

THE WALL STREET JOURNAL.

D DOW JONES | News Corp

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WSJ.com

★★★★ \$5.00

DJIA 41954.24 ▼ 398.51 0.94%

NASDAQ 17923.90 ▼ 1.2%

STOXX 600 519.48 ▲ 0.2%

10-YR. TREAS. ▼ 12/32, yield 4.025%

OIL \$77.14 ▲ \$2.76

GOLD \$2,644.80 ▼ \$1.00

EURO \$1.0976

YEN 148.18

What's News

Business & Finance

◆ **Chevron will sell its stakes in some oil-sands and shale assets to Canadian Natural Resources for \$6.5 billion, pursuing its goal of refocusing its operations.** B1

◆ **Major U.S. stock indexes fell, with the S&P 500 shedding 1% and the Dow retreating 0.9% from a record. The Nasdaq gave up 1.2%.** B10

◆ **A judge ordered Google to make it easier for developers of mobile-app stores to compete on phones and tablets that use the company's Android software.** B3

◆ **Richemont agreed to sell its e-commerce business Yoox Net-a-Porter to Mytheresa after abandoning a previous attempt to shed the loss-making business.** B3

◆ **Rio Tinto is in talks to buy lithium producer Arcadium, its latest attempt to establish a foothold in the market for the metal critical to powering electric cars.** B2

◆ **Shell expects a rise in LNG production and resilient gas trading in the third quarter, potentially offsetting weakness in its refining margin.** B3

◆ **Transition Equity led an investment of as much \$54 million in Canadian photovoltaic-module maker Heliene, which plans to build a new factory in Minnesota.** B4

◆ **Atos said it made a new proposal to sell its computing and cybersecurity assets to the French state after an initial round of talks ended without an agreement.** B4

◆ **German manufacturing orders in August were down 5.8% from July, weaker than the 2% drop predicted by some economists.** A16

World-Wide

◆ **Arms dealer Viktor Bout, released from a U.S. jail in a prisoner exchange with Russia in 2022, is back in business, trying to broker the sale of small arms to Yemen's Iran-backed Houthi militants.** A1

◆ **Hamas fired rockets at central Israel, forcing Israelis into bomb shelters in a message of defiance on the anniversary of the militant group's attacks that sparked a multifront war in the Middle East.** A1

◆ **Milton rapidly intensified into a Category 5 hurricane, threatening to bring additional storm surge and flooding to a Florida still recovering from Helene.** A3

◆ **Philip Banks III, a lieutenant of New York Mayor Eric Adams, resigned, becoming the latest Adams aide to step aside since the mayor was charged with corruption offenses.** A2

◆ **Harris's "60 Minutes" appearance is part of the Democratic presidential nominee's strategy to hit all corners of a fragmented media landscape before Election Day.** A4

◆ **Harris's economic plan makes a subtle shift toward the voter as consumer, a contrast with Biden's focus on jobs.** A4

◆ **Mexico's new President Claudia Sheinbaum is using her first 100 days in office to try to cut the number of homicides and loosen the grip of organized-crime groups.** A16

◆ **The Nobel in medicine was awarded to Victor Ambros and Gary Ruvkun for the discovery of microRNA, molecules that help control how genes are expressed.** A3

◆ **Died: Cissy Houston, 91, two-time Grammy winner.** A5

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Inbar Alon visits her destroyed house at Kibbutz Be'eri during a service Monday marking a year since the Oct. 7 attack on Israel.

Israel's Enemies Target Tel Aviv On Anniversary of Oct. 7 Attack

BY RORY JONES

Militants in Gaza, Yemen and Lebanon targeted Tel Aviv with rockets and missiles on the anniversary of the Hamas attack on Israel that sparked an expanding multifront war in the Middle East.

Most of the strikes, which were preceded by sirens that sent Israelis into bomb shelters, were intercepted or fell harmlessly into open areas. Israeli officials said two people were slightly injured by shrapnel.

Israel had shifted focus in recent weeks from Gaza to Lebanon, where the Israeli military launched last week a ground offensive against Hezbollah, the Lebanese militia that has supported Hamas with rocket fire against communities in northern Israel.

The Israeli military said Monday it had deployed a new division of soldiers in the ground offensive inside Lebanon. The fresh troops marked an increase in personnel but not an expansion of the goals

of the operation or a deepening of Israel's presence inside Lebanon, a military spokesman said. The aim of the operation is to destroy tunnels, weapons caches and rocket launchpads in areas on the border that could be used in an attack against Israeli communities.

Hamas, which is based in Gaza, said it fired the rockets on Israel's commercial hub as part of its ongoing war with Israel. The Israeli military said five projectiles fell in central Israel, and medics said

two people were injured. Israeli warplanes later hit sites in southern Gaza from which Hamas fired the rockets, the Israeli military said. A missile was fired from Yemen toward central Israel and intercepted by Israel's air force, the Israeli military said.

While Hamas has regularly fired rockets at Israeli towns and cities since the war began

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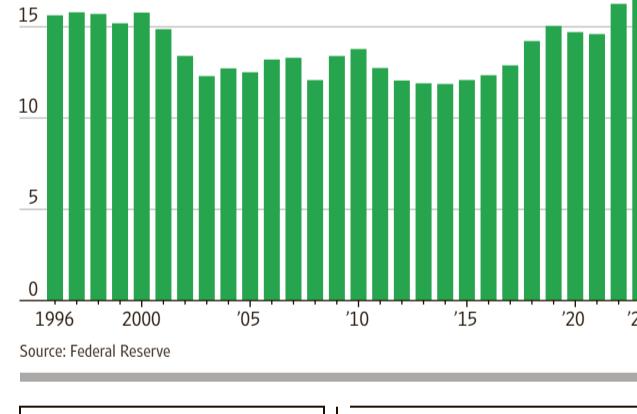
◆ **Warnings of Hamas attack were ignored..... A7**

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Credit-Card Rates Are Rising

Carrying a credit-card balance has gotten a lot more costly. Banks have been raising interest rates on cards for years, and some are lifting them higher ahead of a cap on late fees.

Credit-card interest rates



Source: Federal Reserve

Pajama
Pants Are
Everywhere

* * * * *
Sleepwear
becomes a fixture
at schools, work

BY LANE FLORSHEIM

Matilda Djurf, a Swedish influencer with 3 million followers on Instagram, is known for her polished, feminine style and perfectly bouncy blonde blowout. Her expansive closet, packed with oversized suits, trench coats and dresses has inspired a legion of fans known as "Matilda minions."

However, Djurf is just as likely to go to work or meet a friend in a pair of simple drawstring pants. She recently posted an Instagram story of herself getting ready to walk her dog, Ru, wearing a set of burgundy pajamas with pink piping, styled with a trench coat and light pink scarf.

"PJs all day," she captioned one of the photos, "even on my walks with Ru."

Pajama pants are no longer an easy way to see who's

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The Great Florida Migration Unravels as Home Costs Spiral

BY DEBORAH ACOSTA

TAMPA, Fla.—Anthony Holmes was part of the great Florida migration. In 2021, he moved from Virginia to a gated suburban community in Tampa.

Now that he has had to leave, Holmes is another victim of a glutted housing market where buyers are increasingly hard to find.

He paid \$550,000 for his five-bedroom home and spent another \$50,000 on solar panels and interior improvements. When he had to move back to

Virginia for work, Holmes expected to sell his house quickly. But since listing it in February, he has had no luck. He dropped the price five times to \$583,900 and would be happy simply to break even.

"I can't unload the thing," Holmes said. "In eight months, I've had zero offers. No one even showed up to the open houses. Nobody."

Across much of Florida and especially along the western coast, a surplus of inventory and dwindling buyer interest are slowing sales and keeping homes on the market longer.

That is cooling off what had been one of the U.S.'s biggest housing booms this decade.

Tropical storms and hurricanes, increasingly hitting the state's western coast, are making matters worse.

Now less than two weeks after Hurricane Helene hit, Tampa Bay is bracing for Hurricane Milton. It is intensifying in the Gulf of Mexico and is predicted to make landfall on Wednesday. Florida Gov.

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◆ **Florida braces for another powerful storm..... A3**

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How a Skyscraper Got NYC Mayor in Trouble

Turkish officials asked Eric Adams to clear a path for the opening of a troubled tower

By Will Parker, Thomas Grove
and Caitlin Ostroff

stry are amazed that you can't just hand the NYC FD guys a few lira and make this problem go away," Phillip Infelise, a project manager, emailed a colleague. The email surfaced in a 2021 lawsuit Turkey filed against the tower's architect.

Pfizer Finds Itself Boxed In, As Activist Pushes for Moves

BY JARED S. HOPKINS

Activist Starboard Value is knocking on Pfizer's door, demanding the struggling drugmaker make changes to improve performance.

The problem for the company and its new activist investor: There aren't a lot of easy changes Pfizer can make to right itself quickly.

It will be hard for the company to increase sales of new products, such as a vaccine for RSV, fast enough to lift shares.

A closely watched weight-loss

drug won't finish testing until next year at the earliest. And Pfizer's debt load is too high to do a game-changing acquisition.

The company could do more cost-cutting, but it is already in the midst of multibillion-dollar efforts that have soured many employees.

"We don't anticipate major stock-moving pipeline catalysts in the near term," David Risinger, a Leerink Partners analyst, said. Perhaps Pfizer could schedule an event for investors to showcase the

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INSIDE



PERSONAL JOURNAL

A software update may turn Apple's AirPods Pro 2 into hearing aids.



SPORTS

The Panthers' trade with the Bears for Bryce Young has backfired big time.

A12

U.S. NEWS

Election Deepfakes Spur State Crackdowns

By JACOB GERSHMAN

A conservative YouTuber known as "Mr Reagan" said he was nervous when he posted a video this summer mimicking a Kamala Harris ad. He used AI to clone her voice and generate a self-mocking imitation.

"Joe taught me rule No. 1: Carefully hide your total incompetence," the fake Harris says in the video.

The YouTuber, whose real name is Christopher Kohls, was worried the voice didn't sound enough like Harris. So he was surprised when Democratic California Gov. Gavin Newsom flagged his video on X as a prime example of a deepfake made illegal under a new state law.

California is at the forefront of legislative efforts to protect political candidates and voters from AI trickery. The state's new deepfake statute—which Newsom signed into law in September—allows anyone who views "materially deceptive" AI-generated election-related content to bring potentially costly lawsuits

against those posting it online.

Kohls is now suing to try to get the law struck down as a violation of the First Amendment. A federal California judge granted him a preliminary injunction blocking the state from enforcing most of the law.

Easy to fabricate

His lawsuit underscores the growing tensions between free-speech rights and legislative crackdowns on AI-fueled political deepfakes proliferating on social media.

The rapid advance of generative artificial intelligence has made it easy to fabricate the face and voice of real people in videos or audio clips. A host of simple-to-use apps and websites let users generate digital clones of politicians and celebrities in seconds.

Some have used the technology for laughs, but deepfakes can be no joking matter. A Louisiana political consultant is facing felony charges that he arranged robocalls to New Hampshire voters in January with a fake recording of Presi-

dent Biden urging them to skip voting in the primary.

The incident fueled a new wave of political deepfake laws. Nineteen states now have laws regulating AI deepfakes in elections, according to Public Citizen, a consumer-advocacy group. Most measures require disclaimers or restrict the content.

California's law "definitely goes further than other state laws," said Ilana Beller, a Public Citizen organizer who has tracked the legislation. She said she is unaware of any other law allowing any recipient of a political deepfake to take legal action.

In defense of the law, California's attorney general's office pointed to examples of deepfakes undermining elections outside the U.S., in countries such as Slovakia and Bangladesh. It also cited reports of a Donald Trump fan posting a fake image of Trump surrounded by Black supporters.

Kohls said he wrote and designed the Harris video in a couple of days, declining to identify the software he used to simulate her voice.

to simulate her voice.

"It didn't even cross my mind that anyone would interpret what Kamala Harris is saying in the video as actually being her," said Kohls, a 44-year-old former Los Angeles resident currently based on the Indonesian resort island of Bali.

Going viral

His fake Harris ad went viral in late July after Elon Musk touted it on X, the tech mogul's social-media platform. It racked up more than 100 million views. Newsom was less amused. "Manipulating a voice in an 'ad' like this one should be illegal," Newsom wrote on X, two days later. "I'll be signing a bill in a matter of weeks to make sure it is."

The governor has said the free-speech concerns are overblown. "Parody is still alive and well in California," he told reporters in September. Newsom said the measure targets deepfakes that undermine democracy and the integrity of the election system.

A Harris campaign spokes-

man didn't respond to a request for comment.

U.S. District Judge John Mendez, a President George W. Bush appointee, acknowledged that legislators have a legitimate interest in election integrity, but said California's approach was well over the constitutional line.

"While a well-founded fear of a digitally manipulated media landscape may be justified, this fear does not give legislators unbridled license to bulldoze over the longstanding tradition of critique, parody, and satire protected by the First Amendment," Mendez wrote. Newsom's office said it continued to believe the law would be upheld by the courts.

Ted Frank, a lawyer with the Hamilton Lincoln Law Institute who represented Kohls, said, "We hope California accepts this straightforward application of longstanding First Amendment precedent and will negotiate a permanent injunction." The group is also bringing a similar challenge to restrictions in Minnesota, again on behalf of Kohls.



Philip Banks III

LEV RADIN/PACIFIC PRESS/ZUMA PRESS

Deputy NYC Mayor Is Latest To Leave

By ALYSSA LUKPAT

Philip Banks III, a lieutenant of New York Mayor Eric Adams, has resigned, becoming the latest Adams aide to step aside since the mayor was charged with corruption offenses.

Banks, the deputy mayor for public safety, resigned following the mayor's indictment in September on charges including bribery and wire fraud. Adams has continued to run the city but has faced some calls to step down.

Adams said on Monday on Spectrum News NY1 that he spoke to Banks that morning and the day before.

"He stated he wants to transition, do some other things with his life and he doesn't want this to be a constant burden on the work that we're doing in this city," Adams said. "I wish my good friend well."

Adams appointed Banks in 2022 to be a deputy mayor coordinating public-safety matters with city agencies. Banks had been the city's chief of department, the top-ranking uniformed police official, until he retired in 2014. He didn't return a request for comment on Monday.

Adams, a Democrat, is the first sitting mayor of New York City to be indicted. Prosecutors allege he evaded campaign-finance laws by soliciting illegal contributions from Turkish donors who sought his influence. They say Adams accepted free travel and hotel stays from Turkish nationals in exchange for helping to open a new Turkish Consulate without a mandatory fire inspection.

Adams has denied wrongdoing and pleaded not guilty. He likely has a months-long legal battle ahead of him.

The mayor has clung to power by leaning on allies in the city, including the business community and Black civil rights and religious leaders. Gov. Kathy Hochul, a Democrat, has the constitutional power to remove him from office but hasn't done so. She has told him to clean house and keep the city running.

Other Adams officials who have stepped down or announced their intention to leave include chief counsel Lisa Zornberg; city schools chancellor David Banks, who is Philip Banks's brother; police commissioner Ed Caban; and Tim Pearson, a senior adviser and friend from the mayor's days as a police officer.

Asteroid Mission Blasts Off From Cape Canaveral, Fla.



BON VOYAGE: A SpaceX Falcon 9 rocket carrying the European Space Agency Hera spacecraft on a two-year voyage to the asteroid Dimorphos lifted off Monday. NASA rammed the asteroid two years ago in a practice run for the day that a killer space rock is determined to be on course to smash into Earth.

Florida's Boom Starts To Unravel

Continued from Page One

Ron DeSantis, a Republican, said there is no doubt the storm will have a significant impact on the state and has told residents in its path to prepare to evacuate.

Florida's population soared between 2021 and 2023, making it the fastest-growing state during much of that period. Remote work and other lifestyle changes that were spurred by the pandemic accelerated a migration trend to the Southeast and the Sunshine State in particular.

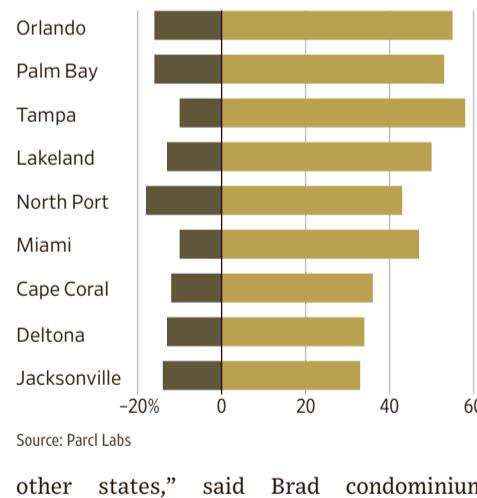
The warm climate, lack of state income tax and less business regulation than in many other states made Florida a hotbed for corporate relocations and new residents. For wealthier migrants from New York, Chicago and California, Florida homes seemed like a bargain.

But surging insurance costs, high mortgage rates and high home prices have more people reassessing the Florida dream. Those who must sell their homes right now because of life changes are finding a frosty reception as demand dwindles.

After doubling between 2017 and 2024, home prices in most of the state have been mostly flat since March 2023. But with homes valued at record highs in many locations, analysts worry that a price correction might be just around the corner.

"It's definitely been a sizable increase over the last couple of years in inventory, and that sets us apart from

Supply and demand for Florida homes in August, change from a year earlier



other states," said Brad O'Connor, chief economist at Florida Realtors. "We could see some price deterioration in some areas."

Worst of all are the spiraling home-insurance costs that are pricing many homeowners out of the market. Insurance premiums in Florida are up as much as 400% over the past five years in certain areas, one of the fastest increases in the country.

They are bound to become even steeper following this hurricane season. Hurricane Helene could result in more than \$15 billion in property damage, Moody's Analytics said.

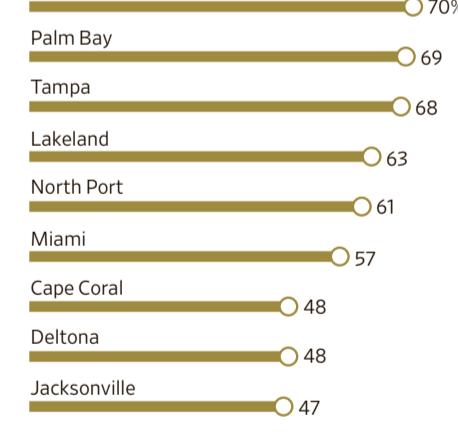
"People are making different choices as a result of the rise in insurance costs," said Katherine Frattarola, who runs HUB Private Client. Her firm advises wealthy homeowners.

Many of her clients who were planning to move to a waterfront Florida property have reconsidered, she said.

Some are moving further inland. Others are choosing a different state altogether.

Tampa, Orlando and much of the Space Coast are all experiencing this Florida housing reversal. Inventory for single-family homes and

Gap between demand and supply for Florida homes in August, by region



condominiums in these areas was up more than 50% in August from the same month last year. At the same time, demand has decreased 10% or more in these areas, according to Parcl Labs, a real-estate data and analytics firm.

About half of the homes listed for sale in Tampa experienced price reductions as of Sept. 9, the third-highest share of all U.S. major metropolitan areas.

In certain portions of Florida's condo market, a correction is already here.

A law to fortify the condo stock after a Miami condo building partially collapsed and killed 98 people has upended the condo market, adding huge assessments sometimes in the hundreds-of-thousands of dollars for each unit.

For condo owners who haven't maintained their buildings, the bill is coming due.

Prices are plummeting at many older buildings. While units built 10 years ago or less are selling for about 9% more today than they did last year, units 30 years or older are going for 19% less than they did last year, according to brokerage ISG World.

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"When institutional investors exit a market, it can be very quick," said Jason Lewis, co-founder of Parcl Labs. "If they start to ramp up positions, it could have a cascading effect on home prices."

The picture is rosier in Miami. Inventory is up but not yet at the level it was before the pandemic began. New jobs, all-cash buyers and a continued stream of wealthier residents to the city have kept prices up, said Gay Coronato, chief economist for Miami Realtors.

Yet those, such as Holmes, who have to sell properties farther north are finding it tough and are tangling with rising insurance premiums.

His insurance company dropped him a year ago after Hurricane Idalia scraped past, hitting just north of Tampa Bay. While the storm missed Tampa and his home was unaffected, he went from paying \$1,700 a year to more than double that.

"I have no doubt that a combination of high prices, high mortgage rates and high insurance has just totally collapsed the market," he said.

Another sign that the housing market is approaching an inflection point is that institutional investors—pinched by the same climbing insurance costs—are starting to sell.

Many are eager to cash in on the huge increase in prices that many of these homes have seen since 2010 and are now pruning their Florida housing exposure.

In Tampa, Orlando and Jacksonville, institutional portfolios of single-family homes account for nearly one in 20 listings over the past 60 days, according to an analysis by Parcl Labs.

In all three markets, institutional operators own between 2% and 4% of the single-family homes and have been net sellers in those markets over the past 90 days.

Many owners have to find all-cash buyers because mortgage lenders won't take the risk associated with these units. At the Cricket Club condominium in North Miami, for example, two-bedroom units with water views that had been selling for \$450,000 or more are now going for as little as \$200,000 after residents were hit with a \$134,000 assessment.

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U.S. NEWS

MicroRNA Pioneers Win Medicine Nobel

By DOMINIQUE MOSBERGEN

The Nobel Prize in medicine was awarded to Victor Ambros and Gary Ruvkun for the discovery of microRNA, molecules that help control how genes are expressed.

Their findings unlocked new areas of research into the roles these molecules play in human health. Researchers are exploring microRNA treatments for cancer, heart disease and dementia.

Ambros and Ruvkun were postdoctoral fellows in the 1980s in the laboratory of biologist Robert Horvitz, who won the Nobel Prize in 2002 for his research in gene regulation. In Horvitz's lab, they studied the roundworm *C. elegans* to better understand the role genes play in the development of different cell types.

Researchers already knew genes are copied to make molecules called mRNA that are translated into proteins that help determine cell type. The discovery of microRNA, which are about a hundredth the size of typical mRNA, added new understanding to how genes can be turned off.

Ambros, with the help of research assistant Rosalind Lee—who also happens to be his wife—and geneticist Rhonda Feinbaum, discovered the first microRNA in 1993. It appeared to be responsible for a mutation in the worms he studied in the lab.

Ambros wondered whether the finding was limited to worms. But a few years later Ruvkun, who was a close friend of Ambros, found another example of microRNA, one in humans and many other creatures.

"I had to reorganize my view of the world," Ambros, now 70 years old, said.

Researchers have since found microRNA in animals, plants and some viruses. Hundreds have been found in people. The molecules can bind to mRNA and destabilize it. They

can also inhibit the amount of protein made from mRNA.

Lab experiments have shown that when microRNAs go awry, blindness, deafness, cancer and death can occur, said David Bartel, a biologist at the Massachusetts Institute of Technology.

"These are really important in mammalian development, physiology and disease," said Bartel. He co-founded **Alnylam Pharmaceuticals** to develop drugs using microRNA-like molecules to treat rare genetic disorders and high cholesterol.

Other companies are exploring whether blocking certain microRNAs could treat diseases.

Ruvkun and Ambros were giddy with excitement after learning of their Nobel honors.

Ruvkun, 72 and a genetics professor at Harvard Medical School, said he was fast asleep when the Nobel committee called in the early hours. "There have been other awards," he said. "The amount of attention a Nobel attracts is a hundredfold more."

Ambros was also asleep when the Nobel committee tried and failed to reach him. His son ended up breaking the news. "He said, 'If you get a call from somebody in Sweden, answer it!'" said Ambros, who is at UMass Chan Medical School.

Ruvkun and Ambros have been good friends since first meeting in Horvitz's lab. Ambros used to fly small planes and took Ruvkun on many adventures. They said they look forward to celebrating their win together soon.

"I don't have words for what it means to me. It's just unreal," Ambros said, with his wife—who goes by Candy—by his side. The couple met as undergraduates at MIT and have been colleagues for almost 40 years.

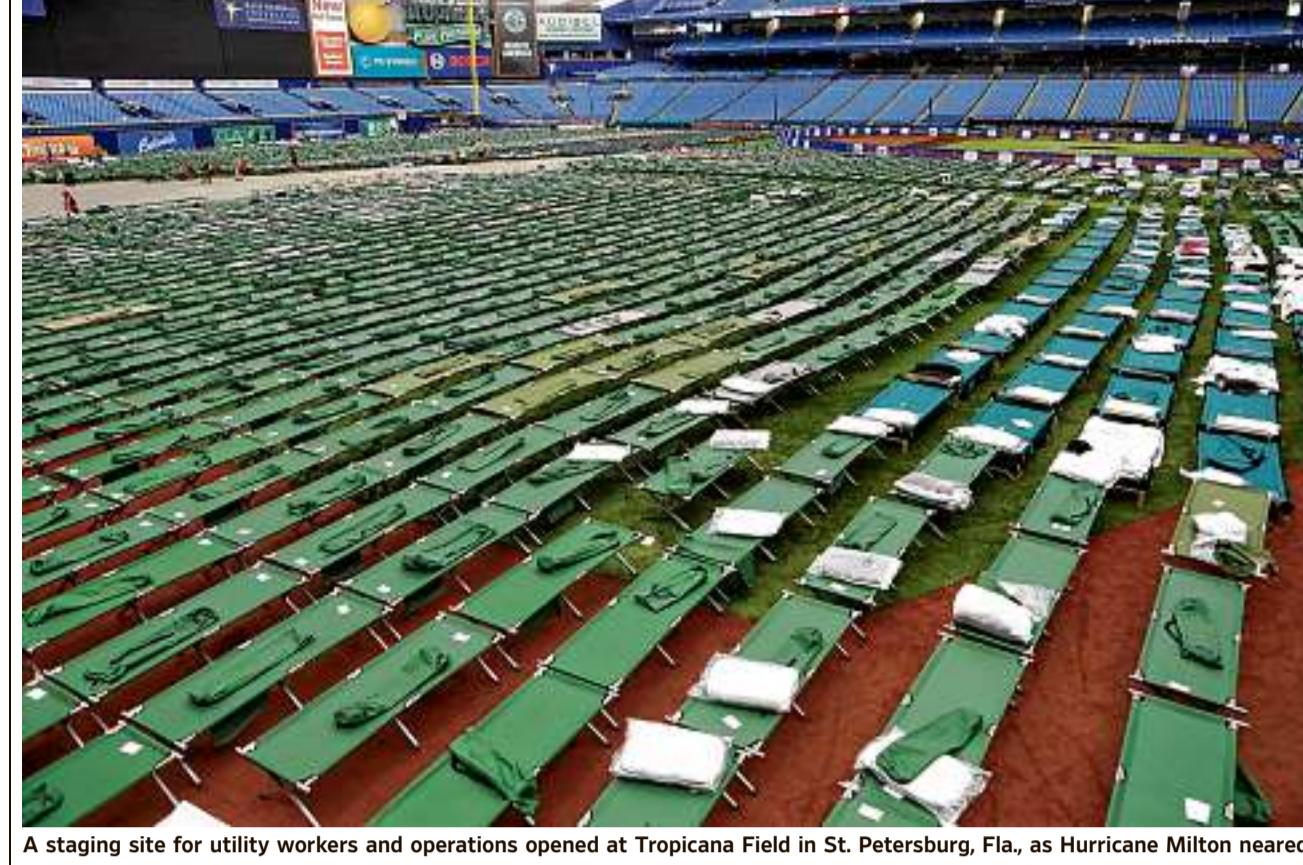
"We didn't go into science for fame or fortune. It was just curiosity," Lee said.



Americans Victor Ambros and Gary Ruvkun won a Nobel.



SCOTT EISEN/GETTY IMAGES



OCTAVIO JONES/REUTERS

Still Reeling, Florida Braces For Another Powerful Storm

By NICHOLAS HATCHER AND GINGER ADAMS OTIS

Hurricane Ian rapidly intensified into a Category 5 storm on Monday, threatening to bring additional storm surge and flooding this week to a battered Florida that is still recovering from the devastating effects of Hurricane Helene.

The storm, with winds up to 180 mph, was in the Gulf of Mexico, about 650 miles southwest of Tampa, Fla., at 8 p.m. Eastern time.

Ian, the strongest storm so far this season, is expected to weaken before making landfall on Florida's west coast as early as Wednesday, the National Hurricane Center said. But forecasters said it is expected to remain a powerful and dangerous storm and will likely hit the state as a Category 3 or 4.

Mayor Jane Castor of Tampa, which could take a major hit from the storm, warned residents to heed evacuation notices and leave the city as quickly as possible.

"This is going to be an event like none other," she said. "Helene was mostly a water event for us. This is going to be wind, water, storm surge, rain, you name it."

After becoming a Category 1 hurricane Sunday evening, Ian quickly strengthened from a Category 2 storm as of 5 a.m. to

a Category 5 storm by noon.

Milton is the second storm this season to reach Category 5 strength, joining Hurricane Beryl, which became the earliest Category 5 storm on record. Helene peaked as a Category 4 storm last month.

Hurricane, storm-surge and tropical-storm watches were issued for parts of the western coast of Florida and the Florida Keys, the hurricane center said Monday. Hurricane conditions are expected in the state as early as Wednesday afternoon.

Heavy rainfall was expected

Hurricane Ian strengthened to Category 5 as it nears the state's west coast.

Hurricane Ian strengthened to Category 5 as it nears the state's west coast.

It is too early to know Milton's precise

path, but the core of the storm could make landfall anywhere from north of Tampa Bay, through the Tampa-St. Petersburg region and down to Sarasota, Port Charlotte and Fort Myers, forecasters said. Many of those areas damaged by Helene remain vulnerable to any additional storm surge.

Tampa Bay could see life-threatening storm surge from Ian of up to 15 feet. The

Tampa Bay metropolitan region of 3.2 million people—which includes St. Petersburg—hasn't been tested by a direct hit from a powerful storm like Ian for more than a century. Hurricane Ian, which killed 149 people in Florida two years ago, was expected to hit the Tampa area before curving south.

President Biden approved Florida's emergency declaration request and ordered federal response personnel and assets to be prepositioned ahead of the hurricane's landfall. FEMA has staged search-and-rescue teams, temporary power teams, debris and wastewater experts, and other resources in the region, the White House said.

The agency has sufficient funds to provide support for Hurricane Ian and the continuing recovery efforts from Helene, the White House said.

About 5,000 National Guard troops have been mobilized to prepare for the storm, Florida Gov. Ron DeSantis said Monday, with an additional 3,000 set to be activated before Ian makes landfall.

NBC News reported Monday that DeSantis was avoiding

outreach from Vice President Kamala Harris about Helene recovery. DeSantis said Monday afternoon that he wasn't aware Harris had called, and said he was thankful for the support he has received from the Biden administration.

"If there's something we need that they don't approve, I will not hesitate to call him," DeSantis said of Biden.

Harris, the Democratic presidential nominee, on Monday criticized what she called "political gamesmanship" in a time of emergency.

"People are in desperate need of support right now and playing political games at this moment, in these crisis situations, these are the height of emergency situations, is just utterly irresponsible and it is selfish," she said in response to a question about NBC's report.

Mexico's government issued a hurricane warning for the Yucatán Peninsula's northern coast, with dangerous storm surge and waves likely, the hurricane center said.

Along Florida's Gulf Coast—from St. Petersburg and Tampa up to the Big Bend region in the state's panhandle, where Helene made landfall on Sept. 26—work has shifted to round-the-clock removal of debris left by the storm to cut down on safety hazards.

◆ After the storm comes the financial toll..... A10

He Lost \$500,000 Gambling. Now He Helps Others Who Can't Stop.

KATHERINE SAYRE

Virginia gambling-recovery counselor Sean Fournia sends a text message to 150 close contacts nearly every day.

"We are miracles that are making a difference by recovering from gambling today!" he said. "No bet, no spin, no scratch, no whammies, no losses."

Fournia, 53 years old, stopped gambling three years ago after decades of financial ruin and personal pain. Now, he is fighting the harmful side of America's booming gambling industry: addiction.

He counsels more than a hundred people struggling with betting habits in Virginia, where gambling's rise has been swift. Online sports betting, casino resorts and gambling halls with machines similar to slots have all been legalized in the commonwealth in the past six years.

Virginia's expansion of legalized gambling in recent years is among the fastest of any state, part of a nationwide explosion in gambling and online sports betting. Following the growth is an increasing number of people seeking help for gambling addiction, a struggle that receives no dedicated federal funding, some note, unlike substance abuse.

Virginia has dedicated 2.5% of sports-betting tax revenue to a problem-gambling fund and 0.8% from casinos.

"Gambling came too quickly without really looking at how we wanted to establish it and set it up," said Virginia state

Sen. Bryce Reeves, who largely opposed efforts to legalize gambling and is helping to lead a bipartisan effort to better regulate it.

Sports-betting revenue in Virginia has doubled since sports wagering launched in January 2021 to about \$560 million last year, according to consulting firm Eilers & Krejcik Gaming.

More calls for help

A state coalition that includes the Virginia Council on Problem Gambling, Virginia Commonwealth University and the state's behavioral health agency has trained and deployed five people recovering from various addictions, including Fournia, as peer recovery support specialists.

Those counselors shepherd gambling-hotline callers into

mental-health treatment and recovery, assisting people in the program officially for up to one year. More than 100 mental-health clinicians have been trained to treat gambling problems through the program.

Calls to Virginia's gambling helpline increased to 10,608 in 2023 from 989 in 2019. Those numbers include calls unrelated to gambling. The number of callers who moved forward with screenings for gambling problems increased to 898 from 311 in that period.

Fournia, who had a career as a network engineer in the 2000s, estimates he gambled away about \$500,000. Now, he witnesses the steady inflow of people who are struggling with their own way to quit.

His addiction has mirrored Virginia's adoption of gambling. The commonwealth had just launched a lottery when

he turned 18, and he said his thrill-seeking nature as a child, including outdoor sports, attracted him to the unlikely chance at winning big.

Scratch-off lottery tickets soon became an obsession, he said, and his floors were covered in silver dust from tickers. Years later, a racetrack opened outside Richmond, and he took to betting on horses. He got entangled with illegal bookies, turned to drugs and alcohol, and committed a string of nonviolent felonies, including theft and forgery.

He had been in recovery from substance abuse for about two years and was working in a recovery center when, in 2018, he started scratching lottery tickets again. During the pandemic, he found himself homeless, panhandling to fund his substance-abuse and gambling habits.

By 2021, Fournia no longer wanted to live. He returned to the recovery center where he had received help before and quit gambling on June 18, 2021. "I should be long dead or locked away in a prison as a direct result of my problem gambling," he said.

and he tries to help the people he counsels by encouraging them to embrace activities from their youth and telling them that setbacks are learning opportunities.

The program has shown early signs of success. More than half of the 677 people referred to the program from July 2023, when peer counselors were hired on staff, through early September moved forward with treatment or peer recovery services.

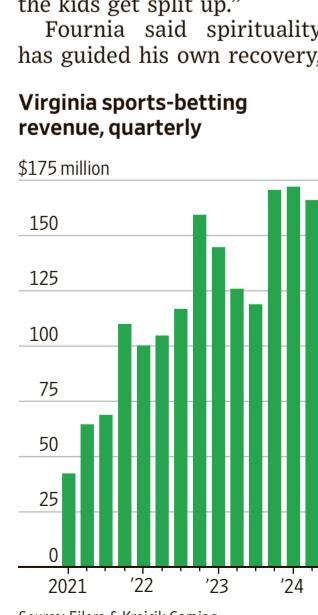
Carolyn Hawley, president of the nonprofit Virginia Council on Problem Gambling and director of the program, said they knew it was important to help callers access treatment quickly because "it may be a long time before they ever reach back out to us."

Rob Nease, 43, first started gambling while stationed in Japan in the Army, playing on slot machines on the military base, and it later became a life-altering addiction.

Nease, who connected with Fournia last year and has since stopped gambling, helped establish a weekly Gamblers Anonymous meeting in Richmond. "He knew what he had to say to me, but he also knows that you have to take it in chunks," Nease said.

Meanwhile, state lawmakers are trying to create a Virginia Gaming Commission to regulate gambling in the state. Gambling is now regulated by three separate entities.

"We have got to take care of the least, the last and the lost among us in this industry," state Sen. Reeves said.



U.S. NEWS

Harris Floods Media Zone in Final Stretch

Strategy shifts from giving few interviews to appearing in all corners as vote nears

BY ANNE STEELE
AND ISABELLA SIMONETTI

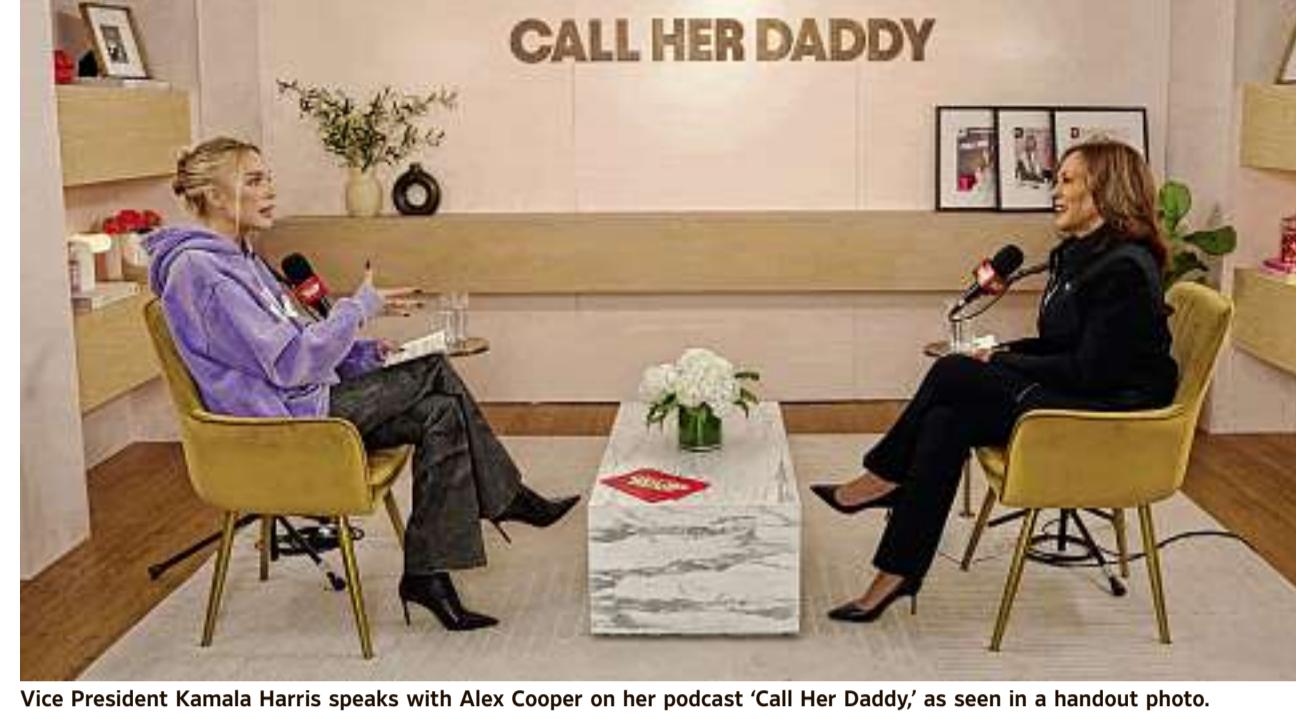
Appearing on "60 Minutes" has been a ritual in presidential campaigns for decades. While the interview might generate news, the fact that it is happening wouldn't normally be notable.

In the case of Vice President Kamala Harris, whose interview on the CBS news program aired Monday evening, such national TV appearances are proving to be rare—turning each one into a high-stakes political event.

The "60 Minutes" appearance is part of a Harris strategy as the Democratic presidential nominee to hit all corners of a fragmented media landscape in the final weeks before Election Day, from podcasts to TikTok to talk shows to local radio and TV.

On Sunday, Harris was on an episode of "Call Her Daddy," a hit podcast especially popular with young women. On Tuesday, she is set to appear on ABC's "The View," hitting an older female demographic, as well as "The Howard Stern Show," whose audience is nearly three-quarters male, and "The Late Show with Stephen Colbert," which is popular among young men.

Harris's appearances in the



Vice President Kamala Harris speaks with Alex Cooper on her podcast 'Call Her Daddy,' as seen in a handout photo.

of content creator guests.

Harris surrogates have made appearances on popular podcasts, from "Pod Save America" to the Hill's "The Switch Up." Walz, who this weekend went on Fox News Sunday, was slated to appear on Jimmy Kimmel's late-night show Monday night. He also was scheduled to record an episode of "Smartless"—an interview show hosted by Jason Bateman, Sean Hayes and Will Arnett—to air in the next week or so, according to a person familiar with the matter.

Harris is picking her spots ahead of Election Day. Alex Cooper, the host of "Call Her Daddy," said during Sunday's show that she had been on the fence about allowing a politician on the program and said Trump was welcome to appear, too.

In the interview, Harris talked about abortion access, shared stories about her family, touted her work prosecuting sexual assault cases, and highlighted elements of her platform such as tax credits for young parents and a plan to build more housing.

Trump has embraced some of the same tactics to get his message out in the digital sphere, even as he also makes regular TV appearances on Fox. He has granted podcast interviews with influencer Logan Paul on his popular "Impaulsive" show, comedian Theo Von, and former Navy SEAL and Central Intelligence Agency contractor Shawn Ryan, among others.

national TV realm so far have been infrequent. They include a joint interview with her running mate, Minnesota Gov. Tim Walz, on CNN and the Sept. 10 debate with former President Donald Trump on ABC.

"That does increase the risk level for the campaign on each singular appearance," said Mark Lukasiewicz, dean of the Lawrence Herbert School of Communication at Hofstra University, and a former NBC News executive.

"If the candidate does an interview that doesn't go well there are fewer opportunities to clean that up, to correct that record."

At the same time, programs such as "60 Minutes" give Harris an opportunity to reach swing voters who pollsters and analysts have said are looking to hear more about her specific plans, and want to see her in unscripted environments. The show is a particularly important way to reach older voters.

"Smart campaigns don't just do one thing, they do everything," said Harris campaign spokesman Seth Schuster. "Our campaign is showing up everywhere voters are."

Since 1976, every major presidential candidate has appeared on "60 Minutes," ac-

cording to CBS. After years of ratings declines, TV news doesn't reach as big an audience as it once did, but highlights and lowlights still resonate on social media.

Trump did a "60 Minutes" interview in 2020 that was tense and was cut short. He was invited on the program this year, but he declined.

Both candidates face the reality that nowadays people who do follow the news are getting it from all sorts of places—including YouTubers, favorite podcasters or their social-media feed. In a survey last year, 38% of U.S. respon-

dents said they avoid news, with 43% of those saying they specifically avoid national politics, according to the Reuters Institute.

More than half of U.S. adults say they at least sometimes get news from social media, according to Pew Research Center, with Americans regularly turning to Facebook and YouTube.

The Harris campaign has sought to get its message out through social-media creators with large followings. Twitch star Hasan Piker livestreamed from the Democratic National Convention, among hundreds

Vice President's Economic Plan Puts Focus on Consumers

BY JUSTIN LAHART
AND ANDREW RESTUCCIA

Vice President Kamala Harris is making a subtle but important shift in her approach to economic policy that represents—at times—a departure from Democratic traditions. While President Biden's agenda focused on jobs, Harris is focused on costs. Where Biden sees voters foremost as workers, she sees them more as consumers.

As a result, her policies are aimed at trying to help middle-class Americans afford the things they need and want, and helping them build wealth that can be passed along to their kids, her advisers say.

"I want Americans and families to be able to not just get by but be able to get ahead—to thrive," Harris said last month in Pennsylvania. "I want you to be able to save up for your child's education, to take a nice vacation from time to time."

Partly, her approach is a consequence of economic reali-

ties. The American labor market remains robust, and on Friday, U.S. hiring blew past expectations by adding 254,000 jobs in September. The economy has added 16.2 million jobs since Biden took office.

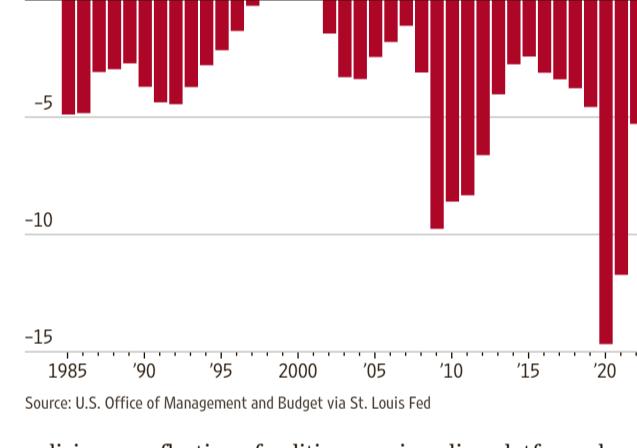
At a rally in Michigan on Friday, Harris touted the new jobs data, but added, "There's still more we need to do. Prices for everyday things like groceries [are] still too high. You know it, and I know it."

Meanwhile, inflation is cooling, yet consumer prices are up 20% since Biden took office. While Harris's priorities are recognizably part of the Democratic Party tradition, she differs in some ways from former presidents Bill Clinton and Barack Obama.

Like Biden, she is more wary of trade than Clinton and Obama were and less confident in the power of the market to broadly benefit Americans. She also plans to keep in place Biden's investments in manufacturing.

Many of Harris's plans amount to an extension of his

Surpluses/deficits as a share of GDP



polices—a reflection of political realities, too. Harris entered the race late in the process, leaving her little time to develop her own economic policy and make her case to voters. Her approach borrows much from Biden, but puts more emphasis on controlling costs and helping families build wealth.

The first half of the eco-

nomic policy platform she released consists of kitchen-table cost concerns; the proposals include lowering middle-class taxes, cutting food and grocery costs, and lowering prescription drug prices. While Biden also talked about those issues on the campaign trail, Harris has zeroed in on them as the things voters care about most.

The text of her plan makes reference to costs and prices more than twice as often as jobs. And her ideas about creating an "opportunity economy" are focused on helping more Americans buy their first home or start a business.

Harris's advisers describe her as a pragmatist, and they say she is open to hearing out and working with CEOs—a shift from Biden, who didn't build close relationships with corporate America.

Michael Strain, director of economic policy studies at the right-leaning American Enterprise Institute, said he sees Harris's proposals as conventional for a Democrat. He dislikes many of her ideas, such as her proposal to provide \$25,000 in down-payment assistance to first-time home buyers and her focus on price-gouging. But he also thinks that she views business more favorably than Biden or Obama did.

"I do think that Vice President Harris seems to have a genuinely held conviction that

business is a force for good in American life," he said.

Harris's viewpoints also speak to larger changes across the party.

Clinton proposed big ideas for the economy—like his healthcare plan—but felt that he needed to focus on fiscal restraint to achieve them. Though his health plan fell by the wayside, he was the only president since Dwight Eisenhower to exit office with the U.S. running a budget surplus.

Worries about the deficit, meanwhile, were at the forefront of Obama's 2012 re-election campaign.

The deficit weighed less on Biden—in part because his Republican predecessor, Donald Trump, presided over four straight years of rising annual deficits, deflating the political saliency of the issue. In Harris's debate with Trump last month, her only reference to the deficit was to say how much bigger it would be if Trump were re-elected. Trump didn't mention the deficit at all.

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U.S. NEWS



An elections supervisor demonstrated mail-in-ballot processing at an election-board office last month in Doylestown, Pa.

Pennsylvania Is Gearing Up For New Fights Over Voting

Swing state is again primed for legal maneuvering, stress over late ballot tally

BY MARIAH TIMMS AND SIOBHAN HUGHES

Pennsylvania is a must-win state for both Kamala Harris and Donald Trump. It is also ground zero for litigation over election rules and skeptics who still question the legitimacy of the 2020 results.

That mix has state officials, campaigns and voters bracing for a charged and potentially lengthy battle over who will be crowned the winner in the Keystone State.

The state has made some attempts to improve a mail-in balloting process that was beset by controversy four years ago. Trump demonized mail-in votes as the counting of those ballots cemented his Pennsylvania loss to Joe Biden by about 80,000 votes. He later filed unsuccessful lawsuits challenging the outcome. Election workers reported threats and harassment, which have persisted.

Trump, meanwhile, continues to make unsupported election-fraud claims.

Both parties are focused on filling the state with operatives and volunteers—and planning for anything and everything

they fear could go wrong. "We're running what many view to be the most critical election in our lifetime, although we are also very tired of that framing," said Kyle Miller, Pennsylvania policy strategist at the nonprofit Project Democracy.

No-excuse mail-in ballots passed with bipartisan support in 2019. In the 2020 general election, more than 2.7 million Pennsylvania voters cast their ballots this way; as of last week, about 1.5 million voters had already requested mail-in ballots for November.

Four years ago, about 22,000 ballots were disqualified when voters returned them unsigned, incorrectly dated or without using a secrecy envelope. Republicans wanted even more ballots tossed out, including in cases in which a county allowed voters to fix mistakes with their submissions.

This year's ballots come with clearer instructions and include return envelopes pre-printed with the year in large, bold numbers.

Under state law, every county has some discretion to handle mail-in ballots and errors as it sees fit. In some counties, a voter is notified if the elections department spots an error on the outside of a return envelope, and might be offered a chance to fix the problem with a replacement mail-in

ballot before Election Day. In others, the errors aren't documented, so voters are never notified.

The state Supreme Court on Saturday said it would consider whether such notification is required.

Separately, the court turned away an appeal from Republicans challenging the patchwork of county policies on fixing ballots, on the grounds that it was filed too close to the election.

The court also declined to take up an appeal from voting-rights groups that sought to require counties to count ballots that weren't dated by voters.

Four years ago, it took days after the election to tabulate the influx of mail-in ballots. Counties aren't allowed to open ballots until 7 a.m. on Election Day.

Adding to the challenges, the state has struggled to hire enough poll workers, as some older volunteers stepped away and others were discouraged from participating again because of the tensions four years ago.

Hannah Esquenazi, an operative for the Harris campaign in Pennsylvania, said the campaign was deploying lawyers and activists across the state and building a large network of volunteers.

"We need, across the state, 5,000 people to act as poll watchers," she told a group

who had come out to support Sen. Bob Casey, a Democrat running for re-election, in the suburbs of Philadelphia in late August. "These people will be our eyes and ears on the ground making sure that this election is protected. So I need every single one of you to help make sure that no one can say this election is stolen."

An RNC spokeswoman, Claire Zunk, declined to provide details on the state-specific plans of the party, but said it would run a legal hotline and mobilize thousands of lawyers nationwide, along with an even larger number of volunteers.

The party has joined with some far-right recruits, such as the conservative activist Scott Presler and his voter-registration group. At a recent rally in Wilkes-Barre, a group of a half-dozen self-described MAGA Boys associated with Presler said they were the "boots on the ground" for turning Pennsylvania red.

Ann Womble, a former Lancaster County GOP chair and now the co-chair of the Republicans for Harris coalition in Pennsylvania, said that if Trump underperforms relative to party breakdown in the state, it is because he is unfit for office.

"We tell people, 'Please take it seriously that you are a voter in Pennsylvania, and Pennsylvania will be the state that decides this election,'" she said.

No Quick Fix Seen For Pfizer

Continued from Page One

company's pipeline, he said.

The limited options mark the downside of Pfizer's yearslong efforts to double down on its innovative but risky drugs business. The company hived off other businesses—such as animal- and consumer-health units—that provided a steady cash flow in order to pursue faster growth through innovative drugs.

During the pandemic, the shift paid off: Sales and shares soared because of a Covid-19 vaccine and antiviral. Since the emergency has receded, however, the strategic rejigging has left the company smarting from overly optimistic pandemic-product forecasts and R&D setbacks.

Pfizer shares rose more than 4% early Monday after The Wall Street Journal reported that Starboard took a \$1 billion stake and is looking for changes. The stock closed 2.2% higher. The increase was a bright spot for the stock, which has held steady this year after losing about half its value since peaking in 2021.

Chief Executive Albert Bourla began this year apologizing for Pfizer's overly rosy forecasts of Covid-19 sales and vowed aggressive changes to improve the company's prospects.

Pfizer's CEO has apologized for overly rosy forecasts of Covid-19 sales.

Starboard's move was surprising, Risinger said, because Pfizer had already undertaken the obvious ways to turnaround the company, including two cost-cutting programs totaling roughly \$1.5 billion and at least \$4 billion, respectively. Meantime, its \$57.5 billion in debt, as of June 30, prevents the company from pursuing major deals.

Adding to Pfizer's challenges is looming competition for some of the drugmaker's biggest-selling products, such as blood thinner Eliquis and arthritis therapy Xeljanz.

To aid in its efforts, Starboard has approached former Pfizer CEO Ian Read and former Chief Financial Officer Frank D'Amelio and both have expressed interest in helping, the Journal reported.

Both men spoke by telephone with at least four board members Sunday before Starboard's stake became public, according to a person familiar with the matter. The pair recommended during those conversations that Pfizer's directors listen to Starboard's proposed changes.

To appease Starboard, Risinger said, Pfizer might exit certain businesses, such as hospital products, that might not be viewed as part of its innovative core. The company could also sell more shares from consumer-health busi-

ness Haleon, which formed through the merger of units from Pfizer and GSK.

And Pfizer could afford small-size deals to improve its long-term growth, especially in the pharmaceutical industry's fast-growing weight-loss market, which the company has yet to crack.

Unable to take bigger steps, Pfizer will probably have to count on its own research and development to show the way to a new course. "The company's internal pipeline will hopefully generate compelling new blockbusters, but we'll have to see the cards turn over," Risinger said.

Bourla has sought to bolster the stock price by slashing jobs and revising the company's manufacturing footprint. He shook up the ranks of executives, including adding a Wall Street analyst. He also pointed to the promise of the \$43 billion acquisition of biotech Seagen and its pioneering cancer treatments.

Company executives have said this year they are giving priority to paying down debt from the Seagen and other deals. In its second-quarter earnings call, Pfizer raised its outlook for the year, and Bourla praised its drug-development programs that led to nine new drug approvals last year.

But some drugs that could have helped the company instead saw recent setbacks.

Over the summer, a late-stage study for an experimental drug treating the muscle-wasting disease Duchenne muscular dystrophy was unsuccessful.

Pfizer hopes its RSV respiratory virus vaccine Abrysvo, which was among last year's approvals, will earn more market share than a year ago when the product was outflanked by rival GSK's new shot.

The company expects lung-cancer treatment Lorbrena, which was recently found in a study to keep tumors from advancing for five years, to generate more than \$1 billion in annual sales by 2030. And Pfizer anticipates data this year or next for several cancer drug candidates.

Yet analysts said the company lacks a major catalyst, like important study results or a significant new drug approval, that could provide a near-term boost.

The company's next crucial event is an update on Pfizer's latest attempt to crack the white-hot weight-loss market. Investors are eagerly waiting for data from Pfizer's once-daily weight-loss drug called danuglipron.

Pfizer is currently doing studies to find the best dose and expects that research to be completed during the first three months of 2025. Pfizer hasn't committed to releasing that data, only to providing an update on the drug's development. The company will need to conduct further testing, which could take many more months to finish.

—Lauren Thomas contributed to this article.

U.S. WATCH

U.S. SUPREME COURT

Texas Abortion Ruling Can Stand

The Supreme Court on Monday let stand a decision barring emergency abortions that violate the law in Texas.

The justices didn't detail their reasoning for keeping in place a lower-court order that said hospitals can't be required to provide pregnancy terminations if they would break Texas law.

The Biden administration argued that under federal law hospitals must perform abortions if needed in cases where a pregnant patient's health or life is at serious risk, even in states where it is banned.

Texas pointed to a state supreme court ruling that said doctors don't have to wait until a woman's life is in immediate danger to provide an abortion legally.

—Associated Press

MINNESOTA

Park Ranger Dies In Rescue Attempt

A park ranger died while trying to save three people during a water rescue at a national park in Minnesota.

The National Park Service said the ranger responded Sunday to a call for assistance on Namakan Lake in Voyageurs National Park near the Canadian border. Officials said their boat had become disabled during high winds and rough waters.

The ranger arrived and was towing the distressed boat to safety when the National Park Service boat capsized, sending all four people into the water.

The three people being rescued were able to swim to safety. The ranger's body was recovered about three hours later.

—Associated Press

GEORGIA SUPREME COURT

Six-Week Ban Restored for Now

The Georgia Supreme Court on Monday halted a ruling striking down the state's near-ban on abortions while it considers the state's appeal.

The high court's order came a week after a judge found that Georgia's unconstitutional prohibits abortions beyond about six weeks of pregnancy. Fulton County Superior Court Judge Robert McBurney ruled Sept. 30 that privacy rights under Georgia's state constitution include the right to make personal healthcare decisions.

The state Supreme Court put McBurney's ruling on hold at the request of Republican state Attorney General Chris Carr, whose office is appealing the judge's decision.

—Associated Press



Cissy Houston performing in 2012 at Gospelfest in Newark, N.J.

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U.S. NEWS

Skater's Alleged Rape Met Slow Response

Action took seven years, showing gaps in system designed to protect athletes

By LOUISE RADNOFSKY

The stakes couldn't have been much higher when star athlete Gracie Gold told a U.S. figure skating official in October 2017 that she had been raped by another Olympian.

Gold was a cherished face from one of the marquee sports at the Games, and openly struggling, talking by telephone from a rehab center where she was being treated for anxiety, depression and an eating disorder. She told the official she believed there were other victims, too—and they were teenagers.

It had all the elements of an explosive situation, coming as U.S. sports was reeling from revelations about a botched response to allegations of sexual abuse that ended up almost taking down USA Gymnastics.

But it was nearly seven years before any action was taken against Brendan Kerry, an Australian training in the U.S. and the man Gold had named as her attacker. During that time, he was able to carry on training and coaching in the U.S., Russia and Australia, competing at two more Olympics.

On Sept. 16, an arbitrator upheld a sports authority's permanent ban on Kerry participating in skating in the U.S., finalizing a sanction that was initially handed down in May. The timeline of the case, which spans the entire life of the SafeSport system set up in the wake of devastating abuse scandals, underlines starkly why there are so many doubts about that system's adequacy.

Kerry has denied wrongdoing, and the claims against him haven't been tested in court.

When Gold recounted to the U.S. Figure Skating high-performance director Mitch Moyer in 2017 what had happened to her, she also told him she believed Kerry had been having sex with another skater training at the same rink as him in Riverside, Calif., when that skater was 16 or 17, below the age of consent in California. She gave Moyer names of other teen skaters she said that he should check on.

Moyer went to the U.S. Center for SafeSport, a new entity charged with handling reports of abuse in the American Olympic movement, and to police in Riverside. What happened next reveals the numerous gaps in the effort to protect athletes.

Kerry was ultimately barred in the U.S. on the basis of sexual misconduct involving a minor—the younger skater from Riverside who is referred to in documents as Claimant 1—that took place when he was about 22. SafeSport uses a standard of whether a claim is more likely than not to be true. Its investigation concluded that there was insufficient evidence

to make a finding of whether Kerry had raped Gold, identified as Claimant 2.

"I just don't think that it is working, really, at all," said Gold of SafeSport.

"Claimant 1 in the case, I don't know if she would have ever received any justice if I, Claimant 2, had not written a book about my experience, and...the fact you could assault a minor and face zero repercussions, I think, is a big indicator," Gold said in an interview.

When Kerry announced plans to challenge his ban in May, he told the Australian Associated Press that he had heard nothing from the center for almost three years, and that he had been sanctioned "for alleged violations that I did not commit." His lawyer didn't respond to requests for comment. Kerry had said that he didn't know Claimant 1 was underage, according to the investigation report.

The Australian skating federation has said it had "no prior knowledge" that one of its highest-profile athletes was being investigated in the U.S., and that officials only became aware of his sanction after it was published in May. At the time, Kerry was coaching skaters in Sydney. His rink there said that "while these matters are under further investigation, Brendan has been stood down."

SafeSport's chief executive, Ju'Ries Colón, said the center isn't allowed to share information with similar investigative bodies internationally, and that she has asked Congress to change that.

She also said the center has faced "a significant challenge" in responding to the volume of reports it receives, and has told lawmakers she needs more funding.

The center generally declines to comment on specific matters but has acknowledged problems with the Kerry case.

"Though we've made strides and improved our process significantly since the Center's early years of operation, it does not excuse the length of time it took to finally adjudicate this case nor does it justify the lack of communication throughout the process," Colón said in a statement.

Out of jurisdiction

Back in 2017 when U.S. Figure Skating says it went to the six-month-old Center for SafeSport, the stance was that they couldn't do anything. Gold and the teenagers she identified are American. Kerry trained in the U.S., with a U.S. coach, and alongside top U.S. skaters. But he competed for Australia, outside the jurisdiction of the SafeSport system.

At the time, the center had only one investigator and few formal procedures but was on its way to receiving almost 300 reports that year. The center declined to comment on whether any contemporaneous record of a call from Moyer exists.



Brendan Kerry, above, shown during the 2022 Beijing Olympics. At left, Gracie Gold in the Figure Skating Grand Prix America in October 2022 in Massachusetts.



FROM TOP: JUSTIN SETTERFIELD/GETTY IMAGES; C. GUNTHIER/EP/SHUTTERSTOCK

The SafeSport code in effect also required Moyer to go to local law enforcement since the allegations against Kerry involved minors. On Oct. 27, 2017, he called the Riverside Police Department to tell them what Gold had told him. The police dispatcher said Gold would have to contact the police herself—but Gold was skeptical that anything would be done about an incident that had happened in a hotel room after an ice show in Santa Barbara, Calif.

The dispatcher didn't take down the names of any other suspected victims in Riverside or the fact that they were so young. "BELIEVES OTHERS MIGHT BE INVLD BUT NO ONE HAS COME FORWARD," the dispatcher wrote of Moyer's call.

Based on what the dispatcher recorded, Riverside police spokesman Ryan Rails-

back said, there was nothing for them to follow up on. He said no tape of the call exists.

U.S. Figure Skating is adamant that it was clear with the center and the police that there were potential teenage victims, as well as Gold.

"U.S. Figure Skating confirms that in 2017 it notified the U.S. Center for SafeSport and reported allegations of sexual assault involving multiple victims, including the possibility of minor athletes, to local law enforcement in the case involving Brendan Kerry of Australia," the association said in a statement.

It wasn't until 2019 that the center began putting a "hold" on allegations it received involving people outside its jurisdiction, a way to reopen the matter if a subject later entered the U.S. Olympic movement. By then, Kerry was training at a New Jersey rink,

and coaching there as well.

The director of that rink, Craig Maurizi, said he had told Kerry that he had to be a member of U.S. Figure Skating in order to teach. Maurizi said he later heard that Kerry was dating a skater at the rink who was 16 or 17, but she wasn't his student. Maurizi said he called child protective services but was told it wasn't a crime in the state. Kerry was 23 or 24 at the time.

The following year, U.S. Figure Skating officials noticed that Kerry had taken SafeSport training, received a green light on a background check and became a member of U.S. Figure Skating. They reported him to the center again on March 3, 2020.

This time, the center opened a case. Gold, the younger skater, and others got emails telling them an investigation into Kerry would begin. Then four more years went by.

Reluctant victims

One explanation given for why SafeSport investigations take so long is that victims are reluctant to be interviewed, or too busy to take part. When Claimant 1 got the email about the investigation, she was initially shocked. Then she wanted to talk immediately.

"Everything about my life was so different, but I could still feel the emotions and pain from 2016/2017 so clearly," she said. "If you and your team had planned on never doing anything.... inform the victims, who were re-traumatized about this," she continued.

A different person emailed her from the center two weeks later, offering contact information for victim resources.

Gold didn't name Kerry in her book, published in February 2024. But she did describe how a report of her assault had been made to the center and nothing had happened.

That elevated the profile of the case, and 4½ months later, the center was able to finish its process for an investigation report that had been complete for at least two years.

The center said SafeSport leaders had begun to take steps in December 2023, unrelated to Gold's book, to identify and try to conclude cases open for more than two years. It found 127, of which the center says 68 have since been resolved.

Another 33 are in legal review. In 26 cases, the investigations are continuing.

—Mike Cherney contributed to this article.

'Merchant Of Death' Is Back

Continued from Page One

matter said. The potential arms transfers, which have yet to be delivered, stop well short of the sale of Russian antiship or antiair missiles that could pose a significant threat to the U.S. military's efforts to protect international shipping from the Houthis' attacks.

The Biden administration has been worried that Russia might provide the Houthis with such advanced weapons to retaliate for Washington's support of Ukraine, but there is no evidence that those missiles have been sent, or that Bout is involved in such a deal.

Still, even small-arms shipments to the Houthis would be opposed by Washington, which has designated the Yemen militants as a terrorist group.

Arming a belligerent in the Middle East conflict would also mark an escalation for

Russia, which has been strengthening security ties with Tehran but has generally stayed away from the confrontation between Israel and its Iran-backed foes.

Steve Zissou, a New York attorney who represented Bout in the U.S., declined to discuss whether his client had met with the Houthis.

"Viktor Bout has not been in the transportation business for over 20 years," Zissou said. "But if the Russian government authorized him to facilitate the transfer of arms to one of America's adversaries, it would be no different than the U.S. government sending arms and weapons of mass destruction to one of Russia's adversaries as it has sent to Ukraine."

In an interview with TASS, the Russian state-owned news agency, following the publication of this article, Bout called the claim he was selling arms to the Houthis an "unsubstantiated accusation."

He didn't address whether he was back in the arms business.

The small-arms deal Bout was said to have been brokering was with two Houthi representatives who had traveled to Moscow under the cover of buying pesticides and vehi-



Viktor Bout, seen last month, has often appeared on Russian television as a commentator since his 2022 release from prison.

cles and visited a Lada factory, the people familiar with the matter said.

The people familiar with the deal didn't know if it was being negotiated at the Kremlin's behest or merely with its tacit approval. While the Houthis have been seeking Russian-made weapons, The Wall Street Journal couldn't determine the specific source of the planned supply.

A Houthi spokesman declined to comment. The Kremlin didn't return a request for comment.

"We've seen the article,"

Kremlin spokesman Dmitry Peskov said on Monday, TASS reported. "We are inclined to categorize it as fake news or an information attack on our representatives."

The first two deliveries will be mostly AK-74s, an upgraded version of the AK-47 assault rifle. But during the trip, Houthi representatives also discussed other weapons the Russian side might potentially sell, including Kornet antitank missiles and antiaircraft weapons, the European official and other people familiar with the matter said.

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FROM PAGE ONE



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chased Russian military cargo planes and used them to transport United Nations peacekeepers in Africa.

Bout first emerged in the public eye after the U.S. in 2005 imposed sanctions on him for trading weapons for diamonds with Charles Taylor, a former Liberian president and convicted war criminal. U.N. experts also accused him of violating international arms embargos on Angola and the Democratic Republic of the Congo.

Arrested in Thailand in a 2008 sting operation led by U.S. Drug Enforcement Administration agents posing as Colombian leftist rebels, he was convicted in 2011 of conspiring to kill U.S. citizens and attempting to sell weapons to Colombian rebels. He was sentenced to 25 years in prison.

The Houthis have repeatedly attacked international shipping and have launched drone and missile attacks against Israel. The U.S. and Israel have carried out airstrikes in response, including on Friday when the U.S. military struck 15 Houthis targets.

—Saleh al-Batati and Kate Vtorygina contributed to this article.

WORLD NEWS

Warnings of Hamas Attack Were Ignored

Women in Israel stationed near Gaza border raised alarms before Oct. 7 assault

BY ANAT PELED

NAHAL OZ BASE, Israel—It was about 6:30 a.m. on Oct. 7 when dozens of heavily armed men burst into view on Maya Desiatnik's video screen. The Israeli soldier, charged with monitoring a stretch of the Gaza frontier, picked up a radio and raised the alarm.

"There is a Turkish knight?" she said, using the Israeli military code word for an incursion. Palestinian militants were breaching the border.

For months, Desiatnik, now 20 years old, and her colleagues in the observer unit, all of them young women, had warned their superiors repeatedly—and with increasing vehemence—that the Islamist militant group Hamas seemed to be preparing a major attack. Their concerns were dismissed.

Now they were watching as their fears became reality. The women issued urgent warnings to troops in the field. When more than 150 militants swarmed their base, about half a mile from Gaza, they frantically called for help.

None came. In the end, about 50 soldiers at the Nahal Oz base, including 15 observers, were shot or burned to death. Seven observers were taken as hostages to Gaza.

The failure of Israel's security establishment to heed the warnings of the observers who served, unarmed, at Nahal Oz and its inability to protect them have turned the women into a symbol of the intelligence and military failures of Oct. 7.

A year later, the attack, which killed 1,200 and saw some 250 taken hostage, is still fresh in Israel, roiling politics and stirring grief and anger.

Parents of the women slain or kidnapped at Nahal Oz feel

betrayed, and are demanding accountability from the government. "We need to speak the truth, even if it hurts," said Eyal Eshel, whose daughter, Roni, died at Nahal Oz.

The Wall Street Journal interviewed more than two dozen survivors of the attack on the base, as well as forensic scientists, families of the killed or kidnapped soldiers, and military officials, and reviewed photos of the aftermath.

The observers at Nahal Oz, in the desert 50 miles south of Tel Aviv, were part of an all-female group whose job was to keep eyes on Israel's border areas. The women worked in shifts to monitor screens 24/7. Suspicious activity was reported by phone to soldiers near the border.

At Nahal Oz, the months before Oct. 7 were full of suspicious activity. Former observers said crowds of Palestinians, some armed, would show up regularly at the border fence. The women worked in shifts to monitor screens 24/7. Suspicious activity was reported by phone to soldiers near the border.

Roni Lifshitz, 21, who was an observer at Nahal Oz but was away on Oct. 7, said at one point she saw about 10 trucks with some 20 militants near the fence. They were dressed in black, their faces covered, marking them as members of Hamas's armed wing.

"They pointed at spots on the fence and where our lookouts are," she said. "I alerted my command." She said she doesn't know whether her superiors acted on the information.

Omer Keinan, another observer, said a few months before the attack she saw what appeared to be a Hamas training exercise inside Gaza that included practice taking prisoners. "I saw them simulate everything. They would run and then crawl," she said. "We would alert about everything."

Many observers shared their concerns at the time with their parents, in text messages reviewed by the Journal, and told them they believed a war or operation was coming.



Maya Desiatnik, front row at left, and fellow members of the Nahal Oz observer unit monitored the Israeli-Gaza border 24/7.

In a recording of a phone call a month before Oct. 7, Roni Eshel told her mother: "It's not good...We don't know when we will be able to come home."

Yael Kochavi, 20, a non-commissioned officer who was tasked with overseeing the observers' work, compiled daily intelligence reports for her superiors at the end of each shift with photos and video of unusual events. These reports were sent up to the brigade commander, she said.

The pace of irregular events two weeks before the attack was the highest she had seen during more than 18 months of service. She said intelligence staffers told her not to worry. Current and former intelligence officials said that in recent years the military viewed observers more like security guards, and focused on other,

higher-tech intelligence sources.

On Oct. 7, Hamas militants swarmed the base.

Koby Levy, a combat medic, said he spent hours fighting militants armed with grenades and Kalashnikovs. "They just kept coming," he said.

Inside a bomb shelter, women started to send their parents messages. "I don't know what's going to happen, but I love you guys," one of the observers, Noa Price, texted her mother at 7:30 a.m.

Levy said he was first able to assess the damage when he was rescued by Israeli troops around 4 p.m. The base was littered with bodies. The air

smelled of wood, asphalt, plastic and corpses.

"I saw the situation room completely burned down," he said.

Survivors said they never prepared for a base invasion, so they didn't know what to do.

Other information that emerged after Oct. 7 point to broader intelligence failures. The Israeli military discovered detailed Hamas maps of several bases. Officials missed danger signs, such as videos published on social media by Hamas before Oct. 7 that showed it conducting training exercises. For years the Israeli military and its vaunted intelligence units had put most of their resources toward the

'We need to speak the truth, even if it hurts,' said the mother of one victim.

country's northern border, and especially Hezbollah, which was seen as a more serious threat, said an Israeli security official.

Despite the Israeli attorney general's insistence that a state commission of inquiry be launched, one hasn't taken place. Prime Minister Benjamin Netanyahu has said investigations should occur after the war ends. Some allege that he wants to delay unflattering findings.

His office declined to comment.

The military is conducting a probe into what took place at Nahal Oz and has promised to make the findings public. But parents want a broader, independent state investigation.

Eyal Eshel is focused on the state commission of inquiry. Insisting on a full probe, he said, allows him to act as his daughter's voice.

"I am not driven by rage," he said. "I demand justice."



One of the rockets apparently fired from Gaza hit Kfar Chabad, near Tel Aviv, on Monday.

Hamas Fires Rockets at Tel Aviv

Continued from Page One

On Oct. 7, 2023, the assaults had become infrequent in recent months as the Israeli military has disrupted the U.S.-designated terrorist group's military operations inside the strip.

The rocket fire is another sign of the difficult task Israel faces in turning tactical military gains in Gaza into a victory that provides long-term security.

The Israeli military said earlier Monday it had bombed launch sites for Hamas rockets to thwart an immediate attack and a day earlier reopened an offensive in northern Gaza to combat Hamas militants who have resurfaced there.

"We remember our dead, our hostages, whom we are obligated to bring back, and our heroes who fell in defense of the homeland and the nation," Prime Minister Benjamin Netanyahu of Israel said, marking the anniversary of the Oct. 7 attacks. "We went through a terrible massacre a year ago."

Israel's war against Hamas in Gaza has expanded over the year to include Hezbollah, Ye-

men's Houthi rebels and Iran, which backs all three militias.

Israel is fighting on the ground in Gaza and Lebanon, and has launched airstrikes targeting Houthis in Yemen and on Iranian weapons shipments bound for Hezbollah through Syria. The Israeli military is also battling Palestinian militants in the Israeli-controlled West Bank.

Israel is considering how to retaliate against Iran for launching about 180 ballistic missiles last week on Israeli territory—a response that risks metastasizing an already-complex conflict.

Israel is consulting with the U.S. on how to respond to the Iranian attack, which U.S. forces helped defend against.

Defense Minister Yoav Gallant of Israel is expected to visit Washington this week to meet with U.S. Defense Secretary Lloyd Austin, according to an Israeli security official. The top U.S. commander for the Middle East, Army Gen. Erik Kurilla, visited Israel Sunday to discuss Iran and Hezbollah with Israeli military officials. More than 1,000 people have been killed since September, according to Lebanon's Health Ministry.

Hezbollah began firing on Israel on Oct. 8, 2023, in support of Hamas. Since fighting began, Israel says about 13,200 projectiles have been fired toward its territory from Gaza and 12,400 from Lebanon.

—Carrie Keller-Lynn and Dov Lieber contributed to this article.

Watch a Video

Scan this code for a video on Hamas firing at Israel on Oct. 7 anniversary.

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FROM PAGE ONE

Pajama Pants Are Everywhere

Continued from Page One

They have busted out of the bedroom and become fixtures at schools, fashion shows and even at work. "The only place that I personally wouldn't wear them is an important first-impression business meeting," said Rose Colcord, who started her clothing brand Cou Cou Intimates in 2021.

When Cou Cou debuted its \$118 pointelle pants last November, most sizes sold out during the 48 hours of early access the brand gives to its

subscribers.

Celebrities including Sarah Jessica Parker, Elizabeth Olsen and model Kaia Gerber have all worn flowy, drawstring pants to daytime meetings or on errands in recent months.

Linen pajama pants were a staple of back-to-school hauls on TikTok—where the hashtag #pajamas has seen a 13.6% increase between last summer and this summer. Schools are adding them to their dress codes. Similar styles from Coach and Tory Burch made it onto the runway at New York Fashion Week.

The trend can be a trigger for older generations who already think young people dress too casually.

Anna Zap, a radio host in Milford, Conn., remembers pulling into her daughter's high school for the first time and being taken aback by how

many students were wearing pajama pants. "Like, is today pajama day? And then the following day, I [realized], nope, that's just what they wear here now. I was kind of horrified. To me, it just seems so lazy."

A Reel she made about her daughter wanting to wear them to school too inspired over 3,000 comments, including one from Rosie O'Donnell who said: "Pick ur battles."

"This is one of my battles," said Zap.

For high-schoolers, the lower-priced, "one size fits most" label Brandy Melville is the brand of choice. Phoebe Chaytor, a high-schooler and influencer in Vancouver, originally noticed the trend on Pinterest. She now has a handful of pairs from Brandy Melville. "They're very aesthetic. It's not like you're walking out in some kind of plaid Christmas

PJs."

Chaytor's school doesn't have a dress code, but some districts are officially allowing pajama pants at school. This year, a committee that oversees dress codes for Whitfield County schools in Georgia voted in favor of adding pajama pants to the dress code after many teachers said students were already wearing them to school.

"There are other things administrators need to be focused on, than if a kid has on pajama pants compared to leggings," said Chris Parker, a member of the committee.

Parker said that he hasn't received any calls or other feedback from parents or teachers. "To be honest, I heard more a few years ago when the length of shorts went from the top of the knee to a three quarter [thigh length]," he said.

"A number of our students, especially high school kids, want to sleep as late as possible," he added. "So it's easier to just have on pajama pants and a T-shirt and come to school."

Luxury pajamas have been around for decades. Brands like Carine Gilson and Olivia von Halle sell high-end nightgowns, PJ sets and robes that can cost thousands of dollars. Designers like Prada have sent pairs down the runway as recently as 2022.

But the pandemic blurred the lines between work and home life, leading people to prioritize comfort over style.

Fashion brands capitalized, pushing out sleepwear designed to be worn as everyday clothing. Labels like Sleeper and Hill House Home offer pajamas designed to be worn outside the home. Djerf, the Swedish influencer, now sells

tencel and organic cotton pairs that customers like to style with button-downs and kitten heels.

Luciana Leyva, a student and influencer, first saw the trend on Instagram over the summer and adopted it immediately. "They literally go with everything," she said.

Jenni Lee, founder and creative director of sock and loungewear label Comme Si, in 2021 added boxer pants to her offerings. "If I step out to pick my son up from daycare or grab a coffee, I don't want to change into outside clothes."

The influencer Paige Lorenze, whose brand Dairy Boy offers sleep pants, doesn't expect the trend to stop just because temperatures are starting to drop. "There's something nice about an Ugg with them, and a big cozy sweater," she said. "It's very fall vibes."

Tower Is Trouble for Adams

Continued from Page One

say Turkish officials eventually found someone else to make its problems with the Fire Department go away: the incoming mayor.

Late last month, a grand jury indicted Mayor Eric Adams on an array of corruption charges related to gifts he allegedly accepted from a Turkish official and businessmen, including free flights on a Turkish airline and luxury hotel stays. Partly in exchange for the goodies, prosecutors allege, Adams pressured fire department officials to sign off on the building's safety despite their concerns.

Now, the nearly \$300 million Turkish House that Turkish President Recep Tayyip Erdogan intended to be a monument to his nation's global influence is likely to loom even larger in a legal drama that might cost the New York mayor his job and perhaps his political career.

Adams has pleaded not guilty. A week ago, his lawyers asked a federal judge to dismiss a bribery charge. "Gratuities are not federal crimes. Courtesies to politicians are not federal crimes," his lawyer, Alex Spiro, said at a news conference that day.

The Turkish Foreign Ministry has said that its employees abide by international law and diplomatic conventions. "There is no way in which we would interfere in the internal affairs of another country," the spokesman told state news agency Anadolu.

Prosecutors alleged that in September 2021, Turkey's consul general in New York, Reyhan Ozgur, asked Adams and one of his staffers, in phone calls and electronic messages, to clear the path for opening the Turkish House in time for an opening ceremony to coincide with Erdogan's address to the United Nations. Adams wasn't yet mayor then, but he had won the Democratic primary, all but guaranteeing he would win the general election.

Many defects

An inspector for the fire department, however, had refused to sign off, noting more than 60 defects to the building's fire readiness. Ozgur called one of Adams' staffers and said it was "his turn" to support Turkey, according to the indictment. She relayed the message to Adams.

"I know," Adams responded, according to the indictment. He pressed the fire department to make an exception, prosecutors said, and days later Turkish officials got what they wanted: The tower opened for Erdogan's arrival. At the ribbon-cutting ceremony, Erdogan said the tower reflected his nation's "greatness, legacy and growing power."

Erdogan's building projects, including his nation's biggest mosque, began to transform Istanbul in the mid-2000s. Former Turkish officials said there were few places abroad where the Turkish leader wanted to project strength more than in New York, a financial hub and center of international diplomacy.

Since the late 1970s, the Turkish Center, a bland, 11-story office building across First Avenue from the U.N., had served as Turkey's New



Mayor Adams visiting the Turkish House in May 2023. Prosecutors allege he pressured fire department officials to sign off on its safety. Turkish President Erdogan, below at center, with microphone, at the ribbon-cutting ceremony.



York City consulate and U.N. mission. The building, purchased from IBM, survived a terrorist bomb blast in 1980. In the 2000s, though, the leaders of the increasingly prosperous nation felt they had outgrown it.

"The rugs were a bit torn, and the furniture wasn't in very good condition," recalled Faruk Logoglu, a former Turkish diplomat and former member of his country's parliament.

An ambitious plan emerged: Tear down the old Turkish Center and a neighboring building and replace them with a glass tower three times as high overlooking the U.N.—something prime minister and future president Erdogan believed could showcase the country's growing clout on the world stage.

It was supposed to take three years. Building it turned into a problem-plagued ordeal that dragged on for about a decade.

In 2012, Turkey hired a project manager, Chicago-based Cresa, to oversee the demolition of the existing buildings and the construction of the new one. New York-based architectural firm Perkins Eastman signed on as the designer. Renderings prepared by Perkins Eastman showed a curving facade inspired by the crescent in the center of the Turkish flag. The design incorporated the kinds of ornate patterns seen in caravansaries, the medieval inns that hosted merchants traveling the Silk Road. Offices for the consulate

and Turkish businesses would occupy the tower, along with 20 residential units for diplomatic staff, a fitness center, outdoor terraces, an auditorium and a prayer room.

The project was soon mired in delays, and the costs mounted rapidly. The existing Turkish consulate was vacated by 2013 to make way for the new project, forcing Turkey's diplomats to work out of a rented space in Midtown Manhattan. That cost the Turkish state \$5 million a year. Yet, demolition work hadn't even started yet.

"The ongoing uncertainties regarding the Turkish House project are increasing the costs of the project as well as hitting Turkey's reputation in the U.S.," wrote Logoglu, the former diplomat who had become an opposition politician, in a parliamentary motion in 2015.

In 2016, Cresa, the U.S. project manager, threatened to walk away from the project af-

ter its contract expired, according to a lawsuit Turkey filed against the company back then. But Cresa and Turkey made amends, and demolition work began the next year.

Progress was far slower than imagined. By the start of 2021, the construction team was given a firm deadline: Everything needed to be done by the U.N. General Assembly meeting that September. Infelise, a Cresa employee who has worked on the project for years, said in a 2023 deposition that the order came from Erdogan himself. Erdogan's office didn't respond to a request for comment.

Infelise said builders initially estimated it might cost only a few million dollars more to meet the deadline. But cost increases were also coming in from Turkish company IC Ictas, which in partnership with American company Aecom Tishman, was handling the construction, according to the

depositions of Infelise and another Cresa employee.

IC Ictas, owned by Turkish businessman Ibrahim Cecen, had overseen some of Turkey's landmark government projects, including a nuclear power plant and one of the massive bridges across the Bosphorus, which divides Europe and Asia.

The original design had been modified, including to create more space for things like equipment storage and a vehicle elevator. Infelise and the other Cresa employee said in their depositions that they expressed concerns to Turkish officials that IC Ictas and Aecom were charging an unusually large markup for changes to the construction plan.

Aecom Tishman declined to comment, and IC Ictas didn't respond to requests for comment.

Turkish officials didn't reject the changes or add charges, the two Cresa employees said in their depositions. Later, Turkey blamed some of the rising costs on the architect, Perkins Eastman, which it sued after the building was completed.

Perkins Eastman denied Turkey's claims.

Turkish officials first approached the future mayor in 2015, the year after he was elected Brooklyn Borough President. Prosecutors alleged that Adams took two trips to Turkey that year, one of them paid for by the Turkish consulate in New York and an educational conglomerate based in Istanbul. Adams met the

next day, according to the indictment, Adams messaged the Fire Department commissioner about Turkey's problems getting final signoff.

Later that day, the department's top uniformed officer—called the chief of department—told another top official, the fire prevention chief, that if they didn't help the Turkish government, they would both lose their jobs, according to the indictment.

The Fire Department drew up the necessary documents and Adams relayed the good news to the Turkish consul general: The building was free to open.

"You are a true friend of Turkey," Ozgur, Turkey's consul general, replied in a text that included two folded-hands emojis, according to the indictment.

Turkey remained far from satisfied, though, with the nearly \$300 million cost of the project. Turkey sued Perkins Eastman, alleging their poor design work had cost them delays and at least \$13 million.

The architectural firm disputed the allegation. When Perkins Eastman asked the Turkish government to produce documents buttressing its claims, it declined, citing "consular privileges and immunities."

It said Cresa, its American project manager, had all relevant documents.

In their ensuing depositions, Cresa employees said some construction review decisions were made at meetings among Turkish officials in Ankara.

Turkey dropped its lawsuit earlier this year.

Days before the Turkish House's grand opening on Sept. 20, the mayor asked an aide to arrange a flight to Pakistan.

"He'll pay the economy class price," the aide told the manager of Turkish Airlines, according to prosecutors. "Can we upgrade later?" "Of course," the airline manager replied.

—Elvan Kivilcim, Lisa Schwartz, Rob Barry, Corinne Ramey and James Fanelli contributed to this article.



A Turkish official toured the building, which is across First Avenue from the U.N., when it was under construction in 2019.

PERSONAL JOURNAL.

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THE WALL STREET JOURNAL.

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Will Apple Revolutionize Hearing Aids?

Other over-the-counter models have seen low sales and high return rates



FAMILY & TECH
JULIE JARGON

Over-the-counter hearing aids promised to be cheaper and more accessible for people with mild to moderate hearing loss. Instead, people are returning them at high rates.

People returning the devices often cite poor audio quality or lack of adequate customer service, audiologists and retailers say. And sellers of OTC hearing aids say that along with high returns, few people are even trying them in the first place.

Michael Abt, co-president of Abt Electronics, a large, independent appliance and electronics store in Glenview, Ill., stopped carrying OTC hearing aids over the past two months because of their 40% return rate.

"You want to sell people something they love and cherish and tell their friends about," Abt says.

It has been nearly two years since a Food and Drug Administration ruling allowed retailers to sell hearing aids without a clinical assessment. Doctors lauded the move as a solution for over 20 million American adults who have hearing loss that isn't severe enough to warrant expensive prescription devices. Regular hearing aids can set people back \$3,500 or more, while OTC models were expected to cost as little as \$200.

In reality, many go for \$1,500 to \$2,000, audiologists say. People have been deterred by this higher cost and the stigma of wearing something that suggests old age. Just 2% of adults with hearing difficulties have purchased an OTC hearing aid, according to a survey commissioned last year by the American Speech-Language-Hearing Association.

(That's one reason

it was hard to find a customer to interview for this column.)

The struggles come as Apple prepares to release a potential game-changer—a software update that will turn its popular, \$249 AirPods Pro 2 into hearing aids.

The cost of service

No one has officially tracked OTC hearing-aid sales or returns, but audiologists have estimates from what they've seen themselves and have heard from vendors.

Nationally, the return rate on such devices ranges from 15% to 30%, compared with 6% to 10% for prescription hearing aids, says Vinayaka Manchaiah, director of audiology at the University of Colorado Hospital in Aurora, Colo., citing what he's heard from industry insiders. He says people often need help troubleshooting and getting their OTC hearing aids programmed correctly.

"Some companies do this well, but others are not able to provide that kind of support," he says.

Eargo, a large manufacturer of OTC hearing aids sold directly to consumers before retailers could offer them, has a return rate of around 25%, says interim Chief Executive Bill Brownie. That's come down from a few years ago, when about a third of all OTC models were returned, he says. Brownie attributes that to Eargo

▼ OTC hearing aid maker Eargo has seen its return rate drop after improving customer support.



▲ Eargo is a large manufacturer of OTC hearing aids sold directly to consumers before retailers could offer them.

customer-support improvements. Eargo hearing aids cost \$799 to \$2,950. The higher pricing, Brownie says, allows Eargo to better help customers. "It's difficult to do that at \$300," he says.

Meaghan Reed, director of clinical audiology at Mass Eye and Ear, a Boston hospital that assesses hearing for up to 4,000 patients a year, says the hospital's return rate for OTC hearing aids—17%—is three times that of prescription devices. She says that's largely because they don't meet patient needs.

"One of the things that's frustrating and surprising is that OTC

devices are still not as low-cost as we were hoping," Reed says.

About 60% of patients who returned their OTC models got a prescription version instead, because they could get ongoing support for adjusting them, she says.

Lower-price models have their own issues.

Abt Electronics, which began carrying OTC hearing aids a year ago, offered four brands ranging from \$300 to \$1,200.

The cheaper products had higher returns, with customers reporting they didn't work as hoped. Abt didn't want to only carry the more-expensive hearing aids because he wanted to provide

▼ Apple's \$249 AirPods Pro 2 will turn into hearing aids through a software update this fall.

choices to customers.

"With hearing aids, we felt we had to be all in or not in," he says.

A bite from Apple

When Apple rolls out new software this fall, its AirPods Pro 2 will be able to function as hearing aids. The update will also include a hearing test and a hearing-protection feature that reduces loud noises.

While hearing industry executives and audiologists say AirPods Pro 2 could eat into the low-price OTC hearing aid market, they aren't worried it will totally take over. Their battery life—at most six hours—isn't long enough for people who need all-day hearing assistance. They're also the opposite of discreet, with white stems that stick out of people's ears versus the many OTC hearing aids that fit inside the ear canal.

People also might hesitate to talk to AirPods wearers, thinking they're on the phone or listening to music. "When you see someone wearing AirPods, it doesn't signal that they're open to having a conversation," says Lindsay Creed, associate director of audiology practices at the American Speech-Language-Hearing Association.

The biggest advantage of the new Apple feature, experts say, is that it could help people realize they have mild hearing loss. That could shift business to higher-end OTC devices over time. "Once people actually experience what hearing amplification can do and how it can improve their life," Brownie says, "it could drive adoption of OTC hearing aids overall."



275 GTB/4 from that era has one of the most copied body styles ever. [According to Ferrari's website, 330 of them were built from 1966 to 1968. Top speed: over 166 mph.] It has a long nose, and one of the sexiest body styles I have ever seen.

Scott Borchetta and the one-of-a-kind 'Del Rio' Ferrari 275 GTB/4.

The "Del Rio" 275 GTB/4 is a special car for so many reasons.

According to the car's records, the man who ordered the car to his specifications was its original owner, a Wall Street stockbroker named Daniel Del Rio. The car has custom features that make it unique. For one, its rare color—called Del Rio Verde Medio—along with its bespoke interior. The car has a four-cam 3.3 liter V-12 engine with six carburetors, so it needs a masterful mechanic to properly tune it.

I have a fairly extensive collection of race cars and road cars that I keep in a party space, and it makes me smile just to be around them. The Del Rio I added last year.

It is a race car in streetcar clothing, but it is not a car you would race today, as it is far too rare.

But it is a driver. I drive it several times a month. It is totally analog. There is no air conditioning, and no radio, which is wonderful even for a guy in the music business, as the sound of this 1967 Ferrari V-12 is something wonderful all on its own. For a car this old, it is incredibly agile and quick. Ferrari was way ahead of its time with this car.

There are beautiful roads that people don't know about in middle Tennessee. From my office, I can drive 25 miles in any direction and find fantastic roads. When people ask me what my favorite car is, I always say: the car I am driving right now. But the Del Rio is definitely a bucket-list car. To me, it is one of the most classic designs of all time.



SOPHIA CALDERON FOR WSJ (3)



PERSONAL JOURNAL.

After the Storm Comes the Financial Toll

Even with insurance, families need years to pay the bills and rebuild savings; some delay retirement plans or move away

By VERONICA DAGHER
AND KATHERINE HAMILTON

Storms like Hurricane Helene need only minutes to devastate people's finances. Even those with decent insurance and thousands in government support need many years to recover.

Jason Johnson, 49, watched from his neighbor's third-floor window two years ago as 10 feet of water from the Gulf of Mexico surged through his Fort Myers Beach, Fla., house during Hurricane Ian.

His Jeep Grand Cherokee floated down the street—along with his refrigerator. His home, filled with 3 inches of mud and a catfish, was uninhabitable. His two cars and boat were unsalvageable.

They were well insured. Flood insurance paid out \$350,000. They got about \$32,000 from the car and boat insurances combined.

He and his wife, Michele Johnson, 55, knew it wasn't enough. "Ian's been a huge financial burden that set us back years," he said.

When a hurricane or other natural disaster hits, the costs are immediate. They are also often long-lasting. There are hotel bills and lost days of work. Then there is money needed to cover construction and the rebuild.

Homeowners and renters often postpone retirement and attempt to take on more work. Many take on more debt and then fall behind on that debt. The share of people in a community who miss debt payments continues to rise for years after a disaster and eventually doubles four years after a storm, according to the Urban Institute.

The Johnsons took \$200,000 from their savings for home repairs after the hurricane two years ago.

They are also paying off a \$60,000 loan for the one-bedroom RV they lived in for almost two years during the rebuilding.

They were still paying off that storm damage when Helene delivered another gut punch in September. The flooding might add another \$70,000 to their tab. Their dream of being debt free by retirement now seems far-fetched. As



does the Caribbean vacation Michele longs to take.

"I'm so tired of this," he said.

Compound damage

The financial toll of hurricanes is hardest on those who were straining to make ends meet before the storm. Bankruptcies rise and mortgage delinquencies remain elevated for years afterward, according to 2019 research by the Urban Institute.

"It's like somebody hanging on to the bottom rung of a ladder and you start to see their fingers slipping," said Urban Institute researcher Daniel Teles. "They are trying to pay their mortgage, but

▼ Jason and Michele Johnson's boat and home in Florida were severely damaged during Hurricane Ian two years ago. The Johnsons are still paying off storm-related debt.

they're also paying rent."

Eight trees fell on Samantha Tarrant's property in Texas during Hurricane Beryl in July. They set off a domino effect that landed her \$8,000 in debt, she estimates.

The damage cut off her Internet access for a month, reducing the hours she could work at her remote job. A tree also fell on an unoccupied shed where she was refurbishing antique furniture as part of a side business she runs. All that, along with the cost of removing the trees, put her behind on most of her bills.

"FEMA will come in and kind of help, but it's not enough," Tarrant said of the Federal Emergency Management Agency.

"When you're living paycheck to



paycheck, there's no way you can prepare for it all."

Credit scores fall 46 points on average following a disaster, and many don't rebound much even four years later, according to a 2017 paper by the Federal Reserve Bank of Kansas City.

Those living on the outskirts of the storm's path often fare worse financially, according to the Institute. This happens because aid from FEMA and other assistance groups is usually larger for the hardest-hit regions initially.

Change of plans

Scott Townsley had planned to fully retire at the end of 2022. Hurricane Ian changed that.

The storm did more than \$300,000 in damage to his Sanibel Island, Fla., home. Insurance covered about half of the cost of the repairs, though it took 12 months of wrangling to get most of the funds. Townsley, a consultant,

picked up a few more clients and kept working to help shoulder the cost.

Townsley considered himself lucky as some of his neighbors still hadn't been reimbursed by insurers, he said.

The storm, however, wasn't the only cost. After the hurricane, the insurance premium on his 3,000-square-foot home increased to nearly \$20,000.

Townsley and his wife, Carol, decided it was time to move. They sold their Sanibel home earlier this year for about \$1.7 million, about \$300,000 less than what it would have sold for before the storm, he said.

"It's just money, and a wasted year," he said. "But we're the lucky ones. We get that."

The risk and rising cost of getting hit by another storm is leading many to contemplate a move.

"We live in paradise 95% of the time, but the other 5% can be a total nightmare," said Becky Monroe.

She and her husband used about \$200,000 of their retirement savings to fix their Sanibel Island house after Hurricane Ian.

"We're fortunate to have enough in our retirement to fund the cost of a hurricane at least once, but if it were to happen again we would have to give serious thought to staying on Sanibel," she said.



Emptiness of A Blank Slate In Retirement Is Daunting

By STEPHEN KREIDER YODER
AND KAREN KREIDER YODER

Stephen Kreider Yoder, a longtime Wall Street Journal editor, joined his wife, Karen Kreider Yoder, in retirement in late 2022.

Steve

We were cycling along the north Japan coastline in July when a reader sent us an email we've been talking about ever since.

"We traveled a ton the first two years of retirement and then stayed home for the last 6 months for the first time in our lives to just be in our neighborhood, in our home, our garden," wrote Colleen, 64, of Washington state. "It's been so much more enjoyable than we thought."

Colleen's words struck a chord because Karen and I had been wondering aloud whether it was time to settle down a bit at home when we got back at summer's end. "It'll be time for a reset," I said.

We've spent nearly half of our days away since I retired. We regret none of it, whether biking across America, exploring the Algerian Sahara or riding Amtrak to see Dad in Iowa. Japan's Hokkaido island enriched us beyond expectation.

Yet with each kilometer forward, we found ourselves yearning a bit more to just be home—and not just

as a break between trips.

We're back now, and still determined to stay. But for me that means admitting I haven't figured out how to be retired at home yet. One of my biggest discoveries since quitting work has been how hard it is for me to get off the couch and find stuff to fill the vacuum where my career used to be. The emptiness of a blank slate is daunting.

For decades, my job set much of my daily agenda. Tasks rushed at me unbidden at every turn, requiring creative decisions that often brought gratifying outcomes. The steadiness of the onslaught was addictive, I can see now.

Travel can be a similar drug.

Whether I'm navigating an unfamiliar country or a winding Appalachian byway, the journey bombards me with new tasks every hour. The road decides what decisions I must make.

Back home, the onus is now on me to go out and find tasks, and I'm not good at that. I putter in the garage, fix things around the house, read a bit, ride in the park with Karen—then inevitably begin pulling out maps to dream up another trip as I need to escape.

So I'm trying to imagine my own retirement with less travel, one where home is a nest to settle into rather than a coop from which to plan the next flight out. Part of that is telling myself it's OK not to be productive in the workaday sense, that I deserve to linger at home over books or music or tinkering tasks that are just plain fun.

A friend recently retired and immediately adopted a fulfilling routine of gardening, pickleball, bowling and visiting grandchildren. Others have found part-time editing work that seems to provide purpose and

a comfortable routine.

We've been trying to invite more people into our home. I've begun signing up for more volunteering and am considering getting part-time paid work, not so much for the money but to add some outside structure from which to come home.

A longtime friend, retired, works part time in the bike department of a sports store—that sounds awfully attractive.

But I might be incorrigible. Last month, I secretly ordered 12 maps that cover a bike route across the American North. They are under my desk as I write, calling softly to me.

Karen

Home again, home again, and there is so much I get to do, now that I'm retired.

Too much, sometimes.

In the first week back, I emailed friends living within walking distance.

"Ready to connect with y'all," I wrote. "Want to join us on a bike ride to the beach?...Want to come over and sit on the stoop in the late afternoon?" Immediately, a friend invited us to a debate-watching party and another proposed a neighborhood potluck. We biked to the beach with a new neighbor for a moon-watching celebration. I lent my big pot for a friend's shrimp boil.

We found ourselves yearning a bit more to just be home.

Unlike Steve, I don't spend a lot of time agonizing over how to define my new place in life when we aren't traveling.

Being at home is calming. I wake early, make coffee and putter alone around the house. I unload the dishwasher and read the San Francisco Chronicle in print. I do word puzzles.

All before rise of sun or Steve.

I cook up meals to share with friends. I dehydrate apples and grapes. I make plum jam and quince butter. I sew comforters and make quilts. Scanning photos, sorting files, making sock monkeys, hosting my women's group, tutoring an adult learner.

My professional life, like Steve's, once set much of my daily agenda. My retirement life is a job, this time one of my own choosing.

My struggle: I tend to choose "yes" too often. One solution: I list all the tasks with a time allocation, and they seem more finite, more doable.

Then there are the regular weekly activities that I've chosen—Tuesday meditation on Zoom, Tuesday evening dinner and comforter knotting, Wednesday morning biking to pick up our community agriculture box. Thursday once a month is Serendipity Day with Steve, when we draw a slip of paper out of a jar with an activity written on it.

Those activities sprinkled in make for regularity and consistency across the week.

And when all my activities begin to feel like too much, I can count on one predictable reset: travel.

Now that Steve has confessed to buying those Northern Tier bike maps, I've already started researching campsites along the route.

To read previous columns, go to wsj.com/retirementrookies.



CLOCKWISE FROM TOP: SAMANTHA TARRANT; JASON JOHNSON (4)

ARTS IN REVIEW

BY KAREN WILKIN

Toward the end of 1924, a very young man—about 20 years old—arrived in New York. Born in Armenia as Vosdanig Manouk Adoian, he survived the genocide along with his sister, but they watched their mother die before they were able to join their father in Massachusetts, in 1920. The preternaturally talented Adoian, who taught drawing classes in Boston after minimal study himself, began teaching in New York, now having renamed himself Arshile (a version of the hero Achilles) Gorky (as a presumed relative of the Russian writer, even though that was a pseudonym).

In 1928, Gorky met John Graham, a Kyiv-born artist, formerly Ivan Gratiyanovich Dombrowsky, a generation older and connected to everyone in New York's small world of progressive art. A year later, through Graham, Gorky met Stuart Davis. The unlikely trio—two of them tall, elegant and foreign-born, the other short and irreducibly American—were so closely connected by their passionate commitment to modernism that Willem de Kooning called them the Three Musketeers, “the three smartest guys on the scene,” and signed on as D'Artagnan.

Except for brief stays outside the city, Gorky remained in New York until 1945, when he and his young family moved to Connecticut. There, in despair because of ill health, personal difficulties, a devastating studio fire, and more, he took his own life in 1948. To commemorate a happier anniversary—the centennial of Gorky's arrival in the city where he spent most of his too short working life—Hauser &

An Enigmatic Evolution

Celebrating the centenary of artist Arshile Gorky's arrival in New York

Levy hoped, “with Gorky.”

On view until Oct. 26, the exhibition allows us to follow the evolution of Gorky's mysterious abstractions, from crisp to crusty to delicate and fluid. Figures and still-life references occasionally appear in works from the 1930s, eventually giving way to ambiguous, soft-edged forms that float in seas of paint. That ambiguity allied Gorky with Surrealism, while the fragility of his late work made it strikingly different from the dense layering of gestural Abstract Expressionism.

The selection ranges from the declarative “Untitled (Sunset in Central Park)” (1931), with its glowing orange background and emphatically presented shapes, to the creamy, brushy “Untitled (Painting)” (c. 1947-48), a rosy expanse, veiled by pale sweeps, with suggestive, unnameable forms that seem to rise to the surface. In between, we can savor elegantly hatched drawings from the “Nighttime, Enigma, and Nostalgia” series, made between 1931 and 1934, and improvisatory ink explorations of the “Organization” composition, also from the 1930s. A robust, oversize still life (c. 1936-37) expands on the “Organization” drawings, its spiky shapes, subdued palette, black drawing and notes of green all unmistakably “Gorky” but also indications of what he learned from Picasso.

We can watch Gorky become



'Untitled (Sunset in Central Park)' (1931), above; 'Untitled (Nighttime, Enigma, and Nostalgia: 1934)' (c. 1933-34), below.

more and more confident about the expressive possibilities of his materials and about showing the evidence of the artist's hand. Lush pastels and crayon drawings, disciplined with delicate lines, bring us to the 1940s, preparing us for the exhibition's fluid, enigmatic works

from the last years of Gorky's life. These evocative abstractions include the richly orchestrated “Untitled (Drawing, Agony)” (c. 1947), all smudged gray, anchored by incisive lines, and the luminous “Untitled (Virginia Summer)” (c. 1946-47), a field of pulsing pale blue with subtly shaped “glyphs” breaking through.

We have learned to regard those compelling “glyphs” as a cast of characters, at once biomorphic and wholly abstract, apparently

specific but ultimately unidentifiable. They may derive from landscape elements, vegetation, recollections of Armenia, and more. But whatever their origins, these mobile, suavely rendered elements appear to enact mysterious dramas, like imperfectly remembered dreams or delirium visions. The implications of Gorky's unknowable images engage us—competing for attention with our awareness of his sensuous handling of paint, his exquisite drawing and his often surprising orchestration of color—but ultimately elude us.

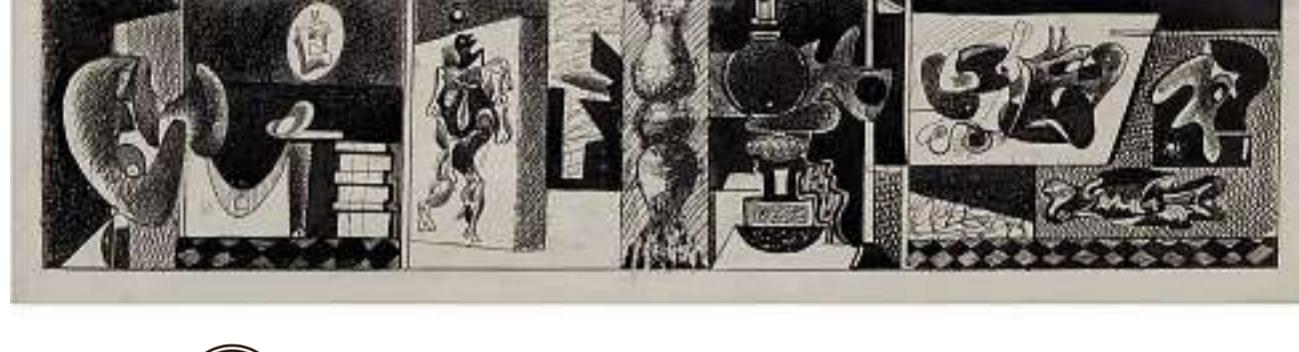
The centennial of Gorky's arrival in New York should warrant a full-scale exhibition but, absent that, the works at Hauser & Wirth are a consolation. A series of long-term installations at various museums will heighten attention on Gorky and the anniversary. The Museum of Modern Art is showcasing some of its Gorky holdings on the fifth floor, while the Metropolitan Museum of Art is presenting its richly hued, lively, landscape-derived “Water of the Flowery Mill” (1944). On display at the Philadelphia Mu-

seum of Art is “Dark Green Painting” (c. 1948), with its sinuous “characters,” sharply defined against a sea of resonant color. At the National Gallery of Art, Washington, we can study the muscular “Organization” (1933-36), a crisper, more graphic relative of the still life at Hauser & Wirth; the museum's “One Year of the Milkweed” (1944), with its floods of translucent color, and the haunting, ravishing double portrait “The Artist and His Mother” (c. 1926-c. 1942), based on a photograph taken in Armenia to send to his absent father, will go on view in Washington starting Oct. 17.

If we're willing to travel, we can experience a lot of first-rate works by Gorky. “Arshile Gorky, New York City,” in SoHo, is a wonderful place to start.

Arshile Gorky, New York City
Hauser & Wirth New York, Wooster Street, through Oct. 26

Ms. Wilkin is an independent curator and critic.



THE ARSHILE GORKY FOUNDATION/ARS, NY/HAUSER & WIRTH (2)

ARTS CALENDAR

HAPPENINGS FOR THE WEEK OF OCTOBER 8

By WSJ ARTS IN REVIEW STAFF

Film

"The Apprentice" (Oct. 11)

Iranian-Danish filmmaker Ali Abbasi and Vanity Fair journalist Gabriel Sherman team for this biopic about the early years of Donald Trump's career and his time under the tutelage of Roy Cohn, with Sebastian Stan playing the future president and Jeremy Strong as the famed fixer.



Jeremy Strong and Sebastian Stan in 'The Apprentice.'

Manager alongside Zoey Deutch, Katie Holmes and Billy Eugene Jones.

Music

The Linda Lindas, "No Obligation"

(Oct. 11)

The young all-girl rock group follows up its punk-filled 2022 debut record, “Growing Up,” with an album that branches out into post-punk, garage rock, new wave and Spanish-language rock.

miere of Gershwin's “Porgy & Bess,” performed by the Cape Town Opera and Chorus, the Shanghai Symphony Orchestra, and conductor Kazem Abdullah.

Exhibitions

"The Moment Music Stood Still: The Nova Music Festival Exhibition" (Weitzman National Museum of American Jewish History, Philadelphia, through Oct. 13)

A pop-up, traveling version of a larger exhibition in Culver City, Calif., this show marks the first anniversary of the Hamas terrorist attacks on Israel through its displays of such remnants as festival campground tents and empty bottles, as well as a replica DJ booth—along with video testimonies and written first-person accounts of the tragedy.

Art

"Siena: The Rise of Painting, 1300-1350"

(The Met Fifth Avenue, New York, Oct. 13-Jan. 26, 2025)

While many fixate almost exclusively on Florence's pivotal role in the origins of the Italian Renaissance, Siena was no less important. The Met now offers a corrective in a far-reaching show that focuses on the dawn of the Renaissance and the indispensable part Sienese artists like Duccio, Pietro and Ambrogio Lorenzetti, and Simone Martini played in defining the future of Western painting.

Last Call

"The Birth of Department Stores: Fashion, Design, Toys, Advertising, 1852-1925" (Musée de Decorative Arts, Paris, through Oct. 13)

A top-shelf exhibition offers an object-rich jaunt through the earliest days of our modern consumer society. Our critic praised the show as “a history lesson, a technical demonstration, a pleasure trip.”

For additional Arts Calendar listings visit wsj.com. Write to brian.kelly@wsj.com.

PIER WEYMANS/ASSOCIATED PRESS

TV

"Disclaimer"

(Apple TV+, Oct. 11)

Cate Blanchett stars as a journalist shocked to discover that a new novel seems to feature her as a central character and reveal dark secrets from her past. Alfonso Cuarón writes and directs this seven-part psychological thriller, based on the Renée Knight book, that also features Sacha Baron Cohen, Kevin Kline, Lesley Manville and Hoyeon Jung.

Theater

"Our Town"

(Ethel Barrymore Theatre, New York, Oct. 10-Jan. 19, 2025)

Thornton Wilder's Pulitzer-winning classic returns to Broadway in a new production from Tony winner Kenny Leon starring Jim Parsons as the Stage

Dance

New York City Ballet Fall Fashion Gala (David H. Koch Theater, Oct. 9)

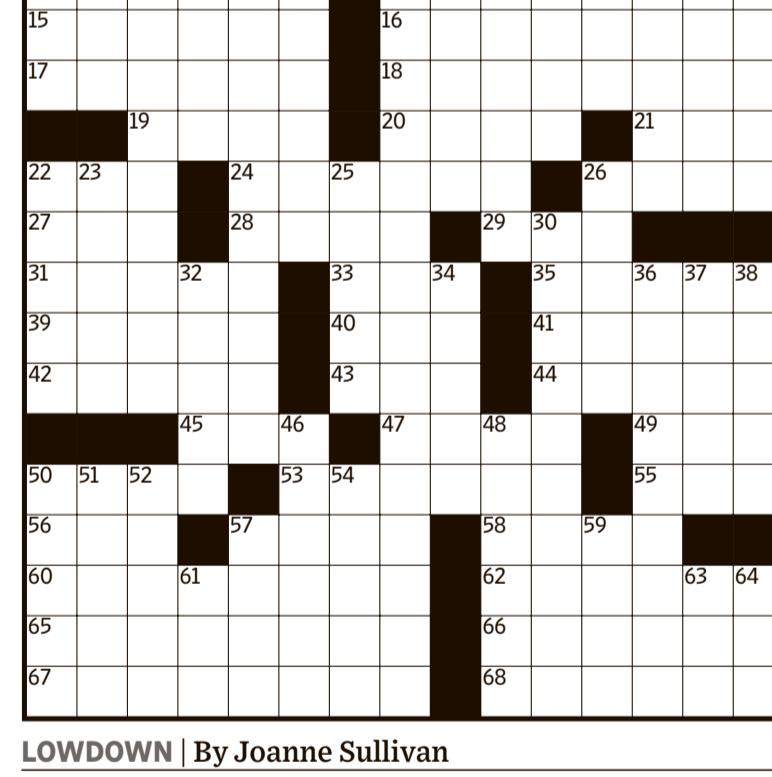
This year's program for the annual celebration includes Tiler Peck's “Concerto for Two Pianos” (to Francis Poulenc), which had its debut this winter; the company premiere of Gianna Reisen's 2022 “Signs” (to Philip Glass); and a new dance by Caili Quan, her first for NYCB, set to Camille Saint-Saëns's Cello Concerto No. 1.

Opera

Beijing Music Festival (Various Locations, through Oct. 13)

This event, now running for over a quarter-century, returns with its usual blend of programming that celebrates both international and Chinese contemporary music. A major highlight this season: the Chinese pre-

The WSJ Daily Crossword | Edited by Mike Shenk



LOWDOWN | By Joanne Sullivan

Across

- | | | | |
|--------------------------------------|--|-------------------------------------|---|
| 1 Raises a paddle again | 29 Royal Observatory hrs. | 55 Heavy weight | 5 Yankee who played the same infield position for his entire career |
| 7 Environmental seal of approval | 31 Left pedal | 56 Auditing pro, briefly | 6 Cheap cigar |
| 15 Early computer newsgroup system | 33 Greek consonants | 57 "Jane the Virgin" star Rodriguez | 7 Wiring problem |
| 16 Opera featured in "Moonstruck" | 35 Answer from a knocker | 58 Deeply massage | 8 Kayak's kin |
| 17 Opera venue | 39 Egypt's Anwar | 60 "Gentle" Japanese martial art | 9 Eclair shape |
| 18 Join | 40 N.C. State and Duke are members of it | 62 Take to the skies | 10 Lane of the Daily Planet |
| 19 "Don't Look Now" director Nicolas | 41 Pacific salmon | 65 Be on the wrong side (of) | 11 Throat exam sounds |
| 20 Pigeon cries | 42 Over yonder | 66 Kernel of corn | 12 Back, monetarily |
| 21 Up in years | 43 "I'm not feeling it" | 67 Glitterati | 13 "J'accuse..." writer Zola |
| 22 Poker stakes | 44 Sidesplitters | 68 Some gasless autos | 14 Gives, but not to keep |
| 24 Baby Burmese | 47 Text to a sidesplitter | Down | 64 Visitors from Venus, briefly |
| 26 Register slot | 49 Highway sign abbr. | 1 Groove in the road | Previous Puzzle's Solution |
| 27 Mo. that starts with pranks | 50 Common newspaper name | 2 End for Taiwan or Japan | B E G L E G O A F O U L
S O L O C R A M R I N S E
C O M I N D O W N K N E E S
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| 28 Heckle | 53 Social crusade goal | 3 Pessimist's stock sale | |
| | | 4 Captivated by | |

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

SPORTS

A Trade That Has Backfired Spectacularly

BY ANDREW BEATON

Nearly two years ago, the Carolina Panthers made the blockbuster move that would define their future. After suffering through losing season after losing season and cycling through a litany of journeymen quarterbacks, they went all-in to get a blue-chip talent at the game's most important position. Carolina shipped a flotilla of players and draft picks to the Chicago Bears in a trade for the No. 1 pick in the 2023 draft.

And that deal has never looked worse than it did when the Panthers and Bears played Sunday.

Bryce Young, the Heisman Trophy-winning quarterback the Panthers drafted, began the game on the bench after a disastrous start to his season. Meanwhile, Caleb Williams, who the Bears drafted with this year's No. 1 overall pick acquired from Carolina in the trade, spent the afternoon shredding the Panthers' defense and looking like a budding star. Even worse, two of Williams's touchdown throws went to D.J. Moore, the dynamic receiver who also arrived in Chicago as part of the swap.

The Panthers' 36-10 blowout loss was the ultimate referendum on a trade that somehow looks increasingly lopsided by the week. The trove of assets that once belonged to Carolina has turned the Bears into one of the NFL's most promising young teams. And the Panthers are back to floundering with a journeyman, Andy Dalton, at quarterback after the one they paid so much to acquire hasn't panned out.

It's a lesson in the conflicting dynamics at the top of the NFL draft. While premium picks are highly valued because they give teams a chance to nab a franchise quarterback, paying too much to acquire one can backfire spectacularly—and wind up setting the franchise back for years.

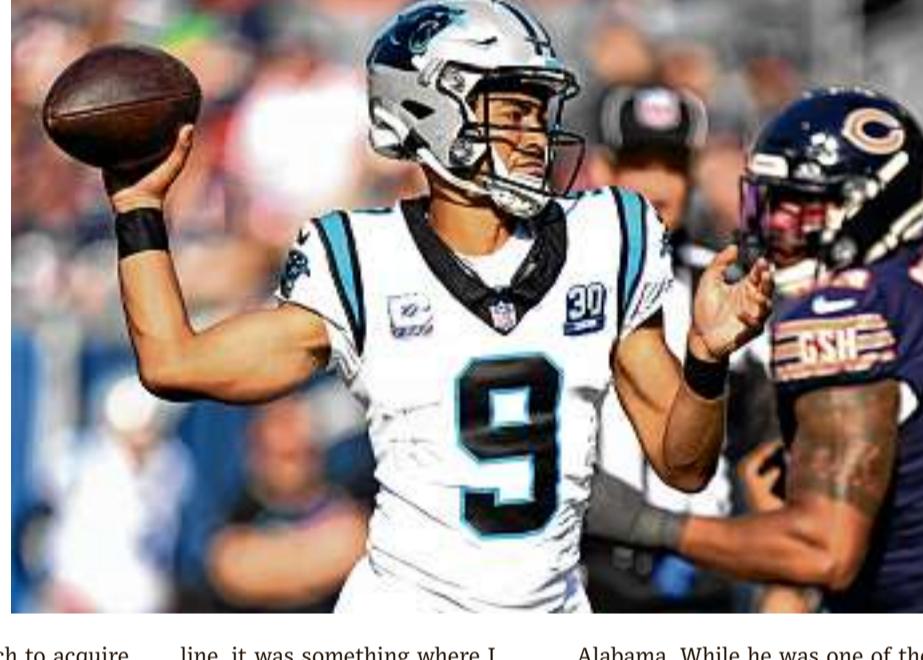
For the Panthers, Young's stock has fallen so far that he was relegated to mop-up duty in Sunday's rout—the equivalent to throwing him into the game as a tackling dummy. Coach Dave Canales explained afterward that with a beat-up offensive line, he inserted the erstwhile franchise savior because he'd rather have Young absorbing meaningless hits than Dalton.

"It's a hard situation," Canales said. "With just the different things happening on the offensive

The Carolina Panthers' deal with the Chicago Bears for last year's No. 1 pick looks increasingly lopsided as Bryce Young's struggles continue



Caleb Williams, above, embraced Bryce Young after the Bears' 36-10 win over the Panthers on Sunday.



line, it was something where I wanted to get Andy out of there."

It wasn't particularly controversial or crazy when the Panthers shoved their chips to the center of the table in the 2023 draft. After all, they had missed the playoffs for five consecutive seasons while winning just 35% of their games in that span with a mostly forgettable collection of quarterbacks. Sitting with their initial pick, No. 9 overall, would have almost certainly meant missing out on the draft's top passers.

When they moved up to No. 1, Carolina had their pick of those QB prospects and ultimately went with Young, who had starred at

Alabama. While he was one of the consensus top prospects, it was also a bet on an outlier: At 5-foot-10, he's far smaller than most NFL passers.

It didn't take long for that gamble to look bleak. The Panthers lost their first six games and proved such a mess that they fired coach Frank Reich before he could finish his first season. With Young rating as one of the league's worst quarterbacks, they wound up 2-15—the worst record in the league.

The problem was that Carolina didn't reap the reward that comes with being the crummiest team in football. That's because the fran-

chise's 2024 first-rounder belonged to the Bears as part of the deal that sent two first-rounders and two seconds to Chicago along with Moore.

The other issue: it quickly became clear that the Panthers picked the wrong guy, as C.J. Stroud—the quarterback selected by the Texans one pick after Young—turned into a rookie star.

Any optimism that this year would look any different under Canales was quickly squashed—at least while Young was under center. During the first couple of weeks, Carolina lost by a combined 73-13, while Young tossed three interceptions with no touchdowns. More troublingly, once Young was benched, the offense suddenly found its groove, as Dalton produced a 36-point outburst the next week.

On Sunday, the price the Panthers paid wasn't clear just by watching Williams thrive while Young sat on the bench.

Moore, a former first-round pick by Carolina, hauled in 105 receiving yards for Chicago. He's joined by right tackle Darnell Wright and cornerback Tyrique Stevenson, who both start for the Bears and were taken with picks they got in the deal.

What's more, Carolina isn't even done forking over its valuable draft selections to Chicago. As the final piece of a deal the Panthers might like to forget, the

Bears have Carolina's second-round pick next year, too.

The Data

If you like watching quarterbacks who can make plays on the run, Sunday was a treat.

In Baltimore's 41-38 overtime win over Cincinnati, Lamar Jackson used his legs—and a stiff-arm—to avoid a defender and throw an unbelievable 6-yard touchdown pass. Washington rookie sensation Jayden Daniels gave the Cleveland Browns fits with his speed, totaling 82 rushing yards. But the scamper of the day belonged to Arizona Cardinals quarterback Kyler Murray.

When Murray took the ball 50 yards to the end zone in the first quarter of a 24-23 win over the San Francisco 49ers, he reached a top speed of 21.27 miles per hour, according to the NFL's player tracking technology. That's the fastest any quarterback has run with the ball over the last eight seasons.

The Decision

With each new dismal performance, the pressure is only amplifying in Cleveland to send quarterback Deshaun Watson to the bench.

But it isn't an easy choice given that Watson is getting paid \$46 million a year on a fully guaranteed contract that goes on for two additional seasons beyond this one. Still, with the Browns at 1-4—and having failed to eclipse 20 points in a game this season—they might just have to start considering it.

Sunday's 34-13 loss to Washington was particularly ugly. On 28 pass attempts, Watson managed a paltry 125 yards and took seven sacks, which has been a problem throughout his career. Cleveland coach Kevin Stefanski eventually lifted Watson for backup Jameis Winston late in the game. But, for now at least, he's still backing Watson.

"This is not a one-person issue on offense," he said.

The Debate

The NFL is buzzing that the Las Vegas Raiders could soon trade star wide receiver Davante Adams. The question: Where's his best fit?

It isn't hard to look around the league and see logical landing spots. The New York Jets and New Orleans Saints are both led by quarterbacks he used to play with. Other contending teams such as the Buffalo Bills and Pittsburgh Steelers could use an additional playmaker, too. The Kansas City Chiefs might actually be the NFL's most wide-receiver needy team, though intra-division trades aren't too common.

Adams has only fueled the speculation when he posted a picture of Edgar Allan Poe on social media the other day. Perhaps he enjoys poetry. Others saw it as a nod to the Ravens—whose mascot is named after the writer.



Lamar Jackson, Derrick Henry and the Ravens have won three in a row.

Of that cluster, Baltimore is the team with the highest upside, whether it's Jackson, Henry, receiver Zay Flowers (7 receptions for 111 yards versus the Bengals), a bag of reliable tight ends, and a defense that, until Sunday's high-scoring back and forth madness, appeared solid, or at least solid-ish.

That's the Ravens for you. This is a team that lost to the defending champ Chiefs by an end zone toe in early September, then turned around and collapsed to the woeful Raiders.

They are the team

that led the Cowboys 28-3 and surrendered 19 points in the fourth quarter before finally hanging on. They prevailed over Cincinnati despite five TD passes from Joe Burrow and receiver Ja'Marr Chase cooking them for 193 yards. They host suddenly hot mid-Atlantic neighbor Washington and Jayden Daniels next weekend, and...I have zero idea what will happen.

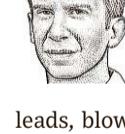
This is a club that ran away with the conference last year, only to sputter at home in the title game with a Super Bowl on the line. Those old ghosts will linger into playoff January, assuming the Ravens get there.

I think they will.

I'm certain it'll be fun to watch. The Ravens are far too good to be boring.

JASON GAY

This Stressful Team Might Also Be the Best



The Baltimore Ravens are a talented team quite uninterested in a routine NFL existence. They habitually seize

leads, blow leads, fall far behind and roar back, only to fall behind again. They win games they have no business winning—and they lose games they should never, ever lose.

It is entertaining to watch, so long as you are not a die-hard Ravens fan, in which case it feels like waking up 20 minutes before you are supposed to be at the airport. It's possible it all goes according to plan, but what happens next...is fairly stressful.

I say this as a prelude to rendering Sunday's 41-38 Ravens overtime victory over Cincinnati, a game in which the Ravens won, then lost, then became re-interested in winning, then lost again, before losing, then winning again. It featured some of the most spectacular quarterbacking in the history of pro football, the sort of blunders you'll find in Pop Warner practice, and a clutch game-winning kick by all-time foot Justin Tucker.

In other words, it was a standard-issue Ravens win, the third in a row, and a real signal that despite a maddening 0-2 start and some lingering inconsistencies, Baltimore is a contender that should not be counted out of any

Super Bowl conversation.

The primary reason the Ravens can't be counted out, of course, is the man in charge: reigning MVP quarterback superman Lamar Jackson, who threw four touchdown passes on Sunday, including a fourth-quarter heave that was straight out of a Saturday Morning cartoon—first bobbling the snap, then avoiding a fumble, scrambling to avoid a sack, stiff-arming a closing defender, rushing over to the sideline, and throwing a touchdown pass across his body to an unseen tight end in crammed coverage.

It was the type of reckless improv that turns coaches gray and most often leads to interceptions and benchings.

For Lamar, it's routine—for him only. He is one of one, and, when he's rolling, he's the most riveting talent in the league.

Thrillingly, Jackson now has something close to an equal in the Baltimore offense: Derrick Henry, the glorious former Tennessee Titans running back who hit the open market this past offseason, instantly gave an already-sizable Ravens attack a new dimension, and now has general managers throughout the league asking: *uhh...why didn't we do that?*

Henry and the Ravens are a good chemical fit: Despite his accolades and gaudy career numbers (he crossed 10,000 yards Sunday), Henry's always been more of a

grind-it-out thumper than a glamour back, and his legendary workouts have kept him in stellar shape as he passed 30.

This isn't a worn-down star trying to stretch out some final miles on old tires. Henry still has plenty of strength and zip, showing it off two weekends ago with an 87-yard run versus Buffalo on the game's first play from scrimmage.

Versus Cincinnati, Henry was quiet until the second-to-last play. Baltimore, back to life after what appeared to be a game-ending Jackson fumble—the Bengals turned around and botched a winning field goal—handed the ball to their newcomer Hall of Famer-to-be and watched him plow 51 yards

up the sideline with ease.

Even in the NFL, Henry can look like he's playing Pee Wee with a forged birth certificate. When he finally hit the ground inside the 10, that was that. Tucker's chip shot ended it, and Baltimore had another unlikely, chaotic win.

The AFC is equally chaotic. Only a single undefeated team remains—Kansas City, which hosts New Orleans Monday. Houston is 4-1 after stifling Buffalo Sunday.

Behind them is a cluster: 3-2 Pittsburgh, 3-2 Buffalo, 3-2 Baltimore. I have zero idea what to think about the 3-2 Broncos. The 2-2 Chargers appear iffy. The 2-3 Jets seem miserable. I'd take 1-4 Cincinnati over the sad Jets all day.

This is a club that ran away with the conference last year, only to sputter at home in the title game with a Super Bowl on the line. Those old ghosts will linger into playoff January, assuming the Ravens get there.

I think they will.

I'm certain it'll be fun to watch. The Ravens are far too good to be boring.

OPINION

Terror in a Safe Space, a Year On



Symbolism is sometimes too rich. That a music festival billed as providing a "safe envelope for finding inner calm, peace, harmony" would end with mass murder, rape and kidnapping and usher the Middle East into a series of horrific wars encapsulates our new and difficult age almost too well.

But that is what happened a year ago outside Kibbutz Re'im at the Tribe of Nova music festival, and the horror that overtook the festival-goers has spread far and wide since that fatal day.

The horror that struck a music festival on Oct. 7 has since spread far and wide.



A Monday memorial for Nova Music Festival victims.

on strong perceptions and hungry for drama. In part they represent the political emergence of immigrant communities whose views of Israel and Judaism are profoundly at odds with what Westerners have long accepted as normal. In part they emerge from the ancient curse of Jew-hatred, a manifestation of befuddlement and hate that arises from societies in distress like the stench from a blocked sewer.

But the alienated rage of so many young people reflects something deeper. A generation is awakening to the shocking realization that their elders have fundamentally misjudged the nature of the times, and that young people are going to have to make their own way through a world for which they have been neither intellectually nor emotionally prepared. They have been educated as engineers of social justice and emotionally conditioned to need total security to flourish. Justice and security are both likely to be in short supply in the world they actually inhabit. The adjustment will be both painful and complex.

For Team Biden, the last year has been a tough lesson in the paradox at the heart of modern liberal statecraft. It turns out that the diplomacy through which liberal presidents seek to reshape the world depends on the military power and the use of force that liberals want to eschew. As respect for American capacity, vision and will erodes around the world, the power of American threats and promises steadily fades. Intellectual incoherence begets political impotence in the end, and it is toward this unhappy end that Mr. Biden has steadily drifted.

Must Israel become an armed camp with an economy and a society built around constant crisis and violence? Zionism becomes more difficult as it becomes more necessary: This seems to be the lesson that the Jewish people worldwide must somehow absorb.

For Palestinians, the year has been even worse. It is not just the war in Gaza, as ghastly as that conflict has been. Hamas's use of Palestinian civilians as human shields is both reprehensible and cynical, but from the leadership's fanatical point of view, it isn't politically foolish. Hamas wanted to cripple the voices of moderation and sanity in Palestinian society, and for now at least it seems to have done so. Real progress toward an independent Palestinian state has, for now, disappeared.

The result, which Hamas will paradoxically welcome, is that the Israeli presence on the West Bank will continue to grow, and the size of any future Palestinian state will inexorably continue to shrink.

For Iran and Hezbollah, the pain has only begun. But Israel can't stop now, or tailor

its response to suit President Biden's agenda. War has its own dark logic, and Jerusalem, Tehran and Beirut must follow the trail to its end.

The war's impact extends well beyond the Middle East. Two generations of Westerners have raised their kids to believe that the world is or is rapidly becoming a safe space. We were consolidating a rules-based world order. Life would no longer be about sacrifice and heroism. It would be all about shopping, music festivals and feeling good about ourselves.

What our elites forgot is that the rules-based world order was never more than a consequence of American and allied power, and that without the steadfast maintenance and wise use of that power, the rules by which the world lives will revert to something more like the Law of the Jungle than the Sermon on the Mount.

Since Oct. 7 we have seen upheaval on campuses and in city streets across Europe and North America. In part these upheavals simply represent the normal impatience and ignorance of youth, quick to act

Joe Biden's Oct. 7 Legacy of Failure



MAIN STREET
By William McGurn

Oct. 7 has come and gone. The one-year mark since Hamas's butcheries brought more of what we've come to expect—rocket attacks on Tel Aviv, anti-Israel protests at Columbia. Not to mention the warnings about World War III if President Biden can't persuade Prime Minister Benjamin Netanyahu not to exercise the right the president says the Jewish state has to defend itself. It is the perfect capstone to Mr. Biden's legacy: a foreign policy that projects American weakness.

This weakness dates from the earliest days of the administration. At the United Nations General Assembly two weeks ago, Mr. Biden said he came to office needing to "end the era of war that began on 9/11." If by that he means a humiliating bug-out from Afghanistan that put the Taliban back in power and claimed the lives of 13 Americans in uniform, then mission accomplished. Remember, this is a president who insists the chaotic pullout from Afghanistan was an "extraordinary success."

In place of the 9/11 wars, Mr. Biden leaves us with a whole new set of wars. This includes the hot war between Israel and Iran and its proxies, the war between Russia and

Ukraine, and the regular reminders from an emboldened Xi Jinping that Beijing might invade Taiwan. Saturday's headline in the New York Times over Nicholas Kristof's column sums up this legacy well: "Biden Sought Peace but Facilitated War."

Mr. Kristof gets the causation backward. "Biden has been calling for restraint for a year," he writes, "but he marginalized himself by continuously providing the weapons that allowed his appeals to be ignored."

The irony is that Mr. Biden was elected president on his own version of Make America Great Again. Drawing on his foreign-policy chops, he saw himself as restoring America's global standing by repairing alliances that had been ruptured by Donald Trump and recultivating ties with foreign leaders—many of whom he knew personally from both his days as vice president and his long service on the Senate Foreign Relations Committee. But his managerial approach assumes the status quo is always worth preserving.

Thus Mr. Biden was willing to supply military arms in conflicts that broke out provided doing so wouldn't seriously threaten the status quo, which is why he gave Ukraine what it needed to fight but not what it needed to prevail. It's worth recalling that before Vladimir Putin invaded Ukraine, Mr. Biden was

assuring the world that a "minor incursion" by the Russians wouldn't be a big deal. Unfortunately, when maintaining the status quo becomes paramount, all the initiative goes to the bad actors who are always more than willing to disrupt it.

The president wants to restore the status quo, while Netanyahu wants to win.

Look at the Middle East. The Oct. 7 massacre was horrifying, but what has happened in the year since has helped Israel understand who its friends and enemies are. Mr. Biden resents Mr. Netanyahu for not deferring to his call for a cease-fire and two-state solution. To Mr. Netanyahu, that's status quo thinking that led to the worst attack on Jews since the Holocaust. He doesn't want to get Hamas and Iran back to the status quo ante. He wants to change the environment so that they can no longer threaten Israeli lives.

Of all the 2024 nominees, JD Vance answered best when asked what an American president should do if Israel decided to launch a pre-emptive strike on Iran. "Look, it is up to Israel what they think they need to do to keep their coun-

try safe," he said. "And we should support our allies wherever they are when they're fighting the bad guys."

That sounds like Ronald Reagan's approach to the Soviet Union during the Cold War: "We win and they lose."

From missile defense to calling for the Berlin Wall to be torn down, Reagan was mocked as a simpleton for initiatives that upset the status quo.

Not that Mr. Biden is without achievements that could help us in the future. These include expanding the North Atlantic Treaty Organization to include Finland and Sweden and strengthening the Quad partnership with India, Japan and Australia. In addition, the Aukus security pact will give Australia its first nuclear submarines as part of a joint effort to counter China in the Indo-Pacific. But these victories are undermined by the projection of American weakness that leaves friends nervous and enemies emboldened.

Outcomes matter. Mr. Biden's popularity began to fall during the debacle in Afghanistan, and he is leaving behind a far more dangerous world than the one he inherited four years ago. But the president appears to believe the only problem with his foreign policy is that people somehow aren't bright enough to appreciate all his achievements. In other words, if he has a legacy of failure, it's your fault.

Write to mcgurn@wsj.com.

Kamala Harris Is Eyeing Your 401(k)

By Jeff Yass
And Stephen Moore

Kamala Harris keeps changing her tax plan, but her latest proposal is to raise the corporate tax rate to 28%. She would also raise the top capital-gains tax to roughly 32%, the highest since the 1970s.

Extracting money from those big and faceless corporations with profits in the tens of billions of dollars has populist appeal. But the more accurate way to think of the corporate income tax is that it puts Uncle Sam first in line to take a share of all the profits an American corporation earns. Only after the government takes its pound of flesh does anyone else get a return on his investment.

At a 28% federal corporate tax and an average of roughly a 5% state and local tax, the

government would snatch away roughly 33 cents of every dollar of profit. This leaves 67 cents to the shareholders. Those include the more than 100 million Americans who own stock directly or through pension and other retirement funds. Every percentage point

that Congress and Ms. Harris raise the tax would dilute the value of the stock owned by the rest of us.

Things get even bleaker when one factors in her plan to raise the capital-gains rate. She favors raising the rate to roughly 32% from 23.8%. Add state capital-gains taxes and the rate can easily reach 36%.

Hiking the corporate tax would leave less of your investments.

Companies could find loopholes and deductions to bring the effective corporate rate lower than the statutory rate. But many of those require companies to follow govern-

ment orders by spending money on green energy and the like. And many of these are effectively back-door taxes: They divert dollars away from companies' core mission—providing profitable products—and toward unrelated causes.

It is a mathematical certainty that Ms. Harris's tax scheme will lower the value of stocks a great deal. What we find troubling is that most investors who own as much as half of a company don't vilify it as a "price gouger" or hassle them with inane and costly regulations. Ms. Harris would treat corporate America as a fat goose to be plucked, and the rest of us would pay the price.

Mr. Yass is CEO Of Susquehanna International Group. Mr. Moore is a senior fellow at the Heritage Foundation and a co-author of "The Trump Economic Miracle."

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BOOKSHELF | By Meghan Cox Gurdon

Devices and Distraction

The Extinction of Experience

By Christine Rosen

Norton, 272 pages, \$29.99

In the early 19th century, the harp ruled Ireland. But when the piano came along, people rushed to it with such enthusiasm that the long-revered Celtic instrument seemed stuffy and obsolete. Pianos were chic, modern and comparatively easy to play. The culture of the Irish harp faded fast.

Thus do new things drive out old things, sometimes so quickly that no one pauses to ask whether it was a good trade. In the case of the harp, people did notice, and after a belated effort in the 20th century the instrument is again taught and played.

The Irish example comes to mind because it captures the possibility of reclamation that Christine Rosen holds out in "The Extinction of Experience," a short, ambitious book about the philosophical dilemma of "being human in a disembodied world" of screens and devices.

Ms. Rosen, a historian and senior fellow at the American Enterprise Institute, has long worried about the social knock-on effects of technological advances. Here she warns of the risks of some of our choices and asks, as she goes,

that we question the motives of companies "so eager to have us 'share' ourselves with them." Above all, she implores readers to "consider what we are losing, as well as gaining, when we allow new technologies into our lives."

Ms. Rosen is neither a Luddite nor a Cassandra; she doesn't see only threat and misery in newfangled things. She acknowledges the efficiencies wrought by the internet, and she gives space to techno-optimists to express their delight at the benisons of the screen. The new ways, she concedes, "are compelling." The problem, she writes, is that the old ways "are dying without even a brief eulogy—and without an accounting of what their disappearance heralds for what it means to be human."

Being human has traditionally involved being a kinetic, tactile mortal who has evolved to read the faces and gestures of other mortals and to perform complex physical actions. In our embrace of streamlining technologies, we have adopted screen-based virtual realities that require little motion and that eliminate points of human contact. To open a letter, set an alarm, take a picture, make a date—any of these minor tasks would once have summoned different movements but can now be accomplished with the touch of a finger to a screen. And increasingly, of course, we needn't deal with other people in the flesh.

To Ms. Rosen, each embodied activity that disappears takes with it some small element of experience that may, when it's gone, leave us depleted—while habituating us to engineered, homogenized behaviors. Throughout the book, she remarks the ways that, in adjusting to the algorithmic demands of our machines, we are in danger of developing machinelike responses ourselves: "It is the subtle but important difference between putting something you like on Instagram and doing something specifically for Instagram because you want to be liked."

The paradoxical qualities of social media, which both alienate and connect, have been well-examined elsewhere. The accompanying phenomenon of mass loneliness, too. Ms. Rosen deserves praise for looking at areas of life that have been less frequently considered by those who ponder the disruptive effects of tech adaptations. The important things now vanishing, she notes, include spending unmediated time with others, stumbling upon serendipitous discoveries, drawing by hand, chatting with strangers and daydreaming.

Daydreaming, of course, can't happen if a person picks up her smartphone for a micro-burst of entertainment the moment she has to wait in line at the supermarket; nor, buried in her screen, will she shoot the breeze with other customers or the cashier. Evidence marshaled by Ms. Rosen suggests that a person who doesn't daydream is a person less inclined to introspection and invention.

There is an opportunity cost to picking up your smartphone. All sorts of activities, interactions and interests are diminished or lost.

When a person trades momentary boredom for a shot of screen-based dopamine, she gets the pleasure of escape but misses out on being awake and present in the moment and perhaps foregoes an insight or a recollection that would have added something to her life. A person who avoids interacting with others finds off-potentially awkward exchanges but may also gradually lose the skills to recognize social cues. There is an opportunity cost to picking up your phone.

There are other costs too. Ms. Rosen is particularly keen to trace the effects of what might seem a trivial concern, the cultural shift away from writing by hand to writing on keyboards. Many of us who learned to form cursive letters as children now find that our hands cramp if we try to compose even a shopping list. Most younger people can't write in cursive at all; nor can they read it. This is doubly poignant for Americans: Citizens who find cursive script illegible won't be able to read our founding documents.

Gone, with handwriting, are small aesthetic pleasures, such as the sight of ink sinking into paper or the curve of a beautiful capital letter. Gone too, according to data presented here, is a practice of making tiny muscular hand movements that prepare young brains for reading and help older brains retain information. The rapid decline of a means of communication used by humans for centuries is, Ms. Rosen says, "a symbol of how thoughtlessly we've settled between the old and the new."

You needn't wish to have boredom or handwriting put at the center of your life to see that Ms. Rosen has a point. The rush to adapt to personal technologies has changed the ways we behave, and it can't be anything but wise to consider where we are as we brace for the coming transformations of artificial intelligence. "The Extinction of Experience" doesn't provide solutions to modern moral complexities—there may be none, or none that wouldn't require a major shift in sensibility—but it is a useful prod to conscience. It is also a thoughtful and timely reminder that it's not too late to retrieve what we miss.

Mrs. Gurdon, a Journal contributor, is the author of "The Enchanted Hour: The Miraculous Power of Reading Aloud in the Age of Distraction."

OPINION

REVIEW & OUTLOOK

The Abortion Distortion Campaign

Abortion has been a political winner for Democrats since the Supreme Court overturned *Roe v. Wade* in 2022, but could its political power be waning? We ask because that might explain why Democrats are making claims about their opponents' abortion views that are flat-out false.

Knowing their vulnerability on abortion, most Republicans are moving toward the middle on the issue. But as they've done so, Democrats are making ever-more dishonest claims about what Republicans supposedly believe.

A major offender is Tim Walz, who in the recent vice-presidential debate said that Republicans support "a registry of pregnancies." This followed Mr. Walz's claim last month that "[Donald] Trump is trying to create this new government entity that will monitor all pregnancies to enforce their abortion bans."

The Democratic Congressional Campaign Committee is running variations of this Handmaid's Tale fiction, with ads accusing House Republican candidates of wanting to "allow state governments to track pregnant women to prosecute them if they get an abortion."

The alleged source for this claim is the Heritage Foundation's Project 2025 policy paper, which hasn't been adopted by the GOP as a party and Mr. Trump has disavowed many times. But even Project 2025 doesn't propose such a registry. Its hardly radical idea is for the Centers for Disease Control and Prevention to expand its collection of anonymous state statistics about abortions and miscarriages.

The idea is to better understand the scope and complications of certain procedures. There is no call for personal or pregnancy information at a federal or a state level. And by the way, the pro-abortion rights Guttmacher Institute collects data on the incidence of abortion and related issues without controversy.

The abortion distortion playbook has spread far and wide in Democratic campaigns. In California's 22nd House district, GOP Rep. David Valadao has said he opposes a national abortion ban and supports abortion exceptions for rape, incest and the life of the mother.

Yet challenger Rudy Salas is running an ad implying that Mr. Valadao supports no exception for rape. "Washington Republicans want to criminalize abortion, even when a woman has been raped or is facing a medical emergency," the ad says, ending with "David Valadao,

As Republicans move to the middle, Democrats twist their views.

what if that was your daughter, or your sister?" The answer is that Mr. Valadao supports her right to an abortion.

In New York's 17th district, Democrat Mondaire Jones is running an ad with a banner that says Rep. Mike Lawler "would ban abortions in New York." Mr. Jones says in the ad that the Republican

platform "would ban abortions even here in New York."

Except that the GOP platform doesn't include a ban and Mr. Lawler doesn't support one. While Mr. Lawler personally opposes abortion with exceptions for rape, etc., he has said he does "respect the will of the state's voters whom the Supreme Court have given exclusive jurisdiction over the abortion issue." Albany Democrats are as likely to pass an abortion restriction as Iran is to approve same-sex marriage.

Even moderate Maryland Senate contender Larry Hogan, who wants to codify *Roe* in a statute, is being attacked as anti-abortion. Democrat Angela Alsobrooks claims Mr. Hogan would use a Senate seat to help Republicans "pass a national abortion ban."

Pennsylvania Sen. Bob Casey is pulling the same dishonest trick, saying GOP challenger Dave McCormick wants "to ban abortion, even in cases of rape or incest." That's false. Mr. McCormick's position is that "any abortion law should make exceptions for rape, incest, and when the life of the mother is in danger." Montana's Democratic Sen. Jon Tester is giving the same "no exceptions" treatment to Tim Sheehy, despite the Republican's clear statements to the contrary.

* * *

Politics isn't pickleball, and distortions occur on both sides. But Democrats aren't even attempting to be honest about abortion this year. Perhaps they're lying so extravagantly because abortion is a rare issue on which they have a clear political advantage. Republicans are left having to decide whether to spend scarce campaign dollars debunking the distortions or risk letting some voters believe them because they're unrebutted.

The distortions can also harm more than other politicians. They can frighten some women into thinking they can't risk getting urgent medical care if they have a pregnancy emergency. This from the party that claims to be the protector of women's health. The next time you see an abortion ad from a Democrat, assume it's not telling the truth.

The Anti-Israel Mind in Profile

Public officials filled the airwaves with sympathy for the victims on Monday's anniversary of the Oct. 7, 2023, Hamas massacre. But then there are the statements that explain why Israel's enemies believe they can win a political victory against the Jewish state in the West.

Consider Sen. Elizabeth Warren, who issued a statement Monday that devoted more words to chastising Israel than Hamas. She began with a brief recognition that "October 7th was the deadliest day for the Jewish people since the Holocaust" and sympathy for "Israelis and Americans whose loved ones were brutally killed by Hamas." Then a ritual note that Israel "has the right to defend itself."

Then she got to her real priority, which is to lacerate Israel for how it has defended itself: "Instead of securing the release of the hostages, however, Prime Minister [Benjamin] Netanyahu has unleashed unthinkable violence on innocent civilians in Gaza. More than a million Palestinians are facing starvation. We see videos of dead children held in the arms of their parents. Violence is escalating throughout the region, in-

A U.S. Senator's Oct. 7 statement is a portrait in unreality.

cluding most recently in Lebanon, threatening even more human suffering.

"This cycle of violence won't make anyone safer. The United States must commit to upholding human rights, international law, and accountability for the use of U.S. weapons. We urgently need a ceasefire, release of the hostages, massive humanitarian relief in Gaza, and diplomatic efforts towards a two-state solution."

Ah, the "cycle of violence" theory of war. If only Israel would stop targeting those trying to kill its citizens, somehow the violence would end. Note, too, the passive tense for "violence is escalating," including in Lebanon.

No mention that Hezbollah launched 8,000 missiles at Israeli towns and cities before Israel decided to act to stop the bombing. No mention of Iran. No mention that Hamas uses Palestinian civilians as human shields.

This is naive in the extreme about the brutal neighborhood Israeli inhabits, but it's worse than that. It condemns an ally trying to protect its people from annihilation more than it does the enemies who would annihilate them. This is the anti-Israel mind at work.

More Truth About Inequality

Acertain kind of politician loves to rail about income inequality and the corporate greed and injustice that supposedly cause it. It won't surprise anyone who's ever held a job in the private economy that the truth is more complex, and a new study adds to our understanding of how labor markets really work.

The headline conclusion from the working paper published last month by the National Bureau of Economic Research is that the more you work over your lifetime, the more you earn. So far so obvious, but the surprises lurk in an explanation that's more complex than you'd think.

The authors (from the Federal Reserve Bank of St. Louis, Vanderbilt University and Princeton) use a rich vein of survey data tracking individuals as far back as 1979. They find that a major determinant of total lifetime hours worked is individual choice—some people just prefer to work more, while others might prioritize other activities.

Going a step further, the paper finds that those who work more earn more because they accumulate more skills during the extra time they work. The overlapping effects of different preferences for work and different levels of skills acquisition account for a hefty share of overall differences in lifetime earnings, and operate independent of other factors such as the level of education or skills an individual gains

A new study helps explain differences in lifetime earnings.

before entering the labor force. In other words, income inequality is in part a matter of choice rather than intractable economic or social forces. Sorry, socialists.

The study isn't a comprehensive overview of labor-market behavior, and the authors don't claim it is. Their survey sample examines only men who have been "highly attached" to the labor market over their full working lives, meaning working at least 520 hours per year.

The conclusions might be relevant to debates about gender pay gaps—where different preferences for paid work versus working at home to raise a family often come into play—but that awaits further study.

One implication is that a labor market is too complex to bear simple analyses—or blunt-force regulation. The economists note as a stark example the failure of French efforts to boost earnings by limiting the work week. Politicians always hope this will force companies to hire more workers, and Sen. Bernie Sanders wants a 32-hour work week. But such laws prevent those who want to work more from doing so, and boosting their skills in the process, while not requiring those who prefer to work less to spend more time on the job.

This is a good argument for more humility from politicians—not that this will be forthcoming. But it's always good to know the truth, even if politicians ignore it.

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OPINION

The Economics of Identity

By Roland Fryer

Identity may be the most important economic decision people make," I read those words, written by Nobel Prize-winning economist George Akerlof and his collaborator Rachel Kranton, while sitting uncomfortably on the floor in the stacks at the Regenstein Library at the University of Chicago in 2001. It was both obvious and revolutionary: How you view your role in the world will affect your choices. Yet even the great economic thinkers hadn't incorporated identity—a concept well known to sociologists and psychologists—into a formal economic model.

In this polarized presidential election, seeing yourself as a "Trump voter" or a "Harris voter" doesn't simply reflect coldly calculated policy preferences or even behavior in the voting booth. It's an expression of identity that goes along with many other such expressions, from the car or truck you drive to the clothes you wear.

Who we think we are affects how we learn, what kind of work we do, and even the shoes we wear.

And it's subject to considerable social pressure. As Mr. Akerlof and Ms. Kranton explained, your identity can be buttressed, threatened, changed or influenced by others, not merely by your own preferences and decisions. Kamala Harris's repeated acknowledgment that she is a gun owner has little to do with policy and a lot to do with signaling her identity.

Social scientists often segment identity into three different types: personal (Who am I?), social (How do I want others to see me?), and collective (Who are we?). This cate-

gorization is helpful in understanding not only why people change their behavior to fit their identity, but also why they submit to peer pressure or pressure others when their behavior seems out of line.

In highlighting such dynamics, Mr. Akerlof and Ms. Kranton's innovative framework expands the traditional view of economic actors as simple, rational decision-makers. They imagine a set of social "categories" that people belong to and "prescriptions" describing a set of behaviors that align with a category. "Academic economist" would be a social category, and the prescriptions might include owning a "practical" car and wearing comfortable shoes. Splurging on a Porsche or a pair of Berluti loafers would not only cause a "real economist" to feel bad but immediately attract scorn from his colleagues. In traditional economics models, it's hard to rationalize why anyone cares so much about shoes.

The Akerlof-Kranton model posits that individuals gain from both material outcomes and actions that conform to their identities. In the labor market, workers are motivated by wages as well as by how well their jobs align with their identities. A corporate job might offer financial stability, but if it conflicts with an individual's identity as an environmentalist, the mismatch can lead to dissatisfaction and underperformance. In this vein, trying to train coal miners to be nurses may be futile.

Research by Dan Benjamin and James Choi provides a granular look into the mechanics of this phenomenon. Their studies, based on lab experiments that prime subjects to see different parts of their identities as salient, demonstrate that people



thors have found that single female business-school students "reported lower desired salaries and willingness to travel and work long hours on a real-stakes placement questionnaire when they expected their classmates to see their preferences," a phenomenon known as "acting wife."

The interplay of Mr. Akerlof and Ms. Kranton's identity economics, my findings on comparative advantage in social interactions, and Mr. Bursztyn's insights into peer pressure paint a comprehensive picture of how identity and social dynamics influence economic behavior. They underscore the critical role of social context in shaping our decisions and highlight the need for policies that consider these complex interactions.

In education especially, interventions should create environments in which diverse talents are recognized and valued, and where students feel encouraged to invest in areas aligned with their comparative advantages. There's a way to teach math that appeals to young women and ensures they understand that being a math nerd is completely consistent with their identities.

The economics of identity adds nuance to our understanding of human behavior. What seemed irrational under a traditional economic lens can often seem obvious once identity is taken into account. This simple addition to traditional economic models, described two decades ago, has greatly expanded our understanding of economic behavior and outcomes.

Mr. Fryer, a Journal contributor, is a professor of economics at Harvard, a founder of Equal Opportunity Ventures and a senior fellow at the Manhattan Institute.

Can Kamala Harris Win by Standing for Nothing?



**FREE
EXPRESSION**
By Gerard Baker

Self-awareness is a rare trait in a politician, so when Tim Walz described himself at last week's vice presidential debate as a "knucklehead," the Minnesota governor should have been applauded rather than mocked. It was a welcome moment of honesty in a short national political career that has so far been characterized by extended episodes of biographical dissimulation.

It might even have been endearing except that it came wrapped in a thick blanket of more obfuscation, bluster and diversion that left us all still confused not only about the man's whereabouts when the Tiananmen Square massacre was taking place in Beijing, but about much more besides. I don't suppose anyone cares where he thinks he was in June 1989, but there is something a little unsettling about the apparent compulsion on his part, as we've seen with claims about his military record, to place himself, like Woody

Allen's Zelig, at the center of events of world-historical importance.

Still, as things stand, he is merely a swing state and a heartbeat away from a genuinely world-historical moment. If our next vice president is to be a self-acknowledged knucklehead, then surely we have the right to know something similarly informative about the woman he might one day be called upon to replace. Yet here we are, four weeks from Election Day, and still the political identity, intellectual capacities and personal character of the Democratic candidate for president remain a riddle inside an enigma wrapped in a mystery.

This was underscored by another, unintentionally more revealing remark Mr. Walz made in that debate last week—not some blathering deer-in-the-headlights response to a question, but evidently a carefully prepared and delivered part of his closing statement.

"I'm as surprised as anybody of this coalition Kamala Harris has built—from Bernie Sanders to Dick Cheney to Taylor Swift," he said, staring into the camera. "They believe in a positive future of this country and one where our politics can be better than it is."

The intention was obviously to illustrate the great breadth of the team that supports the vice president over Donald Trump, spanning the vast ideological territory that her campaign now commands.

But if you think about its implications for what a Harris administration might actually look like and what it might do, it supports only the impression of complete vacuity.

If Bernie Sanders and Dick Cheney can agree, they can't possibly be wrong—or right, for that matter.

What sort of intellectual coherence can we expect from a governing coalition of this apparent width and ideological diversity?

Set Ms. Swift aside—she fits the usual mold of Democrat-embracing celebrities. The composition of the rest of this team is very novel. Mr. Cheney is a conservative Republican with a record of passionate support for small government at home and the assertive use of U.S. military power overseas. Mr. Sand-

ers is a "democratic socialist" who never saw a tax increase he didn't like or a foreign adversary he didn't have sympathy for. (Liz Cheney, Mr. Cheney's daughter and also a Harris supporter, once described Mr. Sanders as a "commie" with "daddy issues.")

Of course people of differing political priors, or none at all, can come together to support a candidate they regard as the less dire alternative. But when they do, the rest of us have a right to be given some sense of what they are endorsing. Endorsements by public figures are usually a useful guide to what kind of political choice we are being offered.

Say what you will about our hyperpartisan politics, but at least it offers a choice between two very different sets of ideas for the country. When one of the choices appears to contain ideological range as wide as the entire political spectrum, what exactly does that choice represent?

This would matter much less if we had any real idea what sort of political direction a Harris administration would follow—something that might make the Cheneys wince? Or something that would leave Sen. Sanders grumpy?

We don't, and as far as we can tell four weeks from Election Day, we aren't going to be given a chance to explore what exactly she would do on any of the issues spanned by the Sanders-Cheney axis.

When she launched her campaign in July, it was obvious that the plan was to disown all previously unpopular positions she had ever adopted and say essentially nothing about anything else. Even with 3½ months until the election, it seemed inconceivable she could be allowed to get away with it.

But the strategy of giving no press conferences and allowing interviews only with journalists who evidently support her remains intact.

She did get the better of her opponent in their debate last month, but Mr. Trump isn't the most assiduous when it comes to investigating the details of policy. This week, assuming she survives the grilling from her friends at CBS on "60 Minutes" Monday night, she has agreed to submit herself to interrogation from the ladies at "The View," Stephen Colbert and Howard Stern.

If we learn anything valuable from any of these encounters it will be purely by accident, like an impression left on an empty chair.

Now Comes the Hard Part of the Dockworkers Fight: Automation

By Peter Tirschwell

A protracted and economically devastating port strike was averted last week after a three-day work stoppage. Dockworkers secured a 62% pay raise, but no one should believe the negotiations are over or the key issues resolved.

The central dispute was never solely about wages, even though the tentative deal that averted the strike will result in dockworkers at the New York-New Jersey port earning more than \$500,000 a year on average, according to the employer group United States Maritime Alliance or USMX.

Following record profits earned

during the pandemic, the ocean carriers, which pay the bills at U.S. ports, can easily afford that level of increase. What they can't afford, and the U.S. economy can't either, is a ban on the future use of automated cargo-handling technology at ports along the East and Gulf coasts. "Absolute, airtight language that there will be no automation or semi-automation" remains a key demand of the International Longshoremen's Association that still must be negotiated ahead of a new Jan. 15 deadline.

Why is this such a crucial issue, and why do port employers adamantly oppose the demand? The key reason is the need to create fu-

ture port capacity. Since the U.S. is building new port facilities at a snail's pace—the last new marine container terminal, at Charleston, S.C., opened in 2021 and was the first since 2009—the only way to expand capacity is by handling more cargo more quickly through existing facilities. The only way to do that is with automated cargo handling.

"It is critical that terminals have the capability to densify as American consumer demand and exports continue to rise," the USMX told the Biden administration last week.

"There is not enough land or berth capacity in U.S. ports to handle future trade growth without implementing new technology."

The employer group will drive that point home in negotiations over the next several weeks, which may well continue beyond the presidential election, when the political pressure on the two sides to make a deal will ease. Having granted the union an historic pay increase, the employers will ask for value for money, setting up another potentially combustible clash with the union before final terms are agreed to.

The lack of automation in the U.S.—only three port facilities are fully automated, all on the West Coast—exposes ports as an Achilles' heel of U.S. trade competitiveness. High costs and inefficiency have long been the status quo.

Not one U.S. port ranks in the top

50 globally in productivity as de-

fined by the number of containers moved on and off ships per hour, according to the 2023 World Bank Container Port Performance Index published with S&P Global Market Intelligence. Charleston is the highest at No. 53.

The purpose of automation, as employers have often pointed out, isn't to lower costs by replacing workers with machines but to increase it within existing port footprints to accommodate growth. The

Operators can afford the 62% pay increase, but not the low productivity that the work rules produce.

fully automated Long Beach Container Terminal, completed in 2021, can handle 12,000 to 15,000 20-foot equivalent units per acre per year versus 6,000 to 8,000 at a nonautomated terminal, according to the Port of Long Beach. Yet in 2019-21, paid dockworker hours grew twice as fast at that facility and the other fully automated facility at the Los Angeles-Long Beach ports as compared with nonautomated terminals.

The consequences of low productivity at U.S. ports, which have been building for years, burst out into the open during the pandemic. Low productivity was one of the factors behind a record 109 containerships be-

ing idled off the Los Angeles-Long Beach port complex in early 2022, stranding billions of dollars worth of goods and upending supply chains.

The consequence of low port productivity is that "instead of facilitating trade, the port increases the cost of imports and exports, reduces competitiveness, and inhibits economic growth," the World Bank said in its 2023 index. Another way to look at it is the outsize economic impact created by ports: The Savannah, Ga., port employs roughly 2,000 dockworkers but more than half a million jobs, or 11% of Georgia employment, is dependent in some way on it—including those who drive trucks and work in warehouses, factories and retail stores.

U.S. exporters recognize this: "The need to increase port efficiency and lower transportation costs is increasingly urgent," Peter Friedmann, executive director of the Agriculture Transportation Coalition Executive Director, said in an email. "There is nothing we produce in agriculture or forest products here in the U.S. that can't be sourced elsewhere."

For nearly 50 years, longshore labor relations on the East and Gulf coasts were calm, creating predictability in the nation's supply chains. No longer.

Mr. Tirschwell is vice president of global intelligence and analytics at S&P Global Market Intelligence and chairman of the TPM shipping conference.

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WORLD NEWS

Mexico Has a Plan To Combat Cartels

Mayor is murdered as new president aims to decrease homicides by gangs

BY JOSÉ DE CÓRDOBA

MEXICO CITY—Mexico's new President Claudia Sheinbaum is using her first 100 days in office to try to lower homicides and loosen the grip of organized-crime groups that control swaths of the country, extort businesses, smuggle drugs and kill with impunity.

Among Sheinbaum's top efforts will be a push to slash killings in the country's 10 deadliest cities, including Tijuana and Ciudad Juárez on the U.S. border, according to a presentation of the strategy seen by The Wall Street Journal. She also is planning new efforts to combat the smuggling of the deadly drug fentanyl, which kills tens of thousands of Americans a year, the presentation says.

In a graphic display of the violence with which Sheinbaum must deal, the mayor of Chilpancingo, the capital of Guerrero, one of Mexico's most violent states, was assassinated on Sunday, officials said. The newly elected mayor, Alejandro Arcos, was the second Chilpancingo official to be killed in the past three days, the probable victim of one of two violent gangs that control the city. "It is a state totally dominated by organized crime," said Eduardo Guerrero, a Mexico City security expert. "It's a jungle. What the

Cartel areas of influence

- Sinaloa Cartel ■ Northeast Cartel ■ Jalisco New Generation Cartel
- Municipalities with highest homicide rate



Source: Mexican government
ROQUE RUIZ/WI

crimines are saying to authorities is: We rule here."

Sheinbaum is expected to unveil the security strategy as early as this week, a pivotal time for Mexico's security as fighting rages between rival factions of the Sinaloa cartel—a group responsible for much of the fentanyl and other drugs that make their way to the U.S. across the Mexican border. She has said she would increase coordination between Mexico's state and federal prosecutors and security forces to target the country's most violent hot spots.

"We are developing a program for the municipalities that at this moment have the largest number of homicides," Sheinbaum said shortly after

she took office on Oct. 1.

For decades, every Mexican president has made targeting transnational criminal organizations a priority, but these gangs have proved resilient to efforts to dislodge them from lucrative drug smuggling amid endemic corruption.

Conservative President Felipe Calderón declared war on the cartels, ushering in a period of violent conflict between gangs and government forces,

while Sheinbaum's mentor, former nationalist President Andrés Manuel López Obrador tried a softer approach dubbed "hugs not bullets." Neither worked. Gangs have diversified into extortion, human smuggling and fuel theft.

Thousands of Mexicans are executed by warring criminal groups.



Authorities on Sunday investigated the killing of Chilpancingo Mayor Alejandro Arcos.

JESUS GUERRERO/AGENCE FRANCE PRESSE/GETTY IMAGES

Sheinbaum wants to replicate the success she had in Mexico City, where the number of homicides halved on her watch. Her security chief, Omar García Harfuch, now Mexico's security minister, worked closely with U.S. law-enforcement agencies and boosted intelligence gathering, police training and salaries.

U.S. officials say they expect security cooperation to increase in a Sheinbaum presidency.

Much of the violence in Mexico is the work of gangs

engaging in criminal activities. Thousands of Mexicans are executed by warring criminal groups fighting over routes to smuggle millions of fentanyl pills to the U.S.

Gangs also shepherd U.S.-bound migrants from Mexico's border with Guatemala.

Others are killed in fights over the multimillion-dollar fuel-smuggling business from refineries in Guanajuato state.

Extortion is endemic, especially in western Michoacán state, home to the lime industry, a key food staple.

Sheinbaum's security plan calls for the intensive use of intelligence to assess the structure of criminal groups, and finding ways to use police intelligence to make cases at trial.

"The fight is over logistical hubs, and it's not just drugs," said Alberto Islas, a risk consultant in Mexico City. "It's also gasoline, limes and migrants."

Mexico's cartels have been an issue in the U.S. presidential election. Former President Donald Trump has said he would consider military strikes against them, while Vice President Kamala Harris said she would double the resources the Department of Justice dedicates to fighting the criminal organizations.

In Sheinbaum's presentation seen by the Journal, Mexico's security forces would tar-

get 10 cities in five states, which alone account for one in four killings involving organized crime.

"The identification of 10 priority municipalities is very good," said John Creamer, a former senior U.S. diplomat in Mexico. It remains to be seen whether the government would provide sufficient funding and human resources, he said.

The security plan envisions a bigger role for the federal government, with its national-security cabinet vetting state security chiefs appointed by governors. The federal government also would establish nationwide standards for Mexico's 32 state-police forces, state prosecutors and prisons.

"The strategy statement is a great feat," says Renato Sales, a former Mexican security chief. "Hopefully the results won't be jeopardized by the instability caused by the absence of judges."

South Sudan Is Charging Aid Trucks a \$300 Entry Fee

BY NICHOLAS BARIYO

The world's youngest country is facing one of the world's worst economic crises.

South Sudan, which broke off from Sudan in 2011 after decades of civil war, is suffering from severe floods, a collapsing currency and a catastrophic decline in revenue from oil, its main export.

While many countries are in fiscal trouble, South Sudan's woes are at a whole other level. Civil servants haven't been paid in a year. Authorities have canceled a presidential election, saying they lack funds to register voters. Unpaid soldiers are abandoning rural outposts and flocking to towns in search of food. Police have walked off the job, allowing criminals to run rampant. Public-school teachers and health workers have been on strike for months.

Desperate for revenue, the government has imposed a \$300 levy on every international aid truck as it enters the landlocked country, and again as it leaves. Aid agencies say the tax adds \$339,000 a month to the cost of keeping impoverished South Sudanese alive. The government also is taxing vehicles and supplies belonging to the 14,000-strong United Nations peacekeeping force.

"Our economy is under pressure," said Finance Minister Marial Dongrin Ater in a

Floods Force Nearly a Million South Sudanese to Flee

For generations, people living on South Sudan's fertile plains have relied on fishing during flood seasons and sorghum cultivation when waters receded.

But in recent years, they haven't been able to count on either source of income, as record water levels in Lake Victoria flow downstream, forcing millions out

of homes and inundating farmlands.

This year's floods have already forced nearly a million people to flee to crowded shelters on higher ground, with no basic supplies. Oxfam, an international aid group, has documented more than 40 deaths from starvation in one county alone in the

past three months.

"The heavy rains have made things worse, dealing a final blow to thousands of people already starving," said Manenji Mangundu, Oxfam's country director in South Sudan. "The situation is particularly worse in shelters where people are crammed with no proper food, water or sanitation."

recent speech. "The president wants us to increase non-oil revenue mobilization. I am determined to implement his directive."

Its biggest donors are displeased. The U.S., which has contributed more than \$508 million in aid this year, has restricted entry visas for officials responsible for the decision.

"As South Sudan's leaders vie for power and fail to organize credible and peaceful elections, the people of South Sudan suffer the consequences," the U.S., U.K. and Norway said in a joint statement last month. They accused South Sudan's leaders of using the fiscal crunch to cover for a lack of political will to hold elections.

A 2018 peace accord set a schedule for elections to re-

place the transitional government headed by President Salva Kiir and First Vice President Riek Machar, whose armed allies had clashed in a five-year civil war. The first delay came in 2022, and last month the government pushed elections back again, from December to 2026.

Oil exports, which usually account for more than 90% of government revenue, were halted in February after a pipeline that carries about two-thirds of South Sudan's oil exports through Sudan—itself engaged in a civil war—to an export terminal on the Red Sea was damaged. The damaged section is in an active combat zone and would require months of complex repairs, according to analysts and government officials.

Regional analysts worry that disrupted oil exports could reignite the civil war, which began with fighting over reduced oil revenues and ended with 400,000 people dead.

"The only way to get out of this crisis is to resume oil exports," said Daniel Akech, South Sudan analyst at the International Crisis Group, a Brussels-based think tank.

As troops and police, unpaid for almost a year, abandon their duties, robberies and banditry have soared.

"I had to get out of there to find means of looking after my family," said a 38-year-old former soldier, now driving a truck in neighboring Uganda.

The U.N. recorded more than 230 attacks on aid agencies during the first half of 2024. Doctors Without Borders says

medical-delivery trucks are frequently targeted. Last week it halted operations in one region after two of its vehicles were hijacked, the third attack there in as many months.

Spiraling food prices—South Sudan tops the World Bank list of countries worst hit by food inflation—and historic flooding triggered by the El Niño weather effect have left 75% of South Sudan's 12 million people dependent on humanitarian aid, according to the U.N. The U.N.'s World Food Program says it has less than half of the more than \$680 million it needs.

Food shortages have sparked deadly clashes. Authorities are investigating an August con-

frontation between rival clans over fishing rights that left four dead and dozens injured.

The economy contracted by 5% between last year and this year, according to the finance ministry. The central bank has run out of reserves to support the local currency, which has lost more than 80% of its value against the dollar since January. Inflation passed 9%.

The 73-year-old President Kiir, under international pressure to steady the country, faces allegations that he has steered government contracts to loyalists and his own children. Kiir previously denied the accusations. His spokesman couldn't be reached for comment.

WORLD WATCH



MONEY PIT: Visitors didn't let a barrier stop them from snapping photos of Rome's Trevi Fountain on Monday, but a pilot plan might lead to the introduction of a fee to see the landmark.

GERMANY Factory Orders Fall Past Expectations

German manufacturing orders in August were down 5.8% from July, statistics agency Destatis reported Monday, weaker than the 2% drop predicted by economists polled by The Wall Street Journal, and a contrast to an upwardly revised 3.4% increase in July orders.

August's decline is partly an effect of large orders in July for transport equipment, Destatis said. Stripping out large-scale orders, which offers a better view of the sector's underlying condition, orders in August were down a more modest 3.4%.

Still, the figures confirm that demand has weakened, suggesting the German economy will stagnate at best in the second half, said Commerzbank economist Ralph Solvene.

—Ed Frankl

CLIMATE World's Rivers Had Rough Year in 2023

The U.N. weather agency is reporting that 2023 was the driest year in more than three decades for the world's rivers, as the record-hot year underpinned a drying up of water flows and contributed to prolonged droughts in some places.

The World Meteorological Organization also says glaciers that feed rivers in many countries suffered the largest loss of mass in the past five decades, warning that ice melt can threaten long-term water security for millions of people globally.

The weather agency, citing figures from U.N. Water, says some 3.6 billion people face inadequate access to water for at least one month a year—and that figure is expected to rise to five billion by 2050.

—Associated Press

RUSSIA American Draws Nearly Seven Years

A Russian court on Monday sentenced a 72-year-old U.S. citizen in a closed trial to six years and 10 months in a general-security prison for allegedly fighting as a mercenary in Ukraine.

Prosecutors, who sought a seven-year sentence in a maximum-security prison, said Stephen Hubbard signed a contract with the Ukrainian military after Russia invaded in February 2022, and fought until being captured two months later.

Hubbard is the first American known to have been convicted of fighting as a mercenary in the Ukrainian conflict. Arrests of Americans on various charges have become increasingly common, raising concern Russia could be targeting U.S. nationals to use as bargaining chips.

—Associated Press

BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

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AI Reshapes Sleepy Malaysian State

Blackstone, China's ByteDance among those investing in data centers in Johor

By STU WOO

ISKANDAR PUTERI, Malaysia—Gary Goh was the chief executive of a publicly listed property developer three years ago when prospective clients started asking whether his company had land for data centers.

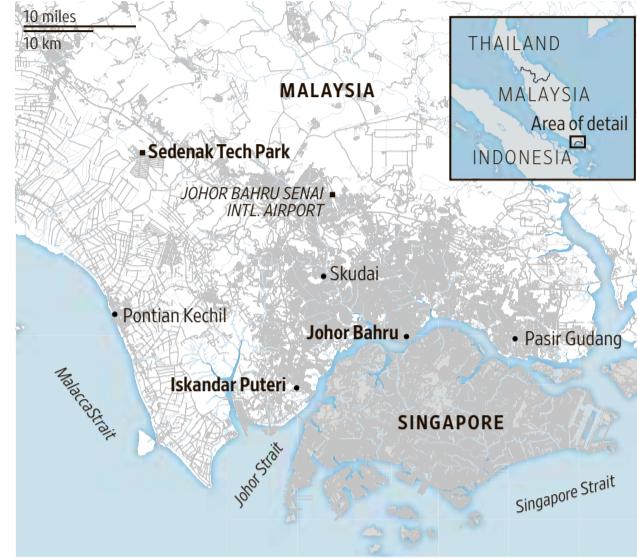
Goh was vaguely aware that technology companies needed computer centers to manage heaps of data, but he had never seen such a building. “I didn’t know whether it was round, was it a rectangle, was it a triangle?” he said.

But after the tenth inquiry, Goh realized the tech industry was about to spend billions of dollars on data centers in his

sleepy corner of Malaysia. So he quit his job to cash in.

Nowhere else on Earth has been physically reshaped by artificial intelligence as quickly as the Malaysian state of Johor. Three years ago, this region next to Singapore was a tech-industry backwater. Palm-oil plantations dotted the wetlands. Now rising next to those tropical trees 100 miles from the equator are cavernous rectangular buildings that, all together, make up one of the world’s biggest AI construction projects.

TikTok’s Chinese parent company, **ByteDance**, is spending \$350 million on data centers in Johor. **Microsoft** just bought a 123-acre plot not far away for \$95 million. Asset manager **Blackstone** recently paid \$16 billion to buy AirTrunk, a data-center operator with Asia-wide locations including a Johor facility spanning an area the size



of 19 football fields. **Oracle** last week announced a \$6.5 billion investment in Malaysia’s data-center sector, though it didn’t specify where.

In all, investments in data centers in Johor, which can be used for both AI and more-conventional cloud computing, will reach \$3.8 billion this year, esti-

mates regional bank Maybank.

“At first glance, Johor seems unlikely, but once you double click on it, it makes a lot of sense,” said Peng Wei Tan, a Blackstone senior managing director who helped lead its acquisition of AirTrunk.

To understand how one of the first boomtowns of the AI era sprouted at the southern tip of the Malay Peninsula, consider the infrastructure behind AI.

Tech giants want to train chatbots, driverless cars and other AI technology as quickly as possible. They do so in data centers with thousands of computer chips, which require a lot of power, as well as water for cooling.

Northern Virginia became the world’s biggest data-center market because of available power, water and land. But supply is running low. Tech compa-

Please turn to page B4

Chevron To Sell Billions In Shale, Oil Assets

By ROBB M. STEWART AND SHERRY QIN

Chevron is selling its stakes in some oil-sands and shale assets to **Canadian Natural Resources** for \$6.5 billion, driving ahead with its effort to refocus its operations and adding to the wave of consolidation in Canada’s energy-rich West in recent years.

Chevron Canada, a subsidiary of the San Ramon, Calif., oil major, said Monday it agreed to sell its 20% interest in the **Athabasca Oil Sands Project** and a 70% interest in the Duvernay shale. Both are located in the province of Alberta.

The all-cash transaction, which has an effective date of Sept. 1, is expected to close by the end of the year.

The deal marks a big step in Chevron’s plans to sell \$10 billion to \$15 billion in assets by 2028 as it focuses on areas such as the Permian Basin in the U.S., and in Kazakhstan. Chevron also is working to close a \$53 billion deal to buy Hess, the latest megamerger among U.S. producers taking advantage of strong crude prices and securing future oil reserves.

Chevron said the assets being sold to Canadian Natural contributed production of 84 thousand barrels of oil equivalent a day, net of royalties, in 2023. The sale also includes additional working interests in other nonproducing oil-sands leases covering about 100,000 net acres.

The purchase will boost Canadian Natural’s stake in the Athabasca Oil Sands Project to 90%, adding about 62,500 barrels a day of synthetic crude-oil production. Chevron’s controlling interest in light oil and liquids-rich assets in the Duvernay play that Canadian Natural agreed to buy are targeted to produce 60,000 boe/d in 2025.

Canada’s big oil-sands producers have been riding high, with the sector attracting deal-making as oil prices have been buoyed by demand, geopolitical tensions and production cuts by Organization of the Petroleum Exporting Countries and allies.

Interest among producers also has been heightened since the Trans Mountain pipeline became operational in May, the twin of an existing line built in the 1950s. Together they can triple shipments of Alberta oil to the Pacific Coast and to Asian markets to 890,000 b/d.

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Demand for Industrial Robots Loses Steam

By BOB TITA

Robots are getting less work at U.S. factories.

Manufacturers are cutting back on purchases of automation equipment, executives said, as business slows on production lines and shop floors. More human workers are lining up for work again, too.

Orders for factory robots in North America plunged by nearly one-third last year from 2022’s record volume, according to the Association for Advancing Automation, a trade group for the robotics industry. Orders slipped further over the first six months of this year.

Automation equipment attracted heavy investment after the Covid-19 pandemic left many factory jobs unstaffed and hard to fill, between high absenteeism and workers seeking better pay or less physically demanding roles.

Supply-chain bottlenecks further juiced demand as companies looked for ways to accelerate production when parts and materials became available.

“When companies were buying robots out of fear, they tended to overbuy,” said Paul Marcovecchio, director of general industries for **Kawasaki Robotics** in the U.S., which makes equipment for the auto industry and for warehouse automation. “Now, they don’t have to fear-buy.”

U.S. industrial production in August was flat compared with the same month a year earlier, according to the federal government. Production of appliances, heavy-duty trucks, machinery and oil wells all declined.

In Cleveland, manufacturing company **Jergens** produces at-



Kawasaki Robotics’ director of general industries in the U.S. said companies had overbought. A Kawasaki unit in Michigan.

tachments that enable robot arms to pick up and hold parts in factories. Company President Jack Schron said that while sales are growing this year in aerospace and defense, business is flat in its other markets.

For factory managers who have struggled to find workers willing to do boring, repetitive or physically taxing jobs, robots present a dream solution—not needing breaks and being immune to injuries and suddenly quitting.

But Schron said some companies that bought robots during the pandemic-driven labor crunch underestimated the

maintenance and programming skill needed to deploy them to more complicated tasks.

“Robots are pretty finicky,”

Schron said. “The use of robots is not going away, but it is

slowing down.”

Companies’ interest in automa-

tion is creating anxiety for

some workers who see their

jobs being threatened by ro-

bots, artificial intelligence and

other technology. Dockworkers

continue to negotiate limits on

expanded use of automated

equipment and vehicles at East

and Gulf Coast ports after

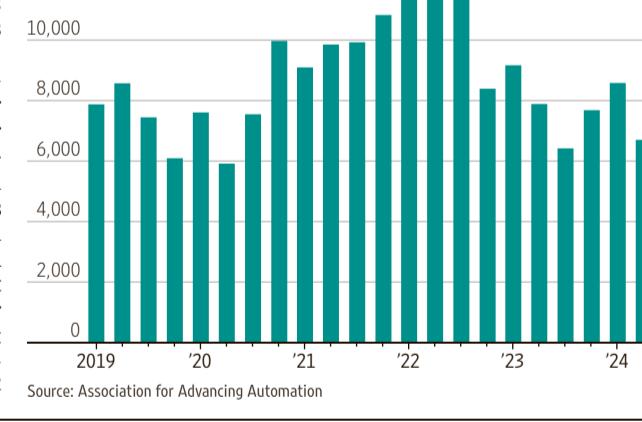
reaching a tentative agreement

on wages with shipping compa-

nies.

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Orders for factory robots across all industries in North America, quarterly



Source: Association for Advancing Automation

Credit-Card Balances Have Become Costlier

By ANGEL AU-YEUNG

a ban on excessive fees. Fees can be as much as \$41 when a payment is even a couple of hours late, the agency said.

Banking and business groups sued to block the cap, and a Texas judge halted its implementation in May just before it was set to go into effect. The rule remains tied up in the court, but card issuers and banks have already been raising rates and charging new fees to offset any potential losses.

Republican presidential candidate Donald Trump proposed a temporary cap of 10% on rates last month, though his campaign didn’t provide any details on how he would achieve that.

A fresh look at card balances and delinquencies comes next week, when JP Morgan Chase and Wells Fargo kick off third-quarter bank earnings.

During an earnings call in April, Capital One Chief Executive Richard Fairbank said the late-fee cap would signif-

icantly reduce fees.

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INSIDE FORTNITE



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Google must make it easier for app stores to compete on Android, a judge rules. B3

MARKETS

California winemaker Duckhorn agrees to be taken private in a \$1.95 billion deal. B10

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Conflict Mineral From Congo Is Smuggled Into Everyday Tech

By ALEXANDRA WEXLER

A black metallic ore critical to electric vehicles, telecom and aeronautics is funding a brutal war in the Democratic Republic of Congo—despite U.S. efforts to stop the use of so-called conflict minerals.

Congo is the world’s leading producer of coltan, from which tantalum is extracted. Tantalum is in hot demand because of its growing use in consumer products, from smartphones to laptops.

Coltan is mined in the country’s restive east, a region that has been engulfed in a decadeslong war between rebel groups and the Congolese army. Over the past two years, a powerful militia backed by neighboring Rwanda has taken over swaths of eastern Congo, driving some two million people from their homes as fighters kill, torture and rape civilians. The militia, known as M23, also has seized control of Congo’s coltan production and transport, according to United

Nations investigators, supply-chain experts, researchers and local traders.

Now, a network of smuggling routes is increasingly being used to move ore illegally from militia-controlled mines in Congo to neighboring Rwanda. From there, it is sold as Rwandan, and hence “conflict-free,” to smelters around the world, but primarily in China.

M23 fighters levy taxes on informal coltan miners, who dig the ore from the ground, mostly by hand. The fighters also tax the movement of coltan, providing the militia with revenue to purchase weapons and other supplies. Overall, the trade generates around \$300,000 a month for the fighters, according to Bintou

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VERONIQUE DE VIGUIER/PARS MATCHGETTY IMAGES

Coltan ore is mined from a militia-held area in eastern Congo.

BUSINESS NEWS

Google Ordered to Ease Competition

An injunction is issued after Epic Games won an antitrust lawsuit

By MILES KRUPPA

A judge ordered Google to make it easier for developers of mobile-app stores to compete on phones and tablets that use the company's Android software, a blow to the search giant as it navigates numerous legal threats.

The injunction issued Monday by U.S. District Judge James Donato is the result of Google losing an antitrust case—brought by "Fortnite" developer **Epic Games**—during a jury trial last December. Epic, which operates its own app store, argued that Google used its power over Android to take excess profits from app developers through its Play Store. Google has said it plans to appeal the ruling.

Donato ordered Google to allow third parties to access the company's Play Store catalog of apps to build competing offerings. He also barred Google from paying incentives



Epic Games is the maker of the highly popular 'Fortnite' videogame.

to app developers to release an app first or exclusively on the Play Store, as well as to device manufacturers to pre-install the Play Store in a specific location or not pre-install a competing app store.

The injunction is set to take

effect next month, with many of the remedies lasting three years. In a blog post, Google's vice president of regulatory affairs said the company will "ask the courts to pause implementing the remedies to maintain a consistent and safe

experience for users and developers as the legal process moves forward."

Epic Chief Executive Tim Sweeney said on X that his company will launch its own store on Android devices next year. "App developers, store

makers, carriers, and manufacturers have 3 years to build a vibrant and competitive Android ecosystem with such critical mass that Google can't stop it," he wrote.

The decision comes as Google prepares to defend itself against a range of possible changes to its business practices following a loss in a Justice Department antitrust case targeting its search engine. It is also in the middle of a trial defending its business brokered online ads from antitrust allegations by the government.

Google's Play Store, its version of **Apple's** App Store, is one of the primary ways it makes money from its Android mobile operating system.

The Play Store made roughly \$12 billion in operating profit in 2021, with margins of more than 70%, according to evidence Epic presented at trial. Those figures don't account for Android's research and development costs, Google CEO Sundar Pichai testified.

Donato ordered Google to build technology for sharing its catalog of apps with developers of competing marketplaces in the next eight months.

Shell Says Gas Unit Is Set to Help Results

By CHRISTIAN MOESS LAURSEN

Shell expects a rise in liquefied-natural-gas production and resilient gas trading in the third quarter, potentially offsetting continued refining-margin weakness.

The company said Monday that it expects its trading result in its core integrated gas unit to be in line with the second quarter's, when the division contributed \$2.675 billion in adjusted earnings.

Shell will likely have had to rely on strong gas trading to drive third-quarter earnings, as weak oil prices and refining margins are expected to drag on results across the European energy sector, according to analysts.

Oil prices were under pressure through the quarter ended Sept. 30 due to concerns about the outlook for global demand. Brent crude prices ended the quarter at \$71.70 a barrel, slumping from above \$87 a barrel early in the period.

Meanwhile, continued weak refining margins are expected to weigh on Shell's downstream results once again.

Last quarter, narrower refining margins drove a 33% drop in the adjusted earnings of Shell's chemicals segment. Performance is expected to be even lower in the third quarter, the company said. On the flip side, European gas prices rose around 14% through the quarter amid uncertainty around supplies, Barclays analysts said in a recent note. This will likely offset some of the hits on earnings from lower oil prices and refining margins.

Still, Barclays forecasts earnings to have declined 15% on average for Shell and its European oil-and-gas peers in the third quarter.

Richemont to Sell Its E-Commerce Business YNAP

By ANDREA FIGUERAS

Cartier owner **Richemont** agreed to sell its e-commerce business Yoox Net-a-Porter to luxury online platform Mytheresa, nearly a year after a previous attempt at unloading the unprofitable business was called off.

The deal allows Richemont to part ways with YNAP, of which it took control in 2018. The Swiss luxury group has been seeking a buyer for YNAP in recent years after the business struggled to turn a profit and forced its parent company to book multibillion-dollar write-downs.

The luxury industry is confronting a slowdown in demand that has been particularly acute in China, weighing on high-profile names including Richemont. Online luxury platforms have been dealing with their own profitability issues after a sales boom during the pandemic came to an end.

News of the deal comes after Richemont said last December that a previous attempt to sell YNAP fell apart after British-Portuguese online luxury marketplace Farfetch, which was set to buy the business, faced financial difficulties.

Richemont said it expects to take a hit of €1.3 billion, or

about \$1.43 billion, as a result of the deal, under which it will sell YNAP with €555 million in cash and no debt in exchange for a 33% stake in Mytheresa. In its past two fiscal years, Richemont has booked write-downs of €1.5 billion and €3.4 billion on YNAP's assets.

Richemont—owner of Van Cleef & Arpels, Cartier and Montblanc—will have the right to nominate a member and an observer to Mytheresa's supervisory board, it said. Mytheresa's parent company, **MYT Netherlands Parent**, had a market capitalization of \$367 million as of Friday's close, FactSet said.

YNAP's luxury division will be integrated into Mytheresa, the business's off-price division—comprising Yoox and The Outnet—will be separated and its white-label division will be discontinued, the companies said. Richemont will provide a six-year revolving credit line of €100 million to fund YNAP's needs.

The transaction is expected to close in the first half of 2025, and doesn't require the approval of shareholders.

Richemont took control of YNAP in 2018, three years after the business was formed through the merger of Italian e-commerce firm Yoox and

London-based Net-a-Porter, a move that sought to capture the expansion of luxury to the digital environment and find new ways of reaching customers. Richemont pursued a turnaround, but failed to make the business profitable.

The deal comes as luxury names face challenges on multiple fronts. In China, which fueled growth for years, luxury companies are dealing with flagging demand amid a sluggish property market and weak consumer sentiment.

Inflation and pricing fatigue have hurt luxury demand in the West, particularly among less-wealthy shoppers.

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Solar-Module Maker Gets \$54 Million

Transition Equity Partners led the investment to help build Heliene factory

By LUIS GARCIA

Transition Equity Partners has led an investment of as much \$54 million in Canadian photovoltaic-module manufacturer Heliene, which plans to use the money to build a new factory in Minnesota.

Private-market investor Hamilton Lane participated in the deal, along with other

backers, Heliene said.

Chicago-based Transition Equity, which backs renewable-energy developers and other businesses across the clean-energy supply chain, said government incentives that allowed Heliene to sell tax credits under the 2022 Inflation Reduction Act helped the company become "a rare opportunity" for the private-equity firm to invest in U.S. solar manufacturing.

Heliene's planned factory in Rogers, near Minneapolis, will annually produce solar-power modules with a total capacity of 550 megawatts, or enough

to power roughly 95,000 homes on average. It will lift the company's total U.S. annual output to about 1,500 megawatts in capacity, Heliene said.

The fresh capital builds on a \$20 million investment in Heliene by other investors last year alongside \$150 million in debt financing provided by Orion Infrastructure Capital, formerly known as Orion Energy Partners.

Heliene needed the additional investment from Transition Equity, Hamilton Lane and the others to cover all its future plans, and operations

during the intervening period demonstrated Heliene's readiness for further expansion, Chief Executive Martin Pochtaruk said.

"We wanted to have the results of the 2023 calendar year to show investors and be on a better footing to raise more equity," he said.

Heliene's revenue doubled last year from 2022, according to Pochtaruk. Revenue is expected to rise as much as 60% this year and double again next year, as supply agreements gear up with customers such as solar-power developer Nexamp and Excelsior Energy

Capital, a private-equity firm in Excelsior, Minn., that invests in renewable-energy projects.

Heliene recently sold roughly \$50 million of tax credits to a corporate buyer, which showed potential investors its ability to capitalize on government clean-energy incentives, Pochtaruk added. Those include so-called 45X tax credits based on the production volume of eligible components such as Heliene's solar modules.

"It's an incentive [based] on volume," Pochtaruk said of the tax credits. "It makes you

manufacture more and hence [boost] growth, and we will grow thanks to the equity investments."

Pochtaruk co-founded Heliene in 2010 in Sault Ste. Marie, Ontario, where it is still based near the eastern end of Lake Superior. The company expanded into the U.S. about seven years ago—its Mountain Iron, Minn., plant is near Superior's western end. The new Minnesota factory is expected to come online next year.

Pinch points and supply disruptions have plagued the clean-energy industry in recent years.

Demand For Factory Robots Falls

Continued from page B1
nies last week, which ended the workers' strike.

Robot manufacturers said customers have become choosier about their investments. High interest rates and lower production volumes mean that it is taking companies longer to recoup the money spent on robots.

Austin, Texas-based **Athena Manufacturing** bought seven robots in 2021 and 2022 when it couldn't find enough workers to keep up with rising orders for welding and cutting metal parts used by the semiconductor, aerospace and energy industries.

The company added just one more since then because Athena's production volume is down 20% from 2022, said John Newman, chief financial officer.

"The robots are still being used but just not as much as during Covid and after Covid," Newman said.

Labor concerns fade

Finding skilled workers such as machinists remains hard, manufacturing executives said. But lower employee turnover



Kawasaki Robotics' Michigan facility. North American orders for factory robots fell by nearly one-third last year.

and falling production volumes have lessened their need to hire.

About 21% of manufacturers cited labor shortfalls as an impediment to full production during the second quarter, down from 45% in the same quarter of 2022, according to Census Bureau survey data compiled by Michigan State University supply management professor Jason Miller.

Some robots are still selling briskly. Second-quarter robot orders from food and consumer-goods manufacturers rose 64% from last year, the automation association said.

Rajat Bhageria, chief execu-



rooms with near-freezing temperatures that require human workers to take breaks and work in shifts.

"It was never a good job for people," Bhageria said. "Instead of needing two people for two shifts, it's just one robot."

EV slowdown hurts

The automotive industry is the largest user of industrial robots in North America, but the sector's second-quarter orders for robots dropped 20% from the same period last year, the automation association said. Auto-industry robots represented 46% of all robot orders in the quarter, down from nearly 60% of orders in the same period in 2022.

Automakers and their suppliers had been buying more robots to outfit plants and increase electric-vehicle production. But U.S. auto companies have hit the brakes on some new EV models in response to disappointing sales.

"There was a lot of excitement about EVs, and then demand changed," said Scott Marsic, product manager for the robotics group at Epson, which specializes in high-speed, precision robots used in manufacturing electronics and other small components.

Marsic said he expects robotics demand to rebound as interest rates come down, making them cheaper for manufacturers. "With robots, companies are in a holding pattern," he said.

Atos to Continue Talks With France on Sale of Assets

By NAJAT KANTOUAR

Atos said it made a new proposal to sell its computing and cybersecurity assets to the French state after an initial round of talks ended without an agreement.

The beleaguered French IT group received a €700 million, or \$768.4 million, offer from

Paris in June for its advanced computing, mission-critical systems and cybersecurity activities within Atos's big data and security arm, underscoring efforts from France to prevent the collapse of a company that offers services to governments, homeland security and defense clients.

Atos said on Monday that

the offer expired on Oct. 4 without an agreement and that it sent a new proposal to the French government to continue talks as it undergoes a financial restructuring aimed at restoring profitability.

The group has seen years of profit warnings and lost several chief executives since 2021, while its debt pile has

grown. It attempted to sell parts of its business to the likes of Airbus and Czech billionaire Daniel Kretinsky to gain much-needed liquidity, but with no success.

Atos reached a deal in July with banks and bondholders on the terms of a financial restructuring after separate rescue talks with shareholders, in-

cluding Onepoint, fell apart in June. In September, the company's shareholders and creditors voted in favor of a rescue package, including an injection of funds as well as the conversion of debt into shares.

Atos said any potential sale to the French state would be subject to approval by a commercial court in Nanterre.

New Score Uses AI To Rate Brands' Ad Inclusivity

By MEGAN GRAHAM

A new initiative called the Representation Index aims to give brands scores to reflect how inclusive their ads are—or aren't—just as some companies are backing away from diversity, equity and inclusion efforts.

The index is being introduced by Female Quotient, a group that promotes gender equality in the workplace, and XR Extreme Reach, a tech platform used by brand marketers and others. It will use artificial intelligence to analyze elements such as age, body type, skin tone, gender expression and accessibility, its creators say, to create a score between zero and 100, with higher scores deemed as being more inclusive.

The scores will be available to customers of XR Extreme Reach, which said its clients include large advertisers such as Procter & Gamble and Indeed, and won't be publicly released.

But marketers will be able to compare their scores for ads or campaigns against their advertising as a whole and against the averages for their industries, and potentially make changes to their work before releasing it.

"If you score 20, you've got work to do," said Jo Kinsella, global president and chief operating officer of XR Extreme Reach. "In the world of AI, you can auto-generate an ad where you can say, 'Make this man a woman with this skin tone and this body type,' and you can move much quicker than you could have years ago, where you had to mobilize a whole production team."

An earlier metric called the Gender Equality Measure has gained broad industry adoption since its introduction by SeeHer, which was co-founded by Female Quotient CEO Shelley Zalis in 2016. Brands such as AT&T and Procter & Gamble have said they have used the tool to improve the depiction of women in their advertising.

"If you don't measure it, you're not accountable. And people got away with having a lack of representation of gender in their advertising," Zalis said. "We created a standardized measure for the industry...but what was missing was the total inclusion."

The new index will soon add another factor to its calculations by taking into account how reflected various groups are in positions of authority.

The index comes as some major brands have walked back internal programs intended to foster diversity, equity and inclusion. Beer maker Molson Coors in September said it would no longer participate in a scoring system by the Human Rights Campaign, an advocacy group that scores companies based on LGBTQ+ inclusion.

A month earlier, Harley-Davidson made a similar announcement following online pressure started by a conservative activist.

But the makers of the index say the business case for inclusion in advertising is clear. "When you come to purchase decisions, over 85% of purchase decisions are made by women," Zalis said. Strong buying power also extends across different races, ages and abilities, she said.

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AI Triggers Boomtown In Malaysia

Continued from page B1
nies can't build data centers fast enough in the U.S. alone.

Enter Johor. It has plentiful land and power—largely from coal—and enough water. Malaysia enjoys generally friendly relations with the U.S. and China, reducing political risk for companies from the rival nations.

The other important factor: location. Across the border is Singapore, which has one of the world's densest intersections of undersea internet cables. Those are modern-age highways, enabling tech companies to sling mountains of data around the world.

"This Johor development isn't for serving just Malaysia," said Rangun Salgame, chief executive of Princeton Digital Group, a data-center operator that counts some of the world's biggest tech companies as clients. "This is AI being deployed globally."

Salgame said companies previously built data centers in Singapore because of its interconnectivity. But in 2019, the tiny and densely populated island nation put a moratorium on new centers because of energy constraints. So data-center operators did the next best thing, which was to go an hour across the bridge.

While **Amazon.com**, Google, Meta Platforms and other tech giants run their own data cen-

ters, they also rely on third-party data-center operators for 30% of their needs in the U.S. and about 90% of their needs internationally, Salgame said.

The third parties construct data centers, which cost \$1 billion to \$2 billion each. Tech companies act as tenants, installing their own hardware inside. Most Johor data centers are run by third parties, which don't necessarily have agreements with tech clients before starting projects.

"We're going in speculatively," Salgame said.

Salgame said he gets insights from big tech companies before beginning projects, so he has a sense of what they want. And the sense now is they want Johor.

Salgame predicts that the Malaysian state will become the world's second-biggest data-center market within five years. "I've never seen anywhere in the world come up at this speed," he said.

The industry measures data-center markets by the electricity they use. Northern Virginia has about 4.2 gigawatts active and an additional 11.4 gigawatts under construction, committed or in early stages, said Vivian Wong, an analyst at research firm DC Byte.

Johor, after having less than 10 megawatts—or 0.01 gigawatts—three years ago, now has 0.34 gigawatt active and an additional 2.6 gigawatts under construction, committed or in early stages.

Investments in data centers in Johor will reach \$3.8 billion this year.

swamps could be easily converted into data centers.

He found success in the Johor city of Iskandar Puteri, where telecom carriers recently broke ground on a 42-acre lot across the street from a McDonald's. The site isn't perfect. A hill needs to be flattened before further construction occurs.

But on a recent sweltering day, Goh pointed at the power lines and light-blue water pipes running through the lot, signifying easy access to electricity and water. "These conditions are hard to come by," he said.

BUSINESS & FINANCE

Equinor Acquires 9.8% Stake in Orsted In Renewables Push

By DOMINIC CHOPPING

Equinor acquired a 9.8% stake in Danish wind energy producer **Orsted** as it looks to increase its exposure to renewable energy generation.

The company has built its position in Orsted over time through market purchases and a block trade, and it said that based on Orsted's closing share price on Friday its stake was valued at \$2.5 billion.

Orsted shares climbed 6% in Europe on Monday, while Equinor shares slid 3.4%.

The move comes as Equinor plans to allocate more than 50% of its investments in renewable and low-carbon projects by 2050, with around 20% of investments in these areas in 2023. The deal will contribute to its energy transition plan that includes delivering energy with progressively lower emissions by boosting renewable energy capacity.

It aims to have 12 to 16 gigawatts of installed renewable energy capacity by 2030, up from 0.9 gigawatts in 2023. Equinor currently operates three UK offshore wind farms and is building the huge Dogger Bank project in the North

Sea with partners **SSE** and **Vargrønn**. The project should see 277 turbines producing enough electricity to power six million British homes.

It is developing the U.S. Empire Wind project offshore New York, has an interest in four Baltic Sea projects and operates a floating wind farm off the coast of Norway that helps power its offshore oil and gas rigs.

With Orsted's net renewable generation capacity at around 10.4 gigawatts, Equinor now gets access to around 1 gigawatt of operating assets for a price that is similar to the cost of building an offshore wind project, but without the risk from construction and delivery, RBC Capital Markets analyst Biraj Borkhataria said.

Orsted plans to more than triple its renewable generation capacity by 2030 to between 35 and 38 gigawatts.

Orsted has transformed itself in recent years from Denmark's small state oil company into a global giant in wind energy development, but last year hit major hurdles as it pushed aggressively to expand into new markets, particularly the U.S.



The company has been trying to turn its steel business around while investing in making its operations more sustainable.

Thyssenkrupp Reviews Plan To Wean Itself Off Fossil Fuels

By PIERRE BERTRAND

Thyssenkrupp said it was reviewing plans to wean its steelmaking operations off fossil fuels due to high costs, making it the latest company to rethink energy-transition pledges.

The assessment comes as the steel business of the German industrial group undergoes a broader review of its business plan. Thyssenkrupp has been trying to turn the fortunes of its steel business around while investing in making its operations more sustainable, an effort that has been complicated by rising costs and tough market conditions.

Executives at Thyssenkrupp Steel Europe recently warned the supervisory board of the business that plans to produce fossil-fuel-free steel at its site in Duisburg, Germany, could cost more than envisioned.

"The situation is currently

being reviewed based on this information," the company said.

The statement followed a weekend report by German newspaper Handelsblatt that cast doubt on whether the company would follow through on its plan.

Shares of the company fell 2.6% in Europe Monday.

Thyssenkrupp's review of its plans comes at a time when companies across a range of industries are rethinking efforts to reduce the carbon footprints of their operations or the products they sell.

Energy major **Shell** in July said it would pause construction of a biofuel facility in Rotterdam, which was set to be one of Europe's largest, to curb costs amid weakened global demand for the fuel. In August, Danish shipping giant **Maersk** said it would increase its fleet of ships running on liquefied natural gas. Mean-

Thyssenkrupp share price

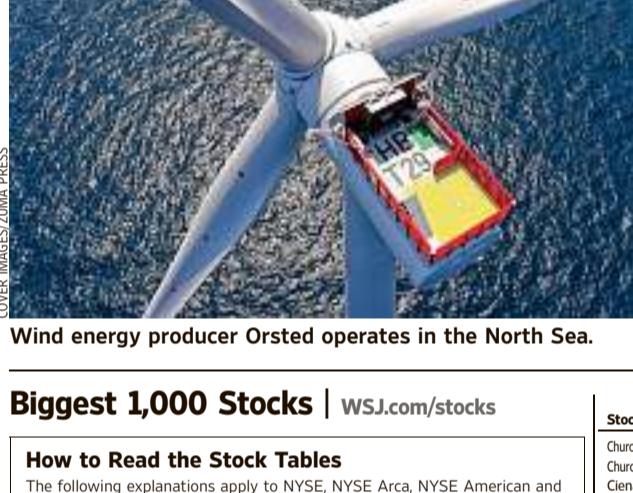


steel production in the long run.

The company aims to achieve carbon-neutral steel production by 2045 at the latest. To get there, it is spending around €3 billion, or about \$3.29 billion, with financial assistance from both the German state and the state government of North Rhine-Westphalia. The company said potential cost increases for the plant have no impact on its confirmed subsidies.

In 2023, Thyssenkrupp selected SMS Group to build a hydrogen-powered direct-reduction production plant to progressively cut out natural gas from its steelmaking processes. The collaboration was one of the largest industrial decarbonization projects globally, it said at the time. Commissioning of the plant is planned for 2027.

The company still assumes the plant can go ahead, it said Monday.



Wind energy producer Orsted operates in the North Sea.

Biggest 1,000 Stocks | WSJ.com/stocks

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are consolidated from trades reported by various market centers, including securities exchanges, Finra, electronic communications networks and other broker-dealers. The list comprises the 1,000 largest companies based on market capitalization.

Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume.

Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher.

Footnotes: i-New 52-week high; t-New 52-week low; dd—Indicates loss in the most recent four quarters.

Stock tables reflect composite regular trading as of 4 p.m. ET and changes in the official closing prices from 4 p.m. ET the previous day.

Monday, October 7, 2024		Net		Stock Sym Close Chg		Stock Sym Close Chg		Stock Sym Close Chg			
Stock	Sym	Close	Chg	Stock	Sym	Close	Chg	Stock	Sym		
A	B	C									
AAON	AAON	107.83	0.13	AppLovin	APP	139.95	0.29	BrightHorizons	BFAM	136.31	0.11
AECOM	ACM	105.20	1.46	Aptiv	APTV	70.47	0.14	BritishAmTob	BTI	35.20	-0.09
AES	AES	18.67	-0.76	Aramark	ARMK	37.27	-0.55	Broadcom	AVGO	175.08	-1.56
Aflac	AFL	111.84	-3.42	ArcelorMittal	MT	25.48	-0.20	Broadridge	BR	215.18	-0.15
AGNC Inv	AGNC	10.15	-0.17	Argentum	ADP	58.86	-0.37	Broadridge	BRA	15.69	-0.15
Ansys	ANSS	313.07	-2.66	Argus	ADM	ADM	-0.04	BrookfieldAsset	BAM	47.23	-0.55
APA	APA	26.97	0.08	AresMgmt	ARES	160.56	0.17	Brookfield	BN	52.55	-0.55
ASE Tech	ASX	9.87	0.03	Argentax	ARGX	522.79	-9.76	BrookfieldInfr	BIP	34.00	-0.59
ASML	ASML	817.25	-5.75	Arigentum	ARX	141.34	0.79	BrownForman	BFT	27.27	-0.09
ATT&T	T	21.78	-0.13	Arm	ARM	50.34	-0.24	Broadwind	BWF	15.30	-0.75
ATI	ATI	64.64	-0.45	AscendisPharma	ASND	139.14	-3.53	Broadwind	BWL	10.23	-0.52
AbbottLabs	ABT	113.36	0.72	AspenTech	AZPN	238.00	-1.10	Broadwind	BWR	10.23	-0.52
AbbVie	ABBV	193.61	-0.68	Assurant	ASSU	186.60	-10.93	BrownForman	BFA	45.72	-0.20
Accenture	ACN	356.80	-0.54	Autodesk	ADSK	267.23	-3.93	BrownForman	BFI	47.09	-0.27
AcuityBrands	AYI	307.92	1.09	AutoZone	AZB	305.45	-1.87	BrownForman	BFR	47.09	-0.27
Adobe	ADBE	487.30	-19.02	Avolon	AVB	218.00	-0.32	BrownForman	BFS	47.09	-0.27
Adyen	ADY	154.38	-1.10	BentleySystems	BSX	219.50	-1.84	BrownForman	BFL	47.09	-0.27
AdvMind	ADM	17.07	-0.07	BentleySystems	BSY	47.75	-1.13	BrownForman	BFR	47.09	-0.27
Aegon	AEG	6.22	-0.08	BentleySystems	BSY	47.75	-1.13	BrownForman	BFS	47.09	-0.27
AerCap	AER	94.41	0.24	BentleySystems	BSY	47.75	-1.13	BrownForman	BFL	47.09	-0.27
AffirmA	AFRM	38.60	-0.76	BentleySystems	BSY	47.75	-1.13	BrownForman	BFR	47.09	-0.27
Allegion	ALG	143.89	-1.08	BentleySystems	BSY	47.75	-1.13	BrownForman	BFS	47.09	-0.27
Algentechs	AGEN	75.22	-0.60	BentleySystems	BSY	47.75	-1.13	BrownForman	BFL	47.09	-0.27
AirProducts	APD	31249.27	21.19	BentleySystems	BSY	47.75	-1.13	BrownForman	BFR	47.09	-0.27
Airbnb	ABNB	130.23	0.38	BentleySystems	BSY	47.75	-1.13	BrownForman	BFS	47.09	-0.27
AkamaiTech	AKAM	101.17	-0.31	BentleySystems	BSY	47.75	-1.13	BrownForman	BFL	47.09	-0.27
AlamosGold	AGI	19.41	-0.18	BentleySystems	BSY	47.75	-1.13	BrownForman	BFR	47.09	-0.27
Albermarle	ALB	104.47	-2.28	BentleySystems	BSY	47.75	-1.13	BrownForman	BFS	47.09	-0.27
Albertsons	ACI	18.25	-0.33	BentleySystems	BSY	47.75	-1.13	BrownForman	BFL	47.09	-0.27
Alcoa	AA	39.47	-0.25	BentleySystems	BSY	47.75	-1.13	BrownForman	BFR	47.09	-0.27
Alcon	ALC	95.43	-1.84	BentleySystems	BSY	47.75	-1.13	BrownForman	BFS	47.09	-0.27
AllyFinancial	ALLY	35.20	0.08	BentleySystems	BSY	47.75	-1.13	BrownForman	BFL	47.09	-0.27
AlnylanPharm	ALNY	266.77	-1.22	BentleySystems	BSY	47.75	-1.13	BrownForman	BFR	47.09	-0.27
Alphabet	GOOGL	164.39	-4.17	BentleySystems	BSY	47.75	-1.13	BrownForman	BFS	47.09	-0.27
Alphabet	GOOG	162.98	-0.08	BentleySystems	BSY	47.75	-1.13	BrownForman	BFL	47.09	-0.27
AltairEngg	ALTR	93.57	-1.86	BentleySystems	BSY	47.75	-1.13	BrownForman	BFR	47.09	-0.27
Altria	MO	49.92	-0.35	BentleySystems	BSY</						

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Technology Decision Makers From the World's Most Influential Companies

A network connecting heads of technology to examine their role as business leaders and prepare for what's next.

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COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Metal & Petroleum Futures

	Contract		Contract			Open
	Open	High	Low	Settle	Chg	interest
Copper-High (CMX) -25,000 lbs.; \$ per lb.						
Oct	4,5140	4,5190	4,4955	4,5190	-0,0035	1,648
Dec	4,5730	4,6090	4,5150	4,5665	-0,0075	139,255
Gold (CMX) -100 troy oz.; \$ per troy oz.						
Oct	2648,70	2657,40	2639,00	2644,80	-1,00	320
Nov	2658,80	2666,60	2646,00	2654,00	-2,00	1,200
Dec	2671,70	2679,20	2657,30	2666,00	-1,80	450,454
Feb'25	2692,90	2702,20	2680,50	2689,10	-1,60	39,242
April	2709,00	2721,10	2700,30	2708,90	-1,30	21,974
June	2732,30	2740,20	2721,60	2728,90	-0,90	11,063
Palladium (NYM) -50 troy oz.; \$ per troy oz.						
Oct	1041,00	1049,50	1041,00	1023,00	27,80	4
Dec	1009,00	1030,00	1005,00	1026,30	27,80	18,056
Platinum (NYM) -50 troy oz.; \$ per troy oz.						
Oct	981,00	981,00	971,30	977,00	-12,80	82
Jan'25	1001,90	1006,90	980,90	987,10	-14,60	69,439
Silver (CMX) -5,000 troy oz.; \$ per troy oz.						
Oct	31,590	31,590	31,590	31,745	-0,383	40
Dec	32,450	32,595	31,655	32,004	-0,390	126,061
Crude Oil, Light Sweet (NYM) -1,000 bbls.; \$ per bbl.						
Nov	74,40	77,40	73,62	77,14	2,76	265,679
Dec	73,76	76,70	73,01	76,47	2,79	253,524

	Open	High	Low	Settle	Chg	Open interest
Jan'25	73,18	76,07	72,49	75,88	2,78	158,525
March	72,16	75,02	71,56	74,89	2,77	104,081
June	71,09	73,82	70,63	73,71	2,59	150,041
Dec	69,61	71,90	69,28	71,80	2,10	138,270
NY Harbor ULSD (NYM) -42,000 gal.; \$ per gal.						
Nov	2,3214	2,4020	2,3037	2,3962	.0835	119,296
Dec	2,3305	2,4120	2,3152	2,4066	.0810	89,411
Gasoline-NY RBOB (NYM) -42,000 gal.; \$ per gal.						
Nov	2,0960	2,1673	2,0741	2,1538	.0580	114,926
Dec	2,0620	2,1399	2,0491	2,1303	.0617	71,728
Natural Gas (NYM) -10,000 MMbtu; \$ per MMbtu						
Nov	2,827	2,839	2,705	2,746	-.108	295,125
Dec	2,828	3,316	3,197	3,218	-.087	147,420
Jan'25	3,550	3,590	3,479	3,495	-.079	191,133
Feb	3,432	3,477	3,372	3,387	-.074	97,175
March	3,149	3,204	3,109	3,123	-.061	172,045
April	3,001	3,056	2,974	2,986	-.046	85,132

Agriculture Futures

	Open	High	Low	Settle	Chg	Open interest
Corn (CBT) -5,000 bu.; cents per bu.						
Dec	424,00	427,00	421,25	426,00	1,25	745,402
March'25	441,00	443,75	438,50	442,75	1,00	326,688
Oats (CBT) -5,000 bu.; cents per bu.						
Dec	387,00	397,50	385,00	395,75	7,50	3,326
March'25	385,75	392,00	382,25	391,25	6,50	594

Bonds | wsj.com/market-data/bonds/benchmarks

Tracking Bond Benchmarks

Return on investment and spreads over Treasuries and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Total return close	YTD total return (%)	Index	Yield (%)	Latest	Low	High
Broad Market Bloomberg Fixed Income Indices						
2129,26	3.1	U.S. Aggregate	4,490	4,100	5,740	
U.S. Corporate Indexes Bloomberg Fixed Income Indices						
3253,02	4.1	U.S. Corporate	4,930	4,640	6,430	
3142,57	4.8	Intermediate	4,720	4,400	6,350	
4313,32	2.6	Long term	5,340	5,070	6,600	
6210,5	2.9	Double-A-rated	4,570	4,260	5,760	
882,79	4.5	Triple-B-rated	5,140	4,850	6,700	
High Yield Bonds ICE BofA						
n.a.	n.a.	High Yield Constrained	n.a.	n.a.	n.a.	
n.a.	n.a.	Triple-C-rated	n.a.	n.a.	n.a.	
n.a.	n.a.	High Yield 100	n.a.	n.a.	n.a.	
n.a.	n.a.	Global High Yield Constrained	n.a.	n.a.	n.a.	
n.a.	n.a.	Europe High Yield Constrained	n.a.	n.a.	n.a.	
U.S. Agency Bloomberg Fixed Income Indices						
1846,13	3.5	U.S. Agency	4,320	3,960	5,390	
1632,91	3.5	10-20 years	4,280	3,920	5,370	
3551,89	2.8	20-plus years	4,660	4,240	5,740	
2843,23	4.2	Yankee	4,710	4,380	6,110	

Constrained indexes limit individual issuer concentrations to 2%; the High Yield 100 are the 100 largest bonds

*In local currency \$ Euro-zone bonds

**EMBI Global Index

Sources: ICE Data Services; Bloomberg Fixed Income Indices; J.P. Morgan

Global Government Bonds: Mapping Yields

Yields and spreads over or under U.S. Treasuries on benchmark two-year and 10-year government bonds in selected other countries; arrows indicate whether the yield rose(▲) or fell(▼) in the latest session

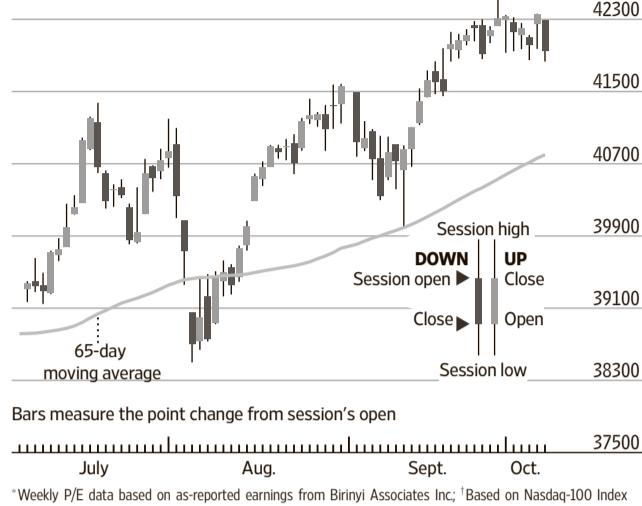
Country/ Coupon (%)	Maturity, in years	Latest (●)	1	2	3	4	5	6	Previous	Month ago	Year ago	Spread Under/Over U.S. Treasuries, in basis points	Latest	Prev	Year ago
3,500	U.S. 2	4.001	▲						3,929	3,651	5,077				
3,875	10	4.025	▲						3,980	3,710	4,783				
0,500	Australia 2	3,680							3,680	3,640	4,031	-33.1	■	-24.9	-104.8
3,750	10	4.061							4,061	3,890	4,554	■	3.2	9.9	-25.0
2,500	France 2	2,446	▲						2,399	2,475	3,409	-156	■	-152.9	-167.0
3,000	10	3,021	▲						2,988	2,882	3,480	-100.8	■	-97.3	-132.4
2,700	Germany 2	2,250	▲						2,204	2,235	3,142	-176	■	-172.4	-193.8
2,600	10	2,259	▲						2,214	2,178	2,888	-177	■	-174.8	-191.6
3,100	Italy 2	2,686	▲												

MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

41954.24 ▼398.51, or 0.94%
High, low, open and close for each trading day of the past three months.



Bars measure the point change from session's open

Current divisor 0.15221633137872

*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; †Based on Nasdaq-100 Index

S&P 500 Index

5695.94 ▼55.13, or 0.96%
High, low, open and close for each trading day of the past three months.



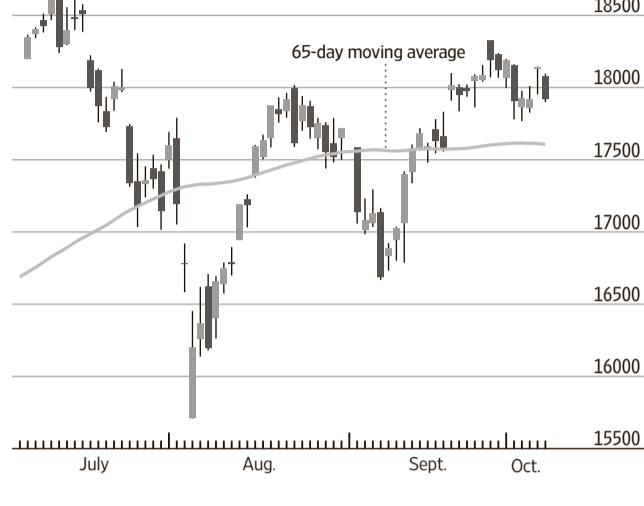
Bars measure the point change from session's open

Last 52-Week High 32417.59 % chg 24.8 YTD % chg 11.3 3-yr.ann. 6.5

Trailing P/E ratio 26.09 24.33 P/E estimate * 20.99 18.01 Dividend yield 2.08 2.16 All-time high 42352.75, 10/04/24

Nasdaq Composite Index

17923.90 ▼213.95, or 1.18%
High, low, open and close for each trading day of the past three months.



Last 52-Week High 264.392 11,871,988 P/E estimate * 29.79 26.12 Dividend yield ** 0.80 0.89 All-time high: 18647.45, 07/10/24

Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	High	Low	52-Week % chg	YTD % chg	3-yr.ann.
Dow Jones										
Industrial Average	42293.64	41831.74	41954.24	-398.51	-0.94%	42352.75	32417.59	24.8	11.3	6.5
Transportation Avg	15801.27	15649.80	15782.74	-31.37	-0.20%	16331.72	13556.07	5.6	-0.7	2.8
Utility Average	1048.31	1025.52	1027.37	-24.05	-2.29%	1065.16	801.98	26.8	16.5	4.9
Total Stock Market	56804.63	56290.14	56401.27	-538.37	-0.95%	57046.41	40847.04	30.7	18.0	7.3
Baron's 400	1229.85	1217.10	1222.22	-10.99	-0.89%	1233.21	907.97	27.0	14.0	5.8

Nasdaq Stock Market

	High	Low	Latest Close	Net chg	% chg	High	Low	52-Week % chg	YTD % chg	3-yr.ann.
Nasdaq Composite	18096.33	17900.04	17923.90	-213.95	-1.18%	18647.45	12595.61	32.9	19.4	6.9
Nasdaq-100	19990.12	19763.04	19800.74	-234.28	-1.17%	20675.38	14109.57	31.6	17.7	9.9

S&P

	High	Low	Latest Close	Net chg	% chg	High	Low	52-Week % chg	YTD % chg	3-yr.ann.
500 Index	5739.34	5686.85	5695.94	-55.13	-0.96%	5762.48	4117.37	31.4	19.4	9.0
MidCap 400	3110.68	3079.51	3095.23	-23.03	-0.74%	3124.92	2326.82	25.1	11.3	4.6
SmallCap 600	1403.23	1384.65	1393.31	-14.15	-1.01%	1435.83	1068.80	22.9	5.7	0.6

Other Indexes

	High	Low	Latest Close	Net chg	% chg	High	Low	52-Week % chg	YTD % chg	3-yr.ann.
Russell 2000	2206.09	2181.24	2193.09	-19.71	-0.89%	2263.67	1636.94	24.9	8.2	-0.9
NYSE Composite	19538.68	19367.29	19434.70	-103.98	-0.53%	19538.68	14675.78	26.9	15.3	5.6
Value Line	618.71	610.86	613.65	-5.06	-0.82%	622.54	498.09	15.8	3.3	-2.4
NYSE Arca Biotech	5911.04	5807.16	5825.39	-85.65	-1.45%	5949.95	4544.40	16.4	7.5	1.3
NYSE Arca Pharma	1075.28	1064.14	1066.93	2.80	0.26%	1140.17	845.32	18.9	17.2	12.7
KBW Bank	115.20	113.66	114.48	-0.17	-0.15%	115.93	71.71	50.3	19.2	-5.4
PHLX® Gold/Silver	156.88	155.11	155.92	-2.15	-1.36%	167.37	102.94	43.1	24.0	8.2
PHLX® Oil Service	82.37	81.28	81.74	0.05	0.06%	96.64	72.67	-12.1	-2.5	10.7
PHLX® Semiconductor	5243.37	5162.72	5196.80	-10.04	-0.19%	5904.54	3185.18	49.9	24.5	16.6
Cboe Volatility	23.03	20.65	22.64	3.43	17.86%	38.57	11.86	27.9	81.8	5.0

\$Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
World	MSCI ACWI	843.72	-3.68	-0.43%	16.1
	MSCI ACWI ex-USA	351.13	1.68	0.48%	10.9
	MSCI World	3678.75	-19.66	-0.53%	16.1
	MSCI Emerging Markets	1183.78	4.44	0.38%	15.6
Americas	MSCI AC Americas	2145.34	-19.89	-0.92%	18.3
Canada	S&P/TSX Comp	24102.71	-60.12	-0.25%	15.0
Latin Amer.	MSCIEM Latin America	22308.92	-18.27	-0.81%	-16.2
Brazil	Bovespa	132017.84	226.29	0.17%	-1.6
Chile	S&P IPSA	3507.35	-3.13	-0.09%	1.1
Mexico	S&P/BMV IPC	52039.87	-570.00	-1.08%	-9.3
EMEA	STOXX Europe 600	519.48	0.92	0.18%	8.5
Eurozone	Euro STOXX	512.08	0.61	0.12%	8.0
Belgium	Bel-20	4264.18	-26.72	-0.62%	15.0
Denmark	OMX Copenhagen 20	2513.52	58.09	2.37%	10.1
France	CAC 40	7576.02	34.66	0.46%	0.4
Germany	DAX	19104.10	-16.83	-0.09%	14.0
Israel	Tel Aviv	2093.07	4.39	0.21%	12.2
Italy	FTSE MIB	33814.52	220.40	0.66%	11.4
Netherlands	AEX	912.77	0.96	0.11%	16.0
Norway	Oslo Bors All-Share	1667.30	-11.96	-0.71%	9.7
South Africa	FTSE/JSE All-Share	86308.92	-23.50	-0.03%	12.2
Spain	IBEX 35	11717.50	58.30	0.50%	16.0
Sweden	OMX Stockholm	1001.09	-4.06	-0.40%	10.9
Switzerland	Swiss Market	12008.70	11.61	0.10%	7.8
Turkey	BIST 100	9031.64	-77.70	-0.85%	20.9
U.K.	FTSE 100	8303.62	22.99	0.28%	7.4
U.K.	FTSE 250	20853.21	-46.87	-0.22%	5.9
Asia-Pacific	MSCI AC Asia Pacific	196.56	1.83	0.94%	16.0
Australia	S&P/ASX 200	8205.40	55.40	0.68%	8.1
China	Shanghai				

BIGGEST 1,000 STOCKS

Continued From Page B5

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	Stock	Sym	Close	Net Chg
Icon	ICLR	290.37	-3.17	Lennar A	LEN	181.97	-0.28	MolsonCoorsB	TAP	55.04	-1.03	PDD	PDD	153.09	-1.18	RepublicUsa	RSG	198.61	-2.06	SkechersUSA	SKX	66.20	-1.34	TylerTech	TYL	581.57	2.12
Garmmin	GRMN	163.13	-6.90	IDEX	IEK	208.58	-2.52	Lennar B	LENB	167.98	-0.12	monday.com	MNDY	273.87	-3.72	PG&E	PCG	19.71	...	ResMed	RMD	232.29	-1.69	TRowePrice	TRW	106.63	-1.84
Gartner	IT	509.81	-3.90	Illinoistoolworks	ITW	256.04	-0.27	LennoxInt'l	LI	593.94	-0.01	Mondelez	MDLZ	71.00	-0.27	MonroeD	MDB	259.44	-5.92	POSCO	PKX	69.61	0.94	RestaurantRev	RWD	47.34	0.02
GenDigital	GEN	27.29	-0.07	Illumina	ILMN	140.66	-0.77	LeonardoDrs	DRS	30.35	...	MontelithPower	MPWR	930.24	-0.57	PPG Ind	PPG	128.75	0.18	Rewity	RTVY	122.53	-1.43	RevolutionBd	RWD	47.34	0.02
Generac	GNRC	173.82	13.64	ImperialOil	IMO	79.21	2.07	Li	LI	53.04	-0.77	LibertyBroadband	LBBDK	77.95	-0.36	MonsterBv	MNST	49.41	-2.11	Monroe's	MCO	457.52	-3.01	MonolithicPower	MPWR	930.24	-0.57
GeneralDynamics	GD	297.29	-3.37	Incyte	INCY	65.76	-1.73	Informatica	INFA	25.13	-0.27	LibertyBroadband	LBDA	76.91	-0.53	Moody's	MO	149.72	-1.01	MonolithPower	MPWR	930.24	-0.57				
GeneralMills	GIS	72.74	-0.74	Infosys	INFY	22.91	0.12	Int	INTC	119.04	-0.64	IntegrativeBrks	IBKR	148.57	0.72	Intertech	INTL	100.02	-1.11	Interglobe	IR	100.02	-1.11	IntersoftRand	IR	100.02	-1.11
GeneralMotors	GM	45.99	0.30	Intelsat	ISATB	10.27	0.01	InteractiveBrks	IBKR	148.57	0.72	Intertech	INTL	100.02	-1.11	Interglobe	IR	100.02	-1.11	IntersoftRand	IR	100.02	-1.11				
Gembab	GMAB	23.43	-0.06	Ingredion	INGR	134.49	-0.61	Intertech	INTL	100.02	-1.11	Interglobe	IR	100.02	-1.11	IntersoftRand	IR	100.02	-1.11	IntersoftRand	IR	100.02	-1.11				
GenuinePartsGpc	GCP	134.99	-1.71	Insmed	INSM	70.50	-0.77	Intertech	INTL	100.02	-1.11	Interglobe	IR	100.02	-1.11	IntersoftRand	IR	100.02	-1.11	IntersoftRand	IR	100.02	-1.11				
GileadSciences	GILD	84.43	-0.13	Intuit	INTU	227.79	-2.15	IntuitFlavors	INTV	90.79	0.32	IntuitPaper	IP	47.69	-0.84	Intuiflavors	INTV	90.79	0.32	IntuitPaper	IP	47.69	-0.84	Intuiflavors	INTV	90.79	0.32
GoldFields	GFI	45.35	-0.17	Interpublic	IPG	30.66	-0.11	Interpublic	IPG	30.66	-0.11	Intuiflavors	INTV	90.79	0.32	IntuitPaper	IP	47.69	-0.84	Intuiflavors	INTV	90.79	0.32	IntuitPaper	IP	47.69	-0.84
GoldmanSachs	GS	494.62	-0.54	Intuit	INTU	602.83	-8.24	Intuit	INTU	602.83	-8.24	Intuit	INTU	602.83	-8.24	Intuit	INTU	602.83	-8.24	Intuit	INTU	602.83	-8.24	Intuit	INTU	602.83	-8.24
Grab	GRAB	3.69	0.01	Intuit	INTU	602.83	-8.24	Intuit	INTU	602.83	-8.24	Intuit	INTU	602.83	-8.24	Intuit	INTU	602.83	-8.24	Intuit	INTU	602.83	-8.24	Intuit	INTU	602.83	-8.24
Graco	GGG	85.80	0.01	IntuitiveSurg	IRISG	47.13	-0.27	Intuit	INTU	602.83	-8.24	Intuit	INTU	602.83	-8.24	Intuit	INTU	602.83	-8.24	Intuit	INTU	602.83	-8.24	Intuit	INTU	602.83	-8.24
Granger	GNGR	102.84	-0.04	IntuitHome	INTHOM	116.77	-1.51	IntuitHome	INTHOM	116.77	-1.51	IntuitHome	INTHOM	116.77	-1.51	IntuitHome	INTHOM	116.77	-1.51	IntuitHome	INTHOM	116.77	-1.51	IntuitHome	INTHOM	116.77	-1.51
Graphicpk	GPK	28.57	-0.22	Intulumen	ITUL	6.44	...	Intulumen	ITUL	6.44	...	Intulumen	ITUL	6.44	...	Intulumen	ITUL	6.44	...	Intulumen	ITUL	6.44	...	Intulumen	ITUL	6.44	...
GpuAeroport	GPA	172.37	-0.27	Intulumen	ITUL	6.44	...	Intulumen	ITUL	6.44	...	Intulumen	ITUL	6.44	...	Intulumen	ITUL	6.44	...	Intulumen	ITUL	6.44	...	Intulumen	ITUL	6.44	...
GpuAeroport	GSA	27.77	-0.46	Intulumen	ITUL	6.44	...	Intulumen	ITUL	6.44	...	Intulumen	ITUL	6.44	...	Intulumen	ITUL	6.44	...	Intulumen	ITUL	6.44	...	Intulumen	ITUL	6.44	...
GpuFinGalicia	GALG	45.22	-0.97	Intulumen	ITUL	6.44	...	Intulumen	ITUL	6.44	...	Intulumen	ITUL	6.44	...	Intulumen	ITUL	6.44	...	Intulumen	ITUL	6.44	...	Intulumen	ITUL	6.44	...
Guidewire	GWR	182.27	-0.15	J D.com	JD	47.08	0.11	J D.com	JD	47.08	0.11	J D.com	JD	47.08	0.11	J D.com	JD	47.08	0.11	J D.com	JD	47.08	0.11	J D.com	JD	47.08	0.11
HCA Healthcare	HCA	382.53	-11.54	J D.com	JD	47.08	0.11	J D.com	JD	47.08	0.11	J D.com	JD	47.08	0.11	J D.com	JD	47.08	0.11	J D.com	JD	47.08	0.11	J D.com	JD	47.08	0.11
HDFC Bank	HDFB	59.45	-1.65	Jabil	JBL	122.30	0.64	Jabil	JBL	122.30	0.64	Jabil	JBL	122.30	0.64	Jabil	JBL	122.30	0.64	Jabil	JBL	122.30	0.64	Jabil	JBL	122.30	0.64
HF Sinclair	DINO	46.77	0.03	JackHenry	JHKY	179.81	-2.33	JackHenry	JHKY	179.81	-2.33	JackHenry	JHKY	179.81	-2.33	JackHenry	JHKY	179.81	-2.33	JackHenry	JHKY	179.81	-2.33	JackHenry	JHKY	179.81	-2.33
HP	HPQ	35.91	-0.1	Jacobsons	JBL	137.97	-0.27	JefferiesFin	JEF	62.28	-0.06	JeffriesFin	JEF	62.28	-0.06	JeffriesFin	JEF	62.28	-0.06	JeffriesFin	JEF	62.28	-0.06	JeffriesFin	JEF	62.28	-0.06
HSBC	HGB	45.67	-0.19	Jedam	JEDM	10.74	0.01	Jedam	JEDM	10.74	0.01	Jedam	JEDM	10.74	0.01	Jedam	JEDM	10.74	0.01	Jedam	JEDM	10.74	0.01	Jedam	JEDM	10.74	0.01
HolonIQ	HOLI	10.81	-0.08	Jel	JEL	159.53	-0.76	Jel	JEL	159.53	-0.76	Jel	JEL	159.53	-0.76	Jel	JEL	159.53	-0.76	Jel	JEL	159.53	-0.76	Jel	JEL	159.53	-0.76
Hologic	HOLX	79.88	-0.01	Jenray	JENR	10.04	-0.54	Jenray	JENR	10.04	-0.54	Jenray	JENR	10.04	-0.54	Jenray	JENR	10.04	-0.54	Jenray	JENR	10.04	-0.54	Jenray	JENR	10.04	-0.54
HomesDepot	HD	408.06	-0.30	Jet	JET	15.95	-0.09	Jet	JET	15.95	-0.09	Jet	JET	15.95	-0.09	Jet	JET	15.95	-0.09	Jet	JET	15.95	-0.09	Jet	JET	15.95	-0.09
HondaMotor	HMC	32.07	-0.05	JimmyKraft	JMK	10.43	-0.01	JimmyKraft	JMK	10.43	-0.01	JimmyKraft	JMK	10.43	-0.01	JimmyKraft	JMK	10.43	-0.01	JimmyKraft	JMK	10.43	-0.01	JimmyKraft	JMK	10.43	-0.01
Honeywell	HON	203.33	-0.45	KimcoRealty	KIM	22.92	-																				

MARKETS

STOCK SPOTLIGHT

Pfizer

Activist investor Starboard Value took a roughly \$1 billion stake in Pfizer and wants the struggling drugmaker to make changes to turn its performance around. Shares climbed 2.2%.

Amazon.com

Shares declined 3%, weighing on major stock indexes, after the e-retailing giant's stock was downgraded by Wells Fargo analysts.

Apple

Shares dropped 2.3% after Jefferies cut its rating on the iPhone maker to hold, noting its smartphone hardware needs rework before being capable of serious AI."

Arcadium Lithium

Rio Tinto is in talks to buy Arcadium, marking its latest attempt to establish a foothold in the lithium market. Arcadium shares leapt 35%. As deal talk in the sector heated up, Lithium Americas also got a boost, rising 8.9%.

Generac Holdings

Shares in the maker of generators and other emergency power products jumped 8.5% in anticipation of an increase in Florida business after the expected landfall of Hurricane Milton.

Hims & Hers Health

The telehealth company's stock added 10% after the announcement late Friday that the stock would be added this week to the S&P SmallCap 600 index.

Duckhorn Portfolio

The California wine producer's stock roughly doubled in value after it

agreed to be taken private by Butterfly Equity in a \$1.95 billion, all-cash deal.

Air Products

Activist investor Mantle Ridge built a more than \$1 billion stake in Air Products and plans to push for improvements at the industrial-gas manufacturer. The stock surged 9.5%.

Richemont

The Cartier owner agreed to sell its e-commerce arm Yoox Net-A-Porter to online luxury platform Mytheresa in an all-share deal. Shares in Richemont—which expects to book a €1.3 billion, or \$1.43 billion, hit from the deal—increased 2%.

Super Micro Computer

The server maker soared 16%, making it the best performer in the S&P 500, after the company pointed to signs of strong demand.

Trump Media & Technology Group

Shares continued their wild ride Monday. Shares of the parent company of Donald Trump's Truth Social platform were up 12%. Earlier in the session, the stock had been up 19%.

AUCTION RESULTS

Here are the results of Monday'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.

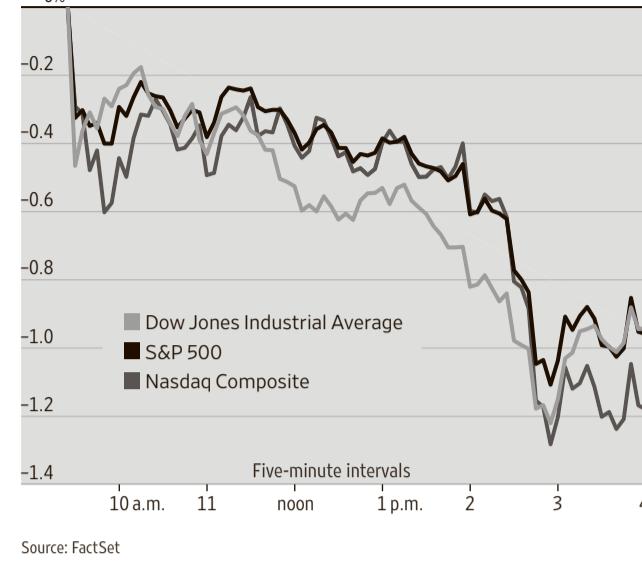
13-Week 26-Week

	13-Week	26-Week
Applications	\$216,575,776,100	\$247,407,056,600
Accepted bids	\$85,433,936,100	\$75,942,310,600
"noncomp	\$2,221,412,400	\$1,776,928,500
"foreign noncomp	\$0	\$0
Auction price (rate)	98.849861	97.823583
(4.550%)	(4.305%)	
Bids at clearing yield accepted	64.96%	4.462%
	5.94%	
	912797LX3	912797NB9

Both issues are dated Oct. 10, 2024. The 13-week bills mature on Jan. 9, 2025; the 26-week bills mature on April 10, 2025.

S&P 500 Falls, 10-Year Yields Rise

Index performance on Monday



Source: FactSet

few are ready to call the all-clear on the economy, even though many are increasingly hopeful that the Federal Reserve has managed to tame inflation without triggering a recession.

While Friday's blockbuster jobs report reassured traders, stocks fell nearly across the board, with 10 of the S&P 500's 11 sectors down for the day. The energy segment ticked higher as crude-oil prices rose.

While Friday's blockbuster jobs report reassured traders,

shot of price pressures.

"We're not completely 100% out of the woods as it relates to inflation," said Jim Worden, chief investment officer at Wealth Consulting Group. "We're not also completely out of the woods as it relates to recession."

Elsewhere:

◆ The widening conflict in the Mideast drove oil benchmark Brent up 3.7% to \$80.93 a barrel, its highest closing value since August. That is after Brent gained 9.1% last week in its biggest weekly percentage gain since October 2022.

◆ The financial group pulled back 1.2% ahead of earnings. JPMorgan Chase and Wells Fargo are scheduled to give results Friday, followed by Bank of America, Citigroup and Goldman Sachs next Tuesday.

◆ The yield on the benchmark 10-year U.S. Treasury note climbed to 4.025%, its highest 3 p.m. ET level since July, from 3.980% on Friday.

—Karen Langley and Angus Berwick

TUESDAY'S EARNINGS:

PepsiCo is due to report earnings ahead of the opening bell

Scholar Rock Shares Quadruple On Positive Drug-Study Results

Shares of biotech Scholar Rock more than quadrupled on Monday, adding some \$2.1 billion to its market value, after the company said one of its drugs improved motor function in children with a genetic muscle-wasting disease.

Scholar Rock said children with spinal muscular atrophy who had significant improvements on measures such as

standing and walking after taking the company's drug, whose scientific name is apitegromab, in a final late-stage study. The company plans to seek U.S. and European Union approval for the medicine in the first quarter of next year.

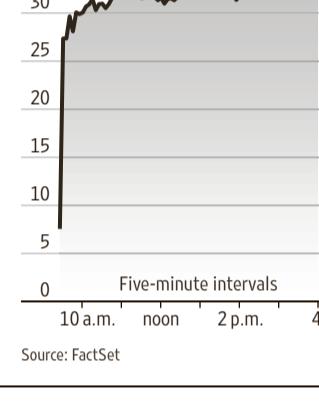
Shares of Scholar Rock rose to \$34.28, up from \$7.42 on Friday, though shares are still off about 50% from their

intraday peak of \$68.02 in March 2021, according to FactSet.

The successful study results make Scholar Rock, based in Cambridge, Mass., an attractive acquisition target, said Jefferies' Michael Yee in an investor note. If approved, apitegromab could reach \$1 billion to \$1.5 billion in annual sales, Yee said.

—Joseph Walker

Scholar Rock share price on Monday



Source: FactSet

Crude-Oil Futures Extend Rally On Mideast Geopolitical Tensions

By ANTHONY HARRUP

Oil futures added to last week's heavy gains as traders hedge against the possibility of Israel striking Iranian energy infrastructure in response to last week's missile attack.

Brent crude rose 3.7% on Monday to \$80.93 a barrel on ICE Futures Europe, and West Texas Intermediate crude settled up 3.7% at \$77.14 a barrel on the New York Mercantile Exchange. The benchmarks both rose 9.1% last week.

Whether prices remain high amid concerns about weakening global demand could depend on whether a feared disruption to oil supplies comes about.

After spiking when Hamas

launched an attack against Israel a year ago, setting the Gaza conflict in motion, crude prices fell back and have remained range-bound as risks to physical supplies were seen as limited. Oil prices largely shrugged off Houthi rebel attacks on shipping in the Red Sea once the extra cost of carrying oil and goods around Africa had been factored in.

Following last week's missile strikes on Israel by Iran, the risk of supply disruptions has increased, David Oxley, chief climate and commodities economist at Capital Economics said in a note.

"The biggest risk is of a tit-for-tat escalation that ends up disrupting shipping in the Strait of Hormuz," he said.

Brent prices could hit \$90 or more, however, in the event that Iranian oil supply is affected, analysts at Goldman

said. "The risk premium is going to dominate in the near term; depending on how things pan out, it could conceivably add another \$20 a barrel to oil prices."

At issue is whether Israel, which has said it will retaliate for last week's attacks, decides to strike Iranian energy infrastructure.

Goldman Sachs assumes that there won't be a major oil supply disruption and maintains its estimate for Brent crude at \$70 to \$85 a barrel with estimates of \$77 for the fourth quarter and \$76 a barrel for 2025.

Brent prices could hit \$90 or more, however, in the event that Iranian oil supply is affected, analysts at Goldman

Sachs said in a report Friday, with the price impact depending on other members of the Organization of Petroleum Exporting Countries raising output to offset the loss.

Assuming a 2 million barrels a day reduction in Iranian supply for six months "we estimate that Brent could temporarily rise to a peak of \$90 if OPEC rapidly offsets the shortfall, and a 2025 peak in the mid-\$90s without an OPEC offset," they said.

A persistent loss of 1 million barrels a day, such as from tighter sanctions enforcement, may push Brent to the mid-\$80s with OPEC offsets, and a 2025 peak in the mid-\$90s without offsets, Goldman added.

Winemaker Duckhorn to Go Private in \$1.95 Billion Deal

By DEAN SEAL

ends just before midnight on Nov. 20.

Duckhorn Portfolio has agreed to be taken private by Butterfly Equity in an all-cash deal that values the winemaker at \$1.95 billion.

The California-based producer of premium wines said Monday that the private-equity firm has offered to buy the company for \$11.10 a share, more than double its \$5.40 closing share price last week.

Duckhorn's stock more than doubled to \$10.95 in Monday's trading.

The deal has been unanimously approved by directors and is expected to close this winter.

The agreement includes a 45-day "go shop" provision that allows Duckhorn to solicit competing bids. The period

comes just before midnight on Nov. 20.

The take-private deal comes as weakness in the wine markets weighs on the alcohol industry.

Duckhorn cut guidance over the summer, citing the soft selling environment and expectations for flat growth in luxury wines. Duckhorn shares had fallen 45% this year through Friday.

The winemaker reported Monday that sales were up 7% at \$107.4 million in the quarter ended July 31, though without the impact of its recently acquired Sonoma-Cutrer winery, the top line would have dropped 14%.

Butterfly Equity is a Beverly Hills, Calif.-based food investor that acquired the Mexican food fast-casual chain Qdoba in 2022.

Chevron To Sell Assets

Continued from page B1

Canadian Natural said it expects both producing assets to boost free-cash-flow generation. With the Chevron deal, the Calgary, Alberta, oil-and-gas producer said it was raising its quarterly cash dividend by 7% from the January payout, the 25th consecutive year Canadian Natural has increased its dividend. As debt levels are cut following the acquisition, the company said it plans to steadily direct more of its cash flows toward shareholders.

Canada's energy companies have been moving to grab assets in oil and gas-rich pockets in the West, echoing the much bigger deals reshaping the Permian and other basins in the U.S.

A year ago, Suncor agreed to buy the Canadian operations of France's TotalEnergy for a little over \$1 billion to bolster its oil-sands business in northern Alberta, and offer it a replacement for a big, aging oil-sands mine. That same month, natural-gas producer Tourmaline Oil agreed to buy Bonavista Energy for almost \$1.1 billion. In May 2023, Crescent Point Energy completed the purchase of Spartan Delta's oil-and-gas assets in the Montney region of Alberta for about \$1.2 billion.

China Stimulus Extends Semiconductor Stock Rally

By SHERRY QIN

Chinese semiconductor stocks continued to rally in Hong Kong, buoyed by China's aggressive economic stimulus package as well as hopes for even more measures.

Investor sentiment was boosted by Beijing's recent package of stimulus measures as well as strong fund inflows into Chinese and Hong Kong equity markets, benefiting the chip sector, analysts said.

Some think Beijing could unveil additional measures, as the country returns from National Day holidays, and investors will be monitoring the news conference by its top economic planner, the National Development and Reform Commission, on Tuesday.

China could unveil a fiscal package of up 1.5 trillion yuan to 2 trillion yuan, or \$212.8 billion to \$283.7 billion, in the near term, UBS economists said in a research note. They added the package could be split between supporting households and corporations, and reducing local governments' financing gap.

Shares of **Semiconductor Manufacturing International Corp.**, China's largest contract chip maker, rose more than 20% in Hong Kong on Monday, after surging 29% on Friday.

Share-price and index performance



Source: FactSet

Their gains over the past two sessions added HK\$93.65 billion, the equivalent of \$12.06 billion, to its market capitalization. Its smaller peer **Hua Hong Semiconductor** gained over 40% since Thursday's close.

The strength in chip stocks is leading a market rally in Hong Kong. The benchmark Hang Seng Index rose 1.4%, taking its gain to 26% since the measures were announced.

With expectations of further stimulus from Beijing in the backdrop, the "overall foundry sector is on the pace

of recovery with more stable pricing environment," Mizuho technology and semiconductor analyst Kevin Wang said.

The global semiconductor industry faced an inventory glut last year after a pandemic-driven shortage of chips. This year, Chinese chip makers were left out of the artificial-intelligence frenzy that surrounded industry leaders like **Taiwan Semiconductor Manufacturing Co.**, which produces advanced chips. That is because the Chinese foundries mostly make less-sophisticated electronic products amid U.S. sanctions that restrict the export of advanced chip-related equipment to China. Although Chinese chip makers witnessed a gradual recovery in orders from domestic clients over the past two quarters, they still face oversupply concerns.

The rally in semiconductor shares in recent sessions hasn't changed the outlook of China's chip sector, Wang said. He noted the fourth quarter is a low season, the foundry sector should continue to recover in 2025. "The only potential difference is whether strong stock market [could] drive economy and consumption in China," he added.

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HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Alzheimer's Drug Comes Full Circle

Bristol-Myers' newly approved schizophrenia treatment sparks fresh interest in its first intended use

The path to discovering a blockbuster drug is often unpredictable. A promising molecule might be overlooked for decades, only to regain attention when new scientific insights spark fresh interest from pharmaceutical companies.

Such is the case with newly approved **Bristol-Myers Squibb** drug Cobenify. The underlying drug was first studied in Alzheimer's patients in the 1990s, but it was abandoned because of severe side effects. Decades later, it was repurposed for schizophrenia, and last month it was approved for use by the Food and Drug Administration, making it the first new antipsychotic to come to market in decades.

Now, it could come full circle. Bristol-Myers is studying Cobenify's effects in Alzheimer's patients and late-stage clinical trial results are expected in 2026.

Cobenify's circuitous route to market can be traced back to an Eli Lilly study published in 1997. The idea was to investigate whether its drug, xanomeline, could provide cognitive and behavioral benefits to Alzheimer's patients. Although the drug demonstrated promising efficacy, Eli Lilly discontinued the project because of significant side ef-

fects, such as vomiting and nausea.

Years later, Andrew Miller, then a chemistry Ph.D. graduate from MIT in his late 20s, came across the study and was impressed by its effects on psychotic symptoms. He theorized that combining xanomeline with a second existing medication could mitigate some of the unwanted gastrointestinal side effects. This concept inspired him to found Karuna Therapeutics in 2009, with backing from the venture-capital firm **PureTech**.

Xanomeline is part of a class of drugs that target muscarinic receptors in the brain, which play a crucial role in various cognitive functions, including memory, mood and emotion. But muscarinic receptors are also found in the peripheral nervous system, such as in the gastrointestinal tract. So Karuna combined the drug with tropism chloride—an approved medication for overactive bladder—which selectively blocks muscarinic receptors in the body without crossing the blood-brain barrier.

The result was a drug that allows the potent activity in the brain to proceed while neutralizing the problematic side effects in the body. Last year, Bristol-Myers Squibb acquired

enthusiasm for Bristol-Myers shares, which have underperformed the industry in recent years. Bristol-Myers stock is up nearly 8% over the past month. Analysts expect the drug to reach more than \$4 billion in annual sales within a decade, according to data on Visible Alpha.

But part of those estimates are baking in uses beyond schizophrenia. Bristol-Myers and competitor **AbbVie** are testing whether this class of drugs can help relieve psychotic symptoms in Alzheimer's patients. Essentially, they aim to replicate the positive effects observed in Eli Lilly's studies nearly 30 years ago, but without the harsh side effects.

Miller notes that while conditions such as schizophrenia, dementia and bipolar disorder have very different underlying causes, their symptoms can overlap. "There is this idea that psychosis is an issue of perception, heavily involving the prefrontal cortex and how we filter and process information and perceptions," he said. "I believe that this aspect is conserved across different underlying conditions."

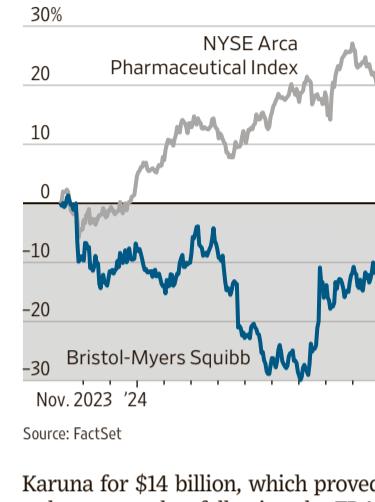
Alzheimer's psychosis refers to a range of symptoms, including hallucinations, delusions and agitation. A

significant chunk of Alzheimer's patients experience some form of psychosis during the course of their illness. Treatment options include antipsychotic medications such as Seroquel, although doctors are reluctant to prescribe them because of "black box warnings," which indicate that a drug carries significant risks of serious side effects, such as a higher risk of death in elderly patients with dementia-related psychosis.

That explains why the absence of a black box warning in the FDA approval last month prompted enthusiasm on Wall Street for the treatment of Alzheimer's symptoms. Given that the market for Alzheimer's patients experiencing psychotic symptoms is in the millions, it could be just as large, if not larger, than the schizophrenia market. Evan Seigerman, an analyst at BMO, sees the Alzheimer's indication for the drug overtaking schizophrenia. He estimates that Cobenify will eventually garner \$3.9 billion in annual Alzheimer's sales in addition to \$2.4 billion in sales for schizophrenia.

Cobenify's approval was a major victory for the schizophrenia community. And, perhaps, for Alzheimer's patients, too. —David Wainer

Share-price and index performance over the past year



Karuna for \$14 billion, which proved to be a smart bet following the FDA approval last month of Karuna's lead product.

Schizophrenia is a challenging medical and social issue for which there has been very little innovation by the pharmaceutical industry. The chronic brain disorder, which can cause people to suffer delusions and hallucinations, affects about 2.8 million adults in the U.S. The large size of the market has injected renewed

Investment Industry Loves Active ETFs

For most investors, exchange-traded funds are synonymous with passive investment. The asset-management industry is trying to change that—and likely not for the better.

ETFs are the big market story of the past few years: Over the past decade, assets managed by these vehicles in the U.S. leapt from roughly \$1.5 trillion to more than \$10 trillion, according to Wall Street analysts. For now, most of that money is managed passively. Active vehicles look over less than \$1 trillion in assets globally. The largest sums flow to the top vehicles from **BlackRock**, Vanguard and **State Street** that charge less than 0.1% to track the S&P 500 and similar indexes.

Index-fund mania helped turn these three asset managers into some of the world's dominant financial forces, with combined assets under supervision of about \$25 trillion.

Vanguard's flagship tracker fund harks back to 1976, and was backed by research that showed equity moves behave like a "random walk" that efficiently prices new information, which would render moot any attempt to beat the market.

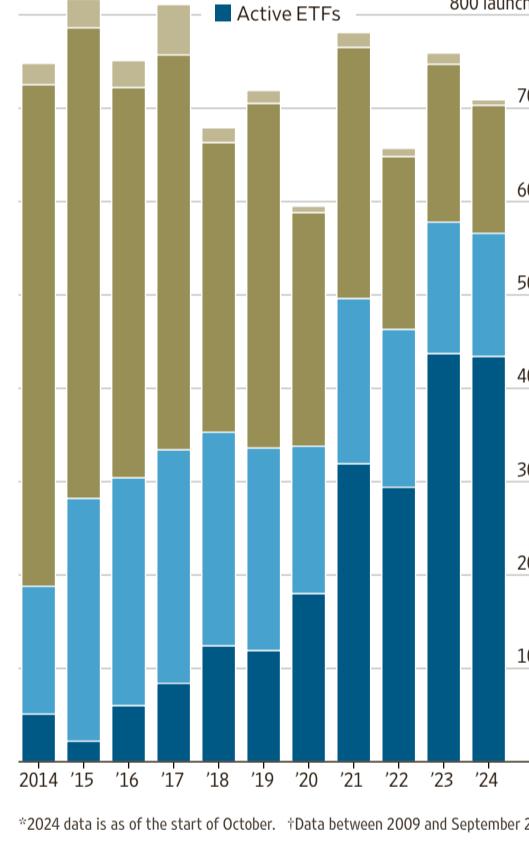
However, selling products that track gauges such as the S&P 500 or the MSCI World Index is a low-margin, commoditized business. That is killing many midsize asset managers that lack the scale to compete. Even the Big Three are eager to expand into higher-margin lines.

This is why, in the 2010s, there was a surge in launches of "smart beta" ETFs that screened indexes with preset rules, ranging from a simple equal weighting of stocks to tilting allocations toward multiple "factors" that are supposed to be exceptions to the "efficient market hypothesis" and generate excess returns. ETFs have since expanded to become a wrapper for all sorts of strategies, including ESG—investing based on environmental, social and corporate-governance criteria.

Active ETFs are the latest attempt to differentiate, and they seem to be taking investors full circle. That is, paying more to get less performance—and ignoring the longstanding wisdom that active managers often struggle to beat the market after accounting for fees.

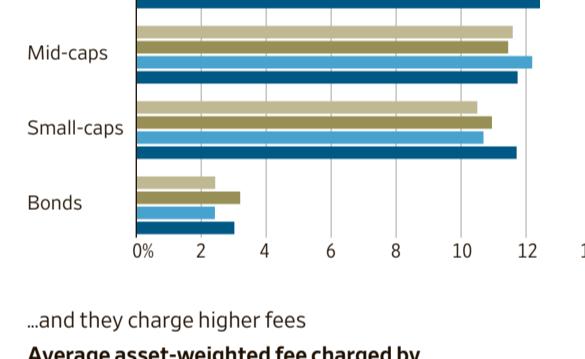
So far this year, active launches outnumbered passive ones by more than 3 to 1, according to Morning-

U.S.-domiciled fund launches*



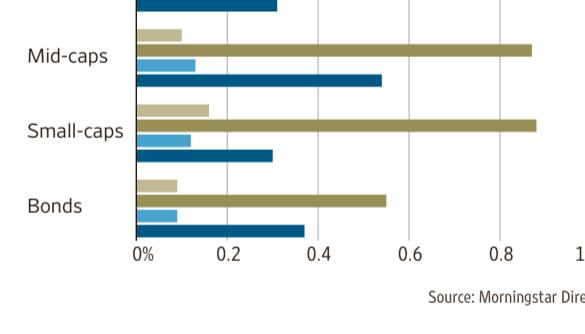
Active ETFs only outperform passive ones in bonds and small-cap stocks...

Average annual returns of funds investing in U.S. equities and bonds†



...and they charge higher fees

Average asset-weighted fee charged by funds investing in U.S. equities and bonds†



Source: Morningstar Direct

As Milton Approaches, Reinsurance Stocks Fall

Shares of insurance firms that provide backstop coverage to the industry for major loss events—known as reinsurers—are selling off heavily.

As Hurricane Milton is also likely to hit populated areas of Florida, reinsurance stocks in the S&P 1500 index were collectively down over 7% on Monday, their biggest one-day drop since the early pandemic market plunges of March 2020. The decline was driven by shares of RenaissanceRe and Everest Group, down over 9% and 8%, respectively. U.S. depository receipts for reinsurers Swiss Re and SCOR, which aren't in that index, were down more than 3% and 8%, respectively.

Shares of many primary insurers that write coverage for consumers and businesses and that buy reinsurance coverage were hit hard, with S&P 500 property-and-casualty stocks down 4.3%, that group's worst one-day drop since June 2020, including with a nearly 5% decline for Allstate, and a nearly 4% drop for Progressive.

While estimates of Hurricane Helene's insured losses don't currently suggest the storm's insurance hit would rise to levels generally covered by reinsurers, there seems to be more concern about Milton.

Early Monday, before more recent updates on Milton's strength and trajectory, analysts at KBW wrote that "current track forecasts suggest that Milton could cause very significant" insured losses, meaning \$10 billion-plus.

Up until now, some reinsurance and insurance shares enjoyed strong performance amid what was expected to be a historically active storm season. That was aided by a combination of prior storms not causing widespread industry losses, as well as the benefit of falling interest rates on fixed-income investment portfolios. Like banks, insurers often own large portfolios of bonds whose prices rise when rates fall, boosting the firms' book values. RenaissanceRe had its record closing high on Friday. Even after Monday's decline, it is up about 30% in 2024.

Reinsurers' shares are often volatile as storms approach and after they land because the after-effects of a major event can be complex. Reinsurers' shares frequently rally after a storm hits and figures for expected insurance claims coalesce into a narrower range. The stocks sometimes benefit from expectations that post-event, they might be able to push through higher rates when contract renewals begin.

But with huge uncertainty about Milton's impact, investors appear to be in a defensive mode ahead of the storm. —Telis Demos

Cartier's Owner Pays for Pricey Digital Detox

The final bill has arrived for **Richemont**'s 14-year online shopping spree: \$4.2 billion of write-downs.

Cartier's Swiss owner is unloading Yoox-Net-a-Porter to German rival **Mytheresa**. An earlier attempt to sell nearly half of the money-losing e-commerce business to **Farfetch** fell through, after the buyer ran into financial difficulty.

Getting the deal done now re-

quires generous terms. Mytheresa gets full ownership and a cash dowry equivalent to \$609 million. Richemont also threw in a €100 million, or roughly \$110 million, credit facility for six years, for general needs and working capital.

In return, Richemont gets a roughly one-third stake in Mytheresa, worth around \$120 million at Friday's close, and a board seat. The holding means Richemont will share in any future upside. But

Mytheresa has had a rocky time as a public company, with its stock down heavily since it went public nearly four years ago.

Overall, Richemont's shareholders will be relieved to see the back of YNAP. Many thought a hefty recapitalization would be needed to convince someone to take the business off Richemont's hands.

Selling luxury online has become brutal for third-party retailers. Rivals like matchesfash-

ion.com have already gone to the wall. Including a €1.3 billion write-down announced Monday, Richemont has written off €3.8 billion for YNAP since first buying Net-a-Porter back in 2010, according to Thomas Chauvet, luxury analyst at Citi Research.

The Mytheresa deal draws a line under this painful episode for Richemont. But going offline has been costly.

—Carol Ryan

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