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THE WALL STREET JOURNAL.

DOW JONES | News Corp * * * * * * * MONDAY, JANUARY 27, 2025 ~ VOL. CCLXXXV NO. 21 WSJ.com ★★★★ $5.00

Last week: DJIA 44424.25 ▲ 936.42 2.15% NASDAQ 19954.30 ▲ 1.7% STOXX 600 530.07 ▲ 1.2% 10-YR. TREASURY ▼ 3/32, yield 4.624% OIL $74.66 ▼ $2.73 EURO $1.0504 YEN 156.02

What's News

Business & Finance

◆ **The extra reward for** owning stocks over bonds vanished in December as Treasury yields rose and equity valuations soared, potentially posing a threat to the rekindled stock rally. **A1**

◆ **Meta Platforms'** loosening of speech restrictions is unsettling advertisers, who say a decade of efforts to protect their reputations is at risk. **A1**

◆ **Activist investor Ancora** is readying a proxy battle at U.S. Steel and wants the company to abandon its blocked union with Nippon Steel, people familiar with the matter said. **B1**

◆ **QXO is preparing to** take its all-cash offer to acquire Beacon Roofing Supply directly to shareholders after being rebuffed on multiple occasions, people familiar with the matter said. **B9**

◆ **Diversified Energy is** in advanced talks to acquire private-equity-owned Maverick Natural Resources in what would be its largest acquisition ever, people familiar with the matter said. **B3**

◆ **Media-measurement** firm Nielsen informed ad-buyers that it would stop selling its stand-alone consumer panel-based television ratings in the fourth quarter. **B4**

◆ **Hackers last year stole** sensitive information on about 190 million people in a cyberattack on a UnitedHealth Group subsidiary that roiled the U.S. healthcare industry, the company revealed. **B5**

◆ **Pfizer will pay** $60 million to settle allegations that one of its subsidiaries incentivized providers to prescribe one of its drugs, resulting in the submission of false claims to federal healthcare programs. **B5**

World-Wide

◆ **Trump dropped his threat** to impose 25% tariffs on Colombian goods after the South American country reversed course and agreed to accept deported nationals, the White House said. **A1**

◆ **Momentum is growing** among Trump's advisers to slap 25% tariffs on Mexico and Canada as soon as Saturday. **A2**

◆ **Trump's proposal that** Palestinians vacate a devastated Gaza marked a sharp break with his predecessor and introduced a contentious new initiative into his unfolding Middle East diplomatic plans. **A1, A6**

◆ **Big shipping companies** said they won't send vessels back to the Red Sea despite a pledge by Houthi militants in Yemen not to attack them as long as a cease-fire in Gaza holds. **A6**

◆ **Weekend rains** threatened to trigger dangerous mudslides in hillside communities leveled by Southern California wildfires in the past two weeks. **A3**

◆ **The White House fired** inspectors general across a range of federal departments in unpublicized dismissals, moving against the watchdogs helping to oversee government accountability. **A4**

◆ **The CIA concluded** that the Covid-19 pandemic most likely arose from a lab leak, lending credibility to a view long debated among scientists and politicians. **A3**

◆ **Ukrainian prosecutors** said a graphic video circulating online shows Russian troops executing six prisoners of war, the latest in what they allege is a spate of killings by Moscow's forces. **A7**

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HAITHAM IMAD/EPA/SHUTTERSTOCK

Displaced Palestinian families waited to return to the northern Gaza Strip from southern Gaza on Sunday.

Proposal to Vacate Gaza Stuns All Sides, Scrambles Diplomacy

By Michael R. Gordon
And Alexander Ward

President Trump's Saturday night proposal that Palestinians vacate a devastated Gaza marked a sharp break with his predecessor and introduced a contentious new initiative into his unfolding Middle East diplomatic plans.

Trump said the resettling of the Palestinians from Gaza "could be temporary or long term."

His statement could mark a dramatic shift in U.S. policy toward Palestinians under presidents of both parties. No recent White House has suggested the long-term departure of Palestinians from Gaza, which most U.S. presidents have seen as a part of an eventual Palestinian state.

"It's literally a demolition site right now," he said. "So, I'd rather get involved with some of the Arab nations, and build housing in a different location, where they can maybe live in peace for a change."

But on Sunday Trump officials suggested the U.S. and regional partners could provide guarantees the Palestinians would eventually be allowed to return, sketching out an assurance that appeared designed to make the idea more politically palatable to Arab states.

Officials have yet to spell out the parameters of the suggestion, including how the more than two million Palestinians in the enclave could be relocated and whether they might eventually fulfill their aspirations to fully govern their own territory.

"You're talking about a million and half people, and we just clean out that whole thing," Trump said. "You know over the centuries it's had many, many conflicts. And I don't know, something has to happen."

Jordan, which Trump has urged to accept refugees from Gaza temporarily or for the long term, summarily dismissed the idea. It was also rejected by the Palestinian Authority, which

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◆ Trump urges Jordan, Egypt to take in refugees.......... A6

Trump Drops Threat of Tariffs on Colombia

Reversal comes after Bogotá agrees to accept return of deported migrants

President Trump on Sunday night backed off a threat he had made earlier in the day to impose 25% tariffs and economic sanctions on Colombia, which the White House said had met its demands to repatriate migrants into the South American country.

By Alyssa Lukpat,
Juan Forero
and Sadie Gurman

Trump had issued the threat Sunday afternoon in retaliation for the Colombian government refusing to allow two military planes with migrants to land in the country. But after behind-the-scenes negotiations between the two countries, the White House announced that Colombia had "agreed to all of President Trump's terms, including the unrestricted acceptance of all illegal aliens from Colombia returned from the United States."

The tariff plans would be "held in reserve" unless the Colombian government did not honor the agreement, the White House said.

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◆ Mexico, Canada levies are put on fast track.............. A2

Premium For Owning Stocks Vs. Bonds Disappears

By Hannah Erin Lang

Stocks haven't looked this unattractive, by at least one measure, since the aftermath of the dot-com era. Plenty of investors are piling in anyway.

The equity risk premium, often defined as the gap between the S&P 500's earnings yield and that of 10-year Treasurys, turned negative in late December for the first time since 2002 and sat last week at negative 0.15 percentage point. The metric is based on a calculation of how much stocks yield, which is derived by dividing the stock market's expected earnings by its price. The earnings yield is then compared with the yield on government debt.

The difference between stock and bond earnings yields shows how much investors are compensated for the additional risk of owning stocks over relatively risk-free government bonds. Over the long term, stocks need to promise a higher reward than bonds. If not, the safety of Treasurys would outweigh the risks of stocks losing some, if not all, of investors' money.

In recent weeks, a combination of higher Treasury yields and soaring equity valuations pushed the equity risk premium into the red. That could pose a threat to the recently rekindled stock rally.

In reality, though, there has been little sign of crimped demand for equities among individual investors, who remain bullish after two years of blockbuster gains.

"I think you get what you pay for," said Mike Ugino, a 73-year-old retired surgeon in Columbia, S.C. High valuations haven't deterred him from scooping up more shares of Robinhood Markets, Nvidia

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Chiefs, Eagles in Super Bowl

MARK J. REBILAS/IMAGN IMAGES/REUTERS

BILL STREICHER/IMAGN IMAGES/REUTERS

NEW ORLEANS BOUND: Quarterback Patrick Mahomes, left, and his Chiefs will seek a record third straight Super Bowl title on Feb. 9 after beating the Bills. They face Jalen Hurts and the Eagles. **A14**

Long-Shot Bettors Fuel Gambling Sites

Sports parlays turn small wagers into the industry's biggest moneymaker

By Katherine Sayre
And Isabella Simonetti

Alix Haberkern knew her sports bet on DraftKings was a long shot.

The football fan decided to make 14 predictions on NFL players' performances over several games one Sunday in December, including touchdowns, receiving yards and rushing yards. She used a $10 credit from the betting company to place a multileg bet. If every player lived up to her expectations, she would win $22,000.

As the NFL games unfolded, 13 of her picks hit. Only one player stood between her and the cash: Los Angeles Rams wide receiver Cooper Kupp, who needed 70 or more receiving yards.

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Nation's Carnivores Have A $3 Billion Meat-Stick Habit

* * *

The fastest-growing snack category draws new fans and a flood of offerings

By Jennifer Williams

Most mornings, Greg Brooks wakes up and heads to a 7-Eleven for a meat stick.

He's promptly bombarded with choices, from the classic Slim Jim to a proliferation of options promising to be healthier and less processed.

Brooks, 59, won't bite. He's in the meat-stick aisle for quick protein and a flavor hit.

"Delicacy is sort of lost on me," he said. "I am not that guy out there looking for the latest artisanal, 'nuns on top of a mountain put together these very special' meat

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Meta Toils to Calm Advertisers' Fears Of Unbridled Speech

By Suzanne Vranica
And Patience Haggin

When Meta Platforms Chief Executive Mark Zuckerberg unveiled sweeping changes this month to loosen the company's restrictions on speech, he talked about how the "legacy media have pushed to censor" content, how the recent election was a "cultural tipping point," and how fact-checkers "destroyed more trust than they've created."

Meta executives had a very different emphasis in a Jan. 17 call with advertisers. They focused on the steps brands can take to keep their ads from appearing near content they deem out of bounds, whether it is misinformation or offensive speech. "In terms of brand safety, we are 100% committed," Meta ad executive Samantha Stetson told the advertisers, according to a recording.

That isn't the way advertisers see it. Instead, they sense a profound vibe shift. For the better part of a decade, the dialogue between Meta and Madison Avenue has moved in one direction: The company pledged to do more to combat hate speech and misinformation on Facebook and Instagram, responding to grievances from brands as well as social and political pressures.

Now, a new cultural moment has arrived, punctuated by Donald Trump's return to the White House, and Meta's executives are carrying an un-

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U.S. NEWS

Levies on Mexico, Canada Put on Fast Track

Trump aides press for 25% tariff as soon as Saturday rather than wait for talks

By *Gavin Bade, Vipal Monga* and *Paul Vieira*

Momentum is growing among President Trump's advisers to slap 25% tariffs on Mexico and Canada as soon as Saturday, bucking conventional wisdom in Washington and on Wall Street that he would back off the threatened levies as he has in the past in exchange for concessions.

Trump has shown a willingness to move swiftly on tariffs in recent days without allowing for drawn-out talks. On Sunday, Trump said he would impose 25% "emergency" tariffs on Colombia due to its refusal to accept repatriation flights from the U.S. A senior administration official said the decision proves that Trump views tariffs as an "effective negotiating tool" and "effective punishment" for nations that don't hew to his agenda.

The president remains "very serious" about his threats to Mexico and Canada, and expects them to cooperate, the official added.

This could be a wake-up call for investors and businesses. Goldman Sachs told clients last week that there was only a 20% chance that Trump would impose tariffs on Saturday, noting that he had made similar threats in the first term but didn't always follow through. But Trump is amenable to the tariffs-before-negotiations strategy, according to people familiar with the discussions, though no final decisions have been made.

Tariffs against Mexico and Canada would be the next salvos in a multifront trade war Trump launched unexpectedly on Sunday with his Colombia duties. He has also threatened to hit China, Denmark and a range of other European countries with tariffs, but he appears intent to turn his aim next on the U.S.'s North American neighbors.

In a sign of how this approach might be sinking in, there is growing alarm in Mexico and Canada that their overtures to the new administration are falling flat, even as they move to comply with Trump's demands.

Mexico has made strides to cooperate with Trump's repatriation flights, the senior administration official acknowledged, accepting four flights in one day, and has reinstated the remain-in-Mexico policy for migrants while deploying its own national guard.

Still, the official insisted that the Mexican government hasn't yet done enough to avoid tariffs and wouldn't specify which other steps it or the Canadian government would need to take to avoid new duties.

JUSTIN SULLIVAN/GETTY IMAGES

Shipping containers were shown stacked on a dock at California's Port of Oakland last month.

The tariff threats risk setting off a continental trade war. Canada has been prepping a list of what it considers would be retaliatory trade moves if Trump acts first. Some in Canada believe such a skirmish could tip their country into a recession if tariffs stay in place too long.

"He's as serious as a heart attack," said Sen. Kevin Cramer, (R., N.D.), a close Trump ally in the Senate.

The president has tangled with both countries before and doesn't feel that Canada and Mexico are taking his threats seriously, some advisers said. He wants to hit them with tariffs first to prove he isn't bluffing, these people said, and to drive them to the negotiating table on a number of issues, from migration to drug smuggling and reforms to the U.S.-Mexico-Canada Free Trade Agreement to encourage more manufacturing in the U.S.

The U.S. imports billions of dollars of crude oil, lumber, passenger cars and bakery products from Canada.

Economists say that adding tariffs to those items will cause prices on many basic items to rise for U.S. consumers. Trump and his advisers believe it will bring in more revenue to the U.S. and incentivize more domestic manufacturing as well.

The U.S. had a $64 billion trade deficit in goods with Canada in 2023, according to the Census Bureau, far below Trump's claim, repeated on Friday, of a $200 billion deficit.

Protectionist advisers such as Commerce Secretary nominee Howard Lutnick and deputy chief of staff for policy Stephen Miller are advocating the tariff-first-talk-second approach, according to people familiar with the discussions. Tariffs on China, which Trump has threatened with additional 10% levies, are likely to come after the initial action on Canada and Mexico, said the people familiar with the issue. Other options are also in play, including announcing tariffs on Saturday but giving a grace period before they are implemented.

Canadian and Mexican officials have been frustrated in their attempts to reach out to Trump's economic team—most of whom aren't in office yet because they haven't been confirmed by the Senate. The trading partners are quietly expressing confusion and bewilderment, saying they aren't even sure what Trump wants, particularly since they argue that Canada has taken action to address border security, and Mexico has worked to stem migration.

For North American industries, any of Trump's tariffs risk major disruption. A 25% tariff could grind the auto industry to a halt across the continent, depending on how it is imposed, because vehicles and auto parts cross borders multiple times before a final car is completed.

U.S. WATCH

MIKE SEGAR/REUTERS

SMOOTH RIDE: Wooden ice-sailing yachts built in the late 1800s were set to sail on the frozen Hudson River this weekend near Athens, N.Y. The vessels are maintained and skippered by members of the Hudson River Ice Yacht Club.

NEW YORK

Pig-Organ Recipient Breaks a Record

An Alabama woman passed a major milestone Saturday to become the longest living recipient of a pig organ transplant—healthy and full of energy with her new kidney for 61 days and counting.

"I'm superwoman," Towana Looney said, laughing about outpacing family members on long walks around New York City as she continues her recovery. "It's a new take on life."

Looney's vibrant recovery is a morale boost in the quest to make animal-to-human transplants a reality. Only four other Americans have received hugely experimental transplants of gene-edited pig organs—two hearts and two kidneys—and none lived more than two months.

Dr. Robert Montgomery of NYU Langone Health, who led Looney's transplant, called her kidney function "absolutely normal." Doctors hope she can leave New York—where she is temporarily living for post-transplant checkups—for her Gadsden, Ala., home in about another month.

"We're quite optimistic that this is going to continue to work and work well for, you know, a significant period of time," he said.

Scientists are genetically altering pigs so their organs are more humanlike to address a severe shortage of transplantable human organs. More than 100,000 people are on the U.S. transplant list, most needing a kidney, and thousands die waiting.

Pig organ transplants so far have been "compassionate use" cases, experiments the Food and Drug Administration allows only in special circumstances for people out of other options.

—Associated Press

NEW YORK

Freighter Stuck in Lake Erie Ice Freed

A freighter was on its way to Canada on Sunday after it was freed from ice that trapped it in Lake Erie for days, the U.S. Coast Guard said.

The Manitoulin, a 663-foot Canadian vessel with 17 people on board, got stuck in the ice on Lake Erie on Wednesday after it dropped off a load of wheat in Buffalo, and was heading back to Canada, the Coast Guard said. It was freed Saturday. The ship wasn't damaged, and its crew is safe, officials said.

A U.S. Coast Guard icebreaking ship had been working since Thursday to free the Manitoulin, and on Saturday, officials said a second ship arrived to help. The Canadian Coast Guard also had a ship assisting with the effort.

—Associated Press

SOUTH CAROLINA

Last Four Escaped Monkeys Are Back

Authorities in South Carolina said Friday the last four of 43 escaped monkeys have been recaptured after two months living in the woods, weathering a rare snowstorm and being tempted back into captivity by peanut butter and jelly sandwiches.

The rhesus macaque monkeys, all females, made a break for it after police say an employee didn't fully lock their enclosure at Alpha Genesis, a facility that breeds them for medical research.

The recaptured monkeys appeared to be in good health, Alpha Genesis CEO Greg Westergaard said in a statement relayed by Yemassee Police in a social media post, without further details.

The rhesus macaques made a break for it on Nov. 6.

—Associated Press

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CORRECTIONS & AMPLIFICATIONS

The surname of Dr. Ned Calonge, an associate dean at the Colorado School of Public Health, was misspelled as Calogne in several instances in a Page One article on Friday about alcohol consumption.

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

Trump Pulls Threat vs. Colombia

Continued from Page One

The move calls off what would have been Trump's first use of tariffs since early his inauguration last week, a decision that risked a trade war with a country that had enjoyed close economic relations with the U.S. for decades.

Earlier in the day, Colombian President Gustavo Petro said he would hit back with his own tariffs on U.S. goods, promising not to be cowed by Trump's duties and economic penalties.

Luis Gilberto Murillo, the Colombian foreign minister, said: "We will continue to receive Colombians who are deported, guaranteeing them dignified conditions."

The threat of tariffs against Colombia coincided with stepped-up deportation efforts around the U.S. Sunday.

Authorities in several cities confirmed immigration actions Sunday, including Chicago, Los Angeles, Houston and Denver. U.S. Immigration and Customs Enforcement said authorities made 956 arrests on Sunday, a figure that appeared to be the highest daily tally Immigration and Customs Enforcement had announced since Trump began his second term.

In 2023, the U.S. accounted for 28% of the value of Colombia's exports.

The controversy with Colombia began early Sunday morning, when Petro said on his X account that the "U.S. cannot treat Colombian migrants like criminals," adding: "I disallow the entry of American planes with Colombian migrants to our territory."

Two U.S. military C-17s had diplomatic permission to land in Colombia when they left San Diego carrying roughly 80 migrants each, a defense official said, but that authority was revoked Sunday en route. The planes then returned to the U.S., the official said.

Trump responded in a post on his Truth Social platform that the 25% tariffs would be raised to 50% in a week. Trump also said he was issuing a travel ban for Colombian government officials and visa sanctions on people connected to the country's government.

"These measures are just the beginning," Trump, a Republican, wrote. "We will not allow the Colombian Government to violate its legal obligations with regard to the acceptance and return of the Criminals they forced into the United States!"

Petro wrote defiantly in a long missive on X, threatening to respond in kind to Trump's tariffs: "I am informed that you have imposed a 50% tariff on the fruits of our labor entering the United States. I'll do the same."

Despite his statement, the Colombian government said there were "active conversations with the U.S. government, looking for agreements that assure minimum conditions of respect" for deported Colombians.

The tariffs and sanctions on Colombia were to be imposed under the International Emergency Economic Powers Act, the senior administration official said. That law grants the president broad authority to impose duties and penalties on other nations when he declares an economic emergency. The act hasn't previously been used to impose tariffs, though President Richard Nixon used a precursor to the law in 1971.

The U.S. imported $16.1 billion in goods from Colombia in 2023. Crude oil accounted for about a third of that dollar value. Other top commodities the U.S. receives from Colombia include gold, coffee and bananas.

In 2023, the U.S. accounted for 28% of the value of Colombia's exports, more than any other trading partner, according to United Nations data.

The U.S. sent $17.7 billion of goods to Colombia in 2023, giving the U.S. a slight trade surplus.

A senior State Department official said the Trump administration was surprised by Petro's message on X, issued at 3:41 a.m. Eastern time, prohibiting the flights from landing.

Documents viewed by The Wall Street Journal showed that the Petro government had approved the arrival of the two military flights. Petro also said on X, before the flights, that two planes with deported Colombians would be arriving at 6:45 a.m. and 10 a.m. and his government would "receive them with flags and flowers."

Later in the morning, Petro said on X that he had ordered the return of the planes, suggesting that he had done so because they were military aircraft and criticizing the use of handcuffs on the deported Colombians. "We will receive our countrymen on commercial planes, without them being treated like criminals," he wrote.

Just minutes after Trump said he would impose tariffs, Petro's office said the government would make the presidential plane available to ferry back the Colombians who were to have been deported Sunday.

—Gavin Bade, Shelby Holliday, Nancy A. Youssef and Anthony DeBarros contributed to this article.

U.S. NEWS

CIA Backs Lab Leak Theory of Covid-19

By Michael R. Gordon And Dustin Volz

WASHINGTON—The Central Intelligence Agency has now concluded that the deadly Covid-19 pandemic most likely arose from a laboratory leak, lending credibility to a view that has been the focus of sharp debate among scientists and politicians for years.

In doing so, the CIA has joined the Federal Bureau of Investigation and the Energy Department in identifying a laboratory mishap in Wuhan, China, as the probable source of the Covid virus. It has killed more than 1.2 million Americans and over seven million people worldwide.

"CIA assesses with low confidence that a research-related origin of the COVID-19 pandemic is more likely than a natural origin based on the available body of reporting," an agency spokesman said Saturday. The spokesman added that the judgment was "low confidence" and that the CIA would continue to evaluate "any available credible new intelligence reporting or open-source information that could change CIA's assessment."

The agency had previously taken the stance that it didn't have enough information to assess whether the virus had leapt from an animal to a human or arose from a laboratory mishap.

Covid-19 emerged in Wuhan in late 2019 and then spread rapidly through the world in 2020 and 2021 before the development of vaccines helped limit deaths. It marked one of the worst pandemics in modern history.

But the origin of the virus still divides the U.S. intelligence community, in large part because the Chinese government hasn't cooperated with international investigations. Four U.S. intelligence agencies have favored, with low confidence, the animal transmission theory. So has the National Intelligence Council, a body of senior intelligence officers that reports to the Office of the Director of National Intelligence.

John Ratcliffe, the new director of the CIA confirmed last week by the Senate, has long said he thought the lab leak theory was the most plausible explanation.

As the current CIA chief, Ratcliffe declassified the new judgment for public release.

Officials familiar with the matter said the agency has been continuing its work on the question since the virus arose. The agency said in its Saturday statement that "both research-related and natural origin scenarios of the COVID-19 pandemic remain plausible."

A spokesman for the Chinese Embassy in Washington, Liu Pengyu, criticized the CIA statement as an example of political manipulation. "We firmly oppose the politicization and stigmatization of the source of the virus, and once again call on everyone to respect science and stay away from conspiracy theories," he said.

A former FBI senior scientist told The Wall Street Journal in December that a fresh look at the virus's origin and the intelligence-community reports on the issue was needed.

In the waning days of the Biden administration, Jake Sullivan, former President Joe Biden's national security adviser, called for establishing a panel of outside experts to take a fresh look at the intelligence agencies' findings.

While the natural transmission theory was initially the dominant view within the intelligence community, the debate over Covid's origins has shifted considerably over the past several years. No host animal that might have transmitted the virus has been found, while experts have raised concerns that precautions for containing biological agents at the Wuhan Institute of Virology were inadequate.

The FBI, which was the first intelligence agency to point to a lab leak as a likely explanation, made its judgment with "moderate confidence," while the Energy Department and CIA's views were made with low confidence.

STUART PALLEY FOR WSJ (3)

California's Next Deadly Threat: Mudslides

Rains could wash soil and debris down slopes in areas scorched by wildfires

By Eric Niiler

LOS ANGELES—Rain threatened to trigger dangerous mudslides in hillside communities leveled by Southern California wildfires in the past two weeks.

Heavy rains were expected in the region Sunday night and Monday, and the National Weather Service issued a flood watch for the burned areas through 4 p.m. Monday. Two to 3 inches of rain could fall in the mountainous areas of Los Angeles and Ventura counties, with up to an inch in lower elevations, according to the NWS.

The precipitation could help firefighters combat new blazes—but even a small amount of rain could cause mud and debris to course down steep slopes laid bare by the Eaton and Palisades fires. There is also a 20 chance of significant debris flows for burned areas of LA county, the NWS said.

"We don't need the storm necessarily to produce a high total amount of rainfall," said Nina Oakley, a geohazards climatologist at the California Geological Survey who has inspected the area. "We're concerned with short bursts of high-intensity rainfall."

California's normal rainy season continues through March, with February the wettest month. Now, dry and burned soil stripped of native chaparral and grasses forms a glasslike layer, allowing rainwater that would normally be absorbed to cascade downhill.

Top: Geohazards climatologist Nina Oakley and watershed expert Drew Coe inspect a fire-struck slope; above, moderately fire-impacted soil.

To demonstrate the effect, this past week Oakley poured a few drops from her water bottle onto the fire-blackened soil rising steeply along the Pacific Coast Highway near Malibu, ravaged by the Palisades fire. The water beaded up.

"This whole slope will start generating runoff," said Drew Coe, watershed protection program manager at the California Department of Forestry and Fire Protection, who led the recent inspection of the area.

To protect communities, more than 80 California National Guard members this week used dump trucks and other heavy equipment to clear debris from basins designed to catch runoff. Public works officials handed out sandbags. And several hundred local, state and federal responders used hand tools to build runoff channels on the scorched slopes to divert water away from homes, roadways and other structures.

Surveys completed last week guided the work. Geologists and hydrologists from California's Watershed Emergency Response Team hiked through the charred areas of the San Gabriel Mountains above Altadena and the Santa Monica mountains above Palisades to identify areas at greatest risk.

They compared images on their phones taken from satellites and aircraft to the condition of the soil on the ground. Their goal was to measure the extent and severity of the burning and make risk maps for the two fire zones to help emergency officials and first responders.

The team also sent data from computer models detailing the amount of rainfall that might trigger a mudslide in these areas to the National Weather Service, which will issue alerts and warnings to residents' cellphones, Coe said. "We have to work fast," he said, recalling previous disasters.

Heavy rains following a massive wildfire triggered a deadly mudslide in Montecito, Calif., in 2018. After fire swept through the Santa Ynez mountains above the coastal town about 80 miles west of Los Angeles, nearly 4 inches of rain fell in two days. The deluge washed down barren slopes and sent house-sized boulders and debris through neighborhoods, killing 23 people and destroying 63 homes. The terrain in Altadena is similar to Montecito.

A mudslide down the canyons in the Palisades burn zone might close the Pacific Coast Highway, a scenic road connecting coastal towns between Los Angeles and Santa Barbara, Coe said. But the Eaton fire zone where Altadena is located is at greater risk for serious damage because of the geology and topography of the San Gabriel Mountains, and since there are more homes and other structures built on the hillsides.

In addition to floods, experts worry that rain falling on the 16,200 homes and businesses destroyed in both fires will flush toxic ash and chemicals into waterways and onto properties that survived the initial fires, threatening public health.

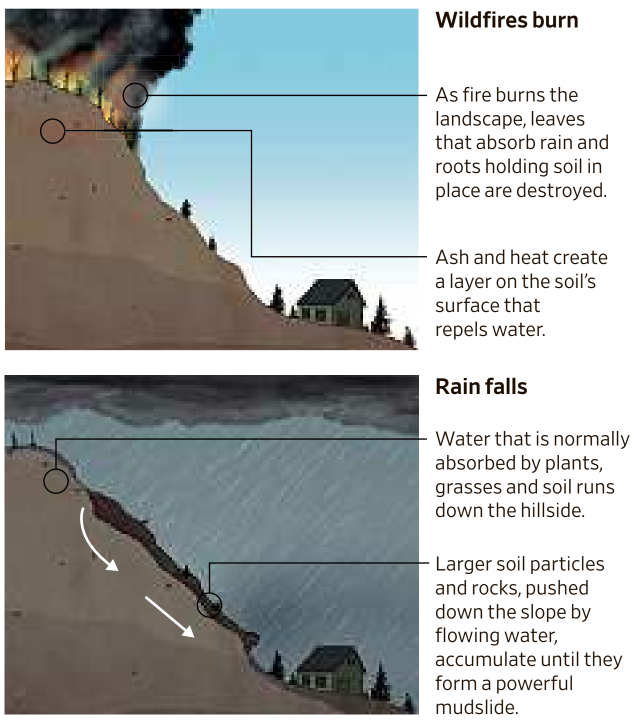
On Wednesday, California Gov. Gavin Newsom deployed a dozen geologists, 30 watershed engineers and 400 California Conservation Corps members to replace silt fences and install filters to remove contaminants found in rainwater runoff, the governor's office said.

Like many residents in the area, Rob Salinas of Altadena is watching and waiting to see what the forecast will bring. His property sits in between two sediment-filled canyons at the base of the San Gabriel mountains. The Jan. 7 Eaton fire burned up to his fence line.

Salinas saved his family's two adjacent homes and horse stable with water from his backyard swimming pool, two pressurized hoses and six helpers. But he's not sure what to do when it starts raining.

"We're going to have a lot of water, and I imagine we are going to have a lot of debris come through," Salinas, who has lived in the area since 1991, said. "You take the good with the bad in the mountains."

What Causes a Mudslide



◆ Heard on the Street: Homes get 'disaster discount'.... B10

FROM LEFT: ZAYDEE SANCHEZ FOR WSJ; CAMERON MCWHIRTER/WSJ

Denise and Adonis Jones lost their longtime Altadena home in the Eaton Fire, which destroyed more than 2,700 structures in the community.

Historic Black Community Struggles to Rebuild After Fires

By Cameron McWhirter And Kailyn Rhone

ALTADENA, Calif.—In a time of declining Black homeownership in California, Altadena stood out as an exception.

Since the 1960s, Black families have settled in this slice of the San Gabriel Valley, building a community around churches, schools, restaurants and other small businesses. Some 81% of Black households in Altadena own homes, compared with 32% across Los Angeles County. Median home values for Altadena's Black households were $961,000 in 2023, compared with $677,700 countywide.

"Until this past week, it was kind of a sterling example of what could be possible," said Char Miller, an environmental analysis professor at Pomona College in Claremont, Calif.

On Jan. 7, fire tore through the community, killing at least 17 people, destroying more than 2,700 structures and raising fears that Black Altadena—the work of generations—could be lost.

Though the Black population of Altadena had dwindled to 18% before the fire—from a high of 43% in 1980—the neighborhood's Black section remained a cohesive neighborhood of professionals, retirees and government workers. Now, many fear that fights with insurers and lowball offers from speculators will unravel what's left.

Sharon Williams, 68 years old, and her two sisters waited earlier this month near a cordoned-off street, seeking news of what had happened to her home. One of her sisters, Edna Allen, 70, lives a few blocks away from Williams. Both were worried about the future of the place they loved. "It's gone right now," Allen said. "Everyone's had to just go somewhere else."

The fire transformed Altadena into a surreal landscape of random destruction. Some blocks appeared relatively untouched. A paper Harris/Walz sign was planted in a yard, unburned.

Other blocks had been rendered moonscapes: gnarled metal and charred wood, with blackened oranges and lemons scattered around dead trees. Ashen husks of cars and trucks melted into roads and driveways.

Denise Jones and her husband fled the night of the fire, then sneaked around police cordons days later. Denise inherited the one-story house from her parents, who were among the first Black couples to move into Altadena.

Recent estimates valued the home at around $1.5 million, dwarfing the tens of thousands Denise's parents paid in 1967.

Now it is a gray and black heap. The gazebo and a garage remain, and two cars parked in the driveway were untouched.

Denise, 61, a workers' compensation claims adjuster, vowed to rebuild—but worried others wouldn't. "I don't care if it takes me 10 years," she said.

She has homeowners insurance but knows many other Black owners who don't.

"Most of us have not seen the type of money that they are going to offer," she said, referring to real-estate speculators. "It's like a pot of gold when you have nothing, so people will jump on it."

Northwest Altadena for years ranked among the few places Black families could buy nicer homes in Southern California, alongside Baldwin Hills, Compton and Leimert Park. The neighborhoods offered decades of upward mobility despite barriers like racist lending policies and racial covenants. Black workers also tend to be paid less than their white counterparts, straining savings for a down payment, and many have parents who rented their whole lives, leaving no real estate to inherit.

In California, during the pandemic and subsequent economic turmoil, the percentage of Black people who owned a house in the city of Los Angeles dropped to 25% from almost 31% between 2019 and 2023, according to the Urban Institute's analysis of census data. Black people were the only racial group to see a decline in homeownership rates in California from 1980 to 2020, according to the Other & Belonging Institute at the University of California, Berkeley.

Emeka Chukwurah, 34, followed his father's path to Altadena. The elder Chukwurah, a musician who played with Nigerian legend Fela Kuti, chose the quiet neighborhood to give his family a better life. The son ran a store that sold African drums, masks and clothing.

When the fire came, Chukwurah evacuated with his wife and toddler. His father called the next day: The store was gone. Though his home survived, Chukwurah is struggling with how to rebuild his lost business and help his devastated community.

"I am just trying to boot up now and keep the spirit alive," he said. "This is where I grew up, in a paradise that just burned down."

Tax-Cut Wish List Grows for GOP Bill

Lawmaker proposals include breaks on power generators, help for racehorses

By Siobhan Hughes And Richard Rubin

Rep. Wesley Hunt (R., Texas) was traveling with Donald Trump to a California rally in October when the lawmaker pitched him on a tax break: a new deduction on purchases of emergency power generators to help constituents deal with outages in his Houston district.

"It's good for the American public—you run the traps on that, but I'll definitely help you out," said the lawmaker, recalling how Trump responded. Trump then tapped out a message to his millions of social-media followers promising to "entitle you to fully deduct the TOTAL cost" of generators retroactive to Sept. 1, 2024.

Hunt turned Trump's words into a giant poster that he displayed at a congressional tax hearing last week. He is still hoping the provision is passed into law.

Republicans want big things in their sweeping tax-and-spending legislation this year. But dozens of individual lawmakers are pitching small things, too, further complicating party leaders' policy Jenga as they shape their plans. Because of the narrow House majority, any handful of members insistent on getting something have the power to play hardball, no matter how parochial their issue might seem.

House Republicans head to a retreat in Florida this week, trying to agree on a budget blueprint that sets up the subsequent "big, beautiful bill" that Trump wants to carry much of his agenda. For lawmakers who need something, now is the time to ask.

Rep. Andy Barr (R., Ky.) wants to reinstate a provision to cut to three years the amount of time to depreciate racehorses, letting owners recover costs quickly. "It's very important for my constituents," Barr responded when asked if the measure was a must-have.

Rep. Buddy Carter (R., Ga.) wants to allow timber growers whose trees were destroyed last year by Hurricane Helene to write off their losses, which aren't covered by crop insurance.

Rep. Chuck Edwards (R., N.C.) wants areas in his district hit by Helene to be designated as "opportunity zones," which comes with favorable tax treatment. Rep. Neal Dunn (R., Fla.) seeks to treat space ports like airports so they can make use of tax-exempt bonds.

Republicans need to evaluate the ingredients for deals that could be struck to steer their multitrillion-dollar package through the House, and they are now assembling a general idea of what the bill will contain. The legislation would extend Trump's expiring tax cuts and could provide money for border enforcement, open up federal land for drilling and scale back safety-net programs such as Medicaid, the Affordable Care Act and food stamps.

"We're looking to make a lot of the really important final decisions we have," House Speaker Mike Johnson told reporters Thursday. He said the Budget Committee would write in February the measure unlocking the assembly of the mammoth bill.

The blueprint of House Budget Committee Chairman Jodey Arrington (R., Texas) will set targets for each committee to hit in the ultimate bill. It will tell the Ways and Means Committee how large the tax cuts can be and the Energy and Commerce Committee how much it must cut from programs including Medicaid.

Because some Republicans hope to achieve overall deficit reductions, each lawmaker operates with the understanding that advancing a favored tax break will also mean an offsetting spending cut.

Representatives from New York, New Jersey and California insist that the $10,000 cap on the state and local tax deduction must be raised. Trump and many Republicans demand that the legislation repeal Democrats' clean-energy tax credits, while a handful of Republicans urge caution in disrupting projects in their districts funded by those incentives.

Party leaders have to figure out a way to accommodate all those groups. They have to determine how to work with the Senate, where lawmakers are still aiming for a two-step process, separating a quick burst of border and military spending from a more-complex, time-consuming tax bill.

"We're going to try to cut as much spending as we can until we run out of votes," said Sen. Lindsey Graham (R., S.C.), chairman of the Senate Budget Committee.

Lawmakers will also have to make room for at least some of Trump's priorities. That includes the items he talks about frequently—no taxes on tips and the 15% corporate tax rate for domestic manufacturing—and perhaps some of the campaign-trail promises that have disappeared from the stump speech, such as tax-free overtime pay, tax breaks for caregivers, a deduction for car-loan interest and Hunt's generator tax break.

Justice Department Undergoes Rapid Revamp

By Sadie Gurman And C. Ryan Barber

ANNABELLE GORDON/ZUMA PRESS

Pam Bondi, nominated for attorney general, testified this month at her Senate Judiciary confirmation hearing.

WASHINGTON—Even before Donald Trump's portrait could be restored to the walls of the Justice Department, interim officials began driving a conservative U-turn at the agency.

They replaced a Biden-era memo telling prosecutors to show leniency to some drug offenders with a new policy calling for the pursuit of the most serious charges and the stiffest penalties for all crimes. They halted much of the department's civil-rights and environmental work. And they transferred more than 15 career employees to relatively marginal positions, part of a broader effort to ultimately thin the workforce. That was just the first week.

A new administration always brings changes in personnel and policy. But current and former department officials said the pace, scope and tone of Trump's early moves in his second term are unusual and signal that a more dramatic transformation lies ahead.

Many department employees are on edge as they await Senate confirmation of Pam Bondi, Trump's nominee for attorney general. Her chief of staff, Chad Mizelle, is leading the department until then, along with acting Attorney General James McHenry, a longtime immigration lawyer, and his temporary deputy, Emil Bove, who previously served as one of Trump's criminal defense attorneys.

Trump has made a Justice Department shake-up one of his priorities after years of sparring with an institution that investigated him repeatedly and charged him criminally in two cases that it dropped after the election. The president has accused the department of wielding its powers for political ends, a theme echoed by new department leaders.

A spokesman, Chad Gilmartin, said the Justice Department is committed to advancing the new administration's goals, including "upholding the rule of law, ensuring the security of the American people, restoring the public's trust in the justice system, and ending weaponization of government."

As part of the department's pivots, Mizelle issued a memo Friday sharply limiting prosecutions of people accused of blocking access to abortion clinics, calling such cases the "prototypical example" of federal weaponization.

Mizelle put an immediate hold on civil-rights litigation, meaning department lawyers can't take additional steps in many existing cases "to ensure that the President's appointees or designees have the opportunity to decide whether to initiate any new cases," according to a memo viewed by The Wall Street Journal. Another memo told lawyers not to complete any settlements and suggested that the new administration could reconsider dozens of consent decrees meant to overhaul local police departments, a priority of the Biden administration.

Some of the Justice Department employees reassigned or demoted last week included people who advised on the two prosecutions of Trump or worked closely with Biden appointees in areas that the new leadership wants to overhaul or revamp. Those reassigned include lawyers who held senior roles within the national-security and criminal divisions.

Another official removed from his post was the chief of the Justice Department's public integrity section, which prosecutes election-related offenses and handles some of the most politically sensitive investigations of public officials.

In the early days, new administrations often make splashy policy changes. "But they don't come in and immediately take sweeping personnel actions en masse like this in the ordinary course," said Jody Hunt, who served as the Senate-confirmed head of the Justice Department's civil division during Trump's first term after nearly two decades as a career official.

Current employees said they believed one goal of the shake-up is to pressure some career staffers with civil-service protections to leave on their own.

Trump also has installed interim U.S. attorneys of his choosing in key offices in New York and Washington.

The Trump-appointed acting U.S. attorney for Washington, Ed Martin, previously served on the board of the Patriot Freedom Project, a group that supported Jan. 6 defendants. Martin's name appeared on the many court filings prosecutors submitted asking judges to dismiss pending cases in light of Trump's sweeping grant of clemency. A Justice Department website that compiled detailed information on all the Jan. 6 cases had been taken offline by the end of the week.

—Dave Michaels and Corinne Ramey contributed to this article.

Trump Fires Agency Watchdogs in Friday Night Purge

By Scott Patterson And Dustin Volz

WASHINGTON—A swath of inspectors general were fired Friday night by the White House, people familiar with the matter said, as President Trump removed the official government watchdogs across a range of agencies.

The White House didn't publicly announce the moves or provide an immediate explanation as to why the officials lost their jobs, and the firings led to concern from both Democrats and Republicans that the administration might have violated federal rules that require 30 days' notice to Congress before such firings.

Inspectors general are tasked with scrutinizing the actions of federal agencies to make sure they comply with laws and don't misuse authority or taxpayer money. They have investigative powers and can respond to congressional requests for internal probes.

The precise number of inspectors general fired by the White House Friday couldn't be immediately learned.

IGs for the defense, state, interior and transportation departments were all let go. Also cut were the inspectors general for the Department of Veterans Affairs, the Department of Housing and Urban Development, the Environmental Protection Agency and the Small Business Administration, according to people familiar with the matter.

Emails were sent to IGs late Friday by Sergio Gor, director of presidential personnel, notifying them that they were terminated immediately, according to a document reviewed by The Wall Street Journal.

"At this point, we don't believe the actions taken are legally sufficient to dismiss Presidentially Appointed, Senate Confirmed Inspectors General," Hannibal Ware, IG for the Small Business Administration and chair of the Council of the Inspector General on Integrity and Efficiency, or CIGIE, said in a Friday letter to Gor reviewed by the Journal.

JOE RAEDLE/GETTY IMAGES

Hannibal 'Mike' Ware, inspector general for the Small Business Administration.

"If legal, and I think that's an open question under the law requiring 30-day congressional notification prior to the firing of an IG, it risks changing forever what we have historically valued most about IGs, their independence, objectivity and nonpartisanship," said Diana Shaw, former acting inspector general at the State Department in the Biden administration.

The White House didn't respond to a request for comment.

Senate Minority Leader Chuck Schumer (D., N.Y.) on Saturday morning said that at least 12 inspectors general were fired and decried the White House's move.

"This is a chilling purge, and it's a preview of the lawless approach Donald Trump and his administration is taking far too often as he is becoming president," Schumer said.

Other presidents have fired inspectors general, but rarely have they done so in such sweeping fashion since the executive branch's watchdog system was created in 1978.

Last week, Rep. Gerald E. Connolly (D., Va.), ranking member of the Committee on Oversight and Government Reform, in a letter to the CIGIE called for "transparency, accountability and independence" in the IG community.

"Trump's Friday night coup to overthrow legally protected independent inspectors general is an attack on transparency and accountability, essential ingredients in our democratic form of government," Connolly said in a statement.

The Washington Post earlier reported the firings.

"There may be good reason the IGs were fired. We need to know that if so," Sen. Chuck Grassley, the Republican chairman of the Senate Judiciary Committee and a longtime champion of the importance of independent inspectors general, said in a statement Saturday. "I'd like further explanation from President Trump. Regardless, the 30-day detailed notice of removal that the law demands wasn't provided to Congress."

President Fuels Claim Of Bias By Banks

By Alexander Saeedy

President Trump took the head of **Bank of America** to task in front of his global peers last week, alleging that the nation's second-biggest bank was actively discriminating against conservatives.

Bank of America Chief Executive Brian Moynihan was on stage when Trump spoke by video to the World Economic Forum in Davos, Switzerland. Moynihan congratulated Trump and asked how the president's slate of recent executive orders would affect the U.S. economy.

Trump said he thought his policies would bring inflation down—and then did a weave to a different topic altogether.

"I hope you start opening your bank to conservatives," Trump said. "Because many conservatives complain that the banks are not allowing them to do business within the bank and that included a place called Bank of America."

Trump also called out Jamie Dimon, the CEO of **JPMorgan Chase**, who wasn't on stage but was at the conference.

While the banks said they don't discriminate against their customers, Trump's comments threw fuel onto allegations of bias against conservatives and Christians that have been building for years.

On social media, conservatives posted letters of unexplained account closures and said they believed they were targeted for political beliefs. The Senate Banking Committee is planning a hearing on the topic in February, said Sen. Tim Scott (R., S.C.).

The criticism has been building since banks embraced diversity policies after the murder of George Floyd in 2020. Some of them clamped down on lending to oil-and-gas companies and gun manufacturers. A Republican-led committee in Congress alleged that banks profiled conservative and religious Americans as potential domestic terrorists when they turned over information about thousands of customers after the Jan. 6, 2021, riot at the U.S. Capitol.

Banks said they don't consider politics or religion when they open or close accounts. But they do comply with government inquiries about their customers, including for information about suspicious activity, or risk hefty fines. They also said the examples are cherry-picked and happened because their customers didn't follow the bank's policies.

In a statement, Bank of America said it is focused on serving everyone, regardless of political views, but cited "extensive government regulations that sometimes result in requirements to exit relationships." It added: "We never close accounts for political reasons and don't have a political litmus test."

JPMorgan said, "We have never and would never close an account for political reasons, full stop."

Banks typically don't explain why they close customers' accounts. Banks are required by federal laws including the Bank Secrecy Act to keep tabs on what their customers are doing with their funds and to ensure that they aren't facilitating any criminal misconduct.

Transactions that look suspicious are supposed to be flagged in banks' back offices. After enough red flags go up, banks often close the relevant accounts. The number of these so-called suspicious-activity reports has more than doubled between 2014 and 2023.

Regulators also sometimes raise concerns about industries, which banks tend to take as orders to avoid.

JPMorgan has been working with Bahnsen Group, a right-leaning shareholder that has been raising questions about whether the bank has ever discriminated against conservatives on the basis of their political beliefs.

Bahnsen said the bank should audit the matter and put the issue up for a vote at the bank's annual meeting in 2023. The proposal didn't get sufficient shareholder support to pass.

U.S. NEWS

New Meta Challenges Advertisers

Continued from Page One
mistakably different message: Some things we used to remove will now be allowed. It will be up to users to help police the platforms through "Community Notes," and advertisers will have to tune their settings to avoid anything objectionable, Meta says.

Advertisers have expressed concerns over the past few weeks—in meetings with Meta as well as with their own agency partners—that Meta's tools might not be enough to stop ads from showing up near offensive content as the new content-moderation approach comes into effect, and that user feeds could become inundated with misinformation.

'Hate' change

On the recent call, Meta's vice president of content policy, Monika Bickert, said Meta wants to remove content that contributes to increased safety risks, but "allow people to talk about the news and the world around them and not be overly restrictive." One significant change: "Hate speech," a term that she said "has different meanings to different people," is being replaced by "hateful conduct."

Bickert offered an example of the new order: The statement "women should not be allowed to serve in combat" would have been prohibited before, as a call to exclude people from a job based on their gender, but would be permitted now. That means an ad for, say, a car company could show up next to a post saying that, unless the marketer tunes its settings to exclude such a placement.

"We regularly meet with our partners to share information and hear feedback," a Meta spokesman said. "Given that this call was specifically for advertisers, obviously it was focused on topics they care about, like the suite of brand-safety tools we've offered them for years."

Meta's shift is a clear signal to companies that "brand safety"—the practice of ensuring that ads don't appear near unsuitable or controversial content—is in retrenchment.

The practice gained traction during President Trump's first term, when the juxtaposition of well-known brands alongside offensive content on social platforms sparked a backlash from advertisers and advocacy groups, such as when ads ran alongside YouTube videos promoting anti-semitism and terrorism in 2017. The tech platforms ultimately granted all sorts of concessions to keep advertisers comfortable and their billions in spending flowing.

In the past few years, though, brand safety has turned from a topic for digital-marketing conferences into a political issue, advertising insiders said. Some Republicans and conservatives have openly accused ad agencies and brands of bias.

Musk factor

The issue boiled over last summer when Elon Musk's X filed a federal antitrust lawsuit against an advertising trade group and several big brands, including Mars and CVS Health, accusing the group of illegally boycotting the platform. X alerted the courts earlier this month that it intends to add more defendants to the lawsuit.

Musk's suit came after the House Judiciary Committee, led by Ohio Republican Jim Jordan, issued a detailed report in July that said the ad trade group and its members might have violated antitrust laws by withholding ad spending from social-media platforms and conservative media outlets.

Brand safety "has become politicized and it was never motivated by politics," said Brad Jakeman, a former marketer at PepsiCo. The movement around brand safety happened because "we heard from our consumers that they felt uncomfortable with our brands' being connected to content that they found offensive," he said.

In December, just days after advertising giant Omnicom agreed to acquire Interpublic, Jordan launched a probe into the merger, seeking information on the companies' ties to the trade group that Musk sued. Among the requests made in Jordan's letter to Omnicom's CEO: "all documents and communications related to so-called 'brand safety.'"

Despite misgivings about the new speech policy, advertisers are unlikely to shun Meta. They have grown dependent on its massive reach and ability to precisely target their ads, drawing on a trove of consumer data. Meta can afford some defections by blue-chip advertisers, as it is insulated by having a large base of small-business advertisers.

The company, the second-largest digital-ad player in the U.S. behind Google with $131.9 billion in ad revenue in 2023, easily withstood a short boycott in 2020 over hate speech and misinformation by a host of companies including Dove parent Unilever, Verizon and Ford Motor.

Meta's changes include eliminating U.S.-based fact-checkers and replacing them with Community Notes, a crowdsourced system that mirrors the approach Musk introduced on X. The company plans to apply those notes to only "organic," or unpaid posts, for now, but hasn't ruled out applying them to paid ads eventually, according to an ad-agency memo viewed by The Wall Street Journal.

Meta has said it would continue to use technology to detect and automatically remove certain content but will tune its filters to target only what it deems high-severity offenses such as racial slurs. For other objectionable material—such as calling gay or trans people mentally ill—it will rely on users to register complaints, and might respond by demoting a post rather than removing it.

In a note to top marketers and agency executives, Nicola Mendelsohn, the company's head of global business, sought to reassure advertisers that Meta is still committed to providing brands with tools to ensure their ads run in safe places.

"We know how important it is to continue giving you and your teams more transparency and control over your brand suitability," the email said.

Even if their ads don't run directly alongside objectionable content, some advertisers are concerned that the changes could lead to an explosion of toxic or misleading posts on Meta's platforms, making the general environment less suitable for ads. In addition to paid ads, many advertisers publish organic posts on Meta platforms. Some are asking Meta to provide tools so those posts can also avoid controversial content.

'Brand Safety' Turns Dangerous

Ad executives say they are wary of speaking up about 'brand safety'—keeping ads away from unsuitable content—and some agencies are now reluctant to send clients "point-of-view" memos on the topic.

"Brand safety is under attack at a time when it's needed more than ever before," given the huge audiences for platforms like Instagram and X and their more hands-off approach, said Doug Rozen, former CEO of ad giant Dentsu's U.S. media-buying unit.

Shortly before the election, the Association of National Advertisers quietly ended a brand-safety effort—launched in 2020 to curb hate speech—partly to avoid scrutiny or litigation, people familiar with the matter said. The trade group declined to comment.

WORLD NEWS

Shippers Still Shun Red Sea Routes Despite Houthi Vow

Big shipping companies say they won't send vessels back to the Red Sea despite a pledge by Iran-backed Houthi militants in Yemen not to attack them as long as a cease-fire in Gaza holds.

By Benoit Faucon, Costas Paris and Saleh al-Batati

The world's top three container shippers, **MSC Mediterranean Shipping**, **A.P. Moller-Maersk** and **CMA CGM**, in recent days said they would stick with other routes given what they called the unpredictable situation in Gaza and broader tensions in the Middle East.

"You don't want to send a gas carrier that will go up in flames," said Nils Haupt, spokesman for Germany's biggest shipper, **Hapag-Lloyd**. "We don't know when we will be returning."

For more than a year, the Houthis have used missiles and drones to target commercial ships and naval vessels sent to protect them in the Red Sea, once one of the world's busiest trade routes. Shippers have taken to sending vessels around the Cape of Good Hope at the southern tip of Africa instead.

The Houthis have attacked more than 100 vessels in the Red Sea since Hamas's Oct. 7, 2023, attack on Israel sparked the war in Gaza.

In an email to shippers, the Houthis said they wouldn't attack U.S. and British vessels while a cease-fire was in effect. The group also this month released 25 crew members of the cargo vessel Galaxy Leader, which they had seized in November 2023.

The rebels, however, said they would still target Israeli vessels. The Houthis in the past have attacked ships that they have claimed to be Israeli but which have had limited or no ties to Israel. Houthi leader Abdul Malik al-Houthi said the group could resume its attacks if the cease-fire agreement fails.

Global shippers' hesitance reflects the danger posed by the Houthis despite efforts by the U.S., Israel and others to halt the group's attacks.

Before the Hamas-Israel conflict, ships traveling through the Red Sea carried about 40% of the goods traded between Asia and Europe. The ships now diverting around South Africa add as much as two weeks of sailing time and higher freight rates that are passed on to the cargo owners.

There are more than 14 million containers normally moved annually through the route packed with everything from cars and food to home goods and electronics, valued at a total of more than a trillion dollars.

Some shipping experts estimate that rerouting and increased insurance charges could have cost more than $40 billion in the first year of the attacks.

Some operators signaled that they would resume Red Sea crossings once the second phase of the Gaza cease-fire is completed, a maritime-security executive said.

Shipping executives fear the return could end up in a stampede.

Rerouting "is complicated as we will have significant congestion issues at some European ports with ships coming in from both the Suez and from South Africa," an executive from a major European carrier said.

DP World, an Emirati company that manages terminals in the Red Sea, says some previously diverted trips could resume in two weeks if the cease-fire holds.

That "would mean freight prices crashing down, 20, 25%," said its deputy chief executive, Yuvraj Narayan. "And if there are no incidents, it is just a matter of time."

OSAMAH ABDULRAHMAN/ASSOCIATED PRESS

Cargo vessel Galaxy Leader had been seized by the Houthis.

HATHAM IMAD/EPA/SHUTTERSTOCK

Palestinian families on Sunday waited near the Nuseirat refugee camp in central Gaza to return to the northern part of the strip.

Trump Reveals Gaza Plan

President urges Jordan, Egypt to take in refugees, perhaps for long time

TEL AVIV — President Trump said he wants to "clean out" the Gaza Strip and urged Jordan and Egypt to take in refugees either temporarily or for the long term, a move that has been rejected by Arab countries since the war began.

By Dov Lieber, Carrie Keller-Lynn and Saleh al-Batati

The president said he told King Abdullah II of Jordan in a phone call on Saturday that he wants the monarch's country to receive Palestinians. He said he expected to make a similar request of Egypt's president, Abdel Fattah Al Sisi, in a coming phone call.

"You're talking about a million and half people, and we just clean out that whole thing," the president said on Saturday.

The comments and other recent moves by his administration reflect a sharp change in policy toward the conflict in Gaza compared with under former President Joe Biden.

A day earlier, the president said he had released a hold on 2,000-pound bombs that the Biden administration had withheld from Israel over concerns about the civilian death toll in Gaza. His administration also lifted sanctions on Israeli settler organizations and individuals in the West Bank imposed by the Biden administration.

BILAL HUSSEIN/ASSOCIATED PRESS

A woman on Sunday sat on rubble in Aita al-Shaab, Lebanon.

Jordan's foreign minister, Ayman Safadi, dismissed the idea of refugees from Gaza moving to his country.

Egypt's foreign ministry said the country rejects any relocation or transfer of Palestinians to Egypt, adding that it risks stability and threatens to further spread the conflict.

Meanwhile, U.S. Rep. Gregory Meeks, one of the top Democrats on the House Foreign Affairs Committee, called the idea inhumane and said officials need to focus on the cease-fire.

"President Trump's consideration of a policy of mass expulsions of Palestinians from Gaza is ludicrous, and must be rejected out of hand. It's as inhumane as it is impractical," the New York lawmaker said. "What the new administration must focus on is the full implementation of the current cease-fire agreement, return of the hostages, and rehabilitation of Gaza."

The issue of Palestinians leaving Gaza has been politically sensitive. Many Palestinians fear if they leave the enclave, Israel will never allow them to return. There are several million Palestinian refugees, scattered mostly in Arab countries since Israel's founding in 1948, and their future has been at the heart of the conflict.

Egypt and Jordan have rejected the idea of taking in Palestinians from Gaza, fearing a flood of refugees could destabilize their own countries. Leaders of both countries have said they want Gazans to be able to stay in the enclave. The Biden administration also advocated keeping Gazans inside the strip.

Most of Gaza's more than two million residents have fled their homes at least once during the war that began on Oct. 7, 2023, when Hamas attacked Israel. More than 47,000 Palestinians have been killed since the fighting began, according to local health authorities.

Much of the enclave has been destroyed, and many of the displaced are living in tent encampments.

Hamas said it categorically rejects any plans to expel or displace Palestinians from their land. "We call on the U.S. administration to halt such proposals, which align with Israeli plans and clash with the rights and free will of our people," the U.S.-designated terrorist organization said.

The Palestinian Authority, which governs most Palestinians in the West Bank, said it condemns "any projects aimed at displacing our people from the Gaza Strip."

Trump's comments came as thousands of Palestinians who had expected to return to northern Gaza on Sunday as part of a cease-fire agreement were refused entry by Israeli forces. Israel said it wouldn't allow Palestinians to return north after Hamas failed to release a civilian hostage, Arbel Yehoud, on Saturday, per the terms of the deal, an Israeli official said.

The Qatari Foreign Ministry said early Monday that an agreement has been reached to release Yehoud and five more Israeli hostages in the coming days. And Arab mediators said three more hostages were due to be released Thursday.

In return, Israel will open the Gaza Strip's Netzarim corridor starting Monday, which would allow Gazans to return to the northern part of the strip.

On Sunday the White House said the cease-fire between Lebanon and Israel, monitored by the U.S., would be extended beyond the initial 60 days and in effect until Feb. 18.

—Suha Ma'ayeh contributed to this article.

Proposal Shakes Up Diplomacy

Continued from Page One

governs most Palestinians in the West Bank, and Hamas.

But it was hailed by far-right Israeli politician Itamar Ben-Gvir, who has called for "voluntary migration" of Palestinians from the enclave and backs Israeli settlement there.

Trump, a Republican, hasn't offered a road map for securing the peace in Gaza if the cease-fire there can be extended beyond an initial 42-day first phase while pursuing efforts to spur normal diplomatic relations between Israel and Saudi Arabia.

Trump's foray comes at a critical moment as Israel's cease-fire with Hezbollah in southern Lebanon appears increasingly fragile. Trump's special envoy, Steve Witkoff, has been planning a return to the region.

"It's an interesting opening gambit, but it's hard to imagine it having much traction as an idea," said Jon Alterman of the Center for Strategic and International Studies. "It will certainly arouse deep alarm in Egypt and Jordan, among their Gulf Arab allies, and among European governments who have an interest in stability in Egypt and Jordan in addition to their sentiments about the rights of Palestinians."

The brutal war in Gaza that was triggered by Hamas's attack on Israel on Oct. 7, 2023, has presented Washington with a pressing foreign policy problem—one that Trump has suggested might be beyond the U.S.'s responsibility to end. He said last week that he wasn't confident the cease-fire could be sustained.

He was quick to take credit for sealing the initial cease-fire in Gaza. Even former Biden administration officials said Trump and Witkoff were vital for getting the long-sought deal across the finish line. But negotiating an enduring end to the conflict in Gaza presents the new president and his team with a far more formidable challenge.

> **Trump hasn't offered a road map for securing the peace in Gaza.**

During his final days as Biden's Secretary of State, Antony Blinken made the case for a postwar plan that would end Israel's military presence in Gaza and establish a new governing structure led by the Palestinian Authority, which would undergo overhauls and whose control would also extend beyond the West Bank. An Arab security force would help control Gaza with advice from the Americans, who wouldn't put boots on the ground.

That would set the stage for massive reconstruction of Gaza and kick-start a process for the eventual normalization for Israeli-Saudi relations. "The need to end the war in Gaza and for a credible road to Palestinian statehood is all the more urgent for Riyadh," to advance that normalization, Blinken said in an appearance this month at the Atlantic Council.

But Trump's suggestion that Palestinians leave Gaza so it could be rebuilt would upend that carefully choreographed diplomatic process while leaving unclear if they could ever build a state of their own.

The president said he told King Abdullah II of Jordan in a phone call on Saturday that he wants the monarch's country to receive Palestinians. He said he expected to make a similar request of Egypt's President Abdel Fattah Al Sisi in a coming phone call.

Asked about Trump's plan, administration officials on Sunday said they look at Gaza as a wasteland filled with rubble and unexploded ordnance, whose reconstruction would be greatly facilitated by the departure of its residents.

Gordon Sondland, who was Trump's ambassador to the European Union during the first term, said in an interview that he had seen plans for modernizing the region's infrastructure during negotiations for the Abraham Accords, the set of agreements where some Arab countries normalized relations with Israel. As long as there were "ironclad guarantees" to ensure Palestinians returned to their homes in Gaza, then Trump's proposal was a "brilliant idea," he added in an interview.

But some of Trump's staunchest political allies said the plan wasn't feasible.

"The idea that all the Palestinians are going to leave and go somewhere else, I don't see that to be overly practical," Sen. Lindsey Graham (R., S.C.) said on CNN.

Egypt and Jordan have long rebuffed the idea because of their security and the economic burden they foresee in taking in so many Gazan Palestinians. Another fear is that they would be accused of abetting Israel's annexation of the enclave should Israel bar the Palestinians from returning.

"Encouraging the 'voluntary migration' of civilians from Gaza has long been the fever dream of the most messianic extremists in Israel," said Frank Lowenstein, a former Israeli-Palestinian peace negotiator at the State Department.

The decision by Israel's far right to embrace Trump's suggestion has made winning Arab support for the initiative all the more difficult, former officials said.

"The idea of Egypt and Jordan accepting a significant number of Gazan Palestinians is a nonstarter," a former senior U.S. official said. "These were red lines for both countries before the Gazan crisis and they remain even sharper red lines now."

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Kyiv Says Video Shows Executions

Killings of POWs are part of a pattern of war crimes, say Ukrainian officials

Ukrainian prosecutors say a graphic video circulating online shows Russian troops executing six prisoners of war, the latest in what they say is a spate of killings by Moscow's forces.

By James Marson, Milàn Czerny and Jane Lytvynenko

In the video, a cowering soldier wearing a yellow armband, similar to ones worn by Ukrainian troops, scrambles toward a pile of logs. He kneels as one of his captors, brandishing an automatic rifle, yells in Russian. The gunman cocks his weapon and fires several rounds into the back of the man, who slumps to the earth.

Shortly after, another captive soldier stumbles forward. "This one's mine," a voice says, before shots ring out.

Ukrainian prosecutors said they are investigating the killings shown in the video as potential war crimes. They said the video appeared to show an incident that occurred after a Ukrainian position was overrun in eastern Donetsk province.

The Russian Defense Ministry didn't respond to a request for comment. Russian officials have called earlier accusations that their troops carry out executions disinformation aimed at smearing Russia.

The video was shared widely on the social-media network Telegram last week. The Wall Street Journal couldn't independently establish the date and location of the video, but the uniforms, identifying markings, presence of at least one drone and the language spoken all point to its authenticity.

Since the start of November, Ukraine's Prosecutor General's Office has launched at least 10 criminal investigations into alleged executions of more than 40 surrendering Ukrainian soldiers. A top Ukrainian human-rights official, Dmytro Lubinets, said in December that Ukraine had tallied 177 executions of Ukrainian soldiers since the start of the war in February 2022, most of which occurred last year.

Ukrainian officials say the killings are part of a pattern of abuses by Russian armed forces that violates international laws, including the Geneva Conventions.

Russian officials deny mistreatment of Ukrainian prisoners. But several Telegram channels affiliated with Russian units have shared, encouraged and celebrated the graphic execution videos.

Lubinets said in December that Russian forces were executing Ukrainian prisoners and publishing videos of the executions online to deter their own soldiers from surrendering as well as to strike fear into the West and Ukrainians.

Some captured Russian soldiers have acknowledged in video interrogations published by Ukraine's military that their forces are executing Ukrainian soldiers who have surrendered, citing orders from some commanders to execute captives.

The video shared on Telegram last week opens with several men with yellow tape on their arms, used by Ukrainian troops to identify themselves, lying on the ground in a forest with their hands on their head. Armed soldiers shouting orders in Russian prowl around the men, who are stripped of their helmets and body armor.

"Take the f—ing phone," a soldier yells in Russian, passing his handset to a comrade. The soldier appears in the picture wearing dark fatigues and a hood. After loading a fresh magazine into his rifle, he orders two unarmed captives to move toward a pile of logs. They clamber there unsteadily and kneel as the hooded soldier cocks his rifle then appears to fire into the head and back of one of them, who slumps forward. Further gunshots sound. The shaky footage shows both captives lying motionless after 15 shots were fired.

Another captive, scrambling past the camera toward the apparent execution spot, is gunned down.

"One is mine," a voice off camera says.

"Record me on f—ing camera," the hooded soldier says, gesticulating with his hand.

He orders a fourth unarmed captive to the spot in front of logs. "This one's mine," a voice says. Gunshots ring out.

A fifth unarmed man stumbles forward toward four motionless bodies, his arms raised, and the hooded man fires in his direction.

Off camera, the soldier orders a sixth captive to move there, who seems to mumble something unintelligible. In response, the hooded soldier says: "We'll kill you anyway." The captive trudges to the spot, and gunfire can again be heard.

The video shows a seventh captive soldier cowering on the ground, then cuts out.

The Center for Information Resilience, a London-based research organization focused on human-rights violations, said it had verified 32 videos depicting 97 killings as showing executions of Ukrainian soldiers by Russian troops.

For Ukrainian officials, the videos are crucial evidence. The Ukrainian Prosecutor General's Office said in early November that it opened an investigation following the publication of a video on Telegram that appears to show Russian forces capturing an unarmed Ukrainian soldier who is lying on the ground apparently with injured legs.

The injured man tells an unseen interrogator that he is from Sumy Oblast in northeast Ukraine. The questioner then curses and asks the soldier whether there are other Ukrainian troops nearby. Seconds later, another soldier walks into the frame and shoots the prostrate man several times in the head at close range with an automatic rifle.

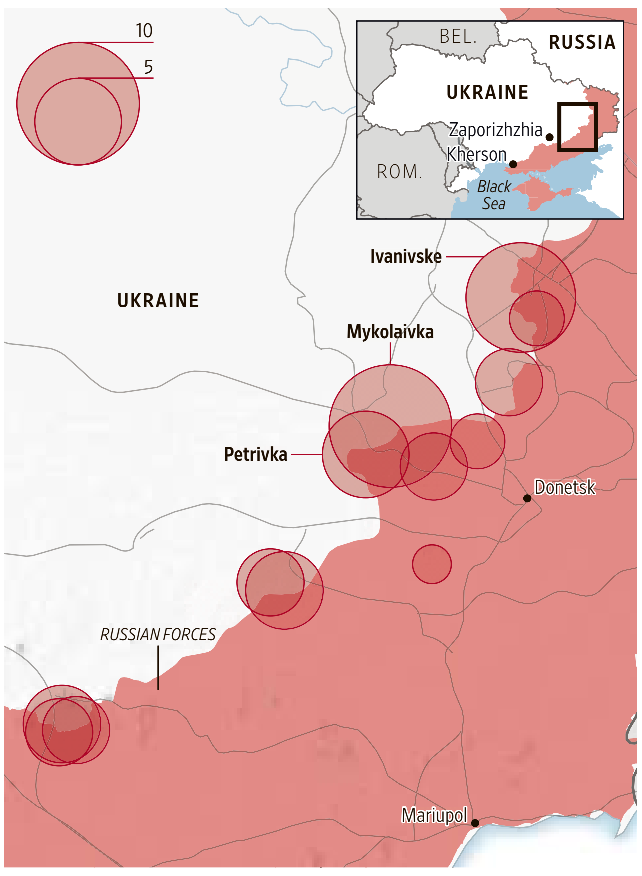
One Russian Telegram channel, which says it cooperates with several Russian combat units and shares calls for donations, praised the video, commenting: "A dog's death for a dog."

—Kate Vtorygina contributed to this article.


SERHII KOROVAYNYI FOR WSJ

Ukrainian soldiers patrol in the Donetsk region.

Ukrainian POW executions by Russian forces



Note: Russian forces as of Jan. 23
Sources: Center for Information Resilience (executions); Institute for the Study of War and the American Enterprise Institute's Critical Threats Project (Russian forces)

WORLDWATCH

SOUTH KOREA

Prosecutors Indict Impeached Leader

South Korean prosecutors on Sunday indicted impeached President Yoon Suk Yeol on a charge of rebellion—which carries the possibility of the death penalty or life imprisonment—in connection with his short-lived imposition of martial law.

He has presidential immunity from most criminal prosecutions, but not for rebellion or treason.

Yoon was impeached and arrested over his Dec. 3 decree and, separate from criminal proceedings, the Constitutional Court is deliberating whether to formally dismiss him.

Yoon, a conservative, has denied wrongdoing, describing his declaration of martial law as a legitimate act of governance meant to raise awareness of the danger of the liberal-controlled National Assembly, which he has called "a den of criminals."

—Associated Press

SUDAN

Attack on Hospital Kills Around 70

Around 70 patients and companions were killed and 19 more wounded in an attack on the only functional hospital in the besieged city of El Fasher, World Health Organization Director-General Tedros Adhanom Ghebreyesus said Sunday, as Sudan's civil war escalates. Local officials blamed the rebel Rapid Support Forces, which were experiencing apparent battlefield losses to the Sudanese military and allied forces. The RSF blamed the military and its allies.

The coordinator of United Nations humanitarian efforts in Sudan warned Thursday that the RSF earlier had given "a 48-hour ultimatum."

The conflict, which began in April 2023, has killed more than 28,000 people, forced millions to flee and left some eating grass as famine sweeps parts of the country.

—Associated Press

WORLD NEWS

U.N., Congo Struggle to Halt Rebel Attack

Western diplomats, aid workers say M23, Rwanda put civilians in city at heavy risk

United Nations troops and their local allies are fighting a desperate rear-guard action to prevent rebels from seizing Goma, a key city in the eastern Democratic Republic of Congo.

*By **Michael M. Phillips** in Nairobi, Kenya, and **Sabiti Djaffar Al Katanty** in Goma, Democratic Republic of Congo*

Aid workers estimate as many as 300,000 people are fleeing lightning advances by the Rwandan-backed M23 rebel group, which has taken two strategic towns on the approaches to Goma over the past several days.

"I thought that this is where the war would not come—but here it is coming after us," said Marie-Jeanne Musia, 28, who led her four children out of one temporary refuge to escape rocket attacks this week only to find the violence following close behind. "I'm not going to wait for the bombs to kill me."

The fighting has its roots in the 1994 Rwandan genocide, in which more than a million people died, the vast majority Tutsis killed by ethnic Hutus, according to the U.N. M23 and Rwanda say they are protecting Tutsis in Congo from militant Hutus, many of whom fled across the border after Tutsis won control of Rwanda following the genocide.

As civilians flee in search of safety, regional forces and U.N. troops from India, Uruguay, Morocco, South Africa, Pakistan, Guatemala, Tanzania and Malawi have reinforced Congolese army troops defending the city.

U.N. defensive positions are close to the front lines and its troops have joined Congolese forces in the field, a U.N. official said. U.N. forces reported firing heavy artillery at rebel positions in the recently captured town of Sake, 12 miles from Goma. Three South African soldiers were killed and 14 others wounded during the fighting late last week, the South African servicemembers' union said.

Residents of Kibati fled amid heavy fighting on Sunday.

Congolese government troops deployed attack helicopters to try to hold the line against M23's offensive, the U.N. said. The Congolese army has also enlisted the help of brutal pro-government militias called Wazalendo, the Swahili word for "patriots."

Thousands of Rwandan troops are fighting alongside M23 rebels, according to the U.S. State Department, which this month called their presence "unlawful." The U.S. said the Rwandans are using advanced weaponry, including surface-to-air missiles, guided mortars and antitank weapons, to give M23 a battlefield edge.

Eastern Congo is plagued by a multitude of armed groups, from Hutu rebels aiming to oust the government of Rwanda to Islamic State militants with an extreme religious agenda. In addition to their political goals, insurgents are competing for control of valuable minerals found in the region.

A U.N. panel of experts reported in December that M23 controls the Rubaya coltan mine and has smuggled to Rwanda at least 150 tons of the mineral. Tantalum, extracted from coltan, is used in manufacturing smartphones, laptops and other consumer products. Such economic motives overlay simmering ethnic tensions between Congo and Rwanda. "Rwanda will do what is necessary to defend our borders and protect Rwandans," a spokesperson for Rwandan President Paul Kagame told The Wall Street Journal. The spokesperson neither confirmed nor denied reports that Rwandan troops were involved in the continuing combat.

The M23 insurgency has heightened tensions between Kagame and Congolese President Félix Tshisekedi, who has declared his Rwandan counterpart Congo's enemy and threatened to invade to remove him from power.

Aid workers and Western diplomats say M23 and Rwanda are recklessly endangering civilians in their quest to take Goma and are upending a peace process led by Angolan President João Lourenço.

The U.N. estimates there are 700,000 displaced people in and around Goma, including those arriving now.

FROM PAGE ONE

Stocks Premium Disappears

Continued from Page One

and Intuitive Surgical in recent weeks.

Despite his age, Ugino keeps more than 80% of his portfolio in equities and said he believes tech stocks including Tesla and Meta Platforms can keep powering double-digit-percentage gains in stock-market indexes in 2025.

"I don't think you can sit back and have a 60-40 portfolio. I think that's the stone age," he said, referring to the traditional mix of stocks and bonds that was for years considered a safe and steady way to expand one's nest egg.

"You want to make sure you're invested with these companies that are proven winners," he added. "You don't want to bet against these guys. You don't want to bet against Elon Musk."

In the coming days, investors are awaiting the Federal Reserve's next interest-rate decision and a spate of corporate earnings from the likes of Tesla, Microsoft and Starbucks as they weigh whether or not stocks look pricey.

Ugino isn't alone in his optimism. Investors poured $62.5 billion into U.S. equity mutual and exchange-traded funds in December, according to Morningstar Direct, the highest monthly inflow on record.

The postelection stock rally found its second wind this month after a round of reassuring inflation data brightened investors' economic outlook. The S&P 500 set its first record of 2025 on Thursday and is up 3.7% this month.

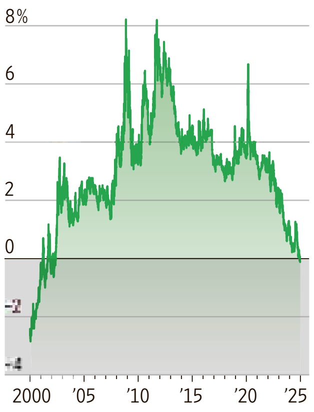
Optimism among investors swelled. The percentage who are bullish and expect stock prices to rise over the next six months jumped to a seven-week high of 43.4% for the period ended Wednesday, up from 25.4% a week before, according to survey data from the American Association of Individual Investors.

Some factors that helped fuel last year's blockbuster gains—such as the promise of artificial intelligence—are driving confidence.

Despite being a former bond trader, Robin Davis Wilson keeps all of her $1.7 million portfolio in stocks. Big tech stocks including Apple, Amazon.com, Microsoft and Nvidia comprise about 60% of her investments.

"That's almost an anomaly, for someone my age to be that aggressive," the 61-year-old small-business owner said. "I'm a big believer in these big stocks."

S&P 500 equity risk premium



Note: Data through Jan. 23
Sources: FactSet; Tradeweb ICE; Dow Jones Market Data

Wilson has firsthand experience with how a bet on big tech can pay off. She purchased $100,000 of Nvidia shares in 2021, before the stock soared. That investment, which she still holds, is now valued at seven times that amount.

She is monitoring potential risks to equity prices, such as the threat of another interest-rate increase or the impact of economic policies advanced by President Trump, who took office last week. "There's going to be some volatility, but it's not going to change my course of action," she said.

U.S. investors' affinity for equities has been shaped by a series of challenging years for the bond market. In 2022, the classic 60-40 strategy fell apart when both stocks and bonds sank in tandem, shrinking many households' savings. For the first time in decades, fixed income didn't act as a hedge against a stock-market downturn.

Now, bond investors are worrying that a tough market could get worse if Trump, a Republican, raises the federal deficit or enacts inflationary policies such as tariffs.

"The majority of advisers that we're working with, they're buying bonds for protection," said Tim Urbanowicz, chief investment strategist at Innovator Capital Management. "I think 2022 really woke a lot of people up to the fact that it doesn't always work that way."

Persistently high yields could pressure the equity risk premium and threaten stocks' rise. Market watchers are monitoring those odds. In a recent Bank of America Global Research survey of fund managers, 36% said they see a disorderly rise in bond yields as the most bearish potential development this year.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Gambling Sites Love Long Shots

Continued from Page One

He got 17, and she lost it all. "Getting so close, it's a little heartbreaking," she said.

Call it the new American lottery ticket—exciting for potentially big jackpots but with painfully slim chances to win.

America's biggest gambling companies, however, are making a killing. The multileg bets, called parlays, deliver a bigger cut of money to sportsbooks after paying out winners than single bets. And they are a growing portion of bets overall—especially among casual sports fans, who are part of a new and fast-growing segment of the world of online sports betting.

Sports-betting companies are raking in cash in one of their busiest times of the year, in the lead-up to the Super Bowl. Flashy ads highlight special offers for bonus bets on parlays and other offers for newbies.

Parlays accounted for about 27% of the money wagered on all sports bets last year through October in Illinois, New Jersey and Colorado, states in which gambling regulators report data by bet type. That's up from 22% of all sports bets in 2021. The multileg bets delivered about 56% of sports-betting revenue after payouts for companies in the three states during that period, up from 50% in the same stretch of 2021.

Multileg bets are so lucrative that FanDuel parent company Flutter Entertainment recently increased its expectation for total online gambling revenues in the U.S. to $63 billion by 2030, up from its estimate of $40 billion two years ago, driven in part by parlays, the company said.

Companies and their media partners are pouring money into advertising the bets, and they're engaging celebrities—from Charles Barkley to Kevin Hart—and armies of smaller influencers to put together parlays that bettors can latch on to, all while hyping games to attract viewers.

Old-school gamblers who prefer traditional wagers, such as single bets on who will win a game, think of parlays as a rip-off—some call them "sucker bets"—because their long odds make it nearly impossible to regularly win money. But fans of parlays say that while the wagers are true long shots, the appeal of winning five figures from $5 is too strong to pass up.

"There's always the chance, there's always the point-one-percent chance that it does hit, and I think that's what keeps people coming back," said Lucy Burdge, a sports-betting analyst for radio network Audacy, which has a deal with BetMGM. Burdge shares her picks on X.

New fans

Parlays are providing a boost to online gambling companies already struggling with profitability after big spending on marketing and customer incentives to win market share and keep gamblers coming back. And after years of rapid expansion as new states blessed sports betting—the Supreme Court opened the door to the flood of sports betting in 2018—legalization has slowed, making new revenue sources more critical.

Above, ESPN SportsCenter anchor Scott Van Pelt in a screenshot from an ESPNBet video. Below, a parlay on the Christmas Day Chiefs-Steelers game from DraftKings included a bet on Chiefs tight end Travis Kelce's receiving yards.

BRENT GUDENSCHWAGER/ZUMA PRESS

Sports betting companies see parlays as a way to expand their audience of casual users who make wagers in smaller amounts—treating the bets as jpart of the fun of the game. That helps companies reduce their reliance on the big-time VIP bettors who lose thousands of dollars or more on a single bet. FanDuel said 90% of its same-game parlays, or bets on multiple developments within one event, have a wager of $30 or less, while 60% are $5 or less.

DraftKings and FanDuel, which control roughly 80% of the sports-betting market in the U.S., offer individual wagers that bettors can combine into their own parlays, and also promote their own fully formed parlays—often with colorful nicknames and story lines, such as "Believeland" for the NBA's Cleveland Cavaliers that drew on a nickname for the city's sports fandom.

For the Christmas Day game between the Kansas City Chiefs and the Pittsburgh Steelers, DraftKings offered a six-pick parlay involving five players—including quarterback Patrick Mahomes' passing yards and tight end Travis Kelce's receiving yards—and a bet that the Chiefs would win. The sportsbook offered odds on the parlay, dubbed "Merry Chiefsmas," that amounted to a 7.7% chance of winning—paying $13 on a $1 bet. It was a loser after one leg—that Isiah Pacheco would log 25 or more rushing yards—failed to come true.

Parlays can all take place on one game, or combine bets on multiple games. The odds of a customer winning are based on the sportsbook's predictions of each leg coming true and how much a sportsbook decides it is willing to pay if a lucky bettor wins. The more events that have to happen, the less likely the parlay will be to win, but the bigger the potential payout.

For comparison to a single-element bet, a $1 bet that the underdog Houston Texans would win their game on the playoffs opening day earlier this month against the Los Angeles Chargers—they did, in an upset—paid out just $2.30, according to the odds set on FanDuel at one point.

The Wall Street Journal placed 209 $1 bets in recent months on parlays promoted on FanDuel and DraftKings on a range of sports, from professional basketball and baseball to college football, winning only eight of those wagers. That left the gambling companies with $113.21 of the total.

Media companies and personalities are riding the parlay wave—expecting the growth in gambling to drive viewership. DraftKings has a deal with media company Barstool Sports to promote the sports-betting company, including parlays, and FanDuel has a similar deal with the Ringer sports media network.

Former NBA star Barkley pitches his "Same Game Barkley"—spelled as a twist on parlay—to basketball fans, and Bill Simmons offers his "Million Dollar Picks" on his popular sports podcasts, both sponsored by FanDuel. Hart, the comedian, hawks parlays on social media sponsored by DraftKings. The sportsbooks promote parlays on billboards, TV ads and in mobile apps.

About 20% of all money spent by DraftKings on national TV advertising last year hyped parlays, compared with 11% in 2022, according to iSpot, a research firm that tracks TV ads. FanDuel, which began pushing same-game parlays earlier than its competitors, increased spending to around 17% last year from about 15% in 2022.

On ESPN's SportsCenter, anchor Scott Van Pelt appeals to viewers for support as he rattles off predictions for the outcome of games on air.

Since ESPN and partner Penn Entertainment launched a co-branded app called ESPN-Bet in November 2023, some of Van Pelt's picks have been featured as wagers that bettors can put money on.

"It's kind of a running joke," Van Pelt said, explaining that he often pokes fun at long parlay odds during the show.

Colin Cowherd, founder of sports media company The Volume and host of Fox Sports' "The Herd With Colin Cowherd," said his media company has a deal with DraftKings in which it pays him and other employees to make bets and talk about them on their podcasts and shows. Cowherd at times tweets his parlay picks. He said sports bets make watching sports more fun and have driven NFL viewership.

He doesn't think sportscasters need to give disclaimers about the long odds. "These aren't cigarettes where you have to have a surgeon general's warning on the side," he said.

A whole ecosystem of sharing picks and the emotional highs and lows of bets has developed on social media. Some bettors sell their picks for others to follow, known as "tailing." Some influencers have deals with the sports betting companies.

SGG Media, a Los Angeles based social-media sports marketing agency, has a network of more than 2,200 influencers who focus on sports and, in some cases, sports betting. These "micro influencers" have smaller audiences, averaging 20,000 on X and 100,000 on Instagram.

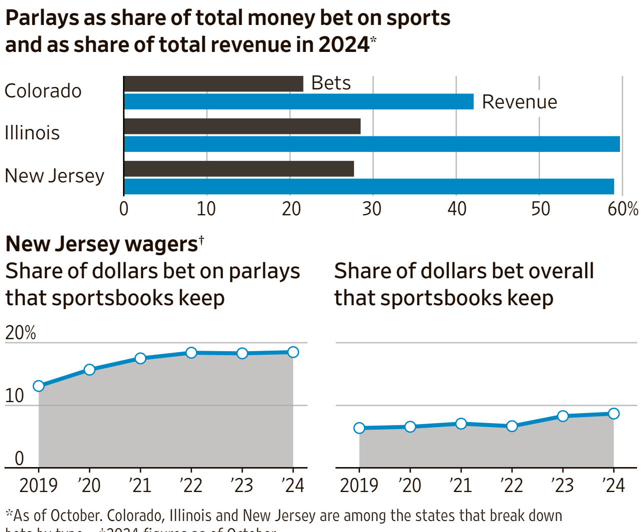
The company acts as a middleman between the influencers and companies like FanDuel and DraftKings, asking the online personalities to push their brands in a specific region or around a certain sports team, including content about parlays.

Parlay-related content "grabs attention fast," Thaddeus Brown, SGG executive director of business development and marketing. "It's relatable. It's aspirational."

Gregory Fleming, a claims adjuster in the Pittsburgh area, has grown a following on X to just over 5,250 under the handle BoredSportsBets, sharing his parlay picks. When he has posted about his wins, social-media accounts for DraftKings and Barstool Sports have shared his content.

He also contributes to a Discord community where subscribers can find tips on which sportsbooks are offering the best odds as they build their parlays, among other advice for regular bettors. Fleming said in the Discord community he tries to educate people on the reality of parlays.

"They're awesome whenever you hit them," he said. "They can elevate your bankroll, but it's not something that you can rely on."



*As of October. Colorado, Illinois and New Jersey are among the states that break down bets by type. †2024 figures as of October
Sources: the states; New Jersey Division of Gaming Enforcement (New Jersey wagers)

Math problems

The parlay craze got its start in the U.S. when Flutter Entertainment imported one of its hottest products in Australia. Parlays—known as "multis" in Australia—had been available for betting on multiple events. Then a bettor asked Flutter's brand in Australia, Sportsbet, why he couldn't place a multileg bet on a single sporting event.

Flutter and Sportsbet began an effort to crack the math needed to fulfill that request. The math quickly becomes more complicated in a single game because of the knock-on effects of how athletes perform. How well a quarterback throws the ball in a game, for example, affects the performance of a wide receiver catching the quarterback's passes.

In 2016, Sportsbet launched a new product that allowed customers to make single-event parlays. Three years later, Flutter introduced the same product in the U.S. on FanDuel as the "same-game parlay."

"Everything needs to be connected to everything else, so the math is complex," said Conor Farren, FanDuel senior vice president of sports product and pricing.

He said they didn't give the name much thought, but it soon went viral in the U.S. Same-game betting has since spread across the industry. Competitors such as DraftKings and BetMGM picked up the product name and began offering their own multileg wagers on single events.

At FanDuel, the manufacturing of same-game parlay offerings starts on its risk and trading desk. There, traders crunch the odds and create hundreds of markets to make parlays more appealing to bettors with seemingly endless options, from an NBA player's number of rebounds in a game to how many passes an NFL quarterback will complete. Bets featuring hot players, or who will score the first touchdown in a game, for example, have become more popular.

The more scenarios sportsbooks provide bets on, the more legs of parlays they can offer to fans eager to build custom multipart wagers. FanDuel customers have as many as 1,700 choices in an NFL game. FanDuel is developing technology that would give customers even more parlay choices, while DraftKings is testing a subscription service that would give customers access to better parlay odds.

In November, FanDuel said it raised its long-term forecast for the portion of wagers it keeps, in part because of the popularity of parlays.

Sports-betting companies manage their risk—and make money—by calculating what they think is the most accurate likelihood of winning, while offering worse odds to customers. This is known in the industry as the house edge, or the "juice."

The degree to which sportsbooks tilt the odds on complicated same-game parlays to make a profit is nearly impossible to glean because of their use of algorithms, game simulations and internal calculations, said Ed Miller, a professional sports bettor. "The pricing on these bets, the odds they offer, tend to be defensive," meaning they protect the company from losses.

Like Wall Street stock traders studying geopolitics and economic indicators, the math experts that operate sportsbook trading desks scan sports news and social media before a big NFL weekend. They examine which players and teams fans are talking about, turning that chatter into bets that customers use to build their parlays.

FanDuel's algorithm simulates each play of a football game 10,000 times to predict outcomes. With sophisticated models and dozens of traders, the house almost always wins.

—Suzanne Vranica contributed to this article.

Americans Hunger for Meat Sticks

Continued from Page One

sticks."

America loves its meat sticks, the fastest-growing snack category. That's good news for Big Meat Stick. But the flood of flavors and high-end options that has come with the snack's rising popularity has divided fans.

Traditionalists, who prize the snack for its smoky simplicity, have a beef with the onslaught of choice. Other fans are being lured to a new breed of packaged offerings that claim to be sugar-free and use grass-fed meat. Some won't touch anything that didn't come from a butcher—and please, whatever you do, don't call it a meat stick.

Like a lot of people of a certain age, Kyle McCorry, 36, felt the early pull of the Slim Jim. These days, he roams the meat-stick aisle looking for options that seem healthier. He usually goes with Chomps.

McCorry's meat-stick eating usually comes midmorning or early afternoon, with peanuts and a cheese stick. "So, like, a lazy man's charcuterie board," he said.

"I'm not looking at the ingredient label," admits McCorry, who works in corporate development at a home-services company in Virginia Beach, Va. "But I wouldn't grab a Slim Jim or similar options because in my mind they aren't as healthy."

Slim Jim maker Conagra Brands, which also owns the Fatty and Duke's meat snack brands, packs its products with "protein and flavor," said Ashley Spade, vice president and general manager of the snack business at Conagra.

Sales of dried meat snacks excluding jerky were up 10.4%, to about $3.29 billion, through Dec. 29, 2024, compared with the same period a year earlier, according to consumer-analytics firm Circana.

The popular treat is part of a snack category that, along with jerky, involves drying, spicing and smoking meat.

Snackers who go with sticks are spoiled for choice. Flavors include jalapeño, taco-seasoned, teriyaki and dill pickle. Meat options range from beef to turkey, chicken and sheep. They come short or long, fat or slim.

Roughly 41 million households buy meat sticks annually, Spade said.

The consumer packaged-goods company recently rounded out what executives call the "trifecta smokehouse," buying the maker of Fatty meat sticks last year. The acquisition beefed up a portfolio that already boasted the Slim Jim and Duke's brands. Growth, Spade said, has been "explosive."

Gretchen Gregor said the new offerings sparked her curiosity, and she has dabbled in exotic options made from alligator and kangaroo meat. But the 19-year-old said her decadelong bond to Slim Jim remains strong.

Slim Jim loyalists like the texture, the snap of each bite and the variety of flavors. The classic meat stick has itself been swept up in the seasonings storm. Leah A. Walker, 28, refuses to try some of them—especially dill pickle. "I'm scared of that one," she said.

Walker estimates she's been eating Slim Jims nearly all of her life. She said her loyal patronage began in childhood during stops at gas stations with her mom.

"Even just seeing the red and yellow packaging is very nostalgic for me," she said.

These days Walker uses Slim Jims as fuel while she studies to get into law school, and insists the original flavor has unrivaled depth.

With the recent focus on highly processed foods, some meat-stick aficionados and casual snackers are drawing a line between products that include ingredients such as corn syrup, like Slim Jims, and those that don't. Some look at sodium levels and additives.

Certain purists won't touch mass-produced options.

Sarah Steele, 48, goes to her local butcher. Steele grew up around butchers—"I was turning a crank on a kielbasa grinder when I was old enough to stand on a chair," she said—so the state government employee expects the finer things in a snack stick.

To supplement butcher offerings, Steele sometimes makes her own, which she said is doable in most homes.

No meat grinder? No problem. "KitchenAid makes a little meat grinder. It's the cutest thing ever. It sticks right on the front" of the popular stand mixers, said Steele, who lives in West Lafayette, Ind. She adds spices, throws them in a smoker or grill, and puts them in her purse or gym bag for a protein fix.

Steele prefers her meat sticks to have a kick. And high-quality meat is a must.

"I'm a meat snob, what can I say?" she said. "But I don't judge—if you enjoy it, eat it."

ON THE CLOCK
CALLUM BORCHERS

Workers Say There Are Limits To Unlimited Vacation Perk

Companies are lifting caps, but that doesn't necessarily mean employees can take more time off

Companies are squeezing every efficiency out of their teams. More of them now figure the least they can do is give employees "unlimited" paid time off.

Yeah, right.

"Unlimited PTO sounds great," says Karl Giese, who works in tech sales. "It's complete B.S. because you're afraid to use it."

The signs of efficiency are everywhere. Companies are laying off workers, calling people back to offices and cracking down on employee-handbook violations.

At the same time, unlimited PTO is growing. There is now no vacation cap at 7% of U.S. employers, according to human-resources trade group SHRM. That is a percentage point higher than when companies were throwing lavish pay and benefits packages at job candidates in 2022 and significantly more than the 1% of companies that had unlimited PTO in 2014.

The rise of unlimited PTO brings up an important question about the amount of time off you can really take. Most often, it depends on how good you are at your job, your company's culture and whether you care what others think. While a relatively small share of businesses offer unlimited PTO, the perk and how many workers feel about it is a mini referendum on the state of work-life balance.

Giese, 35 years old, didn't take a single vacation day last year while working at a 15-person startup. He says the company's small size and hustle culture made him feel like he couldn't step away, never mind take as many days off as he wanted.

Some tech workers he knows at bigger companies curbed their days off to appear dedicated while the industry shed jobs. He says he quit near the end of the year and can afford to take a few months' break before seeking a new role.

Unwritten rules

People with theoretically infinite vacation say their time-off requests remain subject to managers' approval, a major caveat when planning around deadlines, holidays and the kids' school breaks. And some workers say they feel judged by colleagues if they are out too often.

In certain cases, they see the perk as part of a corporate strategy to get tougher, not more lenient.

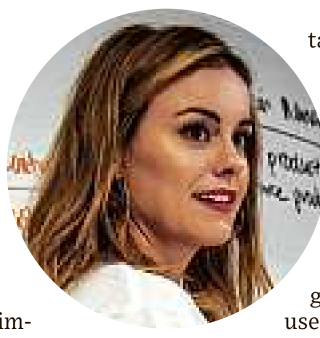
Phil Cutajar says a software company where he was a technical director lifted its cap on vacation days last year. Layoffs followed soon after. Evidence of the connection: People without vacation limits have no time-off banks to cash out when they leave.

Cutajar, 62, says he wasn't laid off but recently left the company because he is financially independent and wants to write a book. He says open-ended vacation policies can put middle managers like him in a bind because there are no rules to cite if they want to reject time-off requests. He once approved a direct-report's three-week trip to Japan because, well, he couldn't come up with a reason not to.

It was more common, though, for employees to fear asking for too much.

"There is definitely some pressure with unlimited PTO not to overuse it, especially in the lower ranks," he says. He limited himself to three weeks of vacation, partly because he noticed other directors and executives didn't take more than that.

◀ Karl Giese says he didn't take any vacation days last year, despite having unlimited PTO.



▶ Human-resources consultant Katrina Ghazarian says unlimited PTO works best when companies set clear performance benchmarks.

FROM TOP: SAM KELLY/WSJ, ISTOCK (7); KENNY YATES; KARL GIESE

Magic number

So, what's the magic number of vacation days you can take without crossing an invisible line? It might be 16. That is the average number of days off taken by people who work for companies with unlimited PTO, according to a recent survey by financial-services firm Empower. A typical worker with finite vacation time takes 14 days off.

Heather O'Donnell, an assistant merchant for a sporting-goods retailer with unlimited PTO, says she capped herself at about three weeks of vacation time in each of her first two years with the company. She wanted to prove herself and gauge how co-workers used the perk.

Lately she has taken five or six weeks of vacation a year without feeling guilt-tripped, but there is a trade-off. O'Donnell, 48, describes herself as a former workaholic with new priorities, including caring for her aging mother. If working less hinders her advancement, she's OK with that.

"I'm not overly ambitious at this stage," she says. "It's important to me to do my job well, but I'm not always going for that next promotion."

Many critics of unlimited PTO are looking at it wrong, says Patty McCord, who helped pioneer the idea in the early 2000s when she was Netflix's chief talent officer. Yes, there is a benefit to the company, she says. No, it's not all about employees' well-being.

When employer and employee act in good faith, uncapped vacation time can be a win for both, McCord says.

"The point of PTO is to take it. For God's sake, take that ski vacation at the end of January," she says.

Katrina Ghazarian, chief executive of human-resources consulting firm Gameday HR, says unlimited PTO works best with clear productivity benchmarks. For example, a sales representative who hits a quarterly goal early can feel comfortable taking an extended break, knowing the absence won't be misconstrued as underperformance.

In one case, though, she advised a client to ditch unlimited PTO. Employees in a survey said its didn't feel freeing after all.

"They hated it," Ghazarian says. "They felt this guilt if they took too much time off."

At Davos, AI Is Really The Next Big Thing

PERSONAL TECHNOLOGY
JOANNA STERN

Davos, Switzerland

I tried to count the number of times "AI" appears on the signs, walls and banners along the main Promenade here at Davos. I lost count at 67. AI, AI, AI—it was the topic at the year's most high-profile gathering of global leaders and thinkers. (OK, fine, they also talked Trump and tariffs.)

What AI progress is coming and how will it impact our jobs, work and more? I had dozens of meetings with tech executives, analysts and academics in Davos, some on stage at our Journal House.

Here's what they were all buzzing about—and my take on it.

Agents inbound

Let's be clear, no one here really agreed on the definition of "AI agent."

But for now, let's define it as an assistant that can take real-world actions on your behalf—send emails, book flights, shop and more.

Kevin Weil, OpenAI chief product officer, described the new ChatGPT Operator feature that can handle tasks in your browser, like filling out a soccer registration form for his kids.

Meanwhile, Anthropic CEO Dario Amodei said a Claude-powered tool capable of taking multistep tasks on our behalf—like writing code, testing code, talking to coworkers about it—could launch in the first half of the year.

My take: I'm excited to test these, but let's not forget how often AI still gets things wrong. Do I really trust it to handle irreversible decisions? Weil reassured me that ChatGPT's agent will check in for confirmation before acting—we'll see how that works in practice.

The bigger conversation here at Davos was how AI agents will reshape work. If AI takes over these tasks, what do we work on?

There's a lot of talk about people becoming "agent managers"—which sounds futuristic, but mostly makes me wonder how long before I have to manage an AI that makes dumb mistakes.

Smarter models

The big AI players—Anthropic, Google, Meta, OpenAI—are in an all-out race to release faster, smarter and more capable models. There's also a new focus on "reasoning" models, like GPT-o1 and o3, that don't just generate responses but take time to think through them to deliver more accurate, nuanced answers.

On Thursday, OpenAI released o3-mini. Weil says the company is already training its successor.

As for Anthropic, Amodei also teased future models and said they'd be released in the not-so-distant future. When I asked him about the industry's growing obsession with "reasoning" models, he said he doesn't see them as a separate category. Reasoning is already built into existing models like Claude Sonnet 3.5 rather than being some entirely new breakthrough, he said.

My take: You don't have to be a full-blown AI nerd, obsessing over benchmarks and parameter counts, to notice these models are getting better. In fact, I've now reluctantly accepted that I need to pay for both Claude and ChatGPT because one excels at some things while the other shines elsewhere.

Human-level intelligence

Every major AI company is chasing human-level smarts, often called Artificial General Intelligence (AGI). But when will it happen?

Amodei on Tuesday: It will be about two to three years until "AI systems are better than humans at almost everything...then eventually better than all humans at everything."

Weil on Wednesday: "I don't even know if it'll be 2027, I think it could be earlier."

Meta Chief AI Scientist Yann LeCun on Thursday: "That is all complete BS." LeCun believes large language models won't get us there and we need new systems

My take: It's hard to know who to believe here. Do we believe the AI executives who have insight into what's happening in their research labs but also have incentive to hype this technology to investors, consumers and beyond? Do we believe others who say there are technical limitations? Either way, I highly doubt that in two years time, machines will be better than humans at everything.

I mean, sure, AI, please go ahead and try to fold a fitted sheet. Or install a car seat in a car. I'll wait.

Autonomous vehicles

It wasn't just generative AI—autonomous driving was also a hot topic among tech leaders.

The job of human Uber drivers will exist for the following decade, Uber CEO Dara Khosrowshahi told me in an interview.

"For the next 10 years, you are going to have hybrid networks of humans and machines," he said.

In Atlanta and Austin, Texas, you'll soon be able to hail a self-driving Waymo via the Uber app.

Uber's committed to being the on-demand platform for transportation, groceries, takeout and more—essentially beating Amazon at same-day delivery.

Whether that's done via humans driving cars, autonomous cars or drones, Khosrowshahi doesn't seem to care.

This originally appeared in Joanna Stern's weekly Tech Things Newsletter. Subscribe at wsj.com/newsletters.

◀ OpenAI's Kevin Weil speaks to WSJ columnist Joanna Stern at Davos last week.

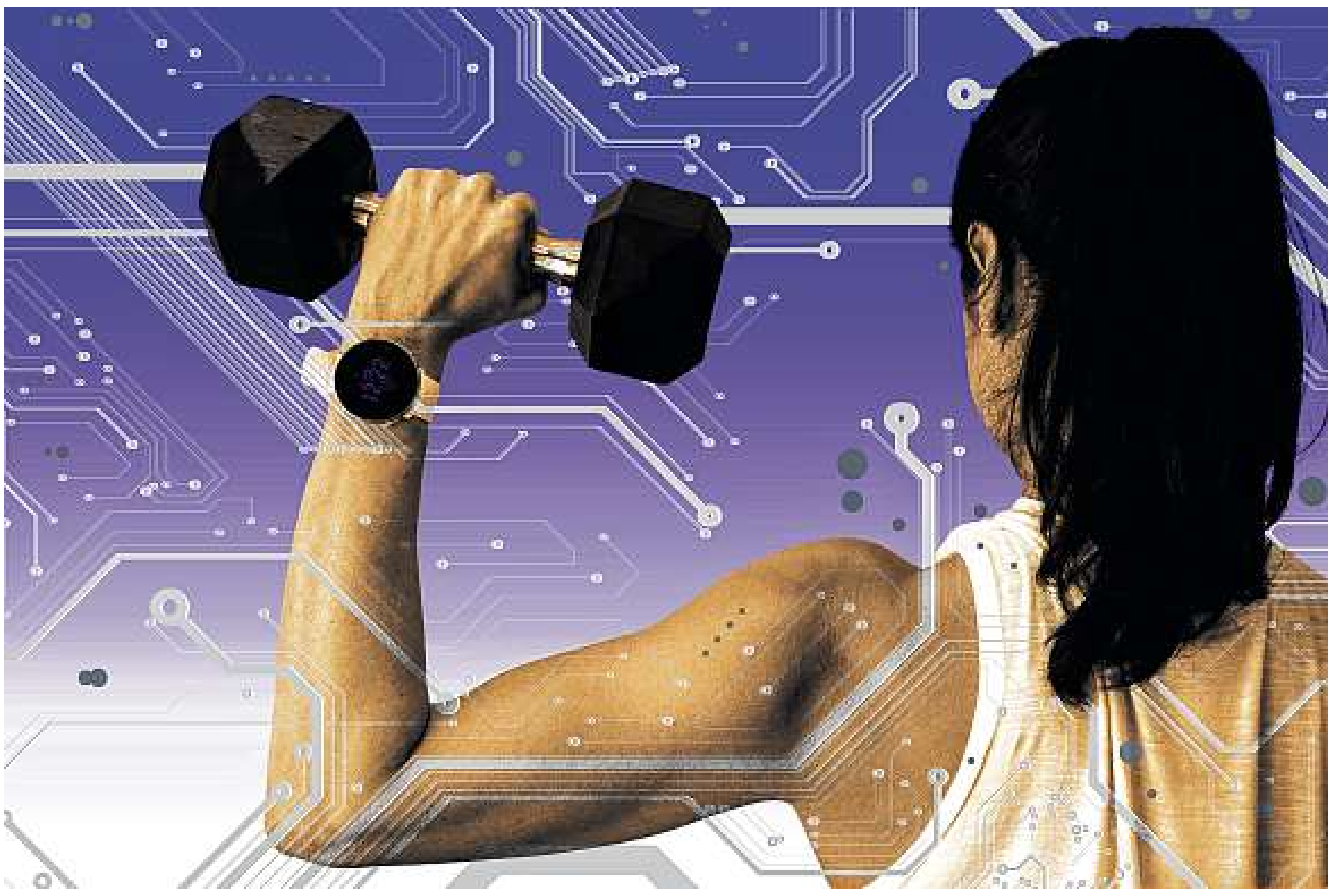
MAURIZIO MARTORANA FOR THE WALL STREET JOURNAL

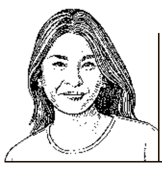
Watch a Video

Scan this code to watch a video of OpenAI Chief Product Officer Kevin Weil's interview.

Can a Fitness App Replace Your Personal Trainer? We Find Out

Apps can add flexibility, financial savings and freshness but they are self-guided so be careful





PERSONAL TECHNOLOGY
NICOLE NGUYEN

My heavy baby has tested my body's limits, so I made a New Year's resolution to get stronger. First, I needed to figure out how.

A personal trainer at about $125 an hour on top of my gym membership seemed too steep for my budget. I also have other requirements: I need more structure than watching random videos on YouTube, and I want to follow the routine at home and the gym.

Naturally, I turned to technology, specifically fitness apps featuring strength-training workouts.

Strength training isn't just for bulking up. Research shows that working out with weights or resistance bands can help build bone density, which is particularly important as we age.

More people are catching on. Planet Fitness and Crunch Fitness are prioritizing weight-equipment upgrades over cardio machines.

In the Peloton app, strength is now the second most-popular class. Last month, the company released a dedicated weight-training app.

After testing nearly a dozen options over three weeks, I found apps can add flexibility, financial savings and freshness to your workout routine. But these apps are self-guided, and can't track your form in real-time. You can hurt yourself without an in-person trainer to spot your mistakes.

Here's a guide to the best apps for building muscle—and how to start a self-guided program without getting injured.

Favorite apps

My favorite apps have a few similarities. If a machine is occupied, you can swap the exercise to a different move targeting the same muscles. They also feature high-quality videos that model how to do the exercise.

A companion smartwatch app that makes it easy to see your workout at a glance is another must. You just have to find a way to prop up your phone.

Ladder

Best for: Coaching support and structure
Price: $15 a month or $180 a year
Pros: This is the app I plan on sticking with. You join one of 18 "teams" led by a coach who programs seven different workouts each week. Teammates (fellow users) can cheer you on while you work out alongside them and flood the team chat with questions about modifications. I liked the audio cues with form tips and words of encouragement. Several teams mix in other kinds of fitness, such as running or Pilates.
Cons: The app is only available for Apple users, though anyone can access the web app. The workout duration isn't flexible.

Peloton Strength+

Best for: People crunched on time
Price: $10 a month; included with $44 monthly Peloton equipment membership
Pros: The Peloton app has strength classes, but those are for a set time. The Strength+ app, available since December, has a generator that can spin up custom workouts as short as 10 minutes. There are also multiweek programs and beginner-friendly how-to videos.
Cons: In generated workouts, you can swap exercises but you can't change their orders if a machine you need isn't available.

Fitbod

Best for: Experienced weightlifters
Price: $13 a month or $80 a year
Pros: Fitbod is a workout generator with more custom parameters than Peloton's app, including one that works only your fresh muscle groups.
Cons: The experience can be overwhelming for beginners.

Those were my three favorites, but everyone is different. The best workout is the one you return to.

Other notable apps include Apple Fitness+'s new Three Perfect Weeks of Strength program ($10 a month, Apple users only), Hevy (free to log or $3 a month for premium) and Future ($199 a month).

Apple Fitness+ is great for newbies, with instructors modeling an easier modification for each move.

Hevy has a minimalist interface for logging weights and measuring progress, but it might be too simple for beginners who need more guidance.

And Future, while pricey, offers one-on-one coaching with a human trainer who can tailor workouts to your needs and review uploaded videos of your form.

Avoid hurting yourself

Bad form can lead to injury. Here are some pro tips for safely working out by yourself. Consult a medical professional if you aren't sure.

▶ **Start with lighter weights.** "Make sure you have the movement down correctly, then add weight," advises Stephanie Cooper, associate professor of kinesiology at University of San Francisco. When your last repetition is no longer challenging, you can try going heavier—but do fewer at first to allow your body to adapt, she adds.

▶ **Use a mirror.** This can give you visual feedback about your own movement pattern, Cooper says. For instance, buckling your knees inward during a squat can cause knee strain.

▶ **Try stationary gym equipment first.** These supportive machines take a single joint through a specific range of motion and can reduce the risk of injury, says Zakkoyya Lewis-Trammell, associate professor of kinesiology at California State Polytechnic University, Pomona. Strength+, Fitbod and Hevy can generate workouts using only this type of equipment.

▶ **No pain, no gain? Not so.** "Lifting weights will be hard and you will be sore, but you should not be in sharp pain," says Lewis-Trammell. If you can't do the move's full range of motion without immense pain, she says, don't continue your workout for the day.

At first, I was sore—very sore. Now, my back and arms are feeling a little stronger. A pediatrician visit confirmed, however, that my baby is getting heavier. I hope the apps keep me ahead of his growth curve.

ELENA SCOTTI/WSJ; ISTOCK

MY RIDE | BY A.J. BAIME

His Race Car Helped Porsche Get Ahead

Bob Bailey, 82, the founder of Racemark International, a manufacturer of automotive-interior products, who lives in Sarasota, Fla., on his 1968 Porsche 911L, as told to A.J. Baime.

I grew up in a little town in upstate New York called Burnt Hills, and started racing cars when I was 18. In 1968, the Porsche factory built a small number of 911 "Lightweights" specifically to compete in the Sports Car Club of America Trans-Am series in the U.S. According to my records, my car was the first of these imported, and I got it through Bob Holbert, a famous racing driver and Porsche dealer at the time. I got it about three weeks before the Trans-Am race at Lime Rock Park in Connecticut, and I immediately started work to get it ready.

This car came from the factory with all lightweight equipment. We put in a roll cage and a fuel cell. My teammate Jim Locke and I took it to Lime Rock and came in fifth overall and second in the under 2-liter class.

We raced this car all over the country for two years. The Trans-Am series during this era was some of the greatest racing of all time, with Mark Donohue and Parnelli Jones competing—some of the best drivers of the era. Then we formed a team with Porsche of America, painted the car white with blue stripes, and raced it for another two years, including at the 12 Hours of Sebring and the 24 Hours of Daytona against drivers like Mario Andretti, Dan Gurney, and the actor Steve McQueen.

In those days, we never realized that these beat-up race cars would be worth anything. When I sold this car, I got whatever I could for it. I never imagined that I would see it again.

Some years later, I got a phone call from a movie director and producer in Los Angeles named Michael Scott, who had purchased the 911. He knew I was the original owner, and I sent him press clippings and photographs. He spent years restoring this car to how it was originally when I raced it in the '60s, with my name painted on it and everything. The work was done by Alberto Ferroni at Ital Meccanica in Huntington Beach, Calif., and he did an excellent job.

Then, one day, Scott called me and said he was going to put the car up for auction. But he asked me, did I want to buy it? Scott was amazing, and he sold it to me for about what he had put into it. I think it was $155,000, about 10 years ago. Old race cars like this, with competition history, have skyrocketed in value.

My son, Cannon, and I have raced the 1968 Porsche in vintage races around the country, and it has been amazing taking it back to the racetracks where I competed in it decades ago, like Sebring in Florida, Road America in Wisconsin and Laguna Seca in California. We have taken it on classic car rallies, like the Colorado Grand, a multiday tour for vintage cars crisscrossing Colorado on back roads.

It is an incredible feeling to see this car and remember all the trials and tribulations we have been through together. And we are not done yet.

▲ **Bob Bailey and the 1968 Porsche 911L he raced all over the country. He still fits in the racing uniform he wore decades ago.**

◀ **Bailey competed in this car against iconic racing drivers like Dan Gurney and Mario Andretti.**

TRENTON JUNIOR FOR WSJ (3)

ARTS IN REVIEW

EXHIBITION REVIEW

A Family's Secret Shelter

A new installation features a re-creation of the annex where Anne Frank hid from the Nazis

By Julia M. Klein

New York

Hours before the May 1960 opening of Amsterdam's Anne Frank House, Otto Frank gazes at the empty annex where his family and four other Jews hid from the Nazis for more than two years.

What must he have been thinking? He had barely survived Auschwitz-Birkenau. His wife and two teenage daughters, the van Pels family and the dentist Fritz Pfeffer had all been murdered in the Holocaust. And his daughter Anne, whose diary he had edited and published, had become an icon. In a sense both tragic and surreal, she lived on.

That famous black-and-white Arnold Newman photograph of Otto Frank is one of several memorable images and artifacts in "Anne Frank the Exhibition," an alternately frustrating and engaging show at New York's Center for Jewish History through April 30. Its Jan. 27 opening marks International Holocaust Remembrance Day and the 80th anniversary of the liberation of Auschwitz.

The Anne Frank House, which attracts 1.2 million visitors annually and conceived the exhibition, has been touting its re-creation of the annex—with precise dimensions, but here confined to a single floor and no longer empty. Along with a black dress once owned by Auguste van Pels, a board game and a handful of other original artifacts, the rooms contain replicas of the annex furnishings: single beds, a kitchen table, pots and pans, Anne's magazine clippings, a fearsome-looking drill wielded by the resident dentist. Ambient sound clips feature excerpts from the diary.

The chronological exhibition narrative starts with the prosperous Frank family's life in Germany, details the mounting Nazi persecutions of the Jews in their adopted homeland of the Netherlands, widens its lens to the horrors of the Holocaust, and ends with the postwar journeys of both Otto Frank and Anne's diary.

The re-created annex, the show's centerpiece, should also be its emotional heart. Instead, it exemplifies the exhibition's shortcomings.

While mostly eschewing texts in favor of audio and visual storytelling, exhibits are crammed into too small a space. In the annex, the sound bleeds between rooms, making the aural component of the display all but impossible to understand. That is disappointing, especially considering the expressed desire of the Anne Frank House to reach new generations of schoolchildren.

An examination of the tightening vise in which Jews in the Netherlands—whether German-Jewish refugees like the Franks or longtime residents—found themselves is hampered, again, by storytelling problems. Visitors are bombarded on three sides of a modest-sized room by photographs and films explained by a narrator. At appropriate points, a model of the annex and vitrines with correspondence related to the Frank family's U.S. immigration attempts and other artifacts are briefly illuminated—but behind viewers, so easy to miss.

A 45-minute audio tour works better. And offsetting the show's modest annoyances is the rare chance to see more than 100 items, some never before displayed, that embody the story of Anne Frank and her family.

In general, the occupying German forces and their collaborators confiscated the furniture of deported Jews. Nevertheless, some family possessions survive and are exhibited here: a lovely walnut writing desk used by Otto Frank, table linens with family initials, colorful crockery, a precious photo album.

In a remarkable film of a recently married couple, we briefly glimpse a vivacious Anne, not yet confined to the annex, regarding the pair from a balcony. Nearby is poetry written in Anne's hand, as well as postcards from Anne and her sister, Margot, to a neighbor in their former hometown of Frankfurt.

A kindergarten photograph shows an earnest-looking Anne, near the center of the classroom and already radiating an unmistakable charisma. After the exhibition's stark presentation on Jewish ghettos, Nazi killing squads and concentration camps, the class photo reappears. Only this time, as we hear the names of those children killed in the Holocaust, their images, too, are blacked out, Anne's among them.

Otto Frank's story is particularly powerful, perhaps because it is less well known. From Auschwitz, where he was liberated in January 1945, Frank retained a small pouch that held all his belongings, a ration card permitting him to obtain tobacco in a prisoners' canteen—and hope that the rest of his family might somehow be alive.

Frank learned first of his wife Edith's death at Auschwitz, and only later that Anne and Margot had died of typhus in the Bergen-Belsen concentration camp. A warm letter to Fritz Pfeffer's son, Werner, written in Frank's impeccable English, expresses optimism that Pfeffer had survived—another hope eventually dashed.

In a film clip, Miep Gies, one of the family's Dutch helpers and a lifelong friend of Otto Frank's, recollects trying to comfort him by handing over the writings she salvaged from the annex after the Nazi raid. "This is your daughter Anne's legacy," she remembers telling him.

The exhibition concludes by chronicling the diary's burgeoning popularity. The path to U.S. publication, by Doubleday in 1952, was not a smooth one. One ironic artifact is a letter to a friend of Otto Frank's from an unnamed Viking editor—the signature is illegible—rejecting the manuscript.

The editor professes to find Anne's writing "genuine and spontaneous," but describes reviews of the 1947 Dutch edition as "over-ecstatic." And he (or perhaps she) concludes that the diary, which has since sold more than 30 million copies in 79 languages, would not be profitable to publish in the U.S.—surely an editorial blunder for the ages.

Anne Frank the Exhibition
Center for Jewish History, through April 30

Ms. Klein is a cultural reporter and critic in Philadelphia.

Reconstruction of Anne's room and writing desk, above; an album with one of her poems, left.

Reconstruction of the Van Pels room; the show is organized by the Anne Frank House.

FROM TOP: JOHN HALPERIN; ANNE FRANK HOUSE; JOHN HALPERIN

ARCHITECTURE REVIEW

A History Museum's Western Essence

By Michael J. Lewis

Jackson, Wyo.

In Jackson, as the joke would have it, it is either *go, go, go* or *slow, slow, slow*. It comes alive twice a year—in winter as a ski resort, in summer as the portal to Grand Teton National Park—and in between it slumbers, this town of some 11,000 permanent residents at the far western edge of Wyoming.

History Jackson Hole (Jackson Hole referring to the entire valley) was idling at *slow, slow, slow* speed when Morgan Jaouen became executive director in 2017. Without a fixed home, it dispersed its collections across the town in three rented buildings. But when it lost the lease to one of them, Ms. Jaouen was forced into action. She unexpectedly found herself in the position of having to buy a lot, engage an architect, and raise $17 million to give the organization its first purpose-built museum. It opened last summer as the Jackson Hole History Museum, a small building that offers big lessons.

Jackson Hole has seen human activity since the glaciers receded 12,000 years ago—receded, not vanished, as a glance at the Grand Tetons shows. The landscape speaks of hardship, and the objects in the museum collection depict the various ways people have found to eke out a living. Folsom points and obsidian arrowheads speak of the millennia when hunting elk, bison and bighorn sheep was the mainstay. Farming tools record the struggle of early homesteaders to practice agriculture in a place where the growing season is only three months long. Tourism revealed another way of exploiting the environment, as we see in the apparel, firearms and other relics of the dude-ranch craze of the 1920s. But an antique howitzer whose discharge was used to trigger avalanches warns us that nature is still a fickle and chancy affair here. All this is detailed in the museum's 7,000 objects and 19,000 photographs, most of them from private donations.

> The building elegantly evokes the place's past and nature's prominence.

To build a home for those and other items, the institution chose HGA, a Minneapolis-based firm of architects, working in conjunction with Prospect Studio, a local firm. The site they had to work with was tight—just 100 by 100 feet—but came with several advantages. It stood on a prominent corner, just one block away from the town square (an unusual feature of Jackson, most western towns lacking one). And it was backed by a pleasant public park to the north, newly created by the Jackson Hole Land Trust, which ensured that the museum would always be freestanding on at least three sides.

But there were constraints. That same trust, which had helped the museum acquire the site, imposed certain conditions. The museum could not be large—only 10,000 feet of square footage could be built above ground—and three handsome but elderly cottonwood trees across the front of the site could not be touched, which meant that the building could not directly abut the street, as almost all Jackson buildings do. The most daunting constraint came from the town itself, whose design guidelines for new buildings mandated what they called "Western character."

This suggested a two-story wooden building with a flat roof and a covered wood sidewalk to protect against snow, a design typical in Jackson that, like all vernacular architecture, gives a distinctive sense of place. But the architects of HGA wanted to evoke culture, not commerce, which a boxy storefront building implies. They broke up the museum into two volumes. Holding the corner is a two-story wing that contains the gift shop, classroom, offices and small gallery for temporary exhibitions. Adjoining this is a one-story wing that houses the main exhibition space, which is surmounted by a roof terrace and stately trellis for outdoor events. What could easily have been an introverted box of a building instead opens itself up to the town with an openhanded gesture of welcome.

Civic buildings do not typically speak of nature, but in Jackson Hole one must. The siding, made of Alaskan yellow cedar, reminds us that wood is the elemental material of construction here. The earliest homesteaders built log cabins, and the museum owns two of them. One dates from 1898, a rare surviving example with v-notched joints, and the other is a surprisingly convincing recreation, made for the 1953 film "Shane." These are tucked to the rear and form a graceful segue to the park.

The museum's exterior siding is vertical and tightly fitted, its boards varying irregularly, and agreeably, in width. Oiled rather than painted, they will turn silvery in tone. The woodwork within, including solid timber columns, is of local Douglas fir. The wood is band-sawn to highlight its texture, with the goal, as Ms. Jaouen told me, of giving it "a more rustic aesthetic."

In refining the character of the museum, Ms. Jaouen consulted more than 20 community groups, including representatives of the Eastern Shoshone and Shoshone-Bannock tribes. The most visible mark of her outreach is the mural by artist Nanibah Chacon on the west facade. Painted in bright acrylic on an aluminum panel, it is titled "Damma Newadaygwap Gay Nasoowazeet"—in Shoshone, "never forget our language."

I must confess that when I first learned that the Jackson Hole History Museum was built in "Western character," my heart sank. A museum about the history of a place should not defer so completely to its vernacular that it becomes invisible. But this building acknowledges the local character while standing apart from it—expressing it, clarifying it, making us see it vividly. It succeeds because it gives us a distilled and heightened expression of this most quintessentially American of towns.

Mr. Lewis teaches architectural history at Williams and reviews architecture for the Journal.

The Jackson Hole History Museum, designed by HGA and Prospect Studio.

HISTORY JACKSON HOLE

SPORTS

The Eagles' Plan to End a Dynasty

A Super Bowl between Philadelphia and defending champion Kansas City is a matchup of complete opposites

On the night before the Philadelphia Eagles booked their spot in this season's Super Bowl, head coach Nick Sirriani played his team a clip of quarterback Jalen Hurts talking inside his own locker-room.

By Joshua Robinson in Philadelphia and Andrew Beaton in Kansas City, Mo.

He was hammering home an essential point. The Eagles didn't need to be the most entertaining team in the league. All that mattered was that they somehow came out ahead.

"I don't play the game for stats. I don't play the game for numbers," Hurts said on Sunday, after taking down the Washington Commanders 55-23 in the NFC Championship. "I don't have any preconceived notions on how it has to look."

At times, that has meant grinding out results with an offense that scored fewer regular-season touchdowns than three-quarters of the league. At others, such as Sunday, that approach translated into an offensive explosion that led to seven rushing touchdowns and the highest ever scoring output in a conference championship game.

Either way, it has carried the Eagles to a Super Bowl matchup with the Kansas City Chiefs, who beat the Buffalo Bills 32-29 in an AFC Championship thriller as they seek to win their third consecutive title. They will now meet on Feb. 9 in New Orleans, two years after Kansas City hit a field goal in the dying seconds to sink Philadelphia.

On paper, these two teams with a combined 29 regular-season victories meeting once again could hardly look more different than one another. But together, they embody the two clearest paths to winning football games in the modern NFL: controlling the line of scrimmage or having the best quarterback. And that makes this Super Bowl a test of an old-age philosophy against the new-school belief where so much of a team's success runs through one person—the quarterback.

Saquon Barkley, above, leads the Eagles ground attack. The Chiefs' Xavier Worthy, below, scores a touchdown.

FROM TOP: DERIK HAMILTON/AP; ASHLEY LANDIS/AP

"The beautiful thing about this sport, about this team," Hurts said, "is finding ways to win."

This time of year, the brain trusts of the 30 NFL franchises whose seasons are done carefully analyze the two remaining teams to understand how they're still standing.

For the Chiefs, the answer has long been obvious—with Patrick Mahomes, they have a quarterback who could retire in his 20s and still be a guaranteed Hall of Famer. He only added to that résumé on Sunday night when he threw for a touchdown, ran for two more and sealed the game with one final completion that allowed Kansas City to run out the clock.

The Eagles, who don't have the luxury of having one of the greatest quarterbacks of all time on their roster, have had to be a little more creative. Last offseason, they made a bet on a running back they had seen up close, in their own division, and handed him more money than they'd ever paid anyone to play that position.

They signed former New York Giant Saquon Barkley, installed him behind one of the best offensive lines in the league, and waited for him to explode.

Barkley repaid their faith with over 2,000 rushing yards in the regular season and five touchdowns over his past two playoff games.

The most jaw-dropping came Sunday on the Eagles' very first play from scrimmage. Starting on Philadelphia's 40-yard line, Barkley took the handoff from Hurts, ran left and shook off two tackles before barreling to the end zone. The Commanders never had the lead again.

"When you have two-six running behind you, you never know," offensive tackle Jordan Mailata said, using Barkley's number. "That could be a house call."

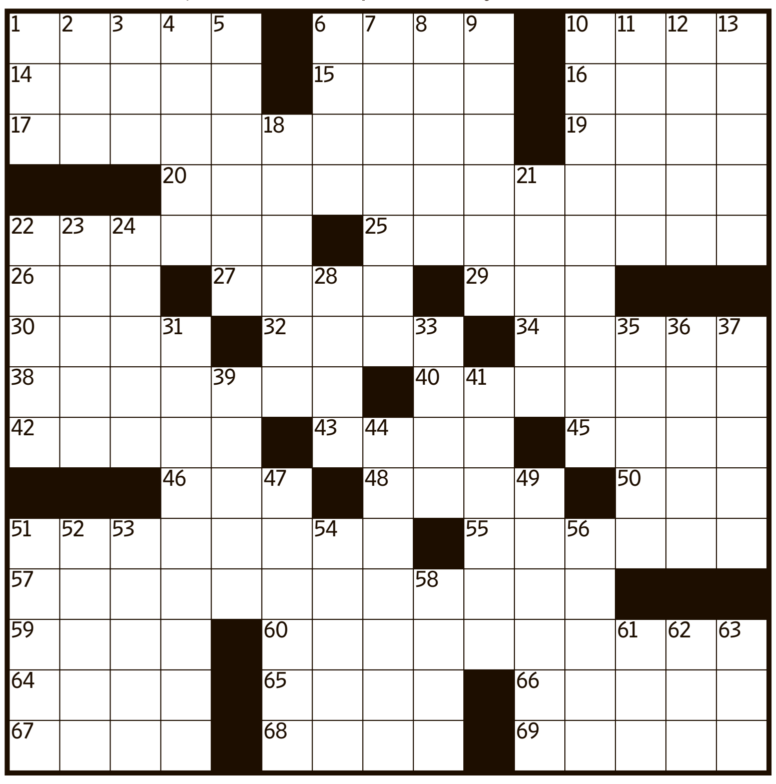
On both sides of the ball, the Eagles have been built through the trenches and that means they can control every single play before a skill-position player even touches the ball. On defense, tackle Jalen Carter can wreck any play through the interior. And on offense, they boast an immovable line that pushes Hurts on his trademark quarterback sneaks and creates wide-open spaces for Barkley to operate.

It's an old-school formula, but it isn't the one that has underpinned the Chiefs' dynasty. For as long as Mahomes has been the team's quarterback, the Chiefs have never fallen short of the AFC Championship Game for the simple reason that one of the best passers in the game's history calls Kansas City his home.

Yet what the Chiefs have also shown this year is that they can still be the best team in the sport even when their Mahomes-led offense doesn't reach its usual levels. In fact, when they beat the Bills on Sunday, Kansas City moved to an astonishing 12-0 in one-score games this season, now giving the team 17 in a row.

It hasn't been the most glamorous way of pulling out victories, but there's one other group of players that knows it isn't about winning pretty. They happen to be the Eagles.

The WSJ Daily Crossword | Edited by Mike Shenk



ANY WAY YOU SLICE IT | By Lee Taylor

Across

1 Chart in a business presentation
6 Med. sch. subject
10 Dench of "Shakespeare in Love"
14 Pacific island nation that hosted two seasons of "Survivor"
15 Paris's ___ d'Orsay
16 Have ___ (know someone)
17 Cheesy Vatican sentinels?
19 Country south of Libya
20 Cheesy swimwear?
22 Citrus fruit similar to a grapefruit
25 Hummus legume
26 Historic stretch
27 End for major or bachelor
29 Light metal
30 Crash-investigating agcy.
32 "Behold!"
34 Key fruits?
38 Permissive parent, perhaps
40 "Goldfinger" or "The Bourne Identity," e.g.
42 World-weariness
43 Practice for a boxing match
45 One of the Great Lakes
46 Chicago trains
48 Big galoots
50 JFK posting
51 Absent for eons
55 Construction vehicle
57 Cheesy doll line?
59 Singer Bareilles
60 Cheesy hair conditioner?
64 They're not Dems. or Reps.
65 Crafts website
66 Woodwind family members
67 Hershey's treat
68 Romantic flower
69 Merlot, Madeira and Marsala

Down

1 Rte.-finding technology
2 Like sashimi
3 Comedian Wong
4 Not in anymore
5 Get moving
6 Here, in Spain
7 Characterized by subtle shades of meaning
8 Cry of exasperation
9 Tasty morsel
10 Cheesy weapon?
11 Dorky
12 Keaton of "Annie Hall"
13 World's most populous nation
18 Small cave
21 With no trace of compassion
22 Division of the British pound
23 WWE champion Randy
24 Builder of stone walls
28 Highland caps
31 Cheesy music genre?
33 "Make it snappy!" letters
35 Bogged down
36 High society
37 Nasty campaign tactic
39 Pop music's ___ Vanilli
41 Early tourney match, for short
44 Glib quality
47 World Cup sport
49 Grief
51 Corrective eye surgery
52 Saudi's neighbor
53 Dorky folks
54 Renaissance painter Andrea del ___
56 Good excuse, in court
58 "I Heard It Through the Grapevine" singer Marvin
61 Opposite of "oui"
62 Catch sight of
63 Serpentine shape

Previous Puzzle's Solution

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

The contest answer is **SHORT**. Take the short form of each theme answer's first name and the initial of the last name to form a word that fits another clue. For example, TOM B. at 17-Across could answer "Cemetery feature" [ROAD] at 33-Across as TOMB. Similarly, CALC works for TRIG, BENZ for OPEL, ABEL for HAM and ROBE for SKIRT. The first letters of those answers, in the order of the parenthetical numbers in the theme clues, spell the contest answer.

▶ Solve this puzzle online and discuss it at **WSJ.com/Puzzles.**

Jannik Sinner, Madison Keys Win Australian Open Titles

By Joshua Robinson

Ever since Jannik Sinner emerged as a dominant force in men's tennis last year, the rest of the game's elite has quickly come to the same realization.

You can feel like you're doing everything right against him, keeping things close. You may even convince yourself that you've got Sinner worried. But before you know it, the match that once seemed on a knife edge is actually running away from you.

That's exactly what Alexander Zverev learned the hard way in Sunday's Australian Open final. He pounded his serve, hit winners, and ran the world No. 1 all over the court. Yet after 2 hours and 42 minutes in the Melbourne heat, the only thing Zverev had to show for himself was a defeat in straight sets.

WILLIAM WEST/AFP/GETTY IMAGES

With clinical precision and unflappable calm, Jannik Sinner beat Alexander Zverev, 6-3, 7-6(4), 6-3, to claim his second consecutive Australian Open men's singles title.

With clinical precision and unflappable calm, Sinner had picked his game apart 6-3, 7-6(4), 6-3 to claim his second consecutive Australian Open and the third Grand Slam title of his young career. Over three sets of tennis, Sinner never even faced a break point.

Sinner, still only 23 years old, is now the first Italian to win three majors and sits third on the career list among active men. The only players ahead of him are 37-year-old Novak Djokovic, whose quest for a 25th major in Australia ended with an injury in the semifinals, and the 21-year-old Spaniard Carlos Alcaraz, who has four.

"You're the best player in the world by far," Zverev told Sinner on court. "I was hoping that I could be more competitive today, but you're just too good."

In any other year, Sinner's victory in the first major of 2025 would have gone down as an emphatic statement that he was the man to beat this season. But for all of his dominance in Melbourne, a cloud of uncertainty still hangs over him.

Last August, on the eve of the U.S. Open, the tennis world learned that Sinner had twice tested positive for trace amounts of a banned steroid in March 2024. An independent tribunal commissioned by the International Tennis Integrity Agency ruled that he "bore no fault or negligence" for it, accepting Sinner's argument that the substance had been transferred by a physio who had used it to treat a cut on his own finger.

But the World Anti-Doping Agency wasn't satisfied. The organization lodged an appeal to the Court of Arbitration for Sport and said it was seeking a one- to two-year ban for Sinner. CAS is due to hear the case in April, shortly before the French Open and Wimbledon.

In the meantime, one thing about Sinner is certain. His winning streak on Grand Slam hard courts is now 21 matches long. So whether or not he plays on clay or grass this season, one surface already belongs to him.

On the women's side on Saturday, Madison Keys secured her first major trophy by outslugging two-time defending champion and world No. 1 Aryna Sabalenka 6-3, 2-6, 7-5.

"I have wanted this for so long," Keys, who will turn 30 next month, said on court. "I have been in one other Grand Slam final—it didn't go my way—and I didn't know if I would be able to get back to this position."

But once she was there, Keys left no doubt that she belonged. She was up against the finest hard-court player on the planet and pounded groundstrokes back to her for over two hours. Keys matched Sabalenka's 29 winners, locked in her serve when it counted, and held her nerve through an impossibly tense third set inside Rod Laver Arena.

Keys had come into the final on an 11-match winning streak. That included a semifinal upset victory over No. 2 Iga Swiatek.

Keys broke Sabalenka's serve in the 12th game of the deciding set, closing out the championship with her 11th forehand winner of the day. Keys, the prodigy who'd never quite delivered and the veteran who had nearly quit, was now a Grand Slam champion.

"Last year was so tough," Keys said. "I didn't know if I was going to be able to do it again."

OPINION

Trump Tariffs Are a Wealth Killer

INSIDE VIEW
By Andy Kessler

"We will tariff and tax foreign countries to enrich our citizens," President Trump declared in his inauguration speech. Adam Smith is turning in his grave. Tariffs destroy wealth. No matter, Mr. Trump said he may slap 25% tariffs on Canada and Mexico starting Feb. 1 and 10% on China. An executive memorandum demanded his administration study trade deficits and tariffs. Here's a study guide:

In 1815, as the Napoleonic Wars ended and a fear of cheap grain imports arose, the landowner-protecting British Parliament passed the Corn Laws, imposing tariffs on foreign wheat and maize. This helped some farmers, but the Industrial Revolution was just starting, and workers who had flooded into cities faced shortages and high bread prices. There were many riots. Worse, reduced trade deprived the French and other countries of gold to pay for England's new industrial output. The laws were self-defeating, yet they weren't repealed until 1846.

Sound familiar? In a populist bid to protect our dwindling manufacturing workforce, economically clueless Trump whisperers push tariffs. A select few workers may be helped, but most Americans will be worse off—though I doubt we'll see riots protesting higher prices on made-in-China Gap clothes, Barbie dolls or Hush Puppies shoes. But new Trump tariffs will raise prices and restrict other countries from affording our high-margin exports—drugs, phones, planes and many software and artificial-intelligence services. That's dumb.

Why do presidents have the power to tariff anyway? Article I, Section 8 of the Constitution plainly states: "The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises. . . . To regulate Commerce with foreign Nations." In June 1930, Herbert Hoover signed the disastrous Smoot-Hawley Tariff Act, imposing almost 900 duties. After that mistake, in 1934 during the avoidable depression, Franklin D. Roosevelt signed the Reciprocal Trade Agreement Act, enabling presidents to negotiate trade agreements and apply tariffs themselves. FDR enabled DJT.

The General Agreement on Tariffs and Trade was created in 1947 and drove massive postwar trade and growth. But, worried about the Soviets, Congress passed the Trade Expansion Act of 1962 and specifically Section 232, which allowed presidents to restrict imports they deemed a threat to national security. Section 301 of the Trade Act of 1974 authorized presidents to impose tariffs on countries that violate agreements or burden U.S. commerce. The International Emergency Economic Powers Act 1977 allows presidents to regulate trade during national emergencies. Congress sure loves giving its power away. No wonder Mr. Trump has a crush on the word "tariff."

Notice how everything is now either a national-security concern or an emergency. Tariffs on Canadian bacon for national defense? A national emergency? Hardly. But par for the course—we've had sugar tariffs since 1789. And a 25% "chicken tax," a tariff on imported pickup trucks in retaliation for (long gone) European tariffs on American chicken.

Two centuries of experience proves the economic foolishness of taxing imports.

Is the U.S. playing chicken? Apologists try to rationalize tariffs as a negotiating tactic, violating the first rule of negotiating by even mentioning it. Tariffs are coming. Expect retaliation and inflation—precisely why tariffs don't work.

In 2022 there were around 278,000 steel- and iron-manufacturing jobs in the U.S., with an average salary of about $75,000. There are an estimated 12 million jobs in industries that use steel. Two million of those are intensive users of steel, more than 5% of their input. Tariffs might theoretically create 100,000 new steel jobs, at best, but they would raise prices and probably destroy a million other jobs. This is the opposite of "the revolution of common sense" Mr. Trump mentioned in his inaugural address.

A 2021 study by Oxford Economics and the U.S.-China Business Council showed the first-term Mr. Trump's tariffs and trade policies destroyed 245,000 jobs. The Tax Foundation estimates Trump-Biden tariffs reduced long-run gross domestic product by 0.2%—roughly $58 billion annually. On the flip side, the Peterson Institute for International Economics estimates that free trade since 1950 has cumulatively boosted the U.S. economy by $2.6 trillion, or $19,500 a household. Why go backward? Congress should reclaim its tariff power.

Instead, the backroom begging will start for tariff exemptions—machinery, certain pharmaceuticals, school pencils, cobalt for electric-car batteries, Nike Kobe 5 Protro "Year of the Mamba" sneakers—a lobbyist's paradise. Free trade, not politicians, is best at allocating resources. Protectionism and mercantilism in the form of tariffs and subsidies, like the British Corn Laws, are inefficient, unproductive, corruption-inducing and wealth-destroying. That won't make America great again.

Write to kessler@wsj.com.

Justin Trudeau Puts Canada on Ice

AMERICAS
By Mary Anastasia O'Grady

Both sides of the political aisle in Ottawa were relieved when Prime Minister Justin Trudeau finally resigned on Jan. 6. But the timing and the way he did it couldn't be worse for Canada. It's one of many reasons why Conservative Party leader Pierre Poilievre is the heavy favorite to win the next federal election.

Mr. Trudeau's decision to call it quits—but not to leave office immediately—puts the Canadian government under the command of a lame duck for the next few months. It's not a good look for Canada while Donald Trump is threatening to abrogate the U.S.-Mexico-Canada Agreement and put 25% tariffs on Canadian goods.

Canadians who complain that Mr. Trudeau's choices are always about his own interests seem vindicated. He's been losing altitude in polls for months. Had he asked the governor general to dissolve Parliament last year, he would have triggered the start of the federal election process and Canada probably would have a newly elected prime minister by now. But Mr. Trudeau's Liberal Party would almost certainly have lost. By choosing to wait and now to suspend Parliament instead, he's bought time for the party to find a new leader. But he's delayed the transition to a new government that the country urgently needs. With the legislature on ice until March 24, the federal election can't happen before May.

This is bad news for Canadians who want to avoid a trade war with the U.S. through negotiations. Mr. Trump wants Canada to spend more on its national defense and to do more to stop the flow of fentanyl and illegal migrants into the U.S. But Parliament can't act now, which means new spending can't be passed. Canada is paralyzed.

Looking on the bright side, Canadians are finally almost rid of Mr. Trudeau. Mr. Poilievre is waiting in the wings. He's a politically incorrect opponent of big government and wokeism and an advocate for growth. The Conservatives are the odds-on favorite to win a majority of seats in the next parliament, making the 45-year-old Alberta native, who represents an Ontario riding, the likely next prime minister.

Voters registered with the Liberal Party—who amazingly don't need to be citizens, only residents of Canada—will choose a new party leader on March 9. Among the front-runners is Chrystia Freeland, who until December was Mr. Trudeau's deputy prime minister and finance minister. Her legacy is out-of-control spending, a weak Canadian dollar and sluggish growth. Die-hard Liberals blame her December resignation for the pickle they're now in.

A mid-January poll suggests that former central banker Mark Carney is more popular among the party's voters. But it's hard to see how he could lead Liberals to victory in the general election. He calls himself an outsider because he has never been an elected member of Mr. Trudeau's government. But the green activist was a United Nations special climate envoy and is the founder of the Glasgow Financial Alliance for Net Zero. More recently he served as an adviser to Mr. Trudeau. His fingerprints are all over the moribund Canadian economy.

Conservative Pierre Poilievre has a plan for revival but needs an election first.

Many Canadians are tired of Mr. Trudeau's habit of handing down elite diktats and hammering cultural dissidents. Many more are fed up with getting poorer every year. In April Statistics Canada reported real gross domestic product per capita "has now declined in five of the past six quarters and is currently near levels observed in 2017." Tegan Hill and Joel Emes of Vancouver's Fraser Institute note that "business investment per worker in Canada (adjusted for inflation) declined by 20.0 percent" between 2014 and 2021. Over the same period "business investment per worker in the US (adjusted for inflation, in Canadian dollars) increased by 14.6 percent."

Mr. Poilievre thinks tax, regulation and energy policies are behind decisions by investors to steer clear of Canada. He wants entrepreneurs to push back—for once. In a May 2024 National Post op-ed he blasted big business for going along with the government's antidevelopment agenda. Mr. Trudeau, he wrote, "killed TransCanada's Energy East pipeline by changing the rules, adding delays and complicating the process." The prime minister also "killed the proposed $20-billion Teck Frontier Mine by signalling to the company that its application would likely be rejected at cabinet, despite it having the support of the affected First Nations and the independent environmental review body." He added: "In both cases, the companies' gutless executives agreed to take the fall."

Plenty can go wrong between now and election day. Mr. Poileivre's pit-bull style has risks. But as long as he campaigns on affordability, energy, rebuilding the military and reviving the economy, he's got the best chance of capturing the flag in Ottawa.

Write to O'Grady@wsj.com.

Worlds Collide on New York's Houston Street

By Bob Greene

New York

Sometimes a flash of our new way of living reveals itself through a glance across an otherwise unexceptional city street.

On a visit to Manhattan I was walking west on Houston Street and, on my left, saw the new Google office. Parent company Alphabet paid a reported $2.1 billion for St. John's Terminal, a massive 1930s railroad structure, and has renovated and expanded it into a glistening 12-story building that can accommodate 3,000 employees.

It's quite a sight. Outside, there are gardens and terraces; indoors, work areas called "neighborhoods" have supplanted traditional offices and desks. There's a rainwater-recycling system, auditoriums called The Garage and The Bandshell—Google seems to have spared no expense.

That's on the south side of Houston Street.

Directly across the street, on the north side, another construction project is under way. When completed it will encompass an entire city block. And surrounding it as I walked past—this is where the quiet clash of cultures comes in—was a green, wooden construction wall.

Google's new building is on one side, 'Post No Bills' on the other.

The wall bore the message: POST NO BILLS. Those words, in white paint and stencil font, appeared all around the emerging project.

"Post No Bills" signs have always been present as buildings go up for one reason: to inform would-be urban advertisers and promoters that this is private property, and that merchandisers aren't permitted to paste or nail advertising posters on the construction walls.

So on one side of Houston Street you have the palace of Google, a company that seamlessly analyzes its users' search-engine habits and delivers advertising messages straight into the heads of precisely those who may be most receptive to them.

And on the other side of the street, visible to the Google employees going to work each day, was that "Post No Bills" admonition on the construction-site walls. No advertising allowed here.

Google has amassed its power and influence dizzyingly quickly. Before 1998 it didn't exist. When it commenced business, its name reminded the oldest Americans of a popular early-20th-century song about a comic strip character, Barney Google ("with the Goo-Goo-Googly Eyes"). Few people understood what the new company with the funny name actually did. Today Google is so successful that, in the view of the Justice Department and a federal judge, it has a monopoly on the search-engine market and the "general search text ads market."

We live with feet in two worlds, all right. The old world of "Post No Bills" is one in which efforts have always been made to control where and when advertising can be displayed. The new world is one in which those thousands of employees on the south side of Houston Street help run the engine that relentlessly delivers ads every millisecond of every day to people around the globe.

And if you're curious about the project on the north side of Houston Street, you can Google it.

Mr. Greene's books include "American Beat."

BOOKSHELF | By Frank Rose

Against The Stream

Mood Machine

By Liz Pelly
Atria, 288 pages, $28.99

'Frictionless" is one of those tech-world ideals that sounds more promising than it actually is. What if you could press a button and get all the music in the world? And what if that music were somehow organized into playlists that seemed perfectly suited not only to your tastes but to your mood at the moment? No more having to buy, no more decisions to make, just a frictionless stream of sound at your fingertips, 24/7. How could this go wrong?

All too easily, it turns out.

In "Mood Machine," Liz Pelly details the many ways in which Spotify, the world's leading music-streaming service, has in less than two decades transformed music fandom, the music business and music itself. Founded in 2006 in Stockholm, at the time a hotbed of music piracy, Spotify would provide an alternative to illegal downloads. It was not the first such attempt, but earlier efforts gained little if any traction: Jean-Marie Messier, the architect of the conglomerate Vivendi Universal, fantasized about a streaming service a quarter-century ago. Other music-industry efforts came to grief over their insistence on tying up streams and downloads with nonsensical usage restrictions. The only clearly successful digital-music marketplace was Apple's iTunes, and it wouldn't offer streaming until some time after Spotify arrived in the U.S. Yet today, streaming is by far the most popular means of listening to recorded music, and Spotify—with a market capitalization that has more than doubled in the past year to approximately $100 billion, thanks in part to expectations that it may finally show a profit—is by far the most popular option.

Ms. Pelly looks at all this and asks: At what cost? She's been reporting on Spotify for years, mostly for an iconoclastic publication called the Baffler. She's an indie-music fan and no friend of what one ex-Spotify engineer she interviewed calls "brain-turned-off listening." Notwithstanding the undeniable convenience of streaming, Ms. Pelly lays out multiple downsides—for the fans, for the music scenes they're part of and especially for the musicians.

Take the ghost-artist phenomenon: anonymous musicians hired to write and record to order for a flat fee. Anything considered "chill" or "ambient" could get the treatment. The product is aural wallpaper, assembled in playlists that address a particular mental state—meditation, relaxation, even sleep. "Music just inoffensive enough to not get shut off," Ms. Pelly calls it. Within Spotify it is known as "perfect fit content," or PFC: mood-fitting music the company can stream on the cheap. Unsurprisingly, it tends to crowd out work by name musicians. Until it was fully reported on in an exposé by the Stockholm newspaper Dagens Nyheter, the program was so hush-hush that sometimes an elaborate identity would be invented for the nonexistent artists who supposedly created this stuff—bio, social-media accounts, personal website. Yet there's little to suggest that audiences notice or care. On the contrary: By the mid-2010s, Ms. Pelly reports, "sleep playlists were absolutely crushing it on Spotify."

Spotify's perfect playlists come at a hidden cost—for the fans, for the music scenes that form around bands and, especially, for the musicians.

As its playlists became increasingly dominated by music from content farms—low-wage operations producing dreck for somebody else's profit—these mood classifications turned into what Ms. Pelly calls "streambait," the aural equivalent of clickbait. It's a flawed analogy because clickbait is junk content nobody wants, while streambait actually fulfills a desire. But the distinction is telling. Spotify's actions aren't, for the most part, cynical attempts to sucker its audiences; they're attempts to play up to the audience and make more money doing so.

On its investor page, Spotify defines its mission as "to unlock the potential of human creativity" by enabling musicians to live off of their work and fans to be inspired by it. This doesn't exactly conform to the picture Ms. Pelly paints. Streaming, which is supposed to let music flow like water, turns out in the Spotify scheme of things to be boxed in by arbitrary or data-determined constraints. And so we have the sudden appearance of such previously unheard of microgenres as "solipsynthm," "braindance," "traprun" and "otacore," while actual microscenes like hyperpop (a niche sub-sub-branch of electronic dance music) are distorted beyond recognition by playlists that share the same name but little else. Yet every initiative the company takes—even its adoption of "Discovery Mode," a payola-like program to convince musicians to accept a 30% cut in royalties in exchange for placement on more playlists—is done with a rah-rah spirit that seems strangely inappropriate for the reality behind it.

So what's the alternative? Unionization? A more plausible option, at least for the kind of microscenes Ms. Pelly favors, might be the public library. She points to such examples as Iowa City's Local Music Project, which has the municipal library distributing music by area bands who get $100 upfront to participate. It's hard to imagine this working for Kanye West or Mariah Carey, but one of Ms. Pelly's complaints is against Spotify's one-size-fits-all business model.

Her biggest objection, however, is to Spotify's devaluation of music and, not coincidentally, musicians. She doesn't care if Spotify makes a profit; she cares whether music as a recognizably human-generated art form survives the algorithmic imperative.

Tension between art and commerce is hardly new. Spotify's most egregious transgressions—replacing genuine artists with musicians for hire, offering to promote an artist's work in exchange for lower royalties, an opaque payment setup that gives artists a fraction of a fraction of a penny when a song is streamed—are squarely in the music-industry tradition of shortchanging the people who make the whole thing possible. So is its cavalier disregard of the subcultures from which these people spring—an indifference that yields music the author describes as "homogenized." Yet Spotify has proved quite innovative at finding ways to update the industry's less savory traditions, and Ms. Pelly's meticulous documentation makes "Mood Machine" an important book. A little friction, it seems, can be good to hang on to.

Mr. Rose is the awards director at Columbia University's Digital Storytelling Lab and the author, most recently, of "The Sea We Swim In: How Stories Work in a Data-Driven World."

OPINION

REVIEW & OUTLOOK

Why RFK Jr. Is Dangerous

He advocates mass tort litigation that would ruin vaccine makers.

President Trump nominated Robert F. Kennedy Jr. as Health and Human Services secretary in return for his presidential endorsement. But Senate Republicans have an obligation to scrutinize his giant closet of business conflicts and dubious ideas.

Mr. Kennedy is scheduled to appear before the Senate Finance Committee on Wednesday. Expect him to obfuscate about his ties to trial lawyers, anti-vaccine views, and support for sundry progressive causes. While presenting himself as a truth-teller and slayer of government corruption, he's as slippery as Anthony Fauci.

* * *

Most troubling is his long record of anti-vaccine advocacy. In the past he has claimed that the measles vaccine causes autism despite reams of studies that have found no causative link, and that the polio vaccine might have killed many more than the actual virus. Deadly infectious diseases disappeared because of better hygiene, not vaccines, he asserts.

He has tried to soften his vaccine skepticism since being nominated, and he now says he won't take away anyone's vaccines. He says he merely wants to ensure that vaccines are safe and thoroughly studied—who doesn't?—and that Americans have access to more information. In Mr. Kennedy's case, this means opening the industry to lawsuits by the trial bar.

Mr. Kennedy's nomination disclosures show he's received millions of dollars from referring clients to Wisner Baum and Morgan & Morgan, law firms that have sued vaccine and drug makers. Wisner Baum spearheaded litigation against Merck over its Gardasil vaccine, which protects against the human papillomavirus—one of the biggest risk factors for cervical cancer.

Congress established the National Vaccine Injury Compensation Program in 1986 for children's vaccines because an avalanche of litigation was driving manufacturers from the market. The program allows patients who believe they've been harmed by vaccines to file claims with the government for compensation, which are adjudicated in special vaccine courts.

Why do vaccines receive more liability protection than medicines? For one, the population of potential plaintiffs is much larger for children's vaccines than for any other medical product. Juries are especially sympathetic when it comes to children, so the payouts and potential liability are also much larger.

If patients don't like the vaccine court judgment, they can still sue manufacturers in federal court. But they rarely do since the standard for proving claims is higher in federal court. But as HHS Secretary, Mr. Kennedy could take action to assist his trial-lawyer pals.

The HHS Secretary can add or remove vaccines from the compensation program, as well as specify injuries eligible for compensation. Removing vaccines from the program would open up manufacturers to mass torts based on weak evidence, including animal studies and scattered human cases that purport to link injuries to the shots.

Profit margins on vaccines are typically thin, especially for those off-patent. Companies facing enormous legal expenses and potential damages might stop making vaccines, which is what happened in the 1980s.

Making more injuries eligible for compensation despite lack of causative evidence—e.g., autism for measles—would also invite more claims. This could bankrupt the program, which is funded by an excise tax on vaccines. That means Congress would have to increase the excise tax, which is paid by consumers, or backfill the compensation fund.

Another danger is that Mr. Kennedy could turn over vaccine proprietary data in Food and Drug Administration filings to trial lawyers posing as vaccine safety advocates. Lawyers could use this information to claim that vaccine makers concealed evidence of side effects—as plaintiffs do in the Gardasil lawsuits—even if the FDA concluded they weren't caused by the vaccine.

It's true that some rare vaccine side effects come to light after approval. The FDA recently added Guillain-Barré Syndrome as a potential side effect of RSV vaccines—with an increased incidence of roughly 1 in 130,000. The Trump HHS could build a better system, perhaps with private health groups like the Mayo Clinic, to monitor potential safety risks.

But Mr. Kennedy's intimation that vaccines haven't been thoroughly studied and that the FDA is concealing safety information to protect manufacturers is false. Developers would have to enroll millions of patients in trials to identify very rare side effects, which would be impossible. The FDA recently halted enrollment in several infant RSV trials after Moderna found that babies who received its experimental jab became sicker than those with the placebo. This shows safety monitoring is working.

* * *

The risk is high that Mr. Kennedy will use his power and pulpit at HHS to enrich his trial-lawyer friends at the expense of public health and medical innovation. It's telling that Mr. Kennedy hasn't agreed to stop taking payments from these allies in the Gardasil lawsuit. Senators would be wise to believe RFK Jr.'s career of spreading falsehoods rather than his confirmation conversions.

The CIA Wakes Up About Covid's Origin

New director Ratcliffe releases a judgment Biden had kept secret.

It took five years, but the Central Intelligence Agency has finally come around to thinking the likeliest source of the Covid-19 virus was a lab in Wuhan, China. That was the news this weekend after new CIA director John Ratcliffe released an agency assessment that the Biden Administration had declined to make public.

"I had the opportunity on my first day to make public an assessment that actually took place in the Biden Administration. So it can't be accused of being political," Mr. Ratcliffe told Fox News. He said the CIA "has assessed that the most likely cause of this pandemic that has wrought so much devastation around the world was because of a lab-related incident in Wuhan. And so we will continue to investigate that moving forward.''

The agency has "low confidence" in its judgment, but that's still a switch from its previous belief that Covid likely had natural causes. The Wuhan Institute of Virology origin was always the Occam's razor explanation given that the virus first appeared in, well, Wuhan.

The Federal Bureau of Investigation had long ago judged the lab to be the likeliest source. Other investigators, notably journalist Matt Ridley, have painstakingly marshaled the evidence and come to a similar conclusion.

This is also continuing vindication for the likes of Arkansas Sen. Tom Cotton, who raised the lab possibility in these pages early in 2020. The U.S. intelligence and healthcare bureaucracies resisted that conclusion, perhaps in part because U.S. grants may have financed the "gain of function" research that allowed the virus to jump to human hosts.

One benefit of the recent change in U.S. government control is that Trump officials, such as Mr. Ratcliffe, may be able to restore public trust by being more transparent about controversial intelligence findings or facts that the Biden Administration wanted to stay secret.

The CIA switcheroo shouldn't dictate President Trump's China policy, but it does give Americans one more reason not to rely on Chinese assurances about anything the U.S. can't persuasively prove itself.

Lumber Tariffs and Disaster Recovery

Border taxes on imports from Canada will slow rebuilding in L.A.

President Trump on Friday promised to help North Carolina and California rebuild faster. One way to do it would be to drop his threat to impose 25% tariffs on Mexico and Canada that would make disaster recovery slower and more expensive.

The President reiterated his tariff threat in video remarks to the World Economic Forum on Thursday. "We don't need [Canada] to make our cars. We make a lot of them. We don't need their lumber because we have our own forests," he said. "We don't need their oil and gas, we have more than anybody."

Mr. Trump is wrong on all three, but we'll focus on lumber. The U.S. doesn't produce enough lumber to meet domestic demand and thus imports about a third of the softwood used in home construction, mostly from Canada. Environmental policies restrict logging on public land in the American Northwest. Timber production has shifted to private land in the Southeast, but those forests must be managed so they aren't overlogged.

American lumber companies say Canada unfairly subsidizes its producers by charging low royalties on timber harvested from government land. Mr. Trump responded in his first term by slapping tariffs on Canadian lumber, which Mr. Biden continued.

Lumber prices are up about 35% from five years ago, which has contributed to higher building costs. As the National Association of Home Builders notes, "the lumber tariffs act as a tax on American builders, home buyers and consumers." Mr. Trump's 25% across-the-board tariff would raise the current 14.54% tariff rate to nearly 40%.

Mr. Trump's tariff threat has created uncertainty for lumber wholesalers and contractors that could delay rebuilding. The U.S. can't ramp up lumber production in the near term to meet domestic demand, so contractors will have to eat the tariff cost on lumber from Canada or import more from other countries, which would be expensive.

If Mr. Trump wants to increase U.S. lumber production, he could open up more federal land for logging as he sought to do in his first term. Timber sales from U.S. Forest Service land increased 7% from 2016 to 2020 but fell 6% from 2020 to 2023. More tariffs will punish Americans trying to rebuild.

LETTERS TO THE EDITOR

Trump Isn't King, and Congress Isn't Coequal

It is common today to think of our branches of government as coequal, as Daniel Henninger writes in his column "Trump's Imperial Presidency?" (Wonder Land, Jan. 23). But this is incorrect. The Founders would say our branches are coordinate, that each has its own role. The government must write the law before it can enforce or interpret it, meaning that Congress is the central branch of our system.

Our system of checks and balances doesn't equalize the branches, for Congress still wields substantial power over the other branches. Congress can design the courts and executive departments and even remove the president. Yet the president and the courts can't interfere with Congress and must faithfully execute and interpret its laws.

Unfortunately, our government today bears little resemblance to this constitutional vision. It is, as Mr. Henninger writes, closer to an imperium, with the president as elected emperor. The blame for this situation belongs to Congress, which has over the last century ceded de facto lawmaking powers to the executive branch and its legions of unelected bureaucrats. This violates an essential maxim of our constitutional order: that the preservation of liberty requires that the executive, legislative and judicial powers mostly be kept separate.

The imperial presidency also challenges the idea that our government is a republic. It isn't enough for everybody to get a vote. In a republic, all voices must be heard, and public policy must meaningfully incorporate the views of a broad cross-section of society. The president, as one man, can't reflect the vast diversity of our nation. Only Congress can.

Perhaps congressional dysfunction isn't a consequence of our civic malady but its cause. By divesting itself of power, Congress has robbed the people of meaningful input into the rules that govern them. If some wish to "Make America Great Again," as President Trump and his supporters proclaim, the executive should return to Congress the powers that, under the Constitution, it never should have had in the first place.

Jay Cost
American Enterprise Institute
Pittsburgh

As I read Mr. Henninger's column, I was reminded that the nation President Trump inherits in 2025 is very different from that of 2017. Much can be attributed to Biden administration miscues. Afghanistan, Ukraine, Gaza, cartels running the southern border. The list goes on. Great evil is afoot in the world and the Trump administration appears to be serious about confronting it.

The president should, however, recall Friedrich Nietzsche's warning: "Whoever fights monsters should see to it that in the process he does not become a monster."

Jim Wood
Jensen Beach, Fla.

Conservatives Have No Interest in Censorship

Donald Trump's re-election means conservatives will no longer need to walk on egg shells when speaking in public forums ("Cancel Culture Gets Canceled" by Joshua Chaffin, Review, Jan. 18). The progressive pendulum swing to cancel culture and censorship wasn't confined to a small cadre of far-left flakes. Mainstream Democrats piled on too. Academia, news media, Hollywood and administrators in federal agencies will temper any conservative version of cancel culture or infringement of speech.

Conservatives generally want to be left alone by progressive enforcers of speech. Few on the right are looking to wield institutional weapons that would force the left to self-censor. For progressives who fear that they will have to shut up about pronouns, harassment, climate change or diversity, equity and inclusion, it is a safe bet that conservatives won't force adoption of a uniformity, inequity and exclusion agenda. There won't be a Disinformation Governance Bureau to police speech. We can share facts or lies without threat of excommunication and trust Americans to sort out the rubbish as best they can.

P.D. Grant
Palm Coast, Fla.

Mr. Chaffin cites "critics" of our colleague Christopher Rufo, who claim that eliminating DEI bureaucracies is about curtailing discussions of race. This is a serious distortion. Our reforms aim to restore intellectual diversity and color-blind equality by addressing the administrative bloat in DEI offices that mandate ideologically tinged diversity training and stifle debate. By ending practices such as identity-based discrimination and compulsory, politically coercive diversity statements, they protect the rights of professors and students to engage freely on all topics, including race, while ensuring that universities uphold their missions as places of open inquiry.

Ilya Shapiro and Jesse Arm
Manhattan Institute
Falls Church, Va., and New York

Is Doctor HAL 9000 Treating Your Children?

Although some families may have had positive experiences using artificial-intelligence-generated mental-health chatbots for their teens ("A Mental-Health Chatbot Becomes Children's Confidant," Personal Journal, Jan. 14), these tools come with significant risks in the current unregulated AI landscape.

Many of these technologies are available to the public without critical safeguards, adequate transparency or the warning and reporting mechanisms necessary to ensure appropriate use and access. They also need to be based on peer-reviewed empirical research. This lack of safeguards can cause real harm, especially to teens.

Unlike licensed therapists, "AI companion" chatbots aren't subject to HIPAA compliance, ethical standards or state licensing laws—all of which are designed to protect consumers and ensure quality care. They also aren't subject to Food and Drug Administration oversight.

This raises serious concerns. Last month the American Psychological Association called on the Federal Trade Commission to investigate the prevalence and effect of AI companion chatbots that misleadingly present themselves as trained mental-health providers. Until stronger regulations are in place, users, especially parents and caregivers, should approach these tools with caution.

Arthur C. Evans, Jr., Ph.D.
American Psychological Association
Washington

Two Remedies for Higher Education's Rehabilitation

William Galston is correct: Higher education is in a tight spot ("Higher Education Is in Trouble," Politics & Ideas, Dec. 18). Belief in its effectiveness is declining. More and more people believe its costs outweigh its benefits. The widespread adoption of policies expected to have positive effects has, instead, been negative.

One example is encouraging students to rate their professors. Instead of helping faculty become better teachers, its strongest effect has been grade inflation. Concerned that negative ratings could harm their careers, teachers gave more As and Bs than they did in the past.

Increased reliance on temporary, part-time instructors is also an unfortunate change. As their numbers increase, and faculty who leave or retire aren't replaced, the volume of faculty research decreases.

My career in higher education tells me that unless such policies are reformed, it will be difficult for higher education to regain the golden halo it once possessed.

Robert A. Baron
Edmond, Okla.

A Welcome Limit on Lattes

Readers have discussed "Why Does Washington Hold So Much Land?" (Letters, Jan. 7). In principle I am opposed to our government owning such a large portfolio. In practice, I am grateful I can't sit on the outdoor deck of a Starbucks with my latte to watch Old Faithful spout.

Rev. John A. Valencheck
Akron, Ohio

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Pepper ... And Salt

THE WALL STREET JOURNAL

"The endless plankton sounds interesting."

How DEI Conquered the University of Colorado

By John Sailer
And Louis Galarowicz

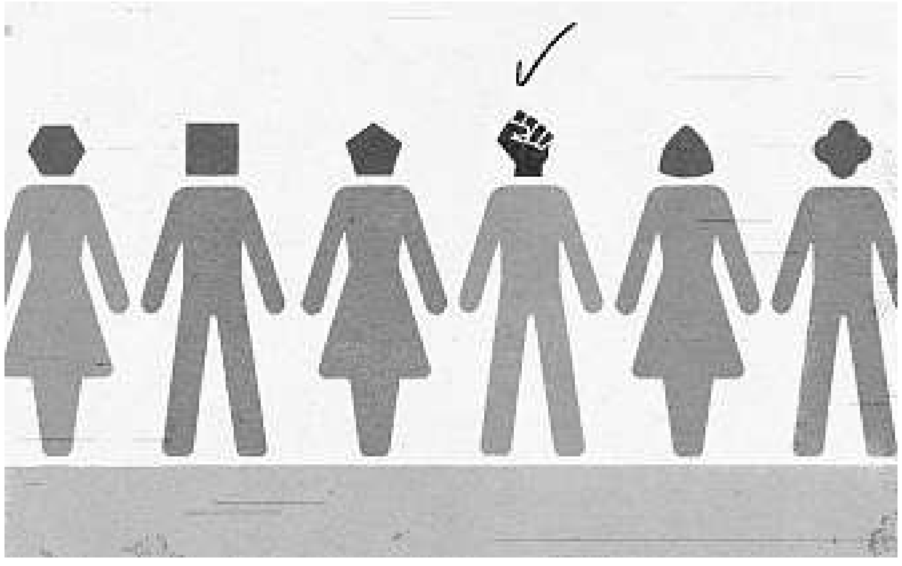
President Trump's executive order "Ending Illegal Discrimination and Restoring Merit-Based Opportunity" reaffirms what has been true since the Civil Rights Act of 1964: Discrimination in hiring isn't allowed. The order will deter universities from violating the law. Its ripple effects could also help reverse a related trend: ideological discrimination, which has reshaped the very meaning of higher education.

Trump's order against the practice is a crucial step in restoring the purpose of higher education.

At the University of Colorado, Boulder, administrators, department heads and professors worked in tandem to advance racial preferences in hiring, documents acquired through a public-records request reveal. In the process, they recruited faculty who pushed the university's research agenda in a more ideological direction, often with the aim of better recruiting minorities.

In a hiring proposal that the National Association of Scholars acquired, faculty and staff of the university's program for writing and rhetoric argued that recruiting a "BIPOC" professor—the acronym stands for "black, indigenous and people of color"—was vital to the department's "curricular and programmatic goals." Faculty at the department of Germanic and Slavic languages and literatures, proposing to hire a German-studies professor, touted the racial diversity of the department's preferred candidate and explained how she could revise courses on fairy tales, folklore, and fantasy to incorporate "critical race studies perspectives."

Both of these scholars, and many more, were hired through the university's Faculty Diversity Action Plan, a special funding program for diversity-focused faculty hiring, which ran until 2023, when it was restructured and renamed. Created in 2020, the program played a significant role in dictating whom the university hired. In a 2022 faculty meeting, the dean of the College of Arts and Sciences was asked how many professors were hired through the program since it began. He estimated that around 90% were either hired through the program or were spousal hires.


RICHARD MIA

The records acquired—the Faculty Diversity Action Plan proposals that resulted in successful hires—reveal the ambition of the diversity, equity and inclusion movement. Through the program, the university brazenly prompted departments to select faculty based on race. In many cases, this went hand in hand with a declared preference for hiring scholar-activists.

One version of the application form, which was used in dozens of the hiring plans, asks departments: "How will this hire increase the number of underrepresented faculty members in the unit (e.g., US Faculty of Color, women in disciplines where underrepresented)?"

The university's framing should have immediately raised legal red flags. Long before *Students for Fair Admissions v. Harvard* (2023), Title VII of the Civil Rights Act of 1964 banned race-based discrimination, which President Trump's executive order reaffirms. Consultants often remind universities that they can't base hiring decisions on race.

Yet, competing for the funds to bring in new faculty, academic departments happily followed administrators' prompting and boasted about their intent to discriminate. "Our commitment, should we be successful with this application, is to hire someone from the BIPOC community," wrote faculty and staff at the journalism department. "Our aim is specifically to hire a Black, Indigenous, or Latinx faculty member," wrote faculty at the geography department.

The program ram-rodded its diversity priorities at an impressive scale. Several plans proposed not only single hires but the hiring of multiple professors at once. "This cluster hire," faculty and staff at the college of engineering and applied science wrote, "has the goal of doubling our underrepresented faculty in the college." Another cluster hire, faculty at the information science department noted, "emphasizes hiring Black, Indigenous, Asian American, Latinx, and Pacific Islander faculty." Faculty at the department of ethnic studies wrote: "We have an urgent and qualified need for BIPOC femme/women of color faculty in an Africana Studies focus who will contribute to the social science division thematic cluster hire in racism and racial inequality."

The proposals are remarkable for their candor. It's also absurd that while referring to the specter of systemic racism, they propose systemic discrimination.

CU Boulder provides a glimpse of the aftereffects of such schemes. These sweeping initiatives of social-justice bureaucracies won't be easily dismantled, as they've led to ideological capture by recruiting faculty who view their scholarship as an extension of a political agenda.

The records show how departments used ideological affinity as a tool to recruit minorities. Faculty and staff at the writing and rhetoric program noted that "another BIPOC TT hire"—TT meaning tenure track—"is critical to meet our curricular and programmatic goals." They thus proposed hiring a scholar specializing in "critical approaches to race, ethnicity, culture, embodiment, and/or decolonialism," arguing that such a search "is likely to draw interest from a large pool of diverse scholars."

At times, departments explicitly sought activists. The education school proposed hiring a scholar with expertise in "anti-racist teacher education" and who is "embedded in local communities and activist movements." One proposal touted a proposed hire for having scholarship "anchored in activist communities" that embrace the "visions of Black feminists like Angela Davis and Ruth Wilson Gilmore." Ms. Davis is a two-time vice-presidential nominee of the Communist Party USA. She and Ms. Gilmore have both called for the abolition of prisons.

These hiring practices don't merely impede viewpoint diversity. They elevate a tendentious worldview that puts racial identity at the center of everything. Faculty at the school's Germanic and Slavic languages and literature department noted how the department's preferred candidate would "transform" the department's "research and teaching profile." As an example, the proposal pointed to the scholar's "timely perspectives" on the "premodern imaginations of white supremacy" and how literature has been "appropriated to undergird white supremacist fantasies in more recent times."

With public approval for higher education at a low point, the Trump administration rightly perceives a mandate for reform. Hiring practices at CU Boulder illustrate the extent of the problem, which begins with racial discrimination and extends to ideological discrimination. To undo the damage will be a monumental task, and an end to race-based hiring is the necessary first step. The sign of true success will be when universities empower scholars who understand the true purpose of higher education: the pursuit of truth.

Mr. Sailer is a senior fellow and director of higher education policy at the Manhattan Institute. Mr. Galarowicz is a research fellow at the National Association of Scholars.

Trump 47 Brings a Long Awaited Spring for Businesses

LIFE SCIENCE
By Allysia Finley

Despite last week's Arctic blast, a buoyancy filled the air as if spring had arrived after a four-year freeze. U.S. businesses have emerged from a great depression. They are excited to invest and see better days ahead.

At the World Economic Forum in Davos, Switzerland, last week, business leaders hailed a revival of animal spirits. "There is a tremendous amount of optimism," said New York Stock Exchange President Lynn Martin. The pipeline of initial public offerings that froze under Joe Biden's regulatory onslaught has thawed.

Liquefied natural gas exporter Venture Global, whose projects were stuck in Mr. Biden's permit freeze, went public on Friday. "The Trump administration has made very clear they support growing LNG exports," CEO Mike Sabel said.

More broadly, President Trump has made clear that he supports American businesses and economic growth, a stark contrast to the Biden administration. "I've been here as many times before, and I'm really struck by the level of optimism about the U.S.," Katie Koch, CEO of asset manager TCW Group, said in a Davos interview. "It is around deregulation."

Automaker Stellantis last week announced plans to reopen an Illinois plant it closed in February 2023 and increase investment at three other U.S. factories. It will also revive its popular Jeep Cherokee SUV and Dodge Charger, which it scrapped while ramping up electric vehicles to meet government mandates. Hurrah! Automakers will be free to focus on making cars that consumers want rather than those progressives want them to buy.

Small businesses are especially celebrating the prospect of deregulation. According to the National Federation of Small Business Optimism survey, the net percent of owners expecting the economy to improve rose in December to its highest level since the fourth quarter of 1983. The share who believe it is a good time to expand their business was the highest since February 2020. "Expectations for economic growth, lower inflation, and positive business conditions have increased in anticipation of pro-business policies and legislation in the new year," said NFIB chief economist Bill Dunkelberg.

Bank executives are chirping on earnings calls about a surge in business investment. "There's no question that there's a significant amount of increase of optimism in the overall environment," JPMorgan Chase finance chief Jeremy Barnum said recently. Goldman Sachs CEO David Solomon echoed: "There has been a meaningful shift in CEO confidence, particularly following the results of the U.S. election" and "increased appetite to deal making supported by an improving regulatory backdrop."

The economic sun shines from Davos to Main Street. But there are a few clouds on the horizon.

At last, Lina Khan's reign of terror is over. Businesses are optimistic that they will face fewer regulatory hurdles to deals and projects. No more "you can't build that." Instead, "how can we help you build that?"

Drugmakers are hopeful the new administration will ease the Biden Medicare price controls, stop threats to confiscate their patents, and green-light acquisition of biotech startups, which could accelerate new medications. The Trump administration has "a very deep belief, across the board, that to make America great again, they need business to be great. They need the private sector to be great. They need entrepreneurship to be great," Pfizer CEO Albert Bourla observed this month.

He added that the "extreme left," which dominated the Biden administration, "not only hate business, they particularly hate us. . . . That, to me, is more dangerous than people that think 'we are going to create a business environment that would [have] incentives to create innovation, that would [have] incentives to beat China in the race.' "

Doubtless CEOs are trying to curry favor with Mr. Trump to help their business interests, but an open line of communication between the White House and business would be a positive development. Executives often kvetched to me that the Biden administration gave them the cold shoulder and didn't understand how business and markets worked.

That's because most Biden officials spent their careers in politics and government, which bred disdain for people in business. By contrast, Trump nominees have run successful businesses—Scott Bessent (Treasury), Doug Burgum (interior), Chris Wright (energy) Linda McMahon (education) and Elon Musk (government efficiency).

Despite a mostly sunny forecast for businesses, a chance of storms remains. Some Trump nominees share the political left's hostility toward U.S. businesses, especially Robert F. Kennedy Jr. (health and human services) and Lori Chavez DeRemer (labor). Tariffs could instigate a trade war that boomerangs on U.S. businesses and slows investment.

Failure to deliver on his promises of renewing American prosperity and lifting wages could set Democrats up to take control of Washington in 2028. They might then jam through an even more left-wing agenda, including a restructuring of the Supreme Court that would remove a crucial check on their overreaching policies. Pray that Mr. Trump doesn't steal his own sunshine.

Trump's Reprieve for TikTok Is Legitimate

By Elizabeth Price Foley

President Trump gave TikTok a reprieve on Inauguration Day, signing an executive order that pauses enforcement of a law requiring Chinese divestiture of the social-media app over national-security concerns. Mr. Trump's critics claim the move was illegitimate, but they're wrong. It falls well within the president's broad enforcement discretion.

The law, enacted last year, gives the president authority to grant a single 90-day extension before the penalties kick in, but only if he certifies to Congress that there has been "significant progress" toward divestiture and there are "binding legal agreements to enable execution" of the divestiture. It also allows divestiture to take place after the deadline has passed, in which case the ban "shall cease to apply."

Because the law's constitutionality wasn't confirmed until the Supreme Court upheld it on Jan. 17, Mr. Trump is arguably within the law's 90-day extension period, although he still must provide the required certification. Even if the 90-day period has expired, the law's penalties could be enforced and the president could still negotiate a qualifying divestiture. The question then becomes whether the president may unilaterally pause enforcement of the penalties. The answer is yes.

Presidents have ample constitutional authority to impose a temporary pause on the enforcement of statutes. Barack Obama delayed for a year the effective date of the employer insurance mandate and an employer excise tax imposed by the Affordable Care Act. He also adopted a "transitional policy" declaring that health insurers could continue offering certain insurance policies prohibited by the law without fear of enforcement. Despite lawsuits filed by both the House and private parties, the courts concluded that no one had standing to challenge the president's delayed enforcement. The same standing problems would exist with any challenge to Mr. Trump's TikTok order.

Even if standing existed, Mr. Trump would win on the merits. Article II, section 1 of the Constitution vests the president with "executive power," and section 3 obligates the president to "take care that the laws be faithfully executed." Taken together, these clauses give the president broad prosecutorial discretion. As the Supreme Court reaffirmed in *U.S. v. Texas* (2023), the president's prosecutorial discretion allows him to decide "how to prioritize and how aggressively to pursue legal actions against defendants who violate the law." *Reno v. American-Arab Anti-Discrimination Committee* (1999) held that a presidential enforcement decision that implicates "foreign-policy objectives" or national-security concerns is "particularly ill-suited for judicial review," given the president's additional constitutional authority to conduct foreign relations.

Congress has its own powers over foreign affairs, such as the Commerce Clause, on which the TikTok law is based. But a court would likely conclude that Mr. Trump's enforcement pause is an act "pursuant to an express or implied authorization of Congress," as Justice Robert Jackson put it in his concurrence in *Youngstown Sheet & Tube Co. v. Sawyer* (1952). At worst, the pause lies in a twilight zone of shared constitutional authority over national security, in which case congressional "indifference or quiescence" invites the exercise of executive power. Either way, Mr. Trump's order would be upheld.

The Constitution gives the president broad discretion in enforcing the law and conducting foreign affairs.

Historically, presidents have taken more-aggressive measures than Mr. Trump's enforcement pause. In 2012 the Obama administration ordered nonenforcement of federal deportation law against Dreamers, aliens who entered the U.S. illegally as children. In 2013 he instructed U.S. attorneys not to prosecute certain marijuana-related crimes. Sometimes presidents ignore laws they don't like or believe to be unconstitutional. Andrew Johnson defied the Tenure of Office Act by firing Secretary of War Edwin Stanton without Senate approval. Bill Clinton neglected to implement the National Nuclear Security Administration, which Congress created to prevent nuclear-weapons espionage. George W. Bush declared in 2006 that he could ignore a law prohibiting torture of U.S. military detainees if he believed doing so was necessary to protect national security.

Compared with these prior presidential actions, Mr. Trump's order is relatively mild. The law allows him to secure divestiture at any point, and a 75-day pause on enforcement of the law's penalties is well within his enforcement discretion.

Yet Mr. Trump's power isn't unlimited. Any deal he negotiates must be a "qualified" divestiture, which requires using an "interagency process" that concludes TikTok is "no longer being controlled by a foreign adversary." A nonqualifying divestiture would be, in the words of Jackson's *Youngstown* concurrence, an exercise of presidential power at its "lowest ebb" and likely unconstitutional. And the longer enforcement is paused, the more likely Congress will express displeasure via additional legislation, which would likewise create constitutional doubt about any deal. The clock is ticking.

Ms. Foley is a professor of constitutional law at Florida International University College of Law. She also practices appellate and constitutional law in Washington.

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Airlines Test Demand as Fares Rise

Pricing power shifts to carriers, other providers of services consumers crave

By Alison Sider

DANIEL SLIM/AFP/GETTY IMAGES

Prices for the cheapest U.S. flights are up 12% this month from a year earlier, according to Hopper, a flight-comparison app.

Get ready to pay more for airline tickets.

U.S. airlines are charging higher fares and signaling that business and leisure travel demand should remain strong this year. It is the latest sign of how companies are expecting consumers to pay more for services and items deemed desirable.

"The U.S. consumer is financially healthy and continues to prioritize spending on experiences," **Delta Air Lines** Chief Executive Ed Bastian said this month.

Prices for the cheapest U.S. flights are up 12% this month from a year earlier, according to Hopper, a flight comparison and booking app.

Other companies offering in-demand services are also betting that higher prices won't turn off consumers.

Netflix said last Tuesday it would raise prices for U.S. subscribers, expecting that households will be willing to absorb the higher fees despite several increases in recent years. The price of a premium subscription, which had already jumped more than 25% from $17.99 a month in 2021, increased another $2 a month.

Analysts expect steady demand also will allow hotels and cruise companies to drive prices higher.

At the same time, some makers of consumer goods and staples are finding a rockier reception to price increases.

"On the services side, you'll have a little bit more pricing power than on the goods side," said Ryan Sweet, chief U.S. economist at Oxford Economics. "We're still experiencing a little bit of a hangover from all the stuff that we bought here during the pandemic."

Airfares plunged in the early months of the Covid-19 pandemic, only to soar in 2022, when airlines couldn't add flights quickly enough to keep up with the frenzied urge to travel. Then prices tumbled when airlines expanded service and flooded into popular routes. Now airlines are constraining supply and lifting prices.

Airlines expect those higher prices to lift their financial results. Revenue at the largest U.S. airlines is forecast to hit new highs this year.

"We're encouraged by the setup as we head into 2025," Andrew Harrison, chief commercial officer at Alaska Airlines, told investors Thursday. "Things are looking really good as we sit here today."

Airlines are regaining pricing power after a glut of cheap seats weighed on domestic fares. Last summer, ticket prices slid at a time of year when they typically reach their apex. That trend made it harder for carriers to cover

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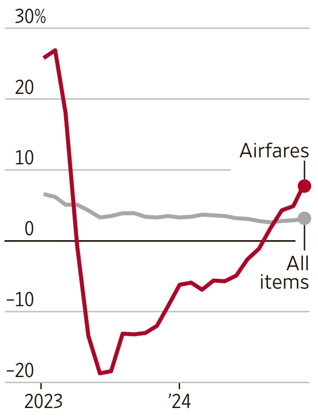
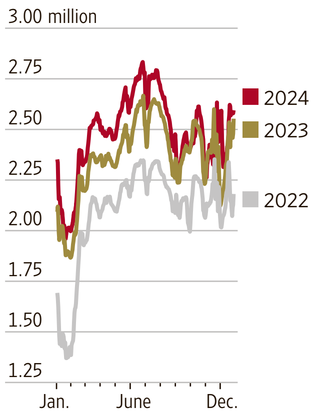
Consumer price index, change from a year earlier



Number of travelers passing through TSA checkpoints, seven-day moving average



Sources: Labor Department (prices); Transportation Security Administration (checkpoints)

Activist To Push U.S. Steel To Ditch Nippon

By Lauren Thomas

Activist investor **Ancora Holdings** is readying to wage a proxy battle at **U.S. Steel** and wants the company to turn the page from its failed marriage with **Nippon Steel**, according to people familiar with the matter.

Ancora intends to rally shareholders around a plan to oust U.S. Steel's chief executive and drop litigation to salvage a merger with the Japanese steelmaker. The firm isn't interested in pursuing a sale of U.S. Steel to another party, the people added.

The activist's arrival comes after U.S. Steel agreed to sell itself to Nippon Steel for more than $14 billion in late 2023. Former President Joseph Biden blocked the deal at the start of the year on national- security concerns. President Trump and others in his administration have also said they oppose the deal.

Biden's decision is being challenged in court by both companies.

Ancora has nominated nine director candidates to U.S. Steel's 12-person board, including former Stelco CEO Alan Kestenbaum, the people said. Stelco, a Canadian steel company, was acquired by Cleveland-Cliffs last year.

The exact size of Ancora's stake in U.S. Steel couldn't be determined.

The Wall Street Journal reported this month that **Cleveland-Cliffs** and **Nucor** have been discussing teaming up for a fresh offer for U.S. Steel. A new deal couldn't happen before June 18, which is when U.S. Steel's deal agreement with Nippon Steel is set to expire.

Cleveland-Cliffs had previously sought to acquire U.S. Steel before being outbid by Nippon Steel.

U.S. Steel and Nippon Steel also filed a lawsuit accusing Cleveland-Cliffs CEO Lourenco Goncalves and United Steelworkers President Dave McCall of racketeering and anticompetitive practices to prevent the Nippon Steel deal from being finalized.

Leaders of the United Steelworkers had vociferously opposed the sale, saying Nippon Steel's ownership would be bad for steelworkers and the American steel industry.

In a bid to win domestic support, Nippon Steel has said it would appoint a board to U.S. Steel with a majority of U.S. citizens.

All the back and forth has clouded the future of 124-year-old U.S. Steel. Executives have said they might close plants and shift production to lower-cost factories if the Nippon Steel deal doesn't happen.

The uncertainty has weighed on U.S. Steel shares,

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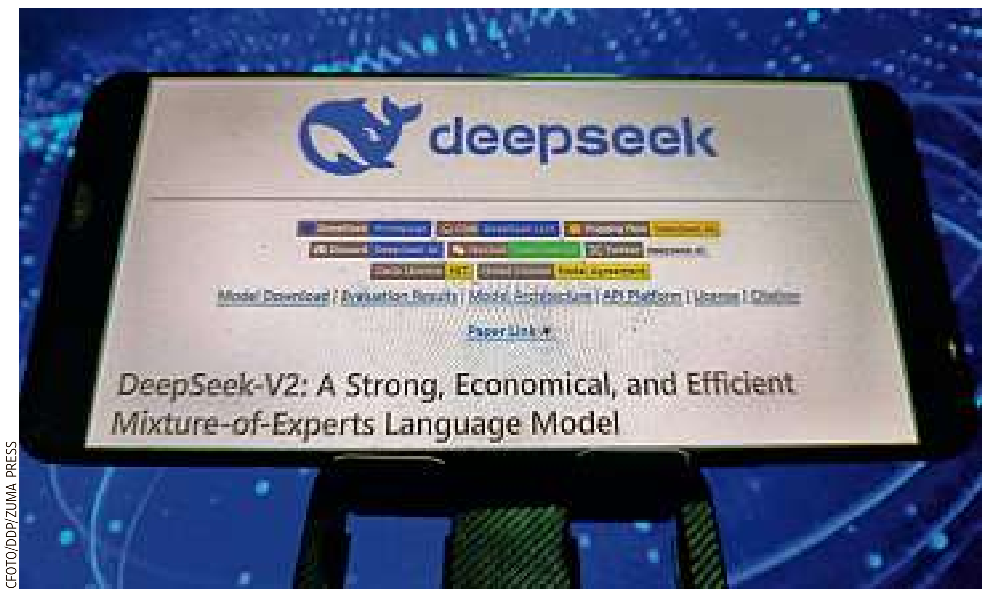
China's Homemade AI Wows Silicon Valley

By Raffaele Huang



CFOTO/DDP/ZUMA PRESS

DeepSeek has impressed despite using fewer and cheaper chips than its U.S. competitors.

SINGAPORE—A Chinese artificial-intelligence company has Silicon Valley marveling at how its programmers nearly matched American rivals despite using inferior chips.

AI models from DeepSeek, the Chinese company, have zoomed to the global top 10 in performance, according to a popular ranking, suggesting Washington's export curbs are having difficulty blocking rapid advances in China.

On Jan. 20, DeepSeek introduced R1, a specialized model designed for complex problem solving.

"Deepseek R1 is one of the most amazing and impressive breakthroughs I've ever seen," Silicon Valley venture capitalist Marc Andreessen, who has been advising President Trump, said in an X post Friday.

DeepSeek's development was led by a Chinese hedge-fund manager, Liang Wenfeng, who has become the face of the country's AI push. On Jan. 20, Liang met China's premier and discussed how homegrown companies could narrow the gap with the U.S.

Specialists said DeepSeek's technology still trails OpenAI's and Google's. But it is a close rival despite using fewer and less-advanced chips, and in some cases skipping steps that U.S. developers considered essential.

DeepSeek said training one of its latest models cost $5.6 million, compared with the range of $100 million to $1 billion cited last year by Dario Amodei, chief executive of the AI developer Anthropic, as the cost of building a model.

Barrett Woodside, co-founder of the San Francisco AI hardware company Positron, said he and his colleagues have been abuzz about DeepSeek. "It's very cool," said Woodside, pointing to DeepSeek's open-source models, in which the software code behind the AI model is made available free.

Users of DeepSeek's latest flagship model, called V3 and released in December, have noticed that it refuses to answer sensitive political questions about China and leader Xi Jinping. In some cases, the product gives responses in line with Beijing's official propaganda rather than including the perspective of government critics, as ChatGPT does.

"The only strike against it is some half-baked PRC censorship," said Woodside, referring to the People's Republic of China, but he said this could be removed, as other developers can freely modify the code.

DeepSeek said R1 and V3 both performed better than or nearly as well as leading Western models. As of Saturday, the two ranked in the top 10 on Chatbot Arena, a platform hosted by University of California, Berkeley, researchers that rates chatbot performance. A Google Gemini model was in the top spot, while DeepSeek bested Anthropic's Claude and Grok from Elon Musk's xAI.

DeepSeek grew out of the AI research unit of High-Flyer, a hedge-fund manager with $8

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INSIDE

BUSINESS NEWS
Starbucks CEO Brian Niccol has already received $96 million in compensation. **B3**

STEFANI REYNOLDS/BLOOMBERG NEWS

HEARD ON THE STREET
MicroStrategy faces thorny tax issue over bitcoin holdings. **B10**

Venture Capitalists Target Ho-Hum Firms

By Peter Rudegeair And Berber Jin

Forget virtual-reality headsets and brain-chip implants. Silicon Valley is coming for boring businesses that do lots of clerical work.

The prospect of artificial intelligence automating administrative tasks is attracting venture capitalists to ho-hum professions such as accounting, customer-service centers and property management. Tech entrepreneurs raised hundreds of millions of dollars to retrofit these businesses with AI tools and drive up their profitability.

The playbook involves startups adapting one of Wall Street's favorite practices: the roll-up. Private-equity firms refined the model of merging businesses in sectors such as car washes and heating and air conditioning outfits and using greater scale to cut costs. Much of the capital these new startups raise is similarly going to fund buyouts of businesses, which are "rolled up" into one operation.

"These services businesses, many of them ultimately globally just barely break even, so they haven't got a lot of attention from VC investors," said Marc Bhargava, a managing director at **General Catalyst**, a venture firm planning to pour hundreds of millions of dollars into these types of investments. "That's going to change."

The startups in this new field add to the growing universe of places where investors can get exposure to the theme of AI transformation, beyond companies like chip maker **Nvidia**. Other ways people have expressed bullishness on AI's potential include buying shares of power producers, turbine makers, manufacturers of data-center equipment and other providers of AI infrastructure.

KIMBERLY WHITE/GETTY IMAGES FOR TECHCRUNCH

Marc Bhargava.

Among the flushest new players bringing AI to quiet professions is **Long Lake Management Holdings**, a startup founded 13 months ago. Since then, Long Lake has raised $600 million plus from investors and acquired around a dozen companies that collectively employ about 1,400 workers, people familiar with the company said.

Long Lake's first deals were for businesses that manage the operations of homeowners associations. Those management companies are adopting AI tools for tasks like generating presentations for HOA board meetings. It is targeting an expansion into other industries, including human-resources services.

Another startup that attracted venture funding is **Crete Professionals Alliance**, which acquired several regional accounting and professional-ser-

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Airfares Are Getting Pricier

Continued from page B1

their own rising costs, including those associated with labor contracts they signed in recent years.

Instead of trying to fill seats at cut-rate prices, carriers slowed their growth, or in some cases shrank, to preserve profits.

Spirit Airlines, which in November filed for Chapter 11 bankruptcy, ended the year flying 20% less than it did in the final months of 2023. **Southwest Airlines**, facing pressure from an activist investor agitating for the airline to produce bigger profits, has pledged to moderate growth in the coming years.

Other factors including delayed plane deliveries also are keeping airlines from expanding more aggressively. In the first quarter, U.S. airlines are planning to increase domestic flying capacity by 1.6% from a year earlier, according to data from Cirium, a slowdown from the 3.5% growth rate in last year's first quarter.

Andrew Nocella, chief commercial officer at **United Airlines**, said this month that domestic pricing is improving because of accelerating business travel and its competitors' cutbacks on unprofitable flying. There are fewer fare sales, and discounts aren't as steep, he said.

The airfare component of the consumer-price index rose 3.9% in December from the prior month on a seasonally adjusted basis—its fifth consecutive monthly gain.

Inflation-weary travelers are feeling the pinch, even as high-income households continue to shell out for flights and clamor for higher-end experiences.

In a survey of more than 5,000 travelers last year, Atmosphere Research Group found that one-quarter of respondents reported annual income between $50,000 and $75,000, down from 28% a year prior.

"These are the people being hit the hardest by the higher cost of everyday living," said Atmosphere President Henry Harteveldt. "People with the most limited incomes are not able to afford to travel like they once were."

Discount airlines that have long catered to those customers are adjusting their business models to attract more consumers willing to pay up for extras. Most fliers are continuing to spend, airlines have said, and carriers including Frontier Airlines, Spirit, **JetBlue** and Southwest are hoping to appeal to them with roomier seats, or bundles that also include such amenities as better snacks and earlier boarding.

"We're not worried about where fares are at—we think the consumers are willing to pay for a really good product," said Devon May, chief financial officer at **American Airlines**. Fares "continue to be a bargain relative to a lot of other consumer goods or services," he said.

—Jessica Toonkel contributed to this article.

MARIO TAMA/GETTY IMAGES

Delayed plane deliveries are a factor keeping airlines from expanding more aggressively. A United Airlines jet in Los Angeles.

'Flight Risk' Starts on Top

LIONSGATE/EVERETT COLLECTION

Mark Wahlberg stars in the R-rated suspense thriller.

Estimated Box-Office Figures, Through Sunday

	Film	Distributor	Sales, In Millions: Weekend*	Cumulative	% Change
1.	**Flight Risk**	Lionsgate	$12.0	$12.0	—
2.	**Mufasa: The Lion King**	Disney	$8.7	$221.0	28
3.	**One of Them Days**	Sony	$8.0	$25.1	32
4.	**Sonic The Hedgehog 3**	Paramount	$5.5	$226.1	36
5.	**Moana 2**	Disney	$4.3	$450.0	28

*Friday, Saturday and Sunday in North American theaters

Source: Comscore

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.

INDEX TO PEOPLE

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Starbucks CEO Pay Hits $96 Million

Niccol's big stock awards compensate him for forfeited Chipotle holdings

By Heather Haddon

Brian Niccol, **Starbucks**'s chief executive and chairman, started work at the world's largest coffee chain last September.

He has already been awarded about $96 million, the company said Friday.

Niccol's compensation, detailed in a securities filing, includes buyouts of **Chipotle Mexican Grill** shares awarded during his six-year tenure leading that chain.

While Niccol earned $61,538 in salary from Starbucks over the period ended Sept. 29, the company paid him a $5 million bonus and $90 million in stock awards that largely reflect the value of Chipotle shares he forfeited after leaving the burrito chain. The awards include restricted stock units that vest over time, along with those that are linked to Niccol's performance.

Starbucks's previous CEO, Laxman Narasimhan, received $22 million during the company's 2024 fiscal year. Starbucks fired Narasimhan last summer and recruited Niccol from Chipotle to help turn around the coffee giant's business.

Kevin Johnson, Starbucks's CEO until 2021, earned $62 million for the chain's 2021 fiscal year. He retired as chief executive in April 2022.

Niccol, who lives in California, negotiated to continue living there and commute to Starbucks's Seattle office via corporate jet. Since he assumed the CEO role on Sept. 9, Starbucks said it incurred $72,398 in expenses related to air travel between Niccol's home and work duties through the end of September. The company also reported $143,567 in temporary housing expenses for Niccol.

Starbucks has said it recruited Niccol to harness his decades of retail expertise at a challenging time for the company, and that he is spending time in Seattle and across markets where he is most needed.

Niccol has said he is working to make Starbucks cafes more inviting places to spend time, part of a broader effort to reverse sales declines. He has sought to streamline operations and said he expects to announce layoffs of corporate employees by March.

Starbucks said Niccol's total compensation was 6,666 times the amount of the part-time U.S. Starbucks barista who was the company's median employee by pay last year, with salary and stock valued at $14,674. That ratio is one of the highest among public company CEOs, according to a WSJ analysis of data from MyLogIQ, with Live Nation CEO Michael Rapino at 5,414 in 2022 and Aptiv's Kevin Clark at 5,294 in 2020.

Elon Musk, chief executive of Tesla, had a ratio of 40,668 in 2018, due mainly to a compensation package that a Delaware judge later threw out.

—Theo Francis contributed to this article.

ROZETTE RAGO FOR WSJ

The awards include restricted stock units that vest over time, along with those that are linked to Niccol's performance.

Diversified Energy, Maverick Near Deal

By Lauren Thomas And Ben Glickman

Diversified Energy is in advanced talks to buy private-equity-owned Maverick Natural Resources in what would be its largest acquisition yet, according to people familiar with the matter.

A deal would value Maverick at roughly $1.3 billion, including debt, and could be announced as soon as early Monday, the people said.

The combined company would be valued at about $3.8 billion, including debt, the people said. (Diversified Energy is expected to assume some $700 million of Maverick's debt outstanding.)

Birmingham, Ala.-based Diversified Energy had a market value of more than $800 million as of Friday.

Maverick, a Houston-based producer of oil and natural gas, has its core operations throughout Texas and Oklahoma, including in the Western Anadarko Basin. It is owned by **EIG Global Energy Partners**, an energy- and infrastructure-focused investment firm.

EIG is expected to remain a big shareholder in the combined company, with Diversified Energy Chief Executive Rusty Hutson Jr. remaining at the helm, the people familiar with the matter said.

Maverick was formed in 2018 after the bankruptcy of Breitburn Energy Partners. Breitburn exited from bankruptcy majority-owned by EIG-controlled funds, renamed as Maverick and with significantly reduced debt.

Diversified Energy is among several companies in the oil-and-gas industry that have pursued deal making at a breakneck pace in recent years, defying a slowdown in mergers and acquisitions.

The deal would expand Diversified Energy's presence into the highest-producing U.S. oil patch. Maverick holds properties in the Permian Basin, an area near the border between Texas and New Mexico.

President Trump has pledged to put policies in place that would bolster the oil-and-gas industry, and reverse course on many of former President Biden's climate initiatives.

Maverick produces 77,000 barrels of oil equivalent a day, on average, according to its website. Diversified Energy, which is also listed in the U.K., churned out roughly 138,000 barrels of oil equivalent a day, on average, in its fiscal third quarter.

Amazon Seeks Talks On Quebec Operations

By Paul Vieira

OTTAWA—**Amazon.com** said it is open to talks with officials from the Canadian and Quebec governments about the company's decision to shut down operations in the country's French-speaking province, which would lead to 1,700 people losing their jobs.

The company's overture comes after Canadian Industry Minister Francois-Philippe Champagne warned Amazon Chief Executive Andy Jassy in a letter that the federal government would review its business ties with Amazon's cloud-computing arm, Amazon Web Services, or AWS. The unit secured over $50 million in work from federal departments since 2020, according to a database of awarded government contracts.

"We regularly have discussions with officials across Canada to discuss matters of interest," a spokesman said.

"We're happy to discuss this matter further with Minister Champagne and other officials in Quebec and Canada."

Amazon gave no indication that it would reverse course on its decision to shut down warehouses in Quebec in the next two months, and return to a third-party delivery model. Local labor organizations allege Amazon's withdrawal from Quebec is linked to efforts by company workers to unionize. The company denied labor issues were a factor.

Champagne, in the letter to Jassy that the minister posted on social media, said the shutdown of Quebec operations "is inconsistent with your expressed interest in being a leader and strategic partner within Canada's industrial economy." Champagne asked that Amazon management reconsider its decision.

On Friday, Champagne said he received praise from constituents and other Canadians. "We have to stand up for Canada and its workers. This is about treating Canada with respect," Champagne said.

CHRISTINNE MUSCHI/THE CANADIAN PRESS/AP

Amazon gave no indication it would reverse its decision. An Amazon warehouse in Quebec.

Nielsen to End Panel-Only TV Ratings

Media-measurement firm aims to pivot to bundle that utilizes multiple resources

BY PATRICK COFFEE

Media-measurement firm **Nielsen** will stop selling its stand-alone consumer-panel-based TV ratings in the fourth quarter of this year, according to a memo sent from Nielsen to ad buyers and confirmed to The Wall Street Journal by the company.

The panel-only product has for decades served as the standard for measuring U.S. television ratings, which programmers use to set ad prices and advertisers rely on to know whether they got what they paid for.

Nielsen wants customers to begin fulfilling those needs using a newer ratings product called Big Data + Panel, which combines the panel-based consumer data with numbers drawn from third-party vendors such as smart TV manufacturers. The company last Wednesday said Big Data + Panel had received accreditation from the Media Rating Council, the media industry's measurement watchdog, and that it would endorse the product as the "currency" at this year's upfront marketplace for TV inventory.

Nielsen has been hoping to move its customers to its updated ratings product for years, promising in 2020 that it would take away traditional panel-only ratings in 2024 "and just do it in this new way," as its then-chief executive said at the time. It changed its plans last year after pushback from advertisers and agencies that said the transition felt rushed.

But Nielsen is still eager to make the shift, partly so it can better compete with rivals such as **VideoAmp**, **Comscore** and **iSpot.tv** that have focused more directly on digital measurement technology. At this month's Consumer Electronics Show in Las Vegas, **Walt Disney** debuted a product called Compass that is designed to help ad buyers more easily access data drawn from the company's own customers. The system is compatible with a list of measurement vendors that doesn't include Nielsen.

Nielsen also is in the midst of a public dispute with longtime client Paramount, the owner of the CBS broadcast network and the Paramount+ streaming service, which didn't renew its contract with Nielsen last year because of disagreements over its cost. Paramount has been negotiating with Nielsen to strike a new deal, but this month also renewed its contract with VideoAmp.

"For decades, Nielsen has been the default TV measurement provider," said Jay Friedman, CEO of ad-buying firm Goodway Group. "That has been challenged in recent years, and ending the ability to purchase the panel independent from other data signals the end of an era, even if that era is ending half a decade later than it needed to."

Nielsen remains the dominant player in ad measurement primarily because of the size of its legacy market share, according to buyers. Switching entirely to a new ratings product at this year's upfronts, the annual ritual in which buyers and sellers negotiate deals for the next TV season, would require sellers to recalculate their pricing models and force buyers to adjust their plans, they said.

Sixty percent of marketers used a Nielsen alternative in 2024, although they may have used Nielsen as well, according to a November survey from market intelligence firm Advertiser Perceptions. Forty-nine percent of those said the newer entrants were as effective as Nielsen's products and 36% called them more effective, the survey found.

Most agencies, which handle the majority of ad buying, can't afford to work with more than one measurement vendor, especially because prices are rising at a time when all media companies are looking to cut costs, according to one buyer at a major agency network.

Nielsen has made changes before, but not such significant ones to its core ratings product, the buyer said, adding that the company has a lot of work to do in the weeks before the upfronts to persuade the industry that its new product should become standard.

"This is a very fundamental change to how Nielsen measures television," the buyer said. "I'm afraid it's being treated like those more subtle changes from the past."

Chinese AI Surmounts Obstacles

Continued from page B1

billion in assets that is known for leveraging AI to trade.

"When humans make investment decisions, it's an art, and they just do it by the seat of their pants. When computer programs make such decisions, it's a science, and it has the optimal solution," said Liang in a 2019 speech.

Born in 1985, Liang grew up in Guangdong province and specialized in machine vision at China's prestigious Zhejiang University. He founded High-Flyer with two college friends in 2015.

Liang prefers to be seen as an engineer rather than a trader, according to people close to him. High-Flyer was a pioneer in China in applying deep learning to computerized trading. The technique, modeled on the human brain, allows computers to analyze more-diverse types of data.

Liang Wenfeng, an engineer and hedge-fund manager, has become the face of China's AI push.

While DeepSeek's flagship model is free, the company charges users to connect their own applications to DeepSeek's model and computing infrastructure. An example is a business that wants to tap the technology to give AI answers to customers' queries.

Early last year, DeepSeek cut its prices for this service to a fraction of what other vendors charged, prompting a price battle in China.

Anthony Poo, co-founder of a Silicon Valley-based startup using generative AI to predict financial returns, said his company moved to DeepSeek from Anthropic's Claude in September. Tests showed similar performance for around one-quarter of the cost.

"OpenAI's model is the best in performance, but we also don't want to pay for capacities we don't need," said Poo.

At their Jan. 20 meeting, DeepSeek's Liang told Chinese Premier Li Qiang that while Chinese companies were working to catch up, American restrictions on the export of advanced chips to China were still a bottleneck, according to people familiar with the meeting.

In 2019, High-Flyer began building a cluster of chips for AI research, in part with funds generated by its finance business. The company has said it later built a bigger cluster of around 10,000 **Nvidia** graphics-processing units that can be used to train large language models.

Only a handful of companies in China had computing infrastructure powerful enough to develop such models by late 2022, when OpenAI released ChatGPT.

DeepSeek said in a technical report that it used a cluster of more than 2,000 Nvidia chips to train its V3 model, compared with tens of thousands for training other models of similar size. A few U.S. AI specialists have recently questioned whether High-Flyer and DeepSeek are accessing computing power beyond what they have announced.

Some external researchers said the DeepSeek model lacks certain capabilities of its more expensively trained rivals, for example in keeping track of the context of long conversations.

For its latest reasoning model, released Jan. 20, DeepSeek skipped a process known as supervised fine-tuning, in which programmers feed in the knowledge of human experts to give the model a head start. DeepSeek said its model, designed to solve tricky world problems in math and similar challenges, was comparable to OpenAI's reasoning model o1 even though it omitted supervised fine-tuning and focused on reinforcement learning—essentially directed trial and error.

Jim Fan, a senior research scientist at Nvidia, hailed as a breakthrough the DeepSeek paper reporting the results. He said on X it reminded him of earlier pioneering AI programs that mastered board games such as chess "from scratch, without imitating human grandmasters first."

Zack Kass, a former executive at OpenAI, said DeepSeek's advances despite U.S. restrictions "underscore a broader lesson: Resource constraints often fuel creativity."

—Stu Woo contributed to this article.

BUSINESS & FINANCE

UnitedHealth Offers Detail On Change Hack

By James Rundle

Hackers stole sensitive information belonging to around 190 million people in a cyberattack on a **UnitedHealth Group** subsidiary last year that roiled the U.S. healthcare industry, the company said Friday.

The final estimate is far greater than previous guesses from the healthcare giant, whose Change Healthcare unit was crippled by the attack for weeks, halting vast amounts of insurance payments to providers. Andrew Witty, the company's chief executive, said in congressional testimony in May that UnitedHealth expected around one-third of Americans to be affected by the breach. The final figure represents well over half of the U.S. population.

"The vast majority of those people have already been provided individual or substitute notice. The final number will be confirmed and filed with the Office for Civil Rights at a later date," a spokesman for UnitedHealth said in a statement, referring to the unit of the U.S. Department of Health and Human Services that tracks the number of victims in healthcare data breaches. Previous filings from UnitedHealth pegged the number at 100 million while its investigation was continuing.

UnitedHealth has been rolling out notifications to individuals that the information stolen by hackers involved health-insurance information; general health information, including diagnoses and test results; and billing information such as claims numbers and account balances.

Social Security numbers and financial and banking information also were compromised in some "rare" cases, UnitedHealth has said. The company said it hasn't seen signs that electronic medical record databases were among the hacked material.

The cyberattack on Change, which operates the largest U.S. clearinghouse for medical payments in the U.S., sent healthcare providers scrambling to find ways to bill insurers in the weeks and months following the Feb. 21, 2024, attack.

Hackers were inside Change's systems undetected for over a week before launching their attack, allowing them to steal potentially vast amounts of data. The attackers broke in by using compromised credentials on an application that allows remote access for staff, which wasn't protected by multifactor authentication, a security protocol designed to prevent this type of attack.

190M
Estimated number of people whose information was stolen in the attack

The cyberattack presaged a rocky year for UnitedHealth, which became the subject of a Justice Department antitrust probe in the same month.

The chief executive of its health-insurance arm, United Healthcare, was fatally shot outside a hotel in New York City in December.

UnitedHealth estimated in its fourth-quarter results published Jan. 16 that the hack cost around $3.09 billion, combining direct response costs of $2.23 billion and business disruption costs of $867 million.

SOPHIE PARK/BLOOMBERG NEWS

The allegations related to the unit before Pfizer bought it.

Pfizer Pays to Settle Claims Against Unit

By Connor Hart

Pfizer will pay $60 million to settle allegations that one of its subsidiaries incentivized healthcare providers to prescribe one of its drugs, resulting in the submission of false claims to federal healthcare programs.

The federal anti-kickback statute prohibits companies from paying physicians, or offering them anything of value, in order to persuade the referral of drugs or services covered by Medicare and other federal programs, the Justice Department said on Friday.

Biohaven Pharmaceutical Holding, from March 2020 through September 2022, selected certain healthcare providers to be part of a group to promote its drug Nurtec ODT, a migraine treatment, the government alleged. These providers were given paid speaking opportunities and meals at high-end restaurants with the intent of inducing them to prescribe Nurtec, the department said.

"The settlement relates to alleged conduct at Biohaven before Pfizer's acquisition of the company in October 2022 and does not include any admission of liability or wrongdoing," a Pfizer representative said. "We are pleased to put this legacy matter behind us, so that we can continue to focus on the needs of patients."

The kickbacks ended once Pfizer terminated Biohaven's Nurtec speaker programs upon its acquisition of the company, the DOJ said.

"Patients deserve to know that their doctor is prescribing medications based on their doctor's medical judgment, and not as a result of financial incentives from pharmaceutical companies," U.S. Attorney for the Western District of New York Trini Ross said.

BUSINESS & FINANCE

Soccer Aims to Tackle Its Carbon Problem

The world's most popular sport faces rising threats from climate change

By Don Nico Forbes

FROM TOP: JOHAN CRUYFF ARENA; PETER DEJONG/AP

The superbatteries at the Johan Cruyff Arena, above, home to Netherlands soccer club Ajax, have a combined capacity of 8.6 megawatts. Below, a Europa League match between Ajax and Lazio Roma at the arena in December.

Flooding, wildfires and other natural disasters stemming from climate change are posing rising risks to industries around the globe—and the world of sport is no exception.

In the U.K.—the birthplace of soccer—one-quarter of stadiums are at risk of annual flooding by 2050, according to the country's Meteorological Office. Meanwhile, extreme heat stress is already causing concern for player welfare around the world.

Now, many clubs are working to mitigate these risks by reducing stadium emissions, embracing sustainable technologies and working to shape the behavior of fans, as the industry comes to terms with its own contributions to climate change.

The global soccer industry currently produces more than 30 million metric tons of carbon dioxide a year, according to climate research group Rapid Transition Alliance, on par with the annual emissions of Denmark. The most recent World Cup alone, held in Qatar in 2022, generated more than 3.6 million tons. At club level, U.K. league champions Manchester City reported Scope 1, 2 and 3 emissions of just over 40,000 tons for the 2023-24 season.

Individual teams have a responsibility to help mitigate this footprint, said Siobahn Meikle, vice president at U.S. sustainable power management company Eaton. The firm worked closely with Amsterdam's AFC Ajax to convert its home ground—the largest in the Netherlands—into a "smart stadium."

"Soccer has huge environmental accountability. But it also presents a massive opportunity when it comes to the energy transition," she said.

Emissions from stadium operations contribute a significant amount to the sport's footprint. "The vast majority comes from energy demands on the grid," according to Kristen Fulmer, head of sustainability at Oak View Group, a developer of sustainable sports venues.

Completed in 1996, the Johan Cruyff Arena is home to Netherlands soccer club Ajax. The stadium has since been retrofitted with more than 4,200 solar panels, as well as two superbatteries with a combined capacity of 8.6 megawatts, the last of which was installed in 2023. It also has exclusive access to a windmill—with a capacity of 2 megawatts.

All this provides enough renewable energy to power not only match days, but potentially thousands of homes in the local community, according to Tanja Dik, chief executive of the Johan Cruyff Arena. The stadium aims for its operations to be net positive by 2030.

Across the Atlantic, a blooming soccer industry is taking note.

New York City FC recently announced plans to build Major League Soccer's first all-electric stadium. The facility, to be built in Queens and slated for completion in 2027, aims to be net zero by 2040. Most stadiums rely on natural gas and fossil-fuel-powered generators.

The U.S. league is enjoying strong growth, with sponsorship revenue, attendance and club values on the rise.

NYCFC Chief Operating Officer Jennifer O'Sullivan said this growth shouldn't come at the expense of the environment, and should feed into the local community. In addition to the stadium, which will feature 1,900 solar panels, the club's partner Queens Development Group will build 2,500 affordable housing units and a public school as part of the Willets Point redevelopment. And ultimately, as in Amsterdam, the hope is to develop the stadium into a local energy hub.

Room to improve

For many clubs, sustainability is still too low on the list of priorities, according to Dale Vince, chairman of U.K. team Forest Green Rovers, recognized as "the world's greenest football club" by international football association FIFA and verified as carbon neutral by the United Nations.

"At FGR, we put sustainability and football on an equal footing. We see a lot of bigger clubs talking an increasingly good game on the environment, but then at some point, the football side always overrules sustainability," he said.

Part of the issue comes down to regulation, he said. Clubs aren't currently legally obliged to report on sustainability, and those that choose to have no clear international framework for doing so. One way around this would be to package environmental regulation alongside other legal requirements such as financial and safety measures.

"This way, clubs won't think that they're distracting themselves unnecessarily or losing some kind of advantage over others by making changes," Vince said.

An additional struggle is knowing where emissions are coming from and where improvements can be made. Smart stadium systems can go a long way to support this, said Gwenaelle Avice-Huet, chief sustainability officer at **Schneider Electric**. Schneider implemented its EcoStruxure data-collection platform in the stadium of London-based Tottenham Hotspur, achieving a 20% reduction in electricity use between 2019 and 2022.

"The great thing about these systems is that they can be retrofitted into existing buildings and still reduce energy consumption by 20% to 30%. You don't have to build a whole new stadium to improve efficiency," Avice-Huet said.

Smart-building management can even motivate clubs to disclose their sustainability progress, said Oak View's Fulmer, who is also a director at GOAL, an organization that supports over 40 clubs worldwide in reporting emissions.

"By helping clubs understand their impact, we can also help them see the benefits, like engaging corporate partners and reducing utility costs," she said.

Indirect emissions

Still, some emissions are notoriously difficult to account for. For one thing, many soccer clubs hold sponsorships with automakers, airlines and petrostates with heavy carbon footprints of their own.

Frank Huisingh, founder of Fossil Free Football—a fan-led organization designed to limit soccer's ties with polluting industries—pointed to FIFA's recent partnership with Saudi Arabian state oil company Aramco, as well as Qatar Airways' sponsorship of the UEFA Champions League.

"In the past, we concluded that tobacco was so bad for human health that we adopted a ban on tobacco ads, which lowered demand. It's time for a ban on tobacco-style ban on polluting sponsors too, and it's up to FIFA, UEFA and other football bodies to adopt this," Huisingh said.

In November, NYCFC agreed to a 20-year deal for Etihad Airways to become the title sponsor of its new stadium. The airline has been the team's front-of-shirt sponsor since 2014, and also maintains partnerships with Manchester City, Spain's Girona and Australia's Melbourne City FC.

NYCFC's O'Sullivan said the club is proud of its partnership with Etihad, noting the airline's efforts to reduce the carbon impact of their operations.

Player travel is another large contributor to clubs' footprints, yet one that is hard to avoid given regular away games—which for larger clubs often require international travel. Electrification could play a substantial role in combating this, according to FGR's Vince. For its part, the club has started testing electric coaches, and expects to get to half of its away fixtures by electric bus by next season.

How fans get to and from games also is an indirect source of emissions—often included in clubs' Scope 3 disclosures—but one of the most significant.

NYCFC hopes that having a stadium located in an urban area will mean shorter journeys for fans, as well as a host of public transport options. The club isn't planning to build a parking lot.

Elsewhere in the MLS, similar initiatives are already having an impact on fan travel. Earlier this year, Austin FC in Texas opened a light-rail stop at its Q2 stadium in conjunction with the local public transit authority. According to Jordan Enke, head of Austin FC's stadium operations, this led to a 70% increase in public transport use on game days.

Changing fans' match-day behaviors is key to making the sport more sustainable, but clubs also have the opportunity to affect the footprint of fans in their daily lives. This sits somewhere outside Scopes 1, 2 and 3 emissions.

'Scope F'

As a brand, clubs have a connection to their audience that goes beyond regular dynamics of supply and demand, with the potential to affect the emissions of fans outside the world of soccer, said Brian McCullough, associate professor of sport management at the University of Michigan.

"Our research has consistently shown that sport organizations can lead the way on environmental sustainability, influencing not only people's game-day behaviors but in everyday life as well."

The impact of what he calls "Scope F" is difficult to quantify, but the potential is significant. Take Manchester City, who have an X following of more than 17 million people, each with an annual carbon footprint of 4.7 tons, based on global averages provided by the International Energy Agency. Were a climate initiative to convince 3% of this audience to reduce their emissions by 3%, this would mean a reduction of just over 70,000 tons of Co2—nearly double the club's Scope 1, 2 and 3 emissions combined.

"We can see this influence throughout the industry, with even hardliners converted to the cause. We have to think of soccer as a platform to engage people that we may not otherwise have access to," McCullough said.

Influencer Tech Startup ShopMy Raises $77.5 Million

By Katie Deighton

TYLER JOE

Influencers like Ana Zortea get commissions when followers make purchases via ShopMy links.

ShopMy, a technology company that helps brands run their influencer marketing efforts, said it has raised a $77.5 million Series B funding round co-led by venture-capital firms Bessemer Venture Partners and Bain Capital Ventures.

The investment values ShopMy at $410 million, up from an $80 million valuation in its most recent round in March 2024, people familiar with the matter said. Other investors in the new round, which closed in December, include venture firms Menlo Ventures, Inspired Capital and AlleyCorp, as well as YouTube star Camila Coelho and influencers Jett and Campbell "Pookie" Puckett.

The funding continues a wave of investment that has washed into the creator marketing business over the past 12 months. Spending on influencer marketing is predicted to grow 14.2% year-over-year in 2025, more than social media advertising or digital advertising as a whole, according to predictions from research firm eMarketer.

ShopMy offers a number of tools, including those that help advertisers manage their gifting programs, identify effective so-called micro-influencers and generate commerce links for influencers in its network to share with followers.

Influencers get commissions when followers make purchases via ShopMy links, while advertisers use the links to track how many sales each influencer generates. ShopMy charges advertisers subscription fees as well as its own cut of sales that come through its links.

Technology platforms catering to influencer marketers are attracting more investment and clients as they get better at measuring and tracking whether and how money spent on creators leads to cold hard sales, said Chris Erwin, founder of creator economy advisory firm RockWater.

"Influencer marketing always used to be essentially the top-of-funnel, where you can drive awareness around products and services," Erwin said. "So affiliate commerce, where creators create these shoppable storefronts or shoppable links and then have the technology and tools to actually convert those fans and audiences into paid customers of products, became really compelling."

Four-year-old ShopMy said more than 550 brands have active subscriptions with the company, and more than 100,000 creators have signed up. ShopMy has engaged in marketing of its own to lure influencers over to its platform, including a poster campaign and a party at the swanky private members club Zero Bond during New York Fashion Week last September.

The social commerce space in the past few years has grown competitive and contentious. Mavely, a similar platform, was bought this month by influencer and social-media marketing company Later for $250 million, while 14-year-old LTK, a platform co-created by influencer Amber Venz Box, last year accused ShopMy of false advertising, trademark infringement and unfair competition in a federal court. LTK later dropped the suit, saying ShopMy had stopped running the ads in question.

ShopMy has focused so far on beauty, fashion and skincare marketing, but plans to use the investment to expand into advertising categories such as wellness, maternity, family and food and beverage, according to co-founder Harry Rein. It also aims to expand its advertiser base internationally.

ShopMy's founders predict that more advertisers will naturally gravitate toward influencer marketing as AI-generated visuals begin to creep into other ad formats.

"AI has not really infiltrated advertising yet in the way that it's about to, and when that happens, our theory is that the human-connection recommendation systems are going to become even more dominant," said Rein, who started the company with Tiffany Lopinsky and Chris Tinsley. "That's when we'll be well positioned to really become a major player."

The affiliate marketing tech space is large enough for multiple businesses to survive, Erwin said.

"I don't think this is a category where winner takes all," he said, "but more likely, where winner takes most."

MARKETS DIGEST

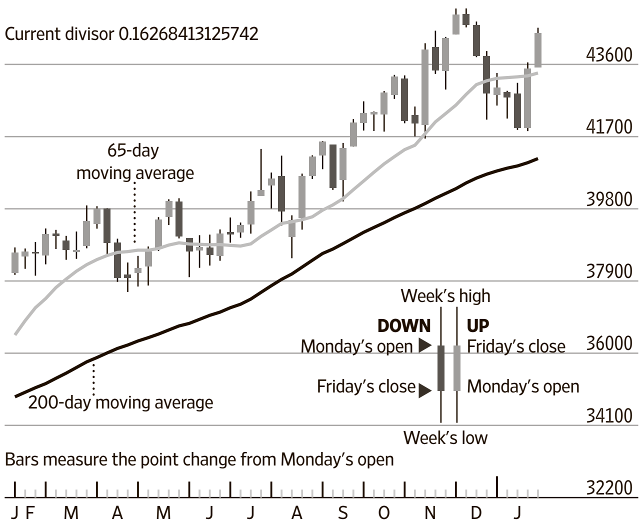
Dow Jones Industrial Average

44424.25 ▲936.42, or 2.15% last week

High, low, open and close for each of the past 52 weeks

	Last	Year ago
Trailing P/E ratio	26.86	25.32
P/E estimate *	21.89	19.46
Dividend yield	1.82	1.93
All-time high	45014.04, 12/04/24	

Current divisor 0.16268413125742



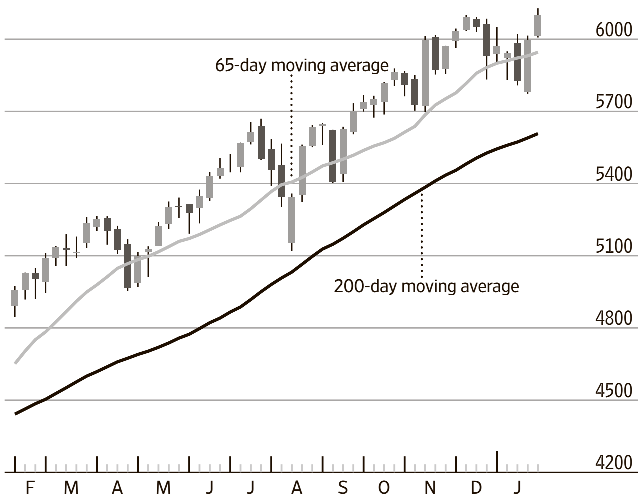
Bars measure the point change from Monday's open

S&P 500 Index

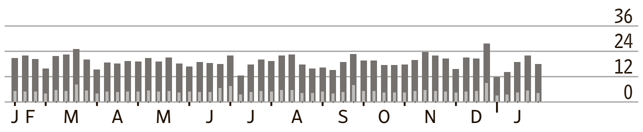
6101.24 ▲104.58, or 1.74% last week

High, low, open and close for each of the past 52 weeks

	Last	Year ago
Trailing P/E ratio *	25.75	22.33
P/E estimate *	22.30	22.01
Dividend yield *	1.22	1.51
All-time high	6118.71, 01/23/25	



NYSE weekly volume, in billions of shares



*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; †Based on Nasdaq-100 Index

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Major U.S. Stock-Market Indexes

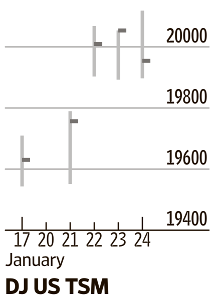
	Latest Week High	Latest Week Low	Latest Week Close	Latest Week Net chg	Latest Week % chg	52-Week Low	52-Week High	52-Week % chg	% chg YTD	% chg 3-yr. ann.
Dow Jones										
Industrial Average	44565.26	43528.65	44424.25	936.42	2.15	37735.11	45014.04	16.6	4.4	8.9
Transportation Avg	16724.58	16482.15	16605.95	174.69	1.06	14781.56	17754.38	4.4	4.5	2.5
Utility Average	1035.79	1005.41	1012.94	0.40	0.04	829.38	1079.88	19.2	3.1	2.8
Total Stock Market	60977.65	59822.61	60720.67	1029.42	1.72	48275.32	60885.79	24.6	4.0	10.7
Barron's 400	1320.14	1305.54	1314.40	16.24	1.25	1063.30	1356.99	22.6	5.0	9.0
Nasdaq Stock Market										
Nasdaq Composite	20118.61	19551.17	19954.30	324.10	1.65	15164.01	20173.89	29.1	3.3	12.9
Nasdaq-100	21945.48	21379.06	21774.01	332.86	1.55	17037.65	22096.66	25.0	3.6	14.5
S&P										
500 Index	6128.18	6006.88	6101.24	104.58	1.74	4845.65	6118.71	24.7	3.7	11.4
MidCap 400	3299.58	3239.76	3275.64	35.88	1.11	2732.18	3390.26	18.5	5.0	7.4
SmallCap 600	1466.63	1445.19	1455.30	13.31	0.92	1241.62	1544.66	12.8	3.3	3.5
Other Indexes										
Russell 2000	2322.27	2286.40	2307.74	31.86	1.40	1937.24	2442.03	16.7	3.5	4.3
NYSE Composite	20047.14	19607.37	19997.47	390.10	1.99	16911.13	20272.04	18.0	4.7	6.8
Value Line	637.47	626.78	635.23	8.53	1.36	568.94	656.04	8.8	4.0	0.3
NYSE Arca Biotech	6258.45	5987.30	6198.03	210.73	3.52	4861.76	6251.16	19.7	7.9	7.4
NYSE Arca Pharma	947.44	912.71	945.21	32.50	3.56	912.71	1140.17	-0.6	1.2	6.9
KBW Bank	138.45	134.26	137.68	1.40	1.03	92.30	138.78	42.8	8.0	1.0
PHLX§ Gold/Silver	152.18	146.01	150.89	3.85	2.62	102.94	175.74	32.7	10.0	5.5
PHLX§ Oil Service	79.40	75.45	75.79	-2.776	-3.53	68.88	95.25	-9.9	4.4	7.0
PHLX§ Semiconductor	5525.15	5307.52	5341.94	32.20	0.61	4260.92	5904.54	23.0	7.3	15.4
Cboe Volatility	16.29	14.58	14.85	-1.12	-7.01	11.86	38.57	12.0	-14.4	-20.8

§Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

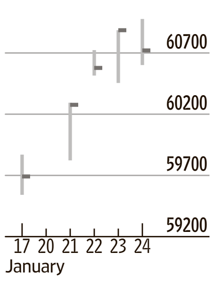
Nasdaq Composite

▲ 324.10, or 1.65% last week



DJ US TSM

▲ 1029.42, or 1.72% last week



International Stock Indexes

Region/Country	Index	Latest Week Close	Latest Week % chg	52-Week Range Low	52-Week Range High	YTD % chg
World	MSCI ACWI	872.91	2.07	730.84	873.73	3.8
	MSCI ACWI ex-USA	336.94	2.70	310.11	357.36	3.4
	MSCI World	3856.78	2.09	3205.32	3856.78	4.0
	MSCI Emerging Markets	1090.02	1.86	975.80	1187.97	1.4
Americas	MSCI AC Americas	2299.13	1.79	1836.72	2304.65	3.9
Canada	S&P/TSX Comp	25468.49	1.60	20584.97	25691.80	3.0
Latin Amer.	MSCI EM Latin America	1988.95	3.58	1842.59	2588.89	7.4
Brazil	Bovespa	122446.94	0.08	118532.68	137343.96	1.8
Chile	S&P IPSA	3801.88	1.53	3306.43	3801.88	5.2
Mexico	S&P/BMV IPC	51357.31	2.84	48837.72	58711.87	3.7
EMEA	STOXX Europe 600	530.07	1.23	482.83	530.34	4.4
	STOXX Europe 50	4526.70	1.24	4193.32	4577.60	5.1
Eurozone	Euro STOXX	534.24	1.31	472.81	534.24	5.7
	Euro STOXX 50	5219.37	1.38	4571.60	5219.37	6.6
Austria	ATX	3845.21	1.71	3348.13	3845.21	5.0
Belgium	Bel-20	4258.02	−0.05	3615.28	4333.65	−0.2
France	CAC 40	7927.62	2.83	7130.04	8239.99	7.4
Germany	DAX	21394.93	2.35	16859.04	21411.53	7.5
Greece	Athex Composite	1544.13	1.28	1341.23	1544.13	5.1
Israel	Tel Aviv	2517.69	−0.30	1817.83	2552.30	5.1
Italy	FTSE MIB	36200.72	−0.18	30234	36268	5.9
Netherlands	AEX	901.33	−1.41	817.74	944.91	2.6
Norway	Oslo Bors All-Share	1707.43	−0.70	1440.55	1726.25	3.8
Portugal	PSI 20	6503.73	−0.91	6055.53	6971.10	2.0
South Africa	FTSE/JSE All-Share	84290.99	−0.48	71868.07	87643.65	0.2
Spain	IBEX 35	11982.60	0.56	9886.4	12118.7	3.3
Sweden	OMX Stockholm	1017.04	2.26	882.38	1019.81	6.5
Switzerland	Swiss Market	12287.28	2.48	11091.58	12451.48	5.9
U.K.	FTSE 100	8502.35	−0.03	7512.28	8565.20	4.0
Asia-Pacific	MSCI AC Asia Pacific	182.90	2.28	165.07	197.3	0.7
Australia	S&P/ASX 200	8408.90	1.19	7547.7	8495.2	3.1
China	Shanghai Composite	3252.63	0.33	2702.19	3489.78	−3.0
Hong Kong	Hang Seng	20066.19	2.46	15485.07	23099.78	0.0
India	BSE Sensex	76190.46	−0.56	70700.67	85836.12	−2.5
Japan	NIKKEI 225	39931.98	3.85	31458.42	42224.02	0.1
Malaysia	FTSE Bursa Malaysia KLCI	1573.73	0.45	1506.28	1678.80	−4.2
Singapore	Straits Times	3804.26	−0.17	3107.10	3886.98	0.4
South Korea	KOSPI	2536.80	0.53	2360.58	2891.35	5.7
Taiwan	TAIEX	23525.41	1.63	17875.83	24390.03	2.1

Source: FactSet; Dow Jones Market Data

Commodities and Currencies

	Last Week Close	Net chg	% Chg	YTD % chg
DJ Commodity	1060.80	-4.02	-0.38	3.76
FTSE/CC CRB Index	309.84	-1.24	-0.40	4.42
Crude oil, $ per barrel	74.66	-2.73	-3.53	4.10
Natural gas, $/MMBtu	4.027	0.079	2.00	10.85
Gold, $ per troy oz.	2777.30	33.00	1.20	5.63
U.S. Dollar Index	107.47	-1.88	-1.72	-0.94
WSJ Dollar Index	101.80	-1.53	-1.48	-0.93
Euro, per dollar	0.9521	-0.0211	-2.17	-1.41
Yen, per dollar	156.02	-0.28	-0.18	-0.76
U.K. pound, in dollars	1.25	0.0316	2.60	-0.25

	52-Week Low	High	% Chg
DJ Commodity	936.12	1079.94	9.98
FTSE/CC CRB Index	265.48	312.17	13.26
Crude oil, $ per barrel	65.75	86.91	-4.29
Natural gas, $/MMBtu	1.575	4.258	48.49
Gold, $ per troy oz.	1990.30	2788.50	37.71
U.S. Dollar Index	100.38	109.96	3.90
WSJ Dollar Index	95.31	103.61	3.93
Euro, per dollar	0.8934	0.9760	3.34
Yen, per dollar	140.61	161.70	5.30
U.K. pound, in dollars	1.22	1.34	-1.74

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New to the Market

Public Offerings of Stock

IPOs in the U.S. Market

Initial public offerings of stock expected this week; might include some offerings, U.S. and foreign, open to institutional investors only via the Rule 144a market; deal amounts are for the U.S. market only

Expected pricing date	Filed	Issuer/business	Symbol/primary exchange	Shares (mil.)	Pricing Range($) Low/High	Bookrunner(s)
1/27	10/19 2023	Smithfield Foods Produce and wholesale pork meat products	SFD Nq	34.8	23.00/ 27.00	MS, BofA Securities, Goldman Sachs
1/28	10/24 2023	FG Merger II Special purpose acq co (SPAC)	N/A Nq	8.0	10.00/ 10.00	ThinkEquity Partners
1/30	10/3 2024	MSC Income Fund, Miscellaneous Financial Investment Activities	MSIF N	4.9	15.53/ 15.53	RBC Cptl Mkts, Truist Securities, Raymond James & Associates, UBS Securities
1/30	10/4 2024	Infinity Natural Resources Crude Petroleum and Natural Gas Extraction	INR N	13.3	18.00/ 21.00	Citigroup Global Markets, Raymond James & Associates, RBC Cptl Mkts, BofA Securities
1/29	1/6	Beta Bionics Surgical and Medical Instrument Manufacturing	BBNX Nq	7.5	14.00/ 16.00	BofA Securities, Piper Sandler, Leerink Prtnrs

Lockup Expirations

Below, companies whose officers and other insiders will become eligible to sell shares in their newly public companies for the first time. Such sales can move the stock's price.

Lockup expiration	Issue date		Symbol	Offer price($)	Offer amt ($ mil.)	Through Friday (%)	Lockup provision
Jan. 27	Aug. 1, '24	OS Therapies	OSTX	4.00	6.4	−32.8	180 days

Sources: LSEG Data and Analytics; Dow Jones Market Data

IPO Scorecard

Performance of IPOs, most-recent listed first

Company SYMBOL IPO date/Offer price	Friday's close ($)	% Chg From Offer price	% Chg From 1st-day close
Venture Global **VG** Jan. 24/$25.00	24.00	−4.0	...
Columbus Acquisition **COLAU** Jan. 23/$10.00	10.01	0.1	...
Skyline Builders **SKBL** Jan. 23/$4.00	4.10	2.5	−12.0
CTRL Grp **MCTR** Jan. 22/$4.00	5.31	32.6	22.5
Decent Holding **DXST** Jan. 22/$4.00	2.04	−49.0	−49.8
Diginex **DGNX** Jan. 22/$4.10	8.55	108.5	14.0
Toppoint Hldgs **TOPP** Jan. 22/$4.00	3.05	−23.8	−18.7
Hennessy Capital Investment VII **HVIIU** Jan. 17/$10.00	10.03	0.3	0.5
Flowco Hldgs **FLOC** Jan. 16/$24.00	28.29	17.9	−4.7
Hong Kong Digital Tech **HKPD** Jan. 15/$4.00	2.34	−41.5	−17.0
Plum Acquisition IV **PLMKU** Jan. 15/$10.00	10.04	0.4	...
Ribbon Acquisition **RIBBU** Jan. 15/$10.00	10.05	0.5	0.4
Uni-Fuels Hldgs **UFG** Jan. 14/$4.00	4.74	18.5	18.5
Mint **MIMI** Jan. 10/$4.00	5.00	25.0	21.7
3 E Ntwk Technology Grp **MASK** Jan. 8/$4.00	2.89	−27.8	−11.1
Cantor Eqty Ptnrs I **CEPO** Jan. 7/$10.00	10.07	0.7	0.2
Zhengye Biotechnology Holding **ZYBT** Jan. 7/$4.00	4.27	6.7	−12.1
INLIF **INLF** Jan. 2/$4.00	4.90	22.5	10.1
OneConstruction Grp **ONEG** Dec. 31/$4.00	2.73	−31.8	−9.0
Park Ha Biological Technology **PHH** Dec. 27/$4.00	5.49	37.3	34.9

Sources: Dow Jones Market Data; FactSet

Public and Private Borrowing

Treasurys

Monday, January 27	Tuesday, January 28
Auction of 13 and 26 week bills; announced on January 23; settles on January 30	Auction of 2 year FRN; announced on January 23; settles on January 31
Auction of 2 and 5 year note; announced on January 23; settles on January 31	Auction of 7 year note; announced on January 23; settles on January 31

A Week in the Life of the DJIA

A look at how the Dow Jones Industrial Average component stocks did in the past week and how much each moved the index. The DJIA gained 936.42 points, or 2.15%, on the week. A $1 change in the price of any DJIA stock = 6.15-point change in the average. To date, a $1,000 investment on Dec. 31 in each current DJIA stock component would have returned $31,056, or a gain of 3.52%, on the $30,000 investment, including reinvested dividends.

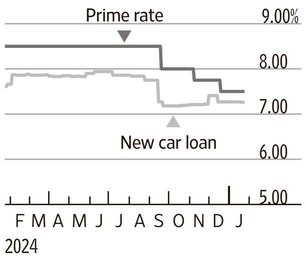
The Week's Action Pct chg (%)	Stock price change	Point chg in average*	Company	Symbol	Close	$1,000 Invested (year-end '24)
5.96	8.40	51.63	3M	MMM	$149.43	$1,158
5.60	21.61	132.83	Caterpillar	CAT	407.63	1,128
4.80	5.14	31.59	Walt Disney	DIS	112.16	1,007
4.46	22.75	139.84	UnitedHealth Group	UNH	532.51	1,053
3.94	8.91	54.77	Amazon.com	AMZN	234.85	1,070
3.85	2.73	16.78	NIKE	NKE	73.57	972
3.57	4.91	30.18	NVIDIA	NVDA	142.62	1,062
3.50	15.03	92.39	Microsoft	MSFT	444.06	1,054
3.32	2.00	12.29	Cisco	CSCO	62.23	1,058
3.31	10.58	65.03	Visa	V	330.20	1,045
3.07	2.82	17.33	Walmart	WMT	94.76	1,049
2.90	4.97	30.55	Boeing	BA	176.06	995
2.87	9.32	57.29	Salesforce	CRM	333.88	999
2.81	8.78	53.97	American Express	AXP	321.34	1,085
2.19	5.68	34.91	JPMorgan Chase	JPM	264.84	1,111
1.96	0.76	4.67	Verizon	VZ	39.54	1,006
1.86	2.99	18.38	Procter & Gamble	PG	164.12	985
1.75	10.96	67.37	Goldman Sachs	GS	636.90	1,112
1.74	6.17	37.93	Sherwin-Williams	SHW	360.15	1,059
1.61	4.51	27.72	McDonald's	MCD	285.46	985
1.25	5.12	31.47	Home Depot	HD	414.50	1,066
1.22	3.31	20.35	Amgen	AMGN	275.42	1,057
0.98	2.34	14.38	Travelers	TRV	241.86	1,004
0.004	0.01	0.06	IBM	IBM	224.80	1,023
−0.14	−0.21	−1.29	Johnson & Johnson	JNJ	146.82	1,015
−0.48	−1.07	−6.58	Honeywell	HON	221.51	981
−1.26	−0.79	−4.86	Coca-Cola	KO	61.92	995
−2.42	−2.37	−14.57	Merck & Co	MRK	95.55	960
−3.13	−7.20	−44.26	Apple	AAPL	222.78	890
−3.60	−5.82	−35.77	Chevron	CVX	155.65	1,075

*Based on Composite price. DJIA is calculated on primary-market price. Source: Dow Jones Market Data; FactSet.

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



Selected rates

New car loan

Bankrate.com avg†:	**7.26%**
First Command Bank	**5.24%**
Fort Worth, TX	888-763-7600
PNC Bank, NA	**6.24%**
Washington, DC	888-PNC-BANK
Cambridge Savings Bank	**6.56%**
Cambridge, MA	888-418-5626
Firstrust Bank	**6.74%**
Philadelphia, PA	800-220-2265
Wilmington Savings Fund Society, FSB	**6.99%**
Wilmington, DE	888-973-7226

Interest rate	Yield/Rate (%) Last	Week ago	52-Week Range (%) Low	High	3-yr chg (pct pts)
Federal-funds rate target	4.25-4.50	4.25-4.50	4.25	5.50	4.25
Prime rate*	7.50	7.50	7.50	8.50	4.25
SOFR	4.35	4.29	4.27	5.40	4.30
Money market, annual yield	0.41	0.41	0.41	0.51	0.34
Five-year CD, annual yield	2.85	2.86	2.80	2.89	2.42
30-year mortgage, fixed†	7.34	7.33	6.69	7.72	3.66
15-year mortgage, fixed†	6.70	6.66	6.02	7.11	3.69
Jumbo mortgages, $806,500-plus†	7.39	7.37	6.78	7.79	3.68
Five-year adj mortgage (ARM)†	6.53	6.56	5.88	6.78	3.68
New-car loan, 48-month	7.26	7.27	7.18	7.94	3.75

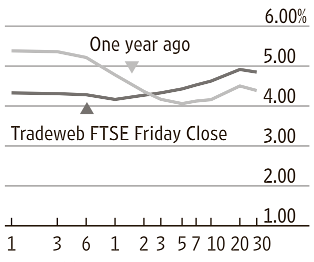
Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks.† Excludes closing costs.

Sources: FactSet; Dow Jones Market Data; Bankrate.com

Benchmark Yields and Rates

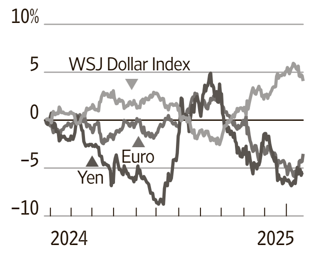
Treasury yield curve

Yield to maturity of current bills, notes and bonds



Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Sources: Tradeweb FTSE U.S. Treasury Close; Tullett Prebon; Dow Jones Market Data

Corporate Borrowing Rates and Yields

Bond total return index	Yield (%) Last	Yield (%) Wk ago	Spread +/- Treasurys, in basis pts, 52-wk Range Last	Low	High	Total Return 52-wk	Total Return 3-yr
U.S. Treasury, Bloomberg	4.490	4.490				2.24	-2.31
U.S. Treasury Long, Bloomberg	4.910	4.910				-1.64	-10.85
Aggregate, Bloomberg	4.920	4.940	31	31	43	2.98	-1.76
Fixed-Rate MBS, Bloomberg	5.250	5.310	35	35	56	3.17	-1.66
High Yield 100, ICE BofA	6.478	6.421	198	191	319	8.34	4.09
Muni Master, ICE BofA	3.499	3.544	1	-6	6	1.92	-0.004
EMBI Global, J.P. Morgan	7.566	7.623	290	270	379	8.55	0.41

Sources: J.P. Morgan; S&P Dow Jones Indices; Bloomberg Fixed Income Indices; ICE BofA

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Country/currency	Fri in US$	Fri per US$	US$ vs, YTD chg (%)
Americas			
Argentina peso	.0010	1046.1605	1.5
Brazil real	.1691	5.9147	-4.4
Canada dollar	.6971	1.4346	-0.3
Chile peso	.001019	981.80	-1.3
Colombia peso	.000239	4177.75	-5.2
Ecuador US dollar	1	1	unch
Mexico peso	.0493	20.2723	-2.7
Uruguay peso	.02293	43.6150	-0.2
Asia-Pacific			
Australia dollar	.6314	1.5838	-2.0
China yuan	.1380	7.2441	-0.7
Hong Kong dollar	.1284	7.7871	0.2
India rupee	.01160	86.188	0.7
Indonesia rupiah	.0000618	16172	-0.6
Japan yen	.006410	156.02	-0.8
Kazakhstan tenge	.001930	518.09	-1.3
Macau pataca	.1246	8.0250	0.3
Malaysia ringgit	.2284	4.3775	-2.1
New Zealand dollar	.5710	1.7513	-2.0
Pakistan rupee	.00359	278.525	0.1
Philippines peso	.0171	58.320	0.4
Singapore dollar	.7429	1.3461	-1.4
South Korea won	.0006995	1429.53	-3.3
Sri Lanka rupee	.0033518	298.35	1.8
Taiwan dollar	.03054	32.748	-0.2
Thailand baht	.02977	33.590	-2.2
Vietnam dong	.00003987	25080	-1.6
Europe			
Czech Rep. koruna	.04183	23.904	-1.8
Denmark krone	.1406	7.1111	-1.3
Euro area euro	1.0504	.9521	-1.4
Hungary forint	.002573	388.66	-2.2
Iceland krona	.007172	139.43	0.3
Norway krone	.0893	11.1955	-1.7
Poland zloty	.2492	4.0122	-2.9
Sweden krona	.0915	10.9267	-1.3
Switzerland franc	1.1038	.9060	-0.2
Turkey lira	.0280	35.6694	0.9
Ukraine hryvnia	.0238	41.9500	-0.2
UK pound	1.2483	.8011	0.2
Middle East/Africa			
Bahrain dinar	2.6530	.3769	-0.05
Egypt pound	.0199	50.2849	-1.1
Israel shekel	.2795	3.5781	-1.7
Kuwait dinar	3.2468	.3080	-0.1
Oman sul rial	2.5978	.3849	-0.02
Qatar rial	.2743	3.646	0.01
Saudi Arabia riyal	.2666	3.7510	-0.1
South Africa rand	.0544	18.3986	-2.5

	Close	Net Chg	% Chg	YTD % Chg
WSJ Dollar Index	101.80	−0.54	−0.52	−0.93

Sources: Tullett Prebon, Dow Jones Market Data

CLOSED-END FUNDS

Listed are the 300 largest closed-end funds as measured by assets. Closed-end funds sell a limited number of shares and invest the proceeds in securities. Unlike open-end funds, closed-ends generally do not buy their shares back from investors who wish to cash in their holdings. Instead, fund shares trade on a stock exchange. **NA** signifies that the information is not available or not applicable. **NS** signifies funds not in existence for the entire period. 12 month yield is computed by dividing income dividends paid (during the previous 12 months for periods ending at month-end or during the previous 52 weeks for periods ending at any time other than month-end) by the latest month-end market price adjusted for capital gains distributions. Depending on the fund category, either 12-month yield or total return is listed.

Source: LSEG

Friday, January 24, 2025

Fund (SYM)	NAV	Close	Prem /Disc	52 wk Ttl Ret
General Equity Funds				
Adams Diversified Eq Inc **ADX**	23.58	21.28	-9.8	31.1
BlackRock En Lg Cap Cr **CII**	22.58	21.08	-6.6	17.5
Central Secs **CET**	56.56	47.36	-16.3	34.8
CohenStrsCEOppFd **FOF**	12.37	12.63	+2.1	20.5
EVTxAdvDivIncm **EVT**	NA	24.60	NA	20.5
GabelliDiv&IncTr **GDV**	28.81	25.12	-12.8	23.8
Gabelli Equity Tr **GAB**	5.49	5.65	+2.9	23.5
GeneralAmer **GAM**	60.37	53.02	-12.2	32.2
JHancockTaxAdvDiv **HTD**	24.40	22.62	-7.3	29.7
Liberty All-Star Equity **USA**	7.12	7.17	+0.7	19.3
Liberty All-Star Growth **ASG**	6.32	5.88	-7.0	21.0
Royce Micro-Cap Tr **RMT**	11.45	10.21	-10.8	21.0
Royce Value Trust **RVT**	17.65	16.61	-5.9	26.1
Source Capital **SOR**	44.34	42.10	-5.1	18.5
Special Opportunities **SPE**	NA	15.34	NA	39.1
Sprott Focus Trust **FUND**	8.62	7.65	-11.3	7.5
SRH Total Return **STEW**	21.30	16.52	-22.4	20.2
Tri-Continental **TY**	36.82	32.91	-10.6	25.6
Specialized Equity Funds				
abrdn Glb Prem Prop **AWP**	3.92	4.00	+2.0	21.0
abrdn Global Infra Inc **ASGI**	19.37	17.82	-8.0	13.5
Adams Natural Resources **PEO**	25.59	23.11	-9.7	21.2
ASA Gold & Prec Met Ltd **ASA**	25.52	22.71	-11.0	54.7
BlackRock Energy & Res **BGR**	14.28	13.33	-6.7	16.0
BlackRock Eq Enh Div **BDJ**	9.30	8.78	-5.6	22.1
BlackRock Enh Glbl Div **BOE**	12.49	11.39	-8.8	23.0
BlackRock Enh Intl Div **BGY**	6.11	5.54	-9.3	13.1
BlackRock ESG Cap All T **ECAT**	17.92	16.68	-6.9	18.8
BlackRock Hlth Sci Term **BMEZ**	17.16	16.39	-4.5	19.9
BlackRock Hlth Sciences **BME**	43.05	40.19	-6.6	4.7
BlackRock Innov&Gro Term **BIGZ**	8.80	8.21	-6.7	22.3
BlackRock Res & Comm **BCX**	10.04	9.15	-8.9	14.3
BlackRock Sci&Tech Term **BSTZ**	24.15	21.98	-9.0	43.7
BlackRock Sci&Tech Trust **BST**	41.09	38.84	-5.5	18.7
BlackRock Utl Inf & Pwr **BUI**	23.87	23.60	-1.1	19.1
CLEARBRIDGE ENGY MDS OPP **EMO**	NA	50.75	NA	53.5
ChnStrInfr **UTF**	24.17	24.41	+1.0	23.5
Cohen&SteersQualInc **RQI**	13.00	12.82	-1.4	17.5
CohenStrs Real Est and I **RLTY**	16.12	15.42	-4.3	19.6
Cohen&Steers TotRet **RFI**	11.72	11.87	+1.3	7.4
CohenStrsREITPrefInc **RNP**	21.23	21.41	+0.8	14.6
Columbia Sel Prm Tech Gr **STK**	33.95	33.88	-0.2	19.9
DNP Select Income **DNP**	8.92	9.27	+3.9	15.1
Duff&Ph Uti&Infra Inc Fd **DPG**	NA	11.88	NA	44.7
EtnVncEqtyInc **EOI**	NA	21.22	NA	35.0
EtnVncEqtyIncoII **EOS**	NA	24.56	NA	38.3
EVRskMnDvsEqInc **ETJ**	NA	9.26	NA	27.1
ETnVncTxMgdBuyWrtInc **ETB**	NA	15.27	NA	27.1
EtnVncTxMgdBuyWrtOpp **ETV**	NA	14.47	NA	26.5
EvTxMnDvsEqInc **ETY**	NA	15.34	NA	34.3
EtnVncTxMgdGlbB **ETW**	NA	8.60	NA	21.4
EVTxMnGblDvEqInc **EXG**	NA	8.54	NA	20.7
First Tr Enhanced Eq **FFA**	21.73	20.98	-3.5	21.8
Gabelli Healthcare **GRX**	11.50	10.11	-12.1	13.8
Gab Utility **GUT**	3.12	5.55	+77.9	31.0
GAMCOGlGold&NatRes **GGN**	4.10	4.03	-1.7	17.4
J Han Finl Opptys **BTO**	36.16	36.94	+2.2	30.9
Neuberger Brmn Enrgy I&I **NML**	10.32	9.35	-9.4	53.2
Neuberger Nxt Gen Conn **NBXG**	15.42	13.65	-11.5	33.1
NubrgrRlEstSec **NRO**	3.61	3.40	-5.8	13.6
Nuv Dow 30 Dyn Overwrite **DIAX**	17.43	15.55	-10.8	17.0
NuvCorEqAlpha **JCE**	16.11	16.02	-0.6	31.9
Nuveen Nasdaq 100 Dyn Ov **QQQX**	30.33	27.74	-8.5	27.8
Nuv Real Est **JRS**	9.15	8.65	-5.5	23.1
NuvS&P500DynOvFd **SPXX**	19.06	17.99	-5.6	28.7
NuvSP500BuyIncFd **BXMX**	15.57	14.15	-9.1	17.6
NXG Cushing Mdstrm Enrgy **SRV**	48.50	48.92	+0.9	63.2

Fund (SYM)	NAV	Close	Prem /Disc	52 wk Ttl Ret
NXG NextGen Infras Inc **NXG**	51.41	52.59	+2.3	77.1
ReavesUtilityIncome **UTG**	34.41	34.42	0.0	41.4
Tortoise Enrgy Infra Crp **TYG**	NA	47.39	NA	78.6
Ecofin S&S Impact Term **TEAF**	NA	12.28	NA	18.1
VDivInt&PremStr **NFJ**	NA	13.10	NA	15.1
V Art Int&Tech Opps **AIO**	NA	25.40	NA	49.8
Income & Preferred Stock Funds				
Dividend and Income **BXSY**	21.07	NA	NA	NA
CalamosStratTot **CSQ**	18.84	18.44	-2.1	29.1
CohenStrsLtdDurPref&Inc **LDP**	21.83	20.61	-5.6	17.7
CohenStrsSelPref&Income **PSF**	21.55	20.10	-6.7	10.8
CohenStrsTaxAvPreSecs&I **PTA**	20.82	19.66	-5.6	15.8
FirstTrIntDurPref&Inc **FPF**	19.34	18.55	-4.1	17.8
JHanPrefInc **HPI**	16.37	17.16	+4.8	19.0
JHPrefIncII **HPF**	16.22	16.69	+2.9	12.5
HnckJPfdIncoIII **HPS**	14.57	14.92	+2.4	13.0
J Han Prm **PDT**	13.33	12.84	-3.7	30.2
LMP CapInco **SCD**	NA	17.60	NA	38.1
Nuveen Pref & Inc Opp **JPC**	7.97	7.98	+0.1	21.6
Nuveen Pref Sec & Inc Op **JPI**	19.91	20.10	+1.0	15.5
Nuveen Var Rate P&I **NPFD**	20.02	18.90	-5.6	21.8
TCW Strat Income **TSI**	NA	4.81	NA	10.0
Convertible Sec's. Funds				
AdvntCnvrtbl&IncFd **AVK**	12.53	12.24	-2.3	18.8
CalamosConvHi **CHY**	10.84	11.35	+4.7	9.6
CalmosConvOp **CHI**	10.25	11.43	+11.5	21.0
HiIncBd **PCF**	7.14	6.64	-7.0	16.9
V Conv & Inc **NCV**	NA	3.62	NA	24.9
V Conv & Inc II **NCZ**	NA	3.32	NA	29.8
V Div Inc & Conv **ACV**	NA	22.92	NA	18.6
V Eqty & Conv Inc **NIE**	NA	25.01	NA	27.2
World Equity Funds				
abrdn Emg Mkts Eq Inc **AEF**	6.06	5.43	-10.4	20.3
abrdn Glbl Dyn Div **AGD**	11.09	10.19	-8.1	21.5
abrdn Tot Dyn Div **AOD**	9.61	8.68	-9.7	19.8
Allspring Gl Div Oppty **EOD**	5.78	5.02	-13.1	25.3
BlackRock Cap Alloc Term **BCAT**	16.62	15.65	-5.8	21.3
Calamos GloDynInc **CHW**	7.80	6.92	-11.3	28.1
EV TxAdvGlbDivInc **ETG**	NA	19.05	NA	18.5
EtnVncTxAdvOpp **ETO**	NA	26.21	NA	18.6
Highland Global Alloc **HGLB**	13.11	7.74	-41.0	9.4
India Fund **IFN**	17.14	15.85	-7.5	-4.6
Japan Smaller Cap **JOF**	9.29	7.77	-16.4	7.3
LazardGlbTotRetInc **LGI**	18.31	16.77	-8.4	19.9
Mexico **MXF**	17.62	13.85	-21.4	-21.5
MS ChinaShrFd **CAF**	15.39	12.55	-18.5	3.3
MS India **IIF**	28.24	24.23	-14.2	31.6
Nuveen Multi-Asset Inc **NMAI**	13.54	12.32	-9.0	15.8
Nuveen Rl Asst Inc & Gro **JRI**	13.29	12.59	-5.3	19.7
NYLI CBRE Glbl Inf Meg T **MEGI**	14.00	12.81	-8.5	6.6
Templeton Dragon **TDF**	10.39	8.61	-17.1	15.1
Templeton Em Mkt **EMF**	14.51	12.32	-15.1	14.3

Fund (SYM)	NAV	Close	Prem /Disc	12 Mo Yld
U.S. Mortgage Bond Funds				
BlckRk Income **BKT**	11.69	11.57	-1.0	9.1
Investment Grade Bond Funds				
Angel Oak FS Inc Trm **FINS**	14.05	13.21	-6.0	10.3
BlRck Core Bond **BHK**	10.25	10.44	+1.9	8.5
BR Credit Alloc Inc **BTZ**	11.27	10.64	-5.6	9.6
Insight Select Income **INSI**	17.41	16.62	-4.5	4.6
InvescoBond **VBF**	16.15	15.66	-3.0	5.5
J Han Income **JHS**	11.94	11.16	-6.5	4.8
MFS Intmdt **MIN**	2.76	2.68	-2.9	0.0
Loan Participation Funds				
BR Debt Strategy **DSU**	10.62	10.75	+1.2	11.0
BR F/R Inc Str **FRA**	12.87	13.10	+1.8	10.8
BlackRock Floatng Rt Inc **BGT**	12.55	12.69	+1.1	11.2
Blackstone Lng-Sh Cr Inc **BGX**	13.30	12.78	-3.9	9.8
BS SFR 2027 T **BSL**	14.76	14.34	-2.8	9.4
BS St Cr 2027 Tm **BGB**	12.87	12.40	-3.7	9.2
EtnVncFltRteInc **EFT**	NA	13.55	NA	10.5
EV SenFlRtTr **EFR**	NA	13.18	NA	9.7
FT/Sr Fltg Rte Inc 2 **FCT**	10.84	10.41	-4.0	11.2
Highland Oppty & Income **HFRO**	12.81	5.62	-56.1	8.9
InvDYCrOpp:AX **VTA**	11.00	NA	NA	NA
InvSnrIncTr **VVR**	3.92	4.07	+3.8	13.0
Nuveen Credit Strat Inc **JQC**	5.87	5.62	-4.3	11.3
NuvFloatRateIncFd **JFR**	9.20	8.56	-7.0	11.4
High Yield Bond Funds				
abrdn Inc Credit Str **ACP**	6.37	6.01	-5.7	19.7
AllianceBernGlHiIncm **AWF**	11.40	10.87	-4.6	7.4

Fund (SYM)	NAV	Close	Prem /Disc	52 wk Ttl Ret
Allspring Income Oppty **EAD**	7.44	7.02	-5.6	9.0
Barings Glb SD HY Bd **BGH**	16.00	15.84	-1.0	9.7
BR Corporate HY **HYT**	9.72	9.80	+0.8	9.5
BlackRock Ltd Dur Inc **BLW**	14.08	14.23	+1.1	9.3
BNY Mellon Hi Yield Str **DHF**	2.77	2.63	-5.1	8.1
Brookfield Real Asst Inc **RA**	14.75	13.50	-8.5	10.6
CrSuisHighYld **DHY**	2.20	2.14	-2.7	8.6
CSAM Income Fd **CIK**	2.98	2.96	-0.7	9.3
DoubleLine Inc Sol **DSL**	12.49	12.57	+0.6	10.5
DoubleLine Yld Opps **DLY**	16.04	15.95	-0.6	9.2
First Trust HY Opp:2027 **FTHY**	15.33	14.68	-4.2	10.7
Franklin Univ **FT**	8.19	7.52	-8.2	6.9
KKR Income Opportunities **KIO**	NA	12.96	NA	10.9
NeubHgYldStrt **NHS**	7.76	7.63	-1.7	14.5
New Amer Hi Inc **HYB**	8.33	8.20	-1.6	5.3
Nuveen Global High Inc **JGH**	13.94	13.16	-5.6	9.6
PGIM Global High Yield **GHY**	13.22	13.24	+0.2	10.2
PGIM High Yield Bond **ISD**	14.06	13.80	-1.8	9.2
PGIM Sh Dur Hi Yld Opp **SDHY**	17.71	16.56	-6.5	8.0
PioneerHiIncm **PHT**	8.35	7.88	-5.6	8.5
WstAstHIF II **HIX**	NA	4.25	NA	13.9
Western Asset Hi Inc Opp **HIO**	NA	3.92	NA	10.8
Western Asset Hi Yld D O **HYI**	NA	12.02	NA	9.6
Other Domestic Taxable Bond Funds				
Allspring Multi-Sector **ERC**	9.89	9.34	-5.6	8.6
Ares Dynamic Crdt Alloc **ARDC**	NA	15.12	NA	9.3
BlackRock Mlt-Sctr Inc **BIT**	14.52	14.68	+1.1	10.1
BlackRock Tax Muni Bd **BBN**	17.08	16.29	-4.6	6.9
DoubleLine:Oppor Crdt Fd **DBL**	15.34	15.60	+1.7	8.5
EVLmtDurIncm **EVV**	NA	10.12	NA	9.7
Franklin Ltd Dur Income **FTF**	6.94	6.62	-4.6	11.1
FS Credit Opportunities **FSCO**	NA	NA	NA	10.4
J Han Investors **JHI**	14.77	14.05	-4.9	7.9
MFS Charter **MCR**	6.74	6.34	-5.9	0.0
NuvCorePlusImpact **NPCT**	11.65	10.71	-8.1	12.2
Nuveen Taxable Muni Inc **NBB**	16.04	15.47	-3.6	6.9
PIMCO Corp & Inc Oppty **PTY**	NA	14.58	NA	9.9
PIMCO Corp & Inc Strat **PCN**	NA	13.49	NA	10.0
PIMCOHiInco **PHK**	NA	4.92	NA	11.8
PIMCO IncmStrFd **PFL**	8.07	8.41	+4.2	11.6
PIMCO IncmStrFd II **PFN**	NA	7.42	NA	11.5
Putnam Mas Int **PIM**	3.41	3.29	-3.7	8.1
Putnam Prem Inc **PPT**	3.76	3.59	-4.5	8.7
Western Asset Dvsfd Inc **WDI**	NA	14.86	NA	12.3
Western Asset Inf-Lk Inc **WIA**	NA	8.08	NA	7.5
Western Asset Inf-Lk O&I **WIW**	NA	8.55	NA	8.7
World Income Funds				
abrdn AP IncFd **FAX**	16.76	15.41	-8.1	13.4
MS EmMktDomDebt **EDD**	5.14	4.69	-8.8	11.4
PIMCO Access Income **PAXS**	NA	15.90	NA	11.7
PIMCO Dynamic Inc Strat **PDX**	NA	27.19	NA	4.8
PIMCO Dynamic Income **PDI**	NA	19.03	NA	14.4
PIMCO Dynamic Inc Opp **PDO**	NA	13.72	NA	11.2
PIMCO Stratg Inc **RCS**	NA	6.48	NA	8.0
Templtn Glbl Inc **SABA**	NA	9.09	NA	NE
Templeton Em Inc **TEI**	5.84	5.35	-8.4	11.1
WstAstEmergDebt **EMD**	NA	9.83	NA	10.5
National Muni Bond Funds				
AllBerNatlMunInc **AFB**	12.33	11.01	-10.7	3.8
BlackRock 2037 Muni Trg **BMN**	25.70	25.35	-1.3	4.4
BlckRk Inv Q Mun **BKN**	12.54	11.34	-9.6	6.1
BlackRock Muni 2030 Tgt **BTT**	23.85	20.92	-12.3	2.7
BlackRock Muni **BFK**	11.09	10.07	-9.2	6.0
BlackRock Muni II **BLE**	11.71	10.67	-8.9	5.9
BlckRk Muni Inc Qly **BYM**	12.22	11.24	-8.0	5.8
BR MuniAssets Fd **MUA**	11.54	10.99	-4.8	6.0
BR MH Qly 2 **MUE**	11.24	10.16	-9.6	5.5
BR MuniHoldngs **MHD**	13.11	11.95	-8.8	5.5
BR MuniVest Fd **MVF**	7.77	7.17	-7.7	5.3
BR MuniVest 2 **MVT**	11.96	10.67	-10.8	5.8
BR MuniYield Fd **MYD**	11.69	10.63	-9.1	6.1
BR MuniYield Qlty **MQY**	12.71	11.77	-7.4	6.0
BR MuniYld Qlty2 **MQT**	11.21	10.15	-9.5	6.0
BR MuniYld Qly 3 **MYI**	12.09	11.04	-8.7	6.0
BNY Mellon Muni Bd Infra **DMB**	11.88	10.38	-12.6	3.4
BNY Mellon Muni Income **DMF**	7.54	7.19	-4.6	2.9
BNY Mellon Str Muni Bond **DSM**	6.61	5.81	-12.1	3.7
BNY Mellon Strat Muni **LEO**	6.94	6.12	-11.8	3.7
DWS Muni Inc **KTF**	9.81	9.45	-3.7	6.7
EVMuniBd **EIM**	NA	10.11	NA	5.6
EVMuniIncm **EVN**	NA	10.36	NA	5.7
EVNatMuniOpp **EOT**	NA	16.77	NA	4.7

Fund (SYM)	NAV	Close	Prem /Disc	12 Mo Yld
InvAdvMuIncTrII **VKI**	9.44	8.74	-7.4	6.4
Invesco MuniOp **OIA**	6.32	6.11	-3.3	5.8
InvescoMuOppTr **VMO**	10.54	9.69	-8.1	6.4
InvescoMuTr **VKQ**	10.58	9.78	-7.6	6.4
InvescoQual Inc **IQI**	10.63	9.78	-8.0	6.4
InvTrInvGrMu **VGM**	10.90	10.07	-7.6	6.3
InvescoValMunInc **IIM**	13.00	11.94	-8.2	6.5
NeubrgrBrm **NBH**	11.73	10.53	-10.3	5.3
Nuveen AMT-Fr Mu Val **NUW**	15.02	13.69	-8.9	3.8
Nuveen AMT-Fr Qlty Mun I **NEA**	12.10	11.21	-7.4	6.6
Nuveen AMT-Fr Mu Cl **NVG**	13.27	12.46	-6.1	6.7
Nuveen Dyn Muni Opp **NDMO**	10.87	10.37	-4.6	7.4
Nuveen Mu Crdt Opps **NMCO**	11.61	10.82	-6.8	6.7
Nuv Muni Credit Income **NZF**	13.22	12.35	-6.6	6.8
NuvMuniHiIncOpp **NMZ**	10.97	11.05	+0.7	6.3
Nuveen Muni Val **NUV**	9.22	8.70	-5.6	4.1
Nuveen Quality Muni Inc **NAD**	12.57	11.64	-7.4	6.6
Nuveen Sel TF **NXP**	14.40	14.89	+3.4	4.0
NYLI MacKay DT Muni Opp **MMD**	16.54	15.10	-8.7	4.8
PIMCO MuniInc **PMF**	9.06	8.85	-2.3	5.6
PIMCOMuniIncII **PML**	8.44	8.24	-2.4	5.8
Pimco Muni III **PMX**	7.78	7.32	-5.9	5.3
PioneerHiIncAdv **MAV**	9.09	8.52	-6.3	4.4
PionrMuniHiIncOppty **MIO**	12.75	11.95	-6.3	4.9
PioneerMunHiIcm **MHI**	9.94	9.37	-5.7	4.3
Putnam Mgd Inc **PMM**	6.72	6.15	-8.5	4.7
Putnam Muni Opp **PMO**	11.32	10.30	-9.0	4.1
RiverNorth Flx Mu Inc II **RFMZ**	15.32	13.87	-9.5	7.7
RiverNorth Mgd Dur Mun I **RMM**	16.17	14.86	-8.1	7.6
Western Asset Mgd Muni **MMU**	NA	10.26	NA	6.1
Single State Muni Bond				
BlackRock CA Mun **BFZ**	12.42	11.26	-9.3	5.9
BR MH CA Qly Fd Inc **MUC**	12.10	10.75	-11.2	5.6
BR MH NJ Qly **MUJ**	12.70	11.30	-11.0	5.5
BR MH NY Qly **MHN**	11.59	10.37	-10.5	5.2
BR MuniYld MI Qly **MIY**	12.67	11.40	-10.0	5.2
BR MuniYld NY Qly **MYN**	11.23	10.10	-10.1	5.4
BR MuniYld PA Qly **MPA**	12.70	11.84	-6.8	6.0
BlackRock NY Mun **BNY**	11.53	10.31	-10.6	5.3
EVCAMuniBd **EVM**	NA	9.40	NA	5.2
Eaton Vance NY Muni Bd **ENX**	NA	9.63	NA	5.1
InvCaValMuIncTr **VCV**	10.89	10.80	-0.8	5.7
InvPAValMuIncTr **VPV**	11.38	10.20	-10.4	6.0
InvTrInvGrNYMu **VTN**	11.51	10.40	-9.7	6.3
Nuveen CA AMT-F Qual MI **NKX**	12.67	12.67	0.0	6.1
Nuveen CA Val **NCA**	9.23	8.50	-7.9	4.1
NuveenCAQtyMuInc **NAC**	12.16	11.18	-8.1	6.6
NuvNJ Qual Muni Inc **NXJ**	13.07	11.99	-8.3	6.2
Nuveen NY AMT/Fr Qual MI **NRK**	11.45	10.50	-8.3	6.7
Nuveen NY Val **NNY**	8.90	8.09	-9.2	4.2
Nuveen NY Qual Muni Inc **NAN**	11.96	11.45	-4.3	6.4
Nuveen PA Qual Muni Inc **NQP**	12.70	11.33	-10.8	6.6
Nuveen VA Qlty Mun Inc **NPV**	12.00	12.61	+5.1	5.6
PIMCO CA **PCQ**	10.19	8.91	-12.6	4.7
PIMCOCAMuniII **PCK**	6.50	5.66	-13.0	4.5
Pimco CA Muni III **PZC**	7.52	6.68	-11.2	5.1

Fund (SYM)	NAV	Close	Prem /Disc	52 wk Ttl Ret
General Equity Funds				
Alternative Strategies:I	15.12	NA	NA	3.1
Specialized Equity Funds				
Accordant ODCE Index;A	9.29	NA	NA	-1.3
Accordant ODCE Index;I	9.32	NA	NA	-1.3
Accordant ODCE Index;Y	9.32	NA	NA	-1.3
ARK Venture	30.29	NA	NA	13.2
ArrowMark Financial Corp **BANX**	NA	21.28	NA	NA
CASCADE PRIVATE CAP;I	17.16	NA	NA	NA
CBRE GlbRlEst **IGR**	5.03	5.15	+2.4	-1.4
CIM RA&C A	22.31	NA	NA	1.6
CIM RA&C C	21.53	NA	NA	0.8
CIM RA&C I	22.56	NA	NA	1.8
CIM RA&C L	22.03	NA	NA	1.3
Connetic Venture CA;I	10.10	NA	NA	NS
First Tr Real Assets;A	NA	NA	NA	NS
Forum RE Income;Founders	9.70	NA	NA	12.2
Forum RE Income;I	9.70	NA	NA	12.1
Forum RE Income;K	9.69	NA	NA	NS
GS Real Est Div Inc:A	8.05	NA	NA	-1.4
GS Real Est Div Inc:C	8.05	NA	NA	-2.1
GS Real Est Div Inc:I	8.52	NA	NA	-1.1
GS Real Est Div Inc:L	8.06	NA	NA	-1.7
GS Real Est Div Inc:P	8.53	NA	NA	-1.1
GS Real Est Div Inc:W	8.22	NA	NA	-1.3
HMLTN LN PRIV INFRA;I	NA	NA	NA	NS
HMLTN LN PRIV INFRA;R	NA	NA	NA	NS
HMLTN LN PRIV INFRA;Y	NA	NA	NA	NS
JACKSON REAL ASSETS;I	10.46	NA	NA	NS
MEKETA INFRSTRCTR;I	26.49	NA	NA	NS
MEKETA INFRSTRCTR;III	26.49	NA	NA	NS
NexPointRlEstStrat;A	15.97	NA	NA	0.4
NexPointRlEstStrat;C	16.18	NA	NA	-0.3
NexPointRlEstStrat;Z	16.20	NA	NA	0.6
PENDER REAL ESTATE CR;A	NA	NA	NA	NS
PIMCO FLEXIBLE REI;F	10.49	NA	NA	NS
PIMCO Flexible REI;Inst	10.49	NA	NA	8.0
Principal Real Asst A	25.78	NA	NA	5.6
Principal Real Asst Ins	25.92	NA	NA	5.9
Principal Real Asst Y	26.23	NA	NA	6.1
Redwood Rl Est;I	25.19	NA	NA	8.0
The Private Shares;A	42.20	NA	NA	10.4
The Private Shares;I	43.00	NA	NA	10.7
The Private Shares;L	41.44	NA	NA	10.2
Thirdline Real EstateI	9.98	NA	NA	5.8
USQ Core Real Estate:I	22.18	NA	NA	-3.3
USQ Core Real Estate:L	22.26	NA	NA	-3.3
Versus Cap RE:I	24.32	NA	NA	0.5
Versus Capital Real Asst	28.00	NA	NA	4.3
Wildermuth:I	3.53	NA	NA	-58.4
WILSHIRE PRIV ASST;INST	12.46	NA	NA	NA
Income & Preferred Stock Funds				
ALPHA ALT ASST;A	6.30	NA	NA	5.4
Alpha Alternative Assets	6.37	NA	NA	5.8
Calamos L/S Eqty and DI **CPZ**	17.20	15.49	-9.9	7.8
Denali Strctr Rtrn Strat	10.97	NA	NA	NS
Lord Abbett Spec Sit I:A	9.39	NA	NA	11.3
Lord Abbett Spec Sit I:I	9.39	NA	NA	12.1
ONEASCENT CAP OPPTYS	NA	NA	NA	NS
Variant Altrntv Inc:Inst	27.04	NA	NA	4.8
Variant Impact;Instl	27.69	NA	NA	6.6
Versus Capital Infra Inc	10.21	NA	NA	NS
Convertible Sec's. Funds				
Calmos Dyn Conv and Inc **CCD**	19.68	24.51	+24.5	15.4
World Equity Funds				
BEACON POINTE MLT-ALT;I	NA	NA	NA	NS
CalamosGlbTotRet **CGO**	11.89	11.34	-4.6	24.8
Cantor Fitzgerald SI:A	12.72	NA	NA	27.6
Cantor Fitzgerald SI:C	12.53	NA	NA	26.7
Cantor Fitzgerald SI:I	12.76	NA	NA	27.9
CANTOR FITZGERALD INFR;S	12.85	NA	NA	NS
Sweater Cashmere	22.40	NA	NA	6.1
Primark Priv Eq Inv:I	14.55	NA	NA	19.8
Thornburg Inc Bldr Opps **TBLD**	18.82	16.87	-10.4	11.2
VirtusTotalRetFd **ZTR**	NA	5.98	NA	NA

Fund (SYM)	NAV	Close	Prem /Disc	12 Mo Yld
U.S. Mortgage Bond Funds				
Arca US Treasury	NA	NA	NA	1.1
CATALYST STRAT INC OPPS	10.03	NA	NA	NS
Ellington Inc Opp:A	NA	NA	NA	14.7
Ellington Inc Opp:M	NA	NA	NA	15.3
Loan Participation Funds				
1WS Credit Income;A2	NA	NA	NA	8.5
1WS Credit Income;Inst	NA	NA	NA	8.2
Apollo Diversified Cd:A	NA	NA	NA	8.7
Apollo Diversified Cd:C	NA	NA	NA	7.9
Apollo Diversified Cd:F	NA	NA	NA	10.7
Apollo Diversified Cd:I	NA	NA	NA	8.9
Apollo Diversified Cd:L	NA	NA	NA	8.4
Apollo Diversified Cd:M	NA	NA	NA	8.2
Axonic Alternative I;A	NA	NA	NA	8.9
Axonic Alternative I Ins	NA	NA	NA	8.9
Bluerock HI Inst Crd:A	NA	NA	NA	12.1
Bluerock HI Inst Crd:C	NA	NA	NA	12.1
Bluerock HI Inst Crd:F	NA	NA	NA	12.1
Bluerock HI Inst Crd:I	NA	NA	NA	12.1
BNYM Alcntr Glb MS Cr Fd	89.07	NA	NA	NA
CliffwaterClFd;I	10.70	NA	NA	11.2
CliffwaterElFd;I	10.89	NA	NA	11.2
CNR Strategic Credit	6.92	NA	NA	24.0
Floating-Rate Opps;A	10.25	NA	NA	9.8
Floating-Rate Opps;I	10.24	NA	NA	10.0
Floating-Rate Opps;U	10.25	NA	NA	9.3
Equalize Community Dev	9.36	NA	NA	3.4
FedProj&TrFinanceTendr	10.07	NA	NA	6.7
Flat Rock Core Income	NA	NA	NA	10.0
Flat Rock Enhanced Inc	NA	NA	NA	11.6
InvDYCrOpp:A	11.00	NA	NA	10.9
InvDYCrOpp:R6	11.01	NA	NA	11.3
InvDYCrOpp:Y	11.01	NA	NA	11.2
Invesco Sr Loan A	5.73	NA	NA	9.2
Invesco Sr Loan C	5.75	NA	NA	8.5
Invesco Sr Loan IB	5.73	NA	NA	9.5
Invesco Sr Loan IC	5.73	NA	NA	9.3
Invesco Sr Loan Y	5.74	NA	NA	9.5
Lord Abbett FR Hi Inc:A	10.09	NA	NA	10.2
Lord Abbett FR Hi Inc:I	10.09	NA	NA	10.7
Monachil Credit Income:I	9.95	NA	NA	9.5
Nomura Alt Inc;I	9.92	NA	NA	8.9
Nuveen Enh CLO Inc:A1	20.17	NA	NA	NS
Nuveen Enh CLO Inc:A2	20.17	NA	NA	NS
Nuveen Enh CLO Inc:I	20.18	NA	NA	NS
Octagon XAI CLO Inc;A	25.58	NA	NA	NS
Octagon XAI CLO Inc;I	25.60	NA	NA	NS
OFS Credit Company **OCCI**	NA	7.08	NA	18.2
PC PCAAM AI;I	10.10	NA	NA	NS
PRINCIPAL PRIVATE CR I;A	10.28	NA	NA	NS
PRINCIPAL PRIVATE CR I;Y	10.31	NA	NA	NS
PRINCIPAL PRVT CR I;INS	10.30	NA	NA	NS
SEI Alternative Income:F	10.38	NA	NA	7.2
SEI Alternative Income:Y	10.38	NA	NA	7.5
Voya Enhanced Sec Inc:A	10.12	NA	NA	NS
Voya Enhanced Sec Inc:C	10.12	NA	NA	NS
Voya Enhanced Sec Inc:I	10.12	NA	NA	NS
Yieldstreet Alt Inc	NA	NA	NA	7.4
High Yield Bond Funds				
AB CarVal Credit Opp;Adv	10.00	NA	NA	NS
AB CarVal Credit Opp;A	9.99	NA	NA	NS
AB CarVal Credit Opp;C	9.98	NA	NA	NS
AB CarVal Credit Opp;U	9.99	NA	NA	NS
Opprtnstc Crdt Intrvl;I	11.52	NA	NA	9.1
PIMCO Flexible Cr I;A-1	7.09	NA	NA	8.9
PIMCO Flexible Cr I;A-2	7.09	NA	NA	8.9
PIMCO Flexible Cr I;A-3	7.09	NA	NA	8.6
PIMCO Flexible Cr I;A-4	7.09	NA	NA	8.6
PIMCO Flexible Cr I;Inst	7.09	NA	NA	9.4
Polen Credit Opps;Inst	9.82	NA	NA	9.5
Other Domestic Taxable Bond Funds				
AFA Private Credit;Fndr	9.22	NA	NA	11.1
AFA Private Credit;Inst	9.23	NA	NA	11.0
Alternative Credit Inc:A	NA	NA	NA	9.0
Alternative Credit Inc:C	NA	NA	NA	8.0
Alternative Credit Inc:I	NA	NA	NA	9.4
Alternative Credit Inc:L	NA	NA	NA	8.7
Alternative Credit Inc:W	NA	NA	NA	9.1
AMG Pantheon Crdt Soln;I	NA	NA	NA	NS
AMG Pantheon Crdt Soln;S	NA	NA	NA	NS
Angel Oak Str Crdt:FI	21.03	NA	NA	8.7
Angel Oak Str Crdt:Inst	21.01	NA	NA	8.7
BR Credit Strat;A	8.51	NA	NA	8.7
BR Credit Strat;Inst	8.48	NA	NA	9.4
BR Credit Strat;J	8.49	NA	NA	NS
BR Credit Strat;U	8.49	NA	NA	8.7
BR Credit Strat;W	8.51	NA	NA	8.6
CION Ares Dvsfd Crdt;A	NA	NA	NA	8.9
CION Ares Dvsfd Crdt;C	NA	NA	NA	8.2
CION Ares Dvsfd Crdt;I	NA	NA	NA	9.2
CION Ares Dvsfd Crdt;L	NA	NA	NA	8.7
CION Ares Dvsfd Crdt;U	NA	NA	NA	8.4
CION Ares Dvsfd Crdt:U2	NA	NA	NA	8.4
CION Ares Dvsfd Crdt;W	NA	NA	NA	8.7
CNR Select Strategies	15.71	NA	NA	0.0
Diamond Hill Sec Cr;I	10.17	NA	NA	NS
Diamond Hill Sec Cr;R	10.17	NA	NA	NS
First Eagle Crdt Opps A	22.96	NA	NA	10.4
First Eagle Crdt Opps A2	22.93	NA	NA	9.9
First Eagle Crdt Opps I	22.82	NA	NA	10.7
First Trust Private Cr;A	NA	NA	NA	10.7
First Trust Private Cr;I	NA	NA	NA	10.4
Franklin BSP Pvt Cr:A	10.77	NA	NA	8.4
Franklin BSP Pvt Cr:Adv	10.79	NA	NA	8.8
FS Credit Income;A	12.36	NA	NA	8.0
FS Credit Income;I	12.40	NA	NA	8.2
FS Credit Income;T	12.39	NA	NA	7.8
FS Credit Income;U	12.34	NA	NA	7.5
FS Credit Income;U-2	12.45	NA	NA	7.5
J HANCOCK CQS ASSETBS;A	20.01	NA	NA	NS
J HANCOCK CQS ASSETBS;I	20.01	NA	NA	NS
J HANCOCK CQS ASSETBS;U	20.01	NA	NA	NS
KKR CREDIT OPPTY;D	NA	NA	NA	9.3
KKR CREDIT OPPTY;I	NA	NA	NA	9.6
KKR CREDIT OPPTY;T	NA	NA	NA	8.8
KKR CREDIT OPPTY;U	NA	NA	NA	8.8
MA SPECIALTY CREDIT IN;S	25.09	NA	NA	NS
NIAGARA INCOME OPPORTNTS	10.08	NA	NA	9.96
Palmer Square Opp Inc	17.97	NA	NA	8.6
World Income Funds				
BlueBay Destra Itl E:A	22.38	NA	NA	10.6
BlueBay Destra Itl E:I	22.41	NA	NA	10.9
BlueBay Destra Itl E:L	22.37	NA	NA	10.3
BlueBay Destra Itl E:T	22.24	NA	NA	10.2
BOOSTER INCOME OPPTYS	10.03	NA	NA	NS
Calamos-Aksia ACI:A	10.72	NA	NA	7.8
Calamos-Aksia ACI:C	10.70	NA	NA	7.2
Calamos-Aksia ACI:I	10.73	NA	NA	8.0
Calamos-Aksia ACI:M	10.72	NA	NA	7.3
Carlyle Tact Pvt Cred:A	NA	NA	NA	9.6
Carlyle Tact Pvt Cred:I	NA	NA	NA	10.0
Carlyle Tact Pvt Cred:L	NA	NA	NA	9.4
Carlyle Tact Pvt Cred:M	NA	NA	NA	9.3
Carlyle Tact Pvt Cred:N	NA	NA	NA	10.1
Carlyle Tact Pvt Cred:U	NA	NA	NA	9.4
Carlyle Tact Pvt Cred:Y	NA	NA	NA	9.5
Fid MS Cr;A	NA	NA	NA	6.3
Fid MS Cr;C	NA	NA	NA	5.6
Fid MS Cr;I	NA	NA	NA	6.6
Fid MS Cr;L	NA	NA	NA	6.1
Jackson Credit Opps:I	10.31	NA	NA	7.6
Lord Abbett Cred Opps Fd	9.01	NA	NA	9.0
Lord Abbett Cred Opps Fd	9.01	NA	NA	9.8
Lord Abbett Crd Op:U	9.01	NA	NA	9.1
Oaktree Dvsfd Income;D	9.23	NA	NA	8.4
PIMCO Flexible EM I;Inst	8.48	NA	NA	8.4
National Muni Bond Funds				
Ecofin Tax-Exempt Prv Cr	8.48	NA	NA	2.2
Lind Cap Pt Mun Cred Inc	8.83	NA	NA	5.3
Lord Abbett Muni Opps:A	10.10	NA	NA	NS
Lord Abbett Muni Opps:I	10.10	NA	NA	NS
Nuveen En HY Muni Bd:A1	7.71	NA	NA	5.0
Nuveen En HY Muni Bd:A2	7.72	NA	NA	5.2
Nuveen En HY Muni Bd:I	7.71	NA	NA	5.7
NYLI MacKay Mu IO;A1	10.07	NA	NA	NS
NYLI MacKay Mu IO;A2	10.08	NA	NA	NS
NYLI MacKay Mu IO;A3	10.07	NA	NA	NS
NYLI MacKay Mu IO;I	10.07	NA	NA	NS
PIMCO Flex Mun Inc;A-3	10.22	NA	NA	3.5
PIMCO Flex Mun Inc:A1	10.22	NA	NA	3.8
PIMCO Flex Mun Inc;A2	10.22	NA	NA	3.8
PIMCO Flex Mun Inc;Inst	10.22	NA	NA	4.3
ROCKEFELLER MUNI OPPS;I	19.96	NA	NA	NS
Single State Muni Bond				
PIMCO CA FMI;A-1	10.13	NA	NA	2.7
PIMCO CA FMI;Inst	10.13	NA	NA	3.3

Insider-Trading Spotlight

Trading by 'insiders' of a corporation, such as a company's CEO, vice president or director, potentially conveys new information about the prospects of a company. Insiders are required to report large trades to the SEC within two business days. Here's a look at the biggest individual trades by insiders, based on data received by LSEG Data and Analytics on January 24, and year-to-date stock performance of the company

KEY: B: beneficial owner of more than 10% of a security class **CB:** chairman **CEO:** chief executive officer **CFO:** chief financial officer **CO:** chief operating officer **D:** director **DO:** director and beneficial owner **GC:** general counsel **H:** officer, director and beneficial owner **I:** indirect transaction filed through a trust, insider spouse, minor child or other **O:** officer **OD:** officer and director **P:** president **UT:** unknown **VP:** vice president Excludes pure options transactions

Biggest weekly individual trades

Based on reports filed with regulators this past week

Date(s)	Company	Symbol	Insider	Title	No. of shrs in trans (000s)	Price range ($) in transaction	$ Value (000s)	Close ($)	Ytd (%)
Buyers									
Jan. 17-22	**TKO Group Holdings**	**TKO**	A. Emanuel	**CEOI**	350	142.57-146.13	**50,281**	153.08	7.7
Jan. 17-22			P. Whitesell	**BI**	350	142.57-146.13	**50,281**		
Jan. 17	**Goldman Sachs Group**	**GS**	K. Johnson	**DI**	2	619.02	**1,486**	636.90	11.2
Jan. 17	**Flowco Holdings**	**FLOC**	J. Edwards	**CEO**	50	24.00	**1,200**	28.29	n.a.
Jan. 17			J. Byers	**CFO**	12	24.00	**288**		
Jan. 17			A. Chmelev	**D**	8	24.00	**199**		
Jan. 17			J. Lambert	**GC**	4	24.00	**103**		
Jan. 17			J. Fairbanks	**DOI**	2	24.00	**48**		
Jan. 17			J. Merrill	**O**	2	24.00	**48**		
Jan. 21	**Ardelyx**	**ARDX**	D. Mott	**D**	199	4.99	**993**	5.52	8.9
Jan. 17	**UnitedHealth Group**	**UNH**	T. Flynn	**DI**	1	511.58	**512**	532.51	5.3
Jan. 16	**CME Group**	**CME**	W. Shepard	**D**	1*	227.96	**326**	234.68	1.1
Jan. 21	**Home BancShares**	**HOMB**	J. Allison	**CEO**	10	30.76	**308**	30.06	6.2
Jan. 17	**Constellation Brands**	**STZ**	W. Giles	**D**	1	186.39	**186**	183.10	-17.1
Jan. 15-16	**RxSight**	**RXST**	J. Corley	**DI**	3	31.13-31.19	**100**	32.48	-5.5
Jan. 21-22	**89bio**	**ETNB**	C. Mcwherter	**D**	15	6.55-6.71	**100**	7.13	-8.8
Jan. 17	**Caleres**	**CAL**	G. Kyle	**DI**	5	19.91-19.94	**100**	20.04	-13.5
Jan. 15	**Fidelity National Information Services**	**FIS**	J. Goldstein	**D**	0.7	79.97	**56**	79.23	-1.9
Sellers									
Jan. 21-22	**Trade Desk**	**TTD**	J. Green	**CEOI**	922	120.85-125.99	**113,827**	119.96	2.1
Jan. 21-22	**Snowflake**	**SNOW**	F. Slootman	**D**	200	175.35-177.23	**35,185**	174.12	12.8
Jan. 17-21	**Priority Technology Holdings**	**PRTH**	J. Priore	**DO**	4,697	7.44	**34,949**	9.11	-22.5
Jan. 22	**Meta Platforms**	**META**	M. Zuckerberg	**CEOI**	36	621.20-633.39	**22,515**	647.49	10.6
Jan. 21			M. Zuckerberg	**CEOI**	36	609.58-621.01	**22,123**		
Jan. 17			M. Zuckerberg	**CEOI**	36	603.85-622.42	**22,050**		
Jan. 16			M. Zuckerberg	**CEOI**	36	610.57-615.64	**22,017**		
Jan. 15	**Reddit**	**RDDT**	S. Huffman	**CEO**	124**	168.05-178.48	**21,492**	182.40	11.6
Jan. 16	**Roblox**	**RBLX**	A. Lee	**DI**	250	65.04	**16,259**	67.07	15.9
Jan. 14	**Rubrik**	**RBRK**	A. Nithrakashyap	**CT**	228	64.54-65.24	**14,769**	70.99	8.6
Jan. 22	**Natera**	**NTRA**	S. Chapman	**CEO**	79	164.95-171.97	**12,959**	167.61	5.9
Jan. 15-16	**Samsara**	**IOT**	S. Biswas	**CEOI**	250	45.06-46.31	**11,375**	48.19	10.3
Jan. 15-16			J. Bicket	**CTI**	242	45.06-45.96	**11,029**		
Jan. 21	**RH**	**RH**	E. Chaya	**P**	25	450.21-454.62	**11,261**	418.74	6.4
Jan. 21	**BlackRock**	**BLK**	J. Kushel	**O**	10	1010.00	**10,100**	1020.45	-0.5
Jan. 21	**Williams-Sonoma**	**WSM**	L. Alber	**CEO**	45	206.58-210.31	**9,349**	213.60	15.3
Jan. 15	**Neurocrine Biosciences**	**NBIX**	K. Gano	**CEO**	65	141.50	**9,198**	148.73	9.0
Jan. 17-21	**Coinbase Global**	**COIN**	F. Ehrsam	**DI**	30	298.45-300.49	**9,111**	298.00	20.0

* Half the transactions were indirect ** Two day transaction
p - Pink Sheets

Insider Buying and selling by sector

Based on actual transaction dates in reports received this past week

Sector	Buying	Selling	Sector	Buying	Selling
Basic Industries	0	1,091,589	**Finance**	743,459	109,508,097
Capital Goods	55,106	14,828,589	**Health care**	1,352,545	72,714,101
Consumer durables	0	2,967,679	**Public Utilities**	0	1,530,177
Consumer non-durables	186,390	1,182,687	**Technology**	30,750	210,197,974
Consumer services	124,771	34,631,538	**Transportation**	0	13,315,622
Energy	1,886,400	13,838,088			

Sources: LSEG Data and Analytics; Dow Jones Market Data

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

Money Rates

January 24, 2025

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Inflation

	Dec. index level	Chg From (%) Nov. '24	Dec. '23
U.S. consumer price index			
All items	**315.605**	0.04	2.9
Core	**322.007**	0.02	3.2

International rates

	Latest	Week ago	52-Week High	Low
Prime rates				
U.S.	**7.50**	7.50	8.50	7.50
Canada	**5.45**	5.45	7.20	5.45
Japan	**1.625**	1.625	1.625	1.475
Policy Rates				
Euro zone	**3.15**	3.15	4.50	3.15
Switzerland	**1.00**	1.00	2.25	1.00
Britain	**4.75**	4.75	5.25	4.75
Australia	**4.35**	4.35	4.35	4.35
Overnight repurchase				
U.S.	**4.35**	4.33	5.45	4.00

U.S. government rates

	Latest	Week ago	52-Week High	Low
Discount	**4.50**	4.50	5.50	4.50

	Latest	Week ago	52-WEEK High	Low
Federal funds				
Effective rate	**4.3300**	4.3300	5.3400	4.3300
High	**4.5500**	4.5500	5.6500	4.4700
Low	**4.3200**	4.3200	5.3300	4.3000
Bid	**4.3200**	4.3200	5.3300	4.3200
Offer	**4.3300**	4.3300	5.3600	4.3300
Treasury bill auction				
4 weeks	**4.265**	4.240	5.285	4.230
13 weeks	**4.215**	4.225	5.255	4.205
26 weeks	**4.165**	4.180	5.170	4.110

Other short-term rates

	Latest	Week ago	52-Week high	low
Call money	**6.25**	6.25	7.25	6.25

	Latest	Week ago	52-WEEK High	Low
Commercial paper (AA financial)				
90 days	**4.29**	4.33	5.37	4.27
Secured Overnight Financing Rate	**4.35**	4.29	5.40	4.27

	Latest	Value Traded	52-Week High	Low
DTCC GCF Repo Index				
Treasury	**4.376**	74.800	5.471	4.286
MBS	**4.400**	54.600	5.526	4.294

Weekly survey

	Latest	Week ago	Year ago
Freddie Mac			
30-year fixed	**6.96**	7.04	6.69
15-year fixed	**6.16**	6.27	5.96

Notes on data:

U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective December 19, 2024. **Other prime rates** aren't directly comparable; lending practices vary widely by location; **Discount rate** is effective December 19, 2024. **Secured Overnight Financing Rate** is as of January 23, 2025. **DTCC GCF Repo Index** is Depository Trust & Clearing Corp.'s weighted average for overnight trades in applicable CUSIPs. Value traded is in billions of U.S. dollars. **Federal-funds rates** are Tullett Prebon rates as of 5:30 p.m. ET.

Sources: Federal Reserve; Bureau of Labor Statistics; DTCC; FactSet; Tullett Prebon Information, Ltd.

Cash Prices | wsj.com/market-data/commodities

Friday, January 24, 2025

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

	Friday
Energy	
Coal,C.Aplc.,12500Btu,1.2SO2-r,w	**77.300**
Coal,PwdrRvrBsn,8800Btu,0.8SO2-r,w	**14.150**
Metals	
Gold, per troy oz	
Engelhard industrial	**2784.00**
Handy & Harman base	**2776.80**
Handy & Harman fabricated	**3082.25**
LBMA Gold Price AM	***2747.20**
LBMA Gold Price PM	***2744.25**
Krugerrand,wholesale-e	**2883.88**
Maple Leaf-e	**2911.61**
American Eagle-e	**2911.61**
Mexican peso-e	**3351.36**
Austria crown-e	**2721.06**
Austria phil-e	**2911.61**
Silver, troy oz.	
Engelhard industrial	**31.0000**
Handy & Harman base	**30.7060**
Handy & Harman fabricated	**38.3830**
LBMA spot price	***£24.7600**
(U.S.$ equivalent)	***30.4750**
Coins,wholesale $1,000 face-a	**23506**
Other metals	
LBMA Platinum Price PM	***952.0**
LBMA Palladium Price PM	***998.0**
Platinum,Engelhard industrial	**955.0**
Palladium,Engelhard industrial	**1010.0**
Aluminum, LME, $ per metric ton	***2605.5**

	Friday
Copper,Comex spot	**4.2900**
Iron Ore, 62% Fe CFR China-s	***104.0**
Steel, HRC USA, FOB Midwest Mill-s	***700.0**
Battery/EV metals	
BMI Lithium Carbonate, EXW China, =99.5%-v,w	**10550**
BMI Lithium Hydroxide, EXW China, =56.5% -v,w	**9525**
BMI Cobalt sulphate, EXW China, >20.5% -v,w	**3528**
BMI Nickel Sulphate, EXW China, >22%-v,m	**3520**
BMI Flake Graphite, FOB China, -100 Mesh, 94-95% -v,m	**435**
Fibers and Textiles	
Burlap,10-oz,40-inch NY yd-n,w	**0.8550**
Cotton,1 1/16 std lw-mdMphs-u	**0.6511**
Cotlook 'A' Index-t	***77.60**
Hides,hvy native steers piece fob-u	**n.a.**
Wool,64s,staple,Terr del-u,w	**n.a.**
Grains and Feeds	
Bran,wheat middlings, KC-u,w	**161**
Corn,No. 2 yellow,Cent IL-bp,u	**4.5600**
Corn gluten feed,Midwest-u,w	**127.4**
Corn gluten meal,Midwest-u,w	**452.7**
Cottonseed meal-u,w	**273**
Hominy feed,Cent IL-u,w	**114**
Meat-bonemeal,50% pro Mnpls-u,w	**275**
Oats,No.2 milling,Mnpls-u	**4.0025**
Rice, Long Grain Milled, No. 2 AR-u,w	**n.a.**
Sorghum,(Milo) No.2 Gulf-u	**n.a.**
SoybeanMeal,Cent IL,rail,ton48%-u,w	**325.30**
Soybeans,No.1 yllw IL-bp,u	**10.2100**
Wheat,Spring14%-pro Mnpls-u	**7.7775**

	Friday
Wheat,No.2 soft red,St.Louis-u	**5.6150**
Wheat - Hard - KC (USDA) $ per bu-u	**5.6150**
Wheat,No.1soft white,Portld,OR-u	**6.0500**
Food	
Beef,carcass equiv. index	
choice 1-3,600-900 lbs.-u	**313.08**
select 1-3,600-900 lbs.-u	**297.48**
Broilers, National comp wtd. avg.-u,w	**1.3372**
Butter,AA Chicago-d	**2.5300**
Cheddar cheese,bbl,Chicago-d	**182.00**
Cheddar cheese,blk,Chicago-d	**183.25**
Milk,Nonfat dry,Chicago lb.-d	**n.a.**
Coffee,Brazilian,Comp-y	**3.4824**
Coffee,Colombian, NY-y	**3.5846**
Eggs,large white,Chicago-u	**6.4850**
Flour,hard winter KC-p	**14.45**
Hams,17-20 lbs,Mid-US fob-u	**0.89**
Hogs,Iowa-So. Minnesota-u	**81.07**
Pork bellies,12-14 lb MidUS-u	**n.a.**
Pork loins,13-19 lb MidUS-u	**1.0035**
Steers,Tex.-Okla. Choice-u	**201.00**
Steers,feeder,Okla. City-u,w	**339.00**
Fats and Oils	
Degummed corn oil, crude wtd. avg.-u,w	**n.a.**
Grease,choice white,Chicago-h	**0.4600**
Lard,Chicago-u	**n.a.**
Soybean oil,crude;Centl IL-u,w	**0.4454**
Tallow,bleach;Chicago-h	**0.4950**
Tallow,edible,Chicago-u	**n.a.**

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; D=CME; E=Manfra,Tordella & Brookes; H=American Commodities Brokerage Co; K=bi-weekly; M=monthly; N=nominal; n.a.=not quoted or not available; P=Sosland Publishing; R=SNL Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. *Data as of 1/23

Source: Dow Jones Market Data

Gibson Dunn Is a Restructuring Leader

Firm organizes lenders deals in ways that can hurt those who miss out

By Andrew Scurria And Alexander Gladstone

Wall Street credit funds are doing complex debt-shuffling maneuvers that can offer an advantage over rival lenders. One law firm has built a lead in the business of advising them—and has sowed fear among market participants of being on the wrong end of its deals.

Gibson Dunn & Crutcher and its lead restructuring partner, Scott Greenberg, have emerged as the nation's top legal counsel for investors holding risky syndicated loans, and are at the center of many of the biggest and most controversial debt transactions. Greenberg has exported his business model to Europe, where he advises one of the largest-ever corporate debtholder groups.

Growing with shift

The firm's market share has grown along with a seismic shift in how troubled loans are resolved. Corporate defaults historically played out in bankruptcy court, but most are now resolved pre-emptively through financing deals negotiated in private between advisers to borrowers and lenders.

Once a lender group holds a majority of a particular loan, it can often inject new financing and position itself first in line to be repaid, upending the pecking order among investors who were previously on equal footing. These private deals, known as liability management exercises or LMEs, can swing assets worth hundreds of millions of dollars to a subset of a company's lenders while leaving others worse off, and making a seat at the table in a lender group advised by Gibson Dunn or another top firm highly valuable.

Some investment executives say privately they feel pressure from Greenberg to hire Gibson Dunn as their counsel or go along with his plans in a given situation out of fear they could lose out on future deals involving the firm. They believe Greenberg wields influence over the formation and composition of lender groups, according to those executives as well as lawyers who compete with Greenberg over the same clients.

Greenberg said his firm's goal is generally to represent the creditor group that holds most of a borrower's debt, but that some market participants may have an incorrect view of him as a gatekeeper who controls access to his firm's groups. The lenders themselves have the say on which others can join the groups he represents, and those with the largest positions in a particular loan generally get to participate, Greenberg said.

"The reality is that we work in a client service business. At the end of the day, we work for our clients and are grateful for their confidence in us," Greenberg said. "Our clients are obviously the ones who make the decisions. Anyone who says otherwise doesn't understand the market."

Other large law firms including Akin Gump Strauss Hauer & Feld; Paul Weiss Rifkind Wharton & Garrison; Milbank; Davis Polk & Wardwell; and Paul Hastings organize holders of syndicated loans. Among its peer firms, Gibson Dunn was an early mover in forging ties with managers of collateralized loan obligations, which have overtaken banks, insurers and hedge funds in recent years to become the largest buyers of junk-rated corporate debt. Rival lawyers credit Greenberg with anticipating the rising market power of CLO managers like **Eaton Vance** and **Carlyle Group** that became clients as they became more aggressive and litigious in restructurings.

ELIAS WILLIAMS/BLOOMBERG NEWS

Gibson Dunn's lead restructuring partner Scott Greenberg.

David Aloise, a former restructuring adviser to Eaton Vance, said Greenberg was going after CLOs and other nonbank lenders as restructuring clients long before other large law firms. Greenberg was also careful not to take assignments that would be adversarial to those institutions, Aloise said.

"We were out ahead of that particular segment of the market," Greenberg said.

Legal engagements

Gibson Dunn had the most legal engagements over the first nine months of last year representing holders of leveraged loans and secured bonds, with over 30% more mandates than the next closest firm, according to data from Debtwire, a legal and financial information service. Gibson Dunn topped its next-closest competitor in 2023 by 50%, the data show.

In the contentious world of LMEs, corporate borrowers and their private-equity owners aim to exploit loosely written debt agreements to shift assets between different corporate entities; reallocate lenders' collateral to finance new debt facilities; or structure complex loan, bond and equity swaps that give preferential treatment to certain participating credit providers. Litigation is common.

Last year, Gibson Dunn negotiated a deal between some of its clients and **AMC Entertainment**, which agreed to transfer roughly 175 cinemas to a newly formed subsidiary as the basis for a complex debt-shuffling transaction. Some AMC lenders that were excluded filed a lawsuit against the company, alleging that it "took a knife" to their position and stripped loan collateral to benefit the lender group represented by Gibson Dunn, which AMC disputes.

When a borrower's balance sheet starts to show cracks, Greenberg is often first to organize lenders into a formal committee. Some market participants and lawyers from other firms said Greenberg indicates to clients that a group has coalesced when it is still in the early formation stage, spurring lenders to get on board for fear of missing out, and making the group become a reality.

Greenberg's clients at times propose LMEs themselves. At other times, his groups mobilize to prevent companies and their owners from entering into transactions anchored by other investors.

One of those assignments was to represent lenders to **Robertshaw**, a troubled manufacturer of appliance parts. Gibson Dunn in 2023 organized a group including **Bain Capital**, **Canyon Partners**, Eaton Vance and **Invesco** to craft a rescue deal for the company.

Invesco later acquired enough of Robertshaw's debt that it determined it could decide by itself how the company should rework its capital structure. Invesco split off from Bain, Canyon and Eaton Vance and hired its own set of legal and financial advisers to negotiate a chapter 11 filing for Robertshaw in which it would acquire the company's assets out of bankruptcy.

Fight for control

Other lenders found out what Invesco was up to and re-engaged Gibson Dunn, which reopened its talks with Robertshaw. The company accepted a financing offer from Gibson Dunn's clients that stripped Invesco of its status as the controlling creditor. Robertshaw filed for chapter 11 and beat back Invesco's attempt to regain control in bankruptcy court.

Invesco continued to use Gibson Dunn as counsel on other deals. Greenberg said he considers Invesco one of the firm's best clients.

Gibson Dunn previously represented Invesco and other CLO managers on matters including a pioneering LME in 2020 for bedding manufacturer Serta Simmons Bedding. Serta wound up bankrupt anyway and proposed a chapter 11 plan to cement the 2020 LME and hand control of the business to Greenberg's clients.

A federal appeals court last month ruled that Serta Simmons had overreached by excluding its minority lenders, a watershed ruling that could put constraints on certain future LMEs. Most leveraged loans now come to market with terms designed to prevent the "transgressions" seen in Serta and another early LME involving J.Crew, which "unleashed a tremendous backlash," Moody's Investors Service said in a recent note.

Weight Watchers

Greenberg and his colleagues at Gibson Dunn often circulate their analysis of a particular loan and host conference calls with investors to sound out the borrower's credit risks even when there is little to catalyze a restructuring in the near term, according to people familiar with the firm's work. Sometimes those loans end up getting refinanced at par. But often enough, Greenberg's early organizing is followed by a slide in loan prices and then a restructuring.

By early 2024, Greenberg had organized a group of lenders in health and wellness company Weight Watchers, which has been struggling with losses but has no major debt maturities until 2028. In an interview with The Wall Street Journal in March, Weight Watchers' then-CEO Sima Sistani said she thought the group was "trying to put pressure on us to come to the table." She said Weight Watchers hadn't engaged with the Gibson Dunn group and she thought it was just "noise."

In September, Sistani stepped down and was succeeded by board member Tara Comonte, who is now serving as interim CEO. Weight Watchers has recently engaged its own restructuring advisers and signaled an openness to negotiations, people familiar with the matter said.

—Jodi Xu Klein and Akiko Matsuda contributed to this article.

QXO Plans a Hostile Bid for Beacon

By Lauren Thomas

Building-products distributor **QXO** is preparing to take its all-cash offer to acquire **Beacon Roofing Supply** directly to shareholders after being rebuffed on multiple occasions, according to people familiar with the matter.

QXO plans to launch a hostile bid for Beacon as soon as Monday, the people said.

It will offer to buy all shares outstanding of Beacon for $124.25 each, the same price it previously proposed, the people said. That would value Beacon at $7.7 billion, or roughly $11 billion including debt.

Beacon shares closed Friday at $118.42, giving the business a market value of around $7.3 billion.

The shares have run up since mid-November, when The Wall Street Journal reported on the bid QXO had privately made to Beacon.

QXO hopes to clinch a deal quickly after its tender offer expires on Feb. 24, the people added.

Herndon, Va.-based Beacon is the largest publicly traded distributor of roofing materials and complementary building products in the U.S. and Canada.

Earlier this month, QXO published a letter detailing its cash offer, which it said Beacon had refused to engage on. The offer was initially submitted on Nov. 11, it said.

QXO argued its offer was compelling for shareholders and that it shouldn't face any significant antitrust or other regulatory issues.

Beacon said in response that QXO's proposal "significantly undervalues Beacon and fails to reflect the company's strategy and upside potential."

It said it offered QXO the option to sign a nondisclosure agreement to share confidential management projections, but that QXO wasn't interested.

QXO has said it secured financing for a deal and is prepared to nominate directors to Beacon's board. The window for shareholder nominations at Beacon ends on Feb. 14, according to the company's proxy materials.

QXO, based in Greenwich, Conn., has a market value of around $5.6 billion. It is headed by Brad Jacobs, who has built multibillion-dollar companies in logistics and other sectors through acquisitions.

Dealmaking in the building-materials space has been heating up.

Home Depot last March struck a more than $18 billion deal, including debt, for SRS Distribution, a Beacon competitor.

Activist Targets U.S. Steel

Continued from page B1

which have fallen over the past year. The company had a market value of around $8.4 billion as of Friday, with shares closing at $37.41.

Nippon agreed to pay $55 a share for U.S. Steel. The Japanese company is on the hook to pay U.S. Steel a breakup fee of $565 million if the transaction can't be completed.

U.S. Steel is the nation's third-largest steelmaker, with production mainly focused on sheet steel used by the automotive, appliance and construction industries.

Ancora says U.S. Steel let shareholders down by selling to a foreign buyer rather than a domestic suitor and for pursuing litigation rather than giving priority to financial and operational fixes, said the people familiar with the matter. It hopes shareholders will rally around Kestenbaum, who years ago helped buy distressed Stelco out of bankruptcy and turn that business around.

Ancora, based in Cleveland, has around $10 billion in assets under management. The firm specializes in running campaigns at industrial and transportation companies. It has recently won board seats at plastic-packaging manufacturer Berry Global, vehicle auctioneer RB Global and railroad operator Norfolk Southern.

—Ben Glickman contributed to this article.

Venture Capitalists Seek Boring

Continued from page B1

vices firms. Crescendo, which launched last year, bought out a customer-service company that had over 3,000 workers. Dwelly, a British property-tech startup, did a deal last year for a home-rental agency that managed over 1,000 properties.

Venture capitalists are investing in roll-up efforts while the broader market for more-traditional startup fundraising hasn't returned to previous highs. U.S. startup investment volume last year was 41% lower than in 2021, according to PitchBook data. That year, low interest rates and demand for digital services during the pandemic drove record levels of activity.

41%

Drop in U.S. startup investment volume last year compared with 2021 level.

A big exception is the multibillion-dollar investment rounds into high-profile AI companies like **OpenAI** and **Anthropic**. Some investors in those startups are backing the efforts to bring AI to less-glamorous sectors. Josh Kushner's **Thrive Capital**, which owns a significant chunk of OpenAI, funded Long Lake and Crete.

Bhargava of General Catalyst said his firm dedicated $1.5 billion to the strategy in recent years and is looking to write checks of at least $100 million for each project it backs. The firm has invested in seven startups pursuing AI-enabled rollups, including Long Lake and Crescendo.

Some of the entrepreneurs behind these startups come from Wall Street. Long Lake was co-founded by Alex Taubman, who spent a decade at Oaktree Capital Management. He also worked at the investment firm that managed his family's wealth, much of which came from the luxury-mall operator they founded, the Taubman Co.

But some of the new startup tactics will look foreign to traditional buyout investors. Private-equity firms, for example, historically used borrowed money to fuel their dealmaking while maintaining ultimate control. Venture firms are backing startup founders that retain majority ownership of the businesses, which are so far avoiding debt.

THE TICKER | MARKET EVENTS COMING THIS WEEK

Monday

Short-selling reports
Ratio, days of trading volume of current position, at Dec 31

NYSE	3.9
Nasdaq	1.8

Earnings expected

	Estimate/Year Ago
Alexandria Real Estate Equities	0.92/(0.54)
AT&T	0.50/0.54
Brown & Brown	0.77/0.58
Nucor	0.64/3.16
SoFi Technologies	0.04/0.02
W. R. Berkley	0.96/0.97

Tuesday

Fed 2-day meeting starts

Consumer Confidence

Dec., previous	104.7
Jan., expected	106.3

Durable-goods orders

Nov., previous	down 1.2%
Dec., expected	up 0.7%

Earnings expected

	Estimate/Year Ago
Boeing	(2.54)/(0.47)
Chubb	5.44/8.30
Lockheed Martin	6.61/7.90
RTX	1.38/1.29
Starbucks	0.67/0.90
Stryker	3.87/3.46

Wednesday

Fed rate-policy meeting

Target rate	4.25%-4.50%

EIA status report
Previous change in stocks in millions of barrels

Crude-oil stocks	down 1.0
Gasoline stocks	up 2.3
Distillates	down 3.1

Mort. bankers indexes

Purch., previous	up 1.0%
Refinan., prev.	down 3.0%

Earnings expected

	Estimate/Year Ago
International Business Machines	3.78/3.87
Meta Platforms	6.75/5.33
Microsoft	3.11/2.93
ServiceNow	3.65/3.11
Tesla	0.76/0.71
T-Mobile US	2.29/1.67

Thursday

GDP Deflator

3rd qtr., final	up 1.9%
4th qtr. adv. est.	up 2.2%

Gross domestic product:
Percentage change, annual rate

3rd qtr., final	up 3.1%
4th qtr. adv. est.	up 2.5%

EDGAR SU/REUTERS

Boeing is expected to report a quarterly loss of $2.54 a share on Tuesday.

Freddie Mac mortgage survey
Previous weekly averages

30-year fixed	6.96%
15-year fixed	6.16%

Initial jobless claims

Previous	223,000
Expected	225,000

EIA report: natural-gas
Previous change in stocks in billions of cubic feet

	down 223

Earnings expected

	Estimate/Year Ago
Apple	2.35/2.18
Caterpillar	5.03/5.23
Comcast	0.86/0.84
Mastercard	3.69/3.18
Thermo Fisher Scientific	5.95/5.67
Visa	2.66/2.41

Friday

Employment cost index

3rd qtr., previous	up 0.8%
4th qtr., expected	up 0.9%

Personal spending

Nov., previous	up 0.4%
Dec., expected	up 0.5%

Personal income

Nov., previous	up 0.3%
Dec., expected	up 0.4%

Chicago PMI

Dec., previous	36.9
Jan., expected	40.0

Earnings expected

	Estimate/Year Ago
AbbVie	2.98/2.79
Aon	4.25/3.89
Chevron	2.11/3.45
Colgate-Palmolive	0.89/0.87
Eaton	2.81/2.55
Exxon Mobil	1.57/2.48

* FactSet Estimates earnings-per-share estimates don't include extraordinary items (Losses in parentheses) ◆ Adjusted for stock split

Note: Forecasts are from Dow Jones weekly survey of economists

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HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

MicroStrategy Needs the IRS's Help

New rules could tax unrealized gains on bitcoin holdings at large companies, putting the crypto giant in a bind

If you think **MicroStrategy**'s business model is wild, wait until you see its tax issues.

After years of raising money through stock and debt offerings to buy bitcoin, MicroStrategy owns a stash worth about $49 billion as of late Friday, which includes $20 billion of unrealized gains. In a twist, it could have to pay federal income taxes on those paper gains—even if it never sold a single bitcoin. The tax bill could total billions of dollars starting next year, according to a new disclosure this month by MicroStrategy that has received little attention.

Usually investment gains aren't taxed until the assets are sold. But under the Inflation Reduction Act passed in 2022, Congress created a "corporate alternative minimum tax" in which MicroStrategy now finds itself ensnared. The tax rate would be 15%, based on an adjusted version of the earnings that MicroStrategy reports on its financial statements under generally accepted accounting principles. Its best hope is that the Internal Revenue Service adopts new rules that let MicroStrategy off the hook.

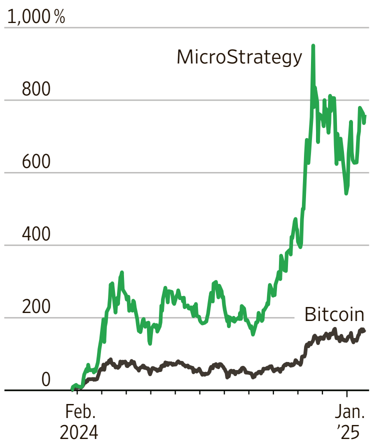
The IRS already has written exemptions into the currently proposed rules so that companies such as **Berkshire Hathaway** don't have to pay taxes on unrealized gains from securities such as common stocks. However, the IRS so far hasn't included any exemptions for companies' unrealized gains on crypto assets such as bitcoin.

MicroStrategy has been pressing its case with the IRS, and it could be reasonable to expect the government will bend its way, given the Trump administration's outward affection for the crypto industry. The IRS is still in the process of drafting rules to implement the new corporate alternative minimum tax.

Robert Willens, a longtime tax analyst who has been tracking MicroStrategy's IRS issues, said he expects the IRS would decide in MicroStrategy's favor and exclude unrealized gains on cryptocurrencies under its proposed rules, but he noted there is no guarantee it would do so. "If the Biden group was still in place, they probably wouldn't get the exemption," he said. He added that "it would be easy to slot crypto assets into the same exemption that stocks are going to to enjoy, because there's no real difference in the accounting."

Meanwhile, the company is in a bind. With an $88 billion stock-market value, MicroStrategy still trades at a substantial premium to the value of the bitcoins it owns. The mere possibility it could have to pay taxes on the unrealized gains is a further reason the premium makes no sense.

Performance over the past year



Sources: FactSet (shares); CoinDesk (bitcoin)

If it does have to pay taxes on unrealized bitcoin gains, the company might have to sell some of its bitcoins to come up with the cash, because the rest of MicroStrategy's businesses aren't profitable. Doing that would defeat the purpose of its bitcoin roll-up strategy. It also would make MicroStrategy one of the least tax-efficient ways imaginable for investors to get exposure to bitcoin.

One of the reasons the U.S. enacted the corporate alternative minimum tax was to rein in companies that aggressively recognize earnings for GAAP purposes while at the same time showing little or no taxable income on their IRS returns. Enron, for example, was infamous for posting outsize GAAP earnings during the 1990s while paying no federal income taxes.

In MicroStrategy's case, the company could end up getting hit with the equivalent of a wealth tax—paying taxes on paper gains that could prove transitory if bitcoin's value falls.

Before this year, companies that owned crypto assets didn't report them at fair market values on their GAAP financial statements. The accounting rules instead treated cryptocurrencies as intangible assets that could be written down in value, but not up. Thus, MicroStrategy didn't include the unrealized gains from its bitcoin holdings in its GAAP earnings.

All of that is changing this year under new rules passed by the Financial Accounting Standards Board, which sets U.S. GAAP. Starting this year, MicroStrategy will show the fair value of its bitcoins on its balance sheet, and the fluctuations in value will be included in earnings.

MicroStrategy in a Jan. 6 filing disclosed numbers for the first time quantifying the impact of the tax and accounting changes. The company said it would add as much as $12.8 billion to its GAAP retained earnings, effective Jan. 1. That figure, which is a component of shareholder equity, would be part of the calculation when determining its financial-statement income for purposes of the corporate alternative minimum tax.

The company also said it would increase its GAAP deferred tax liabilities by as much as $4 billion. That figure could be seen as a rough guide for the total tax bill MicroStrategy might face if one assumes that bitcoin's price remains where it was at the end of 2024.

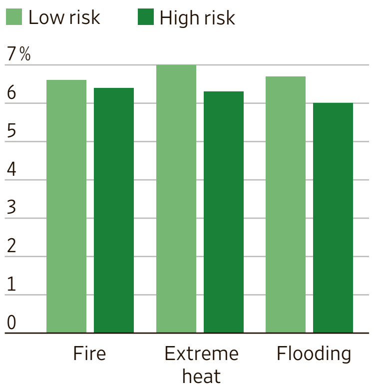
The company said it could become subject to the corporate alternative minimum tax starting in 2026. The 15% minimum tax would apply if its average annual financial statement income exceeds $1 billion over a three-year period before the initial tax year.

Here is where individuals who buy bitcoin for their own accounts have an advantage over MicroStrategy: If the bitcoin they buy goes up in value, they won't have to pay taxes on the gains until they sell it. MicroStrategy would like to be able to say the same for itself. It will need the IRS to agree first.

—Jonathan Weil

A 'Disaster Discount' Could Become Reality For Home Prices

Change in home values based on climate risk



Note: based on the values of 93 million U.S. homes from June 2023 through June 2024
Source: Redfin

In flood-prone Grand Isle, La., average annual insurance premiums have hit close to $11,000 a year.

Homes in the path of hurricanes and other natural disasters aren't much tougher to sell than those in calmer neighborhoods. Probably not for much longer.

A "disaster discount" may be creeping into the U.S. housing market. According to real-estate brokerage Redfin, homes in areas that are vulnerable to floods, wildfires, and extreme heat are rising in value at a slower rate than low-risk properties.

The discount is still very small: Homes in areas that are prone to wildfires gained 6.4% on average over the 12 months through June 2024, underperforming low-risk homes by less than half a percentage point.

Vulnerable properties are still rising in value. And overbuilding in states such as Texas and Florida may be behind the underperformance, rather than worries about the weather.

But buyers will find it harder to turn a blind eye to the costs of protecting properties in some areas. Home-insurance providers are repricing risk after years of suffering heavy losses caused by natural disasters. Higher premiums also reflect the fact that a lot of building has happened in stormy parts of the country, so there is more value at risk.

According to estimates from climate-risk modeling company AlphaGeo, homeowners in California's Pacific Palisades, where thousands of homes were destroyed by wildfires earlier this month, can expect annual insurance premium increases of 11% for at least the next decade. New rules that will allow reinsurance costs—a form of cover for insurance companies—to be passed on to California customers in return for providing cover in fire-hazard areas will push up bills for homeowners.

In flood-prone Grand Isle, La., average annual insurance premiums have hit close to $11,000 a year, according to insure.com, an insurance comparison website. Homes there are still rising in price, even with annual insurance bills now representing 5.7% of the $194,000 average home value in the area.

A property that is becoming a lot more expensive to insure should carry a discount. Based on a net operating income analysis, an asset-valuation tool used by real-estate investors, climate-risk modeling company First Street Foundation found that a jump in the cost of homeowners insurance from $1,400 to $3,200 a year could theoretically devalue a $296,000 home by 12%.

But it is difficult for ordinary buyers to understand how big of a haircut they should ask for. Even though premiums have risen sharply recently, regulations in some states still prevent insurers from fully pricing flood and fire risk. This suppresses useful price signals by keeping premiums artificially low and makes risky areas look safer than they are.

Costs also are being distributed through cross-subsidization. Some insurers offset losses in vulnerable areas by charging policyholders in safer neighborhoods more than is merited by the underlying risk. Clearer data about the true exposure of a property would help buyers to avoid overpaying and discourage developers from building in volatile parts of the country.

Better disclosure rules are starting to give buyers more bargaining power. In California, homes in certain areas that had to flag hazardous wildfire risk in property deals sold for 4.3% less than nearby properties that faced no disclosure requirement, a 2023 study by the University of Kentucky found. Florida's new House Bill 1049 means sellers have had to flag flood risks to potential buyers since October of last year.

More transparency isn't good news for everyone. When Oregon updated its wildfire map recently, some homeowners were upset to find their properties now labeled high risk. Real-estate agents might not love greater disclosure either. "It does have the potential to kill sales if the information is unfavorable," said Jeremy Porter, head of climate implications at First Street.

Even with a full picture of a property's risk, it can be hard to ask for a discount when the housing market is as tight as it is now. In December, 3.3 months of existing home supply was available for sale based on the current monthly sales pace, according to the National Association of Realtors. Buyers don't normally have the power to negotiate on price until there is six months of supply or more to cherry-pick from.

But at least they are getting new tools to size up properties. Websites such as Zillow and Realtor.com have started to include climate-risk data with sales listings. The screenings are basic, but buyers can use the information to spot problems at properties that might need further investigation.

Climate risk also will start to affect housing deals if mortgage providers start to incorporate more-aggressive forecasts of insurance costs in their payment-to-income tests.

Borrowers may find that a house that looks affordable today may not be for very long. Last summer, Freddie Mac said lenders must start using full-risk premiums when testing borrowers' affordability levels.

Already expensive, homeownership is becoming even less-affordable in parts of the country where insurance costs are rising fastest. As that reality sinks in, owners could have more trouble selling up.

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—Carol Ryan