

# THE WALL STREET JOURNAL.

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

THURSDAY, NOVEMBER 7, 2024 ~ VOL. CCLXXXIV NO. 110

WSJ.com

★★★★ \$5.00

DJIA 43729.93 ▲ 1508.05 3.57%

NASDAQ 18983.47 ▲ 3.0%

STOXX 600 506.78 ▼ 0.5%

10-YR. TREAS.

(New Issue) yield 4.425%

OIL \$71.69 ▼ \$0.30

GOLD \$2,667.60 ▼ \$72.70

EURO \$1.0731

YEN 154.64

## TRUMP TRIUMPHS AGAIN

Republican former president is first in more than a century to reclaim the White House after losing it



President-elect Donald Trump, at his election-night watch party in West Palm Beach, Fla., early Wednesday morning, is set to be sworn in on Jan. 20.

Republican Donald Trump leveraged anxieties about the cost of living and illegal immigration to score a decisive victory over Democrat Kamala Harris, reclaiming the White House in an electoral triumph certain to alter the U.S.'s priorities and relationship with the world.

By John McCormick,  
Alex Leary  
and Ken Thomas

Trump, who won election in 2016 as the 45th president, now is set to be the 47th and just the second candidate in U.S. history to win nonconsecutive White House terms. His historic win blew away expectations for a prolonged vote count decided by razor-thin margins, as polls indicated for weeks.

Harris spoke to the president-elect on Wednesday to congratulate him. Trump spoke to President Biden, who "expressed his commitment to ensuring a smooth transition and emphasized the importance of working to bring the country together," the White House said. Biden invited him to the White House "in the near future."

Trump was on pace to sweep the battleground states, take the lead in the popular vote and outperform his previous support among young people and some minority groups such as Latino men. With Trump at the top of the Republican ticket, the

Please turn to page A6

## Dow Logs Biggest Gain Since 2022 as Outcome Stirs Investors' Hopes

By KAREN LANGLEY  
AND RYAN DEZEMBER

Donald Trump's election victory powered the Dow Jones Industrial Average to its biggest gain in two years, with a broad market rally lifting shares of banks, industrial companies and small-cap firms that are expected to benefit from continued economic expansion.

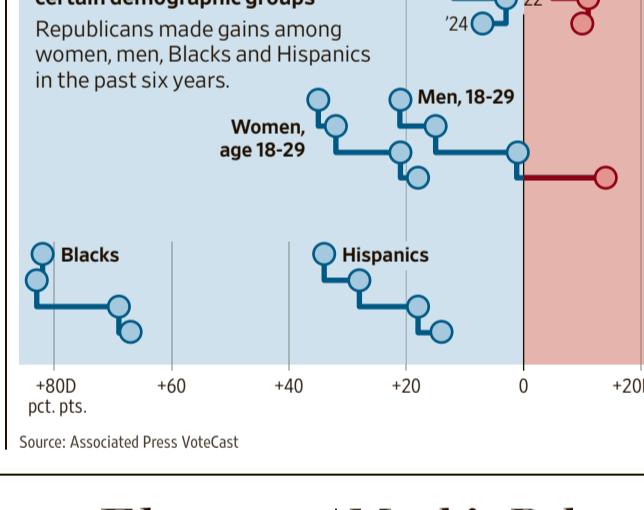
The gains were widely distributed as Wall Street bet that Trump's promises of deregulation and tax cuts will further ignite an economy that already has posted strong gains in re-

cent years. But sectors that were expected to benefit from Democratic policies, such as electric-vehicle companies and clean-energy related industries, declined sharply.

The promise of four years of Republican rule drove the latest rise in Treasury yields, reflecting expectations of stronger growth and inflation, while gold prices fell as fears that the election results would be contested and spark social unrest weren't realized.

"The markets are now trading full-on Trump trade," said Please turn to page A2

## How Did Donald Trump Win the Race? He Stayed True to Being Donald Trump.



By ALEX LEARY  
AND TARINI PARTI

Former President Donald Trump cleared a path to the White House by doubling down on the very things that Democrats said made him unfit to return to the Oval Office.

Throughout Trump's campaign, the Republican Party candidate was bombastic, profane and frequently untruthful, claiming the 2020 race was stolen from him, that he held no responsibility for the Jan. 6, 2021, attack on Congress and that President Biden had orchestrated his indictments and felony convictions.

Trump also did what he

does best: he connected with crowds, went on the attack and freely spoke his mind.

The push by the Democratic Party and Vice President Kamala Harris to highlight Trump's words and actions, to portray him as a danger to the country, failed to loosen the former president's grip on the electorate. Trump's legal troubles, instead of hobbling his candidacy, fueled donations.

American voters seeking a change in fortune bet on Trump's promises to boost the U.S. economy, lower prices and taxes, settle foreign conflicts and put a stop to illegal immigration. The Republican

Please turn to page A10

## The Economy-Is-Everything Election

The experts said the economy was doing great. Everyday Americans disagreed.

Roughly 40% of voters said the economy was their top issue, far outstripping any other issue,

By Rachel Louise Ensign, Rachel Wolfe and Justin Lahart

and those voters favored Donald Trump by 60% to 38%. Many weren't thinking about the streak of robust economic growth or the Federal Reserve's potential soft landing when they

voted, but their grocery bills and out-of-reach ambitions.

Americans are still feeling sticker shock from higher prices on everything from cleaning supplies to a cup of coffee that followed the pandemic. Their anger about the economy extended beyond prices to encompass wider discontent and anxiety over the future. Many Americans are frustrated that they can't afford to buy a home or start a family. Fewer believe that the American dream is achievable.

"We are so tired. Everyone

we know is so tired, like somebody's foot has been on the American people's chest for the past four years," said Amanda DiAntonio, a 36-year-old hair stylist who lives in Henderson, Nev., and voted for Trump.

She said she believes Trump will enable working people to enjoy their lives again. "I just feel a big exhale," she said, "like let's move forward because we're going to be OK."

The Wall Street Journal spoke to hundreds of Americans this year about their feelings on

Please turn to page A2

## Musk's Politics Bet Scores Big As Conflicts of Interest Loom

By EMILY GLAZER  
AND DANA MATTIOLI

Elon Musk spent more than \$100 million to send Donald Trump back to the White House. Now that he has won, the billionaire industrialist and top executive of Tesla and SpaceX could reap enormous financial rewards—potentially presenting an unprecedented conflict of interest at the highest levels of government.

Billions of dollars in reve-

nue for Musk's companies hang on government decisions: which rocket to use for a space launch, how many satellites to allow in low-Earth orbit, whether to permit driverless cars on the highways.

Musk, who has been promised a role auditing federal expenditures and regulations in a Trump administration through a proposed Department of Government Efficiency, will likely have a seat

Please turn to page A2

## ELECTION 2024

- ◆ A tax gamble is about to pay off ..... A3
- ◆ Greg Ip: The economy under Trump 2.0 ..... A3
- ◆ How GOP regained control of Senate ..... A4
- ◆ Harris campaign misread electorate ..... A5
- ◆ Trump pressed to end war in Ukraine ..... A9
- ◆ Allies brace for shifts as threats mount ..... A9

### Business & Finance

- ◆ Major U.S. stock indexes advanced to records, with the Dow soaring 3.6%, the average's biggest daily percentage gain since November 2022. The S&P 500 and Nasdaq rose 2.5% and 3%, respectively. A1
- ◆ Tuesday's election results put Republicans within reach of gaining enough power to extend trillions of dollars in expiring tax cuts. A3
- ◆ CVS's new chief executive named an outsider to head Aetna, the company's troubled insurance arm, and promoted an executive to oversee the pharmacy-benefit manager and other units. B1
- ◆ Senior AstraZeneca executive Leon Wang was detained by Chinese authorities investigating the U.K. pharmaceutical maker's employees in China, the company said. B1
- ◆ BMW reported a sharp drop in profitability for its key automotive unit, hit by the costs of a recall and weak demand in China, but forecast stronger earnings in the fourth quarter. B1
- ◆ Schneider Electric said it was investigating a cyberattack after a hacker claimed to have accessed critical data, the second incident the company disclosed this year. B1
- ◆ Puma said it was on track to meet its full-year outlook after sales growth accelerated in the third quarter, helped by a recovery in the sporting-goods company's U.S. business. B3
- ◆ Blackstone Real Estate will take shopping-center owner and operator Retail Opportunity Investments private in a \$4 billion deal, adding to its portfolio of companies in the sector. B3
- ◆ Markets & Finance B11
- Arts in Review ..... A13
- Opinion ..... A15-17
- Business News ..... B3
- Personal Journal A11-12
- Capital Account ..... A3
- Sports ..... A14
- Crossword ..... A14
- Technology ..... B4
- Equities ..... B8
- U.S. News ..... A2-10
- Heard on Street ..... B12
- World News ..... A18

### What's News

#### World-Wide

- ◆ The mystery trader known as the "Trump whale" is set to reap nearly \$50 million in profit from bold bets tied to the presidential election, wagers he described as challenging the accuracy of polling data. A8
- ◆ U.S. allies braced for foreign-policy shifts from the incoming administration, with Europeans among the most worried about what a second Trump term might bring. A9
- ◆ Germany's fractious three-party coalition government collapsed amid ongoing policy disputes, tipping the economically embattled country into a political crisis. A18
- ◆ A missile among a volley fired from Lebanon struck an open area of Ben Gurion Airport in central Israel, causing some damage but no injuries. A18
- ◆ Hurricane Rafael pushed into the Gulf of Mexico after plowing across western Cuba as a Category 3 hurricane with winds so powerful it knocked out the entire country's power grid. A18



# ELECTION 2024

## Musk Wins His Bet On Trump

*Continued from Page One*  
at the table where many of those decisions are made, giving him the opportunity to tailor policy to suit his own financial interests.

Musk oversees six companies—including electric-vehicle maker Tesla and rocket launcher SpaceX—with more than \$1 trillion in assets held by investors.

He and his companies have been repeatedly probed by government agencies, including the Federal Trade Commission, Securities and Exchange Commission and Justice Department, over concerns about user-data protection at X, formerly Twitter, the safety of his cars and his super political-action committee's activities in the election.

Trump, a Republican, has said on the campaign trail that he will look out for Musk's interests. "Elon is a great guy," Trump said in late October. "He's one of our geniuses and we have to protect our geniuses."

In his victory speech from Mar-a-Lago early Wednesday morning, Trump showered praise on the billionaire, describing him as a new political celebrity. "A star is born," Trump said. "Elon!"

The two men have united in public over Trump's culture-war takes on diversity, gender, and immigration, and Musk has become an ever-present mascot of sorts on the campaign trail since early October. He spent election night with Trump at Mar-a-Lago in Palm Beach, Fla.

### Talks to Putin

Trump isn't the only world leader that Musk has become chummy with, blurring business and geopolitics. He has had secret conversations with President Vladimir Putin of Russia, contacts with China over its role in the electric-vehicle market, and flirted with meeting Prime Minister Narendra Modi of India over potential new business there. He relies on foreign investors, with Saudis and Qataris among the largest X backers. These relationships could influence or complicate Trump's foreign-policy plans.

Tesla shared closed Wednesday at \$288.53, up 14.75%.

Some have expressed alarm that any role in the coming Trump administration will be



**Billions of dollars in revenue for Elon Musk's companies hang on government decisions.**

an invitation to Musk to enrich himself and defang his regulators. "This is a blatant in-your-face effort by the world's richest man to essentially buy influence by injecting himself into the election in unprecedented ways, potentially some of them illegal," said Rep. Gerry Connolly (D., Va.), a senior member of the House Foreign Affairs Committee.

Rep. Jake LaTurner (R., Kan.), a member of the House Oversight Committee, said safeguards can be put in place to handle the appearance of any conflicts. "His skill set is

and Space Administration relies on SpaceX for some of its most high-profile missions. It is the only company currently transporting astronauts to and from the International Space Station. The company is also the dominant rocket launcher for the Pentagon and has a growing business working on the intelligence community's satellite programs.

Musk is eager to boost the number and frequency of its launches—and consequent paydays—for its fleet of rockets, particularly its powerful Starship, in whose develop-

Brendan Carr, a conservative FCC commissioner, have said that Starlink could better connect some rural areas than fixed fiber-optic lines and have suggested last-minute rule changes to steer more subsidies to satellites.

In a statement, a NASA spokesman said that its "contracts are with companies, and not with specific individuals" and that the agency works with contractors such as SpaceX on exploration and other efforts "for the benefit of all."

### Tesla

Tesla has been a major beneficiary of the Biden administration's Inflation Reduction Act, which provides hundreds of billions of dollars in subsidies for investing in renewable-energy projects.

The roughly \$900 billion public company has earned more than \$2 billion so far in 2024 from clean-air credits that it sells to other automakers under Environmental Protection Agency rules.

In the past, Trump has spoken skeptically of electric vehicles and federal policies that promote their use—including a \$7,500 electric-vehicle tax credit. More recently, he has sounded a more positive note. "I'm for electric cars," Trump said in August. "I have to be because Elon endorsed me very strongly."

—Kristina Peterson and Micah Maidenberge contributed to this article.

*'He's one of our geniuses and we have to protect our geniuses.'*

**Donald Trump, referring to Elon Musk**

just too valuable for us to ignore," he said of Musk's plans to propose ways to slash the federal budget.

Musk, his representatives and spokespersons for the companies didn't respond to requests for comment. Just days before the election, Musk wrote on X: "And to be clear, I have never asked @realDonaldTrump for any favors, nor has he offered me any."

### Space business

The billionaire has the most to gain through SpaceX, which has signed more than \$15 billion in government contracts over the past decade.

The National Aeronautics

and Space Administration invested billions of dollars. He has frequently complained on X about the limits placed on the company by the Federal Aviation Administration, which oversees private space launches.

Musk's greatest ambition is for human exploration of Mars, which he views as essential for the survival of humanity. He has made clear his intention to use his influence in government to make it happen. "The Department of Government Efficiency is the only path to extending life beyond Earth," he wrote on X in October.

Starlink could also benefit from the government's new \$42 billion internet-expansion campaign. Both Trump and

the company invested billions of dollars. He has frequently complained on X about the limits placed on the company by the Federal Aviation Administration, which oversees private space launches.

Musk's greatest ambition is for human exploration of Mars, which he views as essential for the survival of humanity. He has made clear his intention to use his influence in government to make it happen. "The Department of Government Efficiency is the only path to extending life beyond Earth," he wrote on X in October.

Starlink could also benefit from the government's new \$42 billion internet-expansion campaign. Both Trump and

the company invested billions of dollars. He has frequently complained on X about the limits placed on the company by the Federal Aviation Administration, which oversees private space launches.

—Kristina Peterson and Micah Maidenberge contributed to this article.

## Dow's Gain Is Biggest Since 2022

*Continued from Page One*  
Stephen Dainton, a senior executive at Barclays who oversees the lender's investment bank including its trading division.

Major stock indexes advanced to records. The Dow industrials soared about 1,508 points, or 3.6%, the biggest daily percentage gain since November 2022. The S&P 500 added 2.5%, while the tech-heavy Nasdaq Composite rose 3%.

Big winners included banks, which investors bet were poised to benefit from reduced regulation and a fresh acceleration in growth. Shares of JPMorgan Chase, the nation's largest lender, climbed 12% to a record. Wells Fargo and Goldman Sachs both rose 13%.

The prospect of lighter regulation and protective tariffs helped drive gains in industrials, with equipment maker Caterpillar rising 8.7% to a record high and 3M adding 5.8%. Domestic steelmakers Nucor and Steel Dynamics gained 16% and 14%, respectively. Railroads, including Norfolk Southern and CSX, surged.

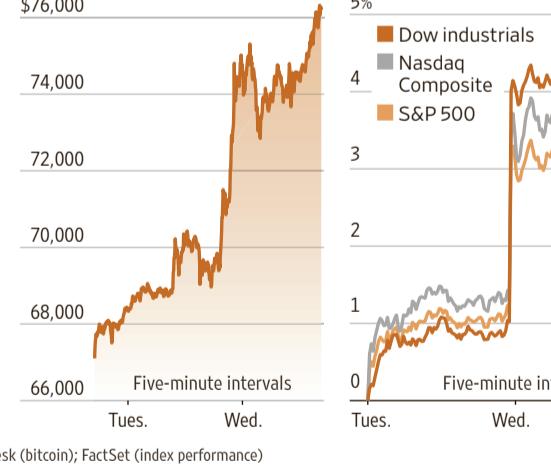
Bitcoin rose 9.8% to \$76,231.61, topping a previous record from March. Trump has said that he wants to make the U.S. the "crypto capital of the planet" and has pledged to create a "strategic bitcoin reserve."

At the same time, traders sought out companies and assets they expect to suffer during a second Trump term.

Fears of trade wars drove down shares of ocean freight



Sources: Dow Jones Market Data (Index); CoinDesk (bitcoin); FactSet (index performance)



Sources: Dow Jones Market Data (Index); CoinDesk (bitcoin); FactSet (index performance)

firms, including Denmark's A.P. Moller-Maersk and Germany's Hapag-Lloyd. Copper prices had their worst day in over two years, dropping 5.1% as metals traders in New York reconsidered demand forecasts that hinge on China's economy and the clean-energy boom.

Investors' belief that Trump may break with the Biden administration's push into renewable energy and electric vehicles hit companies as far away as South Korea. LG Energy Solution fell 7% and Hanwha Solutions, which makes solar panels, dropped by 8.2%.

In the U.S., First Solar fell 10% while Enphase Energy lost 17%.

Shares of Tesla, the electric-vehicle maker helmed by Trump ally and donor Elon Musk, bucked the trend, climbing 15%.

Investors sold bonds, driving yields higher and widening the gap between yields on ordinary Treasurys and those on inflation-protected Treasurys. That is a sign they think that the policies of a second Trump term could put upward pressure on inflation.

Many investors also believe

that Trump's tax-cut-heavy policies will add to the deficit, with the threat of a larger supply of Treasurys pushing down bond prices. The yield on the 10-year Treasury climbed to 4.425%, its highest closing level since July.

That hit firms and investments that are sensitive to higher bond yields. The S&P 500's consumer-staples sector declined 1.6% and the utilities segment lost 1%. The real-estate sector sank 2.6%.

Surging yields intensified a climb in the U.S. dollar, which was also boosted by the prospect of rising tariffs. Economists said tariffs can lift the U.S. currency by hurting the economies of foreign countries and discouraging Americans from spending on imported goods.

The WSJ Dollar Index, which measures the U.S. dollar against a basket of 16 currencies, rose more than 1%. The Mexican peso lost as much as 3.4% against the dollar to its lowest level since August 2022, according to Dow Jones Market Data, before recovering. Trump recently said he could impose 200% tariffs on vehicles made in the country.

## Election Turned on Economy

*Continued from Page One*  
the economy. The interviews revealed a wide disconnect between official government data showing an increasingly robust economy and persistent pessimism among Americans. While Democrats touted the economy's strength, many voters said the economy as they knew it was broken.

"This happy talk doesn't resonate with most Americans," Mark Zandi, chief economist at Moody's Analytics, said of the political messaging. "They're still paying higher prices for many things they need to buy."

Chris Abramowicz said he voted for Biden in 2020 and came to regret the decision. The 39-year-old from Rockford, Ill., flipped his vote to Trump this time around.

With nine children and another on the way, he felt the rise in grocery prices acutely. He recalls being especially peeved about the soaring price of eggs. "This isn't a 20% increase, this is 'the chickens have gone on strike because they know Biden's a union man,'" said Abramowicz, who owns an information-technology business.

He said he doesn't think Vice President Kamala Harris understands that pain, and he resents what he sees as liberals' insistence that the economy is booming while he and everyone he knows feel worse off. "It was bald-faced gaslighting, when you look around and see things clearly, but you're told, 'Oh, no, everything's great.'"

Trump voters were more motivated by economic issues than Harris voters. About half of Trump voters said higher prices were the largest factor in their decision, according to AP Vote-Cast.

"The economy is everything," said DiAntonio, the hair stylist. "It all cycles back to how you feel in your everyday life."

She blames Biden and Harris for not being able to afford things she said Americans once took for granted, such as buying a house or going on vacation. She voted for the first time in 2016, for Trump, then voted for him again in 2020.

"Literally everything, parenting, eating, working, just our daily grind has been so hard," she said. She has resisted increasing prices in her salon, she said, even though she is paying more for supplies.

She and her husband, Rocky DiAntonio, a YouTube content creator who home-schools their 5 and 7-year-old children, had nearly enough saved five years ago for a down payment on a home. Now, they worry about paying their \$3,000 monthly rent, and have dipped repeatedly into their house savings to keep up with increasing bills. They have stopped talking about buying a house.

Trump put the cost of living front and center in his pitch, claiming in his nomination acceptance speech that "inflation will vanish completely" under his watch. Harris, too, said that families were struggling, and that policy proposals like an expanded child tax credit would help.

Trump's message has long appealed to voters in places where the decline of domestic

manufacturing eliminated good blue-collar jobs. It also has resonated with working-class voters who once thought they could count on a college degree as a ticket into the middle class, but have started to question its value.

The run of high inflation that followed the Covid pandemic made the economy a concern for a range of voters. Inflation shot up during the Biden presidency, and although it has cooled lately, prices remain far higher than they were when Trump left office. The Labor Department's measure of consumer prices was nearly 20% higher this September than in January 2021—the largest increase for a single presidential term since Ronald Reagan's first four years in office.

Anger over inflation persisted despite a labor market that steadily added jobs while boosting wages. Even though Labor Department data indicate that median wages outpaced inflation, that wasn't true for a significant number of people.

A whopping 96% of voters said "high prices for gas, groceries and other goods" were a factor in their vote, according to AP VoteCast.

Anastasios Sofianidis, a 48-year-old unemployed cook from Detroit's west side, said higher prices on everyday purchases such as gasoline were on his mind when he voted for Trump on Tuesday.

Rob Cooper, a 50-year-old chief financial officer for a retail chain, told the Journal earlier this year that the increasing price on his favorite deodorant, Old Spice Stronger Swagger, bothered him so much that he started looking for it at discount stores. He said he voted for Trump on Tuesday because of his positions on corporate and individual taxes—even though he recognizes Trump's plans to levy tariffs could further increase prices.

Many Americans also feel pinched by high interest rates. Federal Reserve data show that just before the central bank began raising rates in 2022 in its bid to cool inflation, the average rate on credit card plans was 14.6%. As of August, just before the Fed cut rates for the first time, it was 21.8%.

Interest rates rose on car loans and mortgages. Home prices also shot up, making it harder and harder for many families to buy their first home.

A July Wall Street Journal/NORC poll of 1,502 U.S. adults found that 89% of respondents said owning a home is either essential or important to their vision of the future, while only 10% said homeownership is easy or somewhat easy to achieve.

Michelle and Christopher Cortazzo, who live in Glen Rock, N.J., and voted for Trump, said paying for child care was the breaking point for them.

Michelle, a 38-year-old pharmacy consultant, said they pay \$1,500 a month for their 4-year-old son's daycare. "It feels wrong," she said. "We went to college, we worked really hard to move up in our careers, we've done what society tells us to do, but it feels like we're punished for that."

Child-care prices have dissuaded the couple from having a second child, even though they each have six-figure incomes.

"If we had two, we would be living paycheck to paycheck, and that just terrifies me," said Christopher, 40, who works for a pharmacy-benefits company.

—Douglas Belkin contributed to this article.

## CORRECTIONS & AMPLIFICATIONS

**Helena-West Helena**, Ark., is a farming community on the Mississippi River. An Oct. 30 Personal Journal article

about main-street businesses incorrectly said the town is on the Mississippi River delta.

Readers can alert The Wall Street Journal to any errors in news articles by emailing [wsjcontact@wsj.com](mailto:wsjcontact@wsj.com) or by calling 888-410-2667.

### THE WALL STREET JOURNAL

(USPS 664-880) (Eastern Edition ISSN 0099-9660)  
(Central Edition ISSN 1092-0935) (Western Edition ISSN 0193-2241)

**Editorial and publication headquarters:** 1211 Avenue of the Americas, New York, N.Y. 10036

Published daily except Sundays and general legal holidays.

Periodicals postage paid at New York, N.Y., and other mailing offices.

**Postmaster:** Send address changes to The Wall Street Journal, 200 Burnett Rd., Chicope, MA 01020.

All advertising published in The Wall Street Journal is subject to the applicable rate card, copies of which are available from the Advertising Services Department, Dow Jones & Co. Inc., 1211 Avenue of the Americas, New York, N.Y. 10036. The Journal reserves the right not to accept an advertiser's order. Only publication of an advertisement shall constitute final acceptance of the advertiser's order.

**Letters to the Editor:** Fax: 212-416-2891; email: [wsj.ltrs@wsj.com](mailto:wsj.ltrs@wsj.com)

**Need assistance with your subscription?**

By web: [customercenter.wsj.com](http://customercenter.wsj.com); By email: [support@wsj.com](mailto:support@wsj.com)

By phone: 1-800-JOURNAL (1-800-568-7625)

**Reprints & licensing:**

By email: [customreprints@dowjones.com](mailto:customreprints@dowjones.com)

## ELECTION 2024

# A Tax Gamble Is About to Pay Off

Tuesday's results will help the GOP extend tax cuts that are set to expire

By RICHARD RUBIN

President-elect Donald Trump and his fellow Republicans stand within reach of gaining enough power to extend trillions of dollars in expiring tax cuts, and they are preparing to move quickly in 2025 if election results continue to go their way.

Republicans won control of the Senate early Wednesday and are in a strong position to retain the House. With full control of Congress, they could push through tax changes without needing Democratic votes, just as they did in 2017. Back then, they set the bulk of those tax cuts to expire after eight years—at the end of 2025—teeing up next year's debate and gambling that a future Congress would extend them. That bet is on the brink of paying off.

At a minimum, in a divided government, Trump and the new Senate Republican majority will be able to block tax increases and hold a firm negotiating position against a narrowly controlled Democratic House.

"Dramatic tax increases are off the table," said Rohit Ku-

mar, a former Senate GOP aide now at accounting firm PwC. "The idea that the corporate rate is going to 28% or even 25% no longer seems like a real thing."

U.S. stocks climbed Wednesday on hopes for deregulation and dissipating fears of tax hikes.

The election victories by Trump and congressional Republicans make survival more likely for most of the expiring Republican tax cuts—a higher standard deduction, bigger child tax credit, a 20% deduc-

Bipartisan Policy Center. "In the first 100 days, I think the outlook is a little murkier."

A complete extension would increase budget deficits by more than \$4 trillion over a decade, and Republicans would have to decide how much red ink they are willing to tolerate. Senate Republicans, generally, appear more willing to extend tax cuts without offsetting tax increases or spending cuts. House Republicans are less willing to do so.

"The deficit hawks, even if they only number in the single

home generators and touted a special tax rate for domestic manufacturers. And he said he would restore the state and local tax deduction, or SALT, which Republicans capped at \$10,000 in 2017.

Trump's newer proposals all increase the potential budgetary impact of the tax cuts, and many Republicans are wary of targeted tax-cut carve-outs and restoring the full state and local deduction. Republicans could address the 2025 expirations first, then push some of those issues into a subsequent

California are adamant that the \$10,000 SALT cap must be raised or repealed while others want to keep that limit as a way to curtail federal subsidies to those states.

"The SALT caucus becomes very mighty in the House," Lautz said.

Some Republicans, including Trump, have called for repealing many of the clean-energy tax breaks that Democrats created or expanded in 2022. But those credits are funding projects in Republican districts, and many GOP lawmakers are wary of full repeal.

To get a Republican-only bill through Congress, using the so-called reconciliation procedures, negotiators would have to agree on a budgetary target, vote on a budget and then write and pass a tax bill that hits that mark. They would, again, consider temporary extensions of many provisions because the reconciliation rules don't allow them to expand budget deficits beyond a 10-year period. Such a bill would require a simple majority in both chambers to pass.

A 52-48 Senate would make more moderate Republicans such as Susan Collins of Maine, Lisa Murkowski of Alaska and Todd Young of Indiana the pivotal votes. If the GOP takes a few more seats in uncalled races, they would have a larger cushion.

*'Dramatic tax increases are off the table. The idea that the corporate rate is going to 28%...no longer seems like a real thing.'*

Rohit Kumar, a former Senate GOP aide who is now at PwC

tion for some closely held businesses and a larger estate tax exemption. House Republicans leaders have been saying they would aim to move a tax bill within the first 100 days of the new Congress starting in January.

Still, even full Republican control wouldn't guarantee any particular outcome, and lawmakers would quickly face difficult choices.

"In calendar year 2025, they're very certain to get something" if they have full control, said Andrew Lautz, associate director of the economic policy program at the

digits, that will be enough to have leverage," Kumar said. "The administration is going to really have to put its shoulder to the grindstone to try to convince House and Senate Republicans to reach a common understanding."

If they sweep, Republicans would have to decide how to incorporate Trump's campaign-trail ideas, all of which add up to be nearly as big as extending the expiring tax cuts. Trump said he wanted to eliminate taxes on tips, Social Security benefits and overtime pay. He offered new deductions for car-loan interest and

bill. They also will have to grapple with the impact of any tariffs Trump imposes, which would raise revenue and, according to economists, raise prices on goods bought by middle-income households.

To chart their path on tax policy, Republicans will need to resolve internal philosophical differences. Some Republicans place a greater emphasis on increasing the child tax credit as a way of helping families while others are focused on driving down marginal tax rates to encourage investment.

House Republicans from New York, New Jersey and

## Fed Is Set For a Cut, But Future Path Is Uncertain

By NICK TIMIRAO

The Federal Reserve is widely expected to cut interest rates by a quarter-percentage point at its meeting that ends Thursday. The bigger question is how many more cuts officials expect will be warranted to preserve a solid job market without reversing recent declines in inflation.

Officials will be hard-pressed to offer any firm answers on that question because their reply will be some version of the following: It depends.

Here is a look at four questions officials face that illustrate why the Fed's ability to offer meaningful interest-rate guidance could be more limited:

**First**, does the election result lead to meaningful changes for economic demand or inflation that warrant a different policy path?

Officials won't change their policy approach until they can see what President-elect Donald Trump does with proposed changes to taxes, tariffs and immigration. But if Republicans also win control of both chambers of Congress, staff economists could begin to revise some of their underlying assumptions at the December meeting.

Transcripts from the Fed's December 2016 policy meetings show officials and staff economists engaged in robust debates over how to model the possibility of tax cuts. Trump had just won the election with majorities in both chambers of Congress.

**Second**, have jitters about job-market deterioration been overstated? When the Fed cut rates in September, the unemployment rate had ticked up to 4.3% in July from 3.7% at the beginning of the year. There was also a slowdown in the pace of job growth. Some economists feared the Fed might have held rates too high for too long, leading to unnecessary labor-market weakness. Those fears were amplified by a rule of thumb that says once unemployment starts to rise by a little bit, it typically rises by a lot more.

Since officials last met, those concerns have receded somewhat, but they haven't been extinguished. Job growth rebounded in September but was very soft in October, likely reflecting the effect of hurricanes and strikes. The unemployment rate fell to 4.1% in September and stayed at that level in October.

**Third**, where is inflation headed? Inflation based on the Fed's preferred index has been slowing. The index rose 2.1% in September from a year earlier. A separate measure of so-called core inflation that strips out volatile food and energy prices was 2.7%.

Core inflation has declined meaningfully from where it was in 2023, which is why the Fed has felt comfortable beginning to cut interest rates. But some officials could agitate for a slower pace of cuts if inflation progress appears to stall and the economy is humming along.

**Fourth**, what is the right level for rates, anyway? Officials are trying to bring rates back to a more "normal" setting after two years of rapidly increasing borrowing costs to fight inflation. But they don't know what constitutes a normal rate.

Before the 2008-09 financial crisis, many thought a normal or "neutral" level that neither spurs nor slows the economy might be around 4%. The benchmark federal-funds rate is currently in a range between 4.75% and 5%. But after the crisis and an extremely sluggish recovery, economists concluded that this normal or neutral level might have fallen to around 2%.

As the Fed moves rates lower, this question about the ultimate destination will become more urgent. If the economy is performing well, officials who think the neutral rate is higher might eventually want to slow down the pace of cuts to avoid overshooting neutral.



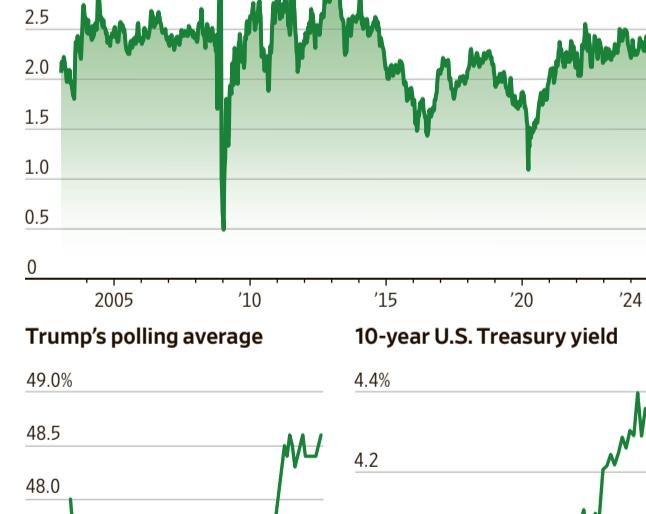
CAPITAL ACCOUNT | By Greg Ip

## The Economy Under Trump 2.0



A trader wore a hat in support of President-elect Donald Trump at the New York Stock Exchange on Wednesday.

Expected inflation in five to 10 years, based on spread between regular and inflation-indexed Treasury securities



Sources: Federal Reserve Bank of St. Louis (expected inflation); RealClearPolitics (polling); Tullett Prebon (Treasury)

The first years of Trump's first term were better for the economy than many expected on election night in 2016, and expectations could be similarly miscalibrated now. For one thing, he inherits a relatively benign outlook. Growth has been surprisingly strong while inflation has fallen substantially from its peaks. The Federal Reserve is set to trim interest rates Thursday for the second time this year. This should keep recession risks to a minimum.

As for Trump's own plans, he may not raise tariffs as much as threatened, opting for negotiations over trade war. Congress may water down his tax plans. Finally, presidents are seldom the main driver of economic performance. Trump's policies may have less to do with how the economy performs over the next four years than larger forces and unexpected events, such as a crisis, a war or a boom driven by new technology.

### Trade comes first

His first opportunity to make a mark will likely be on tariffs, where he can act without Congress's permission. Even so, administrative procedures and negotiations could delay implementation. In his first term, 11 months elapsed between initiation of the case against China and imposition of tariffs. Trump's first-term tariffs had no noticeable effect on inflation because they were relatively modest, and globally subdued demand and investment and slack labor

markets were pushing in the opposite direction. On the eve of his election, bond investors expected future inflation to average 1.8%, below the Fed's 2% target.

This time Trump has proposed much higher tariffs—at least 60% on China, and 10% to 20% on everyone else. Such a combination would lift U.S. tariff rates to their highest since the 1930s. And it would come when demand is brisk, supply chains are vulnerable to geopolitical conflict, and memories of inflation are fresh. Bonds see future inflation at 2.3%.

This suggests tariffs could pose more of an inflation risk than in his first term. Morgan Stanley estimates Trump's 60% and 10% plan would raise U.S. consumer prices 0.9%. That's a one-off effect: Eventually, inflation should fall back to its underlying trend.

But other factors could result in a smaller impact. Importers could absorb more of the tariff into their margins.

The dollar could rise, offsetting higher import prices. Most important, some advisers say Trump is using tariffs as a negotiating tactic to lower other countries' trade barriers, so actual tariff increases will be less than he has threatened. And if Trump sees tariff fears hurting stocks or pushing up interest rates, he may compromise.

### Then come taxes

Portions of the tax law that Trump and congressional Republicans passed in

2017, such as for lower rates for individuals and businesses who pay their taxes on their individual returns, expire at the end of 2025, and they have given priority to extending the law. That would cost about \$5 trillion over 10 years, the Committee for a Responsible Federal Budget estimates.

Full extension shouldn't have much effect on growth or interest rates because

that's already built into the behavior of investors and the public.

Not so with Trump's other proposals, which have at times included lower corporate tax rates; exempting tips, Social Security benefits and overtime pay from taxes; and deductions for car loan interest and state and local taxes. These proposals would, the CRFB estimates, add about \$4 trillion to the

deficit over 10 years.

Tariff revenue would reduce that cost somewhat, as would spending cuts, though Trump also plans some spending increases.

Still, lower taxes should provide some boost. Deutsche Bank estimates that a unified Republican government would boost growth by 0.5 percentage point in 2025 and 0.4 in 2026 without higher tariffs.

Tax cuts would also add to the deficit and put upward pressure on interest rates.

But with the last fiscal year's budget deficit at \$1.8 trillion, triple the level of eight years earlier, even a Republican Congress may not give Trump all he wants, such as exempting overtime and Social Security benefits from taxes.

Don Schneider, a former Republican congressional aide now at Piper Sandler, said: "There simply are not the votes to do that."

### Regulations

Trump has proposed lighter regulation, for example of mergers and of the oil-and-gas industry. These ought to boost growth and business confidence and hold down inflation. But economists think the effects are too difficult to identify in the broader economy.

Similarly, while Trump's plan to deport unauthorized migrants could, at the margin, raise wage and price pressure, the impact may not be noticeable given the size of the U.S. labor market.

## ELECTION 2024

# GOP Looks Set to Keep Grip on House

Sweep of Congress by Republicans would give Trump's agenda a glide path

By SIOBHAN HUGHES AND KATY STECH FEREK

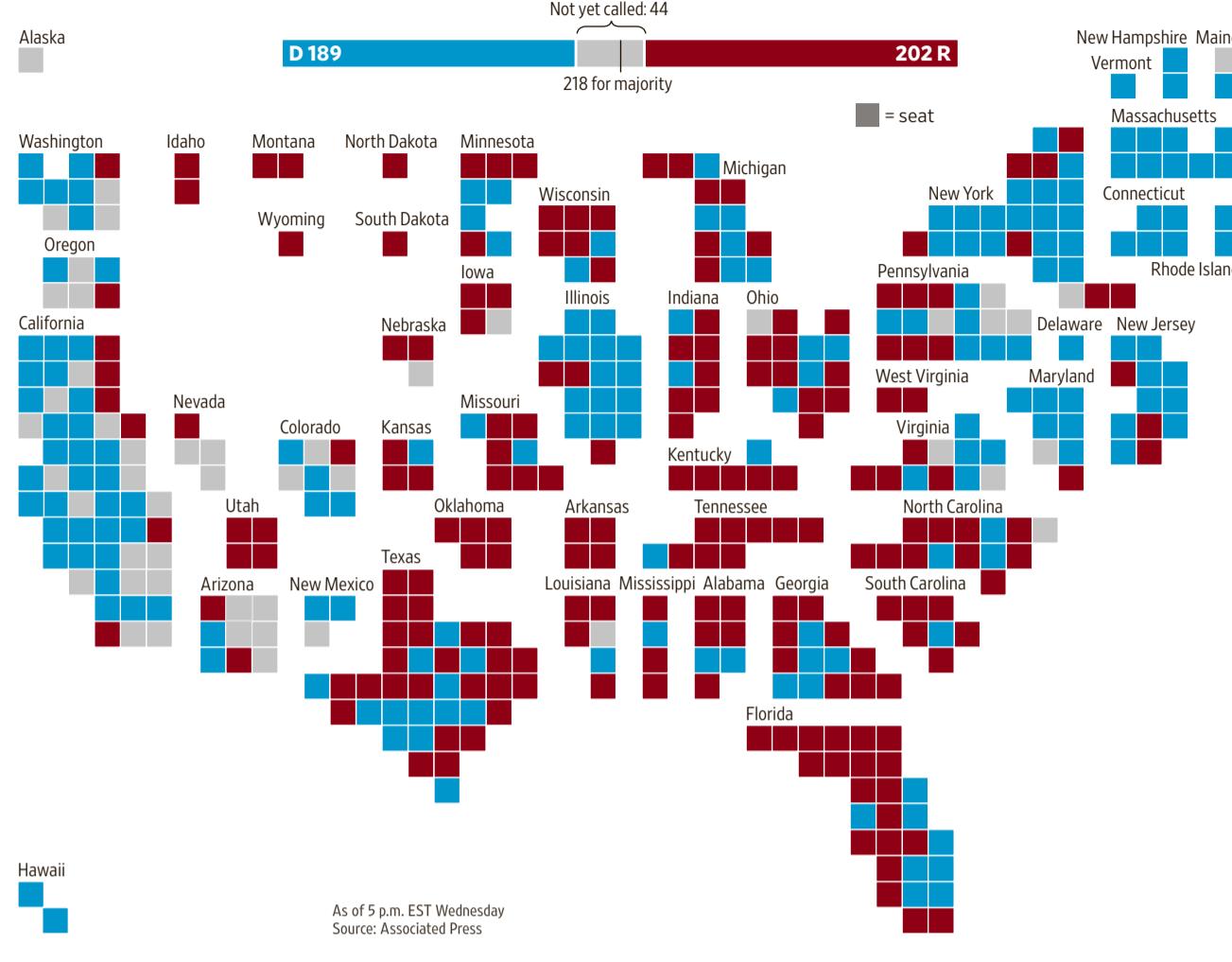
**WASHINGTON**—Republicans seized control of the Senate and looked in position to narrowly keep power in the House, setting President-elect Donald Trump up to more easily confirm nominees and muscle through key priorities on taxes and other issues.

In the Senate, the GOP flipped Democratic seats in West Virginia, Montana and Ohio. Democrats successfully defended their seats in Wisconsin and Michigan, while races were too close to call in three battleground states that President Biden won in 2020 by less than 3 percentage points: Arizona, Nevada and Pennsylvania. The results gave Republicans 52 seats as of Wednesday afternoon, reversing Democrats' current 51-49 advantage.

In the House, Democrats' path to take back control narrowed as Republicans outperformed expectations on the strength of Trump's ability to make inroads among working-class Black and Latino voters, especially men, supplementing his support among white working-class voters. Democrats' hopes for a slew of pickups in California didn't materialize, greatly tempering their hopes of flipping the House, which Republicans currently control 220-212 with three vacancies.

Heading into Election Day, Republicans had been favored to win in the Senate, although they had declined to express confidence about large gains, and the narrowly divided GOP-led House had been seen as a tossup. But by Wednesday morning, Republicans had won

## U.S. House of Representatives



more seats than needed for Senate control.

Senate Minority Leader Mitch McConnell (R., Ky.) took a victory lap, calling it "a helluva good day" while praising the high-caliber Republican candidates that he and other Senate leaders recruited to run.

In the House, the GOP had blocked some of Democrats' pathways to victory, although dozens of races remained too close to call.

"Everybody's fed up and fired up," said House Speaker Mike Johnson (R., La.) at a

watch party in Shreveport, La., on Tuesday. "They're fed up about the cost of living, and the rising crime rates and the wide open border and the weakness on the world stage."

He said Wednesday morning that, as more election results come in, Republicans were in a position to control both chambers and the White House.

House Minority Leader Hakeem Jeffries (D., N.Y.) projected optimism in the races that remained too close to call, laying out a pathway to capturing the majority that in-

cludes winning districts represented by Republicans in Arizona, Oregon, Iowa and California.

"As a result of the enduring strength of our battle-tested incumbents, critical open seat holds in Virginia and Michigan, victories in Alabama and Louisiana and flipping four Republican-held seats in New York this year, the House remains very much in play," he said in a statement.

In the Senate, Democrats were still hopeful of eking out a win in Nevada and hadn't written off keeping hold of

Pennsylvania.

In the House, Democrats ran strong races in New York, flipping two GOP-held seats, but had conceded two races in Pennsylvania and were at risk of losing more seats in California and Alaska. With Trump winning in at least five of the battleground states, Democrats had needed to outperform Kamala Harris at the top of the presidential ticket to survive a battery of GOP attacks over inflation, the border and transgender athletes' playing in women's sports.

The Cook Political Report,

an independent elections analyst service, said it was likely that Republicans would also win the House. "If there's a throughline for the last decade of elections, it's the stealth Donald Trump vote," wrote analysts at the Cook Political Report. "At this point, the most likely outcome is a GOP trifecta, including a continued narrow Republican House majority."

Democratic Sens. Jon Tester of Montana and Sherrod Brown of Ohio, who each have held their seats for three terms, were ousted by wealthy political newcomers, while Democrat Bob Casey of Pennsylvania, another three-term senator, was at risk. Both Tester and Brown are the last Democrats remaining in their states to hold statewide office and had been seen as the lone figures able to withstand the rising tide of Trump-style populism in their states.

In a statement, a Casey aide said that "there are more votes that need to be counted in areas like Philadelphia and it's important that every legal ballot will be counted. When that happens we are confident the Senator will be re-elected."

As of Wednesday morning, Democrats had picked up three Republican-held districts, unseating Reps. Brandon Williams and Marc Molinaro in central New York, according to the Associated Press. Democrat Shomari Figures won an Alabama seat after redistricting tipped it in the party's favor. Rep. Susan Wild (D., Pa.) conceded her race on Wednesday morning, though that race hadn't been called by AP.

Republicans, meanwhile, won three seats in North Carolina as a result of redistricting. They also flipped a central Michigan seat left vacant by Rep. Elissa Slotkin, a Democrat who ran for a Senate seat.

# How Republicans Regained Control of the Senate

Wins in Montana, Ohio and West Virginia gave the GOP a majority that could continue to grow

By ANTHONY DEBARROS, NATE RATTNER AND EMMA BROWN

Republicans gained control of the U.S. Senate by flipping seats in Montana, Ohio and West Virginia, enjoying broad-based gains across cities, suburbs and rural areas and retaking counties that Democrats had won in the prior Senate election in 2018.

Each state contest held its own story. In Montana, incumbent Democrat Jon Tester gave up a must-win county that helped fuel his success in three contests starting in 2006. In Ohio, Republican Bernie Moreno poured \$4.5 million of his own money into his campaign to help beat incumbent Sen. Sherrod Brown and

gained votes across rural areas and small towns.

Republicans, meanwhile, beat back threats in Texas and Nebraska as incumbent Sens. Ted Cruz and Deb Fischer staved off well-financed opponents.

More gains could be coming. As of Wednesday evening, Republicans held 52 Senate seats, and tight races in Pennsylvania and Michigan could add to their majority.

A look at how and where Republicans flipped the Senate, based on shifts in the county-level winning vote totals and margins between 2018 and 2024:

## Outlook of the Senate: How the Republicans are Getting Control

Democrats

44

28 SEATS NOT UP FOR RE-ELECTION

14 WON

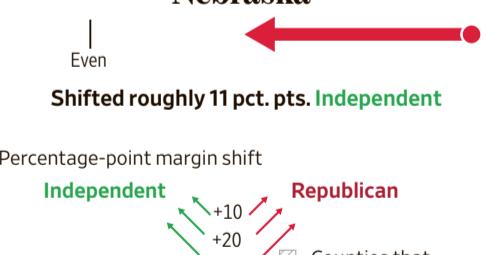
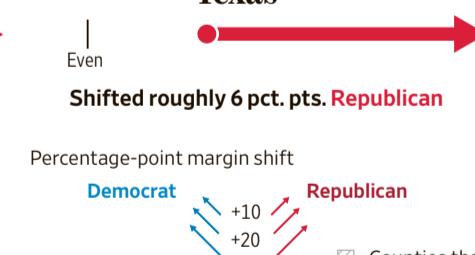
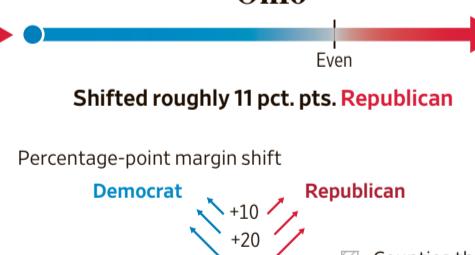
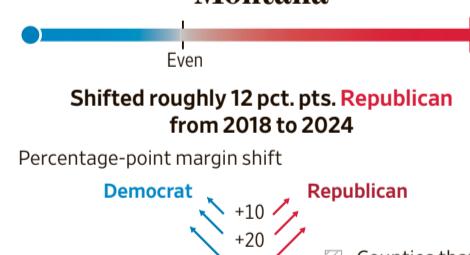
10 WON

38 NOT UP FOR RE-ELECTION

Republicans ✓52

Most competitive races heading into the election

<sup>a</sup>Maine also remains to be called as of Wednesday 4 p.m. EST



Since 2000, no Democrat had won a Senate election in Montana without winning Cascade County, home to Great Falls. That held true for three-term incumbent Jon Tester—until he lost Cascade and the state to Republican businessman Tim Sheehy. In 2018, Tester won Cascade by 5.5 percentage points. As of Wednesday morning, Sheehy had flipped Cascade, leading Tester by nearly 7 points.

The total margin shift in Montana—the difference between GOP/Democrat winning margins in 2024 and 2018—moved 12 percentage points toward the Republican side. And Sheehy's performance went well beyond Cascade, exceeding GOP totals from the 2018 Senate election in every county where votes had been largely counted as of Wednesday.

Wealthy former car-dealership owner Bernie Moreno, fueled by a Donald Trump endorsement, gained votes across a swath of the Buckeye State—especially in rural areas, small towns and small to medium metro areas. Overall, the state shifted 11 points toward the GOP compared with the 2018 Senate contest.

While beating incumbent three-term Democratic Sen. Sherrod Brown on Tuesday, Moreno flipped eight counties from blue to red. They included Mahoning, home of Youngstown, where Moreno erased Brown's 2018 victory margin of 21 percentage points.

In one of the most expensive Senate races this cycle—both candidates raised more than \$80 million—incumbent GOP Sen. Ted Cruz expanded his winning margin by about 6 percentage points over 2018 to hold off Democratic Rep. Colin Allred.

Cruz flipped 13 counties to red from blue on Tuesday, including Nueces, home of Corpus Christi. Five of those 13 are along the U.S./Mexico border.

A longshot challenge by independent candidate Dan Osborn led to an unexpectedly tight race in Nebraska, where incumbent Republican Sen. Deb Fischer found her winning margin reduced by 11 percentage points compared with a decisive win in 2018.

Osborn cut Fischer's winning margin in all but two of Nebraska's 93 counties, but not enough to win. Fischer's victory kept the GOP on track to flip the Senate.

## ELECTION 2024

# Harris Campaign Misread Electorate

Voters cared more about immigration and economy than Trump's flaws

Kamala Harris's advisers couldn't believe their luck.

Heading into Election Day, Donald Trump kept making controversial comments they thought would play right into

*By Tarini Parti,  
Annie Linskey and  
Ken Thomas*

their strategy of showing voters he was unfit for another term. They were optimistic the vice president was on the precipice of victory in a race they viewed as on a knife's edge.

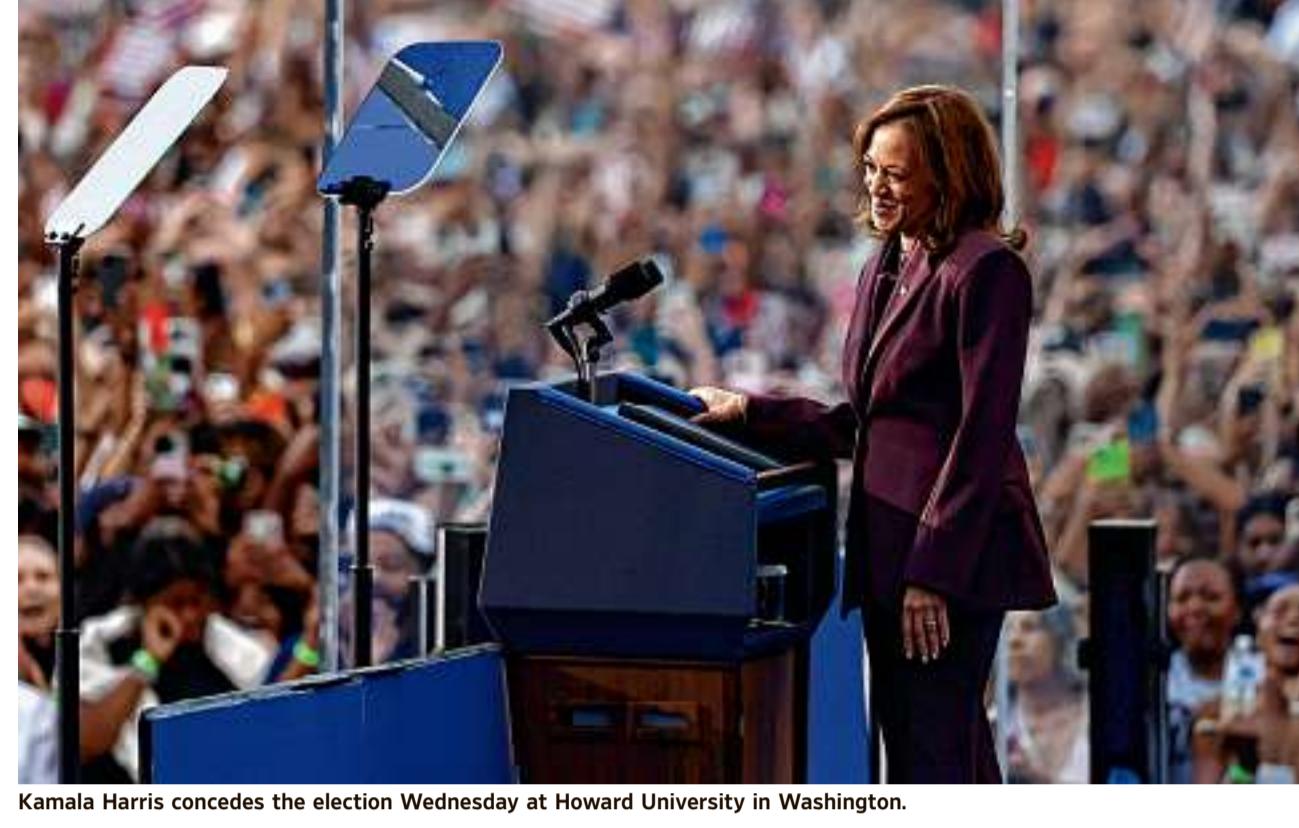
Instead, their optimism was a sign of how badly the Harris campaign misread an electorate that was more wound up about inflation and immigration than about Trump's character.

Trump batted away Harris's attacks and lured voters who believed the country was on the wrong track and blamed President Biden. Harris's deeply unpopular boss. Her inability to separate herself from him and offer her own specific solutions to Americans' problems, despite a lavish campaign war chest, was a central reason for her loss.

More broadly, the party erred in failing to plan a smooth transition from Biden's presidency to the next generation of younger leaders despite his pledge to do so. Thrusting Harris atop the ticket in July left her campaign ill-prepared to compete against an opponent with a firm grip on the electorate.

In a 15-week campaign, Harris's advisers knew from the start the fundamentals of the race were against her, but they eventually came to believe that bringing into focus Trump's character was the only way to neutralize her headwinds.

Voters' discontent with the direction of the country—in-



Kamala Harris concedes the election Wednesday at Howard University in Washington.

nalists and podcast hosts who were generally friendly to her candidacy, but even those exposed her liabilities. Chief among them was her interview last month on "The View," where she said she wouldn't have done anything differently from the president. Even when she came up with an answer later in the interview—that she would have put a Republican in the cabinet—it failed to show a break from the president.

Harris's advisers rushed to create an economic platform that would ease voters' concerns about the economy, with polls showing it as the No. 1 issue.

Where Biden focused on jobs, Harris would emphasize prices, pitching a federal ban on price gouging, helping first-time home buyers with their down payment and more support for small-business owners. Instead of touting the administration's economic agenda, she empathized with voters' frustration. But in poll after poll, voters continued to give Trump the edge on the economy.

Inside her campaign, Harris's advisers had lengthy debates about whether her policy plans should be more detailed and more expansive. They ultimately decided to gloss over many of the details, reasoning that voters wanted a big-picture vision, not wonky white papers.

But some of her advisers acknowledged that was a strategic mistake. Voters, many of whom said they didn't know enough about Harris, wanted more information about how she would govern.

As Democrats searched for answers after her devastating loss, Harris told supporters at her concession speech on Wednesday to look ahead and not give up. "I'm so proud of the race we ran," she said.

*—Emily Glazer, Maggie Severson, Andrew Restuccia and Siobhan Hughes contributed to this article.*

## Abortion Rights Gain Ground But Lose Some Electoral Force

By LAURA KUSISTO  
AND JENNIFER CALFAS

Abortion rights met their limit as an electoral force on Tuesday. Voters enshrined broad protections for the procedure across seven states, including Arizona, Montana and deep-red Missouri, but that enthusiasm failed to translate into broader Democratic wins.

Since the Supreme Court overturned Roe v. Wade two years ago, the issue has been a rare bright spot for Democrats, even as voters expressed hunger for change and frustration with the border and the economy.

It helped propel the party to better-than-expected results in the 2022 midterms and, in prior ballot-measure fights, voters showed strong bipartisan support for abortion access in states as diverse as Ohio, Michigan and Kansas.

Tuesday's story was a more sobering one for Democrats. Abortion was on the ballot in 10 states, where large numbers of voters supported broad protections for the procedure, even as they voted for Donald Trump. Among those who said they think abortion should be legal in all or most cases, some 30% voted for Trump, according to an AP VoteCast survey, a large survey of people who voted in the election.

"This is a very mixed result. I have some cognitive dissonance here because we saw enormous support for reproductive rights... juxtaposed with a really disappointing national result," said Deirdre Schifeling, chief political and advocacy officer for the American Civil Liberties Union.

In Missouri, Trump won 58.5% of the vote, while the state voted in favor of a constitutional amendment protecting abortion rights. In Arizona and Nevada, similar ballot measures passed with more than 60% support—numbers more lopsided than any previous abortion referendum since Roe was overturned—yet Trump was ahead in both states on Wednesday by healthy margins.



Supporters of Florida's measure reacted after its defeat.

In Florida, abortion-rights groups poured more than \$100 million into an effort to overturn an unpopular six-week ban in that state and the measure drew support from 57% of voters on a night when Trump won the state by double digits. But the ballot initiative failed despite the strong support, because it needed to clear a 60% threshold to win. The other two measures that failed came from South Dakota and Nebraska.

Antiabortion groups said Tuesday's results showed that voters saw liberals' agenda led by Kamala Harris and Tim Walz went 'all in' on abortion as their number one issue," Susan B. Anthony Pro-Life America President Marjorie Dannenfelser said. "Americans have rejected the Democrats' no-limits abortion agenda."

Voters ranked abortion as their third-most important issue, according to the AP VoteCast survey, but that trailed significantly behind the economy and immigration. Harris also garnered less robust support among women than President Biden did in 2020, according to those results.

Trump, whose three Supreme Court appointments in his first term helped seal Roe's downfall, sought to minimize abortion's role in the campaign by saying the issue was now a matter for the states. His efforts to find a middle

ground were often fumbling, and he sometimes angered his allies in the antiabortion movement, who publicly agonized over whether to vote for him.

The strategy, however, appears to have accomplished Trump's goal of giving voters who favored abortion rights enough assurance to cast a vote for him based on other issues.

"Clearly Trump was not viewed as a threat to abortion rights by enough voters, which is mind boggling," Tom Bonier, a Democratic political strategist, wrote on X.

Abortion is still widely protected in most states around the country, while it is significantly restricted in 16 others. That state-by-state patchwork is likely to remain, but the president can shift policy in ways that could have nationwide effects on access. For example, the country has seen a huge surge since Roe fell in women ordering abortion pills online without seeing a doctor in person. Antiabortion groups are pushing Trump to curtail that practice.

*—Aaron Zitner  
contributed to this article.*

**See In-Depth Graphics**  
 Scan this code for more on how states voted on the abortion measures.



### BIRDS OF A FEATHER MEIJI GILT BRONZE

*Monumental design. Prestigious artisan. Intricate details.*



These lifelike fowl on a driftwood base are magnificently rendered in gilt and silvered bronze with exquisite detail. The sculpture was crafted during the Meiji period by the famed former swordmaker Ishiguro Masatsune, an esteemed craftsman of the renowned Ishiguro metalworking family. Circa 1890. Signed "Masatsune" on stand. 58½" h x 23" w x 37" d. #31-8424



Learn more about this sculpture

**M.S. Rau**  
FINE ART • ANTIQUES • JEWELS

622 Royal Street, New Orleans, LA • 888-867-9583 • ws@mrau.com • mrau.com

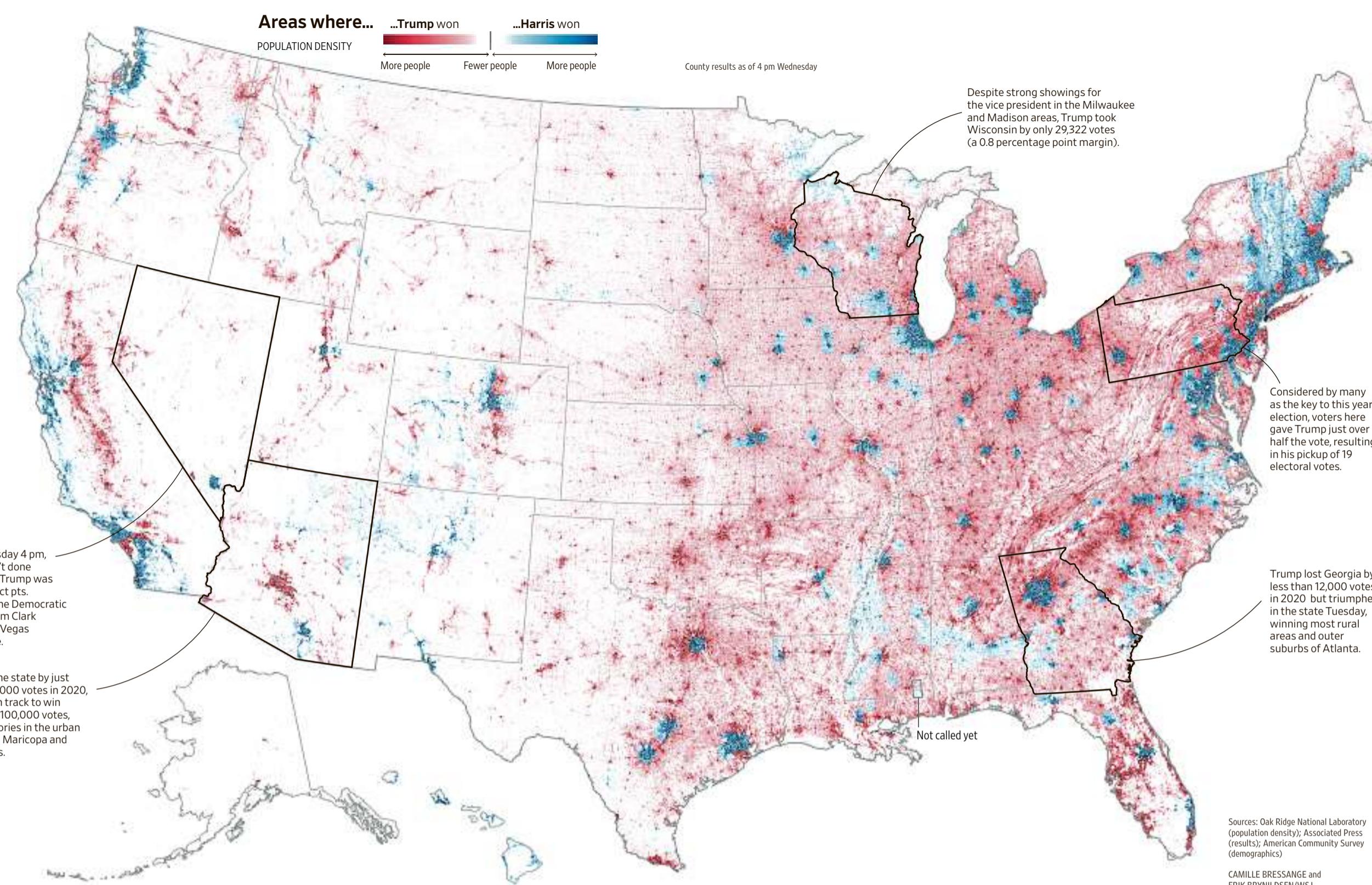
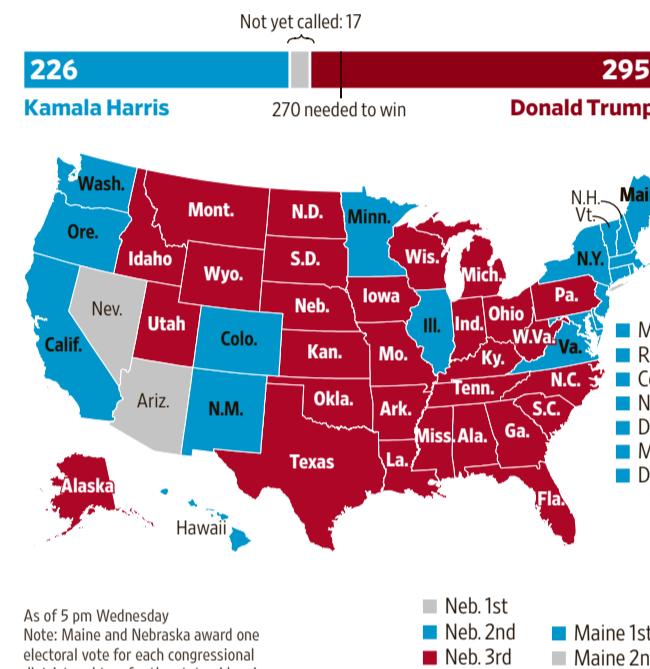
Since 1912, M.S. Rau has specialized in the world's finest art, antiques and jewelry. Backed by our unprecedented 125% Guarantee, we stand behind each and every piece.

## ELECTION 2024

# Trump's comeback victory was spurred by wide, deep support

Compared with his performance in 2020, Donald Trump gained ground in counties with the highest share of younger voters, as well as parts of the country with the most nonwhite voters. Trump's performance in suburban counties bounced back from the 2020 presidential contest, and he further strengthened his support among white voters without college degrees.

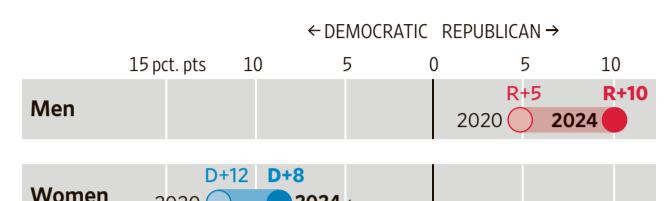
## Electoral vote count



## Shifts in key voter groups from 2020 to 2024

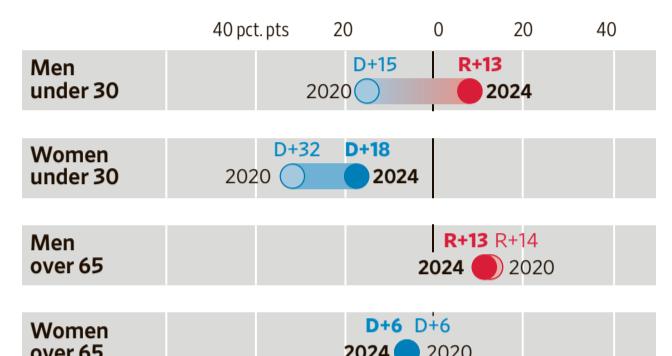
As of 5 p.m. Wednesday

## Men and women

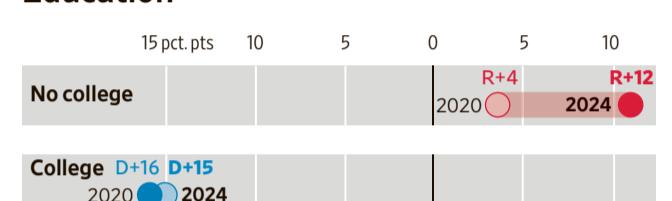


Trump's lead with men increased by 3 pct. pts from his last run in 2020.

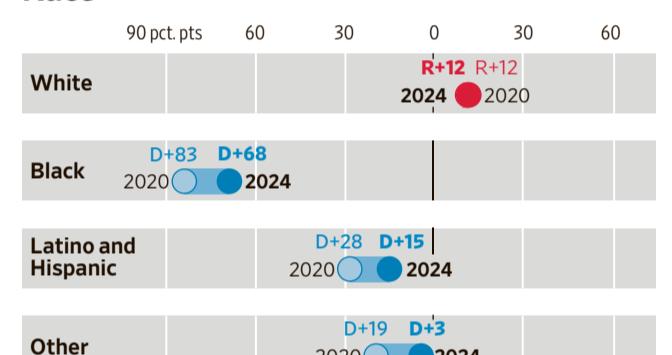
## Men and women by age



## Education



## Race

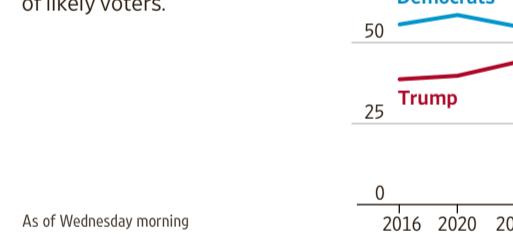


## How Trump Gained Ground Across the Country

What three cycles of election results show about Trump's strengths and weaknesses across several demographic segments of the country

By Max Rust, Peter Champelli and Anthony DeBarros

**Younger voters**  
 In a decisive victory, Donald Trump grew his coalition of non-white and male voters in an election where the economy prevailed as the most important voter issue. He further cemented himself as the candidate of the working class, capturing 55% of voters without a college degree, an increase from 51% in 2020, according to the AP VoteCast pre-election survey of likely voters.

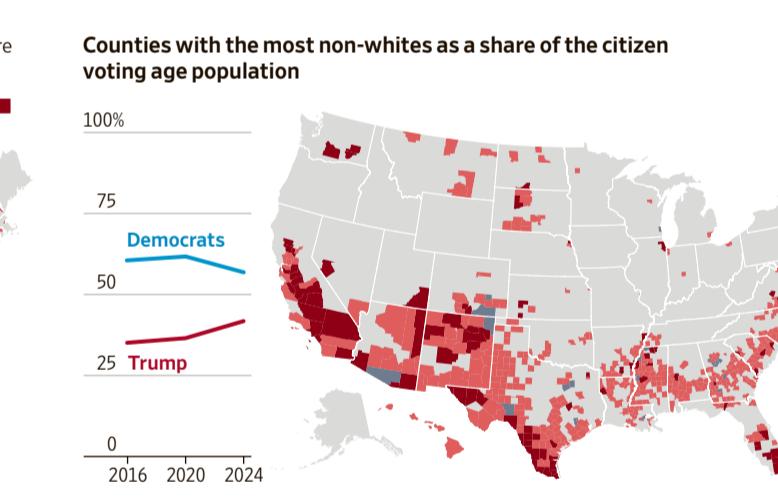


As of Wednesday morning

2016 2020 2024

## Nonwhite voters

Trump also gained ground in parts of the country with the most nonwhite citizen voting-age residents, exceeding 40 percent for the first time.



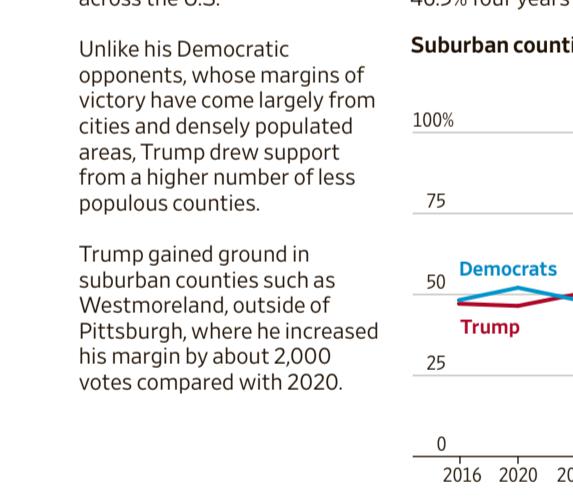
2016 2020 2024

## Suburban voters

Just as he did in 2016 and 2020, Donald Trump on Tuesday won or was leading in majority of the more than 3,000 counties across the U.S.

Unlike his Democratic opponents, whose margins of victory have come largely from cities and densely populated areas, Trump drew support from a higher number of less populous counties.

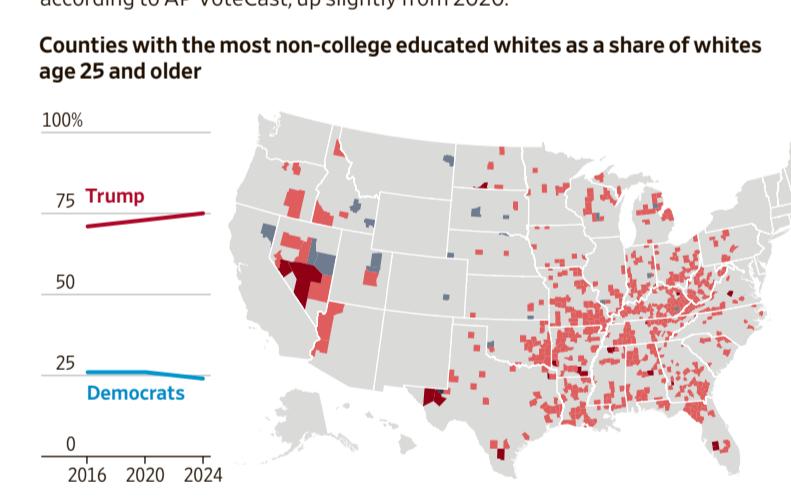
Trump gained ground in suburban counties such as Westmoreland, outside of Pittsburgh, where he increased his margin by about 2,000 votes compared with 2020.



2016 2020 2024

## White non-college voters

White voters without college degrees have consistently made up a large percentage of Trump's base. In areas with the highest share of these voters, Trump gained two percentage points in 2020. In 2024, he added two more points, winning 75%. Nationally, 64% of non-college educated whites voted for Trump, according to AP VoteCast, up slightly from 2020.



2016 2020 2024

## Working-Class Appeal Spans Races

By AARON ZITNER

Among those surveyed, Trump won noncollege voters of all racial backgrounds by 12 percentage points over his Democratic opponent, compared with a 4-point edge in 2020. Vice President Kamala Harris slipped by 1 point among college-educated voters when compared with her party's 2020 showing, winning them by 15 points.

Together, the movement toward Trump among minority and noncollege voters of many racial groups suggested an important change in America's political divisions: While we are becoming less divided by race and ethnicity, the nation's largely metropolitan professional class and its working class have moved farther apart.

The broadened base of noncollege voters boosted Trump.

## A broadened base of noncollege voters boosted Trump.

"What we're sitting in is a realignment across the country, moving to the right, among less-college voters," said Micah Roberts, a Republican pollster. He noted the Democrats' edge in party affiliation, which stood at 9 points in 2012, according to Wall Street Journal/NBC News polling, had become a 1-point deficit this year. That change was driven in large

part by working-class, white men, Roberts said, "but also they're now bringing along with them Black and Latino men" who don't have a college degree.

After Trump's loss in the 2020 election, some Republicans found a silver lining: In winning 11 million more votes than four years earlier, he had drawn more working-class voters to the party. In a memo titled, "Cementing GOP as the Working-Class Party," then-Rep. Jim Banks of Indiana argued that 79% of mechanics and 59% of custodians had voted for Trump, while 94% of college professors and 73% of bankers had donated to then-candidate President Biden. This division was a "political gift" from Trump that the party could build on.

Banks argued that Hispanic voters would favor Trump's tough policies to stop illegal immigration, and that both Black and Hispanic voters opposed transgender-friendly policies.

The shift could have important ramifications for the agenda of both parties. If the preliminary VoteCast numbers

hold, Democrats will have to decide whether their best course is to move to the political center on some progressive causes in an attempt to recapture some of the defecting voters, or whether the better course is to try to energize the conservative base. Democrats will also have to sort through why the party gained no benefit from three big pieces of legislation passed early in Biden's term that triggered investments in infrastructure, semiconductor plants and other construction. Biden spent months traveling the country touting the creation of jobs that pay "over \$100,000 a year, and you don't need a college degree."

The figures pointed to another fault line: a big difference in the political outlook of men and women. It is not clear that the gender gap has grown, as both men and women shifted toward the Republican Party, the VoteCast results showed.

But there was an explosive change among voters under 30. While young women remained solidly Democratic, though significantly less so than in 2020, young men shifted dramatically to the right. Biden in 2020 won 18-year-old young men under 30 by 15 points, VoteCast found. On Tuesday, Trump won them by 13 points.

The shift could have important ramifications for the agenda of both parties. If the preliminary VoteCast numbers

## Trump Triumphs Again

Continued from Page One

Trump won a Senate majority and looked in position to narrowly keep power in the House.

On the campaign trail, Trump asked voters to consider if they were better off under his first presidency as Harris, the vice president, struggled to distance herself from an unpopular Biden during a combative and expensive campaign that exposed the nation's deep partisan divisions.

In his third consecutive White House bid, Trump often pushed dark rhetoric and repeatedly threatened retribution for his political enemies as he sought to project strength to an electorate hungry for change.

The victory cements Trump as a historic political figure who prevailed despite a brash and unfounded claims of election fraud that alienated many, proving his 2016 victory over Democratic nominee Hillary Clinton wasn't a fluke.

"This is a magnificent victory for the American people," Trump said in a celebration in West Palm Beach, Fla., early Wednesday.

He thanked voters for sending him back to the White House and said he would fight for every citizen, repeating his campaign pledge to strengthen the economy and address other priorities.

"While I concede this election, I do not concede the fight that fueled this campaign," she said.

Trump, 78 years old, who rose

to fame as a New York real-estate



WALES DIAZ FOR WSJ

of Wednesday, he was projected to be the winner in the battlegrounds of North Carolina, Georgia, Pennsylvania, Michigan and Wisconsin; he held advantages in Nevada and Arizona. Trump had 292 electoral votes. Trump also won strong support among working-class voters.

Harris struggled to pull together the diverse coalition that elected Biden in 2020, and she was weighed down by negative views of the economy under the Biden administration.

Harris made it a more competitive race when she assumed the Democratic nomination after Biden's decision to drop out following a faltering performance in a debate with Trump. The former president had held a commanding lead in polls over Biden, but Harris, looking to become the first woman to hold the nation's highest office, quickly narrowed the gap.

Trump benefited from a sour voter mood, despite low unemployment. In the final

Wall Street Journal poll before the election, almost two-thirds of voters said the nation was headed in the wrong direction. While the rate of inflation has been coming down, its pain provided a long hangover that boosted Trump and hurt Harris.

Over the course of his nearly decade on the national political stage, Trump reshaped the GOP's tone, making it more populist and less tied to the traditional conservative ideals of fiscal discipline and national-security hawkishness.

His victory throws the election-interference charges and another federal case into doubt as Trump could follow through on a threat to fire special counsel Jack Smith and have the

prosecutions dropped.

The win is likely to throw a wrench into Trump's sentencing later this month in Manhattan, and is expected to hamper a Georgia prosecutor's efforts to pursue racketeering charges alleging that Trump engaged in a criminal conspiracy to overturn the state's 2020 election results.

The former president secured his win by tapping into strong support in rural America, as he did in his first win. As

investment in time and money by Elon Musk, the Tesla chief executive, who campaigned with Trump, donated at least \$118 million and is expected to get a role helping the new administration costs.

Both candidates closed their campaigns on messages infused with fear. Harris called Trump a "fascist," highlighted former aides who said he shouldn't again be allowed in the Oval Office and argued he had hurt women's reproductive health because of the Supreme Court appointments of his first term.

Trump's arguably strongest appeal echoed Ronald Reagan's "I'd like to begin by asking a very simple question," he started at Oct. 27 speech at Madison Square Garden in New York City.

"Are you better off now than you were four years ago?"

On the stump, Trump used harsh, often derogatory language that some Republicans feared would make it more challenging for him to win over those outside his base. His campaign faced backlash even from Republicans for the Madison Square Garden event, during which some speakers made racist, sexist or otherwise derogatory comments about Harris, Democrats, Puerto Ricans and immigrants. Such rallies provided much fodder for his critics, but they were his most popular.

As he did during his first term, Trump painted a bleak picture of the nation's trajectory, casting himself as the only one able to fix it. He said he could solve many of the nation's problems in short order—sometimes with a phone call. In his first administration, that often didn't prove to be the case.

Trump has said he would push through tariff tariffs to get better trade deals and influence the foreign policy of other nations. During his previous term, his aggressive approach toward China was underscored by tariffs that plunged the two nations into a trade war.

Catherine Lucey contributed to this article.

## ELECTION 2024

# Mystery ‘Trump Whale’ Made His Bet Pay Off

By ALEXANDER OSIPOVICH

The mystery trader known as the “Trump whale” is set to reap nearly \$50 million in profit after running the table on a series of bold bets tied to the presidential election.

Not only did he see Donald Trump winning the presidency, he wagered that Trump would win the popular vote—an outcome many political observers saw as unlikely. “Théo,” as the trader called himself, also bet that Trump would win the “blue wall” swing states of Pennsylvania, Michigan and Wisconsin.

Now, Théo is set for a huge payday. He made his wagers on Polymarket, a crypto-based betting platform, using four anonymous accounts. Although he has declined to share his identity, he has been communicating with a Wall Street Journal reporter since an article on Oct. 18 drew attention to his bets.

In dozens of emails, Théo said his wager was essentially a bet against the accuracy of

Théo was in an upbeat mood. He said he woke up in the middle of the night in France to monitor the returns.

“I am very happy and confident for my bet!” he wrote after Trump’s strong showing in Florida boded well for his long-shot bet on the popular vote.

In messages sent privately to a reporter before Election Day, Théo predicted that Trump would take 49% or 50% of all votes cast in the U.S., beating Harris. He also predicted that Trump would win six of the seven battleground states.

As of Wednesday afternoon, analysts were projecting that Trump would win the popular vote, with nearly 72 million votes to Harris’s 67.1 million, although millions of ballots had yet to be counted in California and other states.

Betting markets regarded it as a near-certainty that Trump would win the popular vote.

Trump is also favored to win all seven swing states,

Trump bets using his own money, with an eye toward making a big profit, and he had “absolutely no political agenda.” The Journal was unable to determine whether these statements are true. Nor could the Journal rule out links between Théo and any political organization or Trump allies.

In his emails and a Zoom conversation with a reporter, Théo repeatedly criticized U.S. opinion polls. He was particularly critical of polls conducted by mainstream-media outlets that, in his view, were biased toward Democrats and tended to produce outlier poll results that favored Harris.

“In France this is different! The pollster credibility is more important: They want to be as close as possible to the actual results. Culture is different on this,” he wrote.

Théo shared a table of numbers he had compiled based on RealClearPolitics polling averages, showing that Trump had overperformed his swing-state polling numbers in 2020. Given the tight polls in swing states in 2024, Théo reasoned that a similar overperformance by Trump would easily push him into the lead.

Polls failed to account for the “shy Trump voter effect,” Théo said. Either Trump backers were reluctant to tell pollsters that they supported the former president, or they didn’t want to participate in polls, Théo wrote.

To solve this problem, Théo argued that pollsters should use what are known as neighbor polls that ask respondents which candidates they expect their neighbors to support. The idea is that people might not want to reveal their own preferences but will indirectly reveal them when asked to guess who their neighbors plan to vote for.

## ELECTION 2024



JACQUELYN MARTIN/ASSOCIATED PRESS

Special counsel Jack Smith is weighing how to end two federal prosecutions against President-elect Donald Trump. Justice Department policy doesn’t allow a sitting president to be indicted.

## Special Counsel Prepares to End Prosecutions

Special counsel Jack Smith is evaluating how to wind down his two federal prosecutions against Donald Trump before the president-elect takes office, said people familiar with the matter.

Justice Department officials acknowledge Smith’s prosecutions can’t go forward after Jan. 20, given longstanding policy against indicting a sitting president. Trump has vowed to fire Smith as one of his first acts, which would effectively end the cases.

Smith charged Trump with illegally holding on to classified documents after he left the White House in 2021, a case that U.S. District Judge Aileen Cannon, a Trump appointee, dismissed this summer. Smith also charged Trump with trying to undo his 2020 election loss, a case weakened by the Supreme Court’s ruling that presidents have sweeping immunity from prosecution for acts they take while in office.

—Sadie Gurman

## Texas, California Counties Back Tax for Child Care

Voters in counties in Texas and California approved measures to fund child care through higher taxes in Tuesday’s election, although a similar measure was struck down in St. Paul, Minn.

Nearly 60% of voters in Travis County, which encompasses most of Austin, voted in favor of a proposition to raise property taxes to increase access to affordable child care, according to unofficial county election results.

In Sonoma County, Calif., nearly 61% of voters approved a measure to establish a quarter-cent sales tax to fund early child care and other resources for children.

Some of those measures have failed at the ballot box. Roughly 60% of voters in St. Paul on Tuesday rejected introducing a property-tax levy aimed at providing early-learning subsidies to low-income families in the Minnesota capital, according to unofficial election results.

—Harriet Torry

## Some Supreme Court Justices Could Retire

Donald Trump’s capture of the White House and GOP control of the Senate eases pressure on the Supreme Court’s conservative supermajority, whose decisions including the elimination of abortion rights and the expansion of presidential power infuriated Democrats into calling for an overhaul of the institution.

For one, the certainty that any vacancies would be filled with a Trump-approved replacement opens the door for the eldest members of the court to step down without risking conservative power.

Justice Clarence Thomas, 76 years old, has served since 1991; Justice Samuel Alito, 74, joined in 2006.

Neither has publicly expressed an interest in retirement, but the example of liberal Justice Ruth Bader Ginsburg, who resisted calls to step aside during President Barack Obama’s term while Democrats held the Senate, looms large over the court.

—Jess Bravin

*I am very happy and confident for my bet!*

**Théo, after Trump’s Florida results early Tuesday night**

polling data. Describing himself as a wealthy Frenchman who had previously worked as a trader for several banks, he told the Journal that he began applying his mathematical know-how to analyze U.S. polls over the summer.

He concluded the polls were overstating support for Vice President Kamala Harris. Unlike most armchair political commentators, he put his money where his mouth was, betting more than \$30 million that Trump would win.

As the election results began to roll in Tuesday evening,

betting markets show. The one state where Théo thought Harris might win, Michigan, was called for Trump on Wednesday.

The Journal has confirmed that Théo is the trader behind the Polymarket accounts that were systematically purchasing wagers on a Trump victory.

Polymarket has corroborated some parts of his story, saying that the individual behind the bets was a French national with extensive trading experience and a financial-services background.

Théo said he placed the

# AGING GROWS EXPERIENCE, NOT MEMORY LOSS.

Some things come with age.  
Some others don’t.

Learn the warning signs of Alzheimer’s.

10signs.org

ALZHEIMER’S ASSOCIATION®

## ELECTION 2024

# Trump Pressed to End the War in Ukraine

Advisers have different versions of a plan to effectively freeze current lines

By ALEXANDER WARD

**WASHINGTON**—Donald Trump's promise to end the war in Ukraine by Inauguration Day puts him in a position of having to choose between competing proposals from advisers united by a common thread—a sharp break from President Biden's "as long as it takes" approach to arming Kyiv.

During his battle for the White House, Trump bashed Biden's handling of Ukraine, warning that it made World War III more likely, and that Kyiv fleeced the U.S. by obtaining weapons worth billions of dollars for free. He has said he could resolve the conflict quickly, bringing both sides to the negotiating table, but hasn't revealed how he would do so.

"I can't give you those plans because if I give you those plans, I'm not going to be able to use them," he said during the campaign.

In fact, Trump hasn't approved a specific peace plan, allies said, including how he would convince Russian President Vladimir Putin and Ukrainian President Volodymyr Zelensky to sit at the same table and negotiate. While advisers have offered ideas, only the president-elect, in consultation with key aides, will decide how to handle the sensitive and high-stakes diplomacy, they said.

"Anyone—no matter how se-

nior in Trump's circle—who claims to have a different view or more detailed window into his plans on Ukraine simply doesn't know what he or she is talking about or doesn't understand that he makes his own calls on national-security issues, many times in the moment, particularly on an issue as central as this," said a former Trump National Security Council aide.

Similar to Trump's first term, different factions are set to compete to influence his foreign policy. More traditionally minded allies such as Mike Pompeo, the former secretary of state now in contention to lead the Pentagon, are likely to push for a settlement that doesn't appear to give a major win to Moscow. Other advisers, particularly Richard Grenell, a top candidate to lead the State Department or serve as national-security adviser, could give priority to Trump's desire to end the war as soon as possible, even if it means forcing Kyiv into big concessions.

The proposals all break from Biden's approach of letting Kyiv dictate when peace talks should begin. Instead, they uniformly recommend freezing the war in place—cementing Russia's seizure of roughly 20% of Ukraine—and forcing Ukraine to temporarily suspend its quest to join NATO.

One idea proposed inside Trump's transition office, detailed by three people close to the president-elect and not previously reported, would involve Kyiv promising not to join NATO for at least 20 years. In exchange, the U.S. would continue to give Ukraine weapons to deter a



Ukrainian soldiers prepared to head to the front line in Chasiv Yar, Ukraine, in April.

future Russian attack.

Under that plan, the lines essentially would lock in place and both sides would agree to an 800-mile demilitarized zone. Who would police that territory remains unclear, but one adviser said the peacekeeping force wouldn't involve American troops or come from a U.S.-funded international body, such as the United Nations.

"We can do training and other support but the barrel of the gun is going to be European," a member of Trump's team said. "We are not sending American men and women to uphold peace in Ukraine. And we are not paying for it. Get the Poles, Germans, British, and French to do it."

That proposal in some respects echoes comments made by Vice President-elect JD

Vance during a September interview, when he suggested a final agreement between Ukraine and Russia could involve a demilitarized zone "heavily fortified so the Russians don't invade again." Russia, Vance continued, would get to keep the land it has taken and be assured of Ukraine's neutrality.

"It doesn't join NATO, it doesn't join some of these sort of allied institutions," he said on "The Shawn Ryan Show," a podcast.

Earlier this year, Keith Kellogg and Fred Fleitz, who both served in Trump's first White House, presented Trump with a blueprint that includes withholding weapons from Ukraine until Kyiv agrees to peace talks with Russia. Ukraine could still try to regain lost territory, but

would have to do so through diplomatic negotiations.

Which of these strategies Trump will pursue—in whole, in part, or at all—is unclear. But any gambit to start Ukraine-Russia peace talks, let alone finalize an agreement, faces many pitfalls.

For one, Ukraine and Russia still have vastly differing war aims and little desire to alter them. With Russian troops advancing slowly but steadily in Ukraine, the Kremlin has shown little inclination to negotiate, and has shown its willingness to escalate the conflict with hybrid attacks outside its borders, such as sabotage operations in Europe.

"The objectives of the special military operation remain unchanged and will be achieved," Dmitry Medvedev, a

top Russian official, posted Wednesday to X after learning of Trump's election victory.

There will also be stiff resistance from some NATO allies, who view Russia's aggression against Ukraine as an immediate threat to their own countries. Elina Valtonen, Finland's foreign minister, said she wasn't aware of any specific proposals by Trump's team, but stated "there shouldn't be any negotiation without Ukraine agreeing to the fact that it's negotiating and doing so on its terms."

Zelensky, whose country is heavily dependent on the U.S. for military and financial assistance, could—more easily than Putin—be forced by Trump to negotiate, but the Ukrainian leader would have to contend with a public that views ceding territory as capitulation to Moscow.

Trump has said Ukraine's survival is important to the U.S., but criticized Zelensky, calling him the "greatest salesman," which has worried some officials in Kyiv that a Trump-led U.S. might push for a deal that favors Russia.

Zelensky on Wednesday congratulated the president-elect on his victory, appealing to their September meeting in New York and praising his "peace through strength" approach in global affairs.

The Ukrainian leader also said Wednesday that he had spoken on the phone with Trump, saying both men "agreed to maintain close dialogue and advance our cooperation."

—Alan Cullison contributed to this article.

# U.S.'s Allies Brace for Policy Shifts as Threats Mount

By YAROSLAV TROFIMOV

Donald Trump is returning to the White House as the world is embroiled in two widening regional wars, America's rivals are coalescing into a new global authoritarian axis and some of the U.S.'s closest allies fret over his election's consequences.

Russia has now enlisted North Korea into its nearly three-year war in Ukraine, where it is making slow but steady advances. Israel's war with Palestinian militant group Hamas in Gaza has expanded into an invasion of Lebanon and the first-ever direct exchanges of missile strikes between Israel and Iran. China is giving crucial economic and political support to the cooperation among Moscow, Pyongyang and Tehran—while strengthening its own military for a possible war over Taiwan.

In remarks that sent shivers through allied capitals, Trump declared days before the Nov. 5 election that "in many cases, our allies are worse than our so-called enemies." He also repeated his threat not to protect "under any circumstances from Russia" the members of NATO who are "delinquent" in their contributions to the alliance's security.

Europeans are among those most worried worldwide about a second Trump presidency. A Gallup opinion poll carried out in October



A woman in Khan Younis, southern Gaza, on Wednesday viewed damage from an Israeli strike.

future—which involves, in the immediate term, preventing a Russian victory in Ukraine.

When asked about dealing with Trump, senior officials in allied capitals said they first need to see what kind of administration he assembles and who fills key national-security and foreign-policy positions. Many national-security professionals from Trump's first term have publicly broken with him and won't return to the new administration.

Trump's current orbit includes people such as former Secretary of State Mike Pompeo, an old-school Republican hawk on Russia and China, JD Vance, his vice-pres-

itary aid for Ukraine, saying it is a European problem and putting Europe in front of its own responsibilities, said Norbert Röttgen, a leading lawmaker from Germany's center-right CDU party.

Far worse for Europe would be a Trump who is actually determined to strike a deal with Putin, Röttgen said: "Such an agreement can only come at the expense of Ukraine's, and therefore Europe's, security."

Among the large European countries, only Poland has massively invested in its military, and plans to spend more than 4% of its GDP on defense this year. Over the past three years, total delivered and pledged German military aid to Ukraine—some of which won't arrive until 2028—amounted to 28 billion euros, or \$30.6 billion, roughly \$2 a week per German citizen.

Officials in France, Poland and several other European nations worry that Germany is increasingly inclined to work with Trump on a deal that would erode Ukrainian sovereignty—as Scholz positions himself as the "candidate of peace" ahead of national elections that must be held next year at the latest.

Lithuania's foreign minister, Gabrielius Landsbergis, took to social media this week, warning fellow Western leaders that by trying to cut a deal with Russia, "we are choosing dishonor and we will have war."

In the Middle East, many American allies and partners are sanguine or outright thrilled by Trump's victory. With checkered human-rights records, many of these governments look forward to not being lectured by Washington.

Turkey hopes Trump will

withdraw U.S. troops from Syria, abandoning the Kurdish enclave there. Israeli Prime Minister Benjamin Netanyahu is counting on Trump's support for more-aggressive actions against Iran, while the Saudis and other Gulf states believe Trump would provide more credible guarantees of their own security. Many in the Arab world also believe Trump would force Netanyahu to scale back fighting in Gaza, where tens of thousands of Palestinians have been killed by Israeli military action over the past year.

Israel has repeatedly defied the Biden administration's demands.

"There is a sense of relief that Trump has won," said Abdulkhaled Abdulla, a political scientist and commentator in the United Arab Emirates. "We need a strong U.S. president rather than a weak U.S. president that Biden has proven to be, and that Harris would have been, too. A weak U.S. president is bad for the region—and is even bad for the Palestinians."

This leaves Iran as the only major Middle Eastern nation that sees Trump's return to the White House as a clear threat. Trump, during his previous term, authorized the killing of Iranian Quds Force commander Qassem Soleimani, and pulled the U.S. from a nuclear deal negotiated by the Obama administration.

The way the Iranian authorities will read this outcome will be, I think, to try to accelerate their nuclear program so as to acquire a nuclear deterrent to protect the safety of their regime—because of the fear that there could be an agenda of regime change inside Iran," said Si-

nan Ulgen, director of the Edam think tank in Istanbul.

In Asia, the betting is on what shape the second Trump administration will take. A Chinese former official pointed out that, despite the presence of China hawks in Trump's orbit, Trump—unlike Biden—never explicitly said the U.S. will go to war over Taiwan, and is more likely to listen to the business lobby that wants a detente with China.

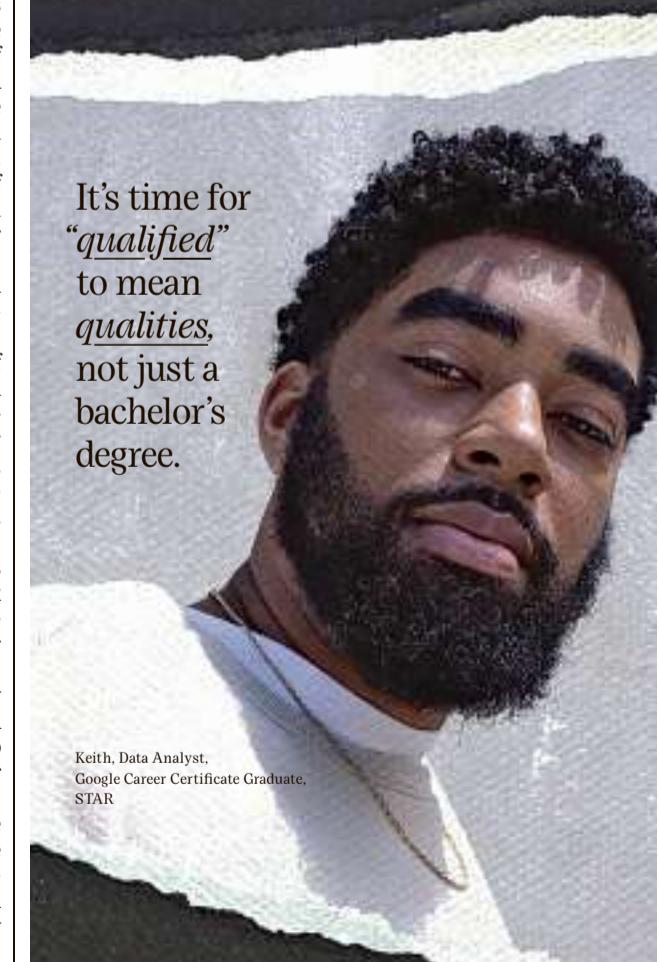
While officials in Taiwan, South Korea and Japan are concerned about stiff tariffs potentially coming their way, some also see new opportunities in a Trump presidency. Takashi Kawakami, the foreign-policy adviser to Japan's new prime minister, Shigeru Ishiba, made headlines this month by saying in an interview with the Daily Cyzo publication that a Trump victory would finally allow Japan to reclaim sovereignty curtailed

since the end of World War II, returning control over much of Japanese airspace and reclaiming land occupied by U.S. military bases.

"We can take the initiative and become a truly independent country," he said, and instead of following the U.S. lead, "find a skillful way to manage the power balance with China, Russia and North Korea."

In any case, Trump's comeback—and the scale of his victory—will force America's allies to recalibrate their approach, said Gordon Flake, CEO of the Perth USAsia Center at the University of Western Australia.

"I don't think anybody can predict how those recalibrations will take place because we also live in democratic societies here," he said. "And in a democratic society, you can no longer take support for the U.S. for granted in a way we have always had."



Keith, Data Analyst,  
Google Career Certificate Graduate,  
STAR

Tear the paper ceiling that is keeping you  
from discovering over 70 million STARs: workers  
Skilled Through Alternative Routes that are being  
held back by degree screens, stereotypes and more.  
Find out how STARs can meet your talent needs.

TEAR THE PAPER CEILING.ORG

#HireSTARs

STAR'S ALTERNATIVE ROUTES

ad COUNCIL

**A weak U.S. president is bad for the Mideast]...even bad for the Palestinians.'**

Abdulkhaled Abdulla, a U.A.E. political scientist

showed that overwhelming majorities rooted for Kamala Harris in Germany, France, Italy and the U.K.—as well as in South Korea and Japan. By contrast, she was supported by only 12% of surveyed people in Russia.

Despite lofty promises of "Zeitenwende"—a historic turning point—made by German Chancellor Olaf Scholz after the Russian invasion of Ukraine in February 2022, Europe hasn't expanded its security capabilities by nearly as much as it would need to defend itself. The Continent remains highly dependent on American protection that is no longer guaranteed.

Now, as Trump's support for European security is very much in doubt, Europe faces a test of whether it will have the political will to protect its

identical pick, who favors cutting commitments to Europe and focusing on Asia, as well as outright isolationists and backers of a purely transactional approach. "Everything will depend on who gets what job," a senior European official

said.

While Trump has promised to negotiate a peace in Ukraine within 24 hours, he hasn't indicated how. European officials expect him to try to seek some kind of grand bargain with Russian President Vladimir Putin—but wonder whether he will have the persistence to actually reach a deal or will give up, as he did after a failed summit with North Korean leader Kim Jong Un in 2019.

In a way, the better option for Europe would be Trump simply stopping American mil-

itary aid for Ukraine, saying it is a European problem and putting Europe in front of its own responsibilities, said Norbert Röttgen, a leading lawmaker from Germany's center-right CDU party.

Far worse for Europe would be a Trump who is actually determined to strike a deal with Putin, Röttgen said: "Such an agreement can only come at the expense of Ukraine's, and therefore Europe's, security."

Among the large European countries, only Poland has massively invested in its military, and plans to spend more than 4% of its GDP on defense this year. Over the past three years, total delivered and pledged German military aid to Ukraine—some of which won't arrive until 2028—amounted to 28 billion euros, or \$30.6 billion, roughly \$2 a week per German citizen.

Officials in France, Poland and several other European nations worry that Germany is increasingly inclined to work with Trump on a deal that would erode Ukrainian sovereignty—as Scholz positions himself as the "candidate of peace" ahead of national elections that must be held next year at the latest.

Lithuania's foreign minister, Gabrielius Landsbergis, took to social media this week, warning fellow Western leaders that by trying to cut a deal with Russia, "we are choosing dishonor and we will have war."

In the Middle East, many American allies and partners are sanguine or outright thrilled by Trump's victory.

With checkered human-rights

records, many of these governments look forward to not being lectured by Washington.

Turkey hopes Trump will

withdraw U.S. troops from Syria, abandoning the Kurdish enclave there. Israeli Prime Minister Benjamin Netanyahu is counting on Trump's support for more-aggressive actions against Iran, while the Saudis and other Gulf states believe Trump would provide more credible guarantees of their own security. Many in the Arab world also believe Trump would force Netanyahu to scale back fighting in Gaza, where tens of thousands of Palestinians have been killed by Israeli military action over the past year.

Israel has repeatedly defied the Biden administration's demands.

"There is a sense of relief that Trump has won," said Abdulkhaled Abdulla, a political scientist and commentator in the United Arab Emirates. "We need a strong U.S. president rather than a weak U.S. president that Biden has proven to be, and that Harris would have been, too. A weak U.S. president is bad for the region—and is even bad for the Palestinians."

This leaves Iran as the only major Middle Eastern nation that sees Trump's return to the White House as a clear threat. Trump, during his previous term, authorized the killing of Iranian Quds Force commander Qassem Soleimani, and pulled the U.S. from a nuclear deal negotiated by the Obama administration.

The way the Iranian authorities will read this outcome will be, I think, to try to accelerate their nuclear program so as to acquire a nuclear deterrent to protect the safety of their regime—because of the fear that there could be an agenda of regime change inside Iran," said Si-

## ELECTION 2024

# Trump Won By Being Trump

*Continued from Page One*

Party leader successfully cast himself as a fighter, dodging by a whisker an assassin's bullet, and as a victim—of political opponents, the media and so-called deep-state adversaries. He broadened his support from Black and Latino voters, as well as young men, building a coalition that will strengthen the party.

Trump deftly exploited the political liabilities of Harris and the Biden administration. In long, often rambling speeches to roaring crowds, Trump blamed Harris for presiding over the highest inflation in four decades and a record number of illegal crossings of the U.S.-Mexico border. He harnessed voter nostalgia for the robust economy that prevailed after his election in 2016 until the pandemic disrupted life in 2020.

Harris struggled to separate herself from Biden, telling a TV interviewer last month that she wouldn't have done anything differently from the president. Polls showed a majority of Americans believed the U.S. was on the wrong track, illustrating how voters were itching for a change.

The Harris campaign raised more than \$1 billion, ahead of Trump's haul, and fielded a larger voter operation in battleground states. Trump overcame those advantages by running less as a traditional candidate and more like the leader of a movement.

His aggressive and free-wheeling style struck a contrast with Harris, a more cautious and scripted politician. Trump pledged tax cuts and more tariffs with little regard for consequences, and he promised to deport millions of immigrants illegally living in the U.S. without saying how.

The campaign peddled T-shirts with Trump's mug shot from his indictment on charges he sought to unlawfully overturn Biden's victory, turning what would seem a political obstacle into a money-making opportunity.

Trump, 78 years old, teamed up with Elon Musk, the world's richest man and a one-time Trump critic who spent tens of millions of dollars to boost voter turnout in battleground states. Trump won the backing of Robert F. Kennedy Jr., an idiosyncratic, antivaccine presidential candidate who offered his own loyal following after dropping out of the race.

Harris drew a burst of enthusiasm when she replaced Biden in July as the Democratic candidate. Biden's embarrassing presidential debate a month earlier ignited fears of a Trump landslide win, leading to his withdrawal from the race.

Following a jubilant Democratic National Convention, Harris was pilloried by Trump and Republicans for her past, more liberal positions on immigration, fracking and transgender issues.

Trump ignored traditional GOP ideology, advocating tariffs and military isolationism. He expressed admiration for such autocratic leaders as



CARLOS BARRIA/REUTERS

**Top,** former President Donald Trump celebrating with former first lady Melania Trump in West Palm Beach, Fla. on election night; **below,** Secret Service agents taking Trump off the stage in Butler, Pa., after he was grazed by a bullet in a gunman's attack on July 13.



ANNA MONEYAKER/GETTY IMAGES

## Too old

Trump's November 2022 announcement of his candidacy came at a low point in his political career. He was blamed for the weak performance of Republicans in the midterms a week earlier, including candidates he had backed in high-profile races.

Behind the scenes, Trump assembled a comeback team, which included Florida GOP operative Susie Wiles and Chris LaCivita, a former Marine and veteran Republican strategist. Wiles believed Trump had to broaden his appeal. That meant drawing more nonwhite and younger voters, two groups that for decades backed Democrats.

A dozen Republicans even-

the history of the Republican contest. By March, he had clinched the nomination.

His GOP rivals had hoped Trump would be sidelined by his criminal indictments. But Trump's team of lawyers won court delays, and the former president turned his court appearances into fundraising opportunities. His campaign arranged for satellite trucks to park outside Trump Tower in New York, where Trump spoke to reporters from TV stations in swing states. He campaigned in the Bronx to dem-

and border policies with attacks on his fitness to serve. Biden faced worries in his party and from voters that he was too old to run again.

The Trump campaign and the Republican National Committee put together a social-media team that "made hay out of everything," to intimidate White House failings, a Trump campaign official said. The team also circulated videos of Biden falling, mangling words or looking confused, which the White House dismissed as edited fakes.

On June 4, The Wall Street Journal reported that Biden had shown mental slips in private meetings with congressional leaders, during negotiations for Ukraine funding and talks to lift the debt ceiling. The White House denied it.

Three weeks later, Biden's halting performance in his Atlanta debate against Trump upended the race. The president, his voice strained, stumbled through sentences and struggled to complete thoughts.

Within days, Democratic lawmakers and campaign donors called on Biden to withdraw. He refused, insisting that he was best suited to defeat Trump. By July, polls showed Trump's lead over Biden widening further.

Americans watched for Biden's next move. First, though, came another shock.

## 'God is on my side'

On a hot Saturday afternoon, Trump took an outdoor stage in Butler, Pa., on July 13, two days before the kickoff of the Republican National Convention in Milwaukee. Less than 10 minutes into his speech, Trump turned to look at a chart about immigration.

*Pop, pop.* Trump put a hand to his right ear and dove to the floor. *Pop. Pop. Pop.*

Trump was helped up by Secret Service agents. Blood ran down his cheek as he pumped his fist, saying, "Fight, fight, fight." Thomas Matthew Crooks had fired shots from a rooftop roughly 400 feet away, killing one spectator, critically injuring two others and striking Trump's right ear. Crooks was fatally shot by the Secret Service.

Trump arrived in Milwaukee for the convention with his ear in a bandage, welcomed by a Republican Party united behind him like never before. He announced Ohio Sen. JD Vance as his running mate, selecting an outspoken populist rather than a candidate more appealing to centrist voters. Vance's past comments, notably a remark saying the country was run by childless cat ladies leading miserable lives, later drew bursts of outrage.

In accepting the GOP nomination, Trump sounded a note of humility. "I had God on my side," he told the convention audience. Trump, in his speech the final night, soon reverted to his usual style, hammering on illegal immi-

gration and attacking critics.

While the GOP convention was in full swing, Biden tested positive for Covid-19 and retreated from public view. On July 21, he posted a letter online announcing his withdrawal from the race. Minutes later, he endorsed Harris.

Trump called the switch a coup. Some on the Trump campaign team came to regret Biden's dismal performance in the debate, which cost Trump an easy opponent.

Harris resuscitated the Democrats' presidential hopes. Almost immediately, polls showed the race shifting in her favor. Trump was flummoxed by how best to attack Harris, who at age 60 was nearly two decades younger than the former president. During a forum hosted by Black journalists in Chicago, Trump questioned whether Harris was Black.

Trump came to see illegal immigration as a campaign issue stronger than even the economy, and he painted the vice president as chiefly responsible, using demeaning language to stoke racial divisions. He recounted violent crimes committed by illegal immigrants. His aides arranged for the families of victims to appear with Trump at events.

Harris rolled out policies aimed at easing costs for Americans, such as proposals to prevent grocery-store price gouging, as well as down-payment money for first-time home buyers. Trump asked why Harris hadn't done more to help struggling Americans while serving as vice president. "She's been there for three and a half years," he said.

Trump's campaign sought to reach more men through popular podcasts, including Trump's three-hour interview with Joe Rogan. In June, Trump joined TikTok, the platform he had moved to ban when he was president. As a candidate, he delivered short, punchy videos that racked up tens of millions of views.

Trump sought inroads with union workers. He gave Sean O'Brien, general president of the International Brotherhood of Teamsters, a speaking slot at the GOP convention. In September, the Teamsters for the first time in nearly three decades said it wouldn't endorse a presidential candidate, a blow to the Harris campaign.

The vice president held a clear edge on the issue of abortion, which had buoyed Democratic voters since the Supreme Court's 2022 decision overturning Roe v. Wade.

Trump appointed the three conservative justices who joined the majority in the 5-4 decision. The Harris campaign expected women would help make up a winning margin.

The Trump campaign cast Harris as a far-left candidate. It spent tens of millions of dollars on TV ads late in the election, calling out Harris's past support of gender-transition surgeries for prisoners.

Trump at his rallies also promised to keep biological men out of women's sports.

In the final stage of the campaign, Wiles pressed Trump to advocate for early voting, despite his long held opposition and claims of fraud. Republicans significantly closed the gap with Democrats on early voting.

Wiles took heat from Trump but steadily made the argument, according to people familiar with the discussions.

In the campaign's closing days, Trump continued to veer into controversy, saying at one appearance that he would be a "protector" of women, "whether the women like it or not." In another, he called former Republican Rep. Liz Cheney—who backed Harris—a warmonger and asked how she might feel if she had guns trained on her face."

At a rally Saturday in Pennsylvania, Trump said that because of the protective glass surrounding him, an assassin would have to shoot through the news media to get him.

"I don't mind that so much," Trump said.

His advisers cringed, as they had through a long campaign marked by off-color remarks. Trump, basking in the cheers of supporters, returned to his plane and headed to the next rally.

## Watch a Video

Scan this code for a video on how Trump won back the White House.



Former President Trump climbing to the stage to speak at a campaign rally in Henderson, Nev., on Oct. 31.

# PERSONAL JOURNAL.

© 2024 Dow Jones &amp; Company. All Rights Reserved.

\* \* \*

THE WALL STREET JOURNAL.

Thursday, November 7, 2024 | A11

By SARAH E. NEEDLEMAN

**KAARINA VUORINEN WAS** about five hours into getting a tattoo when the artist holding the needle made a confession.

He hadn't actually drawn from scratch the gothic sword she requested before permanently putting it on her left shin. Instead, he used artificial intelligence to design it.

"He was kind of proud," says Vuorinen, a 30-year-old dental nurse in Helsinki. "I was like, in shock. I was so disappointed."

She let the artist finish the job, which he told her included some personal touches, since at that point the tattoo was nearly finished. "It's pretty, but it doesn't have a soul," she says.

The rise of generative AI tools like ChatGPT and Google Gemini has given people an easier and faster way to handle all sorts of tasks, from writing speeches and making songs to producing videos and creating logos. Users simply type out prompts describing what they want and seconds later the programs return results made from large language models trained on massive amounts of online data.

Yet for some body-art enthusiasts, AI-designed tattoos are taboo. They argue that a true tattoo artist doesn't just put ink on people's skin

but is also responsible for drawing the images by hand, from start to finish. They also worry that AI image generators are built off professional artists' work without permission.

"You're essentially cheating," says Matt Doherty, a 41-year-old tattoo artist in Sicklerville, N.J. "It's like doing sports on steroids."

Using AI to design a tattoo also can produce bizarre results, warns Doherty, such as images of hands with extra digits or bodies with missing limbs.

Another potential hiccup is that some AI-generated images just don't translate well into tattoos, says Matthew Hatch, who is the first point of contact for prospective clients at a studio in Toronto. Someone recently inquired about getting a tattoo for the first time of an AI-made image of galaxies in outer space. Hatch, 27, told the person that it would end up looking like a giant bruise. "There are limitations on what is possible," he says.

Others say AI-designed tattoos are high in quality and fair game since the programs produce fully original images, even when the same prompt is repeated. Besides, artists still need technical skills to put ink onto clients' bodies.

"It just outperforms people," says Ziggy Tramdaks, a 30-year-old tattoo artist in Derby, England, of generative AI. He sees the tech-

## 15-MINUTE FIXES

### Turn That Stockpile Of Miles Or Points Into a Trip

By JACOB PASSY

The WSJ is offering short suggestions—15 minutes or less—for how you can try to fix something in your life. Here's our latest:

You've spent years amassing a trove of credit-card points and frequent-flier miles...for what, exactly? If you're unsure how to use all those points, you're hardly alone.

Americans are sitting on a massive stockpile of unused travel rewards. Cardholders earned more than \$34 billion in credit-card points alone last year, according to reports from American Express, JPMorgan Chase and Capital One.

The longer these points and miles go unused, the more value they lose as many airlines make it harder to find cheap award fares. "That's basically money that's not earning interest," says Bart Welch, co-founder and chief executive of rewards-travel website PointsYeah.com.



Kaarina Vuorinen said the AI-assisted tattoo on her shin is pretty, 'but it doesn't have a soul.'

instead continued to rely on coil machines powered by electromagnetic forces, according to Ben Shaw, a director at the Alliance of Professional Tattooists, a nonprofit. "They were loyal to the coil," he says.

More recently, debates have broken out over whether it's kosher to use tablets, digital pens and graphics software. "The iPad drove so many tattoo artists bonkers," Shaw says. "It was like: How dare you not draw on a sacred piece of paper?"

Shaw, 44, owner of Archetype Tattoo in Albuquerque, N.M., likens such technological upgrades to how an electric drill can be more handy than a screwdriver. Lately he's been using generative AI to save time figuring out what kind of tattoos his clients want, which can be hard for some to articulate, before creating a final version by hand. "I've spent up to 20 hours on a design, shown it to the client and they hated it," he said. "AI is changing the way tattoos are being designed."

Distinguishing between artwork that's made by a human versus an AI tool can be difficult. When a client asked Josie Davis for an arm tattoo of a drawing of an eye with petal-like tears, she asked the woman if she'd gotten permission to copy the image from the artist who created it. The client said she didn't need to because it was AI-generated.

Davis, owner of Sparrow's Nest Tattoo Studio in Grand Rapids, Mich., was thrown for a loop. "I had an internal conflict on what to do about this," she says. "I still draw with pen and paper all the time."

Ultimately Davis, 38, decided to take the job, reasoning it's the client's body and there were no apparent copyright issues.

A few months ago, Francesco Chiaramonte, a master's degree student in Carcavelos, Portugal, launched an AI tattoo generator he built after first considering making an AI hairstyle generator. Called Ink Studio AI, he charges \$14.99 for seven days of access to it and to date he says he's netted about 60 customers.

A native of Italy, Chiaramonte, 21, put a post on Reddit in a tattoo community promoting the tool when it went live, but commenters mostly gave him grief. "AI is theft," wrote one person. "This is so sad," wrote another. Chiaramonte says he's unfazed. "It's good for the customer," he says.

Chiaramonte has just one tattoo—of a series of overlapping triangles on his right arm that symbolizes a loved one who died. He got it before starting his AI business. "I'm not super into getting tattoos, at least for now," he says.

CLOCKWISE FROM TOP: SONIA ALTONEN (2); ROBERT DEANS/ZIGGY TRAMDAKS

## Tattoo World Is Split Over the Role of AI

Some say using artificial intelligence to design body art is taboo



Robert Deans designed the four mythological Greek characters that cover his entire left arm by using Tattoo GPT. Robert Deans and his tattoo artist, Ziggy Tramdaks



nology as the future of tattoo design. "AI will take over this industry whether we want it to or not," he says. "You can swim against the river or learn."

Robert Deans, one of Tramdaks' clients, designed the four mythological Greek characters that cover his entire left arm by using Tattoo GPT, a custom-made version of OpenAI's ChatGPT. It's something he couldn't do by hand

because when it comes to drawing, "I'm rubbish," he says.

Deans, a 46-year-old marketing executive in Nottingham, England, spent several hours fine-tuning prompts he wrote to get each character exactly how he wanted. Tramdaks started on the project a few months ago and it's almost finished. Deans describes his AI-

designed "sleeve" as one-of-a-kind thanks to the technology. "People are genuinely gobsmacked by the detail and how realistic it looks," he says.

Technology-related rifts aren't new within the profession. Decades ago, some artists were resistant to the rising popularity of motorized, rotary-style tattoo machines and



to an airline's frequent-flier program and book through the airline, rather than your card company's own travel portal.

If you do go through your card company, stick to the rule of thumb of aiming for 1.5 to 2 cents a mile or point spent. Here's the math: Spending 25,000 points for a flight that would cost \$500 in cash equates to a point value of 2 cents, while spending 50,000 points would decrease the value to 1 cent.

Be sure to factor in any taxes and fees you'll need to pay in cash. And remember, if you transfer points to an airline, you can't transfer them back.

### 5. Don't forget the hotel

Travelers often think about flights when redeeming rewards, but hotels can be a good target

for those points. Follow the same steps outlined above, but for lodging.

At the very least, be sure to research room rates in your destination before snagging a flight. Hotel rooms in many popular destinations cost a lot more these days, which could outweigh the savings derived from using points for airfare. Thinking through these details might seem like extra work, but it could mean a cheaper trip later.

#### 2. Set travel goals

Many people collect—and hold—so many points and miles because they dream of bucket-list trips. And it is possible to book that African safari or Tahitian getaway entirely on points.

But that usually isn't practical. Unless you're a road warrior or credit-card guru, it will take ages to earn enough points for such a trip, and the points you've earned could lose value while you wait.

Frequent-flier pros recommend setting a variety of travel aspirations. Some can be long-term dream vacations, others more sim-

ple, like a weekend getaway or a family visit. Then think of your credit-card rewards as you would your actual cash reserved for travel. It's often fine to spend some now and some later.

#### 3. Research flight prices

If you don't have a destination in mind, let flight prices guide you. Check a site like Google Flights or Kayak to find affordable locations.

With most airlines, rewards pricing is often tied to airfares, though some airlines maintain static award charts.

#### 4. Explore rewards deals

Flight-reward search tools such as Point.me, Roame, PointsYeah.com or AwardFares show which award trips are cheapest for a given itinerary. If you're using credit-card points, it's often cheaper to transfer the points

## PERSONAL JOURNAL.



ELIZABETH BERNSTEIN

Luke Johns recently told his girlfriend that he wanted to talk about the trouble with their sex life. "Is it me?" she asked.

Nope. It turned out it was his lack of sleep.

Like many these days, he's been having difficulty getting enough sleep. This has left him groggy during the day and struggling to stay alert during sex at night.

"I want to be intimate," says Johns, age 45, a psychologist in Torrington, Wyo. "But I'm just always so exhausted."

How's your sleep situation working out?

About 50 million to 70 million Americans have sleep disorders, according to the National Heart, Lung and Blood Institute. One in three adults don't regularly get the recommended amount of uninterrupted sleep they need, the institute says. Chronic sleep deprivation—poor quality as well as quantity—has been linked to health problems such as diabetes, high blood pressure and obesity, and cognitive issues such as reduced attention and reaction time.

A subject that's less discussed: Lack of sleep can also tank your sex life.

It's associated with reduced libido, orgasm difficulties and general lack of sexual satisfaction, research shows. When we're chronically tired, we don't have the energy to get aroused or to satisfy our partner. Plus we're cranky. We may not even want sex at all.

"When you're exhausted and you see a pillow, you're not thinking about great sex," says Dr. Lauren Streicher, a professor of obstetrics and gynecology at Northwestern University's medical school and senior research fellow at the Kinsey Institute at Indiana University.

### More frustrated, more reactive

Poor sleep reduces testosterone levels in men and estrogen levels in women, both of which are linked to sex drive. Our stress hormones spike, leaving us too strong out to feel desire.

In our heads, the result is heightened irritability, anxiety and depression, and lowered energy and motivation, science shows. We're more easily frustrated and more reactive and prone to conflict.

"These are all major sex killers," says Wendy Troxel, a senior behavioral scientist at Rand and author of a book on couples and sleep. We're less able to read our partner's emotions and more likely to withdraw, she says.

ABBY OUELLETTE

L

uke Johns recently told his girlfriend that he wanted to talk about the trouble with their sex life. "Is it me?" she asked.

Nope. It turned out it was his lack of sleep.

Like many these days, he's been having difficulty getting enough sleep. This has left him groggy during the day and struggling to stay alert during sex at night.

"I want to be intimate," says Johns, age 45, a psychologist in Torrington, Wyo. "But I'm just always so exhausted."

How's your sleep situation working out?

About 50 million to 70 million Americans have sleep disorders, according to the National Heart, Lung and Blood Institute. One in three adults don't regularly get the recommended amount of uninterrupted sleep they need, the institute says. Chronic sleep deprivation—poor quality as well as quantity—has been linked to health problems such as diabetes, high blood pressure and obesity, and cognitive issues such as reduced attention and reaction time.

A subject that's less discussed:

Lack of sleep can also tank your sex life.

It's associated with reduced libido, orgasm difficulties and general lack of sexual satisfaction, research shows. When we're chronically tired, we don't have the energy to get aroused or to satisfy our partner. Plus we're cranky. We may not even want sex at all.

"When you're exhausted and you see a pillow, you're not thinking about great sex," says Dr.

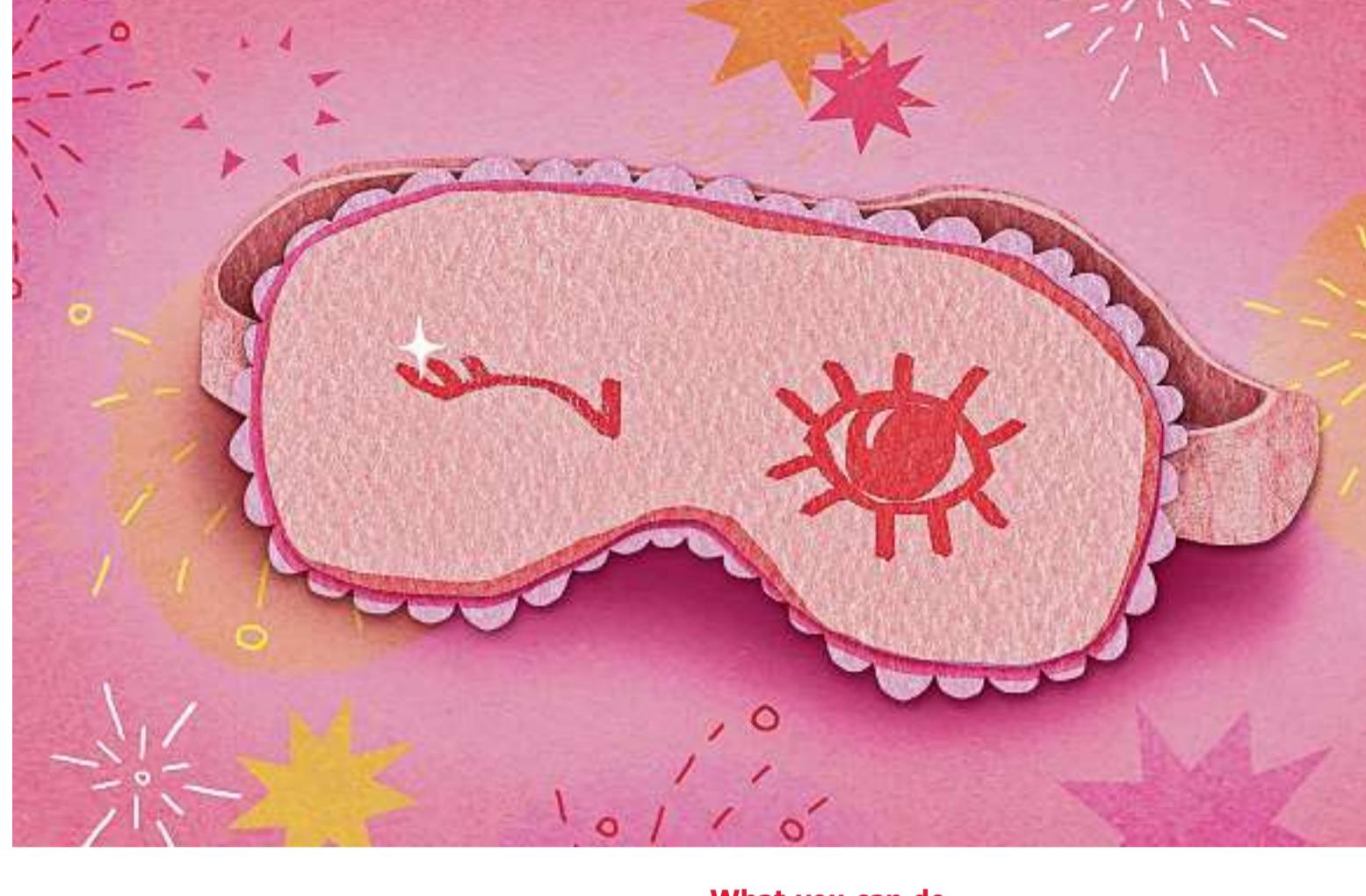
Lauren Streicher, a professor of

obstetrics and gynecology at

Northwestern University's

medical school and senior research fellow at the Kinsey Institute at Indiana University.

"These are all major sex killers," says Wendy Troxel, a senior behavioral scientist at Rand and author of a book on couples and sleep. We're less able to read our partner's emotions and more likely to withdraw, she says.



Now, some good news: Better sleep leads to more, and better, sex, Troxel says. According to one study in the *Journal of Sexual Medicine*, each additional hour a woman sleeps corresponds to a 14% increase in sexual activity the next day.

Another recent study showed that orgasms may even help you sleep, especially if you have them during sex with a partner. "Good sex can lead to good sleep," says Candice Hargons, a counseling psychologist and associate professor at Emory University's school of public health, whose work focuses on sexual wellness.

Reporting this story, I talked to people—too shy to be quoted by name—who blamed exhaustion for sexual performance issues, falling asleep during sex and bickering with their partner while in the act. One woman told me she

shouted "Hurry up, I'm TIRED!" during sex recently.

Johns has had trouble sleeping for years. Most nights, he says he's lucky to get five hours of decent rest, which leaves him sapped of energy for sex. He often wakes

at 4 a.m. and can't get back to sleep, so he gets out of bed and starts his day.

His girlfriend, Nicole McIntosh, says she's stopped initiating sex because he looks so wiped out.

"I didn't want to push him," says McIntosh, 50, a school counselor.

Johns says that prescription sleeping pills have helped, and recently his doctor added a medicine for erectile dysfunction. Now, on nights that the couple wants to be intimate, Johns takes that pill, then his sleeping pill.

"Sex isn't spontaneous," he says. "But at least I can make sure that I am able."

### Sleep deprivation leads to reduced desire and less satisfaction.

### What you can do

If a lack of sleep is stifling your sex life, here's some advice from doctors, therapists and sleep experts.

► **Don't steal from sleep.** Many couples—especially those with young kids—fit sex in whenever they can, which often means sacrificing sleep for intimacy.

Steal time from something else, such as Netflix or social media, sleep specialists say. And try getting intimate earlier.

"If there is an activity you really love doing, why would you leave it for the last thing of the day?" says Dr. Alex Dimitriu, a psychiatrist and sleep medicine specialist in Menlo Park, Calif.

► **Try separate beds.** This may help you sleep better. Sleeping alone means there's no one next to you snoring, hogging the covers or watching TV while you're trying to drift off.

Consider making intimacy a part of your bedtime ritual,

suggests Rand's Troxel. Pick a bed, start early, then go your separate ways.

► **Have a wake-up rule.** Tempting though it can be, nudging your partner awake when you feel frisky can backfire, exacerbating sleep and relationship problems both, sex therapists say.

Talk to your partner about if—and when—you're willing to be woken up, suggests Emory's Hargons. And be understanding if your partner chooses sleep. In the long run, that's to your benefit, she says.

► **Lower the bar.** Sleepy sex can be relaxing. Touch calms our nervous system. But keep expectations in check. You don't have to swing from the chandelier or even go all the way to reap the benefits, says Sari Cooper, a certified sex therapist in New York.

"If you cuddle and touch, even without orgasm, that is great," she says. "You're bonding—and you're more likely to go to sleep."

## How Quincy Jones Helped Crown King of Pop

By NEIL SHAH

Quincy Jones and Michael Jackson didn't always see eye to eye over the years, but when they came close, they made "Thriller."

The 1982 track, with its ghoulish sound and cinematic music video, was more than just a hit song and the title of the bestselling album of all time. For many, it was the beginning of pop music as we know it—on the album that inspired generations of artists from Justin Timberlake to The Weeknd. The collaboration marked the high point of two of music's most visionary minds—Jackson with his preternatural ability to sing, dance and write, Jones with his alchemical ability to turn it all into pop gold.

Jones, who died Sunday at the age of 91 and won 28 Grammys over his career, was a musical Renaissance man who shaped American culture from the 1950s on as an instrumentalist, band leader, arranger, composer and mastermind of pop albums, film scores and TV themes. With Jones, Jackson wasn't just working with a producer, he was tapping into an American cultural repository.

Jones "knew when it had to be fast, he knew when it had to be slow, when it had to be soft and romantic and when it had to be more disco-y," said Steve Knopper, author of "MJ: The Genius of Michael Jackson" and an editor-at-large at Billboard magazine. "Quincy had those instincts built in through his decades of experience."

Jackson was a beneficiary of Jones's ability to have music's best talents on call. When the two musicians worked on the "Thriller" album, they used a two-team system: The "A" team, led by Jones, included some of the finest musicians, engi-



neers and songwriters around—people like keyboardist Greg Phillinganes, recording engineer Bruce Swedien and Rod Temperton, who wrote the album's ubiquitous title track. The "B" team worked closely with Jackson, translating his scattering of melodies and songs like "Beat It" into workable demos.

Once Jackson's "Thriller" demos were brought to Jones's A-team, the producer and the pop star worked together to bring the songs to life. It would be the apex of a legendary three-album run—"Off the Wall" (1979), "Thriller" (1982) and "Bad" (1987). Today, for music fans and executives alike, Jackson's spectacular 1980s run is proof that the music industry can actually get it right: A wildly-talented performer, singer and songwriter, coached by an eclectic musical mastermind who was at the peak of his powers and expertise.

Jones and Jackson were "one of the great pairings in pop-music his-



► Many consider Quincy Jones's and Michael Jackson's 1982 track "Thriller" to be the beginning of pop music as we know it.

"Michael Jackson, Inc." "They were obviously both brilliant musicians, but the combination of Michael and Quincy in the studio was a case of one plus one equals five."

Perhaps more than anything, the depth of Jones's knowledge meant he could engineer a supremely catchy song. When Jones's A-team worked initially on "PY.T. (Pretty Young Thing)," for "Thriller," it was slower and ballad-like. Jones upped the tempo, making it snappier. "He just knew how to make a hit," Knopper said.

With "Off the Wall," Jones helped Jackson define himself as a solo artist apart from his family group, the Jackson 5. "Though it was more of a disco record than any of Jackson's subsequent albums...it established Michael Jackson's own voice," Greenburg said.

Then, with "Thriller," Jones put Jackson in a league of his own. With hits like "Billie Jean" and "Wanna Be Startin' Somethin'," Jackson was king of the mid-1980s pop universe, rivaled only by Madonna,

Prince and Bruce Springsteen.

Jones "was at the absolute top of his game," Knopper said. "He was right about just about everything."

During these

years, Jackson wasn't a conventional musician or songwriter—he didn't read music and often just told the musicians on his B-team how he wanted a song to sound. But Jones had a managing style that accommodated Jackson's quirks; he had an acute sense of when to be strict and provide structure and when to give space. "Quincy knew what buttons to push to get the most out of each musician, and that includes Michael," Knopper said.

By the time of "Bad"—which was also a commercial blockbuster stacked with hits like "The Way You Make Me Feel"—tensions between the two were building. Jackson wanted to assert himself more and bucked against Jones's leadership role; the pop singer wanted to prove he could do things on his own. That led to more of a give-and-take between Jones's A-team and Jackson's B-team on "Bad." After that, their partnership folded; Jones didn't steer Jackson's next album, 1991's "Dangerous," which, while commercially successful, wasn't as culturally defining as "Thriller" or "Bad."

Throughout his own ever-morphing career, Jones maintained a fierce commitment to the art of music production. Asked in a 2018 interview if he still heard the spirit of jazz in pop music, he replied that he didn't—that people were now focused on money instead. "I have never in my life made music for money or fame," he told Vulture. "Not even 'Thriller.' No way. God walks out of the room when you're thinking about money."



## THE DEEPEST DEPTHS

**Engineered for the greatest depths of ocean exploration.**  
The Rolex Deepsea is the watch of choice for professional divers when ultimate reliability is a must. It is equipped with the helium escape valve patented by Rolex in 1967 and the Ringlock system, a case architecture that enables the watch to withstand the extreme pressure exerted by water at a depth of 3,900 meters. Based on decades of collaboration with diving professionals, it continues to push the boundaries of the underwater frontier. **The Rolex Deepsea.**

#Perpetual



OYSTER PERPETUAL ROLEX DEEPSEA

OFFICIAL ROLEX JEWELER

**MANFREDI**  
jewels

New Canaan  
[manfredijewels.com](http://manfredijewels.com)



**ROLEX**



## MORAL INJURY IS A WAR INSIDE

*No one should fight alone*

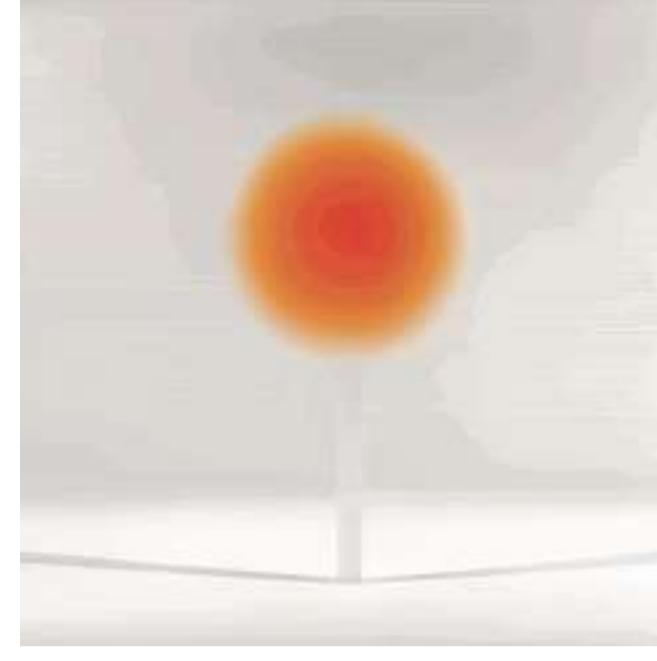
Imagine a soldier who takes a life in the line of duty. No matter how much good he does, he believes he's a bad person. He hates himself, hurts himself. He's one of the many who struggle with Moral Injury. At Volunteers of America, we can help him find peace.



Volunteers  
of America®

Learn more at [VOA.ORG](http://VOA.ORG)

## ARTS IN REVIEW



## ART REVIEW

## Gleaming Across Centuries

A dazzling exhibition at the Getty Center explores light with works from the Middle Ages to today

By PETER PLAGENS

*Los Angeles*

**'LUMEN: THE ART AND SCIENCE OF LIGHT,'** at the Getty Center, is a visually magnificent (and I use the word judiciously) show. The exhibition, curated by Kristen Collins and Nancy K. Turner, contains over 100 wildly variegated works of art and craft, ranging from ancient astrolabes and medieval illuminated manuscripts, to a bit of contemporary installation art whose glistening wires mimic the rays of the sun. It's the sort of show that perhaps only the Getty, ensconced in palatial quarters overlooking Los Angeles from the Santa Monica mountains, could gather and present.

The exhibition is nominally a part of the third iteration (the first two were in 2011 and 2017) of the Getty-sponsored "Pacific Standard Time" (or "PST ART"), a plethora of more than 60 shows throughout Southern California. This edition of "PST" has, however, an editorial thrust, "Art & Science Collide," that translates in most of the allied exhibitions into art inveighing against human-caused climate change. The Getty's own exhibition takes a more historical—and conspicuously neutral—tack; it concentrates on the splendor of light itself, and represents a cohesion of art and science more than a collision of the two.

"During the 'long Middle Ages' (800-1600 CE)," Getty exhibition

material says, "science (or the study of the physical universe) served as the connective thread for diverse cultures across Europe and the Mediterranean, uniting scholars who inherited, translated, and improved upon a common foundation of ancient Greek scholarship." If there's one work among the many treasures in "Lumen" that manifests this connection it's the beautiful and breathtaking early 15th-century Flemish "Tapestry of the Astrolabes," on loan from a cathedral in Spain. Measuring almost 26 feet wide and over 14 feet tall, it offers the enormous scale demanded by its richly illustrated subject, which is no less than God—a white-bearded figure off to the side of many other richly attired figures—determining the movements of the astronomical universe by directing

an angel, who cranks an astrolabe containing the entire cosmos.

Near the opposite end of the size spectrum is "Salvator Mundi," a circa 1500 oil painting on panel by Quentin Massys ("and Studio," the label says, cautiously). The picture is only 28 inches high. In it, a tenderly depicted Christ holds a crystalline globe and gives the sign of benediction; that he's already in heaven is signaled by the tiny cumulus clouds hugging the bottom of the painting. Other treasures in "Lumen," an exhibition that might just be the most magnificent granny's attic ever, include some Hebrew Bibles, a chandelier from Byzantium and a 12th-century manuscript documenting monks telling time by observing

constellations of stars.

While a gilded Giotto, depicting in tempera "God the Father With Angels" (c. 1328) along with small, barely modeled figures in a triangular panel, might disappoint those expecting something more major, it is, after all, a Giotto. The "Munich Choros" (13th or 14th century), on the other hand, is an enormous Byzantine candle chandelier providing a genuine marvel, albeit by necessity without flames. As the catalog for "Lumen" says, it "would have created a spectacular visual array designed to inspire awe." While our contemporary astonishment might be attenuated by our secular outlook, the statement still holds.

"Lumen" includes a few contemporary works, including the aforementioned wires-as-rays-of-light by E.V. Day. The Getty's slim rationale for extending the range of the exhibition to the 20th and 21st centuries is that its handful of contemporary artists "engage with,



'Monk Measuring the Hours of Night Using Pacificus's Horologium Nocturnum' (c. 1175-1200), left; 'Munich Choros' (13th or 14th century), below.



'Tapestry of the Astrolabes' (15th century), above left; 'Untitled (Lens)' (2023), by Helen Pashgian, above.

heighten, and challenge our perception of light." The show includes a 1992 painting, by Vija Celmins, of a star-filled nighttime sky—at first glance merely a black canvas with white dots, but longer looking reveals a lovingly painted array of subtly individual stars. There's also a fuzzy-edged Robert Irwin-esque urethane orange disc, 50 inches in diameter, by the California artist Helen Pashgian. Displayed in its own stark white enclosure, it floats delicately on the wall as it hovers between object and image.

For all its gems, there's a certain scattershot feeling to "Lumen." Which is to say that its subject, in order to be as thoroughly and convincingly elucidated through precious objects on display as it is in the catalog's essays, would require much more floor and wall space than the Getty has granted it. Moreover, the categories and chronology of the art and artisanry need much more clarity to make their curatorial theses apparent.

For those who can't travel to Southern California and climb the magic mountain on which the marbled buildings of the Getty reside, the catalog for "Lumen" is a rewarding way to understand the exhibition. Lavishly illustrated with beautiful, full-page reproductions of the works, it contains more than a dozen scholarly yet eminently readable essays. (My favorites are "Optical Theories in Islamic and Christian Contexts" by Margaret Gaidar, of the California Institute of Technology, and "Epilogue: Light and the Neuroscience of Awe and Wonder" by G. Gabrielle Starr, the president of Pomona College.)

Of course, there's nothing quite like the real thing to help a viewer see the light.

**Lumen: The Art and Science of Light**  
Getty Center, through Dec. 8

Mr. Plagens is an artist and writer in Connecticut.

## MUSIC REVIEW

## An Entertainer's Virtuoso Vocals

By WILL FRIEDWALD

When Ella Fitzgerald died in 1996, I was assigned by Entertainment Weekly to get reactions from other great jazz singers. Tony Bennett and Lena Horne had very well-considered and poignant comments. The response that surprised me the most, however, was from Anita O'Day. She started with "Don't get me wrong, I always loved Ella" and then continued: "But even before I heard Ella, I had already discovered Martha Raye. And the first time I heard her, I said to myself, 'There's my singer!'"

Raye (1916-1994) was a popular entertainer, singer, actress and comedian. Her career spanned some 50 years—from early appearances in vaudeville and parts in dozens of Hollywood musicals in the 1930s and '40s to a long run on television that included her own popular variety series, a regular role on the 1970-72 kids show "The Bugaloos," and even work as a TV commercial pitchman. Like Jimmy Durante, she is best remembered as a master comic who was also a superior musician—part of the same continuum, as it were, as such next-level jazz artists as Louis Armstrong and Fats

Waller, great musicians who were also appreciated in their day as first-rate funnymen.

Raye is now the subject of a two-CD package, "Martha Raye & Co-Stars in Hollywood" from Sepia Records. It contains roughly 160 minutes of previously unreleased audio tracks recorded for movies produced between 1936 and 1944.

The performances here make it clear that Raye wasn't just a good singer who surely could have made a living with big bands and on the radio had Hollywood never beckoned, but a top-flight improviser. More than any other vocalist at the time—other than Bing Crosby—you can hear the influence of Armstrong and scat wizard Leo Watson in her work.

Just as clear is the influence she in turn exerted on a whole generation of singers, including not only O'Day but Fitzgerald. In fact, two of the first three Raye tracks here—"If You Can't Sing It (You'll Have to Swing It)" and "Vote for Mr. Rhythm"—were later recorded by Fitzgerald after Raye introduced them in the Paramount Pictures releases "Rhythm on the Range" and "The Big Broadcast of 1937," respectively. You can hear how Raye opened the floodgates for

scatting and vocal improvisation. Like Crosby, she helped to make jazz singing mainstream.

In mostly forgettable films such as "Hideaway Girl" and "Waikiki Wedding," the studios cast Raye as a comic rather than a leading lady. The strategy was much the same as that with Durante: Give her a supporting or cameo role in almost any lightweight feature, let her sing one number, and watch her steal the show with an explosive, high-energy showcase containing a bravura scat chorus. Whether singing with Benny Goodman on "You Came to My Rescue" or even Armstrong himself on "Public Melody No. 1"—two tracks on the current set—Raye is swing personified on-screen, singing both actual lyrics and nonsensical phrases with relentless energy and imagination that place her in the same class with any of the great jazz singers of the past 80 years.

The 1937 "Double or Nothing," a relatively minor Crosby vehicle, climaxes in a remarkable scat extravaganza built around a three-way competition comprising the leading man, Raye and Frances Faye, a young singer-pianist who would go on to a long career as a nightclub headliner. The song "After You," credited to veteran songwriter Sam Coslow, is essentially a setup for full-scale vocal



Raye is the subject of a new two-CD set that collects her Hollywood recordings from the 1930s and '40s.

as it were, between Armstrong and Fitzgerald—including the use of quotes. Following the lead of great instrumental improvisers like Armstrong, Waller and Art Tatum, Raye is continually injecting snippets of songs into other numbers in a way that directly anticipates Fitzgerald. She inserts "Mama Loves Papa" into the middle of "You Came to My Rescue," and likewise "Organ Grinder's Swing" is heard in the Hawaiian-style "Okolehao." Where later jazz singers sound like a band or an instrumentalist, Raye sounds like an incredibly hip parade, marching down the street with fireworks constantly going off.

One other iconic singer named Raye as an important in-

spiration. When the young Anthony Benedetto, still a long way from being renamed Tony Bennett, auditioned for the veteran songwriter Hugh Martin around 1950, the latter was impressed enough to proclaim, "This kid is another Martha Raye." Even a lifetime later, Bennett told me that he still felt that was one of the greatest compliments he ever received.

Mr. Friedwald writes about music and popular culture for the Journal. He is the 2024 winner of the Jazz Journalists Association Lifetime Achievement award.

## SPORTS

By JARED DIAMOND

*Orlando, Fla.*  
Derrrian Gobourne was in her junior season as a star gymnast at Auburn three years ago when a direct message popped into her Instagram inbox that took her by surprise.

The note was from an account called "wwererecruit," and the sender had an offer that Gobourne assumed had to be some sort of bizarre prank or a scam. World Wrestling Entertainment, the sports entertainment juggernaut famous for staging over-the-top spectacles featuring hulking giants like The Rock and John Cena, wanted her to try out.

"I didn't think it was real," Gobourne said. "I was like, 'Uh, actually, I'm going to pass on that.'"

It makes sense that Gobourne was suspicious. She stands at 5 foot 4, has a slender frame and was far more comfortable with cartwheels and back handsprings than the People's Elbow or Stone Cold Stunner. The other thing is that she knew exactly nothing about WWE.

But the opportunity in front of Gobourne was very real, and, as she would eventually learn, she actually happens to be the exact type of person at the forefront of WWE's new strategy to attract talent.

For most of its history, WWE would seek out new performers primarily from smaller, independent circuits made up of professional wrestling lifers desperate for a shot in the big leagues.

In recent years, however, WWE has begun to focus on a previously untapped group who might not understand the difference between a heel and a kick to the face, but otherwise possess all requisite qualities for tossing opponents around a ring: college athletes. And thanks to the rapidly evolving landscape of NCAA sports, where athletes can now monetize their name, image and likeness, they are more available to WWE than ever before.

Gobourne was part of the second class of WWE's NIL program, the brainchild of president Nick Khan and chief content officer Paul "Triple H" Levesque that has be-

# New Recruiting Pipeline Leads to Pro Wrestling

World Wrestling Entertainment has signed 60 college athletes to NIL deals since 2021. Eight of them are now full-time wrestlers.



Oba Femi won three SEC championships for Alabama in shot put under the name Isaac Odugbesan.

come an unorthodox pipeline to the wrestling ranks. WWE has given NIL deals to 60 college athletes since 2021. Eight of them, including Gobourne, have been signed to work as full-time wrestlers at the WWE Performance Center, the company's training headquarters in Orlando. The facility also acts as the home arena for NXT, a development brand that effectively serves as WWE's farm system.

Shawn Michaels, the legendary wrestler who is now WWE's senior vice president of talent development creative, said there was some resistance at first to expanding behind the insular wrestling world. WWE, he said, is "steeped in our

tradition sometimes."

That was before the skeptics saw the new recruits in action and witnessed how quickly they transitioned from their chosen sport to wrestling.

"When we started getting these athletes, it changed everything," said Michaels, whose real name is Michael Hickenbottom. "What used to take five years is now getting accomplished in a year and a half or two years."

Those who have been part of the NIL program describe their experience as more like a paid internship than a marketing role. The focus, they say, was on building a relationship and preparing them for a

potential career in wrestling after they graduated.

It has already generated results. Take Oba Femi, who won three Southeastern Conference championships for Alabama in shot put under the name Isaac Odugbesan. He was planning to keep throwing overseas before WWE brought him into the NIL program.

Femi was the NXT North American champion for a record 10 months before relinquishing his title in October. Before long, he is likely to be promoted to the main WWE roster, as he continues to grow into what he describes as a "very weird, interesting job."

"It was not on my radar for a

career path," Femi said. "It fell into my lap, and I'm grateful for that."

It's easy to see how Femi might make a good wrestler. He stands 6 foot 4, weighs 310 pounds and generally looks like a person capable of twisting another person into a pretzel without much effort. But WWE is looking for more than just athleticism in its NIL athletes. Professional wrestling is as much about stage presence and charisma as it is about feats of strength.

That's why WWE talent evaluators scour Instagram and TikTok in search of college athletes with outsized personalities and a demonstrated ability to connect with an audience. The result is up and coming wrestlers like Tank Ledger, a former defensive lineman for Northwestern named Joe Spivak who was part of WWE's first NIL class.

Football was his first love—matched only by performing in front of large groups of people.

"I realized the only other place I got that feeling that I did on a football field when I had a microphone or a camera or a crowd in front of me," Ledger said. "Where do those things mesh better than the WWE?"

The WWE NIL roster is an eclectic group, spanning many different sports and NCAA conferences. WWE has partnered with a tennis player from the University of Mary Washington and a wrestler from Life University, a private school in Georgia.

While many of the NIL athletes come from football and track and field, WWE has signed athletes from sports as varied as baseball and softball to tennis and volleyball. College athletes have transitioned to professional wrestling before, of course. Dwayne Johnson played football at Miami. Brock Lesnar won a national championship as a wrestler at Minnesota.

With no systematic way of finding them, their move to wrestling was more good fortune and coincidence than anything else. That is what WWE hopes to change—with NIL as the entry point.

"We've done well and prospered by happenstance," Michaels said. "But, my goodness, what if we really tried?"

## The WSJ Daily Crossword | Edited by Mike Shenk



## FUSION | By Hal Moore

Across	33 Yearbook VIPs	58 Status held by the three theme answers	7 NYSE events
1 KGB base	34 Future field	62 Godfather, often	8 Each
5 Pass up	35 Deets	63 Off in the distance	9 Tallest active volcano in Eur.
9 Johnny Mathis song	36 Spine components	64 Tangible	10 "Spartan dog" of drama
14 Bungle	39 Pull along	65 Velodrome racers	11 Akita alternative
15 Nickname for José	40 Catcher's position	66 Turns down	12 Phrase in many odes titles
16 Chevy SUV	41 Bart and Milhouse ride his bus	67 Marking time	13 Itch
17 Adobo + fárikál	42 Budgeting concern	68 Spartan dog	14 Michigan senator Gary
20 "Gross!"	43 Pot fill	69 Akita alternative	15 College, abroad
21 Life instinct, in Freudian theory	44 Pho + pljeskavica	70 College, abroad	16 Made slow progress
22 Katharine Hepburn's acting gamut, in a Dorothy Parker quip	50 What Zener cards test for	71 Like drone footage	17 Connection in an airport, say
23 Sleep unit?	51 Secure	72 Connection in an airport, say	18 Do some soundtrack work
24 Browser page	52 "Not sure..."	73 Turn down	19 Path to the top
25 Wd. from a thesaurus	53 Court sight	74 College, abroad	20 Man and Superman playright
26 Title quest of a 1981 action film	54 Root for the chef	75 College, abroad	21 Turn down
29 Falafel + cepelinai	55 Acting gamut, in a Dorothy Parker quip	76 Made slow progress	22 Like drone footage
30 "Gross!"	56 D.C. daily	77 Connection in an airport, say	23 Connection in an airport, say
31 Life instinct, in Freudian theory	57 Wine bottle word	78 College, abroad	24 Turn down
32 Katharine Hepburn's acting gamut, in a Dorothy Parker quip	58 Status held by the three theme answers	79 College, abroad	25 Man and Superman playright
33 Yearbook VIPs	59 Home of Botticelli's "Birth of Venus"	80 College, abroad	26 Turn down
34 Future field	60 Pizzeria portions	81 Like drone footage	27 College, abroad
35 Deets	61 Off in the distance	82 Connection in an airport, say	28 Turn down
36 Spine components	62 Godfather, often	83 Turn down	29 College, abroad
37 "Gross!"	63 Tangible	84 College, abroad	30 Neckwear named for a racetrack
38 Life instinct, in Freudian theory	64 Velodrome racers	85 College, abroad	31 Movie cliché
39 Pot fill	65 Michigan senator Gary	86 College, abroad	32 Muslim veil
40 Pho + pljeskavica	66 Turns down	87 College, abroad	33 Peace symbol
41 What Zener cards test for	67 Marking time	88 College, abroad	34 Indeed!
42 Budgeting concern	68 Spartan dog	89 College, abroad	35 Retreat
43 Pot fill	69 Akita alternative	90 College, abroad	36 Inoffensive
44 Pho + pljeskavica	70 College, abroad	91 College, abroad	37 Father's delivery
45 What Zener cards test for	71 Like drone footage	92 College, abroad	38 Prickly pears, e.g.
46 D.C. daily	72 Connection in an airport, say	93 College, abroad	39 They may flare
47 Wine bottle word	73 Turn down	94 College, abroad	40 Flower girls, often
48 "Not sure..."	74 College, abroad	95 College, abroad	41 2019 superhero movie
49 Secure	75 College, abroad	96 College, abroad	42 Indeed!
50 "Not sure..."	76 Made slow progress	97 College, abroad	43 Connection in an airport, say
51 Secure	77 Connection in an airport, say	98 College, abroad	44 College, abroad
52 "Not sure..."	78 College, abroad	99 College, abroad	45 Turn down
53 Court sight	79 College, abroad	100 College, abroad	46 College, abroad
54 Root for the chef	80 College, abroad		
55 Acting gamut, in a Dorothy Parker quip	81 Like drone footage		
56 D.C. daily	82 Connection in an airport, say		
57 Wine bottle word	83 Turn down		
58 Status held by the three theme answers	84 College, abroad		
59 Home of Botticelli's "Birth of Venus"	85 College, abroad		
60 Pizzeria portions	86 College, abroad		
61 Off in the distance	87 College, abroad		
62 Godfather, often	88 College, abroad		
63 Tangible	89 College, abroad		
64 Velodrome racers	90 College, abroad		
65 Michigan senator Gary	91 College, abroad		
66 Turns down	92 College, abroad		
67 Marking time	93 College, abroad		
68 Spartan dog	94 College, abroad		
69 Akita alternative	95 College, abroad		
70 College, abroad	96 College, abroad		
71 Like drone footage	97 College, abroad		
72 Connection in an airport, say	98 College, abroad		
73 Turn down	99 College, abroad		
74 College, abroad			
75 College, abroad			
76 Made slow progress			
77 Connection in an airport, say			
78 College, abroad			
79 College, abroad			
80 College, abroad			
81 Like drone footage			
82 Connection in an airport, say			
83 Turn down			
84 College, abroad			
85 College, abroad			
86 College, abroad			
87 College, abroad			
88 College, abroad			
89 College, abroad			
90 College, abroad			
91 College, abroad			
92 College, abroad			
93 College, abroad			
94 College, abroad			
95 College, abroad			
96 College, abroad			
97 College, abroad			
98 College, abroad			
99 College, abroad			

► Solve this puzzle online and discuss it at [WSJ.com/Puzzles](http://WSJ.com/Puzzles).

Previous Puzzle's Solution

(X)A(RD) L(E)T(B)E (L)O(O)K

P(L)O(W)H(O)R(S)E(S) A(N)N(E)

S(O)N(I)A(B)R(A)G(A) M(I)E(N)

(H)A(N)D(A)R(U) C(O)O(T)

A(N)D(E)A(N) I(D)U(N)N(O)

(C)A(N)D(L)O(S)T

A(T)T(E)N(D) T(E)N(T) L(P)S</

## OPINION

## How the Democrats Lost It

WONDER LAND  
By Daniel Henninger

American liberalism's 10-year obsession with "Trump" is now proven to be a historic mistake. There is no parallel in U.S. politics for a political party and an overwhelmingly allied media allowing their attention to be diverted so overwhelmingly by the persona of one individual.

Forget the first Trump presidential term. Or Jan. 6 and disproven election denial. Eventually, in 2021, Donald Trump went off to Mar-a-Lago to content himself with griping and golf. There were no Trump rallies. Then, all of a sudden, Democrats at the national, state and local level obtained indictments of the former president. Naturally, he reappeared to fight back.

Pouring all their psychic energies into "Trump," Democrats took their eyes off the American people the past four years. What a high price they are paying for that now.

In the election's final weeks, virtually all the opinion polls showed Mr. Trump and Kamala Harris in a statistical tie in the seven swing states. It was an admittedly striking result, and the question became: Are the polls "missing" something?

Indeed they did. They missed the public's loss of belief that the Democratic Party represents its interests.

The normal habit of politics is to create policies and then sell them to voters as the best expression of their self-interest.

## Trump's Comeback and What's to Come

By Karl Rove

**A**nd so it ended, almost abruptly. Many pundits—me included—expected days of uncertainty, vote counting and legal wrangling. But before sunrise Wednesday, it was over. Donald Trump engineered the most astonishing political comeback in American history.

The former and future president appears to have swept all seven battleground states. He also is well ahead of Kamala Harris in the national popular vote, 51% to 47.5% as of Wednesday afternoon. If he carries every state he now leads, he will have a more substantial Electoral College victory: 312 votes to her 226. That's a clear mandate.

President-elect Trump achieved his victory by assembling a new coalition. He added to the GOP's traditional base working-class noncollege voters of all races; young voters, especially young men; the biggest share of the Hispanic vote since at least 2004; and the largest black percentage for Republicans in decades. He expanded his majorities in rural counties and small towns while building his numbers in cities and suburbs. His percentage of the vote ballooned in blue states like New York, New Jersey and Illinois.

Mr. Trump created this coalition by opposing Biden-Harris policies on the econ-

omy, inflation, the border and wokeness while promising to restore America's greatness. He was aided by the sense that the economy was better and more prosperous when he was in office. And with two-thirds of Americans believing our country was on the wrong course, he became the change candidate.

When his re-election journey began in 2022, it seemed impossible to all but him, his family and true believers that he would win. The lawsuits, indictments and later the conviction would have doomed any other candidacy.

But he persevered, and his supporters grew in numbers. He knew what appealed to people in a way others—including me—didn't see. A friend explained it to me on Monday as we walked a New York street. Pointing to nearby construction workers, he said the former president cares about people like them and they feel that. Millions of Americans who don't believe politicians care about them, their challenges and their aspirations see Mr. Trump as their champion.

Mr. Trump also benefited from the mental and physical incapacity of the sitting president seeking a second term. It's a scandal that Joe Biden and his inner circle thought it was in the country's best interest that he run when he had declined so precipitously. They hid the fact that age had robbed Mr. Biden of

what America needed in the Oval Office.

Challenges await Mr. Trump. The international scene is chaotic and dangerous, from Ukraine to Taiwan to the Middle East. He will have a Republican Senate but there's still a slim chance of a Democratic House. It will likely take days to settle the final contests in California that may determine which party has the lower chamber's majority.

**It seemed impossible a year ago, but the success of America is again in his hands.**

America remains deeply polarized, and some of Mr. Trump's proposed policies—such as the expensive sales taxes that his tariff ideas constitute—could prove unpopular. This could boomerang on him in the 2026 midterms. And second terms are rarely easy.

Early Wednesday morning Mr. Trump promised: "Every citizen, I will fight for you, for your family and your future." He pledged "with every breath in my body, I will not rest until we have delivered the strong, safe and prosperous America that our children deserve."

If the new president focuses his prodigious energies on this, he can achieve good

things in the next two years. But if he makes a priority of settling scores with opponents—which he promised to do during the campaign—he'll waste his limited time and precious political capital.

But Mr. Trump will do it his way. In Trump 2.0, there will likely be more people urging him to hit the accelerator on whatever policy idea, good or bad, occurs to him than in his first term and fewer counseling him to pump the brakes.

Some of his ardent supporters play this down. They remind us of journalist Selena Zito's admonition to take Mr. Trump seriously but not literally. She may have a point, but it should be a greater comfort to nervous Americans that the guardrails of our system of government remain strong and effective.

This is the moment when both victors and the defeated traditionally set aside the election's acrimony and, even if briefly, give the incoming president a chance to start fresh. Mr. Trump is the only president America will have come January. We should all wish him godspeed and pray for wisdom in his efforts. Our nation's success is once again tied to him.

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

## The Electoral College Embodies America

By Matthew Hennessey

**A**fter every presidential election we get a flurry of commentary questioning the Electoral College. It's an anachronism, some say, no longer useful or relevant. Others call it a tool for the deliberate disenfranchisement of minorities. Such arguments are generally made in bad faith by partisans dissatisfied with the outcome of the most recent contest, and they were especially vehement in 2000 and 2016, when the winner fell short of a plurality in the national popular vote. That doesn't mean they can be ignored. On the contrary, they must be addressed because they are—and I mean this literally—anti-American.

Not for nothing is the country called the United States of America. There's a reason, even if many modern Americans don't know or don't remember what it is. Without

the founding compromises embedded in the Constitution, including but not limited to the Electoral College, the U.S. as we understand it today wouldn't exist.

Elected representatives of the 13 victorious former colonies arrived in Philadelphia in May 1787 to hash out some

**There would be no country without the founding compromise.**

sort of permanent political arrangement. Things could have gone many directions. Among the issues that needed resolution was how the president of a new federal government would be selected. Some wanted Congress to pick the chief executive. Others insisted on a national popular vote. Having Congress do it undermined the principle of the sep-

aration of powers. Having the people do it would concentrate power in the population centers of the Northeast. The rural states wouldn't agree to that. Stalemate.

"This subject has greatly divided the House, and will also divide the people out of doors," reflected convention delegate James Wilson of Pennsylvania, a future Supreme Court justice.

"It is in truth the most difficult of all on which we have had to decide."

The delegates finally alighted on the idea of the Electoral College to balance these competing interests, and the federal project moved forward. As a result, we have a country today.

Some critics of the Electoral College seem to wish we lived in an alternative timeline, unconstrained, to coin a phrase, by what has been. But there are no such timelines. There's only this one, in which the past inevitably instructs and often

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

BOOKSHELF | By Philip Delves Broughton

## Competition In the Skies

## Flying for Peanuts

By Frank Lorenzo

*Skyhorse, 384 pages, \$32.99*

**F**rank Lorenzo connected two eras of air travel, that of pioneers like Howard Hughes and the flying ace turned entrepreneur Eddie Rickenbacker, and the era of today—jostling cabins, dueling carry-ons and TSA PreCheck. Mr. Lorenzo stared down the airline unions during the period following the deregulation of airlines in 1978, and as the federal government slackened its grip on routes and fares, he and his generation transformed commercial airlines into roughly what they are now.

"I grew up in Rego Park, a middle-income suburb, the son of Spanish immigrants, my father a onetime hotel dishwasher and later club bartender who, with my beautician mother, founded and owned a small beauty parlor in Manhattan," Mr. Lorenzo writes on the first page of his memoir, "Flying for Peanuts." As a boy he lived near LaGuardia Airport in Queens, N.Y., and would read the annual reports of airline companies.

He invested his teenage savings in Trans World Airlines stock.

He attended public high school, Columbia University and then Harvard Business School, where he began making the connections that oiled his ascent. After a stint at TWA, when the airline was in a protracted fight with its biggest shareholder, Hughes, as well as with Rickenbacker's Eastern Airlines, Mr. Lorenzo decided to set up an airline consulting business with a friend from business school.

In 1966 Mr. Lorenzo and his founding partner, Bob Carney, began their operations in a branch of the New York Public Library off Fifth Avenue and 53rd Street. They made calls from the library phone booth. From the outset their goal was to make enough money through advising on deals to buy a supplemental airline, one of the smaller companies that plucked the cargo and passenger holes unfilled by the major airlines.

They quickly built a stake in British West Indian Airways, and Mr. Lorenzo cut his teeth as an airline executive, working on everything from rebranding the airline to negotiating with governments and buying and selling planes. Within three years, the partners created a leasing company, Jet Capital, and raised their initial capital with a public listing. With that, they acquired a controlling position in the rickety and loss-making Texas International Airlines and set about pruning it back and making it profitable again. Mr. Lorenzo was so devoted to his work that he arranged his honeymoon to include a series of stops along TIA routes in Texas and Louisiana. A rival had recently abandoned several Gulf Coast markets, and he "needed to do some politicking" to snap them up for TIA.

Jet Capital and TIA staggered through the early 1970s, buffeted by sky-rocketing fuel prices and the looming threat of deregulation. Mr. Lorenzo was torn between his natural instincts for competition and innovation and his fears that TIA's business would be devastated if national carriers were allowed to compete on its smaller routes, or if Texas rivals like the insurgent Southwest Airlines were given access to its protected interstate routes. But when deregulation finally came in 1978, Mr. Lorenzo thrived in the ensuing chaos.

TIA took the opportunity to slash fares. The company offered a "date you fly is the price you pay" promotion: \$1 on the first of the month for a one-way standby ticket, \$2 on the second and so on. Mr. Lorenzo and his team came up with a promotional campaign around the idea of "Peanuts Fares," with images of TIA's planes as peanuts soaring through the skies with captain's hats and sunglasses, and the slogan "Flying for Peanuts."

The disruption of the airline industry coincided with innovations in finance and the rise of leveraged buyouts and hostile takeovers. Over the next decade, Mr. Lorenzo led a series of aggressive and controversial assaults on far bigger rivals, playing them off against one another with astute share purchases and the canny working of a regulatory system in flux. The most memorable would be his takeover of Continental Airlines in 1982.

**Frank Lorenzo helped bring commercial air travel into its present state: hectic, constantly changing, competitive—and mostly affordable.**

Almost immediately after gaining control of Continental, he ran into the opposition of pilots' and machinists' unions, who feared the erosion of their pre-regulation privileges. Over many months, Mr. Lorenzo negotiated and resisted, but eventually Continental had to file for bankruptcy to be released from its unsustainable labor contracts.

At this point in the battle, Mr. Lorenzo organized a phone bank of executives who called pilots individually after dinner to persuade them to cross their own picket lines, a risky move at a time when striking pilots were threatening working pilots with violent retribution. Continental also had to fight through the courts to defend its right to impose new wages and work rules during bankruptcy. But the company eventually won its case, and as union opposition withered, Continental returned to profitability.

Through the 1980s, Mr. Lorenzo fought with the corporate raider Carl Icahn for control of TWA, and eventually lost. But he did gain control of Eastern Airlines, which required another painful scrap with unions and, later, the sale of its Washington-New York-Boston shuttle service to Donald Trump. The arrival of Mr. Trump brings some welcome levity to the book's blow-by-blow accounts of long-forgotten airline deals.

In Mr. Lorenzo's recollection, Mr. Trump is a comic figure, a see-through show-off and a clumsy negotiator. At one point during their discussions, the New York mogul invited Mr. Lorenzo to ski with him in Aspen, Colo. Mr. Trump failed to show up. That morning, according to the author, Mr. Trump's then-wife Ivana had discovered that he had flown in his girlfriend, Marla Maples, to stay in the same hotel as his family.

Mr. Lorenzo retired from the airline industry after a quarter-century to become an investor. By his own account, he was a fastidious, scrupulous man, the epitome of tough but fair. He ran marathons, was devoted to his family and helmed great American companies. His book is a modest testament to a businessman of rare diligence standing firm through extreme turbulence.

*Mr. Delves Broughton is the author of "The Art of the Sale: Learning From the Masters About the Business of Life."*

## OPINION

## REVIEW &amp; OUTLOOK

## Trump Wins a Second Chance

**D**onald Trump, meet Grover Cleveland, the only other President in U.S. history to win a second term after losing his first bid for re-election. It's a remarkable accomplishment and a political comeback for the ages. How he'll use it to achieve a legacy larger than the divisiveness of the last eight years is the question for the next four.

To say the former President has been a portrait in resilience is the political understatement of the 21st century. He was all but written off as a future candidate after the Capitol riot on Jan. 6, 2021, including by us. But Democrats helped to revive him with their one-sided Jan. 6 investigation and their partisan use of lawfare. The Bragg indictment in New York on jerry-rigged charges may have sealed Mr. Trump's path to the nomination. The courage he showed after the first assassination attempt was also a defining campaign moment.

\* \* \*

His victory on Tuesday in the end wasn't as close as the polls suggested. He won back states he lost in 2020, and he did so with a coalition that included more young voters, and more black and Hispanic men. He reduced his margin of defeat in states he lost by enough that he will probably win the national popular vote. It's a bigger win than in 2016.

Yet Mr. Trump's comeback wouldn't have been possible without the policy failures of the Biden Administration and Congressional Democrats. He won again because President Biden failed to deliver the unity and prosperity he promised, and because over four years voters have soured on the results of his progressive policies.

Mr. Biden veered left to unite Democrats, rather than unite the country, and he believed the historians (that means you, Jon Meacham) who told him he could be another FDR. He put Elizabeth Warren in charge of his regulators, and Nancy Pelosi in charge of his agenda for the first two years on Capitol Hill.

The result was a decline in real wages as inflation soared, a divisive cultural agenda driven by identity politics, chaos at the southern border, and the collapse of American deterrence abroad. The exit polls show the economy in particular was Mr. Trump's best issue. No matter the media lectures that the economy is great, voters who depend on wages and salaries (not assets) felt differently.

Democrats tried a late course correction by pushing Mr. Biden out of the race when it became clear he would lose, and it almost worked. Kamala Harris tried to pitch herself as a "new way forward," but she couldn't escape her four-year association with Mr. Biden. In the end she also failed to persuade enough people she was up to the job as President in a world of growing geopolitical danger.

Given these fundamentals, Republicans had

**He owes his comeback victory to his resilience and Biden's failures.**

the political advantage, and perhaps a younger GOP nominee without the baggage of Jan. 6 might have won a bigger victory. Exit polls show the threat to democracy and Mr. Trump's character were Democratic advantages. But Democrats overplayed their hand even here, as their comparisons to fascism and Hitler weren't believable.

\* \* \*

Can Mr. Trump govern in a second term more successfully than he did in the first? Control of the House remained too close to call on Wednesday. But he'll have a working GOP majority in the Senate, with at least 52 seats and maybe 54. This will help with the confirmation of his cabinet nominees and judges.

But he will have to choose carefully because his nominees will have to pass muster with what we will call the McConnell Caucus. That's McConnell, as in Mitch, the Kentucky Senator who will no longer be GOP leader and probably won't run for re-election in 2026. He will be liberated to act without worrying about his backbenchers. He will have allies in Sens. Susan Collins, Lisa Murkowski, and perhaps others.

Nominating the likes of Jeffrey Clark or Ken Paxton as Attorney General won't fly. His successful first-term nominees knew how to navigate Washington, pursuing policies with care to defeat opponents in the bureaucracy and press. He needs more Mike Pompeo and Gene Scalios.

If Mr. Trump makes a priority of seeking revenge against his opponents, he will squander political capital and quickly lose whatever goodwill his victory earns him. Ditto if he focuses on responding to every critic who insults him. We realize that asking Mr. Trump to act with self-restraint and political grace is the triumph of hope over hard experience. But he could set the right tone by promising to pardon Hunter Biden after he takes office and vowing not to prosecute Joe Biden.

\* \* \*

The overriding policy message from the exit polls is that Mr. Trump needs to keep his eye focused clearly on economic growth. He has a mandate to repeal electric-vehicle mandates and the climate commands of the Inflation Reduction Act.

Above all he needs growth with low inflation that raises incomes, especially for American households who don't have stocks or own a home. Extending the pro-growth planks of his 2017 tax reform and deregulation to unleash business investment will be crucial. He won't get that result by adopting the income redistribution or union feather-bedding favored by the big-government right.

Most second terms fail, but then Mr. Trump's second term is unlike any other in more than a century. To adapt Democrat Rahm Emanuel's famous political dictum, a second chance would be a terrible thing to waste.

## Investors Bid Bye, Bye to Bidenomics

**T**hat was some financial rally on Wednesday as voters absorbed the election news of a Donald Trump victory, and perhaps a united GOP government. But wait: Didn't assorted Nobel economists and newspaper columnists tell us the economy is great and Kamala Harris would be better for inflation and growth?

Yes they did, but voters apparently didn't agree and neither did markets. It's hard to remember an occasion when the economic commentariat has been so removed from the reality of voters and markets.

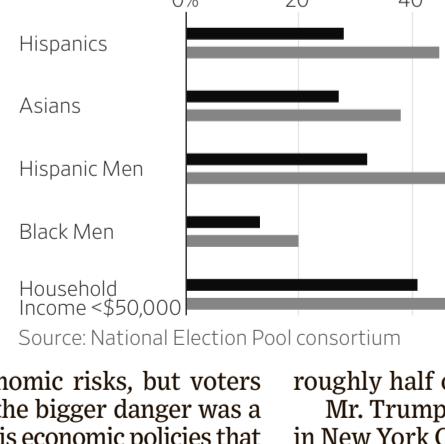
Investors seemed to love the election result, as the Dow Jones Industrial Average climbed 3.6% and the Russell 2000 index 5.8%. The latter reflects buoyed confidence for small businesses, which bear the brunt of the Biden Administration's regulatory assault and looming higher taxes. Call it a relief rally.

Stocks rise and fall, and no doubt they'll fall again if Mr. Trump's policies turn out to disappoint. But Wednesday's rally suggests a groundswell of growth optimism. Voters have taken off the table a big tax increase and continued regulatory barrage. Businesses can breathe a sigh of relief that Elizabeth Warren acolytes Rohit Chopra and Lina Khan won't spend the next four years harassing them.

Mr. Trump's threat of tariffs presents economic risks, but voters seemed to decide that the bigger danger was a repeat of the Biden-Harris economic policies that gave them the highest inflation in 40 years and lower real wages. While the affluent who own assets have done well in the Biden years, most other Americans have fallen behind.

This is what the simple-minded soothsayers—we'll spare their names—have missed in their lectures about the supposedly booming economy. How could Americans be unhappy, they ask? Well, inflation-adjusted weekly earnings remain lower than when Mr. Biden took office and began to increase only this past year as higher interest rates helped bring inflation under control.

**Stocks stage a relief rally on the prospect of fewer taxes and less regulation.**



But higher interest rates have also made buying a home and car less affordable. The bottom 40% of earners accounted for 6% of new auto purchases last year, compared to 18% in 2019. Meantime, the average mortgage payment for a new home has roughly doubled over the last four years.

All of this explains why Mr. Trump attracted a broader coalition than during his past two presidential campaigns and appears poised to win the popular vote. Mr. Trump this year won 45% of Hispanics, 38% of Asians, 54% of Hispanic men, and 20% of black men. In 2016 he drew 28% of Hispanics, 27% of Asians, 32% of Hispanic men and 13% of black men. (See the nearby chart.)

Americans earning less than \$100,000 also favored Mr. Trump despite Democratic efforts to win their vote with handouts in the March 2021 spending blowout and Ms. Harris's promises of more. Voters are smarter than the commentariat and could connect the dots between Democrats' spending binge and inflation that has eroded

their wages and living standards.

Two-thirds of voters rated the economy as poor or not so good, and they supported Mr. Trump, 69%-29%. This is a major reason that Ms. Harris's victory margins in solid Democratic states like New York (11.6%), Illinois (8.2%), Minnesota (4.3%), New Jersey (5%) and New Mexico (5.5%) shrank to roughly half of Mr. Biden's in 2020.

Mr. Trump remarkably won 38% of the vote in New York City's Queens borough and 27% in the Bronx, buoyed by support among minorities. Many Democrats in blue states abstained this year from voting in the presidential race, and some voted for Mr. Trump to show their dissatisfaction with the results of the left's economic and social policies.

Millions of Americans who didn't back Mr. Trump in 2016 or 2020—including some who have never voted for a Republican for President in their lives—cast their ballots for him this year. If Democrats showed a hint of introspection, they'd realize it's because their policies left most Americans worse off.

## LETTERS TO THE EDITOR

## Two Campaigns Lurking Behind the Election

I enjoyed your symposium "Journal Writers Reflect on the Campaign" (Nov. 2). While it had great insights into this election cycle, there is one item that hasn't been discussed. Several years ago, Texas Gov. Greg Abbott began busing and flying illegal immigrants, drugs and even terrorists pouring in. It made the border the issue it is—one that even the Democrats could no longer avoid.

HAL DANTONE  
Kingsville, Texas

I enjoyed your writers' look at the highs and lows, hits and misses, cheers and groans of this election season, but I would have given greater emphasis to the lawfare. The Democratic Party's attempt to weaponize the legal system against former President Donald Trump and pre-

empt an electoral referendum on him, and on their policies, transformed the alleged class bully into a sympathetic victim for many persuadable voters.

This was made worse by the over-the-top, strained-to-breaking legal theories used to go after him. From attempts to exclude Mr. Trump from state ballots as an uncharged insurrectionist, to a consumer-protection statute used against a borrower in a commercial-real-estate loan, to misdemeanor bookkeeping irregularities morphed into 34 felonies, the overreach was too much for many Americans' basic sense of fairness.

Toppling it off, the Federal Bureau of Investigation raid on the Trump home (while looking the other way on President Biden's document misdeeds) made vividly clear a fundamental unfairness and abuse of power that I believe changed many people's view of the 45th president—and made the 47th imaginable.

ART HUDMAN  
Plano, Texas

## What Does the Word of the President Mean?

Matthew Kroenig and Dan Negrea are right that the world doesn't believe the Biden-Harris administration will follow through and impose serious consequences when America or an ally is attacked ("Trump and the Art of Deterrence," op-ed, Nov. 1). Prime examples are the Kabul airport/Abbey Gate bombing during President Biden's disorganized Afghanistan withdrawal and the Biden administration's statements about an Iranian ballistic-missile attack against Israel.

On Aug. 26, 2021, a suicide bombing took place at Hamid Karzai International Airport in Kabul during the botched evacuation from Afghanistan. At least 183 people were killed, including 170 Afghan civilians and 13 members of the U.S. military. After that attack, Mr. Biden stood before the American people and said, "To those who carried out this attack, as well as anyone who wishes America harm, know this: We will not forgive. We will not forget. We will hunt you

In the case of Iran, the White House warned it of "severe consequences" should it launch ballistic missiles at Israel. I read that and figured Mr. Biden must really be feeling his oats. But when Iran attacked anyway, the Biden administration immediately shifted to restraining Israel's response, pressuring Israel not to attack the Iranian regime's key assets, let alone doing so itself. What happened to "severe consequences"?

MICHAEL C. BURY  
Adams, Tenn.

## Prepare the Merchant Marine Before We Need It

U.S. military sealift capabilities are falling far behind China's, particularly in terms of the number of vessels available for a major conflict ("China's Advance Exposes U.S.'s Supply-Line Weakness," World News, Nov. 1). It's crucial to have at the ready militarily obligated Merchant Marine officers who will be needed to operate commercial vessels in contested waters. In a conflict, Chinese forces will aggressively target our lo-

gistical ships, putting the men and women commanding these vessels in harm's way.

During World War II, approximately 250,000 mariners served, with nearly 10,000 losing their lives—a higher per capita casualty rate than had any branch of the armed services. More than 700 Merchant Marine ships were sunk in enemy attacks, and many mariners were taken as prisoners of war.

Congress established the U.S. Merchant Marine Academy during World War II to ensure a strong pool of service-obligated, licensed Merchant Marine officers who could be activated in times of crisis. The nation can't afford to hope for volunteers to execute this key, dangerous component of warfare; the need is simply too important. USMMA's 1940s infrastructure must be modernized, including an expanded capacity to graduate those Merchant Marine officers who may soon be sorely needed.

CAPT. JAMES F. TOBIN  
President and CEO, USMMA Alumni Association & Foundation  
Kings Point, N.Y.

## The Ant and the Grasshopper

Sam Sacks's review of "Aesop's Fables" (Books, Nov. 2) brings to mind a modern twist on an old classic: In the summer, the ants worked and saved, while the grasshoppers played. The ants warned that come winter, there would be no food. The grasshoppers laughed at their labors and sacrifices.

As winter approached and food disappeared, the grasshoppers pleaded. The ants said that you must reap what you sow. But then, on the first Tuesday in November, the grasshoppers were given the chance to take the ants' food.

JOSH WIENER  
Stillwater, Okla.

## Who Needs Clinical Trials?

In light of the approval of Medicaid funding for traditional tribal medicines and practices without evidence of effectiveness ("Medicaid for Herbs and Housing," Review & Outlook, Nov. 5), one might wonder whether Health and Human Services would consider funding for grandma's chicken soup. Millions like me will attest to its curative benefits, and all without clinical trials and other bureaucratic stumbling blocks. Undoubtedly, the associated costs would be far lesser.

RICHARD SHAINES  
Boise, Idaho

## Pepper ... And Salt

THE WALL STREET JOURNAL



Letters intended for publication should be emailed to [wsj.ltrs@wsj.com](mailto:wsj.ltrs@wsj.com). Please include your city, state and telephone number. All letters are subject to editing, and unpublished letters cannot be acknowledged.

## OPINION

# Voters Reject The Party Of Scolds

By F.H. Buckley

**O**ne lesson the left should learn from this election is that you don't win elections by becoming an angry scold. It isn't patriotic to think that American history is a list of things that should never have happened and that half of Americans are garbage.

An older set of progressives didn't talk like that. Instead, they took pride in America and how we differed from other countries. As Stephen Vincent Benét wrote in 1927, they had "fallen in love with American names, / the sharp, gaunt names that never get fat, / The snakeskin-titles of mining-claims, / The plumed war-bonnet of Medicine Hat, / Tucson and Deadwood and Lost Mule Flat."

**E**arlier progressives took pride in America. Their descendants take pride in their disdain for it.

Today's left is elitist and the right is populist. In Benét's day, it was the other way around. The elitists were people like T.S. Eliot and Henry Adams, who complained that we lacked a high culture. Populists like William Jennings Bryan loved America, as did people even further to the left. "We Communists like this country very much," wrote Earl Browder. Communism was 20th-century Americanism, he said, and any historical errors were to be corrected by a faithful allegiance to American traditions. Robert F. Kennedy said it was unpatriotic to permit fellow Americans to live without hope: "If we believe that we, as Americans, are bound together by a common concern for each other, then an urgent national priority is upon us. We must begin to end the disgrace of this other America."

Left-wing folk singers loved America too. Woody Guthrie wrote "This Land Is Your Land" in 1940. It became a staple in Pete Seeger's repertoire, and it used to be played on college campuses. I haven't heard it of late.

Guthrie's music was a mélange of different strands, including country, folk, blues and gospel. There is a genre that encompasses all of them, and it's called Americana. In 1969, The Band revived it with songs like "The Night They Drove Old Dixie Down." When audiences booed, they just played it louder.

Americana accepts everything in our past and cancels nothing. Benét made the same point in "John Brown's Body" (1929), a 336-page poem about the slave and the slaver, about Abraham Lincoln and Confederate Gen. Pierre Gustave Toutant Beauregard. We need to know about all of them, because they make up who we are. You don't have to bless them or think them accursed. Just know that they were there. If they're a mixture of good and bad, so are we.

You can't erase the dark without obscuring the light. An elite left thought that it might show its moral superiority by tearing down statues, but in doing so it effaced our identity as Americans. By hiding the Confederates, it sent out an invisible Union Army to fight against a concealed enemy, so that both disappeared from memory. When you cancel Robert E. Lee, you also consign Joshua Chamberlain to oblivion.

If the left wants to find a way back, it should start by taking ownership of everything in our past, the good and the admitted ill. The American story isn't told by awarding gold stars to the few wholly admirable people and expunging everyone else. Our absolution from history, and our sense of patriotism, can be found only within history, which has always offered its sources of redemption.

*M*r. Buckley is a professor at Scalia Law School and author of "The Roots of Liberalism: What Faithful Knights and the Little Match Girl Taught us about Civic Virtue."



## BUSINESS WORLD

By Holman W. Jenkins, Jr.

Gnashing of teeth by senior Democrats is inappropriate after Tuesday's loss. A more apt reaction would be a woeful smile, a gentle clap on each other's back and the words, "Hey,

we might have won if we'd taken the

thing seriously."

If, in their vast contempt, Democrats hadn't tried to wangle a demonstrably senile president's renomination and re-election. If they hadn't tried to serve up a last-minute replacement who convenience certain party leaders, such as the Obamas, without any consultation with the party's rank and file.

Working Americans, when they voted for Democrats, were the backbone of America, saints of small-town virtue. When they didn't, they were garbage and deplorables.

In a fit of shortsightedness, Democrats committed the idiocy of fabricating evidence that their 2016 opponent, popular with half the country, was a Russian agent. Eight years later, voters seemed to remember that this happened even when friendly media subservients pretended it didn't.

In 2020 Democrats put forward a candidate and later president who evinced a demonstrable family corruption problem related to Ukraine. They got him elected after the CIA lied and blamed the problem on Russia. Now, when voters hear the words Russia and Ukraine, they wonder if Democratic corruption had a role in landing us in the middle of a war between the two countries.

Let's try to be sensitive. Democrats and major media figures today are psychologically fragile, especially the latter, who got used to believing elaborately fraudulent things about



Biden prepares to address the nation on July 24.

Evan Vucci/Associated Press

themselves. Unfortunately, it isn't practical to assign guardians to each media personality lest they be tempted to do something unhealthy to make the pain of self-discovery stop.

## But Democrats should take a harder look at the path they've gone down with cynicism and lawfare.

As for Kamala Harris, she won't be that occasional losing presidential candidate who nevertheless is accorded a status as her party's leader going forward. She can expect to be jettisoned as an über Dukakis, not only because of perceived inadequacy (she lost) but because of the sense of illegitimacy that attended her rise.

Her seeming vacuity doesn't help; she gives no evidence of historical imagination when her party needs it.

Through three successive presidential elections, Democrats became only more committed to using the national-security state (led by the FBI and CIA), the tools of lawfare and censorship, and a compliant media to wage their political fights, to the point of milking the musings of constitutional scholars for reasons to strike an opponent from the ballot without due process.

What criminal renounces his crime after he sees it pay off? If God's wisdom is revealed in Tuesday's outcome, Democrats at least will now seek a more honorable path.

The best reason to have hoped for a Harris victory was to spare the nation another four years of open warfare between our corrupt institutions and the antic and untamable Mr. Trump.

Poletely, in the sanctum of our private thoughts, we might expect now for Mr. Biden the fate his Catholic faith promises the unrepentant sinner—or at least that he be remembered as the worst president.

## Democrats Need a Recovery Plan

By Ted Van Dyk

**P**resident-elect Donald Trump and his party's victory shouldn't come as a surprise. We've seen this type of realignment before: In the late 1960s, many working-class, middle-American Democratic voters became dissatisfied with their party and began to move their support to other candidates, including Richard Nixon. This change intensified with the election of Ronald Reagan in 1980, when so-called Reagan Democrats sent him to the White House. A similar realignment happened in Mr. Trump's 2016 election and again on Tuesday night.

It could have been otherwise. I thought President Biden would be a transitional one-term president, preparing the way for new leadership in 2024. Instead, he made a botched attempt at re-election before withdrawing his bid late in the game. Then he designated Vice President Kamala Harris—one of the most unpopular politicians in the country—his successor and handed her his campaign

treasury. Ms. Harris almost certainly wouldn't have become the nominee in an open process.

Ms. Harris carried into the campaign a broken immigration policy, an Inflation Reduction Act that increased inflation, and woke policies favored by activists and the media but hated by most citizens. She courted antisemitic groups. She skirted around policy specifics and offered forced laughter and smiles, vague descriptions of her values, and accusations that Mr. Trump was a fascist. Many in her campaign apparently believed that the abortion issue alone could sweep her to victory.

Mr. Trump and the Republicans won because they were more in tune with the average citizen's thinking and goals. Democrats now can either bathe in defeat or begin a necessary reassessment of their party. The latter is what happened after Jimmy Carter's 1980 defeat.

Shortly after Reagan's inauguration, Democratic National Committee Chairman Chuck Manatt organized a retreat of Democratic congressmen,

governors and party activists in Baltimore. There was a strangely cheerful spirit throughout. Grim humor about the size of our defeat prevailed, but not depression. No one blamed the loss on "dark elements" in the country. As president of the party's new unofficial think tank, the

## The country rebuked the party and its leaders. As in 1980, it's time to learn how to govern again.

Center for National Policy, I presented on rethinking policy. Those attending gave upbeat, positive statements to media in attendance. No grieving losers were present—only those focusing on a winning future.

That rising generation of Democratic leaders focused on one thing: governing. Perhaps their most promising new policy proposal was the Bradley-Gephardt tax reform, which

called for an overhaul of the federal tax system. They focused on their own agenda rather than denunciations of President Reagan. I expect Mr. Trump will have difficulties enacting his agenda and will make big mistakes. The 2026 midterm elections can provide a corrective that Democrats can take advantage of—but only if they're actually prepared to govern.

I regret the loss Tuesday of Democrats such as Ohio Sen. Sherrod Brown, a committed populist and reformer, who brought needed views to the party. I don't applaud the election to the Senate of California Rep. Adam Schiff, who made unsupported accusations against Mr. Trump. Democrats' energy shouldn't be expressed in rage but in determination to get right with voters again. That requires creating a relatable agenda. Time to get started.

*M*r. Van Dyk was active in Democratic national policy and politics for 40 years. He is author of "Heroes, Hacks and Fools."

## Notable & Quotable: Fingers on the Pulse

*A selection of reactions from journalists and pundits to Donald Trump's victory:*

*From Washington Post Opinion's Prompt newsletter:*

Ruth Marcus: I am reeling, to be honest, from the initial results and the trend line. . . .

David Ignatius: The presidential election is a character test for the candidates, but also for the country, and this election makes me realize how little I understand the American character in 2024. . . . Like Ruth, I am mystified by this outcome.

Matt Bai: I'll admit to being somewhat mystified, too.

*Columnist Charles M. Blow in the New York Times's "Why Trump Won" video:*

This is what Americans want. . . . They are becoming more insular. They are becoming more hostile to foreigners, immigrants. They are becoming more protective of a legacy,

and they believe that that story belongs to them and may be destroyed by the idea of progress.

*Journalist Jonathan Capehart on PBS NewsHour:*

I am mystified in some ways simply because we're talking about a twice-impeached, four-times-indicted, convicted-on-34-felony-counts former president. . . . Who are we as a country? And from what I'm seeing right now, I'm not sure I like it.

*Writer Jill Filipovic on X:*

In the coming days there's gonna be a lot of opining about what the Harris campaign did wrong, but this election was not an indictment of Kamala Harris. It was an indictment of America.

*The New York Times's Nikole Hannah Jones on X:*

Since this nation's inception large swaths of white Americans—including white women—have claimed a belief in democracy while actually enforcing a white ethnocracy. In the face of shifting demographics where white Americans will lose their numeric majority, we see a growing embrace of autocracy to keep the "legitimate" rulers of this country in power. History teaches us that we are in a perilous moment.

*The Washington Post's Jennifer Rubin:*

The media, it must be said, did not fulfill its role in educating the public and advancing truth as their primary objective. Refusal to explore Trump's manifest defects and place him and his movement in the context of fascist strongmen and their cults had the effect of normalizing and legitimizing a candidate

utterly unfit for office. But the facts nevertheless were there for anyone who cared to look. At some point, voters are responsible for their own decisions.

*From MSNBC's "Morning Joe":*

Joe Scarborough: Democrats need to be mature and they need to be honest. And they need to say, yes there's misogyny, but it's not just misogyny from white men. It's misogyny from Hispanic men. It's misogyny from black men. Things we've all been talking about, who do not want a woman leading them. . . . A lot of Hispanic voters have problems with black candidates.

Al Sharpton: And with other Hispanics.

Scarborough: Exactly.

Scarborough: You've got some that don't like each other. And some of the most misogynistic things I've heard going on this get-out-the-vote tour came from black men. I mean misogynist things. So you're absolutely right, it's not simplistic. And we've got to have real honest conversations about it.

*The Bulwark's Jonathan V. Last:*

I think the lesson Democrats will have to take from this is not gonna be like, "Oh, well can't be PC or whatever." They're gonna take from this that what they need is their own strongman. And I don't know that I can sit here and tell them that they're wrong.

*Columnist Lydia Polgreen in the New York Times's "Why Trump Won" video:*

There was just thing after thing that seemed to break in his favor. And so while it's tempting to assign some grand historical meaning to his victory, I think that one of the

bigest and most underappreciated aspects of it is Trump is just an incredibly lucky bastard.

*Jen Psaki, host of MSNBC's "Inside With Jen Psaki":*

I wish I had better news for my daughter later this morning. . . . I wish I could have called her and told her that the first woman president had just been elected. I wish that. I won't be able to do that.

What I can do—what I can tell my daughter and what I will tell my daughter is that our roles as American citizens have never been more important than they are right now. I can tell her that there are still lots of good forces out there, forces for good in this country, and that they are going to be getting to work.

*From Politico's "Why Kamala Harris lost the election," by Christopher Cadelago and Holly Otterbein:*

Some close allies and even a few aides privately questioned whether [Harris] continued to hold [Biden] so closely, particularly because her campaign didn't try to make extensive use of their record. Yet inside her campaign, there was little sense Harris should bear the brunt of the blame, with aides pointing to how she moved battleground numbers in her favor and held down Trump's margins, and a pervasive feeling that Biden and broader anti-incumbent fervor put her in a difficult, even impossible position.

"We ran the best campaign we could, considering Joe Biden was president," grumbled one Harris aide granted anonymity to speak freely. "Joe Biden is the singular reason Kamala Harris and Democrats lost tonight."

## THE WALL STREET JOURNAL.

PUBLISHED SINCE 1889 BY DOW JONES &amp; COMPANY

Lachlan Murdoch

Executive Chairman, News Corp

Rupert Murdoch

Chairman Emeritus, News Corp

Emma Tucker

Editor in Chief

Liz Harris, Managing Editor

Charles Forelle, Deputy Editor in Chief

Elena Cherny, Senior Editor; David Crow,

Executive Editor; Chip Cummins, Newswires;

Tanieth Evans, Digital; Brent Jones, Culture,

Training &amp; Outreach; Alex Martin, Print &amp; Writing; Michael W. Miller, Features &amp; Weekend;

Prabha Natarajan, Professional Products;

Bruce Orwall, Enterprise; Philana Patterson, Audio; Amanda Wills, Video

Paul A. Gigot

Editor of the Editorial Page

Gerard Baker, Editor at Large

DOW JONES | News Corp

Robert Thomson

Chief Executive Officer, News Corp

Almar Latour

Chief Executive Officer and Publisher

DOW JONES MANAGEMENT:

Mae M. Cheng, EVP, General Manager,

Leadership; David Cho, Barron's Editor in Chief;

Jason P. Conti, General Counsel, Chief

Compliance Officer; Diana DeSevo, Chief People

Officer; Jared DiPalma, Chief Financial Officer;

Artem Fishman, Chief Technology Officer;

David Martin, Chief Revenue Officer, Business

Intelligence; Dan Shar, EVP, General Manager,

Wealth &amp; Investing; Ashok Sinha, Chief

Communications Officer; Josh Stinchcomb, EVP &amp; Chief Revenue Officer, WSJ / Barron's Group;

Sherry Weiss, Chief Marketing Officer

EDITORIAL AND CORPORATE HEADQUARTERS:

1211 Avenue of the Americas, New York, N.Y., 10036

Telephone 1-800-DOWJONES

# WORLD NEWS

## Netanyahu Has More Room to Maneuver

Israeli leader expects a freer hand from Washington as he pursues conflicts

BY ANAT PELED

**TEL AVIV**—Two significant constraints on Israeli Prime Minister Benjamin Netanyahu's ability to shape security policy are now gone.

He fired his defense minister, Yoav Gallant, his fiercest opponent within his own government, and Donald Trump won the U.S. election. Trump is widely believed to be less critical of Netanyahu's policies than his opponent, Vice President Kamala Harris.

Both domestically and internationally, Netanyahu now has more room to maneuver.

Gallant, reflecting the view of Israel's military, had been pushing publicly for the prime minister to accept a truce in exchange for a hostage-release deal, bring in Palestinian leadership that could succeed Hamas in Gaza and begin cease-fire talks in Lebanon.

Netanyahu, who calls for "total victory" in the war, has said Israel can't stop fighting in Gaza until Hamas is destroyed. He has rejected pressure domestically and from



Israelis protest Prime Minister Benjamin Netanyahu's firing of Defense Minister Yoav Gallant

the U.S. to accept a deal that would end the war.

Harris was expected to continue the Biden administration's policies toward Israel, which included applying pressure to provide more humanitarian aid to Gazans or face threats of being cut off from U.S. shipments of weapons. Washington also is pushing for a truce deal in Gaza and Lebanon.

Netanyahu said Trump's

win is "a powerful recommit-

ment to the great alliance between Israel and America."

In addition to allowing Israel to prosecute its wars more freely, Trump is unlikely to continue the Biden administration's policy of imposing sanctions on violent Israeli settlers in the West Bank. The leader of one of the largest settler umbrella organizations said a Trump win takes "the threat of a Palestinian state off the table." Polls in Israel showed

that a wide majority of Israelis favored Trump over Harris.

"This is an important milestone for him," as Netanyahu believes his position has strengthened vis-à-vis the world, and that this will give him more control in running the war, said Gideon Rahat, senior fellow at the Israel Democracy Institute.

Some analysts say Trump's

policy positions on Israel are

still murky. He has said he

doesn't want a regional war, and thinks Israel should wrap up its fight in Gaza before he assumes office. With Trump set to take his position in January, it also remains unclear if U.S. policy toward Israel would change in the next few months.

Netanyahu fired Gallant on Tuesday after months of disagreement, and what he said was a breakdown of trust between the two men who are barely on speaking terms, people familiar with the matter said. Thousands of Israelis took to the streets of Tel Aviv and other Israeli cities to protest Gallant's ouster.

Several petitions were submitted on Wednesday to the Israeli High Court of Justice, challenging Gallant's dismissal on the grounds that the prime minister's decision was extremely unreasonable, a legal cause of action in Israeli administrative law for overturning a government decision.

The decision to fire Gallant also reflected a deep divide between the prime minister and Israel's security establishment, which worries about the military being stretched on several fronts. Gallant was the chief proponent of the military's view within the government. Without him, Netanyahu can have near total control over the war policy.

Gallant's successor, the current foreign minister, Israel Katz, is viewed as a close Netanyahu ally who wouldn't take an independent stance on the war aims.

The Biden administration and its European allies considered Gallant a trusted counterpart amid the White House's growing frustration at Netanyahu over attempts to reach a cease-fire in Gaza and an expanding war in the Middle East with no clear end in sight.

But with Trump's victory, Netanyahu is likely to gain an administration in the White House that is less critical of his conduct. Some analysts say Netanyahu was hoping for a Trump victory, in part because he has long identified with and shared Republican views.

A U.S. official called the decision to fire the defense minister concerning. Gallant was the most vocal advocate of a truce in Gaza and often served as a counterweight to a harder line pushed by Netanyahu in talks, humanitarian aid and the day after Gaza.

A key driver for the ousting was domestic politics, specifically Netanyahu's need to pass a bill to exempt ultraorthodox men from military service, something Gallant opposed because of manpower issues in the Israeli military.

## Missile Hits Israel's Main Airport

BY DOV LIEBER

**TEL AVIV**—A missile fired from Lebanon struck an open area of Ben Gurion Airport in central Israel on Wednesday, according to an Israeli security official and images and videos circulating online from the area of the impact.

The missile landed in a parking lot, creating a hole in the concrete, but no other damage, the official said and images from the site showed.

The missile that hit the airport was part of a volley of 10 fired from Lebanon at central Israel in the morning, Israel's military said. Lebanese militia Hezbollah claimed responsibil-

ity for the missile barrage, which sent people in Tel Aviv into bomb shelters. Hezbollah said it was aiming for a military base near the airport.

Later in the afternoon, central Israel was again targeted by a missile from Lebanon, which was intercepted, Israel's military said.

A spokesperson for the airport said arrivals and departures quickly resumed after the incident. Some airlines canceled flights to Israel later Wednesday, according to the online dashboard for Ben Gurion Airport.

The airport, Israel's largest, has been the frequent target of missile attacks by militants

from around the Middle East since the war began in October 2023, but it isn't clear whether any had landed inside its confines until Wednesday. The airport is protected by an Iron Dome air-defense battery.

Since the start of the war, 1,300 cruise missiles and UAVs have been launched at Israel, not including those fired from Gaza, and 82% of these were intercepted, the security official said.

Israel has insisted that its airspace is safe for commercial flights, but nearly all foreign airlines have suspended routes to the country in recent weeks amid an escalation of fighting between Israel and

Hezbollah.

Throughout the war, planes arriving or departing from Ben Gurion Airport have been taking circuitous routes to reduce exposure to projectiles, and follow a path protected by Israel's air force.

The successful targeting of Israel's main airport could lead Israel to respond in kind by hitting key transportation hubs or other state infrastructure in Lebanon, some analysts said.

Fragments of missiles that were intercepted by Israel's air defenses landed in Ra'anana and Lod, two towns in central Israel, but caused no injuries, Israeli police said.

### WORLD WATCH



OFF THE WAGON: Farmers' wives, dressed in traditional Bavarian costumes, rode in a wooden carriage to the chapel on the Kalvarienberg during the Leonhardi Ritt procession, in Bad Tolz, Germany, on Wednesday.

#### UNITED KINGDOM

#### Four Cases of New Mpx Identified

British health officials say they have identified four cases of the new, more infectious version of Mpox that first emerged in Congo, marking the first time the variant has caused a cluster of illness outside of Africa.

Scientists said the risk to the public remains low.

Authorities announced the first case of the new form of Mpox in the U.K. last week, saying the case was being treated at a London hospital after recently traveling to countries in Africa with ongoing outbreaks.

This week, the U.K. Health Security Agency said it had identified three other infected people who lived in the same household as the first patient.

—Associated Press

#### AUSTRALIA

#### Ankle-Bracelet Law Overturned

Australia's highest court ruled Wednesday that migrants can't be forced by law to wear electronic-tracking bracelets or to comply with curfews.

The ruling is a blow to the government, whose lawyers have unsuccessfully argued that laws imposing curfews and tracking technology are justified to protect the community.

Five of the seven High Court judges ruled that the tough restrictions placed on more than 100 migrants, usually because of their criminal records, were unconstitutional because the conditions amounted to punishment. The constitution states that punishment must be imposed by judges, not lawmakers.

—Associated Press

#### CUBA

#### Hurricane Rafael Knocks Out Power

Hurricane Rafael pushed into the Gulf of Mexico on Wednesday night after plowing across western Cuba as a Category 3 hurricane with winds so powerful it knocked out the entire country's power grid.

Forecasters warned Rafael could bring "life-threatening" storm surges, winds and flash floods to western swaths of the island after it knocked out power and dumped rain on the Cayman Islands and Jamaica the day before. The extent of the damage was still unclear as of Wednesday night.

Forecasters expected the storm to weaken over Cuba before emerging in the southeastern Gulf of Mexico as a hurricane.

—Associated Press

#### JAPAN

#### Mount Fuji Gets Delayed Snowcap

Japan's Mount Fuji finally got its trademark snowcap early Wednesday, more than a month after it normally would and after setting a record for the most-delayed snowfall in 130 years.

The first snowfall on Mount Fuji, a Unesco World Heritage site, could be seen from the southwestern side of the mountain, according to the Shizuoka branch of the Japan Meteorological Agency.

But the JMA's Kofu Local Meteorological Office, which is on the other side of the mountain, still couldn't see the snow because of cloudy weather. The lack of snow on Mount Fuji on Tuesday broke the previous record set on Oct. 26, 2016, said meteorological officials.

—Associated Press

BY BERTRAND BENOIT

**BERLIN**—Germany's fractious coalition government collapsed on Wednesday, tipping the economically embattled nation into a political crisis and adding uncertainty for Europe as the region grapples with Donald Trump's election win in the U.S.

Chancellor Olaf Scholz dismissed Finance Minister Christian Lindner, chairman of the pro-business Free Democratic Party—the smallest member of his three-way coalition of free-market liberals, social democrats and Greens—because of disagreements over economic policy, a spokesman for Scholz said.

The three partners had been at odds in several policy areas since the government emerged from an inconclusive election three years ago.

**The coalition's biggest test is a deep and intractable economic crisis.**

More recently, the dispute had focused on how to pull Europe's largest economy out of a stubborn recession that has turned it into one of the region's worst performers.

Scholz said he would seek support from opposition parties to secure approval for a number of bills now making their way through Parliament by the end of the year. He said he would then call for a vote of confidence that could pave the way for early elections.

"I am forced to take this step in order to prevent our country from being damaged," Scholz said. "We need a working government with the strength to make the necessary decisions for our country."

Under Germany's post-World War II constitution, only the federal president, Frank-Walter Steinmeier, has the power to dissolve Parliament and order an early ballot, which is unlikely to happen until March. If an election fails to deliver a clear majority, as polls suggest, it could take months after that to form a new government.

"We Germans can't afford

# BUSINESS & FINANCE

© 2024 Dow Jones &amp; Company. All Rights Reserved.

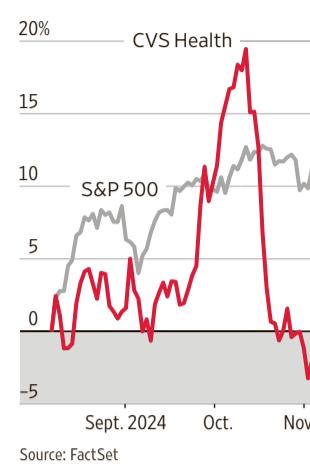
\*\*\*\*\*

THE WALL STREET JOURNAL.

Thursday, November 7, 2024 | B1

S&amp;P 5929.04 ▲ 2.53% S&amp;P FIN ▲ 6.16% S&amp;P IT ▲ 2.52% DJ TRANS ▲ 5.37% WSJ\$IDX ▲ 1.45% 2-YR. TREAS. yield 4.266% NIKKEI (Midday) 39321.87 ▼ 0.40% See more at WSJ.com/Markets

Share-price and index performance, past three months



## Outsider to Head Aetna

Appointment is one of first moves by CVS CEO as he looks to fix company

By ANNA WILDE MATHEWS

**CVS Health's** new chief executive, David Joyner, moved quickly to put his stamp on the company, naming an outsider to head its troubled insurance arm and promoting

an executive to oversee other units including the pharmacy-benefit manager.

CVS said a former top UnitedHealth Group executive, Steve Nelson, 66, leads Aetna, effective on Wednesday. The health conglomerate is betting on an insurance-industry veteran from a company that investors have long favored to run the insurer, which has been at the heart of CVS's recent financial woes. Nelson was previously CEO of United-

Health's insurance arm, the industry's largest and the one with the biggest Medicare business. He then led smaller companies for the past few years.

Joyner also promoted the current chief pharmacy officer, Prem Shah, 44, to a new position as group president, overseeing CVS Caremark, the pharmacy-benefit manager, as well as the pharmacy business and the company's healthcare assets, including the clinic op-

erator Oak Street Health. CVS shares rose 11% to \$61.61 each on Wednesday.

Both Shah and Nelson will report to Joyner, who took over as CEO about three weeks ago with a mandate to change the trajectory of the company. The board made the change at the top for Joyner to succeed Karen Lynch as CEO after CVS repeatedly cut its forecasts for 2024 financial performance. The company

Please turn to page B2

## Starbucks CEO Scouted Its Cafes Before Taking Over

By HEATHER HADDON

In late summer, a customer started showing up at Los Angeles-area Starbucks cafes at all hours of the day, quizzing baristas about their favorite drinks to make, or problems with how the stores operated.

That customer, Brian Niccol, is now Starbucks's chief executive officer, and he is moving quickly to change the way customers experience the world's largest coffee chain as it struggles to draw customers.

In less than two months in the role, Niccol has pushed to focus Starbucks's operations, trimming menu items and paring back discounts. Instead, Niccol is giving priority to delivering quality coffee quickly and accurately with friendly service, particularly in the mornings, when the chain needs to shine.

Niccol, an Americano drinker, said he sympathizes with customers who want drip coffee but have to wait while baristas labor over elaborate, customized drinks. "Sometimes you just want a brewed cup of coffee really quick," Niccol said in an interview.

**26%**

Starbucks stock has risen this much since Niccol's hiring was announced in August

When he announced last week that self-service condiment bars would come back to stores next year, some lapsed customers said they would return.

Other issues, such as narrowing Starbucks's tens of thousands of drink-customization options, will take more time, Niccol has said.

"We're in a little bit of a ditch, but that's not to say that we're not capable of getting out of that ditch quickly," Niccol said in an interview.

Please turn to page B2



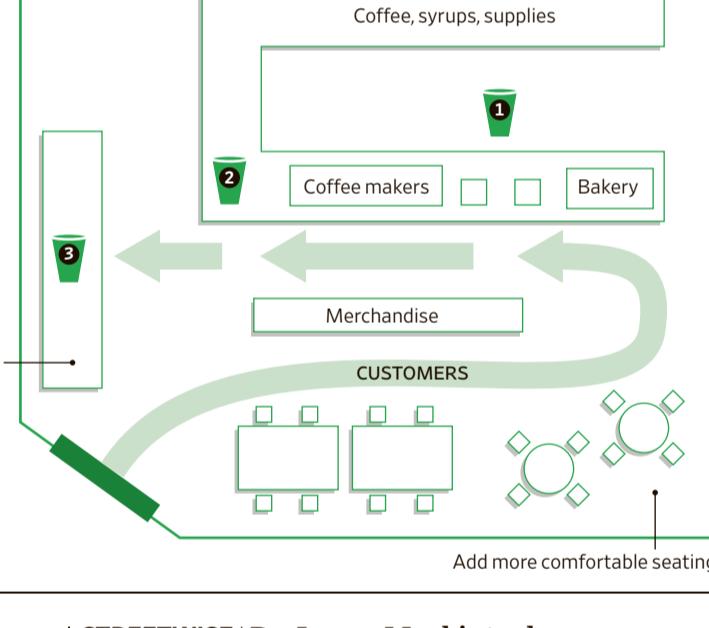
Starbucks and other restaurant chains are wrestling with declining visits and flattening profits.

### Bucking the Trend

New Starbucks CEO Brian Niccol is planning on making changes to its stores.

- 1 Baristas can write customer names on cups.
  - 2 Baristas can hand beverages directly to customers.
  - 3 Customers can add condiments themselves at self-service bar.
- Nondairy creamers will be free.

Note: Generalized store layout  
Source: staff reports  
TAYLOR UMLAUF/WSJ



Add more comfortable seating

## Schneider Electric Probes Hacking

By CATHERINE STUPP

**Schneider Electric** said it is investigating a cyberattack after a hacker claimed to have accessed more than 40 gigabytes of "critical" data. The incident is the second that the French technology company disclosed this year, underscoring the aggressive pace of strikes on the manufacturing sector.

The cyberattack affected a platform used to track internal projects "hosted within an isolated environment," a spokesperson for Schneider Electric said.

Companies typically isolate technology systems to prevent malware and other problems from spreading.

"Schneider Electric's prod-

### INSIDE



#### DRUGMAKERS

Sales of Novo Nordisk's Wegovy obesity treatment beat estimates. **B2**



#### BUSINESS NEWS

Athletic-wear maker Puma returns to growth in the U.S. market. **B3**

## BMW Posts Sharp Fall In Profitability Metric

By ADRIÀ CALATAYUD

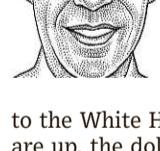
maker said its earnings before interest and taxes margin in the automotive segment, its key profitability metric, plunged to 2.3% in the third quarter from 9.8% in the same period last year.

This fell short of analysts' estimates of 2.8%, according

Please turn to page B4

### STREETWISE | By James Mackintosh

## Parsing the Market's Reaction



Markets are clear about what Donald Trump plans for his return to the White House: Stocks are up, the dollar and Treasury yields soared, and so did banks and bitcoin.

All are easy to fit to Trump's promises. Corporate tax cuts almost automatically boost stocks, tariffs almost automatically mean a stronger currency, bigger deficits mean higher bond yields and easier regulation helps bank stocks and bitcoin.

Whether this knee-jerk reaction proves right in the longer run is another matter.

The first issue is the remaining uncertainty about the House election, where we will find out whether Republicans will have the majority to push Trump's agenda.



Tariffs almost automatically mean a stronger currency.

Without the majority to push through tax cuts or the ability to raise spending, the deficit would be improved by his promised hike in tariffs, which amounts to a large tax rise. This would throw into question the logic of the rise in Treasury yields.

The 30-year yield was up by the most in a day since

the darkest days of the pandemic in 2020. It is an indication that the out-of-control deficits run by both Presidents Biden and Trump will continue indefinitely.

The second issue is the impact on the economy of Trump's two leading policies: immigration and tariffs.

Please turn to page B1



## All real listings. Only RealListings.™

Search homes sourced directly from professionals.

Download now

Based on 2024 proprietary survey.

#1 Trust the #1 app real estate professionals trust

realtor.com®

## INDEX TO BUSINESSES

These indexes cite notable references to most parent companies and businesspeople in today's edition. Articles on regional page inserts aren't cited in these indexes.

A	G	P
AEA Investors.....B4	Glenview Capital Management.....B2	Papa John's International.....B2
Ahold Delhaize.....B3	Goldman Sachs.....A2	Philips.....B2
A.P. Moller-Maersk.....A2	Hapag-Lloyd.....A2	Puma.....B3
AstraZeneca.....B1	HCA Healthcare.....B12	R
B	Hewlett Packard Enterprise.....B12	Retail Opportunity Investments.....B3
Bassett Furniture.....B4	Honda Motor.....B4	S
Bayerische Motoren Werke.....B1	Humana.....B12	Schneider Electric.....B1
Blackstone.....B3	JPMorgan Chase.....A2	Shake Shack.....B2
Bloomin' Brands.....B2	Lyft.....B4	Siemens Healthineers.....B2
C	Marks & Spencer.....B3	Spin Master.....B4
Caterpillar.....A2	May Mobility.....B4	Starbucks.....B1
Centene.....B12	Mobileye.....B4	Steel Dynamics.....A2
Chipotle Mexican Grill.....B2	Nexar.....B4	Super Micro Computer.....B12
Cigna.....B12	Nike.....B3	T
Commerzbank.....B11	Norfolk Southern.....A2	Teledyne Technologies.....B4
Credit Agricole.....B11	Novo Nordisk.....B2	Tesla.....A1,A2,A7
CSX.....A2	Nucor.....A2	Toyota Motor.....B4
CVS Health.....B1	Nvidia.....B12	U
D	Oscar Health.....B12	Uber Technologies.....B4
Dell.....B12	Wayfair.....B3	UniCredit.....B11
DoorDash.....B4	Wells Fargo.....A2	UnitedHealth.....B12
Dragos.....B4	Wendy's.....B2	W
E	Eli Lilly.....B2	Z
Enphase Energy.....A2	Enphase Energy.....B2	Zandi, Mark.....A2
F	First Solar.....A2	Zipse, Oliver.....B4

## INDEX TO PEOPLE

A	J	R
Arounian, Ygal.....B3	Jennings, Chris.....B12	Rakesh, Vijay.....B12
C	Joyner, David.....B1	Ransom, John.....B2
Ceballos, Germán.....A11	Lafionatis, Nikolaos.....B3	S
Chatterjee, Samik.....B12	Liang, Charles.....B12	Schultz, Howard.....B2
Chouhan, Naresh.....B2	Lynch, Karen.....B1	Shah, Prem.....B1
D	Mayfield, Ross.....A2	W
Dadhania, Piral.....B3	Mertl, Walter.....B4	Wang, Leon.....B1
Dainton, Stephen.....A2	Musk, Elon.....A1,A2	Welch, Bart.....A11
F	Narasimhan, Laxman.....B2	Y
Freundt, Arne.....B3	Nelson, Steve.....B1	Yin, Eva.....B1
G	Niccol, Brian.....B1	Z
Gulden, Björn.....B3	O	Zandi, Mark.....A2
H	Hosseini, Mehdi.....B12	Zipse, Oliver.....B4

## AstraZeneca Executive Is Detained

*Continued from page B1*  
portion of Imjudo and improper collection of patient data. Last week, the company said Wang was under investigation by Chinese authorities.

The company offered more details after its share price fell more than 8% on Tuesday following a local Chinese news report about authorities expanding their investigation into the company.

Shares of the Anglo-Swedish pharma giant have lost more than 11% in the week since the company disclosed the investigation into Wang.

The stock dropped 1.9% on the London Stock Exchange on Wednesday.

AstraZeneca is among the world's largest drugmakers. China is one of its key markets. The company reported \$3.4 billion in sales from China in the first half of this year, or 13% of its total revenue.

The company said China's

current scrutiny isn't related to an earlier scandal over medical-insurance fraud by AstraZeneca employees in the country. In early 2022, China's National Medical Insurance Administration and AstraZeneca said that company employees were found to be falsifying genetic tests to help patients get insurance reimbursement for Tagrisso, a lung-cancer drug that targets a specific tumor gene mutation. Without the mutation, the drug won't work, doctors say.

An investigation by Chinese authorities into the medical-insurance fraud case involved about 100 ex-AstraZeneca employees, the company said.

AstraZeneca said it didn't know whether Wang's detention was related to the importation and patient-data investigation. The company said Chinese authorities haven't asked it to cooperate on the Wang case to date.

AstraZeneca said its China business is operating as usual and that the company has no intention of reducing its investment in the country. The company introduced new risk and compliance measures since the start of its medical-fraud insurance case three years ago, the company said.

Many restaurant chains are grappling with declining visits and flattening profits. Shake Shack, Wendy's, Papa John's International, Bloomin' Brands, Red Lobster and BJ's Restaurants are among the chains that have changed their CEOs recently to navigate the industry's challenges.

Beginning in January, Starbucks's sales fell, prompting the company to reduce its revenue expectations twice this year. The company's board in August fired the previous CEO, Laxman Narasimhan, after around 17 months on the job.

The board said Niccol's restaurant experience, which included a turnaround at Chipotle Mexican Grill, will help to tackle its challenges. Wall Street so far is in his corner, with Starbucks's stock up around 26% since his hiring was announced in August.

Niccol has sought to immerse himself in cafe operations quickly. He is reading, responding to and acting on customer emails sent to him, which he said often spotlight issues that need addressing. Such feedback prompted him to bring back condiment bars, Niccol said, and to try to make the menu simpler and more navigable for customers and workers.

Niccol's goal is to make Starbucks cafes places where coffee sippers can feel comfortable hanging out for hours, as envisioned by the chain's longtime leader, Howard Schultz. But Starbucks's business today is fundamentally different from its coffeehouse roots.

While myriad customization options can slow service, they are big business for Star-

bucks, which generates about a billion dollars in U.S. revenue annually from syrups, foams and other modifiers. Mobile orders, which can overwhelm baristas, account for more than 30% of U.S. transactions. Over 60% of U.S. sales comes from cold beverages, many of them customized.

Niccol, who became Chipotle's CEO in 2018 when the brand was fighting food-safety problems, is experienced in overhauls and decisive moves. Roughly two months after starting at Chipotle, he announced that he would relocate the company's headquarters to Southern California from Denver, saying the move would help recruit new leaders and transform the company's culture. Many of Chipotle's corporate workers left, and Niccol assembled a new team.

Niccol helped develop a "stage gate process" at Chipotle to test new ideas rigorously before bringing them to restaurants. He has stressed accountability and last year stepped up in-office work re-

quirements to four days a week, while overseeing corporate layoffs.

With banks of desks often empty at parts of Starbucks's Seattle headquarters, the company under Niccol's leadership last month reminded workers of its three-day in-office policy, warning that they could face consequences including termination. He has stressed the need for employees to be accountable.

"If we say we're going to do something, we need to do it," Niccol said at the late October internal meeting.

Niccol himself maintains a hybrid-work arrangement allowing him to commute to Starbucks's Seattle headquarters on a company jet, with an office near his Southern California home. Starbucks said he would meet or exceed the company's policy for in-office work.

Some of Starbucks's corporate employees fear that the focus on hitting goals could lead to a weeding out of workers, and that Starbucks's traditions and vibe could fade. Others have said they find

the company's attitude refreshing, particularly his emphasis on doing fewer things better.

Niccol has proven willing to scrap projects in which Starbucks has heavily invested and that past leaders emphasized. Starbucks earlier this year introduced a range of energy drinks, and teams were planning additional varieties. The company said recently that it would stop offering the energy drinks in the coming months.

The company is removing its olive-oil-infused Oleato line of beverages in the U.S. to make room for holiday drinks. Schultz spearheaded the beverages in 2023 during his brief third tenure as CEO, and the company spent millions of dollars on imported Italian olive oil, as well as marketing and events to promote the beverages.

The olive-oil drinks didn't meet expectations.

Schultz, who publicly criticized Narasimhan's strategy earlier this year, has so far backed Niccol's efforts. In a LinkedIn post following Niccol's first company earnings call last week, Schultz said he was impressed by the new CEO's quick grasp of Starbucks and its issues.

"I'm looking forward to following the journey," Schultz wrote.

## BUSINESS &amp; FINANCE

## Sales of Novo Nordisk's Wegovy Weight-Loss Drug Beat Estimates

By DOMINIC CHOPPING

**Novo Nordisk's** blockbuster Wegovy weight-loss drug beat sales expectations in the third quarter.

Soaring popularity for its obesity drug has seen demand far outstrip supply and left the company racing to increase production capacity while limiting supply of start doses to ensure patients currently on the medication can continue treatment.

Ahead of the results, analysts had been concerned that lower pricing and muted prescriptions would hurt sales of the drug in the quarter, while disappointing obesity drug sales last week from Eli Lilly had heightened fears.

Novo Nordisk said Wednesday that after registering higher-than-forecast growth in its obesity and diabetes medications in recent years, it expects to see continued capacity limitations at some of its manufacturing sites with periodic supply constraints and related drug-shortage notifications across a number of products and geographies.

The company's American depository shares finished Wednesday's trading down 4.3%.

Novo Nordisk has commit-



The company still has some capacity limitations in weight loss.

ted billions of dollars to new manufacturing capacity on top of an \$11 billion deal to buy three manufacturing sites previously owned by Somerset, N.J.-based Catalent to boost its production capability. It said Wednesday that the Catalent deal is on track to complete this year.

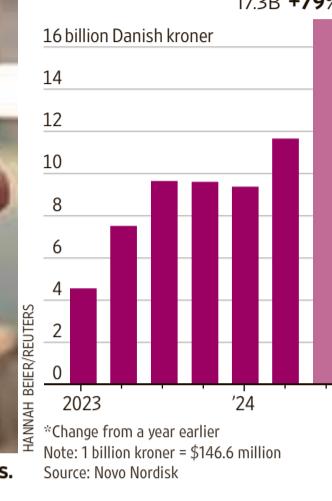
The Danish pharmaceutical giant said sales of Wegovy surged 79% year over year to 17.3 billion Danish kroner, or \$2.54 billion, above a Visible Alpha consensus estimate of 15.76 billion kroner. Sales of diabetes drug

Ozempic rose 26% on year to 29.8 billion kroner at constant exchange rates, just shy of a Visible Alpha consensus estimate of 30.54 billion kroner.

Drug inventories grew 4% in the quarter, which was a slower rate than in the year's first half, but inventories have still grown 19% since the end of 2023 which suggests the company has material Wegovy stocks that are now likely to be released to the market, Naresh Chouhan at Intron Health said in a note to clients.

Novo Nordisk narrowed its sales guidance. It expects

#### Wegovy quarterly sales



sales growth this year between 23% and 27%, compared with a prior view of 22% to 28%.

Operating profit growth is now expected at 21% to 27% from previous guidance of 20% to 28%.

Novo Nordisk's net profit in the third quarter rose 21% to 27.3 billion kroner, ahead of the 26.79 billion kroner forecast by analysts in a FactSet poll.

Sales rose 21% to 71.31 billion kroner, compared with a FactSet estimate of 72.12 billion kroner.

## Outsider Is New Aetna Boss

*Continued from page B1*  
has seen a decline of around 30% in its share price this year. It is under pressure from a major hedge fund, Glenview Capital Management, which took a stake in the healthcare giant and has called for changes to the board.

CVS in October announced that its third-quarter results would fall short of Wall Street's expectations, largely because of Aetna. On Wednesday

day, it reported earnings that came in at the higher end of the range it promised. Adjusted earnings per share, the metric most closely watched by analysts, came in at \$1.09, less than half the figure for the prior year.

Joyer is a longtime CVS executive who ran the pharmacy-benefit manager before ascending to the top job. He has said he aims to help CVS deliver on its original promise to improve care and bring down costs by uniting drugstores, pharmacy-benefit management, insurance and clinics under one parent.

Joyer has said an initial focus will be to improve results at Aetna, which this year expanded its Medicare enrollment substantially, but then saw medical costs rise far

above expectations at the same time certain federal payment rules changed.

Like other insurers, Aetna is also dealing with medical-cost issues in Medicaid in addition to Medicare.

"The first order of business

is to figure out what went

wrong with Aetna and fix it," said John Ransom, an analyst at Raymond James.

For the third quarter, Aetna

recorded an operating loss of \$924 million, though this included the impact of a charge to set up a \$1.1 billion premium-deficiency reserve. The sum is set aside to deal with anticipated medical costs, and the company said it expected the reserve to be "substantially released" in the fourth quarter, benefiting that quarter's re-

Net income for the third quarter was \$71 million, or 7 cents a share, down from \$2.27 billion, or \$1.75 a share, a year earlier. Revenue was \$95.4 billion, up from \$89.8 billion.

## Starbucks CEO Seeks Change

*Continued from page B1*  
effectively, smartly," he said during an internal town hall meeting following the company's earnings report last week.

Many restaurant chains are grappling with declining visits and flattening profits. Shake Shack, Wendy's, Papa John's International, Bloomin' Brands, Red Lobster and BJ's Restaurants are among the chains that have changed their CEOs recently to navigate the industry's challenges.

Beginning in January, Starbucks's sales fell, prompting the company to reduce its revenue expectations twice this year. The company's board in August fired the previous CEO, Laxman Narasimhan, after around 17 months on the job.

The board said Niccol's restaurant experience, which included a turnaround at Chipotle Mexican Grill, will help to tackle its challenges. Wall Street so far is in his corner, with Starbucks's stock up around 26% since his hiring was announced in August.

Niccol has sought to immerse himself in cafe operations quickly. He is reading, responding to and acting on customer emails sent to him, which he said often spotlight issues that need addressing. Such feedback prompted him to bring back condiment bars, Niccol said, and to try to make the menu simpler and more navigable for customers and workers.

Niccol has sought to immerse himself in cafe operations quickly. He is reading, responding to and acting on customer emails sent to him, which he said often spotlight issues that need addressing. Such feedback prompted him to bring back condiment bars, Niccol said, and to try to make the menu simpler and more navigable for customers and workers.

Niccol has sought to immerse himself in cafe operations quickly. He is reading, responding to and acting on customer emails sent to him, which he said often spotlight issues that need addressing. Such feedback prompted him to bring back condiment bars, Niccol said, and to try to make the menu simpler and more navigable for customers and workers.

Niccol has sought to immerse himself in cafe operations quickly. He is reading, responding to and acting on customer emails sent to him, which he said often spotlight issues that need addressing. Such feedback prompted him to bring back condiment bars, Niccol said, and to try to make the menu simpler and more navigable for customers and workers.

Niccol has sought to immerse himself in cafe operations quickly. He is reading, responding to and acting on customer emails sent to him, which he said often spotlight

## BUSINESS NEWS

# U.S. Business Fuels Puma's Sales Growth

The sporting-goods company says it is still on track to meet its full-year outlook

By ANDREA FIGUERAS

**Puma** said it is on track to meet its full-year outlook after sales growth accelerated in the third quarter, helped by a recovery in its U.S. business.

The German sporting-goods company said Wednesday that it returned to growth in the U.S. in the latest quarter as expected, offsetting weakness in China and the Middle East.

Sales grew 5% when adjusting for currency movements, an acceleration from the 2.1% rise Puma reported for the second quarter. The increase was driven by footwear and wholesale sales, it said.

The company said it is on course to meet its full-year outlook, which includes sales growth in a mid-single-digit percentage excluding currency

movements.

Shares of Puma climbed 2.1% in European trading Wednesday. Shares of German rival Adidas traded 3.6% lower.

Puma Chief Executive Arne Freudenthal said at a press call after results that the company is well positioned to react to potential higher tariffs on goods imported to the U.S. should these be introduced under a Donald Trump-led administration.

When not adjusting for currency effects, third-quarter sales were €2.31 billion, or \$2.53 billion, down 0.1% on year in reported terms. This missed analysts' estimates of €2.36 billion, according to consensus forecasts provided by Visible Alpha.

Puma reported a slight miss in quarterly revenue in reported terms due to a negative currency effect, but the result was in line with expectations on a constant-currency basis, RBC Capital Markets analysts Piral Dadhania and



U.S. growth offset Puma's weakness in China. Above, a store in Shanghai.

million and €670 million, a target that was trimmed in August due to muted consumer sentiment and higher freight costs.

The company still forecasts a change in net profit this year in line with the operating result.

The results come just days after larger rival Adidas reported a rise in sales during the same period, following a brand revamp plan that started when CEO Björn Gulden took the reins of the business in early 2023. Gulden was previously Puma's CEO.

U.S. competitor **Nike** recently withdrew its guidance for the year ending in May, shortly after replacing its chief executive in September.

Puma also is undergoing a turnaround, pushing further into performance products for sports like running and basketball, but analysts caution its efforts could take time to pay off as competition in these segments has intensified in recent years.

Nikolaos Lafionatis said in a note.

Earnings before interest and taxes rose to €237 million from €236.3 million, as the company shifted marketing

spending to the fourth quarter.

Puma made a net profit of €127.8 million for the third quarter, down 3% compared with the year-earlier period

and below analysts' forecasts of €128.5 million, according to Visible Alpha.

The company continues to guide for earnings before interest and taxes between €620

## Marks & Spencer Warns of Challenges

By MICHAEL SUSIN

**Marks & Spencer** reported profit ahead of expectations for the first half of fiscal 2025, but it warned that the uncertain consumer backdrop is expected to remain in the rest of the year.

The U.K. retailer on Wednesday said pretax profit for the half year ended Sept. 28 was £391.9 million, or \$511.1 million, compared with £325.6 million for the same period a year earlier. This compares with market expectations of £327 million, according to estimates provided by LSEG Refinitiv.

Adjusted pretax profit—the

company's preferred metric, which strips out exceptional and other one-off items—rose more than 17% to £407.8 million.

Revenue climbed to £6.48 billion from £6.13 billion a year ago, topping market expectations of £6.43 billion, according to LSEG Refinitiv.

The increase was helped by its clothing and home segment, as sales increased 4.7% and with comparable sales grew 5.3%.

Food sales increased 8.1%, with like-for-like growth of 7.5%, as the group improves its food infrastructure to boost availability and reduce costs.



The retailer cited strength in its clothing and home segment.

The company said its overall performance in the first five weeks of the second half remains on track, and that it is confident in making further progress in the remainder of the year.

However, it flagged that the elevated cost inflation and uncertain consumer backdrop

faced in the first half are expected to persist.

"Despite this, the business has traded well, growing volume and value market share," it added.

The board declared an interim dividend of 1 pence a share, which is unchanged from a year ago.

The all-cash deal, which includes outstanding debt, is ex-

## Blackstone Is Taking Retail Landlord Private

By CONNOR HART

Blackstone Real Estate will take shopping-center owner and operator **Retail Opportunity Investments** private in a \$4 billion deal, adding to its portfolio of companies in the sector.

New York investment firm

Blackstone

said on Wednesday it would purchase all of

Retail Opportunity Investments'

outstanding shares for

\$17.50 each,

representing a

34%

premium to the

company's closing price on July

29, which was the last trading

day prior to news reports of a

potential sale.

The company's stock rose

4.6%

to \$17.35 on Wednesday.

The purchase of Retail Opportunity Investments reflects the continued need for grocery-anchored shopping centers in metropolitan areas,

Blackstone Real Estate Co.-

Head of Americas Acquisitions Jacob Werner said.

## Wayfair Leans on Promotions Without Damaging Margins

By JENNIFER WILLIAMS

**Wayfair** has been churning out deals on desks, bath mats, couches, throws, glassware and more this year without any big hit to its profit margins—a tricky feat for a retailer.

How does the mostly online bazaar pull off a steady stream of promotions, including seasonal and pop-up sales, without big dents to its income statement or balance sheet? Here is how it works:

Wayfair has suppliers cover nearly all of the costs tied to a promotion. While these deals draw in shoppers, those people aren't just buying the item on sale: They are browsing more and tacking on other products. In fact, of revenue generated during promotions, around 70% comes from nonpromoted items.

"It's really valuable to bring our customers in off the sidelines," Wayfair Chief Financial Officer Kate Gulliver said of its promotions. "But from there, she goes exploring."

Wayfair's arrangement with suppliers means Wayfair is rolling out promotions without the same financial penalties as other retailers, Gulliver said. "That's part of the reason why we've been happy to ramp up the number of promotional events," she told analysts Friday on the company's third-quarter earnings call.

In general, home-goods retailers have been navigating "this triple whammy," said Ygal

Arourian, an equity research analyst at Citigroup.

A sluggish housing market coupled with more judicious spending by inflation-torched consumers have hit sales. Home-furnishing companies also are facing a saturated market, after people stuck at home during lockdown redecorated and upgraded their living and work spaces in droves, according to Arourian.

Relative to other home-goods sellers, Wayfair has outperformed and increased its market share, according to Arourian. Overall, revenue declines have slowed. Excluding a 3.7% jump in 2023's third quarter driven by strong U.S. orders, revenue for the third quarter of this year dropped 2% after tanking 9% and 18.7% in 2022 and 2021, respectively.

Arourian said Wayfair's margins, Arounian said.

The deals are there, but generally not at the expense of Wayfair's margins, Arourian said.

For the most part, Wayfair doesn't carry inventory on its books, so the company is free of the pressure other retailers face to sell through stock. But Wayfair and its suppliers have an interest in higher sales volumes, Gulliver said. So suppliers tend to lean into the deals, she said, declining to give figures on how much of any promotion a supplier might fund.

The deals are there, but generally not at the expense of Wayfair's margins, Arourian said.

For the most part, Wayfair doesn't carry inventory on its books, so the company is free of the pressure other retailers face to sell through stock. But Wayfair and its suppliers have an interest in higher sales volumes, Gulliver said. So suppliers tend to lean into the deals, she said, declining to give figures on how much of any promotion a supplier might fund.

The deals are there, but generally not at the expense of Wayfair's margins, Arourian said.

For the most part, Wayfair doesn't carry inventory on its books, so the company is free of the pressure other retailers face to sell through stock. But Wayfair and its suppliers have an interest in higher sales volumes, Gulliver said. So suppliers tend to lean into the deals, she said, declining to give figures on how much of any promotion a supplier might fund.

The deals are there, but generally not at the expense of Wayfair's margins, Arourian said.

For the most part, Wayfair doesn't carry inventory on its books, so the company is free of the pressure other retailers face to sell through stock. But Wayfair and its suppliers have an interest in higher sales volumes, Gulliver said. So suppliers tend to lean into the deals, she said, declining to give figures on how much of any promotion a supplier might fund.

The deals are there, but generally not at the expense of Wayfair's margins, Arourian said.

For the most part, Wayfair doesn't carry inventory on its books, so the company is free of the pressure other retailers face to sell through stock. But Wayfair and its suppliers have an interest in higher sales volumes, Gulliver said. So suppliers tend to lean into the deals, she said, declining to give figures on how much of any promotion a supplier might fund.

The deals are there, but generally not at the expense of Wayfair's margins, Arourian said.

For the most part, Wayfair doesn't carry inventory on its books, so the company is free of the pressure other retailers face to sell through stock. But Wayfair and its suppliers have an interest in higher sales volumes, Gulliver said. So suppliers tend to lean into the deals, she said, declining to give figures on how much of any promotion a supplier might fund.

The deals are there, but generally not at the expense of Wayfair's margins, Arourian said.

For the most part, Wayfair doesn't carry inventory on its books, so the company is free of the pressure other retailers face to sell through stock. But Wayfair and its suppliers have an interest in higher sales volumes, Gulliver said. So suppliers tend to lean into the deals, she said, declining to give figures on how much of any promotion a supplier might fund.

The deals are there, but generally not at the expense of Wayfair's margins, Arourian said.

For the most part, Wayfair doesn't carry inventory on its books, so the company is free of the pressure other retailers face to sell through stock. But Wayfair and its suppliers have an interest in higher sales volumes, Gulliver said. So suppliers tend to lean into the deals, she said, declining to give figures on how much of any promotion a supplier might fund.

The deals are there, but generally not at the expense of Wayfair's margins, Arourian said.

For the most part, Wayfair doesn't carry inventory on its books, so the company is free of the pressure other retailers face to sell through stock. But Wayfair and its suppliers have an interest in higher sales volumes, Gulliver said. So suppliers tend to lean into the deals, she said, declining to give figures on how much of any promotion a supplier might fund.

The deals are there, but generally not at the expense of Wayfair's margins, Arourian said.

For the most part, Wayfair doesn't carry inventory on its books, so the company is free of the pressure other retailers face to sell through stock. But Wayfair and its suppliers have an interest in higher sales volumes, Gulliver said. So suppliers tend to lean into the deals, she said, declining to give figures on how much of any promotion a supplier might fund.

The deals are there, but generally not at the expense of Wayfair's margins, Arourian said.

For the most part, Wayfair doesn't carry inventory on its books, so the company is free of the pressure other retailers face to sell through stock. But Wayfair and its suppliers have an interest in higher sales volumes, Gulliver said. So suppliers tend to lean into the deals, she said, declining to give figures on how much of any promotion a supplier might fund.

The deals are there, but generally not at the expense of Wayfair's margins, Arourian said.

For the most part, Wayfair doesn't carry inventory on its books, so the company is free of the pressure other retailers face to sell through stock. But Wayfair and its suppliers have an interest in higher sales volumes, Gulliver said. So suppliers tend to lean into the deals, she said, declining to give figures on how much of any promotion a supplier might fund.

The deals are there, but generally not at the expense of Wayfair's margins, Arourian said.

For the most part, Wayfair doesn't carry inventory on its books, so the company is free of the pressure other retailers face to sell through stock. But Wayfair and its suppliers have an interest in higher sales volumes, Gulliver said. So suppliers tend to lean into the deals, she said, declining to give figures on how much of any promotion a supplier might fund.

The deals are there, but generally not at the expense of Wayfair's margins, Arourian said.

For the most part, Wayfair doesn't carry inventory on its books, so the company is free of the pressure other retailers face to sell through stock. But Wayfair and its suppliers have an interest in higher sales volumes, Gulliver said. So suppliers tend to lean into the deals, she said, declining to give figures on how much of any promotion a supplier might fund.

The deals are there, but generally not at the expense of Wayfair's margins, Arourian said.

For the most part, Wayfair doesn't carry inventory on its books, so the company is free of the pressure other retailers face to sell through stock. But Wayfair and its suppliers have an interest in higher sales volumes, Gulliver said. So suppliers tend to lean into the deals, she said, declining to give figures on how much of any promotion a supplier might fund.

The deals are there, but generally not at the expense of Wayfair's margins, Arourian said.

For the most part, Wayfair doesn't carry inventory on its books, so the company is free of the pressure other retailers face to sell through stock. But Wayfair and its suppliers have an interest in higher sales volumes, Gulliver said. So suppliers tend to lean into the deals, she said, declining to give figures on how much of any promotion a supplier might fund.

The deals are there, but generally not at the expense of Wayfair's margins, Arourian said.

For the most part, Wayfair doesn't carry inventory on its books, so the company is free of the pressure other retailers face to sell through stock. But Wayfair and its suppliers have an interest in higher sales volumes, Gulliver said. So suppliers tend to lean into the deals, she said, declining to give figures on how much of any promotion a supplier might fund.

The deals are there, but generally not at the expense of Wayfair's margins, Arourian said.

For the most part, Wayfair doesn't carry inventory on its books, so the company is free of the pressure other retailers face to sell through stock. But Wayfair and its suppliers have an interest in higher sales volumes, Gulliver said. So suppliers tend to lean into the deals, she said, declining to give figures on how much of any promotion a supplier might fund.

The deals are there, but generally not at the expense of Wayfair's margins, Arourian said.

For the most part, Wayfair doesn't carry inventory on its books, so the company is free of the pressure other retailers face to sell through stock. But Wayfair and its suppliers have an interest in higher sales volumes, Gulliver said. So suppliers tend to lean into the deals, she said, declining to give figures on how much of any promotion a supplier might fund.

The deals are there, but generally not at the expense of Wayfair's margins, Arourian said.

For the most part, Wayfair doesn't carry inventory on its books, so the company is free of the pressure other retailers face to sell through stock. But Wayfair and its suppliers have an interest in higher sales volumes, Gulliver said. So suppliers tend to lean into the deals, she said, declining to give figures on how much of any promotion a supplier might fund.

The deals are there, but generally not at the expense of Wayfair's margins, Arourian said.

For the most part, Wayfair doesn't carry inventory on its books, so the company is free of the

# Toyota Cuts Outlook As Profit, Sales Skid

Automaker now expects group vehicle sales to fall 2.2% this fiscal year

By KOSAKU NARIOKA

**Toyota Motor** cut its annual forecast for group vehicle sales after its second-quarter profit more than halved due partly to weaker sales globally.

The Japanese auto giant said Wednesday that net profit dropped 55% from a year earlier to 573.7 billion yen, equivalent to \$3.78 billion, for the three months ended Sept. 30.

That widely missed the ¥1.01 trillion estimate in a poll of analysts by data provider Quick.

The carmaker now expects group vehicle sales to fall 2.2%

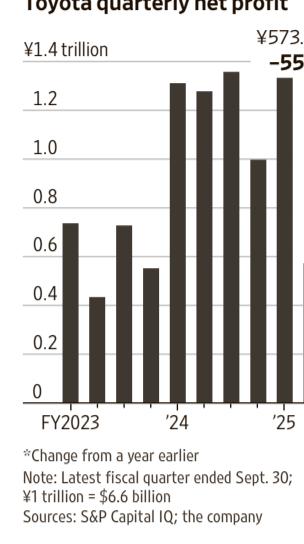
to 10.85 million units this fiscal year, compared with its previous view of a 1.3% decline.

Second-quarter group vehicle sales volume dropped 3.8% to 2.74 million as a result of lower sales across various regions despite the company's higher sales of gasoline-electric hybrid cars.

The company's bottom line was also hit by ¥230 billion of special losses related to its truck subsidiary Hino Motors' certification issues in North America.

Toyota had been benefiting from a shift among consumers in the U.S. and some other markets to hybrid cars from fully electric vehicles amid concerns about charging problems and higher prices associated with pure EVs.

The company has been taking what it calls a multipath-way approach in adopting al-



ternatives to conventional engines powered by emissions-generating fossil fuels. It is offering consumers a range of vehicles, including hybrid-electric cars.



Toyota had been benefiting from a shift among consumers in certain markets to hybrid cars.

Second-quarter revenue edged 0.1% higher to ¥11.44 trillion.

Electric cars, including hybrid vehicles, made up 46% of Toyota and Lexus cars sold in

its second quarter, up from 36% a year earlier.

The automaker sold about 35,000 battery EVs, up from about 30,000 units a year ago.

Toyota maintained its top-

and bottom-line forecasts for the fiscal year ending March 2025, expecting revenue to grow 2.0% to ¥46.000 trillion and net profit to fall 28% to ¥3.570 trillion.

## BMW Sees Profitability Decline

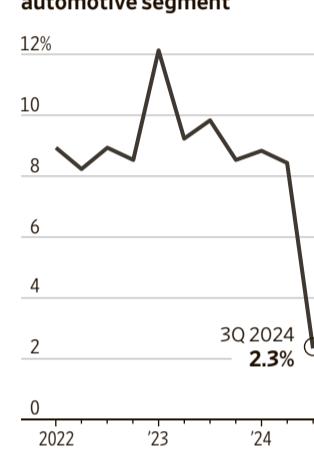
Continued from page B1  
to consensus figures compiled by the company.

Carmakers are facing a raft of challenges, from investments in boosting their lineups of electric vehicles to sluggish demand in many parts of the world that resulted in a wave of guidance cuts in recent months.

BMW was among the first to sound the alarm in September. The company confirmed Wednesday its recently lowered expectations for the year.

In China, the world's largest car market, Western auto companies face particularly tough conditions because of fierce competition.

Local rivals are taking a



U.S. tariffs on auto imports under a Donald Trump presidency.

BMW said its third-quarter results were marked by extraordinary challenges, mainly stemming from technical measures to fix a braking-system problem and muted demand in China.

The company expects to complete the repairs for most cars by the end of the year, Chief Executive Oliver Zipse said in a call with reporters.

The recall led to provisions for warranty obligations in the high three-digit million-euro range and contributed to lower sales and profitability, as the company had to stop deliveries of higher-end models, it said.

For the group as a whole, earnings before interest and taxes plunged 61% to €1.70 billion, equivalent to \$1.85 billion, while the margin contracted by 8 percentage points to 2.6%.

Analysts had expected a group EBIT of €1.65 billion

with a margin of 5.0%, according to the company-compiled consensus.

Group revenue was 16% lower at €32.41 billion, hurt by a 13% drop in the automotive segment. Analysts had forecast group revenue of €33.31 billion.

The company said third-quarter deliveries of its BMW, Mini and Rolls-Royce brands were 13% lower, making it the latest car company to be hit by falling sales.

Earlier on Wednesday, Japanese peers **Toyota Motor** and **Honda Motor** reported drops in sales volumes as well.

However, BMW expects an increase in deliveries and a significant inventory reduction in the fourth quarter.

"In the fourth quarter, we are back on track for stronger earnings in order to achieve our annual targets, despite planned high upfront expenditures," Zipse said.

BMW is making big investments in refreshing its model lineup with the Neue Klasse, a

digital production platform that will be the basis for a new generation of cars.

Both research-and-development spending and capital investments will peak in 2024 as planned, BMW Chief Financial Officer Walter Mertl said.

Meanwhile, Zipse said electric-vehicle sales remain a growth driver for BMW this year and projected another significant increase in sales of fully and partially electrified vehicles for next year.

BMW confirmed its forecast of automotive profitability of 6% to 7% this year, with deliveries expected to decline slightly.

Group-level pretax profit is expected to fall significantly. The group had lowered its full-year guidance in September to account for recall costs and weakness in Chinese sales.

While the company reaffirmed expectations of an improvement in the fourth quarter, it faces a high bar, analysts at UBS wrote in a note to clients.

## Schneider Electric Probes Hack

Continued from page B1  
ucts and services remain unaffected," the spokesperson said.

An account on X under the name "greepy" claimed responsibility for the hack and posted a link to a website where the cybercrime group known as Hellcat leaks stolen data. The hackers demanded a ransom of \$125,000 from Schneider Electric and stole "critical data," the person said in a post on Monday.

Representatives for Schneider Electric declined to respond to questions about whether hackers stole data or if the company will pay a ransom.

Manufacturers are popular targets for ransomware attacks because they typically need to keep industrial systems, such as heavy equipment used for production, running continuously.

Hackers often attempt to extort companies by targeting technology systems that generate revenue or are critical to keeping businesses running.

If hackers really stole data related to Schneider Electric's projects, as they claimed to on social media, the information could be used for future cyberattacks targeting specific employees with access to particular initiatives or customers, said Timothy Chase, program director of the Manufacturing Information Sharing and Analysis Center, a nonprofit that helps manufacturing companies exchange details about cyber threats.

"It's an amazing hunting list for adversaries," he said.

Even when a cyberattack affects corporate technology systems and not industrial machinery, manufacturing can be disrupted.

In July, **Bassett Furniture** said in a regulatory disclosure that it shut down manufacturing facilities after a cyberattack on its information technology systems. The Virginia-based furniture company said it also shut down its systems to contain the hack.

Compared with companies in the oil and gas, transportation and other industrial sectors, manufacturers were hit more frequently by ransomware in the second quarter of this year, according to cybersecurity company **Dragos**.

Ransomware attacks against industrial companies, including manufacturers, numbered 303 in the quarter, up from 166 in the previous one, Dragos said.

Early this year, law enforcement stepped up efforts to stop ransomware groups, temporarily leading to a lower rate of attacks. Some cybercrime gangs later regrouped and resumed targeting industrial firms, Dragos said.

In February, Schneider Electric said hackers hit its sustainability business with ransomware on Jan. 17 and stole data.

By Jan. 31, the company had restored access to affected platforms.

## Lyft's Boosts Outlook as Rider Count Hits High

By SABELA OJEA

**Lyft** raised its outlook after reporting double-digit gains in ridership and revenue in its latest quarterly results.

The San Francisco-based ride-sharing company said its gross bookings rose 16% to \$4.12 billion, as the app's number of active users rose to a record 24.4 million.

Analysts polled by FactSet had expected \$4.08 billion in bookings. The number of riders was in line with analysts' estimates.

Lyft's strides during the quarter included a signed strategic partnership with food delivery app **DoorDash** that offers exclusive benefits to Lyft riders who link their DashPass accounts.

The ride-sharing company also announced plans to work with autonomous vehicle technology companies **Mobileyte**, **May Mobility** and **Nexar**.

Drivers from Lyft, **Uber Technologies** and other ride-

hailing companies won the right to unionize in Massachusetts on Wednesday following a ballot in the state.

While the initiative set a new precedent, the companies' shares seemed unaffected by the news. Lyft stock closed up 4.4% on Wednesday at \$14.40.

Lyft's third-quarter revenue rose 32% from the year-earlier quarter to \$1.52 billion, above Wall Street expectations of \$1.44 billion, according to FactSet.

The company posted steeper losses year over year because of a \$36.4 million impairment charge. Lyft posted a loss of \$12.4 million for the third quarter compared with a loss of \$12.1 million a year ago.

Lyft forecast fourth-quarter gross bookings of \$4.28 billion to \$4.35 billion, representing growth of up to 17%.

For the full year, Lyft expects gross bookings growth of 17%.



Lyft announced plans to work with several autonomous vehicle technology companies.

## Teledyne to Acquire Units of AEA-Backed Excelitas

By COLIN KELLAHER  
AND LAURA KREUTZER

**Teledyne Technologies** has struck a deal to buy certain aerospace and defense-electronics businesses from **AEA Investors**-backed Excelitas Technologies for \$710 million in cash.

New York-based AEA has owned Excelitas since 2017, when the firm acquired the company through its midmarket private-equity strategy from fellow buyout firm Veritas Capital Fund Management.

Teledyne on Wednesday said the acquisition includes U.K.-based Qioptiq, which provides advanced optics for heads-up and helmet-mounted displays, dismounted tactical night vision systems and proprietary glass used in space and satellite applications.



AEA bought Excelitas in 2017. An Excelitas sniper sight.

also includes a U.S.-based business that provides custom energetics, including electronic safe and arm devices, high-voltage semiconductor switches and rubidium frequency standards for defense and space applications.

Teledyne said it expects to complete the acquisition early next year.

The Teledyne sale marks at least the third full or partial exit AEA has inked this year. In March, the firm's small-business private-equity strategy sold infrastructure and land management services company CLS Management Services, while in January its

midmarket group sold toy company Melissa & Doug to Toronto-based publicly traded Spin Master.

AEA targets deals ranging from \$400 million to more than \$2 billion in enterprise value through its midmarket strategy, while its small business private-equity team aims for deals involving companies with less than \$400 million in enterprise value, according to the firm's website.

**\$710M**  
Cash Teledyne will pay for the aerospace and defense-electronics units

The firm had raised at least \$3.1 billion as of May 2023 for its latest midmarket fund, AEA Investors Fund VIII, according to a regulatory filing.

Compared with companies in the oil and gas, transportation and other industrial sectors, manufacturers were hit more frequently by ransomware in the second quarter of this year, according to cybersecurity company **Dragos**. Ransomware attacks against industrial companies, including manufacturers, numbered 303 in the quarter, up from 166 in the previous one, Dragos said.

Early this year, law enforcement stepped up efforts to stop ransomware groups, temporarily leading to a lower rate of attacks. Some cybercrime gangs later regrouped and resumed targeting industrial firms, Dragos said.

In February, Schneider Electric said hackers hit its sustainability business with ransomware on Jan. 17 and stole data.

By Jan. 31, the company had restored access to affected platforms.

**servicenow®**

# PUT AI AGENTS TO WORK FOR PEOPLE

## INTRODUCING SERVICENOW AI AGENTS.

Have you heard? The next big leap in AI has arrived: AI agents. But what are AI agents? How do they operate? And how can they actually benefit your business? Simply put, AI agents can think, learn, solve problems, and make decisions autonomously. They work on behalf of your teams, elevating their productivity and potential. And the best part? You're always in control. Yes, really.

Only the ServiceNow® platform puts the power of AI agents to work across every corner of your business. Imagine a team of ServiceNow AI Agents proactively solving challenges in IT, HR, customer service, software development – you name it. These agents collaborate, learn from each other, and continuously improve, handling the busy work so your teams can focus on what truly matters. They boost productivity for employees, enrich customer experiences, and make work better for everyone. It's time to put ServiceNow AI Agents to work for your people. [ServiceNow.com/AI-Agents](https://ServiceNow.com/AI-Agents)

**THE WORLD WORKS WITH SERVICENOW.**



# THE WALL STREET JOURNAL.

# Wake Up to the Market

The **Markets A.M. newsletter** gives you a jumpstart on your stock picks with pre-market packed news, trends and ideas. Plus, market data that's up to the minute.



**SIGN UP**

[WSJ.com/MarketsAM](https://WSJ.com/MarketsAM)

## COMMODITIES

wsj.com/market-data/commodities

## Futures Contracts

## Metal &amp; Petroleum Futures

	Contract		Contract		Open	
	Open	High	Low	Settle	Chg	Interest
Copper-High (CMX)-25,000 lbs.; \$ per lb.						
Nov 4,274.0 4,274.0	4,2075	4,2225	-0,2280	1,052		
Dec 4,4670 4,4670	4,2260	4,2460	-0,2290	116,816		
Gold (CMX)-100 troy oz.; \$ per troy oz.						
Nov 2734.50 2734.50	2659.40	2667.60	-72.70	64		
Dec 2752.60 2758.80	2660.70	2676.30	-73.40	389,315		
Jan'25 2764.50 2768.90	2675.00	2688.50	-73.70	57		
Feb 2776.40 2782.80	2684.90	2700.40	-74.20	106,913		
April 2798.60 2803.60	2721.00	2740.30	-74.30	31,971		
June 2821.20 2823.60	2728.00	2742.50	-74.30	19,766		
Palladium (NYM)-50 troy oz.; \$ per troy oz.						
Nov 1151.50 1154.50	1151.50	1036.10	-40.80	6		
Dec 1077.50 1079.50	1026.00	1039.80	-38.80	14,517		
Platinum (NYM)-50 troy oz.; \$ per troy oz.						
Nov 1053.80 1053.80	1013.80	986.00	-14.40	27		
Jan'25 1070.40 1070.40	971.80	992.80	-13.90	75,722		
Silver (CMX)-5,000 troy oz.; \$ per troy oz.						
Nov 32,040 32,040	31,000	31,221	-1,434	42		
Dec 32,780 32,850	30,940	31,331	-1,444	111,136		
Crude Oil, Light Sweet (NYM)-1,000 bbls.; \$ per bbl.						
Dec 72.02 72.63	69.74	71.69	-0.30	287,694		
Jan'25 71.57 72.18	69.35	71.24	-0.32	204,874		
Feb 71.18 71.77	69.02	70.84	-0.34	131,559		
March 70.76 71.43	68.75	70.51	-0.34	139,864		
June 69.98 70.59	68.12	69.79	-0.25	150,219		
Dec 68.33 68.99	66.85	68.38	-0.09	160,200		
NY Harbor ULSD (NYM)-42,000 gal.; \$ per gal.						
Dec 2,298.8 2,312.4	2,2416	2,2700	-0,342	133,056		
Jan'25 2,304.8 2,3212	2,2511	2,2813	-0,318	70,374		
Gasoline-NY RBOB (NYM)-42,000 gal.; \$ per gal.						
Dec 2,0418 2,0577	1,9810	2,0354	-0,092	137,376		
Jan'25 2,0202 2,0330	1,9605	2,0110	-0,017	79,998		
Natural Gas (NYM)-10,000 MMBtu.; \$ per MMBtu.						
Dec 2,679 2,796	2,660	2,747	-0,077	260,644		
Jan'25 2,948 3,050	2,921	3,007	-0,071	325,842		
Feb 2,863 2,956	2,839	2,912	-0,060	141,324		
March 2,640 2,724	2,620	2,688	-0,055	257,038		
April 2,607 2,685	2,590	2,653	-0,049	101,131		
Oct 3,120 3,190	3,094	3,177	-0,066	98,973		

## Agriculture Futures

Corn (CBT)-5,000 bu.; cents per bu.	Stock	Open	High	Low	Settle	Chg	Interest
Dec 418.00 426.75		414.25	426.25	7.75	654,158		
March'25 431.25 439.75		427.50	439.00	7.00	477,309		
Oats (CBT)-5,000 bu.; cents per bu.							
Dec 391.75 393.00		383.50	391.75	.50	2,586		
March'25 389.00 392.75		384.25	392.00	.25	1,561		
Soybeans (CBT)-5,000 bu.; cents per bu.							
Nov 991.75 997.50		973.00	994.50	.75	1,042		
Jan'25 999.25 1007.75		982.00	1003.75	2.00	351,026		

## New Highs and Lows

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. % CHG-Daily percentage change from the previous trading session.

Wednesday, November 6, 2024

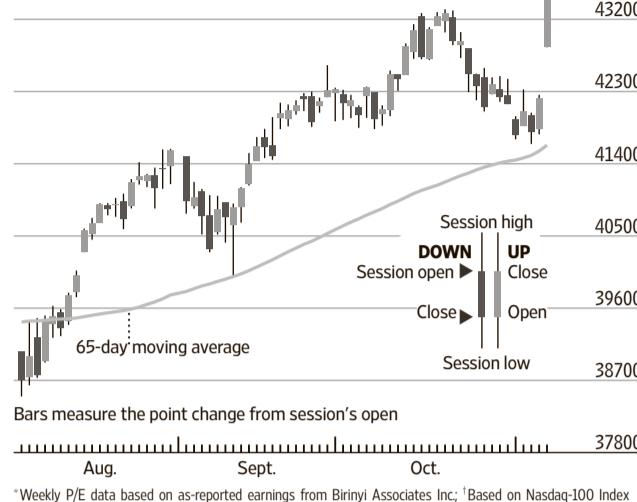
Stock	52-Wk % Sym	52-Wk % Hi/Lo Chg	Stock	52-Wk % Sym	52-Wk % Hi/Lo Chg	Stock	52-Wk % Sym	52-Wk % Hi/Lo Chg
<b>H高压</b>								
AAMGlobalAcqAM AAM 10.06 0.1								
ACI Worldwide ACIW 54.47 1.6								
ACNB ACNB 50.72 17.5								
AcresCmtryACR 16.93 1.5								
AL Transportation ALTR 15.74 3.8								
Alphametrix AMT 59.50 1.9								
AXIS Capital AXS 84.84								
AcademyArtz ART 25.58 1.2								
AcuityBrands AYI 33.90 1.9								
AdaptiveBioteck ADPT 5.80 3.0								
AdtalemGlibEd GE 88.99 1.5								
AdvEnergyBKs AEIS 120.81 5.9								
AeroVironment AVAV 232.00 1.0								
AgricLife Svcs ATSC 0.30 4.4								
AirTransport Svcs ATSG 22.27 0.3								
AlaskaAir ALK 51.63 6.2								
Alcoa ALA 46.93 1.0								
AlgoMetals ASTL 11.41 1.9								
AlgoSteel ASTL 11.41 1.9								
AlgonquinHlt2070 AQHG 25.75 1.0								
AlignmentHltc ALHC 14.25 6.6								
AllianceResource ARPL 27.80 2.3								
AllisonTransm ALSH 117.87 7.0								
Allot ALIT 3.75 3.7								
Altira ALTR 55.05 0.5								
AmalgamFin AMAL 38.19 14.3								
Amazon.com AMZN 207.55 3.8								
AmericanAssets AAT 28.96 1.6								

## MARKETS DIGEST

## EQUITIES

## Dow Jones Industrial Average

**43729.93** ▲1508.05, or 3.57%  
High, low, open and close for each trading day of the past three months.

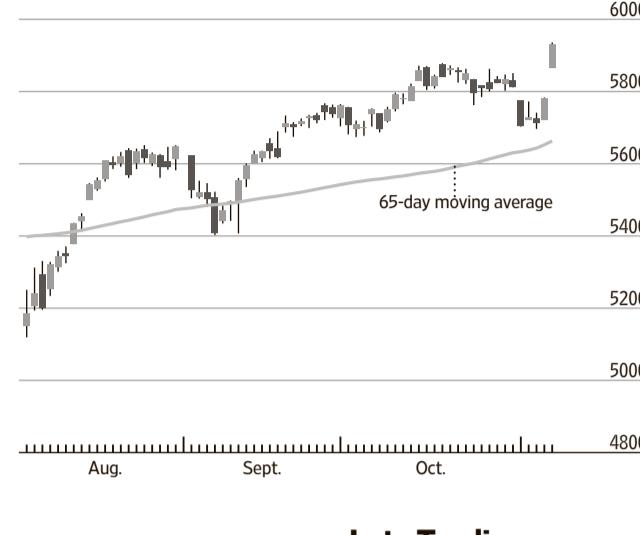


Bars measure the point change from session's open

\*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; †Based on Nasdaq-100 Index

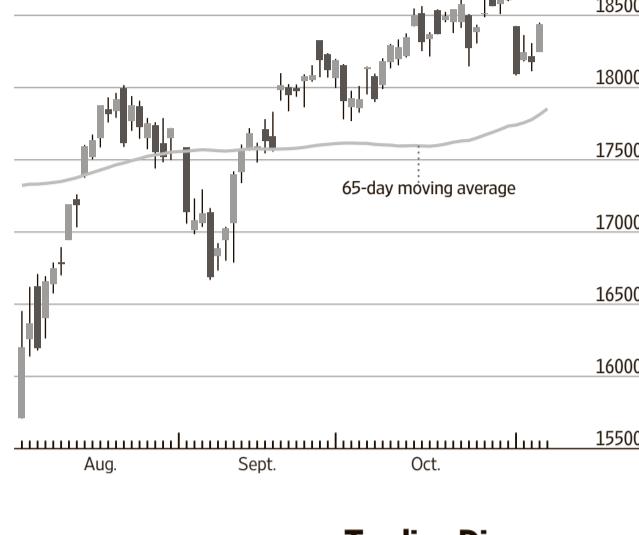
## S&amp;P 500 Index

**5929.04** ▲146.28, or 2.53%  
High, low, open and close for each trading day of the past three months.



## Nasdaq Composite Index

**18983.47** ▲544.29, or 2.95%  
High, low, open and close for each trading day of the past three months.



## Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	High	Low	52-Week % chg	YTD % chg	3-yr.ann.
<b>Dow Jones</b>										
Industrial Average	43778.78	42850.40	<b>43729.93</b>	1508.05	3.57	43729.93	33891.94	<b>28.2</b>	16.0	<b>6.4</b>
Transportation Avg	17485.40	16746.67	<b>17462.35</b>	890.44	<b>5.37</b>	17462.35	14266.24	<b>21.1</b>	9.8	<b>1.2</b>
Utility Average	1017.54	1001.90	<b>1013.64</b>	-9.52	<b>-0.93</b>	1071.27	827.37	<b>20.4</b>	15.0	<b>3.3</b>
Total Stock Market	59106.68	58413.82	<b>59044.68</b>	1616.17	<b>2.81</b>	59044.68	43066.53	<b>35.9</b>	23.6	<b>6.6</b>
Baron's 400	1312.63	1287.92	<b>1311.89</b>	60.74	<b>4.85</b>	1311.89	934.94	<b>38.8</b>	22.3	<b>5.7</b>
<b>Nasdaq Stock Market</b>										
Nasdaq Composite	19000.50	18730.21	<b>18983.47</b>	544.29	<b>2.95</b>	18983.47	13521.45	<b>39.1</b>	26.5	<b>5.9</b>
Nasdaq-100	20807.03	20526.64	<b>20781.33</b>	553.87	<b>2.74</b>	20781.33	15187.90	<b>35.7</b>	23.5	<b>8.3</b>
<b>S&amp;P</b>										
500 Index	5936.14	5864.89	<b>5929.04</b>	146.28	<b>2.53</b>	5929.04	4347.35	<b>35.3</b>	24.3	<b>8.1</b>
MidCap 400	3289.33	3207.34	<b>3286.71</b>	130.86	<b>4.15</b>	3286.71	2409.27	<b>34.9</b>	18.2	<b>4.2</b>
SmallCap 600	1513.35	1457.10	<b>1511.13</b>	86.76	<b>6.09</b>	1511.13	1103.24	<b>35.1</b>	14.6	<b>1.0</b>
<b>Other Indexes</b>										
Russell 2000	2393.85	2300.98	<b>2392.92</b>	132.08	<b>5.84</b>	2392.92	1687.24	<b>39.6</b>	18.0	<b>-0.6</b>
NYSE Composite	19846.63	19463.79	<b>19828.00</b>	364.22	<b>1.87</b>	19884.81	15235.18	<b>29.2</b>	17.7	<b>4.8</b>
Value Line	641.44	621.58	<b>640.96</b>	19.38	<b>3.12</b>	640.96	512.92	<b>23.2</b>	7.9	<b>-2.7</b>
NYSE Arca Biotech	6106.03	5996.79	<b>6073.98</b>	1.57	<b>0.03</b>	6073.98	4639.09	<b>27.6</b>	12.1	<b>2.6</b>
NYSE Arca Pharma	1013.21	986.80	<b>988.28</b>	-23.89	<b>-2.36</b>	1140.17	864.90	<b>11.3</b>	8.6	<b>7.9</b>
KBW Bank	135.01	126.03	<b>134.94</b>	13.03	<b>10.69</b>	134.94	77.16	<b>72.3</b>	40.5	<b>-1.0</b>
PHLX® Gold/Silver	156.69	152.80	<b>155.94</b>	-3.90	<b>-2.44</b>	175.74	102.94	<b>42.9</b>	24.1	<b>5.2</b>
PHLX® Oil Service	82.59	79.06	<b>82.01</b>	5.95	<b>7.82</b>	95.25	72.67	<b>-1.9</b>	-2.2	<b>10.0</b>
PHLX® Semiconductor	5233.75	5118.73	<b>5215.57</b>	157.74	<b>3.12</b>	5904.54	3452.34	<b>50.2</b>	24.9	<b>11.6</b>
Cboe Volatility	16.82	15.44	<b>16.27</b>	-4.22	<b>-20.60</b>	38.57	11.86	<b>12.6</b>	30.7	<b>-0.4</b>

\$ Nasdaq PHLX

## Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

## Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	% chg	After Hours High	Low
Lucid Group	LCID	9,965.1	2.18	0.05	<b>2.11</b>	2.18	2.12
NVIDIA	NVDA	9,104.1	145.52	-0.09	<b>-0.06</b>	174.22	74.35
Lyft	LYFT	7,771.1	17.44	3.04	<b>21.11</b>	18.40	14.34
Xtrkr Harv CSI300 CnA	ASHR	6,962.4	28.22	0.15	<b>0.55</b>	28.22	28.01
SPDR S&P 500 ETF Trust	SPY	5,653.8	591.28	0.24	<b>0.04</b>	591.89	590.65
ZoomInfo Technologies	ZI	5,471.1	11.88	0.04	<b>0.33</b>	11.88	11.80
iShares Russell 2000 ETF	IWM	5,172.2	236.93	-0.29	<b>-0.12</b>	237.25	236.70
Bank of America	BAC	5,147.4	45.37	-0.04	<b>-0.09</b>	45.55	44.00

## Percentage gainers...

AppLovin	APP	852.5	216.30	47.75	<b>28.33</b>	219.15	167.60
Lyft	LYFT	7,771.1	17.44	3.04	<b>21.11</b>	18.40	14.34
Dutch Bros	BROS	877.2	40.55	5.61	<b>16.06</b>	41.88	34.70
Freshworks CIA	FRSH	1,346.7	15.00	1.91	<b>14.59</b>	15.00	12.50
Emergent Biosoltns	EBS	164.8	10.49	1.29	<b>14.02</b>	10.70	9.01

## ...And losers

Cardlytics	CDLY	224.6	3.64	-1.57	<b>-30.13</b>	5.26	3.40
SolarEdge Technologies	SEDG	1,839.9	11.93	-2.75	<b>-18.71</b>	15.47	11.34
Wolfspeed	WOLF	1,420.3	11.18	-2.53	<b>-18.45</b>	13.95	11.18
Match Group	MTCH	1,150.8	32.70	-5.18	<b>-13.67</b>	38.09	31.91
Clover Health Invts	CLOV	2,848.8	3.78	-0.57	<b>-13.10</b>	4.38	3.63

## Trading Diary

## Volume, Advancers, Decliners

	NYSE	NYSE Amer.
<b>Total volume*</b>	1,416,001,005	28,242,160
<b>Adv. volume*</b>	962,349,678	20,853,764
<b>Decl. volume*</b>	447,303,786	6,263,714
<b>Issues traded</b>	2,861	293
<b>Advances</b>	1,732	155
<b>Declines</b>	1,083	123
<b>Unchanged</b>	46	15
<		

## NEW HIGHS AND LOWS

Continued From Page B7

Stock	Sym	52-Wk % Hi/Lo Chg	Stock	Sym	52-Wk % Hi/Lo Chg	Stock	Sym	52-Wk % Hi/Lo Chg	Stock	Sym	52-Wk % Hi/Lo Chg	Stock	Sym	52-Wk % Hi/Lo Chg	Stock	Sym	52-Wk % Hi/Lo Chg	Stock	Sym	52-Wk % Hi/Lo Chg						
IndependentBank IBTX		-66.41 14.9	Lifef360 LIF		-46.15 2.6	NewYorkMtgFid NYMTL		-23.19 -0.1	PennaPipeline PPH		-15.42 1.8	SangamoTherap SGMO		-2.56 14.4	StrifeFinancial SF		-11.76 13.9	TrinityIndustries TRN		-37.54 9.5	VulcanMats VMC		-298.31 6.5			
Geodrill GDDY		-175.88 -4.9	IngersollRand IR		-102.5 5.4	LigandPharm LGND		-116.95 3.0	NewsCorp A NWISA		-29.13 3.9	StockYardsBcp SYBT		-76.32 11.4	TriumphFinl TFIN		-102.49 10.4	WDC-40 WD-40		-288.57 10.0	AlgonquinPower AON		-4.67 -3.7			
GoldmanSachs GS		-598.61 13.1	Intertech INGR		-155.44 -2.8	Limbach LMB		-95.26 20.6	NewsCorp B NWS		-31.05 4.0	Pilgrim'sPride PPC		-55.50 -1.7	SatixFycomm SATX		-1.11 -4.7	StoneX SNEX		-101.62 5.4	TrueCar TRUE		-4.33 7.7	WPW WPP		-55.63 1.7
Goodeads HDS		-150.00 1.4	Innodata INOD		-24.18 4.9	Limonade LMR		-29.22 2.2	NextNav NEXTH		-25.56 0.3	PinnacleFtrts PNPF		-122.96 15.3	SchneiderNatl SNDR		-30.90 4.7	Stride LRN		-99.48 4.9	TrustFinl TFC		-47.03 11.1	WFSCS Financial WSFS		-59.26 16.2
GormanRupp GRW		-0.34 -3.3	Innovege INNO		-6.68 3.8	LincolnEduc LINC		-15.85 9.1	NextNav NEXTH		-13.78 5.1	PinnacleWest PWX		-92.59 3.9	ScienceApplcat SAIC		-156.34 0.2	PioneerBank PBFB		-11.63 0.2	TrustCoBank TRST		-37.84 13.7	Wabtec WAB		-202.19 4.0
Gratwkr GRBW		-0.34 -3.3	Intrap INTA		-59.28 16.4	LindbergExped LEXP		-13.33 12.2	NicoleBankshrs NICK		-115.06 11.4	PioneerBank PBFB		-11.63 0.2	SeacoastBldg SBFC		-30.78 12.4	PiperSandler PIPR		-347.15 19.4	SumlifeFinancial SLF		-59.03 1.9	TurningPoint TPB		-52.51 3.9
GrahamHoldings GHG		-96.65 11.3	InteractiveHldgs IHDR		-248.55 0.8	LincolnNational LNC		-36.98 9.1	NiSource NI		-15.04 11.4	PioneerBank PBFB		-11.63 0.2	SouthNetFinl SNTF		-10.76 1.0	WaFd WAFD		-38.17 11.9	Ab InBev AB		-56.43 -2.7			
Grainerer GWV		-119.00 6.5	IntertechBldgs IHD		-173.09 10.8	NorthstarNSC NSC		-27.73 11.9	PitneyBrowne PB		-77.65 1.9	PitneyBrowne PB		-7.95 1.9	SunCoastEnergy SCK		-12.23 10.7	Twilio TWLO		-91.19 1.8	Walmar WMT		-85.54 -0.3			
GraniteConstr GVA		-96.15 4.2	InterDigital IDC		-178.72 5.0	NomeaNeutra LOMA		-9.92 3.2	NorthstarNSC NSC		-20.31 11.4	PitneyBrowne PB		-7.95 1.9	SunriseComm SNEV		-47.90 4.1	UBS UBS		-33.00 4.3	WarbyParker WBRY		-19.64 3.0			
GreatLakeDredge GLDD		-12.59 7.3	LiveNation LIV		-24.97 2.5	LouisianaPacific LPX		-113.04 -0.3	NorthstarNSC NSC		-20.82 8.0	PitneyBrowne PB		-7.95 1.9	SupraComms SUPC		-22.27 11.7	USC Financial USCF		-18.39 1.7	WashBtB WASH		-49.40 1.2			
GreatSothernGS GSB		-68.02 14.2	Int'lBchs IBC		-73.11 15.3	Lovesac LOVE		-31.69 -1.7	NorthstarNSC NSC		-108.53 5.2	PitneyBrowne PB		-7.95 1.9	Sweetgreen SG		-41.65 6.3	US Foods USFD		-66.66 4.2	WatersideFinl WBF		-16.36 10.4			
GreenDot GDOT		-13.24 1.2	Int'lGenerals IGH		-23.59 3.3	LumenTech LUMT		-9.20 1.8	NorthstarNSC NSC		-78.00 15.8	PitneyBrowne PB		-7.95 1.9	SynchroFinl SYE		-67.76 18.8	Waystar WAY		-30.22 1.5	Audible AUDI		-0.53 -6.6			
Greentel GT		-15.82 3.7	Int'lPaper IP		-59.52 2.5	Luxfer LITE		-72.77 8.8	NorthwestBchs NWBS		-15.56 14.0	PitneyBrowne PB		-7.95 1.9	Tegna TGNQ		-18.00 11.6	WebsterFinl WEBF		-60.13 1.8	AviatNetworks AVNW		-13.45 34.5			
GreenlightCapGFL GFL		-73.01 6.2	Int'lCellular ITCL		-90.25 2.2	Luxfer Luxf		-15.64 3.5	NorthwestBchs NWBS		-14.34 11.4	PitneyBrowne PB		-7.95 1.9	ShiftPayments FOUR		-98.01 8.9	WestBancp WTBA		-24.38 1.25	BallardPower BLD		-1.32 -19.2			
Grindr GRND		-4.49 10.3	Int'lDigital IDT		-24.00 13.0	M&T M&T		-126.68 4.1	NorthwestBchs NWBS		-14.34 11.4	PitneyBrowne PB		-7.95 1.9	ShoreBancs SHBI		-16.15 12.5	Twinkie TWLO		-91.19 1.8	Walker&Unlop WUDL		-11.81 1.8			
GpoInCallica GGL		-57.24 2.2	InvestTrust ITI		-25.99 0.8	M&T M&T		-126.68 4.1	NorthwestBchs NWBS		-14.34 11.4	PitneyBrowne PB		-7.95 1.9	Turnaround TPB		-52.51 3.9	AspetEntit ASST		-0.75 -1.7	APTIV APTV		-52.81 -2.6			
GpoSuperville GSV		-9.74 9.6	JRadimed IRDM		-57.12 4.2	M&T M&T		-126.68 4.1	NorthwestBchs NWBS		-14.34 11.4	PitneyBrowne PB		-7.95 1.9	Waterbury WATR		-85.54 -0.3	AssentEntit ASST		-0.75 -1.7	MarketAxess XBX		-4.67 -3.2			
GuardianPharm GRDV		-20.73 4.2	JRadimed IRDM		-57.12 4.2	M&T M&T		-126.68 4.1	NorthwestBchs NWBS		-14.34 11.4	PitneyBrowne PB		-7.95 1.9	WMT WMT		-85.54 -0.3	AspetEntit ASST		-0.75 -1.7	Altaeros ALCE		-2.11 -8.0			
Guidewire GWRE		-31.76 3.1	J&KSnackFood JKF		-180.88 4.7	Macom Tech MTC		-14.75 6.7	NorthwestBchs NWBS		-14.34 11.4	PitneyBrowne PB		-7.95 1.9	WMS WMS		-39.32 1.1	AllCastOilAcqnl ACABU		-1.50 -2.3	Altaeros ALCE		-2.11 -8.0			
HackettGroup HCKT		-30.75 4.7	JMorganChase JPM		-248.00 1.5	M&T M&T		-126.68 4.1	NorthwestBchs NWBS		-14.34 11.4	PitneyBrowne PB		-7.95 1.9	WMS WMS		-39.32 1.1	AllCastOilAcqnl ACABU		-1.50 -2.3	Altaeros ALCE		-2.11 -8.0			
HanoverHldgs HAN		-16.80 6.5	JMorganChase JPM		-248.00 1.5	M&T M&T		-126.68 4.1	NorthwestBchs NWBS		-14.34 11.4	PitneyBrowne PB		-7.95 1.9	WMS WMS		-39.32 1.1	AllCastOilAcqnl ACABU		-1.50 -2.3	Altaeros ALCE		-2.11 -8.0			
HancockWhitne HANW		-6.10 1.0	JacksonFry JFY		-168.63 -2.7	M&T M&T		-126.68 4.1	NorthwestBchs NWBS		-14.34 11.4	PitneyBrowne PB		-7.95 1.9	WMS WMS		-39.32 1.1	AllCastOilAcqnl ACABU		-1.50 -2.3	Altaeros ALCE		-2.11 -8.0			
HannfinHlfd HANW		-26.20 12.0	JacksonHenderson JCH		-119.00 13.3	M&T M&T		-126.68 4.1	NorthwestBchs NWBS		-14.34 11.4	PitneyBrowne PB		-7.95 1.9	WMS WMS		-39.32 1.1	AllCastOilAcqnl ACABU		-1.50 -2.3	Altaeros ALCE		-2.11 -8.0			
HannfinHlfd HANW		-9.99 9.8	JKSnackFood JKF		-180.88 4.7	M&T M&T		-126.68 4.1	NorthwestBchs NWBS		-14.34 11.4	PitneyBrowne PB		-7.95 1.9	WMS WMS		-39.32 1.1	AllCastOilAcqnl ACABU		-1.50 -2.3	Altaeros ALCE		-2.11 -8.0			
HannfinHlfd HANW		-12.08 0.5	JKSnackFood JKF		-180.88 4.7	M&T M&T		-126.68 4.1	NorthwestBchs NWBS		-14.34 11.4	PitneyBrowne PB		-7.95 1.9	WMS WMS		-39.32 1.1	AllCastOilAcqnl ACABU		-1.50 -2.3	Altaeros ALCE		-2.11 -8.0			
HannfinHlfd HANW		-12.08 0.5	JKSnackFood JKF		-180.88 4.7	M&T M&T		-126.68 4.1	NorthwestBchs NWBS		-14.34 11.4	PitneyBrowne PB		-7.95 1.9	WMS WMS		-39.32 1.1	AllCastOilAcqnl ACABU		-1.50 -2.3	Altaeros ALCE		-2.11 -8.0			
HannfinHlfd HANW		-12.08 0.5	JKSnackFood JKF		-180.88 4.7	M&T M&T		-126.68 4.1	NorthwestBchs NWBS		-14.34 11.4	PitneyBrowne PB		-7.95 1.9	WMS WMS		-39.32 1.1	AllCastOilAcqnl ACABU		-1.50 -2.3	Altaeros ALCE		-2.11 -8.0			
HannfinHlfd HANW		-12.08 0.5	JKSnackFood JKF		-180.88 4.7	M&T M&T		-126.68 4.1	NorthwestBchs NWBS		-14.34 11.4	PitneyBrowne PB		-7.95 1.9	WMS WMS		-39.32 1.1	AllCastOilAcqnl ACABU		-1.50 -2.3	Altaeros ALCE		-2.11 -8.0			
HannfinHlfd HANW		-12.08 0.5	JKSnackFood JKF		-180.88 4.7	M&T M&T		-126.68 4.1	NorthwestBchs NWBS		-14.34 11.4	PitneyBrowne PB		-7.95 1.9	WMS WMS		-39.32 1.1	AllCastOilAcqnl ACABU		-1.50 -2.3	Altaeros ALCE		-2.11 -8.0			
HannfinHlfd HANW		-12.08 0.5	JKSnackFood JKF</																							

## BIGGEST 1,000 STOCKS

## How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are consolidated from trades reported by various market centers, including securities exchanges, Finra, electronic communications networks and other broker-dealers. The list comprises the 1,000 largest companies based on market capitalization.

**Underlined quotations** are those stocks with large changes in volume compared with the issue's average trading volume.

**Boldfaced quotations** highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher.

**Footnotes:** i-New 52-week high; t-New 52-week low; dd—Indicates loss in the most recent four quarters.

**Stock tables reflect composite regular trading as of 4 p.m. ET and changes in the official closing prices from 4 p.m. ET the previous day.**

Wednesday, November 6, 2024

Net Stock Sym Close Chg

A B C

AAON AAON 120.25 7.23

i AECOM ACM 114.12 4.21

**AES** AES 14.20 -1.31

Afcam AFL 108.56 3.00

AGNC Inv't AGNC 9.38 -0.14

Ansys ANSS 333.62 9.14

APA APA 247.3 1.16

ASE Tech ASX 9.72 0.04

ASML ASMEL 66.13 15.03

AT&T T 23.22 0.27

AbbottAbbv AbbottAbbv 116.80 -0.93

AbbVie Abbv 161.20 0.40

Accenture ACN 356.13 10.64

AcuityBrands AYI 320.41 6.07

Adobe ADBE 504.83 18.41

AdvDrainageSys WMS 163.52 8.27

AdvMicroDevices AMD 145.10 3.44

Aeropon AER 6.66 0.24

AerCap AER 99.00 3.34

AfirmA AFRM 50.00 4.40

AgilentTechs A 137.78 -2.63

AgmicoEagleMines AGM 83.17 -2.62

AirProducts APPD 306.73 0.36

Airbnb ABNB 140.91 3.09

AkamaiTech AKAM 10.41 3.75

AlamosGold AGI 19.44 -0.73

Albemarle ALB 9.58 -3.20

Albertsons ACI 18.85 0.30

Alcoa AA 45.36 2.58

Alcon ALC 91.47 -0.97

AlexandriaREit ARE 113.04 -0.80

Allbirds BABA 96.73 -2.48

AlignTech ALGN 224.85 12.70

Alliion Allegion A 140.93 0.03

AlliantEnergy LNT 5.70 -1.12

AllisonTransm ALLN 11.76 7.62

Allstate ALL 188.79 3.73

AlyFi Financial ALY 37.87 2.65

AlynamPharm ALNY 273.01 7.72

Alphabat A GOGL 175.51 6.77

Alphabat C GOOG 178.33 6.92

AltairEngg ALT 103.99 -0.53

Altia MO 54.29 0.10

Amazon.com AMZN 207.09 7.59

Ambev ABEV 2.21 -0.01

Amcor AMCR 10.16 0.06

Amidocs DOX 18.05 -0.66

AmerSports AS 18.05 -0.66

Ameren AEE 87.77 0.11

AmericaMovil AMX 16.04 0.20

AEP AEP 96.25 -4.15

AmericaExpress AXP 295.16 19.22

AmericanFamRt AMH 36.37 0.97

AIG AIG 77.02 1.63

AmerTowerREIT AMT 197.47 -16.28

AmerWaterWorks AMW 13.58 -3.53

Americorp APM 567.43 53.48

Ametek AME 190.32 8.30

Amidocs DOX 10.16 0.06

Amidocs DOX 18.05 -0.66

AmerSports AS 18.05 -0.66

Ameren AEE 87.77 0.11

AmericaMovil AMX 16.04 0.20

AEP AEP 96.25 -4.15

AmericaExpress AXP 295.16 19.22

AmericanFamRt AMH 36.37 0.97

AIG AIG 77.02 1.63

AmerTowerREIT AMT 197.47 -16.28

AmerWaterWorks AMW 13.58 -3.53

Americorp APM 567.43 53.48

Ametek AME 190.32 8.30

Amidocs DOX 10.16 0.06

Amidocs DOX 18.05 -0.66

AmerSports AS 18.05 -0.66

Ameren AEE 87.77 0.11

AmericaMovil AMX 16.04 0.20

AEP AEP 96.25 -4.15

AmericaExpress AXP 295.16 19.22

AmericanFamRt AMH 36.37 0.97

AIG AIG 77.02 1.63

AmerSports AS 18.05 -0.66

Ameren AEE 87.77 0.11

AmericaMovil AMX 16.04 0.20

AEP AEP 96.25 -4.15

AmericaExpress AXP 295.16 19.22

AmericanFamRt AMH 36.37 0.97

AIG AIG 77.02 1.63

AmerSports AS 18.05 -0.66

Ameren AEE 87.77 0.11

AmericaMovil AMX 16.04 0.20

AEP AEP 96.25 -4.15

AmericaExpress AXP 295.16 19.22

AmericanFamRt AMH 36.37 0.97

AIG AIG 77.02 1.63

AmerSports AS 18.05 -0.66

Ameren AEE 87.77 0.11

AmericaMovil AMX 16.04 0.20

AEP AEP 96.25 -4.15

AmericaExpress AXP 295.16 19.22

AmericanFamRt AMH 36.37 0.97

AIG AIG 77.02 1.63

AmerSports AS 18.05 -0.66

Ameren AEE 87.77 0.11

AmericaMovil AMX 16.04 0.20

AEP AEP 96.25 -4.15

AmericaExpress AXP 295.16 19.22

AmericanFamRt AMH 36.37 0.97

AIG AIG 77.02 1.63

AmerSports AS 18.05 -0.66

Ameren AEE 87.77 0.11

AmericaMovil AMX 16.04 0.20

AEP AEP 96.25 -4.15

AmericaExpress AXP 295.16 19.22

AmericanFamRt AMH 36.37 0.97

AIG AIG 77.02 1.63

AmerSports AS 18.05 -0.66

Ameren AEE 87.77 0.11

AmericaMovil AMX 16.04 0.20

AEP AEP 96.25 -4.15

AmericaExpress AXP 295.16 19.22

AmericanFamRt AMH 36.37 0.97

AIG AIG 77.02 1.63

AmerSports AS 18.05 -0.66

Ameren AEE 87.77 0.11

AmericaMovil AMX 16.04 0.20

AEP AEP 96.25 -4.15

AmericaExpress AXP 295.16 19.22

AmericanFamRt AMH 36.37 0.97

AIG AIG 77.02 1.63

AmerSports AS 18.05 -0.66

Ameren AEE 87.77 0.11

AmericaMovil AMX 16.04 0.20

AEP AEP 96.25 -4.15

AmericaExpress AXP 295.16 19.22

AmericanFamRt AMH 36.37 0.97

AIG AIG 77.02 1.63

AmerSports AS 18.05 -0.66

Ameren AEE 87.77 0.11

AmericaMovil AMX 16.04 0.20

AEP AEP 96.25 -4.15

AmericaExpress AXP 295.16 19.22

AmericanFamRt AMH 36.37 0.97

AIG AIG 77.02 1.63

## MARKETS &amp; FINANCE



Oil stored at Cushing, Okla., above, the Nymex delivery hub, was up by 522,000 barrels at 25.9 million barrels.

## U.S. Crude Oil Stockpiles Increase on Higher Imports

Refinery capacity use edges up, raising stocks of gasoline and distillate fuels

By ANTHONY HARRUP

U.S. crude oil inventories rose last week as imports grew, and stocks of gasoline and distillate fuels increased with refineries raising their capacity use, according to data released Wednesday by the U.S. Energy Information Administration.

Commercial crude oil stocks excluding the Strategic Petroleum Reserve rose by 2.1 million barrels to 427.7 million barrels in the week ended Nov. 1 and were about 5% below the five-year average for the time of year, the EIA said. Analysts surveyed by The Wall Street Journal had forecast crude stockpiles to be unchanged from the previous week.

Oil in the petroleum reserve increased by 1.4 million barrels to 387.2 million barrels. Oil stored at Cushing, Okla., the Nymex delivery hub, was up by 522,000 barrels at 25.9 million barrels. Refinery capacity use rose to 90.5% from 89.1% the previous week. Refinery runs were forecast to rise by 0.3 of a percentage point to 89.4%.

U.S. crude oil production was steady at 13.5 million barrels a day for a fourth consecutive week, according to the EIA. Crude imports rose by 265,000 barrels a day to 6.2 million barrels a day, while exports fell by 1.4 million barrels a day to 2.9 million barrels a day.

Gasoline inventories were

up by 412,000 barrels at 211.3 million barrels, or 2% below the five-year average, the EIA said. Gasoline stocks were seen falling by 900,000 barrels in the Journal survey. Gasoline demand was down by 313,000 barrels a day at 8.8 million barrels a day.

Distillate fuel stocks rose by 2.9 million barrels to 115.8 million barrels following six weeks of declines, and were about 6% below the five-year average. Distillate stocks had been projected to fall by 300,000 barrels.

## French Bank Crédit Agricole Reports Quarterly Fall in Profit as Revenue Lags

By ELENA VARDON

Crédit Agricole reported a smaller-than-expected decline in net profit for the third quarter of 2024, but softer revenue missed forecasts, sending its shares lower.

The French lender made 1.67 billion euros, or \$1.82 billion, in net profit—or net income group share—for the three months ended Sept. 30, a 4.7% decline from the same quarter the previous year, which had benefited from one-off provision reversals, it said on Wednesday. Consensus estimates taken from a Visible Alpha poll had penciled in a €1.57 billion result.

Revenue at the listed vehicle of **Crédit Agricole Group**, France's second-largest lender by market capitalization, grew 2.3% to €6.49 billion for the period but came in below the €6.57 billion expected figure.

This was partly driven by the better-than-expected performance of its retail-banking unit as home- and corporate-loan origination recovered gradually in France.

While French retail continued to see a delayed benefit



Crédit Agricole's net profit fell 4.7% on year in the third quarter.

from higher interest rates, its international retail-banking revenue slipped on-year with a decline in net interest margin in Italy—its second home market—weighing on the result.

Business momentum at its fee-gearied businesses that are well-placed to benefit from a

lower interest-rate environment also contributed to the result, it added. Within its large-customers division, revenue at its corporate and investment bank rose 8.2%, helped by the rebound in trading and capital markets activity, which has also benefited its European and U.S. peers.

Crédit Agricole-owned asset manager Amundi last week reported that its assets under management stood at a record €2.192 trillion at the end of the quarter.

However, the result from its specialized-financial-services and insurance divisions was worse than analysts had estimated.

"Expected strength in insurance revenue was dashed by weather-related crop claims in [property and casualty]," Jefferies analysts said in a note to clients.

Shares in Paris fell as much as 6.1% before recovering some ground to end 3.8% lower at €13.77 each and limit its year-to-date gains to around 6%. Brokerage firm Keefe, Bruyette & Woods described the results as slightly underwhelming.

The group reiterated that it expects to surpass €6 billion in net income group share in 2024—a year ahead of its targets—while consensus stands at €6.69 billion.

Its common Tier 1 equity ratio—a measure of balance-sheet strength—stood at 11.7%, in line with expectations.

easier in 2016 for all three to rise, so any disappointment about the direction or speed of Trump's policies would hurt.

This leads into the fourth issue: history. Traders called Trump entirely wrong at least twice in 2016. The immediate reaction to his surprise win was a massive sell-off in stock futures, which were limit-down, off 5%, overnight—exactly the wrong move. Bond yields and the dollar then soared for the rest of November and December as investors prepared for him to take office in January—before the dollar plunged for all of 2017, and Treasury yields and what were then regarded as "Trump trades" in the stock market pulled back.

Investors believe they have a handle on what Trump will do this time. But it isn't obvious that they are any better at assessing politics, or that Trump himself is any more predictable.

## Parsing the Market's Reaction

Continued from page B1

If he follows through on the promise to deport millions of immigrants who entered the country illegally, it would be a major supply shock, reversing one of the issues that has helped to cool the jobs market and reassured the Federal Reserve that inflation is back under control.

Supply shocks mean higher inflation and slower growth, and are typically bad for stocks. Any hint of renewed inflation worries would push up bond yields, again bad for stocks.

The promised rise in tariffs has a textbook effect, boosting the dollar. Foreign currencies have to adjust

down so that prices in dollar terms remain about the same after tariffs, exactly what happened in 2018 when Trump raised tariffs on China. If he goes ahead with across-the-board tariffs—plus 60% on China and special higher levels on Mexican car imports—the dollar should get a bigger boost.

Traders are on top of this, with the dollar up 1.8% against the euro, though initial large gains against the Mexican peso petered out. They are also betting big on smaller companies, which tend to be more domestically focused and so less hit by tariffs, with the Russell 2000 up 5.8%, double the gain for the S&P 500.

The effect on the currency could be partially offset by foreign tariffs on U.S. exports and by the potential for a full-blown trade war of escalating import taxes. The rest of the world would be bigger losers from this than

the U.S. This is because the U.S. runs a big trade deficit and because its exports are led by oil and aircraft parts, neither of which are likely to be targeted by other countries.

While the U.S. might be hit less badly than other countries if there is a trade war, it would still be hit. Slower growth in the U.S. in principle ought to hold back stocks and hold down Treasury yields—again, the opposite of the market's assumption.

The third issue that will determine the fate of the Trump trade is the starting point. Back in 2016 stocks were much cheaper, with the S&P 500 at 16 times forecast earnings. The S&P is now at 22 times forecast earnings, so a lot of good news is already in the price. Likewise, the 10-year Treasury yield is at 4.4%, against 1.8% in 2016, and the ICE U.S. dollar index is at 105, against 97. It was

## STOCK SPOTLIGHT

## Trump Media &amp; Technology

Shares of Donald Trump's social-media company jumped 6% Wednesday after the Republican candidate secured the presidency.

## Tesla

Shares of Elon Musk's electric-vehicle company rose 14%. Musk emerged as one of Trump's most vocal backers during his campaign.

## Wells Fargo, JPMorgan Chase, Morgan Stanley, Goldman Sachs

The U.S.'s biggest lenders and investment banks rallied on hopes for lighter-touch regulation and higher interest income under Trump. Wells Fargo and Goldman Sachs were up more than 13%. JPMorgan and Morgan

Stanley gained more than 11%.

## Coinbase

Soaring bitcoin prices boosted crypto stocks. Coinbase surged 31%. Trump has said he wants to make the U.S. the "world capital for crypto."

## CVS Health

The healthcare company's quarterly earnings were at the higher end of previously downgraded guidance. The stock rose 11% Wednesday as part of a broader health insurer rally.

## AUCTION RESULTS

Here are the results of Wednesday'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.

## 17-WEEK BILLS

Applications	\$178,782,256,100
Accepted bids	\$64,185,216,100
+ noncompetitively	\$51,640,500
+ foreign noncompetitively	\$0
Auction price (rate)	98.542250 (4.410%)
Coupon equivalent	4.53%
Bids at clearing yield accepted	24.08%
Cusip number	912797NQ6

The bills, dated Nov. 12, 2024, mature on March 11, 2025.

## 30-YEAR BONDS

Applications	\$72,118,494,200
Accepted bids	\$31,075,745,000
+ noncompetitively	\$54,443,700
+ foreign noncompetitively	\$0
Auction price (rate)	98.253773 (4.08%)
Interest rate	4.500%
Bids at clearing yield accepted	13.02%
Cusip number	912810UE6

The bonds, dated Nov. 15, 2024, mature on Nov. 15, 2054.

## THURSDAY'S EARNINGS:

Before the bell:

## Carlyle

## Kenvue

## Hershey

After the bell:

## Airbnb

## Expedia

## Italy's UniCredit Lifts 2024 Outlook After Earnings Rise

By PIERRE BERTRAND

fell 1% year-over-year. Fees, however, rose 8.5% in the period.

**UniCredit** raised its earnings outlook for the year after reporting a third-quarter net profit increase that exceeded expectations.

The Italian bank said that it made €2.51 billion, equivalent to about €2.74 billion, in net profit, compared with €2.32 billion in the year-earlier period, on total revenue that gained 2.9% to €6.14 billion.

Net interest income—the difference between what a bank earns on loans and what it pays clients for deposits, and a key driver of revenue—

Analysts has expected €2.27 billion in net profit, on quarterly revenue of €5.93 billion, according to a company-provided consensus.

The bank raised its net profit and revenue outlook for the year. It said it now expects to make around €24 billion in revenue, from above €23 billion previously.

Net profit for the year is expected to amount to above €9 billion, compared with more than €8.5 billion previously.

## Commerzbank Raises Its Full-Year Guidance

By ADAM WHITTAKER

**Commerzbank** lifted its full-year guidance for some key metrics and said its strategy is paying off, as **UniCredit** continued to signal interest in a tie-up with the German lender.

UniCredit requested further investor talks, Commerzbank Chief Executive Bettina Orlopp said after the German bank reported third-quarter results that beat analysts' expectations.

Commerzbank's future has been the subject of speculation since Italy's UniCredit built a 21% stake in the bank and flagged interest in a potential combination in September.

There is political opposition within Germany to a takeover of Commerzbank, a key lender to small and midsize companies. The German government,

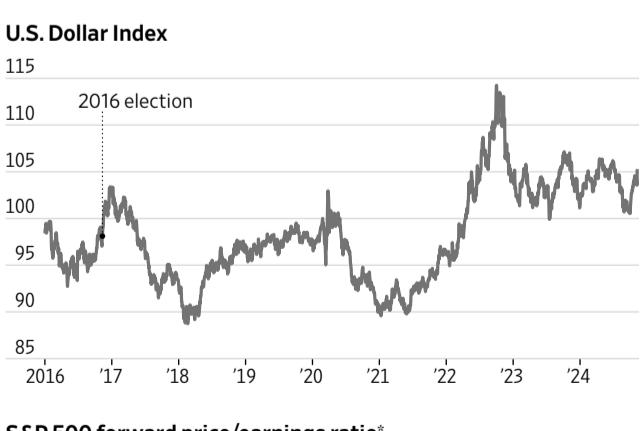
which still owns a 12% stake in the bank, has voiced its opposition to the idea of UniCredit taking over Commerzbank.

In third-quarter results published Wednesday, UniCredit said it has flexibility and could increase its investment in Commerzbank and engage in a full combination should the right conditions occur.

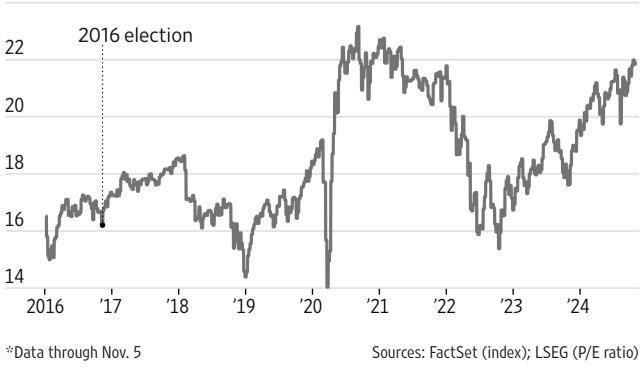
However, it also said it could sell its stake if there is no opportunity to unlock Commerzbank's value either as a financial investor or via a full combination.

For the third quarter, Commerzbank reported net profit of 642 million euros, or \$702 million, down from €684 million in the year-earlier period but above a company-combined consensus of €529 million. Total revenue declined 0.7% to €2.735 billion.

## U.S. Dollar Index



## S&amp;P 500 forward price/earnings ratio\*



\*Data through Nov. 5

Sources: FactSet (index); LSEG (P/E ratio)

# HEARD ON THE STREET

FINANCIAL ANALYSIS &amp; COMMENTARY

## Dollar Resists Election-Led Debt Worries

Treasurys are selling off as a second Trump presidency is set to increase deficits

When the bond market and the currency are giving off conflicting signals about the national debt, trust the currency.

On Wednesday, following Donald Trump's victory in the U.S. presidential election, investors dumped Treasurys, pushing yields on 10-year paper to above 4.4%. At the end of September, they were below 3.8%.

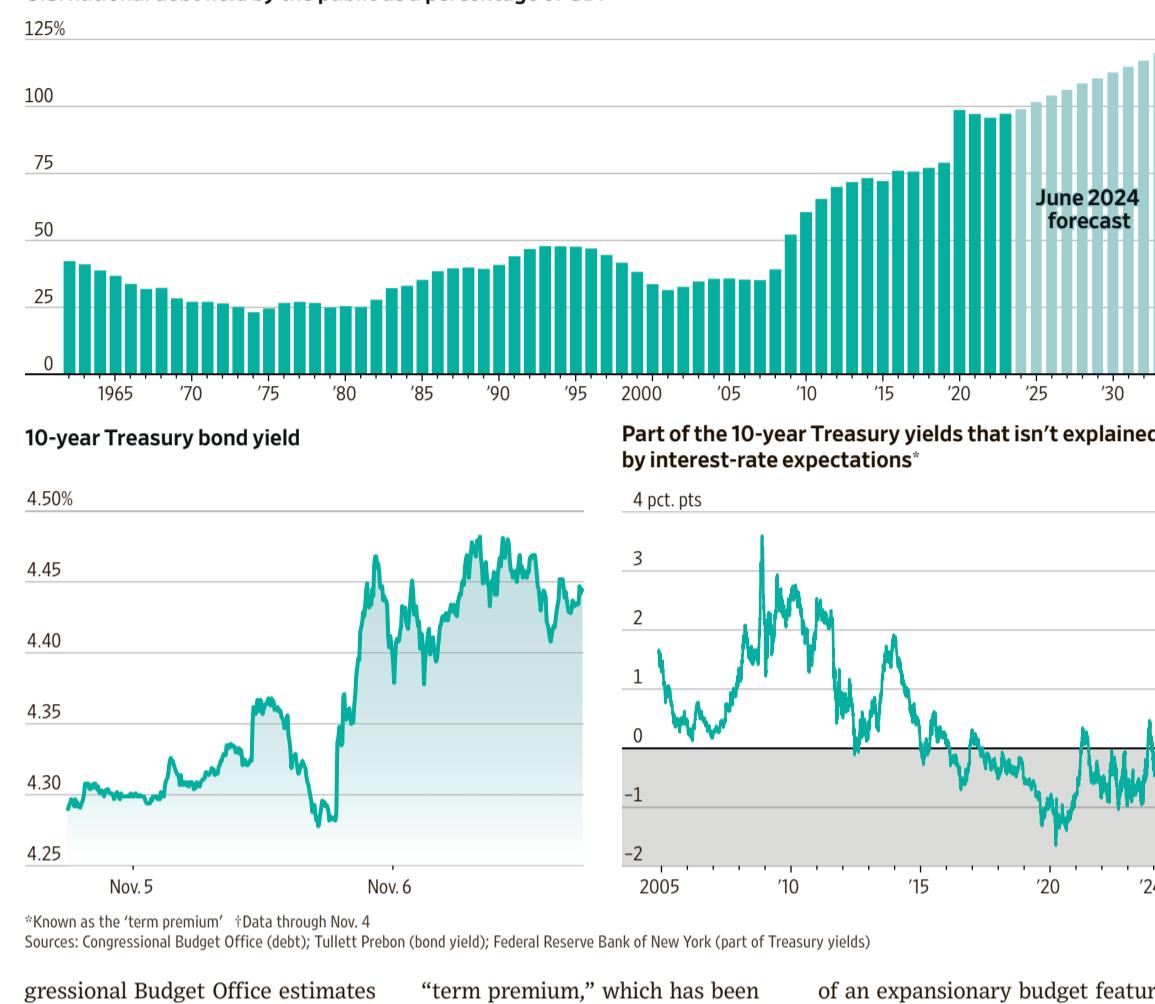
Crucially, however, the WSJ Dollar Index rose about 1.7%.

Most Wall Street analysts agree that Trump's economic plans will involve wider budget deficits. The tax cuts he delivered during his first term, which are set to expire at the end of 2025, led the federal deficit to expand from 3.1% of gross domestic product in 2016 to 4.6% in 2019. He has promised a further reduction of the corporate-tax rate from 21% to 15% for companies that manufacture in the U.S., as well as a plethora of other new tax cuts.

Higher tariffs could bring in some additional revenue, but not nearly enough to compensate. The bipartisan Committee for a Responsible Federal Budget estimates that Trump's proposed policies will add between \$1.6 trillion and \$15.6 trillion to the national debt between 2026 and 2035. The final figure may strongly depend on whether Republicans end up taking both chambers of Congress.

Regardless, the budget deficit's starting point is much higher than in 2016: At the end of June, it amounted to 5.5% of GDP, which is a record outside of wars, pandemics and recessions.

What happens going forward will thus be a big economic experiment. The national debt was barely a topic of discussion during the campaign, but the portion of it held by the public was 97% of GDP at the end of 2023 and was already set to surpass its record of 106%—reached during World War II—by 2027 and hit 122% by 2034, Con-



gressional Budget Office estimates show, Trump's policies could take it to 140% instead, the CRFB says.

According to the Federal Reserve Bank of New York, almost two-thirds of the increase in 10-year yields since the end of September hasn't been caused by the market pricing in that the central bank will keep rates higher than previously thought, but rather by investors applying a bigger discount to longer-term bonds relative to expectations for short-term rates. Even before Wednesday, this

"term premium," which has been mostly negative since 2016, was increasing federal borrowing costs by 0.2 percentage point.

Term premiums can rise for a number of reasons, but one is certainly concern over debt and deficits. The concern is that the "bond vigilantes," who according to Wall Street lore drove up interest rates as deficits rose in the 1980s, could make a return and plunge the U.S. into a fiscal crisis. Two years ago, Liz Truss resigned as prime minister of the U.K. following the release

of an expansionary budget featuring deep tax cuts that led sovereign bonds to seize up.

But this theory doesn't quite fit the facts. For one, the term premium remains very low and far from its historical average, which is 1.5 percentage points. It could, of course, shoot up from here, but it is unclear why this should happen now and not in 2022 and 2023, when rates and inflation were surging.

An even more important bellwether is the dollar: Foreigners

would hardly be flocking into the U.S. to chase high yields as usual if they had any concern about sovereign-debt sustainability. In countries where these worries arise—Turkey and Argentina are recent examples—the currency nosedives in lockstep with the debt. Central banks can buy their own nation's debt, but a depreciation of the exchange rate is the only market force against which even they are powerless.

Yet the currencies of rich nations—even those that don't have the dollar's "reserve currency" status—still appear insulated from such risks.

Sterling initially fell during the Truss debacle of 2022, but bounced back as soon as the Bank of England said it would buy debt. Again, this is the opposite of what happens in an emerging country undergoing a fiscal crisis, where printing money is seen as a further red flag, and underscores that the U.K.'s bond-market trouble had a lot to do with the unraveling of leveraged trades by pension funds.

To be sure, massive issuance of Treasurys may pose some temporary challenges to banks and investors trying to absorb it, as has already happened in the past, and lead to the usual congressional spats about raising the debt ceiling. Also, the injection of spending resulting from Trump's deficits could spark some extra inflation, in turn leading the Fed to keep borrowing costs a bit higher. This is why inflation-linked bonds have gotten relatively more expensive over the past month, as chances of a Trump victory rose.

Finally, true political discord in the U.S. could shake faith in the dollar or Treasurys in ways unforeseen. So far, though, the prospect of a second Trump term seems to be reinforcing King Dollar's reign, rather than shaking it.

—Jon Sindreu

## Trump to Create New Winners and Losers in Healthcare

For healthcare companies, Donald Trump's election victory means very different things depending on which part of the sector they operate in.

For firms offering plans in the exchanges created by the Affordable Care Act (aka Obamacare), as well as Medicaid plans, it could be bad news. That explains why Oscar Health, which derives most of its business from Obamacare marketplaces, was down 15% on Wednesday while Centene, a big Medicaid operator, was down 3.5%.

But for businesses operating in Medicare Advantage, the privately run system that mainly serves seniors, a Republican victory is expected to provide major regulatory benefits.

Under the Biden administration, in-

surers focused on Medicare Advantage have faced increased scrutiny from the federal government, such as lower annual rate increases. This came at a time when seniors drove up usage of the plans, leading to lower profitability.

That helps explain why UnitedHealth Group, the leader in this group, was up 5.2%, while CVS, which on Wednesday named a former UnitedHealth executive to lead its Aetna unit, surged 11%. Both have bet big on the growth of the Medicare Advantage market.

Humana, a Medicare pure-play, climbed nearly 11%. The insurer is benefiting from a sense that two advantageous trends could converge: A more lenient stance from Republicans on Medicare Advan-

tage, and also on antitrust. Talks for a merger between Humana and Cigna could once again be on the table. Wall Street sees that as more likely under Trump, who is widely expected to replace Federal Trade Commission Chair Lina Khan, a staunch critic of megadeals.

The climate shift in the industry could be abrupt and severe for many. Insurers serving the Obamacare exchanges, for instance, have operated in a burgeoning market that was propped up by enhanced subsidies—doled out in the form of tax credits—put in place during the pandemic. These are set to expire at the end of 2025.

Oscar's stock, for instance, had risen about 200% over the past year through Tuesday. HCA Health-

care, a hospital chain that benefits from more government money pouring into Medicaid and the exchanges, was up over 50% over 12 months, before dropping around 5% on Wednesday.

For investors in companies like Oscar or HCA, control of the House of Representatives now becomes the crucial thing to watch.

If Republicans take control of the House after seizing the Senate and the White House, they could allow the ACA subsidies that were passed under Biden to sunset. That would mean a significant portion of the more than 20 million ACA exchange members could drop their coverage, while over 90% would see their costs go up, according to Cynthia Cox, director of the Affordable

Care Act program at KFF, a non-profit health-research group.

But there is also a good chance that some form of the enhanced premium tax credits for exchange plans would survive if the House stays in the hands of Democrats.

That is because Democrats may be willing to negotiate an extension of those tax credits in exchange for extending parts of Trump's 2017 tax cuts, some provisions of which are expected to expire at the end of 2025 as well, according to Chris Jennings, founder of the lobbying firm Jennings Policy Strategies.

For health-sector companies, Washington will have as big a role as ever in picking winners and losers.

—David Wainer

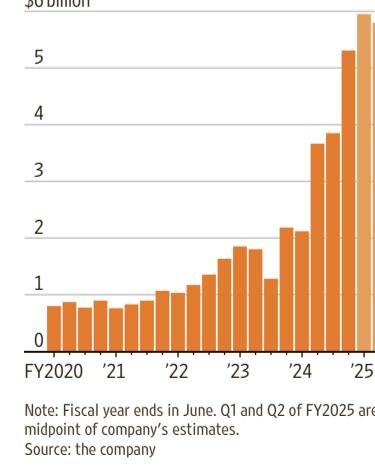
## Super Micro Comes Up Too Short

Super Micro Computer says it would be selling a lot more servers—if only it had Nvidia's latest chips. Unfortunately, investors can no longer afford to take the company at its word.

The specialized server maker that began the year as one of the hottest names in artificial intelligence has now become too cold to touch. In an unaudited "business update" Tuesday afternoon, Super Micro reported preliminary revenue between \$5.9 billion to \$6 billion for its fiscal first quarter ended September, which was below the company's prior forecast range of \$6 billion to \$7 billion. The numbers are preliminary because Super Micro has no auditor after Ernst & Young bailed last week in one of the more colorful exits in memory. The Big Four accounting firm said it was "unwilling to be associated with the financial statements prepared by management" in its resignation letter, according to a filing by Super Micro.

That filing alone took nearly 33% off Super Micro's stock price, which was already down 59% from its peak in March. The latest update came out on election night, which didn't stop investors from voting with their feet again. Super Micro's stock slid 18% in trading

### Super Micro's revenue per fiscal quarter



Wednesday, putting the share price below its level from a year ago—before AI hype more than quadrupled its value.

Such a plunge suggests Super Micro may be a cheap AI play again. But while its current multiple of less than seven times forward earnings is indeed now at a discount to main rivals such as Dell and Hewlett Packard Enterprise, Super Micro is no bargain. The company has been under a cloud since famed short-selling firm Hindenburg Research issued

a report in late August claiming "glaring accounting red flags, evidence of undisclosed related party transactions, sanctions and export-control failures, and customer issues."

Super Micro declined to comment on the report at the time, but the next day said it was delaying its annual 10-K filing, saying it needed time to "complete its assessment of the design and operating effectiveness of its internal controls over financial reporting." That 10-K still hasn't been filed, and the recent loss of its auditor suggests it likely isn't coming soon. Super Micro said Tuesday it is working "diligently" on the matter, but the company that was just added to the S&P 500 in March now stands in danger of being delisted from the Nasdaq.

And what of Super Micro's actual business? Demand for AI components remains hot. The biggest tech companies made clear last week that they are still spending a boatload—and planning to spend boatloads more—on that very technology. But while even \$5.9 billion in revenue for the September quarter is more than double what Super Micro managed in the same period last year, it would also be the first time the company has missed the



Super Micro stands in danger of being delisted from the Nasdaq.

low end of its guidance range in at least five years, according to FactSet data.

The company also projected a revenue range of \$5.5 billion to \$6.1 billion for the current quarter, the midpoint of which is more than a billion shy of what Wall Street was expecting. In a conference call Tuesday, Super Micro Chief Executive Charles Liang blamed most of the shortfall on customers waiting on availability of Nvidia's new Blackwell chip. But he conceded that the 10-K delay that has threatened the company's Nasdaq listing "may impact a little bit."

Wall Street is rightly skeptical. Vijay Rakesh of Mizuho suspended his rating on the company on Wednesday, citing "lack of clarity

on financials" in his report. Samik Chatterjee of JP Morgan cut the shares to underperform, citing "more uncertainty around both the regulatory filings as well as business fundamentals."

In a note ahead of Tuesday's update, Mehdi Hosseini of Susquehanna said there is "minimal trust in the company's reported financials and guidance." Following the update, he also took his price target on the stock to \$15 a share—46% below its last close—calling it a "trough valuation" in line with the last time it was delisted from the Nasdaq in 2018. That Super Micro has been down this road before probably shouldn't be comforting.

—Dan Gallagher