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Trump Adds Fuel to Race Furor

KEVIN LAMARQUE/REUTERS (PHOTOS)

President Donald Trump at a news conference in New York on Tuesday

President defends initial stance on Virginia violence, placing the blame on 'both sides'

By Michael C. Bender And Peter Nicholas

NEW YORK—President Donald Trump, in a combative news conference on Tuesday, defended his response to the racially charged protests over the weekend, saying both sides were to blame for the clashes in Charlottesville, Va.

"There is blame on both sides, and I have no doubt about it," Mr. Trump said of the confrontation between white nationalist protesters holding a demonstration in the city and the counterprotesters facing off against them.

"You had a group on one side that was bad and you had a group on the other side that was also very violent and nobody wants to say that but I'll say it right now," he said, adding that there were "very fine people, on both sides."

Mr. Trump's remarks were at odds with his statement on Monday that singled out white supremacists for blame and was issued after the president faced heavy pressure for failing to do so two days earlier. One woman was killed during the violence when a car driven by an alleged white supremacist

Please see TRUMP page A4

◆ Gerald F. Seib: In ugly debate, president isolates himself... A4
◆ Alabama GOP Senate primary headed to a runoff................. A3
◆ White House issues infrastructure order............... A5

CEOs Rethink Ties With White House

By Vanessa Fuhrmans

President Donald Trump's response to the weekend violence in Charlottesville, Va., has sparked a new round of soul-searching in U.S. corporate boardrooms over the utility of working closely with the White House.

On Tuesday, the number of members who have withdrawn from a White House advisory council grew to five, and executives including Wal-Mart Stores Inc. Chief Executive Doug McMillon criticized the president's initial unwillingness to specifically denounce the racist hate groups that rallied in Charlottesville.

The fallout is testing already-tense relations between the White House and corporate executives, many of whom face new pressures from employees, consumers and activists to take stands on social and political issues. At times, those issues have put them in direct opposition with a president whose pro-business agenda they are also seeking to shape.

"This is one of the toughest times for the consciences of corporate boards and corporate CEOs," said Davia Temin, head of Temin & Co., a reputation and crisis-management consultancy. Ms. Temin said

Please see CEO page A4

What's News

Business & Finance

U.S. consumers ramped up spending in July, with retail sales rising more than expected, but households are again running up debt and saving less. **A1**

◆ **Wells Fargo chose** Elizabeth Duke to be chairman, making her the first woman to hold the top board role at one of the largest U.S. banks. **B1**

◆ **Blackstone has built** a roughly $7 billion bet on natural gas, wagering that it will profit even if gas prices remain low. **B1**

◆ **Loan defaults** in the PACE program to finance energy-saving home upgrades have increased substantially. **B1**

◆ **Federal investigators** are probing a Hollywood business-management firm that faces fraud allegations from actor Johnny Depp. **B3**

◆ **Berkshire disclosed** that it bought nearly $521 million of Synchrony shares last quarter, increasing its bet on the credit-card industry. **B12**

◆ **Chip-testing firm Cohu** is seeking to derail the sale of Xcerra to a Chinese group, citing national security. **B4**

◆ **Uber agreed** to two decades of audits as part of a settlement of a data-privacy probe with the FTC. **B4**

◆ **U.S. stocks were** pressured by retailers' quarterly reports, but the Dow edged up 5.28 points to 21998.99. **B13**

◆ **Amazon sold** $16 billion of bonds to help fund its purchase of Whole Foods. **B12**

◆ **Air Berlin filed** for bankruptcy protection and said it is in talks to sell part of its operations to Lufthansa. **B3**

World-Wide

◆ **Trump defended** his response to the racially charged protests over the weekend, saying both sides were to blame for the clashes in Charlottesville, Va. **A1**

◆ **The president's** response to the violence has sparked a new round of soul-searching in corporate boardrooms over the utility of working closely with the White House. **A1**

◆ **Health-plan premiums** would jump if the Trump administration halts payments to insurers under the health-care law, the CBO said. **A3**

◆ **North Korea's decision** to hold off on its threat to attack Guam followed a familiar pattern of brinkmanship by Pyongyang. **A6**

◆ **The U.S. believes** North Korea produces its own rocket engines rather than relying on foreign imports, an intelligence official said. **A6**

◆ **Iran's president** threatened to revive his country's nuclear program within hours if the U.S. continues to pile on sanctions. **A7**

◆ **A man accused** of accepting Islamic State funds for a possible U.S. attack pleaded guilty to terror charges. **A3**

◆ **Roy Moore** and Sen. Luther Strange advanced to a GOP primary runoff in the Alabama race for Sessions' former Senate seat. **A3**

◆ **Two congressional** voting districts in Texas are discriminatory and must be redrawn, a federal court ruled. **A2**

◆ **South Carolina sued** OxyContin maker Purdue as lawsuits filed over the opioid crisis mounted. **A3**

CONTENTS

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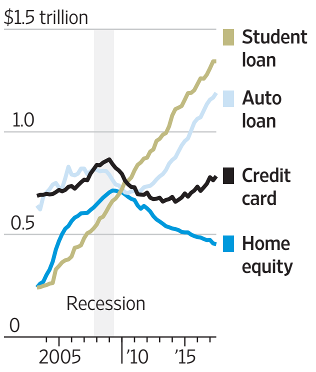
Debt Loads

Total outstanding balance of major types of U.S. household debt, excluding mortgages



Source: Equifax via Federal Reserve Bank of New York

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Consumers Ramp Up Spending; Debt Rises

By Josh Mitchell And Josh Zumbrun

U.S. consumers ramped up spending last month, supported by low unemployment, rising confidence and a sense their personal finances have been repaired a decade after the housing crisis spurred a mission to pare back debt.

But there is a catch: Households are again running up debt, and they are saving less, which could constrain spending in the future.

Sales at U.S. retailers rose a larger-than-expected 0.6% in July, the biggest monthly gain since December, the Commerce Department said Tuesday. Americans shelled out more for cars, furniture, home-improvement supplies and, more than anything, online goods, including purchases during Amazon.com Inc.'s annual "Prime Day" event. Retail sales in June were also far higher than previously reported.

"You have a good stock market. Employment numbers are

Please see DEBT page A2

◆ Federal Reserve to offer clues on rates, bonds......................... A2
◆ Heard on the Street: Shoppers spend but not in stores...... B14

PHARMA'S NEW BIND: PROGRESS MAY NOT PAY

Novo Nordisk improves its insulin drug but patients balk at a price hike

By Denise Roland

Danish drug giant Novo Nordisk AS is living through a corporate nightmare that any CEO might recognize from business school.

After the company concentrated on making essentially one product better and better—and charging more and more—customers have suddenly stopped paying for all that improvement. The established versions are, well, good enough.

In Novo Nordisk's case, that product is insulin, a hormone that is deficient in people with diabetes. Since its founding in 1923, the company has made successive waves of better insulin. It is the world's biggest producer of the stuff, and insulin brings in more than half of the company's revenue.

Over the years, that innovation has translated into an ability to charge more and more for the latest version, boosting profit margins and swelling the company's stock price. As diabetes—an incurable disease—morphed into a global epidemic in recent years, Novo Nordisk's tight focus on insulin provided reliable and growing profits.

Lately, that flow ended. Doctors, health-plan managers and insurers all have balked at paying for Novo Nordisk's newest version of its insulin. Clinical trials show it works as promised in controlling diabetes and delivers significant side benefits compared with its predecessors. But for many customers, all that isn't enough to warrant paying more—because the older drugs on the market already work pretty well, too. In Europe, the company had hoped to price Tresiba at 60%-70% higher than its previous product.

"The incremental improvements don't seem to justify the premium prices," said Steve Miller, chief medical officer of Express Scripts Holding Co., one of America's biggest pharmacy-benefit managers, a key middleman that buys drugs in bulk on behalf of insurers.

Novo Nordisk's hopes for the new drug—which it once expected to generate blockbuster profits—have dimmed. The company

Please see NOVO page A10

INSIDE

TOP TIPS FOR TEST PREPARATION

LIFE & ARTS, A11

BLACKSTONE'S $7 BILLION BET ON GAS

BUSINESS & FINANCE, B1

This Robot Laboratory Has No Idea What Its Robots Are Doing

* * *

Atlanta's Robotarium lets experimenters operate devices remotely; 'this is weird'

By Melissa Korn

A tiny robot, no bigger than a hockey puck, danced across Paul Glotfelter's desk as he worked at his computer. Last he checked, it had been standing still, next to his keyboard. Now it spun in circles.

"This is weird," Mr. Glotfelter, a robotics Ph.D. candidate, recalls thinking, worried he might have damaged it somehow. But then he shrugged, placed it on its back, wheels up, and returned to work.

A robot

So goes life in the Robotarium, a 10-square-foot table inside the Atlanta laboratory of Magnus Egerstedt, executive director of the Georgia Institute of Technology's Institute for Robotics and Intelligent Machines. At this open-access scientific playpen, where up to 50 ground bots and 20 aerial copters can be remotely controlled by researchers often from other schools—or even foreign countries—experiments can begin without notice.

It turns out the bot that startled Mr. Glotfelter back in the fall of 2015 was being controlled by a professor in Texas.

"Every now and then they start moving, and we have no idea who's doing it," Dr. Egerstedt said.

Most of these maneuvers come and go with minimal drama. The robots are pro-

Please see ROBOT page A10

U.S. NEWS

Fed to Offer Clues on Rates, Bonds

BY DAVID HARRISON
AND KATE DAVIDSON

The Federal Reserve left interest rates unchanged after its July 25-26 meeting and indicated it could begin shrinking its bond portfolio as soon as September.

Officials in recent weeks also have been grappling with issues such as weak inflation, the prospects for future rate increases and uncertainty about fiscal policy—all topics that might have been discussed at the meeting. If so, the Fed could provide new detail about those conversations in the minutes of the meeting, to be released at 2 p.m. EDT Wednesday.

Here are some things to watch for in the minutes:


ANDREW HARRER/BLOOMBERG NEWS

Minutes from the Fed's July meeting are set for release Wednesday.

Portfolio Pointers

In their statement released after the July meeting, officials said they planned to begin the process of reducing the Fed's $4.5 trillion portfolio of bonds and other assets "relatively soon," suggesting they could launch the process at their Sept. 19-20 meeting. Look for a more definitive signal in the minutes on the timing of the kickoff.

Inflation Questions

Minutes of the Fed's June 13-14 meeting revealed a robust internal debate over inflation, with some arguing that recent weakness was merely a temporary phenomenon and others warning that soft price pressures could be a signal of underlying weakness in the economy. By the July meeting, inflation data was still soft. It's likely we will see more discussion about inflation and potential policy impacts in the minutes coming Wednesday.

Another Rate Rise?

In June, Fed officials penciled in a third rate increase this year. But in recent weeks, some have indicated they likely wouldn't support another such move unless inflation picks up. Besides the usual "dovish" members, who traditionally support holding rates low, those signals are now coming from centrists such as Dallas Fed President Robert Kaplan and Philadelphia Fed President Patrick Harker. Look to the minutes for hints about a potential reassessment about their rate plans.

Whither the Dollar?

Fed officials tend to talk about the dollar very carefully, lest they give the impression they are trying to influence its value. But the value of the currency is a crucial factor for policy making. By late July, the dollar's slide was well under way, a development that could benefit U.S. exporters while raising import prices. Did officials discuss how the greenback's decline might affect inflation, economic growth and policy in the months ahead? The minutes could tell us.

The Debt Limit

The government is fast approaching the date by which it may run out of money to pay its bills unless Congress raises the federal borrowing limit. As the government's fiscal agent, the Fed plays a key role in processing those payments, which could be delayed if lawmakers don't raise the debt limit in time. The minutes could show whether, and to what extent, officials are starting to worry about such a scenario.

Court Says to Redraw Two Texas Districts

BY SARA RANDAZZO

Two congressional voting districts in Texas are discriminatory and must be redrawn, a federal court ruled Tuesday in long-running litigation over the equity of the state's voting map.

A three-judge panel in U.S. District Court in San Antonio gave Texas Attorney General Ken Paxton three business days to tell the court if the state Legislature would like to take up the redistricting itself. If not, the court said it would hold a hearing early next month to consider remedial plans for the districts, which stretch roughly from Corpus Christi to Austin.

Private plaintiffs have argued since 2011 that certain Texas districts drawn by Republican lawmakers discriminate against black and Latino voters, who have historically tended to vote for Democratic candidates.

In 2013, interim districts were approved by the Texas Legislature after pressure from the court, but the plaintiffs have argued that those districts continued to discriminate.

On Tuesday, the court agreed, concluding in regard to congressional districts 27 and 35 "that the racially discriminatory intent and effects that it previously found in the 2011 plans carry over into the 2013 plans where those district lines remain unchanged."

The court said the Legislature failed to remove the discriminatory taint found in the 2011 maps and instead "intentionally furthered and continued the existing discrimination in the plans."

The judges said it appeared the Legislature passed the 2013 maps as a litigation strategy, rather than as an attempt to make sure the districts complied with the Constitution and the Voting Rights Act.

Mr. Paxton said in a statement Tuesday that he was disappointed the court found the two districts were discriminatory, since the boundaries adopted by the Legislature in 2013 were first suggested by the court. He noted that the court found another district was lawful.

Mr. Paxton said Tuesday that "We look forward to asking the Supreme Court to decide whether Texas had discriminatory intent when relying on the district court."

U.S. WATCH

OKLAHOMA

Man Accused of Plot To Blow Up Bank

The FBI has arrested a man suspected of attempting to detonate what he believed were explosives stockpiled in a van near a downtown Oklahoma City bank, roughly half a mile from where a truck bombing razed the Alfred P. Murrah Federal Building in 1995.

Officers apprehended Jerry Drake Varnell, 23 years old, of Sayre, Okla., early Saturday after he dialed a cellphone number he thought would trigger the explosion of a vehicle parked near Mr. Varnell's target, the BancFirst building, according to the Office of the U.S. Attorney for the Western District of Oklahoma. Mr. Varnell was upset with the government, according to a criminal complaint, and initially wanted to blow up the Federal Reserve Building in Washington with a device similar to the one Timothy McVeigh used to bring down the federal building in Oklahoma City.

Mr. Varnell is charged with attempting to use explosives to destroy a building in interstate commerce.

He is in the custody of the U.S. Marshals Service and will appear in court on Tuesday.

Mr. Varnell's lawyer didn't respond to a request for comment.

—Quint Forgey

TRANSPORTATION

Road Deaths Fall, but Are Above '15 Rate

Preliminary data show U.S. motor vehicle deaths and injuries were down slightly in the first six months of 2017, although they were still significantly higher than they were two years ago, the National Safety Council said Tuesday.

There were 18,689 motor vehicle deaths through June 30 at an estimated cost to society of $191 billion, said the council, a leading safety organization that gets its data from state governments. That is 250 fewer deaths, or a 1 percent decline, from the period in 2016.

But deaths were still up 8 percent compared with the first six months of 2015.

Motor vehicle deaths began to increase in late 2014, ending several years of historic declines. There were 40,200 deaths for all of 2016 compared with 35,398 in 2014.

The increase corresponded with record high miles driven by Americans as the economy improved. Miles driven are up about 1.7 percent for the first 6 months of this year

"The price of our cultural complacency is more than a hundred fatalities each day," said Deborah Hersman, the council's president.

—Associated Press

DEBT

Continued from Page One

good. Wages are outpacing inflation. That's all bringing us consumer-spending numbers that are stronger," said Chris Christopher, executive director of U.S. economics at IHS Markit.

Economists responded to the reports by lifting projections for economic growth in the current quarter. Forecasters said the latest figures suggest the economic-growth rate could reach 3% or more in the quarter, a pace the economy hasn't hit since early 2015 and a pickup from a 2.6% pace in the second quarter.

Reaching 3% growth in the third quarter—if achieved—would be a milestone for President Donald Trump's administration, even as there has been a lack of movement in Washington on a tax-overhaul plan and a Republican bid to change the health-insurance system.

That pace may be unsustainable in the long run, given an aging population and slow workforce-productivity growth.

Stronger consumer spending boosted profits at Home Depot Inc., which said sales in stores open at least a year rose 6.3% in the most recent quarter, led by 6.6% growth in the U.S. Carol Tome, Home Depot's chief financial officer, told analysts that growth stemmed in part from millennials forming families and moving into homes they needed to equip.

She also had an optimistic view on the economic outlook. "There is no recession in sight," she said in an interview.

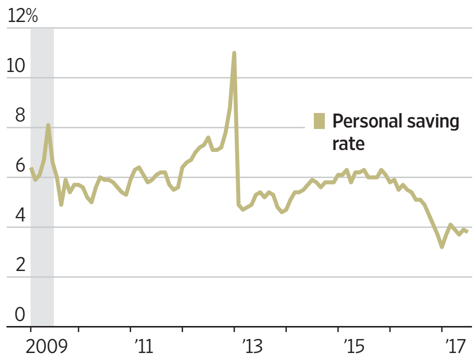
Still, it is a mixed landscape for retailers broadly. TJX Cos., parent of the discount retailers T.J. Maxx, Marshalls and HomeGoods, reported sales gains. But shares of Dick's Sporting Goods Inc. and Coach Inc. were hammered when they reported disappointing earnings numbers. Despite an increase in consumer spending, the retail sector itself is being punished by competition from online sales.

The latest positive spending trends carry some risks. A big chunk of spending of late has been covered by debt: Total credit-card balances grew $20 billion in the second quarter to $784 billion, the highest since late 2009, the New York Federal Reserve said in a separate report Tuesday. Overall debt—including mortgages, auto loans and student loans—hit a record $12.8 trillion.

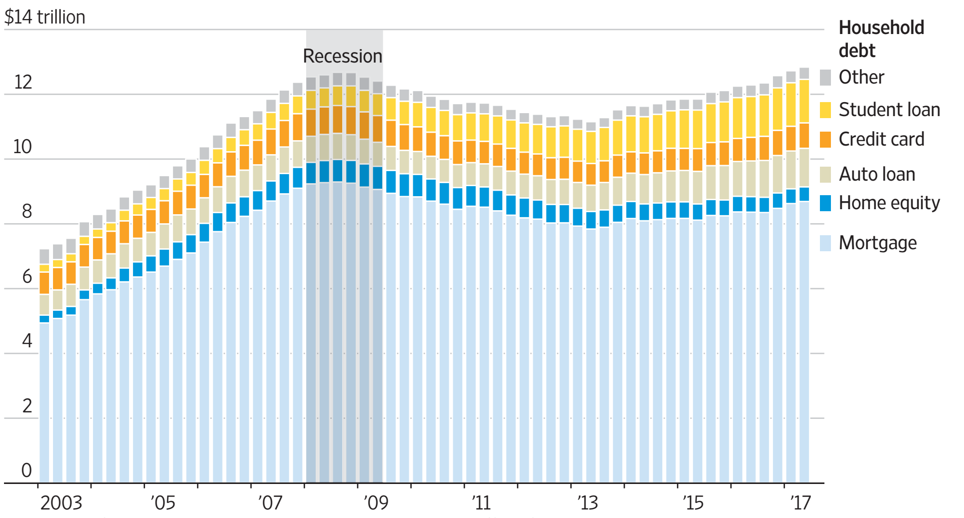
Spending Drivers

Consumers are spending steadily on retail goods and services, especially online...

...but that has come at a time when they're saving less of their income...



...and household debt limits are rising, driven by student and auto loans.



Note: At end of 2012, the personal saving rate spiked due to temporary effect of income-tax changes on bonus and dividend payments. Retail sales and debt numbers are not adjusted for inflation.

Sources: Commerce Department via Federal Reserve Bank of St. Louis (sales, saving); Equifax via Federal Reserve Bank of New York (debt)

THE WALL STREET JOURNAL.

Americans have also dramatically reduced their savings over the past year.

The personal-saving rate fell to 3.8% in June, down from a recent peak of 6.3% in October 2015 and not far off from prerecession lows.

The dual trends of lower saving rates and higher debt indicate that animal spirits—a desire to spend and invest—are rising among households. That might be getting fueled by higher stock prices.

For now, low interest rates are keeping a lid on the amount of money consumers must devote to paying off the debt each month. Debt-service payments account for about 10% of Americans' disposable income, hovering near the lowest levels on record, Federal Reserve data show. Just before the recession, such payments peaked at above 13%. Also, consumer debt, when adjusted for inflation and population size, hasn't reached the balances of 2008 that contributed to the crash.

But unforeseen developments—such as stock-market declines or a quicker-than-expected rise in interest rates—could leave consumers in precarious positions. Even without any major shocks, some consumers are showing distress, with credit-card delinquencies rising.

"I would not be comfortable seeing further increase in debt-to-income ratios," said Ian Shepherdson, chief economist at Pantheon Macroeconomics. "The interest servicing burden on households looks very favorable and sustainable. The risk is if interest rates have to rise further than [investors and lenders] think. What if the Fed raises rates as much as they say they're going to? Then the picture will look much different."

'You have a good stock market…Wages are outpacing inflation.'

While the amount of debt in delinquency has dropped over the past decade, the trend appears to be turning for some types of debt. Auto-loan delinquencies have been slowly rising for several years, and the annualized share of credit-card balances becoming 30-days delinquent climbed to 6.2% in the second quarter from 5.1% a year earlier, the New York Fed said.

J.P. Morgan Chase economist Michael Feroli said the latest pickup in spending won't last long without healthier developments, such as a pickup in productivity.

"The saving rate can't decline indefinitely," Mr. Feroli said in a note to clients this month. "In the absence of an ever-declining saving rate, real income growth will have to remain strong for consumers to continue carrying the economy," he said.

—Suzanne Kapner contributed to this article.

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CORRECTIONS & AMPLIFICATIONS

Berkshire Hathaway Inc. in the second quarter sold 10.6 million shares of **General Electric** Co., a stake that was worth about $315 million as of March 31. A Business & Finance article on Tuesday about Berkshire's GE investment incorrectly said the value was as of June 30.

After cooking pork, the meat shouldn't be returned to a surface that has held raw meat. A recipe for grilled pork chops in Saturday's Off Duty section incorrectly suggested that cooked pork chops be returned to an unwashed pan that had held raw meat.

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

State Sues Drugmaker For Opioid Marketing

By Sara Randazzo

Lawsuits filed over the opioid crisis continued to mount this week, with an action Tuesday brought by South Carolina against drugmaker **Purdue Pharma** LP and suits by Birmingham, Ala., and Cincinnati against drug distributors.

South Carolina's suit follows efforts by several other jurisdictions to hold pharmaceutical companies accountable for what they call deceptive marketing of opioid painkillers. The states and others say such marketing has led to an epidemic among residents.

The lawsuit, filed in South Carolina state court, focuses solely on Purdue Pharma, which manufactures OxyContin and other opioid drugs. New Hampshire last week filed a similar suit against Purdue.

South Carolina's suit argues the company plays down opioids' addictive nature and overstates the drugs' benefits compared with other forms of pain management. It alleges Purdue told doctors that patients wouldn't become addicted to opioids and misrepresented the efficacy of newer, abuse-deterrent drugs to stem addiction.

State Attorney General Alan Wilson said his office "is obligated to take action as South Carolinians continue to fall victim to Purdue's deceptive marketing of its highly addictive opioid products without care for the lives and families it is jeopardizing."

Birmingham, Ala., and Cincinnati are taking a different tack, targeting distributors.

A Purdue spokesman said the company denies the allegations but shares South Carolina's concerns about the opioid crisis and is committed to "working collaboratively to find solutions."

The Purdue spokesman said OxyContin makes up less than 2% of the opioid analgesic prescription market nationally and that the company is "an industry leader in the development of abuse-deterrent technology."

Other states including Mississippi, Ohio, Missouri and Oklahoma have also sued opioid makers in recent months alleging deceptive marketing.

Cincinnati and Birmingham, meanwhile, are taking a different tack. The cities this week filed public nuisance lawsuits against wholesale drug distributors they say are responsible for dumping millions of dollars' worth of prescription opioids into the communities.

In federal lawsuits filed Tuesday in Ohio and Monday in Alabama, the cities allege Cardinal Health Inc., AmerisourceBergen Corp., and McKesson Corp. unlawfully sold painkillers into the regions, prompting the "foreseeable, widespread diversion of prescription opioids into the illicit market." The lawsuits allege the distributors shipped suspicious orders without properly reporting them to state and federal authorities.

Representatives for AmerisourceBergen and Cardinal separately said the companies plan to defend against the litigation while working collaboratively to combat opioid abuse and drug diversion. Wholesale drug distributors, both companies said, are logistics companies with no access to patient information or a direct role in the prescribing and dispensing of medicine.

Several other counties and cities, including in Ohio and West Virginia, have sued the three drug distributors this year in nearly identical lawsuits.

Cardinal said it has "state-of-the-art controls to combat the diversion of pain medications from legitimate uses" and AmerisourceBergen said it reports and stops suspicious orders.

A McKesson spokeswoman said the company is working to address the opioid crisis and takes its responsibility to "manage the safety and integrity of the pharmaceutical supply chain extremely seriously."

Man Pleads Guilty in Terror Case

American is said to have accepted Islamic State funds to help pay for a U.S. attack

By Christopher S. Stewart And Mark Maremont

An American man accused of accepting funds from Islamic State for a possible terror attack in the U.S. pleaded guilty to multiple terrorism-related charges.

Mohamed Elshinawy, who was living in Maryland when he was arrested in late 2015, pleaded guilty in Baltimore federal court Tuesday to four counts, including conspiring to provide material support to Islamic State.

The Elshinawy case was critical in uncovering a global financial network centered on a British technology company used by Islamic State to clandestinely move money around the world and pay for weaponized drone technology used by the terror group in Syria, the U.S. says.

Mr. Elshinawy, 32, faces up to 20 years in prison for each of the three most serious terrorism offenses. Both Mr. Elshinawy and the government have the ability to appeal the sentence, according to the plea-bargain agreement.

A lawyer for Mr. Elshinawy couldn't be reached.

His is the first and only publicly known case in which Islamic State money flowed into the U.S. for a potential terror attack in America, according to Seamus Hughes, deputy director of George Washington University's Program on Extremism.

The plot appeared to be "more sophisticated than other ISIS cases in America," Mr. Hughes said.

Federal investigators initially were tipped off to Mr. Elshinawy through a $1,000 Western Union money transfer to him from Egypt in June 2015, sent by an Islamic State operative whom authorities haven't publicly identified, according to a Federal Bureau of Investigation affidavit and a person familiar with the situation.

Mohamed Elshinawy used eBay in the scheme, the U.S. says.

FBI agents spent months tailing Mr. Elshinawy and combing through his transactions, eventually finding at least $8,700 he allegedly had received from Islamic State operatives.

To hide some of the money transfers, Mr. Elshinawy pretended to sell computer printers on eBay, then received funds from the British company through the online payment service PayPal, according to an FBI affidavit.

A spokesman for eBay said the company worked closely with law enforcement to bring Mr. Elshinawy to justice. "We have zero tolerance for criminal activity on eBay and have robust systems in place to identify and prevent it," he said, adding that "nothing indicated that these were anything but legitimate transactions."

A spokeswoman for PayPal Holdings Inc. said it "invests significant time and resources in working to prevent terrorist activity on our platform."

Mr. Elshinawy told FBI agents he was instructed to use the money for "operational purposes," which he understood to mean a terror attack.

He told agents he had no intention of carrying out such an attack, and instead was taking money from "thieves," an FBI affidavit indicated.

Though several major U.S. attacks have been inspired by Islamic State, none are known to have been directly financed by the terror group, unlike attacks in Europe and elsewhere.

U.S. prosecutors have charged 131 people in terror cases connected to Islamic State, according to the George Washington University Extremism Program. Most are U.S. citizens or permanent residents; 77 have been convicted or pleaded guilty, including Mr. Elshinawy.

When Mr. Elshinawy hit the radar of federal investigators, he was living with a woman in a one-bedroom apartment in a bungalow complex outside Baltimore.

Born in Pittsburgh, Mr. Elshinawy mostly grew up in Egypt in a family of academics. By 2007, he was living in the U.S., according to his résumé, which is posted online. He delivered newspapers, worked at a convenience store and at a company that sold firearm accessories and other outdoor supplies through eBay, the résumé says.

In February 2015, Mr. Elshinawy pledged allegiance to Islamic State on social media and later said he planned to die a martyr, according to an FBI affidavit.

What he planned to attack in the U.S. is unclear.

Alabama GOP Primary Headed to a Runoff

By Janet Hook

Evangelical conservative Roy Moore was leading in a special Senate GOP primary in Alabama on Tuesday, outpolling Sen. Luther Strange despite support for the incumbent from President Donald Trump and the party establishment in Washington.

The Associated Press said Mr. Moore, a former state Supreme Court judge who is a favorite of the religious right, and Mr. Strange, who is temporarily serving in the Senate by appointment, would head to a Sept. 26 runoff because neither was on track to receive more than 50% of the vote Tuesday. Rep. Mo Brooks was trailing them in third place.

The Republican primary is for the nomination to fill the seat formerly held by Attorney General Jeff Sessions. The runoff winner will stand for the party in a Dec. 12 general election to fill the remaining two years of Mr. Sessions' term.

BRYNN ANDERSON/ASSOCIATED PRESS (LEFT); BUTCH DILL/ASSOCIATED PRESS

Roy Moore, left, who rode on horseback to the polls, was ahead of Sen. Luther Strange, right, but neither was on track to get half the vote.

Mr. Strange's finish was a surprisingly weak showing for a candidate endorsed by the president and backed by the well-funded political team of Senate Majority Leader Mitch McConnell of Kentucky. Mr. Trump recorded a get-out-the-vote call for Mr. Strange that told GOP voters, "We've fulfilled so many of our promises...We are doing things that a lot of people said are impossible, but I need Luther to help us out."

But Mr. Strange, a former state attorney general, was weakened by attacks from opponents who portrayed him as beholden to Mr. McConnell, a party leader disliked by many antiestablishment GOP conservatives.

Opponents have also attacked Mr. Strange for getting the Senate appointment from a scandal-tainted governor, Robert Bentley, who resigned earlier this year after pleading guilty to campaign-finance violations connected to an alleged affair with a senior aide. The attorney general's office was investigating the governor, leading critics to question whether Mr. Strange leveraged the inquiry into an appointment—something Mr. Strange denies.

Mr. Moore gained fame after he lost his seat as a state Supreme Court judge for refusing to remove a Ten Commandments monument from a state building.

Mr. Moore underscored his populist appeal to rural voters by riding on horseback to the polls to cast his ballot Tuesday.

All three of the top candidates worked to portray themselves as hardy allies of the president, who remains very popular among the state's Republican voters. Alabama is a heavily Republican state and the winner of the GOP runoff will be considered the prohibitive favorite in the general election.

Democrats also held their primary election to select a nominee Tuesday, and chose Doug Jones, a former U.S. attorney who is best known for prosecuting the two remaining perpetrators in a 1963 church bombing that killed four African-American girls. He had been favored by party leaders including former Vice President Joe Biden and Rep. John Lewis (D., Ga.).

Premiums Would Jump if ACA Subsidies End

By Stephanie Armour

Premiums for many insurance plans on the Affordable Care Act's individual market would climb by 20% next year if the Trump administration halts billions of dollars in payments that go to insurers under the health law, the Congressional Budget Office estimated Tuesday.

The payments that help compensate insurers for reducing out-of-pocket costs have become the latest front in the battle over the health law, with President Donald Trump warning he could end the funding after Senate Republicans failed late last month to repeal the ACA.

Democrats, insurers and some governors have been urging Mr. Trump to preserve the payments in order to protect the stability of the individual insurance markets.

The report by the nonpartisan CBO and the Joint Committee on Taxation, a panel that includes House and Senate members, says the ACA markets wouldn't implode without the funding, estimated at $7 billion this year. But it concludes that a decision by Mr. Trump to halt the payments would raise premiums for midpriced plans and leave slightly more people without an insurer to choose from on the individual market.

In a twist, stopping the subsidies would also wind up costing the federal government more in the end, the report said. Higher premiums for midpriced plans would require the government to pay larger tax credits to consumers to help offset coverage costs. The federal deficit would increase by $194 billion through 2026, the report said.

The assessment reflects the negotiating struggles still ahead over the ACA in Congress, where Republicans have already spent months on failed attempts to repeal and refashion former President Barack Obama's 2010 health law. The demise of the repeal effort means the ACA will remain in place for the foreseeable future, but its markets remain fragile, with insurers promising to raise premiums or stop participating without the federal money, known as cost-sharing payments.

Now, Republicans must decide whether to work with Democrats to stabilize a law they have pledged for more than seven years to dismantle.

Already, some GOP senators are working with Democrats on a possible bill to preserve the payments to insurers. But some House Republicans opposed to the assistance, which they call a bailout for insurers, are digging in with another push for repeal.

The CBO and tax-panel report also highlights the power the Trump administration now holds over the law. Questions are mounting about whether the federal government will devote resources to the fall open-enrollment period for ACA insurance plans. And Mr. Trump has sounded intent on halting the payments, despite calls from some within his own party who fear a political backlash in the midterm elections if the premium costs rise.

"Regardless of what this flawed report says, Obamacare will continue to fail, with or without a federal bailout,'' Ninio Fetalvo, a White House spokesman, said in a statement. He added: "No final decisions have been made about the CSR payments. We continue to evaluate the issues."

Rep. Tom Reed (R., N.Y.) co-chairman of a bipartisan House group that has advocated for authorizing the cost-sharing payments, called Tuesday's CBO report "another log on the pile of pressure" on Congress to act. He said the adverse effects that CBO highlighted would disproportionately hit rural counties in GOP-held districts.

Democrats seized on the report to assert that Republicans and the Trump administration were threatening to sabotage health insurance.

Sen. Brian Schatz (D., Hawaii) wrote on Twitter that "the president of the United States is causing health care premiums to go up because he's mad. Let that sink in."

The CBO report said rising premiums would mean more people would qualify for cost-sharing subsidies. Also, the larger premium tax credits would make buying coverage on the individual market more attractive: While the number of people uninsured would be about one million higher in 2018 than in an earlier estimate, it would then be one million lower in each year starting in 2020, the CBO estimated.

Premiums for the midpriced plans on the exchange would be 25% higher by 2020, the CBO projected.

Mr. Trump could choose to end the payments on his own. The cost-sharing subsidies also face a legal threat. House Republicans sought in a 2014 lawsuit to block the payments. A federal district judge in May 2016 ruled that the payments were improper. The Obama administration appealed, and payments to insurers have continued in the meantime.

Nevada Counties Get Exchange Plans

Centene Corp. agreed to enter the Affordable Care Act health-insurance exchange in 14 Nevada counties where consumers had faced no options next year, leaving two counties nationwide bare of insurers willing to sell exchange plans.

The agreement, announced by Nevada Republican Gov. Brian Sandoval on Tuesday, is the latest to be brokered between state officials and insurance companies in states where next year's exchange markets were at risk of being deserted. That would have left consumers unable to buy health insurance that is eligible for federal premium and cost-sharing subsidies under the health law.

Roughly 8,000 consumers in Nevada were at risk of losing access to health plans on the exchange after Anthem Inc. and Prominence Health Plan said in June they would exit from markets in 14 counties. Insurers can hold off on final decisions to participate in exchanges until late September, but many have left markets, citing volatility and prolonged uncertainty about the White House's support for the markets.

The Trump administration hasn't said whether it will continue subsidies that help pay for low-income consumers' out-of-pocket costs.

St. Louis-based Centene's entry into those counties will ensure that consumers "have the ability to exercise their option to utilize Nevada's online marketplace and secure coverage for their families," Mr. Sandoval said.

Expanded coverage in Nevada leaves only two counties—Menominee County, in Wisconsin, and Paulding County, in Ohio—potentially without insurers in health law's exchanges, according to the Kaiser Family Foundation.

—*Melanie Evans*

U.S. NEWS

In Ugly Debate, President Isolates Himself

CAPITAL JOURNAL
By Gerald F. Seib

CHIP SOMODEVILLA/GETTY IMAGES

White nationalists who gathered to oppose the removal of a statute of Confederate Gen. Robert E. Lee clashed with counterprotesters in Charlottesville, Va., Saturday.

Throughout the strange odyssey that was the 2016 presidential campaign, Candidate Donald Trump never seemed afraid to be isolated from the political mainstream, standing on an island apart from those inside his party, to say nothing of those outside it.

Yet even Candidate Trump may never have left himself quite so isolated as President Trump did with a remarkable news conference inside Trump Tower on Tuesday afternoon.

Almost inexplicably, one day after Mr. Trump sent a sense of relief washing over his party by unambiguously condemning neo-Nazi groups at the forefront of a protest in Charlottesville, Va., last weekend, the president did a U-turn. He said again that both the white supremacist marchers and those who were there to protest them were equally to blame for the violence there. In that violence, a 32-year-old woman was killed by a young man who drove his car into a gathering of people opposing the white supremacists.

Within minutes of Mr. Trump's comments, David Duke, a former Ku Klux Klan leader, was tweeting his thanks to the president. Meanwhile, a variety of Republicans were separating themselves from their president.

Sen. Marco Rubio retweeted an earlier comment that the president should "describe events in #Charlottesville for what they are, a terror attack by #whitesupremacists," and proceeded to reel out a new string of tweets underscoring that view. Rep. Will Hurd, a Republican on the House Intelligence Committee—which is looking into the question of whether Mr. Trump's campaign got inappropriate help from Russia in the 2016 campaign—declared on CNN that the president should "apologize...Racism and bigotry and anti-Semitism in any form is unacceptable, and the leader of the free world should be unambiguous about that."

House Speaker Paul Ryan said "white supremacy is repulsive" and "there can be no moral ambiguity." Jeb Bush, a former Florida governor who ran against Mr. Trump last year, tweeted: "This is a time for moral clarity, not ambivalence. I urge President Trump to unite the country, not parse the assignment of blame for the events in Charlottesville."

And that was the reaction among Republicans. Among Democrats, the president's remarks were essentially radioactive. Ironically, they came at an event set up so he could, among other things, woo Democrats to work with him on a plan to rebuild the nation's infrastructure.

Moreover, the response came less than a week after Mr. Trump entered into a rhetorical war with his party's leader in the Senate, Mitch McConnell, over the failure to pass a bill to repeal and replace Obamacare. Mr. McConnell said the president had "excessive expectations." The president told his top Senate ally to "get back to work."

The upshot is that the August recess, a time Mr. Trump might have been able to build support and momentum for what is supposed to be a fall legislative push on the most important items on his domestic agenda, has become anything but. Instead, Mr. Trump may be on his way to emerging from the August period working with a shaken-up White House staff and fewer reliable congressional allies than he had coming in.

The real mystery is why. Mr. Trump had endured a weekend of criticism for saying in his initial reaction to the Charlottesville violence and the death there that there were "many sides" to the unrest. But on Monday he had begun to put that behind him with a statement that more explicitly condemned white supremacists and neo-Nazis, as well as the driver who plowed into a crowd of protesters objecting to their views.

He had no real reason to dive back into the controversy a day later. Yet he apparently couldn't resist, and instead appeared to be eager to vent anger at the criticism of his original statement—and to justify it by arguing that there were excesses by both the white supremacists and the counterprotesters.

One immediate problem for Mr. Trump is that his argument that the crowd gathered in Charlottesville included a lot of good people who had simply come to protest the removal of a Confederate statue flew in the face of video footage showing the white nationalists marching to such chants as "Jews will not replace us" and "blood and soil."

Where things go from here is anybody's guess. Mr. Trump has never really seemed to mind being isolated from the political establishment. In fact, he often seems to relish that position as proof he is right, and in this case he gave voice to those who think that it is unnecessary to remove all historical symbols of the Confederacy from the South. But that also leaves him mired in a debate over the ugliest aspects of American history—a debate that could get uglier still.

CEO

Continued from Page One

she expects more leaders to resign their advisory posts.

Privately and publicly, some business leaders have also indicated doubts about how worthwhile their White House access has been, given the mixed progress of Mr. Trump's pro-business agenda. Although the president's meetings with chief executives this spring attracted heavy news coverage, they haven't yielded significant results. Hopes of a corporate tax overhaul or an infrastructure-spending plan being completed soon are fading among executives.

Lawrence Summers, who served as Treasury secretary in the Clinton administration and as a top economic adviser in the Obama White House, said in an interview that business leaders serving on Trump advisory councils should pull out.

"I don't think these are forums for either detailed advice or critical advice," he said, adding that he didn't believe corporate leaders serving on such councils received much in return.

Three CEOs of major publicly held U.S. companies sought Ms. Temin's advice this week about whether to take a stance on the Charlottesville violence. All three are Republicans who voted for Mr. Trump; each told her they would decline a seat on his councils if asked, Ms. Temin said.

Navigating the Trump presidency has been thorny from the start for CEOs. Tesla Inc.'s Elon Musk and Walt Disney Co.'s Robert Iger quit advisory councils to the president over his decision to pull out of the Paris climate accord. Others have had to justify their presence on the councils amid continued pressure from employees and some in the public over their roles.

Chief executives such as J.P. Morgan Chase & Co.'s James Dimon have said they want to help Mr. Trump shape pro-business policy, but have recently voiced frustration over Washington's pace including on broad changes to the tax code.

Merck & Co. Chief Executive Kenneth Frazier was the first executive this week to resign from the White House manufacturing council, followed by the heads of Under Armour Inc., Intel Corp. and the Alliance for American Manufacturing.

STEVE MARCUS/REUTERS

Under Armour CEO Kevin Plank was one of several executives who resigned from the White House manufacturing council.

Late Tuesday, AFL-CIO chief Richard Trumka also quit, saying, "I cannot sit on a council for a president that tolerates bigotry and domestic terrorism."

On Monday, Mr. Trump singled out white-nationalist groups for criticism for the Charlottesville violence after he initially had declined to do, though on Tuesday afternoon, he again said "both sides" demonstrating in Charlottesville were to blame for the clashes.

White House officials shrugged off the defections, saying Tuesday the councils aren't an active part of day-to-day policy-formulation. "We have an incredible number of CEOs that want to give us their advice and guidance," one official said.

Mr. Trump, in a news conference, characterized the CEOs as "not taking their jobs seriously as it pertains to this country." Earlier in the day, he called them "grandstanders" in a Twitter post, and he suggested more leaders were waiting in the wings to join his councils.

Inside boardrooms, leaders are torn between a desire to reduce regulatory burdens and wariness of appearing to support the administration, board members and crisis managers say.

Northwestern Mutual Life Insurance Co. hasn't taken a position on the president or his policies, and the company isn't part of any White House advisory councils.

But last weekend's events "will be fodder for a lot of boardroom discussion" for the insurer, said Dale Jones, a board member and CEO of Diversified Search Inc., an executive recruitment firm. "The conversations will be much broader than Charlottesville."

Yet some business leaders argue that without a seat at the president's table, companies will have no influence on the issues where they lock horns with the White House.

"There are just as many people who would say: Have a seat at the table, try to bring things to him and his cabinet that are of import from a moral point of view," said an executive at a company whose chief executive is a member of Mr. Trump's Strategic and Policy Forum.

One reason CEOs may be more willing to publicly oppose the president is that his tweet attacks on corporations no longer appear to pack the same punch as they initially did after his election, crisis managers said.

Merck's share price rose nearly 1% Monday after Mr. Trump lashed out at the company's drug prices following Mr. Frazier's decision to withdraw from the White House manufacturing council.

—Joann S. Lublin, Peter Nicholas and Jennifer Maloney contributed to this article.

TRUMP

Continued from Page One

plowed into a crowd.

Explaining why he waited to call out white nationalist groups such as the Ku Klux Klan and neo-Nazis by name, Mr. Trump said: "Before I make a statement, I need the facts."

The news conference was his first at Trump Tower since taking office, and was the most confrontational appearance since his last news conference at his New York skyscraper on Jan. 11, when he got into a shouting match with a CNN reporter.

Although the focus of the event was on Mr. Trump's efforts to ease regulations and speed up infrastructure projects, the inquiries from reporters were almost exclusively about Mr. Trump's handling of the protests, and why it took him three days to single out neo-Nazis or white nationalists, who organized the weekend rally.

Out of nearly two dozen questions aimed at the president, just one was about infrastructure. He received no questions about North Korea's recent decision to back off its threat to fire missiles at Guam, or his first trade action aimed at China, which was announced on Monday.

An increasingly agitated president responded by calling the counterprotesters, who included liberal activists, members of the clergy and students, the "alt-left"—a play on the term "alt-right" that is a catchall phrase for far-right groups that embrace tenets of white supremacy or reject mainstream conservatism.

He suggested there was a slippery slope from removing a statue of the Civil War's Gen. Robert E. Lee, which sparked the demonstration, and scrubbing from history George Washington and Thomas Jefferson, who owned slaves.

"What about the alt-left that came charging at the, as you say, the alt-right? Do they have any semblance of guilt?" he said. "What about the fact that they came charging with their clubs in their hands, swinging clubs? Do they have any problem? I think they do."

The president's comments were praised by former Ku Klux Klan leader David Duke, who, on Twitter, thanked Mr. Trump for his "honor and courage to tell the truth about Charlottesville and condemn the leftist terrorists." Mr. Duke ran for Senate as a Republican.

'Before I make a statement, I need the facts,' President Trump said.

The tweet drew immediate rebukes from some Republicans, including U.S. Rep. Will Hurd of Texas, one of his party's few black congressmen.

"I don't think anybody should be looking at getting props from a grand dragon from the KKK as a definition of success," Mr. Hurd said on CNN.

House Speaker Paul Ryan (R., Wis.), who has often defended Mr. Trump this year, moved quickly to separate himself from the president's remarks.

"We must be clear," Mr. Ryan posted on Twitter. "White supremacy is repulsive. This bigotry is counter to all this country stands for. There can be no moral ambiguity."

Sen. Brian Schatz (D., Hawaii) tweeted: "As a Jew, as an American, as a human, words cannot express my disgust and disappointment. This is not my President."

Republican National Committee spokeswoman Kayleigh McEnany defended Mr. Trump's comments, tweeting that the president "once again denounced hate today. The GOP stands behind his message of love and inclusiveness!"

Following days of criticism about his handling of Charlottesville, Mr. Trump came to the news conference aggrieved about his treatment, two advisers to the president said. One said he had been "stunned" by the reaction over the past few days and was feeling "overwhelming pressure." Mr. Trump could have parried questions by referring to his statement on Monday singling out white nationalist groups by name. Instead, he gave the most extensive public comments on the episode to date.

One adviser, speaking before the news conference, said Mr. Trump was facing heavy pressure from aides, family and friends to clarify his statement on Saturday and condemn more directly the white nationalist protesters. The danger to Mr. Trump is that divisive racial rhetoric will leave him isolated, this person said.

"Congress will run from him. Any normal person will run from him," he said.

Mr. Trump also was asked about his chief strategist, Steve Bannon, and his future in the White House.

The president has been urged to fire Mr. Bannon by other top White House officials and by some Republican lawmakers, as well as Nancy Pelosi, the top Democrat in the U.S. House. But on Tuesday, the president suggested he was safe, at least for now.

"We'll see what happens with Mr. Bannon, but he's a good person," he said.

Mr. Trump said some protesters Saturday weren't white supremacists but people there to protest the removal of the Robert E. Lee statute.

"I've condemned neo-Nazis," he said. "I've condemned many different groups. But not all of those people were neo-Nazis, believe me."

—Natalie Andrews and Joshua Jamerson contributed to this article.

WASHINGTON WIRE

UTAH GOP PRIMARY

Candidate Backed By Moderates Wins

Provo Mayor John Curtis on Tuesday won the Republican primary in Utah to succeed Rep. Jason Chaffetz, who resigned his U.S. House seat earlier this year.

Mr. Curtis beat former Utah lawmaker Chris Herrod and businessman Tanner Ainge, the Associated Press reported. Because the Third District is overwhelmingly Republican, the winner of the GOP primary will likely win the general election in November.

Moderate Utahns backed Mr. Curtis, who said he didn't support President Donald Trump in last year's presidential election. That became an attack line for outside conservative groups such as the Club For Growth, which supported Mr. Herrod in the special election.

"I come from the most conservative city in the most conservative county in the most conservative state," Mr. Curtis said of his Republican conservative credentials.

Asked if he could work with Mr. Trump, he said that while he doesn't agree with the president on everything, both men want to pass tax reform and make other policy changes.

Mr. Curtis will face Democrat Kathie Allen, a physician, in November.

—Natalie Andrews

ENERGY

Department Faces Pressure Over Study

Energy Secretary Rick Perry faces stepped-up pressure from environmental groups over a power grid study that he has signaled could help bolster coal and nuclear power.

On Monday, the Sierra Club said it filed suit in U.S. District Court for the Northern District of California, alleging that the Energy Department violated laws on public access to information by not responding to its Freedom of Information Act requests for communications between the agency and outside groups, such as fossil-fuel interests.

The Energy Department didn't respond to a request for comment. On Tuesday, Mr. Perry was in Richland, Wash., visiting the Pacific Northwest National Laboratory, which works on modernizing the nations' electric grid among other research areas.

—Sharon Nunn

ARKANSAS

Boozman Recovers From Surgery

Sen. John Boozman's office said the Arkansas Republican has successfully undergone a follow-up procedure to his 2014 heart surgery. The senator underwent the procedure Tuesday.

—Associated Press

RICK BOWMER/ASSOCIATED PRESS

An early voter cast his ballot in Utah's Republican primary.

CHARLES MOSTOLLER/BLOOMBERG NEWS

Materials sit at a construction site for a natural-gas pipeline near Morgantown, Pa. Donald Trump promised to build more pipelines.

Infrastructure Order Issued

By Ted Mann

President Donald Trump issued an executive order Tuesday directing federal agencies to more quickly review the environmental effects of infrastructure projects, a bid to speed up the construction of the roads, bridges, pipelines and rails he promised on the campaign trail.

The action is one of the few avenues that Mr. Trump has to advance his infrastructure agenda without congressional legislation. So far, Republican lawmakers and the Trump administration have focused their legislative energies on health care and a tax overhaul since the president took office.

Mr. Trump's plans to revitalize the country's infrastructure face an uncertain future, given the reluctance among members of both parties to follow the administration's lead. Among the challenges the administration faces: identifying the sources of funding for a rebuilding program that the president has said will be worth $1 trillion or more.

Mr. Trump's executive order would sharply reduce the time federal agencies spend on environmental reviews before approving projects like new highways. The order also expands on efforts begun under President Barack Obama to improve federal permitting, including tracking project progress on a unified "dashboard" to improve transparency.

It also rolled back Obama-era flood-mitigation standards, to the chagrin of insurers and environmentalists who said the move would leave the country more vulnerable to the effects of climate change.

"One agency alone can stall a project for many, many years and even decades," Mr. Trump said. "This over-regulated permitting process is a massive self-inflicted wound on our country."

A senior administration official said the effort to speed permitting would address concerns from elected officials of both parties who have been frustrated at the length of time it can take to win approval to build new infrastructure or replace existing structures.

Environmental advocates reacted with alarm, saying that the administration exaggerated the delays imposed by the reviews in question, and would undermine a valuable process that helps prevent irreversible damage to natural resources and neighborhoods.

"We can modernize our country without rubber-stamping hazard and fast-tracking harm," said Rhea Suh, president of the Natural Resources Defense Council. "We can't afford to short-change our future by short-circuiting common-sense safeguards that protect clean water and air. Arbitrary decisions and artificial deadlines can lead to costly mistakes we'll all pay for down the line."

The executive order was one of Mr. Trump's most tangible moves to spur action on critical infrastructure. Still to come are much more complex challenges. Mr. Trump and his advisers have said they will push for a program that will yield $1 trillion in new infrastructure projects over a decade, with the lion's share of the funding to come from cities and states, not the federal government.

Democrats and some Republicans have expressed alarm at a potential shift in the burden of financing projects to the local level, and at the administration's intent to prioritize projects that can be funded by private investors. The need for investors to earn a return on infrastructure investments will mean increased tolls and other user fees, critics of the approach say.

Meanwhile, other items on Mr. Trump's agenda are ahead of the infrastructure push, including an effort to overhaul the tax code. A senior official said the administration continues its infrastructure work behind the scenes. The administration will send a set of "principles" to Congress in the fall, which it hopes will be used to craft an infrastructure bill, the official said.

WORLD NEWS

Shift on Guam Offers a Respite

The next flare-up with North Korea could come in days, with U.S.-Seoul joint drills

North Korea's climbdown from its threat to attack Guam was a product of textbook brinkmanship from Pyongyang, amid economic pressure from Beijing, President Donald Trump's bellicose rhetoric and an effort by senior U.S. officials to emphasize the need for diplomacy.

By Jonathan Cheng in Seoul and Jeremy Page in Beijing

But concrete progress is less certain. Pyongyang is expert at rapidly escalating and de-escalating tensions, and the next cycle could begin as early as next week, when American forces begin annual joint exercises with South Korea.

North Korea's turnaround also does little to address the Trump administration's longer-term challenge: stopping the country's quest for an intercontinental ballistic missile capable of reliably delivering a nuclear warhead to the U.S. mainland.

"We continue to be interested in finding a way to get to dialogue, but that's up to him," Secretary of State Rex Tillerson said Tuesday, referring to North Korea's leader Kim Jong Un.

U.S. officials said drawing conclusions from the past week would be premature. "The goal is a denuclearized peninsula. We still have some work to do," a State Department official said.

Pyongyang's exact motivations for dialing down tensions are as opaque and subject to debate as its motivation for having threatened Guam in the first place. In addition to concerns about further escalation, they appear to have been influenced by Beijing's announcement Monday that it would enforce new trade sanctions and diplomatic statements by senior U.S. officials.

KCNA/AGENCE FRANCE-PRESSE/GETTY IMAGES

North Korean leader Kim Jong Un inspects the army's Command of the Strategic Force in this photo released by the country's official agency.

Officials in China, Japan, South Korea and other nations had been alarmed last week when Mr. Trump threatened to unleash "fire and fury" in response to threats from North Korea, and declared that U.S. military solutions were "locked and loaded."

In many ways, North Korea's announcement on Tuesday that it would hold off—for now—on threats to surround Guam with an "enveloping fire" of intermediate-range ballistic missiles follows a familiar pattern in Pyongyang's playbook.

Two years ago, during another August standoff, North Korea issued a 48-hour ultimatum to South Korea to switch off loudspeakers blaring anti-Kim propaganda across the demilitarized zone that separates the two countries, following the explosion of a land mine there that maimed two South Korean soldiers. North Korea threatened to use force to stop the broadcasts.

South Korea ignored the deadline, and days later, North Korea expressed regret for the land mine, dismissed several senior officials, and put inter-Korean relations back on what it called a "track of reconciliation and trust." South Korea shut off its loudspeakers.

China almost certainly sent back-channel messages to the North Koreans in the past few days warning them against firing missiles toward Guam, said Dennis Wilder, a former senior China analyst at the Central Intelligence Agency.

Beijing also appeared to indicate displeasure with Pyongyang by proceeding with a long-planned visit to China this week by Gen. Joe Dunford, chairman of the U.S. Joint Chiefs of Staff, Mr. Wilder said.

Gen. Dunford signed an agreement with his Chinese counterpart on Tuesday to formalize and increase the level of communication between the U.S. and Chinese militaries. On Wednesday, Gen. Dunford is due to visit China's Northern Theater Command, which oversees Chinese forces on the North Korean border, according to Chinese and U.S. military officials.

On a visit to Seoul before arriving in Beijing on Tuesday, Gen. Dunford said the U.S. military was supporting efforts to find a diplomatic solution to the North Korean crisis, even as it prepared other options.

Some longtime North Korea watchers say that North Korea had likely never intended to launch four missiles toward Guam. The leadership in Pyongyang may also have been encouraged that, while Mr. Trump raised the rhetorical temperature last week, the U.S. refrained from taking any actions that would signal more of a war footing.

North Korea was particularly sensitive about the dispatching of B-1B bombers from the U.S. Air Force base on Guam, the initial stated impetus for the North's most recent threat, said Euan Graham, director of the international security program at the Lowy Institute for International Policy, an Australian think tank. The U.S. hasn't conducted any further B-1B flyovers since the threat against Guam.

Pyongyang Believed By U.S. to Make Own Engines

By Felicia Schwartz And Paul Sonne

WASHINGTON—The U.S. believes that North Korea produces its own rocket engines rather than relying on foreign imports, a U.S. intelligence official said Tuesday.

The comments from the intelligence community come as experts have questioned if Kim Jong Un's regime obtained Soviet-designed rocket engines through illicit channels in Ukraine or Russia.

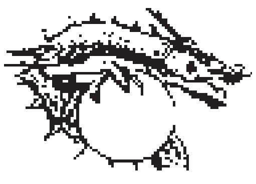
A report by the International Institute for Strategic Studies released Monday said the liquid-propellant rocket engines North Korea has used in recent tests resemble those originating from Soviet designs and theorized that North Korea had somehow illicitly purchased engines smuggled out of Russia or Ukraine.

"We have intelligence to suggest that North Korea is not reliant on imports of engines," a U.S. intelligence official said Tuesday in response to the report. "Instead, we judge they have the ability to produce the engines themselves."

The report's author, Michael Elleman, said Tuesday he remains skeptical that North Korea can produce engines of such sophistication on its own. Mr. Elleman said observations he made of the launch and trajectory of the missiles suggest they were of Soviet design. He inferred the missiles were imported to North Korea because Pyongyang lacked the expertise to build them unaided.

"One does not start by creating a new, powerful, efficient and reliable engine from thin air," he said.

Trump Walks Dangerous Line With Beijing on Two Fronts



CHINA'S WORLD
By Andrew Browne

CHRIS KLEPONIS/CNP/ZUMA PRESS

Mr. Trump spoke before signing an order raising trade pressure.

SHANGHAI—By ordering his first trade action against Beijing, while amping up pressure on Chinese leaders to rein in Pyongyang's nuclear menace, President Donald Trump is bringing to a head two of the most intractable problems that bedevil U.S.-China relations.

There are hints that Mr. Trump's hard-nosed strategy could be having an impact—at least in the near term. After repeated North Korean threats to launch missiles toward Guam, Pyongyang suddenly backed away from that threat Tuesday. And China has signed on to U.N. sanctions that will slash North Korea's meager foreign revenues.

But Mr. Trump's strategy comes with risks; each issue—trade and North Korea—is volatile enough to upend the relationship.

Mismanaged, one could ignite a trade war, the other trigger scenarios that could lead to military conflict.

To avoid these dangers, the two sides would have to reconcile clashing views on Asian security, which shape their divergent approaches to North Korea, and incompatible economic systems, which drive trade frictions.

The Chinese economy is now powerful enough to withstand any trade sanctions; it is less dependent on exports, whereas U.S. corporations are more reliant than ever on access to China's consumer markets. A trade war would hurt both sides.

Meanwhile, Chinese President Xi Jinping, riding a wave of assertive nationalism, aims to diminish the U.S. presence in Asia and weaken its alliance system. He has no interest in any kind of arrangement for the Korean Peninsula that would strengthen America's position there.

White House officials insist there is no linkage between the North Korea issue and Monday's presidential order to examine whether an investigation is warranted into Chinese requirements that U.S. companies give up technology in return for market access, as well as outright intellectual property theft.

Yet Mr. Trump has explicitly made the connection. This was the grand bargain he dangled to Mr. Xi: Help me on North Korea, and I'll go easy on trade. He's rapidly losing patience, though. "Our foolish past leaders have allowed them to make hundreds of billions of dollars a year in trade," Mr. Trump tweeted, "yet they do NOTHING for us with North Korea, just talk."

That's been the U.S. complaint for years. Now, North Korea is on the point of perfecting intercontinental ballistic missiles able to strike the U.S. mainland.

And mercantilist policies, like forced technology transfers, have become an integral part of China's state-led industrial model, imperiling America's long-term economic prospects.

We're moving toward a climax on two fronts in a crisis atmosphere.

To be sure, Mr. Trump is acting cautiously and deliberately, despite heated rhetoric. An investigation into alleged Chinese trade abuses could take up to a year, leaving ample room for compromise.

On North Korea, he has stressed the need for cooperation, although his threat to unleash "fire and fury" against Kim Jong Un was as much intended to scare Beijing into action as to rattle the Korean dictator.

Avoiding worst-case scenarios is a challenge as great as any the U.S. and China have faced since diplomatic normalization in 1979.

Henry Kissinger, an architect of that breakthrough, writes in The Wall Street Journal of instead of subcontracting to Beijing the task of achieving American objectives on North Korea, the only feasible approach is "to merge the two efforts and develop a common position."

But the gap between Beijing and Washington remains immense.

Iran's President Threatens To Scrap Nuclear Accord

Iranian President Hassan Rouhani threatened to revive his country's nuclear program within hours if the U.S. continues to pile on sanctions, a warning that Iran was prepared to tear up a deal that he championed.

By Aresu Eqbali in Tehran, Iran, and Asa Fitch in Riyadh, Saudi Arabia

Mr. Rouhani didn't specify a threshold that would trigger Iran's departure from the 2015 nuclear deal with six world powers, including the U.S., but, in a fresh escalation of tensions, he said the country could act swiftly if it chose to restart its efforts.

"Iran will certainly return to conditions much more advanced than before the negotiations started in a short period, not on a weekly or monthly scale, but on a daily and hourly scale" if the U.S. continues leveling sanctions, Mr. Rouhani said in an address to Parliament in Tehran.

At a time when the Trump administration is also trading threats with North Korea over its nuclear program, the comments could exacerbate already tense relations with the U.S. under President Donald Trump, whose election produced an about-face in American policy toward Iran.

Though Mr. Trump has certified that Iran is still in compliance with the accord, the president has lashed out at Tehran over its continued ballistic-missile tests and support for U.S.-designated terrorist groups in the region. His administration put new sanctions on Iran-related entities, mostly connected to its ballistic-missile program, in February, May and July.

Nikki Haley, U.S. ambassador to the United Nations, said in response to Mr. Rouhani's comments that the U.S. must

Angered by sanctions, Hassan Rouhani has called the U.S. an unreliable partner.

continue to hold Iran responsible for its missile launches, disregard for human rights and violations of U.N. Security Council resolutions. "Iran cannot be allowed to use the nuclear deal to hold the world hostage," she said.

The Trump administration is reviewing its Iran policy. Mr. Trump recently told The Wall Street Journal that he expected the U.S. wouldn't certify Iran's compliance with the nuclear deal in October, when it next faces a deadline to do so.

Mr. Rouhani's administration led Iran's negotiation of the nuclear deal, and his effort to seek more cordial relations with longtime foes was a central appeal to voters in his presidential campaigns of 2013 and this year, when he won a second four-year term.

Mr. Rouhani and other Iranian officials were already frustrated with former President Barack Obama for imposing additional sanctions over ballistic-missile tests, but the growing anti-Iran push under Mr. Trump has further weakened the case for more diplomacy.

Early this month, Mr. Rouhani said Iran wouldn't be first to pull out of the deal, but also wouldn't stand silent as the U.S. violated it, calling the U.S. an unreliable partner.

Despite Mr. Rouhani's threats, Behnam Ben Taleblu, a senior Iran analyst at the Foundation for Defense of Democracies in Washington, said it was highly unlikely that the Iranian president would walk away from the deal.

"Rouhani has staked significant political capital to ink the 2015 nuclear deal, and more importantly, he rightly understands how much the accord provides Iran" through the removal of sanctions, he said.

Adding to tensions, Iranian forces have also had a fraught recent string of interactions with American naval forces in the Persian Gulf.

An Iranian drone came within 100 feet of an American F/A-18 Super Hornet fighter jet as it prepared to land on the USS Nimitz aircraft carrier a week ago, an incident the U.S. military described as unsafe and unprofessional.

Another Iranian drone made close passes to the Nimitz on Sunday, coming within 1,000 feet of U.S. aircraft, the military said.

Iran's Islamic Revolutionary Guard Corps, a powerful force separate from the regular military that answers only to Supreme Leader Ayatollah Ali Khamenei, said on Monday that the U.S. claims of a dangerous approach by an Iranian drone were baseless.

"The Guards' drones will constantly continue their patrol within the framework of protecting the Islamic Republic's borders, regardless of the psychological atmosphere created by foreign forces in the Persian Gulf," the IRGC said on its official news website.

The growing threat to the nuclear deal, both from the U.S. and Iran, is likely to cause alarm globally, but especially in Europe, which followed the deal with billions of dollars of investment into Iran.


ATTA KENARE/AGENCE FRANCE-PRESSE/GETTY IMAGES

President Hassan Rouhani's warning threatens to exacerbate already tense relations with the U.S.

U.K. Proposes Broad Customs 'Partnership' With EU

By Jason Douglas

LONDON—The U.K. government proposed a far-reaching customs arrangement with the European Union that it said would eliminate the need for border checks on imports and exports after Brexit.

The "new customs partnership" with the EU was one of two suggestions the government put forward on Tuesday in a paper detailing its thinking on customs before resuming talks with Brussels this month over terms of Britain's withdrawal from the EU.

The proposals highlight the complexity of negotiating Britain's EU exit after more than 40 years in the bloc. British officials acknowledged that their borderless customs idea was without precedent in international trade.

In the paper, the U.K. set out a two-stage approach to giving up its place in the EU's customs union and moving to new arrangements for policing trade in goods with the EU.

As a first step, the U.K. said it proposed to leave the customs union when it exits the EU in March 2019. Goods move freely between union members but imports from outside EU borders face common tariffs.

The U.K. said it would seek to negotiate a temporary customs deal that broadly mirrors that arrangement but, critically, would enable it to negotiate its own free-trade deals with non-EU countries—though those agreements couldn't go into force until after the temporary agreement had expired. As an EU member, the U.K. can't currently negotiate its own free-trade accords, which proponents of Brexit tout as one of the biggest potential prizes of withdrawal.

The U.K. offered two proposals for longer-term customs arrangements with the EU to take effect after that transition phase has passed.

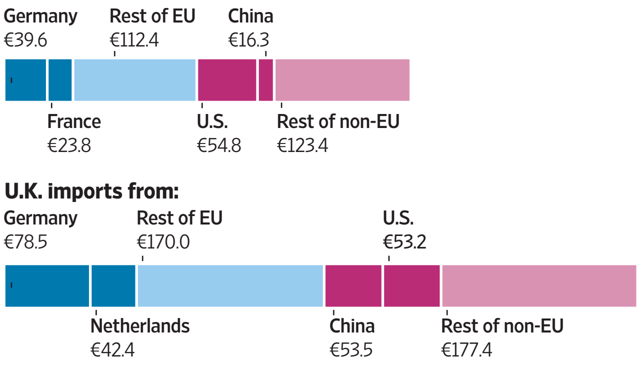
The government's more ambitious proposal called for a new partnership between the EU and the U.K. that it said would eliminate the need for customs checks entirely between the EU and U.K.

The paper said this could be achieved by preventing goods from abroad that don't comply with the EU's rules from leaving the U.K. for the EU market, while collecting the correct EU taxes on goods destined for the EU market. This would require monitoring U.K. imports from non-EU countries to determine whether they were bound for the EU.

The government's second proposal sketched out a more modest, "streamlined" customs arrangement that would rely on a combination of existing EU agreements with other countries and technological fixes to reduce delays at borders and similar impediments to trade.

Brexit Balancing Act

The U.K. said it would seek a temporary customs deal that would enable it to negotiate its own free-trade deals with non-EU countries.



Note: €1=$1.17
Source: Eurostat

THE WALL STREET JOURNAL.

Irish Border Issue Colors Brexit Talks

LONDON—The U.K. is set to rule out extending the European Union's customs area to encircle Northern Ireland after Brexit, by saying on Wednesday that such a move wouldn't be "constitutionally or economically viable."

In a formal position paper setting out London's principles for resolving the Irish border issue in negotiations with Brussels, the U.K. will say it doesn't want customs posts or other checks to disrupt the flow of people and goods that currently cross unimpeded between Ireland and Northern Ireland.

The Department for Exiting the European Union said the British government paper, due to be published later in the day, will argue for a sophisticated customs arrangement and the maintenance of a decades-old common travel area between Ireland and the U.K., which allows British and Irish citizens to move freely between the two nations.

None of the proposals outlined so far represents a surprise. But the position paper represents an effort to come to grips with a thorny issue. Brexit talks are due to resume this month.

—Jason Douglas

Germany's Economy Remains Buoyant

By Nina Adam

FRANKFURT—Germany maintained its solid economic performance, despite an unexpected yet mild slowdown in the second quarter.

Gross domestic product grew 0.6% in the three months through June, or 2.5% in annualized terms, the Federal Statistical Office said on Tuesday.

Economists polled by The Wall Street Journal forecast an annualized pace of 2.2%.

"The economy looks strong and robust," supported by domestic demand, said Andreas Rees, UniCredit's chief Germany economist.

Illustrating the trend, Germany's statistics body lifted its quarterly growth estimate for the first quarter to 0.7%, or an annualized pace of 2.9%, from an earlier estimate of 0.6%.

Germany's statistics body said that "positive impulses" in the second quarter came from domestic demand, as spending by households and the government increased "markedly."

Corporate investments in plant and machinery also increased from the first quarter.

Foreign trade, however, weighed on Germany's performance, it said, because imports grew more strongly than exports, on a quarterly basis.

A detailed GDP report is due Aug. 25.

WORLD WATCH


FABRICE COFFRINI/AGENCE FRANCE-PRESSE/GETTY IMAGES

LOOK OUT BELOW: Brazilian soccer star Neymar launches a ball from the monumental wood sculpture 'Broken Chair' at an event organized by the NGO Handicap International, in Geneva.

GERMANY

ECB Policy Dispute Moves to EU Court

Germany's constitutional court said it was referring a challenge to the European Central Bank's large-scale bond-buying program to the European Union's Court of Justice, delaying efforts to set up a legal block to the scheme, but still giving some hope to its opponents.

The German court expressed reservations about the legality of the ECB's signature program on Tuesday and requested an "expedited procedure" to push the European court to deal with its case quickly.

Under European law, the ECB isn't allowed to buy bonds directly from governments, but is allowed to purchase them indirectly on the secondary market.

The ECB said it believed its asset purchases were "fully within our mandate."

—Todd Buell

BRITAIN

Consumer Inflation Was Steady in July

Britain's consumer-price inflation remained unchanged and growth in producers' raw materials costs slowed sharply in July, adding to signs that a squeeze on U.K. households evident since last year's Brexit vote might soon begin to ease.

Annual price growth remained unchanged at 2.6% in July, the Office for National Statistics said, defying predictions of analysts polled by The Wall Street Journal, who expected price growth would pick up slightly, to 2.7%.

Inflation in July was kept in check by falling fuel prices, which offset the rising costs of food, clothing and household goods, the ONS said.

The core inflation rate also remained unchanged at 2.4%, but was down from May's 2.6%.

—Wiktor Szary and Jason Douglas

BRAZIL

Government Drops Fiscal Targets

Brazil abandoned its fiscal targets through 2020, after a bribery scandal sapped President Michel Temer's ability to push economic reforms through Congress and left the public sector with a gaping budget hole.

Finance Minister Henrique Meirelles said Tuesday that lower-than-expected tax revenues forced the government to loosen its goal for the primary budget deficit, or the public-sector shortfall before debt payments, from 2017 through 2020. He said the government now expects primary deficits from 2017 through 2020 to total 522 billion reais ($164.7 billion), up from a previous forecast of 323 billion.

Brazil's government debt burden is already 73.1% of gross domestic product.

—Paul Kiernan and Paulo Trevisani

Toll Rises in Sierra Leone After Mudslide

Government appeals for international help amid cholera threat from floodwaters

By Joe Parkinson

The scale of the devastation from a mudslide in Sierra Leone came into sharper focus as the death toll topped 300 and the government called for urgent international aid to help prevent a cholera outbreak.

Days of storms and floods caused a densely populated hillside to collapse on Monday in a district around 15 miles east of the capital Freetown, engulfing dozens of homes.

By Tuesday afternoon, the number of confirmed dead had reached 312, the International Red Cross said. More than 600 people are missing and thousands are believed to have lost their homes, the agency said.

The country's chief coroner, Seneh Dumbuya, later told Reuters that rescue workers had recovered nearly 400 bodies, "but we anticipate more than 500."

A mass burial was to be held Tuesday evening to free up space in Freetown's central morgue, which was swamped by panicked family members looking for loved ones. Hundreds of volunteers scoured mounds of debris in the hunt for survivors.

"Everybody here has lost loved ones," Unisa Carew, a volunteer working in Freetown's central hospital, said in a telephone interview. "We've blocked them from entering the hospitals and morgues, but the area is tense and overcrowded."

The mudslides have overwhelmed authorities in one of the world's poorest nations. Less than two years ago, Sierra Leone emerged from an Ebola pandemic that left some 4,000 people dead.

President Ernest Bai Koroma declared a state of emergency and said the country needs "urgent support now" for the thousands of survivors.

SAIDU BAH/AGENCE FRANCE-PRESSE/GETTY IMAGES

Rescue teams and soldiers on Tuesday searched for victims and survivors of a devastating mudslide near the capital Freetown that has left hundreds of people dead.

"This tragedy of great magnitude has once again challenged us to come together, to stand by each other and to help one another," he said in a televised address on Tuesday.

Relief workers, although aided by hundreds of volunteers, said they were struggling to cope with the workload.

"I've never seen anything like this....The hospitals and morgues are full, there are bodies everywhere but we can't identify them," said Abu Bakar Tarrawellie, a Red Cross disaster manager. "There are more than 25 houses submerged in mud but we only have one bulldozer," he added.

Aid agencies said help was needed to mitigate the risks of cholera and other diseases that could spread in the stagnant floodwater.

Freetown, an overcrowded coastal city of 1.2 million, is each year hit by several months of flooding that can destroy poorly constructed housing and raises the risk of waterborne disease. The rainy season isn't over, risking further flooding that could aggravate the disaster and hinder rescue efforts.

Video footage on Tuesday showed a ferocious torrent of churning orange mud still cascading through the hilly capital's steep streets. Other videos posted by local residents on social media showed people trying to wade across a road in chest-deep water.

Some analysts said Freetown's peculiarly hilly topography has been made more dangerous by poor urban planning and a surge in population numbers since 1961, when the country gained independence from the U.K.

Aid agencies and volunteers said the communication lines and electricity had been disrupted, so the full extent of the damage has yet to be determined.

The Freetown office of the United Nations children's agency, Unicef, was providing trauma counseling and therapy to families and children in the communities struck by the mudslide.

"You can see people openly grieving....There is going to be a lot of hurt to address," Unicef spokesman John James said.

Australian Independent Puts Government on Shaky Ground

By Rob Taylor

CANBERRA, Australia—The government's fragile grip on power weakened after a crucial independent lawmaker said he could withhold backing for the ruling conservatives amid a widening scandal over rules barring politicians from holding dual citizenship.

Bob Katter, a maverick member of Parliament, offered support for the conservatives to form a government last year after cliffhanger national elections, in return demanding funding for expensive dam and rail projects, curbs on migration and a halt to foreign farm purchases.

Prime Minister Malcolm Turnbull eventually formed a government with a bare majority of one in the lower house, without needing Mr. Katter.

Now, after Deputy Prime Minister Barnaby Joyce became the fifth lawmaker to fall afoul of a constitutional rule stating that federal parliamentarians must not owe allegiance to a foreign power, Mr. Katter on Tuesday said his support was no longer guaranteed, should the government's survival again be put in doubt.

Mr. Joyce, the country's second-most-powerful political leader, on Monday said he could have unintentionally been a New Zealander through his father's Kiwi lineage at the time of last year's election, potentially barring him from office.

He told fellow lawmakers on Tuesday that he had formally renounced his New Zealand citizenship when he found out about his status, although the change wasn't retrospective.

If Mr. Joyce is forced from Parliament and the conservatives then lose a by-election for his seat, the government would need to strike a deal with a minor party or an independent lawmaker to hold power.

"I wanted and need certain things. I wasn't delivered certain things," Mr. Katter said, accusing Mr. Turnbull of failing to meet his postelection demands.

Mr. Katter said it was time for Mr. Turnbull to go "back to the drawing board" on efforts to build a base of support and reinforce the government's precarious hold on office.

SYDNEY LOW/ZUMA PRESS

Bob Katter says his support for the government isn't guaranteed.

He outlined a set of fresh demands the conservatives would find unpalatable, including a populist inquiry into the country's major banks and more uptake of ethanol use to support sugarcane growers in his sprawling Outback electorate.

A citizenship furor threatens to scoop up more lawmakers on all sides.

"The rules are very simple, and very clear, 'If you owe allegiance to another country, then you are disqualified,' " he said. "I'm not out to nail Minister Joyce, [but] a better Australia is looming."

After Mr. Katter said he would no longer guarantee voting support for budget bills or confidence in the government, other independents rushed to say they would support Mr. Turnbull against the Labor opposition, although some demanded a national audit of citizenship for all lawmakers to end uncertainty.

"We have an agenda, and we still have work to do," said lower-house lawmaker Cathy McGowan, who usually votes in support of Mr. Turnbull's Liberal-National coalition.

The citizenship furor threatens to scoop up more lawmakers on all sides, ahead of a ruling by the country's highest court on their eligibility for office.

Until July, only two lawmakers in history had ever run afoul of the divided loyalty clause in Australia's 116-year-old constitution, which bars lawmakers from foreign citizenship. Lawmakers this week were scrambling to clarify their citizenship after the rule tripped up Mr. Joyce and forced another cabinet member, Resources Minister Matt Canavan, a senator in the upper house, to step down pending a legal ruling on his status.

A High Court ruling on the cases may not come until November, legal experts said, leaving the country in a three-month limbo.

The political uncertainty has failed so far to unsettle financial markets, which have become somewhat inured to instability that has now delivered five prime ministers since 2010, as well as minorities in the upper-house Senate.

Gridlock over overhauls to tackle debt and deficit issues have led global credit firms to question Australia's triple-A sovereign-credit rating, despite the country's record of 25 recession-free years.

NOVO

Continued from Page One

has warned repeatedly it won't meet its long-term growth targets, and its stock price has shrunk by more than a quarter since the beginning of last year. Executives are scrambling to diversify—pouring money into research outside its core insulin-focused science. The company announced 1,000 job cuts last fall.

"A lot of staff—anyone who joined within the last 18 years—had not seen anything but success and constant growth," said Chief Executive Lars Fruergaard Jørgensen in an interview.

As the turmoil at Novo Nordisk shows, there are commercial limits to innovation. Nokia Corp. and BlackBerry Ltd. both lost their market dominance in smartphones because competitors beat them with major technological advances. Both firms are in the process of reinventing themselves.

In other cases, though, innovation has hit a wall. That is especially the case in some pockets of the pharmaceuticals business, where the scope for big improvements is narrowing.

Common, deadly ailments, such as asthma, high cholesterol and heart disease, were the focus of the pharmaceutical industry during a golden age of drug launches in the 1990s. Now, building on those advances has proven costlier and more complex, and usually results in smaller gains. Incrementally improved medicines are harder to sell at the prices needed to cover their development costs.

Sanofi SA and Amgen Inc. are struggling to make headway with their new cholesterol-lowering drugs. These medicines, known as PCSK9 inhibitors, bring about a greater reduction in cholesterol levels than older statins alone for certain people. But the companies have yet to convince insurers that it is worth putting these patients on them: Both cost more than $14,000 a year before rebates and discounts. Older statins are available for just pennies a day.

Novartis AG hoped its new heart-failure medicine Entresto's proven superiority to older, so-called ACE-inhibitors would guarantee rapid uptake among cardiologists. But insurers initially incentivized doctors to prescribe older, cheaper drugs, leading to a much slower launch. That is changing as insurers gradually adopt more permissive policies toward Entresto.

People with diabetes don't make enough insulin, a hormone needed to convert sugar into storable energy. In Type 1 diabetes, the body doesn't make insulin at all. In Type 2, the far-more-common form linked to obesity, the body develops resistance to insulin, and the pancreas cannot produce enough for the proper effect.

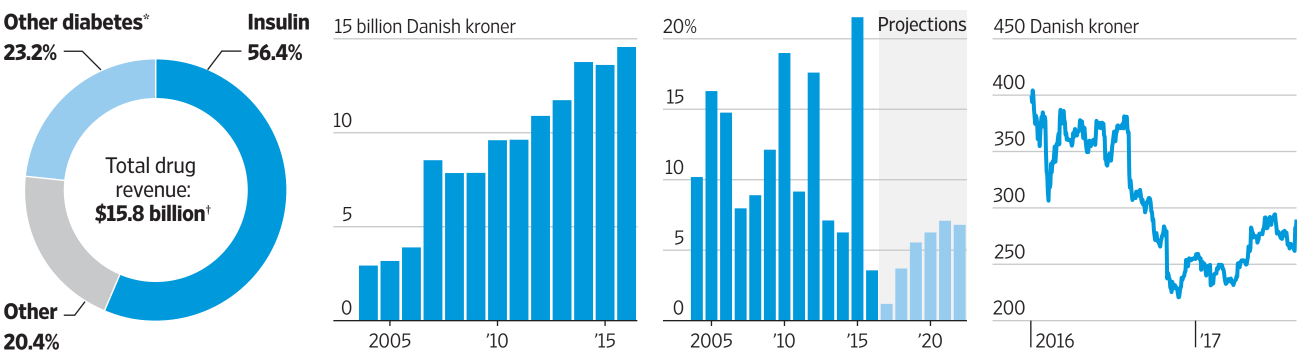
Around 12% of American adults have diabetes, according to an estimate published this year by the Centers for Disease Control and Prevention, though around a quarter of those aren't aware they have the disease. Of those diagnosed with diabetes, about a third depend on insulin injections, the CDC said. That was about six million people in 2011.

BENITA MARCUSSEN FOR THE WALL STREET JOURNAL

Anette Søndergaard worked in the lab at Novo Nordisk, the world's biggest insulin maker, in Maaløv, Denmark, last week.

Hitting Price Resistance

Novo Nordisk is heavily focused on insulin, but customers are balking at paying higher prices for its new Tresiba product. The company's research and development costs continue to grow, but sales forecasts have narrowed and the share price has fallen.



Note: 1 billion Danish kroner = $158.4 million at the current exchange rate *Including obesity drugs †Converted from Danish kroner at the exchange rate at the end of 2016
Source: the company (drug revenue, research and development); FactSet (sales, stock price)
THE WALL STREET JOURNAL.

Novo Nordisk has been making insulin since the hormone was discovered in the early 20th century. Nordisk Insulinlaboratorium was founded in 1923. Denmark, home to one of Europe's biggest pork industries, made sense for a business based, in its early days, on harvesting the hormone from the pancreases of pigs and cows.

In 1924, two brothers left Nordisk to set up their own firm, Novo. The rival companies competed fiercely, one-upping each other with insulin innovations, such as injections with longer effects.

Novo adopted new genetic engineering technology in the 1980s. The technology ushered in synthetic human insulin and ended the dependence on animals. The two companies joined forces in 1989, leapfrogging America's Eli Lilly & Co. as the world's biggest insulin producer.

Through the 1990s, the company tweaked the basic insulin molecule to fine-tune its performance. It developed a fast-acting insulin, called Novolog, that enters the blood quickly, providing a ready boost at mealtimes. It also rolled out a long-acting version called Levemir that releases a steady stream of insulin into the blood throughout the day.

In the mid-2000s, Novo Nordisk launched a handful of these so-called analog insulins, as patients clamored for more convenient forms. Doctors, patients and health-care managers in the U.S. and Europe were willing to pay more for the new benefits.

By then, Novo Nordisk enjoyed a duopoly for its longer-acting drug, competing only with French giant Sanofi SA.

After the success of Levemir, Novo Nordisk aimed higher. It developed Tresiba, even more convenient: The drug can be taken at any time of day, whereas Levemir and Sanofi's equivalent, Lantus, require a regular dosing schedule. In addition, Tresiba is associated with fewer episodes of dangerously low blood sugar, or hypoglycemia.

> *For many customers, added benefits aren't enough to warrant paying more.*

An early set of results for Tresiba impressed executives, Novo Nordisk's research chief, Mads Thomsen, recalled. "We just sat there and said, 'Wow,' " he said. "We had kind of realized we were very close to perfection."

As it awaited final blessing from the U.S. Food and Drug Administration, the company rolled the drug out across Europe, starting in 2013. It hit the market with a thud.

Novo Nordisk struggled from the start to convince European buyers that Tresiba was different enough from Levemir to command a big premium.

In Germany, for example, a pricing board set the price for Tresiba at the same level as the basic synthetic human insulin that had been available since the 1980s, which has none of the long-acting or other special benefits of newer forms. An agency that assesses the cost-benefit of new medicines concluded Tresiba had no real advantage in terms of controlling the disease itself. Novo Nordisk withdrew Tresiba from Germany, Europe's largest drug market.

Other countries, like the Netherlands, Denmark and Spain, allowed Novo Nordisk to launch Tresiba at around its desired price of 60%-70% higher than Levemir and Sanofi's Lantus.

But to minimize the impact on their budgets, the health systems wouldn't reimburse patients for Tresiba, and the new insulin gained very little market share. Last year, Novo Nordisk lowered its price to a level that the health systems would reimburse, and use of Tresiba has picked up.

"In Europe, we launched with a very high premium," said Mr. Jørgensen, the CEO. "That turned out to be too high." He said Tresiba's premium over Levemir and Lantus is now around 20% in most European markets.

Still, executives thought they could rely on the U.S. market to more than make up.

Novo Nordisk launched Tresiba in the U.S. in early 2016, ahead of the presidential election. Politicians on both sides were slamming drug companies for raising prices. Beyond the campaign rhetoric, insurers and health-plan managers were targeting diabetes medicine, in particular, for cost-cutting scrutiny.

Payers were girding for expected cost increases related to a raft of new cancer-fighting drugs, many of which promised big gains for patients. In the diabetes field, a string of new, pricey drugs designed to control blood sugar levels in early-stage Type 2 patients were also stretching budgets. These pressures made insulin, where the older products worked pretty well, an obvious target for cost savings.

Diabetes "is on payers' radar with big, red, flashing lights," said Barry Farrimond, a European drug-pricing analyst at ZS Associates, a management consultancy.

Amid that environment, Novo Nordisk couldn't convince executives at pharmacy-benefit managers such as Express Scripts that Tresiba was enough of a game-changer to warrant a significantly higher price.

For that, large clinical groups like the American Diabetes Association "have to tell us that this medication is clearly superior and as a result everybody who has diabetes should have access to it," said Troyen Brennan, chief medical officer of CVS Health Corp., a pharmacy-benefit manager.

Doctors and the ADA view Tresiba as "not much different," he said. This year's ADA guidelines group Tresiba alongside other long-acting insulins and note that patients with well-managed, Type 2 diabetes can use basic synthetic human insulin "safely and at much lower cost."

Novo Nordisk accepted a list price for Tresiba only around 10% higher than Levemir, according to Truven Health Analytics. The list price doesn't take into account rebates and other concessions, and some pharmacy-benefit managers are charging a higher copay for Tresiba to steer patients to cheaper drugs.

"We knew the dynamics were going to change, but it ended up being more dramatic than we anticipated," CEO Mr. Jørgensen said in the interview.

This month, he told reporters the price for Tresiba would take another hit in 2018, having already fallen in 2017. "The competitive environment we are in is now a permanent situation," he said.

Tresiba is gradually gaining traction. As of June, it had grabbed a 6.2% share of the U.S. long-acting insulin market, according to health data provider Quintiles IMS. That momentum helped Novo Nordisk post better-than-expected earnings in the second quarter this year, leading the company to brighten its full-year outlook.

But the tougher U.S. pricing environment took executives by surprise. Last year, the company slashed its long-term profit-growth forecasts twice: in February, to 10% from 15%, and in October, to 5%.

Mr. Jørgensen, who had been chief executive-designate since September 2016 and formally took up the role in January, has pivoted the company away from making incremental improvements to insulin.

"The market will probably not be screaming to get a slightly better Tresiba," he said in a February investor call.

It is widening its research to diseases that the company considers "adjacent" to diabetes. Now, it will start investigating drugs for conditions like NASH, a disease in which fatty deposits build up in the liver; diabetic kidney disease; and cardiovascular disease.

Within the diabetes field, the company still makes and sells the popular, less-expensive insulins. A Novo Nordisk drug called Victoza is part of a new class of treatments that boost insulin production in Type 2 diabetes patients. And it hasn't given up on insulin research altogether. In October, it scrapped a project working on a tablet version of the medicine. Instead, it is now focusing on more meaningful improvements, such as "smart insulin" that acts only in the presence of high blood sugar.

"I still believe we will bring new insulin to the market," said Mr. Jørgensen. "But the innovative height has to be better than what we have today."

ROBOTS

Continued from Page One

grammed to avoid colliding with one another and the wheels on the rolling bots lock when they leave the arena so they can't run away. As in any democracy, however, things occasionally get messy.

Last fall, half a dozen Robotarium copters were programmed by remote researchers to shoot straight up in the air. They did as told, hit the ceiling and then fell. Propeller blades and motion capture markers scattered across the room, including onto an unfortunate graduate student, who escaped unharmed.

"That was absolutely horrifying. It was raining robot parts," Dr. Egerstedt recalls.

There is now a safety net in place, much to his chagrin.

In February, lab workers were doing minor maintenance on the tabletop space where robots are tested, opening up a gap in the barrier that prevents them from falling off the table. Suddenly, the bots rolled straight toward the opening.

"It was as if they knew where the hole was," Dr. Egerstedt said.

They weren't trying to escape. They were actually being controlled by a remote researcher, who wasn't aware of the scheduled maintenance.

A Ph.D. student sprinted across the room and made what Dr. Egerstedt called a "beautiful" dive between the legs of a $15,000 camera to save a $50 bot from crashing to the floor.

"I remember the effort to build them," the student, Gennaro Notomista, said of the robots. He didn't want to have to do it again.

The lab is slated to move to a space nearly 20 times as big later this summer with 120 ground bots and, eventually, 60 airborne ones. Researchers use the swarms of robots to test search-and-rescue scenarios, simulate flight formations for the Defense Department or predict how fleets of self-driving cars might interact on the road.

Don't blame the robots for their occasional malfunctions, some researchers say.

"Robots do what we tell them to do," says Mac Schwager, an assistant professor of aeronautics and astronautics at

GEORGIA INSTITUTE OF TECHNOLOGY

Magnus Egerstedt, executive director of the Institute for Robotics and Intelligent Machines, inside the new Robotarium.

Stanford University's Multi Robot Systems Lab, which also studies the capabilities of groups of robots. It's just that sometimes, the instructions they get are bad.

"It's not as if they're trying to break free or they've developed a will of their own," he says.

Dr. Schwager recalls that a few years ago three aerial robots in his lab started an experiment correctly, flying to different corners of a room to monitor environmental conditions. One started wobbling and slammed into another, and then the tangled mess of propellers and plastic plowed into the third. His colleague grew increasingly exasperated as the scene turned from exciting experiment to Battle Bots.

Dr. Schwager hit an emergency button powering down the three robots and they crashed to the floor. His colleague also collapsed, he says, deflated by seeing weeks of work go to waste. The culprit in this case was a coding error: A researcher hadn't correctly measured the bots' positions.

Doctoral students in the Georgia Tech lab also have to guard the bots against another form of danger—the sticky fingers of fifth-grade boys, who tried to make off with a few robots during a demonstration in April.

As the adult chaperones turned their attention to an experiment under way in the arena, the children focused on the handful of robots on standby in case one of the active ones ran low on battery, recalls Siddharth Mayya, an electrical and computer engineering Ph.D. student.

Their red, green and blue LED lights flashed. They beckoned. The youngsters picked up the robots, cupping the little bots in their hands. One slid a bot into his pocket.

As the experiment wound down, Mr. Mayya says, he sprinted to the door of the lab to block the children from leaving with his robots.

"I'm almost 6 feet and I'm not skinny. It was probably a little imposing for a kid trying to leave the room, to have this guy stand right in front of him and say, 'I need that back,' " he says. They returned the bots, reluctantly.

The new Robotarium looks like a Hollywood sound stage surrounding a net-lined 168-square-foot hockey rink. More than a half-dozen cameras dot the corners and ceiling to capture video and send the results back to researchers, so they can see their experiments in action. A few cushy seats off on the side provide a theatrical effect.

"I have always been mesmerized by schools of fish, or flocks of starlings," Dr. Egerstedt says. When alone, he says, he takes the safety net down and programs the bots to come. "I...just stand there, immersed in the swarm."

At the formal opening later in August, the university's president will be joined at the ribbon-cutting by a scissor-wielding robot.

Dr. Egerstedt's team decided against using an aerial robot, given the risks on a windy day—but he said he still has some concerns about the ribbon-slicing bot being built for the event.

"It's vasectomy-height," he said. "So it's scary."

GREATER NEW YORK

CAITLIN OCHS FOR THE WALL STREET JOURNAL (2)

Louboutina, a prized canine among spotters, with her owner, Cesar Fernandez-Chavez, above, and posing for a fan selfie, below.

Some Dogs Have Their Day

By Mariana Alfaro

When Bo Quintana came to New York City from Georgia last summer, the attraction on the very top of his list wasn't the Empire State Building or even "Hamilton." It was Louboutina, a 6-year-old golden retriever.

The 18-year-old college student had made an appointment to meet the dog, known throughout the internet world as "The Hugging Dog," months before. And when the time came to meet his idol, he was not throwing away his shot. It was worth 15 Dogspotting points.

"Dogspotting" is an internet game in which more than 660,000 players share pictures of dogs for points on Facebook and through an app.

Louboutina, considered a celebrity, is one of the most prized dogs among players. Some wait outside her home in Manhattan's Chelsea neighborhood for a sighting—and "spot." She greets visitors with her signature hug, wrapping her paws around them, before posing for pictures and snatching a doggy treat or two.

Though many Dogspotting users go to the Facebook group simply to scroll through cute pictures of pups, at its core, the game has always been about rules and points. And though the rigorous rule book has pushed some spotters away—a "Dogspotting Anarchy" group was created by unhappy players—many obsessively follow them to the dot.

The most individual points are awarded for "bounty dogspots," such as Louboutina (15) or dogs owned by political figures (12).

Eric Kmetz, 31, recently received an extra 12 points for spotting Bo Obama, the former first dog, while out on a walk with his own canine in Washington, D.C.

"It was a little surreal. I obviously knew who it was when I took the picture," says Mr. Kmetz. "I doubted anyone was going to notice it, because there are better photos seen daily in Dogspotting." His post eventually had over 23,000 reactions.

Moderators keep an eye out for rulebreakers, and dogspotters found guilty of violating guidelines are removed from the group and sent to the "Dogspotting People's Court," originally set up by member Reid Paskiewicz as an inside joke.

Dogspotter Zack Becker, 21, was banned last year after posting a picture of a dog on his college campus. The photo didn't break any rules, but a friend of Mr. Becker's posted a photoshopped version that made it look as if Mr. Becker had found the dog on Google.

"I asked to be let back in and was directed to the People's Court, where I eventually got my friend to admit to his crime," says Mr. Becker, who in turn saw his friend get banned. "I was bummed.... Everyone should be allowed to see the doggos."

Dogspotting was registered as a limited liability company in 2016. Jeff Wallen, its 41-year-old chief executive, said New York City is the top place to spot dogs, judging by the hundreds of daily posts.

Last month in New York, Kristine Hizon spotted a full-grown golden retriever traveling on a Manhattan-bound 7 train, tucked into a suitcase.

"It was really cute and funny and just unusual and very New York," the 29-year-old Queens resident says.

Her video and photos went viral, receiving over 22,000 likes and getting featured in local news programs.

Mr. Quintana, the college student, currently sits at the top of the Dogspotting leaderboard, with 936 points on the game's app. To get there, he has often pulled out all the stops to get a spot, including cutting through a parade in Los Angeles to take a picture of a dog wearing a Christmas tree hat and a sweater.

But he considers Louboutina his ultimate catch. "She's really my crown jewel spot," Mr. Quintana says.

Global Game Grew From Personal Need

Dogspotting was created in 2008 by Boston-based photographer John Savoia, a video-game fan who was looking for ways to give himself points while out shooting pictures.

"I saw a dog and I was like, 'Well, what if I got a point for every dog I saw?'" Mr. Savoia said. "Then I started combos and modifiers and this, that and the other, and just started codifying it in my mind."

Dogspotting is played around the world, with about 50% of its Facebook followers in the U.S., nearly 13% in Australia and 12% in the U.K. Users post between 600 and 1,000 pictures a day to the group's page and app, Mr. Savoia says.

The game has rules and an intricate point scale. A basic dog picture will get you one point. A "Gene Simmons" spot—a picture of a dog with a long tongue—will get you three points.

The rules include no spotting of dogs known by the photographer, no photos of service dogs, no humans in pictures, and no spotting in places where dogs hang out, such as dog parks or veterinary clinics.

Falling Tree Hits Mother, 3 Children

By Mariana Alfaro

A mother and her three children were injured in Central Park after a large tree fell on them Tuesday morning, according to authorities.

Fire Department of New York units responded to a call at 10:01 a.m. reporting the accident near West Drive and between 62nd and 63rd streets. Rescue workers were able to remove a 39-year-old woman from under the tree, authorities said. The children had already been removed from under the tree when responders got to the scene, according to an FDNY spokesman.

All four victims were found "with minor injuries, conscious and alert," a New York Police Department spokesman said. They were treated at New York Presbyterian/Weill Cornell Medical Center.

"Crews have mobilized immediately to clear the tree and investigate the incident," a New York Parks Department spokesman said.

Seringe T. Ndour, a pedicab driver at the scene, said he didn't hear the tree fall but ran to the scene immediately after seeing a crowd start to form.

The woman, he said, was pinned under the tree with a an empty baby carrier strapped around her chest when he got there. Mr. Ndour said he helped take branches off of the woman.

"I see the tree laying down, somebody tells me there's somebody inside," he said.

In a statement, City Council member Mark Levine, chair of the council's Parks Committee, called for increased tree maintenance within the city's parks.

"Today's incident in Central Park was a frightening reminder of how dangerous trees in our city can be," he said. "My thoughts are with the mother and her three small children injured today by the fallen tree."

Central Park Conservancy, the organization that takes care of all trees in Central Park, didn't immediately respond to a request for comment.

MARY ALTAFFER/ASSOCIATED PRESS

The base of the large tree that fell Tuesday in Central Park. Four people sustained minor injuries.

Streets Named For Confederates Come Under Fire

By Zolan Kanno-Youngs

In the wake of the violence in Charlottesville, Va., some New York City community leaders and politicians are renewing calls to remove the names of Confederate generals from streets in a Brooklyn military base.

Standing outside the Fort Hamilton army base, Rev. Khader El-Yateem, a Democratic candidate for City Council, said streets honoring Gen. Robert E. Lee and Gen. Thomas Jonathan "Stonewall" Jackson were insulting to residents of the Bay Ridge neighborhood and soldiers serving at the base who are minorities.

"We are demanding the removal of these names because we need to make sure we are taking the small steps to treating everyone with dignity and respect," Rev. El-Yateem said at a rally Tuesday.

The streets, General Lee Avenue and Stonewall Jackson Drive, are located inside the army base, which sits next to the Verrazano-Narrows Bridge. Rev. El-Yateem also called for the removal of a plaque honoring Gen. Lee stationed in front of nearby St. John's Episcopal Church, which was recently sold.

A spokeswoman for the Episcopal Diocese of Long Island said the plaque would be removed on Wednesday.

In June, four members of Congress, including Democrats Yvette D. Clarke and Hakeem Jeffries, sent a letter to the Army saying the names were insulting because the generals "fought to maintain the institution of slavery."

Diane M. Randon, a senior official representing the Manpower and Reserve Affairs department for the Army, replied in a letter in July that the Confederate generals hold significance in military history.

"After over a century any effort to rename memorialization on Fort Hamilton would be controversial and divisive," Ms. Randon said in the letter. "This is contrary to the Nation's original intent in naming these streets, which was the spirit of reconciliation."

A spokesman for the Fort Hamilton base referred comment to the Army's national public affairs office, which didn't return requests for comment on Tuesday.

"For the Army, a response that the street naming was a way for everyone to come together and reconcile, I think they're really out of the loop of what the pain of that street represents," Eric Adams, the Brooklyn Borough president, said in an interview. "The Confederate flag is African-Americans' swastika."

Confederate monuments have become a flashpoint since the violent clashes between white nationalists and their counterparts in Charlottesville.

New York Gov. Andrew Cuomo, meanwhile, introduced legislation Tuesday that would make targeted rioting against people based on age, race and religion among other characteristics of a hate crime.

MARK KAUZLARICH FOR THE WALL STREET JOURNAL

Rev. Khader El-Yateem wants some Brooklyn streets renamed.

Costco Loses Lawsuit Over 'Tiffany' Rings

By Corinne Ramey

A Manhattan federal judge ruled warehouse retailer Costco Wholesale Corp. must pay Tiffany & Co. more than $19 million for selling what it marketed as "Tiffany" engagement rings.

The ruling stems from a 2013 trademark-infringement lawsuit, in which the New York City-based jeweler sued Costco, arguing the retailer sold counterfeit versions of the Tiffany rings. Costco had argued the word "Tiffany" was a generic term.

In her ruling, U.S. District Judge Laura Taylor Swain said Costco could no longer use the word "Tiffany" as a stand-alone term.

Judge Swain said Costco salespeople described the jewelry as Tiffany rings, and "were not perturbed" by angry customers who realized the rings weren't manufactured by Tiffany. Additionally, "Costco's upper management, in their testimony at trial and in their actions in the years prior to the trial, displayed at best a cavalier attitude toward Costco's use of the Tiffany name in conjunction with ring sales and marketing," Judge Swain wrote in her ruling Monday.

A lawyer representing Tiffany, whose flagship store is on Manhattan's Fifth Avenue, called the ruling "a long, hard-fought battle to vindicate Tiffany's rights."

"Judge Swain's decision sends a powerful message to Costco and others that the Tiffany trademark is not something to be trifled with," the lawyer, Jeffrey Mitchell, said in a written statement.

Costco said in a statement that it intends to appeal, and "respectfully submits that the ruling is a product of multiple errors in pretrial, trial, and post-trial rulings."

According to the 2013 complaint, a woman shopping at a Costco warehouse in 2012 in Huntington Beach, Calif., complained to Tiffany "that she was disappointed to observe that Costco was offering for sale what were promoted on in-store signs as Tiffany diamond engagement rings."

Signs on the Costco jewelry display case advertised Tiffany rings, priced at $3,199.99 and $6,399.99, the complaint said.

$19M
Amount that a judge ordered Costco to pay Tiffany & Co.

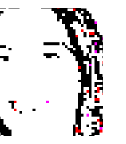
Tiffany said it confronted Costco, which claimed it had removed the word Tiffany from its signs. The suit said Costco had been using Tiffany trademarks on its signs since the early- to mid-2000s, and that the rings weren't made by, licensed or authorized by Tiffany.

"Costco thereby falsely led its members to believe it was a source, presumably outside Tiffany's normal channels of distribution, for authentic Tiffany engagement rings, but at reduced prices," the complaint said. "There are now hundreds if not thousands of people who mistakenly believe they purchased and own a Tiffany engagement ring from Costco."

In legal filings, Costco argued it was using the word "Tiffany" as a generic term for "ring settings comprising multiple slender prongs extending upward from a base to hold a single gemstone."

Costco sells household goods and some luxury items, including wine and jewelry, to members who pay an annual fee. In 2010, the U.S. Supreme Court deadlocked on whether the retailer could be held liable for copyright infringement for reselling Swiss watches.

Co-Living and Co-Working: How One New Yorker Did It



METRO MONEY
BY ANNE KADET

Entrepreneur Mike Nguyen may have the world's easiest commute. Every morning, he takes the elevator down 25 floors from his lower Manhattan apartment, crosses the lobby, and rides another elevator up six floors to his office.

Yes, his one-bedroom at WeLive, a co-living residence on Wall Street, is in the same 26-story building as his office at WeWork, a co-working space.

Mr. Nguyen takes many of his meals at Westville, Fuku or Milk Bar—the trendy eateries on the building's ground floor. He does his laundry in the building. He goes to parties in the building. He attends movie nights in the building.

"I'm literally here probably 23 hours of the day," he says.

Many techies strive to create a life of relative simplicity and convenience so they can focus on their businesses, but Mr. Nguyen took it all the way.

"I don't have any excuse to not work," he says.

The founder of HIALabs, a tech-focused product-design firm that employs 10 people, Mr. Nguyen says he usually works seven days a week, from 6 a.m. until midafternoon. He goes home for dinner and returns for a second shift from 10 p.m. until 2 a.m. He says he sleeps about four hours a night.

Mr. Nguyen recently gave me a tour of his tiny universe, starting with his 500-square-foot rented office. WeWork provides everything his startup needs, down to the paper shredder, trash basket, and free beer on tap.

Taking the elevator up to the 25th floor, he showed me the apartment he shares with his fiancée, Beth Tran, and his Boston bulldog Spock.

With its wide-plank pine flooring and industrial feel, WeLive looks just like WeWork—right down to the lounges where people can spin Nirvana LPs on old-school turntables.

Like his office, the apartment came furnished—and equipped with pots, pans, books and prints, even a flashlight. Mr. Nguyen enjoys his startup needs, down to the fresh sheets, towels and maid service. There is free cappuccino in the lobby and free arcade games in the laundry room.

The building even provides a social life, with activities ranging from Pilates to community dinners.

Mr. Nguyen, who is 50, doesn't mind that he's older than the typical WeLive resident. Given his startup experience, he has plenty in common with his neighbors.

"I'm a very old millennial," he says.

When he does venture out, it is to ride his skateboard, or visit Pier 11 across the street to check on a map kiosk he designed for one of his clients, NYC Ferry.

"He will just sit on the pier for three hours with Spock and make sure the kiosk is OK," Ms. Tran says.

The rush is on to serve folks like Mr. Nguyen, who wish to dispense with their commute. Facebook, for example, is building on-campus housing for employees. Here in New York, developers looking to lure freelancers and entrepreneurs are adding shared office spaces to new condo and rental projects. A 714-unit luxury rental in Boerum Hill, Brooklyn—named 33 Bond Street—for example, promises to "redefine the notion of work-life balance" with HomeWork, an in-house co-working space with its own coffee bar.

WeWork, meanwhile, says only a "handful" of residents at its Wall Street location also work in the building. But roughly 15% work at one of the 41 other WeWork locations in the city, including five within walking distance of the WeLive.

"Our members can live and work wherever is most convenient for them," says Jim Woods, head of WeLive.

It is an oddly sheltered life for the adventurous Mr. Nguyen. He joined the Army out of high school, scouting the East German border during the Cold War. He also has worked as a script doctor and wild-land firefighter.

But he loves the ease of co-working and co-living. While it isn't cheap—WeWork says office space for 10 staffers starts at $5,000 a month; a WeLive one-bedroom starts at $3,825—Mr. Nguyen says he can't put a dollar value on the connections he's made or the time he saves.

I was surprised, then, when he said he would be leaving WeLive at the end of the month.

"I'm used to living in a bubble, but this bubble was just much too small," Mr. Nguyen says, noting that he has been showing up to work still wearing his gym clothes. And the only knowledge he has of the weather, some days, is from consulting the virtual assistant, Alexa.

Never fear. His new apartment, in a luxury rental building, is two blocks away, and is just as convenient. "They just opened a new market there, it's like a mini Whole Foods. I love it," Mr. Nguyen says. "Plus, they have a mini bowling ally. How can I pass up a bowling ally?"

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JOHN TAGGART FOR THE WALL STREET JOURNAL

Michael Nguyen in his lower Manhattan apartment, which is in the same building as his office.

New Citizens Take Oath Atop World Trade Center

FROM LEFT: GETTY IMAGES; REUTERS

AMERICANS NOW: Khadijatul Rahman and Gleidson Hoffman were among those naturalized Tuesday.

GREATER NEW YORK WATCH

NEW JERSEY

Carbon Monoxide Overcomes 12 People

Four police officers were among 12 people sickened by carbon monoxide in a home in Mount Olive, N.J., that was so toxic it left victims convulsing and foaming at the mouth.

Sensors detected dangerously excessive levels of carbon in the home, said Flanders Fire Chief Tyler Wargo. Five people were taken to a New York hospital, including three of the officers, who were released after treatment. Others were treated at the scene.

The names of the injured people weren't released.

The Morris County Prosecutor's Office is investigating.

—Associated Press

BROOKLYN

Tenants' Lawsuit Targets Kushner Cos.

Residents of a building owned by the Kushner Cos. filed a lawsuit Tuesday alleging the business once run by Jared Kushner, President Donald Trump's son-in-law, is charging too much rent in violation of state regulations.

The lawsuit in New York State Supreme Court in Brooklyn alleges that the Kushner Cos. is charging nine residents much higher free-market rents than the rent-stabilized ones they are entitled to under state rent rules. The suit says it is likely that more than 100 current and former residents of the 48-unit building have also been overcharged, and so it is seeking class-action status.

A spokesman for the Kushner Cos., James Yolles, said they were reviewing the lawsuit and had no immediate comment.

The Kushners bought the building from Brooklyn Law School in 2014. The real estate website Streeteasy.com lists nine two-room apartments currently available to rent in the building for $2,600 a month or more.

Mr. Kushner stepped down as CEO for the Kushner Cos. earlier this year before becoming a senior adviser to Mr. Trump. Mr. Kushner is married to Mr. Trump's daughter Ivanka.

—Associated Press

HARTFORD

Agency Loses Case Over Vaccinations

The Connecticut Supreme Court ruled Tuesday that the state's child welfare agency can't vaccinate children placed temporarily in its custody when the parents object.

Justices said in the 7-0 decision that state law allows the Department of Children and Families to provide medical treatment to children in temporary state custody, but ruled that immunizing them against diseases doesn't constitute medical treatment.

The ruling overturned a lower court decision that allowed DCF to vaccinate two young children in its care. The lower court ruling was put on hold pending the appeal to the Supreme Court.

The case involved a couple, whose names weren't disclosed, who oppose vaccinations on religious grounds.

The parents lost custody of the children after Rocky Hill police arrested them for fighting last year. Police said they learned the parents and the children, who were 1 and 2 years old at the time, had been living in a minivan.

The parents pleaded no contest to the neglect charges, but sought to prevent the department from vaccinating their children, which led to the court fight, according to court records.

The children remain in temporary state custody.

Benjamin Wattenmaker, a lawyer for the children's father, said Tuesday's ruling was important for both clarifying DCF's authority in making medical decisions and bolstering the state's public policy exemptions for childhood immunizations.

—Associated Press

CORRECTIONS & AMPLIFICATIONS

The New York version of the radio program "All Things Considered" is co-produced by WNYC and NPR, and there is no podcast of the show. A Monday article about the growth of the podcast industry in New York City incorrectly said that WNYC produces a podcast version of "All Things Considered."

The last name of Ryan Matiyow, who handles marketing for Cheetos, was misspelled as Matiyo in some editions Tuesday in an article about a pop-up restaurant specializing in dishes made with Cheetos.

Haitham Khawog, a 14-year-old Syrian refugee who now lives in New Jersey, attended a summer camp this summer that helps refugee children prepare for school in the U.S. An article Monday about the camp incorrectly said Haitham also went to the camp last summer.

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

LIFE & ARTS

HANNA BARCZYK

WORK & FAMILY | By Sue Shellenbarger

The Smarter Ways to Study

Changing how students prepare for tests can boost their grades in the new school year

WHAT'S THE BEST WAY to study for a test?

Many students will plunge into marathon study sessions this fall, re-reading textbooks and highlighting their notes late into the night. The more effort the better, right?

Not so, new research shows. Students who excel at both classroom and standardized tests such as the SAT and ACT aren't necessarily those who study longest. Instead, they study smart—planning ahead, quizzing themselves on the material and actively seeking out help when they don't understand it.

Carl Wilke, a Tacoma, Wash., father of six children ages 4 to 22, sees the studying challenges that students face almost every school day. He coaches his kids to pick out the main points in their notes rather than highlight everything, and to look for headings and words in bold type to find the big ideas in their textbooks.

Several months ago, his 18-year-old daughter Eileen tried to study for an advanced-placement exam. Eileen says she struggled with a practice test and realized that she didn't know how to study. She asked her mother, Catherine, for help. Ms. Wilke sat with Eileen for two hours while Eileen used an answer guide for the test to explain why her answers were wrong on questions she'd missed, then discuss the correct ones. As they worked together, Eileen says, "I was teaching her while simultaneously teaching myself" the material—a study technique that enabled her to ace the test.

High-achieving students take charge of their own learning and ask for help when they're stuck, according to a 2017 study of 414 college students. Students who performed better sought out extra study aids such as instructional videos on YouTube. Those who asked instructors for help during office hours were more likely to get A's, but fewer than 1 in 5 students did so, says the study by Elena Bray Speth, an associate professor of biology, and Amanda Sebesta, a doctoral candidate, both at St. Louis University in Missouri.

That activist approach reflects what researchers call self-regulated learning: the capacity to track how well you're doing in your classes and hold yourself accountable for reaching goals. College professors typically expect students to have mastered these skills by the time they arrive on campus as freshmen.

Five Tips for Honing Sharper Skills

- Find out what the test will cover and the kinds of questions it will include.
- Start at least a few days before the test to plan how and when you will study.
- Identify helpful resources such as practice tests or instructors' office hours to assist with material you don't understand.
- Practice recalling facts and concepts by quizzing yourself.
- Limit study sessions to 45 minutes to increase your concentration and focus.

Many students, however, take a more passive approach to studying by re-reading textbooks and highlighting notes—techniques that can give them a false sense of security, says Ned Johnson, founder of Prep Matters, a Bethesda, Md., test-preparation company. After students review the material several times, it starts to look familiar and they conclude, "Oh, I know that," he says. But they may have only learned to recognize the material rather than storing it in memory, leaving them unable to recall it on a test, Mr. Johnson says.

Top students spend more time in retrieval practice, he says—quizzing themselves or each other, which forces them to recall facts and concepts just as they must do on tests. This leads to deeper learning, often in a shorter amount of time, a pattern researchers call the testing effect.

Students who formed study groups and quizzed each other weekly on material presented in class posted higher grades than those who used other study techniques, says a 2015 study of 144 students. At home, Mr. Johnson suggests making copies of teachers' study questions and having students try to answer them as if they were taking a test. Taking practice tests for the SAT and the ACT is helpful not only in recalling facts and concepts, but in easing anxiety on testing day, he says.

Retrieval practice often works best when students practice recalling the facts at intervals of a few minutes to several days, research shows.

Studying in general tends to be more productive when it's done in short segments of 45 minutes or so rather than over several hours, Mr. Johnson says. He sees a take-off-and-landing effect at work: People tend to exert more energy right after a study session begins, and again when they know it's about to end.

> High-achieving students take charge of their own learning and ask for help when they're stuck.

No one can pace their studying that way if they wait until the night before an exam to start. Students who plan ahead do better.

Students who completed a 15-minute online exercise 7 to 10 days before an exam that prompted them to anticipate what would be on the test, name the resources they'd use to study, and explain how and when they'd use them, had average scores one-third of a letter grade higher on the exam compared with students who didn't do the exercise, according to a 2017 study of 361 college students led by Patricia Chen, a former Stanford University researcher and assistant professor of psychology at the National University of Singapore. One participant's plan, for example, called for doing practice problems repeatedly until he no longer needed his notes to solve them—a highly effective strategy.

Many teachers in middle and high school try to teach good study habits, but the lessons often don't stick unless students are highly motivated to try them—for example, when they're afraid of getting a bad grade in class, or scoring poorly on high-stakes tests such as the ACT or SAT.

When her daughter Deja was still young, Christina Kirk began to encourage her to identify major concepts in her notes and use retrieval practice when she studied. When as a teenager Deja resisted being quizzed by her mother, Dr. Kirk asked an older cousin to serve as a study partner.

Dr. Kirk also encouraged Deja to invite one or two of her more studious friends to their Oklahoma City home so they could quiz each other. After the girls worked for a while, Dr. Kirk took them to the movies. "You have to give them something positive at the end, because they're still kids," she says.

Deja, now 18, still makes use of study groups in her college courses.

ANATOMY OF A SONG | By Marc Myers

HOW THE HOLLIES MET A 'LONG COOL WOMAN'

UNDER PRESSURE in July 1971 to deliver one last song for their "Distant Light" album, the Hollies recorded "Long Cool Woman (in a Black Dress)." The Hollies' Allan Clarke had co-written the rocker weeks earlier with lyricist Roger Cook about an F.B.I. agent, a raid and a woman. Released in 1972, the single reached #2 on the Billboard pop chart. Recently, Mr. Cook, Mr. Clarke and Hollies' drummer Bobby Elliott reflected on the song's evolution. Edited from interviews.

Roger Cook: In June of 1971, Allan Clarke of the Hollies and I were at my office on Park Street in London. We frequently wrote songs together there. At around noon, we left to grab lunch at La Genova, near Marble Arch.

After a bottle of wine and a brandy, Allan and I returned to work on a song. At some point we decided it should be set in New York during Prohibition.

Both of us loved Hollywood films about speakeasy bad guys and cops smashing beer barrels and whiskey bottles in the streets.

I was at the upright piano and Allan was next to me on a chair with his guitar. After messing about on the keys for a bit, I started pounding out a melodramatic and slightly sinister blues riff with my right hand. It was in the key of C.

As my pointer and middle finger played the C and E notes, my thumb moved from G to A to B-flat and back down to A. I can't lay claim to the chords. It's an old rock 'n' roll riff.

Allan Clarke: As Roger played the riff, I came up with a melody on my Fender Telecaster Sunburst along with a simple chord sequence. We brought that bottle of brandy back with us.

Mr. Cook: Bouncing ideas back and forth, Allan and I thought the song should be sung from the perspective of an F.B.I. agent working undercover at a speakeasy.

I wanted the lyric to have the tough-guy language you hear in gangster films. We came up with lines like "sitting in a nest of bad men" and "people who are doing wrong."

We even avoided calling the place a speakeasy. We called it a "bootlegging boozer on the West Side." A "boozer" in London is slang for a pub that serves alco-

Please see HOLLIES page A13

DUFFY/GETTY IMAGES

The Hollies, seen around 1972, clockwise from left, Terry Sylvester (in black turtleneck), Bobby Elliott, Bernie Calvert, Tony Hicks (in white jacket) and Allan Clarke (in the foreground).

MY RIDE | By A.J. Baime

A Car That Runs on Flower Power

Kim Barnes with her 1969 Plymouth Barracuda Mod Top at her farm in Pylesville, Md. This model came with a floral-printed roof and floral-printed seats and trim.

MATT ROTH FOR THE WALL STREET JOURNAL

Kim Barnes, from Pylesville, Md., the event director for the Art in Motion Concours d'Elegance at New York's Monticello Motor Club, on her 1969 Plymouth Barracuda Mod Top, as told to A.J. Baime.

Growing up, I loved cars, and in 1969, I used to ride my bike 2 miles to a Chrysler dealership in Des Moines, Iowa, to see this new vehicle in the window. It was a yellow Plymouth Barracuda Mod Top, and it had this gorgeous floral design on the roof and seats. [Plymouth was a division of Chrysler.]

The story was, Chrysler executives in the 1960s realized that women were buying their own cars rather than their husbands buying cars for them. More and more women were getting jobs and making choices for themselves, and Chrysler wanted a car that would appeal to them.

Company executives came up with this idea of floral roofs and seats, and partnered with another company that specialized in shower curtains and tablecloths to make patterned vinyl that did not fade in the sun. Chrysler called the car Mod Top, and advertised it as "The Car You Wear."

The Mod Top was not originally a success, so only 937 1969 Mod Top Barracudas were made. It took me about 40 years to find mine. I passed on two six-cylinder Mod Tops, but then, just before Christmas in 2015, I saw one with the more powerful V-8, for sale on eBay. My husband already thought I had too many cars—I have a small collection—so I was reluctant to bring it up. In the end, I could not help myself.

The car was in Texas. I bought it sight-unseen and had it transported to my house.

My daily driver is a 2017 Jeep Wrangler Unlimited Sahara, and this Mod Top cost roughly the same as that car.

Six months later, I took it to the Carlisle Chrysler Nationals, in Carlisle, Pa.—a huge gathering for Chrysler fans. There was one other 1969 Barracuda Mod Top at the show, and the owner had the original paperwork. When I looked at it, I could not believe my eyes.

His car had been purchased in 1969 from the same Iowa dealership that I used to go to as a kid, where I first saw a Mod Top. Chrysler made so few of these, and this one had the same yellow paint, so it had to be the exact car. It was a wonderful moment, for me and my Mod Top.

Contact A.J. Baime at Facebook.com/ajbaime.

ART REVIEW

Photography in the Age of the iPhone

At the Met Fifth Avenue, curators try to make sense of the hydra-headed world of mobile-phone art

BY RICHARD B. WOODWARD

New York

PHOTOGRAPHY in the era of camera phones has flummoxed museums and galleries. Thousands of images are posted every second on social media, idiosyncratic records of things and events never seen before in this form. Top-rank artists introduce their latest work on Instagram—Cindy Sherman's account went public recently—and rank amateurs are even busier.

How can a curator or art dealer hope to catch anything but a glimmer of the flashy items in this racing torrent, much less present, store, archive and maybe sell the best of them—whatever "best" may mean in a medium so inchoate and collective?

"Talking Pictures: Camera-Phone Conversations Between Artists," at the Met Fifth Avenue, is an ingenious attempt to address the problem. The show doesn't profess to have the answers. Instead, without taking sides, it merely exhibits four ways of displaying camera-phone images in a museum context—as prints on the wall, on video monitors, with touch-screen notepads, and in books.

Associate curator Mia Fineman believes that photographing with a phone is "more like talking than writing." To test this theory, she enlisted 12 artists to choose a partner and then collaborate in a visual dialogue over five months (from November 2016 to April 2017). The 24 artists were asked not to share their images on social media or to add text; otherwise, no rules. They could send pictures back-and-forth, still or moving, as often as they liked.

While negotiating the terms of their liaison, Manjari Sharma, an India-born photographer based in Brooklyn, and Irina Rozovsky, a Russia-born photographer in Boston, learned that each was pregnant. This became the main theme of their mutual chronicle. We see pictures of house interiors, dogs, children, adult men, snow, the Women's March in Washington, ripened fruit, an ultrasound scan, themselves, and their newborns.

Prints of their photographs dominate the show, running in parallel lines down the entire south wall of the gallery. (The women are also the only artists here with a story arc, complete with a happy ending.) And yet, seeing their back-and-forth diary in this array blurs the immediacy of an image on a phone as well as their individual contributions. You have to consult a checklist to discern which was done by whom.

The same can be said of the grid on the opposite wall by the painters Cynthia Daignault and Daniel Heidcamp. The prints of their photographs of their 18-inch canvases—placid scenes from their lives and the media, and of paintings by others—look like the work of one person rather than two, which may be

CLOCKWISE FROM TOP LEFT: MANJARI SHARMA; IRINA ROZOVSKY; NINA KATCHADOURIAN; LENKA CLAYTON

Above: Manjari Sharma's image to Irina Rozovsky, left; Ms. Rozovsky's image to Ms. Sharma, right. Below: Lenka Clayton's image to Nina Katchadourian, left; Ms. Katchadourian's image to Ms. Clayton, right.

a side-effect of this experiment.

Video monitors allow you to track exchanges more easily, and closer to real time. Images pop up on the left or right side of the screen, dated, with the name of the contributor as a caption. The drawback is that the flow is nonstop and rapid, and the viewer can't alter the pace.

William Wegman and Tony Oursler are the most garrulous artists in the show. Mr. Wegman's cast of clowns includes dogs, toys, museum statues, hockey players, and himself. Mr. Oursler's responses are no less inventive and nutty. In one video scrap, he photographs bumps of ice from overhead as if it were a mountain range and he a surveillance drone.

Nothing tops the duo of Nina Katchadourian and Lenka Clayton for sheer fun. Like a couple of improv comics trading one-liners, they fire off visual puns—a fist is answered by a cluster of piano keys, a revolving ceiling fan by an artificial leg rotating on a turntable. (On my two visits, this piece drew the biggest audiences and the most laughs.)

The three pairs of artists (Ahmet Ögüt and Alexandra Pirici, Rob Pruitt and Jonathan Horowitz, Shawn Peters and Sanford Biggers) whose work is displayed on video notepads, located on a table in the middle of the gallery, are at a technological disadvantage. While these devices give the viewer more control over material, the images are smaller. The "conversation" seems slower, too.

The participants whose exchanges are bound in books are even worse off. For example, even though the photographs by Christoph Niemann and Nicholas Blechman are more permanent on paper, they lack the vibrancy of a screen's backlighting. Nor can they match the impact of the prints on the walls.

"Talking Pictures" may one day be seen as the first successful museum show about camera-phone art, as well as an artifact about the helpless bewilderment felt by many American artists following the election of President Trump. Images of an orange-colored man in a red tie are as common here as pets or weather.

Almost everyone is now a photographer, often a good one. Thanks to Ms. Fineman's planning, 12 works by 24 dedicated artists, many already skilled in this novel, quicksilver mode of communication, have been packed into one thin room at the Met.

Each project is worth your time. If there is a smarter exhibition in New York about where photography is going than this one, I haven't seen it.

Talking Pictures: Camera-Phone Conversations Between Artists
The Met Fifth Avenue, through Dec. 17

Mr. Woodward is an arts critic in New York.

HOLLIES

Continued from page A11

hol illegally after hours.

As the lyric developed, the agent is about to call the district attorney to tip him off when he spots the speakeasy's female singer. The woman takes his breath away.

As soon as we came up with, "She was a long cool woman in a black dress," Allan and I stopped and looked at each other. We had the song's title.

The guy named Charlie who says, "I hope that you're able, boy," is the agent's sidekick who was watching him eye the woman. At this point in the lyric, something had to happen. So we came up with lines about police sirens wailing, everybody running and a gun going off.

As the cops swept in to make their arrests, the F.B.I. agent says, "The D.A. was pumpin' my left hand and she was holdin' my right." The agent had saved the long cool woman from arrest by saying she was his gal.

Bobby Elliott: The Hollies were getting pressure from EMI in the U.K. and Epic in the States to deliver "Distant Light," our next album. But we were still a song short and needed another one fast.

In July '71, the Hollies arrived at AIR Studios, but Ron Richards, our producer, called in sick. Allan said he had a song he wanted to play for us that might work. As he played and sang the song, I joined in on drums and Bernie Calvert played his Fender bass. We decided to go ahead and produce it ourselves with the help of John Punter, our engineer.

Mr. Clarke: The guys liked the song but we needed an intro. I came up with a guitar motif, but I wasn't influenced by Mason Williams' "Classical Gas." I just pulled something out of the air and it sounded right.

We recorded the song in the key of E. Originally, Tony Hicks was going to play lead guitar. But he thought that since it was my song, I should play lead. So it was me, Bernie Calvert on bass and Bobby Elliott on drums, with Tony overdubbing his rhythm guitar after.

On the vocal, my intention wasn't to sound like John Fogerty of Creedence Clearwater Revival. I was thinking of Elvis on his early songs, like "Mystery Train." I always liked recording with a bit of echo on my voice. It gave me a better feel of what I was singing. I wanted that same echo for "Long Cool Woman." John Punter liked it so much that he added quite a bit more when we recorded to give me a big rockabilly sound.

While recording, I goofed on a line. I sang: "Well suddenly we heard the sirens / And everybody started to run / A-jumping out of

DAVID WARNER ELLIS/REDFERNS/GETTY IMAGES

The Hollies' 'Long Cool Woman' was a #2 Billboard single and their biggest U.S. hit. Above, the group performed in Britain in 1974. From left, Terry Sylvester, Allan Clarke, Bobby Elliott on drums, Tony Hicks and Bernie Calvert.

doors and tables." It was supposed be, "Jumping out of doors and windows," but "tables" sounded good so we left it in. My guitar on the record was double-tracked—meaning I recorded my guitar part and then overdubbed the exact same notes on top, giving the Telecaster a chunky sound.

After I sang the song's last line, "Cause that long cool woman had it all," I repeated "Had It all" seven different times until the fade-out. I was channeling Elvis, shout-singing the phrase.

When Ron returned to work, he listened to the tape and said, "You'll have to change the echo. I don't like it." I insisted it stay as is. We went back and forth, but eventually he gave in.

Mr. Cook: Here's an interesting bit. When Allan and I came up with the idea of a long cool woman, I had Billie Holiday in mind for the nightclub singer. I loved her voice.

SPORTS

Maria Sharapova received a wild card into this year's U.S. Open.

TENNIS

EX-CHAMP GETS OPEN INVITE

BY TOM PERROTTA

THE U.S. OPEN, already hurt by injured tennis pros who won't be playing in New York this year, announced that Maria Sharapova has been given a wild card into the women's singles tournament.

Sharapova, who won the U.S. Open title in 2006, had been suspended from tennis for 15 months because she tested positive for meldonium, a cardiac supplement that was banned in the 2016 season. She started to play in April but has had a rough season with losses and injuries. For the year, she has played just nine matches and posted a record of 6-3. She had planned to play in Cincinnati this week but withdrew because of an injury to her left forearm. Her current ranking is No. 148.

Sharapova did not receive a wild card for the French Open, a tournament she has won twice. She did not attempt to qualify to play Wimbledon because of injury.

In a statement, the U.S. Tennis Association credited Sharapova for completing her suspension and said it was no longer relevant.

"Her suspension under the terms of the tennis anti-doping program was completed and therefore was not one of the factors weighed in our wild card selection process," the statement said. "Consistent with past practice, a wild card was provided to a past U.S. Champion who needed the wild card for entry into the main draw."

The statement noted several other stars with low rankings who were given wild cards, including Martina Hingis, Lleyton Hewitt, Kim Clijsters and Juan Martin del Potro. But none of those players had, at the time, been suspended for failing a drug test.

Novak Djokovic and Stan Wawrinka, have withdrawn from the tournament because of injuries. Serena Williams, due to give birth, will also miss the event.

FROM LEFT: LACHLAN CUNNINGHAM/GETTY IMAGES; REED HOFFMANN/ASSOCIATED PRESS

MLB

Computers: Royally Stumped

The Kansas City Royals continue to exceed the projections of every prominent computer model

BY JARED DIAMOND

Kansas City Royals outfielder Melky Cabrera reacts after a catch to end the inning against the Seattle Mariners.

PECOTA, BASEBALL Prospectus' sophisticated computer model for forecasting on-field performance, is impressively accurate. Half of teams have, on average, finished within 2.75 wins in either direction of PECOTA's predictions since 2013, with nearly two-thirds of teams coming within 3.25 wins.

But there's still one team PECOTA can't figure out: the Kansas City Royals, the unexplained mystery of the major leagues. The Royals outperformed PECOTA by an average of 12½ games from 2013 through 2016, the most in the sport over that span, and are on pace to beat it by about that much again this season.

"Maybe we haven't figured everything out with the Royals," said Rob McQuown, who oversees PECOTA. "We'd like to be able to better explain it."

PECOTA, which was developed by statistician/journalist Nate Silver and unveiled in 2003, isn't the only advanced system confounded by the Royals. They've exceeded the expectation of every prominent computer projection over the past five years.

Since their 86-win breakout in 2013, the Royals have won the second-most games in the American League, trailing only the Cleveland Indians. They lost in the World Series in 2014, won their first championship in 30 years in 2015 and entered Tuesday's action a half game out of a wild-card spot.

None of this is to suggest that the projections are broken and shouldn't be trusted. McQuown stressed that from a statistical standpoint, the Royals are "1 in a 1,000, not 1 in a million."

It does indicate that even in this age of information, when baseball has been dissected and analyzed from every conceivable angle, blind spots still exist. To unravel the enigma of the Royals is to take another step into the future.

"You have a rare circumstance that you haven't yet explained," said Clay Davenport, a co-founder of Baseball Prospectus who now maintains a personal website with his projections. "But because you haven't explained it doesn't mean you're not going to."

The problem with predicting the Royals, prognosticators say, is that they have consistently won more games than their underlying statistics would indicate. They've been, as Davenport put it, "far more efficient at winning games with the number of runs they score and allow."

That spells trouble for the models. Systems like PECOTA, which stands for Player Empirical Comparison and Optimization Test Algorithm, use piles of statistics and historical aging curves to predict how individual players will fare in a given season. After accounting for a team's projected depth chart, the systems use that data to predict how many runs a team will score and allow, which results in a predicted record.

The Royals entered Tuesday having given up 16 more runs than they've scored this season, which typically would result in a poor showing and a below-.500 record. They had a minus 37 run differential last year and still finished .500. In their 2015 championship campaign, the Royals scored 83 more runs than they allowed and somehow won more games than the Toronto Blue Jays, who outscored their opponents by a whopping 221 runs.

That year, the Royals won 23 more games than PECOTA thought they would, in part prompting McQuown and his colleagues to tweak the formula to better account for some of Kansas City's strengths.

The question becomes how much of the Royals' propensity to be greater than the sum of their parts is a repeatable skill that can be predicted. While luck has certainly played some role, Davenport said the Royals' success is "probably getting into the statistical significance realm," indicating that something about what makes them good isn't being effectively measured.

That "something" could be their otherworldly bullpen. Kansas City practically revolutionized bullpen usage in its World Series seasons, sparking the current trend of contending teams loading up on high-profile relievers.

The Royals' bullpen makes them particularly effective at winning close games, which the prognosticators say could account for the consistent difference between their real record and their expected record. Since 2013, they have the AL's best record in games decided by three runs or fewer.

> Something about what makes the Royals a good team isn't being effectively measured.

All told, despite different orders, the five teams to most outperform PECOTA and Davenport since 2013 are the Royals, Pittsburgh Pirates, Indians, Baltimore Orioles and St. Louis Cardinals. Those five teams rank first, second, third, fourth and sixth, respectively in bullpen ERA over that span.

McQuown acknowledged that PECOTA has done better projecting starting pitchers than relievers, but he thinks it will improve as the system acquires more data about what he called "a different era of bullpen usage." "Bullpens formerly were much, much, much less easy to predict," he said.

The same goes for defense, another Royals strength that still vexes baseball's smartest minds.

By virtually every metric, they have had the best defense in baseball since 2013, led by a core of Alex Gordon and Lorenzo Cain in the outfield, Eric Hosmer and Mike Moustakas in the infield, and Salvador Perez behind the plate. This has undoubtedly contributed to their winning ways.

But models still struggle to assess defense, how to predict it from one year to the next and how to weigh it against the rest of a team's attributes. "If I went far enough to give Kansas City its fair due for defense, I'd screw up every other team so badly it wasn't worth it," Davenport said.

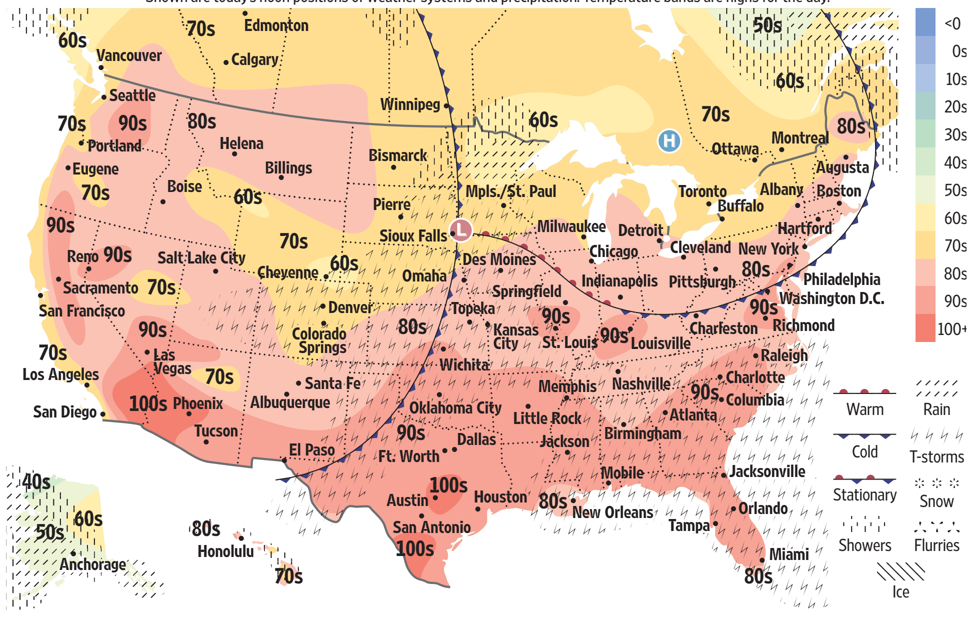
Dayton Moore, the Royals general manager since 2006, said he doesn't pay attention to negative projections.

He attributed the Royals' success to building rosters that "can win games in multiple ways" and an organizational philosophy that blends traditional scouting with analytics. Without the luxury of a large payroll, Moore has had to search for undervalued assets, emphasizing underappreciated aspects of the game, like defense and baserunning. He pointed out that "the advanced metrics have a little more of a challenge measuring some of that other stuff."

Weather

AccuWeather.com

Shown are today's noon positions of weather systems and precipitation. Temperature bands are highs for the day.



U.S. Forecasts

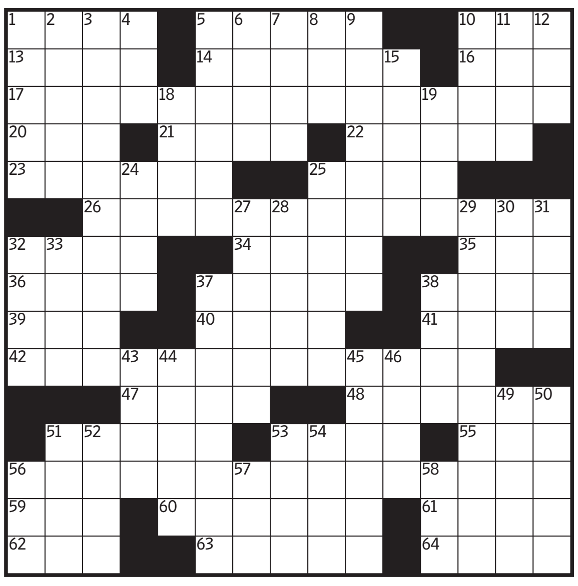
s...sunny; pc... partly cloudy; c...cloudy; sh...showers; t...t'storms; r...rain; sf...snow flurries; sn...snow; i...ice

City	Today Hi	Today Lo	Today W	Tomorrow Hi	Tomorrow Lo	Tomorrow W
Anchorage	57	48	r	61	48	sh
Atlanta	90	75	pc	90	75	t
Austin	101	78	pc	102	75	s
Baltimore	90	70	pc	85	73	pc
Boise	88	60	s	88	58	s
Boston	84	62	s	79	65	pc
Burlington	76	55	pc	79	61	pc
Charlotte	92	73	pc	93	73	t
Chicago	86	72	pc	83	65	pc
Cleveland	85	68	pc	89	71	t
Dallas	97	79	s	94	78	t
Denver	73	54	pc	85	56	t
Detroit	85	67	pc	85	68	t
Honolulu	88	72	pc	88	75	pc
Houston	95	81	pc	94	77	t
Indianapolis	87	74	t	86	70	t
Kansas City	84	67	t	83	62	pc
Las Vegas	99	77	s	102	78	s
Little Rock	91	77	pc	90	73	pc
Los Angeles	77	63	pc	78	64	pc
Miami	92	80	pc	91	80	pc
Milwaukee	79	71	pc	82	64	pc
Minneapolis	76	65	r	76	60	pc
Nashville	88	75	t	90	74	pc
New Orleans	89	77	t	92	77	s
New York City	87	68	s	81	72	pc
Oklahoma City	90	71	t	90	68	pc
Omaha	80	66	t	84	61	s
Orlando	92	76	t	91	76	t
Philadelphia	90	72	s	86	73	pc
Phoenix	102	76	s	103	77	s
Pittsburgh	85	66	pc	84	72	t
Portland, Maine	82	55	s	80	60	pc
Portland, Ore.	79	57	pc	78	56	pc
Sacramento	87	60	s	91	62	s
St. Louis	91	75	pc	89	70	pc
Salt Lake City	88	66	s	90	66	s
San Francisco	73	59	pc	74	59	pc
Santa Fe	83	55	s	86	57	s
Seattle	77	58	pc	74	56	pc
Sioux Falls	74	61	r	80	58	s
Wash., D.C.	90	75	pc	88	75	t

International

City	Today Hi	Today Lo	Today W	Tomorrow Hi	Tomorrow Lo	Tomorrow W
Amsterdam	74	59	pc	69	59	r
Athens	92	79	s	91	79	s
Baghdad	115	89	s	120	89	s
Bangkok	93	81	t	90	79	t
Beijing	85	69	t	85	70	s
Berlin	74	58	pc	78	65	pc
Brussels	75	61	pc	73	63	c
Buenos Aires	64	43	s	68	52	pc
Dubai	106	92	s	105	91	s
Dublin	65	52	r	67	50	sh
Edinburgh	62	54	r	67	50	sh
Frankfurt	79	60	pc	82	63	c
Geneva	83	62	t	84	62	pc
Havana	92	74	pc	91	74	s
Hong Kong	92	83	t	91	83	t
Istanbul	84	71	sh	85	75	sh
Jakarta	88	75	t	89	75	pc
Jerusalem	85	68	s	86	69	s
Johannesburg	72	35	s	49	37	s
London	71	61	c	73	57	pc
Madrid	96	67	pc	98	69	s
Manila	94	82	t	93	82	t
Melbourne	60	49	pc	57	45	sh
Mexico City	75	55	t	73	56	pc
Milan	92	71	c	92	71	pc
Moscow	74	55	s	76	59	s
Mumbai	87	79	sh	87	79	sh
Paris	80	60	pc	80	64	c
Rio de Janeiro	77	68	sh	75	68	r
Riyadh	111	85	s	111	85	s
Rome	89	68	pc	89	68	s
San Juan	87	80	sh	87	80	sh
Seoul	81	74	r	81	74	r
Shanghai	91	80	sh	90	80	t
Singapore	86	78	t	86	79	t
Sydney	75	55	s	75	55	s
Taipei	98	82	t	97	81	t
Tokyo	78	74	r	84	75	c
Toronto	76	62	s	75	67	pc
Vancouver	71	57	s	70	55	pc
Warsaw	83	60	pc	79	60	pc
Zurich	80	60	t	82	60	pc

The WSJ Daily Crossword | Edited by Mike Shenk



MIXED FEELINGS | By Harold Jones

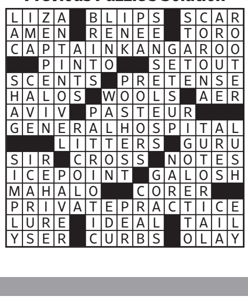
Across

1 Satisfy a nicotine craving, in a way
5 Sparkly topper
10 Home of "Shark Tank"
13 Adobe material
14 One who's coming along nicely?
16 Dairy sound
17 Hostile feeling that's fleeting?
20 Acct. addition
21 Succulent plant with toothed leaves
22 CBS spinoff of 2004
23 #1 film on AFI's "100 Years...100 Thrills" list
25 Ruff stuff
26 Furious feeling brought on by high elevations?
32 Fret
34 Not achromatic
35 Angsty genre
36 Dead giveaway?
37 Chum
38 Ticket remnant
39 Crumb carrier
40 Friendly femme
41 Galloway gal
42 Overcome a jaded feeling?
47 Bulldog backers
48 Boarding sites
51 Dada pioneer Max
53 Stuffing seasoning
55 By means of
56 Ones who feel euphoric while collecting coupons?
59 Concert stage sight
60 Cover completely
61 Heads out
62 Molder
63 Royal's overthrow, e.g.
64 Tennis star Murray

Down

1 TV component since 2000
2 Astronauts Bean and Shepard
3 Orders for the grill cook
4 Look over
5 Cookware coating
6 Analogist's colon
7 Consequence of overexercising
8 Sea urchin eggs
9 Comely companion
10 "Ain't that the truth!"
11 Angular
12 Guest accommodation
15 Puccini opera
18 Pearl Harbor setting
19 Appearance
24 Monk's wear
25 Brahms works
27 Texting tools
28 Speaker's output
29 "Hurry up!"
30 Australian avians
31 Holds up
32 Did a few laps
33 Funny Fey
37 Iago in "Otello," e.g.
38 Unappetizing gruel
43 Jamboree setting
44 Cow in commercials
45 More avant-garde
46 Difficult to comprehend
49 Tuckered out
50 Fresh
51 Ticklish Muppet
52 Captivated
53 Lasting mark
54 Not to mention
56 Cochlea's place
57 Big name in ATMs
58 Org. whose members do a lot of driving

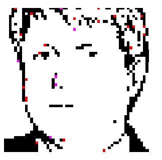
Previous Puzzle's Solution



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

OPINION

Trump Loses Corporate America



BUSINESS WORLD
By Holman W. Jenkins, Jr.

Companies get in bed with politicians when it serves their interests and are quick to run away when it doesn't. Thus nobody is obliged to interpret the flutter of CEOs away from President Trump's advisory council since the Charlottesville riot as occasions of courage.

Still, these are some of America's most delicate PR canaries, surrounded by risk-averse advisers. Mr. Trump's administration is turning out not to be the administration they were hoping for, though probably the one they realistically expected.

Especially he has not made headway on corporate taxes—the issue that bought him whatever benefit of the doubt America's CEO class was willing to give him.

Now a handful are fleeing his advisory council because he didn't say the right words over Charlottesville, or didn't say them quickly enough. This is big news because the media can't get enough Trump. He insists on making himself the lightning rod. That's one problem.

If the president or a scraggly someone close to him in the West Wing is soft on white supremacists because he thinks these groups are a vital bloc, this would be the miscalculation of the century. Their adherents couldn't swing a race for dogcatcher. It is precisely the left's fantasy of the right that these people constitute a useful electoral base.

None of the departing CEOs likely believe Mr. Trump is a white supremacist or Nazi sympathizer. They just see no upside to being associated with him. Two of those who quit, Merck's Kenneth Frazier and Intel's Brian Krzanich, implicitly cited an unnamed individual's failure to speak out forcefully enough against racism.

There is no point in taking brickbats for a president who does not deliver.

Kevin Plank of Under Armour perhaps indulged a greater honesty when he suggested his company belatedly remembered that it "engages in innovation and sports, not politics."

There may be a temptation to liken these men to Google's Sundar Pichai, who overnight acquired a reputation as a moral coward for firing a diversity-policy dissenter. Other CEOs, like Jeff Immelt of GE, found voices to express opposition to white racism without trying to turn themselves into symbols of anti-Trump resistance.

But Mr. Trump hardly helped with his response, a series of tweets about Merck's high drug prices. Mr. Trump is the one party to these exchanges who doesn't have three layers of advisers to help him discover his deepest thoughts. If he did, he might not be frittering away his presidency.

But let's also notice how little this has to do with Charlottesville. Mr. Trump was essentially correct when he warned in his initial, widely panned comments, about danger from "many sides." In one of those quirks of old-style magazine publishing, the Atlantic dropped a story, dated September, that went to press before Charlottesville and yet details the "The Rise of the Violent Left," especially the Antifa movement that was in the middle of the Charlottesville brawl.

Mr. Trump, who perhaps actually paid attention to his Charlottesville briefing, may just have responded the way 99% of Americans would have to the full story. Or the way European publics in the 1920s and '30s did when they saw Hitlerites and Stalinists battling in the streets and wanted nothing to do with either.

Happily, the social and political condition of America today is nothing like Germany circa 1930, even as both extreme right and extreme left peddle exactly the same delusive line that Trumpism is the force somehow carrying them to the centers of the Republican and Democratic parties, respectively.

To the extent there's any truth to this, however, notice what the Atlantic chose as its subject: "Antifa's violent tactics have elicited substantial support from the mainstream left," which in the magazine's reporting includes the Nation and Slate.com.

The overwhelming American sentiment after Charlottesville will be "Where were the cops?" Charlottesville is a Democratic town, in a state run by a Democratic governor. Its mayor, Mike Signer, declared the city a "capital of resistance" shortly after Mr. Trump's inauguration. Its vice mayor, Wes Bellamy, last year was obliged to step down from a high-school teaching job because of misogynistic, homophobic and antiwhite tweets.

The Atlantic quotes a pollster's finding that 71% of Democrats detected "fascist undertones" in the Trump campaign. If the Hitlerites were spoiling for a fight in Charlottesville, they likely lacked any sway with the town fathers to keep the path clear for them. Perhaps not so the left-wing activists of Antifa.

At least the question is worth asking. Nobody is responsible for anticipating that a lone nut will drive a car into a crowd of mostly peaceful protesters. But for some reason, the city's leaders failed to head off an antifascist rumble they saw coming from a long way off—and that arguably they had a duty to head off once they issued, however reluctantly, a legal rally permit to the white-supremacist groups.

What Would Madison Do About the Budget?

POLITICS & IDEAS
By William A. Galston

When it comes to government, I am a die-hard Madisonian. The chief intellectual architect of our constitutional order knew that public officials would always be torn between self-interest and concern for the common good. And he knew that in times of conflict, reason would often give way to passion. Political institutions, he concluded, should not be built on the quicksand of optimism about human nature. Instead, they should accept human beings as they are and channel the mixed motives of public officials toward promoting the public good.

James Madison also understood that nothing wrought by human beings can be perfect, let alone timeless. When circumstances change in unexpected ways, our institutions must change as well—or risk conducting the people's business far less effectively. So it was that the man who originally opposed adding a Bill of Rights to the Constitution ended up as its author. So it is that we the people have amended our Constitution 27 times.

I am brought to these thoughts by today's struggles over the federal budget. By now, we've gotten used to the chaos that results from partisan squabbling over each appropriations and debt-ceiling process. But a bit of Madisonian ingenuity could help overcome this seemingly permanent impasse.

The recent history of the budget process illuminates the origin of the current problems, and shows how our current legislative framework has failed to address them. The last major reform of the federal appropriations process was the Congressional Budget and Impound Control Act of 1974. The law created the Congressional Budget Office to check executive control over spending, ended the Nixon-era impoundment crisis, and created a workable template and timetable for the annual budget process.

But over the past two decades, as partisan polarization has surged, the budget process has broken down. Not since 1994 has each of the required appropriations bills been completed prior to the start of the new fiscal year. Between 2010 and 2015, not a single budget bill was completed on time. Instead, the government has lurched from one standoff to the next, as short-term continuing resolutions have alternated with jerry-built agreements forged outside the budget rules. These standoffs between the parties have often risked—and have more than once yielded—a government shutdown. Meanwhile, the debt ceiling became an instrument in the budget battle, threatening a devastating failure to repay the federal debt on time and in full.

In the short term, there is no way of eliminating the cause of these ills—a record level and intensity of division between the political parties. So in good Madisonian fashion, we must use institutions to mitigate its effects. To this end, I suggest two amendments to the budget law, which together might be styled the Anti-Shutdown and Full Faith and Credit Act of 2017.

Congress should enact laws preventing shutdowns and debt-ceiling crises.

One proposal would provide for an automatic continuing resolution whenever an appropriations bill was not completed prior to the beginning of the new fiscal year. The parties' failure to agree would not create a fiscal void; it would leave things as they were. Conservatives would not get cuts; liberals would not get increases; public priorities would not be revised. But at least the threat of a government shutdown would be eliminated. If parties were able to reach agreement after the new fiscal year began and the president signed the measure, it would supersede the continuing resolution for the balance of the year.

The other proposal would specify that whenever Congress makes a decision regarding appropriations, it would automatically raise the debt ceiling by the amount needed to make good on the fiscal commitments pursuant to that decision. One variant of this proposal would tie the debt-ceiling increase to the adoption of the annual budget resolution. But because Congress often fails to adopt such a resolution, fallback options would link the debt ceiling to appropriations bills, or to the continuing resolutions triggered by the failure to agree on these bills prior to the new fiscal year.

In less conflictual circumstances, lawmakers would be able to meet the orderly timetable laid out in the 1974 Budget Act. But until it is able once again to do so, Congress should act to forestall the worst consequences of its own incapacity.

The stakes are real—and getting higher. Not only do shutdowns waste resources and impede planning, they also weaken trust in our government at a time when confidence in our reliability is falling around the world. A default on the government's debt would rock the global financial system. Because we can mitigate these risks, tolerating them is irresponsible.

Republicans Play Politics on Yucca Mountain

By Robert L. Ferguson

For years Republicans complained that Sen. Harry Reid, a Nevada Democrat, was blocking funding for the Yucca Mountain Nuclear Waste Repository in his home state. Now Mr. Reid is retired, and guess who's playing politics with Yucca Mountain? Senate Republicans.

The federal government has already put nearly $15 billion into the research, design and construction of the repository. President Trump's 2018 budget included $120 million to restart the licensing process. But on July 20 Senate Republicans voted out of committee a spending bill to nix that request.

Why? The GOP leadership, desperate for votes to repeal ObamaCare, wants to protect one of its own. Nevada's Sen. Dean Heller is a Yucca Mountain opponent facing a close re-election in 2018.

That's remarkably shortsighted. Plans for Yucca Mountain date to 1987, when the Nuclear Waste Policy Act designated the location as a safe disposal site. It's 100 miles northwest of Las Vegas, far from populated areas, and adjacent to the longstanding Nevada Test Site.

Defense nuclear waste from World War II and the Cold War is in underground storage tanks and facilities in places like Hanford, Wash.; the Idaho National Laboratory; and the Savannah River Site in South Carolina. Spent nuclear fuel from power reactors is spread across some 110 sites, some of which are near rivers and streams. That includes waste stranded at shut-down decommissioned reactors in California, Colorado, Connecticut, Florida, Illinois, Maine, Massachusetts, Michigan, New York, Pennsylvania and Wisconsin.

In 2010 I joined two other people who live near the Hanford site in a lawsuit against the federal government, arguing it had illegally halted work on Yucca Mountain and stopped the Nuclear Regulatory Commission from conducting its safety analysis. We prevailed, and in 2013 the U.S. Circuit Court of Appeals for the District of Columbia ordered the NRC to continue with the legally mandated licensing process.

Nuclear waste is all over the U.S. Is Heller's seat worth it?

The NRC complied. In 2014 it published its safety evaluation, which concluded that the proposed Yucca Mountain repository would be capable of safely isolating nuclear waste for more than a million years.

The Trump administration needs the requested $120 million to restart the NRC licensing process, through which the state of Nevada's safety contentions would be addressed. And our nation needs a near-term, safe and final resolution to the disposal of nuclear waste.

Democratic senators like Washington's Patty Murray—who supported the Yucca project when her own party's leader was blocking it—should call on Republicans to drop their shameful gambit and fund the repository.

Energy Secretary Rick Perry has called opening the Yucca Mountain facility a "moral obligation," and he's right. Bringing any alternative site online would require another 30 years, during which stranded nuclear fuel would remain scattered throughout the country.

Mr. Ferguson is a former deputy assistant energy secretary and the author of "Nuclear Waste in Your Backyard: Who's to Blame and How to Fix It."

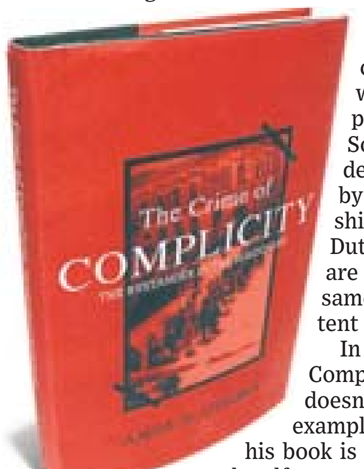
BOOKSHELF | By Jeremy Rabkin

When Bystanders Are Not Innocent

The Crime of Complicity

By Amos N. Guiora
(Ankerwycke, 220 pages, $29.95)

The ornate and imposing Peace Palace in the Hague, now home to the International Court of Justice, was completed in 1913. It is a monument to the optimism of a bygone era. Across the street is a more modest and somber monument, this one devoted to the local victims of World War II. There were, it records, 2,000 deaths attributable to wartime bombing and 2,000 to the effects of food shortages in the last months of the war, as well as 16,000 deaths among Jews deported to death camps—"all mourned without distinction," as a plaque explains in Dutch. So people who were deliberately hunted down by Dutch officials and shipped to their doom by Dutch transport workers are remembered in the same category as inadvertent casualties of war.



In "The Crime of Complicity," Amos Guiora doesn't mention this notable example of moral evasion. But his book is a kind of mediation on such self-protective detachment. Mr. Guiora is not interested here in the perpetrators of evil but in those who avert their gaze—even from shocking scenes that take place in front of them, as in the city streets and train stations where, in the 1930s and 1940s, grandmothers and children were herded to their fate by pitiless guards. To help him understand the bystander, Mr. Guiora visited the sites of such places in the Netherlands, Germany and Hungary, seeking out people who had memories or family stories of what had happened in that time or had taken it upon themselves to study the history of the era.

Mr. Guiora, a law professor at the University of Utah, continually returns to episodes of passive acquiescence during the Holocaust. But he also invokes episodes he sees as contemporary analogues. Just within the past few years, he tells us, a young man assaulted and then murdered a 7-year-old girl at a restroom in a Nevada resort while a friend of his peeked at the assault and then walked away. A football player at Vanderbilt videotaped himself and teammates raping a drugged young woman while his roommate pretended to remain asleep in the same room. These witnesses didn't even call the police and suffered no legal penalty for declining to intervene. Mr. Guiora urges that we fix criminal liability on such people. In so doing, he says, we would embrace "a primary lesson learned from the Holocaust: *silence and nonaction kill*."

Witnesses to crimes rarely face a penalty for failing to intervene. The events of wartime Europe show how costly such passivity can be.

His own models for reform do not seem likely to make a great difference, however. Mr. Guiora commends statutes in Minnesota and Wisconsin that (in contrast to the law in other states) do require bystanders to "provide assistance" to crime victims "exposed to bodily harm." But the liability provisions still exempt bystanders when rendering assistance would pose "danger or peril to self or others." And even where the liability would apply, lawmakers declined to impose severe punishment, probably recognizing the difficulty of judging intentions and capacities in most cases. Minnesota's law characterizes the failure to assist as a "petty misdemeanor," the lowest level of criminal offense.

A law of this kind, in any case, would not have made a difference in wartime Europe, where bystanders had much more to more fear than subsequent misdemeanor charges. To confine liability within reasonable limits, Mr. Guiora stipulates that the obligation to intervene be limited to those in immediate physical proximity to a crime. In Europe under the Nazis, though, mounting an effective rescue usually required advance planning and coordination, so it depended on people who were not in the immediate vicinity of a particular atrocity. They were people with exceptional courage and foresight—heroes.

But legal reform is not really central to "The Crime of Complicity." As Mr. Guiora acknowledges in his last chapter, "what started out as a book examining a particular legal question became, over the course of time, something very different . . . when it transitioned from the abstract to the personal." Instead, we learn of how his parents managed to survive in wartime Hungary, though his grandparents did not. He reports his father's experience when victims on a death march were taunted by villagers even in the last months of the war. He also describes the agonizing choices made by householders in Dutch towns who agreed to hide persecuted Jews but only for one night or to hide one child but not the child's family.

Some readers will find such personal accounts moving, others may regard them as distracting or self-absorbed. But the book does highlight some painful general patterns. In the Netherlands (an example Mr. Guiora dwells on), collaboration and passivity resulted in the death of the overwhelming majority of Jews, while in France and Italy volunteer networks helped save the overwhelming majority. Circumstances differed—but also, it seems, the readiness of individuals to take risks and act outside normal routines. "We are not a brave people," a former Dutch justice minister explained to Mr. Guiora.

The challenge still resonates. When a terrorist tried to take control of a train heading from Amsterdam to Paris in 2015, three young Americans (assisted by a 62-year-old English businessman) leapt into action and managed to disarm him. The other passengers remained passive. Two of the three Americans were servicemen and surely helped by their military training. Taking the initiative requires self-confidence as well as concern. But it also requires a strong sense of what's right—a sense of responsibility.

Inspiring a culture of responsibility can't be achieved by a three-point government program or a new criminal statute. But it may help to celebrate true heroes—and to remind people, as "The Crime of Complicity" surely does, of what happens when a whole society sinks into passivity.

Mr. Rabkin is a professor at Antonin Scalia Law School, George Mason University.

OPINION

REVIEW & OUTLOOK

Trump and the CEOs

A GOP President who loses the business class has a big problem.

An old line in politics is that the Fortune 500 never elected anyone, and that's truer of Donald Trump than of any recent President. But this week's CEO resignations from Mr. Trump's manufacturing advisory council should still concern the President because they are a symbol of his eroding support beyond his core political base.

The CEOs of Merck, Intel and Under Armour resigned from the White House advisory group in the wake of the President's initial remarks after the violence in Charlottesville, Va., on Saturday. Kenneth Frazier, the Merck boss, was pointed in explaining that "America's leaders must honor our fundamental values by clearly rejecting expressions of hatred, bigotry and group supremacy, which run counter to the American ideal that all people are created equal." Two more resigned on Tuesday, and others who stayed joined the public criticism.

Mr. Trump dismissed the CEOs as "grandstanders," and that line will resonate with some of his supporters. Corporate America isn't popular these days. These advisory councils also don't do all that much, and perhaps the CEOs were looking for an excuse to dump an obligation that isn't central to their companies.

Yet with rare exceptions like Jamie Dimon of J.P. Morgan or Fred Smith of Fedex, CEOs are also politically risk-averse. Most probably didn't vote for Mr. Trump but they also don't want to court his wrath with three-and-a-half years left in his term. They joined the advisory group at the start of his Presidency because, whatever their doubts about Mr. Trump as a candidate, they support some of his policies and hope that as President he will sign tax reform and ease regulations to help the economy and thus their companies, workers and shareholders.

Their decision to quit now in such public fashion shows the growing political and cultural pressure that CEOs and others in public life are under to distance themselves from Mr. Trump. The disdain for the President in the media and Hollywood isn't surprising, and Mr. Trump wears it like a badge of honor. But the business community is, or ought to be, a natural part of a Republican President's governing coalition.

Mr. Trump began his Presidency amid unprecedented hostility from those who didn't vote for him. This is all the more reason to govern in a way that seeks to broaden his coalition with new allies. Yet Mr. Trump has seemingly taken every opportunity to escalate feuds and attack even allies in Congress like Senate Majority Leader Mitch McConnell.

As if to prove this point, Mr. Trump lashed out at Merck's Mr. Frazier on Twitter Monday with what amounted to a political threat: "@Merck Pharma is a leader in higher & higher drug prices while at the same time taking jobs out of the U.S. Bring jobs back & LOWER PRICES!" This display of pique does nothing but make others less likely to get anywhere close to Mr. Trump's orbit.

But then we repeat ourselves. Mr. Trump's ego won't allow him to concede error and he broods over criticism until he ends up hurting himself, as he showed again Tuesday by relitigating his response to the Charlottesville violence. This is how he has achieved a 34% approval rating, as even allies flee and his Presidency shrinks in on itself.

The Wage Paradox Explained

A new Fed study shows faster gains than official figures suggest.

One mystery of this economic expansion is that wage growth has remained slow even as the labor market has finally tightened. One widely cited culprit is historically low productivity growth. But a new analysis from the Federal Reserve Bank of San Francisco adds a more optimistic, albeit paradoxical, explanation.

The Bureau of Labor Statistics recently reported that median weekly earnings had risen in July by a healthy 4.2% on an annual basis, the fastest growth in a decade. As labor markets tighten, employers typically increase wages. Until this past year, however, median weekly earnings growth had hovered near 2%, which is significantly less than the 3.25% average from 1983 to 2015.

So why haven't wages risen faster amid an increase in hiring and unfilled jobs? One answer is that wages have actually been growing at a faster clip—around 4% to 5%—at least for full-time workers with steady jobs. But new full-time workers who are generally paid less than the retirees they replace are dragging down the *average* wage increase.

Researchers at the San Francisco Fed this week updated their 2016 paper that disaggregated the wages of full-time workers with steady employment from recent entrants—that is, new workers or those returning to full-time work. Their earlier analysis showed that average wage growth had slowed less than expected during the recession while staying relatively flat during the recovery.

That's because workers who lost jobs during the recession were generally lower skilled and lower paid, so average weekly wages didn't fall significantly. However, many of those workers have since been rehired at below-average wages, which has depressed the aggregate.

In prior expansions, wage growth has been driven mostly by continuously full-time employed workers, and the researchers find that's still the case. Wage growth for these workers is now close to the pre-recession 2007 peak. But there are now many more workers who have been on the labor-force sidelines who are moving to full-time employment, thus creating a drag on wages.

"Counterintuitively, this means that strong job growth can pull average wages in the economy down and slow the pace of wage growth," the economists note. The effect is even larger because so many higher-paid baby boomers are retiring. "With so many of this generation still approaching retirement, the so-called Silver Tsunami will continue to be a drag on aggregate wage growth for some time."

The study portends better wage news for all workers if we can keep the expansion going—and even more if tax reform can accelerate growth by spurring more capital investment and increasing productivity. As ever, the cure for wage stagnation is faster growth and greater demand for workers.

Medicaid's Opioid Fix

Evidence suggests the program may contribute to the epidemic.

President Trump last week declared the opioid epidemic a national emergency, which given the human toll may be an understatement. As states beg Washington for more money to treat drug abuse, one question worth asking is whether the gusher of Medicaid dollars has contributed to the crisis.

Drugs now rank as the leading cause of death for Americans under age 50. Opioid overdoses have quadrupled since 1999, and fatalities are soaring. The number of overdoses in Ohio this year is projected to exceed the nationwide count in 1990.

The overwhelming majority of people who are prescribed painkillers don't become addicted. But those who get hooked often turn to the street to buy and sell potent cocktails laced with fetanyl and heroin. While some of these drugs are funneled from Mexico and China, vast quantities of prescription opioids can be obtained cheaply with Medicaid cards.

A recent study by Express Scripts Holding found that about a quarter of Medicaid patients were prescribed an opioid in 2015. Wisconsin Sen. Ron Johnson presents intriguing evidence that the Medicaid expansion under ObamaCare may be contributing to the rise in opioid abuse. According to a federal Health and Human Services analysis requested by the Senator, overdose deaths per million residents rose twice as fast in the 29 Medicaid expansion states—those that increased eligibility to 138% from 100% of the poverty line—than in the 21 non-expansion states between 2013 and 2015.

There were also marked disparities between neighboring states based on whether they opted into ObamaCare's Medicaid expansion. Deaths increased twice as much in New Hampshire (108%) and Maryland (44%)—expansion states—than in Maine (55%) and Virginia (22%). Drug fatalities shot up by 41% in Ohio while climbing 3% in non-expansion Wisconsin.

Using open source court files and news stories, Mr. Johnson's office also found 261 cases of people who were recently prosecuted for exploiting Medicaid cards to obtain opioids. Last month an Army veteran was convicted of selling oxycodone pills with forged prescriptions. His co-conspirator paid for the pills with a Medicaid card.

A police detective in Wisconsin told Mr. Johnson's office that 240 oxycodone pills can be purchased with a Medicaid card for a $1 copay and resold for $4,000 on the street. A single Vicodin pill can fetch $50.

In a letter to the Inspector General for the Department of Health and Human Services, Mr. Johnson last month observed that "it appears that the program has created a perverse incentive for people to use opioids, sell them for large profits and stay hooked." He's asked the Inspector General to investigate Medicaid's controls to prevent such abuses.

Nearly all states maintain databases that track prescriptions, doctors and patients, though criminals are becoming increasingly adept at evading the system by operating across state lines. Another problem is that doctors inundated with patients often don't check the database or patients for signs of abuse prior to writing prescriptions. Most Medicaid prescriptions are for cheaper generics that aren't manufactured with tamper-proof casing or extended-release formulas that help prevent abuse.

Governors and Senators in hard-hit states are hoping that Mr. Trump's emergency declaration will free up cash from Medicaid and the Federal Emergency Management Agency for expanded opioid treatment. But another priority ought to be stemming abuse in the Medicaid system.

LETTERS TO THE EDITOR

Sen. McConnell and Trump Share the Blame

In fairness to President Trump, Sen. Mitch McConnell didn't invite the president to lobby senators as House Speaker Paul Ryan had done in getting House members to pass their bill ("The Trump-McConnell Spat," Review & Outlook, Aug 11).

Although he later termed the House bill "mean," Mr. Trump showed himself especially proactive in mobilizing representatives to get the job done (which is perhaps why he felt moved to celebrate its passage in a Rose Garden ceremony).

Mr. McConnell, in contrast, publicly enjoined the president to stay away from the legislative process and allow him to manage it in the Senate. President Trump took him at his word. Mr. McConnell's inability to follow through must now give Mr. Trump a certain amount of schadenfreude, so it would seem he is justified in telling the majority leader to own up to his failure. The subtleties of the legislative process cannot stand as an excuse.

Albion M. Urdank
Los Angeles

Mitch McConnell was right, but he shouldn't have aired his opinion publicly.

What President Trump should be doing is going after the Republican senators who voted against repealing ObamaCare: Susan Collins, Lisa Murkowski and John McCain. Making the case that their votes against repeal only prolonged the suffering of their own constituents would have been the better way to go than simply throwing red meat to the base and those narrow-minded pundits whose preference for a more ideological leadership in Congress would garner even less support than the 49 votes Sen. McConnell managed in the Senate.

Media blitzes in Maine, Arizona and Alaska would have worked better than rallies in Iowa and Pennsylvania. You can't make a politician change his or her mind if they don't want to, so you convince their constituents to change the mind of the politician representing them. By going after Sen. McConnell, President Trump is playing right into Democratic Sen. Chuck Schumer's hands and shows that he understands as little about politics as about "the democratic process."

Richard Reay
Riverdale, N.Y.

Unions Must Better Meet Workers Real Needs

Regarding your editorial "The United Auto Workers Lose Again" (Aug. 7): The union representation election results dramatize the failure of United Automobile Workers leadership to understand what workers want and its putative members desire. Nearly three decades ago, in 1989, the UAW sought to unionize the workers at Nissan's first greenfield plant in Smyrna, Tenn., and was routed. The election plank then was that the Japanese company would speed up the assembly line causing the workers, being drawn from the rural communities and thus presumably unfamiliar with the sophistication of a manufacturing setting, to end up injured and disabled. The doomsday scenario didn't work.

Good paying, steady jobs with opportunity to grow professionally and personally are what workers want. The Mississippi workers compare their conditions and options with what is available in their vicinity, not with what employees in their line of work are making 1,000 miles away.

As more and more employee protections have been enshrined in law and social media, they have become a roving, unconstrained monitor of corporate conduct. The union's reliance on slogans from a bygone age to win votes increasingly falls on deaf ears.

Union organizers need to listen more carefully to what the workers want from their employers and not assume that they know already. But this is probably too late. Unions are still focused on splitting the existing pie; most workers and employers are striving to create and share a growing pie.

Rajib Sanyal
Huntington, N.Y.

An irony of the defeat of the unionization attempt at the Nissan automobile plant at Canton, Miss., should not go unnoticed. The town was possibly named for Canton, China (the romanized version of Guangzhou, China). According to historian James Brieger, the name was selected in 1836 because China's Canton was supposedly on the opposite side of the world. Today Guangzhou is an industrial powerhouse and trade competitor of the U.S. The other most feared trade opponent is Japan, the nationality of Nissan. The world has changed.

Gene Dattel
Lakeville, Conn.

Puerto Rico Is Likely to Keep This Promesa

Former Solicitor General Theodore B. Olson makes intriguing arguments for his hedge-fund clients in trying to strike down the federal legislation known as the Puerto Rico Oversight, Management and Economic Stability Act (Promesa), which created the Financial Oversight and Management Board for Puerto Rico ("Congress Has a List, but That Isn't in the Constitution," op-ed, Aug. 10).

While the Appointments Clause of the U.S. Constitution anchors his thesis, Mr. Olson entirely ignores the Territorial Clause. The latter gives Congress broad authority to legislate rules for U.S. territories, such as Puerto Rico.

While the appointment of "principal officers of the United States" requires the advice and consent of the Senate, the "United States" doesn't necessarily include U.S. territories. The Supreme Court's so-called Insular Cases of the early 1900s seemingly wrote this principle in stone. Since then, for over a century this distinction has been the bane of Puerto Rico's political identity and the rights of its residents who demand and deserve equal treatment as U.S. citizens.

Given that the Senate also "abdicated its duty to confirm" Puerto Rico's principal officers when Congress granted the island self-rule in the early 1950s and that this was never successfully challenged under the Appointments Clause, I am betting that Promesa and its oversight board will survive.

David R. Martin
Atlanta

ACA Diluted Funds for the Severely Disabled

Regarding the Aug. 10 letter from Lisa Wesel, a parent who cares for a disabled adult child at home and who supports the Affordable Care Act because it is providing better benefits for the truly disabled: My wife and I, too, have an adult child living at home and will for the rest of our lives. Our hearts bleed for all of us who share this challenge. We can never hope to have our child placed in a small group home with truly caring people who provide loving care. Her needs are simply too great. She speaks with the proficiency of a two-year-old and is unable to be counted on to put her clothes on correctly half the time.

The ACA has expanded funding for Medicaid services, but it has also to an even greater degree expanded the pool of people eligible to dip their spoon in the pot. It used to be that Medicaid did a fair job of providing for the truly disabled and needy. Now it does a lousy job of serving more people, many of whom are not truly needy and could provide care for themselves.

My daughter will never live an "equal" life, and it's not fair. We have gotten over it and struggle, but we also marvel at the challenges and the joys that come our way through her. Please join me in supporting the repeal of the ACA and put Medicaid funding back in the pot for the truly needy and disabled in our society. Our daughter will thank you.

Paul T. Spencer
Lavonia, Ga.

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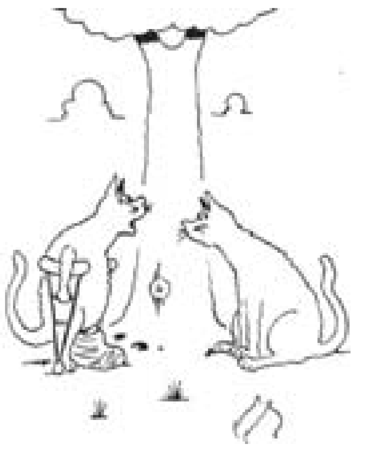
Pepper ... And Salt

THE WALL STREET JOURNAL



"Long story short, it's all on YouTube."

Soften the Tone and Harden Our Defenses

By Mark Helprin

The North Korean nuclear crisis can be defused peacefully and to America's advantage if its elements are perceived with strategic clarity, and if U.S. leaders recognize that diplomacy depends less upon signals than upon maneuver.

Kim Jong Un is not entirely irrational. The purpose of his nuclear program is not to court annihilation but to deter American military options on the Korean Peninsula and change the correlation of forces in his favor. North Korea created chemical

Trump can solve the North Korea crisis by pressuring China and rebuilding the U.S. military at last.

and biological arsenals that effectively neutralized American tactical nuclear weapons and led to their withdrawal. What we see now is an amplification of that strategy, with the object of eventually driving American forces from Korea.

It is extremely unlikely that Mr. Kim would strike, if at all, before his nuclear forces have matured in numbers and reliability. Relatively few of his delivery systems or miniaturized warheads have been extensively tested. Nor have they been proven to work together. And the U.S. and Japan have multiple layers of mid-course and terminal-phase missile defenses.

Thus, time remains to set in motion options on the escalation ladder between the fatal extremes of either doing nothing or taking precipitous military action. The problem is that these opportunities have not been exploited, the focus having been too much on Pyongyang rather than on Beijing, which can both completely shut down the North Korean economy and credibly threaten military intervention.

To the extent that China is shifting, it is because it fears a war on its border, understands what such a war would do to its own and the world's economy, fears even more that Japan and South Korea might develop nuclear deterrents, and sees that its nuclear calculus has been disrupted by the Thaad radar's ability to enhance American missile defense via forwarding data on Chinese missile launches in boost phase.

But this is not enough. As the late U.S. ambassador to China James Lilley said: "You won't get anything from them unless you squeeze them." In view of America's disappearing red lines, repeated nuclear capitulations to North Korea and Iran, the largely substanceless "pivot" to Asia, and our passivity in the South China Sea, China will wait to see if we fold.

To date, the Trump administration has failed to apply the kind of intermediate measures on the escalation ladder that are outlined below. It needs to understand that China is watching and waiting, and that absent either overwhelming military superiority or a vast store of credibility—neither of which we now possess—a diplomacy primarily of signals will not produce results. In addition, the Trump administration may think that Pyongyang is too important for Beijing to "abandon." True, North Korea serves as a "fleet in being" for China, tying down U.S. forces and ready to supply another front to divide them in case of war elsewhere, but now conditions are sufficiently dangerous and


AFP/GETTY IMAGES
Kim Jong Un and Donald Trump.

different that China can be stimulated to reassess.

That is, if the U.S. takes previously neglected measures to respond to China's military rise, protect our Asian allies, and guard international waters from maritime irredentism.

The president can switch from tough-guy talk to going before a joint session of Congress to ask for an emergency increase in funding to correct the longstanding degradation of American military power. He can say that the can has been kicked down the road far too long, and the buck stops with him. If Congress responds enthusiastically, as it should, China, Russia, North Korea, and Iran will see that the giant has awakened, and the funding will make possible what follows:

• Given the immense distances across the Pacific, American conventional military leverage and deterrence vis-à-vis China depend entirely upon bases in South Korea, Japan, and Guam. These bases are insufficiently hardened against attack by China's many intermediate-range ballistic missiles, air-launched cruise missiles, and bombers. Munitions bunkers and aircraft are ranged in tight rows rather than scattered in deep, underground, highly fortified shelters. Given the wingspans and tail heights of B-52s and C-17s, these would be immensely expensive, but war is much more so in every respect.

• Now that the U.S. may soon be threatened by a rogue regime's ICBMs, a vigorous acceleration of every aspect of ballistic-missile defense is warranted. This will protect against Iran and North Korea, promote uncertainty and hesitation in mature powers' calculation of their nuclear thresholds, and reduce the chances of a first strike against the U.S. by protecting its retaliatory capacities.

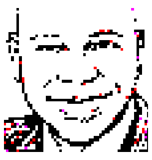
• The F-22—slated for 750 copies but reduced to 187; much faster than the F-35, with almost twice the range and more than twice the armament—is essential in the vast expanses of the Western Pacific. But it was taken out of production not that long ago when the Obama administration believed that security situations such as we now face were inconceivable. Restoring production lines, at a cost of one-tenth the AIG bailout, would exert priceless influence upon China.

• Nothing would rivet China's attention more than if the U.S. formally announced that absent the abolition of North Korea's nuclear capacity it would look with favor upon and assist with a Japanese and/or South Korean nuclear deterrent, and then established a commission for this purpose. So as to delink North Korea from the South China Sea, the U.S. should at this point make clear to China that it is weighing supply of coastal anti-shipping missiles to the Philippines and Vietnam. Establishing such a gauntlet to preserve sovereign rights and freedom of navigation is long overdue.

These maneuvers well short of war can rebalance power, instill caution, and stabilize the increasingly volatile Western Pacific, as well as contribute to stability elsewhere. A cost-benefit analysis objectively applied will so depress the value to China of a rogue North Korea that China should find common ground with us in coordinating action and point of view. The choice need not be between capitulation and war, silence and bluster. But only if the United States decides upon carrying a bigger stick and speaking more softly.

Mr. Helprin, a senior fellow of the Claremont Institute, is the author of "Winter's Tale," "A Soldier of the Great War" and the forthcoming novel "Paris in the Present Tense."

Trump Follows Obama's Example of Moral Equivalence



UPWARD MOBILITY
By Jason L. Riley

President Trump sees himself as the antithesis of President Obama, and that's true in ways large and small. Both men, however, share a fondness for the identity politics that continue to poison U.S. race relations.

If you were shocked that President Trump had to be pressured into condemning by name neo-Nazis, Klansmen and white supremacists, then you probably haven't been paying enough attention. His Saturday remarks on Charlottesville, Va., where protesters clashed violently over a statue in a park of Confederate Gen. Robert E. Lee, showed again that Mr. Trump has little use for Oval Office norms. But his initial reaction also evinced an Obama-like reluctance to denounce despicable behavior forcefully and in no uncertain terms.

When five policemen were gunned down in Dallas last year, Mr. Obama said there was no justification for violence against law enforcement—but then he added a comment about racial inequity in the criminal-justice system. After violent demonstrators pillaged Baltimore in 2015 following the death of a black man in police custody, Mr. Obama

When five Dallas cops were murdered last year, the 44th president faulted police as well as the killer.

dutifully condemned the rioters—but not without also noting that "we have seen too many instances of what appears to be police officers interacting with individuals, primarily African-American, often poor, in ways that raise troubling questions."

What we heard from Mr. Trump on Saturday, when he said "many sides" were to blame for what took place in Charlottesville, was more of the same equivocation. Both presidents were less interested in moral clarity than in placating fringe groups out of political expediency. The difference is that Mr. Obama's caucus mostly indulged his racial innuendo, while Mr. Trump's called him on it. That's why the president reluctantly issued a more forceful second statement on Monday.

Calls are now multiplying for Mr. Trump to rid his White House of chief strategist Steve Bannon and other alt-right sympathizers, and you'd get no objections to doing so from this columnist. But who's to say for certain that Mr. Bannon's presence is the root problem? When Mr. Trump took his time last year disavowing David Duke after the former Klan leader endorsed him for president, Mr. Bannon had yet to join the campaign. Perhaps Mr. Trump's problem is not his staff.

The president's inability to denounce white nationalists properly on his first try is troubling, but more so is these groups' growing prominence. Race relations declined sharply under Mr. Obama, according to polling in the final months of 2016; by the time Mr. Trump entered office, they were already at their tensest since the 1992 riots in Los Angeles. The videos captured, and spread widely through social media, of police encounters with black suspects no doubt contributed to the problem. The data show a steep decline in police shootings in recent decades. But anecdotal evidence, no matter how unrepresentative of reality, packs a more powerful punch than the recitation of dry statistics.

Mr. Obama's attempts to advance black interests through heightened group identity and us-against-them rhetoric didn't help. He embraced openly antiwhite groups like Black Lives Matter and racially polarizing figures like Al Sharpton. The subsequent rise of the alt-right may be history repeating itself. The Black Power movement of the 1960s was followed by an increase in the number of skinheads and other white-identity groups in the 1970s and '80s, including among more-educated whites who had previously kept their distance. Similarly, Richard Spencer, who was in Charlottesville on Saturday and is one the country's more prominent white nationalists, is the son of a physician. He earned degrees from the University of Virginia and the University of Chicago before dropping out of a doctoral program at Duke.

It would be unfair to blame Mr. Trump for racial divisions, but it is fair to say he has successfully exploited them and taken little interest in trying to narrow them. The evidence suggests Mr. Trump won the election primarily by flipping former supporters of Mr. Obama. Maybe the president is convinced, like many of his liberal opponents, that the alt-right carried him to victory. His behavior so far certainly suggests at much.

Where does this leave people who reject the politicization of race? In a bad way that could get worse before it gets better. The white supremacists who organized last weekend's events are reportedly planning several more. The media no doubt will cover these rallies like never before, giving demonstrators, with their Hitler salutes and Tiki torches, all the attention they crave. Heaven only knows how the White House will respond.

It's Been 40 Years Since Elvis Left the Building for Good

By Bob Greene

Everything felt wrong that sorrowful August afternoon. Just being inside his home: Graceland was supposed to be for Elvis Presley and his prank-loving Memphis buddies. A place for his friends and family, as locked-down and exclusive as the White House. You didn't get in unless you knew him and he invited you.

But on that day he was in an open casket in the foyer, which of course was what felt the most wrong of all. He had died the day before—Aug. 16, 1977—and his father, Vernon Presley, had decreed, against expectations, that Elvis's home would be open to anyone who cared to visit. The plan turned out to be a mess. More than 70,000 people tried to get onto the street in front of Graceland, and in the sweltering crush only a relative few made it inside the gates.

To see him that day . . . well, it was something almost impossible to process. He lived just 42 years, and as of this week he has been gone for 40, so now the idea of his death is taken for granted. Today there are millions of adults who have no recollection of Presley as a living man. On that summer day in 1977, though, it was all new, present tense, and the overwhelming thought as you stood in Graceland's foyer was that you could not, should not, be seeing what you were seeing. But there he was.

The secret of great stardom, its defining alchemy, is a mysterious ability to make hundreds of millions of men and women believe they know a person they have, in fact, never met. All the strangers filing through that day had counted Elvis a sustaining part of their lives, but he would not have recognized any of them. Now they—we—were in his home. The stillness of him, after a lifetime of constant motion, was shattering.

Who was he? The full answer, in the end, he had kept to himself, which is all a man can do when he has led a life so public. For all his fame, Presley undoubtedly understood his frailties and fallibilities better than anyone. Out of view on that day, upstairs in his bedroom, was the artifact said to have meant the most to him, an unlikely item that may provide a clue to what he cherished, or at least to what he sought.

It was a trophy. His friends would later tell me that more than any other tangible accolade from his career—the framed gold and platinum records, the keys to hundreds of cities presented by hundreds of mayors, the honorary badges from local police and sheriff's departments—the trophy is what he always kept

As he lay there in his casket, I realized his fans felt they knew him, but he'd known none of them.

physically close. He took it with him wherever he traveled, slept near it in his hotel rooms when he was on tour, as if it were a talisman.

Which makes a certain sense. His was a life filled from the beginning with ceaseless controversy. Early on he was reviled by much of adult America, condemned as a dangerous influence, a toxic presence. That kind of sting doesn't go away, no matter how much success you later attain.

Thus, the trophy. It was presented to him by the U.S. Junior Chamber of Commerce, and it proclaimed him one of the nation's Ten Outstanding Young Men of 1970. He was said to have been surprised, even startled, by the honor, and by those words.

Most of us, in our private hearts, hold a picture not of who we are, but of who we would most wish to be. An outstanding young man: Elvis fell asleep each night, everywhere he went in the world, with that reminder within reach.

When I finally left Graceland on that steamy afternoon, I needed to get to downtown Memphis, around a nine-mile distance, and I didn't have a way. The street was shoulder to shoulder with shoving people. I saw a limousine, moving at a crawl but with no passengers. I knocked on a window, which the driver then lowered.

He told me that he often had been hired to drive Elvis and his friends to the airport when they embarked on tours. Indeed, he said, he had been contracted to do that for the next leg of late-summer concerts, the shows that now would never happen. He had decided to drive by the property that day simply because he didn't know what else to do.

He asked if I needed a lift. He told me it was on the house. So I got in, and before we drove away we each took a last look. The address was 3764 Elvis Presley Blvd., but we both knew, without having to say it out loud, where we really were: down at the end of Lonely Street.

Mr. Greene is completing a new novel, "Yesterday Came Suddenly," about an America with no internet.

Notable & Quotable: Hillary Clinton

From "Democrats Fret as Clinton Book Rollout Looms" by Albert R. Hunt, Bloomberg View, Aug. 15:

[Hillary Clinton] could take a lesson from another prominent Democrat, one who has kept a relatively low profile since January. That's former President Barack Obama, who has mostly resisted the temptation to strike back at repeated Trump cheap shots. Today, surveys of voters have found, he's the most popular American politician. Some Democrats want him to take on Trump a bit more, and are pleased he'll be out campaigning for a few Democrats this fall.

By contrast, Clinton has moved from being an admired former New York senator and secretary of state to becoming a divisive and unpopular figure. In last month's Bloomberg national poll, 58 percent of respondents rated her unfavorably compared to 39 percent who gave her a favorable marks. More than one in five people who voted for her in November now regard her unfavorably. That was even worse than Trump's standing in the same poll.

Indeed, the only figure with higher negatives in the survey, which was conducted by the Iowa polling firm Selzer & Co., was her old nemesis, Russian President Vladimir Putin.

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Wells Fargo Picks Duke to Be Chairman

Former Fed governor will be first woman to hold top board role at a large U.S. bank

By Emily Glazer

Wells Fargo & Co. said Elizabeth Duke would succeed its chairman, Stephen Sanger, on Jan. 1, making the former Federal Reserve governor the first woman to hold the top board role at one of the nation's largest banks.

The San Francisco lender, which has battled a sales-practices scandal and other problems in recent months, announced the promotion of Ms. Duke, the board's vice chairman, on Tuesday along with other changes.

The moves represent the bank's strongest response yet to the high percentage of shareholders who voted against directors at its annual meeting in April, a clear sign of discontent after years of Wells Fargo being an investor favorite.

Mr. Sanger, 71 years old, will leave after a tumultuous period presiding over the board's response to the fake-account scandal that last year led to the departure of former Wells Fargo Chairman and CEO John Stumpf.

Mr. Sanger, a former General Mills Inc. CEO, is one of three directors who will retire at the end of 2017, the company said.

The other two are Cynthia Milligan and Susan Swenson, both of whom joined the board in the 1990s.

Mr. Sanger would have hit the board's mandatory retirement age next year and is stepping down about four months early.

The bank also named its newest director, Juan Pujadas, who will start Sept. 1. Mr. Pujadas recently retired from **PricewaterhouseCoopers** LLP, the accounting giant where he had been a principal and held numerous senior roles. Some of the coming changes were outlined in a Wall Street Journal article last week.

Wells Fargo, the third-biggest U.S. bank by assets, has spent most of the past year trying to put last fall's sales-practices scandal behind it. Employees of the bank opened as many as 2.1 million accounts without customers' knowledge, sparking public and political outcries as well as numerous investigations.

More recently, the bank has said even more customer accounts may have been impacted. It also is facing new problems in its auto-lending unit over insurance policies potentially involving thousands of borrowers. The bank has said it would reimburse customers for around $80 million.

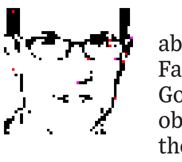
Ms. Duke said in a Tuesday interview that it is "time to change into another gear."

She added that she can bring her understanding of the financial system, importance of safety and soundness, and risk management to the role. That is alongside her "appreciation" for fair and responsible

Please see DUKE page B2

HEARD ON THE STREET | By Stephen Wilmot

WPP Is Rare Value In the Ad Business



Worries about Facebook and Google obliterating the advertising industry as we know it are overblown. As the stock market climbs ever higher, traditional advertising agencies look like a rare pocket of value—none more so than the largest, **WPP**.

Advertising growth has slowed lately, and WPP, once a rock-solid performer, has been hit harder than most. Having lost big accounts with AT&T and Volkswagen, the London-listed owner of the Grey and Ogilvy & Mather agencies posted organic year-over-year revenue growth of just 0.2% for the first quarter, down from a peak of 6.7% in the final quarter of 2015.

Confidence took another hit last Wednesday, when Dentsu cut full-year forecasts. The storied Japanese agency held consumer-products groups responsible: The likes of Procter & Gamble, Nestlé and Unilever are shaking up their marketing budgets, as they themselves grapple with weak growth and mounting pressure from activist investors. This also is a problem for WPP, which makes more than 30% of its revenue from the sector.

Yet investors have sold off WPP even as consumer groups remain as popular as ever. Unilever's stock trades at 21 times earnings, for example, compared with just 12 times for WPP's.

Another explanation for the slowdown is that the entire agency business model is under threat from new competitors. These include technology giants Google and Facebook, consultants such as Accenture, and even advertisers such as Procter & Gamble, which has experimented with taking digital-ad buying in house.

The shift of advertising online has raised some valid worries.

But the bigger picture is that digital advertising is developing so rapidly, and in such diverse ways, that agents are needed as much as ever.

A steady flow of acquisitions in recent years has pushed WPP's digital revenue to almost two-fifths of the total, giving it heft against Google and Facebook. These now rank first and

Please see HEARD page B2

Cash King

WPP's dividend yield

Source: FactSet
THE WALL STREET JOURNAL.

SUMMERTIME PICKS
WPP
Share price: $102.81
Recommendation: Buy
Why: Less disrupted by Google and Facebook than many think

RANDY ROBERTS FOR THE WALL STREET JOURNAL

Blackstone is splashing out on natural gas, agreeing to pay $1.57 billion for a stake in the Rover Pipeline, above, being built in Ohio.

Blackstone Bets Big on Natural Gas

By Ryan Dezember

Blackstone Group LP is making one of its biggest bets on the growth of natural-gas production, wagering that even if gas prices remain stuck at depressed levels, it can profit.

The New York private-equity firm has built a roughly $7 billion bet on natural gas by investing in drilling fields, pipelines and a gas export terminal. The latest piece came last month, when it agreed to pay $1.57 billion for a 32.4% stake in the Rover Pipeline, a 710-mile tube being built across Ohio.

Natural-gas investments have been popular in recent years among private-equity firms. Many investments count on prices rising to turn profits—and have been doomed by low prices.

Blackstone says its wager is generally more dependent on production volumes increasing than on prices climbing. Most of the $7 billion has been put toward moving gas out of areas where drilling has increased despite low prices. The remainder has been invested in exploration and production in those regions.

"We're betting on which basins are going to be the winners," said David Foley, who leads the firm's energy investing.

He has put Blackstone's money down in West Texas,

Please see GAS page B2

Gassed Up

Blackstone Group since 2012 has assembled a roughly $7 billion bet on U.S. natural gas focused on producing and transporting the fuel from low-cost drilling regions.

EagleClaw Midstream Ventures	Rover Pipeline	Sabine Pass LNG export facility	Vine Resources	Huntley & Huntley
Bought 375-mile gas-gathering system in the Permian Basin in West Texas	Agreed to buy a 32.4% stake in 710-mile pipeline across Ohio linking Appalachian gas wells to Great Lakes and Gulf Coast markets	Invested in Cheniere Energy's liquefied-natural-gas export terminal, the first to ship U.S. shale gas abroad	Bought about 100,000 acres of gas drilling land in northwest Louisiana	Backed land acquisitions and drilling by Pennsylvania gas explorer

Sources: Blackstone; the companies
THE WALL STREET JOURNAL.

INSIDE

JOHNNY DEPP'S EX-MANAGER PROBED BY U.S.

LAW, B3

SOLID PROFITS FAIL TO IMPRESS INVESTORS

EARNINGS, B13

Energy-Saving Loans Are Turning Bad

By Kirsten Grind

Loan defaults in a popular program meant to finance energy-saving home upgrades have increased substantially, despite lenders' claims that few borrowers have missed payments.

The small, high-interest-rate loans were made as part of the Property Assessed Clean Energy program, or PACE, a nationwide initiative designed to help people afford solar panels, energy-efficient air-conditioners and other "green" appliances. PACE loans are among the fastest-growing types of loans in the U.S.

The rise in defaults means some borrowers are at risk of losing their homes over relatively small loan amounts and that local governments find themselves in the awkward position of having to collect troubled debt for private companies.

Private lenders in the PACE program have told Wall Street investors, as well as local and federal government officials, that borrower defaults are rare and that no homeowners have gone into foreclosure as a result of the program, according to investors and public officials.

But a Wall Street Journal analysis of tax data in 40 counties in California—by far the biggest market for PACE loans—shows that defaults have jumped over the past year. Roughly 1,100 borrowers missed two consecutive payments in the tax year that ended June 30, compared with 245 over the previous year. That means they are in default, and could potentially have their homes auctioned off by local governments within five years.

The lenders, including **Renovate America** Inc., **Ygrene Energy Fund** and **Renew Financial** Inc., say the overall default rate of less than 2% provided by the Journal's analysis is in line with the rate for people who miss property-tax payments.

A spokeswoman for Renovate America said the partial data gathered by the Journal is more negative than what the company is seeing. Rocco Fabiano, the chief executive of

Please see PACE page B2

INDEX TO BUSINESSES

These indexes cite notable references to most parent companies and businesspeople in today's edition. Articles on regional page inserts aren't cited in these indexes.

INDEX TO PEOPLE

GAS

Continued from the prior page
Appalachia and Louisiana.

Blackstone raised its latest energy fund, a pool with more than $8 billion, in late 2014 and early 2015, when collapsing crude prices stoked optimism that investors could snap up oil assets on the cheap.

The firm has invested billions in oil, but its splashiest deals have been aimed at natural gas.

The natural-gas gambit has grown into one of Blackstone's biggest, comparable in scope to its $10 billion bet on rental homes. But unlike home prices, natural-gas prices have a less-than-bright prognosis.

Goldman Sachs Group Inc., Citigroup Inc. and others say that abundant supply, and production that can be ramped up quickly, should keep U.S. natural gas prices at an average of around $3 per million British thermal units for the next couple of years. Futures contracts for gas to be delivered in the winter, when demand and prices tend to be highest, don't exceed $3.50 per mmBtu until late 2027.

The natural-gas gambit has grown into one of the biggest for Blackstone.

Natural gas for September delivery fell 2.4 cents, or 0.81%, Tuesday to $2.9350 per mmBtu on the New York Mercantile Exchange.

Blackstone joins a crowded field of private-equity firms that have barreled into gas investments since the combination of horizontal drilling and a rock-cracking process called hydraulic fracturing unlocked new drilling fields across the country. These firms' cash helped feed a drilling frenzy that has produced a flood of the heating and power-generation fuel.

Some firms have made disastrous bets, underestimating the new drilling technology and how severely it would affect prices.

The Texas power producer formerly known as TXU Corp. was bankrupted by buyout debt after KKR & Co. and TPG bought the company in 2007 for $32 billion assuming that gas prices, and thus electricity prices, would remain high. Instead, shale gas flooded the market.

Another surge of shale gas sent prices spiraling down shortly after KKR and others paid $7.2 billion for oil-and-gas producer Samson Resources Corp. in 2011.

Samson's bankruptcy case is approaching its second anniversary.

But there have been enough successes to keep investor interest in natural gas alive.

KKR once made $1.5 billion in about a year by flipping Pennsylvania shale fields.

Big scores like that have helped draw more than $200 billion into energy funds since 2013, according to Preqin.

The earliest of Blackstone's natural-gas investments is poised to begin paying dividends.

In 2012, the company put $1.5 billion toward the construction of **Cheniere Energy** Inc.'s facility in Sabine Pass, La., to liquefy natural gas for export.

The facility, which last year became the first to ship U.S. shale gas overseas, is adding capacity and recently reached a construction milestone that triggered Blackstone's stake to convert to common shares of an entity that distributes 42.5 cents a share each quarter. With more than 202 million shares, Blackstone is due about $86 million quarterly, or $344 million annually.

The Rover Pipeline could be completed as early as autumn, according to **Energy Transfer Partners** LP, which is building the project.

The pipeline will connect some of the country's most prolific wells to markets around the Great Lakes and along the Gulf of Mexico. Once it opens, the Appalachian drillers who have signed up for shipping space on the pipeline will pay fees whether they send gas or not.

Earlier this year, Blackstone paid $2 billion for 375 miles of pipelines in West Texas that gather gas being produced as a byproduct of the frenzied Permian Basin oil drilling, and is therefore not particularly sensitive to gas price movements.

Mr. Foley says owning infrastructure like gas pipelines and export terminals is akin to selling supplies to speculators during the California Gold Rush.

"It's like picks and shovels for gold mining," he said. "We don't really care about the gold price, we just need it to be sufficient that people continue to mine."

Blackstone's strategy isn't without price risk. A decline much below $3 could hurt the firm's investments in exploration and production outfits. Persistently low prices have pressured such companies and limited the places where drilling is profitable.

BUSINESS & FINANCE

PACE

Continued from the prior page
Ygrene, said in a statement that "Ygrene's PACE delinquency rate remains far below that of average property tax delinquencies in California." A spokesman for Renew Financial said property owners in its CaliforniaFIRST PACE program "have similar delinquency and default rates as all other property owners."

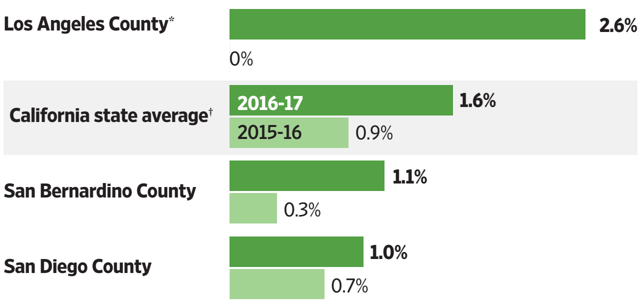
In the PACE program, private companies make the loans and the balances are placed on a homeowner's property tax bill. Local governments are responsible for collecting the payments and, in the event of a default, potentially seizing the home to recoup the loan amount.

The average PACE loan is about $25,000. But unpaid balances get bigger quickly; they accrue additional interest at the rate of 18% annually. Under California law, homes can be auctioned off in a tax sale within up to five years if the homeowners don't pay the balance.

"For us to be the heavy hand and make [borrowers] go through the tax sale process is onerous on us," says Jon Christensen, the tax collector in Riverside County, where 227 PACE borrowers are in default.

Rising Tide

Default rates for homes with PACE loans



*Data not available as L.A.'s PACE loan program started in 2015-16 tax year.
†Average of 40 counties reporting
Sources: WSJ analysis of California Association of County Treasurers and Tax Collectors (state) and county tax collectors (counties)
THE WALL STREET JOURNAL.

Wall Street is hungry for bonds made from PACE loans. In July, asset managers and pension funds piled into a $205 million deal from the largest PACE lender, Renovate America. It was the company's 11th securitization since its 2008 founding.

Investors are attracted to the bonds' relatively high yield of about 4% and the loans' priority structure. If a borrower defaults, PACE lenders are paid back before mortgage lenders. The deals have received high marks from credit-rating firms, which have said the program is too new to predict future defaults.

Still, some investors are getting nervous.

"If we can't get more data, it's going to limit our ability to take the risk," says Dave Goodson, the head of securitized products at Voya Financial Inc., noting that monthly updates on the PACE bond deal he has invested in don't include default rates.

Indeed, such performance data are hard to come by. It is up to local tax collectors to track default rates. "No one is even collecting all the data," said John Rao, an attorney with the nonprofit National Consumer Law Center.

The Journal analyzed data from the California Association of County Treasurers and Tax Collectors, which collected the information from local tax collectors and from counties. The association is advocating state legislation to increase consumer protections in the PACE program.

The data, which only offer a limited view of overall PACE loan performance, show that the average default rate has climbed to 1.6% from 0.85% in the previous tax year.

But the PACE default rate doesn't capture borrowers whose missed payments are covered by mortgage escrow accounts, which appears to be a common occurrence, according to borrowers, banks, real-estate agents and attorneys.

PACE loans totaling nearly $3.7 million are past due across the state, up from about $520,000 in the 2015-2016 tax year.

PACE lenders have made roughly $3.6 billion in PACE loans nationwide, making the total number of loans roughly 140,000.

Some borrowers say they were pushed into loans by plumbers and repairmen who serve as middlemen in the transactions, and that they were approved for loan amounts they couldn't afford, the Journal has reported.

A bipartisan group of U.S. senators has introduced legislation to subject the loans to the same level of regulations as faced by mortgages.


JOE PAVEL/FEDERAL RESERVE BOARD/REUTERS

Elizabeth Duke, lower left, with other Federal Reserve Board members in 2009. She served on the Fed from 2008 to 2013.

DUKE

Continued from the prior page
consumer financial services as Wells Fargo "is shifting from a sales culture to a service culture."

Ms. Duke became vice chair last October, when Mr. Stumpf abruptly retired in the face of the sales-practices scandal. Ms. Duke, who is known in the industry as Betsy, has served on the Wells Fargo board since January 2015.

She was a governor of the Federal Reserve from 2008 to 2013, the seventh woman to be appointed to the board, joining in the thick of the financial crisis.

"She developed a reputation for being extremely careful," and being "skeptical of some of the extreme moves the Fed took" around the financial crisis, said Peter Conti-Brown, a Fed historian and assistant professor at The Wharton School of the University of Pennsylvania.

Before her work at the Federal Reserve, Ms. Duke had served as an executive or CEO at a number of community banks in Virginia, where she will remain. Timothy Sloan, Wells Fargo's CEO, added in the statement that her "regulatory expertise has been invaluable."

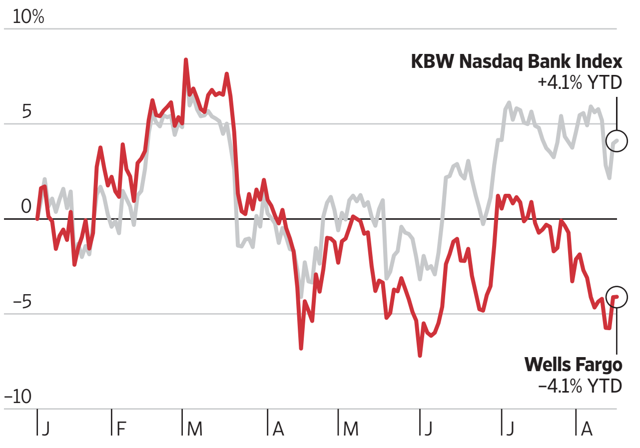
Mr. Sanger said in an interview that the board reconnected with shareholders after its April annual meeting and accelerated its annual self-evaluation to July from December.

Around July Mr. Sanger asked another onetime regulator, former Securities and Exchange Commission chairman Mary Jo White to facilitate. Ms. White is now a senior partner at law firm Debevoise & Plimpton LLP.

Mr. Sanger said he and Ms. Duke will reconnect with shareholders during the typical fall outreach but the transition is earlier than expected because "it is symbolic and appropriate; we're not just doing business as usual."

Playing Catch-Up

Wells Fargo shares have lagged behind other bank stocks in recent months.



Source: WSJ Market Data Group
THE WALL STREET JOURNAL.

Bank's New Leader Is Battle-Tested

This isn't the first banking imbroglio Elizabeth Duke has faced.

Ms. Duke, who was named incoming independent chairman of **Wells Fargo** & Co. on Tuesday, will help oversee the bank as it is struggles with several scandals across its businesses. She will start her new job Jan. 1.

She had a similar start to her role as Federal Reserve governor in August 2008, as the financial crisis was enveloping the country. She served in the role at the central bank through August 2013.

"There was no way that I, or anyone else, could have foreseen the tumultuous events that were about to unfold," she said in a February 2011 speech. About a year later, during another speech, she said: "I witnessed firsthand the damage that can result from reckless lending and weak risk-management practices."

HEARD

Continued from the prior page
third, respectively, in the list of media organizations to which the group funnels ads, and this doesn't seem likely to change.

After Dentsu's warning, investors will be watching WPP's full-year guidance of 2% organic growth very carefully when the company unveils results later this month. It was the downgrading of this number, from 3%, that first caused the shares to plunge in March.

But investors have a margin of safety: At 3.6%, WPP's dividend yield has reached levels not seen since early 2009. Then the global economy was collapsing; now the Organization for Economic Cooperation and Development expects global growth to reach a six-year high. WPP looks like a high-quality company that has temporarily fallen on hard times. The smart money will buy before the clouds clear.

BUSINESS NEWS

Depp's Woes Put Manager On the Spot

U.S. agencies probe management firm that actor claims mishandled his wealth

Federal investigators from three agencies are probing a top Hollywood business-management firm facing fraud allegations from a former client, actor Johnny Depp, according to people familiar with the situation.

By Scott Patterson, Justin Baer and Ben Fritz

The Internal Revenue Service and Justice Department are jointly looking into possible fraud and money laundering by the **Management Group**, founded by brothers Joel and Rob Mandel, the people said.

The Securities and Exchange Commission is separately investigating how the Management Group handled Mr. Depp's funds, according to people familiar with the matter.

Mr. Depp sued the brothers in January and is seeking more than $25 million in damages from the Mandels for alleged fraud and professional negligence. The Mandels have denied Mr. Depp's claims in a countersuit, calling them "baseless."

The IRS-Justice Department probe, which is in its early stages, is being led by the IRS's criminal investigation division and is currently focused on elements of the Mandels' dealings with Mr. Depp, according to people familiar with the matter.

Mr. Depp's lawyers have met with government officials, the people said.

The probe may not result in any charges against the Management Group or its owners. Federal investigators typically look at the possibility of money laundering as they trace the path of funds that allegedly were misappropriated, said the people familiar with the situation.

"In 30 years of business, no current or former client of TMG has raised any issue" of impropriety other than Mr. Depp, a lawyer for the Management Group said.

The SEC has subpoenaed at least one person in its probe, according to a person familiar with the matter.

The actor in his lawsuit alleged the Mandels invested millions of his dollars in ventures partly owned by the Management Group and the Mandels, which the lawsuit says created a conflict of interest. The firm in its countersuit called those allegations "absurd," claiming that Mr. Depp cashed out one such $1.5 million investment in 2008 for a profit and that another, for less than $450,000, has been profitable.

Business managers are a staple in Hollywood, charged with making investments, paying bills and handling taxes for wealthy actors and executives. Like many business-management firms in Hollywood, the Management Group maintains a low profile and keeps its client list private.

Mr. Depp alleged in his lawsuit, filed in Los Angeles Superior Court, that the Mandels caused him to lose tens of millions of dollars, incur more than $40 million in debt and move to dispose of significant assets, including a collection of more than a dozen buildings outside Saint-Tropez, France.

The actor put the French village up for sale in June 2015 and priced it late last year at $39 million.

The Mandels, who worked for Mr. Depp from 1999 to March 2016, said in the countersuit that the actor's financial problems are the result of his own overspending and failure to heed repeated warnings. Alleging breach of contract and fraud, they claimed Mr. Depp lived a "selfish, reckless and irresponsible lifestyle" that cost $2 million a month.

The Mandels claim they repeatedly warned Mr. Depp that he couldn't continue to afford his lifestyle. He responded "by rebuking and cursing his business managers for issuing such warnings and advice," according to their suit.

The Management Group is seeking $560,000 in unpaid fees and a ruling that the movie star himself is solely responsible for his financial situation. Both suits are pending.

Mr. Depp, in an April interview with The Wall Street Journal, said it was the Mandels' negligence and fraud, not his spending, that caused him to lose tens of millions of dollars over more than a decade.

Mr. Depp in his suit also accused the Mandels of failing to make timely tax payments on his income for years, resulting in about $8 million in penalties. The Mandels, in their firm's countersuit, said they were unable to pay all of Mr. Depp's taxes because he was "squandering vast sums of money and had insufficient funds to timely pay all of his taxes."


BF IMAGES

The actor in 2015 put up for sale his French estate, which is a former village outside Saint-Tropez. It was priced late last year at $39 million.

The business manager says Johnny Depp led a 'reckless' lifestyle that cost $2 million a month.

Time Runs Out for Big German Airline

By Robert Wall

Air Berlin PLC, Germany's second-largest airline, on Tuesday said it had filed for bankruptcy protection and was in talks to sell part of its operations to larger rival **Deutsche Lufthansa AG.**

The German government, facing potentially big job losses at Air Berlin ahead of general elections next month, stepped in to provide a €150 million ($176 million) bridge loan to Air Berlin in order to keep the airline afloat during the busy summer holiday season.

The airline has about 8,000 staff and without the money would have been grounded, officials said Tuesday.

Air Berlin becomes the second high-profile European carrier to go bust this year amid fierce competition that has led to sharp declines in airline ticket prices. Italy's flag carrier, Alitalia, filed for bankruptcy in June. The German carrier, which has lost about €2 billion in the past four years, had been trying to cut unprofitable operations and rapidly expand its more lucrative trans-Atlantic routes to the U.S. but ran out of time.

Air Berlin has struggled with high costs and growing competition from budget rivals such as **Ryanair Holdings PLC**, Europe's largest airline by passenger numbers. Ryanair has been expanding aggressively in Germany.

Air Berlin said it was forced to file for the German equivalent of chapter 11 bankruptcy protection after one of its largest investors, Abu Dhabi's **Etihad Airways**, said it would no longer provide the German carrier with financial support.

Etihad owns a 29.2% stake in Air Berlin and has repeatedly provided extra liquidity to the German carrier to keep it flying.

Etihad Airways took minority stakes in a number of airlines, including Italy's Alitalia, to help deliver passengers to its own network and drive growth. But it is stepping back from that strategy after it proved too costly. Etihad last month reported a $1.87 billion net loss for the financial year ended in March, in part driven by write-downs on its Air Berlin and Alitalia investments.

"We are working tirelessly to achieve the best possible outcome for the company, our customers and employees, given the situation," said Air Berlin's Chief Executive Thomas Winkelmann, who has been in the job about six months.

The airline said flights would continue as planned and that it remained open to bookings.

Lufthansa, Germany's No. 1 airline by traffic, said it was already in talks with Air Berlin to take over some of the rival carrier's operations. Lufthansa wouldn't address what assets it may acquire during negotiations but said it intends to conclude the negotiations "in due time." It indicated it could hire some Air Berlin staff. Lufthansa this year already deepened ties with Air Berlin by renting some planes from its rival and said that relationship would persist. Any deal between Lufthansa and Air Berlin could raise competition concerns.

Air Berlin shares fell 34% and Lufthansa shares were up 4.7% Tuesday in Xetra trading.

—Zeke Turner contributed to this article.

HANNIBAL HANSCHKE/REUTERS

The carrier filed for bankruptcy protection and said it is in talks to sell some operations to Lufthansa.

Advance Auto's Stock Skids on Dim Outlook

By Ezequiel Minaya

Advance Auto Parts Inc.'s shares fell 20% on Tuesday—their biggest single-day decline ever—after the retailer dimmed its sales outlook.

Advance Auto Parts said sales at stores open at least a year were flat in the second quarter, beating analyst expectations for 0.2% decline from a year earlier.

However, earnings for the period came in lower than expected.

And the auto-parts retailer damped hopes for improvement.

"Industry headwinds," Chief Executive Tom Greco said, have the company expecting a 1%-to-3% decline in same-store sales for the year, compared with earlier guidance of flat to 2% growth.

During a call with analysts, Mr. Greco tied "temporary industry softness" to economic uncertainty for low-income consumers, the acceleration of new-car sales from 2010 and mild weather that has reduced the need for seasonal repairs. Higher supply-chain and commodity costs also weighed on performance, the company said.

Advance Auto Parts' profit for the period fell 30% from a year earlier to $87 million, or $1.18 a share.

Adjusted earnings on a per-share basis fell to $1.58 from $1.90 in the same period a year ago.

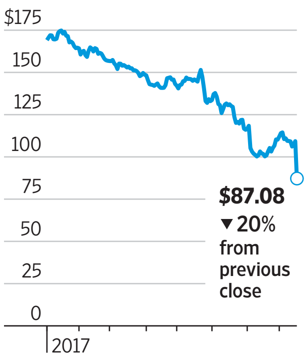
The retailer's revenue of $2.26 billion was in line with forecasts and flat with a year earlier.

With investors giving retailers very little slack these days, the company's slide to $87.08 marked the stock's lowest close since October 2013.

For the year to date, the shares have lost nearly 49%. Tuesday's decline is similar to a fall O'Reilly Automotive Inc. experienced last month after the company warned same-store sales would fall short of expectations the its second quarter.

Dented

Advance Auto Parts' share price tumbled on weak sales results.



Source: WSJ Market Data Group
THE WALL STREET JOURNAL.

U.S.-China Chip Fight Opens New Front

Cohu says sale of rival Xcerra is security risk, expanding issue and posing test for Trump

By Kate O'Keeffe And Eva Dou

The battle between the U.S. and China over computer-chip makers has expanded to a new front: the companies that test the technology.

Citing national-security concerns, a U.S. semiconductor-testing company, **Cohu** Inc., is mounting a quiet campaign to derail the planned $580 million sale of an American rival, **Xcerra** Corp., to a Chinese state-backed group, according to documents reviewed by The Wall Street Journal.

The U.S. government has previously shot down attempts by Chinese interests to buy makers of the chip technology used in mobile phones, military equipment and other systems. The deal for Xcerra, which provides equipment to test chips but doesn't actually make them, could test how far the Trump administration is willing to go to shut China out of the sensitive sector at the heart of a trade battle.

The U.S.'s cutting-edge semiconductor technology powers the industries that make the country the world's most formidable superpower, including the military, Silicon Valley and Wall Street. As China continues its rapid development, it, too needs a top-notch chip industry, and it has announced plans to spend $150 billion to get it.

The effort by Cohu is aimed at blocking one deal in which its competitor could gain a financial advantage through an influx of Chinese money. But on a larger scale, it provides a window into the myriad economic and national security considerations the U.S. is juggling as it confronts a powerful new rival in the global chip market.

Chinese officials and executives say the national security concerns their U.S. counterparts raise are a pretext and that the U.S. is simply trying to stave off competition.

Poway, Calif.,-based Cohu recently sent its analysis of the risks associated with the proposed sale of Norwood, Mass.-based Xcerra to the Committee on Foreign Investment in the U.S., a multiagency panel that vets deals for national-security concerns, according to the correspondence reviewed by the Journal. The committee, known as CFIUS and led by the Treasury Department, can approve the acquisition or recommend the president block it.

The deal, announced in April, could give China access to intellectual property that could accelerate its efforts to become a serious player in the industry, Cohu alleges in a six-page white paper it sent to a Treasury official handling CFIUS matters.

"If Xcerra becomes a Chinese state-owned enterprise and obtains top-tier semiconductor companies like Qualcomm, Broadcom and Texas Instruments as customers, it is reasonable to expect transfer of this critical information to Chinese semiconductor companies," the document says.

Xcerra, in a statement, said: "The allegations Cohu make are false, as Xcerra does not possess critical [intellectual property] from any customer." Both parties in the deal intend to cooperate fully with CFIUS "to address any potential national security interests," Xcerra said.

Cohu didn't respond to requests for comment. A Treasury spokesman said the agency doesn't comment on whether a transaction is being reviewed by CFIUS.

The deal's primary financier is a $20 billion Chinese government-controlled fund called the **China Integrated Circuit Industry Investment Fund** Co., known locally as "the Big Fund." A representative declined to comment.

Cohu's June 2 paper also says a sale of Xcerra could lead to U.S. job losses if the company uses subsidies from its new owner to improperly undercut U.S. rivals.

Uber Agrees to Decades of Audits to End FTC Probe

By Greg Bensinger

Uber Technologies Inc. agreed to two decades of audits as part of a settlement with the Federal Trade Commission over allegations the ride-hailing company didn't have sufficient data-privacy protections for its users.

The settlement revolves around a 2014 incident in which more than 100,000 names and driver's-license numbers were accessed in a breach of Uber's database. The FTC said Uber didn't take enough steps to secure data, such as including multifactor authentication.

The FTC also said an automated system Uber designed to monitor employee access to rider and driver data was abandoned less than a year after it was put in place.

The probe focused on assertions Uber made about the security of customers' data. As a result of the settlement, Uber will no longer be allowed to misrepresent its access to customer data or how it secures the data.

"Uber failed consumers in two key ways: First by misrepresenting the extent to which it monitored its employees' access to personal information about users and drivers, and second by misrepresenting that it took reasonable steps to secure that data," Maureen K. Ohlhausen, acting FTC chairman, said in a statement Tuesday.

One cause for the FTC's concern was a program Uber used called "God view," which allowed employees to monitor the locations of riders in real time. Uber has said it since limited employees' access to a similar tool to only those with a critical need to access such data.

Uber will now undergo regular third-party audits every two years for the next 20 years to certify it has privacy protections in place that meet or exceed FTC requirements, according to the terms of the settlement. The first such audit will occur within 180 days.

"The complaint involved practices that date as far back as 2014," an Uber spokesman said in a statement. "We've significantly strengthened our privacy and data security practices since then and will continue to invest heavily in these programs."

Uber said it hired its first chief security officer in 2015 and has hundreds of people who work on data security.

The settlement was Uber's second with the FTC this year. In January, Uber agreed to pay $20 million to resolve FTC allegations it misled drivers about potential earnings and vehicle financing.

The consumer protection agency alleged Uber exaggerated the amount of money drivers typically could earn in nearly 20 cities.

PATRICK T. FALLON/BLOOMBERG

Recruiting drivers in Los Angeles. An inquiry focused on assertions Uber made about data security.

Service to Comply With Suspension In Philippines

Uber Technologies Inc. said it would comply with a one-month suspension imposed by regulators in the Philippines after authorities rejected its appeal and threatened to arrest Uber drivers still on the road.

A month's absence could be highly damaging in this competitive Southeast Asian market, where Uber is pitted against regional rival **Grab Taxi Holdings** Pte.

Singapore-based Grab said Tuesday that it is experiencing a surge in demand and credited the Uber suspension.

Uber, which has clashed with regulators the world over as it disrupts the traditional taxi business, was suspended Monday by the Philippines' Land Transportation Franchising & Regulatory Board for allegedly violating an order not to register and activate new drivers.

Saying the suspension had left tens of thousands of riders stranded, Uber declared Tuesday that it would continue to operate, and filed a motion with the same board asking for a reconsideration.

The regulator rejected the company's plea Tuesday evening and said it had asked law enforcement to detain Uber drivers defying its order, after which Uber said it was "disappointed" but would comply.

Filipinos defended Uber on social media Tuesday. Facebook users accused the regulator of acting in the interests of taxi companies at the expense of consumers.

Uber told a government hearing this month that it had more than 66,000 registered drivers who had worked at least once in the past year in the Philippines. Grab said it had 52,000 vehicles. Only about 6,000 vehicles on the two networks had been accredited by the regulator.

A year ago, the board stopped issuing registrations for ride-hailing companies in Manila pending a policy review. In July it stressed that companies like Uber are prohibited from accepting new drivers and would need to deactivate those registered after June 30. It fined Grab and Uber 5 million pesos (about $98,000) each for allegedly allowing drivers to operate without permits.

The board said it suspended Uber's services because the company continued to take on new drivers. It didn't suspend Grab's services.

—Jake Maxwell Watts

BUSINESS WATCH

AMC NETWORKS

Producers of 'Walking Dead' Sue

The creator and three other producers of the hit show "The Walking Dead" have filed a suit against **AMC Networks** Inc. alleging they have been denied their rightful share of the program's profit.

In the suit, filed in California Superior Court in Los Angeles, "The Walking Dead" creator Robert Kirkman, along with producers Glen Mazzara, Gale Ann Hurd and David Alpert, say that by using in-house dealings between AMC Network and AMC Studios, which produces "The Walking Dead," the parent AMC Networks has avoided sharing the financial success of the zombie drama with the producers.

Similar charges were made against AMC Networks by Frank Darabont, a former executive producer of "The Walking Dead," in a wrongful termination suit he filed against the network.

In a written statement, an AMC Networks spokesman said, "These kinds of lawsuits are fairly common in entertainment and they all have one thing in common—they follow success.... We have enormous respect and appreciation for these plaintiffs, and we will continue to work with them as partners, even as we vigorously defend against this baseless and predictably opportunistic lawsuit."

—Joe Flint

GENE PAGE/AMC

A scene from 'The Walking Dead.' Its producers are in court.

URBAN OUTFITTERS

Retailer Beats Expectations

Urban Outfitters Inc. shares surged nearly 21% after hours Tuesday as the retailer's second-quarter earnings per share and sales beat expectations.

Analysts had prepared for the worse after Urban Outfitters said in June that same-store sales at that point were "high single-digit negative."

While same-store sales fell 4.9% in the quarter, Wall Street projections had called for a 6.5% drop, according to FactSet.

After hours, Urban Outfitter's stock was up $3.50 to $20.32.

—Maria Armental

SHANDA GROUP

Stake Is Raised In Community Health

Shanda Group, a Singapore-based investment group owned by Chinese billionaire Tianqiao Chen, recently snapped up more shares of **Community Health Systems** Inc. and now has a 22.1% stake in the U.S. hospital operator.

Shanda said in a regulatory filing Tuesday that it holds more than 25 million shares in the hospital company, which is selling off more hospitals to raise cash to pay off debt.

Mr. Chen lifted his position in Community Health from roughly 14% in March, when Shanda notified regulators it would take a more active role in the company. The investment group is the largest shareholder in Community Health.

"Shanda maintains a good relationship with the CYH management team and intends to engage with them regarding business and operations and the status of CYH's ongoing turnaround strategy," the investment group said Tuesday.

A spokeswoman for Franklin, Tenn.-based Community Health declined to comment.

Earlier this month, Community Health executives announced additional hospital divestitures and lowered the company's outlook for the year after a disappointing second quarter and a sectorwide slump in hospital admissions. The company previously said its planned sales, which accounted for $3.4 billion of annual revenue, were "about finished."

—Melanie Evans

MANAGEMENT

Bosses Try to Destigmatize Mental Illness

Companies increasingly encourage employees to take days off from work to address conditions like depression and anxiety

BY FRANCESCA FONTANA

Bosses want their workers to start taking mental-health days for the right reasons.

Workers often say they are taking a mental-health day with a wink, as it is commonly understood that they will be catching up on housework. Meanwhile, many people who genuinely need time off to see a therapist or recover from an anxiety attack say they are less than forthcoming with their managers about why they need a break.

More companies are trying to destigmatize mental illness and encourage workers to use mental-health days for their original intent. EY, or **Ernst & Young**, has an initiative that encourages workers to check in with each other and offer support to those who might be struggling. **American Express** Co.'s employee-assistance program offers on-site access to mental-health professionals and free counseling. **Prudential Financial** Inc. gives employees flexible work arrangements and access to mental-health professionals.

Taking time off for mental illness can qualify as a sick day or personal time off, depending on the company's policies.

The policies don't just reflect employer benevolence. Major depressive disorder alone cost companies $78 billion in lost productivity in 2010 because of employees showing up to work while struggling with the illness, according to a 2015 study published in the Journal of Clinical Psychiatry.

In June, Madalyn Parker, a web developer at Ann Arbor, Mich., software maker Olark, sent a companywide email to say she was taking a couple of days off to focus on her mental health. "Hopefully I'll be back next week refreshed and back to 100%," she wrote. Olark Chief Executive Ben Congleton replied and thanked Ms. Parker for her openness.

"Every time you (send emails like this), I use it as a reminder of the importance of using sick days for mental health," he wrote. "You are an example to us all."

Ms. Parker, who suffers from depression and anxiety, later tweeted a screenshot of the exchange with the caption, "When the CEO responds to your out of the office email about taking sick leave for mental health and reaffirms your decision." The tweet went viral, with nearly 50,000 users liking the post.

BRITTANY GREESON FOR THE WALL STREET JOURNAL

Madalyn Parker emailed colleagues to say she would take time off to focus on her mental health.

Aside from Mr. Congleton's empathetic response, what likely resonated with thousands of Twitter users was Ms. Parker's candid explanation of her need for rest, says Clare Miller, director of the Center for Workplace Mental Health at the American Psychiatric Association Foundation.

Still, many people are unwilling to open up, fearing it could jeopardize their careers. One in five adults in the U.S. has a mental-health condition, according to the National Alliance on Mental Illness. But most workers who have a mental illness keep it secret at work. A 2014 survey conducted by market-research firm Ipsos found 73% of workers with depression hadn't told their employer about their diagnosis. Almost half of respondents said they thought telling their boss would put their job at risk.

"Silence often equals shame," Ms. Miller says. "It adds power to the stigma by not feeling free to share all of yourself at work."

Legal experts point out that the law protects employees with mental illnesses, and provisions in the Americans With Disabilities Act allow such workers to seek accommodations such as modified work schedules, says James McDonald, a California-based employment attorney at Fisher Phillips.

In 2016, Ms. Parker's company, Olark, added language about mental health to its employee handbook. The company's flexible paid-time-off policy now includes provisions for "mental-health needs such as a rest day [or] seeking treatment," according to a spokesman.

Boston software company **HubSpot** Inc. offers its roughly 1,800 employees flexible hours and unlimited vacation so they can take time off without feeling forced to explain why, says Katie Burke, the company's chief people officer. The aim is to make employees feel comfortable sharing who they are without forcing them to divulge their private struggles, she says.

Taking the extra steps to create a culture that supports mental health can send a powerful message to employees, says Jeanne Meister, a consultant who advises **Microsoft** Corp. and **Intel** Corp. on workplace issues.

"They will never forget that," Ms. Meister says, and in the long run managers can see increased loyalty and retention as a result.

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Vice President,

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Entrepreneurial Management: entrepreneurial leadership and organization; emerging industries and technologies; innovation; or financing ventures and growth. Closing date for applicants with background in management, organization theory, sociology, psychology, or strategy: 31 October 2017 (indicate "Entrepreneurship (MOS)"). Closing date for applicants with background in economics or finance: 28 November 2017 (indicate "Entrepreneurship (ECF)").

Finance: corporate finance, capital markets, investments, behavioral finance, corporate governance, and financial institutions. Closing date: 27 November 2017.

Negotiation, Organizations and Markets: negotiation, decision making, behavioral economics, incentives, the motivation and behavior of individuals in organizations, and the design and functioning of markets. Closing date for applicants with a background in judgment and decision making, negotiation, social psychology, and/or organizational behavior: 5 October 2017 (indicate "NOM - Behavioral Sciences"). Closing date for applicants with a background in economics: 16 November 2017 (indicate "NOM - Economics").

Organizational Behavior: micro- and macro- organizational behavior, leadership or human resources management. The unit welcomes diverse theoretical and disciplinary perspectives, including organizational behavior, organization studies, human resource studies, industrial relations, sociology, psychology, economics, and networks, among others. Candidates should submit a curriculum vitae, research and teaching statement, three letters of reference, and up to three representative publications or working papers. Closing date: 28 September 2017.

Strategy: competitive strategy, corporate strategy, global strategy, firm organization and boundaries, strategy and technology, strategy implementation and process, non-market strategy, and the economics of competitive interactions. Closing date: 14 November 2017.

Technology and Operations Management: operations management in manufacturing and service contexts, digital operations and analytics, new product development, economics and management of technological innovation, supply chain management/logistics, or economics of information technology. Candidates should submit a current curriculum vitae and a job market paper abstract by 6 October 2017. A complete job packet is due by 16 November 2017.

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THE PROPERTY REPORT

Food Makers Grab Up Chicago Property

Real estate heats up in third-largest U.S. city as a new business renaissance takes hold

By Peter Grant

TERRENCE ANTONIO JAMES/TNS/ZUMA PRESS

Chicago's Fulton Market district will be home to McDonald's Corp. once its new headquarters is built. Conagra Brands and Hickory Farms moved operations there, too.

In Chicago's trendy Fulton Market district, a once gritty area known only for Oprah Winfrey's Harpo Studios, construction crews have started facade work on a new headquarters for **McDonald's** Corp., which is returning to the city after more than four decades in the suburbs.

McDonald's, now building at the former Harpo site, isn't alone in making that move. **Conagra Brands** Inc., **Hickory Farms** Inc. and other traditional American heartland companies have shifted major operations to Chicago in recent years as well. Overall, businesses returning to the city or moving there for the first time have leased more than 7 million square feet of space since 2008, according to real-estate services firm JLL.

Like many other major U.S. cities, Chicago is enjoying a boom as big employers opt for downtowns over suburban office parks that are being shunned by young workers. More than $20 billion of residential, office, cultural and retail projects are in development or on the drawing board, according to the city Planning and Development Department.

But Chicago's growth engine is different from those benefiting booming cities on this country's East and West Coasts. Unlike cities such as San Francisco and Boston, where the technology sector is fueling economic development, Chicago lately has been relying heavily on growth of food and consumer-products companies.

While most of these companies are decades old, they also are recognizing the need to attract a young and urban workforce as they add new products, technology and services in response to shifting consumer preferences. McDonald's executive workforce, for example, has launched a mobile app, added self-order kiosks and added healthier items to its menu.

Hickory Farms, a food retailer founded in Toledo, Ohio, in the early 1950s, moved its headquarters to Chicago earlier this year to tap the city's talent pool in e-commerce and marketing. "We often refer to ourselves as a 66-year-old startup," said Chief Executive Diane Pearse.

Officials in the administration of Mayor Rahm Emanuel, who was first elected in 2011, say the longer the list of relocations, the more other companies are considering Chicago moves.

"It has become an easier sell," said David Reifman, commissioner of the Chicago Planning and Development Department.

At the same time, Chicago's growth pace also has been threatened by problems unique to many older Midwestern cities. Once dominated by manufacturing, the city still has hundreds of acres of underused industrial land, some of it prime riverfront real estate.

Also, many working-class and low-income neighborhoods in Chicago are losing population, partly due to the city's high rate of murders and other crime. Unlike cities such as New York and San Francisco, which are seeing record real-estate values practically across the board, values in some Chicago neighborhoods are still well below their pre-crash highs.

Mr. Emanuel bristles over critics who call him "Mayor 1%" for focusing much his economic-development efforts on attracting major corporations and luxury-housing developments to the downtown core. In an interview earlier this month, he ticked off a wide range of programs designed to add jobs in struggling neighborhoods and affordable housing throughout the city.

He pointed out that he has opened up hundreds of acres of land that had been set aside for industrial use, for commercial and residential development. Past efforts to preserve it for Chicago's historical heavy manufacturing were backward-looking, he said.

"Denial is not a long-term strategy," Mr. Emanuel said.

Chicago's current boom goes back more than 15 years to when **Boeing** Co. relocated its headquarters there from Seattle after a highly publicized search, and the parent of **United Airlines**, then called **UAL** Corp. moved back to the city it had left in 1962. The boom was stoked by demand for luxury apartment buildings in top neighborhoods from young people and empty nesters preferring urban living.

Chicago's downtown renaissance has made it easier for corporations throughout the Midwest to move there. Many of these companies want to capture that energy as they try to reinvent their brands and products for the 21st century.

Old Site to Get a New Lease on Life

For more than 100 years, the A. Finkl & Sons Steel plant on the North Branch of the Chicago River was a big employer in Chicago as it supplied the world with a wide range of steel products.

Now a developer is planning to convert the 22-acre former plant site into office, retail and residential uses as the third-largest U.S. city reinvents itself.

Sterling Bay, which has been one of Chicago's most active developers in its current boom, purchased the site last year for more than $100 million. Sterling Bay envisions $7 billion to $9 billion of projects over the next decade or so on the Finkl site and its other North Branch holdings, partly to serve the growing number of headquarters moving to the city.

"We're facing the obvious fact that some areas don't make sense for industrial use anymore," said Andy Gloor, managing principal of Sterling Bay.

The old Finkl site is among hundreds of acres of formerly industrial land along the so-called North Branch industrial corridor opened up for development earlier this summer by Mayor Rahm Emanuel and the City Council. The corridor, north of downtown and near the Lincoln Park neighborhood, had been protected from other types of development since 1988, when then-Mayor Richard Daley moved to preserve manufacturing and industrial jobs.

But the world economy has shifted since then with much of the steel industry shrinking, focusing on specialty products or moving overseas. The Finkl steel operation has moved to Chicago's South Side.

"We're putting ourselves in the forefront of whatever the transportation, distribution and logistics economy will be," said David Reifman, commissioner of the city Department of Planning and Development.

Nursing Deal Gets Approval

By Esther Fung

Shareholders of **Sabra Health Care REIT** on Tuesday voted in favor of a proposed merger with another skilled nursing company, **Care Capital Properties** Inc., despite a backlash from investors that threatened to derail the deal.

Some Sabra shareholders, including hedge funds **Eminence Capital** LLC and **Hudson Bay Capital Management** LP, which own 3.9% and 3.4% of the real-estate investment trust, respectively, had argued against the proposed merger.

Sabra, based in Irvine, Calif., said the two shareholders offered no strategic alternative that would benefit shareholders over the long term and questioned whether they had the long-term interests of the REIT in mind.

"In the near term, we believe this transaction achieves our long-stated goals while providing us with a stronger platform for continued growth," Sabra said in a statement on Tuesday after the deal passed a shareholder vote by winning more than two-thirds of the votes.

Both hedge funds in July released open letters questioning the deal, arguing that a major tenant of Care Capital, Signature Healthcare, is going through financial distress and could file for bankruptcy protection. Eminence Capital and Hudson Bay Capital didn't immediately respond to a request for comment.

Shares of Sabra have fallen 19% since the company announced on May 7 it was planning a merger with Care Capital, a Chicago-based skilled nursing REIT that had been spun out from Ventas Inc. in 2015. Shares of Care Capital initially rose but have declined by around 11% since the announcement.

Sabra Health Care shareholders voted in favor of a merger with Care Capital.

Hudson Bay also has said Sabra Chief Executive Richard Matros's incentives aren't aligned with shareholders' interests, and that the proposed deal could cause Mr. Matros's compensation to increase by an estimated 37%.

"We believe that Mr. Matros's annual bonus compensation structure is set up in a manner to potentially perversely incentivize him to do transactions like this one, which are focused on maximizing his annual bonus rather than maximizing shareholder value," said Hudson Bay in a letter to Sabra's shareholders in late July.

Sabra has said its management team's interests are directly aligned with all of its shareholders.

Sabra disputed the hedge funds' criticisms of the economics of the deal, arguing that combining with Care Capital diversifies its tenant base, reduces its concentration from its top five tenants, increases scale and improves its access to debt markets.

Changes to medical billing practices are contributing to shorter lengths of stay and lower rates, which have been weighing on operators of skilled nursing facilities. Many health-care REITs, including Sabra, earlier had reduced their exposure to the group to focus on more profitable senior housing and medical office buildings.

Proxy advisory firm Institutional Shareholder Services Inc. recommended that shareholders vote against the deal, while advisers Egan-Jones Proxy Services and Glass Lewis & Co. recommended shareholders vote for the deal.

PLOTS & PLOYS

RETAIL PROPERTIES

Strip-Mall Owners Enjoy a Rebound

Open-air shopping centers are on the upswing. Shares of real-estate investment trusts that own and operate the broad category of open-air shopping centers are up about 7% since June 30 after skidding 19.6% in the first half of this year, according to an index that tracks shopping-center REITs by the National Association of Real Estate Investment Trusts.

For the year, the shares are still down 14%.

—Esther Fung

COMMERCIAL REAL ESTATE

Retail Slump Is Little Threat to Investors

The troubled retail sector poses a marginal risk for investors in REITs and those that track commercial real-estate mortgages, according to Moody's Investors Service.

But there is "a stark bifurcation between strong and weak properties," Moody's said in a research report. Weak malls make up only a limited portion of the commercial mortgage-backed securities, REITs and collateralized debt obligations that Moody's rates.

—Esther Fung

CUSHMAN & WAKEFIELD

Firm Adds to Stake In Several States

Cushman & Wakefield has beefed up its operations in Minnesota, Washington, Utah and Nevada as part of the growth push it has been on since it merged with two other large commercial real-estate services firms in 2014 and 2015. The firm has purchased a majority interest in the operations, which employ about 750 workers and operate out of 10 offices, from **NorthMarq** Cos. Cushman & Wakefield had owned a 15% stake.

—Peter Grant

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Tuesday, August 15, 2017

Type	MMA	1-MO	2-MO	3-MO	6-MO	1-YR	2-YR	2.5YR	5YR
National average									
Savings	0.10	0.07	0.07	0.12	0.18	0.33	0.47	0.47	0.87
Jumbos	0.19	0.07	0.07	0.13	0.21	0.36	0.50	0.48	0.91
Weekly change									
Savings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Jumbos	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Consumer Savings Rates

Explanation of ratings: Safe Sound SM, (855) 733-0700, evaluates the financial condition of federally insured institutions and assigns a rank of **1,2,3,4 or 5** based on data from the fourth quarter of 2015 from federal regulators. **5:** most desirable performance; **NR:** institution is too new to rate, not an indication of financial strength or weakness. Information is believed to be reliable, but not guaranteed.

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Money market and savings account			
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BankPurely /4	(844) 878-7359	$1	1.30
CIT Bank /4	(855) 462-2652	$100	1.30
One-month CD			
M.Y. Safra Bank, FSB /4	(212) 652-7200	$5,000	0.30
VirtualBank /4	(877) 998-2265	$10,000	0.15
AloStar Bank of Commerce /4	(877) 738-6391	$1,000	0.10
Two-month CD			
VirtualBank /4	(877) 998-2265	$10,000	0.15
Applied Bank /5	(800) 616-4605	$1,000	0.05
Three-month CD			
First Internet Bank of Indiana /4	(888) 873-3424	$1,000	1.21
Luana Savings Bank /4	(800) 666-2012	$1,000	1.00
TAB Bank /4	(800) 837-4136	$1,000	0.95

Bank/**rank**	Phone number	Minimum	Yield (%)
Six-month CD			
First Internet Bank of Indiana /4	(888) 873-3424	$1,000	1.37
Pacific National Bank /4	(305) 539-7500	$1,000	1.25
M.Y. Safra Bank, FSB /4	(212) 652-7200	$5,000	1.21
One-year CD			
Pacific National Bank /4	(305) 539-7500	$1,000	1.60
EverBank /3	(855) 228-6755	$5,000	1.56
M.Y. Safra Bank, FSB /4	(212) 652-7200	$5,000	1.53
Two-year CD			
First Internet Bank of Indiana /4	(888) 873-3424	$1,000	1.81
EverBank /3	(855) 228-6755	$5,000	1.81
Northern Bank Direct /5	(844) 348-8996	$500	1.80
Five-year CD			
Synchrony Bank /5	(800) 903-8154	$25,000	2.35
First Internet Bank of Indiana /4	(888) 873-3424	$1,000	2.30
Barclays /4	(888) 720-8756	$0	2.30

High yield jumbos - Minimum is $100,000

Bank/**rank**	Phone number	Yield (%)
Money market and savings account		
M.Y. Safra Bank, FSB /4	(212) 652-7200	1.26
BBVA Compass /3	(800) COMPASS	1.25
Discover Bank /5	(877) 505-4051	1.01
One-month CD		
M.Y. Safra Bank, FSB /4	(212) 652-7200	0.30
USAA /5	(800) 583-8295	0.22
VirtualBank /4	(877) 998-2265	0.15
Two-month CD		
VirtualBank /4	(877) 998-2265	0.15
Applied Bank /5	(800) 616-4605	0.05
Citizens Trust Bank /4	(404) 659-5959	0.01
Three-month CD		
TriState Capital Bank /4	(866) 680-8722	1.30
First Internet Bank of Indiana /4	(888) 873-3424	1.21
Luana Savings Bank /4	(800) 666-2012	1.15

Bank/**rank**	Phone number	Yield (%)
Six-month CD		
TriState Capital Bank /4	(866) 680-8722	1.45
First Internet Bank of Indiana /4	(888) 873-3424	1.37
Luana Savings Bank /4	(800) 666-2012	1.25
One-year CD		
TriState Capital Bank /4	(866) 680-8722	1.60
EverBank /3	(855) 228-6755	1.56
My e-BAnC by BAC Florida Bank /4	(855) 512-0989	1.55
Two-year CD		
First Internet Bank of Indiana /4	(888) 873-3424	1.81
My e-BAnC by BAC Florida Bank /4	(855) 512-0989	1.81
EverBank /3	(855) 228-6755	1.81
Five-year CD		
Synchrony Bank /5	(800) 903-8154	2.35
First Internet Bank of Indiana /4	(888) 873-3424	2.30
M.Y. Safra Bank, FSB /4	(212) 652-7200	2.26

Notes: Accounts are federally insured up to $250,000 per person effective Oct. 3, 2008. Yields are based on method of compounding and rate stated for the lowest required opening deposit to earn interest. CD figures are for fixed rates only. MMA: Allows six (6) third-party transfers per month, three (3) of which may be checks. Rates are subject to change.

Source: Bankrate.com, a publication of Bankrate, Inc., North Palm Beach, FL 33408
Internet: www.bankrate.com

PROPERTY REPORT

CBRE Buys Medical Offices

By Peter Grant

KAYNE ANDERSON REAL ESTATE ADVISORS

For CBRE, the deal was its first purchase of a portfolio of medical office buildings.

One of the world's largest real-estate asset managers has purchased a 95% stake in a portfolio of 25 medical office buildings, in a sign that health-care property is becoming more popular with institutional investors.

A division of **CBRE Global Investors** bought the portfolio, which includes 1.4 million square feet of space in 10 states, from a venture of **Kayne Anderson Real Estate Advisors** and **MB Real Estate Healthcare**, according to the companies. The venture will keep a 5% stake and continue to manage the buildings.

The price wasn't disclosed but experts estimate a portfolio like this, which has a high concentration of property in the Atlanta and Chicago areas and includes one development site, would trade in the range of $510 million to $590 million.

For CBRE, which has $99 billion in assets under management, the deal was its first purchase of a portfolio of medical office buildings.

Big institutional investors typically focus on traditional real estate such as office buildings, shopping malls and apartments. But they are looking more these days at less conventional property classes such as medical office buildings and student housing, in part because prices of other commercial property types have shot up in recent years.

Investors also are growing more concerned that the bull market in commercial property, now in its eighth year, doesn't have much longer to run. Some analysts believe medical office buildings are more recession resistant because people need the same level of health care regardless of whether the economy is booming or shrinking.

"If someone needs a hip replacement, they need to go get that done regardless of where the economic cycle is," said Matt Tepper, managing director of CBRE Global Investment Partners.

Owners of medical office buildings are benefiting from cost pressures in the health-care industry because they are a less costly place than hospitals for doctors to perform many procedures. The health-care system has designed numerous incentives to push procedures to buildings where patients can walk in and out the same day, with less risk of infections spreading.

95%

Stake CBRE bought in portfolio spanning 1.4 million square feet

"Anything you can schedule is basically done on a more efficient cost basis outside of a hospital," said Al Rabil, managing partner of Kayne Anderson, a private-equity firm that has developed an expertise in medical office buildings.

Mr. Tepper said CBRE Global likes the deal partly because the Kayne Anderson and MB Real Estate venture has good contacts among hospitals and doctor groups. The portfolio is about 95% occupied, up from about 80% when the venture bought the buildings, according to Mr. Rabil.

The venture has the "relationships to understand how health systems are using real estate and can help stay in front of some of the trends," Mr. Tepper said.

Prices of medical office buildings have been rising as the properties have come into favor with institutional investors. In 2010, investors buying these properties typically would get more than an 8% yield from net income. But that yield, or capitalization rate, has been declining.

Earlier this year, for example, **Healthcare Trust of America** agreed to buy **Duke Realty**'s portfolio of about 80 properties for $2.75 billion, the largest ever deal involving medical office buildings. A Green Street Advisors report at the time estimated the capitalization rate on that deal was 4.8%, which it described as "eye-opening pricing."

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BUSINESS OPPORTUNITIES

GOVERNMENT OF MAHARASHTRA
OFFICE OF THE EXECUTIVE ENGINEER
PUBLIC WORKS DIVISION NO.2, MUL ROAD, CHANDRAPUR
E-mail- chandrapur2.ee@mahapwd.com Telephone No.07172-252256

E-Tender Notice No.15 Year 2017-18

Online E- tenders in "B-2" (Item rate) forms are invited by Executive Engineer, Public Works Division No.2, Chandrapur for the following works from bidders who satisfy the qualifying criteria. The tenderdocuments should be downloaded from the Government Website **http://pwd.maharashtra.etenders.in** the competent authority reserves the right to accept or reject any or all the tenders. Conditional Tenders will not be accepted.

Sr. No.	Name of Work	Estimated cost (In Crores)
1	Construction of New Building and Infrastructure for Chandrapur Forest Administration Development and Management Academy at Chandrapur Tah. Dist. Chandrapur (Maharashtra State)	Rs. 120.354

1	Tender Download	From Dt.11/08/2017 to Dt.18/09/2017
2	Tender Pre-Bid Meeting	Dt.1/09/2017 At 16.00 Hrs. at Chief Engineer, Public Works Region, Nagpur
3	E-Tender Opening	From Dt.22/09/2017 to Dt.27/09/2017 at Superintending Engineer, Public Works Circle, Chandrapur (If Possible)

All information of e-tendering is available on the following websites / Notice Board

1. http://mahapwd.com
2. http://pwd.maharashtra.etenders.in
   (If there is any changes in the notice, then the information will be communicated on the above websites)
3. Executive Engineer, Public Works Division No.2, Chandrapur Office Notice Board.
4. For any correspondence contact
   Executive Engineer, Public Works Division No.2, Mul Road, Chandrapur Telephone No.07172-252256 **E-mail chandrapur2.ee@mahapwd.com**

NOTE:-

1. All eligible / interested bidders are required to be enrolled on portal **https://mahatenders.gov.in** before downloading tender documents and participating in e-tendering process.
2. Bidders are requested to contact on following telephone numbers for any doubts /information / difficulty regarding online enrollment or obtaining digital certificate. Sify Technologies Ltd. Nexternder (India) Pvt. Ltd. No. 25315555 / 25556 (Pune) or 022-26611117 / 26611287 (Extn) 25, 26 (Mumbai)
3. Tender Document Fee and EMD is to be paid via Online E-Paymet Gateway Mode Only. EMD Exemption Certificate shall not be considered. The information of E-Payment Gateway is available on E-Tendering website **https://mahatenders.gov.in**
4. The Post Qualification Criteria included in this work contract.

Executive Engineer
Public Works Division No.2
Chandrapur.

Outward No.4032/D-3(2)/Tender/2017-18 Dated 1/08/2018
Office of the Executive Engineer
Public Works Division No.2, Mul Road, Chandrapur

D.G.I.P.R. 2017/2018/2039

GODAVARI MARATHWADA IRRIGATION DEVELOPMENT CORPORATION, AURANGABAD

MULA IRRIGATION DIVISION, AHMEDNAGAR
E-TENDER NOTICE
NO.02 OF 2017-2018

On the behalf of the **"Godavari Marathwada Irrigation Development Corporation,** Aurangabad the Executive Engineer, Mula Irrigation Division, Ahmednagar Pin-414003 Tel No.0241-2326086 is invited Sealed Online E-Tender for the following work in B-1 from the contractors registered with P.W.D (Government of Maharashtra) in appropriate class

Sr. No.	Name Of Work	Estimated Cost Rupees In Lakhs	Time Limit for Comp-letion (Months)	Earnest Money Rupees In Lakhs	Cost of Blank Tender Form (Rs.)	Class of Regi-strat-ion
1	2	3	4	5	6	7
1	Restoration of storage capacity of Mula dam by removing silt & silt mixing sand by means of mechanical operation		180 months (Including Monsoon)	Rs.50.00 (To be paid via online online gateway payment mode only)	50000/- Each copy (Non refun-dable)	Bidder shall be CDR or Class-ified as NPA

Note:

Details of conditions etc are incorporated in the E-Tender documents and Main Tender Document Set is available online on **https://mahatenders.gov.in** For submission of E-Tender/online tender bidder has to obtain Digital Signature Key from authorized company/agency. Name of authorized company/agency with detail information is available on above website. For any additional information if required can be obtained from the Office of the Executive Engineer, Mula Irrigation Division, Ahmednagar and Phone No. (0241-2326086)

Executive Engineer,
Mula Irrigation Division,
Ahmednagar

D.G.I.P.R. 2017/2018/2045

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email: **inquiries103@hush.com**

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BUSINESS OPPORTUNITIES

NAME OF THE ORGANISTION
DETAILED TENDER NOTICE AND INSTRUCTIONS TO BIDDER
CIRCLE :- COMMAND AREA DEVELOPMENT AUTHORITY, JALGAON
DIVISION :- GIRNA IRRIGATION DIVISION, JALGAON

1. Online electronic bid as below mentioned works are invited by Tapi irrigation Development Corporation, Jalgaon from bidders fulfilling criteria as mentioned in Qualification criteria. Main Tender Documents are available for online bid preparation and submission on website from **Dt. 10/08/2017 to 11/09/2017 (Upto 5.45 P.M).** The time schedule for various bidding phases is as given below in time schedule. The pre-tender conference will be held in the office of the chief Engineer, Tapi Irrigation Development corporation, Jalgaon on Dt.24/08/2017 (17.45 Hrs.) The Tender opening will be held in the office of the superintending Engineer and Administrator, Command Area Development Authority, Jalgaon on Dt.22/09/2017 (12.00 Noon)

Sr. No.	Name Of Work	Earnest money Deposit (Rs Lakhs)	Time Limit For Completion	Cost of Tender Form (Rs.)
1	Restoration of storage capacity of Girna Dam by removing silt and silt mixed sand by means of Mechanical operations	Rs 25/- Lacs	180 Months	Rs 50,000/-

2. The qualification process is applicable for this tender work.
3. The forms of main Tender documents are available on the website **https://mahatenders.gov.in** The aspiring bidders has to purchase tender document online by paying appropriate fee.
4. The Bidder has to fill in online format and upload information.
5. Only scanned from original document information will be accepted. Scanned copy from other Than original will not be accepted.
6. while submitting the duly filled Tender Documents the Bidder is required to deposit Tender fee amount of Rs.50,000/- and E.M.D of Rs. 25.00/- Lacks through e-payment gateway.
7. The bidder has to prepare & submit Main Tender Documents Online as per schedule.
8. The Bidder shall submit online two separate (Envelope), Cover-I & Cover-II online.
9. The Bidder shall upload 'Technical Bid' i.e (Envelope-1) along with Qualification information, prescribed forms and other documents.
10. 'Financial Bid' i.e (Envelop 2) is to be filled online with offer of the Bidder.
11. The Bidder shall upload the documents in readable form, He shall take trial of uploads by taking printout. The unreadable documents will be treated as null & void. The remaining documents will be evaluated. The decision of opening Authority regarding this will be binding to all contractors.
12. All rights are reserved to reject any or all Main Tender documents without assigning any reason by the competent authority.
13. Time schedule for various bidding process as follows.

GIRNA IRRIGATION DIVISION, JALGAON
TIME SCHEDULE

Sr. No.	Details	Start Date	Hrs.	End Date	Hrs.
1	Publication of Tender	Before 10/08/2017			
2	Document Purchase Period	10/08/2017	10.00 A.M	11/09/2017	5.45 P.M
3	Pre-Bid Conference	24/08/2017	----	Upto	5.45 P.M
4	Bid Submission	16/09/2017	----	Upto	3.00 P.M
5	Opening of Bid	22/09/2017	----	----	12.00 noon

14. If any assistance is required regarding e-Tendering (upload and download) refer the website and it's helpdesk.

Executive Engineer,
Girna Irrigation Division,
Jalgaon.

DGIPR/2017-2018/2044

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DOW JONES

MARKETS DIGEST

EQUITIES

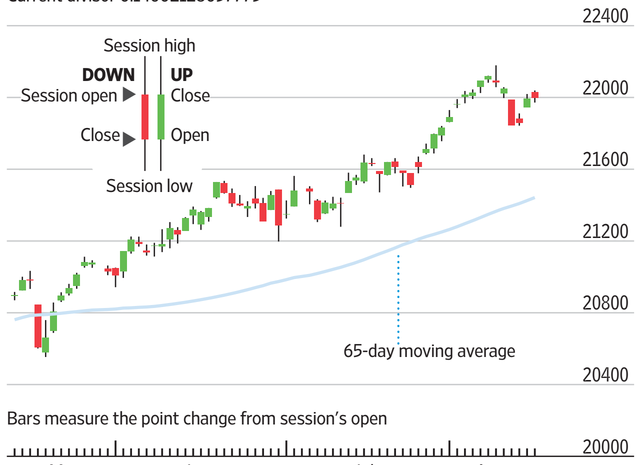
Dow Jones Industrial Average

21998.99 ▲5.28, or 0.02%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio	20.19	20.16
P/E estimate *	18.45	18.04
Dividend yield	2.28	2.48
All-time high	22118.42, 08/07/17	

Current divisor 0.14602128057775



S&P 500 Index

2464.61 ▼1.23, or 0.05%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio	23.59	24.91
P/E estimate *	18.78	18.57
Dividend yield	1.99	2.09
All-time high:	2480.91, 08/07/17	

Nasdaq Composite Index

6333.01 ▼7.22, or 0.11%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio *	25.35	23.89
P/E estimate *	21.32	20.10
Dividend yield	1.11	1.19
All-time high:	6422.75, 07/26/17	

Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.

Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg	YTD % chg	3-yr. ann. % chg
Dow Jones										
Industrial Average	22038.92	21971.48	21998.99	5.28	0.02	22118.42	17888.28	18.6	11.3	9.7
Transportation Avg	9385.05	9337.22	9371.07	23.52	0.25	9742.76	7755.40	19.4	3.6	4.3
Utility Average	738.42	732.24	737.55	3.29	0.45	737.55	625.44	9.5	11.8	10.4
Total Stock Market	25495.39	25410.76	25432.07	-34.30	-0.13	25692.25	21514.15	13.0	9.3	7.6
Barron's 400	645.20	640.12	640.22	-4.33	-0.67	661.93	521.59	16.8	6.4	6.8
Nasdaq Stock Market										
Nasdaq Composite	6350.74	6324.75	6333.01	-7.22	-0.11	6422.75	5046.37	21.2	17.6	12.4
Nasdaq 100	5919.75	5893.85	5907.73	-0.44	-0.01	5950.73	4660.46	23.1	21.5	14.0
Standard & Poor's										
500 Index	2468.90	2461.61	2464.61	-1.23	-0.05	2480.91	2085.18	13.2	10.1	8.0
MidCap 400	1731.84	1721.37	1721.80	-9.11	-0.53	1791.93	1476.68	10.8	3.7	7.3
SmallCap 600	844.04	834.55	834.75	-8.30	-0.98	876.06	703.64	11.9	-0.4	8.3
Other Indexes										
Russell 2000	1395.88	1382.95	1383.24	-11.07	-0.79	1450.39	1156.89	12.4	1.9	6.6
NYSE Composite	11862.48	11829.95	11843.48	-12.58	-0.11	12000.02	10289.35	9.6	7.1	3.1
Value Line	515.74	512.01	512.04	-3.70	-0.72	533.62	455.65	5.9	1.2	1.4
NYSE Arca Biotech	3883.99	3849.78	3867.22	6.09	0.16	4075.95	2834.14	15.8	25.8	9.9
NYSE Arca Pharma	522.71	520.81	521.13	0.31	0.06	549.20	463.78	-2.4	8.2	1.0
KBW Bank	96.60	95.55	95.57	0.14	0.15	99.33	69.71	36.7	4.1	11.5
PHLX§ Gold/Silver	82.68	81.96	82.21	-1.09	-1.31	110.83	73.03	-25.8	4.2	-6.9
PHLX§ Oil Service	122.46	119.41	120.97	-2.16	-1.75	192.66	120.97	-26.3	-34.2	-24.8
PHLX§ Semiconductor	1098.34	1088.66	1096.43	2.68	0.25	1138.25	768.37	39.7	21.0	20.6
CBOE Volatility	12.37	11.45	12.04	-0.29	-2.35	22.51	9.36	-4.7	-14.2	-2.9

§Philadelphia Stock Exchange

Sources: SIX Financial Information; WSJ Market Data Group

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6:30 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 5,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
SPDR S&P 500	SPY	7,760.5	246.47	-0.04	-0.02	246.75	246.34
Energy Transfer Partners	ETP	6,950.2	18.62	...	unch.	18.75	18.62
iPath S&P 500 VIX ST Fut	VXX	5,658.5	11.85	0.02	0.17	11.87	11.81
VanEck Vectors Gold Miner	GDX	5,114.8	22.57	0.01	0.04	22.58	22.52
Microsoft	MSFT	4,500.8	73.20	-0.02	-0.03	73.46	73.04
Urban Outfitters	URBN	3,647.4	20.10	3.28	19.50	20.65	16.59
Micron Technology	MU	3,301.1	29.71	0.03	0.10	29.80	29.29
21st Century Fox Cl A	FOXA	2,138.3	27.86	0.01	0.02	27.86	27.84

Percentage gainers...

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
Urban Outfitters	URBN	3,647.4	20.10	3.28	19.50	20.65	16.59
MercadoLibre	MELI	12.3	263.00	26.93	11.41	263.00	235.74
Pernix Therapeutics Hldgs	PTX	15.1	2.74	0.22	8.73	2.80	2.65
LPL Financial Holdings	LPLA	66.7	50.00	3.93	8.53	50.00	45.92
Big 5 Sporting Goods	BGFV	34.8	8.85	0.60	7.27	8.85	8.25

...And losers

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
Hornbeck Offshore	HOS	21.2	2.58	-0.19	-6.98	2.58	2.58
SiteOne Landscape Supply	SITE	9.2	49.00	-1.97	-3.87	50.97	49.00
Diplomat Pharmacy	DPLO	27.9	16.12	-0.61	-3.66	16.73	16.12
Aerie Pharmaceuticals	AERI	16.5	50.60	-1.80	-3.44	53.10	50.60
Ultra Petroleum	UPL	125.0	7.74	-0.27	-3.37	8.01	7.74

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	700,838,737	6,621,924
Adv. volume*	274,462,869	2,169,792
Decl. volume*	414,054,589	4,305,625
Issues traded	3,092	335
Advances	1,085	94
Declines	1,891	226
Unchanged	116	15
New highs	57	1
New lows	120	8
Closing tick	157	12
Closing Arms†	0.94	0.96
Block trades*	5,798	94

	Nasdaq	NYSE Arca
Total volume*	1,559,068,669	189,899,151
Adv. volume*	704,546,330	67,100,549
Decl. volume*	822,416,080	117,303,014
Issues traded	3,058	1,284
Advances	947	409
Declines	1,943	828
Unchanged	168	47
New highs	59	13
New lows	98	40
Closing tick	160	37
Closing Arms†	0.57	0.98
Block trades*	6,196	1,015

*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 buying demand; above 1 indicates selling pressure.

International Stock Indexes

Region/Country	Index	Close	Latest Net chg	Latest % chg	YTD % chg
World	The Global Dow	2834.33	-4.31	-0.15	12.0
	DJ Global Index	366.28	-0.70	-0.19	12.3
	DJ Global ex U.S.	246.45	-0.70	-0.28	15.2
Americas	DJ Americas	591.73	-0.88	-0.15	9.5
Brazil	Sao Paulo Bovespa	68355.12	70.46	0.10	13.5
Canada	S&P/TSX Comp	15097.84	-22.07	-0.15	-1.2
Mexico	S&P/BMV IPC	51339.29	171.82	0.34	12.5
Chile	Santiago IPSA	3847.25	...	Closed	19.4
EMEA	Stoxx Europe 600	376.50	0.34	0.09	4.2
Eurozone	Euro Stoxx	376.01	0.87	0.23	7.4
Belgium	Bel-20	3932.21	22.73	0.58	9.0
France	CAC 40	5140.25	18.58	0.36	5.7
Germany	DAX	12177.04	11.92	0.10	6.1
Israel	Tel Aviv	1388.68	0.10	0.01	-5.6
Italy	FTSE MIB	21722.11	...	Closed	12.9
Netherlands	AEX	522.67	1.57	0.30	8.2
Russia	RTS Index	1027.45	-3.68	-0.36	-10.8
Spain	IBEX 35	10481.50	20.30	0.19	12.1
Sweden	SX All Share	556.61	-4.01	-0.72	4.1
Switzerland	Swiss Market	9012.52	-18.75	-0.21	9.6
U.K.	FTSE 100	7383.85	29.96	0.41	3.4
Asia-Pacific					
Australia	S&P/ASX 200	5757.50	27.10	0.47	1.6
China	Shanghai Composite	3251.26	13.90	0.43	4.8
Hong Kong	Hang Seng	27174.96	-75.27	-0.28	23.5
India	S&P BSE Sensex	31449.03	...	Closed	18.1
Japan	Nikkei Stock Avg	19753.31	216.21	1.11	3.3
Singapore	Straits Times	3294.93	-13.76	-0.42	14.4
South Korea	Kospi	2334.22	...	Closed	15.2
Taiwan	Weighted	10311.16	85.88	0.84	11.4

Sources: SIX Financial Information; WSJ Market Data Group

Percentage Gainers...

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	Low	% chg
Crossroads Systems	CRDS	2.75	0.57	26.15	7.42	1.45	-42.8
Dova Pharmaceuticals	DOVA	26.61	4.80	22.01	28.59	16.98	...
Tyme Technologies	TYME	5.15	0.75	17.05	5.40	1.01	3.0
Co-Diagnostics	CODX	4.90	0.70	16.67	6.24	3.50	...
Cenveo	CVO	4.21	0.60	16.62	8.50	3.15	-42.8
Hailiang Educ Group ADR	HLG	15.30	2.16	16.43	16.00	7.02	75.9
Redfin	RDFN	28.59	3.63	14.54	33.49	19.29	...
Otonomy	OTIC	19.45	2.25	13.08	20.15	11.30	13.4
Fortress Biotech	FBIO	4.39	0.46	11.70	5.07	1.88	58.5
Xplore Technologies	XPLR	2.68	0.28	11.67	3.38	1.54	5.5
Extreme Networks	EXTR	10.39	1.07	11.48	11.03	3.75	159.8
Famous Dave's of America	DAVE	3.90	0.40	11.43	6.60	3.38	-37.3
G1 Therapeutics	GTHX	14.40	1.40	10.77	20.60	12.04	...
Forterra	FRTA	4.90	0.46	10.36	22.76	3.19	...
Immunogen	IMGN	6.28	0.56	9.79	8.04	1.51	105.2

Percentage Losers

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	Low	% chg
Dick's Sporting Goods	DKS	26.87	-8.04	-23.03	62.88	26.86	-54.3
TearLab	TEAR	1.68	-0.49	-22.71	8.20	1.55	-77.9
Cancer Genetics	CGIX	3.10	-0.80	-20.51	5.30	1.10	33.3
Advance Auto Parts	AAP	87.08	-22.24	-20.34	177.83	82.21	-45.7
Photronics	PLAB	7.85	-2.00	-20.30	12.10	7.70	-22.1
Technical Communications	TCCO	7.05	-1.65	-18.97	9.30	2.10	173.2
Hibbett Sports	HIBB	11.65	-2.30	-16.49	45.85	11.55	-70.8
Sportsman's Warehouse	SPWH	3.52	-0.68	-16.19	11.30	3.51	-67.3
Coach	COH	40.64	-7.28	-15.19	48.85	34.07	3.0
Netshoes (Cayman)	NETS	16.51	-2.74	-14.23	26.96	12.49	...
Bridgepoint Education	BPI	8.67	-1.39	-13.82	15.85	5.38	15.0
Surgery Partners	SGRY	9.15	-1.45	-13.68	24.05	8.95	-52.1
voxeljet ADR	VJET	3.68	-0.50	-11.96	6.00	2.61	-15.8
Art's Way Mfg	ARTW	2.30	-0.30	-11.54	4.70	2.30	-22.6
Windstream Holdings	WIN	1.90	-0.24	-11.21	10.46	1.88	-77.7

Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	Low
iPath S&P 500 VIX ST Fut	VXX	61,614	-11.1	11.83	-0.76	42.41	10.91
Advanced Micro Devices	AMD	57,388	-31.1	13.02	2.04	15.65	5.66
SPDR S&P 500	SPY	47,405	-27.0	246.51	-0.01	248.91	208.38
Finl Select Sector SPDR	XLF	46,568	-28.7	25.09	0.08	25.59	18.94
Transocean	RIG	45,938	203.2	7.91	-5.72	16.66	7.55
Bank of America	BAC	44,163	-41.1	24.47	0.20	25.80	14.81
Snap	SNAP	43,366	91.1	12.74	1.11	29.44	11.28
JC Penney	JCP	39,388	98.7	3.68	-2.39	11.30	3.57
Chesapeake Energy	CHK	38,520	10.5	3.98	-2.21	8.20	3.92
Energy Transfer Partners	ETP	31,898	460.9	18.62	-5.15	31.49	18.31

*Volumes of 100,000 shares or more are rounded to the nearest thousand

Volume Movers

Ranked by change from 65-day average*

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	Low
Hailiang Educ Group ADR	HLG	130	1933	15.30	16.43	16.00	7.02
Atlantic Coast Financial	ACFC	281	1683	7.95	0.00	8.35	5.98
Dick's Sporting Goods	DKS	30,467	989	26.87	-23.03	62.88	26.86
Wisdom Tree Mngd Fut Str	WDTI	327	965	38.52	0.16	42.58	38.34
Advance Auto Parts	AAP	19,707	960	87.08	-20.34	177.83	82.21
RMR Real Est Incm Fd	RIF	239	867	20.97	0.36	22.63	18.72
CDI Corp	CDI	827	783	8.25	0.61	9.65	4.84
Coach	COH	22,881	759	40.64	-15.19	48.85	34.07
Flex GI Quality Real Est	GQRE	85	704	61.29	-0.13	62.13	54.54
Photronics	PLAB	3,250	558	7.85	-20.30	12.10	7.70

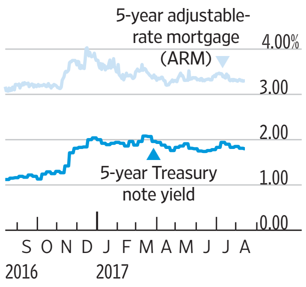
*Common stocks priced at $5 a share or more with an average volume over 65 trading days of at least 5,000 shares †Has traded fewer than 65 days

CREDIT MARKETS & CURRENCIES

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



Selected rates

Five-year ARM, Rate

Bankrate.com avg†:	**3.30%**
Third Federal Savings and Loan	**2.59%**
Cleveland, OH	844-245-1150
UniBank for Savings	**2.75%**
Whitinsville, MA	800-578-4270
B2 Funding Corporation	**2.88%**
Northbrook, IL	877-781-9777
Kearny Bank	**2.88%**
Fairfield, NJ	800-273-3406
Chelsea Groton Bank	**3.00%**
Norwich, CT	860-448-4174

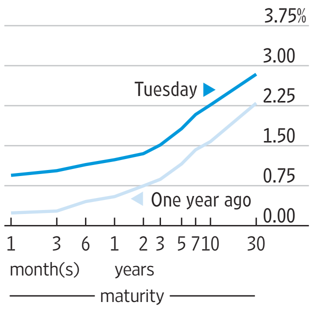
Interest rate	Yield/Rate (%) Last	Week ago	52-Week Range (%) Low	High	3-yr chg (pct pts)
Federal-funds rate target	1.00-1.25	1.00-1.25	0.25	1.25	1.00
Prime rate*	4.25	4.25	3.50	4.25	1.00
Libor, 3-month	1.31	1.31	0.80	1.32	1.08
Money market, annual yield	0.29	0.29	0.24	0.36	-0.09
Five-year CD, annual yield	1.45	1.45	1.17	1.45	0.10
30-year mortgage, fixed†	3.90	3.92	3.44	4.33	-0.24
15-year mortgage, fixed†	3.10	3.11	2.70	3.50	-0.21
Jumbo mortgages, $424,100-plus†	4.31	4.33	4.02	4.88	-0.34
Five-year adj mortgage (ARM)†	3.30	3.33	3.07	4.03	-0.36
New-car loan, 48-month	2.87	2.88	2.87	3.36	-0.30
HELOC, $30,000	5.11	5.14	4.57	5.22	0.65

Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks. † Excludes closing costs.

Sources: SIX Financial Information; WSJ Market Data Group; Bankrate.com

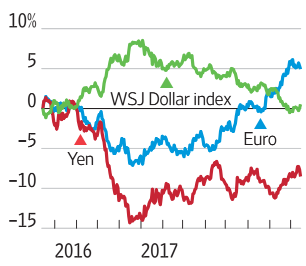
Treasury yield curve

Yield to maturity of current bills, notes and bonds



Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Sources: Ryan ALM; Tullett Prebon; WSJ Market Data Group

Corporate Borrowing Rates and Yields

Bond total return index	Close	Yield (%) Last	Week ago	52-Week High	Low	Total Return (%) 52-wk	3-yr
Treasury, Ryan ALM	1461.864	1.978	1.995	2.237	1.303	-2.470	2.273
10-yr Treasury, Ryan ALM	1738.462	2.264	2.282	2.609	1.536	0.582	2.177
DJ Corporate	375.597	3.005	2.980	3.390	2.488	0.839	3.634
Aggregate, Barclays Capital	1932.910	2.500	2.520	2.790	1.920	-0.116	2.435
High Yield 100, Merrill Lynch	2822.374	5.238	5.092	6.448	4.948	7.625	3.414
Fixed-Rate MBS, Barclays	1979.760	2.770	2.800	3.120	2.000	0.384	2.303
Muni Master, Merrill	521.341	1.799	1.824	2.516	1.328	0.609	2.883
EMBI Global, J.P. Morgan	793.248	5.517	5.480	6.290	5.134	3.129	4.937

Sources: J.P. Morgan; Ryan ALM; S&P Dow Jones Indices; Barclays Capital; Merrill Lynch

U.S.-dollar foreign-exchange rates in late New York trading

Country/currency	Tues in US$	Tues per US$	US$ vs, YTD chg (%)
Americas			
Argentina peso	.0586	17.0709	7.6
Brazil real	.3154	3.1703	-2.6
Canada dollar	.7839	1.2757	-5.1
Chile peso	.001541	648.80	-3.1
Colombia peso	.0003370	2967.57	-1.1
Ecuador US dollar	1	1	unch
Mexico peso	.0562	17.8068	-14.1
Peru new sol	.3081	3.246	-3.2
Uruguay peso	.03486	28.6900	-2.2
Venezuela b. fuerte	.098009	10.2032	2.1
Asia-Pacific			
Australian dollar	.7820	1.2788	-7.9
China yuan	.1498	6.6755	-3.9
Hong Kong dollar	.1278	7.8238	0.9
India rupee	.01556	64.279	-5.4
Indonesia rupiah	.0000748	13361	-1.2
Japan yen	.009035	110.68	-5.4
Kazakhstan tenge	.003001	333.24	-0.1
Macau pataca	.1239	8.0713	2.0
Malaysia ringgit	.2328	4.2960	-4.2
New Zealand dollar	.7235	1.3822	-4.3
Pakistan rupee	.00949	105.375	1.0
Philippines peso	.0194	51.433	3.7
Singapore dollar	.7316	1.3669	-5.6
South Korea won	.0008803	1135.93	-6.0
Sri Lanka rupee	.0065266	153.22	3.2
Taiwan dollar	.03300	30.301	-6.6
Thailand baht	.03002	33.310	-7.0
Vietnam dong	.00004400	22728	-0.2
Europe			
Czech Rep. koruna	.04488	22.283	-13.2
Denmark krone	.1578	6.3374	-10.4
Euro area euro	1.1736	.8521	-10.4
Hungary forint	.003856	259.32	-11.9
Iceland krona	.009185	108.87	-3.6
Norway krone	.1257	7.9573	-7.9
Poland zloty	.2735	3.6560	-12.7
Russia ruble	.01673	59.786	-2.4
Sweden krona	.1239	8.0736	-11.3
Switzerland franc	1.0283	.9725	-4.6
Turkey lira	.2829	3.5352	0.3
Ukraine hryvnia	.0391	25.5925	-5.5
UK pound	1.2868	.7771	-4.1
Middle East/Africa			
Bahrain dinar	2.6515	.3771	-0.01
Egypt pound	.0563	17.7505	-2.1
Israel shekel	.2766	3.6159	-6.0
Kuwait dinar	3.3086	.3022	-1.1
Oman sul rial	2.5973	.3850	0.01
Qatar rial	.2746	3.642	0.04
Saudi Arabia riyal	.2666	3.7504	-0.01
South Africa rand	.0751	13.3178	-2.7

	Close	Net Chg	% Chg	YTD % Chg
WSJ Dollar Index	86.66	0.41	0.48	-6.75

Sources: Tullett Prebon, WSJ Market Data Group

COMMODITIES

	Close	Tuesday Net chg	% Chg	52-Week High	Low	% Chg	YTD % chg
DJ Commodity	563.57	-3.79	-0.67	589.81	508.27	6.02	-0.65
TR/CC CRB Index	176.31	-1.20	-0.68	195.14	166.50	-5.54	-8.42
Crude oil, $ per barrel	47.55	-0.04	-0.08	54.45	42.53	2.08	-11.49
Natural gas, $/MMBtu	2.935	-0.024	-0.81	3.93	2.56	12.15	-21.19
Gold, $ per troy oz.	1273.70	-10.50	-0.82	1351.20	1127.80	-5.69	10.76

COMMODITIES

WSJ.com/commodities

Futures Contracts

Metal & Petroleum Futures

	Open	Contract High	Contract Lo	Low	Settle	Chg	Open interest
Copper-High (CMX)-25,000 lbs.; $ per lb.							
Aug	2.9020	2.9020		2.8795	2.8845	-0.0220	1,422
Sept	2.9035	2.9135		2.8755	2.8830	-0.0215	134,952
Gold (CMX)-100 troy oz.; $ per troy oz.							
Aug	1280.50	1280.50		1267.40	1273.70	-10.50	1,069
Oct	1284.20	1284.20		1269.40	1276.30	-10.70	50,726
Dec	1287.00	1287.70		1272.70	1279.70	-10.70	373,043
Feb'18	1291.10	1291.10		1276.70	1283.30	-10.60	19,225
June	1297.10	1297.10		1284.00	1290.50	-10.70	9,115
Dec	1305.50	1305.50		1294.70	1301.30	-10.60	8,015
Palladium (NYM) - 50 troy oz.; $ per troy oz.							
Aug	885.00	885.00		885.00	897.05	-6.10	4
Sept	896.75	898.00		878.85	892.05	-6.10	28,373
Dec	889.05	892.00		874.40	886.55	-6.40	6,714
March'18	888.05	888.05	▲	888.05	881.10	-6.40	265
Platinum (NYM)-50 troy oz.; $ per troy oz.							
Aug	962.60	965.30	▲	962.60	964.90	-7.50	1
Oct	972.80	973.00		954.70	967.40	-7.50	62,011
Silver (CMX)-5,000 troy oz.; $ per troy oz.							
Aug	17.055	17.115		16.990	16.690	-0.403	140
Sept	17.060	17.065		16.560	16.714	-0.408	101,652
Crude Oil, Light Sweet (NYM)-1,000 bbls.; $ per bbl.							
Sept	47.49	47.90		47.02	47.55	-0.04	266,238
Oct	47.63	48.05		47.16	47.70	-0.03	428,115
Nov	47.79	48.18		47.31	47.84	-0.04	185,566
Dec	47.98	48.29		47.47	47.96	-0.07	319,957
June'18	48.54	48.75		48.11	48.46	-0.10	158,129
Dec	48.58	48.76		48.19	48.48	-0.10	179,219
NY Harbor ULSD (NYM)-42,000 gal.; $ per gal.							
Sept	1.6064	1.6118		1.5829	1.5996	-.0061	89,412
Oct	1.6104	1.6152		1.5873	1.6041	-.0054	77,774
Gasoline-NY RBOB (NYM)-42,000 gal.; $ per gal.							
Sept	1.5784	1.5889		1.5657	1.5795	.0028	86,772
Oct	1.4869	1.4965		1.4736	1.4901	.0041	107,443
Natural Gas (NYM)-10,000 MMBtu.; $ per MMBtu.							
Sept	2.961	2.972		2.919	2.935	-.024	164,417
Oct	2.987	3.000		2.950	2.965	-.024	273,549
Nov	3.059	3.069		3.025	3.040	-.019	119,044
Dec	3.196	3.204		3.166	3.179	-.018	95,221
Jan'18	3.295	3.303		3.265	3.278	-.020	146,518
April	2.907	2.910		2.883	2.892	-.014	110,398

Agriculture Futures

	Open	Contract High	Contract Lo	Low	Settle	Chg	Open interest
Corn (CBT)-5,000 bu.; cents per bu.							
Sept	361.00	361.00	▼	354.00	355.25	-7.50	307,408
Dec	374.50	374.75	▼	367.50	368.50	-7.75	668,156
Oats (CBT)-5,000 bu.; cents per bu.							
Sept	262.75	262.75		257.25	258.25	-3.25	527
Dec	262.75	262.75		255.00	256.75	-4.25	5,330
Soybeans (CBT)-5,000 bu.; cents per bu.							
Sept	932.75	934.25		920.25	921.75	-11.00	66,105
Nov	938.00	939.25		922.75	924.25	-14.00	355,601
Soybean Meal (CBT)-100 tons; $ per ton.							
Sept	298.70	299.30		295.20	295.80	-2.90	48,617
Dec	303.00	303.30		298.80	299.40	-3.30	176,760
Soybean Oil (CBT)-60,000 lbs.; cents per lb.							
Sept	33.35	33.41		32.70	32.71	-.71	54,416
Dec	33.68	33.75		33.02	33.04	-.73	194,414
Rough Rice (CBT)-2,000 cwt.; $ per cwt.							
Sept	1236.00	1236.50		1222.50	1224.50	-9.50	5,971
Nov	1262.50	1266.50		1250.00	1252.00	-9.50	3,610
Wheat (CBT)-5,000 bu.; cents per bu.							
Sept	440.00	440.25	▼	428.00	429.50	-11.50	104,279
Dec	467.00	467.00	▼	454.25	456.00	-11.75	203,206
Wheat (KC)-5,000 bu.; cents per bu.							
Sept	436.75	436.75	▼	424.50	426.50	-10.25	53,113
Dec	464.50	464.50	▼	452.25	454.00	-10.25	105,872
Wheat (MPLS)-5,000 bu.; cents per bu.							
Sept	670.00	670.00		650.00	658.25	-11.75	16,588
Dec	684.00	684.00		662.75	670.50	-13.50	36,885
Cattle-Feeder (CME)-50,000 lbs.; cents per lb.							
Aug	142.400	145.900		140.925	145.350	3.050	9,418
Oct	142.225	146.700		141.125	146.300	3.975	16,535
Cattle-Live (CME)-40,000 lbs.; cents per lb.							
Aug	108.925	110.325		107.925	110.050	1.000	9,836
Oct	106.500	109.575		105.750	109.050	2.450	157,485
Hogs-Lean (CME)-40,000 lbs.; cents per lb.							
Aug	69.475	70.900		69.375	70.525	1.350	121,249
Oct	63.625	65.200		63.600	64.700	1.200	58,312
Lumber (CME)-110,000 bd. ft., $ per 1,000 bd. ft.							
Sept	373.00	375.00		370.10	373.60	3.30	2,708
Nov	358.90	360.50		356.60	360.30	3.80	1,360
Milk (CME)-200,000 lbs., cents per lb.							
Aug	16.48	16.50		16.41	16.45	-.05	4,925
Sept	17.15	17.17		16.82	16.84	-.35	5,579
Cocoa (ICE-US)-10 metric tons; $ per ton.							
Sept	1,913	1,916		1,849	1,865	-58	11,584
Dec	1,910	1,915		1,850	1,865	-55	126,113
Coffee (ICE-US)-37,500 lbs.; cents per lb.							
Sept	137.00	137.00		131.55	132.00	-4.95	34,972
Dec	140.50	140.50		135.10	135.55	-4.95	85,899
Sugar-World (ICE-US)-112,000 lbs.; cents per lb.							
Oct	13.49	13.53		13.11	13.13	-.37	405,900
March'18	14.35	14.35		13.94	13.95	-.35	205,864
Sugar-Domestic (ICE-US)-112,000 lbs.; cents per lb.							
Nov	24.90	24.90		24.90	24.90	.04	3,002
May'18	26.10	26.10		26.10	26.10	...	1,328
Cotton (ICE-US)-50,000 lbs.; cents per lb.							
Oct	68.29	68.29		67.67	67.68	-.82	181
Dec	67.88	67.95		67.08	67.16	-.59	146,140
Orange Juice (ICE-US)-15,000 lbs.; cents per lb.							
Sept	136.05	140.90		135.30	139.30	3.25	5,701
Nov	133.70	137.60		132.90	135.70	2.00	4,967

Interest Rate Futures

	Open	Contract High	Contract Lo	Low	Settle	Chg	Open interest
Treasury Bonds (CBT)-$100,000; pts 32nds of 100%							
Sept	155-050	155-060		153-240	154-130	-24.0	740,978
Dec	153-280	153-290		152-180	153-060	-23.0	9,433
Treasury Notes (CBT)-$100,000; pts 32nds of 100%							
Sept	126-175	126-180		126-005	126-050	-12.5	3,252,008
Dec	126-060	126-060		125-220	125-265	-13.0	82,900
5 Yr. Treasury Notes (CBT)-$100,000; pts 32nds of 100%							
Sept	118-162	118-162		118-062	118-085	-7.5	3,020,437
Dec	118-037	118-037		117-287	117-305	-7.7	54,529
2 Yr. Treasury Notes (CBT)-$200,000; pts 32nds of 100%							
Sept	108-077	108-077		108-052	108-055	-2.0	1,432,493
Dec	108-040	108-040		108-017	108-017	-2.2	24,578
30 Day Federal Funds (CBT)-$5,000,000; 100 - daily avg.							
Aug	98.843	98.845		98.843	98.840	-.005	179,953
Oct	98.840	98.845		98.840	98.845	...	295,130
10 Yr. Del. Int. Rate Swaps (CBT)-$100,000; pts 32nds of 100%							
Sept	102.328	102.391		102.078	102.266	-.359	31,492
1 Month Libor (CME)-$3,000,000; pts of 100%							
Sept					98.7675	-.0025	1,382
Eurodollar (CME)-$1,000,000; pts of 100%							
Sept	98.6675	98.6675		98.6625	98.6625	-.0050	1,427,275
Dec	98.5500	98.5550		98.5400	98.5400	-.0150	2,042,292
March'18	98.4850	98.4850		98.4600	98.4650	-.0250	1,175,325
Dec	98.3050	98.3050		98.2650	98.2700	-.0400	1,522,634

Currency Futures

	Open	Contract High	Contract Lo	Low	Settle	Chg	Open interest
Japanese Yen (CME)-¥12,500,000; $ per 100¥							
Sept	.9138	.9138		.9035	.9057	-.0080	216,310
Dec	.9171	.9174		.9076	.9098	-.0081	3,065
Canadian Dollar (CME)-CAD 100,000; $ per CAD							
Aug	.7837	.7844		.7827	.7839	-.0025	921
Sept	.7862	.7866		.7829	.7841	-.0026	183,896
British Pound (CME)-£62,500; $ per £							
Sept	1.2976	1.2985		1.2860	1.2877	-.0107	204,843
Dec	1.3009	1.3022		1.2900	1.2916	-.0107	2,258
Swiss Franc (CME)-CHF 125,000; $ per CHF							
Sept	1.0308	1.0328		1.0268	1.0298	-.0011	38,477
Dec	1.0346	1.0388		1.0331	1.0359	-.0011	425
Australian Dollar (CME)-AUD 100,000; $ per AUD							
Sept	.7849	.7873		.7805	.7815	-.0040	148,741
Oct	.7835	.7870		.7803	.7812	-.0040	465
Dec	.7838	.7863		.7796	.7806	-.0040	2,683
March'18	.7901	.7925		.7901	.7798	-.0039	218
Mexican Peso (CME)-MXN 500,000; $ per MXN							
Sept	.05592	.05602	▲	.05561	.05585	-.00011	235,696
Dec	.05520	.05522		.05484	.05507	-.00010	279
Euro (CME)-€125,000; $ per €							
Sept	1.1798	1.1814		1.1708	1.1755	-.0051	446,852
Dec	1.1857	1.1872		1.1767	1.1813	-.0051	7,370

Index Futures

	Open	Contract High	Contract Lo	Low	Settle	Chg	Open interest
Mini DJ Industrial Average (CBT)-$5 x index							
Sept	21957	22034		21942	21977	25	151,316
Dec	21921	21986		21897	21934	25	704
S&P 500 Index (CME)-$250 x index							
Sept	2463.10	2470.90		2460.30	2463.70	0.20	62,277
Dec		2466.60		2459.10	2461.80	0.20	445
Mini S&P 500 (CME)-$50 x index							
Sept	2464.50	2471.25		2460.00	2463.75	0.25	3,114,038
Dec	2462.00	2471.00		2458.25	2461.75	0.25	65,333
Mini S&P Midcap 400 (CME)-$100 x index							
Sept	1730.00	1737.00		1719.30	1720.50	-9.60	90,602
Mini Nasdaq 100 (CME)-$20 x index							
Sept	5913.5	5945.0	▲	5895.5	5912.0	2.0	300,365
Dec	5920.3	5951.5	▲	5902.8	5919.5	2.0	2,260
Mini Russell 2000 (ICE-US)-$100 x index							
Sept	1396.50	1400.30		1381.10	1381.50	-11.70	564,799
Dec	1394.70	1395.00		1381.00	1380.70	-11.70	374
March'18	1386.00	1386.00	▼	1386.00	1379.70	-11.70	1
Mini Russell 1000 (ICE-US)-$100 x index							
Sept	1364.80	1365.50		1361.60	1363.60	1.00	8,381
U.S. Dollar Index (ICE-US)-$1,000 x index							
Sept	93.40	94.04		93.34	93.76	.45	46,972
Dec	93.20	93.79		93.17	93.56	.44	3,431

Source: SIX Financial Information

Cash Prices | WSJ.com/commodities

Tuesday, August 15, 2017

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

	Tuesday
Energy	
Propane,tet,Mont Belvieu-g	0.7400
Butane,normal,Mont Belvieu-g	0.8853
NaturalGas,HenryHub-i	2.930
NaturalGas,TranscoZone3-i	2.920
NaturalGas,TranscoZone6NY-i	2.870
NaturalGas,PanhandleEast-i	2.560
NaturalGas,Opal-i	2.580
NaturalGas,MarcellusNE PA-i	1.870
NaturalGas,HaynesvilleN.LA-i	2.830
Coal,C.Aplc.,12500Btu,1.2SO2-r,w	52.600
Coal,PwdrRvrBsn,8800Btu,0.8SO2-r,w	11.550
Metals	
Gold, per troy oz	
Engelhard industrial	1271.31
Engelhard fabricated	1366.66
Handy & Harman base	1270.30
Handy & Harman fabricated	1410.03
LBMA Gold Price AM	*1281.10
LBMA Gold Price PM	*1282.30
Krugerrand,wholesale-e	1320.07
Maple Leaf-e	1332.77
American Eagle-e	1332.77
Mexican peso-e	1538.40
Austria crown-e	1247.17
Austria phil-e	1332.77
Silver, troy oz.	
Engelhard industrial	16.6500
Engelhard fabricated	19.9800
Handy & Harman base	16.6700
Handy & Harman fabricated	20.8380
LBMA spot price	£13.1174
(U.S.$ equivalent)	16.8900
Coins,wholesale $1,000 face-a	12591
Other metals	
LBMA Platinum Price PM	*968.0
Platinum,Engelhard industrial	954.0
Platinum,Engelhard fabricated	1054.0
Palladium,Engelhard industrial	891.0
Palladium,Engelhard fabricated	991.0
Aluminum, LME, $ per metric ton	*2030.0
Copper,Comex spot	2.8845
Iron Ore, 62% Fe CFR China-s	72.3
Shredded Scrap, US Midwest-s,w	316
Steel, HRC USA, FOB Midwest Mill-s	622
Fibers and Textiles	
Burlap,10-oz,40-inch NY yd-n,w	0.5975
Cotton,1 1/16 std lw-mdMphs-u	0.6618
Cotlook 'A' Index-t	*78.70
Hides,hvy native steers piece fob-u	62.000
Wool,64s,staple,Terr del-u,w	n.a.
Grains and Feeds	
Barley,top-quality Mnpls-u	4.70
Bran,wheat middlings, KC-u	61
Corn,No. 2 yellow,Cent IL-bp,u	3.2800
Corn gluten feed,Midwest-u,w	77.5
Corn gluten meal,Midwest-u,w	478.0
Cottonseed meal-u,w	198
Hominy feed,Cent IL-u,w	82
Meat-bonemeal,50% pro Mnpls-u,w	333
Oats,No.2 milling,Mnpls-u	3.0225
Rice, 5% Broken White, Thailand-l,w	375.00
Rice, Long Grain Milled, No. 2 AR-u,w	22.38
Sorghum,(Milo) No.2 Gulf-u	7.8313
SoybeanMeal,Cent IL,rail,ton48%-u	295.80
Soybeans,No.1 yllw IL-bp,u	8.9600
Wheat,Spring14%-pro Mnpls-u	7.4775
Wheat,No.2 soft red,St.Louis-bp,u	4.2700
Wheat - Hard - KC (USDA) $ per bu-u	3.7650
Wheat,No.1soft white,Portld,OR-u	5.1475
Food	
Beef,carcass equiv. index	
choice 1-3,600-900 lbs.-u	179.03
select 1-3,600-900 lbs.-u	173.63
Broilers,dressed 'A'-u	n.a.
Broilers, National comp wghtd-u,w	0.9405
Butter,AA Chicago	2.6700
Cheddar cheese,bbl,Chicago	164.00
Cheddar cheese,blk,Chicago	172.50
Milk,Nonfat dry,Chicago lb.	84.75
Cocoa,Ivory Coast-w	2252
Coffee,Brazilian,Comp	1.3593
Coffee,Colombian, NY	1.5894
Eggs,large white,Chicago-u	0.8150
Flour,hard winter KC	14.15
Hams,17-20 lbs,Mid-US fob-u	n.a.
Hogs,Iowa-So. Minnesota-u	81.07
Pork bellies,12-14 lb MidUS-u	n.a.
Pork loins,13-19 lb MidUS-u	1.0077
Steers,Tex.-Okla. Choice-u	n.a.
Steers,feeder,Okla. City-u,w	153.16
Fats and Oils	
Corn oil,crude wet/dry mill-u,w	36.7500
Grease,choice white,Chicago-h	0.3125
Lard,Chicago-u	n.a.
Soybean oil,crude;Centl IL-u	0.3196
Tallow,bleach;Chicago-h	0.3550
Tallow,edible,Chicago-u	0.3600

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; E=Manfra,Tordella & Brooks; G=ICE; H=Hurley Brokerage; I=Natural Gas Intelligence; L=livericeindex.com; M=midday; N=nominal; n.a.=not quoted or not available; R=SNL Energy; S=The Steel Index; T=Cotlook Limited; U=USDA; W=weekly, Z=not quoted.
*Data as of 8/14

Source: WSJ Market Data Group

Borrowing Benchmarks | WSJ.com/bonds

Money Rates

August 15, 2017

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

	July index level	Chg From (%) June '17	Chg From (%) July '16
U.S. consumer price index			
All items	244.786	-0.07	1.7
Core	251.936	-0.03	1.7

International rates

	Latest	Week ago	52-Week High	52-Week Low
Prime rates				
U.S.	4.25	4.25	4.25	3.50
Canada	2.95	2.95	2.95	2.70
Japan	1.475	1.475	1.475	1.475
Policy Rates				
Euro zone	0.00	0.00	0.00	0.00
Switzerland	0.50	0.50	0.50	0.50
Britain	0.25	0.25	0.25	0.25
Australia	1.50	1.50	1.50	1.50
Overnight repurchase				
U.S.	1.21	1.05	1.38	0.15

U.S. government rates

	Latest	Week ago	52-Week High	52-Week Low
Discount	1.75	1.75	1.75	1.00
Federal funds				
Effective rate	1.1700	1.1700	1.2000	0.3300
High	1.3125	1.3125	1.3125	0.5625
Low	1.0500	1.0000	1.1600	0.2000
Bid	1.1500	1.1600	1.1700	0.2800
Offer	1.1700	1.1700	1.1900	0.3000
Treasury bill auction				
4 weeks	0.940	0.985	0.990	0.160
13 weeks	1.015	1.040	1.180	0.250
26 weeks	1.115	1.140	1.140	0.420

Secondary market

	Latest	Week ago	52-Week High	52-Week Low
Fannie Mae				
30-year mortgage yields				
30 days	3.443	3.443	3.865	2.832
60 days	3.469	3.469	3.899	2.861

Other short-term rates

	Latest	Week ago	52-Week high	52-Week low
Call money	3.00	3.00	3.00	2.25
Commercial paper (AA financial)				
90 days	1.24	1.22	1.28	0.62
Libor				
One month	1.22833	1.23056	1.23389	0.50744
Three month	1.31417	1.30944	1.31667	0.80128
Six month	1.45333	1.45222	1.46544	1.19456
One year	1.72789	1.73011	1.82761	1.49822
Euro Libor				
One month	-0.401	-0.401	-0.371	-0.405
Three month	-0.378	-0.373	-0.319	-0.378
Six month	-0.303	-0.301	-0.202	-0.308
One year	-0.204	-0.195	-0.071	-0.204
Euro interbank offered rate (Euribor)				
One month	-0.371	-0.374	-0.366	-0.375
Three month	-0.329	-0.328	-0.297	-0.332
Six month	-0.271	-0.269	-0.189	-0.274
One year	-0.157	-0.152	-0.046	-0.163

	Latest	Value Traded	52-Week High	52-Week Low
DTCC GCF Repo Index				
Treasury	1.211	40.300	1.366	0.244
MBS	1.232	75.400	1.506	0.257

	Settle	Change	Open Implied Interest	Rate
DTCC GCF Repo Index Futures				
Treasury Aug	98.800	-0.015	3592	1.120
Treasury Sep	98.875	-0.005	2398	1.125
Treasury Oct	98.790	-0.005	1267	1.210

Notes on data:

U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective June 15, 2017. **Other prime rates** aren't directly comparable; lending practices vary widely by location; **Discount rate** is effective June 15, 2017. **DTCC GCF Repo Index** is Depository Trust & Clearing Corp.'s weighted average for overnight trades in applicable CUSIPs. Value traded is in billions of U.S. dollars. **Federal-funds rates** are Tullett Prebon rates as of 5:30 p.m. ET. **Futures on the DTCC GCF Repo Index** are traded on NYSE Liffe US.

Sources: Federal Reserve; Bureau of Labor Statistics; DTCC; SIX Financial Information; General Electric Capital Corp.; Tullett Prebon Information, Ltd.

Exchange-Traded Portfolios | WSJ.com/ETFresearch

Largest 100 exchange-traded funds, latest session

Tuesday, August 15, 2017

ETF	Symbol	Closing Price	Chg (%)	YTD (%)
AlerianMLPETF	AMLP	10.83	-2.26	-14.0
CnsmrDiscSelSector	XLY	89.67	-0.52	10.2
CnsStapleSelSector	XLP	55.67	0.51	7.7
DBGoldDoubleLgETN	DGP	24.02	-1.27	19.4
DBGoldDoubleShrt	DZZ	5.64	1.55	-17.8
DeutscheXMSCIEAFE	DBEF	30.18	0.27	7.6
EnSelectSectorSPDR	XLE	63.51	-0.38	-15.7
FinSelSectorSPDR	XLF	25.09	0.08	7.9
GuggS&P500EW	RSP	92.98	-0.18	7.3
HealthCareSelSect	XLV	79.13	...	14.8
IndSelSectorSPDR	XLI	68.42	-0.07	10.0
iShIntermCredBd	CIU	109.99	-0.05	1.7
iSh1-3YCreditBond	CSJ	105.32	-0.03	0.4
iSh3-7YTreasuryBd	IEI	123.94	-0.19	1.2
iShCoreMSCIEAFE	IEFA	62.09	-0.19	15.8
iShCoreMSCIEmgMk	IEMG	52.28	-0.02	23.2
iShCoreMSCITotInt	IXUS	58.88	-0.20	16.6
iShCoreS&P500ETF	IVV	248.15	-0.10	10.3
iShCoreS&PMdCp	IJH	171.73	-0.53	3.9
iShCoreS&PSmCpETF	IJR	68.53	-0.90	-0.3
iShCoreUSAggBd	AGG	109.66	-0.15	1.5
iShSelectDividend	DVY	91.89	-0.17	3.7
iShEdgeMSCIMinEAFE	EFAV	70.34	-0.12	14.9
iShEdgeMSCIMinUSA	USMV	50.08	0.12	10.7
iShGoldTr	IAU	12.23	-0.73	10.4
iShiBoxx$InvGrCpBd	LQD	120.27	-0.12	2.6
iShiBoxx$HYCpBd	HYG	87.82	0.03	1.5
iShJPMUSDEmgBd	EMB	115.26	0.03	4.6
iShMBSETF	MBB	107.06	-0.10	0.7
iShMSCIACWIETF	ACWI	66.85	-0.13	13.0
iShMSCI EAFE	EFA	66.38	-0.08	15.0
iShMSCIEAFESC	SCZ	59.30	-0.27	19.0
iShMSCIEmgMarkets	EEM	43.41	0.12	24.0
iShMSCIEurozoneETF	EZU	41.65	...	20.4
iShMSCIJapanETF	EWJ	54.40	-0.13	11.3
iShNasdaqBiotech	IBB	309.31	-0.09	16.6
iShNatlMuniBdETF	MUB	111.05	-0.13	2.7
iShRussell1000Gwth	IWF	122.36	0.05	16.6
iShRussell1000Val	IWD	116.13	-0.07	3.7
iShRussell2000Gwth	IWO	162.63	-0.72	7.8
iShRussell2000ETF	IWM	137.40	-0.82	1.9
iShRussell2000Val	IWN	115.01	-0.88	-3.3
iShRussell3000ETF	IWV	145.48	-0.09	9.4
iShRussellMid-Cap	IWR	191.12	-0.26	6.9
iShRussellMCValue	IWS	83.06	-0.28	3.3
iShS&P400GrowthETF	IJK	194.75	-0.57	6.9
iShS&P500Growth	IVW	140.89	...	15.7
iShS&P500ValueETF	IVE	105.68	-0.04	4.2
iShUSPfdStk	PFF	38.89	0.15	4.5
iShTIPSBondETF	TIP	113.48	-0.30	0.3
iSh1-3YTreasuryBd	SHY	84.55	-0.05	0.1
iSh7-10YTreasuryBd	IEF	106.97	-0.30	2.1
iSh20+YTreasuryBd	TLT	125.25	-0.42	5.1
iShRussellMCGrowth	IWP	108.39	-0.20	11.3
iShEdgeMSCIUSAMomentum...	MTUM	101.73	...	0.4
PwrShQQQ1	QQQ	144.03	0.07	21.6
PwrShS&P500LoVol	SPLV	45.50	0.12	9.4
PwrShSrLoanPtf	BKLN	23.10	-0.05	-1.1
SPDR BlmbgBarcHYBd	JNK	36.97	0.11	1.4
SPDR DJIA Tr	DIA	220.16	0.09	11.5
SPDR Gold	GLD	120.98	-0.77	10.4
SPDR S&P 500	SPY	246.51	-0.01	10.3
SPDR S&P Div	SDY	89.04	-0.34	4.1
SPDR S&PMdCpTr	MDY	313.63	-0.53	3.9
SchwabUS LC	SCHX	58.83	...	10.5
SchwabIntEquity	SCHF	32.35	-0.12	16.9
SchwabUS BrdMkt	SCHB	59.39	-0.08	9.6
TechSelectSector	XLK	58.10	0.16	20.1
UtilitiesSelSector	XLU	54.35	0.56	11.9
VanEckGoldMiner	GDX	22.56	-1.18	7.8
VangdInfoTech	VGT	148.65	0.20	22.3
VangdSC Val	VBR	121.14	-0.60	0.1
VangdDivApp	VIG	93.35	-0.26	9.6
VangdFTSEDevMk	VEA	42.06	-0.10	15.1
VangdFTSE EM	VWO	42.75	-0.07	19.5
VangdFTSE Europe	VGK	56.25	-0.16	17.3
VangdFTSEAWxUS	VEU	51.27	-0.16	16.0
VangdGrowth	VUG	130.18	...	16.8
VangdHlthCr	VHT	146.65	0.12	15.7
VangdHiDiv	VYM	79.27	0.01	4.6
VangdIntermBd	BIV	84.79	-0.19	2.1
VangdIntrCorpBd	VCIT	87.70	-0.18	2.3
VangdLC	VV	113.15	...	10.5
VangdMC	VO	142.98	-0.25	8.6
VangdMC Val	VOE	103.45	-0.29	6.4
VangdREIT	VNQ	83.22	-0.30	0.8
VangdS&P500	VOO	226.45	0.01	10.3
VangdSTCpBd	VCSH	80.06	-0.09	0.9
VangdST Bond	BSV	79.94	-0.10	0.6
VangdSC	VB	133.90	-0.58	3.8
VangdTotalBd	BND	81.94	-0.17	1.4
VangdTotIntlBd	BNDX	54.69	-0.04	0.7
VangdTotIntlStk	VXUS	53.20	-0.21	16.0
VangdTotalStk	VTI	126.20	-0.09	9.4
VangdTotlWrld	VT	69.82	-0.10	13.0
VangdValue	VTV	97.88	-0.01	5.2
WisdTrEuropeHdg	HEDJ	62.17	0.32	8.3
WisdTrJapanHdg	DXJ	51.97	0.60	4.9

Bonds | WSJ.com/bonds

Tracking Bond Benchmarks

Return on investment and spreads over Treasurys and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Total return close	YTD total return (%)	Index	Yield (%) Latest	Yield (%) Low	Yield (%) High
Broad Market Bloomberg Barclays					
1932.91	2.9	U.S. Aggregate	2.500	1.920	2.790
U.S. Corporate Indexes Bloomberg Barclays					
2746.09	4.4	U.S. Corporate	3.170	2.770	3.520
2605.99	3.3	Intermediate	2.680	2.200	3.010
3750.90	6.8	Long term	4.260	3.970	4.710
562.03	3.3	Double-A-rated	2.600	2.080	2.870
706.75	4.8	Triple-B-rated	3.480	3.180	3.870
High Yield Bonds Merrill Lynch					
409.98	5.5	High Yield Constrained	5.720	5.399	6.858
409.91	6.6	Triple-C-rated	10.529	9.584	15.015
2822.37	5.2	High Yield 100	5.238	4.948	6.448
372.18	5.7	Global High Yield Constrained	5.274	5.073	6.450
302.08	5.3	Europe High Yield Constrained	2.462	2.249	3.814
U.S Agency Bloomberg Barclays					
1638.84	2.1	U.S Agency	1.800	1.250	1.960
1467.35	1.4	10-20 years	1.610	1.080	1.750
3333.89	6.7	20-plus years	2.930	2.430	3.160
2439.12	4.1	Yankee	2.750	2.340	3.090
Mortgage-Backed Bloomberg Barclays					
1979.76	2.0	Mortgage-Backed	2.770	2.000	3.120
1948.57	1.5	Ginnie Mae (GNMA)	2.790	1.920	3.090
1160.55	2.1	Fannie mae (FNMA)	2.770	2.030	3.120
1787.42	2.2	Freddie Mac (FHLMC)	2.780	2.030	3.130
521.34	4.5	Muni Master	1.799	1.328	2.516
365.29	5.2	7-12 year	1.818	1.374	2.618
406.37	5.3	12-22 year	2.338	1.688	3.047
390.44	5.2	22-plus year	2.911	2.139	3.622
Global Government J.P. Morgan†					
542.96	1.1	Global Government	1.390	0.840	1.560
753.93	0.1	Canada	1.990	1.240	2.120
368.78	-0.1	EMU§	1.128	0.520	1.363
707.22	0.1	France	0.870	0.280	1.210
508.64	-1.2	Germany	0.450	-0.100	0.620
287.74	-0.1	Japan	0.400	0.100	0.460
560.52	-1.0	Netherlands	0.600	0.030	0.760
931.29	2.0	U.K.	1.460	0.980	1.790
793.25	7.3	Emerging Markets **	5.517	5.134	6.290

*Constrained indexes limit individual issuer concentrations to 2%; the High Yield 100 are the 100 largest bonds
† In local currency § Euro-zone bonds
** EMBI Global Index

Sources: Merrill Lynch; Bloomberg Barclays; J.P.Morgan

Global Government Bonds: Mapping Yields

Yields and spreads over or under U.S. Treasurys on benchmark two-year and 10-year government bonds in selected other countries; arrows indicate whether the yield rose(▲) or fell (▼) in the latest session

Coupon (%)	Country/ Maturity, in years	Yield (%) Latest		Previous	Month ago	Year ago	Spread Under/Over U.S. Treasurys, in basis points Latest	Prev	Year ago
1.375	U.S. 2	1.347	▲	1.326	1.364	0.730			
2.250	10	2.262	▲	2.222	2.335	1.558			
2.750	Australia 2	1.813	▲	1.796	1.844	1.441	46.6	47.0	71.2
2.750	10	2.659	▲	2.627	2.725	1.885	39.7	40.5	32.7
0.000	France 2	-0.480	▲	-0.496	-0.374	-0.557	-182.6	-182.2	-128.7
1.000	10	0.725	▲	0.701	0.868	0.151	-153.7	-152.1	-140.7
0.000	Germany 2	-0.711	▲	-0.717	-0.607	-0.610	-205.7	-204.3	-133.9
0.500	10	0.435	▲	0.408	0.600	-0.070	-182.7	-181.4	-162.7
0.050	Italy 2	-0.047	▲	-0.055	0.105	-0.090	-139.3	-138.1	-82.0
2.200	10	2.046	▲	2.013	2.292	1.064	-21.6	-21.0	-49.4
0.100	Japan 2	-0.115	▼	-0.105	-0.107	-0.185	-146.2	-143.1	-91.4
0.100	10	0.048	▼	0.055	0.080	-0.086	-221.4	-216.7	-164.3
2.750	Spain 2	-0.361	▲	-0.369	-0.234	-0.166	-170.7	-169.6	-89.6
1.500	10	1.460	▲	1.417	1.651	0.941	-80.2	-80.5	-61.7
1.750	U.K. 2	0.229	▲	0.222	0.328	0.139	-111.8	-110.5	-59.1
4.250	10	1.087	▲	1.073	1.309	0.533	-117.6	-114.9	-102.5

Source: Tullett Prebon

Corporate Debt

Price moves by a company's debt in the credit markets sometimes mirror and sometimes anticipate moves in that same company's share price.

Investment-grade spreads that tightened the most...

Issuer	Symbol	Coupon (%)	Maturity	Spread*, in basis points Current	One-day change	Last week	Stock Performance Close ($)	% chg
ING Bank NI	INTNED	4.125	Nov. 21, '23	n.a.	-26	n.a.		
Plains All American Pipeline	PAA	5.750	Jan. 15, '20	119	-25	n.a.	20.16	-1.61
BNP Paribas S.A.	BNP	7.625	March 30, '49	179	-24	n.a.		
Citigroup	C	6.250	Aug. 15, '49	173	-18	n.a.	67.97	0.12
AutoZone	AZO	4.000	Nov. 15, '20	61	-17	n.a.	516.13	-1.75
Morgan Stanley	MS	5.550	July 15, '49	97	-17	92	46.43	-0.17
Royal Bank of Scotland	RBS	7.500	Aug. 10, '49	259	-17	248	6.81	0.59
Ford Motor Credit	F	2.597	Nov. 4, '19	66	-15	n.a.		

...And spreads that widened the most

Issuer	Symbol	Coupon (%)	Maturity	Current	One-day change	Last week	Close ($)	% chg
Morgan Stanley	MS	5.500	Jan. 26, '20	66	18	57	46.43	-0.17
BG Energy Capital	BGGRP	4.000	Dec. 9, '20	64	12	n.a.		
Wells Fargo	WFC	2.600	July 22, '20	59	11	51	52.85	0.02
Amazon.com	AMZN	4.800	Dec. 5, '34	93	8	75	982.74	-0.06
Intercontinental Exchange	ICE	3.100	Sept. 15, '27	89	8	n.a.	65.86	0.72
Kraft Heinz Foods	KHC	5.375	Feb. 10, '20	64	8	63		
Plains All American Pipeline	PAA	5.000	Feb. 1, '21	161	8	n.a.	20.16	-1.61
PNC Bank NA	PNC	2.000	May 19, '20	41	8	43		

High-yield issues with the biggest price increases...

Issuer	Symbol	Coupon (%)	Maturity	Bond Price as % of face value Current	One-day change	Last week	Stock Performance Close ($)	% chg
Seagate HDD Cayman	STX	5.750	Dec. 1, '34	92.200	3.15	87.500		
Intelsat Luxembourg	INTEL	7.750	June 1, '21	63.250	1.50	64.000		
Ascent Resources Utica Holdings	AMENUT	10.000	April 1, '22	101.000	1.45	101.500		
Whiting Petroleum	WLL	5.000	March 15, '19	99.500	1.25	99.000	4.66	1.53
Transocean	RIG	6.800	March 15, '38	75.500	1.00	75.000	7.91	-5.72
Murphy Oil USA	MUSA	5.625	May 1, '27	107.375	0.88	n.a.		
XPO CNW	CNW	6.700	May 1, '34	97.250	0.75	n.a.		
Western Digital	WDC	7.375	April 1, '23	110.000	0.75	n.a.	83.82	1.20

...And with the biggest price decreases

Issuer	Symbol	Coupon (%)	Maturity	Current	One-day change	Last week	Close ($)	% chg
Murray Energy	MURREN	11.250	April 15, '21	70.375	-5.13	76.750		
Endo Finance	ENDP	7.750	Jan. 15, '22	95.250	-1.69	99.188		
Frontier Communications	FTR	11.000	Sept. 15, '25	86.750	-1.25	89.500	14.34	-6.09
Resolute Forest Products	RFP	5.875	May 15, '23	96.500	-1.25	97.750	4.70	-1.05
First Quantum Minerals	FMCN	7.250	April 1, '23	100.000	-1.13	101.250		
Cenovus Energy	CVECN	5.250	June 15, '37	93.554	-1.12	96.299		
Devon Energy	DVN	4.750	May 15, '42	96.246	-0.94	n.a.	30.92	-0.48
Community Health Systems	CYH	7.125	July 15, '20	93.250	-0.94	94.000	6.88	-6.39

*Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year hot-run Treasury; 100 basis points=one percentage pt.; change in spread shown is for Z-spread.
Note: Data are for the most active issue of bonds with maturities of two years or more

Sources: MarketAxess Corporate BondTicker; WSJ Market Data Group

BIGGEST 1,000 STOCKS

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE MKT and Nasdaq Stock Market listed securities. Prices are composite quotations that include primary market trades as well as trades reported by Nasdaq OMX BXSM (formerly Boston), Chicago Stock Exchange, CBOE, National Stock Exchange, ISE and BATS.

The list comprises the 1,000 largest companies based on market capitalization.

Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume.

Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was $2 or higher.

Footnotes:
i-New 52-week high.
l-New 52-week low.
dd-Indicates loss in the most recent four quarters.
FD-First day of trading.
h-Does not meet continued listing standards
lf-Late filing
q-Temporary exemption from Nasdaq requirements.
t-NYSE bankruptcy
v-Trading halted on primary market.
vj-In bankruptcy or receivership or being reorganized under the Bankruptcy Code, or securities assumed by such companies.

Wall Street Journal stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices from 4 p.m. the previous day.

Tuesday, August 15, 2017

Stock	Sym	Close	Net Chg
NYSE			
ABB	ABB	22.85	-0.10
AES	AES	11.10	-0.01
Aflac	AFL	81.26	0.01
AGCO	AGCO	69.69	-0.39
AT&T	T	38.16	-0.34
AbbottLabs	ABT	48.82	-0.26
AbbVie	ABBV	70.34	-0.48
Accenture	ACN	129.38	-0.31
AcuityBrands	AYI	182.14	-4.55
Adient	ADNT	66.01	-0.36
AdvanceAuto	**AAP**	**87.08**	**-22.24**
AdvSemiEngg	ASX	6.22	0.02
Aegon	AEG	5.93	0.06
AerCap	AER	48.35	-0.08
Aetna	AET	155.76	0.09
AffiliatedMgrs	AMG	178.90	0.51
AgilentTechs	A	61.29	-0.36
AgnicoEagle	AEM	45.67	-0.32
Agrium	AGU	98.30	0.10
AirProducts	APD	146.81	0.17
AlaskaAir	ALK	83.91	-1.18
Albemarle	ALB	113.18	-0.65
Alcoa	AA	37.50	0.31
AlexandriaRealEst	ARE	121.48	-0.26
Alibaba	BABA	157.75	3.14
Alleghany	Y	585.99	-6.45
Allergan	AGN	231.14	-1.50
Allegion	ALLE	78.95	-0.62
AllianceData	ADS	226.45	4.04
AllianceBernstein	AB	23.85	-0.15
AlliantEnergy	LNT	41.91	0.24
AllisonTransm	ALSN	37.18	-0.02
Allstate	ALL	94.38	-0.04
AllyFinancial	ALLY	22.64	0.08
AlticeUSA	ATUS	31.02	-0.32
Altria	MO	65.30	0.46
AlumofChina	ACH	16.69	-0.50
Ambev	ABEV	6.19	0.07
Ameren	AEE	58.83	0.38
AmericaMovil	AMX	18.60	0.20
AmericaMovil A	AMOV	18.58	0.23
AmCampus	ACC	47.18	0.07
AEP	AEP	71.52	0.47
AmericanExpress	AXP	86.79	1.32
AmericanFinancial	AFG	104.65	0.21
AmericanHomes4Rent	AMH	22.36	-0.25
AIG	AIG	63.05	0.18
AmerTowerREIT	AMT	139.69	-0.26
AmerWaterWorks	AWK	81.76	0.43
Amerigas	APU	43.10	-0.54
Ameriprise	AMP	144.90	-0.24
AmerisourceBergen	ABC	78.65	-0.37
Ametek	AME	63.11	-0.01
Amphenol	APH	78.91	-0.19
AnadarkoPetrol	APC	43.26	0.22
Andeavor	ANDV	94.65	-0.55
AngloGoldAsh	AU	10.37	-0.25
AB InBev	BUD	117.03	0.62
AnnalyCap	NLY	12.31	-0.01
AntheraMidstream	AM	31.76	-0.72
AntheraResources	AR	18.85	0.24
Anthem	ANTM	192.99	1.68
Aon	AON	139.28	-0.38
Apache	APA	41.54	-0.03
AptartmInv	AIV	45.96	-0.22
ApolloGlobalMgmt	APO	30.40	0.65
AquaAmerica	WTR	33.78	0.17
Aramark	ARMK	39.22	-0.03
ArcelorMittal	MT	25.63	0.03
ArcherDaniels	ADM	42.05	-0.42
Arconic	ARNC	24.75	0.19
AristaNetworks	ANET	170.99	0.72
ArrowElec	ARW	75.81	-0.62
Assurant	AIZ	103.34	-0.09
AstraZeneca	AZN	29.06	-0.04
Athene	ATH	52.84	-0.13
AtmosEnergy	ATO	87.78	0.04
Autohome	ATHM	62.68	0.27
Autoliv	ALV	108.17	-1.06
AutoZone	AZO	516.13	-9.19
Avalonbay	AVB	189.07	0.20
Avangrid	AGR	46.88	0.05
AveryDennison	AVY	93.52	-0.16
AxaltaCoating	AXTA	28.97	-0.07
BB&T	BBT	46.99	0.13
BCE	BCE	46.58	0.05
BHPBilliton	BHP	40.07	-0.39
BHPBilliton	BBL	34.57	-0.11
BP	BP	34.57	-0.16
BRF	BRFS	13.23	0.08
BT Group	BT	19.32	-0.19
BakerHughes	BHGE	34.31	0.05
Ball	BLL	40.32	-0.32
BancoBilbaoViz	BBVA	8.99	0.05
BancodeChile	BCH	87.18	0.32
BancoSantander	SAN	6.59	-0.01
BancoMacro	BMA	96.10	-0.51
BancoSantChile	BSAC	29.48	0.01
BancoSantander	SAN	6.59	-0.01
BancColombia	CIB	42.65	0.78
BankofAmerica	BAC	24.47	0.05
BankofMontreal	BMO	72.70	-0.44
BankNYMellon	BK	53.15	0.32
BkNovaScotia	BNS	60.97	0.08
Barclays	BCS	10.28	-0.05
Bard CR	BCR	320.83	-0.05
BarrickGold	ABX	16.55	-0.17
BaxterIntl	BAX	60.80	0.57
BectonDickinson	BDX	201.48	0.57
Berkley	WRB	68.25	-0.89
BerkHathwy A	BRK/A	266795	425.01
BerkHathwy B	BRK/B	177.47	0.18
BerryGlobal	BERY	58.04	-0.21
BestBuy	BBY	58.97	-1.74
Bio-RadLab A	BIO	216.28	-3.72
BlackKnightFin	BKFS	42.05	0.10
BlackRock	BLK	428.25	0.19
BlackstoneGroup	BX	32.26	-0.17
BlockHR	HRB	31.49	0.22
BoardwalkPipe	BWP	16.59	0.02
Boeing	BA	239.17	2.02
BorgWarner	BWA	45.25	0.08
BostonProperties	BXP	122.43	-0.08
BostonScientific	BSX	26.47	-0.21
Braskem	BAK	24.03	-0.11
Bristol-Myers	BMY	57.87	0.25
BritishAmTob	BTI	64.13	0.11
BrixmorProp	BRX	19.44	-0.46
BroadridgeFinl	BR	76.08	0.35
BrookfieldMgt	BAM	38.82	-0.02
BrookfieldInfr	BIP	43.69	0.44
Brown&Brown	BRO	44.15	0.24
Brown-Forman A	BF/A	51.94	-0.24
Brown-Forman B	BF/B	49.32	0.29
BuckeyePtrs	BPL	57.50	-0.38
Bunge	BG	77.16	-0.06
BurlingtonStores	BURL	80.27	-3.18
CBD Pao	CBD	23.10	0.32
CBRE Group	CBG	36.13	0.08
CBS A	CBS/A	67.27	...
CBS B	CBS	64.27	-0.21
CF Industries	CF	30.30	0.08
CGI Group	GIB	49.61	-0.11
CIT Group	CIT	46.62	0.25
CMS Energy	CMS	47.76	0.30
CNA Fin	CNA	52.45	-0.27
CNOOC	CEO	110.01	-0.64
CPFLEnergia	CPL	16.41	-0.03
CRH	CRH	34.86	0.41
CVS Health	CVS	79.11	-0.19
CabotOil	COG	24.65	0.14
CAE	CAE	16.41	0.02
CamdenProperty	CPT	89.48	-0.69
CampbellSoup	CPB	53.73	-0.12
CIBC	CM	84.01	-0.38
CanNtlRlwy	CNI	80.11	-0.26
CanNaturalRes	CNQ	30.62	0.05
CanPacRlwy	CP	155.30	0.52
Canon	CAJ	35.03	0.20
CapitalOne	COF	84.15	-0.11
CardinalHealth	CAH	66.43	-0.33
Carlisle	CSL	95.64	-0.89
CarMax	KMX	64.46	-0.46
Carnival	CCL	68.21	0.32
Carnival	CUK	69.20	0.55
Caterpillar	CAT	113.65	-0.06
Celanese A	CE	97.98	0.38
Cemex	CX	9.26	-0.04
CenovusEnergy	CVE	7.64	-0.09
Centene	CNC	82.85	-0.10
CenterPointEner	CNP	28.84	0.04
CentraisEIBras	EBR	4.33	0.06
CenturyLink	**CTL**	**20.54**	**-1.42**
Chemours	CC	46.90	-0.16
Chevron	CVX	108.57	-0.14
ChinaEastrnAir	CEA	26.92	-0.11
ChinaLifeIns	LFC	15.20	-0.03
ChinaMobile	CHL	55.69	-0.39
ChinaPetrol	SNP	73.17	-1.66
ChinaSouthAirlines	ZNH	37.08	-0.30
ChinaTelecom	CHA	48.03	-0.46
ChinaUnicom	CHU	15.22	-0.07
Chipotle	CMG	322.78	0.38
Chubb	CB	147.97	0.57
ChunghwaTelecom	CHT	33.86	0.02
Church&Dwight	CHD	49.77	-0.21
Cigna	CI	179.16	2.81
CimarexEnergy	XEC	96.62	0.39
Citigroup	C	67.97	0.08
CitizensFin	CFG	33.99	-0.23
Clorox	CLX	136.26	0.20
Coach	**COH**	**40.64**	**-7.28**
Coca-Cola	KO	46.19	0.39
Coca-ColaEuro	CCE	43.74	0.12
Coca-Cola Femsa	KOF	84.25	0.91
Colgate-Palmolive	CL	71.80	0.35
ColonyNorthStar	CLNS	13.22	-0.13
Comerica	CMA	71.94	0.27
SABESP	**SBS**	**9.51**	**-0.55**
ConagraBrands	CAG	34.90	0.01
ConchoResources	CXO	111.08	-2.13
ConocoPhillips	COP	44.50	-0.04
ConEd	ED	83.05	0.50
ConstBrands A	STZ	198.70	1.51
ContinentalResources	CLR	33.14	-0.11
Cooper	COO	242.92	-0.36
Corning	GLW	28.49	-0.92
Coty	COTY	19.56	-0.14
Credicorp	BAP	199.19	1.82
CreditSuisse	CS	14.97	-0.04
CrestwoodEquity	CEQP	24.60	-0.50
CrownCastle	CCI	103.06	0.69
CrownHoldings	CCK	58.35	-0.05
Cullen/Frost	CFR	87.40	-1.23
Cummins	CMI	155.99	-0.65
DTE Energy	DTE	109.17	0.12
DXC Tech	DXC	85.35	1.12
Danaher	DHR	80.56	-0.04
Darden	DRI	83.48	0.73
DaVita	DVA	56.98	0.06
Deere	DE	127.18	-1.39
DellTechnologies	DVMT	66.21	-1.53
DelphiAutomotive	DLPH	93.34	-0.15
DeltaAir	DAL	49.92	-0.35
DeutscheBank	DB	17.13	-0.16
DevonEnergy	DVN	30.92	0.15
Diageo	DEO	131.36	0.86
DigitalRealty	DLR	115.13	0.28
DiscoverFinSvcs	DFS	61.87	1.37
Disney	DIS	101.21	0.29
DollarGeneral	DG	73.64	-2.93
DominionEner	D	77.90	0.22
Domtar	DPZ	188.17	-5.74
Donaldson	DCI	46.78	-0.47
DouglasEmmett	DEI	38.05	-0.16
Dover	DOV	85.13	-0.45
DowChemical	DOW	63.67	0.26
DrPepperSnap	DPS	91.97	0.68
Dupont	DD	81.58	0.43
DukeEnergy	DUK	86.39	0.77
DukeRealty	DRE	28.86	0.04
ENI	E	31.20	-0.05
EOG Rscs	EOG	87.02	-0.97
EQT	EQT	61.05	-0.77
EQT Midstream	EQM	73.51	-1.00
EastmanChem	EMN	84.84	0.58
Eaton	ETN	72.31	-0.17
Ecolab	ECL	131.15	-0.31
Ecopetrol	EC	9.14	-0.01
EdisonIntl	EIX	79.02	0.69
EdwardsLife	EW	114.83	-0.81
EmersonElectric	EMR	59.41	-0.22
EnbridgeEnPtrs	EEP	15.44	-0.24
Enbridge	ENB	39.23	-0.37
Encana	ECA	9.47	-0.06
EnelAmericas	ENIA	10.03	0.24
EnelGenChile	EOCC	22.51	-0.09
EnergyTrfrEquity	ETE	17.71	0.65
EnergyTransfer	**ETP**	**18.62**	**-1.01**
Entergy	ETR	77.57	0.52
EnterpriseProd	EPD	25.11	-0.59
EnvisionHlthcr	EVHC	50.81	-0.51
Equifax	EFX	142.88	0.07
EquityLife	ELS	87.37	0.13
EquityResdntl	EQR	68.31	0.33
EssexProp	ESS	265.08	1.62
EsteeLauder	EL	101.04	-0.09
EverestRe	RE	267.41	-1.53
EversourceEner	ES	62.57	0.40
Exelon	EXC	37.84	0.24
ExtraSpaceSt	EXR	76.60	-0.27
ExxonMobil	XOM	78.76	-0.31
FMC	FMC	84.56	1.21
FactSet	FDS	162.21	0.63
FederalRealty	FRT	129.27	-1.79
FedEx	FDX	209.07	1.21
Ferrari	RACE	110.26	0.35
FiatChrysler	FCAU	12.67	0.07
FibriaCelulose	FBR	11.46	-0.09
FidelityNatlFin	FNF	47.75	0.44
FNFV Group	FNFV	16.85	-0.15
FidelityNtlInfo	FIS	90.66	0.21
FirstData	FDC	17.89	0.22
FirstRepBank	FRC	98.75	0.10
FirstEnergy	FE	32.77	0.22
FleetCorTech	FLT	143.22	1.44
Fluor	FLR	38.65	-0.63
FomentoEconMex	FMX	101.66	0.55
FootLocker	FL	47.13	-2.19
FordMotor	F	10.84	-0.07
ForestCity A	FCE/A	23.94	-0.10
Fortis	FTS	36.10	0.06
Fortive	FTV	66.12	-0.13
FortBrandsHome	FBHS	63.89	-0.36
Franco-Nevada	FNV	78.30	0.67
FranklinRscs	BEN	42.39	-0.13
FreeportMcMoRan	FCX	13.97	-0.18
FreseniusMed	FMS	46.61	0.58
GGP	GGP	21.10	-0.63
Gallagher	AJG	58.72	-0.14
Gap	GPS	22.07	-1.03
Gartner	IT	117.18	-0.64
Gazit-Globe	GZT	9.40	-0.06
GeneralDynamics	GD	199.49	-0.81
GeneralElec	GE	25.14	-0.12
GeneralGrowth	GIS	57.31	-0.09
GeneralMotors	GM	35.54	0.07
Genpact	G	28.55	-0.88
GenuineParts	GPC	80.48	-3.29
Gerdau	GGB	3.42	-0.03
Gildan	GIL	30.40	0.03
GlaxoSmithKline	GSK	39.86	-0.06
GlobalPayments	GPN	94.32	-0.16
GoDaddy	GDDY	41.69	-0.65
Goldcorp	GG	12.73	-0.10
GoldmanSachs	GS	227.59	0.23
GrupoAvalAcc	GPM	...	...
Grainger	GWW	165.08	-1.91
GreatPlainsEner	GXP	31.41	0.09
GrupoAeroportuario	PAC	111.30	-0.01
GrupoAeroportSur	ASR	204.25	-0.97
GrupoAvalAcciones	AVAL	8.64	-0.01
GrFinSantandMex	BSMX	10.64	0.08
GrupoTelevisa	TV	25.03	0.13
HCA Healthcare	HCA	79.25	-0.27
HCP	HCP	29.15	-0.65
HDFC Bank	HDB	95.56	-0.41
HP	HPQ	19.04	-0.06
HSBC	HSBC	47.91	-0.26
Halliburton	HAL	39.95	-0.35
Hanesbrands	HBI	24.05	-0.16
HarleyDavidson	HOG	47.92	-0.36
Harris	HRS	119.79	-0.05
HartfordFinl	HIG	56.81	0.36
HealthcareAmer	HTA	30.05	-0.14
Heico	HEI	86.42	-0.44
Heico A	HEI/A	74.05	-0.70
Herbalife	HLF	62.45	0.03
Hershey	HSY	105.90	-0.04
Hess	HES	40.70	0.16
HewlettPackard	HPE	17.75	0.17
Hilton	HLT	62.21	0.46
HomeDepot	HD	150.17	-4.09
HondaMotor	HMC	27.65	-0.09
Honeywell	HON	138.63	0.19
HormelFoods	HRL	34.24	-0.10
DR Horton	DHI	36.78	0.16
HostHotels	HST	17.95	-0.05
HuanengPower	HNP	25.34	0.08
Hubbell	HUBB	113.99	-1.37
Humana	HUM	246.63	-3.42
HuntingtonIngalls	HII	204.77	-0.75
Huntsman	HUN	25.50	-0.09
HyattHotels	H	56.90	-0.17
ICICI Bank	IBN	9.03	0.08
ING Groep	ING	18.13	0.09
Invesco	IVZ	33.82	0.11
IDEX	IEX	115.18	0.43
IllinoisToolWks	ITW	139.09	0.04
Infosys	INFY	15.49	0.02
Ingersoll-Rand	IR	86.20	0.03
Ingredion	INGR	123.74	0.51
ICE	ICE	65.86	0.47
InterContinental	IHG	51.37	-0.62
IBM	IBM	142.07	-0.25
IntlFlavors	IFF	137.07	0.01
IntlPaper	IP	53.43	-0.21
Interpublic	IPG	20.98	-0.17
InvitationHomes	INVH	22.94	-0.06
IronMountain	IRM	37.39	-0.24
ItauCorpBanca	ITCB	...	...
ItauUnibanco	ITUB	12.48	0.16
JPMorganChase	JPM	92.73	0.24
JacobsEngineering	JEC	51.57	-1.16
JamesHardie	JHX	13.64	-0.17
JanusHenderson	JHG	35.20	-0.49
JD	JNJ	133.38	-0.10
JohnsonControls	JCI	37.83	-0.82
JonesLangLaSalle	JLL	123.95	1.12
JuniperNetworks	JNPR	27.53	-0.39
KB Fin	KB	50.60	0.26
KKR	KKR	18.46	-0.18
KT	KT	17.04	-0.10
KSCitySouthern	KSU	106.33	1.34
Kellogg	K	69.81	-0.05
KeyCorp	KEY	17.91	...
KeysightTechs	KEYS	41.58	-0.20
KilroyRealty	KRC	69.97	-0.28
KimberlyClark	KMB	122.23	0.54
KimcoRealty	KIM	19.67	-0.42
KinderMorgan	KMI	18.85	-0.18
KinrossGold	KGC	4.17	...
Kohl's	KSS	38.13	-0.56
KoninklijkePhil	PHG	37.24	-0.17
KoreaElcPwr	KEP	19.16	0.11
Kroger	KR	23.11	-0.47
Kyocera	KYO	60.96	0.09
LATAMAirlines	LTM	11.92	0.07
L Brands	LB	39.05	-1.51
LG Display	LPL	13.13	-0.03
LINE	LN	35.14	-0.19
L3 Tech	LLL	181.43	-0.82
LabCpAm	LH	156.76	0.26
LambWeston	LW	45.02	0.21
LasVegasSands	LVS	61.86	1.07
Lazard	LAZ	43.85	-0.47
Lear	LEA	144.00	-0.43
Leggett&Platt	LEG	47.15	-0.22
Leidos	LDOS	57.00	-0.07
Lennar A	LEN	54.07	0.18
Lennar B	LEN/B	44.31	0.43
LennoxIntl	LII	167.92	-0.52
LeucadiaNatl	LUK	24.75	-0.16
Level3Comm	LVLT	54.66	-1.97
LibertyProperty	LPT	41.44	0.07
EliLilly	LLY	81.71	0.22
LincolnNational	LNC	72.17	0.01
LionsGate A	LGF/A	27.19	-0.35
LionsGate B	LGF/B	26.06	-0.34
LiveNationEnt	LYV	39.79	0.42
LloydsBanking	LYG	3.42	0.02
LockheedMartin	LMT	306.20	-1.38
Loews	L	48.37	-0.07
Lowe's	LOW	74.30	-3.42
LyondellBasell	LYB	87.95	-0.08
M&T Bank	MTB	158.50	-0.59
MGM Resorts	MGM	31.59	0.60
MPLX	MPLX	33.26	-0.34
MSCI	MSCI	109.27	-1.01
Macerich	MAC	55.62	-1.82
MacquarieInfr	MIC	72.76	-0.58
Macy's	M	20.92	-0.16
MagellanMid	MMP	69.50	-1.31
MagnaIntl	MGA	46.33	0.10
Manpower	MAN	108.58	-0.67
ManulifeFin	MFC	19.27	0.01
MarathonOil	MRO	11.53	-0.10
MarathonPetrol	MPC	52.85	-0.62
Markel	MKL	1053.22	3.12
MarshMcLennan	MMC	78.31	0.34
MartinMarietta	MLM	206.37	0.95
Masco	MAS	37.42	0.12
Mastercard	MA	131.58	0.49
McCormick	MKC	96.75	-1.21
McCormickVtg	MKC/V	96.46	-1.41
McDonalds	MCD	157.62	0.56
McKesson	MCK	149.26	0.18
Medtronic	MDT	84.59	0.12
Merck	MRK	62.50	-0.17
MetLife	MET	47.78	0.32
MettlerToledo	MTD	580.76	-1.30
MichaelKors	KORS	40.03	-0.99
MidAmApt	MAA	107.10	-0.90
MitsubishiUFJ	MTU	6.32	0.03
MizuhoFin	MFG	3.46	0.02
MobileTeleSys	MBT	8.65	-0.01
Mobileye	MBLY	63.53	-0.03
MohawkIndustries	MHK	249.94	1.37
MolsonCoors B	TAP	91.07	0.20
Monsanto	MON	117.02	-0.12
Moody's	MCO	132.01	-1.16
MorganStanley	MS	46.43	-0.08
Mosaic	MOS	20.16	-0.15
MotorolaSolutions	MSI	87.92	0.08
NRG Energy	NRG	25.47	...
NTTDoCoMo	DCM	23.34	0.05
NVR	NVR	2735.50	-6.59
NationalGrid	NGG	63.25	-0.13
NatlOilwell	NOV	30.39	-0.23
NatlRetailProp	NNN	40.41	-0.18
NewOrientalEduc	EDU	81.06	-1.28
NewYorkCmntyBcp	NYCB	12.36	-0.12
NewellBrands	NWL	50.21	0.11
NewmontMining	NEM	35.77	-0.25
NextEraEnergy	NEE	149.05	0.99
NielsenHoldings	NLSN	40.94	0.04
Nike	NKE	58.56	-1.22
NiSource	NI	26.66	0.02
NobleEnergy	NBL	24.57	-0.02
Nokia	NOK	6.33	...
NomuraHoldings	NMR	5.81	0.01
Nordstrom	JWN	44.66	-0.20
NorfolkSouthern	NSC	120.04	0.49
NorthropGrumman	NOC	271.14	-0.26
Novartis	NVS	84.10	0.24
NovoNordisk	NVO	45.51	0.18
Nucor	NUE	55.57	-0.09
NuSTAREnergy	NS	39.16	-1.16
OGE Energy	OGE	35.51	0.04
ONEOK	OKE	55.70	-0.30
OccidentalPetrol	OXY	60.62	-0.62
Och-Ziff	OZM	2.99	-0.12
OmegaHealthcare	OHI	30.68	-0.02
Omnicom	OMC	78.29	-0.11
Oracle	ORCL	48.83	-0.42
Orange	ORAN	16.85	-0.06
OrbitalATK	OA	107.75	-0.93
Orix	IX	81.63	0.33
Oshkosh	OSK	75.43	-0.06
OwensCorning	OC	67.33	-0.70
PG&E	PCG	67.15	0.18
PLDT	PHI	34.03	0.27
PNC Fin	PNC	130.34	-0.56
POSCO	PKX	71.90	0.12
PPG Ind	PPG	102.94	0.38
PPL	PPL	38.92	0.25
PVH	PVH	123.38	-0.99
PackagingCpAm	PKG	108.39	0.16
PaloAltoNtwks	PANW	131.43	0.49
ParkerHannifin	PH	158.39	-0.07
ParkHotels	PK	26.37	0.01
ParsleyEnergy	PE	24.63	-0.37
Pearson	PSO	7.90	-0.01
PembinaPipeline	PBA	31.46	-0.55
Pentair	PNR	62.03	-0.48
PepsiCo	PEP	118.97	1.13
PerkinElmer	PKI	64.14	0.14
Perrigo	PRGO	77.77	0.47
PetroChina	PTR	62.11	-0.68
PetroleoBrasil	PBR	8.59	0.15
PetroleoBrasilA	PBR/A	8.29	0.15
Pfizer	PFE	33.38	0.11
PhilipMorris	PM	116.82	2.06
Phillips66	PSX	83.68	-0.20
PinnacleFoods	PF	60.02	0.05
PinnacleWest	PNW	89.23	0.39
PioneerNatRscs	PXD	133.70	0.86
PlainsAllAmPipe	PAA	20.16	-0.33
PlainsGP	PAGP	20.81	-0.19
PolarisIndustries	PII	88.43	-2.51
PostHoldings	POST	86.02	0.04
Potash	POT	17.51	0.02
Praxair	PX	131.47	0.41
PrincipalFin	PFG	65.00	-0.01
ProcterGamble	PG	92.20	0.55
Progressive	PGR	47.59	-0.15
Prologis	PLD	61.89	0.56
PrudentialFin	PRU	106.25	-0.49
Prudential	PUK	46.69	-0.27
PublicServiceEnt	PEG	45.62	0.37
PublicStorage	PSA	201.58	1.04
PulteGroup	PHM	25.53	0.14
QuestDiag	DGX	106.53	-0.14
QuintilesIMS	Q	91.53	1.54
RELX	RENX	20.88	0.10
RELX	RELX	21.78	0.09
RPM	RPM	49.14	-0.13
RalphLauren	RL	84.96	0.09
RaymondJames	RJF	80.94	0.12
Raytheon	RTN	178.22	2.12
RealtyIncome	O	56.97	-0.35
RedHat	RHT	99.99	0.25
RegencyCtrs	REG	65.06	-0.86
RegionsFin	RF	14.15	-0.03
ReinsuranceGrp	RGA	140.93	0.33
RenaissanceRe	RNR	148.08	-1.12
RepublicServices	RSG	64.56	-0.09
ResMed	RMD	72.44	-0.83
RestaurantBrands	QSR	59.78	-0.26
RexfordIndRealty	REXR	29.01	...
RiceEnergy	RICE	26.71	-0.46
RioTinto	RIO	46.01	-0.56
RobertHalf	RHI	43.81	0.30
Rockwell	ROK	164.12	0.16
RockwellCollins	COL	124.83	-0.91
RogersComm B	RCI	50.61	-0.07
Rollins	ROL	43.95	-0.05
RoperTech	ROP	233.33	-0.63
RoyalBkCanada	RY	73.22	-0.28
RoyalBkScotland	RBS	6.81	0.04
RoyalCaribbean	RCL	121.72	2.11
RoyalDutchA	RDS/A	54.65	-0.21
RoyalDutchB	RDS/B	56.89	-0.29
S&P Global	SPGI	151.50	0.56
SINOPECShanghai	SHI	58.00	-0.39
SK Telecom	SKM	26.55	-0.02
SLGreenRealty	SLG	99.47	-0.90
Salesforce.com	CRM	90.70	0.15
Sanofi	SNY	47.83	0.10
SAP	SAP	103.19	0.57
Sasol	SSL	30.04	-0.09
Scana	SCG	61.79	-0.02
Schlumberger	SLB	63.44	-0.51
SchwabC	SCHW	40.93	-0.19
ScottsMiracleGro	SMG	96.47	-0.04
SealedAir	SEE	44.95	-0.05
SempraEnergy	SRE	116.80	0.37
ServiceMaster	SERV	44.58	-0.16
ServiceNow	NOW	107.31	-0.59
ShawComm B	SJR	21.91	-0.10
SherwinWilliams	SHW	332.57	-4.94
ShinhanFin	SHG	47.56	0.57
Shopify	SHOP	93.15	-0.91
SimonProperty	SPG	157.69	-1.05
SiriusXM	SIX	...	...
SmithAO	AOS	54.34	0.21
Smith&Nephew	SNN	35.43	0.12
Smucker	SJM	122.92	-0.09
Snap	SNAP	12.74	0.14
SocQuimMinera	SQM	42.10	0.30
Sony	SNE	38.92	-0.23
Southern	SO	48.96	0.32
SoCopper	SCCO	38.61	-0.50
SouthwestAirlines	LUV	55.20	0.48
SpectraEnergyPtrs	SEP	43.80	-0.58
SpectrumBrands	SPB	108.71	-1.68
SpiritAeroSys	SPR	70.39	0.49
Sprint	S	8.30	-0.11
Square	SQ	24.83	-0.37
StanleyBlackDck	SWK	139.42	-1.33
StarwoodProp	STWD	22.19	0.07
StateStreet	STT	93.82	0.30
Statoil	STO	18.40	0.16
Steris	STE	85.98	0.30
STMicroelec	STM	18.06	...
Stryker	SYK	147.44	1.44
SumitomoMits	SMFG	7.58	0.01
SunComm	SUI	89.08	0.03
SunLifeFinancial	SLF	38.56	-0.18
SuncorEnergy	SU	31.92	-0.20
SunTrustBanks	STI	56.59	0.01
SynchronyFin	SYF	30.99	1.35
Syngenta	SYT	92.00	0.06
Sysco	SYY	51.59	0.50
TAL Education	TAL	174.76	1.18
TE Connectivity	TEL	78.89	-0.79
Telus	TU	35.52	-0.12
Tenaris	TS	29.43	-0.20
TIM Part	TSU	17.88	0.10
TJX	TJX	70.16	0.54
TableauSoftware	DATA	70.30	-0.06
TaiwanSemi	TSM	36.42	0.37
TargaResources	TRGP	43.17	-0.55
Target	TGT	54.35	-1.44
TataMotors	TTM	29.46	-0.19
TechnipFMC	FTI	26.11	-0.20
TeckRscsB	TECK	22.21	-0.11
TelecomArgentina	TEO	29.65	-0.37
TelecomItalia	TI	10.29	0.13
TelecomItalia A	TI/A	8.02	-0.05
Teleflex	TFX	208.90	0.01
Telefonica	TEF	11.02	-0.11
TelefonicaBrasil	VIV	15.02	0.04
TelekmIndonesia	TLK	35.44	-0.10
Telus	TU	35.52	-0.12
Tenaris	TS	27.23	-0.13
Teradyne	TER	34.60	0.24
Tesoro	TSO	94.70	0.11
Textron	TXT	49.09	0.14
ThermoFisherSci	TMO	179.24	-0.35
ThomsonReuters	TRI	46.30	0.10
ThorIndustries	THO	105.55	-1.12
3M	MMM	207.18	-0.19
Tiffany	TIF	88.11	-2.62
TimeWarner	TWX	101.70	-0.59
TollBros	TOL	39.21	0.13
Torchmark	TMK	78.86	0.09
Toro	TTC	72.12	-0.60
TorontoDomBk	TD	50.34	-0.02
Total	TOT	50.26	0.08
ToyotaMotor	TM	112.75	0.04
TotalSystem	TSS	64.14	0.30
TransCanada	TRP	49.26	-0.33
TransDigm	TDG	273.92	0.19
TransUnion	TRU	46.33	0.20
Travelers	TRV	129.05	0.26
TurkcellIletism	TKC	9.11	-0.04
TurquoiseHill	TRQ	3.08	0.01
Twitter	TWTR	15.95	-0.14
TylerTech	TYL	170.06	-1.83
TysonFoods	TSN	63.80	0.03
UBS Group	UBS	17.10	-0.02
UDR	UDR	39.13	0.12
UGI	UGI	48.24	-0.07
US Foods	USFD	26.75	-0.02
UltraparPart	UGP	22.61	0.05
UnderArmour A	UAA	16.66	-0.45
UnderArmour C	UA	15.49	...
Unilever	UN	58.77	0.36
Unilever	UL	57.58	0.32
UnionPacific	UNP	104.85	0.17
UnitedContinental	UAL	66.96	0.25
UnitedMicro	UMC	2.32	...
UPS B	UPS	114.18	0.49
UnitedRentals	URI	111.99	-0.21
US Bancorp	USB	52.98	0.19
US Steel	X	23.71	0.38
UnitedTech	UTX	115.96	-1.19
UnitedHealth	UNH	194.50	0.79
UniversalHealthB	UHS	108.25	0.56
UnumGroup	UNM	50.06	0.20
VEREIT	VER	8.48	-0.01
VF	VFC	63.90	0.40
Visa	V	102.63	0.76
ValeroEnergy	VLO	67.15	0.35
Vale	VALE	9.78	0.05
ValeantPharm	VRX	13.90	0.13
Vantiv	VNTV	71.85	1.40
VarianMed	VAR	99.22	0.82
Vedanta	VEDL	18.26	-0.06
VeevaSystems	VEEV	62.80	-0.28
Ventas	VTR	66.18	0.05
Verizon	VZ	48.48	-0.30
Vipshop	VIPS	11.17	-0.04
VistraEnergy	VST	17.51	0.13
VMware	VMW	95.29	-2.71
VornadoRealty	VNO	76.25	-0.68
VoyaFinancial	VOYA	38.90	0.02
VulcanMaterials	VMC	116.61	1.44
WABCO	WBC	133.71	-0.95
WEC Energy	WEC	64.47	0.42
W.P.Carey	WPC	67.01	0.30
Wabtec	WAB	71.72	-0.28
Wal-Mart	WMT	80.77	0.07
WasteConnections	WCN	64.25	-0.31
WasteMgt	WM	75.70	0.15
Waters	WAT	179.52	-0.24
Wayfair	W	70.85	0.04
WellCareHealth	WCG	174.11	-0.22
WellsFargo	WFC	52.85	0.01
Welltower	HCN	71.24	-0.51
WestPharmSvcs	WST	85.42	0.32
WestarEnergy	WR	51.47	0.43
WesternAssetMtg	WGP	39.78	-0.39
WesternGasPtrs	WES	49.45	-0.75
WesternUnion	WU	19.22	0.08
WestlakeChem	WLK	70.19	0.32
WestlakeChemPtrs	WLKP	23.35	0.15
WestRock	WRK	56.31	-0.23
Weyerhaeuser	WY	31.94	-0.30
WheatonPrecMetals	WPM	19.44	-0.07
Whirlpool	WHR	173.19	-0.46
Williams	WMB	29.97	-0.14
WilliamsPartners	WPZ	38.30	-0.40
Wipro	WIT	6.13	0.01
WooriBank	WF	49.86	0.70
Workday	WDAY	101.90	-0.47
Wyndham	WYN	99.57	0.86
XPO Logistics	XPO	56.58	-0.81
XcelEnergy	XEL	48.73	0.30
Xerox	XRX	32.83	0.15
Xylem	XYL	59.86	-0.02
YPF	YPF	20.63	-0.24
YumBrands	YUM	76.39	0.11
YumChina	YUMC	29.93	0.20
ZTO Express	ZTO	13.62	-0.05
ZimmerBiomet	ZBH	112.97	0.46
Zoetis	ZTS	63.03	0.29
NASDAQ			
AGNC Invt	AGNC	21.48	0.07
Ansys	ANSS	126.09	0.85
ASML	ASML	152.46	-0.25
Abiomed	ABMD	154.51	0.25
ActivisionBlizz	ATVI	62.97	0.08
AdobeSystems	ADBE	150.36	1.20
AkamaiTech	AKAM	46.34	-0.48
AlexionPharm	ALXN	135.21	1.25
AlignTech	ALGN	172.71	0.13
Alkermes	ALKS	51.60	-0.02
AlnylamPharm	ALNY	80.37	0.73
Alphabet A	GOOGL	938.08	-0.85
Alphabet C	GOOG	922.22	-0.45
Altaba	AABA	59.99	1.12
Amazon.com	AMZN	982.74	-0.11
Amdocs	DOX	62.86	-0.38
AmericanAirlines	AAL	48.52	-0.37
Amgen	AMGN	170.04	-0.48
AnalogDevices	ADI	79.96	0.06
Apple	AAPL	161.60	1.75
AppliedMaterials	AMAT	43.88	0.10
ArchCapital	ACGL	96.92	0.26
AthenaHealth	ATHN	142.51	-0.06
Atlassian	TEAM	36.37	0.39
Autodesk	ADSK	109.80	0.99
ADP	ADP	111.58	1.89
Baidu	BIDU	225.33	1.64
Biogen	BIIB	287.92	1.87
BioMarinPharm	BMRN	83.08	-0.09
Bioverativ	BIVV	57.21	-0.69
BroadcomLtd	AVGO	253.69	2.78
CA	CA	32.50	-0.17
CBOE Holdings	CBOE	97.54	0.47
CDK Global	CDK	61.62	0.05
CDW	CDW	61.68	-0.32
CH Robinson	CHRW	65.02	1.08
CME Group	CME	122.02	-0.19
CSX	CSX	51.13	0.38
CadenceDesign	CDNS	37.22	0.21
Carlyle	CG	21.30	-0.10
Celgene	CELG	131.37	-1.59
Cerner	CERN	63.44	0.53
CharterComms	CHTR	397.73	-3.35
CheckPointSftw	CHKP	107.76	-0.49
ChinaLodging	HTHT	97.59	-1.44
CincinnatiFin	CINF	79.44	-0.09
Cintas	CTAS	133.15	0.20
CiscoSystems	CSCO	32.09	0.25
CitrixSystems	CTXS	74.95	-0.89
CognizantTech	CTSH	71.67	-0.17
Comcast A	CMCSA	41.50	-0.40
CommerceBcshrs	CBSH	56.32	-0.30
CommScope	COMM	32.84	0.24
Copart	CPRT	32.08	0.27
CoStarGroup	CSGP	282.00	-2.65
Costco	COST	156.88	-1.03
CSX	CSX	...	...
CyrusOne	CONE	60.24	0.04
DISH Network	DISH	58.15	-0.52
DentsplySirona	XRAY	53.76	-0.53
DexCom	DXCM	71.22	-0.40
DiamondbackEner	FANG	88.02	-2.73
DiscoveryComm A	DISCA	22.15	-0.24
DiscoveryComm C	DISCK	21.52	-0.23
DollarTree	DLTR	73.44	-1.18
E*TRADE	ETFC	40.34	-0.17
EastWestBancorp	EWBC	56.60	0.28
eBay	EBAY	35.25	0.05
EchoStar	SATS	57.70	-0.51
ElbitSystems	ESLT	127.69	-2.63
ElectronicArts	EA	117.43	0.32
Equinix	EQIX	448.33	-1.16
Ericsson	ERIC	6.10	...
ErieIndemnity A	ERIE	122.90	-3.17
Exelixis	EXEL	26.91	0.17
Expedia	EXPE	147.06	-0.52
ExpeditorsIntl	EXPD	57.61	0.56
ExpressScripts	ESRX	61.73	0.42
F5Networks	FFIV	118.56	-0.45
Facebook	FB	171.00	0.25
Fastenal	FAST	42.76	-0.42
FifthThirdBncp	FITB	27.02	0.34
Fiserv	FISV	124.70	0.65
Flex	FLEX	15.81	-0.03
Fortinet	FTNT	36.81	-0.24
Gaming&Leisure	GLPI	38.22	-0.36
Garmin	GRMN	51.40	-0.40
GileadSciences	GILD	72.10	-0.25
Goodyear	GT	30.30	0.07
Grifols	GRFS	20.69	0.02
HD Supply	HDS	31.01	-0.58
Hasbro	HAS	98.33	0.09
HenrySchein	HSIC	167.94	-1.33
Hologic	HOLX	38.19	-0.25
JBHunt	JBHT	97.38	1.07
HuntingtonBcshs	HBAN	13.00	0.04
IAC/InterActive	IAC	104.99	0.86
IdexxLab	IDXX	154.07	-0.65
IHSMarkit	INFO	46.39	0.41
IPG Photonics	IPGP	168.57	0.76
IcahnEnterprises	IEP	51.86	-0.35
Icon	ICLR	102.15	-0.43
Illumina	ILMN	193.92	-0.88
Incyte	INCY	126.37	0.09
Intel	INTC	35.02	0.09
InteractiveBrkrs	IBKR	41.28	0.13
Intuit	INTU	137.00	1.12
IntuitiveSurgical	ISRG	965.37	20.81
IonisPharma	IONS	46.53	-0.63
JD.com	JD	44.05	-0.20
JackHenry	JKHY	106.51	0.16
JazzPharma	JAZZ	146.63	2.66
JetBlue	JBLU	21.82	0.15
KLA Tencor	KLAC	91.02	-0.48
KitePharma	KITE	127.63	0.38
KraftHeinz	KHC	86.74	-0.27
LKQ	LKQ	33.70	-0.08
LamResearch	LRCX	160.21	1.66
LibertyGlobal A	LBTYA	34.33	-0.18
LibertyGlobal C	LBTYK	33.25	-0.26
LibertyLiLAC A	LILA	25.82	-0.54
LibertyLiLAC C	LILAK	26.08	-0.47
LibertyQVC A	QVCA	21.82	-1.01
LibertyVenturesA	LVNTA	62.02	0.04
LibertyFormOne A	FWONA	33.16	-0.41
LibertyFormOne C	FWONK	34.27	-0.40
LibertyBraves A	BATRA	24.84	-0.11
LibertyBraves C	BATRK	24.50	-0.14
LibertySirius A	LSXMA	45.38	1.38
LibertySirius C	LSXMK	45.38	1.38
LincolnElectric	LECO	87.60	-0.13
LogitechIntl	LOGI	34.94	-0.21
LogMeIn	LOGM	116.15	-0.17
lululemon	LULU	59.50	-0.43
MarketAxess	MKTX	192.49	-0.77
Marriott	MAR	100.40	0.33
MarvellTech	MRVL	15.12	0.27
Mattel	MAT	17.49	0.06
MaximIntProducts	MXIM	45.33	-0.11
MelcoResorts	MLCO	21.51	0.50
MercadoLibre	MELI	236.07	-0.87
MicrochipTech	MCHP	84.29	0.27
MicronTech	MU	29.68	0.44
Microsemi	MSCC	50.25	-0.13
Microsoft	MSFT	73.59	0.18
Middleby	MIDD	117.97	0.21
Momo	MOMO	44.23	-0.34
Mondelez	MDLZ	43.86	0.16
MonsterBeverage	MNST	54.01	0.16
Mylan	MYL	30.13	0.50
NXP Semi	NXPI	112.83	0.31
Nasdaq	NDAQ	77.00	0.20
NetApp	NTAP	41.97	-0.06
Netease	NTES	276.07	-2.55
Netflix	NFLX	168.50	-2.50
NewsCorp A	NWSA	13.31	-0.06
NewsCorp B	NWS	13.70	-0.10
Nordson	NDSN	128.51	-1.35
NorthernTrust	NTRS	88.69	0.05
NorwegianCruise	NCLH	57.45	0.91
NVIDIA	NVDA	166.98	-1.42
OReillyAuto	ORLY	196.00	-2.44
OldDomFreight	ODFL	97.60	-0.14
ON Semi	ON	16.45	...
OpenText	OTEX	32.07	0.10
PTC	PTC	53.99	-0.03
Paccar	PCAR	64.87	-0.34
PacWestBancorp	PACW	45.96	-0.14
PaylocityHldg	PAYX	55.99	0.67
PayPal	PYPL	59.69	0.63
People'sUtdFin	PBCT	17.10	-0.07
PilgrimPride	PPC	27.95	0.57
Priceline	PCLN	1860.84	13.12
Qiagen	QGEN	31.36	-0.26
Qorvo	QRVO	71.76	0.34
Qualcomm	QCOM	53.87	0.32
RandgoldRscs	GOLD	93.32	-2.82
RegenPharm	REGN	472.57	-1.97
RossStores	ROST	53.03	-1.74
RoyalGold	RGLD	85.78	-0.60
Ryanair	RYAAY	119.69	2.51
SBA Comm	SBAC	141.30	0.81
SEI Investments	SEIC	56.93	0.10
Sina	SINA	96.75	-2.16
SS&C Tech	SSNC	37.52	-0.06
SVB Fin	SIVB	174.66	0.33
ScrippsNetworks	SNI	86.15	-0.60
Seagate	STX	32.28	-0.27
SeattleGenetics	SGEN	46.83	0.91
Shire	SHPG	147.71	-0.06
SignatureBank	SBNY	131.15	-0.25
SiriusXM	SIRI	5.60	-0.03
Skyworks	SWKS	105.60	0.33
Splunk	SPLK	58.26	-0.34
Staples	SPLS	10.19	-0.02
Starbucks	SBUX	53.15	0.07
StarsGroup	TSG	20.28	0.08
SteelDynamics	STLD	35.51	0.08
Stericycle	SRCL	72.07	0.12
Symantec	SYMC	28.41	-0.16
Synopsys	SNPS	78.23	0.95
TD Ameritrade	AMTD	43.58	-0.65
TESARO	TSRO	114.00	0.75
T-MobileUS	TMUS	63.88	0.10
TRowePrice	TROW	83.39	0.06
TakeTwoSoftware	TTWO	90.66	-0.55
Tesla	TSLA	362.33	-1.47
TexasInstruments	TXN	81.95	-0.10
TractorSupply	TSCO	52.59	-1.44
Trimble	TRMB	36.93	-0.07
TripAdvisor	TRIP	40.66	-0.82
21stCenturyFoxA	FOXA	27.89	-0.36
21stCenturyFoxB	FOX	27.44	-0.33
UltaBeauty	ULTA	237.67	-10.80
UltimateSoftware	ULTI	192.92	-0.99
UnitedTherap	UTHR	129.76	0.08
VCA	WOOF	92.57	-0.10
Veon	VEON	3.98	0.01
VeriSign	VRSN	98.57	-0.28
VeriskAnalytics	VRSK	81.40	-0.04
VertxPharm	VRTX	152.72	-1.77
Viacom A	VIA	40.80	0.65
Viacom B	VIAB	30.08	-0.15
Vodafone	VOD	29.03	-0.26
WPP	WPPGY	102.81	0.39
WalgreensBoots	WBA	81.13	-0.40
Weibo	WB	85.46	-0.40
WesternDigital	WDC	83.82	0.99
WholeFoods	WFM	41.91	-0.07
WillisTowersWatson	WLTW	150.87	-0.44
WynnResorts	**WYNN**	**136.39**	**8.21**
Xilinx	XLNX	62.64	0.53
Yandex	YNDX	30.25	0.52
ZebraTech	ZBRA	106.10	2.91
Zillow A	ZG	40.79	-0.52
Zillow C	Z	40.85	-0.73
ZionsBancorp	ZION	45.12	0.25
NYSE AMER			
CheniereEnergy	LNG	42.41	-0.36
CheniereEnerPtrs	CQP	28.07	-0.41
CheniereEnHldgs	CQH	25.50	-0.16
ImperialOil	IMO	28.26	-0.16

Mutual Funds | WSJ.com/fundresearch

Explanatory Notes

Data provided by LIPPER

Top 250 mutual-funds listings for Nasdaq-published share classes with net assets of at least $500 million each. **NAV** is net asset value. Percentage performance figures are total returns, assuming reinvestment of all distributions and after subtracting annual expenses. Figures don't reflect sales charges ("loads") or redemption fees. **NET CHG** is change in NAV from previous trading day. **YTD%RET** is year-to-date return. **3-YR%RET** is trailing three-year return annualized.

e-Ex-distribution. **f**-Previous day's quotation. **g**-Footnotes x and s apply. **j**-Footnotes e and s apply. **k**-Recalculated by Lipper, using updated data. **p**-Distribution costs apply, 12b-1. **r**-Redemption charge may apply. **s**-Stock split or dividend. **t**-Footnotes p and r apply. **v**-Footnotes x and e apply. **x**-Ex-dividend. **z**-Footnote x, e and s apply. **NA**-Not available due to incomplete price, performance or cost data. **NE**-Not released by Lipper; data under review. **NN**-Fund not tracked. **NS**-Fund didn't exist at start of period.

Tuesday, August 15, 2017

Fund	NAV	Net Chg	YTD %Ret
American Century Inv			
Ultra	42.07	+0.08	20.6
American Funds Cl A			
AmcpA p	29.60	-0.05	10.3
AMutlA p	39.62	-0.03	8.6
BalA p	26.65	-0.03	8.6
BondA p	12.96	-0.03	3.0
CapIBA p	61.90	-0.05	9.2
CapWGrA	49.70	-0.06	14.7
EupacA p	53.64	-0.03	21.4
FdInvA p	60.37	-0.03	12.7
GwthA p	48.24	-0.06	14.7
HI TrA p	10.42	-0.01	5.0
ICAA p	39.17	-0.03	9.0
IncoA p	22.78	-0.02	6.7
N PerA p	42.50	...	20.3
NEcoA p	43.10	-0.02	19.9
NwWrldA p	62.13	+0.01	20.8
SmCpA p	52.84	-0.14	14.9
TxExA p	13.01	-0.02	4.1
WshA p	43.42	-0.07	9.6
Baird Funds			
AggBdInst	10.91	-0.02	3.4
CorBdInst	11.26	-0.02	3.7
BlackRock Funds			
GlblAlloc p	19.85	-0.05	9.2
BlackRock Funds Inst			
EqtyDivd	22.06	-0.01	7.5
GlblAlloc	19.97	-0.04	9.4
HiYldBd	7.79	...	5.7
StratIncOpptyIns	9.91	...	2.9
Del Invest Instl			
Value	20.24	-0.05	3.8
Dimensional Fds			
5GlbFxdInc	10.84	...	1.2
EmgMktVa	29.12	+0.02	21.9
EmMktCorEq	21.25	...	23.1
IntlCoreEq	13.49	-0.04	17.3
IntlVal	18.81	-0.05	14.3
IntSmCo	20.38	-0.09	18.7
IntSmVa	22.22	-0.12	17.1
US CoreEq1	20.83	-0.05	8.9
US CoreEq2	19.75	-0.06	6.9
US Small	33.51	-0.29	-0.5
US SmCpVal	35.60	-0.34	-4.6
USLgVa	37.29	-0.05	7.2
Dodge & Cox			
Balanced	106.81	-0.16	6.0
Income	13.84	-0.01	3.4
Intl Stk	44.88	...	17.2
Stock	194.25	-0.37	7.7
DoubleLine Funds			
TotRetBdI	10.73	-0.01	3.2
TotRetBdN	10.72	-0.02	3.0
Edgewood Growth Instituti			
EdgewoodGrInst	28.38	-0.01	27.0
Federated Instl			
StraValDivIS	6.29	...	8.8
Fidelity			
500IdxInst	86.39	-0.02	11.5
500IdxInstPrem	86.39	-0.02	11.5
500IdxPrem	86.39	-0.02	11.5
ExtMktIdxPrem	58.62	-0.13	8.5
IntlIdxPrem	41.26	-0.05	16.9
MktIdxF	71.03	-0.08	10.6
TMktIdxPrem	71.03	-0.08	10.5
USBdIdxInstPrem	11.64	-0.02	2.9
Fidelity Advisor I			
NwInsghtI	31.31	...	17.2
Fidelity Freedom			
FF2020	16.17	-0.01	9.6
FF2025	13.95	-0.01	10.2
FF2030	17.37	-0.01	11.9
FreedomK2020	15.04	-0.01	9.6
FreedomK2025	15.86	-0.02	10.2
FreedomK2030	16.35	-0.02	11.9
FreedomK2035	17.17	-0.01	13.0
FreedomK2040	17.20	-0.01	13.1
Fidelity Invest			
Balanc	24.06	-0.02	10.1
BluCh	83.52	-0.10	24.0
Contra	118.67	+0.06	21.3
ContraK	118.64	+0.06	21.4
CpInc r	10.10	...	7.7
DivIntl	39.62	...	19.0
Eq Inc	59.49	-0.06	3.6
FltRateHiIn r	9.64	...	1.5
GroCo	169.18	-0.17	23.7
GrowCoK	169.11	-0.16	23.8
InvGB	7.93	-0.01	3.1
InvGrBd	11.30	-0.02	3.4
LowP r	53.97	-0.25	9.1
LowPriStkK r	53.95	-0.25	9.1
MagIn	98.78	-0.01	14.5
OTC	106.26	-0.11	27.5
Puritn	22.77	-0.01	11.0
SrsEmrgMkt	19.60	...	28.9
SrsIntlGrw	16.68	-0.01	20.3
SrsIntlVal	11.30	-0.02	14.6
TotalBond	10.70	-0.02	3.4
Fidelity Selects			
Biotech r	211.25	-0.31	21.4
First Eagle Funds			
GlbA	58.51	-0.06	7.8
FPA Funds			
FPACres	33.97	-0.02	5.4
FrankTemp/Frank Adv			
IncomeAdv	NA	...	NA
FrankTemp/Franklin A			
CA TF A p	7.49	-0.02	5.2
Fed TF A p	12.04	-0.02	3.2
IncomeA p	NA	...	NA
RisDv A p	NA	...	NA
FrankTemp/Franklin C			
Income C t	NA	...	NA
FrankTemp/Temp A			
GlBond A p	NA	...	NA
Growth A p	NA	...	NA
FrankTemp/Temp Adv			
GlBondAdv p	NA	...	NA
Harbor Funds			
CapApInst	70.07	-0.01	23.7
IntlInst r	67.97	+0.19	16.4
Harding Loevner			
IntlEq	NA	...	NA
Invesco Funds A			
EqIncA	10.99	...	4.8
John Hancock Class 1			
LSBalanc	15.48	-0.01	9.3
LSGwth	16.40	-0.01	11.6
John Hancock Instl			
DispValMCI	22.78	-0.05	5.9
JPMorgan Funds			
MdCpVal L	38.75	-0.14	6.5
JPMorgan I Class			
CoreBond	11.66	-0.02	3.1
JPMorgan R Class			
CoreBond	11.68	-0.01	3.2
Lazard Instl			
EmgMktEq	18.81	-0.04	17.9
Loomis Sayles Fds			
LSBondI	14.24	-0.02	6.6
Lord Abbett A			
ShtDurIncmA p	4.29	...	1.9
Lord Abbett F			
ShtDurIncm	4.29	...	2.2
Metropolitan West			
TotRetBd	10.68	-0.02	2.5
TotRetBdI	10.68	-0.02	2.6
TRBdPlan	10.05	-0.02	2.8
MFS Funds Class I			
Valuel	39.43	-0.01	9.7
MFS Funds Instl			
IntlEq	24.40	-0.01	20.4
Mutual Series			
GblDiscA	NA	...	NA
Oakmark Funds Invest			
EqtyInc r	32.53	-0.03	6.9
Oakmark	79.46	-0.21	10.3
OakmrkInt	27.48	-0.04	21.3
Old Westbury Fds			
LrgCpStr	14.38	...	12.1
Oppenheimer Y			
DevMktY	39.75	-0.07	24.3
IntGrowY	40.88	-0.06	17.9
Parnassus Fds			
ParnEqFd	41.94	+0.01	7.3
PIMCO Fds Instl			
AllAsset	NA	...	NA
TotRt	10.28	-0.03	4.3
PIMCO Funds A			
IncomeFd	NA	...	NA
PIMCO Funds D			
IncomeFd	NA	...	NA
PIMCO Funds Instl			
IncomeFd	NA	...	NA
PIMCO Funds P			
IncomeP	NA	...	NA
Price Funds			
BlChip	90.41	+0.01	24.5
CapApp	28.79	+0.01	9.9
EqInc	33.36	+0.01	6.9
EqIndex	66.35	-0.02	11.3
Growth	66.00	+0.09	23.9
HelSci	74.37	-0.14	26.1
InstlCapG	36.63	+0.04	25.4
IntlStk	18.45	-0.03	20.7
IntlValEq	14.69	-0.03	10.5
MCapGro	86.60	-0.18	14.9
MidCap	30.01	-0.02	3.3
N Horiz	51.33	-0.21	18.5
N Inc	9.51	-0.01	3.2
OverS SF r	10.78	-0.03	17.9
R2020	22.47	-0.02	10.2
R2025	17.26	-0.01	11.3
R2030	25.34	-0.03	12.5
R2035	18.48	-0.02	13.4
R2040	26.64	-0.03	14.2
R2045	17.97	-0.02	14.7
Value	37.05	+0.03	10.1
Principal Investors			
DivIntlInst	13.07	...	18.2
Prudential Cl Z & I			
TRBdZ	14.50	-0.04	4.8
Schwab Funds			
S&P Sel	38.36	-0.01	11.4
TIAA/CREF Funds			
EqIdxInst	18.34	-0.02	10.5
IntlEqIdxInst	19.36	-0.04	17.0
Tweedy Browne Fds			
GblValue	27.76	...	10.9
VANGUARD ADMIRAL			
500Adml	228.13	-0.06	11.5
BalAdml	33.12	-0.04	7.5
CAITAdml	11.86	-0.02	4.7
CapOpAdml	r144.00	+0.10	15.9
EMAdmr	35.54	-0.03	23.5
EqIncAdml	72.97	...	8.1
ExplrAdml	87.96	-0.54	9.4
ExtndAdml	76.44	-0.35	8.5
GNMAAdml	10.54	-0.01	1.7
GrwthAdml	66.99	-0.12	17.5
HlthCareAdml	r 87.32	+0.07	15.2
HYCorAdml	r 5.94	-0.01	5.0
InfProAd	26.00	-0.08	1.8
IntlGrAdml	88.01	-0.03	30.7
ITBondAdml	11.47	-0.02	3.4
ITIGradeAdml	9.83	-0.01	4.5
LTGradeAdml	10.21	-0.05	8.5
MidCpAdml	177.00	-0.50	9.2
MuHYAdml	11.36	-0.02	5.2
MuIntAdml	14.18	-0.02	4.0
MuLTAdml	11.68	-0.02	4.9
MuLtdAdml	11.03	...	1.8
MuShtAdml	15.87	...	0.9
PrmcpAdml	r125.34	+0.09	15.2
REITAdml	r117.96	-0.45	2.6
SmCapAdml	64.18	-0.37	4.4
STBondAdml	10.48	-0.01	1.5
STGradeAdml	10.70	-0.01	2.0
TotBdAdml	10.80	-0.01	3.0
TotIntBdIdxAdm	21.83	-0.03	1.3
TotIntlAdmIdx	r 28.55	-0.05	17.5
TotStAdml	61.43	-0.07	10.5
TxMIn	r 13.49	-0.03	16.7
ValAdml	38.17	-0.02	6.6
WdsrllAdml	66.05	-0.04	7.0
WellsIAdml	64.16	-0.02	5.5
WelltnAdml	71.50	-0.04	7.4
WndsrAdml	75.11	-0.08	9.4
VANGUARD FDS			
DivdGro	25.63	-0.02	11.1
HlthCare r	207.01	+0.18	15.2
INSTTRF2015	21.27	-0.03	8.3
INSTTRF2025	21.99	-0.03	9.3
INSTTRF2030	22.09	-0.03	11.0
INSTTRF2035	22.20	-0.03	11.0
INSTTRF2040	22.33	-0.04	12.4
INSTTRF2045	22.40	-0.03	12.2
IntlVal	37.33	-0.05	17.6
LifeCon	19.49	-0.02	6.7
LifeGro	31.73	-0.04	11.0
LifeMod	26.03	-0.03	8.8
PrmcpCor	25.09	+0.01	13.1
SelValu r	31.03	-0.03	7.6
STAR	26.09	-0.03	10.7
STIGrade	10.70	-0.01	2.0
TgtRe2015	15.52	-0.02	7.0
TgtRe2020	30.62	-0.04	8.4
TgtRe2025	17.78	-0.02	9.4
TgtRe2030	32.17	-0.04	10.2
TgtRe2035	19.69	-0.02	11.0
TgtRe2040	33.42	-0.05	11.7
TgtRe2045	21.18	-0.03	12.1
TgtRe2050	34.08	-0.04	12.1
TgtRetInc	13.37	-0.02	5.2
TotIntBdIxInv	10.92	-0.01	1.3
WellsI	26.48	-0.01	5.4
Welltn	41.40	-0.02	7.3
WndsrII	37.22	-0.02	7.0
VANGUARD INDEX FDS			
500	228.10	-0.06	11.4
ExtndIstPl	189.65	-0.86	8.6
IdxIntl	17.07	-0.03	17.5
MdCpI	39.11	-0.11	9.2
SmCpIstPl	185.23	-1.06	4.4
SmCpIst	64.17	-0.37	4.4
STIdxInst	10.48	-0.01	1.5
TotBdInst	10.80	-0.01	3.0
TotBdInst2	10.76	-0.01	3.0
TotBdInstPl	10.80	-0.01	3.0
TotIntlInstIdx	r114.15	-0.22	17.5
TotIntlInstPl	r114.18	-0.21	17.5
TotSt	61.40	-0.07	10.4
TotStInst	61.44	-0.07	10.5
TotStIstPl	55.13	-0.07	10.5
TotStSIns	15.27	-0.02	10.5
ValueInst	38.17	-0.02	6.6
VANGUARD INSTL FDS			
BalInst	33.13	-0.04	7.5
DevMktsIndInst	13.51	-0.03	16.8
DevMktsInstl	13.49	-0.03	16.7
ExtndInst	76.43	-0.34	8.5
GrwthInst	67.00	-0.12	17.5
InPrSeIn	10.59	-0.04	1.8
InstIdx	225.13	-0.06	11.5
InstPlus	225.14	-0.06	11.5
InstTStPlus	55.13	-0.07	10.5
MidCpInst	39.12	-0.11	9.2
MidCpIstPl	192.94	-0.55	9.2
SmCapInst	64.18	-0.37	4.4
SmCapIstPl	185.25	-1.06	4.4
STIGradeInst	10.70	-0.01	2.0
TotBdInst	10.80	-0.01	3.0
TotIntlInstIdx	r114.15	-0.22	17.5
TotStInst	61.44	-0.07	10.5
ValueInst	38.17	-0.02	6.6
Western Asset			
CorePlusBdI	NA	...	NA

New Highs and Lows | WSJ.com/newhighs

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE MKT and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. **% CHG**-Daily percentage change from the previous trading session.

Tuesday, August 15, 2017

Stock	Sym	52-Wk Hi/Lo	% Chg
NYSE highs - 57			
Aflac	AFL	81.89	...
Alleghany	Y	586.92	...
AmericaMovil	AMX	18.74	1.0
AmericaMovil A	AMOV	18.60	1.3
AmEqtyLf	AEL	28.04	0.4
AmericanExpress	AXP	86.97	1.5
AmerTowerREIT	AMT	140.16	-0.2
Amphenol	APH	79.38	-0.2
AppleHospREIT	APLE	19.00	0.4
AshfordHospPfdG	AHTpG	25.24	...
AssdBancPfdD	ASBpD	26.65	0.1
BanColombia	CIB	43.64	1.9
BeazerHomes	BZH	16.38	0.3
BlockHR	HRB	31.80	0.7
BrookfieldInfr	BIP	44.02	1.0
Brown&Brown	BRO	44.28	0.4
CAI Intl	CAI	29.31	1.1
Carnival	CCL	69.24	1.0
Carnival	CUK	69.84	0.8
Chubb	CB	148.05	0.4
ChinaCordBlood	CO	9.39	-0.1
Cigna	CI	179.50	1.6
ConsolidatedEdison	ED	83.40	...
DCT Industrial	DCT	57.80	0.4
DXC Tech	DXC	85.59	1.3
FiatChrysler	FCAU	12.90	0.6
GeoParkGeo	GSL	...	...
HartfordFinSvcs	HIG/WS	51.51	0.6
HartfordFinl	HIG	57.18	0.6
Heico	HEI	86.92	-0.5
KCitySouthern	KSU	106.47	1.3
Kemet	KEM	23.09	-0.7
Kemper	KMPR	40.85	0.1
LatAmDiscv	LDF	11.62	0.1
LockheedMartin	LMT	308.00	-0.4
Medtronic	MDT	84.68	0.1
MixTelematics	MIXT	9.08	0.4
Neff	NEFF	25.00	...
NewOrientalEdu	EDU	83.64	-1.6
NextEraEnergy	NEE	149.34	0.7
NiSource	NI	26.69	0.1
NomadFoods	NOMD	14.94	1.2
PepsiCo	PEP	119.15	1.0
PrefApartment	APTS	18.55	1.2
Procter&Gamble	PG	92.36	0.6
RoyalBkCanada	RY	74.64	...
PublicStorage	PSA	201.98	0.5
RoyalCaribbean	RCL	122.96	1.8
Salesforce.com	CRM	91.36	0.2
TAL Education	TAL	175.59	0.7
TPGSpecLending	TSLX	21.74	0.5
TelefonicaBrasil	VIV	15.12	0.3
TransportadGas	TGS	19.30	0.5
Travelers	TRV	130.14	0.2
Valmont	VMI	162.10	0.1
Vantiv	VNTV	71.91	2.0
VishayPrecision	VPG	20.10	1.5
WNS	WNS	34.31	0.5
XcelEnergy	XEL	48.96	0.6
NYSE lows - 120			
AMC Ent	AMC	12.90	-2.6
AdvanceAuto	AAP	82.21	-20.3
AllianzGIConv24	CBH	9.91	-0.2
AmplifySnack	BETR	8.55	-0.4
AnadarkoPetrol	APC	42.51	-0.5
AmericanMidstream	AMID	11.32	-4.3
ArmstrongFlooring	AFI	15.07	-1.1
Asanko Gold	AKG	1.47	-5.2
Archrock	AROC	9.80	-1.1
BasicEnergySvcs	BAS	17.33	-5.1
BkRkEnergyResTr	BGR	12.11	-0.7
BoardwalkPipe	BWP	15.07	0.2
BuckeyePtrs	BPL	56.40	-0.7
Buckle	BKE	14.70	-3.4
Cato	CATO	14.86	-3.1
CenturyLink	CTL	20.42	-6.5
CheniereEner	CHK	4.58	0.5
Chico's Fas	CHS	7.74	-3.8
Chipotle	CMG	317.66	0.1
Cinemark	CNK	35.84	-0.9
Coach	COH	39.20	-15.2
CocaColaEuro	CCE	36.44	...
CrestCoach	CLB	89.64	-2.2
CrescentPoint	CPG	6.67	-1.4
CushingEnInc	SRF	7.85	-1.1
DHI Group	DHX	1.95	2.4
DSW	DSW	15.90	-5.2
Dick's	DKS	26.86	-1.4
Dril-Quip	DRQ	40.25	-1.7
DriveShack	DS	2.54	-2.7
ENSCO	ESV	4.16	-0.2
EastmanKodak	KODK	8.60	-0.6
ElPasoEnrgy pfC	EPpC	45.41	-3.5
EmergeEnergy	EMES	5.65	1.1
EnbridgeEnergy	EEQ	13.98	-1.1
EnbridgeEnPtrs	EEP	15.31	-1.5
EnLinkMidPtrs	ENLK	16.07	0.1
ErosIntl	EROS	10.75	-1.9
ErosIntl	EROS	6.65	-3.5
Express	EXPR	5.51	-1.8
FairmountSantrol	FMSA	2.47	0.4
FidcryCitieOpp Fd	FMO	12.73	-0.5
FT SrFR2022	FIV	9.25	-0.2
FiveOaksInvt	OAKS	4.08	-5.1
ForumEnergyTech	FET	11.15	-3.0
GameStop	GME	18.35	-1.4
GenesisEnergy	GEL	26.30	-0.1
GenesisHealthcare	GEN	1.07	1.9
GenuineParts	GPC	79.86	-3.9
GlobalPartners	GLP	15.83	-1.8
Halliburton	HAL	39.05	-0.9
HatterasFinl	...	...	...
Hess Pfd	HESpA	51.25	0.3
Hess	HES	39.70	0.4
Hi-Crush	HCLP	7.38	-3.1
Imax	IMAX	18.40	-1.6
IBM	IBM	140.58	-0.2
JJill	JILL	11.58	-4.1
JamesHardie	JHX	13.03	-1.2
JohnsonControls	JCI	37.75	-2.1
KayneAnMLPInv	KYN	16.60	-2.0
KaynaAnMidstrEner	KMF	14.54	-1.6
KinderMorganMgmt	KMI	...	...
L Brands	LB	39.00	-3.7
Lannett	LCI	14.90	-3.1
LSB Inds	LXU	6.54	...
Mack-Cali	CLI	23.84	-0.8
MagellanMid	MMP	68.13	-1.9
Mallinckrodt	MNK	35.04	-0.1
McClatchy	MNI	6.54	-1.3
Mosaic	MOS	19.77	-0.7
NGL EnergyPfdB	NGLpB	24.00	-0.2
NGL Energy	NGL	7.70	-2.7
NOW	DNOW	11.55	-1.7
NabtorsIndustries	NBR	6.01	-1.9
NavistarIntl	NAV	25.95	...
NewfieldExpln	NFX	25.03	-1.2
Nobel	NE	3.50	0.3
NuSTAREnergy	NS	39.06	-2.9
NuSTAR GP	NSH	22.90	-2.1
NuvAMTFreeMuni	NEA	12.63	-0.4
OasisPetrol	OAS	6.14	-2.8
ObsidianEnergy	OBE	1.30	...
OfficeDepot	ODP	4.61	0.5
OverseasShip	OSG	2.11	-8.5
Owens&Minor	OMI	29.07	0.6
PJT Partners	PJT	35.08	-1.5
ParsleyEnergy	PE	24.45	-1.5
PartyCity	PRTY	11.05	2.1
PembinaPipeline	PBA	31.45	-1.7
PennVirginia	PVA	37.41	-3.2
PennAmer REIT	PEI	10.55	-1.1
PeruRealEstateInv	PEI	...	...
PhillipsPtrs	PSXP	45.09	-1.6
PlainsAllAmPipe	PAA	20.00	-1.6
PlainsGP	PAGP	20.53	-0.9
PrecisionDrilling	PDS	2.88	...
ProPetro	PUMP	10.64	-3.4
QEP Resources	QEP	7.12	-2.5
RAIT Financial	RAS	0.52	-3.0
RPC	RES	18.71	-2.4
RealIndustry	RELY	16.83	-0.3
RoyalKaneLuxus	RKS	...	...
RlyBKScot prF	RBSpF	22.84	...
SEACOR Marine	SMHI	11.93	-0.3
SM Energy	SM	13.62	-0.1
SandRidgeEnergy	SD	18.00	-2.4
Schlumberger	SLB	63.03	-0.8
SeadrillPtrs	SDLP	3.53	-2.9
SouthJerseyInd	SJI	31.42	...
StewartInfo	STC	37.36	-0.9
SuperiorEnergy	SPN	8.54	-2.1
SynchronyFinl	SYF	25.65	...
Synchronoss	SNCR	18.28	1.0
TargaResources	TRGP	41.81	-0.1
TaubmanCtrs	TCO	53.48	-2.6
TechnipFMC	FTI	25.80	-0.8
TenetHealthcare	THC	14.38	-3.8
TerraNitrogen	TNH	79.32	-1.5
TetraTech	TTI	1.92	-2.0
TidewaterEnergy	TPH	12.16	-2.2
TortPwrEnInfrFd	TPZ	20.07	0.2
TupperwareBrands	TUP	57.00	-0.6
Twilio	TWLO	28.81	-2.4
UnderArmour A	UAA	17.90	-3.2
UnderArmour C	UA	15.23	-0.6
UnitCorp	UNT	14.49	...
Universal	...	...	...
VirtusEnhDivInc	...	...	...
WalterInvMgmt	WAC	0.35	-4.7
Weatherford	WFT	3.75	-1.6
WhitingPetrol	WLL	4.47	1.5
NYSE Arca highs - 13			
ARKInnovationETF	ARKK	32.08	0.2
ARKWebxETF	ARKW	38.84	0.2
DBIOBrIndstsDouble	BDD	29.65	-1.0
DirexionDly	FAS	42.85	...
FT CA Munini	FCAL	50.93	0.1
GlbX MLP	GXMA	15.82	...
iPathBloomAlumTR	JJU	28.80	1.5
GuggSP500Inv	SPHQ	28.96	...
GuggSP500Qual	QUAL	70.73	0.3
iShGoldTr	IAU	12.46	0.8
PwrShAerospace	PPA	49.29	0.4
ProShSP500Divs	NOBL	59.06	0.3
ProShSPVnlGlbls	EFAD	33.66	0.4
VaneckRussiaSmCap	RSXJ	45.78	...
NYSE Arca lows - 40			
AlerianMLPETF	AMLP	10.78	-2.3
AlerianMLPInfr	ENFR	19.49	-1.8
CSX2xLevAlerMLPETN	AMJL	10.65	-4.7
DirexGoldMinerBull	NUGT	...	...
DirexEnergyB3	ERX	26.38	-2.9
DirexGoldMiners3	GDXX	6.85	-2.4
DirexNatGasB3	GASX	15.20	...
DirexSP500Bl3	SOXL	...	...
DirexTechBear1	TECZ	33.03	-2.0
ETRACS2xMLPIdx	MLPQ	37.32	-3.0
ETRACSAlerMLPInfr	MLPI	12.50	-1.4
ElementsRogers	...	...	...
EnSelectSectorSPDR	XLE	63.48	-0.6
FT EnergyAlpDx	FXN	12.20	-0.8
FT NatlGas	FCG	19.49	-1.9
GlbX MLP	MLPA	9.83	-1.5
GlbX MLP&EnergyInfr	MLPX	12.13	-1.6
iPathBloomAgriTR	JJA	31.25	-1.8
iPathBloomGrainsTR	JJG	30.97	-0.8
iPathSP500VixST	VXX	14.38	-2.1
iShrsGSCICmdtyIdx	GSG	14.38	-1.1
iShUSOilEquip	IEZ	39.43	-0.9
iShUSOilGasEx	IEO	54.60	-0.8
JPM AlerianMLP	AMJ	28.77	-1.3
MktVectorsOilSvcs	OIH	23.29	...
PwrShDBAgri	DBA	18.88	-0.8
PwrShDBCmdtyIdx	DBC	14.64	-0.4
PwrShDBBasMet	...	...	...
PwrShDynOilSvs	PXJ	4.97	-2.2
PwrShDynEnExpl	PXE	16.34	...
SPDRS&PEnergyExpl	XOP	30.61	-0.6
SPDRS&POilGasEq	XES	13.32	-1.3
SPDR S&POilExpl	OSH	23.57	-1.0
SPDRSmCapEnergy	...	...	...
US Oil Fund	USO	9.66	-0.9
UBS ETRACS	...	...	...
ETRACS AlrMLPInfr	...	...	...
E-TRACS AlerMLP	AMU	16.47	-2.0
UBS ETRACS WlsFrgo	FMLP	...	...
US Gas Fund	UGA	28.23	-1.3
VanguardEnergy	VDE	85.58	-0.8
Nasdaq highs - 59			
AdobeSystems	ADBE	150.65	0.8
AlignTech	ALGN	172.98	...
Appian	APPN	19.20	3.2
Apple	AAPL	161.83	1.1
BIO-key	BKYI	3.67	-5.8
BioLifeSolu	BLFS	4.09	-6.2
BioTelemetry	BEAT	37.50	-1.6
BoingoWireless	WIFI	19.71	1.2
BrightHorizons	BFAM	80.59	...
CBOE Holdings	CBOE	98.06	0.5
CadenceDesign	CDNS	37.33	0.6
Calyxt	CLXT	22.51	7.2
CanterburyPark	CPHC	12.25	-4.9
ChinaBiologic	CBPO	110.94	...
CognizantTech	CTSH	72.05	-0.2
Corvel	CRVL	50.45	0.2
CoStarGroup	CSGP	286.00	-0.9
CyberOptics	CYBE	7.84	2.9
Cyanotech	CYAN	5.10	2.8
DSGX	DSGX	27.00	0.9
Dynatronics	DYNT	2.78	...
Descartes	DSGX	27.00	0.9
Dexcom	DXCM	71.48	...
Exelixis	EXEL	27.00	1.2
FT CA MunHI	FCAL	50.98	...
FlexShDisciDur	MBS	23.85	...
GlobalSelfStorage	SELF	4.97	...
HealthInsInnov	HIIQ	34.30	2.6
HorizonGlobal	HZN	24.17	...
HuntingtonBcsh pfD	HBANN	26.87	...
IntegratedMedia	IMTE	22.20	0.1
IntersectENT	XENT	30.95	3.4
IntuitiveSurgical	ISRG	971.85	2.2
Inventure	SNAK	6.75	0.3
JanusHenderson	JHG	33.99	...
KalaPharm	KALA	22.05	2.4
KitePharma	KITE	130.10	0.3
KratosDefense	KTOS	12.40	-0.2
LPL Financial	LPLA	46.76	0.5
LibertySirius B	LSXMB	46.28	3.1
MGPIngredients	MGPI	61.16	2.5
MaximIntProducts	MXIM	46.57	-0.2
MercurySystems	MRCY	48.35	1.9
MiMedx	MDXG	17.24	-0.1
MonsterBev	MNST	55.79	-1.0
MyoKardia	MYOK	45.55	2.1
NVR Group	NVR	36.98	...
NationalBeverage	FIZZ	115.03	2.1
NetSolTech	NTWK	7.99	2.5
NovusTherap	NVUS	5.12	1.1
OSI Systems	OSIS	89.58	-4.0
ObsevaETF	OBSV	8.83	7.4
PacificSpecialtyR	PACR	2.45	...
PacificPremBcp	PPBI	37.41	-0.9
ProgressSoftware	PRGS	32.25	...
Prothena	PRTA	64.90	-2.9
Rubicon	RBCN	11.35	...
SBA Comm	SBAC	142.07	0.6
SandersonFarms	SAFM	149.00	0.2
SaroLbrs	...	...	...
SinclairLbrs	SINC	19.64	...
Spok	...	...	...
SteveMadden	SHOO	43.80	-1.2
SupernusPharma	SUPN	45.80	0.9
Synopsys	SNPS	78.57	1.2
TeleTech	TTEC	43.60	1.6
TownSports	CLUB	5.90	1.8
VicShUSMultMin	VSMV	25.55	0.7
VicShsUSMulti	CFA	46.01	0.4
VivintSolar	VSLR	7.60	1.3
WillisTowersWatson	WLTW	151.00	-0.3
Wingstop	WING	37.45	-1.0
XploreTech	XPLR	3.38	-1.6
ZAGG	ZAGG	12.32	0.4
Nasdaq lows - 98			
ARCAbiopharma	ABIO	1.15	-14.2
AEterna	AEZS	1.42	-3.4
AmerAirlines	AAL	48.10	-0.8
AmeriSvs	ATAX	5.80	...
Ameris	ABCB	43.12	-0.9
Amyris	AMRS	2.44	-5.2
AnthemiaNetworks	ANET	2.10	0.4
ArgosTherap	ARGS	0.38	-11.3
ArtsWayMfg	ARTW	2.16	-1.1
Astrotech	ASTC	0.68	-10.7
VelocityShVIXTail	BSWN	19.55	0.1
WBIPwrFactorHiDiv	WBIW	26.18	...
NYSE American highs - 1			
PeabodyEnerPfdA	BTUp	63.79	10.0
NYSE American lows - 25			
AmpioPharm	AMPE	0.42	-6.7
AxogenPharma	AXN	6.26	-2.8
ContangoO&G	MCF	4.84	-8.0
GoodrichPetrol	GDP	9.00	-2.1
InspireMD	NSPR	0.37	-3.1
Myomo	MYO	5.75	-7.0
Plurex	PZG	3.43	-2.7
PlatinumGrpMtls	PLG	0.51	-5.8
Nasdaq highs - 59			
...			
BedBath	BBBY	27.56	-5.2
BigSSportingGoods	BGFV	8.20	-6.8
BlueknightEner	BKEP	5.40	-1.8
CTI Ind	CTIB	2.50	-1.9
Cardtronics	CATM	25.81	1.6
ChinaBiologic	CBPO	90.17	-1.8
CidaraTherap	CDTX	5.50	-4.5
ClearSignComb	CLIR	2.78	-8.8
Core-Mark	CORE	26.95	-1.6
DentsplySirona	XRAY	53.21	-1.0
DepoMed	DEPO	8.51	-0.2
DestinationXL	DXLG	1.65	-2.9
DigitalAlly	DGLY	2.70	-1.6
DiscoveryComm A	DISCA	21.81	-1.1
DiscoveryComm C	DISCK	21.50	-1.1
ElbitImaging	EMITF	...	...
ElectroSensors	ELSE	...	...
EnergyRecovery	ERII	6.20	-2.7
EnergyXXIGulfCoast	EXXI	15.42	-2.2
ExOne	XONE	7.61	-5.0
FTD	FTD	12.98	-4.1
FalconStorSftw	FALC	0.15	-11.5
Francescas	FRAN	7.08	-5.2
Fred's	FRED	5.30	-7.5
GoodTimesRest	GTIM	2.60	...
HBT Fin	HBTF	3.45	1.4
HarmonicInc	HLIT	2.89	-1.6
HaynesIntl	HAYN	28.97	0.5
HibbettSports	HIBB	11.55	-16.5
HomeStreet	HMST	22.50	-6.0
HorsehooBait	...	...	...
HuronConsulting	HURN	32.40	-1.7
ITUS	ITUS	0.60	-6.5
ImmunePharma	IMNP	1.02	-0.4
Inpixon	INPX	0.19	-15.7
IntlSpeedway	ISCA	34.55	-0.4
IovanceBiotherap	IOVA	6.34	...
JaguarAnimalHlth	JAGX	0.39	-4.7
KingstoneComp	KINS	14.65	-4.7
LM Funding	LMFA	3.55	-8.3
LiquidityServices	LQDT	5.55	-3.5
LiveVentures	LIVE	11.00	-6.8
MBFinancialPfdA	MBFIP	25.68	-0.2
MYR Group	MYRG	26.51	-0.2
MabVaxTherap	MBVX	0.50	-7.2
MadrigalPharma	MDGL	14.61	-3.5
MammothEnergy	TUSK	13.60	-3.5
Mattel	MAT	17.21	0.3
MeetMe	MEET	3.41	...
Mylan	MYL	29.40	1.7
NatlCineMedia	NCMI	5.42	-3.2
NeosTherap	NEOS	6.20	-3.9
NeptuneTech	NEPT	1.39	-4.1
NetElement	NETE	0.33	-7.5
NovaBayPharm	NBY	1.96	-9.2
OceanPwrTech	OPTT	0.20	-12.9
PDF Solutions	PDFS	15.14	-1.6
PacificEthanol	PEIX	4.55	-7.1
PattersonUTIEn	PTEN	15.87	-2.8
Photronics	PLAB	7.70	-2.5
PowellIndustries	POWL	30.30	0.1
PwrShS&P SC Ener	PSCE	11.72	-6.3
PwrShDynOilGas	PXJ	3.35	-1.0
ProfireEnergy	PFIE	1.73	-1.7
RealIndustry	RELY	0.25	-0.2
Redfin	RDFN	19.02	...
RentGreen	RNTG	...	...
Retrophin	RTRX	17.31	-0.4
RexEnergy	REXX	2.37	...
RevolutionLighting	RVLT	5.62	-2.0
RosettaStone	RST	9.50	-5.1
RossStores	ROST	52.85	-3.2
SAExploration	SAEX	3.56	-1.2
SmartSand	SND	4.81	-1.4
SportsmansWhs	SPWH	4.43	-7.7
StrataSkinSci	SSKN	1.51	3.7
StreamlineHealth	STRM	1.25	-6.0
SurgeryPartners	SGRY	9.05	-2.4
SynergyPharm	SGYP	2.85	-1.2
TTM Tech	TTMI	2.41	...
TonixPharm	TNXP	3.91	-0.5
TrinityBiotech	TRIB	5.87	-1.7
TripAdvisor	TRIP	40.01	-2.0
UniversalForest	UFPI	84.81	-0.2
UrbanOne D	UONEK	1.65	-8.1
VeriFone	PAY	18.59	-1.9
WPT Industrial	WPT	17.55	-0.9
WindstreamHldgs	WIN	3.33	-0.9
XenonPharma	XENE	2.25	-2.2

Dividend Changes

Dividend announcements from August 15.

Company	Symbol	Yld %	Amount New/Old	Frq	Payable / Record
Increased					
Utd Community Bancorp	UCBA	2.1	.10 /.09	Q	Sep07 /Aug24
Initial					
Formula Folios Hdg Growth	FFHG		.055		Aug21 /Aug17
Public Storage Pfd. G	PSAqG		.18587		Sep28 /Sep13
Funds and investment companies					
ChineseYuanDimSumBd	DSUM	3.9	.075	M	Aug31 /Aug17
Eagle Point Credit	ECC	11.4	.45		Sep08 /Aug25
Formula Folios Income ETF	FFTI	2.7	.0559	M	Aug21 /Aug17
FundVngradeCorpBdPort	PFIG	2.6	.05508	M	Aug31 /Aug17
Highland/iBoxx Sr Loan	SNLN	4.4	.06657	M	Aug31 /Aug17
Master Income ETF	HIPS	7.2	.1075	M	Aug18 /Aug17
OSh FTSE AsiaPac Qty Div	OASI	0.6	.01314	M	Aug21 /Aug17
O'Shares FTSE Russ Intl	ONTL	0.5	.01159	M	Aug21 /Aug17
O'Shares FTSE Rus SC Qu	OUSM	1.4	.03033	M	Aug21 /Aug17
OShs FTSE Eur Quality Div	OEUR	0.4	.00831	M	Aug21 /Aug17
OShs FTSE US Quality Div	OUSA	1.0	.02994	M	Aug21 /Aug17
PowerSh CA AMT-Fr Mun Bd	PWZ	2.5	.05384	M	Aug31 /Aug17
PowerSh Natl AMT-Fr Muni	PZA	3.1	.06624	M	Aug31 /Aug17
PowerSh NY AMT-Fr Mun Bd	PZT	3.0	.06068	M	Aug31 /Aug17
PowerSh Taxable Mun Bd	BAB	4.0	.09767	M	Aug31 /Aug17
PowerShares DWA Tactical	DWIN	4.3	.09796	M	Aug31 /Aug17
PowerShares Finl Pfd	PGF	5.3	.08424	M	Aug31 /Aug17
PowerShares Gl Shrt Tm	PGHY	5.3	.10646	M	Aug31 /Aug17
PowerShares KBW Hi Div	KBWD	8.9	.17	M	Aug31 /Aug17
PowerShares KBW REIT	KBWY	7.1	.21475	M	Aug31 /Aug17
PowerShares S&P 500 Hi Div	XRLV	1.5	.039	M	Aug31 /Aug17
PowerShares Sr Loan Ptf	BKLN	3.6	.06905	M	Aug31 /Aug17
PowerShares Variable Rate	VRP	4.6	.10	M	Aug31 /Aug17
PowerShares VRDO Tax-Free	PVI	0.6	.00737	M	Aug31 /Aug17
PS Ladder Rte 0-5 Yr Corp	LDRI	1.2	.02467	M	Aug31 /Aug17
PS Ladder 0-5 Yr Corp	LDRI	...	...	...	...
PwrShs S&P 500 Lo Volt Prt	SPVU	2.2	.0494	M	Aug31 /Aug17
PS Variable Rate Inv Grd	VRIG	2.2	.04709	M	Aug31 /Aug17
PwrShr S&P SC Hi Div Low	XSHD	4.8	.09495	M	Aug31 /Aug17
PwrShr VRDO Tax-Free Wkly	PVI	0.6	.01098	M	Aug31 /Aug17
PwrShrs 1-30 Ladrd Treas	PLW	2.0	.05388	M	Aug31 /Aug17
PwrShrs CEF Inc Comp Prt	PCEF	5.6	.1	M	Aug31 /Aug17
PwrShrs Preferred	PGX	5.6	.06975	M	Aug31 /Aug17
PwrShs Emrg Mkts Sov Debt	PCY	4.9	.12	M	Aug31 /Aug17
PwrShs Fundm H Y F Cp Bd	PHB	4.0	.06245	M	Aug31 /Aug17
PwrShs Intl Cp Bd Pf	PICB	1.5	.03359	M	Aug31 /Aug17
PwrShs S&P 500 High Div	SPHD	3.0	.10275	M	Aug31 /Aug17
PwrShs S&P Intl Dv Ach	PID	3.5	.04901	M	Aug31 /Aug17
PwrShs Intl Corp Bd Prt	PICB	3.0	.03302	M	Aug31 /Aug17
Source Capital	SOR	3.0	.35	Q	Sep15 /Aug31
VicSh Developed Enh Vol	CIZ	0.6	.01763	M	Aug18 /Aug17
VicSh Dividend Accelerator	VSDA	1.2	.02973	M	Aug18 /Aug17
VicSh EM Hi Div Vol Wtd	CEY	2.0	.0538	M	Aug18 /Aug17
VicSh Intl Hi Div Vol Wtd	CID	1.8	.03908	M	Aug18 /Aug17
VicSh Intl Volatility Wtd	CIL	0.8	.02267	M	Aug18 /Aug17
VicSh US 500 Enh Vol Wtd	CFO	0.6	.02301	M	Aug18 /Aug17
VicSh US 500 Volatility Wtd	CFA	0.6	.02214	M	Aug18 /Aug17
VicSh US Dsc Enh Vol Wtd	CSF	0.6	.00982	M	Aug18 /Aug17
VicSh US EQ Incm Enh Vol	CDC	1.6	.05709	M	Aug18 /Aug17
VicSh US LC High Div Vol	CDL	2.0	.05596	M	Aug18 /Aug17
VicSh US Multi Min Vol	VSMV	1.5	.02848	M	Aug18 /Aug17
VicSh US SC Hi Div Vol	CSB	2.2	.04987	M	Aug18 /Aug17
VicSh US SC Vol Wtd	CSA	0.6	.02243	M	Aug18 /Aug17
WBI Tactical Hi Income	WBII	3.3	.0694	M	Aug21 /Aug17
WBI Tactical LCV Shares	WBIF	1.0	.0217	M	Aug21 /Aug17
WBI Tactical LCY Shares	WBIL	0.8	.01491	M	Aug21 /Aug17
West Asset Hi Yld Dfnd	HYI	7.4	.095	M	Oct02 /Sep22
West Asset HY Def Opp Fd	HYI	7.4	.095	M	Nov01 /Oct20
West Asset HY Def Opp Fd	HYI	7.4	.095	M	Dec01 /Nov24
Western Asset Corp Loan	TLI	6.6	.065	M	Oct02 /Sep22
Western Asset Corp Loan	TLI	6.6	.065	M	Nov01 /Oct20
Western Asset Corp Loan	TLI	6.6	.065	M	Dec01 /Nov24
Western Asset Invt	IGI	4.7	.085	M	Oct02 /Sep22
Western Asset Invt	IGI	4.7	.085	M	Nov01 /Oct20
Western Asset Invt	IGI	4.7	.085	M	Dec01 /Nov24
Western Asset Mgd Muni	MMU	5.2	.0625	M	Dec01 /Nov24
Western Asset Mgd Muni	MMU	5.2	.0625	M	Nov01 /Oct20
Western Asset Mgd Muni	DMO	10.5	.1484	M	Oct02 /Sep22
Western Asset Mtg Dfnd	DMO	10.5	.1484	M	Nov01 /Oct20
Western Asset Mtg Dfnd	DMO	10.5	.1484	M	Dec01 /Nov24
Western Asset Mun Tr Fund	MTT	4.4	.084	M	Nov01 /Oct20
Western Asset Mun Tr Fund	MTT	4.4	.084	M	Oct02 /Sep22
Wstrn Asset Gl Def Opp Fd	GDO	7.6	.1135	M	Oct02 /Sep22
Wstrn Asset Gl Def Opp Fd	GDO	7.6	.1135	M	Nov01 /Oct20
Wstrn Asset Gl Def Opp Fd	GDO	7.6	.1135	M	Dec01 /Nov24
Wstrn Asset Glbl Hi Inco	EHI	9.6	.0765	M	Oct02 /Sep22
Wstrn Asset Glbl Hi Inco	EHI	9.6	.0765	M	Nov01 /Oct20
Wstrn Asset Glbl Hi Inco	EHI	9.6	.0765	M	Dec01 /Nov24
Wstrn Asset High Inco II	HIX	8.2	.049	M	Oct02 /Sep22
Wstrn Asset High Inco II	HIX	8.2	.049	M	Nov01 /Oct20
Wstrn Asset High Inco II	HIX	8.2	.049	M	Dec01 /Nov24
Wstrn Asset Intermed Muni	SBI	4.2	.034	M	Dec01 /Nov24
Wstrn Asset Intermed Muni	SBI	4.2	.034	M	Oct02 /Sep22
Wstrn Asset Intermed Muni	SBI	4.2	.034	M	Nov01 /Oct20
Wstrn Asset Mngd Muni	MHF	4.1	.0255	M	Dec01 /Nov24
Wstrn Asset Mngd Muni	MNP	4.4	.025	M	Oct02 /Sep22
Wstrn Asset Mngd Muni	MMU	4.4	.025	M	Nov01 /Oct20
Wstrn Asset Muni Hi Inco	MHF	4.1	.0255	M	Oct02 /Sep22
Wstrn Asset Muni Hi Inco	MHF	4.1	.0255	M	Nov01 /Oct20
Wstrn Asset Muni Ptnrs Fd	MNP	4.5	.0625	M	Dec01 /Nov24
Wstrn Asset Muni Ptnrs Fd	MNP	4.5	.0625	M	Nov01 /Oct20
Wstrn Asset Muni Ptnrs Fd	MNP	4.5	.0625	M	Oct02 /Sep22
Wstrn Asset Opp Fd	HIO	6.9	.029	M	Oct02 /Sep22
Wstrn Asset Opp Fd	HIO	6.9	.029	M	Nov01 /Oct20
Wstrn Asset Opp Fd	HIO	6.9	.029	M	Dec01 /Nov24
Wstrn Asset Var Rate Fd	GFY	5.4	.0775	M	Oct02 /Sep22
Wstrn Asset Var Rate Fd	GFY	5.4	.0775	M	Nov01 /Oct20
Wstrn Asset Var Rate Fd	GFY	5.4	.0775	M	Dec01 /Nov24
Foreign					
China Mobile ADR	CHL	3.7	1.03755	SA	Oct10 /Aug31
China Mobile ADR	CHL	3.7	2.0457		Oct10 /Aug31
Chubb	CB	1.9	.71		Oct2017
Embotell Andina A ADR	AKO/A	2.1	.17625	Q	Aug31 /Aug25
Embotell Andina B ADR	AKO/B	2.9	.19388	Q	Aug31 /Aug25
Suspended					
Tahoe Resources	TAHO			M	Aug31 /...

KEY: A: annual; M: monthly; Q: quarterly; r: revised; SA: semiannual; S2:1: stock split and ratio; SO: spin-off.

Buffett Bets on Credit-Card Firm

Buying 17.5 million shares of Synchrony represents a wager on industry growth

By AnnaMaria Andriotis

Warren Buffett's **Berkshire Hathaway** Inc. is increasingly betting on the growing credit-card industry.

On Monday, Berkshire Hathaway disclosed it bought nearly 17.5 million shares of **Synchrony Financial** in the second quarter totaling nearly $521 million.

That is a vote of confidence for the largest U.S. store credit-card issuer, whose shares rose 4.6% on Tuesday.

Berkshire Hathaway already owns $12.8 billion in American Express Co.'s shares and smaller stakes in Visa Inc. and Mastercard Inc. While Synchrony's cards are mostly geared toward the mass market, American Express is more geared at affluent consumers. Coupled together, the holdings increase Berkshire Hathaway's exposure to credit cards, an industry where overall outstanding balances in June were up about 6% from a year ago, according to the latest data from the Federal Reserve.

Bill Smead, chief executive of asset-management firm Smead Capital Management Inc., said that Synchrony's relatively cheap stock price likely played a role in the purchase. Synchrony's shares fell in late April after the company increased its outlook for full year 2017 charge-offs. Since the beginning of the year, Synchrony shares are down 14.6%, compared with a 10% increase in the S&P 500.

Most of Synchrony's loan volume is tied to store credit cards that it issues. Those include a mix of cards that can be used only in the store that they are issued for and cobranded cards that can be used anywhere.

NATI HARNIK/ASSOCIATED PRESS

Warren Buffett's Berkshire Hathaway already owns a $12.8 billion stake in American Express.

Berkshire Made $1.5 Billion on GE

Warren Buffett managed to make more than $1.5 billion by investing in **General Electric** Co., a stock that has rewarded few in recent years.

The billionaire investor's **Berkshire Hathaway** Inc. lent GE $3 billion in the depths of the financial crisis—a time when the industrial conglomerate was straining under the weight of its huge financial-services business and tight credit markets.

The $1.5 billion in profit for Berkshire is surprising partly because GE's stock isn't associated with large returns. In the past 12 months, the stock is down 19% and has been the worst performer in the Dow Jones Industrial Average so far this year.

Under the terms of the 2008 deal, Mr. Buffett lent the money in exchange for getting $3.3 billion paid back, plus $300 million in annual dividends, and a warrant that allowed him to buy $3 billion in GE stock for $22.25 a share for five years.

In 2011, GE paid off the loan by paying Berkshire $3.3 billion and had already shelled out three full years of dividends at $300 million apiece. Together, they accounted for a profit of about $1.2 billion.

In 2013, as his warrant to buy the GE stock was to expire, GE settled so Berkshire wouldn't have to shell out the $3 billion to buy the stock, which was then trading above the $22.25 exercise price. Instead, it gave Berkshire 10.7 million shares, which was equal to the total amount he would receive over the $22.25 exercise price of the warrant.

Mr. Buffett sold all those shares in this year's second quarter, according to a newly released regulatory filing. We don't know when exactly they were sold, but the shares were valued at $315 million at the end of March.

Add in about $30 million in regular dividends paid over the time he held the shares, and the $1.2 billion in profit from 2011, and Berkshire got a total of about $1.545 billion in cash for lending $3 billion for three years. Not a shabby return.

—Thomas Gryta

Synchrony's net charge-off rate, which reflects the dollar amount of balances it wrote off as a loss compared with its total average loan balances, increased by more than 0.9 percentage point from a year earlier to 5.42% in the second quarter. The company also continues to set aside more money to cover future losses, with provisions rising 30% in the second quarter from a year earlier.

Synchrony's high interest rates, which run up to the high 20% range for many Synchrony cards, can offset some concern.

Berkshire "must like the way their spread is set up despite the fact that there are defaults," said Mr. Smead, whose firm is a Berkshire shareholder.

A representative for Berkshire Hathaway didn't have an immediate comment. A spokesman for Synchrony declined to comment.

The purchase of Synchrony stock was further notable in that it came at the same time that Berkshire sold its holdings of General Electric Co., unloading nearly 10.6 million shares. Synchrony Financial spun out of General Electric in 2015.

Paul Lountzis, president of Lountzis Asset Management LLC, a Berkshire Hathaway shareholder, said Synchrony is well capitalized. Its board recently approved a share repurchase program of $1.64 billion for the four quarters through June 2018, above the consensus estimates that averaged around $1.4 billion.

The store credit-card market is less competitive than the rest of the credit-card industry, with less than a handful of very large players.

Synchrony accounts for about 38% of outstanding store-card balances, according to trade publication Nilson Report. Its longstanding relationships with many merchants increase the chances that Synchrony will remain a dominant player in a market where retailers want to see that lenders have delivered on driving more store sales and loyalty.

"It's always better to be an incumbent and have all those longstanding relationships going back many years," said Mr. Lountzis. The firm "appeals to a different audience" than American Express.

By comparison, American Express mostly lends to affluent card holders and its losses are among the lowest in the industry.

Its chief executive, Kenneth Chenault, at a conference in June said that he had no desire to enter the store credit-card market, referring to it as a "very cyclical, volatile business. When you have good days, they can be really good, but those bad days are really bad."

Deutsche Bank to Get New CEO for Americas

By Jenny Strasburg

Deutsche Bank AG named its third Americas chief executive in less than 18 months, promoting the head of its global equities business, Tom Patrick, to the prominent New York-based role, according to an internal memo sent to employees Tuesday.

Mr. Patrick replaces Bill Woodley, who is leaving the German lender, according to the memo, signed by Chief Executive Officer John Cryan. The contents were confirmed by a spokeswoman.

In his new Americas role, Mr. Patrick will report to Mr. Cryan. Mr. Patrick will continue as global equities chief and co-head of the U.S. corporate and investment bank under Garth Ritchie, London-based co-head of the investment bank globally.

Tom Patrick's naming is the third appointment to the role in 18 months.

As Americas CEO, Mr. Patrick takes on complex legal, political and regulatory matters in a crucial market for the German bank. It is trying to reinvigorate its trading and investment-banking businesses under tighter controls by U.S. bank watchdogs, and faces a bright spotlight over its loans tied to President Donald Trump.

The churn in executives overseeing Deutsche Bank's sprawling U.S. business started in May 2016. That is when the bank said longtime banker Jacques Brand was leaving.

In July 2016, Mr. Woodley was named Americas CEO, which put him in charge of Deutsche Bank's newly formed U.S. holding company, subject to stricter oversight by the Federal Reserve. Mr. Woodley reported to Jeff Urwin, who at the time ran the global investment bank.

Last summer, Mr. Urwin took on expanded duties as the management-board member overseeing U.S. operations. He left Deutsche Bank less than a year later.

Mr. Cryan in Tuesday's memo called Mr. Woodley's 19-year Deutsche Bank career "long and successful." The memo didn't specify Mr. Woodley's plans, and he couldn't be reached for comment. Mr. Cryan this year has been spending more time in the U.S., including on client trips, than he did initially after being named CEO in mid-2015, according to people familiar with the matter.

Mr. Patrick joined Deutsche Bank in 2012 after 18 years at Bank of America Merrill Lynch.

At Deutsche Bank, the equities business he oversees has struggled for months from a loss of clients and lagging revenue, which the bank has blamed in part on turmoil over concerns last year about the bank's capital cushion and mounting legal fines.

The capital concerns have abated, but the bank's efforts to win back stock-trading clients have produced disappointing results so far.

Deutsche Bank faces an unresolved U.S. Justice Department investigation into billions of dollars in Russian stock trades. Democratic U.S. lawmakers repeatedly have demanded, unsuccessfully, that Deutsche Bank hand over details of its more than $300 million in loans to entities affiliated with Mr. Trump and provide details about the bank's Russia business, any potential ties to Mr. Trump and related internal probes.

Deutsche Bank has rebuffed the lawmakers' requests, saying it seeks to cooperate with formal congressional or regulatory inquiries, but that bank-confidentiality rules prohibit it from revealing details about its clients or business outside of formal inquiries.

Amazon Raises $16 Billion in Bond Market

By Sam Goldfarb

Amazon.com Inc. sold $16 billion of bonds Tuesday to help fund its purchase of **Whole Foods Market** Inc., meeting strong demand from investors as it made a rare trip to the debt market.

Amazon sold a $3.5 billion 10-year bond at a 0.9-percentage-point yield premium to Treasurys, below the 1.1-percentage-point guidance set by underwriters earlier in the day, according to a person familiar with the deal. The e-commerce giant benefited from similarly favorable price adjustments across six other maturities, ranging from three-years to 40-years, the person said. In its entirety, the sale added up to the fourth-largest U.S. corporate bond deal of the year, according to Dealogic.

Earlier this week, Moody's Investors Service affirmed Amazon's Baa1 rating and changed its outlook to positive from stable, saying the benefits of the Whole Foods acquisition outweighed the extra debt being taken on to fund the deal. The debt sale is just Amazon's fourth since 1998 and first since December 2014, according to Dealogic.

Compared with other companies with similar credit ratings, Amazon has relatively little debt outstanding, "making it a good opportunity for a lot" of debt investors, said Rajeev Sharma, director of fixed income at Foresters Investment Management Company.

Excluding lease obligations, Amazon reported $7.68 billion of long-term debt and more than $21 billion of cash and marketable securities as of June 30.

Expected to close in the second half of the year, Amazon's purchase of Whole Foods has the potential to reshape the grocery industry as the company makes its first major entry into brick and mortar. Amazon has said little about plans for the more than 460 stores it is acquiring, in part because the deal came together in about six weeks. But former Amazon executives expect it to reduce prices, integrate some back-end operations and add some Prime membership benefits.

Amazon has struggled to gain a foothold in the grocery industry for years. Meanwhile, traditional grocers such as Kroger Co. and Albertsons Cos. have been struggling with volatile food prices and competition from discounters.

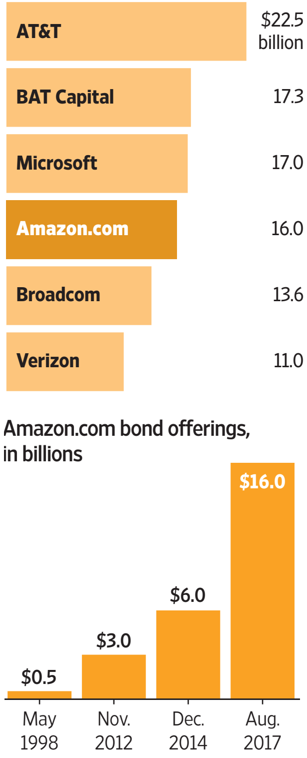
The company is taking advantage of favorable borrowing conditions. As of Monday, the average yield premium on investment-grade corporate bonds relative to Treasurys was 1.11 percentage points, not far above the post-financial crisis low of 0.97 percentage point set in 2014, according to Bloomberg Barclays data.

Amazon's existing 4.8% bonds due 2034 traded Tuesday at just below 113 cents on the dollar, translating to a yield-premium to Treasurys of 0.93 percentage point, according to MarketAxess.

—Laura Stevens and Justina Vasquez contributed to this article.

Big Deal

Amazon's $16 billion bond sale Tuesday was the online retailer's biggest ever.



Source: Dealogic
Photo: Richard B. Levine/Zuma Press
THE WALL STREET JOURNAL.

The company's purchase of Whole Foods has the potential to reshape the grocery industry.

KPMG Agrees to Settle SEC Claims for $6.2 Million

By Michael Rapoport and Dave Michaels

KPMG LLP agreed Tuesday to pay $6.2 million to settle Securities and Exchange Commission allegations that the accounting firm botched its audit of an oil-and-gas company, and the lead partner on the audit agreed to a suspension from auditing public companies.

The SEC said KPMG failed to properly audit the financial statements of **Miller Energy Resources** Inc. in 2011, overlooking the overvaluation of oil-and-gas interests that the company had purchased in Alaska. Among other things, KPMG failed to detect that certain fixed assets were double-counted in the company's valuation, the SEC said.

That led to investors being misinformed that properties Miller had purchased for $4.5 million were worth $480 million, the SEC said.

KPMG agreed to pay a $1 million fine and disgorge nearly $4.7 million in audit fees it had received from Miller Energy, and agreed to pay more than $558,000 in interest. The Big Four firm didn't admit or deny the SEC's findings. In a statement, KPMG said the settlement was related to audit work from six years ago and that it has "fully cooperated with our regulators to reach a resolution."

John Riordan, KPMG's lead partner on the audit, also settled charges against him, agreeing to a $25,000 fine and a suspension from auditing public companies for at least two years. He didn't admit or deny the SEC's findings.

Mr. Riordan, 52 years old, has been with KPMG since 1987 and became a partner in 2000. Since 2013, he has been managing partner of KPMG's Knoxville, Tenn., office, although he is based primarily out of the firm's Atlanta office, the SEC said. An attorney for Mr. Riordan couldn't be reached for comment.

Miller Energy filed for bankruptcy in 2015.

RICHARD B. LEVINE/LEVINE ROBERTS/NEWSCOM/ZUMA PRESS

A Dick's Sporting Goods store. The company's shares fell 23%, their biggest decline ever, after same-store sales disappointed and the annual earnings forecast was cut.

Dow's Gain Capped By Retail Weakness

BY MICHAEL WURSTHORN

Retailers pressured U.S. stocks, as a wave of quarterly reports disappointed investors.

EQUITIES

Dick's Sporting Goods, **Coach** and **Advance Auto Parts** were among the companies that fell short of expectations and contributed to declines in consumer-discretionary shares. The S&P 500 fell 1.23 points, or less than 0.1%, to 2464.61—a day after it posted its biggest gain since April.

Despite some weakness in brick-and-mortar retailers, strong corporate results overall have kept major indexes climbing, investors and analysts said.

"In the market, what matters is earnings, earnings, earnings," said Doug Foreman, chief investment officer of investment firm Kayne Anderson Rudnick. "Most of the world is showing a dramatic improvement in corporate profitability and earnings growth, which has been pretty rare."

The Dow Jones Industrial Average rose 5.28 points, or less than 0.1%, to 21998.99. The Nasdaq Composite declined 7.22, or 0.1%, to 6333.01.

Gains in the shares of financial companies helped mitigate retailers' losses.

Synchrony Financial rose $1.35, or 4.6%, to $30.99, making it one of the S&P 500's biggest gainers, after Warren Buffett's Berkshire Hathaway disclosed Monday that it had opened a large investment in the U.S. store credit-card issuer. The financials sector of the S&P 500 rose 0.2%.

Retailers' earnings were mixed. Dick's Sporting Goods fell 8.04, or 23%, to 26.87—its biggest decline on record—after same-store sales fell short of expectations in the latest quarter and the company lowered its forecast for annual earnings. Advance Auto Parts shares also posted their biggest one-day percentage decline on record, shedding 22.24, or 20%, to 87.08, after the company lowered its 2017 guidance and missed analysts' estimates on profit. Coach, whose profit beat expectations but sales fell short, shed 7.28, or 15%, to 40.64.

Home Depot said it grew same-store sales and raised its outlook for the second time this year. Its shares fell 4.09, or 2.7%, to 150.17.

TJX Cos., parent of the T.J. Maxx, Marshalls and HomeGoods off-price chains, advanced 54 cents, or 0.8%, to 70.16 after reporting strong quarterly sales.

Shares of many brick-and-mortar retailers have tumbled this year as increased competition from e-commerce giants such as **Amazon.com** have cut into profits.

The Commerce Department said Tuesday that sales at retailers and restaurants rose 0.6% from a month earlier, the biggest jump since December, attributing much of the increase to internet sales.

"The source of the retail sales is the non-big-box stores," said Tom Stringfellow, president and chief investment officer of Frost Investments. "It's the internet...It's Amazon Prime."

Stock markets around the world were relatively calm Tuesday after swinging last week following some weak earnings and geopolitical tensions. The Stoxx Europe 600 rose less than 0.1%. Early Wednesday, Japan's Nikkei Stock Average was down 0.1%.

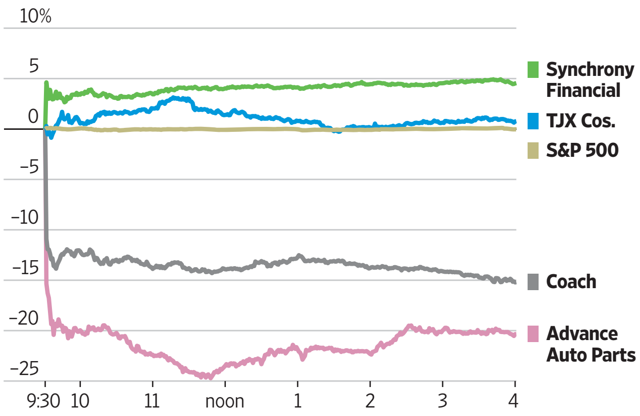
Investors continued to pull back from assets they consider to be relatively safe stores of value. Gold for August delivery fell 0.8% to $1,273.70 an ounce. The U.S. dollar rose 1% against Japan's yen to ¥110.68, its largest one-day increase since June 15.

—Justin Yang contributed to this article.

Under Pressure

Retailers reported mixed quarterly results Tuesday, weighing on U.S. stock indexes, while shares of financial companies rose.

Intraday performance



Source: FactSet THE WALL STREET JOURNAL.

Investors Shrug Off Strong Profit Reports

BY CHRIS DIETERICH

Corporate-earnings season is winding down, and so far the results have been solid. But the second quarter has failed to impress investors.

Shares of S&P 500 companies that beat analysts' earnings forecasts averaged a 0.3% decline over the two days before and the two days after the results, according to FactSet. That is unusual, since investors typically reward companies for topping expectations. Beating earnings has boosted shares, on average, 1.4% over that four-day period over the past five years.

Should this negative price action hold up through the tail end of earnings season, it would mark the first time in five years that a company's shares were punished for topping earnings estimates.

DREW ANGERER/GETTY IMAGES

Shares of companies beating earnings forecasts aren't being rewarded. The floor of the NYSE.

The reaction is a sign investors have become choosier as stocks have rallied this year and valuations have become stretched. And the pattern also could signal that investors are primed to sell into rallies in the back half of 2017.

The tepid responses come at a time when major benchmarks are near all-time highs. Even after last week's market hiccup, induced by escalating tension between the U.S. and North Korea, the S&P 500 ended Monday just 0.7% below last week's all-time high. With more than 90% of S&P 500 constituents reporting, second-quarter earnings growth is forecast to rise 10.2%, the second quarter of double-digit earnings growth in a row.

Lukewarm reactions have held true over one day, too. The above-market pop for shares of companies that beat earnings expectations has been 0.03% over one day, the narrowest margin on record, according to Goldman Sachs Group. Over the past decade, earnings beats have been good for 1.14% of above-market performance.

It is also worth noting that investors aren't selling the good news outright. Goldman finds that shares of companies that beat earnings forecasts still fared better than shares of companies that reported surprisingly flat or negative numbers.

The hurdle, it seems, is getting higher for everyone.

Treasurys Drop as Worries Recede

BY AKANE OTANI

Government bonds retreated, as tensions cooled between North Korea and the U.S. and retail sales showed that the economy is on strong footing.

The yield on the 10-year U.S. Treasury note settled at 2.264%, up from 2.217% Monday, in its largest one-day gain in three weeks.

CREDIT MARKETS

Yields rise as bond prices fall.

Reports that North Korea had stepped back from threats to attack Guam, a turnabout after the country's leader last week ordered his military to examine a plan for a missile strike, drew investors out of government bonds on Tuesday.

Bonds extended declines after Commerce Department data showed sales at retailers and restaurants jumped 0.6% in July, for the strongest sales growth all year. Economists surveyed by The Wall Street Journal had expected a 0.4% increase in sales.

Bond investors have been watching economic data closely in recent months for signs of a pickup in inflation, which has lagged behind the Federal Reserve's 2% annual target this year and made many investors skeptical that the central bank will rush to raise rates. Increased inflationary pressures would weaken demand for bonds since it chips away at the purchasing power of their fixed returns.

So far, however, the economy has appeared to be growing steadily but slowly, analysts said, suggesting bonds will trade in a relatively narrow range for now.

"The overall economic picture is hitting the 'sweet spot' of causing enough uncertainty about inflation to delay the next Fed hike while offering enough strength to keep the hopes for 2018 hikes alive," Aaron Kohli, interest-rate strategist at BMO Capital Markets, wrote in a note.

The day's developments sent Treasury prices to a second consecutive session of declines.

Some traders said a bond sale late Tuesday from Amazon.com added to pressure on prices. Large corporate-debt sales can weigh on Treasurys as underwriters sell government debt to neutralize unwanted swings in interest rates and fund managers look to free up cash to absorb the new bonds.

AUCTION RESULTS

Here are the results of Tuesday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

FOUR-WEEK BILLS

Applications	$105,618,610,400
Accepted bids	$35,000,160,400
" noncompetitively	$479,000,400
" foreign noncompetitively	$100,000,000
Auction price (rate)	99.926889 (0.940%)
Coupon equivalent	0.954%
Bids at clearing yield accepted	56.62%
Cusip number	912796KL2

The bills, dated Aug. 17, 2017, mature on Sept. 14, 2017.

52-WEEK BILLS

Applications	$65,097,686,400
Accepted bids	$20,000,099,900
" noncompetitively	$227,686,400
" foreign noncompetitively	$100,000,000
Auction price (rate)	98.756333 (1.230%)
Coupon equivalent	1.259%
Bids at clearing yield accepted	15.39%
Cusip number	912796NQ8

The bills, dated Aug. 17, 2017, mature on Aug. 16, 2018.

Group Urges the SEC To Reject Auditor Rule

BY MICHAEL RAPOPORT

The U.S. Chamber of Commerce is asking the Securities and Exchange Commission to block a new rule that would require auditors to tell investors more about what they find when auditing a company's books.

The business group urged the SEC to reject the central provisions of the rule, which would require auditors to tell investors about "critical audit matters"—any especially challenging or complex areas of a company's finances that force an auditor to make tough judgment calls.

The Public Company Accounting Oversight Board, the government's auditing regulator, approved the new rule in June. It is intended to give investors more information by expanding the auditor's report—the letter included in every company's annual report in which the auditor weighs in on the accuracy of the company's financial statements.

The auditor's up-or-down ruling on the company's numbers would be retained, but disclosures would be added on "critical audit matters" and on how long an auditor has worked for a company.

The PCAOB's rule is subject to ratification by the SEC.

In a comment letter sent to the SEC last Friday, the chamber contends the PCAOB's planned changes to the auditor's report would serve only to foster confusion and increase legal costs for companies and audit firms, among other problems.

A PCAOB spokeswoman declined to comment.

Massachusetts Probes Retail Brokers

BY ALEXANDER OSIPOVICH

Massachusetts is investigating whether retail brokerages hurt investors by routing orders to stock exchanges that pay them rebates, creating a potential conflict of interest, a top official for the state said Tuesday.

Charles Schwab, **Edward Jones**, **E*Trade Financial**, **Fidelity Investments**, **Morgan Stanley**, **Scottrade** and **TD Ameritrade** have been sent inquiry letters as part of the probe, Massachusetts Secretary of the Commonwealth William F. Galvin said in a news release.

"If financial rebates or kickbacks create a conflict that results in less than the best deal for the investors, this practice must stop," said Mr. Galvin, who oversees enforcement of the securities laws of Massachusetts.

The probe focuses on a longstanding practice in the U.S. stock market called "maker-taker," by which exchanges pay rebates to traders who post new orders, while collecting fees from traders who execute against orders posted on the exchange.

Critics claim that the 'maker-taker' system can skew brokers' incentives.

"The 'kickbacks' he is referring to have been explicitly approved by the Securities and Exchange Commission for almost 20 years," said Michael Friedman, who is general counsel of Trillium Management LLC, a New York-based trading firm.

The investigation was prompted by a July opinion piece in the New York Times, Mr. Galvin said by telephone. The piece, by Yale Law School professor Jonathan Macey and Yale University chief investment officer David Swensen, attacked rebates as "kickbacks."

Mr. Galvin also cited recent criticism of rebates by IEX Group Inc., the upstart stock exchange made famous by Michael Lewis's 2014 book "Flash Boys." IEX doesn't pay such rebates.

Critics say the maker-taker system can skew brokers' incentives by encouraging them to send customers' orders to the exchange that pays the highest rebate.

Defenders of maker-taker say the rebates boost the numbers of buy and sell orders posted on exchanges, which ultimately helps investors by lowering trading costs.

The Massachusetts probe comes as the SEC is exploring a pilot program that would experiment with the effect of lowering rebates and fees for certain securities, which would dilute the impact of maker-taker for a portion of the U.S. stock market.

Charles Schwab said it was reviewing the letter from the Massachusetts authorities. The firm "takes its responsibility to provide clients with best trade execution very seriously," a spokeswoman said.

Edward Jones, Fidelity, Morgan Stanley, Scottrade and TD Ameritrade declined to comment.

E*Trade didn't respond to requests for comment.

MARKETS

Macron Rally Skips Equities in France

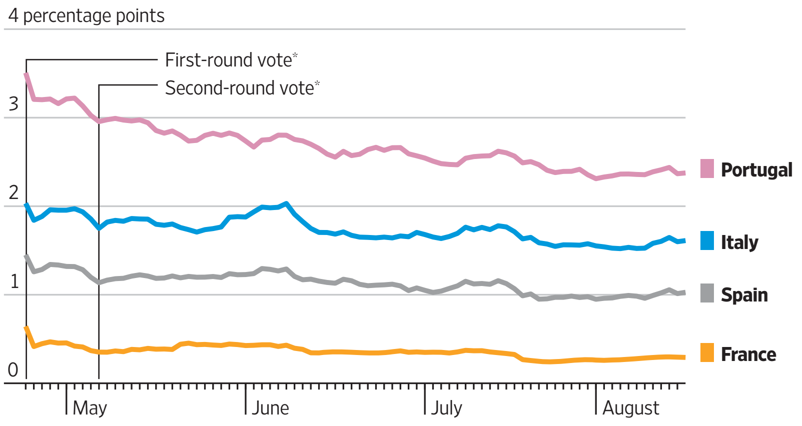
Markets see winners and losers since the pro-EU candidate's presidential victory

By Riva Gold
And Andrew Barnett

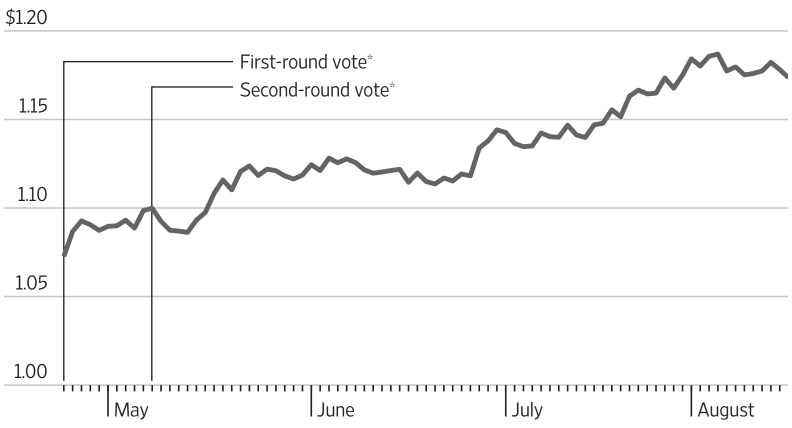
French Stocks Flambéed

Southern European and French bonds have strengthened since Macron's victory, and the euro has gained, but France's stocks have lost ground.

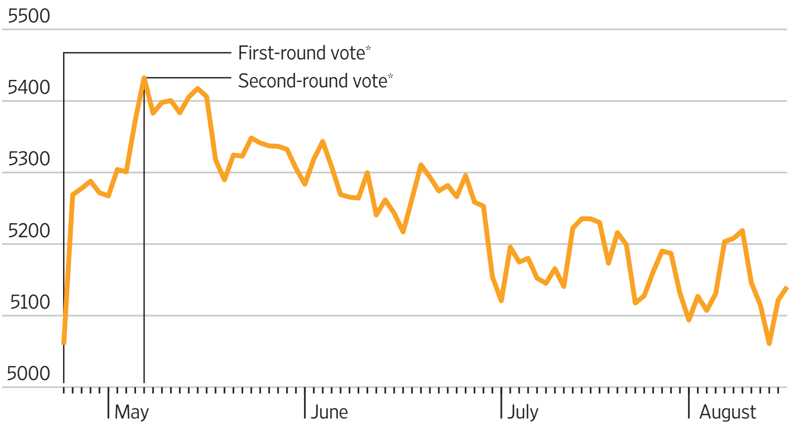
Yield gap over 10-year German government bonds



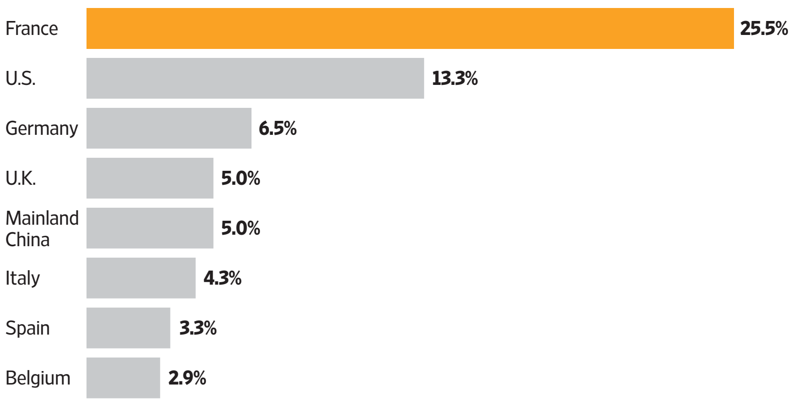
How many dollars €1 buys



CAC-40 index



Breakdown of revenue exposure for the CAC-40 index by country for the past 12 months, as a percentage of total



*Pre-election close

Sources: Tradeweb (gap); WSJ Market Data Group (currency, stocks); FactSet (revenue)

THE WALL STREET JOURNAL.

At the start of the year, concerns that anti-European Union politicians could win elections depressed markets across the region. But in May, pro-EU centrist Emmanuel Macron won the French presidency, triggering a rally in the region's stocks, bonds and common currency.

Many investors anticipated greater political stability and more business-friendly policies across the eurozone, shifting their focus to the improving economy, which grew faster than the U.S.'s at the start of the year.

Three months into Mr. Macron's presidency, here is a look at some of the markets' biggest winners and losers since the two-round vote. Investors are still betting on solid growth, but that isn't doing any favors for French stocks.

WINNERS

Italian stocks struggled earlier this year, before Mr. Macron's election helped defuse investors' fears of a eurozone breakup and reversed a ballooning yield gap between Italian and German government bonds. Coupled with recent efforts to shore up some of Italy's most troubled lenders, Milan's benchmark stock index has climbed 10% since the first round of the French vote, outpacing its regional peers.

With political worries out of the way and a rush of flows into European funds, the euro has swelled against the U.S. dollar since the French vote. Speculators currently hold the longest position on the euro since 2007, according to data from the Commodity Futures Trading Commission.

When National Front candidate Marine Le Pen or left-wing firebrand Jean-Luc Mélenchon were pulling ahead in the polls, investors dumped French, Italian and Spanish bonds and turned to ultrasafe German debt because of worries about the impact of a possible eurozone breakup on Europe's most-fragile economies.

But the day after the first-round vote, the difference between French and German yields dropped by the most since the height of the eurozone crisis in 2011, and spreads across Europe have mostly remained compressed since then.

LOSERS

The benchmark index of blue-chip French stocks shot up 4.1% the day after Mr. Macron cleared the first round of the vote as investors bet that a reduction of political jitters and an onslaught of business-friendly policies would boost shares of Paris's largest companies. But analysts say there have been few signs of progress on market-friendly policies in France, while a stronger euro has been a headwind for shares of multinationals across the bloc.

Companies in France's CAC-40 index generate 61% of their revenue in Europe, making them vulnerable to a strengthening local currency when overseas revenue is translated back into euros. That compares with 67% for the CAC Mid 60 index, which tracks the second 60-largest and most actively traded shares listed on Euronext Paris, and roughly 80% for the CAC Small index of small companies. Both have significantly outperformed the CAC-40 since the French election.

Investors migrated into the ultrasafe debt of the eurozone's largest economy ahead of the French vote to protect their portfolios against the chance of an outcome that could destabilize the currency area and wider financial markets. But since then, expectations for greater cooperation between France and Germany, weaker demand for haven assets and the prospect of less central-bank stimulus in the months ahead has put pressure on the bund.

HEARD ON THE STREET

Email: heard@wsj.com FINANCIAL ANALYSIS & COMMENTARY **WSJ.com/Heard**

New Haven Is Same as the Old One

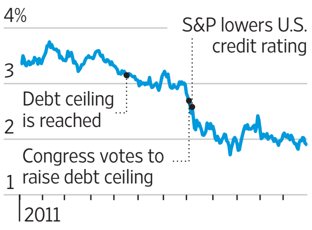
When the world looks stormy, investors' first reaction is to flock to the safety of American assets. But what will they do when the U.S. is where the tempest is brewing? Maybe just flee to America, nonetheless.

The potential for U.S.-centric risks to rise in the weeks ahead is unfortunately not theoretical. When it reconvenes next month, Congress must in short order raise the U.S. debt limit or put the government at risk of not being able to pay what it owes. At the same time, there are a series of geopolitical risks, including the standoff with North Korea, that directly involve the U.S.

When investors get nervous, they typically buy Treasurys. The Treasury market is large, liquid and backstopped by the U.S. government, which historically made it a safe place to ride out trouble. Buying Treasurys means buying dollars so money that flows into them also flows into the greenback.

History Lesson

The 10-Year Treasury yield's performance in 2011



Source: Treasury Department

But if the trouble is in the U.S., it is easy to imagine that Treasurys and the dollar might not be so appealing. Say, for example, that internecine conflicts make it so that House Republicans can't raise the debt ceiling without Democrats' help, and the process of trying to hash out a bipartisan agreement takes too long. If the U.S. government guarantee on Treasurys becomes suspect, investors could look for someplace safer for their cash.

Ray Dalio of Bridgewater Associates, the world's biggest hedge fund, has suggested the best protection against the prospective risks from the debt-ceiling negotiations and North Korea isn't Treasurys or the dollar, but gold. "[I]f you don't have 5%-10% of your assets in gold as a hedge, we'd suggest that you relook at this," he wrote in a recent LinkedIn post.

Another option that wouldn't have been on the table until recently is the euro. The euro counts as the world's second-most-important currency, and euro-area financial markets are highly liquid. Plus, with Europe's economy no longer as fragile as it was a couple of years ago, investors ought to be more comfortable stashing their money there.

Investors may still stick to their old scripts. During the debt-ceiling imbroglio in the summer of 2011, when the S&P 500 fell 16% in just two weeks, the dollar gained ground against other currencies, and Treasury prices rose. Similarly, at the height of the 2008 financial crisis, investors flooded into Treasurys and the dollar, even though the U.S. was ground zero for the trouble. Habits can be hard to break.

—Justin Lahart

What Is Best Kind of Deal for Fiat Chrysler?

Fiat Chrysler Automobiles seems more likely to be broken up than sold to a Chinese company—and even a breakup is no sure bet.

The American-Italian car maker's shares surged 8.5% Monday in New York on an unconfirmed report in Automotive News, a Detroit-based trade paper, that it had rebuffed a bid from an unnamed Chinese peer.

It is plausible that a Chinese car maker would want to buy FCA. Chinese companies went on a buying spree last year in both the U.S. and Germany.

It is less plausible that FCA would sell out. Chief Executive Sergio Marchionne is known as a deal maker, having famously tried and failed to engineer a merger with General Motors.

But a Chinese takeover would come with big political risks.

The Committee on Foreign Investment in the U.S. has appeared to toughen its stance under the Trump administration, while the European Union is also reportedly drafting new rules on takeovers.

With a raft of iconic brands on both sides of the Atlantic—from Jeep to Fiat and Chrysler to Maserati—FCA would be a highly public test case.

A different kind of deal seems more likely.

The success of FCA's Ferrari spinoff, which has outperformed Tesla this year and is worth more than its former parent, has raised hopes of a sequel involving another FCA subsidiary. The most likely candidate in the short term is Fiat's car-parts business, Magneti Marelli.

At little more than four times forward earnings, FCA stock looks deeply undervalued.

But that value may be harder to crystallize than Monday's share-price jump implies.

—Stephen Wilmot

Consumers Spend but Not in Stores

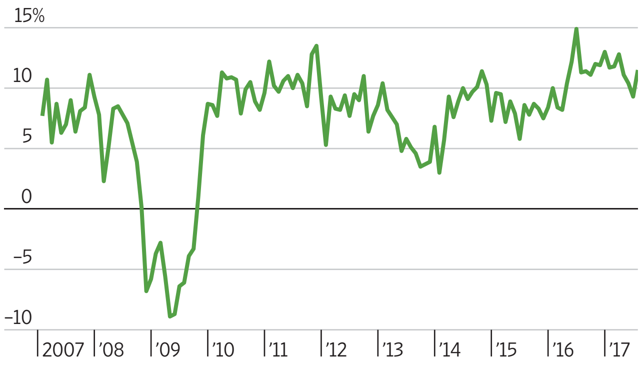
Bad news for struggling U.S. retailers: Consumer spending is looking decent, but it isn't showing up in their stores.

Americans have been in a spending mood. The Commerce Department on Tuesday reported that retail sales rose 0.6% in July from June—better than the 0.4% gain economists had expected. June sales were revised higher. The new figures bat away concerns that consumer spending was shifting into a lower gear.

But you wouldn't know that from looking at the recent results at many retailers. Last week, shares of department stores **Macy's**, **Kohl's** and **Dillard's** all fell sharply after their quarterly reports failed to assuage investors' worries about their deteriorating sales. On Tuesday, **Dick's Sporting Goods** stock tumbled after same-store sales came in well short of estimates, and shares of **Advance Auto Parts** dropped hard on its disappointing results.

Online Onslaught

Change in sales at nonstore retailers from a year earlier



Source: Commerce Department

THE WALL STREET JOURNAL.

Market-share losses to **Amazon.com** and similar companies remain a big part of retailers' problem. Sales at nonstore retailers—a category that includes many online retailers—rose 1.3% last month from June and were up 11.5% from a year earlier.

Retailers that sell items that so far have proved more difficult to sell online have done better. For example, sales at building-material and garden-equipment stores have been strong, according to the Commerce Department, something that was reflected in **Home Depot**'s results Tuesday. (Nonetheless, Home Depot's shares fell.)

Another problem is that with wages growing only slowly and low inflation ingrained in consumers' expectations, retailers have little scope for raising prices. On top of that, a decline in the saving rate suggests that Americans have little ability to spend at a faster pace than they are now.

Put differently, this might be as good as it gets for retailers, yet many of them are struggling. Look out below when the going actually gets tough.

—Justin Lahart

OVERHEARD

Until its legalization in several states, marijuana and the stock exchange were like oil and bong water.

Now, though, dozens of companies are listed on U.S. exchanges that profit from cannabis directly or indirectly.

The gold rush in that industry has had predictable results: some questionable companies that stink up the joint for the rest.

Now, however, arguably the oldest and best-known name in the business will find itself on the Nasdaq Stock Market.

That would be **Hightimes Holding** Corp., the publisher of the eponymous stoner magazine.

In business for over four decades, it has published a number of pieces by authors including Truman Capote, Hunter S. Thompson, Charles Bukowski and William S. Burroughs.

Unfortunately, Hightimes Holding won't be able to grab a giggle-inducing ticker symbol like BUDZ, WEED or HEMP, and not just because those tickers are already taken on the exchanges.

The company is using a special purpose acquisition vehicle called **Origo Acquisition** Corp., ticker symbol OACQ. Total buzz kill.