

THE WALL STREET JOURNAL.

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WEDNESDAY, NOVEMBER 6, 2024 ~ VOL. CCLXXXIV NO. 109

WSJ.com

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DJIA 42221.88 ▲ 427.28 1.02%

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10-YR. TREAS. ▲ 5/32, yield 4.290%

OIL \$71.99 ▲ \$0.52

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YEN 151.62

What's News

Business & Finance

- ◆ A broad Election Day rally pushed U.S. stocks higher, with shares of consumer-discretionary firms, industrials and utilities leading the way. The S&P 500, Nasdaq and Dow closed up 1.2%, 1.4% and 1%, respectively. **A1, A6, B11**
- ◆ Some of the world's most-guarded semiconductor technology ended up in artificial-intelligence chips issued by China's Huawei, showing the limits of U.S. attempts to thwart such hardware linkups. **B1**

- ◆ Perplexity is finalizing a funding round that would value it at \$9 billion, triple its valuation from a few months ago, the latest sign of continued investor excitement for AI startups. **B4**

- ◆ Boeing's machinists will begin returning to work on Wednesday, ending a paralyzing strike and restarting the plane maker's factories. **B1**

- ◆ ADM disclosed more accounting problems and will amend some past financial results while slashing its profit forecast for the year. **B1**

- ◆ Burger King's parent company said it needs to offer better value to cash-strapped diners, as a tough consumer environment weighs on sales. **B3**

- ◆ Saudi Arabia's national oil company, Aramco, said its third-quarter profit fell on lower oil prices and weak refining margins that pushed its downstream division to a loss. **B3**

- ◆ Vodafone's deal to merge its U.K. business with rival operator Three can move forward if competition concerns are addressed, the U.K.'s antitrust authority said. **B4**

World-Wide

- ◆ Donald Trump secured a victory in North Carolina and led Kamala Harris in Georgia after winning strong support from rural areas that delivered him the White House eight years ago, with still-pending results from three Great Lakes states likely to determine the next president. **A1**

- ◆ Republicans picked up Senate seats in West Virginia and Ohio and beat back challenges in Florida, Nebraska and Texas, putting them back in control of the upper chamber. **A1**

- ◆ Democrats saw a path to taking back the House, with the outcome of dozens of races too close to predict. **A5**

- ◆ Hackers linked to Chinese intelligence compromised the communications of senior U.S. national-security and policy officials and politicians, burrowing deep into American infrastructure over eight months or more. **A1**

- ◆ Israel's prime minister fired his defense minister, Yoav Gallant, after months of public disagreement between the two men over the course of the fighting in Gaza and Lebanon. **A8**

- ◆ A Florida ballot initiative to protect abortion rights narrowly failed, but measures to safeguard access to the procedure passed in four other states. **A3**

- ◆ High-resolution photos and sonar images revealed that the object a searcher thought was the lost aircraft of Amelia Earhart was in fact a rock formation on the Pacific Ocean floor. **A2**

- ◆ Died: Bernard Marcus, 95, co-founder of Home Depot. **B1**

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Trump Holds Edge in Key States

Former president wins swing North Carolina and leads other battlegrounds as whirlwind campaign ends

GOP Set To Take Control Of Senate

By LINDSAY WISE
AND SIOBHAN HUGHES

WASHINGTON—Republicans seized control of the Senate after picking up seats in West Virginia and Ohio in Tuesday's elections and beating back challenges in Florida, Nebraska and Texas.

Republicans had been favored to win a majority in the chamber; now it's only a question of how big that majority will be. Late Tuesday, Democrats were still defending seats in five other battleground states that President Biden won by less than 3 percentage points: Arizona, Nevada, Michigan, Pennsylvania and Wisconsin.

Candidates, party committees and outside groups poured hundreds of millions of dollars into the battle for the Senate. Republicans are now poised to determine the fate of the next president's agenda and whether he or she will be able to confirm executive and judicial nominees, including filling any opening on the Supreme Court.

"As a new Republican Senate majority, our focus will be to take on an agenda that reflects America's priorities—lower prices, less spending, secure borders, and American energy dominance," Sen. John Barrasso (R-Wyo.), who leads the Senate Republican Conference, said.

Democrats currently hold a 51-49 majority in the Senate, but were defending far more seats this year, including three in states won by Republican Donald Trump in 2020.

In Ohio, wealthy former car-dealership owner Bernie Moreno defeated three-term Sen. Sherrod Brown, the only Democrat holding statewide office, by riding on Trump's long coattails. West Virginia's Senate seat flipped from blue to red soon after polls closed

Please turn to page A4

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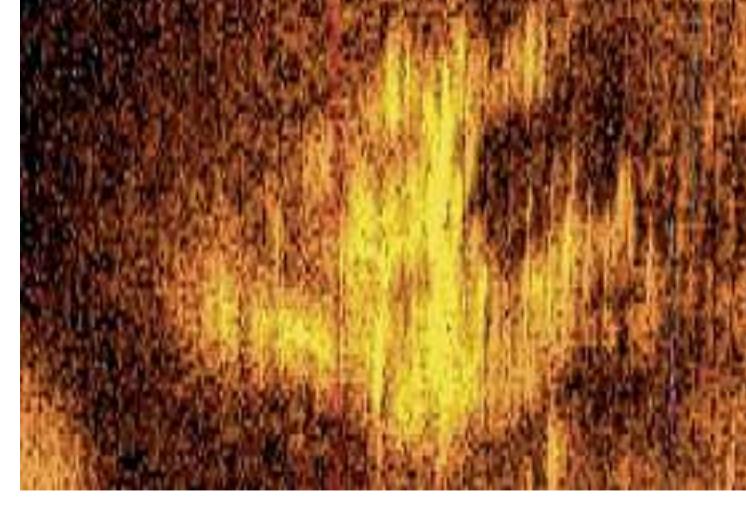
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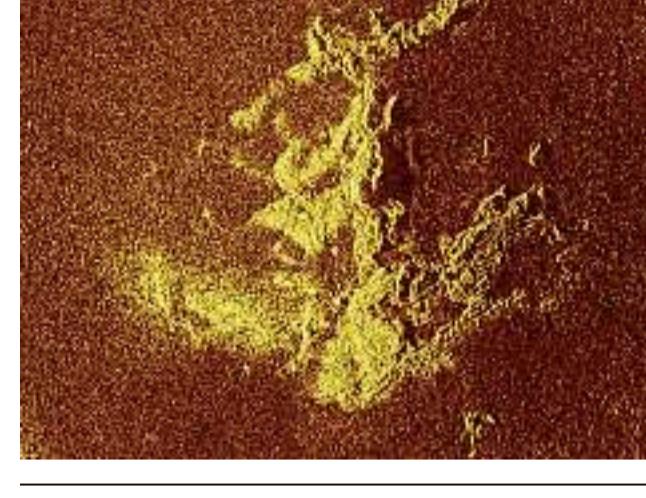
CHRISTOPHER FURLONG/

U.S. NEWS

Amelia Earhart's Plane Not Found After All



Pilot Amelia Earhart and her navigator, Fred Noonan, with a map of the Pacific that shows the planned route of their last flight. Sonar images taken in low-resolution last year, and in high-resolution on this year's trip by an underwater drone of an object about 16,000 feet underwater. Tony Romeo, below, led the search.



China Hack Enabled Vast Spying

Continued from Page One
have had the ability to access the phone data of virtually any U.S. citizen who is a customer of a compromised carrier—a group that includes AT&T and Verizon—but limited their targets to several dozen select, high-value political and national-security figures, some of the people familiar with the investigation said.

Outside the U.S.

The hackers appear to have infiltrated communications providers outside the U.S., including at least one country that closely shares intelligence with the U.S., though it isn't

yet clear where or how extensively. Investigators expect more victims to be identified as the probe continues.

Investigators don't yet know how China planned to use the information it allegedly stole. U.S. intelligence officials have warned for over a decade that Beijing has amassed a trove of information on U.S. citizens in order to identify undercover spies, understand and anticipate decisions by political leaders, and potentially build dossiers on ordinary citizens.

Though political figures are among those spied upon, officials don't suspect the Chinese are seeking to use the access to disrupt or interfere in the presidential election.

U.S. security officials have said they are concerned China is applying artificial intelligence to their stolen data to glean additional insights and create elaborate social maps of millions of U.S. citizens.

"It's a vulnerability that no

one imagined or anticipated," Sen. Marco Rubio of Florida, the top Republican on the Senate intelligence panel, said Sunday on CBS. Sen. Mark Warner of Virginia, the committee's Democratic chairman, said last week that it was "one of the most serious breaches" he had ever seen.

In a statement, a spokesman for the National Security Council said U.S. agencies across the federal government were "collaborating to aggressively mitigate this threat" and were "surging support to affected entities and determining the full scope and impact on Americans, companies and the government."

He added: "We are taking this matter very seriously."

Breaking in

At Lumen Technologies—a carrier and government contractor whose network makes up a core piece of the internet—hackers stole credentials to give themselves access to parts of the management layer of the company's infrastructure in late summer. That access helped them collect information about how network routers were configured and perform other reconnaissance for more than a month before they were caught.

In the broader attack on U.S. telecom networks, officials believe the hackers also targeted systems that carriers use to comply with court-authorized surveillance requests.

At Lumen, which doesn't provide wireless service, the attackers didn't steal customer data or access its wiretap capabilities, according to people familiar with the matter. Lumen, which has contracts with the Pentagon and other U.S. agencies, was notified of the intrusion by a company that specializes in threat intelligence, the people said.

While the hackers appear to have used multiple vectors for their attacks on other telecom companies, they were

able to gain some access in part by compromising routers from Cisco Systems and other equipment makers, some of the people said.

The hackers attempted to re-enter patched systems after being ejected from them by exploiting additional powerful vulnerabilities, some of which weren't known to cybersecurity analysts.

That bold behavior confounded some U.S. officials because it appeared the hackers were essentially scraping to stay inside systems long after their cover was blown, taunting investigators and continuing to collect data.

In one breakthrough, investigators determined the hackers were working on behalf of a Chinese intelligence agency, likely the Ministry of State

Security, which is responsible for foreign-intelligence collection. They identified a specific Chinese contractor they believe carried out the attack, the people familiar with the inquiry said. The MSS often relies on contractors to carry out hacking missions.

A spokesman for the Chinese Embassy in Washington has denied the country's involvement in the hack and accused U.S. spy agencies and cybersecurity firms of "secretly collaborating to piece together false evidence."

What they took

The hackers were able to capture at least some voice audio from some compromised victims, including people affiliated with both Trump and Harris campaigns, investigators learned. It is unclear whether they recorded actual calls, voice memos or something else.

After Trump's running

attempts to follow their flight from radio transmissions. Searches for the aircraft by the Coast Guard and U.S. Navy were unsuccessful. Neither Earhart nor Noonan were ever found.

In the last decades, sailors and ocean explorers looking to find Earhart's lost craft have spent more than \$13 million on the hunt, finding only promising shadows, shipping trash and other odds and ends.

Last year, Romeo—as the new chief executive of Deep Sea Vision, a company that does ocean floor surveys—joined the long line of adventurers combing the deep Pacific for traces of the aviator. Using \$9 million of equipment, including a tangerine-colored underwater drone equipped with sonar, Romeo said he and his team searched about 5,200 square miles of ocean floor.

About 100 miles west of Howland Island, the drone captured a low-resolution image of an object with what looked like the tail and wings of a plane. Romeo said he and his team didn't discover the image in the drone's data until about 90 days into their trip and couldn't go back to confirm

The object believed to be the long-lost aircraft turned out to be a rock.

their find.

At the time, sonar experts told the Journal that the image was too fuzzy to justify anything more than a second look.

The crew set off again last month from Pago Pago, American Samoa, with 15 people, including a documentary crew, to capture better images of the object.

"I'm super disappointed out here, but you know, I guess that's life," said Tony Romeo, a pilot, former U.S. Air Force intelligence officer and commercial real-estate investor from Charleston, S.C., who led the search and was speaking to The Wall Street Journal from a boat on the Pacific Ocean.

Romeo's hunt for Earhart's famed aircraft came up empty on Friday when he said he and his crew got high-resolution photographs and sonar images of the object they previously thought might be her iconic Lockheed 10-E Electra. The new images, Romeo said, revealed that the object was an "unfortunate rock formation" in the shape of a plane on the Pacific Ocean seafloor.

He declined to share the photos, offering only a sonar image of the rock formation.

"If they had found it, I would have been very surprised," Andrew Pietruszka, an archaeologist at the Scripps Institution of Oceanography at University of California, San Diego, who leads deep ocean searches for lost U.S. military aircraft and the soldiers who went down with them. "It's very hard to find things on the sea floor even with all the modern technology that we have."

Earhart disappeared in 1937 while attempting a pioneering trip around the world. She and her navigator, Fred Noonan, left Miami that June. Over the next several weeks, they crossed Africa, Asia and touched Australia. On July 2, they set off east from Lae, Papua New Guinea, and were due to land and refuel on Howland Island, a dot in the ocean between Australia and Honolulu.

But their plane vanished without ever touching down, even as U.S. Coast Guard oper-

ators attempted to follow their flight from radio transmissions. Searches for the aircraft by the Coast Guard and U.S. Navy were unsuccessful. Neither Earhart nor Noonan were ever found.

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Services Activity Picked Up In October

By ED FRANKL

U.S. services activity accelerated in October, with employment providing a boon to the sector, despite political uncertainties rising ahead of the presidential election, a survey of purchasing managers said Tuesday.

The Institute for Supply Management's services-activity index edged up to 56.0 in October from 54.9 in September.

That marked the fourth straight month of expansion, registered when the gauge is above the 50 no-change mark.

The survey showed services employment expanding last month, after it contracted in September, though demand—as measured by new orders—slowed, despite still being in exclusionary territory, ISM said.

Meanwhile, 14 industries reported growth in October, up two from September.

However, concerns over political uncertainty were again more prevalent than the previous month, said Steve Miller, chairman of the Institute for Supply Management Services Business Survey Committee.

The improvement in the services-sector contrasts with manufacturing, which weakened further in October, ISM said last week.

U.S. WATCH

NEW YORK Giuliani Is Ordered To Appear in Court

A judge ordered Rudy Giuliani to appear in a New York courtroom on Thursday to explain why he missed a deadline to surrender his belongings as part of a \$148 million defamation judgment.

U.S. District Judge Lewis Liman issued the order late Monday after lawyers for Ruby Freeman and her daughter, Wandrea "Shaye" Moss—two former Georgia election workers who were awarded the judgment—reported to the court that they went to Giuliani's Manhattan apartment last week to see what assets were there, but that it had been cleared out.

Liman had set an Oct. 29 deadline for Giuliani to surrender many of his possessions to representatives for Freeman and Moss, but none have been turned over yet, lawyers for the former election workers said Monday.

The possessions include his \$5 million Upper East Side apartment, a 1980 Mercedes once owned by movie star Lauren Bacall, and a variety of other belongings—from his television to a shirt signed by New York Yankees legend Joe DiMaggio to 26 luxury watches.

Ted Goodman, a spokesperson for Giuliani, said earlier Tuesday that Giuliani has made his possessions available to Freeman and Moss.

—Associated Press

NEW YORK CITY Influencer Banned From Marathon

Running influencer Matthew Choi documented his latest marathon with a video of him running through the streets of New York City, chasing a finish time of just under three hours.

But what the video didn't show—two people on electronic bikes riding alongside him to gather footage—ultimately led to his disqualification from the New York City Marathon, a ban from future city races and the widespread ire of the running community.

New York Road Runners, the organization behind the city's annual marathon and other major races, removed Choi from Sunday's marathon results and barred him from future events for violating World Athletics obstruction rules and NYRR sportsmanship requirements.

The decision was applauded by frustrated runners online, who said the bikes could have injured other runners, impeded their access to aid stations or impacted their finish times.

—Jennifer Calfas

U.S. NEWS

Florida Is First State to Defeat Abortion Measure

By LAURA KUSISTO

A Florida ballot initiative to protect abortion rights narrowly failed, the first defeat for such a measure since the Supreme Court overturned *Roe v. Wade* two years ago, but measures to safeguard access to the procedure passed in four other states.

The Florida proposal, which would have amended the state constitution, garnered support from a solid majority of Floridians, with about 57% supporting it. But the state's unique rules required a 60% threshold for passage.

Over the last couple of years, abortion-rights groups had won seven straight ballot measures. They poured unprecedented re-

Voters in four other states chose to protect access to the procedure.

sources into continuing that streak in Florida, their toughest fight yet, for which they raised more than \$100 million.

Before the Supreme Court overturned *Roe v. Wade*, Florida had the third-highest number of abortions in the country. Access has been significantly curtailed since May, when the state implemented a ban after six weeks of pregnancy. Those restrictions will remain in place after Tuesday's vote.

Abortion on the Ballot*

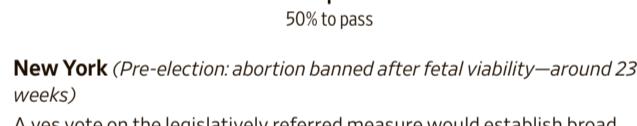
Florida (Pre-election: abortion banned after six weeks)

A yes vote on the citizen initiative would amend the state's constitution to protect abortion rights until fetal viability and to protect the health of the patient.



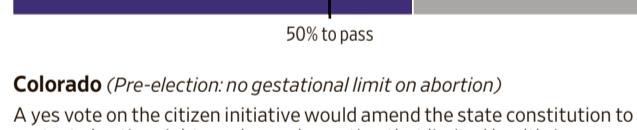
Missouri (Pre-election: abortion banned with few exceptions)

A yes vote on the citizen initiative would prevent the government from restricting a person's fundamental right to reproductive freedom, including abortion until fetal viability or to protect the health of the pregnant patient.



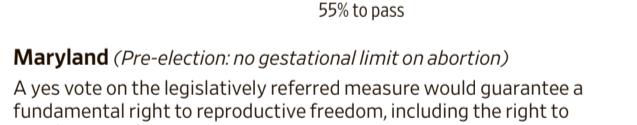
New York (Pre-election: abortion banned after fetal viability—around 23 weeks)

A yes vote on the legislatively referred measure would establish broad equal-rights protections, including for pregnancy and reproductive healthcare, that supporters say would make laws restricting abortions unconstitutional.



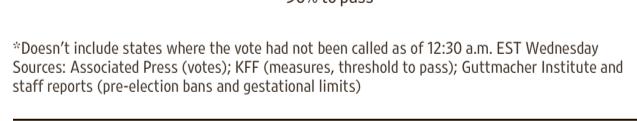
Colorado (Pre-election: no gestational limit on abortion)

A yes vote on the citizen initiative would amend the state constitution to protect abortion rights and repeal a section that limited health-insurance coverage for abortion.



Maryland (Pre-election: no gestational limit on abortion)

A yes vote on the legislatively referred measure would guarantee a fundamental right to reproductive freedom, including the right to terminate one's own pregnancy.



*Doesn't include states where the vote had not been called as of 12:30 a.m. EST Wednesday

Sources: Associated Press (votes); KFF (measures, threshold to pass); Guttmacher Institute and staff reports (pre-election bans and gestational limits)

FBI Issues Warning Over Fake Voting Video

By C. RYAN BARBER AND DUSTIN VOLZ

The Federal Bureau of Investigation said Tuesday that its name and insignia had been misused in two fabricated videos promoting false narratives around the election, including a fake news clip purporting to warn about a high terror threat at polling stations.

The FBI's statement came as U.S. officials said they hadn't seen any evidence of a nationwide threat to election-infrastructure security on Tuesday, reiterating expectations that votes would be cast and counted without interference.

"We are not currently tracking any national level, significant incidents impact-

ing the security of our election infrastructure," Cait Conley, election lead at the Cybersecurity and Infrastructure Security Agency, said during a press briefing.

Officials have said for months that while foreign disinformation is rampant online, they were confident the election infrastructure itself, such as voting machines, is secure from tampering.

The fake news clip flagged by the FBI falsely says the bureau urged Americans to "vote remotely" due to the risk of a terrorist attack, the bureau said Tuesday. The FBI said the "video is not authentic and does not accurately represent the current threat posture or polling location safety."



MAANSI SRIVASTAVA FOR WSJ (2)

Farm Ownership Debated

Opposition to Chinese investment in the name of security is a popular message

WASHINGTON—Walton Global has been identified by the U.S. government as a Chinese owner of U.S. farmland for a decade. The private land-banking company has opened four new offices in China since 2018 and last year was named by the U.S. Department of Agriculture as one of the top five Chinese owners of American farmland.

By Kristina Peterson, Wenxin Fan and Jack Gillum

But over the summer, the company successfully petitioned the agency to reclassify much of its land as owned by investors from other countries, after The Wall Street Journal inquired about its holdings. It said the agency had made a mistake in saying so much of its land was held by Chinese investors.

Advertising blitz

Opposition to Chinese ownership of U.S. farmland in the name of economic and national security is a popular message this election cycle. It is featured in more than \$8 million worth of advertisements in the 2024 election cycle alone, from both Democrats and Republicans, according to data from ad tracker AdImpact.

Some of the largest such companies caught up in this criticism are now pushing back, underscoring the limited oversight the U.S. government has on the issue. Few agree on what even counts as owned by China or which aspect of that ownership is bad for the U.S., even when that land is close to military installations.

Walton, which buys and resells land to developers, owns 14 sites that have some Chinese investment within 15 miles of military bases, the company said, including two near Joint Base Andrews, the hub of presidential travel. Two Walton sites near military bases with more than 90% Chinese ownership aren't included in the USDA database because the underlying land isn't agricultural, a company spokesman said.

"We do business in China. We're proud to do business in China," the company's chief executive, Bill Doherty, said in an interview. But he said, "The company is owned by me and my family. And I'm most definitely not Chinese."

Local attractions

The company has touted its proximity to military installations, along with other local attractions, in some of its marketing materials in China.

Over WeChat, the do-everything app that is nearly ubiquitous in China, Walton promoted its project in Colorado Springs by noting how the city is home to sports facilities—and local military installations. Those include the North American Aerospace Defense Command, the U.S. Space Force and the U.S. Northern Command, which oversees homeland defense efforts.

In the interview, Doherty said Walton mentions military bases because they are a source of employment.

National-security officials said they worry that the Chinese government could compel its citizens to find a way to surveil nearby military sites or gather other information.

"Adversaries owning or investing in land near our military installations is a national



Walton Global has purchased land, above, near the site of the Maryland Army National Guard Recruiting Center, top photo, in Havre de Grace, Md.

security risk and it is time the Biden-Harris Administration, American companies, and the courts recognize it as such," said Sen. Marco Rubio of Florida, the top Republican on the Senate Intelligence Committee.

Walton said it has investors from around the world who can take brief tours of their land holdings, but don't otherwise have access to the land, which the company then aims to sell to developers.

Doherty scoffed when asked about possible national-security concerns regarding one Walton site located across the Potomac River from a Navy weapons development site in Virginia. "I'm laughing at your question," he said. The company later said the site had no Chinese investors.

Chinese ownership of farmland wasn't always the political flashpoint it is today. Lawmakers from both parties have pushed in recent years to curb foreign ownership of U.S. farmland, particularly from China.

"It's hard to believe that Chinese investors already own 380,000 acres of American farmland, including here in Ohio," Sen. Sherrod Brown, a Democrat, said in one ad. In another, Sen. Marsha Blackburn (R., Tenn.) shatters china plates emblazoned with the Chinese flag. Lawmakers and their allies have run at least 26 different ads focused on the issue, according to AdImpact.

In September the Republican-led House passed legislation aimed at making it easier for the government to scrutinize future foreign acquisitions of U.S. farmland. The Senate hasn't yet voted on the bill, but there is bipartisan sentiment to further curb Chinese ownership of U.S. land.

The Chinese government has dismissed such concerns as paranoid. Some Democrats said the scrutiny threatened to become so extreme that it could contradict American values.

"Labeling all Chinese companies, Chinese investors, and Chinese-Americans—and now also all of the American companies who do business with them—as threats to our country without any actual evidence, isn't just detrimental to our national security, but also defies all of the lessons learned from our history," Texas state Rep. Gene Wu said.

Some of the largest Chinese owners of U.S. farmland, according to government records, have also tried to counter the concerns they have faced over their land holdings.

In Texas, the U.S. affiliate of a company majority owned by Chinese billionaire Sun Guangxin is suing the operator of the power grid over a state law aimed at blocking access to the grid. Its affiliates own more than 115,000 acres in Val Verde County, Texas, according to county property records.

Smithfield Foods, the coun-

ble investment and a way to get their money overseas.

By the mid-2010s, Walton had expanded its businesses to mainland China, marketing projects in the U.S. first through Chinese intermediaries. In 2017, the company filed to restructure much of its Canadian operations under a procedure similar to chapter 11 bankruptcy proceedings in the U.S., citing a downturn in the Alberta economy.

Expansion

In 2018, it opened an office in Shanghai to approach investors more directly. It has since opened offices in Beijing, Guangzhou, and last December, a fourth office in Xi'an.

Last year, in a five-star hotel in Shenzhen, Doherty pitched investors on a project in Maryland. Acquiring land is an investment strategy favored by U.S. billionaires, Doherty said, pointing to portraits of Elon Musk and Warren Buffett in a PowerPoint presentation, according to pictures posted by a participant. An associate showed an estimated return of almost 68% over five years from a \$1 million investment.

Most of Walton's holdings have been listed as Chinese for a decade by the USDA, which tracks foreign owners of U.S. farmland and relies on purchasers of farmland to report their ownership. Walton said that it wasn't aware of this listing until recently.

Earlier this year, after the Journal inquired about its holdings as listed in the database, Walton disputed its classification as a Chinese company and blamed an agency employee for the mistake.

A USDA spokesman said it had updated the database after discussions with Walton and reviewing its filings to show fewer holdings by Chinese investors and more linked to other countries including Canada, Malaysia and Singapore. Walton's investors are "largely individual or corporate investors," the spokesman said.

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U.S. NEWS

Trump Notches Big Wins

Continued from Page One
 ate seats in West Virginia and Ohio and successfully defended competitive seats in Nebraska and Texas, the Associated Press projected, clinching the Senate majority. Heading into the election, Democrats had a 51-49 majority in the Senate, but by early Wednesday morning the GOP had won 51 seats, and the majority could grow further. In the House, the GOP's current narrow control could be at risk, with a few dozen seats expected to decide the outcome.

The results suggested that Harris struggled to pull together the diverse coalition that elected President Biden in 2020, and she was weighed down by negative views of the economy under the Biden administration. Polls heading into the election showed she wasn't matching Biden's numbers with Black and Latino men. Her campaign had hoped to offset some losses with massive turnout from women energized to support abortion rights.

Trump enjoyed strong backing in rural America, as he has throughout his political career. He ran a campaign focused on reminding voters about their memories of the economy during his first term and again pledging tough immigration policies. He also intensified his coarse and derogatory language, insulting women and minority groups, and using violent imagery.

With 19 electoral votes, Pennsylvania was the biggest battleground prize and was perhaps especially important for Harris, whose most likely route to the White House going into the contest was to win Wisconsin, Michigan and Pennsylvania. Those three states all voted Democratic since 1992, with the exception of 2016, when Trump won them.

Harris campaign chair Jen O'Malley Dillon told Harris staff in a late Tuesday email, reviewed by The Wall Street Journal, that "we have known all along our clearest path to 270 electoral votes lies through the Blue Wall states. And we feel good about what we're seeing." She said they were awaiting more results out of Pennsylvania, Michigan



Donald Trump and his wife, Melania Trump, left after voting in Palm Beach, Fla., on Tuesday.



Vice President Kamala Harris visited DNC headquarters in Washington on Tuesday.

and Wisconsin and that the race wouldn't come into focus until the early morning.

With 93% of the expected vote counted in Georgia, Trump was leading Harris 51% to 49%.

Preliminary findings Tuesday from the AP VoteCast survey, which included more than 115,000 registered voters nationally, showed Harris was viewed slightly more favorably than Trump, 48% to 46%. The survey found women made up slightly more of the electorate than in 2020, 54% vs. 53%.

They were more likely to back Harris than Trump, 53% to 44%, while men more heavily supported Trump over Harris,

52% to 44%.

Since the Supreme Court overturned Roe v. Wade in 2022, women have powered a series of Democratic victories in some nonpresidential elections. Harris campaigned aggressively on abortion rights, which polls show is highly motivating for women.

Harris was vying to become the nation's first female president. Trump would be the first president since Grover Cleveland in 1892 to be elected to nonconsecutive terms.

Trump hasn't admitted his 2020 loss to Biden and has made baseless claims of election fraud, which culminated in the Jan. 6, 2021, attack on

the Capitol by a mob of his supporters.

This time around, he has again tried to sow doubt about voting integrity, saying while voting on Tuesday in Palm Beach, Fla., that he would only concede a loss if he felt the election was conducted fairly. "So far, I think it's been fair," he said.

He later posted on social media a suggestion that there was "massive CHEATING" in Philadelphia. Officials there said the assertion of election-related cheating was false.

U.S. officials said Tuesday morning that they hadn't seen any evidence of a nationwide threat to election-infrastructure.

ture security, reiterating expectations that votes would be cast and counted without interference to the process.

A few Georgia polling stations remained open past the state's 7 p.m. deadline due to fake bomb threats. Georgia Secretary of State Brad Raffensperger, a Republican who oversees the state's elections, said the bogus threats came from Russia, adding that "their motive is to destabilize America."

With her team projecting cautious optimism in the final hours of the race, Harris, 60 years old, was set to hold an election night event in Washington at Howard University, her alma mater. She focused on economic proposals aimed at lowering prices, as well as advocacy of abortion rights and arguing that Trump is a threat to U.S. democracy.

Trump's campaign also signaled confidence, though the former president muddled his closing message with a series of unforced errors, including violent imagery.

Throughout his campaign, Trump emphasized illegal immigration and has proposed an economic policy focused on boosting tariffs to extract leverage on other nations in trade and foreign policy.

A victory would help Trump, 78, dispense with federal charges he faces in Washington, D.C., over his effort to overturn his 2020 loss, and in Florida, over his handling of classified documents, in a case that a federal judge dismissed over the summer. Winning could also throw a wrench into Trump's sentencing later this month in Manhattan, where he was convicted earlier this year of falsifying business records to cover up hush money paid to a porn star on the eve of the 2016 election.

The campaign was eventful. Biden was the Democrats' presumptive nominee until July, when he bowed out weeks after a disastrous debate performance against Trump. He quickly threw his support to his No. 2, and Harris consolidated Democrats' support.

Trump survived a July 13 attempt on his life when a 20-year-old gunman struck his ear with a bullet at a rally in Butler, Pa. Then, in September, Secret Service agents opened fire on a gunman at Trump's Florida golf club who was seen with a rifle as the former president was golfing just a few holes away.

ELECTION 2024

North Carolina Elects Democrat Stein Governor

Democrat Josh Stein beat embattled Republican Trump protégé Mark Robinson in a chaotic race for North Carolina governor, the Associated Press projected. With about one-quarter of ballots counted, Stein had 52% of the vote compared with 43% for Robinson.

Stein, North Carolina's attorney general since 2017, presented himself as a moderate Democrat above the drama. Robinson campaigned on extreme views and never bounced back after CNN reported in September that he called himself a "black Nazi" and supported reinstating slavery in online posts between 2008 and 2012. Stein's victory keeps the governorship in Democratic hands, as he succeeds Gov. Roy Cooper.

—Alyssa Lupak

Voters Confident Their Ballots Will Be Tallied

There is an oddity to ponder that turns up in polling: Americans don't like Congress, but they tend to like their own representative. They think the national economy is bad, but that their own state economy is pretty good. And they have doubts about whether votes for president across the nation will be tallied accurately, but have very high confidence that their own vote will be properly counted.

Some 50% of voters in The Wall Street Journal's national poll late last month said they believed the presidential results will be tallied correctly, with 33% saying they didn't have confidence in the vote-counting.

But when it came to their own vote, 73% said they had confidence in the vote tally, with only 12% saying they didn't.

Polling on a range of topics finds that people tend to feel more upbeat about their personal economy and environment than about the national picture. But with one-third of Americans questioning the national vote-counting process, elections officials are bracing for a new wave of claims of fraud.

—Aaron Zitner

Do you have confidence that your vote and the national vote will be tallied correctly in the presidential election?

My Vote

Yes 73%

No 12%

National Vote

Yes 50%

No 33%

Source: Wall Street Journal survey of 1,500 registered voters, conducted Oct. 19-22, 2024; margin of error +/- 2.5 pct. pts.

International Groups Watch U.S. Election

Observers from international organizations fanned out across the U.S. to document an Election Day that had the world on edge.

Tamás Meszerics, head of the 250-member mission sent by the Organization for Security and Cooperation in Europe, was undaunted by America's traditional view of itself as the beacon of democracy.

"There are quite a few countries which consider themselves to be exceptional in one way or another," Meszerics, a political-science professor and former Hungarian member of the European Parliament, said.

OSCE observers were stationed in all 48 mainland states, he said, with the aim of assessing the process throughout the U.S. rather than focusing on the swing states.

—Jess Bravin

Republicans Flip Senate Control

Continued from Page One
 there at 7:30 p.m., with Gov. Jim Justice, a Republican, handily winning the seat vacated by the retirement of independent Sen. Joe Manchin, who caucused with Democrats.

"Republicans had the advantage to win control of the Senate before Election Day," said Nathan L. Gonzales, editor of Inside Politics, an elections analyst.

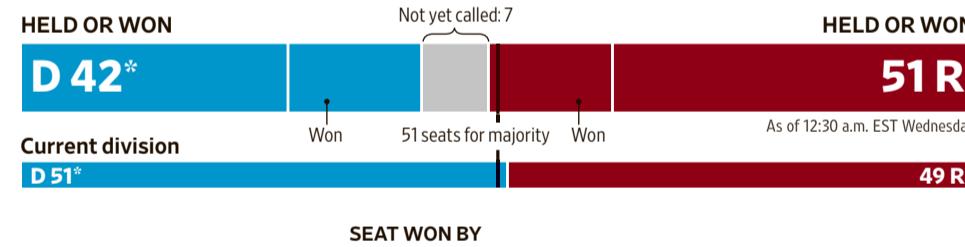
Democrats also lost their best offensive opportunity in the long shot of Texas, where Sen. Ted Cruz fended off Rep. Colin Allred, a former NFL football player and civil rights attorney. In Florida, Sen. Rick Scott, a Republican, also defeated his Democratic challenger, former Rep. Debbie Mucarsel-Powell, the Associated Press projected.

It wasn't all bad news for Senate Democrats, who held on to an open seat in deep-blue Maryland. Former Gov. Larry Hogan lost to Democrat Angela Alsobrooks, the Associated Press projected.

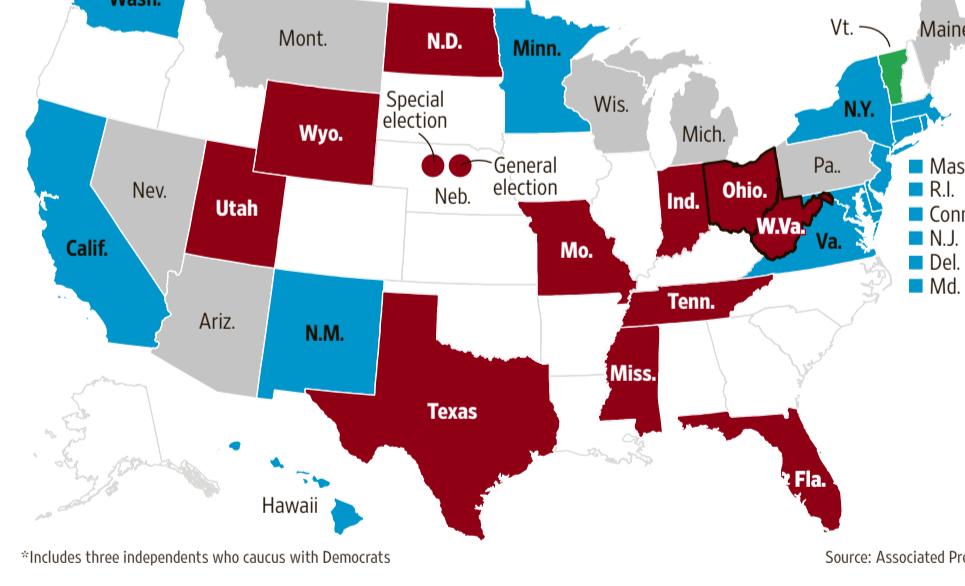
Republicans tried to capitalize on voters' worries about inflation, border security and transgender issues, while Democrats counted on enthusiasm for abortion rights to mobilize women, suburbanites and young people.

Many voters on Tuesday said they voted along party lines for both president and their Senate candidate, but some said they were motivated by specific issues rather than party loyalty.

Sara Gift, a registered Republican in Bucks County, Pa., said she voted for both Vice President Kamala Harris and incumbent Democratic Sen. Bob Casey, over concern



SEAT WON BY
 Dem. ■ Rep. ■ Other ■ Not yet called ■ No election
 □ Seat switched parties



*Includes three independents who caucus with Democrats

about abortion access. "I feel like they're coming for contraception next," Gift, a 47-year-old registered nurse, said of Republicans.

Jack Williamson, 86, who described himself as a lifelong Democrat, said he voted for Republican Senate candidate Mike Rogers in Warren, Mich., because of Democrats' policies surrounding electric vehicles, which he described as a mandate that could "destroy" the auto industry in his state. He said he also voted for Trump.

The Cook Political Report had projected Republicans to pick up between two and five seats, including West Virginia.

A net gain of two seats was enough to secure a Republican Senate majority, as all the GOP incumbents won

re-election.

In the unexpectedly close race in ruby-red Nebraska between independent Dan Osborn and two-term incumbent Republican Sen. Deb Fischer, Democrats pulled for an upset that could deprive Republicans of a seat they need to win the majority. Osborn, a former union leader, has said he won't caucus with either Democrats or Republicans if elected.

Montana was Republicans' best pickup opportunity after West Virginia. The state's Sen. Jon Tester, a Democratic farmer, trailed in the polls behind a political newcomer, Tim Sheehy, a businessman and retired Navy SEAL endorsed by Trump.

Trump won Montana by 16 percentage points in 2020, and Tester needed a substan-

tial number of Trump supporters to vote for him if he were to defy political gravity and win a fourth term.

Sheehy argued that Tester's voting record is too liberal for Montana and that the Democrat would be a rubber stamp for Kamala Harris, should she be elected.

Tester was the only Senate Democrat who didn't endorse Harris for president, but he joined other Democrats in campaigning on abortion rights, which he framed as a personal freedom in line with Montana's libertarian values.

In Ohio, the three-term Brown was in the fight of his political life because of the strength of support for Trump in the state. The longtime trade skeptic built a personal brand that superseded shifts in the political tides.

Brown faced a barrage of negative advertising as Republicans portrayed him as a liberal, particularly on immigration and on transgender issues.

Democrats tried to tarnish the Republican candidate, Moreno, as an untrustworthy car salesman by pointing to his history as the wealthy owner of a chain of auto dealerships.

Democrats also made hay of comments by Moreno in September questioning why women over 50 care about abortion rights—an offhand remark with the power to stir up a major voting bloc still incensed about the U.S. Supreme Court's 2022 decision to end federal protections for abortion.

In Pennsylvania, Sen. Casey was fighting to survive a challenge from Republican David McCormick, a former hedge-fund executive who attacked the three-term senator as weak on the issues of inflation and the border.

"He has failed you. He has failed Pennsylvania," McCormick said at a rally on Sunday.

Casey responded by citing all the money that flowed to the state when he backed Biden's coronavirus-relief package in 2021, and stressed abortion access.

Republican Eric Hovde, a wealthy banker, was also trying to unseat Democrat Sen. Tammy Baldwin in Wisconsin—one of three states that form Democrats' "blue wall" in both the presidential and Senate contests.

Baldwin was seen as the most vulnerable of the Democrats in those states, which also include Michigan and Pennsylvania. She worked to run up her margins in traditionally red rural areas, making herself an expert on dairy and other agricultural products, but was hit by Republican advertisements.

—Scott Calvert and Christopher Ottos contributed to this article.

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—Jess Bravin

U.S. NEWS

Democrats Challenge Slim GOP House Edge

Races in New York and California are seen as pivotal for control in 2025

By KATY STECH FEREK AND JIMMY VIELKIND

Democrats saw a path to taking back control of the House of Representatives in Tuesday's election with the outcome of dozens of races too close to predict.

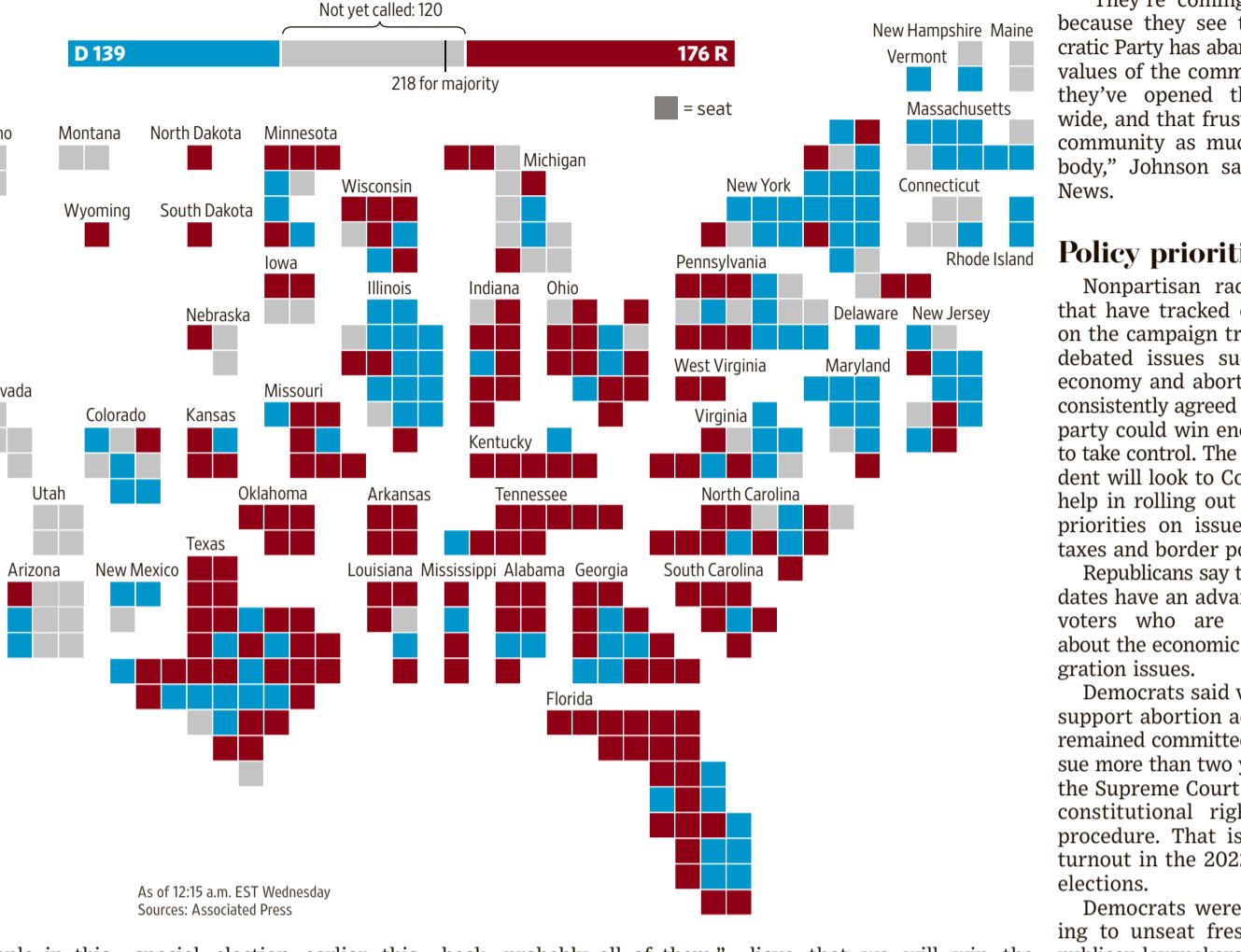
Republicans control the House with 220 seats compared with 212 held by Democrats, who need only a handful of seats to flip the chamber. That would give them the opportunity to install House Minority Leader Hakeem Jeffries (D., N.Y.) as speaker, which would make him the first Black person in the nation's history to hold that position.

House Republican leaders aimed to grow their ranks with enough of a margin to pass conservative priorities after two years of struggling to get lawmakers to agree on their top legislative goals.

Party's promises

Results from New York were expected to show the first indications of whether either party's promises resonated with voters. There, several moderate Republicans were facing tough races against Democratic challengers.

Laura Gillen, who was challenging freshman GOP Rep. Anthony D'Esposito (R., N.Y.), said her campaign knocked on over 300,000 doors. "We feel a lot of momentum at the doors



As of 12:15 a.m. EST Wednesday
Sources: Associated Press

and we think people in this district are ready for a change," Gillen said Tuesday after casting her ballot in Rockville Centre, N.Y.

D'Esposito was one of five freshman Republicans in New York who in 2022 helped the GOP win its narrow majority. Democrat Tom Suozzi won a

special election earlier this year to succeed former Rep. George Santos, who was expelled from Congress, and Reps. Mike Lawler, Marc Molinaro and Brandon Williams were all waging competitive races in the Hudson Valley and upstate areas.

"I think we'll win them

back—probably all of them," said former House Speaker Nancy Pelosi (D., Calif.) of the Republican New York seats on Tuesday night on PBS. She said she has seen "mobilization like we have never seen before in every state—not just the targeted states—but in every state which leads me to be-

lieve that we will win the House."

House Speaker Mike Johnson (R., La.) said that he expects House Republicans to beat expectations in their races, buoyed by the Hispanic voters who he said would vote for the party despite a Trump rally comedian's referring to

Puerto Rico as a "floating island of garbage."

"They're coming our way because they see the Democratic Party has abandoned the values of the community, and they've opened the border wide, and that frustrates that community as much as anybody," Johnson said on Fox News.

Policy priorities

Nonpartisan race rankers that have tracked candidates on the campaign trail as they debated issues such as the economy and abortion access consistently agreed that either party could win enough seats to take control. The next president will look to Congress for help in rolling out top policy priorities on issues such as taxes and border policy.

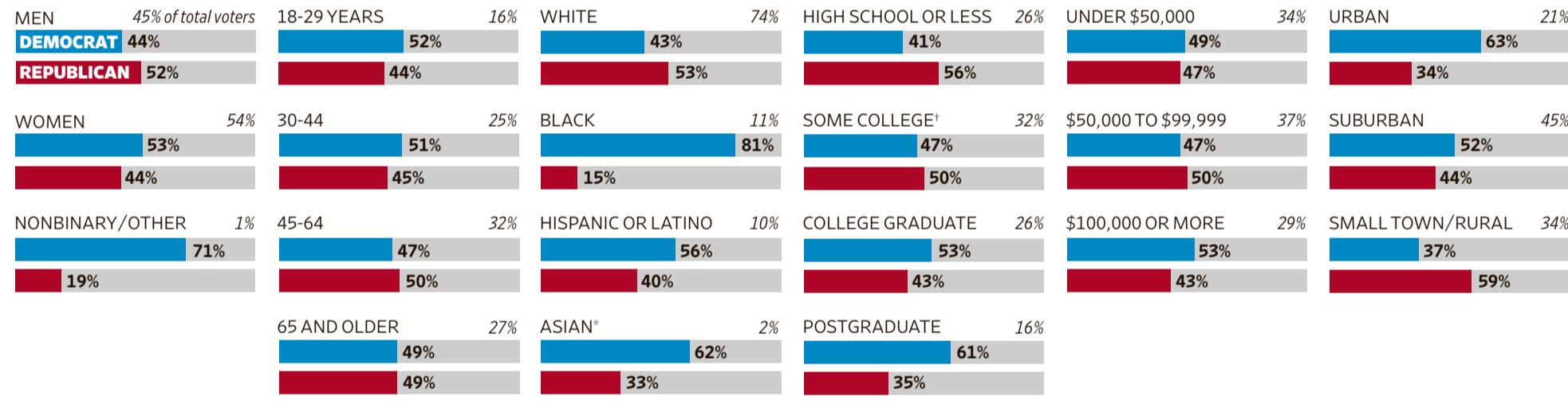
Republicans say their candidates have an advantage with voters who are concerned about the economic and immigration issues.

Democrats said voters who support abortion access have remained committed to the issue more than two years since the Supreme Court ended the constitutional right to the procedure. That issue drove turnout in the 2022 midterm elections.

Democrats were also hoping to unseat freshmen Republican lawmakers in California swing districts where Biden beat Trump in 2020. Republicans were worried that Harris's appeal in suburban regions with well-educated voters could give Democratic challengers the edge in competitive districts in Nebraska, Arizona and Iowa.

How America Voted: AP VoteCast Findings from the 2024 Presidential Elections

As of 12:30 a.m. EST Wednesday



Most important issue for voters

ALL VOTERS	20	11	8	7	4	4	3
39% ECONOMY/Jobs	20 IMMIGRATION	11 ABORTION	8 HEALTH CARE	7 CLIMATE CHANGE	4 OTHER [‡]	4 OTHER [‡]	3 OTHER [‡]

*Includes Native Hawaiian and Pacific Islander. †Includes those with an associate's degree. ‡Includes crime, gun policy, racism and foreign policy. Note: Results may not equal 100% due to rounding.

Source: AP VoteCast survey, conducted by the NORC at the University of Chicago, of about 119,000 registered voters between Oct. 30 and Election Day on Nov. 5; margin of error is +/- 0.4 percentage points.

Voters Feel Fatigue, Jitters, Relief as Race Comes to End

Voters converged across the U.S. on the traditional places of electoral democracy: a public library in Atlanta, a church in Durham, N.C., a VFW post in

polling place. "I think that I am surprised that anyone could support Trump at all, and I'm sure, from their perspective, they have no idea why I would ever support Vice President Harris. So there's just a lack of communication and understanding of what the other side wants and thinks, which is unfortunate. How do we get out of that?"

Early data from AP VoteCast, a survey measuring voter attitudes, showed voters were worried about democracy and unhappy with the direction of the country. Of those surveyed, 87% said "the future of democracy in this country" was an "important factor." Democracy was an important part of Harris's closing message to voters, though it was not clear what conclusion to draw from the survey finding. The question was not asked in the 2020 survey, which was conducted before the Jan. 6, 2021, Capitol riot.

About 70% of voters said the U.S. was headed in the wrong direction, compared with 30% who said the country was on track, a high but not unprecedented percentage, according to the survey.

Women made up a slightly greater proportion of the electorate. The electorate was 54% female and 45% male, compared with 53% female and 47% male in 2020. Young voters, those 18 to 29 years old, made



Sisters Irene, Violet and Caroline Taubenberger after voting at their polling place at a church in Warrington, Pa.

up 16% of the electorate in the initial AP VoteCast data, up from 13% in 2020.

The economy was far and away the top issue for voters, with 39% citing it as "the most important issue facing the country." More than 6 in 10 said the economy was "not so good" or "poor." Immigration was the second top issue for voters at 20%. And 11% of voters said abortion was their top issue.

The poll showed a country that was sharply divided, as did interviews with voters.

Kimberly Trainor, a 62-year-old nanny, voted at a polling place in Penn Hills, Pa., where neighbors who had grown up together passed without saying hello, so split were they in their opinions. Trainor said the

2020 presidential election, during the Covid-19 pandemic, some 101 million cast their ballots early out of 158 million voters.

Voters described specific pressures, including grocery bills, the price of housing and the fear of war, but many also described existential worries about the U.S.'s destiny.

"I think our country is on the line," said Rob Lewis, a 47-year-old cardiologist in Cary, N.C., who voted for Trump. "I'm voting for what's best for me, my family and my country."

Jan Larson, 79, a self-described independent in Ann Arbor, Mich., said she planned to vote for Harris after perceiving a shift in the Republican Party's direction.

She expressed dislike for Trump and said, "I'm worried because it is so close, but I can only hope that eventually enough people come to their senses and do the right thing."

Reporters from The Wall Street Journal spoke with voters Tuesday across the seven swing states that could potentially go for either the Democratic nominee, Harris, or the Republican, Donald Trump—and decide the presidency.

At some polling places, turnout was subdued because so many people had already voted early—nearly 86 million of them, according to data from the University of Florida's Election Lab as of Tuesday. In

scent, to flip her vote to Harris.

But Republican Becki Lansen, 62, said the remarks about Puerto Rico as well as Trump's recent gun comments about Liz Cheney and the media, were irrelevant to her, especially compared with pocketbook issues. "I don't think the Democrats can take a joke," she said.

The abortion debate weighed on the minds of voters from both parties Tuesday.

At a gathering of culinary union workers in Las Vegas, Aretha Wilder, a 55-year-old cocktail server, said her top issue is a woman's right to choose on abortion. She has two daughters, and had a surgical procedure about 15 years ago after pregnancy complications. "It's unfathomable to me to think that lifesaving care would be denied to me."

In Michigan, Dave and Jennifer Ryskamp said abortion was also their top issue—in voting for Trump.

"We believe that all life is important," said Dave Ryskamp, 41, a builder in Grand Rapids. "We're made in the image of God, and that's what gives life its importance, even from the time of conception."

—Joe Barrett, Scott Calvert, Cameron McWhirter, Rachel Wolfe, Clare Ansberry, Doug Belkin, Kris Maher, Ryan Felton and Joe Pinsker contributed to this article.

U.S. NEWS

The Big Trades Made in Runup to Election Day

BY SAM GOLDFARB AND VICKY GE HUANG

Wagering by Wall Street over who would take the White House spanned all of the financial markets. But it was most evident in Treasurys, the dollar, bitcoin and certain corners of the stock market.

Treasuries

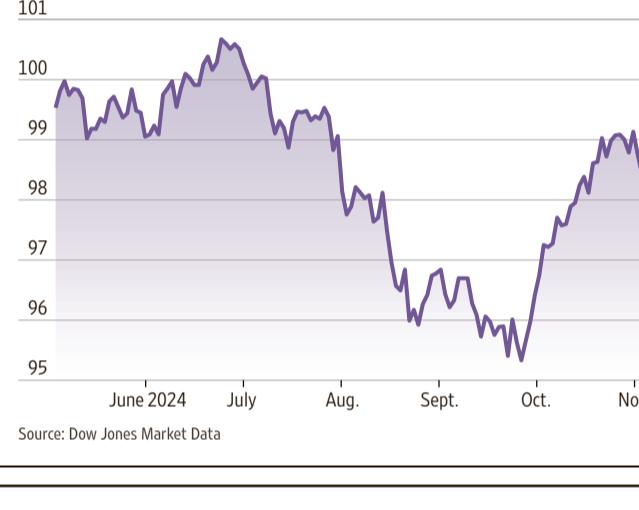
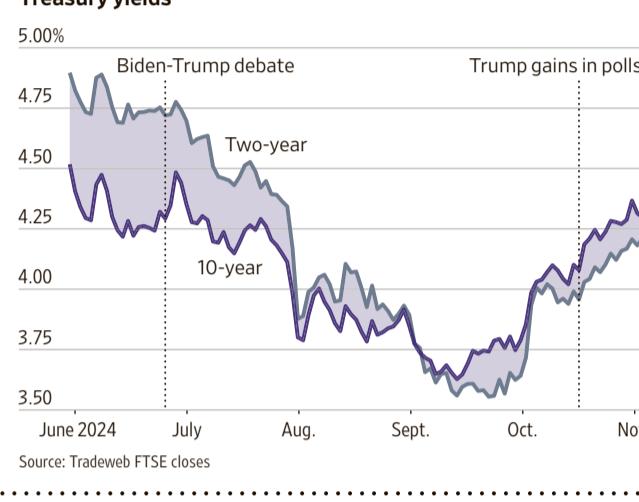
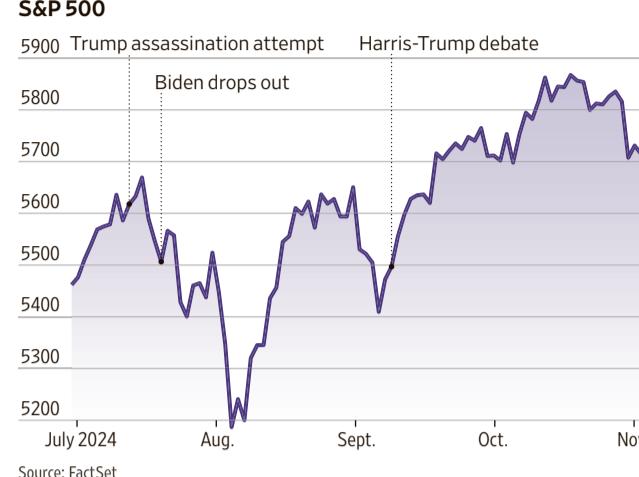
Treasury yields have climbed in recent weeks, as investors bet that a win for former President Donald Trump would drive budget deficits higher than would a victory for Vice President Kamala Harris.

One sign that Trump has been a factor: The move has been led by longer-term Treasury yields. Those are less tethered to the near-term forecast for interest rates set by the Federal Reserve and more sensitive to other factors, such as the outlook for government borrowing.

The dollar

Bets on a Trump victory have helped drive up the value of the dollar against other currencies. That is partly because Treasury yields have climbed and international investors tend to gravitate to higher-yielding currencies.

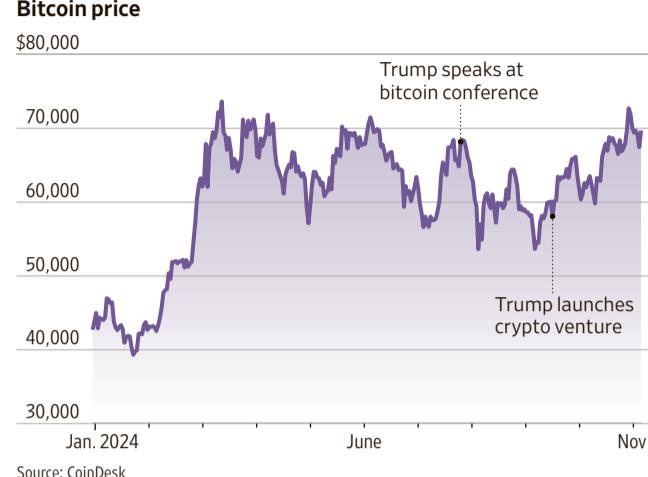
But Trump's threat to impose sweeping tariffs may also be boosting the greenback. Economists say higher tariffs should cause the dollar to appreciate by hurting the economies of foreign countries and driving Americans to spend less on imported goods.

**Bitcoin**

Trump has said that he wants to make the U.S. the "crypto capital of the planet" and made a series of promises to support the crypto industry.

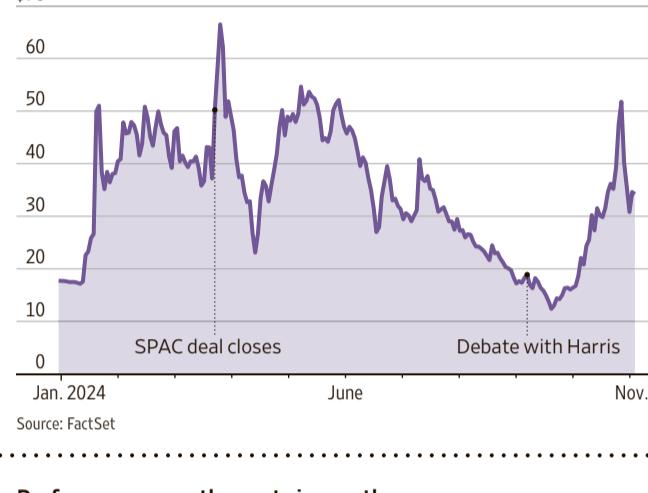
His promise to create a bitcoin reserve to hold the country's supply could boost crypto prices.

Bitcoin has retreated below \$70,000 in recent days after coming within touching distance of a record last week.

**DJT**

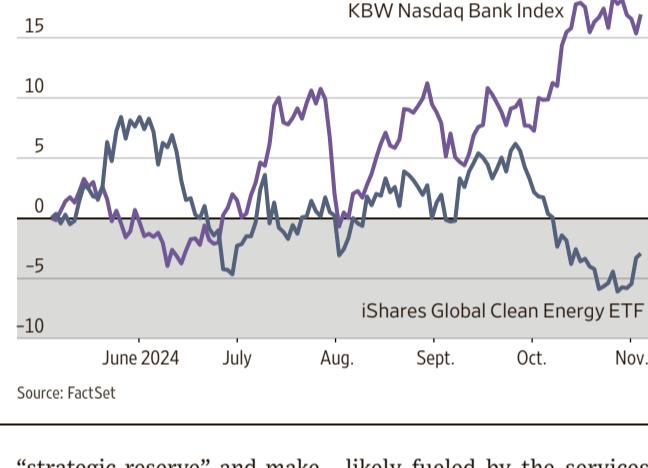
Trump Media & Technology Group, the parent company of Trump's social-media startup Truth Social, has been trading as a proxy of his electoral prospects. As its biggest shareholder, Trump has a nearly 60% stake in the company.

The stock, which has achieved meme-stock status because of its volatility, was halted several times last week as traders shifted bets on Trump winning the election. The stock has nearly doubled this year, giving it a valuation of around \$7 billion.

Trump Media & Technology Group share price**Clean energy, banks**

Some traders expect Trump to undo some of the Biden administration's climate subsidies if he wins in November, a blow to clean-energy companies such as solar-panel makers.

On the flip side, many investors think that banks would do better under Trump than Harris, believing Harris would be more likely to raise taxes on corporations and impose stricter financial regulations.

Performance over the past six months

"strategic reserve" and make the U.S. the "crypto capital of the planet." He also promised to give the cryptocurrency an easier ride from regulators.

Bets on a new Trump presidency have helped boost the U.S. currency, but the WSJ Dollar Index edged down about 0.4%, adding to a modest pullback on Monday. Investors expect higher tariffs could cause the dollar to appreciate by hurting the economies of foreign countries and driving Americans to spend less on imported goods.

Treasury yields have also climbed in recent weeks, lifted by the prospects of larger deficits under a Trump presidency and signs of persistent growth.

On Tuesday, yields rose after a stronger-than-expected reading on activity in the services sector but pulled back after an auction of 10-year notes met with strong demand. The yield on the benchmark 10-year U.S. Treasury note settled at 4.290%, from 4.309% on Monday.

Brent Schutte, chief investment officer at Northwestern Mutual Wealth Management, said the daily gains were

likely fueled by the services data, along with good earnings and the approaching end to election-related uncertainty. The Institute for Supply Management's services activity index rose to its highest level since July 2022.

"That's a further sign that the economy is still chugging along despite the impact of higher interest rates," Schutte said.

Some stocks fell after disappointing earnings reports. Celanese shares plunged 22% after the chemicals supplier

slashed its dividend and said it would slow production after weak demand in its latest quarter.

Wynn Resorts shares lost 9.3% after the Las Vegas-based operator of casinos and restaurants missed earnings and sales estimates.

One possible explanation for the market's upbeat mood Tuesday? Investors are closer than ever to learning the election's outcome. Whether they like the result or not, knowing it will allow them to update their investment outlooks and move on.

—Sam Goldfarb contributed to this article.

Broad Rally Leads to Stock Climb

Continued from Page One brought its yearly gain to 21%, its best election-year performance through Election Day since 1936, according to Dow Jones Market Data. The Dow Jones Industrial Average rose 1%, or about 427 points.

Palantir Technologies shares soared 23%, making them the best performer in the S&P 500, after the software company reported strong sales and raised its guidance for revenue.

Some assets that have been viewed as "Trump trades" posted mixed results Tuesday.

Shares of Trump Media & Technology Group, the parent company of the Republican presidential nominee's Truth Social network, gave up earlier gains and slipped 1.2%. The stock is often used to bet on the former president's electoral prospects. The stock rebounded 10% in after-hours trading.

Bitcoin prices, which also tend to rise when investors think Trump is ahead, climbed 3.2% to \$69,442.71. Trump has promised to create a bitcoin

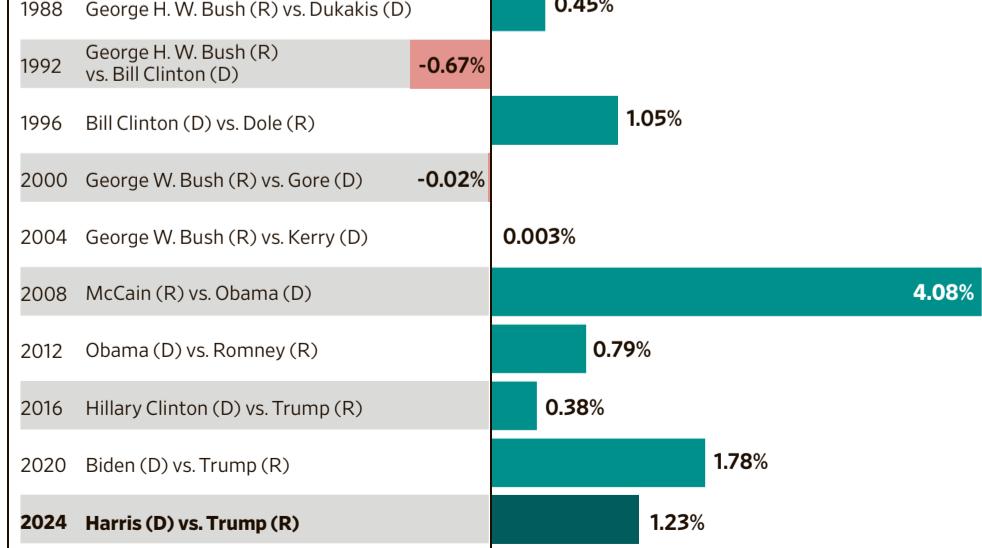
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Election day S&P 500 performance for each presidential election since 1984

Source: Dow Jones Market Data



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G R A F F

WORLD NEWS

Netanyahu Fires Israeli Defense Minister

Prime minister and Gallant clashed over handling of the wars in Gaza and Lebanon

BY CARRIE KELLER-LYNN

TEL AVIV—Israeli Prime Minister Benjamin Netanyahu fired Defense Minister Yoav Gallant as the country continues to fight wars in Gaza and Lebanon, and is increasingly in direct confrontation with Iran.

Tuesday's move followed months of public disagreement between the two over the course of the wars. Netanyahu said he was firing Gallant because of a breakdown in trust and gaps in positions between them.

Gallant has publicly challenged Netanyahu's failure to decide on a plan for the Gaza Strip's long-term governance and for not giving priority to a deal to release Israeli and other hostages held in the Pal-

estinian enclave.

"During the past several months, this trust between myself and the Defense Minister has begun to crack," Netanyahu said on Tuesday.

Foreign Minister Israel Katz will succeed Gallant as defense minister within the next 48 hours, Netanyahu said in a three-line letter to Gallant released by the prime minister's office. Gideon Sa'ar, a former Netanyahu ally-turned-rival who rejoined the coalition in recent weeks, was offered the foreign minister role.

"The security of Israel has and will always be my life's mission," Gallant posted on X shortly after the announcement.

Thousands of protesters flooded streets in response to the news, gathering outside Tel Aviv's military headquarters, which was engulfed in smoke as demonstrators burned fires on an adjacent highway, and in other cities.

Gallant's ouster could have wide-ranging impacts on Is-



Yoav Gallant saluted at a news conference in Tel Aviv following his ouster as Israel's defense minister.

rael's multifront war and U.S. efforts to end it. He has been the anchor of the relationship with the U.S. and the most vocal advocate of the Biden administration's efforts to reach a cease-fire in Gaza.

"The surprising decision to fire Defense Minister Gallant is concerning, especially in the

middle of two wars and as Israel prepares to defend against a potential attack from Iran," said a U.S. official. "We have real questions about the reasons for Gallant's firing and about what is driving the decision," he said.

Tension between the U.S. administration and Netanyahu

has grown in recent months over the prime minister's hard-line position in the talks and for a series of provocative military actions undertaken with little notice to the U.S.

Gallant has been a shock absorber in the relationship, speaking more than 80 times with Defense Secretary Lloyd Austin during the wars.

"Gallant was the minister who the U.S. trusted the most," said Michael Koplow, chief policy officer for the Israel Policy Forum, a Washington think tank. "When it comes to core defense issues, things like U.S.-Israel coordination against Iran, humanitarian issues in Gaza, Netanyahu just got rid of the main point person for that and replaced him with someone who doesn't have that kind of relationship with the U.S."

Until his dismissal, Gallant also was the only cabinet member apart from Netanyahu with serious decision-making authority over the

war's conduct.

Gallant and Netanyahu are both members of Israel's conservative Likud party. But relations between them have been poor for months, people familiar with the matter have said. Gallant has criticized the prime minister in meetings, parliamentary appearances and even news conferences.

Domestic politics played a role in Gallant's firing. Netanyahu's governing coalition needs the support of its ultra-Orthodox political allies, who are bent on reversing moves to draft religious scholars by getting the coalition to pass sweeping military-service exemptions for them. Gallant has refused to budge on the issue as Israel's military faces manpower shortages while fighting in Gaza, Lebanon and the West Bank.

The issue is coming to a head with Netanyahu's need for ultra-Orthodox votes to clear Israel's 2025 budget.

—Dov Lieber contributed to this article.

Sudan Defection Sparks Killings, Migration

BY MOHAMED ZAKARIA
AND GABRIELE STEINHAUSER

The line of flashlights stretched to the horizon, casting a ghostly glow over muddy streams and desolate fields. Children, clasping the hands of their siblings and fathers, stumbled with fatigue in the rough terrain. Their mothers had mostly made the trek that morning, a flight prompted by fear of gunmen and tales of rape that for days had spread on WhatsApp groups and between neighbors.

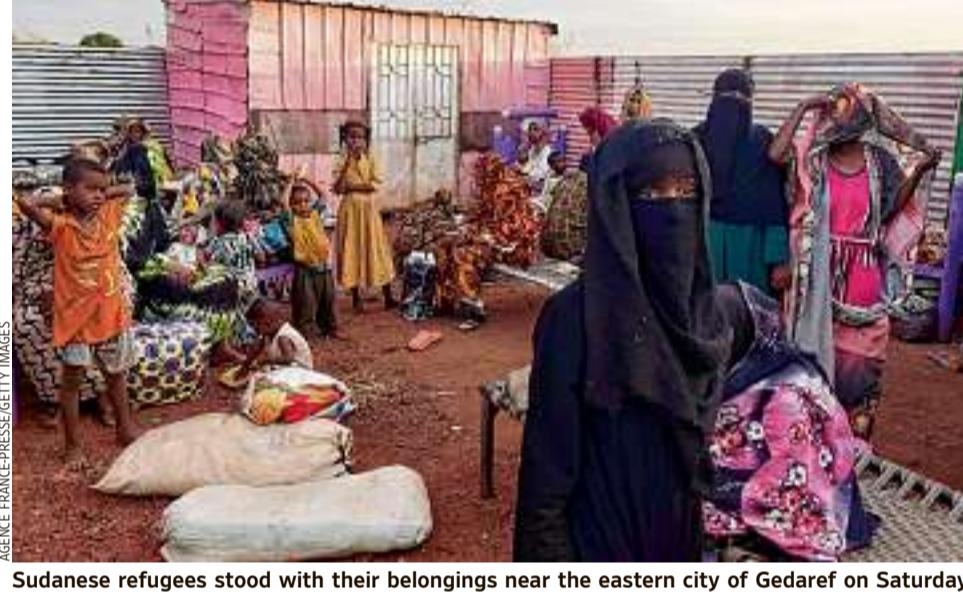
A desperate exodus is underway in the Sudanese state of Gezira, the war-torn country's one-time breadbasket along the Blue Nile where, activists, international aid agencies and witnesses said, the paramilitary-turned-rebel Rapid Support Forces have been on a two-week rampage of revenge.

Mass detentions, killings and rapes—documented by local-rights groups, in shaky cellphone videos and through satellite images—were triggered by the defection of the RSF's state commander, Abu Aqila Keikel, to the Sudanese Armed Forces, with whom the group has been waging a vicious war for control over Africa's third-largest country.

The SAF declared Keikel's Oct. 20 switch of allegiance an important victory, coming almost a year after they lost Gezira to the RSF. Some of its soldiers posted videos on their social-media accounts showing the commander wearing an SAF uniform and boasting about having liberated parts of Gezira state. In another video, Keikel is shown blaming his defection on RSF attacks against civilians and looting.

But for many residents of the state, whose wheat, cotton and groundnuts once helped drive Sudan's economy and feed its people, the leader's defection has heralded some of the most devastating days in nearly 19 months of conflict.

More than 135,400 people have fled Gezira state since Keikel defected, according to



Sudanese refugees stand with their belongings near the eastern city of Gedaref on Saturday.

the International Organization for Migration, a United Nations agency. The U.N. Children's Fund on Oct. 28 said at least 124 civilians, including 10 children, had been killed and dozens more injured across Gezira during the prior eight days.

Satellite images analyzed by the Humanitarian Research Lab at Yale University's School of Public Health show a rapid expansion of graveyards near some of the affected towns and villages, as well as signs of looting and arson attacks.

At least 47 women and girls from Gezira state have sought medical support after being raped over the past two weeks, said Dr. Buthyna Mamoun Ali of the Sudan Doctors Union, whose group has been tracking rape cases recorded by health facilities and local activists. She warned that fear and stigma were likely preventing many more women from reporting assaults.

A spokesman for the RSF didn't respond to a request for comment on the violence in Gezira state. The U.S. State Department has previously said the Sudanese military and the RSF, a successor to the infamous Janjaweed militia that terrorized Darfur in the early

2000s, have committed war crimes and that the RSF was responsible for crimes against humanity and ethnic cleansing during the current war. The group has previously denied its fighters had attacked civilians or committed other violations.

Activists who have been helping survivors still arriving in the city of Wad Madani in Gezira state and the town of New Halfa, close to Sudan's border with Eritrea, say the real numbers of people killed and injured in the Gezira violence is likely to be much higher. Some of the displaced have suffered complex injuries,

'These Are the Captives'

Videos shared on social media and verified by The Wall Street Journal show RSF fighters in Gezira state beating unarmed men and forcing dozens of others, some covered in blood, to make animal noises, while guns are being fired nearby.

"If we don't whip them, they won't walk," an armed RSF fighter riding on the

back of a pickup truck says in one of the videos, before turning his phone camera on a line of men running on the side of the road.

"These are the captives," the fighter says, telling the men to run. Later in the video, the men, with their arms raised in the air, are told to bleat like sheep.

Mohammed Abdelbaqi, a

Gezira resident who is now in New Halfa, said he and his family left after families from Tamboul arrived in his village following an RSF attack.

"People arrived injured, some shot and in terrible condition," Abdelbaqi said by phone. "They came on foot with only the clothes on their backs, owning nothing."

every foul word imaginable," the man said. "Among those detained were my father and uncle, who were beaten severely."

RSF fighters, many dressed in the group's distinctive sand-colored uniforms, rampaged through stores and private homes, looking for gold and other valuables and looting furniture and electrical appliances, he said. The man said at least one resident of Bant was killed the day after Keikel switched sides, and another the day after that.

The 32-year-old man said he and other Bant residents decided to flee around 9 p.m.

on Oct. 23, after sending away most of the women in hopes of protecting them from the RSF.

"I can't give you an exact number, but we were in the thousands," said the man, who spoke by phone from New Halfa, around 280 miles from Bant. "Every village we reached was empty, its people already displaced."

The man said six people died on the journey, including a child who fell from a tractor. The man said he, and most of the other people who fled Bant, now live in tents outside of New Halfa. Many are still waiting for news from missing relatives and friends who can't be reached after the state's phone networks were shut.

The violence across Gezira state adds to the growing toll of Sudan's war, which, by some estimates, has killed as many as 150,000 people. More than 11 million, nearly a quarter of Sudan's 49 million-strong population, have been forced from their homes, while an estimated 26 million are suffering crisis levels of hunger. Aid groups say the recent displacements have put further pressure on food stocks and health facilities in places still under control of the Sudanese military.

WORLD WATCH



REMEMBER, REMEMBER: A flaming tar barrel is hauled through an English town Tuesday to mark Guy Fawkes Night, when a plot to blow up Parliament was foiled on Nov. 5, 1605.

EQUATORIAL GUINEA Office-Sex Videos Create a Scandal

Authorities in Equatorial Guinea on Tuesday announced plans to install surveillance cameras in government offices, the latest response to a scandal involving an official who allegedly recorded sex videos there.

Investigators probing alleged corruption and embezzlement were searching the computer of Baltasar Ebang Engonga, director of the National Financial Investigation Agency, when they found up to 400 sex videos of him and a number of women, some of them wives and relatives of senior officials, local media reported. Engonga has been suspended and is being investigated, Vice President Teodor Nguema Obiang Mangue said on X.

It wasn't clear if the sexual activities were consensual or if any of the women had lodged formal complaints.

—Associated Press

FRANCE 18 Convicted Over Human Smuggling

A French court found 18 people guilty Tuesday in a major migrant-smuggling trial that shed light on the lucrative, often deadly clandestine business of transporting people across the perilous sea from France to the U.K.

The defendants were swept up in a pan-European police operation in 2022 that led to dozens of arrests and the seizure of boats, equipment and cash. Of the 18, 14 are from Iraq, with the others from Iran, Poland, France and the Netherlands. The court in Lille sentenced one ringleader, from Iraq, to 15 years in prison and a fine equal to \$218,000. Other sentences ranged from two years to 10 years.

At least 56 people have perished in English Channel crossings attempts this year, French officials say, making 2024 the deadliest since the crossings began surging in 2018.

—Associated Press

UNITED KINGDOM Bill Would Outlaw Smoking—Someday

Legislation intended to ban today's British children from ever legally being able to smoke began its journey through Parliament on Tuesday. The bill would also bar smoking and vaping in some outdoor spaces such as playgrounds and school and hospital entrances, and restrict vape flavors and ban bright vape packaging. A proposed ban on smoking in pub beer gardens was dropped after opposition from bar owners.

The bill continues the previous Conservative government's plan to raise the minimum age for buying tobacco by one year annually, so that no one born after Jan. 1, 2029, will ever be able to buy cigarettes legally in Britain. Selling tobacco products or vapes to people under 18 is already illegal. The governing Labour Party's large majority in Parliament makes passage likely.

—Associated Press

WORLD NEWS



'Every decision to go outside is a big decision' for fear of attacks, Marina Tumanyan says.

Russian Drone Jockeys Are Hunting Civilians

Going outside—even to shop, work or play—can be risky for residents in Kherson

By IAN LOVETT
AND NIKITA NIKOLAIENKO

KHERSON, Ukraine—The first time a drone attacked Olha Chernishova, she was just getting home from a grocery run. As she carried the bags toward her house, she heard the telltale whirring overhead and sprinted toward the door. Before she made it inside, a grenade detonated as it hit her car, showering her with glass.

Her injuries were minor, but a few weeks later, she found herself hiding under a tree while another drone circled above. In October, she watched

dozens of drones hovering outside apartment buildings, with munitions ominously dangling from them.

Since the start of July, there were more than 7,000 drone attacks in the city, the regional government said. Nearly 600 civilians were injured and 50 killed.

Ukrainian officials are unsure why the Russians have begun targeting civilians so brazenly. Locals trade theories, with some positing that they might be using Kherson's citizens as target practice for drone pilots in training.

The Russian Defense Ministry didn't respond to a request for comment on the assaults.

Whatever the Russians' motivation, the attacks are again reshaping life for Kherson's residents, who fear they might be personally hunted, rather

Last month, five of his workers were on a rooftop, repairing damage from a recent artillery strike, when they heard a drone above them. "It was only a few meters away—we had no time to react," said Henady Skripchenko, one of the workers.

The explosive FPV—or first-person view—drone smashed into the roof just a few feet away from the team. The blast knocked one worker off the roof, injuring his spine. Skripchenko, 41, escaped with three shrapnel wounds to his legs.

Though the threat is highest near the river, Russian troops are barely a mile away, putting the entire city well within range of any drone.

Yelena Oleksyvna, who works at a flower shop just off Kherson's central square, said business had fallen off a cliff.

"The city center used to be really crowded," the 56-year-old said. "Business started to drop this summer. I see people moving away from the river because of the threat of drones."

The pop of an explosion interrupted her. "That was a drone dropping a grenade," continued Oleksyvna, who says she can distinguish the sounds of different munitions.

Kherson's regional government has mounted more than 100 antiderone guns onto the back of pickup trucks, which roam the city. But mostly, officials are encouraging city residents to evacuate. Free housing has been set up farther from the front line, with free food available and in-person school.

"We're trying to explain to people that we can't guarantee their safety in these circumstances," said Oleksandr Tolokonnikov, a spokesman for the Kherson regional military administration. "But most people want to stay home."

At one apartment block in the Dniprovska neighborhood, among the closest to the river, many of the homes remain occupied, with children attending school entirely online.

On a warm, cloudless October afternoon, Marina Tumanyan stood in the courtyard, watching her two older children playing. She rocked her youngest, just 20 days old, in a stroller. She said they heard or saw drones overhead every day, and her 4-year-old son can identify the sounds of different kinds of drones.

"Now, every decision to go outside is a big decision," she said. "Today, the lovely weather made us decide to do it."

A week earlier, her husband, a plumber, walked out from a job to find a drone had hit his car. She knows others who have been struck, including Skripchenko, a relative through marriage.

Still, she said they didn't plan to leave Kherson.

"It's really complicated with three children—you have to figure out how to pay rent," she said. "People we know came back in the end."

Ukrainian front line near Kherson



Note: Through Nov. 3
Source: Institute for the Study of War and AEI's Critical Threats Project

ANDREW BARNETT/WSJ



Henady Skripchenko suffered shrapnel wounds to his legs.

from her house as a drone dropped a grenade on a car.

"I try to stay home as much as possible now," said Chernishova, a 38-year-old grocery-store clerk in Kherson.

Russian drones are hunting civilians in Kherson, unleashing a new kind of terror on Ukraine's largest front-line city.

Since Ukraine retook Kherson two years ago, Russian forces located just across the Dnipro River have pummeled the city with artillery, missiles and one-ton glide bombs. The central square, where tens of thousands celebrated the Russian withdrawal, is largely abandoned, the regional-administration building boarded up. Less than a quarter of the 280,000 prewar residents remain.

Though Ukraine has accused Moscow of attacking civilians with missiles and artillery throughout the war, Russia insists its targets are military. But videos of the drone assaults in Kherson appear to show the intent to kill civilians.

In clips posted to Russian channels on social media, drones track pedestrians from above for several blocks before dropping grenades on them. Ukrainians post their own vid-

than hit randomly by a shell.

Billboards around the city warn residents of the risks of lingering outside. "If you hear a drone," one says, "immediately run for shelter."

People open doors gingerly and crane their necks upward before stepping outside. For smoke breaks, they stand under trees, hoping to stay out of view. Chernishova said she tries to avoid getting in cars. At least on foot, she said, she can hear a drone and run for cover.

"I can't deal with stress now," she said. "Everything makes me anxious."

Neighborhoods close to the river, like Chernishova's, have been hit most often. Drones also have dropped small anti-personnel mines in the area: Signs at the edge of a park show pictures of how different mines might look and warn people to keep out.

"It's become harder for people to simply move around the city," said Volodymyr Tsiktor, deputy chief of Kherson's emergency service. Naming one of the areas near the river, he said, "It's difficult for our teams to even get there, because the vehicle will be attacked right away."

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Europe Accuses Moscow Of Terrorism in Blast Plot

By MAX COLCHESTER

LONDON—Eastern European officials said Russia's alleged plot to send incendiary devices by mail to several Western countries, including the U.S., marks an escalation in Moscow's conflict with the West, presenting a challenge for governments trying to deter the Kremlin.

Polish and other European officials said agents suspected of working for the Russian military intelligence this summer posted several parcels packed with incendiary material from Lithuania to Britain, in a dry run to see if such packages also could be sent via aircraft to North America. The plot was foiled when two of those packages caught fire in DHL depots in the U.K. and Germany in July. The Kremlin denies involvement.

"We cannot leave this unanswered, because it will only escalate and we will move to a new level of action," the Lithuanian president's national security adviser Kestutis Budrys told a radio show on Tuesday.

Pawel Szota, the head of Poland's foreign intelligence agency, said: "Russia has started employing terrorist tactics in Europe. We could do the same thing in Russia but we are more civilized."

Since Russia's 2022 invasion of Ukraine, Europe has flexed its more traditional methods of diplomatic wrist slapping: Kicking out more than 750 Russian diplomats, issuing strongly worded statements and sanctions aimed at denting Moscow's military industrial base. It also is pouring aid into Ukraine and offering more covert support, such as helping Kyiv fire long-range missiles at Russian targets.

Lithuania and Poland have consistently been among the most supportive countries of Ukraine in Europe, and have criticized allies, including



Incendiary devices exploded at a DHL logistic hub in England.

Washington, for what they believe is too much concern to avoid escalating the conflict between the West and Russia. The European Union also introduced new measures recently to tackle a range of hybrid attacks on the bloc, including sabotage.

In October, Poland's foreign ministry ordered the closure of a Russian consulate in Poznan because of alleged hybrid attacks.

Moscow increasingly is engaging in hybrid warfare, often hiring criminal proxies to undertake missions at arms length, officials say. This allows the Russians to continue to act, recruiting operatives, even without an established spy network in Europe. These moves have resulted in an expanding campaign of sabotage, including arson in the U.K. and the Czech Republic, attacks on pipelines and data cables in the Baltic and tampering with water supplies in Sweden and Finland.

Western officials say that the criminal proxies used by Russia are often untrained in the arts of subterfuge and so relatively easy to roll up. The spate of attacks also is resulting in greater cross-border counterterrorism cooperation between agencies, officials say.

A warehouse in east London belonging to a company linked to Ukraine caught fire in a suspected arson attack in March. The U.K. arrested several suspects and a man

pleaded guilty to orchestrating the attack on behalf of the Russian state.

Britain responded to the attack, and the fire in the DHL warehouse in Birmingham, by expelling the Russian defense attaché and removing diplomatic status from a house the Russian Embassy uses in the Sussex countryside.

A U.K. Foreign Office spokesman said that the government "takes malicious activity that threatens security and public safety extremely seriously" but couldn't comment on a continuing investigation.



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WORLD NEWS

Overhaul Stands in Mexico

High court falls just short of striking down president's judiciary changes

By JOSÉ DE CÓRDOBA

MEXICO CITY—Mexico's Supreme Court fell short by one vote Tuesday of striking down parts of a controversial judicial-system overhaul recently pushed through the congress by the ruling Morena party. The dispute between judges and President Claudia Sheinbaum threatened to spark a constitutional crisis.

The court's review of the legislation, which requires judges be elected by popular vote, was the first major political test for the new leftist president—and a win for her. Seven of the court's 11 justices supported a proposal to strike down parts of the overhaul, but eight votes were required.

"It's a great victory for the president," said Antonio Ocaranza, a Mexican political analyst. "It greatly reduces the possibility of a clash between branches of government."

Ocaranza said that the Sheinbaum administration has a lot of power to bend opposition legislators as well as justices in its will.

A protégée of former nationalist president and ruling-party founder Andrés Manuel López Obrador, Sheinbaum had vowed before the court voted to ignore its decision and questioned its authority to even discuss the issue.

"What the people have decided can't be negotiated," Sheinbaum said at her daily press conference on Monday. "The judicial overhaul is already part of the constitution."

The legislation was part of a package of constitutional changes proposed by López Obrador and passed by ruling party legislators in September, his last month in office. The overhaul requires the resignation of the country's 1,700 federal judges, including those on the Supreme Court, whose re-



The judicial overhaul is already part of the constitution,' President Sheinbaum said on Monday.

placements will be elected by popular vote in 2025 and 2027.

Polls show there is widespread dissatisfaction with the justice system. But former justices and lawyers say that while it suffers from corruption, nepotism and inefficiency, the most glaring problems with Mexico's weak rule of law lie with prosecutors and police rather than judges.

Justices also fear the changes will destroy the independence of the judiciary. "Our constitutional democracy faces unprecedented threats," Chief Justice Norma Piña said in a speech at the Supreme Court on Monday.

The dispute threatened to distract the Sheinbaum administration from priorities such as expanding pensions, attracting foreign investment and pacifying swaths of the country controlled by drug gangs. The overhaul could also

hurt Mexico's efforts to attract billions of dollars from firms relocating to Mexico to be close to U.S. markets.

The peso has depreciated more than 15% against the dollar since Sheinbaum won in the June election. The Morena party and its allies took enough congressional seats to change the constitution.

U.S. officials say the judicial changes risk derailing the two countries' trade ties. Sheinbaum has sought to reassure investors and diplomats that the overhaul won't

be bad for business.

"It's difficult to imagine a country that attracts foreign investment or encourages domestic investment when the minimum conditions of legal certainty don't exist," Supreme Court Justice Juan Luis González Alcántara told The Wall Street Journal in a recent interview.

As part of the Supreme Court's review, González Alcántara had proposed striking down the election of federal judges but allowing the replacement and election of the Supreme Court justices by popular vote.

González Alcántara was among the eight justices who tendered their resignations under protest in late October. Mexico's Senate has yet to accept the resignations, seven of which are effective next year.

González Alcántara said his proposal was an attempt to reach a compromise in the conflict between the executive and legislative branches and the country's judiciary.

But even before the court review, Sheinbaum said she won't comply with any ruling on the matter. "It must be clear that eight justices can't be above the people of Mexico," she said on Monday.

Sheinbaum said the court has no authority to discuss the issue. Legislation passed in October bars the high court from ruling against changes Congress makes to the constitution.

Aristocrats Stare Down Extinction



MARY TURNER FOR WSJ

John Attlee took his father's seat in the House of Lords.

It's fair to say the House of Lords can be set in its ways. It dates back to an 11th-century royal council that advised England's medieval kings. But change is coming, whether its members-for-life like it or not.

The U.K.'s new prime minister, Keir Starmer, wants to abolish the remaining hereditary seats in the House of Lords, around 11% of the 804 total. The rest—except for 25 bishops or archbishops of the Church of England—have titles that die with them, won after being nominated by a prime minister for their achievements or political loyalties.

Starmer's move would build

Ironically, the lords born into the privilege seem to be most alarmed by the undemocratic nature of their colleagues' appointments.

Lord Harlech—or Jasset David Cody Ormsby-Gore—at 38 is the youngest of the hereditary peers. He said they check the power of political appointees, at least until some better system comes along.

"I like to think of us as a randomizer," he said, even if they are drawn from a subset of white men with few money problems; the titles are mostly inherited by firstborn sons. "We are here by an accident of birth, but it provides a nice mix of perspectives. It's eccentric and very British, but it seems to work."

Lord Strathclyde, a baron with the full name Thomas Gallop Dunlop du Roy de Blicquy Galbraith, qualifies for the chamber via his grandfather. He said if change is coming, it should be to expand the house to bring a wider range of people to dilute any partisanship.

"We now have a situation where the second chamber of parliament will be entirely in the hands of the prime minister, with no controls whatsoever on who goes in and who does what," he said.

The government's constitutional affairs minister, Nick Thomas-Symonds, said however it's sliced, "the continued presence of hereditary peers in our legislature is indefensible."

The House of Lords can compel a government to revise legislation by pushing it back to the lower house for review. It forced the previous government to give up plans to send asylum seekers to Rwanda and made it illegal to photograph breast-feeding in public without permission.

Its numbers have been swelled by short-lived prime ministers who appointed a wave of new lords, including donors, advisers and others who worked closely with whomever happened to be in power.

"Some were heavily involved in politics since school, then they went to university where they get a politics degree and then become special advisers and then are appointed to the House of Lords without ever having had a revenue-earning job," said Attlee, taking a sip from his tea in a wood-paneled dining room at the Palace of Westminster. A waiter stopped by to offer the earl a crumpet.

The grandson of a former prime minister, Attlee spent much of his life serving in the army and working on road transport safety before taking over his seat from his father.

"They lack real-life experience," he said.

Attlee said the hereditary lords have offered a compromise. Since the 1999 reforms, hereditary peers must be elected by other members of the House of Lords. When one dies, the candidates campaign and hold hustings; the Earl of Limerick tried to secure a seat

a decade ago in part by writing a comic poem, though it wasn't a limerick. (He failed.) Now, Attlee said, the lords have paused those elections.

"That way our numbers will gradually decline," Attlee said. "Some are getting tired. Some might fall off their perches unexpectedly."

The British political writer Ian Dunt said that while weird and archaic, the House of Lords does a good job scrutinizing and reviewing legislation. The unnerving question, he said, is whether this is despite or because it's undemocratic.

The hereditary complain that the Labour government hasn't come up with any proposals for reforms apart from booting them out.

"We'd actually like to leave the place better than we found it," said Charles Peregrine Courtenay, who sits in the house as the Earl of Devon, a title dating back to 1142. "I think currently, us going will leave the place worse off."

Concerns Swirl Around Canada Monetary Policy

By PAUL VIEIRA

OTTAWA—Senior Bank of Canada officials agreed on a half-point rate cut to help a weak economy, although some policymakers worried this could fuel expectations for a series of outsize reductions and "very accommodative" monetary policy, minutes released on Tuesday by the central bank show.

Overall, central bank policymakers believed a half-point cut in October was appropriate to address softness in the labor market and the buildup of spare capacity in the economy.

The minutes cover deliberations among the Bank of Canada's governing-council members starting Oct. 15, and leading up to the Oct. 23 decision to cut its target for the overnight rate to 3.75% from 4.25%. This marked the fourth consecutive cut to borrowing costs, amounting to 1.25 percentage points of easing—the most so far this year by a Group of Seven central bank.

Bank of Canada Gov. Tiff

Macklem has told lawmakers that he expects the bank to deliver more cuts to revive an economy he called "soft."

The minutes indicate there was a "strong consensus" among the six-member governing council to deliver a half-point cut, but not without some trepidation. "Some members expressed concern that it might be interpreted as a sign of economic trouble, leading to expectations of further moves of this size or to assumptions that the policy interest rate would need to become very accommodative in the future," the minutes say.

The minutes suggest senior officials agreed to convey that an outsize rate cut was appropriate given data showing weakness in the labor market, and confidence at the central bank that inflationary pressures would continue to ease.

Some economists, citing disinflation and tepid consumer demand, have predicted the bank would deliver another half-point rate cut in its last decision of the year, on Dec. 11.

Candles, Oil Lamps, Prayer Mark Festival



SEA OF LIGHTS: Worshippers crowded a Hindu temple in Bangladesh on Tuesday to celebrate the Rakher Upobash festival.

Outlook Is Gloomier For French Factories

By JOSHUA KIRBY

French manufacturers produced less in September, threatening a bleak end to the year for a European manufacturing sector suffering from high energy bills and tougher competition from China.

Production of goods was down 0.8% from August, French statistics agency Insee said on Tuesday, a steeper fall than forecast by economists polled by The Wall Street Journal.

September's output was "poor, and it will get worse at the start of the fourth quarter," said Claus Vistesen, an economist at consultant Pantheon Macroeconomics.

As the European auto sector shifts to electric vehicles, it suffers from increased competition from abroad, notably China. On Tuesday, French tire-maker Michelin said it would close two plants and German auto supplier Schaeffler said it would reduce operations at some factories, jointly putting more than 5,000 workers in line for layoffs. Volkswagen's works council—which is made up of employees elected by the workforce and has a say in matters from hiring and firing to plant operations—said in October that Europe's largest automaker is set to close three factories in Germany and cut tens of thousands of jobs. The

company hasn't confirmed this but said it aims to cut labor costs and ensure its business is sustainable in the longer term.

"The fact is that suppliers are internationally competitive with their products, but the location isn't, for many of them," German Automotive Industry Association boss Hildegard Müller said on Tuesday, in a gloomy period on the country's auto suppliers.

While energy prices have stabilized since skyrocketing after Russia's full-scale invasion of Ukraine in February 2022, some industries continue to pay steeper costs in contracts signed in 2022 and 2023, Insee said.

Survey data this week suggests France's manufacturing sector is primed for its weakest month since the beginning of the year in October. That is contributing to a continued decline in the wider eurozone, similar surveys show.

Sliding exports remain a major problem for French manufacturers, and October's international sales marked the fastest drop on record, according to survey compiler S&P Global.

"The indexes for order volumes, particularly from international clients, have fallen to troubling levels," said Tarig Kamal Chaudhry, an economist at Hamburg Commercial Bank, which publishes the survey.



Europe's auto sector is shifting to electric vehicles. A Peugeot 3008 vehicle body at a Stellantis plant in Sochaux, France.

NATHAN LAINE/BLOOMBERG NEWS

PERSONAL JOURNAL.

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THE WALL STREET JOURNAL.

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Latest Wearable Breast Pumps Give New Mothers More Freedom

Cord-free devices offer convenience and flexibility for working women. But they can be expensive.



PERSONAL TECHNOLOGY
NICOLE NGUYEN

I was watching tennis pros at the French Open when my smartwatch buzzed with a notification: "Time's up on both pumps!" I reached into my shirt and pulled out two bottles filled with my milk.

It was the first evening I'd spent away from my newborn, and a high-tech breast pump—quiet, wearable and battery-powered—helped make it happen.

Traditional pumps are bulky and loud. They have long tubes and deposit milk into bottles that dangle from special pumping bras. Some need to be plugged in. Slim, new portable models free women to produce milk wherever they are.

The American Academy of Pediatrics recommends mothers breast-feed babies exclusively for at least six months and provide their milk as a supplement to food until the second birthday—long after many mothers return to work. Many families don't breast-feed for as long as they would like. Portable can make pumping more convenient. They're also essential for women with demanding in-person jobs, such as physicians and flight attendants.

Wearable pumps didn't exist a decade ago. Now, dozens of mod-

els are available. I've tested several to determine the pluses and minuses.

Free range

Wireless breast pumps benefit from the same tech found in iPhones and other mobile devices: small chips, Bluetooth and lithium-ion batteries.

I came across Willow, the first smart, wearable breast pump, at the 2017 CES. The mango-sized device—containing all the pump mechanics and milk storage—could fit in a bra. A smartphone app tracked sessions and adjusted suction intensity.

A year later, Elvie released an even sleeker pump, about half Willow's size. Traditional pump makers such as Medela now offer their own portables. I tallied more than 80 models on Amazon before I stopped counting.

When my son was born, we were initially separated while he spent time in an intensive-care unit. The health benefits of human milk and recent formula supply issues were on my mind, so I hooked myself up to the hospital's pump to stimulate milk production. Its roaring WOMP WOMP



The Elvie Pump (\$300 for a single pump or \$550 for a pair) is one of the quietest, sleekest portable models on the market. A companion app tracks sessions and milk output. This Elvie was quiet enough that it could be used during a tennis tournament.

WOMP sound echoed in my room.

I started using the Elvie Pump (\$300 for a single pump or \$550 for a pair) several days later. Many pumps growl. The Elvie produces a pleasant, ticking sound. The quiet motor minimized disruptions to my sleeping baby. I've pumped during dinner parties, drives and, of course, tennis tournaments. Now that I'm back at work, it's easy to tote my portable pumps to and from the office.

I've heard from many working

women that wearables liberated them from nursing rooms.

"I didn't like hiding away in a small, closed room for hours of my day," said Rachael McQuater, a software developer in Grand Rapids, Mich. She pumped with the Elvie at her desk in an open office, with a shawl to cover the pump bulge. Eventually, talking to co-workers while pumping no longer felt awkward.

A study published in 2022 involving hundreds of physician mothers found the women who

used wearable breast pumps, such as the \$350 Willow Go, are wireless, portable devices that can fit inside a bra.

used wearable pumps experienced fewer interruptions in providing patient care and were more likely to provide breast milk to their babies for their intended amount of time, compared with those using traditional pumps.

Dr. Gretchen Coblenz of the Mayo Clinic, an internist who co-wrote the research, said her wearable pump was critical during residency: "You can be paged and pulled away at any given moment to see a patient."

In settlements between Frontier Airlines and its flight attendants and pilots over lactation policies, the company agreed to allow employees to pump in-flight, as long as they use wearable models.

A balancing act

Portable pumps come with trade-offs, starting with cost.

I hoped my \$550 Elvie pair would pay for itself, given that families can spend \$1,200 to \$1,500 on formula during a baby's first year. Last month, Elvie released the Stride 2 (\$270), which is more affordable but has wires connecting the breast cups to a clip-on waistband pump.

Health insurers sometimes cover wearables, helping offset the expense. Babylist Health's and Aeroflow's online tools can help you determine which pumps are eligible.

There's also a limit to portables' mobility. When Elvie bottles are full, milk can spill out. And unfortunately for those night sessions, you can't lie down while pumping with any model—traditional or wearable—except the \$500 Willow 360. (I verified the leak-proofness by doing yoga.) However, you have to use Willow's disposable bags (60 cents each) with the pump. Others capture milk in reusable containers.

Some wearable pumps have less powerful extraction capabilities and might not work for women with lower milk supply, said Dr. Lauren Barres, an obstetrician at Kaiser Permanente Northern California and fellow wearable pumper.

Milk yields can vary regardless. After trying several models, I've gotten the most from the Willow Go (\$350) on a low-intensity setting—even more than a traditional, hospital-grade pump. It's louder and bulkier than Elvie, however.

For me, the hardest part is the endless cleaning of device parts and bottles, a reality for any pump. With wearables, you also have to charge your devices daily. It's an undertaking I'm willing to endure—but it isn't easy.

McQuater, like me, would rather nurse her baby directly. But that isn't always possible for working moms.

"I still hate pumping," she said. "But the wearable technology makes it a little more bearable."

'Walking Pneumonia' Is Surging This Year



YOUR HEALTH
SUMATHI REDDY

If you've had a lingering cough recently, there is a chance the culprit wasn't Covid-19, flu or RSV, but mycoplasma pneumoniae.

Levels of this milder lung infection—which can lead to "walking pneumonia"—are 10 times greater than last year, according to the Centers for Disease Control and Prevention. Though the CDC doesn't officially track the disease, it issued an alert last month noting the rise in cases. Levels of walking pneumonia, so named because patients often feel well enough to go about their normal daily activities, typically peak every three to seven years.

Chris Edens, lead of the CDC team that tracks Legionella and atypical pathogens, said the agency saw a rise of cases in late spring. It peaked in August, then declined a bit. The decrease might not last, he adds, noting "levels seem to be flattening out or maybe even ticking back up."

Cases of walking pneumonia are up across all age groups, with children 17 and under experiencing the largest rise, Edens says.

Symptoms of the respiratory illness caused by mycoplasma pneumoniae can include cough, fever and a sore throat, doctors say. If the bacteria damages the throat and lungs, the result can be a less severe form of pneumonia.

Someone with typical pneumonia feels ill enough to stay home in bed, but if you have walking pneumonia, it might take an X-ray of your lungs to reveal significant infection, Edens says.

A milder pneumonia

The CDC estimates about two million people a year get mycoplasma pneumoniae infections. Doctors say the real numbers are likely higher, as the infections aren't closely tracked.

The overwhelming majority of infections are very mild or even asymptomatic, says Edens, and only a small slice evolve into walking pneumonia. The main telltale is a persistent cough: "The symptoms can linger even if they don't get worse," he says. "It can take a little



longer to clear than some other respiratory illnesses."

Dr. Casey Burg, division chief of pulmonary, allergy and sleep at Children's Nebraska in Omaha, has seen a large number of walking pneumonia cases in outpatient clinics and some in the hospital. Burg estimates it takes about two weeks to go away, "a little bit longer than you would think if you have a cold."

In very rare instances it can evolve into severe pneumonia, worsening asthma or encephalitis, requiring hospitalization.

Pneumonia is inflammation in the lungs caused by a variety of viruses and bacteria. Typically, it is treated with amoxicillin or other related antibiotics. But walking pneu-

monia responds to other drugs, such as azithromycin, commonly known as a Z-Pak, says Dr. Graham Snyder, medical director of infection prevention and hospital epidemiology at the University of Pittsburgh Medical Center.

Snyder says that listening to a patient's lungs can help diagnose pneumonia, but you don't know what bacteria is causing it without a lab test with a back-of-the-nose swab.

For many patients, the infection resolves before they ever need to see a doctor.

What you can do

Snyder said his region is seeing more adults and children testing positive for walking pneumonia, similar to national trends. Most of the illness is spread through droplets from coughing and sneezing, he says. He recommends hand washing, masking if you're sick and staying home if you're unwell.

Children or adults who are immunocompromised or have underlying conditions such as asthma or chronic obstructive pulmonary disease are more at risk for developing serious illness.

Burg recommends seeing a doctor if you have difficulty breathing or if symptoms are beyond what you expect with a mild to moderate cold. Also, see a doctor if you or your children are having symptoms and there are outbreaks in your neighborhood or school system. Early treatment can shorten the duration of the illness and help prevent its spread.

Mycoplasma pneumoniae isn't as infectious as Covid-19 or measles, which spread more easily through the air. And the incubation period—the time between your first exposure and when your symptoms show up—can be relatively long, at one to four weeks.

"If you have passing contact, you're not likely to get it," says Snyder. "It's really something that transmits effectively when people are in close contact, in households or schools or college dorms."

PERSONAL JOURNAL.

Taxpayers Are Making Changes Even Before Vote Results Are In

Investors figure that tax rates are likely to increase no matter who wins in Washington



By ASHLEA EBELING

Taxpayers aren't waiting for the election results to make changes to how they invest and earn money, figuring both candidates could lead to higher tax rates.

In 2017, Donald Trump signed the Tax Cuts and Jobs Act that lowered taxes for millions of individuals. Now, the new president and Congress face the looming expiration of many of those tax cuts at the end of 2025. If they don't reach a deal by then, taxes will rise for nearly two-thirds of taxpayers, according to Erica York, a research director at the Tax Foundation.

Among the moves investors might want to make if they are convinced taxes are headed higher is to sell stocks. Selling now would lock in capital gains at the current 20% top rate.

Kamala Harris proposes a new top capital-gains rate of 28% for high earners. She is also proposing to increase the investment income

surtax. Although Trump has campaigned on extending the 2017 law, taxpayers are also worried taxes could move higher if he wins, because of the nation's finances and economy.

"I don't care if it's Trump or Harris. They're going to have to raise taxes. Our national debt is beyond comprehension," said Pete Venuto, a 71-year-old retired electronics executive in Greenville, S.C.

Venuto has made a series of

Current Tax Brackets	If 2017 Cuts Expire
10%	10%
12%	15%
22%	25%
24%	28%
32%	33%
35%	35%
37%	39.6%

Source: Tax Foundation, Congressional Budget Office

There are some cases where making moves before the end of this year could pay off.

annual Roth IRA conversions, paying taxes on retirement savings now at the 24% marginal rate, which goes up to \$383,900 for a married couple this year. He's moved hundreds of thousands of dollars from a traditional tax-deferred account into a Roth account, where any growth or withdrawals will be tax-free.

"I'm avoiding larger taxes in the future," he said.

Some taxpayers could wait until the results of the election to make their investment moves but figure there is simply no reason to wait. Others might need more time to make more complicated transactions.

Differing proposals

Harris says she would raise taxes on the rich. Trump says he would lower income taxes and raise tariffs. If Republicans or Democrats sweep the White House and Con-

gress, there will be more clarity about whether those promises will become policy. A divided government could mean more compromise is necessary and less action likely.

Harris's and Trump's proposals to expand tax credits for parents and home buyers, or to remove taxes on Social Security benefits or tips, would have to be paid for. Lawmakers could offset the cost of these proposals by tweaking the tax rates, especially at the top, said Kyle Pomerlau, an economist at the American Enterprise Institute, a conservative think tank.

If Congress does nothing, the tax rates will rise across income brackets, according to Congressional Budget Office estimates. The top 37% rate would rise to 39.6% and kick in at a lower level of income.

It is too early to know for cer-

Many tax cuts from 2017 face a looming expiration at the end of 2025.

Meanwhile, clients have been bundling charitable contributions into one year to get over the hurdle where itemizing gets them a bigger deduction, Marx said.

"People are starting to talk about this, but I suspect in 2025 it will be more front of mind," she said.

It might also pay to postpone planned charitable donations.

Most taxpayers take the standard deduction under current law instead of itemizing, which means they don't get any tax benefit for donations. The expiration of the 2017 law would drop the standard deduction back in half, meaning more people would itemize donations in 2026.

People who can choose when their bonuses are paid could accelerate 2025 payments into 2024 and 2026 payments into 2025, to take advantage of possibly lower tax rates, said Theresa Marx, director of wealth planning at CIBC Private Wealth in Chicago.

"People are starting to talk about this, but I suspect in 2025 it will be more front of mind," she said.

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Selling assets

Potential changes to capital-gains taxes, more likely with a Democratic sweep, are prompting some taxpayers to sell stock or shares in a business. In addition to the higher capital-gains rate for those earning \$1 million or more, Harris proposed increasing the 3.8% investment income surtax to 5% for taxpayers with income above \$400,000.

"This is an opportunity to exit," said Justin Miller, national director of wealth planning at Evercore Wealth Management.

Some clients who are fearful the economy will turn for the worse after the election have been selling concentrated positions of appreciated stock that they think is at a high. One strategy is to set up a charitable remainder trust and donate stock or real estate to it. You get an income stream from

the trust, defer the capital gains, and have the upside of giving to charity, he said.

Maurie Cashman, a co-owner of an agriculture appraisal firm in Marion, Iowa, is completing the sale of his stake in his business over the next two years.

"I don't like the deficits we're running. Sooner or later there's going to be a bill to pay, so I think it's better to pay taxes now," he said.

apps such as PayPal. Own cryptocurrency? That's harder to reclaim if stolen. Robinhood lets you set a custom PIN to secure your wallet.

► **Bonus suggestion:** Freeze your

credit so identity thieves can't open credit cards or loans in your name.

Email

If hackers access your email, they can also access your other accounts, since it's often used to reset passwords.

Google's Gmail is the most popular email service. By protecting your Gmail account, you also protect your other Google apps. The company's Security Checkup is a good overview of the most important settings. And, again,

► **Google's Security Checkup takes you through the most important settings to protect your account.**

definitely turn on two-factor authentication.

Outlook and Yahoo offer their own tips for protecting your email, including adding a recovery email or mobile number.

The biggest email threat is phishing—and generative AI has made these baited email attacks more sophisticated. Stop before clicking links or downloading attachments. If an email looks like it's from your bank or other service, go to its website instead of clicking.

► **Bonus suggestion:** If you feel tech-savvy enough, lock your email down with a security key like Yubico's YubiKey 5C.

Phone

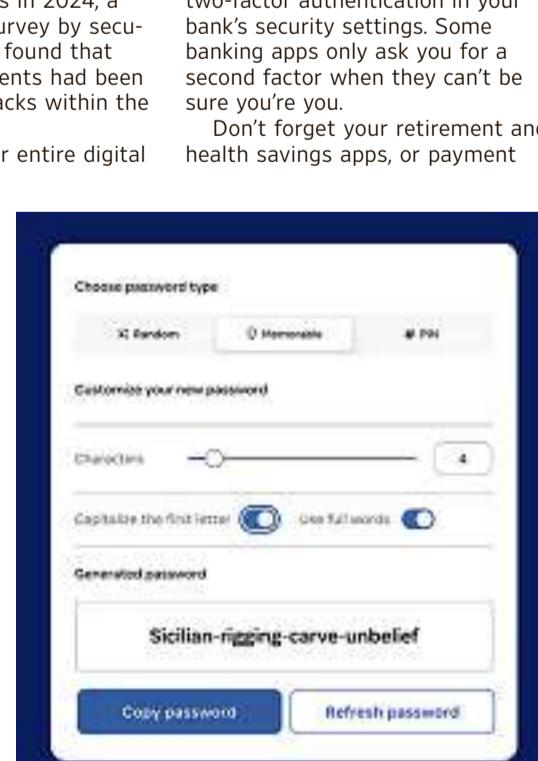
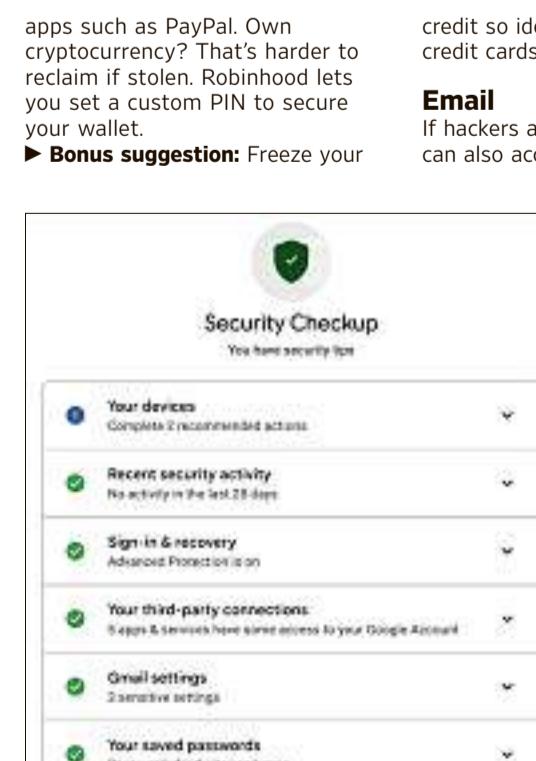
First, protect your phone number by adding a PIN to your AT&T, Verizon or T-Mobile account. This can prevent someone from taking over your number to steal your two-factor authentication codes.

Next, lock down the cloud account tied to your phone, the one that holds years of photos, contacts, messages and more. For iPhone users, this is your Apple ID. (On Android? Secure your Google account as described earlier.)

For your Apple ID, turn on two-factor authentication in Settings. Review your trusted devices and make sure the trusted phone number matches your current number.

Your iPhone's passcode can change your Apple ID password—something iPhone thieves have used to devastating effect. Protect your PIN and add a more complex passcode in Face ID & Passcode settings.

► **Bonus suggestion:** Turn on Stolen Device Protection to limit your passcode's power.



► The longer the password, the more secure it is. You can use a tool, such as the 1Password generator, to help.

SAMUEL CORUM/GETTY IMAGES

15-MINUTE FIXES

Beef Up Passwords On These Accounts

By NICOLE NGUYEN

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

There are two things you need to do to beef up your online security: Create a long, unique password and turn on two-factor authentication for each account.

A Verizon analysis logged more than 10,000 breaches in 2024, a record high. And a survey by security company Yubico found that over 70% of respondents had been exposed to cyberattacks within the past year.

Yes, fortifying your entire digital life can be exhausting. The average person juggles hundreds of passwords. A password manager is the best way to manage them, but it can take days to configure.

Forget that for now, and just focus on three key accounts: your bank, email and phone.

► The longer the password, the more secure it is. You can use a tool, such as the 1Password generator, to help.

ARTS IN REVIEW

MUSIC REVIEW | MARK RICHARDSON

The Cure's Melancholy, Moody Return

The band's first album in 16 years is suffused with the feeling that time is growing short

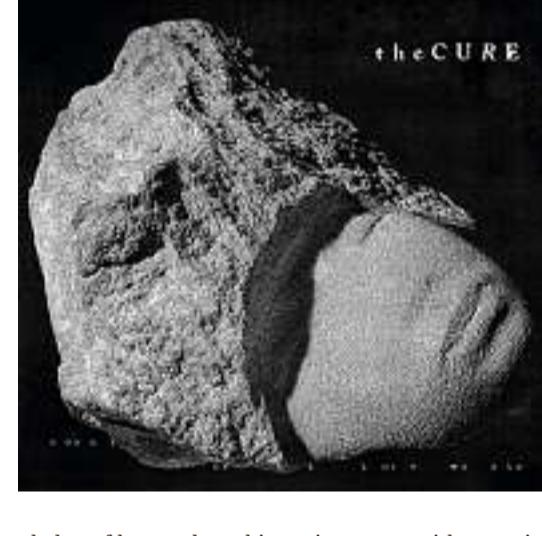
As U2 and the Rolling Stones can tell you, it's hard to make an album when you don't really need to. For most acts, issuing batches of new songs at regular intervals is necessary to sustain momentum and build a new audience. But for rock bands of a certain status with a catalog of a certain size, new albums aren't necessary, and may even be a hindrance. Albums don't generate as much revenue as playing live—a few sold-out shows in an arena offer a better payday than a new record—and if the material is less than good, fans might even turn away, figuring the group has lost its relevance. When you don't have to make a new album, there are no deadlines, and nothing to force you to finish. The process can drag out, as it did for the Cure.

The English post-punk group fronted by Robert Smith is the standard-bearer for the moody subgenre known as goth, and the band last released an album of new work in 2008. But that studio drought hasn't meant that people have forgotten about the Cure: On the contrary, in one of the odd twists common to legacy rock bands in 2024, they are arguably more popular now than they have ever been—playing bigger rooms, reaching new generations of fans, and exerting a massive influence on underground rock. The group's atmospheric sound and heart-on-sleeve romanticism have become touchstones for a wide variety of acts, from tranquil dream-pop to loud and demonstrative emo-punks. While the Cure didn't need to make a new album after 16 years, they did so anyway, and we should be glad: The band's 14th LP, "Songs of a Lost World" (Fiction/Polydor/Universal/Capitol), is out now, and it's wonderful.

The dense, patient album-opener, "Alone," begins with three minutes of music before we hear Mr. Smith sing. The keyboards are grandly orchestral, the drums tumble and crash, and the arrangement as a whole is saturated with drama, conjuring an atmosphere that's warm and welcoming while also conveying melancholy. Opening with an extended instrumental passage is a Cure trademark, the most famous example coming at the start of the band's classic 1989 album,

"Disintegration," which this record resembles. When we finally hear Mr. Smith's vocals, he's singing about endings, as if acknowledging that time is growing short and there's no way of knowing how much music he has left: "This is the end of every song that we sing / The fire burned out to ash and the stars grown dim with tears."

The unhurried tempo and winding structure of "Alone" reinforce that this is an album for the Cure faithful. Mr. Smith is in exceptional voice here and throughout the record—his distinctive pleading tone, much emulated, seems virtually unchanged since the late '80s, and is perfectly matched for the sense of loss and desperation that permeates this album. "And Nothing Is Forever" is another rumbling midtempo number that stretches for over six minutes, and the band adds a bit of piano to the mix as Mr. Smith sings of a hoped-for



pledge of love to keep him going as the days grow short. He sounds hopeful and dejected simultaneously, and the gorgeous swell of music amplifies the emotion.

A couple of tracks at the album's midpoint are a little shorter, and not quite as memorable. "Warsong" begins with a seesaw drone that could be harmonium and folds in snarling guitars and a howl of feedback, as Mr. Smith offers a portrait of a collapsing relationship. And "Drone:Nodrone" is the sole up-tempo cut on the record, putting the



Robert Smith, frontman of the Cure, above; the group's new album is 'Songs of a Lost World.'

drums in the foreground to suggest a pop number but without quite delivering melodically. Mr. Smith has written more than his share of memorable tunes and hooks over the years, but catchy songs are no longer his strength. He excels now at sustained moods, as the closing third of this album demonstrates beautifully.

The last track, the epic "Endsong," like "Alone," starts with a lengthy instrumental section. But here the wordless part lasts over six minutes. As it cycles through the chord progression and we take in the clattering percussion and a

characteristically strong guitar refrain, it's as if Mr. Smith wants us to contemplate the drama of our lives before proffering his own. When he sings, he tells a story of looking at the moon and thinking about the long sweep of his life, and what happens now. "And wondering what became of that boy and the world he called his own / I'm outside in the dark wondering how I got so old."

It's a candid and touching ad-

mission, underscoring the vulnerability that powers Mr. Smith's art. While the track's title and placement here might make you think this is the last piece of music he'll write, death and endings have been obsessions since he was a young man, and he has been talking about a raft of unreleased material and more albums to come. However things unfold for the Cure from here, "Songs of a Lost World" affirms that Mr. Smith is still capable of greatness.

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

TELEVISION REVIEW | JOHN ANDERSON

'Rebus': A Tormented Sleuth in Scotland



Six episodes, no fat, a tormented hero and a country in crisis. All this and mayhem can be found in "Rebus," a new adaptation of Ian Rankin's celebrated detective series centered on Scottish detective John Rebus. Although the streaming service Viaplay began by focusing on Nordic noir, "Rebus" helps widen the service's scope to include "Tartan noir," a term that was previously unfamiliar to this reviewer, but one that evidently has its own patterns.

Among them would be great architecture, likable people (some) and, thankfully, subtitles. Starring Scottish actor Richard Rankin (no relation) as a rather baby-faced

version of the fabled inspector, "Rebus" has qualities that conform to the mystery genre. And others that don't. Yes, our hero is only

one or two rungs up the evolutionary ladder from the people he pursues, but the world of crime fiction is full of unsuitable policemen. He is kind by nature, cynical by experience and has a vein of sentimentality that he makes a great effort to keep hidden.

What Mr. Rankin the actor also brings to Rebus is self-awareness and a bit of bluff. He's not a particularly fearsome protector of the public good, physically or through external means of intimidation. But his anger is real. And that, in

Brian Ferguson and Richard Rankin in 'Rebus,' above left; a scene from the show, above.

the end, is what matters.

Everyone seems angry in the Edinburgh fashioned by screenwriter Gregory Burke, who gives us a Rebus younger than the author's standard version (with his apparent blessing) and synthesizes characters and plotlines from some of the existing two dozen Rebus novels (not counting "Midnight & Blue," a fall 2024 release). In the opening of what is a very tightly structured series, John's barely employed brother, the Army vet Michael (Brian Ferguson), accuses John of having always looked down on him, at which point

John plants Michael into a glass coffee table. Mick, as we call him, strives to pretend that his experiences in "Afghan" haven't affected him—likewise, the fellow vets with whom he pulls off a daring drug robbery. (Two, in fact.) John actually goes to therapy, which gives a So-pano-istic touch to these hard-boiled proceedings.

But the reason John might feel superior—and a bit guilty—is that he has a job. The plaint, not constant but insistent, is that Scotland's vets aren't looked after, the cost of living is killing everyone faster than fentanyl and very few people are flourishing—the exception being John's ex, Rhona (Amy Manson), their daughter, Sammy

(Mia McKenzie), and Rhona's new finance-manager husband, Lockie Moncrieffe (Nick Rhys). He's a reptile. And one more reason for John to be exceedingly irritated with his life.

The crime elements of the show, lest we forget them amid the personal anguish, don't really involve detection as much as John's familiarity with the lowlives of Edinburgh. Among them are Ger Cafferty (a splendidly vile Stuart Bowman), whom John tried to strangle in the back of an ambulance; Ger had rammed a car in which Rebus was driving with his friend George Blantyre (Sean Buchanan), sending George permanently into a wheelchair, and a whiskey bottle, and his wife, Maggie (Michelle Duncan), into the arms of Rebus. John Hannah and Ken Stott played Rebus in earlier series, and both have their charms, but Mr. Rankin is

one of those unorthodox casting choices that works. He isn't some macho caveman—he has to deal sensibly with his superior Gill Temple (Caroline Lee Johnson); his new partner Siobhan "Shiv" Clarke (Lucie Shorthouse), whose romance with an internal affairs officer is bad for Rebus business; and Rhona, with whom John has one of the more warmly remarkable post-divorce relationships in TV of any kind. You can certainly see that continuing into new territory. "Rebus" too.

Rebus
Thursday, Viaplay

Mr. Anderson is the Journal's TV critic.

SPORTS

The Warriors Find a New 3-Point Specialist

With Golden State star Stephen Curry out due to an ankle injury, Buddy Hield is making the most of his opportunity

BY ROBERT O'CONNELL

The Golden State Warriors opened this season looking nothing like the team that rewired the NBA by winning four championships over the past decade. Klay Thompson, the team's stalwart shooting guard, had left in free agency. Then, in the third game of the season, Stephen Curry sprained his ankle, forcing him out of the lineup.

But on the court, things have seemed awfully familiar. The Warriors keep bombing away from 3-point range. And they keep winning games.

The key to both those results is a ninth-year pro who has never made so much as a single All-Star team. In July, Golden State acquired Thompson's replacement: Buddy Hield, a well-traveled shooting guard.

And since he touched down in the Bay Area, Hield has looked like the long-lost Splash Brother.

The Warriors currently sit tied for second place in the Western Conference with a 6-1 record, and they mostly have Hield, not Curry, to thank for it. Despite coming off the bench in all but one game, Hield leads the Warriors in scoring, at 21.9 points per game, and he's shooting the ball just as well as his legendary new teammate ever has. When Curry missed three games after injuring his ankle against the Clippers—historically a disastrous scenario for Golden State—Hield netted 28, 21 and 27 points. The Warriors won all three games.

During that streak, Warriors coach Steve Kerr compared Hield to someone well known to Warriors fans: the future Hall-of-Famer who had just left his team. "Buddy is like Klay, great at catching and shooting off screens," Kerr said. "Also, they have a very similar demeanor, very much just unconscious as a shooter."

Over the summer, when it became clear that Thompson would leave the only franchise he had ever played for, Kerr and Curry were publicly despondent. Alongside Curry, Thompson had helped



Despite coming off the bench in all but one game, Buddy Hield leads the Warriors in scoring this season.

create the "Splash Brothers," the backcourt duo that turned the 3-point shot from a complementary feature to the cornerstone of basketball's most explosive offense.

But Thompson had struggled to adjust to a diminished role after leg injuries had sapped his athleticism. And his departure allowed the Warriors to make a calculated gamble. By acquiring Hield in a sign-and-trade with the Philadelphia 76ers, Golden State would be

paying the 31-year-old less than \$10 million a year—or \$7 million a season less than Thompson is making with the Dallas Mavericks.

The Warriors hoped that Hield would deliver production that not only matched Thompson's but exceeded it. That was just the opportunity Hield had always dreamed about.

Hield's had been a long basketball journey. He grew up in the Bahamas, moved to Kansas to play

high school basketball, and then he played four years in college at Oklahoma—a rarity, for today's NBA prospects. Until this season, he had been a complementary professional player, never a featured one.

Still, Hield emerged as a highly capable 3-point specialist. So he wondered what might happen if he somehow ended up playing for the team that could make true use of his talents—the one that turned

the long ball into basketball's ultimate weapon.

"I'd just known for years that the Warriors was a team I'd always wanted to play for," Hield said over the offseason. "I admire the way they approach the game, and I just want to be a part of that, and see what it's like to be on this side."

It turns out that Hield was right to wonder what might have been. Plugging himself into plays once run by Thompson, Hield has had one of the greatest introductions to a new club in NBA history. He's made the second-most 3-pointers in the NBA, with 33 through seven games. And he's connecting at a much higher rate than the other leaders, hitting on a mind-boggling 50% of his shots from behind the arc.

"Me and him have been one and two, with Klay right there, shooting 3s for the last eight years," Curry said of his new teammate. "We know what his skill set is, we know what he's capable of doing. He's been a very seamless transition."

If the Warriors have given Hield's career new life, Hield has also rejuvenated his new team. Until his arrival, Golden State had begun to look like a shambling, decrepit version of the franchise that had turned basketball on its head. Last season—even with their core trio of Curry, Thompson and Draymond Green mostly healthy—they missed the playoffs. It was an unthinkable slide for a team that had spent the decade prior shattering records and lifting trophies.

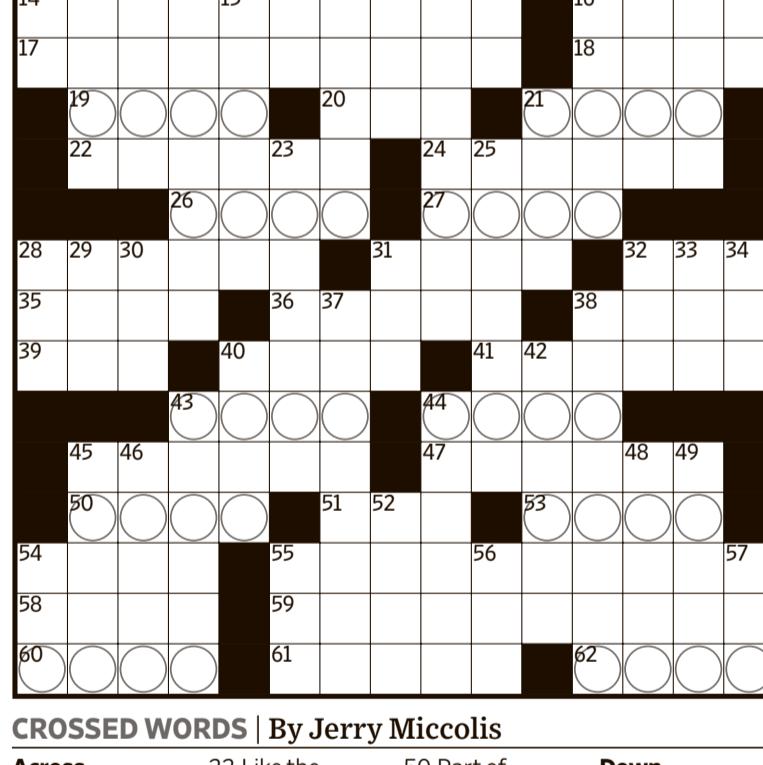
Now, with Hield in the fold, the Warriors have won six of seven games. Perhaps most impressive is their undefeated mark in the three games Curry missed. Last season, when Curry sat out eight games, the team went 3-5.

Which means the biggest problem in the Bay Area these days is the small matter of what nickname to give the new tandem. Fans have taken to calling Curry and Hield the "Splash Buddies," after the newcomer's name.

"We just gotta take it day by day," Hield said. "Let it come as it comes."

JEFF CHIU/ASSOCIATED PRESS

The WSJ Daily Crossword | Edited by Mike Shenk



CROSSED WORDS | By Jerry Miccolis

Across	22 Like the Incas	50 Part of 57-Down	Down
1 Opposite of 60-Across, and, with 10-Across, close examination	24 "Got me"	51 Co. that became part of Verizon	1 Some printers
5 Leave alone, like all but one letter in a word ladder step	28 Go to	53 Diagonal, e.g.	2 Kauai hi
10 Old magazine that rivaled 62-Across (and see 1-Across)	31 Camp sight	54 Mischievous	3 Saoirse of "Lady Bird"
14 Rutting animals?	32 DJ's collection	55 With "The," 1970 Disney movie	4 Petered out
16 17th in order of succession to the British throne	35 Consumed, in a way	58 Belgian singer-composer Jacques	5 High hit
17 "Dona Flor and Her Two Husbands" star	36 Detergent mentioned in the lyrics of a "Hair" song	59 Cookie brand originally financed by Marvin Gaye and Helen Reddy	6 Gofer's task
18 Carriage	38 Slinky, essentially	60 Opposite of 1-Across, and, with 62-Across, leisurely existence	7 Pre-1917 ruler
19 Ranch hire	39 Travel guide	61 Graff of "Mr. Belvedere"	8 Entrances
20 Indonesia's _____ Islands	40 Crooked	62 Old magazine that rivaled 10-Across (and see 60-Across)	9 "_____ es otra" ("That's different," in Spanish)
21 Pirate plunder	41 River setting, often	43 Hang in there	10 Cranston of "The Shadow"
	44 Highway division	45 Leave a mark	56 Cal. heading
	47 "La Grande Odalisque" painter	47 "La Grande Odalisque" (and see 60-Across)	57 U-turn from NNW

Previous Puzzle's Solution

S	W	A	B	G	R	A	S	S	A	D	D
T	A	M	E	R	E	B	U	T	E	R	I
E	X	I	S	A	L	A	M	O	S	A	R
T	Y	S	O	N	B	I	S	O	N	W	E
I	Z	O	N	B	I	S	O	N	W	E	N
J	A	Z	Z	E	L	E	S	P	E	R	I
O	R	E	O	W	E	T	E	A	T	P	D
S	E	A	N	N	E	G	A	G	E	I	C
H	A	L	E	E	N	G	R	E	N	G	R
A	S	E	N	S	E	S	I	N	S	E	N
L	A	N	S	E	N	S	I	N	S	E	N
E	Y	E	N	S	E	S	I	N	S	E	N
H	A	N	S	E	N	S	I	N	S	E	N
A	S	E	N	S	E	S	I	N	S	E	N
L	A	N	S	E	N	S	I	N	S	E	N
E	Y	E	N	S	E	S	I	N	S	E	N
H	A	N	S	E	N	S	I	N	S	E	N
A	S	E	N	S	E	S	I	N	S	E	N
L	A	N	S	E	N	S	I	N	S	E	N
E	Y	E	N	S	E	S	I	N	S	E	N
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A	S	E	N	S	E	S	I	N	S	E	N
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L	A	N	S	E	N	S	I	N	S	E	N
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OPINION

Fake News and the Untold Story



BUSINESS WORLD
By Holman W. Jenkins, Jr.

Thanks to print edition deadlines, I don't yet know who won. But Donald Trump, however noisily and dishonestly, has inhabited a conventional amalgam of Reaganiac and McGovernite policy positions with some Pat Buchanan and Dick Gephardt thrown in. When the hyperventilating is done, when scholars go to work, the real aberration of our time may be the Democratic Party. In three successive elections, it manufactured fake evidence that its opponent was a Kremlin agent, orchestrated an intelligence conspiracy to cover up its own candidate's family scandal, then tried to orchestrate the nomination of a senile president, which collapsed into chaos on the eve of its party convention.

An unavoidable part of this story is a blinkered national press whose self-image has fallen out of any realistic relation to its true nature, which has taken the human propensity for lickspittleism and turned it up to 11.

Fake news, real news and a press that covers up the news. I recently became aware that former Washington Post editor Martin Baron published a book last year so I borrowed a copy to see what he says about a story I covered at the time, concerning Washington Post owner Jeff Bezos' then-fanciful

claims about how an extramarital affair came to be revealed in the tabloid National Enquirer.

I also hoped Mr. Baron's book would shed light on Mr. Bezos and the Post's decision last month to refrain from endorsing in the presidential election. It does.

Fake News: Mr. Baron doesn't ultimately shade the truth (at least not much). It was Mr. Bezos' paramour's brother who sold him out to the tabloid. It wasn't a conspiracy of Saudi Arabia or the Trump administration as Mr. Bezos laboriously tried to suggest at the time. Mr. Baron will only say now his former boss accepts the truth but still "wonders" if the Saudis somehow were involved.

Yes, and I still wonder if the dog might really have eaten my eighth-grade homework after all.

Because I was right at the time, Mr. Baron naturally takes my name in vain. He misquotes me as saying Mr. Bezos was "unfit" to own the Post, which he finds "rich" because I work for a company that shares overlapping ownership with Fox News.

But his reading comprehension fails him in a telling way. I mention the word "unfit" when alluding to a 2011 scandal after our parent's then-London tabloid engaged in unethical efforts to report a true story. I noted only the irony that Mr. Bezos had tried to sell his own paper a false story.

I didn't say he was unfit; in plain words and short sentences that Mr. Baron might

understand, I said the press should apply the universal disinfectant of sunlight and report on Mr. Bezos' actions.

Real News: Ironically, then, Mr. Baron and I come down in the same place on the Steele dossier, which Mr. Baron says (twice) his reporters kept him in the dark about.

Democrats lose their minds three times, yet the press can't seem to find the news.

A "failure" he regrets is that the Post didn't provide readers with a "very different story" consisting of a "tough examination of Steele and his work."

Bingo. We don't work for our sources. When they peddle us a story, we are perfectly free to ask ourselves if their actions aren't the real story.

The pernicious alternative is the disease of clientitis—not merely using our sources for the information they provide, but adopting their goals.

Covered-Up News: And yet Mr. Baron omits any mention of the most glaring case, which happened on his watch, the Hunter Biden laptop episode. In perhaps the most stentorian display of journalistic neuroticism ever, the Post waited 17 months and then confirmed the authenticity of certain laptop emails while ostentatiously with-

holding judgment on others because they were seen only in preview mode without metadata.

This, after each sentient human knew the laptop was authentic and the real story was an effort of U.S. intelligence officials to influence a presidential election, which apparently the Post and Mr. Baron won't yet acknowledge.

After the Post's choice last month not to endorse, Mr. Baron tweeted the verdict: "cowardice."

Funny, exactly the same word occurred to me more than once while reading his book.

Mr. Bezos actually deserves some credit for his controversial choice. When the Post's reporting already isn't trusted or respected, issuing endorsements is fatuous and impotent. But the worst part for those of us still working in traditional media was the chortling of certain online influencers, whose sway often now dwarfs ours.

They were laughing, rightly, at the self-importance of many Post journalists denouncing the paper's decision. Their hilarity should become our mission statement: to stop trying to compete with them in hot takes and clicks, to use our still extensive reporting staffs instead to get back to pursuing the truth.

Cowardice was an ill-advised word choice by Mr. Baron when that's likely to be the epitaph for an entire generation of mainstream journalism.

My Shabbat Prayers for the Election



POLITICS & IDEAS
By William A. Galston

During weekly Shabbat services at my synagogue, we recite a prayer for the well-being of the United States and for the leaders who exercise "just and rightful authority." (There's been some dispute lately about whether they do.) I detected some additional fervor this past Saturday. I know I felt it.

As this column went to press, the outcome of the presidential election was unknown. With the polls so close in every state that matters, I don't pretend to know who will win. If Donald Trump can win over more minority and working-class voters, he will prevail. If Kamala Harris mobilizes an army of women angry about the overturning of *Roe v. Wade*, she will.

Both sides are suffering from self-inflicted wounds. If Mr. Trump hadn't appointed Supreme Court justices who ruled against a constitutional right to abortion, he'd be enjoying a comfortable lead. If the Biden-Harris administration hadn't waited until this year to implement any serious border-security policies, Mr. Trump would have been deprived of his strongest weapon against Ms. Harris.

Most Americans have taken sides in the presidential contest, and each side views the possible victory of the other in apocalyptic terms. The out-

come of this election will matter more than any in my lifetime, and so will the public's reaction to it. How the losing side handles its disappointment will shape the future of constitutional democracy in America.

Despite substantial evidence to the contrary, Mr. Trump has persuaded two-thirds of the Republican Party that in 2020 he was the victim of a stolen election. His recent statements on social media could lay the groundwork for similar allegations this year if the vote count goes against him. The stolen-election lie has disfigured our politics and set the stage for potential violent resistance.

Thus one of my prayers for 2024: May Mr. Trump's supporters not follow him any further down this road toward the destruction of our political institutions. If he loses, may they resist his claims of fraud and his attempts to wage war against the peaceful transfer of power.

Democrats, meanwhile, must accept the possibility that Mr. Trump wins the election fair and square. Many of them believe that a second Trump presidency would move America toward autocracy. Nevertheless, questioning a legitimate Trump victory would be wrong, as would be massive demonstrations in the streets.

Thus another prayer: If their candidate loses, may disappointed Democrats use only the legal tools at their disposal to combat any Trump administration overreaches or

breaches of law. Going further—such as by repeating the style of violent rioting that broke out in 2020 after the murder of George Floyd—would undermine their cause and open the door to an authoritarian response from the Trump administration.

May America see a peaceful transfer of power and a move toward responsibility.

Yet another prayer: May the new president take seriously his or her responsibilities, including addressing the momentous issues that were barely discussed during the campaign. For starters, the candidates have largely ignored the rapidly rising national debt. Annual interest payments on the national debt now exceed yearly appropriations for defense, and the Congressional Budget Office projects that the gap will only widen in the future. Yet we've heard next to nothing about slowing—let alone halting—the accumulation of debt held by the public that will soon exceed our gross domestic product.

Even in these times of partisan division, there's agreement across party lines that China constitutes a serious threat to the global order that America has undergirded since the end of World War II. Yet amazingly, we've heard next to nothing about China

throughout the presidential campaign, even though China's military buildup continues at a breakneck pace.

Walter Lippmann famously wrote: "Foreign policy consists in bringing into balance, with a comfortable surplus of power in reserve, the nation's commitments and the nation's power." Today, there's a major imbalance between our global commitments and the resources we can deploy to meet them. About a year before the U.S. entered World War II, President Franklin D. Roosevelt said that America "must be the great arsenal of democracy," a pledge he fulfilled. Today, we can't even supply Ukraine with the weapons it needs to defend itself without depleting our stockpiles.

Mr. Trump's solution for this imbalance seems to be to reduce our commitments, force Ukraine to sue for peace, and question our North Atlantic Treaty Organization obligations. Those who, like Ms. Harris, see this cure as worse than the disease have an obligation to lay out a serious defense plan that enables us to honor our commitments.

But here, as with our fiscal plight, our political parties have turned populist. Both tell voters what they want to hear, not what they need to hear.

Thus a final prayer: May Americans, citizens and elected officials alike, move toward a mature and realistic politics of responsibility that faces honestly the problems that will define our national destiny. God knows, we've exhausted all the alternatives.

When Is a Poll Not a Poll?

By Michael Segal

No, the election polls weren't wrong. We no longer have election polls. All we have are projections, which can be far off from reality.

In this year's New York Times/Siena College surveys, pollsters received a response from only 2% of the people they contacted, the Times reports. Response rates have been plunging for years: The Pew Research Center reported a decline from 36% in 1997 to 6% in 2019. As a result, pollsters do a lot of massaging of the data to produce a projection. They use complex models based on age, race and education, but these have plenty of opportunity for error because nonresponders can be very different from the responders. Election analysts at NBC even found evidence that pollsters manipulated their data to claim that races were

tied. They showed that projections for swing states had less than the expected statistical fluctuations.

Voters sense that polls are untrustworthy, but few understand why. Most people aren't competent in statistics and have to rely on experts to interpret the data. I'm a bit of a

When the response rate is 2%. That's a mere projection.

nerd in that regard. I hold a pair of patents in computational statistics. When I was a first-year medical student at Columbia, I used my lunch break to travel to the engineering school to take a course on probability. When I was 23, I cruised down the Nile reading a book on Bayesian statistics. From my vantage point, poll-

sters are committing statistical malpractice. Pollsters prominently tout their low "sampling error," wrapping their results in the cloak of science. Sampling error is an important statistical metric, typically framed as studying the variations in selecting balls from an urn with 1,000 red balls and 1,000 blue balls. But when the response rate is 2%, sampling error is dwarfed by projection errors from 98,000 colorless balls representing those who won't respond. Pollsters bury their response rate in the fine print, sometimes even requiring the readers to calculate how low it was. That conceals that their analysis is built on shaky assumptions.

Sooner or later, projections based on shaky assumptions are bound to fail spectacularly. In an era when people are no longer willing to trust elites, pollsters are risking a major crisis in public confi-

dence. For their own sake, they need to explore different methods, such as using paid panels followed over long periods. Gallup and Nielsen already use this approach for some reports.

There is also a public interest in pollster accuracy because projections that differ greatly from official election outcomes feed concerns that the official counts are wrong or dishonest. In an earlier era when people voted in person using paper ballots, a discrepancy between polls and official results was safely dismissed as a failure of polling. Now, with unsupervised drop boxes and voting by mail without signature verification, there is a danger that a discrepancy will be seen as a failure of election integrity—and of democracy itself.

Dr. Segal is a neurologist and neuroscientist.

BOOKSHELF | By Charlotte Gray

Temperance and Its Discontents

Firebrands

By Gioia Diliberto
Chicago, 336 pages, \$30

The 19th Amendment, granting women the right to vote, was not the only political jolt for women in 1920. That was also the year Prohibition went into effect, thanks to the 18th Amendment and to the Volstead Act that provided for its implementation.

Despite the success of the suffrage campaign, women continued to face rampant sexism and have little sway in party politics. It was Prohibition that galvanized thousands of women, on both sides of the "Wets versus Drys" battles. Through Prohibition they would learn how to build successful grassroots organizations to effect change and would prove that, then as now, women do not vote as a bloc. The names of these women are almost all unknown and rarely mentioned in Prohibition histories.

With "Firebrands," Gioia Diliberto, the author of several books on women's lives and the Jazz Age, is determined to remedy this. "In leading their crusades," the author writes, four women in particular "lifted women's voices across the land. Those voices are lifted still."

Ms. Diliberto's four firebrands are a study in contrasts. Ella Boole (1858-1952) was the president and "moral Napoleon" of the Woman's Christian Temperance Union. Boole never let the facts cramp her oratory as she railed against political corruption and the degeneracy of drink. She had political ambitions and ran (unsuccessfully) for New York's Republican nomination to the U.S. Senate. She would always be a political outsider.

Wielding far more political muscle was Mabel Walker Willebrandt (1889-1963). Willebrandt was the daughter of Midwest homesteaders who had raised her to be tough and ambitious. After qualifying as a lawyer in Los Angeles, she made a reputation for herself within Republican circles as a hard-working champion of the underprivileged, especially women. By 1921 the 32-year-old had moved to Washington to become an assistant attorney general in President Warren Harding's administration. She was now an insider, but the job was not a plum. She oversaw the enforcement of Prohibition, already recognized as an impossible task. Illegal liquor flowed across the country. Bootlegging was a thriving business; in Manhattan alone, there were around 5,000 illegal drinking spots. The newly established Prohibition Bureau was understaffed and underfunded. Few senior officials took it seriously, including Willebrandt's boss, Attorney General Harry Daugherty, who openly flouted the drinking laws.

Boole and Willebrandt may have been on the same side, but they had different motivations. Boole ardently supported temperance because she regarded alcohol as an evil that led to abused women and broken homes. Willebrandt's ambition was to become a judge; she enforced Prohibition because it was the law. She had never been a member of the WCTU, believing that legal reforms, not drinking bans, were the way to improve women's lives. She knew that trying to stomp out the speak-easies was, in Ms. Diliberto's words, "like trying to eliminate mosquitoes from a swamp." So she focused on shutting down the nation's biggest suppliers and distributors of illegal alcohol. It was an exhausting, relentless challenge.

In the early years of Prohibition, Boole and Willebrandt had an ally in the society hostess Pauline Sabin (1887-1955). Sabin believed that women should work within the system of party politics rather than attack it from outside. It helped that the Chicago-born Sabin was enormously wealthy (through marriage and inheritance) and well-connected (Alice Roosevelt Longworth was a close friend). Bored by high-society life in New York, she became a razor-sharp operator in Republican backrooms and a persuasive speaker in public meetings. Her main focus was on winning women's votes for the party, but if Prohibition was mentioned, she would express support to set a good example for her two young sons.

Mabel Walker Willebrandt came to Washington to enforce Prohibition. Her boss, the attorney general, openly flouted the drinking laws.

The fourth of Ms. Diliberto's firebrands is a deliciously flamboyant character whose career flourished under Prohibition. In 1922 the vaudeville star Texas Guinan (1884-1933) landed in New York, where she embarked on a mobster-financed career running notorious speakeasies, among them El Fey, the Salon Royale and Club Intime. She was a "big bottle blonde swathed in finery and glittering with diamonds" who "delighted audiences with her witty banter," Ms. Diliberto tells us. These audiences "thrilled at her aggressive, born-to-be-bad persona." Convinced that "the average citizen is a sucker," Guinan dismissed Willebrandt as a "mean, measly reformer." Her blatant defiance of the Volstead Act, which went largely unchecked, demonstrates the impossibility of Willebrandt's job and the ineffectiveness of Boole's sermons.

Ms. Diliberto traces the collapse of support for temperance through the braided stories of Boole's increasingly shrill rhetoric, Willebrandt's steady burnout and Guinan's growing popularity. By 1926 only 5% of the illegal booze in America had been seized and 10% of the nation's bootleg stills shut down. The courts had a four-year backlog of Prohibition cases.

Disgusted by both the lawlessness and corruption fueled by illegal booze sales, and by the hypocrisy of the Republican Party's "coconut congressmen"—dry on the outside but wet on the inside—Sabin abandoned the party and in 1929 founded the inclusive, nonpartisan Women's Organization for National Prohibition Reform. Its membership would top 1.5 million, leaving the dwindling and increasingly dowdy WCTU ranks in the dust. Meanwhile, despite her best efforts, Willebrandt failed to put Guinan behind bars and never became a judge.

By 1932 repeal became part of Franklin Roosevelt's presidential campaign. Within a year, the 21st Amendment abolished the national ban on alcohol.

Ms. Diliberto's braids get a little tangled as she crams in the details about the personal lives of her quartet plus a surfeit of other characters. Sufficient context is sometimes missing, such as the extensive roles played by organizations with male leadership, among them the Association Against the Prohibition Amendment. But Ms. Diliberto's story of four women's activism in the early 20th century is well-researched, original and refreshing, especially since this was a period, as the author points out, characterized by phenomena familiar today: "craze politicians, fake news, and a Congress in the grip of a fanatical minority."

Ms. Gray is the author of "Passionate Mothers, Powerful Sons: The Lives of Jennie Jerome Churchill and Sara Delano Roosevelt."

OPINION

REVIEW & OUTLOOK

The Federal Workforce Boom

Remember when Bill Clinton in 1996 declared that the era of big government was over? Well, it's back and bigger than ever. While neither Kamala Harris nor Donald Trump is talking about the need to shrink Washington, Elon Musk to his credit is, and it sure needs shrinking.

The left is attacking Mr. Musk, who has volunteered to run a government efficiency commission if Mr. Trump wins. He's floated the idea that he could cut federal spending by \$2 trillion. That's impossible without the entitlement reform that Mr. Trump opposes. But Mr. Musk's reform ambition is much needed in government.

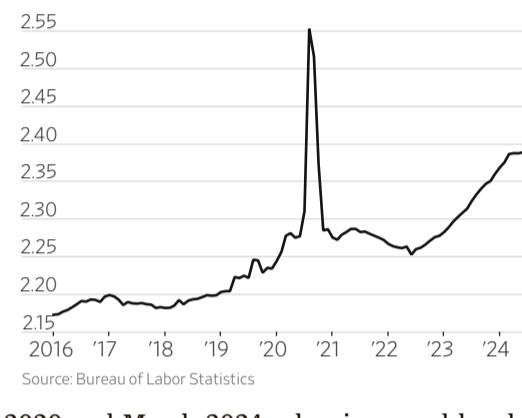
The nearby chart shows the growth in the federal bureaucracy over time. After rising modestly in the first Trump years, federal employment spiked in 2020 owing to temporary workers hired as part of the decennial Census survey. The federal workforce declined in 2021 but remained above pre-pandemic levels, and it has exploded in the Biden era.

Since January 2021, the federal workforce has increased by about 120,800 employees. Washington has added as many workers in the last two years as during the prior 13. One reason is Veterans Affairs hospitals, which have staffed up to treat aging veterans. But employment has ballooned across nearly the entire government, as quarterly data from the Office of Personnel Management show.

Between December 2020 and March 2024 (the latest data), employment has increased sharply at the Environmental Protection Agency (9.4%), Agriculture Department (9.6%), Department of Housing and Urban Development (10.7%), Internal Revenue Service (14%), Energy Department (14.8%), State Department (18.4%) and Health and Human Services (18.7%).

Independent agencies have also mushroomed, including the Consumer Financial Protection Bureau (9.8%), Securities and Exchange Commission (11.1%) and Federal Trade Commission (11.6%). Even the White House Council of

Growth in the federal workforce, 2016-2024



Source: Bureau of Labor Statistics

Economic Advisers has increased by a third during the Biden Presidency, not that economic policy has improved. A rare Biden-era exception is Defense and the armed forces (-1.2%), despite an increasingly dangerous world.

What are all of these new bureaucrats doing? Writing new rules and mandates for the rest of America to live by, and to punish citizens who don't comply. Hardly a day goes by when we don't field a call about a new costly regulation or enforcement action.

New rules can run to hundreds of pages and require battalions of lawyers, accountants and consultants to comply. The ranks of environmental consultants have increased about 20% from pre-pandemic levels, versus 5% for all jobs in the private economy. Government lawyers and consultants don't improve productivity, products or living standards.

All of this would be a ripe target for Mr. Musk, who has endured the burdens of an overgrown bureaucracy. His businesses have been besieged by an alphabet soup of agencies in-

cluding the FTC, SEC, National Labor Relations Board, Transportation Department, Federal Aviation Administration, Fish and Wildlife Service and Federal Communications Commission, among others.

Feeding on bigger government are left-wing groups like the Sierra Club and Open Markets Institute. Employment at social advocacy and environmental organizations

has increased by about 20% during the Biden years, according to the Bureau of Labor Statistics. The Administration has channeled grants and money collected from enforcement to such groups so they can file more lawsuits against companies or uncooperative states.

We didn't know the election results as we published this Tuesday evening. But if Mr. Trump wins, the growth of Leviathan under President Biden means Mr. Musk would have thousands of opportunities for government reform or program cuts. The country would be better for it.

Bernie Marcus, 1929-2024

America is slowly losing a generation of entrepreneurial giants, and the latest is Bernie Marcus, co-founder of The Home Depot, who died Monday at age 95. On the cusp of 50 years old he built a successful business that created jobs and wealth for hundreds of thousands.

Marcus was the son of Russian Jewish immigrants and grew up in Newark, N.J. He was admitted to Harvard Medical School but couldn't afford the tuition. He went to Rutgers instead, earned a pharmacy degree, and became interested in retailing.

He became the CEO of the Handy Dan chain of home improvement stores but was fired at age 49 in a fight over corporate control. He and Arthur Blank, aided by banker Ken Langone, then founded The Home Depot, opening its first two stores in 1979.

The one-stop warehouse store revolutionized the home improvement industry. Many Americans who never thought they could replace a kitchen or fix a bathroom sink learned they could. Home Depot provided the materi-

The Home Depot founder was a champion of U.S. capitalism.

Today more than 475,000 men and women provide for their families with the paychecks they earn from Home Depot. Its profits benefit shareholders by boosting their investment and retire-

ment. And its 2,300 stores in the U.S., Canada and Mexico serve millions every day with quality goods and services. That's a legacy surpassing anything the average politician, or the average Congress for that matter, ever accomplishes.

Marcus later in life contributed to these pages, usually promoting policies that would help other American entrepreneurs. (See an excerpt nearby.) While he was already rich, he wanted to ensure that others could also have the opportunity to become rich. He supported the free-market Job Creators Network and the Marcus Autism Center for kids, among other causes. But his greatest legacy was the business he built and the broad prosperity he helped to spread.

The Cure for 2024 Election Anxiety

Move over, "climate anxiety," because there's a new dread in town. A private school in New York said last week it would excuse pupils who are "too emotionally distressed" by the 2024 election. A school at Georgetown University is offering "mindfulness activities," and Middlebury College has a spot to "encounter your election anxiety with snacks, crafts and good company."

That's at America's educational institutions, but the bad vibes hardly stop there. "If we don't show up tomorrow," Oprah Winfrey told a Kamala Harris rally on Monday, "it is entirely possible that we will not have the opportunity to ever cast a ballot again." This is the most important election of our lifetimes, as they say—and as they say every four years.

Here's a mindfulness activity: Remember that America has been through a lot, and if you think 2024 is a time of peak anxiety, you must be too young to remember 1968, with its riots and assassinations of Martin Luther King Jr. and Robert Kennedy. Yet the country made it through, and the same will be true this time, no matter who wins the White House. If the politically tumultuous past nine years have proved anything, it's that America's democratic institutions are strong and resilient.

The genius of the Founders was to balance power against power. After Donald Trump's win in 2016, he struggled to get Congress to pay for his signature campaign promise, a border wall

Take a deep breath, America. Remember, we made it through 1968.

Court, in the same fashion that Mr. Biden's lawless student-loan jubilee was stopped. Ms.

Harris will probably be facing a Republican Senate, and if the GOP loses the House this year, it stands a good chance of regaining that chamber in 2026, since the party out of the White House usually wins seats. Divided government is frustrating to both sides, since it forces compromise. But that's democracy, not the end of it.

Even if the election is close and the White House result is contested, the worst-case scenarios are overwrought. After 2020 lawmakers passed the Electoral Count Reform Act to update the process for tallying the Electoral College on Jan. 6. The new version has much less ambiguity, and it says raising an objection to a state's slate of electors requires support from one-fifth of the House, plus one-fifth of the Senate. That's a much higher bar.

We don't know as we write this who is going to win, and millions will be disappointed by the result. But the brilliance of democracy is that a win—or loss—lasts only until the next election.

If a President Harris overreaches, she might find herself blocked by the Supreme

Court, in the same fashion that Mr. Biden's lawless student-loan jubilee was stopped. Ms. Harris will probably be facing a Republican Senate, and if the GOP loses the House this year, it stands a good chance of regaining that chamber in 2026, since the party out of the White House usually wins seats. Divided government is frustrating to both sides, since it forces compromise. But that's democracy, not the end of it.

Even if the election is close and the White House result is contested, the worst-case scenarios are overwrought. After 2020 lawmakers passed the Electoral Count Reform Act to update the process for tallying the Electoral College on Jan. 6. The new version has much less ambiguity, and it says raising an objection to a state's slate of electors requires support from one-fifth of the House, plus one-fifth of the Senate. That's a much higher bar.

We don't know as we write this who is going to win, and millions will be disappointed by the result. But the brilliance of democracy is that a win—or loss—lasts only until the next election.

LETTERS TO THE EDITOR

Identity Politics and U.S. Election Analysis

In describing what older and white adults may have known about Vice President Kamala Harris early in her campaign, when she had strong, surging support ("Older Whites Are Ditching Harris," op-ed, Oct. 31), Mene Ukueberuwa writes, "In fact, it's likely that Ms. Harris's race and sex were among the only things many voters knew about her at the start of her candidacy other than that she was vice president, and perhaps that she's from California."

One of the other things we knew about Ms. Harris that bears noting is that she wasn't President Biden.

Since those early days of her candidacy, however, she has more or less said that there is nothing she would do differently from him. She is, in essence, Mr. Biden.

JAMES FEATHER
Fairfax, Va.

Mr. Ukueberuwa quotes a New York Times article: "Some Democrats

fear that a segment of voters may be uncomfortable supporting Ms. Harris because of her gender or race, despite what those voters may profess to pollsters." Mr. Ukueberuwa then comments, "In other words, progressives think some voters can't be taken at their word."

To see those words in print in today's identity-obsessed media felt like a cool breeze on a hot day. Imagine that, individuals holding ideas because of their personal life experiences, beliefs, thoughts and opinions. How simple, yet how rarely acknowledged.

The other day a person who showed no other sign of intellectual incapacity said to me, "Oh, you only believe that because you're Cuban."

Stunned, I looked at her in disbelief and said, "Actually, I hold that opinion because I'm Alvaro, but have a nice day."

ALVARO MARTINEZ-FONTS
Charleston, S.C.

To Help Puerto Ricans, Repeal the Jones Act

Beyond the issues identified by Mary Anastasia O'Grady ("Puerto Rico Is a Political Football," Americas, Nov. 4), another cause of Puerto Rico's economic woes is the protectionist Jones Act. By restricting domestic water transport to those vessels registered and built in the U.S., the law produces some of the world's costliest shipping. That's no small matter for an island that counts the U.S. mainland as its largest trading partner.

A study by two Purdue University economists this year pegged the Jones Act's annual welfare burden to Puerto Rico at \$1.4 billion. Similarly, a 2020 RAND report identified the Jones Act as a leading impediment to the island's economic growth.

COLIN GRABOW
Cato Institute
Washington

Strict Electric Mandates Failed Washington

Regarding Megan K. Jacobson's "A Washington State Revolt Against the Gas-Stove Grabbers" (Cross Country, Nov. 2): Washington's electrification policies offer valuable lessons for New York's climate goals. In Washington, the push to replace natural gas with electric energy by 2030 has significantly raised housing and utility costs, burdening homebuyers and businesses. New building codes add up to \$20,000 to the cost of a single-family home, pricing out potential buyers.

This is a cautionary tale as New York faces a severe housing affordability and supply crisis. As more residents consider relocating to more affordable states, New York should pursue a balanced energy mix to avoid overreliance on electricity, especially during peak winter demand.

Rather than imposing strict mandates, New York should explore gradual incentives to help households, businesses, and homebuilders transi-

tion affordably. Washington's experience underscores the need for a resilient grid and a balanced approach to climate policy that advances sustainability without undermining public support or economic stability.

By learning from Washington's challenges, New York can follow a path toward sustainability that retains residents and supports affordability.

MIKE FAZIO

New York State Builders Association
Albany, N.Y.

The Nebraska School-Choice Fight and the Popular Will

Your editorial on Nebraska ("The Education Terminator Is Back," Oct. 30) tries to make the story about teachers unions, but it isn't. It's about Nebraska lawmakers and officials trying to prevent voters from exercising their rights.

The original law funded scholarships for private schools via tax-deductible contributions. A ballot initiative started to repeal it. To prevent that, the state legislature replaced the law with a direct appropriation program. It thought the Nebraska constitution prevented direct appropriations from being subject to repeal via initiative. The Nebraska secretary of state then decertified the original initiative.

A new initiative was started to repeal the new law. A court case was filed to stop it and the secretary of state tried to decertify the new petition. The state Supreme Court ruled against him, saying decertification "would frustrate the fundamental purpose of the referendum provision to give the people the right to vote on specific legislation."

BOB STEIN
Omaha, Neb.

Teachers unions fight school choice always and everywhere, and it matters not if the proposed program is small or large. The unions know that if it were financially possible for parents to choose what school to send their child to, it wouldn't be to their schools.

T.J. SEXTON
St. Paul, Minn.

Pepper ... And Salt

THE WALL STREET JOURNAL



"No more expense account, but here are some coupons for you."

Vote Often, Early for Curley

Andy Kessler credits Chicago for the slogan "vote early and often" ("The Hemlock Election," Inside View, Nov. 4), but an earlier version was:

"Vote Often and Early for James Michael Curley." Curley (1874-1958) was a legendary Boston political rogue,

serving as mayor (four times), governor and congressman.

How Curley's campaign jingle devolved into the less euphonious and now standard form is unclear, but the Windy City has its own proud history of political chicanery. It needs no help from the Hub.

GARY KAPLAN
Canton, Mass.

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OPINION

How to Grow Out of America's Debt Woes

By Larry Fink

No economy merits more optimism—or envy—than America's. Investors and world leaders I've spoken with this year agree on that. They're especially bullish about America's long-term prospects for remaining the 21st century's economic powerhouse.

They also agree that America has an economic Achilles' heel, which Americans themselves have been overlooking lately. It's our national debt.

From 1789 to 1989, the U.S. government amassed \$2.9 trillion in debt. Coincidentally, the infamous "debt clock" was installed near New York's Times Square in 1989. In the 35 years since, the country has

Infrastructure investment, particularly related to AI, could help tame the deficit and expand the economy.

added another \$33 trillion. In nominal terms, that's more than 10 times the debt in one-sixth the time. The more crucial measure is how fast debt has risen relative to the economy. It has grown nearly three times faster than gross domestic product. This year, net interest payments alone are projected to surpass \$890 billion, which exceeds defense spending.

By 2030 America's massive debt-servicing bill will reach a tipping point. Under current law, what the U.S. government must pay out (mandatory spending plus net interest on

debt) will overtake what the government brings in (tax revenue). In other words, the U.S. will run a permanent deficit.

Eventually, runaway debt can drag down a country's economy. For middle-class Americans, this could mean slower wage growth, fewer job opportunities, higher mortgage payments and reduced government services as more of the national budget is allocated to debt servicing.

Whoever wins on Nov. 5, tax increases and spending cuts alone won't be enough to stop the debt from expanding. Yes, fiscal discipline is important. We can't tame deficits without it. But any realistic path out of debt has to rely mainly on growth. We need to increase the size of our economy so that what we owe becomes smaller relative to what we make. If GDP rises at an average of 3% in real terms over the next five years, the country's debt-to-GDP ratio would stay roughly stable at a high, but reasonable, level.

Achieving consistent 3% growth would be a pipe dream for most other high-debt nations. Growth, after all, requires investment, and debt-strapped nations don't have money to invest. But the U.S. has something no other nation does—the world's deepest capital markets. These markets act as an additional pool of investment, helping the country grow even when public coffers are tapped out.

Today, U.S. markets have more cash ready to invest than I've seen in decades. Roughly \$23 trillion is sitting in U.S. deposits and money markets. Investors have been happy to let this money rest and earn interest, but as the Federal Reserve continues to cut rates, trillions will flow into growth-generating assets,



to the wealthiest Americans. The "AI transcontinental railroad" is already creating jobs that, as the Journal reports, "defy traditional blue- and white-collar distinctions." The technicians who maintain data centers can earn more than \$100,000 a year without a college degree. Each data center also requires thousands of skilled workers to build it.

While policymakers don't need to fund this infrastructure, policy is still crucial. In many states, utility companies have said the surge in energy demand will push their grids past capacity. Without more power generation and distribution, the country may find it difficult to supply electricity for both people and data centers. And a society that cools its servers while its citizens swelter has fundamentally misplaced its priorities.

Reform of the permit process would let the country build energy infrastructure at more than a snail's pace. Today, permitting for the average U.S. infrastructure project takes longer than building it. Extra-high-voltage power lines take 13 years to permit in the U.S., versus 3.5 years in China. That should change.

In 1989 I saw the newly installed debt clock while walking to BlackRock's one-room Manhattan office. Today, it's worth reimagining what that clock should look like. How fast the debt is rising measures only the problem. Two more measures are required to capture the solution: How fast the American economy is growing, and how much we're building.

I'm confident those two numbers can define America's economic future. Not our debt.

Mr. Fink is chairman and CEO of BlackRock.

especially infrastructure.

The \$1 trillion infrastructure sector is one of the fastest-growing private markets. This is good news for the U.S.: Historically, infrastructure has been responsible for much of our economic growth. Between 1860 and 1890, railroad expansion accounted for 25% of the increase in GDP. The same proved true for highways a century later. Investments in the interstate system drove a quarter of the country's productivity growth between 1950 and 1989.

Infrastructure investment can do the same today, especially investment in the defining piece of infrastructure in the 21st century, data centers, which are becoming far larger and more powerful with the rise of artificial intelligence.

The newest data centers can require a full gigawatt of electricity all day, every day, equivalent to the energy consumption of a midsize city.

The buildings and power supply alone can cost \$11 billion to \$13 billion. The chips and semiconductor fabs to make them cost even more. Semiconductor-lithography machines require a level of precision comparable to firing a laser at the sky and hitting a golf-ball-size object on the moon, according to Chris Miller's "Chip War: The Fight for the World's Most Critical Technology." It's as expensive as it sounds.

Historical comparisons are never perfect, but AI infrastructure could be our century's economic equivalent of the transcontinental railroad—a project that creates historic growth in countless ways from making individual workers more efficient to helping people save more for retirement. Data centers can be great investments for pension funds and 401(k)s, providing long-duration, high-coupon returns.

These benefits won't accrue only

Election 2025: Ritchie Torres for New York Mayor



New York Mayor Eric Adams doesn't face voters for another year, but what are the chances he makes it to Election Day?

Mr. Adams ran in 2021 as a moderate Democrat, and his campaign focused on public safety. He

resisted calls from progressives to reduce funding for law enforcement, and he didn't shy away from defending the police. Shootings and homicides have declined over the past year, but felonies overall remain well above pre-pandemic levels. Shopkeepers in New York padlock everyday items such as laundry detergent and toothpaste to prevent theft. Only 45% of residents say they feel safe riding the subway, according to a spring survey conducted by the Metropolitan Transportation Authority, which is down from 54% in 2023.

Mr. Adams also bungled the migrant crisis that has plagued other big cities over the past four years. Seeking headlines, he announced in 2022 that unlike in places such as

Texas, illegal immigrants would be welcome in New York, where they would be housed and fed on the taxpayer's dime, no questions asked. Foreign nationals arrived by the tens of thousands, forcing the city to turn hotels into makeshift shelters and exacerbating a pre-existing housing shortage.

These issues notwithstanding, the mayor's biggest concern between now and next November is simply staying out of prison. A federal grand jury indicted Mr. Adams in September following a lengthy corruption investigation. He has been charged with accepting illegal foreign contributions in exchange for political favors and could face 20 years in prison if convicted.

"I ask New Yorkers to wait to hear our defense before making any judgments," he said, vowing to stay in office. And like anyone else accused of wrongdoing, the mayor deserves his day in court.

New Yorkers can be an impatient bunch, and his political rivals smell blood. According to a New York Times/Siena College poll released in late October, 53% of registered voters want Mr. Adams to step down, and only 40% want him to finish his

term. His job-approval rating is 26%. Several top officials in the Adams administration, including the police commissioner and schools chancellor, have already resigned. Hizzoner's days in office may be numbered.

Which brings us to the roster of potential replacements. Among the names being floated is Letitia James, the state attorney general,

As rivals circle incumbent Eric Adams, the moderate Bronx congressman deserves a serious look.

who won a \$454 million civil fraud claim against Donald Trump. How long she'll be able to brag is unclear. Mr. Trump has appealed the ruling, and at a hearing in September several members of a five-judge panel questioned the size and soundness of the judgment.

Another possible candidate is Andrew Cuomo, the three-term former governor who resigned in 2021 over sexual-harassment allegations.

Mr. Cuomo is less progressive than Ms. James and presumably would have an edge in fundraising and name recognition—his father was also governor—but he still represents the past. If New York City Democrats want to focus on the future, they should think outside the box.

One up-and-comer who deserves serious consideration is 36-year-old Ritchie Torres, the congressman from New York's 15th District, which includes much of the Bronx. Mr. Torres is a gay man who is both black and Puerto Rican. His South Bronx constituents are some of the poorest in the state, but he also represents the Riverdale section of the borough, which is affluent and heavily Jewish. The congressman has made a name for himself by strongly supporting Israel in its war against Hamas, as well as by pushing back at fellow Democrats eager to cast Israel as the oppressor.

During a discussion of black-Jewish relations earlier this year, Mr. Torres explained that many outspoken progressives in Congress—like Reps. Cori Bush, Ilhan Omar and Alexandria Ocasio-Cortez—give the

wrong impression about how most blacks and Hispanics view Jews and Israel. "Yes, the Squad represents a visible vocal minority within the Democratic caucus," he said. "But a majority of the [Congressional Black Caucus] and the [Congressional Hispanic Caucus] have a pro-Israel voting record."

Mr. Torres also stressed the importance of focusing on the pragmatic needs of voters rather than pitting one group against another. "You look at New York City neighborhoods, whether it's northeast Bronx, primarily black; South Bronx, primarily Latino; southeast Queens, primarily black," he said. "Ideas like . . . [boycotting Israel] and anti-Zionism have no real currency there because, if you're a single mother of color in the Bronx and you're struggling to put food on a table and pay the bills, the farthest thing on your mind is Israel or Palestine."

If New York City Democrats are looking for someone unafraid to call out progressive extremism and bring the same common-sense approach to New York City governance that Mr. Torres has brought to Congress, he might be their guy.

Will the Next President Do Something About the Opinion Glut?

By Joseph Epstein

A word I haven't heard in conversation or seen in print for a long while is "opinionated." Always meant critically, the word's core definition is "conceitedly assertive and dogmatic in one's opinions." The reason I haven't heard or seen the word much recently is that, with the advent of cable news channels, with their opinion-spouting panelists, opinionatedness became all but a profession. Panelists are on cable news shows to express their opinions, and they do so on all subjects unflinchingly, often vehemently.

These opinions are usually aligned with an individual panelist's politics. The opinions are almost invariably confident rather than tentative, and they are on subjects very much across the board: the North Atlantic Treaty Organization, inflation, the most recent polls, Bibi Netanyahu, the conduct of political candidates, terrorism, abortion and

whatever else you happen to have around the house. Opinions come easily to these cable-channel news panelists, some of whom, both on the left and on the right (names on request), elide easily from opinions to full-blown rants.

I have never been invited to appear on a cable news channel, but I have fantasized about it. To the first question I am asked, I reply, "Haven't a clue." To the second, "Actually, it never occurred to me." And to the third, "Really couldn't care less." Such admissions of ignorance or lack of concern make it unlikely I should ever be invited back, which would be fine with me.

Opinion itself is a complex matter, one on which it is possible to have opinions. Paul Valéry wrote: "Credulity and falsehood copulate, and give birth to opinion." Opinions can be highly intelligent, foolish, negligible or vile. Having opinions is common enough; fairly judging the value of others' opinions—the quality of their

formulation, their truth quotient, their ramifications—is something else.

The power of opinions, especially in a democracy, is nearly beyond reckoning. Alexis de Tocqueville is someone who, in "Democracy in America," did reckon with it. "I know of no country in which, speaking generally, there is less independence of mind and true freedom of discussion than in America," Tocqueville wrote. "Once an opinion has spread on American soil and taken root there, it would seem that no power on earth can eradicate it." Tocqueville felt this was much truer of democracies than aristocracies. "When an opinion has taken root in the minds of the majority," he wrote, "it afterwards persists by itself, needing no efforts to maintain it since no one attacks it."

This may be even truer now. Consider the opinion that racism in America is "systemic." Or that women have been too long been repressed in public life and have been

come full-fledged victims. Or—now on its way to becoming an established opinion—that the desire to transgender oneself is perfectly normal and ought to be encouraged. In a country where cancellation for

Tocqueville said the U.S. lacked 'independence of mind'—and he never even heard of cable news.

holding the wrong opinions has become more common, disputing established opinions can prove costly.

For the past few months the U.S. has been radically divided between those suffering Trump Derangement Syndrome and those appalled by the prospect of what I have come to think of as KamalaKaze—fear of national suicide by left-wing politics. In the current climate, calmly set out opinions have become rare. People who once merely had standard opin-

ions have now become fully opinionated.

Many have had their opinions disqualified after coming out in support of Donald Trump. Mr. Trump's supporters, meanwhile, view Kamala Harris with a merciless contempt that itself can be described only as opinionated. On the subject of each other, Mr. Trump and Ms. Harris are themselves fully opinionated. The Trump campaign has in fact blamed the virulent opinions of the Harris campaign for bringing on two assassination attempts.

The only recourse we have here is to moderate our own opinions while developing an imaginative tolerance for those opinions with which we disagree, excluding of course those traditionally barbaric opinions—racism, antisemitism, misogyny—fully deserving of our deepest antipathy. You may disagree. Fair enough. Mine, after all, is only an opinion.

Mr. Epstein is author, most recently, of "Never Say You've Had a Lucky Life."

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Notable & Quotable: Minority Entrepreneurs

Home Depot co-founder Bernie Marcus, who died Tuesday at 95, writing for the Journal, Jan. 9, 2023:

No one has seen entrepreneurship help minorities improve their economic circumstances more than I have—and that's not only because I'm 93. . .

Entrepreneurship offers all Americans, no matter their background, a way to achieve financial independence and the American Dream. Entrepreneurship rewards goods and services that the market values in

dependent of the financial resources, SAT scores or personal pedigrees of the people selling them. . .

You can see the entrepreneurs driving around town in their trucks full of tools and material. Many of them are minorities. They don't consider themselves victims of racial wealth or income gaps; they are actively overcoming economic disparities through work.

That isn't happening only in building and landscaping. In almost every part of the economy, you'll

find entrepreneurial minorities breaking through difficult circumstances to achieve and live the American Dream. Accelerating this process is the key to bridging the country's economic divides. . . .

The biggest victims of bad government policy aren't the elite; they will always be able to get into good schools and get their foot in the door of corporate America. The people hurt most by big government are those who lack advantages in becoming economically independent, often minorities



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U.S. Apartment Demand Heats Up

Landlords likely will have more pricing power next year if the trend continues

By WILL PARKER

The biggest apartment construction boom in four decades flooded the market with new supply over the past two years. Apartment owners had to contend with a surge in empty units.

That is starting to change. The vacancy rate, or the share of apartment units that are empty, stopped rising for the first time in three years last quarter, as demand for apartments rose to its highest levels since 2021, according to CoStar.

The more than 1.2 million new apartment units that were built during the past two years are filling up. If that demand is sustained, if the economy remains strong and if housing prices remain near records, landlords likely will have more pricing power starting sometime next year. That could allow building owners to raise rents more than they have recently.

Some 672,000 new apartment units will have been completed by the end of this year, but only about half that number is expected in 2025, and even fewer in 2026, CoStar said.

"The worst of the pressures on pricing from new supply are likely behind us," said Eric Bolton, chief executive of publicly traded landlord **Mid-America Apartment Communities**, on an October earnings call.

Housing affordability has become a hot-button election issue at the federal and local



Landlords of new luxury buildings in Austin, Texas, are still offering big concessions, such as months of free rent, to fill units.

levels. Any sign that rents are poised to rise in 2025 could intensify pressure on the new administration to address housing costs. President Biden announced a plan over the summer to cap rent increases, though it would need to pass Congress.

Nationally, sales of apartment buildings also have started to pick up again, as investors become more confident that the market is bottoming and sellers are more willing to acquiesce on price.

Renters were hit hard by the historically high rent increases during the pandemic

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years, especially in Sunbelt cities, such as Phoenix and Tampa, Fla., where rents rose 20% or more during 12-month periods.

Rents for new leases nationwide have held close to flat for more than a year. That is due in part to a big split between supply-heavy Sunbelt cities, some of which have seen rent cuts, and the rest of the country, which hasn't.

Renters who choose to renew their leases were still paying a 3.5% rent increase on average as of this past August, the most recent month data

U.S. apartment vacancy rate, quarterly



Note: Includes new-construction buildings in lease-up phase.

Source: CoStar

Boeing Machinists Return to Work Today

By SHARON TERLEP

Boeing's machinists will begin returning to work on Wednesday, ending a paralyzing strike and restarting the plane maker's factories.

Members of Boeing's largest union voted in favor of a new contract that delivers a 38% wage increase over four years for 33,000 machinists in the Pacific Northwest. Their strike, which began on Sept. 13, has idled factories that make the company's bestselling 737 jets.

The walkout has strained the finances of a critical American manufacturer that has been hobbled by quality problems and deep losses in its commercial and defense operations. Chief Executive Kelly Orberg is cutting 17,000 jobs while raising more than \$24 billion in equity to keep the company afloat.



Union members after announcing they voted to accept a new contract offer Tuesday night.

The strike is estimated to have cost \$11.6 billion, according to economist Patrick Anderson, making it the costliest stoppage in decades, exceeding

recent strikes by the United Auto Workers and other unions. His estimate includes lost wages, losses to Boeing, its suppliers and customers.

Shares of Boeing fell about 2% on Tuesday. The stock has declined about 30% so far this year.

The end of the strike prom-

ises to bring some relief to Boeing's sprawling supply chain and airlines that rely on 737s, such as Ryanair and Southwest Airlines. Some have had to curb schedules, furlough workers or lower financial targets as they await delayed Boeing planes.

On Tuesday, fuselage maker **Spirit AeroSystems** warned in a regulatory filing about its ability to continue as a going concern. Boeing agreed in July to take over the money-losing supplier.

Restarting factories that build Boeing's bestselling 737 and other jets will take weeks, and the company has said that it would be months before Boeing reaches the production levels that it had previously hoped to reach by the end of this year.

"This contract was different,

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TSMC Technology Found in Huawei AI Chips

Some of the world's most-guarded semiconductor technology has ended up in China's **Huawei Technologies**' new artificial-intelligence chips, showing the limits of the U.S.'s broad attempts to thwart such hardware linkups.

By Yang Jie in Tokyo and Joyu Wang in Taipei

Core circuitry produced by **Taiwan Semiconductor Manufacturing** Co. was found in Huawei's Ascend 910B chips, according to people familiar with the matter and TechInsights, a Canada-based research firm that conducts product teardowns which have hit Washington's radar before.

The Huawei AI chip is one of China's top homegrown alternatives to Nvidia's high-end offerings that remain off-limits to buyers in China. Some of the technology originates from TSMC, the world's largest contract-chip manufacturer, whose market capitalization of roughly \$1 trillion exceeds that of Tesla and Walmart.

The episode underscores the tall task of stifling China's tech supply chain, despite a thicket of U.S. export controls and sanctions. Huawei, which has been bolstered by billions of dollars in state support in recent years, has become one of China's tech national champions and sits at the forefront of the country's AI ambitions.

Core to the Biden administration's strategy is impeding China's efforts in AI, which carry national-security implications because of their potential military applications. The Commerce Department's Bureau of Industry and Security said it remained committed to "ensuring compliance" for the China-related export controls with advanced chips and noted it was aware of recent reports of potential violations.

The TSMC circuitry in question should be inaccessible to Huawei, which has faced U.S. sanctions since September 2020 over national-security concerns.

Based on a preliminary internal investigation, TSMC believes its technology was routed somehow through Sophgo, a Chinese chip company, though others could be involved, according to people familiar with the matter. A less-likely scenario discussed internally involves the TSMC circuitry—or "die" in chip-industry parlance—having been culled from a Huawei stockpile amassed by

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ADM Discloses More Accounting Problems

By PATRICK THOMAS

Agriculture company **Archer-Daniels-Midland** disclosed more accounting problems and will amend some past financial results while slashing its profit forecast for the year.

ADM said that it found more misclassified intersegment transactions between all of its major business segments—Ag Services and Oilseeds, Carbohydrate Solutions and Nutrition—during its third quarter that ended Sept. 30.

The company plans to restate its 2023 annual filing and quarterly reports for the first half of this year after discussions with the Securities and Exchange Commission. The changes aren't expected to have a material impact on its results, the company said.

ADM also reported preliminary quarterly results below analysts' expectations and delayed its Tuesday morning earnings call with analysts.

The company in January said it was reviewing its internal accounting practices and suspended its chief financial officer, Vikram Luthar. ADM, which makes a variety of food ingredients, biofuels and oils from processed crops, said in March that it found some products sold internally between business divisions were priced at a discount compared with their market rates. The company said in March that the Justice Department had started probing its finances and had subpoenaed current and former employees.

In July, ADM named former 3M CFO Monish Patolawala as its new finance chief after it said Luthar would resign Sept. 30.

ADM's stock is down about 29% so far this year. The grain trader on Monday cut its full-year adjusted earnings forecast to between \$4.50 a share and \$5 a share, down from its prior guidance of \$5.25 a share to \$6.25 a share. The

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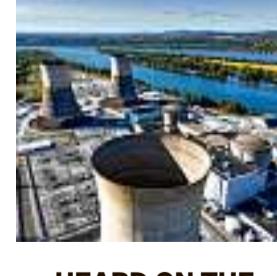
INSIDE



EVELYN FRIDA FOR WSJ

PROPERTY REPORT

New York's Domino Sugar Factory, now offices, is still seeking tenants. B6



HEARD ON THE STREET

What's next for nuclear energy amid the AI boom. B12

Bernard Marcus, Co-Founder Of Home Depot, Dies at 95

By JAMES R. HAGERTY

After getting fired together from a hardware business in the 1970s, Bernard Marcus and Arthur Blank set out to build their own retail chain. Starting with a few stores in Atlanta, they built **Home Depot** into a national powerhouse that made them both billionaires.

Marcus, who retired as chairman in 2002, died at age 95, Home Depot announced Tuesday.

The partners founded Home Depot in 1978, creating a chain of warehouse-style stores with bare-concrete floors where forklifts tooted their horns as customers searched for paint, lumber, tools and other hardware stacked high. When they opened their first store, they handed out orange aprons to their staff and predicted that rivals would "choke on our sawdust."

At first, customers were scarce. A special offer of \$35 for fireplace screens, sold



Arthur Blank, beside the TV, and Bernard Marcus, behind it, founded Home Depot in 1978 and became billionaires from it.

Born on May 12, 1929, Bernard Marcus was the son of Russian immigrants who lived in Newark, N.J., where his father was a cabinet maker—"strong as an ox, a great craftsman but a terrible business

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B2 | Wednesday, November 6, 2024

THE WALL STREET JOURNAL.

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Huawei Uses TSMC's Technology

Continued from page B1
fore the U.S. sanctions hit more than four years ago, the people said.

What Sophgo may have purchased from TSMC hasn't previously been reported. A TSMC spokesman said it would take prompt actions, including investigations, should any concerns arise and be in touch with U.S. officials.

TechInsights is a chip-industry research firm founded in 1989. On its website, the firm says its semiconductor reverse-engineering, teardowns and market analysis have an audience of more than 650 companies and 100,000 users.

Two TechInsights reports, published last month, established a link between TSMC's circuitry and the Huawei AI chip.

The orders to Sophgo were flagged internally at TSMC last month, according to people familiar with the matter. The Taiwanese chip maker has also recently canceled Sophgo's orders

considered suspicious and reported the case to U.S. regulators, the people said.

After The Wall Street Journal asked for comment last month, Sophgo denied any business links to Huawei in a statement posted on the company's social-media account. The Chinese company added it had shared a detailed investigation report with TSMC to prove it wasn't involved. Reached on Tuesday, the company referred to its prior statement.

The TSMC circuitry initially bought by Sophgo could have been offloaded into gray markets, industry officials say, which some chip buyers do when they end up with excess inventory.

Huawei said it hasn't produced any chips via TSMC since being sanctioned by the U.S. The Ascend 910B sits among Huawei's top AI-related chips, designed for high-performance computing and intensive AI applications.

A separate TechInsights teardown last year on a different Huawei chip prompted a Commerce Department review. Echoing the report's findings, Commerce Secretary Gina Raimondo said the U.S. export controls had succeeded at limiting the Huawei chip's performance, making it "not nearly as good" as cutting-edge alternatives.

Hugo Boss Profit Falls on Luxury Downturn

By ANDREA FIGUERAS

Hugo Boss reported a decline in third-quarter profit, chiming with a wider downturn in demand for high-end goods, particularly in China, that has hurt many of its peers in the luxury sector.

The German premium apparel company on Tuesday reported net profit of €55 million, or \$59.8 million, for the three-month period compared with €63 million in the year-earlier quarter.

The figure missed analysts' expectations of €56 million, according to a poll of estimates provided by the company.

Sales were flat year over year in reported terms at €1.03 billion, compared with analysts' projections of €1.02 billion, according to the same consensus. On a constant-currency basis, sales grew 1%. Earnings before interest and taxes dropped 7% to €95 million.

Performance improved gradually quarter over quar-

Hugo Boss sales by region, change from a year earlier

*Europe, the Middle East and Africa. Sources: S&P Capital IQ; the company

ter with similar trends continuing into October, Chief Financial Officer and Chief Operating Officer Yves Mueller said in an earnings call.

He stressed caution about the next quarters amid an uncertain consumer and macroeconomic environment.

The update weighed on the stock. Its shares closed down

4.3% at €41.20 in Germany Tuesday.

The overall market was affected by persistent subdued consumer demand, particularly in China, the group said. Quarterly sales fell 8% in reported terms in the Asia-Pacific region.

The German company has been trying to revitalize both its Hugo and Boss brands. However, like many of its peers, it is grappling with waning demand for high-end bags and clothes, especially in China.

Hugo Boss now plans to focus on bigger stores in China to improve customer experience, Mueller said.

In Western markets, inflation and price increases have hurt demand, especially

among less-wealthy consumers.

In addition to the slowdown in sales growth, luxury companies pursuing a turnaround by overhauling brands face more challenges as consumers have become more selective and prefer to buy well-established labels.

Hugo Boss said it was able to improve productivity and effectiveness on the back of the cost measures it implemented earlier this year.

An intensified focus on cost efficiencies has started yielding benefits, Mueller said.

By maintaining this discipline going forward, the company will be able to manage short-term macroeconomic headwinds, he added.



The ADM Innovation Food Lab in Manchester, England.

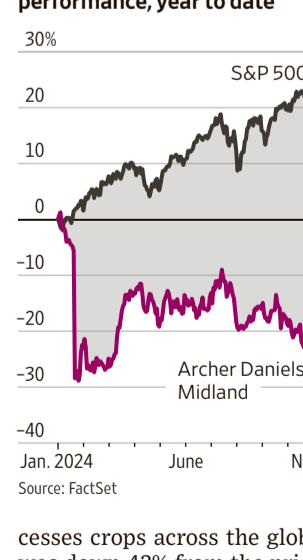
ADM Trims Its Profit View

Continued from page B1
company blamed internal operational challenges, poor market demand and legislative and regulatory policy uncertainties.

ADM said Monday that it plans to add further training and other internal controls related to its accounting practices.

For its third quarter, the company reported a profit of \$18 million, down from \$821 million a year ago. Adjusted earnings were \$1.09 a share, below the \$1.24 a share Wall Street analysts were expecting. On Tuesday, the company's shares fell about 6%.

The company said the operating profit for its largest division that ships and pro-



cesses crops across the globe was down 43% from the prior year as falling grain prices and an overcapacity of biofuels processing weighs on the industry.

"Our third-quarter operating results were mixed in a challenging quarter for the business," ADM Chief Executive Juan Luciano said.

Boeing Strike Is Over

Continued from page B1
we had massive leverage this time," Jon Holden, president of the local chapter of International Association of Machinists and Aerospace Workers said in announcing the results. "This was a defining moment tonight. It's time for us to come together."

In the end, Boeing nearly matched the union's initial demand for a 40% wage increase. The increase was up from Boeing's original offer of 25%. After sweetening its wage proposal, Boeing said the average machinist's wage would reach about \$119,000 at the end of the deal.

Boeing's third offer got the support of 59% of the votes cast by union members. Holden said about 26,000 members voted for the deal, which also included a \$12,000 ratification bonus and pledge to build the next plane in the Pacific Northwest. Boeing builds the widebody 787 at a nonunion factory in South Carolina.

The episode shows the tall task of stifling China's tech supply chain.

BUSINESS & FINANCE

Nintendo Cuts Outlook for Switch

By KOSAKU NARIOKA

Nintendo cut its annual forecasts for Switch sales and overall revenue after disappointing first-half results, reflecting its challenges in shoring up earnings without a new console despite some successes in its diversification efforts.

The Japanese videogame maker said Tuesday that net profit dropped 60% from a year earlier to ¥108.66 billion, equivalent to \$714.2 million, for the six months ended Sept. 30. That missed the ¥134.7 billion estimate in a poll of analysts by data provider Visible Alpha.

The company now expects to sell 12.5 million Switch consoles for the fiscal year ending March 2025, down from 13.5 million units forecast previously, and 160 million software copies, lower than its previous view of 165 million copies.

Nintendo has said it will announce a successor to its aging Switch console, now in its eighth year on the market, by the end of March. It has sold 146 million Switch units as of September.

Shares of the Kyoto-based company have risen 4% this year, underperforming the Nikkei Stock Average's 15% gain, as it keeps fans and investors in the dark about its next-generation console.

The Japanese videogame maker has been diversifying its revenue streams, offering other forms of entertainment by leveraging its popular characters and game series. Last Thursday, it launched a mobile app that lets users download and stream game soundtracks.

Nintendo also plans to produce new films based on the



RUNGROJ YONGGRIT/EPA/SHUTTERSTOCK

The reduced Switch sales projection follows Nintendo's disappointing first-half results.

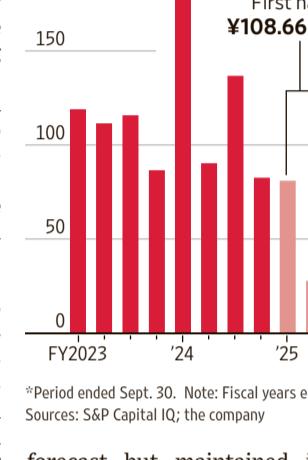
"Super Mario" and "The Legend of Zelda" game series.

Last month, it opened a museum showcasing its past gadgets and popular games after renovating a factory that once produced Hanafuda playing cards, its first-ever product.

First-half revenue declined 34% from a year earlier to ¥523.30 billion as Switch hardware sales dropped 31% to 4.72 million units and software sales fell 28% to 70.28 million copies.

Console and software sales in the year-earlier period were boosted by hit title "The Legend of Zelda: Tears of the Kingdom." Mobile and intellectual-property-related income fell 43% to ¥31.2 billion from a high base owing to the blockbuster success of "The Super Mario Bros. Movie" last year.

Nintendo cut its revenue

Nintendo's quarterly profit

*Period ended Sept. 30. Note: Fiscal years end March 31; ¥1 billion = \$6.57 million

Sources: S&P Capital IQ; the company

forecast but maintained its view for net profit to drop 39% to ¥300.00 billion for the year ending March. It now expects

revenue for the fiscal year to decline 23% to ¥1.280 trillion, compared with its previous forecast of a 19% fall.

Nintendo Switch unit sales

*Period

BUSINESS NEWS

Restaurant Brands Profit Slips

Burger King owner says a difficult consumer climate weighs on sales

BY HEATHER HADDON

Burger King's parent company said it needs to offer better value to cash-strapped diners, as a tough consumer environment weighs on sales.

Restaurant Brands International's adjusted third-quarter earnings and sales came in slightly below analysts' expectations. Same-store sales also missed most analysts' targets. The fast-food chain owner said it needs to invest more in its China business, following soft sales growth there.

The company's U.S.-listed shares fell 2.7% on Tuesday.

Both Restaurant Brands International and rival Yum Brands, owner of KFC and Taco Bell, said Tuesday that they are working to offer the right value options for consumers, in an increasingly competitive landscape.

Restaurant Brands International said that U.S. same-store sales for its Popeyes division fell 3.8%, and the chain is working to offer deals costing \$5 or \$6.

"We know we need to provide better value," RBI Chief Executive Josh Kobza said on an earnings call. Executives said franchisee profitability is improving and the chain is



The fast-food company logged a slight fall in net income attributable to common shareholders.

making progress renovating restaurants.

Toronto-based Restaurant Brands said that it may miss or be at the lower end of its annual global unit growth targets of 5%, as a result of challenges in its international business, particularly China.

The company is working to end its agreement with its

current Burger King master franchisee in China and recruit a new one.

In the third quarter, Restaurant Brands' net income attributable to common shareholders was \$357 million, slightly lower than last year. Earnings per share adjusted for one-time items came in at 93 cents.

Total revenue rose to \$2.29

billion, boosted by Restaurant Brands' purchase of franchisee Carrols Restaurants. Analysts had expected \$2.32 billion in revenue.

Global same-store sales across RBI brands increased 0.3%, but declined at Burger King by 0.7%. Restaurant Brands still expects to meet its adjusted operating income target for 8% growth this year.

Over the weekend, a group of eight OPEC+ members led by Saudi Arabia and Russia opted to extend voluntary production cuts until the end of December.

They had originally planned to start returning 2.2 million barrels a day of sidelined supply to the market in October.

Saudi Arabia's oil minister had warned prices could fall as low as \$50 a barrel if OPEC chose to bring back the curbed supply. The Wall Street Journal reported last month.

OPEC and the International Energy Agency trimmed their global demand forecasts for a third consecutive time last month, citing slower demand in top crude importer China.

Aramco said the average price it received for its crude oil products in the quarter fell to \$79.3 a barrel from \$89.3 a

Lower Oil Prices Pressure Aramco

BY CHRISTIAN MOESS LAURSEN

Saudi Arabia's national oil company, Aramco, said its third-quarter profit fell on lower oil prices and weak refining margins that pushed its downstream division to a loss.

The fall follows a trend seen among the world's largest hydrocarbon producers, with companies on both sides of the Atlantic suffering from lower oil prices and weaker refining margins in the quarter.

Saudi Arabian Oil Co., known as Aramco, said Tuesday that it booked a quarterly net profit of \$27.56 billion, down from \$32.58 billion a year earlier. Analysts had expected \$26.89 billion, according to a consensus averaged by Visible Alpha.

Global refining margins have fallen sharply because of weaker demand and new refineries coming online.

This led Aramco's downstream business to swing to a loss of \$1.78 billion from earnings of \$5.26 billion last year. The segment handles the refining of crude oil and gas into fuel, while the margins indicate the difference between the cost of crude oil and the value of the refined products.

Earnings from its upstream division—which includes the extraction of oil and gas—fell 13% to \$52.82 billion due to weak prices and lower volumes sold. Its quarterly oil-and-gas output fell slightly to 12.7 million oil-equivalent barrels a day from 12.8 million barrels a year ago.

The company, one of the most valuable globally by market capitalization, declared a base dividend of \$20.28 billion and a performance-linked dividend of \$10.77 billion to be paid in the fourth quarter.

Saudi Arabia, the world's biggest oil exporter, holds around 81% in the company. Aramco's payouts help the kingdom fund ambitious projects and diversify its economy.

Sales Decline at KFC, Pizza Hut Hits Yum Brands

BY HEATHER HADDON

Fast-food restaurant owner **Yum Brands** said geopolitical turmoil and consumers' pessimism about the economy hurt sales in its latest quarter.

Same-store sales declined 4% in its Pizza Hut and KFC chains in the three months ended Sept. 30. Taco Bell was Yum's best performer, with same-store sales growth of

4%, outpacing analysts' expectations.

Yum Chief Executive David Gibbs said brands performed well in a challenging environment.

Yum shares climbed 1.5% in Tuesday's trading.

Restaurant chains have been under pressure this year as U.S. consumers have pulled back on discretionary spending. Global brands such as

McDonald's and **Domino's Pizza** have reported choppy sales internationally as well, including in Europe, China and the Middle East.

McDonald's said last week that it was gaining back lower-income consumers with deals, but that customers across the world remained tight on discretionary spending.

In the third quarter, Yum's

net income declined to \$382 million.

Earnings per share adjusted for one-time items were \$1.37. Analysts had projected \$1.41 a share.

Revenue increased 7% from a year earlier to \$1.83 billion, below analysts' expectations for \$1.9 billion.

Global same-store sales fell 2%; analysts expected a slight rise.

Over the weekend, a group of eight OPEC+ members led by Saudi Arabia and Russia opted to extend voluntary production cuts until the end of December.

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Who's Who of Distinguished Leaders: 2024 Honorees

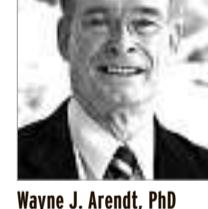
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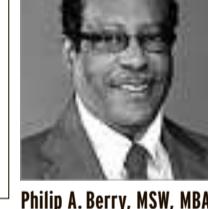
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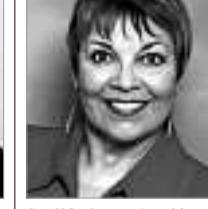
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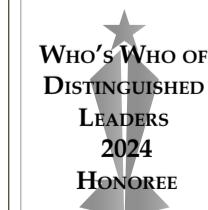
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TECHNOLOGY

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U.K. Officials Offer Path to a Merger Of Vodafone, Three

By ELENA VARDON
AND NAJAT KANTOUAR

Vodafone Group's deal to merge its U.K. business with rival operator Three can move forward if competition concerns are addressed through network investment and customer protections, the U.K.'s antitrust authority said.

The Competition and Markets Authority on Tuesday provisionally cleared the deal that is poised to shake up the country's telecommunications market on the condition that certain remedies are implemented.

The remedies include a legally binding multibillion-pound commitment to upgrade the U.K. network of the merged group over eight years and to keep certain mobile tariffs and data plans for at least three years to ensure retail customers can secure good deals while the network integrates and investments are rolled out, it said.

In September, the CMA said an in-depth probe into the deal provisionally concluded that the combination could result in higher prices for tens of millions of mobile customers in the U.K. and not necessarily lead to higher network investment.

U.K. telecoms group Vodafone and **CK Hutchison Holdings'** Three struck a deal to combine their U.K. businesses in June 2023. Vodafone would own 51% of the merged entity and the remaining 49% would be in the hands of the Hong Kong-based conglomerate.

Both parties rejected the CMA's findings in September. Later that month, they set out remedies to address the con-

cerns, pledging to invest 11 billion pounds, or \$14.25 billion, to create an advanced next-generation 5G network. They also proposed to cap prices for Smarty-brand customers at £10 or below a month for two years from the completion of the merger, and continue measures to protect registered vulnerable customers.

Vodafone and Three said on Tuesday that the CMA's decision seems to provide a path to the final clearance of the deal, adding that they need to study the regulator's suggestions in detail. The companies will also publish a working paper for a final round of consultation.

"An appropriate balance appears to have been struck by ensuring that the significant benefits of the merged company's investments can be realized in full and at pace to the benefit of the country and its citizens, while addressing the CMA's stated concerns," a Vodafone spokesperson said.

The U.K.'s digital infrastructure lags significantly behind its European peers and the merger is the opportunity to change this, Vodafone said.

The regulator is seeking feedback and will make a final decision by Dec. 7.

"We believe this deal has the potential to be pro-competitive for the U.K. mobile sector if our concerns are addressed," said Stuart McIntosh, chair of the inquiry group leading the CMA's investigation.

The clearance of the deal should contribute to improving cash flows after investments for the involved companies, ING analyst Jan Frederik Slijkerman wrote in a note to clients.



The sports-car maker cited richer product and country mix as well as increased customization requests.

14.25B

Dollar amount the two telecoms pledged to create an advanced 5G network

Shares finish lower as some metrics come in slightly below estimates

By MAURO ORRU

Ferrari posted higher sales and earnings in the third quarter and backed its annual guidance, racing ahead of other carmakers that are grappling with falling sales amid a slow shift to electric vehicles and challenges in China.

The Italian luxury sports-car maker reported sales of €1.64 billion, or about \$1.78 billion, up 7% on year even though the company shipped 3,383 vehicles to customers—76 fewer than a year earlier.

Analysts had forecast nearly €1.66 billion in sales and about 3,453 shipments, according to consensus estimates by Visible Alpha.

The company said the Ferrari Purosangue, Roma Spider



DANIELE MASCOLI/REUTERS

Ferrari Sales, Earnings Climb Despite Wider Sector Malaise

and 296 GTS models led deliveries in the quarter, while shipments of the SF90 XX Stradale also increased. Meanwhile, Ferrari said it started delivering the first few models of the SF90 XX Spider.

Shipments were up 2% in Europe, the Middle East and Africa and down 2% in the Americas, Ferrari's two largest regional markets. Mainland China, Hong Kong and Taiwan logged a 29% contraction in shipments, while the rest of the Asia-Pacific recorded 6% growth.

China has been a particularly soft spot for both automakers and luxury-goods companies in recent months. Carmakers face added pressure from local rivals because of their aggressive pricing strategies and push for electric vehicles.

Meanwhile, Chinese consumers have cut spending on luxury goods. Several car makers reduced their guidance this year as they grapple with falling sales.

Ferrari, which sells luxury cars to more-exclusive clients than ordinary automakers, has been relatively insulated from those challenges since mainland China, Hong Kong and Taiwan account for the lowest number of car deliveries compared with other regions.

Despite lower shipments, Ferrari said revenue increased in the quarter on a richer product and country mix as well as increased customization requests from clients.

Chief Executive Benedetto Vigna said Ferrari had exceptional order-book visibility well into 2026, injecting renewed confidence in guidance that the company upgraded in August.

Ferrari shares in Milan closed 7.1% lower on Tuesday after some metrics came in slightly below expectations.

However, the stock is up more than 30% over the past 12 months, highlighting diverging fortunes with other carmakers. Volkswagen, Mer-

cedes-Benz Group and Stellantis all posted lower revenue in the quarter and their share prices have declined since the year began.

Ferrari's after-tax profit in the quarter grew to €375 million from €332 million. Analysts had forecast after-tax profit of €358.3 million, according to Visible Alpha.

Adjusted earnings before interest and taxes—one of Ferrari's preferred measures of profitability—increased to €467 million from €423 million, generating a 28.4% margin. Meanwhile, adjusted earnings before interest, taxes, depreciation, and amortization rose to €638 million from €595 million, generating a 38.8% margin.

Analysts had forecast adjusted Ebit of €467.56 million and adjusted Ebitda of €645.70 million.

For the year, Ferrari said it continued to expect sales of more than €6.55 billion, adjusted Ebit of at least €1.82 billion and adjusted Ebitda of at least €2.50 billion.

Michelin, Schaeffler to Close Plants, Cut Nearly 6,000 Jobs

By ADAM WHITTAKER

Michelin and Schaeffler said they plan to close factories and cut thousands of jobs in Europe as car-part suppliers reel from weakness in the automotive sector.

The companies cited a challenging auto market as the reason behind cuts disclosed Tuesday, which together equal nearly 6,000 positions, the latest in a series of staff reductions in the European car sector over the past year.

The news follows several warnings from European carmakers and suppliers about anemic demand as the sector grapples with uncertainty over the transition to battery-powered electric vehicles and increased competition from Chinese producers.

French tire maker Michelin said it was closing two plants following a consumer shift in Europe toward low-cost tires, mainly from Asia, which has hampered its passenger car, light truck and premium truck tire segments. The plans affect up to 1,250 people, out of a global workforce of 132,000.

Schaeffler's restructuring plan is a response to intensifying global competition and transformation processes affecting the auto supply industry, the German parts maker said.



Workers at the Michelin plant in Cholet, France, voted to go on strike in response to plant closures and job cuts.

JEAN-FRANCOIS MONIER/AFP/GTET IMAGES

Workers at Michelin's sites in Cholet and Vannes in western France will be affected by factory closures. Workers at Cholet voted to go on strike in response to the plans, French union CGT representative Romain Baciak told French TV channel BFMTV. This is despite the company saying it will create as many jobs as are due to be lost.

The company said Tuesday that both plants have faced severe economic difficulties for years and grappled with production overcapacity.

Michelin said it plans to shut its two factories by early 2026, while Schaeffler intends to implement most of the measures between 2025 and 2027.

Startup Perplexity to Triple Valuation

By BERBER JIN

Perplexity is finalizing a new funding round that would value it at \$9 billion—triple its valuation from just a few months ago—the latest sign of continued investor excitement for artificial intelligence startups.

The AI-powered search company is set to raise \$500 million, according to people familiar with the matter. The venture firm **Institutional Venture Partners**, which also holds a board seat in the

startup, will lead what would be Perplexity's fourth funding round this year.

The funding round would turn Perplexity into one of the most valuable young AI startups to emerge out of the generative AI boom. It was valued at just \$520 million at the start of this year.

Perplexity, which provides answers to questions based on information it gathers from searching the web, has been criticized by news companies for using their reporting without fair compensation. Wall

Street Journal parent company Dow Jones recently sued Perplexity and the New York Times sent it a "cease and desist" notice.

Perplexity Chief Executive Aravind Srinivas said at The Wall Street Journal's Tech Live conference last month that he wants to reach revenue-sharing partnerships with news publishers. The company also said it would defend itself against the lawsuit.

The new funding comes as Perplexity is facing increased competition from OpenAI.

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BUSINESS & FINANCE

Orsted Warns of Offshore Project Costs

Renewable-energy company cites risks with its Revolution Wind development

By DOMINIC CHOPPING

Orsted raised the lower-end of its earnings guidance range after booking a hefty provision reversal, but cautioned that issues at one of its U.S. offshore projects will increase costs.

The Danish renewable-energy company said it reversed 5.1 billion Danish kroner, or \$744.68 million, of previously booked provisions after better-than-expected contract-cancellation talks at the Ocean Wind project offshore New Jersey.

Orsted said it now sees full-year earnings before interest, taxes, depreciation and amortization at between 24 billion and 26 billion kroner, from a range of 23 billion to 26 billion kroner previously.

Last year, the company decided to pull out of two high-profile U.S. offshore wind projects—Ocean Wind 1 and

2—after supply-chain bottlenecks, a lack of progress on U.S. tax credits and higher interest rates sent project costs soaring. It booked billions of dollars in impairments and provisions to cover write-down costs and contract cancellation fees.

Orsted added that was pressing on with the development of its Revolution Wind project situated off the coast of Connecticut and Rhode Island and the Sunrise Wind project off New York's coast, a decision it made as part of a comprehensive restructuring plan that includes a refocus of business priorities, cost cuts, asset sales and a halt of shareholder returns.

"Revolution Wind and Sunrise Wind, our two offshore wind projects in the U.S., are progressing according to the updated construction plan," Chief Executive Mads Nipper said.

However, the company noted risks associated with Revolution Wind that could lead to higher costs. It booked a 1.7 billion-kroner impairment in the third quarter because of installation issues,



Orsted has two wind projects off the East Coast. Above, its Providence, R.I. construction hub.

changes in the U.S. and the company's efforts to shore up its balance sheet.

"We continue to focus on Orsted balance sheet repair, which they are making some progress on, at the expense of selling valuable cash-generating assets, in our view."

Orsted last week agreed to sell minority stakes in four U.K. offshore-wind farms to Canadian asset manager **Brookfield** in a deal valued at 1.75 billion pounds, or \$2.26 billion, as part of its plan to shore up its balance sheet.

On Tuesday, the company reported third-quarter Ebitda excluding new partnerships—the company's preferred metric—of 4.44 billion kroner, down from 5.17 billion kroner a year prior, in line with a FactSet consensus estimate of 4.49 billion kroner.

Net profit attributable to shareholders came in at 5.06 billion kroner, from a loss of 22.6 billion kroner.

Revenue fell 9.6% to 15.77 billion kroner.

Citi analyst Jenny Ping said the narrowing of guidance and reversal of cancellation fees is helpful, but investor focus remains on the outlook for renewable energy amid political

lower assumptions for market prices at the project and increased contingency planning. This was partially offset by a drop in U.S. interest rates.

For the full year, Orsted

lowered its gross investments guidance by 8 billion kroner to between 36 billion and 40 billion kroner because of timing effects across its project portfolio.

Vestas Shares Slide As Profit Guidance Is Trimmed for Year

By DOMINIC CHOPPING
AND IAN WALKER

Shares in **Vestas Wind Systems** plunged on Tuesday after the company said its profit margin would come in at the lower end of its guidance range this year on higher costs and warranty provisions.

Shares have fallen around 43% this year as the Danish wind-turbine maker has faced earnings pressure from slow permitting, cost inflation and supply-chain disruption, as well as mounting competition.

Uncertainty over the outcome of the U.S. election has also increased investor concerns after Donald Trump this year pledged to halt all offshore wind projects via executive order on his first day in office, while Kamala Harris has said she would expand the green-energy economy.

Vestas operates two divisions—a main power-solutions business that manufactures wind turbines and brings in the bulk of revenue, and a services business that maintains customers' turbines and is typically much more profitable than the main turbine business.

"Higher activity and higher

pricing on deliveries continue to drive significant progress in our underlying business and especially power solutions, but the quarter was negatively impacted by a slightly slower-than-expected margin improvement in service and elevated warranty provisions in the quarter," Chief Executive Henrik Andersen said.

A cost adjustment in its service business led to a profit warning earlier this year and the company said on Tuesday that the unit will probably generate around 450 million euros, or \$489.5 million, of underlying earnings before interest and tax this year, down from a previous estimate of €500 million.

On a group level, the company now expects the Ebit margin before special items to be at the lower end of its 4% to 5% guidance range for the year after the metric came in at 4.5% in the third quarter.

The new guidance comes after Vestas said warranty costs rose to €313 million in the quarter as it booked a provision related to a component installed at two offshore sites.

Jenny Ping at Citi said in a note to clients that the new

guidance implies the company needs a sharp rebound in profitability in the fourth quarter, with the service business needing to report a margin of around 20%, up from 16% in the third quarter.

The power-solutions business would need a fourth-quarter margin of more than 12%, which she said is a level not seen since 2017 and com-

pares with 4.2% in the third quarter.

"Combined with the timing of the U.S. election—where U.S. wind policy varies significantly between the two candidates—today's results could see a volatile reaction, even if the implied fourth quarter pickup could ultimately be positive," she said.

The company reported

third-quarter earnings before interest, taxes and special items—a company-preferred metric—of €235 million, up from €70 million a year earlier but below a FactSet consensus of €365.4 million.

Net profit rose to €127 million from €29 million as revenue rose 19% to €5.18 billion.

EBIT margin before special items was 4.5% compared

with 1.6%. The company expects the metric to be at the lower end of the 4% to 5% range for the year.

For the year ahead, the company reiterated that it expects revenue of between €16.5 billion and €17.5 billion.

Order intake in the quarter totaled €4.9 billion and its total order backlog stood at €63.4 billion.



Wind-turbine blades from Vestas sit at the port of Odense, Denmark. The company's shares are down around 43% this year.

Home Depot Co-Founder Dead at 95

Continued from page B1
nessman," as his son later described him. The family, Orthodox Jews, lived in a fourth-floor apartment.

"It was freezing in the winter and hot as hell in the summer," Marcus recalled in "Built From Scratch," a memoir he wrote with Blank. "I tell the story that it was so bad that they tore it down to build a slum."

In high school, he learned hypnosis and worked as a waiter at a country club.

He initially wanted to become a psychiatrist but, after concluding that he couldn't afford medical school, got a B.S. degree in pharmacy from Rutgers University.

After a brief, unhappy stint in the pharmacy business, he launched a career in managing discount stores, starting at the Two Guys chain in New Jersey.

Marcus and Blank met in the early 1970s while working for Daylin. Marcus was chief executive of Daylin's Handy Dan Home Improvement Centers. Blank joined Handy Dan as a financial manager in 1974.

Trained as an accountant, Blank was more reserved than the gregarious, wisecracking Marcus.

Their boss, Sanford Sigoloff, the CEO of Daylin, called himself Ming the Merciless after a character in a Flash Gordon movie. In April 1978, Sigoloff summoned Marcus and Blank to Daylin's head office. He accused them of allowing an employee to create a fund that was improperly used to thwart a union drive at Handy Dan stores in San Jose, Calif. Marcus and Blank said they knew nothing about the fund and maintained that the accusation was merely a pretext for firing them.

Sigoloff later told The Wall Street Journal that the firing was justified but congratulated the two men for building a "magnificent" business.

Getting fired spurred Marcus and Blank to pursue their own retail vision of cavernous stores where they could stack up cut-price lumber, paint and hardware. Cash was so short in the early days that store employees sometimes used empty boxes to make the shelves look fully stocked.

To drum up business at their initial stores in Atlanta, they sometimes dispatched their wives and children to offer dollar bills to anyone willing to visit Home Depot.

Ken Langone, a New York investment banker, introduced the Home Depot founders to Ross Perot, the businessman and sometime presidential candidate. Perot considered investing in Home Depot but

vestment opportunity. The chain grew steadily across the U.S. Ten years after the first Home Depots opened, the number of stores topped 100. By 1999, the total exceeded 900.

Not all of their ideas panned out. Home Depot began opening Expo stores with upscale home-decor products, but they floundered and the Expo chain was closed in 2009. In 2012, Home Depot pulled the plug on an effort to build home-improvement warehouse stores in China.

Home Depot initially scoffed at rivals such as Lowe's. A Home Depot manager once dressed up in combat fatigues and urged employees to resist the expansion of Lowe's into Georgia and "kick these cooties back to Booger Holler where they belong." But by the late 1990s Lowe's had become a serious rival, partly because women preferred its better lighted and cleaner-looking stores.

Marcus's major donations included funding for the Georgia Aquarium, healthcare facilities in Georgia and Florida, and the Israel Democracy Institute, a think tank in Jerusalem. He was a co-founder of Job Creators Network, which defines its mission as educating the public about how government policies affect small-business owners and job opportunities.

That ended discussions of a Perot investment in Home Depot. Asked later about the episode, Perot conceded that he had missed an exceptional in-

vestment opportunity. The chain grew steadily across the U.S. Ten years after the first Home Depots opened, the number of stores topped 100. By 1999, the total exceeded 900.

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objected to one detail: The new company was going to assume the lease payment on Marcus's used Cadillac.

In their book, the founders wrote that Perot told them: "My people don't drive Cadillacs. My guys...drive Chevrolets." Marcus recalled replying: "Look, this is a four-year-old car and I'm a big guy. It is cheaper to have an old Cadillac than it is to go out and get a new Chevrolet."

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THE PROPERTY REPORT

Converted NYC Factory Still Needs Tenants

By KATE KING

Developer Jed Walentas converted the former Domino Sugar Factory on Brooklyn's waterfront into a one-of-a-kind office space, confident he could persuade a high-profile tech company to lease the entire building.

A year after completing one of New York City's most famous real estate conversion projects, he is still waiting for that tenant.

Today Walentas says he would be happy to lease just one of the top floors with sweeping river views in the 15-story Refinery at Domino building. The 450,000-square-foot property, which he built inside the factory's historic facade, is only about one-quarter leased.

High-end fitness chain Equinox has taken 40,000 square feet, but many of the office tenants are startups that Walentas acknowledges "could go 'poof' tomorrow." Trying to fill the office in the wake of the pandemic was "wildly challenging," said Walentas, chief executive of Two Trees Management.

The slow start reflects how even high-profile or historic buildings in trendy neighborhoods face challenges, despite the broader office market showing recent signs of stabilizing.

After the pandemic hit, many developers bet that technology companies' seemingly insatiable demand for office space would continue. And for a while, it did.

In places such as Brooklyn, the West Midtown section of Atlanta and the RiNo neighborhood of Denver, developers pushed forward with riskier new office constructions "on spec," meaning before any companies had committed to leasing space in the buildings.

But in subsequent years, technology and other companies downsized their office space, and many of those buildings are still waiting for tenants. In Atlanta's West Mid-



The 450,000-square-foot property is about one-quarter leased, with tech startup Whop accounting for 10,000 square feet.



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town, 46% of office space is available for lease, according to real-estate firm CBRE. In Denver's artsy RiNo district, where a half-dozen office projects were in the works in late 2019, nearly half the office space is vacant, real-estate services company Cushman & Wakefield found.

"Leasing is slow," said Steve Sakwa, an analyst with Evercore ISI. "While it's getting a little bit better, a lot of companies still have hesitation and trepidation to dramatically grow."

Those that have signed new leases have stayed close to traditional markets, where landlords are offering months of free occupancy and other incentives to attract tenants. Google recently renewed one of its leases in Manhattan's Chelsea neighborhood, while Amazon.com is looking for a big block of expansion space in Manhattan.

The refinery building opened in the 1880s, and it came to be the hub for one of the country's biggest sugar producers. New York City designated it as a landmark in 2007.

From the 12th floor of the Refinery building today, Walentas's floor-to-ceiling windows

overlook the Williamsburg Bridge and Manhattan skyline. He is spending millions to build out conference rooms, high-end pantries and arrange office furniture in the hopes of persuading someone to lease the entire 31,000-square-foot floor.

A decade ago, Walentas was confident large companies weary of Manhattan's expensive office market and eager to

get closer to Brooklyn's robust pool of highly skilled workers would be willing to plant a flag on the borough's waterfront.

Brooklyn-based Two Trees, a family company founded by Walentas's father in 1968, bought the 11-acre factory site in Brooklyn's Williamsburg neighborhood for \$185 million in 2012. The company has spent \$2.5 billion since then on its redevelopment, including three apartment buildings, one condominium tower, another smaller office building, an outdoor amphitheater, some retail and a 5-acre public park along the waterfront.

In the center of it all, Walen-

tas decided to reverse the previous developer's decision for all-residential construction by making the landmark refinery building office space.

Walentas, 50 years old, said his company's experience redeveloping the neighborhood next to the Brooklyn Bridge starting in the late 1990s solidified his conviction that the Williamsburg development needed a

strong commercial component to avoid feeling like the suburbs of Manhattan.

It was a contrarian approach. Walentas acknowledged at the time that housing would have generated more

income. "We were rich enough to do it and it was very personally important to me," Walentas says now.

The development's first office, a 150,000-square-foot building, opened in 2021 and leased up during the pandemic.

He pushed forward with the larger Refinery project after the pandemic hit, borrowing \$36 million from M&T Bank and investing \$100 million in

equity to cover the project's remaining construction cost.

The company built from the inside out, removing the old manufacturing equipment and installing a crane in the center of the former factory to construct the new building 15 feet inside the historic brick facade. Tall pin oak trees were planted in 4 feet of soil in the gap between the new, all-electric building and the old walls.

In May, office tenants started moving in, including the technology startup Whop, which currently leases 10,000 square feet and is negotiating a lease for the entire fifth floor, said CEO Steven Schwartz.

Schwartz said most workers are in the office five to seven days a week.

Walentas no longer believes a large corporation will move its Manhattan headquarters to Brooklyn, especially if the CEO doesn't live there and many of its employees would need to commute from New Jersey, Westchester or Connecticut.

But he does believe a Fortune 500 company based in Manhattan will eventually open a satellite office in Brooklyn.

"We're taking a very big-picture, long-term view," he said. "I think the economics will work out."

Apartment Demand Heats Up

Continued from page B1
was available from Yardi Matrix.

Throughout this year, the places with the highest renewal rent growth have been on the coasts and in the Midwest. New York City, Los Angeles, Indianapolis and Columbus, Ohio, logged renewal rent increases of 5% or more in July, according to Yardi.

Increased return-to-office orders in major employment hubs may also start translating into even more urban rental demand soon, especially in coastal cities.

In Seattle, **Equity Residential** said in an October earnings call that it is seeing a pickup in leasing from Amazon.com employees, who are locking in apartments ahead of a five-day office attendance policy, scheduled to begin in January.

On the flip side is Austin, Texas, which has experienced a building boom after companies such as **Tesla** and **Oracle** moved offices there. Austin's vacancy rate, if new buildings are included, is the highest in the country at over 15%, according to CoStar.

Rent growth for new leases in the Texas capital ranks last among major metros during the past year. Landlords of new luxury buildings are still offering big concessions, such as months of free rent, to fill up units. "Basically, the worst apartment market in the country right now is Austin," said Matt Rosenthal, managing partner of multifamily investor Eastham Capital.

On an annual basis, apartment building sales have grown for two consecutive quarters, according to MSCI Real Assets. Places recording some of the biggest increases in sales include Denver, San Francisco and the Washington, D.C., suburbs.

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, Nasdaq, 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.

Tuesday, November 5, 2024

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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.	Open	High	Low	Settle	Chg	Interest	
Nov 4,3990 4,4580 4,3990	4,4505	0.0435	1,117				
Dec 4,4320 4,4930 4,4205	4,4750	0.0435	117,271				
Gold (CMX) -100 troy oz.; \$ per troy oz.							
Nov 2743.00 2743.90 2743.00	2740.30	4.20	.68				
Dec 2746.00 2759.50 2733.40	2749.70	3.50	398,859				
Jan'25 2755.10 2770.60 ▼ 2749.40	2762.20	3.60	.17				
Feb 2770.30 2784.20 2758.20	2774.60	3.70	99,532				
April 2790.00 2804.80 2779.50	2795.30	3.80	31,090				
June 2809.80 2824.80 2800.10	2816.80	4.00	18,944				
Palladium (NYM) -50 troy oz.; \$ per troy oz.							
Nov 1151.50 1154.50 1151.50	1076.90	10.50	.6				
Dec 1078.00 1098.80 1072.50	1078.60	7.20	15,082				
Platinum (NYM) -50 troy oz.; \$ per troy oz.							
Nov 1053.80 1053.80 ▲ 1013.80	1000.40	18.00	.27				
Jan'25 988.70 1012.00 986.70	1006.70	12.60	76,983				
Silver (CMX) -5,000 troy oz.; \$ per troy oz.							
Nov 32,400 32,400 32,400	32,655	0.175	.41				
Dec 32,580 33,055 32,355	32,775	0.166	114,921				
Crude Oil, Light Sweet (NYM) -1,000 bbls.; \$ per bbl.							
Dec 71.62 72.67 71.29	71.99	0.52	303,362				
Jan'25 71.17 72.20 70.86	71.56	0.53	195,912				
Feb 70.79 71.77 70.51	71.18	0.52	127,107				
March 70.46 71.42 70.18	70.85	0.49	143,500				
June 69.73 70.55 69.46	70.04	0.40	155,074				
Dec 68.30 68.95 68.03	68.47	0.26	158,184				
NY Harbor ULSD (NYM) -42,000 gal.; \$ per gal.							
Dec 2,281.70 2,222.1 2,277.2	2,304.2	.0201	135,114				
Jan'25 2,289.00 2,339.5 2,2860	2,313.1	.0207	70,524				
Gasoline-NY RBOB (NYM) -42,000 gal.; \$ per gal.							
Dec 2,029.1 2,0606 2,0174	2,0446	.0254	141,425				
Jan'25 2,0080 2,0378 1,9982	2,0227	.0231	79,217				
Natural Gas (NYM) -1,000 MMbtu; \$ per MMbtu.							
Dec 2,789 2,818 2,651	2,670	-.111	271,744				
Jan'25 3,042 3,070 2,915	2,936	-.100	324,506				
Feb 2,944 2,976 2,833	2,852	-.090	136,280				
March 2,709 2,742 2,614	2,633	-.076	252,822				
April 2,665 2,697 2,583	2,604	-.059	101,524				
Oct 3,146 3,168 3,090	3,111	-.032	99,440				

Agriculture Futures

Corn (CBT)	5,000 bu.; cents per bu.
Dec 416.25 419.75	415.25 418.50 2.00 671,250

	Open	High	Low	Settle	Chg	Open interest
Oats (CBT) -5,000 bu.; cents per bu.	March'25 429.75	432.75	428.25	432.00	2.00	473,988
Dec 390.50 395.25	387.25	391.25	1.25	2,674		
March'25 389.25	394.00	387.25	391.75	2.25	1,489	
Soybeans (CBT) -5,000 bu.; cents per bu.	Nov 992.25	996.75	987.25	993.75	6.50	1,436
Jan'25 997.00	1006.25	996.25	1001.75	4.50	352,118	
Soybean Meal (CBT) -100 tons; \$ per ton.	Dec 299.60	300.50	297.00	299.50	-.10	197,385
Jan'25 300.20	301.70	298.60	300.60	.40	130,490	
Soybean Oil (CBT) -60,000 lbs.; cents per lb.	Dec 45.58	45.93	44.81	44.99	-.57	176,740
Jan'25 45.53	45.94	44.84	45.00	-.51	137,224	
Rough Rice (CBT) -2,000 cwt.; \$ per cwt.	Nov 14.82	14.85	14.76	14.47	-.24	366
Jan'25 14.72	14.79	14.29	14.49	-.24	9,170	
Wheat (CBT) -5,000 bu.; cents per bu.	Dec 569.50	574.50	565.25	572.50	3.75	199,822
March'25 588.50	592.50	583.00	591.00	3.50	122,828	
Wheat (KCI) -5,000 bu.; cents per bu.	Dec 571.00	579.75	569.00	576.75	5.75	124,542
March'25 583.75	591.25	581.25	589.00	5.25	78,432	
Cattle-Feeder (CME) -50,000 lbs.; cents per lb.	Nov 246,350	247,250	245,500	246.150	-.200	6,622
Jan'25 242,025	243,425	241,425	242,350	-.075	24,580	
Cattle-Live (CME) -40,000 lbs.; cents per lb.	Dec 185,300	185,625	184,750	184.775	-.300	135,206
Feb'25 186,100	186,500	185,625	185.950	.025	94,780	
Hogs-Lean (CME) -40,000 lbs.; cents per lb.	Dec 82,925	82,975	81,075	81.125	-.2100	136,159
Feb'25 85,250	85,250	84,100	84.500	-.825	84,937	
Lumber (CME) -27,500 bd ft.; \$ per 1,000 bd ft.	Nov 563.00	565.00	556.00	560.50	-.450	751
Jan'25 559.00	563.00	558.00	568.00	-.500	5,571	
Milk (CME) -200,000 lbs.; cents per lb.	Nov 20.08	20.08	19.92	19.94	-.14	3,727
Dec 19.39	19.39	19.15	19.19	-.20	5,264	
Cocoa (ICE-US) -10 metric tons; \$ per ton.	Dec 7,246	7,416	7,157	7,251	-.77	25,693
March'25 6,930	7,030	6,789	6,946	-.18	49,514	
Coffee (ICE-US) -37,500 lbs.; cents per lb.	Dec 246.55	252.25	246.00	250.15	4.20	67,163
March'25 245.10	251.40	245.05	249.40	4.45	75,394	

Source: FactSet

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

Money Rates

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Inflation		Week	Latest	ago	52-WEEK-	High	Low
Sept. index level	Chg From (%)						
Aug. '24	Sept. '23						
U.S. consumer price index	All items	315.301	0.16	2.4			
Core	321.109	0.34	3.3				

International rates		Discount	5.00	5.00	5.50	5.00
Latest	Week ago	High	5.00	5.50	5.00	5.00
U.S.	8.00	8.00	8.50	8.00		
Canada	5.95	6.45	7.20	5.95		
Japan	1.625	1.625	1.625	1.475		

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BIGGEST 1,000 STOCKS

Continued From Page B6

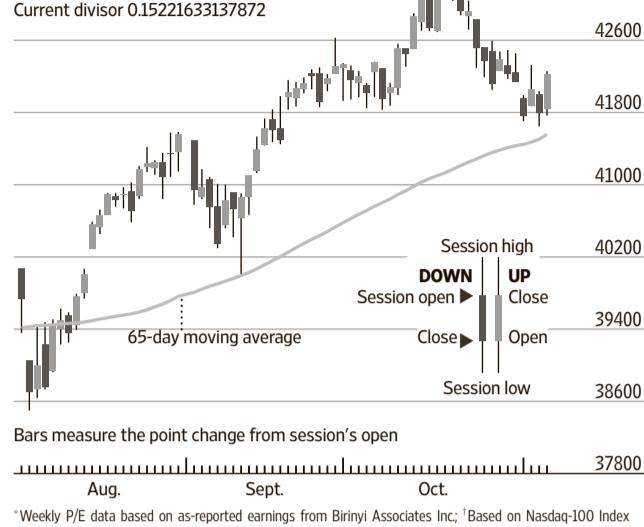
Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg				
ParkerHannifin PH	PH	653.45	+1.45	PublicServiceCo PEG	PEG	83.78	+1.91	Rivian RIVN	RIVN	10.59	+0.30	ServiceNow NOW	NOW	971.04	+16.45	StifelFinancial SF	SF	102.69	+1.45	TechnipFMC FTI	FTI	26.65	+0.26	ValeroEnergy VLO	VLO	132.06	+2.11
Parsons PSN	PSN	111.38	+1.77	PulteGroup PHM	PHM	133.26	+3.77	Robinhood HOOD	HOOD	24.96	+0.64	SharkNinja SNR	SNR	94.00	+2.75	STMicroelectronics STM	STM	26.69	+0.73	TekResourceS TEC	TEC	48.79	+1.86	VaccineVaxxity PCVX	PCVX	107.76	+1.07
Paychex PAYC	PAYC	139.76	+0.08	PureStorage PSTG	PSTG	51.15	+1.43	Rockwell ROK	ROK	16.30	+0.20	SherwinWilliams SHW	SHW	378.21	+3.83	Stryker SYK	SYK	369.86	+2.96	Teleflex TFX	TFX	203.50	-3.83	Veavasystems VEAV	VEAV	212.65	+1.07
PaycomSoftware PAYC	PAYC	218.54	+7.08	Qualcomm QCOM	QCOM	165.91	+0.73	RocketCos RKT	RKT	37.29	+0.63	Shift4Payments SHIFT	SHIFT	90.01	-0.17	SumitomoMitsui SUM	SUM	13.01	+0.15	Ericsson ERIC	ERIC	8.35	+0.04	WesternDigital WD	WD	66.83	+1.61
PayPal PYPL	PYPL	79.25	+1.12	QuantaServices PQWR	PQWR	314.62	+10.30	RogersComm BRCL	BRCL	37.29	+0.63	RovioSciences ROIV	ROIV	11.66	+0.13	RovioSciences ROIV	ROIV	11.66	+0.13	TrustiFinl TFF	TFF	42.32	+0.25	WesternMidstream WES	WES	37.75	+0.94
Pearson Pearson	PSO	154.50	+0.50	QuestDiag QDX	QDX	154.10	-0.23	Roku ROKU	ROKU	69.67	+2.49	SiriusXM SIRI	SIRI	26.34	+0.68	SunCommu SU	SU	38.44	+0.27	Telefonica VIV	VIV	9.19	+0.02	Westlake WKL	WKL	132.55	+1.07
PembinaPipeline PBA	PBA	42.25	+0.22	RoperTech ROP	ROP	542.70	+0.62	Rollins ROL	ROL	48.55	+0.69	SuncorEnergy SUN	SUN	53.26	+1.84	Tefononica TEF	TEF	4.67	+0.02	Verisign VRSN	VRSN	179.15	+1.29	Weyerhaeuser WY	WY	31.87	+0.16
Pentaire PNR	PNR	102.29	+2.64	RRCBStores ROST	ROST	142.32	+1.66	SkechersUSA SKX	SKX	63.06	+1.08	SunPower SPWR	SPWR	57.77	+2.09	Technimindonesia TNLK	TNLK	17.52	-0.18	VeriskAnalytics VRSK	VRSK	279.68	+2.46	WestpacPacMts WPM	WPM	65.57	+0.70
Pennumber PEN	PEN	232.39	+2.98	RBC Bearings RBE	RBE	287.85	+2.83	RoyalBankofCanada RY	RY	123.15	+0.88	SmithAO AOS	AOS	75.92	+0.78	TechmktHealthcare THC	THC	166.87	+4.49	Viatris VTRS	VTRS	61.61	+0.16	Williams-Sonoma WSM	WSM	134.83	-0.38
PepsiCo PEP	PEP	167.85	+1.51	RB Global RBLX	RBLX	51.18	+1.18	SmithNepph SNN	SNN	25.56	+0.28	TitanCorp TITAN	TITAN	10.51	+0.17	Tektronix TTX	TTX	49.55	+1.18	WillisTowers WTW	WTW	307.92	+5.10				
PerformanceFood PFGC	PFGC	82.33	+1.40	RELX RELX	RELX	47.91	+0.85	Smucker SJM	SJM	116.39	+2.70	Toshiba TER	TER	105.45	+1.18	Windstopper WING	WING	308.77	+11.59	Wingstop WING	WING	308.77	+11.59				
PermanRsrcs PR	PR	13.89	+0.16	RPM RPM	RPM	129.51	+1.97	Snirsoft SWR	SWR	51.82	+0.07	Toshiba TESLA	TESLA	251.44	+8.60	Wipro WIPRO	WIPRO	6.52	+0.09	XcelEnergy XEL	XEL	66.33	+0.51				
PetroleoBrasil PBR	PBR	13.25	+0.07	RTX RTX	RTX	118.98	+0.98	SmartCloud SWC	SWC	12.00	+0.07	Totaledge TTEK	TTEK	50.35	+1.12	Wixcom WIX	WIX	165.80	+2.39	WoodsideEnergy WDS	WDS	15.85	+0.08				
PetroleoBrasil PBR	PBR	12.29	+0.08	RalphLauren RL	RL	103.36	+3.47	SmartCloud SWC	SWC	12.00	+0.07	Totaledge TTEK	TTEK	50.35	+1.12	Woodward WWD	WWD	166.57	+2.69	Woodway WWD	WWD	166.57	+2.69				
Pfizer PFE	PFE	27.99	+0.23	RamseyJdnes RJF	RJF	146.45	+1.10	Ryanair RYAN	RYAN	46.29	+2.23	TechmktFinance TFX	TFX	20.46	-1.20	Woodway WWD	WWD	166.57	+2.69	Woodway WWD	WWD	166.57	+2.69				
PhilipMorris PM	PM	132.19	+1.86	RealityIncome O	O	58.82	+0.24	Ryanair RYAN	RYAN	46.29	+2.23	TechnipFMC FTI	FTI	26.65	+0.26	Woolard YPF	YPF	24.79	+0.90	WynnResorts WYNN	WYNN	86.72	-8.93				
Phillips66 PSX	PSX	121.84	+0.81	Reddit RDFT	RDFT	122.57	+13.54	RoyalBankofCanada RY	RY	123.15	+0.88	TechnipFMC FTI	FTI	26.65	+0.26	WynnResorts WYNN	WYNN	86.72	-8.93	XP	XP	17.90	+0.28				
Pilgrim'sPride PPC	PPC	53.78	+2.53	RegalRenoRd RRX	RRX	167.97	-2.25	RoyalCaribbean CRUISE	CRUISE	76.78	+1.12	TechnipFMC FTI	FTI	26.65	+0.26	XPO XPO	XPO	138.20	+4.70	XPO XPO	XPO	138.20	+4.70				
PinaldeIntrs PNPF	PNPF	106.34	+2.51	RegencyCtrs REG	REG	73.16	+0.45	RSA Comms RSA	RSA	228.36	+0.41	TechnipFMC FTI	FTI	26.65	+0.26	XcelEnergy XEL	XEL	66.33	+0.51	XcelEnergy XEL	XEL	66.33	+0.51				
PinaldeWest PWN	PWN	86.71	+1.00	RegenPharm REG	REG	82.43	+0.59	RSA Comms RSA	RSA	228.36	+0.41	TechnipFMC FTI	FTI	26.65	+0.26	Xpeng XPEV	XPEV	12.81	+0.74	Xpeng XPEV	XPEV	12.81	+0.74				
Pinterest PINS	PINS	32.72	+0.44	RegionsFinl RF	RF	23.62	+0.23	RSA Comms RSA	RSA	228.36	+0.41	TechnipFMC FTI	FTI	26.65	+0.26	XpensCloud XPCLOUD	XPCLOUD	1.30	+0.01	XpensCloud XPCLOUD	XPCLOUD	1.30	+0.01				
PlainsAllAmp PAA	PAA	16.92	+0.21	Rheinberg RHE	RHE	22.96	+1.00	RSA Comms RSA	RSA	228.36	+0.41	TechnipFMC FTI	FTI	26.65	+0.26	XpensCloud XPCLOUD	XPCLOUD	1.30	+0.01	XpensCloud XPCLOUD	XPCLOUD	1.30	+0.01				
PlainsGP PAGP	PAGP	17.90	+0.06	Rheinberg RHE	RHE	22.96	+1.00	Rheinberg RHE	RHE	22.96	+1.00	TechnipFMC FTI	FTI	26.65	+0.26	XpensCloud XPCLOUD	XPCLOUD	1.30	+0.01	XpensCloud XPCLOUD	XPCLOUD	1.30	+0.01				
Pool POOL	POOL	369.29	+9.20	RenaissanceRd RNR	RNR	269.29	+0.70	Rheinberg RHE	RHE	22.96	+1.00	TechnipFMC FTI	FTI	26.65	+0.26	XpensCloud XPCLOUD	XPCLOUD	1.30	+0.01	XpensCloud XPCLOUD	XPCLOUD	1.30	+0.01				
Primerica PRI	PRI	27.67	+1.87	Rentokilln RTO	RTO	26.45	+0.88	Rheinberg RHE	RHE	22.96	+1.00	TechnipFMC FTI	FTI	26.65	+0.26	XpensCloud XPCLOUD	XPCLOUD	1.30	+0.01	XpensCloud XPCLOUD	XPCLOUD	1.30	+0.01				
PrincipalPnl PFG	PFG	28.55	+0.99	RentalCo RLC	RLC	202.14	+5.23	Rheinberg RHE	RHE	22.96	+1.00	TechnipFMC FTI	FTI	26.65	+0.26	XpensCloud XPCLOUD	XPCLOUD	1.30	+0.01	XpensCloud XPCLOUD	XPCLOUD	1.30	+0.01				
ProcoreTech PRO	PRO	67.07	+0.46	RentalCo RLC	RLC	204.74	+2.13	Rheinberg RHE	RHE	22.96	+1.00	TechnipFMC FTI	FTI	26.65	+0.26	XpensCloud XPCLOUD	XPCLOUD	1.30	+0.01	XpensCloud XPCLOUD	XPCLOUD	1.30	+0.01				
Procter&Gamble PG	PG	165.76	+0.68	RentalCo RLC	RLC	208.00	+0.49	Rheinberg RHE	RHE	22.96	+1.00	TechnipFMC FTI	FTI	26.65	+0.26	XpensCloud XPCLOUD	XPCLOUD	1.30	+0.01	XpensCloud XPCLOUD	XPCLOUD	1.30	+0.01				
Progressive PRO	PRO	248.07	+6.59	RentalCo RLC	RLC	208.00	+0.49	Rheinberg RHE	RHE	22.96	+1.00	TechnipFMC FTI	FTI	26.65	+0.26	XpensCloud XPCLOUD	XPCLOUD	1.30	+0.01	XpensCloud XPCLOUD	XPCLOUD	1.30	+0.01				
PrudentialFinl PRU	PRU	114.43	+0.57	RexfordIndlRealty RXR	RXR	43.74	+0.57	Rheinberg RHE	RHE	22.96	+1.00	TechnipFMC FTI	FTI	26.65	+0.26	XpensCloud XPCLOUD	XPCLOUD	1.30	+0.01	XpensCloud XPCLOUD	XPCLOUD	1.30	+0.01				
Prudential PUK	PUK	120.18	-0.48	RexfordIndlRealty RXR	RXR	43.74	+0.57	Rheinberg																			

MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

42221.88 ▲ 427.28, or 1.02%
 High, low, open and close for each trading day of the past three months.



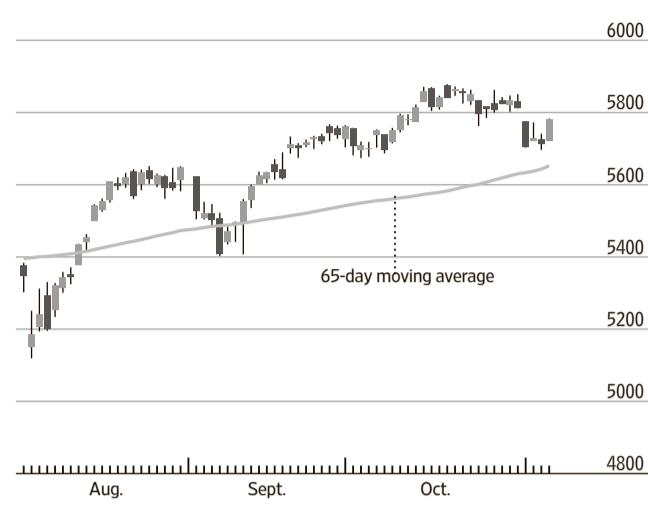
Bars measure the point change from session's open

Aug. Sept. Oct.

*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; †Based on Nasdaq-100 Index

S&P 500 Index

5782.76 ▲ 70.07, or 1.23%
 High, low, open and close for each trading day of the past three months.



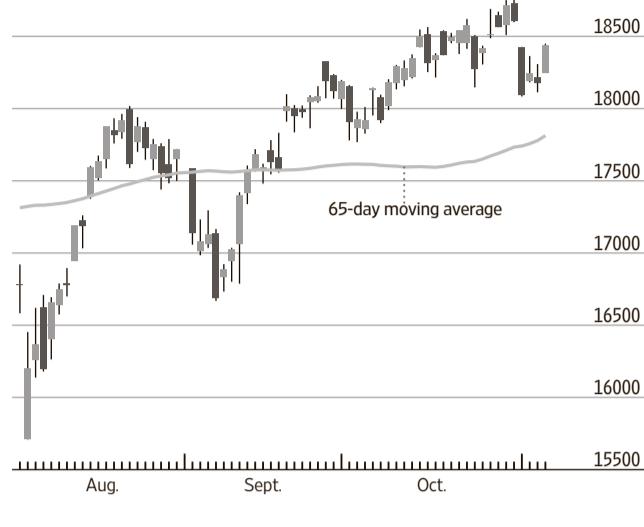
Bars measure the point change from session's open

Aug. Sept. Oct.

*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; †Based on Nasdaq-100 Index

Nasdaq Composite Index

18439.17 ▲ 259.19, or 1.43%
 High, low, open and close for each trading day of the past three months.



Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD % chg	3-yr.ann.
Dow Jones										
Industrial Average	42258.84	41766.96	42221.88	427.28	1.02	43275.91	33891.94	23.6	12.0	5.1
Transportation Avg	16575.93	16296.68	16571.91	284.04	1.74	16571.91	14266.24	14.8	4.2	-0.5
Utility Average	1023.22	1007.42	1023.16	11.81	1.17	1071.27	827.37	20.6	16.0	3.7
Total Stock Market	57432.96	56779.40	57428.51	733.34	1.29	58160.93	43066.53	32.2	20.2	5.6
Baron's 400	1251.16	1227.94	1251.15	23.33	1.90	1263.18	934.94	31.7	16.7	4.1
Nasdaq Stock Market										
Nasdaq Composite	18449.67	18250.71	18439.17	259.19	1.43	18712.75	13521.45	35.2	22.8	4.9
Nasdaq-100	20249.20	20042.93	20227.46	263.86	1.32	20675.38	15187.90	32.2	20.2	7.3
S&P										
500 Index	5783.44	5722.10	5782.76	70.07	1.23	5864.67	4347.35	32.1	21.2	7.2
MidCap 400	3156.17	3099.70	3155.85	44.05	1.42	3198.21	2409.27	29.0	13.5	2.8
SmallCap 600	1424.93	1393.23	1424.37	28.35	2.03	1442.34	1103.24	26.2	8.0	-0.9
Other Indexes										
Russell 2000	2260.92	2212.27	2260.84	41.81	1.88	2286.68	1687.24	30.4	11.5	-2.5
NYSE Composite	19464.31	19243.39	19463.79	220.39	1.15	19884.81	15235.18	26.5	15.5	4.1
Value Line	621.62	611.53	621.58	9.14	1.49	630.13	512.92	18.7	4.7	-3.6
NYSE Arca Biotech	6073.48	5942.20	6072.42	98.09	1.64	6072.42	4639.09	25.6	12.1	2.6
NYSE Arca Pharma	1015.81	1002.70	1012.18	-3.63	-0.36	1140.17	864.90	14.8	11.2	8.7
KBWB Bank	122.08	120.45	121.91	1.66	1.38	123.34	77.16	55.1	27.0	-4.3
PHLX Gold/Silver	161.29	158.94	159.84	0.84	0.53	175.74	102.94	42.3	27.2	6.0
PHLX Oil Service	76.10	75.09	76.06	1.05	1.40	95.25	72.67	-9.5	-9.3	7.3
PHLX Semiconductor	5059.26	4999.16	5057.83	83.84	1.69	5904.54	3452.34	45.7	21.1	10.4
Cboe Volatility	22.06	20.20	20.49	-1.49	-6.78	38.57	11.86	38.4	64.6	7.5

\$ Nasdaq PHLX

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	% chg	After Hours High	Low
Super Micro Computer	SMCI	22,205.4	22.92	-4.78	-17.26	28.50	22.51
Pfizer	PFE	11,519.9	27.97	-0.02	-0.07	29.20	27.84
NVIDIA	NVDA	7,323.7	139.54	-0.37	-0.26	147.83	134.32
Trump Media & Tech	DJT	6,679.5	34.35	0.41	1.21	34.98	31.12
Lumen Technologies	LUMN	6,143.3	7.39	-0.22	-2.89	8.69	6.64
AT&T	T	5,465.2	22.04	-0.01	-0.05	22.08	22.04
Chewy Cl A	CHWY	4,840.0	29.20	0.03	0.10	29.20	29.03
Bank of America	BAC	4,580.1	41.92	0.04	0.10	42.12	41.29

Percentage gainers...

Qualys	QLYS	133.9	152.79	24.56	19.15	154.90	128.23
Revolve Group	RVLV	115.8	30.10	4.08	15.68	31.10	26.02
Trace Medical Concepts	TMCI	359.2	6.60	0.84	14.58	6.70	5.76
Macrogenics	MGNX	71.1	4.23	0.46	12.20	4.27	3.77
loanDepot	LDI	283.8	2.37	0.22	10.23	2.56	2.17

...And losers

Super Micro Computer	SMCI	22,205.4	22.92	-4.78	-17.26	28.50	22.51
B&G Foods	BGS	115.9	7.64	-1.18	-13.38	8.85	7.29
Zoomcar Holdings	ZCAR	1,571.3	11.51	-1.69	-12.80	17.75	10.75
iRobot	IRBT	81.0	9.47	-0.94	-9.03	10.41	9.47
Coupage	CPNG	802.5	24.89	-2.00	-7.44	26.91	24.50

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	882,874,944	11,145,754
Adv. volume*	72,008,629	3,862,463
Decl. volume*	154,796,176	6,780,982
Issues traded	2,840	287
Advances	2,278	163
Declines	493	108
Unchanged	69	16
New highs	137	2
New lows	50	5
Closing Arms'	1.11	3.35
Block trades*	4,238	111

*Primary market NYSE, NYSE American NYSE Arca only.

'(TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates

FINANCE & MARKETS

Rates and Rising Tax Risk Add Shine to Muni Bonds

BY PAULO TREVISANI

Municipal-bond issuance in the U.S. is heating up as local governments boost borrowing and investors gobble up the low-risk securities.

Industry experts said local governments needed to borrow more as the federal stimulus received during the pandemic wears off. Issuances are increasing in size, as the cost of projects become more expensive because of rising prices for materials, labor and services.

Meanwhile, as the Federal Reserve cuts interest rates, yield-seeking investors have more reason to park their cash in munis.

"We were looking for a decent pick up year over year, the magnitude of the increase is what is a bit surprising," said Sean Carney, chief investment officer of municipal bond funds at BlackRock, which manages about \$188.4 billion in the asset class.

"I think we're heading back to kind of the pre-Covid time frame where...we're going to see a period of elevated supply."

State and municipal governments and agencies issued \$447 billion of debt in the first 10 months of this year to finance everything from affordable homes to airports to water and power supplies, according to Refinitiv data via the Securities Industry and Financial Markets Association.

That is a 39% increase from

suarce will total \$475 billion, or about \$105 billion above the total of bonds retired or refunded.

Having to pay higher interest rates hasn't been much of a deterrent for local governments. "You can't ask your failing roadway or water system to hang in there until rates fall," Carney said.

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\$447B
Debt issued by states
and municipalities
and agencies in first
10 months of 2024.

Demand outpaced supply in recent auctions by substantial margins, Carney said.

The performance is attracting wider attention to a part of fixed-income markets mostly tapped by deep-pocket investors. "Sometimes we feel like the lost asset class," Carney said.

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Tuesday's vote, before rebounding next year once markets have a clearer view of government policies.

On the demand side, flows into municipal-bond funds increased to \$26.5 billion this year through August, from \$8 billion in the same period last year, according to the Invest-

ment Company Institute via FactSet.

Fund managers say munis, like other fixed-income instruments, are becoming the new destination of funds parked for years in cash-like options such as certificates of deposit, which lost appeal as the Fed cuts rates.

Then there is the tax factor. Municipal bonds' returns are often exempt from income tax. That feature is getting more relevant as certain provisions enacted in 2017 that benefited wealthy taxpayers are set to expire late next year.

"My clients are looking toward the Tax Cut Job Act expiration in 2025," said Kathleen Grace, chief executive officer of the Fiduciary Family Office.

The boutique investment firm has \$600 million of assets under management for clients who have an average net worth of \$20 million.

She said it makes sense for them to increase their holdings of assets offering tax-free returns to minimize the potential increase in federal taxation.

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Issuers may also have been trying to get ahead of the election, said Chad Farrington, co-head of U.S. municipal bonds at DWS.

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HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Real Threat to Uber Isn't From Robots

Ride-hailing pioneer contends with weaker bookings growth, rising insurance costs and an alliance between DoorDash and Lyft

Tesla still isn't a problem for **Uber**. **DoorDash** and **Lyft** might be. Uber has been on a particularly wild ride over the past month. Tesla's much-hyped "Robotaxi Day" on Oct. 10 turned out to be a bit of a bust for its investors given the canned demos and lack of details about the company's plans. But that turned out well for Uber: Its stock had been under pressure for much of the year because of worries about the prospect of Tesla launching a fleet of self-driving cabs and a network to run them on. The ride-hailing pioneer's stock jumped nearly 11% the day after the event.

Tesla's third-quarter earnings call two weeks later seemed to revive those fears, though, as Elon Musk said the company plans to roll out a ride-hailing service in California and Texas next year. Mid-October also brought a report from the Financial Times that Uber was considering an acquisition of **Expedia**, the online travel marketplace valued at the time at just under \$20 billion.

And then came Uber's own third-quarter report last week, which included disappointing growth in its gross bookings and a projection for a further slowdown in the fourth quarter. In a twist the night before, DoorDash announced a deal to add Lyft services to its DashPass membership program—basically a team-up of Uber's two largest rivals in the U.S. market.

Uber's stock has shed about 14% from its high point after the Tesla event, with last week's earnings report sparking the stock's single worst day in two years.

That has put the shares back where they started a month ago, merely in line with the S&P 500's performance and just behind that of the Nasdaq Composite for the year. The stock has badly trailed delivery rivals DoorDash and Instacart. (The latter trades under the name **Maplebear**.)

"There's always a wall of worry," wrote Bernstein analyst Nikhil Devnani in a report on Uber after last week's results.

Wall Street isn't panicking, though: 85% of analysts covering the stock rate Uber as a "buy," according to FactSet. Rising insurance costs played a role in the weaker bookings as prices for Uber rides rose to compensate and sparked, in the words of Chief Executive Dara Khosrowshahi, "kind of the typical elasticity from consumers" who ride a bit less when prices go up.

The partnership between DoorDash and Lyft will likely make the DashPass membership program more competitive with Uber One, though analysts are mixed on the ultimate impact.

Devnani of Bernstein called the deal "a negative for Uber in our minds, as it creates a more competitive end-market and undercutts Uber's 'unique content' offered

under Uber One. Shweta Khajuria of Wolfe Research doesn't see a major impact on Uber, though. "If you're a DashPass member, you probably don't have Uber One," she said in an interview.

And the risk from Tesla's theoretical robotaxi fleet remains as it was: nothing much. A lot remains to be seen about the electric-vehicle maker's ability to complete and truly deliver self-driving technology.

Meanwhile, Uber's new partner Waymo keeps gaining traction. The robotaxi operator owned by Google parent **Alphabet** has managed to improve the wait times for its cars enough to close the gap with Uber and Lyft in San Francisco, according to a report by Evercore ISI on Monday. Uber and Waymo will launch their first joint service in the Atlanta and Austin, Texas, markets next year.

"We still believe there will be multiple AV Winners—including both Waymo and Uber—with Uber serving as the leading demand aggregator for AVs," wrote Evercore analyst Mark Mahaney, referring to autonomous vehicles. Uber is now trading at around 33 times forward earnings—a record-low multiple that is a fraction of what Tesla now commands, according to FactSet.

The smart autonomous-car trade might not be investing in the companies that make them.

—Dan Gallagher



Uber's results last week sparked the stock's single worst day in two years.

Share-price and index performance, year to date



Constellation Energy reached a deal with Microsoft to restart its Three Mile Island nuclear-power plant.

Nuclear Energy's AI Boom Blew a Fuse—Here's What Could Happen Next

Owners of nuclear-power plants were riding high on hopes that they could sign lucrative contracts with technology companies to sell always-available power. A ruling from the Federal Energy Regulatory Commission won't extinguish those prospects, but does throw a bit of cold water on them.

Late on Friday, the Federal Energy Regulatory Commission rejected **Talen Energy's** request to increase the amount of power it could provide from its Susquehanna nuclear-power plant to Amazon's data center from 300 megawatts to 480 megawatts. That hamstrings Talen's ability to step up the amount of power it sells directly to Amazon, whose co-located data center has a potential capacity of up to 960 megawatts.

By denying Talen's revised agreement, FERC is emphasizing it would "continue to prioritize grid reliability and existing stakeholders over rapid load growth and new power market entrants," renewable energy-focused financial service firm Karbone wrote in a note to clients.

The ruling follows objections from utilities including **Exelon** and **American Electric Power**, who argued the nuclear-power plant would benefit from the grid's transmission system without paying for it. FERC didn't address the transmission cost aspect in its rejection, but said the parties didn't meet the "high burden" to justify the change.

Talen Energy's shares, after plunging as much as 8% Monday

Share-price performance over the past five days



morning, closed up 12% on Tuesday. On Monday, **Constellation Energy's** shares fell 12%, while **Vistra's** stock shed 3%. The companies' shares closed Tuesday up 3.5% and 5.3% respectively. Constellation has the biggest risk because so much of the stock's gains in recent months were tied to hopes that it would sign contracts with tech companies for its existing nuclear-power plants, according to a research note from Julien Dumoulin-Smith, equity analyst at Jefferies.

FERC's decision isn't a cause for panic. It could delay some power purchase agreement negotiations between nuclear-power-plant owners and data-center developers, but it doesn't shut the door on future contracts. For one, FERC hasn't completely rejected deals

connecting power plants to data centers, known as behind-the-meter contracts. It just might need some time to deliberate on certain aspects, such as how much such power plants should pay for transmission services. Notably, FERC rejected the filing without prejudice, which means the companies could still submit a revised filing.

Even if the ruling holds, it would only limit companies' ability to sign co-located, behind-the-meter contracts where the nuclear power is connected directly to the data center. Such contracts can command a premium because of how quickly the power can be connected, according to Steve Fleishman, equity analyst at Wolfe Research. Behind-the-meter contracts come with lower transmission and other grid-related charges.

But there are other ways in which existing nuclear-power plants can sell power to data centers. One example is the deal Constellation Energy reached with Microsoft to restart its Three Mile Island nuclear-power plant. That deal is in front of the meter, which means Microsoft pays Constellation for power from the restarted nuclear-power plant but doesn't directly get electricity from that plant. Instead, the power plant delivers power to the grid and Microsoft gets to offset the additional power it will draw from the grid for its data centers with clean nuclear energy.

Such contracts don't look so shabby either. Analysts at Morgan Stanley estimated Constellation's

power purchase agreement with Microsoft was about \$100 per megawatt hour, about \$20 lower than what a behind-the-meter deal would be worth but a big premium to the market rate of about \$50 per megawatt hour for other in-front-of-the-meter contracts. One advantage of such contracts is that it allows the nuclear power plant to sell its full capacity rather than having to reserve half of the capacity as backup for refueling outages, according to industry analysts. The downside, of course, is that in-front-of-the-meter deals tend to take more time.

In an earnings call on Monday, Constellation Chief Executive Joseph Dominguez said the FERC ruling was "very narrow" and said co-location and competitive power markets remain "one of the best ways for the U.S. to build the large data centers that are necessary to lead on AI." Talen Energy said in a news release that it will continue to pursue approval to increase the capacity connected to Amazon's data center campus. Even if Talen can't get that agreement approved, industry analysts think the company could come up with other ways to sell power to Amazon (for example, through a deal that resembles Microsoft's).

FERC's decision is no reason for panic selling of independent power-producer stocks, but it is a reminder that speedy, round-the-clock power isn't easy to come by for tech companies—especially when the grid is already so tight.

—Jinjoo Lee

Apollo Benefits From Home Cooking

Private investment giant **Apollo Global Management** has said before that a major limitation on reaching its goal of \$1.5 trillion in assets might not be raising enough money, but finding enough things for it to buy.

So in the third quarter it was a good sign that Apollo was able to identify and underwrite a record amount of its own investments—what is termed "origination," versus joining deals arranged by third parties like investment banks.

Apollo shares surged 7% on Tuesday following its quarterly report.

The company reported that its originations were a record \$62 billion in the third quarter, and \$194 billion over the 12 months through the third quarter.

The firm called out the Atlas platform, an asset-backed finance business built in part with a group acquired from Credit Suisse, with \$50 billion of originations cumulatively since its 2023 launch.

Apollo has set a goal of originating \$275 billion annually by 2029 across its platforms. That could put it alongside some of the largest investment banks in the world.

Speaking of the tailwinds propelling the business, Apollo Chief Executive Marc Rowan on Tuesday said that "all of them ultimately depend on one factor:

They depend on our capacity to originate assets that offer excess return per unit of risk, or alpha."

Meanwhile on the funding side, one key way that money continues to flow into Apollo is through its retirement services business, Athene, which sells products including individual annuities. Apollo said that the \$20 billion organic capital inflow into Athene was its second-best quarter ever.

Individual annuity sales have been powered by high interest rates, so falling rates could impact flows into that product. But so far, they aren't slowing much, at least not yet. Insurance industry data provider Limra said that the third quarter marked 16 consecutive quarterly increases in U.S. annuity sales, and that 2024 is expected to be another record sales year for fixed-annuity products.

With money coming in from retirement saving and a proven ability to deploy it, little wonder that Apollo shares are rallying.

—Telis Demos