

THE WALL STREET JOURNAL.

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★★★★ \$5.00

DJIA 44025.81 ▲ 537.98 1.24%

NASDAQ 19756.78 ▲ 0.6%

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YEN 155.51

What's News

Business & Finance

◆ **Jeep maker Stellantis** moved to reinvigorate classic American brands such as Chrysler and Dodge, whose sales and lineups have withered in recent years. **B1**

◆ **Netflix raised prices** across its existing U.S. plans, aiming to capitalize on surging demand for the service after posting sharp subscriber gains in the fourth quarter. **B1**

◆ **Goldman Sachs** announced a number of promotions in its global banking and markets division, signaling the rise of a next generation of leadership. **B1**

◆ **Major U.S. stock indexes** advanced, with the S&P 500, Dow industrials and Nasdaq gaining 0.9%, 1.2% and 0.6%, respectively. **B12**

◆ **Apple's smartphone sales** in China fell sharply in the final quarter of 2024, weakened by the popularity of local rivals expanding into the premium market. **B4**

◆ **Bain Capital** is in negotiations to acquire Mitsubishi Chemical's pharmaceutical business in a potential multibillion-dollar deal. **B3**

◆ **Adidas exceeded its operating-profit target** last year after sales surged in the key Christmas quarter. **B3**

◆ **Orsted shares sank** nearly 11% after the company announced a \$1.7 billion impairment amid higher costs at its Sunrise Wind project and increased financing costs. **B3**

◆ **Italy's Generali** and the owner of France's Natixis are set to combine their asset-management operations to create an entity overseeing the equivalent of \$1.979 trillion in assets. **B11**

World-Wide

◆ **Some of the highest profile defendants** convicted in the Jan. 6 Capitol riot were set free, as Trump's sweeping grant of clemency drew mixed reactions within his own party and among those who stormed the building that day. **A1**

◆ **Trump is using the threat** of imposing stiff tariffs on goods from Canada and Mexico to pressure the two nations to start renegotiating a continental trade deal. **A1**

◆ **Pete Hegseth**, Trump's pick to run the Pentagon, regularly abused alcohol to the point that he passed out, the nominee's former sister in law said. **A4**

◆ **Tech heavyweights** pledged to pour as much as half a trillion dollars into AI infrastructure in the U.S. in a high-profile initiative timed with the start of the Trump administration. **A3**

◆ **Israeli settlers** in the occupied West Bank attacked Palestinian villages in protest at Israel's release of Palestinian detainees. **A1**

◆ **Israeli military chief** Lt. Gen Herzi Halevi resigned, citing the army's failure to protect the country from the 2023 attack from Gaza. **A8**

◆ **The U.S. and Afghanistan** exchanged prisoners, swapping two Americans for an inmate convicted of drug trafficking for the Taliban. **A9**

◆ **Harvard University** settled legal claims alleging the Ivy League school didn't do enough to protect Jewish students against a wave of antisemitism on campus. **A3**

◆ **Died: Garth Hudson**, 87, musician with The Band. **A2** ... **Jules Feiffer**, 95, cartoonist and writer. **A2**

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Oh, Sneaux! The Big Easy Meets the Big Chill



TAKE COVER: Sous chef Eric Walker engages in a snowball fight outside the Bourbon House restaurant in the French Quarter in New Orleans. A winter storm hit Texas, Louisiana and other states along the Gulf Coast where snow is rarely seen. **A2**

Capitol Rioters Leave Prison As Pardons Trigger Controversy

BY SADIE GURMAN
AND SCOTT CALVERT

Some of the highest-profile defendants convicted in the Jan. 6, 2021, Capitol riot were set free Tuesday, as President Trump's sweeping grant of clemency drew mixed reactions within his own party and among those who

stormed the building that day. Those who walked out of prison included Enrique Tarrio, the pardoned former chairman of the far-right Proud Boys group who was sentenced to 22 years, and Oath Keepers founder Stewart Rhodes, whose 18-year sentence Trump commuted to time served. Both were con-

victed of sedition conspiracy, the most serious charge stemming from the attack, one which required prosecutors to prove the men plotted to use force to thwart the peaceful transfer of power.

"My son's freedom, his lively hood restored, has been a dream come true!" Tarrio's mother, Zuny Tarrio,

said in a post on X.

As of Tuesday morning, 211 people—every clemency recipient—who had been in federal Bureau of Prisons custody had been released, officials said, a process that took about 12 hours.

Trump's stunning Day One move to give pardons or com-

Please turn to page A4

Trump Uses Trade Threats to Spur Talks

President Trump is using the threat of stiff tariffs on goods from Canada and Mexico as soon as next week to pressure the two nations to start renegotiating a continental trade deal, according to people familiar with the matter.

The U.S.-Mexico-Canada

By Brian Schwartz,
Gavin Bade and
Vipal Monga

(USMCA) trade agreement, crafted during Trump's first term in office as a replacement for the North American

Free Trade Agreement, is up for statutory review in 2026—but Trump hopes to renegotiate it sooner, the people said.

Trump is particularly focused on using the threat of tariffs to change automotive rules, forcing car plants to move from Canada and Mexico

back to the U.S., according to people familiar with his thinking. That has sent major automakers rushing to find ways to satisfy Trump without "blowing up the North American auto supply chain" that extends throughout the three

Please turn to page A6



A Palestinian inspects a burnt-out shop after groups of settlers attacked the village of Jinsafut.

Israeli Settlers Attack Palestinian Villages

BY ANAT PELED
AND OMAR ABDEL-BAQUI

As Palestinian families prepared to welcome relatives freed from prisons Sunday in a cease-fire deal between Israel and Hamas, Israeli settlers in the occupied West Bank sent out a call to action: Stop them from going home.

What followed was two nights of armed attacks on Palestinian villages that destroyed homes and cars and left dozens injured, according

to the Israeli military and the Palestinian Ministry of Health.

The violence reflects the anger over the agreement among people on Israel's extreme right wing, many of whom are West Bank settlers opposed to ending the war and releasing Palestinian prisoners, and determined to build Jewish settlements in Gaza.

Pressure on Israel to curb

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◆ Humanitarian aid surges into Gaza Strip..... A8

Animals Take Over L.A. Hotels

* * *
Fires make city home to world's fanciest kennels

BY CAMERON MCWHIRTER
AND JOE FLINT

BEVERLY HILLS, Calif. — Packs of Chow Chows, Pharaoh Hounds, Cavalier King Charles Spaniels and other high-end pure-bred dogs have taken over the hotels of Los Angeles, from the poshest on down.

Wildfires sent thousands of families pouring into hotels here — along with their pets — temporarily turning accommodations across the city into some of the toniest kennels in the world.

Los Angeles is renowned as a pet lover's paradise where some pooches even get mansions. U.S. News & World Re-

Cow Gallstones Drive A Smuggling Frenzy

Worth twice the price of gold, they are prized in Chinese traditional medicine

BY SAMANTHA PEARSON

BARRETOS, Brazil — In the dead of night at a slaughterhouse in Brazil's southeastern farming belt, a group of men splattered in blood gathered around the entrails of a cow to see if they had hit gold.

"Just look at the size of that," one worker said as he pressed the animal's flesh through a sieve to reveal a hardened dark orange lump almost as big as a golf ball, glistening under the fluorescent light.

There it was: a gallstone. One of the most prized ingredients in traditional Chinese medicine, cattle gallstones have become so valuable that traders are willing to pay as much as

\$5,800 an ounce—twice the price of gold—for the nuggets of hardened bile.

Herbalists use them to treat strokes as they grapple with a surge in hypertension, obesity and other conditions familiar in the affluent West. Such maladies are now widespread in China after a half-century of rapid development and the changing diets that have come with it. Surging demand for gallstones has sparked a global treasure hunt across the world's top beef-producing regions, places as far apart as Texas and Australia, and especially here on the savannah of Brazil, the world's largest cattle exporter.

"I thought it was a joke at

Please turn to page A10

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Agentforce What AI Was Meant to Be

U.S. NEWS



CAPITAL ACCOUNT | By Greg Ip

In Riskier World, No One Wants to Pay

Inurance is one of finance's great gifts to mankind. Through the statistical magic of risk pooling, an individual can obtain peace of mind and protection against devastating loss.

This remarkable invention shows signs of breaking down. As risks from illness and old age to natural and financial disaster grow, so does Americans' resistance to paying to insure against them.

The latest example is California. Earlier this month, JPMorgan estimated the fires around Los Angeles had inflicted \$50 billion in losses, of which only \$20 billion were insured.

One reason for the gap: State regulators have prevented insurers from charging premiums commensurate with rising property values, construction costs and wildfire risk exacerbated by a warming climate. Many thus stopped renewing policies.

Hundreds of thousands of homeowners shifted to California's state-run backstop, the Fair Plan, whose exposure has tripled since 2020 to \$458 billion. It has only \$2.5 billion in reinsurance and \$200 million in cash.

If the Fair Plan runs out of money, it can impose an as-

essment on private insurers to be partly passed on to all policyholders. In other words, the costs of the disaster will be socialized.

California is a microcosm of what happens when insurance breaks down: Either households face potential ruin or the public is handed a financial time bomb.

"What we are seeing is a real disconnect," said Carolyn Kousky, an economist specializing in risk and founder of the nonprofit Insurance For Good. "There are opposing views on insurance: Is it a private market good, or is it social protection, to make sure everyone has the resources to recover from disaster?"

A central feature of insurance is risk pooling: The combined contributions of the community cover the losses incurred by members of the community in a given year.

Another feature of private insurance is actuarial rate-making, that is, calibrating premiums to the customer's risk. That's to prevent "adverse selection," in which only the riskiest people buy insurance, and moral hazard—the tendency to encourage risk by undercharging for it.

But some activities or individuals are so risky they could never obtain, or afford,

private insurance. That's when risk gets socialized. The federal government's expansion since the 1930s has largely been through the provision of insurance: Social Security, unemployment insurance, health insurance for the elderly and poor, deposit, mortgage, and flood insurance and, after Sept. 11, 2001, terrorism insurance.

Nowhere are feelings about insurance more conflicted than in health. Americans want neither the rationing that comes with government-run insurance, nor the risk-management that comes with private insurance. This became painfully apparent when the fatal shooting of Brian Thompson, chief executive of United-Healthcare, triggered an outpouring of fury not at the suspected killer, Luigi Manzione, but at insurers for limiting benefits.

In fact, long before that shooting, the Affordable Care Act had constrained insurers' ability to base premiums on risk, by prohibiting them from charging more to people with pre-existing conditions or denying coverage altogether.

The ACA also stipulated that insurers spend at least 80% to 85% (depending on

the plan) of premiums on benefits. So while denials, deductibles and copays may, at the margin, affect profits, ultimately they serve to control premiums.

In finance, where risk supposedly goes hand in hand with reward, losses have been repeatedly socialized, most notably when major financial institutions were bailed out in 2008.

Deposit insurance, on paper, is capped at \$250,000. But in 2023, the Federal Deposit Insurance Corp. bailed out all the uninsured depositors of Silicon Valley Bank and Signature Bank. The costs are being socialized via a special assessment on other banks' uninsured deposits.

What financial disaster was to the last era, natural disaster may be to the next. In a World Economic Forum survey, business, government and other leaders ranked extreme weather the most severe of 33 risks facing the world in the next 10 years. Major disasters pose a particular problem for insurers because claims occur all at once instead of randomly.

And as with financial disasters, the cost of natural disasters is being socialized. Numerous states have backstops for homeowners unable

to get private insurance, and all struggle to charge premiums that reflect actual risk.

In a 2023 study for California insurers, Nancy Watkins, an actuary with Milliman, an insurance consulting firm, found that plans in California, Washington, Louisiana and Florida, which had doubled in size between 2017 and 2022, all incurred more in losses and expense than they took in through premiums.

In Florida, frequent storms, flood-plain development, inflation, fraud and litigation have pushed home-insurance premiums to the highest in the country. Yet insurers were "discouraged from large rate hikes by public hearings, documentation requirements, and their own customers and agents," Kousky and a co-author wrote last year. In years past, some insurers pulled back, or became insolvent.

As in California, Florida homeowners flocked to the government backstop, Citizens Property Insurance. Like California, Florida has taken steps to make its insurance market financially viable. It has cracked down on litigation and allowed Citizens to raise premiums. Nonetheless, Citizens last year said premium

ums are 22% below the actuarially sound level.

Taxpayers nationwide are also on the hook. Since 2020, Congress has appropriated an average of \$46 billion a year for disaster relief, triple the average of the prior decade (in constant 2023 dollars).

Socializing risk weakens one of the main benefits of insurance: Encouraging the insured to mitigate their risk so as to reduce premiums.

Without that price signal, it usually takes direct intervention to modify behavior. After being bailed out in 2008-09, banks have had to submit to far more stringent safety and soundness rules.

The same may be true of natural disasters. If the risk is to be socialized, society has a right to demand the insured mitigate their risk, such as making homes more flood-proof, windproof and fireproof or staying out of disaster-prone areas entirely.

"It involves alignment of ordinances, building codes, enforcement, inspection, and finding resources for...communities and homeowners who really can't afford" such measures, Watkins said. "All that is politically difficult. But it's becoming increasingly obvious the old strategy, of denying the risk, has failed."

Rare Snow Pummels Gulf Coast

Thousands of flights were canceled Tuesday and airports in Houston suspended operations as a winter storm hit Texas, Louisiana and other states along the Gulf Coast where snow is rarely seen.

"They're looking at snowfall amounts on the order of 3 to 6 inches, and they typically don't see that," said Frank Pereira, a meteorologist at the National Weather Service.

Snow in the region is so rare that national forecasters issued the first blizzard warning ever for Lake Charles, La. New Orleans is expecting snowfall of as much as 5 inches, levels it hasn't seen since reporting began in 1948, according to Pereira.

In Pensacola, Fla., forecasters expected up to 6 inches of snow. The state's highway patrol warned people to stay off the roads, "especially if you are not used to the conditions, as many in Florida are not."

Pedestrians walk through the snow, right, at Buffalo Bayou in Houston Tuesday.

More than 2,000 flights into, within or departing from the U.S. had been canceled as of Tuesday afternoon, according to FlightAware, with additional cancellations into Wednesday. Most were de-



MARK FELIX/BLOOMBERG NEWS

parting or arriving at airports in Houston, New Orleans and Atlanta.

In Houston, icy roads led to school closures as well as

flight cancellations. The city's two main airports, George Bush Intercontinental Airport and William P. Hobby Airport, suspended operations at mid-

night Tuesday in anticipation of the hazardous conditions.

Temperatures Wednesday along the Gulf Coast are expected to be as much as 30

degrees below normal, the National Weather Service said.

The cold affected agricultural operations in the region. The third-biggest U.S. chicken

processor, Wayne-Sanderson Farms, closed some facilities in Louisiana, Texas and Mississippi.

—Joseph Pisani

CORRECTIONS & AMPLIFICATIONS

A graphic on Tuesday with a U.S. News article about food prices showed changes in milk prices per gallon. The graphic was labeled incorrectly as per pound.

A blockbuster jobs report for December revealed that hiring activity raced past expectations, indicating that the labor market is still strong and might even be gaining steam. In some editions Tuesday, a Business &

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

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SOUTHERN CALIFORNIA
High Winds Return, Pose New Fire Risk

Dangerous winds returned to Southern California on Tuesday as new wildfires broke out and a pair of major Los Angeles-area blazes burned for a third week.

Forecasters cautioned that gusts could peak at 70 mph along the coast and 100 mph in mountains and foothills during extreme fire weather.

The National Weather Service warned of a "particularly dangerous situation" across Los Angeles, Ventura and San Diego counties due to low humidity and powerful Santa Ana winds. Windy conditions were expected into Thursday.

Fire engines and water-dropping aircraft positioned across the region allowed crews to swiftly douse several small blazes that popped up over the holiday weekend, said David Acuna, a spokesman with the California Department of Forestry and Fire Protection, or Cal Fire.

"Our concern is the next fire, the next spark that causes the next wildfire," Acuna said Tuesday.

Carlos Beltrán fell 19 votes short at 70.3%, up from 57.1% last year and 46.5% in 2023.

—Associated Press

BASEBALL
Three Are Named To Hall of Fame

Ichiro Suzuki became the first Japanese player chosen for baseball's Hall of Fame, falling one vote shy of unanimous when he was elected Tuesday along with CC Sabathia and Billy Wagner.

Suzuki received 393 of 394 votes from the Baseball Writers' Association of America. Sabathia was on 342 ballots and Wagner on 325, which was 29 more than the 296 needed for the required 75%.

Sabathia and Suzuki were elected in their first appearance on the ballot. Wagner made it on his 10th and final try. The trio will be inducted into the hall at Cooperstown, N.Y., on July 27 along with Dave Parker and Dick Allen, voted in last month by the classic era committee.

Mariano Rivera remains the only player to get 100% of the vote from the BBWAA, appearing on all 425 ballots in 2019. Derek Jeter was chosen on 395 of 396 in 2020.

Carlos Beltrán fell 19 votes short at 70.3%, up from 57.1% last year and 46.5% in 2023.

—Associated Press

OBITUARY
Jules Feiffer, 95, Cartoonist, Writer

Jules Feiffer, a Pulitzer Prize-winning cartoonist and writer whose prolific output ranged from a long-running comic strip to plays, screenplays and children's books, died Friday. He was 95 years old and, true to his seemingly tireless form, published his last book just four months ago.

Feiffer's wife, writer JZ Holden, said he died of congestive heart failure at their home in Richfield Springs, N.Y.

Artistically limber, Feiffer hopscotch among numerous forms of expression, chronicling the curiosity of childhood, urban angst and other societal currents. To each he brought a sharp wit and acute observations of the personal and political relations that defined his readers' lives. He wrote over a dozen plays and screenplays, ranging from the 1980 film "Popeye" to the tougher territory of "Carnal Knowledge."

"Humor seems to me one of the best ways of espousing ideas," Feiffer said in 1998. "It gets people to listen with their guard down."

—Associated Press

OBITUARY
Garth Hudson, 87, The Band Musician

Garth Hudson, the Band's virtuoso keyboardist and all-around musician who drew from a unique palette of sounds and styles to add a conversational touch to such rock standards as "Up on Cripple Creek," "The Weight" and "Rag Mama Rag," has died at age 87.

Hudson was the eldest and last surviving member of the influential group that once backed Bob Dylan. His death was confirmed Tuesday by The Canadian Press, which cited Hudson's friend, Jan Haust. Hudson had been living in a nursing home in upstate New York.

Hudson was a classically trained performer who spoke through piano, synthesizers, horns and his favored Lowrey organ. No matter the song, Hudson summoned just the right feeling or shading, whether the tipsy clavinet and wah-wah pedal on "Up on Cripple Creek," the galloping piano on "Rag Mama Rag" or the melancholy saxophone on "It Makes No Difference."

—Associated Press

U.S. NEWS

Industry Commits To AI Investment

BY DEEPA SEETHARAMAN
AND TOM DOTAN

Some of the world's most prominent names in technology are pledging to pour as much as half a trillion dollars into building artificial-intelligence infrastructure in the U.S., in the latest high-profile initiative timed with the start of the Trump administration.

The joint venture, dubbed Stargate, is led by ChatGPT maker OpenAI and global tech investor SoftBank. It will build data centers for OpenAI. Database company Oracle and United Arab Emirates state-backed investor MGX are also equity partners in the venture.

The companies are committing \$100 billion to the venture and plan to invest as much as \$500 billion over the next four years. The plans, key elements of which remain vague, were announced Tuesday at a White House ceremony with President Trump.

The \$100 billion sum includes projects that the companies already announced and initiated under the Biden administration, people familiar with the matter said.

If it is realized, the deal would be large even by Silicon Valley standards and underscores the extent to which tech companies and government officials are betting on AI as the future of the American economy.

It also shows how much tech executives want to broadcast their enthusiasm at the start of the new administration.

OpenAI Chief Executive Sam Altman, SoftBank CEO Masayoshi Son and Oracle Chairman and Chief Technology Officer Larry Ellison went to the White House for the announcement on Tuesday, the second day of the second Trump administration.

Stargate's first data center will be in Texas. The site, which started construction last year, will be operated by Oracle and used by OpenAI, a person familiar with the project said.

The companies didn't disclose how much cash each partner would contribute. OpenAI has raised billions of dollars but still loses money. Oracle has about \$11 billion in cash and marketable securities but more in debt. SoftBank has roughly \$30 billion of cash on hand.

OpenAI said it would operate the venture, while SoftBank will finance it. Stargate will have a separate board and hire a new CEO. SoftBank's Son will be chairman.



KATIE SULLIVAN FOR WSJ

Stimulus funds paid for city improvements and spurred new construction and the rehab of properties vacant for decades.

Rust-Belt City Benefits From Bidenomics

BY JEANNE WHALEN

TERRE HAUTE, Ind.—The mayor of this Rust Belt city is tracking so many infrastructure investments that he is running out of room on his whiteboard. There are new parks, sidewalks and housing units under construction. A giant factory is rising south of town and another is on the way.

The growth is some of the best this region has experienced in decades, much of it sparked by federal funding from Biden administration legislation.

The Covid stimulus funding in the 2021 American Rescue Plan Act (ARPA) gave Terre Haute about \$34 million to plow into city improvements—a once-in-a-generation windfall for a community of 60,000 people. The 2022 Inflation Reduction Act (IRA) is providing more than \$2 billion in loans and tax credits to two planned factories that will create more than 800 jobs.

The funding "has done wonders for communities like Terre Haute," said Mayor Brandon Sakbun, a 28-year-old Democrat and former Army Ranger who leads a sometimes blue-leaning city in a county and state that voted for Donald Trump. "A lot of Hoosiers and a lot of individuals might not realize just the true impact that several pieces of legislation have had."

Joe Biden left office Monday with a largely unpopular economic record. Sharp inflation struck U.S. consumers soon after his election, causing swift spikes in grocery, housing and auto prices that helped force Biden out of the election. His approval rating has tanked to a dismal 36%.

The green shoots emerging in Terre Haute are another part of Biden's legacy that will continue unfolding long after he is gone.



Mayor Brandon Sakbun says federal funding 'has done wonders' for communities like his.

The hundreds of billions of dollars that his legislative initiatives directed to infrastructure, manufacturing, green-energy projects and urban development are just now starting to take shape nationwide. The administration says the funding is supporting more than 74,000 infrastructure projects, factories and clean-energy ventures, with a big share going to red states and regions hard-hit by offshoring and globalization.

"It will likely be beneficial to many places across the country looking back in a few years," said Mark Muro, a senior fellow at the Brookings Institution who is tracking the investment. Some Republicans have blasted elements of the spending, saying that it unnecessarily pulls money from taxpayers at a time of soaring national deficits. Critics also say the funds sometimes go to corporations that might have been inclined to invest anyway. Even Sen. Bernie Sanders (I, Vt.) declined to support one law subsidizing computer-chip factories, calling it corporate welfare.

Biden backed federal funding under four separate pieces of legislation: the Chips and Science Act and the Bipartisan Infrastructure Law, ARPA and the IRA. Those programs were designed to bolster the nation's roads, bridges and railroads and to help construct high-tech factories and energy infrastructure crucial to a modern economy. ARPA also directed \$360 billion of stimulus funds to state and local governments during the pandemic, which many are spending on infrastructure, small-business development and other needs.

Many presidents don't get quick credit for economic accomplishments that take a while to materialize. Some critics said the administration undermined its sales pitch by taking too long to disburse funds and failing to slap Biden's name on more construction signs.

Still, an array of federal funding is starting to bear fruit in many parts of the country.

Just one small slice of the IRA—expanded funding for a tax credit known as 48C—is helping to build dozens of new factories, including a planned battery-metal refinery in Ohio and a facility to recycle solar panels in Georgia. The administration's award gusher contin-

ued last week with a \$1.4 billion investment in computer-chip facilities in Arizona, Georgia and California.

"It will take time to feel the full impact of all we've done together. But the seeds are planted," Biden said in a speech last week.

Terre Haute rose as a manufacturing hub in the late 19th century. Recent decades brought hard times, including the plant closures and population decline that have plagued many manufacturing communities. The city's median household income of \$42,000 is well below Indiana's of \$70,000.

But lately, things have been looking up. Driving through town on a recent afternoon, Mayor Sakbun showed off several clusters of housing construction spurred by ARPA funds that are paying for sewer, water and electricity lines. The funding helped developers start or finish construction of 450 homes last year, compared with 120 or so in years past, a pace the city hopes to maintain. Some investors are also using the funds to rehab properties that have stood vacant for decades.

New ARPA-funded pedestrian bridges are planned to connect hotels to a small convention center. Indiana State University is using ARPA money to enlarge a child-care facility.

Charlie's Pub & Grub, a decades-old institution, is one of two dozen small businesses to receive ARPA-funded grants from the city and United Way. Owners Nikki and Cheyne O'Laughlin plan to use the \$70,000 to install a new roof and awning on the restaurant.

Much larger projects are rising on the outskirts of town. Entek, an Oregon-based company that makes parts for lithium-ion batteries, is building a \$1.8 billion factory supported by a \$1.2 billion loan from an Energy Department program that got new funding from the IRA. The investment is one of the largest the area has ever received, and the planned 650 jobs will make the plant one of the biggest employers in town.

Kim Medford, president of Entek's manufacturing division, called the loan "crucial" to the project, saying it helps make the venture more competitive with overseas rivals.

A big aim of the IRA was to create new jobs in coal communities as the country transitions to cleaner sources of energy. Terre Haute sits above a historic coal-mining region that has suffered amid declining demand.

Just north of town, Wabash Valley Resources is awaiting a \$1.6 billion IRA-funded loan guarantee to turn the site of a former coal-fired power plant into a factory to make ammonia for fertilizer. Traditional ammonia production emits harmful greenhouse gases, but the Terre Haute project aims to trap its CO₂ emissions and bury them underground, a cleaner approach known as carbon sequestration that the Biden administration was eager to support.

Harvard Settles Campus Antisemitism Lawsuits

BY JACOB GERSHMAN

Harvard University settled legal claims alleging the Ivy League school didn't do enough to protect Jewish students against a wave of antisemitism on campus.

As part of the settlements announced on Tuesday, Harvard among other things agreed to make clear in its policies that targeting Zionists can violate its protections of Jewish students.

A federal judge in a pair of rulings in August and November denied Harvard's bid to dismiss two lawsuits alleging antisemitic harassment and discrimination under Title VI of the Civil Rights Act of 1964. U.S. District Judge Richard G. Stearns allowed the plaintiffs to pursue claims that Harvard administrators were "deliberately indifferent" to harassment of Jews.

The agreement didn't resolve damages claims brought by one of the plaintiffs in the case, Alexander Kestenbaum, a recent Harvard Divinity School graduate who declined to join the settlement and is represented by new counsel.

"We are resolute in our efforts to confront antisemitism and will continue to implement robust steps to maintain a welcoming, open, and safe campus environment," a Harvard spokesperson said. "Today's settlement reflects our dedication to this mission."

"With this settlement, Har-



Harvard University was accused of failing to protect its Jewish students.

vard is demonstrating leadership in the fight against antisemitism and in upholding the rights of Jewish students," said Students Against Antisemitism, a group that brought one of the suits against Harvard a year ago.

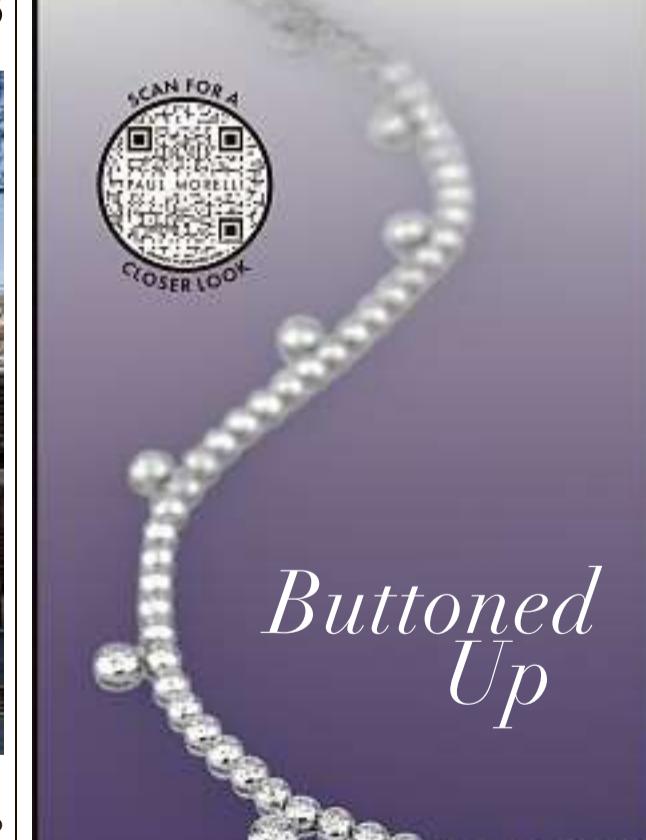
Harvard also settled claims with the Louis D. Brandeis Center for Human Rights Under Law and Jewish Americans for Fairness in Education, other plaintiffs in the litigation.

Harvard was among around a dozen colleges and universities accused in lawsuits vio-

lating federal law by failing to protect its Jewish students.

Some cases have settled, including one against New York University. A suit against the Massachusetts Institute of Technology was dismissed. Others, including litigation against Columbia University, are pending in court.

The lawsuits stem from an eruption of protests at higher education institutions sparked by Hamas's Oct. 7, 2023, massacre and Israel's subsequent war against Hamas in Gaza.



Buttoned Up

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U.S. NEWS

Trump to Expand Troops' Role at Border

Executive order says migrants, smugglers pose invasion threat requiring military

WASHINGTON—Pentagon officials are planning options for using federal troops to secure the U.S.-Mexico border against drug traffickers, human

By Nancy A. Youssef,
Vera Bergengruen
and Gordon Lubold

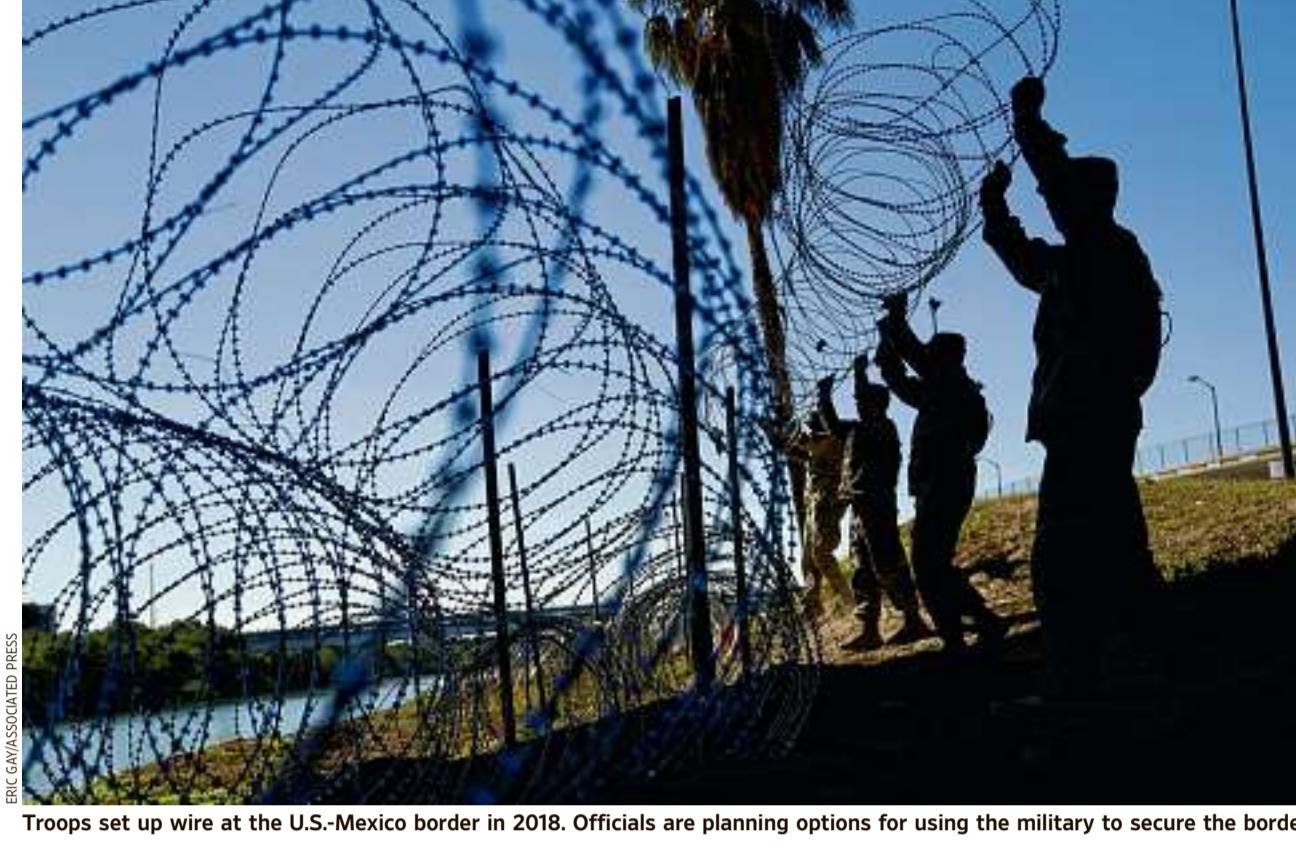
smugglers and migrants, a potentially major shift in military priorities ordered by President Trump, officials said Tuesday.

Use of the armed forces in a domestic role is restricted by laws prohibiting troops from engaging in law-enforcement functions except in narrow circumstances. But an executive order Trump signed Monday described border threats normally left to law-enforcement agencies as an "invasion" justifying a military response.

A push to expand the military's domestic responsibilities faces multiple obstacles, including legal restrictions and the Pentagon's reluctance to involve itself in what it has long viewed as law-enforcement tasks.

Officials at the Pentagon and the Department of Homeland Security, which oversees U.S. Customs and Border Protection, the agency in charge of securing the border and enforcing immigration law, scrambled to understand what the new mandate means for their agencies.

U.S. Northern Command, which is responsible for military operations in North America, was given a month to craft



Troops set up wire at the U.S.-Mexico border in 2018. Officials are planning options for using the military to secure the border.

a plan to combat "unlawful mass migration, narcotics trafficking, human smuggling, gang trafficking, and other criminal activities." Trump specified that it should "seal" the U.S.-Mexico border and repeat "forms of invasion."

Military planners will need to determine how many troops are required, rules of engagement, as well as the equipment, vehicles and weapons required for a mission that active duty forces don't usually train for, said Peter Feaver, a professor of political science and public policy at Duke University.

Trump also signed an executive order designating drug cartels as foreign terrorist organizations, which could allow the use of military force against these groups.

"We have started crafting courses of actions...what we think the mission is and what viable military operations could be used to do that mission," said Marine Col. Kelly Frushour, a spokeswoman for Northern Command.

Due to the restrictions of the Posse Comitatus Act, federal troops are generally prohibited from detaining migrants, seizing drugs from smugglers, intercepting or searching vehicles, or having any direct involvement in stop-

ping people from crossing the border. Exceptions to the law permit the president to use troops against insurrection and domestic violence.

A separate Trump declaration of a national emergency along the border opens federal funding and allows National Guard troops to be sent to the border under the command of the president instead of governors from the states where the units are based.

During his first term, Trump declared a national emergency at the southern border and deployed thousands of troops there. But officials on Tuesday suggested the new administration was taking more aggressive action to expand the military's role.

He appeared to be lumping migrants seeking asylum together with drug cartels, which he has termed "enemy combatants," and treating both as national security threats.

"When you use the military this way, you take them offline from other high-intensity threats, like China," Feaver said.

When Trump deployed more than 8,000 troops to the southern border in 2018, they spent their time stringing razor wire, fixing vehicles, and analyzing drone footage.

Hegseth Routinely Passed Out From Alcohol Abuse, Witness Says

By LINDSAY WISE
AND JACK GILLUM

Pete Hegseth, President Trump's pick to run the Pentagon, regularly abused alcohol to the point that he passed out at family gatherings, and once needed to be dragged out of a strip club while in uniform, according to an ex-relative's account of his behavior that was given to U.S. lawmakers and reviewed by The Wall Street Journal.

The sworn statement, submitted in response to a request from Sen. Jack Reed of Rhode Island, the top Democrat on the Senate Armed Services Committee, was signed by Hegseth's former sister in law, Danielle Hegseth. It states that she was with Hegseth when he passed out from drunkenness in the bathroom of a bar in Minneapolis in about 2013. It also describes another night, when she said Hegseth drank so much at a restaurant in Minneapolis that the Uber driver had to pull over on Interstate 94 so he could throw up.

In her sworn statement, Danielle Hegseth said she personally observed erratic and aggressive behavior by Heg-

seth, witnessing him abusing alcohol multiple times over the years. One Christmas in 2008 or 2009, he drank so much that he threw up and passed out, she said.

The new allegations come a day after the armed services panel voted 14-13 along party lines to advance Hegseth's nomination to lead the Defense Department. The full Senate is expected to vote on his confirmation later this week. At a contentious confirmation hearing last week, Hegseth conceded that he wasn't perfect but dismissed questions about his character and qualifications as a "smear campaign" irrelevant to the job of running the U.S. military. He stressed that the allegations were from anonymous sources.

The White House said Hegseth has already responded to accusations of his drinking in his confirmation hearing. A lawyer for Danielle Hegseth, Leita Walker, said Danielle Hegseth wouldn't be commenting beyond the statement. "She asks for respect for her privacy and the privacy of those she cares about including Pete Hegseth's former wives and children," Walker said.

In the sworn statement, Hegseth's former sister-in-law also said that Hegseth's ex-

Hegseth has told senators he would abstain from consuming alcohol if he were to lead the Pentagon.

Asked about his drinking on "The Megyn Kelly Show" late last year, Hegseth denied allegations that he "was constantly being carried up anywhere" as "patently false." He pointed to former colleagues who have signed letters refuting that he'd abused alcohol on the job.

Kelly asked Hegseth if he still drinks, and he said he wouldn't drink at all as defense secretary. "It's not hard for me, because it's not a problem for me," he said.

Reed, the panel's top Democrat, said Tuesday he has been concerned that the background-check process for Hegseth has been inadequate, and the statement confirmed his fears.

"The alleged pattern of abuse and misconduct by Mr. Hegseth is disturbing," Reed said in a statement. "This behavior would disqualify any service-member from holding any leadership position in the military, much less being confirmed as the secretary of defense."

In the sworn statement, Hegseth's former sister-in-law also said that Hegseth's ex-

wife, Samantha, told her that she once hid from Hegseth in a closet because she feared for her personal safety, sometime between 2014 and 2016.

She said that Samantha had a "code word" with her and another person close to her and that Samantha had made a plan in case she needed to get away from Hegseth.

Danielle Hegseth said that Samantha texted the code to her in 2015 or 2016. She said the code meant that she should call the other person to fly to Minnesota to help Samantha, which Danielle said she did.

Samantha Hegseth didn't

respond to requests for comment.

Danielle said she didn't personally witness physical or sexual abuse by Hegseth to Samantha, but she said that she herself was a witness and a victim of emotional abuse by Hegseth.

She said he drunkenly yelled in her face in 2009 after she walked out of a room when he was telling a story that she said had "a racial slant." She said he was in his military uniform, became very aggressive, and yelled at her long enough that another person, whose name is redacted, had to pull him away.

At one point, the statement says, Danielle said she heard Hegseth say that women shouldn't have the right to vote and that they shouldn't work.

Other times, he made rude comments about women's looks, and once stated that he never used condoms, it says.

Danielle Hegseth also said that she heard him say Christians needed to have more children to overtake the Muslim population. Danielle Hegseth was married to Pete Hegseth's brother Nate before they divorced in 2019.

Danielle said her sworn

States Sue To Preserve Birthright Citizenship

By ALYSSA LUKPAT

Attorneys general from more than a dozen states filed a lawsuit to stop the Trump administration from ending birthright citizenship.

The lawsuit, filed in Massachusetts, said President Trump's executive order violates the 14th Amendment which guarantees citizenship to "all persons born or naturalized in the United States, and subject to the jurisdiction thereof."

The attorneys general, in addition to the city of San Francisco, are asking for a preliminary injunction to stop the executive order from taking effect.

"President Trump's attempt to undermine the fundamental right to birthright citizenship is not just unconstitutional, it is profoundly dangerous," New York Attorney General Letitia James said on Tuesday. She said the executive order would mean children who once qualified for birthright citizenship would now grow up under the threat of deportation.

The attorneys general who joined their counterparts in Massachusetts and New York in the lawsuit are from California, Colorado, Connecticut, Delaware, District of Columbia, Hawaii, Maine, Maryland, Michigan, Minnesota, Nevada, New Jersey, New Mexico, North Carolina, Rhode Island, Vermont and Wisconsin.

Capitol Rioters Set Free

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mutations to all of the roughly 1,500 people charged in the attack instantly upended the largest investigation in the history of the Justice Department, whose lawyers spent much of Tuesday moving to dismiss a steady stream of pending cases.

"Promises made, promises kept," Rhodes said Tuesday outside the local jail in southeast Washington, D.C., where other Jan. 6 defendants were starting to be released into the bitter cold. Rhodes traveled there shortly after leaving a federal prison in Cumberland, Md., to show support for his fellow rioters.

Those released before he arrived included brothers Matthew and Andrew Valentin, who had been sentenced just last week to 2½ years in prison for assaulting police during the attack.

Trump's clemency grant was more expansive than even

some of his allies had expected. In the weeks before his return to the White House, Trump suggested he would consider the Jan. 6 defendants on a case-by-case basis.

The move outraged Democrats and unsettled some Republicans who had hoped Trump would stop short of showing leniency to those who had attacked law enforcement.

"For many of them, it was probably the right thing to do. But anyone who was convicted of assault on a police officer, I just can't get there at all. I think it was a bad idea," Sen. Thom Tillis (R., N.C.) said Tuesday.

Sen. Dick Durbin, a Democrat of Illinois, called the pardons "a national embarrassment."

"America owes these brave law enforcement officers an apology for this attempt to whitewash the truth of Jan. 6," he said.

The Fraternal Order of Police, which endorsed Trump, said in a joint statement with the International Association of Chiefs of Police that it was "deeply discouraged" by the pardons of people who assaulted officers.

Those released before he arrived included brothers Matthew and Andrew Valentin, who had been sentenced just last week to 2½ years in prison for assaulting police during the attack.

Trump said Tuesday it was unacceptable to assault police officers but sidestepped a

question about why he pardoned individuals convicted of doing so.

Also Tuesday, Trump said he has pardoned Silk Road founder Ross Ulbricht, who was serving a life sentence. Ulbricht created the underground online drug bazaar that was once described by the government as the most sophisticated criminal marketplace on the internet.

A federal jury found him guilty in 2015 of seven criminal charges related to Silk Road, including conspiracies to sell drugs and launder money.

The Jan. 6 prosecutions represented a monumental four-year federal effort to hold Trump supporters accountable for trying to disrupt congressional proceedings to certify Joe Biden's 2020 presidential victory.

Federal prosecutors were still announcing charges against additional people in the final days of Biden's presidency.

Prosecutors' work wasn't undone because it created a robust public record "that will exist in perpetuity, documenting the facts of Jan. 6 for anyone who actually cares to understand the facts," said Matt

Graves, the former U.S. attorney in Washington whose office

faced handled the cases.

Graves estimated there were about 250 people still in jails or prisons before the clemency grant, most of whom were facing charges on or already convicted of violent offenses.

"This disproportionately benefits those who engaged in violence that day," he said.

Some defendants on the receiving end of Trump's mercy felt mixed emotions.

Doug Sweet, 62 years old, who pleaded guilty to two misdemeanors, said he was elated at being pardoned for his actions at the Capitol.

"Being pardoned is just icing on the cake. Not many people can say they got a presidential pardon. I guess I can," Sweet said from his home in southeast Virginia.

When he was sentenced in 2021, he expressed some remorse for his actions, and got three years' probation and a month of home confinement. More recently, he has said he has no regrets and insisted he did nothing wrong.

But Sweet, a strong Trump supporter, said he questioned the decision to pardon people convicted of violence against police. "I don't believe in resisting arrest at all. I think those who actually struck back at the police, I kind of

feel like they ought to have some charges on their records," he said.

Pam Hemphill, of Idaho, who served 60 days in prison after pleading guilty to misdemeanor charges, said she planned to refuse the presidential pardon.

"It'd be an insult to the Capitol Police and the rule of law, and to our nation," she said. "I pleaded guilty because I was guilty. I don't want to be a part of contributing to them trying to rewrite history—that Jan. 6 was not an insurrection. It was, it was a riot. And I think taking a pardon is like a message that what happened that day was OK."

Hemphill, who is 71 and a retired substance-abuse counselor, likened the release of Oath Keepers and Proud Boys defendants to a "free 'go ahead and abuse people' card," and said she worried they would disrupt peaceful anti-Trump protests.

—C. Ryan Barber contributed to this article.



Stewart Rhodes after his 18-year sentence was commuted.

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Special Advertising Feature

This Private Aviation Pioneer Continues to Thrive Despite Global Uncertainty



Against a backdrop of geopolitical turmoil, one business aviation leader is driving growth through a focus on agility, safety and service.

The private aviation industry has had a turbulent three years. A post-COVID surge proved transformational as industry entrants swept in to service unprecedented demand as borders reopened. Yet since that gold rush, a sector-wide slowdown has coincided with fast-evolving global conflicts, fluctuating interest rates and consequential elections around the world. While many predict a positive year ahead, industry consolidation and supply-chain shortages mean the future remains somewhat in flux.

In the face of such challenges, one company is rising to meet them head-on. It's been 20 years since Thomas Flohr launched VistaJet — which first landed in the U.S. in 2013 — and the company has proven resilient. Despite private aviation flights declining from their 2022 peak, the airline has increased its market share to approximately 5% of the total market, helped by its unique business model. "Two decades ago, if you were a corporate flyer or an ultra-high-net-worth individual, you'd have to own an aircraft to have guaranteed availability for your flights," says Leona Qi, VistaJet's U.S. president, explaining how the company's subscription-based service has propelled it from industry innovator to trusted market leader. "Instead, we allow our members guaranteed 365-day access to a high-performance fleet with an owner experience — without any asset risk."

What Sets VistaJet Apart

Rather than swallowing the significant depreciation of a private jet, which can be up to 50% in the first five years, VistaJet members subscribe to hour-based packages at fixed rates that account for aircrafts' value fluctuations, management and operating costs. "In private aviation, flying is often the least expensive part, while other unexpected costs — including asset depreciation, insurance, maintenance and management, remarketing fees, supply-chain issues — quickly add up and you're left navigating the unknown," says Qi, adding how VistaJet makes it simple for members to forecast their aviation spend. "Our approach is simple: focus on what you do best and let us handle the rest. Tying up equity in owning and managing an aircraft isn't the smartest use of resources. Our subscription service allows members to

reallocate their resources back into their core business or personal pursuits."

With fixed rates across any day of the year, it's a model that brings transparency to a typically opaque sector, yet VistaJet's connectivity is equally compelling. The fleet numbers hundreds of aircraft, spanning super-midsize jets up to Bombardier's ultra-long-range Global 7500, capable of flying non-stop for 17 hours. With guaranteed access to the entire fleet, members can match their mission to the right aircraft, whatever the distance, while a fixed hourly rate means members only pay for the hours they fly, whether from Boston to Aspen or London to Singapore. "Imagine having access to a consistently branded fleet anywhere in the world with as little as 24 hours' notice. That's the reliability and peace of mind we offer. Something ownership simply can't match," says Qi.



Leona Qi, VistaJet's U.S. president

Part of delivering such consistency stems from a visionary approach towards setting up an agile global service. This model proved its strength throughout the pandemic, particularly when lockdown restrictions were lifted in a staggered fashion. Rather than operating from a 'home' base, like most private aviation companies, VistaJet's floating fleet is always on the move. Whether it's the peak summer months in the Mediterranean or Thanksgiving in the U.S., aircraft move to meet regional demand, ensuring uninterrupted service. When one client is dropped off, another is picked up, with this optimization reducing the need for repositioning and resulting in cost savings that are passed on

directly to members. "Geographically, our business is very diverse, making us the go-to provider for those who want to plan complex journeys," says Qi, explaining how VistaJet's global footprint and broad service portfolio have proved pivotal in managing peak demand and regional volatility.

A U.S. Success Story

Since launching on this side of the Atlantic in 2013, VistaJet's U.S. program customers have grown to 50% of the 2024 total, defying expectations that Americans weren't prepared to pay for a premium service. Part of this success stems from VistaJet's European origins, which — having already established itself as an industry heavyweight in other continents — allowed it to offer a truly international alternative to existing domestic services.

For Qi, the U.S. represents the world's most mature and deepest private aviation market, yet there's a gap for fliers needing a consistent and guaranteed solution for both domestic and international travel. "American consumers expect efficient experiences and require the same standards wherever they're going," she says. "We want to guarantee the best service in the sky — from safety to cabin design, crew to private dining — in every continent."

Twenty years after its launch, VistaJet has established itself as a global private aviation institution whose seamless service and robust operating structure resonates at a time when certainty is increasingly in demand. Positive on the outlook for the sector in the long term, Qi expects to see continued investment in innovation — including jetlag reduction, flight wellness or sustainable aviation fuel — as well as further growth in Africa, India and Asia-Pacific.

"We want to make the world smaller and continue bringing connectivity at scale," says Qi. "Wherever in the world there is a business opportunity, our clients trust in us to help them connect and succeed."



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U.S. NEWS

Trump Meme Coin Takes Shine Off Crypto

Industry players worry it will tarnish the credibility they have cultivated

By VICKY GE HUANG
AND CAITLIN OSTROFF

The crypto industry eagerly awaited Donald Trump's return to the White House. Now, it's reeling after the president and first lady launched a pair of meme coins.

Dubbed \$TRUMP and \$MELANIA, the tokens have no economic purpose—their value largely is based on the popularity of internet memes. The market cap of the president's coin has soared to \$8.4 billion since Friday night's launch, while the first lady's token is worth about \$800 million, according to CoinMarketCap.

By selling coins known for their speculative nature and extreme volatility, the president has undermined the credibility that the industry has worked hard to build in recent years, some crypto executives and investors say.

They also point to the brazen conflict of interest: Trump benefits directly from the sale of the tokens while setting the policy that affects how markets are valued and regulated.

Spokespeople for the Trump Organization and the websites associated with the tokens didn't respond to requests for comment.

President Trump commented on his meme coin for the first time Tuesday when asked by a reporter about whether he plans to continue selling products that benefit



A Trump image on a Moonshot booth during a crypto conference in Nashville in July.

him personally. "Well I don't know if it benefited. I don't know where it is. I don't know much about it other than I launched it," he said.

Even the most ardent Trump supporters reached a breaking point when the \$MELANIA token launched less than 48 hours after the rollout of her husband's coin.

Ryan Selkis, the former chief executive of crypto research firm Messari and a vocal supporter of Trump, urged the president to fire the adviser who recommended the launch of the second coin.

"1. They don't know what they're doing. 2. They cost you a lot of \$ and goodwill. 3. They don't have your interests in mind," said Selkis in a social-media post shortly after the \$MELANIA token launch.

The \$TRUMP token lost nearly half its value after first lady Melania Trump's coin was unveiled. Traders say demand for the tokens overlapped—\$TRUMP token holders had to unload some of their holdings to buy her meme coin. Prices have since regained some ground, but the market value of the \$TRUMP coin peaked Sunday at about \$15 billion.

Some crypto enthusiasts questioned if the coins were a scam and if Trump's social-media accounts where they were promoted had been hacked. The mechanisms of the tokens reminded some of a rug pull, crypto parlance for a project that is launched and quickly abandoned, leaving investors with steep losses.

One point of criticism: 80% of the \$TRUMP token's supply

is owned by Fight Fight Fight and CIC Digital, an affiliate of the Trump Organization, according to the website associated with the token. The terms and conditions of both \$TRUMP and \$MELANIA bar buyers from joining class-action lawsuits against the project and indemnify the project against claims.

Trump or any other coin issuer benefits twice when meme coins are sold to the public. They get the proceeds of coin sales and they have an ownership stake whose value rises when the price of the coin increases. They can then sell more coins to gain further profits.

Spokespeople for the Trump Organization and the websites associated with the tokens didn't respond to requests for comment.

Bitcoin price since election day



Source: CoinDesk

the cryptocurrencies caught the crypto community off guard. A crowd of crypto executives and Silicon Valley tycoons who gathered Friday night at an event dubbed the Crypto Ball didn't learn of the launch until they checked their phones late in the evening. Trump unveiled the coin on social media at 9 p.m. ET.

In launching the tokens, Trump has waded into a long-standing divide in the world of crypto: staid technology enthusiasts who see crypto as a means of financial inclusion and innovation versus speculative investors who see it as a means to monetize brands, memes and ideas.

"I think people will think meme coins are the foundation of the crypto industry," said billionaire entrepreneur and crypto investor Mark Cuban. "It's not. There are real applications that add value."

Cuban, who was vocal in his support of Kamala Harris during the presidential election, said Trump's token launch looks like "a highly manipulated offering."

Sen. Elizabeth Warren (D., Mass.) criticized the launch of the meme coins on CNN. "This is transparent corruption," she said. "You want to influence Donald Trump? Help make him richer. You want to influence Melania Trump to influence Donald Trump? Make her richer. You no longer have to sign up at the Trump Hotel. You just actually come in and make a purchase right online. That is a corruption that runs so deep and runs to the heart of not just Donald Trump, but the entire administration."

After the collapse of the FTX exchange in 2022, the crypto industry made big inroads in rebuilding its brand and reputation. It emerged as one of the biggest spenders of the election cycle by donating \$170 million to a trio of super PACs to elect friendly lawmakers.

Bitcoin went mainstream and soared past \$100,000 because of the roaring launch of the first U.S. spot bitcoin exchange-traded funds offered by big Wall Street asset managers such as **BlackRock** and **Fidelity Investments**. Trump became the industry's biggest cheerleader and promised to deliver legislation that would treat digital assets differently than stocks and bonds.

The tokens aren't the Trump family's first foray into crypto. Last year the president helped launch a decentralized finance project with his sons Donald Trump Jr. and Eric Trump known as World Liberty Financial.

Yet the decision to launch

force within the U.S. without congressional approval and asked administration officials to study potential U.S. actions.

"The Trump administration will need to decide whether this is bluster that's intended to lead to compromise or the beginning of a tax and trade war," said Itai Grinberg, a Georgetown law professor who helped negotiate the deal as a Treasury official in the Biden administration. "I hope and believe this is saber rattling meant to lead to compromise."

Rohit Kumar, co-leader of PricewaterhouseCoopers' U.S. tax business and former Senate GOP aide, said he woke up Tuesday to dozens of emails from executives with questions. "It's going to yield a ton of complexity for multinational companies," Kumar said. "It may yield double taxation in some or many cases."

One of the top executives at JPMorgan Chase, Mary Ermes, said at the World Economic Forum's conference in Davos that the bank had set up a "war room" to digest the bevy of new policies.

Staff in the government relations department have been studying the executive orders

and sending takeaways to top executives like CEO Jamie Dimon.

Other banks including Bank of America and Citigroup have been doing the same, readying to help big international clients and companies respond.

Many big companies remain concerned about changes to immigration policies. The law firm Fisher Phillips on Tuesday launched a rapid response immigration team of attorneys to deal with an onslaught of client questions and concerns.

Some clients are already panicking about looming immigration policy changes or potential business disruptions, said Shanon Stevenson, co-chair of the firm's immigration practice group.

The firm sent clients a 24-hour hotline that they could call in the event of an unexpected immigration raid. Employees in industries such as construction, hospitality, healthcare and more have conducted training sessions or posted placards at front desks so receptionists know what to do—and who to call—if immigration officials show up unannounced.

—Emily Glazer, Richard Rubin, Kristina Peterson, Mark Maurer and John Keilman contributed to this article.



Trucks lined up at a port of entry on the U.S.-Mexico border in Juarez, Mexico, last month; Mexico is the U.S.'s largest trade partner.

Pressure Is On Canada And Mexico

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nations, according to one auto-industry executive.

Trump, according to people briefed on the matter, plans to turn to Howard Lutnick, his pick for commerce secretary, and Jamieson Greer, his pick for U.S. trade representative, to handle the renegotiation.

Trump told reporters on Tuesday that he is threatening to impose tariffs on Mexico and Canada to compel the countries to limit the flow of fentanyl and migrants into the U.S. He also said he is considering 10% tariffs on imports from China, and is weighing tariffs on the European Union.

The USMCA governs about \$2 trillion of trade. It was approved by Congress with the broadest support of any trade deal in U.S. history. More than 200 Democrats in the House and Senate joined Republicans in backing the agreement because of the labor and environmental standards that Trump's team added. Since its signing, Mexico and Canada have supplanted China as the leading U.S. trading partners, according to Census Bureau data.

"I don't think there's any question that there will be a reboot of USMCA," said Sen. Kevin Cramer, (R., N.D.), a close Trump ally. Cramer said he has been in contact with Canadian officials about how they can assuage Trump's de-

mands, either by reforming the trade pact, addressing fentanyl smuggling or contributing more military spending to the North Atlantic Treaty Organization—all longstanding Trump irritants.

Other lawmakers close to Trump are warning Canada and Mexico not to take his tariff threats lightly. Sen. Bill Hagerty (R., Tenn.), a Trump ally who served as his ambassador to Japan during the first term, said it would be "woefully naive" to see Trump's tariff threats as only a cudgel for renegotiating trade deals.

"He will do it," said Hagerty, referring to imposing tariffs, adding that he has also recently been in contact with Canadian officials on how they can create a more reciprocal trading relationship with the U.S.

Trump told reporters on Monday, his first day in office, that he aims to place 25% tariffs on Canada and Mexico on Feb. 1. He signed a trade memorandum instructing USTR to take the lead on reviewing the USMCA's effect on workers, farmers and ranchers—and make recommendations on U.S. participation in the agreement.

Mexico and Canada are the U.S.'s No. 1 and No. 2 trade partners, respectively. They send about 80% of their exports to the U.S.

Canada's prime minister, Justin Trudeau, said Tuesday that Canada is ready to hit back. It is weighing retaliatory tariffs on up to \$150 billion of U.S. products such as Kentucky bourbon and Florida orange juice as a possible response, depending on what Trump actually does. Canada has also threatened an export

tax on the 4 million barrels a

day of oil it sends to U.S. refiners, which could ultimately boost the cost of gasoline to U.S. customers.

President Claudia Sheinbaum of Mexico preached calm at her daily news conference. "Let's keep a cool head," Sheinbaum said. "We should always avoid confrontations."

Sheinbaum said last year that U.S. tariffs could bring retaliation. In 2018, Mexico responded to U.S. tariffs on steel and aluminum by targeting U.S. products from steel to pork, cheeses and apples.

Trump, a Republican, wants to wait until he has his full trade team in place before potentially moving forward with tariffs, some of the people familiar with the matter said.

Trump said on Monday he was still considering across-the-board tariffs on virtually every trading partner, which some Republicans hope to use

to generate revenue that will offset an extension of Trump's tax cuts this year. Trump privately told Senate Republicans at a Jan. 8 lunch on Capitol Hill that he is convinced tariffs can raise around \$1 trillion in revenue, according to a person present for the meeting.

The legal authority that Trump would use to impose the 25% tariffs on Canada and Mexico remains uncertain, according to people with knowledge of policy discussions. Trump could use so-called Section 232 national security tariffs, or he could use the International Emergency Economic Powers Act. Other options remain in play as well.

In Canada, the government had planned a two-day cabinet retreat, which began on Mon-

day, to coincide with Trump's inauguration and to prepare to fight a trade war. Ministers have been discussing possible retaliatory measures and getting presentations from trade negotiators and industry representatives about the possible economic impact.

Economists warn that Trump's plans could result in significant economic disruptions across the continent. A 25% tariff on all U.S.-bound Canadian exports could throw the Canadian economy into a recession. Retaliatory tariffs would only add to the pain. Last month, Bank of Canada Gov. Tiff Macklem warned that the Trump tariff threat has likely damped business confidence and paused investment plans. A tariff would trigger widespread disruption in the Canadian economy, Macklem said.

The tariff threat is already affecting Canadian businesses, according to a Bank of Canada survey conducted last month. Executives fear a pickup in inflation from U.S. tariffs. Some companies have lowered their sales forecasts and scaled back hiring and investment plans.

"Companies are going to make their decisions based on the concrete policies that emerge over the coming weeks and months," said Jake Colvin, president of the National Foreign Trade Council, an industry trade group.

"In the meantime, businesses are going to have to live with that uncertainty and prepare as best they can for a variety of tariff scenarios."

—Paul Vieira in Ottawa

and Anthony Harrup in Mexico City contributed to this article.

Business

Navigates New Orders

Continued from Page One

the executive orders this time in a way that I wasn't in 2021 and in 2017," Pomper said, adding that he was fielding calls from clients about the orders.

Many of Trump's first-day moves were expected and there were few details on some of the biggest topics, including deportations. Some of the orders are already being challenged in court. The initial orders didn't impose any tariffs, though Trump said he planned to put 25% duties on imports from Mexico and Canada on Feb. 1.

The details of any new tariff policy would be critical for companies like 3M, the U.S. manufacturing giant behind everything from Scotch tape to materials used in electric-vehicle batteries.

Bill Brown, the chief executive of 3M, said the company exports about

\$4 billion in products each year, far more

than the \$1.7 billion of goods it imports. About half of those imports, however, come from Mexico and Canada.

"We're watching it very, very carefully, but we have a lot of operational levers that we can pull," Brown said. "We have a lot of factories in the U.S. and we can flex them and maybe bring some of that product back to the U.S."

Some executives will be watching Trump's confrontational turn in long-running global corporate tax negotiations and his warning of potential retaliation against foreign taxes that the U.S. could deem unfair or discriminatory.

In 2021, about 140 countries reached an international tax agreement in two separate parts, attempting to put a floor under corporate tax rates and create clearer rules for which countries get to tax which income. Companies and Republicans have been objecting in particular to attempts to tax U.S.-based companies because they pay below the 15% corporate tax floor in the U.S., undercutting the research tax credit.

Companies are going to make their decisions based on the concrete policies that emerge over the coming weeks and months," said Jake Colvin, president of the National Foreign Trade Council, an industry trade group.

"In the meantime, businesses are going to have to live with that uncertainty and prepare as best they can for a variety of tariff scenarios."

—Paul Vieira in Ottawa

and Anthony Harrup in Mexico City contributed to this article.

25%

Size of tariffs Trump said he will place on imports from Canada and Mexico on Feb. 1

WORLD NEWS

At Davos, Global Elite Gird for Trump 2.0

They know the president better than almost anyone after his first term

DAVOS, Switzerland—After nearly a decade, you really get to know somebody. So the global elite, gathered here for

By Joshua Jamerson,
Emily Glazer
and Alexander Ward

the World Economic Forum and crammed into this ski hamlet in the Swiss Alps, say they are buckled up and ready for President Trump's second term.

"We've learned that he goes out maximalist and then he starts negotiating. This wasn't really known to us last time. This is now factored in," Norway's foreign minister, Espen Barth Eide, said during an interview on the sidelines of the annual conference.

He said he has learned to take Trump seriously but not always literally. "If we run around commenting [on] every Truth Social post, you know, we will have nothing else to

do." The minister said he still has questions, such as how Trump would handle Ukraine, U.S. support for the North Atlantic Treaty Organization and even how America would work with the world should there be another global pandemic.

"We will go in and discuss this with the new administration and see," he said.

That posture is widespread in Davos, marking a contrast to 2017, when Trump sent shock waves and unease through many corporate boardrooms and foreign capitals. Eight years later, many top diplomatic officials and titans of business are greeting Trump's second presidency with cautious optimism that he can help advance their interests. Some described the 45th and 47th president's desire for more nationalist U.S. immigration and trade policies as an expected—not surprising—part of the bargain of doing business with the U.S.

Antonio Neri, the chief executive of information-technology company **Hewlett Packard Enterprise**, said he is optimistic for the incoming Trump administration, but cautioned it is still early days. And he will want to



People watched President Trump's inauguration on Monday in Davos, Switzerland.

Trump ally and leader of the Department of Government Efficiency, the president's cost-and-regulatory slashing effort.

Several executives said they had little or no access to former President Joe Biden, casting the recently out-of-office Democrat as having kept the business community at arm's length. Several CEOs here said they had spoken with Trump since the election, whereas during the Biden administration, their interactions with the federal government were via surrogates such as cabinet officials or staffers.

It is against that meh-on-business perception of the single-term Biden presidency that Trump's second era in Washington has been greeted warmly by big corporations. Allies of the president had been soliciting \$10 million to \$15 million donations to spread across various Trump groups, The Wall Street Journal previously reported, citing people familiar with the fundraising. The inauguration raised more than \$200 million, the Journal reported, and could double what it raised eight years ago when Trump was first sworn in.

up from 4.3% in the previous three months, the Office for National Statistics said, matching the highest rate since 2021. But average regular pay grew 5.6%, the ONS said, accelerating from the prior period's 5.2%.

The U.K.'s unemployment rate was higher in the three months through November, increasing the likelihood the Bank of England will lower its key interest rate early next month, while German businesses reported a darker mood this month as the country braced for new administrations in both Washington and Berlin.

September-November U.K. unemployment stood at 4.4%,

and data pointing to a weak end to 2024, some BOE policy-makers are becoming more concerned about growth. The latest unemployment figures will add to those worries. The central bank is widely expected to cut rates at its next meeting, early in February, but beyond that the outlook is uncertain. Policymak-

ers are anxious to avoid a combination of above-target inflation and weak growth.

Britain is relatively insulated from President Trump's threatened tariffs, since U.K. exports are heavily slanted toward services. But its nascent recovery from

the Russia-Ukraine crisis could be at risk from a slowdown in global trade or by any

Trump was sworn in as president on the opening day of the conference. In Washington, seated behind Trump in the Capitol Rotunda, were a plethora of CEOs who witnessed the inauguration. Among them: Google's Sundar Pichai, Meta Platforms' Mark Zuckerberg, and Tesla's Elon Musk, a close

new geopolitical turbulence. Germany's ZEW Indicator of Economic Sentiment, which tracks expectations for the next six months, was down more than five points in January from December, to 10.3—far below the 15.0 foreseen by economists polled by The Wall Street Journal.

"The second consecutive year of recession caused economic expectations in Germany to fall," ZEW President Achim Wambach said.

Germany's limping man-

facture sector could be in

line for a new blow if Trump

follows through on tariffs. Political uncertainty rules at home, the collapse of the coalition government having teed up elections next month.

There was better news out of Canada, where inflation cooled, leaving room for interest rates to fall further as the country braces for the threatened tariffs. The consumer-price index in December was up 1.8% from a year earlier, Statistics Canada said Tuesday—the fifth straight month at or below the Bank of Canada's 2% target.

—Rob M. Stewart contributed to this article.

The U.K. and German Economies Deliver More Downbeat Statistics

BY JOSHUA KIRBY

The U.K. and Germany sent out fresh signals of faltering economies Tuesday.

The U.K.'s unemployment rate was higher in the three months through November, increasing the likelihood the Bank of England will lower its key interest rate early next month, while German businesses reported a darker mood this month as the country braced for new administrations in both Washington and Berlin.

September-November U.K. unemployment stood at 4.4%,

up from 4.3% in the previous three months, the Office for National Statistics said, matching the highest rate since 2021. But average regular pay grew 5.6%, the ONS said, accelerating from the prior period's 5.2%.

As inflation cooled in 2024, the BOE lowered its key rate more cautiously than its U.S. and European peers'. One reason was the rapid rise in wages, which BOE policymakers worry could keep inflation above its target. Annual inflation hit 2.5% in December.

But with recent surveys

U.K. joblessness is up; German business sentiment is down.

ers are anxious to avoid a combination of above-target inflation and weak growth.

Britain is relatively insulated from President Trump's threatened tariffs, since U.K. exports are heavily slanted toward services. But its nascent recovery from

the Russia-Ukraine crisis could be at risk from a slowdown in global trade or by any

Breaking the Cycle: Tackling the Debt Crisis for the Sake of the Next Generation

Driving systemic change globally through helping children is more than a moral imperative; it equips the citizens of tomorrow to contribute meaningfully to the society of the future.

Investors look to future returns. An investment in tomorrow's workers, leaders and educators is one that promises payoffs. Yet UNICEF's Global Outlook report reveals that investment in the next generation is under threat. Low-income countries are grappling with soaring public debt. The situation is spiraling; since 2010, it has grown twice as fast as in developed economies and by 2022, nearly one-third of the \$97 trillion global public debt burden was held by developing nations.¹ The growing debt burden often leads to decreased investment in education, health care and social protection, which directly impacts children. This risks creating a "lost generation" of children who are less educated, less skilled and trapped by poverty.²

One way to avert this outcome for the next generation is debt relief. "Governments benefiting from debt relief need to redirect funds toward improving schools, hiring and training teachers or strengthening health care systems," says Bo Viktor Nylund, director of UNICEF Innocenti.

Driving Economic Growth

The potential social effects for children are profound, as debt relief alleviates immediate financial pressures while unlocking investment in future generations. "Investments in children translate to healthier, more educated workforces, which in turn drive economic growth and reduce

Special Advertising Feature



inequality," according to Nylund. "A focus on equity also fosters social stability by addressing disparities that often lead to unrest."

This year presents a significant opportunity for both private and public investors to tackle the challenge and reform international financial architecture.³ The Fourth International Financing for Development (FFD4) Conference⁴ in Seville in June stands to be a landmark event that aligns with the implementation review of the Summit of the Future commitments and shapes development financing for years to come.⁵ According to UNICEF, a children's debt reset ensuring debt relief directly benefits children is key to securing their futures. Beyond immediate debt relief, mechanisms like automatic triggers for debt suspension during disasters or financial shocks could free up resources for child-focused recovery efforts. Pairing these triggers with mandatory social spending allocations could ensure that freed funds are directed to education, health care and social protection, securing measurable outcomes for children.

Nylund concedes that such an approach would face challenges. "Defining the program's scope is crucial," he says. "It can only succeed if it includes enforceable commitments to responsible lending and borrowing practices. Preventing a recurrence of unsustainable debt cycles demands large-scale international cooperation."

Powerful Advocacy

Private-sector collaboration is vital in this area, as businesses can offer technical expertise, fresh ideas and powerful advocacy as well as funding.

"Companies with influence in global finance

can push for policies that prioritize debt relief, champion responsible lending practices and integrate child-impact assessments," says Nylund. "They can also follow lending practices that ensure loans don't compromise essential services like health care or education."

Private investors can also play a direct role. Through the Child-Lens Investing Framework, UNICEF has developed guidelines for investors to anchor children's perspectives into their strategies, processes, and initiatives. Investors like Finnfund and Triodos have already signed partnerships with UNICEF to explore the application of the framework.⁶

Using data to achieve the Sustainable Development Goals for children is also a smart strategy to help build a sustainable planet.⁷ Aligning corporate social responsibility strategies with UNICEF's mission can be another win-win, enabling businesses to achieve possible financial return whilst also securing the future of the next generation. By investing in education, health care and social protection, companies can drive meaningful outcomes while leveraging UNICEF's expertise. The impact of such an approach can be transformative, allowing businesses to foster equitable solutions that secure brighter futures not only for children, but for societies globally—the best of all possible returns.

Scan to read UNICEF's Global Outlook report 2025

unicef | for every child

¹ UNCTAD A World of Debt Report 2024. ² UNDP Destination 2030 Report. ³ United Nations Trade and Development Report 2023. ⁴ United Nations International Conference on Financing for Development. ⁵ United Nations Summit of the Future. ⁶ UNICEF Child Lens Investing Framework. ⁷ UNICEF Sustainable Development Goals.

WORLD NEWS

Aid Surges Into Gaza Strip

Cease-fire allows desperately needed deliveries to starving Palestinian residents

By STEPHEN KALIN

Humanitarian supplies are pouring into the Gaza Strip at an unprecedented rate, as foreign governments and aid groups race during a pause in the fighting to bring much-needed relief to the beleaguered population.

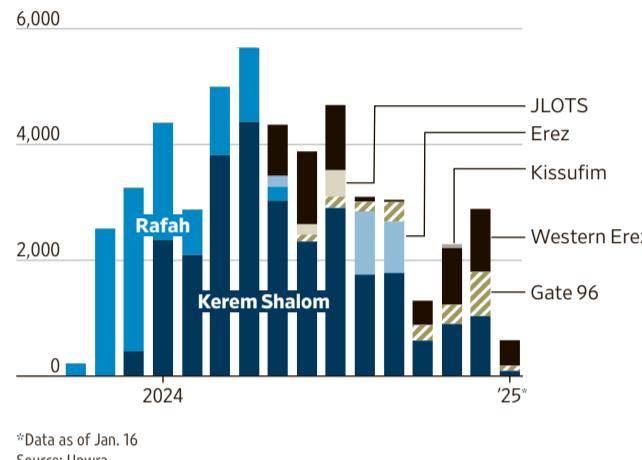
The flows enabled by the truce that took effect on Sunday morning are exceeding the 600 trucks a day called for in the agreement. In the first two days, 1,545 trucks have entered the enclave, according to data from the United Nations. That also is up from the 1,460 trucks that entered in the first 10 days of the month combined, according to Cogat, the Israeli military agency responsible for policy in the occupied Palestinian territories.

Thousands more trucks are lined up at the Egyptian border to deliver flour, fuel and other supplies. Aid also is flowing into northern Gaza, which largely has been cut off since October by an Israeli military offensive.

With the risk that fighting could resume at any time, aid groups see the pause as an opportunity to get as much assistance to Gaza's population as possible.

Prices for food have been falling with the improving outlook for supply, aid organizations and Gaza residents say. Leena Ahmed, a 29-year-old mother of two, said the cost of key goods dropped after the cease-fire was announced—with chicken and sugar down by nearly half.

The hundreds, sometimes thousands, of trucks lined up on the Egyptian side of the Gaza border for much of the war became a symbol of the difficulty of getting aid to



Gaza's population of more than two million Palestinians, most of whom have been displaced and who have struggled with hunger and disease.

Those trucks are now being processed faster than any other time since the Hamas-led Oct. 7, 2023, attack that sparked the war.

Aid workers say they have long been ready to surge in supplies but that Israel often obstructed their efforts by

throttling access with delays and security checks and failing to establish order in Gaza after badly weakening Hamas. Israel has said it doesn't limit the amount of aid that can enter Gaza, and that the U.N. and other aid groups hadn't sufficiently increased their capacity.

A Cogat spokeswoman said the truce made it easier to distribute aid inside Gaza.

Aid coming into the Gaza Strip has long run into bottle-

Palestinians chased trucks carrying aid across the Kerem Shalom crossing from Egypt into the Gaza Strip in Rafah on Tuesday.

necks when it enters the border terminal, where it is unloaded then picked up by other trucks for distribution inside the territory. Distribution had been crippled by Israeli permitting, a shortage of trucks on the Gaza side, rubble-strewn roads, the dangers of military activity along the way and extensive looting by criminal gangs.

The pause in fighting has reduced those dangers, and the looting has fallen off now that some Hamas-run police have returned to the streets.

Besides food, aid groups say what is needed most immediately in Gaza is water, shelter and medicine. Many people live in tents or other makeshift homes. Aid groups want Israel to ease restrictions on items needed for shelter such as tent-poles and cement, which it has banned to keep militants from using them to make weapons or shore up their tunnels.

Israel's Military Leader Resigns Over Oct. 7

By DOV LIEBER

TEL AVIV—Israel's military leader said he would resign, citing the army's failure to protect the country on Oct. 7, 2023, making him the most senior official to leave a position over the worst attack in Israeli history.

The resignation of Lt. Gen. Herzi Halevi comes after Israel racked up achievements in its fight against Iran and its web of allied militias such as Hezbollah, and in the first week of a phased cease-fire with Hamas in Gaza.

"On the morning of the 7th of October, the Israeli military under my direction failed in its task to defend the citizens of Israel," Halevi wrote in a resignation letter, adding that he had come to the decision long ago.

He said he was choosing to leave as the military has made "significant achievements and is in the process of implementing the agreement to release our hostages." He said he hoped to finish his role by March 6.

Halevi's move also comes after months of disagreements with Israeli Prime Minister Benjamin Netanyahu about

how to handle the war in Gaza. Halevi has been under pressure from Netanyahu's supporters in the government to resign. The two men disagree about how soon Israel needs to designate a successor for Hamas to govern Gaza, a move the Israeli government hasn't made.

"The army has been pushing the government for an endgame in Gaza and the government has refused to do it, and that has long been a source of tension between them," said Yaakov Katz, a fellow for the Jerusalem-based Jewish People Policy Institute and author of four books on the Israeli military.

In a televised speech on Tuesday, Halevi said Israel hasn't achieved its goal of destroying Hamas's military capacity. "To confront Hamas's terrorist and guerrilla capabilities, we still have more tasks that we are determined to complete decisively."

Within the military, there had been a growing suspicion that Halevi would either be fired or resign as the pace of fighting slows, military officials said. Halevi, along with other senior military and intelligence officials, has been blamed for failing to see that



Lt. Gen. Herzi Halevi said the military 'failed in its task to defend the citizens of Israel.'

Hamas was planning a large attack on Israel despite mounting evidence, including simulations that were visible to army observers along the borders.

The army also has been blamed for failing to quickly respond to the attack, leaving unarmed civilians at the mercy of thousands of militants for hours. In total, 1,200 people were killed in the Oct. 7, 2023, attack, and 250 more were taken hostage by Hamas.

The attack sparked the war in

Gaza, in which more than 47,000 Palestinians have been killed, according to local authorities, who don't say how many were combatants.

The Israeli military is conducting its own investigations into the intelligence failures leading up to the assault and the operational failures that occurred during the attack.

Israeli Defense Minister Israel Katz asked the military to deliver its conclusions by the end of January.

Katz told Halevi this month that he wouldn't allow any more senior appointments inside Israel's military until the investigations were complete.

The military leader's resignation is likely to raise the pressure on other security and political officials to step down, including Netanyahu. Despite demands for his resignation, the prime minister has said he won't call for new elections while the country is at war.

Halevi's resignation, however, could reinforce the idea that it was the military, and not the prime minister, who chiefly was responsible for the Oct. 7 failure, some analysts said. "It will become a political tool for both sides to use," Katz said.

Settlers Attack Villages

Continued from Page One

settler violence is expected to lessen under President Trump. After taking office Monday, Trump, a Republican, signed an executive order discarding sanctions on violent settlers imposed by the Biden administration. Several settler leaders were at Trump's inauguration.

On Monday night, Palestinian villages came under renewed attack by settlers, and the Israeli army said it was called to the area to disperse riots. Major roads in the West Bank were closed by the Israeli military, said Wafa, the Palestinian Authority's information agency.

The attacks, which began after the implementation of the truce, appear to have been provoked by calls on messaging platforms for Jewish settlers to protest the release of Palestinian prisoners under the pact.

Early on Sunday, hours before the cease-fire took effect, far-right Israelis went on WhatsApp and other messaging platforms urging people to protest in Palestinian villages. The messages spread as thousands of people joined newly created WhatsApp groups that promised to provide information on the release of prisoners, who they called "dangerous terrorists."

The detainees freed were

women and teenagers, many of whom were held by Israel under its administrative-detention system, Arab mediators said. The system allows

Israel to hold detainees without charge or trial for years on end, on national-security grounds.

"Unfortunately many serious terrorists with blood on their hands are being released to Jerusalem and Judea and Samaria," read the description of one of the main groups sharing updates on protests, using the biblical name for the West Bank.

The group promised to update members about where the prisoners would be released, and later sent out calls to protest and block the entrances to the parts of the West Bank where they live. They also sought to bar the detainees from leaving prisons.

"There is only one way to talk to terrorists—only force," a participant in one WhatsApp group wrote on Sunday, according to the message seen by The Wall Street Journal.

Katz told Halevi this month that he wouldn't allow any more senior appointments inside Israel's military until the investigations were complete.

The scale and frequency of settler attacks against Palestinians have grown as the use of social-media platforms has enabled messages inciting violence, said Achiya Schatz, founder and executive director of FakeReporter. "What's amazing about this is that it takes place in WhatsApp groups pretty openly, people using their names, including some people who are known," Schatz said.

FakeReporter said it is seeing preparations for the next batch of releases set to take place this weekend.

A fraction of settler violence against Palestinians results in convictions. Israeli soldiers, some of whom are settlers, sometimes participate in the attacks, several Israeli, Palestinian and international human-rights groups said.

—Summer Said contributed to this article.

shared video footage he said was taken from the scene in Sinjal, showing cars ablaze and homes damaged. Attackers threw rocks at Palestinians and threatened to hurt those who blocked them or tried to help the injured, Jafry said.

Settlers had circulated word on WhatsApp that one of the released Palestinian prisoners would be heading to Sinjal, according to a screenshot of the message reviewed by the Journal.

"It was terrifying," said Jafry, who was among villagers who helped victims. "Settler attacks have been commonplace here, but I think they will begin to target more villages because they are upset with this deal."

The Israeli military said that during the riots in several West Bank villages on Sunday, some Israeli citizens torched properties, adding that the military and police were dispatched to stop the confrontation. "Israeli security forces are operating to locate and apprehend those involved," the military said.

Hundreds of Palestinians held in Israeli prisons, including those with convictions for killing Israelis, and dozens of Israeli hostages held by Hamas in Gaza are set to be exchanged over six weeks in the first phase of the cease-fire. The deal has added fuel to the West Bank tinderbox, where the Israeli military has conducted more frequent raids it said are aimed at Palestinian militants since the start of the Gaza war. Israel began a large-scale military operation in Jenin on Tuesday to go after militants, the military said.

They will begin to target more villages because they are upset with this deal.'

FakeReporter, an Israeli group that focuses on curbing disinformation and monitors online far-right groups, said while it has submitted reports to Israeli authorities and Meta, neither has done enough to stop the attacks. Israeli police and Israel's domestic intelligence agency, Shin Bet, didn't respond to a request for comment.

The violence extended into a second night on Monday. The Israeli military said dozens of civilians, some of them masked, started riots, set property on fire and caused damage in the Palestinian village of Al-Funduq, which was the scene of a riot the previous night. When soldiers arrived Monday, the perpetrators attacked them with rocks, the military said. A joint police and military probe was opened, the military said.

The group promised to update members about where the prisoners would be released, and later sent out calls to protest and block the entrances to the parts of the West Bank where they live. They also sought to bar the detainees from leaving prisons.

"There is only one way to talk to terrorists—only force," a participant in one WhatsApp group wrote on Sunday, according to the message seen by The Wall Street Journal.

A spokesperson for Meta Platforms, WhatsApp's parent company, said "organizing or coordinating violence breaks our rules and we will respond to any valid legal requests."

As part of a U.S.- and Arab-brokered deal, three Israeli female hostages were released from Gaza on Sunday in exchange for 90 Palestinian prisoners. By around 7:30 p.m., as word spread that Palestinians were leaving jails, dozens of attackers descended on several villages near the West Bank city of Nablus, many armed with rifles and Molotov cocktails, a witness and Israeli nongovernmental organizations said.

Ayed Jafry, a 45-year-old West Bank resident, said his village came under attack. He

TURKEY

Hotel Fire Leaves At Least 76 Dead

A hotel fire at a popular ski resort early Tuesday killed at least 76 people—at least two of them when they jumped to escape the flames, officials said. At least 51 people were injured in the fire at the Grand Kartal hotel in Kartalkaya, the Interior Ministry said.

Atakan Yelkovan, staying on the third floor, told the IHA news agency there was chaos on the upper floors as guests sought to escape, including by trying to climb down from their rooms using sheets and blankets.

Witnesses and reports suggested that the fire-detection system failed to operate. The government appointed six prosecutors to lead an investigation and said four people, including the hotel's owner, were detained for questioning as part of the investigation.

—Associated Press

SOUTH KOREA

Impeached Yoon Defends Actions

Appearing for the first time before the Constitutional Court that will determine his fate, South Korea's impeached president denied Tuesday that he ordered the military to drag lawmakers out of the National Assembly to prevent them from voting to reject his martial law decree last month.

It was Yoon Suk Yeol's first public appearance since being detained over his short-lived decree, which plunged the country into political turmoil. After imposing martial law on Dec. 3, Yoon sent troops and police officers to encircle the National Assembly, but enough lawmakers voted unanimously to reject his decree, forcing

Yoon's cabinet to lift the measure the following morning. Yoon, a conservative, has argued that the move was only a warning to the main liberal opposition Democratic Party.

—Associated Press

INDONESIA

At Least 17 Die in Landslides, Floods

Indonesian rescuers recovered the bodies of at least 17 people who were swept away in flash floods or buried under tons of mud and rocks that hit hilly villages on the country's main island of Java, officials said Tuesday.

Torrential rains on Monday caused rivers to burst their banks, tearing through nine villages in Pekalongan regency of Central Java province, as mud, rocks and trees tumbled down on mountainside hamlets, said Bergas Catursasi, who heads the local Disaster Management Agency.

Rescue workers by Tuesday recovered at least 17 bodies in the worst-hit village of Petungkriyono, and were searching for eight villagers who were reported missing. Eleven injured people escaped, and were rushed to nearby hospitals, Catursasi said.

—Associated Press

WORLDWATCH



Turkey's Grand Kartal Hotel was packed with winter-break guests when fire struck on Tuesday.

MURAD SEZER/REUTERS

WORLD NEWS

Putin and Xi Pledge Deeper Ties In a Bid to Reshape World Order

Leaders of Russia, China promise more cooperation in the face of U.S. pressure

BY MATTHEW LUXMOORE

One day after President Trump pledged at his inauguration to be a "peacemaker and unifier," the U.S.'s two most powerful adversaries agreed to work more closely on overhauling a world order they see as orbiting around the West.

In a video call on Tuesday, Russian President Vladimir Putin and Chinese leader Xi Jinping promised to work hand-in-hand, in what could prove to be the first indication of a new phase in their deepening confrontation with Washington.

Neither side mentioned the U.S. president in statements released after the call. But with global attention focused on Trump's return to office and the flurry of executive orders he has signed, Beijing and Moscow made clear they are still reading from the same page, whatever is happening in Washington.

The Kremlin ensured nobody missed the point.

In an unusual move, it published footage from the conversation on its website, showing Putin and Xi exchanging cordial greetings, calling each other "dear friend," and issuing brief statements about their growing ties in a short clip from a call Russia said lasted more than 90 minutes.

"Both sides should continue to deepen strategic coordination, firmly support one another, and safeguard both countries' legitimate interests," Xi said, according to a readout by the Chinese side. Putin said there was an "alignment of views on how rela-



Vladimir Putin and Xi Jinping promised to work hand-in-hand during a video call on Tuesday.

GAVRIIL GRIGOROV/TASS/ZUMA PRESS

tions between great powers should be."

Yury Ushakov, a senior adviser to Putin, said the two leaders talked about the need for a peace deal in Ukraine and discussed the situation in the Middle East, Russian state media reported.

Putin stressed Russia's support for China over the question of Taiwan, Ushakov said. He said the call was planned in advance and not tied to Trump's inauguration.

Days before thousands of Russian troops crossed into Ukraine as part of a massive invasion force in February 2022, Russia and China declared a "no limits" partnership. They have since deep-

ened ties, aligning on the goal of challenging the U.S.'s influence in the world. Xi and Putin met three times last year, and officials from their governments have shuttled between the two countries.

China is Russia's biggest trading partner, and Moscow's ability to weather a barrage of Western economic sanctions in recent years owes much to its expanding trade with Beijing. China has been supporting Russia's economy by buying its oil and supplying it with everything from washing machines to microelectronics, which can be crucial in the production of weapons.

Trade reached a record \$240 billion last year, fueled by Russian oil sales. New banking sanctions imposed by the U.S. late last year exposed the vulnerability of Russia's economy despite its robust response to recent pressure, plunging the ruble to its lowest level since the early days of the conflict in Ukraine.

For Beijing, Russia offers crucial lessons on how Western sanctions can be circumvented.

The U.S. has accused China of providing Russia with dual-use goods that help the invasion of Ukraine.

Beijing has backed Russia diplomatically over Ukraine, accusing the U.S. of stoking the war with weapons supplies to Kyiv.

U.S. Swaps Afghan For Two Americans In Taliban Custody

BY SHAN LI
AND ESMATULLAH KOHSAR

As one of its last acts in office, the Biden administration struck a deal to free two Americans held in Afghanistan in exchange for one Taliban member held in a U.S. prison.

The Taliban released Ryan Corbett and William W. McKinley III in exchange for Khan Mohammed, who was serving two life sentences for drug trafficking for the Taliban. The families of both men confirmed their release.

A Trump administration official confirmed the deal happened in the waning hours of the Biden era.

The Taliban said they appreciated the U.S. for actions "that contribute to the normalization and expansion of relations between the two countries."

The deal was the final capstone in Biden's campaign to release dozens of Americans detained abroad. The Taliban has long wanted Muhammad Rahim al Afghani, an alleged associate of Osama bin Laden now held in Guantanamo, as part of any deal. But talks were in danger of collapsing last week over Biden's insistence that any trade for Rahim include an American, Mahmoud Habibi, who disappeared in Afghanistan in 2022. The Taliban have denied holding him.

Corbett's detention has gained public attention as his family pushed for the Biden administration to strike a deal. This month, his wife, Anna Corbett, had a call with then-President-elect Donald Trump at his Mar-a-Lago resort.

Before the Taliban takeover in 2021, Corbett lived for years in Afghanistan supervising projects for several nonprofits. He returned in 2022 to work on his microlending and consulting

business when he was detained.

His family said Corbett was on his way home and praising the Trump and Biden administrations, as well as the government of Qatar, for their help in securing his release.

The McKenty family also thanked both administrations and asked for privacy. "This has been an extremely challenging time for our family, and we are relieved to finally have Bill back where he belongs," the family said.

Two other Americans, Habibi and George Glezmann, remain captive in Afghanistan. Corbett's family members expressed regret that they weren't released.

Negotiations over the prisoner swap with Afghanistan proved one of the most difficult for the Biden administration.

Roger Carstens, Biden's top hostage negotiator, traveled to Doha, Qatar, this month and offered to exchange two imprisoned Afghans in return for Glezmann and Corbett, an offer the Taliban rebuffed. In November, Biden authorized a trade for three Americans—Habibi, Corbett and Glezmann—the Taliban also rejected.

Ahmad Habibi, a brother of Mahmoud, said he was frustrated that the Biden administration failed to secure his brother's release. "We are confident that the Trump administration will make a greater effort to bring home my brother," he said.

The released Afghan, Mohammed, was convicted in 2008 on narco-terrorism charges. He was accused of participating in a Taliban plot to obtain rockets to attack a U.S. military base in Afghanistan and selling heroin and opium intended for export to the U.S.

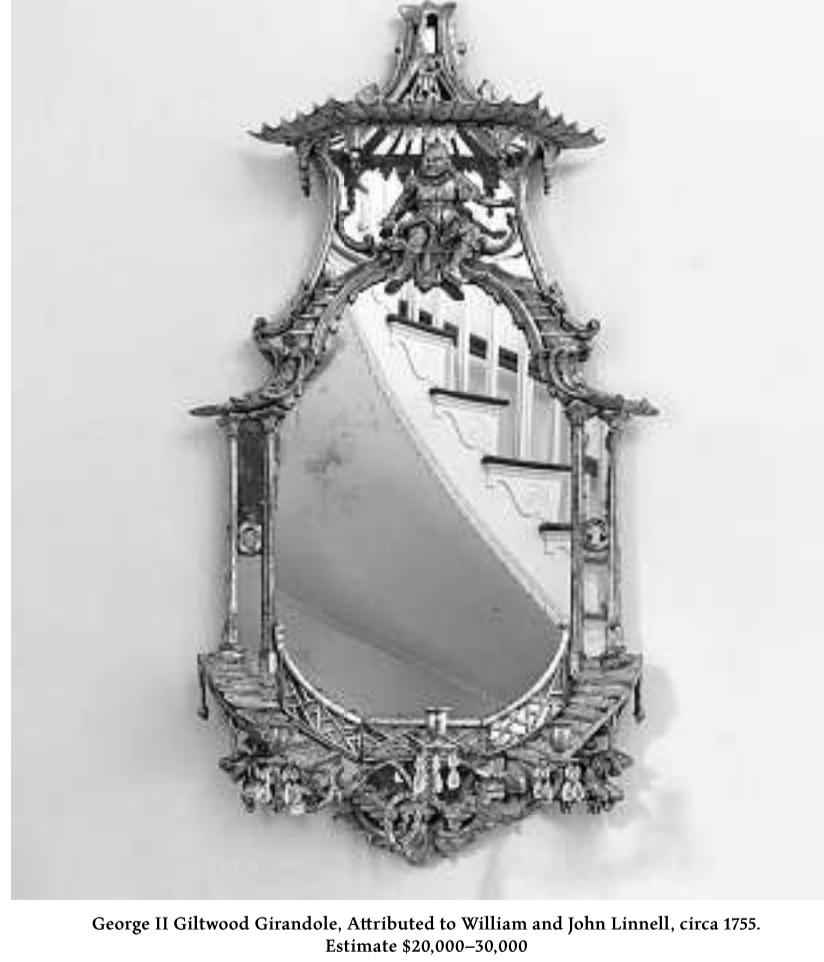
—Alex Ward
and Brett Forrest
contributed to this article.

DOYLE

THE
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George II Giltwood Girandole, Attributed to William and John Linnell, circa 1755.

Estimate \$20,000–30,000

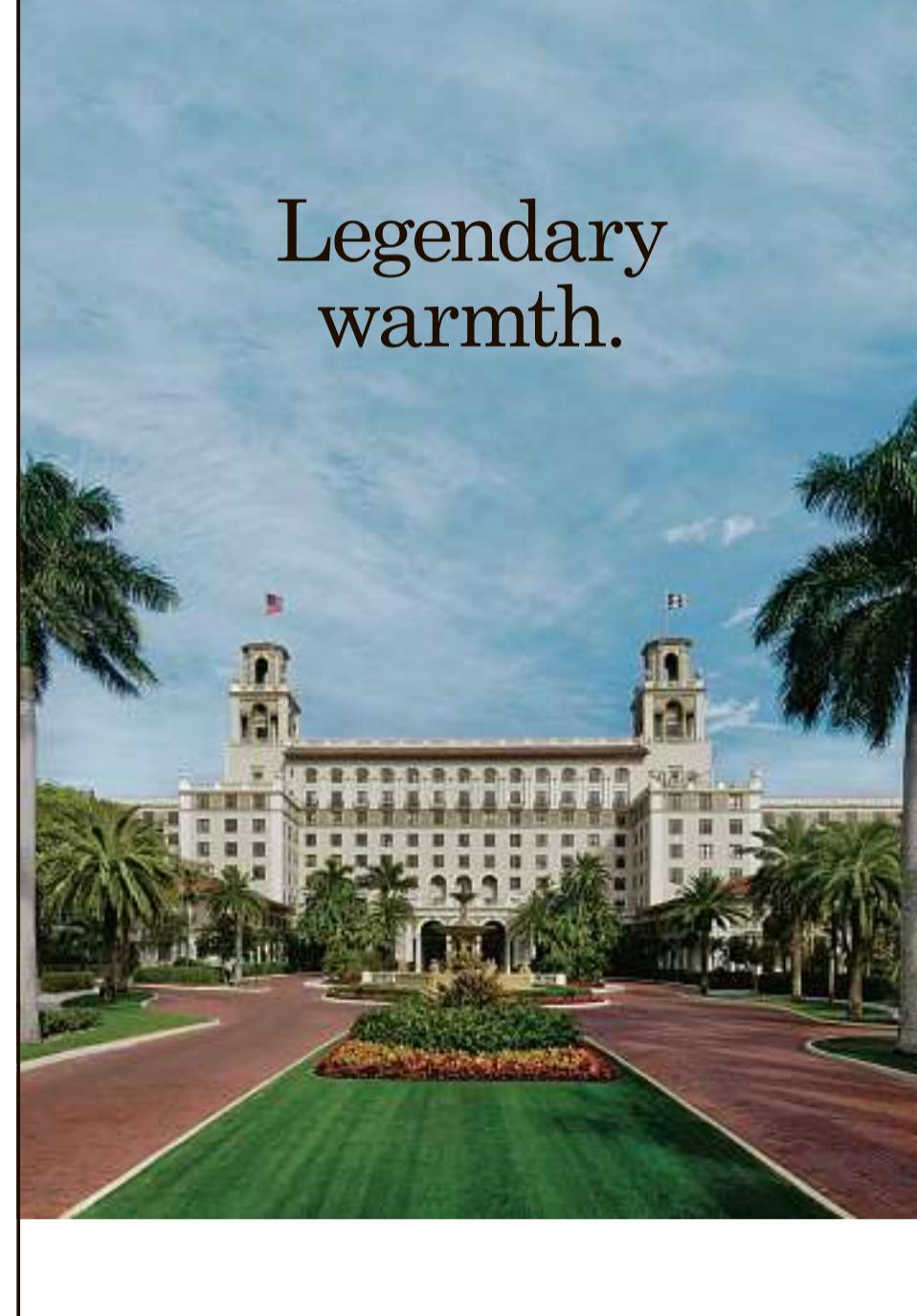
EXHIBITION IN NEW YORK

Saturday, January 25, Noon – 5pm
Sunday, January 26, Noon – 5pm
Monday, January 27, Noon – 5pm

INFORMATION & APPOINTMENTS

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FROM PAGE ONE

Dogs Take Over L.A. Hotels

Continued from Page One
port ranked it the most popular city to have a dog. Hotels here, from the most opulent on down, have long welcomed the occasional pets.

But the past couple of weeks have strained even the most animal-friendly lodging. Though the hotel crunch has eased, dogs still roam elevators, hallways and the grassy patches out front. Cats usually keep to their rooms.

One Beverly Hills hotel concierge said on the first night of the fires, the lobby was "like Doctor Doolittle." Staff reported dogs, cats and rabbits have panted, pranced and hopped through their lobbies.

The Kimpton Palomar, on Wilshire Boulevard near Beverly Hills, has 264 rooms. The day after the fires struck in the Palisades every room was

occupied — and the staff counted more than 250 pets.

Far from causing mayhem, the sheer number of dogs has helped ease the stress of the many guests who either lost their homes or were unsure if they did, said Rosa Schläger, director of sales and marketing for Kimpton properties in L.A.

"All of a sudden you're surrounded by all these animals," she said. "It's quite nice when you see the elevator opening up and you have sweet dogs coming out."

Many dogs have acclimated to their cramped digs and the bizarre experience of riding elevators after spending much of their lives on grassy lawns. Front desk staff have been handing out treats. Now some dogs come into the lobby and head straight for the check-in counter to await their snack, Schläger said.

Chuck Gardner, a retired photographer who lives in Brentwood, came to the Beverly Hilton with his wife Alison and two dogs, Nugget and Maisy.

"That first night, there was just a line of people, and so many dogs," he said. "Coming



Scout, the Freedman family's dog, snoozes on the hotel floor.

comes to his side of the bed and waits.

"Just looking at that face, I think, okay, we're going to be alright," said Freedman, who works in real estate.

The pooch invasion has brought challenges.

Hotel staff across L.A. have been scrambling to find extra dog beds, food and squeaky toys. Guests have called room service asking for help opening dog food cans and coaxing cats from under beds. Housekeepers accustomed to making beds and vacuuming are also picking up poop and laying down "wee-wee" pads.

The staff at the Waldorf Astoria Beverly Hills nearby made sure canine customers received luxury treatment, according to Nahal Aghajani, senior marketing manager. The hotel makes all its dog food in-house, including a Wagyu beef offering. The hotel saw a huge increase in pets after the fires. Most of the arrivals were dogs, but cats and at least one turtle showed up.

Pedigree pups and cats aren't the only creatures checking in. When the fires came to the

Palisades, Marc Chaiet grabbed passports, birth certificates and cash, then got the family dog and his daughter's hamster. Figuring out what to do with Stevie, Chaiet's five-foot-long California King snake, was more challenging.

Stevie normally lives in his 80-gallon tank — which Chaiet couldn't fit in his car. So he put Stevie in a plastic bin with some weights and beanbags on the lid so he didn't break out and try to swallow the hamster. Stevie escaped and crawled under a seat but didn't get to the hamster.

The family initially housed Stevie, named after Stevie Wonder, in the classroom where his wife teaches in Santa Monica. But when the school closed, Chaiet brought him to the Sea Shore Motel where his family and dog were already staying.

Sonia Metz, co-owner of the motel, said she didn't have a problem with Stevie as long as he didn't visit other guests. "We've never had snakes here before and rabbits and guinea pigs," said Metz. "We may have to change the name of the Sea Shore to Green Acres."

Smuggling Frenzy in Gallstones

Continued from Page One
first," said Rafael Faria, a police investigator in Barretos, a farming town in São Paulo state that is the birthplace of Brazilian rodeo. He has been called on to probe a spate of gallstone heists and rampant smuggling as traders try to get them to buyers in Hong Kong, Shanghai and Beijing.

Increasingly focused on hypertension and heart disease concentrated among China's aging population, Chinese traditional medicine is now a \$60 billion-a-year industry, according to the World Health Organization. China's government and state media have encouraged its use as a source of national pride, especially during the recent Covid-19 pandemic, when Chinese scientists scrambled to develop vaccines and test more conventional treatments.

Beijing has also promoted traditional medicine overseas to complement its worldwide infrastructure push, building traditional health clinics in countries such as the United Arab Emirates, Spain and Mauritius to encourage locals to adopt it. Last month the government announced plans to train some 1,300 health workers to be sent out to countries involved in China's globe-spanning Belt and Road port and transport initiative.

Wildlife trafficking

Conservationists blame traditional Chinese medicine for an alarming rise in wildlife trafficking. Governments have struggled to contain the trade in rare animal parts, from rhinoceros horns to pangolin scales and tigers' penises. While the harvesting of cattle gallstones itself raises few concerns among conservationists, the substance is often packaged with parts from endangered species. For instance, a pill used to treat strokes is made from a combination of gallstones and rhino horns.

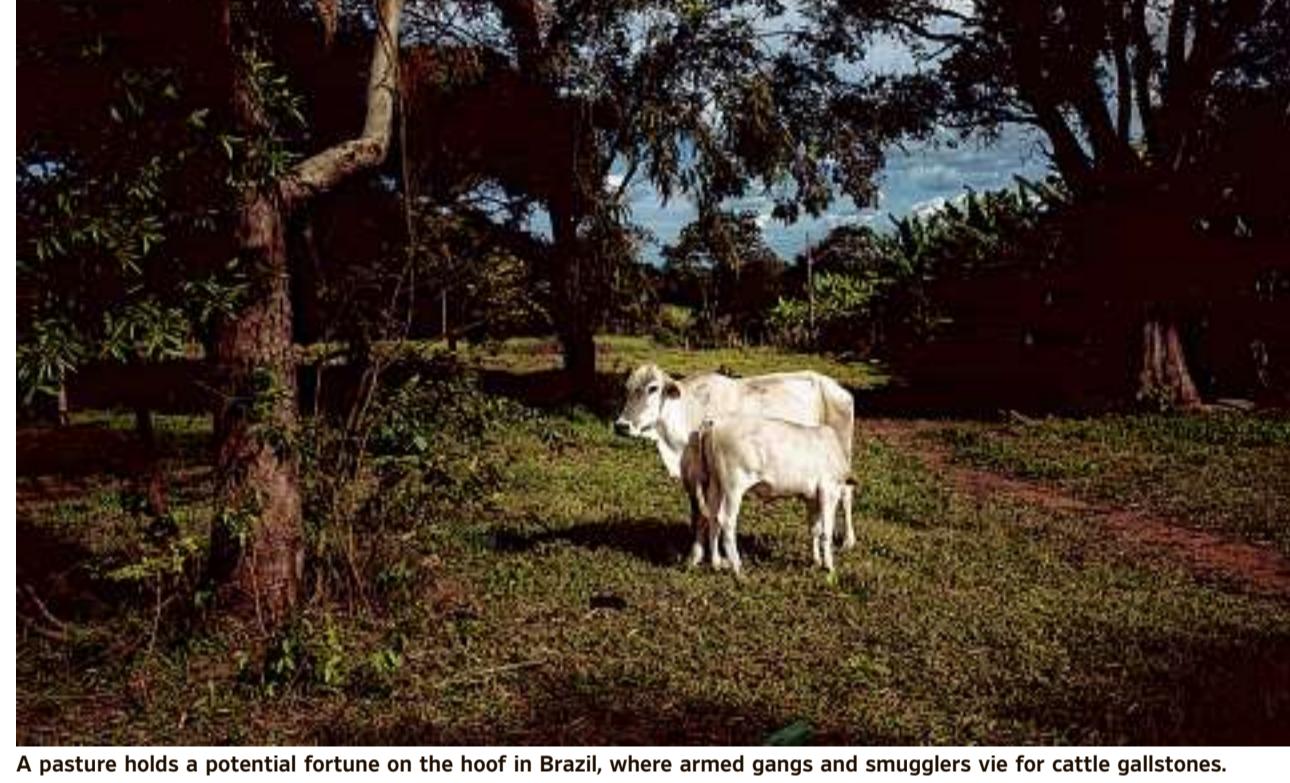
"The rapid growth of the TCM industry over the last few decades has exacerbated the pressure on endangered wildlife in Asia and beyond," said the London-based Environmental Investigation Agency, which has followed the exploitation of wildlife by the industry over recent decades.

Tax dodge

Selling gallstones isn't illegal in Brazil, but trade in the little rust-colored rocks has largely flourished underground, with dealers dodging taxes and regulations, and armed gangs emerging to hunt down the treasure.

A few hours' drive away from Barretos, in São João da Boa Vista, armed robbers recently broke into a farmhouse, tied up the owners and their 6-year-old grandson before making off with some \$50,000 in gallstones.

Slaughterhouse workers in Brazil and Queensland, Australia's top beef-producing state, have also been arrested



A pasture holds a potential fortune on the hoof in Brazil, where armed gangs and smugglers vie for cattle gallstones.

in recent years for pilfering the stones while on the job, sometimes surreptitiously popping them down their rubber boots.

In Uruguay, home to the highest number of cattle per capita in the world, a brother and his sister were sentenced to prison in September for trafficking over \$3 million in bovine gallstones to Hong Kong without declaring them to the authorities, according to Interpol.

In most countries, people spend their lives trying to avoid gallstones.

Bilirubin, the dark orange compound produced during the natural breakdown of red blood cells, is normally excreted from the body. But when it builds up to form biliary calculi, or gallstones, the condition can be harmful and even fatal, for cattle, humans or any vertebrate.

But here in Brazil, farmers' eyes now light up as they swap stories about the size of gallstones they've seen, gazing at the lumpy underbellies of their cattle with new interest.

"If I knew one of them had a gallstone, I'd kill the lot of them myself," said Pedro Benetti, a ranch hand, after unloading some three dozen cows from his truck to a nearby abattoir.

José de Oliveira, chief executive of Oggall, a Brazilian gallstone trading company based in the center-west state of Goiás, said the quality—and

price—of gallstones varies wildly, with chestnut brown rocks considered the purest.

"On average, we pay between \$1,700 and \$4,000 an ounce," he said. That means a single gallstone can be worth more than all the meat on a cow.

The firm buys the stones from slaughterhouses and farmers, often transporting them by plane inside Brazil to avoid highway heists, before vacuum packing them and sending them to Asia, he said.

Many other producers operate illegally, shipping them hidden in everything from jars of jam to children's toys to avoid burdensome regulations, according to police and exporters. In rare cases, fraudsters add finely ground-up bricks or inject sugar to the center of the stones to increase their weight.

With large swaths of the market still operating outside the law, data on the scale of the industry is sparse. But figures showing exports to Hong Kong, the most common stop-off point to China from Brazil, suggest a dramatic expansion of the market in recent years, according to a U.S. Agricultural Trade Office report issued last April.

Hong Kong's imports of cattle gallstones have almost tripled in value to \$218.4 million in 2023 from \$75.5 million in 2019, though researchers believe the actual size could be much larger. Brazil was the top supplier of stones to Hong Kong in 2023, accounting for some two thirds of all exports to that city, followed by Australia, Colombia, Argentina, the U.S. and Paraguay.

"In recent years, and particularly in 2024, the Agricultural Trade Office has received inquiries from local importers looking for U.S. ox gallstones—signaling

an underlying demand for this byproduct in Hong Kong," the Trade Office wrote, encouraging U.S. producers to take a wider share of the market.

China's aging population is driving demand for rarities such as rhino horns.

Practiced for thousands of years, traditional medicine is still widely used in China, often in conjunction with Western medicine, and preparing the hardened bile for consumption is a fine art.

Once harvested, cattle gallstones are carefully cleaned and left to dry for weeks before being crushed down. In China, the powder is typically

mixed with other ingredients from powdered buffalo horn to realgar, a reddish gemstone containing arsenic, and pressed into the so-called Angong pill.

"It costs about \$200 for a couple of pills and it's something that a family would keep at home in their pill box for an emergency," said Dr. Donghai Wen, a China-born doctor at Massachusetts General Hospital and assistant professor at Harvard University Medical School who trained in traditional Chinese medicine early in his career.

Treating strokes

While many of the other purported benefits of cattle gallstones—from lowering fever to treating infection—have little grounding in science, recent experimental studies have found that Angong pills could help buy time in the treatment of strokes, said Dr. Wen.

A recent study on rats at Hong Kong University found evidence that Angong pills can delay the effects of an ischemic stroke, the most common type in which a clot cuts off blood flow to the brain.

Researchers found that several ingredients in the pill protected the membrane that surrounds the brain, potentially giving stroke victims an extra 30 minutes to get to the hospital before suffering irreversible and, in some cases, fatal brain damage.

That has made the powder from cattle gallstones an ever-more-desirable item in China, where the WHO says strokes have become the leading cause of death.

Some 178 people per

José de Oliveira, chief executive of a Brazilian gallstone trading company, displays his wares.

While older animals and those put out to pasture tend to suffer with gallstones more frequently, it remains a mystery as to why some cattle develop them and others don't, da Silva said.

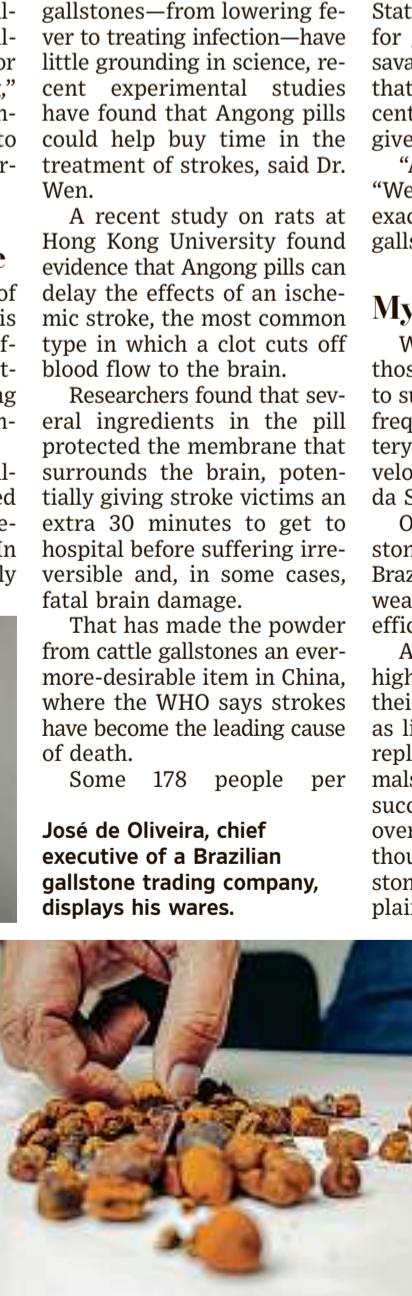
One thing is clear: Gallstones are becoming rarer in Brazil, as the country becomes wealthier and its farms more efficient, da Silva said.

Affluent farmers can afford higher-quality feed and send their cattle to slaughter after as little as a year and a half, replacing them with new animals. All of this leads to more succulent meat and higher overall milk production, although typically fewer gallstones—a trend that could explain why the U.S. already exports relatively few stones, said da Silva.

Brazil's farmers would be best to stick to what they know best—beef and milk, she said.

"People hear about the high price tag," she said, "and they're starting to lose their minds."

—Clarence Leong contributed to this article.



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**TURNING
POINTS**

CLARE
ANSBERRY

Richard and Ellen Hoyle, both in their 80s, took care of each other in their home until the morning of April 26. Shortly before 11 a.m. that day, Richard, 89 years old, shot Ellen, 85, court records say. He called 911 to report a murder-suicide and then shot himself. Police found the couple side by side, in bed. Their wills rested on the kitchen table, with a list of names and phone numbers under the words "PEOPLE TO NOTIFY OF MY DEATH." Richard left a note.

Ellen was growing frail and Richard was in pain, say those who had seen them in recent months. They believe the couple could no longer care for each other, didn't wish to burden others and didn't want to leave their home. It isn't clear whether Ellen expressed a desire to die.

A growing portion of murder-suicides, while exceedingly rare, are affecting older adults. The strain of caregiving likely plays a role, say researchers who have studied the issue. Nearly 10% of murder-suicides in 2021 involved a perpetrator 65 and older, up from 8.9% in 2019. Among those 80 and older the percentage has nearly tripled, to 4.26% in 2021 from 1.43% in 2019, according to the Violence Policy Center, which tracks murder-suicides using news reports.

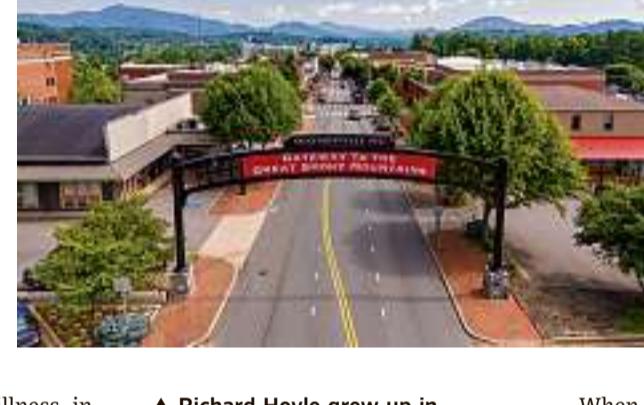
Experts who study murder-suicide generally define it as when someone kills another person and then kills himself or herself, usually within minutes or hours. A widely cited study found that the prevalence rate for murder-suicides among those 55 and older was 0.62 per 100,000 people—nearly twice the 0.34 rate of those younger than 55.

Donna Cohen, a retired psychiatry professor behind the research, found that a husband was acting as his wife's caregiver in about half of spousal murder-suicides among those over 55.

The burden of physical illness, increasing cost of care, isolation and sense of hopelessness play roles, she says. About 20% of murder-suicide cases involving older couples are what she calls "symbiotic," where both were known to have expressed a desire to die, but there is no clear evidence of a pact.

"These are not acts of love or altruism. They are acts of depression and desperation," says Cohen, adding that primary-care physicians, family and friends often don't recognize signs that someone is depressed.

Sheryl Chatfield, an associate professor at Kent State University who has researched murder-suicides among older people, says



▲ Richard Hoyle grew up in Waynesville, N.C.

people are living longer with health problems and that male partners typically feel responsible for themselves and their spouses. Often, there is a precipitating event before the murder-suicide—the person providing care suffers an injury or illness, and can no longer care for a partner.

This account of the Hoyles is based on interviews, court documents and other records.

Richard and Ellen were a quiet couple, "sort of loners," says Richard's former classmate, Manuel Hooper.

Richard grew up in Waynesville where his grandfather owned the local feed store and was a justice of the peace. After high school, Richard studied engineering at North Carolina State College and worked on construction projects overseas. Along the way, he met and married Ellen, who had a daughter, whom he adopted.

When the Hoyles moved back to Waynesville, Richard and Hooper got together with another classmate, who died last year. Of their roughly 150 high-school classmates, about 15 are still living, says Hooper.

Alex McKay befriended the couple at Hardee's, where they went in the morning for biscuits and gravy. McKay, a local historian, often introduced himself to the older residents to learn more about the town. They were sweet together, says McKay.

Richard invited McKay to his house. The house was modest but "immaculate," says McKay.

Richard had a box filled with photos of his grandfather's feed

store on Main Street, receipts and lease agreements, all organized in labeled envelopes.

"He said, 'I'm giving stuff to you. I don't have anyone to leave it to who would appreciate it,'" says McKay. He didn't know the couple had a daughter.

The Hoyles listed their home for sale in late 2022, but the listing was removed. In one of their conversations, Richard told McKay that he and Ellen were trying to decide what to do about their living situation, given Ellen's declining health.

The couple relied on Chad Setzer, a single dad, for yardwork and help around the house. Setzer stopped by weekly, sometimes bringing Ellen chicken sandwiches from Bojangles.

The Hoyles wrote their wills in 2023, leaving their house and assets to Setzer. Richard's cousin, Mike Sutton, and his wife, Brenda, witnessed the signing of the wills but said they didn't read them. Setzer said he didn't know he was the beneficiary.

About a week before the shootings, Setzer said Richard was in pain. "He got to where he couldn't

Illness, the cost of care, isolation and a sense of hopelessness all play roles.

Hooper pulled out his senior yearbook from 1953, showing the note that Richard had written to Hooper at the time.

"It sure has been wonderful going to school with you...I sure am going to miss you and all the others when it is all over with but you know what they say. That all good things have to come to an end and I guess it might as well be now."

—Jim Oberman contributed to this article.

Help is available: Reach the 988 Suicide & Crisis Lifeline by dialing or texting 988.



▲ Some travelers are choosing to lose perks such as dedicated check-in lanes to make a break from the airline-status cycle.

close how many members are in its loyalty program, but that number is in the millions.

Airlines including American and United have also embraced loyalty models in recent years that put greater emphasis on how much customers spend rather than how often they travel. Co-branded credit cards have risen in prominence within these programs.

Many frequent travelers are opting to save money instead.

Chad Bordes holds Platinum Medallion status with Delta.

Bordes, who works in event management, finds it increasingly hard to

justify the often higher cost of flying with a preferred carrier in the name of maintaining status. This year, he opted to play the field when booking.

"It's a breath of fresh air," says the 53-year-old resident of Eugene, Ore.

Generational backlash

Millennial and Gen Z travelers are becoming free agents when it comes to airlines, industry executives say. These younger customers are less likely to be enrolled in frequent-flier programs in the first place, let alone reach the upper echelons of those programs. The value of airline miles and points has decreased as travelers have accumulated huge war chests of rewards, making it harder to convert loyalty into free trips.

Travelers increasingly view air travel as simply a means to getting to their destination, rather than part of the experience itself, says Jeff Zotara, chief marketing officer at Aravia, a travel technology company. So they're shifting more of their travel budget away from flights.

General travel cards such as the Chase Sapphire, Capital One Venture and Amex Platinum cards have made eschewing airline status easier. The perks that come with these cards include airport lounge access and more options for con-

verting rewards.

Raina Szura, a 30-year-old in Chicago who works in investment services, plans to hold on to her United-branded credit card. But she's less focused on earning status. Her card entitles her to a free checked bag and earlier boarding, which she says makes ditching her status in United's MileagePlus program an easier pill to swallow. She says she will miss the occasional upgrades to seats with more legroom that her status has earned her.

United says its MileagePlus program is growing at a record pace.

For airlines, winning back these free agents might not be easy to do. "Airlines need to remember that their members are emotionally attached to their airline status," says Ross-Smith.

Some Fliers Abandon Loyalty Programs

BY JACOB PASSY

More frequent fliers are declaring themselves airline-free agents, fed up with ever-changing requirements to earn and maintain status.

Carriers across the country have changed their loyalty programs in recent years to reward big spenders rather than budget-conscious road warriors up in the air week after week.

These changes have upset travelers who once wore their airline loyalty as a badge of honor. Those backing away say the high cost of maintaining status isn't rewarded with the same quality of customer service as before, and that rewards are harder to come by.

Forgoing access to airport lounges and early boarding can be worth it for travelers who are tired of chasing points and want to save money on flights.

Benjamin Carter, a veterinary chief medical officer who lives in Boca Raton, Fla., has earned Diamond Medallion status, the top tier of Delta's SkyMiles loyalty program, for six years. He carries the Delta SkyMiles Reserve credit card that comes with a \$650 annual fee.

Having Diamond status means Carter gets global upgrade certificates, access to a VIP phone line and priority boarding, among other

perks. He plans to give that all up after growing frustrated with Delta's customer service and the higher cost of maintaining his status.

For a business trip to Houston, Carter is considering Spirit's Big Front Seat option. He plans to track his travels with other carriers in a spreadsheet.

"If I'm able to find an airline that gives me more point-to-point service with less connections, that will be a huge factor in determining who I choose going forward," Carter says.

Industry veterans say customers are reacting to the changes airlines have made to frequent-flier programs in recent years.

Delta announced changes to its program in 2023 that focused rewards more heavily on the airline's biggest spenders.

That resulted in as many as 100,000 people with higher levels of SkyMiles status checking with competing airlines to see if they could receive the same level of status and switch allegiances, says Mark Ross-Smith, CEO of Loyalty Status Co.

A Delta spokeswoman said in an email that customers are engaging with the airline's loyalty program at record levels, noting that when customers interact more with Delta, "the more satisfied they are with their experience." Delta doesn't dis-

PERSONAL JOURNAL.

Fashion Means Business at Inauguration

With pomp and circumstance, politicians and their significant others (mostly) display a crisply formal restraint



OFF BRAND
RORY SATRAN

On Inauguration Day, incoming President Trump and outgoing President Joe Biden shook hands at the White House in nearly identical uniforms of white shirts, silk ties, dark suits and navy-blue wool overcoats. Like a twisted retelling of Ingmar Bergman's "Persona," or "The Bizarro Jerry" episode of Seinfeld, the two grandfathers mirrored one another in irreproachable power uniforms. The only difference was in the shade of their ties: Democratic blue for Biden, and a blue-and-red pattern for Trump.

Not everyone went so by-the-book. Melania Trump donned a cinematic, self-serious hat; Ivanka Trump has treated the past week as a fashion runway; Lauren Sánchez appeared to wear a bra as a top.

With its pomp and circumstance, the presidential inauguration is an occasion for powerful symbolism. Politicians and their cohort shine their shoes and strive for telegraphic presence and respectful formality.

"Today is American theater," said Lauren A. Rothman, a Washington style strategist and image coach who has dressed many politicians for inaugurations. "If you really understand how to walk into this day with style, success and power, you understand its theatrical nature, and therefore what you're wearing is to some degree a costume."

Incoming first lady

Melania Trump interpreted that mandate by choosing a stern, cinematic navy wool coat by New York designer Adam Lippes and an Eric Javits hat, with sky-high pumps. Lippes has developed a reputation for dressing ladies that lunch in no-nonsense, well-fitting fashion. "Mrs. Trump's outfit was created by some of America's finest craftsmen, and I take great pride in showing such work to the world," Lippes said in a statement.

Jill Biden, meanwhile, wore a vivid violet Ralph Lauren ensemble, reminiscent of the Christopher John Rogers outfit worn by Kamala Harris in 2021. Purple is a historic signature of inauguration ceremonies, symbolizing red melding with blue.

Here are four takeaways from this week's inauguration fashion.

'Armed for battle'

One of the inauguration's most talked-about visuals was Melania Trump's instantly meme-worthy hat, which obscured her eyes and drew comparisons to the video-



game character Carmen Sandiego.

"Her hat screams a fashion moment," said Rothman, comparing it to Anna Wintour wearing her sunglasses indoors. (Wintour, who told James Corden on "The Late Late Show" that Donald Trump would never be invited to the Met Gala again, would probably sniff at the comparison.) Rothman said the hat "indicates that Melania is armed for battle."

But it almost didn't happen. In an interview, designer Javits described how the first incarnation of the hat was damaged en route from Javits's Miami studio to Trump Tower in New York during a snowstorm a few weeks ago.

With the clock ticking to Inauguration Day, Melania Trump's stylist Hervé Pierre had to physically pick up a new version of the hat in Florida and bring it to Mar-a-Lago.

The hat, which was made of the same double-faced wool as the first lady's coat, was constructed by hand using nearly invisible "blind stitching," a time-consum-

Jill Biden, left, wore a violet Ralph Lauren ensemble. Usha Vance, the vice president's wife, wore a custom pink scarf-necked Oscar de la Renta coat and suede boots.

ing couture technique. "I was in a little bit of a panic after the first hat was destroyed," said Javits.

Less ambivalence

The fashion industry has been ambivalent about dressing those associated with the Trump administration. Wintour, who holds huge sway with designers, declined to feature Melania Trump on the cover of Vogue as first lady (though she appeared as a bride in 2005), contrary to Vogue's treatment of predecessors Jill Biden, Michelle Obama and Hillary Clinton.

Pierre, the first lady's stylist, told WWD that some designers have even discouraged them from shopping at their stores. "I understand that you can criticize

Trump," he said, "but to say to someone who is coming to shop full-price, 'You are not welcome here.' That is something that I would have never expected."

Pierre and Melania Trump didn't respond to requests for comment.

News releases and social-media posts from major brands publicizing their work with the Trumps have been rare, but that appears to be changing.

New York brand Oscar de la Renta, which is designed by Laura Kim and Fernando Garcia, has gone all in on the inauguration events, dressing second lady Usha Vance in a Barbie-pink shawl coat for inauguration day and a black strapless gown for the vice president's dinner, and Ivanka Trump in a bejeweled column and camel coat for pre-inauguration events. Oscar de la Renta splashed these images on its social-media accounts. Despite the label's long-time association with first ladies from Jackie Kennedy to Laura Bush, the response online has

Melania Trump kept her custom navy wool hat on throughout the swearing-in ceremony and the inaugural luncheon.

been divisive, with some commenters saying they'd hit the unfollow button, and others posting, "Make America Beautiful Again" with abundant flag emojis.

Javits, who noted that he's made hats for women of all political stripes, said that he looked at today's inauguration through the lens of it being Martin Luther King Jr. Day, celebrating a man who "taught us to love our enemies."

The Dior of it all

One French brand that was well represented at the inauguration was LVMH house Christian Dior, one of the world's largest luxury brands. Ivanka Trump carried a logo-charmed "Lady Dior" quilted handbag to the inauguration events, and she wore a Dior Haute Couture dark green 1940s-style suit and jaunty side beret. In the days leading up to the inauguration, Melania Trump wore a gray Dior overcoat and a black Dior trench cape.

The brand hasn't confirmed that it dressed the Trump women.

Notably, LVMH's ruling family, the Arnaults, attended the inauguration festivities, with patriarch and one of the world's richest men Bernard sitting alongside his wife Helene, son Alexandre and daughter Delphine, who is the chief executive of Christian Dior. Bernard and Alexandre wore dark suits (they typically wear Dior), and Helene and Delphine wore subdued black and white.

The Arnaults have had a long association with Donald Trump. In 2019, Trump attended Bernard Arnault's opening of an LVMH leather workshop in Alvarado, Texas, as part of the president's job creation initiative.

While it remains to be seen how publicly Dior and the other LVMH brands will embrace the new administration, signs point to a cordial working relationship between the Trump and Arnault dynasties.

Tech shows up

America's tech titans swapped their hoodies for dark suits and ties for today's inauguration. Meta's Mark Zuckerberg, Amazon's Jeff Bezos, Google's Sundar Pichai and Tesla and SpaceX's Elon Musk appeared in a row, like really rich, preoccupied Reservoir Dogs hunched over cellphones.

The standout among them was pilot, journalist and Bezos fiancée Sánchez, who wore a slim white suit over a barely-there, white lace lingerie top, causing some to question Capitol dress codes.

Hollywood Needed a Good Year. Then Came The Fires.

BY ELLEN GAMERMAN

For months, rank-and-file TV and film workers relied on a mantra to get themselves through a dark time in the industry: "Survive till '25."

The slogan came after a stint that included the pandemic, strikes by actors and writers, the long and costly pivot to streaming and the continued migration of industry jobs out of Los Angeles. Hope glimmered for January, with theatrical releases on the runway and shoots in full swing.

Then came the wildfires.

"It's sort of been the perfect storm," says film and TV editor Andrew Kasch, a 20-year Los Angeles veteran who, after a year of unemployment, was giving himself just 12 more months to find work or leave the city. "The people who work on the biggest shows and movies are going to continue to be fine—it's the rest of us facing an existential crisis."

Though his home was un-

scathed, the fires have Kasch, 45 years old, considering moving with his two daughters to live with his parents in Chattanooga, Tenn. His health insurance expires next month, and he fears rising costs of living. "It's basically been one thing after the other."

Kasch was one of the Angelenos embracing "Survive till '25," but now his view is a little more arch. "I guess it's been changed to 'Exist to '26.'

Hollywood is getting back to work, with

shows such as "Doctor Odyssey," "9-1-1" and "NCIS" resuming shooting after wildfire shutdowns. But on a broader scale, the decline of production in Los Angeles continues, and with it, the exodus of entertainment workers from the city to hubs in states such as Georgia and New Mexico, or to new careers altogether. The fires shine a light on the tightknit community of Hollywood crews,

and leaves those gaffers, grips, costumers, makeup artists, location scouts and others wondering how much longer their dwindling ranks can remain in Los Angeles.

Joseph Ressa, who has worked on lighting for "Grey's Anatomy" as a rigging gaffer for more than 20 years, is one of the many crew members whose names don't make the show's screen credits. His



home was destroyed recently in the wildfires.

"He has kept our show going through it all," a colleague wrote on the GoFundMe page for Ressa, 70.

In three days, fellow crew members helped raise more than \$46,000. He doesn't know if he can rebuild the pale-green Craftsman house that he spent 25 years restoring in Altadena—the one that he fled with only a handful of legal papers and a go-bag. But he wants to stay in Los Angeles because of the friendships he's built.

"If you ask anybody here, the most important thing is the relationships," he says. "You don't stay in this business for a paycheck."

At the start of 2023, 35% of film and TV jobs were located in Los Angeles County, according to the Otis College Report on the Creative Economy. The figure fell to 27% by the end of 2023, the year of the strikes.

Despite gains in late 2024, last year recorded the second fewest

▲ SAG-AFTRA members picketed in Hollywood in October 2023.

production days in Los Angeles since 1995, when the nonprofit FilmLA started tracking that activity.

Reality shows in particular have been in sharp decline, pulling back from a spike during the strikes. Some producers receive enough incentives from foreign countries to shoot abroad that they fly Americans to participate in their shows, partly in hopes that audiences don't suspect the unscripted series are shot elsewhere, says FilmLA President Paul Audley. Among the losses, he says, are Fox's "MasterChef," the cooking competition that left Los Angeles last year to shoot in Australia, as well as game shows migrating to Ireland.

Costume designer Maya Lieberman, 50, worked steadily until the jobs dried up about three years ago. While her friends pursued jobs in

other cities, she began designing home interiors to fill out her career. She started by redecorating her own house in the Pacific Palisades. Now that structure exists on a tiny island of homes still standing, with burned devastation a block in every direction. But Los Angeles is her home, and she won't leave.

"L.A. crews are superior—we are the best-trained," she says. "I have had several calls from producer friends over the years from jobs shooting in Canada, Louisiana and elsewhere who call me begging me to come fix the costume direction."

Some hope the fires could bring more film and TV work back to this company town. Movie stars with their own production companies and other Hollywood power brokers may start to second-guess the ethics and optics of shooting out of state when they're publicly committing themselves to rebuilding their devastated city, especially if there are new financial incentives to stay.

"All the major studios donated significant amounts of money, which has been incredible and generous, but if those same studios then go and send their projects to Budapest or Australia, what is that going to say about their actual support of the town?" says Jason Fisher, chief executive of Stagerunner, which connects screen projects with production soundstages in the U.S. and abroad.

As the fires still burn, some Hollywood crew members are putting their professional skills to work. Location scouts are pooling their pre-production pictures shot in Altadena, the Pacific Palisades and Malibu and giving them to victims to use for insurance claims, reconstructed blueprints and comfort.

CLOCKWISE FROM TOP: CARLOS BARRIA/REUTERS; ANDREW HARNIK/GATTY IMAGES; CARLOS BARRIA/REUTERS

The pandemic, strikes and pivot to streaming have set L.A. back.

and leaves those gaffers, grips, costumers, makeup artists, location scouts and others wondering how much longer their dwindling ranks can remain in Los Angeles.

Joseph Ressa, who has worked on lighting for "Grey's Anatomy" as a rigging gaffer for more than 20 years, is one of the many crew members whose names don't make the show's screen credits. His

AFP VIA GETTY IMAGES

ARTS IN REVIEW

MUSIC REVIEW | MARK RICHARDSON

An Album Of Disarming Cyborg Pop

FKA twigs's new record mines the contrasts between the electronic and the organic

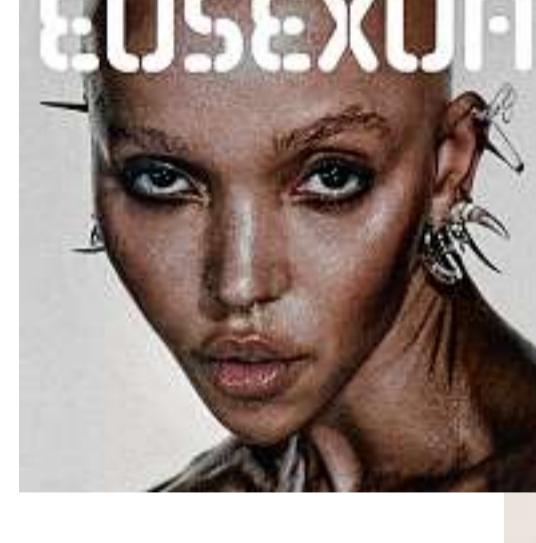
English singer Tahliyah Barnett, who performs as FKA twigs, is difficult to categorize. She has collaborated with some of the biggest stars in music—the Weeknd, Dua Lipa, Future. But her own work has never been especially popular. She has had modest streaming success, but she is in her own way quite influential, a figure in the future-pop space Charli XCX brought to the broader public in 2024. She has a high profile in the media—the cover of British Vogue last year, a modeling campaign for Calvin Klein—and yet she's enigmatic, sometimes coming across as more of a visual avatar than a personality.

Ms. Barnett's records also thrive on the tension between opposites. She trained in classical arts—voice and dance—and common notions of beauty are present in her music, yet she seems equally determined to splinter her tracks into pieces via technology. This sonic daring, abetted by her collaborations with cutting-edge producers including Arca (Kanye West, Björk), Daniel Lopatin aka Oneohtrix Point Never (the Weeknd) and her most frequent collaborator, Lewis Roberts, who works as Kōreless, might keep her away from the Top 40, but it makes her a perennial favorite of critics. The third FKA twigs album, "Eusexua" (Young/Atlantic), out Friday, mostly plays to her strengths.

In interviews, Ms. Barnett has said that the relentless motion of European techno inspired this album. Where the surging beat of house music can be traced to the populist groove of disco, techno has a more ridged pulse. The opening title track beautifully juxtaposes her airy, almost operatic voice against a rush of tightly sequenced electronics that gradually gain force as the arrangement unfolds. Her voice, clarion in the first section, acquires a processed electronic flutter, blurring the lines between human and machine.

The strongest material follows the model of that title cut, making the most of the contrasts between organic and electronic. "Drums of Death" begins with a stomping

groove one could imagine lighting up a stadium, before its shout-along force is interspersed with hyper-speed voices chopped up to sound like the result of a computer error. It is both heavy and light, and sounds like it's lumbering forward but about to fall down. The fifth track, "Room of Fools," opens with an inviting syncopated beat filled with hissing hi-hats and tumbling drums and then halfway through the beat shifts gear and an ultra-simple two-chord synth pattern takes over. The final passage unifies these



English musician Tahliyah Barnett, aka FKA twigs, right; her new album, 'Eusexua,' is out Friday.

disparate parts into a club-ready anthem as Ms. Barnett sings "it feels nice" over and over.

Her lyrics are about desire, lust and the search for intimacy and connection, but she comes at these common subjects from unusual angles. In her work, bodies are fragile and there's a razor-thin line between pleasure and pain. On "Sticky," a ballad built around a barely-there piano melody, she sings "It hurts so bad / To shed my skin with you watching" until the track explodes with an EDM-style bass drop. The low-end rumble in "Striptease" brings to mind the hip-hop style drill as she sings of being so emotionally exposed it's as if her viscera are laid open to the world. And the meandering electronics in the introductory

passage of "24hr Dog" lead to a song about being a slave to love and finding peace through submission, as Ms. Barnett's digitally enhanced trills float up to the sky.

The above songs, all great, are actively and playfully experimental, with structures that take you by surprise. A few cuts on "Eusexua" are more conventional, which isn't usually the best fit for Ms. Barnett. "Girl Feels Good" has an earthy melody and rock-like backbeat, while "Perfect Stranger" is solid but unremarkable electro-



pop, and you could imagine each track coming from a dozen other singers. "Keep It, Hold It" is one of a couple tracks with more fleshed-out production—a choir, prominent harp and piano played by composer Kelly Moran—but the arrangement never quite congeals, and the tune isn't strong enough to justify the fuss.

Clearly, the FKA twigs project thrives at the extremes, when Ms. Barnett's tough cyborg aesthetics frame vulnerability, and memorable hooks are fed into a digital

shredder. The songs from this collection that stay with you are on the verge of being too much—where avant-garde sound design meets communal dancefloor release, and disarming lyrical admissions threaten to become uncomfortable. Such moments are plentiful on "Eusexua," another winning record from one of pop's more mysterious figures.

Mr. Richardson is the Journal's rock and pop music critic. Follow him on X @MarkRichardson.

TELEVISION REVIEW | JOHN ANDERSON

'Prime Target': Math Machinations

For those who number ourselves among the algebraically impaired, higher math is like outer space—a forbidding frontier; a sphere of unknowns, peril and, as has been proved often enough, drama. It would take a greater mind than this critic's to declare the mystery series "Prime Target" full of baloney, but throw enough baffling numbers around and many a viewer will buy into the program. This one falls somewhere between the elementary and the elegant.

It also might have been called "Glum Will Hunting": At Cambridge, the perpetually distracted Edward Brooks (a dour Leo Woodall, "The White Lotus") is declared the most brilliant student that his tutors, including Robert Mallinder (David Morrissey), have met in three decades—not an insignificant number, per the story. When Edward starts to expound on his proposed thesis on prime numbers (those divisible only by one and themselves), a viewer leans forward: How many seed chambers in an apple? Five. How many pairs of chromosomes in a human body? Twenty-three. How many petals on a flower? Three, five or 13. Prime numbers appear throughout nature. (The 13-year cycle of the cicada, for instance.) Edward believes they hold the secret to God and the universe, but Robert becomes increasingly heated, telling Edward his idea is fit only for the "tin-hat mob" and insists "You need to drop it now!" Shortly thereafter, people start turning up dead. Or trying to



stay alive.

Created by Steve Thompson ("Vienna Blood," "Jericho"), "Prime Target" is fast-paced, populated by memorable characters and begs our indulgence on several fronts. Edward, for instance, works only in his notebook, doesn't carry a cellphone and has no fluency with computers. But given all he knows, shouldn't he also know that prime numbers are the basis for the world's cybersecurity? This is precisely why members of the U.S. National Security Agency—among them the highly capable, highly watchable Taylah Sanders (Quintessa Swindell)—are monitoring

A student's theories lead him into a web of international intrigue.

ing the world's leading mathematicians. It is also why a cloak-and-dagger outfit like the Kaplar Institute and its principal, Stephen Patrick Nield (Jason Flemyng), are hacking into NSA surveillance recordings and trying to hire the world's

top mathematicians. These include Edward, whose computer illiteracy provides for considerable tension at those moments when Taylah is trying to get him to download data while the bad guys are at the door. In other words, he exhibits dimness when required.

Running on a parallel track—temporarily—is the Iraqi section of the



story: "Prime Target" begins with a nerve-racking sequence that suggests incipient horror, which turns out to be a massive gas explosion in the middle of Baghdad. What is uncovered by the blast just might be the Bayt al-Hikmah, the legendary library lost in the Mongol sack of the city in 1258. It is over dinner with

the Mallinders—Robert's wife, Andrea Lavin (Sidse Babett Knudsen), is a professor of archaeology—that Edward is shown photos of the miraculously preserved chamber and detects across the rim of its dome a series of primes. Were bygone Muslim scholars pursuing the same course as he? Everyone in Cambridge starts heading east, in pursuit of math theory, ancient ruins or global domination.

Mr. Woodall delivers an oddly dull-eyed Ed, but Ms. Swindell is electric and Ms. Knudsen simply marvelous. Martha Plimpton plays another bureaucrat (she was memorably terrorized in "The Regime," which comes to mind here), this time an NSA supervisor and Taylah's not-so-trustworthy handler. Mr. Flemyng is always effective at portraying malignant scoundrels and a welcome Stephen Rea materializes occasionally as Cambridge don James Alderman. What "Prime Target" adds up to is an engaging, entertaining mix of scholarship and skullduggery that ultimately won't do anything to convert those of us who thought math would be bad for our health.

Prime Target
Wednesday, Apple TV+

Mr. Anderson is the Journal's TV critic.

SPORTS

JASON GAY

College Football's Craziest Season Ends With an Ohio State Title

A traditional superpower reasserts itself in the era of the 12-team playoff, conference realignment, the transfer portal, and paying athletes



Ohio State coach Ryan Day, center, celebrates with his players after winning the national championship.

Atlanta
Welp, they did it—burp!—college football finally polished off the whole darn thing, the supersized playoff, after 12 teams, four rounds, four weeks and enough hiccups they'll need to huddle and straighten out the format. The expansion arrived amid a radical moment for a sport veering deeply professional and mercenary—that is, more deeply professional and mercenary than it already was—but Monday's finish in Atlanta elevated a traditional name:

Ohio State, national champs—for the ninth time.

It was a thorough performance, 34–23 over Notre Dame, probably a little closer than it should have been after the Buckeyes took a 31–7 lead in the third quarter, but whatever. A wealthy college football superpower reasserted its wealthy superpowerness, and then some. One could argue no modern college team has ever played more, traveled more—Ohio State won postseason games in Columbus; Pasadena; Arlington, Texas; and now the Georgia capital—and more fully settled the concept of a national football champion.

Debate that, but there's no debating this was a *lonnnnnnnng* haul. So long that all the best teams had rotten days, and not a single school finished undefeated. Action from September feels like it happened in 1979. Bill Belichick was hired as the new coach at North Carolina six weeks ago! I can't remember who won the Pop-Tarts Bowl! Can you?

Ohio State's season contained multitudes, too. A preseason favorite, a 5–0 start, a narrow miss at Oregon, recovering to 10–1...whereupon Buckeye Nation plunged into an existential crisis in late November, after another loss to dreaded arch-rival Michigan.

The tantrum aftermath—Wolverine players planting a flag at midfield, Buckeyes chasing them

around like a Marx Brothers movie, the police unleashing pepper spray—appeared to reveal an angsty program fraying from the constant pressure. OSU qualified for the playoff, but the post-Michigan venom grew so toxic, there were blowhards wishing for an early demise, hoping it would trigger the sacking of head coach Ryan Day, now 1–4 against The Team Up North.

In other words, totally rational thinking. Or what happens when college football is treated like civic emergency, or something more important than that.

Impressively, Day and the Buckeyes converted the freakout into motivational energy. OSU was

clearly the best team in the playoff, facing down a sturdy gauntlet—Tennessee, No. 1 Oregon, Texas, the surging Irish—and winning convincingly at each step.

"It is an amazing story," Day said when it was over, his players about to get the shimmering gold CFP trophy which looks like C-3PO's thigh. The embattled coach channeled his inner Churchill: "Nothing great has ever been accomplished without going through adversity."

For Ohio State, it's a recovery and a rebirth, the first national title since the Urban Meyer-led 2014 season, which was the debut of the four-team playoff. For the Big Ten, it's a second straight champi-

onship (after Michigan's), keeping bragging rights from the SEC, which believes it invented (and perfected) the sport. For Michigan, it's an opportunity for Wolverine brain: *Ohio State is national champion, but we beat Ohio State, therefore Michigan is still national champion.*

As for the playoff itself, there's work to do. There's a case for dropping the current seeding format—eliminating the automatic first-round byes for the four highest-seeded conference champions. Just seed the field straight-up—and give the byes to the four highest seeds. (Or expand to 16 teams and offer no byes. You know that may be coming.) Expand home

games beyond the opening round—it made no sense for No. 1 Oregon to not get a game in Eugene. Home games on campus are great theater. More of that, please.

This was a season of sweeping change, a sport turning hard into the financials and reorientating the entire landscape. West Coasters like USC and Oregon in the Big Ten—it actually happened. Same for Texas and Oklahoma to the SEC. Stanford and Cal convinced themselves they belonged in the Atlantic Coast Conference. Mapmakers reached for the bourbon. Keep the bottle ready. More movement will happen.

Constructing a team is evolving, too, as name, image and likeness reform finally sanctioned player compensation, and a loosened transfer portal adds constant turbulence. Coaches hate it, but players now have what coaches did, which is the ability to leave for a better offer. The ability to grab an experienced player, ready to go, is hard to pass up. The Buckeyes started a quarterback transfer from Kansas State; the Irish QB was a transfer from Duke. Schools complain, but they're adapting. Notre Dame's young coaching wizard Marcus Freeman

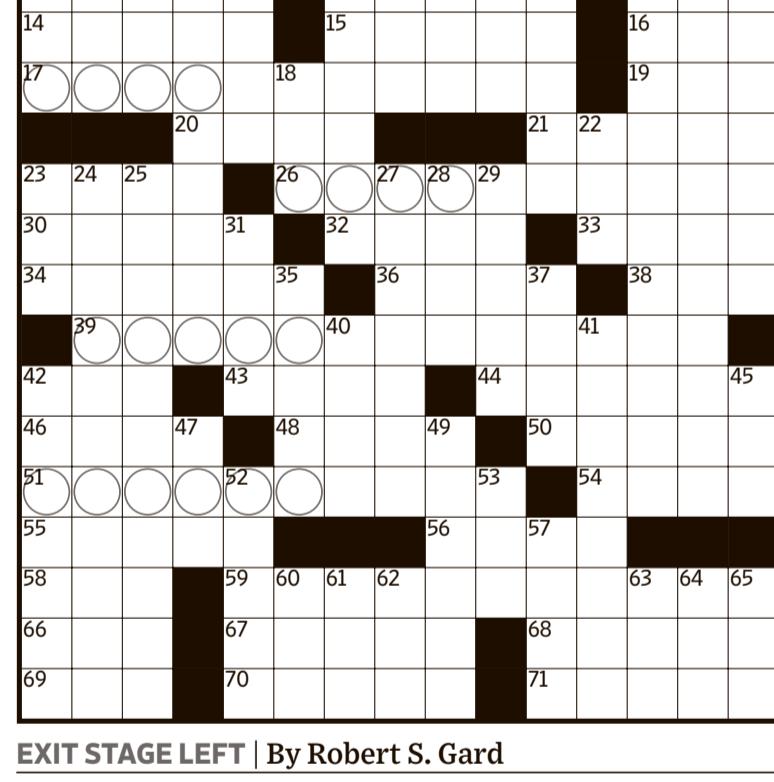
put it this way: "Major in high school recruiting, minor in the transfer portal."

If you're still reeling from all this, hang on: wilder shifts are coming. On the field, it remains a game, a beloved comfort, with a pageantry and aura distinct from the NFL. The teams may be richer and more talented than ever but it's a sport with patterns you recognize. Run the ball, throw the ball, and watch out for Ohio State University.

Say: *the* Ohio State University. Whoops! I mean *The* Ohio State University, they demand a capitalized *The*. After a crazy, long-winded, college football season, the victors get the spoils—and apparently, the style rules.

MARK J REBILAS/REUTERS

The WSJ Daily Crossword | Edited by Mike Shenk



25 Competition for B-boys

27 Longtime Athletics home

28 "From Muskogee" (Merle Haggard song)

29 Leans (toward)

31 Grad student's hurdle

35 Stylish

37 Two more than octa-

40 Moldy cheese variety

41 Cheer squad's chant

42 Last car

45 "Chandelier" singer

47 Sault Marie

49 Boldly resists

52 Dramatic device

53 Capitol Bldg. figure

57 "Finally, the weekend's in sight!"

60 "The Masque of the Red Death" writer

61 Anticipatory time

62 Beltway batter, for short

63 Howdy, in 9-Down

64 Remote abbr.

65 Goddess of the dawn

66 Part of RSVP

67 Star bursts

68 Hemispherical home

69 Strasbourg season

70 Throws, slangily

71 Young studs?

72 Sushi topper

73 Plus

74 1970s fashion fad

75 Competition for B-boys

76 "From Muskogee" (Merle Haggard song)

77 Longtime Athletics home

78 "Finally, the weekend's in sight!"

79 Leans (toward)

80 "Chandelier" singer

81 Sault Marie

82 Boldly resists

83 Dramatic device

84 "The Masque of the Red Death" writer

85 "Finally, the weekend's in sight!"

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OPINION

A Lawfare Finale?

BUSINESS WORLD
By Holman W. Jenkins, Jr.

both sets of pardons issued on either side of noon on Monday.

There's only one way to be optimistic now: This final spasm of lawfare is so ugly and off-putting nobody will want to follow in the footsteps of Presidents Trump and Biden.

Mr. Trump's Jan. 6 pardons were indiscriminate. If you participated in the mayhem, you are enfolded in the immunized category "Trump supporter" even if you were motivated only by an apolitical desire for mayhem. And nobody reading Joe Biden's last-minute pardons failed to detect his concern lest the Trump administration do to Biden family members what the Biden administration did to Mr. Trump.

It pays to backpedal a bit because these past few days also saw special counsels issuing their required reports on prosecutions that helped get us here.

Proving again that the press isn't very smart, it made shrieking headlines out of a tautology when special counsel Jack Smith said he believed Mr. Trump would have been convicted in the 2020 election case.

Only if Mr. Smith had said

anything else would it have been news. Prosecutors aren't supposed to bring a case unless they believe in its strength. Mr. Smith would have set fire to the country if he started publicly doubting his evidence now. It also follows that he's not to blame for an idiot press making it sound like his 174-page report was doing a meretricious victory dance in a case that will never be tested before a jury.

In his memoirs, if then, we might expect Mr. Smith to get to interesting matters: How did it affect his pro-

Monday's ugly pardons are why the press needs to do an honest job again.

ceedings to know Mr. Biden desperately wanted Trump prosecutions to aid his flagging campaign for a second term?

Last week, David Weiss issued his special counsel report on the Hunter Biden matter. He comprehensively dispels the slur, in Joe's pardon of his son, that the cases were political but he also makes anti-news by claiming the pardon forecloses him from discussing any uncharged Hunter crimes.

This is untrue. The special counsel rule plainly says a final report should address both charges that were bought and those that were merely considered. Mr.

Weiss was free to describe millions of dollars in alleged tax evasion related to Hunter's Ukraine earnings while his father was vice president, on which the Justice Department allowed the statute of limitations to expire. He was free to detail possible lobbying violations the department had previously flagged but left them unmentioned. Why?

A kind of special counsel report, very roughly, is a new book by James Comer, chairman of a House committee investigating Hunter's influence peddling. If anything Mr. Comer undersells his evidence. He tells my colleague Kim Strassel he never identified an actual "good or service" Hunter provided. In fact, the product Hunter appears to have been selling was casual meetings and phone chats with Joe Biden. The money tended to flow right after these interactions, which had the effect of hosing Mr. Biden's reputation to those of Hunter's clients.

Entertainingly, Bob Woodward piped up to accuse Mr. Comer of falsely citing him saying something judicious, namely that "everyone in D.C. knew that Joe allowed his family to sell access to him, but as far as he was aware that was not illegal."

The Watergate icon's cameo is ironic precisely because Watergate has been turned on its head in our age of lies and lawfare. The press has become an agent of the coverup in matter after matter, from FBI's actions in the 2016 campaign to the intellig-

ence community's propagating of a lie about the Hunter laptop. The public has often had to rely instead on the government's own investigators like the Justice Department's inspector general to pursue important truths against nearly uniform naysaying from the media.

Getting back to Mr. Smith: Would a jury have bought the theories he used to criminalize Mr. Trump's unquestioned right to speak freely and seek redress even in a bad cause like overturning the 2020 election? We'll never know.

It's hard also to know definitively but the world would likely be a very different place today if the press had reported all along with more objectivity, plain curiosity and desire for the full truth on a host of issues related to Mr. Trump and his enemies. Since it may be my last chance to mention it, take the galumphing dishonesty of the New York Times. Its front page conveyed an orchestrated White House leak saying Mr. Biden wanted Trump prosecutions from his Justice Department. When those prosecutions duly followed, every Times account claimed Mr. Biden had nothing to do with it.

One conclusion: A world where the press conspicuously lies to protect its favorites is a world where opponents are more likely to resort to criminal prosecutions in search of the democratic closure that a free press should be in the daily business of providing.

What the People Want—and Don't

POLITICS & IDEAS
By William A. Galston

President Trump's Second Inaugural Address, his administration will be no exception.

As he enacts his agenda, Mr. Trump would do well to heed the electorate's wishes. Based on a synthesis of five major postelection surveys, here's a summary of what the American people want—and don't want—from the 47th president:

A majority of Americans believe that government is almost always wasteful, inefficient and self-serving, and that our politics has been "broken" for decades. They believe that the economic system "unfairly favors the wealthy." They believe that immigrants strengthen our country through their hard work and talent but that the large number of migrants crossing the U.S.-Mexico border in recent years is increasing crime in the U.S. They believe that climate change is real and caused by human activities. And they believe that the U.S. is too active in world affairs and should pay more attention to its domestic problems.

Americans want action to

reduce illegal immigration, reduce high prices and end overseas conflicts. They're divided on how they view higher tariffs. They want anti-discrimination statutes to continue protecting people who identify as transgender but oppose transgender athletes participating in women's sports and minors receiving puberty blockers and hormone therapies. They want—or at least say they want—less partisan division and more compromise to solve problems.

Here's what the majority of Americans don't want Mr. Trump to do: use the Justice Department to investigate his political rivals, punish reporters for writing stories he dislikes, pardon people convicted of committing crimes on Jan. 6, 2021, replace civil-service workers with political appointees, impound funds appropriated by Congress, or use force to stop protests against him. Nor do they want their new president to eliminate the Education Department, make childhood vaccinations voluntary, withdraw from the Paris climate accords, expand into Greenland, Canada and the Panama Canal, or rename the Gulf of Mexico the "Gulf of America."

As Mr. Trump cracks down on illegal immigration—a major focus of his inaugural address—he will be challenged to keep his balance and maintain public support. On the one hand, there's overwhelming support for deporting ille-

gal immigrants who have committed violent crimes since entering the U.S. A smaller majority of Americans favor deporting all immigrants who have illegally entered the country in recent years, regardless of their conduct within our borders.

On the other hand, most Americans don't support deporting longtime residents who came illegally but who have obeyed the law since their arrival. Nor do they support expelling the Dreamers—children who came to the U.S. illegally with their parents, grew up here as Americans and know no other country as home.

Voters back some of Trump's promises, but others are sure to set off a backlash.

The public cares not only about who is deported but also about how it's done. Americans oppose using the military to carry out mass deportations. They also oppose seizing illegal immigrants from churches, hospitals or schools, or deporting parents if it means separating them from their children who were born here as citizens.

And finally, most Americans oppose ending birthright citizenship. Mr. Trump aims to do so with an executive order, despite the language of the 14th Amendment. It is hard to overplay his hand.

believe that this gambit will survive judicial scrutiny.

Mr. Trump isn't a man who likes to do unpopular things, and he may genuinely believe that the things he wants to do—some of which he's already done in his Inauguration Day executive actions—enjoy majority support. If so, he's in for a rude awakening. The people who put him over the top on Nov. 5 weren't members of his fervent MAGA base. Rather, they were swing voters who decided in the campaign's closing days that he was more likely to solve their core economic problems—especially high prices for the basics of daily life—than Kamala Harris was. He had little to say to these voters in his inaugural address. And it remains to be seen whether higher tariffs and mass expulsions of immigrants who are key to our construction and agricultural sectors are consistent with making daily life more affordable for working- and middle-class Americans.

It may be that Mr. Trump's victory represents the long-awaited realignment of America's party system, as he evidently believes it does. But it isn't clear that our politics has broken out of its long cycle of narrow and shifting majorities. The man who triumphantly returned to the White House has a chance to end this cycle and establish Republicans as the dominant American party—if he doesn't overplay his hand.

Without the ERA, left-leaning officials, including the Biden administration, have pushed those outcomes in recent years in the name of transgender ideology. Some supporters of reviving the ERA have attempted to co-opt it for the sake of that ideology. The "symbolic importance" of the amendment, the Center for American Progress said in a 2020 report, is "communicating unequivocally that people across the gender spectrum are innately equal."

Voters rejected transgender ideology in November. A New York Times poll this month found that only 18% of Americans think "transgender female athletes" should be allowed to compete in women's sports. That may explain why Mr. Biden waited until he was a lame duck to make a statement in support of the ERA.

Ms. Ault is an assistant editorial page writer at the Journal.

Biden Was a Man From a Different ERA

By Nicole Ault

Joe Biden's Friday statement claiming that the Equal Rights Amendment had been added to the Constitution made him look out of date. "I affirm what I believe and what three-fourths of the states have ratified," the then-president asserted. "The 28th Amendment is the law of the land."

In fact, the amendment expired more than 40 years ago. The 1972 resolution proposing the ERA included a 1979 deadline, which Congress later extended to 1982. Only 35 states ratified the amendment by then, three short of the 38 necessary—or perhaps eight short, as the legislatures of five states voted to rescind their ratification in the 1970s.

Three more states voted to ratify the moribund amendment between 2017 and 2020, then sued when the national archivist declined to certify

the purported ratification. A federal district judge dismissed the case, holding that the deadline "expired long ago." The U.S. Circuit Court of Appeals for the District of Columbia upheld the ruling.

The Justice Department also issued an opinion in 2020 affirming the validity of the ratification deadline. In a separate court case, the archivist agreed to abide by the department's opinion, which it reaffirmed in 2022. "The underlying legal and procedural issues have not changed," the National Archives said in a statement Friday.

But substantive law and culture have both changed. In 1971 the Supreme Court held for the first time that the Equal Protection Clause of the 14th Amendment applies to sex discrimination. By now this is settled law, and the ERA is arguably redundant. Meanwhile, identity politics have evolved in ways that

those deferences which our society now extends to women." He warned that the ERA would be "tugged and twisted and extended far beyond the limits of common sense and reason."

Phyllis Schlafly was mocked for warning, among other things, that the ERA would lead to unisex bathrooms and locker rooms and co-ed sports teams. Even

BOOKSHELF | By Melanie Kirkpatrick

Her Glamorous Guest Lists

The Woman Who Knew Everyone

By Meryl Gordon

Grand Central, 496 pages, \$34

Washington has known its share of prominent hostesses. As the sociable wife of the nation's fourth president, Dolley Madison brought together the warring members of Congress at her fabled Wednesday evening "drawing rooms." Then there was Alice Roosevelt Longworth—the strong-willed, sharp-tongued daughter of President Theodore Roosevelt and the wife of Nicholas Longworth, speaker of the House. A throw pillow in her living room was embroidered with the words: "If you can't say something good about someone, sit right here by me."

But Dolley and Alice were pikers compared with Perle Mesta, the wealthy widow from Oklahoma who reigned over Washington's social scene from the 1930s until her death in 1975. One of the most recognizable women of her era, she is little known today—unless you're familiar with Irving Berlin's 1950 Broadway musical "Call Me Madam," which was inspired by Mesta's exuberant personality and her 1949 appointment as U.S. minister to Luxembourg (de facto, the U.S. ambassador).

The show's signature lyric refers to the star—played by Ethel Merman in the original production—as "the hostess with the mostest" on the ball."

In contemporary lingo, Mesta was the "GOAT" of Washington hostesses—the Greatest of All Time. Author-journalist Meryl Gordon presents Mesta in delectable detail in "The Woman Who Knew Everyone," a lively and readable biography. Ms. Gordon has also written biographies of the style icon Bunny Mellon and the Manhattan socialite and philanthropist Brooke Astor.

The "everyone" of the book's title encompasses presidents from Woodrow Wilson to Richard Nixon, as well as A-listers from other realms. Judy Garland, Wernher von Braun, Supreme Court justices, and just about every politician and his wife who passed through the capital during her decades in residence showed up at Perle's place. Harry Truman, Dwight Eisenhower and Lyndon Johnson were close friends.

Born "Pearl" Skirvin in 1882, Mesta spent most of her youth in Texas and Oklahoma, where her father amassed a fortune in oil and real estate. Along the way, she changed the spelling of her name to the French "Perle," which she considered a more cosmopolitan rendering. In 1917, she married George Mesta, a Pittsburgh machine-tool magnate. When President Wilson appointed George to a government board during World War I, the Mestas began to spend time in Washington. It was during that period, as Mesta wrote in her 1960 memoir, "that I began to understand how a Washington hostess could be a factor in politics by having the right people at the right time." George died of a heart attack in 1925.

Mesta started off as a Republican supporting Calvin Coolidge before becoming a Democrat during FDR's administration, a switch that earned her the nickname "two-party Perle." She had a rocky relationship with JFK

Judy Garland, Wernher von Braun, Supreme Court justices, major politicians—there was nothing quite like Perle Mesta's parties.

and Jackie, who viewed the 80ish hostess as "old news," Ms. Gordon says. The first lady put Mesta on her personal do-not-invite list. The misleading photo on the book's cover pictures the two women smiling sweetly at each other.

Ms. Gordon portrays Mesta as a friendly, warmhearted woman who treated people of all stations in life with kindness and respect. Above all, she loved politics. "She liked the role of gatekeeper," Ms. Gordon writes, "introducing influential people to one another and feeling she could shape events, at least at the margins."

But she rose to celebrity status in no small part because she went out of her way to cultivate ties with journalists. Her parties usually included members of the working press, who obligingly wrote positive articles about her. (She kept track.) Her annual shindig for female reporters was designed to give them the chance to hobnob with the political elite of Washington from whom they often were excluded because of their sex. According to Ms. Gordon, the database newspaperarchive.com offers up more than 98,000 references to Mesta between the 1920s and her death roughly 50 years later.

Not all of the coverage was favorable. In keeping with the sexism of the era, reporters focused inordinately on Mesta's age, which she wouldn't reveal, and her weight, which fluctuated. Somehow it was news when a slimmed-down Mesta appeared in public wearing a size-10 dress. At the time of her death, Ms. Gordon reports, no obituary got her age (92) right.

When President Truman named Mesta as the U.S. representative to the Grand Duchy of Luxembourg, the intellectual snobs in the State Department were vicious in their attacks. Sen. Owen Brewster, a Maine Republican, rose to her defense: "She is neither senile nor a dipsomaniac, which is more than you can say for some of the members of the diplomatic corps." The Luxembourians, for their part, adored her. Mesta accomplished exactly what Truman had wanted her to do: She enhanced America's reputation and built goodwill in a country that had been traumatized by war.

While Mesta's lavish parties put her on the map, she had a serious side too. Beginning in the 1930s, she was a passionate supporter and energetic worker on behalf of a proposed Equal Rights Amendment. She was a major Democratic fundraiser. She was a popular columnist for the New York Herald Tribune. She was a faithful Christian Scientist. By the end of her life, Ms. Gordon writes, she was "part of the national cultural firmament."

In her later years, Mesta told a reporter that Harry Truman "taught me everything I know. He told me never to be afraid to put people together who disagree. 'Get them together for a party. They'll be friends before you know it.' Now there's a prescription for our own disagreeable political culture: Let's party!"

Ms. Kirkpatrick, a senior fellow at the Hudson Institute, is a former deputy editorial page editor of the Journal.

OPINION

Peace in Ukraine Needn't Mean Russian Victory

By David Shimer

As President Trump seeks to end the war between Russia and Ukraine, it is imperative that the U.S. continue to support the Ukrainian military. Ukraine can reach a just and lasting outcome to this war, but only with our help.

Since Russia launched its invasion in February 2022, the topic of Ukraine funding has become increasingly politicized and detached from the facts on the ground. I worked on Russia and Ukraine policy at the White House over the past four years, and there are clear, straightforward, nonpartisan reasons why the U.S. should keep up its military aid for Ukraine.

It serves U.S. interests to keep backing Kyiv so that it can negotiate from a position of strength.

First, Ukraine is an effective partner that is degrading the Russian military and, in the process, strengthening its position for a future negotiation. Press coverage of this war is frequently lopsided in portraying Russia as on the march and Ukraine on its back foot. The reality is more complex. Early in the war, Ukraine won the battle for Kyiv and retook more than half the territory that Russia initially seized. Today, it's true that Russia is grinding out territorial gains, and Ukraine's hold over areas such as Kursk and Pokrovsk is tenuous.

Maintaining military aid for Ukraine while simultaneously applying economic pressure on Russia would increase the likelihood of a durable peace. The Trump administration has made clear that its objective is to end the fighting. But to secure a just and lasting resolution, Ukraine requires leverage for talks. Cutting

But it's also true that Ukraine is imposing extraordinary costs on Russia, which is suffering an average of 1,500 casualties a day. It's an open question whether Moscow can continue to recruit enough soldiers to replace its staggering losses, estimated at more than 700,000 casualties overall since 2022. Russia's struggles are a credit, first and foremost, to the skill of the Ukrainian military. U.S. security assistance has played a key role in supporting Ukraine's courageous fighting force, alongside contributions from a global coalition of more than 50 countries.

Second, with U.S. help, Ukraine can push Russia to engage in meaningful negotiations. Russia wants the world to believe it can sustain its military campaign indefinitely, but the current landscape tells a different story. The Russian military is struggling, and the Russian economy is deteriorating. Thanks in part to U.S. and allied sanctions, inflation in Russia is above 9%, and its benchmark interest rate is at 21%.

The U.S. recently announced severe sanctions against Russia's financial and energy sectors, which will put further strain on the Russian economy. Ukraine faces its own challenges, including personnel shortages and Russian strikes against its energy infrastructure, but the pressures are significant on both sides, not only in Kyiv.

Supporting Ukraine also benefits America's defense industrial base, economy and technological competitiveness. By investing in Ukraine's mil-



An instructor teaches Ukrainian cadets how to fly drones.

supported by immobilized Russian sovereign assets, provides a strong foundation. European countries will need to decide whether they can find a legal pathway to seize the principal of these assets, as they should and as the U.S. has urged, or whether instead to provide Ukraine with additional economic assistance from their own budgets.

As this war persists, it can be tempting for nonparticipating countries to lose interest. Curtailing security assistance to Ukraine now, however, would be a historic mistake that would play to Russia's advantage.

The U.S. has led a historic, years-long effort to help Ukraine protect its sovereignty, defend against Russian aggression and generate the leverage needed to secure a just and lasting peace. In the past few months, the U.S. has expanded sanctions on Russia, provided Ukraine with nonpersistent antipersonnel landmines, permitted the cross-border use of American-provided Army Tactical Missile Systems and supplied Ukraine with hundreds of thousands of artillery rounds, thousands of rockets and hundreds of air-defense missiles. Ukraine has a healthy stockpile of key munitions, while the pressures on Russia's economy and military are growing.

Ukraine can enter a future negotiation with strength and reach an acceptable outcome to this war, but only if the U.S. continues to support the Ukrainian military and apply economic pressure on Russia. Now is the time to finish the job.

Mr. Shimer served on the National Security Council staff, 2021-25, most recently as the director for Eastern Europe and Ukraine, and previously as director for Russian affairs.

Trump Delivers on His Promise to Dismantle DEI



UPWARD MOBILITY
By Jason L. Riley

Donald Trump's Second Inaugural Address may not have been one for the ages, but it did meet the moment in at least one crucial respect. The president wants to pivot from his predecessor's obsession with racial differences, as do millions of Americans of all political stripes.

In his Inaugural Address four years ago, Joe Biden prattled on about "systemic racism" and "white supremacy" and "a cry for racial justice." Meeting these challenges, he said, "requires more than words. It requires that most elusive of things in a democracy: unity." A short time later, Mr. Biden issued an executive order on the importance of "racial equity" and "support for underserved communities through the federal government."

Racial equity used to mean equal treatment regardless of race, but it's become a progressive euphemism for group preferences. In practice, it means discriminat-

ing to achieve racial balance. Mr. Biden, invoking George Floyd's death in 2020, said that "this nation and this government need to change their whole approach to the issue of racial equity" and make it "not just an issue for any one department of government. It has to be the business of the whole of government."

For the past four years, that's exactly what transpired. Federal agencies were directed to "implement or increase the availability" of diversity, equity and inclusion programs surrounding race as well as "gender identity." Chief diversity officers established "agency equity teams" and submitted annual DEI progress reports. The federal Office of Personnel Management warned that the "intentional use of an incorrect name or pronoun (or both) could, in certain circumstances, contribute to an unlawful hostile work environment." Major laws, including the American Rescue Plan Act of 2021, included special benefits for ethnic minorities.

Upon assuming office Monday, Mr. Trump announced that he would put a stop to these efforts, which he believes have been detri-

mental to national unity. He thanked minority voters for "the tremendous outpouring of love and trust that you have shown me with your vote" and said that "I will not forget it." Yet he also vowed to pursue race- and gender-neutral policies in his second term. "I will also end the government policy of

An Inauguration Day executive order recognizes that Americans are eager to move beyond race.

trying to socially engineer race and gender into every aspect of public and private life," the president said. "We will forge a society that is colorblind and merit based. As of today, it will henceforth be the official policy of the United States government that there are only two genders, male and female."

Later in the day Mr. Trump signed an executive order that effectively reversed the Biden administration's DEI directives. It calls for the "termination of all discrimi-

natory programs, including illegal DEI and 'diversity, equity, inclusion, and accessibility' (DEIA) mandates, policies, programs, preferences, and activities in the Federal Government, under whatever name they appear." Many progressive activists and media elites are no doubt horrified. But for everyday Americans, this is common sense. Changing the targets of government discrimination won't undo the past. It will simply add to the number of people who have been treated unjustly in this country.

It's no surprise that increasing the salience of race, and favoring some groups over others, can only harm the social cohesion necessary to sustain a multiracial society. A Gallup poll released last week found that a plurality of Americans (39%) said that race relations had worsened under Mr. Biden, versus just 24% who said they had improved. Moreover, even fewer respondents (22%) said that the "situation for black people" had improved during the Biden presidency, while 34% said blacks had lost ground.

The evidence has been piling up that the country wants to move

past race in ways that the political left continues to resist. The Supreme Court's landmark 2023 ruling against racial preferences in college admissions didn't go over well with liberals, but polls show that a large majority of Americans, including most blacks, view the decision favorably.

Writing in the Atlantic recently, George Packer urged fellow liberals to retire the notion that "identity is political destiny." For decades, he noted, Democrats have told themselves that as "the country turned less white, it would inevitably turn more blue." According to Mr. Packer, the 2024 election "exploded" that illusion. "Nearly half of Latinos and a quarter of Black men voted for Trump," he wrote. "In New York City he did better in Queens and the Bronx, which have majority nonwhite populations, than in Manhattan, with its pluralities of wealthy white people."

Mr. Trump has repeatedly outmaneuvered his political opponents on illegal immigration. He may be in the process of doing the same thing when it comes to race relations and the left's identity-politics mania.

The Washington Lawyers Who Suddenly Love Trump

By Michael A. Fragoso

Elite law firms in Washington are giddy about Donald Trump's re-election. Since November many of them have been presenting an optimistic case about how they can help businesses navigate the complex regulatory and policy environment to come. As the Republican Party has taken a more populist turn, they contend that Republican government is no longer "good for business." Who better to manage looming policy controversies, the thinking goes, than the steady world of white-shoe law firms?

Top law firms have talented attorneys and no shortage of institutional knowledge about how the bureaucratic machinery works in the abstract. Yet they are hardly chock full of partners with high-level experience serving in the first Trump administration. This is in contrast with prominent liberal attorneys, who travel through a well-oiled revolving door between Democratic adminis-

trations and the private sector. Many firms shut that door to Republicans four years ago, depriving themselves of lawyers who worked in Mr. Trump's first administration, alongside many who will return for the second.

Practitioners in some specialties, such as trade and antitrust, managed to avoid the cordon sanitaire that elite firms placed around Trump lawyers. Talk to many attorneys who served the president, however, and they will tell you that the message from most firms was clear: Republicans need not apply. The one firm for which that wasn't the case, Jones Day, had a book-length hit job published against it in 2022: "Servants of the Damned: Giant Law Firms, Donald Trump, and the Corruption of Justice." As Jones Day's internal deliberations were leaked in the press, there was a noticeable lack of outrage from the firm's peers—as if they would never be subjected to such treatment.

The same legal elite that refused

to work with the previous Trump administration are now alerting the press that they have the necessary expertise to work with the next Trump administration. Lawyers are nothing if not bold.

This isn't simply a question of personal relationships. On what kinds of issues will these firms have to interact with the Trump administration and counsel their clients? The coming regulatory assault on race-conscious diversity, equity and inclusion programs is no doubt high on the list. Yet these firms hardly have clean hands on this issue, with most of them having made their own "diversity pledges" to the Leadership Council on Legal Diversity. Among some of the pledged activities are race quotas on firm-management committees and the transfer of institutional clients to partners based on the race of the latter. You can picture how these firms might try to defend their clients from the Trump administration's civil rights regulators: "This isn't so bad—our client's DEI policies are nowhere

near as extensive as ours are."

If past is prologue, the same firms that claim valuable capabilities in understanding the incoming administration are also likely arming their associate ranks to wage all-out war against it. Recall Mr. Trump's first four years in office. Whether it was the travel ban, Deferred Action for

Firms that blacklisted his officials in 2020 are now claiming special expertise to work with them in 2025.

Childhood Arrivals, transgenderism in the armed forces or the census, elite law firms could always be counted on to man the barricades against the legal-policy interests of the Trump administration, usually pro bono.

Never mind that none of these firms truly work for free. It's the bill-

able hours from paying clients that subsidize their charity work, including the partisan efforts they undertake during a Trump administration.

Elite law firms that intend to serve their clients' needs during Republican government should take notice of political reality in our two-party system and curb their growing one-party dominance.

Meantime, businesses would be wise to cast a skeptical eye at law firms claiming Republican political expertise without Republican political experience. If an elite firm's Trump-administration knowledge comes from when its liberal partners deplored a Trump cabinet secretary on behalf of the American Civil Liberties Union, businesses might want to rethink the advice they're getting.

Mr. Fragoso served as chief counsel to Senate Republican leader Mitch McConnell (2021-25) and chief counsel for judicial nominations at the Senate Judiciary Committee (2019-21).

Notable & Quotable: The Associated Press

From a Jan. 17 Associated Press dispatch:

The Supreme Court on Friday agreed to hear an appeal from parents in suburban Washington who want to pull their children from elementary school classes that use books featuring LGBTQ characters.

The stories include a family's attendance at a pride parade, a girl's introduction to her uncle's husband-to-be, a prince's love for a knight amid their battle against a dragon, a girl's anxiety about giving a valentine to another girl and a transgender boy's decision to

share his gender identity with his family.

*The Becket Fund, which represents the parents in *Mahmoud v. Taylor*, with details the AP omitted:*

The new "inclusivity" books were announced in 2022 for students in pre-K through fifth grade. Instead of focusing on basic principles of respect and kindness, however, the books champion controversial ideology around gender and sexuality.

Teachers are instructed to say doctors only "guess" when identifying a newborn's sex anyway.

The School Board revoked notice and opt-outs for these storybooks in 2023, which violates Maryland law, the Board's policies, and the advice of its own elementary school principals.

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THE WALL STREET JOURNAL.

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Stellantis Revamps After CEO Exit

Automaker moves to revive Dodge and Chrysler labels after sales dove in 2024

By RYAN FELTON

Jeep is reviving its Cherokee-sized sport-utility vehicle. Dodge is bringing back the gas-engine version of its Charger muscle car. And Ram is hitting pause on its all-electric pickup truck.

In the weeks since the departure of former CEO Carlos Tavares, executives at global automaker **Stellantis** have been moving swiftly to turn around the U.S. operations, employing a series of changes to jump-start sales again.

At the top of their list is reinvigorating well-known American brands, such as Chrysler and Dodge, whose sales and lineups have withered in recent years.

Stellantis's brand leaders say they need to get back to basics by offering models at more-affordable price points and promotions that can help increase sales. Such moves, they say, could reverse a dismal 2024 that concluded with

Tavares's exit in December.

Since the departure, the automaker has essentially shelved the former CEO's playbook. Stellantis has delayed the release of two high-profile electric-vehicle models and rehired some executives who had departed under Tavares, including bringing back a retired company veteran to lead the Ram brand.

Additionally, the company plans to launch new models in popular categories that it had pulled back under the previous leadership.

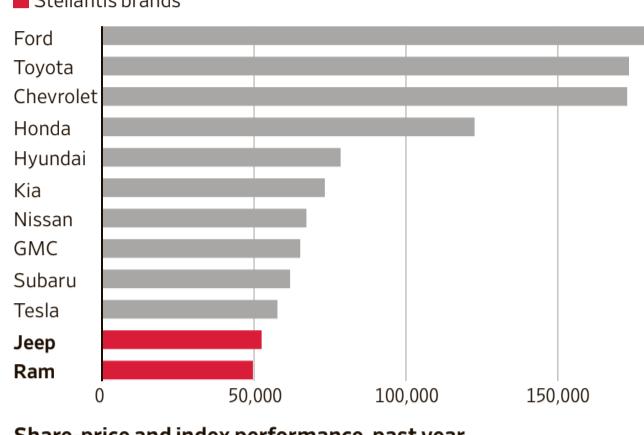
Among them are a replacement for the Jeep Cherokee, a nameplate that accounted for about 17% of Jeep's annual sales at one point before it was discontinued this decade.

Overall, Stellantis sells seven auto brands in the U.S., including Maserati and Alfa Romeo.

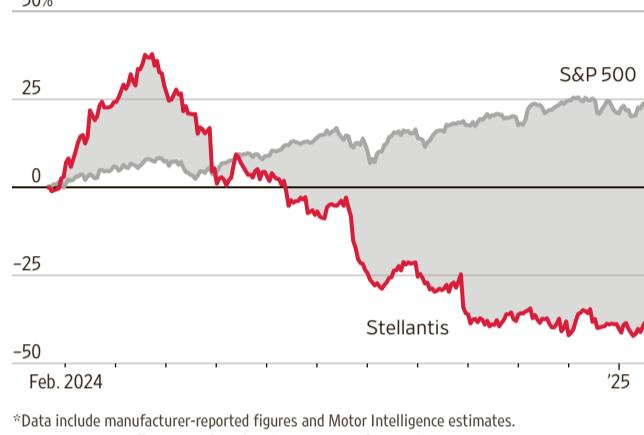
"We need to be sure that in the next 12 months, we see a clear path to go to double-digit [market share]," said Antonio Filosa, who was named Stellantis's chief operating officer of North America in October. Stellantis's U.S. market share plummeted

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Vehicle sales in December*



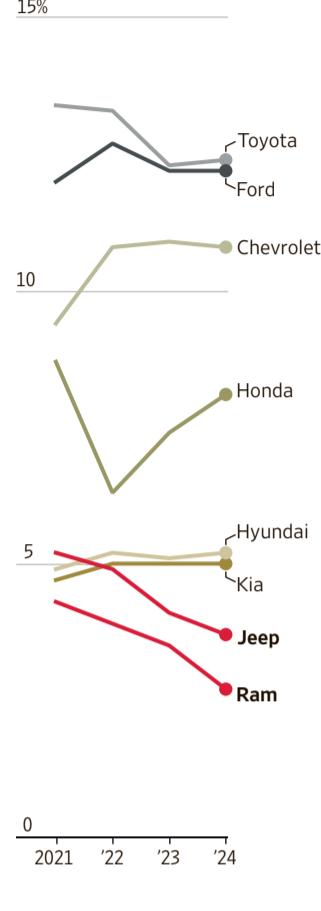
Share-price and index performance, past year



*Data include manufacturer-reported figures and Motor Intelligence estimates.

Sources: Motor Intelligence (sales, share); FactSet (performance)

Share of U.S. auto sales



Source: Motor Intelligence

Netflix Lifts Prices And Logs Subscriber Increase

By JESSICA TOONKEL

Netflix is raising prices across its existing U.S. plans, aiming to capitalize on surging demand after the streaming service posted record subscriber gains for the fourth quarter.

The company's ad-supported tier will cost \$7.99 a month, up from \$6.99, while the cost of the premium tier is increasing by \$2 to \$24.99.

Netflix said Tuesday that it brought in 18.9 million new subscribers in the fourth quarter, a 44% increase from a year earlier, and raised its 2025 revenue guidance slightly.

Shares in the company jumped more than 14% in after-hours trading.

The streaming service beat its revenue and profit projections for the fourth quarter as fans flocked to watch the second season of "Squid Game," one of the most-watched seasons for any of the company's original series. The action thriller "Carry-On" vaulted into the top 10 all-time films on the service.

Netflix has also pushed deeper into livestreaming events, including a November heavyweight boxing match between Jake Paul and Mike Tyson. The match drew 60 million households globally despite technical hiccups.

The company also successfully livestreamed two National Football League games on Christmas Day. The games averaged more than 24 million U.S. viewers each, peaking at 27 million for Beyoncé's halftime show during the Baltimore Ravens-Houston Texans matchup.

Netflix co-Chief Executive Ted Sarandos said during an analyst call Tuesday that despite the success of the NFL games, he maintained his stance that the rising costs of sports rights make it challenging to do more than one-off games.

"If there was a path where we could let the economics work for us and the league, we would certainly explore it," he said.

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Disasters Squeeze Resources for Rebuilding

By REBECCA PICCIOTTO

A battle for disaster recovery resources is poised to erupt across the U.S.

The vast scale of Los Angeles's wildfire damage is coming into view, while devastated cities on the other coast are just starting to rebuild after back-to-back hurricanes ravaged the Southeast last fall.

Rarely have so many cities ruined by natural disasters attempted to rebuild around the same time. Hurricane reconstruction efforts are under way in North Carolina, Florida, Georgia, South Carolina, Virginia and Tennessee. Soon, Los Angeles County will be starting to rebuild.

"We've had disasters like these," said Jay Lybik, national director of multifamily analytics at CoStar. "But never anything like this where we've had so many."

Cities in rebuilding mode are now all vying for specialized



Home repair in North Carolina last week. The state is one of several where hurricane-reconstruction efforts are ongoing.

As more projects get underway, escalating demand for home-building resources could course through the economy, tightening supply chains and driving up costs.

The fires in Southern California have destroyed more than 12,000 structures. They are on track to be the country's costliest wildfire disaster ever, with early estimates of the total economic loss put at nearly \$50 billion.

Hurricane Helene and Hurricane Milton, which killed more than 250 people in the fall, also led to a combined loss estimated at another \$50 billion between affected areas like Florida and North Carolina.

Signs of a squeeze are already emerging.

Some construction crews helping to repair Florida's Gulf Coast are considering driving to Los Angeles for the wildfire recovery because they think more opportunities exist there, said Saket Soni, executive director of

Resilience Force, an organization that helps train, deploy and protect disaster recovery workers. Recovery crews are often spread thin and have to bounce from one wreckage site to another. One disaster recovery worker drove a crew of nine from Louisiana's Hurricane Ida destruction to Florida after Hurricane Helene, Soni said. He had already worked 19 hurricanes before that.

"You're going to have a Hunger Games-style competition for materials and labor," said Sean Burton, chief executive at the Los Angeles-based multifamily development firm Cityview.

Builders will compete for engineering resources, architectural resources and debris removal, he added. Burton thinks that the government, homeowners and contractors should buy appliances and building materials in bulk to reduce costs and expedite the redevelopment effort in Southern California.

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Goldman Promotes Class of Next Leaders

By ANNAMARIA ANDRIOTIS AND LAUREN THOMAS

Goldman Sachs announced a number of promotions in its global banking and markets division, signaling the rise of a next generation of leadership.

The announcements were made as part of a series of internal memos Tuesday that were viewed by The Wall Street Journal. The promoted executives will join a revamped and expanded version of the bank's management committee, making them among the bank's highest-ranking officials.

Chief Executive David Solomon and other senior leaders have been trying for more than a year to remake that top leadership group and signal to a younger generation of partners

they are still climbing the ranks.

Tuesday's series of memos come only days after the bank said Solomon wouldn't be going anywhere for at least five more years. Solomon has been eager to add people to the management committee from the bank's key revenue-producing businesses.

An internal memo Tuesday, the bank named three co-heads of investment banking: Kim Posnett, global head of technology, media and telecommunications; Matt McClure, global head of industrials; and Anthony Gutman, head of investment banking in Europe, Middle East and Africa.

To lead the fixed income, currency and commodity

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INSIDE



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Renewable-energy company says its wind project off New York faces challenges. B3

TECHNOLOGY
Apple's smartphone sales in China dropped, hurt by local rivals' popularity. B4

Alcohol Makers Are Hooked On Heaviest-Drinking Buyers

By LAURA COOPER

Most ads for liquor or beer include a reminder to "drink responsibly." Still, the alcohol industry depends on people who drink more than public-health officials say is safe.

One-fifth of adults account for an estimated 90% of alcohol sales volumes in the U.S., according to an analysis published in 2023 by equity research firm Bernstein.

"Heavier drinkers are obviously where the money is," said Philip Cook, a professor emeritus at Duke University whose 2007 book, "Paying the Tab," was among the scientific studies analyzed by Bernstein.

That dependence has become a greater risk to companies as the U.S. government

considers putting cancer warnings on alcohol packaging and lowering the recommended limit of drinks a day people can safely consume.

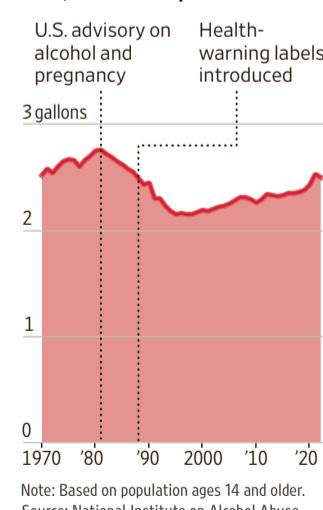
The industry's sales are declining because of consumer health concerns, expanding legalization of cannabis, the use of GLP-1 drugs such as Ozempic and a generational shift toward less alcohol consumption. That leaves beer, wine and spirits companies more reliant on people like Kevin Turner.

"People know alcohol is bad for you, that it can be addictive. People understand that," said Turner, 39 years old, of Orlando, Fla. "It is poison. It is delicious poison, but it is absolutely poison."

On weeknights, Turner enjoys

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U.S. annual per-capita consumption of ethanol in beer, wine and spirits



Note: Based on population ages 14 and older.

Source: National Institute on Alcohol Abuse and Alcoholism

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BUSINESS & FINANCE

Stellantis Begins a Revamp

Continued from page B1
in the four years that Tavares led the combined company, dropping to roughly 8% last year from 12.5%.

Formed through a 2021 merger of Fiat Chrysler Automobiles and France's PSA Group, Stellantis started out strong by recording profits that vastly outpaced rivals, due in part to Tavares's relentless focus on efficiency.

He also pledged to recharge the company's weaker brands—Chrysler, Dodge and Fiat—using the global automaker's engineering heft to quickly redesign models and freshen stale lineups.

While Tavares added some new models, he cut others and was adamant about keep-



Stellantis executives been moving swiftly to turn around its U.S. operations including Jeep.

Chairman John Elkann, the scion of Italy's famous Agnelli clan, has stepped in to lead an executive committee that will help him run the business. Following the departure of Tavares, Elkann went on a globe-trotting peacekeeping mission with Stellantis's key stakeholders.

At the Detroit Auto Show this month, brand executives were promoting the recent changes and trying to instill confidence that it has a plan to regain lost momentum.

"It's no secret, the relationships that we have with our dealers, our suppliers, the general people who have been associated with us for the last few years, that needs a lot of love and attention," said Bob Broderdorf, head of Jeep in North America.

Dealers say the return of a midsize Jeep to replace the Cherokee and a forthcoming gas-powered Dodge Charger has them feeling optimistic about 2025.

The lack of an immediate replacement for those two

models proved to be a significant challenge to its sales growth, especially for Dodge, which was left with only three models.

Following Tavares's departure, Filosa shuffled the executive ranks in North America and said the return of Tim Kuniskis, the former Dodge and Ram chief who retired months earlier under Tavares, will play a big role in reversing the sales decline.

As head of the company's highly profitable Ram brand, Kuniskis said his first move was to temporarily shelve plans to sell an all-electric pickup next year and instead introduce a truck that runs on battery power but has a backup gas engine.

Ram sales fell 19% in 2024, compared with a year prior. Kuniskis said he also is focusing on increasing Ram's leasing figures in 2025 to customers in regional markets where it isn't offering competitive deals.

"We're missing the boat there," he said.

Booze Sales Rely on Big Drinkers

Continued from page B1
joys a couple of glasses of liquor from his home bar. On weekend evenings, he often meets up with friends at a local bar for three or four beers. Turner, a former smoker, said he is confident he could stop drinking if he wanted to, but a cancer warning label or a revision to the federal dietary guidelines wouldn't immediately change his habits.

For nearly three decades, the guidelines have said it is safe for men to have a maximum of two drinks a day and for women to have one. A standard drink measure in the U.S. is equivalent to 12 ounces of beer, five ounces of wine or 1.5 ounces of distilled spirits.

Alcohol-industry veterans say they are aware of the loyal customers but don't market to them. "In any category, especially in alcohol, the industry is very concerned about overconsumption," said Ann Mukherjee, the former North America chief at Pernod Ricard who introduced an Absolut Vodka marketing campaign addressing the role of alcohol in sexual assault.

The alcohol industry, she said, would prefer to "be less reliant on just a small group driving a majority of consumption. They don't think this is healthy for their own business, sustainability of the category,

and for their own consumers." Today, federal rules require alcohol labels with warnings about drunken driving and drinking during pregnancy, as well as a general warning that alcohol "may cause health problems."

Federal guidelines on alcohol consumption could change this year in an update by the Agriculture and Health and Human Services departments. A report issued this month to inform the new guidelines found that for both men and women, one drink a day increases the risk of death from alcohol-related illnesses and injuries.

The alcohol industry generally acknowledges that heavy drinking increases the risk for several types of cancer. But industry groups also say that alcohol consumed in moderation can be part of a healthy lifestyle for some people. Industry lobbyists are fighting to prevent any changes to the federal guidelines, arguing that the risks are already known and that the government should take into consideration a recent report showing that moderate drinking lowers mortality rates.

The discussion around the cancer risks of alcohol adds pressure to an already struggling industry. Shares of Constellation Brands plummeted this month after the company reported lower-than-expected beer sales and a \$2.25 billion write-down on its wine-and-spirits business. Spirits maker Diageo has warned that it is facing weak consumer demand. Jack Daniel's maker Brown-Forman last week said it would cut about 12% of its workforce, or roughly 648 jobs.

emerged between the executive and key stakeholders. The former CEO declined to comment for this article.

December is generally a busy sales period for the industry, and Stellantis had only two of the top 20 models

sold in the U.S., according to data from industry research firm Motor Intelligence. Jeep and Ram didn't even crack the top 10 among brands.

A new CEO is expected to be named in the first half of this year. Meanwhile, Stellantis

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BUSINESS NEWS

Bain Capital in Talks to Acquire Pharma Business

Purchase of arm of Mitsubishi Chemical could be valued at more than \$3 billion

By KOSAKU NARIOKA

Bain Capital is in talks to acquire **Mitsubishi Chemical Group's** pharmaceutical business in a potential multibillion-dollar deal, a person familiar with the matter said, a transaction that could accelerate the Japanese chemical giant's efforts to focus on key businesses.

The U.S. investment company is in the final stages of negotiations to buy the subsidiary, Mitsubishi Tanabe Pharma, for possibly more than 500 billion yen, equivalent to \$3.21 billion, the person said.

Bain Capital has been riding a growing wave of Japanese mergers and acquisitions in recent years. The firm is competing with rival KKR to acquire software company Fuji Soft.

Chip maker Kioxia Holdings, which was bought for around \$18 billion in 2018 by a group led by Bain Capital, made its trading debut in December following an \$800 million initial public offering.

Mitsubishi Chemical has

identified several focus areas, such as products to support vehicle electrification, chip-making and food production, as it shed a number of businesses over the past couple of years.

The company said in November that it would look for the best partners for its pharmaceutical business in the long run.

Its pharmaceutical business accounted for about 10% of the company's revenue in the year ended March 2024.

Core operating profit from its pharmaceutical business is projected to increase 8.3% to 61 billion yen for the year ending in March, with revenue estimated to grow 6.4% to 465 billion yen. Mitsubishi Tanabe's bestselling drugs include Radicava for amyotrophic lateral sclerosis, which competes with Biogen's Qalsody.

Japanese business daily Nikkei reported earlier that Mitsubishi Chemical had given preferential negotiation rights to Bain Capital for the potential sale of the pharmaceutical unit.

Mitsubishi Chemical said the company is discussing the ideal business portfolio for the entire company, including the pharmaceutical business, and is undergoing a portfolio revamp with all options in mind, including possible sales.

Adidas Beats View for 2024 Operating Profit



JUSTIN SULLIVAN/GETTY IMAGES

Adidas exceeded its operating-profit target last year after sales surged in the key Christmas quarter.

The German sporting-goods company said Tuesday that its operating profit climbed to €1.34 billion, or about \$1.40 billion, last year from €268 million in 2023. Adidas had expected an operating profit of around €1.2 billion in 2024.

The increase came after Adidas logged an operating profit of €57 million in the fourth quarter, compared with an operating loss of €377 million in the fourth quarter of 2023.

The company said its figures were preliminary as the group is scheduled to report its final set of 2024 figures and issue guidance for 2025 on March 5.

Adidas said its gross margin expanded to 50.8% last year from 47.5% in 2023. In the fourth quarter alone, the margin increased to 49.8% from 44.6%.

Meanwhile, sales last year grew 12% on a currency-neutral basis to €23.68 billion. Adidas had expected sales growth of around 10% on a currency-neutral basis in 2024.

—Mauro Orru

Adidas quarterly sales, change from a year earlier



*Change in euro terms. Note: €1 = \$1.04

Sources: S&P Capital IQ; the company

Annual operating profit



WAYNE PARRY/AP

The Danish company said its wind project off the coast of New York has had supply-chain and construction woes.

Orsted Shares Fall After Reporting Delays In U.S. Wind Project, High Financing Costs

By DOMINIC CHOPPING

Orsted shares sank to the bottom of the Stoxx Europe 600 index Tuesday after the company announced a \$1.7 billion fourth-quarter impairment amid higher costs at its U.S. Sunrise Wind project and increased financing costs.

The Danish renewable-energy company said late Monday that its Sunrise Wind project off the coast of New York is navigating supply chain and construction challenges, which have resulted in delays and increased costs and led to an impairment of 4.3 billion kroner, or about \$600.3 million.

After experiencing delays in installing wind turbines and issues relating to chartering installation vessels at another U.S. offshore project, Orsted has factored in similar construction delays at Sunrise Wind. A defect found in an electrical cable also is holding things up as the problem has

required a redesign and remanufacture, it said.

Sunrise Wind was expected to be operational in 2026, but the company said commissioning of the project has now been delayed into the second half of 2027.

Shares fell 17% in early European trade before regaining ground to close down nearly 11% for the day.

The company also booked a 4.3 billion kroner impairment from a rise in U.S. financing costs, while a revaluation of seabed leases off the coasts of New Jersey, Maryland, and Delaware has resulted in a 3.5 billion kroner impairment, bringing the total impairments announced Monday to 12.1 billion kroner.

"The impairments announced today, and especially the continued construction challenges, are very disappointing," said Chief Executive Mads Nipper. "We remain committed to the U.S. market in the long

term with its potential for renewables to meet the growing electricity demand and create thousands of industrial jobs across the U.S."

Analysts at Barclays said the impairment related to rising long-dated U.S. interest rates isn't a surprise, but the market wasn't expecting further impairments from Orsted's seabed leases and Sunrise wind.

The news comes as the industry faces headwinds from a Trump administration that has been vocal in opposing wind as an energy source due to cost, security and environmental concerns.

Shortly after President

Trump's inauguration on Monday, Orsted signed an executive order suspending new federal wind leases pending a review of the country's leasing and permitting practices. Leasing in all areas of the U.S. outer continental shelf for wind projects has been stopped as a result of the order, though existing off-

shore projects currently being built aren't expected to be affected.

"We of course have taken note of the executive order," Nipper said on an analyst call Tuesday. "We are in the process of reviewing it to assess the impact on our portfolio."

Barclays analysts said they see higher risks for the U.S. offshore wind industry given President Trump's policies against the industry, including the risk of no further U.S. offshore wind development over the medium term and the values of seabed leases potentially going to zero.

As part of its announcement

Monday, Orsted said its preliminary profit before interest, taxes, depreciation and amortization—and excluding new partnerships and cancellation fees—was 24.8 billion kroner for the full year of 2024. That puts it within the previously guided range of between 24 billion and 26 billion kroner.

Medtronic Hires Its New CFO From Renault

By DEAN SEAL
AND KRISTIN BROUGHTON

Medtronic hired a new chief financial officer away from French carmaker **Renault**.

Thierry Pieton, chief financial officer of Renault Group since March 2022, will take on the CFO role starting March 3, the Dublin-based medical-device maker said Tuesday.

He is taking the reins from Gary Corona, who has served in the role on an interim basis since Karen Parkhill said she would depart last June to become the financial chief of HP. Corona will become senior vice president of corporate finance and remain on Medtronic's executive committee.

Medical-device makers struggled after the pandemic to meet an uptick in de-

mand for procedures that people deferred due to Covid-19, while also contending with inflationary pressures. Medtronic faced challenges of its own, as well, including those stemming from a 2021 warning letter from the Food and Drug Administration regarding product safety issues with its MiniMed insulin pumps. The matter has since been resolved.

Medtronic's revenue should get a boost in the coming years from a number of new products, including for patients with diabetes, hypertension and movement disorders, according to Vijay Kumar, equity analyst with the investment firm Evercore. Still, the company has struggled to grow earnings and lift its profit margins back to pre-pandemic levels, Kumar said.

In Memoriam

Mike Maples, Sr.



AUSTIN, TEXAS — Mike Maples, Sr., 82, passed away on January 9, 2025, in Austin, Texas, surrounded by his loving family.

A pioneering technology executive who helped shape the modern computing industry, Mike was known for his exceptional leadership abilities and genuine care for others, leaving an indelible mark on both the business world and the lives he

benefit from increased investments under President Trump.

In his inaugural address, Trump vowed to send American astronauts to Mars. Elon Musk, a close ally, is CEO of SpaceX. Voyager, founded in 2019, rebranded earlier this month from Voyager Space to highlight its work around national security.

Last year, the company announced a strategic partnership to integrate Palantir's AI capabilities into its defense work. Palantir is also an investor. Voyager has partnered with Airbus, Mitsubishi and Hilton on Starlab, the private space station it is planning for low-Earth-orbit.

The U.S. IPO market has been in the doldrums, with businesses waiting for more market stability and certainty around interest rates.

Investors are betting that capital markets will begin to thaw under the Trump administration and pave the way for the next big wave of IPOs.

For more information: wsj.com/inmemoriam

career, Mike embraced life as a rancher in Cypress Mill, Texas, where he continued to mentor the next generation of entrepreneurs and business leaders.

Mike's greatest joy was his family and the relationships he built throughout his life. His marriage to Carolyn in 1964 marked the beginning of a beautiful 60 years together. A devoted father to sons Mike and Benton, he took special pleasure in family gatherings and sharing his passions for technology and the outdoors. Those who knew Mike best will remember his infectious enthusiasm for innovation, his patient mentorship, and his unique ability to make everyone feel valued and heard.

He is survived by his loving wife Carolyn; sons Mike Maples Jr., Benton Maples and his wife Julie Allegro Maples; and his wife Julie Hooks Maples; eight grandchildren Sydney Maples Trinidad and her husband Jason Trinidad, Sloane Maples, Spencer Maples, Josie Maples, Ava Maples, Hadley Maples, Ajax Constantine, and Alexander Constantine; one great-granddaughter Mila Trinidad; and a large extended family who will forever cherish his memory. He was preceded in death by his parents, Denise and Fred Maples, and his brother Pat Maples.

To continue Mike's legacy of fostering innovation and excellence in engineering education, the family requests that memorial gifts be made in support of the Mike Maples Memorial Fund at the University of Oklahoma. Checks made payable to the "OU Foundation" can be mailed to:

The University of Oklahoma Foundation
P.O. Box 258856
Oklahoma City, OK 73125-8856

Please note "Mike Maples Memorial Fund" in the note section of your check or online at <https://give.oufoundation.org/MaplesMemorial>



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THE PROPERTY REPORT

Country Garden's Hong Kong Shares Rise

Stock finishes day's trade up nearly 18% after nine-month suspension ends

BY JIAHUI HUANG

Country Garden Holdings' shares rose as they resumed trading in Hong Kong following a nine-month suspension, after the Chinese property giant pledged to reach a debt-restructuring deal with creditors.

Shares of the company, once one of China's largest developers, jumped as much as 30% early Tuesday.

It finished the day's trading up nearly 18% at 57 Hong Kong cents, still near historical lows.

Other Chinese property stocks also rose, helping the

Hang Seng Mainland Properties Index gain 1.7%. **China Vanke's** Hong Kong-listed shares advanced 9% and **Shimao Group** was 3% higher.

Trade in Country Garden's stock resumed after the company said it fulfilled requirements under the resumption guidance.

It published delayed financial results last week, reporting a net loss of about \$1.75 billion for the first half of 2024 after a record loss of more than \$24 billion in 2023.

The heavily indebted property developer also provided various plans and measures to ease the liquidity pressure and improve its financial condition, including negotiating with bondholders of around 18 billion yuan of domestic debt, equivalent to \$2.46 billion, to extend maturity dates.

Country Garden said it also

was in talks with financial institutions and bondholders for 28.7 billion yuan of onshore loans, 3.5 billion yuan of offshore loans and 700 million yuan of offshore bonds for loan extension or restructuring agreements, according to Tuesday's filing.

At a Hong Kong court hearing Monday, the developer said it expected to reach an agreement with creditors next month, according to media reports. The winding-up petition hearing was adjourned to May 26, the company said in a filing.

China's property sector has seen signs of stabilization after a swath of stimulus measures from Beijing over the past year, including the easing of home-buying curbs, mortgage-rate cuts, and expansion of a project for home builders to access loans.



The developer's rally helped lift other Chinese property stocks in Tuesday's trading.

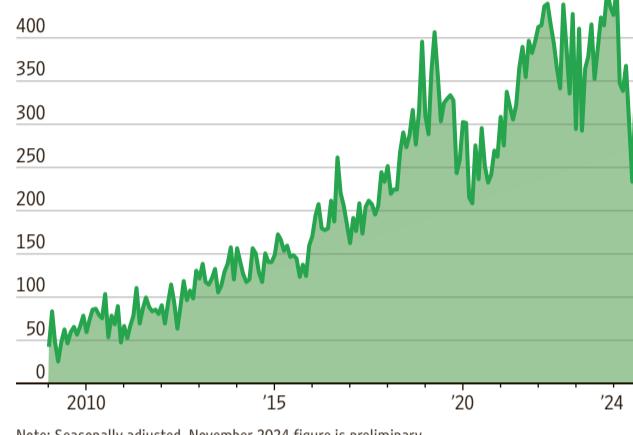
Disasters Squeeze Resources

Continued from page B1
fornia, even if that means storing some of that supply in vacant warehouse space.

If President-elect Donald Trump follows through on his vow to impose stiff tariffs and deport undocumented workers, rebuilding could become even more fraught. Undocumented workers comprise an estimated 13% of the construction industry, while many builders rely on imported steel, lumber and other materials that could soon be more expensive.

Soni said a mass wave of deportations could lure more undocumented workers to Los Angeles, since they might feel safer working in a sanctuary state like California.

Construction job openings



Meanwhile, some in the building business are getting ready for the materials race by looking to alternatives.

Kishani Perera, a Los Angeles-based interior designer, is suggesting that her clients consider rebuilding their homes with unconventional materials. Instead of lumber framing, she

proposes aluminum; instead of fiberglass insulation, sheep's wool; instead of drywall, magnesium board.

For years, she has pitched these alternatives as being more climate-resilient. Now, Perera also plans to recommend them as tariff-resilient.

"All these materials can be

found in America," she said.

Rebuilding neighborhoods after one natural disaster takes years in the U.S. Recovering from three of them almost simultaneously could drag out the timeline even further.

More than three months after the hurricanes, Asheville, N.C., is still cleaning up debris. Some homeowners have only now finished negotiating with their insurance companies and so their rebuilds are just getting started.

John Judd Jr., the co-owner of Judd Builders, a luxury home builder in Asheville, said the pace of rebuilding has been slow.

Projects he took on within three weeks after the hurricanes hit are only now in the framing stage. He was dealing with construction labor shortages and long waiting periods for high-end materials and appliances—obstacles left over from the pandemic.

Given those delays, he already expected that Asheville wouldn't fully recover until the end of the decade.

D.R. Horton Tops Wall Street View Though Sales Fall

BY DENNY JACOB

D.R. Horton's quarterly results beat Wall Street's estimates, a positive sign for the home builder ahead of the critical spring selling season.

The Arlington, Texas, company's top and bottom lines came in ahead of forecasts despite the closing of fewer home sales in the fiscal first quarter.

The use of incentives such as mortgage-rate buydowns helped spur demand. Home builders across the industry have deployed these incentives to nudge would-be buyers off the sidelines as mortgage rates have remained volatile.

While home builders would like to wind down their use of incentives, there may be little reprieve as rates remain elevated and uncertainties linger about some of President Trump's policy proposals. Mortgage rates recently rose above 7% for the first time since mid-2024.

D.R. Horton said Tuesday that its gross profit margin on revenue from home sales in the quarter came in at 22.7%, down 0.9 percentage point sequentially given higher incentive costs.

"Our incentive costs are expected to increase further on homes closed over the next few months, so we expect our home sales gross margin to be lower in the second quarter compared to the first quarter," Jessica Hansen, senior vice president of communications,

said on a call with analysts Tuesday.

With Trump back in office, companies are waiting to see how his executive orders and other policies will play out.

Home builders have been peppered with questions about possible impacts from tariffs and immigration crackdowns.

On the call with analysts, D.R. Horton executives said cost increases wouldn't help housing affordability, which they believe to be a goal of the new administration.

D.R. Horton on Tuesday reported net income of \$844.9 million, or \$2.61 a share, for the three months ended Dec. 31, down from \$947.4 million, or \$2.82 a share, a year earlier. Analysts polled by FactSet expected \$2.35 a share.

Revenue edged down to \$7.61 billion from \$7.73 billion, ahead of analyst expectations for \$7.01 billion.

Homes closed in the quarter totaled 19,059, down 1.5% compared with 19,340 in the same quarter of fiscal 2024.

Shares of D.R. Horton fell 2.7% on Tuesday after paring back earlier gains.

D.R. Horton maintained its forecast for revenue between \$36 billion and \$37.5 billion, as well as home closings in the range of 90,000 to 92,000, in fiscal 2025.

"We need the spring to show up for us and to see the sales," Chief Executive Paul Romanowski said on the call.

Developer Prologis Sees Warehouse Leasing Gains Since November Election

BY LIZ YOUNG

The world's largest industrial property developer says companies have accelerated their warehouse-leasing decisions since the U.S. presidential election in November, reviving prospects in a warehousing sector that has been retreating from pandemic-era highs.

Prologis Chief Executive Hamid Moghadam said Tuesday that companies leased more space at the end of the fourth quarter as they gained more certainty about the next four years.

"It seems like the handbrake has been released. And I wouldn't say it's euphoric, don't get me wrong, but I think people seem to be back in the mode of doing business," Moghadam said. "The momentum is carrying into the new year, but we'll see. We'll see if it has legs."

The warehouse market has been wavering since the end of 2022 following frenzied leasing and expansion driven by a surge in e-commerce sales during the pandemic. Leasing rates have remained relatively elevated compared with pre-pandemic prices because the sector generally works under long-term leasing contracts.

But developers have cut back on new construction as demand has receded.

The average warehouse vacancy rate across the U.S. increased to 6.7% in the fourth quarter, more than twice the 3% vacancy rate in late 2022, according to real-estate services firm Cushman & Wakefield.

Moghadam said Prologis signed deals to lease 61 million square feet in the fourth quarter, a record for quarterly leasing for the company and up substantially from the previous year.

A bright spot in the industrial property market has been growing demand for data centers used to power artificial-intelligence technology. Prologis said it sold a data center under development in Elk Grove Village, Ill., during the fourth quarter and has more of the specialty buildings in the pipeline.

Prologis posted earnings attributable to common shareholders of \$1.28 billion, or \$1.37 a share, for the fourth quarter ended Dec. 31, up from \$629 million, or 68 cents a share, a year earlier. Revenue climbed to \$2.2 billion.

—Owen Tucker-Smith contributed to this article.

Real Estate Foreclosure Auction 25-9

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NEW HIGHS AND LOWS

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Tuesday, January 21, 2025

	Stock	52-Wk % Sym	Hi/Lo Chg	Stock	52-Wk % Sym	Hi/Lo Chg	Stock	52-Wk % Sym	Hi/Lo Chg	Stock	52-Wk % Sym	Hi/Lo Chg	Stock	52-Wk % Sym	Hi/Lo Chg	Stock	52-Wk % Sym	Hi/Lo Chg	
Highs																			
Acreo	ACR	-18.10	0.7	AmOutdoors	AOUT	-16.98	0.2	Barclays	BCS	-14.92	4.5	Bridgepoint	ENB	-45.78	1.8	Glusko	GKOS	-161.31	1.9
AcresMidstream	AM	-10.88	2.6	AMPco-Pitt	AP	-2.79	0.4	BarnesGroup	B	-47.45	0.2	CompassTher	EFT	-59.90	5.8	Lindsay	LNN	-136.28	1.7
Adtran	ADTN	-10.83	2.6	AnteroMidstream	AM	-16.86	1.3	BayFirstFinancial	BAFI	-17.50	14.3	EnergyTransfer	ET	-21.02	3.1	PrimacyBrands	PRMB	-150.00	4.2
Alt Transportation	ATRA	-10.83	2.6	Arachock	AROC	-30.44	2.1	Boston	BSX	-101.14	2.3	EnovaIntl	ENVA	-110.62	2.5	Locafly/Wt	LCFVW	-55.99	1.8
AdaptiveBiotech	ADPT	-7.50	9.4	AresMgmt	ARESp	-19.52	0.3	BrightSpring	BTSU	-75.17	9.9	Macom Tech	MTSI	-149.73	2.3	Lumentum	LITE	-89.18	4.6
AddusHomeCare	ADUS	-136.68	1.5	Argan	AGE	-185.74	4.2	BrightSpring	BTSU	-21.34	1.0	GoldenStarAcq	GODN	-15.99	25.0	OceanGroup	OCEAN	-23.64	3.1
AdtalemGlobalRx	ATGE	-10.05	0.9	ArgisWater	ARG	-30.40	2.8	Brinkertl	EAT	-153.63	6.6	CohereCrdle	CCRU	-10.54	0.5	GoldenStarAcq	GODN	-24.77	4.1
AgricNatlSlnks	ANSC	-10.52	0.3	AspenTech	ASUR	-2.79	0.4	BrightSpring	BTSU	-25.24	1.0	Equitable	EQH	-52.89	2.2	QuantaServices	QS	-358.72	1.4
AimfrntWrt	AIMW	-0.03	82.3	Arctech	ATRC	-23.44	0.8	Brown	BX	-101.14	2.3	EtonPharm	ETON	-15.71	6.0	GoldmanSachs	GS	-10.53	1.4
AldeinFinl	ALDFW	-0.56	0.2	BrilliantSoft	BSUR	-12.49	0.1	BrynnTech	BYRN	-31.50	2.5	GuardianHealth	GH	-45.68	2.3	GuardianHealth	GH	-30.61	1.3
AllianetTravel	ALGT	-106.87	2.7	Bruxellsoft	BTSGU	-39.67	3.0	CatMeatsFood	CALM	-116.41	0.5	HolidayInn	HII	-29.24	1.0	GuardianHealth	GH	-30.61	1.3
AllieentBennett	AB	-40.89	1.5	Bw	BKV	-25.02	0.0	Cequent	CDLP	-20.50	3.4	CraneNXT	CKT	-67.01	4.4	HolidayInn	HII	-29.24	1.0
Alluphant A	GOCL	-20.39	1.0	Bm Tech Wt	BITLWS	-0.75	0.7	Cochlear	CLDO	-20.50	5.8	CriticalMetalsWt	CMW	-66.72	7.2	HolidayInn	HII	-29.24	1.0
Alluphant C	GOOG	-203.84	1.1	Bosch	BOSS	-4.28	5.2	CornealTech	CG	-56.76	2.1	FirstHorizon	FHN	-21.82	0.7	HolidayInn	HII	-29.24	1.0
Amberella	AMBA	-85.15	2.3	BrynnTech	BYRN	-25.00	2.5	Decker'sOutdoor	DECK	-23.44	1.3	Flexo	FLEX	-50.66	3.6	HolidayInn	HII	-29.24	1.0
Ameren	AEE	-96.74	2.2	BrynnTech	BYRN	-10.00	4.9	Davit	DVA	-170.29	2.2	Flowserve	FLS	-64.96	2.0	HolidayInn	HII	-29.24	1.0
AmerAirlines	AAL	-18.65	2.0	BrynnTech	BYRN	-11.77	0.1	DeutscheBank	DECB	-21.39	2.8	FreedomFund	FHR	-137.16	2.0	HolidayInn	HII	-29.24	1.0
AmerExpress	AXP	-319.70	1.7	Bladex	BLX	-39.40	0.9	DillardsTech	DCHI	-114.41	0.4	Freighters	CRGO	-4.42	2.0	HolidayInn	HII	-29.24	1.0
AmNatlPfd	ANPd	-25.92	2.1	CheniereEnerPrs	COP	-62.89	1.0	DillardsTech	DCHI	-114.41	0.4	Gan	GAN	-8.85	0.6	HolidayInn	HII	-29.24	1.0

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

Money Rates

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Inflation		Week	Latest	—52-WEEK—	ago	High	Low
Dec. index level	Nov. 24	Dec. '23	1,625	1,625	1,625	1,475	

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
U.S.	4.31	4.33	5.45	4.00

U.S. government rates		Discount	4.50	4.50	5.50	4.50

Treasury yields at constant maturities

1-month	4.42	4.42	5.54	4.42
3-month	4.35	4.35	5.56	4.32

Discount window primary credit

4.50	4.50	5.50	4.50

Treasury yields at constant maturities

1-month	4.42	4.42	5.54	4.42
3-month	4.35	4.35	5.56	4.32

Notes on data:

Federal funds rate is an average for the seven days ended Wednesday, weighted according to rates on broker trades; Commercial paper rates are discounted offer rates interpolated from sales by discounted averages of dealer bid rates on nationally traded certificates of deposit; Discount window primary credit rate is charged for discounts made and advances extended under the Federal Reserve's primary credit discount window program; rate is average for seven days ended Wednesday; Inflation-indexed long-term TIPS average is indexed and is based on the unweighted average bid yields for all TIPS with remaining terms to maturity of 10 years or more;

Sources: Federal Reserve; for additional information on these rate data and their derivation, please see, <https://www.federalreserve.gov/datadownload/Build.aspx?rel=H15>

Source: Federal Reserve; Bureau of Labor Statistics; DTC; FactSet; Tullett Prebon Information, Ltd.

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BIGGEST 1,000 STOCKS

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are consolidated from trades reported by various market centers, including securities exchanges, Finra, electronic communications networks and other broker-dealers. The list comprises the 1,000 largest companies based on market capitalization.

Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume.

Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher.

Footnotes: i-New 52-week high; l-New 52-week low; dd-Indicates loss in the most recent four quarters.

Stock tables reflect composite regular trading as of 4 p.m. ET and changes in the official closing prices from 4 p.m. ET the previous day.

Tuesday, January 21, 2025

Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg				
AACON	AACN	122.15	-1.97	Altria	MO	51.47	-0.39	AstraZeneca	AZN	67.96	1.36	CharlesRiverLabs	CRL	169.81	6.31	CharltonIndustries	GTLS	218.35	4.11	Equinor	EQNR	24.55	-0.37
AECOM	AECN	111.05	-1.05	Amazon.com	AMZN	230.71	5.32	Danaher	DHR	244.11	5.75	Chartcomm	CHTR	305.56	-0.81	Darden	DRI	186.49	4.74	EquityLife	EELS	67.42	0.96
AEC	AEC	11.75	-0.05	Ambev	ABEV	1.82	0.04	Datadog	DDOG	132.86	4.40	CheckPoint	CHKP	192.96	5.09	Dayforce	DAY	69.59	-0.59	ErieLandEmt	ERIE	31.07	-0.08
Affac	AFL	106.39	-0.10	AmericaSport	AS	31.06	1.30	Boeing	BKNG	468.41	2.39	Chevron	CVX	158.24	-4.47	Chemed	CHE	559.22	4.49	EssentiaHealth	ETHE	249.33	-0.08
AGNC Inv	AGNC	14.96	-0.09	AmericanMvnl	AMX	13.80	0.13	Booking	BKNG	468.41	2.39	Chewy	CHW	317.81	0.17	Chubb	CB	268.86	-0.62	ExcellusEnergy	EXEL	24.59	-0.37
Ansys	ANSS	352.07	-2.14	AmericaTmbs	BTY	57.04	0.74	Broadcom	BRCM	240.31	2.11	ChungHuiTel	CHT	37.96	0.14	ChurchsWright	CHD	106.66	0.19	FidelityNational	FNF	24.93	-0.08
APA	APA	23.70	-0.70	AmericaExpress	AXP	192.50	1.18	BroadgateFinl	BDFN	33.55	3.15	CirrusLogic	CIR	161.92	3.73	Cloudflare	CLOUD	117.85	-2.69	FirstEnergy	FE	24.59	-0.27
Ase Tech	ASX	10.96	0.44	AmericanFmcr	AFG	135.14	0.01	BrookfieldAsset	BAM	56.85	0.52	Ciena	CIE	388.68	3.92	Cigna	CIA	288.59	4.60	FirstEnergyCorp	FE	24.59	-0.27
ASML	ASML	763.00	6.67	AmherstFmrt	AMH	35.43	0.24	BrookfieldInfr	BIP	32.43	1.21	CirqueSystems	CSCO	61.03	2.92	Cisco	CSCO	240.17	-0.54	FirstEnergySvcs	FE	24.59	-0.27
ATT&T	T	22.49	0.20	AIG	AIG	75.17	0.08	BrownForman	BFB	102.09	2.09	Cloudflare	CLOUD	117.85	-2.69	Citrix	CITX	201.29	2.92	FirstEnergySvcs	FE	24.59	-0.27
AbbottLab	ABBV	116.79	3.31	AirTowerReit	AMT	189.93	-0.46	BrownFormanB	BFB	146.18	1.04	Cloudflare	CLOUD	117.85	-2.69	Citrix	CITX	201.29	2.92	FirstEnergySvcs	FE	24.59	-0.27
AbbVie	ABBV	172.61	1.05	AmericaTower	AMT	189.93	-0.46	BujiGlobal	BG	70.63	-0.91	Coca-Cola	KO	62.42	-0.49	Cisco	CSCO	240.17	-0.54	FirstEnergySvcs	FE	24.59	-0.27
Acenture	ACN	356.42	3.83	AmericaWaterWks	AMW	126.33	-0.27	BungeGlobal	BG	291.57	-0.99	Coca-ColaCo	KO	62.42	-0.49	Citrix	CITX	201.29	2.92	FirstEnergySvcs	FE	24.59	-0.27
AcuityBrands	AYI	335.78	2.34	Amprise	AMP	558.74	6.55	BujiGlobalB	BG	70.63	-0.91	CognizantTech	CTSH	78.65	0.64	Citrix	CITX	201.29	2.92	FirstEnergySvcs	FE	24.59	-0.27
Adobe	ADBE	436.36	6.37	Armetek	AMT	184.70	3.97	BurntongStrs	BSTR	289.57	-0.99	CognizantTech	CTSH	78.65	0.64	Citrix	CITX	201.29	2.92	FirstEnergySvcs	FE	24.59	-0.27
AdvDrainageSys	WMS	125.25	-0.24	Armen	AMGN	274.31	2.70	CACI	CACI	465.18	1.18	Comerica	CMA	36.77	0.39	Citrix	CITX	201.29	2.92	FirstEnergySvcs	FE	24.59	-0.27
AdvMicroDevcs	AMD	122.28	0.82	Armpol	APM	135.14	0.01	CACI	CACI	465.18	1.18	Comerica	CMA	36.77	0.39	Citrix	CITX	201.29	2.92	FirstEnergySvcs	FE	24.59	-0.27
Aegon	AEG	6.46	0.11	ArmpolDevices	ADM	125.46	2.29	CACI	CACI	465.18	1.18	Comerica	CMA	36.77	0.39	Citrix	CITX	201.29	2.92	FirstEnergySvcs	FE	24.59	-0.27
AerCap	AER	95.53	-0.17	ArmpolFmrt	AMH	40.75	0.23	CACI	CACI	465.18	1.18	Comerica	CMA	36.77	0.39	Citrix	CITX	201.29	2.92	FirstEnergySvcs	FE	24.59	-0.27
AffirmA	AFRM	56.76	1.28	ArmpolFmrt	AMH	40.75	0.23	CACI	CACI	465.18	1.18	Comerica	CMA	36.77	0.39	Citrix	CITX	201.29	2.92	FirstEnergySvcs	FE	24.59	-0.27
AgilentTechs	A	152.57	5.21	AnnalyCap	NLY	19.49	0.17	CACI	CACI	465.18	1.18	Comerica	CMA	36.77	0.39	Citrix	CITX	201.29	2.92	FirstEnergySvcs	FE	24.59	-0.27
AgmCableSlns	AGM	88.60	3.57	AnteroResouces	AR	39.93	-0.53	CACI	CACI	465.18	1.18	Comerica	CMA	36.77	0.39	Citrix	CITX	201.29	2.92	FirstEnergySvcs	FE	24.59	-0.27
AirProducts	APD	128.10	1.96	AppGoldMtrnt	AMT	183.33	5.94	CACI	CACI	465.18	1.18	Comerica	CMA	36.77	0.39	Citrix	CITX	201.29	2.92	FirstEnergySvcs	FE	24.59	-0.27
AirProducts	APD	128.10	1.96	AppGoldMtrnt	AMT	183.33	5.94	CACI	CACI	465.18	1.18	Comerica	CMA	36.77	0.39	Citrix	CITX	201.29	2.92	FirstEnergySvcs	FE	24.59	-0.27
AirProducts	APD	128.10	1.96	AppGoldMtrnt	AMT	183.33	5.94	CACI	CACI	465.18	1.18	Comerica	CMA	36.77	0.39	Citrix	CITX	201.29	2.92	FirstEnergySvcs	FE	24.59	-0.27
AirProducts	APD	128.10	1.96	AppGoldMtrnt	AMT	183.33	5.94	CACI	CACI	465.18	1.18	Comerica	CMA	36.77	0.39	Citrix	CITX	201.29	2.92	FirstEnergySvcs	FE	24.59	-0.27
AirProducts	APD	128.10	1.96	AppGoldMtrnt	AMT	183.33	5.94	CACI	CACI	465.18	1.18	Comerica	CMA	36.77	0.39	Citrix	CITX	201.29	2.92	FirstEnergySvcs	FE	24.59	-0.27
AirProducts	APD	128.10	1.96	AppGoldMtrnt	AMT	183.33	5.94	CACI	CACI	465.18	1.18	Comerica	CMA	36.77	0.39	Citrix	CITX	201.29	2.92	FirstEnergySvcs	FE	24.59	-0.27
AirProducts	APD	128.10	1.96	AppGoldMtrnt	AMT	183.33	5.94	CACI	CACI	465.18	1.18	Comerica	CMA	36.77	0.39	Citrix	CITX	201.29	2.92	FirstEnergySvcs	FE	24.59	-0.27
AirProducts	APD	128.10	1.96	AppGoldMtrnt	AMT	183.33	5.94	CACI	CACI	465.18	1.18	Comerica	CMA	36.77	0.39	Citrix	CITX	201.29	2.92	FirstEnergySvcs	FE	24.59	-0.27
AirProducts	APD	128.10	1.96	AppGoldMtrnt	AMT	183.33	5.94	CACI	CACI	465.18	1.18	Comerica	CMA	36.77	0.39	Citrix	CITX	201.29	2.92	FirstEnergySvcs	FE	24.59	-0.27
AirProducts	APD	128.10	1.96	AppGoldMtrnt	AMT	183.33	5.94	CACI	CACI	465.18	1.18	Comerica	CMA	36.77	0.39	Citrix	CITX	201.29	2.92				

COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Metal & Petroleum Futures

	Contract		Open		High hilo		Low		Settle		Chg		Open interest	
	Open	High	hilo	Low	Settle	Chg	interest							
Copper-High (CME) -5,000 lbs.; \$ per lb.														
Jan 4,2840 4,3060 4,2715 4,3110 -0,0265 918	1045.00 1068.00 ▲ 1039.00	1067.25	33.25	358,757										
March 4,3180 4,3440 4,2700 4,3410 -0,0275 113,065	1052.25 1078.25 ▲ 1049.00	1077.75	33.00	203,799										
Gold (CME) -100 troy oz.; \$ per troy oz.														
Jan 2735.50 2749.90 2726.00 2755.00 10.70 1,261	299.00 311.40	299.00	311.00	13.80	232,011									
Feb 2731.60 2762.00 ▲ 2722.70 2759.20 10.50 278,802	306.70 318.90	306.70	318.60	13.60	125,800									
March 2747.60 2774.00 ▲ 2739.20 2772.00 10.40 6,440	45.70 46.31	45.02	46.16	.08	224,216									
April 2755.90 2788.40 ▲ 2748.00 2785.60 10.60 194,134	46.17 46.78	45.47	46.16	.04	137,577									
June 2784.50 2812.80 ▲ 2774.90 2810.40 10.90 42,171	14.81 15.00	14.72	14.99	.19	10,633									
Aug 2814.00 2836.80 ▲ 2798.40 2834.30 11.40 17,509	14.95 15.12	14.90	15.11	.21	488									
Palladium (NYM) -50 troy oz.; \$ per troy oz.														
Jan 893.50 937.50 937.50 972.50 12.00 6	542.00 561.75	542.00	558.75	20.00	241,202									
March 955.50 978.50 973.50 977.00 9.90 18,156	555.75 573.50	553.50	571.50	20.75	101,259									
Platinum (NYM) -50 troy oz.; \$ per troy oz.														
Jan 954.70 959.90 953.00 957.20 6.10 16	549.75 576.50	549.75	575.50	27.00	161,142									
April 962.30 972.70 946.70 970.80 5.30 69,501	560.75 586.25	560.75	585.50	27.00	57,525									
Silver (CMX) -5,000 lbs.; \$ per troy oz.														
Jan 31.170 31.295 30.830 31.311 0.360 111	273.850 274.800	273.525	274.400	.900	5,410									
March 31.205 31.575 30.935 31.496 0.355 117,214	268.550 269.900	266.775	267.250	-.800	34,766									
Crude Oil, Light Sweet (NYM) -1,000 bbls.; \$ per bbl.														
Feb 76.84 77.43 75.49 75.89 -1.99 19,154	197.250 197.65	196.375	197.050	.300	65,815									
March 76.33 77.18 75.05 75.83 -1.56 373,491	197.775 198.250	196.575	197.325	-.175	156,820									
Lumber (CME) -2,750 bdft.; \$ per 1,000 bd ft.														
March 599.00 599.00 582.50 584.50 -10.50 5,555	611.00 611.00	600.50	603.50	-10.50	362									
Milk (CME) -200 lbs.; cents per lb.														
Jan 20.33 20.33 20.26 20.27 -.03 4,526	20.19 20.21	19.43	19.43	-.75	5,012									
Cocoa (ICE-US) -10 metric tons; \$ per ton.														
March 11,298 11,698 11,298 11,559 386 41,595	11,298 11,698	11,298	11,559	386	41,595									
Coffee (ICE-US) -37,500 lbs.; cents per lb.														
March 330.40 336.25 ▲ 327.80 -.55 8,390	326.10 332.05	323.20	323.95	-.65	42,102									
Sugar-World (ICE-US) -112,000 lbs.; cents per lb.														
March 18.07 18.25 ▼ 17.57 17.79 -.43 360,184	17.02 17.20	16.61	16.83	-.27	202,943									
Sugar-Domestic (ICE-US) -12,000 lbs.; cents per lb.														
March 35.00 35.00 35.00 35.00 -.25 2,915	35.00 35.00	35.00	35.00	-.25	2,915									
Cotton (ICE-US) -50,000 lbs.; cents per lb.														
March 67.66 68.30 67.36 67.66 .06 141,737	68.67 69.33	68.78	69.78	.15	51,961									
Orange Juice (ICE-US) -15,000 lbs.; cents per lb.														
March 484.65 490.80 480.25 482.10 2.80 8,577	485.00 490.80	480.25	482.10	2.80	8,577									
May 470.10 473.50 463.90 466.30 1.55 1,793	470.10 473.50	463.90	466.30	1.55	1,793									

Agriculture Futures

	Contract		Open		High hilo		Low		Settle		Chg		Open interest	
	Open	High	hilo	Low	Settle	Chg	interest							
Corn (CBT) -5,000 bu.; cents per bu.														
March 484.25 490.50 ▲ 482.50 490.00 5.75 734,986	1045.00 1068.00 ▲ 1039.00	1067.25	33.25	358,757										
May 492.75 499.75 ▲ 492.25 499.75 6.75 425,406	1042.25 1065.25 ▲ 1049.00	1067.05	33.00	203,799										
Oats (CBT) -5,000 bu.; cents per bu.														
March 362.00 375.50 ▲ 358.00 372.75 10.25 3,275	1045.00 1068.00 ▲ 1049.00	1067.05	33.25	203,799										

Mutual Funds

Data provided by LSEG

Top 250 mutual-fund listings for Nasdaq-published share classes by net assets.

e-Ex-distribution. f-Previous day's quotation. g-Footnotes x and s apply. j-Footnotes e and s apply. k-Recalculated by LSEG, using updated data. p-Distribution costs apply. 12b-1 r-Redemption charge may apply. s-Stock split or dividend. t-Footnotes p and r apply. v-Footnotes x and e apply. x-Ex-dividend. z-Footnote x, e and s apply. NA-Not available due to incomplete price, performance or cost data. NE-Not released by LSEG; data under review. NN-Fund not tracked. NS-Fund didn't exist at start of period.

Tuesday, January 21, 2025

Fund	Net NAV	YTD Chg %	Net YTD Chg % Ret	Fund	Net NAV	YTD Chg %	Net YTD Chg % Ret	Fund	Net NAV	YTD Chg %	Net YTD Chg % Ret	Fund	Net NAV	YTD Chg %	Net YTD Chg % Ret

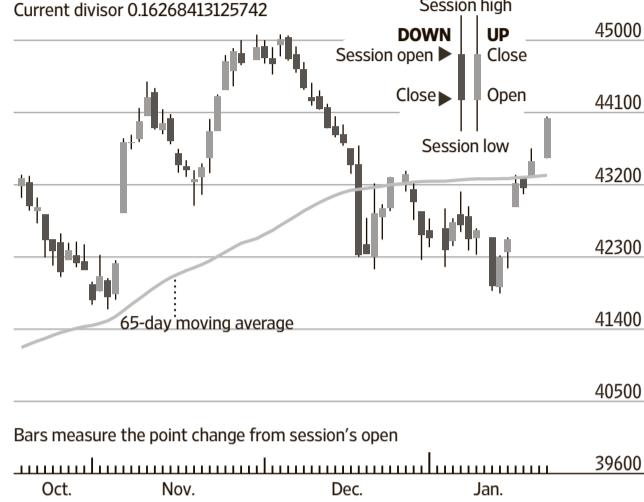
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MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

44025.81 ▲ 537.98, or 1.24%
 High, low, open and close for each trading day of the past three months.



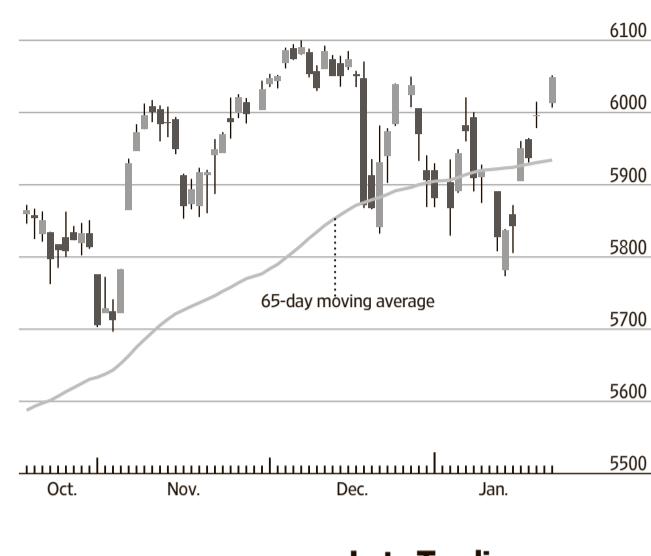
Bars measure the point change from session's open

Oct. Nov. Dec. Jan. 39600

*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; †Based on Nasdaq-100 Index

S&P 500 Index

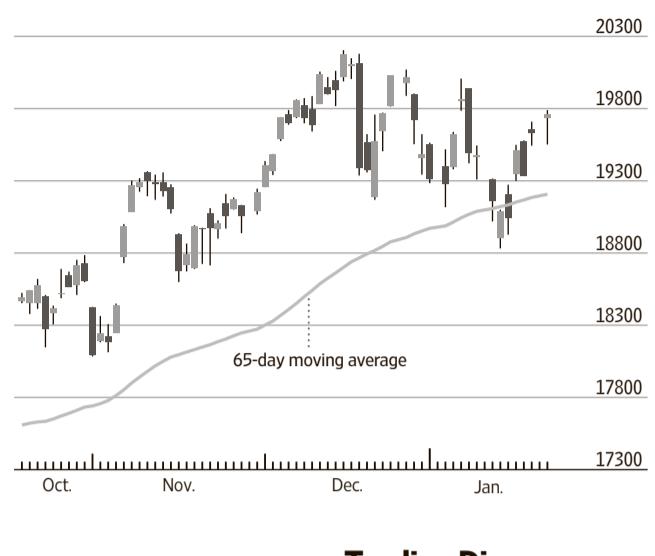
6049.24 ▲ 52.58, or 0.88%
 High, low, open and close for each trading day of the past three months.



Oct. Nov. Dec. Jan. 5500

Nasdaq Composite Index

19756.78 ▲ 126.58, or 0.64%
 High, low, open and close for each trading day of the past three months.



Oct. Nov. Dec. Jan. 17300

Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD % chg	3-yr. ann.
Dow Jones										
Industrial Average	44050.13	43528.65	44025.81	537.98	1.24	45014.04	37735.11	16.1	3.5	8.7
Transportation Avg	16672.18	16482.15	16662.46	231.20	1.41	17754.38	14781.56	4.8	4.8	3.0
Utility Average	1035.79	1015.66	1029.96	17.42	1.72	1079.88	829.38	21.3	4.8	3.0
Total Stock Market	60293.89	59822.61	60276.49	585.24	0.98	60836.59	48275.32	24.2	3.2	10.7
Baron's 400	1315.18	1305.54	1314.71	16.55	1.27	1356.99	1063.30	23.1	5.0	9.7
Nasdaq Stock Market										
Nasdaq Composite	19789.62	19551.17	19756.78	126.58	0.64	20173.89	15164.01	28.1	2.3	12.8
Nasdaq-100	21620.23	21379.06	21566.51	125.35	0.58	22096.66	17037.65	23.9	2.6	14.3
S&P										
500 Index	6051.51	6006.88	6049.24	52.58	0.88	6090.27	4845.65	24.4	2.8	11.2
MidCap 400	3293.35	3254.51	3292.74	52.98	1.64	3390.26	2732.18	19.3	5.5	8.3
SmallCap 600	1466.63	1449.10	1465.10	23.11	1.60	1544.66	1241.62	13.8	4.0	4.5
Other Indexes										
Russell 2000	2318.81	2286.40	2317.97	42.09	1.85	2442.03	1937.24	17.3	3.9	5.3
NYSE Composite	19897.26	19607.37	19893.59	286.22	1.46	20272.04	16769.25	18.4	4.2	6.7
Value Line	636.26	626.78	636.11	9.41	1.50	656.04	568.94	9.3	4.1	0.8
NYSE Arca Biotech	6171.84	5987.30	6171.84	184.54	3.08	6171.84	4861.76	17.6	7.4	7.9
NYSE Arca Pharma	925.55	912.71	925.34	12.63	1.38	1140.17	912.71	-2.4	-1.0	5.7
KBW Bank	137.75	135.97	137.55	1.27	0.93	138.78	92.30	45.0	7.9	1.3
PHLX® Gold/Silver	151.64	148.75	150.16	3.12	2.12	175.74	102.94	30.4	9.5	4.9
PHLX® Oil Service	79.40	77.73	78.45	-0.12	-0.15	95.25	68.88	-2.1	8.1	9.0
PHLX® Semiconductor	5425.33	5307.52	5378.49	68.76	1.29	5904.54	4260.92	21.8	8.0	16.1
Cboe Volatility	16.29	14.93	15.06	-0.91	-5.70	38.57	11.86	20.0	-13.2	-19.5

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Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	% chg	After Hours	High	Low
NVIDIA	NVDA	17,364.1	143.60	2.77	1.96	144.91	138.12	
Apple	AAPL	9,422.3	221.94	-0.70	-0.31	233.30	218.04	
Bausch Health	BHC	8,020.8	7.47	...	unch.	7.47	7.47	
Van Eck Gold Miners	GDX	7,271.0	37.57	-0.04	-0.11	37.70	37.55	
Bank of America	BAC	6,996.6	46.66	...	unch.	46.75	46.55	
AT&T	T	6,979.2	22.49	...	unch.	22.51	22.41	
SPDR S&P 500 ETF Trust	SPY	6,847.3	603.83	0.78	0.13	603.88	565.83	
Pfizer	PFE	6,607.6	26.64	...	unch.	26.68	26.58	

Percentage gainers...

Metagenomi	MGX	3,381.3	3.69	0.97	35.69	5.55	2.72	
New Era Helium	NEHC	2,752.6	3.71	0.97	35.40	4.15	2.87	
Direxion Dly NFLX Bull 2X	NFLX	408.3	44.99	9.72	27.56	45.49	34.07	
Netflix	NFLX	3,106.7	992.50	122.82	14.12	998.00	686.92	
Tempus AI	TEM	581.5	53.10	5.46	11.46	54.00	47.41	

...And losers

Direxion Dly NFLX Bear 1X	NFLXS	222.7	17.27	-2.91	-14.42	20.15	17.17	
Channel Therapeutics	CHRO	54.6	2.46	-0.20	-7.52	2.66	2.30	
MicroSect FANG+ -3X Invr	FNGD	209.5	11.99	-0.64	-5.07	12.68	11.98	
Progress Software	PRGS	66.4	61.00	-2.52	-3.97	64.19	55.96	
Vital Farms	VITL	133.5	42.19	-1.74	-3.96	44.25	40.50	

Percentage losers...

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	Low	% chg
FTAI Aviation	FTAI	83.79	-28.59	-25.44	181.64	49.81	66.6
New Oriental Edu ADR	EDU	46.71	-14.13	-23.22	98.20	44.46	-35.1
Mustang Bio	MBO	4.33	-1.22	-21.98	76.00	4.05	-93.8
Triller Group	ILLR	1.90	-0.53	-21.81	8.86		

FINANCE NEWS

Generali and Natixis Set a Joint Venture

By ELENA VARDON

Italy's **Generali** and the owner of France's Natixis are set to combine their asset-management operations to create a European giant overlooking €1.9 trillion, or \$1.979 trillion, in assets.

The Italian insurer and French retail bank **Groupe BPCE** signed a preliminary deal underpinned by 15-year contracts to form a joint ven-

ture they will own 50-50.

Generali operates asset-management activities through its Generali Investments Holding arm, which it bolstered through the acquisition of Connecticut-based Conning Holdings last year and of U.S. private direct-lending investment firm MGG last week.

Natixis Investment Managers has a network of fund boutiques including Harris Asso-

cates and Loomis Sayles in the U.S.

The joint venture will rank ninth in the world by assets under management and second in Europe after **Amundi**, Generali and BPCE said Tuesday.

It will be the first European player by revenue, based on a €4.1 billion estimate using 2023 figures. The firm will offer strategies mostly focused on fixed income and equities

to clients across France, Italy and the U.S.—its key markets—and beyond.

The combined group will be headed by the chief executive of Generali's investment division, Woody Bradford—who joined the Italian group through the Conning deal—while BPCE's CEO Nicolas Namias will take the chairman role. The deal is expected to close by early 2026, subject to approvals.

The news confirms recent media reports of a tie-up between the two groups as consolidation in the sector heats up.

Last year, **BNP Paribas** announced the acquisition of AXA Investment Managers from the French insurer for €5.1 billion while Italy's **Banco BPM** launched a €1.6 billion takeover bid for **Anima Holding**. Talks of a potential transaction between German insurer **Allianz** and Amundi, the

French asset manager which is majority-owned by **Credit Agricole**, also have been reported.

"We are convinced that the asset-management industry is undergoing rapid changes with scale and size being more critical than in the past...We have considered that a large and innovative partnership was the best option," BPCE's Namias said in a call with reporters.

Goldman Taps Next Leaders

Continued from page B1

group, it will be Jason Brauth, Kunal Shah and Anshul Sehgal. The heads of equities will now be Dmitri Potishko, Cyril Goddeeris and Erdit Hoxha.

Last week, Goldman's board awarded five-year retention bonuses to Solomon and his right-hand man, President and Chief Operating Officer John Waldron. That quelled any chance of an immediate



Last week Goldman's board awarded five-year retention bonuses to CEO David Solomon, left, and his right-hand man, President and Chief Operating Officer John Waldron.

shake-up at the very top of the bank.

Solomon and Waldron have

been seeking to ensure the bank stays strong, and weighing the investment-banking

and markets promotions for many months, people familiar with the matter said. That in-

cluded concerns about what would happen with those who aren't being promoted, the people said.

Structural changes in some of its core businesses also are under way. Earlier this month, Goldman said it was combining three key teams that work on finding or facilitating various types of financing deals into a new group in its global banking and markets division and named the two heads of this new group to its management committee.

When Goldman created the investment banking and markets committees last year, the invitations upset some executives who weren't appointed to the groups and contributed to at least some recent turnover at the bank.

Biggest 1,000 Stocks | WSJ.com/stocks

Continued From Page B8

Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg				
Incyte	INCY	73.47	-1.54	Kinaxis	KNSL	439.15	-2.81	ManhattanAssn	MANH	828.08	-8.65	ManulifeFin	MFC	214.88	-0.48	Nasdaq	NDAQ	79.87	-1.04	NationalGrid	NG	61.59	-2.06	PDD	PDD	104.15	-1.42
Informatica	INFA	24.06	-0.24	Klavenzy	KVNO	41.39	-1.21	Maplebear	CART	46.43	0.11	MarketAxess	MKTX	221.96	-5.46	NetApp	NTAP	123.67	-1.82	PACIFIC	PACX	45.38	-0.84	PCG	PCG	173.79	-0.29
InfoSys	INFY	21.15	-0.04	Philips	PHG	26.57	0.77	MarathonPetrol	MP	61.59	-1.88	MarketAxess	MKTX	221.96	-5.46	PPI	PPI	123.37	3.34	PNC	PNC	185.66	-0.16	PNC	PNC	185.66	-0.16
InversorRandI	IR	94.08	-0.24	KoreaElecPwr	KEP	7.42	0.26	Market	MKL	178.50	14.43	MarketAxess	MKTX	221.96	-5.46	PPG Ind	PPG	123.37	3.34	PPO	PPO	123.37	3.34	PPO	PPO	123.37	3.34
Ingrident	INGR	136.50	-1.39	Kroger	KR	59.04	0.68	Marriott	MAR	227.72	0.54	MarketAxess	MKTX	221.96	-5.46	PTC	PTC	187.90	-0.11	PPO	PPO	123.37	3.34	PPO	PPO	123.37	3.34
Insmed	INSM	76.75	-0.24	Kyndryl	KYND	39.13	-0.24	LatamAirlines	LTLR	27.60	0.34	MarketAxess	MKTX	221.96	-5.46	PPO	PPO	123.37	3.34	PPO	PPO	123.37	3.34	PPO	PPO	123.37	3.34
Insitelet	ISLT	21.77	-0.24	LQK	LQK	39.21	-0.24	LatamAirlines	LTLR	27.60	0.34	MarketAxess	MKTX	221.96	-5.46	PPO	PPO	123.37	3.34	PPO	PPO	123.37	3.34	PPO	PPO	123.37	3.34
InactiveBrkr	IBKR	192.83	-2.74	LPL Financial	LPLA	350.40	-1.47	LPL Financial	LPLA	350.40	-1.47	MarketAxess	MKTX	221.96	-5.46	PPO	PPO	123.37	3.34	PPO	PPO	123.37	3.34	PPO	PPO	123.37	3.34
ICE	ICE	151.72	-1.26	L-RHarris Tech	L-RH	222.86	-4.70	MarketAxess	MKTX	221.96	-5.46	MarketAxess	MKTX	221.96	-5.46	PPO	PPO	123.37	3.34	PPO	PPO	123.37	3.34	PPO	PPO	123.37	3.34
InterContHls	IH	129.84	-3.02	LatResSearch	LATR	5.10	-5.43	MarketAxess	MKTX	221.96	-5.46	MarketAxess	MKTX	221.96	-5.46	PPO	PPO	123.37	3.34	PPO	PPO	123.37	3.34	PPO	PPO	123.37	3.34
IBM	IBM	224.26	-0.53	LambAdm	LAMB	127.82	2.57	MatchGroup	MTC	32.74	-0.26	MarketAxess	MKTX	221.96	-5.46	PPO	PPO	123.37	3.34	PPO	PPO	123.37	3.34	PPO	PPO	123.37	3.34
IntellFlavors	IFF	85.55	-0.66	LamWest	LWN	62.70	2.62	McDonalds	MCD	262.41	1.64	MarketAxess	MKTX	221.96	-5.46	PPO	PPO	123.37	3.34	PPO	PPO	123.37	3.34	PPO	PPO	123.37	3.34
Intpaper	IP	58.48	-1.51	LanVegasSand	LVS	45.36	0.96	McDonalds	MCD	262.41	1.64	MarketAxess	MKTX	221.96	-5.46	PPO	PPO	123.37	3.34	PPO	PPO	123.37	3.34	PPO	PPO	123.37	3.34
Interpubl	IPG	28.22	0.39	LanVegasSand	LVS	45.36	0.96	McDonalds	MCD	262.41	1.64	MarketAxess	MKTX	221.96	-5.46	PPO	PPO	123.37	3.34	PPO	PPO	123.37	3.34	PPO	PPO	123.37	3.34
Intra-Cellular	ITCI	126.50	-1.24	Leidos	LDOS	160.58	5.40	McDonalds	MCD	262.41	1.64	MarketAxess	MKTX	221.96	-5.46	PPO	PPO	123.37	3.34	PPO	PPO	123.37	3.34	PPO	PPO	123.37	3.34
Intuit	INTU	609.41	-5.28	Lennar	LENN	1.24	-0.23	McDonalds	MCD	262.41	1.64	MarketAxess	MKTX	221.96	-5.46	PPO	PPO	123.37	3.34	PPO	PPO	123.37	3.34	PPO	PPO	123.37	3.34
IntuitiveSurgi	ISRG	604.12	1.14	LennoxInt'l	LII	63.59	16.13	McDonalds	MCD	262.41	1.64	MarketAxess	MKTX	221.96	-5.46	PPO	PPO	123.37	3.34	PPO	PPO	123.37	3.34	PPO	PPO	123.37	3.34
InvatHomes	INVH	31.20	-0.12	Leverage	LVR	12.76	-1.87	McDonalds	MCD	262.41	1.64	MarketAxess	MKTX	221.96	-5.46	PPO	PPO	123.37	3.34	PPO	PPO	123.37	3.34	PPO	PPO	123.37	3.34
IQON	IQON	45.32	-0.24	Leverage	LVR	12.76	-1.87	McDonalds	MCD	262.41	1.64	MarketAxess	MKTX	221.96	-5.46	PPO	PPO	123.37	3.34	PPO	PPO	123.37	3.34	PPO	PPO	123.37	3.34
Iron Mountain	IRM	110.91	1.69	Leverage	LVR	12.76	-1.87	McDonalds	MCD	262.41	1.64	MarketAxess	MKTX	221.96	-5.46	PPO	PPO	123.37	3.34	PPO	PPO	123.37	3.34	PPO	PPO	123.37	3.34
IronMountainIT	ITMB	5.40	0.09	Leverage	LVR	12.76	-1.87	McDonalds	MCD	262.41	1.64	MarketAxess	MKTX	221.96	-5.46	PPO	PPO	123.37	3.34	PPO	PPO	123.37	3.34	PPO	PPO	123.37	3.34
J&J	JNJ	148.15	1.22	Leverage	LVR	12.76	-1.87	McDonalds	MCD	262.41	1.64	MarketAxess	MKTX	221.96	-5.46	PPO	PPO	123.37	3.34	PPO	PPO	123.37	3.34	PPO</			

MARKETS

Blue Chips Lead U.S. Market Rise

Promising reports on some companies helped propel gains for U.S. stocks

Stocks climbed following Donald Trump's return to the Oval Office after promising reports about several companies and no immediate announcement from the White House about tariffs.

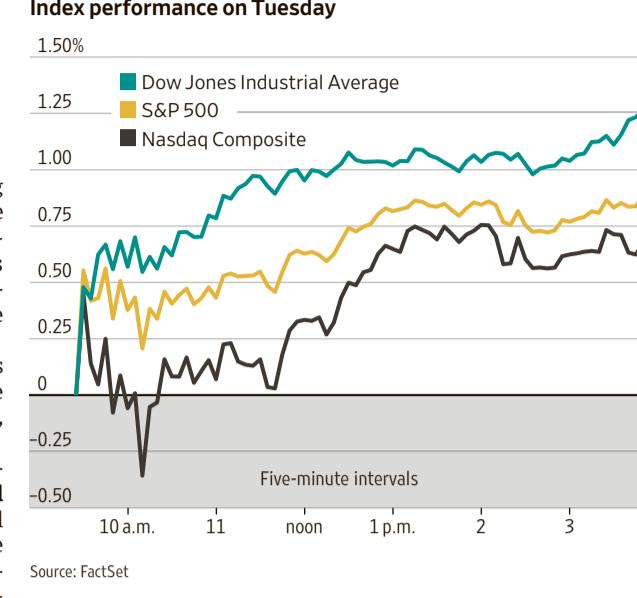
The three major U.S. indexes all rose at least 0.6%, led by the Dow Jones Industrial Average, which was up 1.2%.

TUESDAY'S MARKETS Shares of automaker **General Motors** jumped 5.7% after one analyst referenced the possibility of "positive surprises" under the new Trump administration.

Charles Schwab notched a 5.9% rise after the brokerage reported a 76% jump in quarterly profit.

Trump's decision to hold off on tariffs offered a little breathing room to American manufacturers reliant on imports. Shares of **3M** climbed 4.2% after the materials maker forecast growth in sales and profit this year. Some Chinese sectors also rallied.

"President Trump made a



Source: FactSet

lot of comments about tariffs but none of it has been implemented," said Jay Hatfield, chief executive at Infrastructure Capital Advisors.

Trump has said he might still implement universal tariffs and that he plans 25% charges on Canadian and Mexican imports from Feb. 1. He also signed executive orders overhauling border, energy and diversity policies on his first day, Monday. A halt to offshore-wind leases, meanwhile,

knocked Europe's renewable-energy companies.

Elsewhere:

◆ All three major stock indexes rose with the Dow up 538 points, the S&P up 0.9% and the Nasdaq Composite up 0.6%.

◆ Apple fell 3.2% after Jefferies downgraded it, citing concerns of weak iPhone demand.

◆ Treasurys rallied. The 10-year

yield declined 0.037 percentage point to 4.57%. On Friday, the 10-year yield settled at 4.61%.

◆ The dollar was volatile, with the WSJ Dollar Index rising early in the day and then giving back all its gains, as investors weighed the timing, details and implications of new tariffs.

◆ Bitcoin was broadly stable. It had spiked Monday to hit an intraday record above \$109,000, before pulling back. The president and first lady also launched their own meme coins over the weekend. As of about 3 p.m. ET Tuesday, their market caps were about \$8.95 billion and \$853 million, respectively, according to CoinMarketCap data.

—Joe Wallace and Heather Gillers

WEDNESDAY'S EVENTS:

EARNINGS EXPECTED:

Abbott Laboratories

Amphenol

GE Vernova

Johnson & Johnson

Kinder Morgan

Procter & Gamble

STOCK SPOTLIGHT

MicroStrategy

Shares of the software-intelligence company turned bitcoin-holding entity, which disclosed it recently bought another \$1.1 billion of bitcoin, traded 1.9% lower.

Trump Media & Technology

In their first day of trading since Trump's inauguration Monday, shares of the Truth Social parent dropped 11%, trimming their gains for the year to about 4%. The stock has moved sharply in both directions in recent months.

Walgreens Boots Alliance

The Justice Department sued Walgreens, accusing it of helping fuel the opioid crisis by filling millions of unlawful prescriptions. Shares sank 9.2%.

Moderna

The biotech company secured \$590 million from the U.S. to speed up the development of its bird flu vaccine. Moderna stock jumped 5.4%.

Santander and BBVA

Shares of Santander fell 2.2% while BBVA rose 0.1% after President Trump said he aims to place 25% tariffs on America's southern neighbor next month. The two Spanish banks are among the biggest lenders in Mexico.

Charles Schwab

The brokerage company reported a 76% increase in quarterly profit after interest income rebounded and customers' trading picked up. Schwab stock gained 5.9%.

3M

Shares rose 4.2% after 3M reported quarterly adjusted net sales and earnings per share that both topped expectations.

Apple

Shares dropped 3.2%, dragging down the Nasdaq Composite after investment bank Jefferies downgraded the tech giant, citing weak demand for the iPhone.

Ørsted

The stock sank more than 10%, after the offshore-wind developer said late Monday it would take an impairment charge worth roughly \$1.68 billion at its troubled U.S. business.

Charles Schwab Profit Jumps 76% As Investor Activity and Stocks Rise

BY HANNAH LANG

Charles Schwab reported a 76% increase in quarterly profit after interest income rebounded and customers' trading picked up.

The brokerage giant in December increased its full-year revenue forecast, noting it benefited from increased investor activity on its platforms and a postelection rally in the stock market. The company also said it had crimped the loss of bank deposits that had weighed on

its results since the Federal Reserve started raising interest rates.

Schwab shares rose 5.9% on Tuesday.

Investors have kept a close eye on those deposit levels in recent years. Schwab's profits got squeezed in 2023 after customers moved billions of dollars in cash into higher-yielding securities, like money-market funds.

Net income rose to \$1.84 billion, or 94 cents a share, from \$1.05 billion, or 51 cents a

share, in the year-earlier period.

Excluding certain one-time items, Schwab earned \$1.01 a share. On that basis, it beat analysts' average estimates of 91 cents a share, FactSet said.

Revenue rose 20% to \$5.33 billion. Net interest income—the difference between what the bank earned on securities and loans and what it pays out in deposits and other debt—makes up the largest portion of Schwab's revenue. It increased 19% to \$2.53 billion.

Stablecoin Issuer Circle Buys Crypto Asset Firm Hashnote

BY VICKY GE HUANG

Stablecoin company Circle Internet Group has bought Hashnote, the operator of a blockchain-based money-market fund with nearly \$1.3 billion in assets.

Circle said it will integrate Hashnote's fund, known as US Yield Coin, with its \$49 billion stablecoin, USD Coin.

Crypto traders will be able to flip their holdings between the yield-bearing fund, which invests in short-term Treasury bills, and Circle's stablecoin,

which doesn't pay any interest.

They will be able to earn interest when they post collateral for trades, the companies said.

The deal puts Circle in competition with tokenized money-market funds offered by traditional asset managers like BlackRock and Franklin Templeton. It also bolsters its position against stablecoins that don't pay interest, such as Tether.

Hashnote is backed by high-speed trading giant DRW Holdings. Financial terms of the deal weren't disclosed.

AUCTION RESULTS

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

13-Week

Applications \$239,555,963,600 \$222,655,785,500

Accepted bids \$88,588,293,600 \$75,932,585,500

" noncomp \$2,414,974,800 \$2,075,234,600

" foreign noncomp \$0 \$100,000,000

Auction price (rate) 98.934542 97.894361

(4.21%) (4.16%)

4.320% 4.31%

Bids at clearing yield accepted 52.69% 18.06%

52-Week Bills

Applications \$153,566,091,600

Accepted bids \$50,622,191,600

" noncompetitively \$1,468,991,700

" foreign noncompetitively \$10,000,000

Auction price (rate) 95.932078

(4.025%)

Coupon equivalent 4.21%

Bids at clearing yield accepted 78.32%

Cusip number 912797P03

The bills, dated Jan. 23, 2025, mature on Jan. 22, 2026.

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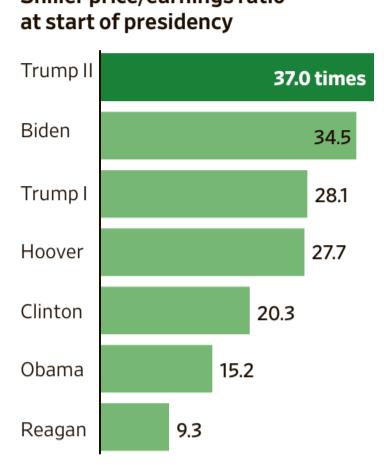
Make America Cheap Again

Trump takes office with the most expensive stock market in history. He wouldn't welcome a slump, but most investors should.

Mister, we could *not* use a man like Herbert Hoover again. Presidents wield incredible power, but one thing beyond their control is the stock-market hand they are dealt. President Trump has made history by inheriting one even hotter than Hoover did just months before Black Tuesday. A historic crash or shantytowns being named for The Donald are unlikely.

Even so, the best predictor of stock-market returns over the medium term is how expensive they are today, so Trump's prospects aren't great.

Of all the measures of the market's priciness, among the most reliable is the cyclically adjusted price/earnings ratio developed by Yale University economist Robert Shiller, since it looks back a decade and adjusts for inflation. On that basis, American stocks are 83% more expensive than when Bill Clinton first took the oath of office, 145% more than when Barack Obama first did and a whopping four times Ronald Reagan's starting point. They even are a third pricier than at the start of



Sources: Robert Shiller, start of inaugural month (P/E ratio); GMO December 2024, normal interest rates (real return)

Trump's first term.

Since the flip side of valuation is expected gains, fresh money invested in the most popular indexes today could well lose value in real terms if not held for the long term. Asset manager GMO recently forecast that the return of U.S. large-capitalization stocks will be negative 5.2% annually over the next seven

years after inflation. It would be like putting money into a CD today and having the bank pocket almost a third of it when it matures in 2032.

Specific predictions like GMO's that got out a decimal place come across as reassuringly scientific, yet nobody on Wall Street really knows what will happen or when. If the future is like the past, though, then

lower prices, or a long sideways slog while companies' "E" catches up with the market's "P," is likely. The more time stocks spend in the doldrums, the better it would be for those still setting aside part of their paychecks each month. Think of it as that seven-year CD rate in the bank window ticking higher and eventually having a plus sign in front of it.

Investors should never try to time the market, and they don't need to. There is a way to invest with better prospects today by looking for value at home and especially abroad. The spread between U.S. and foreign stocks has hardly ever been so wide. An index of non-U.S. developed-market stocks tracked by MSCI fetches less than two-thirds the P/E and barely one-third the price-to-book value of their U.S. counterpart.

Emerging-market stocks are even cheaper at barely half of America's earnings multiple.

U.S. economic growth looks unbeatable right now, but the dollar has rarely been so expensive relative to foreign currencies. GMO

forecasts that emerging-market value stocks will return 5.8% a year after inflation over the next seven years—a whopping 11 percentage points more than U.S. ones.

Investors often make an error called "home country bias"—failing to own enough foreign stocks. That is less of a danger for Americans whose domestic companies are so big and global. Yet even U.S. investors in supposedly diversified target-date funds might unwittingly be making that mistake since American stocks make up an unprecedented share of global indexes. And when indexes like the S&P 500 become cheaper, which they surely will, investors should look past gloomy headlines and see the glass as half full since it will mean a better rate of return.

If a rough patch for U.S. markets is what it takes for that imbalance to right itself then it would be small solace to retirees, much less to President Trump. Those still in their saving years, though, might find that it is that which refreshes their nest eggs.

—Spencer Jakab

Oil Majors Flirt With Electricity

Artificial intelligence has suddenly made electricity a hot commodity. No wonder major oil companies want a piece of it.

Exxon Mobil and **Chevron** said last month that they are talking to potential data-center customers on deals to supply natural-gas-fired power paired with carbon-capture technology. Exxon is working on a power-plant design with at least 1.5 gigawatts of capacity—enough to power more than a million homes. **TotalEnergies**, which has a power business, last year bought 1.5 GW of natural-gas-fired power plants near Dallas and Houston in Texas.

Exxon and Chevron shied away from the wind and solar business for good reason: They have no experience in it and the expected returns are too low. But gas-fired power seems like a natural fit.

Major oil companies have experience in building and operating natural-gas-fired power plants to support their energy-intensive operations, such as refining, natural-gas liquefaction and petrochemicals. Exxon said in its latest corporate update that it developed 5.5 GW worth of power projects since 2001. Major oil companies might, in some cases, have more recent experience building power plants than large independent power producers. Many of them haven't built power plants from scratch since the early 2000s, notes Hugh Wynne, co-head of utilities and renewable energy research at SSR.

Major oil companies are able to move fast—something tech giants value. They can site power plants near the source of fuel—near their oil and gas fields—and sell electricity to data centers without needing to connect to the grid. And oil companies have lots of experience building off-grid power to support opera-

tions in far-flung places. That means they can bypass the lengthy process of connecting to the grid or building out a pipeline. It would be a natural fit for places with a lack of pipeline capacity—such as the Waha hub in Texas—where natural-gas prices often turn negative.

Another advantage: giant balance sheets and prodigious cash flow from their oil-and-gas business and disciplined spending. Investors would rather get cash returns than see major oil companies invest vast sums in oil and gas projects but could be open to investment in growth markets. This means oil companies can fund power projects cheaply and quickly compared with raising project-level financing.

Of course, the big question for major oil companies is whether returns from the power business are enough to meet their high hurdles. TotalEnergies' integrated power segment, which includes wind and solar, generated a return on average capital employed of 9.8% in 2023 compared with 18.9% for the overall business. Its goal is for the power business to reach returns of around 12% by 2028, which would be equivalent to TotalEnergies' oil-and-gas returns when Brent crude prices are around \$60 a barrel—about 25% cheaper than they are today.

The return profile will depend on what oil companies' power exposure looks like. TotalEnergies' integrated-power segment includes wind, solar and gas-fired power, as well as gas and electricity trading, for example. It is unclear how much Exxon expects to get out of the power-generation business: It sees power plants as a means to expand the carbon-capture and sequestration business. "We don't bring a lot of value creation to the power generation step in and of itself," said Chief Executive

Darren Woods in the company's latest corporate update.

There are a few ways oil companies might be able to squeeze out higher returns. One is if they can negotiate hefty premiums with tech companies for speed access to off-grid power. Amazon.com and Talen Energy's regulatory snag last year showed that siphoning electricity from grid-connected power will come with roadblocks. Fast access to a new, off-grid power plant removes those potential headaches.

Adding the ability to capture the carbon and bury it could command a premium, though the technology hasn't been proven at scale. There are generous subsidies for the technology under the Inflation Reduction Act. Carbon-capture technology has been used with some success at coal-fired power plants, but it hasn't been deployed at a commercial scale for natural-gas-fired power plants, according to Wynne of SSR.

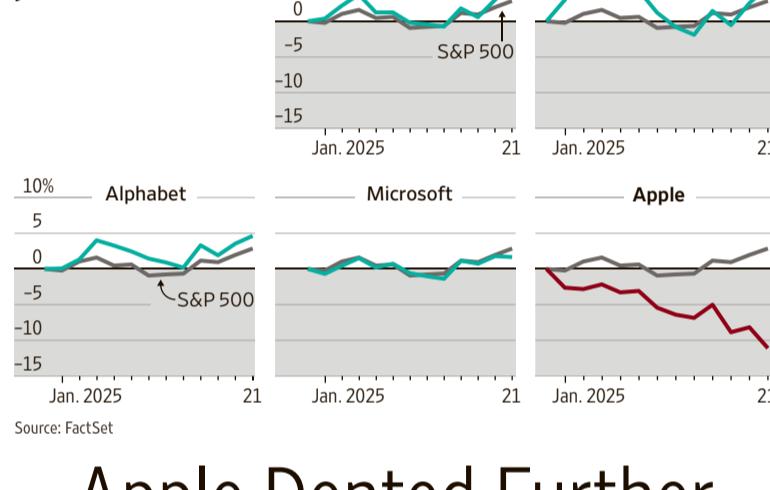
Another option would be to indirectly benefit from data centers' higher power demand by owning power plants that connect to the grid in deregulated markets such as Texas, California or PJM Interconnection. Those are markets where power-plant owners can profit from electricity-price volatility.

Plenty of power-plant owners have been burned by that volatility, but oil companies are used to cyclical risks and have the balance sheets to weather them. TotalEnergies follows this model, selling about 30% of its electricity production to the wholesale power market without customer contracts.

The world's energy demand is inevitably moving from hydrocarbons to electrons. Power-hungry data centers could very well help major oil companies stay relevant.

—Jinjoo Lee

Share-price and index performance, year to date



Source: FactSet

Apple Dented Further By iPhone Worries

Apple had a rough start to the year. More worries about how its latest iPhones are selling aren't helping.

Apple's shares slid 3.2% on Tuesday after Counterpoint Research reported that iPhone unit sales slid 18% year over year in China during the December-ending quarter. Much of the slack seems to have been taken up by **Huawei**; the Chinese tech giant saw its smartphone sales jump 15.5% over the same period, according to Counterpoint's data.

That was just the latest indication that the holiday period wasn't a merry one for Apple. Last week, market-research firm IDC reported that global iPhone unit sales fell 4.1% during the same quarter, which is the first in Apple's fiscal year.

Apple will formally report results for the quarter late next week, and a growing number on Wall Street are worried about

more bad news. Analyst Edison Lee of Jefferies downgraded Apple's shares to an underperform rating on Tuesday on the belief that the company's forecast for the March quarter will disappoint.

"Our concern about weak demand for iPhone has materialized," Lee wrote.

Samik Chatterjee of JPMorgan trimmed his price target on Apple's stock, citing "limited traction yet for the AI features rolled out" that could result in flat iPhone sales in the coming periods.

Worries about the current iPhone cycle have put a serious damper on Apple's market capitalization, which surged last year and neared the \$4 trillion mark on Dec. 26 before turning down. The stock has now shed around 11% since the start of the year—making Apple the only megacap tech to be in the red for that time.

—Dan Gallagher

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