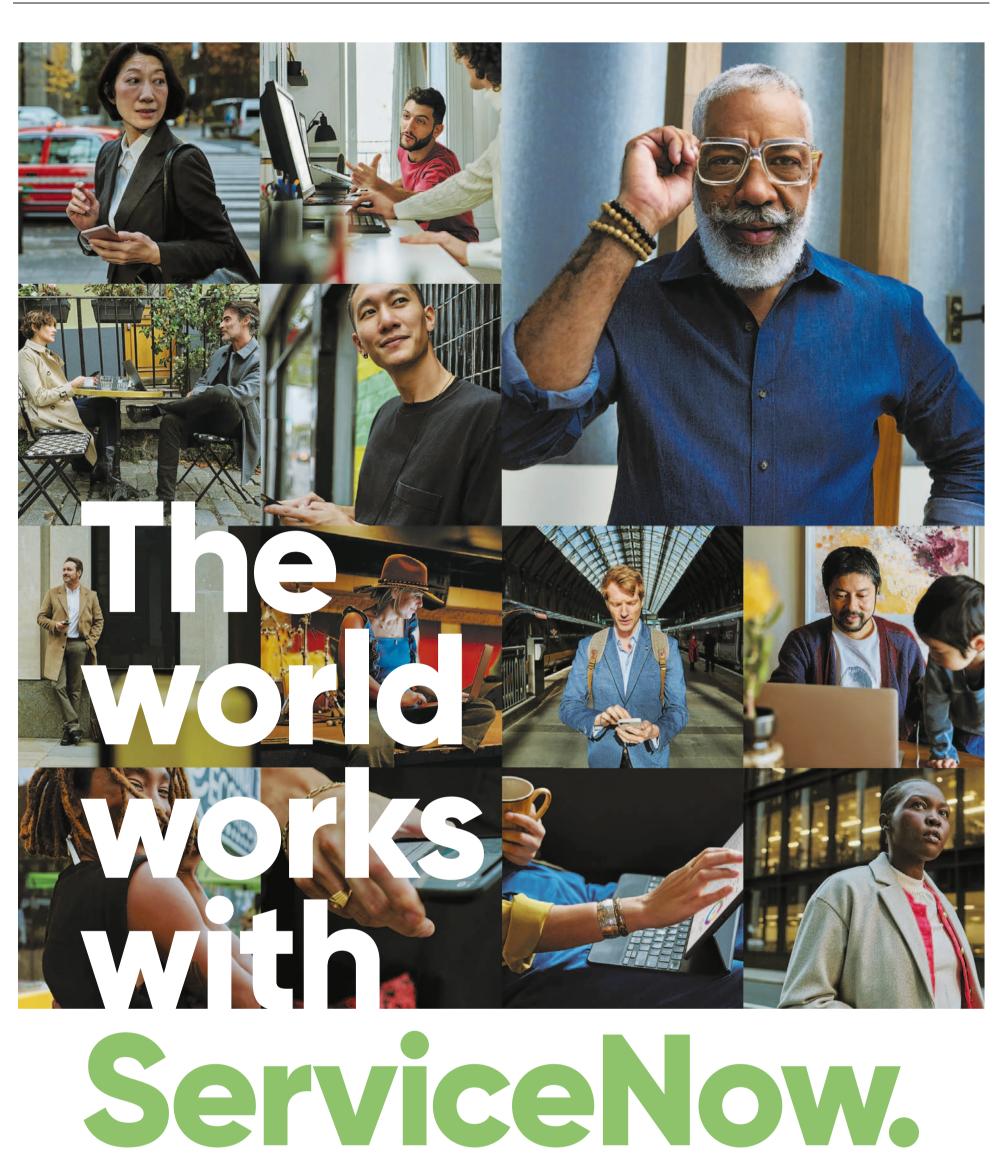
Instacart's announcement notes it will conduct 15-minute delivery in its first two cities from its own warehouses. It said it would be flexible with retailers based on their preferences, offering them the ability to use warehouses Instacart operates and manages, or to co-locate its warehouses within their bricks-and-mortar locations.

Rapid-delivery players are investing in private-label brands– Gopuff recently launched "Basically"-to help boost margins. Instacart should be able to offer traditional brands through its retailer partners and avoid owning the inventory.

Another difference is that rapid delivery will be part of a more holistic product offering at Instacart. As such, the company will have the ability to subsidize potential losses from other offerings such as its traditional delivery service and

ads. The company declined to comment on what an ideal mix of ultrafast versus regular delivery would look like at maturity, but Mr. Giovanni did say delivering only small orders quickly would be "a tough business model."

After booming early in the pandemic, Instacart's growth has since moderated significantly, leading the company to lean into additional growth avenues. New Chief Executive Fidji Simo has favored the company's push into highermargin advertising, for example. But it is unclear whether Instacart's move into rapid delivery is a bid to rekindle growth or one to retain key retail partners that may feel they are missing out as rapid delivery grows in popularity. Either way, its launch will be a highprofile experiment worth watching: If the grocery-delivery giant can't make the economics work, who can? —Laura Forman



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Family Ties An architect son designs a home for his parents. M4

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RETIREMENT

A Tempting Home This couple built a home to lure their kids. M5



Friday, March 25, 2022 | M1

## **Upsizing Is the New Downsizing**

Instead of moving into a smaller, lower-maintenance home for their golden years, these empty nesters decided to purchase a much bigger house



Moved from 2,800 sq. ft. to 4,225 sq. ft.



Moved from 3,000 sq. ft. to 5,500 sq. ft.



Suzanne and Mark White moved to a home that is much bigger than the one in which they raised children.

BY NANCY KEATES



uzanne White, 58, longed for a swimming pool. Her husband. Mark White, 60, wanted a music studio and a space for a workshop. They both wanted to host more parties. After living in a 2,800-square-foot ranch house with four bedrooms and two bathrooms for 17 years in East Memphis. Tenn., where they raised four children, the couple sold it for \$250,000 in January 2021. Two months earlier, they had paid \$417,000 for a much bigger house on an acre of land about 10 miles away in Cordova. "When I would hear about empty-nesters moving to bigger homes, I thought it was crazy. But now I understand," says Ms. White. The typical story line is that when people get older and their children leave home, they downsize to a smaller house. But for many empty-nesters, later in life is a prime time to upsize. An anal-



Michael and Janet Verlander built their new, larger home to look like a cluster of farm buildings on 15 acres.

ysis by down payment assistance provider Home.LLC looked at urban neighborhoods with a minimum population of 500, using the median size of homes listed as an indicator of demand. Neighborhoods in which a majority of its residents are 65 and older have seen the biggest increase in the size of homes demanded over the past few years. The study found that neighborhoods that have seen a significant influx of older homeowners have also seen a large rise in the size of homes demanded, says the company's CEO Nik Shah. Surveys back this up: the National Association of Realtors found that 35% of people aged 65 or above bought a 3,000square-foot, or larger, home in 2020, compared with only 23% in 2017. Real-estate agents say their older clients tell them they have the resources to spend on a larger home now since they are done pouring all their





Lizzie Padro and Russell Beyer bought a new home so large that one of their daughters and her boyfriend moved in.

earnings into raising children. They also say they don't have to worry about the quality of the school district anymore, which means they have more flexibility and can get more room for their money. Some buyers start out wanting to downsize but change their minds when

Portion of people aged 65+ who bought a 3,000-plus-sq.-ft. home in 2020 compared with 23% in 2017

they can't find a smaller house that is at the level of quality they are seeking. Others want room for a live-in caretaker, should that become necessary.

Dean Jones, owner of Realogics Sotheby's International Realty in Seattle, says there is also the "grandchild trap" scenario: buying a larger estate with attractions to entice grown

children and grandchildren to visit. For many buyers, the pandemic magnified the importance of having room for extended family. "People got really lonely in 2020," says Carolyn Joy, an agent with the Tishelman Joy Team at Houlihan Please turn to page M6

## **Retirement Communities?** No Thanks.

Hungry for excitement, some in the over-65 crowd are trading traditional senior living for city life

#### BY KATHERINE CLARKE

BOB GARST, 65, was looking to shake things up. Last year, after roughly three decades living in a six-bedroom home in a sleepy suburb of Atlanta, he unloaded most of his possessions and relocated to a luxury apartment in a highrise tower in the middle of the bustling Midtown area.

He was motivated, in part, bv his dad. Mr. Garst recalled watching his late father's health decline at a retirement home a decade prior. It seemed like his father grew older and closer to death each day from being around other older people, Mr. Garst said. He would take him out of the facility to Little League games, bars and restaurants in an effort to inject some excitement into his



days. With the move into Midtown, he's now hoping to do the same for himself. "There's the saying, 'If you

want to be happy, hang around happy people, if you want to be successful, hang around successful people," Mr. Garst

said. "Well, if you want to be old, hang around old people." Mr. Garst is part of a small Please turn to page M10 Bob Garst. third from left, bought a \$1 million condo in a tower in Atlanta. He said he enjoys the energy of being around younger people.

Midtown





### **PRIVATE PROPERTIES**

## Venture Capitalist **Marc Andreessen Makes Another Big Malibu Buy**



Venture capitalist Marc Andreessen and his wife, Laura Arrillaga-Andreessen, have purchased another trophy

home in Malibu this time for \$44.5 million, ac-MILLION cording to people familiar with the deal.

The four-bedroom house on Escondido Beach was originally

listed for \$55 million in June 2021. The deal comes on the heels of the Andreessens' purchase of a

\$177 million property from fashion mogul Serge Azria last year. The sale of that property, which is iust down the

street from the Escondido Beach house, set a record for the 4 bedrooms, most expensive ocean views, home ever sold wraparound deck, in California, The basement wine Wall Street Journal reported.

> According to public records, the seller of the Escondido Beach property was investor Richard Weintraub, who

cellar



bought it for \$15 million in 2018. That same year, Mr. Weintraub sold an elaborate Malibu compound once rented by entertainment power couple Beyoncé and Jay-Z for

roughly \$50 million, the Journal reported. Mr. Weintraub confirmed the sale to the Andreessens, but said he was unaware of the couple's

plans for the property. A spokeswoman for the Andreessens didn't respond to a request for comment.

The Escondido Beach home has high ceilings, walls of glass and ocean views from almost every room, according to the listing with Chris Cortazzo of Compass.

There is an entry courtyard with a koi pond, a media room, a custom oceanfront bar and a wraparound deck, the listing says. There is also a basement wine cellar.

Mr. Andreessen is the co-founder of venture-capital firm Andreessen Horowitz. Ms. Arrillaga-Andreessen is on the faculty at Stanford Graduate School of Business. –Katherine Clarke

### **Tommy Hilfiger Flips Aspen Ski Home**

In Aspen's booming luxury market, fashion designer Tommy Hilfiger has sold a slopeside mansion for \$50 million, roughly athree months after buying it for nearly \$31 million.

The ski-in, ski-out home traded in an off-market deal that closed Tuesday, said Steven Shane of Compass, who represented both parties in the transaction. He declined to disclose the identity of the buyer. Mr. Hilfiger and his wife, Dee Ocleppo Hilfiger, bought the Asgpen Mountain ≣property in December, prop erty records ∛show.

Mr. Hilfiger de-

2021 purchase price: \$31 million

Beach. The Wall Street Jour-

and sell it," he said. "It's difficult to pry a property

Shane said. It is located on the Little Nell ski trail on Aspen Mountain.

The Hilfigers bought the home from the family of the late Cynthia and George P. Mitchell, property records show. Mr. Mitchell was a Texas realestate developer and oil baron who pioneered fracking.

Thanks to limited inventory and high demand, Aspen's luxury market is burgeoning. Last year, a mansion overlooking the tony ski town sold for a record \$72.5 million, the Journal reported.

Mr. Shane said he's doing an increasing

SOLD number of offmarket deals. "When somebody



The larger unit is asking \$62 million.



### **Rupert Murdoch** Lists Two New York **City Apartments**

**News Corp Executive** Chairman Rupert Murdoch is listing two units at New York's One Madison condo tower for a total of \$78 million.

One of the units, asking \$62 million, is a triplex penthouse measuring about 7,000 FOR SALE square feet and \$78 spanning the 58th, 59th and 60th MILLION floors of the condo A triplex with tower, which is lo-7,000 sq. ft., cated in the Flat-5 bedrooms iron District and and an elevator. overlooks Madison plus a separate Square Park. Mr. 3-bedroom unit Murdoch is also listing a smaller apartment, one floor below,

for \$16 million, according to listing agent Deborah Grubman of the Corcoran Group.

Mr. Murdoch paid about \$57.9 million for the two apartments in 2014, records show. He had the triplex delivered as a "white box,"

to the second level and an internal elevator serves all three floors.

Mr. Murdoch declined to comment through a spokesman. He has owned various properties in New York over the years and thinks it is a

good time to sell, according to Ms. Grubman. "There continues to be strong demand," especially for trophy properties, she said. "He thinks it is a good market." Mr. Murdoch

briefly listed the penthouse for \$72 million in 2015 but didn't sell it.

New York's luxury market has rebounded after stalling during the pandemic. In 2021's fourth quarter, the number of luxury sales in Manhattan rose 87.4% yearover-vear and 48.6% from 2019's fourth quarter, according to real-estate appraisal firm Miller Samuel. The median sales price in the luxury market was flat year-over-year, but 16.67% higher than 2019's fourth quarter. News Corp owns The Wall Street Journal's publisher. Last year, Mr. Murdoch and his wife, Jerry

clined to comment.  $\frac{2}{2}$  The designer, known for his all-American clothing brand, is also a prolific house renovator. Last year, ëthe Hilfigers traded a grand Connecticut estate 

nal reported. Mr. Shane said the Hilfigers had spent several years looking for a "legacy property" in Aspen to remodel and make their own. "It was never their intention to buy it

like this one away, but I think everything has a price." Built in 2003, the house is about 7,150 square feet

with four bedrooms, Mr.

wants something, MILLION they buy it," he 7,150 sq. ft., said. "Most often 4 bedrooms, it will be worth ski trail access more tomorrow than what they paid for it today." -E.B. Solomont



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DEVELOPED BY

FORTUNE OAKCAPITAL and had it built out to his specifications, Ms. Grubman said. During construction he lived in the 57th-floor unit, a three-bedroom with roughly 3,300 square feet, she said.

After moving into the penthouse, she said he used the smaller apartment mainly for staff and guests. The two units could be combined with the building's approval, she said.

The triplex has a total of five bedrooms, including the primary suite, as well as a staff room. The unit has floor-to-ceiling windows and 360-degree views of the Hudson and East rivers, Empire State Building and the World Trade Center.

"You see every iconic building practically, and on a clear day you can see the ocean," Ms. Grubman said.

The great room has 20foot-high ceilings, and there is a roughly 590-square-foot wraparound terrace. A curved glass staircase leads

chased a Montana cattle ranch spanning about 340,000 acres near Yellowstone National Park from Matador Cattle Co., a subsidiary of Koch Industries, The Wall Street Journal reported. The purchase price was about \$200 million, making it the largest ranch sale in Montana history.

Murdoch, pur-

The Murdoch family also owns a ranch in California and a roughly 25,000-acre sheep and cattle farm in Mr. Murdoch's native Australia.

In 2013, Mr. Murdoch purchased an estate and winery in Los Angeles's Bel-Air neighborhood. *—E.B. Solomont* ₹





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Bourgogne, France Established profitable luxury turnkey Wine Tourism Hospitality business located in prime French wine country. €15.9M.

Michael Baynes | Web ID: MB1018-G michael@maxwellbaynes.com Offered For Sale By: Maxwell-Baynes Real Estate



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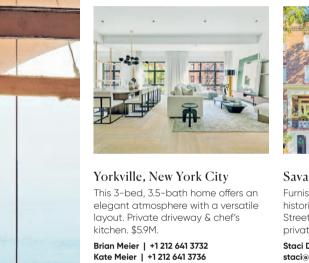


#### Aspen, Colorado

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#### Savannah, Georgia

Furnished c.1850 Italianate property in historic district on picturesque Jones Street. 7 beds, 5 baths, 5 rental units, private courtyard. \$4.995M.

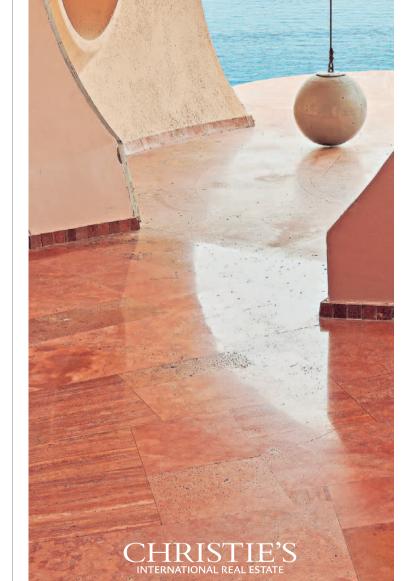
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#### Cornelius, North Carolina Classic, quality built 6-bed, 10,000 sq ft waterfront estate perched along

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the shore of Lake Norman. \$4.5M.





#### West Village, New York City

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#### Tybee Island, Georgia

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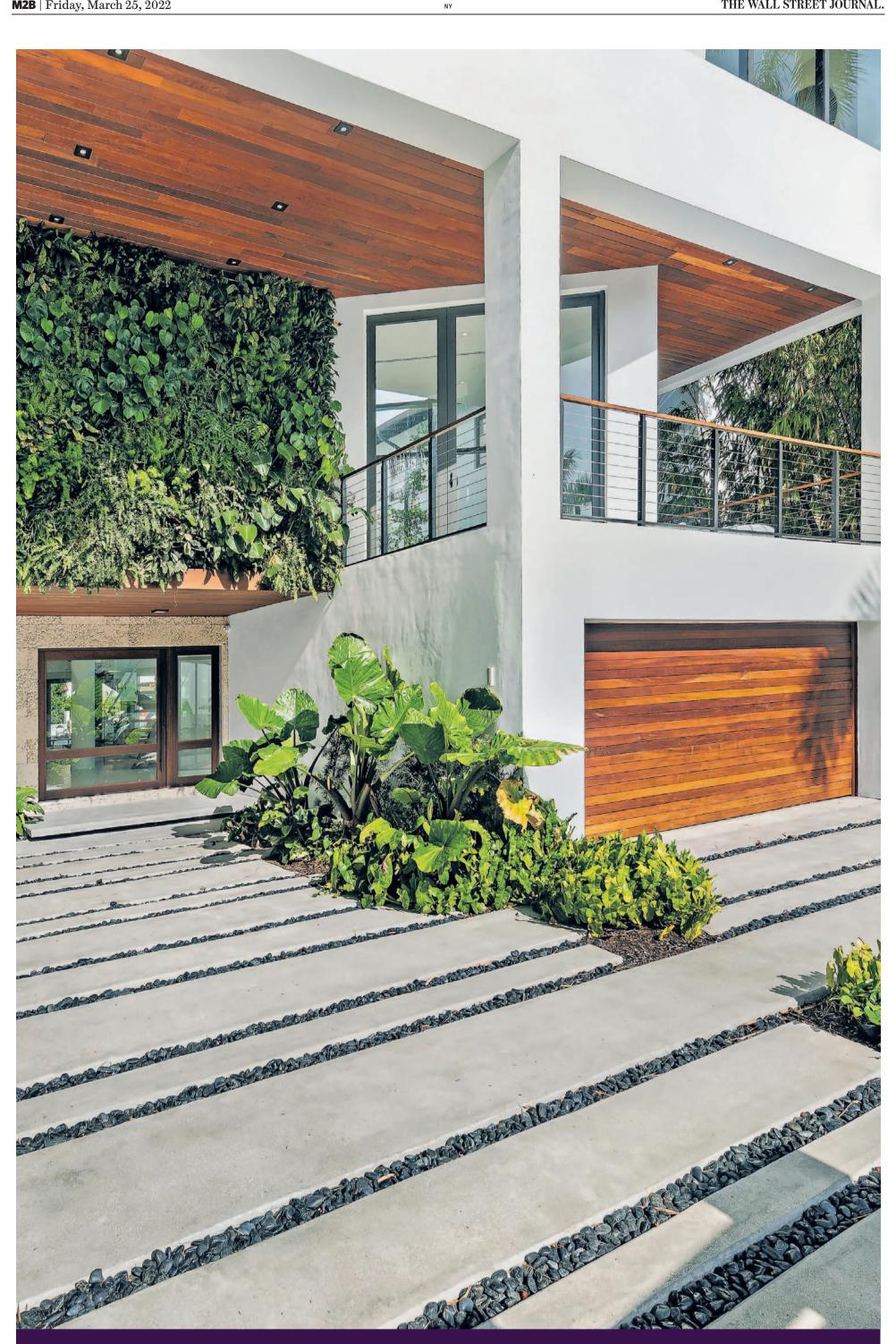
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## **PRIVATE PROPERTIES**

## Judge Approves Sale of The One Megamansion, Despite Lender Objections

A U.S. Bankruptcy Court judge approved the \$126 million sale of The One, the over-the-top Bel-Air megamansion once slated to list for \$500 million, dropping the curtain on a saga that has long captivated the Los Angeles realestate world.

In a two-day hearing, U.S. Bankruptcy Court Judge Deborah J. Saltzman said that, while the sale "doesn't feel like a success,"



ATE proval. She said the purchase price is "within the range of other courts have accepted

it had met the legal

standard for ap-

what other courts have accepted as a fair and reasonable price."

The ruling is a victory for Richard Saghian, the chief executive of fast-fashion giant Fashion Nova, who submitted the winning bid at the auction earlier this month.

"T'm grateful that Judge Saltzman approved my bid and I look forward to collaborating with the City of Los Angeles, the Bel-Air Association, my new neighbors and my design team to complete and perfect this iconic property," Mr. Saghian said in an emailed statement.

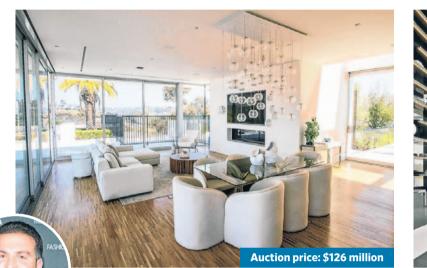
Judge Saltzman approved the sale despite strenuous objections from some of the property's major creditors, including multiple lenders on the property.

Some creditors argued that the price obtained at auction—\$126 million plus a buyer's premium to the auction house, bringing the total amount to roughly \$141 million—fell far below the true martext value of the property, citing previous offers and appraisals in excess of that number. Some cited an appraised value of \$228 million dating to 2019.

They claimed that the ultimate price had been dragged down by geopolitical events in Ukraine and the subsequent ripple effects in international markets, and alleged that the auction wasn't appropriately administered. Some said the auction house Concierge Auctions confused buyters with mixed messages over how the sales process would be coniducted, including over whether to place a reserve price on the house, which was developed by spec

Yhome king Nile Niami. In a video following the hearying, Mr. Niami accused Mr. Saghian, who he described as a





Top left: Fashion Nova CEO Richard Saghian, the buyer of The One. Bottom left: Nile Niami, developer of The One.

itors was reached. Lenders include Don Hankey, known as the king of subprime car loans, who lent more than \$100 million for the

project. Other lenders on the property include Inferno Investment, associated with Canadian investors Julien and Lucien Remillard, and an entity controlled by physician Joseph Englanoff. During the two-day hearing, Mr. Hankey's attorney argued in favor of approving the sale, while attorneys for Inferno and Mr.

Englanoff's entity argued against. Before the hearing, Mr. Hankey



it makes no sense to stop the sale for economic reasons," he said.

In a legal declaration asking the judge not to approve the sale, Mr. Englanoff said he and Mr. Niami's ex-wife Yvonne Niami, who personally guaranteed at least one told interested parties that the auction would employ a "soft gavel" approach, meaning that it could be extended for days and that bidders might have the opportunity to enter the fray after the scheduled close. That didn't happen. This messaging from Concierge "almost certainly caused confusion amongst potential bidders," Mr. Englanoff said. had given buyers the impression that they could bid far below market value, and that Concierge chief executive Chad Roffers had dramatically oversold the potential of the auction, telling her he expected the property to sell for \$265 million to \$310 million.

As the auction unfolded and the price wasn't approaching anywhere near the figure Mr. Roffers had projected, Ms. Niami said in her declaration that she texted Mr. Roffers asking that the auction be extended, but didn't receive a response until the company had already put out a press release announcing the sale.

She said in these court documents that she believes "Concierge Auctions saw an opportunity to be a part of [the sale of] one of the most valuable properties in the United States and intentionally misled the lien hold-

ers...to generate publicity and advance their company's status without the best interests of the other involved parties."

Mr. Roffers said he believed the property achieved fair-market value and that, before and after the auction, there was not a "single credible offer that was superior to the final offer." With regards to the Ukraine war affecting the sale, he said Russian buyers haven't been a major force in the trophy real-estate market for years.

"With interest rates and geopolitical instability gaining momentum, many (including myself) would argue it's the best time to sell this property," he said.

Mr. Roffers said the discussion of a reserve was moot, since any reserve would have been below the final bid achieved at the auction.

He said estimates to Ms. Niami were based on the notion that the property was going to be completed and have a certificate of occupancy, neither of which occurred before the sale. "Those two elements proved to be a significant headwind in our discussions with potential bidders," he said.

Hamid Rafatjoo, an attorney for Mr. Niami, said he and Mr. Niami will discuss an appeal.

"What has happened here is wrong....To see [the value] get obliterated through an auction

Sclose friend, of going behind his back to rip the property out from under him. He said he would not speak to Mr. Saghian again. The judge mandated that the bulk of the proceeds of the sale be beheld and not distributed until further agreement between the credtold The Wall Street Journal he believed the property was marketed well and that there was no guarantee circumstances would change if the sale was delayed.

"The war might last, interest rates might go higher and inflation could hurt the economy. So, loan on the house, both agreed that there should be a reserve placed on the property.

Neither Ms. Niami nor Mr. Englanoff responded to requests for comment.

Mr. Englanoff also claimed in the declaration that Concierge

Ms. Niami also asked that the judge block the sale. In her legal declaration, she said that failing to put a reserve price on the house process like this is very hard for [Mr. Niami,]" Mr. Rafatjoo said during the hearing. —Katherine Clarke

Jeffrey Epstein's private islands to list for \$125 million. **M16** 



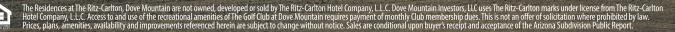
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### **BALANCE SHEET**

# A Family Affair In Australia

The couple, longtime grape growers, broke even on their retirement property, sticking close to home and vine

#### By J.S. MARCUS

n the heart of Australia's wine country, on the Fleurieu Peninsula south of Adelaide, two longtime grape growers were in search of a new house for their active retirement. They found what they were looking for in their own backyard.

Tony French-Kennedy, now 67, and his wife, Sally French-Kennedy, 68, asked their son, Reuben, to design a new single-level house on a parcel of their existing halfacre property. After completing the project in April 2020, they sold off the previous house and broke even in the process.

They spent about \$518,000, or 700,000 Australian dollars, to build and furnish their new twobedroom, two-bathroom, 1,970square-foot home, which overlooks a newly designed terraced garden. Ms. French-Kennedy spends time each day in the garden looking after her plantings. Otherwise, she works on art projects in her home's new studio.

The French-Kennedys have spent the better part of the past 30 years growing red grape varietals in McLaren Vale, one of Australia's premier wine regions. They sold the bulk of their Shiraz and Cabernet Sauvignon grapes to local winemakers, but they saved a portion to make their own wine. The two are still working their way through the 2020 vintage—their last before retiring—now kept in the garage under the studio wing, which doubles as a wine cellar.

Mr. French-Kennedy, a Sydney native and avid surfer, also uses the garage to store his three boards, including shorter ones suited for the biggest waves and a longer board for "small fun days."

Reuben French-Kennedy, 33, designed a home with the sunny north-facing views that are ideal in the Southern Hemisphere. The project has a number of energyefficient add-ons, including solar panels, a gray-water system that redirects laundry and bathwater for use in the garden, and three climate zones to keep costs down





The main timber used is Silvertop ash, a type of eucalyptus that the couple sourced from sustainable forests in the state of Victoria. It "needed a couple of coats of oil and that's it," says the older Mr. French-Kennedy.

The couple relocated to their corner of the McLaren Vale region

garden that are suitable for a lessactive phase of their retirement and ideal now for wheelbarrows.

McLaren Vale has a Mediterranean climate but can still get freezing temperatures in the winter and reach well over 100° in the summer. The couple ran an air conditioner in their former house, but their new underfloor heatingand-cooling system keeps their home comfortable. On cold July nights, they warm up the living room with their \$8,700 fireplace, housed in an oversize radiant surround of paleyellow limestone from WestTony and Sally French-Kennedy on their deck, below. Their home's exterior has corrugatedmetal cladding and eucalyptus eaves.



ern Australia. The home itself is built on a concrete slab that "harvests the heat," says the older Mr. French-Kennedy. The low-lying sun heats up the slab in winter.

The couple spent about \$22,000 on the open-plan kitchen, which has appliances from Italy's De'Longhi.

### **KEY COSTS**

Heating, cooling and ventilation

\$20,500 Bathrooms

\$9.000

Kitchen

\$22,000

Corrugated metal (roof and cladding)

\$21,600

Landscaping \$12,000

Lighting and electrical work \$1,700

Fireplace, including stone surround \$8,700

Plumbing, including gray-water system \$10,200

Solar panels and batteries

\$10,000

Flooring **\$21,700** 

Sliding doors and windows \$48,000

from trees being pruned or cleared near Adelaide.

A commitment to native species marks the landscaping. The deck is edged by Lomandra, an Australian grass species, and a native juniper, along with bamboo. On the terrace proper, they've gone exotic with Virginia creeper vines that have rapidly framed the home in dark green.

Rather than erect walls or room dividers in the main living area, the space is broken up by large planters. "We knew we wanted something that wasn't permanent," says their son, who returned to Australia this year.

For flooring, the couple chose polished concrete, poured on site, that has in it quartz, offering a terrazzo effect. And they spent \$48,000 on sliding-glass doors and windows, giving the house an open-pavilion effect in temperate springs and autumns. The interior greenery has an added acoustic benefit. "We have so many plants inside the house that the noise doesn't bounce around at all," says Mr. French-Kennedy.

and comfort levels up.

The couple spent \$21,600 on a corrugated-metal roof and cladding, which gives the home "an Australian aesthetic," says their son. The galvanized metal needs minimal attention, which has been a guiding principle for the house. in 2003, after paying \$163,000 for the original lot, which came with a two-room 1860s cottage that the couple converted into a two-story, three-bedroom house. Their new home next door is nearly stairsfree: All the living space is on one level, and there are ramps to the The family's longstanding commitment to green building practices helped shape the new project. They drink filtered rainwater, which they collect in a tank at the base of the garden, and the kitchen counter is made of salvaged Himalayan cedar sourced





**27** Remington Road | \$2,785,000 bed: 5 | bath: 4.5 | sq ft: 3,848



40 Remington Road | \$2,990,000 bed: 5 | bath: 4.5 | sq ft: 5,157

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**233 Vinson Road** | \$2,850,000 **bed:** 4 | **bath:** 4(full) 2(half) | **sq ft:** 3,876



300 Quayside Village Lane | \$850,000 acreage: 0.27

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### Manhattan

737 Park Ave, 20A\* | 4 BD 4 BA | \$15,000,000 Privacy & wraparound views in this modern condo. Alexa Lambert · alexa.lambert@compass.com

4 E 72nd St, 8A | 4.5 BA 4,500 SF | \$11,000,000 Beautiful decor 4-5BD + lib, 2 wbfplcs. Off 5th. Kirk Henckels • kirk.henckels@compass.com

159 E 78th St | 4 BD 4 BA 1 HB | \$7,750,000 Lovely 18' TH with 4 fplcs, terrace, garden & bsmt. Richard Brown · richard.brown@compass.com

900 5th Ave, 18/19B | 3 BD 3 BA 1 HB | \$7,750,000 965 5th Ave, 4A | 2 BD 3 BA | \$2,650,000 Fifth Ave rare duplex with 2 terrs & stunning vus. Karen Whiton • karen.whiton@compass.com

241 W 20th St | 6 BD 3 BA 1 HB | \$5,995,000



**34 Saddle Rock Rd, CT** · **6**BD 5.5BA · \$3,900,000 Shippan Point Manor, mesmerizing water views. Christine Poppy · christine.poppy@compass.com

### Manhattan

180 E 79th St, 9E | 2 BD 2 BA 1 HB | \$2,790,000 Loft-like exciting 6 rooms. LR w wbfpl, high ceils. Eland Blumenfeld Team · celand@compass.com

70 East 77th St, 6A | 3 BD 2 BA 1 HB | \$2,750,000 Classic 7 pre-war co-op loc on a beautiful block. Richard Brown · richard.brown@compass.com

149 W 22nd St, 1W | 2 BD 2 BA | \$2,675,000 Renovated 2,600 SF Chelsea loft with 13' ceilings. Cornelia V. · cornelia.vanamburg@compass.com

Six room pre-war w direct CP vus & arch details. Melissa R. Kaiser • melissa.kaiser@compass.com 795 5th Ave, 4007 | 1 BD 2 BA | \$2,600,000



**485 Park Ave, 2A, NY** · 4BD 3.5BA · \$3,100,000 Elegant with original detail, near CP. A rare gem. Brad Bateman • brad.bateman@compass.com

### Manhattan

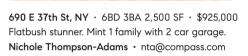
40 E 9th St, 4A | 2 BD 1 BA | \$1,375,000 Bright & spacious w 100+SF balcony. Superb loc. J. Lavoie+M. E. Cashman · jlavoie@compass.com

18 W 70th St, 1D | 2 BD 2 BA | \$1,350,000 Mint pre-war with classic arch details. Near CP. Elizabeth Goss · lib.goss@compass.com

340 E 72nd St, 5SW | 2 BD 2 BA | \$1,275,000 Gracious, orig pre-war details, great layout, wbfpl. Timothy Desmond · tdesmond@compass.com

201 E 62nd St, 12B | 1 BD 1 BA 1 HB | \$1,249,000 Spacious 1,140+ SF, closets galore. S & W views. D. Trugerman · david.trugerman@compass.com

55 W 95th St. 65 | 3 BD 1 BA 1 HB | \$1,195,000



### Brooklyn + Manhattan

1019 Bushwick Ave | 7 BD 3 BA 2 HB | \$2,700,000 Landmark 40' wide TH. Original details & charm. Brad Bateman · brad.bateman@compass.com

225 Rockaway Ave | 7 BD 4 BA 1 HB | \$1,325,000 Renovated mixed-use 3 family in Crown Heights. Lakeisha Edwards · ledwards@compass.com

205 West End Ave, 2K | 1 BD 1 BA | \$695,000 Mint, light-filled & city views in FS drmn co-op. James Schoenfeld · jschoenfeld@compass.com

515 E 85th St, 6D | 1 BD 1 BA | \$680,000 Spac south facing, large LR, DA, bth, closets. FS. Valerie Artzt · valerie.artzt@compass.com

439 E 88th St, 5C | 2 BD 1 BA | \$675,000

Prime Chelsea 4 sty brk. Studio+bsmt+3 flr units. J. Mellon  $\boldsymbol{\cdot}$  jonathan.mellon@compass.com

953 5th Ave, 3/4 | 4 BD 4 BA 1 HB | \$5,995,000 Glamorous, light-filled pre-war duplex w library. C. Miller Martin • christine.martin@compass.com

114 E 72nd St, PH | 3 BD 3 BA 1 HB | \$5,950,000 Lux full flr penthouse w 3 terraces & 4 exposures. J. Bernard + J. Stockwell • sbs@compass.com

340 E 72nd St, PH16 | 3 BD 3 BA | \$5,300,000 PH w lovely proportions, classic finishes. Views. Carol Mann · carol.mann@compass.com

Light-filled Tribeca condo w priv outdoor space. Amy Bonomi · amy.bonomi@compass.com

655 Park Ave, 3E | 3 BD 3 BA | \$4,750,000 Triple mint, sunny, classic 8-into-7. LR with wbfplc. C. Miller Martin · christine.martin@compass.com

170 E 87th St | 4 BD 4 BA 2,608 SF | \$3,995,000 Tree top vus, 2 priv terrs & Indry room. Lux condo. J. Stockwell + J. Bernard · sbs@compass.com

115 CPW, 9B | 4 BD 4 BA | \$3,595,000 The Majestic. Sunny & huge pre-war classic 8. Vus. Fully renovated, city views from 3,400 SF. FS bldg. Rosette Arons · rosette.arons@compass.com

117 E 57th St, 41CD | 2 BD 2 BA | \$3,299,000 Spectac CP views & fab light from this hi flr condo. Pre-war classic 6 estate with wbfplc & 9' ceilings. C. Miller Martin • christine.martin@compass.com

29 E 64th St, 2A | 4 BD 3 BA | \$3,250,000 New xxx mint 7, A-line, quiet, sunny, lib, CP vus. Kirk Henckels • kirk.henckels@compass.com

1080 5th Ave, 2A | 4 BD 4 BA | \$2,850,000 Classic 7, views of Guggenheim & Central Park. Marcy Sigler • marcy.sigler@compass.com

Chic & glam 40th flr Pierre apt w amazing CP vus. Marcy Grau · marcy.grau@compass.com

40 W 72nd S, 53 | 4 BD 3 BA | \$2,495,000 Classic pre-war charm on CP block. Views & light. C. Appelbaum · cappelbaum@compass.com

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863 Park Ave, 7W | 3 BD 3 BA | \$2,495,000 Rarely avail, sun flooded & large pre-war co-op. C. Miller Martin • christine.martin@compass.com

100 Barclay St, 11Q | 3 BD 3 BA 1 HB | \$4,998,000 155 E 72nd St, 9/10C | 3 BD 2 BA | \$2,375,000 Mint, high flr & sunny 6 room duplex, 3 exposures. E. Goss + S. Hackley · lib.goss@compass.com

> 142 E 71st St, 11D | 2 BD 2 BA | \$2,095,000 Rarely avail crnr 5 rm. White glove, pre-war, drmn. Tracie Golding • tracie.golding@compass.com

1020 Park Ave. 15D | 2 BD 2 BA | \$1.875.000 Mint high flr w open S & N exposures. Near CP. Melissa R. Kaiser • melissa.kaiser@compass.com

303 E 57th St, 35G | 3 BD 3 BA | \$1,872,000 James White • jwhite@compass.com

162 E 80th St, 2A | 3 BD 2 BA 1 HB | \$1,650,000 Sharon W. Flynn · sharon.flynn@compass.com

260 West End Ave, 10B | 2 BD 2 BA | \$1,595,000 Lofty & bright pre-war co-op. Near Riverside Park. Pamela D'Arc · pamela.darc@compass.com

1065 Park Ave, 6B | 2 BD 2 BA | \$1,550,000 Mint & sunny, custom built-ins. Views of Park Ave. Laurie Stolowitz · laurie.stolowitz@compass.com

Sunny & renov pre-war co-op near CP. 24hr DM. C. Steadman · carol.steadman@compass.com

40 Broad St, 14D | 1 BD 1 BA 1 HB | \$1,075,000 Mod condo, heart of Finc'l Dist, high ceils, drmn. Rona Lynn · rona.lynn@compass.com

137 E 36th St, 2A | 1 BD 1 BA 1 HB | \$1,070,000 Renov Jr.4, 1,100+ SF, open plan, sunny S&W expos. Elegant, expansive w deco fplc & mod amenities. Julie Perlin · julie.perlin@compass.com

575 Park Ave, 1401 | 2 BD 2 BA | \$999,000 Elegantly renov high flr pre-war in The Beekman. Maureen McCarron • mmccarron@compass.com

205 E 78th St, 12J | 1 BD 1 BA | \$950,000 Hi flr So facing, wbfpl, W/D in FS pre-war co-op. James Schoenfeld · jschoenfeld@compass.com

301 E 79th St, 31C | 1 BD 1 BA 657 SF | \$950,000 Spacious condo with views and low monthlies. Deanna Lloyd · deanna.lloyd@compass.com

150 E 49th St, 8B | 2 BD 1 BA 1 HB | \$900,000 Spac & renov, pre-war charm, Hi ceils, hdwd flrs, Shelton Smith · shelton.smith@compass.com

165 E 72nd St, 6G | 1 BD 1 BA | \$850,000 Sprawling & sunny 900+SF. Boasting N,W,S expos. James Schoenfeld · jschoenfeld@compass.com

475 FDR Drive, L1802 | 2 BD 1 BA | \$850,000 Sunny & Irg w balcony. S&E expos. Windowed EIK. Jonathan Lavoie • jlavoie@compass.com

137 E 36th St, 20C | 1 BD 1 BA | \$780,000 Mint, sunny Jr.4 w E River vus. Roof deck, bike rm. Julie Perlin · julie.perlin@compass.com

1787 Madison Ave, 501 | 2 BD 2 BA | \$775,000 Mint, sun-flooded, open vus, hdwd flrs thru-out. C. Miller Martin • christine.martin@compass.com Top flr, spacious, north facing w new kit, hd flrs. R. Khederian • robert.khederian@compass.com

753 St Nicholas Ave, 4B | 1 BD 1 BA | \$625,000 Hamilton Heights 680 SF condo w priv balcony. Leila Yusuf · leila.yusuf@compass.com

781 5th Ave, 313 | 1 BD 1.5 BA 890 SF | \$599,000 S. Meem + G. Sheldon • sim.meem@compass.com

159-34 Riverside Drv W, 2H | 1 BD 1 BA | \$595,000 Bright, spac w garden vus. S&E expos. 24hr drmn. Jackie Sencion • jsencion@compass.com

150 CPS, 608 | Studio 1 BA | \$575,000 Plus office or dressing area in top pre-war blda. M. Schwartz • mercedes.schwartz@compass.com

315 E 70th St. 1C | Studio 1 BA | \$435.000 Classic FS gem w massive priv bckyd. Mint cond. Eyal Zabari · eyal.zabari@compass.com

126 E 30th St, 2B | Alcove 1 BA | \$399,000 Mint, fab light, a pre-war feel with 9'7" ceils. Loc. Eland Blumenfeld Team · celand@compass.com

22 Thompson St | 4 BD 4 BA 1 HB | \$30,000/mo. Loft-like triple mint Soho TH, priv roof deck w kit. Valerie Artzt · valerie.artzt@compass.com

8 East 83rd St, PHA | 2 BD 2.5 BA | \$17,500/mo. PH duplex with a private terrace in a FS co-op. Barbara E. Butler • bevans.butler@compass.com

562 4th Ave, 1 | 3 BD 2 BA 1,600 SF | \$5,750/mo. Duplex w 700 SF private bsmt & private backyard. Ria Browne · ria.browne@compass.com

41 CPW, 1C | Studio 1 BA | \$2,500/mo. | No fee Prof'l office space for lease. Approx 200 SF. Walter M. • walter.mccullough@compass.com

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### **INSIDE STORY**

# A Retirement Home to Tempt the Kids

Stephanie and Brandon Hunt fell in love with Park City and built a home to take advantage of its outdoorsy, sporting lifestyle

By HANNAH SELINGER

tephanie and Brandon Hunt, both 55, knew they wanted their forever home to be in Park City, Utah. But until November 2017, when the couple found and closed on a 5-acre parcel of land, which would eventually become the site of their dream house, they had not yet decided on their exact Park City address.

The Hunts' long-term relationship with Utah began when their youngest son, Chandler, now 23, a competitive snowboarder, was placed on the U.S. Snowboard team in 2014. The couple, who then called California home, soon became enamored with the Beehive State, purchasing, in that same year, land for \$2.95 million and building a skiin, ski-out property in an area of Park City then called The Colony. The build cost \$4.3 million-\$3.1 million for the main house and \$1.2 million for a guesthouse.

"We didn't expect to fall in love with Utah over California," says Mrs. Hunt, an interior designer and owner of the design firm Flairhunter. Mrs. Hunt and her husband, a financial advisor at Morgan Stanley, lived between Montecito and Newport Beach, Calif., and Park City, Utah, before settling full-time in Utah in November 2021.

Although they loved their new build, the location provided some practical issues. "It could be easily 30 minutes to get anywhere," Mrs. Hunt says of the home's location. Knowing that they wanted to stay in the area permanently, the couple decided to start fresh, directing their real-estate agent to look within the flats of Park City's Old Ranch Road Corridor, an area that hugs the 5-mile-long Old Ranch Road and that is home to farms, wide-open spaces and horse and hiking trails. Not yet retired, their vision



vik, Iceland. During the construction, the couple lived at another home, a rental, within walking distance.

The home, the Hunts say, was designed both with retirement in mind and also as a space that could bring their family together. "We wanted it as a place that our kids could feel comfortable bringing their friends back to and, hopefully, in the future, their own families," Mr. Hunt says.

"We really want them to want to be back here," Mrs. Hunt says. "And so far, it's working." The Hunts' oldest son, Riley, 26, lives in New York City and works in the natural wine industry. Their youngest son lives in Los Angeles, where he is a senior at the University of Southern California. Since the completion of their home, Mrs. Hunt says, they have returned often.

A barn built to resemble

the property's original structure, using salvaged horse stalls, now houses a skateboard half-pipe miniramp and two rock-climbing walls, Mr. Hunt says. Outside, features, including the bocce court, Nordic ski track, disc golf course and hatchet-throwing area, all exist as a result of their two sons' input.

The Hunts and their friends do all of these sports and activities now, they say, but they haven't ruled out future plans, either. "The back area could easily be converted into putting greens and pickleball," Mrs. Hunt says. "The barn could be used in the future for horses, or alternatively, RV and boat parking and storage."

Glass walkways connecting the home's buildings bring the outside in. "The natural light is delightful," Mrs. Hunt says. "Streaming





Brandon and Stephanie Hunt, in front of their Park City home, the design of which was inspired by a trip to Iceland.

in from everywhere." That natural light has also offered optimal opportunities to display vintage finds, like a set of bowling balls from the 1800s and Mrs. Hunt's great-grandfather's Louis Vuitton and Goyard trunks, as well as other personal mementos. Reminders of the family's Southern California beach life, like sets of flippers occupying a wall, take advantage of the home's art-friendly glass.

From the perspective of empty-nesters who have welcomed their children back into the fold, the layout has also been useful, affording extra privacy.

The result is a home that merges form and function, and that will serve its purpose as the Hunts tack toward retirement. "We hope this is the magnum opus," Mrs. Hunt says. "I'm not in a giant hurry to move and build again."

Picture a place that defies every cliché about senior living.

was of a home that would eventually see them through retirement, and attract both their children and future grandchildren. In July 2018, they sold their home in The Colony for \$7.5 million.

The Hunts paid \$2.8 million for the lot and existing barn structure, and then, over the course of the following four years, invested an additional \$5.5 million into it. They worked with architect Solim Gasparik of 4C Design Group and builder Paul Berman of Big Canyon Homes to construct their dream home: a 11,000square-foot, Scandinavianstyle compound that includes six bedrooms, 10 bathrooms, a home gym, ski locker, saloon, barn, bocce ball court, Jacuzzi, full-sized swimming pool, disc golf course and design studio.

The aspirational project—seven small barn-like buildings linked by long glass hallways—was inspired by a trip to Reykja-





The guest room, above, is designed with younger guests in mind. The game room, below.





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## Moving On Up

*Continued from page M1* Lawrence.

Russell Beyer, 67, the chief financial officer of a biotech company, and Lizzie Padro, 62, a realestate agent, lived in the same 3,400-square-foot house in Miami for 20 years. Then, this past November, they bought a roughly 5,000-square-foot house a fiveminute walk away. Both houses have five bedrooms, but the additional square footage means larger rooms and bathrooms. "There's just so much more space and privacy," says Mr. Beyer.

This helped convince one of their three grown daughters, Danielle Beyer, 38, and her husband, who live in New Jersey, to spend a month there, along with their puppy. "It makes it much easier for us to stay," says Ms. Beyer. She says they used to just come down for a weekend at a time. "You don't want to intrude, to feel like you're in someone else's space."

Another daughter, who is 27, and her boyfriend, now live full time with the Beyers, while their grandchildren from their third daughter sleep over with their friends multiple times a week. The Beyers sold their smaller house for \$1.675 million and bought the bigger new house for \$1.85 million, making their new house cheaper for them per square foot.

In July 2020, Michael Verlander, 78, who owns a vineyard, and his wife, Janet Verlander, 69, moved from a 3,000-square-foot craftsman on a 9,000-square-foot lot near the center of Healdsburg, Calif., to an ultracontemporary house about twice that size, with 26-foot-high ceilings, on 15 acres about 4 miles away.

They had been living in the smaller home since the house where they raised their three chil-



Michael and Janet Verlander, above with their dog, Roameo, built this house on 15 acres about 4 miles from the center of Healdsburg, Calif. They moved here from a home that measured 3,000 square feet, to which they moved when their previous home burned down.



dren burned down in 2017. "It wasn't the house we wanted. It's what we needed at the time. Now we have the house we want," says Mr. Verlander. They designed their new home, which cost around \$4 million to build, to look like a cluster of farm buildings, with wide doors and a place where a potential caregiver could live. There is a guesthouse and an oversize garage with a room where Mr. Verlander makes his own balsamic vinegar.

It took very little time for Tom Willingham to realize how much he disliked living in a small space. The 73-year-old retired private investigator and his wife, Jean, sold their 4,500-square-foot house on 3 acres in Bedford, N.Y., in 2016 for \$1.65 million after living there for 17 years and bought a twobedroom, 1,600-square-foot condo for \$950,000 in White Plains, N.Y., where he was still working at the time. He thought it might be OK, since the couple also owns a house in Calistoga, Calif., but Mr. Willingham says he had a visceral reaction. "Living in the small space wasn't for us. I knew it the moment I got there," he says.

The Bedford house had been the center of everything—their children and grandchildren would come swim and stay over. That stopped when they moved to the condo. "I felt like I was losing them," says Mr. Willingham. "We wound up being really isolated. It was terrible."

This past August, the couple bought a four-bedroom, five-bathroom, 3,225-square-foot historic carriage house with a loft-like living area, large windows and a landscaped grounds house for \$2 million in Irvington, N.Y. They have filed for permits to renovate it to add 1,500 square feet by putting in a main bedroom on the first floor.

David Carter, who is 66 years old and has been retired for more



Suzanne and Mark White upsized to this larger house last year from a smaller place in East Memphis, Tenn., because she wanted a swimming pool and he wanted space for a recording studio and a workshop.















Moving to a larger home has allowed Russell Beyer and Lizzie Padro to easily host their family. Daughter Danielle Beyer, above left, and her family visited the new home for a month. Daughter Gaby Beyer moved into the house full time with her boyfriend, Andres Arechabala, both above right.



than seven years, moved last August from a 3,700-square-foot house in San Diego to a two-bedroom apartment in Nyack, N.Y., to be closer to his son and grandson. Mr. Carter, who is divorced, initially thought he would want a home under 3,000 square feet, but quickly discovered that despite his budget of around \$1.3 million, he couldn't find something that size with everything he wanted: three bedrooms so he could have a guest room and an office, a place for gym equipment, a rec room that would hold a pool table, and a yard big enough for his grandson to play.

"I'm not willing to give all I want up," he says. His budget hasn't changed, but finding something larger means he might have to look at a wider geographic range—farther north, in Westchester County. "It's been tough living in a small apartment. It's reinforcing my decision to buy a bigger house again."

At the moment, Deborah Watkins, who is a 64-year-old homemaker, is living in her dream community of Palmetto Bluffs in Bluffton, S.C. However, the twobedroom, two-bathroom, 1,400square-foot house she and her husband, Lee Watkins, bought for \$820,000 last April is much too small. They are living in what she calls "the little house" while they build their new 4,000-square-foot home in the same development. The new house will have a swimming pool, walk-in closets, a walkin pantry, a writing room with stationery and stamps, and four bedrooms and four bathrooms.

"I wanted this to feel like my forever house. I'll never do this again. My next move is going to be to heaven," she says.

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1.	HomeServices of America, Inc	Minneapolis, MN	388,098	\$ 198,739,502,598
2.	Realogy Brokerage Group	Madison, NJ	376,892	\$246,052,872,000
З.	eXp Realty	Bellingham, WA	355,627	\$132,373,314,489
4.	Compass	New York, NY	224,067	\$251,100,000,000
5.	Hanna Holdings Inc	Pittsburgh, PA	124,016	\$35,625,185,300
6.	Redfin	Seattle, WA	76,680	\$52,503,000,000
7.	HomeSmart	Scottsdale, AZ	56,679	\$25,162,914,396
8.	United Real Estate	Dallas, TX	48,840	\$14,257,117,761
9.	@properties	Chicago, IL	46,031	\$ 23,931,729,431
10.	Fathom Realty	Cary, NC	38,434	\$12,169,879,000
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12.	Douglas Elliman Realty, LLC	New York, NY	32,281	\$51,031,187,364
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14.	RE/MAX Gold, representing Gold Nation	Rancho Cordova, CA	28,500	\$16,807,267,091
15.	RE/MAX Results	Eden Prairie, MN	27,743	\$ 9,539,615,163
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17.	West USA Realty, Inc.	Phoenix, AZ	25,420	\$ 6,637,131,163
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19.	Coldwell Banker Sea Coast / Advantage	Wilmington, NC	24,565	\$ 7,120,636,231
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21.	Coldwell Banker Real Estate Group	Shorewood, IL	20,933	\$ 5,006,294,754
22.	Berkshire Hathaway HomeServices PenFed Realty	Alexandria, VA	20,844	\$8,191,039,795
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### RT REALTRENDS

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The residences at Five Park Miami Beach are courting the influx of young professionals looking for luxury in the culturally rich city with stylish amenities and stunning views.

### Not just for snowbirds, a fresh new flock of homebuyers are descending on the Sunshine State

### by Kelly Bryant

ike so many industries across the world, real estate has seen a tremendous shift since the start of the COVID-19 pandemic. More than two years in, the market is still reeling. Remote work is making people rethink where they can (and want to) live, while inventory remains frustratingly low for homebuyers at every price point. One of the busiest markets has to be South Florida, which is receiving a migration of diverse groups from nearly every point in the United States.

The Wall Street Journal news organization was not involved in the creation of this content.

"There has been an influx of professionals of all ages and industries moving to South Florida," says Cathy Strafaci, executive vice president and managing director of Douglas Elliman development marketing. "There has also been an overarching trend of those who once visited Miami seasonally now making the city their yearround home."

Strafaci looks at Miami's globally influenced, vibrant culture as a beacon for people from all over the world because it's a one-of-a-kind place to settle. She describes her buyers as savvy, educated, well-traveled and successful individuals with discerning tastes that extend across all facets of their life.

Here to meet the needs of this esteemed group of newcomers is Five Park, a stunner of a luxury community merging function, beauty and sustainability. Not only are the residences rich in amenities, state-of-the-art technology and sumptuous finishes, but the property also encompasses so much more than the living spaces. This includes Canopy Park, three acres of lush greenery that honor Florida's exceptional ecosystem. It's a feature that sets Five Park apart from other prominent developments. When one thinks of new construction, it's rare to see so much attention paid to showcasing nature, but it's just another example of how its visionaries really thought of everything.

"From the onset of the project, Five Park's

mission has been to create an entirely new Miami Beach lifestyle, one that prioritizes residents' ability to balance well-being and productivity within their own community, and the addition of Canopy Park does just that," says Russell Galbut of TCH 500 Alton LLC, developers of the property.

However, Galbut and his team weren't merely thinking of the human component when they designed the space. They also want to protect the health of the land.

"We integrated groundbreaking sustainability and environmental resiliency efforts into the foundation and landscape of the area that will offset flooding in this traditionally watershed neighborhood," he says. "This will, in turn, protect our precious Biscayne Bay because the water captured by Canopy Park will be filtered through a sophisticated system installed underground, ensuring that harmful toxins, pollutants and debris are removed before it's safely reused to maintain the native and exotic canopy of trees and plants adorning the park."

### LOCATION, LOCATION, LOCATION

The old saying still rings true: When it comes to real estate, it's all about the neighborhood. This is yet another box Five Park checks off for its residents, with an artistically significant passage to some of the most beautiful parts of Miami Beach.

"A major component of the property will be the addition of Miami Beach Canopy Bridge, designed by world-renowned French conceptual artist Daniel Buren," says David Martin, also a developer with the project. "The bridge will give pedestrians safe and easy access to cross the MacArthur Causeway. It will achieve long-term, overarching connectivity goals for the city, creating a continuous loop of access for all the South Beach neighborhoods. Five Park will be the new gateway to Miami Beach."

With such an affluent group of buyers coming into the market, Strafaci says they crave exclusive lifestyle offerings. To that, Five Park offers a residents-only members area, The Canopy Club. Located on the building's 26th floor, it's outfitted with wellness and fitness accoutrement, a spa, private dining room, lounge and bar, along with a dedicated club-level concierge to personalize each experience.

"Residents will also have access to a private beach club, further enhancing their unrivaled amenity options at Five Park," Strafaci savs.

The energy of Miami Beach is hard to beat, but South Florida encompasses a lot of land dotted with eye-catching neighborhoods for every personality and lifestyle.

Positioned in the arts and enterts district of downtown Miami, Casa Bella is a soaring 57-story tower featuring 306 luxury residences. The lucky occupants will be treated to not only gorgeous views, but also the kind of five-star service and amenities these well-heeled city dwellers command.

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**A FORTUITOUS FIND** 

or even 00s style."



Friday, March 25, 2022 | M9







Drive about 35 miles north up the coast through many gorgeous seaside communities, and you'll arrive at the future home of The Ritz-Carlton Residences, Pompano Beach. Its two towers will each have their own perspective, either gazing over the beachfront or enjoying glistening marina views.

Beth Booker, owner of public relations and marketing firm Gracie PR & Marketing, was living in Charlotte, North Carolina, when the pandemic hit in 2020. Not more than six months later, in September of that year, she found herself buying a home in Naples, Florida, over video chat, sight unseen.

"Southwest Florida has a very special place in my heart," Booker says. "It's where I vacationed through my childhood, where I went to get my undergraduate degree and it's where I got married. My mother decided to make it her permanent residence, my best friends are here and my in-laws are only a couple of hours away."

When she and her partner arrived at their new home with their two young children in tow, it wasn't long before they realized how many other people their age had the same idea. Florida is the place to be.

Dawn McKenna, founder and owner of the Dawn McKenna Group, first noticed a dramatic increase in young professionals' interest in Naples back in 2016. This prompted her to open an office there a year later.

"Everyone wants to be near the Gulf or close to the town center," she says. "They want amenities in their condos like workout rooms and food service. With single-family homes, they are looking for things like great outdoor space, pools, spas, putting greens, pizza vens and boat access. The young professional buyers want new. They are not willing to live with an 80s, 90s

A palatial estate might certainly catch their eye. Premier Sotheby's International Realty recently listed a five-bedroom, seven-bathroom Old Naples home for \$14.9 million. It came to market after the owner decid-



As Miami Beach's tallest residential tower boasting 360-degree panoramic water views, Five Park is redefining luxury living. Crafting a holistic, modern lifestyle for residents, property details have been carefully curated to anticipate every desire of daily life.

Introducing Miami Beach's premier resident-only members club, The Canopy Club. Five Park residents will have unrivaled amenities at their fingertips. Equipped with a private dining room, bar and lounge, wellness and fitness centers, signature spa, adult and family pools with a poolside cafe and bar, business working stations, screening room, children's play area and teen lounge, as well as an exclusive beach club dedicated to residents, Five Park will be the only property of its kind on Miami Beach for years to come.

Pre-construction sales have begun, with two- to four-bedroom residences starting at \$2.6 million. Douglas Elliman Development Marketing is the exclusive sales agency.

### For more information, email sales@fivepark.com. visit fivepark.com or call 786-460-7242

ed to purchase a home in Naples' exclusive Port Royal neighborhood. Proof the area is hard to leave, with residents regularly swapping luxury abodes for even more opulent comforts.

### **IT'S YOUR MOVE**

Back in Miami, Nathan Zeder of The Jills Zeder Group, affiliated with Coldwell Banker Realty, noticed a

All eyes are on South Florida real estate as homebuyers from across the country set their sights on the locale's enviable weather and gorgeous coastline Along with Five Park, Ritz-Carl ton Residences, Pompano Beach and Casa Bella in Miami's downtown district are working to meet the demand of this well-heeled group of transplants. Each property has its own distinct personality but the common denominator is their meticulous attention to detail and deluxe lifestyle.

COURTESY OF TCH 500 ALTON, LLC

shift in his market not long after the pandemic started, in line with Booker's relocation timeline.

"It began to open up in May and June of 2020 and by September or October there was a noticeable shift in what I would call the 'normal' buyer profile," Zeder says. "We would usually see the majority of buyers coming from out of state closer to a retirement age. The new buyer is significantly younger, consistently in their late 20s to mid-50s with young families and looking to relocate completely to Miami."

Slightly ahead of the curve, Marc Lotenberg, CEO of Surface Magazine and Future Media Group, made the Florida migration from New York in March 2020. Having lived in Miami before, he was familiar with different neighborhoods in the city.

"Miami Beach is like a village," Lotenberg says. "It's a super tight-knit, family-oriented community — which was important to me as the father of two young children." Since then, many of his employees have also made

the move to South Florida. While he admits the pandemic was limiting at first, Lotenberg feels that, in the long-run, it expanded opportunities for industries previously tied to the biggest metropolitan cities to operate from anywhere.

"What better place than a tropical paradise with no state income tax?" Lotenberg asks. "Top-tier finance, tech and media companies flocked to Miami, and of course the restaurant and hospitality players quickly followed suit. Right now, South Florida is the center of the universe; it's the best place to build a brand or launch a new business, surrounded by elite talent from across the country thriving in 80-degree weather."

It's hard to argue with that logic. And with some o the country's most sought-after developers creating homes with these high-net-worth individuals in mind, it feels like a win-win for both sides.

Kelly Bryant is a freelance writer in Los Angeles specializing in real estate and lifestyle topics.



Madison, N.J., —> Manhattan

=60

## Big City Living

*Continued from page M1* demographic of retirement-age Americans who are rejecting traditional ideas about retirement in favor of growing old in major urban metropolises. While big cities typically conjure up images of crowded, dirty streets, crammed subway cars and lots of stairs, many retirees are finding that cities come with perks. They can get rid of their cars and maintenanceheavy single-family homes and be closer to cultural institutions and a wider variety of restaurants.

It is a trend fueled in part by the fact that Americans are living longer and staying healthier into their 60s, 70s and 80s. Life expectancy in the U.S was about 79 years in 2019, up by close to a decade since the 1960s, though there was a notable decrease in 2020 as the result of the Covid-19 pandemic, records show.

Mr. Garst, like many Americans his age, wasn't ready to be old. An unmarried IT consultant who is still actively working, he purchased a \$1 million condo at Atlanta's 40 West 12th Street, which is part of a larger Midtown mixed-use development that includes Google's newest office tower and the Epicurean Hotel, he said.

Mr. Garst said he heads out to the bars and restaurants at night and dines solo at the counter. A salesman by trade, he inevitably starts chatting to a fellow diner or staff member and often finds himself happily surrounded by young people. He is so social that the concierges and doormen at his building call him "the mayor."

"I have friends my age, and don't get me wrong, it's not that I don't enjoy being around people my age," he said. "But I enjoy being around younger people because of the energy."

It is a huge contrast to his life in the suburbs, where he said he didn't know all seven people who lived on his quiet cul-de-sac in Brookhaven. When his Realtor suggested he move farther into the suburbs, he felt like he would be moving to another version of



Paid \$4.25 million last November



"Anywhere, U.S.A."

"It was a beautiful house but when I shut the door I was all alone," he said. "Now, I meet people on the elevators, in the lobby. I meet people at the pool and at the bar. I love it." He believes this is the ideal place for him as he gets older. He doesn't need to drive much, and he takes comfort in the security that comes with condo living: There's no worry about someone breaking into his house and "if







Cynthia Starkē recently purchased an apartment in New York's Chelsea district. 'I'm 66 years old, and I'm going to enjoy this last bit,' she said.

anything were to happen to me, the staff would be there to take care of me immediately," he said.

Mr. Garst is moving against the grain. People migrate across the U.S. for numerous reasons, with a high percentage of those moves happening around retirement age, according to the U.S. Census Bureau. Though just 17% of the U.S. population is 65 or older, relocation company United Van Lines reports that seniors in that age group completed 29% of all its moves in 2020, according to an analysis by SmartAsset, an online hub for financial advice. The top states that typically draw retirees are Florida and Arizona, states with year-round warm weather, relative affordability and favorable tax laws. In 2019, the most recent year for which data was available, there was a net migration of roughly 95,000 people ages 60 and older to both states.

The county with one of the highest levels of inbound migration of seniors is Sumter County, Fla., thanks in large part to the Villages, the sprawling retirement community more than 50 miles northwest of Orlando, which draws retirees looking to take advantage of favorable tax rates and enjoy amenities like shuffleboard and pickleball as well as a break from the congestion and hustle and bustle of neighboring cities.

It looked like Cynthia Starkē was going to live a quiet retirement too, until a divorce threw a wrench in the works. Newly single and looking for a change, she recently traded her large three-bedroom home in the suburbs of Madison, N.J., for a condo in New York City's Chelsea district last November.

"My kids are emancipated. It was time to reimagine what was next for me," she said.

Ms. Starkē, a self-described adventurist, said she felt dissatisfied by life in the suburbs. In the city, she's already made a group of friends; their biggest problem is deciding which museum, show or restaurant to enjoy on their weekend get-togethers, she said. From her apartment, she strolls up to Bryant Park or south to the farmers market at Union Square.

Ms. Starkē, who formerly worked in sales and marketing for a pharmaceutical company, paid \$4.25 million for her gut-renovated three-bedroom duplex condo townhouse. It was more than she had intended to spend, but she decided to throw caution to the wind. "I'm 66 years old, and I'm going to enjoy this last bit," she said. "If I want it, I'm going to have it." She sold her Madison home for \$1.5 million, according to her Realtor, Ann Marie Battaglia of Kienlen Lattmann Sotheby's International Realty.

Ms. Starkē said she recognizes that she's flipping the script by moving to the city and especially by choosing a multilevel home with stairs at her age. "For me, that was less of a worry than my competence in managing and running a single family home," she said. "Snow plowing and lawn mowing and home maintenance and all that crap."

Similarly, after roughly three *Please turn to page M11* 올



Philip Anderson and Jim Tibbs are eyeing \$2 million homes in the trendy Logan Circle neighborhood.

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decades of living within the treelined streets of Crocker Highlands area of Oakland, Calif., where they own a sprawling three-bedroom home with an additional guesthouse, Phillip Anderson, 74, and Jim Tibbs, 63, have decided to relocate to the middle of Washington, D.C., where they are eyeing \$2 million homes in the trendy Logan Circle neighborhood.

"Neither of us have really lived in a metro area, so we're making a pretty dramatic shift," Mr. Tibbs said. "We're taking a lot of risk, but that's okay. One of the things that keeps life really interesting is to continue challenging yourself."

The motivation: The couple wants to get rid of one of their cars in favor of a more walkable environment, be closer to Europe so that travel is easier in their later years, and be nearer to their families, who live in different areas along the East Coast. They are also excited about having more distinctive seasons, rather than Oakland's more consistent climate. Mr. Anderson is already retired from his role heading a remodeling company and Mr. Tibbs plans to wrap up as executive director of the Berkeley Symphony this summer. They have found a buyer for their Oakland home according to their Realtor, Herman Chan of Golden Gate Sotheby's International Realty.

"I'm bored with paradise," Mr. Anderson said. "I would like to wear a scarf. I would like to wear galoshes. I would like to walk the dog among the newly fallen snow."

The couple recently hosted a massive yard sale at their Oakland home, selling about \$3,000 worth of their belongings in a bid to downsize. Among the most unusual items was a three-foot tall Tang Dynasty Chinese porcelain horse, which they said they won't have room for in D.C.

Similarly, Mr. Garst said it has 🖻 been "freeing" to get rid of all his ලි "stuff," referencing a famous comdedy routine by George Carlin that ≥ partially inspired his desire to simplify. As his IT business took a temporary dip during Covid lockdowns, he took the opportunity to  $\overline{\mathbb{C}}$  start getting rid of all his things,



Friday, March 25, 2022 | M11



Linc Kinnicutt and Sally Kinnicutt sold a home they

had built to retire in for a 43rd floor condo.

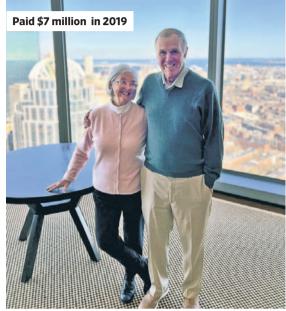
including an enormous stash of leftover IT equipment that was spilling out of his basement.

He admittedly may have gone too far. Determined to start fresh, he decided to buy all new furniture—a friend is helping him since he describes his style as "dogs playing poker"—but delivery has been delayed by supply chain issues. He slept on an air mattress for three months.

Some retirees are opting for a second chapter of retirement. Roughly 17 years ago, after Linc Kinnicutt retired from his career in asset management, he and his wife Sally Kinnicutt built a classic

**Revival-style** home on a bluff on Spring Island, a nature preserve and island residential com-

munity in Beaufort County, S.C. The island had a slew of amenities, from clay shooting to equestrian facilities—and the Kinnicutts enjoyed a break from the rat race-but life there had its downsides. The nearest grocery store was roughly 20 minutes away and cultural experiences required bringing in artists from elsewhere. After 15 years, the couple,



now in their mid-70s and still in good health, decided it was time for a break from more physical pursuits in favor of city life.

"When you initially retire, you're so happy to not have to work all the time and respond to clients," said Mr. Kinnicutt. "It feels heavenly to play golf three or four times a week. But as we got older—and we still love playing golf, no ques-



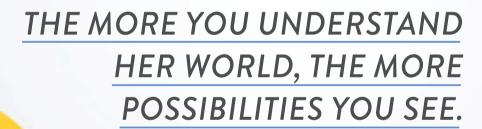
tion about it—it just felt like we wanted more excitement."

So, in 2019, they purchased a 43rd floor apartment at Boston's new Four Seasons Hotel and Private Residences, One Dalton Street, in the city's center. They knew the area well, having lived in the Boston suburbs with their children decades prior, and found themselves enticed by the services of the condo building, which seemed like a more glamorous alternative to assisted living. Property records show they paid close to \$7 million for their apartment. They have since sold their home in South Carolina, they said.

So far, the couple said it has been a dream. They enjoy being near the youthful energy of students from the surrounding colleges, like the Berklee College of Music and MIT, and said they feel spoiled by the staff at the building, who help them with their groceries and are at their beck and call if they have issues.

"I haven't opened a door for myself in two years," Ms. Kinnicutt said. The proximity to some of the country's best hospitals is also comforting as they age.

"If we want to travel, we fly out of Logan and we're home in 10 minutes. If we want to go get pasta in the North End, we'll just hop on the T and off we go," she said. "If there's a snowstorm coming, I really don't give a damn because I'll UberEATS something."



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## MANSION

### **COUNTING HOUSE | ROBYN A. FRIEDMAN**

# **Executing the 1031 Exchange**

The opportunity for savings makes the effort worth it if your property or transaction qualifies

hinking about swapping your ski chalet in Aspen for an oceanfront mansion on Miami Beach? If you've used your vacation home as an investment property, and collected rental income, you might be able to take advantage of a popular tax break that allows you to defer payment of any capitalgains taxes due on the sale or perhaps avoid them entirely.

Like-kind exchanges, also known as 1031 exchanges for the section of the Internal Revenue Code they fall under, allow taxpayers to exchange real property used for business or investment purposes for "like-kind" property without paying taxes on the proceeds. Instead, those gains are rolled over until the taxpayer ultimately cashes out by selling the property. Under the tax code, any type of real estate used for business or investment is considered "like kind." However, under IRS rules, a home used solely for personal use, whether as a primary residence or vacation home, wouldn't qualify for like-kind exchange treatment.

Although like-kind exchanges are a popular tax strategy for large institutional investors that buy and sell commercial real estate such as office buildings, individual investors often take advantage of the break as well, whether they own small apartment buildings, single-family rentals or vacation homes used for business purposes. In fact, according to data firm CoStar Group, the share of transactions worth \$1 million or less has increased to 32% in 2021 from 18% in 2017.

Miltiadis Kastanis, a senior director of luxury sales for Douglas Elliman Real Estate in Miami, said more of his clients are seeking 1031 exchanges now than in past



years due to the run-up in housing prices. "Markets around the country are so robust that people are taking advantage of the great values of their properties and rolling those gains into properties in other markets," he said. "The opportunity to defer capital gains is the main driving force of doing a 1031 exchange."

To successfully complete a 1031 exchange, investors must comply with strict time limits. First, the taxpayer must identify one or more replacement properties within 45 days of the date of the sale. Then, the replacement property must be acquired within 180 days of the sale. Miss these deadlines, and you'll lose the tax benefits of Section 1031.

But finding and closing on replacement property within the required time frames can be a challenge in today's market, where inventory is, in many markets, at historic lows. Mr. Kastanis said that he often looks for off-market opportunities due to the scarcity of inventory in Miami.

Under the current tax code, taxpayers who complete successive 1031 exchanges without paying capital-gains taxes who then die may avoid taxes altogether since their heirs will inherit that property with a stepped-up basis equal to the value of the property at the time of death. That makes 1031 exchanges a great estateplanning tool.

Here are some things to consider if you're thinking about a like-kind exchange.

#### Be aware that the rules may

**change.** The American Families Plan proposed by President Biden calls for limiting the deferral of capital gains in a 1031 exchange to a maximum of \$500,000 for single taxpayers or \$1 million for married couples filing a joint return. Although these provisions are pending and subject to change, realize that 1031 exchanges might be curbed in the future.

**Use a qualified intermediary.** To avoid triggering a taxable event,

always use a so-called qualified intermediary, such as a lawyer, accountant or title company, to facilitate a 1031 exchange. That intermediary will hold the sales proceeds from the relinquished property and use them to acquire the replacement property, preventing the taxpayer from coming into contact with the proceeds of the transaction, which is prohibited. Marilyn Wright, a broker with Premier Sotheby's International Realty in Asheville, N.C., always requires her clients to use a qualified intermediary when doing a 1031 exchange. "It's imperative to make sure it's done properly," she said. "Most real-estate agents

'The opportunity to defer capital gains is the main driving force of doing a 1031 exchange.'

are not proficient in handling the paperwork involved, and I know I don't want to be responsible for messing up the transaction. Even the agents I know who regularly do 1031 exchanges have a company handle it for them."

### Bone up on Delaware Statutory

Trusts. To avoid challenges complying with the strict time periods required by the Internal Revenue Code, Steve Moskowitz, a tax attorney in San Francisco, recommends naming a Delaware Statutory Trust, a separate legal entity similar to a real-estate investment trust, as one of the replacement properties. That way, since the IRS ruled in 2004 that certain DST shares are treated as replacement property in a 1031 exchange, if the seller cannot find or close on a suitable replacement property in time, they can move ahead with the purchase of DST shares to complete the exchange. "Because of the strict time guidelines, a lot of people fall into a trap," he said. "They think they're going to do a 1031 but they miss the deadline and get stuck paying the taxes." By naming a DST as replacement property, however, taxpayers can avoid that risk.



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## **MANSION**

### **HOUSE CALL | GEORGE CHAKIRIS**

## **From Choir Boy To Gang Leader**

The Oscar-winning 'West Side Story' actor on how he played both a Shark and a Jet

MY PARENTS' MARRIAGE was arranged. My father came to America with his family from Bursa, a Greek village in Turkey, when he was 12 and his brother was 14. Eight years later, his father went back to the village to find brides for his sons. He returned with two age-appropriate young women seeking husbands.

As primitive as it sounds, the arranged pairing worked for both brothers and wives. My father was a wonderful person. So was my mom. They loved each other and never had a problem in their relationship.

My family first lived in Norwood, Ohio. My grandfather ran a confectionery store with a beer garden out back. We lived upstairs.

When I was 3, we moved to Ar-

izona for the warmer weather and then to Miami. We returned to Arizona when I was 6, where my father, Steven, drove a laundry truck in Tucson while my mother, Zoe, mended clothes at home.

There were five children to look after. From oldest to youngest, there was Virginia, Catherine, Viola, Harry and me. Steve and Athena arrived later.

At age 10, I took singing lessons with Eduardo Caso, head of the Tucson Arizona Boys Chorus.

Tucson was warm but bone dry. Southern California was more tropical. So we moved to Long Beach, Calif., when I was 12. Before we left, Mr. Caso urged me to join the St. Luke's Episcopal Church Choristers there. We wound up singing in a scene in



the 1947 movie "Song of Love." To be on the MGM lot was thrilling for me. Movies were my entire world growing up.

In high school assemblies, I performed swing and ballroom dance routines with another student, Joan.

I knew I wanted to dance in the movies, but I didn't know where to get the training. Joan told me about the American School of

George Chakiris, left, in Los Angeles in 2018, and, right, at age 4 with his brother Harry in Arizona.

Dance on Hollywood Boulevard. Attending the school, I wound up in a dance scene in "The 5,000 Fingers of Dr. T," a 1953 musical fantasy film. From there, I danced in a series of major films, includ-

ing "The Farmer Takes a Wife," with Betty Grable, "Gentlemen Prefer Blondes" with Marilyn Monroe and "White Christmas" with Rosemary Clooney.

By 1958, dance work was drying up. I moved to New York at the invitation of a dance friend. Her friend told me about an audition for the London stage production of "West Side Story." I landed the role of Riff, leader of the Jets.



It was my first acting job. In 1959, we heard that Hollywood was casting for the movie version, I auditioned for both the Riff and Bernardo roles. Jerome Robbins offered me the role as

Bernardo, leader of the Sharks. Today, I live in a single-story, two-bedroom house in West Hollywood. It's just a little bigger than an apartment. I've always been comfortable in small spaces. -As told to Marc Myers

George Chakiris, 89, is an actor and dancer best known for his film roles in the original "West Side Story" and in "The Young Girls of Rochefort." He is the author of "My West Side Story," a memoir (Lyons).

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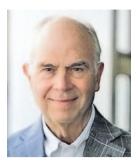
CEO Robbie Briggs on why this may be the most opportune time to sell your home, ever

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et's do it. If you have been considering selling your home, I suggest you talk to us soon. Maybe even

We are still in one of the hottest markets in memory. Homes are selling so quickly — many with multiple offers that inventory levels remain remarkably low. (If you're even a casual observer of the real estate business, that is the word of the moment: *inventory*. It means the number of homes that are for sale at any given time.)

There are several reasons for this phenomenon. There continues to be an influx of people moving to North Texas for the job opportunities, lower taxes and easy lifestyle. Another one? Now that so many folks can work from home, and home can be anywhere, people are realizing that you get a lot of house for your money in North Texas. People are also changing to bigger, better or more useful homes — because we have all been reminded over the past couple of years about what home *really* means.

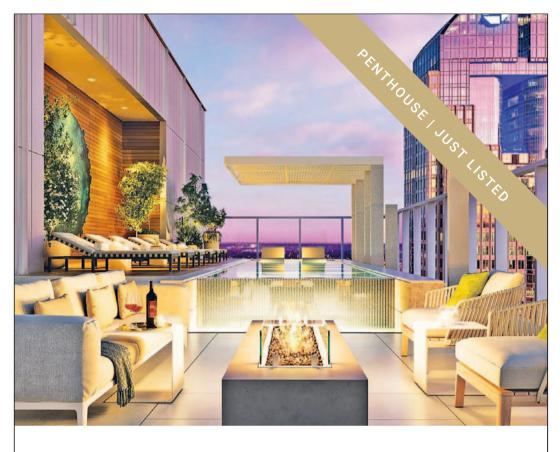
So, yes, this is a great time to sell. Our clients are doing very well — and finding themselves in even more rewarding homes at the end of the adventure. It takes very skilled agents to navigate a market this competitive. Ours adapt to every situation. They use time efficiently because they know that yours is valuable. They have a critical understanding of both buying and selling strategies, and they can guide you confidently in a back-and-forth situation. They can also create opportunities that no one else can — and that aren't on any website out there. They not only have unique local networks — built over time and with strategy — they have the global power of Sotheby's International Realty<sup>®</sup> behind them.

I encourage you to take advantage of this moment — but not without the support and guidance of a professional agent. Not only can ours help make great things happen for you as a seller, they can also help make great things happen for you as a buyer.

In a market this hot, that's the real skill.

### WHAT THE CEO SAYS

Don't miss Robbie Briggs' weekly thoughts, always on briggsfreeman.com/blog



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## **PRIVATE PROPERTIES**



## Jeffrey Epstein's Private Islands to Go on the Market

Two private islands that were owned by the late disgraced financier Jeffrey Epstein are going on the market for \$125 million, according to the listing agents.

In the U.S. Virgin Islands, the properties were a key piece of Epstein's substantial inter-

national property portfolio, which also included a storied New York townhouse, a Paris apartment, a Palm Beach mansion and a New Mexico ranch, The Wall Street

Journal has reported. The larger of the two islands is known as Great St. James. Encompassing more than 160 acres, it is located roughly five minutes across the bay from St. Thomas and is largely untouched, with just a small collection of structures and a marine preserve known as Christmas Cove, according to listing materials.

The smaller of the pair is Little St. James. Spanning over 70 acres, it includes a helipad, a private dock, a gas station, two pools, a main residential compound, four guest villas, three private beaches, a gym and a tiki hut, the marketing materials show.

In early 2020, Virgin Islands prosecutors alleged that Epstein had brought girls as young as 11 to the

secluded islands by yacht and private helicopter, and that he and his associates had sexually assaulted the girls. Epstein was

found dead of an apparent suicide at a New York detention center in 2019, while awaiting trial on federal sex trafficking charges.

Epstein purchased Little St. James in 1998, according to court records. He bought Great St. James in 2016 for close to \$20 million. **Brokerages Modlin** Group and Bespoke Real Estate are marketing the islands in partnership with Christie's International Real Estate the Saints.

> –Sarah Paynter and Katherine Clarke

## A Castle in the Caribbean Sells



On the island of St. Croix, a hilltop castle surrounded by terraced gardens has sold for \$9.5 million.

The Moorish-style structure, set on about 110 acres, was built in the 1980s by the late Bulgaria-born Countess Nadia de Navarro-Farber. After her death in 2014, her husband, Yuri Farber, listed it for \$15 million in 2016. The most recent asking price was \$8.99 million, according to real-estate agent Peter Briggs of Christie's International Real Estate the Saints, who shared the listing with Honnie Edwards of Calabash Real Estate.

The buyer is John Alexander, 60, an entrepreneur with several technology and real-estate finance companies. Mr. Alexander, who was born on St. Croix but grew up primarily in Idaho, said his family goes back four generations on the island. He said he moved back in 2021 and had been eyeing the castle property for years. "It's been on my to-do list for 15 years," he said. "It's an amazing property."

Mr. Alexander, who has a home elsewhere on St. Croix, said he plans to renovate the domed white castle and convert it into an event space and short-term rental. "I'm not a duke or a contessa," he said. The castle property, which extends from the top of a mountain to the beach, has about 8.5



acres of commercially zoned land where he would like to put retail shops, a grocery store and a restaurant, he said.

Mr. Farber couldn't be reached for comment. The countess lived primarily on Long Island but spent several months a year on St. Croix.

The castle is approximately 10,000 square feet. Inside, a domed ceiling is painted to look like a blue sky with clouds. "It's an absolutely iconic property on St. Croix," said Ms. Edwards.

The property also includes three cottages and the remains of a pier that was part of the now-closed Fairleigh Dickinson University West Indies

### Laboratory. Mr. Alexander said he SOLD MILLION

plans to subdivide roughly 70 acres of vacant land on the property for residential development.

110 acres 3 cottages, beachfront

Mr. Alexander said he has a property management business that owns

and operates a rental portfolio on St. Croix with more than 100 units. Over the past year, he said, Ms. Edwards helped him buy the castle and several other properties, including two hotels.

The Virgin Islands benefited from an influx of city-dwellers during Covid, Mr. Briggs said, noting that his sales volume is up 300% from prepandemic levels. "In the old days, a \$2 million, \$3 million, \$4 million home was quite something," he said. "And now we've broken the \$10 million mark."

-E.B. Solomont

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